

# Immigration and Real Estate

## Ontario REIN Workshop – March 23, 2010

### Immigration and Its Impact on the Real Estate Investor

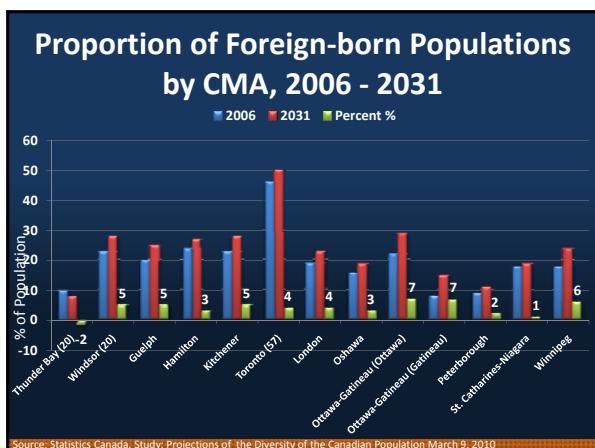
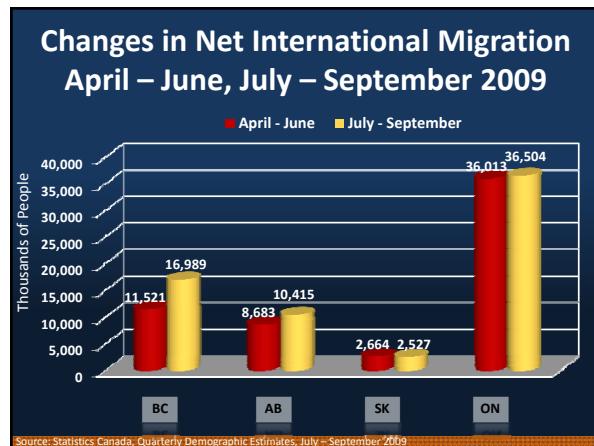
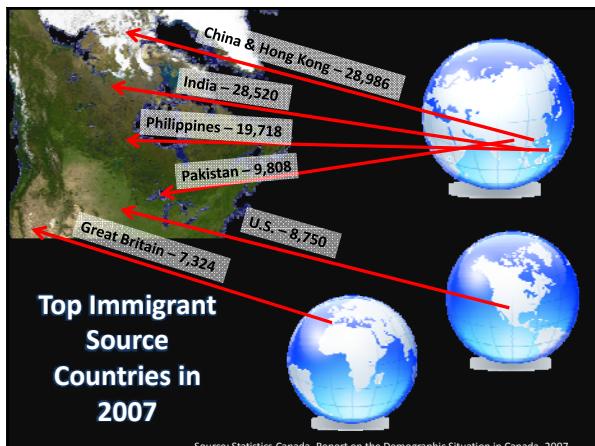
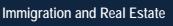
Melanie Reuter, MA  
Manager, Research & Executive Office



### 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.”

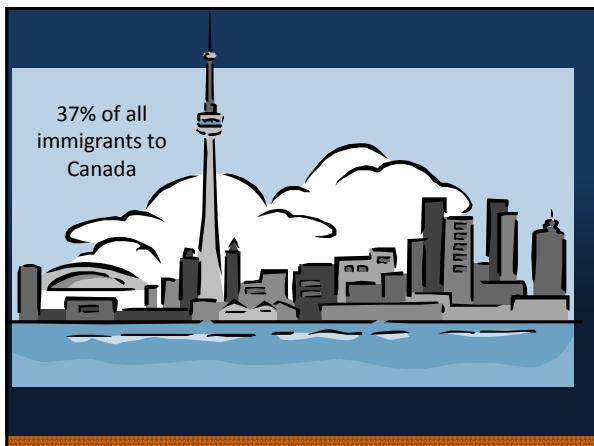
Then Immigration Minister Monte Solberg (November 2007)



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	

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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
- ½ of all newcomers in Montreal, Toronto, and Vancouver changed their address within the first 30 weeks of arrival

 Immigration and Real Estate 

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

### General Characteristics of Household Patterns of Immigrants to Canada

- Tend to rent for the first four years after arriving in Canada (55% - 78% own homes by four years)
- 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

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



Source: Joint Center for Housing Studies at Harvard University

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### General Characteristics of Toronto Market

- Most challenging housing market for renters
- Offers the best economic opportunities to new comers (compared to Montreal and Vancouver)
- Prices very high
- Newcomers tend to live in larger households & combine forces to increase purchasing power

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

### The Levels of Impact of Immigration on Real Estate

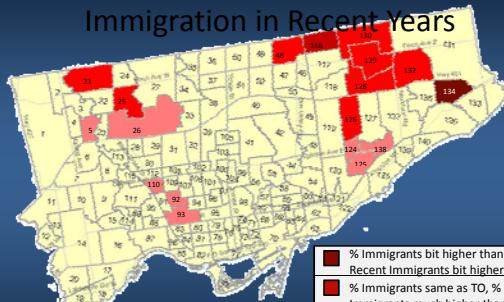


Source: The Wharton School, University of Pennsylvania – Immigration and Real Estate Markets, April 2007

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

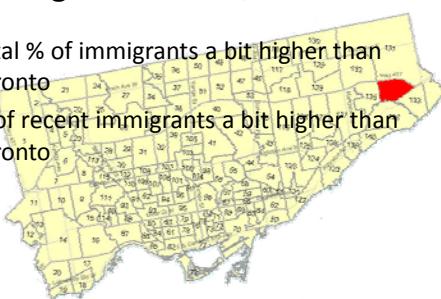
### Neighbourhoods with High Immigration in Recent Years



City of Toronto, Toronto Neighbourhood Profiles, 2010

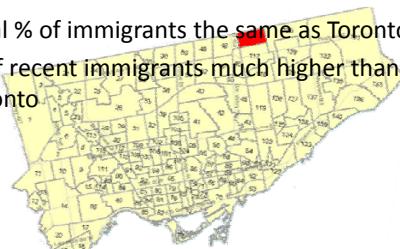
### Highland Creek, zone 134

- Total % of immigrants a bit higher than Toronto
- % of recent immigrants a bit higher than Toronto



### Steeles, zone 116

- Total % of immigrants the same as Toronto
- % of recent immigrants much higher than Toronto



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