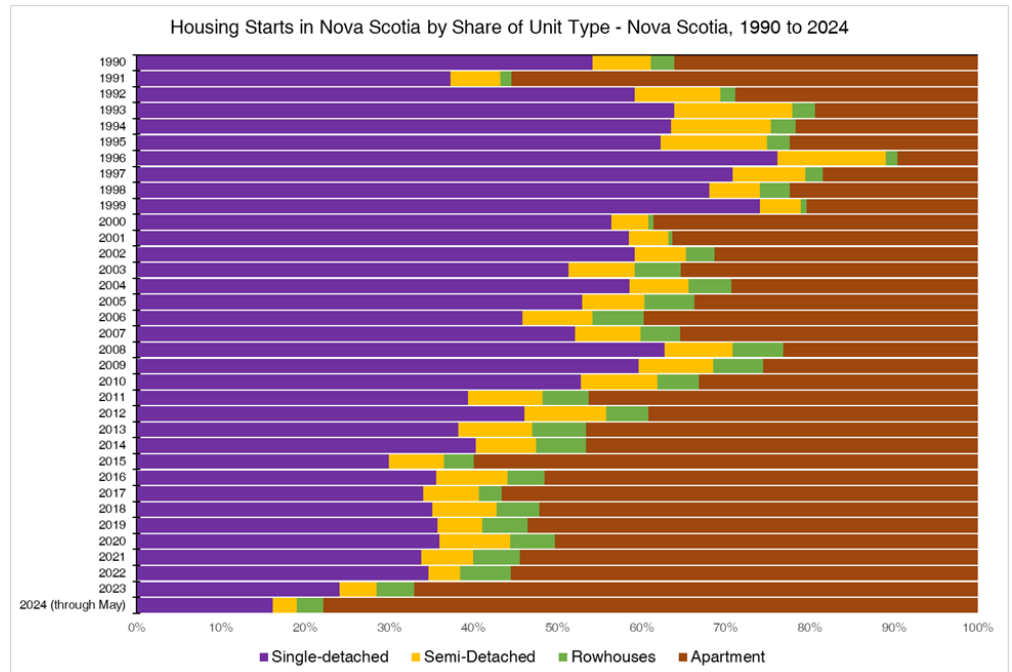


## The Changing Face of Atlantic Canada Housing



Immigration into Atlantic Canada from elsewhere in the country, as well as abroad, has placed pressure on the area's housing stock, increasing prices and forcing many people to delay purchasing single family homes in favour of rental housing. Apartment rents too have escalated rapidly over recent years. However, this cannot simply be laid at the door of newcomers to the region. The Baby Boomer generation (those born during the period 1946 to 1966), resulting from the impact of the Second World war, continue to influence rental apartment demand. The oldest Boomers started to retire in 2011 and by 2016 Statistics Canada was projecting that there would be twice as many seniors in 2036 as there were just twenty years earlier. We looked at this situation in our [June 2016 TDP Trends \(Vol. 1 No. 13\)](#) noting that the senior population (aged 55+) was projected to grow fastest in urban areas due to medical, financial, family and lifestyle circumstances. That has been exacerbated in Canada, as in all developed (and developing) countries, by population shifts from rural to urban areas. That trend is expected to continue; indeed, our country still has some way to go on that journey.

In our [February 2019 TDP Trends \(Vol. 1 No. 29\)](#) we looked at the transition of the Baby Boomers from home owners to apartment renters and noted that home ownership peaks in the 55 to 59 age bracket, plateaus for another 10 years, starts to decline at age 70, and hits bottom at age 75. The rental market is the obverse side of this coin. As they age into retirement the attractions of cutting the lawn in the summer and shoveling the driveway in the winter lose their appeal. The majority of the Baby Boomers started edging into the rental market at age 60, hit their stride at age 70 and peaked at age 75. They then start moving out of the rental market at an escalating rate as they succumb to mortality or move into extended care facilities. Their major impact on increasing rental demand is from age 70 to 75. The first wave of Boomers reached age 75 (peak rental demand) in 2021 and (in the main) will start to recede in 2031. The last of the Baby Boomers will reach age 75 in 2041 and exit rental apartments in favour of extended care by 2051. Since the Boomer population is "front loaded", peak demand will be closer to 2026 than 2031. They will amplify the rental demand from the 20 to 29 age group, non-permanent residents (university students and skilled workers), immigrants, intra-provincial migrants (moving from rural to urban areas) and inter-provincial migrants. There may be a temporary hiatus in this demand however following the Federal Government's decision to cut back on study visas for international students earlier this year by 35% (country-wide) from last year. A further 10% reduction is promised for next year. Although this was intended to reduce immigration resulting from applications for "fake" higher education qualifications, its impact in Atlantic Canada largely affects genuine university programs with 2,983 study visas denied this year (Newfoundland 747, Nova Scotia 2,091, Prince Edward Island 143, New Brunswick

# T R E N D S

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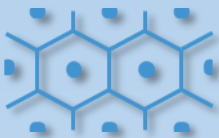
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2), a 11.4% drop according to the Association of Atlantic Universities. This will put a dent in the Region's efforts to replace its dwindling population in the future... well possibly not in New Brunswick!

Most areas in Atlantic Canada reflect this increased transition to rental apartment housing (see graph above) and this is reflected in rapidly increasing rents and, in some cases, provincial rent control legislation to limit them. However, in areas such as Halifax Regional Municipality (HRM), rental increases were suppressed by competition prior to 2016 and the majority of landlords were reluctant to raise rents in line with the inflation rate. Most rents during the pre-2016 period were therefore eroded by inflation. However, once demand pressure built up, the dam burst and we have thus witnessed subsequent large rental increases... some of which are playing "catch-up". This trend was lent impetus by single family home prices which had actually started to grow rapidly from 2018 onwards and placed them out of reach of many new time buyers, something we looked at in our [Summer 2021 Newsletter \(Vol. 2 No. 122\)](#).

## Conclusion

Rental housing demand emanates from many sources, not just immigrants into the Region. Baby Boomers will continue to be a disruptive force that will reach peak rental demand in 2026... and will start to recede after 2031.

🌐 Our [Economic Intelligence Unit](#) undertakes primary and secondary research to provide clients with practical real estate solutions to problems they face in today's rapidly changing world (market surveys, site selection, trade area analysis, supply & demand analysis, demographic reports, impact and economic analysis). For more information contact Jigme Choerab, EIU Manager by email at [jchoerab@turnerdrake.com](mailto:jchoerab@turnerdrake.com) or 1-800-567-3033 Ext. 323.

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