

Immigration and Real Estate

Vancouver REIN Workshop – March 25, 2010

Immigration and Its Impact on the Real Estate Investor

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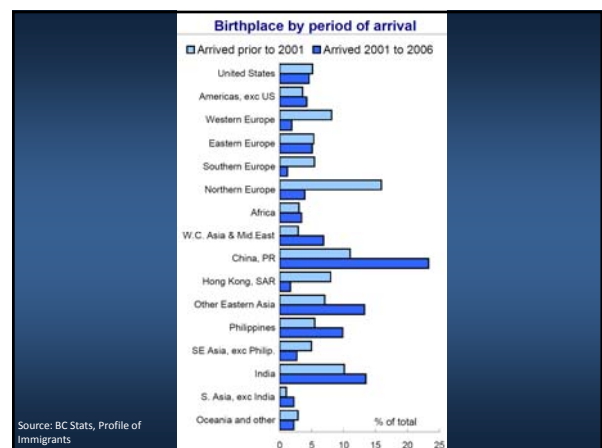
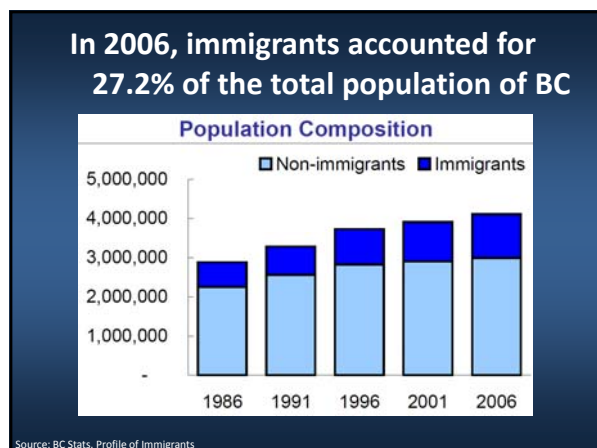
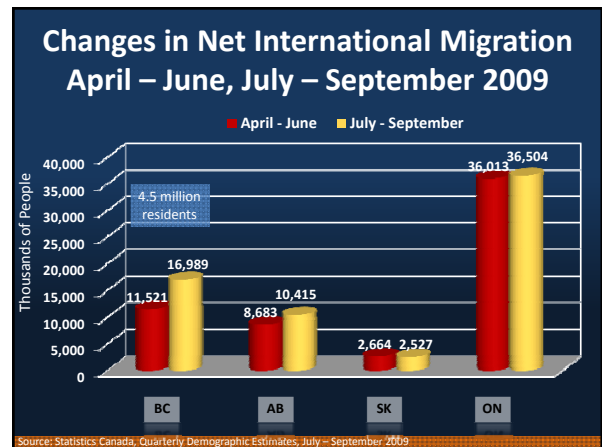
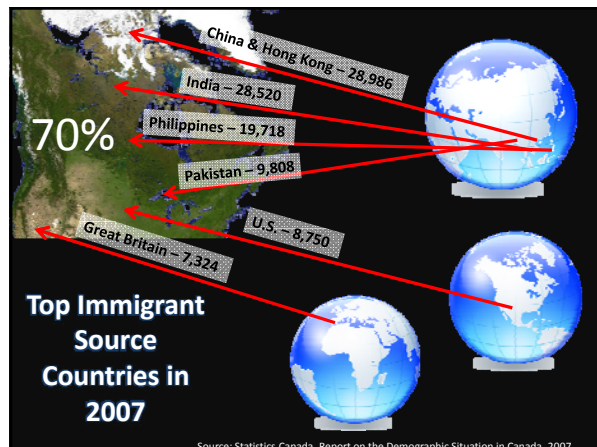
On the need for more Foreign Workers....

“‘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)

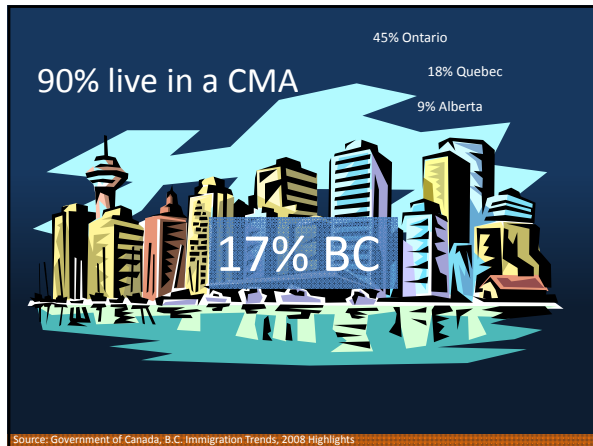


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Urban Areas with the Largest Proportion of Immigrants, 2006

| 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

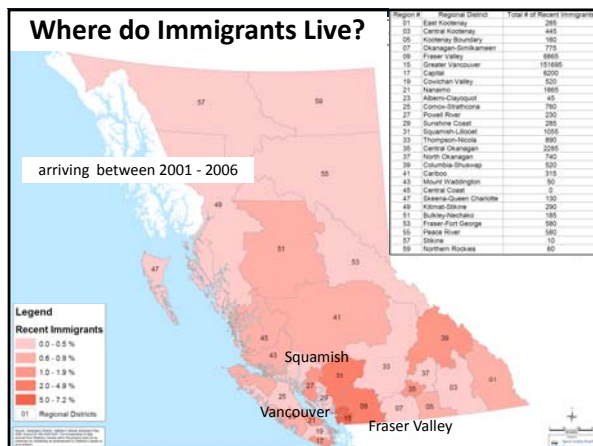
† China, India and the Philippines were the top three source countries of immigrants in 2008

- 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 Miami (36.5%), Los Angeles (31.7%) and Melbourne (31.5%) for proportion of the population is officially made up of immigrants

Source: Canada Immigration Lawyers; Immigrate 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
- ½ 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. Settlings 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. Settlings 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



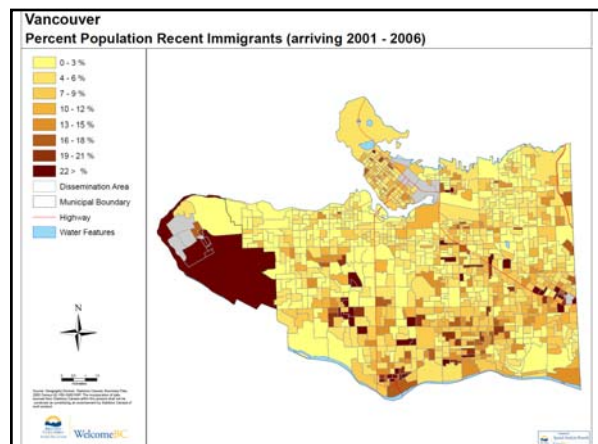
Population of one million + 100,000 immigrants
= 10% increase in housing values and rents

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

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- ↑ 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 Immigration Lawyers, Immigrate to Vancouver & Canwest News Service, April 2, 2008



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Vanccouver

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

Richmond
Vancouver
Burnaby
Surrey

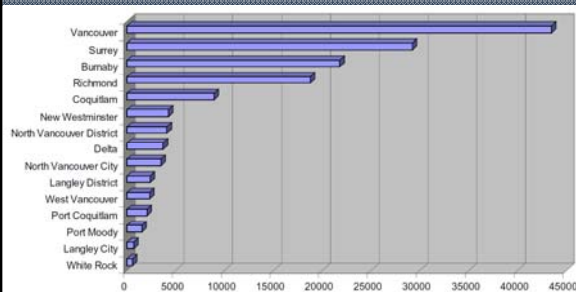
Source: Statistics Canada, The Daily, December 4, 2007



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Greater Vancouver Destination Cities for Recent Immigrants



Source: City of Richmond, Immigration Hot Facts



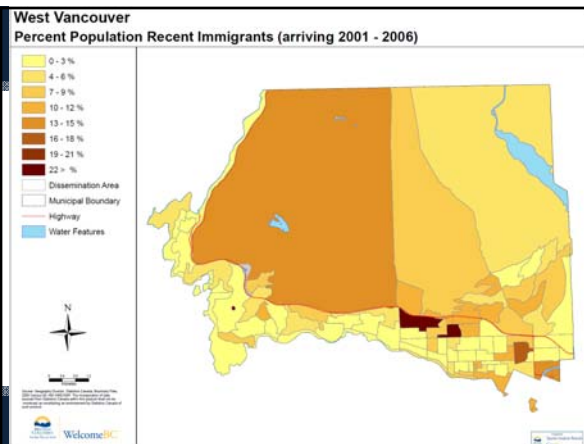
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West Vancouver



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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%)

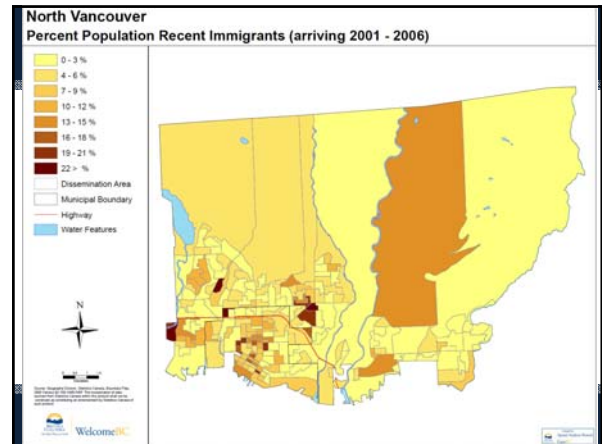


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North Vancouver

- ↑ **36.3% of the population is currently made up of immigrants**
 - Increase of 3.6% from 2001
- ↑ **Highest proportion of recent immigrants come from West Central Asia and the Middle East (28.1%)**

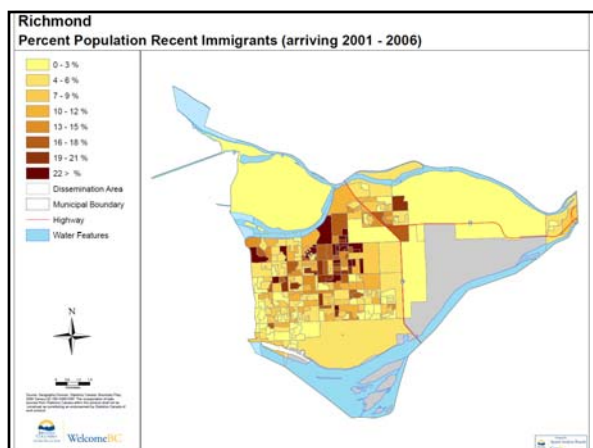
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Richmond

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Richmond

- ↑ **57.1% of the population is currently made up of immigrants**
 - Increase of 3.5% from 2001
- ↑ **Highest proportion of recent immigrants come from China (50%)**

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

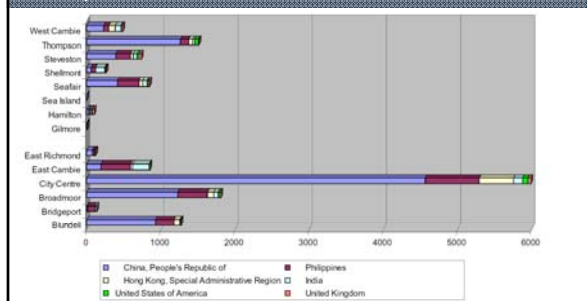
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Destinations for Total Recent Immigrants from All Countries to Richmond by Selected Places of Birth (2006 Census)



Source: City of Richmond, Immigration Hot Facts



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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



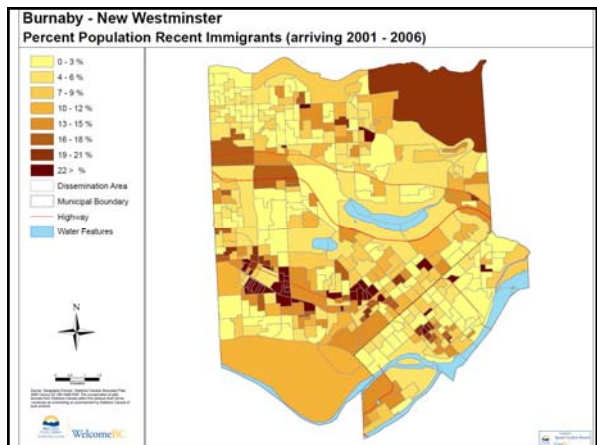
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Burnaby



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Burnaby

- 50.3% of the population is currently made up of immigrants
 - Increase of 3.5% from 2001
- Highest proportion of recent immigrants come from China (35.6%)
- Second highest from Philippines (8%)

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



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New Westminster

- 31.4% of the population is currently made up of immigrants
 - Increase of 3.4% from 2001
- Highest proportion of recent immigrants come from Southeast Asia (17.7%), mostly the Philippines

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

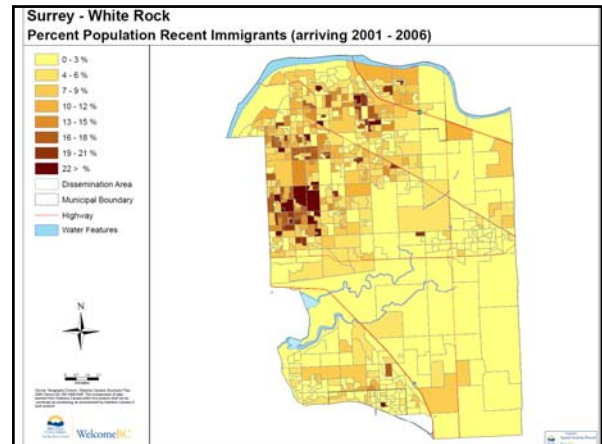


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Surrey

- ↑ **38% of the population is currently made up of immigrants**
 - Increase of 5% from 2001
- ↑ **Highest proportion of recent immigrants come from India (42%)**

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

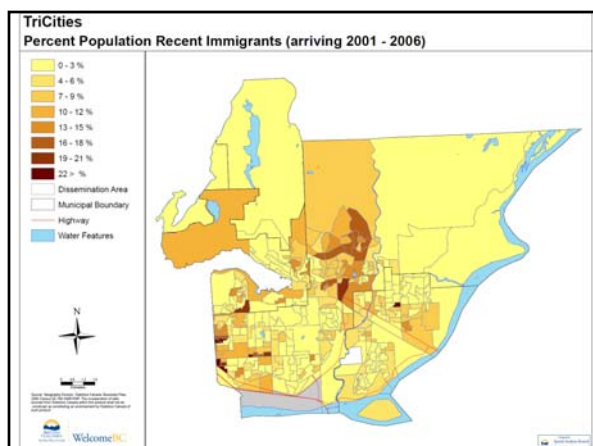
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Port Moody, Coquitlam and Port Coquitlam

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Port Moody

- ↑ **29.3% of the population is currently made up of immigrants**
 - Increase of 3.6% from 2001
- ↑ **Highest proportion of recent immigrants come from Eastern Asia (35.83%)**
 - China represents 7.8% of immigrants to Port Moody

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

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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



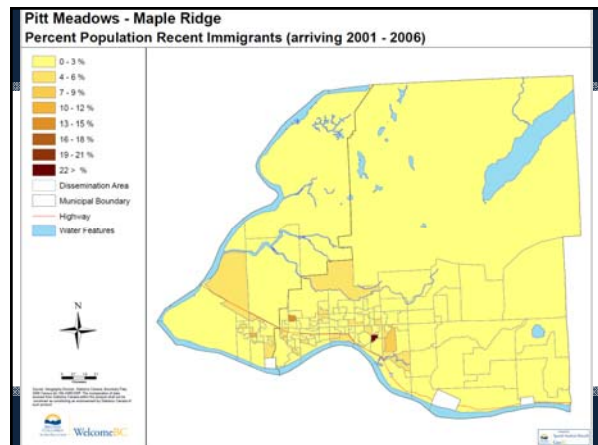
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Pitt Meadows – Maple Ridge



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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

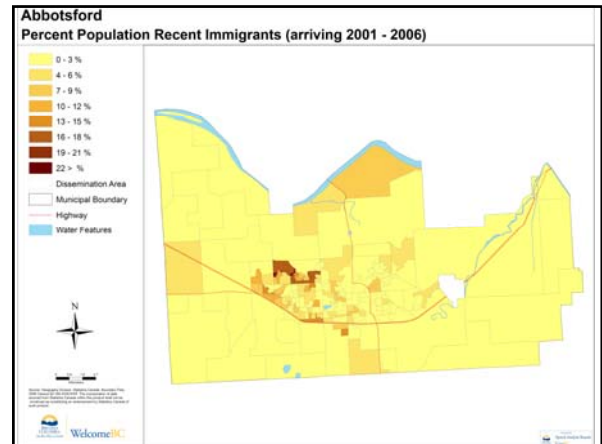
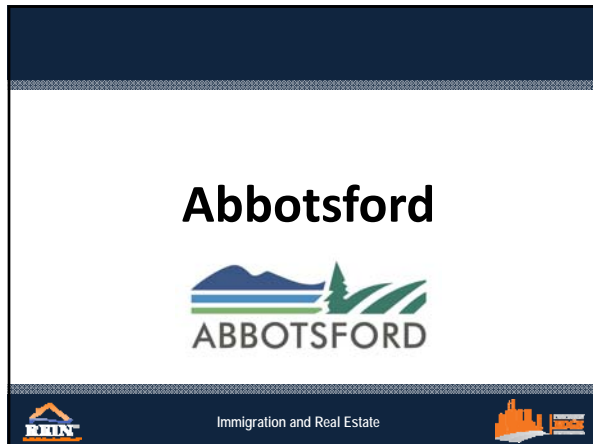


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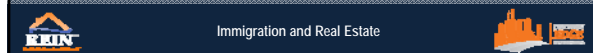
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Abbotsford

- † 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%)

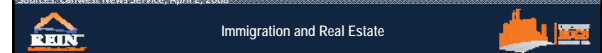
Source: BC Government, Immigration, Communities, BC Immigration and Diversity Maps



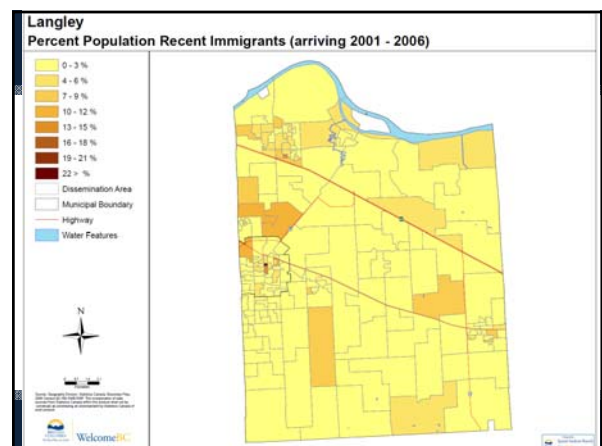
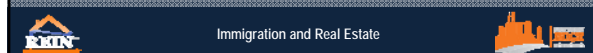
- † Third largest proportion of visible minorities among CMAs in Canada

- † Highest proportion of South Asians in all census metropolitan areas

Sources: Canwest News Service, April 2, 2008



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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