

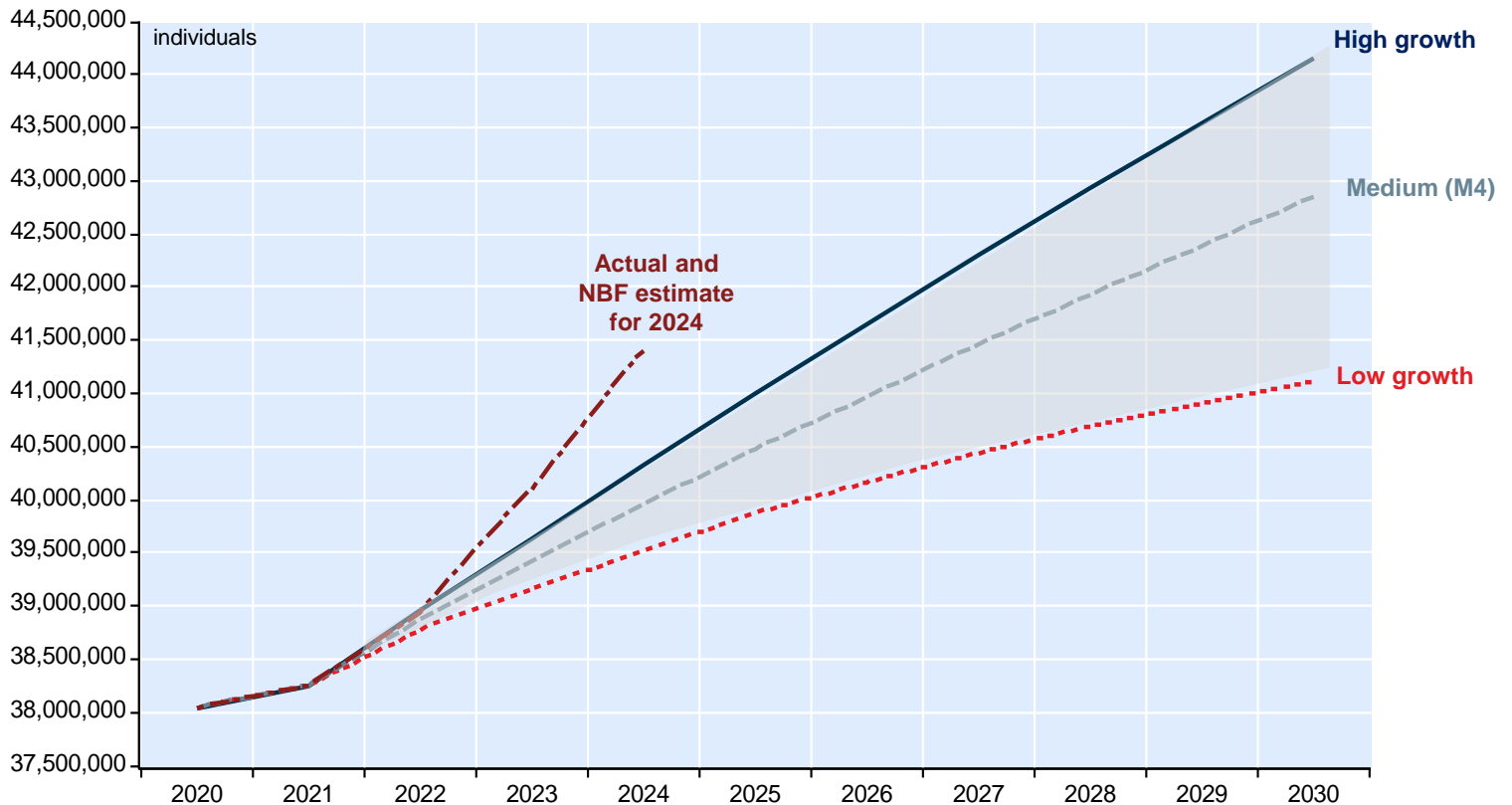
Canada Watch

By Stéfane Marion & Daren King

The federal government is undertaking the most aggressive effort in generations to increase the supply of housing in Canada. And supply is desperately needed. The just-released March employment report revealed an unprecedented quarterly increase in Canada's working-age population: a whopping 300,000 people in Q1 2024 (or 3.7% annualized). Economists, businesses, municipalities, and even our own central bank are struggling to calibrate business plans or policies against a demographic unknown. As today's Hot Chart shows, based on current population numbers, we estimate that Canada's population is on track to reach just under 41.5 million people this year. As shown, this is well above even the most aggressive scenario published by Statistics Canada (most forecasters have historically based their projections on the intermediate scenario). Recall that in its January MPR, the Bank of Canada projected population growth of 2% in 2024. The current path is at least 3%, or 50% faster than the BoC assumed. As Canada's famed demographer David Foot once said, "demographics explain two-thirds of everything." With that in mind, we can't wait to see what the BoC will forecast next week, as there are currently no Statcan scenarios to guide us.

Canada: Navigating the unknown

Total population in Canada: Actual vs. Statistics Canada 2022 scenarios



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