

Seniors' Boom: Prepare Now

By Cameron Muir, BCREA Chief Economist



Statistics Canada recently released the demographic component of the 2006 census. The major thrust of the release was our aging population. Today, nearly 15 per cent of BC's population is aged 65 or older.

An even higher proportion of seniors is clustered in the relatively mild climates of the Okanagan, Lower Mainland and Vancouver Island. Parksville was tied with Elliot Lake, Ontario for the highest ratio of seniors in the country. About one-third of Parksville residents were aged 65 or older last year. One in ten was aged 80 or older.

This is the tip of the iceberg. By the time we reach the year 2031, BC's population will mirror what Parksville's is today. Baby boomers have influenced everything from pop music to the type of cars we drive. Now, as they reach their senior years, they will fundamentally change the way we plan communities and build homes. In fact, they already are.

The hot housing market is in part the result of 42- to 61-year-olds buying

second homes or else their dream homes. A significant amount of home equity has been amassed by boomers over the years, and the high cost of real estate is little deterrent. Just look at the explosion of recreational property sales over the past 12 months. Investor condos are also popular with this group. That's one reason why nearly half the condominium apartments in Vancouver's downtown are investor owned. Boomers have done well by real estate and aren't afraid to increase their holdings.

What kind of housing will [seniors] want?

Now, fast forward 25 years, when the number of seniors has doubled. What kind of housing will they want? We know seniors have a much higher propensity to both rent and own apartments. The younger ones will be firmly ensconced in their golf course commu-

ities or enjoying urban amenities from their apartment condominiums. The older ones, both the ambulatory and the infirm, will populate the myriad of independent and assisted-living accommodations that will soon spring up like dandelions.

The swelling population of seniors will impact the economy, as well. There will be the challenge of maintaining and growing the workforce after the boomers commit to golf full time. However, expect health and financial services to thrive, both of which tend to support higher wages. Residential construction will focus in large part on the needs of seniors, because that's where the demand lies.

Rest assured the baby boomers won't grow old gracefully. They've demanded and received market attention ever since the invention of the disposable diaper. They will continue to drive innovation, as producers and marketers alike vie for the business of this large and prosperous segment of the population.

For REALTORS®, understanding the precocious senior boomers will guarantee success for many years to come.

