

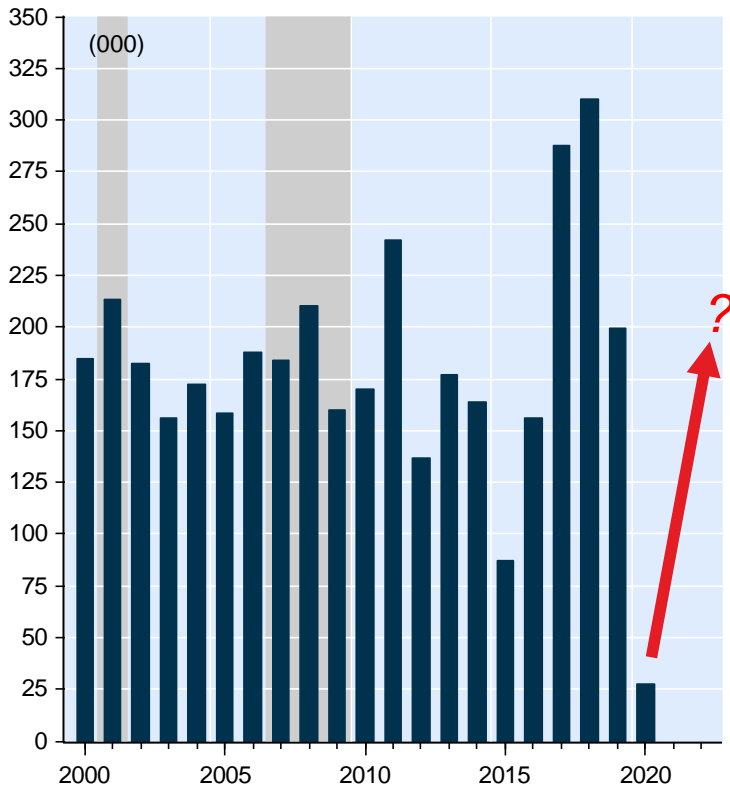
Canada Watch

By Matthieu Arseneau

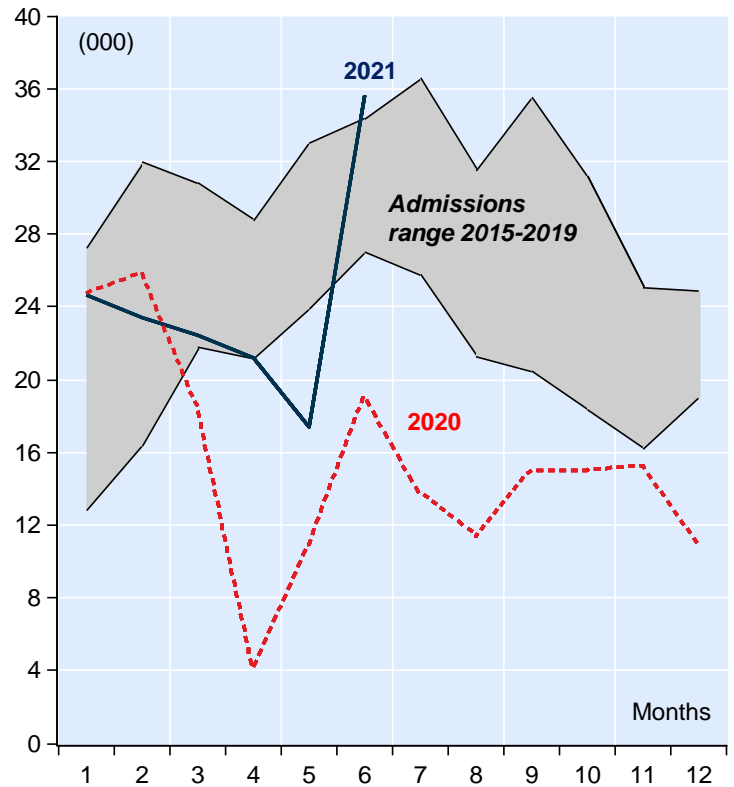
Statistics Canada released this month its estimates of the number of households in the country until 2020. Unsurprisingly, household formation last year was the lowest since the survey began in 1999 at 27K, down 87% from 2019. This weakness was primarily due to low immigration during the first year of the pandemic. From April to December 2020, immigration was a tepid 50% of the previous 5-year average. What about 2021 so far? The picture is very encouraging at mid-year. Immigration is at 93% of the pre-pandemic trend thanks in part to a solid jump in June. As today's Hot charts shows, admissions of new permanent residents in June 2021 exceeded all June months between 2015 and 2019. Let's hope this trend continues as strong household formation is the cornerstone of our country's economic success, ensuring that housing market is soundly based.

Canada : Household formation set to rebound in 2021

Household formation (annual data)



Admissions of permanent residents vs. pre-pandemic norm



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