



PRESS RELEASE



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Affordable Housing Conditions Improve Across Canada

OTTAWA, Ontario, May 21, 2004 — A moderate improvement in affordable housing conditions in Canada between 1996 and 2001 was announced by Canada Mortgage and Housing Corporation (CMHC) today.

The proportion of Canadian households experiencing core housing need declined from 17.9 per cent in 1996 to 15.8 per cent in 2001, according to an analysis of 2001 census data. The situation improved for both homeowners and renters, with the greatest overall improvements in housing conditions in Quebec, the Yukon Territory, New Brunswick, and Manitoba.

"The improvement in housing conditions reflects Canada's healthy economy," said Douglas Stewart, Vice President, Policy and Planning. "Solid employment and income growth, combined with low mortgage interest rates and modest increases in shelter costs enabled more Canadians to meet their housing needs."

However Mr. Stewart cautioned that, "Despite these recent improvements, we must be mindful that 1.7 million households in Canada remain in core need. Almost all of these households paid more than 30 per cent or more of their income for shelters and more than one-third of these households paid 50 per cent or more of their income for shelter in 2001, leaving them with limited income for other necessities."

The incidence of core housing need amongst certain groups such as Aboriginal people living off-reserve (25 per cent) and recent immigrants (33 per cent) remains considerably higher than for the general population. Housing needs tend to be most acute in Canada's largest cities and in the far north.

The core housing need data excludes Indian Reserves where the need for housing to reduce overcrowding, replace substandard housing and meet the needs of a growing population is well-documented. Households are considered to be in core housing need if they live in housing which is crowded or needs major repairs or costs 30 per cent or more of before-tax household income, and if they are unable to find acceptable housing locally for less than 30 per cent of income.

The information was released in the CMHC Research Highlight "2001 Census Housing Series: Issue 2 — The Geography of Household Growth and Core Housing Need" and "Issue 3 — The Adequacy, Suitability and Affordability of Canadian Housing."

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Backgrounder

Summary of Core Housing Need Statistics

In Issue 2, CMHC found that the total number of households in Canada grew by 7.8 per cent between 1996 and 2001. The proportion of those households in core housing need dropped from 17.9 to 15.8 per cent. As a result, the total number of households in core housing need fell 4.7 per cent.

The percentage of households in housing need decreased in all provinces and territories except Newfoundland and Labrador, where it was unchanged. The number of households in need fell in all provinces and territories except Alberta, Ontario, and Nova Scotia, where it increased slightly.

Table 1: All Households by Core Housing Need Status, 1996 and 2001

Province / Territory	Growth in Total Number of Households			Total Number of Households in Core Housing Need			Percentage of Households in Core Housing Need		
	(000s)			(000s)			(000s)		
	1996	2001	Change	1996	2001	Change	1996	2001	Change
	#	#	%	#	#	%	%	%	%
Newfoundland and Labrador	177.8	181.7	2.2%	28.4	29.1	2.5%	16.0%	16.0%	0.0%
Prince Edward Island	45.1	48.1	6.7%	7.5	7.4	-1.3%	16.6%	15.5%	-6.6%
Nova Scotia	323.1	339.7	5.1%	58.7	60.9	3.7%	18.2%	17.9%	-1.6%
New Brunswick	255.7	268.8	5.1%	38.9	36.8	-5.4%	15.2%	13.7%	-9.9%
Québec	2,621.6	2,812.8	7.3%	477.8	393.1	-17.7%	18.2%	14.0%	-23.1%
Ontario	3,680.3	3,981.5	8.2%	684.8	689.9	0.7%	18.6%	17.3%	-7.0%
Manitoba	374.6	389.8	4.1%	61.8	58.1	-6.0%	16.5%	14.9%	-9.7%
Saskatchewan	314.4	323.1	2.8%	46.0	44.8	-2.6%	14.6%	13.9%	-4.8%
Alberta	891.2	1,014.2	13.8%	126.8	131.3	3.5%	14.2%	12.9%	-9.2%
British Columbia	1,315.4	1,416.7	7.7%	257.1	251.4	-2.2%	19.5%	17.7%	-9.2%
Yukon	10.2	10.2	0.0%	2.1	1.8	-14.3%	20.5%	17.9%	-12.7%
NWT	N/A	12.0	N/A	N/A	2.2	N/A	N/A	18.5%	N/A
Nunavut	N/A	7.1	N/A	N/A	2.7	N/A	N/A	38.7%	N/A
NWT and Nunavut combined*	18.3	19.1	4.4%	4.8	5.0	4.2%	26.2%	26.0%	-0.8%
CANADA	10,027.8	10,805.6	7.8%	1,794.6	1,709.7	-4.7%	17.9%	15.8%	-11.7%

In Issue 3, CMHC assessed households against the three standards underlying its comprehensive indicator of acceptable housing: dwelling adequacy, suitability and affordability. Confirming past studies, it found that most Canadian households (70 per cent) lived in acceptable housing in 2001, that is, in housing that met all three standards. The remaining 30 per cent of households living in housing that was not acceptable were divided between those with sufficient incomes to access acceptable housing and those whose incomes were not sufficient. The 15.8 per cent in the latter group are deemed by CMHC to be in core housing need.

To download a copy of the recently released Research Highlight "2001 Census Housing Series: Issue 2 — The Geography of Household Growth and Core Housing Need: 1996:2001" and a companion Highlight "2001 Census Series: Issue 3 — The Adequacy, Suitability, and Affordability of Canadian Housing" visit the CMHC Web site at: www.cmhc.ca or you can order the free publication from CMHC by telephone at 1 800 668-2642.

Overview of Federal Government Housing Initiatives

The Government of Canada's range of housing programs reflects its commitment to improving housing conditions and affordability on a number of fronts.

Between 2001 and 2007, the federal government will invest \$1 billion to increase the supply of affordable housing. Affordable Housing Agreements have been signed with all provinces and territories and \$276 million in funding for some 12,000 units has already been committed. These agreements provide provinces with the flexibility to tailor programs to meet their particular affordable housing needs while creating affordable housing for low-to-moderate income households.

The federal government annually spends approximately \$2 billion primarily to assist some 636,000 existing low- and moderate-income households through CMHC assisted housing programs, including ongoing financial support for non-profit and cooperative housing projects.

Canada Mortgage and Housing Corporation's existing renovation programs have been extended by \$384 million over three years and will build on the success of those programs to date. CMHC's renovation programs include the Residential Rehabilitation Assistance program, Home Adaptations for Seniors Independence, the Emergency Repair Program and the Shelter Enhancement program. These renovation programs help bring housing up to minimum health and safety standards and have helped some 650,000 Canadian households most in need of housing.

CMHC also supports community-based partnerships for affordable housing. In 2003, CMHC's Centre for Public Private Partnerships in Housing facilitated over 80 housing projects representing almost 6,000 units. More than 30,000 units have been produced since the Centre was established.

In addition, CMHC supports the creation of affordable housing through research and demonstration activities.

CMHC facilitates access to low-cost financing of affordable housing projects through mortgage loan insurance and securitization activities. CMHC is the only mortgage insurance provider for rental housing projects.

For homeowners, CMHC made homeownership more affordable through a 15 per cent reduction in homeowner premiums for mortgage loan insurance, effective July 14, 2003.

In 2002/03, CMHC directed close to \$105.5 million to on-reserve housing programs. As well, CMHC is helping to build the capacity of First Nations to address their own housing needs and manages a Housing Internship Initiative for First Nations and Inuit Youth.

In addition, \$405 million was allocated by the federal government for the three-year extension of the Supporting Communities Partnership Initiative to help communities sustain their efforts to address homelessness.