Canadian Housing Statistics Program, 2018

Released at 8:30 a.m. Eastern time in The Daily, Thursday, December 5, 2019

The article "Homeownership, income and residential property values," released today, is part of the *Housing Statistics in Canada* series. It provides an analysis of the income characteristics of residential property owners in British Columbia, Ontario and Nova Scotia.

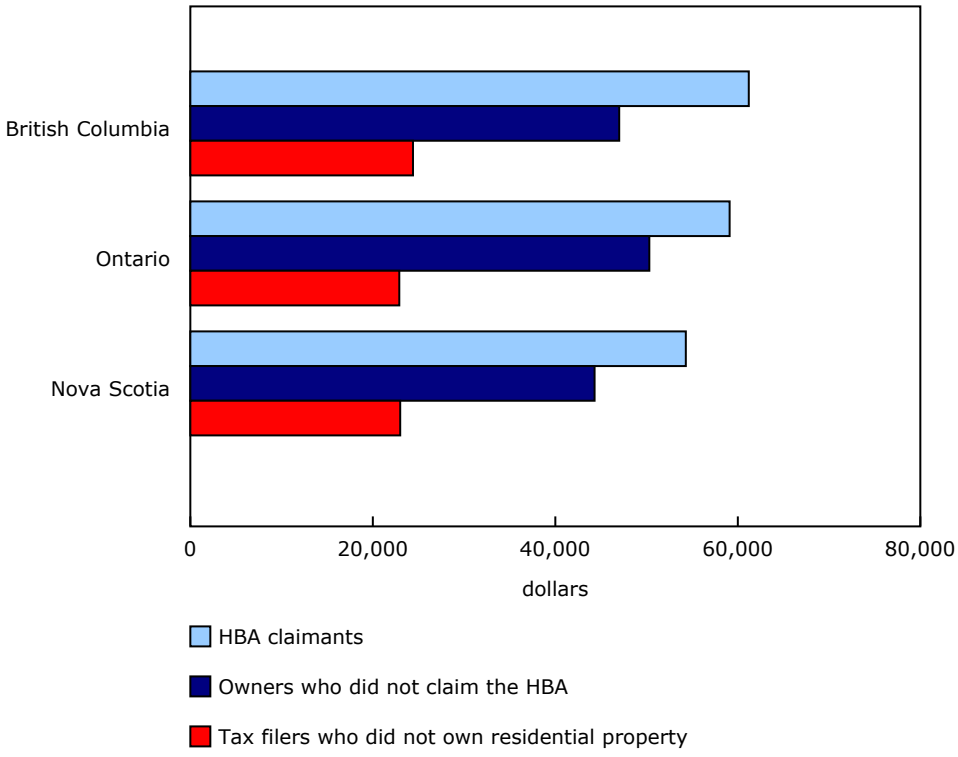
Data from the Canadian Housing Statistics Program (CHSP) for reference year 2018 are used to examine the income of residential property owners within the context of their real estate holdings in British Columbia, Ontario and Nova Scotia. New data on claimants of the home buyers' amount (HBA), a federal incentive program for first-time home buyers, provide insights on the characteristics of new entrants into the housing market and their first properties.

Claimants of the home buyers' tax credit tend to purchase lower-value properties

First-time home buyers who claimed the HBA accounted for around 1% of single-property owners. They had higher median incomes than owners who did not claim the HBA and individuals who did not own any residential property.

Both the median income of HBA claimants and the income gap between these claimants and owners who did not claim the HBA (30.2%) were highest in British Columbia.

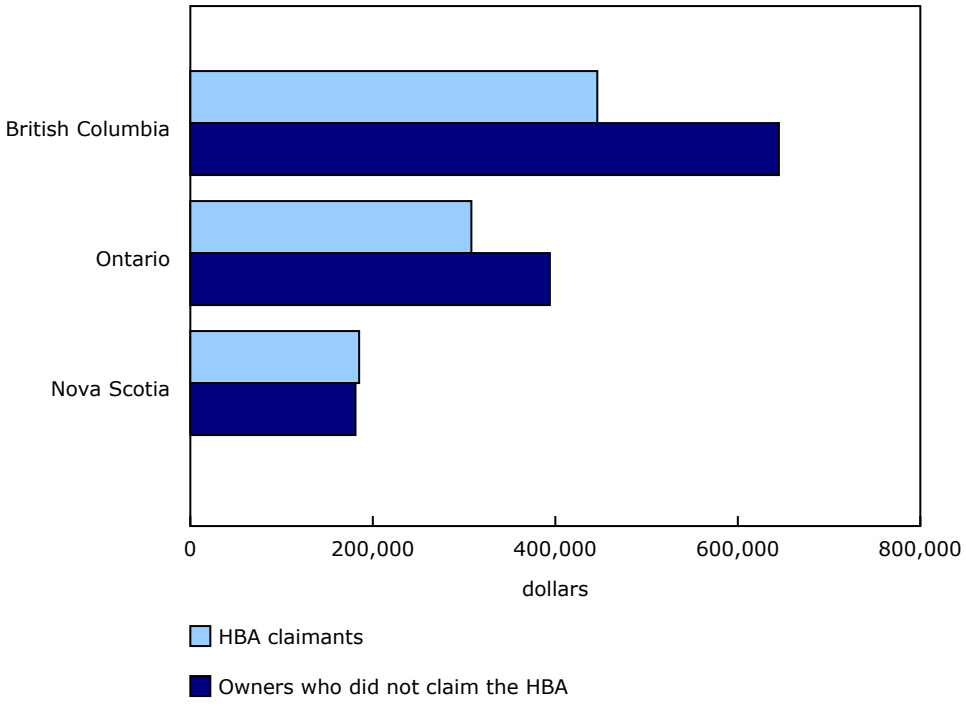
Chart 1
Median before-tax income, by ownership and home buyers' amount (HBA) claimant status, 2018



Source(s): Tables 46-10-0047-01 and 46-10-0048-01.

Even though owners who claimed the HBA in British Columbia and Ontario earned higher median incomes than owners who did not claim the HBA, they purchased properties with lower assessment values. The difference was greatest in British Columbia, where the median assessment value of properties bought by claimants was 30.9% lower than the value of properties bought by owners who did not claim the HBA.

Chart 2
Median assessment values of residential properties, by home buyers' amount (HBA) claimant status, 2018



Source(s): Table 46-10-0048-01.

Median property value is nine times higher than median income in the Vancouver census metropolitan area

The ratio of assessment value to income was highest in British Columbia, particularly in the Vancouver census metropolitan area (CMA), where property values were nine times greater than the income of owners.

Table 1
Median assessment values of residential properties and median before-tax income and property owners in British Columbia, Ontario, Nova Scotia and selected census metropolitan areas, 2018

	Median assessment value	Median before-tax income	Median value-to-income ratio
	dollars		ratio
British Columbia	**608,000**	**89,600**	**6.8**
Vancouver	889,000	92,600	9.1
Victoria	661,000	96,300	6.6
Ontario	**376,000**	**95,100**	**3.9**
Hamilton	399,000	98,900	4.0
London	248,000	90,100	2.7
Ottawa-Gatineau (Ontario part)	370,000	117,000	3.1
Toronto	594,000	99,000	5.7
Nova Scotia	**174,000**	**80,700**	**2.1**
Halifax	238,000	97,600	2.4

Source(s): Table **46-10-0049-01**.

Properties co-owned by residents and non-residents are more prevalent in the lowest owner income bracket

In terms of the distribution of properties by owner income, the properties with lowest-income owners were more likely to be co-owned with non-residents. Properties that had a combination of resident and non-resident owners generally had higher value-to-income ratios than properties owned solely by residents.

In the Vancouver CMA, 4.3% of residential properties—about 3,900—with owners in the lowest income bracket had a mix of resident and non-resident owners, compared with 1.7% for the top income group. Within the CMA, the share of properties co-owned with non-residents was highest for the lowest-income earners in the census subdivisions of Vancouver and Metro Vancouver A, at 5.6%.

A more detailed analysis of the income characteristics of residential property owners is available in the article, "Homeownership, income, and residential property values."

Table 2
Median value-to-income ratios of residential properties, by income quintiles and residency participation in the Vancouver, Toronto and Halifax census metropolitan areas (CMAs), 2018

	Vancouver CMA	Toronto CMA	Halifax CMA
	ratio		
First income quintile			
Resident owners only	32.0	17.0	5.1
Mix of resident and non-resident owners	42.0	22.5	5.9
Second income quintile			
Resident owners only	12.8	8.2	3.1
Mix of resident and non-resident owners	14.9	8.7	3.4
Third income quintile			
Resident owners only	8.6	5.5	2.3
Mix of resident and non-resident owners	9.4	6.0	2.7
Fourth income quintile			
Resident owners only	6.7	4.3	2.0
Mix of resident and non-resident owners	7.0	4.2	2.1
Fifth income quintile			
Resident owners only	5.1	3.1	1.6
Mix of resident and non-resident owners	5.0	2.9	1.7

Source(s): Table **46-10-0050-01**.

Note to readers

The data used in this study are compiled from the Canadian Housing Statistics Program (CHSP) for the reference year 2018 and are linked to tax data from the T1 Family File (T1FF) for the tax year 2017. Data in the T1FF include all individuals who filed an individual T1 tax return, combined with other tax files received from the Canada Revenue Agency.

The number of home buyers' amount claimants in the CHSP does not correspond to the number of claimants published by the Canada Revenue Agency. This may be explained by claimants who purchased newly built properties, or claimants who purchased properties that were still undergoing construction and had not yet been occupied and assessed as of the reference period, which must be done within one year of purchase.

Definitions

Before-tax individual income *refers to the total income of an individual, before deductions for income taxes, during the year 2017. This income measure is the sum of market income and government transfers. Market income includes employment income, investment income, private retirement income and other income from market sources. Government transfers refer to all cash benefits received from federal, provincial, territorial or municipal governments during the year 2017.*

Residential property *refers to all land and structures intended for private occupancy, whether on a permanent or a temporary basis. A residential property may have more than one owner.*

Assessment value *refers to the assessed value of the property for the purposes of determining property taxes. It is important to note that the assessed value does not necessarily represent the market value. Given that different provinces and territories have their own assessment periods and property assessment roll durations, it is difficult to accurately compare similar properties from one province or territory with another. The assessment values in Nova Scotia and British Columbia are in 2017 dollars, while the assessment values in Ontario are in 2016 dollars. For properties that are being used for both residential and non-residential purposes, only the residential portion's value has been taken into account.*

Definitions, data sources and methods: survey number 5257.

Available tables: 46-10-0047-01 to 46-10-0050-01 .

The article "Homeownership, income, and residential property values," part of *Housing Statistics in Canada* (46-28-0001), is now available.

The Housing Statistics Portal is also available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Jean-Philippe Deschamps-Laporte (343-998-7200; **jean-philippe.deschamps-laporte@canada.ca**) or Ellen Bekkering (613-878-7146; **ellen.bekkering@canada.ca**).