

Immigration and Real Estate

Vancouver REIN Workshop – March 25, 2010

Immigration and Its Impact on the Real Estate Investor

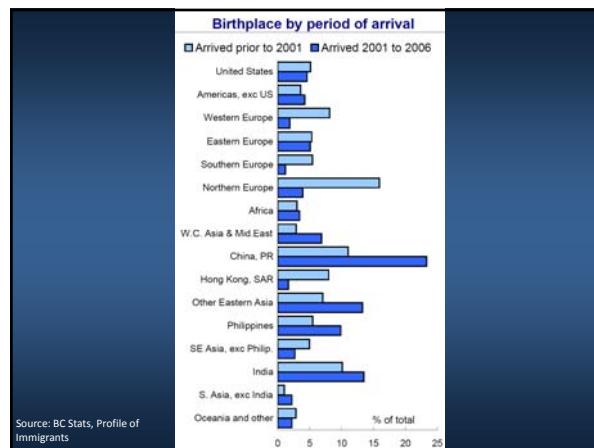
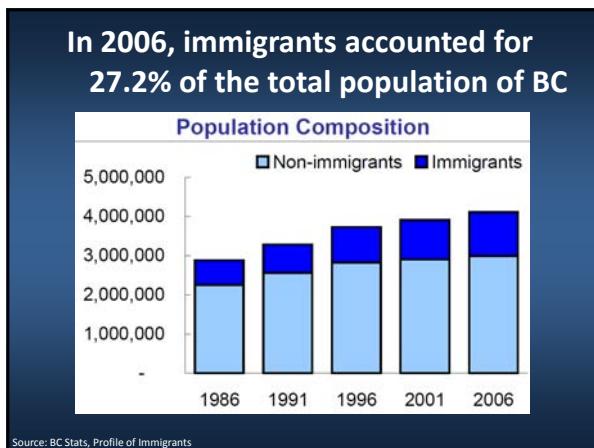
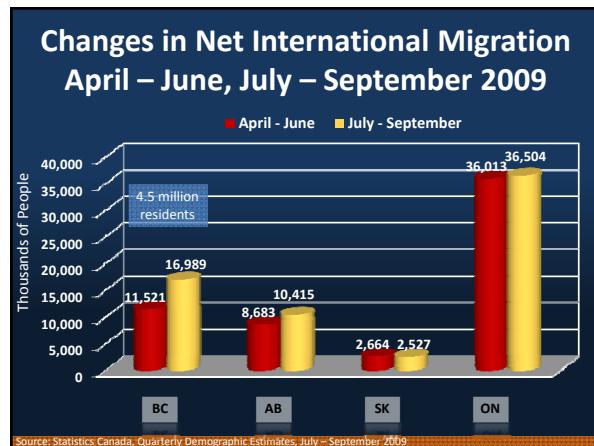
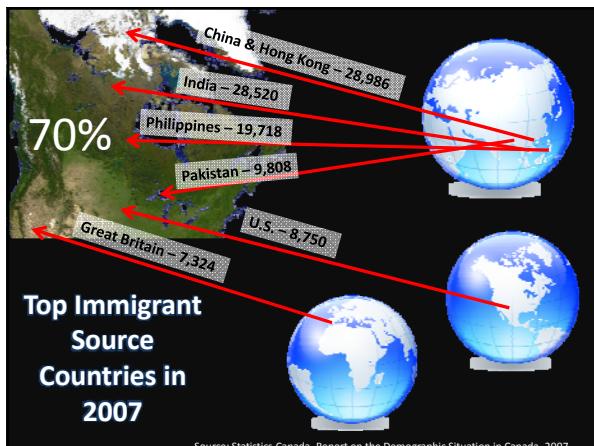
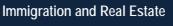
Melanie Reuter, MA
Manager, Research & Executive Office



On the need for more Foreign Workers....

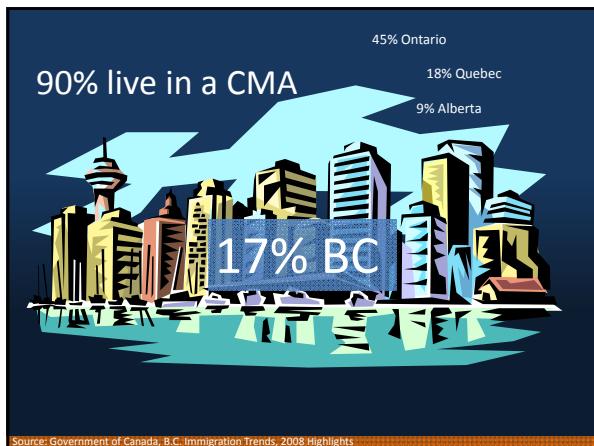
“Help Wanted’ signs are everywhere. When it starts to affect our ability to go to Tim Horton’s and get a double-double, it ceases to be a laughing matter.”

Then Immigration Minister Monte Solberg (November 2007)



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Urban Areas with the Largest Proportion of Immigrants, 2006

Rank	City	Per cent Immigrants
1	Toronto, ON	45.7%
2	Vancouver, BC	39.6%
3	Hamilton, ON	24.4%
4	Abbotsford, BC	23.7%
5	Calgary, AB	23.6%
6	Windsor, ON	23.3%
7	Kitchener, ON	23.1%
8	Montreal, QC	20.6%
9	Guelph, ON	20.4%
10	London, ON	19.3%

Source: Statistics Canada, Census 2006



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Top Regions Emigrated from (2006)	
Region	Numbers
Southern Asia	15,715
Eastern Asia	15,190
Southeast Asia	6,490
Africa	3,290
West Asia & the Middle East	3,055
South America	3,005
Europe	2,095
Caribbean & Bermuda	2,050
Central America	655
United States	505
Oceania	40

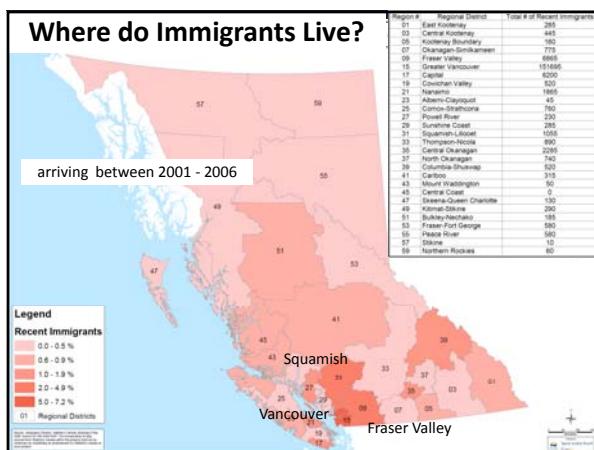
BC Immigration Trends

- China, India and the Philippines were the top three source countries of immigrants in 2008
- Accounted for nearly half (46.3%) of all immigrant landings.

Source: Government of Canada, B.C. Immigration Trends, 2008 Highlights



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- Vancouver had surpassed New York (36.5%), Los Angeles (34.5%), and Sydney (31.7%) and Melbourne (29.5%) for proportion of foreign born people in the population
- 45% of the population is officially made up of immigrants

Source: Canadian Immigration Statistics, Immigration to Vancouver



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How does it impact your business of investing in Real Estate?

How international immigration affects you

- Immigrants account for 20% of low –wage workers
- According to the Urban Institute Immigration Studies Program, nearly 1/5 renter households are occupied by an immigrant family
- 1/2 of all newcomers in Montreal, Toronto, and Vancouver changed their address within the first 30 weeks of arrival



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General Characteristics of Household Patterns of Immigrants to Canada

- Live in much larger households than average Canadian household (3.7 persons compared to 2.5)
- Average family income is about \$10,000 less than average Canadian household income

Source: CMHC, Settling In: Newcomers in the Canadian Housing Market, February 2009

Renting is highest among West Asian and Arab immigrants and ownership is highest among Asian and southeast Asian.



Source: CMHC, Settling In: Newcomers in the Canadian Housing Market, February 2009

Top Source Countries of Immigrants to B.C. in 2008

Country	Number	Percentage
Mainland China	9,900	23%
India	5,474	12%
Philippines	4,997	11%
South Korea	2,903	7%
U.S.A.	2,655	6%
U.K.	2,315	5%

Source: Government of Canada, B.C. Immigration Trends, 2008 Highlights

368 sq. ft. / person vs 500 sq. ft. / person



However, home purchase can be facilitated by large households

Source: Joint Center for Housing Studies at Harvard University



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Vancouver Housing Market Characteristics

- ❖ Housing prices are highest in the country
- ❖ Rental market is slightly cheaper than Toronto
- ❖ Income is lower than Toronto translating to huge affordability issues

Source: CMHC, Settling In: Newcomers in the Canadian Housing Market, February 2009

Vancouver, Richmond, Abbotsford, Burnaby



The Levels of Impact of Immigration on Real Estate



Population of one million + 100,000 immigrants
= 10% increase in housing values and rents

Source: The Wharton School, University of Pennsylvania – Immigration and Real Estate Markets, April 2007

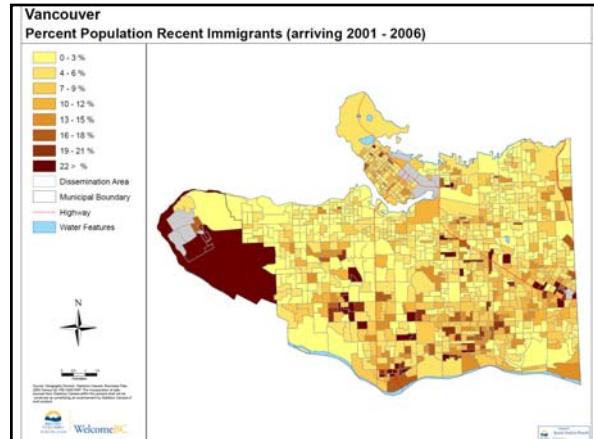
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Vancouver

- 2006 census counted 831,300 Canadian immigrants in the Vancouver CMA, an increase of 12.6%, compared with the growth rate of 2.3% in the Canadian-born population
- Second highest percentage of visible minorities in all of Canada (42%)

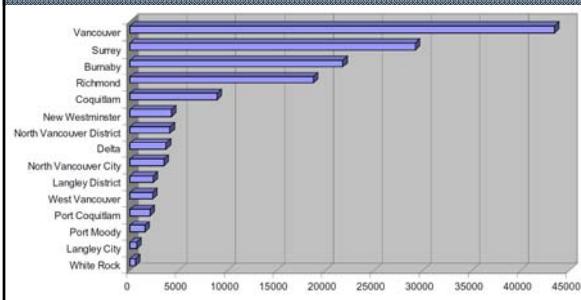
Sources: Canada's Immigration Lawyers, Immigrate to Vancouver, & Canwest News Service, April 2, 2008



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Greater Vancouver Destination Cities for Recent Immigrants



Sources: City of Richmond, Immigration Hot Facts



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- In the Vancouver CMA, 75% of recent immigrants lived in just four municipalities

Richmond
Vancouver

Burnaby Surrey

Sources: Statistics Canada, The Daily, December 4, 2007



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West Vancouver

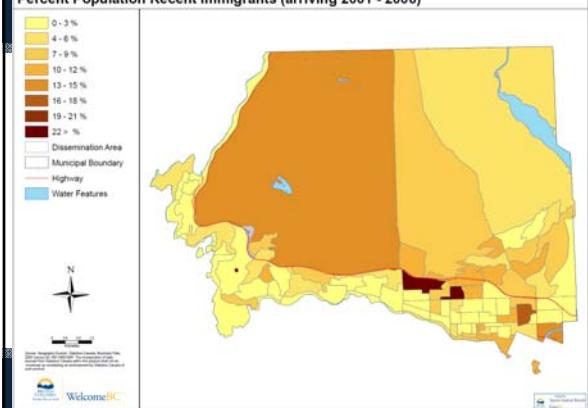


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West Vancouver

Percent Population Recent Immigrants (arriving 2001 - 2006)



West Vancouver

- 36.7% of the population is currently made up of immigrants
 - Increase of 1% from 2001
- Highest proportion of recent immigrants come from West Central Asia and the Middle East (26.3%)

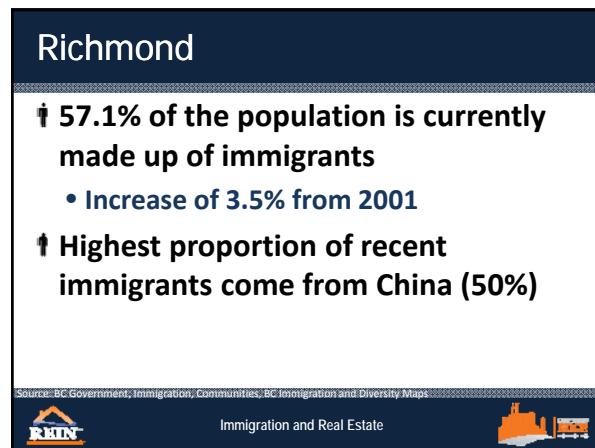
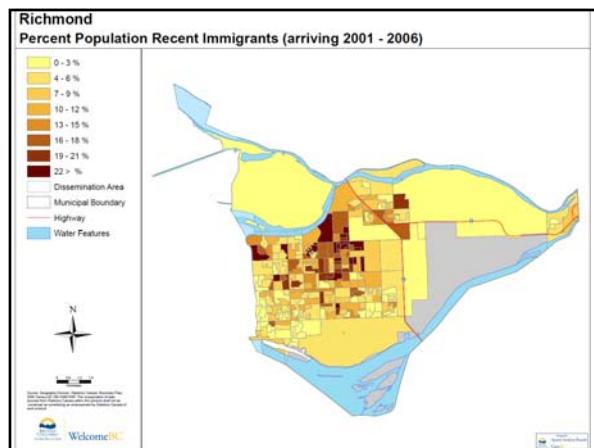
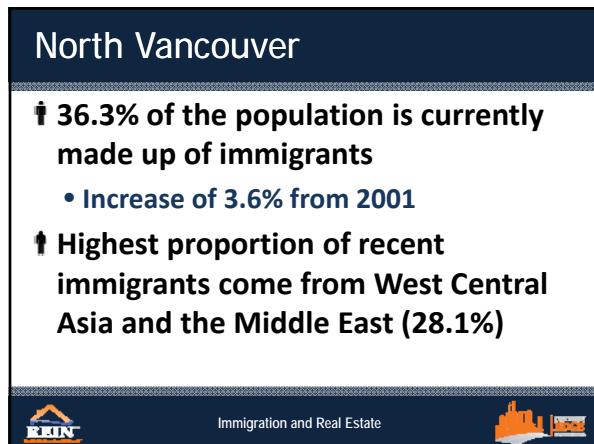
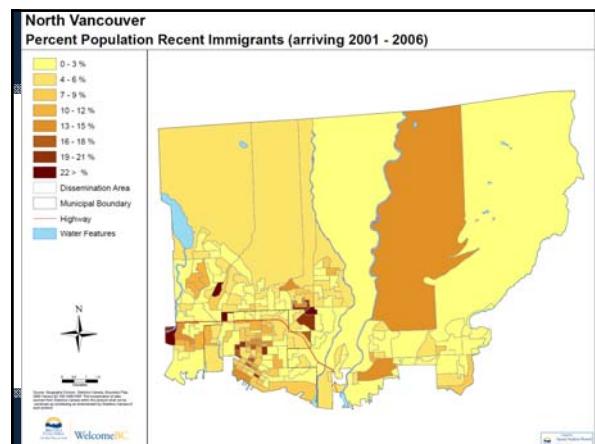
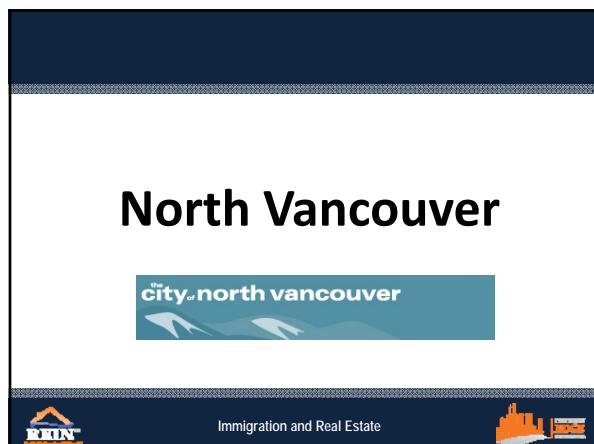


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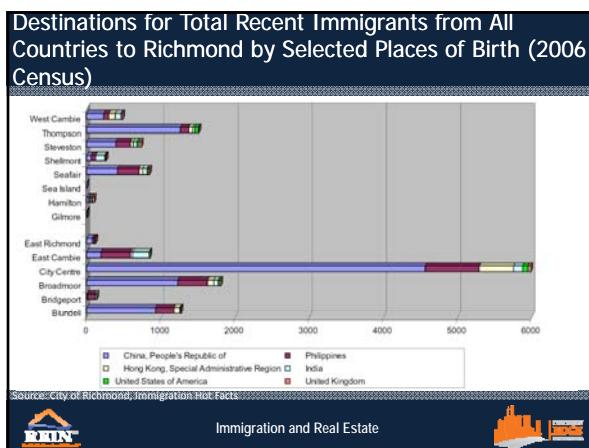
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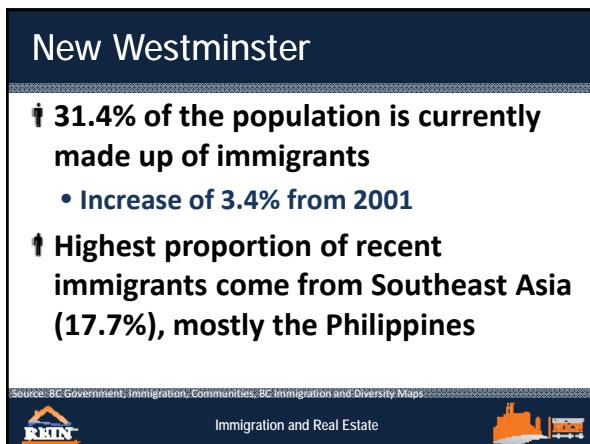
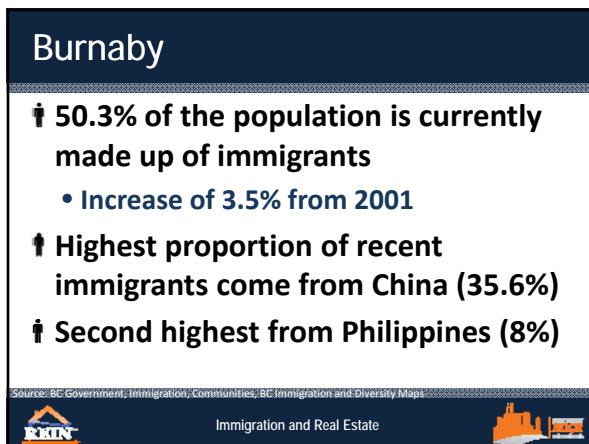
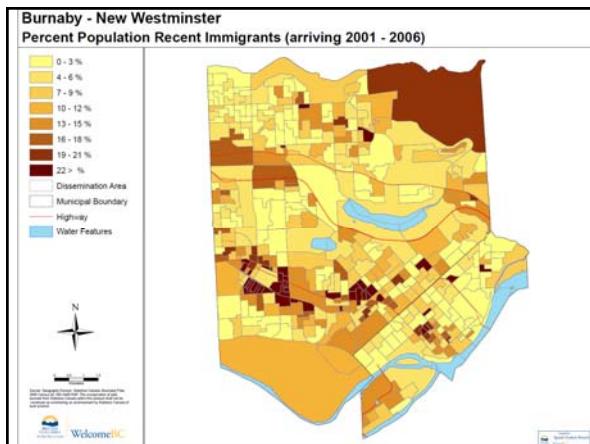
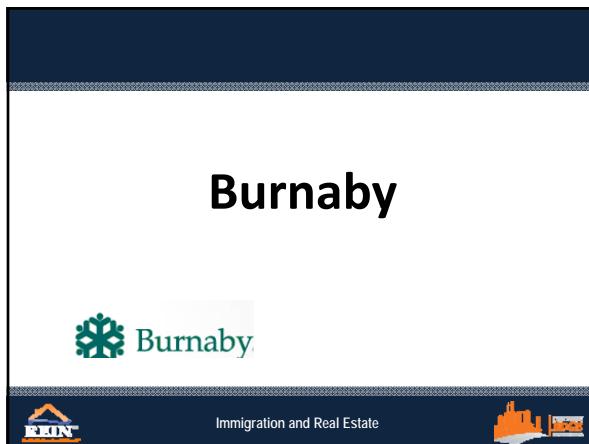


- Richmond's overall growth rate has slowed while immigration continues to climb
- Top three source countries for recent immigrants are China, the Philippines and Hong Kong
- The top three Planning Area destinations for recent immigrants are the City Centre, Broadmoor, and Thompson

Source: City of Richmond, Immigration Hot Facts

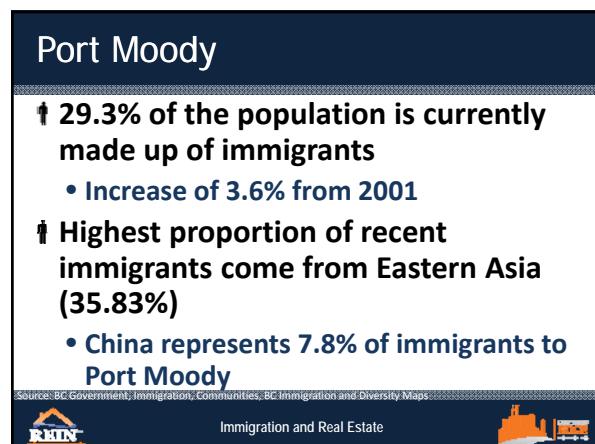
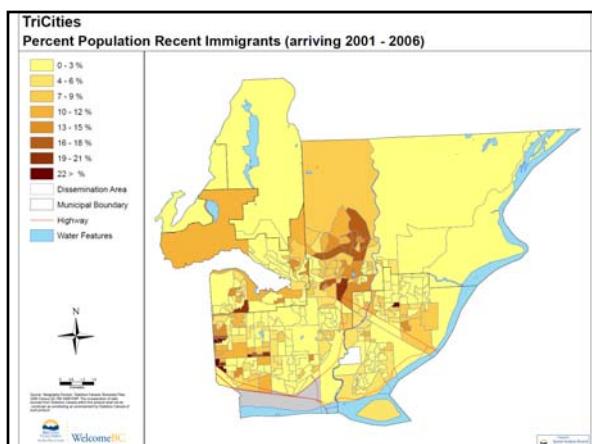
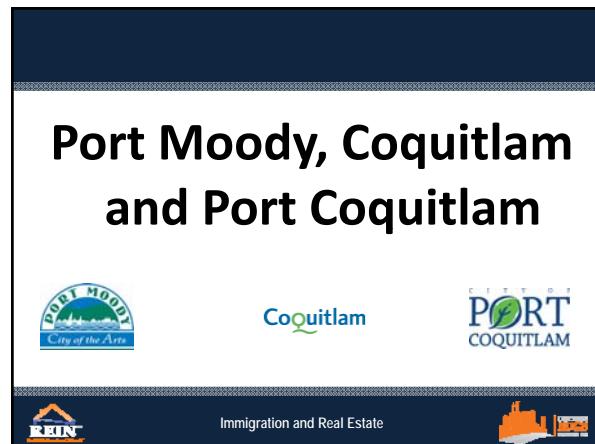
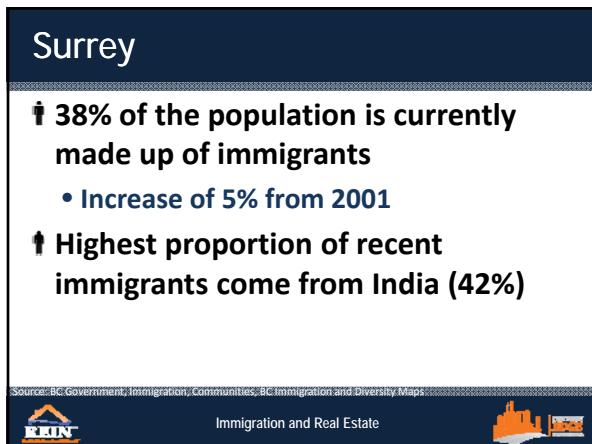
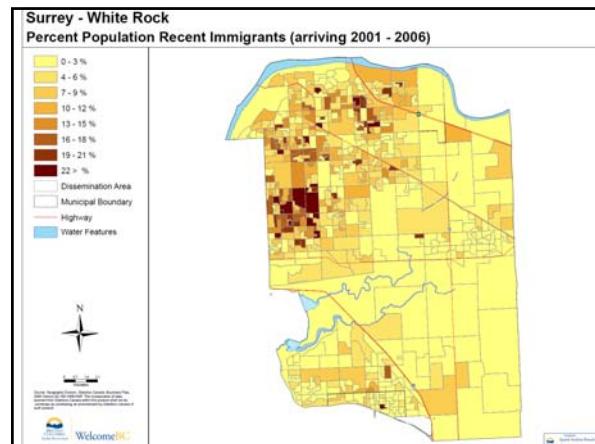
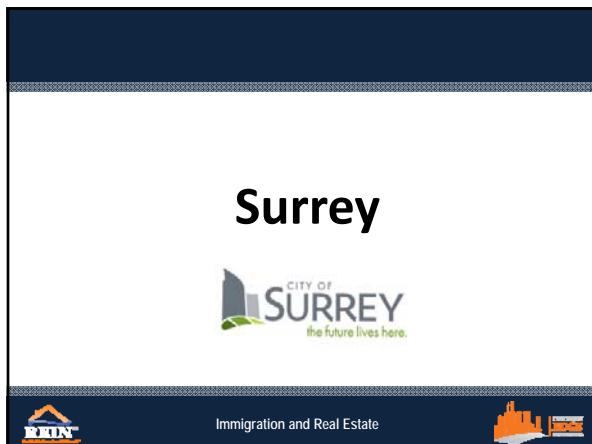


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Coquitlam

- ↑ 39.1% of the population is currently made up of immigrants
 - Increase of 2.5% from 2001
- ↑ Highest proportion of recent immigrants come from Eastern Asia (40.4%)
 - China represents 20.3% of immigrants to Coquitlam

Source: BC Government, Immigration, Communities, BC Immigration and Diversity Maps



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Port Coquitlam

- ↑ 28% of the population is currently made up of immigrants
 - Increase of 1.8% from 2001
- ↑ Highest proportion of recent immigrants come from Eastern Asia (22%)
 - China represents 10.8% of immigrants to Port Moody

Source: BC Government, Immigration, Communities, BC Immigration and Diversity Maps



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Pitt Meadows – Maple Ridge



The Natural Place

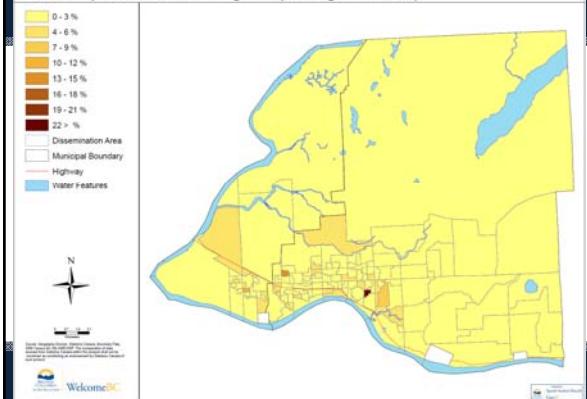


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Pitt Meadows - Maple Ridge

Percent Population Recent Immigrants (arriving 2001 - 2006)



Pitt Meadows

- ↑ 20.7% of the population is currently made up of immigrants
 - Increase of 1% from 2001
- ↑ Highest proportion of recent immigrants come from China (29.5%)

Source: BC Government, Immigration, Communities, BC Immigration and Diversity Maps



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Maple Ridge

- ↑ 17% of the population is currently made up of immigrants
 - Increase of 0.6% from 2001
- ↑ Highest proportion of recent immigrants come from Europe (24.3%)
 - 50% from the UK

Source: BC Government, Immigration, Communities, BC Immigration and Diversity Maps



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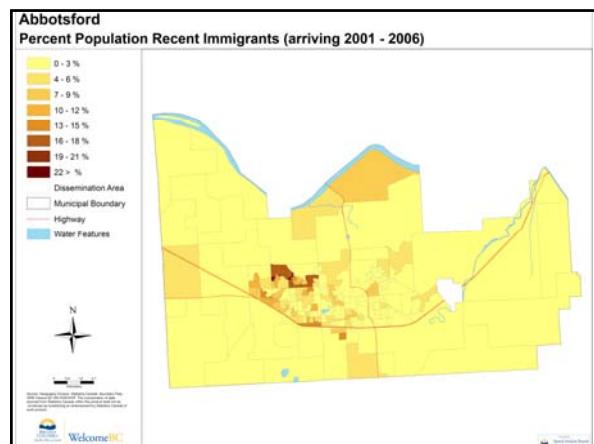
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Abbotsford



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Abbotsford

- ↑ 25.8% of the population is currently made up of immigrants
 - Increase of 2.4% from 2001
- ↑ Highest proportion of recent immigrants come from India (61.97%)

Source: BC Government, Immigration, Communities, BC Immigration and Diversity Maps



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- † Third largest proportion of visible minorities among CMAs in Canada
- † Highest proportion of South Asians in all census metropolitan areas

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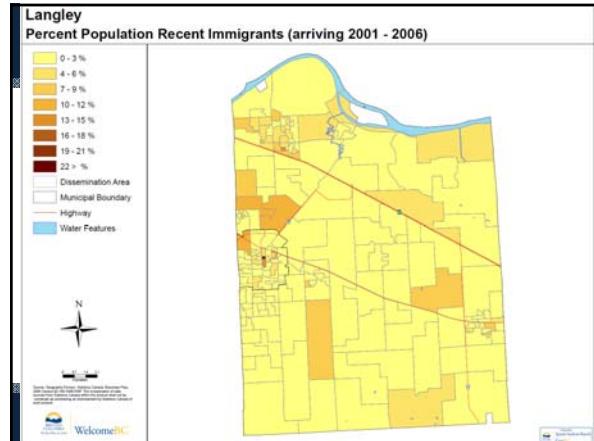
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Langley



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Langley

- 17.7% of the population is currently made up of immigrants
 - Increase of 2.3% from 2001
- Highest proportion of recent immigrants come from Europe (21.6%)
 - Mainly the UK

Source: BC Government, Immigration, Communities, BC Immigration and Diversity Maps



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Correlation of Immigration and Real Estate Prices at Various Levels

Macro
(National)



Meso
(City)



Micro
(Neighbourhood)



Source: The Wharton School, University of Pennsylvania – Immigration and Real Estate Markets, April 2007

www.statcan.gc.ca



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