Canadian Moving and Storage Fact Sheet

Why do Canadians move?

Major reasons that prompt Canadians to move include a new addition to the family, job relocation, a decrease in family members, retirement, an increase in cash flow, or major renovations needed.

To break it down by the numbers, most Canadians move because of:

• Family size increase (marriage, kids etc.) – 42%
• Job relocation – 37 per cent, but much higher in Alberta – 53%
• Family size decrease (divorce, death, empty nest etc.) – 20%
• Retirement – 18%
• Came into more money – 14%
• Home was in need of renovations – 14%

Moving is not a small consideration when you consider over a lifetime. Canadians move five to six times, says the Canadian Association of Movers. A Statistics Canada survey done in May 2011 found four million Canadians had moved in the previous 12 months.

While other countries are struggling to maintain their populations, Canada's is actually picking up speed.

Within the country's borders, however, the pace is far from uniform.

Ontario is still an axis. It's by far the most populous province, with 38.4 per cent of the population. But Ontario's rate of growth continues to slow as immigrants and locals alike set their sights elsewhere.

Now, the West claims a 30.7 per cent share of the total, compared to 30.6 per cent in Quebec and the Maritimes.

Ontario "is still the largest province, but the shift in the centre of gravity to the West is important," said demographer Frank Trovato of the University of Alberta, editor of Canadian Studies in Population.

Large metropolitan areas ballooned by 7.4 per cent between 2006 and 2011, far above the national average of 5.9.

"Seven in 10 Canadians live in these large metropolitan areas, and that's increasing in each census," said Statistics Canada's Jane Badets, director general of social and demographic statistics.

The areas around the three largest cities — Toronto, Montreal and Vancouver — now claim 35 per cent of the country's total population.

Condo boom, downsizing, divorce, death and changing tastes have all contributed to a doubling in self-storage across Canada.

The condo boom, downsizing, divorce, death and changing tastes have all contributed to a doubling in self-storage across Canada over the last decade — and a virtual explosion across the United States — as more folks find themselves space-challenged but unable to part with even the tarnished trophies of their lives.

Renovations, remodeling and even the constant comings and goings of grown children have all meant that old furniture, boxes of china and camping equipment have had to find safe homes away from home.

Surprisingly, some 20 to 30 per cent of its lockers are also, in essence, small business incubators — places where plumbers and store owners can park their tools and supplies when needed, or until it makes sense to take long-term leases on bigger industrial space.

Even the Canadian Self-Storage Association doesn't seem to keep accurate statistics on how many units there are in Canada, although veterans estimate there are about 3,000 facilities.

That's a fraction of the 52,000 facilities across the United States where self storage has become an exploding, $25 billion business, fueled by a more transient workforce, the rental apartment and condo boom, and the real estate meltdown that saw millions of homeowners forced into foreclosure.

While Canada has about 2 to 2.5 square feet per capita in self storage, Americans account for closer to 9 square feet, studies have shown.

In fact, Canada Day is one of the busiest days of the year for moving, says John Levi, president of the Canadian Association of Movers (CAM), which represents 300 moving companies across the country. If Canadians decide to move, Levi says, they will do it between mid-June and early September. And, they will certainly take advantage of two long weekends. "It's because children are out of school, people take vacations – it has been a tradition in this country that people move at this time of the year."

Just in these three months, according to Levi's data, the moving industry makes up 70 per cent of the year's business.

From mid-June to September, the Canadian moving industry makes up 70 per cent of the year's business.

Even though it's one of the most convenient times of the year to move, it's also one of the most expensive. Resources are scarce, explains Levi, and many people book movers and trucks months in advance. Due to high demand, the companies raise their prices. Depending on how far you are heading, how much you possess, the move can cost you from $500 up to $15,000, or even higher.

Did you know…The annual mileage of North American U-Haul trucks, trailers and auto-transport would move a family to the moon and back again more than 9.9 times per day, every day of the year and could also travel around the Earth more than 177 times per day, every day of the year.

According to **a recent survey by ComFree**, believe it or not, a whopping 28% of homeowners get the urge to move every five years. What's even more shocking is that 14% of Canadian homeowners get the itch to move every year. That's a whole lot of boxes.

Canada Post delivers to more than 15 million addresses across the country and with that kind of network, moving data can often reveal key insights and trends. Using the data from the 2011 Change of Address service, some regional trends show different moving patterns by Canadians. Among them:

- **Reasons for moving:** 22% of Canadians moving do so because of work-related reasons while 20% are upgrading their home and another 17% move for family reasons.
- **Where do people move?** While the vast majority of Canadian families move within the same province, the trends show that 13% move to another province and 4% move outside the country. Among all movers, Atlantic Canadians are most likely (58%) to stay within the same city.
- **When do people move?** Summer is generally the preferred time to move – with the numbers doubling in July (compared to January). However, Westerners are most likely to move throughout the year while in Quebec, the number of moves quadruples in July.

U-Haul Top 25 Canadian Destination Cities
January - December 2013

1. TORONTO
2. CALGARY, Alberta
3. EDMONTON, Alberta
4. MONTREAL
5. OTTAWA
6. VANCOUVER, British Columbia
7. LONDON, Ontario
8. VICTORIA, British Columbia
9. KITCHENER, Ontario
10. QUEBEC CITY
11. WINNEPEG, Manitoba
12. HALIFAX, Nova Scotia
13. HAMILTON, Ontario
14. SURREY, British Columbia
15. KELOWNA, British Columbia
16. KINGSTON, Ontario
17. MISSISSAUGA, Ontario

18. SASKATOON, Saskatchewan
19. RED DEER, Alberta
20. BARRIE, Ontario
21. WINDSOR, Ontario
22. REGINA, Saskatchewan
23. LETHBRIDGE, Alberta
24. MONCTON, New Brunswick
25. NANAIMO, British Columbia

The Canadian self-storage industry is 2,800 storage facilities strong and growing every day. Storage development reaches from St. John's, Newfoundland, in the East to Victoria, British Columbia, in the West and Whitehorse in the Yukon to the north. With more facilities operating in multiple provinces, the time has come for Canada to have a national industry association of its own. No organization of a single territory can provide the services and data necessary to support current levels of expansion.

Until recently, most Canadian storage operators and those wishing to enter the industry had no resources for local data. They had to rely on research, publications and tradeshows produced by U.S. organizations, such as the Self Storage Association and *Inside Self-Storage*. While these entities have been tremendously helpful, the Canadian industry requires country-specific statistics and backing. Entering the storage business should be smooth sailing, not a shipwreck. But without relevant data, it's impossible to plan for a successful business.

Enter the Canadian Self Storage Association (CSSA), navigated under the auspices of President John Madsen. The CSSA will support the Canadian self-storage industry, helping its members cope with continual change. The association is dedicated to business advancement through education and advocacy, and will keep members up-to-date with the legal and operational issues on the horizon.

What You Need

Canadian self-storage developers need an industry profile for each province and major market area in the country. In addition to understanding trends in local economics and demographics, they need industry-specific information on market conditions, occupancy levels, rental rates, security, marketing, management and training. They also require access to a complete list of product and service suppliers, including those who provide property management, valuation and financing.

When considering expansion of a project or construction of a new facility, a storage owner has to make important business decisions regarding the viability of that action. He has to know whether the current market will support additional storage or if it is overbuilt. Without an organized body to gather statistics and analyze their significance, Canadian owners are left to rely on foreign data.

"Access to Canadian statistics through a national association would be welcomed by appraisers and real estate professionals specializing in the valuation, sale and financing of self-storage," says Candace Watson, a Canadian appraiser specializing in self-storage valuation. In her career, she has relied on decades of information gathered by analyzing the industry in British Columbia.

But most appraisers and consultants attempting to estimate the feasibility of a Canadian storage project generally adapt U.S. statistics to the Canadian experience, Watson says. While there are many similarities between the U.S. and Canadian markets, there are significant differences as well. For example:

- Property taxes in Canada comprise a much higher portion of operating expenses than they do in the States.
- Military tenants comprise a significantly smaller proportion of the self-storage customer base in Canada.
- Self-storage per capita in Canada is less than half that of the United States.

In addition, U.S. occupancy dipped considerably in 2000, recovered slightly through 2001 and 2002, and remained stable or dropped in 2003. This trend was due to weak economic conditions combined with a significant increase in supply. By comparison, Vancouver Lower Mainland occupancies have continued to strengthen from 2001 to the present, primarily due to lack of supply in most submarkets and steady increases in rents.

Laying Down the Law

In addition to the pressing need for informational support in Canada, there are also several federal and provincial legislative issues that can detrimentally affect Canadian storage owners. Most can be effectively handled with the assistance of a national association.

First, there is the matter of whether to define self-storage as an active or a passive business. It can be both; however, if it is defined as active, the corporate tax rate will be about 22 percent. If it is defined as passive, the rate will be about 40 percent. The difference lies in the number of full-time staff members a business employs, and the small operator gets the short end of the stick. This formula was adopted before self-storage existed and intended to be applied to other types of businesses. The association can work toward making changes in the application of this standard.

In Ontario, new Reform Taxation Legislation was passed in 1998, which had the effect of increasing property taxes by as much as 45 percent. A capping procedure later limited the increase to 5 percent; however, at the same time, property assessment was changed to be based on market value. If the tax capping is lifted, storage facilities in Ontario will see a substantial tax increase. Without a professional association to assist them, it will be difficult to make their voices heard when it comes time to address the issue.

Lien provisions, which differ from one province to another, are another key concern. British Columbia operates under the Rent Distress Act. In Ontario, they use The Repairers' and Storers' Lien Act. In some territories, there is a complete lack of suitable lien provisions available to storage operators. It will be necessary to define appropriate legislation in these areas. The CSSA can help pave the way.