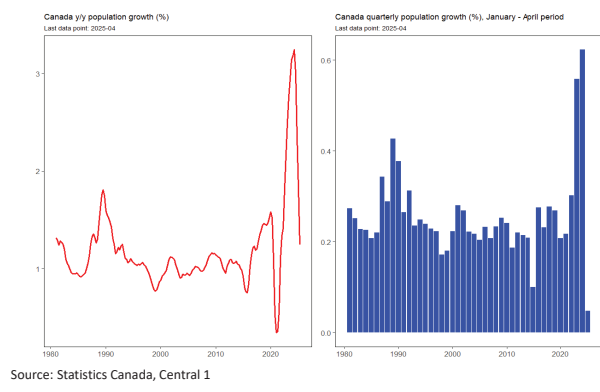




## Population plateaus as government cuts student permits

Canada population levels flatlined during the first quarter of 2025 as federal government efforts to reverse post-pandemic population gains became increasingly evident. The country's estimated population reached 41.548 million people as of April 1. This was a gain of only 20,106 people from January (0.0 per cent), and by far the slowest first quarter gain in modern history. Outside Q3 2020 when borders were essentially closed to newcomers and population slightly contracted and in Q4 2014, this marked the second lowest quarterly population growth performance going back to 1946. Year-over-year, growth slowed to 1.2 per cent, from 1.8 per cent in the previous quarter.

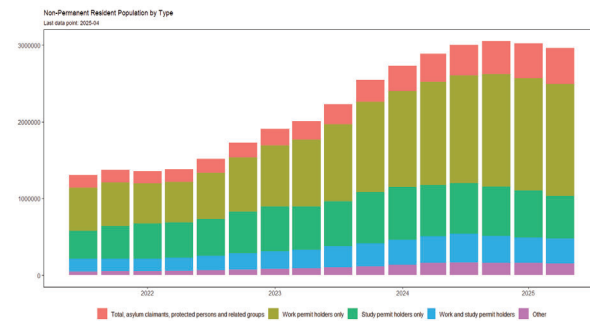
### Population stalls in Q1, lowest same period growth on record



Unsurprisingly, weak population growth reflected a steep decline in the number of temporary residents which fell 61.1k, after a 28.3k drop in Q4 which is consistent with federal government priorities. This represented a 2 per cent quarterly decline as student visas declined and work permits were also limited. Year-over-year, the count of temporary residents was still 2.6 per cent higher.

These figures may overstate the actual number of exits of temporary residents given these counts are driven by administrative data rather than physical exits. Nevertheless, non-permanent resident counts are declining. The number of visa holders fell by 73.8k over the quarter. Study permit holders (down 53.6k people) accounted for the bulk of the reduction, declining 8.8 per cent from

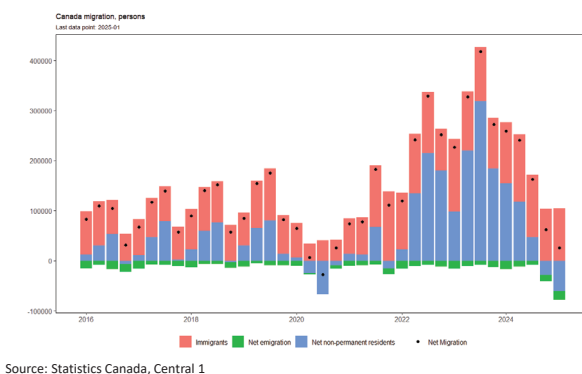
### Decline in study permits cut total temporary resident levels, asylum seekers increase



January 1 and 16 per cent y/y. Work permit levels remained steady. In contrast, asylum claimants rose 13.6k or 4.5 per cent q/q, and 43 per cent y/y.

While temporary residency is declining, inflows of traditional immigrants (permanent residents) held steady compared to Q4 at 104,256 newcomers but fell 20 per cent from a year ago. That said, immigrant flows remained elevated compared to levels seen prior to 2022 and the main factor in keeping total population growth in positive territory as net natural growth was negative. Elevated immigration may reflect the granting of permanent residency to temporary residents already in country.

### Net outflow of temporary residents population growth lower

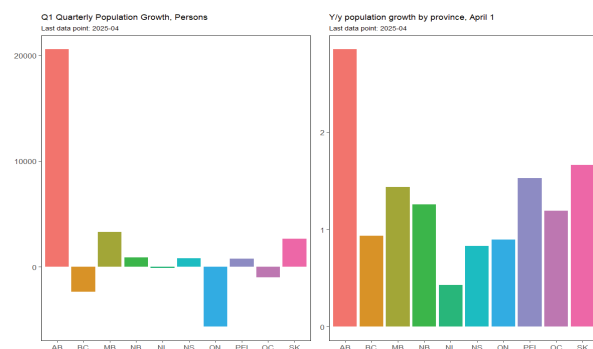


Going forward, population growth is set to remain very slow. The federal government has committed to reducing the share of temporary residents to 5 per cent of the population. As of April 1, this ratio has declined

from a peak of 7.3 per cent last year but remained far too high at 7.1 per cent. With annual immigration targets set in a range of 360k-400k for 2025-2027, we estimate the need to reduce temporary residents counts by at least 800k over the next several years to reach this target, suggesting minimal headline population growth. Low population growth will limit potential economic output and realized GDP growth, although declining temporary residents will likely contribute to a rebound in per capita output.

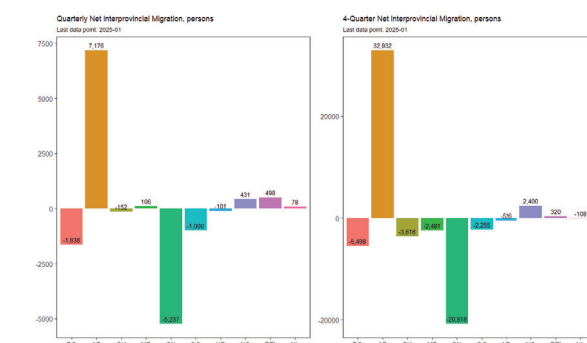
Provincially, Q1 population growth was mixed. Alberta remained the place to be in Canada, with population growth of 20.5k people during the quarter, was up 0.4 per cent q/q and a massive 2.8 per cent y/y. In contrast, B.C. (-2.4k), and Ontario (-5.7k) reported modest population declines. While modest, these were the deepest declines observed on record. Alongside Quebec, the two provinces were the only to post negative growth during the first quarter. This is consistent with the reduction in temporary residents as the two provinces were home to the highest share of temporary residents. Ontario's population of study permit holders fell by 30.2k, with B.C. down 11.7k. Year-over-year population growth in B.C. and Ontario slowed to about 0.9 per cent.

### Alberta sees strongest population growth among provinces



Source: Statistics Canada, Central 1

### B.C. and Ontario see outflow to other provinces, Alberta draws in Canadians



Source: Statistics Canada, Central 1

Canadians continue to be drawn to Alberta, its robust employment market and relatively lower home price. Net interprovincial migration to Alberta came in at 7.2k with 4-quarter growth of 32.9k. In contrast, Ontario reported a net decline of about 21k over the past four quarters, including 5.4k in Q1. B.C. also saw more residents moving outside the province.

**Bryan Yu**  
Chief Economist  
Central 1 Credit Union  
byu@central1.com