

Rental Market Demographics: Understanding the Changes in Today's and Tomorrow's Tenants

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Canadian Apartment Investment Conference
September 10, 2015

Strategic Projections Inc.

More than a quarter century of economic-demographic assessments-projections

We prepare base case projections for Canada and the US

Our projections cover provinces, states and metro areas within

We develop customized assessments-projections as needed by clients

(specific geographic areas, selected industries, particular occupations, etc.)

Our clients are in both the private and public sectors

Our projections used as background to consideration of major investments

They also used in official planning, land planning, workforce strategy development

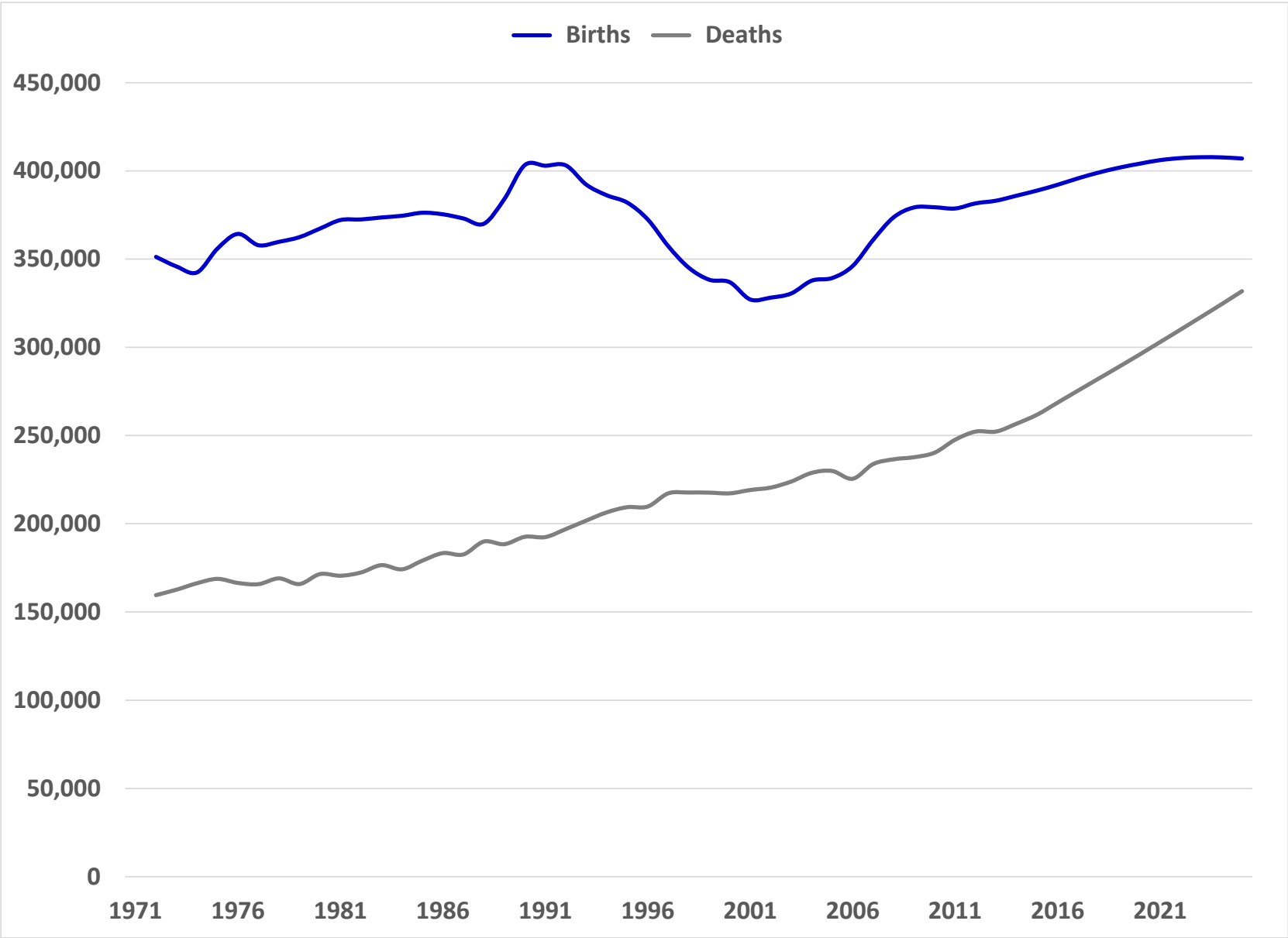
Rental Market Demographics: Understanding the Changes in Today's and Tomorrow's Tenants

Key demographic and economic trends

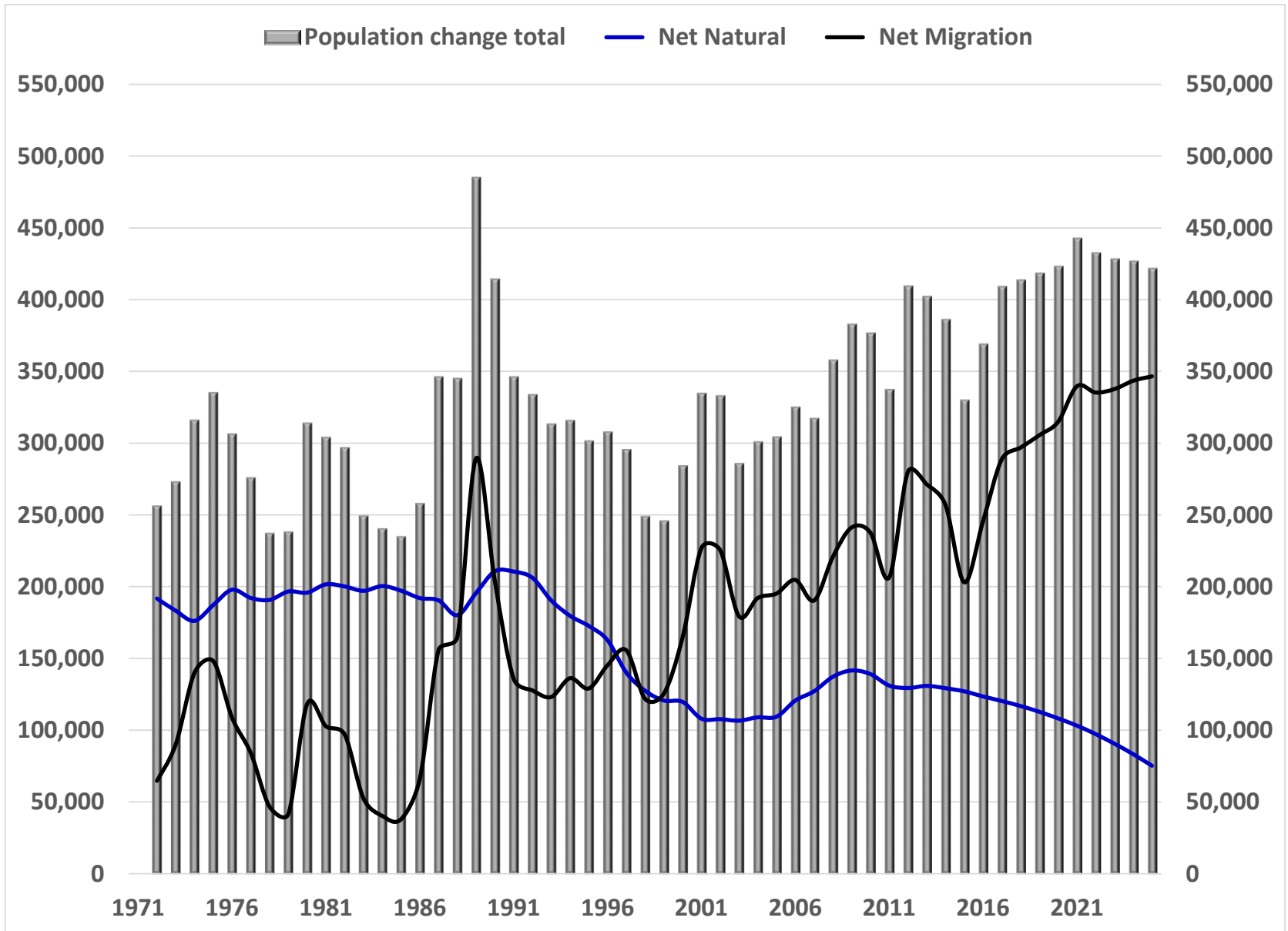
Canada's future is tied to that of the United States
The US economy will grow over the next decade
But it will grow at a gradually declining rate

The Baby Boomers in Canada did not replace themselves
The total fertility rate has been below the replacement rate for 50 years
Job growth will be positive from now through 2025
We do not have enough Canadian youth to fill all the jobs that will emerge
Most of the working Baby Boom generation will retire by 2031
Immigration must fill the emerging job gap if we are to reach our potential

Canada: Births and Deaths 1971 to 2025



Canada: Sources of Population Growth 1971 to 2025



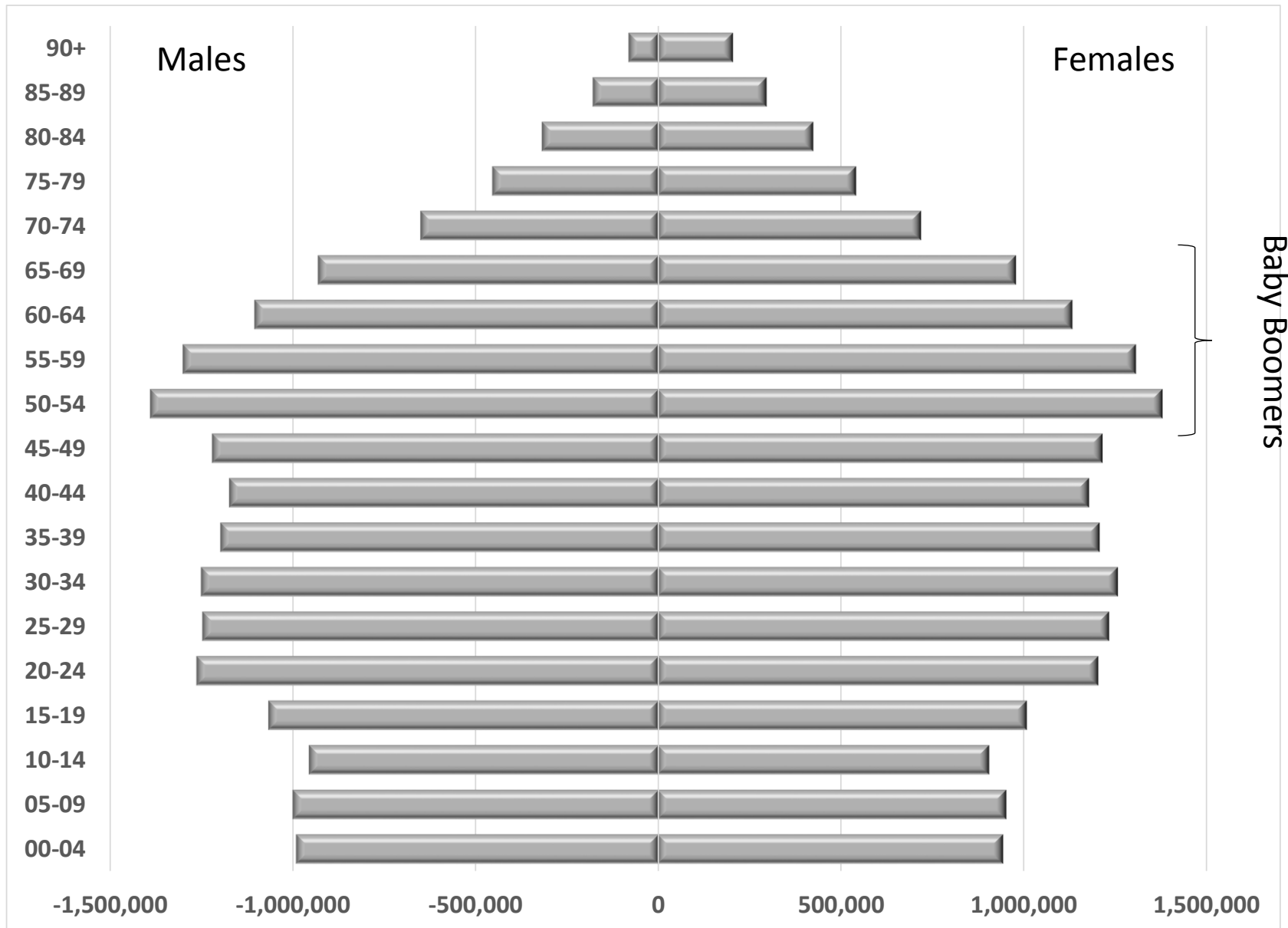
Key demographic and economic trends

Over the next ten years:

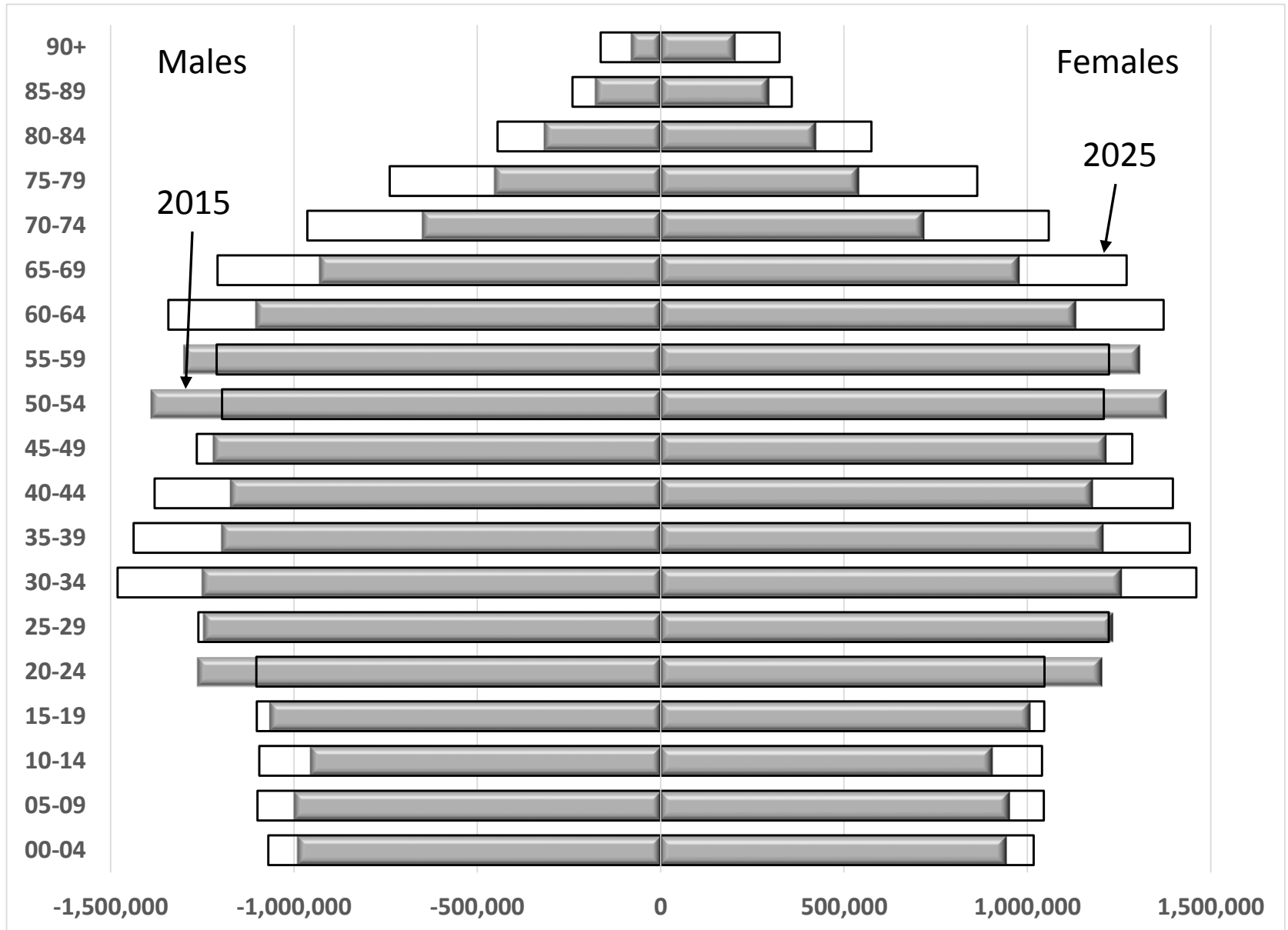
Due to the aging of the Boomers those 65 and over will grow significantly
Migrants – the mobile people internationally and domestically – are young
Most are between the ages of 20 and 40

These two factors will combine to alter the age profile of the population

Canada's Population by Age and Gender in 2015



Canada's Population by Age and Gender in 2015 and 2025



Projected Change in Canada's Population by Age 2015 to 2025

Age Category	Period Born	2015	2025	Change
Total Population		35,870,400	40,055,500	4,185,100
Persons 00-19	After 1995	7,822,400	8,512,600	690,200
Persons 20-24	1990 to 1995	2,466,100	2,149,100	-317,000
Persons 25-34	1980 to 1990	4,987,500	5,424,300	436,800
Persons 35-44	1970 to 1980	4,756,600	5,657,200	900,600
Persons 45-54	1960 to 1970	5,204,100	4,955,700	-248,400
Persons 55-64	1950 to 1960	4,843,300	5,147,500	304,200
Persons 65+	Before 1950	5,790,400	8,209,100	2,418,700

Between 2015 and 2025:

The total population will grow by 4.2 million

Those over 65 will grow by 2.4 million (aging Boomers)

Persons 35 to 44 will grow by 900,600 (immigrants)

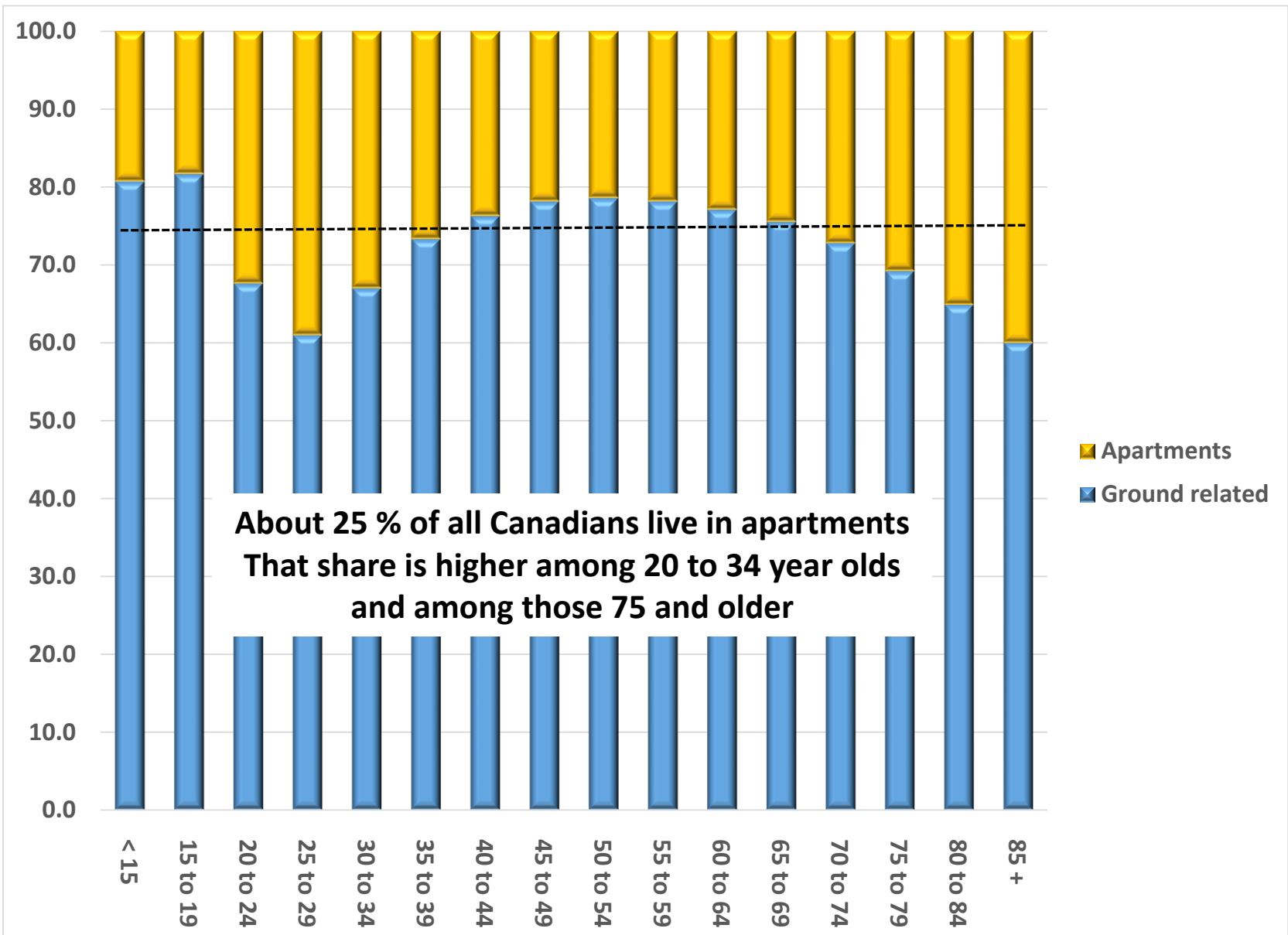
Persons 25 to 34 will grow by 436,700 (immigrants)

Persons 45 to 54 will decline by 248,400 (aging Boomers)

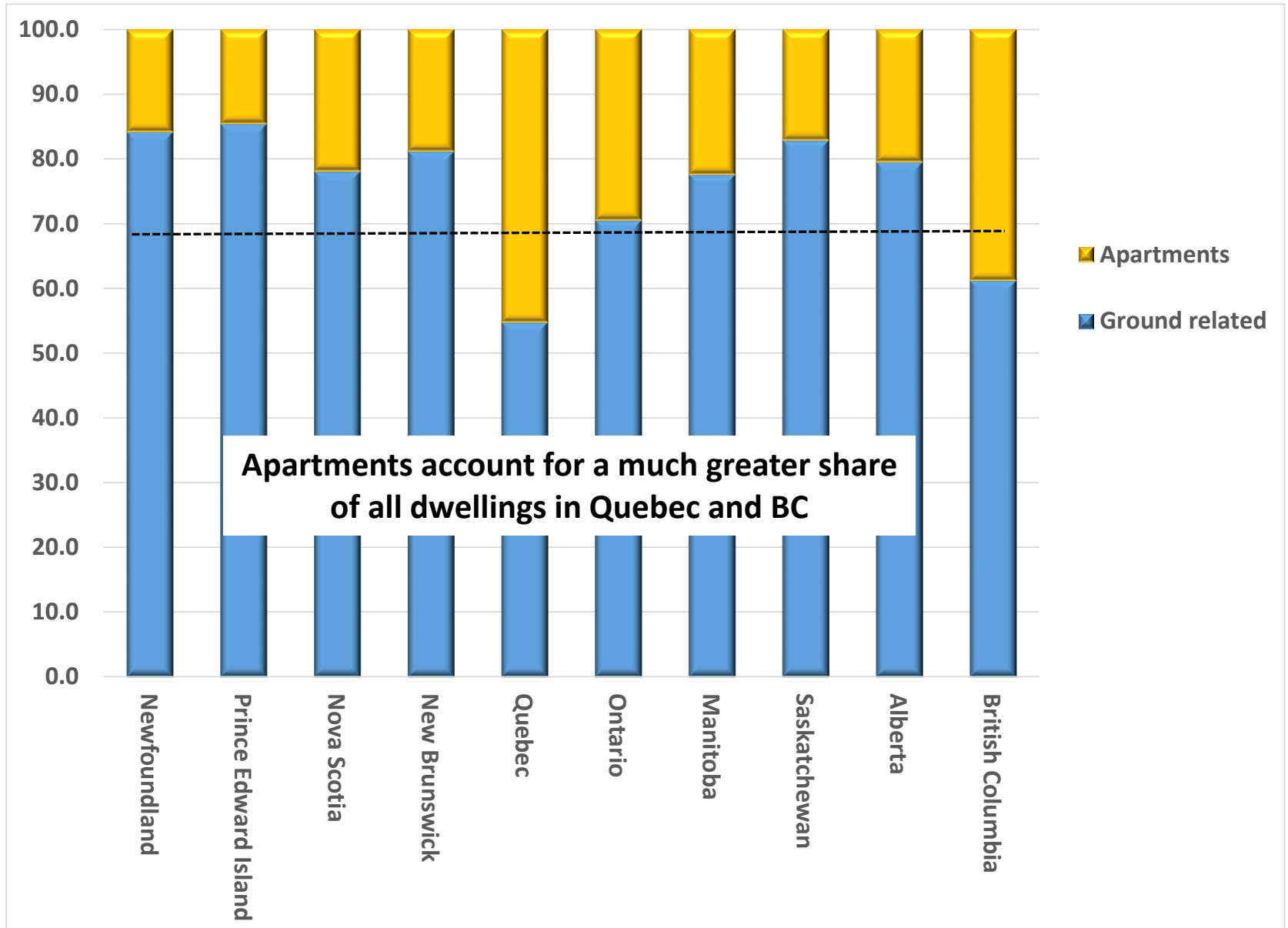
Persons 20 to 24 will decline by 317,000 (mix of reasons)

Persons under 20 will grow by 690,200 (offspring of echo and of immigrants)

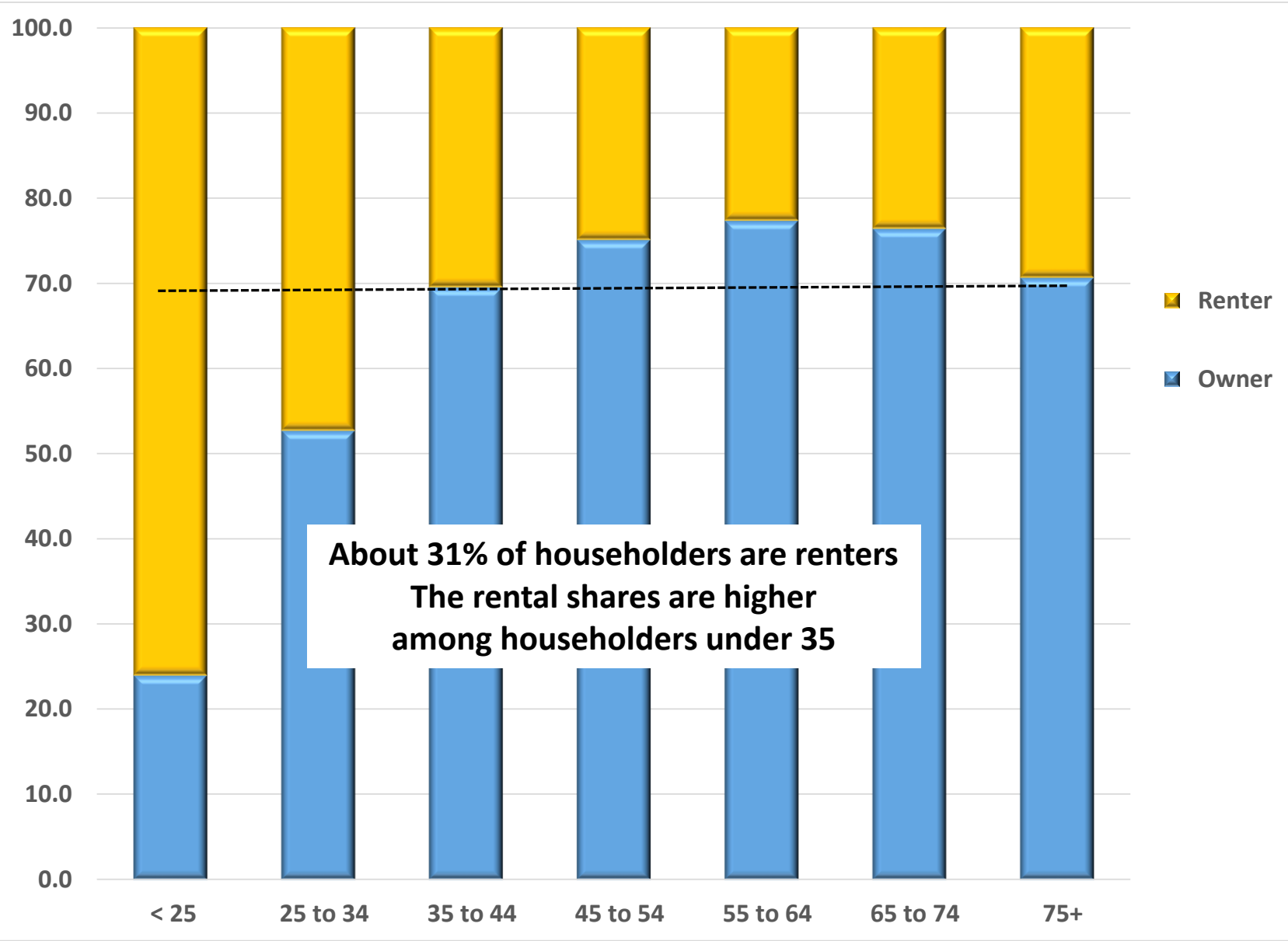
Canada: % Share of Population by Age by Type of Accommodation 2011



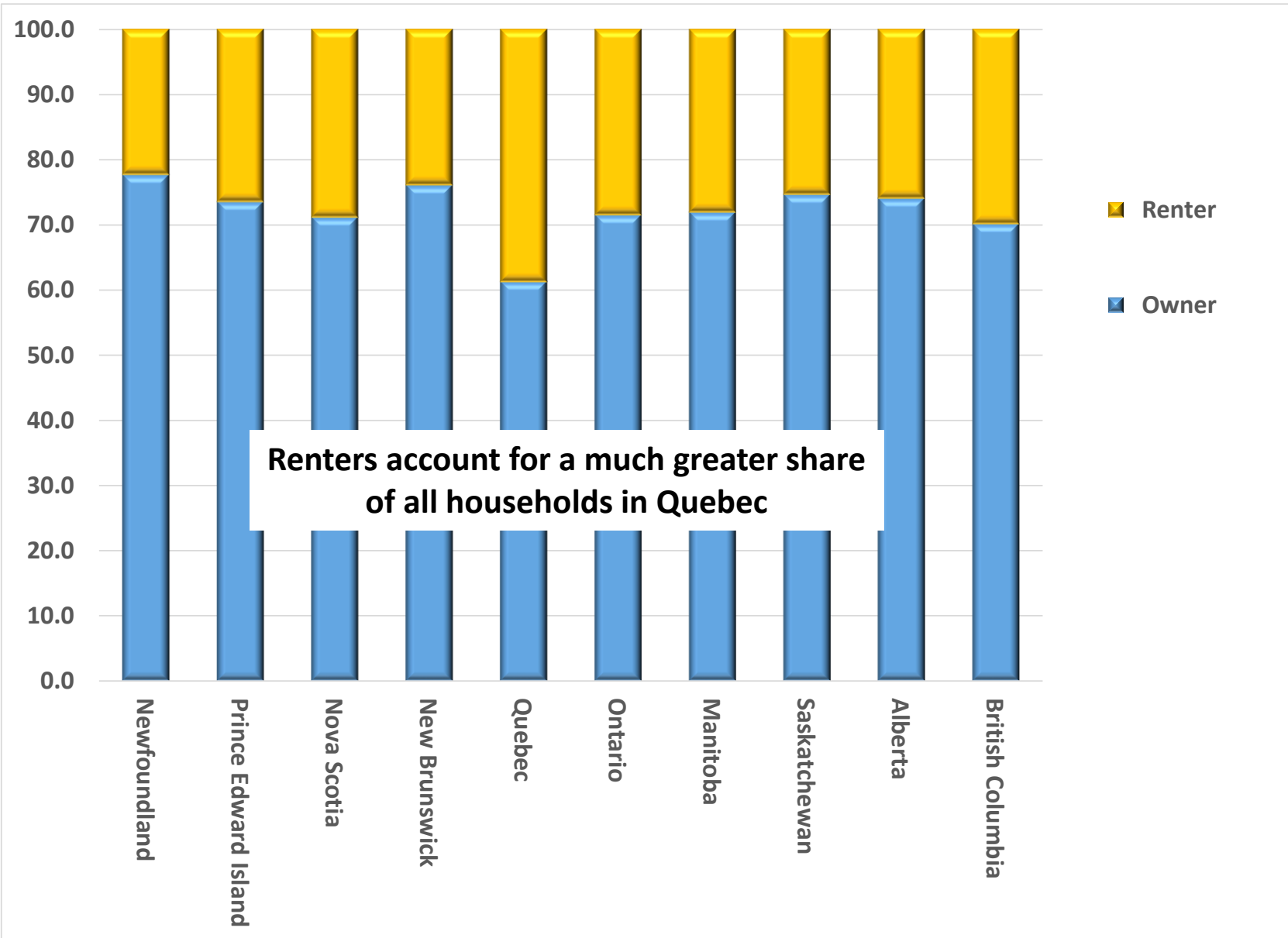
Provinces: % Share of Dwellings by Structural Type 2011



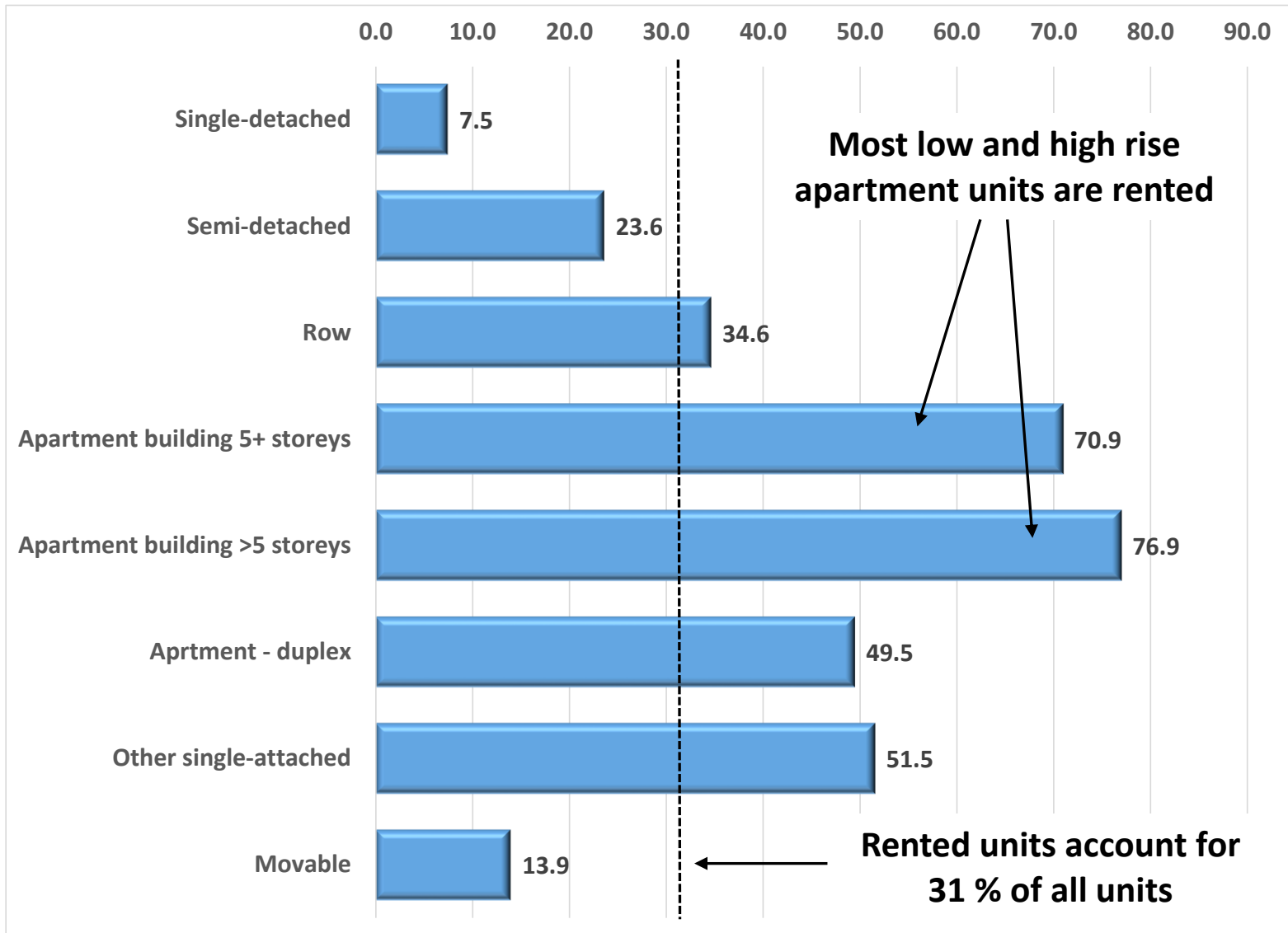
Canada: % Share of Households by Tenure 2011



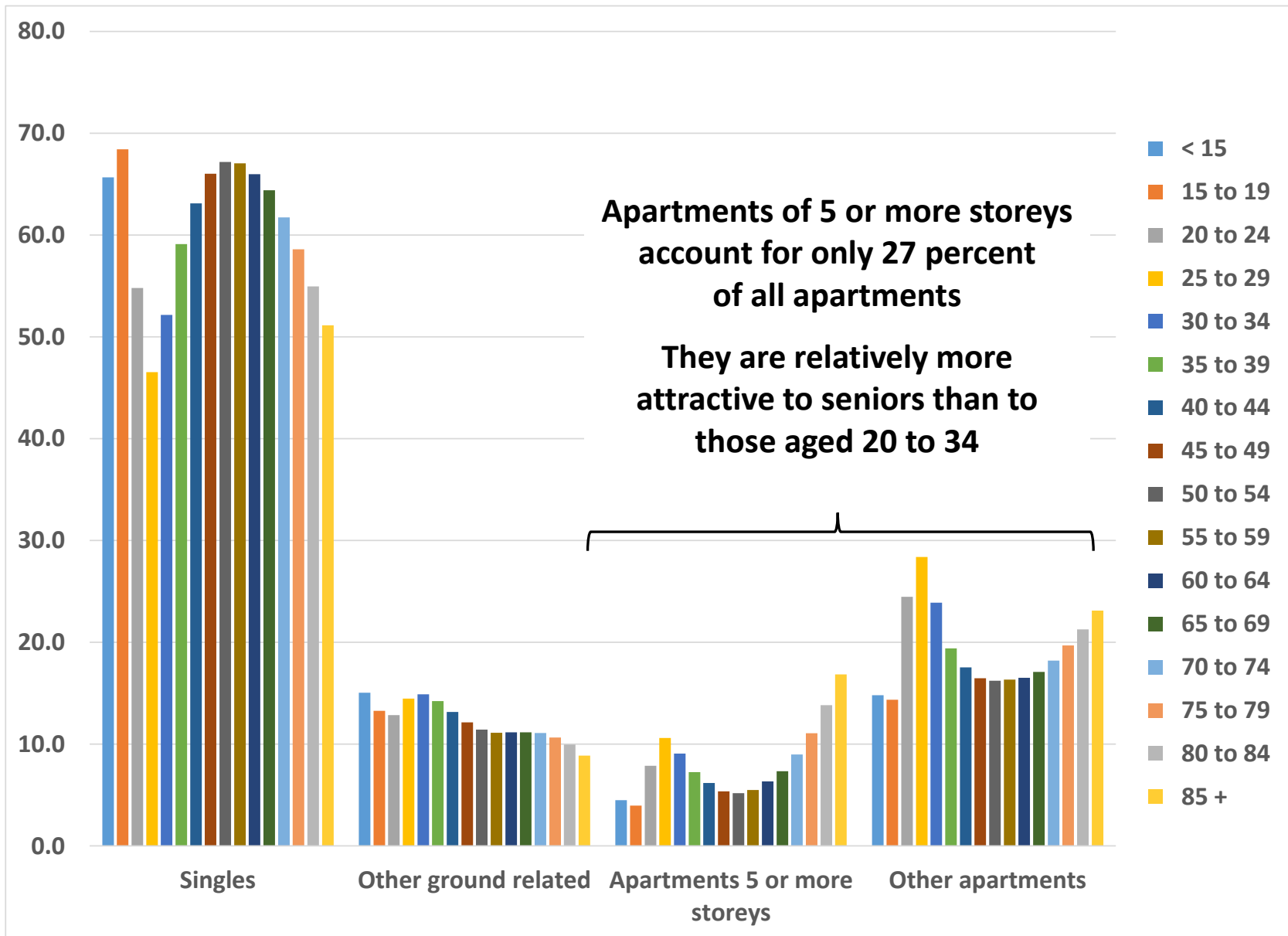
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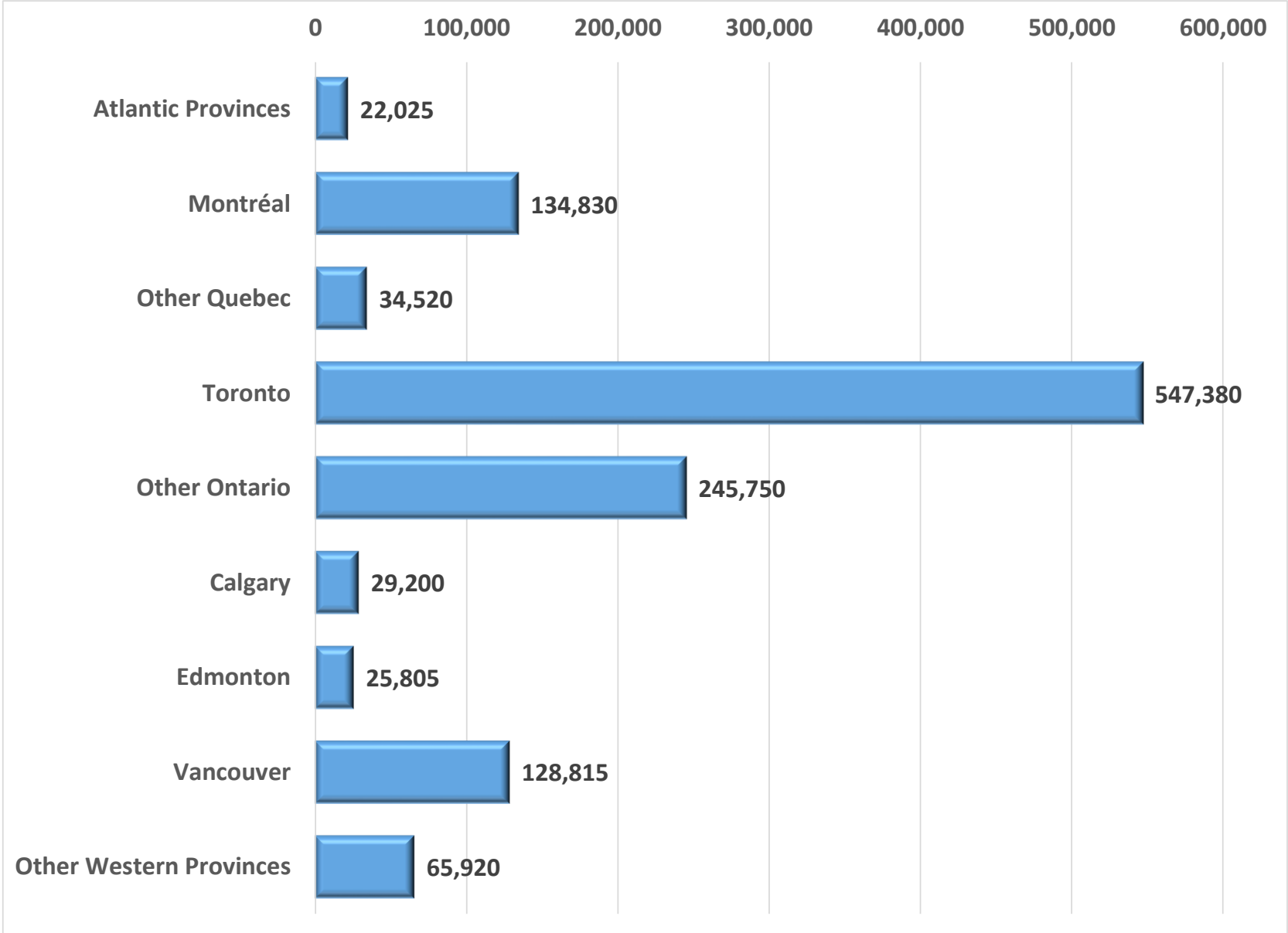
Canada: % Share of Renters by Dwelling Type 2011



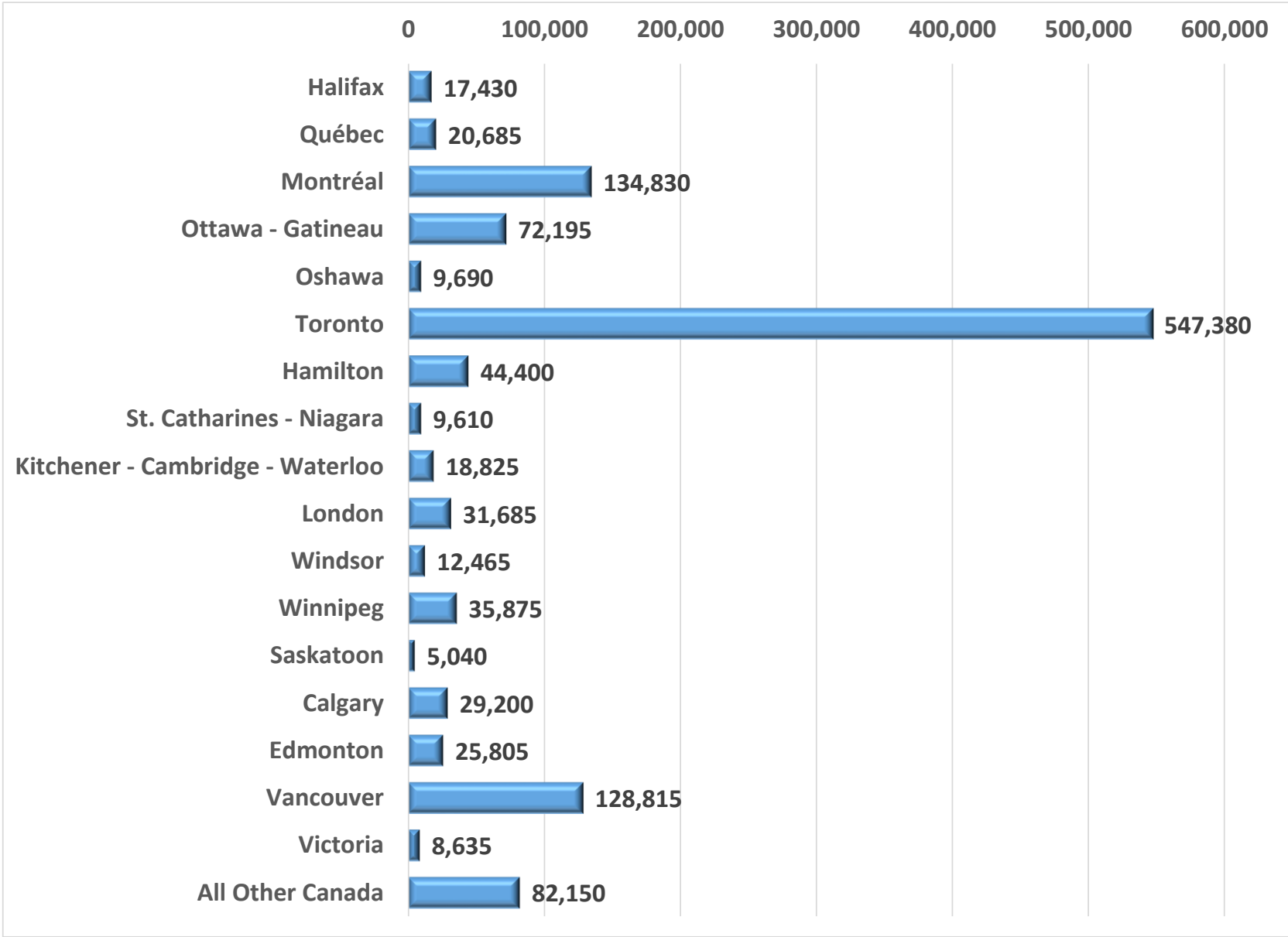
Canada: % Share of Population by Age and Accommodation Type 2011



Apartments of 5 or More Storeys by Major Metropolitan Area 2011



Apartments of 5 or More Storeys by Metropolitan Area 2011



Implications for the rental market

Significant growth in the population of those 65 and over suggests strong growth for apartments of 5 or more storeys

Immigrants will result in growth among those aged 20 to 40, a group that typically rents but less so apartments of 5 or more storeys

Most of the growth in demand for apartments of 5 or more storeys will occur in the major metropolitan areas

These trends are supported by current planning policies which favour densification, especially in downtown areas