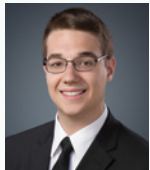




Homeownership in Canada



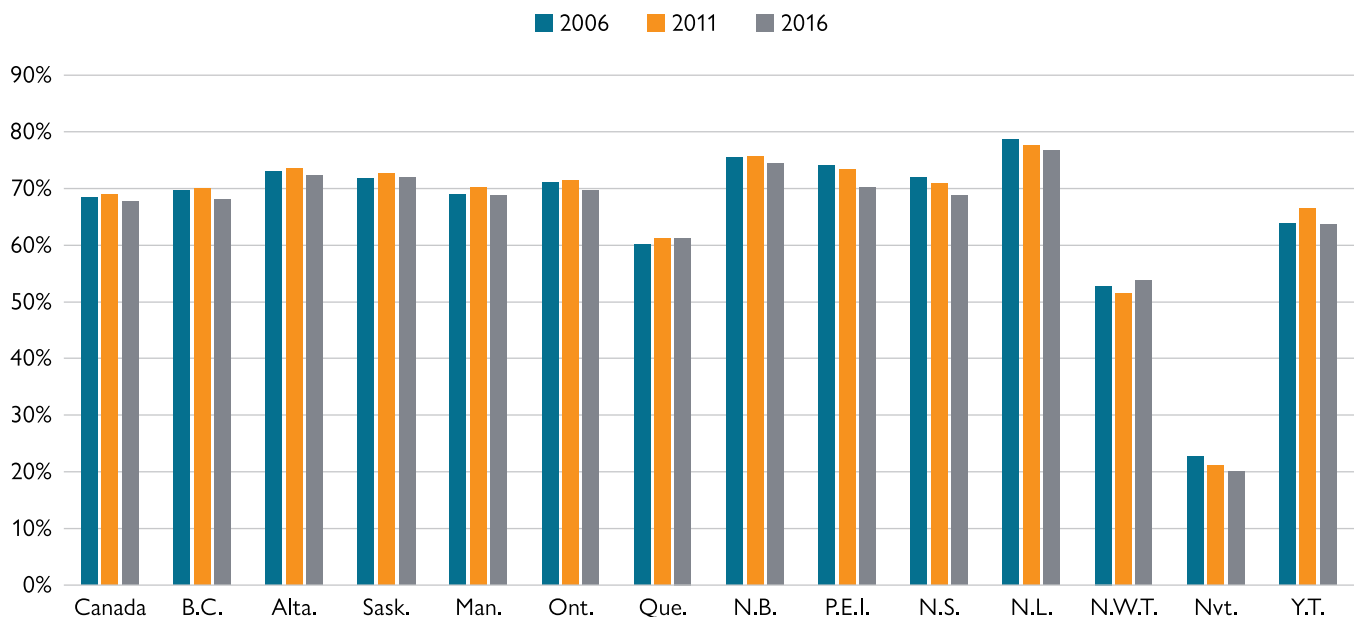
Tim Gensey
Senior Analyst, Economics

“Although relatively stable since 2006, there has been a slight downward trend in the homeownership rate across the country from 2011 to 2016. Nonetheless, the majority of Canadians continue to access homeownership.”

Introduction

Census data show that the proportion of Canadian households who accessed homeownership decreased to 67.8% from 68.4% between 2011 and 2016. Using Census data, this article describes the trends and characteristics of households who purchased a home.

Figure 1: Homeownership, Canada, Provinces and Territories, 2006–2016



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



Known benefits and drivers of homeownership

Homeownership confers both consumption and investment benefits. On the one hand, homeownership is related to positive societal outcomes, such as the benefits of living near schools and local amenities. In turn, households tend to invest time and effort in the development of their neighbourhood, which can translate into participating in local decision making. Homeownership, however, has also been identified as a constraint on household mobility and the capacity to move in times of adverse shocks, such as employment loss or divorce (Andrews & Sánchez, 2011; Dipasquale & Glaeser, 1999; Glaeser, Laibson, & Sacerdote, 2002).

Homeownership is also driven by the financial nature of housing (Drew & Herbert, 2013; Henderson, J. V., & Ioannides, 1983). Housing as an investment is part of the households' portfolio, and is driven by expected price growth and long-term capital gains. Thus, households have a long-term incentive to maintain and improve their property.

Most provinces saw their homeownership rate decrease between 2006 and 2016

Census data show that, while the homeownership rate remained stable nationally between 2006 and 2016, not all provinces and territories saw the same trends over the period. In fact, homeownership rates declined across most Canadian provinces and territories, except in Quebec and Saskatchewan.

The Atlantic provinces recorded some of the highest homeownership rates in Canada over the last three censuses. Despite a decrease from 2006, the province of Newfoundland and Labrador had the highest homeownership rate in 2016. In the province, 76.7% of households owned their homes in 2016, compared to 78.7% in 2006. The homeownership rate in New Brunswick ranked second, at 74.4%, in 2016. In Prince Edward Island, the homeownership rate fell from 74.1% in 2006 to 70.2% in 2016, the largest decline over the last three censuses.

Data from the 2016 Census show that a larger share of Quebecers owned their home in 2016 compared to 2006. That being said, the homeownership rate in Quebec remained modest in 2016, at 61.3%, which was below the Canadian national average of 67.8%. Between 2006 and 2016, Quebec led the growth in the homeownership rate among provinces and territories, increasing by 1.2%.

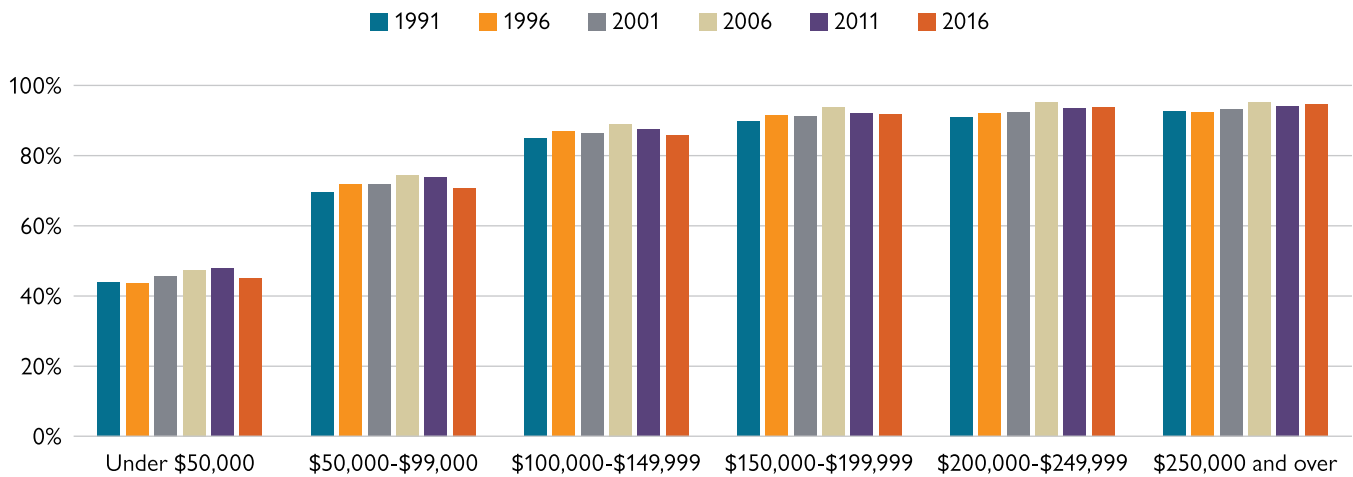
As was the case in previous censuses, homeownership rates in the Territories remained among the lowest in Canada in 2016, where about 1 in 5 households in Nunavut owned their home.



Higher-income households tend toward homeownership

Unsurprisingly, higher-income households tend to access homeownership. Figure 2, below, shows the trends in homeownership in Canada by income group, where the incomes have been adjusted to 2015 constant dollars. The figure shows that households earning \$100,000 or more per year have maintained a high rate of homeownership—above 85%—since 1991, while the homeownership rate of the \$50,000-to-\$99,000 income group is more representative of the Canadian average. However, the data also show homeownership decreased for all income groups between 2011 and 2016, except for the groups earning \$200,000 or more per year. During that period, the most notable decreases were for households earning less than \$50,000 and those earning \$50,000 to \$99,999, with decreases of 2.8% and 3.2%, respectively. Figure 2 also shows that all income groups at \$50,000 and above had the highest homeownership rate in 2006.

Figure 2: Homeownership Rate by Annual Income, Canada, 1991–2016



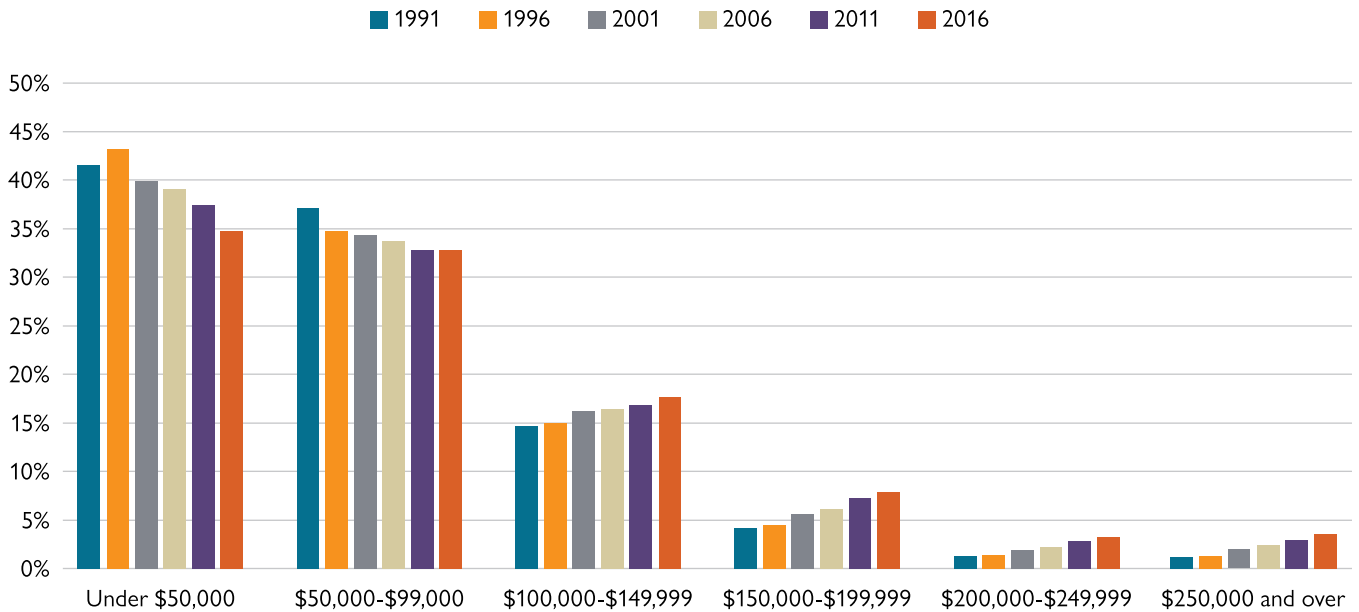
Note: Incomes are adjusted to 2015 constant dollars.
 Source: CMHC, adapted from Census 1991–2016, 2011 NHS



Figure 3, below, shows the overall income distribution of Canadians, regardless of tenure, since 1991. It shows Canadian households' income has increased over time; households earning \$100,000 or more represented 21.3% of all households in 1991 and 32.4% of all households in 2016.

Fewer households earned less than \$100,000 per year, but those who did have had a greater tendency to rent since 2006.

Figure 3: Income Distribution of All Households, Canada, 1991–2016



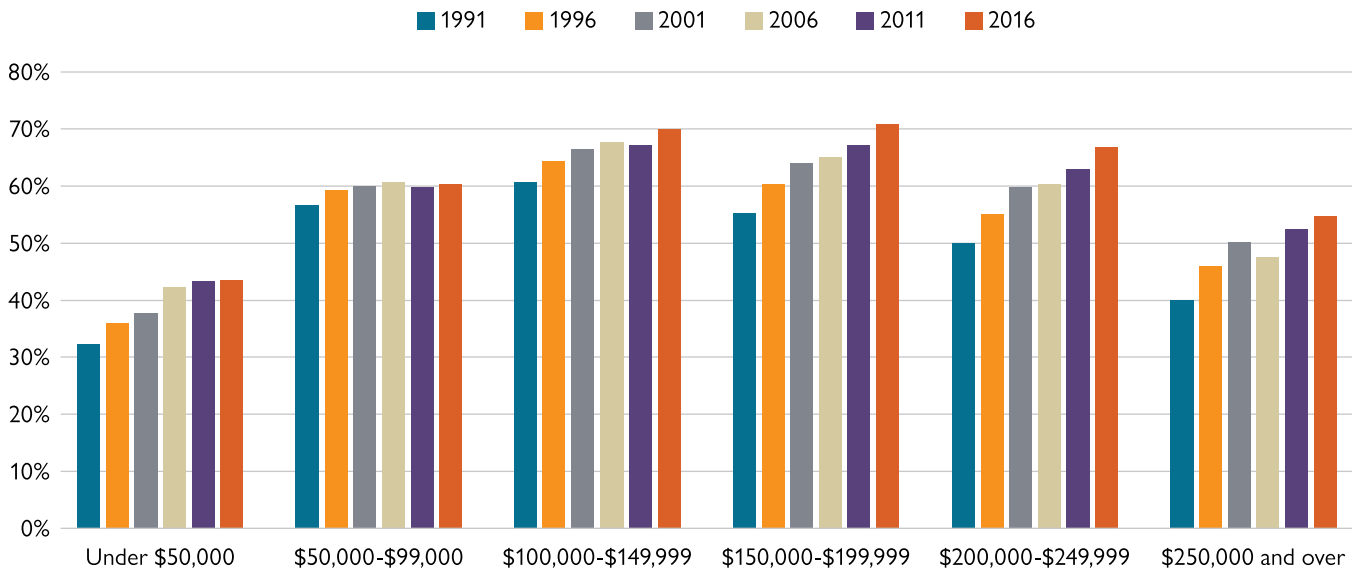
Note: Incomes are adjusted to 2015 constant dollars.
 Source: CMHC, adapted from Census 1991–2016, 2011 NHS



Households with higher incomes are decreasingly mortgage-free

Figure 4 shows the proportion of owner households with a mortgage. Overall, 59.7% of homeowners had a mortgage in 2016, up from 49.8% in 1991. In 2016, owners earning \$150,000 to \$199,000 per year represented the highest proportion of owners with a mortgage, at 70.9%. Across all censuses, the percentage of households with a mortgage increased steadily for all income groups except for households whose income was \$50,000 to \$99,000. The mortgage rate of this group remained nearly unchanged since 1996.

Figure 4: Mortgage-Holder Households by Annual Income, Canada, 1991–2016



Note: Incomes are adjusted to 2015 constant dollars.
 Source: CMHC, adapted from Census 1991–2016, 2011 NHS

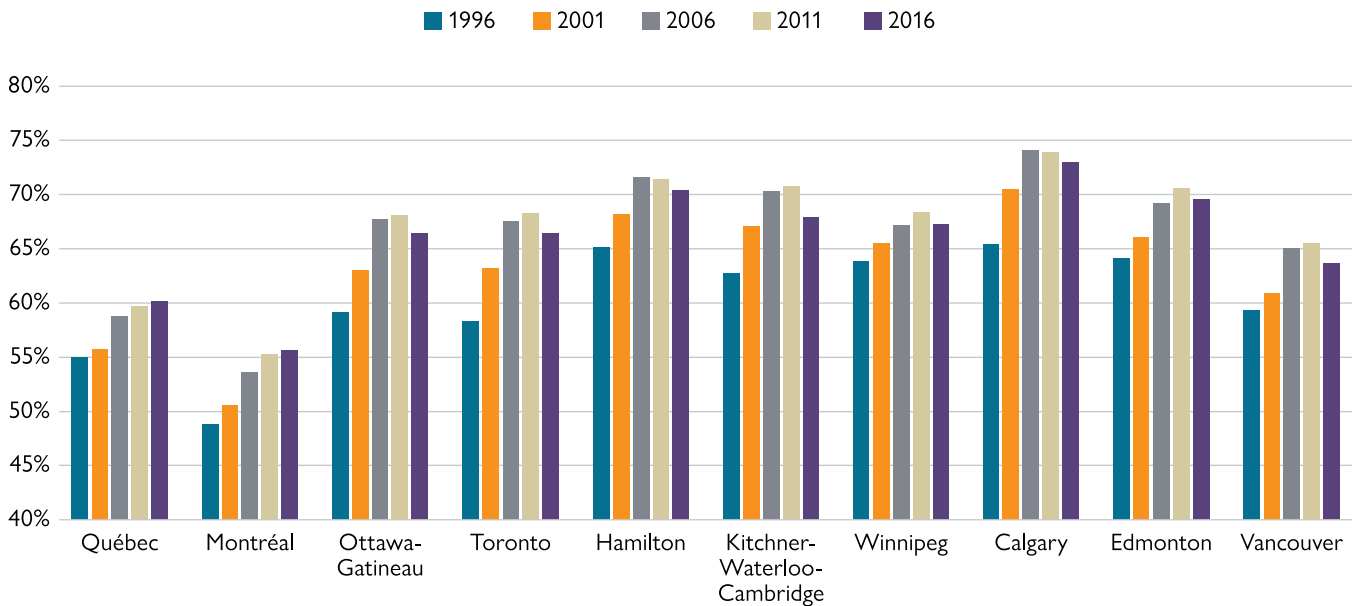


Homeownership in many large census metropolitan areas (CMAs) peaked in 2011

Similar to the provincial trends, the increase in homeownership peaked in 2011 in six of the 10 largest CMAs. Calgary and Hamilton had the highest rates in 2006, while Québec and Montréal saw their homeownership rates increase continuously from 1996 to 2016. Calgary also had the highest overall homeownership rate among the largest CMAs from 1996 to 2016.

From 2006 to 2016, six of the 10 largest CMAs saw their homeownership rates decrease. The strongest decrease in homeownership among large CMAs occurred in Kitchener-Waterloo-Cambridge, where the rate decreased by 2.4%, to 67.9%.

Figure 5: Homeownership Rate, 10 Largest CMAs, 1996–2016



Source: CMHC, adapted from Census 1991–2016, 2011 NHS

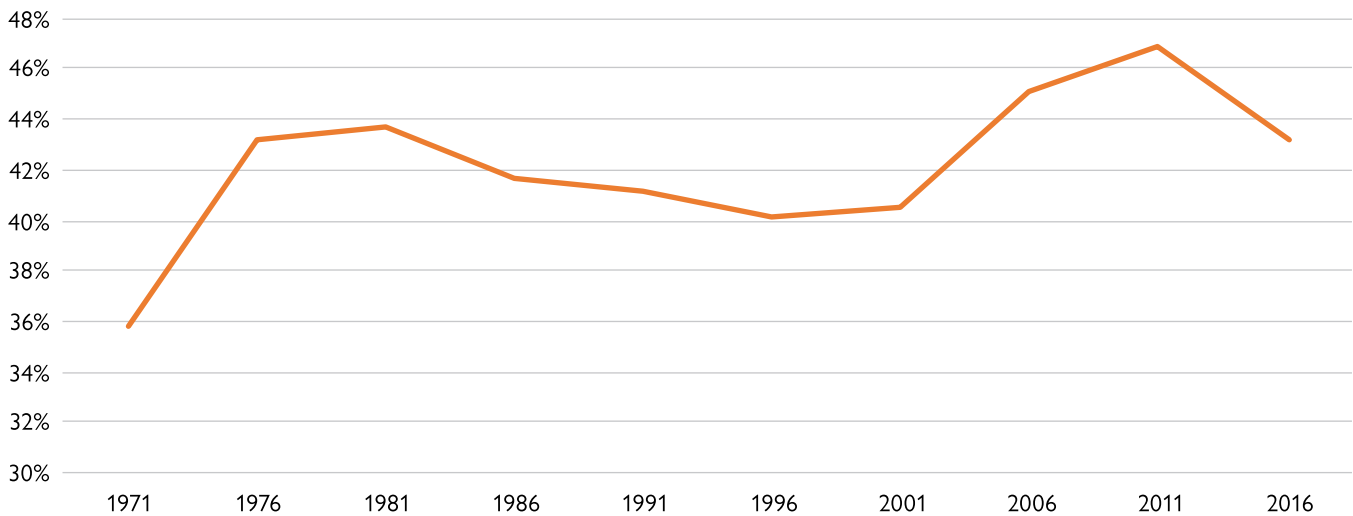


Homeownership for millennials above historical average

Figure 6 gives an overview of cohorts of primary household maintainers aged 34 or under, at different points in time from 1971 to 2016. The graph shows an initial peak in homeownership in 1976–1981, followed by a gradual decrease until 2001. The trend between 2001 and 2016 shows an inverted U, with a sharp peak in 2011.

In 2016, the homeownership rate for primary household maintainers aged 34 or under was 43.1%. That was just above the historical average of 42.3% for those aged 34 or under on previous censuses.

Figure 6: Homeownership for Household Maintainers Aged 34 or Under, Canada, 1971–2016



Source: CMHC, adapted from Statistics Canada (Census 1971-2016, NHS 2011)

Conclusion

This report described changes in homeownership across Canada over time. Although relatively stable since 2006, the homeownership rate across the country showed a slight downward trend from 2011 to 2016. Nonetheless, the majority of Canadians continue to access homeownership. In 2016, most homeowners had a mortgage. The analysis shows the homeownership rate decreased in most of the 10 largest CMAs between 2006 and 2011. Lastly, the analysis of homeownership rates for household maintainers aged 34 or under showed that, despite some fluctuations, cohorts of the same age group in previous censuses show a similar homeownership rate.





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Alternative text and data for figures

Figure 1: Homeownership, Canada, Provinces and Territories, 2006–2016

Geography	2006	2011	2016
Canada	68.4%	69.0%	67.8%
British Columbia	69.7%	70.0%	68.0%
Alberta	73.1%	73.6%	72.4%
Saskatchewan	71.8%	72.6%	72.0%
Manitoba	68.9%	70.1%	68.7%
Ontario	71.0%	71.4%	69.7%
Quebec	60.1%	61.2%	61.3%
New Brunswick	75.5%	75.7%	74.4%
Prince Edward Island	74.1%	73.4%	70.2%
Nova Scotia	72.0%	70.8%	68.7%
Newfoundland and Labrador	78.7%	77.5%	76.7%
Northwest Territories	52.8%	51.5%	53.7%
Nunavut	22.7%	21.0%	20.0%
Yukon	63.8%	66.5%	63.6%

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

Figure 2: Homeownership Rate by Annual Income, Canada, 1991–2016

Income category	1991	1996	2001	2006	2011	2016
Under \$50,000	44.1%	43.5%	45.7%	47.4%	47.9%	45.1%
\$50,000-\$99,000	69.6%	71.8%	71.7%	74.5%	74.0%	70.9%
\$100,000-\$149,999	84.8%	87.0%	86.3%	89.1%	87.5%	85.9%
\$150,000-\$199,999	89.8%	91.5%	91.2%	93.7%	92.0%	91.8%
\$200,000-\$249,999	90.9%	92.0%	92.5%	95.1%	93.6%	93.8%
\$250,000 and over	92.7%	92.4%	93.3%	95.3%	94.1%	94.5%

Note: Incomes are adjusted to 2015 constant dollars.

Source: CMHC, adapted from Census 1991–2016, 2011 NHS



Figure 3: Income Distribution of All Households, Canada, 1991–2016

Income category	1991	1996	2001	2006	2011	2016
Under \$50,000	41.6%	43.3%	39.9%	39.1%	37.4%	34.8%
\$50,000-\$99,000	37.1%	34.7%	34.4%	33.8%	32.8%	32.8%
\$100,000-\$149,999	14.7%	14.9%	16.2%	16.4%	16.9%	17.7%
\$150,000-\$199,999	4.2%	4.4%	5.6%	6.1%	7.2%	7.9%
\$200,000-\$249,999	1.3%	1.4%	1.9%	2.2%	2.8%	3.3%
\$250,000 and over	1.2%	1.3%	2.0%	2.4%	2.9%	3.6%

Note: Incomes are adjusted to 2015 constant dollars.

Source: CMHC, adapted from Census 1991–2016, 2011 NHS

Figure 4: Mortgage-Holder Households by Annual Income, Canada, 1991–2016

Income category	1991	1996	2001	2006	2011	2016
Under \$50,000	32.2%	36.1%	37.7%	42.2%	43.4%	43.5%
\$50,000-\$99,000	56.7%	59.3%	60.0%	60.7%	59.8%	60.3%
\$100,000-\$149,999	60.8%	64.5%	66.5%	67.6%	67.3%	70.0%
\$150,000-\$199,999	55.3%	60.3%	64.0%	65.1%	67.2%	70.9%
\$200,000-\$249,999	50.0%	55.0%	59.7%	60.4%	63.0%	66.9%
\$250,000 and over	40.1%	46.1%	50.2%	47.6%	52.4%	54.7%

Note: Incomes are adjusted to 2015 constant dollars.

Source: CMHC, adapted from Census 1991–2016, 2011 NHS

Figure 5: Homeownership Rate, 10 Largest CMAs, 1996–2016

Census metropolitan area	1996	2001	2006	2011	2016
Québec	55.0%	55.7%	58.8%	59.8%	60.2%
Montréal	48.8%	50.6%	53.6%	55.2%	55.7%
Ottawa-Gatineau	59.1%	63.0%	67.7%	68.0%	66.4%
Toronto	58.4%	63.2%	67.6%	68.3%	66.5%
Hamilton	65.1%	68.2%	71.6%	71.4%	70.4%
Kitchner-Waterloo-Cambridge	62.8%	67.1%	70.3%	70.8%	67.9%
Winnipeg	63.9%	65.5%	67.2%	68.4%	67.3%
Calgary	65.4%	70.5%	74.1%	73.9%	73.0%
Edmonton	64.1%	66.1%	69.2%	70.6%	69.6%
Vancouver	59.3%	61.0%	65.1%	65.5%	63.7%

Source: CMHC, adapted from Census 1991–2016, 2011 NHS



Figure 6: Homeownership for Household Maintainers Aged 34 or Under, Canada, 1971–2016

Census year	Homeownership rate
1971	35.9%
1976	43.2%
1981	43.7%
1986	41.7%
1991	41.1%
1996	40.2%
2001	40.6%
2006	45.2%
2011	46.9%
2016	43.1%

Source: CMHC, adapted from Statistics Canada (Census 1971-2016, NHS 2011)