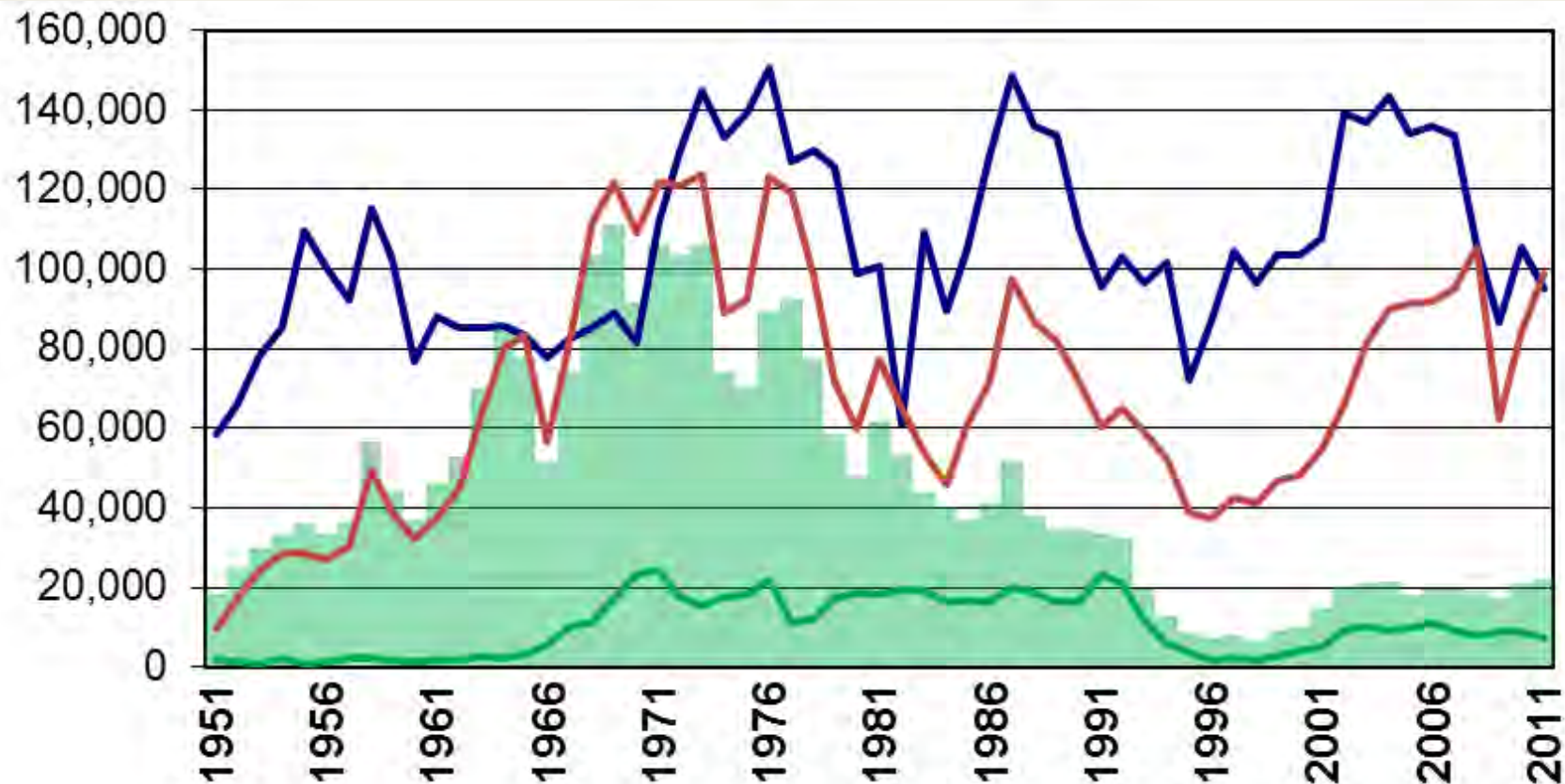




# Defining Neighbourhoods in Relation to Rental Housing Stress in Urban Canada

J David Hulchanski & Richard Maaranen  
Neighbourhood Change Research Partnership  
University of Toronto, May 2015

# Annual Housing Production, Canada 1951 to 2011



- Rental
- Single & Semi
- Apt & Row
- Social & Affordable Housing

Sources: (a) CMHC, starts and completions data.  
 (b) Social housing to 1996 from CMHC, CHS.  
 (c) Post-96 affordable housing from: prov. housing corp. data  
 (Que, BC, Alta.); same + municipal data (Ont.); est. 15% premium  
 for other provs/terr; post-96 s. 95

Compiled by Greg Suttor, 2015

# Options for an Inclusive Housing System

A good housing system ought to

1. stimulate adequate housing production
2. help produce a mix of housing choice  
(tenure, location, and quality)
3. assist those who cannot afford adequate,  
appropriate housing

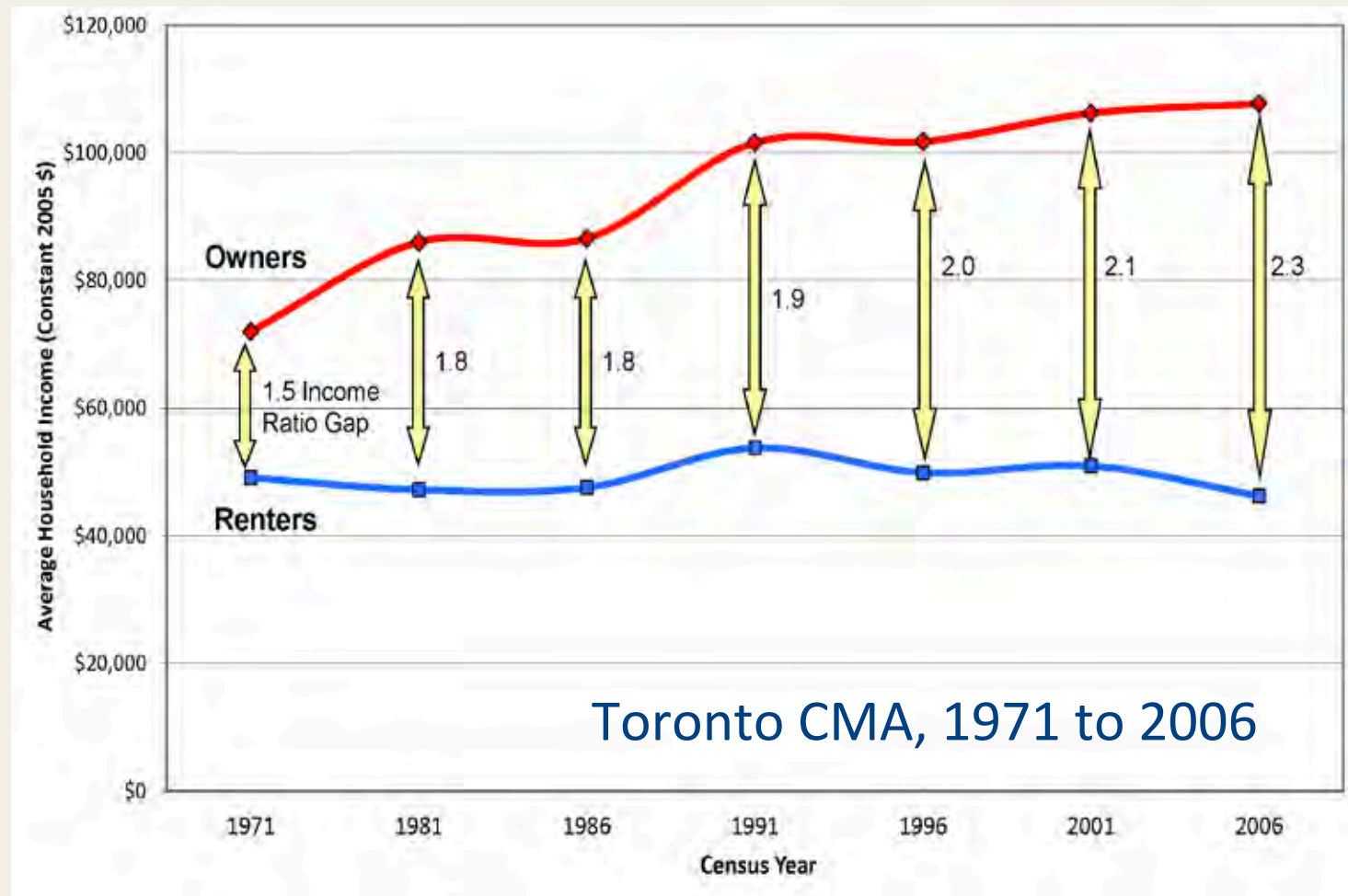
# A Decent & Humane Housing System

must couple shelter with

- security, warmth, peace and independence,
- living space and space to grow,
- nurturing and refuge and support,
- independence and protection and recreation,
- access to work and culture,
- good relations with neighbours and strangers.

-- Peter Marcuse, 1987, 232.

# The growing income gap between Owners & Renters



# Canada's Rental Sector

## Key Observations, 1950s to Present

- Policy & market priority: homeownership
- Subsidies for private sector rental supply, 1940s to 1984
- Subsidies for social housing supply, 1950s to 1993
- Income gap owners / renters: 20% to 100%
- Top 2 income quintiles: 33% renters to 15%
- Bottom income quintile: 20% renters to 42%

# Canada's Rental Sector, Especially since 1980s

## **Socio-spatial-tenure Segregation Rental Housing Residualization**

rental housing “dynamics” contributing to

- Canada's widening socio-spatial disparities
- Ethno-cultural segregation
- More polarized cities
- More disadvantaged neighbourhoods

Especially in neoliberal policy context & growing economic inequality

# Impact of Neoliberal Policies

- the **rental housing sector** is most impacted
- growing social need rather than market demand for rental housing
- increasingly segregated neighbourhoods by tenure, as the income/wealth gap grows
- real estate price inflation & gentrification
- new concentrations of poverty in poorly serviced inner suburbs





## NCRP TASK

# Identify & Locate Areas of high rental housing stress

In order to study nature, extent, impacts  
of private renting residualization &  
socio-spatial polarization

## Neighbourhood Change Research Partnership's Rental Housing Disadvantage Index

Four indicators given equal weight:

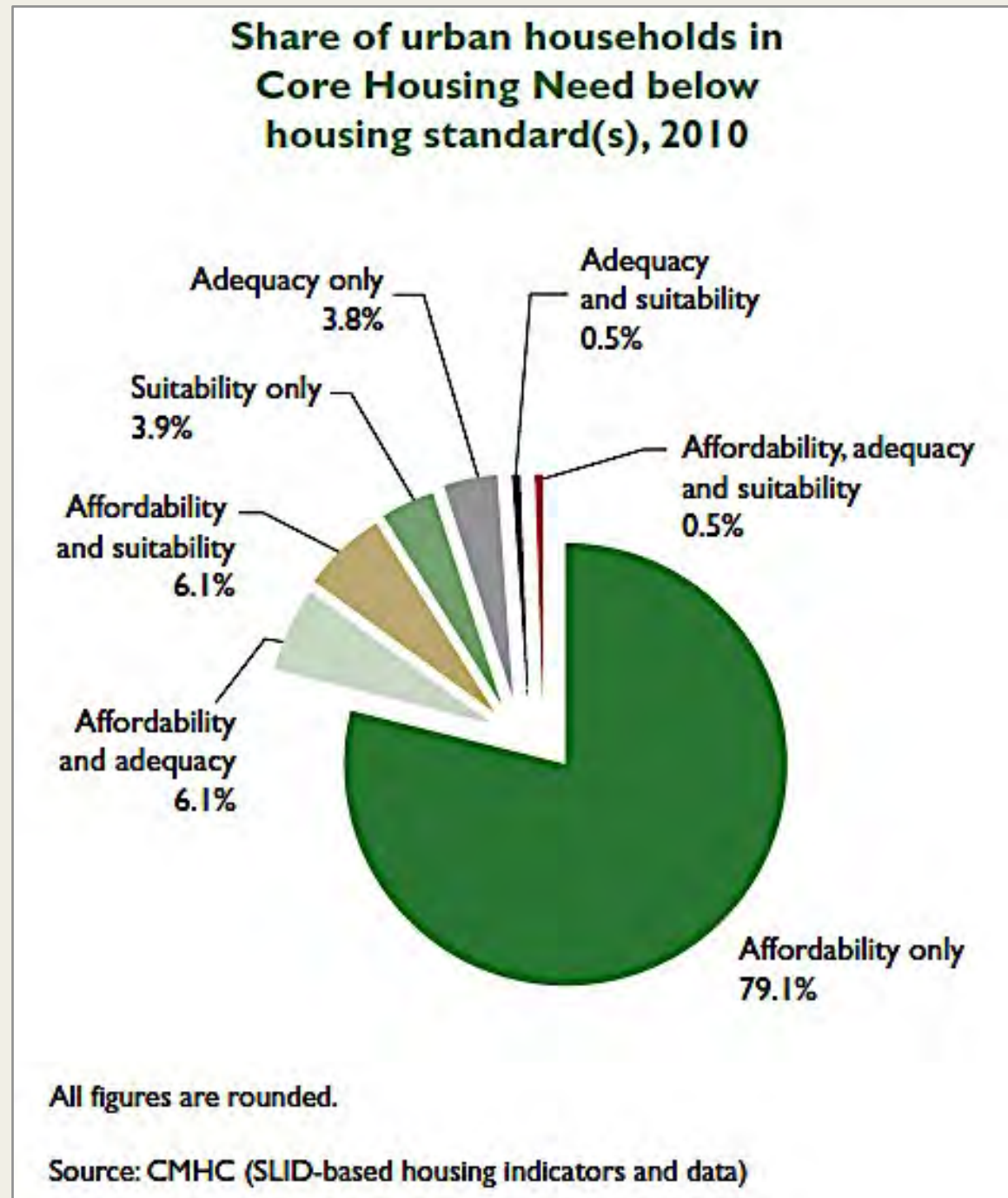
- 1) Adequacy: requiring major repairs
- 2) Affordability: households paying 50% or more
- 3) Suitability: persons per bedroom
- 4) Household Income

An RHDI of zero for any census tract means an average degree of disadvantage.

RHDI is similar in concept & design as CMHC's Core Housing Need indicator.

“Affordability” is the main reason for Core Housing Need in Canada

CMHC, *Canadian Housing Observer 2013*, Chapter 6, Figure 6-7.



# Core Housing Need does not focus on Renters / Rental Housing

## RESEARCH HIGHLIGHT

Canada Mortgage and Housing Corporation

October 2010

Socio-economic Series 10-017

### 2006 Census Housing Series: Issue 8—Households in Core Housing Need and Spending at Least 50% of Their Income on Shelter

#### INTRODUCTION

This *Research Highlight* examines the group of households in core housing need in 2006 that spent 50% or more of their income on shelter. Throughout this Research Highlight, such households are referred to as being “in severe housing need”. See the text box for definitions of Acceptable Housing and Core Housing Need.

#### FINDINGS

**5.1% of households experienced severe housing need in 2006**

#### Acceptable Housing and Core Housing Need

The term **acceptable housing** refers to housing that is adequate in condition, suitable in size, and affordable.

- **Adequate** housing does not require any major repairs, according to residents.
- **Suitable** housing has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements. Enough bedrooms based on NOS requirements means one bedroom for each cohabiting adult couple; unattached household member 18 years of age and over; same-sex pair of children under age 18; and additional boy or girl



# Mainly Renters in Core Housing Need

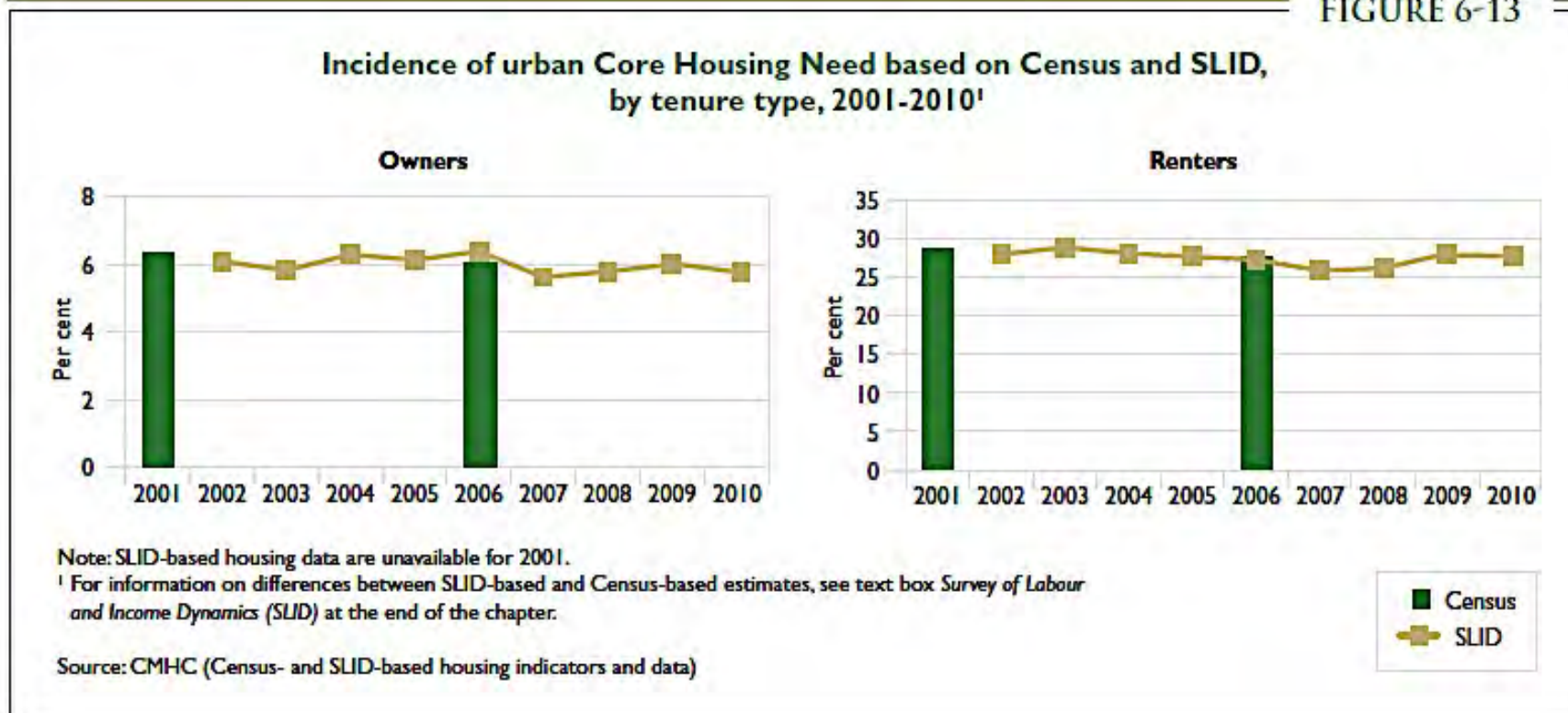
## But no CT level analysis is provided

### Renters are much more likely to be in Core Housing Need than owners

The incidence of Core Housing Need for urban renter households is consistently well above that for owners (see Figure 6-13); it was 28.0% in 2010, compared to 5.7% for owners.

Renters and those who changed their tenure type (from renter to owner or vice versa) were the most likely individuals to be persistently (all three years) and occasionally (one or two years) in Core Housing Need over 2008-2010; and over a number of years during the six-year period 2005-2010 (see Figures 6-14 and 6-15).

FIGURE 6-13



# The 8 CMAs NCRP is Analyzing

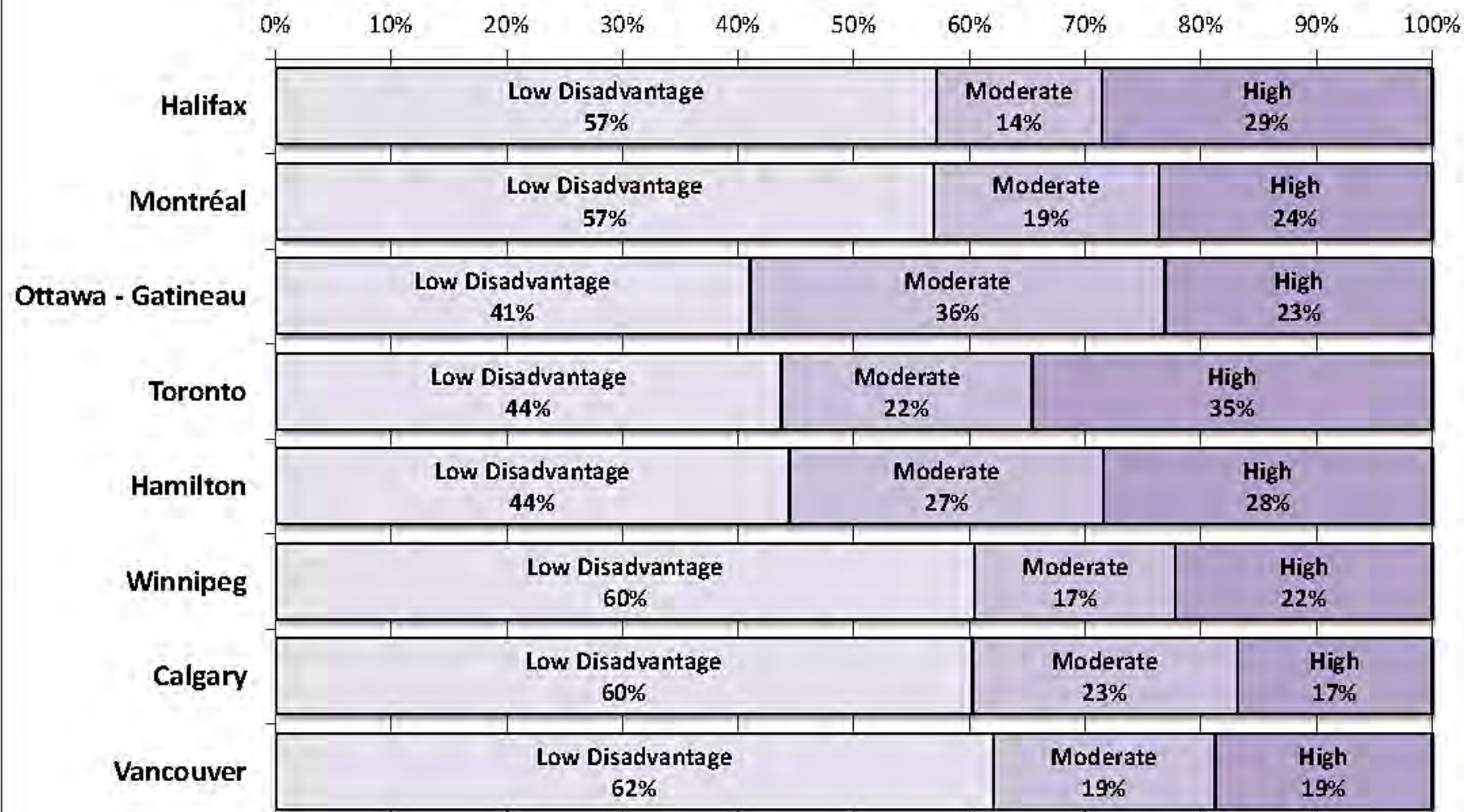
53%  
of  
Canada's  
3.9 mil.  
rental  
housing  
Units  
(2006)

CMA	Percent Rental	Total Rental	Share of Canada's Rental
Montréal	46.6%	711,435	18.3%
Halifax	36.0%	55,850	1.4%
Vancouver	34.9%	285,045	7.3%
Ottawa - Gatineau	33.1%	148,690	3.8%
Winnipeg	32.8%	92,450	2.4%
Toronto	32.4%	584,130	15.1%
Hamilton	28.4%	75,630	1.9%
Calgary	25.9%	107,680	2.8%
<b>Total 8 CMAs</b>	<b>36.1%</b>	<b>2,060,910</b>	<b>53.1%</b>
Canada	31.2%	3,878,500	100%

Source: Statistics Canada, Census Profile Series, 2006



## Rental Housing Disadvantage Index Distribution, 2006 by Census Tract Share, Eight Census Metropolitan Areas



Notes: Percentages based on census tracts with 25% or more rental housing in 2006. Low disadvantage refers to RHD < 0.25; Moderate disadvantage is RHD 0.26 to 0.50; High disadvantage is RHD > 0.50. The RHD is built around four indicators that measure the degree of disadvantage in rental housing at the census tract level: adequacy, suitability, affordability and occupant income.

## Rental Housing Disadvantage Index Distribution, Eight CMAs 2006

Figures limited to census tracts with 25% or more rental housing.

Low disadvantage is RHDl below 0.26; Moderate 0.26 to 0.50; High above 0.50.

CMA	Low Total	Low Share	Moderate Total	Moderate Share	High Total	High Share	Total CTs
Halifax	27	56%	7	15%	14	29%	48
Montréal	348	57%	119	19%	145	24%	613
Ottawa - Gatineau	47	40%	42	36%	27	23%	117
Toronto	209	44%	104	22%	166	35%	479
Hamilton	35	44%	22	28%	23	29%	79
Winnipeg	48	60%	14	18%	18	23%	80
Calgary	49	59%	19	23%	14	17%	83
Vancouver	138	62%	43	19%	42	19%	223
<b>Sample Total CTs</b>	<b>901</b>	<b>52%</b>	<b>370</b>	<b>22%</b>	<b>449</b>	<b>26%</b>	<b>1720</b>

Source: Statistics Canada, Census 2006 Custom Tabulation EO1790



# Summary: “High” RHDI in 8 CMAs

## What did we learn?

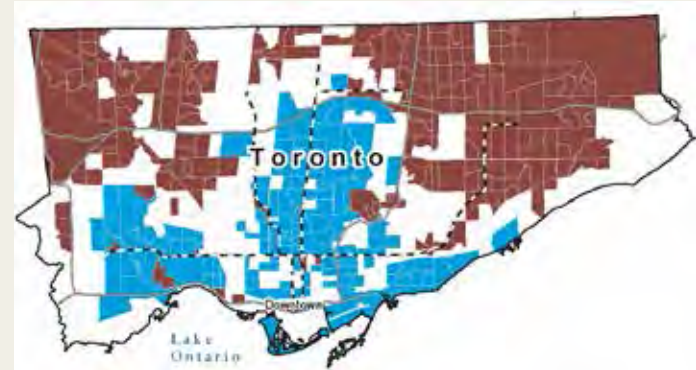
“Rental census tracts” = CTs that have 25% or more rental housing units. Total in 8 CMAs = 1,720 CTs.

### High Disadvantage

- **26% of total:** 449 CTs of the 1,720 CTs
- **59% in Toronto & Montréal:** 310 of 449 CTs
  - **35% of Toronto:** 166 CTs “high” RHDI
  - **24% of Montréal:** 145 CTs “high” RHDI

# Case Example:

## City of Toronto

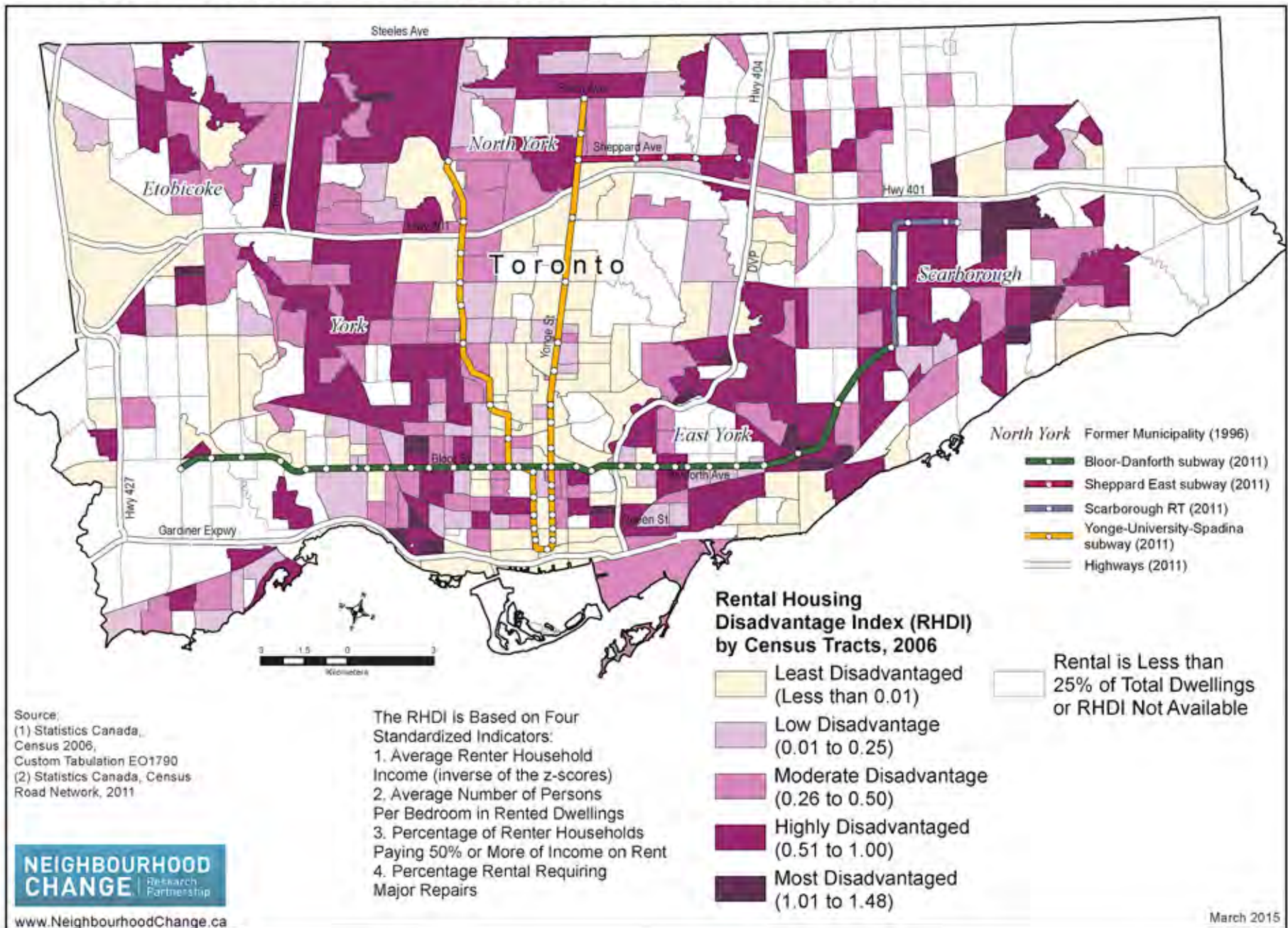


### Rental Housing Within Major Regions of the **Toronto CMA**, 2006

Region	Rental Percent	Rental Total	Share of Toronto CMA
<b>City of Toronto</b>	45.6%	446,850	<b>76.5%</b>
<b>Suburbs Outside the City</b>	16.7%	137,280	<b>23.5%</b>
Peel Region	21.9%	78,595	13.5%
York Region	11.7%	32,360	5.5%
Suburbs (minus Peel and York)	14.1%	26,325	4.5%
<b>Toronto CMA Total</b>	<b>32.4%</b>	<b>584,130</b>	<b>100%</b>

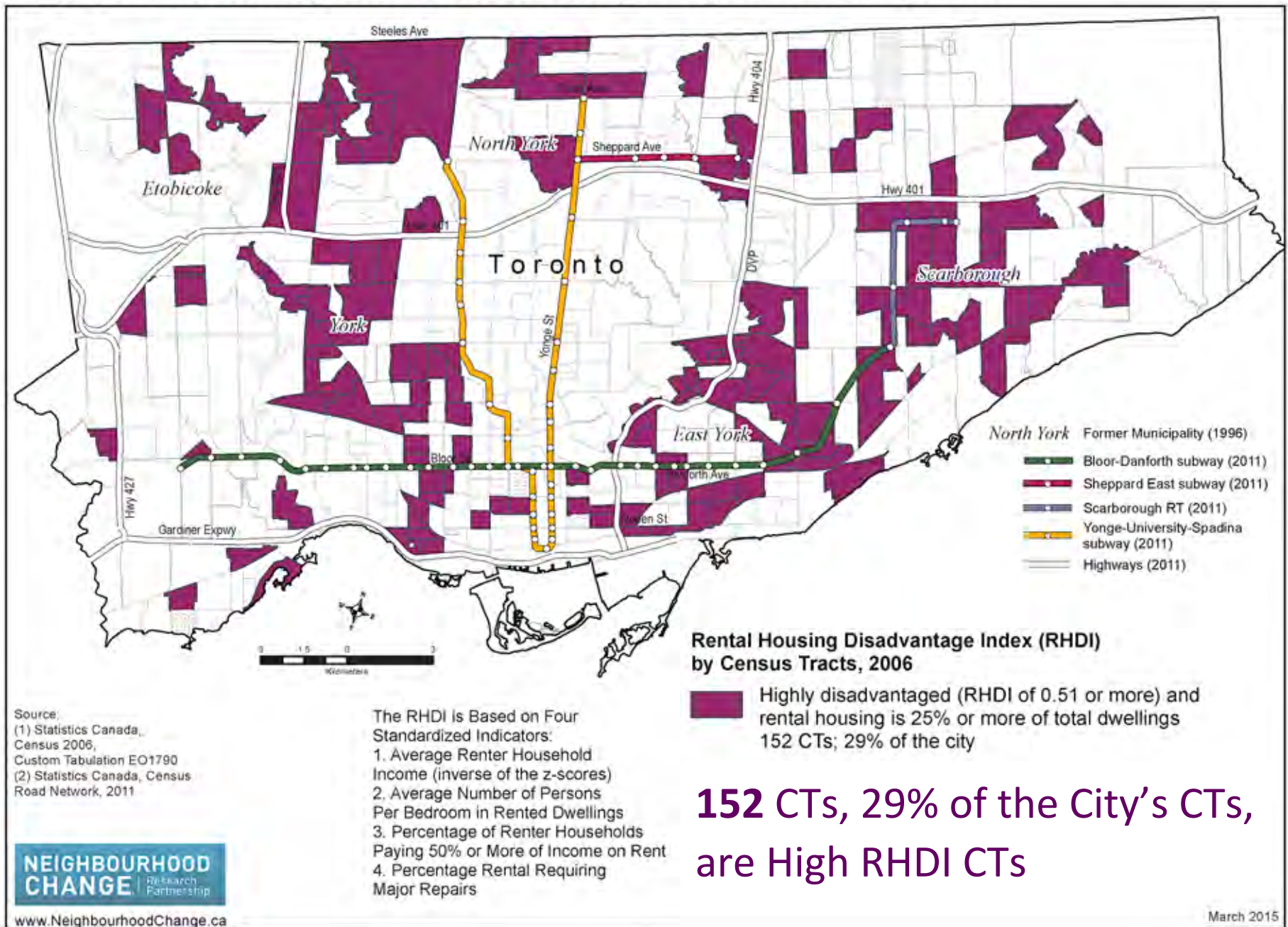
Source: Statistics Canada, Census Profile Series, 2006

## Rental Housing Disadvantage Index, City of Toronto, 2006





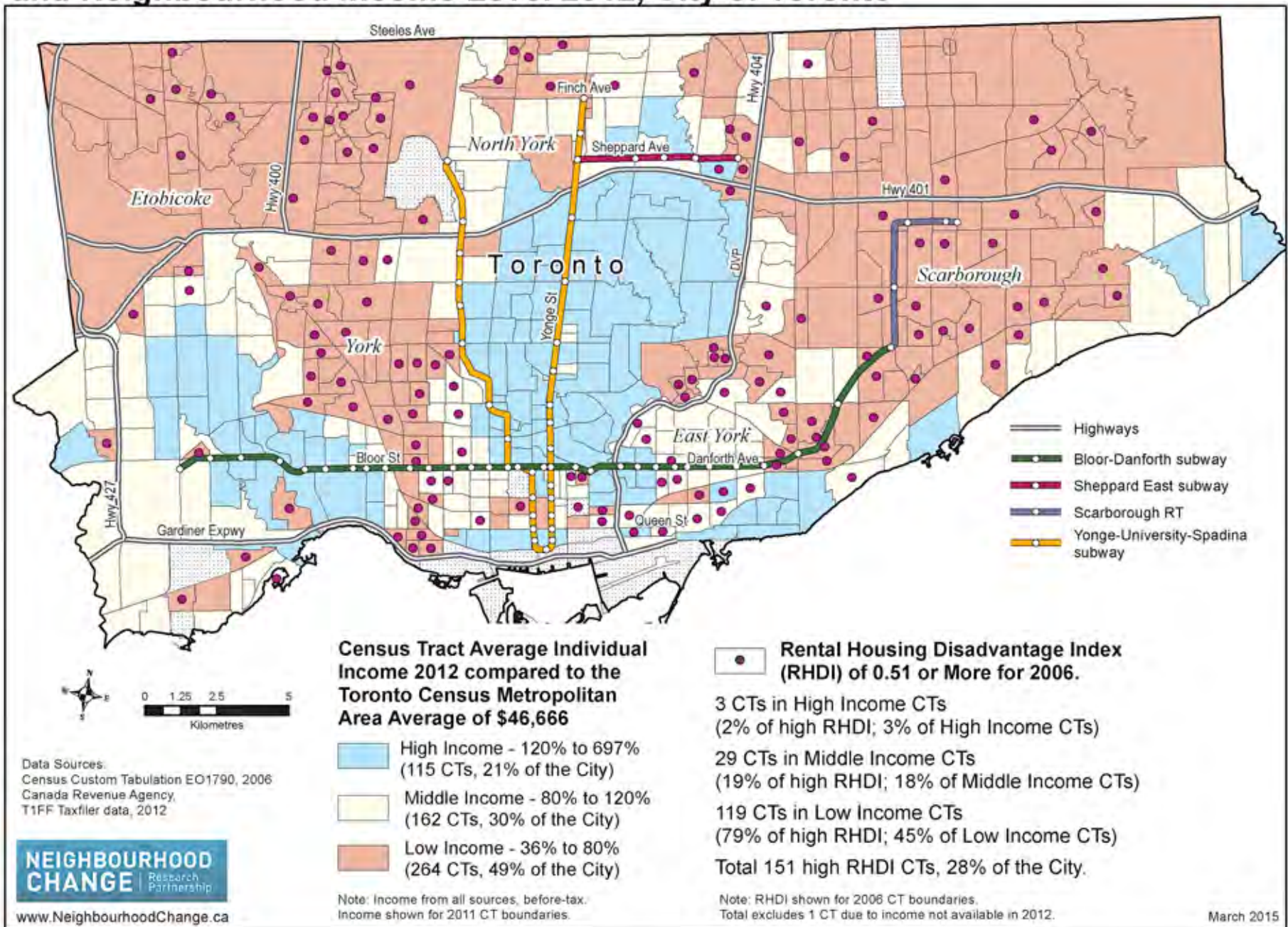
## Highly Disadvantaged Rental Housing, City of Toronto, 2006



**152 CTs, 29% of the City's CTs,  
are High RHDI CTs**

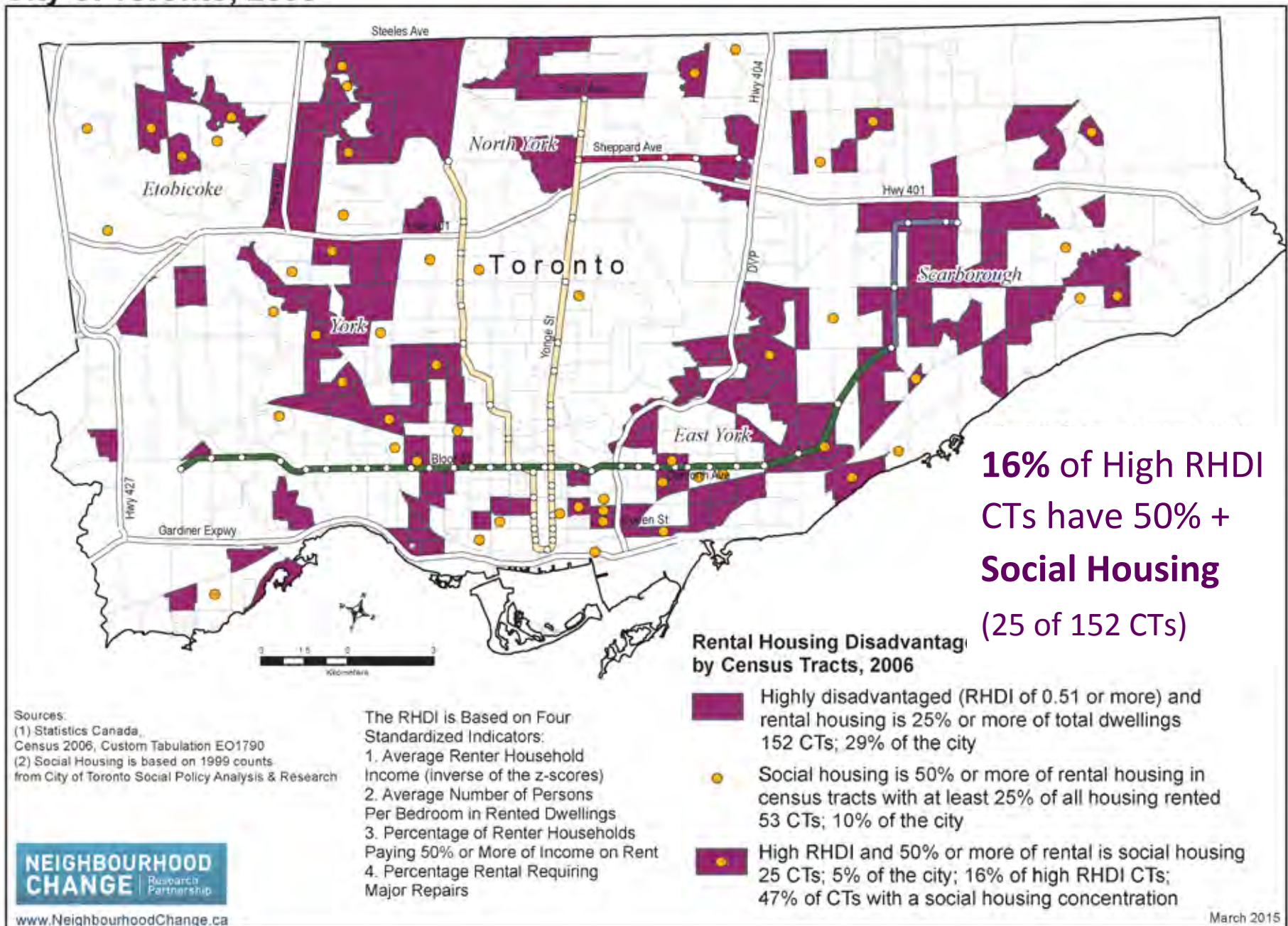


# Highly Disadvantaged Rental Housing Census Tracts, 2006 and Neighbourhood Income Level 2012, City of Toronto



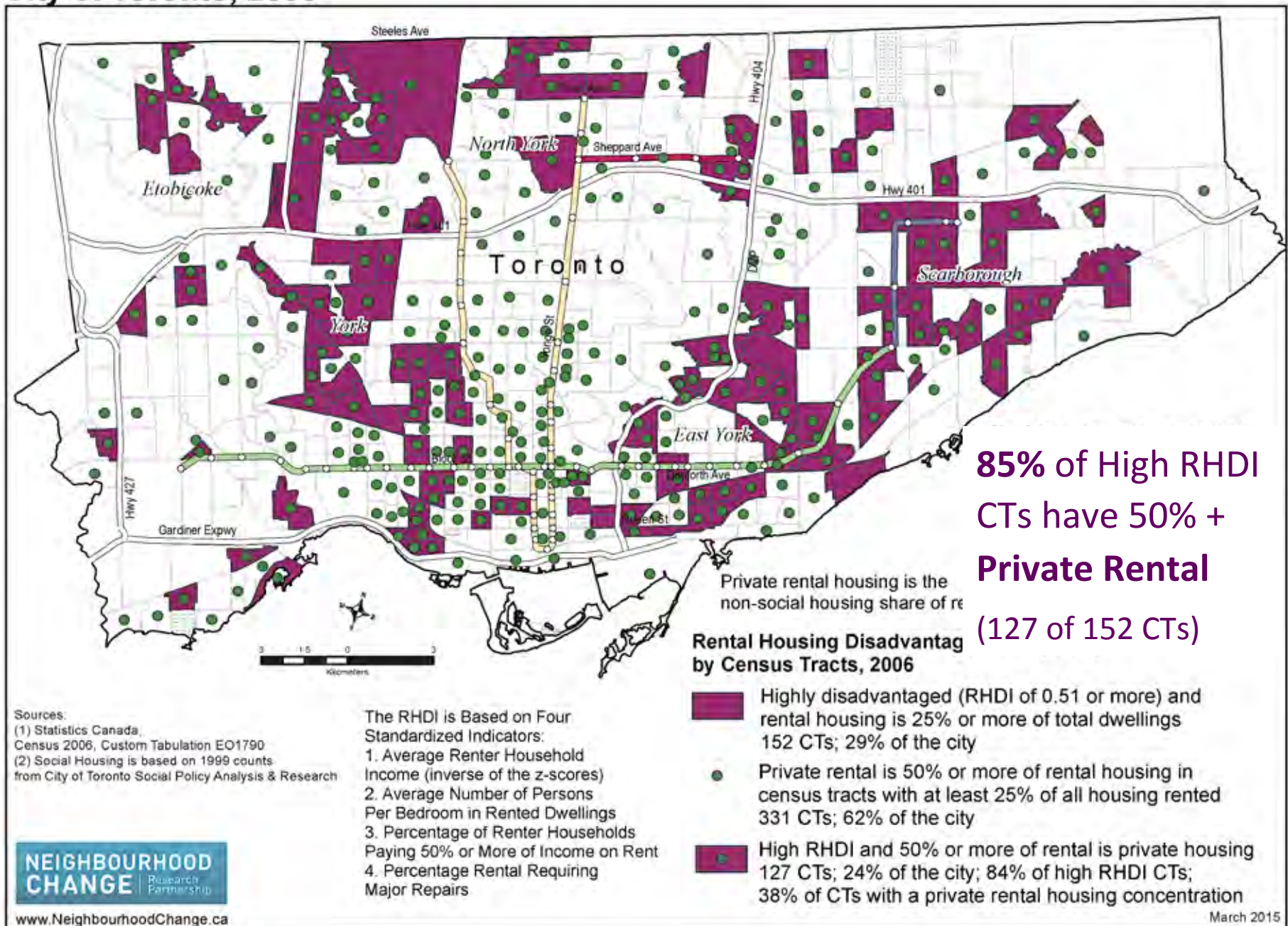


## Highly Disadvantaged Rental Housing and Social Housing Concentrations, City of Toronto, 2006



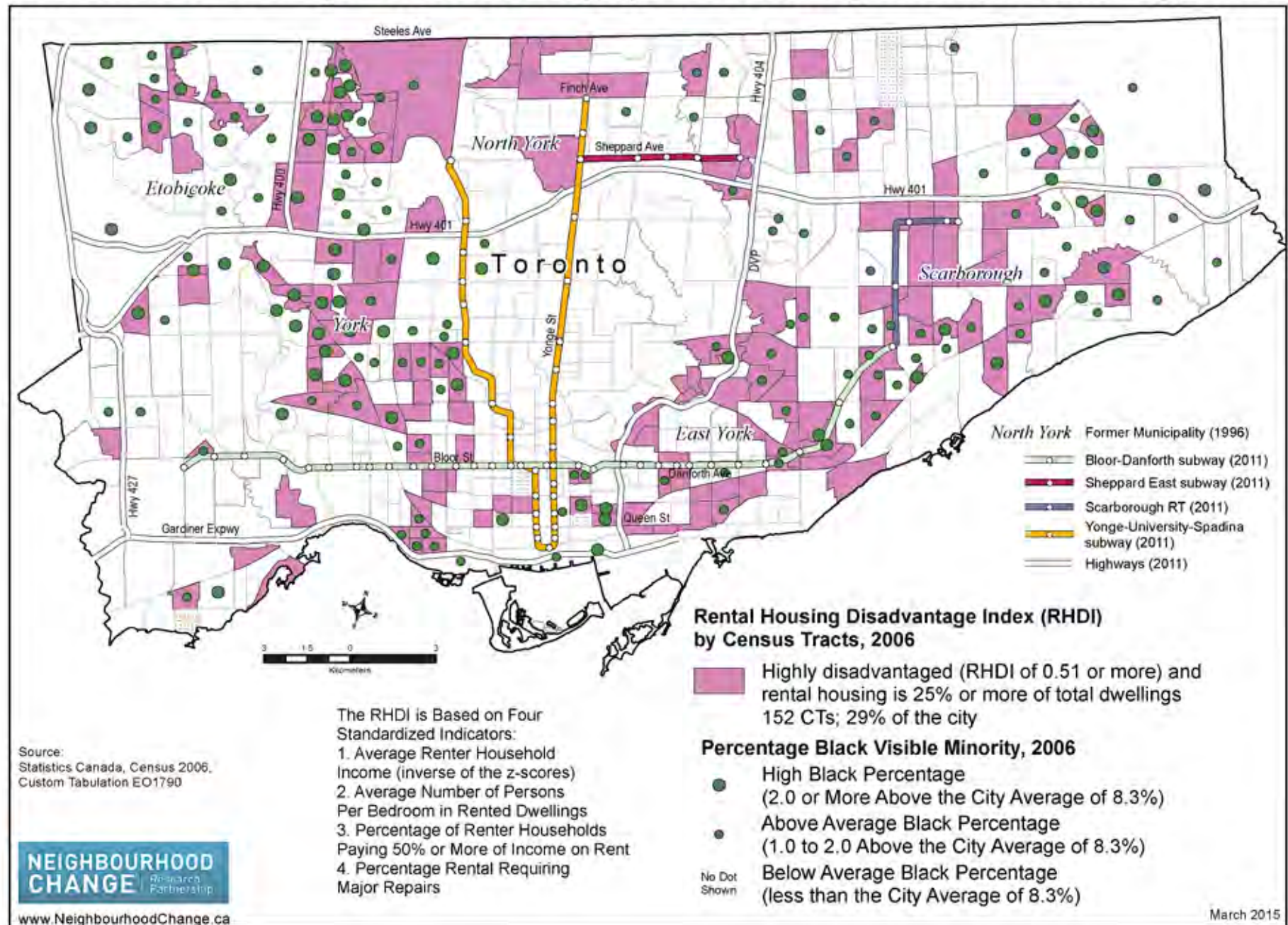


## Highly Disadvantaged Rental Housing and Private Rental Housing Concentrations, City of Toronto, 2006



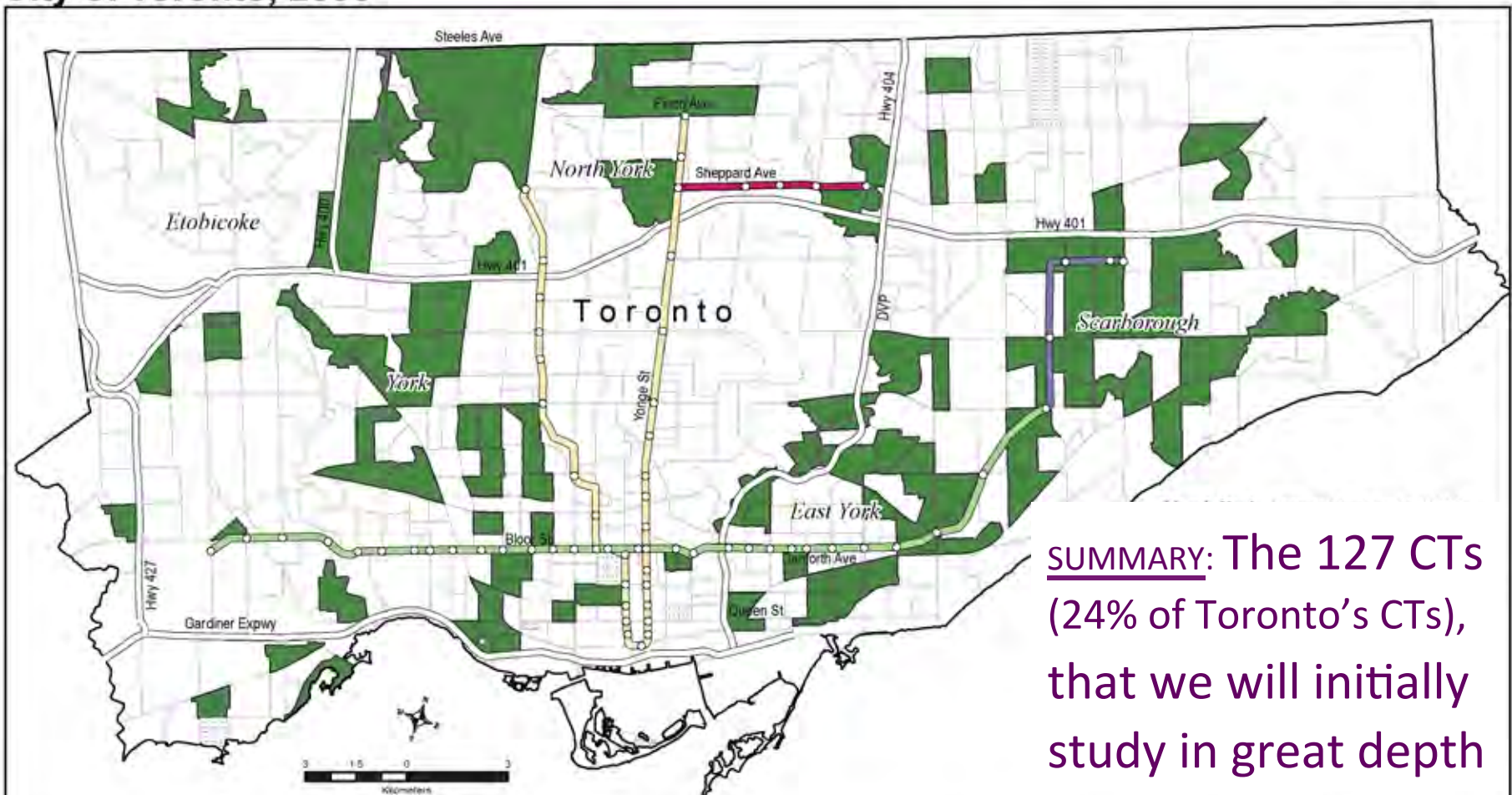


# Toronto's Black Population and Highly Disadvantaged Rental Housing, 2006





## Highly Disadvantaged Rental Housing and Private Rental Housing Concentrations, City of Toronto, 2006



**SUMMARY:** The 127 CTs (24% of Toronto's CTs), that we will initially study in great depth

### Sources:

- (1) Statistics Canada, Census 2006, Custom Tabulation EO1790
- (2) Social Housing is based on 1999 counts from City of Toronto Social Policy Analysis & Research

### The RHD is Based on Four Standardized Indicators:

1. Average Renter Household Income (inverse of the z-scores)
2. Average Number of Persons Per Bedroom in Rented Dwellings
3. Percentage of Renter Households Paying 50% or More of Income on Rent
4. Percentage Rental Requiring Major Repairs

### Rental Housing Disadvantage Index (RHD) 2006

- Census tracts with both high RHD (0.51 or more) and private rental housing concentration (50% or more)  
127 CTs; 24% of the city; 84% of high RHD CTs; 38% of CTs with a private rental housing concentration

Private rental housing is the non-social housing share of rental. Map excludes CTs with less than 25% rental.

**NEIGHBOURHOOD  
CHANGE** Research Partnership

www.NeighbourhoodChange.ca

March 2015

# The RHDI: A Useful Indicator?

- Supplements CMHC's Core Housing Need
- Raises profile of potential rental sector problems
- More regionally relevant indicators can be added for a more detailed local analysis
- Points researchers and policy makers to specific census tracts for better targeting

BUT: The RHDI not yet “field tested.” The NCRP will now study RHDI CTs in several CMAs.

# The RHDI: Next Steps

- Obtain more detailed census and rental market data for analysis of trends, including SES and ethno-cultural characteristics of RHDI CTs
- Analysis of high/low RHDI & non-RHDI CTs
- Detailed analysis rental housing situation in 8 CMAs
- Qualitative analysis of particular groups of RHDI CTs
- Identify policy and program relevance

# Rental Housing: Plenty of Options

- Private & Non-profit Rental Supply
  - Inclusionary Zoning
  - Rehabilitation of Existing Rental
  - Rent Supplements
  - End Vacancy Decontrol
  - Labour Market: Living Wage
  - Housing & Employment Discrimination
- = Fair Opportunities: Housing Choice, Quality



# APPENDIX

## Defining Neighbourhoods in Relation to Rental Housing Stress in Urban Canada

J David Hulchanski & Richard Maaranen  
Neighbourhood Change Research Partnership  
University of Toronto, May 2015



# 9 page description & explanation of the RHDl



## The NCRP's Rental Housing Disadvantage Index (RHDl) An Introduction and Initial Analysis of Eight CMAs

By Richard Maaranen

Last revision of this document: 5 March 2015

The RHDl was created for the NCRP by Richard Maaranen, NCRP Data Analyst, March 2014

The Rental Housing Disadvantage Index (RHDl) was developed to help define specific locations of inadequate rental housing and housing-related distress among tenants in Canada's larger metropolitan areas. The RHDl is one tool in helping the Neighbourhood Change Research Partnership make decisions about where to focus further research on its rental housing research agenda.

Conceptually the RHDl is based on Canada Mortgage and Housing Corporation's measurement of Core Housing Need (CHN). Core Housing Need includes three housing indicators: adequacy, affordability, and suitability. The RHDl uses these three measures but it also includes average renter household income. The RHDl uses 2006 census custom housing tenure data at the census tract level. The 2006 census is the last available "long form census": a random 20% mandatory questionnaire.

### CMHC's Definition of Core Housing Need

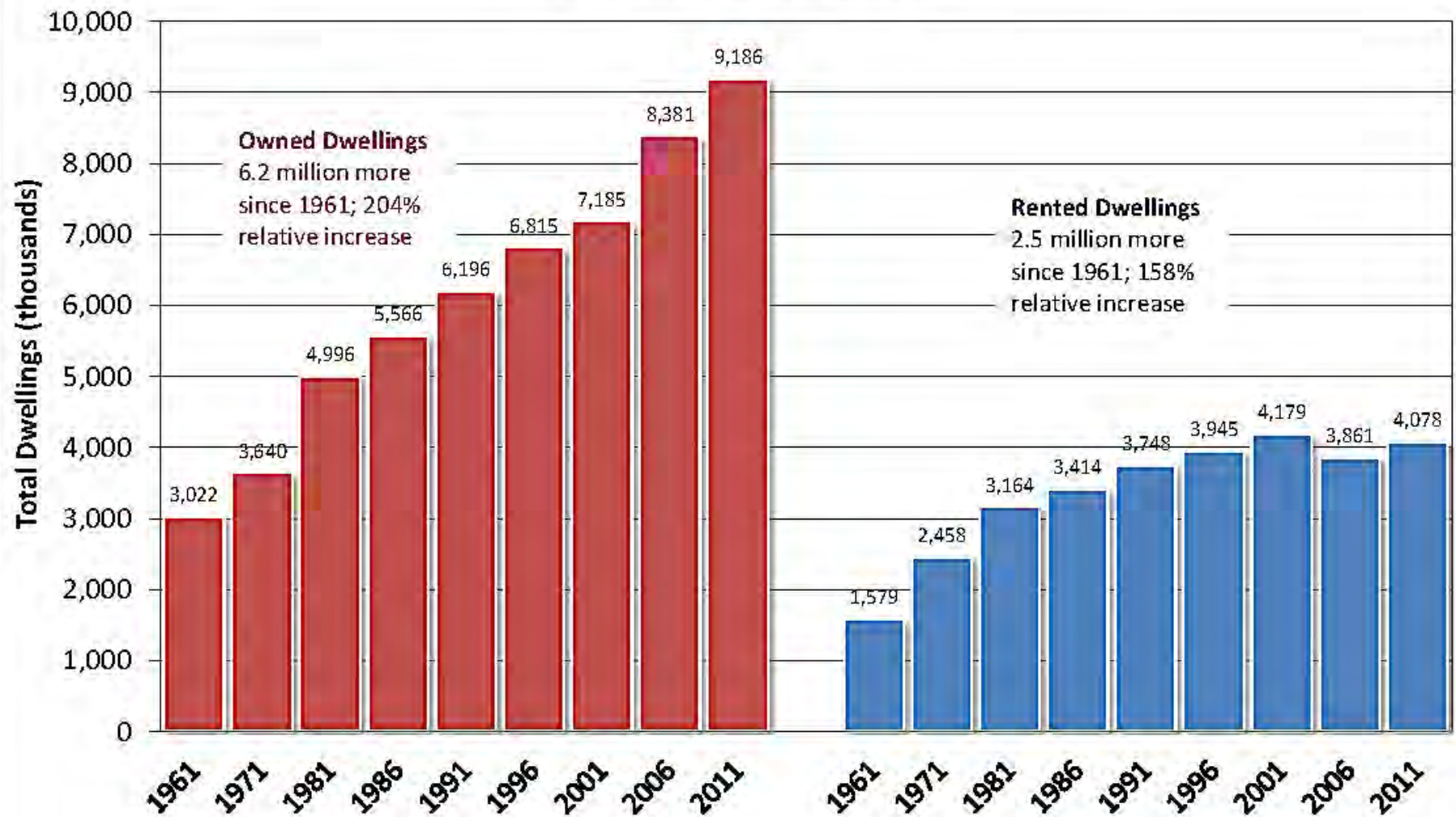
A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability standards. In addition, it would have to spend 30% or more of its total before-tax income on the median rent of alternative local housing that is acceptable (i.e., meets all three housing standards). (See CMHC's online definitions, <http://www.cmhc.ca>).

A household is not in Core Housing Need if its

- housing is adequate — reported by its residents as not requiring any major repairs.
- Housing is affordable — housing cost is less than 30% of total before-tax household income.
- Housing is suitable — based on number of bedrooms for the size and make-up of the household, according to National Occupancy Standard definitions.

A household is not in core housing need if its housing meets all of the adequacy, suitability and affordability standards OR, if its housing does not meet one or more of these standards, but it has sufficient income to obtain alternative local housing that meets all three standards. In addition, regardless of their circumstances, non-family households led by maintainers 15 to 29 years of age attending school full time are considered to be in a transitional stage of life and are not included in core housing need.

## Total Owned and Rented Dwellings Canada, 1961-2011



Figures for 1961-2006 are from the mandatory Census (20% or 33% random sample). Figures for 2011 are from the voluntary (non-random) National Household Survey. Canada had a global non-response rate of 26% in the NHS.

# Components of RHDI Varies Among CMAs

## Rental Housing Disadvantage Index by Mean Indicator Standard Score High Disadvantage Census Tracts, Eight CMAs 2006

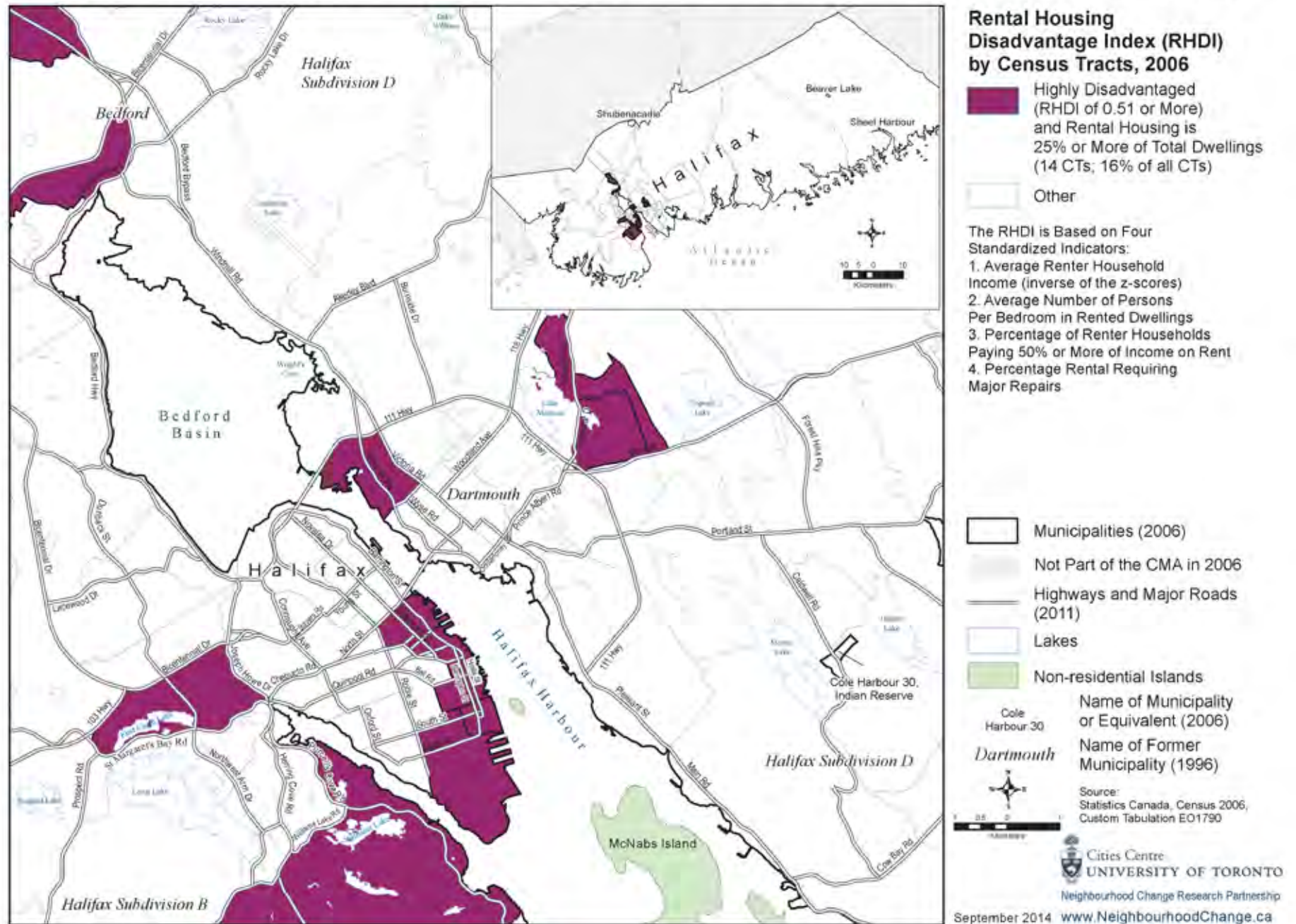
Figures limited to census tracts with 25% or more rental housing.

High disadvantage is RHDI > 0.50.

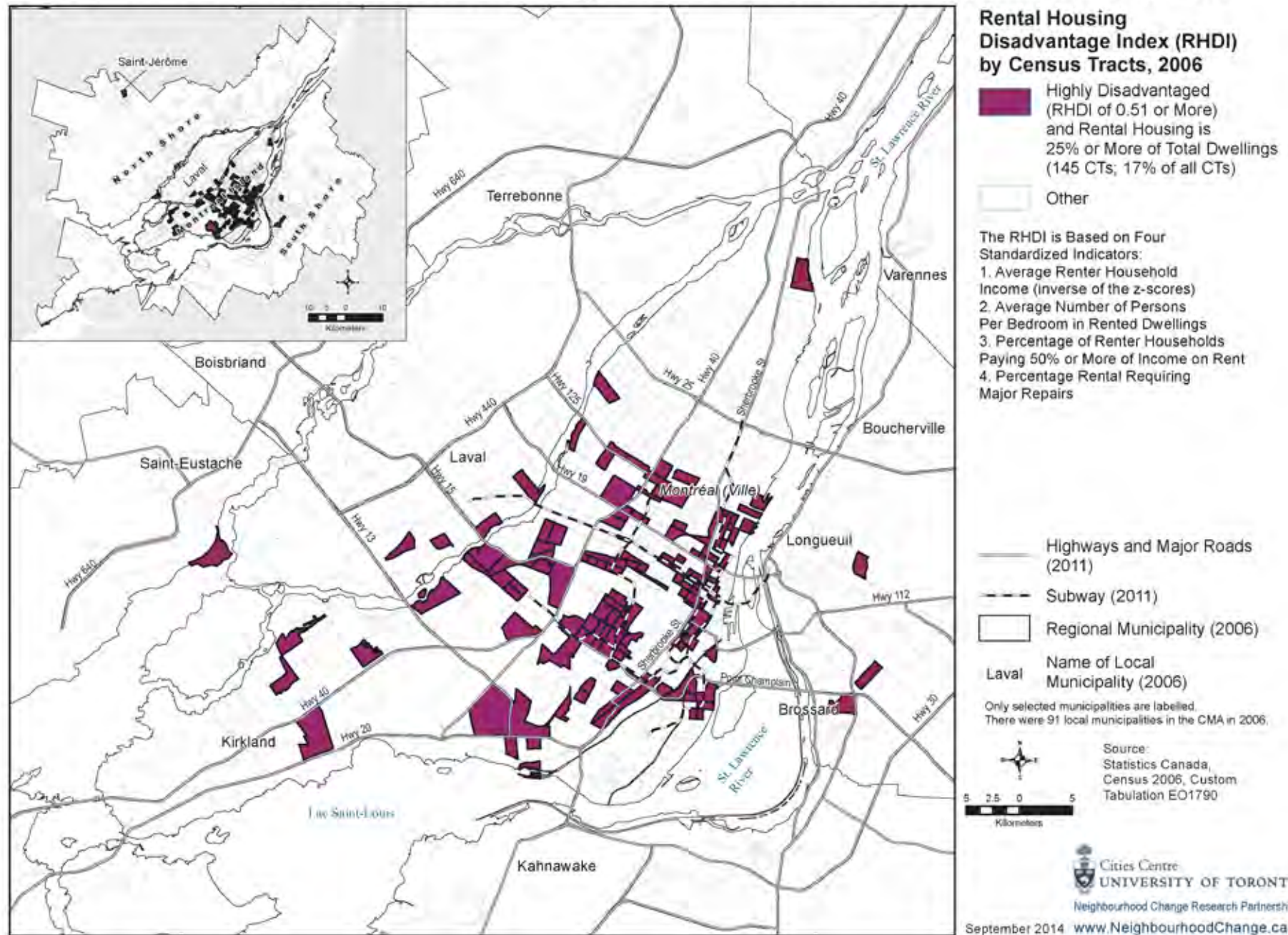
CMA	Mean RHDI	Household Income	Adequate Housing	Suitable Housing	Affordable Housing
Halifax	0.80	0.77	0.63	0.84	0.94
Montréal	0.89	0.56	0.78	1.32	0.91
Ottawa	0.78	0.67	0.14	1.47	0.82
Toronto	0.74	0.66	0.77	1.09	0.43
Hamilton	0.75	0.60	0.59	0.99	0.81
Winnipeg	0.83	0.80	0.46	1.19	0.88
Calgary	0.70	0.30	0.31	1.80	0.39
Vancouver	0.76	0.53	0.35	1.59	0.56



# Highly Disadvantaged Rental Housing, Halifax Census Metropolitan Area, 2006

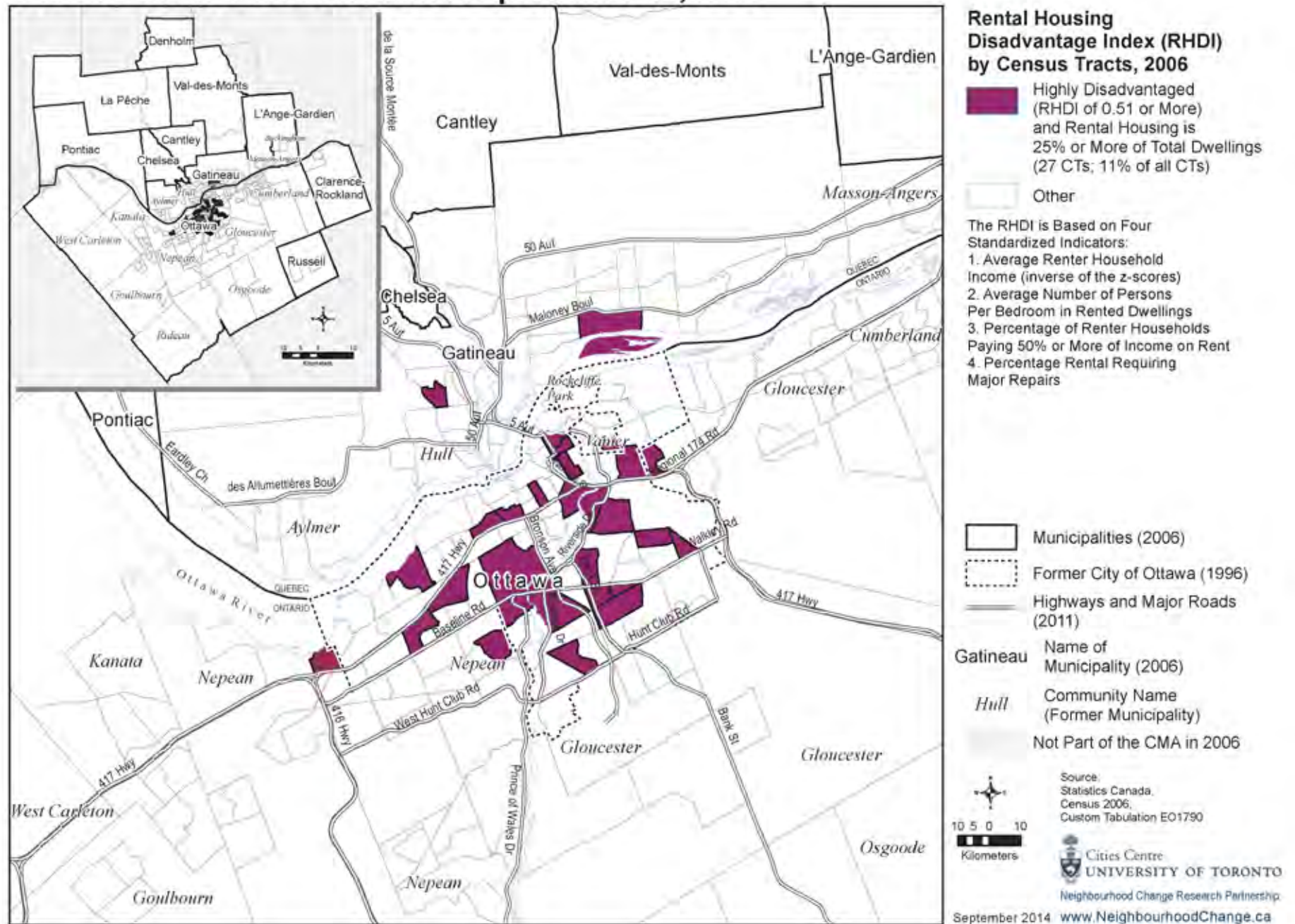


## Highly Disadvantaged Rental Housing, Montréal Census Metropolitan Area, 2006





## Highly Disadvantaged Rental Housing, Ottawa - Gatineau Census Metropolitan Area, 2006



**Rental Housing Disadvantage Index (RHDl) by Census Tracts, 2006**

**Highly Disadvantaged (RHDl of 0.51 or More) and Rental Housing is 25% or More of Total Dwellings (166 CTs; 17% of all CTs)**

**Other**

The RHDl is Based on Four Standardized Indicators:

1. Average Renter Household Income (inverse of the z-scores)
2. Average Number of Persons Per Bedroom in Rented Dwellings
3. Percentage of Renter Households Paying 50% or More of Income on Rent
4. Percentage Rental Requiring Major Repairs

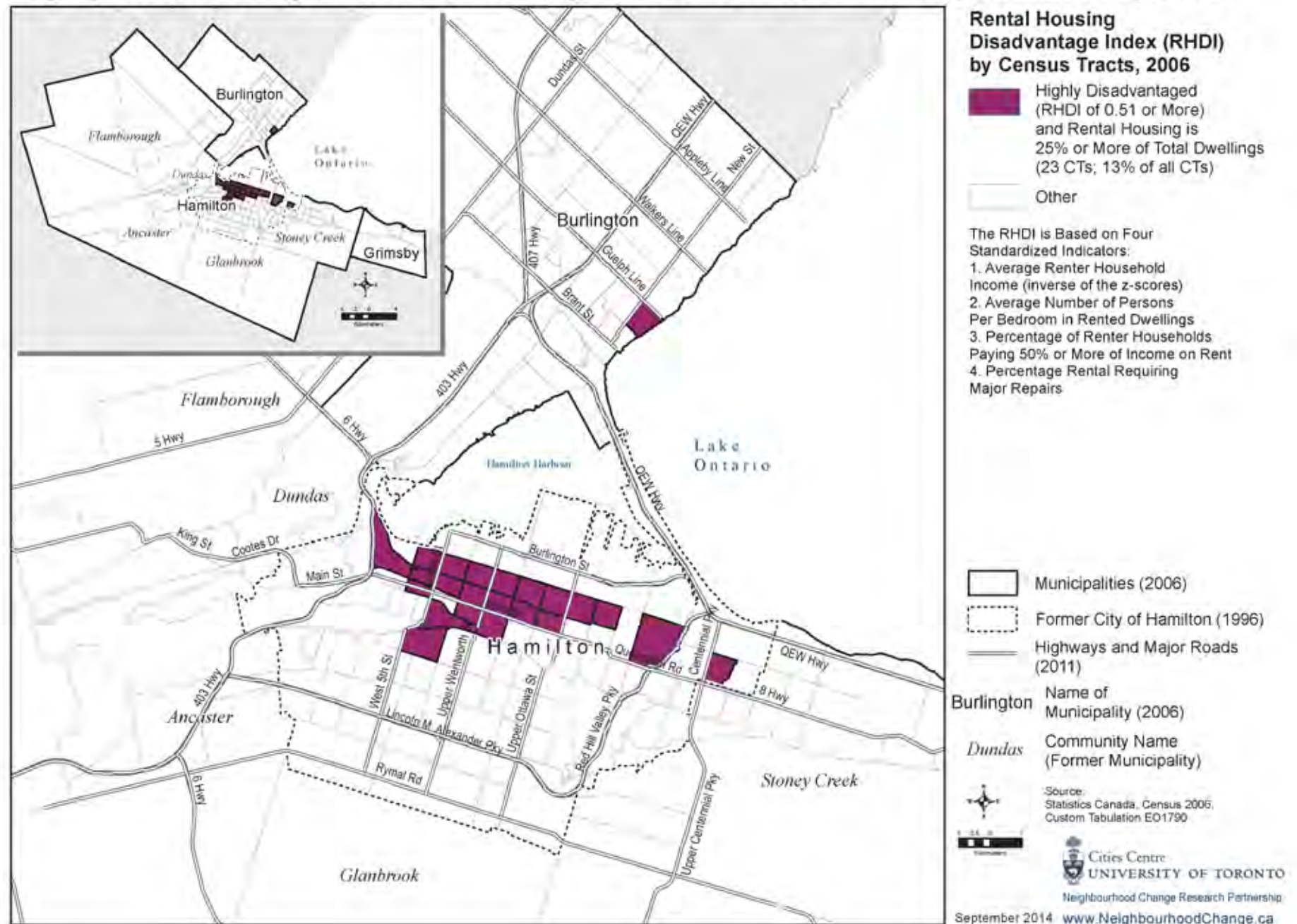
Source: Statistics Canada, Census 2006, Custom Tabulation EO1790

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www.NeighbourhoodChange.ca

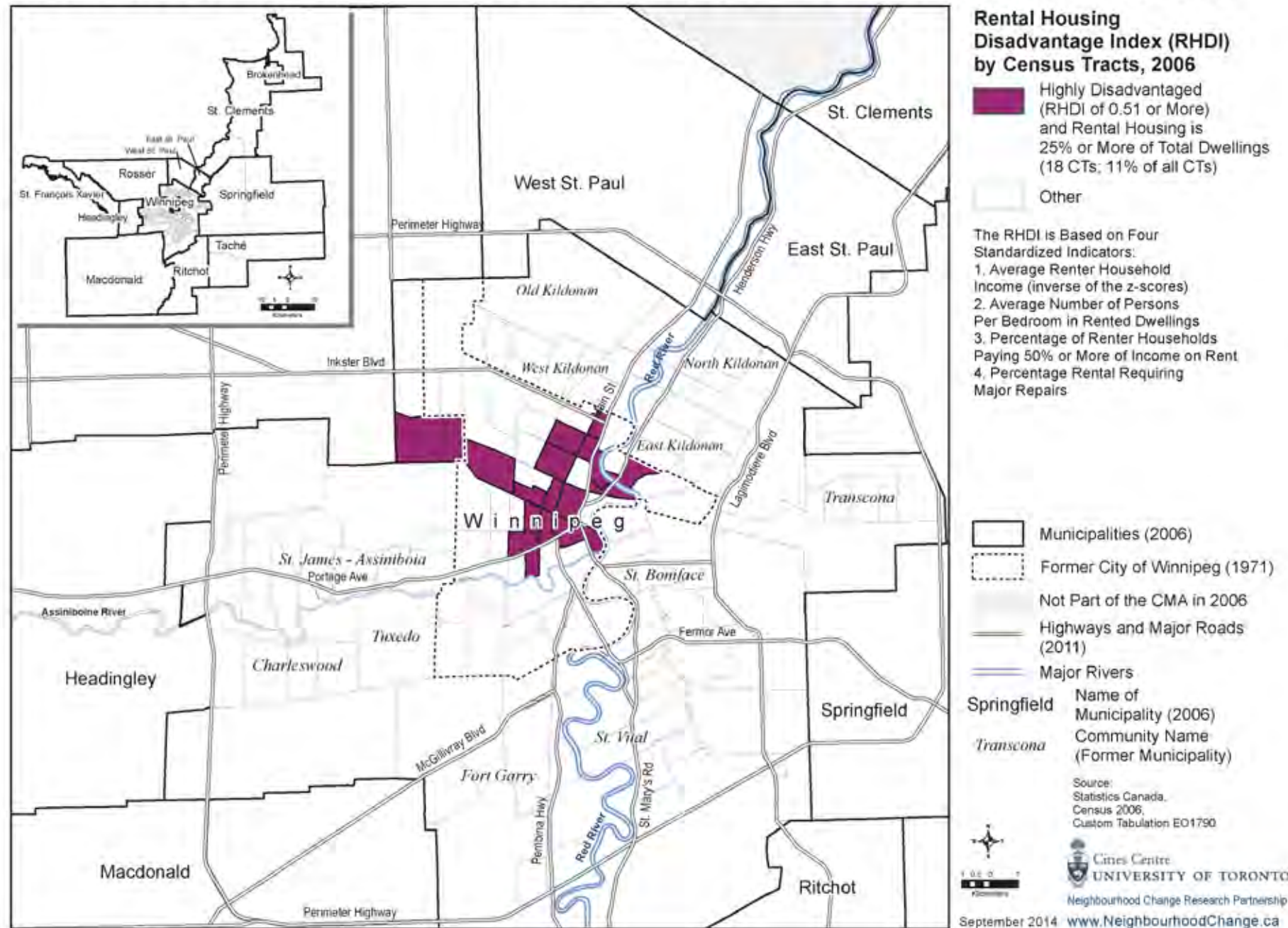
September 2011



## Highly Disadvantaged Rental Housing, Hamilton Census Metropolitan Area, 2006

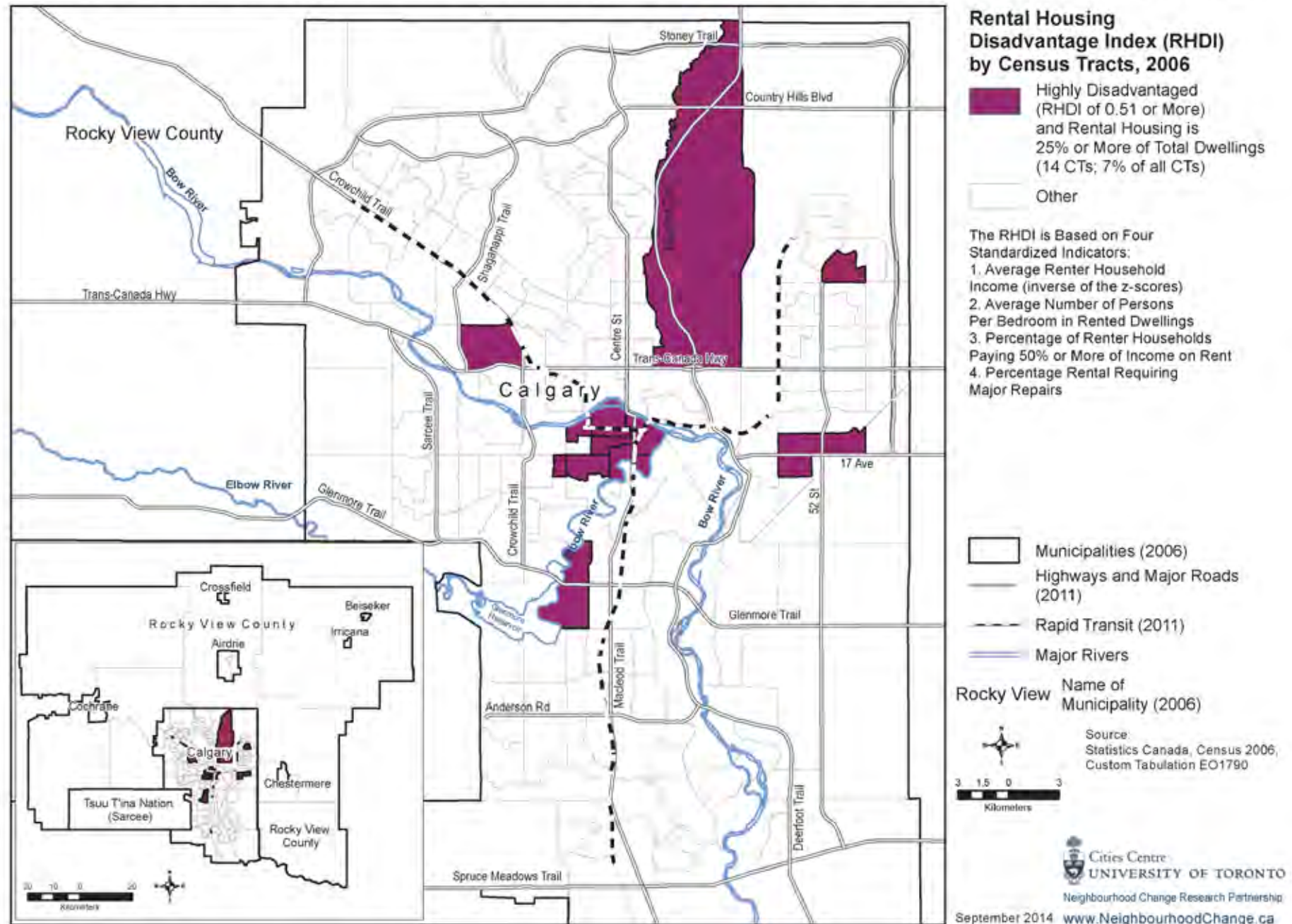


## Highly Disadvantaged Rental Housing, Winnipeg Census Metropolitan Area, 2006

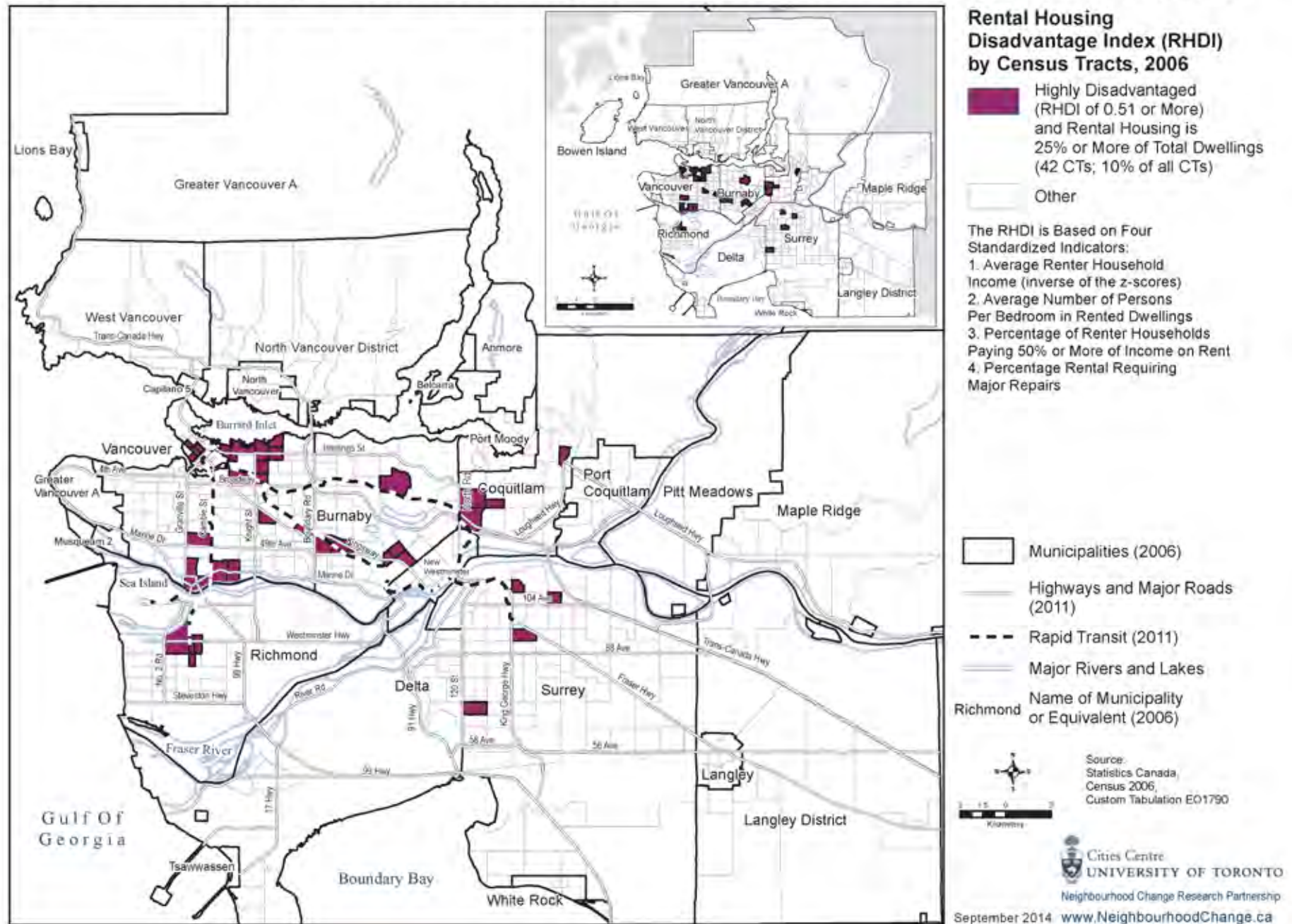




# Highly Disadvantaged Rental Housing, Calgary Census Metropolitan Area, 2006

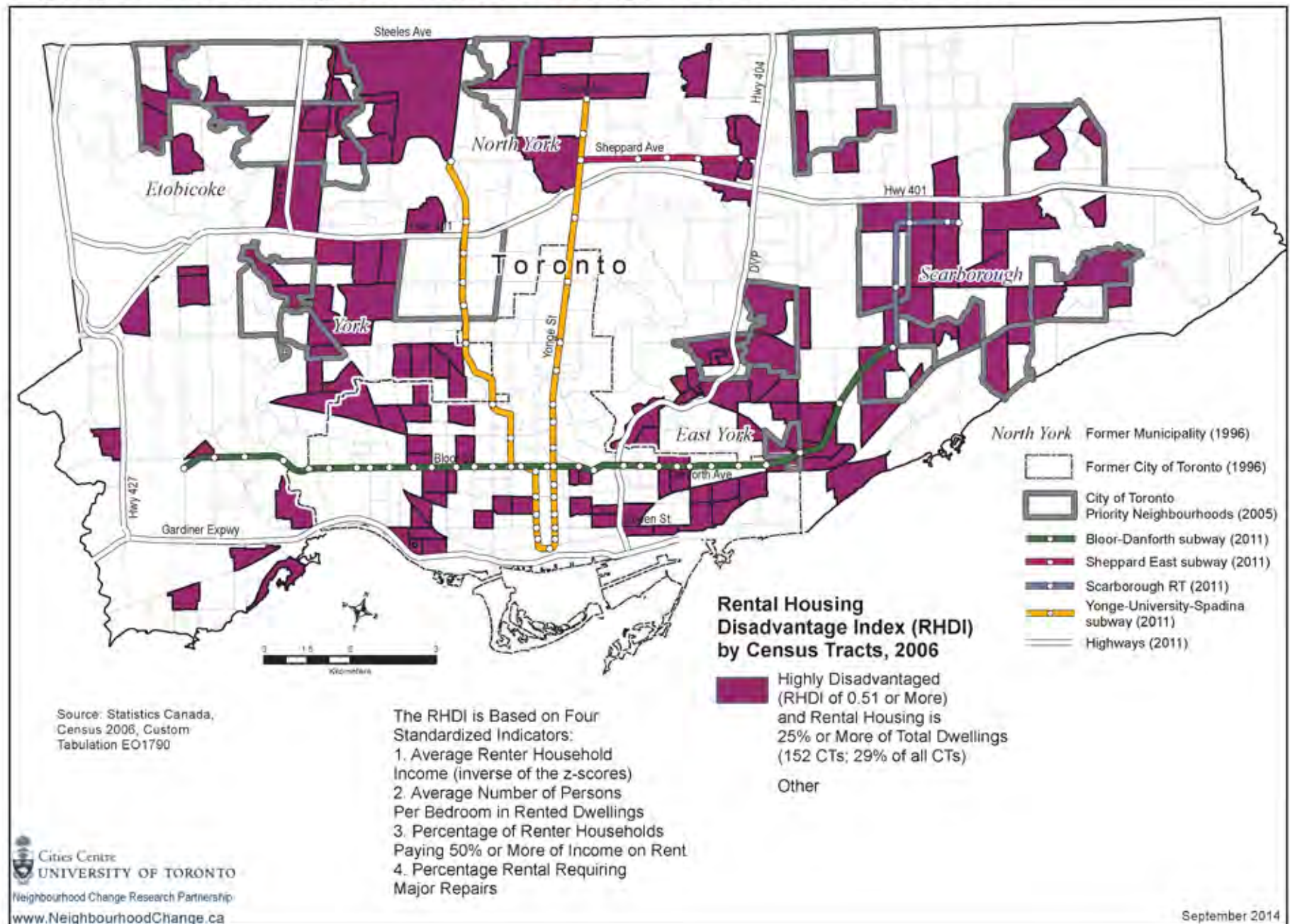


## Highly Disadvantaged Rental Housing, Vancouver Census Metropolitan Area, 2006





## Highly Disadvantaged Rental Housing, City of Toronto, 2006



## Profile of Census Tracts with Both Highly Disadvantaged Rental Housing and a Private Sector Rental Housing Majority, City of Toronto, 2006

Census 2006 Characteristics	(A) High RHD CTs with Private Rental Majority		(B) All Households (owners & renters)		(C) All Households Minus (A)	
	Total	Percent	Total	Percent	Total	Percent
Total Census Tracts	127		524		397	
Total Dwellings/Households	148,970	100%	976,025	100%	827,055	100%
Household Average income	\$38,337		\$80,489		\$89,722	
Paying 50%+ of Income on Housing	36,065	24%	165,200	17%	129,135	16%
Average Monthly Rent	\$857		\$934		\$973	
High Rise Apartments 5 or More Storeys	104,665	70%	376,785	39%	272,120	33%
Recent Immigrant (2001-2006) Household Maintainers	26,745	18%	77,595	8%	50,850	6%
Visible Minorities: At Least One Person in the Household	87,725	59%	406,115	42%	318,390	38%
Persons Per Household	2.47		2.61		2.60	
Lone parent families	22,275	15%	136,135	14%	113,860	14%
Age 65 and Over Household Maintainer	19,710	13%	211,710	22%	192,000	23%

Source: Statistics Canada, Census 2006 Custom Tabulation EO1790; Topic-Based Tabulation 97-554-XCB2006025

City of Toronto Social Policy Analysis & Research, Social Housing Data 1999