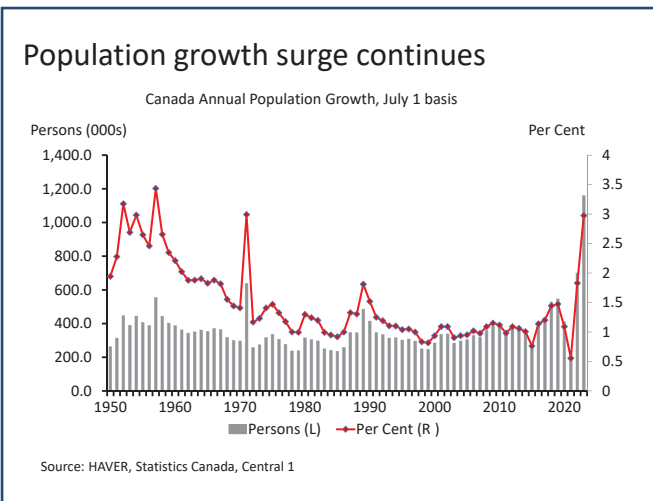


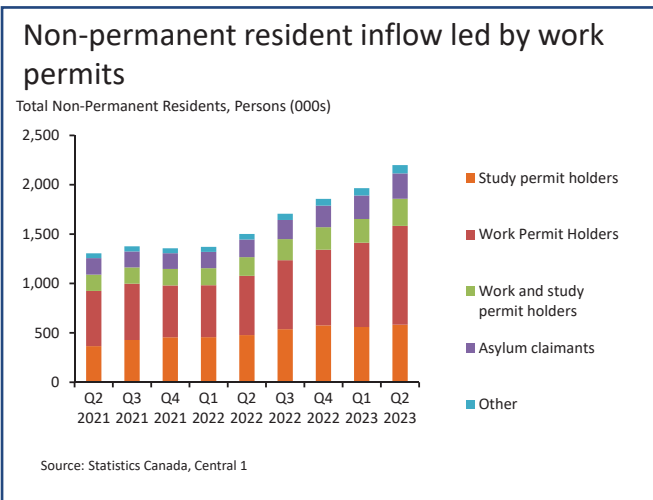


Population surges again during the second quarter, Alberta leads the way

Canada’s population boom continued through the second quarter with a record 40.1 million people estimated to be residing in the country as of July 1, 2023. This was 0.9 per cent higher than April 1, and three per cent or 1.16 million persons above a year ago. The latter marked a modern record unseen since 1957. Moreover, adjusting for seasonal factors, the quarterly pace of growth has continued to rise as immigration accelerates. In comparison, the U.S. which has a population base 10x the size of Canada is tracking year-over-year growth of 1.7 million persons or 0.5 per cent. Canada is leading developed nations in population growth. Unsurprisingly, immigration has turned into a highly contentious subject in Canada given the magnitude and impact on the country’s large urban and impacts on housing affordability.



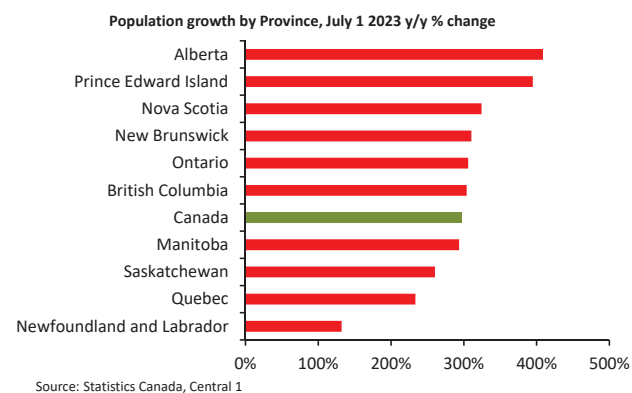
The latest national gains almost entirely reflect net international inflows which comprised about 98 per cent of the increase, with the remainder rounded out by births outpacing deaths. Over the last four quarters, population growth reflected another strong year of inflows of permanent residents (some who may have been in the country) which reached 468,817 persons. This was partly offset by the outflows of emigrants. That said, the monstrous population growth was driven growth in net non-permanent residents with an increase of 697,701 persons contributing to the overall increase. About 60 per cent (400k) reflected growth in work permit holders. There were an additional 104k students over the four quarters and 84k combined work and study permit holders. Asylum claims reflected the remainder. While there has been significant attention paid to the large inflow of students, over the past two years, work permits have soared 79 per cent compared to 59 per cent for study-exclusive permits.



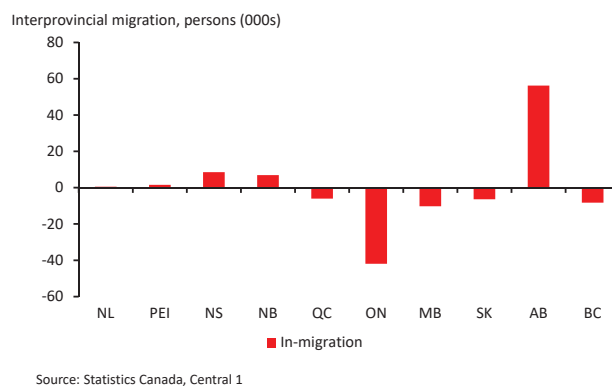
Surging population has been observed across provinces on immigration and was strong on both a quarter-over-quarter, and year-over-year basis. That said, both Alberta (4.1 per cent) and Prince Edward Island (3.9 per cent) led the way in year-over-year growth, while Newfoundland and Labrador (1.3 per cent) and Quebec (2.3 per cent) lagged. B.C. and Ontario were aligned with the national pattern.

The strong gain in Alberta is particularly noteworthy and reflects massive levels of interprovincial migration to the province. This reflects the rising costs of living and exceptionally high home values observed in B.C. and

Alberta and Atlantic lead growth



Alberta and the Atlantic are calling



Ontario. This crisis of housing affordability, both due to homeownership costs, rent and wages has Canadians choosing with their feet into less expensive regions like Alberta and Atlantic Canada. Over the past four quarters, net interprovincial migration to Alberta reached 56.2k persons. On a July 1 basis, this is 10 times the number seen in 2021/22 and highest on record. In contrast, Ontario lost 41.9k to other provinces to mark a third straight annual decline. B.C. lost 8.2k people to other provinces after robust growth of more than 25k each year over the past two years.

Robust population growth is set to remain a key theme for the economy going forward. Federal targets for immigration are set to remain high at 500k in 2025, although increasing pressures on cities and housing affordability could lead to policies limiting the flow of international students. Nevertheless, international inflows will remain at a historically elevated level. On the inflation front, this should work to ease labour supply challenges and wage pressures but keep shelter and rental costs elevated across the country. Consumption adds to economic activity and could mean Canada skirts a recession, but this masks deeper challenges of low productivity and economic wellbeing as GDP per capita continues to sink.

Canada Population Summary

	July 1 2023	m/m % change	y/y change	y/y % change
Canada		0.9		3.0
Newfoundland and Labrador	538,605	0.4	7,022	1.3
Prince Edward Island	173,787	1.2	6,599	3.9
Nova Scotia	1,058,694	1.0	33,249	3.2
New Brunswick	834,691	1.0	25,123	3.1
Quebec	8,874,683	0.7	202,498	2.3
Ontario		1.0	463,363	3.1
Manitoba	1,454,902	0.8	41,493	2.9
Saskatchewan	1,209,107	0.7	30,685	2.6
Alberta	4,695,290	1.1	184,399	4.1
British Columbia	5,519,013	1.0	162,729	3.0

Source: Statistics Canada, Central 1 Economics

Provincial Population Growth Drivers, 2022/23

	Net Natural	Net International (exc net non)	Net Interprovincial	Net Non-Permanent
Newfoundland and Labrador	-2,560	5,186	542	3,854
Prince Edward Island	-175	3,089	1,587	2,098
Nova Scotia	-2,616	11,821	8,526	15,518
New Brunswick	-2,131	10,778	6,914	9,562
Quebec	550	59,369	-6,052	148,631
Ontario	14,874	185,056	-41,929	305,362
Manitoba	5,152	24,873	-10,246	21,714
Saskatchewan	2,124	25,355	-6,388	9,594
Alberta	15,592	49,285	56,245	63,277
British Columbia	-4,067	57,685	-8,228	117,339

Source: Statistics Canada, Central 1 Economics

Bryan Yu

Chief Economist

byu@central1.com / P 604.742.5346

Mobile: 604.649.7209