

CIC News – July 15, 2024

Study finds more newcomers are considering moving to escape housing costs



Edana Robitaille || July 15, 2024

Newcomers are becoming more likely to leave their current province, or Canada altogether, in search of more affordable housing according to a recent survey by the Angus Reid Institute, a non-profit research foundation.

The cost of housing in Canada over the past few years has reached levels that make it difficult, and sometimes unattainable, for many to afford a home. This has led close to 40% of polled newcomers who arrived in Canada over the past decade to say they would consider moving.

The latest data from the Canadian Real Estate Association (CREA) shows that the average price of a home in Canada comes in at \$699,117. While this actually represents a year-over-year decrease of 4%, the Angus Reid study found that the average year-over-year cost of rent has actually increased by more than 17%.

This is especially relevant to newcomers as, based on data from Statistics Canada's 2021 census, 59% of all recent newcomers to Canada rent their accommodation.

Rent is especially high in Vancouver and Toronto, and nearby cities. They consistently rank among the top ten most expensive places to rent in the country according to the most recent report from Rentals.ca.

The average rent for a one-bedroom apartment in Vancouver was \$2,671 per month as of June 2024. Toronto wasn't far behind at \$2,479

Angus Reid's study observes that many newcomers to Canada are highly skilled and choose to settle in these urban centres but they are now facing uncertainty when considering if they will stay or go, be it to another province or leaving Canada for another country.

The data also shows that a higher percentage of Canadians, and newcomers in Ontario and British Columbia are considering a move to another province, or even another country due to the cost of housing. Respondents in both those provinces said they were the most likely to leave Canada and move abroad.

More broadly, 42% of respondents nationally would consider moving to another country, whether that's the U.S. (15%) or elsewhere (27%). The study also found that immigrants who had been in Canada for more than ten years were more likely to consider leaving the country (36%) in search of affordable housing.

For those who would choose to stay in Canada, Alberta has emerged as the front-runner for relocation at 18%. Of note, it was the most popular destination among the 65 or older demographic for both Canadians and newcomers. It was also the most popular province for interprovincial migration in 2022/ 2023.

Atlantic Canada also emerged as a popular destination for relocation, especially among those in Ontario considering a move (14%).

Atlantic Canada has experienced a population boom since the COVID-19 pandemic due to a perceived lower cost of living. In late 2021, the population of Nova Scotia reached a milestone of one million and has continued to grow. However, the rapid population growth has dramatically increased the cost of housing in the region and one-quarter of survey respondents in Halifax are now considering leaving the province.

The study also asked if there were other reasons newcomers and Canadians would consider moving. For most, quality of life came as a deciding factor (8%) followed by cost of living and health care quality (4% each). A smaller percentage wished to be closer to family (3%).

What does this mean for immigration to Canada?

Canada consistently ranks among the most popular destinations for newcomers from around the globe but several opinion polls from 2023 indicated that some Canadians are worried about the impact of high levels of immigration on affordability.

Canada's government targets high numbers of newcomers because they are considered essential to maintaining the national economy and keeping the workforce afloat as the existing population ages and retires.

However, rapid population growth throughout Canada has put strain on social systems such as healthcare and created high demand for a limited supply of housing, escalating costs. This led the Angus Reid study to speculate that Canada could lose its reputation as a welcoming place for newcomers.

Over the past several months, Immigration Refugees and Citizenship Canada (IRCC) has made moves to stabilize Canada's population. For example, it has capped the number of international student applications it will consider and will now include "soft targets" for temporary residents in the upcoming Immigration Levels Plan for 2025-2027.