

“Resort towns” to year-round homes: More Canadians choose small town life over big city living

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Overall Small towns like Squamish, Wasaga Beach, Collingwood, and Canmore have unseated big cities as Canada’s fastest growing areas as the pandemic redefines where we live. These small towns, many of which have long served as vacation destinations, posted the strongest population growth, according to recently released 2021 Census data.

Canadians venturing away from urban centres in search of more affordable housing and greater space are also landing in more distant suburbs. Brantford and Kingston, Ontario both reported the greatest acceleration in population growth since the last census period. These rapid surges are driving up average home prices as well. In Brantford, the average residential sale price surged over 166% between 2016 and 2021. In Kingston, this figure has more than doubled. While rapid population growth may contribute to the erosion of housing affordability for locals, new arrivals bring with them an abundance of spending power to inject into the local economy, boosting provincial tax revenue and supporting businesses.

Urbanization revved up in some major cities

The rapid pace of urbanization nevertheless continued in some regions, most notably on Canada’s East Coast. Halifax’s downtown, in particular, saw a stunning 26.1% increase relative to the previous census period. To date, nearly three-quarters of Canadians live in a large urban centre (100,000 people or more). More than nine in ten Canadian immigrants settled in these centres before the pandemic. Overall, from 2016 to 2021, downtown populations grew 11% (twice the pace of the previous census cycle). But the pandemic stalled growth in some major urban centres. Though populations in downtown Montreal and Vancouver grew over the census period, that growth fell off during the pandemic. Alongside urbanization, the pace of urban sprawl picked up. In fact, suburbs farthest away from downtown centres grew faster than the urban fringe.

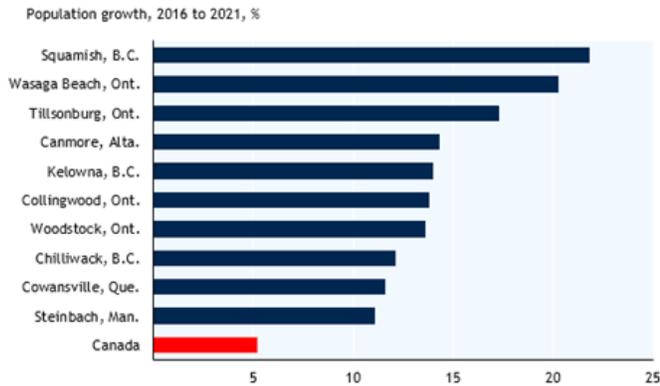
Canada’s population growth propels it to the top of international rankings

Immigration established Canada as a top performer in the G7 and G20 when it comes to population growth. Despite a rapidly ageing population and declining fertility rate, Canada’s population grew by over 5%, with growth driven predominantly by newcomers as the natural rate of population growth has slowed considerably in the last decade. From 2016 to 2021, Canada was number one in the G7 over the period and was tied with India for the seventh spot in the greater G20. Regional data highlights stand-out population growth in some of Canada’s coastal regions, most notably, Prince Edward Island and British Columbia. For the first time since the 1940s, population growth in the Maritimes eclipsed that of the Prairies (albeit, only slightly). The marginal difference may signal a new trend, backed by higher immigration and record levels of interprovincial migration.

Population growth takes off on the coast

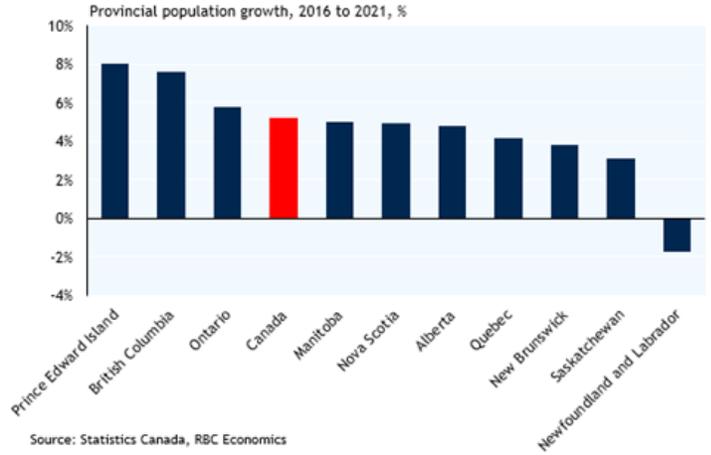
Between 2016 and the third quarter of 2021, net international migration surpassed 2 million. During this period, 57% more immigrants arrived to Atlantic Canada than from 2011 to 2016. At the same time, immigration to the Prairies contracted. Atlantic Canada has been the beneficiary of surging levels of interprovincial migration, with Canadians rapidly arriving to the coast during the pandemic. By the third quarter of 2021, nearly 20% more Canadians moved out East from other provinces than the year prior. In 2021, Newfoundland saw more new residents arrive than leave- bucking an historic trend. Considering this, the size of the population still contracted by nearly 2%. In Atlantic Canada, natural population growth (births-deaths) continues to trend negative. This new influx of migrants will fuel growth in the decade ahead.

Canada's fastest-growing centres are smaller "resort towns'



Source: Statistics Canada, RBC Economics

Population growth surges on the coast



Source: Statistics Canada, RBC Economics