



Immigration Trends Affecting Real Estate

Real Estate Board of Greater Vancouver

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Marine Drive Golf Club

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Some Real Estate Closing Issues

- Sale by Non-Resident
 - Holdback of 25% of sale price (may be 50%)
 - How much is the mortgage - is there enough equity to pay commissions and holdback 25%
 - Some clients need 25% as they are buying something with sale proceeds in foreign jurisdiction
- Purchase by Non-Resident
 - If getting a mortgage may need to come to Canada to set up bank account
- Document signing can be done offshore but need Notary Public in most jurisdictions

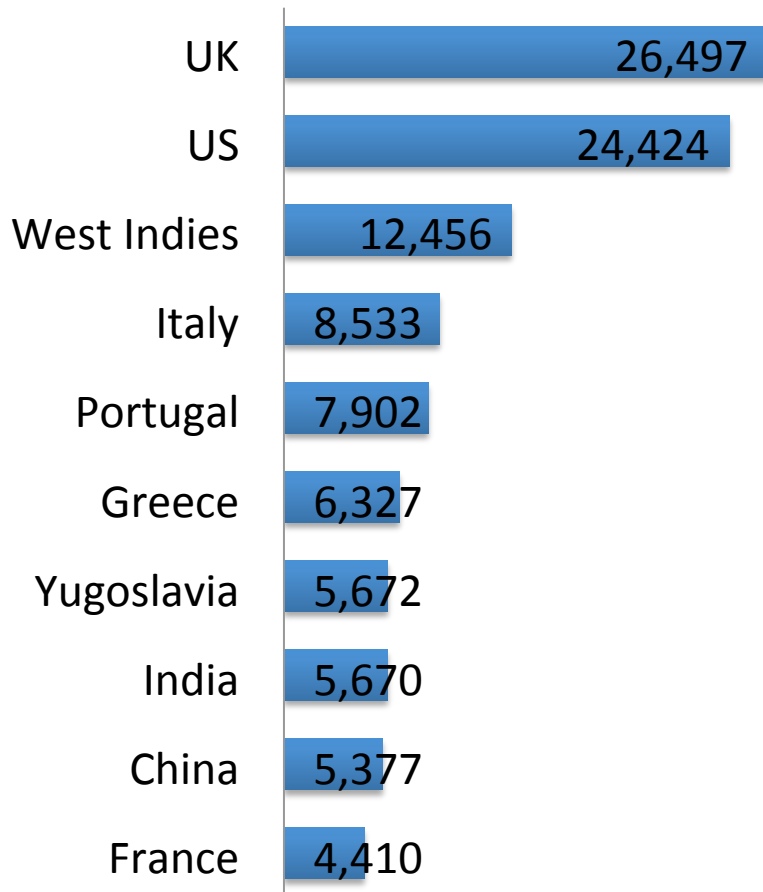
IMMIGRATION TRENDS

Over 250,000 immigrants become permanent residents and over 150,000 foreign workers come to Canada every year.

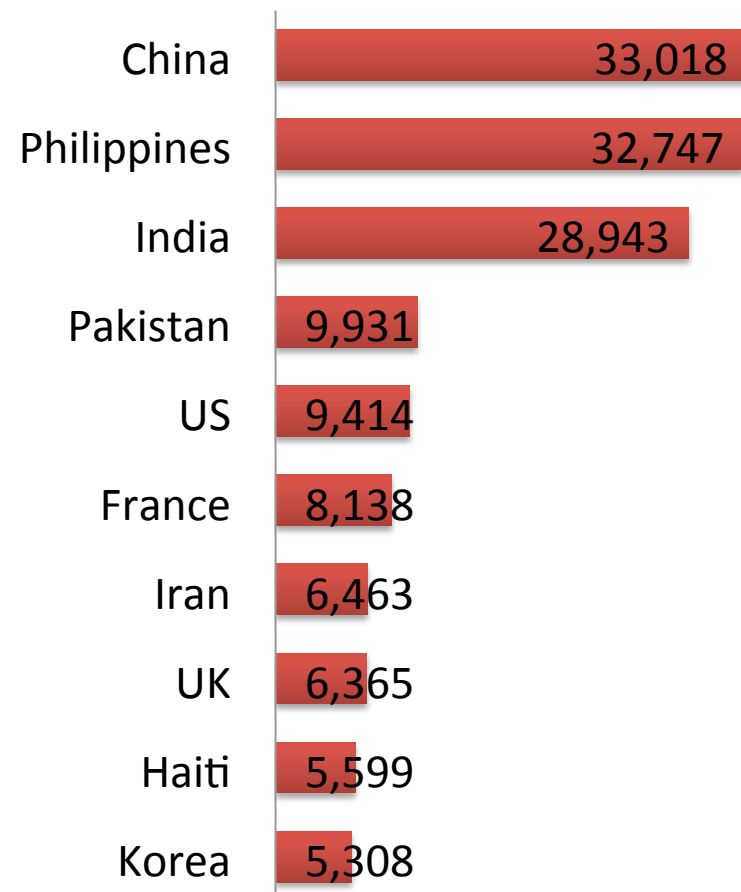
2015 Immigration Plan targets up to 285,000 new permanent residents next year

Immigrants by Source Country

1970



2012



BC Landings over 20 years

BC Landings	1990	2000	2010	2013	
Total	29,105	37,428	44,188	36,161	2013 of %
Main Immigration Classes to BC					
Family	10,583	10,975	10,867	14,150	40%
Skilled Worker	8,449	18,934	16,661	7,452	20%
Provincial Nominee	0	13	4,900	7,128	20%
Investor	2,013	1,387	5,510	2,263	6%
Entrepreneur/Self-Employed	3,988	2,407	350	144	less 1%
Live-In Caregiver	0	1,070	2,884	1,479	4%

Immigration Trends Past 20 Years

- Larger % of immigrants going West to BC & Alberta
- Over 20% of Canada population is foreign born, and expected to increase up to 28% by 2031
- 60% Economic Class and 25% Family Class Vs. 35% Economic and 45% Family in 80s.
- Immigration policies and programs have changed more in the past 5 years than the last 20

IMMIGRATION NEWS 2014

Program closures, new programs announced and major changes to
Citizenship Act

Immigration News 2014

- **January 2014: Parent Sponsorship re-opened with 5,000 cap**
 - Cap for 2015 expected to be higher
- **February 2014: Investor & Entrepreneur Streams terminated**
 - All applications in processed returned to applicant
 - New Investor program expected to be announced end of 2014 (nothing yet)
- **February 2014: Automatic Multiple Entry**
 - Applications for visitor visa will be automatically considered for Multiple Entry Visas (up to 10 years, or length of passport)
- **May 2014: Federal Skilled Worker Program Re-Opened**
 - Cap of 25,000, with 1,000 sub-cap per occupation
 - List of 50 Occupations

Immigration News 2014 Cont'd

- **June 2014: LMO Overhaul**
 - Now called Labour Market Impact Assessment
 - More rigorous assessment process
 - New caps, transition plans required, processing fee \$1000
 - 10 day processing for highest demand, highest paid and shortest-duration
- **August 2014: Dependent Age changed to under 19 years**
 - Applications received August 1st and after, only dependents under 19 years
 - Dependents 19 years or over with disability still qualify

Last Week's Announcement

- **Live-in Caregiver Reform**
 - Now the “Caregiver Program”
 - Live-in aspect of program now optional
 - Employers can no longer dock pay for living expenses
 - Two PR pathways: child caregivers and elderly caregivers
 - Still require to work 2 years, but processing times aimed at 6 months (vs. 3 years currently)
 - Cap of 5,500 applications per year

IMMIGRATION FOR 2015

Bill C-24 Canadian Citizenship Act
Immigrant Investor Pilot Program
Express Entry Program

Bill C-24 Citizenship Act

- Became Law June 2014, but not implemented yet
- **Changes:**
 - Physical Residency Requirement: 4 out of 6 years
 - Time in Canada as non-permanent resident cannot be used towards residency
 - Must prove Intent to Reside in Canada
 - Adult applicants must file Canadian income taxes to be eligible
 - Applicants 14-64 years must complete language and knowledge test
 - Strengthens ban on getting citizenship if applicant has criminal charges or convictions
 - Authority to refuse for fraud, with penalties of a fine or jail time
 - Authority to revoke citizenship from dual citizens and deny it to PRs who were members of organized armed groups or have been convicted of terrorism, spying, treason

Immigrant Investor Pilot Program

- **What we know:**
 - Minister meeting with business leaders to discuss ideas
 - Investment amount expected to be \$2-5 million
 - Funds pooled initially and managed by a professional, private-sector investment manager
 - Investments will be active and at risk
 - Announcements expected end of 2014, launch 2015 (nothing yet)

Express Entry Program

- **January 2nd, 2015**
 - Economic Class Applications become 2-Stage Online Process
 1. Apply to the Express Entry program, into a pool of candidates
 2. Government invites applicants to apply for permanent residency
 - Highest ranked (based on best chances of economic success), and those with valid job offers or PNP nomination, will be invited to apply for PR.
 - Applicants eligible under Canadian Experience Class, Federal Skilled Workers or Federal Skilled Trades will be eligible to apply
 - Shorter processing times expected (approx 6 months)

Update: BC Provincial Nominee Program

- Current processing times
 - BC PNP Business: 2 years for initial approval
 - BC PNP Skilled: 6 to 9 months
- All provinces and territories will continue to recruit candidates, who will be eligible under Express Entry
- Still an option for business, but business candidates should consider intra-company transferee start-up or building partnerships with Canadian business for job opportunities. They can also wait for the new investor pilot program.

Intra-Company Transferee Start-up

- Allows foreign businesses wanting to start a branch, subsidiary in Canada to transfer it's key employees to set-up the Canadian business (executives, senior management, specialized knowledge workers)
- Once in Canada, expected to open office, establish business and create jobs
- Work permit for 1 year, possibility of extension
- Benefits:
 - Faster processing times since No LMIA required
 - Options for PR once in Canada and business is established

WHAT THIS ALL MEANS FOR CANADA

Impact on Economy and housing

Impact on BC's Economy

- Over next 10 years, BC will have one million job openings. 1/3 of job openings are expected to be filled by immigrants.
- Increase of Business immigrants actively participating in BC's economy due immigration streams requiring active investment (BC PNP, Federal entrepreneur).
- New economic immigrants should be more job ready, with English skills and transferrable credentials.
- More immigrants with technical skills or trades expected to meet labour shortages.
- Growing numbers of young workers and international graduates entering workplace with open work permits.
- A new “investor program” focused on venture capital for entrepreneurs would be a win – win!

Some Vancouver Myths

- **Lack of Investor Program will shut down the high end of the market**
 - Best real estate market in a few years - prices and volumes both up
 - South China Morning Post says 50% of China's millionaires plan to leave China in the next 5 years
 - Education and employment opportunities - 78%
 - Economic climate and greater security – 73%
 - Health care and social services – 18%
- **Vancouver is too expensive**
 - What is too expensive
 - Melbourne, Geneva and Vancouver – top three livable cities in the world and all are TOO expensive – funny that - where most people want to live costs more
 - Amazon, Microsoft, Facebook, Disney all expanding to Vancouver – good paying jobs

Some Vancouver Myths

- **Too many vacant properties**

- Metro Vancouver has 5.4% of all housing units unoccupied based on May 2011 census; Victoria 7.5%; London and Windsor, Ontario 6.9%
- National average for all units is 4.8%
- Metro Vancouver unoccupied condo units at 6.2%; national average is 7% and UBC skews data as they were at 10% at time of study when students have vacated

- **Too many condos being built**

- 30 somethings getting married and having kids
- \$1 trillion in wealth transfer in next 20 years
- Currently 80% urbanization and growing – people want to live in cities

Have questions. Contact us.



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