



Affordability of Rental Housing in Census Metropolitan Areas (CMAs)



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Introduction

The number and proportion of renters living in the largest urban centres have steadily increased over the past decades. In 1991, CMAs were home to 72% of all Canadian renters; by 2016, this proportion had increased to 77%. More often than not, renters are more likely than homeowners to live in housing that falls below the affordability standard. The increased demand for rental housing in CMAs raises the question of whether the likelihood of renters to live in unaffordable housing in CMAs also increased. This issue of Socio Economic Analysis uses census data to assess changes in the housing affordability¹ of renters living in CMAs over the past years and examine housing affordability for selected vulnerable populations² in 2016.

Highlights

- ▶ In 2016, 799,000 renters in core housing need and 372,000 renters not in core housing need lived in CMAs in housing that was below the affordability standard.
- ▶ Overall, the housing situation of renters living in CMAs worsened between 1991 and 2016. The proportion of renters living in unaffordable housing increased from 31.3% in 1991 to 36.8% in 2016. However, the overall increase was a result of a sporadic trend rather than a continuous upward move. The trend in affordability was different for renters in core housing need and those not in core housing need. The proportion of renters living below the affordability standard and in core housing need remained rather stable between 1991 and 2016 (except the spike recorded in 1996). Conversely, the proportion of renters living in unaffordable housing and not in core housing need declined from 1991 to 1996, but increased steadily afterwards (see figure 1).
- ▶ In every CMA, the proportion of renter households that were below the affordability standard and in core housing need increased between 1991 and 1996. Meanwhile, the proportion of renter households that were below the affordability standard but not in core housing need decreased in every CMA over the same period. After 1996, the direction of change in the proportion of renters living in unaffordable housing varied substantially across CMAs for households in core housing need as well as for those not in core housing need.

¹ Housing affordability is assessed based on a threshold of whether the household spends 30% or more of its total before-tax income on shelter costs. See the “Key Terms” section for more details.

² Vulnerable populations examined include Aboriginal, female-led, lone-parent, recent immigrant, refugee, senior and visible minority households. See the “Key Terms” section for the definition of vulnerable populations.

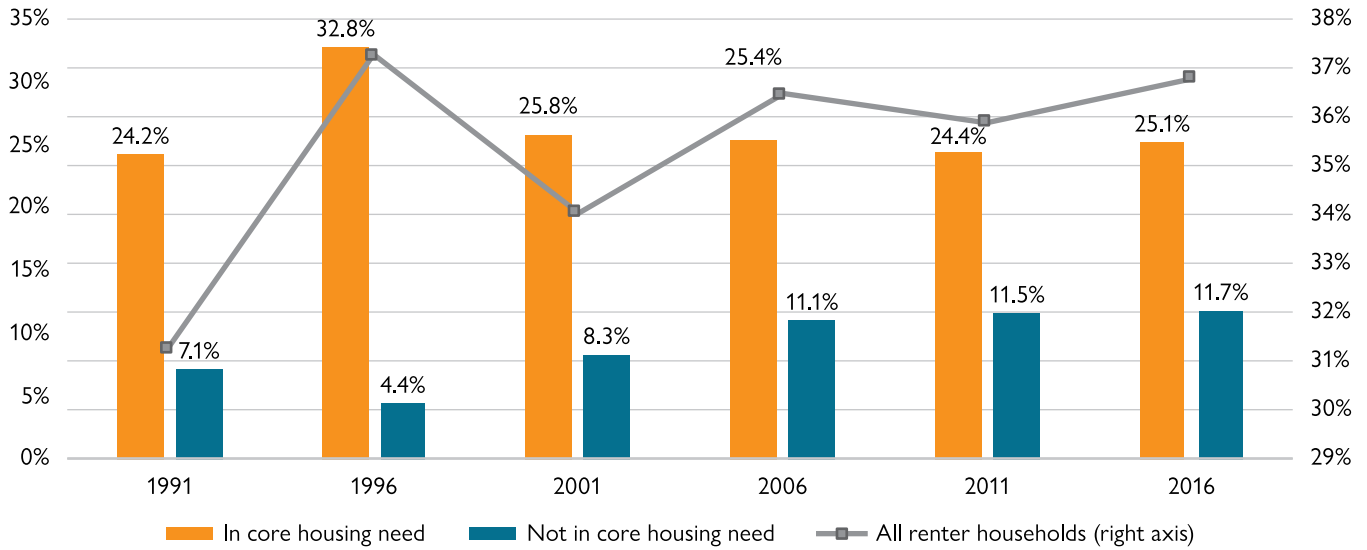


- ▶ Only a few CMAs showed a consistent affordability trend over time. Since 1996, four CMAs—St. John's, Québec, Trois-Rivières and Saguenay—recorded a steady decline in the proportion of renters who were below the affordability standard and in core housing need (see figure 2), and none out of all CMAs recorded a consistent increase in the proportion of such renters. For renters not in core housing need, the situation was reversed. Eleven CMAs saw the proportion of renters living below the affordability standard but not in core housing need steadily increase since 1996, whereas none of the CMAs experienced a consistent decline in the proportion of such renters over the same period.
- ▶ In 2016, Peterborough and Oshawa had the highest proportions of renters living below the affordability standard and in core housing need, whereas Saguenay and Trois-Rivières had the lowest (see figure 3). From 2011 to 2016, the proportion increased most, in absolute terms, in Oshawa (by 7.2 percentage points) and decreased most in Sherbrooke (by 2.9 percentage points).
- ▶ For renters not in core housing need, Kelowna and Sherbrooke had the highest proportions of households below the affordability standards in 2016; Abbotsford-Mission and Edmonton had the lowest proportions (see figure 4). From 2011 to 2016, the proportion increased most, in absolute terms, in Moncton (by 2.8 percentage points) and decreased most in Calgary (by 2.9 percentage points).
- ▶ In many but not all CMAs, lone-parent and senior renter households in core housing need often had the highest likelihood of being below the affordability standard compared to renters in other vulnerable populations in core housing need in 2016. Among renters not in core housing need, senior households had the highest likelihood as well. Households with the lowest likelihood of living below the affordability standard were visible minority and recent immigrant renter households in core housing need, as well as lone-parent renter households not in core housing need.
- ▶ In 2016, lone-parent renter households in core housing need were much more likely (7 times, on average) to live in unaffordable housing than lone-parent renter households not in core housing need (see figure 5). This difference represented the largest gap in likelihood between renters in core housing need and those not in core housing need within a specific vulnerable population. The gap in the likelihood was the smallest for female-led and senior renter households. In those two populations, renter households in core housing need were about twice as likely to be below the affordability standard than those not in core housing need.
- ▶ Among renters in core housing need, female-led, refugee, lone-parent, senior and Aboriginal households were more likely to be living below the affordability standard compared to households that were not part of these vulnerable groups. This was true for nearly all CMAs in 2016. Meanwhile, in about one third of CMAs, visible minority and recent immigrant households were less likely to live in unaffordable housing compared to households that were not part of these two vulnerable populations.
- ▶ For renters not in core housing need, instances in which households in vulnerable populations had a lower likelihood of living in unaffordable housing than households not in vulnerable populations were also common. Additionally, renters in vulnerable groups and not in core housing need experienced such instances in a larger number of CMAs than renters in vulnerable groups and in core housing need. This was particularly so for lone-parent, refugee, Aboriginal and recent immigrant households.



Housing affordability of renters living in CMAs worsened between 1991 and 2016, primarily due to the worsening situation of renters not in core housing need.

Figure 1: Percentage of renter households below affordability standard, by core housing need status, total for census metropolitan areas, 1991–2016

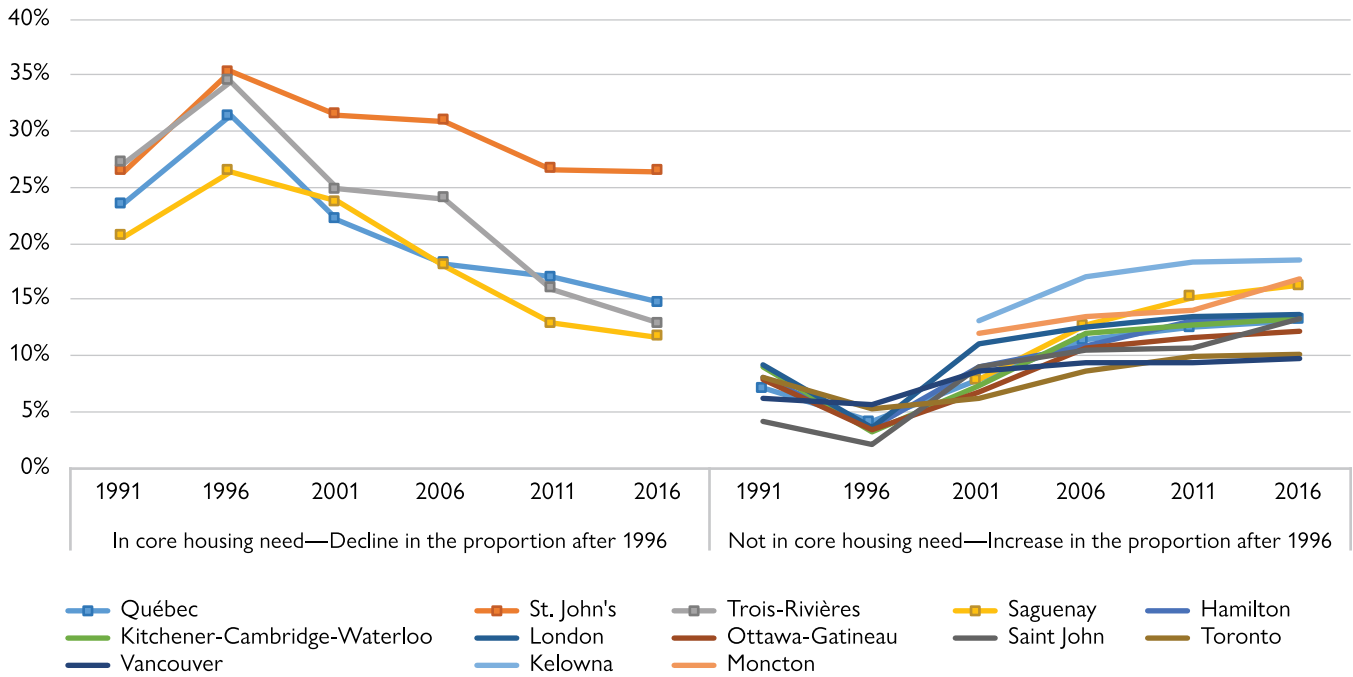


Source: CMHC, adapted from Statistics Canada (Census 1991, 1996, 2001, 2006 and 2016, and 2011 National Household Survey)



Only a few CMAs showed consistency in the direction of change in the proportion of renter households falling below the affordability standard between 1996 and 2016.

Figure 2: Percentage of renter households below affordability standard, by core housing need status and census metropolitan areas with consistent direction of period-to-period change since 1996, 1991–2016

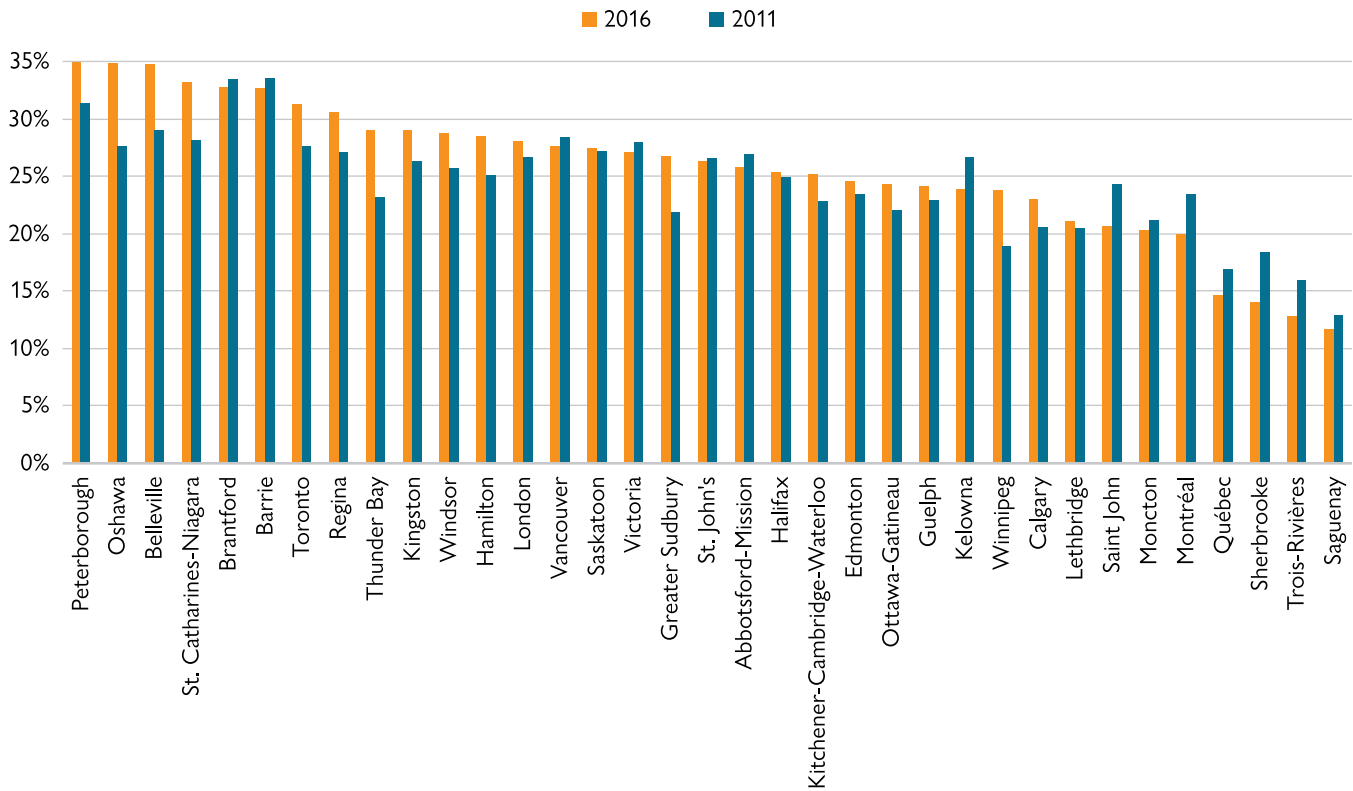


Source: CMHC, adapted from Statistics Canada (Census 1991, 1996, 2001, 2006 and 2016, and 2011 National Household Survey)
 Note: Moncton, Saguenay and Kelowna were not CMAs in 1991 and 1996.



In 21 out of 35 CMAs, the proportion of renters living below the affordability standard and in core housing need increased between 2011 and 2016. Peterborough and Oshawa had the highest proportions in 2016.

Figure 3: Percentage of renter households in core housing need and below affordability standard, by census metropolitan area, 2011 and 2016



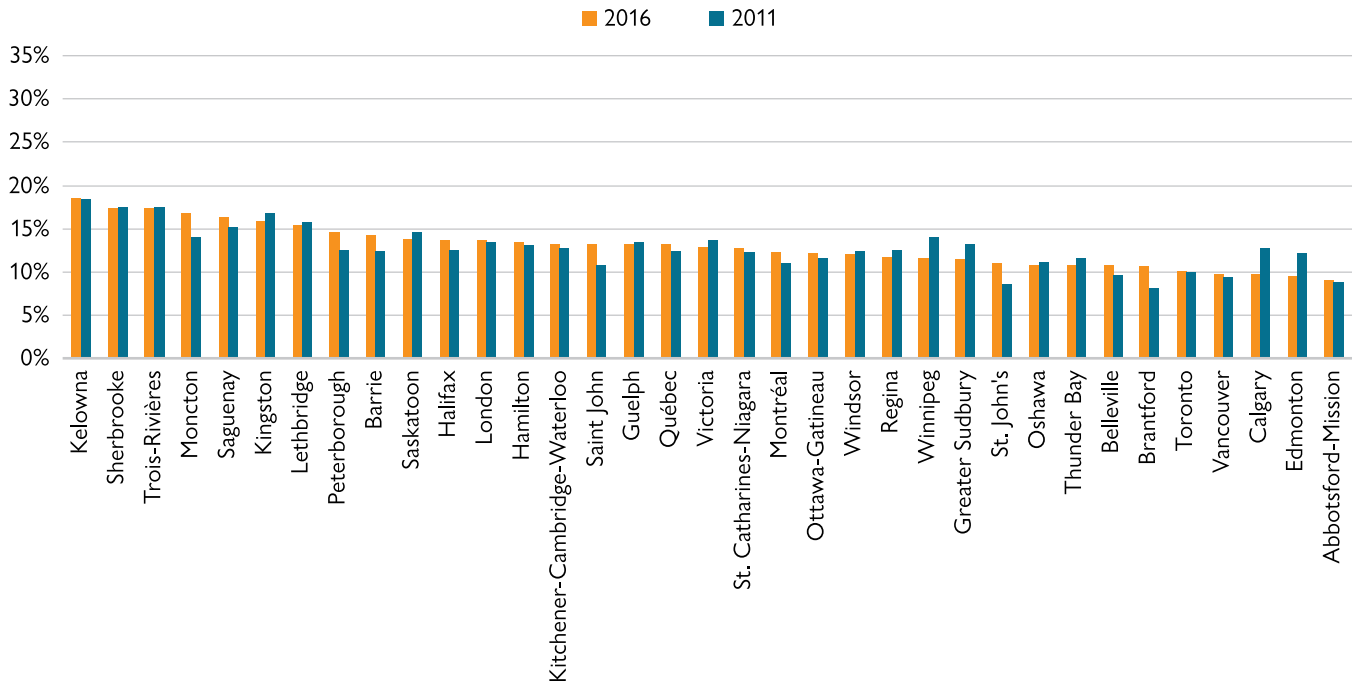
Source: CMHC, adapted from Statistics Canada (2011 National Household Survey and Census 2016)

Note: Lethbridge and Belleville were not CMAs in 2011; however, they are shown on the chart for consistency of representation.



In 20 out of 35 CMAs, the proportion of renters living below the affordability standard but not in core housing need increased between 2011 and 2016. Kelowna and Sherbrooke had the highest proportions in 2016.

Figure 4: Percentage of renter households below affordability standard and not in core housing need, by census metropolitan area, 2011 and 2016



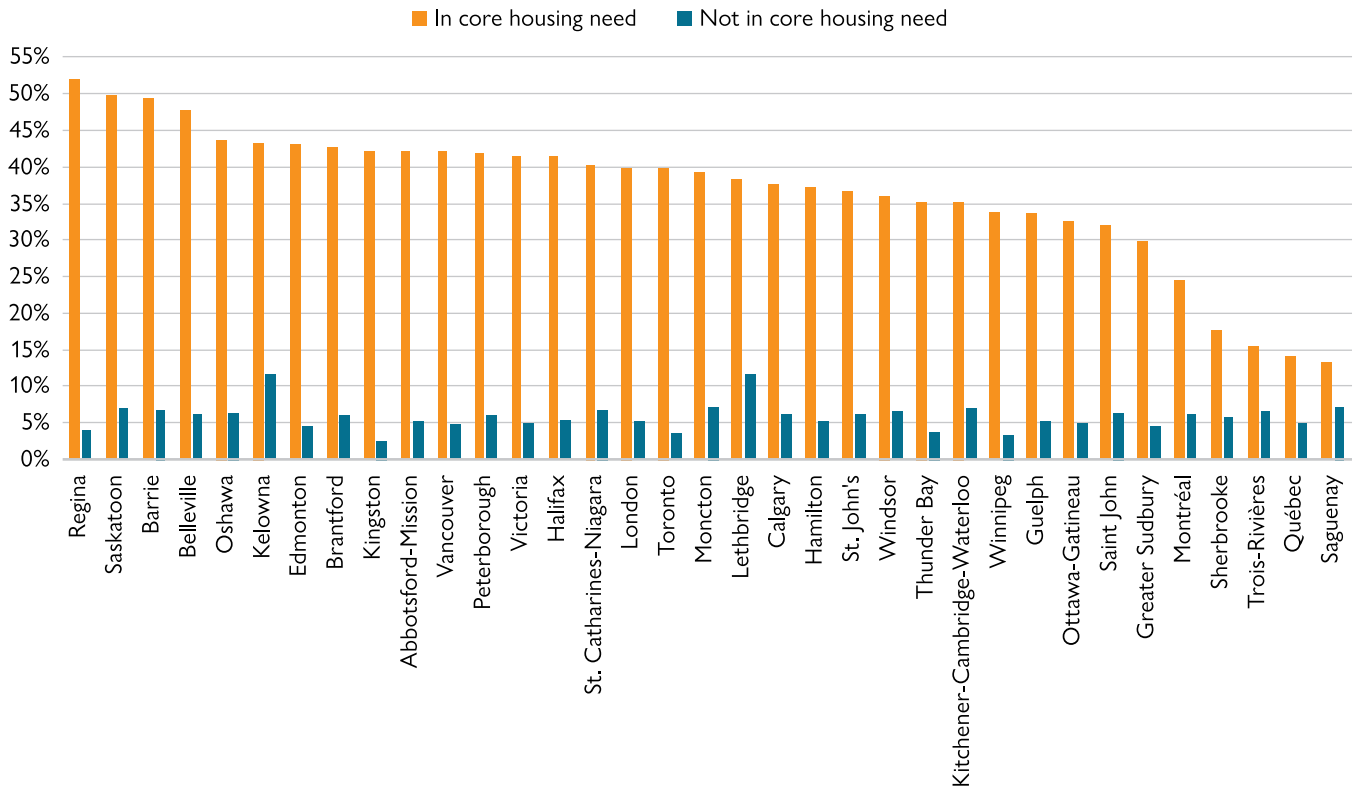
Source: CMHC, adapted from Statistics Canada (2011 National Household Survey and Census 2016)

Note: Lethbridge and Belleville were not CMAs in 2011; however, they are shown on the chart for consistency of representation.



In all but three CMAs, the proportion of lone-parent households living below the affordability standard was several times higher among renters in core housing need than among renters not in core housing need in 2016.

Figure 5: Percentage of lone-parent renter households below affordability standard, by core housing need status and census metropolitan area, 2016



Source: CMHC, adapted from Statistics Canada (Census 2016)

Key Terms

A household is in **core housing need** if its housing is below one or more of the adequacy, suitability and affordability standards, and it would have to spend 30% or more of its before-tax household income to access local housing that meets all three standards.

Adequate housing does not require any major repairs, according to residents.

Suitable housing has enough bedrooms for the size and makeup of resident households, according to National Occupancy Standard (NOS) requirements.

Affordable housing costs less than 30% of before-tax household income. For renters, shelter costs include, as applicable, rent and payments for electricity, fuel, water and other municipal services.

Households assessed for core housing need comprise private, non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100%.

The **primary household maintainer** is the first person in the household identified as the one who pays the rent/mortgage, or the taxes, or the electricity bill, etc., for the dwelling.

An **Aboriginal** household is one of the following: i) a non-family household in which at least 50% of household members self-identified as Aboriginal people; or ii) a family household that meets at least one of two criteria: a) at least one spouse, common-law partner, or lone parent self-identified as an Aboriginal person; or b) at least 50% of household members self-identified as Aboriginal people.

A **female-led** household is a household where the primary household maintainer is a female.

A **lone-parent** household consists of a lone parent living with one or more children. Non-family members may also be present.

A **recent immigrant** household is a household whose primary household maintainer immigrated to Canada between January 1, 2011, and May 10, 2016.

A **refugee** household is a household where the primary household maintainer is an immigrant who was granted permanent resident status on the basis of a well-founded fear of returning to their home country.

A **senior** household is a household where the primary household maintainer is aged 65 or older.

A **visible minority** household is a household where the primary household maintainer belongs to a visible minority group, as defined by the *Employment Equity Act*. The *Employment Equity Act* defines visible minorities as “persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour.”



References

The Geography of *Core Housing Need* in 2011
(<ftp://ftp.cmhc-schl.gc.ca/chic-ccd/RHSE-PenRSE/68180.pdf>)

Investment in Affordable Housing information
(<https://www.cmhc-schl.gc.ca/en/developing-and-renovating/develop-new-affordable-housing/programs-and-information/about-affordable-housing-in-canada>)

Social housing information
(<https://www.cmhc-schl.gc.ca/en/about-cmhc/social-housing-information/social-housing-programs>)



Alternative text and data for figures

Figure 1: Percentage of renter households below affordability standard, by core housing need status, total for census metropolitan areas, 1991–2016

	1991	1996	2001	2006	2011	2016
In core housing need	24.2%	32.8%	25.8%	25.4%	24.4%	25.1%
Not in core housing need	7.1%	4.4%	8.3%	11.1%	11.5%	11.7%
All renter households (right axis)	31.3%	37.3%	34.0%	36.5%	35.9%	36.8%

Source: CMHC, adapted from Statistics Canada (Census 1991, 1996, 2001, 2006 and 2016, and 2011 National Household Survey)

Figure 2: Percentage of renter households below affordability standard, by core housing need status and census metropolitan areas with consistent direction of period-to-period change since 1996, 1991–2016

	Year	Québec	St. John's	Trois-Rivières	Saguenay	Hamilton	Kitchener-Cambridge-Waterloo	London	Ottawa-Gatineau	Saint John	Toronto	Vancouver	Kelowna	Moncton
In core housing need —Decline in the proportion after 1996	1991	24%	26%	27%	21%									
	1996	31%	35%	34%	26%									
	2001	22%	31%	25%	24%									
	2006	18%	31%	24%	18%									
	2011	17%	27%	16%	13%									
	2016	15%	26%	13%	12%									
Not in core housing need —Increase in the proportion after 1996	1991	7%				8%	9%	9%	8%	4%	8%	6%		
	1996	4%				3%	3%	4%	3%	2%	5%	6%		
	2001	8%			8%	9%	7%	11%	7%	9%	6%	9%	13%	12%
	2006	11%			13%	11%	12%	12%	11%	10%	9%	9%	17%	13%
	2011	12%			15%	13%	13%	13%	12%	11%	10%	9%	18%	14%
	2016	13%			16%	13%	13%	14%	12%	13%	10%	10%	19%	17%

Source: CMHC, adapted from Statistics Canada (Census 1991, 1996, 2001, 2006 and 2016, and 2011 National Household Survey)

Note: Moncton, Saguenay and Kelowna were not CMAs in 1991 and 1996.



Figure 3: Percentage of renter households in core housing need and below affordability standard, by census metropolitan area, 2011 and 2016

	2011	2016
Peterborough	31%	35%
Oshawa	28%	35%
Belleville	29%	35%
St. Catharines-Niagara	28%	33%
Brantford	33%	33%
Barrie	34%	33%
Toronto	28%	31%
Regina	27%	31%
Thunder Bay	23%	29%
Kingston	26%	29%
Windsor	26%	29%
Hamilton	25%	29%
London	27%	28%
Vancouver	28%	28%
Saskatoon	27%	27%
Victoria	28%	27%
Greater Sudbury	22%	27%
St. John's	27%	26%
Abbotsford-Mission	27%	26%
Halifax	25%	25%
Kitchener-Cambridge-Waterloo	23%	25%
Edmonton	23%	25%
Ottawa-Gatineau	22%	24%
Guelph	23%	24%
Kelowna	27%	24%
Winnipeg	19%	24%
Calgary	21%	23%
Lethbridge	20%	21%
Saint John	24%	21%
Moncton	21%	20%
Montréal	23%	20%
Québec	17%	15%
Sherbrooke	18%	14%
Trois-Rivières	16%	13%
Saguenay	13%	12%

Source: CMHC, adapted from Statistics Canada (2011 National Household Survey and Census 2016)

Note: Lethbridge and Belleville were not CMAs in 2011; however, they are shown on the chart for consistency of representation.



Figure 4: Percentage of renter households below affordability standard and not in core housing need, by census metropolitan area, 2011 and 2016

	2011	2016
Kelowna	18%	19%
Sherbrooke	18%	17%
Trois-Rivières	18%	17%
Moncton	14%	17%
Saguenay	15%	16%
Kingston	17%	16%
Lethbridge	16%	15%
Peterborough	13%	15%
Barrie	12%	14%
Saskatoon	15%	14%
Halifax	13%	14%
London	13%	14%
Hamilton	13%	13%
Kitchener-Cambridge-Waterloo	13%	13%
Saint John	11%	13%
Guelph	13%	13%
Québec	12%	13%
Victoria	14%	13%
St. Catharines-Niagara	12%	13%
Montréal	11%	12%
Ottawa-Gatineau	12%	12%
Windsor	12%	12%
Regina	13%	12%
Winnipeg	14%	12%
Greater Sudbury	13%	11%
St. John's	8%	11%
Oshawa	11%	11%
Thunder Bay	12%	11%
Belleville	10%	11%
Brantford	8%	11%
Toronto	10%	10%
Vancouver	9%	10%
Calgary	13%	10%
Edmonton	12%	9%
Abbotsford-Mission	9%	9%

Source: CMHC, adapted from Statistics Canada (2011 National Household Survey and Census 2016)

Note: Lethbridge and Belleville were not CMAs in 2011; however, they are shown on the chart for consistency of representation.



Figure 5: Percentage of lone-parent renter households below affordability standard, by core housing need status and census metropolitan area, 2016

	In core housing need	Not in core housing need
Regina	52%	4%
Saskatoon	50%	7%
Barrie	49%	7%
Belleville	48%	6%
Oshawa	44%	6%
Kelowna	43%	12%
Edmonton	43%	5%
Brantford	43%	6%
Kingston	42%	3%
Abbotsford-Mission	42%	5%
Vancouver	42%	5%
Peterborough	42%	6%
Victoria	42%	5%
Halifax	41%	5%
St. Catharines-Niagara	40%	7%
London	40%	5%
Toronto	40%	4%
Moncton	39%	7%
Lethbridge	38%	12%
Calgary	38%	6%
Hamilton	37%	5%
St. John's	37%	6%
Windsor	36%	6%
Thunder Bay	35%	4%
Kitchener-Cambridge-Waterloo	35%	7%
Winnipeg	34%	3%
Guelph	34%	5%
Ottawa-Gatineau	33%	5%
Saint John	32%	6%
Greater Sudbury	30%	4%
Montréal	25%	6%
Sherbrooke	18%	6%
Trois-Rivières	15%	6%
Québec	14%	5%
Saguenay	13%	7%

Source: CMHC, adapted from Statistics Canada (Census 2016)