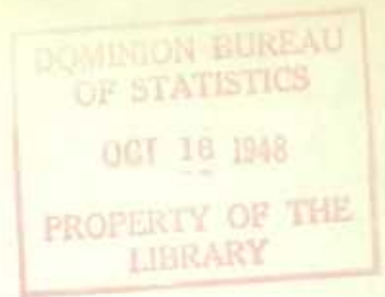


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DOMINION BUREAU OF STATISTICS
OTTAWA - CANADA



HOUSING BULLETIN NO. 8

RESIDENTIAL RENTS IN CANADA

PUBLISHED BY AUTHORITY OF THE RT. HON. C. D. HOWE, M.P.,
MINISTER OF TRADE AND COMMERCE

PRICE, \$1.00 PER ANNUM

OCTOBER, 1948

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RESIDENTIAL RENTS IN CANADA

I. Introduction

In November, 1947, the Dominion Bureau of Statistics began to collect data on money rents from a large sample of households in order to obtain a new index of rents. This new project was undertaken in response to requests from several government agencies concerned with housing and because of the high public interest in the trend of rents. On grounds of efficiency and cost, it was decided to collect rent information from the households covered by the quarterly labour force survey of the Dominion Bureau of Statistics. This survey, which covers 25,000-30,000 households every three months, is primarily concerned with employment and unemployment. More complete details about the quarterly labour force survey are contained in Labour Force Bulletin No. 9, issued in October, 1948. Since the inauguration of the rent survey, households which rent their living quarters are also asked about the rent they have paid for the last few months. Thus, information about monthly rents paid is obtained periodically from about 10,000 households.

The rent index is calculated from a matched sample of households. That is, the aggregate rent paid by a group of households in a given month is compared with the aggregate rent paid by the same group of households for the same living quarters in the next month. By using a matched sample, variations due to changes in the sample and to non-response are eliminated. The index is in reality a measure of the change of rent paid for the same accommodation. Rent reported is the cash rent paid in all cases regardless of minor changes in the services provided. Serious difficulties are involved in attempting to assess the money value of services, such as those provided by janitors, and it is therefore not practical to attempt to adjust the index for variations in the amenities or services provided by the landlord. However, when there are changes in the amount of accommodation or space rented, the cases are eliminated from the comparison.

Special problems are involved in the measurement of farm rents. In most cases, farm rent includes the rent of land and outbuildings as well as a dwelling. It is also common practice to rent farms on a ~~share-crop~~ basis or for other non-monetary considerations. In addition, farm rents are often paid on an annual rather than on a monthly basis. For these reasons, farm rents are excluded from the comparisons and the index refers only to non-farm dwelling units.

Rent for commercial premises is specifically excluded from the calculation of the index. Thus, cases in which the rent covers both living quarters and commercial space are excluded from the aggregates from which the index is calculated.

This bulletin consists of two parts. The first part deals with the index of non-farm residential rents from July, 1947 to September, 1948, for Canada as a whole and for the different regions. The second part of the bulletin summarizes the results of a special tabulation based on the rent survey in February, 1948. The object of this tabulation was to obtain estimates of the total number of rented and owner-occupied dwelling units in Canada, and the total residential rent paid in Canada, broken down geographically, by type of dwelling and date of construction and so forth.

II. The trend of non-farm residential rents, July, 1947 to September, 1948

In Table 1, which shows the index of rents for Canada and for the five major regions, the level of rent for October, 1947, has been taken as 100.0. The level of the index thus shows the variation which has occurred in relation to the rents paid in that month.

Table 1.- Index of non-farm residential rents in Canada, by region
(October, 1947 = 100)

		Canada	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
1947	July	99.7	99.4	100.0	99.4	99.5	99.9
	August	99.8	99.5	100.1	99.6	99.7	100.1
	September	99.9	99.7	100.1	99.8	99.7	100.0
	October	100.0	100.0	100.0	100.0	100.0	100.0
	November	100.1	100.6	100.0	100.3	99.9	100.2
	December	100.2	100.6	100.1	100.3	99.8	100.2
	January	100.2	100.8	100.1	100.4	99.9	100.5
	February	100.3	100.8	100.1	100.4	99.9	100.5
	March	100.6	101.0	100.5	100.7	100.0	101.2
	April	100.6	101.1	100.5	100.7	100.0	101.2
1948	May	100.8	101.4	100.8	100.8	100.1	101.9
	June	100.9	101.5	100.8	100.9	100.1	102.0
	July	100.9	101.7	100.8	100.8	100.1	102.1
	August	100.9	101.8	100.8	100.8	100.2	102.3
	September	100.9	101.8	100.8	100.8	100.2	101.6

For Canada, the index advanced only 1.2 points between July, 1947 and September, 1948. The smallest changes occurred in the Prairie Provinces and Quebec, the index rising by 0.7 and 0.8 points respectively. Ontario and British Columbia showed intermediate increases of 1.4 and 1.7 points respectively, while the index in the Maritime Provinces increased by 2.4 points.

III Estimates of the number of rented dwellings and total non-farm residential rents

The estimates in the remainder of this bulletin are mainly by-products of the labour force survey conducted in February, 1948. By using information obtained in the labour force survey, it was possible to obtain national estimates of tenancy status and rents. The estimation procedure involved inflating the characteristics of each dwelling in the sample by a factor applicable to the head of household living in the dwelling unit. This factor or weight is calculated separately for each region-sex-age group and provides a method of blowing up the sample results to an independently calculated population estimate for these groups.

Table 2 and 3 below show estimates in absolute and percentage terms of the frequency of tenant and owner occupancy in different types of areas in Canada, i.e., metropolitan areas, small urban, rural non-farm and rural farm. In these tables, metropolitan areas include the twenty-seven largest cities and their metropolitan areas. Tenant occupied households are further broken down to show whether rent is paid in cash, in shares, or is free. These estimates apply to the month of February, 1948.

Table 2.- Estimated number of rented and owner-occupied dwelling units in Canada in February, 1948
(thousands)

	principal cities and metropolitan areas	smaller urban centres	rural non-farm areas	total non-farm areas	rural farm areas	total
rented-for cash	770	226	96	1,092	36	1,128
rented-on shares	-	-	-	-	20	20
rented-free	14	11	20	45	18	63
total rented	784	237	116	1,137	74	1,211
owner occupied	650	378	313	1,341	627	1,968
total	1,434	615	429	2,478	701	3,179

Table 3.- Estimated percentage distribution of rented and owner-occupied dwelling units in Canada in February, 1948

	principal cities and metropolitan areas	smaller urban centres	rural non-farm areas	total non-farm areas	rural farm areas	total
rented-for cash	54	37	22	44	5	35
rented-on shares	-	-	-	-	3	1
rented-free	1	2	5	2	3	2
total rented	55	39	27	46	11	38
owner occupied	45	61	73	54	89	62
total	100	100	100	100	100	100

The most striking thing about Table 4, which follows, is the difference in rents between dwellings built in 1942 and later compared to dwellings built in 1941 and earlier. In the case of apartments or flats, for example, the average rent for an apartment built before 1942 is \$29.90, while the average rent for an apartment built in 1946 and 1947 is \$52.43.

Table 4.- Average non-farm residential rents in February, 1948, by type of dwelling and date of construction

date of construction	all types	type of dwelling			
		1-family detached	2-family detached	row or terrace	apartments, flats, etc.
1941 and before	27.06	23.45	26.22	25.09	29.90
1942 and 1943	29.01	25.66	28.13	31.58	36.22
1944 and 1945	30.81	25.29	23.18	37.59	36.96
1946 and 1947	36.17	33.40	34.29	42.52	52.43
all years	27.43	24.27	26.28	26.09	30.27

In Table 5, estimates of the total amount of rent paid in February for non-farm dwelling units for different types of dwellings are given. In this table, no attempt is made to impute rents to dwellings which are rent-free.

Table 5.- Estimated rent paid during February, 1948 for non-farm dwelling units in Canada, by type of dwelling
(millions of dollars)

	total	1-family detached	2-family detached	row or terrace	apartment, flat, etc.
principal cities and metropolitan areas	23.3	4.9	3.2	1.8	13.4
smaller urban centres	5.0	2.3	1.2	0.2	1.3
rural non-farm areas	1.6	1.1	0.3	-	0.2
total non-farm areas	29.9	8.3	4.7	2.0	14.9

By making use of the new rent index back as far as July, 1947, and the rent index obtained by the Labour and Prices Statistics Division of the Dominion Bureau of Statistics for the first six months of 1947, it was possible to estimate the total rent paid by months in the year 1947. These estimates are shown below in Table 6.

Table 6.- Estimated non-farm residential rent paid during 1947, by months
(millions of dollars)

January	27.9
February	28.0
March	28.0
April	28.1
May	28.6
June	29.3
July	29.3
August	29.4
September	29.5
October	29.6
November	29.7
December	29.8
1947	347.2

In Table 7, which follows, a frequency distribution is shown of the number of households paying rent in various ranges.

Table 7.- Estimated distribution of rents for non-farm dwelling units in February, 1948

monthly rent	number of households (thousands)	percentage of total
0 - \$ 9.99	56	5
\$10.00 - \$19.99	299	28
\$20.00 - \$29.99	338	31
\$30.00 - \$39.99	211	19
\$40.00 - \$49.99	99	9
\$50.00 - \$59.99	42	4
\$60.00 - \$69.99	27	2
\$70.00 - \$99.99	15	1
\$100.00 or more	4	1
total	1,091	100

Appendix I

Estimates of the demand for housing

The following estimates are by-products of the quarterly labour force survey. In each survey since the beginning of 1947, information has been obtained concerning the doubling-up of families. The characteristics of each household were inflated by a factor applicable to the head of the household to provide estimates for the country as a whole.

For the purposes of these surveys a sub-family is defined as either of the following groups living in the dwelling unit in addition to the head of the household and his family.

- (a) a husband and wife with or without children;
- (b) a parent with at least one unmarried child.

In many instances the presence of a sub-family in a household is the normal situation. To get closer to the actual demand for additional housing, estimates were obtained of the number of sub-families who were actively looking for other living quarters. To fall into this category, some responsible member of the sub-family must have done one of the following things in the three months immediately preceding the survey:

- (a) advertised for new living quarters;
- (b) systematically examined classified newspaper advertisements;
- (c) answered an advertisement for living quarters;
- (d) contacted a real estate agency regarding new living quarters;
- (e) looked at a dwelling unit with a view to renting or buying;
- (f) carried on any other systematic search for new living quarters.

Table 8 below shows estimates of the number of sub-families in Canada by regions and Table 9 shows estimates of the number of these sub-families actively looking for other living quarters. Tables 10 and 11 show similar estimates for each of Montreal, Toronto, Winnipeg and Vancouver.

Table 8.- Number of sub-families in Canada by region
(thousands)

	Canada	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
1947 March 1	254	32	73	93	38	18
May 31	244	28	69	94	35	18
Aug. 16	251	29	73	99	35	15
Nov. 8	237	30	72	89	29	17
1948 Feb. 21	259	30	81	98	33	17

Table 9.- Number of sub-families in Canada actively looking
for other living quarters by region
(thousands)

	Canada	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
1947 March 1	52	4	18	21	6	3
May 31	48	4	17	19	5	3
Aug. 16	45	4	16	18	5	2
Nov. 8	36	2	12	15	4	3
1948 Feb. 21	43	3	18	17	4	1

Table 10.- Number of sub-families in Montreal, Toronto,
Winnipeg and Vancouver
(thousands)

	Total 4 cities	Montreal	Toronto	Winnipeg	Vancouver
1947 March 1	93	37	29	15	12
May 31	90	38	29	11	12
Aug. 16	92	42	32	9	9
Nov. 8	83	38	28	6	11
1948 Feb. 21	91	45	30	6	10

Table 11.- Number of sub-families in Montreal, Toronto
Winnipeg and Vancouver actively looking for
other living quarters
(thousands)

	Total 4 cities	Montreal	Toronto	Winnipeg	Vancouver
1947 March 1	25	13	5	4	3
May 31	25	13	7	2	3
Aug. 16	25	14	7	2	2
Nov. 8	20	10	6	1	3
1948 Feb. 21	22	15	5	1	1

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