



## PRESS RELEASE



*Canadian Mortgage News - National Archive 2008*

### CMHC Releases Comprehensive Report on Housing in Canada

**OTTAWA, Ontario, November 13, 2008** — New analysis that tracked how long Canadians living in core housing need\* remained in this situation over a three-year period is unveiled in the *2008 Canadian Housing Observer*, released today by Canada Mortgage and Housing Corporation (CMHC).

"The *2008 Canadian Housing Observer* provides an in-depth picture of housing trends and developments in Canada," said Karen Kinsley, President of CMHC.

"The 2008 *Observer* provides the first analysis of the dynamics of core housing need over time, finding a significant turnover among urban Canadians who lived in this condition."

The *2008 Observer*, CMHC's flagship publication, reveals 84.6 per cent of urban Canadians were able to access housing that was in good condition, suitable and affordable between 2002 and 2004.

For the majority of the 15.4 per cent of urban Canadians who lived in core housing need, it was temporary. Only 4.6 per cent of urban Canadians lived persistently (all three years) in core housing need.

The 2008 *Observer* also provides analysis of how Canada's housing market developed through 2007, showing it experienced high housing starts, strong sales, double-digit price increases and record-level renovation spending.

Other key findings in this year's *Observer* include:

- Strong employment and income growth continued to bolster homeownership demand in Canada. The rate of homeownership in Canada rose to 68.4 per cent in 2006, the largest increase between censuses dating back to 1971.
- In 2007, housing-related spending contributed close to \$300 billion to the Canadian economy.
- Mortgage arrears in Canada remain low. In 2007, slightly more than a quarter of one per cent of Canadian households (0.26 per cent) fell three or more months behind in their mortgage payments.
- The composition of Canadian households continues to change as baby boomers age. For decades, couples with children have made up a declining percentage of all households, and the average size of households has shrunk.

"CMHC's Canadian Housing Observer is an absolute 'must-read' for any organization relying on housing statistics to communicate important messages to decision makers. At its core, this annual publication provides credible and well-documented statistics on a comprehensive array of topics, offering data that can be trusted," said Jean Perrault, President of the Federation of Canadian Municipalities (FCM) and Mayor of Sherbrooke, Québec.

Complementing the 2008 print edition of the *Observer* is a detailed array of online housing market and housing conditions data resources at [www.cmhc.ca/observer](http://www.cmhc.ca/observer). This includes CMHC's Housing in Canada Online (HiCO), a powerful and free interactive tool that provides access to data on national, regional, local and off-reserve housing

conditions, including core housing need.

As Canada's national housing agency, Canada Mortgage and Housing Corporation (CMHC) draws on more than 60 years of experience to help Canadians access a variety of quality, environmentally sustainable, and affordable homes — homes that will continue to create vibrant and healthy communities and cities across the country.

Julie Girard  
CMHC Media Relations  
Office: 613-748-4684  
Cell: 613-295-6330  
[jagirard@cmhc.ca](mailto:jagirard@cmhc.ca)

\*Core housing need refers to households which are unable to afford shelter that meets adequacy, suitability, and affordability norms. The norms have been adjusted over time to reflect the housing expectations of Canadians. Affordability, one of the elements used to determine core housing need, is recognized as less than 30 per cent of the household income spent on shelter.

## Backgrounder

### 2008 Canadian Housing Observer — Key Findings

#### Recent Trends in Housing Affordability and Core Housing Need

- The incidence of urban core housing need in 2005 (13.5 per cent) remained at about the same level as in 2004 (13.6 per cent), largely as a result of Canada's sustained, healthy economy.
- Estimates from 2002 – 2004 show that only 4.6 per cent of urban Canadians lived persistently (all three years) in an urban household in core housing need, while 10.8 per cent did so occasionally for one or two years.

#### Influences on Housing Demand

- Strong employment and income growth continued to bolster homeownership demand in Canada. In 2007, the unemployment rate hit the lowest level in over 30 years, and the rate of participation in the labour force reached a high for the same period.
- Households headed by persons aged 40 and older accounted for all of the household growth in Canada over the period. Couples with children have represented a declining percentage of all households for decades and the average size of Canadian households continues to shrink.

#### Current Market Developments

- Housing starts edged up to 228,343 units in 2007, the second best performance in two decades. The largest percentage increases in total starts were in Saskatchewan (61.7 per cent) and Newfoundland and Labrador (18.6 per cent). Starts in Ontario, Nova Scotia and Alberta declined.
- The average MLSR home price reached \$307,300 in 2007, up 11 per cent from 2006. Saskatchewan, Alberta, Manitoba and British Columbia recorded the highest price increase.

#### Housing Finance

- Annual average mortgage credit outstanding rose to \$774 billion in 2007, up 11.5 per cent from 2006. High house price gains were reflected in a 14.9 per cent increase in the average amount approved in 2007.

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### **Sustainable, Healthy Communities**

- Appropriate urban planning can reduce automobile use, the community impacts of which go well beyond ill health caused by air pollution. The reduction of traffic in neighbourhoods has been shown to produce positive results on many fronts, including increased children's play, more social interaction, reduced noise, more walking and collision reduction — all leading to a healthier, less stressful lifestyle.
- Green roofs and reductions in impermeable street surfaces can improve water quality by absorbing rather than repelling water runoff.

### **Northern Housing**

- The Northern Sustainable Housing near Dawson — a partnership between CMHC, the Tr'ondek Hwech'in First Nation and Yukon Housing Corporation — is a prototype for construction of northern housing that is energy-efficient and culturally acceptable to the occupants and community.
- Nunavut Housing Corporation built an innovative five-plex housing design, which will address the unique cold-weather challenges of building in the North. This design received a CMHC award for Best Practices in Affordable Housing.