SEEKING AFFORDABLE HOMEOWNERSHIP IN THE SUBURBS: A CASE STUDY OF IMMIGRANTS IN YORK REGION[1]

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ABSTRACT

Homelessness is a risk for growing numbers of immigrants, particularly in the suburbs of Canadian cities where affordable housing is in short supply. This study explores the social backgrounds and housing experiences of immigrant households in one Canadian suburb, York Region. A high proportion of newcomers in the region are at risk of homelessness during their first ten years of residence. Although renters are more vulnerable than homeowners, an unexpectedly large number of homeowners are also living in unaffordable housing. In the newly developed outer suburbs, many immigrant homeowners are at risk of homelessness.

Homelessness is a growing risk for many immigrants who are experiencing serious difficulties finding affordable, adequate, and suitable housing (Farrell 2005; Murdie 2004; Hiebert et al. 2006; Hiebert and Mendez 2008). Continuing and deepening income inequality between recent immigrants and the Canadian-born makes it hard for newcomers to afford housing (Murdie 2004) in metropolitan areas where housing costs in the owned and rental sectors have risen steadily for the past decade (Hiebert et al. 2006). Immigrants are also looking for housing in suburban submarkets that are expensive and oriented almost exclusively to single-family, detached and owner-occupied housing (Bunting, Walks and Filion 2004; Suttor 2006). The shortage of rental units is compounded by the very small number of affordable social housing units in many suburbs. Urban development in many outer suburbs occurred after federal funding for affordable social housing had ended (Suttor 2006; Turner 2008). In a recent study, we are examining housing affordability in the suburbs to determine whether many newcomers are at risk of homelessness.

The study focuses on York Region[3], one of Canada's fastest-growing suburban areas and an important destination for immigrants who accounted for 43 percent of the region's population in 2006. With a population of approximately 1,000,000, it accounts for almost 20 percent of the population in the Toronto Census Metropolitan Area (CMA). The immigrant population in York Region is typical of the Toronto metropolitan area with the largest numbers of immigrants coming from Asia, specifically from China, India, and Pakistan. York Region is also a destination for secondary migrants, people who settle elsewhere in the metropolitan area upon arrival and then relocate to York Region. Markham and Vaughan illustrate the impacts of these trends. Markham is now a minority-majority municipality in which 56.6% of the population was foreign-born and more than 50 percent of the population identified as a visible minority in 2006. Vaughan is home to a large Italian population that consists of immigrants, their children and grandchildren who identify their ethnic origins as Italian (Posca 2006).

THE IMPORTANCE OF AFFORDABLE HOUSING

Affordable housing is a prerequisite for successful settlement. Once immigrants locate suitable, adequate, and affordable housing in a comfortable neighbourhood, they have a base from which they can address the challenges of settling successfully in Canada (Murdie and Teixeira 2003). There is growing evidence that this initial step in the settlement process is eluding many newcomers. Immigrant homeowners and renters are more likely than their Canadian-born counterparts to suffer affordability problems (Engeland and Lewis 2005; Murdie 2004; Hiebert et al. 2006; Wayland 2007).

The extent and depth of affordability problems are influenced by many factors including housing tenure and

length of residence in Canada[4] (Hiebert and Mendez 2008; Hiebert et al. 2006). Immigrant renters are much more likely to have affordability problems than immigrant homeowners. In 2001, 14.6 percent of immigrant owners living in metropolitan areas were spending at least 30 percent of their income on housing versus 33.9 percent of renters (Engeland and Lewis 2005). Despite their initial difficulties, housing affordability improves over time for many immigrants. Only 28.5 percent of all immigrants were spending at least 30 percent of household income on housing compared with 41.4 percent of newcomers who arrived between 2001 and 2006 (Rea, MacKay and LeVasseur 2008, 28). Despite the improvement experienced by the majority of immigrants, housing affordability persists as an important issue for almost four out of ten immigrant households after four years of residence in Canada (Hiebert and Mendez 2008).

IMMIGRANTS AND HOMELESSNESS

Immigrants' failure to obtain affordable housing places them at risk of homelessness. Remarkably few immigrants are absolutely homeless, living in shelters or living rough (Anucha et al. 2007; Kilbride et al. 2006; D'Addario, Hiebert and Sherell 2007). Many are hidden homeless who are couch-surfing and staying with friends. Others are vulnerable to homelessness because they spend at least 50 percent of their total before tax incomes on housing or are experiencing affordability problems because they are spending between 31 and 49 percent of their income on shelter.

The local context shapes the risk of homelessness for immigrants and refugees. In Windsor, Ontario where housing costs are relatively low, immigrants find affordable housing more quickly than in more expensive metropolitan areas, although it is not always suitable for their families (Anucha et al. 2007). Similarly, affordability issues for refugees in Winnipeg, where housing costs are also low, improved considerably over a two-year period (Carter et al. 2008). In Peel Region, a rapidly growing outer suburb of Toronto, immigrants vulnerable to homelessness had distinctive social characteristics (Kilbride et al. 2006). Compared with immigrants living in the City of Toronto, Peel residents were more likely to be hidden homeless, struggling to remain housed while spending at least 30 percent of their income on housing. Immigrants vulnerable to homelessness in Peel Region were also more likely to be married with children, working full-time and have attended English as Second Language classes than those interviewed in the city of Toronto. Although Peel immigrants were relatively well connected to social services, immigrants vulnerable to homelessness had few friends and family members who could offer assistance.

IMMIGRANTS' HOUSING IN YORK REGION

Immigrants' housing demand in York Region is distinct in three respects. In York Region, recent immigrants are more likely to live as couples with children and in multi-family households than the Canadian-born (Table 1). More than half of all immigrants are couples with children and, among recent newcomers, 70 percent live in this type of household. Immigrant households in York Region are also more likely to be multiple-family households than Canadian-born households. Less than 2 percent of all households headed by a person born in Canada are multiple family households, while 7.9 percent of all immigrant households in York Region are multi-family households (Table 1). Many immigrant households double up so they can afford to pay the rent or mortgage (Murdie 2004; Hiebert et al. 2006).

Given the large percentage of multifamily immigrant households, it is not surprising that average household size is substantially larger for recent immigrants than for the Canadian-born in York Region (Table 1). On average, households headed by a person born in Canada have 2.9 persons, while the average household size for immigrants who arrived between 1996 and 2001 is 3.7 people. The large size of immigrant households and the predominance of couples and multifamily households in York Region create additional housing challenges. Housing must be large enough to accommodate numerous household members, increasing housing costs.

The high cost of housing in York Region, the limited supply of rental units, and the shortage of social housing contribute to an affordability crisis for many immigrants. Owner-occupied and rental housing in York Region is almost as expensive as in the City of Toronto. In June, 2005, the average sales price for a single detached dwelling in York Region was $477,000, lower than the average price of $541,000 in the city of Toronto, but higher than the average prices in the metropolitan area (York Region 2007). Single-family, detached, owner-occupied housing predominates in York Region where only 13.7% of all dwelling units are rentals and only 12 percent are apartments. The stock of affordable rental units in York Region is also small consisting of only 10,780 units of social housing and an equally limited number of housing subsidies (York Region 2007).

IMMIGRANTS AT RISK

Distinct patterns of housing tenure and shelter costs are evident for immigrants in York Region (Table 2). In 2001, 90.0 percent of all immigrant households in York Region were homeowners compared with 79.5 percent of Canadian-born households. High rents in York Region enhance the appeal of homeownership. The monthly costs

of renting are very close to the average monthly cost of ownership, particularly for recent immigrants.

Immigrant households are also more vulnerable financially than Canadian-born households. With lower average household incomes than the Canadian-born, higher proportions of immigrant households spend at least 30 percent of their incomes on housing than the Canadian-born (Table 3). Immigrant households are also more likely than Canadian-born households to be at risk of homelessness with high percentages spending at least 50 percent of total household income for housing.

Financial risk is most pronounced for recent newcomers. In York Region, more than half of those who arrived within five years of the census are spending at least 30 percent of their income on housing, regardless of whether they are renters or owners (Table 3). More than 25 percent of immigrant renters and immigrant owners who had arrived between 1996 and 2001 were spending more than half of the household income on housing in 2001.

Although smaller percentages of immigrant homeowners than immigrant renters are spending more than 30 percent of their incomes on housing, the percentages of immigrant homeowners at financial risk are still substantial. More than one in four immigrant homeowners is spending at least 30 percent of household income on housing (Table 3). Among recent newcomers in York Region who arrived between 1996 and 2001, the percentage of homeowners spending at least 30 percent of their household income on housing costs rises to 53.9 percent.

The significance of this financial risk is hotly debated. Are the immigrant homeowners just like many other new homeowners who have stretched financially to purchase their first house? And if so, should we worry? There is reason for concern as the recent mortgage crisis in the United States has demonstrated. These households are so financially stretched that illness, job loss, or even a moderate increase in interest rates is likely to threaten their access to secure housing. As economic conditions continue to deteriorate, many immigrant homeowners in York Region may well be at risk of losing their homes.

CONCLUSIONS

The housing situations of many immigrants in York Region are precarious. Although the majority of immigrants in the region have achieved homeownership, immigrant homeowners in the region are much more likely than their Canadian-born counterparts to be spending at least 30 percent of total household income on housing. This is particularly true for recent immigrants who have lived in Canada for less than five years. Earlier cohorts of immigrants in York Region have enjoyed progressive housing careers so that the percentage of all immigrants in York Region spending at least 30 percent of household income on housing is approximately the same as in the entire metropolitan area. Whether this improvement will continue for immigrants who have arrived since 1990 is less certain.

In York Region as in the rest of the metropolitan area, immigrants are at risk of homelessness largely because of low incomes. Underemployed, immigrants earn lower incomes than the Canadian-born. Their financial problems are exacerbated by a frayed social safety net. In York Region where the population has exploded since 1990, the rise of neo-liberal government policies coincided with tremendous population growth. As a result, there is a lower per capita expenditure on all types of services that newcomers need (Price, Waterhouse & Coopers 2008). There is very little subsidized housing and few housing counselling services. Immigrants at risk in York Region have to rely for help on their own social networks that are often small and impoverished..

Homeownership in the suburbs used to be evidence of immigrants' economic and social success (Murdie and Teixeira 2003). For many recent immigrants in York Region, homeownership is as a precarious housing strategy. Given declining housing values in Canada and the high rates of foreclosures in the United States, we may need to reconsider our conceptualization of a progressive housing career in which homeownership signals immigrants' success.

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NOTES

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[3] To illustrate how the housing circumstances and needs of immigrants vary among metropolitan submarkets, we compare immigrants' experiences in York Region and in the City of Toronto, the central city that anchors the metropolitan area, where appropriate.

[4] Affordability problems also differ across ethnic origins and visible minority subgroups, however, they are not considered in this brief article.