



Myth of the Retreating Millennial

- Millennials are now the most populous age group in the City of Vancouver.
- The population of 20-34 year olds has grown significantly in both the City of Vancouver (+9.5%) and Metro Vancouver (+18%) over the past decade.
- The population of millennials in Metro Vancouver has increased at a faster rate than in the City of Vancouver corresponding with more rapid overall population growth outside of the City of Vancouver.
- The rate of home ownership for younger households was up significantly during the last two census periods.
- Millennials were born between 1980 and 1995, and are the first generation to reach adulthood after the year 2000.
- Millennials are between the ages of 20 and 34 today and are the largest demographic cohort since the baby boomers.

The narrative that millennials are leaving Vancouver in droves because of high housing costs is becoming increasingly commonplace. Numerous mediaⁱ stories lament their exodus and the potential economic impact, particularly in the high-tech sector. Even a local credit unionⁱⁱ produced a report speculating that millennials are disengaging from the Vancouver economy, largely the result of high housing costs. This viewpoint is surprising, especially when you consider millennials are such an abundant demographic cohort in large vibrant cities across North Americaⁱⁱⁱ, and that so many of them seek out the kind of urban lifestyle that Vancouver has to offer^{iv}.

An examination of population estimates for the region reveals that millennials are, in fact, not retreating from Vancouver, and that the population aged 20-34 years old has increased significantly.

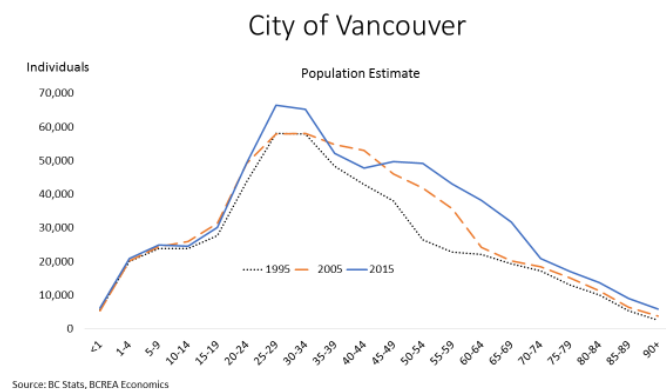
In addition, home ownership rates for the millennial age group were significantly higher during the most recent census than in the previous decades.

Analysis:

The millennial generation is the first generation to reach adult age after the year 2000.

Millennials were born between 1980 and 1995, and comprise the largest generation since the baby boomers. In fact, millennials are the children of the baby boomer generation. In 2015, the typical millennial would be between the age of 20 and 34.

Using population estimates from BC Stats^v for 1995, 2005 and 2015, the population aged 20-



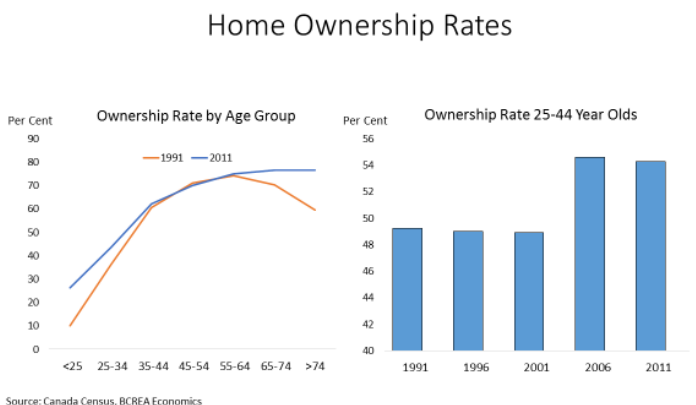
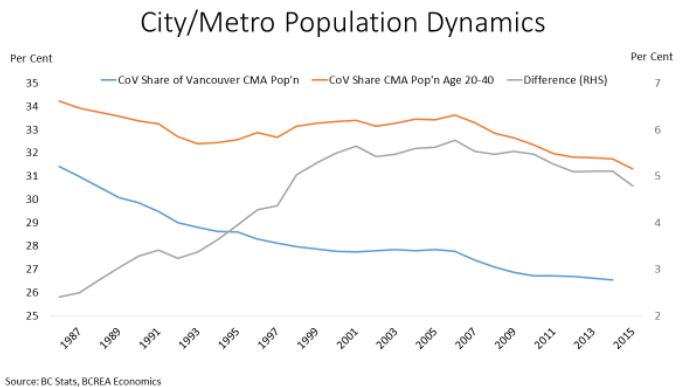
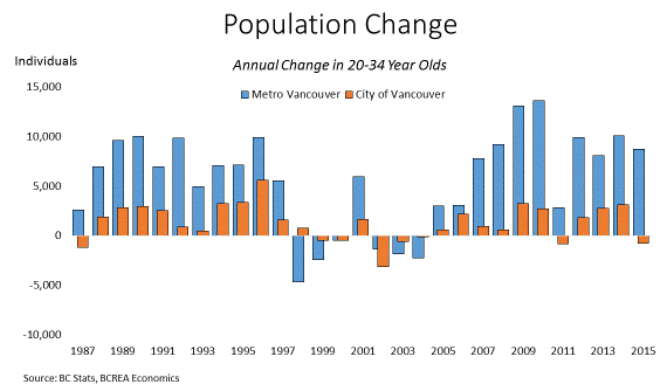
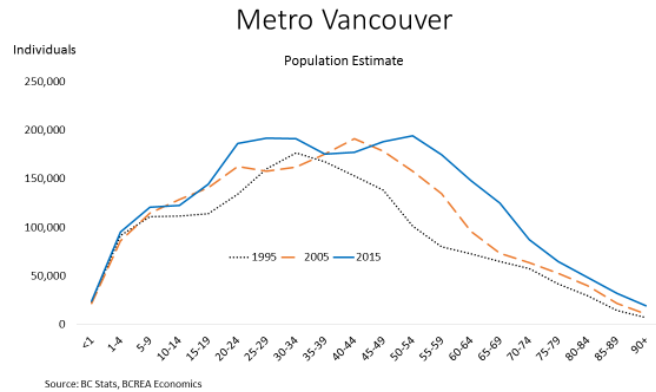


34 years has increased in the City of Vancouver and in the larger Metro Vancouver region. Between 1995 and 2005, the number of 20-34 year olds in the City of Vancouver rose by over 5,500 individuals or nearly 3.5% to just under 160,000. Over the next decade, 2005 to 2015, the population of 20-34 year olds took off, climbing by more than 15,800, or over 9.5%, to approximately 181,000 individuals. Growth in this age group over the past ten years has been so strong that they are now the most populace age cohort in the City by a wide margin.

In the larger Metro Vancouver region, millennials have also swollen the ranks of the 20-34 year old population. Between 1995 and 2005, the population aged 20-34 increased by 11,500 or nearly 2.5% to 471,000 individuals. During the ensuing ten years, 2005-2015, over 86,000 people aged 20-34 years were added to the Metro Vancouver population, an increase of nearly 18%. In 2015, there were an estimated 569,000 people aged 20-34 residing in Metro Vancouver.

Growth in the 20-34 year old population over the past decade was nearly twice as fast in Metro Vancouver as in the City of Vancouver, 18% versus 9.5%. However, this difference is largely the result of differing rates of overall population growth between the two jurisdictions. According to the 2011 Census, between 2006 and 2011 the total population of Metro Vancouver climbed 9.3%, while growing just 4.4% in the City of Vancouver^{vi}. The proportion of the Metro Vancouver population residing in the City of Vancouver has steadily diminished from 31% in 1987 to 26.5% last year.

The narrative that there is an exodus of millennials from Vancouver is not based in fact, but rather supposition. Unaffordability, or the inability to own housing, has been the





key driver of the retreating millennial hypothesis. However, the home ownership rate for younger households was much higher during the 2006 and 2011 census periods than in previous decades.

The millennial generation has bolstered the population of 20-34 year olds dramatically over the past ten years. Both the City of Vancouver and the larger Metro Vancouver region, have experienced a significant increase in this population. Millennials are being attracted to the City of Vancouver and the region, not retreating from it.

Cameron Muir, Chief Economist,
cmuir@bcrea.bc.ca; 604.742.2780

Brendon Ogmundson, Economist,
bogmundson@bcrea.bc.ca; 604.742.2796

Additional economics information is available on BCREA's website at: www.bcrea.bc.ca. To sign up for BCREA news releases by email visit: www.bcrea.bc.ca/news-and-publications/publications/manage-subscriptions.

ⁱ <http://business.financialpost.com/personal-finance/mortgages-real-estate/millennials-fleeing-vancouver-for-cities-with-more-affordable-housing-threatening-citys-tech-economy>. <http://www.theglobeandmail.com/real-estate/the-market/millennials-flee-vancouver-for-more-affordable-cities-like-victoria-kelowna/article29225961/>. <http://www.vancouver.sun.com/business/Exodus+millennials+threatens+Metro+Vancouver+economy/11070861/story.html>.

ⁱⁱ https://www.vancity.com/SharedContent/documents/News/Downsizing_Canadian_Dream_March2015.pdf.

ⁱⁱⁱ <http://www.newsweek.com/2015/04/10/why-cities-hold-more-pull-millennials-cloud-317735.html>.

^{iv} <http://www.nielsen.com/us/en/insights/news/2014/millennials-prefer-cities-to-suburbs-subways-to-driveways.html>.

^v <http://www.bcstats.gov.bc.ca/StatisticsBySubject/Demography/PopulationEstimates.aspx>

^{vi} <https://www12.statcan.gc.ca/census-recensement/2011/as-sa/fogs-spg/Facts-cma-eng.cfm?LANG=Eng&GK=CMA&GC=933>