

GROWTH IN HAMILTON'S RENTER HOUSEHOLDS

One reason rents are increasing at higher rates recently is that the number of renters in Hamilton has increased to 68,545 households in 2016. This figure is higher than any census year since 1991, an increase of over 8,000 households since a low of just under 62,000 renter households in 2006 (chart 1). Hamilton's annual growth of renters between 2006 and 2016 has been almost double the average annual population growth in this period (1.1% growth per year in renters, compared to 0.6% annual population growth in this period).

Renting is increasing as a housing option in part because ownership costs have risen dramatically and because the large millennial generation has arrived into the housing market after leaving their parents' homes. Hamilton in particular has had very high growth in its population of young adults, compared to many other Ontario communities, as documented in the SPRC series "Demographic Shifts". The large increase in Millennials living in Hamilton has a large impact on the overall renter population because young adults have the highest rate of living in rental housing of any age group. 87% of young people aged 15-24 rent, and 51% of young adults aged 24-34, compared to an average for all age groups of 32% city wide (chart 2).

Chart 1. Number of renter households, City of Hamilton, 1991-2018
1991, 1996, 2001, 2006, 2011 and 2016 Census, and 2011 National Household Survey, Statistics Canada

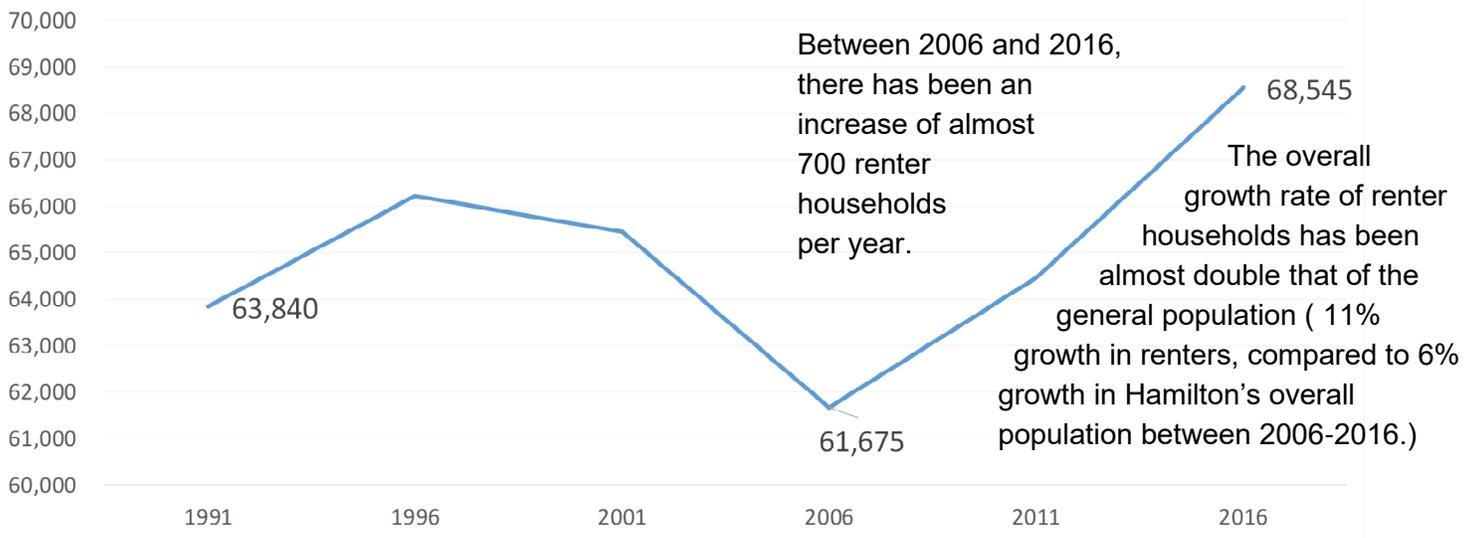
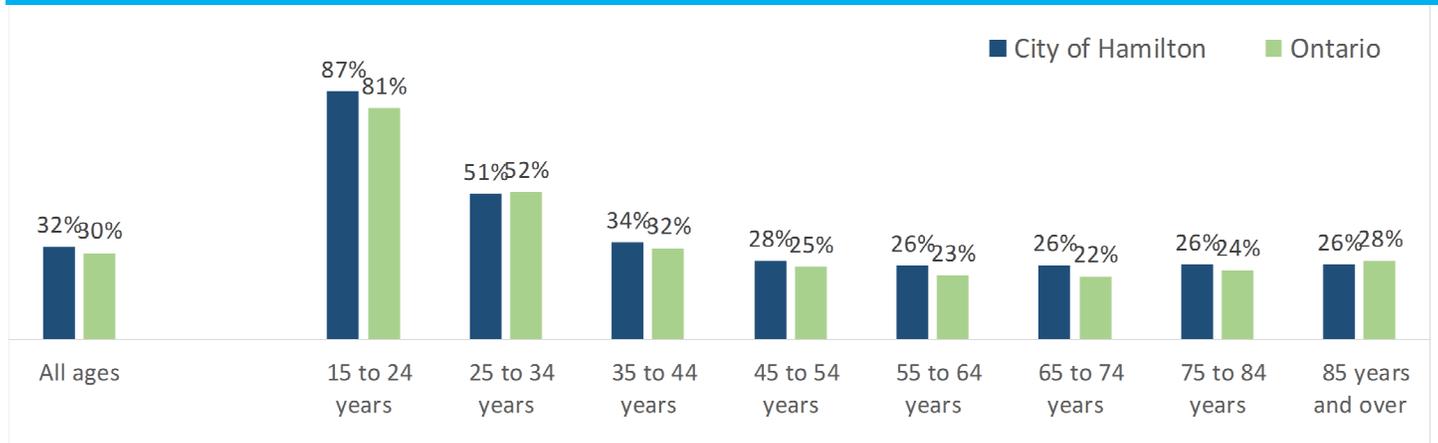
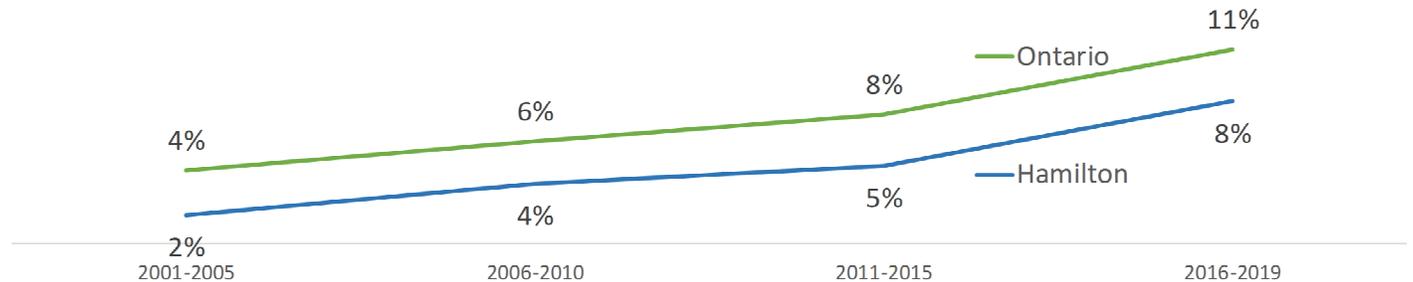


Chart 2. Percentage of households living in rented dwellings, by age of primary household maintainer, City of Hamilton, 2016
2016 Census, Statistics Canada



Housing developers are slowly reacting to the increasing rental market in Hamilton. Chart 3 shows that the percentage of housing completions that are rentals has increased from 2% of all completed housing units of all types completed in the 2001-05 period, to 8% in the 2016-19 period. Despite Hamilton having a higher percentage of renters than Ontario (32% compared to 30%) the percentage rentals in housing completion continues to lag the provincial average, indicating rental supply is still not keeping up with demand.

Chart 3 Percentage of new housing completions that are rental dwellings, City of Hamilton and Ontario, 2001-2019
Housing Market Information Portal, Canada Housing and Mortgage Corporation (CMHC)

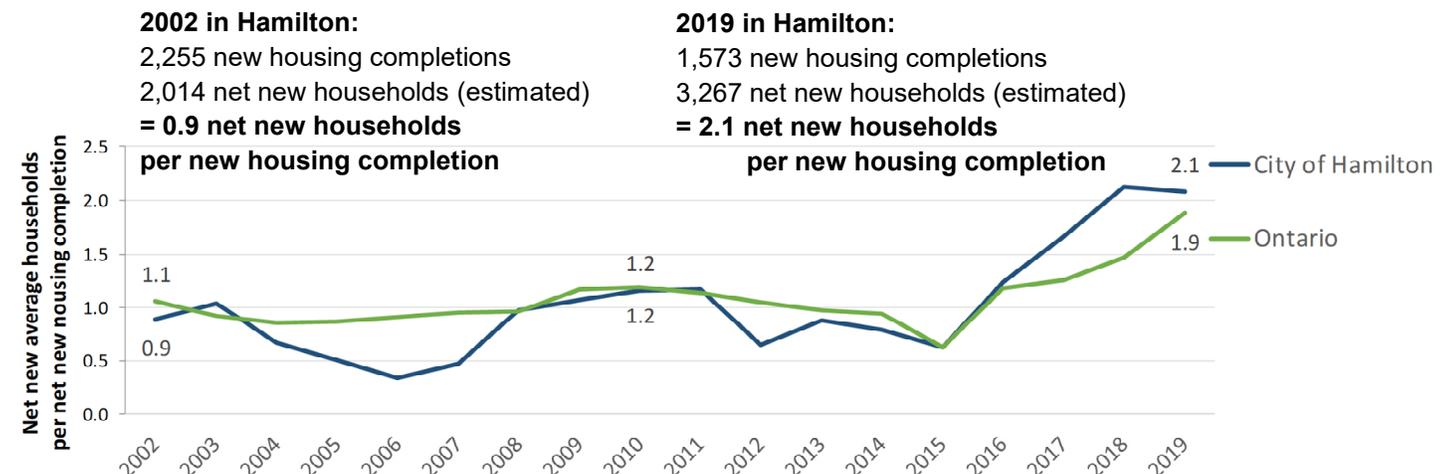


Beyond the rental market, there is evidence that the overall housing sector is not building enough housing to keep up with population growth in Hamilton, which puts even more squeeze on the renters looking for rental housing units. Chart 4 uses data about net new households, and net new housing completions. Net new households is based on Statistics Canada's annual population estimates which take into account both inflow and outflow of population in Hamilton, and births and deaths within the city. New completions is based on CMHC's annual data about construction completions of home ownership, condo and rental units.

Until recently, there was a close relationship between the number of new households and the number of new housing completions in Hamilton and Ontario, with around one new housing completion for every new household. Recently that relationship has become unbalanced. In 2019, there were 2.1 new households in Hamilton for every new completion, a raw difference of almost 1,700 more households that weren't accommodated by the housing market, and a higher ratio than the provincial average (1.9).

When the housing market is pressured in this way, it has impacts across the city. For example, young people ready to move from their family's home have to delay because they can't find adequate housing, immigrants who move to Hamilton accept overcrowded dwellings, a person who wants to leave an abusive relationship can't find a housing unit so seeks shelter instead or stays in an unsafe situation, others move in with a roommate despite not wanting to do so. All of these conditions are stressful situations that have negative impacts for individuals and families.

Chart 4. Net new households per new housing completion, City of Hamilton and Ontario, 2002-2019
Housing Market Information Portal, Canada Housing and Mortgage Corporation (CMHC)
and Estimates of Population, Statistics Canada



2002 in Hamilton:
2,255 new housing completions
2,014 net new households (estimated)
= 0.9 net new households per new housing completion

2019 in Hamilton:
1,573 new housing completions
3,267 net new households (estimated)
= 2.1 net new households per new housing completion