

# Housing Market Insight

Canadian Metropolitan  
Areas



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# What do we know about elderly people's behaviour on the Canadian real estate market?

## HIGHLIGHTS

- The number of senior households in Canada is set to increase significantly in the coming years. To better understand where the real estate market is headed, it is important to look at what these households are doing on the market.
- In Canada, the proportion of elderly households who sell their property is elevated only in relatively advanced age groups. It will therefore take another few years to see a truly significant proportion of elderly households list their properties for sale.
- Condominiums are becoming more popular with Canadian homeowners as they age. Their actual movement toward this type of housing is however quite limited.
- The number of elderly Canadian households that opt for rental housing also rises with age, but that increase is limited. The transition to rental housing also seems to occur mainly in the oldest age groups; the trend is less pronounced among younger seniors.
- Downsizing is becoming an option that Canadian households increasingly consider as they age. The shift is however only seen in a minority of households.
- There are some differences between the country's 3 largest metropolitan areas. Indeed, as they age, households in Toronto and Vancouver are the most likely to transition to condominiums. In Montréal, meanwhile, there's a preference for moving to rental housing.
- Overall, these outcomes seem to suggest that a large proportion of senior households (especially younger ones) are deciding to age in their home rather than put it on the market. As such, solutions aimed at increasing supply from existing units (by creating secondary suites or laneway homes, for example) could be increasingly considered.



## The four main themes covered in this report

Canada and many of its regions will undergo demographic shifts in the next few years. One of the most important is undeniably the strong growth in the number of elderly households.

This is a societal transformation that raises a number of questions, notably about the impacts it might have on the healthcare system and on public finances. The housing market will undoubtedly undergo a transition, as well, because of population aging.

With the nationwide housing shortage creating major affordability problems, it's becoming critical that we examine the potential effects of elderly households on housing supply and demand in Canada.

For example, if a lot of aging households move into condominiums or rental housing, the demand for those housing types could increase in the future.

It's also possible that elderly households might decide to stay in their current homes as long as possible. This would limit the number of properties they'd be putting on the resale market.

This report will examine certain behaviours of elderly households on the Canadian real estate market and in its 6 largest census metropolitan areas (CMAs): Vancouver, Edmonton, Calgary, Toronto, Ottawa and Montréal.

More specifically, we'll look at 4 main questions:

1. What proportion of elderly households are putting their home up for sale?
2. Are households moving into the condominium market as they age?
3. Are households choosing to rent as they age?
4. Are elderly households choosing to downsize when they relocate at older ages?

To answer those questions, we looked at census data from various household cohorts (see the textbox).

The answers to the questions will give us a better idea of how the housing market in this country might evolve in the coming years.

### Cohort: definition and example

For the purposes of this report, a cohort is a group of households organized by year of birth. We can track those households from census to census as they age. Certain cohorts together form a generation.

For example, the first cohort of baby boomers was born between 1947 and 1951. At the time of the 1971 census, members of those households were between 20 and 24 years old. At the next census, in 1976, they were aged between 25 and 29. And so forth, so that, at the 2021 census, they were aged between 70 and 74.

It's important to note that the results of this report do not consider whether households migrated between one part of the country and another (or between Canada and another country) over time.

In other words, the households from the cohorts we tracked as they aged aren't necessarily the same individual households. That factor, however, shouldn't influence the results very much, since migration generally declines in old age.

## Population aging: a positive but limited effect on the number of units put up for sale

In the coming years, the rise in the number of elderly households could increase the supply of properties for sale on the market.

That’s because some elderly households may sell their current property to change their living arrangements. They might, for example, decide to rent private housing or, for health reasons, move into public housing (such as a care centre for seniors). Deaths are another factor that brings properties onto the market.

To estimate the proportion of elderly households who sell their homes, we used data from consecutive censuses on the number of elderly households in a given cohort.

In 2016, for example, there were 466,775 owner households aged 75 to 79 in Canada.<sup>1</sup> Five years later, in 2021, there were only 366,275 owner households aged 80 to 84.

Therefore, from 2016 to 2021, the number of homeowners in the cohort fell by 100,500. We consider that this decrease reflects the number of Canadian households aged 75 to 79 that sold<sup>2</sup> their homes during the period.

To simplify, we ignore the fact that an elderly household may have sold their property to buy another between one census and the next.

In such cases, our method doesn’t tell whether a property was put up for sale, since the household would still have shown up as an owner on the census.

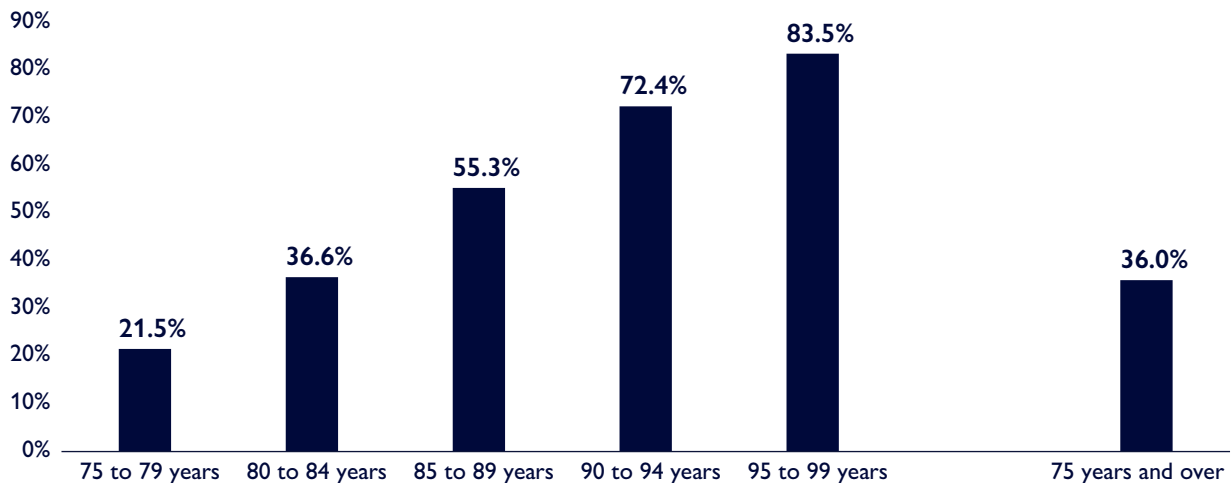
However, the impact on the results is likely minimal, since the number of people who buy properties in old age is generally quite low.

Using the census data, we calculated a sell rate for elderly owner households based on the ratio of seller households to the total number of owner households.

In the example above, 100,500 homeowners aged 75 to 79 let go of their properties between 2016 and 2021 out of an initial total of 466,775 owner households. The sell rate was therefore 21.5% (100,500 over 466,775).

Figure 1 shows the sell rate for elderly households in Canada between 2016 and 2021 by 5-year age grouping. Unsurprisingly, the rate increases with age, showing that a growing proportion of households sell their property as they age.

**Figure 1: Sell Rate (%) among elderly Canadian owner households, by age group, between 2016 and 2021**



Sources: Statistics Canada, CMHC calculations

<sup>1</sup> The vast majority of the results for Canada presented in this report reflect the situation in all of the provinces.

<sup>2</sup> Some households may also have given up their property without necessarily selling it. For example, as a gift from them to their children. To simplify the reading of this report, the term “selling” encompasses all of these different scenarios.

Indeed, among 75-to-79-year-old owner households (the youngest group here), only about 20% sold their properties. In other words, the vast majority of relatively young elderly households remain homeowners through that stage of life.

The reverse is true for the 95-to-99-year-old group, the vast majority of whom sold their property.

That result seems to indicate that the number of units sold by elderly households might increase more rapidly once population aging in Canada is more advanced. In other words, when the number of households over age 85 grows larger.

According to Statistics Canada’s demographic projections, population growth in the 85-and-over age group will be higher from 2030 to around 2040. This growth is due to the first baby boomer cohorts, which will reach this age during the period.

Furthermore, the sell rate for households aged 75 and over has been trending downward since the early 1990s (table 1). It has fallen about 6 percentage points in the last 30 years, moving from 41.6% to 36.0%. This downward trend was also observed for each 5-year age group (75 to 79, 80 to 84, etc.).

**Table 1: Sell rate (%) and change in the number of Canadian owner households aged 75 and over, selected periods**

Period	Sell rate (%)	Change in the number of owner households
1991 to 1996	41.6	-182,620
1996 to 2001	38.6	-213,625
2001 to 2006	38.2	-273,595
2006 to 2011	38.7	-330,550
2011 to 2016	37.5	-358,170
2016 to 2021	36.0	-382,270

Source: Statistics Canada, CMHC calculations

Life expectancy and quality of life are higher today, and households may also be better off financially. Market conditions at various times may also play a role.

For example, the supply shortage on the market in recent years may also be encouraging elderly households to stay in their homes due to lack of choice.

That could be why a lower percentage of elderly households in more recent cohorts seem inclined to sell their home.

In addition to the proportion of elderly owner households who have sold their property (sell rate) over the last 30 years, table 1 also shows how the number of owner households aged 75 and over evolved during this period.

For example, from 1996 to 2001, 38.6% of owner households aged 75 and over sold their property, which corresponds to around 213,600 households. This could also be seen as the number of units put up for sale on the Canadian real estate market by elderly households over time.

It might at first appear counterintuitive that the supply of units for sale increased over the last 30 years even though the sell rate fell.

The apparent contradiction is due to steady increases in the number of Canadian households that have become homeowners since the 1990s. As a result, despite the shrinking proportion of elderly households that decide to give up their property, the number of seller households continues to increase in absolute terms.

Overall, these results indicate that population aging may be affecting the number of units listed on the market, but that the impact remains limited for the time being, particularly for the youngest of the elderly households.

In short, if sell rates hold steady in the future, we’ll need to wait until the aging of the Canadian population is more advanced before we see a truly significant proportion of elderly households list their properties for sale.

The next section looks at the same data from a more regional perspective.

## Ontario and British Columbia: sell rates slightly lower than elsewhere

In this section, we break down our findings by province instead of by major metropolitan area. Given the significant changes in CMA boundaries in the last 30 years, it would have been impossible, with the data available, to work out results for major urban centres over that period.

Sell rates in the 4 largest Canadian provinces (where the country’s 6 largest CMAs are located) have generally been declining over the last 30 years<sup>3</sup> (table 2).

<sup>3</sup> Just like for data for Canada as a whole, this downward trend applies to each 5-year age group (75 to 79 years, 80 to 84 years, etc.) in the selected provinces.

**Table 2: Sell rate (%) among Canadian owner households aged 75 and over, selected periods and provinces**

Period	British Columbia	Alberta	Ontario	Québec
1991 to 1996	36.8	39.7	41.1	46.4
1996 to 2001	34.3	38.8	38.4	40.8
2001 to 2006	36.0	36.0	37.1	40.5
2006 to 2011	37.2	38.6	36.2	41.5
2011 to 2016	36.5	37.5	35.9	39.0
2016 to 2021	33.9	35.0	34.1	39.1

Source: Statistics Canada, CMHC calculations

Sell rates were generally higher in Québec than in the other selected provinces.

A closer look at the 2016-to-2021 data also shows that:

- Québec's sell rates have been significantly higher than elsewhere for households aged 75 to 84;
- that difference declines as we look at older and older age groups; and
- sell rates in the other provinces even move slightly past Québec's in the 90-and-over age group.

The higher proportion of sellers in Québec in the under-85 age group may in part be associated with the fact that there are more rental units and seniors' residences in Québec.

The availability of rental units that meet their needs may make elderly Québec households more inclined to sell their home.

In Ontario and British Columbia, meanwhile, condominiums have a larger presence. This may explain the lower sell rate among elderly households in those provinces, since, if they move into condominiums, seniors remain homeowners as they age.

Condominium ownership among elderly households is discussed in the next section.

## Elderly households moving to condominiums: it happens, but to a limited extent

Some households may decide to move into condominiums as they get older. These units generally have less living space than houses and need less maintenance.

To check whether this phenomenon occurs, we used 2011<sup>4</sup> and 2021 census data on the proportion of elderly owner households (within the same cohort) whose primary residence was a condominium.

In 2011, for example, out of all owner households in Canada in the 65-to-69 age group:

- 12.3% had a condominium
- The remaining 87.7% had a single-family house, income property or other dwelling type

Ten years later, in 2021, out of the households in that same cohort (aged 75 to 79 at that point):

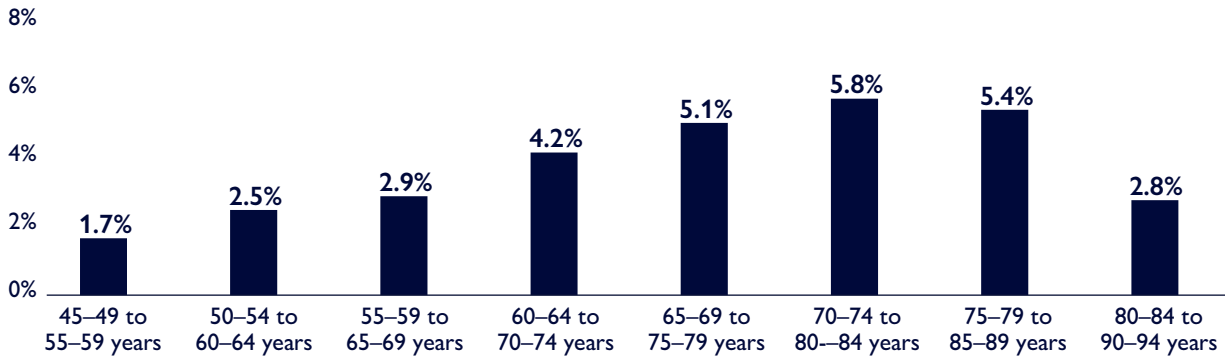
- 17.4% had a condominium
- The remaining 82.6% had a single-family house, income property or other dwelling type

As we can see, the proportion of condominium-owner households in this cohort increased by 5.1 percentage points (rising from 12.3% to 17.4%) from 2011 to 2021. And, of course, the proportion owning other dwelling types fell by the same amount (5.1 percentage points).

Figure 2 shows the change in the proportion of condominium-owner households for different age groups in their fifties and older from 2011 to 2021. Figure 3 shows the trend among younger households.

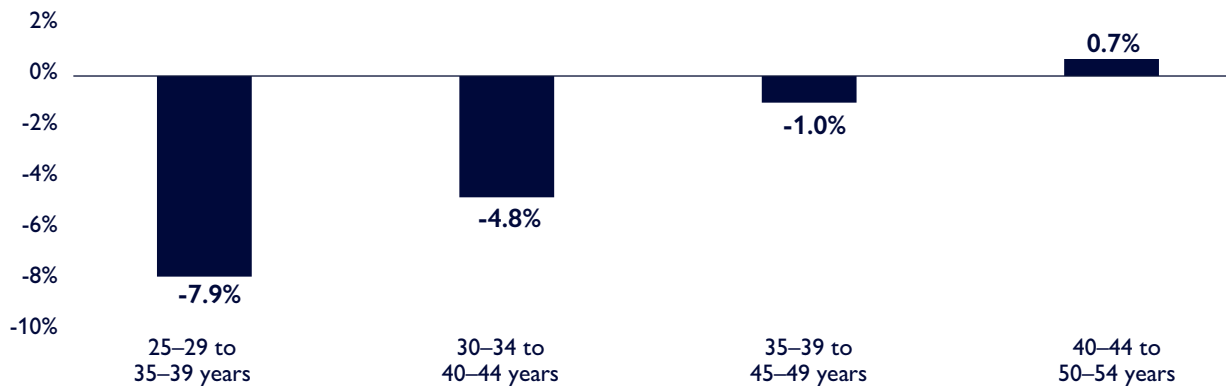
<sup>4</sup> The data for 2011 is actually from the National Household Survey, not the census.

**Figure 2: Change (% points) in the proportion of Canadian owner households whose home is a condominium, selected age groups, between 2011 and 2021**



Sources: Statistics Canada, CMHC calculations

**Figure 3: Change (% points) in the proportion of Canadian owner households whose home is a condominium, selected age groups, between 2011 and 2021**



Sources: Statistics Canada, CMHC calculations

The data show that, starting at about 50 years old:

- the proportion of condominium-owner households rises with age; and
- this trend accelerates slightly up to about the age of 85.

Unsurprisingly, the proportion of condominium owners declines among younger owner households aged 30 to 40 or so—such households tend to own other dwelling types.

These households are at the time of life when families tend to get bigger. Condominiums, which often have less living space than other dwelling types, may be less attractive to households in this age group.

These results therefore suggest that condominiums become more attractive to Canadian owner households as they get older. This being said, the movement toward condominiums seems limited, since the proportion of condominium owners rises only a few percentage points over 10 years.<sup>5</sup>

<sup>5</sup> This data may not only include households that moved from single-family homes into condominiums, but also renter households that, as they got older, decided to buy a condominium, which could affect the results above. However, since homeownership rates are already relatively high for elderly households (most won't be first-time buyers), there shouldn't be much of an impact.



Table 3 analyzes the change in absolute numbers of condominium-owner households between 2011 and 2021, rather than looking at proportions (figures 2 and 3). We also analyze this variation for all owner households, whether they own a condominium or another dwelling type.

As table 3 shows, the number of owner households of all dwelling types starts to decline when households are in their fifties. The number of households who own condominiums, however, increases (until households reach an advanced age).

**Table 3: Change in the number of Canadian owner households, selected age groups, between 2011 and 2021**

Age groups, from 2011 to 2021	Change in the total number of owner households between 2011 and 2021	Change in the number of owner households whose home is a condominium, between 2011 and 2021
50–54 to 60–64 years	-15,950	26,940
55–59 to 65–69 years	-50,365	23,775
60–64 to 70–74 years	-92,415	24,665
65–69 to 75–79 years	-131,060	12,700
70–74 to 80–84 years	-164,330	-1,950
75–79 to 85–89 years	-222,170	-24,595
80–84 to 90–94 years	-225,485	-41,565

Source: Statistics Canada, CMHC calculations

The figures for households in the group that was 70 to 74 in 2011 and 80 to 84 in 2021 are noteworthy. While the total number of owner households fell by 164,330 over the period, the number of condominium owners barely changed (falling by only 1,950).

We know that, in 2011, 14% of owner households aged 70 to 74 owned condominiums. The remaining 86% of owner households from this age group, the vast majority, owned other types of housing.

Given these numbers, it's easy to conclude that the drop in the number of owner households in this age group from 2011 to 2021 (-164,330) is mainly the result of households that sold their houses.

We see the same trend in older age groups, though to a lesser extent. So, it seems that condominiums may better meet the needs of elderly households as they age. Indeed, the number of owner households decreases less in the condominium category than it does in other categories, such as single-family houses.

The decrease in owner households for other housing types could be caused by condominium purchases (as this section shows) or by a move into rental units (which will be addressed in the next section).

Note too that deaths may occur in elderly households. Some households may also have to move into public housing.

The move to condominiums is observed among aging households, but nonetheless seems limited on the national level. Indeed, between 2011 and 2021, for households aged 50 to 69 at the beginning of the period and 60 to 79 at the end, the net increase in condominium-owner households in Canada was about 88,000<sup>6</sup> (table 3).

The increase of 88,000 condominium-owner households over 10 years translates to an annual average of just 8,800. That hardly seems like a signal that elderly Canadian households are stampeding into the condominium market.

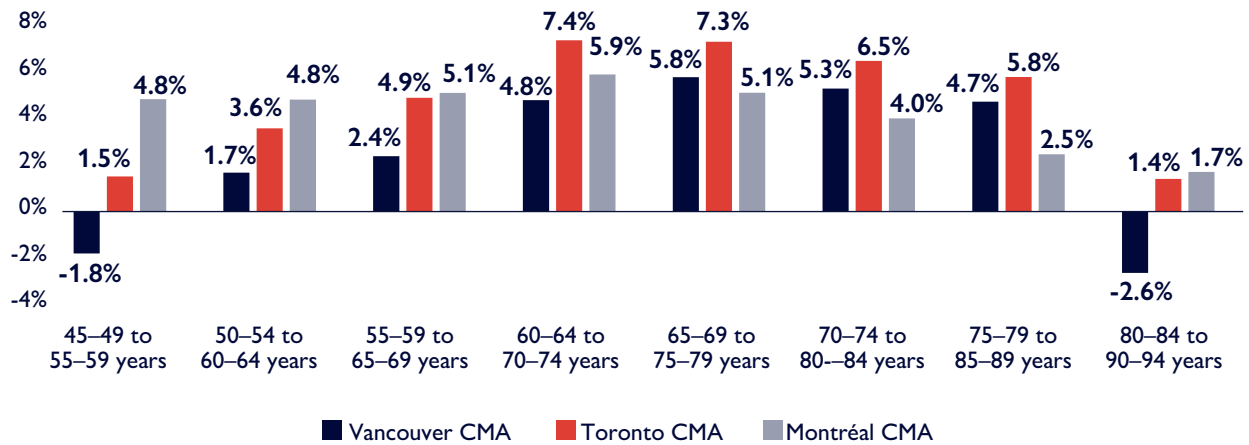
The next section will look at the same data in the country's 6 largest metropolitan areas.

## Movement of aging households to condominiums: a bit higher in Vancouver and Toronto than in Montréal

Among the country's 3 largest metropolitan areas, there are some small differences in how the proportions of condominium-owner households changed between 2011 and 2021 (figure 4). For the group aged about 50 to 65, the proportion increased slightly more in Montréal than in Toronto and Vancouver.

<sup>6</sup> The sum of the figures in the last column of table 3: 26,940, 23,775, 24,665 and 12,700.

**Figure 4: Change (% points) in the proportion of owner households whose home is a condominium, selected age groups and CMAs, between 2011 and 2021**



Sources: Statistics Canada, CMHC calculations

But as we move into the older age groups, Toronto pulls into the lead, followed by Vancouver.

The explanation might be that households in Toronto and Vancouver are more attracted to condominiums as they age, while Montréal households prefer the rental market.

CMA differences in the availability of the 2 dwelling types (Montréal with more rental apartments than condominiums, the reverse in Toronto and Vancouver) might also contribute to that result.

The movement to condominiums as households age is also higher in Calgary and Edmonton in the more advanced age groups (table 4). The smallest changes were observed in Ottawa.

**Table 4: Change (% points) in the proportion of Canadian owner households whose home is a condominium, selected age groups, between 2011 and 2021**

Age groups, from 2011 to 2021	Vancouver	Edmonton	Calgary	Toronto	Ottawa	Montréal
45–49 to 55–59 years	-1.8	2.8	2.6	1.5	1.1	4.8
50–54 to 60–64 years	1.7	3.3	4.4	3.6	1.3	4.8
55–59 to 65–69 years	2.4	3.0	5.9	4.9	1.7	5.1
60–64 to 70–74 years	4.8	5.7	5.6	7.4	3.5	5.9
65–69 to 75–79 years	5.8	6.5	5.9	7.3	2.7	5.1
70–74 to 80–84 years	5.3	7.0	6.6	6.5	0.4	4.0
75–79 to 85–89 years	4.7	4.2	5.1	5.8	1.8	2.5
80–84 to 90–94 years	-2.6	4.2	0.5	1.4	-3.8	1.7

Source: Statistics Canada, CMHC calculations

In the next section, we'll see if the smaller changes in Ottawa might, as in Montréal, be the sign of a greater willingness on the part of elderly households there to move to the rental market.

If not, it may be that condominiums simply aren't a popular dwelling type among elderly households in the Ottawa CMA.

## A later and less enthusiastic return to the rental market for more recent cohorts of elderly Canadian households

In the life cycle of households on the housing market, renting as a tenure type declines rapidly in early adulthood, then starts to rise again when households become elderly. That means that some elderly households go back to being renters after having been homeowners.

It's important to mention that, in this report, the rental rate includes all housing types. It includes, for example, both purpose-built rental apartments and condominiums that are rented out.

The life cycle of households on the housing market set out above appears to be the same for all cohorts of households born in the last 100 years (see figure A in the appendix).

However, the renter rate can be higher or lower in different cohorts: the proportion of renters in the more recent – in other words, younger – cohorts is generally lower than in the cohorts that came before them.

Table 5 shows changes in renter rates for different cohorts after they reach their fifties.

**Table 5: Change (% points) in the proportion of renters among Canadian households by 5-year period, selected cohorts and age groups**

Birth cohort	Age group								
	50–54 to 55–59 years	55–59 to 60–64 years	60–64 to 65–69 years	65–69 to 70–74 years	70–74 to 75–79 years	75–79 to 80–84 years	80–84 to 85–89 years	85–89 to 90–94 years	90–94 to 95–99 years
1967–1971	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1962–1966	-0.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1957–1961	-0.1	0.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1952–1956	-0.4	0.2	1.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1947–1951	-2.0	0.5	0.6	1.8	n.a.	n.a.	n.a.	n.a.	n.a.
1942–1946	-1.6	-0.8	0.8	0.9	2.4	n.a.	n.a.	n.a.	n.a.
1937–1941	-0.3	-0.8	0.1	1.6	1.0	3.1	n.a.	n.a.	n.a.
1932–1936	-0.1	0.0	-0.1	1.2	1.8	1.1	3.1	n.a.	n.a.
1927–1931	-0.2	0.8	0.5	0.5	1.8	2.3	0.5	2.5	n.a.
1922–1926	-0.4	0.8	1.4	0.9	1.1	2.9	0.7	-0.1	1.6
1917–1921	-0.2	0.7	1.4	2.8	1.3	1.8	3.7	-2.3	0.3

n.a.: not applicable

Source: Statistics Canada, CMHC calculations

Take, for example, the oldest household cohort, whose members were born from 1917 to 1921. At the time these households were aged 55 to 59, their renter rate had decreased slightly — by 0.2 percentage points — from where it had been 5 years earlier (when they were aged 50 to 54).

Some households had probably transitioned to homeownership in that time, as evidenced by the declining proportion of renters.

However, when the households in that cohort reached the ages of 60 to 64, the renter rate increased by 0.7 percentage points. That's a sign that a return to the rental market was underway for some households in that cohort.

The rising renter rate continues for practically as long as households in this cohort keep aging.

However, the results for households born from 1917 to 1921 don't hold true for all cohorts. The 3 cohorts born between 1932 and 1946, for example, had stable or falling renter rates from the time they were aged 55 to 59 to the time they were 60 to 64.

The return to the rental market for those cohorts only started slightly later, in their mid-sixties or around the age of 70, depending on the cohort. Their shift to the rental market was also less pronounced than for their predecessors.

For the household cohort born from 1932 to 1936, for example, the rental rate increased by 2.9 percentage points in the 20 years they took getting from ages 55 to 59 to ages 75 to 79 (table 6).

**Table 6: Change (% points) in the proportion of renters when Canadian households move from age group 55–59 to 75–79, selected cohorts**

Birth cohort	Change (% points) in the proportion of renters when households move from age group 55–59 to 75–79
1942–1946	3.5
1937–1941	1.9
1932–1936	2.9
1927–1931	3.5
1922–1926	4.3
1917–1921	6.2

Source: Statistics Canada, CMHC calculations

We see a similar increase for the cohort born from 1937 to 1941 and the one born from 1942 to 1946 (1.9 and 3.5 percentage points). By way of comparison, the increase among households born from 1917 to 1921 was 6.2 percentage points.

Interestingly, for cohorts that are right now entering their sixties (baby boomers), the results are different.

Indeed, the proportions of renter households in baby boomer cohorts are starting to increase earlier than they did for older households born from 1932 to 1946.

For the cohort born from 1947 to 1951, for example, the proportion of renters increased by 0.5 percentage points from the time the cohort’s members were aged 55 to 59 to the time they were aged 60 to 64 (table 5). In the 3 preceding cohorts, the renter rates were either stable or declining.

The same trend is observed among baby boomers born in the 1952-to-1956 and 1957-to-1961 periods.

It may be that eroding affordability in many parts of the country over the last 20 years got in the way of homeownership for households that were still renting in their fifties.

In other words, unlike preceding cohorts, these households continued to rent instead of buying, which pushed the renter rate up.

It will be interesting to see how the renter rates of baby boomers and their successor cohorts develop in the coming censuses. Then we’ll be able to confirm whether the increase in renter rates has been a temporary phenomenon or an indicator of a real shift in the market.

In sum, across Canada, the increase in renter rates in cohorts that are a little more recent tends to occur later and is less pronounced.

Here are some potential reasons for that:

- People are living longer, healthier lives than previously, which could reduce the need for downsizing to lessen the burden of maintenance.
- Households in more recent cohorts have more money than their predecessors; they’re less likely to have to sell their property to provide for themselves in their old age.
- Homeowners have a wider range of housing types to choose from, including condominiums, than before, particularly in urban centres.

The next section will analyze the same type of data for the country’s 6 largest metropolitan areas.

## Changes in the proportion of elderly households who rent: some differences between Canada as a whole and its 6 largest CMAs

We find that many CMAs generally tend to mirror national results:

- The increase in renter rates tends to occur later and is less pronounced in cohorts that are a little more recent.
- Among baby boomers, the increase in renter rates is happening slightly earlier again.

But there are also differences between CMAs and between them and Canada as a whole.

To make it easier to compare results, we can eliminate some of the cohorts. Specifically, we’ll look at the data for the following 4: 1917–1921, 1927–1931, 1937–1941 and 1947–1951.

We'll look at the changes in renter household proportions for the 4 cohorts as they move from the 55-to-59 to the 75-to-79 age group. This will cover a 20-year period (changes for the 1947-to-1951 birth cohort are only available over a 15-year period).

The results for each cohort are provided in table 7. National results (from table 6) are included for comparison purposes.

**Table 7: Change (% points) in the proportion of renters when households move from age group 55–59 to 75–79, selected cohorts and CMAs**

Metropolitan area	1917–1921 cohort	1927–1931 cohort	1937–1941 cohort	1947–1951 cohort*
Montréal	2.8	1.7	0.9	3.6
Toronto	4.1	0.1	-2.8	2.6
Vancouver	0.9	-4.0	-3.2	0.0
Ottawa**	3.6	-0.2	2.0	3.1
Edmonton	4.1	1.5	-3.7	0.8
Calgary	4.8	-1.4	-3.7	1.8
Canada	6.2	3.5	1.9	3.0

\* For this cohort, the change is calculated for households moving from age group 55–59 to 70–74. In the 2021 Census, households in this cohort had not yet reached the 75–79-year age group.

\*\* Includes the Québec portion of the Ottawa-Gatineau CMA.

Source: Statistics Canada, CMHC calculations

By analyzing the previous table, we note the following:

- The increase in renter household rates as cohorts age is generally stronger in Montréal and Ottawa<sup>7</sup> than in the other CMAs.
- Vancouver is the CMA where households are the least inclined to move into the rental market as they get older.
- The increase in renter rates is often higher nationally than in many of the country's biggest CMAs. In some CMAs, the proportion of renters declines as households age, whereas it increases for Canada as a whole.

This last finding is particularly notable, indicating that results at the national level are not necessarily driven by what we find in the country's 6 biggest CMAs.

National results tend not to be driven by the data from Québec either. Given the amount of rental housing in the Montréal area and in Québec as a whole, we would expect the province's results to weigh heavily in the national results. But that's not the case: there's little change in Canadian results if Québec is excluded from the calculations.

In certain provinces, we see that the age-related increase in the proportion of renters is higher outside the largest CMAs.

That's what we see if we compare, for example, the data for Canada with that of Toronto and with that of Ontario excluding Toronto. Indeed, table 7 shows that, in Toronto, the age-related increase in the proportion of renters is lower than it is in Canada overall.

But if we compare the increase using Ontario minus the Toronto CMA, it turns out to be higher than the increase in Canada overall.

The age-related shift to the rental market is thus a generalized phenomenon in Canada, but it appears to be concentrated outside certain big cities.

It could be that the availability of other dwelling types, such as condominiums, in certain major urban centres reduced this transition to the rental market. In Canada, the financial wealth of elderly households may also vary from one urban centre to another. Affluent households may therefore be able to remain homeowners and purchase a home that meets their needs, rather than rent one.

In recent years, the level of purpose-built rental construction has been very high in certain urban centres. This was much less the case in other centres across the country, however, which may have limited the return to the rental market for aging elderly households.

<sup>7</sup> Here, the Ottawa area includes the Gatineau area as well.



With only rental apartments built many decades back to choose from, some elderly households may have preferred to stay put.

All in all, while the return to the rental market is slightly less pronounced than before, the different elderly household cohorts do transition to rental housing as they age. The entry of the massive baby boomer cohorts into this stage of their lives, which is already taking place, should sustain demand for rental housing in the coming years. This will, in turn, maintain pressure on the rental market.

At this stage of our analysis, we found that some households may be opting for condominium or rental housing as they get older. In the next section, we look at the data to find out if elderly Canadian households have a tendency to downsize.

## Downsizing with age: a limited trend

The results in the preceding sections suggest that some elderly households may decide to move into smaller homes as they age.<sup>8</sup>

The reasons might include children leaving the family home as well as the inability to maintain a larger property.

To find out whether such a trend exists, we looked at the proportion of households in the same cohort living in 1-, 2-, 3- and 4+ bedroom homes<sup>9</sup> at the time of the 2011<sup>10</sup> and 2021 censuses. We included both owner and renter households.

Table 8 shows the proportion of households in homes of different sizes as a share of Canadian households aged 50 to 54 in 2011 and then 60 to 64 in 2021 (10 years later).

**Table 8: Proportion (%) of Canadian households aged 50 to 54 in 2011 and 60 to 64 in 2021, by unit size**

Unit size	2011	2021	Change (% points) between 2011 and 2021
0 bedroom	0.9	0.7	-0.2
1 bedroom	10.1	12.1	2.0
2 bedrooms	21.1	24.6	3.5
3 bedrooms	37.3	35.4	-1.9
4 or more bedrooms	30.6	27.2	-3.4

Source: Statistics Canada, CMHC calculations

The data shows that the proportion of this cohort living in homes with 3 or more bedrooms declined by 5.3 percentage points from 2011 to 2021. The biggest drop is seen in the biggest homes, those with 4 or more bedrooms (-3.4 percentage points).

The biggest increases, meanwhile, were in the 1-bedroom and 2-bedroom categories.

To compare the changes by age group, figures 5 and 6 show the changes in the share of households in selected birth cohorts living in units with 3 or more bedrooms from 2011 to 2021.

The data show that, starting at the age of 50:

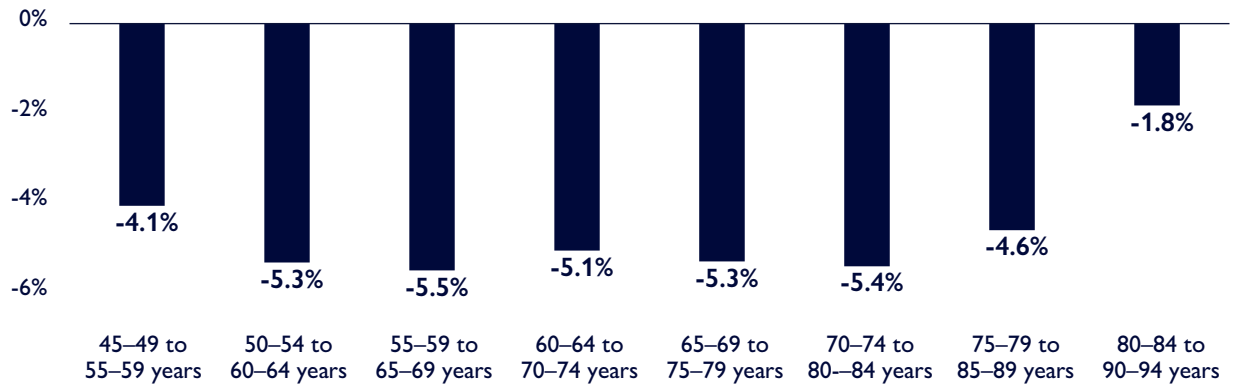
- the proportion of households living in homes with at least 3 bedrooms declines with household age; and
- the proportion falls by about 5 percentage points in each age group (figure 5).

<sup>8</sup> A household could also move from a bigger single-family house to a smaller one.

<sup>9</sup> We used the number of bedrooms to quantify the trend because we did not have data on floor space.

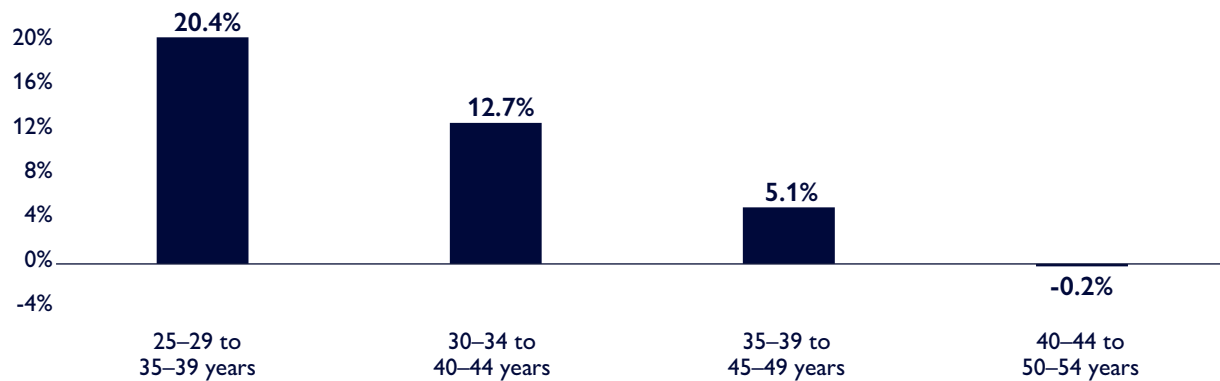
<sup>10</sup> The data for 2011 is actually from the National Household Survey, not the census.

**Figure 5: Change (% points) in the proportion of Canadian households living in units with 3 or more bedrooms, selected age groups, between 2011 and 2021**



Sources: Statistics Canada, CMHC calculations

**Figure 6: Change (% points) in the proportion of Canadian households living in units with 3 or more bedrooms, selected age groups, between 2011 and 2021**



Sources: Statistics Canada, CMHC calculations

Unsurprisingly, the opposite is true for younger households aged 30 to 45 or thereabouts: the proportion living in large homes increases.

As we mentioned in previous sections, this is often the time of life when households get bigger, making smaller homes less attractive to this age group.

The above results therefore confirm that smaller homes do become a more frequent choice for Canadian households as they get older.

The trend does however seem limited, since the proportion of households occupying smaller units rises by only a few percentage points over the 10-year period.

Rather than analyzing the change in only the proportion of elderly households that opted for smaller dwellings between 2011 and 2021 (figure 6), table 9 also analyzes this change, but looks at the absolute number of households.

**Table 9: Change (% points and absolute number) in the number of Canadian households living in units with 3 or more bedrooms, selected age groups, between 2011 and 2021**

Age groups, from 2011 to 2021	Change (% points)	Change (absolute number)
45–49 to 55–59 years	-4.1	-35,775
50–54 to 60–64 years	-5.3	-90,510
55–59 to 65–69 years	-5.5	-100,375
60–64 to 70–74 years	-5.1	-108,740
65–69 to 75–79 years	-5.3	-122,080
70–74 to 80–84 years	-5.4	-133,945
75–79 to 85–89 years	-4.6	-165,445
80–84 to 90–94 years	-1.8	-156,515

Source: Statistics Canada, CMHC calculations

Indeed, we see that decreasing numbers of households move into relatively large dwellings as they age.

Some 913,000 Canadian households between 45 and 84 years of age (the sum of the last column of table 9) moved from large homes to smaller ones from 2011 to 2021. That's an average of 91,300 households per year.

For comparison, a little over 5 million Canadian households aged 45 to 84 lived in a dwelling with 3 or more bedrooms in 2011—and therefore could have downsized.

Therefore, we see that downsizing is a trend as households age, but it remains confined to a minority of elderly households in Canada. This finding seems consistent with what we saw earlier in this report: any movement toward condominiums and rental housing is also limited.

If we differentiate between owners and renters, new things come to light. For example, the proportion of households with a dwelling of 4 or more bedrooms generally decreased more among owners than renters. For renters, this decline was greater among households with 3-bedroom dwellings.

Likewise, the proportion of households in 1-bedroom units increased more, in general, among renters than it did among owners from 2011 to 2021. For 2-bedroom units, it was the other way around.

These differences make sense, given that most owners live in bigger units than renters do.

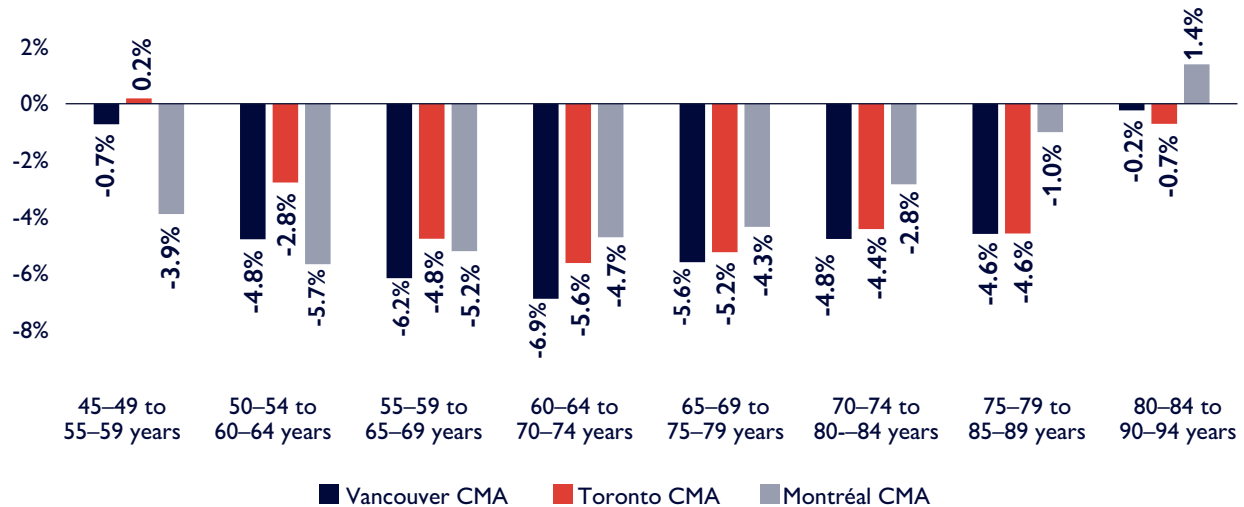
The next section will analyze the same data for the country's 6 largest metropolitan areas.

## Trend of elderly households moving to smaller dwellings: a little stronger in Toronto and Vancouver than elsewhere

There are small differences between the country's 3 biggest metropolitan areas in how the proportions of households living in units with 3 or more bedrooms changed from 2011 to 2021 (figure 7).

In the groups aged approximately 50 to 65 years, the proportions changed more in Montréal than they did in Toronto and Vancouver. This finding seems consistent with the preceding sections, where we found that Montréal households of that age were more inclined to opt for rental or condominium housing.

**Figure 7: Change (% points) in the proportion of households living in units with 3 or more bedrooms, selected age groups and CMAs, between 2011 and 2021**



Sources: Statistics Canada, CMHC calculations

Among the oldest households, however, the tendency to move into smaller housing units is a bit stronger in Vancouver and Toronto than in Montréal. That too seems consistent with the preceding results—that the movement into condominium housing at those ages was more a feature of Vancouver and Toronto than of Montréal.

The tendency to move into smaller units with age is also strong in Calgary and Edmonton in the more advanced age groups (table 10). Note that, in Calgary and Edmonton, as well as in Toronto and Vancouver, the movement to condominiums was more frequent in these groups.

**Table 10: Change (% points) in the proportion of Canadian households living in units with 3 or more bedrooms, selected age groups and CMAs, between 2011 and 2021**

Age groups, from 2011 to 2021	Vancouver	Edmonton	Calgary	Toronto	Ottawa	Montréal
45–49 to 55–59 years	-0.7	-3.0	-2.8	0.2	-1.8	-3.9
50–54 to 60–64 years	-4.8	-3.8	-6.1	-2.8	-3.2	-5.7
55–59 to 65–69 years	-6.2	-4.3	-6.5	-4.8	-5.8	-5.2
60–64 to 70–74 years	-6.9	-6.2	-6.8	-5.6	-6.0	-4.7
65–69 to 75–79 years	-5.6	-7.2	-7.0	-5.2	-5.0	-4.3
70–74 to 80–84 years	-4.8	-7.8	-7.6	-4.4	-5.7	-2.8
75–79 to 85–89 years	-4.6	-5.4	-3.2	-4.6	-3.6	-1.0
80–84 to 90–94 years	-0.2	-5.9	-0.9	-0.7	-1.2	1.4

Source: Statistics Canada, CMHC calculations

In Ottawa, the transition to the rental market would explain the downsizing as households get older.

# Conclusion

In the coming years, Canada will experience a number of demographic changes. The housing market will undoubtedly undergo a transition as well.

The findings in this report show that the housing preferences of Canadian households change as they age. Indeed, as they get older, more and more households choose to move into a condominium, to rent a home, and sometimes to downsize their living space. However, these trends remain rather limited in scope for the time being.

What's more, the proportion of older Canadian households that sell their property as they age is high only in relatively advanced age groups. It will therefore take another few years to see a truly significant proportion of elderly households list their properties for sale.

In other words, these outcomes seem to suggest that a large proportion of senior households (especially younger ones) are deciding to age in their home rather than put it on the market.

As such, solutions aimed at increasing supply from existing units (by creating secondary suites or laneway homes, for example) could be increasingly considered.

The big question is whether, in the coming decades, elderly households will follow in the footsteps of previous generations or go their own way.

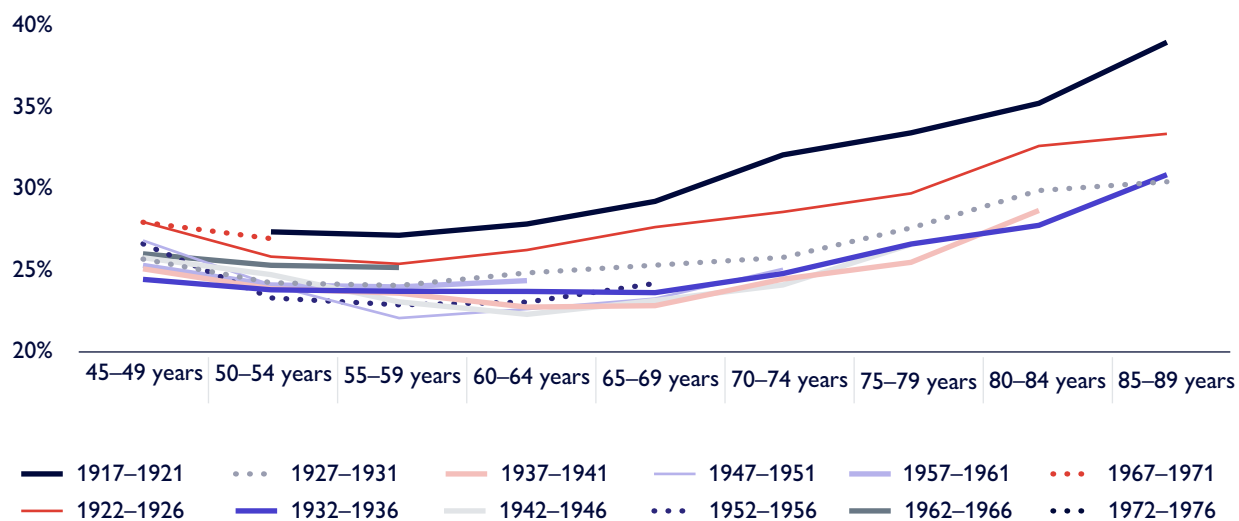
For example, will aging in place become more popular with seniors? Will the recent rise in rental housing starts in various CMAs across the country encourage more senior households to opt for renting?

These are just a few examples of the many questions we have. The answers will reveal the trends that will shape the housing market and give us a better idea of how to restore affordability in Canada.



# Appendix

Figure A: Proportion (%) of Canadian households that are renters, selected cohorts and age groups



Sources: Statistics Canada, CMHC calculations

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# Alternative text and data for figures

Figure 1: Sell rate (%) among elderly Canadian owner households, by age group, between 2016 and 2021

Period	Sell rate (%) among elderly Canadian owner households by age group between 2016 and 2021
75 to 79 years	21.5
80 to 84 years	36.6
85 to 89 years	55.3
90 to 94 years	72.4
95 to 99 years	83.5
75 years and over	36.0

Sources: Statistics Canada, CMHC calculations

Figure 2: Change (% points) in the proportion of Canadian owner households whose home is a condominium, selected age groups, between 2011 and 2021

Age groups, from 2011 to 2021	Change (% points) in the proportion of Canadian condominium owner households, selected age groups, between 2011 and 2021
45–49 to 55–59 years	1.7
50–54 to 60–64 years	2.5
55–59 to 65–69 years	2.9
60–64 to 70–74 years	4.2
65–69 to 75–79 years	5.1
70–74 to 80–84 years	5.8
75–79 to 85–89 years	5.4
80–84 to 90–94 years	2.8

Sources: Statistics Canada, CMHC calculations

Figure 3: Change (% points) in the proportion of Canadian owner households whose home is a condominium, selected age groups, between 2011 and 2021

Age groups, from 2011 to 2021	Change (% points) in the proportion of Canadian condominium owner households, selected age groups, between 2011 and 2021
25–29 to 35–39 years	-7.9
30–34 to 40–44 years	-4.8
35–39 to 45–49 years	-1.0
40–44 to 50–54 years	0.7

Sources: Statistics Canada, CMHC calculations

**Figure 4: Change (% points) in the proportion of owner households whose home is a condominium, selected age groups and CMAs, between 2011 and 2021**

Age groups, from 2011 to 2021	Vancouver CMA	Toronto CMA	Montréal CMA
45–49 to 55–59 years	-1.8	1.5	4.8
50–54 to 60–64 years	1.7	3.6	4.8
55–59 to 65–69 years	2.4	4.9	5.1
60–64 to 70–74 years	4.8	7.4	5.9
65–69 to 75–79 years	5.8	7.3	5.1
70–74 to 80–84 years	5.3	6.5	4.0
75–79 to 85–89 years	4.7	5.8	2.5
80–84 to 90–94 years	-2.6	1.4	1.7

Sources: Statistics Canada, CMHC calculations

**Figure 5: Change (% points) in the proportion of Canadian households living in units with 3 or more bedrooms, selected age groups, between 2011 and 2021**

Age groups, from 2011 to 2021	Change (% points) in the proportion of Canadian households living in units with 3 or more bedrooms, selected age groups, between 2011 and 2021
45–49 to 55–59 years	-4.1
50–54 to 60–64 years	-5.3
55–59 to 65–69 years	-5.5
60–64 to 70–74 years	-5.1
65–69 to 75–79 years	-5.3
70–74 to 80–84 years	-5.4
75–79 to 85–89 years	-4.6
80–84 to 90–94 years	-1.8

Sources: Statistics Canada, CMHC calculations

**Figure 6: Change (% points) in the proportion of Canadian households living in units with 3 or more bedrooms, selected age groups, between 2011 and 2021**

Age groups, from 2011 to 2021	Change (% points) in the proportion of Canadian households living in units with 3 or more bedrooms, selected age groups, between 2011 and 2021
25–29 to 35–39 years	20.4
30–34 to 40–44 years	12.7
35–39 to 45–49 years	5.1
40–44 to 50–54 years	-0.2

Sources: Statistics Canada, CMHC calculations

**Figure 7: Change (% points) in the proportion of households living in units with 3 or more bedrooms, selected age groups and CMAs, between 2011 and 2021**

Age groups, from 2011 to 2021	Vancouver CMA	Toronto CMA	Montréal CMA
45–49 to 55–59 years	-0.7	0.2	-3.9
50–54 to 60–64 years	-4.8	-2.8	-5.7
55–59 to 65–69 years	-6.2	-4.8	-5.2
60–64 to 70–74 years	-6.9	-5.6	-4.7
65–69 to 75–79 years	-5.6	-5.2	-4.3
70–74 to 80–84 years	-4.8	-4.4	-2.8
75–79 to 85–89 years	-4.6	-4.6	-1.0
80–84 to 90–94 years	-0.2	-0.7	1.4

Sources: Statistics Canada, CMHC calculations

## Appendix

**Figure A: Proportion (%) of Canadian households that are renters, selected cohorts and age groups**

Cohort	45–49 years	50–54 years	55–59 years	60–64 years	65–69 years	70–74 years	75–79 years	80–84 years	85–89 years
1972–1976	29.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1967–1971	27.8	26.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1962–1966	25.9	25.2	25.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1957–1961	25.2	24.0	23.9	24.3	n.a.	n.a.	n.a.	n.a.	n.a.
1952–1956	26.5	23.2	22.8	23.0	24.1	n.a.	n.a.	n.a.	n.a.
1947–1951	26.7	24.0	22.0	22.5	23.2	25.0	n.a.	n.a.	n.a.
1942–1946	25.7	24.6	23.0	22.2	23.1	24.0	26.5	n.a.	n.a.
1937–1941	25.0	23.8	23.5	22.7	22.8	24.4	25.4	28.5	n.a.
1932–1936	24.3	23.7	23.6	23.6	23.5	24.7	26.5	27.6	30.7
1927–1931	25.6	24.1	24.0	24.7	25.2	25.7	27.5	29.7	30.2
1922–1926	27.8	25.7	25.3	26.1	27.5	28.4	29.5	32.4	33.1
1917–1921	n/a	27.2	27.0	27.7	29.1	31.9	33.2	35.0	38.7

n.a.: not applicable; n/a: not available

Sources: Statistics Canada, CMHC calculations