



Youth Households Living in Core Housing Need



J.K. MacAdam
Senior Analyst, Economics

“In 2016, 27.1% of youth households aged 15-to-24 were living in core housing need, but this was mostly temporary and quickly diminished to 12.9% as they reached the 25-to-29 age group.”

Introduction

This research insight presents an analysis of the core housing need (CHN) of youth from 2001 to 2016. We examine the incidence of CHN among households aged 15-to-19, 20-to-24 and 25-to-29. Our analysis also focuses on the housing conditions of different youth household groups, such as homeowners, renters, visible minority households, immigrant households, and female-led lone-parent households.

We find that the proportion of youth households living in core housing need in Canada declined from 18.6% in 2001 to 14.8% in 2016. However, over the 2001-2016 period, renters had significantly higher incidences of CHN compared to owners. The proportions of youth in core housing need varied severely as well across age groups, demographics, and household types. Youth households in CHN experienced significant increases in the average depths of need from 2001 to 2016.

The majority of youth, when leaving their family home and forming a household, move into a rental unit. In 2016, 65.8% of youth households were renters, compared to 28.0% of non-youth households (those aged 30 and over).

In addition, incidences of CHN varied significantly across youth age groups. Notably, we observe that the incidence of CHN among youth households aged 15-to-24 in 2016 was high, at 27.1%, but the CHN was mostly temporary and quickly diminished to 12.9% as the youth households reached the 25-to-29 age group. The many significant life events that youth households can experience during a short time span can explain the variations in their housing needs. These events include completing their education, renting their first home, as well as finding employment. Youth households are also likely to purchase their first home and start families as they progress through the different age groups.

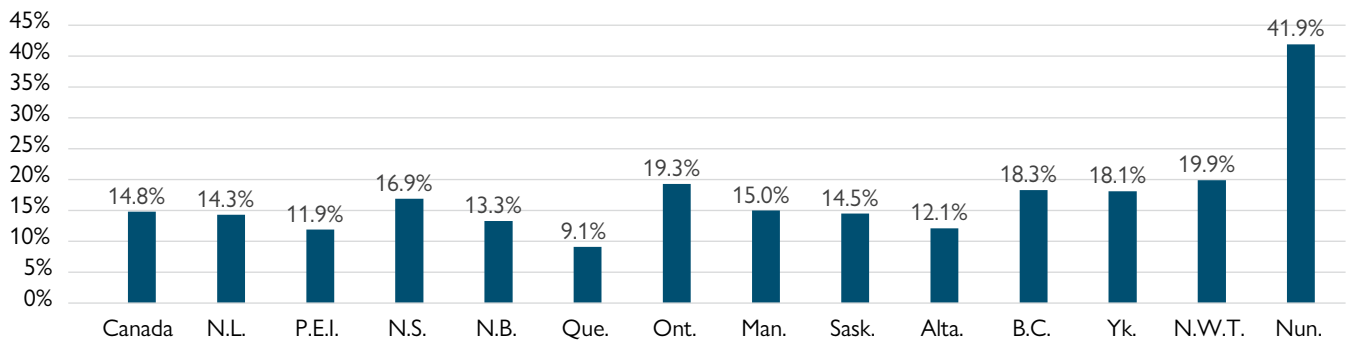


Highlights

In Canada, the proportion of youth households in CHN declined over the examined period, from 18.6% in 2001 to 14.8% in 2016. Over this period, the 15-to-19 age group saw the largest drop in core housing need, which declined from 36.4% of households in 2001 to 27.1% in 2016 (figure 2). The 20-to-24 and 25-to-29 age groups also experienced significant declines in the incidence of CHN. However, most of these declines in the incidence of core housing need occurred between 2001 and 2011, while the incidences remained relatively unchanged between 2011 and 2016.

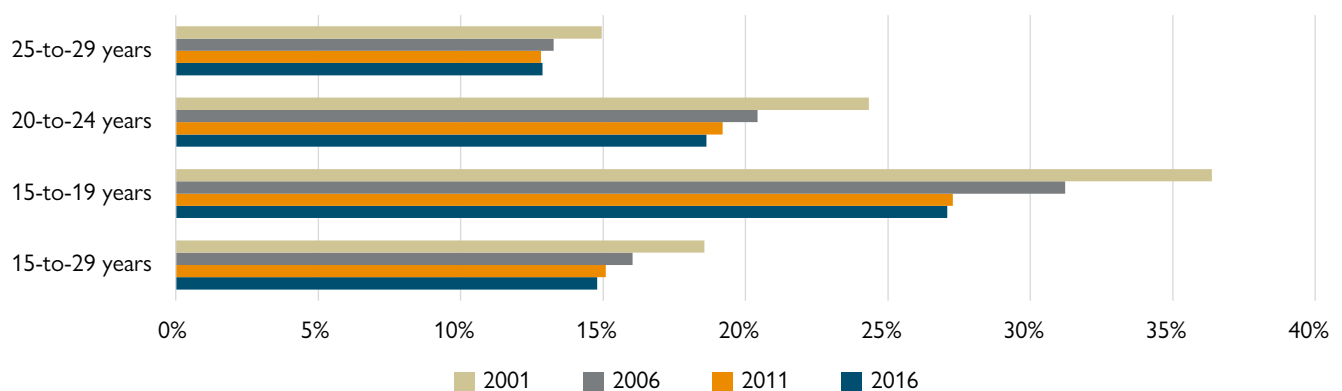
The incidences of youth households in core housing need varied significantly between provinces and territories in 2016. Nunavut had the highest incidence of youth in CHN in Canada (41.9% of youth households in Nunavut faced larger challenges with adequacy and suitability, while only 13.3% were facing affordability challenges compared to 91.8% of youth households in CHN in Canada). Quebec had the lowest incidence of youth in CHN, at 9.1% (figure 1). Among the provinces, Ontario and British Columbia had the highest incidences of youth households in CHN, which could be reflective of relatively high home prices and rental prices in these markets.

Figure 1: Incidences of Youth in CHN Vary Significantly Across Canada



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

Figure 2: Incidences of Overall Youth Households in CHN Declining in Canada



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



In 2016, the vast majority of youth households in CHN were renters. Youth renters also had a significantly higher average depth of need¹ than youth homeowners did (table 1). Youth households who rented had a CHN rate of 19.8% in 2016, which was significantly higher than the CHN rate for youth households who owned (5.2%).

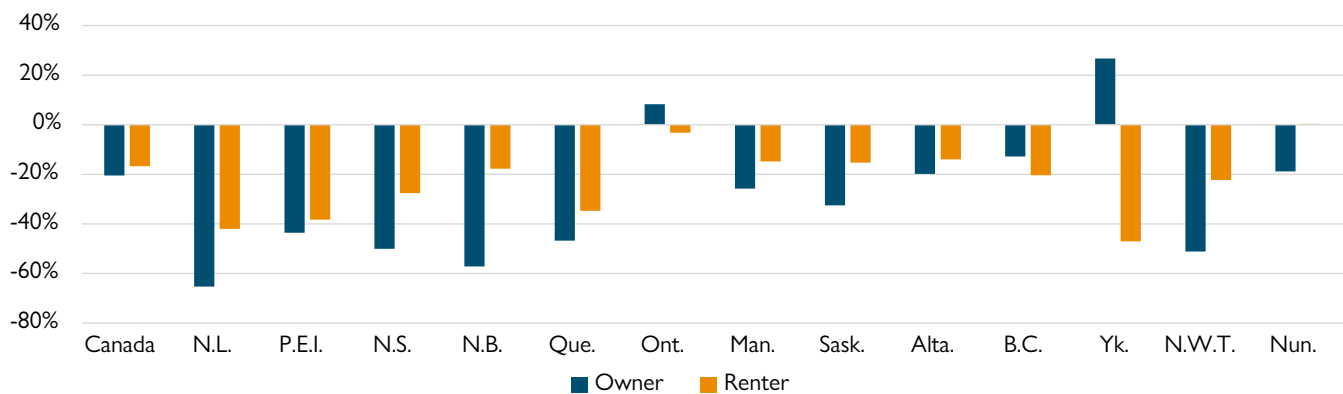
Youth households’ incidences of core housing need among renters are declining but remain significantly higher than among owners

Renter households are a key group of analysis if we wish to understand the challenges facing youth households. In 2016, 65.8% of youth households were renters—more than double the proportion for non-youth households—with renting being the most common among the 15-to-19 and 20-to-24 age groups. Lastly, the overall incidence of core housing need among youth renter households was 19.8%—significantly higher than the 5.2% incidence of CHN among youth owner households.

In Canada, the percentage of youth households in core housing need declined at a slower pace for renters than for owners between 2001 and 2016 (figure 3). However, the declines in CHN for youth renter households were not consistent across the country. Youth renter households in Atlantic Canada experienced larger declines in the incidence of CHN than the national average, while the smallest decrease in the incidence of CHN was in Ontario, where the incidence of youth renter households in CHN declined by only 0.9 percentage point from 2001 to 2016.

While it is true that the proportions of youth owner and renter households in core housing need declined in most of Canada, those in core housing need faced a growing depth of need. Therefore, youth households in CHN were worse off in 2016 than in 2001. Youth renter households had an average depth of need of \$3,576, which was greater than the \$3,309 for youth owner households. The average depth of need increased by 37.5% over the 2001-2016 period for youth renters, while it rose by 42.3% for youth owners (table 1). Finally, youth owner households in the 15-to-19 age group experienced the largest increase in the average depth of need from 2001 to 2016. However, households in this age group only accounted for 4.7% of all youth owner households in 2016, which limited the impact of the increase in their average depth of need.

Figure 3: Percentage Changes in Youth Owner and Renter Households in CHN from 2001 to 2016



Source: CMHC, adapted from Statistics Canada (Census 2001 and 2016)

¹ Depth of need: Depth of housing need for a household in core housing need is the difference between the amount that it would need to pay for acceptable housing and the amount that it can afford to pay based on the affordability standard of shelter costs being less than 30% of before-tax household income.



Table 1: Average Depths of Need Increasing for Youth Households in CHN

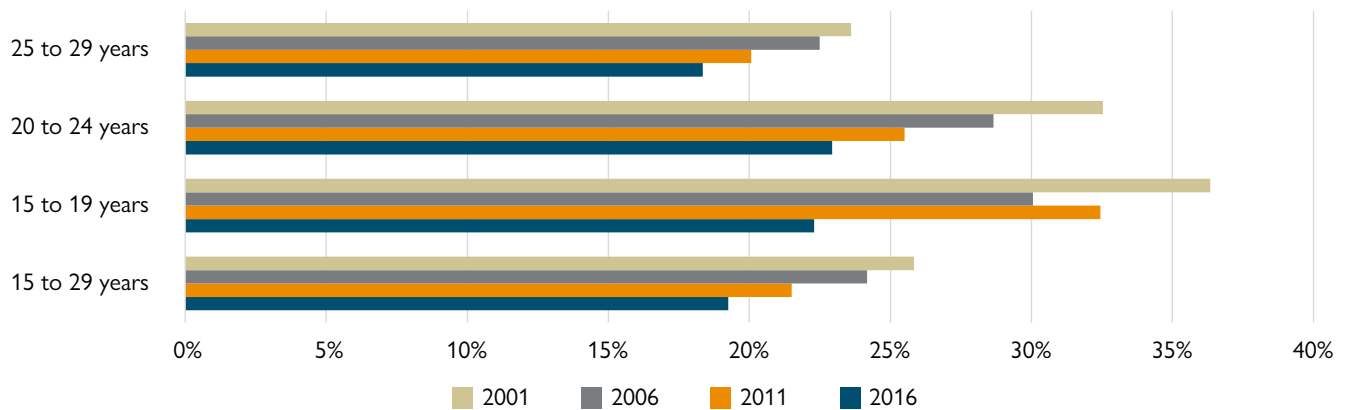
Age Group	Owner	Renter	% Increase From 2001,	
			Owner	Renter
Total youth households	\$3,309	\$3,576	42.3%	37.5%
15 to 19 years	\$4,124	\$3,680	74.8%	37.8%
20 to 24 years	\$3,322	\$3,414	41.5%	37.1%
25 to 29 years	\$3,278	\$3,671	41.7%	36.8%

Source: CMHC, adapted from Statistics Canada (Census 2001 and 2016)

Immigrant and visible minority youth renters see reductions in incidences of core housing need

Immigrant and visible minority youth households experienced higher incidences of core housing need than non-immigrant or non-visible minority youth households across all age groups in 2016. This was also true for immigrant and visible minority non-youth households. From 2001 to 2016, both immigrant and visible minority households experienced significant declines in incidences of core housing need as shown in figures 4 and 5. The incidences of immigrant and visible minority youth renters in core housing need respectively declined from 35.0% and 32.1% in 2001 to 19.3% and 23.2% in 2016, which can be seen in figures 6 and 7. Immigrant and visible minority youth owners experienced declines in incidences of CHN, from 18.1% to 14.8% and from 13.2% to 12.8%, respectively.

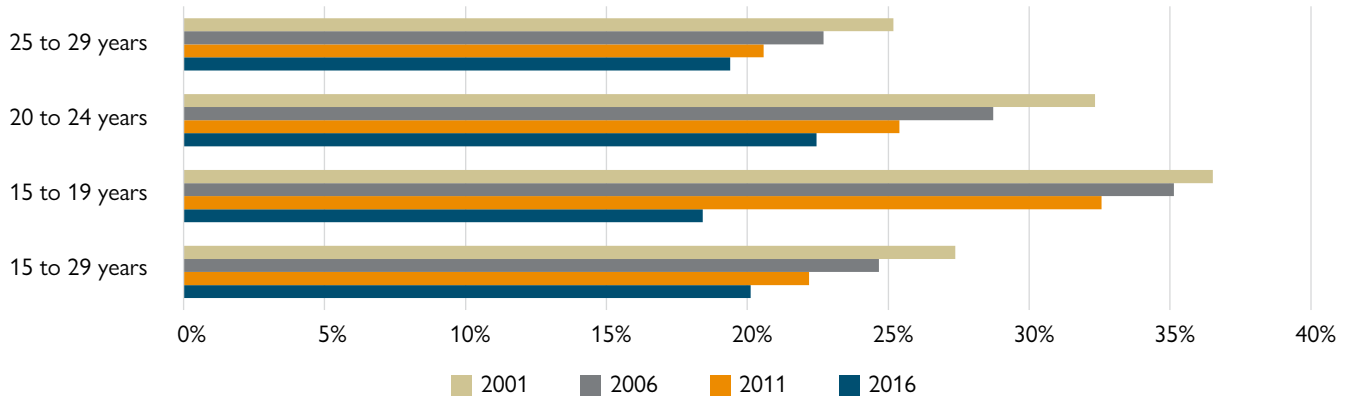
Figure 4: Incidences of Immigrant Youth Households in CHN Declining in Canada



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

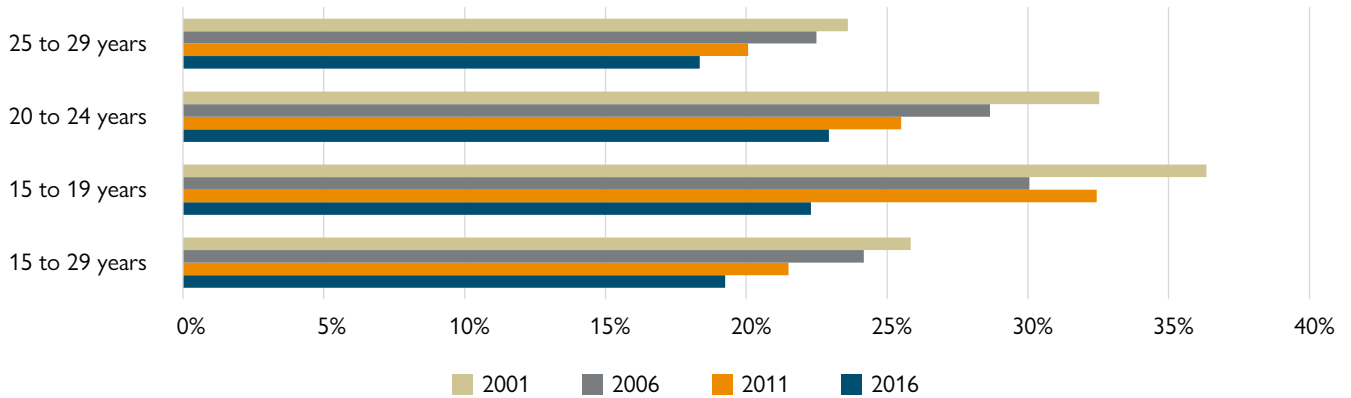


Figure 5: Incidences of Visible Minority Youth Households in CHN Declining in Canada



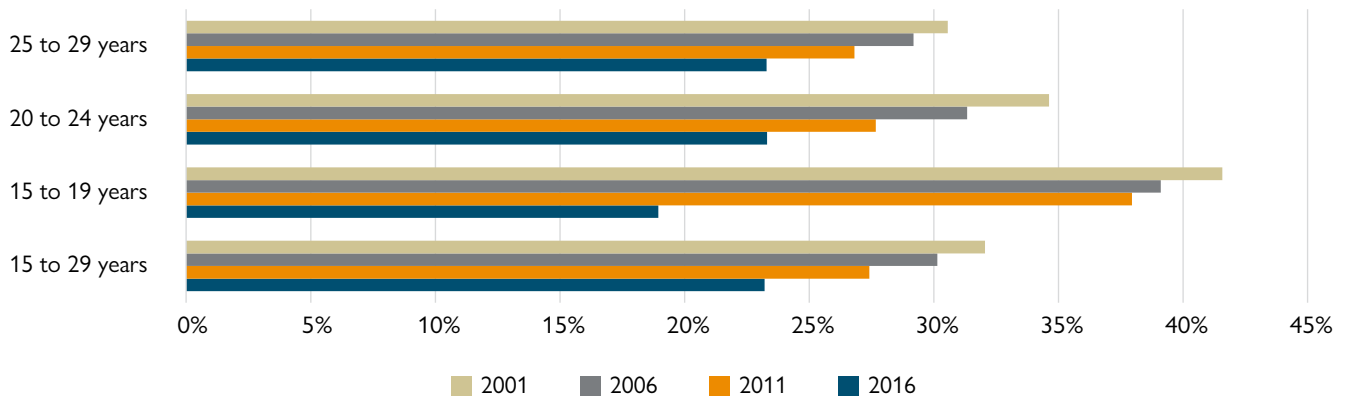
Source: CMHC, adapted from Statistics Canada (Census 2001, 2006 and 2016, and 2011 National Household Survey)

Figure 6: Incidences of Immigrant Youth Renter Households in CHN Declining Significantly in Canada



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

Figure 7: Incidences of Visible Minority Youth Renter Households in CNH Declining in Canada



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



In addition to experiencing higher incidences of core housing need, immigrant and visible minority youth households in CHN experienced significantly greater depths of need than non-immigrant or non-visible minority youth households in 2016 (tables 2 and 3). However, the average depths of need of these groups increased at slower pace than that of non-immigrant and non-visible minority households from 2001 to 2016. As for tenure type, the average depth of need of immigrant youth renter households was 17.8% higher than for non-immigrant households, and the depth of need of visible minority renter households was 20.4% higher than for non-visible minority households. Immigrant and visible minority youth owner households faced similar conditions, as their average depths of need were 17.6% and 18.6% higher than for non-immigrant and non-visible minority households, respectively.

Table 2: Average Depths of Need Increasing for Immigrant Youth Owner and Renter Households

Age Group	Owner	Renter	% Increase From 2001,	
			Owner	Renter
Total youth households	\$3,682	\$4,088	26.5%	23.6%
15 to 19 years	\$5,900	\$4,441	114.8%	21.2%
20 to 24 years	\$3,891	\$4,090	29.4%	28.6%
25 to 29 years	\$3,620	\$4,080	25.2%	22.2%

Source: CMHC, adapted from Statistics Canada (Census 2001 and 2016)

Table 3: Average Depths of Need Increasing for Visible Minority Youth Owner and Renter Households

Age Group	Owner	Renter	% Increase From 2001,	
			Owner	Renter
Total youth households	\$3,683	\$4,130	21.0%	20.4%
15 to 19 years	\$5,694	\$4,558	99.0%	20.5%
20 to 24 years	\$3,918	\$4,128	25.5%	21.7%
25 to 29 years	\$3,581	\$4,120	18.2%	20.3%

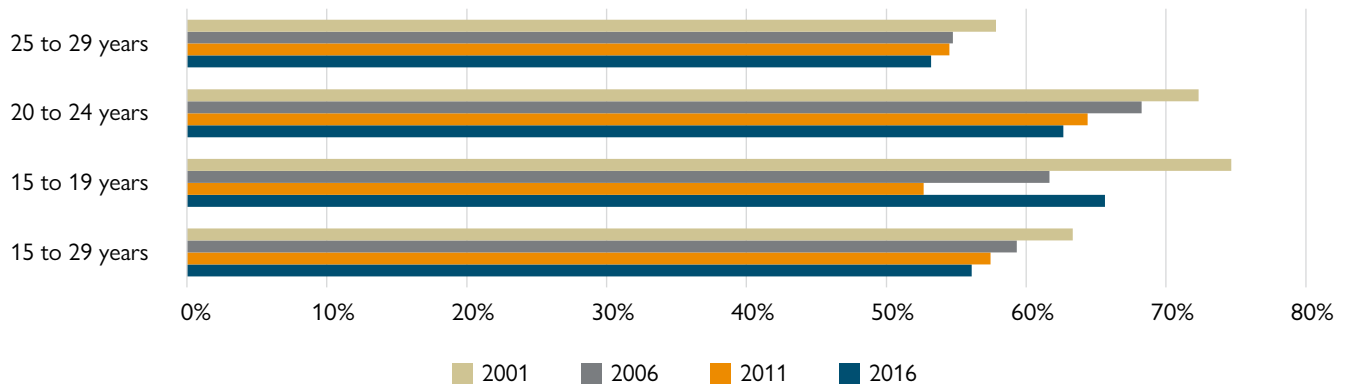
Source: CMHC, adapted from Statistics Canada (Census 2001 and 2016)



Female-led lone-parent youth households in core housing need face major housing challenges

Female-led lone-parent youth households faced the largest housing-related challenges out of any household type or age group. Indeed, female-led lone-parent youth households are overrepresented when it comes to core housing need. In 2016, this group accounted for 23.5% of youth households in CHN, while only making up 6.2% of all youth households. In addition, over 50.0% of female-led lone-parent youth households were in CHN in 2016, which is over four times higher than the incidence of CHN for non-female-led lone-parent youth households (figure 8). In addition, the incidences of core housing need for female-led lone-parent households declined at a far slower rate than they did for other youth households from 2001 to 2016. The 15-to-19 year old female lone-parent cohort even saw an increase in the incidence of core housing need from 2011 to 2016, being the only youth group to experience a rise in CHN over this period.

Figure 8: Incidences of Female-Led Lone-Parent Youth Households in CHN Declining Slowly in Canada



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

In 2016, female-led lone-parent youth households had a significantly greater depth of need than the overall youth demographic, as shown in table 4. Female-led lone-parent youth owner households aged 15 to 19 had the greatest average depth of need, at \$5,363 (which was about \$2,000 more than the average for non-female-led lone-parent youth owner households aged 15 to 19). We also observed that the average depth of need decreased significantly faster from 2001 to 2016 among female-led lone-parent youth owner households as they got older (25 to 29 years old) than among female-led lone-parent youth renter households as they reached the same age group (25 to 29 years old). Female-led lone-parent youth owner and renter households had the largest increases in the average depth of need, at 46.6% and 43.0%, respectively, from 2001 to 2016. These increases were larger than the 42.3% and 37.5% rises in the average depth of need for all youth owner and renter households from 2001 to 2016.



Table 4: Average Depths of Need Increasing Significantly for Female-Led Lone-Parent Youth Households from 2001 to 2016

Age Group	Owner	Renter	% Increase From 2001,	% Increase From 2001,
			Female Lone-Parent Owner	Female Lone-Parent Renter
Total youth households	\$4,106	\$4,695	46.6%	43.0%
15 to 19 years	\$5,363	\$5,360	155.5%	60.5%
20 to 24 years	\$4,302	\$4,583	49.7%	40.6%
25 to 29 years	\$4,001	\$4,723	42.5%	43.3%

Source: CMHC, adapted from Statistics Canada (Census 2001 and 2016)

Conclusion

Overall, the incidence of core housing need among youth households declined from 2001 to 2016 but remained higher than that among non-youth households. However, the depth of need for youth households in CHN was higher in 2016 than in 2001, suggesting that youth households in CHN were worse off in 2016 than they were in 2001. The data also shows that the incidences of CHN decline as youth transition to the 20-to-24 and 25-to-29 age groups. This leads us to assume that the housing challenges faced by youth, with the exception of female-led lone-parent households, may be temporary. Female-led lone-parent households fared the worst out of all youth household types examined in this insight, having the greatest depth of need and the highest incidence of CHN and showing limited improvement from 2001 to 2016.

Key Terms

Core housing need: A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before-tax income for alternative local housing that is acceptable (meets all three housing standards). Only private, non-farm, non-band, non-reserve households with incomes greater than zero and shelter-cost-to-income ratios less than 100% are assessed for core housing need. Non-family households with at least one maintainer aged 15 to 29 attending school are considered not to be in core housing need, regardless of their housing circumstances. Attending school is considered a transitional phase, and low incomes earned by student households are viewed as being a temporary condition.

- ▶ Adequate housing is reported by its residents as not requiring any major repairs.
- ▶ Affordable housing has shelter costs equal to less than 30% of total before-tax household income.
- ▶ Suitable housing has enough bedrooms for the size and composition of the resident household according to National Occupancy Standard (NOS) requirements.

Depth of need: For households in core housing need, this variable represents an affordability gap that is the difference between 30% of the core need income threshold (CNIT) and 30% of the household's before-tax income, OR, if a household lives in a dwelling that is suitable and adequate and if the reported shelter cost is less than 30% of the CNIT, the gap is the difference between 30% of before-tax income and reported shelter costs. For households not in core housing need, the difference is automatically 0.

Immigrants: Immigrants include persons who are, or who have ever been, landed immigrants or permanent residents. Such persons have been granted the right to live in Canada permanently by immigration authorities. Immigrants who have obtained Canadian citizenship by naturalization are included in this category. In the 2016 Census of Population, "immigrants" include immigrants who landed in Canada on or prior to May 10, 2016.

Owner households: This refers to private households where some members of the household own the dwelling, even if it is still being paid for.

Renter households: This refers to private households where no member of the household owns the dwelling. The dwelling is considered to be rented even if no cash rent is paid.

Shelter costs: Shelter costs describe average monthly amounts spent by households on shelter. For renters, shelter costs include rent and any payments for electricity, fuel and water and other municipal services. For owners, they include mortgage payments (principal and interest), property taxes and any condominium fees, along with payments for electricity, fuel and water and other municipal services.

Visible minority households: This refers to households whose primary maintainer is a person, other than an Indigenous person, who is non-Caucasian in race or non-white in colour.

Youth households: This refers to households whose primary maintainer is aged 15 to 29.



Alternative text and data for figures

Figure 1: Incidences of Youth in CHN Vary Significantly Across Canada

Provinces and Territories	Percentage of Youth in CHN, Total
Canada	14.8%
N.L.	14.3%
P.E.I.	11.9%
N.S.	16.9%
N.B.	13.3%
Que.	9.1%
Ont.	19.3%
Man.	15.0%
Sask.	14.5%
Alta.	12.1%
B.C.	18.3%
Yk.	18.1%
N.W.T.	19.9%
Nun.	41.9%

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

Figure 2: Incidences of Overall Youth Households in CHN Declining in Canada

Age Group	2016	2011	2006	2001
15-to-29 years	14.8%	15.1%	16.0%	18.6%
15-to-19 years	27.1%	27.3%	31.2%	36.4%
20-to-24 years	18.6%	19.2%	20.4%	24.3%
25-to-29 years	12.9%	12.8%	13.3%	15.0%

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



Figure 3: Percentage Changes in Youth Owner and Renter Households in CHN from 2001 to 2016

Provinces and Territories	Owner	Renter
Canada	-20.5%	-16.7%
N.L.	-65.2%	-42.0%
P.E.I.	-43.5%	-385.0%
N.S.	-50.0%	-27.5%
N.B.	-57.1%	-17.7%
Que.	-46.7%	-34.7%
Ont.	8.3%	-3.2%
Man.	-25.8%	-14.8%
Sask.	-32.6%	-15.2%
Alta.	-19.8%	-14.0%
B.C.	-12.8%	-20.4%
Yk.	26.8%	-47.0%
N.W.T.	-51.1%	-22.3%
Nun.	-18.8%	0.4%

Source: CMHC, adapted from Statistics Canada (Census 2001 and 2016)

Figure 4: Incidences of Immigrant Youth Households in CHN Declining in Canada

Age Group	2016	2011	2006	2001
15 to 29 years	19.3%	21.5%	24.2%	25.8%
15 to 19 years	22.3%	32.5%	30.1%	36.3%
20 to 24 years	22.9%	25.5%	28.7%	32.5%
25 to 29 years	18.3%	20.1%	22.5%	23.6%

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

Figure 5: Incidences of Visible Minority Youth Households in CHN Declining in Canada

Age Group	2016	2011	2006	2001
15 to 29 years	20.1%	22.2%	24.7%	27.4%
15 to 19 years	18.4%	32.6%	35.1%	36.5%
20 to 24 years	22.5%	25.4%	28.7%	32.3%
25 to 29 years	19.4%	20.6%	22.7%	25.2%

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



Figure 6: Incidences of Immigrant Youth Renter Households in CHN Declining Significantly in Canada

Age Group	2016	2011	2006	2001
15 to 29 years	19.3%	21.5%	24.2%	25.8%
15 to 19 years	22.3%	32.5%	30.1%	36.3%
20 to 24 years	22.9%	25.5%	28.7%	32.5%
25 to 29 years	18.3%	20.1%	22.5%	23.6%

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

Figure 7: Incidences of Visible Minority Youth Renter Households in CNH Declining in Canada

Age Group	2016	2011	2006	2001
15 to 29 years	23.2%	27.4%	30.2%	32.1%
15 to 19 years	18.9%	38.0%	39.1%	41.6%
20 to 24 years	23.3%	27.7%	31.3%	34.6%
25 to 29 years	23.3%	26.8%	29.2%	30.6%

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

Figure 8: Incidences of Female-Led Lone-Parent Youth Households in CHN Declining Slowly in Canada

Age Group	2016	2011	2006	2001
15 to 29 years	56.1%	57.4%	59.3%	63.3%
15 to 19 years	65.6%	52.7%	61.6%	74.7%
20 to 24 years	62.7%	64.4%	68.2%	72.3%
25 to 29 years	53.2%	54.5%	54.8%	57.8%

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