Chapter 5

Recent Trends in Housing Affordability and Core Housing Need

Fast Facts

- The incidence of urban core housing need in 2009 was 13.5%, up from 12.3% in 2007. This is consistent with economic conditions in Canada during this time period. Ontario and British Columbia accounted for about 88% of the 164,000 increase in the number of households in core housing need between 2007 and 2009.
- Median depth of housing need for urban households in core housing need increased from $1,910 in 2007 to $2,270 in 2009 (expressed in 2009 constant dollars).
- The incidence of urban core housing need for non-senior men living alone in 2009 was 23.4%, up from 18.5% in 2007. Between 2007 and 2009, non-senior men accounted for the largest share (39%) of the growth in urban core housing need and couples with children accounted for the next largest share (26%).
- The incidence of urban core housing need in 2009 for lone-parent households was 32.9%, a decline from 41.2% in 2002.
- In 2009, 80.4% of urban households in core housing need were in the lowest-income quintile; 61.4% were renters and 19.0% were homeowners.
- In 2009, 60.5% of urban renters in the lowest-income quintile were in core housing need compared to 40.4% of lowest-income homeowners.

In Canada, most households are able to satisfy their housing requirements through the housing market. However, there are some households whose housing needs are not being met in the market place. Information on housing conditions in Canada and the characteristics of those in housing need is used by all levels of government and the non-profit sector to inform their policies, programs, plans and activities, in order to improve housing outcomes for those in need *(see text box Federal government investments in affordable housing).*

This chapter examines trends in urban[1] housing conditions based on data from the *Survey of Labour and Income Dynamics (SLID)* from 2002 to 2009. Information about SLID and key definitions is available at the end of the chapter *(see text boxes, Acceptable housing and core housing need and Survey of Labour and Income Dynamics).*

Federal government investments in affordable housing

Since 2001, the Government of Canada has been investing in affordable housing through the Affordable Housing Initiative (AHI) and, more recently, through the Investment in Affordable Housing (IAH) 2011-2014. The Government of Canada has also invested in affordable housing through Canada's Economic Action Plan and continues to provide assistance for low-income households living in existing social housing.

Investment in Affordable Housing (2011-2014)

In July 2011, a Framework for the Investment in Affordable Housing (IAH) 2011-2014 was jointly announced by federal, provincial and territorial ministers responsible for housing for a combined total investment over the three years of $1.4 billion toward reducing the number of Canadians in housing need. The federal portion of this funding is some $716 million over three years.

The Framework recognizes the diversity of housing needs of Canadians and that a range of housing solutions—from existing programs to new approaches—is the most effective in meeting local needs and priorities. Under this Framework, provinces and territories cost-match the federal investment and have responsibility for the design and delivery of affordable housing programs in order to address their own specific housing needs and priorities in their jurisdictions. New housing must remain affordable for a minimum of 10 years. Initiatives under the Framework may include new construction, renovation, homeownership assistance, rent supplements, shelter allowances, and accommodations for victims of family violence.

Affordable Housing Initiative (2001-2011)

Under the Affordable Housing Initiative (AHI), the federal government, through CMHC, provided one-time capital contributions to increase the supply of affordable housing in partnership with provinces and territories. AHI funding was allocated in three phases with the first allocation in 2001 at $680 million (Phase One), the second allocation in 2003 at $320 million (Phase Two), and the third allocation in 2009 at $250 million over two years. Under Phase One, the average amount of federal funding could not exceed $25,000 per housing unit. Phase Two provided additional funding for housing targeted to low-income households in communities where there was a significant need for affordable housing. Under Phase Two, the maximum federal funding was 50% of capital costs to a maximum of $75,000 per housing unit to reduce rent to affordable levels for low-income households. To be considered low-income, a household must have qualified to be on a social

[1] Urban households are households living in Census Metropolitan Areas (CMAs) and Census Agglomerations (CAs).

Federal government investments in affordable housing (continued)

housing waiting list. In 2009, AHI was extended for another two years through to March 31, 2011. Provinces and territories cost-matched the federal investment and were responsible for the design and delivery of affordable housing programs. The bilateral agreements between CMHC and the provinces and territories required that the rental units created under AHI would be available at or below median market rent, and remain affordable for a minimum of 10 years. Since the introduction in 2001 of the Affordable Housing Initiative, 51,843 units have been funded.[1]

Renovation Programs

For more than 30 years, the federal government has helped preserve and improve the quality of affordable housing for low-income Canadians through investments in renovation programs. Funding has supported needed repairs and accessibility modifications to existing private and rental housing occupied by households in core need. In 2011, some 5,715 households benefited from renovation program assistance. Funding previously provided under the renovation programs and the Affordable Housing Initiative (AHI) has been combined under the Investment in Affordable Housing (IAH). Most provinces and territories have entered into bilateral agreements with CMHC for the IAH. CMHC continues to deliver renovation programs in Prince Edward Island and Yukon, where the existing delivery arrangements were extended.

Canada's Economic Action Plan (CEAP)

In 2009, the federal government announced Canada's Economic Action Plan (CEAP). CEAP provided a one-time investment of more than $2 billion over two years to build new and renovate existing social housing benefiting, among others, single-parent families and seniors. This funding included the following allocations:

- $1 billion to support much needed repairs to social housing ($850 million cost-matched and delivered by provinces and territories, and $150 million for existing social housing administered by CMHC);
- $600 million for new housing and repairs to existing housing on-reserve and in the North ($400 million for on-reserve and $200 million for the North);
- $400 million to build more housing for low-income seniors (cost-matched and delivered by provinces and territories); and
- $75 million for new housing for people with disabilities (cost-matched and delivered by provinces and territories).

These investments resulted in approximately 13,000 social housing construction or renovation projects. Most of this funding was cost-matched and delivered by provinces and territories under agreements with CMHC.

Social Housing

The federal government, through Canada Mortgage and Housing Corporation, invests about $1.7 billion annually in support of an estimated 605,000 low-income households living in existing social housing across Canada. This funding helps ensure that these households have access to affordable, sound and suitable housing.

[1] *2011 Annual Report,* Ottawa: Canada Mortgage and Housing Corporation, 2012.

Urban core housing need increased and deepened between 2007 and 2009

In 2009, about 86.5% (about 9.2 million) of Canada's 10.7 million urban households either lived in, or had sufficient income to access, acceptable housing. This included about 7.1 million households (67.1%) living in acceptable housing and about 2.1 million households (19.4%) 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% of their before-tax household income *(see Figure 5-1).*

FIGURE 5-1

Urban housing conditions

	2002	2003	2004	2005	2006	2007	2008	2009
Number of urban households (in millions)	9.4	9.5	9.6	10.0	10.2	10.4	10.6	10.7
Number of individuals in urban households (in millions)	24.0	24.1	24.3	25.1	25.4	25.8	26.2	26.3
a) Housing conditions of urban households								
Percentage of urban households in acceptable housing (meets all standards)	69.7	69.8	70.0	68.3	67.7	67.5	67.0	67.1
Percentage of urban households in housing below one or more standards, but could afford acceptable housing	16.4	16.3	16.4	18.3	19.3	20.2	20.0	19.4
Percentage of urban households in core housing need (i.e. below one or more standards and unable to access acceptable housing)	13.9	13.9	13.6	13.4	13.0	12.3	13.0	13.5
Average depth ratio (%)	27.8	28.0	28.2	27.5	27.0	26.1	27.6	28.2
Median depth of housing need for households in core housing need (2009 constant dollars)	2,040	2,040	2,080	1,970	1,990	1,910	2,100	2,270

b) Housing conditions of urban individuals

Persistence of core housing need over three-year periods	2002-2004	2005-2007
Percentage of individuals never in core housing need during the three-year period	84.6	85.6
Percentage of individuals occasionally (one or two years) in core housing need during the three-year period	10.8	10.5
Percentage of individuals persistently in core housing need all three years	4.6	3.9

Year-to-year movements of individuals into or out of core housing need	Average over pairs of years (2002-2003, 2003-2004, 2005-2006, 2005-2007)
Average percentage of individuals who were not in core housing need in both years	87.6
Average percentage of individuals who were in core housing need in both years	5.9
Average percentage of individuals exiting core housing need from one year to the next	3.4
Average percentage of individuals entering core housing need from one year to the next	3.1

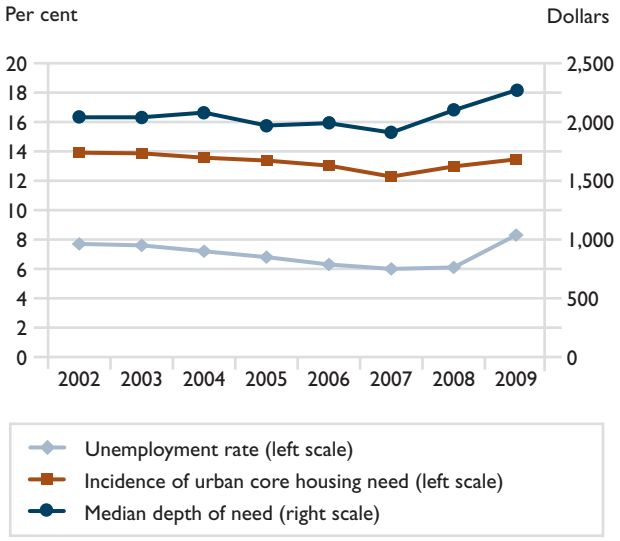
All figures are rounded.
For key definitions, see text boxes at the end of the chapter.

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

The incidence of core housing need for urban households increased from 12.3% in 2007 (before the beginning of the 2008-09 economic downturn) to 13.5% in 2009 *(see Figure 5-2)*. This is consistent with economic conditions in Canada during this time period.[2] In 2009, about 1.4 million urban households in Canada lived in core housing need, an increase of about 164,000 households over 2007. Ontario and British Columbia accounted for about 88% of this increase (53% and 35%, respectively).[3] Urban households in core housing need experienced more severe need during the same time period; median depth increased from $1,910 in 2007 to $2,270 in 2009 (in 2009 constant dollars).

FIGURE 5-2

Incidence of urban core housing need, median depth of need and unemployment rate, 2002-2009



Source: CMHC (SLID-based housing indicators and data) and Statistics Canada (CANSIM)

Most individuals who lived in core housing need did so temporarily

Looking at longitudinal results where the same individuals are followed over time, between 2005 and 2007, 3.9% of urban individuals were persistently in core housing need (i.e. they lived in households that were in core housing need for all three years); similarly, between 2002 and 2004, 4.6% of urban individuals were in persistent core housing need. These percentages represent slightly less than one-third of those who were ever (for at least one year) in core housing need during these three-year periods.

On average, about 3.4% of urban individuals exited, and about 3.1% entered, core housing need from one year to the next in the four 2-year periods examined between 2002 and 2007. Thus, for any given pair of years, about one-third of individuals exited core housing need and were replaced by new entrants, and two-thirds of individuals remained in core housing need for both years *(see Figures 5-1 and 5-3)*.[4]

Affordability continued to be the main reason for core housing need

All households in core housing need have failed at least one of three housing standards: suitability (crowding), adequacy (state of repair) and affordability. In 2009, 91.2% of urban households in core housing need were in need because they were unable to meet the housing affordability standard, either solely or in combination with the other two standards *(see Figure 5-4)*. Only about 8.8% of core-need urban households were in need because they failed to meet the suitability and/or adequacy standards alone.

[2] See Chapter 4 Demographic and Socio-economic Influences on Housing Demand.

[3] In comparison, Ontario and British Columbia accounted for about 56% of the increase in all urban households between 2007 and 2009.

[4] For more information on these longitudinal results, see previous issues of the *Canadian Housing Observer* for 2008, 2010 and 2011. Longitudinal estimates are based on individuals and not households since households form, change and dissolve over time.

FIGURE 5-3

Year-to-year turnover in individuals in core housing need

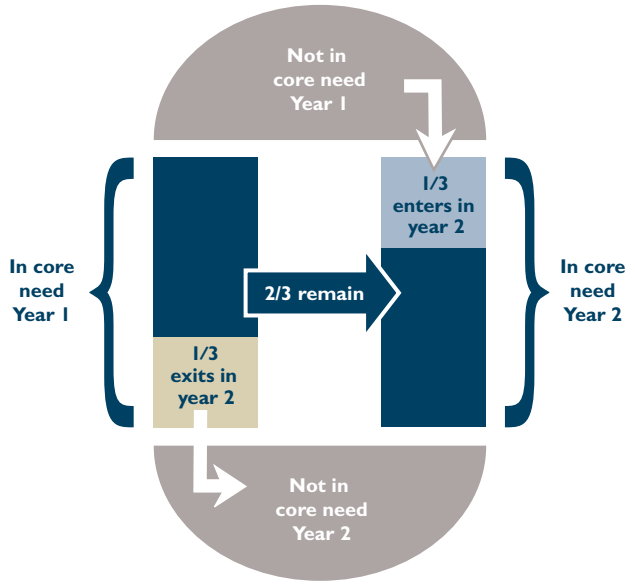
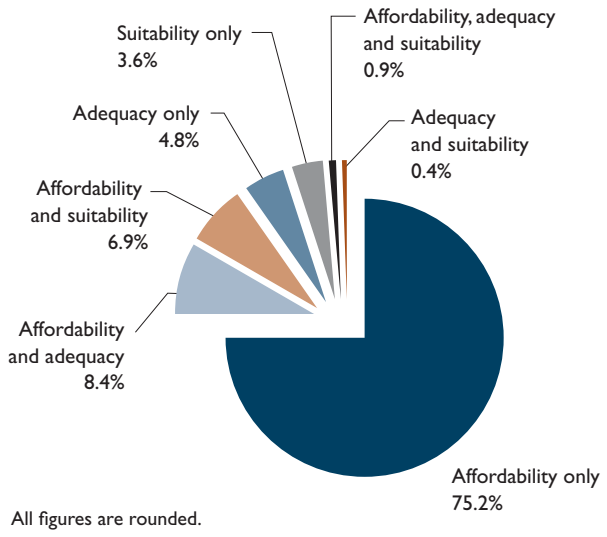


FIGURE 5-4

Share of urban households in core housing need by unmet housing standard(s), 2009



All figures are rounded.

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

Core housing need declined for lone-parent households between 2002 and 2009

Lone-parent households saw a decline in their incidence of core housing need between 2002 and 2009; from 41.2% to 32.9% *(see Figures 5-5 and 5-6)*. However, their 2009 incidence of core housing need continued to be well above-average. In addition, the median depth of housing need for these households increased from $2,820 in 2002 to $3,170 in 2009 (in 2009 constant dollars). Individuals in lone-parent households had the highest rates of persistent core housing need for both the 2002-2004 and the 2005-2007 time periods. Movement into and out of core housing need was also higher than average for those in lone-parent households. Between 2002 and 2007, 6.3% of these individuals entered core housing need from one year to the next in the four 2-year periods examined between 2002 and 2007, and 7.9% exited.

The incidence of core housing need for one-person households in 2009 was above-average at 24.6%, not significantly changed over previous years. However, the median depth of housing need for one-person households increased over 2002-2009, from $1,550 to $1,960 (in 2009 constant dollars).

Core housing need increased for non-senior men living alone between 2007 and 2009

The incidence of core housing need for non-senior men living alone rose from 18.5% in 2007 to 23.4% in 2009 *(see Figure 5-5)*. Non-senior men living alone accounted for the highest share (39%) of the 2007 to 2009 increase in the number of households in core housing need, although they accounted for only 16% of the increase in urban households as a whole during this same time period. There was no significant increase in the median depth of housing need for this group between 2007 and 2009.

FIGURE 5-5

Urban housing conditions, by household type, 2002-2009

	Percentage of households in core housing need								Percentage of individuals in households persistently in core housing need all three years		Percentage of individuals in households who:	
											Entered core housing need	Exited core housing need
	2002	2003	2004	2005	2006	2007	2008	2009[1]	2002-2004	2005-2007	Average over 2002-2007[2]	Average over 2002-2007[2]
Canada	**13.9**	**13.9**	**13.6**	**13.4**	**13.0**	**12.3**	**13.0**	**13.5** [B]	**4.6**	**3.9**	**3.1**	**3.4**
Couples with children	8.6	7.9	8.2	7.7	7.7	7.0	8.8	8.7 [D]	3.1	2.9	2.0	2.6
Couples without children	5.2	5.3	5.0	5.2	4.7	4.1	4.6	4.2 [D]	1.6	1.6	1.1	1.5
Lone-parent households	41.2	42.0	37.9	32.9	33.1	36.0	32.9	32.9 [C]	24.3	19.4	6.3	7.9
Other one-family households	14.9	14.4	13.8	12.2	14.6	11.9	13.4	15.4 [D]	4.1	3.2	4.2	5.3
Households with at least one unrelated person[3]	11.5	11.4	11.4	11.5	12.8	11.5	11.1	9.8 [E]	F	F	3.0	F
One-person households	23.8	24.3	24.4	24.8	23.0	22.1	22.8	24.6 [B]	13.1	11.5	4.7	5.2
One-person: senior male	20.6	21.7	17.8	16.4	21.9	19.1	20.1	21.1 [D]	F	F	F	F
One-person: senior female	28.9	28.0	26.7	30.2	24.6	24.6	27.8	27.2 [C]	17.1	13.5	6.0	6.7
One-person: non-senior male	20.8	20.9	23.1	21.9	22.0	18.5	17.9	23.4 [C]	10.3	9.2	4.3	3.9
One-person: non-senior female	24.1	26.6	25.8	26.6	23.4	25.8	26.0	25.1 [C]	13.2	8.5	3.7	4.4

All figures are rounded.
[1] Letters indicate quality of 2009 estimates *(see text box Survey of Labour and Income Dynamics at the end of the chapter).*
[2] From one year to the next of a two-year period (2002-2003, 2003-2004, 2005-2006 and 2006-2007).
[3] For example, room-mate households, households with boarders, or two or more families sharing a dwelling.
F indicates an estimate that was too unreliable to be published.

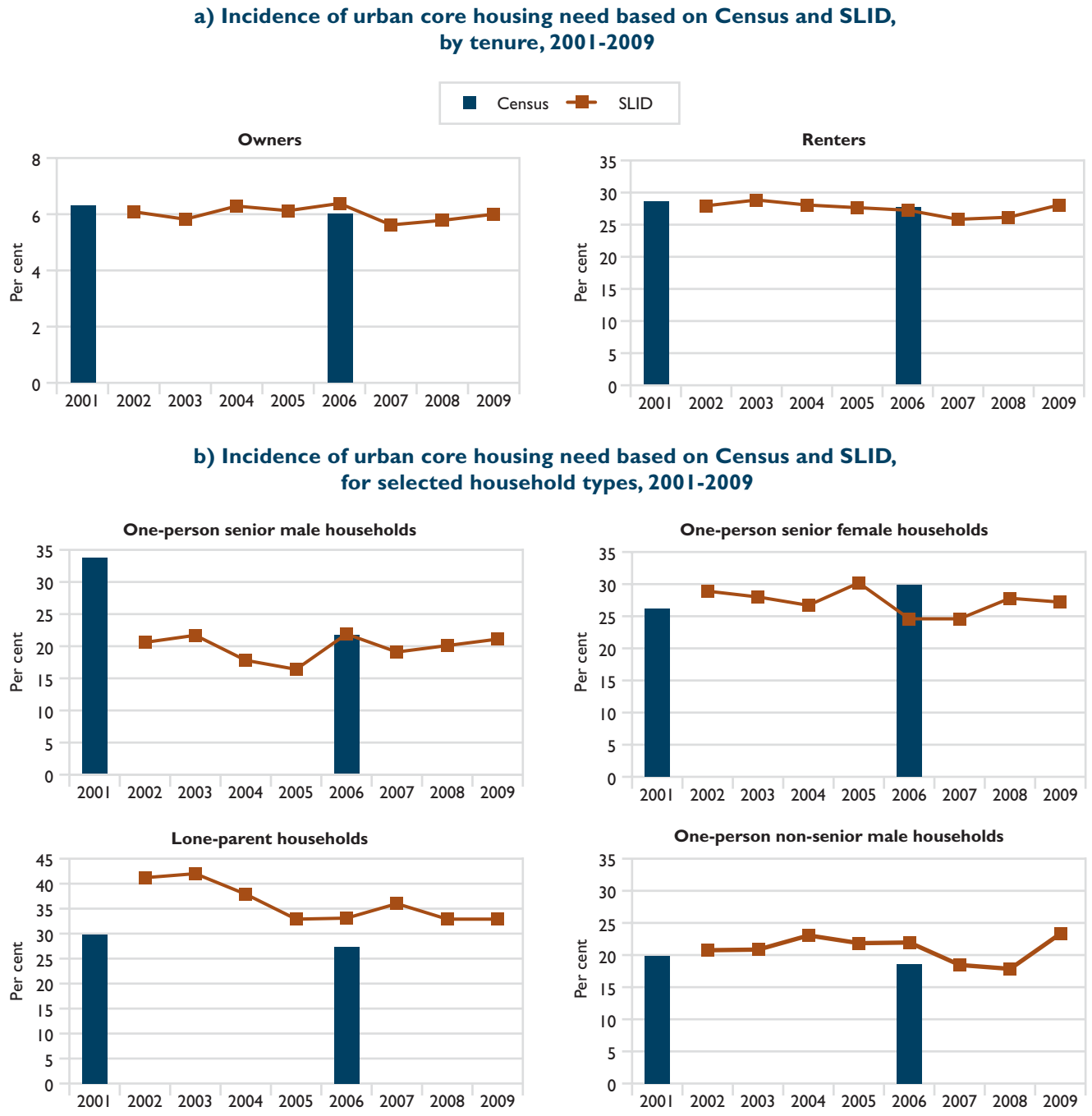
Source: CMHC (SLID-based housing indicators and data)

Couples with and without children had the lowest incidences of core housing need at 8.7% and 4.2%, respectively, in 2009. Neither group showed a significant increase in the incidence of core housing need between 2007 and 2009 or between 2002 and 2009. However, couples with children accounted for 26% of the increase in the number of urban households in core housing need between 2007 and 2009, compared to 9% of the growth in all urban households.

Urban renters continued to experience a much higher incidence of core housing need than owners

Urban households that rented continued to be more likely to be in core housing need than those that owned their housing. In 2009, 28.2% of renter households were in core housing need compared to 5.9% of owner households *(see Figure 5-7).*

FIGURE 5-6



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

There was a similar renter-owner disparity for persistent core housing need; 14.0% of individuals in renter households were persistently in core housing need between 2005 and 2007, compared to 1.4% of those in owner households. Renters were more likely to move out of (and also move into) core housing need. Between 2002 and 2007, an average of 8.0% of individuals in renter households exited core housing need, while 6.6% entered it. For owners, 1.7% of individuals exited core housing need and the same percentage entered it.

FIGURE 5-7

Urban housing conditions, by tenure, 2002-2009

	Percentage of households in core housing need								Percentage of individuals persistently in core housing need all three years		Percentage of individuals who:	
											Entered core housing need	Exited core housing need
	2002	2003	2004	2005	2006	2007	2008	2009[1]	2002-2004	2005-2007	Average over 2002-2007[2]	Average over 2002-2007[2]
Canada	**13.9**	**13.9**	**13.6**	**13.4**	**13.0**	**12.3**	**13.0**	**13.5** [B]	**4.6**	**3.9**	**3.1**	**3.4**
Owner	6.1	5.8	6.3	6.1	6.4	5.6	5.8	5.9 [C]	1.5	1.4	1.7	1.7
Renter	27.9	28.8	28.1	27.6	26.3	25.8	26.2	28.2 [B]	15.7	14.0	6.6	8.0

All figures are rounded.
[1] Letters indicate quality of 2009 estimates *(see text box Survey of Labour and Income Dynamics at the end of the chapter).*
[2] From one year to the next of a two-year period (2002-2003, 2003-2004, 2005-2006 and 2006-2007).

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

Lowest-income households were still most likely to experience core housing need

Previous research has established that the incidence of core housing need declines as household income rises. In 2009, more than half (54.1%) of households in the lowest-income quintile were in core housing need compared to 12.2% of moderate-income households *(see Figure 5-8).* There were no upper- or highest-income households in core housing need.[5]

Both household income and shelter costs increase from the lowest to the highest quintile. But shelter costs increased less steeply than income, with the result that the highest-income households spent a lower proportion of their before-tax incomes on shelter (as measured by the shelter-cost-to-income ratio or STIR[6]); in 2009, the median lowest-income household spent 35.4% of its income on shelter compared to 10.5% for the median highest-income household. This compares to an overall urban median STIR of 18.5%.

Renter households in the lowest-income quintile accounted for about 61% of all urban households in core housing need

Most households in core housing need have incomes in the lowest-income quintile. In 2009, 80.4% of urban households in core housing need were in the lowest-income quintile, 61.4% were renters and 19.0% were owners *(see Figure 5-9).*

[5] A very small number of households in the middle-income quintile were in core housing need. However, the estimate is not of sufficient quality for publication.

[6] The STIR is calculated for each household by dividing shelter cost by total household income. Shelter costs include, as applicable, rent, mortgage payments (principal and interest), property taxes, condominium fees, and payments for electricity, fuel, water and other municipal services. The median STIR is the mid-point of the ranked STIRs for individual households; it cannot be calculated by dividing the median shelter cost by the median income.

FIGURE 5-8

Housing conditions of urban households, by income quintile,[1] Canada, 2009

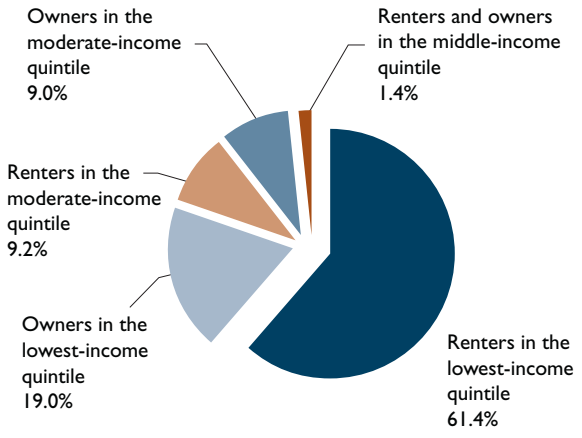
Income quintile	Income range ($)	Median income ($)	Median shelter cost ($)	Median shelter-cost-to-income ratio (STIR)[2] (%)	Incidence of core housing need (%)
Highest	113,861 and up	149,650	16,900	10.5	0.0
Upper	75,611 to 113,860	92,300	14,020	15.1	0.0
Middle	50,821 to 75,610	62,410	11,420	18.4	F
Moderate	30,621 to 50,820	40,130	8,960	22.9	12.2
Lowest	Up to 30,620	20,200	6,940	35.4	54.1
All urban households	NA	62,410	10,380	18.5	13.5

All figures are rounded.
[1] Households were ranked by their before-tax income and divided into five equally-sized groups (quintiles). For descriptive purposes, these groups are referred to as follows: lowest-income, moderate-income, middle-income, upper-income, and highest-income.
[2] The median STIR is the mid-point of the ranked STIRs for individual households; it cannot be calculated by dividing the median shelter cost by the median income.
F indicates an estimate that was too unreliable to be published.
NA - Not applicable

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

FIGURE 5-9

Shares of urban households in core housing need, by income quintile and tenure, 2009



All figures are rounded.
There are no households in core housing need in the upper- and highest-income quintiles.

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

Although 66.0% of the total number of urban households were owners in 2009 and 34.0% were renters, for households in core housing need, it was almost the reverse—28.8% were owners and 71.2% were renters.

In 2009, the incidence of core housing need for urban renter households in the lowest-income quintile was 60.5% compared to 40.4% for owner households *(see Figure 5-10)*. In addition, depth of housing need for those urban households in core housing need in the lowest-income quintile was more severe for renters than owners. In 2009, the median depth of housing need was $2,530 for lowest-income quintile renter households and $1,880 for lowest-income quintile owner households.

Lowest-income renter households spent a higher proportion of income on shelter costs than did owners

In 2009, urban renter households in the lowest-income quintile had a median shelter-cost-to-income ratio of 38.7%, compared to 27.5% for owner households in the lowest-income quintile *(see Figure 5-11)*. For lowest-income renter households, median shelter costs were higher and

FIGURE 5-10

Housing conditions of urban households in the two lowest-income quintiles, by tenure, 2009

Income quintile	Tenure	Incidence of core housing need (%)	For households in core housing need		
			Median shelter-cost-to-income ratio (STIR) (%)	Median depth ($)	Average depth ratio (%)
Moderate	Owner	10.7	43.7	2,110	16.0
	Renter	14.1	35.2	2,430	19.0
	All	12.2	38.6	2,270	17.5
Lowest	Owner	40.4	48.6	1,880	25.3
	Renter	60.5	49.5	2,530	32.7
	All	54.1	49.1	2,330	31.0

All figures are rounded.

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

FIGURE 5-11

Shelter costs, income, and shelter-cost-to-income ratios (STIRs) for urban households in the two lowest-income quintiles, by tenure, 2002-2009

	2002	2003	2004	2005	2006	2007	2008	2009
Median shelter cost (nominal dollars, not adjusted for inflation)								
Moderate-income owners	5,910	6,270	6,700	7,780	8,310	8,010	7,950	8,430
Lowest-income owners	4,670	5,070	5,270	5,600	5,790	5,850	6,050	5,940
Moderate-income renters	7,540	7,830	7,810	8,400	8,400	8,650	9,170	9,300
Lowest-income renters	6,210	6,250	6,390	6,390	6,620	6,900	7,200	7,240
All urban households	8,130	8,480	8,780	9,180	9,440	9,800	10,200	10,380
Median household income (nominal dollars, not adjusted for inflation)								
Moderate-income owners	33,960	34,850	35,920	37,230	38,750	40,440	40,760	40,990
Lowest-income owners	18,020	18,910	19,430	19,850	21,200	22,360	22,200	22,920
Moderate-income renters	32,480	33,720	34,260	35,140	36,760	37,960	40,050	39,300
Lowest-income renters	15,530	16,040	16,560	16,610	17,900	18,660	19,000	18,710
All urban households	51,360	53,190	54,620	56,040	58,230	60,440	62,840	62,410
Median shelter-cost-to-income ratio (STIR)[1] (%)								
Moderate-income owners	17.9	18.9	19.8	21.1	21.3	20.6	20.0	21.4
Lowest-income owners	28.1	28.1	30.7	32.5	29.8	28.6	30.1	27.5
Moderate-income renters	23.4	23.5	23.2	23.9	22.9	22.5	23.1	23.6
Lowest-income renters	40.5	40.6	40.0	38.6	38.1	37.1	37.9	38.7
All urban households	17.8	18.2	18.1	18.5	18.4	18.4	18.6	18.5

All figures are rounded.
[1] The median STIR is the mid-point of the ranked STIRs for individual households; it cannot be calculated by dividing the median shelter cost by the median income.

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

median incomes lower than for owner households; the median shelter cost for renter households in the lowest-income quintile was $7,240 compared to $5,940 for owner households, and the median renter income was $18,710 compared to $22,920 for owners.

Renter and owner urban households in the moderate-income quintile had median STIRs that were closer in value than those in the lowest-income quintile. While there was an 11 percentage point spread between the STIRs of renter and owner households in the lowest-income quintile, the renter-owner spread for households in the moderate-income quintile was only 2.2 points; the median STIR for moderate-income renter households in 2009 was 23.6%, compared to 21.4% for owner households.

British Columbia and Ontario had the highest provincial incidences of urban core housing need in 2009

British Columbia and Ontario had higher than average incidences of core housing need in 2009 at 17.1% and 15.4%, respectively. Prince Edward Island, New Brunswick, Manitoba, Saskatchewan, Alberta and Quebec had below average incidences *(see Figures 5-12 and 5-13)*.[7]

Between 2008 and 2009, the incidence of core housing need in British Columbia increased from 13.7% to 17.1%, as the urban household median income in that province declined by slightly more than 6%. No other province saw such a large increase in the incidence of core housing need.

FIGURE 5-12

Urban housing conditions, Canada and Provinces, 2002-2009

	Percentage of households in core housing need								Percentage of individuals persistently in core housing need all three years		Percentage of individuals who:	
											Entered core housing need	Exited core housing need
	2002	2003	2004	2005	2006	2007	2008	2009[1]	2002-2004	2005-2007	Average over 2002-2007[2]	Average over 2002-2007[2]
Canada	**13.9**	**13.9**	**13.6**	**13.4**	**13.0**	**12.3**	**13.0**	**13.5** [B]	**4.6**	**3.9**	**3.1**	**3.4**
Newfoundland and Labrador	16.4	15.7	17.6	18.1	15.6	14.7	16.7	14.2 [D]	5.4	F	F	F
Prince Edward Island	10.6	11.9	11.7	12.4	10.1	7.4	7.4	7.9 [E]	F	F	F	F
Nova Scotia	13.8	13.0	13.5	10.3	14.3	12.9	15.1	15.0 [D]	4.9	3.5	3.5	3.3
New Brunswick	9.2	9.7	8.1	12.0	11.7	9.1	7.7	9.0 [D]	2.0	3.3	2.4	2.8
Quebec	11.6	11.6	10.8	12.4	11.6	10.7	11.1	10.9 [C]	3.2	3.2	2.3	2.7
Ontario	15.5	15.6	16.0	15.4	14.6	13.8	15.1	15.4 [C]	5.6	4.9	3.4	3.7
Manitoba	9.4	8.9	9.9	10.0	10.1	9.8	8.9	9.3 [D]	3.4	2.5	2.6	2.9
Saskatchewan	9.9	10.2	9.3	9.4	9.6	7.9	10.5	9.6 [D]	3.2	2.6	2.2	2.8
Alberta	11.3	10.9	10.2	8.7	8.8	10.3	10.3	9.6 [D]	2.9	2.4	3.2	2.8
British Columbia	17.5	17.1	15.7	14.5	15.1	13.8	13.7	17.1 [C]	6.2	4.2	3.8	4.2

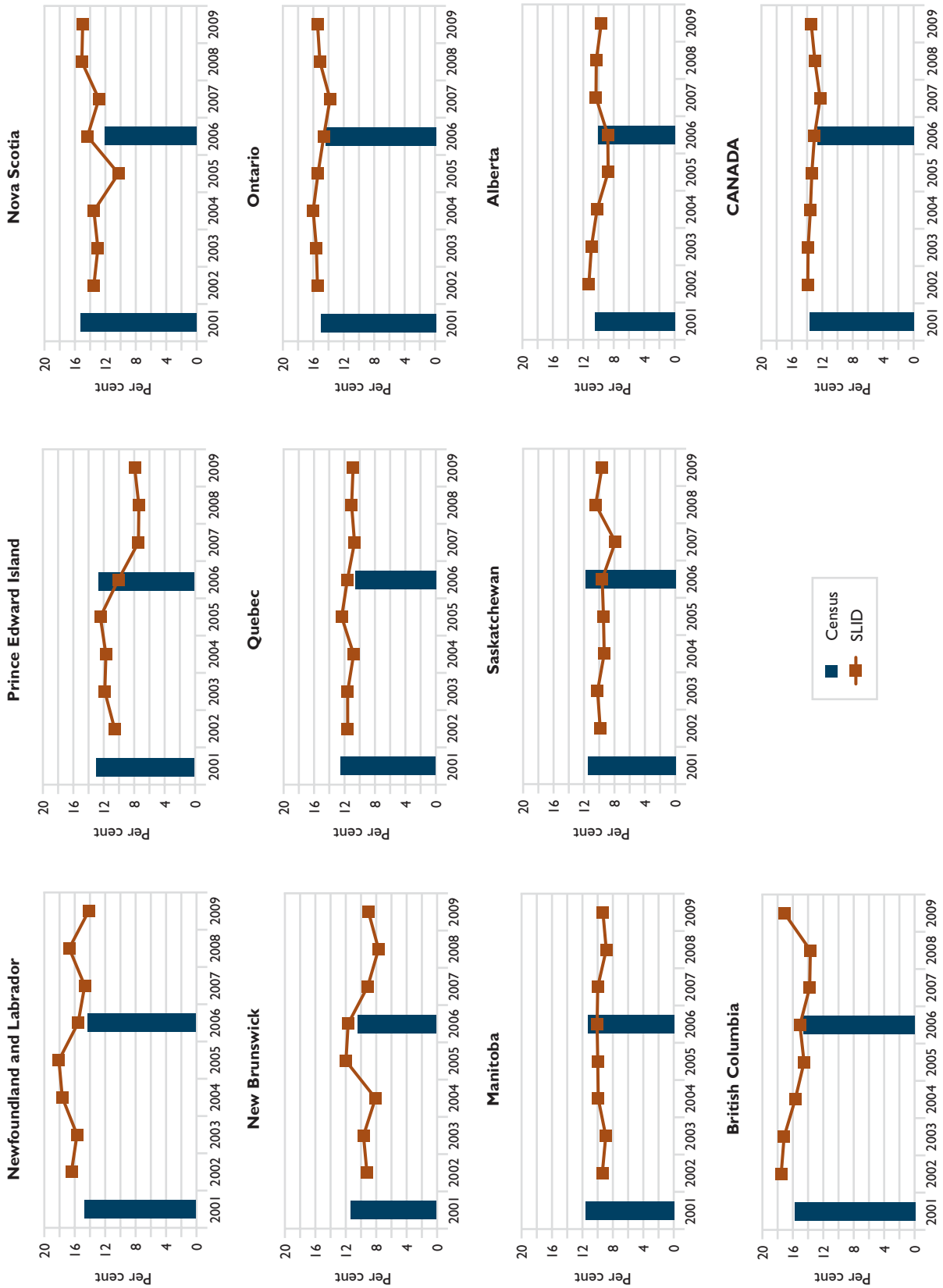
All figures are rounded.
[1] Letters indicate quality of 2009 estimates *(see text box Survey of Labour and Income Dynamics at the end of the chapter)*.
[2] From one year to the next of a two-year period (2002-2003, 2003-2004, 2005-2006 and 2006-2007).
F indicates an estimate that was too unreliable to be published.

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

[7] Additional housing estimates for provinces similar to those in Figure 5-1 are available on CMHC's website.

FIGURE 5-13

Incidence of urban core housing need based on Census and SLID, Canada and Provinces, 2001-2009



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

Vancouver and Toronto had the highest incidences of urban core housing need among selected Census Metropolitan Areas

Vancouver and Toronto had above-average incidences of core housing need in 2009 at 20.5% and 17.8%, respectively *(see Figures 5-14 and 5-15)*. Toronto and Vancouver also had the highest percentages of urban individuals who lived persistently (all three years) in core housing need over the two 3-year periods measured: 2002-2004 and 2005-2007. These two centres had the highest average incidences of individuals who entered or exited core housing need from one year to the next for the four 2-year periods examined between 2002 and 2007.

FIGURE 5-14

Housing conditions in selected Census Metropolitan Areas (CMAs), 2002-2009

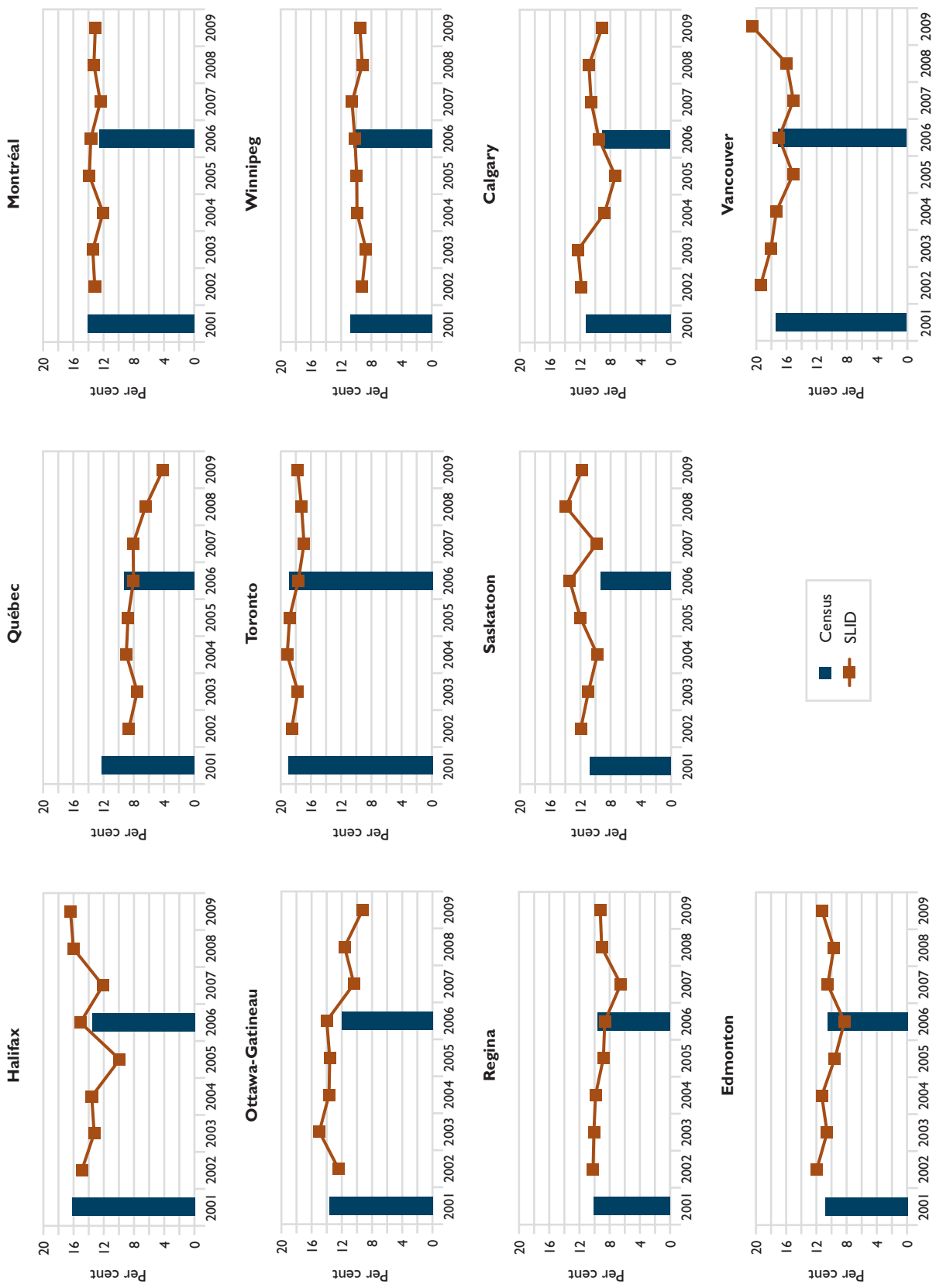
	Percentage of households in core housing need								Percentage of individuals persistently in core housing need all three years		Percentage of individuals who:	
											Entered core housing need	Exited core housing need
	2002	2003	2004	2005	2006	2007	2008	2009[1]	2002-2004	2005-2007	Average over 2002-2007[2]	Average over 2002-2007[2]
Urban Canada	**13.9**	**13.9**	**13.6**	**13.4**	**13.0**	**12.3**	**13.0**	**13.5** [B]	**4.6**	**3.9**	**3.1**	**3.4**
Halifax	14.9	13.3	13.6	9.9	15.1	12.1	16.0	16.4 [D]	5.6	3.2	4.0	3.6
Québec	8.7	7.5	8.9	8.8	8.0	8.1	6.4	4.1 [E]	F	F	F	F
Montréal	13.2	13.4	12.1	13.9	13.7	12.4	13.3	13.1 [D]	3.5	3.8	2.6	3.0
Ottawa-Gatineau	12.4	15.0	13.7	13.6	14.0	10.4	11.6	9.2 [E]	4.4	4.6	2.1	2.9
Toronto	18.5	17.8	19.1	18.8	17.7	16.9	17.2	17.8 [D]	6.7	6.9	4.2	4.6
Winnipeg	9.2	8.7	9.9	9.9	10.2	10.6	9.2	9.5 [D]	3.2	2.6	2.7	2.9
Regina	10.2	10.1	9.9	8.8	8.6	6.5	9.1	9.2 [E]	F	F	F	F
Saskatoon	12.0	10.9	9.8	12.0	13.4	9.9	13.9	11.8 [D]	3.5	4.3	2.7	3.8
Calgary	11.8	12.3	8.8	7.3	9.5	10.5	10.8	9.1 [D]	3.3	2.2	3.5	2.9
Edmonton	12.0	10.6	11.3	9.6	8.3	10.5	9.7	11.3 [D]	2.7	2.6	2.9	2.7
Vancouver	19.4	18.1	17.4	15.1	17.0	15.1	16.0	20.5 [C]	7.3	4.8	4.0	4.6

All figures are rounded.
[1] Letters indicate quality of 2009 estimates *(see text box Survey of Labour and Income Dynamics at the end of the chapter)*.
[2] From one year to the next of a two-year period (2002-2003, 2003-2004, 2005-2006 and 2006-2007).
F indicates an estimate that was too unreliable to be published.

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

FIGURE 5-15

Incidence of core housing need based on Census and SLID, selected Census Metropolitan Areas (CMAs), 2001-2009



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

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. Major repairs include those to defective plumbing or electrical wiring, or structural repairs to walls, floors or ceilings.
- **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% 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% 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.

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%. Farms are excluded because shelter costs for farm households are not separable from costs related to other farm structures. Reserves and other band households are excluded because shelter costs are not collected for households whose housing costs are paid through band housing arrangements. CMHC regards STIRs of 100% or more and STIRs for households with incomes of zero or less as uninterpretable.

Incidence of core housing need refers to the percentage of households in core housing need.

Share of core housing need refers to the composition of core housing need by various criteria such as household income or household type.

Depth of housing need measures the comparative severity of core housing need; e.g. for different categories of households or over different time periods.

Depth of housing need for a household in core housing need is the difference between the amount that *it would need* to pay for acceptable housing and the amount that *it can afford* to pay based on the affordability standard of shelter costs being less than 30% of before-tax household income.

- Depth of housing need is calculated as *median rent of alternative local market housing minus 30% of before-tax household income.*
- Depth ratio is calculated as the *depth of housing need divided by the median rent of alternative local housing, multiplied by 100.*

These calculations are slightly different for the 30% of core-need households with suitable and adequate dwellings and a reported shelter cost that is below the median rent of alternative local market housing:

- Depth of housing need is calculated as ***reported shelter cost*** *minus 30% of before-tax household income.*
- Depth ratio is calculated as the *depth of housing need divided by the* ***reported shelter cost****, multiplied by 100.*

Median depth of housing need is the middle value when households are ranked in order of their depth of need.

Survey of Labour and Income Dynamics (SLID)

SLID is a household survey conducted by Statistics Canada that collects information annually from about 17,000 households and about 34,000 adults on the labour and income characteristics of Canadians. SLID covers the 10 Canadian provinces but excludes households in the territories, in institutions or collective dwellings, in military barracks and on Indian reserves. SLID also excludes the homeless. Starting with 2002, CMHC has sponsored detailed housing questions on SLID.

Cross-sectional survey estimates represent a snapshot of household or personal characteristics at a point in time. In this chapter, cross-sectional estimates are based on households. Annual cross-sectional estimates from SLID enable the review of urban housing conditions between censuses.

Note that SLID cross-sectional estimates of core housing need for 2005 are comparable to estimates from the 2006 Census since both sources collect household income for the 2005 reference year and shelter costs as of the first half of 2006 *(see Figures 5-6, 5-13, and 5-15).*

Longitudinal estimates are based on data gathered for the same individuals over several years. SLID collects information for two groups or panels of people who are surveyed annually for six consecutive years. Each panel comprises a sample of some 34,000 adults or about 17,000 households. A new panel begins every three years and thus the two panels overlap for three years. Longitudinal estimates are based on individuals since, over time, households may form, dissolve or change membership. Longitudinal estimates based on SLID allow for tracking the persistence of individuals in core housing need for periods of three years (using data from two panels) or for six years (using data from one panel); as well as the examination of movements into or out of core housing need from year-to-year (for pairs of years).

Core housing need estimates from SLID are produced only for **urban areas** (see below) because the rental market data used in the calculation of core housing need are not available annually for smaller centres. Urban areas here include Census Metropolitan Areas (CMAs) and Census Agglomerations (CAs) in the 10 provinces. A CMA must have a total population of at least 100,000, of which 50,000 or more must live in the core. A CA must have a core population of at least 10,000. Based on the 2006 Census, urban households in the core housing need universe account for nearly 80% of households in the 10 provinces. Census core-need estimates can be produced for all households and for urban households; in this chapter, census-based core-need estimates are for urban households so they can be compared to SLID estimates.

Since the SLID sample of about 34,000 adults is much smaller than the Census sample which gathers housing data from some 2.5 million households, SLID-based estimates have less precision than estimates based on census data. Thus differences between SLID-based estimates, either from year to year or between categories or geographic areas, may not be statistically significant. Where possible in this chapter, the significance of differences between estimates has been assessed using a measure of precision of the estimates [coefficient of variation (CV)][1] provided by Statistics Canada. Letter grades indicating quality levels for estimates are provided in some tables:

"A" indicates excellent data quality, with a CV of less than 2%.
"B" indicates very good quality, with a CV between 2% and 3.9%.
"C" indicates good quality, with a CV between 4% and 7.9%.
"D" indicates acceptable quality, with a CV between 8% and 15.9%.
"E" indicates that the estimate should be used with caution since its CV is 16% or more.
"F" indicates that the estimate has been suppressed due to unacceptable data quality—it either has a CV of more than 33% or it is based on 25 observations or fewer.

[1] The coefficient of variation (CV) is the *standard error divided by the estimate;* the smaller the CV, the more accurate the estimate.