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The Housing Situation and Needs of Recent Immigrants in the Montréal, Toronto, and Vancouver CMAs: An Overview

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The Housing Situation and Needs of Recent Immigrants in the Montréal, Toronto, and Vancouver CMAs: An Overview

Canada Mortgage and Housing Corporation
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Prepared by:

Daniel Hiebert, Annick Germain, Robert Murdie, Valerie Preston, Jean Renaud, Damaris Rose, Elvin Wyly, Virginie Ferreira, Pablo Mendez, and Ann Marie Murnaghan

For correspondence:

Daniel Hiebert
Department of Geography
University of British Columbia
1984 West Mall
Vancouver, British Columbia
V6T 1Z2

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INTRODUCTION

Access to adequate, suitable and affordable housing is an essential step in immigrant integration. Immigrants first seek a place to live and then look for language and job training, education for their children, and employment (Lapointe 1996, Murdie et al. 2006). Housing is also an important indicator of quality of life, affecting health, social interaction, community participation, economic activities, and general well-being (Engeland and Lewis 2005). This overview provides a synopsis of the findings of a large comparative study of immigrants in the housing markets of Canada's largest metropolitan centres, Montréal, Toronto, and Vancouver. It is the final installment of five separate reports:

■ *Immigrants and Housing: A Review of Canadian Literature From 1990 to 2005* by Robert Murdie, Valerie Preston, Magali Chevalier, and Sutama Ghosh (2006).

■ *The Housing Situation and Needs of Recent Immigrants in the Montréal Metropolitan Area/La situation résidentielle des immigrants récents dans la Région métropolitaine de Montréal* by Damaris Rose, Annick Germain, and Virginie Ferreira (2006)

■ *The Housing Situation and Needs of Recent Immigrants in the Toronto CMA*, by Valerie Preston, Robert Murdie, Ann Marie Murnaghan, and Daniel Hiebert (2006)

■ *The Housing Situation and Needs of Recent Immigrants in the Vancouver CMA* by Daniel Hiebert, Pablo Mendez, and Elvin Wyly (2006)

■ *The Housing Situation and Needs of Recent Immigrants in the Montréal, Toronto and Vancouver CMAs : An Overview* by Daniel Hiebert, Annick Germain, Robert Murdie, Valerie Preston, Jean Renaud, Damaris Rose, Elvin Wyly, Virginie Ferreira, Pablo Mendez, and Ann Marie Murnaghan (2006)

The first volume in our series summarizes and synthesizes the key Canadian literature on the relationship between immigration and housing. Separate reports are devoted to a detailed analysis of the housing situation of immigrants in each of Canada's major Census Metropolitan Areas (CMAs). We have considered each of these centres separately because of important metropolitan variations in immigration and housing markets in Canada. Montréal, Toronto, and Vancouver each have a particular history of immigration and distinct geographical patterns of immigrant settlement. In essence, immigrants enter a specific and complex housing submarket when they settle in a particular place (Canada Mortgage and Housing Corporation 2004). The specificity of the housing market in each metropolitan area interacts with the distinct patterns of immigration, so that in each place, immigrants confront a locally-specific set of housing opportunities and challenges. In this report, we review the findings of the three separate CMA studies, hoping to provide both a sense of the larger picture of immigrant settlement and the housing markets of Canadian metropolitan areas, and also reveal the important differences between Montréal, Toronto and Vancouver.

Our individual reports have drawn upon new and important information about the housing situation of immigrants, and have been organized into four sections. Each has begun with a review of the history of immigration in the particular metropolitan area in question, and recent trends in the housing market. These discussions have set the context for understanding the social and housing circumstances encountered by immigrants when they first arrived in Canada.

The next section of each CMA report reviews the housing conditions of immigrants currently living in the metropolitan area. We have emphasized the effects of immigrant status, period of arrival, and ethnic and visible minority status on the housing situation of immigrants. Drawing on special tabulations from the 2001 census (made available by Statistics Canada to researchers affiliated with the Metropolis Project), and where possible invoking comparisons with 1996 census data, we have also compared the circumstances of immigrants in the housing market with those of households that are comprised of Canadian-born individuals. We have further disaggregated the immigrant population, by exploring differences in the housing situations of particular ethno-cultural groups.

We have documented the success of many immigrants in attaining homeownership and the characteristics of immigrant households that are in the rental market. Our findings highlight the situations of those who are experiencing affordability problems. In this, the third section of the individual reports, we have followed conventions developed by Canada Mortgage and Housing Corporation (Canada Mortgage and Housing Corporation 2004), and have examined the relationship between housing costs and household incomes of immigrant households spending at least 30 per cent of their total pre-tax

income on housing, as well as a smaller group of immigrant households spending at least 50 per cent of total income on housing. Again, we have disaggregated the metropolitan populations in these categories by immigrant status, period of arrival, visible minority subgroups and ethnic origins.

In the fourth section of the reports, we have turned to new data from the first wave of the *Longitudinal Survey of Immigrants to Canada* (LSIC), conducted by Statistics Canada and Citizenship and Immigration Canada on a representative sample of immigrants who landed in Canada between October 2000 and September 2001. These data have enabled us to explore the ways that very recently-arrived immigrants find housing and the extent to which their initial housing situations are adequate, suitable and affordable. Significantly, LSIC includes information on the admission class of immigrants—information not collected for the census or in other major Canadian social surveys. Previous research, based on single case studies or surveys in a single city (Renaud 2003; Rose and Ray 2001; Murdie 2005; Bezanson 2003), has suggested that refugees and refugee claimants have more difficulty than other classes of immigrants in the housing market. LSIC allows us to explore the relationship between immigration category at landing and early housing outcomes in the three metropolitan areas, and to relate these findings to the local housing market.

We have structured this synopsis of the three metropolitan reports in the same way, starting with a statement about the changing trajectories of immigration and the housing markets of Montréal, Toronto and Vancouver. We then summarize the housing characteristics of the immigrant population, compared with the Canadian born, and then focus on households that are in vulnerable circumstances. With the broad sweep of immigration and housing in mind, we turn to LSIC, which helps us understand how these long-term patterns are established in the first few months of the settlement experience. We conclude this report by summarizing our thoughts on these findings in relation to Canadian immigration and housing policies. Finally, we have provided two appendices, one surveying the major findings generated by the *Longitudinal Survey of Immigrants to Australia*, and the other examining the longitudinal side of the LSIC in much greater detail, through an event analysis of immigrants' acquisition of housing over their first half-year in Canada.

THE CONTEXT

Throughout the 20th century we can think of Montréal, Toronto and Vancouver as Canada's major connection points to the global economy. Each has been connected differently, though. Historically, Montréal has had the strongest links to Europe, Toronto to the United States, and Vancouver to Asia. To a large degree, the fortunes of these metropolitan centres mirrored those of their associated regions, and the intensity of Canadian trade with them. When Europe dominated the world, Montréal led the Canadian urban hierarchy. With the ascendance of the United States, Toronto overtook Montréal in both demographic and economic terms. The more recent rise of the Asian economies has contributed to economic growth in Vancouver.

The grand story of immigration is generally aligned with these broad patterns, especially after the redefinition of policy that occurred in the 1960s. Of the three centres, Montréal retains the most direct connection with European immigration, drawing significantly from France and its former colonies, such as Haiti and the countries of the Maghreb. Montréal also receives the largest share of refugees of the three urban centres, for complex reasons (see the individual report on Montréal for

further discussion). Conversely, Vancouver draws the majority of its immigrants from eastern and southern Asia. Despite several repressive regimes in those regions, they are not a major source of refugees destined for Canada. But, as a region of rapid economic development, Asia generates a large number of skilled worker and entrepreneurial/ investor immigrants. Vancouver's immigrant profile, broadly, reflects the state of affairs in Asia and therefore includes a high ratio of skilled workers and, particularly, individuals admitted in the entrepreneur and investor programs. It is important to remember that metropolitan Toronto has the largest share of first-generation immigrants of any OECD city and, by far, the largest absolute number in Canada. All classes of immigrants settle in Toronto and Toronto, in essence, attracts the world (hence the title of the recent book, *The World in a City*; Anicef and Lanphier 2003). More than the other two metropolitan areas, Toronto's immigrant profile resembles that of the country as a whole. Asians are therefore the single largest group arriving in metropolitan Toronto, but they are joined by immigrants from virtually all corners of the earth.

These specific migration circuits translate into distinct cultural, *and economic*, profiles of immigrants in the three centres. Montréal receives the least affluent immigrants, generally speaking. While we have not provided specific tables on this in our various reports, the difference in savings reported by immigrants (in LSIC) in the three centres is large, with immigrants in Montréal the least "protected" in this manner. We can simply turn this point around for Vancouver, which receives a disproportionate share of affluent immigrants. This sub-group retains the largest levels of savings (at six months) of immigrants in any of the three metropolitan areas; as we will see below, this has important consequences for the participation of immigrants in the housing market of Vancouver. Finally, Toronto receives the largest and most complex immigrant flow, with a particularly variegated set of economic outcomes.

The three metropolitan areas also have distinct housing markets. Nowhere is this clearer than in the average price of a house, which was approximately $374,000 in Vancouver, $312,000 in Toronto and $195,000 in Montréal (2004 figures). To some degree, the more difficult economic situation of immigrants in Montréal is

compensated for by lower housing prices, though it is important to note that the vacancy rate for rental units has fallen dramatically in Montréal in recent years. In fact, the vacancy rate is low in all three metropolitan areas, leading to high rents in Toronto and Vancouver, and rising rents in Montréal.

The low vacancy rates across the centres are generally not mitigated by the construction of new rental housing. In all cases, the market has turned to the production of owner-occupied housing, with a stunning increase in the construction of condominiums in the three metropolitan areas. Immigrants face a critical challenge, that of finding their "place" in cities with static rental stocks and a rapidly rising demand due to large-scale immigration. And they must do so with incomes that are generally well below average.

There are, of course, many nuances to the story that basic census data only partially address, such as the prevalence of distinct dwelling types in the three centres (e.g., the walk-up apartments in Montréal, high-rise apartments in Toronto, and basement suites throughout the neighbourhoods of Vancouver). These subtleties have a large impact on the actual settlement patterns of immigrants in the three centres and, moreover, the quality of the dwellings they inhabit. We can generalize about one aspect of settlement, though. In all three metropolitan areas, the scale of immigrant reception is far too rapid to be accommodated in a single neighbourhood, or even a single region of the city (such as traditional inner-city reception neighbourhoods). Immigrant admissions are also far too diverse in terms of source regions, immigration class, and socio-economic background, for immigrants to settle in a single *type* of neighbourhood. The social landscape of immigrant settlement is intricate and includes areas throughout most of the metropolitan regions of the three centres, and across the full socio-economic spectrum. In all three centres, immigrant settlement has been dispersing into inner- and middle-range suburbs, at least, and in some cases into distant suburbs. The latter development is more prominent in Greater Vancouver and the Greater Toronto Area, than the Montréal region. In any case, the spatial complexity of immigrant settlement is related to an equally complex encounter with the housing markets of the three metropolitan areas.

BASIC HOUSEHOLD AND HOUSING PATTERNS

Throughout Canada, immigrant households tend to be larger than those with Canadian-born primary maintainers (generally, the profile of second-generation immigrant households is very similar to that of households where both parents were born in Canada). The gap in average household size between immigrants and the Canadian born is fairly constant for the three centres, between 0.3 and 0.5 persons. But there is also a close correspondence between the cost of housing and the size of households. That is, households are larger in the more expensive centres, Vancouver (3.0 persons on average) and Toronto (3.1 persons), than in Montréal (2.8 persons).

Immigrants are also more likely than the Canadian-born to reside in "traditional" families with two parents and children, which helps explain their larger average household size. Again, there is variation across the metropolitan areas on this measure. Montréal, for example, has a larger proportion of non-family immigrant households. The proportion of multiple-family households is much higher in Toronto and Vancouver, where people are likely adjusting to the cost of housing by assembling larger household units to pool their incomes so they can

afford housing. This also suits the cultural needs of some immigrant households who prefer to live as extended families, at least in the initial stage of settlement.

Several of these patterns are intensified when we differentiate between homeowners and tenants. Immigrants (and the Canadian-born) who own homes are the most likely to reside in "traditional", i.e. dual-parent-plus-children households, or in multiple-family households. We suspect that the latter statistic is actually an indication that the multiple-family strategy is effective, enabling households to purchase a dwelling. On the other hand, non-family and lone-parent households are much more likely to rent their dwellings. This is, of course, related to income level, as smaller households, particularly those with only one adult in the workforce, are less likely to have incomes high enough for homeownership.

Disaggregating cultural groups reveals a number of important nuances. In all three CMAs, Visible Minority groups are characterized by larger households, more dual-parent families, and more multiple-family households. In many cases the differences between Visible Minority and European-origin groups are considerable.

Patterns of household formation are, to a degree, group specific. Of course, the coarse categories of "Visible Minority" and "White", or "European-origin", hide almost as much as they reveal, as there are pronounced variations within them. The household dynamics of the Black vs. South Asian-origin populations are a good case in point, with the former group far more likely than average to reside in single-parent households, and the latter disproportionately likely to reside in multiple-family households. Similarly, within the "White" category, the household structures of the Italian- and UK-origin populations are very different (the latter are far less likely to reside in dual-parent-with-children households). Significantly, in broad terms, group-by-group household structures are quite similar across the CMAs. For example, South-Asian-origin households in Montréal, Toronto and Vancouver are more similar than South-Asian- and Latin American-origin households in any given CMA. This point suggests that adjustments to immigration intake, particularly changing the composition of immigrants from different source regions, will have specific impacts on the housing markets of Canadian cities.

The group-by-group household profiles become even more intricate when we differentiate between homeowners and tenants. To simplify this synopsis we will highlight just two prominent findings. First, the South-Asian-origin group, regardless of the CMA in question, is much more likely than average to employ a multiple-family household strategy to achieve homeownership. For example, 23 per cent of all South-Asian-origin households that owned a home in Vancouver were in this category-compared with 3.3 per cent of the total population. Secondly, among tenants, European-origin groups, by far, are more likely to include non-family households. This is likely related in part to the fact that the proportion of recent immigrants is low for the European-origin population, and the proportion of older individuals is higher.

Table 1 provides a summary of data presented on the relationship between income and housing cost for all owners and tenants in the three CMAs (including immigrants and the Canadian-born). First, note the strikingly different levels of homeownership between centres, especially for recent immigrants (around 11 per cent in Montréal compared with 32 per cent in Toronto and 41 per cent in Vancouver). Immigrants in Vancouver and Toronto have invested quickly, and heavily, in housing. In retrospect, we can see that this has (so far) proven to be a highly successful gamble, as real estate prices in both cities have risen dramatically since 2001. But why have immigrants in Montréal not adopted the same strategy? In part, the differential in ownership rates reflects both the historically lower homeownership rates in the City of Montréal and the lower incomes of immigrants in Montréal relative to Toronto and Vancouver. This leads to a second

major point apparent in the data: the percentage of income dedicated to housing, for both owners and tenants, is fairly consistent across the CMAs. For example, homeowners in Montréal, on average, pay just under 14 per cent of their income on housing, which is only one per cent below the corresponding figure for Toronto and less than three per cent below that for Vancouver. There is something close to an equalization effect operating in the housing markets of the three centres, meaning that housing prices and rents reflect income levels fairly closely (or, perhaps, we could turn the causality around and say that income levels reflect the cost of housing). Residents, particularly immigrants, spend a little less of their income on housing in Montréal and a little more in Vancouver, but these are relatively modest differences. In Vancouver and Toronto, the high rents charged by landlords, together with the prospect of rising real estate prices, may have "pulled" immigrants toward homeownership. These factors have been more muted in Montréal.

A third major finding of this study is that immigrants in Vancouver and Toronto have higher homeownership rates than we would predict given their levels of income. The situation in Vancouver is particularly instructive. There, recent immigrant homeowners dedicate just under 30 per cent of their income to housing, on average. This ratio of shelter cost to income is often used by banks as a maximum allowable figure for obtaining a mortgage, and yet a very large number of immigrant households exceed it. We do not have scope in this synopsis to discuss the causes of this surprising turn of events (which is addressed in the Vancouver report), but simply make the point that there is an "immigrant effect" in the housing markets of Vancouver and

Toronto, meaning that immigrants are able to purchase housing more often than would be expected.

Fourthly, we note the large discrepancy in income between households that have been able to purchase housing and those who are in the rental market. Moreover, homeowners enjoy a considerable economic advantage, in that on average they pay a lower proportion of their income on housing, than tenants—all the while building equity and therefore personal or family wealth.

There is considerable variation in homeownership rates between different cultural groups. At the most general scale, comparing Visible Minority groups with those of European origin, we see a rather striking difference across the three metropolitan regions. In Montréal, the incidence of homeownership is almost twice as high for the latter group (60 vs. 32 per cent). In Toronto, the gap in ownership rates is considerably less, but still important (73 vs. 55 per cent). In Vancouver, however, there is essentially no gap at all (67 vs. 66 per cent), despite the fact that Visible Minority households receive much lower incomes, on average. Or, another way to think of these figures is that the homeownership rate for immigrants from European backgrounds is fairly consistent across the CMAs, but the rate for Visible Minorities is highly variable. We can obtain some understanding of this pattern by examining the experiences of specific groups in more detail. Italians have achieved the highest rate of homeownership in all three cities. In Toronto, those who claimed Chinese and UK origin rank respectively second and third on homeownership. In Vancouver, the corresponding groups are those of Chinese and South-Asian origin, while in Montréal they are of UK- and Polish-

origin. There are even greater similarities at the opposite end of the spectrum. The groups with the lowest ownership rates are: Toronto (Black, Latin American, Arab/West Asian); Montréal (Latin American, Filipino, Arab/West Asian); and Vancouver (Latin American, Arab/West Asian, Black). In other words, the situation of ethno-cultural communities in the three CMAs is not that different, but the relative importance of those groups in the population composition of the CMAs varies considerably (e.g., all three groups with the lowest ownership rates in Vancouver are small, while they are much larger in Montréal and Toronto). This finding calls for greater scholarly attention to the apparently similar processes of marginalization in all three CMAs.

Another facet of the issue of marginalization is explored in Table 2. In all three CMAs Visible Minority homeowners dedicate a higher proportion of their income to housing than their European counterparts. This is especially the case for Vancouver, the city with the highest house prices. It appears that many European homeowners, with a longer period of residence in Canada, have paid off their mortgage or have substantially lower mortgage costs than Visible Minority households. In addition to a longer period of residence on average, European homeowners often purchased housing when prices were considerably lower than currently. In contrast to homeowners, tenants generally spend a greater proportion of their income on housing with much less difference between those of Visible Minority and European origins. This is especially true in Toronto and Vancouver, cities that generally had lower rental vacancy rates and higher rental housing costs than Montréal during this period. Especially for Toronto and Vancouver, groups with below-average

incomes and limited financial resources seem to be "blocked" in the rental housing market, a situation that surely became worse with the escalation in real estate prices that followed the 2001 data examined here. On the other hand, there is relatively little variation in the share of income devoted to housing across the ethno-cultural groups of Montréal (with the exception of Filipino tenants). In Montréal, ethno-cultural groups appear to have found housing that matches their income levels, especially in the rental market.

In each of the metropolitan reports, we have surveyed selected 1996 census data to explore the dynamics of immigrants in the housing market in the five-year period ending in 2001. Unfortunately, the 1996 data are not as detailed as the 2001 information; nevertheless, there is enough information to reveal important trends that warrant monitoring. Comparing the situation of recent immigrants in the two census periods (1986-1996 vs. 1991-2001) we find that average household size fell in all three CMAs but especially in Toronto and Vancouver. We speculated that this is the result of a greater emphasis on economic-class immigration as opposed to family reunification. In keeping with the drop in average household size, we found that the proportion of multiple-family newcomer households declined in all three CMAs.

There were quite different dynamics at work in the housing markets of the three CMAs in the five-year period between 1996 and 2001: Toronto saw a sizeable rise in the real price of housing as well as in the rental market; house prices rose in Montréal but rents declined a small amount; the average price of a house fell in Vancouver in real terms, which was also true of rental accommodations, though only by a tiny amount (Table 3).

These changes in the housing market intersected with equally complex shifts in income. Table 4 summarizes inflation-adjusted income figures provided in the metropolitan reports, as well as the levels of homeownership. The Toronto economy was the most buoyant in the 1996-2001 period. Household incomes were highest in Toronto in 1996 and considerably more so in 2001. Significantly, immigrants in general, and newcomers in particular, shared in the overall economic improvement registered in these years. Despite increasing real estate prices and rents, then, the level of homeownership rose in Toronto, especially for newcomers. Income levels in Montréal have been the lowest of the three CMAs, as we have seen. As in the Toronto case, real incomes rose in Montréal (though not as rapidly as in Toronto), especially for households identified as recent immigrants. The level of homeownership increased generally in Montréal in keeping with rising overall prosperity. However, homeownership rates are very low among new immigrants. Moreover, homeownership rates of the Canadian born have overtaken those of immigrants. Indeed, long-standing immigrants had a lower rate of homeownership in 2001 than in 1996. This outcome appears to be related to the unexpectedly low rate of homeownership of immigrants who arrived in the 1980s, a fact that is beyond the scope of this synopsis. Unlike the Toronto and Vancouver cases, recent immigrants in 2001 were only very fractionally more likely to be homeowners than their 1996 counterparts. Real household incomes in Vancouver in 1996 were fairly close to those in Toronto, but did not keep pace between 1996 and 2001; the rate of increase in Toronto was more than double that in Vancouver for

all of the groups identified in Table 4. The overall level of homeownership was slightly higher in Vancouver than Toronto in 1996, but this relationship reversed itself by 2001. In contrast to Montréal, though, the level of homeownership rose for more settled immigrants in Vancouver and fell for newcomers.

This brief and partial glimpse into the dynamics of immigrants in the housing markets of the three CMAs reveals that there were different trajectories of housing consumption in Montréal, Toronto, and Vancouver. In essence, immigrants adapted to changes in the housing markets of these metropolitan areas in somewhat different ways. To a degree, the traditional

concept of a progressive housing career—the generalization that immigrants find relatively cheap housing upon arrival and move to better residences, and higher levels of ownership, over time—remains relevant. But our analysis has shown that there are important exceptions to this standard expectation, especially when we take ethno-cultural differences into consideration.

VULNERABLE HOUSEHOLDS

In each of the three reports we focused on the experiences of households that are struggling in the housing market by profiling those we defined as "at risk" (spending at least 30 per cent of their pre-tax, total income on housing) and "at high risk" (at least 50 per cent). Some of these households—those who own their dwellings—may be acquiring equity and be therefore at the starting point of a progressive housing career, especially those who are not far above the 30 per cent threshold of payments identified here. But many of the households who own property in these categories are at risk of losing their investment (and home) if there is any significant interruption in their income. Those in the rental market, of course, are not building equity. Quite the opposite, by remaining outside the ownership side of the market, they may be falling further behind as housing prices and rents escalated, especially after 2001. Moreover, they are dedicating a large share of their income to housing and may be vulnerable to homelessness if they face a sustained loss of income.

The "at risk" population of homeowners is identified in Table 5. Broadly, this includes one-sixth of homeowners in Montréal, one fifth in Toronto, and one-quarter in Vancouver (though it is important to remember that the absolute numbers are highest in Toronto given the much larger stock of immigrants in that metropolitan area). These proportions are understandable given the relationship between household incomes and real estate prices in the three CMAs. Vancouver, for example, is situated in the middle of the three in terms of income, but at the top in terms of house prices. The result is a high ratio of at-risk homeowners. As suggested earlier, some of these households would have seen a remarkable increase in their equity since 2001, as long as they were able to maintain their mortgage payments. As would be expected, in all three CMAs, newcomers who have purchased housing are most likely to be financially stretched. Nearly half of those who landed between 1996 and 2001, owning a house and living in Toronto, fall into this category, and more than half in Vancouver. We wonder where new immigrants have obtained so much capital given the relatively high risk involved. Previous research on earlier groups of immigrants who attained high rates of homeownership in spite of modest socio-economic status (e.g. the Portuguese in Montréal and Toronto) leads us to presume that many of those with relatively low incomes were able to obtain appropriate credit on the basis of savings and financial resources accumulated in their home countries. Also, as noted earlier, some newcomers may be able to afford ownership housing by pooling incomes in multiple-family households.

Data explored in the individual studies also reveal another facet of the income-cost squeeze for those households who dedicate at least 30 per cent of their income to house payments: on average they pay more, in absolute terms, in monthly payments than all homeowner or tenant households. For example, in Toronto, newcomers who landed between 1996 and 2001 and who owned homes, spent an average of $1,443 on monthly payments related to their housing, but those who were in the at-risk category spent an average of $1,616. At the same time, the latter group has well-below-average household incomes ($36,533 compared with $64,570).

The basic statistics on at-risk tenants are provided in Table 6. Again, the proportion of this group is highest in Vancouver and Toronto, followed by Montréal. But there is relatively less variation in the ratio of at-risk tenants across the three CMAs; broadly, 40 per cent of tenants in general are in this category, and half of those who are recent immigrants. In essence, the bottom of the housing market is "flatter" across the three CMAs. As in the case of homeowners, at-risk tenants face a punishing income-cost squeeze, their household incomes are well below average, yet they pay above-average rents.

The proportion of at-risk households was actually higher in 1996 compared with 2001 (Table 7). In the intervening period, rising incomes translated into smaller proportions of households paying at least 30 per cent of their income on housing. This was the case for both owners and tenants, in Toronto and Montréal. In Vancouver, the proportion of at-risk tenants declined as well. There is one exception to this general pattern of improvement in housing affordability—the stable percentage of homeowners in Vancouver spending more than 30 per cent of household income on housing. Housing affordability has not improved for homeowners at risk in Vancouver, but it has not deteriorated either. For recent newcomers who arrived less than 10 years ago, affordability has improved. The percentage of homeowners spending more than 30 per cent of household income on housing has declined from 50.1 per cent to 45.9 per cent. This trend suggests that recent immigrant homeowners in Vancouver may well enjoy the same improvement in affordability as those in Montréal and Toronto in the future.

The basic patterns in Table 8, which provides figures for households in our *high risk* category (spending at least 50 per cent of their income on housing) largely coincide with those just explored. That is, fewer households face this dramatic cost-income squeeze in Montréal compared with Toronto and Vancouver. Homeowners, across the CMAs, are also less susceptible to this form of vulnerability. However, recent immigrants in all three centres are much more likely than average to fall into this unfortunate category. The situation is particularly difficult in Vancouver, where one-third of newcomers—regardless of their tenure status—spend at least half of their household income on housing. Given that some homeowners may have other sources of wealth, this is particularly troublesome for renters.

Finally, Table 9 adds another element to this discussion, by comparing the degree of vulnerability between Visible Minority and European-origin households. It is important to keep in mind, when viewing these data, that only immigrants are included. However, Visible Minority households are much more likely to be recent immigrants, while people from European backgrounds are more likely to have lived in Canada longer. Approximately one in twelve European-origin homeowners, across the three CMAs, fall into the *high risk* category and one in five are *at risk*. The corresponding figures for members of Visible Minority groups are much higher, in fact nearly twice as high in Vancouver. As would be expected given our earlier findings, tenants are far more stretched, financially, than homeowners, with much higher housing costs relative to their incomes. However, we have been somewhat surprised to learn that the proportions of European-origin vs. Visible Minority *at risk* and *high risk* households are quite similar, especially in Montréal and Toronto. We are unsure how to interpret this result, since we know that incomes are lower among Visible Minority groups. We suspect that there are important, unseen, demographic effects in these data. For example, it is possible that the European-origin groups include a high number of retired households, as well as young single people in the case of Montréal, while Visible Minority groups include a high number of newcomers, relatively few of whom are retired. That is, both categories may contain around the same ratio of low-income households, but they are different *types* of households. Unfortunately we cannot verify this point given the data at our disposal.

THE INITIAL EXPERIENCE OF IMMIGRANTS IN THE HOUSING MARKET: INSIGHTS FROM THE LSIC

In our metropolitan reports, we considered a new source of information on the settlement of immigrants, the *Longitudinal Survey of Immigrants to Canada* (LSIC), and conducted an analysis of the early housing conditions, experiences and needs of newcomers approximately six months after their arrival in Canada.[1] Our overarching goal has been to understand how the initial immigrant settlement experience is related to our longer-term findings, based on the census analysis discussed so far in this report. There are actually four major ingredients in LSIC that make it especially applicable to our research: it enables us to see, for the first time, the initial housing circumstances of immigrants; it includes a wider set of variables than the census, such as household savings; it specifies the admission class of immigrants; and it is a longitudinal survey, tracking changes in circumstances over time. In this report, we will concentrate on the first three of these special features of LSIC. We plan to devote our attention to the dynamic side of LSIC in future work, following the release of the full three waves of survey results. However, we include a preliminary investigation of one longitudinal feature in LSIC in Appendix 1 of this report, which compares the process of housing acquisition over time in the three metropolitan areas. There is also a fifth aspect of LSIC that makes it attractive for housing research. The Canadian version of this survey was actually adapted from an Australian model. In fact, the Australian government has conducted three separate longitudinal surveys in recent years. We have provided a brief summary of the results of these surveys—with respect to housing and immigration in Australia—in Appendix 2.

Unfortunately there is also a major disadvantage associated with LSIC data: we are unable to provide detailed breakdowns on most variables due to the combination of the relatively small sample in LSIC and the confidentiality regulations of Statistics Canada. Our tables have therefore had to be constructed with rather coarse categories.

LSIC data corroborate the influence of the specific nature of the housing markets of the three centres, discussed earlier. The majority of newcomers in Montréal live in low-rise apartments (57 per cent), while the modal categories of dwelling type are high-rise apartments in Toronto (47 per cent) and single detached houses in Vancouver (36 per cent). In terms of tenure, the majority of newcomers in all three centres are tenants (88 per cent in Montréal, 73 per cent in Toronto, and 74 per cent in Vancouver). The figures for homeownership are much more variable, though, and range from a high of 20 per cent in Vancouver, through 17 per cent in Toronto, to the much lower figure of 5 per cent in Montréal. Surprisingly, 6 per cent of newcomers in Vancouver had already paid in full for their homes by the time the survey was recorded; corresponding figures were 3 per cent in Toronto and 1 per cent in Montréal. Recall the high real estate prices characteristic of Vancouver and Toronto. Two types of immigrant households are able to purchase homes quickly—some in cash—in these metropolitan areas: those that have already-established family members in Canada; and those that bring substantial capital when they arrive. This point is corroborated by data on the relationship between admission class and homeownership (Table 10). In all three centres, the groups with the highest propensity to purchase housing were either family-class immigrants or what we have defined as "other economic" for our research, which is mainly comprised of business-class immigrants.

Given the different profiles of immigrants arriving in the three metropolitan areas, it should come as no surprise that the ethno-cultural composition of newcomers

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[1] We discuss the nature of these data and our analytical approach in Mendez et al, 2006.

who purchase homes soon after they arrive differs between CMAs. In Montréal, immigrants from Europe have the highest propensity to be homeowners (nearly 10 per cent). In Toronto, South Asians are the leading group in this category (over 19 per cent), which is probably related to their frequent adoption of multiple-family strategies. Finally, newcomers who identified themselves as East Asian had the highest rate of homeownership in Vancouver (nearly 23 per cent), though South Asians were not far behind. In the Vancouver case, early homeownership is most closely associated with the group that contains the largest number of business-class immigrants.

Around half of the immigrant households settling in the three metropolitan areas were dual-parent families with children (Table 11).[2] The ratio of this household type was somewhat lower in Montréal and higher in Vancouver, which stands to reason given the different profile of immigrants in each centre (more refugees in Montréal, more economic-class immigrants in Vancouver). LSIC provides evidence that the multiple-family strategy is adopted quickly, especially in Toronto and Vancouver, where one in seven or eight households (respectively) falls into this category. The incidence of this household type is lower in Montréal, which takes in a higher percentage of young couples without children and young single people, and also has a more accessible housing market, in terms of rental prices.

A relatively high proportion of immigrant households in the three metropolitan areas live in crowded circumstances (defined in this study as those households that have more than one person per room used

exclusively for business purposes).[3] Again, for reasons cited above, the degree of crowding is lower in Montréal than in the other two centres, but even there one immigrant household in five faces this problem. Further, the level of crowding is particularly high for refugee households in Montréal. In Toronto and Vancouver, immigrants who came to Canada to join family already here, or who came as refugees, are most likely to live in crowded circumstances. The level of crowding, generally, is highest in Toronto, reflecting the cost of rent in that metropolitan area.

The level of crowding was dramatically different for European vs. Visible Minority ethno-cultural groups. In all three metropolitan areas, the latter group was at least twice as likely to be have more than one person per room in their dwelling. Among Visible Minority groups, there seem to be two forms of crowding. On the one hand, some groups, such as South Asians, have both high levels of homeownership and crowding. Crowding, in this case, is associated with a homeownership strategy. But for other groups, most notably the extreme case of West Asians in Montréal, crowding is associated with low incomes.

A clearer picture of the relationship between income and housing is provided in Table 14; in this and subsequent tables on income we focus exclusively on the large majority of newcomers who have not purchased a home. We emphasize two simple but important points about these data. First, half, or more, of the newcomers living in the three centres who do not own their homes spend at least 50 per cent of their total household

income on housing. Secondly, this ratio is similar across the CMAs. In essence, the higher cost of rental housing is compensated for by greater access to employment and correspondingly higher household incomes. Approximately 48 per cent of LSIC respondents in Toronto had found employment by the time of the survey, compared with 39 per cent in Vancouver and 31 per cent in Montréal.

Given the sharp difference in the level of crowding experienced by European-origin versus Visible Minority newcomers discussed earlier, it may be surprising for readers to learn that both groups face similar financial constraints in the housing markets of the three metropolitan centres (Table 15). In fact, while there are a few exceptions, such as South Asians in Vancouver and South East Asians in Montréal (a relatively small group), generally speaking, a considerable majority of households across all three CMAs, in all ethno-cultural communities, dedicate more than 30 per cent of their income to housing. In other words, European-origin and Visible Minority immigrant households devote similar proportions of their income to housing, but the former group appears to be more adequately housed.

However, newcomers do not rely on income alone to support their housing needs. Most bring savings with them to Canada. In fact, applicants to the Skilled Worker class, the largest single form of entry into Canada, will only be admitted to Canada if they have sufficient funds to support their needs for six months while they settle (but only three months in the case of skilled workers selected for entry to Québec). Given that the first wave of

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[2] Note that the totals do not match across LSIC tables. The reason for this discrepancy is discussed in the metropolitan reports.
[3] Readers should note that this is not the same as the National Occupancy Standard, which takes into account household composition variables such as age, gender, and parental and marital status and determines if the unit has sufficient bedrooms for the size and makeup of the household .

LSIC interviews took place around the six-month point, we cannot understand the housing consumption of these newcomers without knowledge of their savings as well as their income. Fortunately, information on both is included in LSIC. In order to assess the role that newcomers' savings might play in the context of their residential situation, we developed a special housing stress index for the non-homeowner subset of survey respondents. Our assumption is that savings act as a financial buffer that would allow newcomers to cover some portion (up to 100 per cent) of their monthly housing costs. Combining this savings information with reported income-to-rent allocations, we created three categories of housing stress, ranging from *No Housing Stress to Extreme Housing Stress* (Table 16).

Our housing stress index reveals a new picture of the financial challenges confronting newcomers to Canada. Immigrants to Vancouver arrive with the highest average level of savings and, six months later, are relatively well-positioned in the housing market compared with those in the other two CMAs. Only 43 per cent of newcomers in Toronto (as opposed to 58 per cent in Vancouver) either have sufficient income or savings for another year of reasonable housing expenditures, and one in four households are in the precarious *extreme stress* category. Despite low rental fees in Montréal, the situation is even worse there. Just over one-third of households face *extreme stress* in the housing market, and another quarter face *moderate to high stress*. Immigrants in Montréal have the lowest employment rate, the lowest incomes, and the lowest financial buffer

in the form of savings, compared with Toronto and Vancouver.

As would be expected, the extent of housing stress varies across ethno-cultural groups, but not necessarily in ways that would be predicted given the literature on immigrant settlement in Canada. In particular, in all three CMAs, newcomers who identified as European ("White") were more likely than average to be experiencing housing stress. As noted earlier, European-origin newcomers face less crowded circumstances in their homes, but this form of housing consumption carries substantial costs for households in this group, and their degree of financial stress is high. The number of Visible Minority respondents in LSIC is sufficient to enable greater group-specific detail. The situation of East Asians, who devote a very high proportion of their income to housing (Table 15), appears to be much better when their substantial savings are taken into consideration; the proportion of those falling into the *moderate-to-extreme* stress categories is below-average in all three centres. Significantly, the degree of housing stress for most other groups varies dramatically between CMAs. Newcomers who identified as Black, for example, face the greatest level of financial difficulty of any group in the Toronto housing market, which is simply not the case in Montréal. Similarly, South Asian newcomers in Toronto are experiencing far greater financial challenges securing housing in Toronto compared with either Vancouver or Montréal. Although data are limited, it seems that Latin American and West Asian newcomers are under severe housing stress in Montréal and Toronto,

a product of a combination of low incomes and levels of savings.

LSIC respondents were asked about their greatest difficulties in securing housing, and the forms of help they received in their housing search. Unfortunately, much of these data have been suppressed due to confidentiality constraints (sample numbers are small since these questions were only answered by those who had experienced difficulties in the housing market). In keeping with all of the LSIC data examined thus far, newcomers in Toronto and Vancouver identified cost as their most significant obstacle in the housing market whereas in Montréal, difficulties obtaining credit or finding a guarantor were just as important as cost. The small amount of data that have been made available to researchers suggest that different groups of immigrants rely on different sources of information about housing. In Montréal and Toronto, for example, individuals admitted as Skilled Workers made extensive use of family and kinship networks when searching for housing, while refugees rarely were able to do so. There are also intriguing group-specific details. For example, in Toronto and Vancouver, East Asian newcomers were generally much more able than members of other groups to tap into friendship networks when searching for housing. While interesting, data on the reliance upon social networks in the housing market are insufficient to enable us to make any firm generalizations about this important issue.

Chapter 6
CONCLUSIONS

Any cross-sectional study of a complex and dynamic phenomenon, such as immigrant settlement, is bound to raise as many questions as it answers. We have used two resources to provide a portrait of immigrant participation in the housing markets of Montréal, Toronto, and Vancouver at the start of the current decade. We emphasize the importance of the timing of our data, which were mainly collected in 2001, during relatively favourable economic conditions and on the eve of a major rise in housing prices across the country. Moreover, the Canadian government had revised immigration policy in the early 1990s, raising the ratio of economic-class immigrants, those who would be most likely to succeed in the Canadian labour market. Given these contexts, we would expect immigrants to be well situated in the housing markets of Canadian metropolitan areas in 2001.

There are several indications that this supposition is correct. Our brief comparison of 1996 and 2001 census data reveals that immigrants were generally better off in terms of housing in the latter year: household incomes had grown more rapidly than both rental fees and the price of real estate in the intervening five-year period. Secondly,

LSIC data indicate that a surprisingly high proportion of newcomers—who had only been in Canada six months—were homeowners in 2001-2002. We can generalize this point further. According to the census, there appears to be an "immigrant effect" in the housing market; that is, in their first 10 years in Canada, immigrants achieve a higher rate of homeownership than their incomes would lead us to expect. This is accomplished, we have suggested, through assembling larger households to pool incomes, and through the use of savings brought to Canada. Thirdly, a relatively small ratio of new immigrants, in all three CMAs, indicated that they faced difficulties in the housing market (Mendez et al, 2006). Finally, there is clear evidence that the housing situation of immigrants improves over time. In fact immigrants who have been in Canada more than 20 years are, arguably, better housed than the Canadian-born population.

But, on the other hand, the data explored here also generate a number of concerns. This story of prosperity entails great cost for most newcomers, who devote a high proportion of their financial resources to housing. Savings are depleted, and approximately half of all household

income is dedicated to housing in the initial few years of settlement. Further, some immigrants appear to become trapped in the housing market, since we find that a significant proportion of immigrants who have been in Canada for 5, 10, and even longer (in the 2001 census) pay a high ratio of their income for housing. This is particularly the case for those immigrants who have not managed to purchase housing.

These general findings suggest several important policy directions. First, the supply of affordable rental housing in major Canadian metropolitan areas is not keeping pace with demand. Until recently, vacancy rates have been falling and rents increasing at a time when large numbers of immigrants are being admitted to Canada. Even though the rental market has improved in some cities, many of the vacancies are at the most expensive end of the market. A large majority of these newcomers rely on the rental market and, as noted above, may have affordability problem. An increased supply of affordable rental housing would help immigrants and the Canadian-born alike.

Secondly, much more detailed information about the Canadian housing market should be made available to immigrants prior to their journey to Canada.

Thirdly, there is no specific institution that is responsible for helping newcomers enter the Canadian housing market. Governments themselves do not offer orientation services to immigrants; this role is performed by non-government organizations (NGOs), which are provided funds by government for this purpose. When governments determine the level of funds that they will allocate to NGOs, they do so on the basis of a specific set of services that should be provided to newcomers. That is, NGOs are funded to provide certain types of settlement services, such as language instruction and employment counseling, and not others. They adjust the services that are offered accordingly. For the most part (that is, in most provincial jurisdictions), NGOs are allocated funds to provide basic housing orientation and to refer immigrants to other, more specialized, housing services. They are generally not funded to directly help immigrants find housing (with the exception of Government Assisted Refugees). This, we believe, should change. NGOs should be encouraged, with appropriate funds provided, to develop additional expertise and services in the area of housing. Most newcomers rely on friends and family members for housing assistance;

nevertheless, it is important for NGOs to reach those who would benefit from more formal assistance.

Beyond these general findings, our reports shed light on the specificities of metropolitan housing markets in Montréal, Toronto, and Vancouver, especially with respect to the place of immigrants within them. Montréal receives a much smaller number of immigrants in proportional terms than the other two CMAs examined here. The vast majority of new immigrants enter the rental market in Montréal, which is often characterized as a "city of tenants" more generally. Even those immigrants who have been in Montréal a long time still have much lower rates of homeownership than their counterparts in Toronto and Vancouver (though their rates are high relative to the Montréal population as a whole). In part, lower homeownership rates reflect lower incomes, for immigrants and the whole population. But there is another side to this issue: rents are relatively reasonable in Montréal. Immigrants therefore are able to live in smaller household units and face less crowding than in the other CMAs. Nevertheless, many immigrants in Montréal, especially newcomers, face a similar housing affordability crisis. On this level, despite the more open housing market in Montréal, low-income immigrants living there face the same challenges as those elsewhere.

In contrast, Toronto receives the largest absolute number of immigrants in Canada and also has the largest share of immigrants, including newcomers, of the three CMAs. As noted earlier, this is an exceedingly variegated population in terms of source regions, class of entry, and socio-economic position. In general terms, incomes are high in Toronto relative to the rest of Canada, and immigrants in Toronto have much higher rates of employment and income than those in Montréal or Vancouver. Homeownership rates are therefore relatively high for immigrants in Toronto, especially those who have been in Canada 20 years or more. This is the case even for recent immigrants, seen in the 1996-2001 census cohort as well as in LSIC data on newcomers. LSIC, in fact, provides an important nuance to this point: family- and business-class immigrants have, by far, the highest ownership rates among newcomers. However, not all immigrants share in this prosperity. Homeowners struggle with high payment/income ratios, and tenants in Toronto face the highest rents in Canada. Despite higher immigrant incomes in Toronto (relative to Montréal and Vancouver), immigrants there face acute affordability challenges.

Many attempt to overcome financial barriers by "doubling up", that is, living in multiple-family households. This is particularly true of visible minority groups, and much less so for those of European origin. Together, LSIC and the census show that these problems emerge almost immediately for newcomers, and yet are of long duration. Many who become marginalized in the Toronto housing market, remain marginalized, despite the more general trend of progressive housing careers. We are concerned that the likelihood of long-term marginalization is particularly high for refugees.

There are also many distinct aspects of the Vancouver situation. Vancouver receives, by far, the largest share of immigrants from East and South Asia, and both groups have achieved relatively high levels of homeownership. It is interesting to note that these groups have high rates of ownership across all three CMAs, but they are most significant, numerically, in Vancouver. Therefore, we see the strongest indication of the "immigrant effect" in Vancouver's housing market, and the concept of a progressive housing career is most applicable in Vancouver. This outcome actually happens very quickly, since the particular groups of immigrants that settle in Vancouver— especially from East

Asia—arrive with savings that are invested in the real estate market. South Asians, on the other hand, are most prone to utilizing multiple-family strategies to gain homeownership. It is important to acknowledge that, whether ownership is purchased or attained through crowding, it entails sacrifice (whether of savings or space, or both). Also, the progressive housing career that is built by many is not universally shared; there is clear evidence, in Vancouver as in Montréal and Toronto, of a significant number of immigrants that face long-term marginalization in the housing market.

Summarizing our findings as succinctly as possible, our investigation of immigrants in the housing markets of the largest Canadian metropolitan areas shows that: over time, many immigrants experience "progressive" housing careers (i.e. over time, improving their living conditions and eventually joining the "mainstream" by becoming homeowners); this is achieved through considerable sacrifice by newcomers. Not all share in this positive trajectory, and we see a bifurcation in the long-term fortunes of immigrants in the housing market; this bifurcation begins to take shape quickly, and those who do move into homeownership frequently purchase housing even though they do not have high incomes (the "immigrant effect"). There are also structural differences in the housing situations of European-origin and visible minority immigrants, even though there are important differences within these coarsely-defined categories.

TABLES

Table 1 Tenure, Income and Monthly Housing Costs by Immigration Period, 2001, Toronto, Montréal, and Vancouver CMAs

		Number of households	Per cent owners	Average income owners ($)	Average monthly owner's major payments ($)	Per cent owners payments of income	Per cent renters	Average income renters ($)	Average monthly gross rent ($)	Per cent tenants rent of income
Toronto	Total	1,625,980	63.4	94,706	1,171	14.8	36.6	45,728	870	22.8
	Immigrants	859,665	63.7	84,016	1,144	16.3	36.3	41,399	832	24.1
	Immigrated 1996-2001	109,440	32.0	64,570	1,443	26.8	68	38,591	890	27.7
Montréal	Total	1,411,835	50.3	72,951	845	13.9	49.7	34,624	568	19.7
	Immigrants	297,785	48.1	68,016	883	15.6	51.9	32,994	572	20.8
	Immigrated 1996-2001	36,450	10.8	61,445	1,082	21.1	89.2	28,611	550	23.1
Vancouver	Total	750,250	61.2	77,083	1,057	16.5	38.8	41,640	814	23.5
	Immigrants	303,490	66.3	70,196	1,053	18.0	33.7	38,897	798	24.6
	Immigrated 1996-2001	45,060	40.9	48,678	1,207	29.8	59.1	35,067	820	28.1

Source: Census of Canada, 2001, special tabulations prepared for the Metropolis Centres of Excellence

Table 2 Per Cent of Total Household Income Devoted to Monthly Housing Costs by Ethnic Origin and Visible Minority Subgroup, 2001, Toronto, Montréal, and Vancouver CMAs

	Toronto		Montréal		Vancouver	
	Owners	**Renters**	**Owners**	**Renters**	**Owners**	**Renters**
Total	16.3	24.1	15.6	20.8	18.0	24.6
Total visible minority population	19.3	24.7	17.9	21.4	20.7	25.7
Black	22.1	25.3	20.1	22.2	22.7	22.5
South Asian	19.6	24.4	15.5	20.2	21.8	20.8
Chinese	17.3	26.3	17.2	22.8	19.4	28.0
Southeast Asian	19.6	22.3	15.8	18.4	25.5	29.2
Filipino	18.2	19.2	16.3	15.9	21.6	20.7
Arab/West Asian	23.3	29.2	18.3	22.9	25.0	30.8
Latin American	22.4	23.2	20.6	22.5	25.6	26.1
All other ethnic origins	14.0	23.1	14.6	20.1	14.6	23.2
British Isles	12.9	21.9	11.3	19.8	14.4	22.6
French	14.1	22.1	13.9	19.6	14.7	22.3
Canadian	16.5	24.8	14.7	20.2	16.7	22.3
Other European ethnic origins	14.2	23.5	15.0	19.9	14.7	23.7
Polish	16.4	22.9	14.8	20.8	18.5	23.2
Italian	13.0	23.5	15.3	18.9	14.4	23.3
Other single or multiple ethnic origins	18.2	24.1	15.3	21.6	16.5	25.9

Source: Census of Canada, 2001, special tabulations prepared for the Metropolis Centres of Excellence

Table 3 Housing Price and Rental Changes, Between 1996 and 2001, Montréal, Toronto, and Vancouver CMAs

		1996	**2001**	**Change in real dollars**
Average house price (MLS)	Montréal	105,729	125,744	8.3
	Toronto	196,476	251,508	17.4
	Vancouver	288,268	285,910	-11.4
Average 2-bedroom apartment rent	Montréal	491	529	-2.9
	Toronto	819	1,027	14.8
	Vancouver	845	919	-1.8

NOTE: a change of 10.6% in the CPI was used in the calculation of change in real estate prices and rent levels
Source: CMHC, *Canadian Housing Observer* 2005

Table 4 Housing Price Changes and Ownership Rates Between 1996 and 2001 by Immigration Period, Montréal, Toronto, and Vancouver CMAs

		1996			**2001**			**Change from 1996-2001**	
		Number of households	**Average household income**	**Per cent owners**	**Number of households**	**Average household income**	**Per cent owners**	**Change in household income**	**Change in per cent owners**
Montréal	Total	1,335,975	44,715	48.5	1,411,835	53,903	50.3	9.9	1.8
	Immigrants	275,130	41,890	49.1	297,785	49,836	48.1	8.4	-1.0
	Immigrated <10 years	74,270	27,693	16.8	74,780	36,037	17.5	19.5	0.7
Toronto	Total	1,479,955	60,382	58.5	1,625,980	76,774	63.4	16.5	4.9
	Immigrants	751,635	54,577	59.3	859,665	68,562	63.7	15.0	5.2
	Immigrated <10 years	220,940	39,503	33.7	235,205	52,342	41.3	21.9	7.6
Vancouver	Total	684,690	54,316	59.5	750,250	63,313	61.2	6.0	1.7
	Immigrants	258,190	51,789	66.5	303,490	59,664	66.3	4.6	-0.2
	Immigrated <10 years	78,880	39,117	56.5	95,085	46,446	52.3	8.1	-4.2

NOTE: a change of 10.6% in the CPI was used in the calculation of change in household income
Source: Census of Canada, 1996, 2001, special tabulations prepared for the Metropolis Centres of Excellence

Table 5   Owners' Housing Spending and Income by Immigration Period, 2001, Montréal, Toronto, and Vancouver CMAs

		Per cent of households spending at least 30% on housing	Average household total income ($)	Average monthly owner's major payments ($)
Montréal	Total	15.9	28,351	1,172
	Immigrants	23.3	29,246	1,200
	Immigrated 1996-2001	36.7	27,917	1,167
Toronto	Total	21.5	40,100	1,540
	Immigrants	25.2	38,822	1,533
	Immigrated 1996-2001	49.7	36,533	1,616
Vancouver	Total	24.0	38,914	1,544
	Immigrants	29.4	36,878	1,559
	Immigrated 1996-2001	53.3	28,149	1,495

Source: Census of Canada, 2001, special tabulations prepared for the Metropolis Centres of Excellence

Table 6   Tenants' Housing Spending and Income by Immigration Period, 2001, Montréal, Toronto, and Vancouver CMAs

		Per cent of households spending at least 30% on housing	Average household total income ($)	Average monthly rental payments ($)
Montréal	Total	36.4	13,322	603
	Immigrants	40.0	13,441	612
	Immigrated 1996-2001	46.2	11,132	573
Toronto	Total	42.2	20,805	897
	Immigrants	44.7	19,851	872
	Immigrated 1996-2001	52.1	18,711	935
Vancouver	Total	43.2	18,970	849
	Immigrants	46.0	18,746	869
	Immigrated 1996-2001	52.8	16,809	904

Source: Census of Canada, 2001, special tabulations prepared for the Metropolis Centres of Excellence

Table 7 Per Cent of Owners and Tenants Paying at Least 30% of Income on Housing Payments by Immigration Period, 1996 and 2001, Montréal, Toronto, and Vancouver CMAs

		Montréal		Toronto		Vancouver	
		1996	**2001**	**1996**	**2001**	**1996**	**2001**
Owners	Total	19.3	15.9	23.9	21.5	23.4	24.0
	Immigrants	27.7	23.3	27.7	25.2	29.5	29.4
	Immigrated less than10 years ago	43.3	33.5	48.0	41.6	50.1	45.9
Tenants	Total	57.2	36.4	44.0	42.2	46.7	43.2
	Immigrants	50.5	40.0	50.5	44.7	49.9	46.0
	Immigrated less than 10 years ago	55.0	41.8	52.0	46.3	55.0	48.5

Source: Census of Canada, 2001, special tabulations prepared for the Metropolis Centres of Excellence

Table 8 Per Cent of Owners and Tenants Paying at Least 50% of Income on Housing Payments by Immigration Period, 2001, Montréal, Toronto, and Vancouver CMAs

	Montréal		Toronto		Vancouver	
	Owners	**Tenants**	**Owners**	**Tenants**	**Owners**	**Tenants**
Total	6.3	18.1	7.8	20.0	9.6	22.3
Immigrants	9.2	20.4	9.9	21.6	13.5	24.4
Immigrated 1996-2001	15.7	27.8	25.0	30.9	33.3	33.1

Source: Census of Canada, 2001, special tabulations prepared for the Metropolis Centres of Excellence

Table 9 Per Cent of Owners and Tenants Paying at Least 30% and 50% of Income on Housing Payments by Visible Minority and European-Origin Households, 2001, Montréal, Toronto, and Vancouver CMAs

			Total population	Visible minority households	European-origin households
Montréal	Housing payments at least 30% of income	Owners	23.3	28.0	21.3
		Tenants	40.0	40.1	39.8
	Housing payments at least 50% of income	Owners	9.2	11.6	8.2
		Tenants	20.4	21.7	18.8
Toronto	Housing payments at least 30% of income	Owners	25.2	31.4	20.1
		Tenants	44.7	44.1	45.9
	Housing payments at least 50% of income	Owners	9.9	12.9	7.5
		Tenants	21.6	21.8	21.2
Vancouver	Housing payments at least 30% of income	Owners	29.4	36.3	19.5
		Tenants	46.0	47.7	43.5
	Housing payments at least 50% of income	Owners	13.5	18.1	6.9
		Tenants	24.4	27.1	20.4

Source: Census of Canada, 2001, special tabulations prepared for the Metropolis Centres of Excellence

Table 10 Homeownership by Admission Class, 2001, Montréal, Toronto, and Vancouver CMAs

		Number	Family class	Skilled worker class	Other economic classes	Refugees	Total
Montréal	Total	21,350	4,450	14,900	750	1,250	21,350
	Homeowners (no., %)	1,200	15	2	20	x	6
Toronto	Total	74,250	19,400	49,000	3,350	2,500	74,250
	Homeowners (no., %)	12,950	39	8	37	x	17
Vancouver	Total	24,000	6,450	13,250	3,250	1,050	24,000
	Homeowners (no., %)	4,850	34	11	37	x	20.2

Source: LSIC, master file

Table 11   Household Structure by CMA, 2001, Montréal, Toronto, and Vancouver CMAs

	Montréal	**Toronto**	**Vancouver**
Number	21,550	73,350	24,500
Couple with child(ren) (%)	44	50	56
Couple without child(ren) (%)	23	17	16
Lone parent family (%)	4	3	3
Single person (%)	16	8	6
Family and non-family person(s) (%)	4	6	5
Multi-family household (%)	10	16	13

Source: LSIC, master file

Table 12   Immigrant Class by Crowding§ and CMA, 2001, Montréal, Toronto, and Vancouver CMAs

	Montréal		**Toronto**		**Vancouver**	
	Total	**Crowded (%)**	**Total**	**Crowded (%)**	**Total**	**Crowded (%)**
Family	4,300	23.3	19,350	30.7	5,850	35.0
Skilled Worker	14,850	15.5	48,100	24.1	12,800	19.1
Other Economic	700	28.6	3,150	27.0	2,800	16.1
Refugee	1,150	65.2	2,500	52.0	950	42.1
Total	21,000	20.2	73,100	26.9	22,400	23.9

Source: LSIC, master file

§ Readers should note that crowding is defined in this study as those households that have more than one person per room and follows the Census definition of crowding as a situation where there is more than one person per room in a household, excluding bathrooms, entrance halls, and rooms used exclusively for business purposes. This definition is not the same as the National Occupancy Standard, which takes into account household composition variables such as age, gender, and parental and marital status and determines if the unit has sufficient bedrooms for the size and makeup of the household.

Table 13 Crowding by Ethno-cultural Group and CMA, 2001, Montréal, Toronto, and Vancouver CMAs

	Montréal		Toronto		Vancouver	
	Total	More than one person per room (%)	Total	More than one person per room (%)	Total	More than one person per room (%)
South Asian	1,450	48	26,500	32	4,050	42
Black	2,000	25	2,650	21		
Filipino			4,650	33	2,200	25
Latin American			1,500	10		
South East Asian (excl. Filipino)			1,000	15		
Arab			1,350	30		
West Asian (excl. Arab)	650	69	3,500	24		
East Asian (Chinese, Japanese, Korean)	3,650	16	19,450	30	10,750	21
All other visible minority groups	6,950	22			2,650	25
Non-visible minority (European)	6,100	8	11,750	12	3,000	12
Total	20,800	20	72,350	27	22,650	24

Source: LSIC, master file

Table 14 Cost of Housing Relative to Income for Non-homeowners by CMA, 2001, Montréal, Toronto, and Vancouver CMAs

	Montréal	Toronto	Vancouver
Number of non-homeowning newcomers	20,250	61,400	19,400
Free lodging (%)	3	4	3
Spent below 30 per cent of income on housing (%)	22	16	20
Spent 30 to 49.9 per cent of income on housing (%)	22	18	17
Spent 50 per cent or more of income on housing (%)	50	56	51
Don't know or refused (%)	4	7	9

Source: LSIC, master file

Table 15 Non-homeowners Paying at Least 30 Per Cent of Income for Housing by Ethno-cultural Group and CMA, 2001, Montréal, Toronto, and Vancouver CMAs

	Montréal	Toronto	Vancouver
Number	14,350	45,100	13,150
South Asian (%)	59	77	42
Black (%)	60	74	
Latin American (%)	67	78	
South East Asian (Including Filipino) (%)	44	68	70
Arab (%)	80	75	
West Asian (minus Arab) (%)	77	86	
East Asian (Chinese, Japanese, Korean) (%)	90	85	85
All other visible minority (%)			85
Non-visible minority (European) (%)	69	81	72
Total (%)	74	80	75

Source: LSIC, master file

Table 16 Construction of the Housing Stress Index (for Non-homeowners Only)

	Proportion of income spent on housing	And/Or	Savings remaining at time of interview
No housing stress	0% to 30%	OR	Savings equal at least 12 months of housing costs
Moderate to high housing stress	30% to more than 100%	AND	Savings equal less than 12 months of housing costs
Extreme housing stress	50% or more	AND	Savings equal less than 3 months of housing costs

Table 17 Non-ownership Households by Degree of Financial Stress and CMA, 2001, Montréal, Toronto, and Vancouver CMAs

	Montréal	Toronto	Vancouver
Number	18,100	49,650	16,000
No housing stress (%)	40	43	58
Moderate to high housing stress (%)	26	33	25
Extreme housing stress (%)	34	24	17

Source: LSIC, master file

Table 18 Non-ownership Households Facing Housing Stress (Moderate to Extreme) by Ethno-cultural Group and CMA, 2001, Montréal, Toronto, and Vancouver CMAs

	Montréal	Toronto	Vancouver
Total number	10,750	28,000	6,700
South Asian (%)	13	66	30
Black (%)	17	72	
Latin American (%)		68	
South East Asian (Including Filipino) (%)		57	54
West Asian and Arab (%)	80	69	
East Asian (Chinese, Japanese, Korean) (%)	15	34	32
All other visible minorities (%)	12		67
Non-visible minority (White) (%)	63	68	57
Total	60	57	42

Source: LSIC, master file

Chapter 8

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THE RESIDENTIAL MOBILITY OF NEWCOMERS TO CANADA: THE FIRST MONTHS

Jean Renaud and Karine Bégin, Centre d'études ethniques University of Montréal, Virginie Ferreira and Damaris Rose, INRS-Urbanisation, Culture et Société, Institut national de la recherche scientifique

Abstract

This paper looks at a key aspect of new immigrants' settlement experience—finding a home. Specifically, we examine the factors determining the propensity, over the first six months of settlement, to remain in or move on from the first residence occupied since arrival in Canada. We consider in turn the effects of various household and individual characteristics, and examine how these effects vary by urban region. Our data source is the first wave of observations from the (LSIC), carried out after an approximate 6 month stay (n=12,040). Semi-parametric survival models are used for the analysis. We find that while the residential mobility of this cohort in the initial months after arrival is associated with certain individual- and household-level characteristics, the strongest association is with the type of housing occupied. The city of residence of these newcomers, however, has little bearing on their housing transitions.

Keywords: housing, residential mobility; immigration; immigrant settlement process; Canadian cities; longitudinal analysis

Introduction

While shelter is a basic need for all, it takes on a particular material and symbolic significance when people settle in a new country in that it represents the fulcrum for a new start (Ray 1999; Ryan and Woodill 2000). Finding a home is one of the first settlement actions, if not the first, that a newcomer takes when making the initial contact in terms of day-to-day living with the receiving society. In this situation, an understanding of the first settlement activities is vital. Newcomers to Canada are highly diversified in terms of economic resources, links to the labour market, social networks and knowledge of residential markets in the cities where they first settle (Statistics Canada 2005). It can be assumed, therefore, that while some succeed at once, or almost at once, in obtaining housing that will satisfy their needs and aspirations for some time, others tend to move more than once in order to gradually improve their residential quality of life, to be closer to those with whom they have social ties, or to improve their job prospects. However, immigrants whose economic status remains precarious face a more limited range of residential options; this can entail frequent and more or less forced moves resulting from, say, rent increases, which may impair their personal stability and their social integration. For those immigrants, residential stability may mean that they have succeeded in finding affordable housing, likely with help from their social network (Bernèche and Martin 1986; Miraftab 2000; Ray 1998); this may or may not satisfy their other needs. Residential mobility or stability among newcomers, and their residential trajectories or "careers" resulting from these dynamics, may thus have a variety of meanings, and the residential adjustments they make in the initial months and years of settlement do not occur in a vacuum and must be interpreted in light of the settlement actions taken by immigrants in other areas of their lives (Murdie et al. 1999; Özüerkren and van Kempen 2002), taking into account the filters and barriers they face in the residential market (Bolt and van Kempen 2002; Murdie 2002).

The residential transitions of recent immigrants should thus be examined longitudinally, which was not possible on a Canada-wide basis until quite recently, with the completion of the *Longitudinal Survey of Immigrants to Canada* (LSIC), and with the availability to researchers of the microdata from that survey. The target population for the LSIC consisted of immigrants aged 15 or older arriving in Canada between October 2000 and September 2001 who submitted an immigration application to a Canadian mission abroad. Some 12,040 immigrants were selected to participate in the first wave of interviews after about six months' residence (Statistics Canada 2003 and 2005).[1] The same immigrants were also asked to take part in a second and a third wave of interviews after two and four years, respectively, of settlement. The survey gathered data on various aspects of immigrant settlement. Subjects such as the socio-demographic characteristics of the respondent, language proficiency, social networks, household composition and income were addressed. Questions were also asked about the respondent's housing, employment and education. Data were also gathered on moving-in and moving-out dates, and on selected features of the housing occupied in each place the respondents lived in. Since much of the data included dates, dynamic study is possible of the residential settlement of the immigrants, although the structure of the survey does not enable us to consider the reason for each successive move as an explanatory factor in the analysis.

We therefore took the opportunity presented by the LSIC to explore the survey's potential to shed light on the residential transitions that newcomers experience. We restricted our study to the residential adjustments occurring in the first months of settlement, as only the data from the first wave of interviews were available at the time. The objective of this paper will be, first, to describe immigrants' residential mobility, and second, to answer two specific questions about their initial residences: What factors affect how soon they leave their first home? Are there factors peculiar to the urban settings in which immigrants are placed? In addressing these two questions, we will first identify the factors—whether individual or household-related—that hasten or delay the transition. This will help us determine what characteristics affect the stability or mobility of newcomers. Analysis of the second question will show whether cities offer different urban contexts, and thus whether new immigrants face different situations, depending on whether they settle in Montréal, Toronto, Vancouver or elsewhere in Canada.

Methods and variables

In our study of residential transitions, we used survival model analysis (Allison 1991; Cleves et al., 2002). This involves studying the speeds of transition from one status to another and identifying the factors that affect them. It shows for each unit of time the probability that a given event will occur. Survival curves and semi-parametric regressions (or Cox regressions) were plotted.[2] In this case, residential mobility is considered from four different angles related to the analysis of the transitions. First, we looked at interurban and interprovincial mobility. Two survival curves were estimated, showing the rates at which immigrants change their metropolitan region of residence (MRR) or census agglomeration of residence (CAR) and province. However, the main purpose of the analyses was to explain mobility from one residence to another, while continuing to pay special attention to the dynamics related to the urban settings of residence. Survival curves were prepared for the promptness of leaving a residence depending on the rank of the residence occupied (first, second or third residence since arrival), and the promptness of leaving the first residence depending on the city of residence.

The first variables introduced to explain how soon people leave a dwelling relate to socio-demographic characteristics: the respondent's age, sex, immigration category (economic, family or refugee) and membership in various kinds of visible minorities. Added to these were variables related to human capital. Two variables relate to knowledge of English and French. These are the indicators of knowledge of the official languages based on three questions that ask respondents to assess their ability to speak, read and write each of them. Another variable considered was the highest level of schooling attained outside Canada, whether primary or below, secondary, post-secondary or

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university. Another variable was whether the respondent had lived in Canada before immigrating.

As the promptness of departure from a dwelling is a phenomenon that involves the household,[3] its characteristics must be considered among the causal factors. Such factors include savings and average monthly family income,[4] as indicators of financial independence in the first months in Canada. Two variables related to household composition are also included: the number of members of the immigrating unit[5] the respondent belongs to, and its composition (single adult, two or more adults with children, two or more adults without children, one adult with children, or children alone).

Furthermore, the social networks already developed by the immigrant and in place when they arrive are likely to provide assistance in finding a home, in particular by supplying temporary lodging, or more or less complete information on the market availability of affordable accommodation (Moriah et al. 2004; Ray 1998; Rose and Ray 2001). To take these effects into account, the presence of family or friends in Canada at the time of the respondent's arrival is also included.

Two questions relating to housing were identified and included in the analysis.[6] The first relates to any arrangements made prior to migration to occupy the initial dwelling. The second relates to the various types of accommodation occupied by the respondent: their own home, or that of immediate family or in-laws; the home of a friend; the home of a relative outside the immediate family; a hotel or motel; the home of an employer; temporary lodgings; an immigrant or refugee centre; or, lastly, some other type of accommodation.

The next variable contributes information on the immigrant's region of residence: Montréal, Toronto, Vancouver or some other urban region, and indicates whether the processes relating to the promptness of leaving a dwelling differ according to its urban context. To that end, terms of interaction designed mainly to show whether the effect of the previously introduced variables differs with the city of residence were added to the regression. In the process of defining the final analysis model, interactions between the immigration category and the social network variables, and between cities of residence and immigration category, knowledge of the official languages and membership in a visible minority were carried out at the same time. Of these interactions, only those that appeared significant in the first test were retained for the purposes of our analysis.

Analyses of residential mobility

The descriptive analyses of residential mobility will focus on the respondents' first 30 weeks of settlement.[7] After 30 weeks, although respondents will have begun to move out of the picture, enough remain to produce reliable estimates.

Interurban and interprovincial mobility

Moving to another city or province of residence during the first months entails a major residential adjustment that might result from getting a new job or from the desire to be closer to relatives or to concentrations of members of the same ethnocultural group (Citizenship and Immigration Canada 2000 and 2001). The results obtained indicate that when this type of mobility occurs, it takes some time to set in motion—usually after 20 weeks of residence—and affects a very small proportion of newcomers. After 30 weeks, only 4 per cent of immigrants will have moved to another city, and the proportion drops to 1.5 per cent for those changing province.

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[3] With regard to the unit of analysis and the phenomenon being studied, the residential dynamics and the resulting choices involve the entire household. However, the unit of analysis for the LSIC was the longitudinal respondent. While it would have been appropriate to use immigrant-dependent households as our unit of analysis, this was not possible given the design of the survey, which was intended to assess the individual experiences of immigrants. For more information, refer to the user's guide.

[5] Since total income received in Canada and from outside Canada by the economic unit supported by the longitudinal respondents was not available until the interviews were held, it was divided by the number of months the respondent had spent in Canada in order to obtain an approximation of average monthly income. Thus, income is assumed to have been stable through the first months of settlement, which is likely not the case. It would have been helpful to have more accurate data on family income levels: start of gainful employment, and increases or decreases in the income of both spouses.

[5] In the LSIC, household characteristics are available only as at the time of arrival. In order to ensure recognition of the time factor in the sequence of events, data on the respondent's immigrating unit were given priority for the period considered, that is, between the time of arrival and the first interview. "'Immigrating unit' means the 'group of people who applied to come to Canada under the same visa form and, for the purpose of the survey, who arrived either with the longitudinal respondent or three months before or after the longitudinal respondent'" (Statistics Canada 2003: p. 9). However, it is not necessarily all the individuals belonging to the immigrating unit, or only those individuals, who will be living with the respondent and forming the respondent's household. In some cases, the number of individuals in an immigrant household may be underestimated, and in other cases overestimated. Nevertheless, this is the best estimate available in the survey for the relevant period of settlement.

[6] With no detailed information on all the initial dwellings occupied by the respondents, given the structure of the survey, the analysis could not include rental costs, the rate of effort or the tenure (owner or tenant). These factors could have proved to be key determinants of residential stability.

[7] Note, however, that regression analyses are done for the entire period during which respondents were observed. In the first wave, observation ended after 10 months' residence.

Promptness of moving out by rank of dwelling

Residential mobility, however, is certainly not a matter only of changing the city or province of residence. It may be thought that the first type of mobility experienced by the new arrival is mobility between dwellings.[8] Our focus will be the rate at which newcomers move, particularly with respect to the first dwelling occupied upon arrival in Canada (ranked first).

We prepared a survival curve and table for moves out of the first three dwellings occupied by newcomers since their arrival (see figure 1). They indicate more specifically the proportion of individuals who are still in their first, second, third or subsequent dwelling (ranked 1, 2 and 3) over time. Immigrants leave their initial dwelling soon and at a relatively constant rate in the first months of settlement. After 30 weeks in Canada, nearly 50 per cent of respondents will have left their initial dwelling. They are slower to leave the second dwelling than they were to leave the first, and even slower to leave the third than they were to leave the first two, which is consistent with the idea that overall, the residential situation improves with each move. Of immigrants at risk of leaving their second dwelling, just over 15 per cent will have done so after 30 weeks' residence there, and this proportion will be only slightly smaller with respect to leaving the third dwelling. In other words, the residential trajectories of a substantial proportion of new immigrants show no sign of residential stabilization in the first weeks of settlement. The regression analyses of departure from the first dwelling presented below provides a profile of the most mobile individuals at the very beginning of settlement.

Promptness of departure from the initial dwelling

In order to determine whether the promptness with which immigrants leave their first dwelling differs with the place of residence, an additional survival curve and table were prepared (see figure 2). They indicate that in the first 20 weeks, respondents seem to leave their first dwelling at the same pace, regardless of whether they live in Montréal, Toronto, Vancouver or another MRR or CAR, which suggests that generally, the first residential adjustments reflect the same types of experience in the early stages of settlement, regardless of variations from city to city in the residential market or the profile of the newcomers. Thereafter, a slight gap opens up between Montréal and other cities, with immigrants in Montréal tending to leave their dwelling less promptly than immigrants elsewhere in Canada. However, this initial trend should be explored further, using regression analysis.

We move now to the results of the Cox regressions, which yielded better documentation of the processes surrounding the move out of the initial dwelling. Seven models were constructed, in a hierarchical arrangement. The first includes one set of variables, and in each subsequent model a new set of variables was added. In Table 1, for each model, we present the coefficients for each variable, their significance and a set of data on the regression, particularly the P^2 or likelihood ratio (LR), which indicates whether the model is significant, and the P^2 that determines the contribution of each significant variable to the model. The last column of the table is associated with the seventh model. It presents the P^2 for each variable, showing the impact of each of them on the promptness of leaving the first dwelling.

The results indicate that the introduction of each set of variables in the regression models in turn adds further explanatory force to assist our understanding of residential transitions. The various models show some measure of stability as the additions are made: a majority of variables and categories of variables retain their significance and effect. The seventh and last model best explains the promptness of leaving the first dwelling (LR P^2=15785.51, sig=0.001). The introduction of the terms of interaction further improves the explanation (P^2=21.44, sig=0.001), but to a lesser extent than the addition of the other variables.

Table 1 also shows which variables explain in significant terms the moves out of the first dwelling: the age of the respondent; the category of immigration; membership in a visible minority; knowledge of French; level of education; previous residence in Canada; average monthly family income; composition of the immigrating unit; presence of family in Canada; and type of initial dwelling in Canada. The other variables have no significant effect on how soon the respondent moves out of the first dwelling.

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[8] In the various analyses conducted, all the immigrants in the survey are likely to undergo a mobility experience in the initial months of settlement, whether mobility is expressed in its more general form (a straightforward move) or the more specific form (such as a change of city or province). With regard to inter-city or inter-province mobility, transitions may or may not take place at the time of the move from the initial dwelling. In some cases, the change of MRR or province of residence occurs upon leaving the first dwelling; in others, it occurs when they leave subsequent dwellings (second, third or more). Thus, in the analyses of the move from the initial dwelling, some immigrants who went through this first change of residence may have moved beyond the boundaries of their MRR of initial residence. However, the percentage of respondents in this situation is very small.

The P^2 of the variables indicates the extent to which each variable explains the transition. The type of dwelling seems to be the variable that helps most to explain it (P^2=2638.07, sig=0.001). Next in order of importance are the variables relating to composition of the immigrating unit, membership in a visible minority, category of immigration, previous residence in Canada, and level of education. The contribution of the other variables is less important.

It is crucial to remember that in the latter model, the addition of the terms of interaction prevents individual consideration of the variables or categories of variables. They have to be considered in relation to the terms of interaction associated with them, since the coefficients of the variables lack the effect associated with the terms of interaction. Thus, the categories "family" and "West Asian" cannot be interpreted in isolation. To obtain the overall effect of these categories, they must be related to the coefficients of the terms of interaction: "other MRR or CAR / family" and "West Asian / Montréal."

Detailed examination of the seventh model shows the effect of the significant variables and categories of variable. Socio-demographic characteristics help explain the phenomenon in terms of age variables, a few groups within the cohort belonging to visible minorities, and

particularly the family immigration category. With regard to age, the older the respondent, the slower the pace of leaving the first dwelling, which is consistent with the results of earlier studies in Quebec (Renaud et al. 1993; Renaud and Gingras 1998) and which suggests that residential stability is more important when a newcomer has already achieved a certain age level upon arrival in the new country. However, membership in a visible minority accelerates departure from the first dwelling, by comparison with the "White" reference group: this is the case with West Asians living outside the Montréal MRR, and with Koreans.

Respondents coming to Canada for reasons of family reunification generally experience a significant reduction in the likelihood of moving out of their initial dwelling during our observation period, by comparison with economic immigrants. The slower departure rate could be associated with the very definition of this immigration category. These respondents seem more likely than economic immigrants to have accommodation arranged before arrival, since they are joining a family member already settled in Canada, who in most cases will have been able to make suitable arrangements to receive them. Living in accommodation more appropriate to their family situation, these respondents seem less likely to move from their initial

residence. Also, in some cases, the initial dwelling may not be satisfactory, but the transition is slowed by the difficulty of finding affordable accommodation that is sufficiently large, particularly in the major urban areas. The fact that respondents living outside the Montréal, Toronto and Vancouver MRRs leave their initial dwelling sooner could also relate to market conditions that are more favourable to family households.

The set of variables relating to human capital shows that knowledge of French and a level of educational attainment above secondary contribute to an early move out of an immigrant's initial dwelling. These moves could be prompted by occupational factors. These attributes also favour the ability to access information on the residential market and on the housing system without reliance on informal networks, which means that people are better informed about the possibilities of improving their residential situation (Moriah et al. 2004; Rose and Ray 2001). On the other hand, previous residence in Canada reduces the likelihood of a transition. Having lived in Canada before immigrating could give immigrants more familiarity with the housing market and with Canadian institutions and how they work, and the possibility of having developed a network within the city that enables them to find suitable housing from the outset.

Table 1 Risk ratios for the Cox Regression on the Move From the Initial Dwelling[9]

Variables	Model 1	2	3	4	5	6	7	P²
Socio-demographic characteristics								
Age	0.996**	0.997*	0.994***	0.994***	0.995**	0.995**	0.995**	9.07**
Sex (female)	1.027	1.020	1.024	1.018	0.995	0.998	0.998	0.00
Category of immigration (economic)								28.52***
Family	0.339***	0.358***	0.443***	0.478***	0.743***	0.743***	0.701***	27.40***
Refugee	0.985	1.027	1.099	1.130*	1.104	1.081	1.031	0.15
Visible minority (White)								40.23***
Chinese	1.020	1.015	0.960	0.946	0.979	0.996	1.004	0.01
South Asian	1.171***	1.099*	1.031	1.063	0.924	0.946	0.956	0.78
Black	1.087	1.093	1.043	1.067	0.875	0.872	0.881	2.80
Filipino	1.132	1.013	0.972	1.027	0.883	0.895	0.906	1.75
Latin American	1.150	1.198	1.206	1.212*	1.045	1.060	1.171	2.10
Southeast Asian	1.065	1.076	0.911	0.929	0.730	0.736	0.741	2.94
Arab	1.190**	1.178*	1.133	1.163*	1.109	1.139	1.128	2.96
West Asian	1.486***	1.483***	1.390***	1.428***	1.113	1.138	1.255**	7.42**
Korean	1.292***	1.344***	1.155	1.160	1.227**	1.265**	1.277**	8.84**
Japanese	0.402*	0.558	0.494	0.477	0.605	0.617	0.622	1.58
Visible minority n.i.e	1.333	1.254	1.254	1.313	1.272	1.307	1.329	1.62
Multiple visible minorities	1.131	1.067	0.940	1.005	0.893	0.821	0.832	0.51
Whites and visible minorities	1.564	1.417	1.397	1.427	1.170	1.199	1.199	0.37
Human Capital								
French		1.005	1.072	0.997	1.031	1.043**	1.039*	4.71*
English		1.059***	1.001***	1.072***	1.028	1.027	1.026	2.47
Educational attainment (none or primary)								14.75**
Secondary		1.072	1.074	1.071	1.172	1.166	1.150	2.27
Postsecondary		1.167*	1.188	1.177	1.360***	1.367***	1.347**	9.38**
University		1.151**	1.199*	1.178	1.308**	1.311**	1.291**	7.36**
Previous residence in Canada (none)		0.519***	0.563***	0.554***	0.738***	0.726***	0.731***	20.79***
Household characteristics								
Monthly family income			0.999***	0.999***	0.999**	0.999**	0.999**	8.08**
Size of the immigrating unit			1.004	1.007	1.020	1.014	1.016	0.73
Composition of the immigrating unit (adult only)								51.70***
2 or more adults with children			1.261***	1.246***	1.478***	1.507***	1.507***	35.47***
2 or more adults without children			1.262***	1.256***	1.378***	1.377***	1.379***	37.51***
One adult with children			0.890	0.895	1.146	1.152	1.150	2.52
Children only			0.399**	0.408**	0.518	0.536	0.532	4.13*
Amount brought in savings			1.000*	1.000*	1.000	1.000	1.000	0.30

[9] The categories in parentheses were omitted from the regression analyses.

Table 1 Risk ratios for the Cox Regression on the Move From the Initial Dwelling (Con't)

	Model							
Variables	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**P²**
Social network								
Relatives in Canada (none)				0.868***	1.130**	1.127**	1.111**	6.42*
Friends in Canada (none)				1.059	0.971	0.979	0.980	0.33
Housing characteristics								
Arrangements for initial dwelling (none)					0.943	0.941	0.940	2.27
Type of accommodation (own home or a relative's)								2638.07***
Home of a friend					5.313***	5.300***	5.303***	1570.95***
Home of a distant relative					3.127***	3.149***	3.178***	456.51***
Hotel or motel					10.790***	10.884***	10.869***	1229.24***
Residence of an employer					2.745**	2.769**	2.787**	8.71**
Centre or temporary residence					8.954***	8.887***	8.942***	1118.51***
Other					2.997***	3.023***	3.022***	125.33***
MRR or CAR of residence								
City of residence (Toronto)								3.20
Montréal						0.931	0.967	0.25
Vancouver						1.035	1.019	0.15
Other MRR or CAR						1.084*	1.068	2.31
Terms of interaction								
Vancouver/French							1.080	2.18
Other MRR or CAR/Family							1.258*	6.28*
Relative/Refugee							1.159	3.04
West Asian/Montréal							0.922**	9.78**
Latin American/Other							0.954	3.07
West Asian/Other MRR or CAR							0.981	2.34
* p<0.05 n	11956	11956	10959	10959	10875	10720	10720	
** p<0.01 Event	5608	5608	5240	5240	5163	5029	5029	
*** p<0.001 Cases covered	6348	6348	5719	5719	5712	5691	5691	
-2LL	99747.844	99572.608	91946.124	91920.512	87383.318	85166.026	85144.584	
dl	17	23	30	32	39	42	48	
LR P²	1182.25***	1357.49***	8983.97***	9009.58***	13546.07***	15764.07***	15785.51***	
Contribution of each set of variables (P²)		175.23***	7626.48***	25.61***	4537.19***	2217.29***	21.44***	

Monthly family income and the composition of the immigrating unit are the only significant variables in considering the characteristics of the household. Both may relate to different groups of individuals, since the first relates to the family, whereas the second relates to the immigrating unit—the respondent and all those individuals who arrived in Canada with him or her. In terms of income, the results indicate that the higher it is, the lower the chances that the transition will take place; families that are better-off are more likely to find satisfactory accommodation upon arrival. In terms of the composition of the immigrating unit, the categories that appear significant are households of two adults with or without children. Both of those types of immigrating units are more likely to move than those made up of a single adult. The desire to acquire a more private and stable residential situation both for children and for couples beginning their lives in a new country could help make the first residential adjustment occur sooner, particularly in cases where the first dwelling does not belong to them.

Among the variables relating to the social network, having family in Canada at the time of arrival is the only significant one, and it increases the likelihood of leaving the initial dwelling. It may be that family in Canada is a help in quickly finding housing that appeals, if there are relatives already settled in the city where the respondent arrives, but such an interpretation must be made with caution, because in the LSIC, this variable includes both family members living in the same MRR or CAR, and those living in another province.

With respect to housing characteristics, only the type of housing has a significant effect. Thus, immigrants who live in housing that is not their own tend to change residences more quickly than those living in their own home or in the home of a close relative. These results were more or less what we might have expected. Beginning life in Canada in housing that is not one's own, with the sharing and crowding that this can imply, may increase immigrants' desire to find a place of their own or to live with a close relative, thereby enjoying a residential quality of life that offers more privacy, comfort and stability.

Lastly, with regard to the urban area variable, none of the categories is significant. The model shows that a respondent living in Vancouver, Montréal or another MRR or CAR does not move out significantly sooner or later than one living in Toronto. This result accordingly led us to reconsider our initial observations concerning the slight gap between Montréal and other urban areas. Only certain special cases of interaction between the place of residence of the respondents and another individual attribute made it possible to identify a few specific effects associated with the geographical location of newcomers. Immigrants in the family reunification class living outside the three main MRRs are quicker to leave their initial dwelling, whereas West Asians living in Montréal show more residential stability; this could be attributable to the difficulties in economic integration experienced by the latter (Godin 2004) and the supposedly negative effect on their ability to find and move into more satisfactory housing.

Conclusion

The objective of this study was to explore the potential of a new source of longitudinal data in documenting the residential mobility of new immigrants in the first months of settlement in Canada, whether the mobility takes the form of a move out of their metropolitan area or province of residence or, less drastically, a change of housing. Detailed examination of the promptness of moving out of the initial dwelling made it possible not only to identify the factors associated with greater residential mobility, or on the contrary greater residential stability, but also to see whether the associated processes differ with the immigrant's place of residence. We hoped thus to make up for the lack of studies comparing the major cities of immigration in Canada and to gain a better understanding, through the enhancement of longitudinal data, of the dynamics of residential settlement. The results are somewhat surprising.

While immigrants are unlikely to move to another city or province in the first months of settlement, we cannot say that they are not very mobile in the early days. Many of them—about 50 per cent, in fact—moved at least once, either within the same city, or otherwise. However, contrary to what one might have expected, the rate at which newcomers leave their initial dwelling does not generally seem to be affected by variations in residential markets from one large city to another, or between the three large metropolises and the other urban areas. The promptness of moving out of the initial dwelling is affected rather by the characteristics of

the housing and the household, by newcomers' individual characteristics and attributes in terms of human capital, and by social networks. In particular, the type of housing occupied, household composition, membership in a visible minority and educational attainment are the determinant variables in accelerating transitions, whereas the category of immigration, previous residence in Canada, age and income have a significant effect on delaying the move from the initial dwelling.

While the dynamics of the move from the first dwelling vary little from city to city over the brief period of settlement considered, that is, with respect to the first wave of observations from the LSIC, things could be different in the medium term, when immigrants may be more exposed to the dynamics of residential markets, which differ considerably from city to city. In conducting this study, we sought to use the newly available data from the first wave of the LSIC to shed light on the residential aspects of the first steps in settling in a new country. The period covered by the analysis does not, however, correspond for all respondents to the time spent in the same accommodation. Data from subsequent waves of the LSIC will support analyses of this type covering a longer period of observation, particularly as it corresponds to a period of inflation in the housing market in certain large cities (Canada Mortgage and Housing Corporation 2004). It will be possible to see whether the mechanisms observed are maintained, whether some are peculiar to the beginning of settlement, or whether other dynamics emerge after a certain time has passed.

Lastly, with regard to method, the study showed the added value of the longitudinal approach in gaining a better understanding of the housing dynamics that newcomers experience, even though we did encounter some limitations of the LSIC, particularly

the impossibility of determining possible associations between the timing of residential transitions and certain variables with a major explanatory potential, such as rental costs, the degree of effort and the mode of occupancy. That said, the other Canada-wide longitudinal surveys of the immigrant cohort (such as the Longitudinal Immigration Database and the National Population Health Survey) contain much less information on housing and residential mobility, and in this sense the LSIC represents substantial progress, particularly as housing is a crucial fulcrum for making a fresh start in a new country.
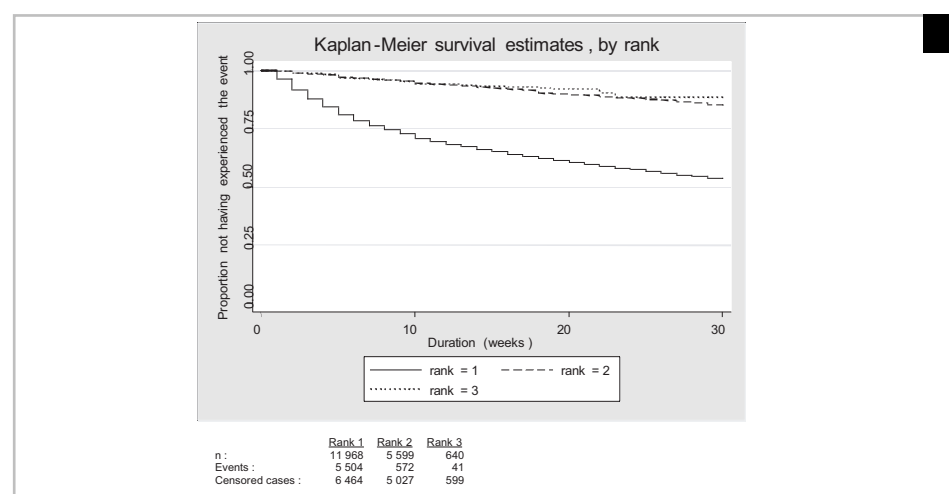
Figure 1 : Survival curve for the timing of exit from the dwelling, by rank
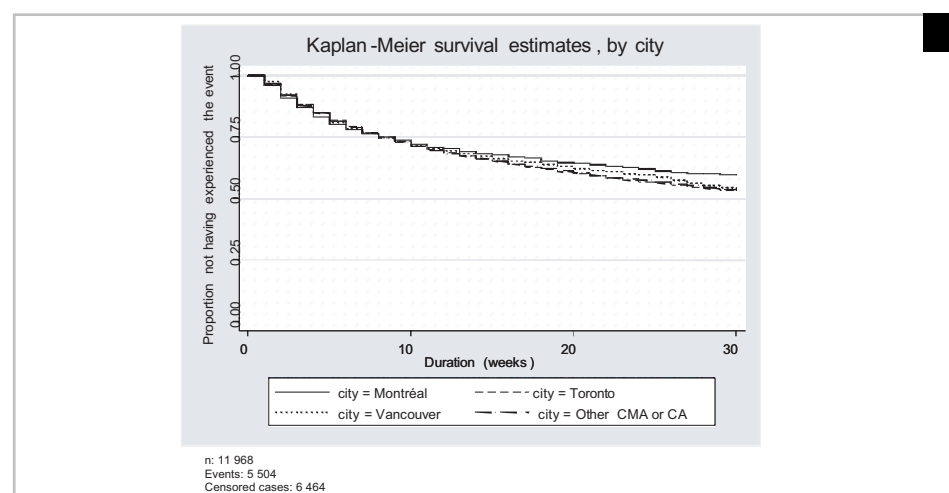

Figure 2 : Survival curve for the timing of exit from the dwelling, by city of residence

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IMMIGRANTS AND HOUSING IN AUSTRALIA

The major characteristics of the Longitudinal Survey of Immigrants in Australia, LSIA, and its major findings concerning the housing of immigrants are described to situate the LSIC, the Longitudinal Survey of Immigrants in Canada, in terms of its methodology and findings regarding housing.

There have been three panels of the Longitudinal Survey of Immigrants in Australia (Black et al. 2003). The first panel concentrated on the initial and early periods of settlement, interviewing immigrants after approximately six, eighteen, and forty-two months of residence in Australia (Cobb-Clark 2001). Five thousand one hundred and ninety-two permanent settlers who arrived between September 1, 1993 and August 31, 1995 and settled in state and territory capital cities, centres close to capital cities, and Cairns were interviewed in person. The sample was stratified by visa category and by country of birth. The second panel is a smaller sample of 3,000 immigrants who arrived in Australia between September 1, 1999 and August 31, 2000. In the second panel, the sample emphasized highly skilled immigrants. Conducted over a period of 12 months, the second panel includes only two interviews at six months and twelve months of residence in Australia. A third panel survey was conducted very recently, in this case relying upon a

questionnaire sent through the post rather than in-person interviews.

The design of the LSIA differs from the LSIC in three respects. The LSIA targeted migrants in urban centres that were home to 95 per cent of immigrants, but only 71 per cent of the population. Migrants living outside urban centres were excluded from the survey. The LSIC is conducted in 15 languages, whereas the LSIA is conducted in English using flash cards in 10 languages and interpreters. Finally, the timing of the cohorts in each survey differs slightly. Interviews will be conducted at six, eighteen, and thirty-six months of residence in Canada, slightly different from the timing of interviews in LSIA.

With regards to the housing conditions of immigrants and refugees, the content of the two surveys is very similar. There are several questions about the cost, affordability, quality, and suitability of housing in each cohort. A search for literature drawing on the housing questions in the LSIA unearthed few reports and academic articles. Most published analyses of the LSIA concern the economic trajectories of immigrants (Cobb-Clark 2001, Black et al. 2003). The housing situations of immigrants are discussed briefly in descriptive reports summarizing the trends from each section of the survey. Andrew Beer and Sarah Morphett (2002) have completed the most sophisticated

analysis of immigrants' housing circumstances.

With two panels, the LSIA allows for descriptions of immigrants' housing after six, twelve, and forty-two months residence to track how immigrants and refugees enter the housing market. Comparative analyses of the first and second panels enable researchers to evaluate the impact of the economic and social context on immigrants' housing conditions. Comparison of the two panels of the LSIA illustrates the value of repeating longitudinal surveys (Richardson, Miller-Lewis, Ngo, and Ilsey 2002b). The second panel respondents are better educated and more likely to speak English. They also arrived in better economic times. Nevertheless, the housing situations in the first six months are still remarkably similar when the first and second panels are compared.

The housing situations of immigrants in the first six months of settlement are similar in Canada and Australia. Upon arrival, 9 of 10 immigrants in Australia lived in shared accommodations with relatives or friends (Richardson, Miller-Lewis, Ngo, and Ilsley 2002b). Within six months, the majority of immigrants are living in permanent accommodation. Only 14 per cent and 9 per cent of immigrants and refugees in panels 1 and 2 respectively remain in other housing

arrangements such as boarding houses and short-term accommodation six months after arrival. Most immigrants and refugees move into the private rental sector. At six months, 51 per cent and 54 per cent of settlers in panels 1 and 2 were private renters. Approximately one in five households were still living rent-free with family and friends. Homeownership is a minority tenure, even for the highly skilled immigrants in panel 2. Only 11 per cent of panel 1 arrivals and 16 per cent of panel 2 arrivals are homeowners within six months. Humanitarian settlers, refugees in Canada, are the main occupants of socially-assisted housing that is home to only 4 per cent of all recent arrivals after six months of residence.

Changes in housing type often occur within six months of arrival (Richardson, Miller-Lewis, Ngo, and Ilsley 2002). By six months, approximately half of all immigrants and refugees are living in single-detached housing, the predominant type of housing in Australian cities where immigrants and refugees concentrate. Another 13 per cent are living in semi-detached housing, with slightly more than one third, 36 per cent, living in apartments, evenly divided between low-rise 1 and 2-storey garden apartments and 3- or more storey high-rise apartments. The distribution of immigrants and refugees among housing types does not vary much over time (VandenHeuvel and Wooden n.d.). In each cohort, humanitarian and independent class immigrants are most likely to live in apartments, while business class and employer nominated immigrants are most likely to live in single-detached housing.

As expected, housing costs increased over the period of settlement and between the

two panels of the LSIA. Immigrants in the skilled stream reported the largest increases in housing costs while humanitarian class immigrants who were mainly in government housing had the smallest increases in housing costs (VandenHeuvel and Wooden n.d.). Due to inflation, average housing costs were 20 per cent higher by the second panel than for the first. As a result the second panel is paying more to rent and own housing than earlier arrivals. Higher costs have not intensified housing stress. Only 18 per cent of the second panel were spending more than 40 per cent of gross income on rent or mortgage payments. Better economic outcomes for the second panel have reduced the financial burden of higher housing costs (Richardson, Miller-Lewis, Ngo, and Ilsley 2002a).

In panel 2, the majority of immigrants and refugees lived in good quality housing (Richardson, Miller-Lewis, Ngo, and Ilsley 2002a). Only 6 per cent judged their housing to be of poor quality. However, the quality of housing varies across immigration classes. Humanitarian immigrants are more likely to report that their housing is of poor or moderate quality than any other class. At the other extreme, more than 70 per cent of business and employer nominated immigrants live in good quality housing.

Within the first 42 months of settlement, the majority of immigrants and refugees are renters even though the percentage of immigrants and refugees purchasing a house increases steadily over time. In the first panel, 11 per cent of immigrants had bought a dwelling within the first six months of arrival. The percentage of homeowners rises to 15 per cent by 18 months and then to 38 per cent within

42 months. Although the final homeownership rate is only slightly more than half the national rate of 68 per cent, the steady rise in homeownership suggests that some immigrants and refugees have progressive housing careers. However, the concentration of immigrants and refugees in rental accommodation after 42 months indicates that the majority of newcomers are still establishing themselves in the housing market. Beer and Morphett (2002) propose a useful conceptual framework that distinguishes three stages of housing consumption:

- Initial settlement - The first six months of settlement in which immigrants move from temporary and shared accommodation to permanent housing.

- Adjustment - The period stretching from six to twenty-four months during which there are substantial and varied changes in tenure.

- Consolidation - After two years of residence, there is a concerted move towards homeownership for many immigrants.

According to this framework, many immigrants and refugees are still in the consolidation phase after 42 months of settlement. Additional research is needed to document over a longer time span the housing careers of different classes of migrants. Humanitarian migrants appear at greatest risk of being stuck in government housing. However, the progress of highly-skilled immigrants also warrants investigation. In the first three years of settlement, family is an important resource. Preferential family immigrants move into homeownership more quickly than some other classes of migrants largely because of family support in the form of rent-free accommodation.

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