

CANADIAN HOUSING OBSERVER 2009



with a feature on
**Affordable
Housing**



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A Message from Karen Kinsley, President and CEO of Canada Mortgage and Housing Corporation

I am delighted to present the *2009 Canadian Housing Observer*, the flagship publication of Canada Mortgage and Housing Corporation (CMHC). This 7th edition of the *Observer* provides an in-depth review of housing conditions and trends in Canada and describes the key factors that influence these developments.

This year, the *Observer* also offers a number of special features. For instance, it includes a detailed examination of affordable housing and many examples of such initiatives. This examination underscores the myriad of ways that affordable housing benefits Canadians—from improved health and longer life spans to better access to community resources and opportunities.

In addition, there are projections of the long-term growth of households in Canada in the chapter on Demographic and Socio-economic Influences on Housing Demand. Since households represent the largest component of the demand for housing, this statistical intelligence should prove invaluable to housing and community planners, researchers and policy makers.

The Sustainable, Healthy Communities chapter, which concentrates on the links between community planning and the well-being of the people living in these communities, is focused on water-sensitive urban design and water efficiency practices.

As well, the 2009 *Observer* includes an update on CMHC's EQUilibrium™ Housing and Communities initiatives. These national initiatives are bringing the private and public sectors together to build healthy homes and sustainable communities that are energy-efficient, resource conscious and environmentally sustainable.

I would like to thank everyone who contributed to this edition. We strive to make the *Observer* a highly useful and relevant guide to many people throughout the private, non-profit and government sectors. This includes educators and students, home builders and renovators, and housing finance and real estate professionals. We welcome all of your comments and suggestions on how we can improve future editions¹.

Please note that CMHC's website offers a broad range of statistical information on housing conditions from national, regional and local perspectives. Updated throughout the year, this data includes the latest information from the 2006 Census and can be accessed through our *Housing in Canada Online* tool (HiCO).

As Canada's national housing agency for 63 years, all of us at CMHC are proud of our role in helping to provide Canadians with quality, environmentally friendly and affordable housing. And we trust that the *2009 Canadian Housing Observer* will provide you with a wealth of information and insight on this vital economic sector.



A stylized, handwritten signature in black ink, appearing to read 'Karen Kinsley'.

Karen Kinsley
President and CEO, CMHC

¹ Please address your comments and suggestions to Canadian Housing Observer, Policy and Research, CMHC, 700 Montreal Road, Ottawa, ON K1A 0P7 or to sbaynes@cmhc.ca.

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Affordable Housing

- The private sector, the not-for-profit sector and all levels of government are re-thinking how housing is produced, especially for low-income families and individuals, in order to create affordable housing and ensure it remains affordable over the years.
- The private sector has developed a wide range of tools to produce affordable housing. These range from direct support to tenants or homeowners through subsidies, interest-free loans and second mortgages to measures aimed at reducing the overall cost of housing by creative design, leasing land, infill housing projects, as well as renovation or conversion of existing buildings.
- Many non-profit organizations are becoming more entrepreneurial and seeking ways to provide affordable housing without on-going government support. For example, the Habitat for Humanity model is based on the concept of “partnership housing” where the potential homeowners contribute sweat equity and work alongside community volunteers and businesses to build the home. Originally focusing on single family units, the organization has expanded its focus to include partnerships with developers of multi-residential units.
- Some municipal governments are adopting a variety of approaches to increase the supply of affordable housing. These include affordable housing policies, housing trust funds, donating land for affordable housing, changing zoning, allowing density bonusing, accelerating the approval process and reducing or waiving municipal fees.
- The federal and provincial/territorial governments encourage and facilitate the involvement of other government and non-government players in the creation of affordable housing. Federal/provincial agreements are flexible enough to allow for innovative ideas, as well as financial and in-kind contributions from different stakeholders.
- Under the Affordable Housing Initiative, the federal government, through Canada Mortgage and Housing Corporation, provides contributions to increase the supply of affordable housing. As of December 31, 2008, more than 41,000 units had been completed under this initiative.
- CMHC provides financial support for renovation, rehabilitation and repair to preserve the stock of affordable and suitable housing for homeowners and landlords who are providing housing for low-income families and individuals. The programs include the Residential Rehabilitation Assistance Program, the Emergency Repair Program, Home Adaptations for Seniors’ Independence and the Shelter Enhancement Program.
- CMHC supports and encourages the creation of affordable housing through its Affordable Housing Centre which provides guidance and expertise to help those seeking to create affordable housing.



Demographic and Socio-economic Influences on Housing Demand

- Projections of household growth, spanning the period of 2007 to 2036, were developed. While not forecasts, they provide a variety of scenarios at the national level which illustrate the impacts of alternative assumptions of how different extrapolations of past trends of key factors could affect future population and household growth.
- Household growth, the largest component of the demand for housing, has played a key role in the expansion of Canada's residential construction sector over the past three decades.
- Since the size and age composition of the population are the main factors contributing to household growth, the aging of Canada's population over the next three decades will have important implications for home builders, mortgage lenders, government policy makers and other housing market participants.
- Immigration has been a key factor influencing population growth in Canada and will become increasingly important in the coming decades as the age-structure of the population shifts more decisively in favour of older Canadians.

Current Market Developments

- Housing starts in Canada were above the 200,000 unit level for the seventh consecutive year in 2008. Overall, housing starts totalled 211,056 units over the course of 2008, a decrease of 7.6 per cent from 2007.
- Sales of existing homes through the Multiple Listing Service® (MLS®) totalled almost 434,000 units. Because housing demand moderated in the latter part of 2008, balanced to buyers' market conditions have become prevalent throughout most of Canada. An increasing inventory of existing homes combined with lower demand helped to push the average MLS® price down slightly by 0.7 per cent to \$303,607 in 2008.

- Gains in new construction were recorded in Newfoundland and Labrador (23.1 per cent), Saskatchewan (13.7 per cent), Ontario (10.2 per cent), and New Brunswick (0.8 per cent). Decreases were recorded in Alberta (-39.7 per cent), Nova Scotia (-16.2 per cent), British Columbia (-12.4 per cent), Prince Edward Island (-5.1 per cent), Manitoba (-3.5 per cent), and Quebec (-1.3 per cent).
- In the relatively more affordable multiple-family housing segment, starts increased by 7.7 per cent to 117,854 units. Multiple starts accounted for about 56 per cent of total starts in 2008, up from 48 per cent in 2007.
- The national apartment vacancy rate in the purpose-built rental market for existing units decreased slightly to 2.3 per cent in October 2008 compared to 2.6 per cent in October 2007.
- Renovation spending continued to trend upward. The sustained performance of the housing market, employment and income growth, and very low interest rates have contributed to the strength in renovation spending in recent years.

Housing Finance

- Canada's housing finance system has not been immune to the global crisis, but comparatively has exhibited remarkable resiliency. Vulnerability of Canadian banks has been limited by their high capitalization, the small sub-prime sector in Canada, prudent underwriting, and the fact that mortgages in excess of 80 per cent require mortgage insurance by legislation.
- Several important new policies were put in place during 2008 with a view to ensuring the continued resilience of Canada's housing finance system during this period. Government initiatives focused on freeing up funding to strengthen and protect Canada's housing markets and housing finance system.

- In October 2008, the Government of Canada committed to the purchase of up to \$25 billion in insured mortgage pools through CMHC, in order to maintain the availability of longer-term credit for consumers, homebuyers and businesses in Canada. The commitment was subsequently increased to a total of \$75 billion in November 2008, and by a further \$50 billion in the Federal Budget, Canada's Economic Action Plan, for a total of \$125 billion.
- Five-year government bond yields declined almost 300 basis points from July 2007 to December 2008, but the five-year fixed mortgage rate fell only 33 basis points—resulting in a more than doubling in the differential with the bond rate. The decline in mortgage rates was relatively modest because there were increases in some funding costs for lenders.
- The widening differential between fixed- and variable-rate mortgages pushed the percentage opting for variable rates up to a record 48 per cent among those taking out or renewing mortgages in the third quarter of 2008.
- Fewer home sales and declining house prices brought about a modest slowing in the growth of total mortgage credit in 2008. The total outstanding mortgage credit reached \$903 billion as of December 2008, up 10.3 per cent from twelve months earlier, compared with a corresponding increase of 12.3 per cent for the same period a year before.
- In July 2008, the Government of Canada announced an expansion of the Canada Mortgage Bond program to include a bond with a 10-year maturity in addition to the previously available 5-year maturity. This further facilitated cost-effective funding to Canadian mortgage lending institutions.
- While mortgage arrears remained very low by historical standards, there was a small increase in the annual average level in 2008 to 0.28 per cent, from 0.26 per cent in 2007. By December 2008, 0.33 per cent (12,919) of Canadian residential mortgages were three or more months in arrears, compared with 0.26 per cent (9,709) twelve months earlier.

Sustainable, Healthy Communities and Water

- A number of provinces (e.g. Nova Scotia, Ontario, Saskatchewan, and British Columbia) have already included, or are in the process of including, water efficiency in both their provincial water strategies and building code regulations.
- Water-Sensitive Urban Design or Low-Impact Development is a form of urban design that integrates urban planning with the protection and conservation of the water cycle.
- Rainwater harvesting and greywater reuse are two alternate water sources being utilized for non-drinking purposes in Canadian homes (e.g. toilet flushing, landscape irrigation). Ontario's building code now permits greywater reuse, while other provinces (Nova Scotia, Saskatchewan, and British Columbia) are taking steps towards its inclusion.
- There are several water efficiency measures that municipalities and homeowners can implement: water-efficient toilets, low-flow showerheads, low-maintenance lawns, water-efficient appliances and, where permitted, rainwater harvesting, stormwater harvesting and greywater reuse.
- Awareness of water efficiency has increased due to the inclusion of water efficiency requirements, or credits, in residential energy programs and performance rating systems.
- A number of recent initiatives and standards will support water reuse by addressing water quality, plumbing and treatment performance.

Recent Trends in Affordability and Core Housing Need

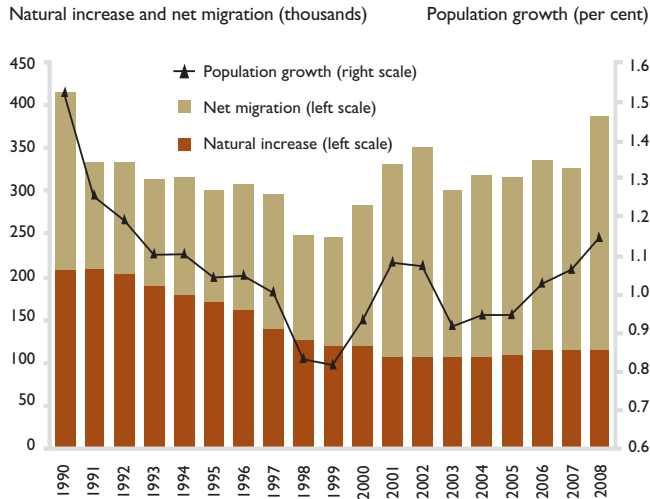
- Healthy economic conditions in the first half of the 2000s propelled the improvement of Canadians' housing conditions. Based on data from the Census, the incidence of core housing need decreased one percentage point, from 13.7 per cent in 2001 to 12.7 per cent in 2006. Some 10.3 million households either lived in, or had sufficient income to access, acceptable housing. This trend is in line with estimates of urban core housing need based on the annual *Survey of Labour and Income Dynamics (SLID)* for the years 2002 to 2006.
- Following the national trend, most regions in the country experienced improvements in core housing need between 2001 and 2006. Those provinces with the largest improvement in their housing conditions—reductions in their respective incidences of core housing need—were Nova Scotia (-3.1 percentage points), Quebec (-1.9 percentage points), British Columbia (-1.2 percentage points) and Nunavut (-1.5 percentage points).
- Most (28 out of 33) Census Metropolitan Areas (CMAs) experienced a decrease in their respective incidences of core housing need between 2001 and 2006. Those that experienced declines of two or more percentage points were: Brantford (-4.5), Saguenay (-3.0), Québec (-3.0), Halifax (-2.7), Sherbrooke (-2.5), Greater Sudbury (-2.4), Kingston (-2.3) and Calgary (-2.2). As in 2001, at 19 per cent and 17 per cent respectively, Toronto and Vancouver had the highest incidences of core housing need among all CMAs in 2006.
- Between 2001 and 2006, both homeowners and renters experienced a decrease in their respective incidences of core housing need. While homeowners had a slight decrease of 0.3 percentage point, renters showed a larger decline of 1.1 percentage points. Even with such a decline, renters, at 27.2 per cent, remained much more likely to be in core housing need than homeowners, at 6.3 per cent, in 2006.
- Between 2001 and 2006, all household types had a decline in their incidences of core housing need. Lone-parents (-2.7 percentage points) and non-family households (-2.5 percentage points) experienced the largest decreases. Despite these reductions, lone-parent and non-family—mostly one-person—households experienced the highest incidences of core housing need (at 26.5 per cent and 21.1 per cent, respectively) in 2006. Non-family households continued to account for the largest share of households in core housing need. While representing only 30 per cent of all households, non-family households accounted for almost 50 per cent of households in core housing need.
- Despite experiencing a decrease in their incidence of core housing need from 16.9 per cent in 2001 to 14.4 per cent in 2006, senior households (whose primary maintainer is 65 years of age or older) continued to account for about one-quarter (24.7 per cent) of all households in core housing need in 2006.
- The incidence of core housing need for recent immigrant households was 35.4 per cent in 2006, a reduction of 0.6 percentage points from 2001. Their incidence of core housing need was more than three times higher than that of non-immigrant households in 2006.
- Off-reserve Aboriginal households experienced a decrease in their incidence of core housing need from 24.0 per cent in 2001 to 20.4 per cent in 2006. Despite this decrease, the share of off-reserve Aboriginal households among households in core housing need increased from 4.8 per cent in 2001 to 5.5 per cent in 2006.
- In 2006, at 51.0 per cent, low-income households were almost five times more likely to be in core housing need than households with moderate incomes, at 11.2 per cent. Low-income households faced a much larger affordability burden than moderate-income households.

Housing Research

- Housing research may be described as the systematic investigation into housing-related subjects to expand knowledge, strengthen the sector and improve quality of life. Research topics can range from specific issues such as building materials or water-efficient fixtures for the home to broader socio-cultural issues such as homelessness or housing options for seniors.
- More than one-third of housing researchers in Canada are academics based in university settings. They include a wide variety of socio-economic, building science, planning and design disciplines.
- Community-based research takes place in community settings and involves community members as active participants in the design and/or in the implementation of research projects. Typically, community-based research involves a partnership between communities or community organizations and academic researchers.
- Community Based Research Canada is a network of Canadian universities, research networks and community organizations engaged in community-based research to meet the needs of people and communities. It is intended to enable and empower citizens across Canada to access, produce, and put into action knowledge that will make their communities more sustainable, fairer, safer, healthier, and prosperous.
- The National Housing Research Committee was established in 1986 as a forum for the exchange of information among various levels of government, industry and organizations with an interest in housing research. Its membership includes representatives from the wide range of stakeholders who conduct, use or sponsor housing research.
- Aboriginal housing research is conducted and commissioned by CMHC, Indian and Northern Affairs Canada, Aboriginal associations including the Assembly of First Nations, the Congress of Aboriginal Peoples, Inuit Tapirisat Canada, the Métis National Council, the Native Women's Association of Canada, and the National Aboriginal Housing Association of Canada, and others.
- For governments at all levels, housing research can guide program and policy development, including the setting of standards and guidelines, as well as helping to increase the accountability and efficiency of spending. Housing research also enables social service providers and agencies to better target and shape the way they provide their help.

1

IMMIGRANTS ARE INCREASINGLY IMPORTANT TO CANADIAN POPULATION GROWTH



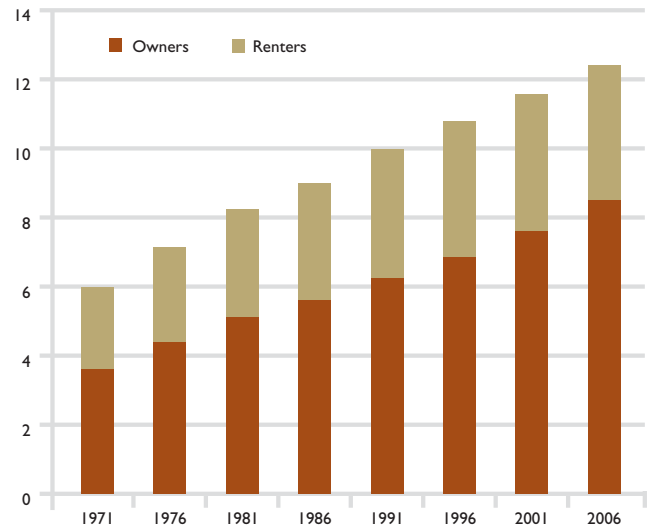
Data are for 12-month period ending on June 30 of stated year. Net migration is the difference between population growth and natural increase. Natural increase is the difference between births and deaths.

Source: CMHC, adapted from Statistics Canada (CANSIM)

2

HOMEOWNERSHIP GROWING

Number of households (millions)

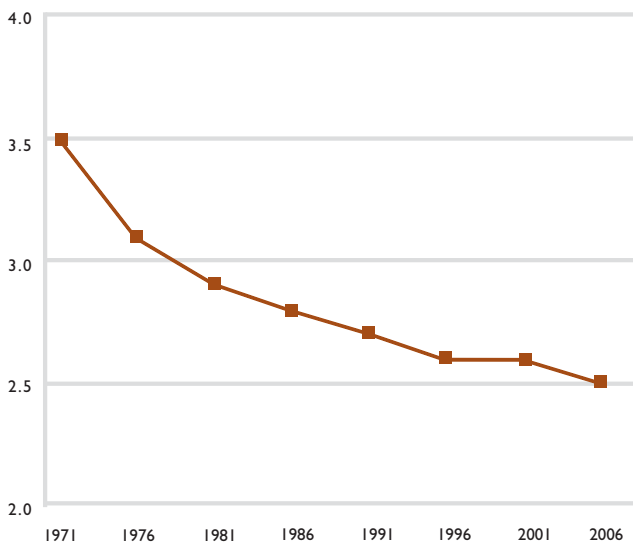


Source: CMHC, adapted from Statistics Canada (Census of Canada)

3

AVERAGE HOUSEHOLD SIZE CONTINUES TO DROP

Persons per household

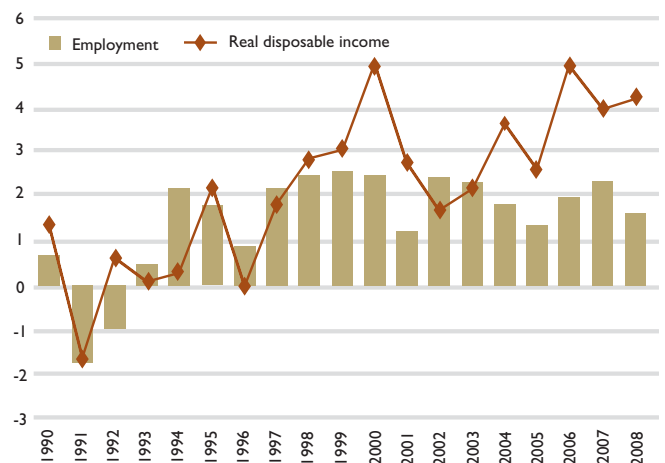


Source: Statistics Canada (Census of Canada)

4

EMPLOYMENT AND REAL DISPOSABLE INCOME GREW IN DECADE TO 2008

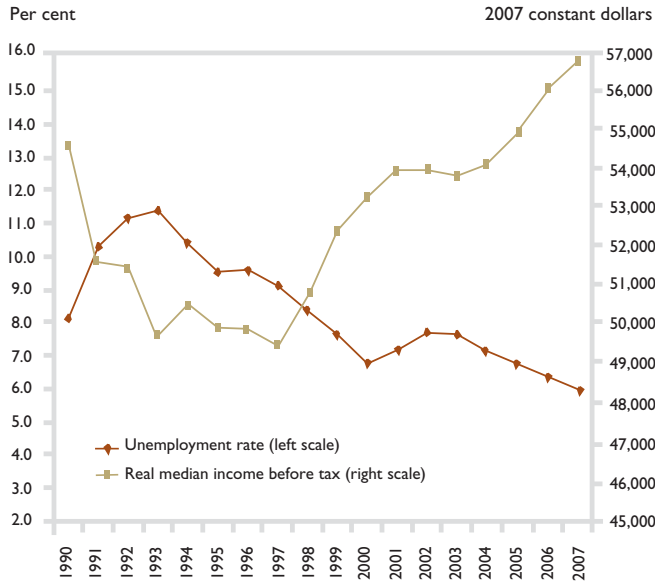
Annual growth (per cent)



Employment growth calculated from average monthly employment during the year. Income growth based on quarterly average during the year. Real disposable income = disposable income/consumption deflator.

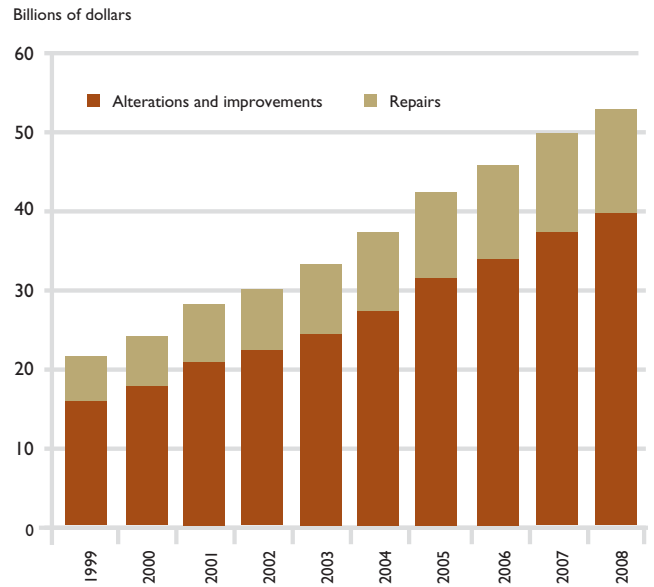
Source: CMHC, adapted from Statistics Canada (CANSIM)

5 HOUSEHOLD REAL MEDIAN INCOME BEFORE TAX GREW WHILE UNEMPLOYMENT RATE DROPPED



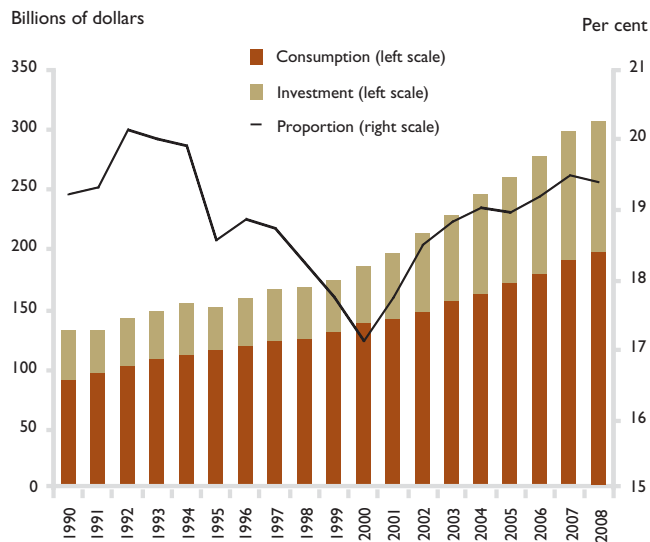
Source: Statistics Canada Survey of Consumer Finances (1990-1995), Survey of Labour and Income Dynamics (1996-2007), Labour Force Survey (1990-2007)

6 RENOVATION ACTIVITY CONTINUED TO INCREASE



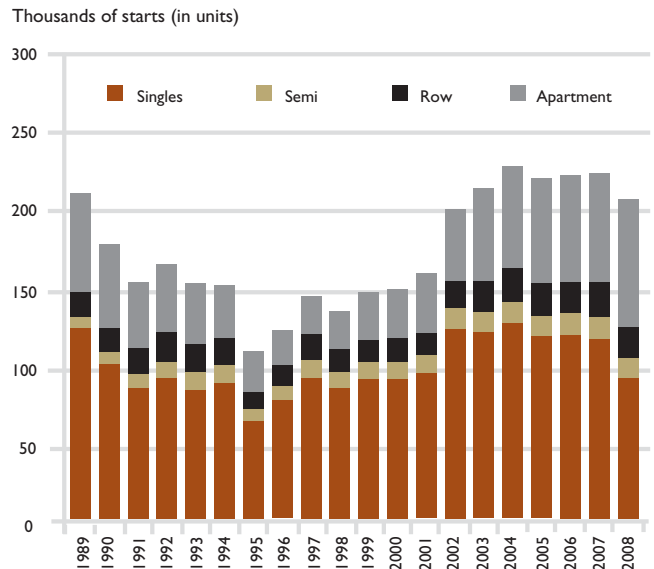
Source: Statistics Canada, CANSIM

7 HOUSING-RELATED SPENDING, LEVEL AND PROPORTION OF GDP CONTINUED TO RISE



Source: CMHC, adapted from Statistics Canada (National Accounts)

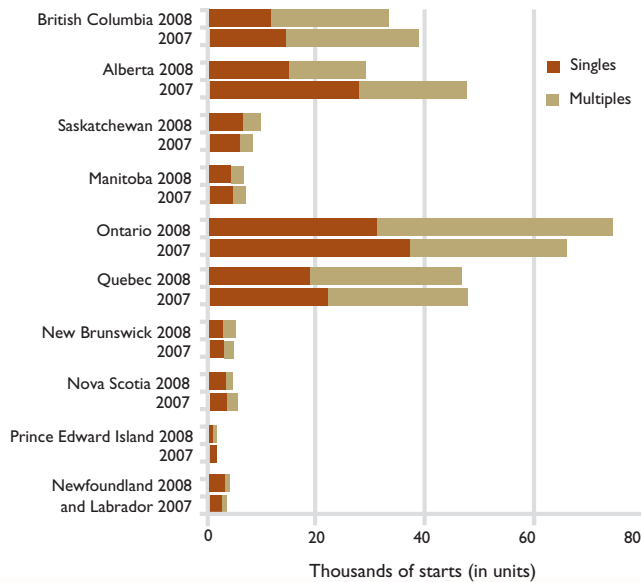
8 SINGLE HOUSING STARTS DECLINED IN 2008 WHILE APARTMENT STARTS INCREASED



Source: CMHC (Starts and Completions Survey)

9

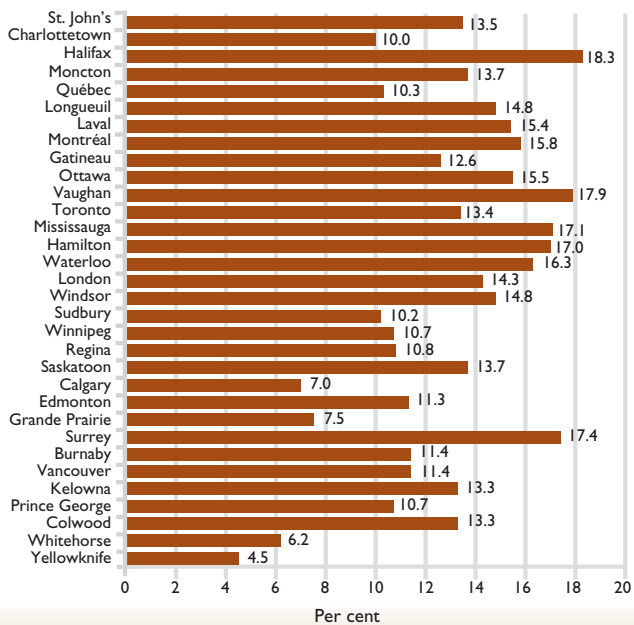
HOUSING STARTS FELL IN MANY PROVINCES IN 2008



Source: CMHC (Starts and Completions Survey)

10

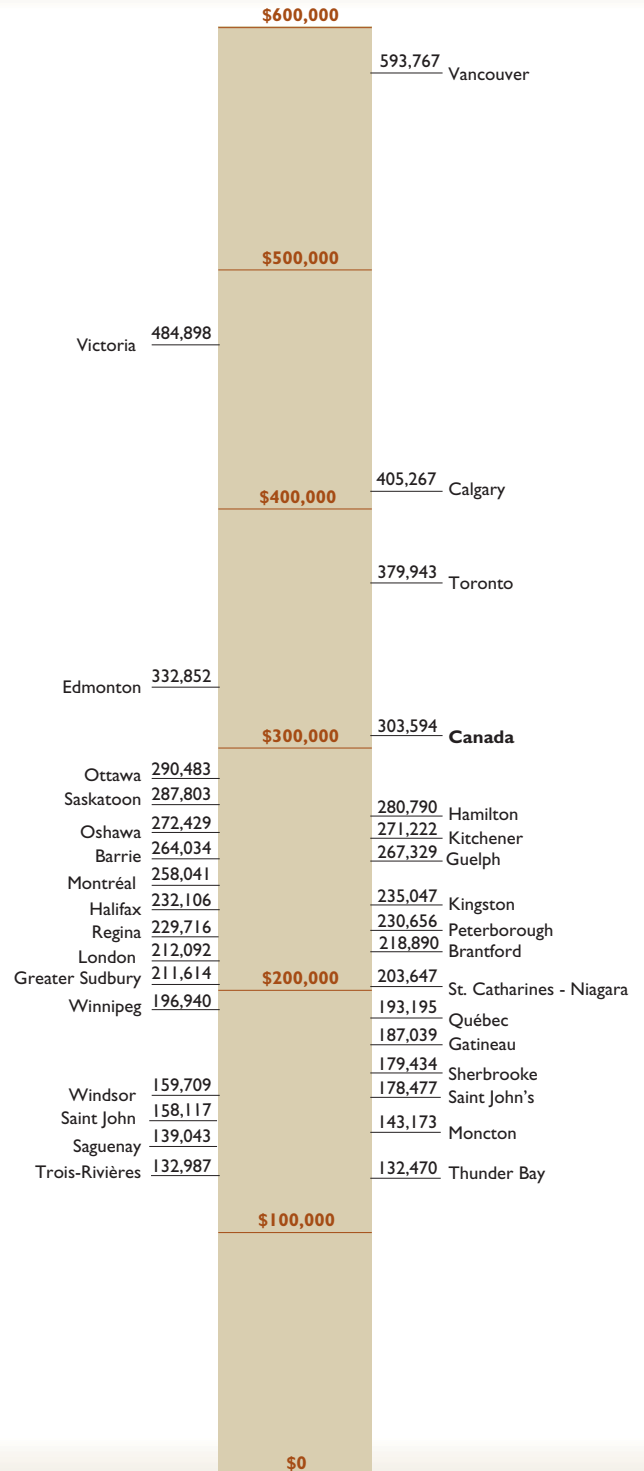
TOTAL GOVERNMENT IMPOSED CHARGES ON SINGLE-DETACHED DWELLINGS VARIED IN 2006



Source: CMHC (Government-Imposed Charges on New Housing) September 2007, p.3

11

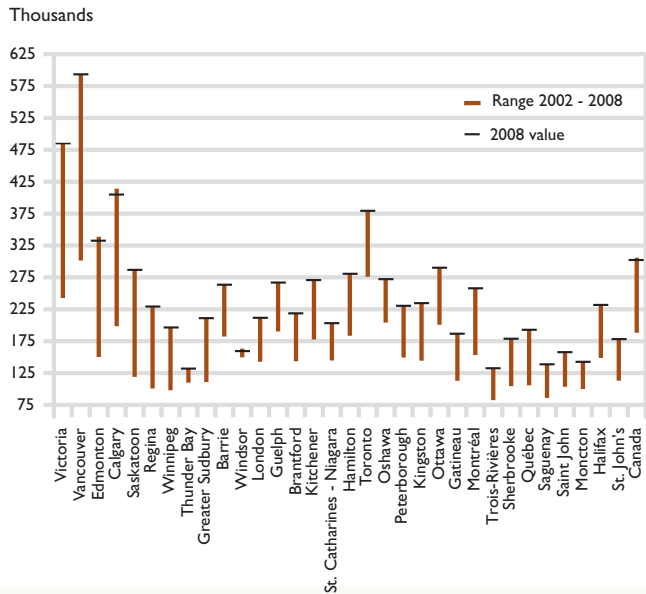
AVERAGE RESALE MLS® HOUSING PRICES VARIED ACROSS CANADA IN 2008



Source: Canadian Real Estate Association (CREA)
MLS® is a registered trademark of CREA.

12

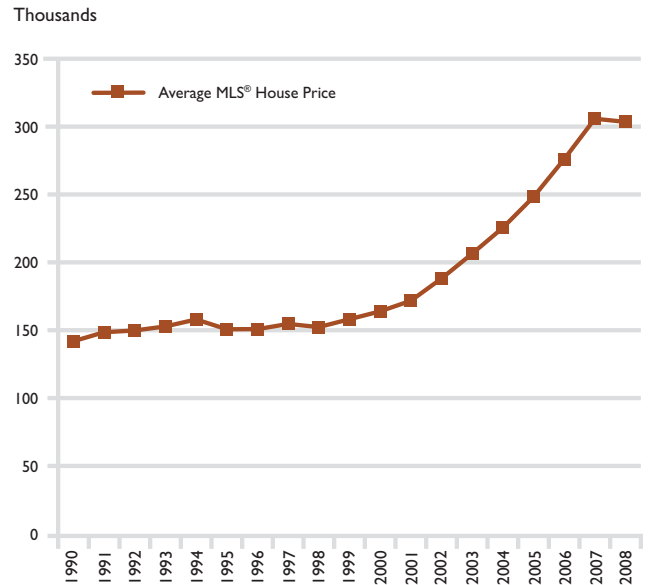
MLS® RESALE HOUSING PRICES IN MOST SELECTED URBAN CENTRES REMAINED HIGH IN 2008



Source: Canadian Real Estate Association (CREA)
MLS® is a registered trademark of CREA.

13

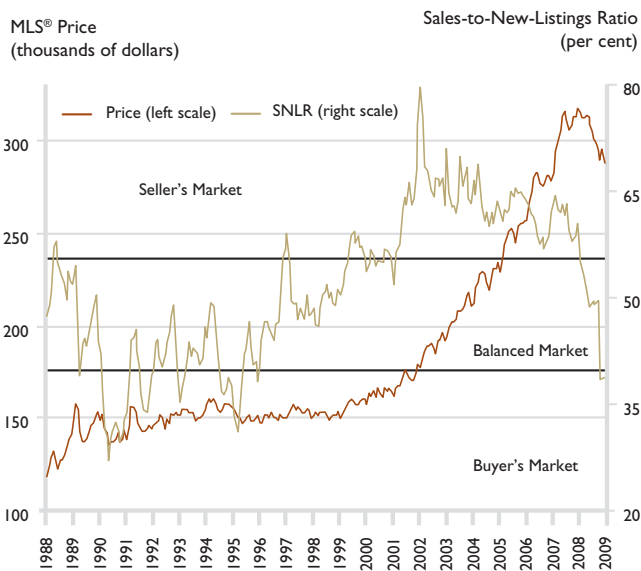
AVERAGE HOUSE PRICES IN CANADA LEVELLED OFF IN 2008



Source: Canadian Real Estate Association (CREA)
MLS® is a registered trademark of CREA.

14

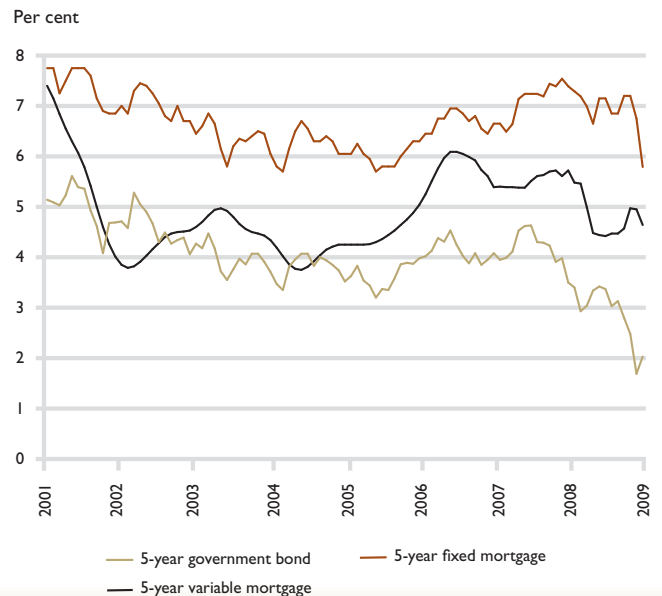
RESALE MARKET CONDITIONS SHIFTED IN FAVOUR OF BUYERS IN 2008



Source: Canadian Real Estate Association (CREA)
MLS® is a registered trademark of CREA.

15

MORTGAGE RATES AND FIVE-YEAR GOVERNMENT BOND YIELDS DECLINED IN 2008

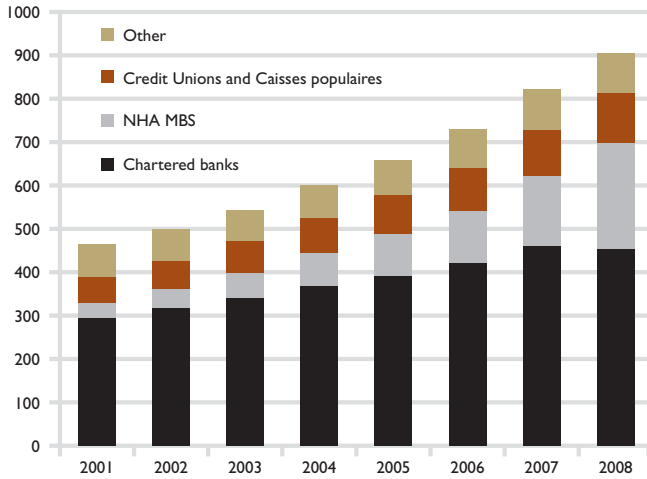


Source: CMHC, Bank of Canada, CANNEX

16

RESIDENTIAL MORTGAGE CREDIT OUTSTANDING CONTINUED TO GROW IN 2008

Billions of dollars



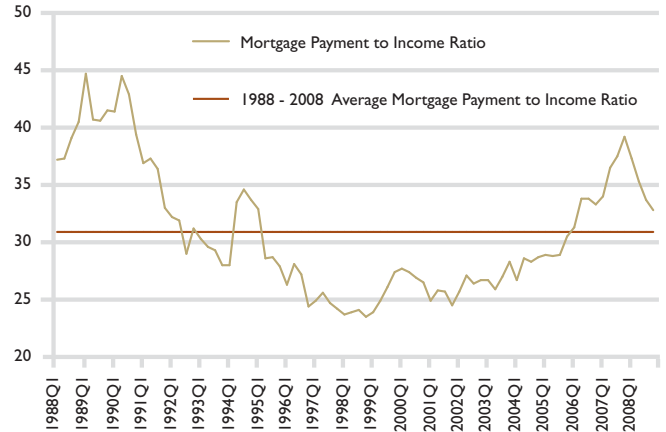
Includes trust and mortgage loan companies, life insurance companies, pension funds, special purpose corporations, non-depository credit intermediaries and other financial institutions.

Source: CMHC and adapted from Bank of Canada

17

THE RATIO OF MORTGAGE PAYMENTS TO DISPOSABLE INCOME FELL IN EARLY 2008

Per cent



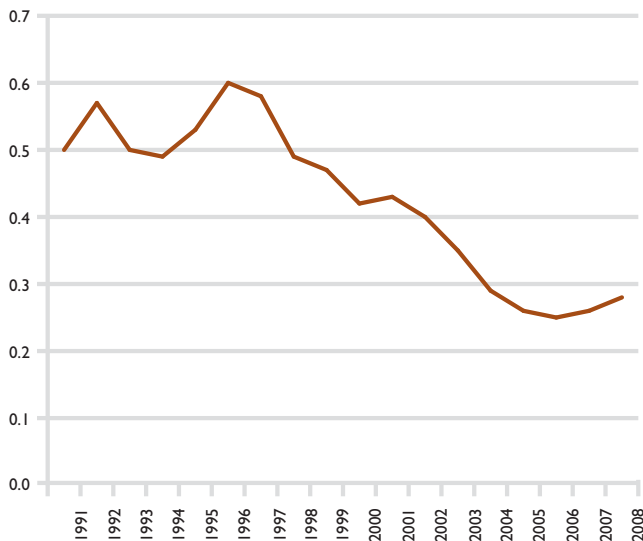
The monthly mortgage payment is calculated using the prevailing average MLS® price and the five-year fixed posted mortgage rate prevailing in each period, assuming a 25 per cent down payment and 25 year amortization. The income figure is personal disposable (after tax) income per worker.

Source: CMHC, adapted from Statistics Canada (CANSIM), unpublished data, and CREA (MLS)® MLS® is a registered trademark of CREA.

18

CANADIAN RESIDENTIAL MORTGAGES THREE MONTHS OR MORE IN ARREARS TRENDED UPWARDS IN 2008

Per cent

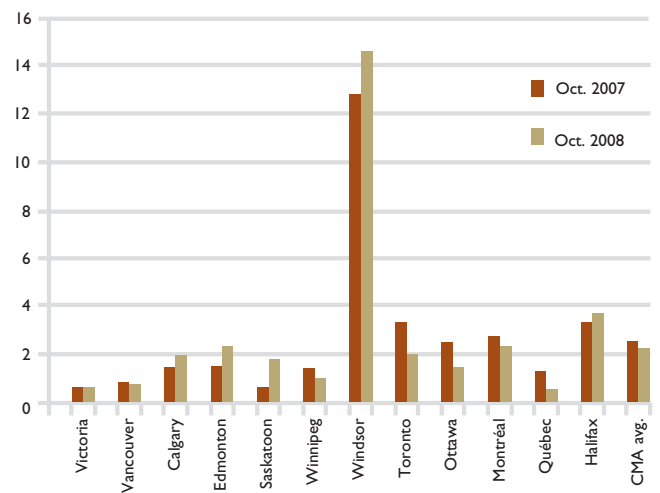


Source: Canadian Bankers Association

19

AVERAGE PRIVATE APARTMENT VACANCY RATES REMAINED LOW IN MOST URBAN CENTRES

Per cent

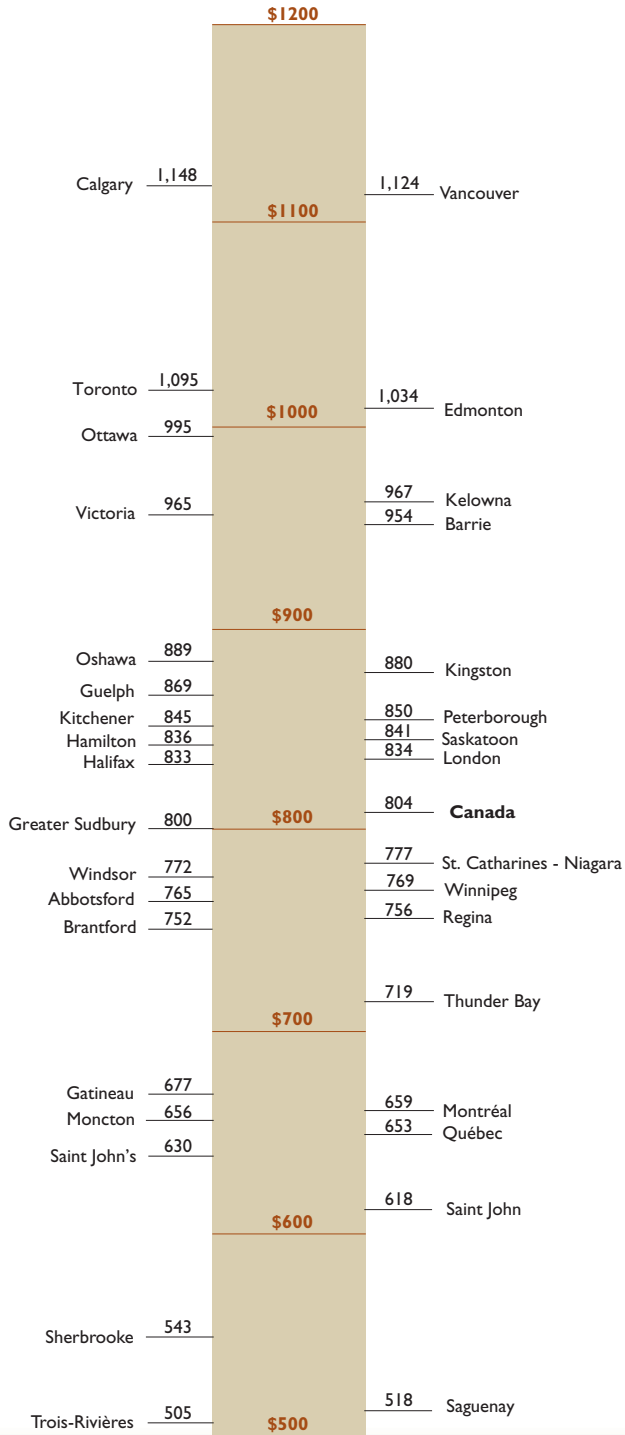


Vacancy rates are for privately initiated apartment structures of three or more units. CMA average is the weighted average of the rates in 34 Census Metropolitan Areas.

Source: CMHC (Rental Market Survey)

20

AVERAGE RENTS FOR A TWO-BEDROOM APARTMENT VARIED IN 2008

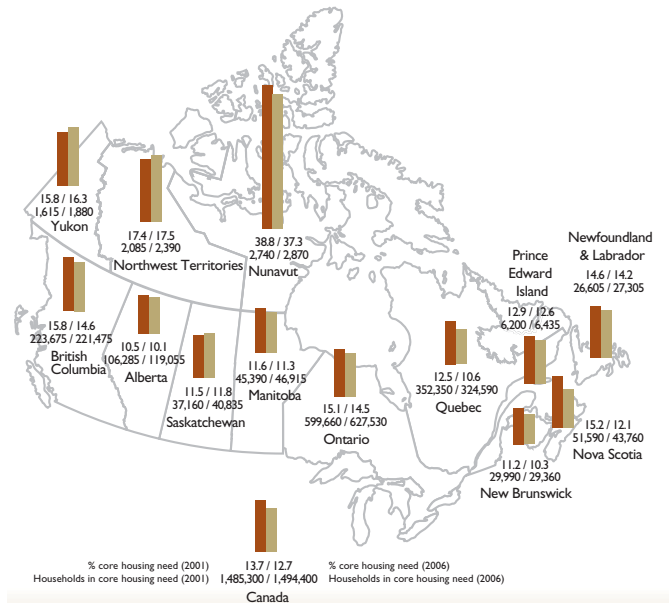


Excludes territories.

Source: CMHC (Rental Market Survey)

21

ALBERTA, NEW BRUNSWICK AND QUEBEC HAD THE LOWEST INCIDENCES OF CORE HOUSING NEED IN 2006

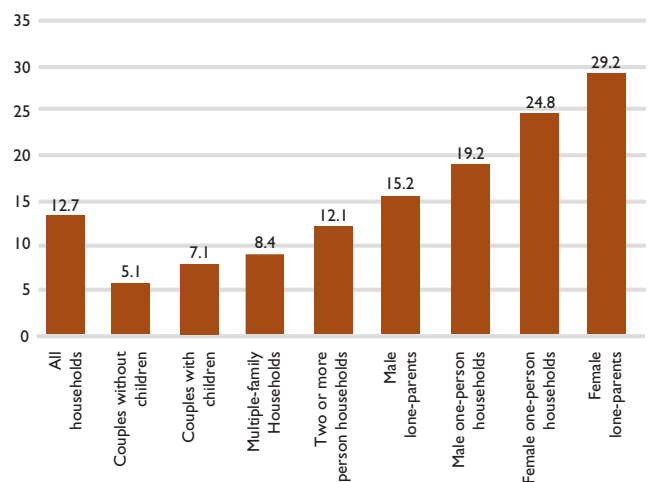


Source: CMHC (Census-based housing indicators and data)

22

FEMALE-LED HOUSEHOLDS HAD RELATIVELY HIGH CORE HOUSING NEED IN 2006

Per cent of households in core housing need in each group

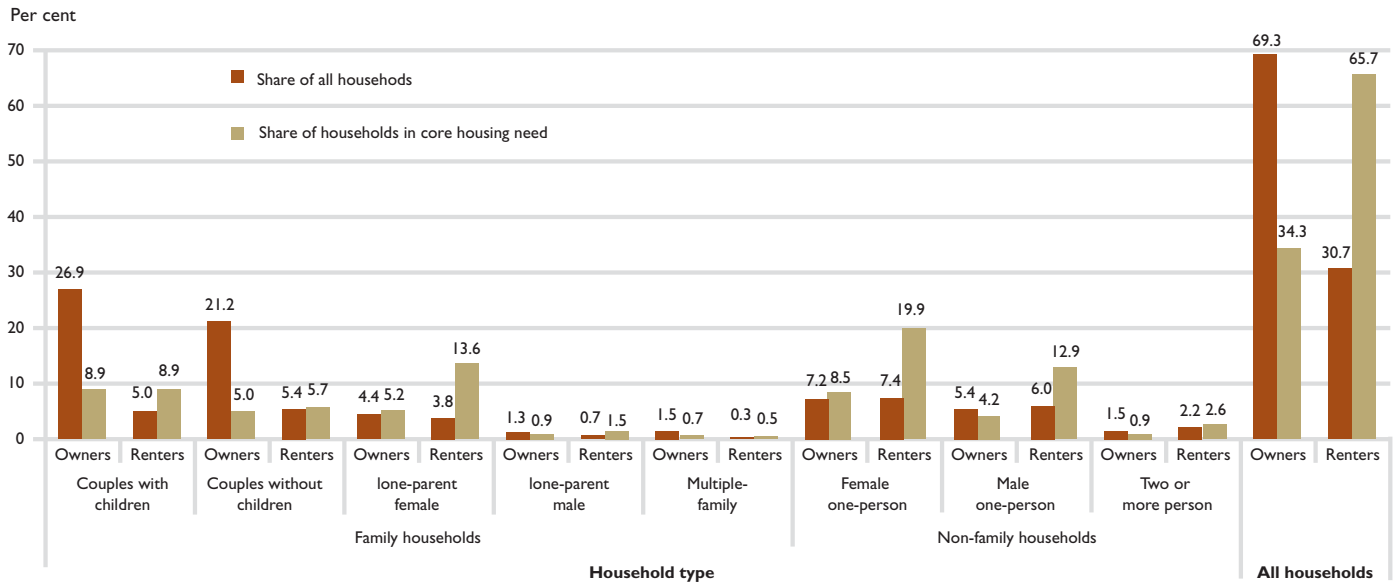


Includes only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100 per cent.

Source: CMHC (Census-based housing indicators and data)

23

ONE IN FIVE HOUSEHOLDS IN CORE HOUSING NEED WERE FEMALE ONE-PERSON RENTERS IN 2006

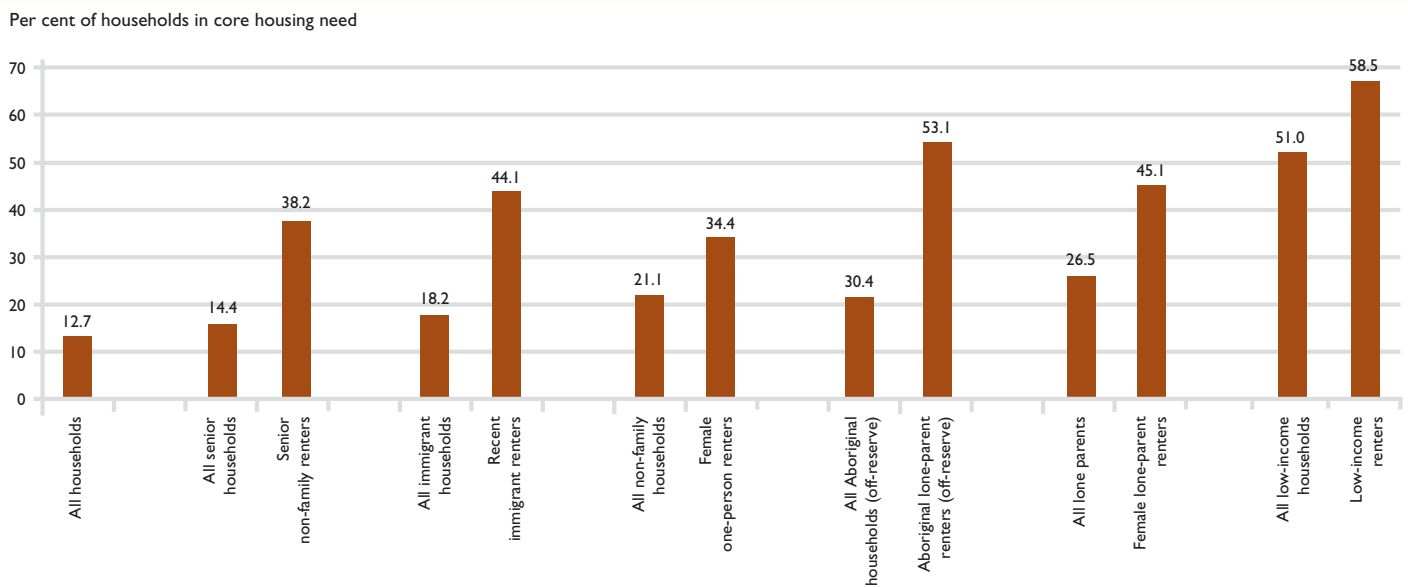


Includes only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100 per cent.

Source: CMHC (Census-based housing indicators and data)

24

LOW-INCOME RENTERS HAD RELATIVELY HIGH CORE HOUSING NEED IN 2006

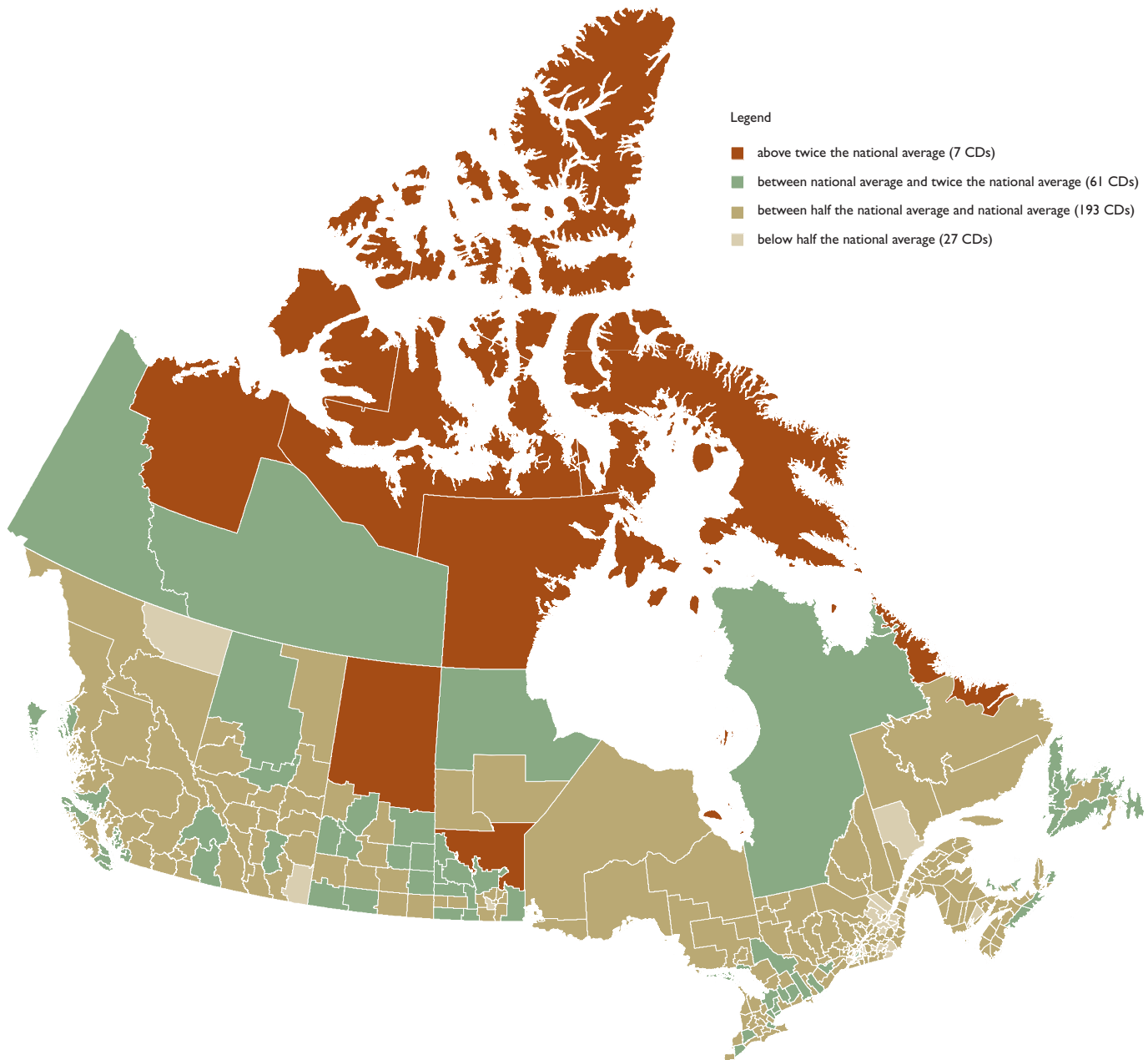


Includes only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100 per cent.

Source: CMHC (Census-based housing indicators and data)

25

IN 2006, 24% OF CENSUS DIVISIONS (CD)¹ HAD AN INCIDENCE OF CORE HOUSING NEED HIGHER THAN THE NATIONAL AVERAGE OF 12.7%



¹ A census division (CD) is a group of neighbouring municipalities joined together for the purpose of regional planning and managing common services. (For more detailed definition, see: <http://www12.statcan.ca/english/census06/reference/dictionary/geo008a.cfm>). For more detailed maps, see: <http://www.cmhc.ca/observer>

Source: CMHC (Census-based housing indicators and data)

Affordable Housing

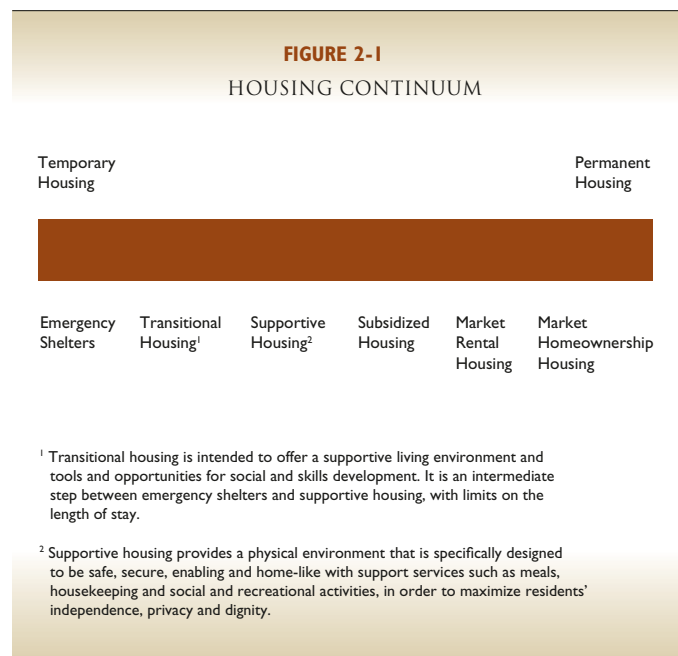
Most Canadians are able to obtain housing that meets their needs at a price they can afford. After paying their monthly rent or mortgage payment, they have enough income remaining to purchase the other necessities of life. However, for nearly 13 per cent of Canadians, obtaining adequate, suitable and affordable housing¹ is either out of reach financially or attainable only if they cut-back on other necessities such as food or clothing. While governments can play a role in helping households access housing that is affordable, they do not do it alone; the private and not-for-profit sectors are also actively involved in providing affordable housing.

This chapter focuses on the many initiatives taken by private entrepreneurs, non-profit organizations, housing co-operatives and faith-based groups to create housing that is affordable. It explores the variety of options adopted by municipal governments to ensure an on-going supply of affordable housing in their communities and describes the current programs and initiatives taken by the federal government, often in partnership with the provinces/territories. Project profiles are presented to illustrate the innovative approaches, and testimonials from renters and homeowners describe the benefits affordable housing has brought to their lives. The chapter also features a look at experiences in producing affordable housing in selected European countries.

What is affordable housing?

In Canada, housing is considered affordable if shelter costs account for less than 30 per cent of before-tax household income. The term “affordable housing” is often

used interchangeably with “social housing”; however, social housing is just one category of affordable housing and usually refers to rental housing subsidized by the government. Affordable housing is a much broader term and includes housing provided by the private, public and not-for-profit sectors as well as all forms of housing tenure (i.e. rental, ownership and co-operative ownership). It also includes temporary as well as permanent housing. In other words, the term “affordable housing” can refer to any part of the housing continuum from temporary emergency shelters through transitional housing, supportive housing, subsidized housing, market rental housing or market homeownership (see *Figure 2-1*).



¹ See Chapter 7: Recent Trends in Housing Affordability and Core Housing Need.

Meeting the challenge

Creating affordable housing and ensuring it remains affordable into the future is a challenge that has prompted private entrepreneurs, the not-for-profit sector and all levels of government to re-think how housing is produced, especially for low-income families and individuals. In recent years, innovative approaches, including special financing arrangements, creative designs, regulatory and zoning changes and other initiatives have been explored and tested. Some of these approaches have won awards for their creativity and impact on people's lives².

Private sector initiatives

The private sector has developed a wide range of tools to produce affordable housing³. These range from direct support to tenants or homeowners through subsidies, interest-free loans and second mortgages to measures aimed at reducing the overall cost of housing by creative design, leasing land, infill housing projects, as well as renovation or conversion of existing buildings.

Affordable New Home Development Foundation

"We realized we had a role to play in demonstrating that it was possible to build modest, good quality homes for people with lower incomes."

Keith Hanson, Founder of Affordable New Home Development Foundation (Saskatoon, Saskatchewan) which is a non-profit foundation that works to bring homeownership within reach.

Providing rent subsidies: Some private companies, such as Boardwalk Rental Communities (Calgary, Alberta), have introduced subsidy programs to provide rent relief to low and fixed-income tenants experiencing financial hardship. In Boardwalk's case, the subsidy takes the form of a rent freeze or rent reduction. Boardwalk operates this initiative without government support or special tax credits.

Providing homeownership subsidies: Private homebuilders have employed a variety of ways to reduce the cost of homeownership, including contributions to the down payment or provision of interest-free loans and monthly mortgage subsidies. Trico Homes, a Calgary homebuilder, has created affordable housing by donating 5 per cent of the house price to a local non-profit housing association which, in turn, uses the funds to provide interest-free loans to qualifying purchasers. Trico Homes also provides purchasers with monthly mortgage subsidies. In Medicine Hat, Alberta, Classic Construction Ltd. assists low-income purchasers through direct down payment contributions and mortgage subsidies. In Ottawa, Teron International Building Technologies, in collaboration with the City of Ottawa, operates the Assisted Home Ownership Program which reduces the purchase price of new homes by approximately \$11,000 per unit for households meeting the City's affordability criteria. The City deferred municipal development charges, planning application fees and parkland levies, and Teron's private foundation matched the value of the deferrals. The \$11,000 assistance does not require repayment while the family lives in the unit or if the unit is sold to another qualifying family.

Home in Peel

"We were surprised at how easy it was to get approved if you're qualified."

Jerry Lalic, referring to the help his family received from Home in Peel (Region of Peel, Ontario), which helps families attain homeownership.

Home at Last

"They took us through the process and answered all our questions. We would have been lost without their help."

Vicki Schnurr, resident, referring to the help she received from Home at Last (London, Ontario) in accessing affordable housing.

² Some projects profiled in this chapter are identified as award winners.

³ See *Affordable Housing Project Profiles Featuring Local Entrepreneurs* at http://www.cmhc.ca/en/inpr/afhoce/prpr/prpr_002.cfm.

Leasing land to purchasers: One way of reducing the cost of housing is to lease land to new home purchasers instead of selling it. Parkbridge Communities Inc. in Greely, Ontario, was able to create affordable homeownership for moderate-income households by providing manufactured homes on leased land.

Developing infill and laneway projects: The cost of servicing lots in new subdivisions can contribute to the high cost of housing. Infill developments or laneway projects (i.e., housing that fronts onto lanes) can often be completed for a lower overall cost because the services are already in place. In Montréal, Les Développements Mas created affordable housing by building several three-storey townhouses on a vacant laneway lot. Cost savings occurred because there were no site clearing costs, existing utilities were available for immediate hook-up, re-zoning was not required and the lane was already serviced. The housing was produced for less than 75 per cent of market value.

Designing innovative corporate sponsorship programs: Through its corporate sponsorship initiative, Martinway Contracting⁴ in Mississauga, Ontario created affordable rental housing (Millbrook Place) for low income seniors, the formerly homeless and very low-income single people. The firm solicited donations of materials and labour contributions from construction suppliers and building trades to reduce the cost of construction and improve affordability. The Region of Peel issued tax receipts to contributors. It also provided interim construction financing to the builder and waived all development charges.

Renovating and converting existing buildings: Another way to create affordable housing can be through the renovation and conversion of existing buildings. Often, this can be done for a lower overall cost than new construction. In Brantford, Ontario, the Rotberg Development Group converted a downtown church property into an affordable housing project providing 17 affordable apartments.

Creative designs to achieve cost efficiencies: Creative design can provide more usable living space and lower material and energy costs. Attractively and appropriately designed housing that fits into the neighbourhood can also instill pride in its occupants, provide safety and security, and improve quality of life. In Toronto, Dixon Neighbourhood Homes Inc. managed to lower building and operating costs by eliminating large hallways and staircases common to institutional design.

FAST Facts

- Creating affordable housing and ensuring it remains affordable into the future is a challenge that has prompted private entrepreneurs, the not-for-profit sector and all levels of government to re-think how housing is produced, especially for low-income families and individuals.
- Affordable housing is being created by the private and not-for-profit sectors through providing rent subsidies, homeownership subsidies, taking advantage of leasing land to purchasers, developing infill and laneway projects, designing innovative corporate sponsorship programs and renovating and converting existing buildings.
- Faith groups are becoming more involved in the production of affordable housing. St. Clare's Multifaith Housing in Toronto, for example, converted a downtown medical office building into transitional housing for homeless men and women. Habitat for Humanity has expanded its focus in Canada to include partnerships with developers of multi-residential units.
- Under the Affordable Housing Initiative, the federal government, through Canada Mortgage and Housing Corporation, provides contributions to increase the supply of affordable housing. As of December 31, 2008, more than 41,000 units had been completed under the AHI.
- CMHC provides financial support for renovation, rehabilitation and repair to preserve the stock of affordable and suitable homes for homeowners and landlords. The programs include the Residential Rehabilitation Assistance Program, the Emergency Repair Program, Home Adaptations for Seniors' Independence and the Shelter Enhancement Program.

⁴ Martinway Contracting received a CMHC Housing Award in 2004 for Millbrook Place.

Not-For-Profit sector initiatives

Non-profit organizations have been actively involved in providing affordable rental housing in their communities for years. While the majority of non-profit housing has been financed through federal and provincial/territorial programs in the past, many non-profit organizations are becoming more entrepreneurial and seeking ways to provide affordable housing without on-going government support. This often takes the form of alliances with other charitable organizations and financial contributions from foundations and the local community. For instance, in Golden, British Columbia, the Abbeyfield House Society created affordable rental housing for low-income seniors with support from the Anglican Church (which provided land for a nominal fee of \$1 per year) and organizations such as the Vancouver Foundation, the Real Estate Foundation of British Columbia, the Columbia Basin Trust, Evans Forest Products, CIBC, Bank of Montreal, the Golden Rotary Club and numerous Golden businesses and individuals.

Non-profit organizations are also involved in creating affordable homeownership and have developed innovative financing mechanisms to make the housing accessible. An example of this is the second mortgage program created by Options for Homes⁵ in the Greater Toronto Area.

Cridge Village Seniors' Centre

"It's hard to explain what makes it home. I can hardly put into words how happy I am."

Winnifred "Win" Stevenson, resident of Cridge Village Seniors' Centre (Victoria, British Columbia), an innovative project for seniors which includes affordable and accessible mixed-income housing.

Options for Homes has developed over 2,000 affordable new homes through this program. Through economies of scale and other cost efficiency measures, Options for Homes is able to keep the construction cost almost 15 per cent below market. The homes are sold at market prices, although the purchasers only pay the actual cost and the difference is secured by a second mortgage. There are no monthly principal or interest payments required on the second mortgage and it does not have to be repaid until re-sale. Through this program, Options for Homes creates not only affordable housing, but also a permanent pool of capital to promote the development of new affordable housing.

To ensure housing remains affordable in perpetuity, some non-profit organizations adopt policies that limit the price the owner is permitted to charge if and when the house is re-sold. For instance, the Centretown Affordable Housing Development Corporation⁶ in Ottawa adopted a "guaranteed equity model" that ties the re-sale price of its affordable housing units to increases in the Consumer Price Index.

Housing Co-operatives provide affordable housing that is owned in common by the residents and managed democratically. About a quarter of a million Canadians live in co-operative housing. Government-assisted cooperative housing is being created in some provinces through the federal/provincial Affordable Housing Initiative (see side bar: *The Affordable Housing Initiative*).

Faith groups are becoming more involved in the production of affordable housing, either through financing its construction or, more directly, by acting as developers. For instance, the St. Clare's Multifaith Housing Society in Toronto converted a downtown medical office building into transitional housing for homeless men and women. The conversion was financed through a variety of sources including foundations and various levels of government.

⁵ Options for Homes received a CMHC Housing Award in 2002.

⁶ Centretown Affordable Housing Development Corporation received a CMHC Housing Award in 2004 for Clarence Gate in Ottawa, Ontario.

Habitat for Humanity is a non-profit, faith-based movement actively involved in building affordable homes for low-income families. The Habitat for Humanity model is based on the concept of “partnership housing” where the potential homeowners contribute sweat equity and work alongside community volunteers and businesses to build the home. The purchaser is required to contribute 500 hours of sweat equity or volunteer effort to assist Habitat in other ways. The housing is also affordable because no down payment is required and no interest is charged on the mortgage.

Since 1985, when the first Habitat for Humanity affiliate was formed in Canada, the organization has grown to 70 affiliates in all provinces and territories, except the Northwest Territories, and has created new housing for more than 1,000 families. Originally focusing on single family units, the organization has expanded its focus to include partnerships with developers of multi-residential units. The Habitat for Humanity Society of Greater Vancouver was the first Canadian affiliate to demonstrate that the model can be successfully used to develop more than one home at a time.

Municipal initiatives

Municipal governments are adopting a variety of approaches to increase the supply of affordable housing⁷. These include donating land for affordable housing, affordable housing policies, housing trust funds, changing zoning, allowing density bonusing, accelerating the approval process and reducing or waiving municipal fees.

Donating land for affordable housing: Many municipalities support the construction of affordable housing by donating land, selling it at below market value (see side bar: *Montréal Strategy for the Inclusion of Affordable Housing in New Residential Projects*), or leasing it at a nominal fee to non-profit or faith-based organizations.

Montréal Strategy for the Inclusion of Affordable Housing in New Residential Projects

Montréal’s Inclusion Strategy aims to ensure that 30 per cent of the homes produced in the city will be affordable, with 15 per cent being social and community housing units partly funded by government programs, and the other 15 per cent affordable rental or homeownership units built by the private sector⁸.

This 30 per cent target is included in the planning of each major municipal site to be sold. This complements the practice of selling land to community promoters for less than market value. The City of Montréal seeks the support of other public landowners in considering the inclusionary objectives in the planning and terms of sale of excess land.

For other large sites, particularly those requiring major regulatory changes, the 30 per cent objective is supported by various programs, and achieved through negotiation rather than regulation.

A significant number of private and community developers incorporate inclusion objectives into their projects from the start of the design stage. In some cases, the contributions of private developers have exceeded the expectations of the strategy.

The strategy is monitored closely through the production of statistics on affordable housing, with an annual report to City Council on the results. In 2006, the first full year after its introduction, it was estimated that 39 per cent of all new housing units built in the city were affordable.

⁷ See *Affordable Housing Project Profiles Featuring Municipal Involvement* at http://www.cmhc.ca/en/inpr/afhoce/prpr/prpr_003.cfm.

⁸ For a full description, see https://servicesenligne2.ville.montreal.qc.ca/sel/publications/PorteAccesTelechargement?lng=Fr&systemName=7757558&client=Serv_corp (accessed April 16, 2009). For a short summary, see the CMHC fact sheet at <http://www.cmhc-schl.gc.ca/en/inpr/afhoce/prpr/loader.cfm?csModule=security/getfile&pageid=175681> (accessed April 16, 2009).

Adopting affordable housing policies: Many municipalities have adopted housing policies that ensure a certain percentage of new construction is affordable. The units are sold to households with low incomes and remain affordable forever through restrictive covenants attached to the title.

Establishing housing trust funds: Some municipalities have created a housing trust fund to provide affordable housing. For instance, Whistler created the Employee Housing Service Charge Fund to provide affordable housing for resident employees and their families. All new commercial, industrial and tourist developments pay a service charge into the fund. The fund has been used to develop sites for more than 400 employee-owned townhouse units.

Changing zoning regulations and allowing variances: Zoning changes permitting smaller lot sizes, reduced set-backs from lot-lines, infill housing, secondary suites⁹ or garden suites can lead to the provision of more affordable housing. Allowing zoning variances on height restrictions, density and setbacks can increase density, thereby creating savings on per unit costs that can be passed on to low-income purchasers or tenants.

Allowing density bonusing: Density bonusing is a tool used by municipalities to allow developers to build at a higher level of density (i.e. greater floor area or number of units per hectare) in exchange for the provision of affordable housing units in the development.

Accelerating the approval processes: Municipalities can encourage developers to provide affordable housing by streamlining the approval process or fast-tracking proposals that include affordable housing, thereby reducing the time and cost of the application process and reducing the cost of construction.

Reducing or waiving municipal fees: Municipalities are also providing developers with relief from development cost charges, such as planning fees, parkland levies, and reductions or waivers of property taxes, in return for including affordable housing in their developments.

Federal and provincial/territorial initiatives

The federal and provincial/territorial governments also play a role in ensuring Canadians have access to affordable housing. Currently, federal funding is provided to provinces and territories under *Affordable Housing Agreements* and through structured CMHC programs. These approaches have important elements in common: they encourage and facilitate the involvement of other government and non-government players, and they are flexible enough to allow for innovative ideas, as well as financial and in-kind contributions from different stakeholders.

The Affordable Housing Initiative

The Affordable Housing Initiative (see side bar) was introduced in 2001. Provincial and territorial governments provide matching funds under the Affordable Housing Agreements. Provinces and territories design the programs, and establish priorities and production targets. These may relate to special needs groups, the elderly, off-reserve Aboriginal people, families, or other household types. Provincial and territorial housing agencies deliver and administer the programs, working with non-profit groups and developers.

Housing stimulus measures in the January 2009

Federal Budget

Canada's Economic Action Plan 2009 announced a number of housing-related measures intended to create employment through timely and targeted investments to build new, and renovate existing, social housing and fund housing-related infrastructure. These measures include:

- up to \$2 billion in direct low-cost loans to municipalities, over two years, for housing-related infrastructure projects in towns and cities across the country.
- \$675 million in support of housing for low-income seniors, housing for persons with disabilities and Northern housing (to be delivered through the Affordable Housing Initiative).

⁹ These are also called secondary apartments, in-law suites and granny flats.

The Affordable Housing Initiative (AHI)

Under the AHI, the federal government, through Canada Mortgage and Housing Corporation, provides contributions to increase the supply of affordable housing.

Through bilateral agreements, the provinces and territories match the federal investment (sometimes with contributions from other parties, e.g. municipalities, private sector, or non-profit sector). These contributions can be a grant, a stream of ongoing subsidies or the value of in-kind contributions (e.g. land). The share of the federal funding available in each province or territory, and the overall terms and conditions that must be met are set out in the agreements.

Within these terms and conditions, each provincial or territorial housing agency has designed its own housing program and is responsible for program delivery, including the selection of housing projects that receive funding. Project proponents can be from the non-profit, private or public sectors (e.g. municipal non-profit housing corporations).

Eligible for funding are projects that focus on new rental housing, major renovation and conversion, or homeownership (initially restricted to remote areas and urban redevelopment areas, but expanded in 2004), subject to a maximum funding amount.

Federal funding for the AHI was allocated in two phases. The first allocation (\$680 million) was in 2001, and the second (\$320 million) in 2003. Rental units produced have to rent at prices at or below median market rent. Under the second phase, the maximum federal funding is 50 per cent of capital costs to a maximum of \$75,000 per housing unit to reduce rents to levels affordable to low-income households (the maximum was set at \$25,000 under the first phase).

In 2004/2005, new program flexibilities under the AHI were introduced in the areas of homeownership programs, targeting of AHI-funded programs, cost-sharing arrangements and provision of rent supplements.

As of December 31, 2008, more than 41,000 units had been completed under the AHI.

Funding for both the AHI and CMHC's renovation programs was scheduled to expire March 31, 2009. On September 4, 2008, the Government of Canada announced funding for housing and homelessness programs at \$387.9 million per year for five years (total \$1.9 billion) to March 31, 2014. From this amount, the government renewed the funding for AHI and CMHC's renovation programs at current levels for two years, from April 1, 2009 to March 31, 2011. As evaluations of the AHI and renovation programs are underway, their two year renewal, with a five-year funding commitment, provides an opportunity to consider improvements to how the federal government will address housing and homelessness challenges and to ensure that programs continue to respond to the needs of Canadians¹⁰.

Further funding for affordable housing was provided through the Federal Budget, Canada's Economic Action Plan, of January 2009. It provided \$675 million in support of housing for low-income seniors, housing for persons with disabilities and Northern housing to be delivered through the AHI.

These housing measures are being implemented through amendments to agreements between the federal government and each province and territory.

¹⁰ See CMHC's *2008 Annual Report*, http://www.cmhc-schl.gc.ca/en/corp/about/anrecopl/anrecopl_001.cfm accessed May 25, 2009.

- \$1 billion to renovate and retrofit existing social housing to help vulnerable Canadians with needed improvements to their homes while creating spin-off jobs in construction and other industries. Of this \$1 billion, \$850 million is being delivered by provinces and territories on a 50/50 cost-shared basis, under the Affordable Housing Initiative for existing social housing projects they administer. The other \$150 million is for those off-reserve social housing projects across the country which are directly funded and administered by CMHC.
- \$400 million for new housing and repairs to existing social housing on-reserve.

These amounts build on the \$1.9 billion over five years announced in September 2008 for housing and homelessness programs.

Mortgage loan insurance flexibilities

Providing flexibility in financing arrangements can make all the difference in achieving project viability and reducing the need for subsidies. CMHC has introduced a series of enhancements to the standard loan insurance criteria to facilitate the creation of affordable rental housing and homeownership projects. These enhancements, known as *mortgage loan insurance flexibilities*, apply to new rental housing projects that include units that are modest in size and design and that rent at affordable levels. The level of underwriting flexibility is related to the level of project affordability (see side bar: *Mortgage Loan Insurance Flexibilities for Affordable Rental Housing*).

CMHC also offers flexibilities for homeowner projects. For pre-approved affordable housing projects of at least five units, CMHC permits alternatives to cash down payments. For example, potential homeowners or a third party could contribute labour in lieu of a down payment or the partnership sponsor could provide the down payment. In addition, grants from a broad range of organizations are acceptable as a down payment.

Mortgage Loan Insurance Flexibilities for Affordable Rental Housing

These include:

- Reduced equity requirements and larger loans
- Premium discounts/lower financing costs
- Flexibilities in cash flow requirements, and
- Loan advancing flexibility.

The project's level of affordability determines the degree of mortgage loan insurance flexibility available.

There are three levels of affordability criteria:

- Level 1** - The majority of rents in the project are < 80th rent percentile in the local market;
- Level 2** - The majority of rents in the project are < 65th rent percentile in the local market;
- Level 3** - Project receives funding under the Federal-Provincial Affordable Housing Initiative agreements.

More information can be obtained from CMHC's Affordable Housing Centre contacts across the country—see http://www.cmhc-schl.gc.ca/en/corp/cous/cous_023.cfm.

Financial support for renovation, rehabilitation and repair

There is a long history of provision of financial assistance to fund repairs, renovations, accessibility modifications, and home adaptations to preserve the stock of affordable and suitable housing for homeowners and landlords providing housing for low-income families and individuals:

- the Residential Rehabilitation Assistance Program,
- the Emergency Repair Program,
- Home Adaptations for Seniors' Independence, and
- the Shelter Enhancement Program.

The Residential Rehabilitation Assistance Program (RRAP) is available to low-income homeowners, and to landlords providing rental housing for low-income residents or persons with disabilities if the housing requires major repairs in at least one of the following categories: heating, structural components, electrical systems, plumbing or fire safety. Rental RRAP (see side bar), available to landlords under certain conditions, is described in the sidebar. The other forms of RRAP available to landlords include RRAP for Persons with Disabilities and Rooming House RRAP. RRAP is also available for the conversion of non-residential properties into affordable self-contained rental housing units or bed-units for low-income households (RRAP for Conversions). RRAP assistance is also available for creating secondary or garden suites for a low-income senior or person with a disability to enable them to live independently in their community, close to family and friends (RRAP—Secondary/Garden Suite). In all cases, financial assistance takes the form of forgivable loans or non-repayable contributions.

The Emergency Repair Program is available to homeowners or occupants living in rural areas whose incomes are at or below established ceilings and who need assistance to complete urgent repairs to make their homes safe (e.g. heating systems, chimneys, doors and windows, foundations and electrical systems).

Home Adaptations for Seniors' Independence offers financial assistance for minor home adaptations to help low-income seniors perform daily activities in their home independently and safely.

The Shelter Enhancement Program provides financial assistance to assist in the repair, rehabilitation and improvement of existing shelters, and to assist in the acquisition or construction of new shelters and second-stage housing for victims of family violence (see side bar).

The On-Reserve Non-Profit Housing Program

The Non-Profit Rental Housing Program assists First Nations in the construction, purchase and rehabilitation, and administration of suitable, adequate and affordable rental housing on-reserve. CMHC provides a subsidy to the project to assist with its financing and operation (see side bar).

Rental Residential Rehabilitation Assistance Program (Rental RRAP)

Rental RRAP provides financial assistance to pay for mandatory repairs to self-contained units occupied by low-income tenants.

To receive a loan, owners must enter into an agreement that places a ceiling on the rents that they can charge after the repairs are completed and limits rent increases during the term of the agreement. New occupancy must also be limited to low-income tenants.

To be eligible, properties must be:

- owned by a private entrepreneur, a non-profit corporation, or a housing cooperative that is not receiving government housing assistance;
- occupied by tenants with income at or below established thresholds, where pre- and post-RRAP rents are below the established levels for the local area;
- at least five years old;
- lack basic facilities or require major repairs in at least one of the following: heating, structural, electrical, plumbing and fire safety; and
- the subject of a legitimate landlord and tenant relationship.

The quality of the repairs should extend the dwelling's useful life by at least 15 years.

Assistance is in the form of a fully forgivable loan of up to 100 per cent of the cost of eligible repairs to a limit of \$24,000 in southern areas of Canada, \$28,000 in northern areas, and \$36,000 in far northern areas.

Shelter Enhancement Program

One of the areas in which the third sector plays a central role is the provision and operation of shelters to house victims of family violence. Reflecting this, the eligible sponsors under the Shelter Enhancement Program are non-profit corporations and charities that house victims of family violence.

The Shelter Enhancement Program was introduced by CMHC in 1997 as part of the federal Family Violence Initiative (FVI). Under the program, fully forgivable loans assist in the repair, rehabilitation and improvement of existing shelters, and in the acquisition or construction of new shelters and second-stage housing for victims of family violence.

Sponsor groups must obtain the assurance of operating assistance for emergency shelters. For second-stage housing, occupants are expected to make modest contributions to offset the project's operating costs.

Eligible repairs are those required to bring the structure and systems up to a minimum standard of health and safety. Repairs and improvements can also be made to increase accessibility for persons with disabilities, provide safe play areas for children, or provide appropriate levels of security for occupants.

Loan limits: For new construction projects, CMHC may contribute up to 100 per cent of a project's capital cost. For renovation, the maximum loan amount per unit/bed ranges from \$24,000 in southern areas of Canada, and \$28,000 in northern areas to \$36,000 in far northern areas.

The On-Reserve Non-Profit Housing Program

The program assists First Nations in the construction, purchase and rehabilitation of rental housing on-reserve.

First Nations, Indian and Northern Affairs Canada and CMHC work in partnership nationally and at the regional level to determine allocations of funds for eligible reserves.

- CMHC delivers the program and may provide direct loans for First Nations to construct, purchase and rehabilitate projects. These loans, for up to 100 per cent of the total eligible capital cost of a project, are insured under the *National Housing Act* and are guaranteed by the Minister of Indian Affairs and Northern Development.
- Approved lenders such as Aboriginal Capital Corporations, banks, trust companies and other financial institutions may also act as lenders in some cases.
- A subsidy is provided to the First Nation for a maximum of 25 years or the duration of the project loan amortization period, whichever is less. The subsidy is equal to the gap between project costs (loan repayment and operating expenses) and revenues.
- First Nations are responsible for determining who lives in the project.

Homeward Bound

"People's lives are complex. Often they are facing more than one challenge. We need to bring all of the resources together at once."

Brian Smith, President and CEO of WoodGreen Community Services¹¹ (Toronto, Ontario), the organization behind Homeward Bound, which offers housing, early childhood education, parenting programs, personal counselling and life skills training all under one roof.

¹¹ WoodGreen Community Services received a CMHC Housing Award for Homeward Bound in 2006.

Affordable Housing Centre

In addition to programs with direct subsidies and grants, CMHC supports and encourages the creation of affordable housing through the activities of its Affordable Housing Centre. The Centre is staffed with a team of experts who provide guidance and expertise to help those seeking to create affordable housing¹². Drawing upon a wide range of affordable housing knowledge and experience, the Centre connects proponents with the necessary resources, knowledge and contacts. Guidance is provided on issues such as networking, partnering¹³, in-depth market analysis

and project-specific financing. CMHC can also provide financial assistance in the very early stages of developing project ideas (see side bar: *Seed Funding and Proposal Development Funding*).

The Centre makes available a collection of housing project profiles, as well as a checklist of steps to help proponents get organized and guide them through the development process. Fact sheets provide tips and practical information on some of the important activities in the process such as conducting needs assessments, developing business plans, fundraising and generating community support¹⁴.

Seed Funding and Proposal Development Funding

Seed Funding and Proposal Development Funding provide assistance towards up-front expenses incurred during the process of developing an affordable housing project proposal.

Eligibility is open to any proponent of an affordable housing project, including not-for-profit organizations, housing co-operatives, First Nations, private entrepreneurs, and individuals.

Seed Funding

Seed Funding may be used in the early stages of developing a proposal. Eligible items include: evaluating the need and demand for a proposed project, developing a business plan, exploring funding sources, preliminary viability analysis, environmental site assessment, preliminary design and not-for-profit incorporation.

The maximum assistance available is \$20,000. Up to \$10,000 of this is in the form of grant. A further \$10,000 may be provided in the form of an interest-free loan, which is repayable if the project proceeds, but may be forgiven if the project does not go ahead.

Proposal Development Funding

For Proposal Development Funding, the proponent must be able to demonstrate a need for the proposed housing project and have carried out an initial viability analysis. The proposed project must have at least five housing units.

Eligible expenses include such items as soil load-bearing tests, environmental site assessments, project drawings and specifications, professional fees, cost estimates, management plan, option to purchase, development permits, contract documents and application fees.

Interest-free Proposal Development Funding loans of up to \$100,000 are available. They are repayable if the proposed project succeeds, but a portion may be forgiven if the proponent is successful in adding to the stock of affordable housing.

¹² Affordable Housing Centre contacts across the country are listed at http://www.cmhc-schl.gc.ca/en/corp/cous/cous_023.cfm.

¹³ For information on building partnerships, see *Building your team*, at <http://www.cmhc.ca/en/inpr/afhoce/tore/lerc/upload/Building-Your-Team.pdf>.

¹⁴ See CMHC Research Highlight, *Generating Community Support*, at <http://cmhc.ca/en/inpr/afhoce/tore/lerc/upload/Generating-Community-Support.pdf>.

There are also interactive monthly web forums on affordable housing topics with leading industry experts that support information sharing without the inconvenience of travelling¹⁵.

Housing Awards Program

The Housing Awards Program was created in 1988 to identify, recognize, showcase and share best practices that have improved the quality, choice and affordability of housing in Canada. Every second year, the program honours the people and organizations creating affordable housing solutions across Canada and helps share their best practices at housing-related events in communities across the country. In the 2008 program, which was open to groups and organizations in both the public and private sectors, 16 winners were chosen by an independent multi-disciplinary selection committee, comprised of housing experts from across Canada. A number of the projects profiled (see below) were winners of CMHC Housing Awards in 2008¹⁶.

Project profiles: Affordable housing solutions

A growing collection of project profiles of affordable housing solutions is readily available¹⁷. These solutions have worked in communities across Canada. Groups such as non-profit housing and community groups, the private sector and municipalities have used these solutions to create affordable housing.

Independence Place in Summerside, Prince Edward Island: An initiative of a construction company to provide housing for people with physical disabilities

Realizing that there was a need for affordable and accessible housing for people with physical disabilities, Scotcor Construction Ltd. in Summerside, Prince Edward Island, set out to build an affordable housing project to meet those needs. The company consulted with the P.E.I. Council of the Disabled and other groups to determine which accessibility features to incorporate, as well as with

a physiotherapist and residents to determine the best placement of grab bars in bathrooms and aids in other rooms in the apartments.

Independence Place

“I felt the need for all of us to be a family again. This has been a godsend for us. I am able to access every room in the house and go outside on my own. I can turn off the lights and lock the doors. These are little things to some people, but they mean everything.”

Lynne Maclean, resident of Independence Place (Summerside, Prince Edward Island), which offers affordable and accessible housing that meets the needs of people with physical disabilities.

Scotcor Construction received a \$10,000 grant from CMHC's Seed Funding to help develop the project proposal and \$431,500 from CMHC and the government of Prince Edward Island through the Affordable Housing Initiative (AHI). The balance of funding was provided by the developer and through a mortgage loan. The initiative follows the province's affordability criteria which sets the maximum annual incomes for residents.

The fruit of these endeavours, Independence Place (see *Figure 2-2*), has 11-units—5 two-bedroom and 6 one-bedroom—all on one floor. The residence has geothermal heat pumps and insulated concrete forms (ICFs) to keep electricity costs down while also being environmentally friendly. The entire building has in-floor heating. In 2008, the project won the Greater Summerside Chamber of Commerce Business Excellence Award in the Community Enhancement category for making a positive difference in the lives of people with physical disabilities.

¹⁵ For more information, including dates of upcoming web forums, see http://www.cmhc.ca/en/inpr/afhoce/tore/lere/lere_001.cfm.

¹⁶ For more detailed information, see <http://www.cmhc-schl.gc.ca/en/inpr/graw/hoawpr/>. For information on when applications for 2010 will be accepted, subscribe to the free Housing Research E-Newsletter at http://www.cmhc-schl.gc.ca/en/inpr/enews/enews_002.cfm.

¹⁷ The complete collection of *Affordable Housing Project Profiles* can be accessed at www.cmhc.ca/affordablehousing.

FIGURE 2-2INDEPENDENCE PLACE, SUMMERSIDE,
PRINCE EDWARD ISLAND

Source: CMHC

Martin Gran Place: Conversion of a school scheduled for demolition into affordable housing for lower-income families

Meadow Lake is a small town of approximately 5,000 in northwestern Saskatchewan. Located next to the Flying Dust First Nation Community, about 27 per cent of Meadow Lake's population is Aboriginal.

In 2005, Meadow Lake Properties, a private non-profit corporation, suggested converting a school building that was scheduled for demolition into affordable housing to meet local housing needs. The town of Meadow Lake endorsed the proposal and donated the school building to Meadow Lake Properties.

A year later, the school was reopened as Martin Gran Place, a 12-unit walk-up apartment building with one-, two- and three-bedroom units for rent at below-market prices. Converting the existing building, which was in good condition and already hooked up to municipal water and electrical services, was less expensive than building a new structure and created jobs for local tradespeople.

The total cost of the conversion was \$590,000. Martin Gran Place received a \$216,000 forgivable loan from CMHC and the province of Saskatchewan through the Residential Rehabilitation Assistance Program (RRAP).

Additional funding was provided through private investment from Meadow Lake Properties.

Want More Details on These or Other Affordable Housing Projects Mentioned in this Chapter?

For more detailed information on any of the CMHC Housing Award winners profiled here, or on other winners, visit: <http://www.cmhc-schl.gc.ca/en/inpr/graw/hoawpr/>.

To view a selection of profiles of other affordable housing projects go to: <http://www.cmhc-schl.gc.ca/en/inpr/afhoce/prpr/index.cfm>.

Flora Place: Community involvement breathes new life into a post-war affordable housing development

Flora Place¹⁸, in Winnipeg's northern Dufferin neighbourhood, was built as transitional housing for returning veterans. Over the years, the small units became home to many low-income, long-term residents. By 1999, 70 of the 98 units had to be demolished, and repair costs on the others were prohibitive. It became evident that a more sustainable development was needed.

In response, the Winnipeg Housing Rehabilitation Corporation (WHRC) began working with the City of Winnipeg in 2004, with funding coordinated through a federal, provincial and municipal partnership. WHRC held regular consultations with current Flora Place residents to ensure that their needs would be met by the new development.

The City of Winnipeg sold the land to WHRC for a nominal fee of \$1, and funding was provided through the Canada-Manitoba Affordable Housing Agreement. To ensure affordability, Manitoba Housing and Renewal Corporation provided rent supplement assistance to residents in 16 of the 28 units. The remainder of the units offer below median market rent.

¹⁸ Flora Place won a CMHC Housing Award in 2008.

The project, completed in August 2007, has a mix of one-, two- and three-bedroom townhouses (see *Figure 2-3*). Level entrances and wide doorways make all units visitable, while four of the units are fully accessible for persons with disabilities. Each unit has a unique façade, its own private entrance and fenced back yard, while a common meeting area and a common laundry facility promote interaction between residents.

FIGURE 2-3

FLORA PLACE, WINNIPEG, MANITOBA



Source: CMHC

Streets to Homes: Housing the homeless in Toronto

In 2005, the City of Toronto made a commitment to end street homelessness by realigning funding and changing the way the City worked with the many non-profit homeless service providers. Under the core component, the Streets to Homes¹⁹ “S2H” Program, housing is available without prerequisites such as going through a shelter or an addiction treatment centre. The approach includes intensive case management across more than 30 partner agencies.

The program has developed relationships with large property development firms to identify vacant units and make them available at a reduced rent, which is paid directly to landlords by social services. Landlords thus have a steadier stream of income, decreasing their administration,

marketing and maintenance costs. Units are scattered throughout the city so residents are not concentrated in any one area (see side bar: *Streets to Homes at Work*).

Streets to Homes at Work

- A mobile, multi-disciplinary street outreach team, which includes a psychiatrist, nurse, housing worker and other experts, conducts street-level assessments of individuals.
- A community agency provides vocational assessments and pre-employment projects.
- A social-purpose enterprise offers furnishings to help new Streets to Homes clients make their apartments look and feel like home.
- Fifteen non-profit organizations provide follow-up support to all clients once they are in housing, and one non-profit organization specializes in outreach to homeless Aboriginal people.

Condominiums Wellington: A non-profit group teams with public sector groups to build affordable housing in downtown Montréal

Recognizing the shortage of affordable housing in downtown Montréal, Options Habitation Québec (OHQ), a non-profit organization, developed Condominiums Wellington, a 32-unit, four-storey building for moderate-income households. The project, containing one-, two- and three-bedroom apartments surrounded by parks and green spaces within walking distance, is located near a subway station and bus line.

OHQ obtained an \$80,000 interest-free Proposal Development Funding loan from CMHC, and the City of Montréal provided financial assistance under an existing program to make it possible to sell the units at 64 to 80 per cent of the market value. The City also offers financial assistance to first-time homebuyers to help them purchase an affordably priced dwelling.

¹⁹ The City of Toronto won a CMHC Housing Award in 2008 for the Streets to Homes program.

The project also received financial assistance from Hydro-Québec's Novoclimat program, which offers grants for residential units built to insulation, airtightness, ventilation and window energy-efficiency standards. The technical resource group, Regroupement des organismes du Montréal ethnique pour le logement (ROMEL), ensures that buyers meet the program's long-term conditions, including maintaining the affordability of the units for 10 years.

Dr. F. M. Walker Veterans' and Seniors' Villa²⁰: Community involvement and government co-operation

The need for safe and affordable seniors' housing in Alliston, Ontario, prompted the local branch of the Royal Canadian Legion to take the initiative to create opportunities for veterans and seniors to live comfortably and remain part of the community. The branch began by donating a parcel of land valued at close to \$335,000. The city responded with a five-year property tax deferral and a 50 per cent reduction in development fees. In addition, a local service club donated furniture.

Proposal Development Funding from CMHC helped get the initiative off the ground, and funding through the Canada-Ontario Affordable Housing Agreement helped make it feasible. The Dr. F. M. Walker Veterans' and Seniors' Villa opened in Spring 2007 and features 23 one-bedroom and 10 two-bedroom units. Eleven units are subsidized on a rent-geared-to-income basis, and the rest have affordable rents ranging from \$772 to \$889 per month. The Villa is close to the local Legion branch and its facilities. It features green space, a courtyard, and a common area for family visits (see *Figure 2-4*).

Peel Youth Village²¹: An infill project in Mississauga to meet the needs of at-risk youth and the community

Many at-risk young adults face a difficult transition from support and care to full independence. Support facilities are often far from their network of family, friends and educational resources.

FIGURE 2-4

DR. F. M. WALKER VETERANS' AND SENIORS' VILLA,
ALLISTON, ONTARIO



Source: CMHC

The Region of Peel Community Program Unit of Ontario Works created Peel Youth Village, a transitional housing project, on one of its properties (see *Figure 2-5*). An existing underground garage provided a useable basement for a new building which includes 48 studio-size rental units on the upper floors. At-risk youth can live in the Village for up to a year.

FIGURE 2-5

PEEL YOUTH VILLAGE, MISSISSAUGA, ONTARIO



Source: CMHC

²⁰ Dr. F. M. Walker Veterans' and Seniors' Villa won a CMHC Housing Award in 2008.

²¹ The Region of Peel Community Program Unit won a CMHC Housing Award in 2008 for Peel Youth Village.

The project incorporates a fitness facility and an employment centre for use by both residents and community members. In addition, a community-run industrial kitchen is used for a breakfast program and there are a variety of after-school programs for children and youth. The Village, which opened in 2006, attracted support from all three levels of government and from local retailers, community service organizations and neighbourhood residents.

The project received funding from the province of Ontario and the federal government through the Canada-Ontario Affordable Housing Agreement, from the municipality, and through donations from local businesses and community associations.

The City of Langford²² Affordable Housing Strategy: Smart growth with support from local developers

The City of Langford, on the outskirts of Victoria, British Columbia, created an “inclusionary zoning requirement” in 2004, in consultation with industry. Under the policy, one in ten new housing units must be affordable. Developers contribute land and building costs for these affordable housing units, which are then priced at about 60 per cent of market value. The City provides free administrative support, density bonuses and streamlined development approvals as incentives. Local realtors provide services free of charge, while credit unions, mortgage brokers and insurers (including CMHC) streamline mortgage pre-approvals.

In 2007, the City of Langford expanded on the original policy, requiring new developments to be building code-ready for secondary suites, contributing to density and diversity. It also created visitability requirements such as wide doorways and level entrances to accommodate people with disabilities. For every new dwelling, a \$500 contribution must be made to the City’s Affordable Housing Reserve Fund, which is used to fund a rent subsidy program and the construction of new subsidized units.

The success of this program has attracted national attention, prompting Langford planners to give presentations in communities across the country and on CMHC’s Affordable Housing Web Forum.

Somerset Gardens²³: Innovative financing makes affordable housing possible in downtown Ottawa

Somerset Gardens is a recently completed 11-storey condominium building for low-income individuals and families in downtown Ottawa, developed as a partnership between the Multifaith Housing Initiative (MHI), the City of Ottawa Housing Branch and Teron International Building Technologies, a local builder (see *Figure 2-6*).

Teron reduced the selling price of the units to 20 per cent below market. In addition, the city and Teron deferred the payment of a total of \$11,315 per unit. Interest accrues, but is deferred until the units are sold. Purchasers must be within the 40th income percentile and live in the unit.

One of the members of MHI, St. John’s Anglican Church, sold its parking lot as land for the building and purchased four units that are being rented at subsidized rates. Rental Action Ottawa, the City’s affordable housing program, provided MHI with a grant towards purchasing ten units, requiring at least six to be rented to people on the city’s waiting list. MHI also received funds through



²² The City of Langford won a CMHC Housing Award in 2008 for its Affordable Housing Strategy.

²³ Multifaith Housing Initiative, City of Ottawa and Teron International Building Technologies won a CMHC Housing Award in 2008 for Somerset Gardens.

the Canada-Ontario Affordable Housing Agreement, as well as loans and donations from faith communities and individuals which enabled the creation of additional affordable units.

Attainable Ownership Housing in Medicine Hat, Alberta

In Medicine Hat, Alberta, Classic Construction, a local builder, built housing for sale at below-market prices and helped purchasers through direct downpayment contributions and mortgage subsidies.

Under Classic Construction's Attainable Homeownership model, each purchaser receives a subsidy of approximately \$5,000 to reduce the downpayment, as well as a monthly subsidy for five or seven years to reduce mortgage costs, condominium fees and utilities. Classic Construction contributes about \$18,000 per unit for the monthly subsidy.

The Medicine Hat Community Housing Society provided homeowner training to buyers and administers the mortgage subsidy. CMHC allowed the builder's down payment assistance to be considered as part of the purchaser's required downpayment and the monthly subsidy to be considered as income, thereby reducing the income required by the purchaser to qualify for a mortgage. The City of Medicine Hat contributed by amending zoning requirements for density, greenspace and site coverage.

As of 2009, five developments in Medicine Hat, totalling close to 560 units, used the Attainable Ownership model.

Affordability and Choice Today (ACT) Solutions —an example: Evaluation guidelines for residential development, Central Saanich, British Columbia²⁴

A Housing Needs Assessment, undertaken in Central Saanich in 2000 under the ACT Program (see side bar), indicated that 40 per cent of renters and 15 per cent of owners were spending more than 30 per cent of household income on housing. The District anticipated that evaluation guidelines could be developed to encourage lower cost housing, innovative housing design, and development responsive to the specific housing needs of the community.

Affordability and Choice Today (ACT)

Affordability and Choice Today (ACT) encourages housing affordability and choice through regulatory reform. It is funded by CMHC and delivered by the Federation of Canadian Municipalities in collaboration with the Canadian Home Builders' Association and the Canadian Housing and Renewal Association.

Grants of up to \$5,000 are available to facilitate transfer of information as well as the implementation of regulatory reform solutions that contribute to housing affordability or that increase housing options. Projects are undertaken by local teams made up of municipalities, home builders, non-profit housing groups and other housing investors and stakeholders from across Canada.

Solutions provided have included:

- removing regulatory barriers to secondary suites, rooming houses and other housing options;
- streamlining building and planning approvals through coordinated and standardized applications and procedures;
- reducing or providing flexibility in parking regulations for intensification;
- allowing alternative development standards, for example small lot size and reduced street right-of-way requirements.

ACT has operated since 1990. With 148 projects completed under the program, ACT has a rich database of information that local partners can benefit from in planning future housing projects. For additional information on affordable housing solutions developed using ACT grants, visit www.actprogram.com.

²⁴ For more detailed information, see ACT Solutions, Evaluation Guidelines for Residential Development, Central Saanich, British Columbia, at <http://204.101.77.75/english/projects/Fact/CentralSaanichSolSheetEng.pdf>.

A project team was formed with representation from Central Saanich, the Council of Greater Victoria, the provincial government, community and builder representatives, and a consulting group. They consulted with builders, non-profit providers, health care providers and residents, and reviewed related documents from other jurisdictions. They also conducted a workshop, attended by more than 50 people.

“There are significant time savings because applicants are able to figure out the guidelines themselves.”

*District of Central Saanich (British Columbia)
Advisory Planning Committee Chairman, Peter Parsons*

FIGURE 2-7

BRENTWOOD HOUSE, DISTRICT OF CENTRAL SAANICH,
BRITISH COLUMBIA



Source: District of Central Saanich

Based on a review of approaches in other jurisdictions, the workshop and interviews with stakeholders, the District’s planning department presented a set of Evaluation Guidelines and a checklist based on Saanich’s needs to the Council, which endorsed their use. The guidelines are easy to follow and spell out what is, and is not, encouraged in terms of density, tenure types, access to services and achieving community acceptance. *Figure 2-7* shows one example of affordable housing facilitated by the Evaluation Guidelines and Checklist.

Place des Argousiers

“It was very important to get a residence like this one in Malartic. Without any hesitation, we agreed to provide the land and the support of Town’s Public Works to bring the necessary services there.”

*Fernand Carpentier, mayor of Malartic,
referring to the municipality’s contribution in order
to facilitate the development of Place des Argousiers,
a seniors’ residence (Malartic, Quebec).*

Jacob’s Manor

“It feels as though the stress of it all has been lifted off my shoulders.”

*Resident of Jacob’s Manor (Halifax, Nova Scotia),
referring to environmentally sound materials
that were used in this affordable housing project
and which are beneficial to her health.*

Home Suite Hope

“I was completely in the dark—I’d come here from another country and didn’t understand the process. They helped me to take the first steps.”

*Resident, referring to the help he received from
Home Suite Hope (Oakville, Ontario),
which offers affordable transitional housing
and referral services to the community.*

What's happening in other countries?

Governments in many European countries have traditionally made extensive use of social rental housing to ensure housing affordability for their residents. While the proportion of social rental housing in Canada (6 per cent) is similar to that in Australia (5 per cent) and New Zealand (6 per cent), and larger than that in the United States (3 per cent), it is small relative to that in most major European countries. In at least eight major European countries, more than one in six households live in social rental housing.

However, concerns regarding concentration and social exclusion of poor and vulnerable households are increasingly prompting European governments to look at other approaches. As in Canada, public-private partnerships are increasingly being sought, and in several European countries, governments are actively pursuing the sale of existing social housing units to in-situ tenants.

In the United Kingdom as discussed below, special assistance programs have been introduced to enable and encourage existing social housing occupants, as well as others of low and modest income, to buy units in the private market.

A recent comprehensive study of social housing in Europe²⁵ concluded that funding for social housing has been declining in most countries since the mid-1990s. As a result of this and of the sale of social housing units, the size of the social housing stock has been falling across the continent.

Some Alternative Approaches Tried in Europe

United Kingdom: Making ownership affordable²⁶

The United Kingdom has a variety of programs designed to help those of low or modest income to buy a home on the open market, or to enable social housing tenants to purchase their existing social housing units. These are referred to as “Homebuy”. The schemes are partly funded by the government and enable people to obtain 100 per cent funding for the purchase of their first home. There have been a number of changes to the schemes since their introduction, and alternative formulations exist. The following variations, available as of early 2009, illustrate the approach.

Open Market Homebuy: Qualified buyers can obtain an “equity loan” of up to 40 per cent of the value of any property on the open market. They make no payments on the equity loan for the first five years. From year six, they are charged interest at 1.75 per cent, which increases to 3.75 per cent in year 11. Equity loan providers share in any rise (or fall) in the value of the property (although they have no ownership in the property). The loan does not need to be repaid until the property is sold.

Social Homebuy: For in-situ tenants who cannot afford to buy their social housing outright under a “right to buy” program, the “social homebuy” scheme enables them to buy a minimum 25 per cent share of the property at a discount (the purchase can be funded by a mortgage loan), and to pay a rental charge of 3 per cent of the capital value of the remaining portion. Housing Associations use the money obtained from the sale of the share to fund more social housing.

²⁵ *Social Housing in Europe*, edited by Christine Whitehead and Kathleen Scanlon, London School of Economics and Political Science, July 2007. <http://www.eukn.org/binaries/eukn/eukn/research/2009/02/socialhousingineurope.pdf>.

²⁶ See Directgov website (U.K.). <http://www.direct.gov.uk/en/HomeAndCommunity/BuyingAndSellingYourHome/HomeBuyingSchemes/index.htm>. (English only, accessed March 29, 2009).

What's happening in other countries? (continued)

Germany and Austria: Private Sector Ownership of Social Housing²⁷

In Germany, private sector ownership of social housing is common, alongside municipal and non-profit ownership. Private owners of social housing receive subsidies, and in return, they maintain occupant income limits and rent maximums. The subsidy bridges the gap between actual rent charged and the breakeven rent which allows them a small return on their capital.

Agreements are time-limited, and their length varies by program. It has decreased from about 40 years in the 1970s and 1980s to 12 to 20 years in recent years. After the expiry of the agreement, the owners of the dwellings are free to rent or sell the dwellings at market prices. Some cities in Germany have recently sold all their municipal stock to the private sector. Private sector ownership of social housing is also common, and increasing, in Austria.

“Brutering” in the Netherlands: a change in the approach to affordable housing²⁸

The government of the Netherlands, the country with the largest (at 35 per cent) social housing stock in Europe, has moved to a rental allowance approach to provide affordable housing.

In 2003, in an initiative known as “Brutering” or balancing, the government undertook a settling of financial accounts under which the State wrote off all outstanding loans and ended all subsidies. The social housing sector now receives no financial aid from the government for subsidies or construction.

In lieu of project subsidies to specific projects, the government introduced rental allowances, which are paid directly to households based on household composition, income and level of rent. Under a change introduced in 2006, this is now done through the tax system. In spite of the ending of financial support, social housing organizations have continued to build housing for people of low to moderate income on a large scale. These organizations receive some concessions—they are exempt from corporate tax, can have their loans guaranteed by the Guarantee Fund for Social Housing and can buy council land at reduced prices. In return, they must give priority to people who have difficulty in finding suitable housing because of their income or other circumstances, and they must agree to “contribute to a liveable environment” and consult with tenants in decision-making.

About 30 per cent of renters receive allowances. CECODHAS, the European liaison committee for Social Housing, reports that costs have escalated in recent years and that other ways of financing the system are being examined.

“The most difficult issue in housing policy is how to ensure, in the most purposeful way, satisfactory development of housing for low-income and generally disadvantaged households.”

*Economic Commission for Europe (ECE),
United Nations 2006²⁹*

²⁷ See Social Housing in Europe, Edited by Christine Whitehead and Kathleen Scanlon, London School of Economics and Political Science, July 2007 <http://www.eukn.org/binaries/eukn/eukn/research/2009/02/socialhousingineurope.pdf>.

²⁸ See Social Housing in the Netherlands, CECODHAS, the European Liaison Committee for Social Housing. http://www.cecodhas.org/index.php?option=com_content&task=view&id=85&Itemid=127 (accessed March 31, 2009).

²⁹ Retrieved from Guidelines on Social Housing, March 31, 2009 at <http://www.ica.coop/al-housing/attachments/Guidelines%20on%20Social%20Housing%20-%20UNECE.pdf>.

Conclusions

There are many examples of the public, private and not-for-profit sectors, including community groups and faith-based organizations, working together effectively to increase the supply of affordable housing.

Innovative approaches are making it possible to produce housing affordable to those of low or modest income with a minimum of public expenditure. Housing is designed in such a way as to offer a high quality of life for its occupants, including those with special needs. Recent increases in public funding will open the door to further creative projects.

The likely continuing need for additional supply of affordable housing means there is need for continued close co-operation between the various parties and a variety of options to meet different circumstances.

Governments at all levels cannot themselves meet all the challenges. The federal government continues to cooperate with provincial and territorial governments in a manner that respects the latter's jurisdiction and that provides for local design of programs to best meet local needs.

Through its Affordable Housing Centre, CMHC continues to offer a wide range of products, services and programs to help in the development of affordable housing projects. The Affordable Housing Centre has a team of experts that offers a broad range of expertise and experience in affordable housing. These experts will work with groups and individuals in order to connect them with the resources, knowledge and contacts needed for their affordable housing proposals to become a reality.

Demographic and Socio-economic Influences on Housing Demand

This chapter discusses projections of household growth for Canada, prepared by CMHC spanning the period 2007 to 2036 (see side bar *Potential Housing Demand Modelling Framework*). These projections are not forecasts. They provide a variety of scenarios which illustrate the impacts of alternative assumptions of how different extrapolations of past trends of key factors could affect future population and household growth. Some of these key factors, such as migration, have been highly variable. Although the scenarios are thought to present a reasonable range, it is of course possible that actual outcomes may at times lie outside it in either direction.

Household growth, the largest component of the demand for housing, has played a key role in the expansion of Canada's residential construction sector over the past three decades. Average yearly household growth and new dwelling completions soared during the 1970s and 1980s, a time when the numerically dominant baby boom generation¹ entered the age groups associated with the formation of new households. More recently, data from the 2006 Census confirm that housing sector economic activity was supported by a significant pick-up in household growth over the period 2001 to 2006. Household growth also affects the public sector, since a rising number of privately occupied dwellings in a given area/community can be expected to raise the demand for publicly-provided services such as transit.

Since the size and age composition of the population are the main factors contributing to household growth, the aging of Canada's population over the next three decades will have important implications for home builders, mortgage lenders, government policy makers and other housing market participants. For example, home builders are interested in gauging how future gains in the number of households will shape demand for new homes. Likewise, policy makers at all levels of government are interested in assessing the consequences of future housing demand on economic activity and the provision of services.

The projections were developed using a demographics-driven model that combines age-specific population projections with assumptions about the household formation decisions of people as they age². This method of projecting household growth, known as the headship rate approach, is widely used³.

Immigration tempers the effects of population aging

Immigration has been a key factor influencing population growth in Canada and will become increasingly important in the coming decades as the age-structure of the population shifts more decisively in favour of older Canadians. Given this importance, the immigration assumptions used in the projection merit some discussion.

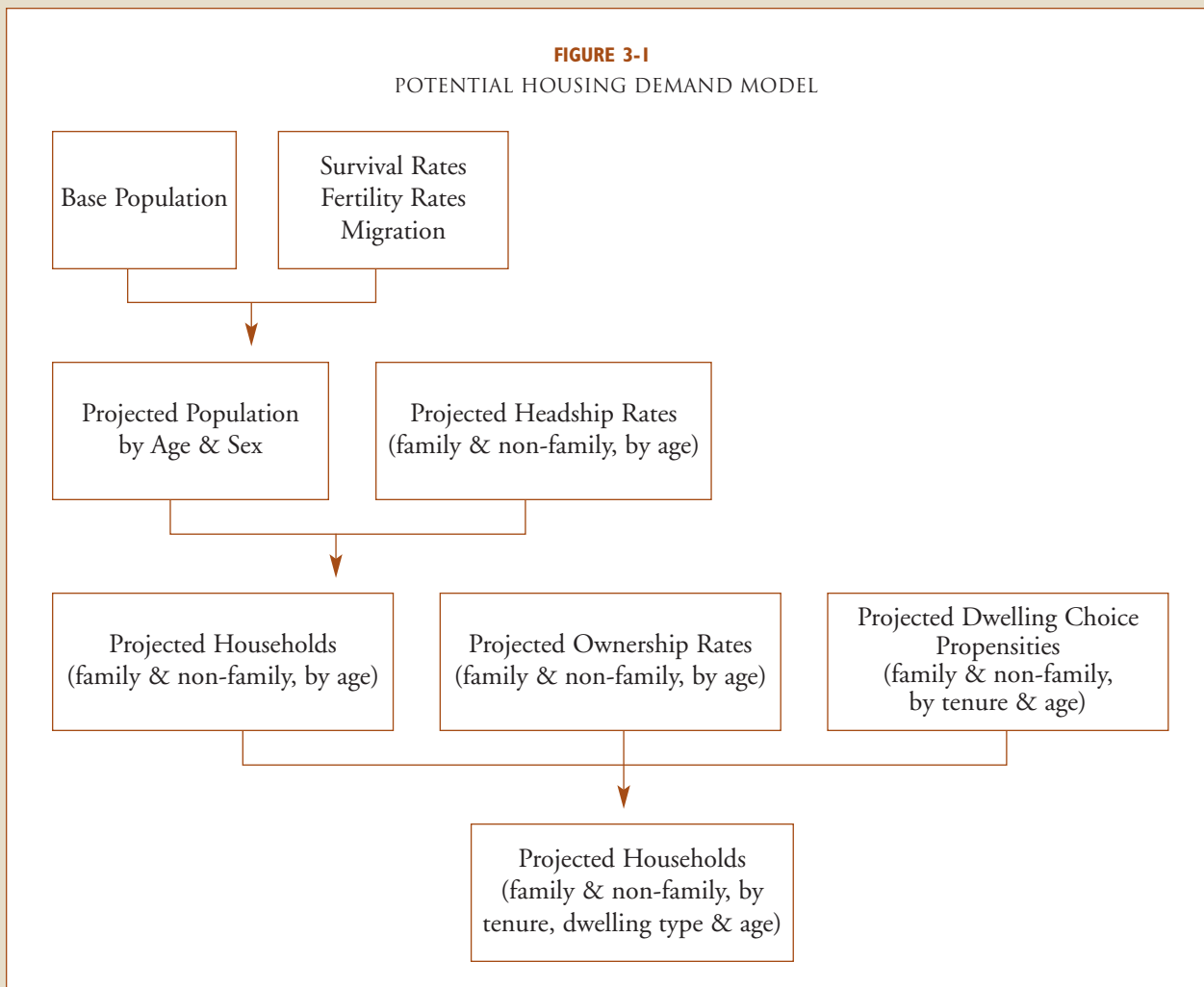
¹ According to Statistics Canada, Canada's baby boom generation was born during the period 1946 to 1965. See *Population Projections for Canada, Provinces and Territories, 2005-2031*, (2005) Catalogue no. 91-520-XIE. Ottawa, ON, Statistics Canada.

² The population projections were generated by Statistics Canada's population projection model using growth assumptions developed by CMHC.

³ Institutions that generate headship rate-based projections include the United States' Census Bureau, Japan's National Institute of Population and Social Security Research, Harvard University's Joint Center for Housing Studies and the Australian Bureau of Statistics.

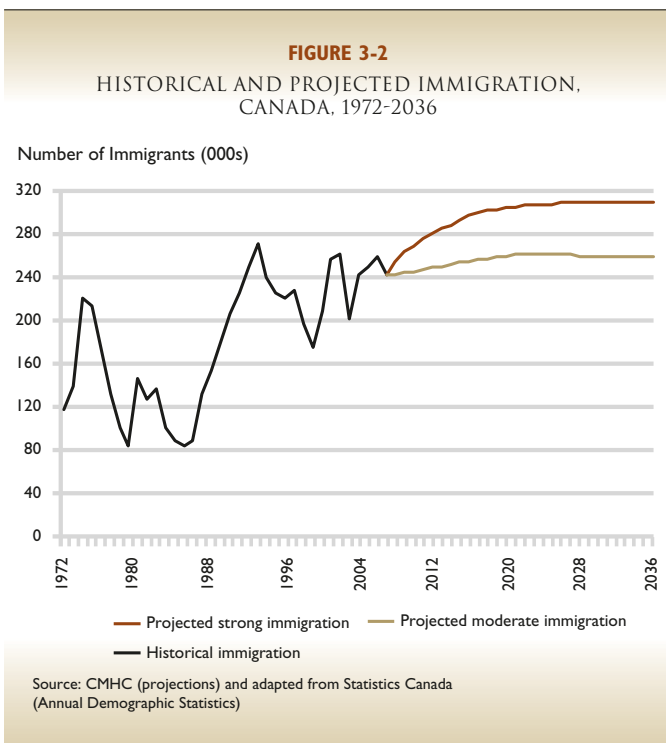
Potential Housing Demand (PHD) Modelling Framework

- PHD model has three components:
 - Population
 - Household formation
 - Housing tenure and dwelling type
- Projects number of private households
- Projection horizon of 30 years: 2007-2036
- Does not project:
 - Replacement demand due to demolitions and conversions
 - Second home demand
- Household formation projections are not housing starts/completion projections



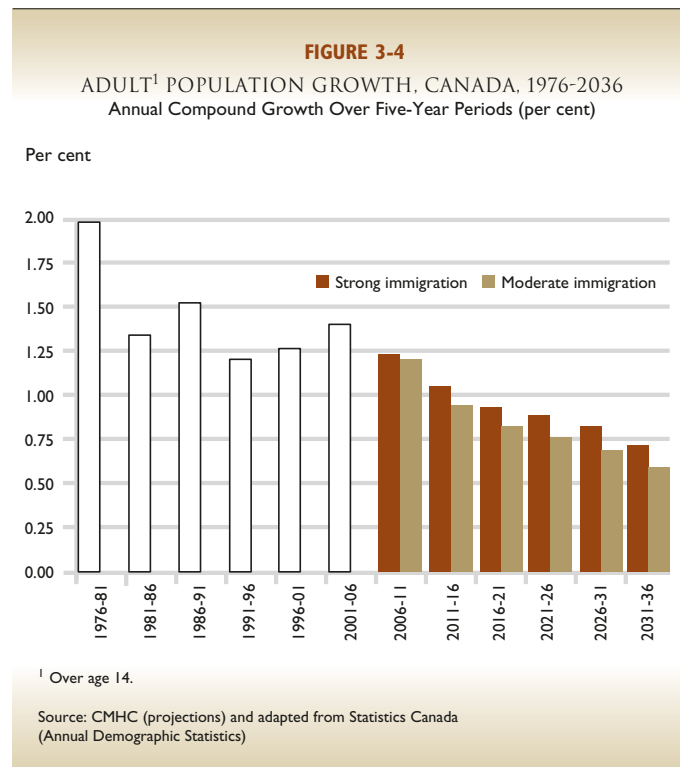
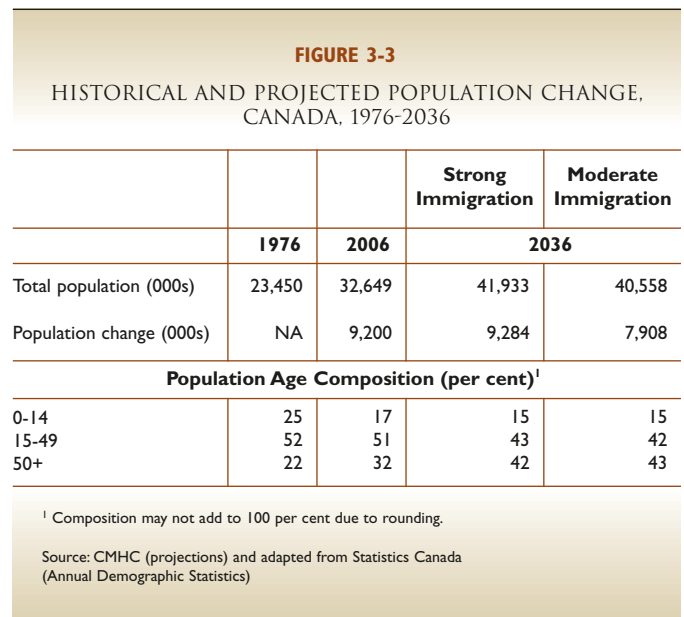
The yearly inflows of newcomers have at times been volatile, due to factors such as economic developments in Canada and economic and political developments in immigrant source countries. Even so, immigration has trended upwards since about the mid-1980s (see *Figure 3-2*), climbing from an average of 123,000 during the 1980s to 241,000 over the period 2001 to 2006.

Since there is much uncertainty about future immigration levels, Strong and Moderate immigration scenarios were developed. Under the Strong scenario, the yearly immigration level rises steadily, reaching just over 300,000 by 2036 (see *Figure 3-2*). This scenario represents a continuation of the growth trend observed since the 1980s. In the Moderate scenario, immigration rises more moderately, peaking at about 256,000 immigrants annually after 2020 and remaining at about this level over the rest of the projection horizon.



From a level of 32.6 million in 2006, Canada's population rises to 41.9 million by 2036 in the Strong immigration scenario and to 40.6 million in the Moderate scenario (see *Figure 3-3*). Aided by rising immigration, the average yearly growth in the adult population (i.e., those over the age of 14) rose from 1.2 per cent in 1991-1996 to 1.4 per cent in 2001-2006 (see *Figure 3-4*). The present projections suggest that, if not already behind us, the days

of adult population growth rates in excess of 1 per cent are numbered. The average annual adult population growth rate is projected to fall steadily, reaching 0.7 per cent by 2031-2036 in the Strong immigration scenario and 0.6 per cent in the Moderate case. Not surprisingly, population aging and continued low fertility are the main sources of this projected decline.



Household projections

Projecting households using the headship rate framework involves multiplying age-specific population projections by age-specific household headship rates, which represent the propensity of people in a given age group to form households. The headship rate for a given age group is calculated as the number of primary household maintainers⁴ in that group divided by the total number of people in the same age segment⁵.

Headship rate projections were developed for family and non-family households based on historical trends. To capture a range of outcomes, High, Medium and Low headship rate scenarios were developed.

Since the 1980s, overall headship rates have trended downwards for Canadian households headed by people under 40 years, but have shown a clear upward trend for those aged 40 to 64. For households headed by people in the 65-69 and 70-74 age groups, headship rates have declined since 1996. Among households in the 75 and over age group, headship rates declined between 2001 and 2006.

Compared to 2006, the Low headship rate scenario assumes a general decline in headship rates across all age groups over the projection period. In the High headship rate scenario, headship rates are projected to rise among young and middle-aged households, as well as among older households up to the 60-64 age group; the headship rates are assumed to decline, however, among those in the 65 and older age category. The Medium scenario represents an average of the age-specific headship rates in each of the High and Low scenarios.

Combining each of the two immigration scenarios (Strong and Moderate) with each of the three headship scenarios (High, Medium and Low) produces six scenarios of household formation.

Household growth influences, but differs from growth in housing demand

There is an important distinction between the change in the number of households over a given period—termed net household formation⁶, the year-to-year change in the number of private households, is the biggest component of the demand for new housing construction. As the number of households rises over time, the existing stock of dwellings must likewise increase—mainly via new construction—to accommodate the additional demand. These projections of household growth do not include projections of the other components of housing demand:

- (i) changes in the number of vacant dwellings;
- (ii) demand for second homes; and
- (iii) net replacement demand due to housing stock attrition and conversions to and from residential use.

Therefore, these projections of household formation are not equivalent to projections of new housing construction.

From a level of 12.8 million in 2006, the number of private households is projected to climb to 18.1 million by 2036 in the Strong immigration, High headship rate scenario. It rises to 16.4 million in the Moderate immigration, Low headship rate scenario (see *Figure 3-5*). On a net basis, an estimated 5.5 million households were formed over the three decades to 2006, a yearly average of about 184,000. Over the three decades to 2036, slower population growth and a continual shifting of the population age distribution in favour of older Canadians are projected to produce a secular decline in net new household formation. In the Strong immigration scenarios, average yearly net household formation falls from a range of 152,000 to 198,000 households over the first ten

⁴ Statistics Canada defines a primary household maintainer as the person or one of the people responsible for the major costs—such as rent or mortgage, property taxes, and electricity—in a private household.

⁵ Historical age-specific headship rates are obtained from census data. To generate historical estimates of households and household formation, headship rates are combined with population estimates that have been adjusted for census undercount. Household projections are likewise derived from adjusted base populations. As such, the household estimates and projections are generally higher than those obtained using unadjusted (or census-based) population data.

⁶ The (net) change in the number of households is equal to the total number of new households formed less the total number of household dissolutions over a given period of time. The headship rate approach bypasses the need to project formation and dissolution separately.

FIGURE 3-5

HISTORICAL AND PROJECTED HOUSEHOLD GROWTH, CANADA, 1976-2036

	1976	2006	Strong immigration, High headship rates	Moderate immigration, Low headship rates
Households (000s)	7,311	12,827	18,051	16,416
Average Yearly Net Household Formation (000s)	NA	184	174	120
Average Yearly Growth Rate (%)	NA	1.9	1.1	0.8

Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and Annual Demographic Statistics)

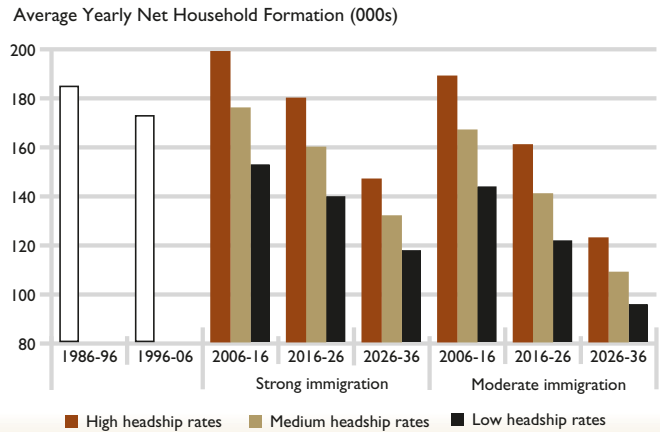
years, 2007-2016, to 117,000 to 146,000 households in the final decade of the projection period, 2027-2036 (see *Figure 3-6*)⁷. The corresponding ranges in the Moderate immigration scenarios are 143,000 to 188,000 in the first ten years and 95,000 to 122,000 in the final decade.

Of the estimated 12.8 million private dwellings in 2006, about four million or about 30 per cent were occupied by non-family households⁸. In the three decades to 2006, the number of non-family households grew at about three times the pace of family households. These changes reflect demographic, social, cultural and economic developments, such as changing attitudes towards marriage and divorce and rising labour force attachment among women, which likely contributed to gains in young and middle-aged non-family households.

Non-family households are projected to continue to grow more rapidly than family households, but slower population growth will constrain the relative gains. From 2006 to 2036, non-family households are expected to grow by between 40 per cent and 60 per cent in the Strong immigration scenarios, about twice the pace of family households, but less rapidly than in the preceding 30 years.

FIGURE 3-6

NET HOUSEHOLD FORMATION, CANADA, 1986-2036

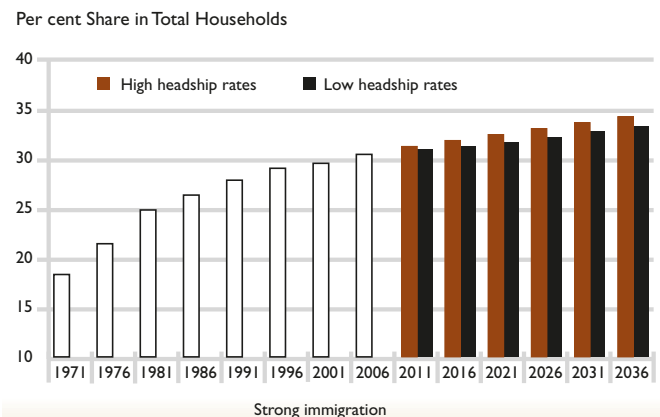


Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and Annual Demographic Statistics)

Consequently, the non-family share of total households is projected to rise to between 33 per cent and 34 per cent (see *Figure 3-7*). The Moderate immigration scenarios show similar patterns.

FIGURE 3-7

NON-FAMILY HOUSEHOLD SHARE, CANADA, 1976-2036



Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and Annual Demographic Statistics)

⁷ The upper bound of the range reflects the High headship rate scenario whereas the lower bound represents the Low headship rate scenario.

⁸ A non-family household consists either of one person living alone in a private dwelling or of two or more people who share a private dwelling but who do not constitute a family.

Baby boomers account for just over 30 per cent of Canada’s population. The passage of baby boomers from a given age group to an older one has a pronounced effect on the age composition of household growth. When boomers reach a given age, the number of households maintained by that age group rises noticeably, only to fall years later when the last boomers move on to older groups. For example, a large number of baby boomers advanced through the 45-54 age group during the 1996-2006 period, and as a result, the number of households maintained by this age group rose significantly (see *Figure 3-8*). As most boomers exit the 45-54 age group over the period 2016 to 2026, household growth for this group is expected to turn negative, averaging about -6,000 each year.

Household growth decomposition

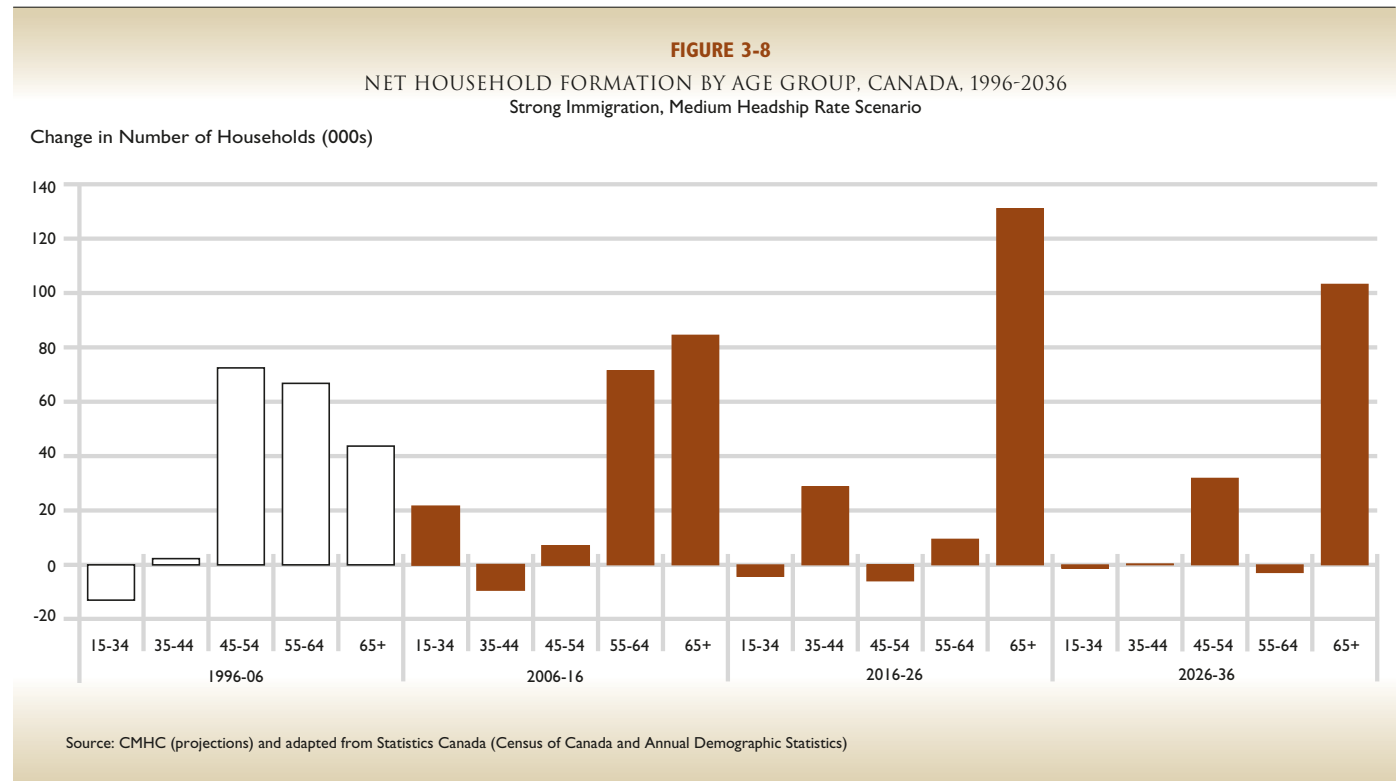
Growth in the total number of households can be attributed to three factors:

- changes in population size;
- shifts in the age-composition of the population; and

- changes in age-specific headship rates (changes in the household formation behaviour of different age groups)⁹.

Although population has always been the overwhelmingly dominant source of household growth since 1976, changes in age-specific headship rates made a positive contribution over the period 1976 to 1986 (see *Figure 3-9*). During this time, when many baby boomers were leaving home to form households, the number of households rose by nearly two million. Changes in age-specific headship rates accounted for 11 per cent (or 224,000) of this increase. Due largely to declining propensities to form family households across age groups, the contribution of age-specific headship rates turned negative in the next two decades.

Age composition plays a key role in household growth because household growth generally occurs as people move from young adulthood into early middle-age. This point is illustrated by the maturation of those baby boomers born from 1952 to 1956, who reached age 15-19 in 1971

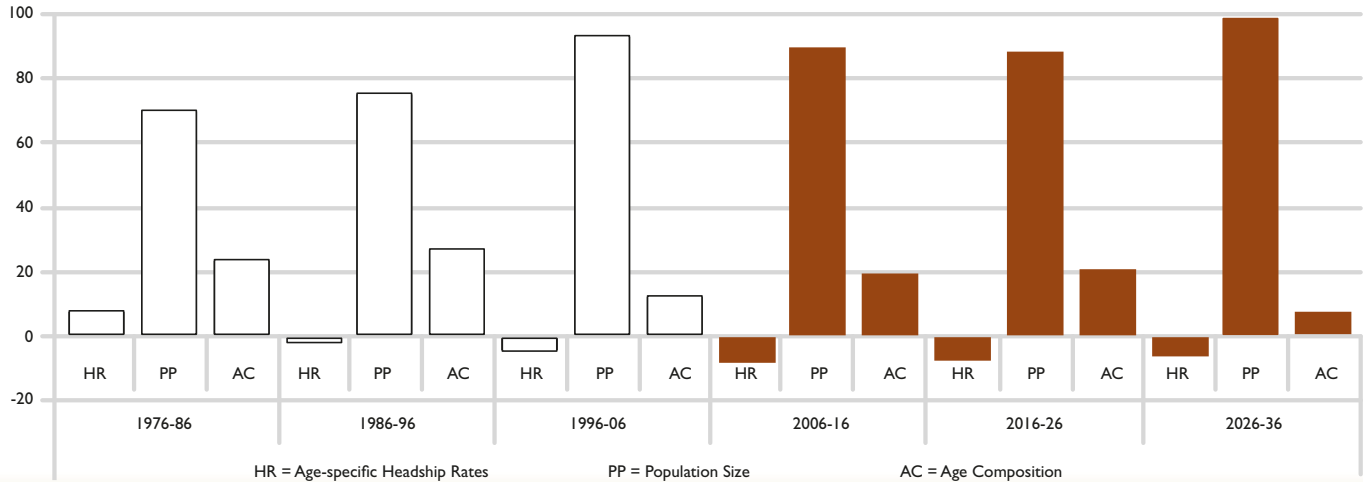


⁹ The “sources” of growth obtained in a decomposition exercise should not be interpreted as causal factors. The effects attributed to these “sources” merely reflect their arithmetic association with household growth.

FIGURE 3-9

CONTRIBUTION TO HOUSEHOLD FORMATION (%) OF CHANGES IN HEADSHIP RATES,
POPULATION SIZE AND COMPOSITION, CANADA, 1976-2036
Strong Immigration, Medium Headship Rate Scenario

Per cent Contribution to Household Growth



Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and Annual Demographic Statistics)

(see *Figure 3-10*). The biggest contribution to household growth occurred during the transition from ages 15-19 to 20-24 (over the period 1971 to 1976), followed closely by the transition to ages 25-29 (in 1976 to 1981). Subsequent transitions resulted in progressively smaller contributions to net household formation. Individuals may still form families or otherwise change their living arrangements as they advance through the middle and later stages of the life course, but such changes are unlikely to make a major contribution to household growth. Shifts in age composition are expected to play a less important role in household formation over the projection

period (see *Figure 3-9*), due in part to weak growth in the population of young adults.

Population growth and, to a lesser extent, shifts in age-composition are expected to remain the chief sources of household formation over the three decades to 2036. Indeed, changes in age-specific headship rates are projected to take away from household growth (see *Figure 3-9*). Since immigration is expected to be the main source of population growth in the future, the strength of household growth will hinge on future immigration levels (see text box *Household Growth Hinges on Immigration*).

FIGURE 3-10

NUMBER OF HOUSEHOLDS AND NET HOUSEHOLD FORMATION
FOR PEOPLE BORN FROM 1952 TO 1956¹, CANADA

Year	1971	1976	1981	1986	1991	1996	2001	2006
Age	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54
Number of Households (000s)	31	554	1,027	1,158	1,245	1,305	1,342	1,357
Household Formation (000s)	-	523	473	131	131	60	37	15

¹ People born 1952-1956 are aged 15-19 in 1971 and 50-54 in 2006.

Source: CMHC and adapted from Statistics Canada (Census of Canada and Annual Demographic Statistics)

Household Growth Hinges on Immigration

The contribution of international migration to population growth has been trending upwards. The yearly flow of immigrants averaged 180,000 people annually over the thirty years to 2006 but rose to 224,000 by the final decade of this period. Consequently, net international migration accounted for close to two-thirds of population growth in 2006. The ongoing shift in Canada's age structure, coupled with the widely-held view that this demographic transition could spur a shortage of skilled workers¹⁰, will likely ensure that immigration remains the biggest source of population growth over the coming decades.

Since change in the size of the population is the most important factor influencing net household formation, and since international migrants are expected to remain the main source of future population gains in Canada, immigration will be crucial to household growth over the next three decades. To examine the likely contribution of future immigration to household growth, CMHC undertook a national household growth simulation in which the yearly level of net international migration was set to zero and headship rates held fixed at 2006 values, and then compared the resulting household growth projections to those generated using the Moderate immigration assumption—the difference representing the projected impact of future immigration¹¹.

The results suggest that from 2007 to 2036, immigration would account for nearly all of the projected growth in the population and about 2.6 million additional households out of a total household growth of 4.6 million.

In the Moderate immigration projection scenario, Canada admits 252,000 newcomers each year, on average. When immigration levels are set to zero, Canada's population rises by a mere 0.6 million by 2036, compared to about eight million people in the Moderate scenario. Without immigration, population growth deteriorates over the projection period, turning negative (-0.2 per cent) by the final decade (see *Figure 3-11*). By contrast, population growth averages 0.5 per cent over the same period in the Moderate immigration projection.

Since newcomers tend to be younger on average than Canadians, immigration can be expected to slow the pace of population aging. The average age of the population is slightly higher with no immigration, rising from about 39 years in 2006 to a projected 47 years by 2036, almost two years more than in the Moderate immigration scenario.

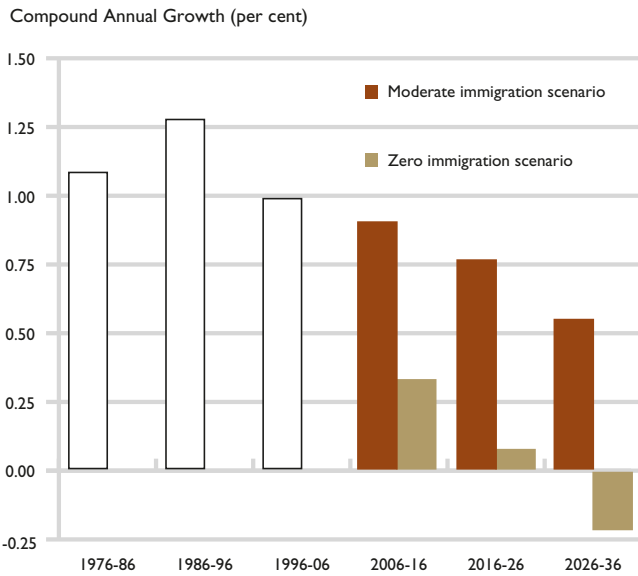
Annual net household formation averaged 171,000 over the decade to 2006, but would tumble to 122,000 in the first decade of the projection in the zero immigration scenario (see *Figure 3-12*). This contrasts markedly with a projected rise to 181,000 over the same period in the Moderate immigration scenario, a difference of about 60,000 households each year. Average yearly net household formation averages about 13,000 in the last ten years of the scenario with no immigration, compared to 121,000 in the Moderate immigration scenario.

¹⁰ See, for example, Douglas Watt, Tim Krywulak, and Kurtis Kitagawa "Renewing Immigration: Towards a Convergence and Consolidation of Canada's Immigration Policies and Systems" (2008) Ottawa, ON. Conference Board of Canada.

¹¹ The estimates are approximate since they take only future immigrant flows into account. Moreover, the household projection does not employ separate headship rate assumptions for immigrants and non-immigrants. It does not consider how the household formation behaviour of immigrants might affect overall household growth. Even so, given that shifts in the population's level and age structure tend to account for the vast majority of household growth, the use of separate non-immigrant and immigrant propensities may not yield substantially different findings.

FIGURE 3-11

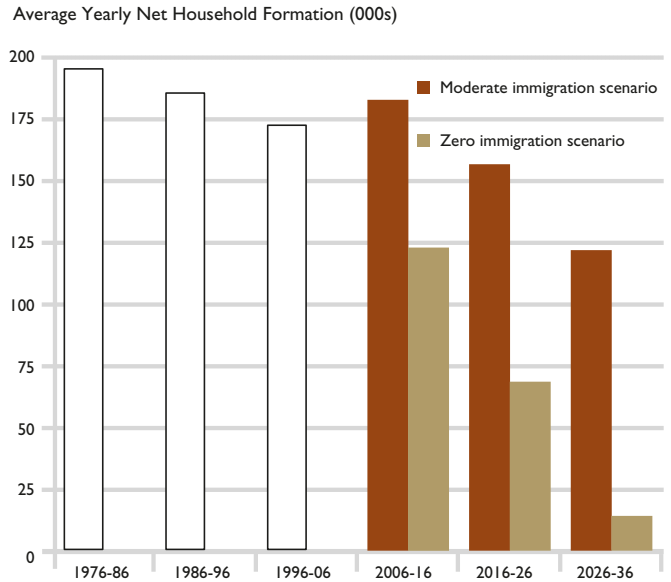
MODERATE VERSUS ZERO IMMIGRATION POPULATION GROWTH SCENARIOS, CANADA, 1976-2036



Source: CMHC (projections) and adapted from Statistics Canada (Annual Demographic Statistics)

FIGURE 3-12

MODERATE VERSUS ZERO IMMIGRATION NET HOUSEHOLD FORMATION SCENARIOS, CANADA, 1976-2036



Source: CMHC (projections) and adapted from Statistics Canada (Annual Demographic Statistics)

Population aging raises ownership rate

This section discusses two tenure projection scenarios. The first (the “2006 ownership rate scenario”) was obtained by holding age-specific ownership rates for family and non-family households at their 2006 values. In the second (the “High ownership rate scenario”), the pattern of rising age-specific ownership rates observed from 1996 to 2006 is assumed to continue, although with less strength, over the projection period.

The results reported here are based on the Strong immigration, Medium headship household projection.

Both tenure scenarios suggest that owner household growth likely peaked during the decade of 1997 to 2006, and that the growth of owner households will decline over the period 2007 to 2036. The tenure scenarios also suggest that

the growth in renter households will rise relative to the decade of 1997 to 2006, which saw virtually no growth in renter-occupied dwellings. The main difference between the two scenarios is that the High ownership rate scenario projects a more gradual pace of decline in the growth of owner-occupant households.

The 2006 ownership rate scenario projects a fairly sharp decline in the growth of owner households and a relatively strong recovery in the growth of renter households, starting in the first decade of the projection period. These developments translate into a very modest increase in the aggregate ownership rate over the projection period, the gain partly reflecting the upward pressure exerted by the population’s rising average age. From an estimated 68.3 per cent¹² in 2006, the aggregate ownership rate rises by nearly one percentage point to 69.2 per cent by 2026,

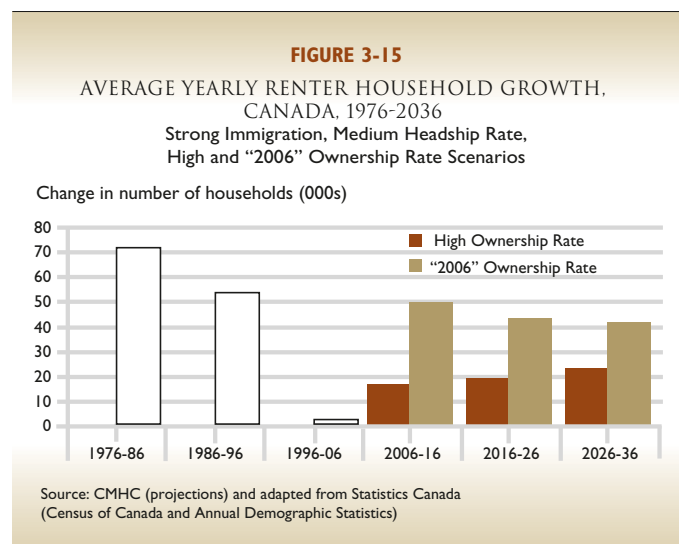
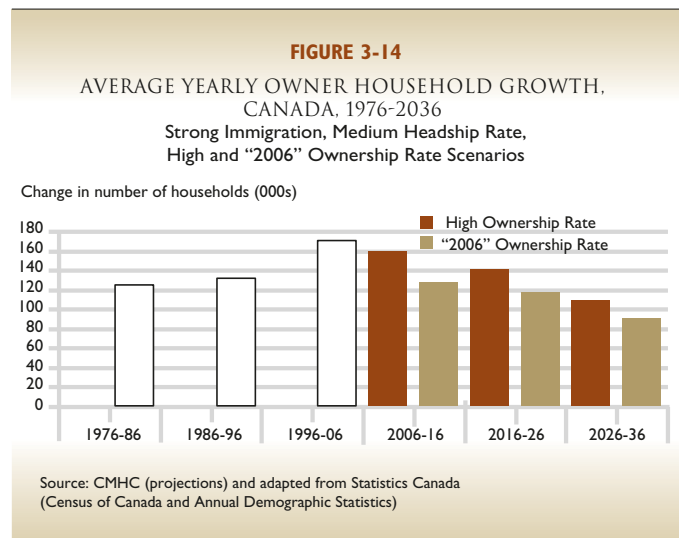
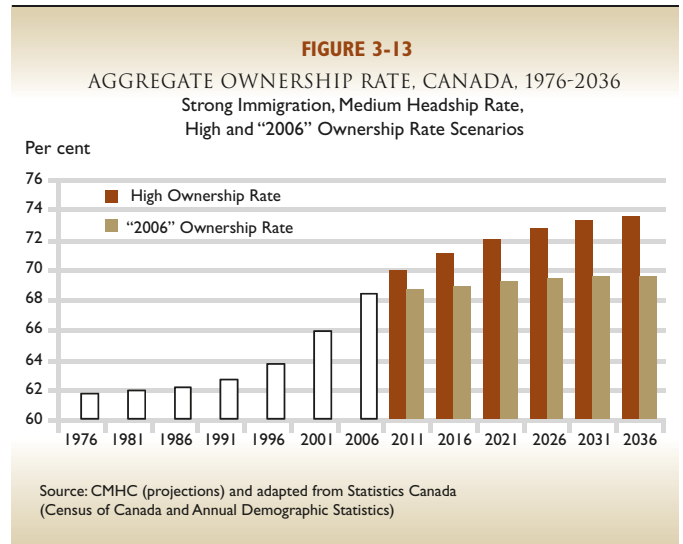
¹² This estimate of the 2006 aggregate ownership rate, computed by CMHC, is marginally different from the Statistics Canada estimate (68.4 per cent), which is calculated from census data. The CMHC estimate is obtained by applying census-based headship and ownership rates to (Statistics Canada) population estimates that have been adjusted for census undercount.

and then hovers around this value over the remainder of the projection (see *Figure 3-13*). By comparison, in the High ownership rate scenario, the rate of ownership climbs to 69.8 per cent by 2011, and further to 73.5 per cent by 2036—a total gain of about five percentage points over the projection period.

Growth of owner households averaged 170,000 annually from 1996 to 2006 (see *Figure 3-14*), with increases in age-specific ownership rates playing a big role in the resulting gains being higher than in the previous two decades. Key factors behind the large increases in age-specific ownership rates observed during the decade were strong employment growth and low interest rates. Since the strong gains in age-specific ownership rates are not expected to continue indefinitely, the decade of 1996 to 2006 likely represents a peak in the growth of owner households.

In the 2006 ownership rate scenario, the average yearly change in the number of owner households tumbles from 170,000 in the decade 1996 to 2006, to 126,000 in the first decade of the projection (see *Figure 3-14*). The projected reduction in growth of owner households is more gradual under the High ownership rate scenario, the yearly change averaging 159,000 over the same period. By the final decade, owner household growth averages 90,000 annually in the 2006 ownership rate projection and 109,000 in the High ownership rate scenario.

The growth of renter households changed dramatically over the 1996-2006 decade, falling to an annual average of merely 2,000, down from slightly over 50,000 in the previous decade (see *Figure 3-15*). The improving economic conditions during the decade help to explain this development. Under the 2006 ownership rate scenario, growth in the number of renter households recovers in the 2006-2016 decade, reaching close to the average yearly levels observed over the 1976-1996 period (see *Figure 3-15*). It then declines marginally over the remainder of the projection period, averaging 41,000 each year from 2026 to 2036. The growth in renter households is weaker in the High ownership rate scenario, averaging about 16,000 yearly in the first 10 years of the projection. It then rises very gradually over the remainder of the projection period, averaging 23,000 annually by the final decade.



Dwelling Type and Tenure

Dwelling type and tenure tend to be related, with over 70 per cent of owners living in single-detached dwellings and a similar proportion of renters residing in apartments. However, the relationship between single-detached and owner-occupied dwellings is not as strong as it was two decades ago, due partly to the growth of condominium ownership¹³. With an increasing number of Canadians choosing to live in multiple-unit dwellings, owner-occupied single-detached dwellings grew, on average, by nearly 2 per cent annually from 1986 to 2006, much weaker than the approximate 5 per cent and 4 per cent growth for owner-occupied apartments and other owner-occupied dwellings, respectively. Consequently, the share of owner-occupied, single-detached dwellings in total owner-occupied dwellings declined between 1986 and 2006. In 1986, an estimated 82 per cent of owner-occupied dwellings were single-detached, but by 2006 the figure was down to 74 per cent, with the biggest drop occurring during the 1996-2006 decade (see *Figure 3-16*).

The increased popularity of owner-occupied multiple unit dwellings reflects a number of related factors, such as strong income and employment growth coupled with improved lending conditions, which made homeownership more attainable for a wider range of households¹⁴. Other likely factors include the growing number of non-family households, and the decline in the average household size that accompanies population aging.

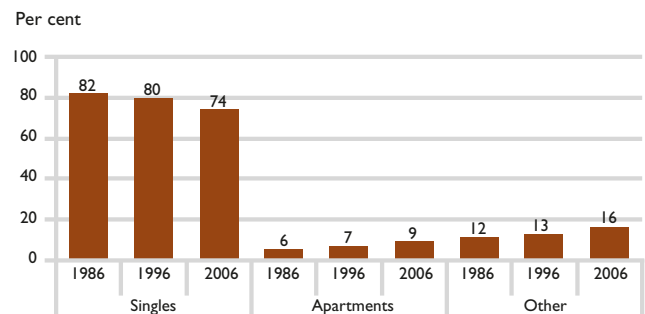
Dwelling-type mix little changed by population aging

The dwelling-type distribution of the household projections is obtained by assuming that future occupancy rates will resemble those observed in 2006¹⁵.

The dwelling-type projections discussed in this section are based on the Strong immigration scenario.

The projected changes in the population's age structure are not expected to alter significantly the relative percentage shares of each type of residence. This means that single-detached dwellings are projected to continue to account for over half of all privately-occupied households.

FIGURE 3-16
SHARES OF OWNER-OCCUPIED DWELLINGS
BY DWELLING TYPE, CANADA, 1986-2006



"Other" includes other multiple unit dwellings and moveable dwellings.

Source: CMHC and adapted from Statistics Canada
(Census of Canada and Annual Demographic Statistics)

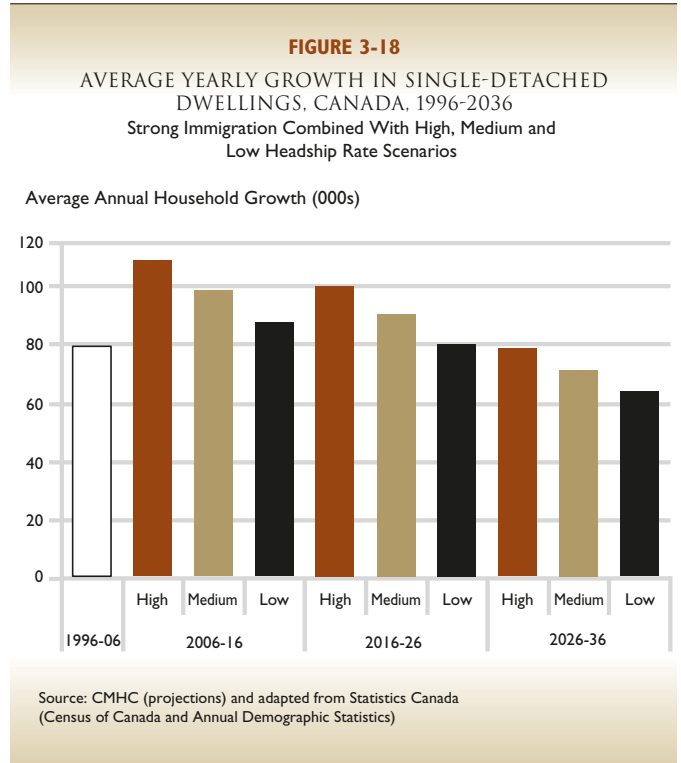
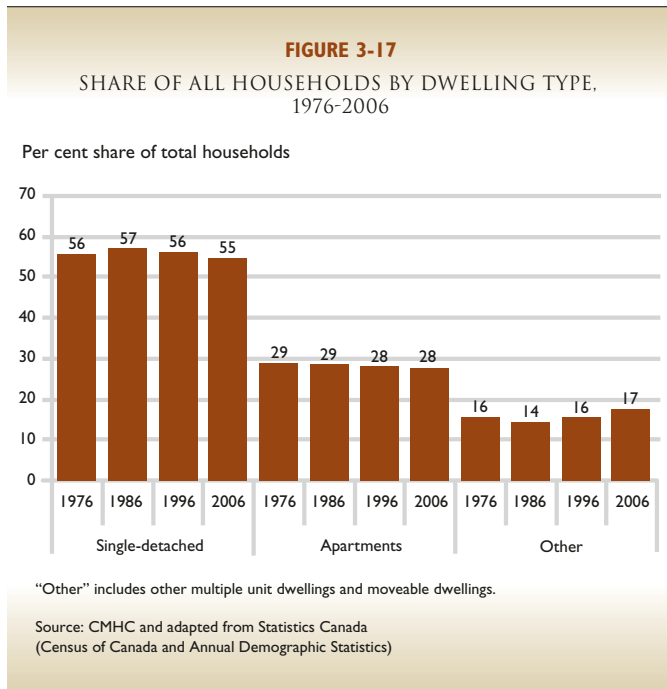
¹³ Changes in Statistics Canada's method of determining the structural type of a dwelling also played a role. Compared to the 2001 Census, the changes contributed to a drop in the percentage share of single-detached dwellings in the 2006 Census. See Statistics Canada. 2008. *Housing and Dwelling Characteristics Reference Guide, 2006 Census*. Statistics Canada Catalogue no. 97-554-GWE2006003. Ottawa. May 1. <http://www.statcan.gc.ca/bsolc/olc-cel/olc-cel?catno=97-554-GWE&lang=eng> (accessed May 5, 2009).

¹⁴ Statistics Canada reports that the rate of ownership among households in the bottom fifth of the income distribution rose 1 percentage point between 2001 and 2006, and that the rate for one-person households rose nearly 4 percentage points. See *Changing Patterns in Canadian Homeownership and Shelter Costs, 2006 Census*, Catalogue no. 97-554-X (Ottawa: Statistics Canada, 2008).

¹⁵ Occupancy rates are the percentage shares of households of a given age group living in single-detached, apartment, and "other" dwellings. "Other" dwellings include multiple units not included in the apartments category and moveable dwellings.

Owing to the increased popularity of owner-occupied multiple unit dwellings (see text box *Dwelling Type and Tenure*), single-detached housing accounted for roughly 55 per cent of all occupied private dwellings in 2006, down by about two percentage points from 1986 (see *Figure 3-17*). Apartments, the next biggest component, accounted for nearly 28 per cent of total households, with its share down one percentage point, reflecting weak growth in the number of renter households over the two decades. If not for exceptional growth in owner-occupied apartment dwellings (see text box *Dwelling Type and Tenure*), the apartment share in total households would have declined further. Reflecting ownership gains, the share of “other” dwellings rose by almost three percentage points to 17 per cent.

The average yearly gains in single-detached dwellings was about 79,000 for the period 1996 to 2006 (see *Figure 3-18*). This was well below the average of about



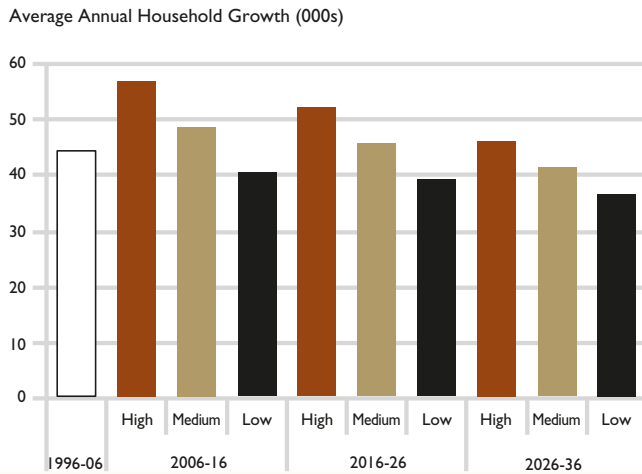
100,000 from 1976 to 2006, primarily reflecting weak growth from 2001 to 2006. The decline in growth over the period 2001 to 2006 is explained mainly by a decline in the propensity to reside in single-detached dwellings. With occupancy patterns kept at their 2006 values and using the High headship rate projection scenario, the average yearly growth in single-detached structures rises to 109,000 in the first decade of the projection. Despite a projected decline in overall household growth in the Low headship rate scenario, average annual household growth in single-detached dwellings rises from 79,000 in the period 1996 to 2006 to 87,000 over the decade to 2016. Growth in single-detached dwellings is expected to slow in the final two decades of the projection period; average yearly growth is projected in the range of 63,000 to 78,000 in the final decade of the projection period.

Occupancy rates for apartments are generally highest for the youngest households. These rates tend to decline as households age, bottoming out when people reach their forties, and then rising once people age into their fifties and beyond. The expected shift in the population's age structure is therefore expected to exert some upward pressure on household formation associated with apartment dwellings over the first decade of the projection period; the average yearly change rises from 44,000 over the 1996-2006 period to 56,000 in the High headship rate scenario (see *Figure 3-19*). Growth declines slightly in the Low headship rate case, averaging 40,000 each year over the same period. In the final 10 years of the projection horizon, the range is 36,000 to 46,000.

Occupancy of "other" dwellings tends to be highest for people in their twenties and declines at older ages. The shift in the population's age composition will give rise to a rising number of people aged 65 and older, a group whose tendency to occupy this type of dwelling is relatively low. This means that the aging of the population is expected to restrain the growth of these types of dwellings. Over the period 1996 to 2006, growth in "other" dwellings averaged 49,000, up by about 10,000 over the previous decade. But with an increase in average age, growth is projected to decline steeply over the first decade of the projection period, averaging 25,000 in the Low headship rate scenario and 33,000 in the High (see *Figure 3-20*). Growth in "other" dwellings declines over the remainder of the projection period, to a range of 17,000 to 22,000 in the final decade.

FIGURE 3-19

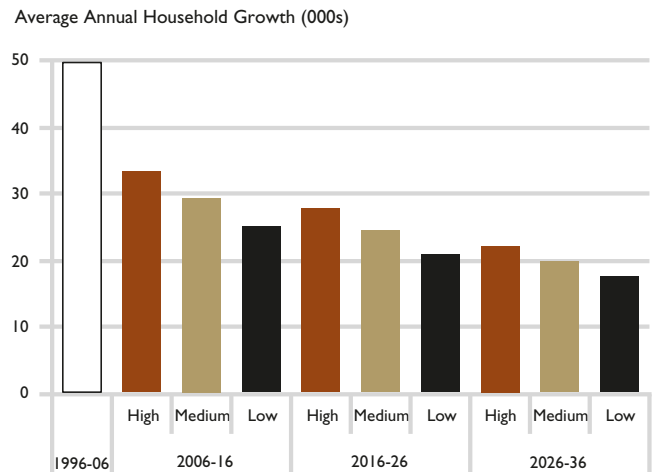
AVERAGE YEARLY GROWTH IN APARTMENT DWELLINGS, CANADA, 1996-2036
Strong Immigration Combined With High, Medium and Low Headship Rate Scenarios



Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and Annual Demographic Statistics)

FIGURE 3-20

AVERAGE YEARLY GROWTH IN OTHER DWELLINGS, CANADA, 1996-2036
Strong Immigration Combined With High, Medium and Low Headship Rate Scenarios



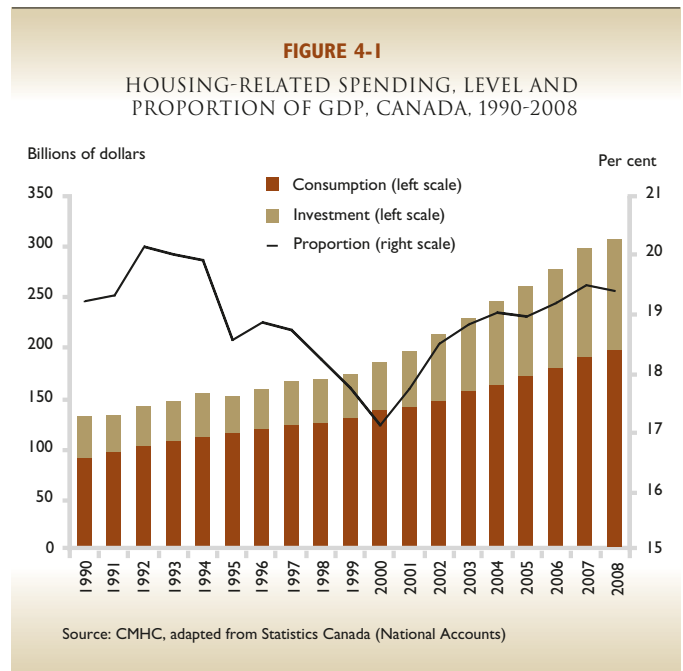
Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and Annual Demographic Statistics)

Current Market Developments

Housing starts in Canada were above the 200,000 unit level for the seventh consecutive year in 2008¹. Overall, housing starts totalled 211,056 units in 2008, a decrease of 7.6 per cent from 2007. Sales of existing homes through the Multiple Listing Service® (MLS®)² reached approximately 433,990 units. Because housing demand moderated in the latter part of 2008, balanced to buyers' market conditions³ became prevalent throughout most of Canada. An increasing inventory of existing homes combined with lower demand helped to push the average MLS® price down slightly by 0.7 per cent in 2008. The national apartment vacancy rate in the purpose-built rental market (i.e. units built specifically for rental) for existing units decreased slightly to 2.3 per cent in October 2008 compared to 2.6 per cent in October 2007. Meanwhile, renovation spending continued its upward trend. The sustained performance of the housing market, employment and income growth, and very low interest rates have contributed to the strength in renovation spending in recent years.

Housing and the economy

In 2008, housing-related spending contributed just over \$300 billion to the Canadian economy (see *Figure 4-1*). Housing-related spending grew at a rate of 3.6 per cent (not adjusted for inflation), slightly less than growth in the rest of



the Canadian economy. The proportion of gross domestic product spent on housing declined from 19.5 per cent in 2007 to 19.3 per cent in 2008. Employment in the construction⁴ industry increased by 4.7 per cent during 2008, while employment in all industries grew by 0.6.

¹ Source: CMHC's *Starts and Completion Survey*, January 2009.

² MLS® is a registered trademark of the Canadian Real Estate Association (CREA).

³ The sales-to-new-listings ratio is an indicator of the relative balance between demand and supply on the market for resales of existing homes. New listings are a gauge of supply, while MLS® sales are a proxy for demand. As new listings increase relative to sales, buyers can be more selective when making a purchase and typically have more bargaining power. For Canada as a whole, a ratio between 0.40 and 0.55 is associated with a balanced market and modest growth in prices, although these thresholds vary from centre to centre, and CMHC revised them from the range of 0.35 to 0.50 which it used previously. Ratios above 0.55 are associated with more rapidly rising prices – a “seller’s market”.

⁴ Includes residential and non-residential building construction.

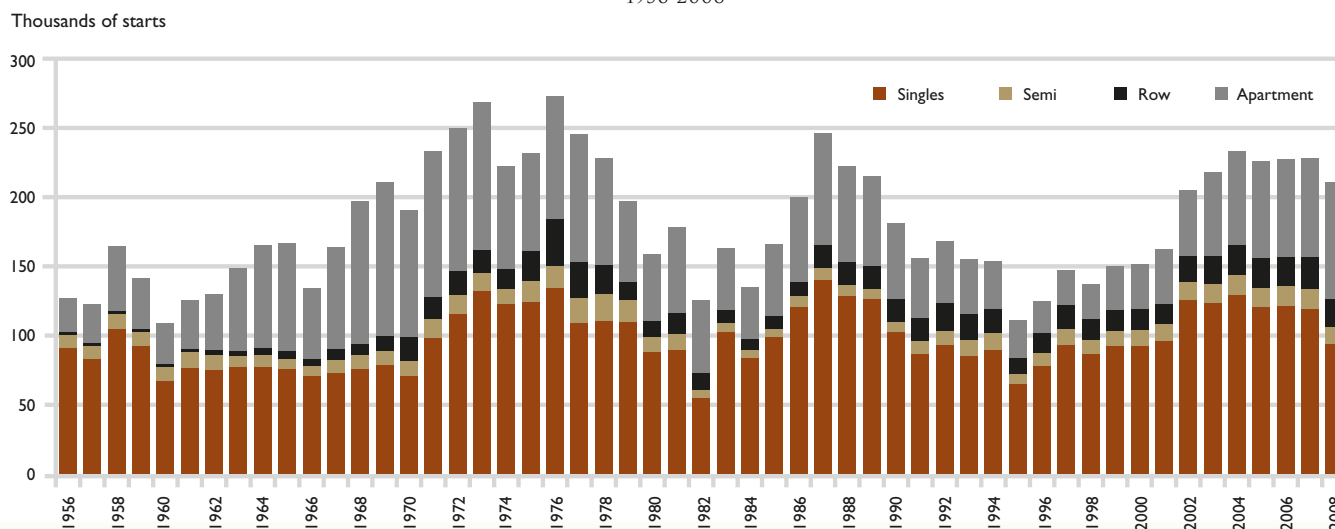
A portion of housing-related spending can be categorized as ongoing consumption, while the remainder represents investment. Housing-related consumption expenditures include spending on items such as rent, mortgage interest, property taxes, heating, electricity, water, insurance and routine maintenance⁵. Housing-related consumption spending was about \$201 billion⁶, close to two-thirds of all housing-related spending in 2008.

Housing-related investment, which represents spending on new construction, renovations that increase the value of the home⁷ (also called alterations and improvements), and transfer costs or fees associated with the purchase of an existing home⁸, increased steadily from 1998 to 2007; however, 2008 saw a slight decrease, from \$109 billion in 2007 to \$108.5 billion in 2008.

Housing starts decreased in 2008

Housing starts in Canada decreased by 7.6 per cent to 211,056 units in 2008 compared to 228,343 units in 2007 (see *Figure 4-2*). For a seventh consecutive year, housing starts exceeded 200,000 units nationally. Gains in new construction were recorded in Newfoundland and Labrador (23.1 per cent), Saskatchewan (13.7 per cent), Ontario (10.2 per cent), and New Brunswick (0.8 per cent) (see *Figure 4-3*). Decreases were recorded in Alberta (-39.7 per cent), Nova Scotia (-16.2 per cent), British Columbia (-12.4 per cent), Prince Edward Island (-5.1 per cent), Manitoba (-3.5 per cent), and Quebec (-1.3 per cent).

FIGURE 4-2
HOUSING STARTS IN CANADA,
1956-2008



Source: CMHC (*Starts and Completions Survey*)

⁵ The housing-related spending of tenants is typically calculated by aggregating the rents paid. Calculating housing-related consumption spending for owner households is done in a similar way. Rather than calculating money spent by owners on mortgage interest, taxes, maintenance, etc., owners are treated as though they are paying an “imputed” rent to themselves. This imputed rent is based on what they would be able to charge if they rented out their dwelling to someone else. Thus, owners without mortgages are treated in the same way as owners with mortgages, and the contribution of owner-occupied housing to overall economic activity is not underestimated.

⁶ In 2008, rents paid by tenants reached more than \$41 billion, while rent imputed to owners represented about \$124 billion. Source: CMHC, adapted from Statistics Canada (CANSIM).

⁷ Includes acquisition costs such as land development charges, legal fees and permits.

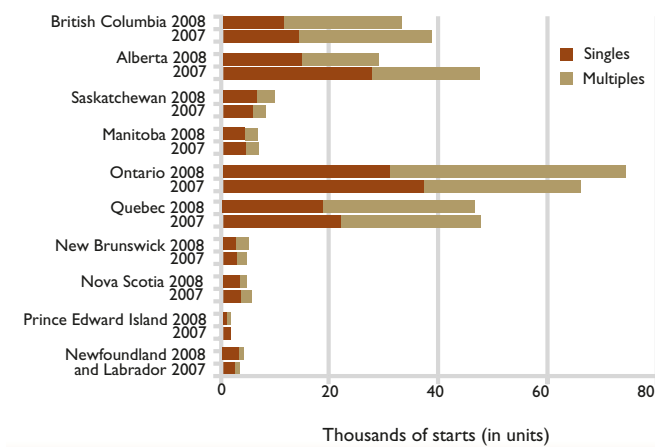
⁸ Includes real estate commissions, land transfer taxes, appraisals and legal fees.

Financial market turbulence related to the U.S. housing market downturn started to affect Canada by the end of 2008. This was a major factor in the moderation of Canada's employment levels. Despite the resulting uncertainty, low interest rates helped to support Canada's housing market.

Across the country, starts are expected to decline in 2009 with some improvement in 2010⁹. All Canadian regions will move lower in 2009, but the decreases are expected to be more pronounced in Alberta, Saskatchewan, and British Columbia.

FIGURE 4-3

HOUSING STARTS BY PROVINCE,
2007-2008



Source: CMHC (Starts and Completions Survey)

Single-detached starts declined while multiple starts increased

Single-detached starts (see *Figure 4-3*) declined by 21.6 per cent to 93,202 units in 2008 from 118,917 units in 2007. The largest reductions were in Alberta (-47.6 per cent), British Columbia (-24.1 per cent), and Ontario (-17.9 per cent). Two main factors underpinned the decrease:

- Larger numbers of existing homes for sale provided competition for the new home market; and

FAST Facts

- With a contribution of just over \$300 billion to the Canadian economy in 2008, housing-related spending accounted for just under one-fifth of total economic activity in Canada.
- New home construction remained strong with 211,056 units started in 2008, the seventh consecutive year that housing starts exceeded 200,000 units. Gains in starts were registered in Newfoundland and Labrador, Saskatchewan, Ontario and New Brunswick.
- In 2008, there were 433,990 existing home sales. MLS® sales decreased in all provinces except Newfoundland and Labrador. The average MLS® home price declined by 0.7 per cent in 2008.
- Renovation spending in alterations and improvements was \$39 billion in 2008, while repairs climbed to \$13 billion.
- The average rental vacancy rate for purpose-built apartments in Canada's 35 major centres decreased by 0.3 of a percentage point to 2.3 per cent in October 2008 from 2.6 per cent in October, 2007.
- The highest average monthly rents for two-bedroom apartments in Canada's major centres were in Calgary (\$1,148), Vancouver (\$1,124), Toronto (\$1,095), and Edmonton (\$1,034). The lowest average monthly rents for two-bedroom apartments were in Trois-Rivières (\$505) and Saguenay (\$518).

- the economic environment resulted in employment concerns and rising uncertainty.

However, historic lows in interest rates helped to support this market segment.

⁹ CMHC Housing Market Outlook, Canada Edition.

The situation was quite different in Newfoundland and Labrador which registered a robust 24.8 per cent increase in single home starts in 2008. The energy sector of this province helped boost demand for single-detached units. The only other province to experience a gain in single-detached starts was Saskatchewan, at 12.5 per cent.

In the relatively more affordable multiple-family housing segment, starts increased by 7.7 per cent to 117,854 units. Multiple starts accounted for about 56 per cent of total starts in 2008, up from 48 per cent in 2007. The largest growth in multiple-family housing starts were in Ontario (45.5 per cent), New Brunswick (16.3 per cent), Saskatchewan (16.1 per cent), and Newfoundland and Labrador (15.3 per cent).

New housing prices rose slightly in 2008

The rate of increase in the New Housing Price Index (NHPI) was 3.4 per cent in 2008. The NHPI is a measure of change in the prices of new homes of constant size and quality¹⁰. Relatively sustained demand for new housing, higher building material and labour costs, as well as increasing land values all contributed to the increase in the NHPI. The largest increases in the NHPI in 2008

occurred in Regina (26.2 per cent), Saskatoon (20.6) and St. John's, Newfoundland (19.6 per cent) (see *Figure 4-4*), while Victoria posted the only decrease at 0.1 per cent.

Market Absorption Survey

The purpose of CMHC's *Market Absorption Survey (MAS)* is to provide an indication of the demand for homeownership and rental dwellings. The survey is designed to measure the rate at which units are sold or rented after they are completed, as well as to collect sale prices. The term 'absorbed' means that a housing unit is no longer on the market (i.e., has been sold or rented). This usually happens when a binding contract is secured by a non-refundable deposit and has been signed by a qualified purchaser or renter. For this purpose, the *Market Absorption Survey* follows completed dwellings until they are sold or rented.

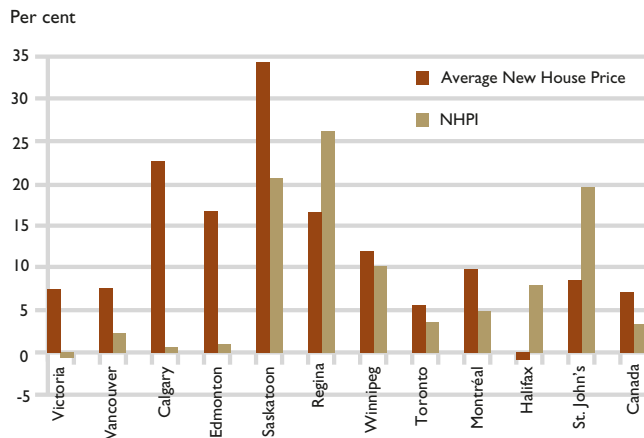
Geographic coverage and frequency for current survey month

The *Market Absorption Survey* is carried out in conjunction with the *Starts and Completions Survey* in urban areas with populations in excess of 50,000. When a structure is recorded as "completed", a report is also made as to whether or not a unit has been sold or rented. The dwellings are then enumerated each month until such time as absorption occurs.

CMHC's *Market Absorption Survey (MAS)* (see text box) is another source of information on new home prices. According to the *MAS*, in 2008, the average new single-detached house price rose by 7.1 per cent in Canada, compared to an increase of 3.4 per cent in the NHPI. Relatively more expensive locations, larger homes, and homes with more features resulted in the average price rising at a faster rate than the NHPI in 2008. In addition, the *MAS* measures the price agreed upon when the house is sold, which could be a year before it is actually absorbed. As a result, the *MAS* price growth might reflect market conditions with a six to 12 month lag.

FIGURE 4-4

CHANGE IN AVERAGE NEW HOUSE PRICES AND NEW HOUSING PRICE INDEX (NHPI), CANADA AND SELECTED URBAN CENTRES, 2008



The average new house price (single-detached) measures actual sale prices of new houses. The New Housing Price Index measures prices of new houses of constant size and quality.

Source: CMHC (*Market Absorption Survey*) and adapted from Statistics Canada (CANSIM)

¹⁰ Defined so that the specifications of a home like lot size, house size, and features do not change over time.

Existing home sales shrank in 2008

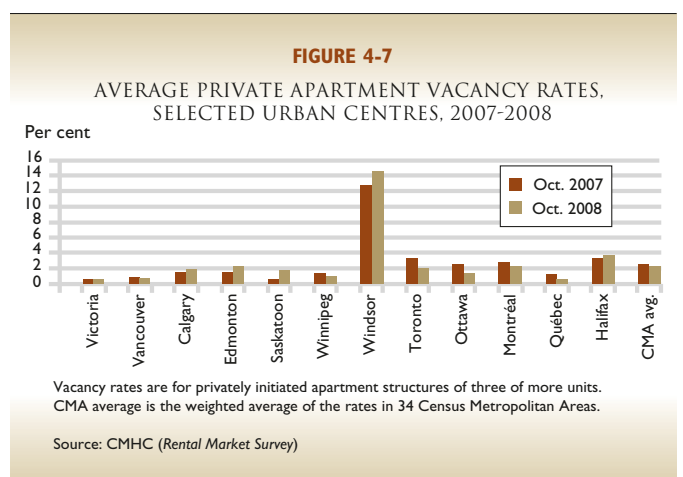
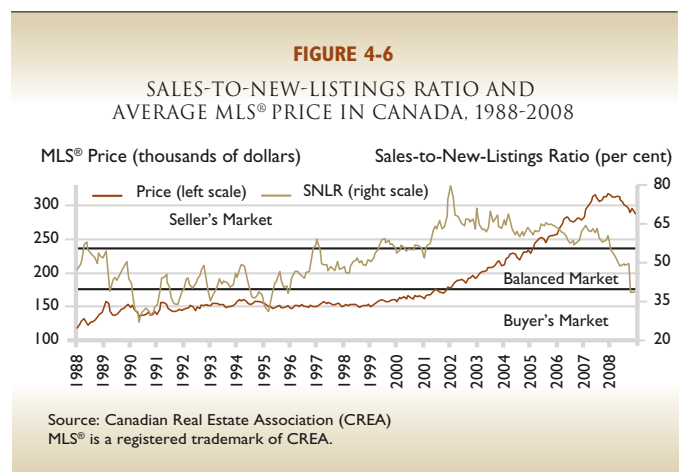
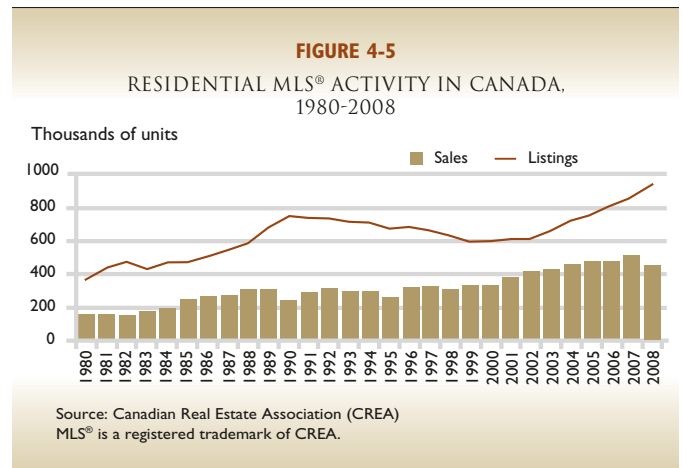
In 2008, existing home sales through the Multiple Listing Service® (MLS®), declined by 17.1 per cent to 433,990 transactions from a record level of over 520,000 sales in 2007 (see *Figure 4-5*). Multiple Listing Service® sales declined in every province, except in Newfoundland and Labrador where they increased by 5.0 per cent.

Average resale prices changed little over the course of 2008

The average MLS® home price was \$303,607 in 2008, a slight decline of about 0.7 per cent compared with the previous year (see *Figure 4-6*). By the end of 2008, buyers' market conditions were prevalent in some provinces. In terms of gains in prices, Saskatchewan led the way with 28.8 per cent price growth, followed by Newfoundland and Labrador at 19.6 per cent and Manitoba at 12.5 per cent. Growth in house prices was more modest in Canada's other provinces. In New Brunswick and Nova Scotia, the average MLS® price increased by 6.7 per cent in 2008. Meanwhile, the average MLS® price for Alberta decreased by 0.9 per cent. In Ontario, the average MLS® price grew by 0.9 per cent, while Quebec and British Columbia experienced growth of 4.1 and 3.5 per cent, respectively.

Rental vacancy rate little changed at 2.3 per cent

The average rental vacancy rate for purpose-built apartments in Canada's 35 major centres¹¹ declined by 0.3 of a percentage point to 2.3 per cent in October 2008 compared to October 2007 (see *Figure 4-7*). Generally speaking, vacancy rates were lowest in Manitoba (0.9 per cent), British Columbia (1.0 per cent), and Saskatchewan (1.2 per cent). In recent years, the strong economic expansion and abundant employment opportunities in western provinces attracted workers from Central and Atlantic Canada. Upon their arrival, many of these people settled in rental housing, which put downward pressure on vacancy rates. As for Alberta, both Edmonton and Calgary saw increases in the vacancy rate, mainly due to reduced migration into the province and increased competition from the secondary rental market¹².



¹¹ Major centres are based on 34 Statistics Canada Census Metropolitan Areas (CMAs); however, the Ottawa-Gatineau CMA is treated as two centres for CMHC *Rental Market Survey* purposes.

¹² The secondary rental market includes rented condominium apartments, single-detached, semi-detached, freehold row/town homes, duplexes and accessory apartments.

The major centres with the lowest vacancy rates in October 2008 were Kelowna (0.3 per cent), Victoria (0.5 per cent), Vancouver (0.5 per cent), Regina (0.5 per cent), and Greater Sudbury (0.7 per cent). All the major centres in British Columbia, except for Abbotsford, posted a vacancy rate below 1 per cent as rising net migration to British Columbia and relatively high homeownership costs resulted in increased rental demand. At the other end of the spectrum, the major centres with the highest vacancy rates were Windsor (14.6 per cent), St. Catharines-Niagara (4.3 per cent), and Oshawa (4.2 per cent).

Condominium and rental completions were both up

For the 12-month period from October 2007 to September 2008, condominium completions in all major centres remained high at 50,794 units, an increase of 8.7 per cent compared to the same period one year earlier (46,726 units). Rental completions continued to add to the supply of rental dwellings. For the 12-month period ending in September 2008, rental completions (14,908 units) were up by 9.9 per cent compared to a year earlier (13,562 units).

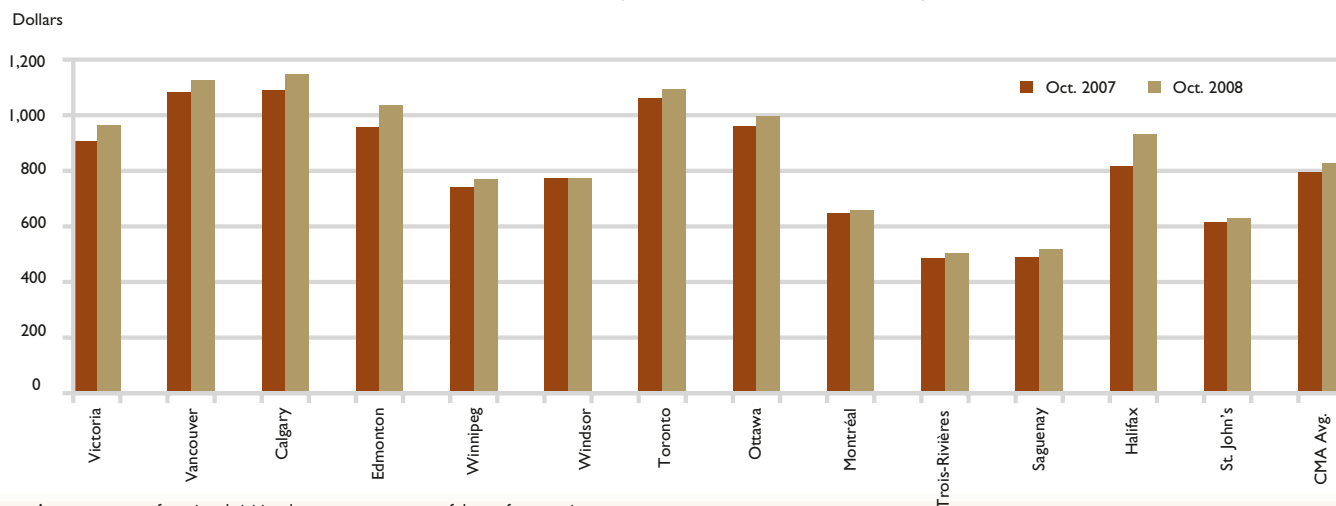
Rents increased moderately across Canada

In October 2008, the highest average monthly rents in new and existing structures for two-bedroom apartments in Canada's major centres were in Calgary (\$1,148), Vancouver (\$1,124), Toronto (\$1,095), and Edmonton (\$1,034) (see *Figure 4-8*). Of all the major centres, these four were the only ones with average rents above \$1,000. The lowest average monthly rents for two-bedroom apartments were in Trois-Rivières (\$505) and Saguenay (\$518). Overall, the average rent for two-bedroom apartments in new and existing structures across Canada's 35 major centres increased 4.2 per cent between October 2007 and October 2008.

Year-over-year comparison of rents can be slightly misleading because rents in newly built structures tend to be higher than in existing buildings. However, by excluding new structures, we can get a better indication of actual rent increases paid by tenants. While the average rent for two-bedroom apartments in existing structures increased in all major centres, rent increases were particularly strong in Saskatoon (20.3 per cent), Regina (13.5 per cent), Edmonton (9.2 per cent) and Kelowna (8.4 per cent)¹³.

FIGURE 4-8

AVERAGE MONTHLY RENT, TWO-BEDROOM APARTMENTS, IN EXISTING STRUCTURES, SELECTED URBAN CENTRES, 2007-2008



Average rents are for privately initiated apartment structures of three or more units.

Source: CMHC (*Rental Market Survey*)

¹³ See Rental Market Reports – Major Centres, Fall 2008 on www.cmhc.ca, visit Order Desk, Statistics and Data, Rental Market Reports – Major Centres.

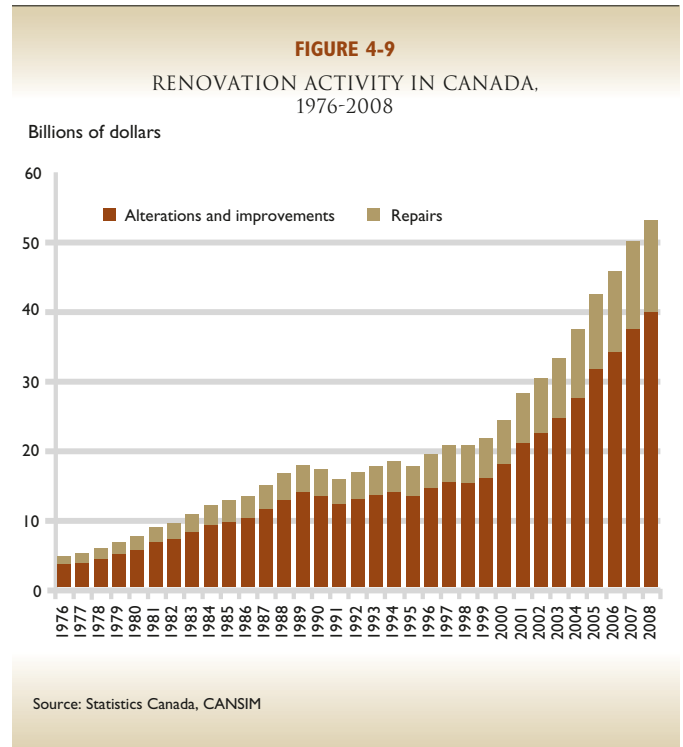
The rental apartment availability rate decreases across Canada

The average rental apartment availability rate in Canada's 35 major centres was 3.2 per cent in October 2008, down from 3.7 per cent in October 2007. A rental unit is considered available if the unit is vacant (physically unoccupied and ready for immediate rental), or if the existing tenant has given or received notice to move and a new tenant has not signed a lease. Availability rates were highest in Windsor (16.8 per cent), St. Catharines-Niagara (6.8 per cent), and London (6.4 per cent), while the lowest rates were in Vancouver (1.1 per cent), Regina (1.2 per cent), and Winnipeg and Kelowna (both at 1.4 per cent).

Renovation spending continued to grow

Renovation spending, which has progressed at a steady pace since 1999, continued its upward trend in 2008 (see *Figure 4-9*). The renovation market benefitted from the strong economic growth of recent years and the solid performance of the housing market. High employment in recent years translated into steady income gains, which, in turn, boosted consumer confidence and provided greater financial means for households to upgrade their homes. Low mortgage rates, record sales of existing homes, and high levels of housing starts over the past few years also contributed to the pick-up in renovation activity. High levels of sales mean that more homeowners are more likely to invest in renovations, which pushes the total renovation spending up.

Total renovations are a combination of alterations and improvements that raise the value of a home, and repairs and maintenance which maintain home value. Alterations and improvements grew by 6.4 per cent and reached about \$39 billion in 2008, accounting for approximately three-quarters of total renovation spending. Repairs added another \$13 billion, bringing the spending that maintained or improved the housing stock to \$52 billion, an increase of 6 per cent compared to 2007.



Sales of existing homes are a leading indicator of renovation spending because homeowners generally undertake renovations within the first three years after buying a house. Thus, the high level of sales in the existing home market over the past few years provides a solid foundation for renovation activity. In addition, low mortgage rates have also facilitated mortgage refinancing, which is an attractive way to pay for renovations since it allows homeowners to access some of the equity from their homes at attractive interest rates. However, sales have recently moderated and this may be reflected in slower renovation spending beyond 2008, unless it is offset by the impact of residential renovation incentives which were included in the January 2009 Federal Budget¹⁴.

¹⁴ See Home Renovation Tax Credit in the Budget 2009: Canada's Economic Action Plan at <http://www.actionplan.gc.ca/eng> (accessed July 7, 2009).

The house price bubbles associated with several foreign housing markets, most notably the United States housing market, began to deflate in 2007 and burst in 2008. The fallout from these collapses reverberated through world financial markets, leading to the credit crisis and global economic downturn.

As financial turmoil spread across the world in 2008, it brought down major international financial institutions, prompted huge bailouts—including the nationalization of some banks, and spawned a range of financial interventions as governments struggled to get their countries' credit markets functioning again. By the end of the year, initiatives to address problems in financial markets were complemented by large economic stimulus plans as adverse credit market conditions began impacting nations' economies.

Estimates of worldwide losses related to U.S. sub-prime¹ and other loans spiraled upward throughout 2008, with the International Monetary Fund (IMF) forecasting \$1.4 trillion (USD) in October 2008, considerably up from their \$800 billion estimate in October 2007. Other organisations subsequently projected ever-higher loss figures, and in January 2009, the IMF raised its estimate to \$2.2 trillion.

Canada's housing finance system has not been immune to the global crisis, but has exhibited comparatively remarkable resiliency

Although the downstream impacts of the contraction in world economic activity fed through to Canada's economy in 2008, Canadian financial institutions, with limited exposure to U.S. sub-prime markets, weathered the global financial turmoil relatively well. The Bank of Canada indicated in December 2008² that Canadian banks had reported \$12 billion in writedowns by the third quarter of the year, compared to \$476 billion (USD) estimated by the Institute of International Finance for the U.S. alone. Furthermore, what writedowns Canadian banks have made, have not been attributable to domestic residential mortgage lending.

Despite the relative strength of Canada's financial system, the crisis has posed some challenges. For example, the Bank of Canada has cited the extensive use of its liquidity facilities as evidence that things had not been easy for Canadian banks, and that in the fourth quarter, banks had “not had access to the full range of capital markets normally available for funding purposes”³.

Notwithstanding the challenges created by the global financial crisis, Canada's housing finance system exhibited remarkable resiliency throughout 2008, particularly in comparison with those of many other countries.

¹ There is no universally accepted definition of sub-prime mortgages, but in general, a sub-prime mortgage is one where the borrower has a weak or flawed credit history.

² Financial System Review, (December, 2008) Bank of Canada, http://www.bankofcanada.ca/en/fsr/2008/fsr_1208.pdf (accessed May 20, 2009).

³ Ibid p. 25.

Vulnerability of Canadian banks had been limited by their high capitalization, the small sub-prime sector in Canada (estimated to be less than 5 per cent of the Canadian residential market compared with 14 per cent in the United States⁴), prudent underwriting, and the fact that mortgages in excess of 80 per cent require mortgage insurance by legislation. In addition, Canadian markets had not in general experienced a house price bubble, so the risk of a house price collapse and major mortgage defaults was perceived to be much less⁵. Furthermore, the continuation of mortgage lending at a healthy pace had been facilitated by CMHC's securitization programs, which have allowed lenders to navigate through the financial turmoil by converting residential mortgages into *National Housing Act* Mortgage-Backed Securities (NHA MBS) (see text box) and Canada Mortgage Bonds (CMB)⁶.

Canadian government acted to strengthen Canada's housing finance system

Several important new policies were put in place during 2008 with a view to ensuring the continued resilience of Canada's housing finance system during this period of global economic weakness and financial market turmoil. Banking problems in Canada have been due to global liquidity constraints rather than domestic market weakness. Government initiatives therefore focused on freeing up funding to strengthen and protect Canada's housing markets and housing finance system. A number of new policies and programs were introduced in 2008 and early 2009 which:

- Enhanced rules governing mortgages.
- Expanded the Canada Mortgage Bond Program to include 10-year maturities.
- Introduced a new Insured Mortgage Purchase Program.

Each is discussed below.

Enhanced rules governing mortgages

The Canadian government introduced new rules regarding mortgages covered by government-backed mortgage insurance⁷. Restrictions also relate to loan-to-value ratios, amortization, debt loads, credit scores and loan documentation. The restrictions include the following:

- Prohibition against loans with no amortization in initial years⁸.
- Maximum loan-to-value ratio is 95 per cent.
- Maximum amortization of 35 years.
- Maximum total debt service ratio⁹ of 45 per cent.
- Minimum credit score.
- Minimum loan documentation standards providing evidence of borrower income and property value.

These rules became effective on October 15, 2008.

⁴ Source: See Footnote 2. The Bank of Canada also points out that the sub-prime sector is not only much smaller, but also characterized by more stringent underwriting standards than those employed in the United States.

⁵ The IMF, in its World Economic Outlook of October 2008, reported that Canada was one of only five out of 21 countries with prices below what would be expected based on market fundamentals.

⁶ Bank of Canada, (December, 2008) Financial System Review.

⁷ These boundaries apply to insurance policies of CMHC and private insurers, since the Government backstops private insurers through a 90 per cent guarantee. They were announced in July 2008. A high-ratio mortgage has a loan-to-value (LTV) ratio greater than 80 per cent and must conform to the requirements of the Bank Act. Mortgages with lower LTVs do not require insurance, and are known as conventional mortgages.

⁸ For more details, see Department of Finance Backgrounder, Residential Mortgage Insurance, http://www.fin.gc.ca/n08/data/08-051_1-eng.asp (accessed April 12, 2009).

⁹ Total debt service ratio is the proportion of gross household income that is spent on debt service and housing-related fixed or essential payments.

National Housing Act Mortgage-Backed Securities Program (NHA MBS)

CMHC launched the NHA MBS Program in 1987, in order to increase the availability, and reduce the cost, of mortgages. NHA MBS are pools of amortizing residential mortgages insured by CMHC or private mortgage insurers.

Investors in NHA MBS purchase interests in pools of mortgages and receive monthly installments of principal and interest as “passed-through” from the cash flows of the underlying mortgages.

MBS enable investors to invest in the secondary mortgage market in a similar way as they would in the bond market. For mortgage lenders, the proceeds provide a source of funding for their mortgage operations—reducing or eliminating the dependence on retail deposits (consumer savings, for example, in the form of Guaranteed Investment Certificates or term deposits).

Expansion of the Canada Mortgage Bond (CMB) Program

In July 2008, the Government of Canada announced an expansion of the CMB program to include a 10-year maturity. This builds on the previously available 5-year maturity and further facilitates cost effective funding to Canadian mortgage lending institutions (see text box *Canada Mortgage Bond Program*).

Insured Mortgage Purchase Program (IMPP)

In October 2008, the Government of Canada committed to the purchase of up to \$25 billion in insured mortgage pools through CMHC, in order to maintain the availability of longer-term credit for consumers, homebuyers and businesses in Canada. The purchases were to be conducted at market prices through a competitive auction process.

FAST Facts

- Total Canadian mortgage credit outstanding at year-end 2008 was \$903 billion, 10.3 per cent higher than a year earlier.
- The Bank of Canada dropped its overnight lending rate target eight times between December 2007 and January 2009 for a total decrease of 350 basis points, to a record low of 1 per cent.
- The federal government committed up to \$125 billion of purchases under CMHC’s Insured Mortgage Purchase Program. This includes commitments in late 2008 as well as those under the Federal Budget, Canada’s Economic Action Plan.
- Five-year posted mortgage rates averaged 7.06 per cent in 2008, virtually unchanged from 2007.
- Mortgage arrears rose to 0.33 per cent in December 2008 from 0.26 per cent a year earlier. This is still very low by historical standards.
- NHA Mortgage-Backed Securities issuance soared in 2008, increasing total MBS outstanding by \$88 billion to \$254.3 billion. Canada Mortgage Bonds outstanding increased to \$141.7 billion from \$118.5 billion in 2007.

The commitment was subsequently increased to a total of \$75 billion in November 2008, and by a further \$50 billion in the January 2009 budget, for a total of \$125 billion (see text box *Insured Mortgage Purchase Program*).

Canada Mortgage Bond (CMB) Program

The CMB Program was designed to complement CMHC's long-standing NHA MBS Program. Introduced in 2001, the CMB Program has provided a continuing investment opportunity for investors and a cost-effective source of funding for mortgage lenders. The objectives of the Program are to help ensure Canadians have access to affordable mortgage financing and to improve the liquidity and the competitiveness of the Canadian mortgage market.

CMBs are issued by the Canada Housing Trust (CHT) and are fully guaranteed as to timely payment of principal and interest by CMHC. CHT uses the proceeds from the bonds to purchase NHA MBS (that were issued via the NHA MBS Program). The lenders would then use the funds obtained from selling the NHA MBS for lending to mortgage borrowers.

Most CMBs are fixed-rate, five- or ten-year term bonds with semi-annual payments. Since its introduction, the Program has expanded and also includes multi-family residential mortgages since 2006.

Compared to NHA MBS, the CMB program effectively converts the monthly and amortizing cash flows of the NHA MBS into typical bond-like payments, i.e. semi-annual coupon payments and a final principal payment. Thus, CMBs are appealing to a broader investor base, more investor-friendly, and therefore, funding via CMBs can be achieved at relatively lower costs.

Insured Mortgage Purchase Program (IMPP)

The Government of Canada announced in October 2008 that, as a measure to maintain the availability of longer-term credit in Canada, it would purchase \$25 billion in *National Housing Act* Mortgage-Backed Securities (NHA MBS) from Canadian financial institutions through a competitive auction process to be managed by CMHC. This Insured Mortgage Purchase Program (IMPP) was further enhanced in November 2008 and in Canada's Economic Action Plan—Budget 2009. These enhancements would see the government purchase, through CMHC, up to an additional \$100 billion in NHA MBS.

All of the mortgages involved in this initiative are high quality assets that are already insured through CMHC or private insurers. As a result, there is no additional risk to taxpayers. This is an efficient, cost-effective and safe way of providing secure and reliable long-term funding to Canada's financial institutions which benefits Canadian households, businesses, and the economy.

The Bank of Canada repeatedly reduced its overnight rate, prompting lower mortgage rates

In addition to the aforementioned policy changes, Canada's mortgage market benefitted from the Bank of Canada's monetary policy actions. In response to the economic and financial crisis, the Bank of Canada began to lower its overnight lending rate on December 4, 2007¹⁰. As risks materialized, credit markets tightened, economic prospects grew weaker and stock markets retreated; this initial drop in the overnight lending rate was followed by another eight reductions through to January 20, 2009.

¹⁰ The overnight rate is the interest rate charged between major financial institutions for borrowing and lending overnight funds among themselves. The Bank of Canada sets a target level for the rate.

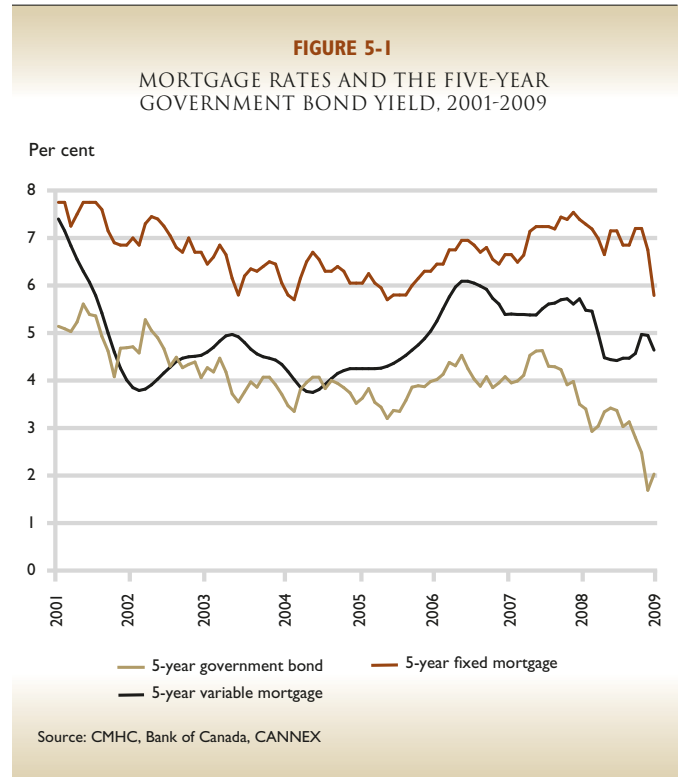
The cumulative decline in the overnight rate over the period was a substantial 350 basis points¹¹, bringing it down to 1 per cent. This pattern of central bank easing was reflected across the world and included a 50 basis point reduction coordinated with other nations' central banks on October 8, 2008¹², which set the stage for further accelerated reductions thereafter.

The rate reductions were accompanied by liquidity injections through the Bank of Canada's various liquidity programs. Under these "open market operations", the Bank of Canada buys securities from a chartered bank and agrees to sell them back the next day. This increases the chartered bank's liquidity, expands the money supply and puts downward pressure on short-term interest rates.

Canadian mortgage rates were stable

While government bond yields tumbled in 2008 along with the Bank of Canada's overnight rate, declines in mortgage rates were more modest (see *Figure 5-1*). Five-year government bond yields declined almost 300 basis points from July 2007 to December 2008, but the five-year fixed mortgage rate fell only 33 basis points—resulting in a more than doubling in the differential in the bond rate. The decline in mortgage rates was relatively modest because there were increases in some funding costs for lenders.

The spread also widened in 2008 between posted five-year fixed mortgage rates and variable mortgage rates. The five-year fixed-rate averaged 7.06 per cent, while the variable-rate averaged 4.87 per cent. The average spread for the year, at 219 basis points (273 basis points at its peak in July), compares with only 145 basis points in 2007. In January 2009, however, posted five-year fixed-rates fell to 5.79 per cent.



Mortgage discounting (under which borrowers negotiate rates lower than the posted rate) remained significant in 2008. Based on data from a Canadian Association of Accredited Mortgage Professionals (CAAMP)¹³ survey conducted in mid-October 2008, average interest rates obtained by those taking out five-year fixed-rate mortgages in the previous year were 159 basis points below the average posted rates for the same period in 2008. However, in January 2009, the Canadian Real Estate Association reported that lenders were reducing discounts on advertised interest rates and in some cases completely eliminating them¹⁴.

¹¹ 100 basis points equals one percentage point.

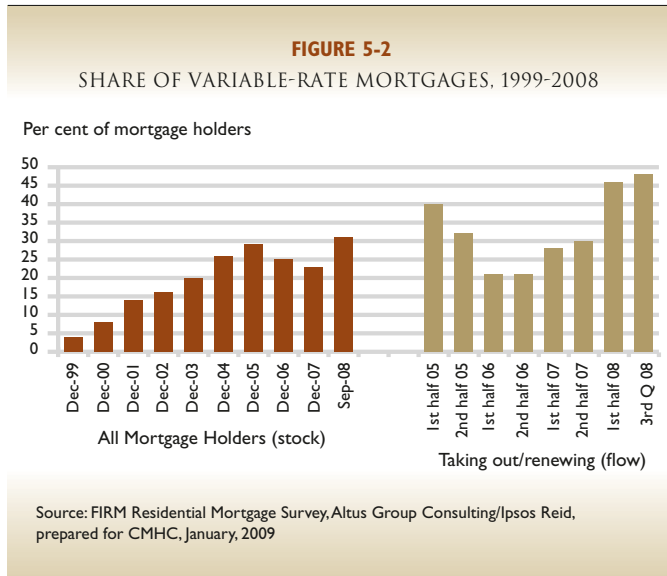
¹² Under this joint effort, the Bank of Canada, the Bank of England, the European Central Bank, the U.S. Federal Reserve, Sweden's Central Bank and the Swiss National Bank all announced reductions on the same day.

¹³ See: *Annual State of the Residential Mortgage Market in Canada* by Will Dunning, Canadian Association of Accredited Mortgage Professionals CAAMP, November 2008 English only, retrieved October, 2009 from <http://www.caamp.org/meloncms/media/survey2.pdf>.

¹⁴ CREA News, January 20, 2009, <http://creanews.ca/2009/01/20/bank-of-canada-cuts-interest-rates-again-in-january/>, retrieved April 12, 2009.

The popularity of variable-rate mortgages soared

The widening differential between fixed- and variable-rate mortgages pushed the percentage opting for variable rates up to a record 48 per cent among those taking out or renewing mortgages in the third quarter of 2008 (see *Figure 5-2*). As of the third quarter, 31 per cent of all mortgage holders held variable-rate mortgages.



While over 80 per cent of those who chose a variable-rate mortgage (at time of survey) say they would make the same choice again, historical experience has shown that borrowers are very sensitive to the prevailing differential and to future expectations for changes in mortgage rates (e.g. whether rates are perceived to be close to bottom so that it may be time to lock-in an attractive low fixed-rate).

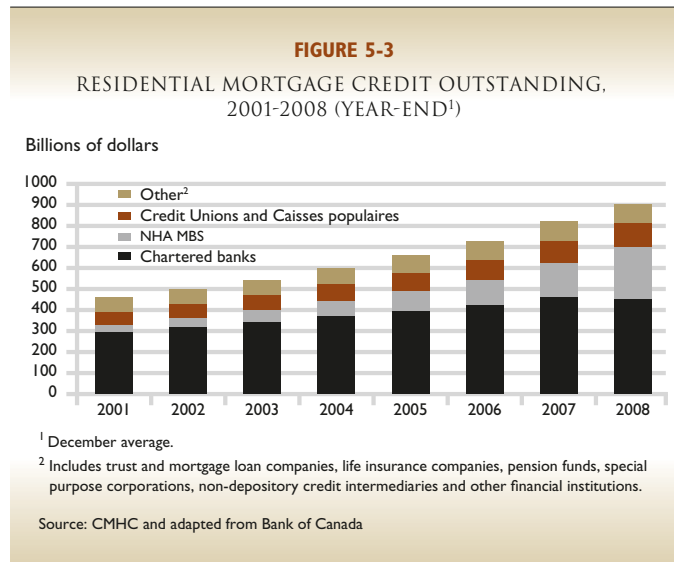
It seems that younger households are more cautious about taking out variable-rate mortgages. The CAAMP survey suggests that households with heads between 18 and 34 years of age are less likely to have a variable- or combination-¹⁵ rate mortgage (27 per cent) than those in the 35 to 44 age range (36 per cent) or those in the 55+ age category (37 per cent). This preference for more

certainty may be due to their generally higher debt service ratios, which make them more vulnerable to upward adjustments in rates.

Growth in Canadian mortgage credit outstanding slowed, but only marginally

Fewer home sales and declining house prices brought about a modest slowing in the growth of total mortgage credit in 2008. The total outstanding mortgage credit reached \$903 billion as of December 2008, up 10.3 per cent from twelve months earlier, compared with a corresponding increase of 12.3 per cent for the same period a year before. With survey data in September 2008 showing declining intentions to purchase a home across all age groups¹⁶ and new housing starts forecast to decline sharply¹⁷, a further slowing in mortgage credit growth was expected in 2009.

As a result of expanded activity under the Insured Mortgage Purchase Program and limited demand for “private label” securitized products (non-government mortgage-backed securitization), the share of total mortgage credit outstanding accounted for by NHA MBS climbed from 19 per cent to 27 per cent. At the same time, the chartered bank share dropped from 56 per cent to 50 per cent of total mortgage credit outstanding (see *Figure 5-3*).



¹⁵ In a combination-rate mortgage, part is based on a fixed-rate, and part on a variable-rate.

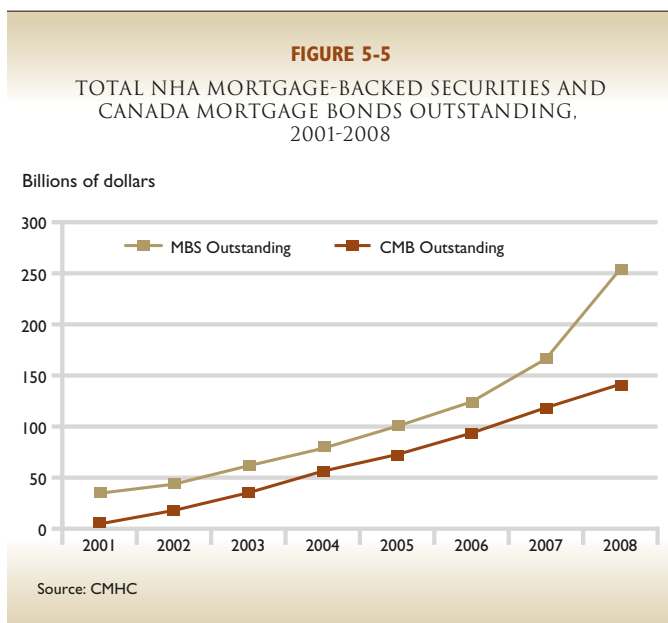
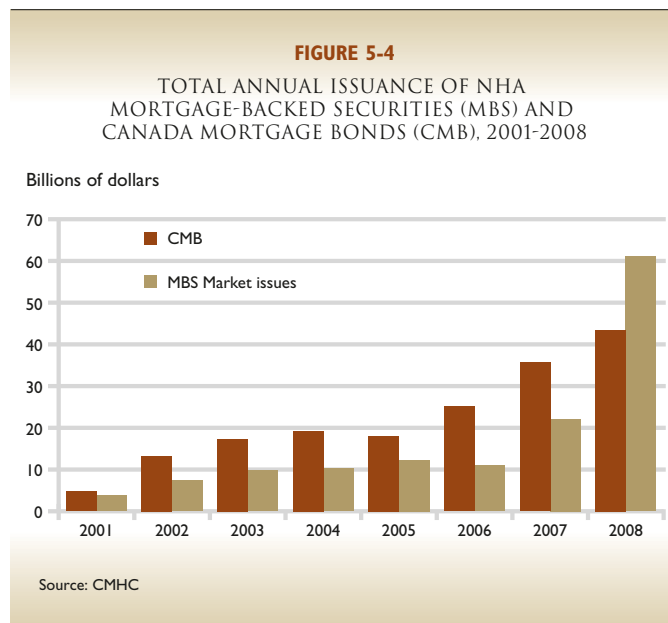
¹⁶ Source: the Financial Industry Research Monitor (FIRM) Residential Mortgage Survey, prepared for CMHC by Altus Group Consulting and Ipsos Reid.

¹⁷ In the first quarter of 2009, housing starts were forecast to decrease from about 211,000 in 2008 to between 141,000 and 180,000 in 2009, see Housing Market Outlook, Canada Highlights Edition, www.cmhc.ca.

Mortgage securitization rose sharply

As indicated earlier, NHA MBS issuance rose sharply in 2008 as investors shied away from private label MBS, and as the federal government created the Insured Mortgage Purchase Program.

Total NHA MBS issuance rose to \$61.1 billion, from \$22.3 billion in 2007, more than the total issuance in the previous four years combined. Total Canada Mortgage Bond (CMB) issuance rose 22 per cent to \$43.5 billion, from \$35.7 billion the previous year (see *Figure 5-4*).

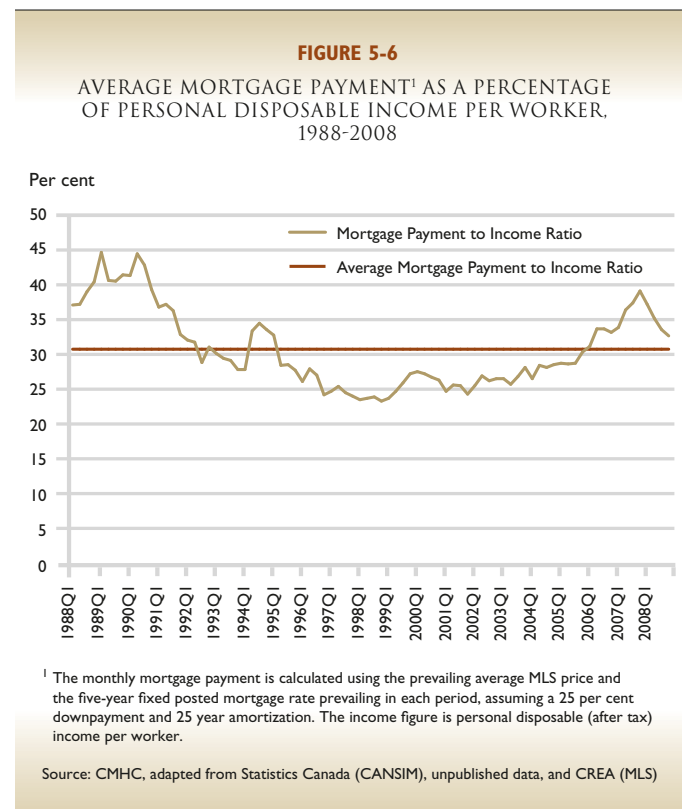


The high level of issuance of NHA MBS increased the total outstanding by \$88 billion to \$254.3 billion in 2008. Canada Mortgage Bonds outstanding increased to \$141.7 billion from \$118.5 billion in 2007 (see *Figure 5-5*).

In July 2008, the Government of Canada announced an expansion of the CMB program to include a CMB with a 10-year maturity. This builds on the previously available 5-year maturity and further facilitates cost-effective funding to Canadian mortgage lending institutions.

Affordability of home purchase improved

Moderating house prices and low interest rates in 2008 improved the affordability of home buying, with affordability moving closer to its historical average by the end of the year (see *Figure 5-6*). For the purchase of an average-priced house in Canada in the fourth quarter of 2008, the ratio of mortgage payment to average personal disposable income per worker would have been 33 per cent compared to 39 per cent a year earlier. However, wide differences in house price movements and incomes across the country mean that there is considerable variation around average affordability in different markets.



More consumers felt their access to homeownership was limited by their credit history

In the September 2008 mortgage survey conducted for CMHC (FIRM Survey) those who thought they would not qualify if they applied for a mortgage or had in fact already been turned down were asked the reasons for not qualifying (or thinking that they would not qualify). As compared to September 2007, the responses in September 2008 showed a sharp drop in those citing that their income was too low (53 per cent to 40 per cent), but an increase in those citing past credit problems (from 21 to 28 per cent) (see *Figure 5-7*). This increase may in part reflect awareness of the minimum credit score requirements announced in July (but effective October 2008) for high ratio mortgages (see above). Close to one in five (the same as in 2007) believed that the impediment was that they had too much debt already. By contrast, only 4 per cent cited insufficient down payment as a reason.

Households cautious

Many households' net assets were affected by the drop in the stock market in the last half of 2008. This, together with the economic downturn and fears of job loss, made households cautious in their spending behavior. Personal bankruptcies also increased towards the end of 2008; the total for the year was 13.5 per cent above that for 2007, with the number occurring in December being 50 per cent higher than in December 2007.

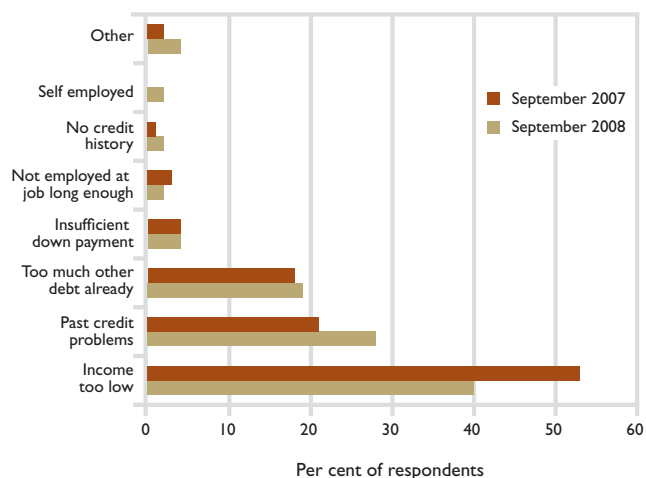
Total household indebtedness continued to grow, but the increase from November 2007 to November 2008, at 10 per cent, was down from 12.1 per cent for the comparable period a year earlier.

The fall 2008 CAAMP survey reported that over one in five (22 per cent) homeowners withdrew equity from their homes or increased their mortgage principal in the previous twelve months, up from 17 per cent a year earlier. The average amount withdrawn was \$41,000, an increase of \$7,600 from the year before. About 60 per cent of the total withdrawn was for new expenditures (as opposed to debt consolidation and repayment).

Data from a November 2008 CAAMP Report¹⁸ indicate that close to half (49 per cent) of Canadian mortgage holders have at least 50 per cent equity in their homes, about 7 per cent of Canadian mortgage holders have less than 10 per cent in equity (see *Figure 5-8*).

FIGURE 5-7

REASONS DID NOT, OR DON'T THINK WOULD, QUALIFY FOR A MORTGAGE

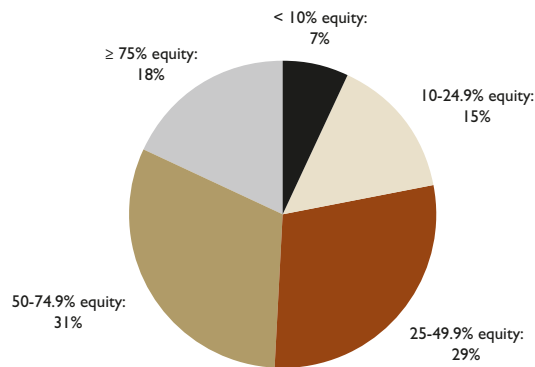


Source: FIRM Residential Mortgage Survey, Altus Group Consulting/Ipsos Reid, prepared for CMHC, January, 2009

¹⁸ See: Dunning, Will. (November 2008) CAAMP, Annual State of the Residential Mortgage Market in Canada, English only <http://www.caamp.org/meloncms/media/Survey2.pdf> (accessed October 2009).

FIGURE 5-8

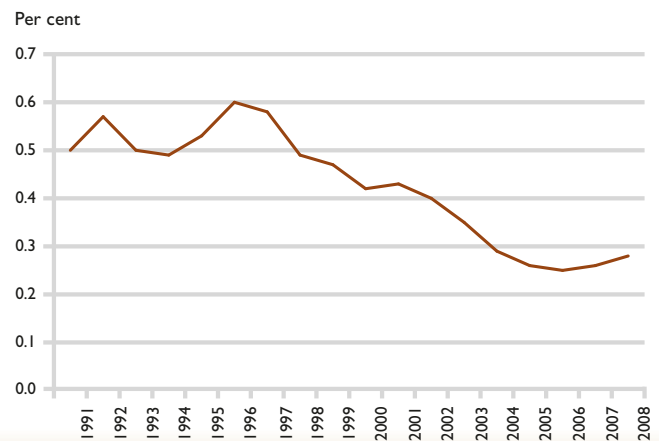
EQUITY POSITIONS OF CANADIAN MORTGAGE HOLDERS, FALL, 2008



Source: Maritz Survey for Canadian Association of Accredited Mortgage Professionals, Fall, 2008

FIGURE 5-9

CANADIAN RESIDENTIAL MORTGAGES THREE MONTHS OR MORE IN ARREARS, 1991-2008



Source: Canadian Bankers Association

Mortgage arrears increased moderately in 2008

While mortgage arrears remained very low by historical standards, there was a small increase in the annual average level in 2008 to 0.28 per cent, from 0.26 per cent in 2007 (see *Figure 5-9*). By December 2008, 0.33 per cent (12,919) of Canadian residential mortgages were three or more months in arrears¹⁹, compared with 0.26 per cent (9,709) twelve months earlier. Regionally, the area showing the biggest increase is Alberta, where arrears more than doubled to 0.40 per cent in December 2008 from 0.18 per cent a year earlier. This was the highest monthly rate in Alberta since March 2004.

The level of arrears at any time is typically influenced by general economic factors—unemployment, income growth, interest rates, and house prices. Different factors assume varying degrees of importance at different times, and all these factors are related. As of 2008, in the United States, arrears and the subsequent foreclosures were being driven by, and were themselves driving, collapsing housing prices, in a vicious circle.

Between 1992 and 1998, there was virtually no increase in Canadian house prices, and arrears averaged 0.53 per cent (see *Figure 5-9*). The subsequent long period of continuous growth in house prices then resulted in a steady decline in arrears, which bottomed at 0.25 per cent in 2006.

¹⁹ Source: Canadian Bankers Association.

Sustainable, Healthy Communities and Water

6

Housing is inextricably linked to water. The development of new housing and communities is predicated on the availability of clean water and, in turn, urban development has a significant impact on the condition of our watersheds and the quality of water that moves through them as a result of wastewater and stormwater flows related to residential development.

This chapter focuses on the connections between water and housing, and the importance of a water-sensitive approach to urban design in order to create healthy, sustainable communities. A variety of methods are discussed which can reduce water consumption while better managing waste and stormwater flows, helping to reduce impacts on the environment and to conserve and protect water resources.

Advances in sustainable water management— Water-Sensitive Urban Design¹

Water-Sensitive Urban Design or *Low-Impact Development* is a form of urban design that integrates urban planning with the protection and conservation of the water cycle. The objectives of this approach include:

- protecting natural systems (creeks, rivers and wetlands) through proper land use planning,
- adopting innovative stormwater management to reduce run-off and peak flows,
- protecting water quality through adequate treatment and source protection,

- protecting water availability by reducing potable water demand (capturing stormwater and reusing, for example, for garden irrigation and/or laundry), and
- adding value while minimizing development costs (minimizing the cost of drainage infrastructure development).

An added benefit to water-sensitive urban design is the associated reduction in energy consumption. A recent study reported on a pilot project in the Region of Durham, near Toronto, that reduced the region's electricity bill by 13 per cent and natural gas costs by 10 per cent by encouraging households to install water-efficient toilets (see text box), showerheads and washing machines². The report suggested that increasing water efficiency by 20 per cent in the province of Ontario would conserve 600 billion litres of water annually, saving enough electricity to power 95 per cent of Toronto's homes for one year².

Conservation strategies

One of the simplest and least expensive ways to increase and protect water resources now and over the long run is through the adoption of water-conserving measures. Water conservation has many benefits:

- Prevention or reduction of conflicts among water users sharing a common resource,
- Elimination or delay of the need to expand water and wastewater infrastructure capacity,

¹ Melbourne Water. *Water-sensitive urban design*. http://www.melbournwater.com/content/library/wsud/mw_wsud_brochure.pdf (accessed Feb. 23, 2009).

² Clean Water, Green Jobs. (December 19, 2008). <http://poliswaterproject.org/publication/229> (accessed May 28, 2009).

- Elimination of the need to augment water supplies through potentially harmful or undesirable diversions from other watersheds,
- Increased water resources for future growth and development,
- Greater assurance that water resources will be available to offset the risks of fire,
- Freed-up public funding for investment in other priorities,
- Increased ability of water users to withstand the impacts of low-water conditions resulting from weather variability or climate change,
- Conservation of energy, other resources and raw materials, and
- Improved health of aquatic ecosystems³.

Water-Efficient Toilets

Water-efficient toilets have been available on the Canadian market for some 20 years. While conventional toilets use as much as 13 to 20 litres per flush, new water-efficient toilets use between 4 and 6 litres per flush. Unfortunately, when water-efficient toilets were first introduced, many had not been designed to ensure the flush performance was adequate to meet consumer expectations in terms of their ability to clear the bowl. As a consequence, water-efficient toilets were, and continue to be, regarded with suspicion by some contractors and consumers.

As a result, a Maximum Performance test method was created and, to date, over 270 water-efficient toilets have been tested. The test results are available on the Canadian Water and Wastewater Association website⁴ and can be used to select a high performing water-efficient toilet with confidence.

One of the keys to this is the ability for consumers to readily identify water-efficient technologies and appliances. In 2006, the Environmental Protection Agency in the United States launched its *WaterSense* labelling program to help consumers identify quality, water-efficient products. Products that meet EPA standards of water efficiency and performance are certified and labelled with the *WaterSense* label, similar to the Water Efficiency Labelling and Standards (WELS) scheme in Australia. Certified products include a wide range of bathroom sink faucets, showerheads, toilets, urinals and landscape irrigation services. In January 2009, the Canadian Water and Wastewater Association and the Canadian Institute

Living Water Smart⁵

The province of British Columbia's Living Water Smart Plan is a comprehensive plan for the sustainable management of water in the province with the goal of making the province 33 per cent more water-efficient by 2020. The plan includes a number of incentives to encourage conservation and efficiency and to protect aquatic ecosystems. At the consumer level, these include labelling of water-efficient appliances and funding for household water assessments. At the community level, priority will be given to green developments waiting for provincial environmental approval. Also, municipalities will be required to adopt conservation measures to qualify for infrastructure funding from the province (e.g. ensuring that 50 per cent of new municipal water needs are met by conservation measures by 2020). By 2010, purple⁶ pipes will be required in all new construction for water collection and re-use. Other aspects of the plan include a "water-science" prize, a scholarship for excellence in stewardship, and summer jobs for youth to undertake stream restoration projects.

³ "An Analysis of Canadian and Other Water Conservation Practices and Initiatives: Issues, Opportunities and Suggested Directions", Report prepared by J. Kinkead Consulting in association with A. Boardley and M. Kinkead for the Canadian Council of Ministers (May 2006) http://www.ccme.ca/ourwork/water.html?category_id=84.

⁴ See <http://www.cwwa.ca/> (accessed May 28, 2009).

⁵ See www.livingwatersmart.ca.

⁶ Purple was chosen to differentiate the colour of the pipe from potable water.

of Plumbing and Heating issued an announcement supporting the adoption of *WaterSense* provisions in the applicable Canadian Standards Association standards for fixtures and fittings.

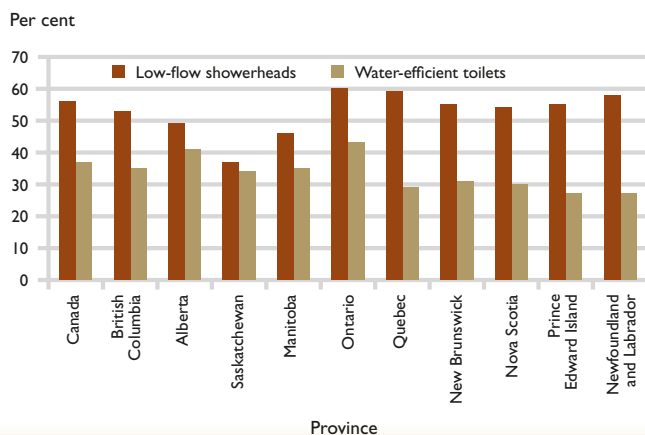
Water efficiency and the building code

Water efficiency is not currently addressed in the Model National Building Code of Canada; however, a number of provinces such as Nova Scotia, Ontario, Saskatchewan, and British Columbia (see text box *Living Water Smart*) have already included, or are in the process of including, water efficiency in both their provincial water strategies and building code regulations.

Accordingly, an increasing number of Canadian households are using water-efficient appliances in their homes. In 2006, 37 per cent of households used water-efficient toilets compared to 15 per cent in 1994 (see *Figure 6-1*). In Ontario, the percentage of households with a water-efficient toilet(s) was 44 per cent, the highest in the country. This resulted from changes to the Ontario Building Code in 1996 mandating the use of water-saving fixtures in new construction as well as targeted water-efficient appliance rebate campaigns in the Greater Toronto Area and in some other locations in southern Ontario.

FIGURE 6-1

PERCENTAGE OF HOUSEHOLDS WITH LOW-FLOW SHOWERHEADS AND WATER-EFFICIENT TOILETS, BY PROVINCE, 2006



Source: Statistics Canada, Winter 2008. EnviroStats, p. 9

FAST Facts

- A number of provinces (e.g. Nova Scotia, Ontario, Saskatchewan, and British Columbia) have already included, or are in the process of including, water efficiency in both their provincial water strategies and building code regulations.
- *Water-Sensitive Urban Design* or *Low-Impact Development* is a form of urban design that integrates urban planning with the protection and conservation of the water cycle.
- An added benefit to Water-Sensitive Urban Design is the associated reduction in energy consumption.
- Rainwater harvesting and greywater reuse are two alternate water sources being utilized for non-drinking purposes in Canadian homes (e.g. toilet flushing, landscape irrigation). Ontario now permits greywater reuse within the provincial building code, while other provinces (Nova Scotia, Saskatchewan, and B.C.) are taking steps towards its inclusion.
- There are several water efficiency measures that municipalities and homeowners can implement: water-efficient toilets, low-flow showerheads, low-maintenance lawns, water-efficient appliances and, where permitted, rainwater harvesting, stormwater harvesting, and greywater reuse.

In the absence of provincial regulation, some municipalities are taking the initiative to adopt water efficiency by-laws. For example, the cities of Edmonton and Calgary have passed by-laws mandating water-efficient toilets and low-flow showerheads in all new residential developments.

Awareness of water efficiency has also increased due to the inclusion of water efficiency requirements, or credits, in residential energy efficiency programs and performance rating systems⁷ such as ecoENERGY Retrofit–Homes, the R-2000 Program and the Leadership in Energy and Environmental Design (LEED) initiative. The Canadian LEED for Homes rating system, launched in June 2008, is expected to increase the number of high-performance “green homes” that use less water, natural resources, and energy and create less waste. Credits for LEED certification include high-efficiency water fixtures, alternate water sources (e.g. greywater, rainwater, and municipal recycled water), high-efficiency irrigation systems and management of stormwater runoff from roofs and lot surfaces.

Encouraging water efficiency measures

Water-efficient strategies involving fixture retrofit or replacement are relatively predictable in terms of what level of expected water consumption reductions one might expect to achieve. However, the impacts of strategies directed at consumer behaviour modification are more difficult to predict and the outcomes are less certain.

Since 2005, four separate market research studies of single-family homeowners in municipalities across the Greater Toronto Area (GTA) have been undertaken⁸. The studies explored the motivations, perceptions and intrinsic values of homeowners vis-à-vis their home landscape, water use, and a range of attitudes and beliefs about sustainable practices. The findings indicate that homeowners hold deeply entrenched concepts of what makes a beautiful home landscape which, in turn, often leads to unsustainable behaviours including overwatering, the use of synthetic fertilizers and pesticides, frequent lawn mowing, cutting grass too short, and increasing hardscaped (e.g. concrete patio) areas. Many of those interviewed perceived the notion of “natural” landscapes as messy, sparse and unappealing. The studies concluded that, to be successful, efforts spent on changing consumer behaviour must first address any negative perceptions associated with the desired behaviour.

Water-conserving landscapes

In summer months, municipal water use doubles, mostly due to lawn and garden watering. From 1994 to 1999, about 26 per cent of Canadian municipalities reported water shortages at one time or another as a result of drought, infrastructure problems, or growing consumption. Consumer awareness and water-conserving landscapes can help to lower the demand for outdoor water use.

Low-maintenance lawns consist of a diverse mix of hardy, drought-tolerant, slow growing and low-height turf grasses, fescues, and wear-tolerant broadleaf species such as clover (see Figure 6-2). These species require less mowing, fertilizing and watering than the fine turf grasses used in conventional lawns. One study found that, over a two-year period, residents with low-maintenance lawns used 100 per cent less water than those with conventional lawns. Not only did they save water, they also spent 50 per cent less time, 85 per cent less money, used 50 per cent less fuel, 85 per cent less fertilizer and 100 per cent less pesticides than those with conventional lawns⁹.

FIGURE 6-2
LOW-MAINTENANCE LAWN



Source: CMHC

⁷ See 2007 *Canadian Housing Observer* p. 17. www.cmhc.ca/observer.

⁸ Halton Region, (2005), Toronto Region Conservation Authority (2006/07), City of Mississauga (2008), City of Toronto (2008).

⁹ Ecological Outlook Consulting, (2000). *Residential Landscapes: Comparison of Maintenance Costs, Time and Resources*. Ottawa, ON, CMHC.

It also found that residents living in homes with woodland shade gardens, xeriscapes (see text box *Xeriscape Landscaping to Conserve Water* and *Figure 6-3*) or wildflower meadows used less water than those with conventional flowerbeds, consisting of perennials, annuals and bulbs selected primarily for their appearance. Water use was reduced by the following percentages:

- 80 per cent for woodland shade gardens consisting of native trees, shrubs and ground covers that mimic natural forests;
- 95 per cent for xeriscapes consisting of tree, shrub and perennial or annual species, both native and non-native, suitable for local rainfall conditions; and
- 90 per cent for wildflower meadows consisting of native grasses and wildflowers that mimic natural meadow or prairie landscapes.

Residents also saved time: about 40 per cent less time was involved in maintaining xeriscapes and 80 per cent less for woodland and wildflower gardens.

Xeriscape Landscaping to Conserve Water

In 1981, the Denver Water Department introduced the concept of “xeriscape”. The word comes from a combination of the Greek word “xeros”(meaning “dry”) and “landscape”.

An attractive, colourful yard (see *Figure 6-3*) that requires very little maintenance or water can be created by using the seven basic principles¹⁰ of xeriscaping.

Xeriscaped yards lessen peak water demand in the summer which allows the municipality to meet increasing demands for water that additional development creates.

FIGURE 6-3

FRONT YARD WITH XERISCAPE
LANDSCAPING
AND PERMEABLE WALKWAY



Source: Patricia Chinell

Reducing impact on infrastructure through use of alternative water sources

The growing awareness of limited water supplies, climate change and limited capacity of existing municipal infrastructure to respond to an ever increasing demand for water is leading to innovation in the use of alternative water sources. Given that only approximately 3 per cent of municipal water is used for potable purposes, there is a significant opportunity for the use of water from alternative sources where potable water is not required. This would reduce both the need to produce and distribute municipally-treated water and peak water demands. Alternative water sources include rainwater, stormwater, greywater and wastewater. Each is discussed below.

¹⁰ See <http://www.denverwater.org/conservation/xeriscape/xeriscapeplans/>.

Rainwater harvesting can be as simple as collecting rainwater in cisterns connected to downspouts from eavestroughs (see *Figure 6-4*). In 2006, 14 per cent of households in Canada collected rainwater in barrels¹¹. However, in order to maximize the potential of rainwater harvesting and ensure its quality for re-use, larger, more elaborate systems can be installed that filter the water and store it in cisterns where it can be pressurized and pumped into the house or directed to underground irrigation systems. The provincial building codes of Ontario and Nova Scotia allow rainwater harvesting in residential developments (see text box *Residential Rainwater Harvesting in Guelph, Ontario*).

Residential Rainwater Harvesting in Guelph, Ontario

The Rainwater Harvesting project (see *Figure 6-5*) in Guelph is a joint research project of the City of Guelph, University of Guelph, Reid's Heritage Group, Evolve Builders Group, Canada Mortgage and Housing Corporation and Ontario Centres of Excellence. The project includes the installation and monitoring of several rainwater harvesting systems incorporated into buildings in Guelph and surrounding communities.

One of the buildings being monitored is a show home constructed by Reid's Heritage Group, a local Ontario builder. The home incorporates an innovative rainwater harvesting system designed by engineering students from the University of Guelph. Rainwater falling on the fibreglass roof is collected in eavestroughs and flows through downspouts where it is diverted to a passive filtration device and then stored in a 6,500 litre underground cistern. Water from the cistern is pumped to the house where it provides water for flushing toilets, operating the washing machine and irrigating the garden.

FIGURE 6-4

RAINWATER HARVESTING CISTERN



Source: University of Guelph

FIGURE 6-5

RAINWATER HARVESTING IN GUELPH



Source: University of Guelph

¹¹ Lynch, Mary Frances and Nancy Hoffman. (Fall 2007). EnviroStats, Canadian lawns and gardens: Where are they the "greenest"? Ottawa, ON. Statistics Canada www.statcan.gc.ca/pub/16-002-x/2007002/10336-eng.htm (accessed June 16, 2009).

Stormwater harvesting differs from rainwater harvesting as it includes water collected from surfaces other than the roof. This includes parking lots, roadways and natural basins (see text box *Stormwater Harvesting*). In urban areas, there is potential for accessing a large amount of water for re-use, since as much as 55 per cent of rainwater ends up as stormwater due to the large amount of impervious ground cover¹².

Greywater systems capture water from baths, showers, laundry and kitchen sources for re-use. After treatment, the collected water can be safely re-used for toilet flushing, laundry and landscape irrigation and can reduce potable water use in residential buildings by between 30 and 60 per cent.

Wastewater re-use involves the capture and treatment of effluent from all domestic wastewater streams (including toilets) for re-use applications. Water can be captured and treated onsite or at the municipal level. Reclaimed water—treated wastewater—is used extensively in Australia as well as in some locations in the United States on a municipal scale. However, on-site wastewater treatment re-use is much less common.

Stormwater Harvesting

City of Calgary, Alberta, Inland Athletic Sports Park

The Inland Athletic Sports Park in Calgary sits on a 21 hectare (52 acre) site previously used for a gravel mining operation. At an elevation slightly below that of the surrounding properties, its topography offers nearly ideal conditions for water capture and re-use. The park's five soccer fields, two rugby/football fields, two baseball diamonds, two lacrosse fields and a cricket pitch are all irrigated from captured rainwater and stormwater. The site was originally designed to capture rainfall in a local pond for re-use to irrigate the playing fields. The development of two commercial subdivisions on an adjacent 24 hectares several years later provided an opportunity to harvest stormwater runoff from that site for additional irrigation water for the park. With an impervious surface covering 80 per cent of the commercial site, stormwater runoff provided substantial volumes of water. The re-use system is estimated to conserve 81,000 m³ of potable water each year.

Conservation Co-op, Ottawa, Ontario

The Conservation Co-op is an 84 unit, 4-storey residential building that was designed and constructed with a view to reducing the overall impact of construction activities and longer-term operating conditions on the environment. The building shape and location on the site was devised to reduce impervious surfaces and to maximize the amount of green space. A stormwater infiltration pond collects water that falls on the site and recharges groundwater sources. The building was also supplied with a rainwater cistern that receives water from the roof and patio areas. The water in the cistern is used to water the site's extensive gardens and green space.

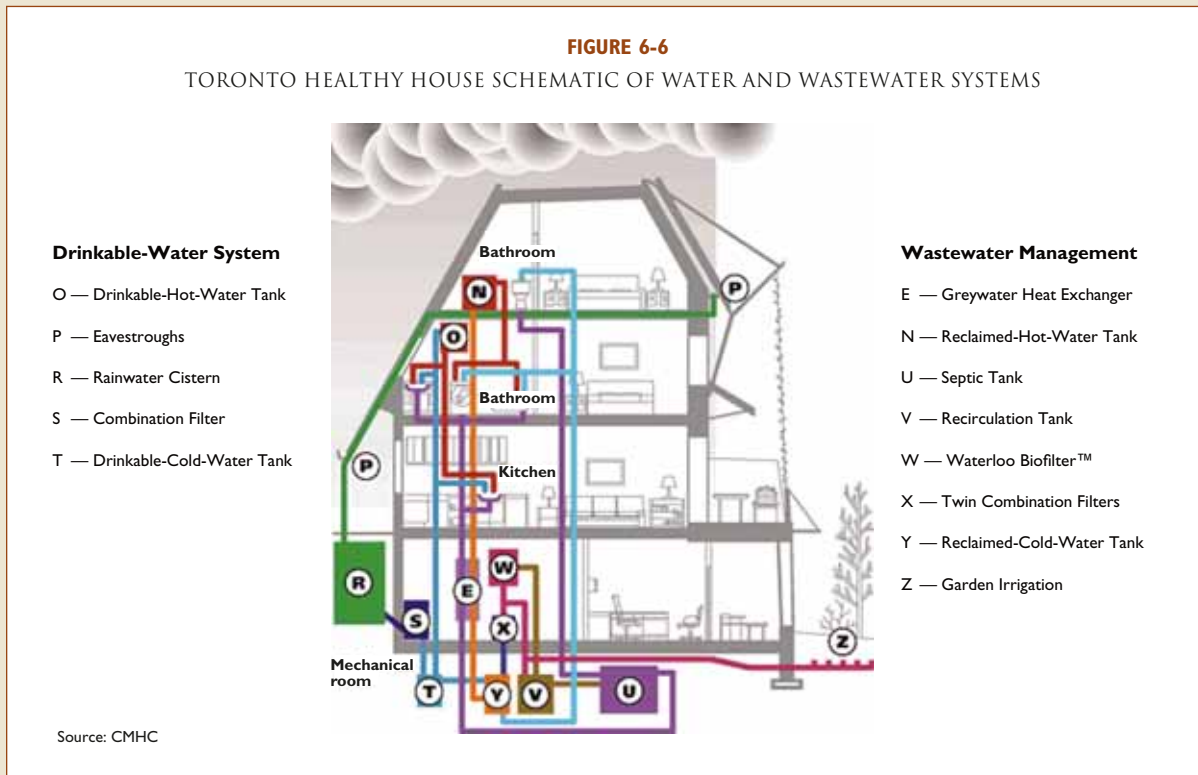
¹² CMHC Research Highlight. (2007). *Stormwater management alternatives*. <http://www.cmhc-schl.gc.ca/odpub/pdf/62697.pdf> (accessed March 9, 2009).

The CMHC Toronto Healthy House¹³—Onsite Wastewater Treatment Pioneer

In the 1990s, the Toronto Healthy House was designed and constructed as a part of the CMHC Healthy Housing Design Competition. The house is located near public transportation, and is designed to provide maximum usable space on a minimum amount of land, to limit air and water pollution, and to use locally available materials and durable renewable resources wherever possible.

A key feature of the house is the water system (see *Figure 6-6*) which provides clean water for all household and landscaping needs—without using municipal services. Rainwater and snow collected from the roof provide all of the water supply. Water is stored in an underground cistern and purified without the use of chemicals. All wastewater, which would ordinarily drain into the municipal sewage system, is treated in the home in a system that duplicates the soil's natural filtration process. It is then recycled for use in toilets, showers, and the washing machine. Water is typically recycled up to five times, with a small amount being safely released into the soil each day. Microorganisms, oxygen, ultraviolet light and charcoal are used to treat the wastewater flowing into the soil so that it is not harmful to the environment.

FIGURE 6-6
TORONTO HEALTHY HOUSE SCHEMATIC OF WATER AND WASTEWATER SYSTEMS



¹³ See CMHC Technical Research Highlight *Commissioning Guide for the Toronto Healthy House Water Systems* at <http://www.cmhc.ca/od/?pid=62693>.

Canadian alternative water source initiatives

The use of alternative water sources to offset potable consumption is beginning to be considered in Canada. Critical to this development was the need for regulatory instruments to support re-use such as plumbing and water quality regulation.

On a national level, the Canadian Standards Association (CSA)¹⁴ standard for non-potable water systems outlines the specifications for installing dual plumbing systems for the re-use of non-potable water (e.g. greywater, wastewater, rainwater). The CSA standard provides specifications for avoiding plumbing cross-connections, for backflow prevention, and for the labelling of non-potable water pipes. The standard will be referenced in the 2010 Model National Building Code of Canada. In terms of water quality, a draft set of national guidelines on the re-use of household water for toilet and urinal flushing has been developed by Health Canada. The guidelines are expected to be finalized and put in place by end of 2009¹⁵.

The building codes for Nova Scotia, Ontario, and British Columbia now permit greywater re-use while Saskatchewan, Alberta and Manitoba are considering similar legislation. In British Columbia, beginning in 2010, all new construction will be required to install purple pipes for the distribution of reclaimed water.

Work is about to commence on the development of a CSA greywater technology performance standard for eventual incorporation into building codes.

Planning – from site-specific to watershed-based

Sustainable urban development requires a shift in planning from a site-specific approach to a broader watershed-based perspective. The Organization for Economic Co-operation and Development is one of many organizations advocating a watershed-based approach to urban planning. In the long term, allowing growth and development to take more water resources out of the watershed than it has the capacity to replenish is not sustainable. However, as watersheds are typically not aligned with municipal or regional jurisdictional boundaries, taking a watershed-based approach will require jurisdictions to work together on development plans. Some jurisdictions in Canada are taking up that challenge. As an example, several jurisdictions that share the Credit River watershed in Ontario are working together with the Credit River Conservation Authority on an innovative, long-term approach to sustainable watershed management to protect water sources and to ensure an adequate supply of water for future generations (see text box *Credit River Water Management Strategy*).

¹⁴ CSA B128 published in May 2006.

¹⁵ See: http://www.hc-sc.gc.ca/ewh-semt/consult/_2007/reclaim-recycle/toc-tdm-draft-ebauche-eng.php (accessed November 1, 2009).

Credit River Water Management Strategy

The Credit River watershed¹⁶ in Ontario is one of the most rapidly urbanizing areas in Canada. Located adjacent to the Greater Toronto area, it covers over 1,000 km², drained by the Credit River, which ultimately flows into Lake Ontario.

A 2007 study¹⁷ by the Credit River Conservation Authority found that the then-current planning and development practices were not sustainable in the long term and would cause irreparable damage to the watershed. The report advocated changing from the “business as usual” approach to an approach termed “ecotopia”.

Ecotopia is a watershed-scale approach to planning that recognizes the impact of urban development on the whole watershed area and emphasizes the need for stormwater management throughout the watershed (not just in high density developed areas). Based on an ecotopia approach, the Credit River Water Management Strategy embodies the following principles:

1. Recognize that the responsibility for the health of water and natural resources is shared by everyone.
2. Apply a long-term approach to ensure a sustainable and healthy river for current and future generations.
3. Maintain a watershed scale perspective and consider the implications of residents’ cumulative actions, as well as external factors, on the watershed as a whole.
4. Protect, enhance and restore natural systems as a priority within the urban environment and throughout the watershed.
5. Take a preventative, proactive and integrative approach based on the principles of adaptive management.
6. Pursue reasonable, practical approaches to water and natural resources management based on sound science, creativity and innovation for effective solutions.
7. Recognize that healthy communities require a sustainable balance between economic, social, natural and human uses in the watershed.
8. Promote ecologically sustainable lifestyles and behaviours through sustainable urban design approaches.

Innovative stormwater management and watershed restoration

Innovative stormwater management practices protect the environment by integrating stormwater treatment into the natural landscape, unlike conventional stormwater management systems which typically convey accumulated

stormwater directly into receiving water bodies. Innovative measures include porous pathways and features such as wetlands, bioswales¹⁸, rain gardens and systems of ponds to help manage and purify the runoff (see text box *Innovative Stormwater Management – Willowbrook Subdivision, Saanich, British Columbia*).

¹⁶ A watershed includes land areas that drain surface and groundwater to a downstream water body such as a river, lake or estuary.

¹⁷ Credit Valley Conservation. (2007) *Credit River Water Management Strategy Update*. Mississauga, ON. http://www.creditvalleycons.com/bulletin/downloads/making_it_work_report_JUNE_05_07.pdf (accessed June 16, 2009).

¹⁸ A bioswale is a shallow area typically covered with grass, groundcover or permeable loose material that directs surface water towards a drainage system (see *Landscape Guide for Canadian Homes*, www.cmhc.ca).

Innovative Stormwater Management – Willowbrook Subdivision, Saanich, British Columbia

Willowbrook Subdivision is an in-fill development of 31 single family dwellings in Saanich, British Columbia. Prior to development, the property was used as agricultural land and, as it was situated partially within the 200 year flood plain for Swan Creek, it did not lend itself to traditional stormwater management or flood control methods. Instead, an innovative stormwater management strategy was devised that would permit the residential development to proceed while addressing stormwater runoff quality issues. The site work included restoration, relocation and upgrading of Swan Creek from an agricultural drainage ditch to a healthy fish-bearing creek. In addition to the creek's restoration, other wetland areas were restored and a series of ponds was constructed to manage stormwater.

The capital cost of the ecological stormwater system was less than the estimate for a conventional system. In addition, the on-going operations and maintenance costs are lower than those of a traditional system that would have required servicing a storage tank and several catch basins and dredging an agricultural ditch. Furthermore, the restored creek and wetlands will not depreciate (providing they are maintained), so there is no requirement to accumulate a capital replacement reserve for the eventual replacement of the system.

A recent study of Willowbrook identified many benefits accruing to the area as a result of the ecological stormwater system:

- enhanced stormwater storage capacity of the neighbourhood floodplain,
- improved water quality and sediment reduction,
- reduced stormwater discharge,
- improved quantity and connectivity of public open space (due to the developer donating 17 per cent of land to park space and public walking trails),
- educational value of the stormwater catchment area (the site is a destination for field trips and outdoor classrooms),
- reduced localised heat gain (warming by the sun), and
- enhanced fish, bird and wildlife habitat¹⁹.

In summary

There are many opportunities to extend our current water resources, and water infrastructure, by using water more efficiently in the home and garden. The use of alternative water sources (rainwater, stormwater and wastewater) also has the potential to significantly offset the need for treated potable water.

The principles of water-sensitive urban design offer a holistic approach to managing water resources while dealing with stormwater and wastewater management needs from individual sites to entire watersheds. Water-sensitive urban design will help developers and municipalities, in pursuing sustainable urban growth and development, to protect water sources, by limiting the withdrawal of water while managing the delivery of wastewater and stormwater flows back to the environment.

¹⁹ Aqua-Tex Scientific Consulting Ltd. (December 2008) *Nature's revenue streams: five ecological value case studies*. Ottawa, ON, CMHC.

Recent Trends in Housing Affordability and Core Housing Need

This chapter begins with an examination of the housing conditions of Canadian households using data from the 2006 Census and how they have changed since the 2001 Census. More specifically, it reviews how access to acceptable housing (see *Acceptable Housing and Core Housing Need text box*) evolved from 2001 through 2006 and what specific groups of households experienced high incidences of core housing need. The last section presents, for the first time,

a comparison of estimates of core housing need for the same year based on the Census and the *Survey of Labour and Income Dynamics* (SLID).

More Canadian households lived in, or were able to access, acceptable housing

In 2006, based on Census data, almost 8.2 million households¹ in Canada were living in acceptable housing, up from some 7.6 million in 2001 (see “Canada” rows in

Acceptable Housing and Core Housing Need

The term **acceptable housing** refers to housing that is adequate in condition, suitable in size, and affordable.

- **Adequate** housing does not require any major repairs, according to residents.
- **Suitable** housing has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements. Enough bedrooms based on NOS requirements means one bedroom for each cohabiting adult couple; unattached household member 18 years of age and over; same-sex pair of children under age 18; and additional boy or girl in the family, unless there are two opposite sex children under 5 years of age, in which case they are expected to share a bedroom. A household of one individual can occupy a bachelor unit (i.e. a unit with no bedroom).

- **Affordable** housing costs less than 30 per cent of before-tax household income. For renters, shelter costs include rent and any payments for electricity, fuel, water and other municipal services. For owners, shelter costs include mortgage payments (principal and interest), property taxes, and any condominium fees, along with payments for electricity, fuel, water and other municipal services.

A household is in **core housing need** if its housing does not meet one or more of the adequacy, suitability or affordability standards and it would have to spend 30 per cent or more of its before-tax income to pay the median rent (including utility costs) of alternative local market housing that meets all three standards.

¹ Households tested for core housing need include only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter-cost-to-income ratios (STIRs) less than 100 per cent. Shelter costs for farm households are not separable from costs related to other farm structures. Shelter costs are not collected for households whose housing costs are paid through band housing arrangements (both on and off reserve). For the purpose of measuring affordability, CMHC regards STIRs of 100 per cent or more and STIRs for households with incomes of zero or less as uninterpretable. Of the 12.4 million households identified in the 2006 Census, 11.8 million were non-farm, non-band, non-reserve households with interpretable STIRs.

Figure 7-1). In addition, there were about 2.1 million households which, although living in housing below one or more standards, could have obtained acceptable housing in their local housing markets at a cost of less than 30 per cent of before-tax household income. In total, 87.3 per cent of Canadian households tested for core housing need either lived in, or had sufficient income to access, acceptable housing in 2006.

Canada's economy during this period was very healthy; households' median real before-tax incomes² grew from \$52,600 in 2001 to \$54,900 in 2006. The unemployment rate fell to 6.3 per cent in 2006 (see Figure 7-2). Prosperous economic conditions during this period

helped to decrease the incidence of core housing need by one percentage point, from 13.7 per cent in 2001 to 12.7 per cent in 2006.

Housing affordability was still the most common unmet standard

As in 2001, if any housing standard was not met in 2006, it was most commonly the housing affordability standard. About 18 per cent of Canadian households lived in housing that failed to meet only the affordability standard. Another 3.4 per cent of all households failed to meet the housing affordability and other standard(s). In total, 21.4 per cent of all households spent

FIGURE 7-1

HOUSING CONDITIONS IN CANADA, CENSUS METROPOLITAN AREAS AND CENSUS AGGLOMERATIONS, 1991, 1996, 2001, 2002-2006

Geography	Source	Year	All households ¹		Living in acceptable housing ¹		Living in housing below one or more standards ¹			
			Total (thousands)	Per cent	Total (thousands)	Per cent	Able to access acceptable housing		Unable to access acceptable housing – in core housing need	
							Total (thousands)	Per cent	Total (thousands)	Per cent
Canada	Census	2006	11,766	100	8,177	69.5	2,095	17.8	1,494	12.7
		2001	10,806	100	7,557	69.9	1,764	16.3	1,485	13.7
		1996	10,028	100	6,799	67.8	1,662	16.6	1,567	15.6
		1991	9,372	100	6,533	69.7	1,569	16.7	1,270	13.6
CMA/CA ²	Census	2006	9,612	100	6,578	68.4	1,772	18.4	1,262	13.1
		2001	8,736	100	6,033	69.1	1,456	16.7	1,248	14.3
		1996	7,994	100	5,331	66.7	1,365	17.1	1,301	16.3
		1991	7,466	100	5,137	68.8	1,283	17.2	1,048	14.0
CMA/CA ²	SLID	2006	10,091	100	6,826	67.6	1,941	19.2	1,324	13.1
		2005	9,923	100	6,777	68.3	1,804	18.2	1,343	13.5
		2004	9,643	100	6,747	69.9	1,587	16.5	1,309	13.6
		2003	9,532	100	6,654	69.8	1,556	16.3	1,322	13.9
		2002	9,429	100	6,567	69.7	1,549	16.4	1,312	13.9

¹ Includes only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100 per cent.

² Household counts for CMAs and CAs do not include Whitehorse, YK and Yellowknife, NWT. SLID-based estimates for 2006 are based on 2001 Census geography. The numbers shown for households based on the Census and on SLID are not comparable. SLID reflects Statistics Canada's estimates of the total number of households in Canada which are higher than the numbers of households estimated by the Census, since inevitably not every household is counted by the Census.

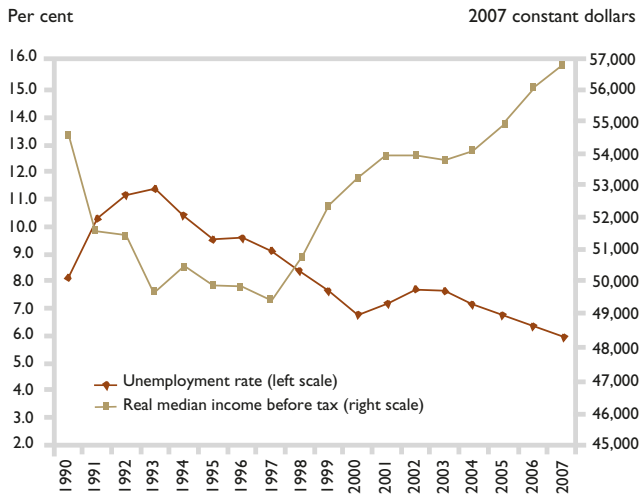
Components may not add up to totals due to rounding.

Source: CMHC (Census- and SLID-based housing indicators and data)

² Household real incomes are adjusted for inflation and expressed in 2006 dollars.

FIGURE 7-2

HOUSEHOLD REAL MEDIAN INCOME BEFORE TAX GREW WHILE UNEMPLOYMENT RATE DROPPED



Source: Statistics Canada Survey of Consumer Finances (1990-1995), Survey of Labour and Income Dynamics (1996-2007), Labour Force Survey (1990-2007)

30 per cent or more of their income on shelter costs, compared with 30.5 per cent that failed to meet at least one of three housing standards (affordability, adequacy and suitability) (see *Figure 7-3*).

Of the 12.7 per cent of all households in core housing need in 2006, 11.4 percentage points were associated with households that failed to meet at least the housing affordability standard. The rest (1.3 percentage points) corresponded to households that occupied affordable, but unsuitable and/or inadequate housing.

Most regions in the country experienced improvements in housing conditions

Following the national trend, most regions in the country experienced improvements in core housing need between 2001 and 2006. Those with the largest improvement in their housing conditions—reductions in their respective incidences of core housing need—were Nova Scotia (-3.1 percentage points), Quebec (-1.9 percentage points), British Columbia (-1.2 percentage points) and Nunavut (-1.5 percentage points). Some regions experienced a

FIGURE 7-3

PERCENTAGE OF HOUSEHOLDS BELOW HOUSING STANDARDS, 2001 AND 2006

Housing standard(s) not met	Total				Able to access acceptable housing				Unable to access acceptable housing - in core housing need			
	2001		2006		2001		2006		2001		2006	
	Per cent	Cumulative Per cent	Per cent	Cumulative Per cent	Per cent	Cumulative Per cent	Per cent	Cumulative Per cent	Per cent	Cumulative Per cent	Per cent	Cumulative Per cent
Affordability only	16.9	16.9	18.1	18.1	7.0	7.0	8.9	8.9	9.9	9.9	9.1	9.1
Affordability and adequacy	1.8	18.7	1.8	19.8	0.7	7.7	0.7	9.6	1.1	11.0	1.1	10.2
Affordability and suitability	1.3	20.0	1.4	21.2	0.2	7.9	0.3	10.0	1.1	12.1	1.0	11.2
Affordability, suitability and adequacy	0.2	20.2	0.2	21.4	0.0	7.9	0.0	10.0	0.2	12.3	0.2	11.4
Suitability only	4.0	24.2	4.0	25.3	3.3	11.2	3.3	13.3	0.7	13.0	0.6	12.0
Adequacy only	5.3	29.5	4.7	30.0	4.6	15.8	4.1	17.4	0.7	13.7	0.6	12.6
Suitability and adequacy	0.5	30.0	0.5	30.5	0.4	16.2	0.4	17.8	0.1	13.7	0.1	12.7

Note: Components may not add up to totals due to rounding.

Source: CMHC (Census-based housing indicators and data)

relatively small increase in the incidence of core housing need: Yukon (0.5 percentage point), Saskatchewan (0.3 percentage point) and the Northwest Territories (0.1 percentage point) (see *Figure 7-4*).

In 2006, the incidence of core housing need remained high in the territories. Nunavut once again had the highest proportion of households in need (at 37.3 per cent), while the Northwest Territories (at 17.5 per cent) and Yukon (at 16.3 per cent) remained in second and third place, respectively. British Columbia, Ontario, and Newfoundland and Labrador were the provinces with the highest levels of core housing need, all above 14 per cent. Alberta again experienced the lowest incidence of core housing need (at 10.1 per cent), followed very closely by New Brunswick (at 10.3 per cent).

Toronto and Vancouver still had the highest incidences of households in core housing need

Following the national trend, 28 out of 33 Census Metropolitan Areas (CMAs) experienced a decrease in their respective incidences of core housing need between 2001 and 2006. Those that experienced declines of two

or more percentage points were Brantford (-4.5), Saguenay (-3.0), Québec (-3.0), Halifax (-2.7), Sherbrooke (-2.5), Greater Sudbury (-2.4), Kingston (-2.3) and Calgary (-2.2). Another five CMAs experienced a decrease larger than the national average of -1 percentage point (see *Figure 7-5*).

At 19 per cent and 17 per cent respectively, Toronto and Vancouver had the highest incidences of core housing need among all CMAs in 2006. This was also the case in 2001. Households in Toronto and Vancouver continued to face a large affordability burden—Toronto had the highest and Vancouver the fourth highest average shelter costs of all CMAs. Toronto’s shelter-cost-to-income ratio (STIR) (at 25.2 per cent) was the highest average STIR of all CMAs in 2006. Over one-fifth (21.6 per cent) of all households in core housing need in 2006 lived in Toronto, compared with 19.9 per cent in 2001.

Montréal experienced a decrease in the incidence of core housing need, from 14.1 per cent in 2001 to 12.6 per cent in 2006 (below the national average). However, Montréal accounted for the second largest share (12.4 per cent) of all Canadian households in core housing need in 2006.

FIGURE 7-4
INCIDENCE OF CORE HOUSING NEED BY PROVINCE AND TERRITORY, 2001 AND 2006

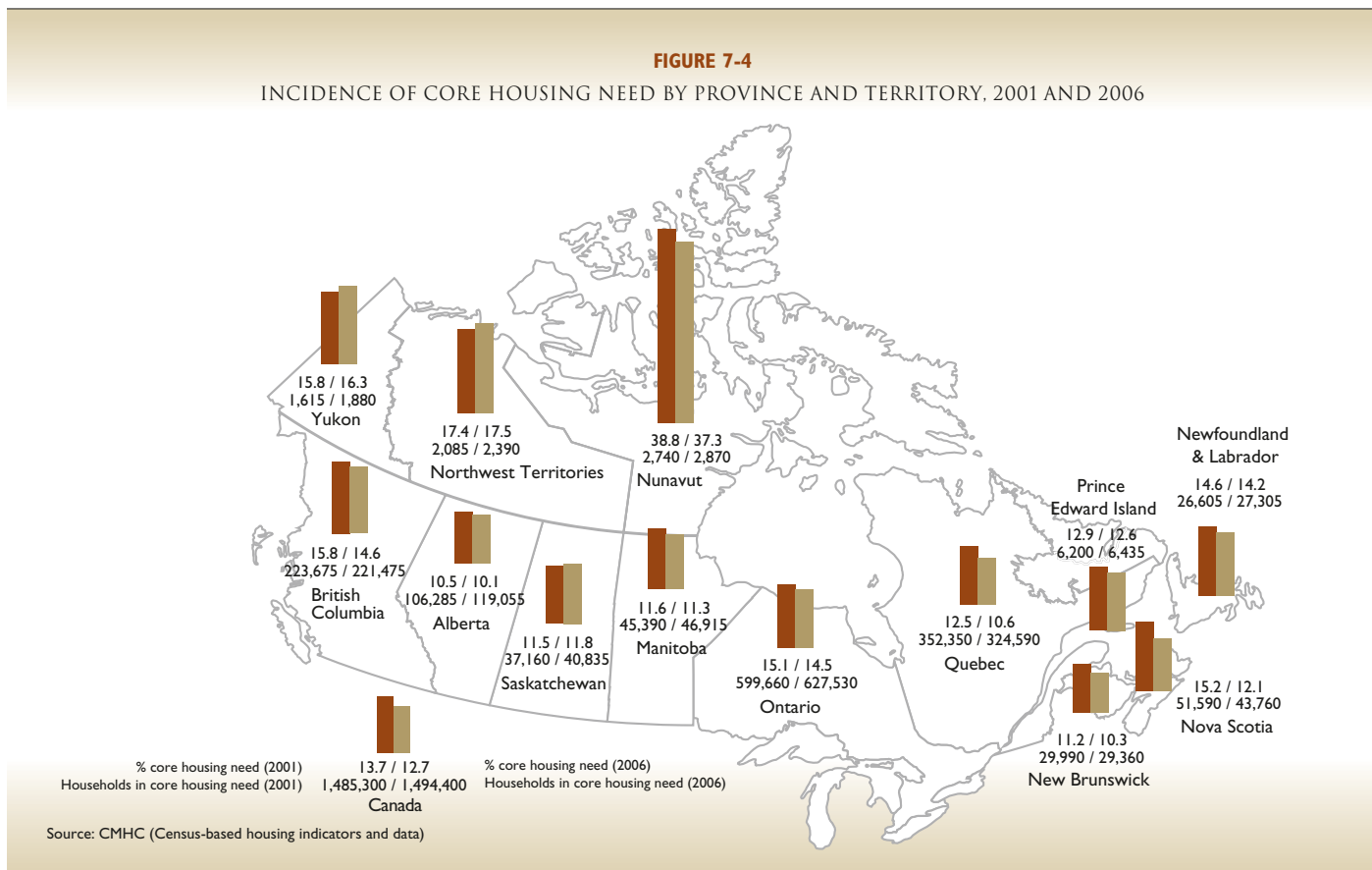


FIGURE 7-5
CORE HOUSING NEED, CENSUS METROPOLITAN AREAS, 2001 AND 2006

Census Metropolitan Area ¹	2001					2006					2001-2006 Percentage point difference in incidence of core housing need
	Incidence of core housing need (%)	Share of all households in core housing need (%)	Average household income (\$)	Average shelter cost (\$)	Average STIR (%)	Incidence of core housing need (%)	Share of all households in core housing need (%)	Average household income (\$)	Average shelter cost (\$)	Average STIR (%)	
Toronto	19.1	19.9	80,261	12,732	23.5	19.0	21.6	92,732	15,012	25.2	-0.1
Vancouver	17.3	8.2	66,747	11,472	24.2	17.0	8.6	78,108	13,284	24.8	-0.3
Peterborough	13.2	0.3	55,930	8,832	22.4	14.0	0.4	68,029	10,932	22.8	0.8
Halifax	16.3	1.5	58,899	9,048	22.0	13.6	1.4	68,858	10,812	22.7	-2.7
Barrie	14.2	0.5	66,495	11,592	22.8	13.5	0.6	78,668	14,184	24.0	-0.7
St. John's	13.5	0.6	57,006	8,376	21.2	13.5	0.6	67,773	9,948	21.6	0.0
Hamilton	13.7	2.2	66,757	10,380	21.9	12.9	2.2	79,504	12,492	22.7	-0.8
Abbotsford	11.5	0.4	58,177	10,728	23.6	12.9	0.5	68,378	12,588	24.2	1.4
London	13.2	1.5	61,216	9,528	22.4	12.8	1.5	72,728	11,256	22.6	-0.4
Kingston	15.0	0.6	59,891	9,216	22.3	12.7	0.5	71,723	11,112	22.4	-2.3
Windsor	12.8	1.0	68,461	9,696	20.8	12.7	1.0	75,774	11,436	21.7	-0.1
Montréal	14.1	12.7	56,331	8,412	22.4	12.6	12.4	65,529	9,864	22.9	-1.5
Victoria	13.4	1.1	58,221	9,948	23.1	12.4	1.1	71,159	11,748	23.3	-1.0
Trois - Rivières	12.9	0.5	46,372	6,384	20.7	12.3	0.5	52,770	7,200	20.7	-0.6
St. Catharines - Niagara	12.9	1.2	57,157	8,808	21.5	12.2	1.2	66,960	10,728	22.4	-0.7
Ottawa - Gatineau	13.7	3.7	73,411	10,392	20.6	12.1	3.5	83,606	12,360	21.4	-1.6
Guelph	10.7	0.3	68,304	10,608	21.2	11.8	0.4	80,377	13,008	22.3	1.1
Oshawa	12.0	0.8	71,749	11,880	21.8	11.6	0.9	84,556	14,292	22.7	-0.4
Brantford	15.9	0.3	55,175	8,904	22.4	11.4	0.4	69,443	10,872	21.6	-4.5
Kelowna	11.8	0.4	55,872	9,468	22.8	11.1	0.4	68,117	11,496	23.1	-0.7
Thunder Bay	11.9	0.4	58,418	8,340	20.3	10.9	0.4	66,239	9,300	20.1	-1.0
Moncton	10.8	0.3	53,035	7,752	20.4	10.8	0.4	61,764	9,336	21.0	0.0
Edmonton	10.9	2.5	64,116	9,372	20.7	10.6	2.8	81,524	11,532	21.1	-0.3
Winnipeg	10.8	1.9	56,037	8,052	20.4	10.4	1.9	66,300	9,216	20.2	-0.4
Kitchener	11.6	1.2	67,825	10,320	21.2	10.3	1.1	80,429	12,396	22.0	-1.3
Greater Sudbury	12.4	0.5	57,122	8,532	21.4	10.0	0.4	69,840	9,792	20.4	-2.4
Saint John	11.2	0.3	53,278	7,176	19.6	9.6	0.3	62,707	8,520	19.7	-1.6
Regina	10.1	0.5	58,649	8,328	20.4	9.6	0.5	70,012	9,804	20.3	-0.5
Sherbrooke	12.0	0.5	46,755	6,912	21.7	9.5	0.5	54,762	7,968	21.7	-2.5
Québec	12.3	2.3	52,109	7,404	20.8	9.3	1.9	62,381	8,532	20.2	-3.0
Saskatoon	10.7	0.6	55,074	8,412	22.3	9.3	0.6	68,351	10,032	22.3	-1.4
Calgary	11.2	2.6	76,692	11,148	21.2	9.0	2.4	101,749	13,272	21.6	-2.2
Saguenay	11.2	0.4	50,156	6,780	19.7	8.2	0.3	56,997	7,476	19.3	-3.0
All CMAs	14.7	69.6	65,846	10,128	22.2	13.6	73.1	77,599	11,940	22.9	-1.1

¹ In decreasing incidence of core housing need in 2006.

Source: CMHC (Census-based housing indicators and data)

While Toronto, Vancouver and Montréal accounted for some 33 per cent of all households in Canada in 2006, households in core housing need living in these three CMAs accounted for more than two-fifths (42.6 per cent) of all Canadian households in core housing need.

Incidence of core housing need among renters remained high, but the share of homeowners in core housing need increased

Between 2001 and 2006, both homeowners and renters experienced a decrease in their respective incidences of core housing need (see *Figure 7-6*). While homeowners had a slight decrease of 0.3 percentage point, renters showed a larger decline of 1.1 percentage points. Even with such a decline, renters, at 27.2 per cent, remained much more likely to be in core housing need than homeowners, at 6.3 per cent, in 2006. Indeed, renters experienced a much larger affordability burden than homeowners, with an average STIR (at 28.9 per cent) about 10 percentage points higher than homeowners (at 18.7 per cent).

The composition of households in core housing need has been changing since the 1990s. Homeowners have accounted for an increasing share of households in core housing need and renters a decreasing share. The share of homeowners grew to 34.3 per cent in 2006 and that of renters fell to 65.7 per cent. These changing shares reflected a general shift towards ownership. Between 2001 and 2006, homeownership increased among households tested for core housing need from 66.9 per cent to 69.3 per cent³. Many renters took advantage of the low mortgage rates and the prospects of capital gains during this period and became new homeowners.

These new homeowners paid a large proportion of their incomes on shelter⁴. Significant increases in rents in their respective local markets likely left some of these new homeowners not only with affordability problems in their owned accommodation, but also unable to access alternative acceptable housing in those markets.

FIGURE 7-6

CORE HOUSING NEED AND TENURE, CANADA, 1991-2006¹

Year	Tenure	Number of households (thousands)	Share of total households (%)	Incidence of core housing need (%)	Share of total households in core housing need (%)	Average household income (\$)	Average shelter cost (\$)	Average STIR (%)
2006	Owners	8,158	69.3	6.3	34.3	85,857	983	18.7
	Renters	3,608	30.7	27.2	65.7	41,943	725	28.9
2001	Owners	7,230	66.9	6.6	31.9	71,946	820	17.9
	Renters	3,576	33.1	28.3	68.1	38,797	649	28.2
1996	Owners	6,494	64.8	6.9	28.5	60,633	738	18.3
	Renters	3,534	35.2	31.7	71.5	33,177	593	29.7
1991	Owners	5,925	63.2	6.0	27.9	56,676	665	17.0
	Renters	3,446	36.8	26.6	72.1	32,929	538	27.0

¹ Includes only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100 per cent.

Source: CMHC (Census-based housing indicators and data)

³ For all Canadian households, the rate of homeownership increased from 65.8 per cent in 2001 to 68.4 per cent in 2006.

⁴ The average level of STIRs for homeowners in 2006 (18.7 per cent) was higher than the average experienced in 1996 (18.3 per cent), a period of significant economic downturn.

Incidence of core housing need among lone-parents and non-family households remained high

Between 2001 and 2006, all household types had a decline in their incidences of core housing need (see *Figure 7-7*). Lone-parents (-2.7 percentage points) and non-family households (-2.5 percentage points) experienced the largest decreases. Despite these reductions, lone-parent and non-family—mostly one-person—households experienced the highest incidences of core housing need (at 26.5 per cent and 21.1 per cent, respectively) in 2006. Although

facing lower shelter costs than the national average, lone-parent and non-family households faced a much larger affordability burden, reflected in higher average STIRs (26.1 per cent and 28.3 per cent, respectively) than the national average (21.8 per cent), because of their relatively low incomes.

In 2006, non-family households continued to account for the largest share of households in core housing need. While representing only 30 per cent of all households, non-family households accounted for almost 50 per cent of households

FIGURE 7-7
CORE HOUSING NEED BY HOUSEHOLD TYPE, CANADA, 2001 AND 2006¹

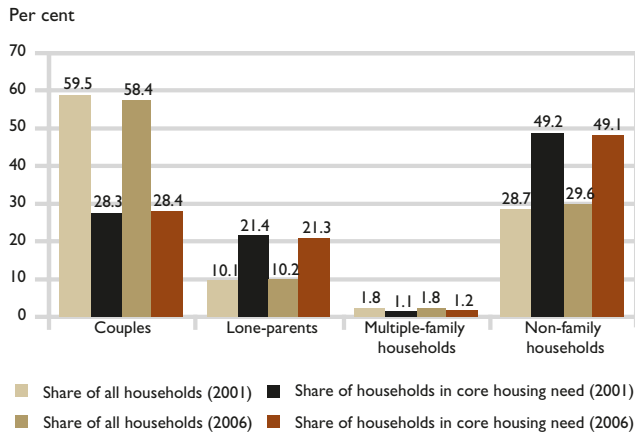
Household type	2001			2006			2001-2006 percentage point difference in core housing need
	Number of households (thousands)	Average household income (\$)	Incidence of core housing need (%)	Number of households (thousands)	Average household income (\$)	Incidence of core housing need (%)	
		Average shelter cost (\$)			Average shelter cost (\$)		
		Average STIR (%)			Average STIR (%)		
Family households	7,702	71,446	9.8%	8,285	85,764	9.2	-0.6
		10,032			11,918		
		18.8			19.1		
Couples	6,424	75,371	6.5%	6,870	90,898	6.2	-0.4
		10,200			12,116		
		17.5			17.9		
Lone-parents	1,086	43,651	29.2%	1,199	51,910	26.5	-2.7
		8,520			10,140		
		26.6			26.1		
Multiple-family households	191	97,436	8.8%	216	110,272	8.4	-0.4
		12,912			15,486		
		16.8			17.7		
Non-family households	3,104	34,998	23.5%	3,481	40,562	21.1	-2.5
		7,020			8,310		
		27.5			28.3		
All households	10,806	60,976	13.7%	11,766	72,391	12.7	-1.0
		9,168			10,855		
		21.3			21.8		

¹ Includes only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100 per cent.

Source: CMHC (Census-based housing indicators and data)

FIGURE 7-8

SHARES OF ALL HOUSEHOLDS COMPARED TO SHARES OF HOUSEHOLDS IN CORE HOUSING NEED BY HOUSEHOLD TYPE, CANADA, 2001 AND 2006¹



¹ Includes only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100 per cent.

Source: CMHC (Census-based housing indicators and data)

in core housing need (see *Figure 7-8*). Despite having a core housing incidence (at 6.2 per cent) of only half the national average (12.7 per cent), couples had the second largest share (28.4 per cent) among households in core housing need, as they represent the majority (58.4 per cent)

of all households. At 21.3 per cent, lone-parents were the third-largest group among households in core housing need, although their share of all households was only about 10 per cent.

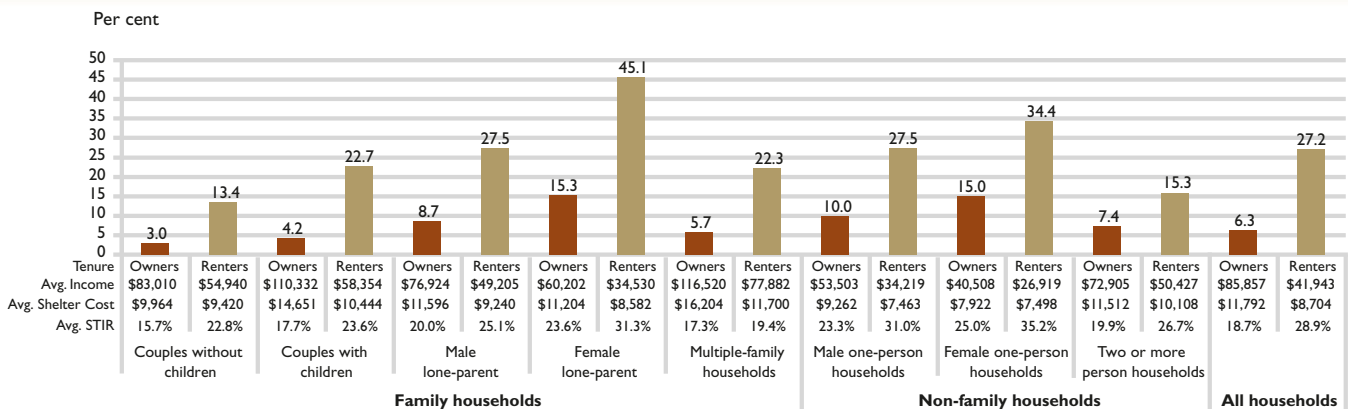
Among those households experiencing the most serious problems to access acceptable housing in 2006, there were some marked differences by tenure and gender. Female lone-parents living in rented accommodations and female one-person households who were renters experienced the highest (45.1 per cent) and the second-highest (34.1 per cent) incidences of core housing need by household type and tenure. Because of having significantly lower average household incomes than Canadian renters in general, these two types of households faced average STIRs above 30 per cent which made them much more prone to falling into core housing need (see *Figure 7-9*).

Senior households still accounted for about one-quarter of all households in core housing need

Despite experiencing a decrease in their incidence of core housing need, from 16.9 per cent in 2001 to 14.4 in 2006, senior households (whose primary maintainer⁵ is 65 years of age or older) continued to account for about one-quarter (24.7 per cent) of all households in core housing need in 2006 (see *Figure 7-10*).

FIGURE 7-9

INCIDENCE OF CORE HOUSING NEED BY TENURE AND HOUSEHOLD TYPE, CANADA, 2006¹



¹ Includes only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100 per cent.

Source: CMHC (Census-based housing indicators and data)

⁵ Statistics Canada defines a primary household maintainer as the person or one of the people responsible for the major costs—such as rent or mortgage, property taxes, and electricity—in a private household.

FIGURE 7-10 SENIOR HOUSEHOLDS: CORE HOUSING NEED BY TENURE AND HOUSEHOLD TYPE, CANADA, 2001 AND 2006¹

Tenure	Household type	2001						2006					
		Number of households (thousands)	Incidence of core housing need (%)	Share of total households in core housing need (%)	Average household income (\$)	Average Shelter Cost (\$)	Average STIR (%)	Number of households (thousands)	Incidence of core housing need (%)	Share of total households in core housing need (%)	Average household income (\$)	Average Shelter Cost (\$)	Average STIR (%)
Owners	Family households	1,077	4.1	3.0	56,344	5,868	13.7	1,217	3.7	3.0	69,420	7,404	14.3
	Couples	928	3.4	2.1	56,111	5,784	13.6	1,053	3.0	2.1	69,481	7,284	14.1
	Lone-parents	123	9.6	0.8	50,595	5,760	14.7	133	9.2	0.8	59,903	7,344	15.7
	Multiple-family households	26	5.2	0.1	91,742	9,408	12.5	31	4.3	0.1	108,253	11,688	13.3
	Non-family households	582	18.0	7.1	28,853	4,716	21.5	645	15.8	6.8	36,208	6,036	22.4
Renters	Family households	198	17.0	2.3	40,422	8,232	24.9	212	15.3	2.2	47,068	9,360	24.5
	Couples	157	13.7	1.5	40,348	8,304	24.9	167	11.9	1.3	47,141	9,456	24.5
	Lone-parents	38	30.6	0.8	38,122	7,764	25.7	41	29.1	0.8	43,618	8,784	25.4
	Multiple-family households	4	19.5	0.0	67,708	10,368	19.2	4	14.3	0.0	79,603	11,316	17.0
	Non-family households	475	44.2	14.1	21,389	6,528	35.3	500	38.2	12.8	25,090	7,680	35.5
	All senior households	2,332	16.9	26.5	41,009	5,916	21.0	2,574	14.4	24.7	50,647	7,272	21.2

¹ Includes only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100 per cent.

Source: CMHC (Census-based housing indicators and data)

This was mostly as a result of all senior households growing at a faster pace (at 10.4 per cent) than non-senior households (at 7.9 per cent) between 2001 and 2006.

In 2006, almost eight out of 10 senior households in core housing need were non-family households (which are mostly one-person households). At 38.2 per cent, non-family senior households renting their accommodations were the most at risk of falling into core housing need. While facing average shelter costs (\$7,680) about 18 per cent lower than senior family renters (\$9,360), senior non-family renters had average incomes (\$25,090) about 42 per cent lower than family renters (\$47,068). This resulted in a significant affordability burden for senior non-family renters; they had an average STIR of 35.5 per cent.

Incidence of core housing need remained about the same for immigrant households

The incidence of core housing need for recent immigrant households⁶ was 35.4 per cent in 2006, a reduction of 0.6 percentage points from 2001. Their incidence of core housing need was more than three times higher than that of non-immigrant households in 2006 (see *Figure 7-11*).

Among recent immigrants, the incidence of core housing need for owners decreased one percentage point, from 21.2 per cent in 2001 to 20.2 per cent in 2006. In contrast, core housing need for renters increased by one percentage point, from 43.1 per cent in 2001 to 44.1 per cent in 2006. In 2006, recent immigrants renting their accommodations had average incomes (at \$39,782) of only about half

FIGURE 7-11
CORE HOUSING NEED AND IMMIGRANT STATUS, CANADA, 2001 AND 2006¹

Immigrant status	2001		2006	
	Number of households (thousands)	Incidence of core housing need (%)	Number of households (thousands)	Incidence of core housing need (%)
Non-immigrants	8,430	12.4	9,060	11.0
Owners	5,650	5.6	6,296	5.1
Renters	2,779	26.1	2,764	24.5
Non-permanent residents	47	30.1	63	28.8
Owners	10	14.0	15	15.7
Renters	37	34.4	48	32.9
Immigrants	2,329	18.3	2,642	18.2
Owners	1,569	9.8	1,847	10.3
Renters	760	36.0	796	36.4
Recent Immigrants ²	225	36.0	270	35.4
Owners	73	21.2	98	20.2
Renters	153	43.1	172	44.1
All households	10,806	13.7	11,766	12.7
Owners	7,230	6.6	8,158	6.3
Renters	3,576	28.3	3,608	27.2

¹ Includes only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100 per cent.

² Recent immigrants in 2006 landed in Canada between 2001 and May 16, 2006; recent immigrants in 2001 were those who landed between 1996 and May 15, 2001.

Source: CMHC (Census-based housing indicators and data)

⁶ Households whose primary maintainer has been granted the right to live in Canada permanently by Immigration authorities, and who landed in Canada between 2001 and May 16, 2006.

(55 per cent) of those of recent immigrants owning their homes (at \$72,497), making it much more difficult for recent immigrant renters to access acceptable housing (see *Figure 7-12*).

Data from the 2006 Census confirm that the longer immigrant households stay in Canada, the better their housing conditions generally become. Their incidence of core housing need decreases progressively, from those that

arrived recently (at 35.4 per cent) to those that have been living in Canada for more than 25 years (at 12.5 per cent). The average household income increases from \$51,691 for recent immigrants to \$79,013 for those that have been in Canada for more than 25 years. In fact, the average income of the latter is higher than that of non-immigrant households (\$72,180) (see *Figure 7-12*).

FIGURE 7-12

CORE HOUSING NEED AND IMMIGRANT STATUS BY PERIOD OF IMMIGRATION, CANADA, 2006¹

Immigrant status	Number of households (thousands)	Incidence of core housing need (%)	Average household income before taxes (\$)	Average shelter cost (\$)	Average STIR before taxes (%)
Non-immigrants	9,060	11.0	72,180	10,424	21.0
Owners	6,296	5.1	85,662	11,280	17.8
Renters	2,764	24.5	41,470	8,446	28.3
Non-permanent residents	63	28.8	61,373	12,384	33.1
Owners	15	15.7	96,750	16,938	28.2
Renters	48	32.9	50,242	10,921	34.6
Immigrants	2,642	18.2	73,380	12,293	24.4
Owners	1,847	10.3	86,432	13,494	21.9
Renters	796	36.4	43,082	9,466	30.3
Arrived in Canada:					
Prior to 1981	1,371	12.5	79,013	10,872	20.8
Owners	1,101	7.6	87,729	11,220	18.5
Renters	270	32.4	43,404	9,425	30.5
1981 to 1990	440	18.7	76,252	13,951	25.6
Owners	302	11.2	91,054	16,007	24.0
Renters	138	35.3	43,705	9,358	29.1
1991 to 1995	294	22.9	68,778	14,189	27.6
Owners	187	14.7	83,038	16,937	26.9
Renters	107	37.3	43,978	9,341	28.9
1996 to 2000	267	24.0	66,731	14,611	28.8
Owners	158	16.4	81,219	17,958	28.9
Renters	109	34.9	45,797	9,701	28.6
2001 to 2006	270	35.4	51,691	12,468	32.5
Owners	98	20.2	72,497	17,515	31.8
Renters	172	44.1	39,782	9,542	33.0
All households	11,766	12.7	72,391	10,855	21.8
Owners	8,158	6.3	85,857	11,792	18.7
Renters	3,608	27.2	41,943	8,704	28.9

¹ Includes only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100 per cent.

Source: CMHC (Census-based housing indicators and data)

FIGURE 7-13
CORE HOUSING NEED BY ABORIGINAL STATUS AND HOUSEHOLD TYPE, CANADA, 2001, 2006¹

Aboriginal status	Household type	2001				2006			
		Number of households (thousands)	Share of total households (%)	Incidence of core housing need (%)	Share of all households in core housing need (%)	Number of households (thousands)	Share of total households (%)	Incidence of core housing need (%)	Share of all households in core housing need (%)
Aboriginal household ²	All types	297	2.8	24.0	4.8	401	3.4	20.4	5.5
	Family households	238	2.2	21.7	3.5	316	2.7	17.8	3.8
	Couples	173	1.6	13.3	1.5	234	2.0	10.2	1.6
	Lone-parents	56	0.5	48.0	1.8	70	0.6	42.9	2.0
	Multiple-family households	9	0.1	21.7	0.1	12	0.1	19.6	0.2
	Non-family households	60	0.6	32.9	1.3	85	0.7	29.9	1.7
Non-Aboriginal household	All types	10,508	97.2	13.5	95.2	11,365	96.6	12.4	94.5
	Family households	7,464	69.1	9.4	47.3	7,969	67.7	8.8	47.1
	Couples	6,251	57.8	6.4	26.7	6,637	56.4	6.0	26.8
	Lone-parents	1,031	9.5	28.2	19.6	1,128	9.6	25.5	19.2
	Multiple-family households	182	1.7	8.2	1.0	204	1.7	7.7	1.1
	Non-family households	3,044	28.2	23.4	47.9	3,396	28.9	20.9	47.4
All households		10,806	100.0	13.7	100.0	11,766	100.0	12.7	100.0

¹ Includes only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100 per cent.

² An Aboriginal household is defined by CMHC as one of the following:

- a) a non-family household in which at least 50 per cent of household members self-identified as Aboriginal; or
- b) a family household that meets at least one of two criteria:
 - at least one spouse, common-law partner; or lone-parent self-identified as an Aboriginal; or
 - at least 50 per cent of household members self-identified as Aboriginal.

Components may not add up to totals due to rounding.

Source: CMHC (Census-based housing indicators and data)

Off-reserve Aboriginal lone-parents renting their accommodations faced the highest incidence of core housing need

Off-reserve Aboriginal households⁷ experienced a decrease in their incidence of core housing need from 24.0 per cent in 2001 to 20.4 per cent in 2006 (see *Figure 7-13*). Despite this decrease, the share of off-reserve Aboriginal households among households in core housing need increased from 4.8 per cent in 2001 to 5.5 per cent in 2006.

This increase in share was a consequence of the off-reserve Aboriginal household population growing at much faster pace (34.9 per cent change) than the non-Aboriginal household population (8.2 per cent change) between 2001 and 2006. The faster growth of off-reserve Aboriginal households was largely a result of off-reserve Aboriginals being younger and having higher fertility rates than non-Aboriginals. Also, there was some increase in the willingness to self-identify as Aboriginal.

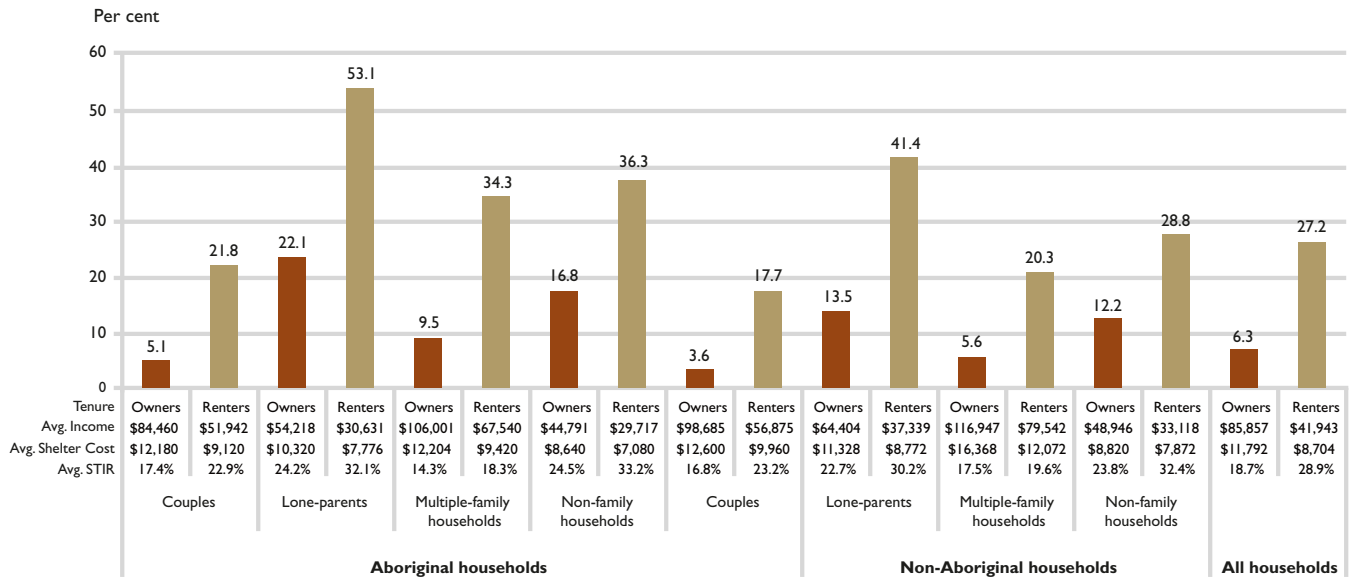
⁷ An Aboriginal household is defined by CMHC as one of the following:

- a) a non-family household in which at least 50 per cent of household members self-identified as Aboriginal; or
- b) a family household that meets at least one of two criteria:
 - at least one spouse, common-law partner, or lone-parent self-identified as an Aboriginal; or
 - at least 50 per cent of household members self-identified as Aboriginal.

A person self-identifies as being Aboriginal on the Census questionnaire. Aboriginal identities include North American Indians (both status and non-status), Métis and Inuit.

FIGURE 7-14

INCIDENCE OF CORE HOUSING NEED BY ABORIGINAL HOUSEHOLD STATUS AND TENURE, CANADA, 2006¹



¹ Includes only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100 per cent.

Source: CMHC (Census-based housing indicators and data)

In 2006, the proportion of Aboriginal households in core housing need who were family households, particularly lone-parents, was larger than the proportion of non-Aboriginal households in core housing need. This was a result of both the Aboriginal household population including a comparatively larger proportion of family households and Aboriginal family households themselves having higher incidences of core housing need than their non-Aboriginal counterparts.

At 53.1 per cent, Aboriginal lone-parents renting their accommodations experienced the highest incidence of core housing need of any type of household in 2006 (see *Figure 7-14*). Aboriginal lone-parents who were renting had a larger affordability burden than their non-Aboriginal counterparts. While facing shelter costs (\$7,776) 11.3 per cent lower than their non-Aboriginal counterparts (\$8,772), their incomes (\$30,631) were almost 18 per cent lower than those of their non-Aboriginal counterparts (\$37,339).

Low-income households faced the most pronounced difficulties in accessing acceptable housing

For some years, CMHC has been tracking the incidence of core housing need by income levels. Households are ranked by their before-tax household income and divided into five equally-sized groups (quintiles). For descriptive purposes, these groups are referred to as follows: low-income, moderate-income, middle-income, upper-income, and high-income.

The 2006 Census-based core housing need estimates confirm what SLID-based estimates showed for 2002-2005⁸. Core housing need is more prevalent in households with very limited financial resources. SLID-based estimates had shown that between 2002 and 2005 about eight in 10 urban⁹ households in core housing need had low incomes (up to \$27,607). Consistently, for all Canadian households

⁸ See Canadian Housing Observer 2008, Figure 2-6.

⁹ Urban households for this research are households living in Census Metropolitan Areas (CMAs) and Census Agglomerations (CAs) with core populations over 100,000 and 10,000, respectively, as defined by the 2001 Census geography.

FIGURE 7-15
CORE HOUSING NEED BY INCOME GROUPS (QUINTILES), CANADA, 2006¹

Income group	Income range	Number of households (thousands)	Incidence of core housing need (%)	Share of total households in core housing need (%)	Average household income before taxes (\$)	Average shelter costs (\$)	Average STIR before taxes
High	\$100,576 and up	2,353	0.0	0.0	168,498	15,604	10.9
Upper	\$67,848 to \$100,575	2,355	0.0	0.1	82,640	12,574	15.3
Middle	\$45,653 to \$67,847	2,352	1.3	2.0	56,292	10,513	18.8
Moderate	\$27,608 to \$45,652	2,353	11.2	17.6	36,464	8,849	24.6
Low	up to \$27,607	2,354	51.0	80.3	18,064	6,685	39.5
All households	NA	11,766	12.7	100.0	72,391	10,855	21.8

¹ Includes only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100 per cent.

Source: CMHC (Census-based housing indicators and data)

(not just urban), 2006 Census-based estimates show that 80.3 per cent of those in core housing need had low incomes (lower than or equal to \$27,607). Most of the remaining households in core housing need (17.6 per cent) had moderate incomes (between \$27,608 and \$45,652) (see *Figure 7-15*).

In line with 2002-2005 SLID-based estimates of core housing need for low-income households (at about 54 per cent)¹⁰, Census-based estimates show that a little more than five in 10 low-income households experienced core housing need in 2006. At 51.0 per cent, low-income households are almost five times more likely to fall in core housing need than households with moderate incomes, at 11.2 per cent. Low-income households faced a much larger affordability burden than moderate-income households.

More than half (56.3 per cent) of households in core housing need were low-income renters in 2006. At 58.5 per cent, low-income renters were more than twice as likely to be in core housing need as renters in general, at 27.2 per cent.

A much larger affordability burden (average STIR of 42.7 per cent) than that of renters in general (average STIR of 28.9 per cent) made low-income renters much more prone to fall into core housing need (see *Figure 7-16*).

Although accounting for a very small proportion (some 12 per cent) of low-income households, low-income owners with mortgages also faced serious difficulties in accessing acceptable housing. About 62 per cent of low-income owners with mortgages were in core housing need in 2006. An affordability burden (average STIR of 54.6 per cent) even higher than that of low-income renters (average STIR of 42.7), made low-income owners with mortgages more prone to falling into core housing need. In contrast, about 30 per cent of low-income owners without mortgages were in core housing need in 2006.

¹⁰ See *Canadian Housing Observer 2008*, Figure 2-5.

Census- and SLID-based estimates of urban core housing need lined up reasonably well

CMHC has now produced urban core housing need estimates based on SLID (see *The Survey of Labour and Income Dynamics text box*) for four years (2002-2006). This section compares SLID-based estimates of urban core housing need with comparable estimates based on Census data. It is the first time such a comparison can be made for data for the same year (that is, 2006).

Despite differences in data collection (see *Comparison of Census and SLID text box*), Census- and SLID-based estimates of urban core housing need lined up remarkably well. Both Census-based estimates and SLID-based estimates show a decreasing trend in the incidence of urban core housing need. While Census-based estimates

show a decline from 14.3 per cent in 2001 to 13.1 in 2006, SLID-based estimates indicate a decrease from 13.9 per cent in 2002 to 13.1 per cent in 2006. The concordance of both estimates for 2006 is remarkable (see “CMA/CA” rows in Figure 7-1).

As outlined in the section above, Census- and SLID-based estimates of core housing need based on household income levels also lined up, both showing a little more than 50 per cent of low income households experiencing core housing need.

Nonetheless, the comparability is not as perfect at a more disaggregated level of geography. At the provincial level, some discrepancies between Census- and SLID-based estimates of urban core housing need start to appear.

FIGURE 7-16

CORE HOUSING NEED BY INCOME GROUPS (QUINTILES) AND TENURE, CANADA, 2006¹

Income group	Tenure	Number of households (thousands)	Incidence of core housing need (%)	Share of total households in core housing need (%)	Average household income before taxes (\$)	Average shelter costs (\$)	Average STIR before taxes
High	Owners (with mortgage)	1,398	0.0	0.0	152,664	20,698	14.6
	Owners (without mortgage)	790	0.0	0.0	200,446	6,974	4.5
	Renters	166	0.1	0.0	149,754	13,733	10.2
Upper	Owners (with mortgage)	1,327	0.0	0.0	83,137	16,412	19.9
	Owners (without mortgage)	653	0.0	0.0	82,646	5,617	6.9
	Renters	375	0.2	0.1	80,867	11,069	13.8
Middle	Owners (with mortgage)	1,008	1.6	1.1	56,915	14,556	25.8
	Owners (without mortgage)	685	0.3	0.1	56,197	5,182	9.3
	Renters	659	1.7	0.7	55,437	9,858	17.9
Moderate	Owners (with mortgage)	666	17.2	7.6	37,330	13,211	35.9
	Owners (without mortgage)	716	2.8	1.4	36,319	4,843	13.6
	Renters	971	13.2	8.6	35,976	8,813	24.9
Low	Owners (with mortgage)	280	61.5	11.5	20,455	10,806	54.6
	Owners (without mortgage)	636	29.5	12.5	18,901	4,390	25.7
	Renters	1,438	58.5	56.3	17,228	6,899	42.7
All households	Owners (with mortgage)	4,679	6.5	20.3	87,982	16,501	24.0
	Owners (without mortgage)	3,479	6.0	14.0	83,000	5,456	11.6
	Renters	3,608	27.2	65.7	41,943	8,704	28.9

¹ Includes only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100 per cent.

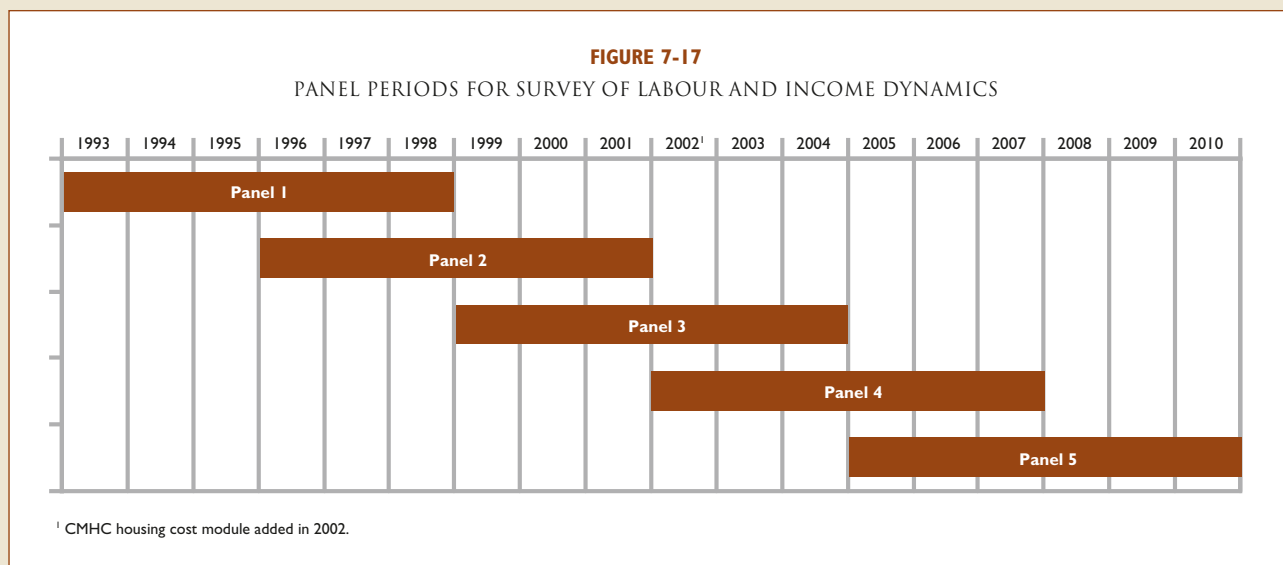
Source: CMHC (Census-based housing indicators and data)

The Survey of Labour and Income Dynamics (SLID)

SLID is a survey conducted annually by Statistics Canada to collect information on the labour and income characteristics of Canadians. SLID covers the 10 Canadian provinces but excludes those Canadians living in the territories, in institutions or collective dwellings, in military barracks and on Indian reserves. According to Statistics Canada, these exclusions amount to less than three per cent of the Canadian population (see www.statcan.gc.ca). SLID also excludes the homeless.

SLID collects information for two groups or panels of people who are tracked over a period of six consecutive years. Each panel comprises a sample of some 30,000 people or about 15,000 households. A new panel begins every three years, and thus the two panels overlap for three years (see *Figure 7-17*).

In 2002, a housing cost module was added to SLID as a result of CMHC sponsorship. Until then, SLID had collected only a few housing characteristics. As part of the housing cost module, over 20 housing-related questions were added to SLID. The addition of this module enables the review of most Canadians' housing conditions between Censuses as well as the tracking of their housing conditions over time.



The most apparent case is for Newfoundland and Labrador where SLID-based estimates seem to be overestimating the incidence of urban core housing need (see *Figure 7-18*). These provincial discrepancies are largely explained by the differences between the two sources of data (see Comparison of Census and SLID text box). The most dramatic difference is in their sample sizes. While the SLID estimates are based on a sample of about 30,000 households, the Census figures are based on data collected from one in five Canadian households, or some

2.5 million households in 2006. Thus, SLID-based estimates have less precision than estimates based on Census data, particularly when disaggregated.

For major CMAs¹¹, Census- and SLID-based core housing need estimates are in concordance for the most part (see *Figure 7-19*). There are just a few major CMAs that show some discrepancies. For example, SLID-based estimates for Saskatoon tend to overestimate the incidence of urban core housing need when compared

¹¹ Census Metropolitan Areas with a SLID sample of about 500 households or more.

Comparison of Census and SLID

The table below lists the most important differences between the Census and SLID, as well as between the core housing need estimates derived from these two data sources.

Category	Census	SLID
Frequency and timing of questionnaire	The Census is conducted every 5 years in mid-May collecting most information for that year.	SLID is conducted annually in January-March and collects income information for the previous calendar year (the "reference year"). Thus, the interview conducted in early 2007 collected income information for 2006.
Sample	Housing-related questions are part of the long-form questionnaire that is requested from one in 5 private households; almost 2.5 million households provided housing information in 2006.	About 30,000 households provide information annually.
Coverage	The Census aims to count everyone usually living in Canada on Census Day (May 16, 2006) and certain categories of non-resident Canadians*, although inevitably not every person and household is counted.	The SLID sample does not include people in the territories, or who were homeless, in institutions or collective dwellings, in military barracks or on-reserves.
Method of data collection	The questionnaire is completed by household respondent and submitted on-line or via regular mail.	The interview is conducted over the phone.
Household income	Self-reported or based on tax forms (new for 2006 Census) for the calendar year before the Census. In 2006, some 82% respondents agreed to let Statistics Canada access their tax forms for income information.	Self-reported or based on tax forms for the reference year. In January 2007, some 90% of respondents agreed to let Statistics Canada access their tax forms for income information.
Shelter costs	All related data are self-reported.	Self-reported for rent, mortgages and taxes. Utility costs are imputed from Census data.
Administrative and census-defined geographical units used for aggregation	Geographical units as of Census year.	SLID data for 2006 uses geographical units defined in the 2001 Census.
Households for which core housing need is calculated	Both urban and rural households.	Only urban households living in Census Metropolitan Areas (CMAs) and Census Agglomerations (CAs).
Smallest level of practical disaggregation	Census tracts, or "neighbourhoods".	Major Census Metropolitan Areas (CMAs) and smaller provinces: Newfoundland and Labrador, Prince Edward Island, Nova Scotia.
Rents used to define minimum household income required to afford alternative suitable housing in the local housing market	Median rents are based on Rental Market Survey for the year prior to Census year.	Median rents are based on Rental Market Survey for the same year as SLID reference year.

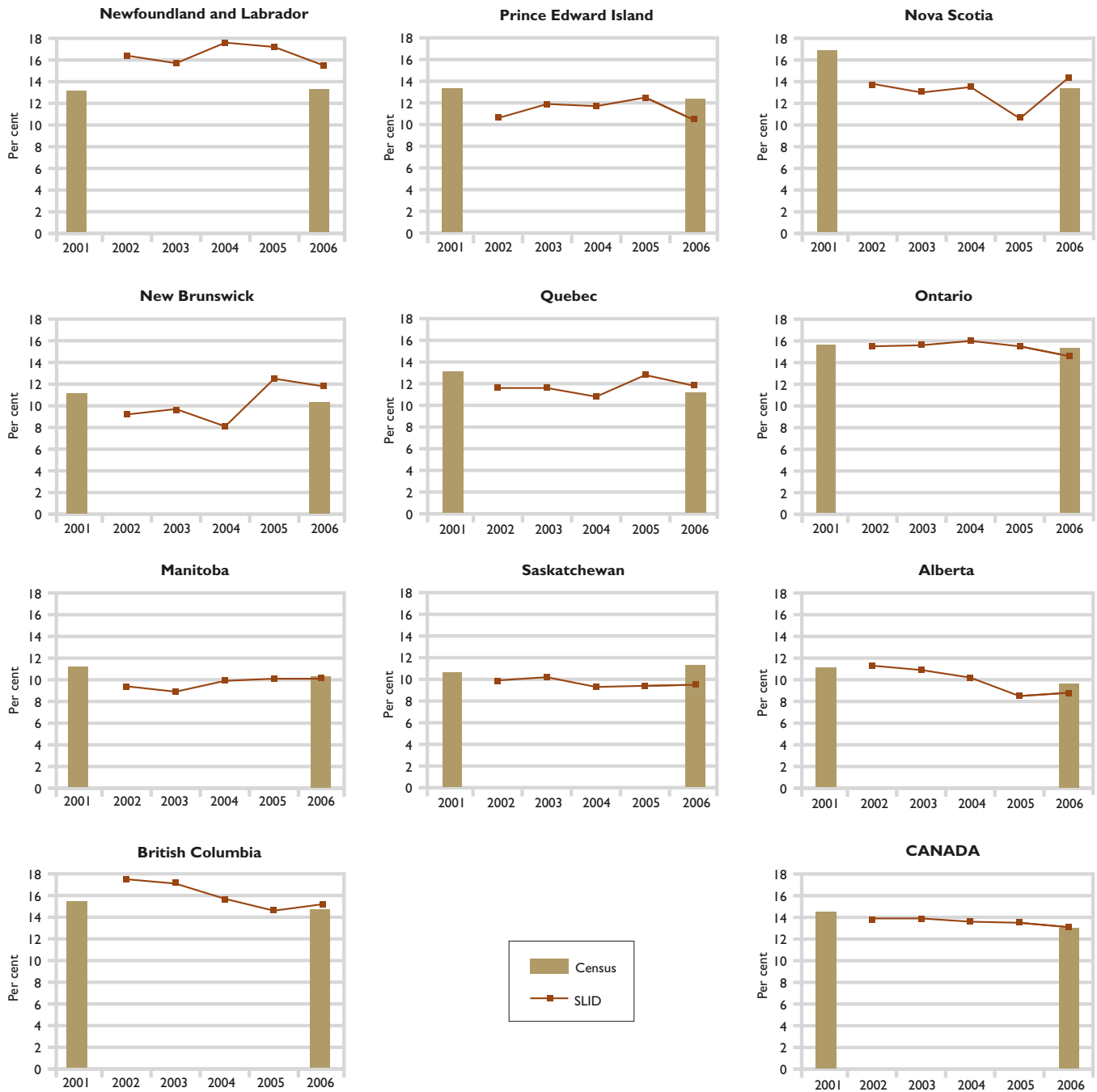
* The Census includes Canadian citizens and landed immigrants, with a usual place of residence in Canada or who were abroad on a military base, diplomatic mission or merchant vessel; and non-permanent residents consisting of other persons (and their families living with them) with a usual place of residence in Canada who are claiming refugee status or who hold study or work permits.

to Census-based estimates. As mentioned above, the alignment of these estimates is weaker at lower levels of geography because of methodological differences between the Census and SLID. However, SLID-based estimates are still informative regarding levels of and trends in the incidence of core housing need in major CMAs.

SLID-based estimates are, of course, particularly useful in intercensal years, when there are no Census data available to estimate core housing need, and for examining annual trends.

FIGURE 7-18

COMPARISON OF INCIDENCES OF URBAN¹ CORE HOUSING NEED BASED ON CENSUS AND SLID, CANADA AND PROVINCES

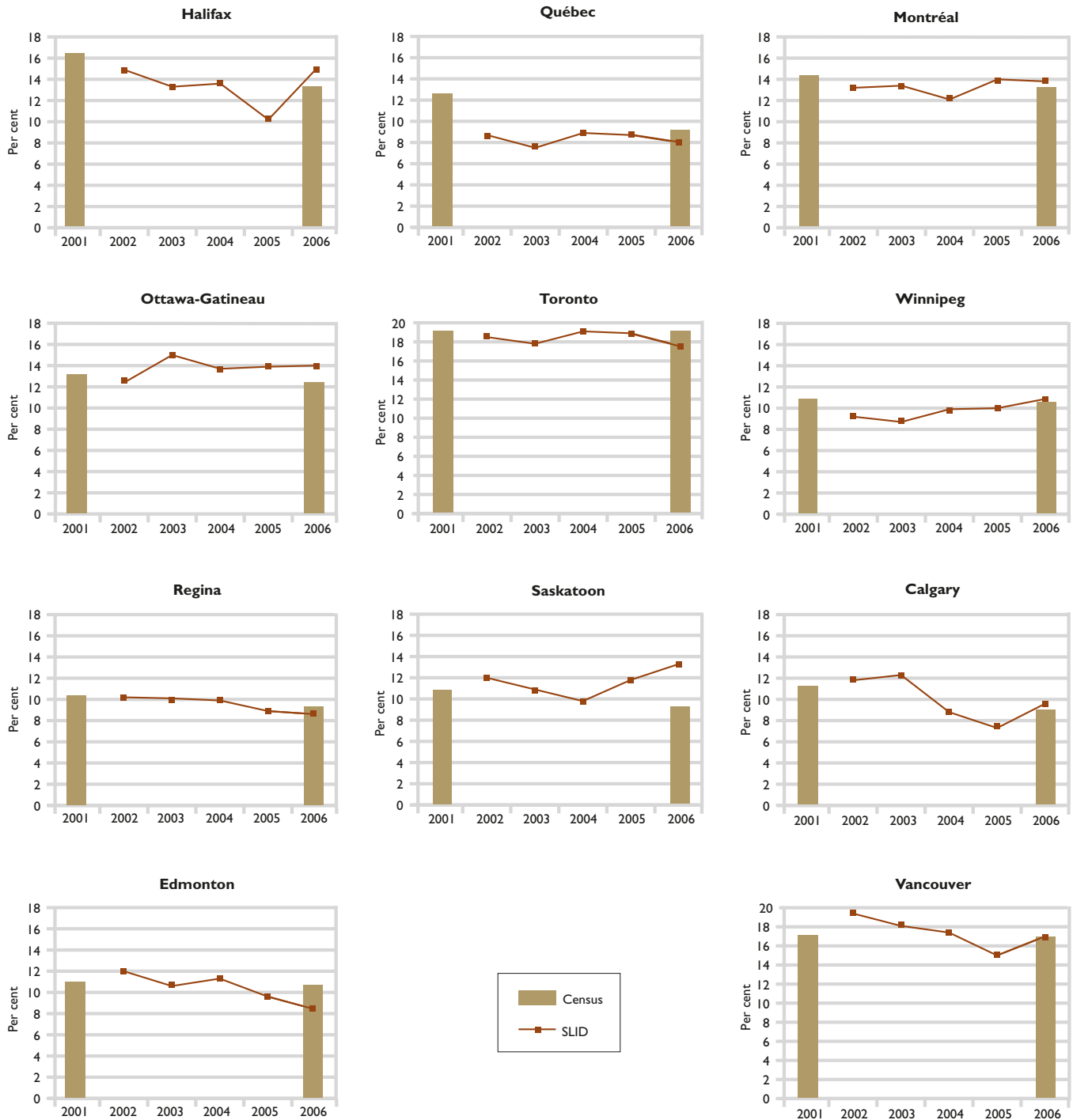


¹ Households living in either Census Metropolitan Areas (CMAs) or Census Agglomerations (CAs). For 2001 Census-based and 2002-2006 SLID-based estimates, CMAs and CAs correspond to areas with core populations over 100,000 and 10,000, respectively. For 2006 Census-based estimates, CMAs include areas with a total population of at least 100,000 of which 50,000 or more live in the urban core. Population requirement remained the same for CAs in the 2006 Census. Six CAs became CMAs in 2006: Moncton (N.B.), Barrie (Ont.), Brantford (Ont.), Guelph (Ont.), Peterborough (Ont.), and Kelowna (B.C.). Seven new CAs were created in 2006: Bay Roberts (N.L.), Miramichi (N.B.), Centre Wellington (Ont.), Ingersoll (Ont.), Okotoks (Alta.), Canmore (Alta.) and Salmon Arm (B.C.). Canada estimates exclude Whitehorse, YK and Yellowknife, NWT as SLID sample does not cover these two CAs. CMA and CA geographical boundaries might have changed between 2001 and 2006.

Source: CMHC (Census- and SLID-based housing indicators and data)

FIGURE 7-19

COMPARISON OF INCIDENCES OF CORE HOUSING NEED BASED ON CENSUS AND SLID, SELECTED CENSUS METROPOLITAN AREAS¹



¹ Includes Census Metropolitan Areas (CMAs) with a SLID annual sample of about 500 or more households. CMA geographical boundaries might have changed between 2001 and 2006.

Source: CMHC (Census- and SLID-based housing indicators and data)

FAST Facts

- Between 2001 and 2006, the incidence of core housing need decreased one percentage point, from 13.7 per cent to 12.7 per cent (Census-based estimates).
- Nova Scotia (-3.1 percentage points), Quebec (-1.9 percentage points), British Columbia (-1.2 percentage points) and Nunavut (-1.5 percentage points) were the jurisdictions experiencing the largest decreases in core housing need between 2001 and 2006.
- Between 2001 and 2006, renters experienced a decrease in their incidence of core housing need from 28.3 per cent to 27.2 per cent, while owners reduced theirs only slightly, from 6.6 per cent to 6.3 per cent.
- Lone-parent and non-family—mostly one-person—households experienced the highest incidences of core housing need (at 26.5 per cent and 21.1 per cent, respectively) in 2006.
- Senior households (whose primary maintainer is 65 years of age or older) continued to account for about one-quarter (24.7 per cent) of all households in core housing need in 2006.
- Off-reserve Aboriginal households experienced a decrease in their incidence of core housing need from 24.0 per cent in 2001 to 20.4 per cent in 2006.
- In 2006, at 51.0 per cent, low-income households were almost five times more likely to be in core housing need than households with moderate incomes, at 11.2 per cent.

Summary

Healthy economic conditions from 2001 to 2006 propelled the improvement of housing conditions in Canada. Based on data from the Census, the incidence of core housing need decreased one percentage point, from 13.7 per cent in 2001 to 12.7 per cent in 2006. Some 10.3 million households either lived in, or had sufficient income to access, acceptable housing. This trend is in line with estimates of urban core housing need based on the annual *Survey of Labour and Income Dynamics* for the years 2002 to 2006.

Despite improvements in the economy and housing conditions, almost 1.5 million households lived in core housing need in 2006. Most of them were in core housing need because of housing affordability problems. The highest incidences of core housing need were found in British Columbia (particularly Vancouver), Ontario (particularly Toronto) and Newfoundland and Labrador. Alberta and New Brunswick, as in 2001, had the two lowest incidences of core housing need.

Although experiencing some decline in their respective incidences of core housing need between 2001 and 2006, renters, lone-parents, non-family households (most of which are one-person), Aboriginal households, and seniors continued to have a higher risk of falling into core housing need than the average Canadian household. Senior households accounted for about 25 per cent of households in core housing need.

The incidence of core housing need among immigrant households remained virtually the same in 2006 as in 2001. Recent immigrants, defined as those who arrived in Canada between 2001 and Census Day (May 16, 2006), were those most likely to fall into core housing need, at a rate (35.4 per cent) more than three times that of non-immigrant households (11.0 per cent).

Overall, households with low incomes were those most likely to be in core housing need. More than half (51 per cent) of low-income households were in core housing need in 2006. They represented about 80 per cent of all households in core housing need. The majority of these low-income households in core housing need were renters.

Housing research is an important contributor to sound decision-making—for households, industry professionals and all levels of government. Few issues are as universal as housing, or as multi-faceted. Housing influences our society, economy and environment in many ways. As a key determinant of quality of life, housing affects health and well-being, the upbringing of children and the welfare of our communities. It consumes a large part of household monthly income. Purchasing a home is the largest investment most households will make in their lifetime and it can represent the largest debt they will have to repay. For renters, housing is generally the largest monthly payment in the household budget. As a durable good, the quality and siting of housing have a long-term impact on the environment and our communities as, once built, it remains in place for a long time. Housing research can contribute significantly to ensuring our stock of housing can meet the needs of current and future generations and contribute to healthy, sustainable communities.

Housing research may be described as the systematic investigation into housing-related subjects to expand knowledge, strengthen the sector and improve quality of life. Research topics can range from specific issues such as building materials or water-efficient fixtures for the home to broader socio-cultural issues such as homelessness or housing options for seniors.

This chapter focuses on the role research plays in the housing sector and identifies the networks, organizations and government departments and agencies involved in sponsoring,

conducting and using housing research. It begins with an overview of the housing research community in Canada, continues with a description of the National Housing Research Committee (NHRC) and the role it plays in supporting the housing research community, and concludes with information on the newly formed Canadian Housing Research Network and how all stakeholders, including both established and emerging housing researchers, can join.

Who is involved in conducting housing research

The housing research community is varied. It includes economists and policy analysts, social and building scientists and demographers, urban planners and architects, geographers and social workers, engineers and technicians. All work toward the common goal of advancing housing knowledge. These professionals and students work in

- the private sector,
- academic institutions,
- government departments and agencies,
- non-governmental organizations, and
- community organizations.

We examine each in turn.

Researchers in the private sector

Close to 42 per cent of housing researchers in Canada are in the private sector, doing research related, for example, to housing finance and the economic environment (see *Figure 8-1*).

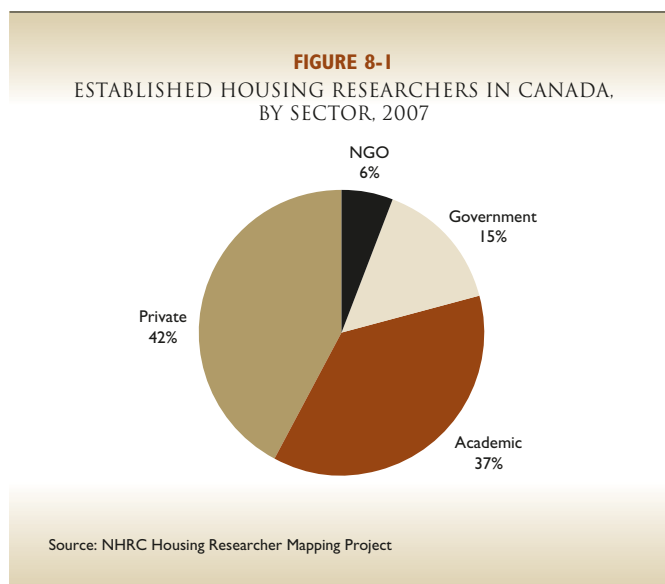
Researchers working in the private sector include individuals and consulting firms conducting housing research on a contract basis. There are also a number of research bodies or “think tanks” engaged in housing research such as the Canadian Centre for Policy Alternatives¹, the Montréal Economic Institute (Institut économique de Montréal)², the Canada West Foundation³ and the C.D. Howe Institute⁴.

Academic researchers

More than one-third of housing researchers in Canada are academics based in university settings⁵ (see *Figure 8-1*). They include a wide variety of socio-economic, building science, planning and design disciplines. Many are active advocates for research in their field, as well as promoters of greater collaboration among stakeholders and of innovative approaches and solutions. Often, they work with community partners to conduct practical research based on local priority issues. This community-based research (see *Community-based research* section on page 105) is sometimes supported with funding from the Social Science and Humanities Research Council⁶ through its Community-University Research Alliance Program (see text box *Community-Based Research: The Winnipeg Inner-City Research Alliance*).

Government departments and agencies involved in housing research

The federal government is both a user and sponsor of housing research. It is also directly involved in conducting housing research, either through its own in-house expertise or through contracting with private consultants or academic researchers. For example, CMHC has an internal research program⁷, carried out largely on a contract basis, and an



External Research Program that provides funding to successful applicants⁸. The Canadian Centre for Housing Technology⁹ is jointly operated by the National Research Council, CMHC and Natural Resources Canada. CMHC conducts research related to housing finance. Health Canada, in partnership with various organizations, conducts or commissions research on the quality of indoor environments and their effects on health. Human Resources and Skills Development Canada funds research projects on homelessness. The National Research Council, Infrastructure Canada and other departments and agencies also fund some housing-related research. All these departments and agencies are members of the National Housing Research Committee (see text box *National Housing Research Committee Members* on page 106).

¹ See www.policyalternatives.ca.

² See www.iedm.org.

³ See www.cwf.ca.

⁴ See www.cdhowe.org.

⁵ Metropolis, for example, is an international network for comparative research and public policy development on migration, diversity, and immigrant integration in cities in Canada and around the world. The Canadian portion includes university-based Centres of Excellence located across the country, see www.canada.metropolis.net.

⁶ See www.sshrc.ca.

⁷ See CMHC's *Current Housing Research* and *Research Highlight* fact sheets—Socio-economic and Technical series—at www.cmhc.ca.

⁸ See www.cmhc.ca.

⁹ See www.cmhc.ca/en/inpr/bude/himu/himu_004.cfm.

Community Based Research: The Winnipeg Inner-City Research Alliance

The Winnipeg Inner-City Research Alliance (WIRA) was formed in 1999 by academics from the Institute of Urban Studies at the University of Winnipeg and local community groups wanting to combine their strengths and resources to promote the development of sustainable inner-city neighbourhoods.

The Alliance, which has grown to include a large number of community partners and academics, has carried out research on a wide range of topics including housing and community development. WIRA has received funding to support its work from the Social Science and Humanities Research Council and from CMHC. Some of the research topics the Alliance has worked on include best practices for rooming houses; transitional housing for Aboriginal ex-offenders; assisted housing in the inner-city; and assisted housing for terminally ill individuals with disabilities.

See: http://ius.uwinnipeg.ca/wira_overview.html.

Provincial, territorial and municipal

Many governments are involved in housing-related research and make their research results available online (see *Figure 8-2*).

Municipal governments and their housing corporations also play an important role in conducting housing research on local community issues. Most municipalities are involved in research identifying local housing needs and priorities, often through their affordable housing strategies and long-term strategic planning processes. In addition, many of the larger municipalities, such as Toronto, Montréal, and Vancouver are actively involved in extensive housing research, either directly conducting their own research or hiring consultants to do so. Examples are provided below.

The Toronto Community Housing Corporation¹⁰, the largest social housing provider in Canada and the second largest in North America, conducts research on its own housing portfolio, including the renewal of affordable housing in an energy-efficient manner. Addressing the problem of homelessness has been one of the priorities of the City of Vancouver¹¹, and the city's 2005 *Homeless Action Plan* is based upon analysis of the city's surveys of the homeless, as well as an examination of solutions tried in other jurisdictions. The pursuit of research, development and communication activities is one of the seven elements of the City of Montréal's current *Strategy for the Inclusion of Affordable Housing in New Residential Developments*¹².

FIGURE 8-2

EXAMPLES OF BODIES CARRYING OUT HOUSING RESEARCH

Government of Alberta, Housing and Urban Affairs	http://www.housing.alberta.ca/
Government of British Columbia, Office of Housing and Construction Standards	http://www.housing.gov.bc.ca/
Ontario Ministry of Municipal Affairs and Housing	http://www.mah.gov.on.ca/Page152.aspx
Société d'habitation du Québec	http://www.habitation.gouv.qc.ca/en/index.html
Saskatchewan Research Council	http://www.src.sk.ca/
City of Toronto	http://www.toronto.ca/
City of Montréal	http://ville.montreal.qc.ca/english
City of Vancouver	http://vancouver.ca/

¹⁰ See www.torontohousing.ca/.

¹¹ See <http://vancouver.ca/commsvcs/housing/>.

¹² See http://ville.montreal.qc.ca/portal/page?_pageid=5097,16433629&_dad=portal&_schema=PORTAL.

The research priorities under this Strategy range widely from assessment of the results of turnkey developments in the production of social housing to approaches to the preservation and development of the rooming house stock.

Municipal research is often related to the development of municipal housing strategies and the evaluation of senior government programs. It provides valuable information on the impact of federal and provincial/territorial programs and policies on the ground and can be influential in informing public policy decisions at the senior government level.

Non-governmental organizations involved in housing research

At the national level, non-governmental organizations that undertake or commission housing-related research include:

- The **Canadian Home Builders' Association**¹³ examines issues of concern to the home building industry, housing consumers, communities and government.
- The **Canadian Housing and Renewal Association**¹⁴ examines affordable housing issues on behalf of its members (non-profit and public housing organizations, municipalities, other organizations, and consultants and academics interested in affordable housing).
- The **Co-operative Housing Federation of Canada**¹⁵ addresses specific needs and issues relating to housing co-operatives.
- The **Federation of Canadian Municipalities**¹⁶ conducts research for national policy development from the perspective of Canada's municipalities.
- Other members of the NHRC (see text box) and the larger lenders also conduct housing-related research and publish reports and data.

Connecting with the Canadian Housing Research Community

Best efforts have been made to be inclusive in identifying networks, organizations, and government departments and agencies which are involved in the housing research field. The chapter does not however identify private sector firms or individuals engaged in housing research. The National Housing Research Committee (NHRC) has an ongoing initiative to connect all producers and users of housing research. Members of the housing research community are invited to join this network (see *Canadian Housing Research Network*, later in this chapter).

At the provincial/territorial level, there are several organizations that conduct housing research for the non-profit housing sector. These include the British Columbia Non-Profit Housing Association¹⁷, the Ontario Non-Profit Housing Association¹⁸, the Quebec Network of Non-Profit Housing Corporations (Réseau québécois des OSBL d'habitation)¹⁹, and the Affordable Housing Association of Nova Scotia²⁰. Some organizations sponsor research on topics of particular interest to their members; for instance, the Social Housing Services Corporation in Ontario²¹ sponsors housing-related research of relevance to municipal service managers and social housing providers across Ontario.

¹³ See www.chba.ca.

¹⁴ See www.chra-achru.ca.

¹⁵ See www.chfc.ca.

¹⁶ See www.fcm.ca.

¹⁷ See www.bcnpha.ca.

¹⁸ See www.onpha.on.ca.

¹⁹ See www.rqoh.com.

²⁰ See www.ahans.ca.

²¹ See www.shscorp.ca.

Aboriginal Housing Research

Aboriginal housing research is conducted and commissioned by CMHC, Indian and Northern Affairs Canada, Aboriginal associations including the Assembly of First Nations, the Congress of Aboriginal Peoples, Inuit Tapirisat Canada, the Métis National Council, Native Women's Association of Canada, and the National Aboriginal Housing Association of Canada, and others.

Research on Aboriginal housing issues was the focus of a number of workshops in the March 2009 triennial Aboriginal Policy Research Conference¹, which was attended by over 1,100 representatives of Aboriginal organizations, governments, universities and think-tanks.

¹ See www.aprc-crmpa.ca.

Community-based research

The field of community-based research has greatly expanded in recent years (see text box *What is Community-Based Research?*) and is anticipated to become even more prevalent in the future as communities and academics experience the mutual benefits of working collaboratively.

Community Based Research Canada (CBRC) is a network of Canadian universities, research networks and community organizations engaged in community-based research to meet the needs of people and communities. It is intended to enable and empower citizens across Canada to access, produce, and put into action knowledge that will make their communities more sustainable, fairer, safer, healthier, and prosperous²². CBRC came into being through the *Community University Expo Conference*²³ held in Victoria, British Columbia in May, 2008. Since then many more universities and organisations have joined.

²² See <http://communityresearchcanada.ca/>.

²³ See www.cuexpo08.ca.

What is Community-Based Research?

Community-based research takes place in community settings and involves community members as active participants in the design and/or in the implementation of research projects. Typically, community-based research involves a partnership between communities or community organizations and academic researchers.

Community-based research initiatives are action-oriented and intent on effecting real change through the policies and practices at local and regional levels. These principles shape the nature of the collaborative relationship, and ultimately guide the research design and choice of research methodologies.

A variety of collaborative relationships are possible. In some cases ideas are generated by the community; in other cases the project may be initiated from outside but directed collaboratively, or the research activities may be shared between community and academic researchers.

Source: <http://wellesleyinstitute.com/issues/community-based-research/overview>

The National Housing Research Committee (NHRC)

Most of the interests of the housing research community are represented on the National Housing Research Committee which was established in 1986 as a forum for the exchange of information among various levels of government, industry and organizations with an interest in housing research. The Committee's objectives include:

- identifying priority areas for housing-related research or demonstration,
- fostering greater co-operation, developing partnerships and minimizing overlap in research activities,

- encouraging support for housing research, and
- promoting the dissemination, application and adoption of research results.

To be eligible for membership, organizations must:

- represent a national organization; federal, provincial or territorial government; or other organization with a constituency which has a significant impact on the national housing scene,
- have an active interest in producing or using housing research,
- be made up of individuals responsible for directing or using research and recommending priorities, and

- actively participate in the NHRC by sending a representative, at their own expense, to the Full Committee meeting at least once a year.

Members are invited to attend all Full Committee meetings and can participate in Working Groups (see below).

The membership of the NHRC includes representatives from the wide range of stakeholders who conduct, use or sponsor housing research (see text box *National Housing Research Committee Members*). CMHC provides the Secretariat to the NHRC and co-chairs Full Committee meetings; the other co-chair rotates from among the other committee members. The agenda, minutes and presentations are available on the NHRC website²⁴.

National Housing Research Committee Members

Associations, institutes and committees

Association provinciale des constructeurs d'habitations du Québec
Canadian Federation of Apartment Associations
Canadian Home Builders' Association
Canadian Housing and Renewal Association
Canadian Institute of Planners
Canadian Manufactured Housing Institute
Canadian Real Estate Association
Cooperative Housing Federation of Canada
Federation of Canadian Municipalities
Intergovernmental Committee on Urban and Regional Research
Royal Architectural Institute of Canada

Federal government

Canada Mortgage and Housing Corporation
Health Canada
Human Resources and Skills Development Canada
Infrastructure Canada
National Research Council of Canada
National Resources Canada
Statistics Canada

Provincial and territorial governments

Alberta Municipal Affairs and Housing

British Columbia—Office of Housing and Construction Standards
Manitoba Housing and Renewal Corporation
New Brunswick—Family & Community Services
Nova Scotia—Department of Community Services
Newfoundland and Labrador Housing Corporation
Nunavut Housing Corporation
Northwest Territories Housing Corporation
Ontario—Ministry of Municipal Affairs and Housing
Prince Edward Island—Department of Social Services and Seniors
Saskatchewan Housing Corporation
Société d'habitation du Québec
Yukon Housing Corporation

Municipalities

Two standing membership positions represent the interests of large Canadian municipalities—one represents Ontario and points east, and the other represents Manitoba and points west, for a two-year term.

One position rotates between smaller Canadian municipalities for each meeting.

Academic institutions

One position rotates between major academic institutions for each meeting.

²⁴ See www.nhrc-cnrl.ca.

In addition to the Full Committee, which meets twice each year (in May and November), the NHRC also has working groups on priority research areas. In 2009, there were four active working groups focusing on the following issues:

- Distinct housing needs
- Homelessness
- Housing data
- Sustainable housing and communities

The NHRC publishes a newsletter twice a year (in May and November) and maintains an active website²⁵.

The NHRC Housing Researcher Mapping Project

Prior to 2007, although housing researchers have long investigated a wide range of housing-related issues, they themselves had never actually been studied as a community of practice. In fact, to refer to the field of housing researchers as a “community” is probably an overstatement, as there was no formal organization or network of researchers at that time.

In 2007, the NHRC made it a priority to address this situation. It initiated the Housing Researcher Mapping Project to identify the extent of the housing research community and the nature of research being conducted. The first step was to assemble information from various administrative, public and NHRC sources²⁶.

The project, as a preliminary snapshot, identified nearly 1,000 researchers in total. More than 700 were established housing researchers²⁷, the majority of whom worked either as private consultants (42 per cent) in academic settings (37 per cent) or government (15 per cent) (see *Figure 8-1*). The majority of researchers were located in Ontario (46 per cent), Quebec (21 per cent) and British Columbia (17 per cent) (see *Figure 8-3*).

FIGURE 8-3

ESTABLISHED HOUSING RESEARCHERS IN CANADA,
BY PROVINCE AND TERRITORY, 2007
(PRELIMINARY SNAPSHOT)

	Number	Percentage
British Columbia	122	17%
Alberta	28	4%
Saskatchewan	20	3%
Manitoba	24	3%
Ontario	331	46%
Quebec	151	21%
New Brunswick	8	1%
Nova Scotia	24	3%
Prince Edward Island	3	*
Newfoundland and Labrador	4	1%
Yukon	3	*
Northwest Territories	3	*
Nunavut	2	*
Unknown	1	*
Total	724	100%

* less than 0.5 per cent

Source: NHRC Housing Researcher Mapping Project

Fields of housing research

The Housing Researcher Mapping Project categorized the types of research conducted by established housing researchers into 15 fields (see *Figure 8-4*). The largest proportion of researchers (36 per cent) conducted research in “Analysis of housing requirements” which includes analysis of housing needs and conditions of groups such as families, seniors, and persons with disabilities. The second most popular field was “Residential construction/renovation technology” (32 per cent) which includes such areas as Canadian building codes and standards; analysis of building performance, heating and ventilation systems; and water conservation technologies.

²⁵ For the latest news on housing research and to view the newsletter, visit the NHRC website at www.nhrc-cnrl.ca.

²⁶ Redekop, Gloria Neufeld. (2007) *Housing Researcher Mapping Project*. Ottawa: CMHC.

²⁷ While every effort was made to tap all available sources of information about housing researchers in Canada in this first investigation into the size and scope of the housing research community, it is possible that some were not identified.

FIGURE 8-4
ESTABLISHED HOUSING RESEARCHERS,
BY FIELD OF RESEARCH

Field of Housing Research	Number of Established Researchers	Percentage ¹
Analysis of housing requirements	262	36%
Residential construction/renovation technology	231	32%
Housing data and collection	169	23%
Community planning/urban design	160	22%
Policy analysis	136	19%
Housing design	131	18%
Economic analysis of housing	107	15%
Aboriginal housing	107	15%
Affordable housing	100	14%
Housing market analysis	99	14%
Program evaluation	86	12%
Residential field testing and monitoring	87	12%
Environmental analysis	72	10%
Housing export promotion/international relations	41	6%
Residential property management	26	4%

¹ The percentages add to more than 100 per cent as some researchers work in more than one field.

Source: NHRC Housing Research Mapping Project.

Emerging housing researchers

Graduate students authoring housing-related theses and dissertations, including applicants for the Housing Studies Achievement Award, were considered members of an “emerging” research community, who, if they stayed in the field, would join the established housing research community.

To identify these emerging housing researchers, abstracts of Master’s and Ph.D. theses and dissertations were obtained from Canadian databases and categorized by field of research (see *Figure 8-5*)²⁸. The data reveal a large number (267) of emerging housing researchers; however, there appear to be relatively few in certain fields of research.

Almost half were in analysis of housing requirements and other socio-economic fields; some 39 per cent were related to housing design, residential construction/renovation technology, and field testing; and 35 per cent were in community planning/urban design and environmental analysis (see *footnote to Figure 8-5*). Based on this analysis, it appears that very few emerging researchers were specializing in housing policy analysis, program evaluation or closely related fields such as housing economics. The NHRC is concerned about both this potential gap and the need to continue to support and encourage young researchers to enter the field of housing research in general.

FIGURE 8-5
EMERGING HOUSING RESEARCHERS,
BY FIELD OF RESEARCH

Field of Housing Research	Emerging researchers	
	Number	Percentage
Housing design	45	17%
Residential construction/renovation technology	58	22%
Residential field testing and monitoring	2	1%
Sub-total ¹	105	39%
Community planning/urban design	93	35%
Environmental analysis	1	*
Sub-total ¹	94	35%
Analysis of housing requirements	54	20%
Policy analysis	19	7%
Affordable housing	15	6%
Aboriginal housing	13	5%
Housing data and collection	11	4%
Housing market analysis	9	3%
Economic analysis of housing	4	2%
Program evaluation	4	2%
Housing export promotion/international relations	2	1%
Sub-total ¹	131	49%
Total ¹	267	100%

¹ Numbers and percentages do not add to total as some thesis topics covered more than one field.
* Less than 0.5 per cent.

Source: NHRC Housing Research Mapping Project.

²⁸ Crenna, C. David and Buzzelli, Michael. Issues paper: *Housing career pathways and university-level education in Canada—Taking stock, preparing for the future* (unpublished paper).

Currently there are two significant efforts to encourage young housing researchers in particular—CMHC’s Housing Studies Achievement Award and the Social Housing Services Corporation/Canadian Policy Research Networks’ Housing Research Internship and Scholar Program (see text box *Winning Theses and Research Reports*).

The Social Housing Services Corporation/Canadian Policy Research Networks’ Housing Research Internship and Scholar Program supports graduate students to conduct research on pressing social housing issues.

Winning Theses and Research Reports

CMHC Housing Studies Achievement Award (November 2007)²⁹

- “We are not all the same”: The Differential Migration, Settlement Patterns and Housing Trajectories of Indian Bengalis and Bangladeshis in Toronto
- Protocol and Assessment Tool for Performance Evaluation of Light-frame Building Envelopes Used in Residential Buildings
- Effectiveness of Energy Wheels from Transient Measurements
- The Integration of Natural Infrastructure into Urban Design: Evaluating the Contribution of the Urban Forest to Neighbourhood Sustainability
- An Architecture of Daily Life: The Continuing Evolution of Toronto’s Residential Fabric

Social Housing Services Corporation/Canadian Policy Research Networks’ Housing Research Internship and Scholar Program³⁰

- Social Housing Wait Lists and the One-Person Household in Ontario
- The Role of Public-Private Partnerships in Funding Social Housing in Canada
- Towards Food Security Policy for Canada’s Social Housing Sector
- Housing for Immigrants in Ontario’s Medium-Sized Cities
- The Role of Supportive Housing for Low-Income Seniors in Ontario
- Linking Social Housing and Energy Efficiency
- Inclusion and Social Housing Practice in Canadian Cities: Following the Path from Good Intentions to Sustainable Projects
- Fostering Better Integration and Partnerships for Housing in Canada: Lessons for Creating a Stronger Policy Model of Governmental and Community Collaboration
- Social Lives in Social Housing: Resident Connections to Social Services
- Sustaining Ontario’s Subsidized Housing by Supporting Non-Profit Organizations

²⁹ Summaries of the winning theses are available on www.cmhc.ca and copies of the full theses may be obtained from the CMHC’s Canadian Housing Information Centre. Video clips of the winners describing their research are available for viewing on www.nhrc-cnrl.ca.

³⁰ Summaries of the internship papers are available on <http://www.shscorp.ca/content.aspx?file=research/index.htm> - A10. On October 26, 2009 Canadian Policy Research Networks announced that it would cease operations.

The Canadian Housing Research Network

Another initiative that has emerged from the NHRC Housing Researcher Mapping project is the creation in 2009 of the Canadian Housing Research Network. Producers and users of housing research can join the network by completing, in a secure setting, a profile of themselves and their research interests³¹. Registration allows users access to a private area of the site where they can post their research, view the member directory and engage in online discussions with other researchers and research users in the network. The network is already facilitating connections and exchanges among researchers to discuss research topics and methodology in a secure setting, improving the transfer and application of research and helping to fill job vacancies.

The benefits of housing research

This chapter began by discussing the many ways housing impacts our society, economy and environment, and us as individuals. The multi-faceted impacts mean that by helping improve the way we plan, locate, design, construct, operate and maintain our homes and communities, housing research can make a substantial contribution to our lives. Clearly the bottom line is to produce better housing and communities—in terms of such factors as quality, sustainability, safety, affordability, accessibility, suitability, and choice. Different players play different roles in the process, so their research needs differ.

For designers, builders, developers, lenders and other suppliers in the industry, housing research enables them to produce and provide better products, geared to the needs of various kinds of households with different requirements, tastes and resources. Research on market trends and market analysis, when widely available, can also enable the many small builders in Canada to compete on a level playing field with larger developers with respect to knowledge of demand and supply conditions, and can contribute to a more stable housing market.

An Example of a Housing Research Hub and a Housing Repository: Société d'habitation du Québec¹ (SHQ)

“Research, Development and Knowledge Transfer” is one of the “Four Areas of Intervention” identified by the Quebec provincial housing agency, Société d'habitation du Québec (SHQ).

SHQ's own research covers a wide range of areas. A listing (some documents are downloadable) can be accessed from their website by clicking on any of a range of themes, including:

- The SHQ and Housing in Quebec
- Housing Policies
- Demographic and Social Trends
- Social Aspects
- Social and Community Housing
- Market Evolution
- Housing Stock Maintenance and Improvement
- Housing Production

SHQ's repository of works from all sources (in two branches) contains over 15,000 research reports, books, video cassettes, reference works and other documents.

¹ See <http://www.habitation.gouv.qc.ca/en/index.html>.

For governments at all levels, housing research can guide program and policy development, including the setting of standards and guidelines, as well as helping to increase the accountability and efficiency of spending. Housing research also enables social service providers and agencies to better target and shape the way they provide their help.

³¹ To join the network, follow links on www.nhrc-cnrl.ca.

Finally, housing research assists consumers and the general public to make better borrowing, buying and operating decisions, better choices on home modifications and renovations to meet their needs, and to get engaged in public debate and advocacy on housing issues in an informed way.

Some examples of benefits flowing from housing research are the following:

- improving our homes' energy efficiency,
- reducing water usage,
- making indoor environments more healthy,
- designing communities that are more liveable, safer, and better protected from fire risk,
- enabling people with physical and mental disabilities to lead more independent lives,
- producing more affordable housing; and developing housing more geared to the lifestyles and extreme climatic conditions in the north,
- preparing us to meet the challenges of Canada's changing demographics, and
- strengthening our housing industry and economy through the exploration of export opportunities.

There remains considerable scope for improved solutions in all of these fields as well as in other areas. Canadians are well-housed as a result of past and current actions of players in the housing sector—actions which have been guided by the findings of housing research and have brought about a continuous improvement in housing conditions.

As Canadian society and the economy change, technology and knowledge grow, and needs and requirements and issues evolve, housing research will need to continue to seek answers. Further, cross-fertilization of ideas across the research community, and transfer of the results to users will be crucial in ensuring that maximum benefits from research efforts are realized.

Looking for Updates on Recent CMHC Housing Research?

For updates on recent CMHC housing research, subscribe to the free electronic newsletters at <http://www.cmhc.gc.ca/en/co/enews>. CMHC also offers Really Simple Syndication (RSS) feeds on its Research Highlights page that immediately notifies subscribers of new postings (<http://www.cmhc.gc.ca/en/inpr/rehi/index.cfm>). For examples of free CMHC research publications, search for *About Your House*, *About Your Apartment* and Socio-economic and Technical series *Research Highlights* fact sheets on the Order Desk on CMHC's website (www.cmhc.ca).

See the document *Current Housing Research*, which is compiled and produced twice a year by the Canadian Housing Information Centre. The publication contains information and access to research which is undertaken and sponsored by CMHC. It is available in hard copy as well as on CMHC's website at http://www.cmhc-schl.gc.ca/en/corp/li/horetore/horetore_004.cfm.

Update on CMHC EQUilibrium™ Initiatives

This Appendix provides an update¹ on the progress and expansion of the CMHC EQUilibrium™ Initiative which was introduced in the 2007 Observer².

CMHC EQUilibrium™ Sustainable Housing Demonstration Initiative

A number of the projects selected to participate in the Initiative have completed construction and are open for public tours and others are making good progress. Monitoring to assess the performance of each of the homes is due to start once the projects are sold and occupied.

The ultimate goal is a highly energy-efficient, low-environmental-impact house that provides healthy indoor living for its occupants and produces as much energy as it consumes on a yearly basis. The EQUilibrium™ Initiative represents a new vision for sustainable housing in Canada, building on federal government housing initiatives such as the R-2000 Program and Healthy Housing™.

The EQUilibrium™ Initiative has brought the private and public sectors together to design, build and demonstrate homes that balance our housing needs with those of our environment. EQUilibrium™ homes address occupant health and comfort, energy efficiency and renewable energy production, resource conservation, reduced environmental impact and affordability.

The EQUilibrium™ Initiative offers builders and developers across the country a powerful new approach to establish their reputations for building the next generation of sustainable housing that will meet the needs of Canadians now and well into the future.

EQUilibrium™ housing combines a wide range of available technologies, strategies, products and techniques designed to reduce a home's energy use and environmental impact to a minimum. At the same time, EQUilibrium™ housing also features commercially available, on-site renewable energy systems to provide clean energy to help reduce annual energy consumption costs and greenhouse gas (GHG) emissions.

The EQUilibrium™ Sustainable Housing Demonstration Initiative Projects

Through two separate national proposal calls, 15 outstanding teams from across Canada have been selected by independent selection committees to design/build and demonstrate their EQUilibrium™ projects.

A description of the EQUilibrium™ projects is below. For more information on the EQUilibrium™ initiative or any of the EQUilibrium™ projects visit the CMHC website at www.cmhc.ca.

¹ The information presented here is as of August, 2009; for more recent information visit www.cmhc.ca keyword: "EQUilibrium".

² See *Canadian Housing Observer 2007* at www.cmhc.ca, Chapter 2: New Housing for a Changing World.

Equilibrium™ Demonstration Home

Avalon Discovery 3, Avalon Master Builder
Red Deer, Alberta



Photo Credit: Avalon Master Builder

Key Features

- New, storey and a half, 243 m² (2,624 sq. ft.), detached home on a residential lot in a new suburban community.
- The home main floor has been designed for barrier-free living. The second floor includes two bedrooms, a loft area, and a three-piece bathroom.
- Targeted near net-zero annual energy consumption.
- Highly insulated slab-on-grade foundation with in-floor radiant heat.
- Photovoltaic roof tile system.
- Low emission building materials.
- Rainwater harvesting and xeriscape landscaping.
- Garage loft provides storage space in place of basement.
- **Completed construction. Open for tours.**

CHESSE, Laebon Homes
Red Deer, Alberta



Photo Credit: CMHC

- New, 134 m² (1,447 sq. ft.), storey and a half detached home.
- Targeted net-zero annual energy consumption.
- Building envelope utilizes energy-efficient pre-fabricated structural insulated panels (SIPs).
- Active and passive renewable energy systems and ground source heat pump system.
- Construction waste reduction target of 60-70 per cent.
- House can evolve to meet occupant's changing needs.
- **Completed construction. Open for tours.**

Equilibrium™ Demonstration Home

ÉcoTerra™, Alouette Homes

Eastman, Quebec



Photo Credit: CMHC

Key Features

- New, two-storey detached rural home, 141 m² (1,517 sq. ft.).
- Factory-built and engineered modular construction.
- Targeted near-net zero annual energy consumption.
- House oriented to maximize solar exposure.
- Roof-integrated hybrid photovoltaic and solar thermal system.
- Uniformity of air temperature and air quality throughout.
- Sustainable use of materials through recycling and construction-related waste reduction.
- **Completed construction. Open for tours.**

Inspiration – The Minto ecohome, Minto Developments Inc.

Manotick, Ontario



Photo Credit: CMHC

- New, two-storey, 218.5 m² (2,352 sq. ft.) detached home.
- Targeted near net-zero annual energy consumption.
- Highly insulated building envelope. (Double frame walls, triple pane low-E argon filled windows).
- Photovoltaic, solar thermal and solar air preheat systems.
- Rainwater harvesting and reuse system.
- Adaptable living space in attic and basement.
- **Completed construction. Open for tours.**

Equilibrium™ Demonstration Home

The Now House™, The Now House™ Project Inc.
Toronto, Ontario



Photo Credit: Now House™ Project Inc.

Key Features

- Extensive energy and Healthy Housing™ retrofit of a 139 m² (1,496 sq. ft.) post-war storey and a half home.
- Focus on reuse and conservation of existing resources.
- Targeted near net-zero annual energy consumption.
- Upgraded insulation, windows and Energy Star® appliances.
- Electricity-producing photovoltaic array.
- Wastewater heat recovery.
- Predicted reduction of almost six tonnes of GHG emissions a year, with significant annual energy savings.
- **Completed demonstration phase.**

The Riverdale NetZero Project, Habitat Studio & Workshop Ltd.
Edmonton, Alberta



Photo Credit: Max Amerongen, Riverdale NetZero project

- New, two-storey semi-detached, 234 m² (2,519 sq. ft.) home.
- Targeted net surplus annual energy production.
- Super energy-efficient building envelope.
- Photovoltaic array and solar hot water heating system.
- Building materials are regional, renewable and/or abundant.
- Low-emission building materials and finishes.
- 54 per cent reduction in potable water use, and exterior drought-tolerant plants rely solely on rainwater.
- **Completed construction. Open for tours.**

Equilibrium™ Demonstration Home

Alstonvale Net Zero House, Sevag Pogharian Design
Hudson, Quebec



Image Credit: Sevag Pogharian Design

Abondance le Soleil, Écocity / Construction Sodero
Montréal, Quebec



Image Credit: Team Abondance Montréal

Key Features

- New, two-storey single-family detached home.
- Targeted net-zero energy home and lifestyle.
- Airtight and super-insulated building envelope.
- Building integrated photovoltaics with an electric car charging system.
- Air-to-water heat pump heating system.
- On-site homescale agriculture.
- Inclusion of natural habitat areas for wildlife.
- **Under construction.**

- New triplex, 96.5 m² (1,039 sq. ft.) per unit, plus basement and stairway as common areas.
- Built in an established urban location with access to many amenities including subway, bicycle paths, and shopping within walking distance.
- Targeted net-zero annual energy consumption.
- Super energy-efficient building envelope. (Airtight, with soy-based polyurethane foam insulation.)
- Photovoltaic panels and solar hot water heating system installed on a rooftop pergola over the terrace roof.
- Ground source heat pump system is used for heating, and cooling.
- Dedicated heat recovery ventilators for each unit for superior air quality and humidity control.
- **Under construction.**

Other EQUilibrium™ teams are in the process of moving forward with their healthy, net-zero energy demonstration projects.

Echo Haven, Echo-Logic Land Corporation

Calgary, Alberta
Under development.

Top of the Annex TownHomes, Sustainable Urbanism Initiative

Toronto, Ontario
Under development.

Urban Ecology, Winnipeg Housing Rehabilitation Corporation

Winnipeg, Manitoba
Under development.

YIPI! Net Zero Footprint Housing, Nexus Solar Corporation

Regina Beach, Saskatchewan
Under development.

New Projects in 2009

Harmony House, Habitat Design + Consulting Ltd. and Insightful Healthy Homes Inc.
Burnaby, British Columbia

Moncton VISION Home, AlternaHome Solutions Inc. and VISION Land Development Ltd.
Moncton, New Brunswick

Green Dream Home, Canadian Home Builders Association Central Interior and Thompson Rivers University
Kamloops, British Columbia

EQUilibrium™ Sustainable Housing Demonstration Initiative - Awards and Accolades

The following are just a few of the awards and accolades that the exceptional projects in this groundbreaking initiative have already earned:

Project	Award	Date
Abondance le Soleil (Quebec)	NetZero Energy Home Coalition: "Closest to Net-Zero Energy" Production Builder of the Year Award	2009
Alstonvale Net Zero House (Quebec)	Énergie Solaire Québec: soupeur solaire award	2009
ÉcoTerra™ (Quebec)	Qualité Habitation Gala: Housing Research and Development Award	2008
	Lauréat Trophées Contech: Award for Innovation	2007
Inspiration - Minto ecohome (Ontario)	Ontario Home Builders' Association: Green Builder of the Year Award	2008
Now House (Ontario)	City of Toronto's Green Toronto Awards: Green Design Award	2009
	NetZero Energy Home Coalition: "Closest to Net-Zero Energy" Retrofit Project of the Year Award	2009
Riverdale NetZero Project (Alberta)	NetZero Energy Home Coalition: "Closest to Net-Zero Energy" Custom Builder of the Year Award	2009
Laebon CHES Project (Alberta)	Canadian Home Builders' Association Central Alberta: Green Vision Award	2009
Avalon Discovery III (Alberta)	Canadian Home Builders' Association Central Alberta: Green Builder of the Year Award	2009

EQilibrium™ Communities Initiative

In June 2009, the EQilibrium™ Communities Initiative was launched as a collaborative effort, led jointly and funded equally by Canada Mortgage and Housing Corporation (CMHC) and Natural Resources Canada (NRCan), to help make Canadian communities more sustainable and energy-efficient.

The \$4.2 million EQilibrium™ Communities Initiative offers leading-edge builders, developers and municipalities an opportunity to be at the forefront of bringing to market energy-efficient, sustainable, and viable communities that benefit consumers, the environment and the economy.

The initiative will provide financial, technical and promotional assistance to sustainable community projects chosen through a national competition. Winning teams will develop and showcase neighbourhood development projects that are more sustainable and energy-efficient than most existing communities. Improvements will be achieved in the areas of energy use, water efficiency, environmental protection, land-use planning, clean energy transportation and affordable housing (see side bar: *EQilibrium™ Communities Initiative principles*).

The EQilibrium™ Communities Initiative will showcase the talents and innovation of Canadian residential developers, planners, designers and municipalities as leaders in sustainable housing and community development.

For more information on the EQilibrium™ Communities Initiative, visit <http://www.ecoaction.gc.ca>.

EQilibrium™ Communities Initiative Principles

- The EQilibrium™ Communities Initiative extends the EQilibrium™ principles to the community or neighbourhood scale. EQilibrium™ Communities project submissions will be evaluated by a panel of industry experts based on the following criteria:
- **Energy**—an energy-efficient community that balances energy supply and use to minimize greenhouse gas emissions;
- **Land Use and Housing**—a compact community with a balanced mix of activities, housing choices and commercial, institutional, recreational and industrial land uses;
- **Water, Wastewater and Stormwater**—a community that will minimize the use and disposal of water and negative impacts on watersheds;
- **Transportation**—a community that reduces fossil-fuel use from personal vehicle travel and provides opportunities for energy-efficient and healthy alternatives;
- **Natural Environment**—a community that protects, enhances and restores the natural environment; and
- **Financial Viability**—a marketable community that, through its design, operation, integration and financing, is economically viable over the long term.

Key Housing Statistics

Appendix

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TABLE 1
Housing Market Indicators, Canada, 1999–2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Construction										
Starts, total	149,968	151,653	162,733	205,034	218,426	233,431	225,481	227,395	228,343	211,056
Starts, single	92,190	92,184	96,026	125,374	123,227	129,171	120,463	121,313	118,917	93,202
Starts, multiple	57,778	59,469	66,707	79,660	95,199	104,260	105,018	106,082	109,426	117,854
Semi-detached	11,096	11,530	11,883	13,584	13,644	14,297	13,477	14,358	14,432	12,651
Row	14,895	15,247	15,166	18,482	20,343	22,067	22,134	20,963	23,281	20,868
Apartment	31,787	32,692	39,658	47,594	61,212	67,896	69,407	70,761	71,713	84,335
Starts by Intended Market: ¹ Total	127,103	131,052	142,280	179,124	191,911	204,389	193,471	195,024	193,744	187,368
Homeownership	89,189	92,283	95,125	123,106	121,890	124,678	114,008	113,743	112,730	94,871
Rental	9,276	10,155	14,681	18,841	19,939	20,343	17,210	18,518	18,605	18,265
Condo	28,434	28,319	31,986	36,798	49,212	58,852	60,251	61,817	61,595	73,574
Other	204	295	488	379	870	516	2,002	946	814	658
Completions, total	140,986	145,873	151,936	185,626	199,244	215,621	211,242	215,947	208,889	214,137
Resale Market										
MLS ² sales (units) ²	335,490	334,375	381,484	420,999	436,751	462,363	486,084	485,804	523,855	434,477
MLS ² sales/new listings (per cent) ²	56.3	55.9	62.7	70.5	66.1	63.5	63.9	60.3	61.3	47.2
Available Supply										
Newly completed and unabsorbed homes ³	14,230	13,587	10,509	10,251	11,392	14,392	13,654	15,430	15,673	19,801
Single and semi-detached	6,304	6,319	5,291	4,755	5,092	5,797	5,064	5,820	6,319	8,581
Row and apartment	7,926	7,268	5,218	5,496	6,300	8,595	8,590	9,610	9,354	11,220
Rental vacancy rate (per cent) ⁴	3.2	2.2	1.7	2.1	2.6	2.9	2.8	2.7	2.6	2.3
Availability rate	NA	NA	NA	NA	NA	3.9	4.0	3.7	3.7	3.3
Housing Costs										
MLS ² average price(\$) ²	158,145	163,992	171,743	188,164	206,414	225,581	248,257	276,008	305,822	303,594
New Housing Price Index (per cent change) ⁵	0.9	2.2	2.7	4.1	4.8	5.5	5.0	9.7	7.7	3.4
Consumer Price Index (per cent change) ⁶	1.7	2.7	2.5	2.3	2.8	1.9	2.2	2.0	2.1	2.4
Construction materials cost index (per cent change)	4.5	-0.5	0.4	1.9	1.3	6.7	0.0	1.0	0.1	1.1
Construction wage rate index (per cent change) ⁵	2.5	3.8	2.2	1.0	2.4	1.4	1.8	4.0	5.1	1.5
Owned accommodation costs (per cent change) ⁶	1.1	2.6	2.8	1.7	3.0	2.8	3.1	4.1	4.9	4.5
Rental accommodation costs (per cent change) ⁶	1.0	1.1	1.6	2.0	1.5	1.0	0.8	1.0	1.5	1.7
Average rent (\$): ⁴										
Bachelor	448	469	490	504	516	523	529	547	563	582
One-bedroom	560	582	607	627	638	646	659	676	699	726
Two-bedroom	628	648	672	694	704	720	732	755	772	804
3+ bedroom	697	720	752	775	788	807	816	853	863	884
Demand Influences										
Population on July 1 (thousands) ⁵	30,401	30,686	31,019	31,354	31,640	31,941	32,245	32,576	32,927	33,311
Labour force participation rate (per cent) ⁵	65.5	65.8	65.9	66.9	67.5	67.5	67.2	67.2	67.6	67.8
Employment (per cent change) ⁶	2.6	2.5	1.2	2.4	2.4	1.8	1.4	1.9	2.3	1.5
Unemployment rate (per cent) ⁵	7.6	6.8	7.2	7.7	7.6	7.2	6.8	6.3	6.0	6.1
Real disposable income (per cent change) ⁶	3.0	5.0	2.8	1.7	2.2	3.9	2.7	5.8	3.6	4.2
1-year mortgage rate (per cent)	6.80	7.85	6.14	5.17	4.84	4.59	5.06	6.28	6.90	6.70
3-year mortgage rate (per cent)	7.37	8.17	6.88	6.28	5.82	5.65	5.59	6.45	7.09	6.87
5-year mortgage rate (per cent)	7.56	8.35	7.40	7.02	6.39	6.23	5.99	6.66	7.07	7.06
Net migration ⁵	135,427	174,769	236,700	248,024	200,443	213,178	216,216	228,666	226,543	257,134
Housing in GDP (\$ millions)⁵										
Rent imputed to owners	79,346	82,586	86,014	90,313	94,459	99,112	103,784	109,824	117,267	124,571
Rent paid by tenants	28,173	29,059	30,092	31,491	32,829	34,133	35,435	37,137	39,263	41,403
Total housing-related spending in GDP ⁶	174,382	184,460	196,585	213,241	228,484	245,794	260,692	277,783	298,937	310,981
Total consumption-related spending (including repairs)	129,025	135,618	141,225	147,315	155,449	162,461	170,611	179,017	190,189	202,119
Total residential investment	45,357	48,842	55,360	65,926	73,035	83,333	90,081	98,766	108,748	108,862
New construction (including acquisition costs)	22,321	23,676	25,931	33,242	37,045	42,541	44,199	47,937	51,722	52,328
Alterations and improvements	15,661	17,549	20,632	22,089	24,209	27,100	30,271	33,692	37,566	39,783
Transfer costs	7,375	7,617	8,797	10,595	11,781	13,692	15,611	17,137	19,460	16,751

¹ Housing units in centres 10,000+.

² MLS² is a registered trademark of the Canadian Real Estate Association.

³ Housing units in centres 50,000+ for which construction has been completed but which have not been rented or sold.

⁴ In privately initiated apartment structures with at least 3 units.

⁵ Statistics Canada (CANSIM).

⁶ CMHC, adapted from Statistics Canada (CANSIM).

Source: CMHC (Starts and Completions Survey, Market Absorption Survey, Rental Market Survey); CREA (MLS²); Bank of Canada (mortgage rates); Statistics Canada (CANSIM and custom tabulation of construction materials cost index).

For additional data, please refer to the
 CMHC website: www.cmhc.ca

TABLE 2
**Total Housing Starts, Canada, Provinces and Metropolitan Areas,
 1999–2008 (units)**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Canada	149,968	151,653	162,733	205,034	218,426	233,431	225,481	227,395	228,343	211,056
Provinces										
Newfoundland and Labrador	1,371	1,459	1,788	2,419	2,692	2,870	2,498	2,234	2,649	3,261
Prince Edward Island	616	710	675	775	814	919	862	738	750	712
Nova Scotia	4,250	4,432	4,092	4,970	5,096	4,717	4,775	4,896	4,750	3,982
New Brunswick	2,776	3,079	3,462	3,862	4,489	3,947	3,959	4,085	4,242	4,274
Quebec	25,742	24,695	27,682	42,452	50,289	58,448	50,910	47,877	48,553	47,901
Ontario	67,235	71,521	73,282	83,597	85,180	85,114	78,795	73,417	68,123	75,076
Manitoba	3,133	2,560	2,963	3,617	4,206	4,440	4,731	5,028	5,738	5,537
Saskatchewan	3,089	2,513	2,381	2,963	3,315	3,781	3,437	3,715	6,007	6,828
Alberta	25,447	26,266	29,174	38,754	36,171	36,270	40,847	48,962	48,336	29,164
British Columbia	16,309	14,418	17,234	21,625	26,174	32,925	34,667	36,443	39,195	34,321
Metropolitan Areas										
St. John's	807	935	1,029	1,350	1,604	1,834	1,534	1,275	1,480	1,863
Halifax	2,356	2,661	2,340	3,310	3,066	2,627	2,451	2,511	2,489	2,096
Moncton	817	906	938	1,550	1,435	1,151	1,191	1,416	1,425	1,359
Saint John	296	346	374	397	580	516	501	565	687	832
Saguenay	305	296	336	596	435	347	464	485	685	869
Québec	1,814	2,275	2,555	4,282	5,599	6,186	5,835	5,176	5,284	5,457
Sherbrooke	645	515	589	857	1,070	1,355	1,076	1,305	1,318	1,627
Trois-Rivières	380	337	324	619	635	874	919	1,017	1,197	1,148
Montréal	12,366	12,766	13,300	20,554	24,321	28,673	25,317	22,813	23,233	21,927
Gatineau	1,185	1,224	1,659	2,553	2,801	3,227	2,123	2,933	2,788	3,304
Ottawa	4,447	5,786	6,251	7,796	6,381	7,243	4,982	5,875	6,506	6,998
Kingston	656	659	707	810	1,131	872	683	968	880	672
Peterborough	383	292	294	423	547	514	619	437	540	428
Oshawa	2,463	2,874	2,561	3,490	3,907	3,153	2,934	2,995	2,389	1,987
Toronto	34,904	38,982	41,017	43,805	45,475	42,115	41,596	37,080	33,293	42,212
Hamilton	3,923	3,108	3,365	3,803	3,260	4,093	3,145	3,043	3,004	3,529
St. Catharines - Niagara	1,485	1,230	1,134	1,317	1,444	1,781	1,412	1,294	1,149	1,138
Kitchener	2,821	3,509	3,537	4,130	3,955	3,912	3,763	2,599	2,740	2,634
Brantford	377	485	475	700	458	482	534	409	589	432
Guelph	1,003	1,297	993	1,138	994	1,420	951	864	941	1,087
London	1,773	1,713	1,607	2,604	3,027	3,078	3,067	3,674	3,141	2,385
Windsor	2,387	2,382	2,157	2,490	2,237	2,287	1,496	1,045	614	453
Barrie	2,722	2,043	2,445	2,739	2,368	2,435	1,484	1,169	980	1,416
Greater Sudbury	199	173	191	298	306	388	400	477	587	543
Thunder Bay	232	154	211	197	211	287	227	165	249	167
Winnipeg	1,772	1,317	1,473	1,821	2,430	2,489	2,586	2,777	3,371	3,009
Regina	573	615	626	651	889	1,242	888	986	1,398	1,375
Saskatoon	1,273	968	900	1,489	1,455	1,578	1,062	1,496	2,380	2,319
Calgary	10,600	11,093	11,349	14,339	13,642	14,008	13,667	17,046	13,505	11,438
Edmonton	6,655	6,228	7,855	12,581	12,380	11,488	13,294	14,970	14,888	6,615
Kelowna	880	928	1,103	1,591	2,137	2,224	2,755	2,692	2,805	2,257
Abbotsford	566	405	418	1,038	1,056	1,083	1,012	1,207	1,088	1,285
Vancouver	8,677	8,203	10,862	13,197	15,626	19,430	18,914	18,705	20,736	19,591
Victoria	1,340	872	1,264	1,344	2,008	2,363	2,058	2,739	2,579	1,905

Source: CMHC (Starts and Completions Survey)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 3

MLS® Total Residential Sales, Canada, Provinces and Metropolitan Areas, 1999–2008 (units)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Canada	335,490	334,375	381,484	420,999	436,751	462,363	486,084	485,804	523,855	434,477
Provinces										
Newfoundland and Labrador	2,437	2,593	2,808	3,014	3,238	3,265	3,211	3,537	4,471	4,695
Prince Edward Island	1,184	1,206	1,234	1,306	1,404	1,500	1,449	1,492	1,769	1,413
Nova Scotia	8,827	8,577	9,441	10,243	9,221	8,887	10,948	10,697	11,857	10,874
New Brunswick	4,376	4,524	4,779	5,089	5,489	5,979	6,836	7,125	8,161	7,555
Quebec	49,792	54,160	62,351	69,918	68,811	70,869	72,806	74,297	83,453	79,402
Ontario	148,659	147,158	162,318	178,058	184,457	197,353	197,140	194,930	213,379	181,001
Manitoba	10,867	10,612	11,440	11,108	11,523	12,098	12,761	13,018	13,928	13,525
Saskatchewan	8,053	7,552	7,971	7,933	7,698	8,172	8,312	9,140	12,054	10,203
Alberta	42,684	43,311	48,989	51,042	51,334	57,460	65,866	74,350	71,430	56,399
British Columbia	58,084	54,179	69,554	82,737	93,095	96,385	106,310	96,671	102,805	68,923
Metropolitan Areas										
St. John's	2,437	2,593	2,808	3,014	3,238	3,265	3,211	3,537	4,471	4,695
Halifax	5,853	5,610	6,212	6,687	5,813	5,516	6,698	6,462	7,261	6,472
Moncton	1,412	1,491	1,666	1,763	1,861	2,028	2,341	2,561	2,849	2,663
Saint John	1,530	1,484	1,510	1,505	1,636	1,612	1,901	1,852	2,253	2,166
Saguenay	1,043	1,219	1,362	1,243	1,344	1,371	1,586	1,627	1,651	1,557
Québec	6,570	7,311	8,204	8,005	7,108	7,051	7,764	7,685	8,110	8,003
Sherbrooke	1,764	1,971	1,951	1,940	1,968	1,931	2,013	1,926	2,026	1,864
Trois-Rivières	1,213	1,279	1,363	1,018	951	980	918	1,021	1,064	1,061
Montréal	35,325	37,269	43,486	39,228	38,059	38,846	39,589	39,695	44,176	40,916
Gatineau	2,708	3,582	4,549	4,334	4,415	4,349	4,301	4,468	4,802	4,390
Ottawa	11,334	12,692	12,240	12,894	12,877	13,457	13,300	14,003	14,739	13,908
Kingston	2,728	2,838	3,274	3,646	3,651	3,764	3,464	3,517	3,725	3,473
Peterborough	2,707	2,521	2,691	2,873	2,851	2,980	2,847	2,714	2,880	2,506
Oshawa	7,370	7,282	8,085	8,520	9,025	9,816	9,232	9,354	10,217	8,797
Toronto	58,957	58,349	67,612	74,759	79,366	84,854	85,672	84,842	95,164	76,387
Hamilton	10,543	10,347	11,334	12,482	12,807	13,176	13,565	13,059	13,866	12,110
St. Catharines - Niagara	5,863	5,207	5,488	5,951	6,174	6,722	6,698	6,410	6,668	5,896
Kitchener	4,695	4,569	4,816	5,253	5,310	5,931	6,147	6,115	7,031	6,269
Brantford	1,792	1,730	1,887	2,044	1,986	2,281	2,204	2,139	2,305	2,097
Guelph	2,222	2,170	2,430	2,656	2,768	2,918	2,932	2,859	3,088	2,794
London	6,864	6,616	7,503	8,290	8,412	9,238	9,133	9,234	9,686	8,620
Windsor	4,692	4,616	4,741	4,938	5,381	5,832	5,661	5,047	4,987	4,546
Barrie	3,374	3,318	3,594	4,063	4,311	4,657	4,675	4,397	5,017	4,058
Greater Sudbury	1,744	1,825	1,937	2,031	2,191	2,500	2,726	2,762	2,754	2,396
Thunder Bay	1,301	1,279	1,354	1,599	1,662	1,447	1,358	1,750	1,902	1,973
Winnipeg	9,770	9,465	10,215	9,881	10,201	10,797	11,415	11,594	12,319	11,854
Regina	2,781	2,612	2,792	2,817	2,640	2,785	2,730	2,953	3,957	3,338
Saskatoon	3,039	2,758	2,987	2,941	2,848	2,999	3,246	3,430	4,446	3,540
Calgary	20,197	19,828	22,512	24,706	24,359	26,511	31,569	33,027	32,176	23,136
Edmonton	13,594	14,189	16,079	15,923	16,277	17,652	18,634	21,984	20,427	17,369
Kelowna	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Abbotsford	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Vancouver	22,944	21,244	28,732	34,909	39,022	37,972	42,222	36,479	38,978	25,149
Victoria	5,063	4,863	6,410	7,069	7,581	7,685	7,970	7,500	8,403	6,171

MLS® is a registered trademark of the Canadian Real Estate Association.

The geographic definitions used by CREA differ from those used by Statistics Canada.

Source: CREA (MLS®)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 4

MLS® Average Residential Price, Canada, Provinces and Metropolitan Areas, 1999–2008 (dollars)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Canada	158,145	163,992	171,743	188,164	206,414	225,581	248,257	276,008	305,822	303,594
Provinces										
Newfoundland and Labrador	94,359	99,525	104,376	113,081	119,822	131,499	141,167	139,542	149,258	178,477
Prince Edward Island	82,138	82,884	87,696	94,964	101,745	110,815	117,238	125,430	133,457	139,944
Nova Scotia	102,628	109,839	115,485	126,669	136,292	146,033	159,221	168,614	180,989	189,902
New Brunswick	88,072	91,624	95,947	100,129	105,858	112,933	120,641	126,864	136,603	145,762
Quebec	107,501	111,296	115,820	128,315	148,809	167,392	180,431	190,284	202,895	210,775
Ontario	174,049	183,841	193,357	210,901	226,824	245,230	262,949	278,364	299,544	302,354
Manitoba	86,423	87,884	93,192	96,531	106,788	119,245	133,854	150,229	169,189	190,296
Saskatchewan	91,396	94,047	98,310	101,297	104,995	110,824	122,765	132,078	174,405	224,586
Alberta	139,621	146,258	153,737	170,253	182,845	194,769	218,266	285,383	356,235	352,857
British Columbia	215,283	221,371	222,822	238,877	259,968	289,107	332,224	390,963	439,119	454,599
Metropolitan Areas										
St. John's	94,359	99,525	104,376	113,081	119,822	131,499	141,167	139,542	149,258	178,477
Halifax	118,522	128,003	134,106	148,737	162,486	175,132	189,196	203,178	216,339	232,106
Moncton	87,388	89,065	92,438	99,942	104,577	113,096	124,088	128,547	140,032	143,173
Saint John	88,731	93,697	97,348	103,544	106,473	116,836	119,718	128,202	140,544	158,117
Saguenay	75,803	77,166	80,213	86,059	90,073	94,737	102,599	111,726	127,039	139,043
Québec	88,091	90,079	93,354	105,788	122,650	135,812	150,151	158,589	177,229	193,195
Sherbrooke	89,258	93,269	98,167	104,444	115,733	135,634	151,769	160,973	176,263	179,434
Trois-Rivières	68,698	69,571	70,144	82,509	87,767	98,999	109,510	114,221	128,368	132,987
Montréal	116,218	121,544	125,744	153,198	181,662	206,704	220,276	233,629	248,949	258,041
Gatineau	90,989	92,338	99,990	112,818	131,155	148,633	159,928	168,048	179,543	187,039
Ottawa	149,626	159,511	175,972	200,711	219,713	238,152	248,358	257,481	273,058	290,483
Kingston	126,803	129,639	132,048	144,413	159,694	175,821	195,757	212,157	222,300	235,047
Peterborough	120,576	129,810	135,099	149,350	169,326	188,624	206,270	213,469	231,596	230,656
Oshawa	169,568	179,241	186,448	204,103	219,341	237,084	252,606	258,362	265,620	272,429
Toronto	228,372	243,249	251,508	275,887	293,308	315,266	336,176	352,388	377,029	379,943
Hamilton	158,162	164,168	172,567	183,442	197,744	215,922	229,753	248,754	268,857	280,790
St. Catharines - Niagara	126,155	129,390	133,715	144,720	154,559	170,452	182,443	194,671	202,314	203,647
Kitchener	146,495	157,317	164,548	177,559	188,905	205,639	220,511	237,913	252,429	271,222
Brantford	122,871	130,433	133,009	143,456	154,805	166,885	182,470	198,716	209,151	218,890
Guelph	161,579	169,287	176,156	190,187	196,844	215,511	236,140	245,676	262,186	267,329
London	131,254	135,857	137,717	142,745	153,637	167,344	178,910	190,521	202,908	212,092
Windsor	135,839	137,453	140,206	149,656	151,524	159,597	163,001	164,123	163,215	159,709
Barrie	152,667	161,545	166,719	182,235	197,843	215,275	232,045	244,394	258,999	264,034
Greater Sudbury	105,093	109,262	107,774	110,826	117,359	122,866	133,938	150,434	182,536	211,614
Thunder Bay	112,315	109,811	110,532	109,930	111,927	112,404	121,183	122,064	123,237	132,470
Winnipeg	86,614	88,553	94,214	98,055	108,812	121,925	137,063	154,607	174,203	196,940
Regina	90,181	94,518	96,943	100,751	104,419	111,869	123,600	131,851	165,613	229,716
Saskatoon	109,822	112,567	116,472	118,999	125,191	132,549	144,787	160,577	232,754	287,803
Calgary	166,110	176,305	182,090	198,350	211,155	222,860	250,832	346,675	414,066	405,267
Edmonton	118,871	124,203	133,441	150,165	165,541	179,610	193,934	250,915	338,636	332,852
Kelowna	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Abbotsford	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Vancouver	281,163	295,978	285,910	301,473	329,447	373,877	425,745	509,876	570,795	593,767
Victoria	221,126	225,731	225,727	242,503	280,625	325,412	380,897	427,154	466,974	484,898

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The geographic definitions used by CREA differ from those used by Statistics Canada.

Source: CREA (MLS®)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 5
**Residential Mortgage Credit by Lending Institutions, Canada,
 1999–2008 (billions of dollars)**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Chartered Banks	241.0	262.1	279.1	306.6	329.5	352.4	378.0	405.6	442.1	469.6
Trust & Mortgage Loans Co.	19.9	6.1	5.2	5.5	6.0	6.7	7.9	7.9	8.6	9.8
Life Insurance Co. Policy Loans	18.1	17.8	17.2	16.8	15.8	15.4	14.7	14.6	14.8	15.4
Finance Companies, Non-Depository Credit Intermediaries and Other Institutions	29.8	28.1	26.8	26.0	26.5	27.5	28.8	31.0	31.7	31.1
Pension Funds	7.9	8.7	9.3	9.0	9.1	9.6	10.6	11.7	13.2	15.1
NHA Mortgage-backed Securities	23.5	30.8	34.6	39.3	49.8	68.5	87.0	109.6	138.1	197.3
Credit Unions & Caisses Populaires	53.3	55.4	58.0	63.3	69.1	76.6	84.6	93.7	102.5	110.4
Special Purpose Corporations (Securitization)	18.7	22.5	18.1	15.0	15.0	14.9	16.5	21.1	24.9	22.7
Total Outstanding Balances	412.2	431.5	448.3	481.5	520.8	571.6	628.1	695.2	775.9	871.4

Annual estimates have been calculated by averaging monthly residential mortgage credit data and therefore will differ from end-of-year estimates.

Components may not add up to totals due to rounding.

Source: CMHC (MBS), Statistics Canada (CANSIM)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 6
**NHA and Conventional Residential Mortgage Loans Approved by Lending Institutions,
 New and Existing, by Type of Lender, Canada, 1999–2008 (millions of dollars)¹**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Chartered Banks										
New	11,195.3	10,619.5	13,082.2	17,880.6	18,865.2	20,237.0	21,118.0	20,078.5	19,855.8	19,263.6
Existing	49,033.3	43,597.4	64,504.6	79,646.6	95,498.4	113,957.8	124,718.7	132,516.8	153,182.7	141,350.5
Total	60,228.6	54,216.9	77,586.8	97,527.2	114,363.6	134,194.8	145,836.7	152,595.3	173,038.5	160,614.1
Trust Companies										
New	846.8	909.9	816.4	643.1	442.0	723.1	875.0	848.3	681.7	865.5
Existing	3,815.0	3,183.6	3,274.9	3,196.6	3,641.4	5,207.1	6,850.8	5,835.6	7,824.6	10,112.2
Total	4,661.8	4,093.6	4,091.3	3,839.7	4,083.4	5,930.2	7,725.8	6,683.9	8,506.3	10,977.7
Life Insurance & Other Companies										
New	1,439.1	2,107.4	2,706.9	4,197.1	3,398.5	4,050.5	5,130.0	5,381.7	5,598.6	6,237.2
Existing	11,991.8	14,507.4	10,796.6	14,748.5	16,043.0	19,991.5	23,464.0	24,766.2	31,375.4	38,450.3
Total	13,430.8	16,614.7	13,503.5	18,945.6	19,441.5	24,042.0	28,594.0	30,147.9	36,974.0	44,687.5
Total										
New	13,481.2	13,636.8	16,605.5	22,720.8	22,705.7	25,010.6	27,123.0	26,308.5	26,136.1	26,366.3
Existing	64,840.0	61,288.4	78,576.1	97,591.7	115,182.8	139,156.4	155,033.5	163,118.6	192,382.7	189,913.0
Total	78,321.2	74,925.2	95,181.6	120,312.5	137,888.5	164,167.0	182,156.5	189,427.1	218,518.8	216,279.3

¹ Mortgage approval data are gross and may not fully capture lending activities of credit unions, caisses populaires, other smaller institutions and privately-insured loans.

Components may not add up to totals due to rounding.

Source: CMHC (NHA loan approval system and *Conventional Lending Survey*)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 7

NHA and Conventional Residential Mortgage Loans Approved by Lending Institutions, New and Existing, by Type of Lender and Type of Dwelling, Canada, Provinces and Territories, 2008 (millions of dollars)¹

	Chartered Banks			Trust Companies			Life Insurance and Other Companies			Total		
	New	Existing	Total	New	Existing	Total	New	Existing	Total	New	Existing	Total
Canada												
Single-detached	11,848.0	110,093.2	121,941.2	474.8	7,518.8	7,993.6	2,940.1	24,524.0	27,464.1	15,262.9	142,136.0	157,398.9
Multiple Dwellings	7,415.5	31,257.4	38,672.9	390.0	2,593.3	2,983.3	3,296.9	13,926.3	17,223.2	11,102.4	47,777.0	58,879.4
Total	19,263.5	141,350.6	160,614.1	864.8	10,112.1	10,976.9	6,237.0	38,450.3	44,687.3	26,365.3	189,913.0	216,278.3
Newfoundland and Labrador												
Single-detached	300.0	1,606.8	1,906.8	2.9	85.9	88.8	50.6	368.1	418.7	353.5	2,060.8	2,414.3
Multiple Dwellings	19.2	142.6	161.8	**	6.3	6.3	9.2	51.1	60.3	28.4	200.0	228.4
Total	319.2	1,749.4	2,068.6	2.9	92.2	95.1	59.8	419.2	479.0	381.9	2,260.8	2,642.7
Prince Edward Island												
Single-detached	45.8	293.7	339.5	7.4	28.0	35.4	5.1	59.3	64.4	58.3	381.0	439.3
Multiple Dwellings	8.9	39.5	48.4	0.8	2.8	3.6	2.1	6.1	8.2	11.8	48.4	60.2
Total	54.7	333.2	387.9	8.2	30.8	39.0	7.2	65.4	72.6	70.1	429.4	499.5
Nova Scotia												
Single-detached	315.4	2,866.1	3,181.5	17.2	228.9	246.1	72.9	702.0	774.9	405.5	3,797.0	4,202.5
Multiple Dwellings	161.6	544.8	706.4	8.8	41.7	50.5	76.2	304.8	381.0	246.6	891.3	1,137.9
Total	477.0	3,410.9	3,887.9	26.0	270.6	296.6	149.1	1,006.8	1,155.9	652.1	4,688.3	5,340.4
New Brunswick												
Single-detached	215.1	1,687.4	1,902.5	10.0	208.5	218.5	63.5	662.7	726.2	288.6	2,558.6	2,847.2
Multiple Dwellings	56.8	200.9	257.7	6.7	24.3	31.0	25.0	112.3	137.3	88.5	337.5	426.0
Total	271.9	1,888.3	2,160.2	16.7	232.8	249.5	88.5	775.0	863.5	377.1	2,896.1	3,273.2
Quebec												
Single-detached	1,247.9	11,650.8	12,898.7	76.4	1,342.7	1,419.1	795.7	4,891.4	5,687.1	2,120.0	17,884.9	20,004.9
Multiple Dwellings	1,136.4	5,841.2	6,977.6	16.5	272.3	288.8	1,032.7	4,148.0	5,180.7	2,185.6	10,261.5	12,447.1
Total	2,384.3	17,492.0	19,876.3	92.9	1,615.0	1,707.9	1,828.4	9,039.4	10,867.8	4,305.6	28,146.4	32,452.0
Ontario												
Single-detached	4,611.8	50,397.4	55,009.2	102.2	2,467.2	2,569.4	830.1	8,870.8	9,700.9	5,544.1	61,735.4	67,279.5
Multiple Dwellings	2,411.8	13,121.2	15,533.0	197.6	1,019.0	1,216.6	966.5	4,720.1	5,686.6	3,575.9	18,860.3	22,436.2
Total	7,023.6	63,518.6	70,542.2	299.8	3,486.2	3,786.0	1,796.6	13,590.9	15,387.5	9,120.0	80,595.7	89,715.7
Manitoba												
Single-detached	326.8	2,759.9	3,086.7	15.7	659.6	675.3	111.8	1,050.1	1,161.9	454.3	4,469.6	4,923.9
Multiple Dwellings	44.4	255.9	300.3	2.3	27.9	30.2	13.0	137.8	150.8	59.7	421.6	481.3
Total	371.2	3,015.8	3,387.0	18.0	687.5	705.5	124.8	1,187.9	1,312.7	514.0	4,891.2	5,405.2
Saskatchewan												
Single-detached	385.1	2,915.4	3,300.5	57.8	435.5	493.3	75.3	622.3	697.6	518.2	3,973.2	4,491.4
Multiple Dwellings	66.2	394.1	460.3	9.7	65.1	74.8	18.6	111.7	130.3	94.5	570.9	665.4
Total	451.3	3,309.5	3,760.8	67.5	500.6	568.1	93.9	734.0	827.9	612.7	4,544.1	5,156.8
Alberta												
Single-detached	2,850.4	16,951.3	19,801.7	151.7	1,335.1	1,486.8	659.8	3,940.4	4,600.2	3,661.9	22,226.8	25,888.7
Multiple Dwellings	1,232.7	4,166.3	5,399.0	107.8	704.8	812.6	489.0	2,090.2	2,579.2	1,829.5	6,961.3	8,790.8
Total	4,083.1	21,117.6	25,200.7	259.5	2,039.9	2,299.4	1,148.8	6,030.6	7,179.4	5,491.4	29,188.1	34,679.5
British Columbia												
Single-detached	1,525.8	18,653.7	20,179.5	33.5	722.0	755.5	275.3	3,345.7	3,621.0	1,834.6	22,721.4	24,556.0
Multiple Dwellings	2,267.6	6,420.8	8,688.4	39.8	427.3	467.1	664.6	2,240.5	2,905.1	2,972.0	9,088.6	12,060.6
Total	3,793.4	25,074.5	28,867.9	73.3	1,149.3	1,222.6	939.9	5,586.2	6,526.1	4,806.6	31,810.0	36,616.6
Yukon, N.W.T. and Nunavut												
Single-detached	23.9	310.7	334.6	0.0	5.4	5.4	**	11.2	11.2	23.9	327.3	351.2
Multiple Dwellings	9.9	130.1	140.0	0.0	1.8	1.8	0.0	3.7	3.7	9.9	135.6	145.5
Total	33.8	440.8	474.6	0.0	7.2	7.2	**	14.9	14.9	33.8	462.9	496.7

¹ Mortgage approval data are gross and may not fully capture lending activities of credit unions, caisses populaires, other smaller institutions and privately-insured loans.

** Not available—Suppressed to meet confidentiality requirements.

Components may not add up to totals due to rounding.

Source: CMHC (NHA loan approval system and *Conventional Lending Survey*)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 8
**Ownership Rates, Canada, Provinces, Territories and Metropolitan Areas,
 1971–2006 (per cent)¹**

	1971	1976	1981	1986	1991	1996	2001	2006
Canada	60.3	61.8	62.1	62.1	62.6	63.6	65.8	68.4
Provinces and Territories								
Newfoundland and Labrador	80.0	80.6	80.6	80.1	78.6	77.1	78.2	78.7
Prince Edward Island	74.3	76.6	75.7	74.0	73.6	72.1	73.1	74.1
Nova Scotia	71.2	72.4	71.5	71.6	70.6	70.4	70.8	72.0
New Brunswick	69.4	71.8	73.4	74.2	74.1	73.8	74.5	75.5
Quebec	47.4	50.4	53.3	54.7	55.5	56.5	57.9	60.1
Ontario	62.9	63.6	63.3	63.6	63.7	64.3	67.8	71.0
Manitoba	66.1	66.4	65.8	65.5	65.8	66.4	67.8	68.9
Saskatchewan	72.7	75.5	72.9	70.1	69.9	68.8	70.8	71.8
Alberta	63.9	64.8	63.1	61.7	63.9	67.8	70.4	73.1
British Columbia	63.3	65.3	64.4	62.2	63.8	65.2	66.3	69.7
Yukon	50.2	49.3	52.7	55.7	57.6	58.5	63.0	63.8
Northwest Territories ²	24.7	25.0	22.6	27.6	31.5	38.6	53.1	52.8
Nunavut ²	NA	NA	NA	NA	NA	NA	24.2	22.7
Metropolitan Areas								
St. John's	66.6	68.9	69.5	68.3	67.1	67.5	69.5	71.5
Halifax	53.2	55.7	55.6	58.3	58.0	59.9	61.7	64.0
Moncton	64.1	66.1	68.2	69.3	69.5	69.2	68.6	70.1
Saint John	52.0	56.8	59.6	61.6	63.4	65.6	67.4	70.0
Saguenay	55.5	60.3	62.0	61.5	60.9	60.8	62.3	63.3
Québec	43.8	46.6	50.9	52.9	53.6	54.9	55.5	58.6
Sherbrooke	43.9	48.0	49.4	50.1	49.2	50.2	51.9	53.5
Trois-Rivières	50.3	53.0	55.6	55.4	54.5	55.5	57.3	57.6
Montréal	35.5	38.4	41.9	44.7	46.7	48.5	50.2	53.4
Gatineau	58.6	59.7	59.1	59.2	59.8	61.5	62.4	67.5
Ottawa	50.1	50.1	51.4	50.0	54.4	58.2	61.4	66.7
Kingston	55.1	57.7	59.3	59.7	59.4	61.2	63.9	67.4
Peterborough	71.7	71.0	68.6	70.0	68.8	69.4	71.6	72.7
Oshawa	69.0	70.0	68.8	70.2	70.1	71.4	75.6	78.6
Toronto	55.4	56.7	57.3	58.3	57.9	58.4	63.2	67.6
Hamilton	63.9	63.8	63.4	64.6	64.6	65.2	68.3	71.6
St. Catharines - Niagara	72.2	72.9	71.6	72.0	71.4	70.7	73.2	74.6
Kitchener	60.8	60.4	60.8	61.9	61.5	62.4	66.7	69.8
Brantford	69.2	68.1	66.6	66.4	66.1	67.4	66.8	73.7
Guelph	64.5	62.4	61.2	62.5	61.8	62.1	68.4	71.2
London	60.1	59.5	58.0	57.8	57.6	60.0	62.8	65.9
Windsor	70.4	69.9	68.0	67.2	68.4	68.6	71.8	74.3
Barrie	70.0	72.8	71.6	72.4	71.5	71.7	77.3	80.7
Greater Sudbury	57.6	62.2	64.3	64.4	63.8	62.6	65.8	66.9
Thunder Bay	73.6	72.0	69.4	69.0	68.4	69.7	71.9	72.9
Winnipeg	59.6	59.2	59.1	60.8	62.0	63.9	65.5	67.2
Regina	60.9	66.2	65.4	65.7	66.2	66.0	68.2	70.1
Saskatoon	61.3	65.7	61.8	59.9	61.0	61.4	65.0	66.8
Calgary	56.5	59.2	58.4	57.9	60.6	65.5	70.6	74.1
Edmonton	57.1	58.1	57.9	57.1	59.2	64.4	66.3	69.2
Kelowna	70.8	73.0	71.5	67.1	71.1	72.4	73.5	77.3
Abbotsford	74.7	75.5	72.2	70.4	72.6	71.5	71.1	73.5
Vancouver	58.8	59.4	58.5	56.3	57.5	59.4	61.0	65.1
Victoria	61.5	61.2	59.8	59.2	61.1	62.1	63.1	64.7

¹ Ownership rates are computed as owners divided by total of all tenure types. Census Metropolitan Area data for 1971–1986 are based on 1986 CMA boundaries. All other data for Census Metropolitan Areas have not been adjusted for boundary changes.

² In 1996 and prior years, the Northwest Territories included Nunavut.

Source: CMHC, adapted from Statistics Canada (Census of Canada)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 9
**Rental Vacancy Rate, Canada, Provinces and Metropolitan Areas,
 1999–2008 (per cent)¹**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Canada	3.2	2.2	1.7	2.1	2.6	2.9	2.8	2.7	2.6	2.3
Provinces										
Newfoundland and Labrador	10.8	5.7	3.2	3.0	3.3	4.1	4.6	4.1	2.1	1.1
Prince Edward Island	5.4	3.3	2.7	2.8	3.7	4.2	4.4	5.3	4.1	2.6
Nova Scotia	4.2	4.2	3.3	3.0	2.6	3.0	3.4	3.3	3.2	3.5
New Brunswick	4.3	3.1	4.1	4.2	4.3	5.3	5.0	6.0	5.3	3.6
Quebec	3.8	2.2	1.3	1.2	1.3	1.7	2.0	2.5	2.6	2.2
Ontario	2.1	1.6	1.7	2.7	3.5	4.1	3.8	3.4	3.3	2.7
Manitoba	3.2	2.2	1.4	1.4	1.6	1.4	1.9	1.6	1.5	0.9
Saskatchewan	1.7	2.2	3.5	3.9	4.1	5.3	4.5	3.3	1.2	1.2
Alberta	2.4	1.3	1.1	2.3	3.7	4.6	3.1	0.9	1.6	2.5
British Columbia	5.0	3.6	2.6	3.1	3.1	2.4	1.9	1.2	1.0	1.0
Metropolitan Areas										
St. John's	9.2	3.8	2.5	2.7	2.0	3.1	4.5	5.1	2.6	0.8
Halifax	3.6	3.6	2.8	2.7	2.3	2.9	3.3	3.2	3.1	3.4
Moncton	3.8	1.7	1.6	2.3	2.9	5.0	4.7	5.6	4.3	2.4
Saint John	5.2	3.4	5.6	6.3	5.2	5.8	5.7	6.8	5.2	3.1
Saguenay	4.9	4.4	4.4	4.9	5.2	5.3	4.5	4.1	2.8	1.6
Québec	3.3	1.6	0.8	0.3	0.5	1.1	1.4	1.5	1.2	0.6
Sherbrooke	7.6	4.7	2.3	1.8	0.7	0.9	1.2	1.2	2.4	2.8
Trois-Rivières	7.9	6.8	4.7	3.0	1.5	1.2	1.5	1.0	1.5	1.7
Montréal	3.0	1.5	0.6	0.7	1.0	1.5	2.0	2.7	2.9	2.4
Gatineau	4.4	1.4	0.6	0.5	1.2	2.1	3.1	4.2	2.9	1.9
Ottawa	0.7	0.2	0.8	1.9	2.9	3.9	3.3	2.3	2.3	1.4
Kingston	3.4	1.8	1.5	0.9	1.9	2.4	2.4	2.1	3.2	1.3
Peterborough	4.4	3.2	3.7	2.6	1.4	1.7	2.8	2.8	2.8	2.4
Oshawa	1.7	1.7	1.3	2.3	2.9	3.4	3.3	4.1	3.7	4.2
Toronto	0.9	0.6	0.9	2.5	3.8	4.3	3.7	3.2	3.2	2.0
Hamilton	1.9	1.7	1.3	1.6	3.0	3.4	4.3	4.3	3.5	3.2
St. Catharines - Niagara	3.2	2.6	1.9	2.4	2.7	2.6	2.7	4.3	4.0	4.3
Kitchener	1.0	0.7	0.9	2.3	3.2	3.5	3.3	3.3	2.7	1.8
Brantford	2.5	2.9	1.8	2.1	3.2	1.7	1.8	2.3	2.9	2.4
Guelph	0.5	0.7	1.0	2.7	3.9	3.3	3.6	2.8	1.9	2.3
London	3.5	2.2	1.6	2.0	2.1	3.7	4.2	3.6	3.6	3.9
Windsor	2.7	1.9	2.9	3.9	4.3	8.8	10.3	10.4	12.8	14.6
Barrie	1.0	0.5	0.9	1.4	3.3	3.0	2.1	2.8	3.2	3.5
Greater Sudbury	11.1	7.7	5.7	5.1	3.6	2.6	1.6	1.2	0.6	0.7
Thunder Bay	7.5	5.8	5.8	4.7	3.3	5.0	4.6	4.9	3.8	2.2
Winnipeg	3.0	2.0	1.4	1.2	1.3	1.1	1.7	1.3	1.5	1.0
Regina	1.4	1.4	2.1	1.9	2.1	2.7	3.2	3.3	1.7	0.5
Saskatoon	0.9	1.7	2.9	3.7	4.5	6.3	4.6	3.2	0.6	1.9
Calgary	2.8	1.3	1.2	2.9	4.4	4.3	1.6	0.5	1.5	2.1
Edmonton	2.2	1.4	0.9	1.7	3.4	5.3	4.5	1.2	1.5	2.4
Kelowna	2.0	1.2	1.1	1.7	1.4	1.0	0.5	0.6	0.0	0.3
Abbotsford	6.7	3.7	2.4	2.0	2.5	2.8	3.8	2.0	2.1	2.6
Vancouver	2.7	1.4	1.0	1.4	2.0	1.3	1.4	0.7	0.7	0.5
Victoria	3.6	1.8	0.5	1.5	1.1	0.6	0.5	0.5	0.5	0.5
Average of Metropolitan Areas²	2.6	1.6	1.1	1.7	2.2	2.7	2.7	2.6	2.6	2.2

¹ In privately initiated apartment structures with at least three units.

² Prior to 2002, Kingston and Abbotsford are not included in the average of metropolitan areas.

Prior to 2007, Moncton, Peterborough, Brantford, Guelph, Barrie, and Kelowna are not included in the average of metropolitan areas.

Source: CMHC (*Rental Market Survey*)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 10
**Average Rent for Two-Bedroom Apartments,
 Canada, Provinces and Metropolitan Areas, 1999–2008 (dollars)¹**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Canada²	628	648	672	694	704	720	732	755	772	804
Provinces										
Newfoundland and Labrador	489	510	530	538	563	571	578	585	575	596
Prince Edward Island	531	538	561	566	585	603	612	631	648	660
Nova Scotia	609	621	645	669	684	711	726	760	777	795
New Brunswick	510	515	530	543	556	576	586	609	619	635
Quebec	491	495	513	531	553	572	591	607	616	628
Ontario	785	829	863	883	886	898	903	919	924	948
Manitoba	574	581	596	612	633	650	669	692	721	748
Saskatchewan	522	529	546	554	564	572	577	596	656	762
Alberta	633	651	701	734	745	754	765	866	1,008	1,074
British Columbia	742	753	772	795	806	821	844	885	922	969
Metropolitan Areas										
St. John's	517	552	575	589	607	618	634	635	614	630
Halifax	637	648	673	704	720	747	762	799	815	833
Moncton	538	560	561	578	588	611	612	636	643	656
Saint John	457	460	483	492	504	520	526	556	570	618
Saguenay	428	438	439	440	457	459	472	485	490	518
Québec	511	518	538	550	567	596	621	637	641	653
Sherbrooke	434	437	446	456	471	495	505	515	529	543
Trois-Rivières	403	413	419	431	436	457	474	488	487	505
Montréal	506	509	529	552	575	594	616	636	647	659
Gatineau	534	544	573	599	639	663	660	667	662	677
Ottawa	783	877	914	930	932	940	920	941	961	995
Kingston	658	679	709	727	768	785	807	841	856	880
Peterborough	680	683	698	718	728	775	797	818	822	850
Oshawa	745	778	799	819	845	852	855	861	877	889
Toronto	916	979	1,027	1,047	1,040	1,052	1,052	1,067	1,061	1,095
Hamilton	698	719	740	765	778	789	791	796	824	836
St. Catharines - Niagara	634	653	680	695	704	722	736	752	765	777
Kitchener	660	697	722	750	754	765	811	824	829	845
Brantford	614	639	653	665	675	684	722	712	749	752
Guelph	702	736	764	801	823	829	830	839	848	869
London	639	657	683	705	736	758	775	790	816	834
Windsor	696	736	738	769	776	776	780	774	773	772
Barrie	788	830	881	877	934	920	909	906	934	954
Greater Sudbury	612	619	620	647	651	655	668	706	749	800
Thunder Bay	647	654	657	657	672	679	689	696	709	719
Winnipeg	582	588	605	622	645	664	683	709	740	769
Regina	547	549	568	581	589	602	607	619	661	756
Saskatoon	529	541	558	567	576	580	584	608	693	841
Calgary	739	740	783	804	804	806	808	960	1,089	1,148
Edmonton	576	601	654	709	722	730	732	808	958	1,034
Kelowna	642	645	663	680	697	723	755	800	846	967
Abbotsford	630	632	645	650	672	684	704	719	752	765
Vancouver	864	890	919	954	965	984	1,004	1,045	1,084	1,124
Victoria	728	731	751	771	789	799	837	874	907	965

¹ In privately initiated apartment structures with at least three units.

² Only includes provincial data.

Source: CMHC (Rental Market Survey)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 11
**Occupied Housing Stock by Structure Type and Tenure,
 Canada, 1996–2006 (dwelling units)**

	1996				2001				2006			
	Owned	Rented	Band	Total	Owned	Rented	Band	Total	Owned	Rented	Band	Total
Total	6,877,780	3,905,145	37,125	10,820,050	7,610,390	3,907,170	45,415	11,562,975	8,509,780	3,878,500	49,180	12,437,470
Single-detached house	5,488,620	597,480	34,280	6,120,380	5,972,985	620,950	41,135	6,635,065	6,329,200	507,550	43,210	6,879,965
Semi-detached house	337,005	164,580	505	502,090	395,460	169,585	800	565,850	452,965	141,385	1,265	595,615
Row house	259,690	278,125	545	538,365	340,870	276,140	995	618,010	439,175	254,335	1,635	695,145
Apartment detached duplex	164,720	286,620	155	451,495	154,385	258,210	165	412,760	335,835	329,075	290	665,200
Apartment building that has five or more storeys	157,395	822,075	-	979,470	213,205	836,440	10	1,049,655	288,800	824,045	120	1,112,965
Apartment building that has fewer than five storeys	318,645	1,709,375	305	2,028,325	386,165	1,696,730	510	2,083,410	507,850	1,779,910	540	2,288,300
Other single-attached house	17,525	22,005	25	39,555	16,850	24,945	50	41,845	18,865	18,810	65	37,735
Movable dwelling	134,175	24,885	1,310	160,370	130,470	24,165	1,750	156,385	137,085	23,385	2,055	162,535

Components may not add up to totals due to rounding.

Source: Statistics Canada (Census of Canada)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 12
**Dwelling Condition by Tenure and Period of Construction,
 Canada, 2006**

Tenure and Period of Construction	Total Occupied Dwellings	Dwelling Condition					
		In Need of Regular Maintenance Only		In Need of Minor Repairs		In Need of Major Repairs	
		Number	Per Cent	Number	Per Cent	Number	Per Cent
Total	12,437,470	8,168,615	65.7	3,339,840	26.9	929,020	7.5
1945 or before	1,595,320	762,690	47.8	581,265	36.4	251,365	15.8
1946-1960	1,812,525	1,015,315	56.0	604,185	33.3	193,020	10.6
1961-1970	1,753,170	1,063,480	60.7	538,205	30.7	151,480	8.6
1971-1980	2,421,395	1,519,130	62.7	728,125	30.1	174,140	7.2
1981-1985	1,028,180	683,185	66.4	287,310	27.9	57,690	5.6
1986-1990	1,055,955	731,520	69.3	277,380	26.3	47,055	4.5
1991-1995	894,860	681,245	76.1	183,835	20.5	29,775	3.3
1996-2001	820,365	714,630	87.1	90,655	11.1	15,085	1.8
2001-2006	1,055,690	997,405	94.5	48,875	4.6	9,405	0.9
Owned	8,509,780	5,676,230	66.7	2,298,875	27.0	534,675	6.3
1945 or before	1,060,535	499,255	47.1	403,100	38.0	158,180	14.9
1946-1960	1,160,095	656,330	56.6	397,650	34.3	106,115	9.1
1961-1970	984,120	601,045	61.1	312,590	31.8	70,485	7.2
1971-1980	1,604,445	991,945	61.8	508,190	31.7	104,305	6.5
1981-1985	672,220	437,465	65.1	202,845	30.2	31,910	4.7
1986-1990	790,550	538,940	68.2	221,565	28.0	30,045	3.8
1991-1995	682,990	520,955	76.3	144,010	21.1	18,030	2.6
1996-2001	679,780	598,930	88.1	71,615	10.5	9,235	1.4
2001-2006	875,045	831,370	95.0	37,310	4.3	6,365	0.7
Rented	3,878,500	2,481,730	64.0	1,025,705	26.4	371,065	9.6
1945 or before	534,520	263,415	49.3	178,095	33.3	93,010	17.4
1946-1960	651,595	358,905	55.1	206,365	31.7	86,320	13.2
1961-1970	766,470	462,205	60.3	225,060	29.4	79,205	10.3
1971-1980	810,100	526,490	65.0	218,340	27.0	65,265	8.1
1981-1985	348,675	244,830	70.2	82,495	23.7	21,350	6.1
1986-1990	257,565	191,455	74.3	53,235	20.7	12,880	5.0
1991-1995	203,240	158,790	78.1	36,635	18.0	7,815	3.8
1996-2001	132,515	113,470	85.6	15,845	12.0	3,200	2.4
2001-2006	173,820	162,165	93.3	9,630	5.5	2,020	1.2
Band	49,185	10,650	21.7	15,255	31.0	23,275	47.3
1945 or before	275	30	10.9	65	23.6	175	63.6
1946-1960	830	80	9.6	170	20.5	585	70.5
1961-1970	2,580	240	9.3	555	21.5	1,785	69.2
1971-1980	6,850	695	10.1	1,595	23.3	4,565	66.6
1981-1985	7,290	885	12.1	1,970	27.0	4,435	60.8
1986-1990	7,835	1,125	14.4	2,580	32.9	4,130	52.7
1991-1995	8,625	1,495	17.3	3,195	37.0	3,935	45.6
1996-2001	8,070	2,230	27.6	3,195	39.6	2,650	32.8
2001-2006	6,820	3,870	56.7	1,930	28.3	1,015	14.9

Components may not add up to totals due to rounding.

Source: Statistics Canada (Census of Canada)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 13
**Household Growth Canada, Provinces, Territories and Metropolitan Areas,
 2001–2006**

	2001	2006	Growth (per cent)	Avg. Annual Growth
Canada	11,562,975	12,437,470	7.6	174,899
Provinces and Territories				
Newfoundland and Labrador	189,045	197,185	4.3	1,628
Prince Edward Island	50,795	53,135	4.6	468
Nova Scotia	360,025	376,845	4.7	3,364
New Brunswick	283,820	295,960	4.3	2,428
Quebec	2,978,110	3,189,345	7.1	42,247
Ontario	4,219,410	4,555,025	8.0	67,123
Manitoba	432,550	448,780	3.8	3,246
Saskatchewan	379,675	387,145	2.0	1,494
Alberta	1,104,100	1,256,200	13.8	30,420
British Columbia	1,534,335	1,643,150	7.1	21,763
Yukon	11,365	12,610	11.0	249
Northwest Territories	12,565	14,235	13.3	334
Nunavut	7,175	7,855	9.5	136
Metropolitan Areas				
St. John's	64,831	70,663	9.0	1,166
Halifax	144,435	155,138	7.4	2,141
Moncton	47,180	51,593	9.4	883
Saint John	48,262	49,107	1.8	169
Saguenay	62,197	64,315	3.4	424
Québec	296,490	316,533	6.8	4,009
Sherbrooke	75,800	82,747	9.2	1,389
Trois-Rivières	59,580	63,893	7.2	863
Montréal	1,426,582	1,525,629	6.9	19,809
Ottawa-Gatineau	417,385	449,031	7.6	6,329
Kingston	58,334	61,978	6.2	729
Peterborough	43,471	46,667	7.4	639
Oshawa	104,203	119,028	14.2	2,965
Toronto	1,634,755	1,801,071	10.2	33,263
Hamilton	253,083	266,377	5.3	2,659
St. Catharines - Niagara	150,874	156,386	3.7	1,102
Kitchener	153,277	169,063	10.3	3,157
Brantford	44,904	47,847	6.6	589
Guelph	44,219	48,775	10.3	911
London	174,085	184,946	6.2	2,172
Windsor	117,712	125,848	6.9	1,627
Barrie	52,404	63,877	21.9	2,295
Greater Sudbury	63,143	65,076	3.1	387
Thunder Bay	49,545	51,426	3.8	376
Winnipeg	271,639	281,745	3.7	2,021
Regina	76,653	80,323	4.8	734
Saskatoon	88,944	95,257	7.1	1,263
Calgary	356,407	415,592	16.6	11,837
Edmonton	356,517	405,311	13.7	9,759
Kelowna	59,877	66,925	11.8	1,410
Abbotsford	51,022	55,948	9.7	985
Vancouver	758,713	817,033	7.7	11,664
Victoria	135,601	145,388	7.2	1,957

Data for 2001 are based on 2006 Census Metropolitan Area boundaries. Between 2001 and 2006, CMA boundaries changed in Moncton, Québec, Sherbrooke, Montréal, Ottawa-Gatineau, Peterborough, Brantford, London, Winnipeg, and Calgary.

Metropolitan data are census-based estimates of dwellings occupied by usual residents, which were released by Statistics Canada on March 13, 2007. National, provincial, and territorial data are census-based household counts.

Components may not add up to totals due to rounding.

Source: Statistics Canada (Census of Canada)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 14
**Households by Type and Tenure,
 Canada, 1971–2006**

	1971	1976	1981	1986	1991	1996	2001	2006
Total Households								
All household types	6,034,505	7,166,095	8,281,535	8,991,670	10,018,265	10,820,050	11,562,975	12,437,470
Family households	4,928,130	5,633,945	6,231,485	6,634,995	7,235,230	7,685,470	8,155,560	8,651,330
One-family households	4,807,010	5,542,295	6,140,330	6,537,880	7,118,660	7,540,625	7,951,960	8,421,050
Couples with children	3,028,315	3,266,655	3,523,205	3,604,045	3,729,800	3,853,800	3,857,620	3,902,390
Couples without children	1,354,970	1,759,510	1,948,700	2,130,935	2,485,115	2,608,435	2,910,180	3,242,530
Lone parents	423,725	516,125	668,425	802,905	903,745	1,078,385	1,184,165	1,276,130
Multiple-family households	121,120	91,655	91,160	97,115	116,575	144,845	203,600	230,280
Non-family households	1,106,375	1,532,150	2,050,045	2,356,675	2,783,035	3,134,580	3,407,415	3,786,130
One person only	810,395	1,205,340	1,681,130	1,934,710	2,297,060	2,622,180	2,976,880	3,327,045
Two or more persons	295,980	326,810	368,915	421,965	485,975	512,400	430,535	459,085
Owners								
All household types	3,636,925	4,431,230	5,141,935	5,580,875	6,273,030	6,877,780	7,610,385	8,509,780
Family households	3,220,840	3,918,915	4,465,250	4,755,765	5,240,405	5,626,670	6,145,835	6,737,530
One-family households	3,124,275	3,842,355	4,390,265	4,677,435	5,145,490	5,511,500	5,985,695	6,550,125
Couples with children	2,095,895	2,488,795	2,807,650	2,868,915	2,975,720	3,083,980	3,148,020	3,268,070
Couples without children	820,960	1,106,650	1,267,930	1,445,650	1,765,205	1,954,540	2,239,700	2,581,035
Lone parents	207,420	246,910	314,685	362,870	404,565	472,980	597,970	701,020
Multiple-family households	96,560	76,560	74,985	78,330	94,910	115,170	160,140	187,405
Non-family households	416,085	512,320	676,690	825,110	1,032,630	1,251,110	1,464,555	1,772,240
One person only	299,805	391,475	539,200	668,270	848,310	1,050,520	1,307,170	1,590,125
Two or more persons	116,285	120,850	137,490	156,845	184,325	200,595	157,380	182,115
Renters								
All household types	2,397,580	2,734,860	3,139,595	3,368,485	3,718,525	3,905,145	3,907,170	3,878,500
Family households	1,707,290	1,715,035	1,766,240	1,845,340	1,972,740	2,028,420	1,972,310	1,874,090
One-family households	1,682,735	1,699,940	1,750,065	1,828,435	1,952,400	2,000,890	1,933,895	1,837,590
Couples with children	932,420	777,860	715,555	715,655	740,235	752,150	690,815	616,430
Couples without children	534,015	652,860	680,770	679,600	717,520	650,285	666,775	657,110
Lone parents	216,310	269,220	353,745	433,180	494,645	598,450	576,290	564,050
Multiple-family households	24,555	15,095	16,170	16,900	20,340	27,530	38,415	36,500
Non-family households	690,290	1,019,825	1,373,355	1,523,145	1,745,785	1,876,725	1,934,860	2,004,410
One person only	510,595	813,865	1,141,935	1,260,065	1,445,450	1,566,635	1,662,845	1,728,725
Two or more persons	179,695	205,960	231,425	263,085	300,330	310,095	272,015	275,685

Total household counts for 1986–2006 include households in on-reserve (1986) or band housing (1991, 1996, 2001, 2006) and are therefore larger than the sum of owners and renters.

Because of changes to the definition of census family, household-type data for 2001 and 2006—except for one-person households—is not strictly comparable to data from earlier censuses.

Components may not add up to totals due to rounding.

Source: Statistics Canada (Census of Canada)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 15
**Households by Age of Maintainer and Tenure,
 Canada, 1971–2006**

	1971	1976	1981	1986	1991	1996	2001	2006
Total Households								
15-24	413,570	584,270	674,825	535,945	466,225	437,460	447,165	456,625
25-34	1,262,315	1,678,965	2,036,370	2,124,040	2,219,995	2,045,210	1,792,025	1,782,270
35-44	1,250,530	1,339,425	1,589,410	1,971,475	2,363,020	2,630,170	2,747,615	2,591,890
45-54	1,172,285	1,305,650	1,370,800	1,412,515	1,666,415	2,102,365	2,509,625	2,829,775
55-64	955,825	1,079,005	1,215,890	1,327,005	1,379,945	1,434,725	1,659,775	2,130,820
65-74	627,395	763,350	905,740	1,021,305	1,168,255	1,280,605	1,324,885	1,387,285
75+	352,590	415,430	488,490	599,385	754,405	889,510	1,081,880	1,258,805
Total	6,034,505	7,166,095	8,281,535	8,991,670	10,018,265	10,820,050	11,562,975	12,437,470
Owners								
15-24	57,750	111,125	127,180	88,815	64,625	61,670	70,990	96,380
25-34	541,240	866,895	1,064,390	1,029,220	1,043,470	936,020	837,010	914,485
35-44	838,995	949,750	1,142,890	1,374,245	1,606,665	1,741,120	1,844,450	1,797,405
45-54	851,190	970,265	1,037,395	1,062,030	1,246,970	1,555,580	1,868,280	2,135,865
55-64	682,985	775,350	894,035	989,245	1,041,660	1,093,570	1,276,610	1,654,860
65-74	432,440	504,665	595,650	695,155	824,185	936,610	997,030	1,056,105
75+	232,330	253,190	280,405	342,175	445,450	553,210	716,015	854,680
Total	3,636,925	4,431,230	5,141,935	5,580,875	6,273,030	6,877,780	7,610,390	8,509,780
Renters								
15-24	355,820	473,150	547,645	443,735	399,360	372,805	373,060	357,010
25-34	721,070	812,075	971,985	1,083,920	1,168,780	1,098,795	943,670	857,475
35-44	411,535	389,670	446,520	588,310	750,085	879,555	890,540	781,090
45-54	321,095	335,390	333,405	343,705	415,175	540,525	633,160	683,720
55-64	272,845	303,655	321,860	332,095	335,185	337,020	378,015	469,565
65-74	194,955	258,685	310,095	321,750	342,100	341,440	324,590	327,400
75+	120,260	162,240	208,080	254,975	307,840	335,010	364,135	402,240
Total	2,397,580	2,734,860	3,139,595	3,368,485	3,718,525	3,905,145	3,907,170	3,878,500
Avg. Household Size	3.5	3.1	2.9	2.8	2.7	2.6	2.6	2.5

Total household counts for 1986-2006 include households in on-reserve (1986) or band housing (1991, 1996, 2001, 2006) and are therefore larger than the sum of owners and renters.

Components may not add up to totals due to rounding.

Source: Statistics Canada (Census of Canada)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 16
Real Median Household Income After-Tax
Canada, Provinces and Metropolitan Areas, 1999–2007
(2007 constant dollars)

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Canada	44,600	45,100	46,500	46,700	46,400	46,800	47,800	48,700	50,000
Provinces									
Newfoundland and Labrador	36,400	37,000	37,700	37,900	38,300	38,200	38,700	40,800	43,100
Prince Edward Island	36,600	37,500	37,800	39,400	40,700	41,100	42,400	42,900	45,200
Nova Scotia	39,400	39,600	40,900	39,900	39,300	41,200	41,500	42,700	44,400
New Brunswick	40,500	40,200	40,900	40,100	39,800	39,700	39,900	40,800	42,500
Quebec	38,600	39,000	39,900	40,700	40,800	40,700	40,900	41,400	42,300
Ontario	51,300	52,200	52,800	53,300	53,200	52,900	53,600	53,800	55,200
Manitoba	41,300	41,100	42,500	42,100	42,700	43,200	44,200	44,400	46,000
Saskatchewan	39,300	39,800	42,300	41,300	41,800	41,600	43,000	44,800	47,700
Alberta	49,200	50,400	54,400	53,900	52,900	56,300	57,600	61,300	64,200
British Columbia	44,400	43,900	44,900	45,100	45,300	46,900	48,500	50,000	50,800
Metropolitan Area									
St. John's	42,400	45,100	46,900	41,500	42,200	42,900	43,800	43,600	46,300
Halifax	43,500	43,500	45,700	43,600	42,300	45,000	44,700	45,200	49,100
Saint John	41,500	42,500	44,500	43,600	43,400	44,000	42,100	45,400	45,600
Saguenay	39,800	41,700	40,200	39,000	36,800	37,900	38,900	39,100	38,600
Québec	42,700	42,000	41,400	46,300	44,400	44,900	43,700	43,700	43,900
Sherbrooke	28,300	31,900	31,400	36,800	39,500	40,100	38,000	37,800	41,100
Trois-Rivières	36,000	36,600	36,800	38,700	35,300	37,800	33,500	33,400	38,300
Montréal	38,300	39,400	41,500	42,500	43,600	43,300	42,400	43,400	43,600
Ottawa-Gatineau	50,400	54,400	53,300	56,200	55,800	58,800	55,200	55,100	57,900
Kingston	50,400	52,700	53,100	48,900	51,500	52,900	45,100	47,600	49,600
Oshawa	56,000	57,300	58,100	58,300	62,500	59,800	60,400	57,100	59,400
Toronto	57,100	58,400	60,400	58,100	59,000	57,400	57,700	57,200	58,700
Hamilton	57,700	58,500	59,200	59,200	58,000	57,200	54,500	58,500	59,200
St. Catharines-Niagara	48,900	49,000	52,600	54,100	55,000	53,700	49,100	50,000	48,700
Kitchener	50,700	50,700	54,100	51,700	52,300	52,800	51,300	53,400	53,800
London	47,200	48,100	49,000	47,300	46,500	46,900	52,000	53,500	57,200
Windsor	51,500	55,100	53,100	53,900	53,800	53,500	53,000	54,900	54,200
Greater Sudbury	44,900	47,800	45,700	44,700	43,100	43,600	47,400	48,100	49,200
Thunder Bay	51,800	51,000	55,000	48,600	50,200	51,500	51,200	52,200	56,500
Winnipeg	43,600	43,200	45,400	45,100	46,100	47,700	46,800	45,900	48,600
Regina	46,600	49,800	51,900	51,400	49,000	48,100	52,000	53,000	54,100
Saskatoon	40,600	41,100	43,500	44,400	46,600	45,300	43,800	46,200	50,200
Calgary	51,000	54,700	59,600	59,600	55,600	60,700	59,000	65,000	67,400
Edmonton	50,500	51,400	56,400	53,000	56,200	56,700	57,700	59,700	65,000
Abbotsford	46,200	42,100	45,600	43,900	42,200	44,100	52,800	52,300	57,500
Vancouver	46,700	48,000	48,400	48,400	50,100	49,900	51,200	55,100	56,000
Victoria	40,200	39,900	43,800	45,500	43,700	45,600	46,500	46,100	46,800

All data are rounded to the nearest \$100.

Source: Statistics Canada (Survey of Consumer Finances - 1990-1993; Survey of Consumer Finances and Survey of Labour and Income Dynamics - 1994-1997; Survey of Labour and Income Dynamics - 1998-2007)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 17

Home Equity and Net Worth by Tenure and Age Group, Canada, 1999 and 2005 (2005 constant dollars)

Age Group ²	Renters ¹		Owned with a Mortgage		Owned without a Mortgage		All Owners		All Households	
	Median	Average	Median	Average	Median	Average	Median	Average	Median	Average
Equity in Principal Residence³ 2005										
All ages	0	0	84,000	120,000	175,000	228,000	121,000	169,000	58,000	110,000
Less than 65	0	0	81,000	119,000	180,000	232,000	110,000	158,000	48,000	101,000
65 years or over	0	0	NA	NA	168,000	222,000	160,000	212,000	100,000	149,000
1999										
All ages	0	0	58,000	83,000	138,000	173,000	92,000	125,000	37,000	78,000
Less than 65	0	0	58,000	82,000	144,000	183,000	82,000	117,000	30,000	72,000
65 years or over	0	0	78,000	101,000	136,000	159,000	127,000	153,000	81,000	104,000
Net Worth⁴ 2005										
All ages	14,000	69,000	219,000	378,000	525,000	764,000	327,000	552,000	166,000	383,000
Less than 65	11,000	54,000*	216,000	377,000	561,000	826,000	289,000	530,000	141,000	359,000
65 years or over	40,000*	147,000	355,000	404,000	491,000	670,000	462,000	638,000	309,000	491,000
1999										
All ages	14,000	71,000	169,000	284,000	402,000	599,000	257,000	430,000	136,000	296,000
Less than 65	12,000	58,000	166,000	279,000	439,000	659,000	229,000	412,000	114,000	276,000
65 years or over	43,000	132,000	278,000	407,000	355,000	511,000	349,000	501,000	245,000	382,000

All dollar figures are rounded to the nearest \$1,000.

¹ Includes households occupying their homes rent free.

² Age of the highest income earner in the household. Where owners and renters are both present, refers to the owner with the highest income.

³ Home equity is the value of the principal residence less any outstanding mortgages.

⁴ Includes the value of employer pension plan benefits. Net worth is the difference between a household's assets and its liabilities.

NA - Not available. Suppressed by Statistics Canada to meet the confidentiality requirements of the *Statistics Act*.

* Use with caution.

Source: CMHC, adapted from Statistics Canada (*Survey of Financial Security*)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 18

Households in Core Housing Need, Canada, Provinces, Territories and Metropolitan Areas, 1991–2006

	Number of Households in Core Housing Need (000's)				Incidence of Core Housing Need (%)			
	1991	1996	2001	2006	1991	1996	2001	2006
Canada	1,270.0	1,567.2	1,485.3	1,494.4	13.6	15.6	13.7	12.7
Provinces and Territories								
Newfoundland and Labrador	24.6	26.3	26.6	27.3	14.5	14.8	14.6	14.2
Prince Edward Island	5.6	6.1	6.2	6.4	13.4	13.4	12.9	12.6
Nova Scotia	42.1	48.1	51.6	43.8	13.6	14.9	15.2	12.1
New Brunswick	39.4	34.7	30.0	29.4	16.2	13.6	11.2	10.3
Quebec	360.0	426.7	352.4	324.6	14.5	16.3	12.5	10.6
Ontario	408.0	594.3	599.7	627.5	11.9	16.1	15.1	14.5
Manitoba	50.5	55.0	45.4	46.9	13.9	14.7	11.6	11.3
Saskatchewan	45.4	39.7	37.2	40.8	14.9	12.6	11.5	11.8
Alberta	105.8	100.8	106.3	119.1	12.8	11.3	10.5	10.1
British Columbia	182.5	229.0	223.7	221.5	15.6	17.4	15.8	14.6
Yukon Territory	1.5	2.0	1.6	1.9	16.3	19.2	15.8	16.3
Northwest Territories ¹	4.5	4.7	2.1	2.4	28.9	25.4	17.4	17.5
Nunavut ¹	NA	NA	2.7	2.9	NA	NA	38.8	37.3
Census Metropolitan Areas²	852.6	1,063.3	1,033.4	1,093.0	14.4	16.7	14.7	13.6
St. John's	7.6	8.6	8.4	9.3	14.2	15.0	13.5	13.5
Halifax	16.4	20.1	22.4	20.2	14.4	16.6	16.3	13.6
Moncton ⁴	5.3	5.4	4.9	5.4	14.1	13.2	10.8	10.8
Saint John	6.1	6.4	5.2	4.6	14.0	14.3	11.2	9.6
Saguenay	5.7	7.4	6.6	5.1	10.6	13.3	11.2	8.2
Québec	32.9	40.0	34.6	28.7	13.6	15.3	12.3	9.3
Sherbrooke	8.0	9.2	7.6	7.6	15.2	16.2	12.0	9.5
Trois - Rivières	7.7	8.8	7.3	7.6	15.0	16.3	12.9	12.3
Montréal	200.3	238.3	189.0	184.6	17.1	19.0	14.1	12.6
Ottawa - Gatineau (Total)	37.8	54.9	54.5	52.4	11.3	15.0	13.7	12.1
Gatineau	8.8	12.7	10.9	11.6	11.0	14.3	11.0	10.3
Ottawa	29.0	42.2	43.6	40.8	11.4	15.2	14.5	12.7
Kingston ³	5.5	8.0	8.3	7.5	11.2	15.5	15.0	12.7
Peterborough ⁴	4.5	5.7	5.0	6.2	13.2	16.0	13.2	14.0
Oshawa	8.6	11.8	12.0	13.3	10.8	13.1	12.0	11.6
Toronto	176.3	269.7	295.5	322.4	13.5	19.3	19.1	19.0
Hamilton	22.9	33.6	33.0	33.1	10.8	15.0	13.7	12.9
St. Catharines-Niagara	14.0	19.8	18.5	18.4	10.8	14.5	12.9	12.2
Kitchener	12.7	18.2	17.2	16.8	10.3	13.5	11.6	10.3
Brantford ⁴	4.1	6.0	5.2	5.3	11.8	16.7	15.9	11.4
Guelph ⁴	3.2	5.1	4.6	5.5	9.3	13.6	10.7	11.8
London	16.5	23.1	21.6	22.6	11.9	15.7	13.2	12.8
Windsor	11.2	13.9	14.4	15.3	12.1	13.9	12.8	12.7
Barrie ⁴	3.7	6.4	7.1	8.3	11.7	16.1	14.2	13.5
Greater Sudbury	6.5	9.0	7.4	6.3	11.8	15.2	12.4	10.0
Thunder Bay	4.9	6.2	5.6	5.4	10.9	13.2	11.9	10.9
Winnipeg	35.4	38.0	28.1	28.4	14.6	15.3	10.8	10.4
Regina	10.1	8.6	7.4	7.4	14.8	12.2	10.1	9.6
Saskatoon	13.3	10.6	9.0	8.5	17.7	13.4	10.7	9.3
Calgary	32.0	32.3	38.3	36.1	12.1	11.1	11.2	9.0
Edmonton	36.5	33.3	36.7	41.2	12.6	11.0	10.9	10.6
Kelowna ⁴	4.8	7.3	6.3	6.6	12.1	15.2	11.8	11.1
Abbotsford ³	4.0	6.2	5.5	6.8	10.9	14.3	11.5	12.9
Vancouver	111.1	122.4	122.3	129.1	19.1	19.0	17.3	17.0
Victoria	18.1	19.2	17.1	16.9	15.9	15.7	13.4	12.4

¹ In 1999, Nunavut was established as a territory distinct from the Northwest Territories (N.W.T.). As a result, beginning with the 2001 Census, data for Nunavut are presented exclusive of N.W.T.

² A Census Metropolitan Area (CMA) is an area consisting of one or more adjacent municipalities situated around a major urban core, and which has a population of at least 100,000. The CMA total represents all the CMAs in Canada at the time of each census. Note that it is adjusted neither for changes in CMA boundaries nor for changes in the number of CMAs between census years.

³ Kingston and Abbotsford were not CMAs in 1991 and 1996 and therefore their data are not included in the CMA total for these years.

⁴ Moncton, Peterborough, Brantford, Guelph, Barrie and Kelowna were not CMAs in 1991, 1996 and 2001 and therefore their data are not included in the CMA total for these years. These data, from the Census of Canada, apply to all non-farm, non-band, non-reserve private households reporting positive incomes and shelter cost-to-income ratios less than 100 per cent.

Income data collected by the Census of Canada refer to the calendar year preceding the census, while shelter cost data give expenses for the current year. Shelter-cost-to-income ratios are computed directly from these data, that is, by comparing current shelter costs to incomes from the previous year.

Acceptable housing is defined as adequate and suitable shelter that can be obtained without spending 30 per cent or more of before-tax household income. Adequate shelter is housing that is not in need of major repair. Suitable shelter is housing that is not crowded, meaning that it has sufficient bedrooms for the size and make-up of the occupying household. The subset of households classified as living in unacceptable housing and unable to access acceptable housing is considered to be in core housing need.

Components may not add up to totals due to rounding.

Source: CMHC (census-based housing indicators and data)

For additional data, please refer to the CMHC website: www.cmhc.ca

TABLE 19

Characteristics of Households in Core Housing Need, Canada, 2006

	All Households		Renters		Owners	
	Households in Core Housing Need	Incidence of Core Housing Need	Households in Core Housing Need	Incidence of Core Housing Need	Households in Core Housing Need	Incidence of Core Housing Need
	(#)	(%)	(#)	(%)	(#)	(%)
All Households	1,494,395	12.7	981,750	27.2	512,645	6.3
<i>Components:</i>						
<i>Below Affordability Standard Only</i>	1,072,760	9.1	693,905	19.2	378,855	4.6
<i>Below Suitability Standard Only</i>	73,895	0.6	58,150	1.6	15,745	0.2
<i>Below Adequacy Standard Only</i>	70,010	0.6	27,920	0.8	42,090	0.5
<i>Below Multiple Housing Standards</i>	277,725	2.4	201,775	5.6	75,955	0.9
Household Type						
Senior-led	369,860	14.4	223,145	31.4	146,715	7.9
Family	77,300	5.4	32,370	15.3	44,930	3.7
Non-Family	292,560	25.6	190,780	38.2	101,780	15.8
Individuals Living Alone	287,445	26.2	187,985	38.8	99,455	16.3
Female	227,845	28.4	148,380	40.9	79,470	18.0
Male	59,600	20.4	39,610	32.6	19,985	11.7
Non-Senior-led	1,124,535	12.2	758,605	26.2	365,930	5.8
Family	683,435	10.0	419,150	26.7	264,285	5.0
Couples with Children	258,540	7.2	130,660	23.0	127,880	4.3
Couples without Children	115,005	5.5	67,135	14.0	47,870	3.0
Lone-Parent Families	293,605	28.6	214,120	43.5	79,480	14.9
Female	261,750	31.7	193,675	46.2	68,075	16.8
Male	31,850	15.9	20,445	27.9	11,405	9.0
Non-Family	441,105	18.9	339,460	25.6	101,650	10.0
Individuals Living Alone	394,390	20.1	303,310	27.9	91,085	10.4
Female	197,370	21.7	149,570	29.7	47,805	11.7
Male	197,020	18.8	153,740	26.4	43,285	9.3
Individuals Sharing with Others	46,715	12.4	36,145	15.1	10,565	7.6
Aboriginal Status						
Non-Aboriginal Household	1,412,580	12.4	918,690	26.8	493,890	6.2
Aboriginal Household	81,810	20.4	63,065	34.9	18,750	8.5
Status Indian	38,740	24.8	31,440	37.9	7,305	10.0
Non-Status Indian	15,860	20.3	12,440	35.1	3,415	8.0
Métis	33,145	16.2	23,260	30.1	9,880	7.7
Inuit	5,705	35.8	4,835	46.4	865	15.6
Period of Immigration						
Non-immigrant	995,705	11.0	676,055	24.5	319,650	5.1
Immigrant	480,420	18.2	289,825	36.4	190,595	10.3
Prior to 1981	170,835	12.5	87,365	32.4	83,470	7.6
1981 to 1990	82,480	18.7	48,615	35.3	33,865	11.2
1991 to 1995	67,500	22.9	40,045	37.3	27,455	14.7
1996 to 2000	64,160	24.0	38,210	34.9	25,945	16.4
2001 to 2006	95,445	35.4	75,590	44.1	19,860	20.2

These data, from the Census of Canada, apply to all non-farm, non-band, non-reserve private households reporting positive incomes and shelter cost-to-income ratios less than 100 per cent.

Income data collected by the Census of Canada refer to the calendar year preceding the census, while shelter cost data give expenses for the current year. Shelter-cost-to-income ratios are computed directly from these data, that is, by comparing current shelter costs to incomes from the previous year.

Acceptable housing is defined as adequate and suitable shelter that can be obtained without spending 30 per cent or more of before-tax household income. Adequate shelter is housing that is not in need of major repair. Suitable shelter is housing that is not crowded, meaning that it has sufficient bedrooms for the size and make-up of the occupying household. The subset of households classified as living in unacceptable housing and unable to access acceptable housing is considered to be in core housing need.

Components may not add up to totals due to rounding.

Source: CMHC (census-based housing indicators and data)

For additional data, please refer to the CMHC website: www.cmhc.ca

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Visit www.cmhc.ca for easy access to timely, comprehensive data on Canadian Housing.

The analysis provided in the *Observer* is backed by a substantial collection of online data resources that provide a comprehensive overview of Canadian Housing conditions.

One such resource is *Housing in Canada Online* (HiCO), an interactive tool which facilitates data retrieval for building custom tables for the analysis of national, regional and local housing conditions (affordability, adequacy, suitability and core housing need).

These online data resources also provide information on topics such as: the housing stock, demographic and socio-economic influences on housing demand; current housing market developments, and housing finance.

CMHC will be updating this online information; watch for announcements in CMHC's free Housing Research electronic newsletter. To subscribe visit CMHC's website at www.cmhc.ca.