

# *Core Housing Need*

*Data from the 2006 Census*

*Presentation to the NHRC Working Group on Housing Data*

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- *Definitions and concepts:*
  - *Acceptable housing and core housing need*
  - *2006 data - what's new?*
- *Recent and planned CMHC releases:*
  - *Research Highlights*
  - *Housing in Canada Online (HiCO)*
- *Findings from selected Research Highlights:*
  - *Core housing need*
  - *Household incomes and shelter costs*

**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.
- ✓ Affordable housing costs less than 30% of before-tax household income.

*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% or more of its before-tax income to pay the median rent of a alternative local market housing that meets all three standards.*

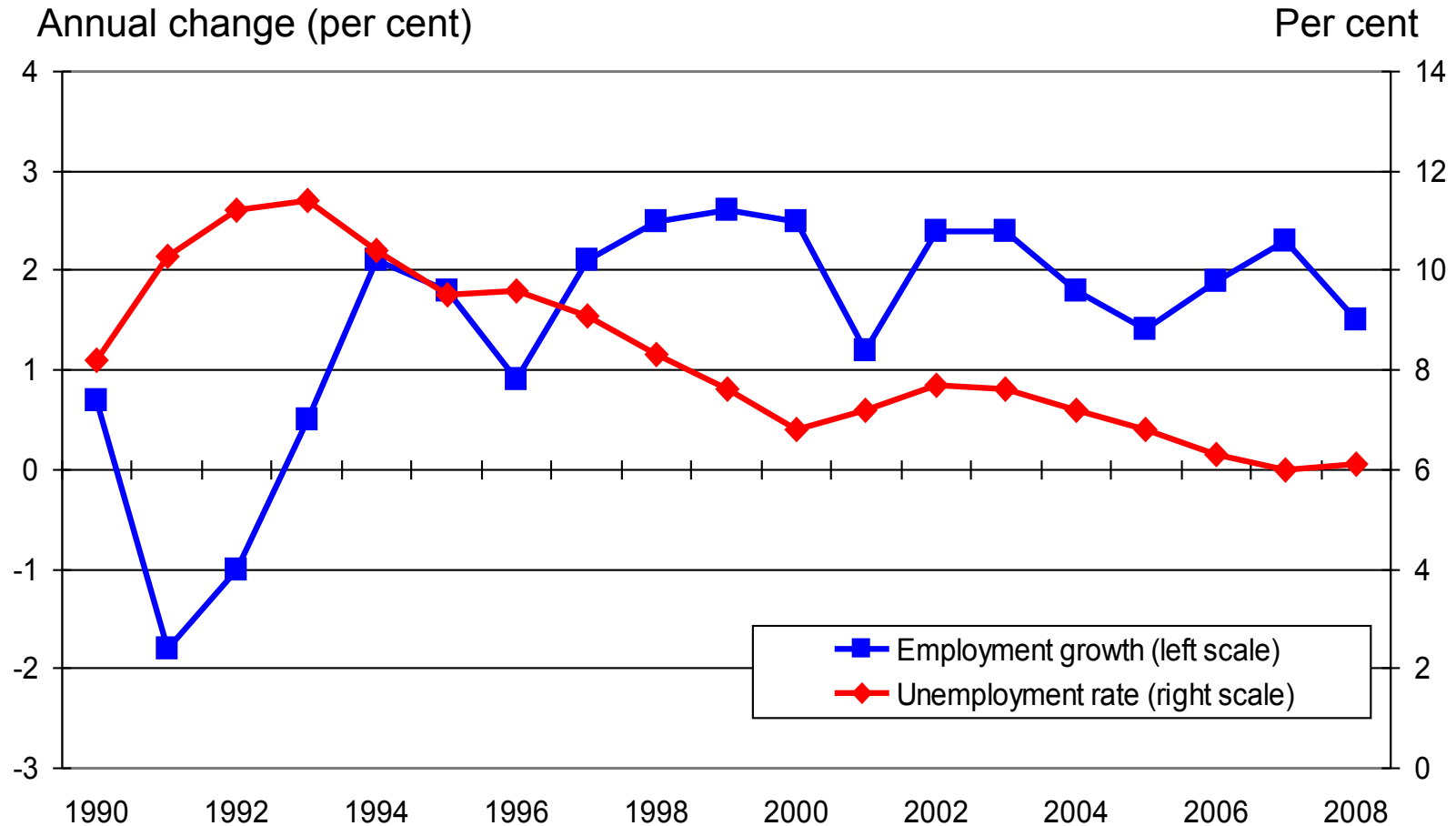
- *Extensive verification of 2006 data tables:*
  - *Inspection of computer logic, creation of test tables - absence of published benchmarks*
- *Changes associated with 2006 Census:*
  - *Elimination of distinction between full-time and part-time school attendance → slight reduction in core housing need estimates (all student households excluded from core housing need instead of only full-time student households)*
  - *Improved application of National Occupancy Standard for large households → slight reduction in crowding (< 1,000 households)*
  - *Corrections to Métis and Inuit household definitions*
  - *After-tax statistics available for the first time - household incomes, shelter-cost-to-income ratios (SIPRs)*

- *Research Highlights: 2006 Census Housing Series*
  - *Issue 2 The Geography of Core Housing Need, 2001-2006*
  - *Issue 3 The Adequacy, Suitability, and Affordability of Canadian Housing, 1991-2006*
- *Housing in Canada Online (HiCO)*
  - *HiCO updated with 2006 data - 1991, 1996, 2001, 2006 data*
  - *An interactive tool to build custom data tables on housing conditions and needs*
  - *Accessed through Canadian Housing Observer pages of CMHC website*

# Future Research Highlights and Data Products

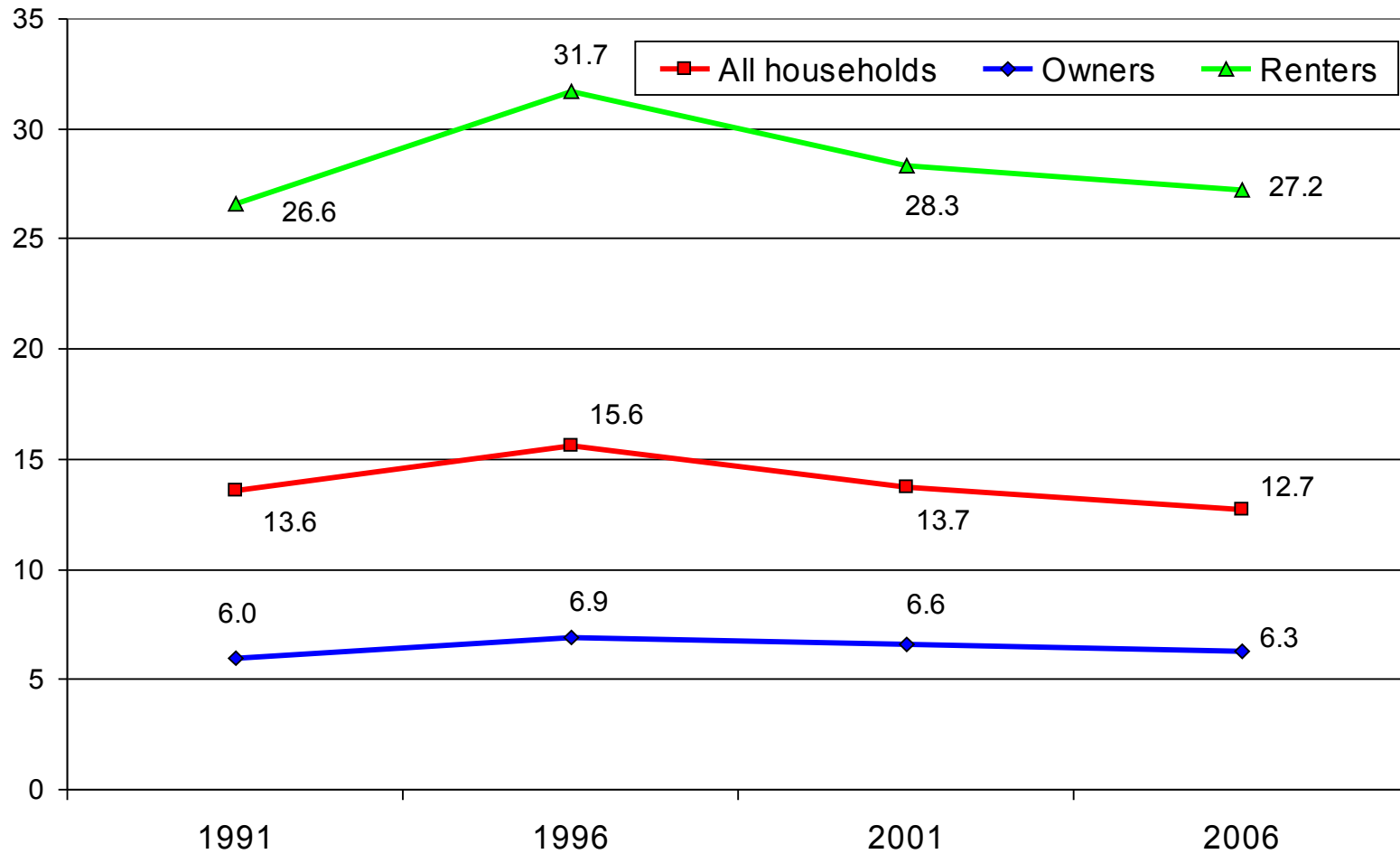
- *Research Highlights (2006 Census Housing Series)*
  - *shelter costs and incomes, metropolitan areas, Aboriginals, severe needs, seniors, immigrants, and other topics*
- *Update of Housing Observer tables (Excel format)*
  - *2006 data on Aboriginal housing conditions, core housing need*
- *Chapter in 2009 Housing Observer on core housing need in 2006*
- *Custom data requests:*
  - *Contact: Jeremiah Prentice ([jprentic@cmhc-schl.gc.ca](mailto:jprentic@cmhc-schl.gc.ca))*
  - *Or use the "Contact Us" link in HHO ([HHO-Labels@cmhc.ca](mailto:HHO-Labels@cmhc.ca))*

# The Economy: Job Creation and Unemployment Rate, Canada, 1990-2008



Employment growth is calculated based on average monthly employment in successive years.  
Source: CMHC, adapted from Statistics Canada (CANSIM)

Per cent of households in core housing need

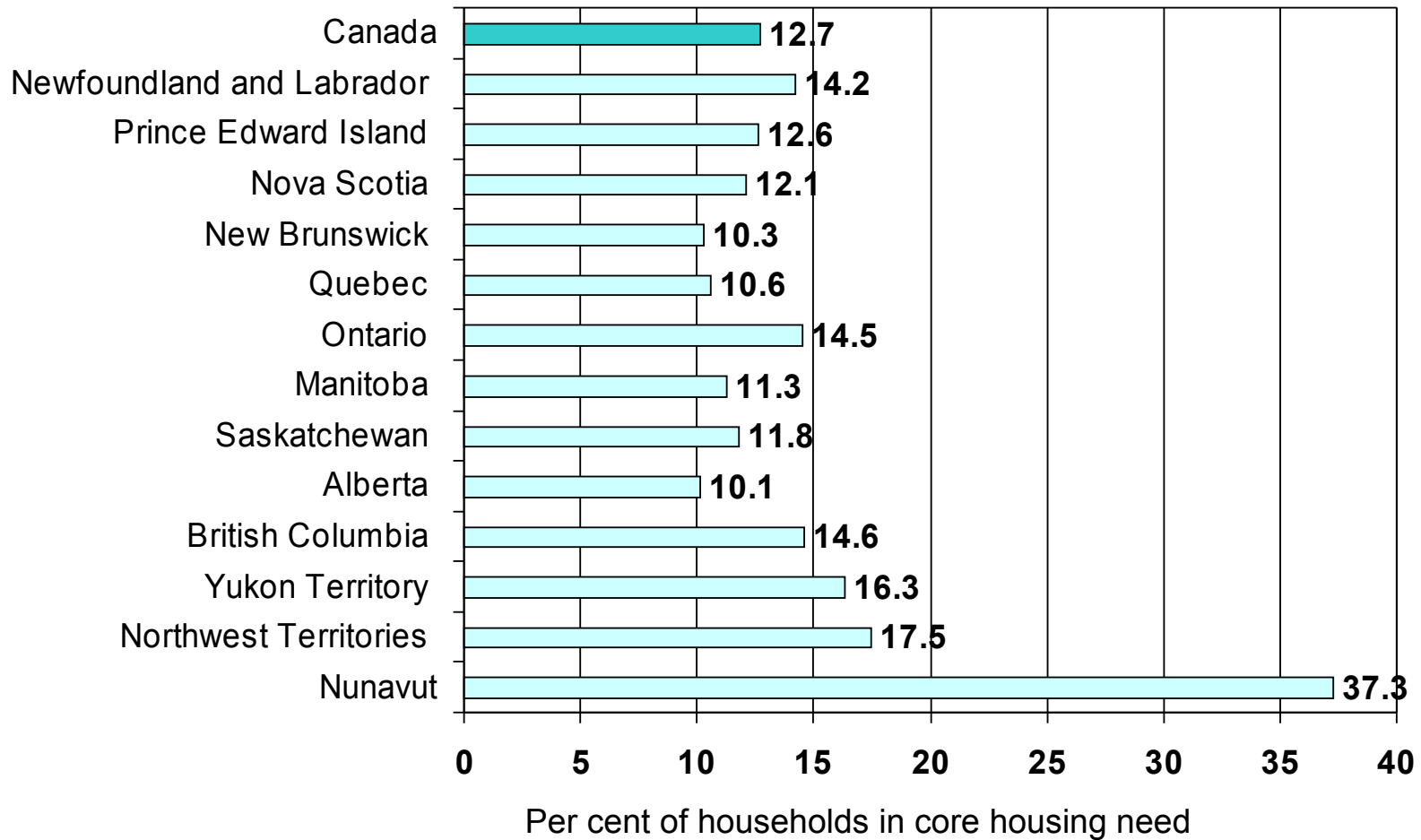


Source: CMHC (census-based housing indicators and data)

# Core Housing Need - Observations

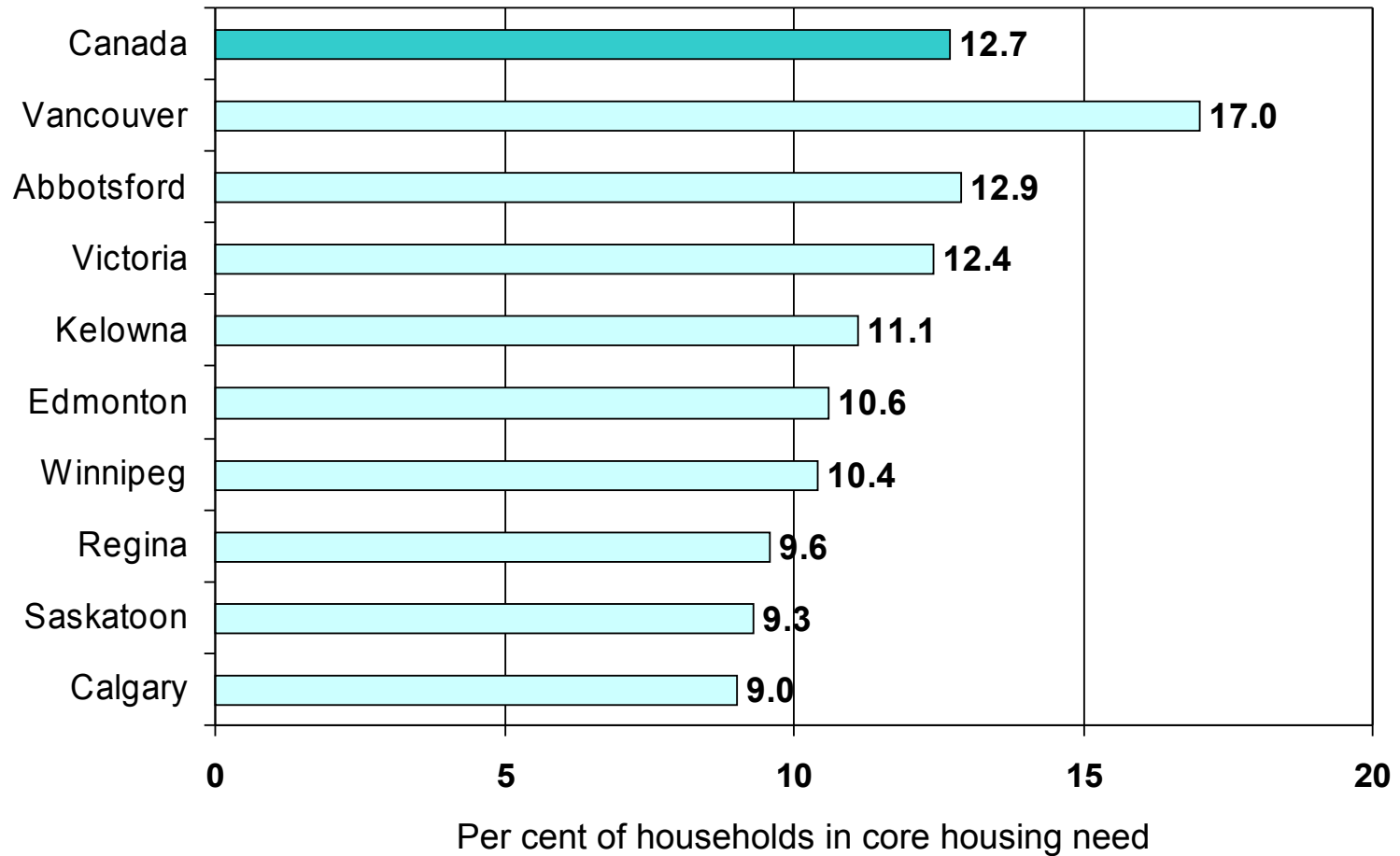
- *Improvements in core housing need since 1996 reflected the strengthening economy.*
- *From 2001 to 2006, the percentage of households in core housing need fell in most provinces and territories, except Saskatchewan, Yukon, and Northwest Territories.*
- *The drop in the incidence of core housing need from 2001 to 2006 was generally less pronounced than from 1996 to 2001.*

# *Core Housing Need, Provinces and Territories, 2006*

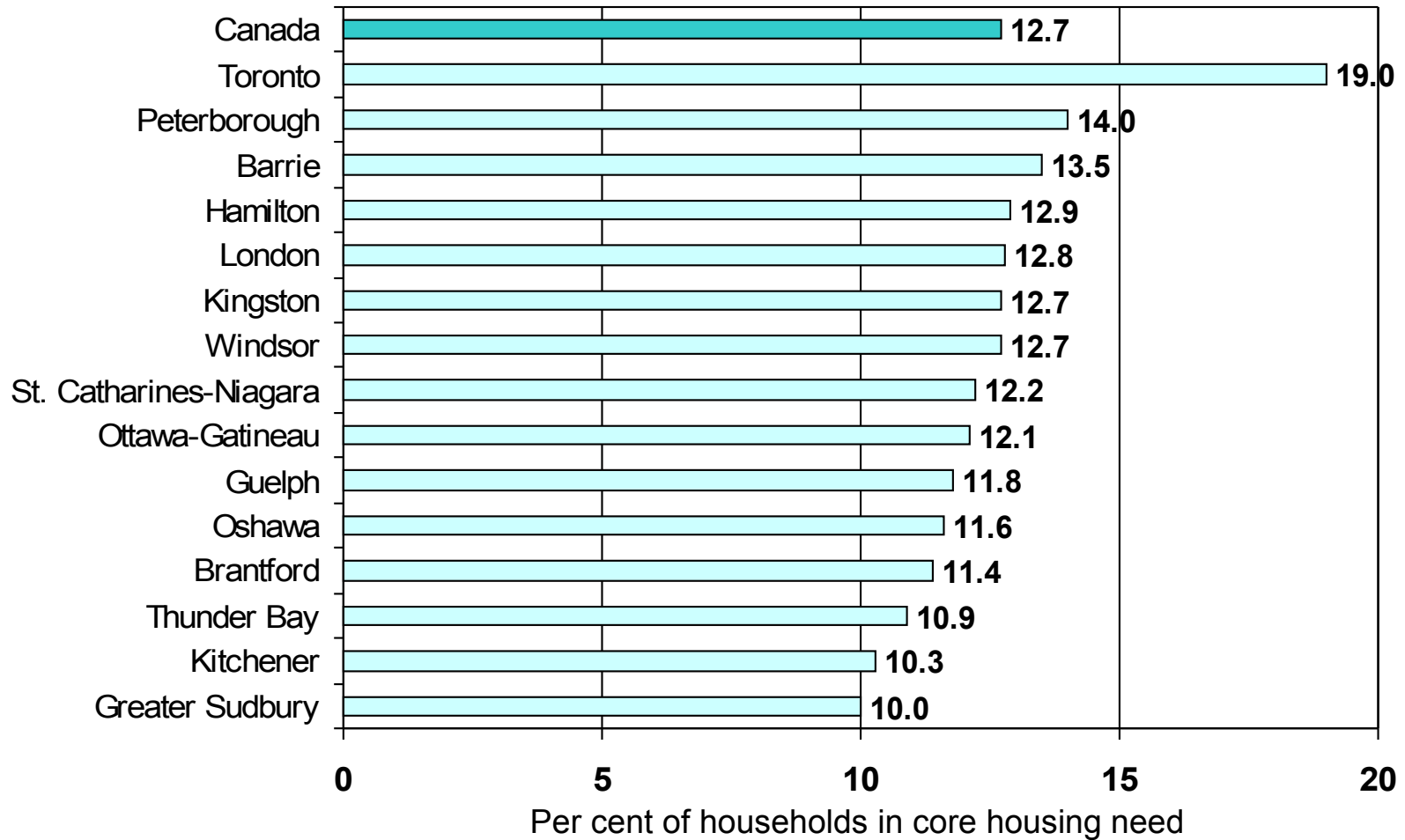


Source: CMHC (census-based housing indicators and data)

# *Core Housing Need, Metropolitan Areas (West), 2006*

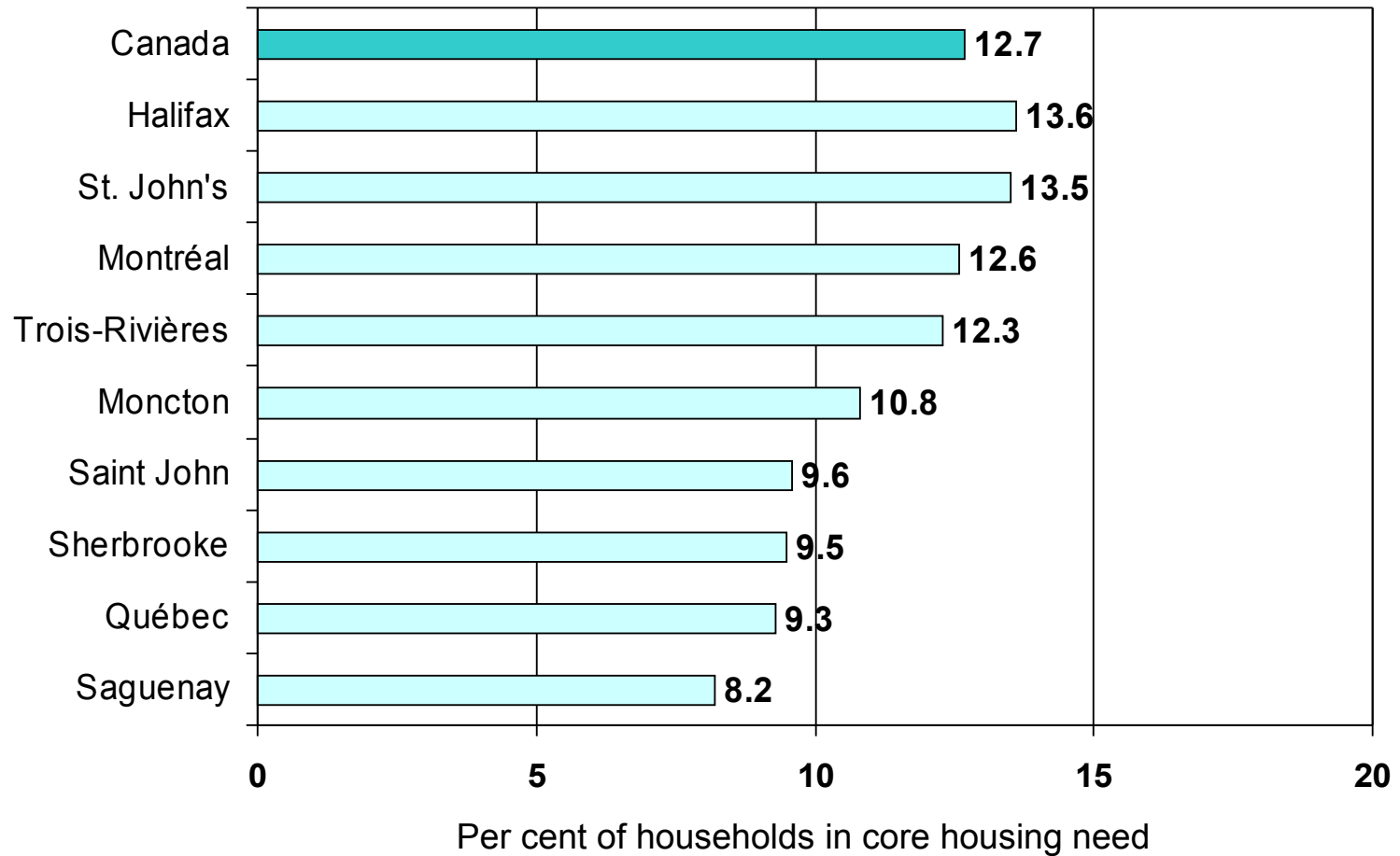


Source: CMHC (census-based housing indicators and data)



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

# Core Housing Need, Metropolitan Areas (East), 2006



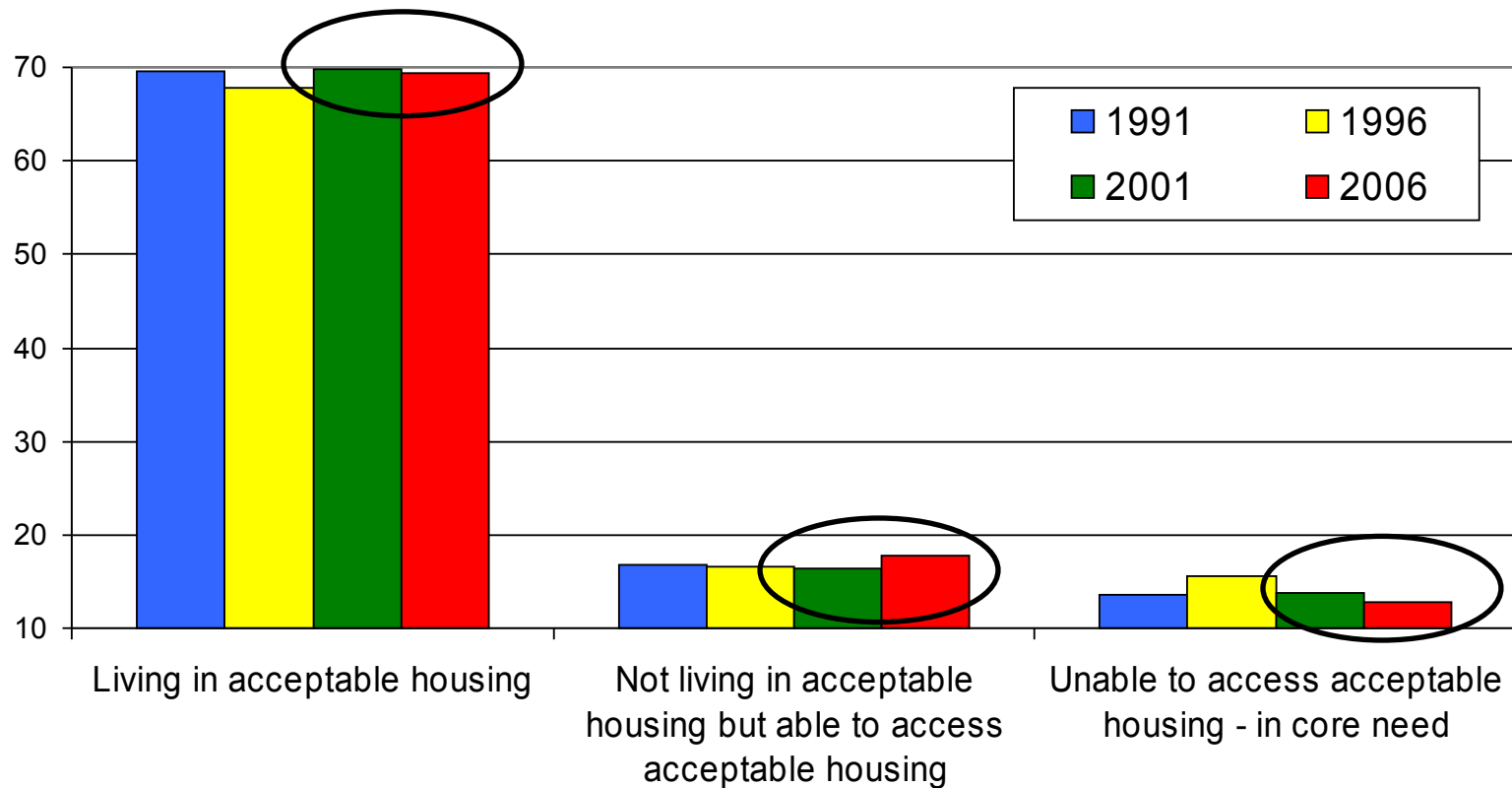
Source: CMHC (census-based housing indicators and data)

## Focus on two groups:

- ◇ Households living in acceptable housing
- ◇ Households not living in acceptable housing:
  - ◇ Households able or unable to access acceptable housing
  - ◇ Households unable to access acceptable housing are in core housing need:
    - ◇ they would have to spend 30% or more of before-tax income to pay the median rent of a alternative local market housing

# Housing Acceptability, Canada, 1991-2006

Per cent of all households



← Households not in acceptable housing →

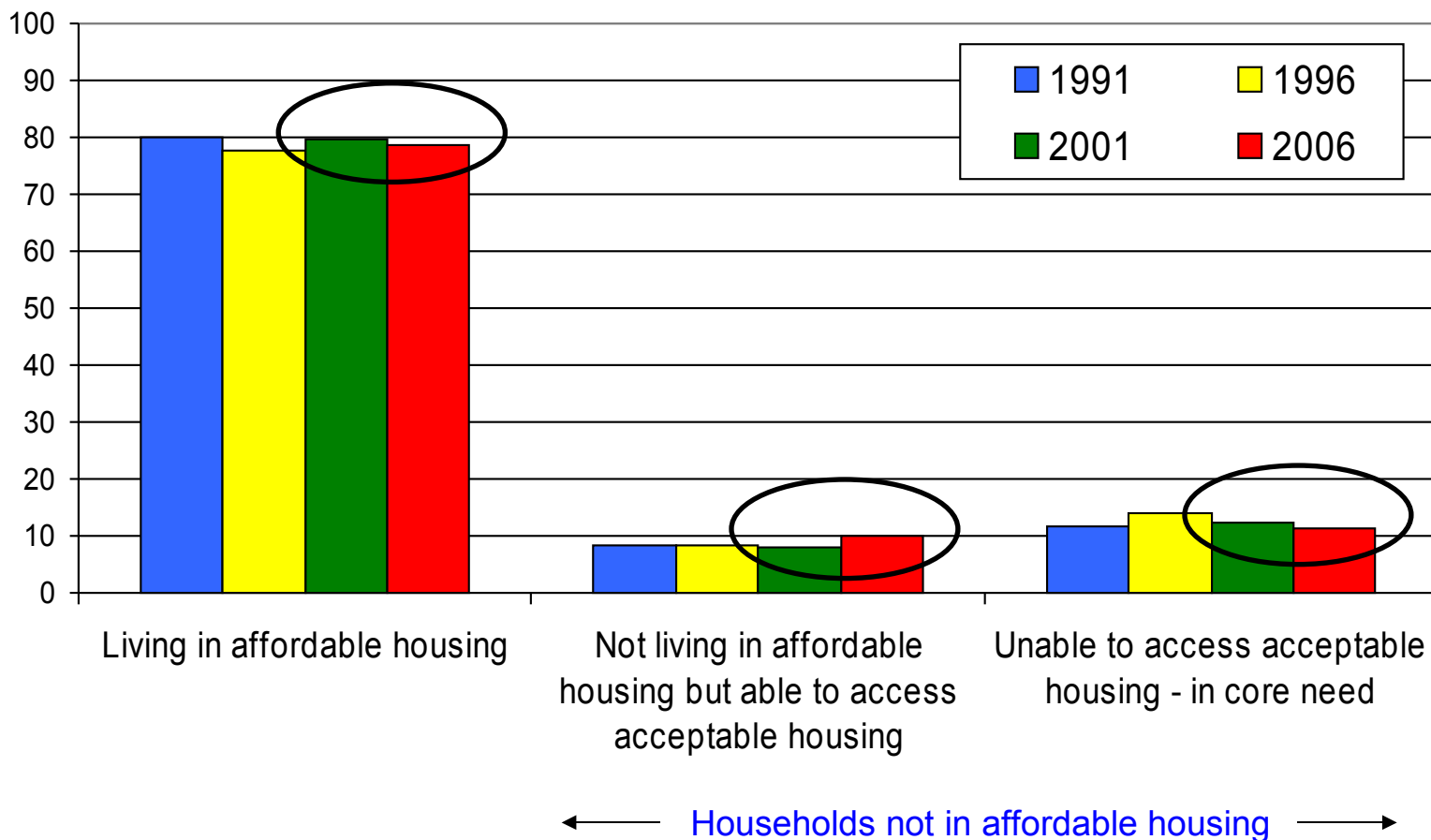
Source: CMHC (census-based housing indicators and data)

## *The Three Housing Standards*

- *Affordability is consistently the standard that Canadian housing is least likely to meet.*
- *Suitability (crowding) is the standard met most often, followed closely by adequacy (state of repair).*

# Housing Affordability, Canada, 1991-2006

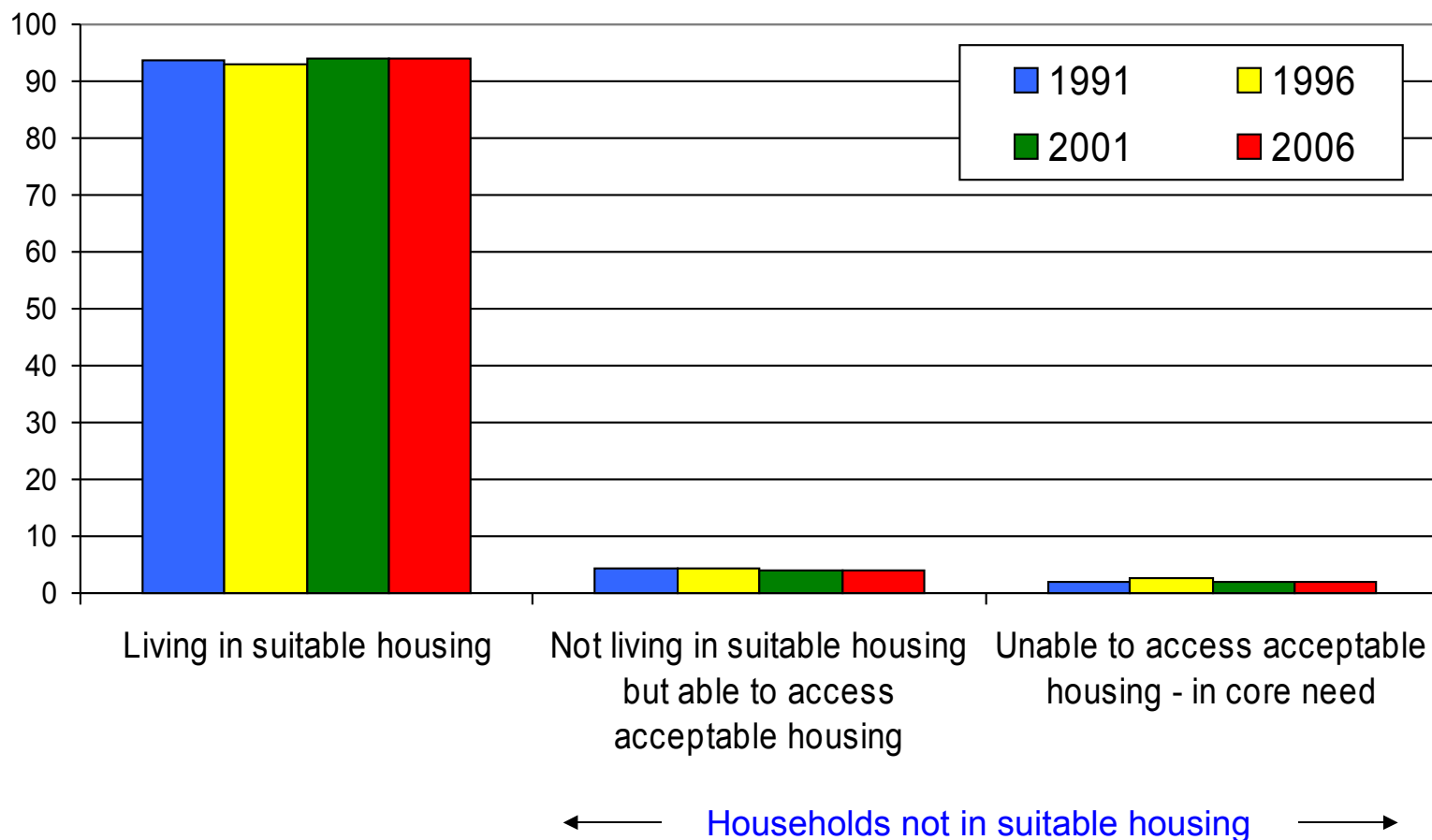
Per cent of all households



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

# Housing Suitability, Canada, 1991-2006

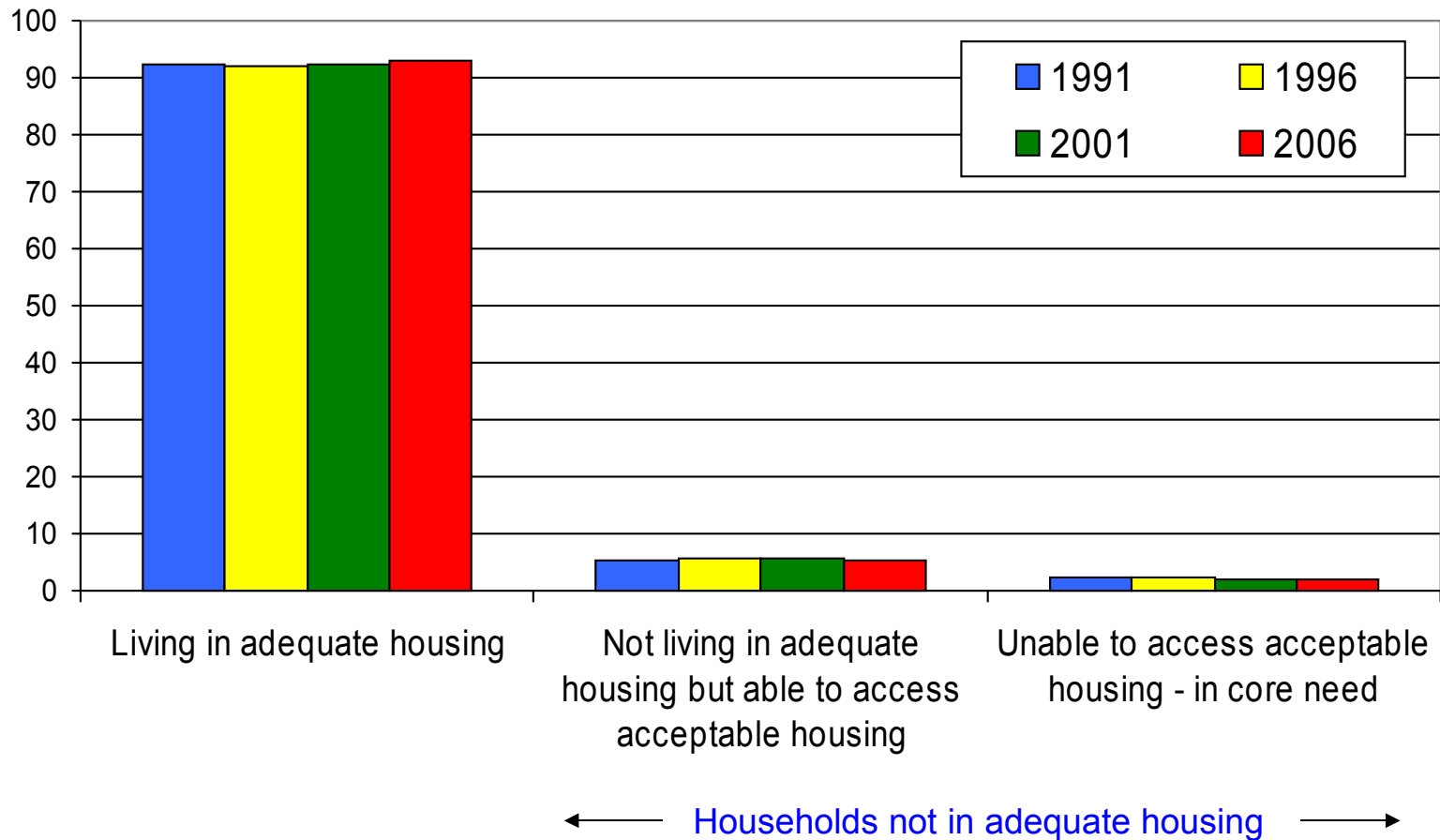
Per cent of all households



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

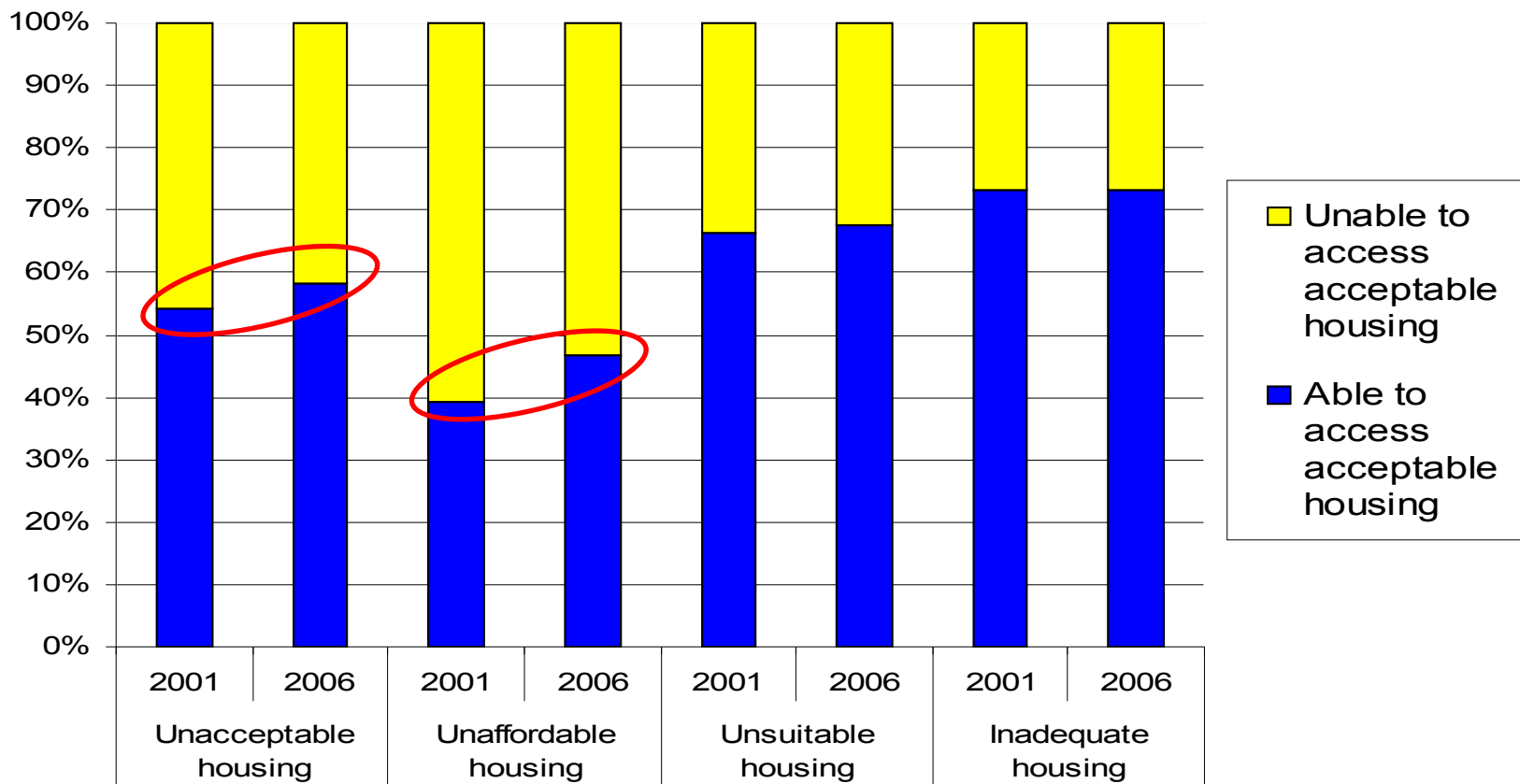
# Housing Adequacy, Canada, 1991-2006

Per cent of all households



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

*Access to Acceptable Housing,  
Households in Substandard Housing, Canada, 2001 and  
2006*



Substandard housing by type of deficiency

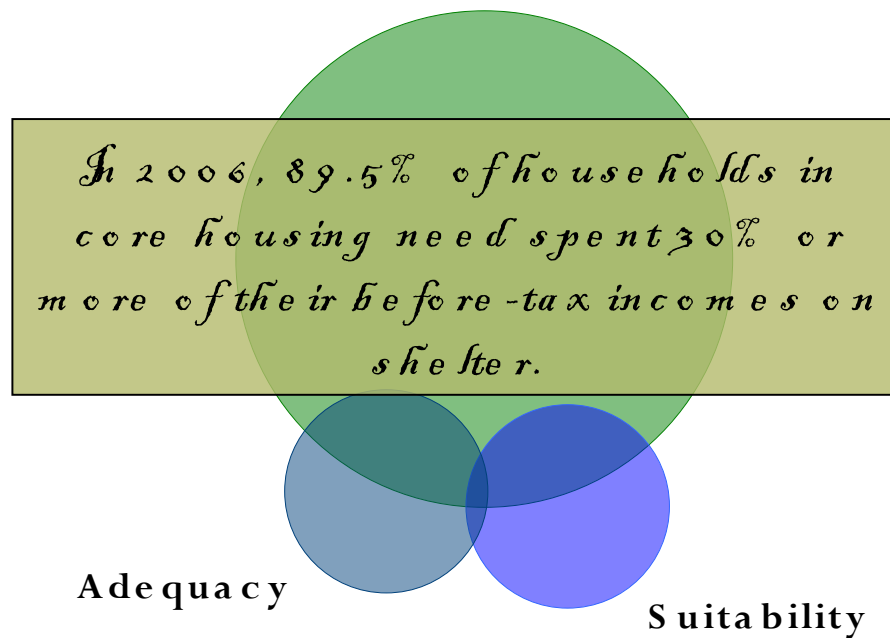
Source: CMHC (census-based housing indicators and data)

# Core Housing Need by Cause

Affordability is by far the most common reason for falling into core housing need.

## Canada, 2006

Affordability

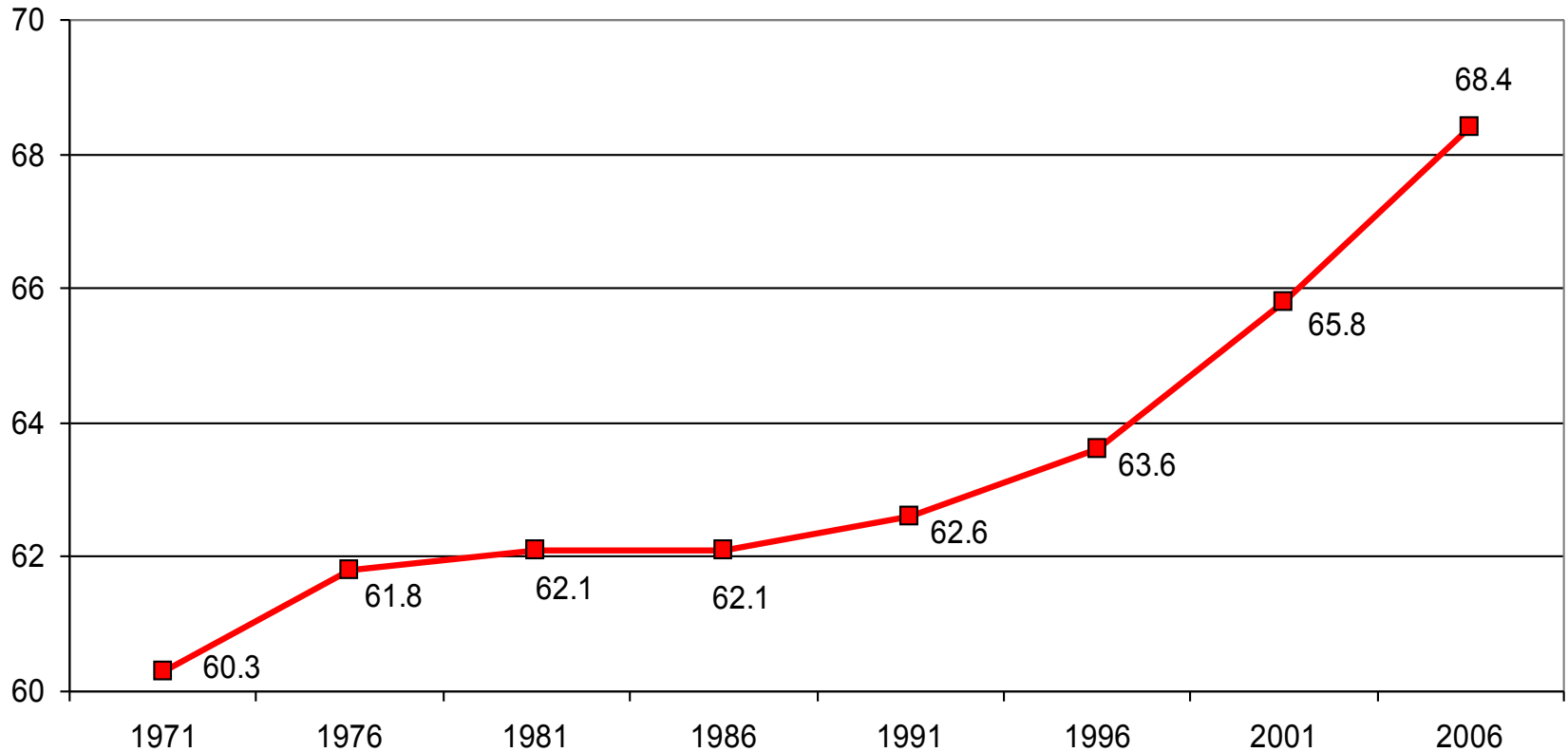


Source: CMHC (Census-based housing indicators and data)

- *Most provinces and territories show similar patterns to Canada as whole:*
  - *Affordability is the most pressing housing issue;*
  - *Suitability is the standard most likely to be met.*
- *Nunavut shows striking differences:*
  - *Highest percentage of households in core housing need Canada;*
  - *Crowding is the most common housing problem (nearly a third of households live in unsuitable housing).*

# Home Ownership Rate, Canada, 1971-2006

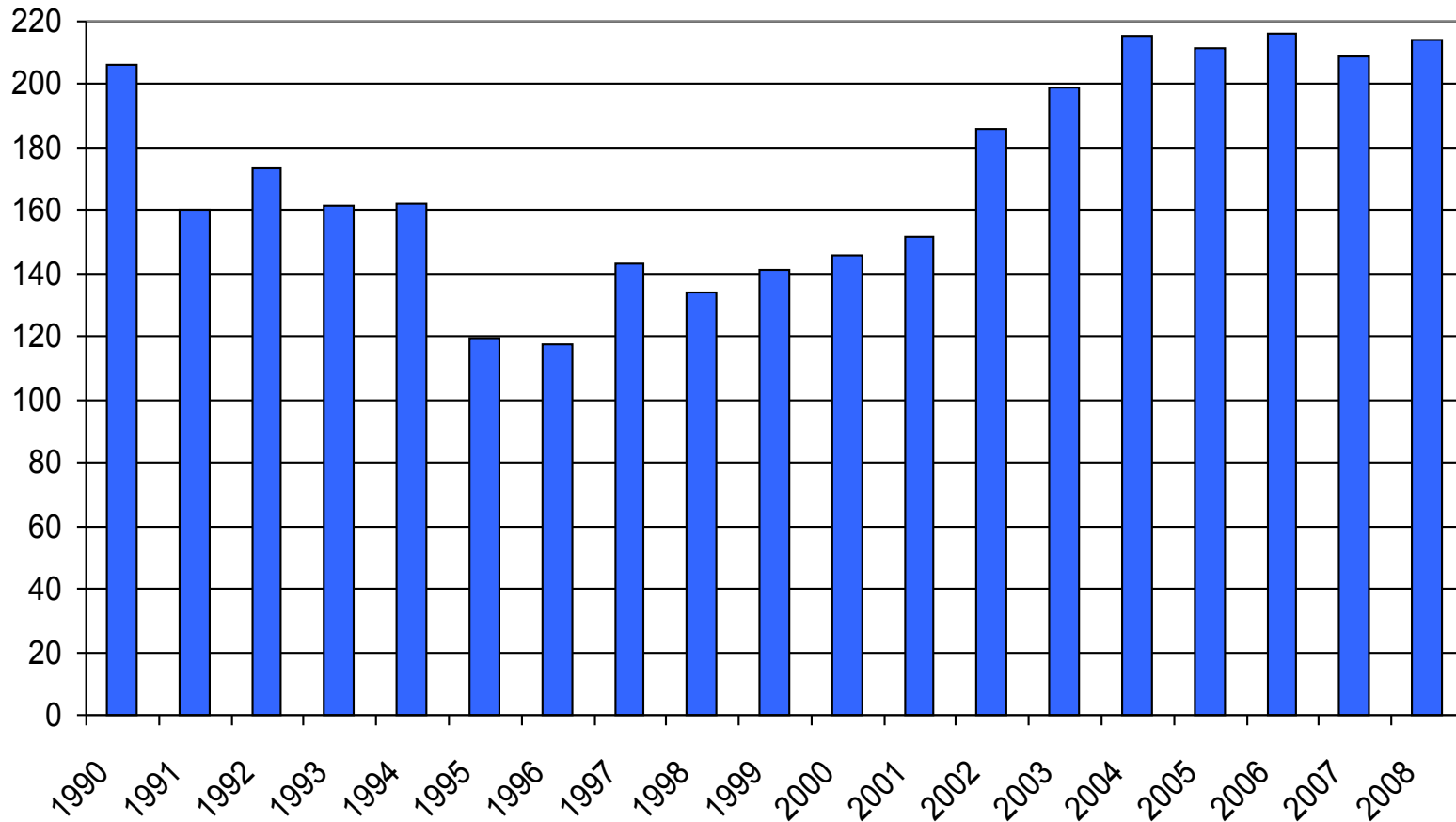
Owners as a per cent of all households



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

# *Housing Completions, Canada, 1990-2008*

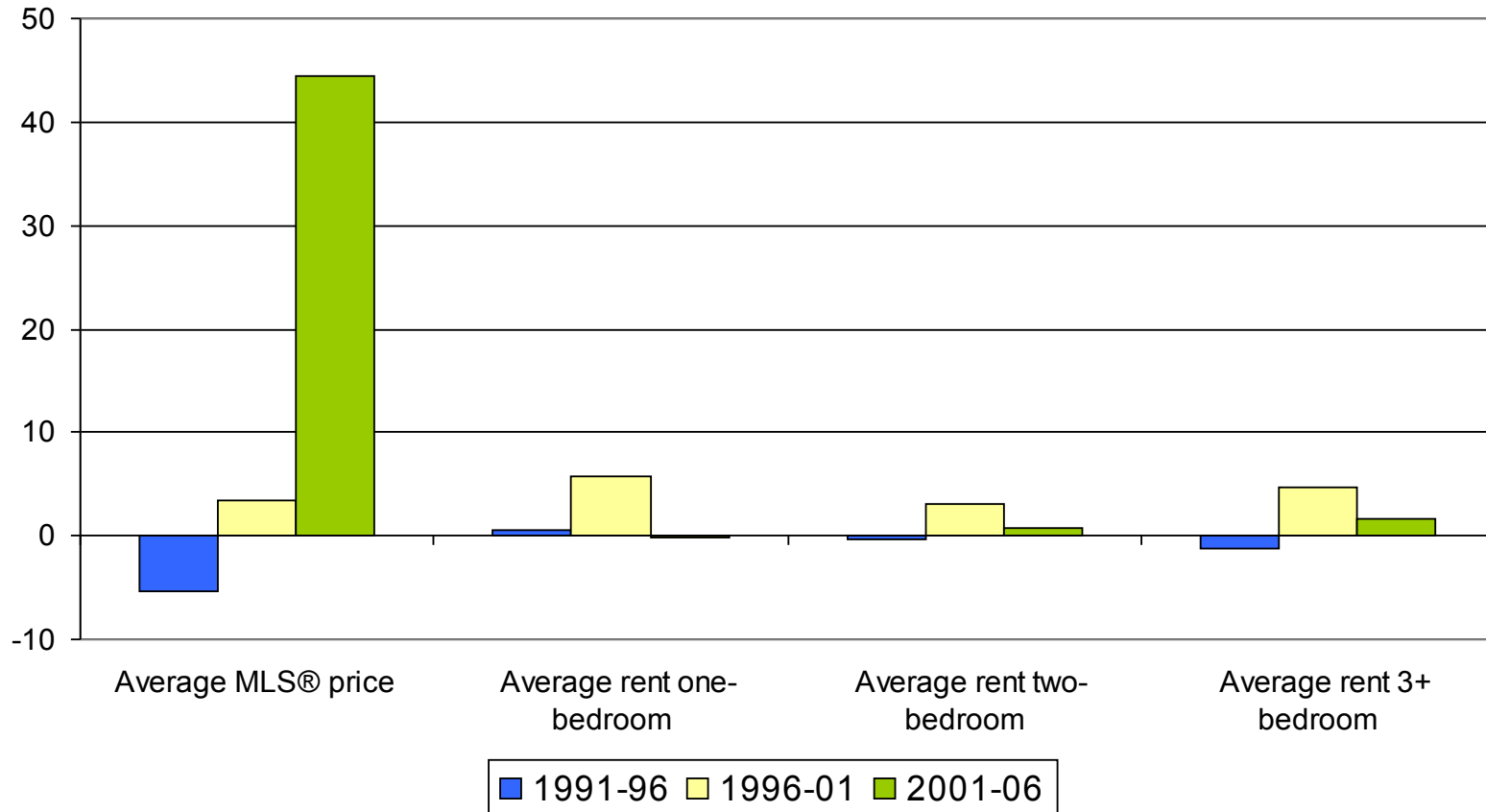
Thousands



Source: CMHC (Starts and Completions Survey)

# Real Change in Average MLS® Residential Prices and Average Rents, Canada, 1991-2006

Per cent change



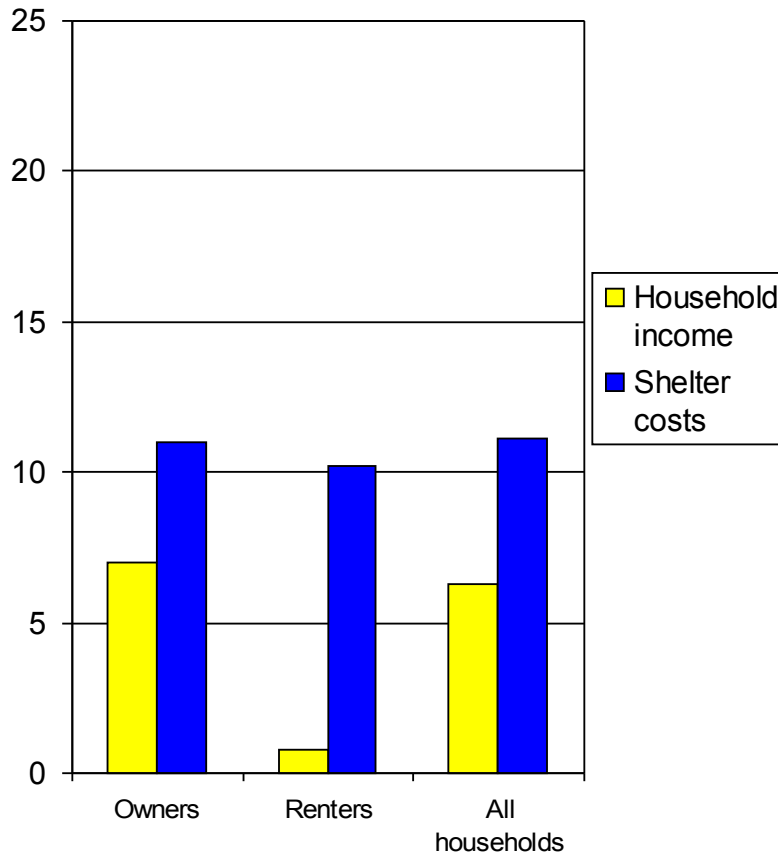
MLS® is a registered trademark of the Canadian Real Estate Association.  
Rents are for privately initiated apartments of three units or more.  
Source: CMHC (Rental Market Survey) and adapted from CREA (MLS®)

- *Shelter costs include the following:*
  - *for renters - rent and any payments for electricity, fuel, water and other municipal services; and*
  - *for owners - mortgage payments (principal and interest), property taxes, and any condominium fees, along with payments for electricity, fuel, water and other municipal services.*
- *Household incomes before taxes:*
  - *sum of the incomes of all household members*

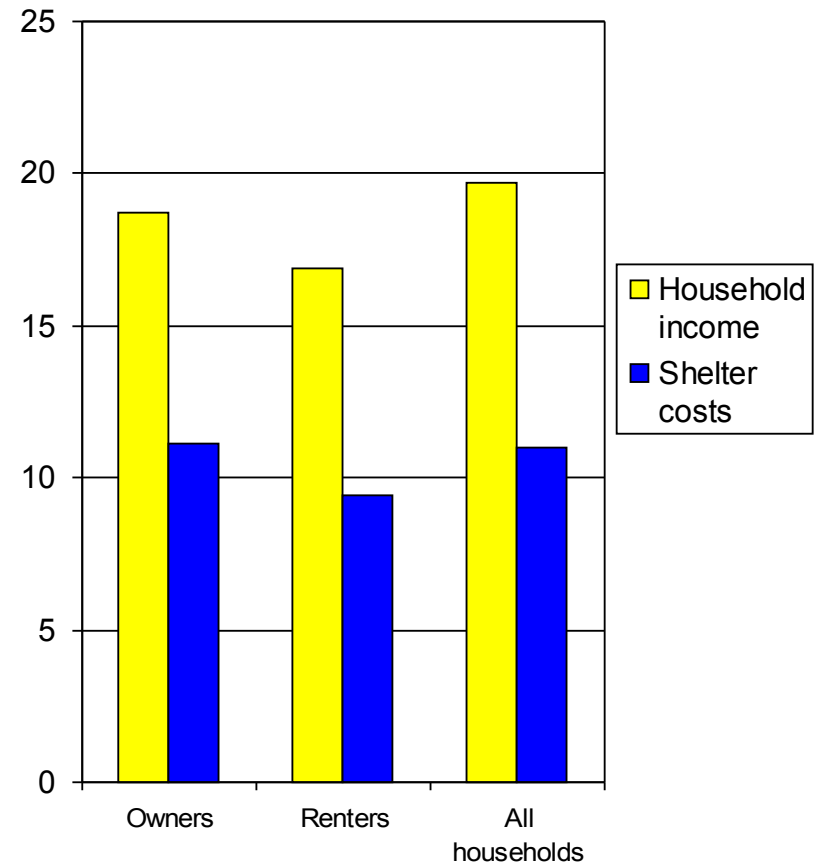
- *Distinct patterns in each intercensal period:*
  - *1991-96: shelter costs increased faster than incomes*
  - *1996-01: as economy improved, incomes increased faster than shelter costs*
  - *2001-06: growth in shelter costs caught up to growth in incomes*

# Growth in Household Income and Shelter Costs, By Tenure, Canada, 1991-2001

Per cent change 1991-1996



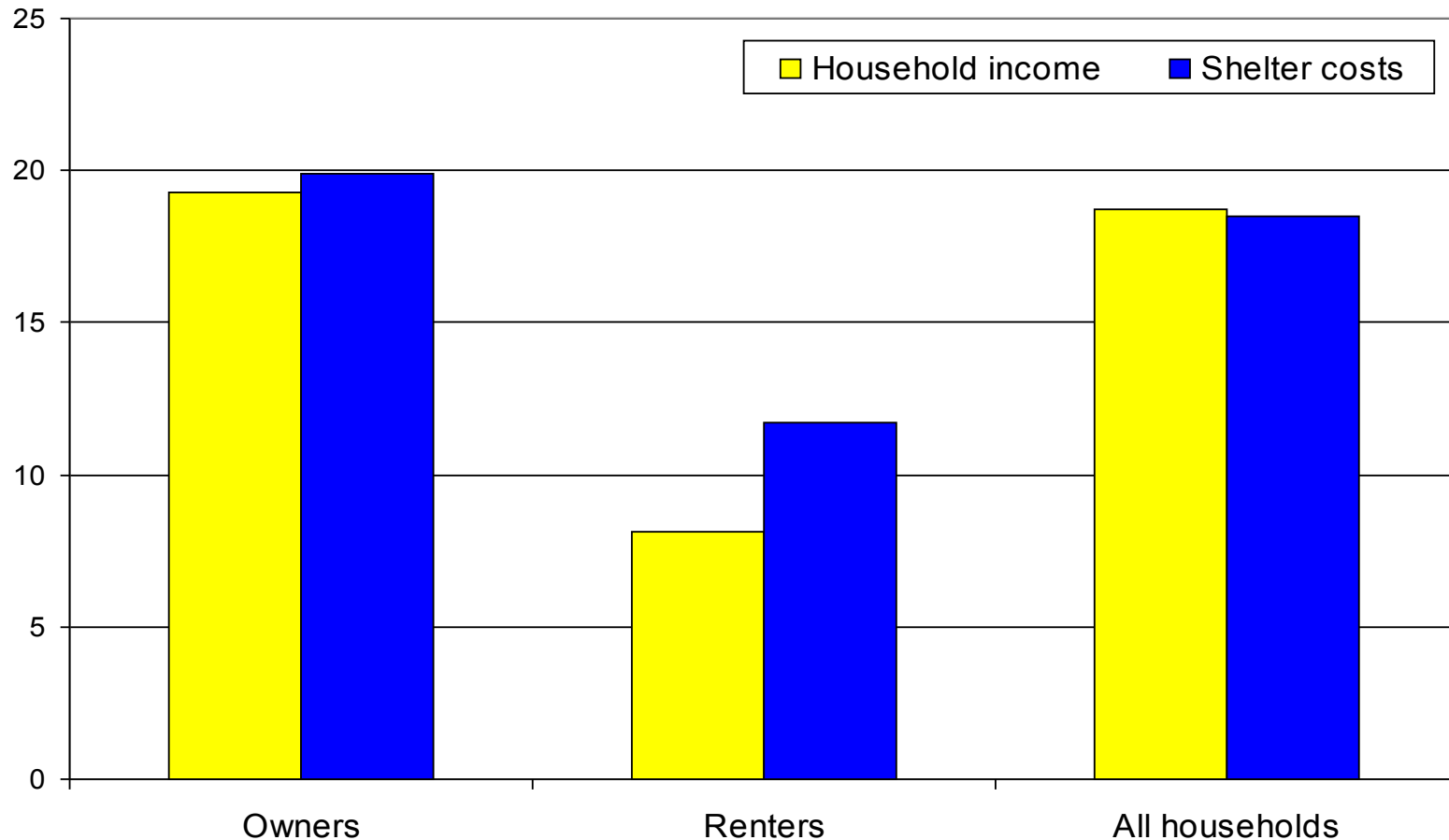
Per cent change 1996-2001



Income growth refers to the periods 1990-1995 and 1995-2000. Incomes are before taxes.  
 Source: CMHC (census-based housing indicators and data)

# Growth in Household Income and Shelter Costs, By Tenure, Canada, 2001-2006

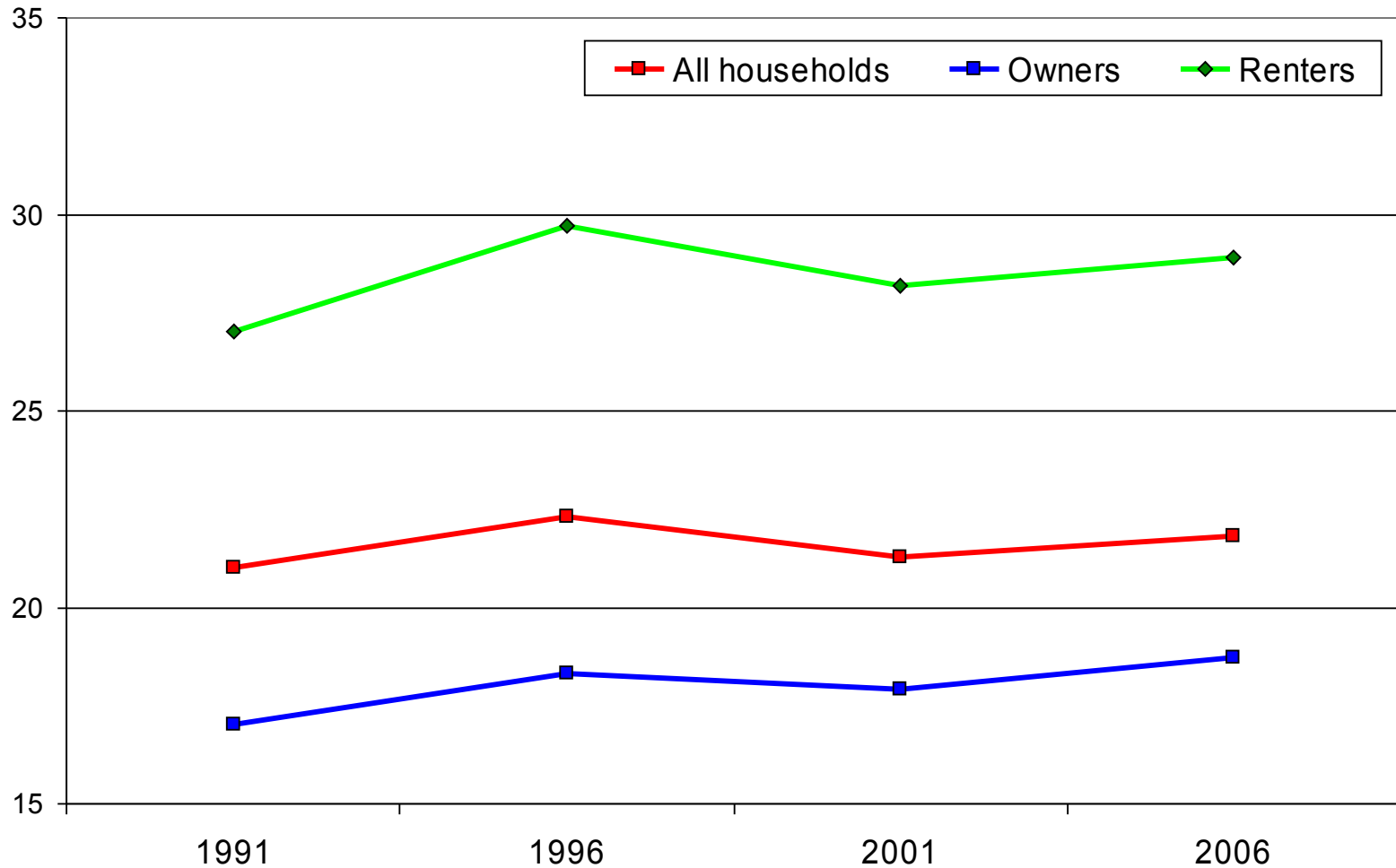
Per cent change 2001-2006



Income growth refers to the period 2000-2005. Incomes are before taxes.  
Source: CMHC (census-based housing indicators and data)

# The Steer-Case-to-Income Ratios (STIRs), Canada, 1991-2006

## Average STIR



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

## Conclusion

- *The incidence of core housing need has broadly paralleled the general fortunes of the Canadian economy.*
- *Changes in shelter costs and household incomes reflect economic and housing market developments.*
- *Current economic difficulties will influence future estimates of core housing need.*

## Data in HiCO

- Household data (number, av. income, av. shelter costs, av. STIR)
- Housing standards (crowding, major repairs, shelter costs  $\leq$  30%)
- Core housing need status
- Tenure (own, rent)
- Age of Maintainer (15-29, 30-44, 45-64, 65+)
- Household Type (Family, Multiple-family, Non-family)
- Aboriginal households
- Senior-led households
- 20 years -- 1991-2006

## Geography

- Provinces
- Census Agglomerations (CAs)
- Census Metropolitan Areas (CMAs)
- Census Divisions (CDs)
- Census Sub-Divisions (CSDs)
  
- Communautés Urbaines (Que); Regional Districts (BC); Regional Municipalities (NS, ON, AB)
  
- Rural/Urban (< 2,500, 2,500 +)
- Small Urban Communities (2,500 – 10,000)