

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

ABOUT CERA

The Centre for Equality Rights in Accommodation (CERA) is a non-profit organization established in 1987 in order to promote human rights in housing. CERA works to remove barriers that prevent disadvantaged individuals and groups from obtaining the housing they need. CERA has five key objectives:

- Promote knowledge and enforcement of human rights in housing for marginalized groups and individuals
- Provide educational materials and programs to raise awareness among those whose rights may have been violated, as well as among landlords, service providers and the public
- Provide legal representation for marginalized groups and individuals whose human rights have been infringed upon
- Promote and facilitate mechanisms for the enforcement of human rights by provincial/territorial, national and international commissions, agencies, organizations, and governments
- Perform research into the issues surrounding human rights and housing and their impact upon marginalized communities

ACKNOWLEDGEMENTS

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and analyzing the results. A special thanks is owed to the six volunteers who conducted the surveys, without whose dedication this project could not have been undertaken.

EXECUTIVE SUMMARY

On a nearly daily basis, CERA staff receive phone calls from newcomers to Canada who report encountering discriminatory practices (i.e., practices prohibited by the *Residential Tenancies Act* and the *Ontario Human Rights Code*) in their attempts to secure housing. Realizing that there was no quantifiable data available on the frequency of this apparently widespread phenomenon, CERA set out to discover how often Toronto housing providers apply increased eligibility requirements on, or deny rental to newcomers to Canada for discriminatory reasons.

CERA chose to examine this complex and nuanced topic from various angles. Do newcomers with children have more difficulty finding housing than those without? Do housing providers prefer to rent to newcomers in low-income employment over individuals with the equivalent amount in savings? What if a couple has a Middle Eastern accent? Will a person with an identifiable South Asian accent have a harder time finding a place than someone with a U.K. accent? We set out to explore the impact these factors have on newcomers' experiences as they attempt to access housing.

To gather data on these questions, during the winter of 2012, with the help of six volunteers, CERA conducted telephone-based housing discrimination surveys across the City of Toronto. This survey was designed to track the prevalence of a range of discriminatory barriers, such as outright denial based on a person's race, ethnicity, place of origin and income source or level, or the use of additional application requirements such as co-signors/guarantors and illegal rent deposits. It is these direct and indirect forms of discrimination that make it very difficult for many newcomers to access affordable, appropriate housing.

Survey results indeed revealed that when attempting to access housing, newcomers are subjected to increased eligibility requirements, and often face outright denial of housing

on discriminatory grounds. Based on survey results, CERA estimates that 85-92% of newcomers are faced with significant barriers to accessing rental housing in Toronto. On their own, these numbers are cause for concern, yet as our 2009 report *Sorry, it's rented* showed, this is likely only the tip of the iceberg.

The troubling results of our 2012 survey suggest that it is imperative for policy makers to include discrimination in their discussions of housing policy. Future strategies to address homelessness and housing insecurity must take into account the reality that even when rental housing is available, thousands of marginalized individuals and families never make it through the door.

INTRODUCTION

Over the past 25 years, CERA has worked closely with immigrant settlement and ethno-specific organizations across Toronto to remove the barriers that keep newcomers from accessing the housing they need. Many of CERA's clients report having experienced significant challenges accessing adequate and affordable housing as newcomers to Canada. The types of discrimination that our clients experience range from blatant, intentional discrimination – i.e., “We don't rent to families with children” – to more subtle, systemic discrimination in which seemingly neutral rental policies or practices lead to discriminatory outcomes. Certain practices, such as requesting all prospective tenants to provide Canadian credit and landlord references, can make it particularly difficult for newcomers to secure accommodation, as they understandably lack Canadian rental history documentation. Similarly, practices such as requiring newcomers living on savings to provide a co-signor often represents indirect discrimination. Additionally, although many of these individuals are able to afford to rent, they are often screened out of the process by minimum income and affordability requirements.

That there is a rental housing crisis affecting low income tenants and newcomers across Ontario is well-known. Contributing factors to this crisis are well documented, and include the withdrawal of social housing and scaling back of income security programs

in the mid-1990's, and a widening gap between tenant income and housing affordability¹. Numerous studies note that newcomers are increasingly at risk of experiencing housing instability, particularly as entry into the labour market poses a major challenge. Although many newcomers find some employment within the first six months of their arrival, it is often low-paid, part-time work.² Studies indicate that many newcomers earn well below the Canadian average, despite having similar or even higher levels of education as the Canadian-born population.³ Often overlooked in this body of research is the direct role that discrimination plays in reducing the already limited housing options available to newcomer individuals and families.

The Ontario Human Rights Code

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

- 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)

¹For an extensive discussion of Canadian research on housing discrimination, see S. Novac, J. Darden, J.D. Hulchanski and A.M. Seguin, *Housing Discrimination in Canada: The State of the Knowledge* (Ottawa: Canada Mortgage and Housing Corporation, Feb. 2002) and Vakili-Zad, C. (2004) "Housing of Dehousing; The Public Housing Waiting List, Eviction, and Homelessness in Toronto" *Journal of Affordable Housing and Community Development Law* 14(1)

²Khosla, P. (2004) "Making Low-income Women of Colour Count in Toronto" *Canadian Dimension*, 38(6); 42-43

³D'Addario, S., D. Hiebert, and K. Sherrel (2007) "Restricted Access: The Role of Social Capital in Mitigating Absolute Homelessness among Immigrants and Refugees in the GVRD" *Refuge* 24(1); 107-115

- Gender identity (including persons who are bisexual, transgender, transsexual or inter-sexed)
- Gender expression
- Sexual orientation
- Age (including being 16 or 17)
- Being in receipt of public assistance (including any government-funded income program)

Despite this progressive legislation, there continues to be substantial evidence that discrimination in the rental market poses a problem for far too many newcomer and equality-seeking communities. The *Code* treats housing providers like other business operators, and requires them to accommodate the particular needs of prospective tenants, including newcomers to Canada. Under the *Code*, landlords cannot deny housing to an interested party if the reason for the denial involves any of the protected grounds. Moreover, housing providers are legally prohibited from imposing additional application requirements because an applicant is a newcomer and may not have Canadian credit or references, or because they are living on savings rather than employment income. However, CERA clients report that in practice, landlords often do not abide by these standards.

In 2008, CERA conducted a “discrimination audit” across the City of Toronto. Discrimination audits – or paired testing research – involve matching two individuals for relevant characteristics with the exception of one variable that might lead to discrimination (for example, two women could be matched by age, family status and ethnicity with the variable being that they have different speaking accents). In this study, paired testers were asked to apply for the same apartment and record the responses they received. Testers called landlords under the guise of five separate personality profiles in order to test levels of rental discrimination against lone parents, Black lone parents, individuals living with a mental illness, individuals with a South Asian background, and individuals receiving social assistance. Results indicated that individuals with all of these profiles experienced a moderate to severe level of discrimination when attempting to secure rental housing.

Building on this discrimination audit, in December 2012, CERA developed a follow-up survey in order to begin tracking discrimination faced by newcomers trying to access rental housing across the City of Toronto. The survey investigated the prevalence of a range of discriminatory barriers, including outright denial of an application based on race, ethnicity, income source or level, and how often tenants were exposed to practices which lead to inadvertent discrimination, such as being required to provide co-signors/guarantors or large deposits that can make it very difficult for them to access affordable, appropriate housing. CERA developed our methodology with the assistance of Dr. Michael Ornstein from the Institute for Social Research at York University, and six volunteers were recruited to conduct the telephone-based survey.

The resulting report sheds light on the nature and extent of housing discrimination experienced by newcomers in the City of Toronto, by providing ground-level insight into how identifiable minority groups and/or marginalized individuals protected by the Code actually fare in the rental housing market.

METHODOLOGY

This project aimed to combine quantitative research with outreach and education in order to promote awareness of the very real barriers faced by many individuals when they attempt to obtain something that is their basic right – adequate housing. While there is significant anecdotal evidence that newcomers to Canada encounter barriers when attempting to access rental housing it is just that – anecdotal—based on interviews with individual community workers or newcomers.

In order to effectively motivate the public and policy-makers to create much-needed change, it is important to have the strongest evidence at one's disposal. Quantitative research of the kind provided by this study allows us to understand in real numbers the magnitude of the barriers newcomers face, and thus provides a compelling argument for enacting the changes to policy and practice that are necessary if we are to remedy Ontario's rental housing crisis.

CERA chose an entirely telephone-based approach for a number of reasons, including its similarity to the actual rental process, its minimal cost and the versatility of the medium.⁴ For most renters, the telephone is the first point of contact with a housing provider and as such is often, effectively, the first level of screening. Indeed, a significant portion of CERA's clients report experiencing discrimination at this early stage of the rental process. Many report that they are never given an opportunity to view the rental property in question after making a telephone inquiry.

For this project, CERA set out to design a methodology that could be easily replicated by other community organizations across Canada, taking into account the reality of limited financial resources. We felt that the cost of conducting high-quality face-to-face discrimination surveys is prohibitive and impractical for the vast majority of organizations. In light of these considerations, a telephone-based survey was a natural choice for CERA, striking a balance between an approach that is academically rigorous and one that is accessible.

CERA was fortunate to have the opportunity to work closely with staff at the Institute for Social Research at York University in developing and fine-tuning our survey and interview process. The project's advisory committee, members of CERA's board of

⁴ Another major consideration in developing the current methodology was the means of interaction between testers and housing providers. In paired testing studies conducted in the US, the methodology of choice often involves either in-person applications for rental housing, or a combination of in-person applications and telephone-based inquiries. (For examples of telephone-based discrimination audits, see D. Massey and G. Lundy, "Use of Black English and Racial Discrimination in Urban Housing Markets: New Methods and Findings" (March 2001) *Urban Affairs Review* 36(4); S. Page, "Accepting the Gay Person: Rental Accommodation in the Community" (1998) *Journal of Homosexuality* 36(2); Fair Housing Centre of Greater Boston, *We Don't Want Your Kind Living Here* (2001); Fair Housing Centre of Greater Boston, *Housing Discrimination Audit Report* (2006).) In-person testing is, perhaps, particularly common because American studies have focused on race-based discrimination, which is presumably easier to test using face-to-face meetings. There is also substantial research in the U.S. on 'linguistic profiling' that has found that individuals can readily identify the race and ethnicity of another person based on auditory clues alone. (See for example, T. Purnell, W. Idsardi, and J. Baugh, "Perceptual and phonetic experiments on American English dialect identification" (1999) *Journal of Language and Social Psychology* 18(1)). An important study conducted by Douglas Massey and Garvey Lundy of the University of Pennsylvania used entirely telephone-based inquiries by testers using "White Middle Class English", "Black Accented English" and "Black English Vernacular" to document racial discrimination in housing.)

directors and former CERA clients worked together to reach out to immigrant settlement and other community organizations for six volunteers to conduct landlord surveys.

Each volunteer was assigned one of four potential tenant household profiles which corresponded with an identifiable accent. They were then tasked with contacting between 60 to 80 landlords throughout the City of Toronto to inquire about an advertised rental unit in order to obtain information about tenant requirements. Response data was systematically recorded and organized for analysis.

The following section discusses each component of the project’s methodology in detail, and examines how test profiles were developed, scripts were written, and the landlord sample was chosen. Our volunteer training and survey conduction processes will also be discussed. It is CERA’s hope that this relatively low-cost model will be useful to those undertaking future projects in similar fields.

Potential Tenant Profiles

Our survey presented a sample number of landlords or agents with inquiries from potential tenants from four types of newcomer household types:

- A couple living on savings only;
- A couple living on savings and earnings from part-time employment;
- A couple with one child living on savings only; and
- A couple living with one child living on savings and earnings from part-time employment.

Volunteers were assigned once of the following detailed tenant profiles:

	Profile 1: A couple with one child living on savings and earnings from part-time employment	Profile 2: A couple with one child living on savings alone	Profile 3: A couple living on savings alone	Profile 4: A couple living on savings and earnings from part-time employment
Name	[Create Name]	[Create Name]	[Create Name]	[Create Name]

Accent	[Insert Designated Accent]	[Insert Designated Accent]	[Insert Designated Accent]	[Insert Designated Accent]
Arrived in Canada	6 Months ago from [City in _____]	2 months ago from [City in _____]	2 Months ago from [City in _____]	6 Months ago from [City in _____]
Marital/Family Status	Married, one child (9 years old)	Married, one child (9 years old)	Married, no children	Married
Age	36	36	36	36
Employment	You are working part-time at Second Cup. Your spouse is working part-time at The Bay (Eaton Centre). You and your spouse are looking for employment in health administration and engineering	Looking for work (health administration and engineering)	Looking for work (health administration and engineering)	You are working part-time at Second Cup. Your spouse is working part-time at The Bay (Eaton Centre). You and your spouse are looking for employment in health administration and engineering
Income	\$4,000 in savings; \$1,600/month from job	\$9,000 in savings	\$9,000 in savings	\$4,000 in savings; \$1,600/month from job
Rent Range	\$900-\$1,200/month (1 bedroom)	\$900-\$1,200/month (1 bedroom)	\$900-\$1,200/month (1 bedroom)	\$900-\$1,200/month (1 bedroom)
Current Residence	Friends	Friends	Friends	Friends
Available for move-in	As soon as possible	As soon as possible	As soon as possible	As soon as possible
References	No Canadian credit history No previous landlord references Friends can be personal references	No Canadian credit history No previous landlord references Friends can be personal references	No Canadian credit history No previous landlord references Friends can be personal references	No Canadian credit history No previous landlord references Friends can be personal references
Have a co-signor?	No	No	No	No
Misc.	Non-smoker No pets No car	Non-smoker No pets No car	Non-smoker No pets No car	Non-smoker No pets No car

Volunteers representing each type of household had a specific, identifiable non-Canadian accent. The accents we compared were:

- African
- U.K. or Australian
- East Asian

- Middle Eastern
- South Asian

Household profiles were developed in the hope that landlords’ responses to them would shed light on the complex reality of various types of discrimination and their intersections. None of our household types were designed to align neatly with a specific or single prohibited Code ground. Discrimination encountered by volunteers representing these households could potentially be based on race, ethnic origin, citizenship, place of origin, family status, or any combination of these.

Scripts

Standardized scripts were developed for volunteers to follow during their phone calls with housing providers. Each script began with the volunteer indicating an interest in an apartment listing and then providing the landlord or agent with information corresponding to their profile, which could include their status as a newcomer to Canada, their credit and income information, or family status, for example.

Below are sample segments from two of the scripts:

<p>Profile: Couple with child living on savings</p>	<p>Profile: Couple living on savings and employment</p>
<p><i>“Hello. My name is [profile name]. I am calling about the one bedroom apartment you advertised in [Source of Listing]. Is it still available?”</i></p> <p><i>“My wife/husband and I and our daughter recently came to Canada and we’re staying with friends. Can you tell me what we need to rent the apartment?”</i></p> <p><i>“We don’t have any Canadian credit or landlord references yet and we’re still looking for work but we have savings. Do you think this will be a problem?”</i></p>	<p><i>“Hello. My name is [Profile Name]. I am calling about the one bedroom apartment you advertised in [Source of Listing]. Is it still available?”</i></p> <p><i>“My wife/husband and I recently came to Canada and we’re staying with friends. Can you tell me what we need to rent the apartment?”</i></p> <p><i>“We don’t have any Canadian credit or landlord references yet but we’re working part-time and have some savings. Do you think this will be a problem?”</i></p>

“We don’t have a co-signor/guarantor. Is there another option?”	“We don’t have a co-signor/guarantor. Is there another option?”
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Each script included a number of identifying details and questions that might elicit differential treatment from housing providers. Scripts were designed to be brief, and volunteers were trained to perform calls in a conversational style, mirroring a real-life situation as closely as possible. Volunteers were instructed to record all demands and requirements mentioned during their conversations with housing providers. Their notes indicate that the following information was requested or demanded by the housing providers they contacted:

- Proof of employment;
- A SIN number;
- A reference from a previous landlord;
- A minimum level of income;
- A deposit higher than the maximum permitted by law (one month’s rent);
- Payment of more than two months’ rent in advance; and
- A guarantor (volunteers were asked to distinguish between a *recommendation* and *requirement* for a guarantor)

Volunteers recorded whether the housing provider deemed them ineligible to rent the apartment, and included any explanations offered as to why they were denied.

Sampling Methodology

As we did with our 2008 audit, CERA developed an apartment listings selection methodology designed to approximate a representative sample of available lower-cost rentals. With reference to City of Toronto and Canadian Mortgage and Housing Corporation (CMHC) statistics regarding Toronto’s rental housing market, the following types of, apartment listings were selected:

- Approximately 70% private rentals in apartment buildings selected from the primary rental market
- Approximately 30% private rentals in homes or condominiums selected from the secondary market
- Of the primary market apartments, 34% were from central Toronto, 26% from North York, 12% from Etobicoke, 13% from Scarborough, 6% from East York and 7% from York (based on CMHC data)
- Of the secondary market apartments, 44% were from central Toronto, 20% from North York, 10% from Etobicoke, 24% from Scarborough, 1% from East York, and 1% from York (based on a survey of secondary market listings in the *Renters News*).

In consultation with our advisory committee and CERA clients who have faced rental discrimination, our sample was drawn from listings found on Viewit.ca, Hometrader, Toronto Rentals, Kijiji.ca, and Craigslist.ca. To randomize selection, CERA staff reviewed listings in order, selecting every third listing for a one-bedroom apartment within the price range of \$900-1200 per month.

Volunteer recruitment and training

CERA's goal in this project was to design a methodology that could be easily replicated by other community agencies, and as such, we employed volunteer testers rather than hiring experienced survey testers. Volunteer testers have been used to good effect in U.S. surveys, and we were confident that this approach would work for this type of data-gathering project. Keeping in mind that inconsistencies and bias (both perceived and real) pose a significant concern when employing volunteer testers, steps were taken to ensure consistency in the volunteers' approach during testing. A total of fifteen volunteer testers participated.⁵

⁵With the assistance of Advisory Committee members, members of CERA's Board of Directors, current volunteers and former clients, CERA developed a list of potential volunteers from various communities. After a rigorous screening process, CERA selected six volunteers to assist with research. Volunteers had British, Australian, South Asian, East Asian, African and Middle Eastern accents, five of whom were part of Ryerson University's Internationally Educated Social Work Professionals Bridging Program.

Minimizing inconsistencies among volunteer testers was accomplished in part by the use of standardized scripts: volunteers were asked to stick to the scripts as written, while sounding as conversational and casual as possible. They were provided with training materials and attended training sessions designed to ensure that they understood the research, the testing process, and their role in it. Volunteers attended an in-person training sessions at CERA's Toronto office on January 8 and 30, 2013 and at Ryerson University on January 24, 2013. As part of their training, each volunteer was provided with sample profiles, a sample questionnaire, and information about CERA's previous discrimination audit. At the conclusion of training, volunteers completed a short evaluation survey.

RESULTS

During the first five months of 2013, volunteers contacted housing providers associated with over 1,000 discreet apartment listings, yielding 524 useable observations. The data they collected is quantified and discussed in the following pages.

Imposed Conditions as Negative Differential Treatment

Under Ontario law, landlords can only base tenancy decisions on non-discriminatory application criteria, i.e. criteria that does not contradict any grounds protected by the *Code*. Data collected by our volunteers provided evidence that landlords routinely impose additional requirements on recent newcomers, such as excessive deposits, credit checks, and required guarantors, a significant indicator that indirect housing discrimination is common practice. Table 1 (below) illustrates the extent of negative differential treatment observed across our four volunteer profiles. We were not able to provide overall average figures, as the four profiles designed for this study are not representative of all household types, which obviously can consist of families with more than one child, one-parent families, unattached persons, multi-generational households and non-family groups.

Table 1
 Condition to Rent by Household Characteristics

Requirement	Only Savings	Savings and Part-time Employment	Only Savings	Savings and Part-time Employment
	No child	No Child	One Child	One Child
	<i>Percent of landlords with this condition for tenants</i>			
Proof of Employment	54	75	47	58
SIN Number	6	9	4	10
Credit Check	23	24	23	26
Previous Landlord Reference	17	22	18	17
Minimum Income	5	2	7	2
Large Deposit	10	5	2	5
More Than 2 Months Rent	5	4	1	3
Guarantor Recommended	8	6	10	9
Guarantor Required	48	24	22	23
Percent with No Requirement	19	14	27	25
Percent with One Requirement	29	35	32	25
Percent with Two Requirements	28	29	33	31
Percent with Three or more Requirements	24	22	8	19
Total	100	100	100	100
Ineligible to Rent	21	10	19	24
One or more conditions or ineligible to rent	85	91	88	92
Number	124	129	137	134

As Table 1 shows, most prospective tenants were subjected to at least one requirement beyond what is standardly accepted by law in order to apply for an apartment. Moreover, some who were given *no* specific requirements from housing providers were refused for another reason, or were turned down with no explanation. When arbitrary refusals were combined with the imposition of additional requirements on newcomers, between 85 and 92 percent of our volunteers encountered some form of discrimination.

Approximately 130 phone calls were completed per volunteer household type. Interestingly, none of the four profiles seemed to be at a distinct disadvantage when compared to any of the other profiles (see Figure 1). However, the particular requirements imposed by landlords were dependent on profile type. For example, a couple *without* a child living on savings *and* employment income was most likely to be

asked for proof of employment. Whereas a childless couple living solely on savings was, by a wide margin, more likely to be asked to provide a large deposit, pay for rent in advance and have a guarantor than a couple *with* a child living on savings alone, even though it would seem that the latter would have a greater financial burden.

Figure 1: The particular conditions emphasized by landlords depended largely on the household type

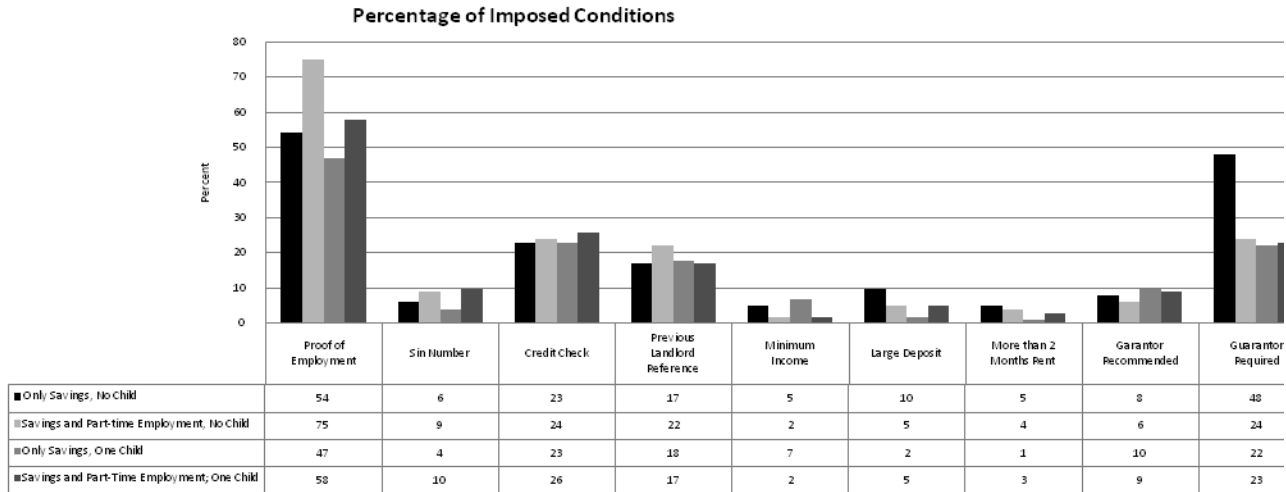


Figure 2 Percentage of additional requirements imposed by housing provider

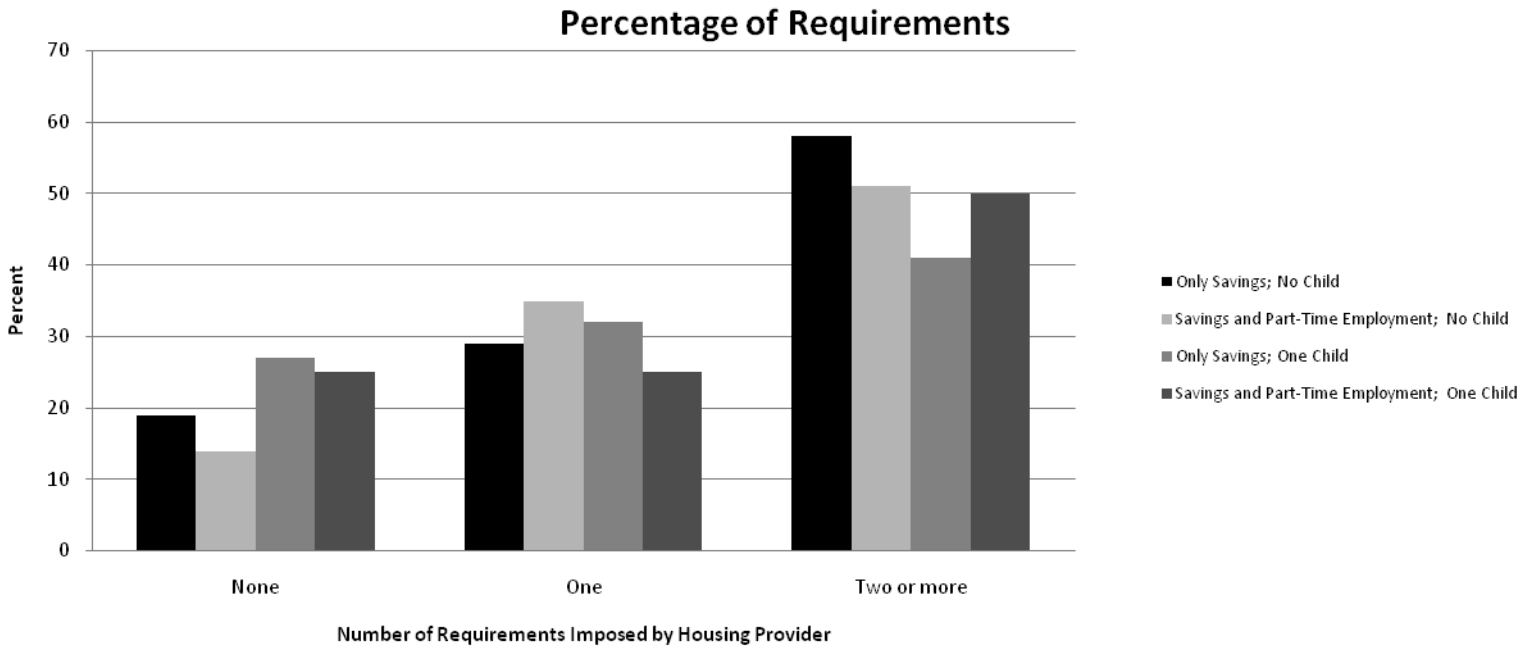


Figure 2 demonstrates that one or more requirements were imposed on most prospective tenants in the study. For each of the four households types, less than one-quarter of applicants faced no extra requirements or requests from landlords.

Figure 3 Percentage of households deemed ineligible to rent

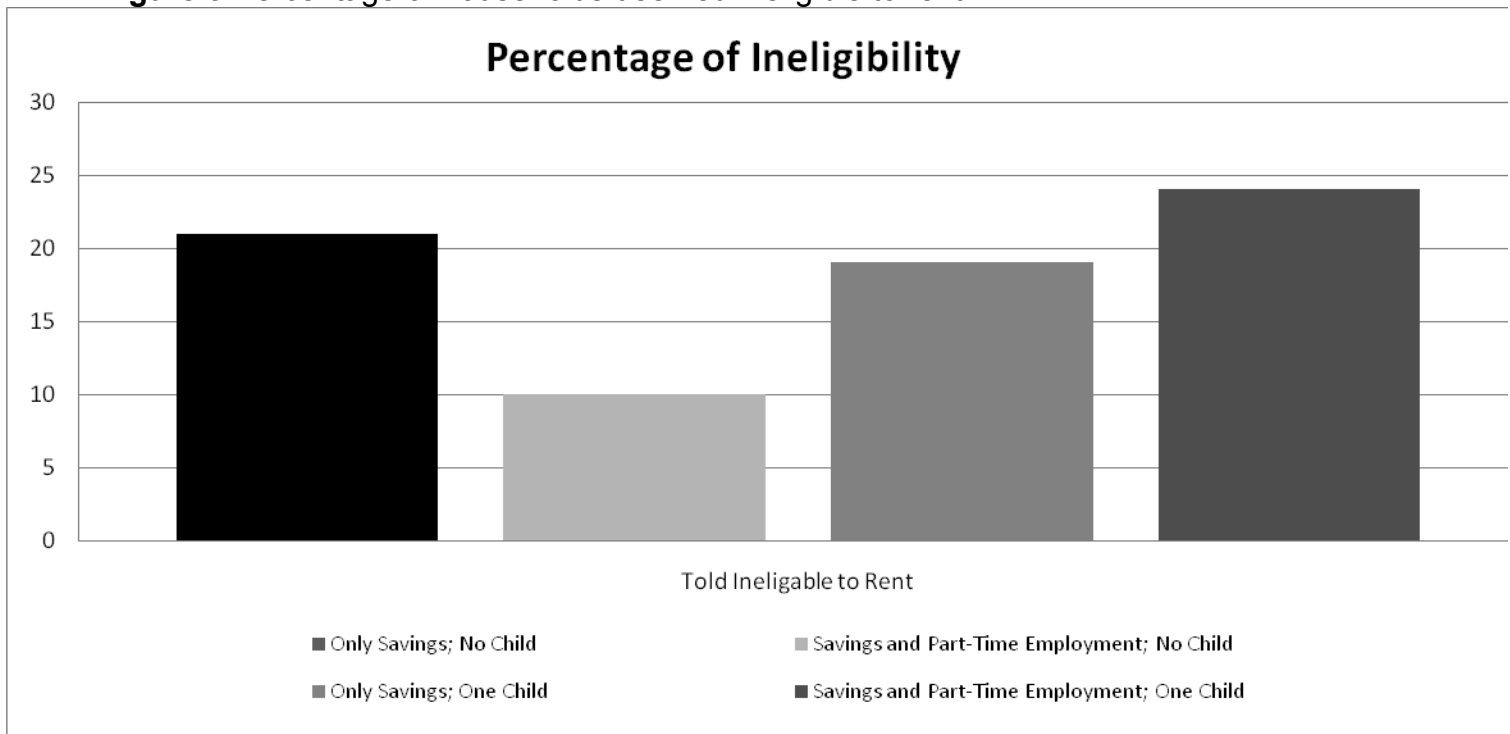
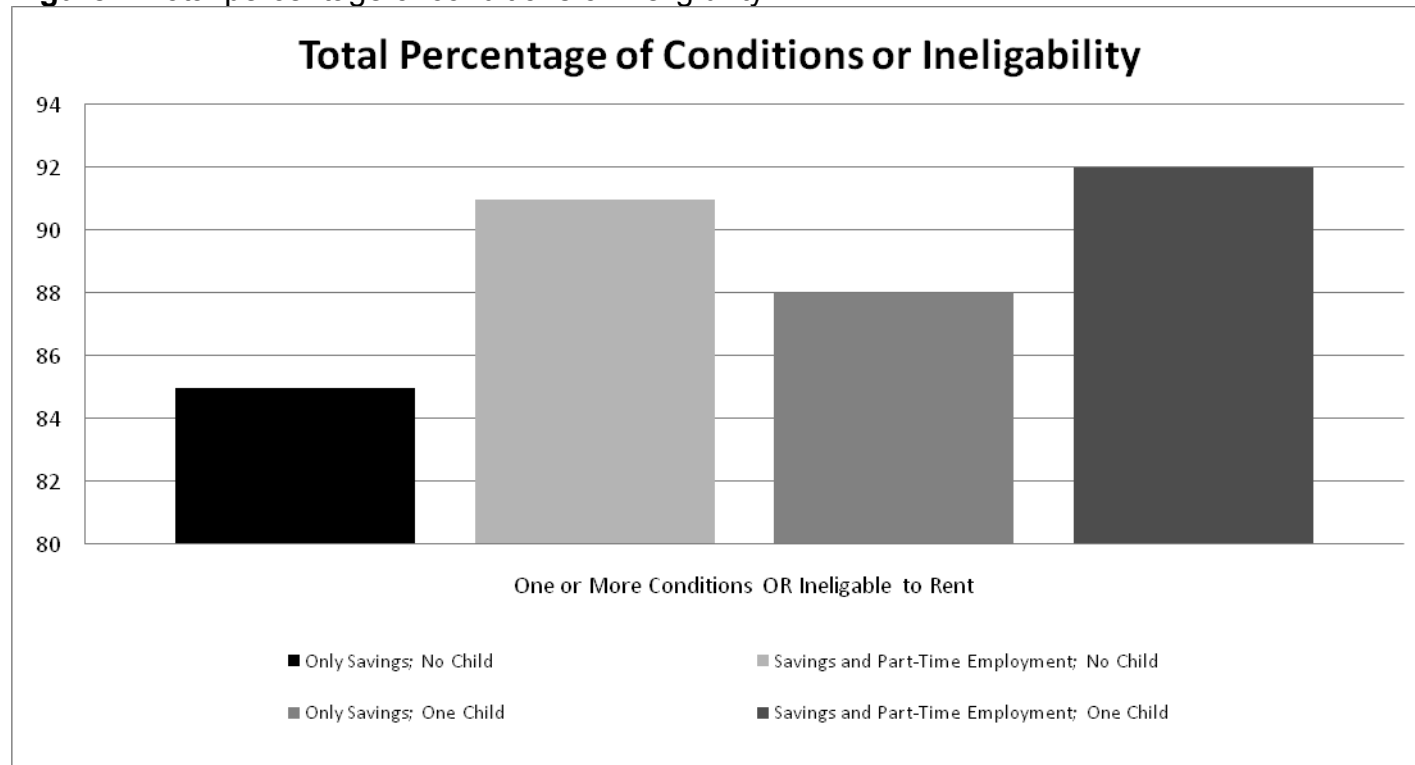


Figure 3 demonstrates that 90% of couples with no children living on savings as well as employment income faced barriers to housing. Taken together, Figure 2 and Figure 3 reveal that some households that faced no additional requirements were still refused for another reason, or were turned down with no explanation. When instances of arbitrary refusals are combined with landlords' impositions of additional requirements, 85 and 92 percent of the four types of households encountered direct or indirect discrimination (see Figure 4).

Figure 4 Total percentage of conditions or ineligibility



Accents and Differential Treatment

Differential Treatment of the volunteer applicants based on their identifiable accents did not prove to be very systematic. However, some trends can be traced. Applicants with East Asian or South Asian accents were more likely to be told they were ineligible to rent than those with African, Australian, British or Middle Eastern accents. Applicants with African or Middle Eastern accents were more likely to require a guarantor. Overall, volunteers with Middle Eastern and South Asian accents seemed to receive the most adverse reactions from landlords, however our sample was too small to identify consistent, statistically significant differences.

In order to identify the effect of an accent on a landlord's response, we divided volunteers into two groups: one for British and Australian accents and the other for African, East Asian, Middle Eastern and South Asian accents. Table 2(below) shows the frequency with which landlords tended to impose additional requirements on callers from these two accent groups. These figures were obtained from logistic regression

models that simultaneously accounted for the caller's gender and the four profile types. Bolded figures indicate statistically significant differences.

Table 2
Effects of Having Employment and a Child, Gender of Caller and Accent

	Proof of Employment	SIN Number	Credit Check	Previous Landlord Reference	Minimum Income	Large Deposit	More Than 2 Months Rent	Guarantor Recommended	Guarantor Required	Ineligible to Rent	Number in Group
	<i>percent with this requirement*</i>										
Employment and Child											
Savings only	52	6	24	18	4	10	5	9	44	20	124
Savings & Employment	76	9	24	22	2	6	4	6	25	10	129
Savings only <i>and Child</i>	49	4	23	17	8	2	1	9	24	20	137
Savings & Employment <i>and Child</i>	57	9	26	18	2	5	3	9	22	24	134
Gender											
Male	52	3	23	21	3	5	2	6	28	20	237
Female	64	10	25	17	5	7	4	10	30	18	287
Accent											
British or Australian	51	6	27	24	2	5	3	11	18	14	263
African, East Asian, Middle Eastern or South Asian	66	8	22	14	6	6	3	6	39	23	261

* statistically significant group differences in bold

Figure 5 (below) compares the frequency with which landlords imposed specific conditions on both accent categories.

Figure 5 Imposed Conditions According to Accent

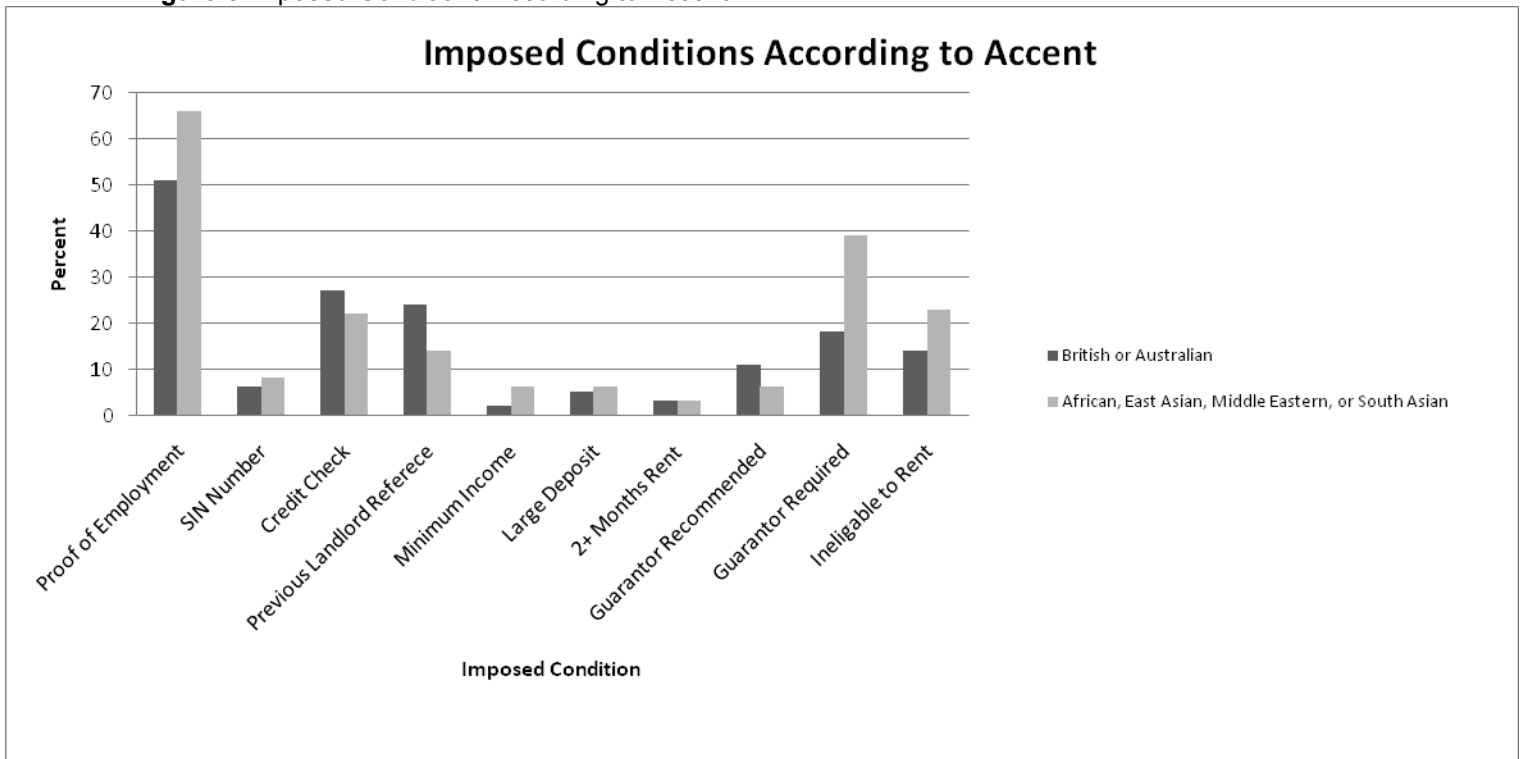


Figure 5 reveals that volunteers with an African, East Asian, Middle Eastern, or South Asian accents were 15% more likely to be asked for proof of employment, 21% more likely to have a guarantor *required*, and 9% more likely to be deemed ineligible to rent. Although volunteers with Australian and U.K. accents were more likely to be asked for a credit check and landlord references, this could indicate that landlords were more likely to take their applications seriously.

Figure 6 Conditions Imposed According to Gender

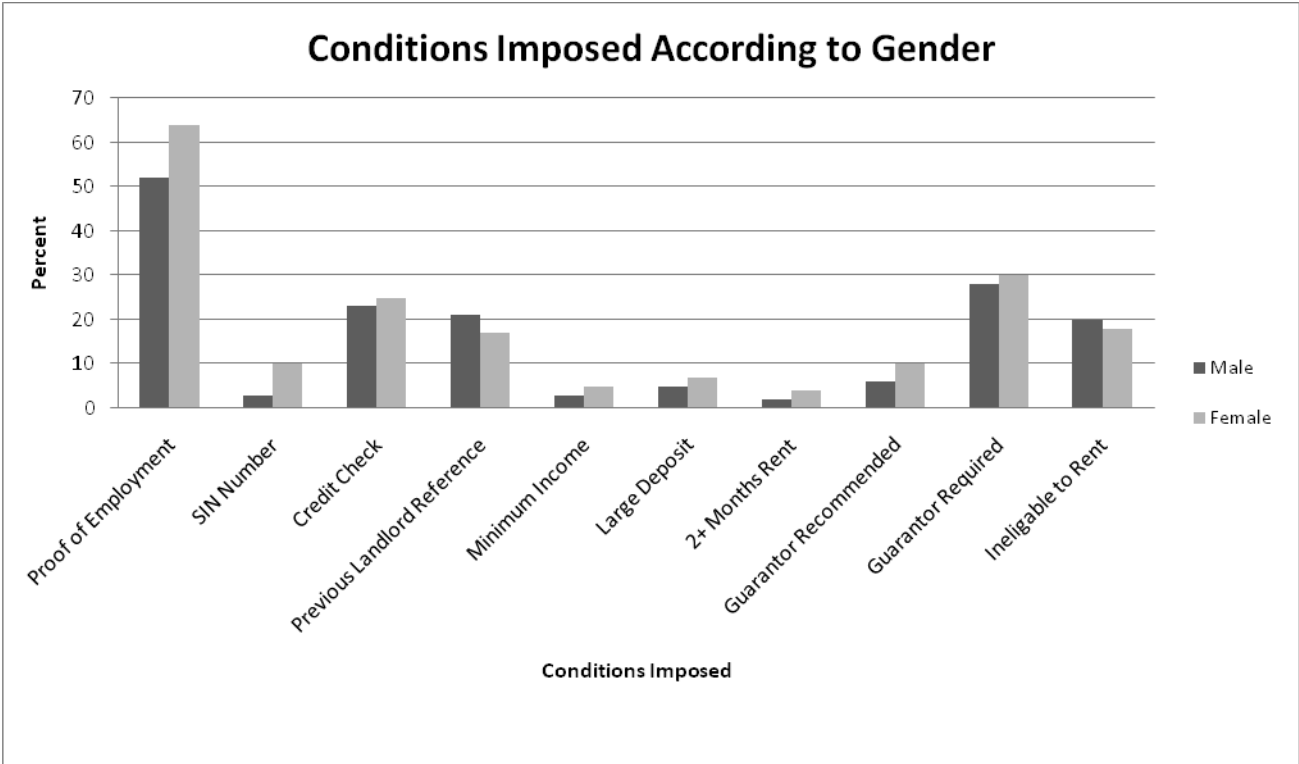


Figure 6 reveals that female volunteers were more likely to be asked for proof of employment, a credit check, their SIN number, to provide a guarantor or a large deposit, and to meet a minimum income requirements. Male volunteers were more likely to be asked for a previous landlord reference and to be told they were ineligible to rent.

Figure 7 Conditions and Ineligibility According to Household Type

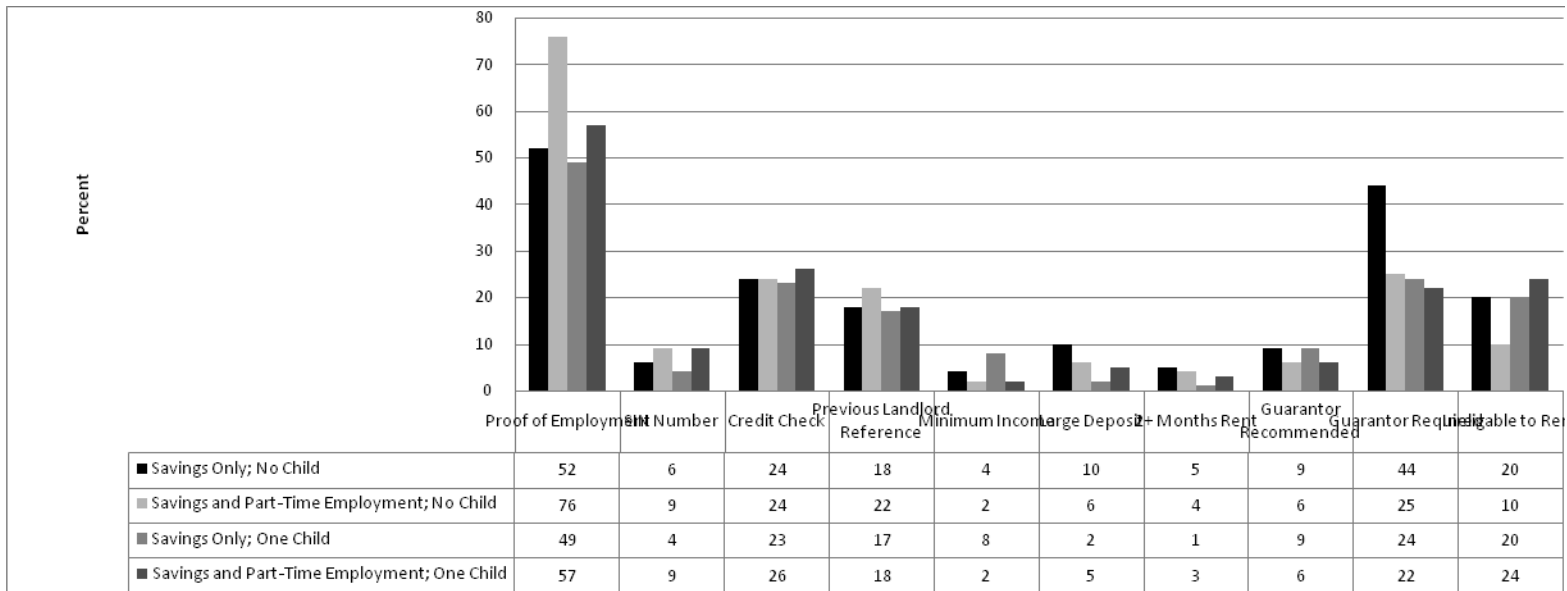


Figure 7 shows that 10% of childless couples living on savings as well as employment income were denied rental outright, and were told by landlords that this was due to their income source and family status. About 20% of volunteers representing the 3 other household profiles were deemed ineligible. Income-less couples without a child were given various financial explanations as to why they were rejected. Volunteers from household profiles with a child often encountered comments regarding the size of the unit and its unsuitability for a couple with a child, which is a violation of the *Code*. Sample units were relatively uniform in their amenities, however, condominium landlords tended to require initial deposits and payment of rent in advance more often than landlords of other types of real estate. With regard to location, no significant difference was apparent in landlord requirements across the Toronto boroughs.

Landlords often provided reasons for denying applicants, and many of their comments indicated that their decision was, at least in part, based on discriminatory criteria as defined by the *Code*. The following are some examples of landlord responses as transcribed from volunteers' notes:

- Landlord required “Two months’ deposit plus \$5,000 in advance, which you will get at the end of the term, a one year lease. Bank statement and co-signor required”.
- Landlord stated: “it is impossible for you to find an apartment without having full-time employment”.
- Landlord requested Canadian credit and landlord references, because “there are people waiting with all of these documents available.” The landlord also required pay stubs and bank statements.
- Landlord required applicant to have a guarantor with a minimum income of \$50,000 “otherwise [you] will not get [the] apartment”.
- Landlord required the applicant to have been at their current job for at least one year and asked to see current pay stubs.
- Landlord requested three months’ rent in advance and lost interest as soon as the applicant stated that she is unemployed. Landlord said, “if you don’t have a job then you can’t get an apartment”.

Methodological Limitations

With this study, CERA has attempted to establish a research methodology that will allow our organization and others who work towards housing equity to gather data and begin to build a statistical profile tracking the prevalence of various types of direct and indirect housing discrimination in Toronto. However, as with all research projects, there were some limitations associated with our methodology. For example, we did not incorporate all resources available to housing seekers, such as signs posted outside of buildings or word of mouth. Moreover, while efforts were made to minimize the potential for individual variation in the interviews, volunteers inevitably took different approaches in conducting their calls. We also did not employ a control group of callers with no identifiable accent (a comparison study of this type is something we could examine in the future, as it would provide insight into how discrimination faced by newcomers compares to that faced by applicants born in Canada). Our study’s aim was necessarily specific and narrow, with all profiles involving newcomers to Canada attempting to rent in the City of Toronto, a large, socio-economically diverse city with an extensive

professional landlord population and a long history of providing rental housing for a wide range of communities. It is important to note that it is quite likely that similar studies conducted in smaller, more homogeneous communities would yield significantly different results. Finally, our research was limited to the first stage of the housing transaction process. Housing seekers go through a series of transactions in their attempts to rent apartments which often include calling to inquire, setting up an appointment, viewing the apartment, and submitting an application for consideration. Discrimination can occur at any point in the process. Because this study only considered the first stage, we feel that our results likely underestimate the true extent of discrimination faced by newcomers in Toronto's rental market.

DISCUSSION

Across Canada, housing-related cases have historically made up a very small percentage of claims filed with human rights enforcement agencies. In 2012, only 6% of human rights applications in Ontario were related to discrimination in housing.⁶ However, there is little doubt that these numbers do not reflect the actual extent of discrimination in the housing market. When people are looking for an apartment, and experience discrimination, the vast majority of them do not even consider taking legal action – they merely move on to the next advertised unit. Understandably, their priority is to find a place to live, and they may not know how to assert their rights under the Code. People who come to CERA in order to challenge discriminatory practices have often been turned down over and over again and desperately need to secure housing. They are usually living on a low income and often belong to extremely marginalized communities; most do not have the resources to legally challenge discrimination. Additionally, many housing seekers experience discrimination without realizing it. Taking these factors into consideration, it is not surprising that the overwhelming majority of people who experience discrimination when trying to access housing never make it into any formal discrimination statistics.

⁶ Human Rights Tribunal of Ontario, Fiscal Year 2012-2013 New Applications, available at: <http://www.hrto.ca/hrto/?q=en/node/197>

Housing discrimination affects thousands of Torontonians annually

This project is an attempt to quantify the incidence and prevalence of discriminatory barriers facing newcomers in Toronto. Our research suggests that discrimination on *Code*-related grounds such as race/ethnicity, place of origin, citizenship and family status is widespread. We estimate that approximately 85-92% of newcomer households experience discrimination when they inquire about available apartments – and this discrimination represents a significant barrier to their accessing housing.

Our research indicates that all types of newcomer households are disadvantaged when it comes to housing access. While there appear to be some variation in the way different households are treated the differences are complicated, rather than categorically singling out any particular group. In other words, discrimination against newcomers is widespread rather than targeted. A couple without a child living on savings only is more likely to be required to make a large deposit, pay more rent in advance and have a guarantor. Applicants with an East Asian or South Asian accent are more likely to be denied an apartment outright. Applicants with an African or Middle Eastern accent are more likely than others to need a guarantor. Applicants with an African, East Asian, Middle Eastern or South Asian accents are more likely to be asked for proof of employment, to have a guarantor *required*, and to be deemed ineligible to rent than those with Australian or UK accents. Female callers are more likely to be asked for proof of employment, a credit check, their SIN number, to provide a guarantor or a large deposit, and to meet a minimum income requirement than male callers.

The tip of the iceberg?

While the numbers presented above are troubling, it is important to reiterate that they likely *underestimate* the magnitude of the problem. Of the several stages associated with the rental application process, we only tested the first. Households that do not experience discrimination during the initial telephone contact with the housing provider could still be treated unfairly when they go to view the apartment, or when they fill out and submit an application. We found that *almost all* prospective tenants had at least one additional rental condition imposed on them or were denied the unit.

What criteria can landlords use in considering rental applications?

Many of the rental conditions imposed on our volunteers were not just unfair - they are illegal and have the effect of being discriminatory. Under the *Residential Tenancies Act*, a landlord can only ask for up to one month's rent as a deposit: it is illegal to ask for more. Under the *Code* landlords are permitted to request rental history and credit references, however, a lack of Canadian rental history or credit *should not* be viewed negatively. Further, a landlord is not permitted to base a decision on income information alone if rental history and credit references are also provided. A landlord is also 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.

The Human Rights Tribunal of Ontario has found that landlords' use of minimum income rules deepens the pre-existing disadvantage experienced by newcomers to Canada, and as a result, this practice constitutes discrimination.⁷ Under the *Code*, while landlords are permitted to ask for guarantors or co-signers, they can do so *only if* they apply this condition to all tenants, or 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.

Discrimination is frequently hidden

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 but as our clients report, the discrimination is no less real because it is indirect. As a result, without research like this, it is difficult to clearly identify the types of discrimination experienced by newcomers in the rental housing market. In *Sorry, it's rented*, CERA found that discrimination related to race, ethnicity and/or place of origin was rarely overt, but emerged through indirect comments, excuses, and barriers. This follow-up study confirms that overt discrimination is rare; instead, prospective tenants are subjected to increased requirements that make it difficult for them to secure housing.

⁷*Ahmed v. 177061 Canada Ltd.* (2002), 43 C.H.R.R. D/379 (Ont. Bd.Inq.)

This research is a first step in establishing the extent of housing discrimination experienced amongst newcomers in Toronto. More research must be done to examine the different types of discrimination occurring in communities across Ontario. We need to ask: What kind of barriers do youth face when trying to rent an apartment? What affect does perceived sexual orientation have on rental opportunities? How do the discrimination rates of different racialized communities compare? Will a person with a physical disability experience a high level of discrimination? In CERA's view, all of these questions – and more – could be tested effectively and affordably through telephone-based discrimination surveys and audits in communities across Ontario. We hope that this report and the research on which it is based will help mobilize governments, researchers, and community organizations to make greater use of paired testing methodologies to investigate the state of equality rights in housing.

More importantly, this study demonstrates that discrimination on the part of landlords presents a significant barrier for many equality-seeking communities. Discrimination impedes their attempts to access housing, adds to the stress and effort associated with the housing search process, decreases the pool of available rental housing options, and pushes individuals into over-priced and/or inadequate apartments – and potentially into homelessness.

This research shows us that Canada's housing crisis is far worse than we imagined. Not only is there an inadequate supply of affordable rental housing, but members of vulnerable communities are being denied access to many of the units that currently exist. Due to discriminatory practices, most of the profiles we studied have substantially fewer rental options available to them than the population in general. Any strategies to address homelessness and housing insecurity must address this reality.

Canada claims to be a nation that values diversity and inclusion. That so many people are being denied access to housing on the basis of the colour of their skin, their accent, or where they are from, lies in stark contrast to such claims.

RECOMMENDATIONS

1. The Government of Ontario should fund housing discrimination audits and surveys in communities across Ontario. This research 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 complaint process, and would include:
 1. 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)
 2. targeted checks in response to individual complaints of discrimination
 3. 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 the discrimination against newcomers that has been exposed through this study.