Housing economic account, 1961 to 2021

Released at 8:30 a.m. Eastern time in The Daily, Monday, January 16, 2023

Summary

Total residential dwellings reached 16.4 million units in 2021, representing a stock value of $3.3 trillion. Strong growth in housing investment in 2021 drove Canada's net stock of residential assets up 17.6%, representing 21% of national wealth. The productive activity related to investment in residential housing was associated with over 1.3 million jobs and $141.5 billion in gross domestic product (GDP).

Stock in units

The total number of dwellings in Canada increased 5.7% to 16.4 million units from 2016 to 2021. The number of dwellings in Ontario increased by 334,000 from 2016 to reach 6.0 million in 2021, the largest increase in Canada, followed by Quebec, with an increase of 192,000 over the same period.

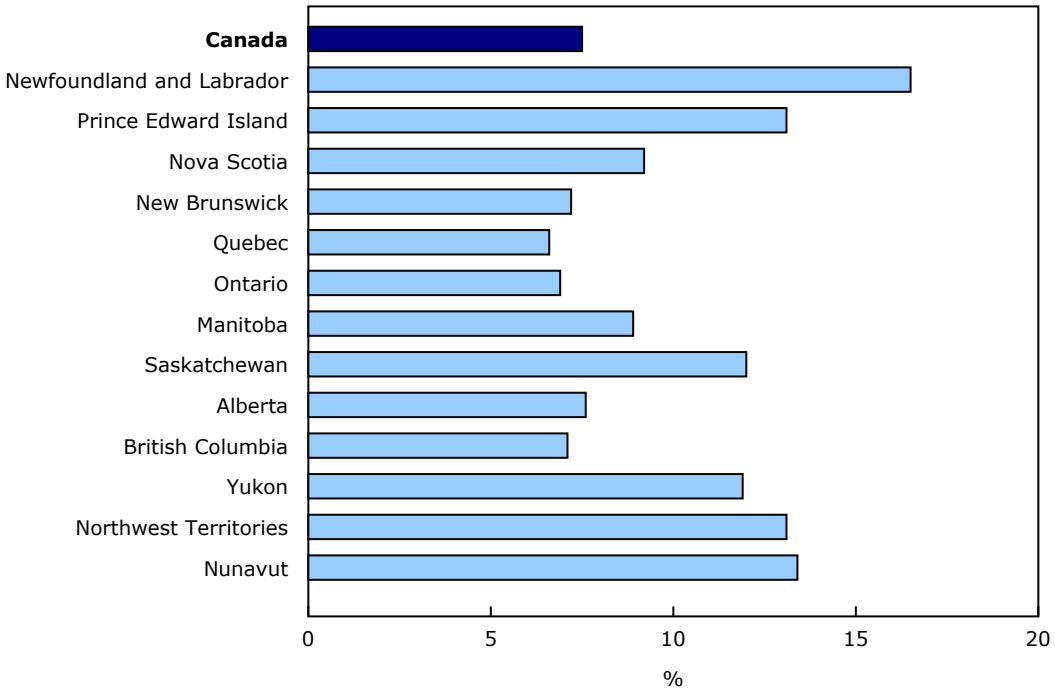
Steady growth in apartment-type dwellings from 2016 to 2021, making up 34.8% of total units in 2021, changed the composition of dwelling types. Although the number of single-detached dwellings increased by over 292,000 since 2016, the share of this type of structure compared with total dwellings fell from 53.5% to 52.4%. The number of single-detached dwellings per capita decreased in all provinces and territories except Newfoundland and Labrador, Alberta and the Northwest Territories. Only Newfoundland and Labrador and the Northwest Territories reported decreases in their populations over this same period.

There were over 894,000 social housing units in 2021, accounting for 5.4% of the total number of units in Canada. The majority (84.1%) of units in Nunavut were social housing, while the lowest share of social housing units was in Newfoundland and Labrador, at 3.1%.

The per capita number of owner-occupied dwellings was highest in Atlantic Canada, with most provinces and territories experiencing a decrease from 2016.

In 2021, at the national level, the percentage of unoccupied dwellings was 7.5%, with apartments at 8.4% and single-detached houses at 7.2%. However, unoccupied rates varied significantly across the provinces and territories; the rate in Newfoundland and Labrador was more than double that of the national, while Quebec had the lowest rate.

Chart 1
Percentage of unoccupied dwellings, 2021



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

Investment and stock

Total investment in residential housing in 2021 increased 30.9% from 2020 to reach $248.7 billion in nominal terms. Investment grew more than 25% in every province and territory except the Northwest Territories (+18.3%) and Nunavut (+1.0%). The strong growth in investment led to an increase of 17.6% in Canada's net stock of housing assets, representing 21% of national wealth.

Investment in all dwelling types saw strong growth in 2021. The largest increase was in single-detached dwellings (+42.2%), while semi-detached dwellings (+21.4%) reported the lowest growth for the period.

On a constant dollar (2012=100) basis, investment increased 17.4% in 2021 to $174.4 billion. Net stock of housing assets increased 3.2% to $2.3 trillion.

The Housing Economic Account isolated the investment in social housing by government and non-profit institutions serving households (NPISH) sectors. This investment included the production of new housing and renovations to existing housing. This differed 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 (individual consumption expenditures of general governments and NPISH on housing, water, electricity, gas and other fuels), labelled "Social transfers in kind" are found in Table 1, alongside estimates of investment in housing assets by type.

Table 1
Investment by housing type and social transfers in kind, Canada, millions of dollars

	2016	2017	2018	2019	2020	2021
	millions of dollars					
Private housing investment	153,016	163,551	165,227	166,835	183,731	240,912
Social housing investment	4,631	4,970	5,314	5,469	6,261	7,815
Social transfers in kind	5,926	6,242	6,514	6,774	7,324	7,918

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

Remaining useful service life

Nationally, the remaining useful service life ratio of housing assets increased from 58.7% in 2020, to 58.9%. Slight declines were observed in Newfoundland and Labrador, Saskatchewan, Alberta, British Columbia, the Northwest Territories and Nunavut. The remaining useful service life ratio increased in all dwelling types except single-detached dwellings.

Economic impact

GDP attributed to the production of housing assets totalled $141.5 billion in 2021, up from $110.3 billion in 2020. Over 1.3 million jobs were associated with the production of housing assets in 2021.

Table 2
Economic impact of investment in housing assets, Canada, various years

	2011	2016	2021
	billions of dollars		
Value added	74.3	92.2	141.5
Compensation of employees	42.4	51.5	80.3
	number		
Number of jobs (in thousands)	838	908	1,343
Hours worked (in millions)	1,533	1,705	2,508

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 the 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. Data are available upon request.

The proportion of houses by social and private housing type is based on the housing structure provided by the Statistical Building Register database (2021) and the National Social and Affordable Housing Database (2021). This proportion is thus a snapshot of the distribution of residential housing in 2021 depending on whether the housing is private or social.

Estimates of housing stock in units have been developed within the HEA. This stock in units is a dwelling concept and is based on the Census of Population dwelling counts. The concepts used in estimates pertaining to housing stock in units by dwelling type, tenure and occupancy are based on the Census of Population. Definitions of these and many other concepts can be found in the Census Dictionary, where dwelling refers to a separate set of living quarters with a private entrance either from outside the building or from a common hall, lobby, vestibule, or stairway inside the building. The entrance to the dwelling must be one that can be used without passing through the living quarters of some other person or group of persons. The concept of dwelling is different from the concept of residential property, as one property can contain multiple dwellings. Information on residential properties can be found within the Canadian Housing Statistics Program (CHSP). The HEA uses the CHSP as an input. Specifically, the CHSP is merged to the Statistical Building Register data to obtain the distribution of the sector based on the North American Classification Standard code. Data from six provinces (Newfoundland and Labrador, Nova Scotia, New Brunswick, Ontario, Manitoba and British Columbia) and the three territories are used to derive the average distribution of the sector, across non-social housing and social housing. Stock in units' estimates will be available upon request.

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.

The economic contribution as a result of the production of housing assets due to investment is presented for valued added (gross domestic product), compensation of employees, hours worked and number of jobs. The contribution is calculated for both the direct effect and the indirect effect. The direct effect is simply the impact on the producing industry itself, without assuming that any consequences will follow from the new additional spending. The indirect effects of the initial spending begin when businesses receiving the initial order purchase additional materials and supplies from other businesses who, having received their own new orders, similarly expand their productive activities. The indirect effect is a consequence of actions that businesses take to adapt to the additional demand beyond those taken as part of the direct effect.

The economic contribution variables are estimated using the latest available multipliers from the supply-use table. Because 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.

Correction

The estimates in this release for investment, net stock, remaining useful service life and the economic impact model have been corrected to account for an error in the allocation of housing units to sectors.

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 "Dictionary, Census of Population, 2021," which is part of the *Census Dictionary* (**98-301-X**), is available.

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**).