

PERSPECTIVES ON HOUSING TENURE



July 2006

 **TORONTO** City Planning

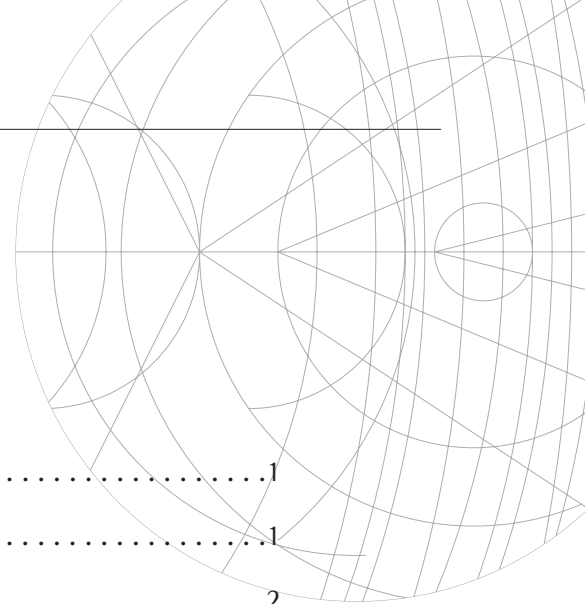
TED TYNDORF
Chief Planner and Executive Director
City Planning Division

© July 2006, City of Toronto

Please direct information inquiries and publication orders to:

Policy and Research
City Planning Division
Metro Hall, 55 John Street, 22nd Floor
Toronto, Ontario M5V 3C6

tel: 416-392-8343
fax: 416-392-3821
TTY: 416-338-0889
e-mail: cityplanning@toronto.ca



PERSPECTIVES ON HOUSING TENURE

CONTENTS

Introduction	1
Highlights	1
Terminology	2
Household Growth by Tenure	3
The GTA Context	5
The Life Cycle and Changing Households	7
Age Structure	9
Age and Tenure Over Time	13
Household Type	14
Household Type and Age	16
Household Income	18
Income and Age	20
Income and Household Type	21
Putting It All Together: Tenure Through the Life Cycle	22
Immigrant Status and Tenure	23
Conclusions: What Does the Future Hold?	24



FIGURES

Figure 1: Household Growth by Tenure, Toronto, 1951-2001	4
Figure 2: Change in Household Growth by Tenure, Toronto, 1951-2001	4
Figure 3: Toronto's Share of GTA Households, 1971-2001	5
Figure 4: Renter Households in the GTA, 1971-2001	5
Figure 5: Household Type by Age (Number of Households), GTA, 2001	8
Figure 6: Household Type by Age (Percent of Households), GTA, 2001	8
Figure 7: Household Tenure by Age, Toronto, 2001	9
Figure 8: Tenure by Age, Toronto and the Rest of the GTA, 2001	10
Figure 9: Renter Households by Age, Toronto and the Rest of the GTA, 2001	11
Figure 10: Owner Households by Age, Toronto and the Rest of the GTA, 2001	11
Figure 11: Housing Stock by Tenure, Toronto and the Rest of the GTA, 2001	11
Figure 12: Dwelling Type by Tenure and Age, Toronto, 2001	12
Figure 13: Dwelling Type by Tenure and Age, Rest of the GTA, 2001	12
Figure 14: Dwelling Type by Tenure and Age: Toronto's Role in the GTA, 2001	12
Figure 15: Tenure by Age, Toronto, 1961-2001	13
Figure 16: Household Type by Tenure, Toronto, 2001	14
Figure 17: Household Type and Tenure, Toronto and the Rest of the GTA, 2001	15
Figure 18: Tenure by Household Type by Age, Toronto, 2001	16
Figure 19: All Households by Tenure and Age, Toronto and the Rest of the GTA, 2001	17
Figure 20: Couples with Children by Tenure and Age, Toronto and the Rest of the GTA, 2001	17
Figure 21: Couples without Children by Tenure and Age, Toronto and the Rest of the GTA, 2001	17
Figure 22: Lone Parent Families by Tenure and Age, Toronto and the Rest of the GTA, 2001	17
Figure 23: Multi-family Households by Tenure and Age, Toronto and the Rest of the GTA, 2001	17
Figure 24: Non-family Households by Tenure and Age, Toronto and the Rest of the GTA, 2001	17
Figure 25: Tenure by Household Income, Toronto, 2001	18
Figure 26: Tenure by Age by Income, Toronto, 2001	20
Figure 27: Tenure by Household Type and Income, 2001	21

TABLES

Table 1: Households by Tenure, Toronto, 1951-2001	3
Table 2: Population and Households, Toronto and the Rest of the GTA, 1971-2001	6
Table 3: Households by Age of Primary Household Maintainer and Tenure, Toronto, 2001	10
Table 4: Renter Households by Age of Primary Household Maintainer, Toronto, 1961-2001	13
Table 5: Households by Tenure, Toronto, 2001	14
Table 6: Median Household Income in Toronto, 1980-2000	18
Table 7: Number of Households by Tenure and Income Category, Toronto, 2001	19
Table 8: Tenure by Household Income, Toronto, 1995-2000	19
Table 9: Immigrant Population and Tenure, Toronto, 2001	23
Table 10: Immigrant Household Tenure, Toronto CMA, 2001	23
Summary Table: Households by Tenure by Household Type by Income by Age, Toronto, 2001	25

INTRODUCTION

Most households aspire to own their home, although most owners will rent at some point. Indeed, many households will remain renters, and it is important that both renters and owners are able to find housing that is adequate, appropriate and affordable. Developing policy or making decisions to meet these needs requires an understanding of household tenure in Toronto and its wider region.

This report examines the tenure of households in Toronto from a number of perspectives:

- The geography of owning and renting particularly differences between the City of Toronto and the Rest of the GTA (referred to respectively as 'Toronto' and 'RoGTA');
- The household characteristics of renters and owners, especially their income, the age of the primary household maintainer, and the type of household (e.g. couple with children, lone parent family);
- The type of housing the households live in, distinguishing primarily between houses (single detached, semi-detached and townhouses) and apartments (including apartments in houses and over stores);
- The concept of the household life-cycle which describes the changes in housing circumstances that occur as people get older.

The data in the report are taken from various Censuses of Canada and provided by Statistics Canada. A summary table of the data is attached at the end of the report.

HIGHLIGHTS

- About half of Toronto's households are renters and half are owners, as has been the case since 1971.
- Four out of five of the Rest of the GTA's households are owners.
- 75% of the GTA's renter households live in Toronto.
- About 40% of the GTA's owner households live in Toronto.
- The older the age of the household, the more likely it is to be an owner, up until age 75.
- Compared with Toronto, the Rest of the GTA has large numbers of younger owners.
- Most of the rented apartments in the GTA are in Toronto, whereas a large proportion of the GTA's owned houses are in the Rest of the GTA (although Toronto also has a sizeable stock of owned houses).
- Younger couples with children who want to own their housing are more likely to live in the Rest of the GTA.
- Couples, with or without children, are more likely to own their housing than other types of households.
- The higher a household's income the more likely it is to own its housing.
- Some households choose to rent even though they could afford to own, especially younger households and to a lesser extent non-family households.
- Over 80% of recent immigrants live in rental housing; about half of all rental housing residents in Toronto are immigrants.
- Toronto's Official Plan is a starting point for addressing the City's housing challenges. In particular, the Plan identifies stimulating production of new private sector rental supply (especially affordable rental housing), and preserving the City's affordable rental stock as important areas to be addressed.

TERMINOLOGY

Tenure: Statistics Canada classifies a dwelling as "owned" even if it is not fully paid for, or "rented" even if it is provided without cash rent or at a reduced rent, or if the dwelling is part of a cooperative.

Households: This report deals only with 'private' households. It does not include people living in collective dwellings such as rooming houses, religious institutions, group homes, hospitals, jails and long term care facilities.

Age of Household: When we talk about the age of the household we mean the age of the primary household maintainer (PHM). The PHM pays the rent or mortgage or taxes or other household expenses, and is considered by Statistics Canada to be the head of the household. The PHM is considered to have the most influence over decisions about choice of housing.

HOUSEHOLD GROWTH BY TENURE

Since 1951, the number of households in Toronto has grown by 670,000 or nearly three and a half times. Two distinct periods stand out: before 1971, and after 1971. In 1951, only 30 percent of households rented their housing. By 1971, this had increased to 50 percent. The 1960s, in particular were marked by a spectacular increase in the number of renter households: an increase of 161,000, compared with an increase of only 38,000 owner households - or 4 new renter households for every new owner household. This mushrooming of renter households was driven by the general economic prosperity of the time, along with associated immigration and the maturing of the leading edge of the baby boom, and made possible by the boom in apartment construction. Until the Condominium Act came into force in 1967, all apartment construction was for rental housing.

Since 1971, the growth of both renters and owners in Toronto has remained evenly balanced, so that owners and renters have both accounted for around 50 percent of households (and household growth) over the past 30 years.

The story is a little more complicated since 1986. In 1991 renters outnumbered owners for the first time, and this trend continued to 1996. After 1996, however, the number of renters declined for the first time in half a century, while the 5-year increase in the number of owners was greater than any period since 1951. So by 2001, owners in the City once again slightly outnumbered renters.

The changes between 1996 and 2001 likely involved a combination of:

- ownership being more affordable, with the cost gap between owning and renting getting narrower;
- a condominium construction boom;
- the pent up demand represented by renter households who had been unable to afford the high cost of ownership and increasing numbers of young adults living with their parents in the previous 15 years who could now afford their own home;

Table 1: Households by Tenure, City of Toronto, 1951 - 2001

Year	Number of Households			Percent of Total Households	
	Total	Owners	Renters	Owners	Renters
1951	273,210	193,405	79,795	70.8	29.2
1956*	341,075	237,000	104,075	69.5	30.5
1961	430,035	282,800	147,235	65.8	34.2
1966	516,735	307,500	209,235	59.5	40.5
1971	629,275	320,770	308,505	51.0	49.0
1976	712,960	364,355	348,605	51.1	48.9
1981	776,380	395,575	380,805	51.0	49.0
1986	816,875	413,995	402,880	50.7	49.3
1991	864,555	415,450	449,105	48.1	51.9
1996	903,580	428,975	474,605	47.5	52.5
2001	943,075	478,545	464,535	50.7	49.3

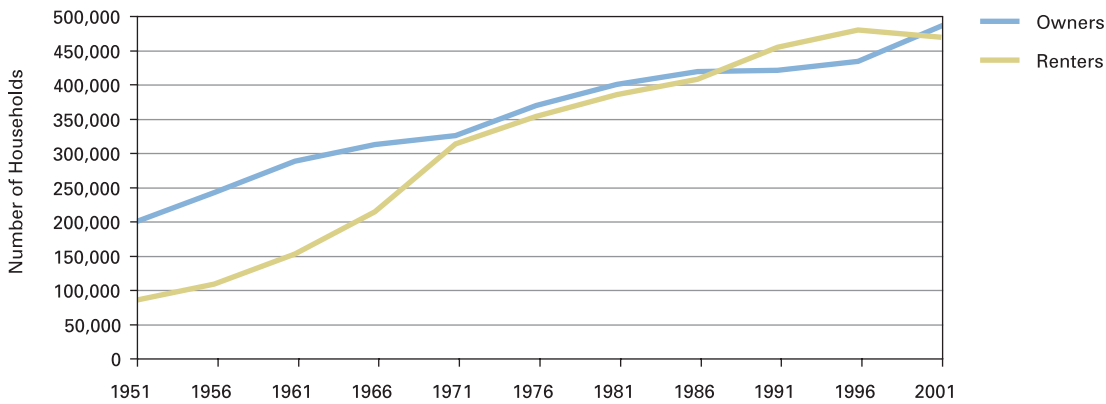
* 1956 owner and renter households is an estimate based on total households reported by the Census and housing completions by type between 1951 and 1960 (using CMHC data). The Census did not ask for tenure status in 1956.

Source: Statistics Canada, Quinquennial Censuses, 1951 - 2001

- the continuing trend for more seniors to stay in their houses, or to buy condominiums rather than rent an apartment; and
- the continuing flow of immigrants from earlier periods into the prime home-owning age groups.

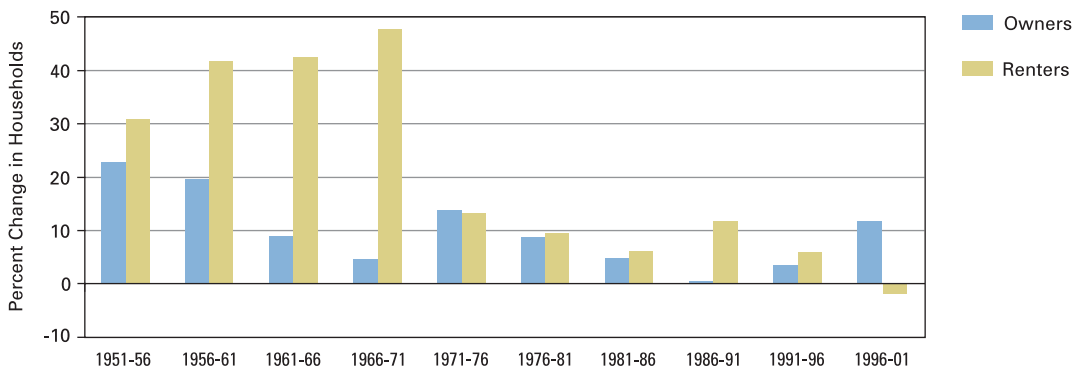
The ownership boom appears to have continued since 2001, with ownership remaining affordable for many renters. Over 55,000 new ownership units were completed in Toronto from 2001 to 2005 (some of these will be rented rather than owner-occupied).

Figure 1: Household Growth by Tenure, Toronto, 1951 - 2001



Source: See Table 1

Figure 2: Change in Household Growth by Tenure, Toronto, 1951 - 2001



Source: See Table 1

THE GTA CONTEXT

The City of Toronto's housing market is part of the larger Greater Toronto Area (GTA) market, and we can only fully understand what is happening in Toronto when we see the City in its GTA context. This context has become more and more important over the past 35 years: by 2001 about half the GTA's population and 47% of its households lived outside of the City of Toronto. The City of Toronto is now built out, and will accommodate housing growth through intensification. So many households looking for new housing, especially affordable ground-related housing, have to look beyond the City.

Since 1971 the Rest of the GTA's (RoGTAs) population has grown more and faster than the City's (Table 2). By 2031 it is anticipated that at least 61% of the GTA's population and 57% of its households will live outside the City, based on recent forecasts of population and housing prepared for the Province and the single and upper tier municipalities in the GTA-Hamilton.¹

The GTA's rental market is focussed on Toronto, while the RoGTA's market is dominated by owner households.

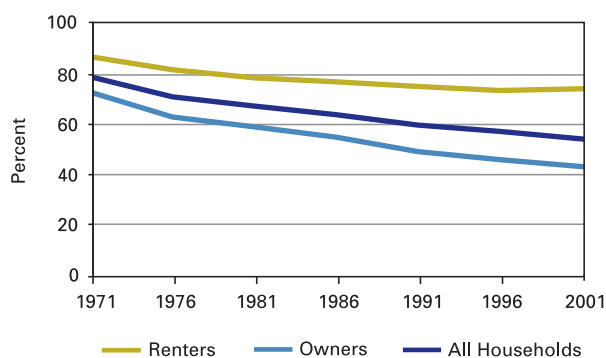
Most of the GTA's renters live in Toronto, although the level has declined from 86% in 1971 to 73% in 2001 (Figure 3). Toronto's share of GTA renters has declined much less than its share of owners, however (Table 2).

At the same time, owners make up most of the RoGTA's households - and their share is increasing. Renter households declined from 28% of the RoGTA's households in 1971 to 21% in 2001 (Figure 4), whereas the renters' share of the City's households was 49% in both 1971 and 2001.

As in Toronto, between 1996 and 2001 the number of renter households in the RoGTA dropped by about 10,000, while owner households increased by over 130,000 (compared with Toronto's increase of 50,000), reflecting the very strong ownership market throughout the GTA.

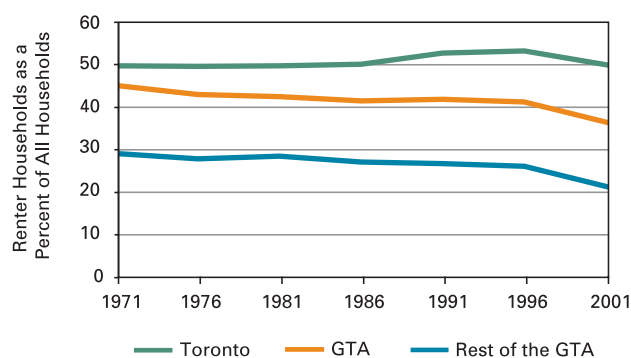
These findings can partly be better understood by looking at the household life cycle.

Figure 3: Toronto's Share of GTA Households, 1971 - 2001



Source: See Table 2

Figure 4: Renter Households in the GTA, 1971 - 2001



Source: See Table 2

¹ see Hemson Consulting, 'The Growth Outlook for the Greater Golden Horseshoe', January 2005.

Table 2: Population and Households, Toronto and the Rest of the GTA, 1971 - 2001

	1971	1981	1991	2001	Change, 1971 - 2001	
					No.	Percent
Population						
Toronto	2,089,730	2,137,395	2,275,770	2,481,495	391,765	19
RoGTA*	833,215	1,280,305	1,959,985	2,600,330	1,767,115	212
GTA	2,922,945	3,417,700	4,235,755	5,081,825	2,158,880	74
Households						
Toronto	629,275	776,380	864,550	943,080	313,805	50
RoGTA	179,565	399,700	612,790	837,395	657,830	366
GTA	808,840	1,176,080	1,477,340	1,780,475	971,635	120
Owners						
Toronto	320,770	395,575	415,450	478,545	157,775	49
RoGTA	128,645	288,990	453,620	665,020	536,375	417
GTA	449,415	684,565	869,070	1,143,565	694,150	154
Renters						
Toronto	308,505	380,805	449,100	464,535	156,030	51
RoGTA	50,920	110,710	159,135	172,375	121,455	239
GTA	359,425	491,515	608,235	636,910	277,485	77
Share of GTA (%)						
Population						
Toronto	71	63	54	49		
RoGTA	29	37	46	51		
Households						
Toronto	78	66	59	53		
RoGTA	22	34	41	47		
Owners						
Toronto	71	58	48	42		
RoGTA	29	42	52	58		
Renters						
Toronto	86	77	74	73		
RoGTA	14	23	26	27		
Tenurial Mix (%)						
Toronto						
Owners	51	51	48	51		
Renters	49	49	52	49		
RoGTA						
Owners	72	72	74	79		
Renters	28	28	26	21		
GTA						
Owners	56	58	59	64		
Renters	44	42	41	36		

* RoGTA - Rest of the GTA (Durham, York, Peel and Halton Regions)

Source: Statistics Canada, Quinquennial Censuses, 1971 - 2001

THE LIFE CYCLE AND CHANGING HOUSEHOLDS

Households evolve and change over time. Their characteristics and activities are influenced by the ages of their members and by the typical pattern of life events and lifestyle changes. Transitional events such as entry into the labour force, leaving the parental home, marriage, childbearing, divorce, widowhood and retirement contribute to distinctive patterns of housing tenure and housing consumption.

The typical life cycle is seen as a series of stages:

1. Childhood - children living at home with their parents
2. Young adults leave home, often as 'singles' or sometimes to form households as a young couple
3. Child rearing - couples raising children - usually a relatively long stage
4. Empty Nesters - children leave home, retirement may also occur around this time
5. Widow(er)hood - Older people living on their own again

Few people pass 'neatly' through these stages. Variations can include:

- Foster children and orphans, or single parent households
- Young adults living at home for long periods in their twenties and early thirties (or return home after being away for a few years)
- Young adults live in their parents' home after marriage
- Never marry, but live with others

- Remain single, and live alone
- Couples remain childless
- Marriage breakdown, and new households - single parents, 'recoupling,' or living alone
- Parental death while children still living at home
- Seniors live with their children or move into retirement homes.

These variations have become more frequent over the past 35 years or so. For example:

- Between 1971 and 2001 the number of people in Toronto who were divorced and had not remarried rose from 27,000 to 133,000, or from 1.7% to 6.5% of the total population aged 15 and over;
- Between 1981 and 2001 the number of adults over 25 living at home with their parent(s) increased from 44,750 to 129,315, or from 3.3% to 7.4 % of the total population aged 25 and over.

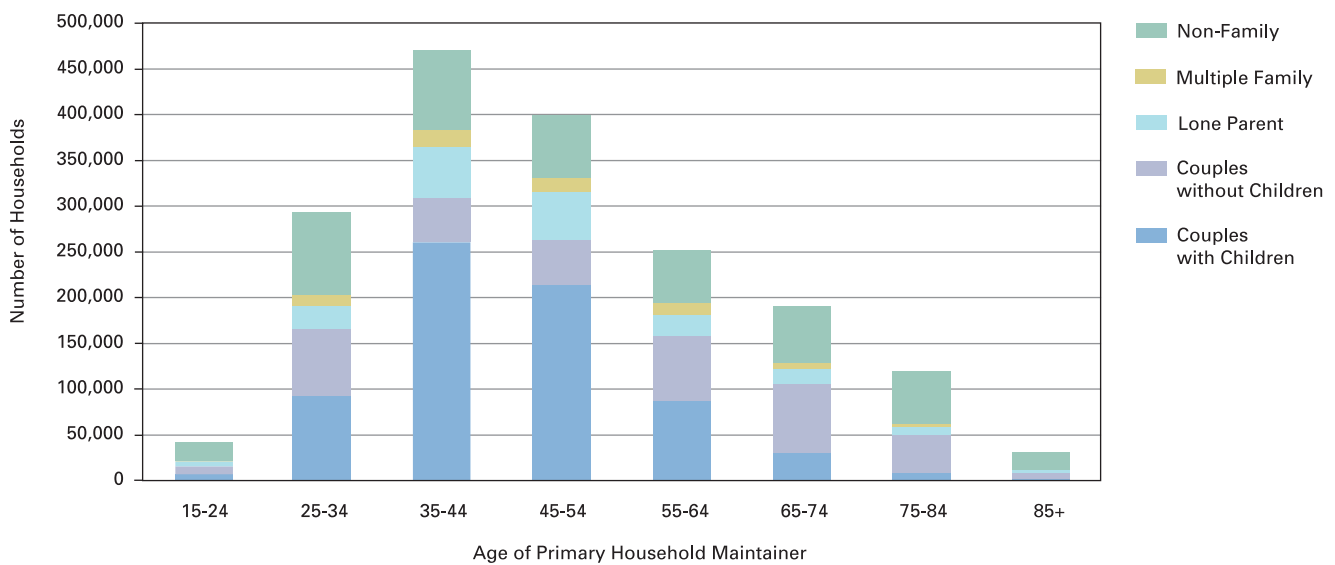
Figures 5 and 6 show the household types that result from choices at different stages in the life cycle of households. Figure 5 shows the distribution of GTA households by their type and age. Figure 6 summarizes the choices people make by age as they move through their household life cycle.

- The baby boom, which was aged approximately 35 to 54 in 2001 stands out in the overall age structure of households in the region (Figure 5).
- The middle-aged households have large numbers of families with children - about one third of the GTA's households are couples with children where the household head is between 30 and 60.

- There are relatively low numbers of families with children (couples with children and lone-parent families) in the younger and older age groups.
- There are relatively large numbers of childless households in younger and older age groups (non-family households and couples without children).

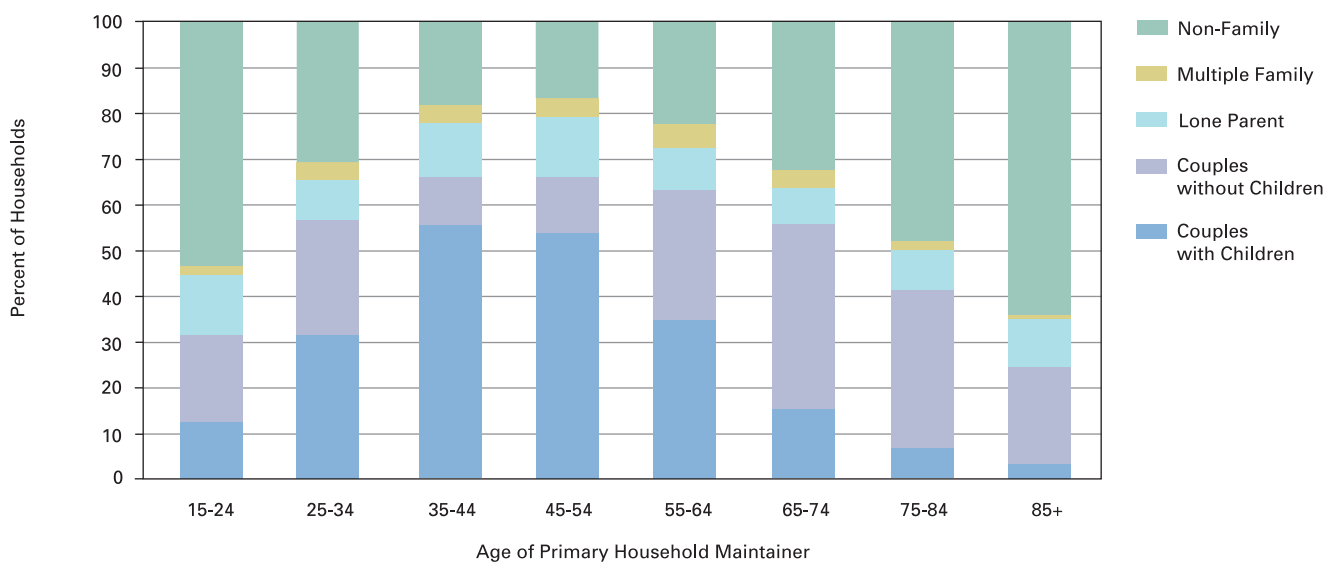
The life cycle is a way of understanding how the basic characteristics of people and households fit together - particularly things like age, household type and income. The relationship of each of these to household tenure is now examined individually. We begin with age, the primary dimension of the life cycle.

Figure 5: Household Type by Age (Number of Households), GTA, 2001



Source: Statistics Canada, 2001 Census

Figure 6: Household Type by Age (Percent of Households), GTA, 2001



Source: Statistics Canada, 2001 Census

AGE STRUCTURE

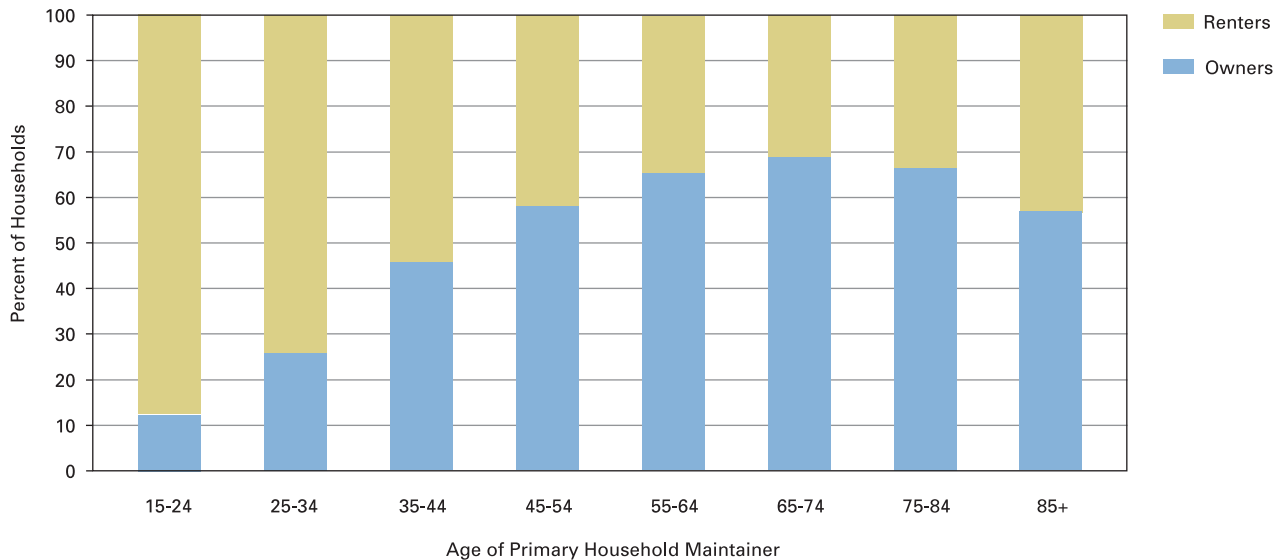
There is a very clear and distinctive relationship between age and tenure in Toronto (Figure 7): the older the household, the more likely it is to be an owner - until the household head turns 75. This reflects the life cycle: as families get older, they are more likely to own houses in which they raise their children, and in which they continue to live after the children leave home. Note however, that at any age there are a significant number of renters. In fact, the age group with the highest proportion of owners (65 - 74) still has 30% of households renting. As noted above, not all people pass through the typical life cycle.

The corollary of this is that renters tend to be younger and owners tend to be older: 60% of renters are under 45, while nearly 70% of owners are over 45.

This age - tenure relationship is similar in the Rest of the GTA, but there are important differences in Toronto (Figure 8). First, reflecting the much higher overall level of ownership, the Rest of the GTA has higher ownership levels right across the age spectrum. Second, this is particularly marked in the younger age groups: for example, 68% of 25 - 34 year olds are owners, compared with only 26% in Toronto. Consequently, owners tend to be younger in the Rest of the GTA than in Toronto: 43% of owners are under 45, compared with only 31% in Toronto.

Finally, Figures 9 and 10 show the extent to which most of the GTA's renters live in Toronto, especially in the younger age groups; while most owners live in the Rest of the GTA, especially in the 'middle' ages of 35 - 54.

Figure 7: Household Tenure by Age, Toronto, 2001



Source: Statistics Canada, 2001 Census

Basically this reflects the distribution of the housing stock in Toronto and the Rest of the GTA, particularly the rental apartment stock (Figure 11). 76% of the GTA's apartment units are in Toronto, so younger renters, not surprisingly, are concentrated in Toronto (Figure 12). On the other hand, 60% of the 'house' type units are in the Rest of the GTA, which matches the large number of younger owners in the Rest of the GTA shown in Figure 13. Many younger

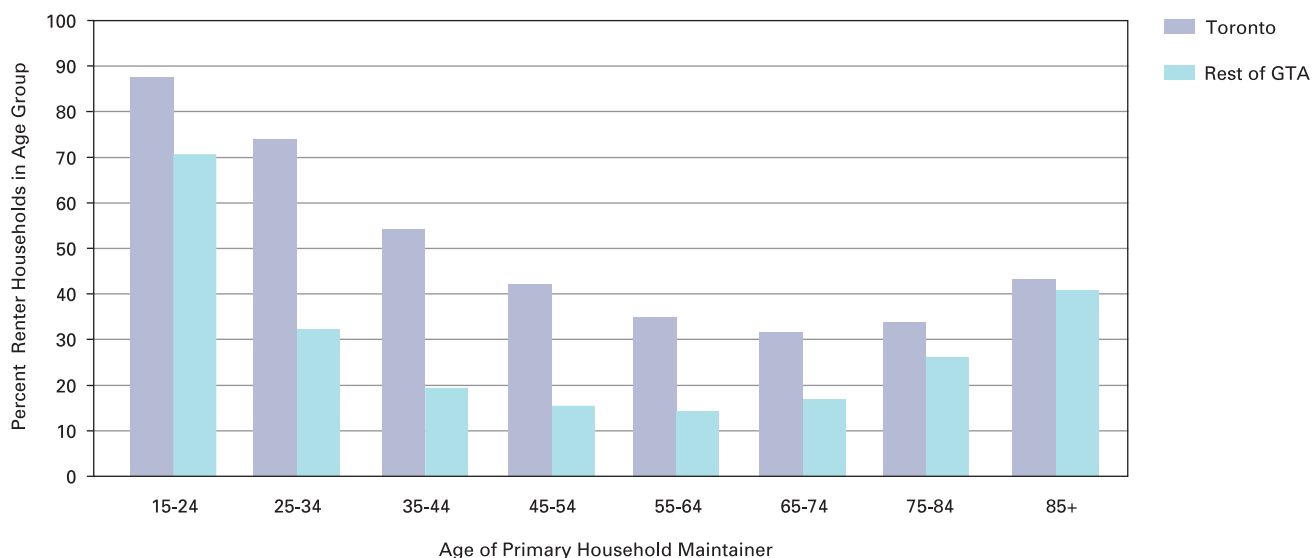
households looking to own affordable houses leave Toronto and move to the Rest of the GTA. Note, however, that Toronto has a much higher share of houses owned by older people, although they occupy a much smaller number of units than young and middle-aged households (25 - 55). Many of these older households bought houses when most new residential development in the GTA was focussed in Toronto.

Table 3: Households by Age of Primary Household Maintainer and Tenure, Toronto, 2001

Age of Primary Maintainer	Number of Households			By Age Group		By Tenure		
	Owner	Renter	Total	% Owner	% Renter	% Owner	% Renter	% Total
15-24	3,345	23,590	26,935	12.4	87.6	0.7	5.1	2.9
25-34	42,760	123,985	166,750	25.6	74.4	8.9	26.7	17.7
35-44	104,325	124,625	228,945	45.6	54.4	21.8	26.8	24.3
45-54	110,640	80,620	191,270	57.8	42.1	23.1	17.4	20.3
55-64	81,950	43,790	125,740	65.2	34.8	17.1	9.4	13.3
65-74	75,530	34,690	110,215	68.5	31.5	15.8	7.5	11.7
75-84	49,220	25,045	74,265	66.3	33.7	10.3	5.4	7.9
85 +	10,770	8,190	18,965	56.8	43.2	2.3	1.8	2.0
Total	478,540	464,535	943,085	50.7	49.3	100.0	100.0	100.0

Source: Statistics Canada, 2001 Census

Figure 8: Tenure by Age, Toronto and the Rest of the GTA, 2001



Source: Statistics Canada, 2001 Census

Figure 9: Renter Households by Age, Toronto and the Rest of the GTA, 2001

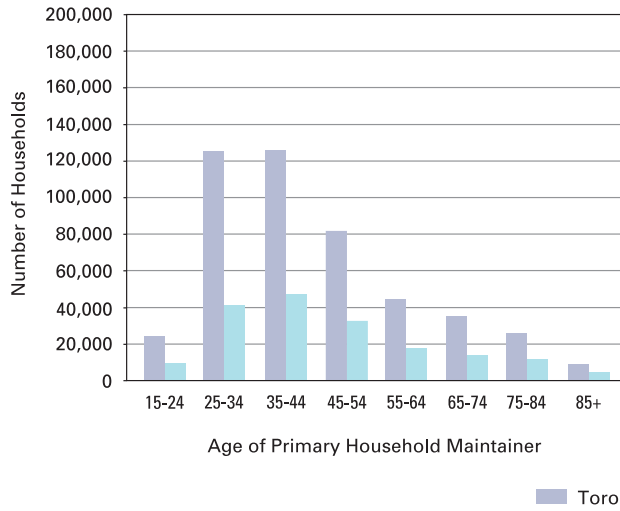


Figure 10: Owner Households by Age, Toronto and the Rest of the GTA, 2001

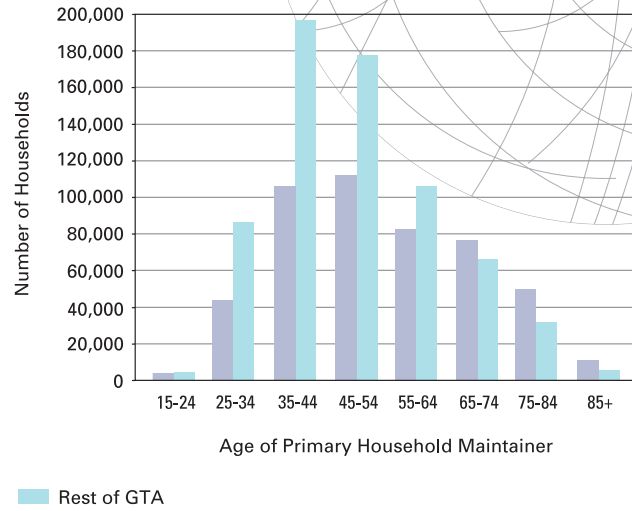
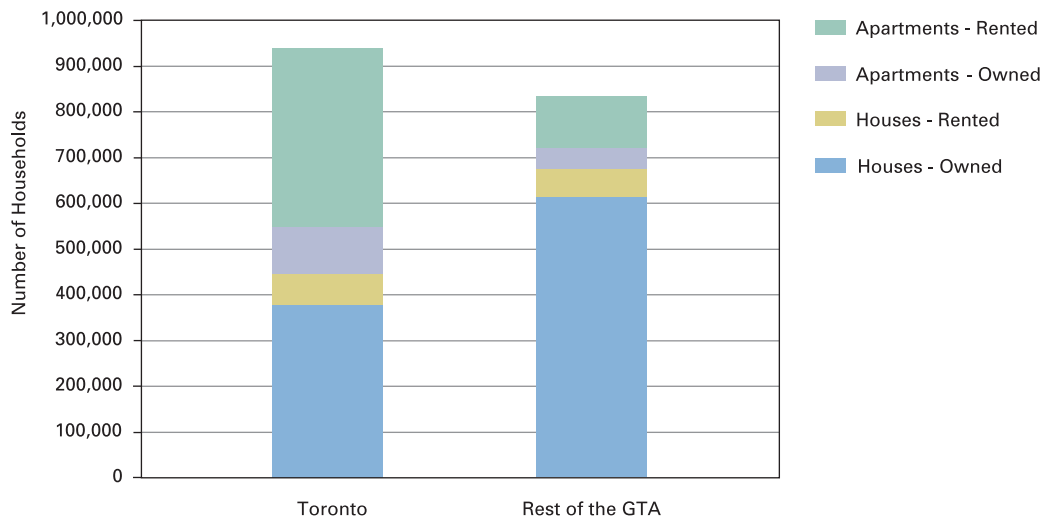


Figure 11: Housing Stock by Tenure, Toronto and the Rest of the GTA, 2001



Source: Statistics Canada, 2001 Census

Figure 12: Dwelling Type by Tenure and Age, Toronto, 2001

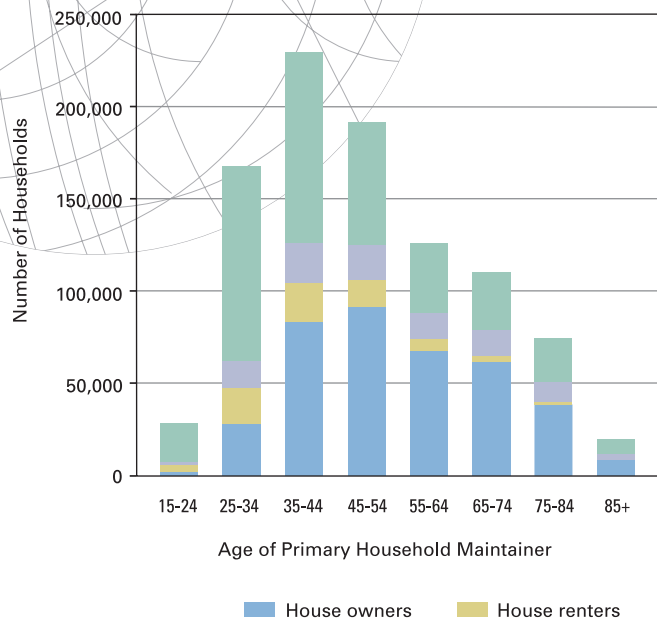
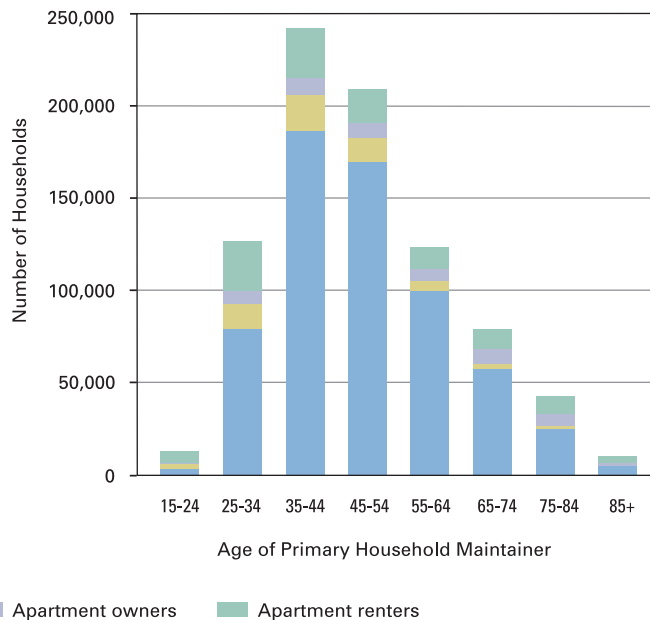
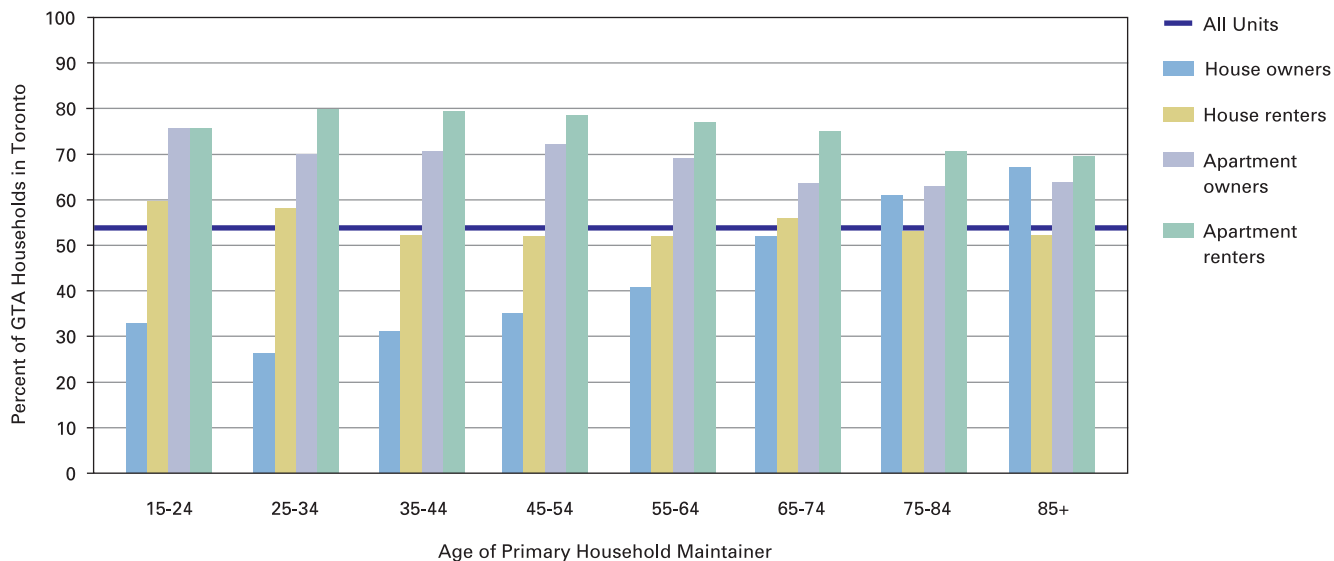


Figure 13: Dwelling Type by Tenure and Age, Rest of the GTA, 2001



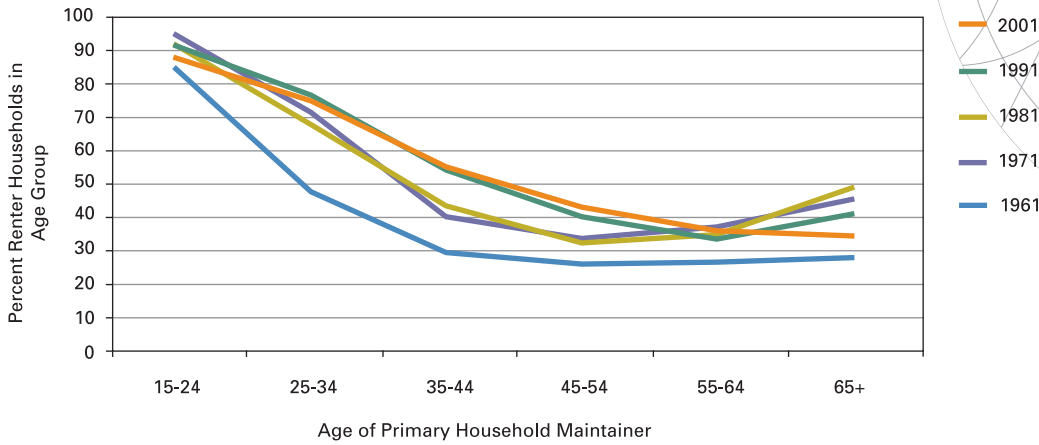
Source: Statistics Canada, 2001 Census

Figure 14: Dwelling Type by Tenure and Age: Toronto's Role in the GTA, 2001



Source: Statistics Canada, 2001 Census

Figure 15: Tenure by Age: Toronto, 1961 - 2001



Data for 1961 are for the Toronto CMA
Source: See Table 4

Table 4: Renter Households by Age of Primary Household Maintainer, Toronto, 1961-2001

Age of Primary Maintainer	Percent of Households				
	1961 ¹	1971	1981	1991	2001
15-24	84.3	94.5	91.4	91.3	87.6
25-34	46.8	70.9	67.3	76.2	74.4
35-44	28.2	39.1	42.5	53.4	54.4
45-54	24.7	34.5 ²	31.1	39.1	42.1
55-64	25.4		33.7	32.4	34.8
65+	26.7	44.4	47.9	40.0	33.4

¹ CMA data

² Value for 45-64 year age group; 10-year age breakdown not available for 1971
Source: Statistics Canada, Censuses, 1961, 1971, 1981, 1991, 2001

AGE AND TENURE OVER TIME

Figure 15 shows how the general tendency for renting to decline (or ownership to increase) with age has been in place over the past 40 years. This relationship has not changed much since 1971 (the ‘curves’ in Figure 15 are roughly the same shape and in the same place on the graph), with some important exceptions:

- The level of renters increased quite sharply for 25- 54 year olds and particularly for 35 - 44 year olds between 1981 and 1991. This level was sustained to 2001 especially for households aged 45 - 54 (who had been 35 - 44 in 1991). This may reflect the slowdown in construction of new lower density ownership housing in the City and the shift in this demand to the Rest of the GTA, along with generally higher prices for housing in the mid to late 1980s. While many younger households moved to the Rest of the GTA to find more affordable ownership housing, others may have become ‘permanent’ renters rather than making the transition to ownership housing that might have been expected at their life cycle stage.
- At the same time, renter levels in the older age group (65 and over) dropped sharply (after 1981), as couples aged in place in the huge stock of housing that had been built across the City in the 1950s and 1960s. Between 1981 and 2001 the number of owner households aged over 65 increased by 93% (from 70,000 to 136,000), compared to 5% for renters (from 65,000 to 68,000).

Figure 15 also shows how the increase in the level of renter households in the 1960s was seen across all ages (note how the line for 1961 lies below those for the other years).

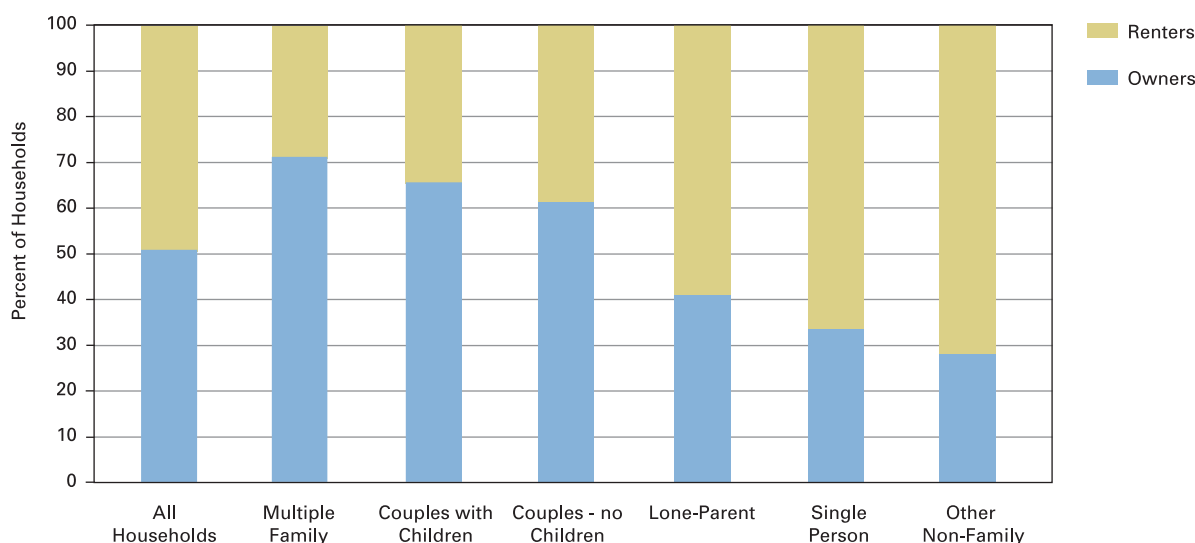
HOUSEHOLD TYPE

The pattern of tenure varies by household type (Figure 16 and Table 5).

Couples are more likely to be owners, whereas lone-parent families and people living alone are more likely to be renters. Multiple-family households, which account for a relatively small

number of all households, are predominantly owners, whereas non-family households of two or more people, also a relatively small number of all households, are mainly renters. Generally, households with two or more adults are more likely to own because they are more likely to have the higher incomes needed to support ownership.

Figure 16: Household Type by Tenure, Toronto, 2001

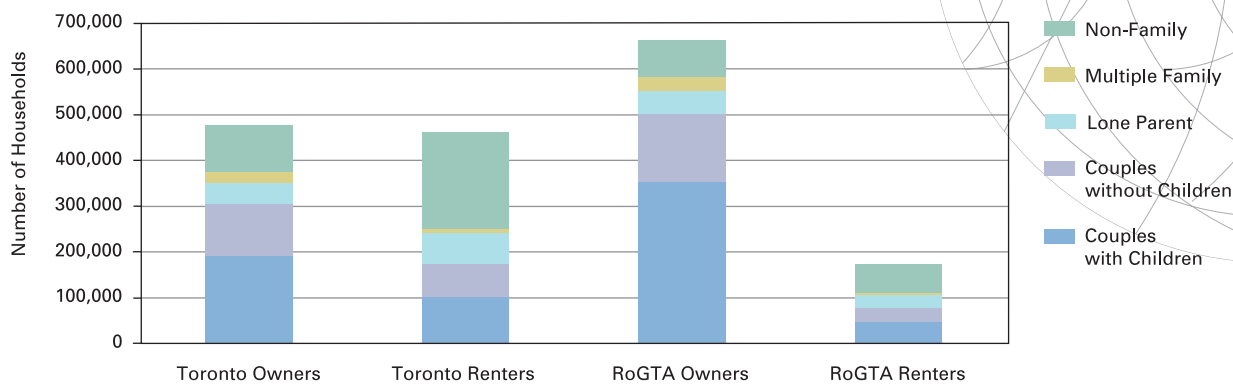


Source: Statistics Canada, 2001 Census

Table 5: Households by Tenure, Toronto, 2001

Household Type	Number of Households			Distribution by Household Type			Tenure by Household Type	
	Owners	Renters	Total	% of All Owners	% of All Renters	% of All Households	% Owner	% Renter
Husband-wife couples	305,355	175,360	480,715	63.8	37.7	51.0	63.5	36.5
Couples with children	190,760	102,050	292,810	39.9	22.0	31.0	65.1	34.9
Couples - no children	114,595	73,310	187,905	23.9	15.8	19.9	61.0	39.0
Lone-Parent	45,540	66,075	111,610	9.5	14.2	11.8	40.8	59.2
Multiple Family	24,265	9,875	34,140	5.1	2.1	3.6	71.1	28.9
Non-Family	103,385	213,220	316,605	21.6	45.9	33.6	32.7	67.3
1 Person	89,755	176,875	266,630	18.8	38.1	28.3	33.7	66.3
2+ Persons	13,630	36,345	49,975	2.8	7.8	5.3	27.3	72.7
All Households	478,545	464,530	943,075	100.0	100.0	100.0	50.7	49.3

Source: Statistics Canada, 2001

Figure 17: Household Type and Tenure, Toronto and the Rest of the GTA, 2001

Source: Statistics Canada, 2001 Census

This is reflected in the overall composition of owner and renter households shown in Table 5 and Figure 17. Nearly half (45.9% from Table 5) of all Toronto renter households are non-family households; whereas owner households are predominately comprised of couples - with and without children.

The distribution of household types in the GTA reflects the life cycle pattern and the distribution of the housing stock: the large number of couples with children who own housing in the

GTA outside Toronto stand out, along with the large number of non-family renters in Toronto. But the picture is not quite that simple:

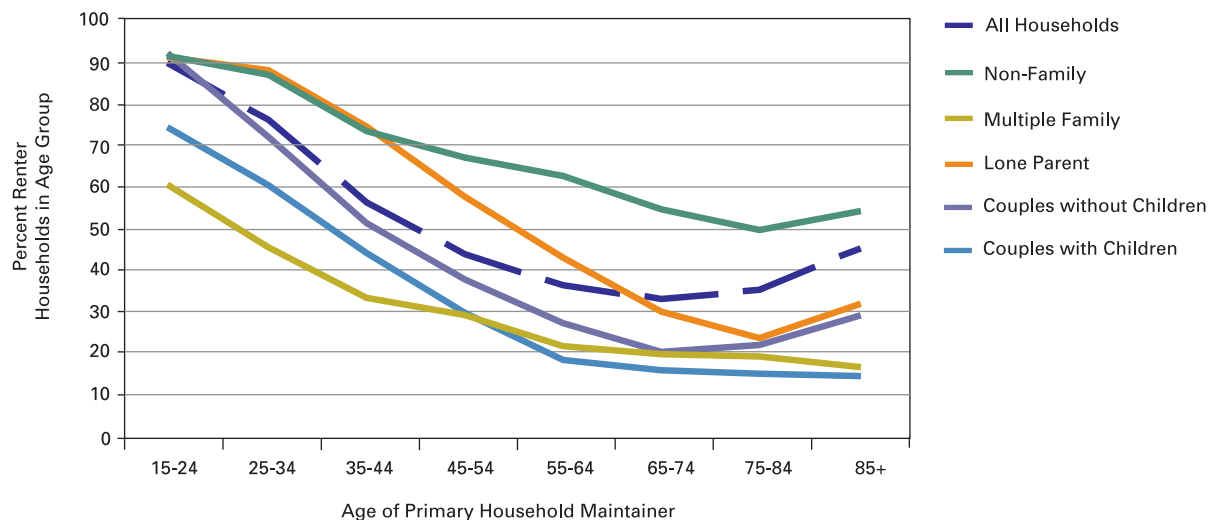
- a large number of couples with children own housing in Toronto (28% of the GTA's couples with children);
- a sizeable component of childless couples own housing in the Rest of the GTA (41% of the GTA's childless couples).

HOUSEHOLD TYPE AND AGE

Each household type shows the basic relationship of tenure with age: the younger the household the more likely it is to rent (Figure 18). Generally, too, the tendency of each household type to own or rent is maintained across the age spectrum: couples, with or without children are much less likely to rent than non-family households. Note that the experience for lone-parent families is slightly different: in the

younger age groups the likelihood of renting is relatively high (over 80%), whereas in the older age groups it is much lower, compared with the overall likelihood for all lone parent households of 60%. Older lone parents are more likely to be widowed or divorced and to have retained ownership of the house they lived in when they were part of a 'couple' household.

Figure 18: Tenure by Household Type by Age, Toronto, 2001



Source: Statistics Canada, 2001 Census

Regional Variations

(Figures 19 to 24)

If we look at the distribution of household types of different ages and tenures in Toronto and the Rest of the GTA, we see:

- Toronto has lower numbers of owners in all household types and in all age groups below 65, except for non-family households.
- Toronto has higher numbers of renters in all age groups and household types, with its non-family renter households particularly standing out.
- The Rest of the GTA has a large concentration of owner couples with children in the 25-65 year age groups; note however, that renter couples with children don't show the same concentration as owners in the Rest of the GTA.
- Couples with children are concentrated in ownership housing, and particularly in the Rest of the GTA.
- Non-family households are concentrated in rental housing and particularly in Toronto.

Figures 19-24: Households by Type, Tenure and Age, Toronto and the Rest of the GTA, 2001

Figure 19: All Households

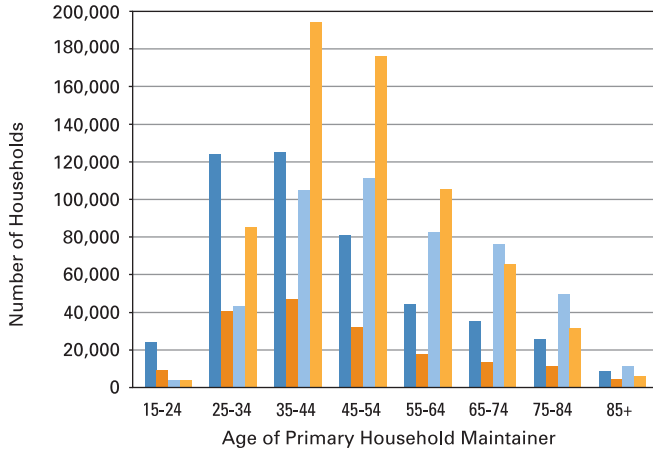


Figure 20: Couples with Children

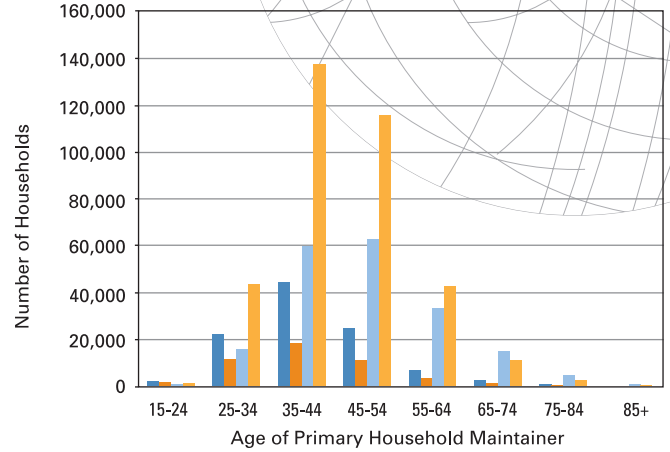


Figure 21: Couples without Children

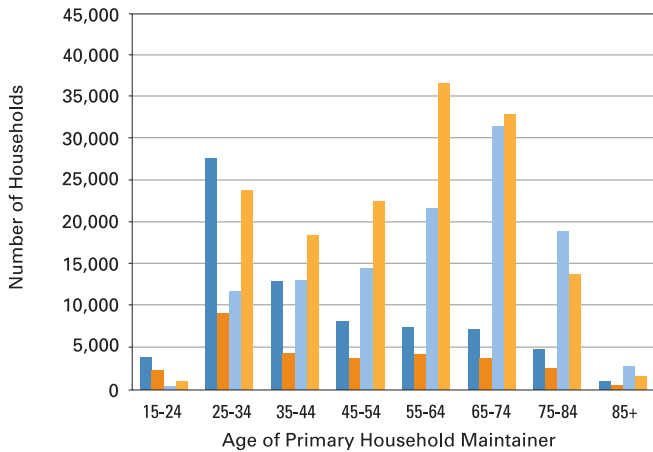


Figure 22: Lone Parent Families

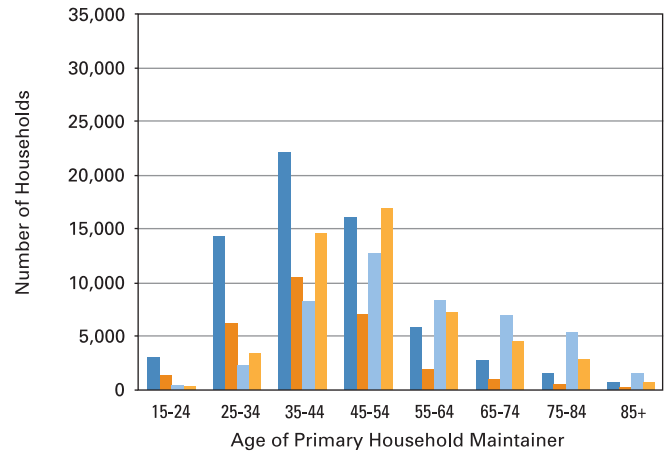


Figure 23: Multi-family Households

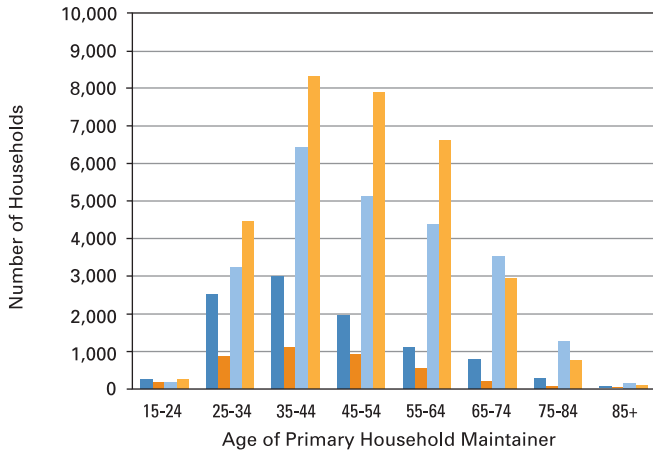
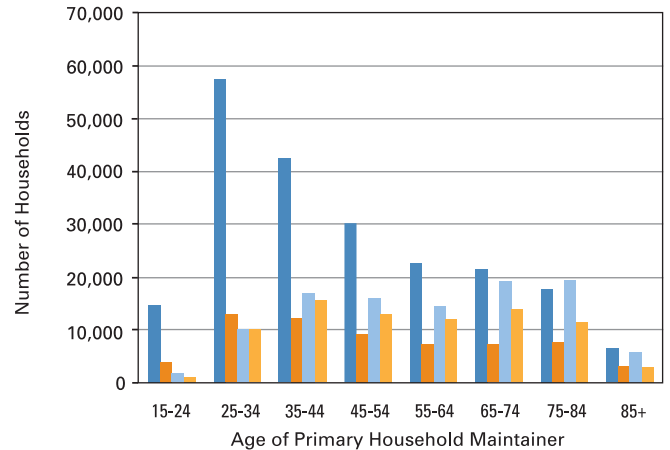


Figure 24: Non-family Households



■ Toronto Renters ■ RoGTA Renters ■ Toronto Owners ■ RoGTA Owners

Source: Statistics Canada, 2001 Census

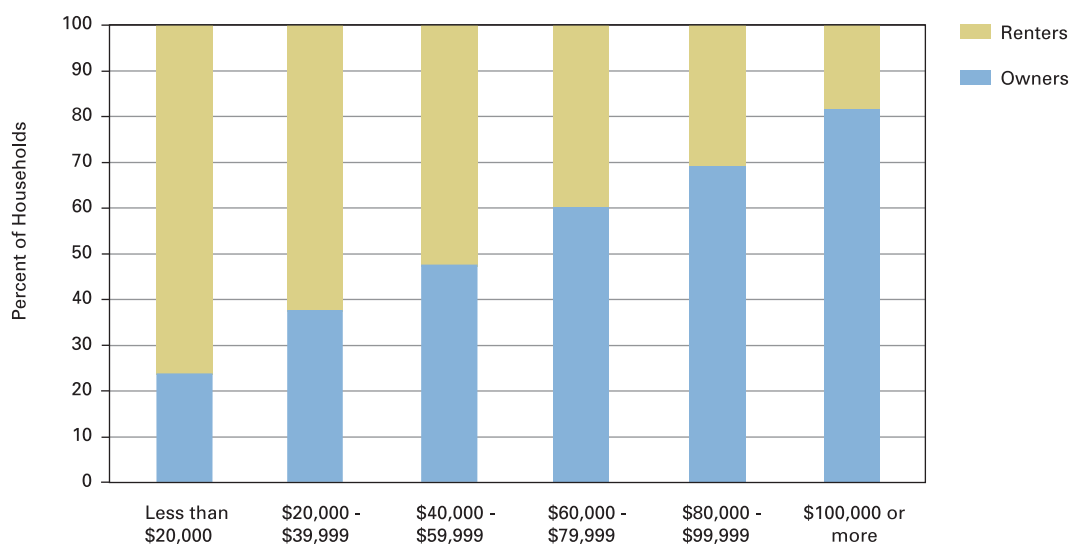
HOUSEHOLD INCOME

Income is a very important consideration in a household's tenure decision: the lower the household's income, the more likely it is to rent.

- In 2000, Toronto's median household income for renters was only about half that of owners (\$35,270 vs. \$68,975; see Table 6), and this has changed little over the past two decades.

- About three-quarters of Toronto's households with incomes under \$20,000 are renters, while only about one-fifth of households making more than \$100,000 are renters (Figure 25, Table 7).
- Nevertheless, about 30% of households with incomes over \$60,000 are renters.

Figure 25: Tenure by Household Income, Toronto, 2001



Source: Statistics Canada, 2001 Census

Table 6: Median Household Income in Toronto, 1980-2000 (constant \$ 2000)

Year	All Households	Renters	Owners
1980	\$ 52,178	\$ 37,171	\$ 69,267
1985	\$ 51,507	\$ 37,227	\$ 69,281
1990	\$ 52,000	\$ 38,176	\$ 72,063
1995	\$ 44,443	\$ 31,414	\$ 65,370
2000	\$ 49,345	\$ 35,271	\$ 68,973

Source: Statistics Canada, Quinquennial Censuses 1981 - 2001

Although the median income¹ for renters grew sharply over the late 1990s (after adjusting for inflation), and more than twice as fast as that for owner households, it had still not rebounded fully from the sharp decline of the early 1990s (Table 6). In fact, in 2000, median income for renters was still 5% lower than it had been in 1980.

These changes in median income point to significant changes in tenure levels across the household income spectrum, which partly reflect the greater affordability of ownership housing (Table 8):

- The number of households in the lowest income group declined significantly, and virtually all of this decline was in renter households.
- In the \$22,000 to \$44,000 bracket (still well below the City's median income), the number of owners increased while the number of renters decreased.
- The number of renter households in the higher income brackets increased at a greater rate than the overall number of households in these brackets.

Table 7: Number of Households by Tenure and Income Category, Toronto, 2001

	Number of Households			Distribution by Income Group			Tenure by Income Group	
	Owners	Renters	Total	% of	% of	% of	%	%
				Owners	Renters	All Households	Owner	Renter
Less than \$20,000	41,350	133,835	175,185	8.6	28.8	18.6	23.6	76.4
\$20,000 - \$39,999	78,370	128,570	206,940	16.4	27.7	21.9	37.9	62.1
\$40,000 - \$59,999	82,420	91,330	173,745	17.2	19.7	18.4	47.4	52.6
\$60,000 - \$79,999	78,100	52,135	130,235	16.3	11.2	13.8	60.0	40.0
\$80,000 - \$99,999	59,965	27,085	87,050	12.5	5.8	9.2	68.9	31.1
\$100,000 and over	138,335	31,585	169,920	28.9	6.8	18.0	81.4	18.6
All Households	478,545	464,540	943,085	100.0	100.0	100.0	50.7	49.3

Source: Statistics Canada, 2001 Census

Table 8: Tenure by Household Income, Toronto, 1995-2000 (constant \$ 2000)

Household Income*	Number of Households						% Change 1995-2000		
	1995			2000			Owned	Rented	Total
	Owned	Rented	Total	Owned	Rented	Total			
Under \$22,000	49,225	170,685	219,910	49,700	147,550	197,250	0.1	-13.6	-10.3
\$22,000 - \$43,999	80,825	144,070	224,895	87,315	138,865	226,180	8.0	-3.6	0.6
\$44,000 - \$65,999	86,220	85,865	172,085	90,500	86,180	176,680	5.0	0.4	2.7
\$66,000 - \$87,999	75,445	40,330	115,775	79,105	46,300	125,405	4.9	14.8	8.3
\$88,000 - \$109,999	49,995	16,995	66,990	57,590	21,050	78,640	15.2	23.9	17.4
\$110,000 and over	87,260	16,660	103,920	114,335	24,585	138,920	31.0	47.6	33.7
All Households	428,970	474,605	903,575	478,550	464,535	943,075	11.6	-2.1	4.4

*These household income categories are the equivalent of those for which data are available for 1996, after adjusting for inflation (i.e. \$22,000 to \$43,999 in 2000 is the approximate equivalent of \$20,000 to \$39,999 in 1995).

Source: Statistics Canada, 1996, 2001 Censuses

¹ Median income is the point in the income distribution where one half of the households have higher incomes than the other half. It is the best indicator of the income distribution because the median is not skewed by a few very high or very low values. Income is reported for the calendar year before the Census; i.e., the 2001 Census shows income for 2000.

INCOME AND AGE

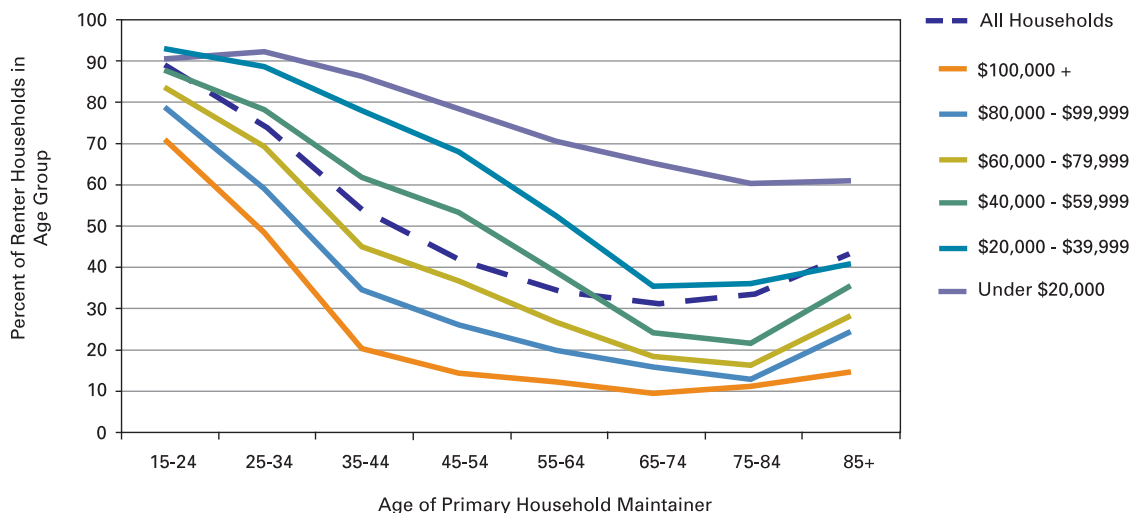
Tenure choice is strongly related to both a household's age and its ability to afford ownership. At all income levels, the older the household, the less likely it is to rent until the household maintainer is past 65; and regardless of age, the higher the household's income, the more likely it is to own (Figure 26). But there are major variations on these simple relationships at different ages and income levels. In particular:

- For younger and older age groups the variation in renting by income levels is much

smaller than for the middle age groups (except for older low-income households).

- For middle-aged households, however, the differences in renting between income levels are much larger. For example for 35-44 year olds, the overall likelihood of renting is 54%. Only about 18% of 35-44 year olds earning over \$100,000 rent, compared with 85% of those earning under \$20,000.

Figure 26: Tenure by Age by Income, 2001



Source: Statistics Canada, 2001 Census

INCOME AND HOUSEHOLD TYPE

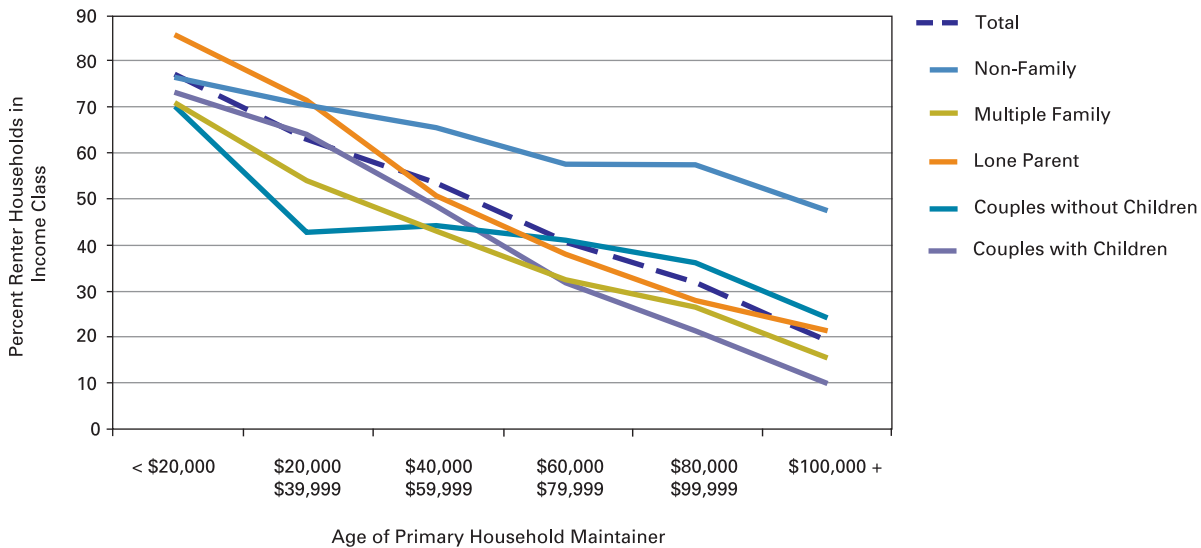
Tenure choice also varies with income for all household types. Figure 27 shows the percentage of each household type who rent at each income level.

- Note however, that income has a bigger impact on tenure for some household types than for others (as shown by the steepness of the slope of the lines on Figure 27). In particular, income has a greater impact on tenure for households with children - both

couples with children and lone-parent families - than for non-family households and couples without children.

- The lines on the graph are all quite close together (except for non-family households with incomes over \$40,000 and couples without children between \$20,000 and \$39,999), indicating that regardless of household type, all households in an income bracket have roughly similar renter levels.

Figure 27: Tenure by Household Type and Income, 2001



Source: Statistics Canada, 2001 Census

PUTTING IT ALL TOGETHER: TENURE THROUGH THE LIFE CYCLE

When we look at age, income and household type together, we get a more complex picture of how tenure varies through the life cycle:

- Younger households are more likely to rent regardless of income. This reflects the greater mobility of younger households. They are also less likely to have saved up enough for a down payment on a house or condominium, and are likely to have less income security.
- For middle-aged households (35 - 55), income has a much greater impact on tenure: higher income households are more likely to own and lower income households more likely to rent (Figure 26).
- As households get older, however, their likelihood of owning increases, whatever their income bracket (Figure 26) or household type (Figure 18).
- Older households are more likely to own (except for the lowest income bracket) (Figures 7 and 26). Many of these households are on pensions or fixed incomes, but are likely to own their house with small or no mortgage obligations,

so their affordability calculus is quite different than that of younger households.

- Non-family households are more likely to rent than other households of the same age and income, particularly in the middle and older age groups (Figure 18), and the higher income brackets (Figure 27).
- There are relatively lower numbers of renters among couples without children at home in the \$20,000 to \$40,000 range (especially compared with couples with children). This is particularly noticeable for older households of this type (55+), suggesting many may be older couples in retirement who are living in their 'family' home.

Overall, household age and income are the most important factors in explaining tenure choice. After they are taken into account, household type does not have a strong influence on the tenure choice, except for the greater likelihood of non-family households renting, and the relatively lower numbers of renters among couples without children earning between \$20,000 and \$40,000.

IMMIGRANT STATUS AND TENURE

About half of Toronto's population are immigrants (Table 9), and about half of the people who live in rental housing in Toronto are immigrants. About 45% of immigrants live in rental housing.

The longer immigrants live in Canada, the more likely they are to be homeowners, so that immigrants who have lived in Canada for more than 20 years generally have higher levels of homeownership than the Canadian-born population. This is related to improvements in income that immigrants generally experience as they live longer in Canada, as Table 10 shows for the Toronto CMA. Generally, immigrant owners have higher incomes than renters (like the non-immigrant population), and the average renter household income is the same for recent arrivals as for all other periods of arrival.

Table 9: Immigrant Population and Tenure, Toronto, 2001

Housing Tenure	Total Population	Immigrants	Percent Immigrants
Ownership	1,406,905	662,275	47.8
Rental	1,058,900	552,350	52.2
Total	2,465,805	1,214,625	49.4

Source: Statistics Canada, 2001 Census

Table 10: Immigrant Household Tenure by Period of Immigration, Toronto CMA, 2001

	Percent of Households		Average Household Income (\$)	
	Owners	Renters	Owners	Renters
All Households	64.8	35.2	\$ 97,091	\$ 49,369
Non-immigrants	65.0	35.0	\$ 108,790	\$ 53,934
Immigrants	65.1	34.9	\$ 86,648	\$ 45,039
Pre-1976	79.9	20.1	\$ 88,822	\$ 45,399
1976 - 1985	66.7	33.3	\$ 92,804	\$ 45,764
1986 - 1990	58.9	41.1	\$ 85,352	\$ 44,804
1991 - 1995	50.1	49.9	\$ 76,844	\$ 44,809
1996 - 2001	33.2	66.8	\$ 70,907	\$ 44,502

Source: Based on data in Appendix Table 2 in, CMHC, '2001 Census Housing Series, Issue 7: Immigrant Households,' Research Highlight, Socio-economic Series 04-042 (December 2004)

Recent immigrants have very high levels of renting:

- Of the 78,000 households in Toronto in 2001 whose primary household maintainer had moved to Toronto from outside Canada in the previous five years, 64,000 (81%) rented - or 14% of all renter households.
- 74% of Toronto's immigrants who arrived in Canada between 1996 and 2001 lived in rental housing.

The pattern of immigrant households attaining higher homeownership levels than the Canadian - born, seems to be changing, especially when we focus on working-age households (aged 25 - 64). In the Toronto CMA in 2001, 61% of working-age immigrant households owned their housing, compared with 65% in 1981. At the same time, the homeownership level of the Canadian-born rose from 55% to 64%. This is partly due to the declining economic fortunes of immigrants over the same period, but there are other factors - yet to be identified - at work.

CONCLUSIONS: WHAT DOES THE FUTURE HOLD?

Continuing strong population growth is forecast in the GTA for the foreseeable future. Both City and Provincial policy support the City accommodating a significant portion of that growth - somewhere in the range of 225,000 to 325,000 households between 2001 and 2031. A detailed understanding of the tenorial mix of these additional households requires further analysis, but the information presented in this report provides some indications of what can be expected.

Rental housing is an important segment of both the City's and the GTA's housing market: 50% of the City's households and 35% of the GTA's. The City plays a central role in serving the GTA's rental demand. The relative decline in rental households between 1996 and 2001 does, however, warrant attention as we analyse the results of future Censuses. Was it a 'blip' that returned the renter household level back to the 'norm' of 1971 to 1986, or was it the start of a longer term trend? Whichever it is, we can expect the number of renter households in the City to increase over the next 25 years:

- younger households looking to rent are likely to continue to want to live in the City,
- immigrants with their high demand for rental housing will drive much of the City's population growth, and
- the City already contains much of the GTA's purpose-built rental stock.

It will also be important to provide a diversity of rental housing to meet the full range of rental demand which includes not only households

unable to afford ownership but also a significant number of higher income households who choose to rent rather than own.

The City's Official Plan is the starting point for addressing the City's housing challenges, particularly those associated with our residents' changing needs over their life-cycle, such as tenure, housing type, and location. For example, the City has a large share of the GTA's renters and non-family households, but a relatively small share of young families with children. We also know that the 'typical' life cycle based around families with children is no longer as typical as it once was, resulting in a wide variety of needs that must be met. The key element is adequate and affordable housing, which is a basic requirement for everyone. The Official Plan identifies four particular areas that need to be addressed:

- stimulating production of new private sector rental housing supply;
- preserving the City's existing affordable rental housing stock;
- making efficient and effective use of the housing owned by the City to meet the housing needs of our most vulnerable residents; and
- working in partnership with other levels of government and the private and non-profit housing sectors to take advantage of emerging opportunities.

Summary Table: Households by Tenure by Household Type by Income by Age, Toronto, 2001

Age of Primary Household Maintainer	Owners						Renters					
	Total	Couples with Children	Couples without Children	Lone Parent	Multiple Family	Non-Family	Total	Couples with Children	Couples without Children	Lone Parent	Multiple Family	Non-Family
All Households												
15-24	3,345	680	440	365	180	1,700	23,585	1,755	3,830	3,040	245	14,715
25-34	42,760	15,505	11,710	2,270	3,240	10,030	123,985	21,970	27,730	14,230	2,520	57,545
35-44	104,335	59,655	13,105	8,220	6,430	16,905	124,620	44,050	12,955	22,065	3,000	42,545
45-54	110,645	62,390	14,440	12,695	5,110	16,010	80,625	24,390	8,160	16,030	1,945	30,105
55-64	81,955	33,060	21,720	8,275	4,390	14,505	43,790	6,720	7,535	5,835	1,100	22,595
65-74	75,525	14,545	31,465	6,885	3,510	19,115	34,685	2,410	7,220	2,740	765	21,550
75-84	49,220	4,370	18,950	5,305	1,265	19,335	25,050	675	4,845	1,490	265	17,765
85+	10,770	565	2,765	1,500	140	5,800	8,195	85	1,035	645	25	6,400
Total	478,545	190,760	114,595	45,540	24,265	103,385	464,530	102,050	73,310	66,075	9,875	213,220
Under \$20,000												
15-24	1,195	105	95	120	20	875	9,850	440	750	1,780	40	6,830
25-34	2,770	775	350	425	70	1,140	27,405	4,400	3,505	6,665	280	12,560
35-44	5,375	2,385	280	1,040	125	1,525	31,155	9,055	1,480	8,925	260	11,430
45-54	5,885	2,015	405	1,175	105	2,190	19,800	3,635	1,000	4,550	240	10,385
55-64	6,580	1,110	1,620	655	55	3,130	14,685	835	1,435	1,585	90	10,735
65-74	8,340	150	1,095	470	55	6,580	14,670	170	880	585	70	12,970
75-84	8,305	20	90	445	0	7,750	11,910	15	185	285	20	11,385
85+	2,925	0	10	115	0	2,805	4,345	0	25	120	0	4,190
Total	41,365	6,545	3,945	4,470	430	25,980	133,815	18,545	9,260	24,495	1,010	80,485
\$20,000 - \$39,999												
15-24	635	95	70	95	10	365	6,800	555	1,155	775	35	4,285
25-34	4,865	1,495	640	535	205	1,995	33,090	6,080	4,465	4,950	415	17,185
35-44	10,580	5,310	765	1,645	325	2,530	34,630	12,110	2,380	7,400	445	12,300
45-54	10,570	4,535	1,040	1,985	230	2,780	21,135	5,995	1,590	4,950	270	8,330
55-64	10,385	1,980	2,980	1,395	190	3,850	10,770	1,385	1,710	1,560	170	6,035
65-74	21,605	1,745	11,800	1,410	230	6,415	11,145	715	3,865	935	100	5,520
75-84	16,160	520	7,795	1,310	145	6,380	8,565	205	3,275	565	55	4,465
85+	3,575	75	1,320	485	0	1,690	2,325	30	700	210	0	1,390
Total	78,375	15,755	26,410	8,860	1,335	26,005	128,560	27,075	19,140	21,345	1,490	59,510
\$40,000 - \$59,999												
15-24	590	150	95	80	35	220	3,675	390	1,020	275	55	1,935
25-34	7,990	3,095	1,310	515	425	2,645	26,420	5,640	5,820	1,640	515	12,825
35-44	18,300	9,660	1,565	2,185	780	4,115	28,000	11,100	3,045	3,610	630	9,615
45-54	16,340	7,575	1,730	2,975	435	3,625	17,690	5,880	1,860	3,285	380	6,275
55-64	13,255	3,850	3,980	1,865	490	3,070	7,915	1,480	1,765	1,235	160	3,275
65-74	14,710	2,490	6,615	1,880	370	3,355	4,355	565	1,195	680	165	1,755
75-84	9,635	910	4,395	1,445	125	2,755	2,445	200	720	365	50	1,115
85+	1,600	120	565	320	10	585	820	30	145	155	10	485
Total	82,420	27,850	20,255	11,265	2,670	20,370	91,320	25,285	15,570	11,245	1,965	37,280
\$60,000 - \$79,999												
15-24	400	125	90	35	30	130	1,800	230	510	130	45	880
25-34	7,905	3,205	2,065	385	595	1,660	16,760	3,435	5,470	545	440	6,855
35-44	19,435	10,945	2,080	1,550	1,155	3,710	14,995	6,175	2,200	1,270	605	4,750
45-54	19,195	10,270	2,380	2,615	740	3,185	10,440	3,895	1,480	1,830	365	2,870
55-64	13,415	5,540	3,575	1,565	650	2,090	4,535	995	1,115	840	205	1,385
65-74	10,800	3,140	4,330	1,350	600	1,380	2,200	490	600	300	155	650
75-84	5,960	890	2,555	975	300	1,240	1,050	145	275	185	65	390
85+	975	120	295	245	40	275	355	15	60	95	0	180
Total	78,085	34,235	17,370	8,720	4,110	13,670	52,135	15,380	11,710	5,195	1,880	17,960
\$80,000 - \$99,999												
15-24	230	80	35	20	40	55	790	80	260	35	35	390
25-34	6,800	2,600	2,285	205	685	1,025	9,245	1,340	3,615	220	355	3,720
35-44	15,305	9,225	2,090	810	1,375	1,795	7,620	3,040	1,595	470	495	2,015
45-54	15,905	9,745	2,210	1,625	855	1,465	5,215	2,260	855	705	310	1,075
55-64	10,645	5,310	2,655	1,200	625	865	2,420	845	590	335	135	515
65-74	6,815	2,355	2,455	905	535	565	1,150	235	255	175	115	365
75-84	3,685	885	1,545	555	210	475	480	50	155	75	35	155
85+	595	100	175	140	10	170	175	0	40	35	0	95
Total	59,980	30,300	13,450	5,460	4,335	6,415	27,095	7,850	7,365	2,050	1,480	8,330
\$100,000 or more												
15-24	300	125	60	0	50	60	670	50	140	55	40	400
25-34	12,430	4,330	5,065	210	1,265	1,560	11,060	1,075	4,870	210	505	4,405
35-44	35,345	22,130	6,315	985	2,675	3,240	8,220	2,570	2,260	395	565	2,435
45-54	42,760	28,255	6,675	2,320	2,740	2,760	6,345	2,730	1,365	700	390	1,170
55-64	27,675	15,275	6,915	1,610	2,380	1,505	3,365	1,180	920	295	320	645
65-74	13,255	4,665	5,170	870	1,715	830	1,165	240	420	60	140	295
75-84	5,480	1,140	2,570	560	480	740	600	70	230	25	30	250
85+	1,095	150	390	195	80	280	165	10	60	35	0	65
Total	138,340	76,070	33,160	6,750	11,385	10,975	31,590	7,925	10,265	1,775	1,990	9,665

Source: Statistics Canada, 2001 Census