

# Bank of Mom and Dad: The advantage of parental property ownership for their adult children in the Canadian housing market

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House and condominium apartment prices have increased markedly in recent years. In this context, many factors contribute to the ability of younger Canadians to become homeowners, including what some refer to as the "Great Wealth Transfer." This concept proposes that parents' wealth could—through gifts and inheritances—make it easier for their adult children to afford a down payment or to meet their mortgage payments.

The article released today titled "[Parents and children in the Canadian housing market: Does parental property ownership increase the likelihood of homeownership for their adult children?](#)" addresses whether the adult children of homeowners are more likely to be homeowners themselves. Financial assistance from parents is one of the channels that can explain differences in homeownership between the adult children of homeowners and those of non-homeowners. Other possible channels include better access to certain social networks and greater investments in education, which may lead to higher individual incomes for adult children of homeowners.

In 2021, the adult children (millennial and Generation Z tax filers born in the 1990s) of homeowners were twice as likely to own a home as those of non-homeowners. The rate of homeownership was 17.4% for the adult children of homeowners, while it was 8.1% for the adult children of non-homeowners. Adult children whose parents owned multiple properties (23.8%) were nearly three times more likely to be homeowners in 2021 than the adult children of non-homeowners.

This positive association between the homeownership rate of adult children and their parents' property ownership was greatest for adult children with individual incomes of \$80,000 or less. For example, among those with this income level born from 1990 to 1992—the oldest cohort studied—the rate of homeownership was 27.4% for the adult children of homeowners. This proportion was nearly two times higher than that for the adult children of non-homeowners (14.8%). For adult children of the same age with incomes above \$80,000, the rate of homeownership was 56.4% for the adult children of homeowners, around one-fifth higher than that for those of non-homeowners (46.2%).

Parents' property ownership remained positively associated with their adult children's likelihood of homeownership when holding the adult children's income, age and province of residence constant. Together, these results reveal a link between parents' housing wealth and their children's homeownership outcomes.

This release builds on past Statistics Canada research that examined the [relationship between parents' income and their children's income and labour market outcomes](#), as well as the [relationship between parental income and their children's homeownership outcomes](#). These studies also show that children with higher-income parents have an economic advantage over children of lower-income parents.

## Note to readers

*The data in this study are compiled from the Canadian Housing Statistics Program for the 2021 reference year. Homeownership data for the 2021 reference year are linked to tax data from the T1 Family File (T1FF) up to the 2020 tax year. Data in the T1FF include all individuals who filed a T1 income tax return, combined with other administrative files from the Canada Revenue Agency.*

## Definitions

**Homeownership or property ownership** refers to the possession of residential properties, excluding vacant land.

**Adult children** in this study are residents of Canada who were born in the 1990s. Their **parents** are those who have declared them as dependents, as reflected by the T1FF.

The **likelihood of homeownership** refers to the homeownership rate among all adult children studied.



**Definitions, data sources and methods: survey number [5257](#).**

The article "[Parents and children in the Canadian housing market: Does parental property ownership increase the likelihood of homeownership for their adult children?](#)," part of *Housing Statistics in Canada* ([46280001](#)), is now 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](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).