

Housing economic account, 1961 to 2021

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, July 19, 2022

Strong growth in housing investment in 2021 has pushed Canada's net stock of residential assets up 18.9%, representing 22.0% of national wealth. Total residential stock, which reached \$3.4 trillion, includes social housing assets amounting to \$44.6 billion. This productive activity was associated with over 1.3 million jobs and \$141.3 billion in gross domestic product (GDP).

Estimates from the new Housing Economic Account are now available upon request. This account is an important component of the Canadian System of National Accounts, which primarily focuses on investment and the economic impact of housing in Canada.

Investment and stock

Total investment in residential housing in 2021 increased 31.3% from 2020 to reach \$248.5 billion in nominal value. Investment increased by more than 20% in every province and territory except Nunavut, which saw a decrease of 12.4%. The strong growth in investment led to an increase of 18.9% in Canada's net stock of housing assets, representing 22.0% of national wealth.

Although investment in all dwelling types saw notable growth in 2021, single dwellings saw the largest at 41.8%, while double dwellings reported the smallest growth for the period at 16.8%.

After an increase of 14.0% in 2020, investment in social housing decreased 0.4% in 2021. The stock of social housing assets reached \$44.6 billion in 2021, representing 1.3% of total residential stock.

In constant dollars (2012=100), investment increased 14.6% in 2021 to \$171.6 billion. Net stock increased 3.0% to \$2.4 trillion.

Remaining useful service life

The remaining useful service life ratio provides information on the relationship between the timing and average age of investments in housing assets and their associated expected service lives, providing additional information on Canada's stock of housing assets.

Nationally, the remaining useful service life ratio of housing assets declined slightly from 59.2% in 2020 to 59.1% in 2021. Slight declines were observed in Newfoundland and Labrador, Saskatchewan, Alberta, British Columbia, the Northwest Territories and Nunavut. Increases in the remaining useful service life ratio were seen in row houses and apartments, while the ratios decreased for single, double and mobile dwellings.

Economic impact

The economic contribution as a result of the production of housing assets due to investment is presented as valued added (GDP), compensation of employees, hours worked, and number of jobs. The contribution is calculated based on both the direct effect and the indirect effect. The direct effect is simply the impact on the producing industry itself, without assuming that these new expenditures will have any impact. The indirect effects of the initial spending begin when businesses receiving the first order purchase additional materials and supplies from other businesses which, having received their own new orders, also increase their production activities. The indirect effect is a result of actions that businesses take to adapt to the additional demand beyond those actions taken as part of the direct effect.

Over 1.3 million jobs were associated with the production of housing assets in 2021, over 58% of which were the result of direct investment effects. GDP attributed to the production of housing assets totalled \$141.3 billion in 2021, up from \$109.9 billion in 2020. Compensation of employees for the production of housing assets in 2021 was \$80.5 billion, up from \$62.4 billion in 2020.



Table 1
Economic impact of investment in housing assets, Canada, various years

	2011	2016	2021
	billions of dollars		
Value added	74.3	92.7	141.3
Compensation	42.4	52.1	80.5
	number		
Number of jobs (in thousands)	838	915	1,345
Hours worked (in millions)	1,532.8	1,719.8	2,513.0

Source(s): Housing Economic Account (1901).

Note to readers

The Housing Economic Account (HEA) is a set of statistical statements that record the macroeconomic impacts related to the production of housing in Canada. The account is organized using a statistical framework that is consistent with the Canadian System of National Accounts. Estimates of investment, net stock, depreciation, average age, and remaining useful service life are available by province and territory. Estimates of economic contribution of investment resulting from the production of housing assets are also available and are measured in terms of the associated value added, compensation of employees, and number of jobs. Data are available at an annual frequency from reference period 1961 to 2021 by institutional sector, dwelling type, and housing type.

The HEA has isolated the investment in social housing by government and non-profit institutions serving households (NPISH) sectors. This investment includes the production of new housing and renovations to existing housing. The HEA has also estimated the economic impact of those investments. This differs from the ongoing support from governments and non-profit institutions for social housing services, such as rental subsidies. Estimates related to ongoing support for social housing services will be included with the January 2023 release of the HEA, which will also include the housing stock in units.

The economic impact variables are estimated using the latest available multipliers from the supply-use table. Since structural parameters used to calculate multipliers change relatively slowly, supply-use multipliers are commonly used beyond the reference year to measure impacts on target variables for future periods.

Next release

The full contingent of estimates for the HEA will be released on January 16, 2023, which will include updates to these datasets as well as the new Housing Stock in Units program, which will identify, by housing types and tenure, private and social housing units in Canada.

Definitions, data sources and methods: survey number 1901.

The article, "[Remaining useful service life ratios of non-residential capital stock](#)," which is part of the *Income and Expenditure Accounts Technical Series (13-604-M)*, is available.

The [Economic accounts statistics](#) portal, accessible from the *Subjects* module of the Statistics Canada website, features an up-to-date portrait of national and provincial economies and their structure.

The *Latest Developments in the Canadian Economic Accounts (13-605-X)* is available.

The *User Guide: Canadian System of Macroeconomic Accounts (13-606-G)* is available.

The *Methodological Guide: Canadian System of Macroeconomic Accounts (13-607-X)* is available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).