

2023 Canadian Rental Housing Index – Media Q&A

What is the Canadian Rental Housing Index?

- The Canadian Rental Housing Index (the Index) is a comprehensive database that provides an accurate picture of the rental housing situation in cities, regions, provinces and territories across Canada.
- All the data used in the Index is provided by Statistics Canada using custom tabulations from the 2021 long-form census.
- The Index continues to serve as the first of its kind in Canada, examining issues of income, affordability, and overcrowding in more than 800 municipalities and regions across all of Canada’s provinces and territories.
- It provides housing planners, non-profit developers, and local and regional governments with the information they need to plan for the future of rental housing in their region.

What does the Canadian Rental Housing Index do?

- It examines the state of rental housing across Canada by assessing the affordability and suitability (overcrowding) of rental housing stock.
- The Index continues to serve as one of the first major studies looking at incomes of renter households versus monthly shelter costs across Canada.
- The Index provides customized data on the number of Canadian households that rent, how much of their household income is going toward rent and utilities, and the quality of their living conditions for both overcrowding and homes in need of repair.

Why are non-profit housing organizations looking at levels of market rental housing?

- Nearly 5 million households rent but most studies of housing affordability are focused on home ownership.
- When rents are so high in the private market, and only increasing, it puts people at risk of homelessness. Homelessness costs the Canadian economy over \$7 billion per year ([Homeless Hub: The State of Homelessness in Canada 2016](#)). Prioritizing the need for a reliable supply of rental housing will help contribute to the lowering of rental costs.
- The number of renter households in Canada is growing.
- The higher the rents are in the private market, the more pressure there is on the non-profit housing sector to provide housing solutions for renters.

Why is it important to consider impacts to marginalized groups, including Indigenous-led, Immigrant-led, racialized-led and women-led renter households?

- Housing challenges can and should be viewed through an intersectional lens. The Index, using the breadth of census data, offers further examination of housing challenges that singular studies on rent increases or other affordability metrics do not evaluate. From the Index, we can see how impacts such as overcrowding, homes in need of repair and unaffordability impact marginalized groups in particular and the important considerations for policymakers.

What do you plan on doing with this Index?

- The Index will provide housing planners, non-profit developers, and local and regional governments across Canada with the information they need to plan for the future of affordable housing in their respective regions.

How did you collect this data?

- All data in the Index comes from a Statistics Canada custom data request based on the 2021 long-form census. All data is specific to renter households. We will continue to update the Index after every census period.

How does the 2023 Canadian Rental Housing Index compare to the 2016 Index?

- The Index found that rental costs have increased by as much as a third in some provinces since the last census in 2016 (and particularly in two of Canada’s already most expensive provinces, British Columbia and Ontario).
- It’s equally as important to examine the quality of rental housing in Canada. The Index found that many renter households are living in poor living conditions, such as: overcrowded units, or units in major need of repairs. The number of Canadians living in overcrowded conditions has marginally increased since 2016, which means that for thousands of rental households overcrowding is still an ongoing concern.
- Systemic oppression is evident, with rental housing challenges increasingly impacting marginalized communities, such as woman-led households, racialized-led households, Indigenous-led households, and Immigrant-led households. As examples, women-led renter households faced higher rates of affordability challenges than households led by men; and 13% of Indigenous-led renter households were living in homes in need of major repairs compared to 7% of non-Indigenous households.

Why did you include utilities with the rental costs?

- Utilities are included in the rent figures since the data does not allow us to separate each respective cost out.
- Some rental agreements include utilities in the overall cost of rent, while some renters pay utilities on top of their rent. The combination of the two can be seen as a truer picture of housing costs.
- It was also a way of equalizing all regions of the country, given that utility rates are higher in different parts of Canada (e.g. the North).

How do you define overcrowding?

- Overcrowding is measured by the [Canada Mortgage and Housing Corporation’s National Occupancy Standard](#), which provides guidelines on housing suitability by family composition and size.
- As an example, two unrelated individuals sharing a studio suite to lower their monthly rental costs are considered to be in an overcrowded condition, whereas someone living in the same space with a spouse or common-law partner would not be.

RENT IN CANADA

How many renters are there in the country?

- There are approximately 4.9 million renter households in Canada -- 33% of all households.
- The highest percentage of renter households is in Nunavut (81%), followed by Northwest Territories (46%).
- Out of the provinces, Quebec (40%), BC (33%), Nova Scotia (33%), and Ontario (32%) have the highest proportion of renter households.

Why do the rents seem so low?

- The data included in the Index covers all renters, meaning everyone from those who have lived in a basement suite for 15 years to new tenants who moved into a newly constructed building. The range of these rents go into calculating the average rents you see in the Index.
- Current rental listing prices are reflective of what renters will pay today for housing. Those who have been in their units longer are likely paying lower rents. The rents in the Index account for entire range of rentals in Canada.

AFFORDABILITY

How do you determine housing affordability?

- According to the Canada Mortgage and Housing Corporation, a household spending 30 per cent or more of its gross income on housing is considered to have affordability issues.

- Households spending in excess of 50 per cent of gross income on housing are severely overspending and considered to be at a crisis level of spending, putting individuals and families at risk of homelessness.

What effect does rental housing have in the country?

- Many of Canada's economic goals (e.g. resource development, highly trained professional sector, skilled immigration, etc.) all depend on rental housing at various points. Unaffordable levels of rent could impact our ability to achieve those goals.

What effect does a lack of affordable rental housing have in the country?

- Unstable and unaffordable housing often leads to a range of socio-economic issues including impacts to the health, justice, and social care systems.
- Without affordable rental housing, households cannot save for a down payment on a home, which continues to put home ownership further out of reach for many Canadians.
- Spending too much on housing also makes it more challenging to save for unexpected expenses or the ability to afford a new place to live if evicted.
- The data shows that, while the 2001 to 2016 period saw an increasing rate of homeownership, 2011 to 2016 saw a decline in homeownership and a rise in the proportion of renters in all provinces/territories except Yukon and Northwest Territories.

Where is there a need for more affordable housing?

- The data shows that there is a need for more affordable housing across all of Canada, in both rural *and* urban areas.
- The data also shows that the affordability issues we've traditionally seen in major urban centres are now spreading further into the suburbs of large metropolitan areas like Toronto and Vancouver.
- The provinces that show the greatest need for affordable housing are: Ontario, B.C., Nova Scotia, Saskatchewan, and Newfoundland/Labrador.