

## **Housing Equality for New Canadians** ***Measuring Discrimination in Toronto's Rental Housing Market***

Do housing providers place increased rental requirements on newcomers to Canada? Do newcomers with children have a more difficult time finding housing? Do housing providers prefer to rent to newcomers who are employed – even in low-paying jobs – over newcomer families who have an equivalent in savings? Will a person with an identifiable South Asian accent have a harder time finding a place than someone with a British accent? What if a couple has a Middle Eastern accent? In 2012, the Centre for Equality Rights in Accommodation (CERA) conducted a telephone-based housing discrimination study to try to answer these questions.

*Housing Equality for New Canadians* builds on CERA's 2009 *Sorry, It's Rented* project, which demonstrated the prevalence of both blatant and hidden discrimination in Toronto's rental housing market. This follow-up study examines landlord responses to newcomer phone inquiries for over 1,000 vacant apartments across Toronto to better understand the kinds of discrimination facing newcomer housing seekers.

### **HOW DID WE DO IT?**

CERA created four profiles to test discrimination against newcomers based on their length of time in Canada; their source of income (either employment income and savings, or savings alone); and their family status (whether or not they had children). Volunteers with identifiable accents (African, Middle Eastern, East Asian, South Asian, British and Australian) adopted these profiles in their telephone conversations with landlords, and the responses of landlords to their rental inquiries were documented.

CERA chose a telephone-based study for several reasons. For most renters, the telephone is the first point of contact with a housing provider and is, effectively, the first level of screening. Indeed, a significant portion of CERA's clients report experiencing discrimination at this early stage, meaning they never get to the point of actually seeing the apartment in question. Also, CERA wanted to design a methodology that could be replicated by community organizations in different parts of Canada. A telephone-based study is a cost-effective and accessible option for researchers.

### **WHAT DID WE FIND?**

#### **Each year, housing discrimination affects thousands of newcomers in Toronto**

Our study found that discrimination based on *Human Rights Code*-related grounds such as race/ethnicity, place of origin, citizenship, and family status is widespread. **We estimate that 85-92% of recent newcomers experience significant barriers to accessing rental housing due to discrimination.**

- We found that **almost all** prospective newcomer tenants had either at least one additional rental condition imposed on them or they were denied the unit outright.
- We found that newcomer groups are **equally disadvantaged** in their search for housing. While we found differences between the specific requirements imposed on callers, the effect of the disadvantage was equal across the groups. In other words, discrimination against newcomers is widespread rather than targeted.
  - We found that a couple without a child and living on savings alone is, by a wide margin, more likely to be required to provide a large deposit, pay extra rent in advance and be required to have a guarantor (for no clear business reason).
  - We found that applicants with an East Asian or South Asian accent are more likely to be denied an apartment outright.
  - We found that applicants with an African or Middle Eastern accent are more likely to require a guarantor (for no clear business reason).

- We found that applicants with an African, East Asian, Middle Eastern or South Asian accent are more likely to be required to provide proof of employment, to have a guarantor *required*, and are more likely to be deemed ineligible to rent than applicants with British or Australian accents.

## Tip of the iceberg?

On their own, these numbers are cause for concern. Yet, as our 2009 report, *Sorry, It's Rented*, shows, these figures may represent only the tip of the iceberg. As this was a telephone-based survey, it only examined the first step in the housing search process, and likely underestimates overall discrimination, as it does not capture discriminatory practices that may occur at later stages.

The results of this study are consistent with what we hear from clients every day at CERA. In our experience, housing providers rarely comment directly on race, colour, ethnicity, place of origin or citizenship. As a result, without research like this study, it is difficult to clearly identify much of the discrimination that many newcomers experience in the rental housing market.

## Discrimination is frequently hidden

Like human rights legislation in other provinces and territories, Ontario's *Human Rights Code* protects people from discrimination associated with accessing or retaining housing. Specifically, it protects Ontarians from discrimination on the basis of sixteen personal characteristics, or *grounds*, as follows:

- Race
- Colour
- Ethnic origin
- Ancestry
- Place of origin
- Citizenship
- Family status (being in a parent-child relationship)
- Marital status
- Creed (religion)
- Disability, including temporary, permanent, visible, invisible and perceived disabilities
- Sex, including being pregnant or breastfeeding
- Gender identity
- Gender expression
- Sexual orientation
- Age (including being 16 or 17 years old)
- Being in receipt of public assistance, which includes any government-funded income program

Discrimination is difficult to measure, and we have learned that it is not usually explicitly stated. In *Sorry, It's Rented*, we found that discrimination related to race, colour, ethnicity and/or place of origin was rarely overt, but emerged through indirect comments and excuses.

This follow-up study confirms that overt discrimination is rare. Instead, prospective tenants are subjected to hidden discrimination – illegal requirements that are arbitrarily imposed by landlords, such as excessively large deposits, mandatory Canadian credit history, and required guarantors, all of which are not permitted by law.

*You need "2 months deposit plus \$5,000 in advance - which you will get at the end of the term - and a one year lease, a bank statement and a co-signor."* - Comment from a housing provider

The *Human Rights Code* requires housing providers – like any other business operator – to accommodate the particular needs of newcomers after they arrive in Canada. Landlords cannot deny housing to recent newcomers if the reason for the denial is even *partly* because they have recently moved to Canada. A newcomer's status does not have to be the *only* reason for the denial for it to be discriminatory. Moreover, housing providers are legally prohibited from imposing additional application requirements (that are otherwise legal) simply because the applicant is a newcomer and may not have Canadian credit or references, or because they are living on savings rather than employment income.

## WHAT DOES THE STUDY MEAN FOR YOU?

Many of the additional conditions imposed by housing providers on the housing seekers in this study are not just unfair - they are illegal. Landlords can only base tenancy decisions on non-discriminatory criteria. They cannot base their decisions on additional requirements that are only required of certain applicants. They also cannot base their decisions on illegal requirements. For example:

- Under the *Residential Tenancies Act* in Ontario, a landlord can only ask for up to one month's rent as a deposit: it is illegal for them to ask for more.
- Under the Ontario *Human Rights Code*, landlords can ask for rental history and credit references. However, a lack of Canadian rental history or credit *should not* be viewed negatively.
- Landlords are not permitted to apply minimum income rules to applicants: any inquiry into income should be limited to ensuring that the prospective tenant has sufficient income to cover the rent. A landlord cannot require that tenants have a certain amount of money left over to cover other bills.
- While landlords are permitted to ask for guarantors or co-signers, they can do so *only if* they ask all tenants for this, or if they ask for a non-discriminatory reason. If a landlord applies additional requirements only to members of a group protected under the *Code* (such as newcomers), this constitutes discrimination.

This study shows that, across the City of Toronto, up to 500,000 newcomers each year face some kind of discrimination when looking for an apartment. Discrimination impedes their attempts to access housing, adding to the stress and effort involved in the housing search process - and decreasing the pool of available rental housing for newcomers.

## FROM HERE...

This study is one more step toward understanding the nature and extent of housing discrimination in Toronto. From this research, it is clear that policy makers need to bring discrimination into their discussions and strategies to tackle Toronto's housing crisis. Future strategies to address homelessness and housing insecurity must take account of the reality that – even where rental housing is available – thousands of vulnerable individuals and families cannot make it through the door.

## RECOMMENDATIONS

1. The Government of Ontario should fund housing discrimination studies in communities across Ontario. These studies could be conducted by the Ontario Human Rights Commission in collaboration with community-based organizations, such as CERA.
2. The Government of Ontario should establish and fund a system to monitor housing discrimination. The system would be separate from but complementary to the formal human rights process, and would include:
  - a. ongoing random checks of housing providers' rental policies and practices to ensure that they comply with the *Human Rights Code* (potentially using a paired testing methodology)
  - b. targeted checks in response to individual complaints of discrimination
  - c. annual housing discrimination report cards that are distributed throughout the province and which are used in reporting to United Nations human rights monitoring bodies
3. The Government of Ontario should provide adequate funds to ensure that newcomers to Canada can access targeted advocacy supports to challenge housing-related discrimination.
4. The Government of Ontario should provide adequate funds, directed to the Ontario Human Rights Commission and community-based organizations, for human rights education targeted at housing

seekers, tenants, and housing providers. This education should be focused on exploring discrimination against newcomers that has been exposed through this study.

### **About CERA**

CERA is a charitable non-governmental organization founded in 1987 to promote human rights in housing.

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For more information about CERA or this study, find us online at [equalityrights.org/cera](http://equalityrights.org/cera).