Clustering Ontario Renters

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Abstract
A survey conducted in the Canadian province of Ontario was used to identify five groups of renters through factor analysis and cluster analysis. 1) Former Buyers are older individuals who have purchased in the past or explored purchasing and are now renting. 2) Active Buyers are individuals who are planning to buy and have taken steps, such as securing pre-approval on a mortgage, to begin to find a home to purchase. 3) Planning Buyers plan to purchase a home but have yet to take active steps. 4) Considering Planning are individuals who may or may not someday purchase a home. 5) Not Planning are individuals who do not believe they will ever own a home. These groups are compared to measure attitudes toward their homes, neighbourhoods, civic issues, and well-being.

Introduction

Structural inequalities within the Ontario housing system have created a shortage of affordable housing, driving many people to think they may never be able to afford to own a home (Tranjan, 2023; Simpson, 2023; Moffatt, Atiq, & Islam, 2021). Inflation-adjusted housing prices in Canada set an all-time high in the early 2020s before recently dropping slightly (White, 2025). Since 2005, Canada has had the second-highest increase in housing prices in the world, with a 108% inflation-adjusted increase (Vital Signs, 2021). Within Ontario, from 2011 to 2021, incomes increased by 38% while home prices increased by a staggering 180%, increasing average (mean) prices from $329,000 to $923,000 (Government of Ontario, 2022). The challenges in Ontario have become so acute that young adults are delaying starting a family because they cannot afford to rent or purchase a home (Moffatt, 2021a; Moffatt, 2021b).

Lack of housing has led to this long-running trend of increasing prices. In Ontario, for example, from 2016 to 2020, about 100,000 fewer homes than were needed to keep up with growth in demand were built (Moffatt, 2021a). However, with an estimated need in Ontario of over 1.5 million new homes over the next decade just to keep up with demand, it is not likely that prices will moderate to help the next generation of prospective home buyers (Government of Ontario, 2022).

If renters are unable to enter the housing market, it can have lifelong impacts. The income gap between renters and homeowners has increased from 20% in the 1960s to approximately 90% today (Hulchanski, 2021). Renters are denied the ability to use the equity in their homes for retirement, which represents a typical support relied on by most Canadians in retirement (Tranjan, 2023). Renting creates less stability as renters move more than homeowners (Wulff & Maher, 1998). When renters do move, it can lead to dramatically increased costs. In 2023, for example, rents on units with turnover rose 13% higher than rents in units where the tenant remained (CMHC, 2024). With homeowners getting older and renters on average getting younger (Hulchanski, 2021), these challenges are disproportionately impacting the younger generations.

Within this context, classifying Ontario renters into groups based on their intent and likelihood to purchase a home can help to provide context on the impact of the housing market. Grouping renters can be done using qualitative or quantitative techniques. In qualitative studies, individuals with knowledge of the sector are asked to identify groups of renters they perceive (Wilson & Giuffre, 2022). Quantitative studies typically use factor analysis to identify groups of variables related to renters' attitudes, which are then used to group renters through cluster analysis (Gibler & Tyvimaa, 2014; Wulff & Maher, 1998; Wulff & Maher, 1998; Varady & Lipman, 1994).

Literature Review

Using a qualitative approach, Wilson & Giuffre (2022) interviewed Canadian real-estate executives to classify groups of renters. They find six categories of renters: 1. Hard-to-house occupants 2. Affordability renters 3. Workforce renters 4. Transitional millennials 5. Lifestyle renters, and 6. Returners. Hard-to-house occupants have low incomes and are not pursued by these executives as tenants. Affordability renters have slightly higher, but still low, incomes and are primarily pursued in low-rent accommodations. Workforce renters make up the bulk of the rental market (estimated at 40% by the executives interviewed), have middle-class incomes and seek well-maintained buildings with fair market rents. Transitional millennials have above-average incomes; they seek modern, well-maintained buildings. They purchase buildings at a transitional stage in life before eventually becoming home buyers. Lifestyle renters have above-average incomes and enjoy renting. They seek premium features in desirable areas. Finally, Returners are renters who have previously owned a home but return to the rental market either after a lifestyle change, such as a divorce, or downsizing in retirement. Wilson & Giuffre's (2022) study focuses on the perspective of executives seeking to market effectively to potential tenants, but in doing so, provides insights into groupings of tenants in Canada.

Using a quantitative approach, Gibler & Tyvimaa (2014) identify four clusters of Finnish renters: homebodies, actives, isolated wolves, and fun lovers. Homebodies were mostly single people or couples without children. They are not overly social but do enjoy spending time outdoors. Actives contained older homeowners who are engaged in social activities outside of the home. Isolated wolves tend to live in the suburbs; they are not overly social and tend to have young families. Fun lovers tend to live in the city; they do not have children and tend to spend time at restaurants, parties, movies, and other social activities.

Wulff & Maher (1998) examined Australian long-term renters (those who have been renting for ten years or more) and classified them into two groups: continuals and returners. Continuals are renters who have never owned a home. They typically have lower income and higher unemployment than returners. Returners are long-term renters who have owned a home. They tend to be older than other renters and are more likely to be divorced. Indeed, divorced and widowed individuals are disproportionately in the long-term renter groups in Australia (Wulff, 1997; Wulff & Maher, 1998).

Varady & Lipman (1994) similarly conducted a factor analysis followed by a cluster analysis to classify groups of American renters. Six clusters were identified. Families moving up the housing ladder represented renters in the process of improving their housing situation. Lifestyle renters were those who preferred to rent to support lifestyle factors, such as not maintaining a property and being in proximity to nightlife. College graduates starting out were renters who were close to or recently finished school. Black renters stood out as a distinct category. Elderly life cycle renters had often owned a home before renting and preferred to rent at this stage of their lives. Finally, struggling blue-collar workers were renting as this was seen as their best and most viable economic option. Notably, one-third of renters in this study envision renting for the foreseeable future (Varady & Lipman, 1994).

Method

A survey of Ontario residents was conducted using two sampling companies. Questions explored renters' plans and actions to enter the housing market, attitudes towards their homes, neighbourhoods and civic issues, personal well-being, and standard demographic questions. Factor analysis, followed by cluster analysis, was used to create groups of renters and the other questions were turned into indices.

Participants

The survey sample was recruited by two companies, Dynata and Angus Reid, who each sell access to panels of individuals who agree to complete surveys. In return, panellists receive rewards and compensation after completing a survey or surveys. The use of two online panels was meant to minimize the sample bias that can be associated with online panels. However, it is important to recognize that online panels are not necessarily reflective of the population in general, even when weighted to match the general population, as sampling bias may exist due to differences associated with the decision to self-select into the panel.

The survey included 2,478 participants recruited by Dynata and 6,934 recruited by Angus Reid. The Dynata survey had 2,464 respondents from Ontario, and Angus Reid had 5,531 respondents from Ontario. Only respondents from Ontario were included in the analysis. Each sample oversampled renters to create additional statistical power for analysis. Dynata provided 1,743 Ontario renters, and Angus Reid provided an additional 2,339 Ontario renters. The Dynata portion of the survey was run from February 21st to 28th, 2024, and the Angus Reid portion of the survey was run from February 21st to March 26th, 2024.

Since the survey was conducted from an online panel, margins of error are inappropriate as the probability of participating in the panel is unknown and not randomly distributed (Simpson, 2012). Bayesian credibility intervals are used for online panel surveys to approximate the uncertainty of estimates (Simpson, 2012). The Credibility Interval Calculator determined the Bayesian credibility intervals for the entire Ontario sample as ±1.8%, 19 times out of 20 (Welsh, 2024)[1]. Credibility intervals are larger for subsamples.

1 In the calculation an adjustment of 1+L = 1.33 was included as a standard weighting design effect (Kish, 1992).

Analysis Approach

Mirroring the approach of Varady & Lipman (1994) and Gibler & Tyvimaa (2014), a factor analysis followed by a cluster analysis was conducted to identify groups of renters. First, the survey questions related to renters' expectations about their likelihood to purchase a home in the future and any actions they took to purchase a home were turned into indices after conducting a factor analysis. These indices, and all subsequent indices, were created by converting individual survey questions to numerical values ranging from -1 to 1, then added together and divided by the number of survey questions. Each of the resulting indices has values between -1 and 1. The two indices created from renters' expectations of homeownership and actions taken to purchase a home were then analyzed using a cluster analysis to create groups of renters.

The groups of renters from the cluster analysis were compared, using two analyses of variance (ANOVA) tests on their age and the down payment they saved. Following these comparisons, additional indices were created exploring happiness, economic resiliency, engagement in community life, perceptions of disorder in their neighbourhood, current home quality, and institutional trust. These indices were created using the entire sample, not just the Ontario renters. These resulting indices were each compared to the clusters of renters using ANOVAs. Results also include comparisons to Ontario renters as a whole and a weighted Ontario sample. Including Ontario results as a whole provides a measure that includes homeowners and gives a sense of where renters differ from non-renters. The resulting ANOVAs' measures of statistical significance do not include the Ontario renters as a whole or the weighted Ontario sample.

The weighted Ontario sample was weighted using age, gender, region of the province, and rent versus owner-occupied homes. Age, gender, and region are standard weighting demographics. Rent versus owner-occupied homes were included because the surveys oversampled renters, who were the focus of the analysis. Only the Ontario sample was weighted; all other values are presented as unweighted.

Results

Renters Factor Analysis

The initial factor analysis included nine questions. The first question asked respondents if they strongly agree, agree, disagree, or strongly disagree with the following:

- I would like to purchase a home within the next two years.
- I would like to purchase a home within the next five years.

Responses were converted to a -1 to 1 scale (strongly disagree coded -1, disagree coded -0.5, agree coded 0.5, and strongly agree coded 1).

The next questions were yes or no questions (Yes coded 1, No coded 0):

- Have you ever applied for pre-approval for a mortgage?
- Have you ever visited an open house because you were thinking about buying a home or condominium?
- Have you ever gone to a house or condominium viewing with your own real estate agent?
- Are you saving up for a down payment on a new home?

The question "What are your housing plans for the next year?" was included in the analysis and presented three options: Purchase a home or condominium (coded 1), Stay where you are (coded 0), and Move to a new rental unit (coded 0).

Two additional questions with yes and no options were also included in the factor analysis:

- I do not think I will ever own a home.
- If given the choice, I would prefer to rent rather than own a home.

Neither of these questions loaded on either of the factors and were excluded from the subsequent indices.

The factor analysis had two dimensions. The first dimension (Preparing to buy) has an Eigenvalue of 3.090, and it accounts for 34.3% of the variance. The index created from these variables has a Cronbach's alpha of 0.798. The second dimension (Actively Looked/Looking) has an Eigenvalue of 2.006, and it accounts for 22.3% of the variance. The index created from these variables has a Cronbach's alpha of 0.743 See Table 1.

Renter Clusters

The two indices, Preparing to Buy and Actively Looked/Looking, were included in a cluster analysis. The goal of this analysis is to identify categories of renters based on their interest and actions taken towards buying a home in either the near, medium, or long-term future. The analysis resulted in five clusters with a good cluster quality of 0.548 (silhouette measure of cohesion and separation). See Table 2.

These five clusters have been labelled Former Buyers, Active Buyers, Planning Buyers, Considering Planning, and Not Planning. The Former Buyers are low on the preparing to buy index but high on the actively looked/ing index, indicating that these individuals either purchased a home in the past or looked in the past seriously but are now planning, and likely content, to rent for the foreseeable future. The Active Buyers scored highest on the actively looked/ing index and second highest on the preparing to buy index. These individuals are taking steps to buy, but some may be either early in the process or, in some cases, frustrated by the difficulty of buying a home. The Planning Buyers score highest on the preparing to buy index but in the middle on the actively

Table 1 Renters Factor Analysis

Question	Preparing to Buy	Actively Looked/Looking
Purchase in next year	-.578	-.192
Purchase a home within the next two years	**.869**	.017
Purchase a home within the next five years	**.860**	-.077
Do not think I will ever own a home	-.576	-.098
Would prefer to rent	-.616	.137
Applied for pre-approval for a mortgage	-.037	**.785**
Visited an open house	.077	**.815**
Visited with a real estate agent	.050	**.820**
Saving up for a down payment	**.720**	.058

looked/ing. These are individuals who are saving for a down payment, hoping to buy, but have not yet taken steps such as hiring a real estate agent or getting pre-approval for a mortgage. The Considering Planning scored second lowest on the preparing to buy and actively looked/ing indices. These are individuals who may buy someday but are not actively considering it. Finally, the Not Planning group scored lowest on both indices. These are individuals who expect to rent for the foreseeable future, possibly forever.

These five clusters, along with renters as a whole and Ontarians, were next compared to age and down payment saved to further delineate the categories.

Age

The Former Buyers (58.3) were the oldest category, reflecting their status as renters who may have previously owned a home. The Active Buyers (42.1) were about the same as the renter sample (42.0). The Planning Buyers (34.4) and the Considering Planning (34.8) each had similar mean ages. Finally, Not Planning (46.3) was the second oldest group. See Table 3.

Down payment

In terms of down payment saved, Former Buyers ($7) and Not Planning ($0) had effectively zero down payments saved. Interestingly, Active Buyers ($38,406) had smaller down payments saved than Planning Buyers ($52,258). Considering Planning ($10,921) had smaller down payments, reflecting their earlier stage in the thinking of buying a home cycle. The difference between Active Buyers and Planning Buyers may indicate that some Planning Buyers are seeking a significantly larger down payment before starting to search for a home. See Table 4.

These five clusters, along with renters as a whole and Ontarians, were next compared to indices related to their personal well-being, attitudes towards their homes, neighbourhood issues, and civic trust. Measures were created using exploratory Factor Analysis to identify indices to compare to the five clusters of renters.

Happiness

Happiness is the first outcome measure explored. Overall happiness is measured using the Life Happiness Index, which

Table 2 Renter Clusters

Cluster	Name	N	%	Preparing to Buy (mean)	Actively Looked / ing (mean)
1	Former Buyers	946	20.7	-0.84	0.69
2	Active Buyers	632	13.8	0.41	0.85
3	Planning Buyers	736	16.1	0.88	0.20
4	Considering Planning	1164	25.4	0.02	0.09
5	Not Planning	1099	24.0	-0.85	0.00
	All Renters	4,577		-0.1775	0.3139

Table 3 Renter Clusters and Age ANOVA

Age F = 315.1 (difference between groups) p <0.001	N	Mean	Std. Deviation	Std. Error
Former Buyers	551	58.31	16.98	.72
Active Buyers	462	42.12	13.80	.64
Planning Buyers	664	34.37	8.82	.34
Considering Planning	1056	34.82	11.85	.36
Not Planning	820	46.27	18.17	.63
Ontario Renter Sample (total)	3552	41.97	16.53	.28
Ontario Sample (total weighted)	9828	49.5	16.79	

consists of two questions, replicated from the Canadian Election Study:

- I am satisfied with my life.
- In most ways, my life is close to my ideal.

Each of these questions was answered using strongly agree, agree, disagree, or strongly disagree.

Responses strongly agree and agree were scored positively, and disagree or strongly disagree were scored negatively, creating an index that ranges from -1 to 1. Strongly agree was scored a 1, agree was scored a 0.5, disagree was scored a -0.5, and strongly disagree scored a -1.

The two questions had a Pearson correlation of 0.736, which was significant at the 0.001 level ($p < 0.001$). The index created from these variables has a Cronbach's alpha of 0.848. Though not necessary with an index of only two values, for consistency, a Factor Analysis was conducted. The single dimension found has an Eigenvalue of 1.736, and it accounts for 86.8 % of the variance. See Table 5.

When combined into an index, the scores, therefore, range from -1 to 1. Results were statistically significant at the 0.001 level. The index had a mean of 0.2733 for the weighted Ontario sample. Results show that Former Buyers (0.142) had the highest happiness scores, and Considering Planning (-0.031) had the lowest. Not Planning (-0.007) was below the Ontario average. Active Buyers (0.091) and Planning Buyers (0.099) were above the Ontario average. See Table 6.

Economic Resiliency

Economic resiliency provides a sense of how well individuals can cope with financial pressures (Putnam, 2016). Economic Resilience is measured using an index which has five questions, the first four of which make up the Needham Lifestyle Survey financial anxiety measure (Putnam, 2016) and the fifth was adapted from the Statistics Canada Canadian Housing Survey:

- No matter how fast our income goes up, we never seem to get ahead.
- Our family is too heavily in debt today.
- We have more to spend on extras than most of our neighbours do.
- Our family income is high enough to satisfy nearly all our important desires.
- In the past 12 months, how difficult or easy was it for your household to meet its financial needs in terms of transportation, housing, food, clothing and other necessary expenses?

The first four of these questions were answered using strongly agree, agree, disagree, or strongly disagree. The options for the last question were very difficult, difficult, neither difficult nor easy, easy, or very easy. Response options were once again scored from -1 to 1, with neither difficult nor easy

Table 4 Renter Clusters and Down payment Saved ANOVA

Down payment Saved F = 192.0 (difference between groups) p <0.001	**N**	**Mean**	**Std. Deviation**	**Std. Error**
Former Buyers	557	$7	149	6
Active Buyers	444	$38,406	71,710	3,404
Planning Buyers	603	$52,258	66,791	2,719
Considering Planning	1035	$10,920	35,305	1,097
Not Planning	822	$0	0	0
Ontario Renter Sample (total)	3461	$17,299	46994	799
Ontario Sample (total weighted)	9828	$17,127	46752	

Table 5 Happiness Factor Analysis

Questions	**Happiness**
I am satisfied with my life	**.939**
In most ways, my life is close to my ideal	**.939**

Table 6 Renter Clusters and Happiness ANOVA

Happiness Index Mean Values F = 12.405 (difference between groups) p <0.001	**N**	**Mean**	**Std. Deviation**	**Std. Error**
Former Buyers	557	.14	.57	.02
Active Buyers	462	.09	.57	.03
Planning Buyers	659	.10	.57	.02
Considering Planning	1058	-.03	.57	.02
Not Planning	822	-.01	.59	.02
Ontario Renter Sample (total)	3559	.04	.58	.01
Ontario Sample (total weighted)	9870	.27	.55	

scoring a zero, very difficult a -1, difficult a -0.5, easy a 0.5, and very easy a 1. Strongly agree was scored a -1, agree was scored a -0.5, disagree was scored a 0.5, and strongly disagree scored a 1.

The question "In the past 12 months, has your household ever skipped or delayed a mortgage or rent payment?" was included in the Factor Analysis but excluded from the resulting index due to a lower fit.

The single dimension has an Eigenvalue of 2.682, and it accounts for 44.7% of the variance. The index created from these variables has a Cronbach's alpha of 0.758. See Table 7.

When combined into an index, the scores range from -1 to 1. Results were statistically significant at the 0.001 level for the ANOVA comparing the index to the clusters. The index had a mean of 0.0206 for the weighted Ontario sample. The higher the score, the more economically resilient a respondent is. All renter results are negative with Former Buyers (-0.087) and Planning Buyers (-0.090) showing the highest scores. Not Planning had the lowest score (-0.174), Considering Planning nearly as low at -0.167, and finally Active Buyers (-0.142). See Table 8.

Neighbourhood Belonging

Belonging to one's neighbourhood provides an important measure of someone's satisfaction with where they are living (Putnam, 1995; Putnam, 2000). Neighbourhood Belonging is measured by a three-question index, the first of which was adapted from Statistics Canada's General Social Survey (the other two are new):

- How would you describe your sense of belonging to your local community?

Table 7 Economic Resiliency Factor Analysis

Questions	**Economic Resiliency**
Never seem to get ahead	**.633**
Too heavily in debt today	**.736**
More to spend on extras	**-.509**
Ability to satisfy nearly all our important desires	**-.772**
Ability to meet financial needs	**.835**
Skipped or delayed a mortgage or rent payment	.432

- My neighbourhood is a place where neighbours help each other.
- I trust the people in my neighbourhood.

The first question respondents' options were very strong, somewhat strong, somewhat weak, or very weak, scored as 1, 0.5, -0.5, and -1, respectively. The last two of these questions were answered using strongly agree, agree, disagree, and strongly disagree, also scored as 1, 0.5, -0.5, and -1.

In addition, two additional questions were included in the Factor Analysis but excluded from the resulting index:

- Generally speaking, would you say most people can be trusted, or you cannot be too careful when dealing with people?
- In the past 12 months, did you do any unpaid volunteer activities? This would include any unpaid help you provided to groups or organizations, such as schools, religious organizations, sports or community associations. Response options were yes or no.

The resulting single dimension has an Eigenvalue of 2.351, and it accounts for 47.0% of the variance. The index created from these variables has a Cronbach's alpha of 0.785. See Table 9.

When combined into an index, the scores range from -1 to 1. Results were statistically significant at the 0.001 level for the ANOVA comparing the index to the clusters. The index had a mean of 0.2916 for the weighted Ontario sample. Former Buyers once again had the highest score amongst renters (0.229), followed by Active Buyers (0.167), Planning Buyers (0.147), Considering Planning (0.130, and Not Planning (0.098). See Table 10.

Disorder

Disorder was used as a proxy for the perceived neighbourhood safety. Though not a perfect fit, the disorder index provides a reasonable approximation for how safe people feel in the neighbourhood (Piscitelli & Doherty, 2018; Piscitelli & Perrella, 2017; St. Jean, 2007; Wilson & Kelling, 1982).

Disorder was explored using a seven-question disorder index, which was adapted from the Statistics Canada General Social Survey. Each of these questions began by asking: In your neighbourhood, how much of a problem are the following issues?

- People hanging around on the streets
- Garbage or litter lying around
- Vandalism, graffiti and other deliberate damage to property or vehicles
- People being attacked or harassed because of their skin colour, ethnic origin or religion
- People using or dealing drugs
- People being drunk or rowdy in public places
- Abandoned buildings

Response options were A big problem/A moderate problem/A small problem/Not a problem. Response options were scored from -1 to 1.

The single dimension has an Eigenvalue of 4.258, and it accounts for 60.8% of the variance. The index created from these variables has a Cronbach's alpha of 0.887. See Table 11.

When combined into an index, the scores range from -1 to 1. Results were statistically significant at the 0.001 level for

Table 8 Renter Clusters and Economic Resiliency ANOVA

Economic Resilience Index Mean Values F = 7.295 (difference between groups) p <0.001	**N**	**Mean**	**Std. Deviation**	**Std. Error**
Former Buyers	554	-.09	.46	.019
Active Buyers	457	-.14	.41	.019
Planning Buyers	660	-.09	.39	.015
Considering Planning	1057	-.17	.39	.012
Not Planning	818	-.17	.43	.015
Ontario Renter Sample (total)	3545	-.14	.41	.006
Ontario Sample (total weighted)	9810	.02	.46	

Table 9 Neighbourhood Belonging Factor Analysis Neighbourhood Belonging Index Mean Values

Questions	**Neighbourhood Belonging**	**Excluded Questions**
Sense of community belonging	**.734**	.196
Neighbours help each other	**.875**	.085
Trust the people in my neighbourhood	**.855**	.123
Unpaid volunteer	-.006	.911
People can be trusted	.328	.533

Table 10 Renter Clusters and Neighbourhood Belonging ANOVA

Neighbourhood Belonging Index Mean Values F = 6.514 (difference between groups) p <0.001	**N**	**Mean**	**Std. Deviation**	**Std. Error**
Former Buyers	557	.23	.45	.019
Active Buyers	461	.17	.50	.023
Planning Buyers	662	.15	.50	.020
Considering Planning	1058	.13	.47	.014
Not Planning	820	.10	.52	.018
Ontario Renter Sample (total)	3558	.14	.49	.008
Ontario Sample (total weighted)	9889	.29	.48	

the ANOVA comparing the index to the clusters. In this index, higher scores indicate individuals' perceived disorder and lower scores (including negative scores) indicate individuals' less perceived disorder. The index had a mean of -0.6262 for the weighted Ontario sample, indicating that most respondents indicated they did not think disorder was a problem in their neighbourhood.

Former Buyers had the lowest score among renters (-0.58), indicating they saw the least disorder in their neighbourhoods, followed by Not Planning (-0.55), Active Buyers (-0.53), Former Buyers (-0.47), and Considering Planning (-0.45). See Table 12.

Home Quality

Measuring renters' satisfaction with their dwellings provides important information on the quality of renters' housing conditions. The quality of housing conditions was measured using two indices. Most of the questions for these indices were replicated from the Statistics Canada Canadian Housing Survey.

Table 11 Disorder Factor Analysis

Questions	**Disorder**
People hanging around on the streets	**.801**
Garbage or litter lying around	**.748**
Vandalism, graffiti and other deliberate damage to property or vehicles	**.810**
People being attacked or harassed because of their skin colour, ethnic origin or religion	**.711**
People using or dealing drugs	**.828**
People being drunk or rowdy in public places	**.850**
Abandoned buildings	**.699**

The first index explored if a home meets the resident's needs. It used two questions, both prompted by the question: How satisfied are you with the following aspects of your dwelling?

- Having enough space overall in your home
- Having enough bedrooms

The second index explored home satisfaction using six questions. It first used the question:

- Overall, how satisfied are you with your dwelling?

It also included five questions prompted by the question, "How satisfied are you with the following aspects of your dwelling?":

- Its condition
- Being safe and secure within the home
- Being energy efficient
- Being able to maintain a comfortable temperature in the winter
- Being able to maintain a comfortable temperature in the summer

Response options for all questions were Very satisfied/ Satisfied/Neither satisfied nor dissatisfied/ Dissatisfied/ Very dissatisfied. Response options were scored from -1 to 1. Lower scores indicated lower satisfaction.

The question, "How satisfied are you with the following aspects of your dwelling? Being affordable," was also included in the Factor Analysis, but was excluded from the final indices created.

Table 12 Renter Clusters and Disorder ANOVA

Disorder Index Mean Values F = 9.262 (difference between groups) p <0.001	**N**	**Mean**	**Std. Deviation**	**Std. Error**
Former Buyers	552	-.58	.43	.0182
Active Buyers	454	-.47	.52	.0243
Planning Buyers	658	-.53	.49	.0192
Considering Planning	1048	-.45	.52	.0160
Not Planning	812	-.55	.46	.0162
Ontario Renter Sample (total)	3524	-.51	.49	.0083
Ontario Sample (total weighted)	9794	-.63	.44	

The first dimension (Home Satisfaction) has an Eigenvalue of 4.226, and it accounts for 47.0% of the variance. The index created from these variables has a Cronbach's alpha of 0.855. The second dimension (Home Meets Needs) has an Eigenvalue of 1.278, and it accounts for 14.2% of the variance. The index created from these variables has a Cronbach's alpha of 0.830. See Table 13.

The two factors (Home Satisfaction/Home Meets Needs) were turned into indices by adding the values together and dividing by the number of variables included (six and two, respectively). The scores, therefore, range from -1 to 1 for each index. Results were statistically significant at the 0.001 level for each ANOVA comparing the indices.

The Home Satisfaction Index had a mean of 0.4508. Once again, Former Buyers (0.384) had the highest score, followed by Not Planning (0.322), Planning Buyers (0.312), Considering Planning (0.304), and Active Buyers (0.285). See Table 14.

The Home Meets Needs index had a mean of 0.5211. The order of cluster groups in the Home Meets Needs Index was the same as the Home Satisfaction Index. The highest score was Former Buyers (0.471), followed by Not Planning (0.421), Planning Buyers (0.287), Considering Planning (0.300), and Active Buyers (0.237). See Table 15.

Institutional Trust

Individuals' support for civic and societal institutions provides a sense of their support for civil society (Putnam, 2000). A measure of institutional trust was included speculatively to explore if clusters of renters differed on levels of trust.

Institutional trust was measured using six questions, mostly adapted from the Canadian Election Study. All the questions were prompted by asking the respondent to: Please indicate how much confidence you have in the following institutions:

- Public Schools
- The Courts
- The civil service
- Unions
- The federal government
- The media

Response options for all questions were A great deal/Quite a lot/Not very much/None at all. Response options were scored from -1 to 1.

Two questions, asking about trust in the Armed Forces and banks, were included in the Factor Analysis but excluded from the final index.

The single dimension has an Eigenvalue of 3.773, and it accounts for 47.2% of the variance. The index created from these variables has a Cronbach's alpha of 0.829.

The second dimension had an Eigenvalue of 1.000, and it accounts for 12.5% of the variance. The Cronbach's alpha for the second was only 0.518, and the two questions were a poor conceptual fit on their own; as such, they were not turned into an index. See Table 16.

When combined into an index, the scores range from -1 to 1. The index had a mean of -0.0353 for the weighted Ontario sample. Results were statistically significant at the 0.05 level for the ANOVA comparing the index to the clusters.

All groups of renters had mean levels of trust below zero, as did the Ontario sample (-0.035). The highest levels of trust

Table 13 Home Quality Factor Analysis

Satisfaction Questions	Satisfaction Index	Meets Needs Index
Dwelling overall	**.620**	.510
Having enough space	.158	**.877**
Having enough bedrooms	.096	**.884**
Being affordable	.296	.428
Its condition	**.715**	.374
Being safe and secure	**.635**	.313
Being energy efficient	**.779**	.083
Maintain a comfortable temperature in the winter	**.799**	.103
Maintain a comfortable temperature in the summer	**.750**	.152

Table 14 Renter Clusters and Home Satisfaction ANOVA

Home Satisfaction Index Mean Values F = 4.803 (difference between groups) p <0.001	**N**	**Mean**	**Std. Deviation**	**Std. Error**
Former Buyers	543	.38	.39	.0169
Active Buyers	452	.28	.41	.0194
Planning Buyers	654	.31	.42	.0164
Considering Planning	1045	.30	.39	.0120
Not Planning	808	.32	.40	.0141
Ontario Renter Sample (total)	3502	.32	.40	.0068
Ontario Sample (total weighted)	9718	.45	.37	

Table 15 Renter Clusters and Home Meets Needs ANOVA

Home Meets Needs Index Mean Values F = 20.290 (difference between groups) p <0.001	**N**	**Mean**	**Std. Deviation**	**Std. Error**
Former Buyers	556	.47	.50	.0213
Active Buyers	462	.24	.56	.0262
Planning Buyers	660	.29	.58	.0227
Considering Planning	1055	.30	.53	.0162
Not Planning	821	.42	.52	.0182
Ontario Renter Sample (total)	3554	.34	.54	.0091
Ontario Sample (total weighted)	9831	.52	.50	

were among Planning Buyers (-0.019), followed by Active Buyers (-0.025), Considering Planning (-0.033), Former Buyers (-0.080), and Not Planning (-0.086). See Table 17.

Discussion

The five groups of Ontario renters identified through factor analysis and cluster analysis provide a classification system which can allow further analysis. A snapshot of Ontario renters in 2024 provides a glimpse of attitudes and challenges facing renters experiencing a dramatic increase in housing and rental prices (Tranjan, 2023; Moffatt, 2021a).

The group identified as Former Buyers are older individuals who have purchased in the past or explored purchasing and now rent. Amongst the renters, this group is the happiest, most economically well off, has the strongest sense of

Table 16 Trust Quality Factor Analysis

Questions	Trust	Excluded Questions
Public Schools	**.690**	.304
The Courts	**.596**	.506
The Civil Service	**.729**	.376
Unions	**.829**	-.177
The Media	**.508**	.425
The Federal Government	**.636**	.413
The Armed Forces	.086	**.775**
Banks	.205	**.733**

Table 17 Renter Clusters and Trust ANOVA

Institutional Trust Index Mean Values F = 3.179 (difference between groups) p <0.05	**N**	**Mean**	**Std. Deviation**	**Std. Error**
Former Buyers	551	-.08	.44	.0190
Active Buyers	459	-.03	.48	.0224
Planning Buyers	660	-.02	.48	.0187
Considering Planning	1050	-.03	.47	.0144
Not Planning	815	-.09	.45	.0156
Ontario Renter Sample (total)	3535	-.05	.46	.0078
Ontario Sample (total weighted)	9811	-.0353	.47	

belonging to their neighbourhood, is the most satisfied with their homes, perceives the lowest levels of disorder, but has the second lowest level of institutional trust. Former buyers are the group of Ontario renters who are most likely to be renting by choice, not due to an inability to afford a home. These individuals are the least likely to face adverse consequences associated with rising housing prices.

In contrast, the Not Planning group is the second oldest but has the lowest levels of happiness, economic resiliency, belonging to their neighbourhood, home satisfaction, and institutional trust. This group has the second-lowest disorder score (meaning they do not see disorder as a problem in their area). The Not Planning group is the group of renters who are the most likely to believe they will never own a home. While it is important not to discount renters as having failed in society, those who are unable to purchase a home are less economically resilient, and they do not have access to the equity in a home as a source of wealth in retirement (Tranjan, 2023). Those in the Not Planning group are the most vulnerable to these consequences.

Active Buyers are individuals who are planning to buy and have taken steps, such as securing pre-approval on a mortgage, to begin to find a home to purchase. The analysis indicates this group is predicted to be the closest to purchasing a home, but they only have the second-highest down payment saved. Active Buyers are right in the middle of multiple categories. They are the third oldest group and the third happiest. They were also third in economic resilience, perceptions of disorder, home satisfaction and institutional trust. They are the second highest in neighbourhood belonging. Active Buyers, as the group that is likely the closest to purchasing a home, warrant attention to understand if they are able to access the housing market or if rising housing prices delay their entry.

Planning Buyers plan to purchase a home but have yet to take active steps. They have the largest down payment, are the youngest, and are the top three in all indices. Planning Buyers scored highest in institutional trust and are tied for having the most economic resiliency, and second in happiness and neighbourhood belonging. The Planning Buyers group are particularly interesting as they have saved higher down payments than those in the Active Buyers group. The

question of why these individuals are not trying to purchase a home remains unanswered. Do these individuals feel they need to save more for some specific reason? Do these individuals lack access to family supports that would facilitate purchasing a house? Are they waiting for housing prices to drop? Unfortunately, the data in the study does not lead to a clear answer to these questions.

Considering Planning are individuals who may or may not someday purchase a home. They have the third-highest down payment but are also the second youngest group. Considering Planning is fourth in happiness, economic resiliency, neighbourhood belonging, and home satisfaction. They perceive the lowest levels of disorder and have the third-highest levels of institutional trust. The Considering Planning buyers' age suggests these are individuals who have started to think about purchasing a home but have yet to take active steps to make this a reality. These individuals are likely at a life stage where purchasing a home is not financially feasible without significant family support. How easily these individuals can enter the housing market will be at least partially dependent on the trajectory of housing prices over the next decade. See Table 18.

Conclusion

The Canadian housing market, including the province of Ontario, has seen a long-running trend of increasing prices. Against this backdrop, a survey of Ontarians with an oversampling of renters allowed for the identification of five groups of renters by using a factor analysis followed by a cluster analysis—a common approach used in other settings to group individuals (Varady & Lipman, 1994; Gibler & Tyvimaa, 2014).

The five groups identified were logically consistent. Former Buyers are older individuals who have purchased in the past or explored purchasing and now rent. Active Buyers are individuals who are planning to buy and have taken steps, such as securing pre-approval on a mortgage, to begin to find a home to purchase. Planning Buyers plan to purchase a home but have yet to take active steps. Considering Planning are individuals who may or may not someday purchase a home. Finally, Not Planning are individuals who do not believe they will ever own a home.

Comparing these five groups of renters to one another using ANOVAs provided a baseline understanding of the experiences and perceptions of renters. Future analysis should build on these results by tracking how renters navigate the challenges in the Ontario housing market.

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Table 18 Renter Clusters and Means Compared

Group	Age	Down pay	Happy	Econ	Belong	Dis-order	Home Satis.	Home Need	Trust
Former Buyers	58.31	7	.14	-.09	.23	-.58	.38	.47	-.08
Active Buyers	42.12	38,406	.09	-.14	.17	-.47	.28	.24	-.03
Planning Buyers	34.37	52,258	.10	-.09	.15	-.53	.31	.29	-.02
Considering Planning	34.82	10,921	-.03	-.17	.13	**-.45**	.30	.30	**-.03**
Not Planning	46.27	0	-.01	-.17	.10	-.55	.32	.42	-.09
All Renters	41.97	17,299	.04	-.14	.15	-.51	.32	.34	-.05
All Ontario	49.5	17,127	.27	.02	.29	-.63	.45	.52	-.04

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