

Lamphier: Influx to Alberta from other provinces running at a five-year high

BY GARY LAMPHIER, EDMONTONJOURNAL.COM SEPTEMBER 28, 2011

EDMONTON - A former media colleague from Vancouver called a couple of weeks ago. I hadn't talked to him in 10 years.

After decades on the West Coast, he had just moved to Calgary with his wife and three kids.

The reason? Good jobs, lower housing costs and higher disposable incomes. In other words, the same factors that draw many Canadians to Alberta.

Sure, he'll miss the ocean, he admits. "But once you get over the idea of living on the Prairies, life is pretty good here."

My nephew recently came to the same conclusion. He moved back to Edmonton last month, after a dozen years in Victoria. "There was just nothing going on there, and no decent job opportunities," he told me. "It was depressing."

His partner, a talented young architect from Winnipeg, echoed those sentiments. She, too, has made Edmonton her new home.

Both have already landed good jobs in the Alberta capital, and are excited about what the future holds.

They're not alone. In the first half of this year, 10,000 net newcomers moved to Alberta from other parts of Canada.

At that pace, Alberta is on track to record its strongest year for interprovincial migration since 2006, when more than 46,000 Canadians moved here, says ATB Financial economist Dan Sumner.

It also marks a sharp turnaround from 2009 and 2010, when Alberta recorded three straight quarters of net population outflow to other provinces.

"Interprovincial migration can be a difficult variable to predict," Sumner says in a report issued Wednesday. "However, with the unemployment rate lower in Alberta, wages higher, housing prices relatively affordable and the provincial economy expected to grow among the fastest in the country, it's hard to imagine that more Canadians won't be calling Alberta home over the near future."

Of course, interprovincial migration is just one component of population growth. Birth rates and international migration levels are also key factors.

But these arrows are also pointing up, notes Sumner, setting the stage for what's shaping up to be a new population growth cycle.

"In the second quarter of 2011, population growth in Alberta really picked up. We had the strongest quarterly growth since the first quarter of 2009, driven by both higher levels of natural population increase and higher international migration," he says.

The bottom line? Alberta's population grew by 21,233 in the second quarter and 37,160 in the first half of 2011 — roughly equivalent to the population of Grande Prairie.

If that pace continues for the full year, Alberta will effectively add a city the size of Red Deer to its population in 2011.

That means more demand for rental apartments, new homes, automobiles, furniture, appliances and all sorts of consumer goods and services — in other words, all the things that make an economy tick.

It also means more available workers in a province that created 86,000 new jobs in the past year, and now boasts one of the lowest jobless rates in Canada, at 5.6 per cent.

While Alberta's robust population growth is encouraging, however, Sumner says uncertainties in the global economy — including the ongoing sovereign debt crisis in Europe, fears of a double-dip recession, and continuing volatility in oil prices — make forecasting difficult.

"Just like there's a lot of uncertainty with the global economy, there's a lot of uncertainty with the migration numbers. With all the turmoil that's going on right now, it's hard to say how much it's going to affect it, but it's possible it could cool off a little bit in the second half."

So much for the big rally.

After two days of stock market euphoria, during which the Dow Jones Industrial Average soared more than 400 points and Toronto's lead index jumped more than 350 points, it was back to reality Wednesday.

By the close, the Dow had slumped 180 points, the S&P/TSX Composite Index shed 235 points, oil prices were down more than \$3 US a barrel, and gold plunged again, as hopes for a resolution to Europe's sovereign debt crisis faded.

"This market is now only trading on information and misinformation as it pertains to the eurozone debt crisis," says David Rosenberg, chief economist and strategist at Toronto-based Gluskin Sheff, and long one of the most outspoken bears.

"The incoming data that continues to show the U.S. economy is fraying at the edges (is) a side show, for now. Keep in mind that all these policies that buy time end up only

postponing the inevitable painful conclusion of debt defaults in the eurozone. The lessons of feet-dragging and denial in the U.S. circa 2007 should not be lost on anyone.”