

RESEARCH REPORT



Housing Situation and Needs of Recent Immigrants in the Vancouver CMA

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THE HOUSING SITUATION AND NEEDS OF RECENT IMMIGRANTS IN THE VANCOUVER CMA

Daniel Hiebert

Pablo Mendez

Elvin Wyly

Department of Geography
University of British Columbia
1984 West Mall
Vancouver, British Columbia
V6T 1Z2

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IN THE MONTRÉAL, TORONTO, AND VANCOUVER CMAs**

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Volume 1: *Immigrants and Housing: A Review of Canadian Literature From 1990 to 2005* by Robert Murdie, Valerie Preston, Sutama Ghosh, Magali Chevalier

Volume 2: *The Housing Situation and Needs of Recent immigrants in the Montréal, Toronto, and Vancouver CMAs: an Overview* by Daniel Hiebert, Annick Germain, Robert Murdie, Valerie Preston, Jean Renaud, Damaris Rose, Elvin Wyly, Virginie Ferreira, Pablo Mendez, and Ann Marie Murnaghan (2006)

Volume 3: *The Housing Situation and Needs of Recent Immigrants in the Montréal Metropolitan Area/La Situation Résidentielle des Immigrants Récents dans la Région Métropolitaine de Montréal* by Damaris Rose, Annick Germain, and Virginie Ferreira (2006) and

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EXECUTIVE SUMMARY

Access to adequate, suitable and affordable housing is an essential step in immigrant integration. Immigrants first seek a place to live and then look for language and job training, education for their children, and employment. Housing is also an important indicator of quality of life, affecting health, social interaction, community participation, economic activities, and general well-being. This report provides a detailed analysis of the housing situation of immigrants in the Vancouver metropolitan area and complements similar reports on Montréal and Toronto. Drawing on a wealth of new information about the housing situation of immigrants, we examine four themes: the history of immigration in the Vancouver metropolitan area and recent trends in the Vancouver housing market; the housing conditions of immigrants currently living in the metropolitan area, focusing on the intersections between immigration, income, and ethno-cultural origin in the housing market; a detailed analysis of Vancouver residents who are experiencing affordability problems; and the housing circumstances of newcomers six months after landing in Canada, based on the Longitudinal Survey of Immigrants to Canada (LSIC). In the last of these themes we are able to make direct links between immigrant admissions policy and outcomes in the housing market, since LSIC, in contrast to the census, includes information about the class of entry of immigrants.

There are a number of defining characteristics of immigration to Vancouver that set it apart from Montréal and Toronto. Vancouver was the second-most important centre of immigrant settlement in Canada in the 1990s. In 2001, 16.5 percent of the metropolitan population was comprised of relative newcomers who had officially landed in Canada between 1991 and 2001. Vancouver receives the highest proportion of Asian immigrants of the major Canadian metropolitan areas, and this group has been dominated by those from Eastern and Southern Asian countries. In general, the degree of ethnic diversity generated by immigration is less in Vancouver than in Montreal or Toronto. As elsewhere, most of the immigrants settling in Vancouver were admitted through the Economic Class, and Business Class immigrants were particularly prominent. Of the major metropolitan areas, Vancouver received the smallest ratio of refugees, the group that typically faces the greatest challenges in the settlement and integration process.

In Vancouver, the vacancy rate has been consistently low in the rental market between 1996 and 2001. While immigrants typically enter the Canadian housing market as tenants, most aspire to home ownership. On this front, Vancouver stands out as the most expensive housing market in Canada. The vast majority of dwellings added to the Vancouver housing market are intended to be sold rather than rented. Most have been houses or condominiums. Due to the

fact that governments' financial support to the construction of non-market housing has been reduced over the last decade, this housing alternative is less available to immigrants who have to adopt to a housing market characterised by low vacancy rates and exceedingly high prices (by Canadian standards.)

Nevertheless, the broad story in Vancouver is that most immigrants experience a progressive housing career. Actually, this pattern begins early: we find a relatively high rate of ownership among newcomers given their level of income. We believe this constitutes an "immigrant effect" in the housing market. That is, immigrants either draw upon wealth that they transfer with them to Canada, or channel very high proportions of the income they receive in Canada (or both), in order to purchase housing quickly. The impact of immigration on the housing market is therefore fairly rapid, and grows over time as more and more are able to purchase homes.

At the same time, though, a large number of immigrants, especially newcomers, are in the rental market. For many, housing represents a considerable financial struggle, especially when we consider the combination of income level, household size, and the affordability of larger housing units. The data strongly suggest that immigrants in the rental sector are living in dwellings that are small relative to the number of persons in the household.

In the section of this report on vulnerable households, we defined two groups: those at risk, which are spending at least 30 percent of their entire income on housing; and those at high risk, spending at least 50 percent of their income on housing. These households, to a large degree, fall outside the standard narrative of a progressive housing career. Our analysis of households at risk reveals, above all, that immigrants are more vulnerable in the housing market—whether owners or tenants—than the Canadian born. The same holds true for members of visible minority groups within the immigrant population, a set of groups that is, in effect, doubly disadvantaged. European-origin immigrants experience less crowding, given their smaller households, and only rarely resort to use of multiple-family households. While visible minorities have achieved the same rate of home ownership as their European-origin counterparts, they also have lower average household incomes, yet pay higher monthly amounts whether they own their homes or rent them. That is, visible minorities face a more pronounced cost-income squeeze than those of European origin—though there is much variation between particular groups in each of these broad categories.

Our analysis of LSIC provides a snapshot of the early settlement phase, and reveals how longer-term patterns are established quite quickly. Immigrants enter the Canadian housing market almost as soon as they arrive, with well over 90 percent in a formal housing arrangement within 6 months. We learned from the census that around 40 percent of all immigrants arriving in Vancouver between 1996 and 2001 had become home owners by the time

of the 2001 census. With LSIC, we see that this process starts almost immediately, since one in five surveyed individuals lived in owner occupied households just 6 months or so after arrival.

In the Vancouver case, we see that the acquisition of home ownership is rapid for immigrants arriving to join family already established in Canada, and for those admitted through the business class. Skilled Worker Class entrants to Canada and those who arrive as refugees both enter the rental market, for the most part. The impact on the rental market is substantial given the numbers arriving compared with the fact that few rental units are being added to Vancouver's stock.

The information about the financial circumstances of immigrant families that is provided in the LSIC data is much more rich than what is available in any other source. In particular, LSIC includes information about savings as well as income. Using this, we have been able to present a new way of understanding the degree of stress that immigrants face in the housing market. Based on this measure, we found that over half—approximately 58 percent—of the newcomers recorded in LSIC have found housing that they can afford (at least while they have savings). The remaining 42 percent face important challenges. It is no surprise, therefore, that a high proportion of those surveyed identified cost, adequacy, and credit as the three greatest obstacles in their housing search.

In conclusion, our findings suggest that immigrants affect housing demand in two important ways. In the short term, with a nearly static supply of rental housing, and growing demand associated with immigration, we expect immigration to lead to rising rental prices. These have been held down during the period of our analysis by the major shift, in the general population, from rental accommodations to home ownership, which coincided with a boom in condominium construction. But the years since 2001 have seen rapid real estate price increases, and the shift from tenancy to ownership is likely slowing down. Under these circumstances, we expect that immigration will contribute to escalating rental fees. While immigrants have a large and immediate impact in the rental market, they also affect the longer-term real estate market. LSIC demonstrates that, out of the 25,000 or so immigrants and refugees that arrived in Vancouver during a one-year period, some 5,000 became owner-occupiers within 6 months. Moreover, the level of home ownership among immigrants rises over time, contributing a great deal to demand. Aggregate statistics on home ownership corroborate this point well: first-generation immigrants own over 200,000 of the approximately 460,000 owner-occupied dwellings in the metropolitan area. The Vancouver real estate market would look quite different if immigration were dramatically increased or curtailed.

RÉSUMÉ

L'accès à un logement abordable, de qualité et de taille convenables est une étape essentielle à l'intégration des immigrants. À leur arrivée, les immigrants cherchent d'abord un logement, puis des cours de formation linguistique et professionnelle ainsi qu'un établissement scolaire pour leurs enfants, et enfin, un emploi. Le logement constitue par ailleurs un important indicateur de la qualité de vie, car il influe sur la santé, l'interaction sociale, la participation à la collectivité, les activités économiques et le bien-être en général. Ce rapport présente une analyse détaillée des conditions de logement des immigrants dans la région métropolitaine de Vancouver et s'ajoute à d'autres rapports similaires portant sur les agglomérations de Montréal et de Toronto. En s'inspirant de la profusion de nouvelles informations sur la situation du logement des immigrants, les auteurs examinent quatre thèmes : l'historique de l'immigration et les tendances récentes dégagées dans le marché de l'habitation de la région métropolitaine de Vancouver; les conditions de logement des immigrants qui vivent actuellement dans la région métropolitaine, surtout dans l'optique de l'interaction des facteurs liés à l'immigration, au revenu et aux origines ethnoculturelles; l'analyse détaillée de la situation des résidents de Vancouver aux prises avec des problèmes d'abordabilité; et les conditions de logement des nouveaux immigrants six mois après leur arrivée, selon les résultats de l'Enquête longitudinale auprès des immigrants du Canada (ELIC). L'examen des trois derniers thèmes permet d'établir des liens directs entre les critères d'admission et les résultats obtenus en matière de logement, puisque l'ELIC, contrairement au recensement, recueille des données sur la catégorie d'admission des immigrants au Canada.

Un certain nombre d'éléments distinguent le contexte de l'immigration à Vancouver de celui de Montréal et de Toronto. Dans les années 1990, Vancouver a accueilli le deuxième nombre en importance d'immigrants au Canada. En 2001, les immigrants arrivés au pays entre 1991 et 2001 représentaient 16,5 % de la population métropolitaine. Parmi les principales régions métropolitaines canadiennes, Vancouver accueille la plus forte proportion d'immigrants asiatiques, un groupe composé principalement de personnes en provenance des pays de l'Asie orientale et de l'Asie méridionale. En comparaison de Montréal et de Toronto, le degré de diversité ethnique découlant de l'immigration est généralement moins élevé à Vancouver. Comme ailleurs, la plupart des immigrants à Vancouver ont été admis dans le cadre de la catégorie de l'immigration économique, et les personnes appartenant à la composante gens d'affaires étaient particulièrement nombreuses. Par rapport aux autres grandes régions métropolitaines canadiennes, Vancouver a accueilli la plus faible proportion de réfugiés, le groupe qui éprouve habituellement les plus grandes difficultés à s'établir et à s'intégrer.

À Vancouver, les taux d'inoccupation des logements locatifs ont été bas entre 1996 et 2001. Si les immigrants sont généralement locataires à leur arrivée, la plupart souhaitent accéder à la propriété. Sur ce plan, Vancouver occupe la première place au titre du marché le plus cher au Canada. Par ailleurs, la grande majorité des habitations ajoutées au parc de logements de Vancouver sont destinées à la vente plutôt qu'à la location. La plupart sont des maisons et des copropriétés. Étant donné que les gouvernements ont réduit leur appui financier à la construction de nouveaux logements hors-marché, les immigrants ont dû s'adapter à la conjoncture difficile du marché résidentiel caractérisé par de faibles taux d'inoccupation et des prix élevés.

Néanmoins, la plupart des immigrants à Vancouver réussissent à améliorer progressivement leurs conditions de logement. En fait, ce cheminement commence tôt : les nouveaux arrivants affichent un taux de propriétaires relativement élevé, étant donné leur niveau de revenu. On estime que cela représente l'« effet de l'immigrant » dans le marché du logement, un phénomène selon lequel les immigrants utilisent les actifs financiers qu'ils possèdent à leur arrivée au Canada ou consacrent une proportion très élevée de leur revenu canadien à l'habitation (parfois les deux), dans le but d'accéder à la propriété dans les plus brefs délais. Les incidences de l'immigration sur le marché résidentiel sont donc relativement rapides et se multiplient avec le temps à mesure qu'un nombre accru d'immigrants réussit à acquérir un logement.

Parallèlement toutefois, un grand nombre d'immigrants, particulièrement les nouveaux arrivants, sont locataires. Pour bon nombre, le logement représente un lourd fardeau financier, compte tenu particulièrement de leur niveau de revenu, de la taille du ménage et du prix des grands logements. Les données portent fortement à croire que les immigrants locataires vivent relativement à l'étroit, compte tenu du nombre de personnes qui composent leur ménage.

Dans la section du rapport portant sur les ménages vulnérables, on a défini deux groupes : ceux à risque, qui dépensent au moins 30 % de leur revenu total pour se loger, et ceux à haut risque, qui consacrent au moins 50 % de leur revenu au logement. Dans une large mesure, ces ménages sont exclus de l'analyse habituelle sur l'amélioration progressive des conditions d'habitation. Notre étude des ménages à risque révèle, avant tout, que les immigrants — propriétaires et locataires — sont plus vulnérables aux conditions du marché de l'habitation que les personnes nées au Canada. Il en est de même pour les membres de minorités visibles, des groupes qui sont, en fait, doublement défavorisés. Par comparaison, les immigrants d'origine européenne vivent moins à l'étroit, car leurs familles comptent moins de personnes. Aussi, ils n'habitent que rarement dans des ménages multifamiliaux. Les immigrants de minorités visibles affichent le même taux de propriétaires que leurs homologues d'origine européenne, mais leurs revenus moyens de ménage sont inférieurs et leurs paiements

mensuels, plus élevés, qu'ils soient propriétaires ou locataires. Autrement dit, les membres de minorités visibles assument des coûts plus élevés par rapport à leur revenu que leurs homologues d'origine européenne, bien que cette situation varie beaucoup entre les groupes dans chacune des grandes catégories.

Notre analyse des résultats de l'ELIC fournit un aperçu de l'étape d'établissement des immigrants et révèle comment les tendances à long terme se dégagent assez rapidement. Les immigrants intègrent le marché de l'habitation dès leur arrivée au Canada ou presque : une proportion largement supérieure à 90 % ont un logement permanent dans les six premiers mois après leur entrée au pays. Les données du recensement ont révélé qu'autour de 40 % de tous les immigrants venus à Vancouver entre 1996 et 2001 étaient propriétaires au moment du Recensement de 2001. L'ELIC révèle que ce processus s'amorce rapidement, car le cinquième des personnes recensées vivaient dans un logement de type propriétaire-occupant environ six mois après leur arrivée au pays.

À Vancouver, les immigrants qui viennent rejoindre des membres de leur famille déjà installés au Canada et ceux de la catégorie des gens d'affaires accèdent rapidement à la propriété. Pour leur part, les immigrants de la catégorie des travailleurs qualifiés et les réfugiés sont généralement locataires, ce qui a des effets appréciables sur le marché locatif, étant donné le nombre de nouveaux venus et le peu de logements ajoutés au parc locatif de Vancouver.

En comparaison de toutes les autres sources d'information, les données de l'ELIC fournissent des renseignements beaucoup plus détaillés sur la situation financière des familles d'immigrants, particulièrement concernant le niveau d'épargne et les revenus. Grâce à cette information, il a été possible d'élaborer une nouvelle définition du degré de stress subi par les immigrants à cause de la conjoncture du marché de l'habitation. Selon cette mesure, environ 58 % des nouveaux venus recensés dans le cadre de l'ELIC ont trouvé un logement qui correspond à leurs moyens (du moins durant la période qu'ils possèdent des épargnes). Le reste (42 %) éprouvent de sérieux problèmes. Il n'est donc pas étonnant qu'une forte proportion des personnes recensées ait déclaré que le prix, le nombre d'habitations convenables et l'obtention de crédit constituaient les trois principaux obstacles affrontés lors de la recherche d'un logement.

Pour conclure, les résultats de notre étude donnent à penser que l'immigration influe sur la demande de logements de deux façons importantes. À court terme, on prévoit que l'immigration entraînera une hausse des loyers, compte tenu de la quasi-stagnation de l'offre sur le marché locatif et de la demande grandissante de la part des immigrants. Pendant la période à l'étude, le mouvement général de la population vers l'accession à la propriété, qui coïncidait avec l'essor de la construction dans le segment des copropriétés, a freiné la

majoration des loyers. Depuis 2001 toutefois, les prix des propriétés se sont envolés, et le mouvement des locataires vers l'accession à la propriété a vraisemblablement ralenti. Compte tenu de ces facteurs, on peut s'attendre à ce que l'immigration contribue à l'escalade des loyers. Les immigrants ont un effet appréciable et immédiat sur le marché locatif, et ils influent également sur le marché immobilier à long terme. Selon les résultats de l'ELIC, 5 000 des quelque 25 000 immigrants et réfugiés venus à Vancouver pendant une période d'un an ont accédé à la propriété dans les six mois suivant leur arrivée. Par ailleurs, le taux de propriétaires des immigrants s'accroît avec le temps, ce qui stimule grandement la demande. Les statistiques globales sur l'accession à la propriété corroborent bien ce fait : les immigrants de la première génération possèdent plus de 200 000 des quelque 460 000 habitations de type propriétaire-occupant dans la région métropolitaine. Le marché immobilier de Vancouver serait bien différent si l'immigration augmentait ou diminuait considérablement.



National Office

Bureau national

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INTRODUCTION

Access to adequate, suitable and affordable housing is an essential step in immigrant integration. Immigrants first seek a place to live and then look for language and job training, education for their children, and employment (Lapointe 1996, Murdie et al. 2005). Housing is also an important indicator of quality of life, affecting health, social interaction, community participation, economic activities, and general well-being (Engeland and Lewis 2005).

Responding to the importance of housing for successful inclusion of immigrants and refugees in Canadian society, a growing body of research has examined their access to housing at different stages of the settlement process, their housing careers, and their success attaining homeownership. As part of this project entitled “Exploring the Housing Situation and Needs of New Immigrants in Canada,” the recent literature has been reviewed comprehensively in a companion report entitled *Immigrants and Housing: A Review of Canadian Literature From 1990 to 2005* by Murdie, Preston, Chevalier, and Ghosh (2006).

This report represents a second aspect of the project, a detailed analysis of the housing situation of immigrants in the Vancouver metropolitan area. Two parallel reports deal respectively with the Toronto (*The Housing Situation and Needs of Recent Immigrants in the Toronto CMA*, by Valerie Preston, Robert Murdie, and Ann Marie Murnaghan, 2006) and Montréal CMAs (*The Housing Situation and Needs of Recent Immigrants in the Montréal Metropolitan Area/La Situation Résidentielle des Immigrants Récents dans la Région Métropolitaine de Montréal* by Damaris Rose, Annick Germain, and Virginie Ferreira, 2006). We have considered each of Canada’s three largest metropolitan areas separately because of important metropolitan variations in immigration and housing markets in Canada. Each metropolitan area in Canada has a different history of immigration and distinct geographical patterns of immigrant settlement. Immigrants also enter specific and varied housing submarkets when they arrive in each metropolitan area (Canada Mortgage and Housing 2005). The specificity of the housing market in each metropolitan area interacts with the distinct patterns of immigration so that in each metropolitan area, immigrants confront different housing opportunities and challenges. This report explores the housing situations that result for immigrants in the Vancouver metropolitan area. A final project report entitled *The Housing Situation and Needs of Recent Immigrants in the Montréal, Toronto and Vancouver CMAs: An Overview*, by Hiebert, et al., provides a comparative analysis of our major findings for Montréal, Toronto and Vancouver.

Drawing on a wealth of new information about the housing situation of immigrants, we examine four topics. The report begins with a review of the history of immigration in the Vancouver metropolitan area and recent trends in the Vancouver housing market. The aim is to set the context for understanding the social and housing circumstances that immigrants encountered in Vancouver upon arrival.

The next section reviews the housing conditions of immigrants currently living in the metropolitan area. In this section, we emphasize the effects of immigrant status, period of arrival, and ethnic and visible minority status on immigrants' housing. Drawing on special tabulations from the 2001 census (made available by Statistics Canada to researchers affiliated with the Metropolis Project), and where possible invoking comparisons with 1996 census data, we examine how the housing situations of immigrants differ from those of their children and other Canadian-born. We investigate the impact of period of arrival on tenure, housing costs, and income. Further disaggregating the immigrant population in Vancouver, we also explore differences in housing situations across visible minority subgroups and ethnic origins.

The description of immigrants' success attaining home ownership is followed by a detailed analysis of Vancouver residents who are experiencing affordability problems. Following conventions developed by Canada Mortgage and Housing Corporation (Canada Mortgage and Housing Corporation 2004), we describe the housing costs and household incomes of immigrant households spending at least 30 percent of total pre-tax income on housing, as well as those of a smaller group of immigrant households spending at least 50 percent of total income on housing. Again, the immigrants are disaggregated by immigrant status, period of arrival, visible minority subgroups and ethnic origins.

Information from the first wave of the Longitudinal Survey of Immigrants to Canada (LSIC), conducted by Statistics Canada and Citizenship and Immigration Canada on a representative sample of immigrants who landed in Canada between October 2000 and September 2001, allows us to explore how very recently-arrived immigrants find housing and the extent to which their initial housing situations are affordable, adequate, and suitable. The LSIC data also enable us to distinguish immigrants on the basis of their immigration class - information not collected for the census. Previous research, based on single case studies or surveys in a single city (Renaud 2003; Rose and Ray 2001; Murdie 2005; Bezanson 2003), has suggested that refugees and refugee claimants have more difficulty than other classes of immigrants finding appropriate housing. The LSIC sample includes refugees selected overseas, but not refugee claimants or others whose immigration papers were processed from within Canada. The LSIC information allows us to explore how immigration category at landing affects housing outcomes in a single metropolitan area, to relate these findings to the local housing

market, about which we have detailed information, and to situate the results in a comparative context.

SECTION 1 IMMIGRANT SETTLEMENT AND THE HOUSING MARKET IN THE VANCOUVER CMA

1.1 History of immigrant settlement

Greater Vancouver shares a number of key elements of its immigration history with Toronto and Montreal, but the profile of newcomers that have settled in the metropolitan area has also been distinct in several important ways. In broad contours, we can see the familiar Canadian story in the history of migration to Vancouver. The region received large numbers of mainly European settlers in the early-twentieth century, a time of pronounced economic and urban growth. As elsewhere in Canada, few immigrants arrived in the long, uncertain period between the onset of the First World War and the end of the Second. Immigration resumed after the war, again primarily from Europe. But the 1947 decision to open the Canadian border to people from China, for the first time in a generation, had an immediate impact, especially in Vancouver. The sweeping changes implemented in the 1960s profoundly transformed the character of Canadian immigration, prompting a much more internationalized intake and also facilitating the entry of immigrants with higher levels of education (associated with the introduction of points assessment). Finally, the trebling of annual targets in the mid-1980s has had a remarkable impact on Vancouver, along with other metropolitan centres in Canada.

The much abbreviated history presented in the previous paragraph applies to Vancouver as much as Toronto and Montreal. But there are a number of defining characteristics of immigration to Vancouver that set it apart from the other two centres (cf Hiebert 1999a). First, Vancouver's geographical position has fostered particularly strong connections with Asia. Chinese, Japanese, and later Indian, immigrants all created noticeable communities in the early city, and when immigration from these areas resumed, and later intensified, Vancouver became a destination of choice. Therefore Vancouver has the highest proportion of Asian-origin immigrants of any Canadian metropolitan area.

The economic character of Vancouver also played a role in the process of immigrant settlement and participation in the labour market. In broad terms, the other main immigrant-receiving cities of the early twentieth century specialized in manufacturing (Toronto and Montreal), financial services (Toronto and Montreal), and agriculture (Winnipeg). Vancouver, the "village by the rainforest" was more attuned to non-agricultural resources, with rapid growth in associated sectors, such as transportation and resource processing. Therefore, through the twentieth century, the Vancouver counterparts of many key groups in other cities were quite small, such as the substantial presence of Ukrainian, Dutch and German farmers

around Winnipeg, or the English and, later, Italian blue-collar workforces of Toronto. Still, as in the other large Canadian centres, European immigrants who arrived in the early twentieth century slowly gained an economic foothold in Vancouver. The postwar cohort did so as well, benefiting from, and contributing to, the boom in resource products and construction in the 1950s and 1960s. Males, especially, found reasonably well-paid work in these sectors quickly. In both of these immigration waves, European newcomers also entered the housing market quickly, and this was an important vehicle of their social mobility. Early immigrants from Asia did not enjoy the same opportunity structure. Some gained upward mobility through entrepreneurship, but the larger story for these groups was work in the least-paid sectors of the economy – such as restaurants and personal service – and equally poor housing.

To a casual observer, these patterns seemed to reverse themselves in the closing years of the twentieth century. The large influx of Asian immigrants that began to arrive in the 1980s included business immigrants and a significant number of highly skilled individuals. Many entered the housing market immediately through the purchase of a home, even in affluent parts of the city. As David Ley has shown (1999; 2003), the media actively portrayed this new group of “designer immigrants” as an incoming cohort of wealthy consumers who were buying up choice housing in Vancouver, especially those from Hong Kong in the period that followed the Tiananmen Square repression in China (cf Li 2005). To many, it appeared that the very groups that were economically marginalized, for approximately a century, had gained positions of privilege. However, as this report will show, this view was greatly exaggerated, though it was not completely erroneous.

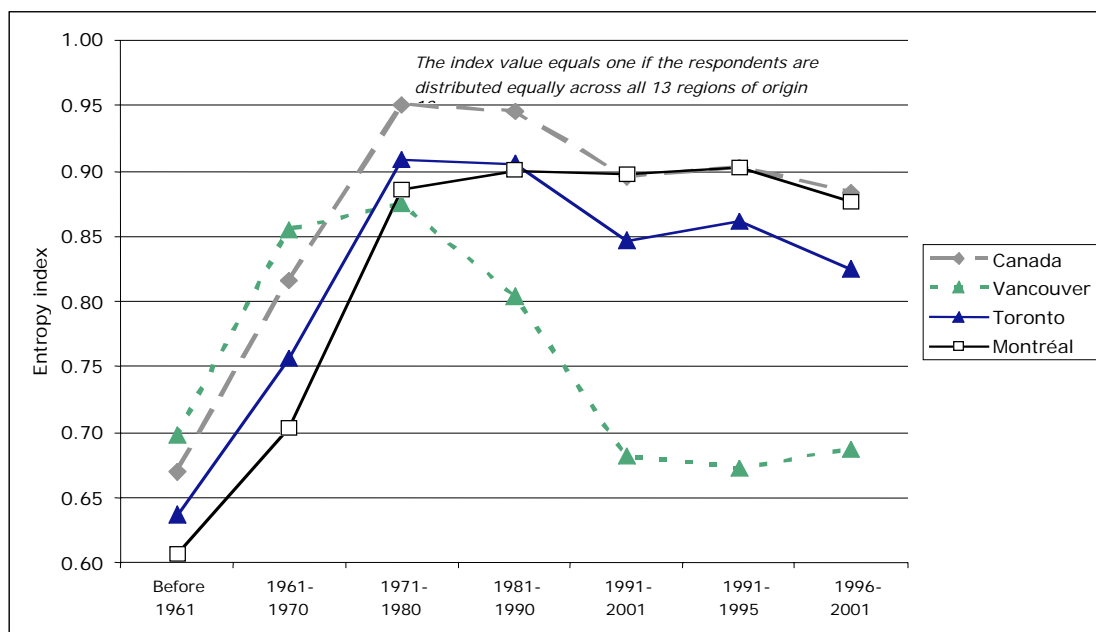
The tables that accompany this section provide a clear indication of the legacy of these developments. Vancouver’s general attractiveness to immigrants is demonstrated by the fact that the foreign-born make up around 38 percent of the metropolitan population (Table 1.1), the second highest figure for Canada and the third highest of any major centre in the OECD countries (after Toronto and Miami). The profile of Vancouver’s immigrants, seen in the 2001 census, is quite different than that of either Toronto or Montreal (Table 1.2). The considerable Caribbean and South American populations seen in the other two major centres are largely absent in Vancouver. Similarly, relatively few African-born immigrants settle in Vancouver. Apart from a significant British legacy, Vancouver also has not attracted the same share of European-origin newcomers as Montreal or Toronto. This is particularly true of those who have come from eastern and southern European countries. For example, Vancouver’s Greek, Italian, and Portuguese populations are much smaller than those of the other major centres of Canada.

On the other hand, Vancouver has received a higher ratio of immigrants from the USA and Oceania than Montreal or Toronto, though neither of these groups is particularly large in absolute terms. In any case, Vancouver’s American, Australian, and Fijian populations are all

more significant (in relative terms) than their counterparts in the other centres. But Asia is the real source of Vancouver's immigrant population. Again, though, there are specificities involved. Vancouver has received relatively few immigrants from the Middle East and West Asia compared with Montreal and Toronto, and has nothing like the major Lebanese-born community of Montreal, for example. The Vancouver counterpart of the Sri-Lankan-origin population of Toronto is equally small, though the number of immigrants from the Philippines is considerable. It is the South and, especially, East Asian groups, however, that set Vancouver apart. Over one-third of Vancouver's total immigrant population was born in Eastern Asia, compared with just 6 percent for Montreal and about 15 percent for Toronto.

The relatively narrow composition of Vancouver's immigrant population is revealed in Figure 1.1. Until the 1970s, the diversity of Vancouver's immigrant population was about the same as that for Montreal and Toronto. Since then, though, Vancouver's Entropy Index has noticeably fallen, in conjunction with the large increase in immigration from South and East Asia. Finally, it is worth noting that the top ten source countries account for a much higher proportion of immigrants in Vancouver (77 percent) than in Toronto (58) or Montreal (48) (Table 1.3).

Figure 1.1 :
Diversity of birth places of immigrants by period of arrival (entropy index, 13 regions and countries of birth)



Source: Statistics Canada, 2001 Census of Population and Housing, Table 95F0358XCB2001004.IVT; calculations by Philippe Apparicio, INRS-UCS.

Despite the rather narrow range of source countries supplying immigrants to Vancouver, in comparison with other major centres, we would still emphasize the very high level of diversity of the metropolitan immigrant population. There are profound differences, for example, in the groups that have come from Hong Kong, Taiwan, PR China, and Korea, despite the fact that all are grouped in the general category of Eastern Asia. Similarly, immigrants from South Asia are highly diverse, including individuals from a wide socio-economic spectrum and, of course, many religious affiliations.

Immigrants settling in Vancouver are also distinct in terms of their class of admission. The Canadian government made a decision in the early 1990s to emphasize economic immigrants, particularly over those admitted through the family class. For the second half of the decade, approximately six out of every ten immigrants landing in Canada were either Principal Applicants or Spouses and Dependents admitted as economic immigrants. The overwhelming majority of these individuals were either associated with the Skilled Worker or Business classes. The economic class dominated the cohort of immigrants destined for each of the three major metropolitan centres in 2001 (60.5 percent for Montreal, 65.5 for Toronto, and 64.9 for Vancouver, according to CIC *Facts and Figures*, 2001). However, there were important differences in the composition within this category and also in the other categories. It may surprise many to learn that Montreal attracted the largest ratio of Business Class immigrants, at over 13 percent compared with 10 percent for Vancouver and less than 4 percent for Toronto. We will see later in this report that Vancouver had, by far, the highest ratio of Business immigrants actually living in the CMA (in other words, many of those indicating Montreal as their destination actually settled elsewhere in Canada). The percentage of immigrants admitted through the Family Class was relatively consistent across the three CMAs (22.5 percent for Montreal, 25.0 percent for Toronto, and 26.8 percent for Vancouver). The real difference in that year was in the composition of refugees destined for the three urban areas. In Montreal, refugees represented 16.3 percent of the immigrant population, whereas this figure was 8.0 percent for Toronto and only 5.8 percent for Vancouver.

Vancouver was the second-most important centre of immigrant settlement in Canada in the 1990s. In 2001, 16.5 percent of the metropolitan population was comprised of relative newcomers (i.e., those who had officially landed in Canada between 1991 and 2001), compared with 17.0 percent in Toronto and 6.4 percent on Montreal. We have also seen in this section that Vancouver received the highest proportion of Asian immigrants of the major Canadian metropolitan areas, and that this group was dominated by those from Eastern and Southern Asian countries. In general, the degree of ethnic diversity generated by immigration was less in Vancouver than in Montreal or Toronto. As elsewhere, most of the immigrants settling in Vancouver were admitted through the Economic Class, and Business Class immigrants were

particularly prominent. Of the major metropolitan areas, Vancouver received the smallest ratio of refugees, the group that typically faces the greatest challenges in the settlement and integration process.

1.2 Settlement patterns within the CMA, housing type, housing tenure

The broad socio-spatial pattern of immigrant settlement in Vancouver remained consistent for much of the twentieth century (Hiebert 1999a). In essence, there have been four general zones in the social landscape of the metropolitan area. (a) The area immediately east of the downtown (the Downtown Eastside) was the early site of both the Chinese and Japanese communities early in Vancouver's history and this was maintained through the last century, with some important modifications (the internment of the Japanese; the significant entry of First Nations' individuals in the latter part of the century and, more recently, gentrification). To put it bluntly, the most marginalized groups, from China and Japan, were relegated to the poorest parts of the city, in both environmental and socio-economic terms. Even today, this area also contains the largest number of residential hotels in the city and a population that uses social services most heavily. (b) The eastern half of the City of Vancouver (East Vancouver) has been the main settlement location of a long succession of immigrant groups, from Britain before WW2, continental Europe after the war, and more recently Asia. This area is rich in social and cultural institutions catering to many immigrant groups. (c) The western half of the City of Vancouver (Vancouver's Westside), which has long been associated with middle- and upper-income housing. Until recently, residents of the neighbourhoods of the Westside have been either British or the descendents of immigrants from continental Europe. (d) There are over 20 suburban municipalities surrounding the City of Vancouver. These are socially mixed, but in general terms properties and houses in the larger suburban belt have been ample. Historically, apart from those of British origin, immigrants rarely located in the suburbs, except those who were long-time residents of Canada.

These patterns were evident before WW2 but were really crystallized in the long economic boom that followed the war. But as the scale, source patterns, and nature of immigration all were redefined in the 1980s, so too was the social landscape of immigrant settlement (Figures 1.2 and 1.3). Gentrification near, and even inside, the Downtown Eastside made that area less accessible to immigrants. East Vancouver, on one level, has changed little, as it remains a principal destination of newcomers. But on another level, the nature of newcomers has been transformed, since now most come from Asia, as opposed to Europe in the post-war period. The Westside of the City of Vancouver and the suburban municipalities have seen the most change, however. Both areas now house considerable numbers of immigrants.

In fact, more than half of the immigrants arriving in Greater Vancouver in the 1990s settled in the suburbs.

These fundamental changes in the spatial settlement trajectory of immigrants have arisen for complex reasons. In part, they reflect the preferences of immigrant groups. For example, East Asian immigrants tend to gravitate towards neighbourhoods with houses and condominiums that are sold, while newcomers from Eastern European countries appear to be more comfortable with higher-density residential environments that are primarily geared toward rental. But the emerging patterns are also the result of changing immigration cohorts (which are shaped by policy), developments in the labour market, and of course the housing market itself. As we explore in this report, this socio-spatial transformation also has had profound implications on the housing market of metropolitan Vancouver. In other words, immigrants adapt to the housing market, to a large degree, but they also affect the housing market.

Figure 1.2:

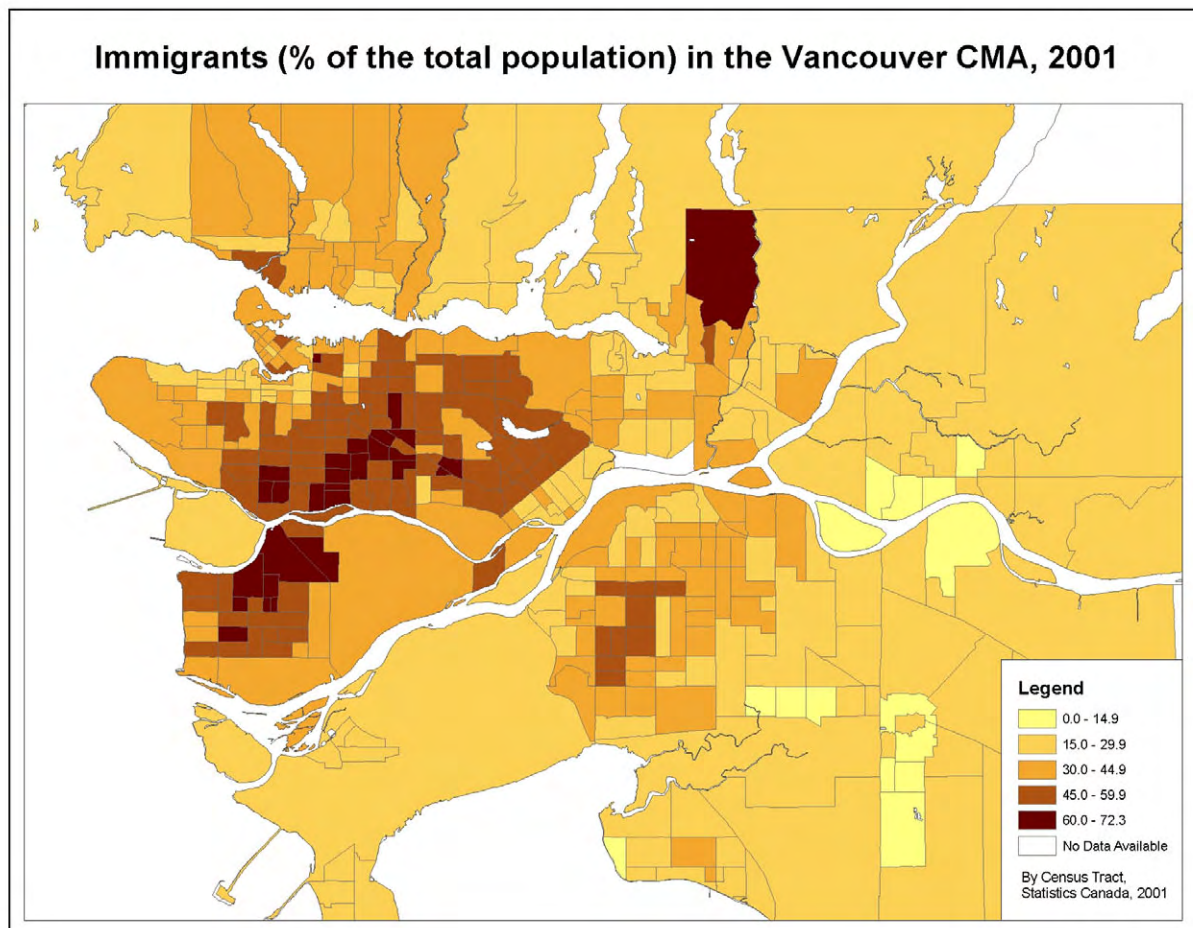
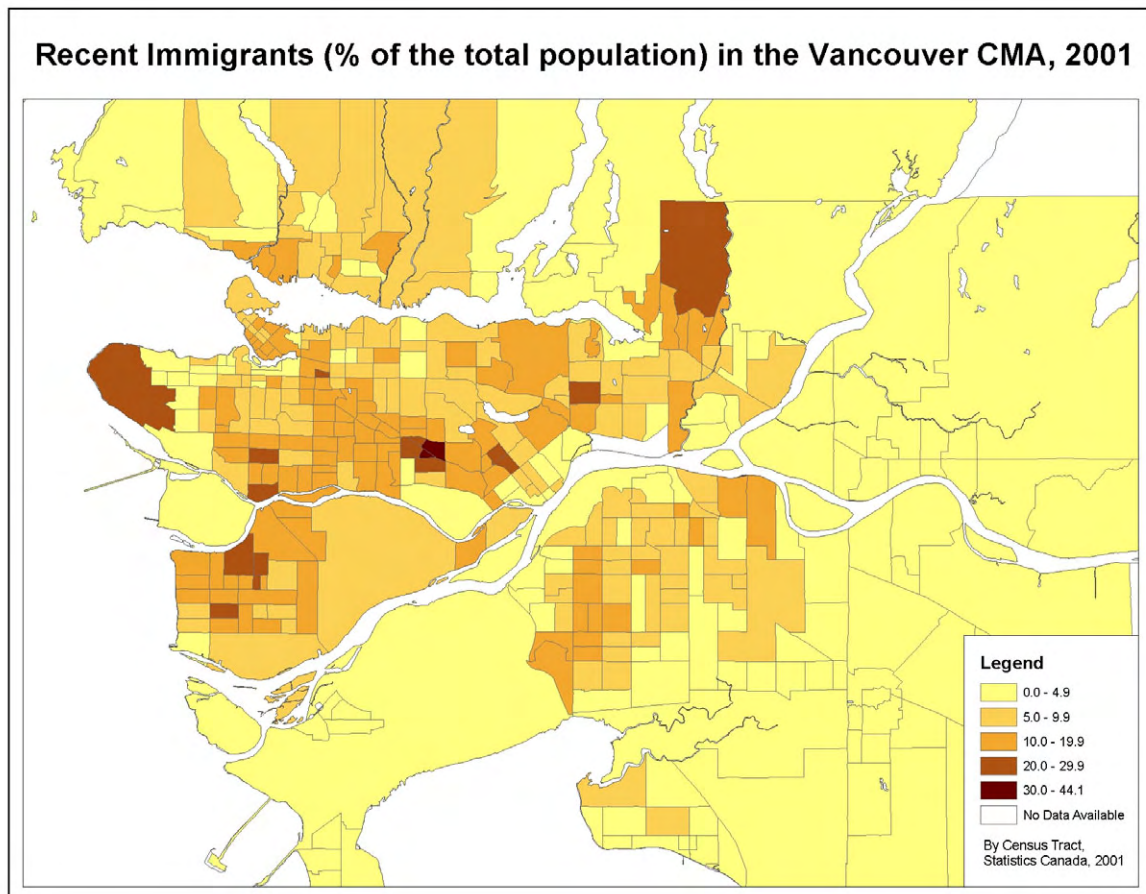


Figure 1.3 :



1.3 Recent housing market trends

Most immigrants first encounter the housing market by renting a dwelling. Recent statistics on vacancy rates are provided in Table 1.4. Ten years ago, at a peak moment of Asian immigration to Greater Vancouver, the vacancy rate was just over one percent, well below the figure of four percent that is commonly used to indicate an “open” market with units readily available. As one might expect, the drop in immigration that followed the Asian market downturn coincided with a rise in the vacancy rate in Vancouver, to 2.7 percent during the worst economic years in Asia. As immigration admissions to Canada generally, and Vancouver in particular, rebuilt at the start of the present decade, the rental market began to tighten, and the vacancy rate has generally been well below 2 percent since.

In contrast to the situation in Montreal and Toronto, the availability and price of rental properties in Vancouver has been relatively consistent over the 1996-2001 period. In both of the other metropolitan areas, but particularly Montreal, vacancy rates fell between these years (Table 1.5). In Vancouver, the vacancy rate was more consistently low in 1996 and 2001; the only exception to this tendency was the rise in the availability of larger dwelling units, which might have had a positive impact on refugees arriving in the area in the later years, since they are typically the largest immigrant households. Rental rates also changed least in Vancouver, compared with Montreal and Toronto, over these years (Table 1.6). Proportionally, the largest price increases have been in Montreal, though rents there remained the lowest of the three centres. Rates were highest in Toronto in 1996, and increased further over the 5 year period. Rental rates rose by roughly 1.5 percent annually during these years, more for small apartments and less for large ones. Of course, the change in rental prices is less significant than the more general degree of affordability—the ratio of rent to income—which will be explored later in this report.

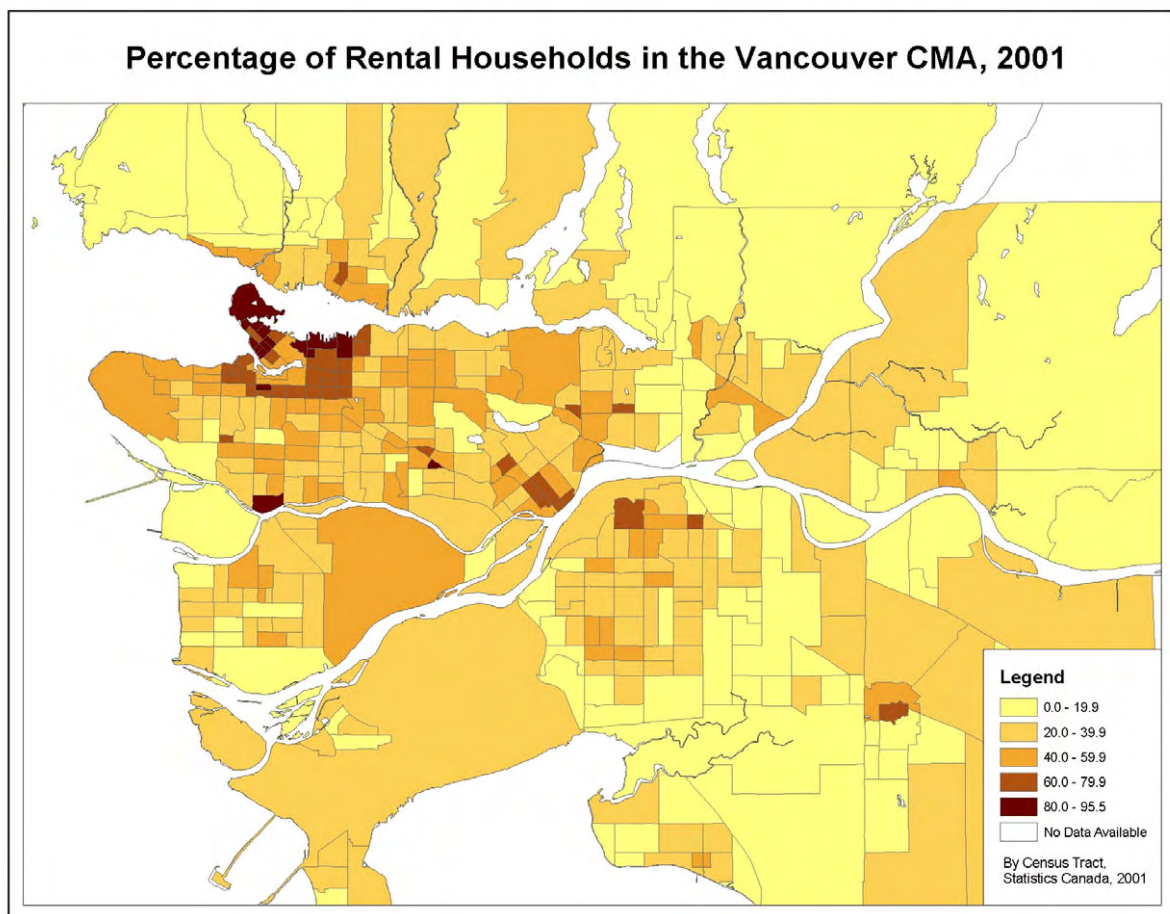
Over the past decade, about 13,250 dwelling units were added to the total stock of housing in Greater Vancouver each year. About half of these have been houses, mainly single-detached but with significant numbers of rowhouses and semi-detached units as well (Table 1.7). The other half of the new units that have been constructed have been apartments (including condominiums). The composition of different types has not changed much over the decade. The more significant shift has been in the total number of dwellings added, which was above average in 1996 and fell over the remainder of that decade, and picked up again in opening years of the 2000s. The general correspondence between the dynamics of immigration and the construction of housing is notable.

The vast majority of dwellings added to the Vancouver housing market are intended to be sold rather than rented; the proportion of new rental units was less than 10 percent in 6 of the 9 years covered in Table 1.8. The year 2001 was something of an anomaly, with 25 percent of new construction devoted to rental units. The real story in terms of new construction has been in the number of houses and condominiums built. On average, about 4,750 houses have been added to the metropolitan stock each year, with a modest variation that has followed general economic conditions (i.e., the number was lower in the late 1990s). Condominiums have been the key element of new construction in Vancouver during these years, with an annual average of 7,320 units. This element of the housing market has been particularly sensitive to the economy, with wide variations in the number built that coincide with broad economic circumstances. While some of these units are sold and then rented in sub-lease arrangements, in general they are intended for owner occupation.

Note that although there are no data on this particular matter, it is clear to residents of metropolitan Vancouver that many of the new condominium projects have been targeted for sale to newcomers. Some have even been offered for sale in Asia, particularly Hong Kong, before Vancouver, which has resulted in occasional public criticism (cf Mitchell 1993; Olds 2001).

Pockets of low-cost rental housing in the inner and outer suburbs of the Vancouver metropolitan area have been attracting increasing numbers of low-income households—and in particular recent immigrants—over the past decade, although low rents can still be found in parts of the Vancouver core, particularly in East Vancouver (Bunting et al 2004; Ley and Smith 2000; Fiedler et al 2006).

Figure 1.4 :



While immigrants typically enter the Canadian housing market as tenants, most aspire to home ownership. On this front, Vancouver stands out as the most expensive housing market in Canada, with an average sale price of \$373,877 in 2004 (Canada Mortgage and Housing Corporation 2005). This was well above the corresponding figure of \$312,266 for Toronto and far exceeded that for Montreal, \$194,692. Of course the high house prices in Vancouver have two somewhat contradictory implications. On the one hand, they represent a major challenge to those immigrants who wish to purchase a home. But, on the other hand, they imply that investment in the Vancouver property market might be profitable. As Kris Olds has shown (2001), this interpretation helped fuel the Vancouver property boom in the 1990s, which took on international dimensions, and continues to be important (Ley and Tutchener 2001).

1.4 Summary

As we will see in the remainder of this report, immigrants enter the Vancouver housing market in highly differentiated ways. Some are affluent and purchase housing almost immediately upon arriving. For the majority, though, paying for housing is a major struggle. As in Toronto, high housing prices, and high monthly rental fees present major challenges to newcomers. Due to the fact that governments' financial support to the construction of non-market housing has been reduced over the last decade, this housing alternative is less available to immigrants who have to adopt to a housing market characterised by low vacancy rates and exceedingly high prices (by Canadian standards.)

SECTION 1 TABLES

Table 1.1 :
Importance of Immigration, Canada and Three Metropolitan Areas

Immigrant population (%)	2001	1996	1991
CANADA	18.4	17.4	16.1
Montréal	18.4	17.8	16.4
Toronto	43.7	41.9	38.0
Vancouver	37.5	34.9	30.1

Source: Statistics Canada,
<http://www12.statcan.ca/english/census01/products/analytic/companion/etoimm/subprovs.cfm>

Table 1.2 :
Immigrants by region or county of birth, 2001, Toronto, Montréal and Vancouver CMAs

	Montréal	Toronto	Vancouver
Total - Place of birth of respondent	621,890	2,032,960	738,550
	100%	100%	100%
United States	2.4%	1.9%	3.1%
Central and South America	7.6%	6.7%	2.8%
Caribbean and Bermuda	10.6%	8.2%	0.8%
Europe	38.7%	35.2%	25.3%
United Kingdom	2.3%	7.0%	9.4%
Other Northern and Western Europe	9.2%	3.7%	6.1%
Eastern Europe	8.0%	9.0%	4.9%
Southern Europe	19.1%	15.5%	4.9%
Africa	11.8%	4.9%	3.3%
Asia	28.6%	42.8%	61.6%
West Central Asia and the Middle East	10.1%	5.5%	3.8%
Eastern Asia	5.3%	14.8%	35.6%
South-East Asia	7.6%	8.8%	12.0%
Southern Asia	5.7%	13.7%	10.3%
Oceania and other	0.2%	0.4%	3.0%

Source : Statistics Canada, 2001 Census, Place of Birth of Respondent (16), Sex (3) and Period of Immigration (8) for Immigrant Population, for Canada, Provinces, Territories, Census Metropolitan Areas and Census Agglomerations (20% Sample Data), File Name: 95F0358XCB2001004.IVT

Table 1.3 :
The top ten birthplaces of recent immigrants who arrived in the 1990s, Montréal, Toronto
and Vancouver CMAs, 2001

	Montréal		Toronto		Vancouver	
Rank	Country	%	Country	%	Country	%
1	Haïti	6.6	China	10.8	China	18.0
2	China	6.4	India	10.3	Hong Kong	15.1
3	Algeria	5.8	Philippines	6.9	Taiwan	11.7
4	France	5.8	Hong Kong	6.9	India	9.4
5	Lebanon	4.9	Sri Lanka	6.4	Philippines	8.0
6	Morocco	4.1	Pakistan	5.0	South Korea	4.6
7	Romania	3.7	Jamaica	3.2	Iran	3.8
8	Philippines	3.5	Iran	3.0	Viet Nam	2.1
9	India	3.4	Poland	2.7	United States	1.9
10	Sri Lanka	3.3	Guyana	2.6	United Kingdom	1.9
	Total, 10 countries	47.5	Total, 10 countries	57.8	Total, 10 countries	76.5
	Other countries	52.5	Other countries	42.2	Other countries	23.5
Arrived 1991-2001, total	N=215 120 100%		N=792 030 100%		N=324 815 100%	

Source: Statistics Canada (2003) Ethnocultural Portrait of Canada, unnumbered table, pp. 53, 57, and 61.

Table 1.4
Vacancy Rates, Montreal, Toronto, Vancouver CMAs and Canada*, 1996-2001 Rental
Apartments greater than 6 units

	Canada	Toronto	Montréal	Vancouver
1996	4.5	1.2	6.3	1.1
1997	4.4	0.8	6.6	1.5
1998	3.9	0.8	5.2	2.7
1999	3.1	0.8	3.3	2.7
2000	2.0	0.6	1.5	1.3
2001	1.6	0.9	0.7	1.0
2002	2.1	2.5	0.7	1.4
2003	2.6	3.8	1.0	2.0
2004	3.0	4.4	1.5	1.3

Source: CMHC, Canadian Housing Statistics 1997-2005, Table 25; 2001, Table 30.

* Rental apartments greater than 6 units. Data only collected for urban centres greater than 10,000.

Table 1.5*
Change in rental vacancy rates by size of rental unit, 1996-2001, Montreal, Toronto, Vancouver CMAs

CMA	Studio			One room			Two rooms			At least three rooms		
	1996	2001	% change	1996	2001	% change	1996	2001	% change	1996	2001	% change
Montréal	8.2	1.5	-81.71	6.2	0.6	-90.32	5.4	0.5	-90.74	3.5	0.4	-88.57
Toronto	1.9	1.2	-36.84	1.0	1.0	0.00	1.3	0.8	-38.46	1.3	0.8	-38.46
Vancouver	1.0	1.1	10.00	1.1	1.0	-9.09	1.3	1.0	-23.08	0.7	1.3	85.71

* Methodology provided by Canada Mortgage and Housing Corporation:

Annually in October, Canada Mortgage and Housing conducts a survey to determine the number of vacant rental units and average rents in each urban region with 10,000 or more inhabitants. The study only considers rental units on the market for at least the past three months. Although the report concentrates on apartments in private buildings with three or more units, the survey includes duplexes, public housing, and cooperative housing. Interviews are conducted by telephone or in person with the owners, managers, and superintendents during the first two weeks of October. The data reflect the market conditions prevailing during this period.

Definitions:

Vacant rental dwelling: A dwelling is considered vacant if it is not occupied and immediately available for rent at the time of the survey. location.

Rent: The information about rents refers to the total rent paid monthly for each dwelling unit. Utilities such as heating, electricity, parking, hot water, and laundry may or may not be included in the monthly rent.

Table 1.6
Change in rents by size of rental unit, 1996-2001, Montreal, Toronto and Vancouver CMAs (\$current)

Average rent of apartments by number of bedrooms for each CMA* **												
	Studio			One bedroom			Two bedrooms			Three and more bedrooms		
CMA	1996	2001	2001-1996	1996	2001	2001-1996	1996	2001	2001-1996	1996	2001	2001-1996
Montréal	356	404	13.48	435	476	9.43	491	529	7.74	583	650	11.49
Toronto	541	695	28.47	675	866	28.30	819	1027	25.40	986	1224	24.14
Vancouver	556	621	11.69	661	726	9.83	845	919	8.76	991	1060	6.96

* The data reflect the vacancy rates and mean monthly rents for the month of October of each year. Information about vacancy rates and rents was obtained from a sample survey of owners, superintendents, and property managers. Rents may or may not include services such as heat, electricity, parking, etc. .

** The housing that was surveyed consists of all rental units in private buildings of three or more units that were available for rent for at least three months. Single-detached and semi-detached units are excluded.

Table 1.7
Dwelling Starts by Type, Vancouver CMA, 1996-2004

Year	Single Family Detached	Semi-detached	Row	Apartments and Other	Total	Single Family Detached	Semi-detached	Row	Apartments and Other
1996	5,072	568	1,841	7,972	15,453	32.8	3.7	11.9	51.6
1997	4,685	726	1,800	8,739	15,950	29.4	4.6	11.3	54.8
1998	3,373	656	1,261	6,588	11,878	28.4	5.5	10.6	55.5
1999	3,568	380	953	3,776	8,677	41.1	4.4	11.0	43.5
2000	3,132	496	1,132	3,443	8,203	38.2	6.0	13.8	42.0
2001	3,512	730	1,731	5,756	10,862	32.3	6.7	15.9	53.0
2002	4,980	568	1,216	5,566	13,197	37.7	4.3	9.2	42.2
2003	5,382	730	2,356	7,158	15,626	34.4	4.7	15.1	45.8
2004	5,614	974	3,334	9,508	19,430	28.9	5.0	17.2	48.9

Source: CMHC, Canadian Housing Statistics 1997-2005, Table 10.

Table 1.8
Housing Starts by Intended Market, Vancouver CMA, 1996-2004

Year	Rental #	Owned (except condo) #	Condo #	Co-op #	Rental %	Owned (except condo) %	Condo %	Co-op %
1996	715	5,149	9,505	83	4.6	33.3	61.5	0.5
1997	1,248	4,937	9,694	71	7.8	31.0	60.8	0.4
1998	499	3,710	7,669	-	4.2	31.2	64.6	
1999	988	3,912	3,762	-	11.4	45.1	43.4	
2000	1,145	3,602	3,421	29	14.0	43.9	41.7	0.4
2001	2,721	4,054	3,960	124	25.1	37.3	36.5	1.1
2002	1,302	5,569	6,275	51	9.9	42.2	47.5	0.4
2003	944	5,759	8,923	-	6.0	36.9	57.1	
2004	746	6,037	12,647	-	3.8	31.1	65.1	

Source: CMHC, Canadian Housing Statistics, 1997-2005, Table 24.

SECTION 2

HOUSING AND IMMIGRATION IN THE VANCOUVER CMA, 1996-2001

2.1 Housing Conditions

In this section, we use 1996 and 2001 census data to develop a profile of immigrants in Vancouver's housing market, taking into account their period of arrival and ethnic/visible minority status (based on the characteristics of the *Primary Household Maintainer*). We use the *core tables* provided to the Canadian Metropolis centres for this analysis. Fortunately, Statistics Canada included a question on parental birthplace in the 2001 census, so we are able to distinguish between first- and second-generation immigrants in this study (though not for 1996). The *core tables* also provide data on non-permanent residents, a group that is rarely studied in Canada. However, while we include this category in some of our tables, we do not discuss their characteristics in any detail. In the first place, the number of non-permanent residents who submitted census information was small, suggesting that we have incomplete and potentially biased information on the group, and also making detailed analysis difficult. But we also argue that the housing decisions of non-permanent residents are likely affected by the short time horizon of their stay in Canada, and that including them in the analysis of housing outcomes (for example, by combining them with permanent residents from the same ethnic background) could compromise our results.

This section is divided into two parts. The first concentrates on 2001 census data, examining tabulations of the housing situation of immigrants in terms of their household composition, tenure, housing cost, and the relationship between housing cost and household income. In each case, outcomes are disaggregated for immigrants arriving in different decades and according to ethnic origin and visible minority status. The second part takes a more dynamic approach, contrasting the housing situation of immigrants in 1996 and 2001.

2.1.1 Period of arrival and ethnic and visible minority identity

A standard narrative, in fact almost a stereotype, has developed around the North American immigrant experience with respect to housing. From the pioneering work of the Chicago School of urban sociology, which took shape in the 1910s and 1920s, this narrative has emphasized the "upward and outward" pattern. That is, immigrants first settle in the inner city in rental accommodations and progressively move to better dwellings and neighbourhoods, eventually ending up in melting-pot suburbs. This process took one generation for some, two for others. In fact the classic Burgess urban model of concentric zones was based on this understanding of the housing process—with immigrant neighbourhoods surrounded by mixed-ethnicity, middle-class suburbs (Burnley and Hiebert, 2001). While this model has been criticized by many, it

held surprising resiliency both in academic circles and the public imagination. Its simplicity may have been a factor in this longevity. But the model also was fairly accurate, at least in the broadest terms. We can see the “upward and outward” dynamic even 50 years after the model was introduced, in the experience of postwar immigrants who mainly came from Europe (Murdie and Teixeira 2003). The Toronto example is probably the most compelling and well known, with an immigrant corridor that emerged west of the business district and has extended, roughly in a wedge shape, northward and westward. Within the corridor, historically, levels of household income and the rate of ownership both increased with distance from the central city.

It is now widely understood that important parts of this model are outdated, for several reasons. By the late twentieth century, newcomers to Canada came from an exceedingly wide socio-economic spectrum (e.g., refugees vs. Investor Class immigrants) and could hardly be expected to share the same housing circumstances. Secondly, urban housing markets in Canada have been transformed, particularly by gentrification. Finally, as already noted, there is growing evidence that the “upward” part of the “upward and outward” pattern may be compromised, in that immigrants appear to be taking longer than was the case 25 years ago to achieve upward economic mobility (cf Frennette and Morissette 2005).

To ascertain the extent to which the generalization of progressive housing careers remains valid, we have categorized households into generational groups. First-generation immigrant households are defined as having at least one household maintainer born abroad. Second generation immigrant households are those in which at least one of the parents of at least one household maintainer was born abroad. All of the remaining households were designated “other” for this variable. First-generation immigrant households are further differentiated by the decade in which the Primary Household Maintainer officially landed in Canada (with all those landing before 1961 designated into a single category). Note that, at times, we refer to *first-generation immigrant households* simply as immigrant households, and combine the other two categories into a single group of *Canadian-born households*. In fact, we must use this simpler variable for 1996, since parental information was not recorded in that census and it is therefore impossible to isolate second-generation immigrant households.

We have also used the self-defined identity of the primary household maintainer as a proxy for the entire household, especially in distinguishing between those that are of visible minority origin vs. those that are of either European or Aboriginal origin.¹ It is possible, for example, that the housing careers are quite different for visible minority immigrants compared

¹ These groups are lumped together into a single category, which is not accurate on the one hand. However, on the other hand, the population of First Nations people in all three CMAs is relatively small, so has little impact on this analysis.

to their European-origin counterparts (cf. Engeland, Lewis et al. 2005). In an effort to discern relevant differences within these broad categories, we have also acquired data for seven particular visible minority groups as well as five European-origin groups.² Unfortunately, nearly all of these groups are themselves heterogeneous. The Filipino group is relatively homogeneous, but the categories of Black, South Asian, Arab/West Asian, and Latin American are each complex amalgams of people from widely different ethnic, religious, and linguistic identities. Despite this important caveat, the Metropolis *core tables* provide more detailed information on the housing situation of immigrants than has been available thus far. Note that we have only conducted the separate analysis of these visible minority and ethnic subgroups for first-generation immigrant households. We believe that these groups are especially relevant for both immigration and housing policies.

2.1.2 Household size and household type

One of the most obvious consequences of high housing costs in Vancouver and Toronto can be seen in Table 2.1, which provides figures on household size. While the Canadian average household holds 2.5 people, the figure for first-generation households in Montreal, with relatively modest rent fees and home ownership prices, is 2.8, while it is 3.0 for Vancouver and 3.1 for Toronto. Predictably, there is an almost perfect correlation between landing cohorts and household size in Vancouver. Those who have been in Canada longest, since at least 1961, live in small household units that average only 2.0 persons. Most of the primary maintainers of these households would be retired, apart from those who arrived as children (also note the large proportion of non-family households in this category). The average size increases for the remaining groups, and is 3.4 for those arriving in both the 1980s and 1990s. As is the case for both Montreal and Toronto, there is one exception to this relationship: the average household size of those arriving in the late 1990s is actually smaller than for those who landed in the first half of the decade (3.3 vs. 3.5). One possible explanation for this anomaly is related to the chain migration process (Tilly 1990). Frequently just one member of a family migrates in the first instance, taking some time to adapt to the new society before making arrangement to bring other family members to the settlement location. Of course, Canadian immigration policy facilitates this process by enabling landed immigrants—if they have sufficient income—to sponsor family members. It is therefore

² The data include only large ethnic origin and visible minority subgroups of immigrants that can be identified in the Metropolis Core Data. Note that Aboriginal peoples are not identified in the tables specifying ethnic origin and visible minority subgroup because the tables only include immigrants. Only Aboriginal people born abroad of Canadian parents are included in the data and their numbers are likely to be very small.

plausible that the immigrants who landed in the five years preceding the 2001 census had not yet been able to assemble their complete families.

The broad pattern identified here, of declining household size over time, is probably the result of two processes operating simultaneously. In the first place, recent immigrants are likely to struggle the most economically, and therefore to benefit most from large family units sharing the cost of rent or mortgage payments. But, secondly, there is also a life cycle dynamic at work here. That is, recent immigrants are younger than the average resident of Canada, and more likely to be in their child-bearing years.

Note that second-generation immigrant households are smaller than average, in fact even smaller than the average Canadian household in general. This may be evidence of the progressive housing career discussed earlier. It is worth noting, though, that most second-generation households are of European origin.

The economic challenges faced by newcomers can also be seen from the figures on household composition. In Canada as a whole, only 1.7 percent of households contain two or more families. This figure is nearly double for the Vancouver CMA, at 3.3 percent. The cost of housing in Vancouver helps explain this discrepancy. But the higher figure for Vancouver is also related to the substantial immigrant presence in the metropolitan area. The proportion of multi-family households is much higher among immigrants than the second-generation or other Canadian-born groups (6.4 vs. 1.1 or 1.2 percent). Immigrants arriving in the early 1990s are the most prone of all to include multiple families in households (10.9 percent), more than six times the national average, and this propensity falls for those who have been in Canada longer. Again, the most recent arrivals—from 1996 to 2001—are exceptions to this pattern. Several points are helpful in understanding this outcome. First, the ratio of Economic Class immigrants was high in this particular cohort, meaning that there were relatively few Family Class immigrants who are, on the whole, more financially stretched (a point that will become clear in section 4 of this report).³ Secondly, the economy was better in the latter half of the 1990s than the first five years of the decade, with lower unemployment and higher average wages. Finally, it is worth remembering that Economic Class immigrants are required to bring sufficient monetary resources with them to survive in Canada for at least six months. As we will see later, many actually bring considerable wealth with them. This money provides a short- to medium-term cushion for these families, but eventually runs out. It is possible that the relatively low use of the multiple-family strategy in the early settlement years is related to the accumulated savings brought by immigrants upon their arrival.

³ Family class immigrants as a proportion of the total declined from 36.2% in 1991-6 to 27.1% in 1996-2001 (based on LIDS data)

The demographic effects of immigration policy can also be seen in the composition of households. The points assessment system used to determine the admissibility of the Skilled Worker Class (responsible for the largest single group of immigrants entering Canada) prioritizes adults between 21 and 45 (for the data examined here; recent changes have raised the latter age to 49). It is no accident, therefore, that a high ratio of recent immigrant households are couples with children, and that few are non-family households. In Vancouver, immigrants in general have a slightly higher propensity than the total population to reside in single-parent families; there is no particular relationship between this statistic and the time of landing in Canada. Finally, the proportion of non-family households is higher for those who have been in Canada longer, which is likely the result of ageing and, perhaps, some family breakdown.

Tables 2.2 and 2.3 provide profiles on the composition of households that own vs. rent their dwellings. As would be expected, non-family households are much more likely to be tenants. The same is true of single-parent households. In both cases, income is likely a controlling factor. Couples with children, conversely, have the highest propensity to purchase their dwellings, which is probably associated with both their age and economic circumstances (cf Haan 2005). The proportion of home owners that fall into the multi-family category is much higher than the corresponding figure for tenants. Assembling large, multi-family households appears to be an important strategy for the purchase of a home, especially for immigrants who have arrived in the 1980s and 90s.

Several of these patterns can be better understood once the immigrant population is disaggregated by visible minority and ethnic identity (Table 2.4). At the most general level, it is important to recall that the bulk of the non-visible minority population (i.e., from European backgrounds) arrived some time ago, while the bulk of the visible minority population landed in Canada in recent years. Just over 40 percent of the total Vancouver immigrant population identifies as British, French, Canadian (overwhelmingly British or French origins; see Pendakur and Mata 1998), or Other European. This group, collectively, fits the basic pattern of immigrants who arrived in early cohorts, discussed earlier: the high proportion of non-family and childless couple households indicates that many are retired; the low proportion of multiple-family households indicates relative affluence. Conversely, the row of data for the total visible minority population fits well the general characteristics of recent immigrants: relatively large household size; high proportion of “traditional” families, and low incidence of non-family and childless households; a high proportion of multiple-family households.

In general, the ethnic sub-groups that fall under the general non-visible minority category share much in common on all of the variables included in the table. In contrast, there is much variability between the various visible minority sub-groups. South Asian-origin

households are perhaps the most remarkable. They are typically large (4.2 persons), with very low ratios of non-family or lone-parent households. Instead, well over half are comprised of dual parents and children. Nearly one in four households contain two or more families, which is more than 10 times higher than the corresponding ratio for the total Canadian population (19.5 vs. 1.7 percent). That is, this group adopts a distinct strategy in the Vancouver housing market, assembling multiple wage-earners in households in an effort to achieve home ownership (see below). Immigrant primary household maintainers who identified themselves as Black, Arab/West Asian, or Latin American, tended to share similar household characteristics. Broadly, these groups included a higher proportion of non-family households and more single-parent families than the South Asian group. But, as is the case for South Asians, they also have a high ratio of “traditional” dual-parent with children families. In general, they adopt multiple-family strategies rarely.⁴ The remaining three groups, all from Asia (Chinese, Southeast Asian, Filipino), form an intermediate category between the South Asians, on the one hand, and the other groups just discussed.

By disaggregating this group further, by distinguishing between owners and tenants (Tables 2.5 and 2.6) important nuances are revealed. Immigrant families with children, as might be expected, have the highest home ownership rate. Again, many employ a multiple-family strategy to facilitate this purchase. This is true of all the Asian-origin groups, with the exception of West Asians (in Vancouver, this would mainly be comprised of Iranians). Among the European-origin groups, most of the tenants appear to be retirees (note the number of non-family households and couples without children). The proportions of non-family and childless households are also high for the visible minority groups. However, the fact that over 40 percent of the tenants in most of the visible minority groups are actually “traditional” families is worth noting, as it probably indicates unmet desires. That is, this group is arguably the most motivated of all to purchase housing, but appears unable to do so (see below for a discussion of income levels).

2.1.3 Tenure – achieving homeownership

In Canada, 65.7 percent of households owned their dwellings in 2001. The corresponding figures in Toronto and Vancouver were close to the national average (63.4 and 61.2, respectively), with Montreal far below (50.3). In the most general terms, the comparison

⁴ Note that Vancouver’s Black population is differently situated in the housing market than the corresponding—much larger—groups in Montreal and Toronto. It is worth remembering that the global migration circuits that bring Blacks to the three Canadian metropolitan areas are quite different.

between Vancouver and Toronto can be explained by the higher price of housing in Vancouver, while the low Montreal statistic reflects the modest rental fees that have historically been the case in that city. The ownership rates of first-generation immigrants in the three metropolitan areas follow a somewhat different trend, with Vancouver replacing Toronto at the top end (63.7 percent in Toronto, 66.3 in Vancouver, and 48.1 in Montreal, compared with 66.1 percent nationally). In contrast to the national case, as well as Montreal and Toronto, in Vancouver, the rate of home ownership is actually a little lower for second-generation immigrants, at 64.0 percent (Table 2.7; in all three other cases the figure for second-generation households is higher than for first-generation immigrants). The figure for other Canadian-born households is lower still, at just 55.0 percent (compared with 61.2 in Toronto and 51.5 in Montreal). We do not have a clear explanation for this trend, but speculate that it is due to a combination of life-cycle dynamics, the cost of home ownership in Vancouver, and the fact that average incomes are below those in Toronto (though not Montreal). We also highlight the considerable achievement of first-generation immigrants in the Vancouver context, especially when seen in light of their average household income.

There is a fairly consistent relationship between ownership and the duration of settlement in Canada (cf Laryea 1999, Haan 2005). Perhaps surprisingly given the cost of homes in Vancouver, just over 40 percent of the most recently arrived immigrants (1996-2001) had already purchased a home by 2001. This proportion rose to 62.5 percent for those who arrived in the early 1990s; again, this is an impressive figure given the poor state of the Canadian economy at that time and the average household income level of this group (see below). The rate of ownership was 66.0 percent for those who arrived in the 1980s and well above 70 percent for earlier cohorts.

The rate of homeownership is roughly the same for visible minority and European-origin immigrant groups in the Vancouver CMA (Table 2.8). There are considerable variations between specific groups, however. Those indicating Italian origin were most likely to own their homes, by a large margin. As Murdie and Teixeira (2003) have shown, immigrants arriving from southern Europe in the 1960s and 1970s dedicated high proportions of their income to the dream of purchasing a home. Chinese-origin immigrants had the second-highest home ownership rate in 2001 (see Hou and Picot 2004b, Balakrishnan and Hou 1999), a group that includes a large number of business immigrants arriving with extensive financial resources. Next, South Asians had by 2001 achieved an above average rate of home ownership, which no doubt is related to their large household size and multiple-family strategy discussed earlier. Finally, the rate of home ownership is also above average for British immigrants, who mainly arrived in early cohorts and have had a great deal of time to gain upward mobility in the housing market. The groups with the lowest home ownership rates—given the data available in

the Core Tables—are Southeast Asians (mainly Vietnamese in the Vancouver context), Blacks, Arabs and West Asians, and Latin Americans.

2.1.4 Household income and housing costs

As would be expected, incomes were much higher for home owners than tenants, nearly twice as high in fact (Table 2.7). Note that average income levels were fairly consistent across all of the various sub-groups of tenants, as was their average rental payment. In contrast, there was more variability in the income levels and payments of home owners. Immigrants who arrived in the 1970s had the highest income levels of any immigrants, including the second generation. The *other* Canadian group (third and subsequent generations) had the highest average household incomes of all, despite their rather small households (Table 2.1) and low ownership rates (Table 2.7).

The patterns noted in the previous paragraph remind us that home ownership is not simply a function of income. True, more affluent households have a greater tendency to purchase their homes—witness the gap in average incomes just discussed. But income differences cannot explain all of the variation in the ownership data. New immigrants, in particular, have higher ownership rates than would be expected given their household income. To understand this outcome, it is worth remembering the strong drive shared by most immigrant groups to purchase housing, meaning that they will often forego non-housing expenditures to accumulate capital for a down-payment. Also, many newcomers bring financial capital with them to Canada, in some cases their entire life savings. They may therefore have sufficient financial resources to purchase a home despite below-average incomes. This, of course, has important impacts on housing demand (cf. Ley 1999).

Household income data, disaggregated by visible minority and ethnic group (Table 2.9), reveal several important nuances in the relationship between income and tenure. First, while the ownership rate is almost the same for members of visible minority and European groups, their levels of income are quite different; European-origin households are much smaller on average, yet have approximately 14 percent higher income levels. There may well be some element of choice involved here, although we must be mindful of the fact that we are missing a crucial piece of information: the wealth of households. In any case, the patterns are equally complex when we examine specific groups. We noted earlier that residents with Italian and Chinese origins enjoyed the highest home ownership rates in Vancouver. Italian-Canadians do have above-average household incomes and, for the most part, have lived in Canada a long time. But the Chinese-Canadian group exemplifies the “immigrant effect” we have been discussing. The income dynamics of this group do not appear to justify its ownership rate. Compare Chinese- and Filipino-Canadians in Vancouver, for example. The latter group has

higher average household incomes and much lower rates of ownership. Nevertheless, though, the groups with the lowest incomes also tend to have low ownership rates (Southeast Asians, Blacks, Arabs, West Asians, and Latin Americans).

Turning to the relationship between income and the cost of housing for different groups (Table 2.9), we see that the average income of households who are in the rental market varies over a fairly narrow range (the minimum value is \$32,386 for immigrants who identified themselves as Arab or West Asian, and the maximum is \$44,990 for those of British origin; the standard deviation for this column is about \$4,100). The range of rents paid is even narrower, with a standard deviation of just \$40. There is a systematic difference between groups, though, with immigrants of European origin apparently able to afford better rental housing (\$814 vs. \$786, in terms of monthly fees). But these figures mask an important problem. The average household size of the visible minority immigrant population in Vancouver in 2001 was 3.5 (Table 2.4), the average monthly cost of a one-bedroom apartment in the same year was \$726 and a two-bedroom apartment was \$845 (Table 1.6), and the average rent paid by this group was \$786. In other words, the average visible minority immigrant household could only afford to pay for either an above-average one-bedroom apartment, or a below-average two-bedroom apartment, despite its relatively large size (cf Murdie 2005). European immigrants, on the other hand, had an average household size of 2.3 persons and were paying rental fees that were nearly at the average two-bedroom apartment level. In other words, other things being equal, European immigrants in the rental market were much better housed than their visible minority counterparts, at least in terms of dwelling size relative to household size. However, this fact could be interpreted in another way: it is possible that visible minority immigrants were deliberately seeking low rents in order to save for a down payment to purchase a dwelling.

Household incomes of those who own dwellings are more variable, with a standard deviation of approximately \$8,800 across the groups included in Table 2.9. Ownership payments also vary more widely than monthly rental fees, with a standard deviation of just over \$220 (compared with just under \$40). In contrast to the situation just described for tenants, visible minority immigrants who own their dwellings actually pay more for housing than their European counterparts (\$1,147 vs. \$920). The most probable explanation for this discrepancy is that European immigrants typically have been in Canada longer, and have managed to pay down their mortgages to a much greater extent. The contrasting situations of Chinese- and South Asian-origin immigrants are worth emphasizing. South Asians, as seen earlier, tend to pursue a strategy to increase the earning capacity of the household through larger family units and, especially, by assembling multiple-family households, in order to afford the purchase of a dwelling. They, therefore, appear to be able to pay relatively high

mortgages (the second highest monthly payment level recorded in Table 2.9). Those of Chinese origin, on the other hand, have much lower household incomes but also lower monthly payments, indicating that they either own less expensive housing (unlikely given their location in the CMA) or have invested more heavily in equity, minimizing mortgage payments (more likely) (Hou and Picot 2004b, Lo and Wang 1997).

2.2 Arriving at 2001

While we were not able, for this report, to conduct a full analysis of immigration and housing over time, we have acquired data on some of the variables discussed in this section from the 1996 census to develop a general sense of whether the housing circumstances of immigrants are improving or deteriorating. This part of the report is based on the 1996 Metropolis *core tables* and, particularly, the elements of those tables that compare directly with the 2001 Metropolis *core tables*. We note at the outset that the two sets of tables were designed for somewhat different purposes and that the degree of overlap is not extensive. For example, the 1996 tables include a much coarser variable on the time that immigrants landed, with just two categories—before and after 1986. We can therefore compare the experience of immigrants who arrived in the 10 years preceding the censuses of 1996 and 2001, but cannot make further distinctions. Unfortunately, the variables on visible minority and ethnic status are not exactly comparable between the sets of tables, and we have omitted them from this analysis.

2.2.1 Household size and composition, 1996-2001

The housing characteristics of the total Vancouver population changed little between 1996 and 2001 (compare the first lines of Tables 2.1 and 2.10). There were more lone-parent and multiple-family households in the latter year, but in each case the level of growth was less than 1 percent. The housing characteristics of the Canadian-born population also remained fairly constant in these years, as did those of the two groups of immigrants, arriving more, or less, than 10 years before the census (compare the lines for 1991-2001 immigrants in Table 2.1 and 1986-1996 immigrants in Table 2.10). Some subtle differences are worth noting. The average size of recent immigrant households declined from 3.6 to 3.4 persons over this period, which probably reflects the decision of the Canadian government to shift the balance from family to economic immigration in the same period. There was also a slight increase in the percentage of lone-parent families among recent immigrants over this period, and a slight decline in the proportion of multiple-family households. The latter change is associated with the fact that households are smaller in general.

2.2.2 Tenure patterns, 1996-2001

The overall rate of home ownership rose in Vancouver, from 59.5 to 61.2 percent, between 1996 and 2001. The Canadian-born, and immigrants who had been in Canada for at least 10 years, both participated in this trend. In the 1996 census, 70.9 percent of immigrants landing prior to 1986 owned their dwelling, while the corresponding figure in the 2001 census was 72.8 percent for immigrants landing before 1991 (the 2001 figure is calculated from Table 2.7, and the 1996 figure is from table 2.11). Newcomers did not fare so well: 56.5 percent of those arriving between 1986 and 1996 owned their home in 1996, compared with 52.3 percent of recent arrivals in 2001 (cf Haan 2005). The latter drop occurred at a time of low relative interest rates and stable house prices (the MLS average residential sale price was \$288,268 in 1996 and \$285,910 in 2001; CMHC 2005; note that prices have subsequently increased considerably). Of course, as the rate of home ownership declined for recent immigrants, their use of rental housing increased.

2.2.3 Household income and housing costs, 1996-2001

The deteriorating financial situation of recent immigrants in Canada has been well documented, especially when comparing census data between 1981 and 2001 (Frennette and Morissette 2005, Haan 2005; Picot, G. and F. Hou. 2003a). While we do not wish to challenge this general finding, we note three critical points: the economic circumstances of immigrants did not change uniformly over this 20-year period; the change in immigrant fortunes varied geographically; and income dynamics can differ, at times by a lot, depending on whether individuals or households are used as the scale of analysis. Studies of the changing nature of immigrant fortunes have generally been conducted at the level of individuals, and not geographically nuanced. With these points in mind, we turn to the question of immigrant household incomes, and their purchasing power, in Vancouver between 1996 and 2001.

One useful measure suggests that the relative financial position of immigrant households in Vancouver did not change very much in these years. In 1996, immigrant households received 95.3 percent as much income as the average household in the metropolitan area, and immigrant households that had landed in Canada during the previous 10 years received 72.0 percent of the average (calculated from Table 2.12). In 2001, these figures, respectively, were 94.2 and 73.4 (calculated from Table 2.7)—that is, slightly better and slightly worse than 5 years earlier. However, this apparently static situation does not capture the whole story. According to the Bank of Canada,⁵ the Consumer Price Index rose by 10.6 percent over the 1996-2001 period. During the same years, the average household income

in Vancouver rose 16.6 percent, 15.2 for immigrants in general and 18.7 for those who had arrived in the 10 years preceding the census. In other words, immigrant households—old and new—in Vancouver had more purchasing power in 2001 than in 1996. And, equally importantly, the cost of housing actually fell in real terms in these years. As shown in Table 1.6, the cost of renting an apartment in Vancouver increased by between 7.0 and 11.7 percent, depending on the size of unit. The aggregate increase in rental payments, for all types of housing, was 8.0 percent between 1996 and 2001 (Tables 2.7 and 2.12), which was a little below the general rate of inflation. Meanwhile, the average sale price of houses in Vancouver remained stable or, put more accurately, fell by about 10 percent in real terms, and interest rates remained roughly constant. Taking these points together, we should expect that immigrant households, recent immigrants in particular, found housing somewhat more affordable in Vancouver in 2001, compared with the situation in 1996. Put in this light, the rise in the home ownership rate of “settled” immigrants (those who had been in Canada at least 10 years) makes sense. The decline in the ownership rate of newcomers is less understandable. It also does not bode well for subsequent years, when the price of housing rose dramatically, though analysis of the situation after 2001 is beyond the scope of this report.

These income dynamics were broadly similar for owners and tenants. In both cases the real incomes of immigrants and recent immigrants in 2001 were higher than those recorded for immigrants/recent immigrants in 1996. The average income of recent-immigrant tenants appears to have risen more significantly than for any other group (11.7 percent after adjustment for inflation, compared with a 7.7 percent increase for home owners).

The average real-dollar amount paid for housing by tenants declined by 2.4 percent for all households in Vancouver between 1996 and 2001. The corresponding figure for immigrants in general was a 1.0 percent decline, and for recent immigrants a 1.3 percent decline. The situation changed more significantly for home owners. Their average monthly payments fell by 17.2 percent when adjusted for inflation; the decline was even more dramatic for immigrants in general, at 20.5 percent, as well as for recent immigrants, at 19.7 percent. In other words, while a smaller proportion of the recent immigrant cohort had been able to purchase housing by 2001 compared with 1996, those that did so were much better off in terms of disposable income after housing costs.

⁵ <http://www.bankofcanada.ca/en/cpi.html>; accessed 25 July, 2006

2.3 Summary

We began this section of the report by outlining the traditional expectation that immigrants will achieve a progressive housing career, and asked whether that generalization remains valid. Certainly the new social geography of immigration, with immediate settlement of so many in suburban locations, suggests that the “upward and outward” pattern has shifted, since the “outward” part now begins immediately (Ley and Smith 2000; Hiebert 2000; Hiebert and Ley 2003). A survey of household composition over immigrant cohorts suggests the continuation of a progressive career. Earlier cohorts live in households that are relatively small by historical standards, and essentially match the household composition of the Canadian-born population. More recent cohorts live in larger households, and are most prone to employing a multiple-family strategy, which would effectively reduce the rental fees or mortgage payments for each family in a multiple-family household. This strategy is adopted by newcomers but is much less evident among those who have been settled in Canada for more than 10 years. Again, this appears to support the view that immigrants gain better housing over time. In any case, the fact that newcomers reside in larger household units has important demand effects in the housing market, particularly at a time when large numbers are being admitted to Canada, and when they are settling in such concentrated patterns in the largest metropolitan centres.

Data on home ownership lend further credence to the idea of progressive housing careers. Certainly earlier cohorts have much higher ownership rates than newcomers. Even so, however, we emphasize the relatively high rate of ownership among newcomers given their below-average level of income. We can think of this as an “immigrant effect” in the housing market. That is, immigrants either draw upon wealth that they transfer with them to Canada, or channel very high proportions of the income they receive in Canada (or both), in order to purchase housing quickly. So the impact of immigration on the housing market is actually fairly rapid, and grows over time as more and more are able to purchase homes.

At the same time, though, a large number of immigrants, especially newcomers, are in the rental market. For many, housing represents a considerable financial struggle, especially when we consider the combination of income level, household size, and the affordability of larger housing units. The data strongly suggest that immigrants in the rental sector are living in dwellings that are small relative to the number of persons in the household.

There are many significant differences in the housing consumption of European-origin vs. visible minority immigrants. In a general sense, the bulk of the European immigrant population arrived earlier and has therefore had a longer time to adjust to the Canadian housing market. We could also say that the standard “story” of the progressive housing career was actually based on a generalization of the European immigrant experience. The bulk of visible minority immigrants have arrived more recently, and their housing profiles reflect this

greater degree of recency in the market. One point is worth emphasizing: while the aggregate home ownership rate is quite similar for European-origin and visible minority immigrant groups, their levels of income and household compositions vary, indicating that these groups are exercising different choices in the housing market.

At the same time, though, there are large differences between European-origin groups (e.g., Italians have a distinct profile), and between visible minority groups (e.g., Chinese vs. Arab/West Asian). In effect, we need to look at each of these groups separately to understand their particular trajectory—a task that is beyond the scope of this study.

Finally, our comparison of 1996 and 2001 data show that, in Vancouver at least, immigrant households spent a lower proportion of their income on housing in 2001 than they did in 1996. The rate of home ownership among immigrants who had been in Canada more than 10 years increased appreciably. Again, this suggests that the idea of a progressive housing career remains relevant. However, the data reveal one particular challenge that goes against the grain of this point: why did home ownership rates among recent immigrants fall at a time when their real incomes rose. Given the information at our disposal, we cannot answer this important question. We can say, with some confidence, that the progressive housing story continues for *many* immigrants, but not all. We can also say that the lower rate of home ownership among the most recent cohort in 2001 (vs. 1996) may indicate that the acquisition of home ownership will take longer for immigrants arriving now than it did a generation ago (cf Laryea 1999). Finally, we add that the Vancouver housing market has become much more expensive since 2001, and that this may be leading to a crisis of affordability that we cannot see in the data explored in this study.

SECTION 2 TABLES

Table 2.1 :
Average Household Size and Household Type by Immigration Period and Generation, 2001,
Vancouver CMA

	Number of households	Average household size	Percent non-family households	Percent one-family households, couples without children	Percent one-family households, couples with children	Percent one-family households, lone-parent families	Percent multi-family households
Total	750,250	2.6	33.0	22.4	31.9	9.5	3.3
1st generation	303,490	3.0	23.0	19.2	41.7	9.7	6.4
Immigrated before 1961	48,410	2.0	39.5	33.6	17.5	7.5	1.9
Immigrated 1961-1970	42,180	2.6	28.8	25.3	33.5	8.7	3.8
Immigrated 1971-1980	62,190	3.1	22.3	17.7	43.1	10.8	6.0
Immigrated 1981-1990	55,625	3.4	18.1	14.1	46.0	12.0	9.7
Immigrated 1991 - 2001	95,085	3.4	15.2	13.2	54.1	9.3	8.3
Immigrated 1991-1995	50,025	3.5	15.6	12.4	50.8	10.4	10.9
Immigrated 1996-2001	45,060	3.3	14.7	14.1	57.8	8.0	5.4
2nd generation	172,150	2.2	41.4	27.1	22.2	8.2	1.2
All Others	265,275	2.4	38.4	23.1	27.3	10.1	1.1
Non-permanent resident	9,335	2.3	51.5	16.8	21.2	8.9	1.7

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 2.2 :
Household Type by Immigration Period and Generation for Home Owners, 2001, Vancouver
CMA

	Number of households	Percent non-family households	Percent one-family households, couples without children	Percent one-family households, couples with children	Percent one-family households, lone-parent families	Percent multi-family households
Total	458,780	21.9	25.8	40.0	7.9	4.4
1st generation	201,360	15.9	21.3	46.6	8.1	8.2
Immigrated before 1961	37,525	30.3	39.0	20.8	7.6	2.3
Immigrated 1961-1970	32,125	19.5	28.5	39.5	7.8	4.7
Immigrated 1971-1980	45,345	13.7	18.3	51.0	9.5	7.6
Immigrated 1981-1990	36,690	10.4	13.2	54.4	8.9	13.1
Immigrated 1991 - 2001	49,685	8.6	11.9	60.8	7.0	11.7
Immigrated 1991-1995	31,255	9.0	12.2	57.7	7.3	13.8
Immigrated 1996-2001	18,425	7.8	11.5	66.2	6.5	8.0
2nd generation	110,130	30.1	32.2	28.9	7.3	1.6
All Others	145,820	24.0	27.3	39.3	8.0	1.5
Non-permanent resident	1,470	32.3	17.3	37.4	6.5	6.1

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 2.3 :
Household Type by Immigration Period and Generation for Tenants, 2001, Vancouver CMA

	Number of households	Percent non-family households	Percent one-family households, couples without children	Percent one-family households, couples with children	Percent one-family households, lone-parent families	Percent multi-family households
Total	291,465	50.5	17.0	19.2	12.0	1.4
1st generation	102,125	36.9	15.2	32.0	12.8	3.0
Immigrated before 1961	10,885	71.0	15.0	6.3	7.3	0.4
Immigrated 1961-1970	10,060	58.3	15.0	14.4	11.4	0.9
Immigrated 1971-1980	16,845	45.5	16.4	21.9	14.5	1.8
Immigrated 1981-1990	18,935	33.1	15.9	29.8	17.9	3.2
Immigrated 1991 - 2001	45,405	22.5	14.6	46.7	11.7	4.6
Immigrated 1991-1995	18,775	26.6	12.7	39.3	15.4	6.0
Immigrated 1996-2001	26,635	19.5	15.8	52.0	9.1	3.5
2nd generation	62,025	61.3	18.0	10.5	9.7	0.5
All Others	119,455	56.0	18.0	12.7	12.7	0.6
Non-permanent resident	7,865	55.1	16.6	18.2	9.4	0.8

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 2.4 :
Average Household Size and Household Type by Ethnic Origin and Visible Minority
Subgroup, First-generation immigrants, 2001, Vancouver CMA

	Number of households	Average household size	Percent non-family households	Percent one-family households, couples without children	Percent one-family households, couples with children	Percent one-family households, lone-parent families	Percent multi-family households
Total	303,490	3.0	23.0	19.2	41.7	9.7	6.4
Total visible minority population	179,045	3.5	15.3	12.9	51.6	10.5	9.8
Black	4,475	2.6	35.5	15.1	31.1	16.8	1.6
South Asian	36,305	4.2	8.9	10.7	53.7	7.3	19.5
Chinese	89,740	3.4	14.4	13.4	53.9	9.5	8.8
Southeast Asian	7,615	3.4	19.8	10.7	39.2	23.4	7.0
Filipino	14,610	3.5	18.6	12.9	48.9	12.4	7.2
Arab/West Asian	7,990	3.2	19.1	12.9	53.3	11.6	3.0
Latin American	5,185	3.1	21.6	14.2	40.7	20.1	3.6
All other ethnic origins	124,450	2.3	34.0	28.4	27.4	8.5	1.6
British Isles	52,050	2.2	37.6	29.5	23.5	8.3	1.1
French	2,320	2.2	39.4	23.3	26.1	10.3	1.1
Canadian	1,310	2.1	46.2	23.3	17.2	11.5	1.5
Other European ethnic origins	65,020	2.4	30.9	28.3	30.2	8.6	2.1
Polish	6,130	2.5	29.9	20.8	33.2	14.4	1.7
Italian	8,260	2.6	20.9	30.3	36.7	9.4	2.6
Other single or multiple ethnic origins	3,355	2.7	30.6	19.2	39.5	9.7	1.2

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 2.5 :
Household Type by Ethnic Origin and Visible Minority Subgroup, First-generation
immigrants, Home Owners, 2001, Vancouver CMA

	Number of households	Percent non-family households	Percent one-family households, couples without children	Percent one-family households, couples with children	Percent one-family households, lone-parent families	Percent multi-family households
Total	201,360	15.9	21.3	46.6	8.1	8.2
Total visible minority population	118,175	9.4	12.5	57.2	8.6	12.4
Black	1,765	21.5	20.4	43.6	12.5	2.3
South Asian	24,905	4.9	8.5	58.2	5.7	22.8
Chinese	68,930	9.8	13.1	57.7	9.1	10.4
Southeast Asian	3,150	11.7	11.3	53.5	12.5	11.0
Filipino	7,495	11.8	12.3	56.9	9.1	9.9
Arab/West Asian	2,915	8.9	16.6	61.4	7.9	5.1
Latin American	1,530	17.0	17.0	49.0	12.7	4.2
All other ethnic origins	83,185	25.0	33.8	31.4	7.6	2.2
British Isles	35,330	27.4	34.7	29.0	7.3	1.5
French	1,230	24.8	28.0	37.0	8.1	2.0
Canadian	665	39.1	30.8	20.3	8.3	1.5
Other European ethnic origins	44,060	23.2	33.6	32.8	7.6	2.8
Polish	3,455	23.6	24.6	37.5	11.7	2.7
Italian	7,035	15.9	32.3	39.3	9.4	3.0
Other single or multiple ethnic origins	1,755	19.7	23.6	45.3	9.7	1.4

Source: Census of Population and Housing, 2001, special tabulations prepared for the
Metropolis Centres of Excellence.

Table 2.6 :
Household Type by Ethnic Origin and Visible Minority Subgroup, First-generation
immigrants, Tenants, 2001, Vancouver CMA

	Number of households	Percent non-family households	Percent one- family households, couples without children	Percent one-family households, couples with children	Percent one-family households, lone-parent families	Percent multi-family households
Total	102,125	36.9	15.2	32.0	12.8	3.0
Total visible minority population	60,860	26.7	13.6	40.6	14.4	4.7
Black	2,710	44.6	11.6	22.9	19.7	0.9
South Asian	11,395	17.7	15.5	44.0	10.8	12.0
Chinese	20,810	29.9	14.6	41.1	11.0	3.4
Southeast Asian	4,470	25.4	10.5	29.2	30.9	4.0
Filipino	7,120	25.7	13.4	40.4	16.0	4.4
Arab/West Asian	5,075	25.0	10.7	48.6	13.9	1.8
Latin American	3,660	23.4	12.8	37.3	23.1	3.4
All other ethnic origins	41,260	52.1	17.5	19.4	10.5	0.5
British Isles	16,725	59.3	18.3	11.9	10.3	0.3
French	1,095	55.7	17.8	13.7	12.3	0.9
Canadian	645	53.5	14.7	14.0	15.5	1.6
Other European ethnic origins	20,955	47.0	17.2	24.7	10.5	0.6
Polish	2,675	37.9	16.1	27.7	17.9	0.4
Italian	1,230	48.8	19.1	22.0	9.8	0.8
Other single or multiple ethnic origins	1,600	42.2	14.4	33.1	9.4	0.9

Source: Census of Population and Housing, 2001, special tabulations prepared for the
Metropolis Centres of Excellence.

Table 2.7 :
Tenure, Income and Monthly Housing Costs by Immigration Period and Generation, 2001,
Vancouver CMA

	Number of households	Average household total income (\$)	Average income owners (\$)	Average income renters (\$)	Average monthly owner's major payments (\$)	Average monthly gross rent (\$)	Percent owners	Percent renters
Total	750,250	63,313	77,083	41,640	1,057	814	61.2	38.8
1st generation	303,490	59,664	70,196	38,897	1,053	798	66.3	33.7
Immigrated before 1961	48,410	57,944	64,857	34,104	668	742	77.5	22.5
Immigrated 1961-1970	42,180	70,396	79,765	40,479	973	780	76.2	23.9
Immigrated 1971-1980	62,190	72,752	83,151	44,756	1,164	819	72.9	27.1
Immigrated 1981-1990	55,625	60,984	72,316	39,029	1,224	787	66.0	34.0
Immigrated 1991 - 2001	95,085	46,446	54,652	37,468	1,169	812	52.3	47.8
Immigrated 1991-1995	50,025	51,683	58,174	40,874	1,147	800	62.5	37.5
Immigrated 1996-2001	45,060	40,633	48,678	35,067	1,207	820	40.9	59.1
2nd generation	172,150	63,638	75,711	42,203	941	810	64.0	36.0
All Others	265,275	68,133	87,663	44,291	1,148	824	55.0	45.0
Non-permanent resident	9,335	39,019	73,691	32,539	1,315	897	15.7	84.3

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 2.8 :
Percent of Home Owners and Tenants by Ethnic Origin and Visible Minority Subgroup, First-generation immigrants, 2001, Vancouver CMA

	Number of households	Percent owners	Percent renters
Total	303,490	66.3	33.7
Total visible minority population	179,045	66.0	34.0
Black	4,475	39.4	60.6
South Asian	36,305	68.6	31.4
Chinese	89,740	76.8	23.2
Southeast Asian	7,615	41.4	58.7
Filipino	14,610	51.3	48.7
Arab/West Asian	7,990	36.5	63.5
Latin American	5,185	29.5	70.6
All other ethnic origins	124,450	66.8	33.2
British Isles	52,050	67.9	32.1
French	2,320	53.0	47.2
Canadian	1,310	50.8	49.2
Other European ethnic origins	65,020	67.8	32.2
Polish	6,130	56.4	43.6
Italian	8,260	85.2	14.9
Other single or multiple ethnic origins	3,355	52.3	47.7

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 2.9 :
Income and Monthly Housing Costs by Ethnic Origin and Visible Minority Subgroup, First-
generation immigrants, 2001, Vancouver CMA

	Number of households	Average household total income (\$)	Average income owners (\$)	Average income renters (\$)	Average monthly owner's major payments (\$)	Average monthly gross rent (\$)
Total	303,490	59,664	70,196	38,897	1,053	798
Total visible minority population	179,045	56,358	66,450	36,763	1,147	786
Black	4,475	50,879	70,065	38,403	1,324	720
South Asian	36,305	67,657	79,358	42,086	1,444	729
Chinese	89,740	54,865	61,256	33,697	991	786
Southeast Asian	7,615	44,771	61,030	33,316	1,299	811
Filipino	14,610	60,417	75,446	44,589	1,356	769
Arab/West Asian	7,990	46,370	70,723	32,386	1,471	832
Latin American	5,185	44,053	62,312	36,407	1,327	791
All other ethnic origins	124,450	64,421	75,519	42,047	920	814
British Isles	52,050	69,701	81,398	44,990	974	849
French	2,320	64,975	83,683	44,005	1,027	818
Canadian	1,310	49,636	56,754	42,337	788	788
Other European ethnic origins	65,020	60,427	70,252	39,771	863	784
Polish	6,130	55,622	67,182	40,696	1,034	786
Italian	8,260	63,562	66,840	44,778	800	868
Other single or multiple ethnic origins	3,355	65,574	89,071	39,770	1,225	857

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 2.10 :
Average Household Size and Household Type by Immigration Status and Period, 1996,
Vancouver CMA

	Number of households	Average household size	Percent unattached individuals and non-family household of 2 persons or more	Percent couples without children	Percent couples with children and additional persons	Percent couples with children and no additional persons	Percent lone-parent households	Percent multiple-family households
Total	692,960	2.6	34.1	22.4	3.6	28.3	8.7	2.8
Non-immigrants	423,370	2.3	39.9	24.4	2.2	23.7	8.9	0.9
Immigrants	262,090	3.0	24.3	19.5	6.0	35.8	8.5	6.0
Before 1986	180,585	2.8	28.2	22.3	5.5	31.0	8.3	4.7
1986 - 1996	81,505	3.6	15.6	13.2	7.1	46.4	8.9	8.8

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 2.11 :

Percentage Home Owners and Tenants by Immigration Status and Period, 1996, Vancouver CMA

	Number of households	Percent owners	Percent renters
Total	684,690	59.5	40.5
Non-immigrants	419,440	55.9	44.1
Immigrants	258,190	66.5	33.5
Before 1986	179,310	70.9	29.1
1986 - 1996	78,880	56.5	43.5

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 2.12 :

Income and Monthly Housing Costs by Immigration Status and Period, 1996, Vancouver CMA

	Number of households	Average household total income (\$)	Average income owners (\$)	Average income renters (\$)	Average monthly owner's major payments (\$)	Average monthly gross rent (\$)
Total	684,690	54,316	66,678	36,178	1,154	754
Non-immigrants	419,440	56,248	70,813	37,819	1,126	763
Immigrants	258,190	51,789	60,233	33,523	1,198	729
Before 1986	179,310	57,363	66,554	34,923	1,145	722
1986 - 1996	78,880	39,117	45,864	30,342	1,317	744

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

SECTION 3 IMMIGRANTS AT RISK, 1996-2001

3.1 Housing Affordability in Greater Vancouver

In the last section, we concluded that many immigrants experience progressive housing careers, but also noted that this is not a universal achievement. In this section we examine, in some detail, the basic characteristics of those immigrants who have not secured affordable housing. That is, we look at immigrant households who must pay at least 30 percent of their pre-tax income on housing (Canada Mortgage and Housing Corporation 2005), meaning that they must forego other forms of spending. We refer to this as an at-risk group, since such a high ratio of housing cost to total income means that these households may experience downward housing mobility, especially if they are faced with unexpected expenses or a sudden shortfall in income. We also examine the special case of households spending more than 50 percent of their pre-tax income on housing, a highly vulnerable population, which we refer to as a high-risk population. For this group, any negative event in their financial situation may force them out of the housing market entirely, possibly into homelessness (Access Alliance Multicultural Community Health Centre 2003, Hiebert et al. 2005, Hunter 2005). We also acknowledge that housing has both direct and indirect significance. On the one hand, housing provides shelter, an elemental need. But on the other hand, a lack of access to housing has implication in other facets of life, most notably the ability to obtain employment or social assistance, and the ability to participate in community life. This issue has special meaning for immigrants. Without adequate housing, their ability to integrate into the community, and Canadian society more generally, will be compromised.

In this section we begin by profiling the population that is spending at least 30 percent of their household income on housing, identifying the extent to which immigrants and members of visible minority groups are in this category. We then compare the situation of immigrant households who were at risk in the 1996 and 2001 censuses, to see whether there has been any change in the interval between them. Finally, we examine the situation of the truly vulnerable, those spending at least 50 percent of their income on housing.

Unfortunately, our data do not allow us to discuss the standard CMHC category of "core housing need". Instead, we are only able to focus on the relationship between income and housing expenditures. Given the substantial differences in the income dynamics of home owners and tenants, discussed in the previous section, we have elected to discuss them separately when analyzing vulnerable households. Also, please note that our data on housing

cost does not distinguish between various elements of cost, such as rent vs. hydro. To be precise, our measures of cost are based upon these definitions:

- For those who own their dwelling, monthly payments: “include payments for electricity, oil, gas, coal, wood or other fuels, water and other municipal services, monthly mortgage payments, property taxes (municipal and school) and, for 1991, 1996 and 2001, condominium fees” (Statistics Canada 2004, 181).
- For tenants: “Gross rent includes payments for electricity, oil, gas, coal, wood or other fuels, water and other municipal services, and monthly cash rent. No data are available on the individual components of gross rent” (Statistics Canada, 2004,184).

3.1.1 Owners at risk

The basic narrative of the progressive housing career is again evident in the data on households at risk in the housing market. Altogether, just under one-quarter of home owners spend at least 30 percent of their pre-tax monthly income on housing (including mortgage and other expenses) (Table 3.1). This figure is lowest for the third- and subsequent-generation Canadians, a little higher for second-generation immigrants, and above average for first-generation immigrants. Further, the percentage is highest for the most recent arrivals and trends downward for those cohorts who have been in Canada longer. The range in values for immigrants is large, from 15 percent for those who have been in Canada more than 40 years, to 53 percent for newcomers who arrived between 1996 and 2001.

As might be expected, those households who are facing a problem of affordability have below-average incomes. Immigrant home owners in this situation registered an average total household income in 2001 of under \$37,000, far below the average income of immigrant home owners in general, which was over \$70,000 (Table 2.7). In fact, this group of owners has an average income level that closely approximates that of immigrants who are tenants (which was about \$39,000; Table 2.7). At the same time, immigrant home owners who are paying more than 30 percent of their income on housing, spent an average of \$1,560 monthly for shelter, compared with the figure of approximately \$1,050 for all immigrant home owners (Table 2.7). In other words, this group is experiencing a cost-income squeeze, compared with home owners generally.

The cost-income ratio is greatest for the most recent arrivals who, on average receive a little more than \$28,000 in annual household income but pay nearly \$1,500 per month for their housing (almost the same amount as immigrants in general). This works out, on average, to \$17,940 in annual housing costs, an exceedingly high amount given their average annual income. The situation is not quite so critical for immigrants who have been in Canada longer and who are, in general, much older. For example, for those who arrived in the 1970s—who are facing affordability problems—spent an average of \$20,600 on housing over the year, out of

an average household income level of \$44,500. Still, the financial situation of this group is quite precarious.

The proportion of visible minority households paying more than 30 percent of their income on housing is almost twice that of households in which the Primary Maintainer was of European origin (Table 3.2). This is not an unexpected result, given that the two groups are largely in different cohorts. In any case, on average, these visible minority immigrant households faced a more acute cost-income squeeze, with about \$1,000 more per year in housing expenses and \$1,000 less in household income. Turning to individual groups, little can be said with any confidence about the European-origin populations, since most are small. Perhaps the only point worth mentioning is that those home owners of British origin have the lowest propensity to pay 30 percent or more of their income on housing, and for those who are in this category face much less of a cost-income squeeze than other groups.

More can be said about visible minority groups. First, there is considerable variation in the incidence of high-payment home owners, ranging from Filipino households, at just under 30 percent of the total, to the Arab/West Asian category, at nearly half. Careful, fine-grained research would be required to explain these patterns, using more data than have been available for this project. As a starting point, we note that many Filipino households in Vancouver are the product of earlier rounds of immigration by women who came to work as domestic servants (i.e., the Domestic Caregiver Program). Despite the many criticisms raised about this program (cf. Pratt 1999), the fact remains that Filipinas have higher labour force participation rates, and incomes, relative to other visible minority immigrants (Hiebert 1999b), and Filipino households generally have higher incomes than those of other visible minority groups as well (note the data presented in Table 2.9 on household incomes). The situation of Chinese-Canadians, the largest visible minority group, is worthy of discussion as well. Chinese-origin immigrant home owners who pay more than 30 percent of their income on housing report both low household incomes and below-average monthly payments. Both of these statistics suggest that members of this group have access to savings, and therefore smaller mortgages than average. Finally, we see that Indo-Canadian households in the high-payment category report the highest household incomes and also the highest monthly payments. These figures likely reflect the strategy mentioned earlier, of large households (in many cases multiple-families) which gather income to purchase housing. While we would not wish to over-emphasize this point, the situation of Indo-Canadians may reflect a particularly strong desire to enter the housing market, and a distinctive set of choices used to activate that desire.

3.1.2 Renters at Risk

The basic patterns for households that pay more than 30 percent of their income for rent are similar to those just described for home owners in Greater Vancouver. That is, immigrants are more prone to be in this category and, for those that are, their average incomes are lower than those of second-generation Canadians, and “others” who are Canadian born (Table 3.3). Again, immigrants who arrived most recently have the highest ratio of rent-income; on average, these households receive approximately \$16,800 annually in income and spend well over half of that amount, about \$10,850, in gross rent.

The key factors in this relationship are the low income rates of these households and the relatively high rental fees charged in the Vancouver market. On the income side, those who are paying more than 30 percent of their household income on rent have incomes that are roughly half of the average of tenants more generally (compare Tables 2.7 and 3.3). The real surprise, though, is that households at risk are actually paying more rent than the average of all tenants, whether they are immigrants or Canadian born (Tables 2.7 and 3.3). We have no ready explanation for this result, and wonder if it might be related to large household sizes among economically disadvantaged families (and therefore the need for larger apartments). For some recently arrived households, lack of information may play a role (i.e., not knowing the geography of local rental market conditions). They may therefore rent over-priced units that are left behind by others. It is also possible that immigrants are paying a premium for units located at high proximity to public transport. The non-monetary costs of searching for and moving to new housing can delay these households’ access to more affordable housing. Finally, the low income level of this group may mean that they are unable to assemble a damage deposit and are thereby deflected from more desirable properties, meaning that they must accept conditions at the very bottom of the market where landlords charge higher prices to compensate for the perceived risk that tenants will not be able to pay their rent.

The ratio of households spending more than 30 percent of their income on rent is highest for immigrants who arrived in the five years before the 2001 census, and was lower for households who had been in Canada longer. However, the relationship between timing of settlement and the rent-income ratio is not linear. In fact, the percentage of tenant households spending a high ratio of their income on rent was almost as high for households who had been in Canada the longest as it was for newcomers (51.6 vs. 52.8 percent, respectively)—though the rent-income squeeze is more severe for the latter group. Unfortunately, the issues of arrival cohort are confounded by age in these results, which makes interpretation difficult. In any case, it appears that some immigrants fall between the proverbial cracks of the housing market, since at least 40 percent of all immigrants in Vancouver, regardless of their period of arrival, spend at least 30 percent of their income on their accommodations.

These affordability problems are more acute for visible minority immigrants than for those of European origin (as was the case for home owners), affecting 47.7 percent of the former group and 43.5 percent of the latter (Table 3.4). Significantly, the rent-income squeeze is also more pronounced for visible minority households, since they have lower incomes and pay more rent than their European counterparts. The fact that visible minority households pay higher average rents is understandable given their larger size, and therefore greater need for more space. Among specific visible minority groups, those who identified themselves as Black have the lowest level of income of all visible minority groups (in the 30 percent rent-income category), and also the lowest rents. Filipino households stand out as having the lowest percentage in the 30-percent-plus rent category and, for those in this category, the highest average incomes coupled with below-average rental fees. This is also true, though not to the same extent, for South Asians. Chinese-Canadian tenants in this category are, arguably, the worst off, with below-average incomes and the highest rent levels of any group.

3.1.3 Trends in Households At Risk, 1996-2001

We saw earlier—in Section 2—that the price of housing in Greater Vancouver declined, in real terms, between 1996 and 2001. This drop was fairly pronounced for purchasing a dwelling, and minor in the rental market. We also saw that real incomes rose during the same five-year period, indicating, in general, increasing purchasing power. Did less fortunate households share in these positive economic changes? Put another way, as real incomes rose, was the improvement in purchasing power a universal tendency, or did the degree of social polarization also increase?

The aggregate ratio of home owners spending at least 30 percent of their household income on housing rose marginally between 1996 and 2001 (23.4 to 24.0 percent), while the ratio of tenants in this situation declined (46.7 to 43.2 percent). For first-generation immigrants generally, there was a very slight drop for home owners and a larger one for tenants (29.5 to 29.4 percent, and 49.9 to 46.0), and for recent immigrants, there was a substantial decline in the ratio of at-risk households in both categories (50.1 to 45.9 and 55.0 to 48.5) (Tables 2.7 and 3.5). Keep in mind, though, that the actual number of at-risk immigrant households increased (from 93,800 households, for owners and tenants together, to 106,100 households), since the number of immigrants rose considerably over these years.

Statistics on the income of at-risk households raise additional concerns, however. Employing the same inflationary adjustment of 10.6 percent discussed in Section 2 of this report, we find that real household incomes dropped for immigrants in the at-risk category. In 1996, immigrant home owners paying at least 30 percent of their income on housing had an

average household income (adjusted to 2001 dollars) of \$44,500, while the corresponding figure for immigrants in this situation in 2001 was only \$36,900, or 17.2 percent less. Real incomes of recent immigrant households (1986-1996 vs. 1991-2001) also fell dramatically, by 15.2 percent over the same period. The decline in incomes of at-risk tenants was less severe, at about 6.3 percent for immigrants generally and recent immigrants in particular (all of these figures were calculated based on Tables 2.7 and 3.5).

Taking these points together, we find that the more economically favourable position of immigrants generally was not shared by those at the bottom of the socio-economic spectrum. To put it colloquially, the rising tide of prosperity did *not* lift all boats, and there was a greater polarization in immigrant household incomes in 2001 than was the case in 1996. As a result, over 106,000 immigrant households faced affordability problems in 2001, which speaks to the continuing need for social housing initiatives.

3.2 The Vulnerable

Nearly 10 percent of all home owners, and more than 13 percent of tenants, in Greater Vancouver dedicate more than 50 percent of their household income for housing (Tables 3.6 and 3.8). We consider these households to be at high risk, and susceptible to episodes of homelessness if they encounter unforeseen expenses or a loss of income (Hiebert et al. 2005, Hunter 2005). Immigrants are disproportionately represented in this population of high-risk households, especially newcomers. One-third of all immigrant households—regardless of their tenure—who arrived between 1996 and 2001 face these difficult circumstances. It is instructive to note that recent immigrants (1991-2001) account for 26,000 of the 109,000 high-risk households in Greater Vancouver, or 24 percent, compared with their 10 percent share of the total number of households.

3.2.1 Vulnerable Owners

While the ratio of high-risk households is high among recent immigrants, it falls rapidly for those cohorts who have been in Canada for some time. Approximately 15 percent of immigrant home owners who arrived in Canada in the 1980s fall into the high-risk category; the corresponding ratio for those arriving in the 1970s was 9.5 percent, about the same level as the population at large. Earlier cohorts of immigrant home owners are less likely than average to be in the high-risk category, once again suggesting that most—but not all—share in the progressive housing career discussed in previous sections of this report. While we must be aware that this analysis is based on a cross-section rather than panel data, the fact that

immigrant households who have been in Canada more than 10 years face acute affordability issues suggests that some immigrants are locked into these situations for long periods of time.

High-risk immigrant home owners face a potentially debilitating cost-income squeeze. The situation of the cohort arriving in the 1990s provides a telling illustration. Among all immigrant home owners in this cohort, their average household income was about \$46,400 and their total housing expenses were \$14,000 (12x\$1,169) (Table 2.7). For those in the at-risk category (spending at least 30 percent of their household income on housing), the parallel figures were \$22,900 and \$18,100 (12x\$1,510) (Table 3.1). For those in the high-risk category, their average 2001 household income was \$19,300, not much more than their average housing expenses of \$18,700 in the same year (12x\$1,559) (Table 3.6). Note that housing expenses are actually larger for these at-risk households, and still larger for high-risk households. Also note that the household incomes of both the at-risk and high-risk groups are well below the Low-Income Cutoffs defined by Statistics Canada (Statistics Canada 1999).⁶

How are these patterns possible? Clearly, it is inconceivable that a household can survive on a budget of only \$600 for a whole year, after paying their housing costs (recall that the average household size of this group was 3.4 persons; Table 2.1). Our data do not help solve this riddle, but previous experience in research suggests that some combination of these strategies would be employed by this group: the use of savings accumulated before migrating to Canada; the transfer of money from non-household sources, such as family members in source countries; generating additional income using the dwelling itself, through renting rooms or flats to individuals or families who are not listed as household members in the census (e.g., the standard rate charged for supplying room and board to visiting international students is approaching \$1,000 per month; many households take in two students at a time; see Hiebert and Kwak 2004); using various forms of undeclared income, which might be generated in another country or locally; and relying upon some form of community assistance, either in-group, such as a religious organization, or through a general institution such as a food bank. Regardless of the means whereby this extra income was acquired, reconciling the cost-income gap would be difficult for the vast majority of these households.

The ratio of high-risk households varies widely between groups. At the coarsest level, visible minority immigrant home owners are almost three times more likely to spend at least 50 percent of their income on housing compared with those of European origin (18.1 vs. 6.9 percent) (Table 3.7). Actually, the average income level of visible minority and European-

⁶ The low-income cutoff for a household of three persons, in 1998, in a metropolitan area of at least 500,000 people in Canada, was \$27,315 (<http://dsp-psd.tpsgc.gc.ca/Collection/Statcan/13-551-X/13-551-XIB1998001.pdf>, accessed 1 August, 2006). Of course the relevant threshold would have been even higher for 2001.

origin high-risk households is almost the same, though visible minority households are generally larger and are saddled with greater monthly costs.

As before (in the section on at-risk households), British immigrants are least prone to fall into the high-risk category. Most of the other European-origin groups also have below-average representation in this category, and those at high risk tend to be small in number. Among visible minority groups, the same general patterns that were discussed in the section on at-risk households are evident in Table 3.7: Filipino households are the least likely to be in the high-risk category and those of Arab/West Asian origin the most likely. Again, South Asian households in this category have the highest incomes and monthly payments, probably for the same reasons discussed earlier, related to their propensity to reside in multiple-family households.

3.2.2 Vulnerable Tenants

While the home owners discussed in the previous few paragraphs are, to put it lightly, in challenging circumstances, at least they are building equity in the housing market. Tenants, on the other hand, are not accumulating potential future capital. Nearly one-quarter (22.3 percent) of all tenants in Greater Vancouver dedicate half or more of their household income to pay rent, meaning they have little left over for other necessities and even less available for discretionary spending (Table 3.8). As would be expected given what we have seen so far, the ratio of high-risk tenants is lower for the Canadian-born (though still one in five), and higher for immigrants, especially newcomers (one in three). Note that the degree of variation in these rates across the various categories included in the table is not particularly high. There is also relatively modest variation in household incomes and rent levels. There is one significant surprise, though. Households who are faced with this high degree of vulnerability—with 50 percent or more of their income allocated to pay rent—actually pay more rent than the average for all tenants generally, and also than the at-risk population discussed earlier (compare Tables 2.7, 3.3, and 3.8). There are at least two potential explanations for this unfortunate state of affairs: these households may be large and therefore may need larger accommodations; or perhaps they are socially marginalized and denied entry into more affordable accommodations, meaning that they must accept dwellings that are offered to them even though they are more expensive than they can afford. The greatest problem for these households is their very low level of income which, as noted, is fairly consistent across the categories explored in this analysis. We wish to emphasize the fact that the average income of high-risk households is less than 30 percent that of tenants as a whole (\$11,900 vs. \$41,600; Tables 2.7 and 3.9). It is likely that many of these households are recipients of social assistance, which is set at a minimal level. This would help explain the consistency of reported incomes.

Comparing visible minority and European-origin groups, we see a familiar pattern. There is a higher proportion of visible minority tenants who are in the high-risk category (27.1 vs. 20.4 percent), and those in the category receive lower household incomes and yet pay somewhat higher average rental fees (suggesting that they have larger households) (Table 3.9). There is very little variation in the proportion of high-risk tenant households among European-origin groups, and the highest and lowest values are recorded for the smallest groups—Italian-origin and those who simply indicated Canadian (despite the fact that this answer should not be valid). As in the other data surveyed in this report, there is more variation among visible minority groups. The proportion of high-risk tenants is highest among immigrants indicating Chinese, Arab/West Asian, and Southeast Asian (mainly Vietnamese) origins, and lowest for those who identified themselves as Filipino and South Asian. Income levels do not vary a great deal across these groups (again, this may reflect a reliance upon social assistance for many), though there are surprising differences in average rental fees, which range from \$678 per month for those who identified as Black, to just over \$1,000 for those of Chinese origin. The latter figure is particularly perplexing: somehow, it would appear, 31 percent of Chinese-origin, immigrant households who are tenants (i.e., those in the high-risk category) pay more annually in rent (\$12,048) than they receive in income (\$11,223). Obviously, this cannot be true, and there is a vital ingredient missing in the data (cf our discussion of this issue in the section on high-risk home owners).

3.3 Summary

This section has been dedicated to exploring the situation of households in Greater Vancouver that are in challenging economic circumstances. We began by defining two groups, those at risk, which are spending at least 30 percent of their entire income on housing, and at high risk, spending at least 50 percent of their income on housing. These households, to a large degree, fall outside the standard narrative of a progressive housing career (though there are undoubtedly some exceptions, of households that have decided to devote a high proportion of their income to a mortgage in order to achieve long-term equity).

Our analysis of households at risk reveals, above all, that immigrants are more vulnerable in the housing market—whether owners or tenants—than the Canadian born. The same holds true for members of visible minority groups within the immigrant population, a set of groups that is, in effect, doubly disadvantaged. Our brief comparison of 1996 and 2001 data yielded complex results. On the one hand, the proportion of at-risk households declined over these five years, due to a combination of rising real incomes and falling real housing costs. But on the other hand, the situation of both home owners and tenants who were in the at-risk category in 2001 was somewhat worse than it had been for those in the same category in 1996.

In other words, the late 1990s appear to have been a time of increasing polarization in the housing market.

We found fairly consistent patterns in the housing profiles of specific visible minority and ethnic groups within the at-risk and high-risk populations. In general terms, Chinese-Canadians and those who identified themselves as Arabs/West Asians faced the most severe cost-income, or rent-income squeeze. Most European groups, as well as Filipinos and South Asians, were somewhat better off. The larger households characteristic of South Asians provide members of that group with greater purchasing power in the housing market, and especially the ability to maintain higher monthly payments and, presumably, gain more equity. At the same time, relatively few South Asians are at-risk or high-risk tenants.

Some of the patterns identified in this analysis have led us to question the accuracy of census data, however. As noted, we are especially perplexed at the situation of high-risk, Chinese-origin tenants, who would appear to be spending more than their entire annual income on rent. While we reviewed potential explanations for this finding, we remain sceptical that the census captures the entire range of household income. Said another way, we find it difficult to reconcile the level of home ownership in such an expensive housing market, and the apparent ability to sustain high monthly payments, with the level of household income recorded in the census.

But we do not want our concerns about the accuracy of data to eclipse the key story of this section of our report, which is that a significant fraction of households in Vancouver allocate a large proportion—in many cases more than half—of their income to housing. And, as noted, immigrants, especially recent immigrants, fall disproportionately into the at-risk and high-risk categories defined here. At-risk and high-risk households suffer from low incomes, and also face higher monthly payments and rents than average. Fortunately, many at-risk and high-risk households are newcomers and, as we have seen elsewhere in this report, may achieve improvements in their housing situation over time. Still, the general picture presented here is sobering.

SECTION 3 TABLES

Table 3.1 :

Income and Monthly Housing Costs by Immigration Period and Generation, for Home Owners 'At Risk' (i.e., Spending At Least 30% of Monthly Income on Housing), 2001, Vancouver CMA

	Number of households (owners)	Number of households spending at least 30% on housing	Percent total households	Average household total income (\$)	Average monthly owner's major payments (\$)
Total	458,780	109,895	24.0	38,914	1,544
1st generation	201,360	59,120	29.4	36,878	1,559
Immigrated before 1961	37,525	5,660	15.1	30,153	1,238
Immigrated 1961-1970	32,125	6,455	20.1	40,863	1,605
Immigrated 1971-1980	45,345	11,285	24.9	44,487	1,717
Immigrated 1981-1990	36,690	12,940	35.3	41,050	1,627
Immigrated 1991 - 2001	49,685	22,785	45.9	31,283	1,510
Immigrated 1991-1995	31,255	12,960	41.5	33,659	1,521
Immigrated 1996-2001	18,425	9,825	53.3	28,149	1,495
2nd generation	110,130	20,275	18.4	39,418	1,472
All Others	145,820	29,750	20.4	42,948	1,566
Non-permanent resident	7,865	755	51.4	25,755	1,400

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 3.2 :

Income and Monthly Housing Costs by Ethnic Origin and Visible Minority Subgroup, for Home Owners 'At Risk' (i.e., Spending At Least 30% of Monthly Income on Housing), 2001, Vancouver CMA

	Number of households (owners)	Number of households spending at least 30% on housing	Percent total households	Average household total income (\$)	Average monthly owner's major payments (\$)
Total	201,360	59,120	29.4	36,878	1,559
Total visible minority population	118,175	42,890	36.3	36,603	1,597
Black	1,765	540	30.6	40,812	1,752
South Asian	24,905	9,840	39.5	48,090	1,859
Chinese	68,930	23,915	34.7	31,055	1,478
Southeast Asian	3,150	1,455	46.2	38,267	1,563
Filipino	7,495	2,230	29.8	43,544	1,623
Arab/West Asian	2,915	1,435	49.2	40,375	1,780
Latin American	1,530	665	43.5	36,809	1,553
All other ethnic origins	83,185	16,235	19.5	37,606	1,460
British Isles	35,330	6,175	17.5	39,785	1,486
French	1,230	320	26.0	38,679	1,398
Canadian	665	195	29.3	28,317	1,139
Other European ethnic origins	44,060	8,990	20.4	35,981	1,433
Polish	3,455	950	27.5	36,732	1,458
Italian	7,035	1,425	20.3	37,263	1,450
Other single or mult. ethnic origins	1,755	540	30.8	41,935	1,742

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 3.3 :

Income and Monthly Housing Costs by Immigration Period and Generation for Tenants 'At Risk' (i.e., Spending At Least 30% of Monthly Income on Housing), 2001, Vancouver CMA

	Number of households (tenants)	Number of households spending at least 30% on housing	Percent total households	Average household total income (\$)	Average monthly gross rent (\$)
Total	291,465	125,940	43.2	18,970	849
1st generation	102,125	46,980	46.0	18,746	869
Immigrated before 1961	10,885	5,615	51.6	19,376	807
Immigrated 1961-1970	10,060	4,300	42.7	19,138	800
Immigrated 1971-1980	16,845	6,785	40.3	20,842	862
Immigrated 1981-1990	18,935	8,265	43.6	19,307	863
Immigrated 1991 - 2001	45,405	22,010	48.5	17,652	902
Immigrated 1991-1995	18,775	7,960	42.4	19,138	898
Immigrated 1996-2001	26,635	14,050	52.8	16,809	904
2nd generation	62,025	25,935	41.8	18,970	849
All Others	119,455	47,745	40.0	18,746	869
Non-permanent resident	7,865	5,275	67.1	19,376	807

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 3.4 :
Income and Monthly Housing Costs by Ethnic Origin and Visible Minority Subgroup for
Tenants 'At Risk' (i.e., Spending At Least 30% of Monthly Income on Housing), 2001,
Vancouver CMA

	Number of households (tenants)	Number of households spending at least 30% on housing	Percent total households	Average household total income (\$)	Average monthly gross rent (\$)
Total	102,125	46,980	46.0	18,746	869
Total visible minority population	60,860	29,040	47.7	17,932	884
Black	2,710	1,125	41.5	16,345	714
South Asian	11,395	4,170	36.6	19,072	801
Chinese	20,810	10,830	52.0	17,219	924
Southeast Asian	4,470	2,685	60.1	17,763	862
Filipino	7,120	2,150	30.2	20,064	837
Arab/West Asian	5,075	2,990	58.9	17,981	888
Latin American	3,660	1,710	46.7	17,746	830
All other ethnic origins	41,260	17,945	43.5	20,064	844
British Isles	16,725	6,885	41.2	21,820	889
French	1,095	430	39.3	20,750	833
Canadian	645	280	43.4	19,700	762
Other European ethnic origins	20,955	9,480	45.2	18,843	812
Polish	2,675	1,145	42.8	19,153	784
Italian	1,230	595	48.4	20,141	903
Other single or mult. ethnic origins	1,600	760	47.5	19,337	859

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 3.5 :

Income by Immigration Status and Period for Households 'At Risk' (i.e., Spending At Least 30% of Monthly Income on Housing), 1996, Vancouver CMA

	Owners			Tenants		
	Number of households	Households spending at least 30% on housing (%)	Average household total income (\$)	Number of households	Households spending at least 30% on housing (%)	Average household total income (\$)
Total	95,515	23.4	36,586	129,425	46.7	17,556
Non-immigrants	44,410	18.9	40,278	82,095	44.4	18,098
Immigrants	50,575	29.5	33,517	43,200	49.9	17,019
Before 1986	28,225	22.2	38,455	24,345	46.7	17,768
1986 – 1996	22,350	50.1	27,281	18,855	55.0	16,053

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 3.6 :

Income and Monthly Housing Costs by Immigration Period and Generation for Home Owners 'At High Risk' (i.e., Spending At Least 50% of Monthly Income on Housing), 2001, Vancouver CMA

	Number of households (owners)	Number of households spending at least 50% on housing	Percent total households	Average household total income (\$)	Average monthly owner's major payments (\$)
Total	458,780	44,030	9.6	22,486	1,596
1st generation	201,360	27,155	13.5	22,378	1,624
Immigrated before 1961	37,525	2,095	5.6	20,938	1,471
Immigrated 1961-1970	32,125	2,360	7.3	25,578	1,760
Immigrated 1971-1980	45,345	4,320	9.5	26,863	1,789
Immigrated 1981-1990	36,690	5,470	14.9	25,246	1,645
Immigrated 1991 - 2001	49,685	12,905	26.0	19,307	1,559
Immigrated 1991-1995	31,255	6,770	21.7	20,507	1,561
Immigrated 1996-2001	18,425	6,140	33.3	17,984	1,558
2nd generation	110,130	6,840	6.2	22,630	1,541
All Others	145,820	9,535	6.5	23,136	1,572
Non-permanent resident	7,865	500	6.4	14,033	1,327

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 3.7 :
Income and Monthly Housing Costs by Ethnic Origin and Visible Minority Subgroup for Home Owners 'At High Risk' (i.e., Spending At Least 50% of Monthly Income on Housing), 2001, Vancouver CMA

	Number of households (owners)	Number of house-holds spending at least 50% on housing	Percent total house-holds	Average household total income (\$)	Average monthly owner's major payments (\$)
Total	201,360	27,155	13.5	22,378	1,624
Total visible minority population	118,175	21,380	18.1	22,333	1,637
Black	1,765	240	13.6	27,029	1,923
South Asian	24,905	3,880	15.6	30,475	1,927
Chinese	68,930	13,295	19.3	19,487	1,538
Southeast Asian	3,150	655	20.8	23,232	1,555
Filipino	7,495	775	10.3	25,752	1,686
Arab/West Asian	2,915	780	26.8	27,633	1,860
Latin American	1,530	300	19.6	20,495	1,585
All other ethnic origins	83,185	5,775	6.9	22,543	1,574
British Isles	35,330	1,935	5.5	23,241	1,622
French	1,230	80	6.5	25,541	1,706
Canadian	665	95	14.3	17,601	1,144
Other European ethnic origins	44,060	3,430	7.8	22,150	1,542
Polish	3,455	390	11.3	23,448	1,511
Italian	7,035	510	7.2	23,785	1,609
Other single or mult. ethnic origins	1,755	230	13.1	22,187	1,734

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 3.8 :

Income and Monthly Housing Costs by Immigration Period and Generation for Tenants 'At High Risk' (i.e., Spending At Least 50% of Monthly Income on Housing), 2001, Vancouver CMA

	Number of households (tenants)	Number of households spending at least 50% on housing	Percent total households	Average household total income (\$)	Average monthly owner's major payments (\$)
Total	291,465	65,005	22.3	11,431	870
1st generation	102,125	24,890	24.4	11,898	918
Immigrated before 1961	10,885	2,480	22.8	14,268	915
Immigrated 1961-1970	10,060	2,000	19.9	12,544	843
Immigrated 1971-1980	16,845	3,095	18.4	13,134	904
Immigrated 1981-1990	18,935	4,200	22.2	11,787	897
Immigrated 1991 - 2001	45,405	13,115	28.9	11,095	939
Immigrated 1991-1995	18,775	4,300	22.9	11,635	929
Immigrated 1996-2001	26,635	8,820	33.1	10,831	944
2nd generation	62,025	12,340	19.9	12,778	894
All Others	119,455	23,860	20.0	11,222	811
Non-permanent resident	7,865	3,910	49.7	5,488	848

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

Table 3.9 :

Income and Monthly Housing Costs by Ethnic Origin and Visible Minority Subgroup for Tenants 'At High Risk' (i.e., Spending At Least 50% of Monthly Income on Housing), 2001, Vancouver CMA

	Number of households (tenants)	Number of households spending at least 50% on housing	Percent total households	Average household total income (\$)	Average monthly gross rent (\$)
Total	102,125	24,890	24.4	11,898	918
Total visible minority population	60,860	16,485	27.1	11,467	936
Black	2,710	625	23.1	9,033	678
South Asian	11,395	1,965	17.2	11,097	809
Chinese	20,810	6,425	30.9	11,223	1,004
Southeast Asian	4,470	1,550	34.7	12,244	908
Filipino	7,120	1,040	14.6	11,414	833
Arab/West Asian	5,075	1,850	36.5	12,610	915
Latin American	3,660	930	25.4	11,124	873
All other ethnic origins	41,260	8,405	20.4	12,742	881
British Isles	16,725	3,075	18.4	14,631	950
French	1,095	220	20.1	11,710	779
Canadian	645	100	15.5	8,735	721
Other European ethnic origins	20,955	4,555	21.7	11,858	850
Polish	2,675	485	18.1	11,158	797
Italian	1,230	320	26.0	12,308	918
Other single or mult. ethnic origins	1,600	400	25.0	9,977	790

Source: Census of Population and Housing, 2001, special tabulations prepared for the Metropolis Centres of Excellence.

SECTION 4

RECENT NEWCOMERS: FINDINGS FROM THE LONGITUDINAL SURVEY OF IMMIGRANTS TO CANADA - LSIC

In this section, we consider a new source of information on the settlement of immigrants, the Longitudinal Survey of Immigrants to Canada (LSIC), and conduct an analysis of the early housing conditions, experiences and needs of newcomers six months after their arrival in Canada.⁷ Our overarching goal is to see how the initial settlement experience is related to the longer-term finding presented so far in this report.

4.1 Early housing outcomes

We begin with an exploration of the housing outcomes for the 24,550 newcomers resident in the Vancouver CMA six months after officially landing in Canada. We begin by surveying types of dwellings occupied by new immigrants, their tenure, and use a crowding measure to provide a sense of the adequacy of their housing.

4.1.1 Dwelling structure

As mentioned earlier, the history of urban development in Greater Vancouver has produced a residential built environment dominated by single-family dwellings and low-rise apartment buildings—that is, buildings of less than five storeys high (Table 4.1). This mix is reflected in the way that surveyed newcomers distributed themselves according to dwelling types in the region’s housing stock. Six months after arrival, 36 percent of them lived in single detached units, while low-rise apartment buildings housed just over another quarter of them (Table 4.2).

4.1.2 Tenure and household structure

In 2001, 61 percent of all households in Greater Vancouver (including immigrants and the Canadian born) were owner-occupied (GVRD 2002; also see Table 2.7). Laryea (1999) estimates that it takes eight years for the foreign born to reach homeownership rates that are similar to those of Canadian-born residents, albeit with significant variation between specific origin groups. It is not surprising, then, that the surveyed population exhibits much lower rates of homeownership than the population of the Vancouver CMA as whole, given that these immigrants and refugees had only been in the country for six months at the time of the LSIC interview. It should be noted, though, that LSIC figures are not strictly comparable to those in the census; the total CMA percentage applies to households, while LSIC tenure data

⁷ We discuss the nature of these data and our analytical approach in Mendez et al, 2006.

corresponds to individuals.⁸ But what is clear is that newcomers in general find housing quickly after arrival: 94 percent were either home owners or tenants by the time of the survey, and only 6 percent lived in hotels, motels, employers' homes, and other housing arrangements (Table 4.3).

LSIC also shows that the homeowner-to-tenant ratio in Vancouver's CMA weights heavy on the denominator side: when tenants and newcomers living under other forms of tenure are combined, 80 percent of surveyed immigrants and refugees who resided in the region six months after landing did not own their home (Table 4.3). Nonetheless, it is remarkable that fully one fifth of newcomers in the target population were able to own their dwelling after only six months in Canada. This is an important finding, particularly when we consider that 6 percent of the more than 24,000 newcomers who settled in the region not only owned their home, but did so without a mortgage or loan. Clearly, this represents a substantial transfer of capital to Canada. In fact, the group with the highest level of home ownership (though it is relatively small in size) is "Other economic", which includes Business Class immigrants (Table 4.4).

But the majority of recent immigrants, in absolute numbers, who lived in owner-occupied housing came to join family members (Table 4.4). It is possible that in some cases these family members had already purchased housing before the new immigrant (the one recorded in LSIC) arrived. In other words, while we know that 20 percent of newcomers were in owner-occupied dwellings at the time of the survey, we cannot say what proportion of those were actually purchased within six months of their arrival to Canada. This process of incorporating new immigrants into existing households has been used for generations, and is part of the widely-known pattern of *chain migration*, whereby extended-family networks engage in a series of migration steps, often starting with a single individual, that eventually enables the whole group to migrate over a long period of time (Tilly 1990). In general, chain migration mitigates the shock of adaptation, since the "pioneers" in the sequence pass their knowledge about the host society to newcomers. From a housing point of view, chain migration dampens some of the demand that might be associated with ongoing immigration, since newcomers occupy space in already-purchased or rented housing. Unfortunately, the survey design does not allow us to distinguish between existing and new homeowners, and therefore we are unable to assess what proportion of newcomers actually purchased their housing in the first six months of arriving in Canada.

⁸ The unit of analysis in LSIC is the individual newcomer, and therefore the figures we report here include all members of the immigrating unit (principal applicants and their spouses and dependants) who landed in Canada six months prior to the interview. We have not attempted to derive number of dwelling estimates, as that would require the use of variance analysis methods that are beyond the scope of this report.

Finally, there is another possible reason for the rapid acquisition of home ownership among immigrants. In earlier sections of this report, we have repeatedly noted that immigrants make use of multiple-family households to mitigate their housing costs and, in many cases, facilitate the purchase of a home. In Greater Vancouver, 18 percent of recent immigrants had adopted this form of household formation, 5 percent combining at least one non-family person with a family, and another 13 percent combining two (or possibly more) families on one household (Table 4.5).

4.1.3 Crowding conditions

The corollary of living with relatives and friends is a potential increase in the incidence of crowding. In this report, we follow the Census definition of crowding as a situation where there is more than one person per room in a household, excluding bathrooms, entrance halls, and rooms used exclusively for business purposes (Statistics Canada, 2005).⁹ Using this definition, one quarter of all surveyed newcomers residing in the Vancouver CMA lived in crowded conditions six months after landing in Canada (Table 4.6), with 6 percent belonging to households of fewer than four members, and 19 percent residing in households of four members or more (these details do not appear on Table 4.6). Of the 25 percent living in such conditions, approximately 80 percent were tenants (these details do not appear on Table 4.6). In terms of admission categories, refugees were most likely to live in situations where there is more than one person per room (42.1 percent of all refugee class migrants), followed by newcomers in the Family category (Table 4.7).

4.1.4 Variation in outcomes for different population groups

Research on immigration and housing has in the last 15 years or so become increasingly aware that, in today's Canada, "There is no such person as the average immigrant." (Ley and Smith, 2000: 59). As we have shown, differences in outcomes can be observed in relation to variables such as the category of admission and the place of residence. Another important marker of difference in housing outcomes turns on the visible minority groups to which newcomers are associated.¹⁰ Looking at tenure characteristics of the surveyed population, LSIC reveals that the homeownership rate of three of the top four population groups in the weighted sample living in the Vancouver CMA (East Asian, South Asian, and European-origin [White])

⁹ Readers should note that this is not the same as the National Occupancy Standard, which takes into account household composition variables such as age, gender, and parental and marital status (CMHC, 2005).

¹⁰ Population groups in this analysis include up to eight visible minority groups plus a "non-visible minority" (White) group. Visible minority groups were classified for the most part according to region of origin. In the case of East Asian, we have included Japanese and Korean origin newcomers in the same category as Chinese. We opted for this categorization because the smaller number of newcomers in the former two groups meant that disaggregating many of the survey's results at the CMA level would not

hovered around 20 percent, which is the rate we mentioned earlier for all surveyed newcomers in the CMA (Table 4.8). The fourth largest group, Filipino, had a much lower rate of 13 percent, just above the 12.5 percent corresponding to the aggregated category “All other visible minority groups.”

Visible minority groups (or groupings) display considerable variation in the ratio of newcomers who own their home without a mortgage. Whereas 9 percent of the 11,650 newcomers in the East Asian grouping fit this description, only 2.2 percent of those in the South Asian group and 5 percent of the White, or European-origin, group were in a similar situation (figures not shown). This seems to provide some credence to the popular belief that foreign capital brought by East Asian newcomers has had an effect on the local housing market, but the fact that fewer than 10 percent of newcomers from the region lived in households that purchased homes in cash implies that their particular impact is modest, at least for the specific cohort included in the LSIC survey (i.e., those arriving in 2000-2001).

In terms of household structure, we find that 41.1 percent of surveyed South Asians who resided in the Vancouver CMA six months after arrival were part of multi-family households (Table 4.9), echoing earlier comments made about this group. South East Asians (including Filipinos) were also over-represented in the multi-family household category. In contrast, West Asians (including Arabs) had one of the lowest rates (6.9 percent), only slightly above that of Whites (6.3 percent). This variegation in household structures appears to be positively associated with crowding conditions by minority group (Table 4.10); hence, South Asians have the highest rate of crowding at 42 percent, while Whites have the lowest at 11.7 percent. But this is not a straightforward relationship. Further disaggregation reveals unevenness within some groups: nearly all the surveyed Arab and South East Asian (excluding Filipinos) visible minorities lived in dwellings with one person or less per room, with too few exceptions to enable reporting of figures in detail, but West Asians (excluding Arabs) had a 30 percent rate of crowding (figures not shown in Table 4.10). This serves as a reminder that population group categories such as ethnicity and visible minority must be “handled with care,” as they may conceal significant variations between subgroups (see for example Lo and Wang, 1997).

4.2 Economic trajectories, social networks, and housing outcomes

To form a better understanding of the early housing outcomes of these recent immigrants and refugees, it is useful to approach their housing situation in the context of their economic

have been possible, due to concerns related to confidentiality and the accuracy of crosstabulated

trajectories and social networks. We begin with an examination of the financial situation of surveyed newcomers at the time of the interview.

4.2.1 Financial situation

Canadian immigration policy is predicated on the expectation that immigrants (though not necessarily refugees) will adapt quickly to the Canadian labour market. At the same time, however, it is understood that this will not happen instantly. Acknowledging this, applicants to the Economic Class are required to bring sufficient money with them to survive for half a year, while Family Class immigrants are expected to be supported by their sponsors during the initial settlement phase, and Refugees are provided with special forms of assistance. By the time of the LSIC interview, approximately 6 months after arriving in Canada, only 38.5 percent of surveyed newcomers, in Greater Vancouver, were employed (Table 4.11). This suggests that the expectation that immigrants should be self-supporting for 6 months is rather optimistic. Instead, the majority relies on savings to get by, even at the 6 month point.

We will return to the question of savings below. First, we examine the impact of low incomes on the housing conditions of the approximately 17,650 newcomers who were not homeowners. We focus on this subset of the surveyed population because it is the most vulnerable to the exigencies of financial hardship, and could even lose its foothold in the housing market. Our measure is based on the proportion of family income spent on housing, as indicated by the survey respondent at the time of the interview (Table 4.12). As in the earlier sections of this report, we assume that expenditures on housing should, normally, be less than 30 percent of household income, yet only one in five newcomers in our subset reported spending below this affordability threshold. Slightly more than half reported spending at least 50 percent. Of these, a large percentage were East Asian visible minorities; in fact 71.3 percent of non-home-owning East Asian visible minorities spent more than half of their income on housing (Table 4.13), as did 60 percent of West Asian visible minorities (not including Arabs) and 37.5 percent of Latin Americans (figures not shown). In addition, nearly all non-home-owning Arab visible minorities reported a high income-to-rent ratio, with too few exceptions to enable a detailed reporting of figures. It should be noted that some newcomers are actually spending more than their total income on housing, but their exact numbers cannot be made available in this report due to confidentiality restrictions.

4.2.2 Housing stress in relation to income and savings

We return, here, to the issue of savings. Based on the picture emerging from this analysis, it seems likely that many newcomers depend on savings to supplement their low incomes.¹¹ In order to assess the role that newcomers' savings might play in the context of their residential situation, we developed a special housing stress index for the non-homeowner subset of survey respondents. This index takes into account the amount of savings that respondents reported at the time of the interview (i.e., remaining after 6 months in Canada); our assumption is that these savings act as a financial buffer that would allow newcomers to cover 100 percent of monthly housing costs for determinate periods of time. Combining this savings information with reported income-to-rent allocations, we created three categories of housing stress, ranging from *No Housing Stress* to *Extreme Housing Stress* (Table 4.14). Our findings reveal that at the time of the interview, the majority (58 percent) of non-homeowners in the surveyed population were not experiencing what we defined as housing stress (Table 4.15). This is indicative of a substantive role played by savings in the initial stages of settlement; indeed, given that four-fifths spent at least 30 percent of their income on housing but only 42 percent experience some degree of housing stress, it seems safe to assume that many of these newcomers are cashing their savings and putting them into the local rental housing market. But their savings will not last forever, at least for most immigrants. The high cost of housing in Vancouver, coupled with delayed entry into the labour market, mean that over 40 percent of surveyed immigrants and refugees have only a small financial buffer that is expected to last no more than 12 months. Significantly, 17 percent fall into our category of extreme stress, with housing costs that exceed 50 percent of total income and savings sufficient to last no more than three months. These individuals and their families are in highly precarious situations.

4.2.3 Housing stress, household structure, and dwelling structure type

In terms of household structure, newcomers in single-family households experienced housing stress, of one form or another, more often than those living in multiple-family households (42.6 vs. 37.5 percent; figures not shown). Again, this demonstrates the effectiveness of the multiple-family strategy in Vancouver's housing market. Turning to Table 4.16, there is a considerable gap in the degree of housing stress associated with different dwelling types. Those non-owners who were able to afford to live in houses or townhouses—represented in the table as single detached houses, double houses, row or terrace houses, or duplexes—are relatively unlikely to experience housing stress. Conversely, over 45 percent of

¹¹ Government programs could provide another form of support, but after just six months in Canada, only a small fraction of these newcomers would be eligible for social assistance.

individuals renting apartments in high-rise units, and just over half of those in low-rise units, are experiencing some form of housing stress. Essentially, these data suggest that newcomers with low incomes and little in the way of savings gravitate to the lower rents associated with apartments.

4.2.4 Variation in the economic trajectories of different population groups

As noted, the 42 percent of non-owners experiencing housing stress include 25 percent experiencing moderate to high housing stress and 17 percent experiencing extreme stress (Table 4.15). These figures vary by cultural groups, but not in ways that would be anticipated by previous sections of this report. Perhaps the most surprising result here is that 31 percent of all surveyed newcomers under the White, or European-origin, category experienced extreme housing stress, compared to smaller proportions for newcomers who identified themselves as members of East Asian, South Asian and Filipino visible minority groups. The largest concentration of surveyed newcomers experiencing extreme housing stress is found in a composite category that gathers together all of the remaining visible minority groups. To protect the confidentiality of respondents and ensure the accuracy of our results, we are unable to provide a detailed breakdown of these groups.

4.2.5 Variation in the housing stress situation of different admission categories

With respect to admission categories, the skilled worker class had the lowest proportion of newcomers experiencing extreme housing stress (at 13.4 percent); the corresponding rates for the Other Economic class and the Family class were 16.8 percent and 17.2 percent respectively (figures not shown). Newcomers in each of these three categories had a similar likelihood of not experiencing housing stress at the time of the interview (59.7, 62.5, and 58.4 percent respectively). In contrast, almost all refugees experienced some degree of housing stress, with too few exceptions to enable reporting in detail.

4.2.6 Difficulties experienced in finding housing

In the Vancouver CMA, only 24.2 percent of all surveyed newcomers (approximately 5,950) reported difficulties finding housing (Table 4.18). Of these, 60.5 percent reported that their most serious difficulties were related to cost, adequacy (namely size of dwelling) and access to credit or to a guarantor. Only 6 percent of surveyed immigrants who were admitted under the family class reported experiencing difficulties; of these, 75 percent cited one of the three difficulties mentioned above as the most serious. At the other end of the spectrum, half of the refugees in Greater Vancouver reported difficulties, but only 40 percent of this subgroup cited one of those three difficulties as the most serious. Given that this is a relatively small subgroup, it is not possible to accurately determine the other primary difficulties that affected them, as these are distributed among too small a number of refugees to enable detailed reporting.

4.3 Social networks and housing

Immigrants frequently come to Canada through complex processes of chain migration. It is no surprise, therefore, that nearly 90 percent of newcomers surveyed in LSIC—at the national scale—have friends or relatives in Canada. Also, immigrants tend to settle near the people they know, and more than 80 percent report that they have a friend or relative living nearby. To what extent are these social networks activated in the housing search? The data available at the scale of Greater Vancouver is not very helpful on this question. To preserve the confidentiality of respondents we had to create composite categories of cultural groups, for example. From this, we are able to say that, in general terms, approximately 58 percent of all respondents who had trouble finding housing (about 2,100 surveyed individuals) turned to a friend for help. This ratio was much higher for those identifying themselves as East Asians (nearly all of whom were Chinese-Canadians), for whom the proportion was three-quarters. The average for all other groups visible minority groups was just under half (49 percent), and for Whites/Europeans it was 46 percent.

Unfortunately, we also cannot provide precise data on variations in the use of social networks in the search for housing based upon the class of entry of immigrants. Again, instead of providing data on this issue, we note our general impressions gained from analyses that we are unable to report. The use of social networks actually differs strongly between newcomers that entered Canada through different admission classes. Those who were sponsored Family Class immigrants relied extensively on family members for advice on housing, and reported little use of friendship networks. The opposite was true of the other admission groups: Skilled Workers and Other Economic Class immigrants both made extensive use of friendship networks and little use of family members. Refugees tended to be the least linked to social networks, though many of them received help from friends in their search for housing.

We cannot explore in detail whether newcomers use other possible sources of assistance such as settlement services. The sample design does not allow us to obtain reliable estimates of the number of surveyed immigrants who obtained assistance from settlement service organizations in finding housing.

We had hoped to provide a much more extensive analysis of the role of social networks and social services in the search for appropriate housing. These tidbits of information, provided at too coarse a scale, simply suggest that there are important patterns of difference, which would be fascinating to study if it were possible.

4.4 Summary

This section is an important component of our report, as it provides a snapshot of the early settlement phase, and reveals how longer-term patterns are established quite quickly. Immigrants enter the Canadian housing market almost as soon as they arrive, with well over 90 percent in a formal housing arrangement within 6 months. We learned from the census that around 40 percent of all immigrants arriving in Vancouver between 1996 and 2001 had become home owners by the time of the 2001 census. With LSIC, we see that this process starts almost immediately, since one in five surveyed individuals lived in owner occupied households just 6 months or so after arrival.

There is no information in the census about the relationship between class of entry and housing outcomes. In other words, the census cannot help us understand the particular impacts of immigration policy (i.e., the composition of admission targets across different immigration classes) on the housing market. LSIC data address this issue. In the Vancouver case, we see that the acquisition of home ownership is rapid for immigrants arriving to join family already established in Canada, and for those admitted through the business class (included in our Other Economic category). Thinking about this from the point of view of the housing market, the overall impact of these groups is not especially large. Family Class immigrants enter already-established households that are likely housed before they arrive. The business class has been very important in the flow of immigrants to Vancouver, and may have had a considerable impact on the housing market of that metropolitan area. But the numbers settling elsewhere in Canada have been too small to make a large impact. Skilled Worker Class entrants to Canada, and those who arrive as refugees both enter the rental market, for the most part. Here the impact is substantial given the numbers arriving.

There are important interaction effects between class of entry and housing outcomes, but we mention just two of them here. The largest particular group of business immigrants to Vancouver have been from Eastern Asia, mainly Hong Kong and Taiwan, but increasingly also PR China. This helps explain the relatively high rate of home ownership of the Chinese-Canadian visible minority group. Conversely, a high proportion of immigrants settling in Vancouver from India have arrived through the Family Class. This group has been most prone to adopt multiple-family household strategies and have also attained a relatively high rate of home ownership.

The information about the financial circumstances of immigrant families that is provided in the LSIC data is much richer than what is available in any other source. In particular, LSIC includes information about savings as well as income. Using this, we have been able to present a new way of understanding the degree of stress that immigrants face in the housing market. Based on this measure, we found that over half—approximately 58 percent—of the newcomers recorded in LSIC have found housing that they can afford (at least while they

have savings). The remaining 42 percent face important challenges. It is no surprise, therefore, that a high proportion of those surveyed identified cost, adequacy, and credit as the three greatest obstacles in their housing search. Finally, LSIC provides a glimpse into the way that immigrants draw upon social networks in their attempt to secure housing, but the size of sample, coupled with confidentiality restrictions, limits a thorough analysis of this issue.

SECTION 4 TABLES

Table 4.1:
Dwelling structure type, all occupied units, Vancouver CMA, 2001

	Single-detached	Apartment, with 5 or more storeys	All other	Total units
Number of units	330,740	191,045	236,930	758,715
Percentage of total housing stock	43.6 %	25.2 %	31.2 %	100 %

Source: 2001 Census, reported in GVRD (2002)

Table 4.2:
Dwelling structure type in Vancouver CMA, by surveyed newcomers, 2001

	Number	Single-detached	Apartment, fewer than 5 storeys	All other	Total
Newcomers	24,550	36 %	27 %	37 %	100 %

Source: Longitudinal Survey of Immigrants to Canada, 2001.

Table 4.3:
Housing tenure in Vancouver CMA, by surveyed newcomers, 2001

	Number	Owned, with mortgage	Owned, without mortgage	Tenants	Other (includes motels, employer's home, etc.)
Newcomers	23,950	14 %	6 %	74 %	6 %

Source: Longitudinal Survey of Immigrants to Canada, 2001.

Note: In this and all other LSIC tables, totals from different tables may not match due to rounding and incidence of non-response. At the CMA scale, cell entries reporting numbers of surveyed immigrants denote weighted estimates rounded to the nearest 50.

Table 4.4:
Admission category in Vancouver CMA, by housing tenure, 2001 (column %)

	Number	Family	Skilled Worker	Other Economic [†]	Refugee	Total
Total	24,000*	6,450	13,250	3,250	1,050	24,000*
Owns current housing (with or without mortgage)	4,850	34	11	37	x	20.2
All other forms of tenure	19,150	66	89	63	x	79.8

Source: Longitudinal Survey of Immigrants to Canada, 2001.

* For confidentiality purposes, results in this table have been rounded by a further +/- 50 observations.

[†] This is a composite category that includes mostly Business Class immigrants.

^x Results suppressed to meet the confidentiality requirements of the *Statistics Act*.

Note: Nearly all of Toronto CMA newcomers who were admitted as refugees are renters, with too few exceptions to enable reporting figures in detail.

Table 4.5:
Household structure in Vancouver CMA, by surveyed newcomers, 2001

	Number	Couple with child(ren)	Couple without child(ren)	Lone parent family	Single person	Family & non-family person	Multi-family household
Newcomers	24,500	56 %	16 %	3 %	6 %	5 %	13 %

Source: Longitudinal Survey of Immigrants to Canada, 2001.

Table 4.6:
Crowding indicator in Vancouver CMA, by surveyed newcomers, 2001

	Number	More than one person per room	One person or less per room
Newcomers	22,700*	25 %	76 %

Source: Longitudinal Survey of Immigrants to Canada, 2001.

* Our crowding indicator imputes dwelling size in the case of dwellings of more than four rooms. It is not possible to impute this measure for all surveyed immigrants.

Note: Totals do not add up due to rounding.

Table 4.7 :
Admission category, by crowding indicator in Vancouver CMA, 2001 (column %)

	Number	Family	Skilled Worker	Other Economic [†]	Refugee	Total
Total	22,400*	5,850	12,800	2,800	950	22,400*
More than one person per room	5,350	35.0	19.1	16.1	42.1	23.9
One person or less per room	17,050	65.0	80.9	83.9	57.9	76.1

Source: Longitudinal Survey of Immigrants to Canada, 2001.

* Our crowding indicator imputes dwelling size in the case of dwellings with more than four rooms, but it was not possible to impute that variable for all surveyed immigrants. Also note that totals from different tables may not match due to rounding and non-response.

† This is a composite category that includes mostly Business Class immigrants.

Table 4.8 :
Owns current housing in Vancouver CMA, by visible minority group, 2001 (row %)

	Number	Owns current housing (with or without mortgage)	All other forms of tenure*
Total	24,250	3,250	21,000
East Asian (Chinese, Japanese, Korean)	11,650	22.7	77.3
South Asian	4,450	22.5	77.5
Filipino	2,300	13.0	87.0
All other vis. min.	2,800	12.5	87.5
Non-vis.min (White)	3,050	18.0	82.0
Total	24,250	20.0	80.0

Source: Longitudinal Survey of Immigrants to Canada, 2001.

* Nearly all respondents in the "All other forms of tenure" category above are renters, with too few exceptions to enable reporting figures in detail.

Table 4.9 :
Household structure in Vancouver CMA, by visible minority group, 2001 (row %)

	Total	Single family household*	Multiple family household*
Number	24,200	19,700	4,500
South Asian	4,500	58.9	41.1
Black	400	75.0	25.0
Latin American	450	77.8	22.2
South East Asian (including Filipino)	2,500	70.0	30.0
West Asian (including Arab)	1,450	93.1	6.9
East Asian (Chinese, Japanese, Korean)	11,750	88.1	11.9
Non-visible minority (White)	3,150	93.7	6.3
Total	24,200	81.4	18.6

Source: Longitudinal Survey of Immigrants to Canada, 2001.

* Family here includes unattached individuals without children.

Table 4.10:
Crowding indicator in Vancouver CMA, by visible minority group, 2001 (row %)

	Total	More than one person per room	One person or less per room
Number	22,650	5,500	17,150
East Asian (Chinese, Japanese, Korean)	10,750	20.9	79.1
South Asian	4,050	42.0	58.0
Filipino	2,200	25.0	75.0
All other visible minorities	2,650	24.5	75.5
Non-visible minority (White)	3,000	11.7	88.3
Total	22,650	24.3	75.7

Source: Longitudinal Survey of Immigrants to Canada, 2001.

Note: totals from different tables may not match due to rounding and non-response.

Table 4.11:
Census Metropolitan Area, by employment rate, 2001

	Toronto	Vancouver	Montreal	Canada
Total	75,400	24,500	21,500	164,200
Employment rate*	47.7	38.5	31.4	44.1

Source: Longitudinal Survey of Immigrants to Canada, 2001 as reported in Chui (2003: 44).

* Refers to the number of immigrants employed in the reference period, expressed as a percentage of the total immigrant population included in the LSIC.

Table 4.12:
Non-home-owning newcomers, by proportion of income spent on housing, Vancouver CMA, 2001

Number of non-home-owning newcomers *	19,400
Free lodging	3 %
Spent below 30 percent of income on housing	20 %
Spent 30 to 49.9 percent of income on housing	17 %
Spent 50 percent or more of income on housing	51 %
Don't know or refused	9 %

Source: Longitudinal Survey of Immigrants to Canada, 2001.

* Includes tenants and newcomers not living in their own home at the time of the interview, such as those who were living in hotels, motels, institutions, and employers' homes.

Table 4.13:
Proportion of family income spent on housing (non-home-owning newcomers only), by visible minority category, Vancouver CMA, 2001 (row %)

	Total	Spent 0% to 29.9% of income	Spent between 30% and 49.9%	Spent 50% or more
Number *	17,650	4,500	3,300	9,850
East Asian (Chinese, Japanese, Korean)	8,350	15.6	13.2	71.3
South Asian	2,850	57.9	15.8	26.3
Filipino	1,850	29.7	43.2	27.0
All other visible minority	2,300	15.2	21.7	63.0
Non-visible minority (White)	2,300	28.3	19.6	52.2
Total	17,650	25.5	18.7	55.8

Source: Longitudinal Survey of Immigrants to Canada, 2001.

* Totals may not match between tables due to rounding and non-response.

Table 4.14:
Construction of the Housing Stress Index (for non-homeowners only)

	Proportion of income spent on housing	And/Or	Savings remaining at time of interview
No housing stress	0% to 30%	OR	Savings equal at least 12 months of housing costs
Moderate to high housing stress	30% to more than 100%	AND	Savings equal less than 12 months of housing costs
Extreme housing stress	50% or more	AND	Savings equal less than 3 months of housing costs

Table 4.15:
Housing stress relative to income and savings (non-homeowners only), Vancouver CMA, 2001

Number *	No Housing Stress	Moderate to High Housing Stress	Extreme Housing Stress
16,000	58 %	25 %	17 %

Source: Longitudinal Survey of Immigrants to Canada, 2001.

* Totals may not match between tables due to rounding and non-response.

Table 4.16:
Housing stress relative to income and savings (non-homeowners only), by dwelling
structure type, Vancouver CMA, 2001 (row %)

	Total	No stress	In stress	In extreme stress
Number *	15,650	9,050	3,950	2,650
Single detached house	4,950	62.6	20.2	17.2
Double	1,850	70.3	18.9	10.8
Row or terrace	800	56.3	18.8	25.0
Duplex	900	66.7	22.2	11.1
Low-rise apartment (<5 stories)	5,400	49.1	32.4	18.5
High-rise apartment	1,750	54.3	28.6	17.1
Total	15,650	57.8	25.2	16.9

Source: Longitudinal Survey of Immigrants to Canada, 2001.

* Totals may not match between tables due to rounding and non-response.

Table 4.17:
Housing stress relative to income and savings (non-homeowners only), by visible minority category, Vancouver CMA, 2001 (row %)

	Total	No stress	In stress	In extreme stress
Number *	16,050	9,350	4,000	2,700
East Asian (Chinese, Japanese, Korean)	7,600	68.4	21.7	9.9
South Asian	2,500	70.0	20.0	10.0
Filipino	1,750	45.7	42.9	11.4
All other vis. min.	2,100	33.3	26.2	40.5
Non-vis.min (White)	2,100	42.9	26.2	31.0
Total	16,050	58.3	24.9	16.8

Source: Longitudinal Survey of Immigrants to Canada, 2001.

*Totals may not match between tables due to rounding and non-response.

Table 4.18:
Top three most serious difficulties finding housing, by admission category, Vancouver CMA, 2001 (row %)

	Total [†]	Cost/Adequacy/Credit	All other top difficulties
Number *	5,950	3,600	2,350
Family	400 (6%)	75.0	25.0
Skilled workers	4,300 (32.2%)	64.0	36.0
Other economic	750 (22.7%)	46.7	53.3
Refugees	500 (50%)	40.0	60.0
Total	5,950	60.5	39.5

Source: Longitudinal Survey of Immigrants to Canada, 2001.

* Applies only to newcomers who reported difficulties finding housing.

† This column only: percentages correspond to newcomers that experienced difficulties finding housing, expressed as a proportion of all Vancouver CMA newcomers admitted under each admission category.

CONCLUSIONS

In our closing comments we address three large issues: the basic dynamics of immigrant participation in the Vancouver housing market; the resulting impacts of immigration on the market; and the types of policies that would improve some of the more worrying outcomes identified in this report. Given our interests and expertise, we pay the greatest attention to the first of these topics. However, before commencing this discussion, we provide a general reflection on the task of writing this report. While conducting this research and writing up the results, we have become increasingly convinced of a point that is not yet well appreciated: with a few important exceptions, *immigration is the Vancouver housing market*. True, over half of the metropolitan population is Canadian born, and this majority group certainly exerts a great deal of impact on the market. The internal demographic dynamics of the Canadian-born population—especially the process of ageing and associated household change—play an important role. But immigration is responsible for nearly all of the population growth of the region, and this looks to be the case for the foreseeable future. Moreover, immigrants are a highly variegated group, and intersect with almost every aspect of the housing market, from renting studio apartments or basement suites, to purchasing some of the most expensive properties in the region. In that case, immigration *sets the tone* for the operation of the housing market.

Our report reveals a great deal of variation in the experience of immigrants in the housing market, by admission class, time of arrival, cultural origin, and so on. Still, we believe that there are four overarching generalizations that capture a significant portion of the story...if not the full set of important details. First, many of the indicators we surveyed—from the results of LSIC documenting the first 6 months of settlement, through the census analysis of landing cohorts and the second generation—enable us to say with confidence that the idea of a progressive housing career remains valid for the majority of immigrants. Despite the high cost of housing in Vancouver (indeed the highest in Canada) high average rental fees, and high proportions of newcomer households spending at least 30 and even 50 percent of their income on shelter, immigrants achieve substantial upward mobility in the housing market. Of course our analysis looks backward, concentrating on the data available to us in the 2001 census and the LSIC results of those landing around the same time. The fact that Vancouver's housing market has registered such dramatic increases since 2001 may dampen this positive story in the future. The drop in home ownership rates of very recent immigrants in 2001 compared with 1996 lends credence to this concern. It therefore remains to be seen whether the pattern of increasing home ownership rates over time will continue. But, the data available thus far is mainly consistent with the progressive housing narrative. We would also add the point that the "upward and outward" stereotype is no longer valid, in the sense that immediate settlement in

the suburbs of Greater Vancouver is now the norm rather than something that is achieved over time.

Secondly, LSIC reveals that the progressive housing career begins very quickly, literally within 6 months of arrival. By that point in time—at least for the cohort that is the target population of the survey—some 20 percent of immigrants and refugees in Vancouver already owned a home. This is extraordinary when set against the census figure that 40 percent of the entire 1996-2001 cohort had achieved home ownership by the latter year. In other words, a large proportion of those who will manage to purchase a house in the early settlement phase do so almost immediately. The amount of savings transferred to Canada is highly significant in this respect. It is also noteworthy that the specific patterns that are apparent in the census, such as the groups with large households, or high ownership rates, are already visible at the 6 month point. That is, the long-term housing trajectories of specific communities emerge early.

Thirdly, while the dominant picture is of progressive housing careers, this achievement requires sacrifice on the part of many families and is not universally achieved. LSIC teaches us that most of the newcomers who are home owners have to budget for high monthly payments, while those who are in the rental market have very limited means to accumulate savings. Quite the opposite, they are generally depleting their savings as of 6 months in Canada. These findings make it clear that home ownership is a real achievement for most, and that it is accomplished through assembling large household units and, no doubt, through underconsumption. In our report we used the term “immigrant effect” as a shorthand to indicate that immigrants attain a high level of home ownership given their modest level of income (that is, for those who have been in Canada less than 20 years). Moreover, many do not manage to purchase a home. In decadal landing, for each of the cohorts examined in Sections 2 and 3 of this report, a significant fraction of immigrants are tenants. Many of them end up in a marginal situation *vis-à-vis* the housing market: particularly for those who arrived in the 1980s and 1990s, a large proportion of income must be devoted to housing, frequently over 30 percent and, for some 25,000 households, more than 50 percent. In general, immigrant households (especially newcomers) are much more likely than non-immigrant ones to spend at least half of their income on housing—a situation we refer to as being ‘at high risk’ of suffering an episode of homelessness. But recent immigrants, as stated earlier, continue to show an overall pattern of improvement over time.

Finally, fourthly, there is much variation in the housing profile of specific groups, but it is fair to say that immigrants of European origin have more favourable housing circumstances, on almost every measure, than visible minorities. European-origin immigrants certainly experience less crowding, given their smaller households, and only rarely resort to use of multiple-family households. While visible minorities have achieved the same rate of home

ownership as their European-origin counterparts, they also have lower average household incomes, yet pay higher monthly amounts whether they own their homes or rent them. That is, visible minorities face a more pronounced cost-income squeeze than those of European origin—though there is much variation between particular groups in each of these broad categories.

* * *

What do these findings tell us about the impact of immigration on the housing market of Vancouver? Before addressing this question, we note that we do not claim expertise in the field of real estate economics. Despite this limitation, we would emphasize the following points. First, the supply of rental accommodations in Greater Vancouver is nearly static (see Section 1 of this report). Very few rental units were added to the market each year during the past decade and, no doubt, some are removed (though we do not have data on this point). Yet many thousands of immigrants arrive in Vancouver each year, and we know from LSIC that about three-quarters of them enter the rental market in their first 6 months in Canada. With a relatively fixed supply and growing demand, the impact of immigration on rental prices must be considerable. In the late 1990s this impact was modified by a fairly large shift—in the general population—from rental accommodations to home ownership, which coincided with a boom in condominium construction. This freed up thousands of rental units. But as house prices have escalated in recent years, we doubt that this trend will continue. Of course rising rents will have a deleterious effect on the wellbeing of recent immigrants, including those who are scrimping in an effort to accumulate a down payment to purchase a dwelling.

Secondly, while immigrants have a large and immediate impact in the rental market, they also affect the real estate market, albeit in less dramatic terms. Our data do not easily lend themselves to an estimation of the number of house purchases generated by immigration, since there is methodological discrepancy in LSIC between the Longitudinal Respondent and the household. Also, as noted, we have no way of knowing, within LSIC, whether those who indicated they owned their dwelling actually purchased it after arriving in Canada (as opposed to joining family who had already done so). Regardless, LSIC demonstrates that, out of the 25,000 or so immigrants and refugees that arrived in Vancouver during a one-year period, some 5,000 became owner-occupiers within 6 months. A substantial number of these would have bought their house after arriving in the metropolitan area, raising demand in the process. Moreover, the level of home ownership among immigrants rises over time, contributing a great deal to demand. Aggregate statistics on home ownership corroborate this point well: first-generation immigrants own over 200,000 of the approximately 460,000 owner-occupied dwellings in the metropolitan area. The Vancouver real estate market would look quite different if immigration were dramatically increased or curtailed (cf Ley and Tutchener 2001).

* * *

We conclude by discussing potential policy responses to the findings in this report. First, we recommend that immigrants be given a more accurate message about the hardships they will endure in the metropolitan housing markets of Canada. For example, on the relevant CIC website encouraging potential immigrants to apply to Canada, readers are told that: “When you are budgeting for your housing costs, you may have to allow as much as 35 to 50 percent of your income. This should include the cost of such things as heating, electricity and other utilities.”¹² LSIC data reveal that this is far too optimistic. In fact, a slight majority of immigrants in Vancouver live in households that actually pay *more than* 50 percent of their income on housing (Table 4.12). Secondly, we believe that immigrants and refugees—as well as the Canadian-born—would benefit greatly from a rise in the supply of social housing. Given the reduced number of non-market housing units added to Greater Vancouver’s stock over the past decade and the large numbers of immigrants and refugees added to the population each year, and their financial situation, the supply of newly constructed units falls short of the demand. Beyond social housing, the addition of market rental units would surely help as well, given their relatively static supply at a time of rising demand. Finally, we recommend that the package of settlement services offered to immigrants and refugees when they arrive in Canada be revised to include more direct assistance in obtaining housing. This is a highly appropriate time to consider this issue, since the federal government recently announced an increase in the funds they allocate to settlement services. Some of these additional resources should be devoted to enhancing immigrants’ knowledge of housing markets in Canada.

¹² http://www.cic.gc.ca/english/newcomer/fact_02e.html, accessed August 3, 2006

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