

Immigration and Real Estate

Ontario REIN Workshop – March 23, 2010

Immigration and Its Impact on the Real Estate Investor

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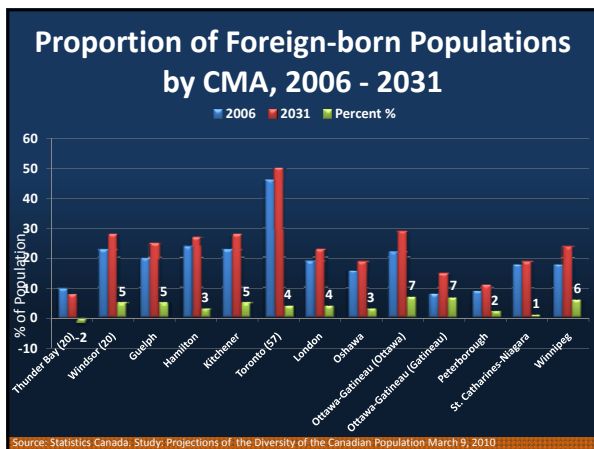
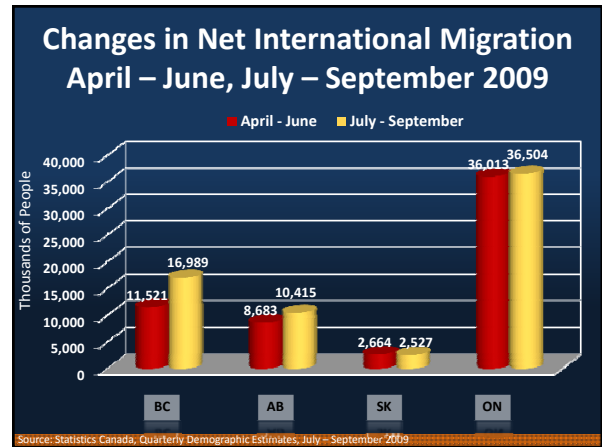
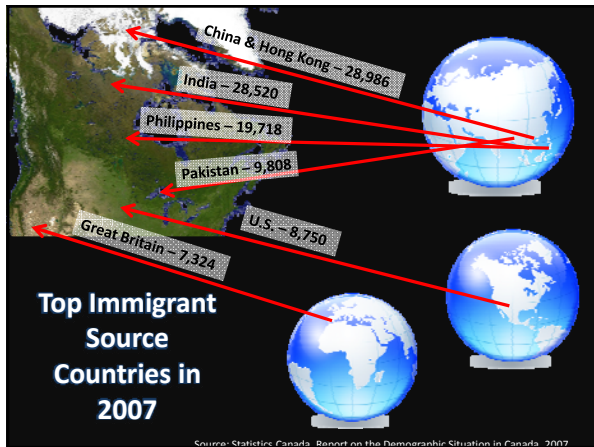
On the need for more Foreign Workers....

“‘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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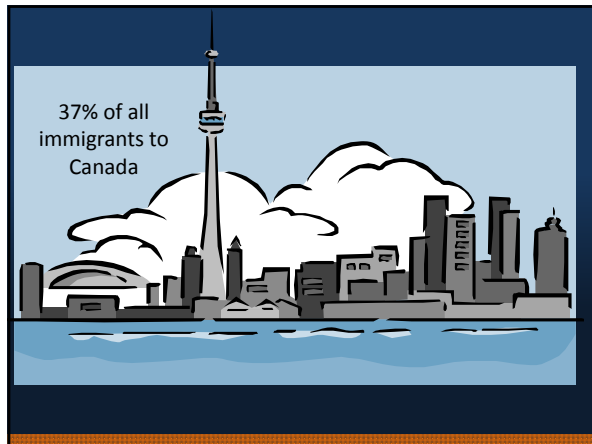
Top Regions Emigrated from (2006)

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



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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 newcomers (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

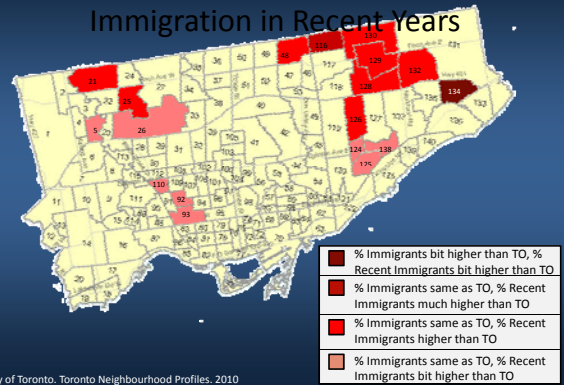


Source: The Wharton School, University of Pennsylvania – Immigration and Real Estate Markets, April 2007

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

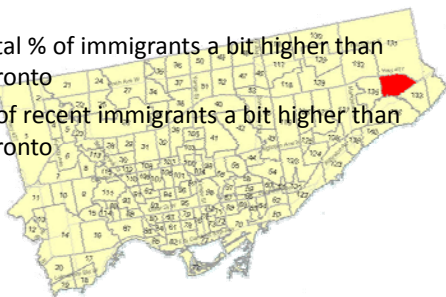
Neighbourhoods with High Immigration in Recent Years



City of Toronto, Toronto Neighbourhood Profiles, 2010

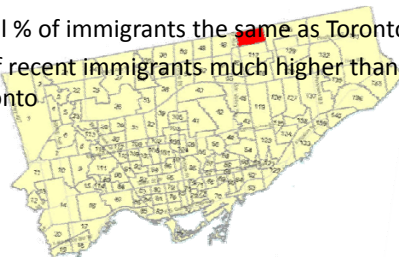
Highland Creek, zone 134

- 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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