BARRIERS TO EQUAL ACCESS
IN THE HOUSING MARKET:
THE ROLE OF DISCRIMINATION ON THE
BASIS OF RACE AND GENDER

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ABSTRACT

This discussion of the nature of and reasons for barriers to equal access to housing in Canadian housing markets focuses on Metropolitan Toronto's rental housing market. The paper argues that all people do not have equal access to rental housing because discrimination is found in the rental market as it is throughout society. All types of discrimination exist in a system of mutual support, and there is nothing special about housing markets to protect them from the forms of discrimination that permeate the rest of society. Discrimination in the rental market takes the form not only of denial of access to housing units, thereby limiting the number, type and location of options available to certain groups, but can include the extraction of a financial premium for access. The premium can be in the form of higher rent or key money.
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Housing market discrimination cannot be separated from other forms of discrimination. In his assessment of the economic rationale for the persistence of any kind of discrimination in a market system, economist Lester Thurow (1975: 155-181) points to the interlocking nature of different types of discrimination. Each type makes it easier to enforce other types and together all forms of discrimination lead to lower incomes. No matter what type of discrimination is examined, it is reinforced by the other types; "they exist in a system of mutual support" (Thurow, 1975: 170).

In a recent review of the literature on racial discrimination in housing markets, George Galster (1992: 639) makes a similar point about housing discrimination: ... "the causes and consequences of racial discrimination in both housing and mortgage markets cannot be analyzed properly without consideration of the relationship between those markets as mediated by residential segregation, interracial disparities in economic status and housing conditions, and the racial stereotypes held by white households, housing agents, appraisers, and loan officers." This means that the "causes" of discrimination in housing are also the consequences of such discrimination. "Causes and effects of discrimination," according to Galster (1992: 641), "become blurred in a complex web of what Myrdal [1944] called 'circular causations'."

In simpler terms, this means that if discrimination against certain groups on certain grounds exists in a society, it will logically be found throughout other key sectors and institutions of society. If it exists in one part of the housing system, it will permeate other parts. Discrimination is mutually reinforcing. Intentional discrimination in labour markets, for example, makes it unnecessary to discriminate in other areas (though there may indeed be discrimination in these other areas). This is especially the case where markets predominate. The groups with lower income have less "market power" and have, as a result, fewer choices in the market place. If discrimination is practised by providers in the marketplace, the choices are even fewer.

Discrimination in housing markets is not limited to denial of access to particular buildings or locations. Access can often be had at a price; groups subject to discrimination may have to pay more. Many studies in the United States, for example, have found that blacks paid more for equivalent rental housing than whites (Kain and Quigley, 1975; Galster, 1978; Yinger, 1978; and Schafer, 1979). This means that some landlords will rent to disadvantaged groups (people to whom they would rather not rent) so long as they can extract a premium for doing so.

Galster (1992: 642) provides a helpful conceptual framework for analyzing discrimination in housing and mortgage markets (see Figure 1). The three starting points in the discriminatory process, whether in accessing the housing
Figure 1: A Conceptual Framework for Analyzing Racial Discrimination in Housing and Mortgage Markets

Source: Galster (1992: 642)
market (top part of the diagram) or in accessing the mortgage market to buy a house (bottom part of the diagram), involve three contextual factors which permeate society in general (the three circles in the middle): (a) whites' racial stereotypes; (b) interracial economic disparities; and (c) minorities' perceptions of markets. These factors affect access to the housing market by causing discrimination within it, by locating minorities in inferior housing and neighbourhoods, by limiting access to information about housing market options and prices, and by producing government housing policies which not only fail to address these issues but even provide differential treatment in housing subsidies (for example, through programs which focus on middle class home owners). These housing market outcomes also feed back and help cause (reinforce) the three initial contextual factors arising from society in general, listed above as a, b, and c. Galster's conceptual framework is particularly helpful in that each piece is testable; it helps to define specific research tasks relating to the causes, consequences and extent of housing market discrimination, as well as research on potential policy responses.

Galster's model can be applied equally to gender discrimination. The three central contextual factors from society in general are simply reworded: (a) male gender stereotypes, (b) gender-based economic disparities, and (c) women's perceptions of markets. Because all forms of discrimination interact, discriminatory outcomes in the housing and mortgage markets do not necessarily require intentional discriminatory behaviour. There are therefore two types of discrimination: intentional differential treatment and unintentional disparate impact (Galster, 1992: 641). As Galster (1992: 641) points out: "Intentional discrimination in one market thus makes it unnecessary to discriminate in another by helping to promulgate objective conditions of minority [or gender] inferiority that permit otherwise race neutral [or gender-neutral] rules and institutional practices to have disparate racial [or gender] impacts." This explains why a landlord or mortgage lender who is conscious of discrimination and actively seeks to be non-discriminatory may still end up with very few minority tenants or may make very few mortgage loans to women and minorities. The operation of all the related institutions and societal norms have already "implemented" the discriminatory outcome. For example, the perceptions of the market by minorities or women (the contextual factor listed as (c) above) may be such that they think it is useless to apply for an apartment in a certain type of building in certain neighbourhoods. Or, the racial and gender economic disparities (contextual factor (a) above) may be such that very few minorities or women can afford to rent in certain buildings and neighbourhoods. The same applies in the mortgage application process; some may not even apply and many, compared to non-minority male applicants, simply do not have the income to qualify for a mortgage.
THE CANADIAN HOUSING MARKET: THEORY AND REALITY

Canadians are dependent to a greater extent than residents of most Western nations on housing markets. Every society develops a housing system which produces, allocates and maintains a physical stock of buildings used as shelter. Over time a set of housing practices, procedures, institutions, regulations and laws evolve, specifying how land is owned, sold, taxed, and regulated; how finance capital is allocated to the residential sector and at what interest rates; how houses are built and who builds them; how houses are allocated and how they change hands. The last point refers to access — how individuals and families access the housing they need and want.

Canada relies on the market mechanism for about 94% of the nation's housing stock. With the exception of the 6% of Canadian households who live in public, non-profit, co-operative and other forms of non-market housing, the remaining approximately 9.5 million Canadian households must seek housing in the private housing market, either the ownership or the rental sectors. This is similar to the situation in the United States but is dramatically different from the options available to households in other major Western nations (Dreier and Hulchanski, 1993; Hulchanski, 1990; Marcuse, 1990). In Europe, for example, the percentage of the national housing stock which lies outside the private ownership or rental markets (that is, housing within the non-profit sector) is: Netherlands 44%; England, 24%; Sweden 21%; and Germany, France and Denmark 17% (Boelhouwer and van der Heijden, 1992: 287). This does not mean that there is some specific ideal level of non-market housing. It simply means that Canadian households have very few options for accessing housing outside the private market.

In theory, North America's overwhelming dependence on the market mechanism — supply and demand forces — places only one constraint on choice in accessing housing: the amount a buyer or renter is willing or able to pay. Housing is either purchased outright, as in the ownership part of the housing market, or it is obtained by making month-to-month payments, as in the rental part of the housing market (Hulchanski, 1988). There should be no access problems beyond the market dynamics of supply and demand which affect price. People can obtain what they need and want so long as they have the money to pay for it and the market operates normally. The first proviso, that people have the money to pay for it, is a matter related to social policy. The second proviso, that the market operates normally, raises the question: what is "normal"?

The literature on the theory of competitive housing markets specifies a number of assumptions which must be satisfied for a housing market to function competitively (i.e., normally). Virtually all the neo-classical economic literature on housing markets starts with a model of the housing market developed by Olsen (1969). Among the crucial assumptions as outlined by Olsen, three are especially relevant here: neither buyers nor sellers collude; both producers and
consumers possess perfect knowledge about the prevailing price, and take advantage of every opportunity to increase profits and utility; and no artificial restrictions are placed on demands for, or supplies of, housing.

The model assumes, therefore, that there is no systemic discrimination in housing markets (as discussed above) and, further, that there are no impediments to supply and demand (as will be discussed below in relation to the rental market in Ontario). Because of these (and other) unrealistic assumptions, real housing markets differ from this conventional model in many ways. There is growing recognition that, as Block (1990: 74) puts it, "the concepts of neoclassical economics have increasingly diverged from reality." Only the most dogmatic neo-classical economists continue to assert and defend the highly unrealistic nature of the assumptions upon which their normative ideal of self-regulating markets rests (see, for example, Applebaum and Gilderbloom, 1986; Barber, 1977; Block, 1990; Borins, 1988; Granovetter, 1985; Kuttner, 1985; Levine, 1983; and Thurow, 1975, 1983).

The main point of the critics of the neo-classical economic model of housing markets is that social relations and a variety of nonprice considerations (see Block, 1990, Chapter 3 for a discussion of these) are vitally important to the way in which housing markets operate and to determining who gets access to mortgage markets, certain neighbourhoods, and the available rental units. Much more is going on than just individuals maximizing their own benefits (utility). The entire economy is an "extremely complex mix of micro-economic choices, social regulation, and state action" (Block, 1990: 73). As Appelbaum and Gilderbloom demonstrate in their assessment of Olsen's theory with regard to rental housing markets in the United States, the impediments to equal access "result largely from the social relations that characterize most housing markets — relations among landlords, and relations between landlords and tenants" (1986: 166). As in any aspect of social life that depends upon market allocation, economic, social and political power in society determines who gets what out of the system created for producing and allocating housing. In systems based predominantly on the market, the more money a household has, the more house it gets; the more political clout it has, the more extensive the housing-related tax benefits, cash subsidies and neighbourhood amenities it receives.

Not only does unequal access for certain groups result from discrimination in labour markets, but discrimination in housing markets is particularly possible due to the nature of the residential purchase or rental transaction. People, specific individuals on a one-to-one basis, transact, usually in private, each house purchase or rental agreement. Access to a particular housing unit is subject to personal negotiation. On what basis do these transactions take place? What are the criteria used in the negotiations leading to a household's access to a particular housing unit (whether purchased or rented)?
Real housing markets operate on the basis of a complex interplay of social, cultural and economic criteria. If they operated on a pure market basis (economic criteria) everyone would be treated the same except for the one economic factor: the amount of money they were able or willing to spend. The point here is that money matters a great deal, but so do many other non-economic factors. The discrimination found in one part of society reinforces discrimination found in housing markets, and vice versa. As Galster points out: "the main consequences of housing discrimination — limited (and inferior) housing options and residential segregation, and their resultant interracial economic disparities . . . fuel the racial stereotypes of a variety of white decision-makers, thereby encouraging subsequent discriminatory acts in several market contexts" (1992: 641). Even public sector decision makers, in their attempts to provide housing for lower income visible minorities, are affected by these stereotypes and non-economic pressures. Block points to "the politics of race" as one part of the explanation of why public sector housing activity is extremely limited in the United States: "Despite the society's adoption of an ideology of racial equality, there has been little progress in reducing racial segregation in housing. This means that when new public-sector housing is created, it will generate controversy regardless of whether it is used to reinforce or transform existing patterns of residential segregation. The path to least resistance has been to avoid controversy by not building the housing" (Block, 1990: 186).

OWNING AND RENTING IN CANADA: TWO VERY DIFFERENT HOUSING MARKETS

The difference between owning and renting in the private sector is dramatic. Supply and demand are very different in these two parts of the housing system. The home ownership part of Canada's housing market, to a large extent, "works." By "works" it is meant that supply and demand govern the market (with a great deal of government assistance). There are periods of excess demand or supply, but these are temporary or confined to particular regions with economies that are depressed or unstable.

The rental part of Canada's housing system, however, has serious problems (Hulchanski, 1984). Though 40% of Canada's households are renters, they are concentrated in cities, especially the largest cities. Over 60% of the households in the cities of Montreal, Toronto and Vancouver are renters. In Metro Toronto, 52% of the 865,000 households are renters (1991 Census). As Figure 2 indicates, renters have much lower household incomes than owners and the gap is increasing. According to recent estimates published by the National Council of Welfare (1988: 61-62), the poverty rate for renter families was 26% (compared to 7% for owners) and 38% of single person renter households (compared to 25% for single person home owners).
Supply and demand in the private rental market in most of the larger metropolitan areas is not functioning according to conventional market forces and has not done so since the early 1970s. Large metropolitan areas like Toronto do not have "normal" competitive rental housing markets. They have a thoroughly regulated and price-controlled system for maintaining and allocating existing rental units. There are debates over how this happened (that is, are rent controls a response to market failure, or did rent controls cause the market failure?). There is no debate, however, over the lack of choice that renters face in the private rental sector even during recessions when vacancy rates are slightly higher.
Vacancy rates in most major cities are often below one percent and rarely reach two or three percent. Vacancy rates during the late 1980s (1986 to 1989) in greater Toronto were the lowest of Canada's 25 largest metropolitan areas. Figure 3 provides the vacancy rate data for Metropolitan Toronto from 1980 to the present. Only during the current severe recession have the vacancy rates risen above 1.5%. Low vacancy rates are supposed to be the "signal" to the market for investment, for the supply of rental housing, to increase.

**FIGURE 3: METRO TORONTO RENTAL APARTMENT VACANCY RATES 1980 TO 1993**

![Graph showing vacancy rates from 1980 to 1993 in Metro Toronto apartment buildings with 6 or more units.]


A vacancy rate of 3% or more in rental buildings is considered to be a good indication of a healthy rental market, so long as the vacancies are widely distributed across rent ranges and unit sizes. A rate of at least 3% indicates that there is effective choice for tenants in the permanent rental apartment stock. Landlords have to compete for tenants and have to do their best to keep existing tenants when vacancy rates reach that level. Instead, most of the larger metropolitan areas in Canada have tremendous demand for rental housing but very little new supply. Thus vacancy rates are extremely low. In 1987, for example, when vacancy rates in Metro Toronto were at their lowest (0.1%), CMHC's (Canada Mortgage and Housing Corporation) rental housing survey found only 247 units for rent in Metropolitan Toronto (out of a universe of 240,000 units in their survey). The highest vacancy rate in more than a decade is occurring during the current recession. The April 1993 vacancy rate of 1.9% means that there were 4,363 units for rent during CMHC survey (about half were
one-bedroom units; only 400 were three-bedroom units). This is a relative improvement, but still does not offer much choice, especially for family households, given that Metro Toronto has a population of 2.28 million with about 450,000 renter households (CMHC, 1993). These figures on the number of units available are only indicators of availability. The data relates to private apartment buildings with six or more units. The actual number of units available at any time is higher, because of units in smaller apartment buildings and the many illegal suites in houses.

Did this market signal (the very low vacancy rates) lead to a dramatic increase in supply (the construction of new apartment buildings)? The peak year for housing starts in Metropolitan Toronto over the past decade was 1988, when 11,865 units were built. Only 840 (7%) of these units were private rental apartment starts (see Figure 4). Given the high land and other costs at the time, all were targeted at the very top end of the rental market. Potential rental housing investors are not taking advantage of the lower costs prevailing during the current recession. In 1991 and 1992 combined there were only 206 private rental starts out of 11,600 total starts in Metro Toronto (CMHC, 1993: 10).

The problem with the private rental sector, in contrast to the owner-occupier sector, is that the demand for housing units is not effective market demand. Most renters have incomes that are simply too low to allow private sector investment in new rental construction to be profitable. The people who need adequate, affordable rental housing appropriate to the size of their household don't have the money to pay for it. These households generate social need, not market demand. Markets respond to effective market demand, not social need. Yet Canada relies on the private market for the supply and maintenance of most of its rental housing stock. Many renters, unlike home owners, cannot obtain housing appropriate to their needs at a price they can afford. Lower income renters, therefore, are a disadvantaged group in our housing system. They have few options other than the private rental market; they have insufficient money to access home ownership and the very small non-market social housing sector has very long waiting lists. Yet the private rental sector is not making enough units available (by type, location and at an affordable cost) to meet the requirements of many renter households.

ACCESS TO RENTAL HOUSING IN TORONTO'S MARKET: RECENT RESEARCH ON RACE AND ETHNIC ORIGIN

What do these market trends mean for the tenant looking for a place to rent? It is useful to summarize the argument thus far.

• Discrimination of various types aimed at various groups is as pervasive in housing markets as it is in the rest of society. All forms of discrimination exist in a system of mutual support.
Canada relies on the private sector for most of its housing, yet the ownership sector is very expensive and the rental sector, particularly in Ontario, does not function normally.

The private rental sector is highly regulated, very few units are available, few new units are being built, and renters have an increasingly lower income profile relative to home owners (that is, they have difficulty in paying for the housing they need).

Under these conditions, the private rental sector is an example of a sellers' market. Those who own and manage the existing stock of rental housing are in a position to pick and choose tenants on criteria other than market criteria. There is not a market in terms of supply and demand. Buyers (renters) can easily be taken advantage of, if sellers can legally do so, or if they can find a way to lessen the risk of being caught.

Ethnic Change in Ontario

Occurring simultaneously with these negative rental market dynamics has been a dramatic change in the ethnic mix of Ontario's, and particularly Metro Toronto's, population. The groups likely to be subject to discrimination have increased as a
proportion of the population. Roughly a third of Metro Toronto's population is now composed of visible minorities, and this will increase to about 45% over the next decade (Committee of Planning and Coordinating Organizations, 1992: 45). Ontario includes some 37% of the country's population and receives about 55% of all immigrants and refugees coming to Canada (120,000 people in 1991). The greater Toronto area, with about 13% of the nation's population, receives roughly 33% of all Canada's immigrants and refugees. Most of the immigrants are no longer from Europe or the United States (see the Appendix tables and graphs for immigration trends and the top source countries for immigration to Toronto). Since these changes are relatively recent they have not yet been the subject of a great deal of research. But the evidence from recent studies points consistently to discrimination being widespread and options limited.

Recent Research

There is a small but growing body of literature on racial discrimination in Canadian urban housing markets (Anderson, 1991; Henry, 1989; Hilton, Potvin and Sachdev, 1989; Kalbach, 1991; Lundrigan, 1992; Murdie, 1993; Neuwirth, 1989; Pearson and Celine, 1991; Prairie Research Associates, 1992; Quann, 1979; Ray and Moore, 1991; and Wilson, 1992). There is also recent literature on ethnic and racial segregation in general (e.g., Balakrishnan and Kral, 1987; Fairbairn and Khatun, 1989; Mercer, 1989; Ray and Moore, 1991) as well as extensive literature on the UK and the US (e.g., Bauman, 1987; Denton and Massey, 1991; Galster, 1991; Galster & Constantine, 1991; Henderson and Karn, 1987; Housing Policy Debates, 1992; Huttman et al., 1991; Massey and Denton, 1993; Sarre, Phillips and Skellington, 1989; Smith, 1989; and Turner et al., 1991). The following provides key relevant findings from the most recent studies relating to Ontario's rental housing sector.

In an attempt to discover the main housing issues and problems for visible minorities and new Canadians in Toronto, J.D. Hulchanski and A.C. Chambon of the University of Toronto's Faculty of Social Work, together with R.A. Murdie, a York University social geographer, have engaged in a continuing exploratory research project on the housing needs of new Canadians. This has involved holding a number of workshops with ethnic community-based organizations, social service agencies and selected representatives from government agencies. A Housing New Canadians Research Working Group has been established and a research newsletter (Housing New Canadians: Research Update) is now being published. A list of the 15 housing-related issues identified by workshop participants is contained in the Appendix to this paper. Racism and discrimination are the major contextual concerns, with three of the issues having to do with racism, discrimination and gender:

- **Racism:** systemic racism, housing market discrimination, development industry tactics, NIMBY ("not-in-my-back-yard" syndrome);
• **Institutional Discrimination:** rules, regulations, attitudes of government and agencies, paternalism;
• **Needs of Different Immigrant Groups:** legal status, sponsorship category, gender issues.

Another five of the identified issues have to do with various aspects of housing access, given the nature of Toronto's rental housing situation:

• **Housing Options:** the range of available/affordable housing options in the public and private sectors;
• **Housing Quality:** the adequacy of housing conditions, overcrowding;
• **Housing and Community:** ghettoization; suburban densities and services; the need for ethno-specific housing solutions and services;
• **Housing Information, Counselling:** the need for better services, including translation; and
• **Housing Research:** the need for better identification, understanding, documentation of housing needs, problems, solutions.

In November 1992 the **City of Toronto Refugee Housing Study**, carried out by Chisvin/Helfand and Associates, was published. The study, also exploratory in nature, was commissioned by the City's Housing Department in collaboration with the City's Multicultural Access Program to determine the nature and extent of the housing problems experienced by refugees and to suggest ways in which existing housing programs and services can better serve this community.

Among the list of principal issues and problems identified by the researchers are the following:

• **Discrimination:** Some landlords welcome refugees, but noticeable discrimination was widely reported against refugees, welfare recipients and single mothers. Respondents reported discrimination not only by private landlords, but also in dealings with public and private non-profit housing providers.
• **Housing supply.** The supply of suitable affordable housing is insufficient to meet the need, and access is difficult. The Metro Toronto Housing Authority (MTHA) has a fixed supply of units, Cityhome has a five-to-seven-year waiting list for subsidized units, many co-ops have closed waiting lists, and private non-profit housing is difficult to access because there are no centralized waiting lists. Access to private units is frequently limited by price, discrimination, racism or cultural inappropriateness (Chisvin/Helfand, 1992: 9-14).

In 1992 Robert Murdie completed a detailed empirical study, using 1971 and 1986 census data. The study was entitled **Social Housing in Transition: The Changing Social Composition of Public Sector Housing in Metropolitan Toronto.** The project, undertaken with a research grant from CMHC, had two main purposes: to document and evaluate differences in social composition between Metropolitan
Toronto’s public sector housing and the rest of the Toronto CMA for 1971 and 1986; and to identify and analyze social variations within public sector housing in Metro Toronto for 1971 and 1986.

The study found "strong evidence that Metropolitan Toronto's public sector housing is in transition and that the social composition of the stock has changed dramatically since 1971" and that "the public stock in Toronto (especially MTHA) is housing a more disadvantaged and welfare dependent 'underclass' population" (Murdie, 1992: 101).

Between 1971 and 1976 the social differences relative to the rest of the Toronto CMA grew larger for MTHA housing and housing built under the limited dividend program (Sec. 15 of the National Housing Act). "Single parents, visible minorities, the unemployed and low income households were considerably more overrepresented in MTHA housing in 1986 than in 1971." For limited dividend housing, "recent immigrants, visible minorities and crowded households were much more overrepresented in 1986 than in 1971" (Murdie, 1992: 101).

The study also found that social variation within public sector housing had become increasingly differentiated between 1971 and 1986, by economic status as well as by family status and ethnicity. Visible minority groups became more segregated within the public sector stock and MTHA family projects housed a much larger proportion of single parent families and blacks (see Figure 5).

This detailed empirical study confirms that visible minorities, single mothers and other disadvantaged groups are having severe problems finding suitable housing in Metro Toronto’s private rental sector. The result is that government-subsidized rental projects are increasingly housing these groups, rather than a more balanced mix of residents. This is leading to a higher degree of spatial segregation by race and family status (single parent families).

Another recent study, Racial Discrimination and Rental Accommodation in Kitchener-Waterloo, carried out by the Race Relations Committee of Kitchener-Waterloo with support from the Ontario Ministry of Citizenship, interviewed and surveyed landlords and superintendents, social service providers, and members of ethnic minority groups. The aim was to identify the nature and extent of intolerance and discrimination in rental housing. While the study was limited in scope, it did confirm that problems of racial discrimination exist in rental housing in Kitchener-Waterloo, and the conclusions point to the following three themes:

- Many people are experiencing difficulties in accessing rental housing as a result of racial discrimination;
FIGURE 5: TRENDS IN SOCIAL DIFFERENTIATION BETWEEN PUBLIC HOUSING (MTHA) RESIDENTS AND THE REST OF THE TORONTO CMA 1971 AND 1986

• A number of ethnic minorities might be forced to live in substandard housing because they have difficulty finding other rental accommodation due to racial discrimination and/or low income;
• Some landlords are experiencing problems with ethnic minorities. Problems and cultural misunderstandings between landlords and ethnic minority tenants reinforce stereotypes and reduce the willingness of some landlords to rent to ethnic minorities (Race Relations Committee, Kitchener-Waterloo, 1991: 13).

HOUSING DISCRIMINATION BASED ON GENDER

The theoretical and conceptual literature argues that there are three primary factors which explain women's housing disadvantages: women's position in a segmented labour market, leading to their lower incomes; women's position in family structures with unequal divisions of labour, and their primary responsibility for care and maintenance of other family members; and widespread sexist and racist discriminatory practices against women, including various forms of sexual violence (Wekerle and Novac, 1991: 2).

The disadvantaged economic status of women in Canadian society translates directly into housing disadvantage. Women's lower average income is directly associated with the discrimination they face in the rental market and in the residential mortgage market. For the increasing number of women living in poverty or on low incomes, the availability, cost, condition, and location of housing are major determinants of their quality of life.

There is a vast body of literature on gender discrimination, including housing market discrimination (a selection of some of the most relevant is cited in the bibliography). Rather than going into detail, it is sufficient for the purposes of this paper to cite some of the findings and conclusions of recent studies.

The Canadian federal government's indicator of housing need, called "core housing need," confirms that female-headed households comprise a disproportionate share of the households in severe housing need.
• Single parent families: 198,000 total in core housing need; 187,000 female headed (94.4%).
• Single unattached individuals: 684,000 total in core housing need; 443,000 female (64.8%).
• Single unattached senior citizens (65 years and older): 283,000 in core housing need; 221,000 female (78.1%)
• Non-elderly single unattached individuals (age 64 or less): 401,000 in core housing need; 222,000 female (55.4%). (CMHC, 1991)

In her study of housing quality and affordability among female heads of households, Spain (1991: 105) finds that housing affordability problems are
clearly linked to the sex of the householder independently of income, and that income subsidies may be of little use for rent or affordability problems since factors other than income are operating (e.g., discrimination) to produce rent reductions for men and greater cost burdens for women.

In the introduction to a special issue of Canadian Woman Studies on the theme of women and housing, the editors provide the following summary of the housing disadvantages Canadian women face: "The quality of one's shelter has to do with political, social and personal factors such as income, age, race and colour, physical and mental health and abilities, education, employment, marital status, access to child care, and the degree of control women exercise over these factors and their effects" (Kjellberg Bell and Sayne, 1990: 5).

In a recent report commissioned by the City of Toronto Equal Opportunities Division, entitled Gender and Housing in Toronto, Gerda Wekerle and Sylvia Novae review women's housing conditions (Chapter 4), concluding the following about the status of women in the housing system: "They are kept out of homeownership by low incomes; they are forced into reliance on subsidized housing in the public sector by inadequate incomes. They are discriminated against as mothers, single parents, social assistance recipients, abused women, and elderly women in both the private and public housing sectors" (Wekerle and Novac, 1991: 1).

The disadvantaged status of women in the housing market, majority as well as minority women, increases the possibility that they will be targets of discrimination and/or harassment. "The most disadvantaged renter types are single parent female-headed households, and single females living alone" (Wekerle and Novac, 1991: 19). Although the private rental market is the only major source of housing for low and moderate income non-nuclear families, there is still little systematic data on how women are treated by private landlords and their agents. "Some landlords do not consider sole support women ideal tenants because they have low incomes, or because they have children, or because they receive social assistance. This discrimination primarily affects women's access to housing, and it may escalate to include sexual and/or racial harassment" (Wekerle and Novac, 1991: 37).

The evidence collected thus far in the Housing New Canadians workshops described above reveals that single women as well as single mothers are considered undesirable by many landlords in Toronto. The stereotype leading to this discriminatory behaviour is that these women may be prostitutes, may have many boyfriends or, at the very least, are assumed (as women) to have insecure incomes. In addition, more women than men work in the lowest level service sector jobs, few of which produce the type of employment and income references that would make landlords feel comfortable.
IMPLICATIONS FOR HUMAN RIGHTS

Housing, as shelter, is not only one of the essential human needs, it is also a culturally significant lifestyle consumption good — physical and psychological comfort and security — as well as a status symbol, as is the home's location — the neighbourhood (Rybczynski, 1986). Because it is essential (everyone must have a home) and because it so significant to the social, economic and psychological well-being of individuals, society plays a significant role in the provision and maintenance of housing through government housing programs, building codes and numerous regulations.

Consumers in normally functioning marketplaces are protected by having many options from which to select, forcing suppliers or producers to offer the best service or product at the best possible price. They also have an incentive to seek as many customers as possible, regardless of race, gender, creed or any other factor. This is not the case in Ontario's urban rental markets. Where discrimination against certain groups is common in a society and where a market is not functioning normally, the conditions exist for groups to be singled out as targets for those who would seek to take financial or other advantage of the situation.

The disadvantaged status of visible minority individuals, male and female, and the disadvantaged status of women in Canadian society, translates into housing disadvantage for many in these groups. The realities of discrimination and the failure of the urban rental housing market in Ontario to function normally, means that these groups have fewer housing options than others.

It is important to note that this aspect of the housing problem is not simply one of poverty. All poor people have fewer options. All lower-income people have difficulty affording good quality housing appropriate to the size and needs of their household. Even most moderate income home owners would like larger, nicer and better located homes.

The issue here is not housing affordability, but access to housing on an equal basis. The Ontario Human Rights Code specifically refers to freedom from discrimination in accommodation: "Every person has a right to equal treatment with respect to the occupancy of accommodation, without discrimination because of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, marital status, family status, handicap or the receipt of public assistance" (Section 2[1]).

Every country's housing system has its problems and limitations. The question is whether all people have equal access to the available range of options, or whether some people are denied some of the options or are singled out for disparate treatment on grounds which violate their human rights. The related
question connected to the specific housing market conditions in a jurisdiction is whether conditions in a particular segment of the housing system create conditions which lead to selected groups being singled out as targets for discriminatory treatment.

This paper draws on the large body of evidence already available about discrimination in housing markets generally, and further draws on the emerging evidence about the nature and extent of discrimination specifically in Ontario's urban housing markets. The evidence is clear that race, gender, ethnic origin, creed, language and the other grounds which represent violations of human rights have been and are being used to deny equal access to available housing options. In addition, when the fact that there are so few good quality affordable options available in Ontario's urban rental markets is combined with the dramatic influx of immigrants and refugees from countries with very different political cultures and norms, it is logical to expect that some owners or managers of rental housing would try to find ways of gaining extra financial benefits by targeting people on the basis of ethnic origin and gender.

**Key Money:** When rental markets are tight (low vacancy rates) and especially when they are not functioning normally (failure in the supply and demand market mechanism), one of the chief ways in which owners and managers seek to take financial advantage of the situation is by charging more rent. Rent controls are the regulatory response to this situation (Appelbaum *et al.*, 1991; Hulchanski, 1984). If dramatic rent increases cannot be legally charged, those who wish to find illegal ways to benefit financially from conditions of market failure (the extremely high demand for what they have, rental units, with little new supply coming on stream), the next logical step is to charge what has come to be known as "key money." This is simply an extra one-time payment by a tenant in exchange for being selected for the apartment. Most Western nations have outlawed key money as a form of extortion, extracting extra money in exchange for a basic necessity on the grounds solely of market scarcity. Key money is, however, common in many countries, whether it is illegal or not.

One of the more successful features of Ontario's rent regulation system is that key money does not appear to be a widespread practice. The reason is information — both tenants and landlords know it is illegal and the government takes complaints seriously. If a landlord or manager still seeks to gain some extra financial benefit from the scarcity conditions in Ontario's rental market, he or she needs a strategy which maximizes the potential of success and minimizes the risk of being caught.

A predictable strategy, given the specific nature of Ontario's rental situation and the widespread knowledge by tenants of their rights, is to target groups who may not know their rights and, if they do, may not believe that they are enforced in Ontario. This means that immigrants are natural targets. Language may be a barrier to knowing their rights. Being new to Ontario's
housing system means that they may not know how to find the information they need. Even if language and knowledge are not the problem, immigrants may simply believe that an illegal act such as requiring key money is the norm — a standard expectation even though it is illegal.

Furthermore, visible minority groups and single women (including single mothers, and even non-minority women) would more likely be targets for extraction of key money or other negative treatment, because they have the greatest difficulty in finding a good place to live because of the pervasiveness of discrimination against them in the first place. The conditions in which they find themselves in their search for a good, affordable place to live creates, in effect, an incentive to pay key money or put up with other abuses and harassment. They have so few options in Ontario’s rental market, given the extent of discrimination against them and given the failure of the rental market (the scarcity of available rental units), that they become ideal targets for owners or managers who would seek to take advantage of their situation.

SUMMARY

This paper has focused on the rental housing market. The vast majority of lower and moderate income households have no choice but to rent. They cannot afford home ownership, and the public and non-profit housing sector is relatively small and the waiting lists are very long.

All people, however, do not have equal access to the rental housing market. Discrimination is found in the rental market as it is throughout society. All types of discrimination exist in a system of mutual support. There is nothing special about housing markets which protects them from the forms of discrimination that permeate the rest of society.

Discrimination in the rental market takes the form not only of denial of access to housing units, thereby limiting the number, type and location of options available to certain groups, but can include the extraction of a financial premium for access. The premium can be in the form of a higher rent or key money. A well designed and properly administered rent regulation system can help to prevent higher rents being applied on a discriminatory basis, and tenants and landlords who are well aware of their respective rights and responsibilities can help prevent the practice of key money from becoming a normal part of the operation of the rental market.

The serious imperfections in Toronto’s rental market, however, result in very limited choice for many tenants, creating conditions which make it easier for disadvantaged groups (women, visible minorities, recent immigrants) to be targeted for denial of access and for exploitation by those who have the power to control access to housing. The private nature of the rental transaction (i.e., the
negotiation in private between individuals of each rental agreement — the social relations of renting), further facilitates the discrimination and/or exploitation.

The increasing percentage of visible minorities, new Canadians and women-headed households who either do not know their rights or have difficulty finding out about them because of language barriers, makes it logical to expect that some owners or managers would target these groups in an attempt to gain a financial premium in exchange for access to a rental housing unit.
**APPENDIX 1**

**Housing New Canadians in Greater Toronto**

**Research Working Group**

**Who are we?**

In 1991 the Faculty of Social Work sponsored a workshop on housing issues relating to immigrants and refugees. The aim was to bring together academics, government and social agency staff, and activists in community-based organizations to identify some of the issues and determine if we can work together.

The response was overwhelming, with a turnout of about fifty people instead of the expected fifteen or twenty. All felt the need to come together occasionally to share information, network, and make some joint plans. A total of six workshops have since been held. The first few focused on identifying the major issues and the need for research. The list to the right is one result of these efforts, and a major research proposal is another.

More recent meetings have provided an opportunity for authors to present their research and answer questions. This has included a study of Social Housing Residents in Toronto and the City of Toronto Refugee Housing Study.

The Faculty of Social Work, as part of its range of initiatives related to anti-racist, multicultural and Native issues, is committed to providing assistance in furthering research and dissemination of research related to housing new Canadians. This includes:

- hosting two or three workshops a year;
- seeking funding for research projects relating to issues identified in the workshops;
- publishing this newsletter on an occasional basis (whenever there is enough new material); and
- maintaining a mailing list of all participants and other interested groups or individuals (and making the address labels available to agencies or groups who have information to share or announcements).

**Housing for New Canadians**

**List of Major Issues**

The following is a list of housing and housing-related issues identified by participants in the Nov. 1991 and Feb. 1992 workshops.

**PRINCIPLES AND CONTEXT**

1. **PRINCIPLES:** housing as a basic need and fundamental human right
2. **SOCIO-ECONOMIC FRAMEWORK:** the existing employment, social service, and immigration policy framework
3. **RACISM:** systemic; housing market discrimination; development industry tactics; NIMBY
4. **INSTITUTIONAL DISCRIMINATION:** rules, regulations, attitudes of government and agencies; paternalism
5. **NEEDS OF DIFFERENT IMMIGRANT GROUPS:** legal status; sponsorship category; gender issues

**HOUSING ACCESS AND SUPPLY ISSUES**

6. **HOUSING OPTIONS:** the range of available, affordable housing options; public and private sectors
7. **HOUSING QUALITY:** the adequacy of housing conditions; overcrowding
8. **HOUSING AND COMMUNITY:** ghettoization; ethno-specific housing solutions and services; suburban densities and services
9. **HOUSING INFORMATION, COUNSELLING:** better services, including translation
10. **HOUSING RESEARCH:** better identification, understanding, and documentation of housing needs, problems and solutions

**PROCESS ISSUES AND STRATEGIES FOR CHANGE**

11. **PARTICIPATION:** need to listen to, learn from, and empower new Canadians; help develop leadership
12. **APPEAL PROCESS:** access to legal advice and services
13. **ADVOCACY STRATEGIES:** participation and organization for meeting needs
14. **FUNDING:** for new or expanded services; for advocacy and community development work; for information and research
15. **INTERGOVERNMENTAL RELATIONS:** federal government is responsible for immigration policy, yet local government directly encounters the settlement issues; also, federal government cutbacks are making problems worse.

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* Material in Appendix 1-3 from A. Chambon and J. David Hulchanski, eds. *Housing New Canadians Research Update #1*, Faculty of Social Work, University of Toronto, March 1993.
APPENDIX 2

Data on Immigration to Toronto (Immigrants and Legal Refugees)

The following statistics on immigration trends, covering the 21 years since 1971, is from the records of the Ontario Branch of Canada Employment and Immigration. The data only includes legal immigrants and refugees.

The numbers relating to Ontario and Greater Toronto are based on the stated intentions of the immigrants and refugees – their initial intended destination in Canada. Since we are all free to move at any time, there is no way of knowing exactly what share of immigrants and refugees eventually settle in Ontario and, more specifically, the greater Toronto area.

In addition, there is the large number of illegal refugees about whom we have no solid information. Some government sources estimate that illegal refugees make up at least twenty percent of the total legal immigrants and refugees and that this percentage is likely climbing.

<table>
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<tbody>
<tr>
<td>Year</td>
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<td>1980</td>
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<td>1985</td>
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Source: Immigration Canada, Ontario Region.

Immigration to Canada 1971 to 1991

![Immigration to Canada 1971 to 1991 graph]
# Appendix 3

## Immigration to Canada, Ontario, and Greater Toronto 1971 to 1991

<table>
<thead>
<tr>
<th>Year</th>
<th>Canada</th>
<th>Ontario</th>
<th>Ontario as a % of Canada</th>
<th>Greater Toronto Area</th>
<th>Toronto as a % of Ontario</th>
<th>Toronto as a % of Canada</th>
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<td>35,027</td>
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<td>29%</td>
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<td>122,006</td>
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<td>52%</td>
<td>34,991</td>
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<td>1973</td>
<td>184,200</td>
<td>103,187</td>
<td>55%</td>
<td>64,309</td>
<td>62%</td>
<td>35%</td>
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<td>1974</td>
<td>218,465</td>
<td>120,115</td>
<td>55%</td>
<td>75,246</td>
<td>63%</td>
<td>34%</td>
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<td>187,881</td>
<td>98,471</td>
<td>52%</td>
<td>60,417</td>
<td>61%</td>
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<tr>
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<td>149,429</td>
<td>72,031</td>
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<td>43,978</td>
<td>61%</td>
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<td>1977</td>
<td>114,914</td>
<td>56,594</td>
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<td>35,144</td>
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<td>86,313</td>
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<td>49%</td>
<td>26,158</td>
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<td>112,096</td>
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<td>46%</td>
<td>26,452</td>
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<td>143,717</td>
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<td>44%</td>
<td>36,276</td>
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<td>1981</td>
<td>128,613</td>
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<td>43%</td>
<td>29,338</td>
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<td>23%</td>
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<td>1982</td>
<td>121,147</td>
<td>53,031</td>
<td>44%</td>
<td>28,163</td>
<td>53%</td>
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<td>1983</td>
<td>89,157</td>
<td>40,036</td>
<td>45%</td>
<td>22,216</td>
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<td>88,239</td>
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<td>27,197</td>
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<td>84,302</td>
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<td>23,622</td>
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<td>99,219</td>
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<td>29,564</td>
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<td>152,098</td>
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<td>55,184</td>
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<td>55,832</td>
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<td>35%</td>
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<td>1989</td>
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<td>104,799</td>
<td>55%</td>
<td>63,453</td>
<td>61%</td>
<td>33%</td>
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<td>1990</td>
<td>214,230</td>
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<td>53%</td>
<td>64,884</td>
<td>61%</td>
<td>32%</td>
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<td>1991</td>
<td>226,596</td>
<td>117,457</td>
<td>52%</td>
<td>63,649</td>
<td>54%</td>
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<td>901,100</td>
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<th>Year</th>
<th>1971 to 1991 Annual Average</th>
<th>1987 to 1991 Annual Average</th>
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<tr>
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<td></td>
<td>72,594</td>
<td>101,897</td>
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<tr>
<td></td>
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<tr>
<td></td>
<td>42,910</td>
<td>60,600</td>
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<tr>
<td></td>
<td>59%</td>
<td>69%</td>
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<tr>
<td></td>
<td>30%</td>
<td>32%</td>
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</table>

Source: Employment and Immigration Canada, Ontario Region. Only legal immigrants and refugees are included in these official statistics.
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