

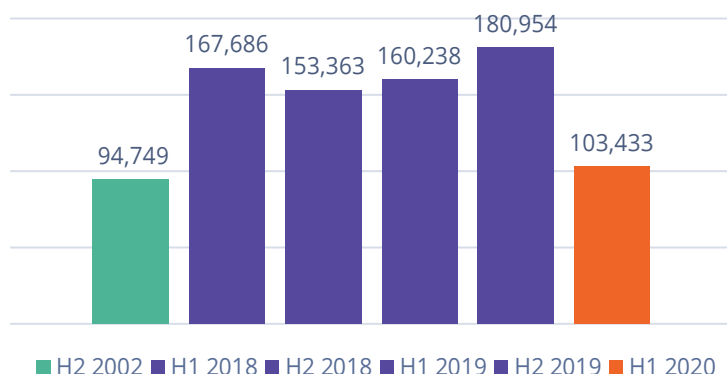
The Impact of Immigration on Multifamily

In Alberta, international migration was the largest contributor to population growth over the 2019-2020 recording period, accounting for 0.76% of the total 1.38% increase.¹ That international immigration pushed Alberta to having the highest population growth rate amongst all the major Canadian markets.² Historically, Canada has relied on immigration to fill in labour gaps amongst a variety of sectors, and that is especially true for Alberta.

Individuals and families that immigrate to the country require a place to live and typically turn to multifamily assets to find a home, as they are generally unable to purchase a house right away and will opt to rent until they are settled in. With that in mind, the Federal Government's recently announced plan to bring more than 1.2M immigrants into Canada within the next 3 years will undoubtedly be a massive boost to the multifamily sector.³

The plan specifically aims to bring in over 400,000 new residents at the end of each of those three years, starting in 2021. While specifics have yet to be announced, and critics have argued that the figures aren't achievable without a plan, it is encouraging to know immigration is on the government's radar, particularly because of the drastic reduction in traffic due to COVID-19. For context, the first half of 2020 saw the lowest immigration totals in Canada since approximately the second half of 2002.⁴

Semi Annual Immigration Totals



Even though there is an unemployment rate across Canada of 8.9% as of October 2020, an increase of 3.3% since the year prior, certain sectors still have numerous job vacancies that continue to grow.⁵ Further, when COVID hit, immigration applications came to a standstill, meaning there are roughly six months worth of applications to be processed the moment restrictions are lifted. Given the positive impact the immigration labour force has on the Canadian economy, primarily by filling those types of job vacancies, we can be confident that the Federal Government will do everything they can to deliver on their 1.2M promise.

When, not if, this plan is put into action, we expect there to be an immediate spike in multifamily demand. While other major markets might have difficulty accommodating the entirety of this demand due to already tight vacancy rates and lack of new development space in prime areas, Alberta is in a position to handle that wave of demand given the availability of existing assets and potential for new developments to begin. Reach out to our multifamily experts for more information on what to expect in this sector moving forward.



Source

- 1: Open Alberta's Annual Population Report 2019-20
- 2: Major markets defined as provinces with populations greater than 4 million people: Alberta, British Columbia, Ontario, Quebec
- 3: <https://www.cbc.ca/news/politics/mendicino-immigration-pandemic-refugees-1.5782642>
- 4: Stats Canada Table 17-10-0040-01 Estimates of the components of international migration, quarterly
- 5: Stats Canada Table 14-10-0287-03 Labour force characteristics by province, monthly, seasonally adjusted

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