

Living Arrangements and Housing Affordability Among Young Adults in Canada



What this research is about

Canada is in the midst of a housing affordability crisis. Shelter costs have increased at a greater pace than income, driving a shift in living arrangements for young adults. This often requires living with someone else to afford housing, such as parents, partners, extended family, or roommates.

Previous studies have shown that the ability to “double up” with others to share housing costs depends on a person’s social network. Others have shown that newcomers and others born outside Canada are more likely to live in unaffordable and unsuitable housing. Foreign-born young adults may have less access to family or friends with whom to cohabit than those born in Canada, increasing their risk of having unaffordable housing.

This study examined the impact that nativity status and living arrangements have on young adults’ risk of experiencing unaffordable housing.

What the researchers did

Researchers used data from the 2021 Census to capture information about housing, living arrangements, nativity status, and shelter-cost-to-income ratios (STIR). STIR is a method of calculating how much a household’s income is being spent on shelter. The researchers used data from respondents aged 24 to 34 who had not moved within 12 months at the time of the census. The sample included 822,600 young adults: 581,100 Canadian-born and 241,500 foreign-born.

Housing was considered unaffordable if it exceeded 30% of the household’s pre-tax income. Moderately unaffordable housing costs 30% to 49% and severely unaffordable housing costs 50% or more. Living arrangements were categorized as follows: people

What you need to know

Housing costs in Canada have increased more quickly than incomes, contributing to a housing affordability crisis. This has resulted in a shift in living arrangements for many young adults, who have been particularly affected. Living with parents, partners, extended family, or roommates has become a strategy for coping with high housing costs. While previous studies have shown that this can help offset costs, it depends on having a social safety net. Young adults born in Canada are more likely than newcomers to have parents and friends they can live with.

This study examined the impact that nativity status and living arrangements have on the risk of having unaffordable housing. Among both foreign-born and Canadian-born young adults, those living alone and those who were single parents were most likely to experience unaffordable housing. Foreign-born young adults were more likely to face unaffordable housing, regardless of their living arrangement.

who lived alone, lived solely with their children, lived with non-kin roommates, lived with their partners, lived with their partners and children, lived with extended family, or lived with their parents.

What the researchers found

The data showed several differences in living arrangements and housing affordability between Canadian-born and foreign-born young adults. After adjusting for various demographic, socioeconomic, and geographic traits, researchers found that based on nativity status, both Canadian-born and

foreign-born young adults were most likely to be living with a partner and children (23.7% vs. 22.3%, respectively). The second most common living arrangement was living with parents for Canadian-born young adults (23.6%) and living with extended kin for those born outside Canada (20.9%). Both Canadian-born and foreign-born young adults were least likely to be living with only their children, but those born in Canada were more likely to have this living arrangement (3.0% vs. 1.8%).

Among young adults born in Canada, unaffordable housing was most common for those who lived only with their children (42.5%), followed by 37.9% of those living alone, and 11.5% of those who lived with roommates. Unaffordable housing was more common among foreign-born young adults regardless of their living arrangements, with the exception of those who lived with children only. This was the case for 41.1% of those living with children only. A similar 40.2% of those who lived alone had unaffordable housing, followed by those living with partners and children (20.6%).

Researchers determined that foreign-born young adults were more likely to be living in severely unaffordable housing than Canadian-born young adults. Similarly, more foreign-born than Canadian-born young adults were living in moderately unaffordable housing, with the exception of those who lived alone (22.3% vs. 24.2%) and single parents (24.7% vs. 30.4%).

How you can use this research

Findings from this study could be used by policymakers to support the development of additional housing assistance and/or programs or subsidies for young single parents, sole-earner households, and newcomer families as part of the Canadian National Housing Strategy. Canadian immigration policies could be reevaluated to ensure that newcomers have access to affordable housing. More resources could be allocated to build affordable housing units to ensure that supply can meet the demand of immigration-driven population growth.

About the researchers

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Research Snapshot by Erika Cao

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