

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.

Definitions and Concepts

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 alternative local market housing that meets all three standards.

2006 Data – What's New?

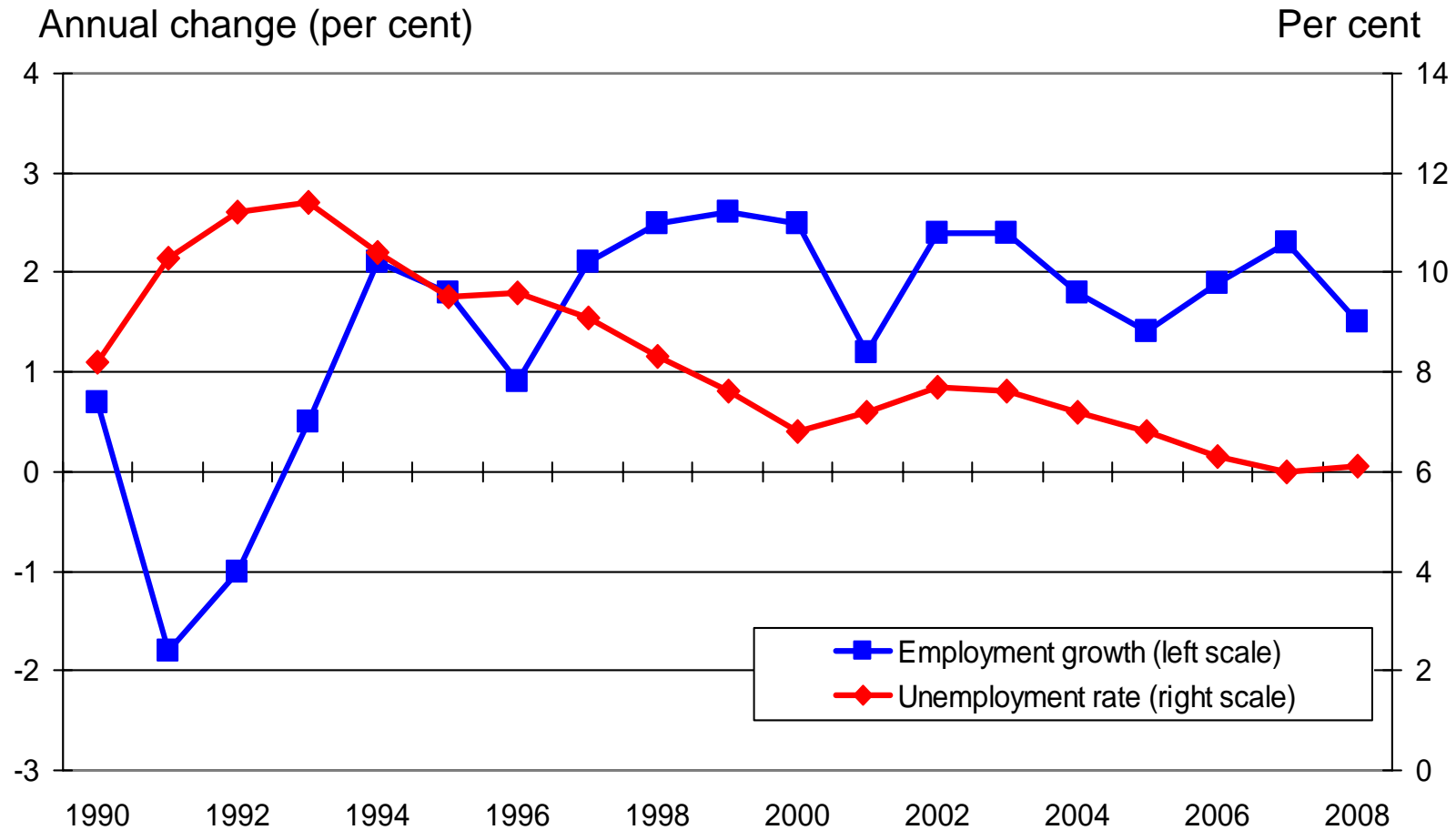
- Extensive verification of 2006 data tables:
 - Inspection of computer logic, creation of test tables – absence of published benchmarks
- Changes associated with 2006 Census:
 - Elimination of distinction between full-time and part-time school attendance → slight reduction in core housing need estimates (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 (STIRs)

- **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)
 - Or use the “Contact Us” link in HiCO (HiCO-LaCel@cmhc.ca)

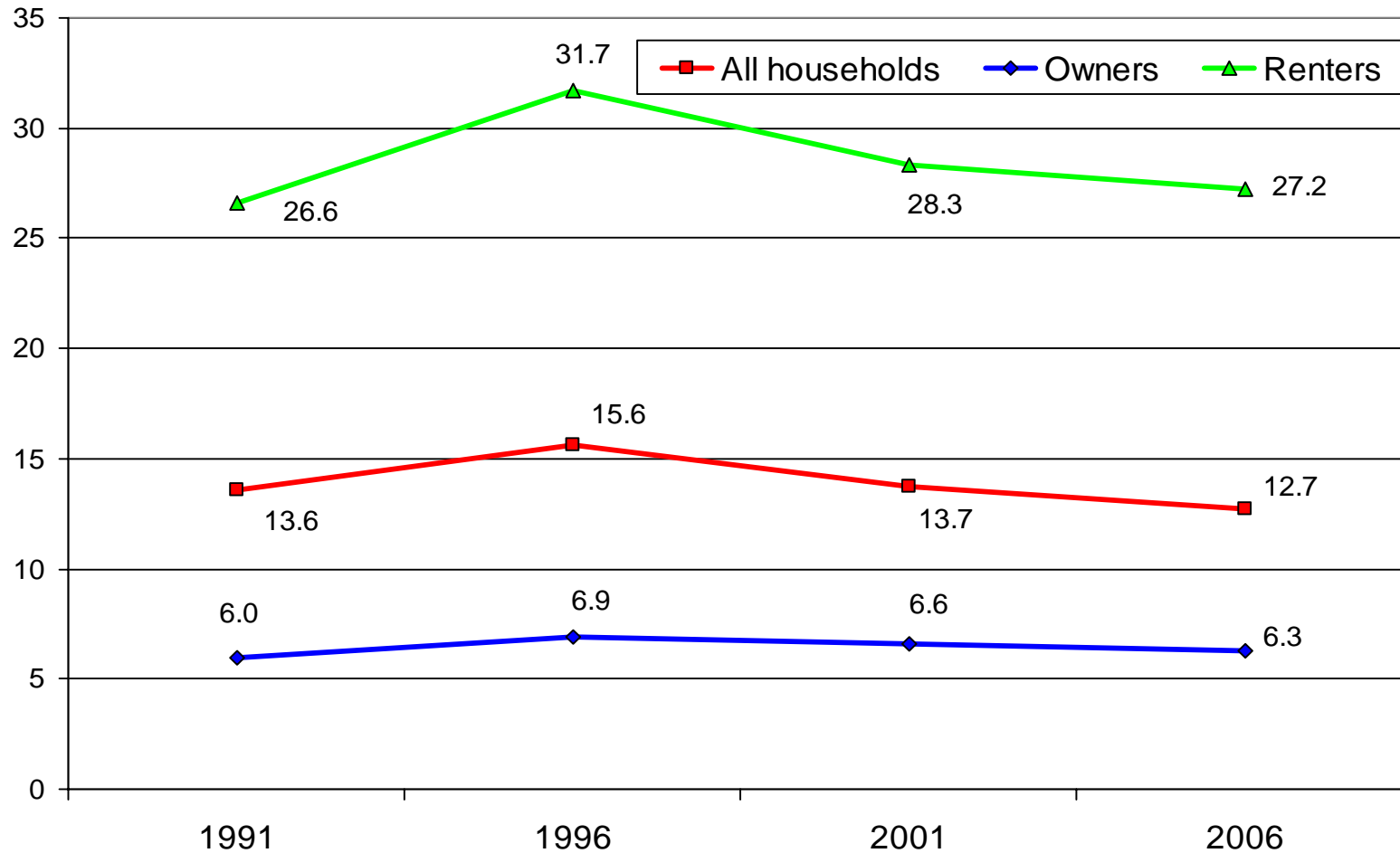
The Economy: Job Creation and Unemployment Rate, Canada, 1990-2008



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

Core Housing Need, Canada, 1991-2006 (Highlight #2)

Per cent of households in core housing need

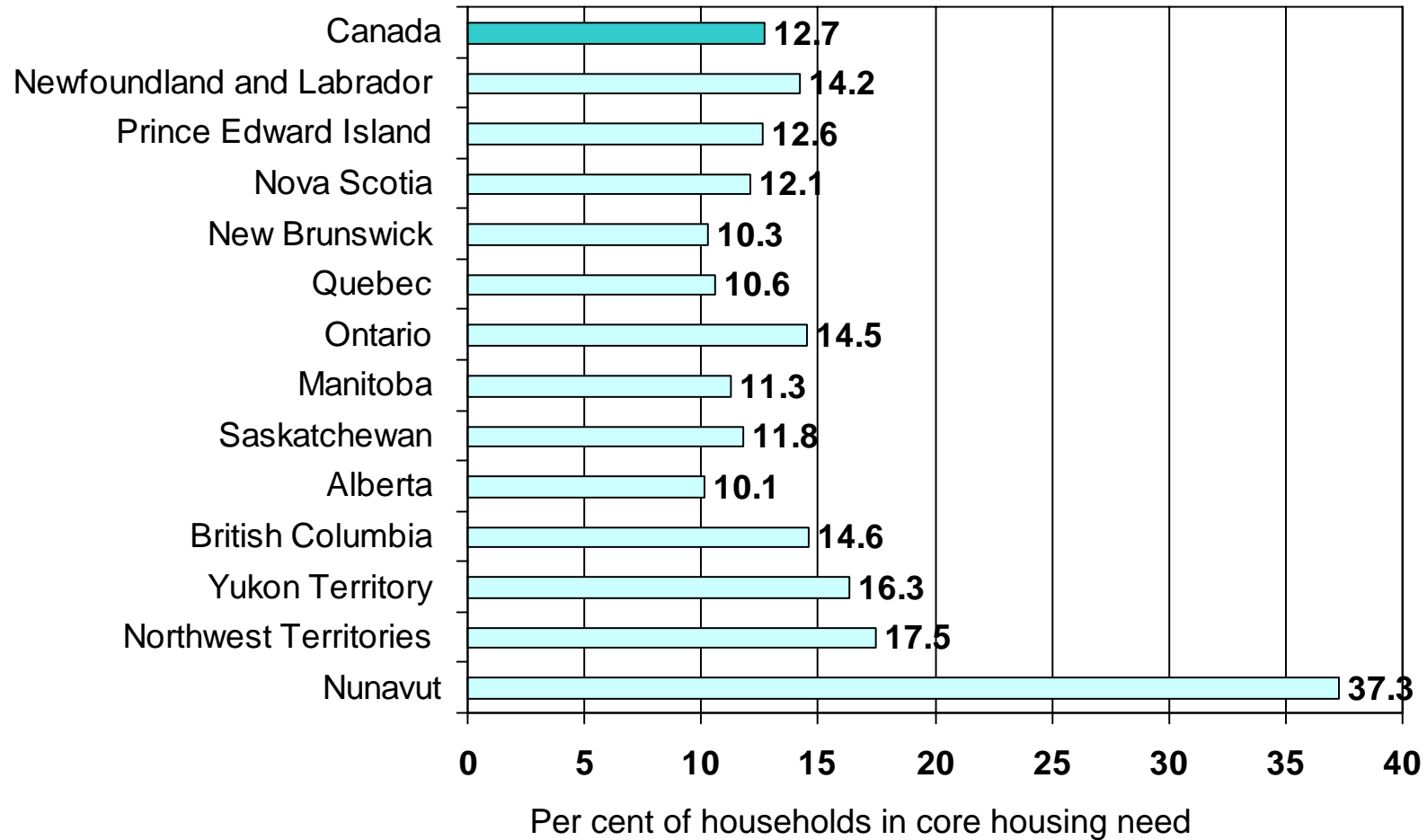


Source: CMHC (census-based housing indicators and data)

Core Housing Need - Observations

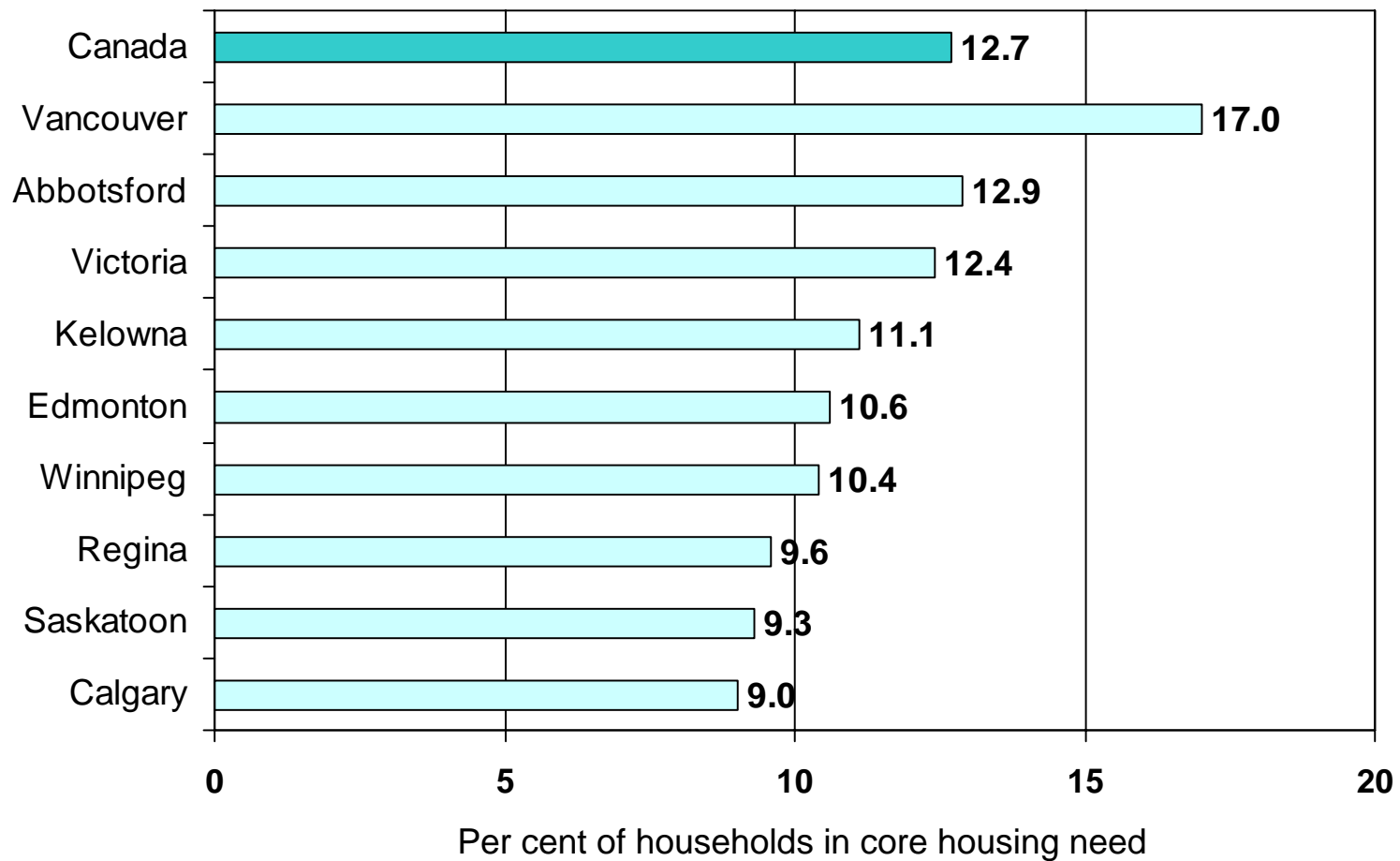
- Improvements in core housing need since 1996 reflected the strengthening economy.
- From 2001 to 2006, the percentage of households in core housing need fell in most provinces and territories, except Saskatchewan, Yukon, and Northwest Territories.
- The drop in the incidence of core housing need from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

Core Housing Need, Provinces and Territories, 2006



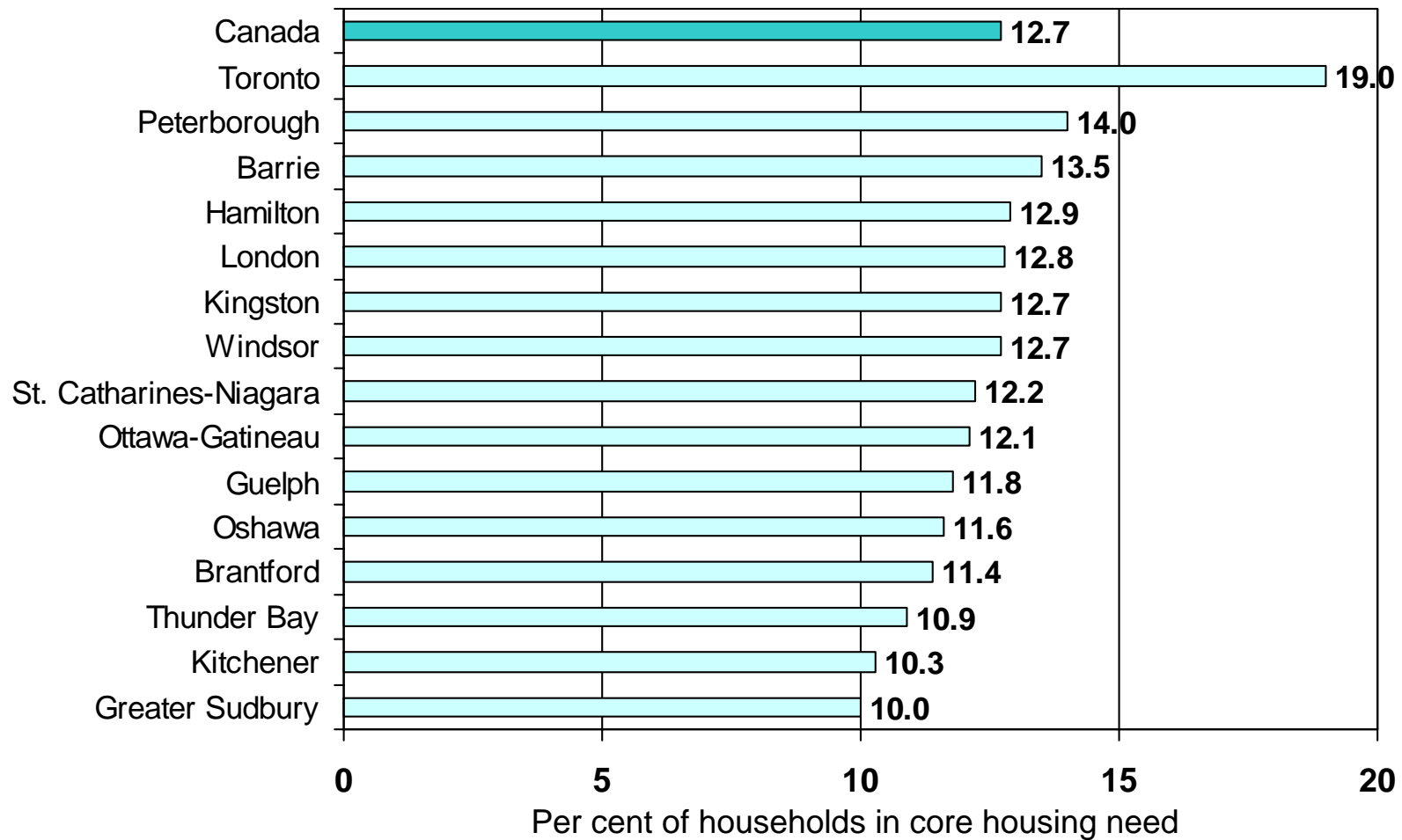
Source: CMHC (census-based housing indicators and data)

Core Housing Need, Metropolitan Areas (West), 2006



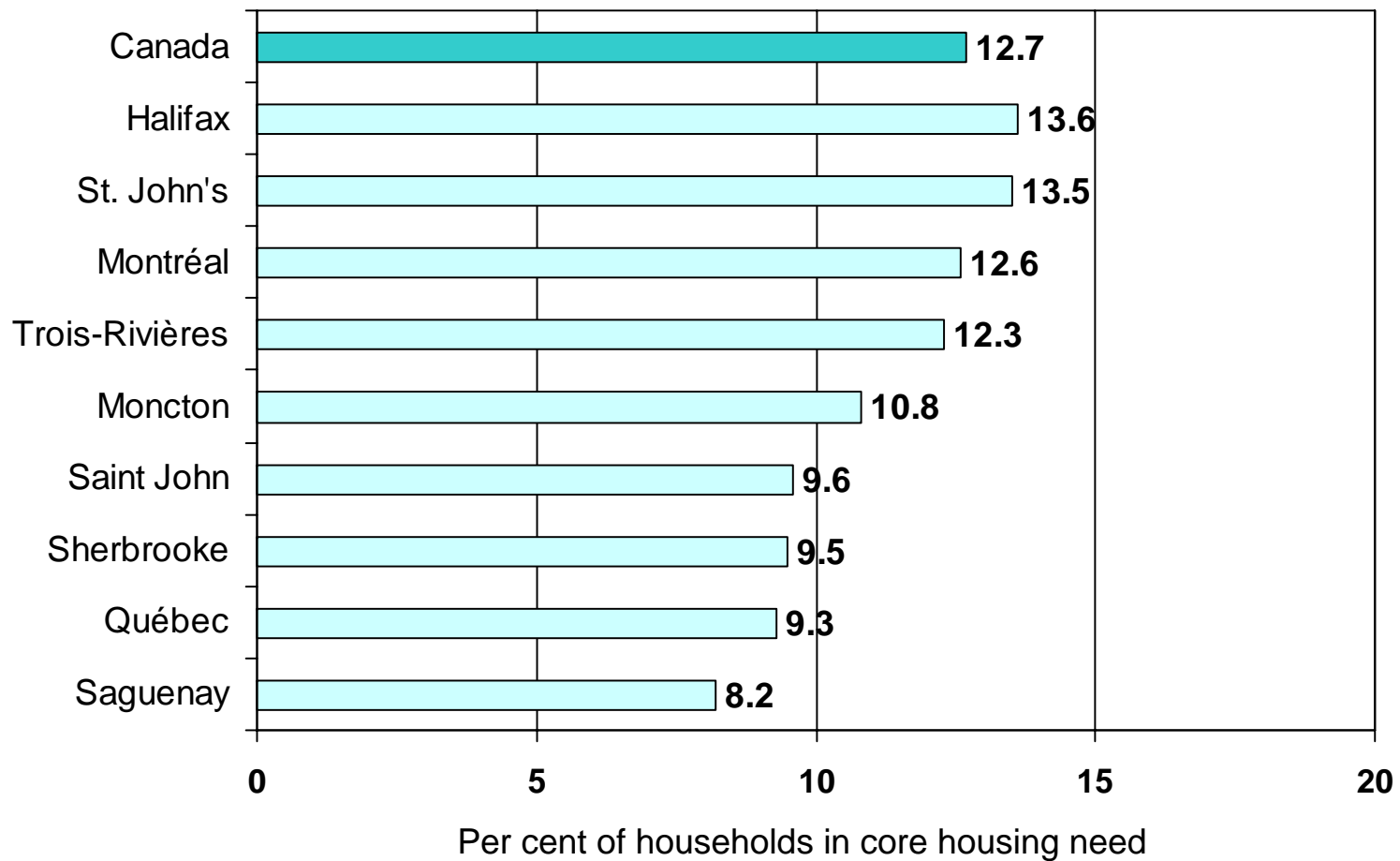
Source: CMHC (census-based housing indicators and data)

Core Housing Need, Metropolitan Areas (Ontario), 2006



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

Core Housing Need, Metropolitan Areas (East), 2006



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

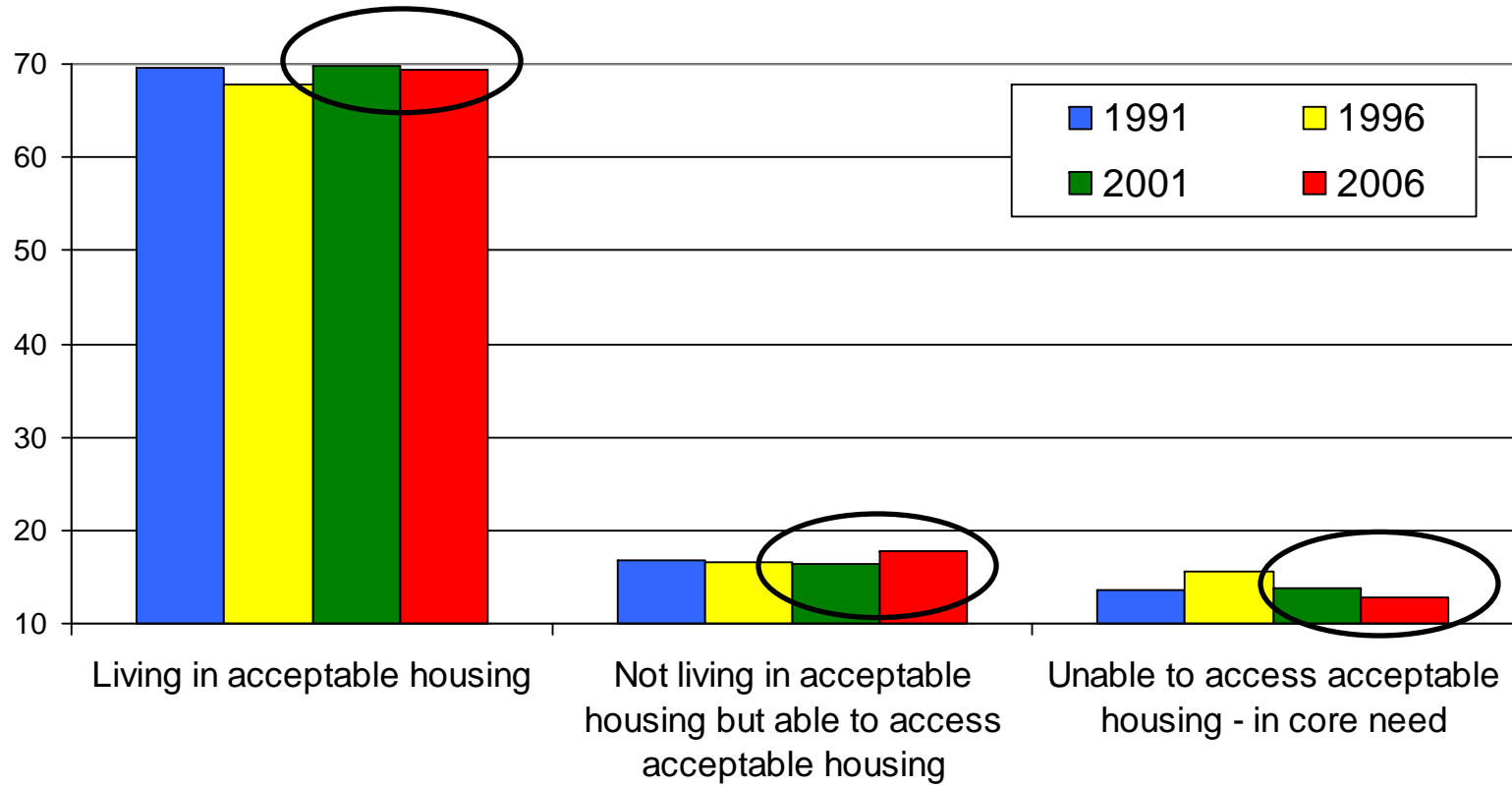
Highlight #3 – Housing Standards

Focus on two groups:

1. Households living in acceptable housing
2. 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 alternative local market housing

Housing Acceptability, Canada, 1991-2006

Per cent of all households



← Households not in acceptable housing →

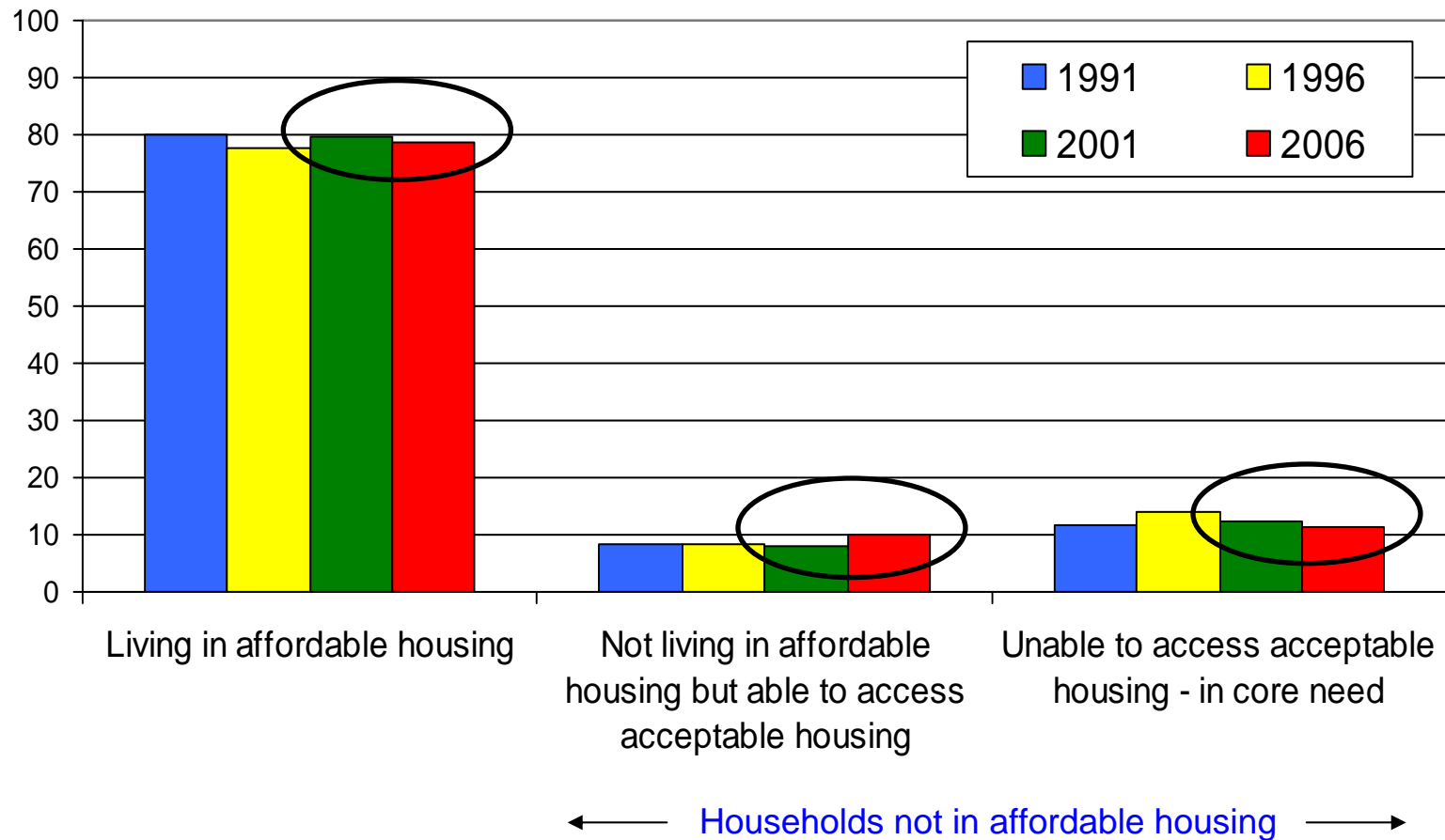
Source: CMHC (census-based housing indicators and data)

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

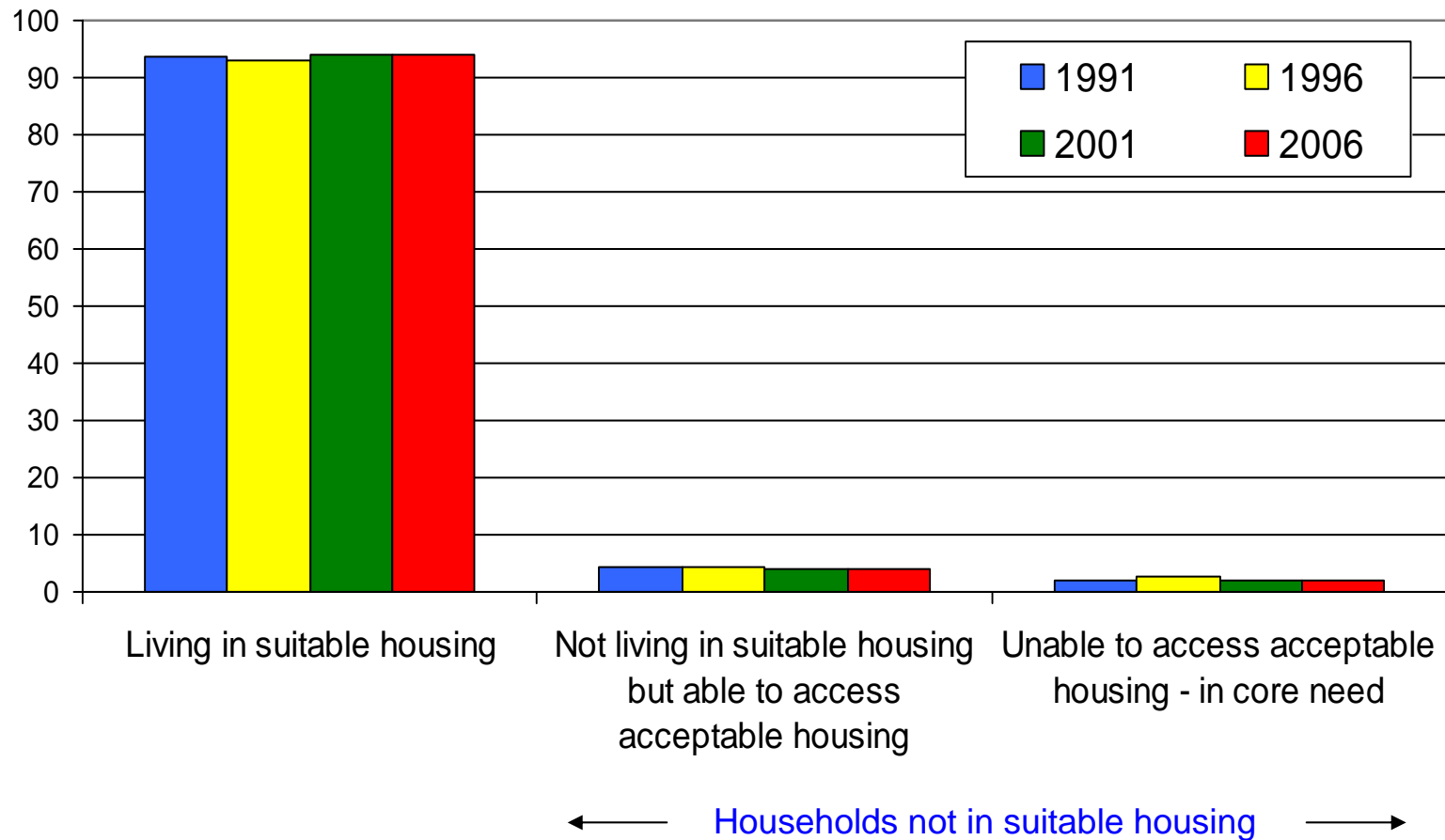
Per cent of all households



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

Housing Suitability, Canada, 1991-2006

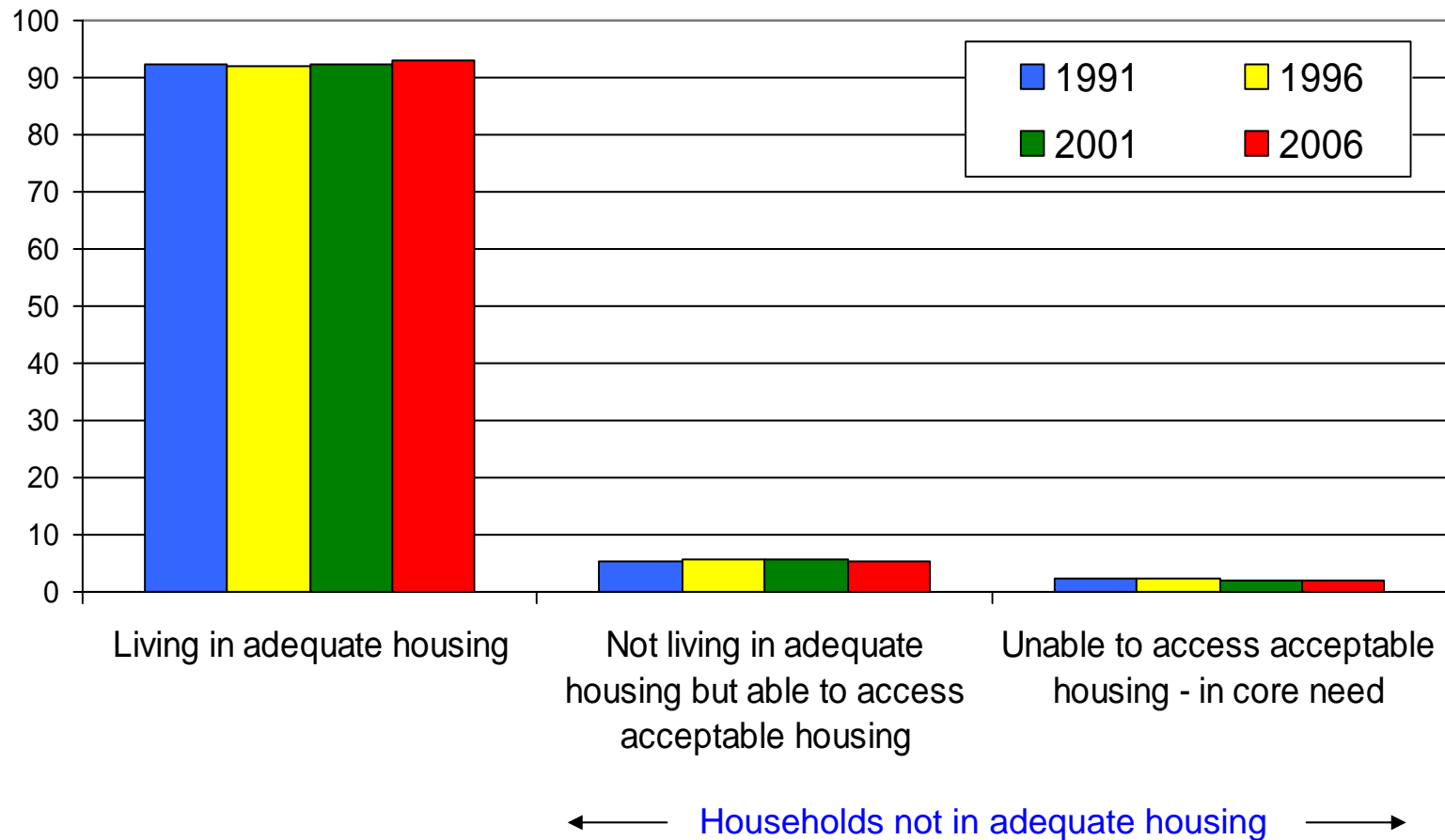
Per cent of all households



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

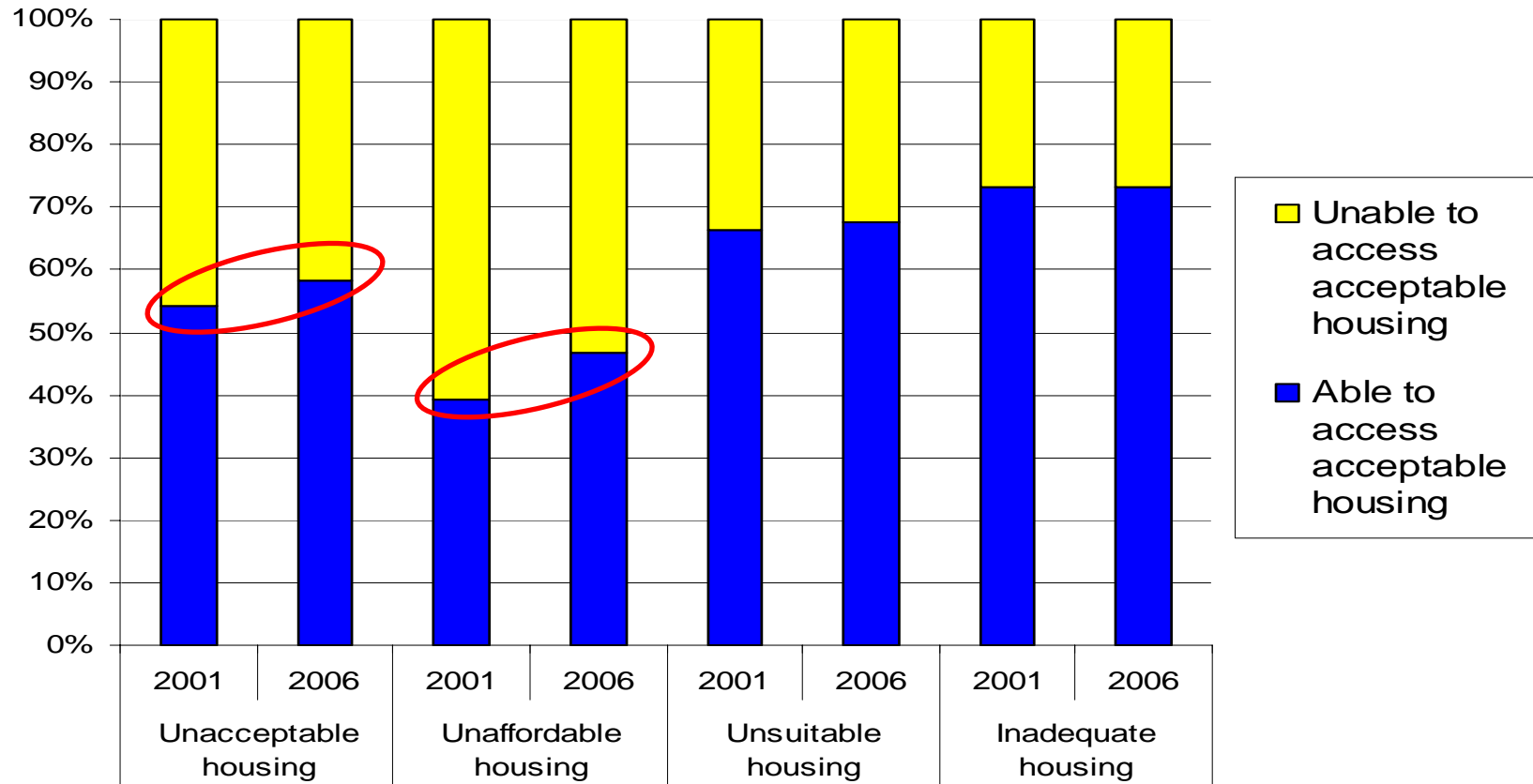
Housing Adequacy, Canada, 1991-2006

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

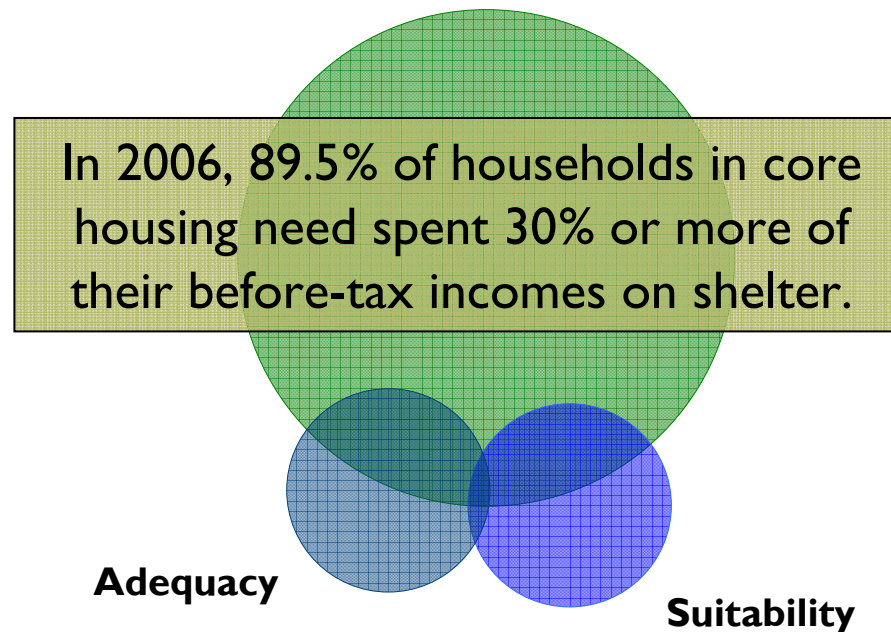
Source: CMHC (census-based housing indicators and data)

Core Housing Need by Cause

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

Canada, 2006

Affordability



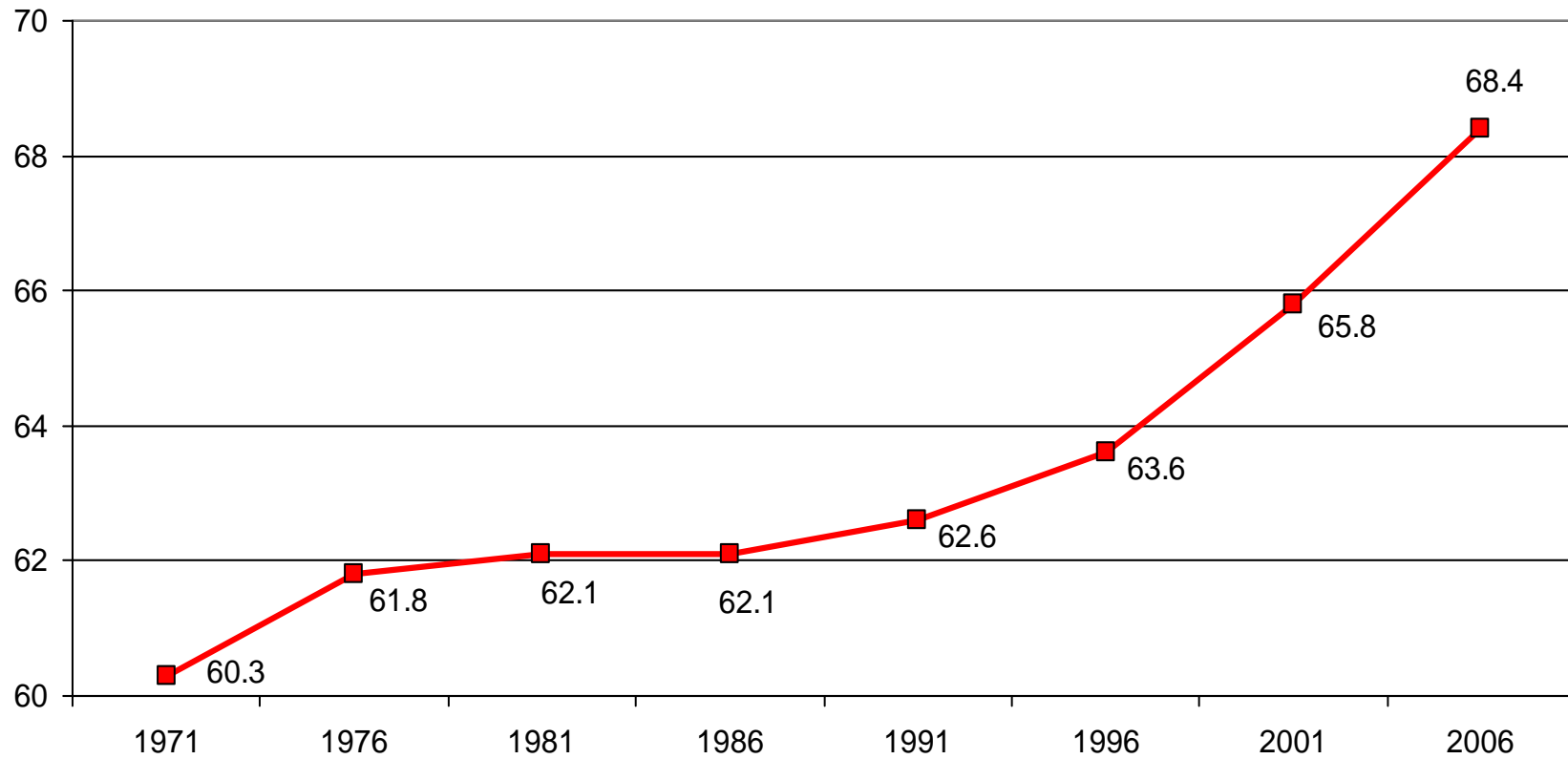
Source: CMHC (Census-based housing indicators and data)

Housing Standards – Provinces and Territories

- 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

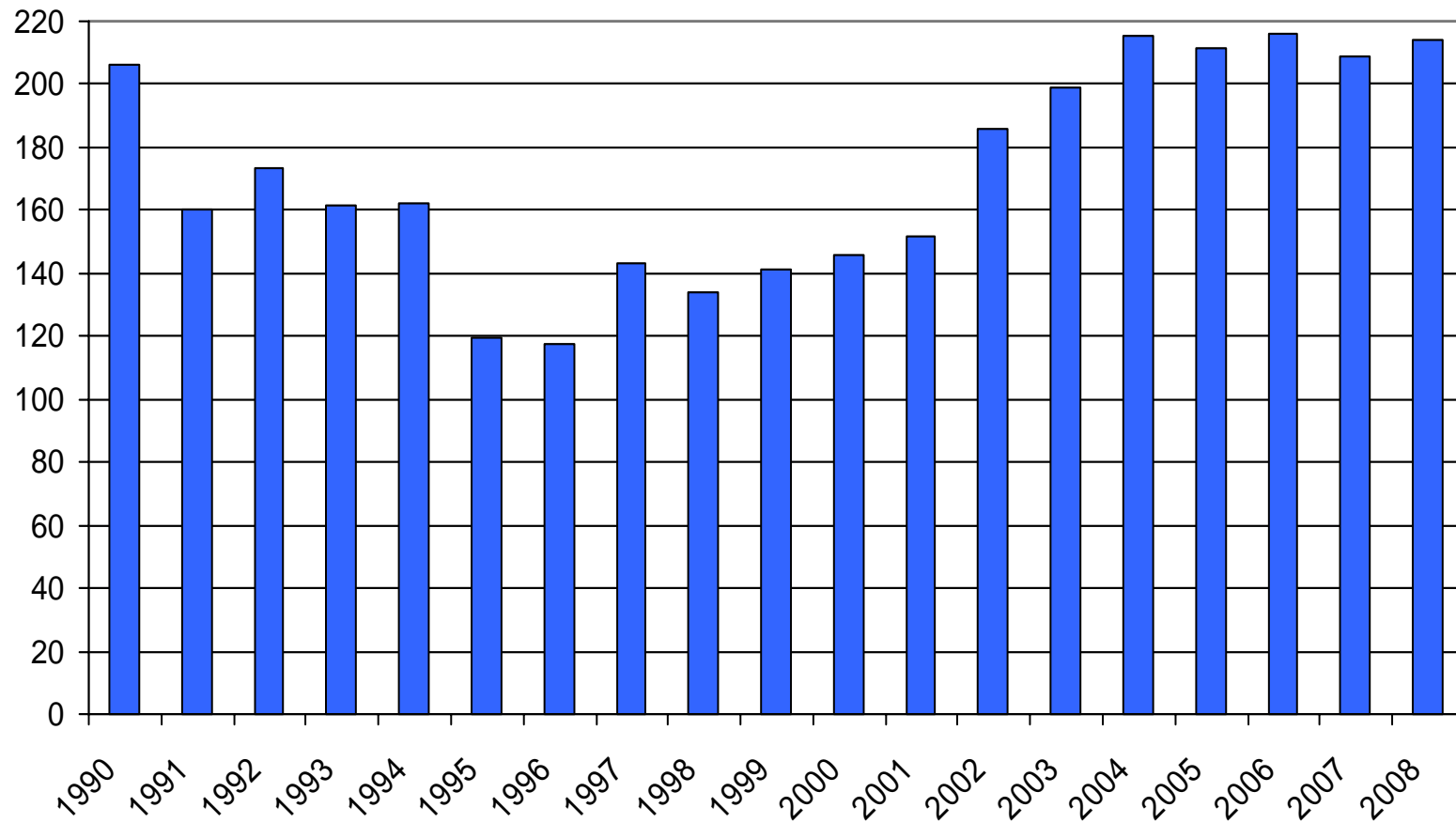
Owners as a per cent of all households



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

Housing Completions, Canada, 1990-2008

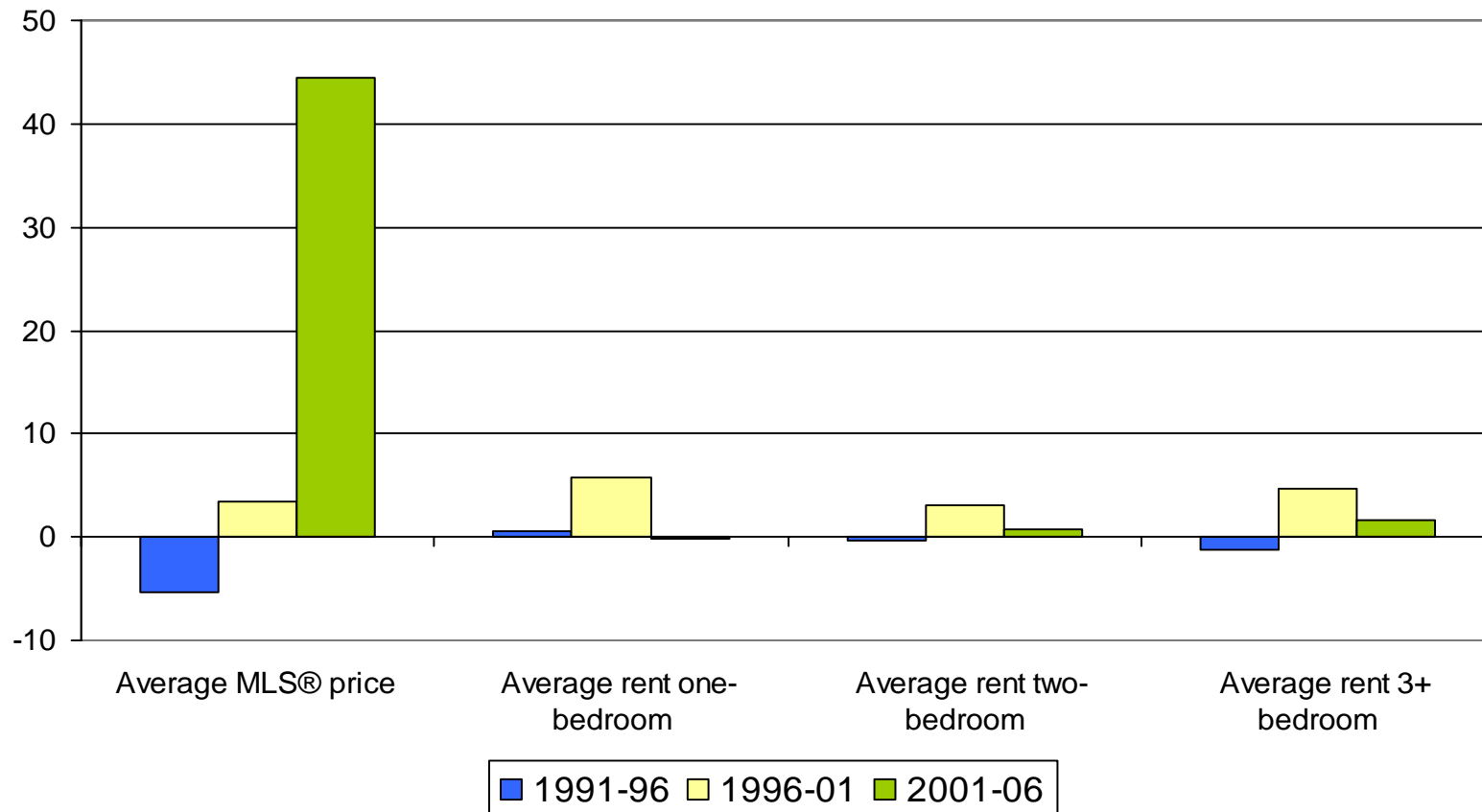
Thousands



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®)

Highlight #4 (forthcoming) - Shelter Costs and Incomes

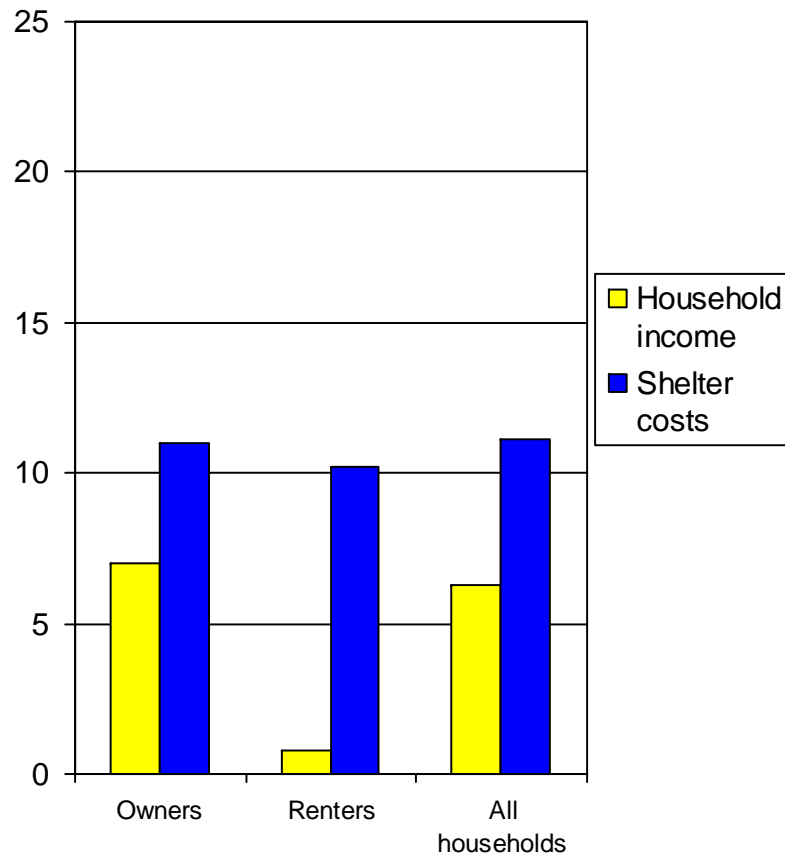
- Shelter costs include the following:
 - for renters - rent and any payments for electricity, fuel, water and other municipal services; and
 - for owners - mortgage payments (principal and interest), property taxes, and any condominium fees, along with payments for electricity, fuel, water and other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

Income and Shelter Cost Growth

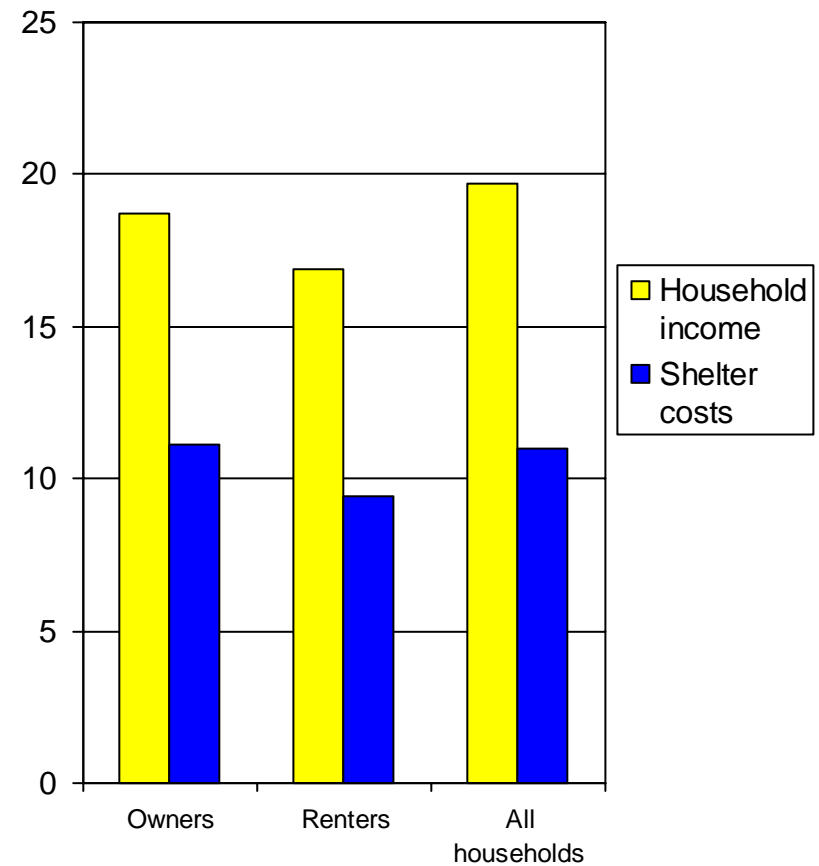
- Distinct patterns in each intercensal period:
 - 1991-96: shelter costs increased faster than incomes
 - 1996-01: as economy improved, incomes increased faster than shelter costs
 - 2001-06: growth in shelter costs caught up to growth in incomes

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

Per cent change 1991-1996



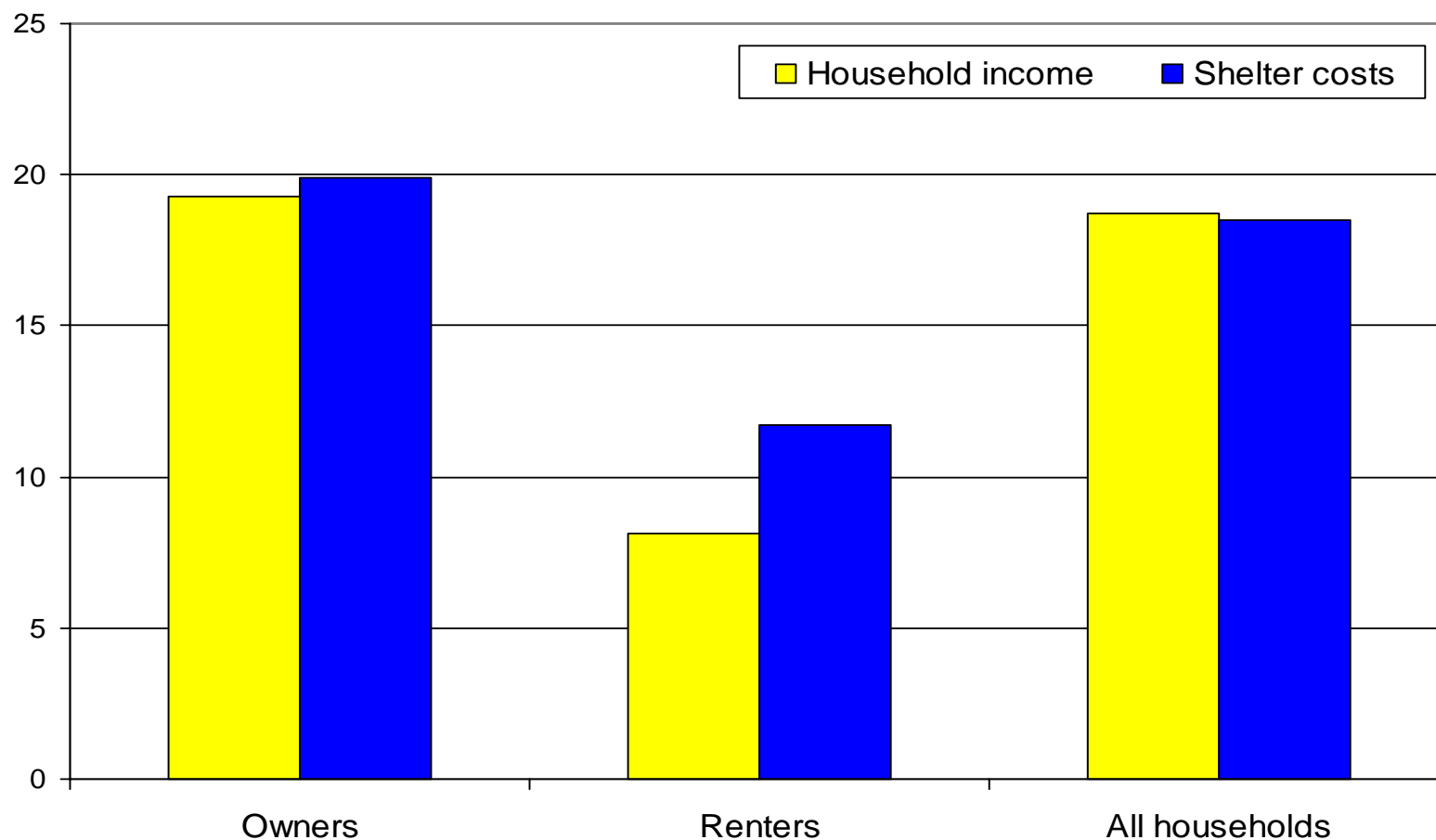
Per cent change 1996-2001



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

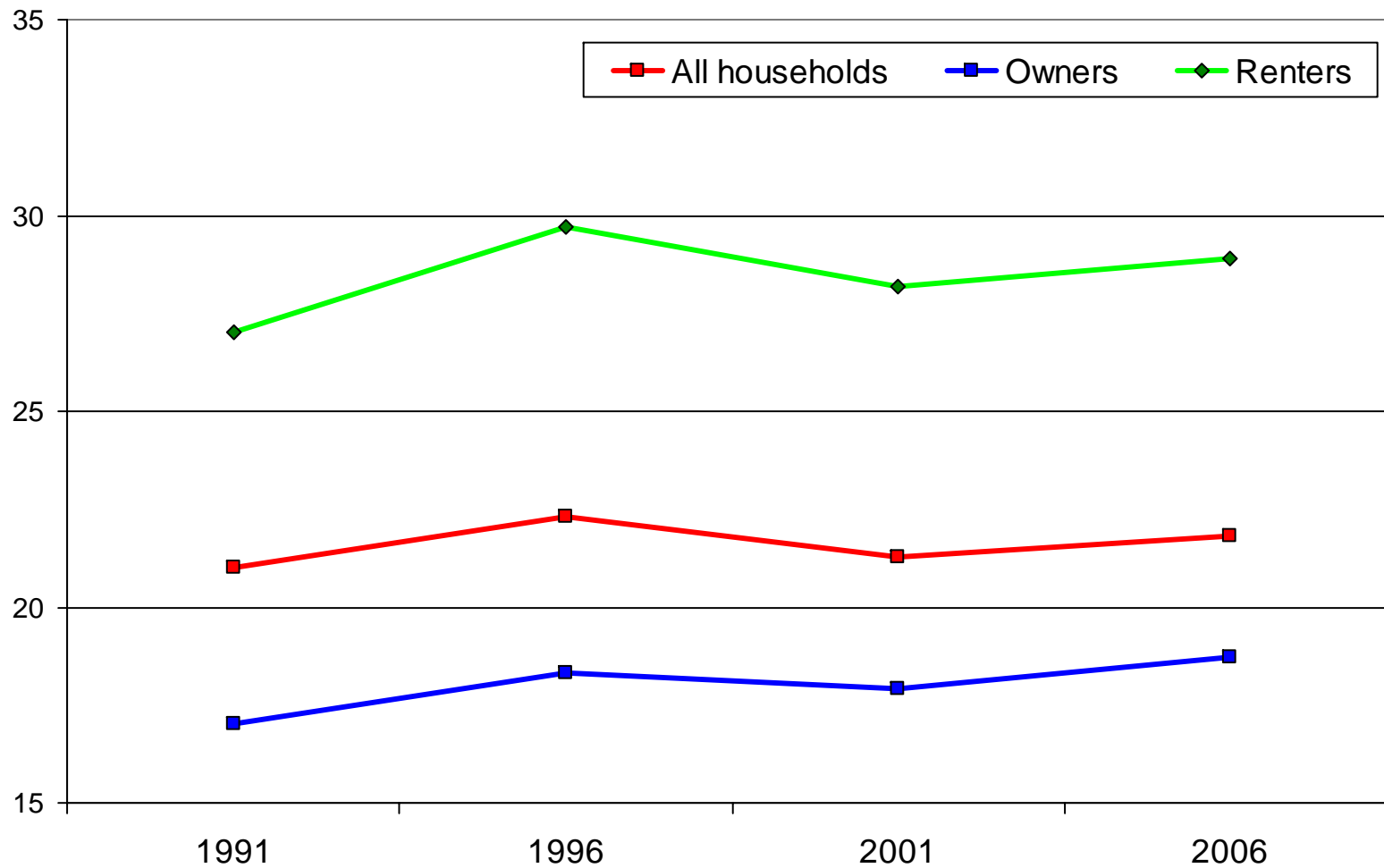
Per cent change 2001-2006



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

Shelter-Cost-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)