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AMERICAS

Canada, in Policy Shift, Weighs Capping Student Visas

Boom in international students worsens housing crunch, say government ministers

By [Vipal Monga](#) [Follow](#)

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Canadian Prime Minister Justin Trudeau has made boosting immigration central to his economic agenda. PHOTO: ROSLAN RAHMAN/AGENCE FRANCE-PRESSE/GETTY IMAGES

TORONTO—The Canadian government is considering capping the number of international students it allows into the country as it scrambles to address a growing housing shortage.

The move would mark a shift by Canadian Prime Minister Justin Trudeau, who has made boosting immigration central to his economic agenda. The pivot comes amid increased criticism that he has failed to deal with the housing shortage that is driving up home prices in the Group of Seven country with the lowest number of dwellings per capita.

The number of foreign students at Canadian universities and vocational colleges is set to hit record levels this year. Government ministers have said that the numbers are increasing demand for housing, causing rents to rise in cities and towns already struggling to house existing residents.

Canada's immigration minister, Marc Miller, said at a cabinet retreat held last month that the government was considering several options to curb the influx of foreign students, including "the potential for looking at a cap."

"The micro-inflationary pressure that international students present in certain areas of the country, notably in big cities, is real," he said.

Trudeau faced criticism for comments he made last month when he said that housing was a provincial, not a federal issue. Amid declining poll numbers, he recently focused his cabinet retreat mainly on the housing crisis and said that fixing the issue was a priority.

The Canadian government has set an ambitious target for immigration into Canada. It is seeking to give permanent-residency status—Canada's version of the U.S.'s green card—to 465,000 immigrants this year, increasing the target to 500,000 in 2025, which would be roughly a 25% increase from 2021 numbers.

Trudeau says boosting immigration is central to Canada's economic future, and the immigrants the country is targeting are highly skilled in healthcare, manufacturing, construction and science and technology.

The increased immigration is driving demand for housing. Prices in Canada remain among the highest in the world, and rents have also surged. According to the Canadian Mortgage and Housing Corporation, a government-backed mortgage insurer, Canada's vacancy rate for rental units fell to 1.9% last year, their lowest level since 2001.

Although Trudeau cautioned in remarks made after the cabinet retreat that it is too simplistic to blame foreign students for a multifaceted problem, he added that "all ideas are on the table" for addressing housing affordability.

Canadian immigration authorities have no cap on how many student visas they can issue. The number of international students has more than doubled during Trudeau's years in office.

When Trudeau became prime minister in 2015, there were 352,325 student-visa holders in Canada, according to government statistics. Last year, the number jumped to 807,260, a 130% increase.



Canada's housing prices are among the highest in the world, driven by increased immigration. PHOTO: CAROLINA ANDRADE/BLOOMBERG NEWS

The actual number may be even higher, said Benjamin Tal, an economist with Canadian Imperial Bank of Commerce. He said that government agencies have undercounted the number of nonpermanent residents in Canada by one million people, including those who overstayed their visas.

The undercount means that any policy aimed at capping the number of visas “is more urgent than perceived,” said Tal in a research note.

Jaspreet Singh, who founded the International Sikh Students' Association while he was studying at a college in Brampton, a city west of Toronto, pointed out that students who come to Canada face the same high rents as other residents. He said it is the responsibility of the colleges that recruit them and Canada's provincial governments to ensure that there is enough housing stock to accommodate them.

“The student who was paying \$1,000 for a basement apartment three years ago, right now they are paying more than double for the same,” he said. “They are victims, too.”

Canada's institutions of higher learning have been aggressively courting foreign students. Those from countries such as India, China and the Philippines pay much higher tuition than Canadian citizens, said Sergio Karas, a Toronto-based immigration lawyer.

Schools use international brokers to funnel students to Canada, often with the implied promise that the student visa will allow them to stay in the country as a permanent resident, he said. Students who complete as little as eight months of study can qualify for a one-year

work permit, which makes it easier to apply for permanent residency under current regulations, said Karas.

These immigration rules encourage people to apply to for-profit colleges that have been aggressively recruiting foreigners, said Karas. The schools don't always have plans for where students will stay, he said.

Although stress has been put on housing markets from the influx of students, graduates from vocational colleges often end up filling an economic need by taking jobs in industries such as healthcare, housing and trucking that are short of workers, said Michael Sangster, chief executive of the National Association of Career Colleges, a trade group that represents 450 career colleges in Canada.

"We need skilled, trained workers in this country to fill jobs," he said.

Last year, the Canadian government temporarily lifted restrictions on how many hours a week foreign-student-visa holders can work. The government said in its announcement that students could help fill labor shortages that were confounding companies across Canada. The looser workweek rules will expire at the end of the year.

International enrollment at Canada's universities, including large schools such the University of Toronto and McGill University in Montreal, has roughly doubled in the past decade, said Philip Landon, interim president and chief executive of Universities Canada, an advocacy group.

A cap on the visas could hurt Canada's ability to compete with countries such as the U.S., Australia and the United Kingdom for top students, he said.

The University of Toronto, Canada's largest, said last month that it was concerned about a housing debate that it said was unfairly focused on international students.

"The housing challenges Canada faces are a complex and long-standing societal problem with no single driver and no quick solution," said the university's statement, attributed to Prof. Joseph Wong, vice president of the university's international student affairs.

International students make up about 30% of total enrollment at the university, which guarantees housing for first-year undergraduate students.

Such guarantees don't usually exist at smaller colleges. A lack of housing prompted almost 50 students at Canadore College in North Bay earlier this month to hold a protest where they

demanded access to housing, citing the higher fees they paid for programs.

On Thursday, Canadore reached an agreement with the students, said George Burton, president and chief executive officer of the college, though he declined to disclose the terms until the college completes details with the students.

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