

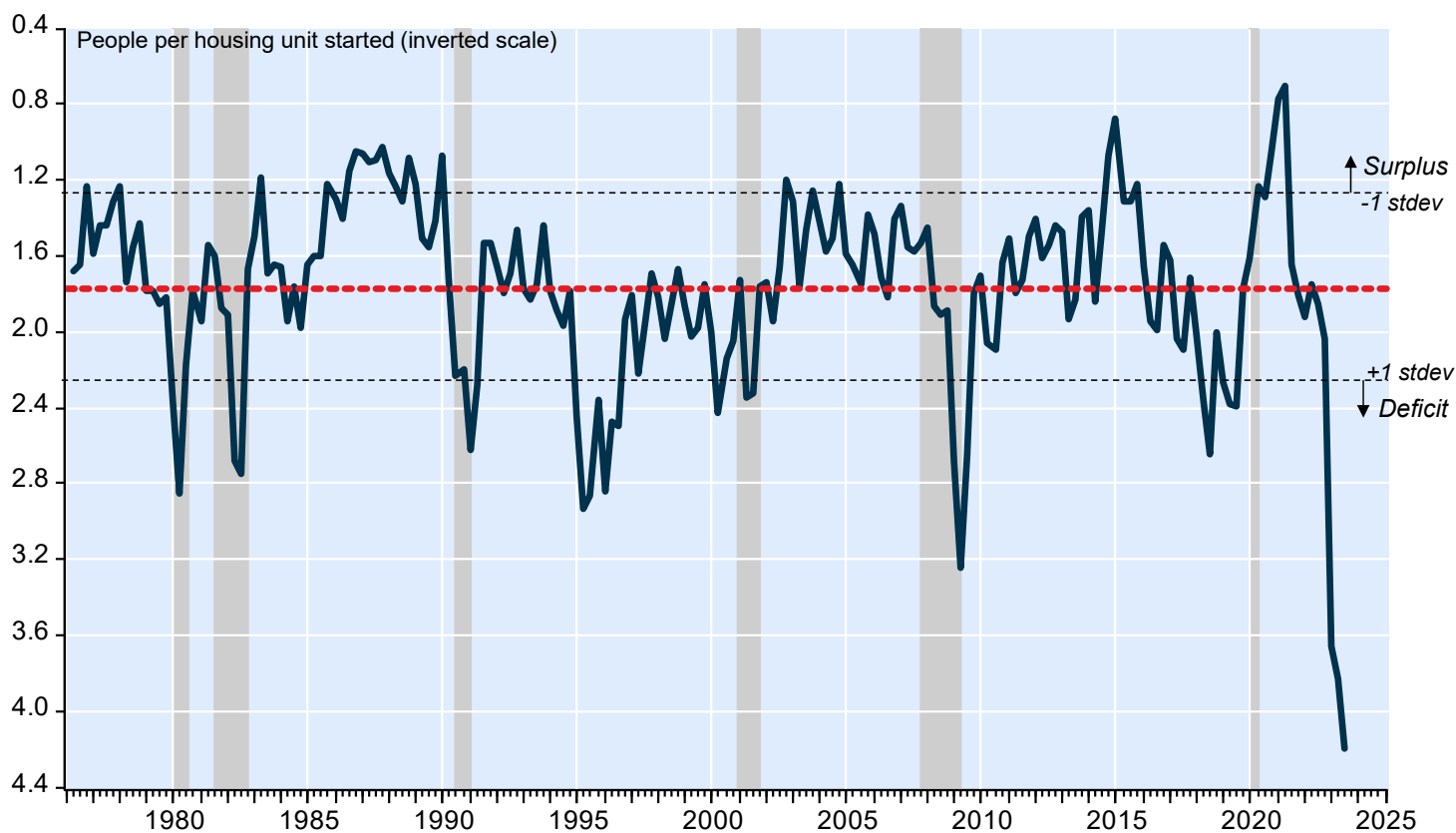
Canada Watch

By Stéfane Marion

The September employment report showed another outsized increase in the working-age population, resulting in a cumulative quarterly gain of 267,000 in Q3. This surge, the largest on record, followed a gain of 238,000 in the second quarter and 204,000 in the first quarter. There is no precedent in modern Canadian history for setting three consecutive quarterly records for population growth. Not surprisingly, homebuilders cannot keep up with this unexpected immigration-driven influx of new people, and as a result, the housing supply deficit worsened to its worst level on record in Q3. As today's Hot Chart shows, there is currently only one housing starts for every 4.2 people entering the working-age population (people 15+). This compares to a historical ratio of one housing starts for every 1.8 new entrants to the working-age population. This massive imbalance is likely to persist for the foreseeable future until demographic growth slows significantly.

Canada: Housing supply deficit hits new record in Q3

Ratio of growth in working-age population to housing starts (quarterly data)



NBF Economics and Strategy (data via Fred and Statcan)

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