2021 CENSUS ANALYSIS
CANADA'S HOUSING PORTRAIT

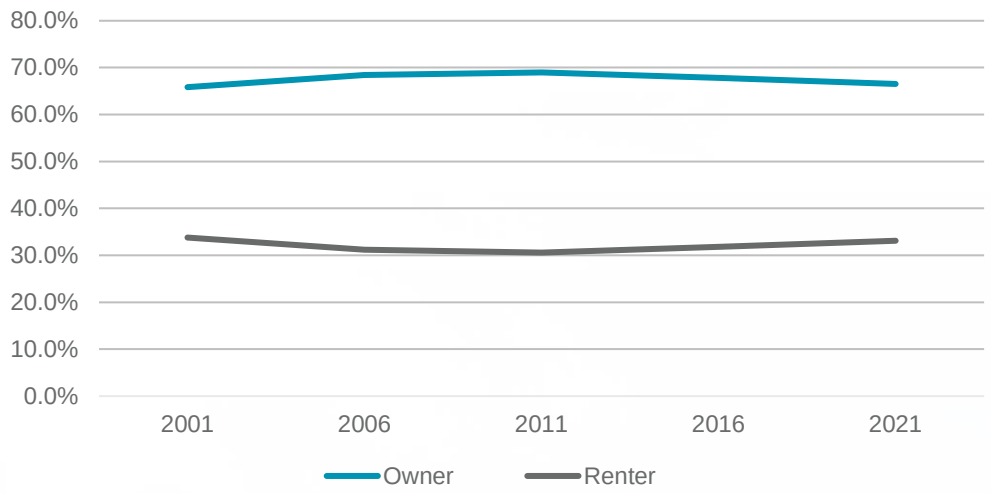
Based on Statistics Canada 2021 Census Data



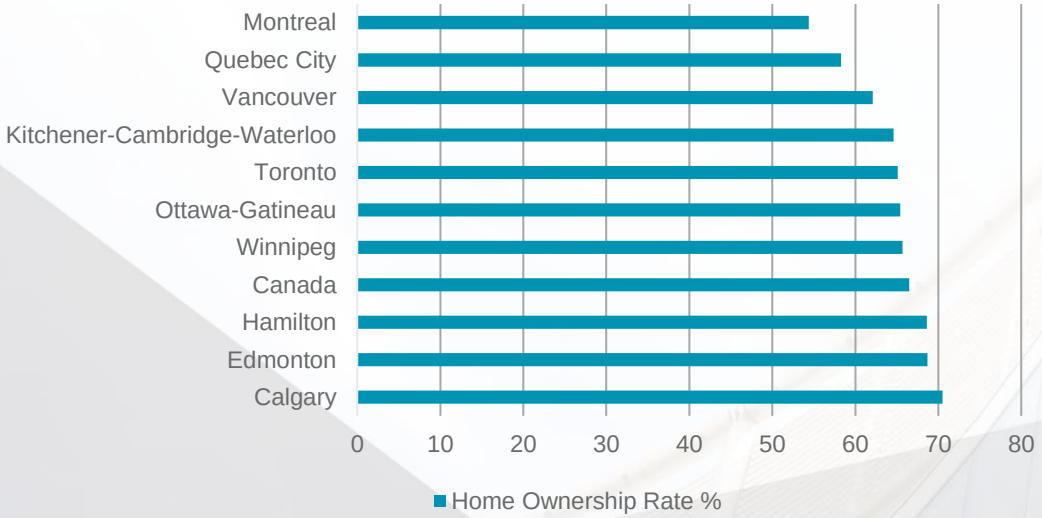
OCTOBER 2022

CUSHMAN & WAKEFIELD

Canadian Owners vs. Renters



Homeownership rate in the 10 largest CMA's and Canada, 2021

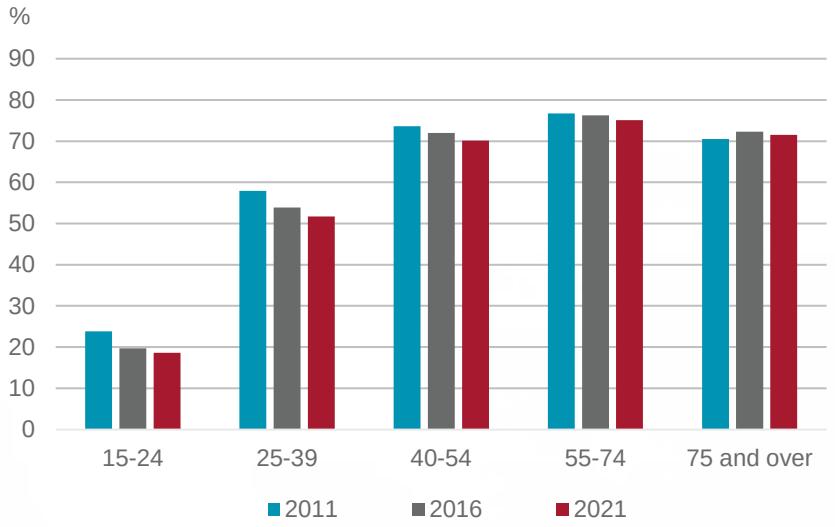


A CMA is defined as a large urban centre with a population of at least 100,000 persons

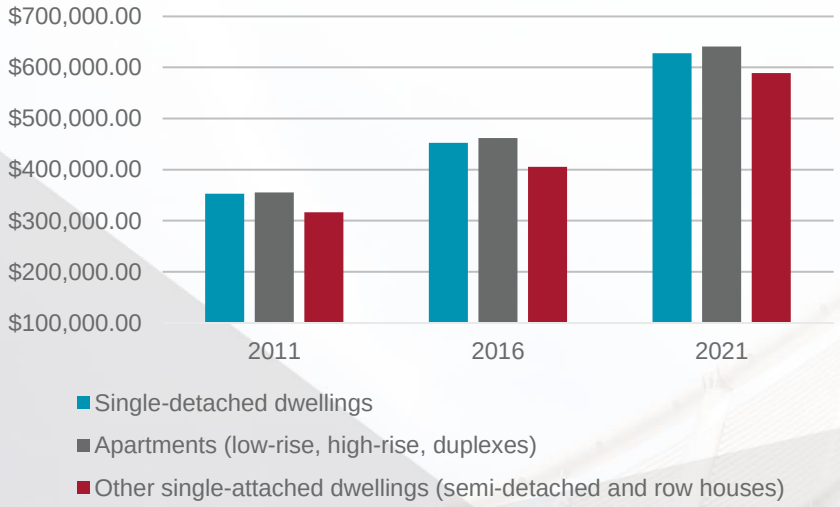
Key Takeaways

- The proportion of Canadian households who own their home sat at 66.5% in 2021, which is a decline from the 2011 peak of 69.0%.
- While the percentage of renters declined from 2001 to 2011, it has climbed steadily from 2011 to 2021, now at 33.1% in 2021 – translating into five million renter households.
- Recently built dwellings are increasingly likely to be occupied by renters; approximately 40.4% of the housing built in the five years ending in 2021 was tenant-occupied. This is the highest tenant rate next to that of dwellings built in the 1960's at 44.5%.
- Recent concerns over housing supply has put additional focus on the importance of building more rental housing, and the housing market has responded. According to the Canada Mortgage and Housing Corporation, the number of units in the purpose-built rental market grew from 1.8 million units to almost 2.2 million units from 2010 to 2020. In comparison just approximately 14,000 units were added from 1990 to 2010.

Homeownership rate by age of primary household maintainer, Canada



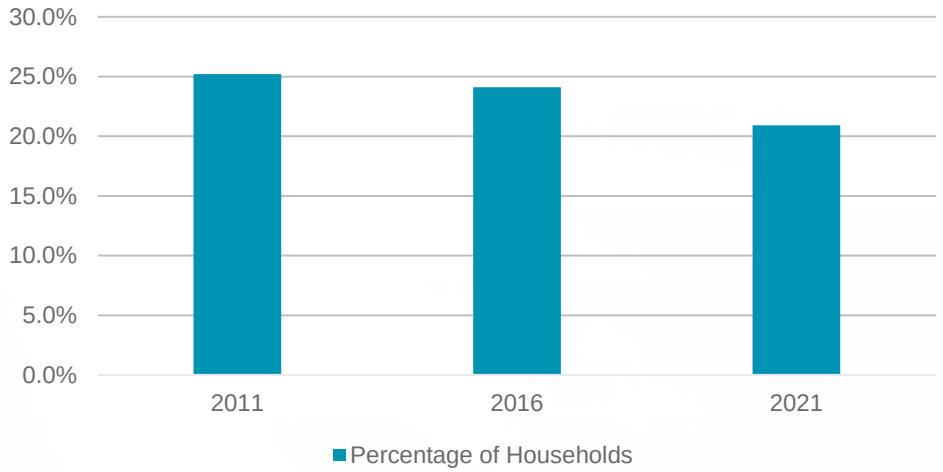
Average value (owner-estimated) of dwelling by structural type, Canada



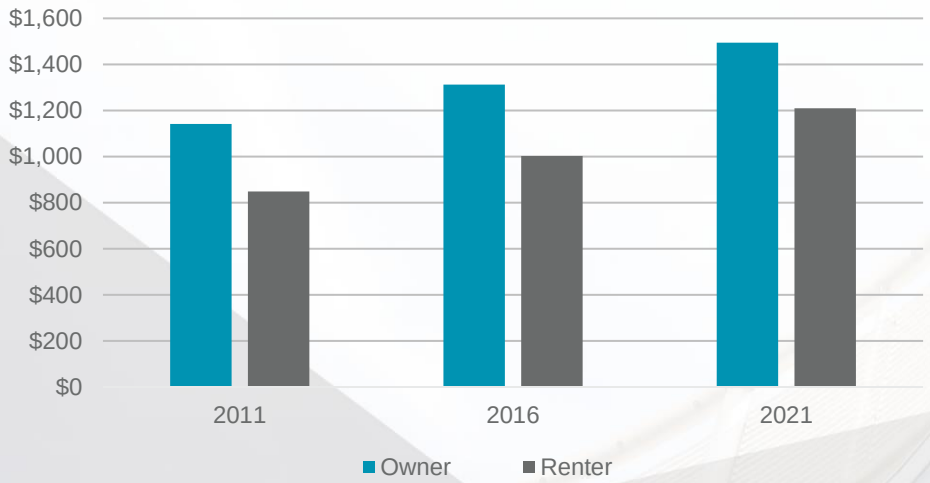
Key Takeaways

- From 2011 to 2021 homeownership rates have declined among adults under the age of 75.
- Home ownership rates among those aged 25 to 29 years fell from 44.1% in 2011 to 36.5% in 2021. For those aged 30 to 34 years, homeownership rates fell from 59.2% in 2011 to 52.3% in 2021.
- The implications of declining home ownership rates vary across the different generations as they will all have different housing needs. Baby boomers (aged 56 to 75 years in 2021) accounted for the largest share of homeowners (41.3%) in Canada in 2021. However, that may begin to change as older baby boomers begin to re-evaluate their housing requirements. At the same time, millennials (aged 25 to 40 years in 2021) represent the largest share of renters (32.6%), and many may be looking to start families and buy homes in the future.
- Homes values continued to surge through 2021. Home prices rose rapidly in 2020 and 2021, in part driven by the record-low interest rates at the onset of the COVID-19 pandemic. This made it easier for home buyers and those refinancing their homes to be approved for higher mortgages.
- Having an impact on housing affordability is the gap between the median household after-tax income, which grew by 9.8% from the 2016 census, or 18% when not accounting for the impact of inflation. In contrast the average value of an owner-occupied home, not adjusted for inflation, rose by 39.6% from 2016 to 2021.

Households that spent 30% or more of income on shelter costs, Canada



Average Monthly Shelter Cost, Canada



Key Takeaways

- Differences in the impact of temporary COVID-19 benefits on household incomes for both renters and homeowners were one of the key contributors to the different degrees of improvement in housing affordability from 2016 to 2021.
- The rate of unaffordable housing, or the proportion of households that spent 30% or more of their income on shelter costs, fell from 24.1% in 2016 to 20.9% in 2021. The rate of unaffordable housing in Canada for renters fell from 40.0% in 2016 to 33.2%.
- Almost 1.5 million Canadian households were living in an unsuitable, inadequate or unaffordable dwelling in 2021 and were not able to afford alternative housing in their community.
- While the price of housing is generally only looked at the cost of buying a home, it is important to consider monthly shelter costs.
- The monthly shelter cost for renters generally includes rent and utilities (ie. hydro, water, and other municipal services). In 2021, not adjusted for inflation, the median monthly shelter cost paid by renters grew from $910 in 2016 to $1,070 in 2021; a 17.6% increase.
- For homeowners the monthly shelter cost (ie. mortgage, property taxes, utilities and where applicable condominium fees) has climbed from $1,130 in 2016 to $1,240 in 2021. A 9.7% increase, not adjusted for inflation.

For More Information, Contact Us Today.

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