
Census in Brief

A tale of two renters: Housing affordability among recent and existing renters in Canada

Census of Population, 2021



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Highlights

- [The growth in renter households \(+21.5%\) was more than double that of owner households \(+8.4%\) from 2011 to 2021.](#) Renters were also over twice as likely to be in unaffordable housing as owners.
- In 2021, 7.0% of private households nationally were recent renter households (those who moved within the year before May 11, 2021), down from 7.7% of private households in 2016.
- Recent renter households faced higher monthly shelter costs than existing renter households—households in which at least one person has lived in the dwelling for longer than one year. In 2021, the median monthly shelter cost for a two-bedroom dwelling in Canada was \$1,330 for recent renter households, compared with \$1,050 for existing renter households.
- Recent renter households (43.2%) were also more likely to live in unaffordable housing than existing renter households (30.5%). Unaffordable housing refers to situations where more than 30% of pre-tax household income is spent on shelter costs.
- Recent renter households were most common in Canada's downtown cores, accounting for one-fifth (20.2%) of all households living in downtowns, compared with 6.3% of households living outside downtowns.
- Young adults were more likely to live in recent renter households, with 25- to 29-year-olds having the largest share of recent renters among all age groups (15.2%).
- One in six immigrants who arrived in Canada from 2016 to 2021 (16.7%) were recent renters.
- Latin American (11.9%), Arab (10.3%) and Black (9.7%) populations were most likely to be recent renters in 2021.
- People living in poverty (17.8%) were over three times more likely to be recent renters than those not living in poverty (4.7%). Four in five recent renters in poverty (78.5%) lived in unaffordable housing.
- Over 1 in 10 people living in subsidized rental housing (11.6%) were recent renters. Nevertheless, one-third (32.4%) of recent renters in subsidized rental housing were in unaffordable housing.

Introduction

As part of the National Housing Strategy to provide Canadians access to affordable housing that meets their needs, a priority area for action is “creating new affordable rental supply.”¹ Census data show [the growth in renter households \(+21.5%\) was more than double that of owner households \(+8.4%\) from 2011 to 2021.](#) Renters were over twice as likely to be in unaffordable housing as owners.

However, not all renters are alike. [The January 2023 Rental Market Report released by the Canada Mortgage and Housing Corporation \(CMHC\)](#) found that the average growth in rent for units with new tenants in Canada was larger than that for units without turnover. Major contributors to this difference in rents are where and how rent control policies are applied throughout the country, among others. In many cases, rent controls apply to existing tenants, providing them price stability, whereas movers tend to face current market rents, which are unregulated in most provinces and territories.

With movers paying higher shelter costs on average and moving being deemed one of the most stressful life events, the question of why people move arises. [Analysis using data from the 2021 Canadian Housing Survey \(CHS\)](#) found that moving can be motivated by many factors, depending on where someone is in life. Young people may move for work or school, while seniors may be motivated to move closer to family or to reduce housing costs.

1. [Priority areas for action | CMHC \(cmhc-schl.gc.ca\)](#)

A tale of two renters: Housing affordability among recent and existing renters in Canada

This article uses data from the 2021 Census of Population to look at the characteristics of recent renter households and the people who live in them to better understand who they are and how moving affects their housing affordability.

Since the collection of the 2021 Census, the issue of affordability of rental units has perhaps become even more acute, and many Canadians have been feeling the pinch of high prices for both housing and non-housing costs. From May 2021 to April 2023, the all-items Consumer Price Index (CPI) increased by 10.9%, while the CPI for rent rose by 10.1%. Inflationary pressure makes housing affordability challenges harder to weather for many people across the country. Moreover, high mortgage costs make homeownership more difficult, and this can lead to more renters and increased demand for rental housing.

These recent changes further highlight the growing importance of understanding the challenges faced by renters and recognizing that not all renters are alike.

Defining recent renter households

“Recent renter households” refers to renter households in which every household member has moved to the dwelling within one year of the reference day, May 11, 2021. This concept is used to capture activity in the rental market, in particular units turning over to new tenants. All other renter households are referred to as “existing renter households.”

Notably, this definition excludes people renting part of an owner-occupied dwelling. Rented dwellings in which individual rooms are rented out may be considered existing renter households, even if some rooms were rented out recently.

The term “recent renter” refers to the population living in recent renter households.

One-fifth of renter households are recent renters, with many facing higher shelter costs than existing renter households

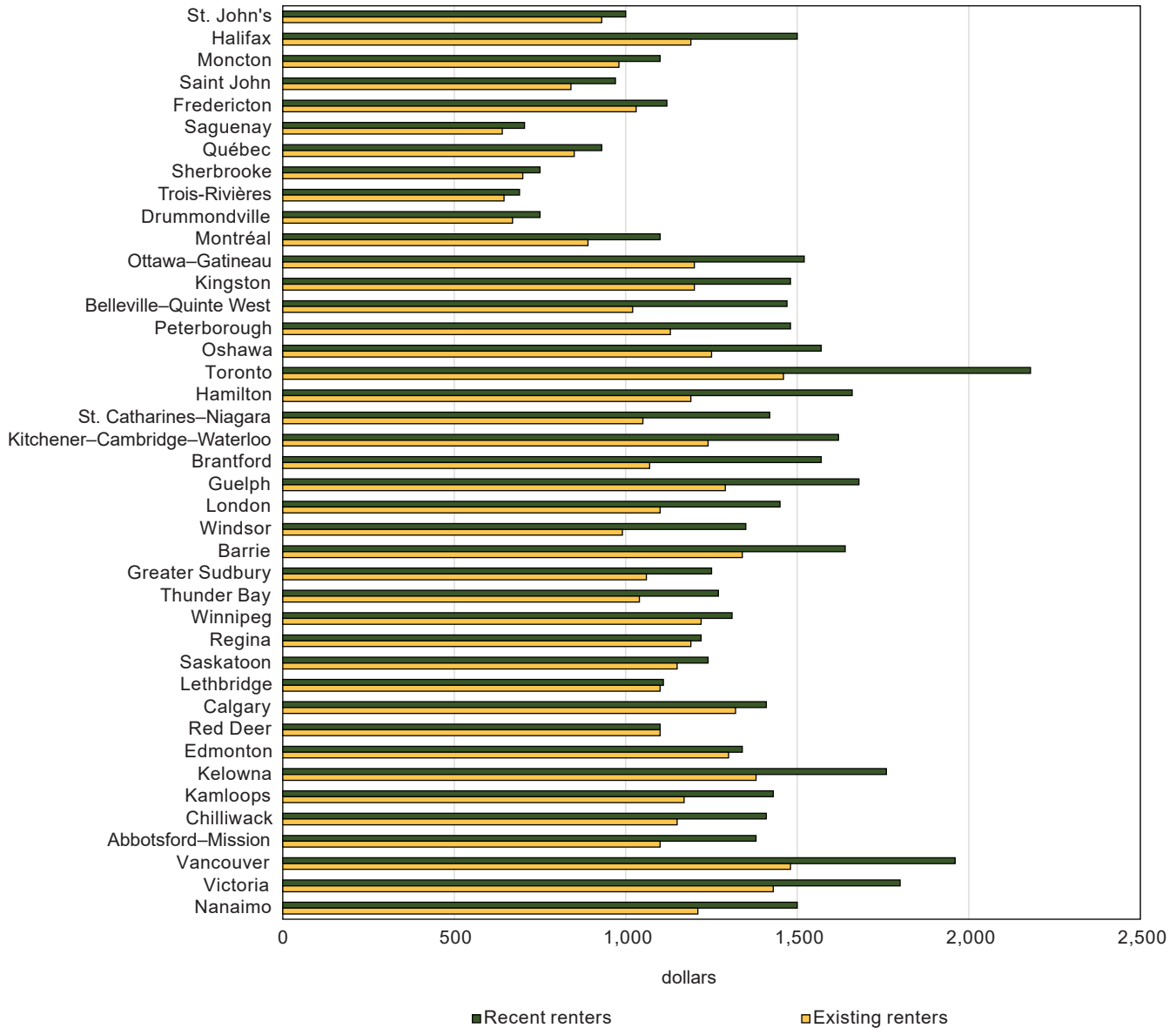
Most Canadians will move at some point in their lives. In 2021, 7.0% of private households nationally were recent renter households, down from 7.7% of private households in 2016. Just over one-fifth (21.0%) of renter households were recent renters in 2021.

Census data show that recent renter households faced significantly higher median monthly shelter costs in 2021 than existing renter households across Canada (\$1,330 versus \$1,050 for two-bedroom dwellings).

A tale of two renters: Housing affordability among recent and existing renters in Canada

Chart 1

Median monthly shelter cost of two-bedroom dwellings for recent and existing renters in census metropolitan areas



Source: Statistics Canada, Census of Population, 2021.

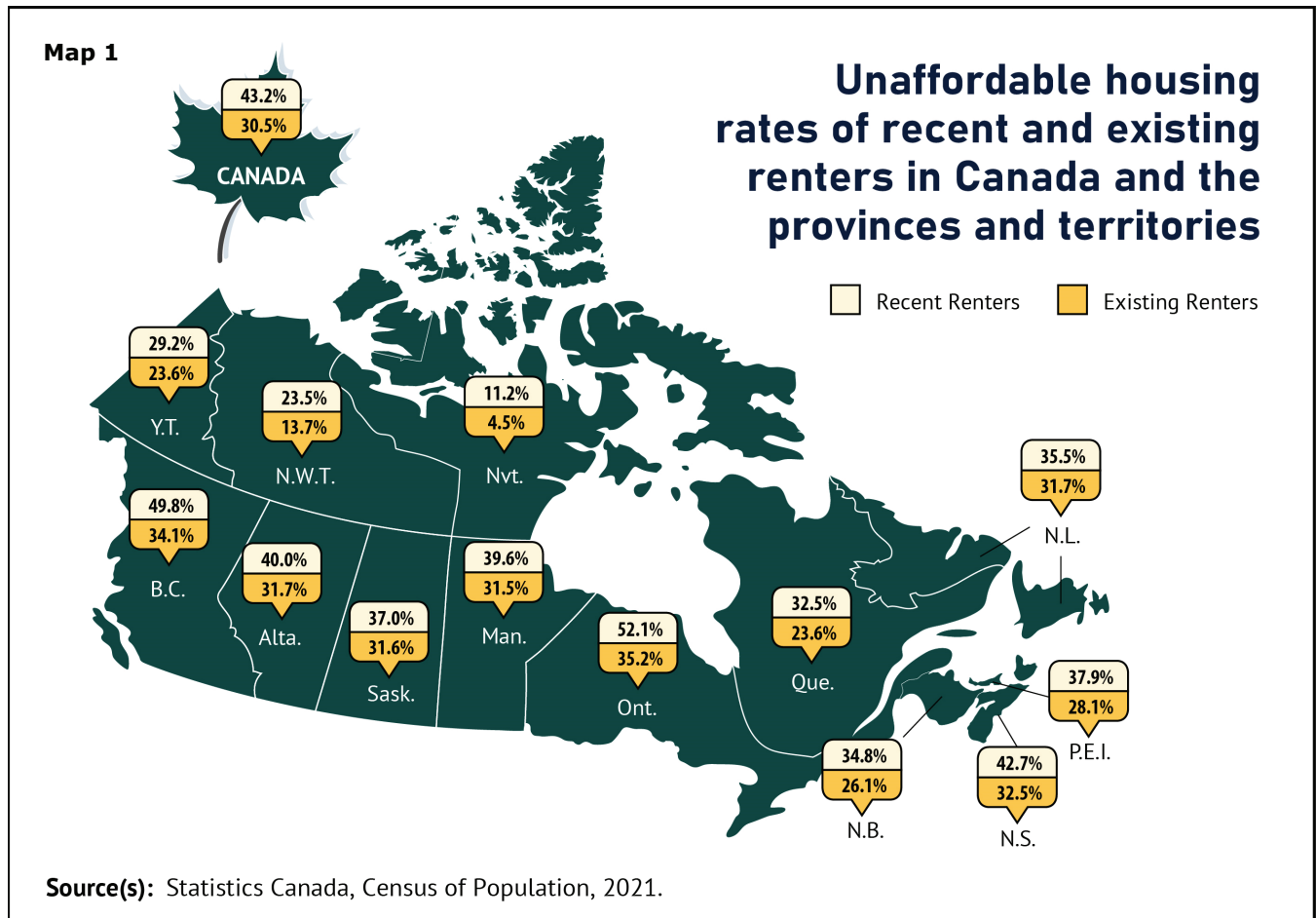
Within census metropolitan areas (CMAs)—Canada's largest urban centres—rates of recent renter households were lowest in Ontario, while CMAs in Quebec and the Prairies had higher rates of recent renter households. Multiple factors help explain these regional variations, such as differences in rent control policies or the size and quality of available rental units. Provincial differences of recent renters are consistent with the differences in rent control policies, suggesting rent control is a key factor.

In Ontario, rent control policies limit rent increases for many existing tenants, but not for units turned over to new tenants. Many of the largest differences in the median shelter cost between recent renter households and existing renter households were seen in CMAs in Ontario. For example, in Toronto, the median monthly shelter

A tale of two renters: Housing affordability among recent and existing renters in Canada

cost for a two-bedroom dwelling was \$2,180 for recent renter households compared with \$1,460 for existing renter households. British Columbia's and Nova Scotia's rent control policies function similarly, where rent increases are capped for existing tenants but not for newly turned-over units.

On the other hand, rent control policies in Newfoundland and Labrador, Alberta, and Saskatchewan do not place limits on rent increases for any units, while New Brunswick's rent control policies allow increases up to market value. The median shelter cost for a two-bedroom dwelling in Calgary was \$1,410 for recent renter households compared with \$1,320 for existing renter households. Similarly, in Manitoba, recently built dwellings are exempt from rent control. Prince Edward Island's and Quebec's policies limit rent increases for all rented units even if they have turned over to a new tenant. In Montréal, the median shelter cost for a two-bedroom dwelling was \$1,100 for recent renter households compared with \$890 for existing renter households. In addition to paying higher median shelter costs, the 2021 Census showed that recent renters were more likely to live in unaffordable housing, referring to situations where more than 30% of pre-tax household income was spent on shelter costs. The rate of unaffordable housing for recent renter households (43.2%) was higher than the rate for existing renter households (30.5%) in Canada, as well as across CMAs.



A tale of two renters: Housing affordability among recent and existing renters in Canada

While Canadians are increasingly choosing to live downtown, recent renter households living downtown are more likely to face housing affordability challenges

While recent renter households overall faced more housing affordability challenges in 2021, this was particularly a challenge in downtown cores, where [more Canadians are choosing to live](#) and where renting is generally more common. The rental rate in downtown cores (69.5%) was more than double the rate outside downtowns (31.6%).

One-fifth (20.2%) of all households living in a downtown core were recent renter households in 2021, compared with 6.3% of households living outside downtowns. Similar rates of recent renter households living downtown were seen in Toronto (23.3%), Montréal (22.6%) and Vancouver (20.5%).

In downtown cores, more than half (53.9%) of recent renter households were living in unaffordable housing compared with 35.3% of existing renter households downtown. Unaffordable housing rates for recent renter households living downtown were highest in Toronto (60.8%), Vancouver (60.0%) and Montréal (58.8%).

Some Canadians may feel that the jobs and amenities offered downtown, or the larger stock of rental units, outweigh the risk of unaffordable housing, while some may not have other options available.

When young adults, especially those aged 18 to 24, start to rent, they are almost twice as likely to live in unaffordable housing than established renters

The housing affordability challenges faced by recent renter households disproportionately affect certain population groups. For example, an individual's age can influence their decisions around moving. Many young adults move when beginning their careers, attending postsecondary education or forming their own families and households.

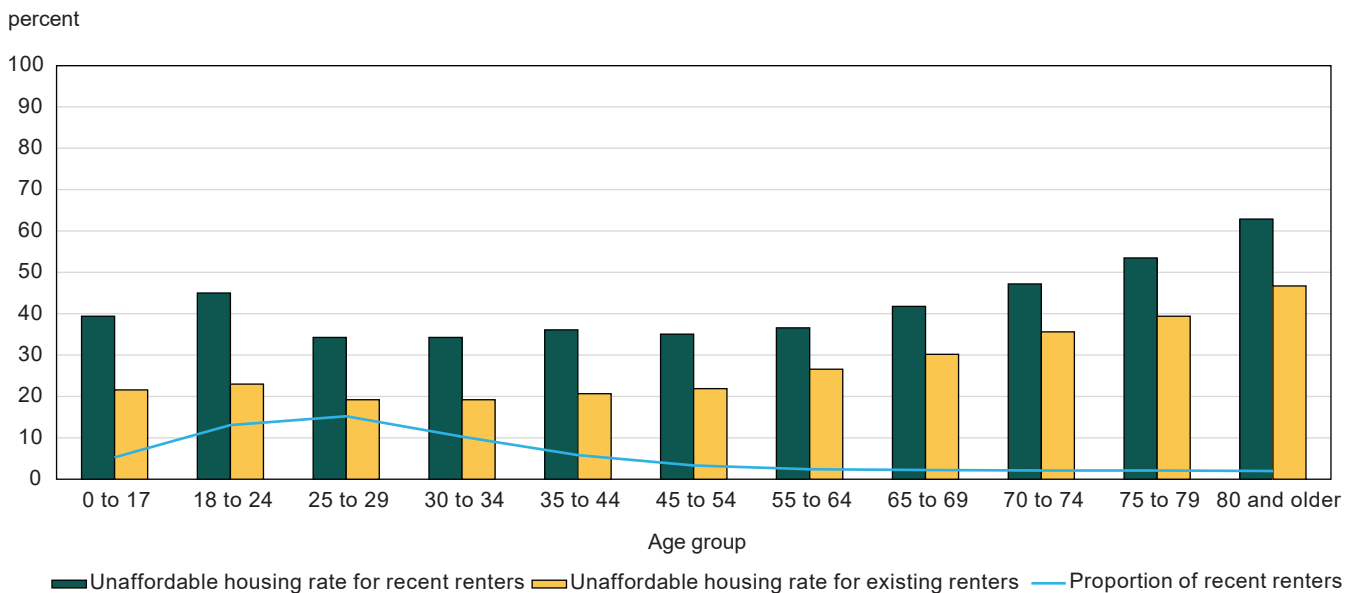
Young adults aged 18 to 24 (13.1%), 25 to 29 (15.2%) and 30 to 34 (10.3%) were more likely to be living in recent renter households than the overall population in 2021. This trend was similar in high-cost metropolitan areas such as Toronto and Vancouver, as young adults moved to attend school or to work.

These recent renters had higher rates of unaffordable housing than existing renters of the same age group. For people aged 18 to 24, recent renters (45.0%) were twice as likely to be in unaffordable housing as existing renters (23.0%).

High housing costs impact the ability of young adults to save for the future and establish themselves financially. The rent premium associated with moving may also limit career and housing options available to young adults in Canada.

A tale of two renters: Housing affordability among recent and existing renters in Canada

Chart 2
Unaffordable housing rates of recent and existing renters by age group



Source: Statistics Canada, Census of Population, 2021.

One-sixth of recent immigrants live in a recent renter household, and they face higher rates of unaffordable housing than recent immigrants in existing renter households

Recent immigrants who arrived in Canada from 2016 to 2021 may find moving beneficial while establishing their lives in Canada. One-sixth of recent immigrants (16.7%) lived in a recent renter household in 2021.

When examining housing affordability among recent immigrants, only those who arrived in Canada from 2016 to 2019 were included.² Of the recent renters who were part of this group, more than one-third (37.1%) were in unaffordable housing, compared with 23.2% of existing renters.

Facing housing affordability challenges while trying to build a life in a new country can add further stress to an already difficult situation. [As Canada's immigration targets grow over the next few years](#) and rental vacancy rates are expected to become tighter, newcomers may find settling into Canada even harder.

Latin American, Arab and Black populations are most likely to be recent renters

Canada is home to a wealth of diverse peoples and cultures. In many cases, housing experiences differ between racialized groups and the non-racialized population.

Homeownership is one such difference. More than half of the Black (54.9%), Arab (52.0%) and Latin American (51.4%) populations across Canada were renters, the highest rates among racialized groups. Similar findings are seen in analysis from the 2021 CHS, which showed that [households led by a Black person were the least likely to be owners](#) and were among those most likely to experience economic hardship.

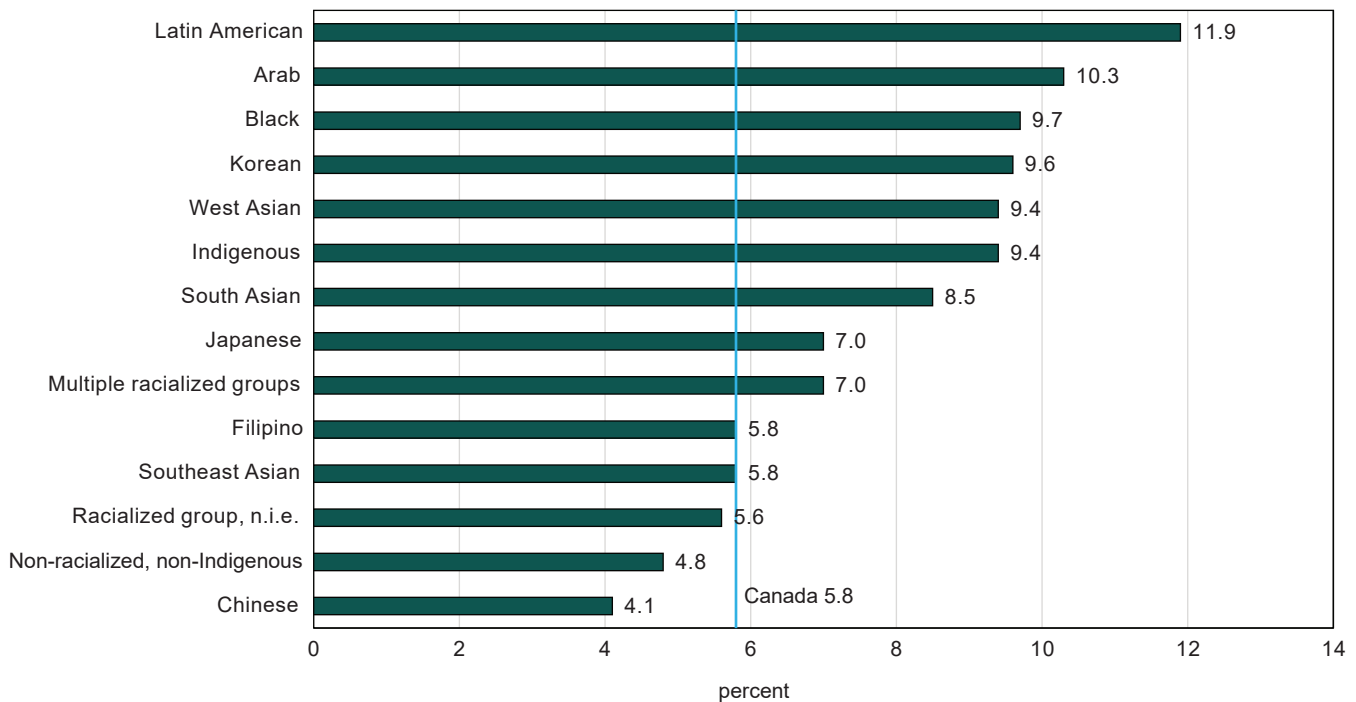
2. The income reference year for the 2021 Census is 2020; therefore, household incomes of immigrants who arrived in Canada in 2020 and 2021 may not be accurately represented. Because of this, a comparable measure of housing affordability cannot be calculated for immigrants who arrived in Canada in 2020 and 2021.

A tale of two renters: Housing affordability among recent and existing renters in Canada

Latin American (11.9%), Arab (10.3%) and Black (9.7%) populations had the highest rates of recent renters nationally.

Within each of these racialized groups, recent renters were at greater risk of unaffordable housing than existing renters of the same group. The unaffordable housing rate of Black recent renters (41.4%) was more than twice the rate of Black existing renters (20.3%). Similar differences in unaffordable housing rates between recent renters and existing renters were also seen for Latin American (43.9% versus 24.9%) and Arab (50.4% versus 26.8%) populations.

Chart 3
Proportions of recent renters among racialized groups



Notes: In this chart, the concept of "racialized group" is derived directly from the concept of "visible minority." *The Employment Equity Act* defines visible minorities as "persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour." The abbreviation "n.i.e." means "not included elsewhere." This category includes people who provided written responses such as "Guyanese," "Pacific Islander," "Polynesian," "Tibetan" or "West Indian." The vertical line is the percentage of the total population that are recent renters (i.e., the national rate of recent renters).

Source: Statistics Canada, Census of Population, 2021.

Four in five recent renters in poverty live in unaffordable housing

Economic hardship and housing affordability challenges often go hand in hand. People living in poverty who must move and rent a new place face both low income and higher housing costs.

The rate of recent renters was almost four times higher for people living in poverty (17.8%) than for those not living in poverty (4.7%). Even though moving can be detrimental in this regard, some people may be forced to move because of eviction or life circumstances outside their control.

Among recent renters living in poverty, four in five (78.5%) were in unaffordable housing, compared with two-thirds (65.7%) of existing renters living in poverty. Unaffordable housing rates for recent renters living in poverty were higher in cities with a high cost of living such as Vancouver (85.7%), Toronto (85.4%) and Montréal (80.3%).

A tale of two renters: Housing affordability among recent and existing renters in Canada

The difference in unaffordable housing rates is in part because when people fall into poverty and move—either through eviction or trying to reduce expenses—they face the added challenge of higher market rents. The median shelter cost of recent renters in poverty was \$1,400 compared with \$1,050 of existing renters in poverty.

As market rents climb, renters in poverty face a higher risk of unstable housing and the possibility of forced moves. Moreover, with each move they risk facing higher market rents, leading to a cycle of housing challenges that is difficult to break.

One-third of recent renters living in subsidized housing are in unaffordable housing

Throughout Canada, many subsidies exist to help renters afford housing, especially renters vulnerable to housing risk such as those living in poverty.

Over one in five people living in subsidized rental housing in Canada (21.2%) were in unaffordable housing in 2021, compared with 27.9% of those living in non-subsidized rental housing.

Just over 1 in 10 Canadians living in subsidized rental housing in 2021 (11.6%) were recent renters.

However, recent renters in subsidized rental housing (32.4%) were more likely to live in unaffordable housing than existing renters in subsidized rental housing (19.7%).

This difference in unaffordable housing rates between recent and existing renters was largest in Toronto, with the rate of unaffordable housing for recent renters in subsidized rental housing (39.8%) double that for existing renters in subsidized rental housing (19.0%).

Looking ahead

According to CMHC's 2023 Rental Market Report, the demand for rental housing outpaced the increase in supply in 2022, leading to a lower national vacancy rate compared with 2021. Vacancy rates are expected to remain low as housing supply struggles to keep up with demand.

Going forward, data from the Canadian Income Survey, CHS, Canadian Housing Statistics Program and CMHC will continue to shed light on people's housing experiences in Canada, as well as evolving trends in the Canadian rental market.

Additional information

Key findings from the 2021 Census of Population on housing trends are available in the *Daily* article "[To buy or to rent](#)," released on September 21, 2022.

Housing data from the 2021 Census of Population can be found in [data tables](#), the [Census Profile](#), the [Focus on Geography Series](#), the [Census Program Data Viewer](#) and the [Housing Indicators](#) interactive chart.

For details on the concepts, definitions and variables used in the 2021 Census of Population, please consult the [Dictionary, Census of Population, 2021](#), Catalogue n°. 98-301-X.

[Reference materials](#) for the 2021 Census of Population include the [Guide to the Census of Population, 2021](#); the [Dictionary, Census of Population, 2021](#); and the [2021 Census of Population questionnaires](#). The [Housing Characteristics Reference Guide, Census of Population, 2021](#) provides additional information on the housing topic.

A tale of two renters: Housing affordability among recent and existing renters in Canada

Acknowledgments

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