

# CANADA: 2006 Census: Changing patterns in Canadian homeownership and shelter costs



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**In 2006, Canada's homeownership rate reached its highest level since 1971, according to a new detailed analysis of data on housing, homeownership and shelter costs from the 2006 Census.**

At the same time, the percentage of households spending 30% or more of their incomes on shelter, a measurement of housing affordability developed by the Canada Mortgage and Housing Corporation (CMHC) and the provinces, increased slightly. Most of this increase was for homeowners with mortgages as opposed to renters or mortgage-free owners.

Of the 12.4 million households in Canada, more than 8.5 million, **over two-thirds (68.4%) owned their home**, the highest rate since 1971. At the same time, the proportion of Canadian **households that rented their home slipped from 33.8% in 2001 to 31.2% in 2006**. About 3.9 million households rented their home in 2006.

The increase during the five-year period continues the long-term trend in rising homeownership that picked up in 1991 after a period of low growth during the 1980s.

In 2006, an estimated 3.0 million households, or 24.9% of the total, spent 30% or more of their income on shelter, a slight gain from 2001. Among homeowners with mortgages, the proportion was 25.7%, up from 23.6% in 2001. Some of these households may have chosen to spend more than 30% on housing, but the census does not provide information on intentions.

Households in the Atlantic provinces continued to have the highest homeownership rates in the country in 2006. Those in Newfoundland and Labrador had the highest rate, 78.7%. Households in Quebec had the lowest provincial rate at 60.1%.

Census data also showed that the median selling price Canadian homeowners (excluding farms and Indian reserves) would expect to receive for their dwellings rose from \$134,240 in 2001 to \$200,474 in 2006, a 49.3% increase. Over the same period, consumer prices as measured by the Consumer Price Index increased by 11.3%.

## **More homeowners with a mortgage**

Nearly 6 out of every 10 households that owned their home had a mortgage in 2006.

Of the 8.4 million households that owned their dwelling in 2006, 4.9 million, or 57.9%, had a mortgage, the highest level since 1981 when baby boomers were entering the housing market. This was an increase from 55.2% in 2001. At the same time, the proportion without a mortgage fell from 44.8% in 2001 to 42.1% in 2006.

Most of the increase in the proportion of households with a mortgage was due to renters moving into homeownership, but some can only be accounted for by homeowners taking on new mortgages or adding to existing ones, possibly to finance renovations or other large purchases.

Provincially, Alberta had the highest proportion of households with a mortgage (62.1%) and Newfoundland and Labrador had the lowest proportion (44.8%).

### **Condominiums driving homeownership**

The census enumerated 913,000 households that owned a condominium in 2006, up 36.5% from five years earlier.

The increase in condominium owners during this period accounted for one-quarter of the increase in the number of Canadian households that owned their dwelling.

In 1981, less than 4% of owner households owned condominiums. By 2001, this proportion had more than doubled to 9%, and by 2006, it had reached 10.9%.

Rates of condominium ownership were highest in the four British Columbia metropolitan areas. Condo owners accounted for 31.0% of owner households in Vancouver in 2006, 23.8% in Abbotsford, 21.2% in Victoria and 21.1% in Kelowna.

### **Shelter costs increasing faster than the Consumer Price Index**

For renter households, median annual shelter costs rose by 12.8% between 2001 and 2006. Over the same period, consumer prices increased by 11.3%.

For owner households, spending on shelter increased by 21.6%, almost twice the increase in consumer prices.

In 2006, the median annual shelter cost for renter households was \$8,057. For owner households, it was \$10,056.

For owners without a mortgage, median shelter costs amounted to only \$5,054, while for owners with a mortgage, it was three times this amount.

### **Percentage spending 30% or more on shelter edges up**

In 2006, an estimated 3.0 million households, or 24.9% of the total, spent 30% or more of their income on shelter. This was up marginally from 24.1% in 2001, but was lower than the high of 26.6% in 1996 at the end of the economic downturn experienced in the early 1990s.

Those who spend 30% or more of their household income on shelter may do so by choice or they may be at risk of experiencing problems related to housing affordability as defined by the CMHC.

Renter households had a higher share of households spending 30% or more on shelter — 40.3% in 2006, compared with 39.6% in 2001.

Homeowners had a lower share at 17.8% of these households in 2006, up from 16.0% five years earlier.

The increase in the number of homeowners with mortgages spending 30% or more on shelter accounted for almost 90% of the total rise in the number of households spending above this threshold during the five-year period.

In 2006, just over half (50.9%) of the households that exceeded the affordability threshold were renters. Another 41.0% were households that owned a home with a mortgage, while the remaining 8.1% were households that owned a home without a mortgage.

### **Homeownership rate increasing for people living alone**

Homeownership rates were well below the national average for people who lived alone in 2006. However, rates for these individuals increased at a faster pace than the national average during the five-year period.

By 2006, just under half (47.8%) of people who lived alone in 2006 owned their accommodation, while just over half rented their dwelling.

**Women - men**

Women who lived alone continued to have a higher homeownership rate than their male counterparts, 48.7% compared with 46.7% for men. Women homeowners living alone were likely to be older. Approximately half were aged 65 or more. They were also more likely to be widowed — 47.3% compared with 16.0% for men.

**One-person households**

More people were living alone in 2006, according to previously reported census data. Between 2001 and 2006, the number of one-person households increased 11.8% to 3.3 million.

One-person households accounted for 26.8% of all households in 2006, up from 25.7% five years earlier. Seniors aged 65 and over represented 33.9% of people who lived alone.