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Strong in-migration forecast to drive Alberta housing

Alberta's population boom is on par with the fastest growing nation in the world — Niger.

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Zonda Urban predicts housing market demand should remain moderately robust this spring. PHOTO BY GAVIN YOUNG /Postmedia

Alberta is leading Canada's population boom — the strongest in 50 years — driven by migration from abroad and other provinces that is likely to drive demand for housing this year and next, according to a series of recent reports.

One report from National Bank of Canada Financial Markets pointed to recent data from Statistics Canada that showed Alberta's population grew 3.7 per cent in 2022. That's compared to Canada's overall growth of 2.7 per cent, which the report noted is the highest in the last five decades.

In fact, Alberta's population boom is on par with the fastest growing nation in the world — Niger — in 2021, National Bank Financial added.

Correspondingly, a TD Economics report highlighted that Alberta's reinvigorated oil and gas sector has driven record migration — more than half of which is made up of interprovincial migrants — and is expected to drive growth this year, too.

A recent State of the Market report from Zonda Urban noted that the strong economic conditions have driven housing demand with average rents in Calgary climbing 17 per cent in 2022. As well, new condominium and townhomes also achieved record sales, it added.

Still, the market remains affordable relative to Toronto and Vancouver, the study pointed out, where townhome mortgage costs were 89 and 108 per cent of median monthly income respectively.

The Zonda report further forecast economic growth will slow this year but is expected to outperform the rest of Canada.

As a result, housing market demand should remain moderately robust as the province's mix of affordability and relatively strong jobs market continue to draw more interprovincial migration.