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# RESEARCH REPORT

## SOCIAL HOUSING IN THE CONTEXT OF RURAL DEPOPULATION



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# Social Housing in the Context of Rural Depopulation

## Final Report

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## SOCIAL HOUSING IN THE CONTEXT OF RURAL DEPOPULATION

### INTRODUCTION

This study examined the issue of chronic vacancies in social housing properties in rural areas of Canada where there has been significant depopulation. The four specific objectives were:

- to describe the context of social, economic, and demographic change in rural Canada;
- to summarize what is known about the extent or size of the social housing chronic vacancy problem in rural Canada, including an assessment of the financial impact of these vacancies;
- to describe the underlying causes of and issues associated with chronic vacancies in this stock; and
- to examine strategies that have been employed or considered to address the problem.

This issue is important for several reasons. First, there has been significant capital investment in the construction and maintenance of social housing in rural Canada. Chronic vacancies reduce the revenue stream and impact on the ability to cover costs and properly manage and maintain the properties. Second, there are chronic vacancies in some rural areas while there are waiting lists for social housing in most urban centres of the country. This is a signal that social housing built in some communities may no longer be needed in those locations. Third, private non-profit housing operating agreements will be coming to an end in the coming years and the long term financial viability of some of these projects with chronic vacancies may be in question. Fourth, social housing is an important contributor to the local tax base in many small towns and rural areas. Social housing provides options that might not be available through the private sector and is a visible

presence of government investment in the community. When these properties are vacant, there can be a spillover effect into the broader community.

### METHODOLOGY

Three separate activities were completed: a literature review; key informant interviews with one or more representatives of each provincial department or agency responsible for the social housing portfolio; and interviews with a representative from a selection of “case study” social housing properties. Five case study “regions” (where there were concentrations of chronic social housing vacancies) were identified. Within each region up to five properties were identified for an interview. The properties were selected to ensure some diversity in client types (seniors versus family), size of the properties (number and size of units) and type of social housing provider.

### FINDINGS

The literature identified a number of contextual issues affecting social housing in rural communities: changing demographics, population mobility, changes in health service delivery and economic decline. In communities located in non-metropolitan regions, there is a long term trend of out-migration and population decline. In communities located adjacent to metropolitan areas, there is net population growth and some in-migration of seniors in search of better access to health care and other services. Some provinces are experiencing widespread population decline in most rural communities regardless of geography (Newfoundland and Labrador, Saskatchewan, and Manitoba). There is an aging of our population as a

whole, and the housing we have built - social and private - may not necessarily meet the needs of this population now and into the future. Most provincial governments have rationalized and regionalized services in larger towns and cities in an effort to provide efficient and cost-effective delivery. This makes it more difficult for the aging population who remain in small rural centres to access the services they require. These combined effects are most pronounced in the smallest and more rural communities. Overall, these factors place great pressure on social housing providers to keep their units full in the face of falling demand.

### **Chronic Vacancies in Social Housing**

Most provinces do not keep statistics on chronic vacancies and most do not have a formal definition for the situation. Chronic vacancies are defined differently in those provinces which have investigated this problem, including:

- Saskatchewan - vacant for six or more months;
- Manitoba - vacant for three or more months;
- Québec - vacant for more than four months;
- Nova Scotia - vacant and no one on the waiting list to move in;
- Newfoundland and Labrador - vacant for at least 12 months.

Manitoba and Saskatchewan have collected detailed (chronic) vacancy data for several years. Some provinces have partial information about this problem. In Québec, Newfoundland and Labrador, Nova Scotia, and New Brunswick, they track vacancies in the public housing stock, but not in the private non-profit and cooperative stock. In Ontario, there is no province-wide tracking of this information because there has been devolution to the local level with minimal reporting requirements.

Despite the limited information and the lack of comparable data from one province to the next, there are some patterns to the chronic vacancy problem. The common pattern in those provinces where there are chronic vacancies is that they are almost exclusively in rural regions of those provinces.

According to the interviews, some properties built under public housing programs have chronic vacancy problems - in family units in some provinces (e.g., Newfoundland and Labrador, New Brunswick, Manitoba, and British Columbia) and seniors units in others (e.g., Nova Scotia, Manitoba, and Saskatchewan). There appear to be fewer examples or concerns in the private non-profit sector, and these problems seem to be restricted to New Brunswick and Manitoba.

The problems in family units seem to occur especially in those rural regions and communities dependent on the primary resource sector, and where economic decline has led to labour force migration. The problem in seniors projects can be found where an aging population has been migrating to larger centres to obtain better access to shopping and medical services, or where there may be better selection of units (private or social) that meet their aging-in-place needs.

Chronic vacancies also vary by unit size. Manitoba and British Columbia report chronic vacancies in bachelor units. Seniors one-bedroom units are problems in Nova Scotia, Manitoba and Saskatchewan. Family three-bedroom units were identified as a problem in Newfoundland and Labrador. Most provinces reported that the smallest properties (less than 25 units) were more likely to experience chronic vacancy problems.

### **Financial Impact of Chronic Vacancies**

There is very little information about the full financial impacts of the chronic vacancies because most provinces (except for Manitoba and Saskatchewan) have not quantified them. In the direct delivery portfolio (the public housing stock), the provinces make annual allocations for replacements and repairs, so funds are spent whether the units are full or not. In the private non-profit and cooperative portfolios, anecdotal evidence suggests that for some properties some routine maintenance is deferred and replacement reserves are being drawn down or not replaced. Provinces have simply “absorbed the financial losses” or have contributed additional one-time capital to a property to help it get back on its feet (through refurbishing, renovation, or conversion of units to different sizes and layouts).

### **Causes of Chronic Vacancies in Social Housing**

Rural depopulation is an overriding, but not sole, cause of chronic vacancies. This is conditioned by the nature of macro level causes, community and regional causes, and property-specific causes. There were many common causes identified in most provinces which contributed to chronic vacancies, but within each province there were different combinations of causes and effects.

### **Macro Level Causes: “The Big Picture Effect”**

These causes are beyond the control of individual properties and the groups which own or manage them. They are big picture trends, policies, programs, and societal shifts which have an impact on communities and individual properties. Some of these directly result in chronic vacancies in rural social housing, while others have an indirect impact because they first contribute to rural depopulation. Examples of these causes include:

- aging population (fewer families);
- more smaller households;
- increase in the number of non-elderly singles in need;
- Housing Income Limits are lower than income of applicants;
- programs, acts, and regulations (e.g., Ontario Social Housing Reform Act permits an applicant to decline 3 RGI units; no “overhousing” permitted);
- increased incidence of aging in place;
- changing consumer preferences and an increase in housing options (housing with amenities and aging-in-place features; more tenure options such as life leases, condominiums, etc.)

### **Community / Region Causes: “The Rural Depopulation Effect”**

These causes are also beyond the control of individual properties and the groups which own or manage them. Some communities and regions may be able to address some of the causes, such as imperfections in the marketplace or the problems of access to services. In other cases, there may be little that can be done, especially if, for example, the decline in the local economy (especially in the primary resource industries) is beyond local control (e.g., depletion of the resource or outside ownership of the business or industry). Examples of these causes include:

In non metro-adjacent rural communities and regions:

- current out-migration of population in all age cohorts;
- fewer people 45-64 years of age because of previous out-migration patterns;
- loss of kin and family supports;
- loss of social, health, and retail services; population moves closer to these services in more urban places;
- declining economic performance or closure of primary resource industries;

In metro-adjacent rural communities and regions:

- better housing choice;
- more amenities and services;

Oversupply of rental and social housing in some markets;

Local/regional housing market dynamics:

- re-sale of homes occupied by seniors may be difficult (less likely to move to seniors’ housing);
- other housing forms such as “illegal” suites may divert potential clients.

### **Property / Project Causes: “The Site-Specific Effect”**

Most of these causes are local in nature and the groups which own or manage the properties may have some ability or capacity to resolve them. However, the strategies adopted to address specific property-related causes must be considered in the context of the community and macro level causes as well. Examples of these causes include:

- obsolescence of units: age of units; size of units (bachelor and one-bedroom in less demand);
- poor location of property in community relative to services and other housing options;
- lack of on-site amenities (e.g., washer/dryer, recreation, common space, accessibility features);
- poor maintenance and upkeep;
- poor reputation of property;
- poor management practices;
- existing client mix may not be desirable among potential new clients (e.g., mixed incomes vs RGI only);
- structures converted from other uses may be less desirable (e.g., design, look, unit size, amenities, etc.) or not easily modified or rehabilitated.

### **Strategies and Solutions**

In all provinces there is a genuine interest in and concern for keeping all of their social housing units within the social housing portfolio. Removing the units from the portfolio (through sale, abandonment, conversion, or demolition) is seen as an absolute last resort. The identification and implementation of strategies and solutions to the chronic vacancy problem are complex and unique to individual properties and communities. There is a need for flexibility in responding to and working with individual cases of chronic vacancies. The development of solutions begins with a detailed assessment of the root causes of the problem.



Solutions cannot necessarily be implemented in isolation. A multi-pronged approach is needed. For example, converting some existing bachelor units into one-bedroom units may, at first glance, appear to be a useful solution to attract more seniors interested in larger units, but it may also be necessary to lower the age of eligibility, or permit renting to non-elderly singles, in order to expand the potential list of eligible renters.

### **Portfolio Solutions**

The range of portfolio-related solutions is largely in the hands of government departments and agencies responsible for social housing. The solutions identified in some of the provinces required higher level decision-making to develop changes or exemptions to existing policies and programs. These changes have facilitated greater flexibility in how the total portfolio is responding to changing conditions. In other cases, exemptions are provided at the portfolio management level (usually at the regional/district office) to individual properties to accept tenants outside of the original criteria. There have been very few cases where social housing units have been sold to the private sector. Potential solutions include:

- move units (modular, single detached);
- demolish units;
- sell units to private sector;
- change criteria for entry (permit sharing among households; lower age levels; higher income thresholds; widen geographic “region” for accepting applications);
- trade social housing units in problem area for rent supplements in higher demand areas.

### **Market-based Solutions**

These types of solutions may be initiated by either the province/portfolio manager, or by groups or communities at the local level. They usually focus on short-term solutions to fill chronic vacancies, to generate revenue. This “buys time” for the development of longer-term solutions. The short-term nature of these solutions must be underlined. Examples include:

- rent to other social housing client groups (e.g., families in seniors housing; non-elderly singles in seniors housing);
- rent to others at full market rents (e.g., families, tourists, seasonal workers);

- offer “all-inclusive” package of services in rent (e.g., basic phone, cable);
- new advertising and marketing approaches (e.g., through churches, others).

### **Community-based Solutions**

These solutions are largely initiated by the community or non-profit groups themselves. This occurs when there is a recognition of the problem and a desire to be creative about solutions. It may include attempts to develop a wider community dialogue about the problem. On a short- or long-term basis, a decision may be made to use some of the vacant units for purposes other than housing. This has the advantage of giving the property a larger sense of purpose, providing a reason for current occupants to remain, and generating demand for vacant units. Examples include:

- use vacancies for non-housing uses (e.g., doctor’s office, clinic, meeting room, community policing, family resource centre, food bank);
- add new non-housing activities on-site (e.g., medical services);
- expand/renovate to include assisted living units, nursing care units.

### **Design Solutions**

These solutions focus on the specifics of the property itself. The solutions may be suggested by the provincial government or by the group which owns the building. The focus is on making the units more attractive to potential clients, or significantly rehabilitating the property so that the size and types of units better meet the needs of the changing clientele. In many cases, the design solution(s) are selected after a careful process of fully investigating the cause(s) of the chronic vacancy problem, determining the viability of making changes, and identifying their costs. Examples include:

- convert to larger or smaller unit sizes to respond to demand;
- convert to accessible units or add accessibility features;
- add amenities on site (recreation, meeting space, gardens, patios, decks);
- invest in modernization and rehabilitation (paint, carpet, appliances).

## **Limitations / Barriers to Implementing Solutions**

There were a number of common limitations and barriers to implementing solutions:

- the cost factor: one property in New Brunswick was upgraded at a cost of \$8,000 per unit (funded by the province), while the costs of moving units in Saskatchewan was \$40,000 per unit;
- the size of units: in seniors properties attempting to rent units to families may not work if the units are only one-bedroom, or if there is resistance from the seniors themselves;
- the higher incomes among seniors today: many potential applicants are now above the local Housing Income Limits;
- aging in place: more seniors are staying in their own home longer because home care provides support services that were not available 10 to 15 years ago and this delays entry into independent living public housing units;
- potential tenants are much more selective today; people on waiting lists may choose to wait for a vacancy in a preferred property rather than accept a unit in a less desirable property;
- the obsolescence of some units: small unit sizes and few amenities on-site in seniors properties mean people are less interested in living in them even if the rents were lower;
- low market value in rural areas, relative to the book value or investment in the property, may be a barrier to selling;
- concern about flooding the local or regional rental market with additional housing units through the sale of social housing units may be a problem;
- for pre-1986 private non-profit properties, there may be a limited number of potential renter households in the local market, including very few willing and able to pay low end market rents in a mixed income property;
- the continued residualization of renters: the renter clientele (mostly social assistance recipients) may be perceived as unattractive for both income mixing purposes and for revenue generation;

- there is a limit to the sustainability of renting to others at full market value, unless there are significant improvements to the local economy;
- there may be disagreements between communities and government over what defines a solution or a successful strategy; communities may see the demolition or removal of social housing units as “abandonment” by the government, but these solutions may be deemed a success from a portfolio management perspective; and
- the unwillingness of a community or local group responsible for a property to recognize the problem of chronic vacancies and the impacts it is having.

It is difficult to develop a comprehensive strategy or set of solutions that might be applied across an entire province. The experience in Saskatchewan (and to a certain extent, in Manitoba) suggests that having good data and establishing a process for examining the nature of the problem on a property-to-property or community-to-community basis is needed. This process should involve all key stakeholders, including communities, property managers and housing providers. This will consist in identifying the root causes and assessing potential solutions. For each potential solution, there will need to be a judicious check for any potential barriers or limitations to employing the solution, given the local circumstances and the type of chronic vacancy problem being addressed.

## **Conditions for Success**

There are a number of conditions that need to be in place to have successful outcomes:

- Better data and information.
- Situation and solutions vary by province and by property - one size does not fit all.
- Integration of solutions into a “strategy” .
- Local community and market dynamics must be conducive to “helping the solution”.
- Willingness to recognize the problem at local level.
- Provincial cash infusion usually required.
- Local will and provincial will to discuss and be flexible.

## CONCLUSIONS

The chronic vacancy problem is a complex one. More information is required about the magnitude of the problem in each province and its financial impact. As rural communities continue to change and evolve, there will likely be a need to adopt a more concerted approach to the problem. Some solutions, such as moving units or selling units to the private sector, may be unpalatable but necessary over the longer term. The key point, however, is that solutions must be developed with a view to flexibility so that what is attempted in any given community respects the unique local circumstances there, and that the mix of efforts is responsive to those unique conditions.

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## LE LOGEMENT SOCIAL DANS LE CONTEXTE DE LA DÉPOPULATION RURALE

### INTRODUCTION

La présente étude portait sur l'inoccupation chronique des logements sociaux situés dans les régions rurales du Canada ayant subi une importante dépopulation. Elle poursuivait quatre objectifs précis :

- décrire le contexte des changements sociaux, économiques et démographiques en milieu rural au Canada;
- résumer ce qu'on connaît de l'étendue et de l'ampleur de l'inoccupation chronique des logements sociaux en milieu rural au Canada, tout en évaluant son incidence financière;
- décrire les causes sous-jacentes de l'inoccupation chronique des logements sociaux et les enjeux associés;
- étudier les mesures employées ou envisagées pour remédier à la situation.

Plusieurs raisons expliquent l'importance du débat. Premièrement, d'importants investissements ont été consacrés à la construction et à l'entretien des logements sociaux en milieu rural. L'inoccupation chronique diminue le flux de revenu, ainsi que la capacité de couvrir les coûts et de bien gérer et entretenir les bâtiments. Deuxièmement, certaines régions rurales accusent un taux d'inoccupation chronique, alors que la plupart des centres urbains du pays ont des listes d'attente pour les logements sociaux. C'est le signal que les logements sociaux bâtis dans certaines collectivités n'y sont plus nécessaires. Troisièmement, les ententes d'exploitation visant les logements d'organismes privés à but non lucratif viendront à échéance au cours des prochaines années et la viabilité financière à long terme de certains ensembles présentant des taux d'inoccupation chronique pourrait être menacée. Quatrièmement, le logement social apporte une contribution importante à la base d'imposition de bien des petites municipalités et régions rurales. Le logement social procure des options que ne

pourrait peut-être pas offrir le secteur privé et témoigne de la présence du gouvernement qui investit dans la collectivité. L'inoccupation de ces logements risque de porter atteinte à toute la collectivité.

### MÉTHODE

Trois activités distinctes ont été effectuées : une recherche documentaire, des entrevues auprès d'un ou plusieurs représentants du ministère provincial ou de l'agence responsable du portefeuille du logement social, ainsi que des entrevues avec un représentant de certains ensembles de logements sociaux ayant fait l'objet d'une « étude de cas ». Cinq régions (aux prises avec une concentration chronique de logements sociaux inoccupés) ayant fait l'objet d'une étude de cas ont été caractérisées. Dans chacune d'elles, jusqu'à cinq ensembles ont été ciblés pour les besoins d'entrevue. Les ensembles ont été choisis pour assurer une certaine diversité quant au type de clients (aînés et ménages familiaux), à la taille des ensembles (nombre et dimensions des logements) et au type d'organisme de logement social.

### RÉSULTATS

La documentation a permis de relever des enjeux contextuels touchant le logement social dans les collectivités rurales : les changements démographiques, la mobilité de la population, les changements dans la prestation des soins de santé, le déclin économique. La tendance à long terme de l'émigration et du déclin de la population se dessine dans les collectivités situées dans des régions non métropolitaines. Par contre, les collectivités voisines des régions métropolitaines connaissent une croissance de population nette et une

certaine immigration d'âinés en quête d'un meilleur accès aux soins de santé et à d'autres services. Certaines provinces enregistrent dans la plupart des collectivités rurales un déclin général de leur population, peu importe la région géographique (Terre-Neuve-et-Labrador, Saskatchewan et Manitoba). On assiste au vieillissement de la population en général et les logements construits, qu'il s'agisse de logements sociaux ou privés, ne répondent pas nécessairement à ses besoins, maintenant et ultérieurement. La plupart des gouvernements provinciaux ont rationalisé et régionalisé les services dans les grandes villes dans le but d'arriver à une prestation efficiente des services. C'est encore plus difficile pour la population vieillissante qui vit dans de petites municipalités rurales d'avoir accès aux services dont elle a besoin. Ces effets combinés sont encore plus prononcés dans les petites collectivités davantage rurales. Dans l'ensemble, ces facteurs exercent des pressions sur les organismes de logement social pour qu'ils conservent leurs logements tous occupés malgré le fléchissement de la demande.

### **Inoccupation chronique des logements sociaux**

La plupart des provinces ne conservent pas de statistiques sur le taux d'inoccupation chronique des logements sociaux et ne possèdent pas de définition proprement dite. En effet, les provinces qui ont mené une enquête sur ce problème définissent l'inoccupation chronique différemment :

- Saskatchewan – logement inoccupé depuis au moins six mois;
- Manitoba – logement inoccupé depuis au moins trois mois;
- Québec – logement inoccupé depuis plus de quatre mois;
- Nouvelle-Écosse – logement inoccupé, mais personne sur la liste d'attente;
- Terre-Neuve-et-Labrador – logement inoccupé depuis au moins 12 mois.

Le Manitoba et la Saskatchewan ont recueilli des données détaillées sur l'inoccupation (chronique) pendant plusieurs années. Certaines provinces disposent de renseignements partiels à cet égard. Le Québec, Terre-Neuve-et-Labrador, la Nouvelle-Écosse et le Nouveau-Brunswick suivent l'inoccupation des logements publics, mais non des logements des coopératives ou des sociétés privées à but non lucratif. L'Ontario n'a pas de mode de suivi à l'échelle provinciale de cette information puisqu'elle a délégué cette fonction aux municipalités, assortie d'une obligation minimale quant aux renseignements à communiquer.

Malgré l'information limitée et le manque de données comparables d'une province à l'autre, l'inoccupation chronique dégage des ressemblances. En effet, les provinces qui connaissent un taux d'inoccupation chronique partagent un point en commun : l'inoccupation chronique survient presque exclusivement dans leurs régions rurales.

Les entrevues ont permis de constater que certains ensembles réalisés dans le cadre de programmes de logements publics étaient aux prises avec des problèmes d'inoccupation chronique : les logements familiaux dans certaines provinces (Terre-Neuve-et-Labrador, Nouveau-Brunswick, Manitoba et Colombie-Britannique) et les logements pour aînés dans d'autres (Nouvelle-Écosse, Manitoba et Saskatchewan). Il semble exister moins d'exemples ou d'inquiétudes dans le secteur des organismes privés à but non lucratif, puisque ces problèmes semblent se limiter au Nouveau-Brunswick et au Manitoba.

Dans le cas des logements familiaux, les problèmes semblent se produire spécialement dans les collectivités et les régions rurales qui dépendent du secteur primaire et là où le déclin économique a motivé la migration de la population active. Dans les ensembles pour personnes âgées, le problème peut se manifester lorsque la population vieillissante s'est déplacée vers les grands centres en vue d'obtenir un meilleur accès aux services d'achats ou services médicaux, ou vers les endroits offrant un meilleur choix de logements (privés ou sociaux) répondant à la volonté de vieillir chez soi.

Le taux d'inoccupation chronique varie également selon la taille des logements. Le Manitoba et la Colombie-Britannique communiquent le taux d'inoccupation chronique des studios. Les logements d'une chambre pour aînés posent problème en Nouvelle-Écosse, au Manitoba et en Saskatchewan. Les logements familiaux de trois chambres sont considérés comme posant problème à Terre-Neuve-et-Labrador. La plupart des provinces signalent que les petits ensembles (de moins de 25 logements) risquent davantage d'être aux prises avec un problème d'inoccupation chronique.

### **Incidence financière du taux d'inoccupation chronique**

Très peu de renseignements portent sur la pleine incidence financière des taux d'inoccupation chronique, étant donné que la plupart des provinces (sauf le Manitoba et la Saskatchewan) ne l'ont pas quantifiée. Dans le cas du portefeuille faisant l'objet d'une application directe (stock de logements publics), les provinces procèdent à des allocations annuelles pour les besoins de remplacement ou de réparation, si bien que les fonds sont dépensés, que les logements soient tous occupés ou pas. En ce qui concerne le portefeuille des coopératives et des organismes privés à but non lucratif, des données non vérifiées indiquent que, pour certaines propriétés, l'entretien régulier est reporté et que les réserves de remplacement sont utilisées ou non reconstituées. Les provinces ont simplement « absorbé les pertes financières » ou versé une contribution en capital ponctuelle à l'égard d'un ensemble pour lui permettre de retrouver l'équilibre (par des travaux de



remise à neuf, de rénovation, ou par la transformation de logements de tailles et d'agencements différents).

### **Causes de l'inoccupation chronique des logements sociaux**

La dépopulation rurale est la principale cause de l'inoccupation chronique des logements sociaux, mais non la seule. Ce facteur est conditionné par la nature des causes au niveau macro, les causes communautaires et régionales, ainsi que les causes propres à l'ensemble d'habitation. De nombreuses causes agissant sur la situation de l'inoccupation chronique ont été cernées dans la plupart des provinces, mais chaque province a différentes combinaisons de causes et effets.

#### **Causes au niveau macro : « Effet de la situation d'ensemble »**

Ces causes échappent au contrôle des propriétés individuelles et des groupes qui en sont propriétaires ou en assurent la gestion. Il s'agit de tendances, de lignes de conduite, de programmes de portée générale, et de changements au sein de la société qui exercent une influence sur les collectivités et les propriétés individuelles. Certains entraînent directement des taux d'inoccupation chronique dans les logements sociaux situés en milieu rural, alors que d'autres ont une incidence indirecte parce qu'ils contribuent d'abord à la dépopulation rurale. Voici des exemples de ces causes :

- le vieillissement de la population (moins de familles);
- davantage de ménages de petite taille;
- l'augmentation du nombre de personnes seules non âgées dans le besoin;
- les plafonds de revenu pour le logement sont plus faibles que le revenu des demandeurs;
- les programmes, les lois et les règlements (ex. : la *Loi sur la réforme du logement social en Ontario* autorise un demandeur à refuser trois logements dont le loyer est proportionné au revenu; pas de sous-peuplement autorisé)
- l'accroissement du nombre d'ânés désirant vieillir chez eux;
- les changements de préférences des consommateurs et l'augmentation des options en matière de logement (logements avec commodités et caractéristiques pour vieillir chez soi; davantage d'options de mode d'occupation comme la location viagère, la copropriété, etc.)

#### **Causes communautaires ou régionales : « Effet de la dépopulation rurale »**

Ces causes échappent également au contrôle des propriétés individuelles ou des groupes qui en sont propriétaires ou en assurent la gestion. Certaines collectivités et régions peuvent être en mesure d'enrayer certaines causes, comme les imperfections du marché ou les problèmes d'accès aux services. Dans d'autres cas, peu de choses

peuvent être faites, surtout si, par exemple, le déclin de l'économie locale (surtout de l'industrie primaire) échappe au contrôle de la localité (appauvrissement des ressources, secteur ou entreprises appartenant à des étrangers). Voici des exemples de ces causes :

Dans les zones et collectivités non voisines de régions métropolitaines :

- l'émigration courante de la population de toutes les cohortes d'âges;
- moins de gens dans la catégorie des 45 à 64 ans, en raison de l'émigration précitée;
- la perte d'un membre de la famille ou d'appui de la famille;
- la perte de services sociaux, de soins de santé, ou de vente au détail; la population se rapproche de ces services offerts en milieu urbain;
- le déclin de la performance économique ou la fermeture d'industries primaires;

Dans les zones et collectivités voisines de régions métropolitaines :

- le meilleur choix de logements;
- davantage de commodités et de services;

Le surplus de logements locatifs et sociaux dans certaines zones de marché;

La dynamique du marché du logement local ou régional :

- la revente de maisons occupées par des ânés peut s'avérer difficile (probabilité moindre d'emménager dans un logement pour ânés);
- les autres formes de logement comme les appartements « illégaux » peuvent détourner les clients potentiels.

#### **Causes propres aux ensembles : « Effet spécifique à l'emplacement »**

La plupart des causes présentent un caractère local et les groupes qui sont propriétaires des ensembles ou en assurent la gestion peuvent être en mesure de les enrayer. Pourtant, les mesures adoptées pour éliminer les causes propres aux ensembles doivent être considérées dans le contexte de la communauté, tout comme les causes au niveau macro. Voici des exemples de ces causes :

- la désuétude des logements : âge des logements, taille des logements (diminution de la demande de studios et de logements de une chambre);
- l'emplacement de la propriété dans la collectivité par rapport aux services et à d'autres options en matière de logement;

- le manque de commodités sur place (ex. : laveuse et sècheuse, loisirs, aires communes, accessibilité des lieux);
- l'entretien laissant à désirer;
- la réputation des lieux laissant à désirer;
- les méthodes de gestion laissant à désirer;
- la diversité des occupants peut ne pas être souhaitable parmi les nouveaux clients en perspective (ex. : locataires à revenus mixtes par rapport aux locataires versant uniquement un loyer proportionné à leur revenu);
- la transformation de bâtiments peut être moins souhaitable (ex. : conception, allure, dimensions des logements, commodités, etc.) ou se prêter difficilement à des modifications ou à la remise en état.

## Stratégies et solutions

Toutes les provinces manifestent véritablement leur intérêt et leur volonté à conserver tous leurs logements sociaux à l'intérieur de ce portefeuille. Enlever des logements du portefeuille (par la vente, l'abandon, la transformation ou la démolition) est perçu comme une mesure absolue à adopter en dernier ressort. La caractérisation et la mise en application de stratégies et de solutions au problème de l'inoccupation chronique sont complexes et propres aux ensembles et aux collectivités. Il y a lieu de faire preuve de flexibilité en donnant suite à chaque cas d'inoccupation chronique. La création de solutions commence par une évaluation approfondie des causes premières du problème.

Les solutions ne peuvent pas nécessairement être mises en application isolément. Une démarche multi-volets s'impose. Par exemple, la transformation de studios en logements de une chambre peut, à première vue, sembler une solution utile pour attirer davantage d'aînés intéressés à se trouver un logement plus grand, mais peut-être faudra-t-il abaisser l'âge d'admissibilité ou autoriser la location à des personnes seules non aînées, dans le but d'étendre la liste de locataires admissibles.

### Solutions liées au portefeuille

La gamme des solutions liées au portefeuille relève grandement des ministères gouvernementaux et des organismes responsables du logement social. Les solutions cernées dans certaines provinces requièrent l'intervention des décideurs des paliers supérieurs pour élaborer des changements ou des exemptions aux lignes de conduite et programmes en vigueur. Ces changements ont favorisé une plus grande flexibilité dans la façon dont l'ensemble du portefeuille réagit aux conditions changeantes. Dans d'autres cas, les exemptions sont offertes au niveau de

la gestion du portefeuille (généralement au bureau de district ou bureau régional) à l'égard d'ensembles pour qu'ils acceptent des locataires ne répondant pas aux critères établis à l'origine. Il y a eu très peu de cas de ventes de logements sociaux au secteur privé. Voici des solutions possibles :

- le déménagement de logements (modulaires, individuels);
- la démolition de logements;
- la vente de logements au secteur privé;
- la modification des critères d'admission (autoriser le partage parmi les ménages; abaisser le niveau d'âge; élever les seuils de revenu; élargir la « région » géographique pour l'acceptation des demandes);
- l'échange de logements sociaux dans les secteurs problèmes contre des compléments de loyer dans les zones aux prises avec une forte demande.

### Solutions liées au marché

Ces sortes de solutions peuvent relever de l'initiative de la province ou du gestionnaire du portefeuille, ou encore des collectivités ou groupes locaux. Il s'agit habituellement de solutions à court terme permettant de combler le taux d'inoccupation chronique pour générer des revenus. Cette solution permet de « gagner du temps » pour élaborer des solutions à long terme. Il faut souligner la nature à court terme de ces solutions. En voici des exemples :

- la location à d'autres groupes clients des logements sociaux (ex. : familles dans des logements pour aînés, personnes seules non aînées dans des logements pour aînés);
- la location à d'autres au plein taux du marché (ex. : familles, touristes, travailleurs saisonniers);
- l'offre de forfaits-services « tout compris » dans le loyer (ex. : téléphone de base, câblodistribution);
- l'adoption de nouvelles méthodes de publicité et de marketing (ex. : par le biais des églises, d'autres).

### Solutions d'initiative communautaire

Ces solutions relèvent largement de l'initiative de la collectivité ou des groupes à but non lucratif proprement dits. Cela se produit lorsqu'on reconnaît le problème et qu'on manifeste la volonté de trouver des solutions créatives. Cela peut inclure des tentatives d'instituer un large dialogue au sein de la collectivité pour corriger le problème. À court comme à long terme, on peut prendre la décision d'utiliser quelques-uns des logements inoccupés à d'autres fins que le logement. Cette décision a pour avantage de conférer à la propriété un but plus large, motivant ainsi les occupants actuels à y demeurer

et suscitant une demande pour les logements inoccupés. En voici des exemples :

- l'utilisation des logements inoccupés à d'autres fins que le logement (ex. : cabinet de médecin, clinique, salle de réunion, bureau de police communautaire, centre de ressources familiales, banque alimentaire);
- l'ajout sur les lieux de nouvelles activités non liées au logement (ex. : services médicaux);
- des travaux d'agrandissement ou de rénovation pour ajouter des logements-services, logements avec soins infirmiers.

### **Solutions conceptuelles**

Ces solutions portent sur les particularités de l'ensemble comme tel. Les solutions peuvent être proposées par le gouvernement provincial ou par le groupe propriétaire du bâtiment. La question est de rendre les logements plus intéressants pour les clients potentiels ou de remettre la propriété en état pour que la taille et les types de logements répondent mieux aux besoins de la clientèle changeante. Dans bien des cas, la solution conceptuelle est retenue après avoir mené un examen approfondi des causes du problème d'inoccupation chronique, déterminé la viabilité d'apporter des changements et caractérisé les coûts. En voici des exemples :

- la transformation des appartements en logements plus grands ou plus petits de façon à répondre à la demande;
- la transformation des appartements en logements accessibles ou l'ajout de caractéristiques d'accessibilité;
- l'ajout de commodités sur les lieux (récréation, lieux de réunion, jardins, patios, terrasses);
- des investissements dans la modernisation et la remise en état (peinture, moquette, appareils).

### **Contraintes et obstacles à la mise en place de solutions**

La mise en place de solutions se butte à des contraintes et obstacles courants :

- les coûts : un ensemble situé au Nouveau-Brunswick a été rénové moyennant des coûts de 8 000 \$ par logement (financés par la province), alors que le déménagement des logements en Saskatchewan coûtait 40 000 \$ par logement;
- la taille des logements : tenter de louer des logements pour aînés à des familles peut ne pas fonctionner s'il s'agit de logements de une seule chambre ou qu'on se frotte à la résistance des aînés eux-mêmes;
- les revenus élevés parmi les aînés aujourd'hui : de nombreux demandeurs potentiels se trouvent maintenant au-dessus du plafond de revenu pour le logement;

- vieillir chez soi : davantage d'aînés demeurent chez eux plus longtemps parce que les soins à domicile leur assurent les services de soutien qui n'étaient pas offerts il y a 10 à 15 ans et c'est ce qui retarde l'admission dans des logements publics pour personnes autonomes;
- les locataires potentiels sont beaucoup plus sélectifs aujourd'hui : les gens dont le nom figure sur une liste d'attente peuvent choisir d'attendre qu'un logement se libère dans un ensemble de prédilection plutôt qu'accepter de louer un logement dans un ensemble moins souhaitable;
- la désuétude de certains logements : les petites logements et le peu de commodités d'ensembles pour aînés signifient que les gens sont moins intéressés à y vivre même si les loyers sont inférieurs;
- la faible valeur marchande des logements des régions rurales, comparativement à la valeur théorique ou à l'investissement foncier, peut constituer un obstacle à la vente;
- la préoccupation d'inonder le marché locatif local ou régional en ajoutant d'autres logements par la vente de logements sociaux peut constituer un problème;
- pour les propriétés d'organismes privés à but non lucratif d'avant-1986, il se peut qu'il y ait un nombre limité de ménages locataires potentiels au sein du marché local, dont très peu seraient en mesure de verser les loyers de la limite inférieure du marché dans un ensemble à revenus mixtes;
- la poursuite de la résidualisation des locataires : la clientèle locataire (en grande partie des prestataires d'aide sociale) peut être perçue comme peu intéressante aux fins du mixage des revenus ou de la production de revenus;
- il y a une limite à la durabilité de louer aux autres à la pleine valeur marchande, à moins que l'économie locale accuse d'appréciables améliorations;
- les collectivités et le gouvernement peuvent différer d'opinion quant à la définition de la solution ou de la réussite d'une stratégie; les collectivités peuvent considérer la démolition ou le retrait de logements sociaux comme une forme « d'abandon » de la part du gouvernement, mais ces solutions peuvent être considérées comme une réussite du point de vue de la gestion du portefeuille;
- la réticence de la collectivité ou du groupe local responsable de la propriété à reconnaître le problème de taux d'inoccupation chronique et ses répercussions.

Il est difficile d'élaborer une stratégie complète ou un train de solutions applicables à toute une province. L'expérience de la Saskatchewan (et à un degré moindre, du Manitoba) indique que le fait de disposer de bonnes données et d'établir un processus d'examen de la nature



du problème ensemble par ensemble ou collectivité par collectivité s'impose. Ce processus doit interpeler tous les intervenants clés, notamment les collectivités, les gestionnaires immobiliers et les organismes fournisseurs de logements; on cherchera à cerner les causes premières du problème et à évaluer des solutions possibles. Pour chaque solution possible, il y aura une vérification judicieuse de tous les obstacles ou contraintes possibles, étant donné les circonstances locales et le type de problème d'inoccupation chronique à régler.

### Critères de succès

Voici les conditions qui doivent être en place pour donner les résultats escomptés: Il faut :

- de meilleures données et des informations plus pertinentes;
- se rappeler que le contexte et les solutions varient d'une province à l'autre et d'un ensemble à l'autre : il n'y a pas de solution universelle;
- intégrer les solutions pour en faire une « stratégie »;
- que la collectivité locale et la dynamique du marché soient « favorables » à l'égard de la solution;
- qu'il y ait une volonté de reconnaître le problème à l'échelle locale;
- habituellement un apport de fonds provinciaux;
- la volonté, à l'échelle municipale et provinciale, de discuter des problèmes et d'être flexible.

## CONCLUSIONS

Le problème d'inoccupation chronique est complexe. Il faut mieux connaître l'ampleur du problème dans chaque province et de son incidence financière. Vu que les collectivités rurales continuent d'évoluer, il y aura lieu d'adopter une démarche concertée pour remédier à la situation. Certaines solutions, faisant notamment appel au déménagement de logements ou à leur vente au secteur privé, peuvent être désagréables, mais nécessaires à longue échéance. L'essentiel, c'est que les solutions soient élaborées avec flexibilité pour que ce qui est tenté dans une collectivité donnée respecte son contexte et que le dosage des efforts soit adapté à ces conditions particulières.

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## 1.0 Introduction

The purpose of this project is to identify the challenges faced by social housing providers in rural areas of Canada where there has been significant depopulation (driven mostly by out-migration of youth and young adults, and to a certain extent, older seniors moving to regional centres to be closer to extended health care services). By extension, there are four specific objectives related to this broad purpose. The first is to describe the context of social, economic, and demographic change in rural Canada. The second is to summarize what is known about the extent or size of the social housing chronic vacancy problem in rural Canada, including an assessment of the financial impact of these vacancies. The third is to describe the underlying causes of and issues associated with chronic vacancies in this stock. The fourth is to examine strategies that have been employed or considered to address the problem.

The issue of chronic vacancies in social housing is an especially important one in the rural Canadian context. First, over the years there has been significant capital investment in the construction and maintenance of social housing - both public and private non-profit stock - in rural Canada. Chronic vacancies reduce the revenue stream and impact on the ability to cover costs and properly manage and maintain the properties. Second, given that there has been very little new social housing construction since 1993, chronic vacancies in rural areas at times may appear to be incongruous with the fact that there are waiting lists for social housing in most urban centres of the country. The initial anecdotal evidence which suggested an oversupply in some areas and extensive unmet demand in other areas is a signal that there have been significant shifts and that social housing built in some communities may no longer be needed in those locations. Third, in the context of the private non-profit housing units, operating agreements over a 30 to 35 year period will be coming to an end in the coming years and the long term financial viability of some projects signals a need to investigate if and how these units might continue to serve community needs if there are chronic vacancies. Fourth, for many small towns and rural areas, social housing is an important contributor to the local tax base, provides housing options that might not be available through the private sector, and is a visible presence of government investment in the community. When these properties are vacant, there can be a spillover effect into the broader community.

The report begins with a summary of the methodology employed to investigate this issue. This is followed by a very brief discussion of the key social, economic, and demographic changes in rural Canada which are directly related to changes in demand for social housing. Estimates of the size of the social housing chronic vacancy problem in rural Canada follow. This includes a discussion of differences uncovered based on client type, structural type, and program type. The next section provides a brief summary of the limited information we uncovered about financial impacts of the chronic vacancy problem. The causes of and issues associated with chronic vacancies in this stock are then discussed. This section is organized around three major themes or categories: those which are macro causes and issues, largely beyond the control of individual properties and owners; those which are community or regional in nature (which are also largely beyond the control of individual properties and owners); and those which are property and project specific. Property owners have some ability to deal with these latter causes and issues.

The final substantive section explores the range of solutions and strategies that have been employed or considered to address the problem. Explicit linkages are made to link these to the nature and type of causes identified in the previous section. The report finishes by offering some conclusions about the chronic vacancy issue and the potential strategies which might be employed. The appendices contain contact information of those interviewed and the interview guides that were used.

## **2.0 Methodology**

Three separate activities were carried out to complete this project: a literature review; key informant interviews with one or more representatives of each provincial department or agency responsible for the social housing portfolio; and interviews with a representative from a selection of “case study” social housing properties. The specifics of each are described below.

### **Literature review**

The search for relevant literature focused on issues associated with rural depopulation and rural service provision. There has been little direct research and published material on the specific topic of the impact of rural depopulation on social housing provision and demand. The search was confined largely to the Canadian context (although some American items were consulted), and the post-1990 period.

### **Key Informant Interviews**

The literature review helped to shape an interview guide for use with one or more representatives of each provincial government responsible for social housing. In some cases multiple people in a given province were interviewed if it was found that no single person was able to answer the range of questions. In other cases, the original contact invited other staff persons to participate in the interview process, either on a conference call or through separate interviews<sup>1</sup>. A list of those who participated in the interviews is provided in Appendix A. These interviews were conducted in May and June, 2004.

The primary purpose of the interview(s) was to solicit information about the social housing vacancy problem in rural areas in each province. The interview guide is provided in Appendix C, and covered topics related to a general overview of the situation in their jurisdiction, financial issues and impacts of the problem, strategies and solutions, and management issues. Key informants were also asked to provide a short list of potential and recommended case studies for the final phase of the project.

Where they existed and were provided, documents about the issue in each province were reviewed.

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<sup>1</sup>For reasons beyond the scope of this project, we were unable to secure an interview with a representative from Alberta. Therefore no information about Alberta’s province-wide perspective on this issue is included.

## Case Study Interviews

Potential case study “regions” (where there were concentrations of chronic social housing vacancies) were identified by each province, including a list of potential properties whose owners could be interviewed. A “case study” thus comprises five properties from within a defined rural region (such as a county or an administrative territory). The selection of the five properties in each case study was completed to ensure some diversity in client types (seniors versus family), sizes of the properties (units and bedroom sizes), and the types of social housing provider. The selected case study regions were:

- Cape Breton region, Nova Scotia
- Mix of properties scattered throughout the province, New Brunswick<sup>2</sup>
- Algoma and Manitoulin-Sudbury Districts, Ontario
- Parklands West region, Manitoba
- Melfort / Yorkton region, Saskatchewan

The name and location of specific properties, contact information, and brief summaries of each, are provided in Appendix B. The reader may wish to refer to these case study summaries prior to reading the balance of the report from section 4.0 onward, as the text refers to individual and collective properties from the case studies to illustrate key points in the discussion.

The interview guide is provided in Appendix D, and covered topics similar to that of the key informant interview. Where they existed and were provided, documents and related information about the specific properties were reviewed. These interviews were conducted in September and October, 2004.

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<sup>2</sup>The key informant interviewees felt that there were geographic concentrations of the chronic vacancy problem, and that the best representation of the issue at the local level would be to include a mix of properties from across the province as the “case study”.

### 3.0 The Changing Rural Landscape

This section of the report provides a brief summary of the literature and the key informant interviews related to important changes in the rural landscape. More specifically, the focus is on demographic change, population mobility, rural service provision, and social housing issues.

#### 3.1 Demographic Change

Population change in rural Canada has been well documented. In general, the changes in recent years can be summarized as follows:

- absolute population growth in both urban and rural Canada;
- urban population growth is driven largely by international immigration to larger urban centres, and also by the migration of youth and young adults from rural communities and small towns in search of education and employment opportunities, and “life experiences”, and by older seniors moving for access to extended health care services;
- rural population growth is driven largely by migration of adults 25 to 69 years of age from urban communities to rural communities (Rothwell et al, 2002);
- there is uneven distribution of this rural population growth (Beshiri and Bollman, 2001);
  - rural communities and small towns which are “metro-adjacent” or located near large urban centres, are the fastest growing rural places, and some of them are growing faster than the cities;
  - rural communities and small towns which are “non-metro-adjacent” are growing very slowly and most are suffering from population loss because: 1) death rates exceed birth rates, 2) these communities receive little of the migration of adults from urban to rural communities, and 3) these communities experience out-migration of youth and young adults;
- there is uneven distribution of growing and declining rural regions across Canada: all of Newfoundland and Labrador rural regions, and more than two-thirds of Nova Scotia and Saskatchewan rural regions declined in population from 1991 to 1996 (and this has continued in the 1996 to 2001 period), while more than one-third of those in New Brunswick and Québec also declined (Mendelson and Bollman, 1999).

In terms of subprovincial trends, most of the rural regions within Newfoundland and Labrador, Nova Scotia, and Saskatchewan reported population declines between 1991 and 1996. In other provinces, where more of the rural regions grew in absolute terms, the largest areas of absolute rural and small town population growth were in those areas within and near large metropolitan regions, such as the Lower Mainland of British Columbia, around Calgary in Alberta, around Winnipeg in Manitoba, and so on (Mendelson and Bollman, 1999). Further analysis confirms that it is these rural metro-adjacent regions which are the fastest growing rural regions, and they

represent one-half of the population in predominantly rural regions of Canada (Beshiri and Bollman, 2001).

There have also been province-specific studies documenting the decline in absolute and / or relative rural and small town population. In Nova Scotia reports show that between 1996 and 2001 only two counties - Halifax and adjacent Hants - grew in population, four experienced virtually no change, and 12 experienced population decline. The areas with the largest population declines were rural in nature - Cape Breton, northeastern Nova Scotia, and parts of southwest Nova Scotia (RCIP, 2003; Government of Nova Scotia, 2003). Projections to 2026 are that the central part of the province including and surrounding Halifax, plus Antigonish County (because of the university presence there) will grow or remain stable in terms of population, while the balance of counties in the province (the more rural areas) will decline by between 7 percent and 20 percent (Government of Nova Scotia, 2003).

In a background study of the changing population structure of Ontario prepared for the Panel on the Role of Government, it was noted that there is significant population decline in rural and northern Ontario. This is true even for communities with more than 50,000 population, such as Sudbury, Thunder Bay, Sault Ste. Marie, North Bay, and Timmins, which all declined by between two percent and 12 percent between 1996 and 2001. A similar pattern of decline can be found in eastern and southwestern Ontario (Slack et al., 2003a).

In the western provinces, a body of work has been looking at the population changes in Saskatchewan, where there has been significant rural population decline. Carter Research Associates Inc. (1999) found that there was significant total population decline over a 35-year period for the smallest communities. Much of the decline occurred in the 1961-1986 time period as people migrated to larger centres. In the 1986-1996 period, total population decline continued in communities under 250 population, and there was also population decline in communities of 500 to 4,999 population.

Some of the reasons for the most recent declines include:

- Lower prices for grains and oilseeds, which reduced the viability of many farming operations and hastened the consolidation of farms into increasingly larger units. The number of farms fell from 103,000 in 1951 to 60,840 in 1991 and then to 56,995 in 1996. These trends have resulted in continued rural depopulation and lower demand for services in the smaller communities.
- Reduced spending by all levels of government on a wide range of services, including health, education, welfare and transportation. This further reduced the number of jobs and services and hence the population in the already declining communities in the province.
- In the retail sector the consolidation, mergers and dominance of large international chains and franchises resulted in closures in small communities and movement of operations to larger communities.



- Modifications to the rail network resulted in the closure of many lines and of a considerable number of elevators in the small communities. Elevator closures in a community are often accompanied by the departure of other agricultural services.
- The movement toward a freer trade environment across all sectors has meant that businesses now compete with the next town, the next province, and the rest of the world. In this environment the small communities in rural Saskatchewan find themselves at a distinct disadvantage. They are unable to compete and lose businesses from their economic base and eventually lose population (Carter Research Associates Inc., 1994; 1999).

To summarize, the population declines pose a real challenge for making decisions about how best to provide social services. The communities in decline are small in size, generally isolated from larger urban centres, lack a diverse economic base, have a declining economic and employment outlook, have high servicing costs, and have a limited range of public services (Slack et al., 2003a).

### **The Aging Rural Population**

With respect to the elderly population, there have been several studies which have documented the rapid growth of this segment of the population, and which have made projections into the future. By 2021 the number of Canadians 55 and over will be about ten million (Simon Fraser University, 2001), and by 2031, the over-65 segment is projected to be one in four Canadians (CMHC, 1999).

In Atlantic Canada rural and small towns are aging more rapidly than urban areas. Seniors are attracted to communities with a range of services, such as those which serve as regional service centres. In general, the communities of 1,000 to 10,000 are aging more quickly than those which are larger or smaller (Lilley and Campbell, 1999).

With respect to the specifics of Saskatchewan (as noted earlier), Carter Research Associates Inc. (1999) suggests that there will be a continued decline of the small centres. The demographic mix of the population in the smallest communities is also changing. Many have a growing proportion of seniors as people living in these communities age and the younger people move to seek employment elsewhere. Many are becoming “retirement” or “elderly” communities by default as the overall population of the community is falling and the relative number of seniors is on the rise. In some centres, one-half or more of the population is over the age of 65. In many of these centres the number and range of services is declining at a time when the population most likely to need a range of services is increasing (Carter Research Associates Inc., 1999).

Generally speaking, the financial status of seniors has improved dramatically since the late 1970s and early 1980s because of improved pension plans, seniors benefits, and taxation policies. However, poverty still exists among the elderly (Lilley and Campbell, 1999; Moore and

Rosenberg, 2001). This will mean continued demand for a range of social support services, including social and affordable housing.

### **3.2 Population Mobility**

The role of population mobility and out migration from rural areas as a contributing factor to rural population decline has been alluded to in the previous section. Here we explore the issue in more detail.

Migration is the main mechanism through which people adjust to changes in their economic and social conditions. Out-migration remains dominant in rural and remote areas of primary production. In these rural resource hinterland areas, unemployment is high, schooling and income is low, and there is significant economic restructuring in traditional economic sectors. These all contribute to out-migration. The result is a significant aging of the population in both the more remote rural areas as well as the city's countryside as a combination of youth out-migration and elderly in-migration (seeking housing and services) contribute to this outcome. This in turn has led to some progressive restructuring of rural services, especially in home-based support for older people. However, there is a cumulative destabilization of services where density is low and dispersed. The challenge is for provincial governments to reorganize public and quasi-public services while balancing population changes and the need for financial and service efficiencies (Bryant and Joseph, 2001).

Notwithstanding the context noted above, there is a total net in-migration to rural Canada from urban Canada. However, that migration is almost exclusively to rural metro-adjacent areas. For example, these rural areas which are near to, but just outside the commuter areas (the commuter area is defined as at least 50 percent of the workforce commuting to the urban core) of large metropolitan centres, collectively gained 182,000 people between 1991 and 1996 (Beshiri and Bollman, 2001).

Further analysis of the migration patterns shows that in-migration to rural areas exceeds out-migration from rural areas in all age classes from 25 to 69 years of age, while there is a net out-migration of those under 25 and over 69 years of age. In other words, rural areas, mostly those reasonably close to large urban areas, are attracting more people of working age and early retirement age than they are losing, while older elderly people are moving to urban centres in search of services and supportive housing. There are variations to this general pattern across Canada. For example, British Columbia, Alberta, and Ontario have net in-migration of people from urban to rural areas. The reverse is true in Québec, Manitoba, Saskatchewan, and Newfoundland and Labrador. There is no net gain or loss in Nova Scotia, PEI, and New Brunswick (Rothwell et al., 2002).

There are significant regional and local variation associated with the migration and mobility of the elderly population. Some rural areas, especially those closer to urban areas, attract older people as they retire. This is especially the case among those elderly or early retirees who have

higher incomes. These rural areas are able to retain and keep these migrants if they have reasonable health services and a range of housing choices to offer (Moore and Rosenberg, 2001).

Migration of elderly people tends to occur at two distinct periods: at retirement age and again at age 75. Joseph (1992) estimates that ten percent of the elderly population in Canada move each year. They have preferences for rural service communities and those communities with natural and cultural amenities (Joseph, 1992). Concentrations of elderly place greater demands on human services. However, in-migration of early retirees and other retirees tends to have a limited short-term effect on services because those who migrate tend to be wealthier and they tend to be married, thus having the financial means to support themselves and household support from a spouse. This changes with age, and these people then place more demands on the system because they have fewer social networks and kin relations in their new communities (Joseph, 1992).

While migration to rural service centres or even to urban centres provides the elderly with access to services, it does create other problems. The rural elderly have expectations that their children should provide social, personal, and economic assistance. However, studies have shown that those who live further away from their parents visit infrequently and are only able to provide assistance during times of absolute crises. Even among those who live relatively near to their elderly parents, the frequency of contact and the level of assistance has been shown to be quite low, except related to issues associated with an illness or the provision of transportation (Powers and Kivett, 1992). The same problems and issues can be found among the elderly who age in place in rural areas, rather than migrating to service centres. In general, elderly who remain in small towns and rural areas have reduced kinship networks as children and grandchildren move to urban centres (Belden, 1999).

Limited kinship support can be problematic, especially as health deteriorates. The tension between having a sense of place and an attachment to place, and the desire for access to family (who are often far-flung and in more urban centres because of economic opportunities) becomes a difficult one for elderly in failing health. They must make tough choices between remaining in their own home or community but with limited support (and increased potential risk of being injured due to falls or other accidents) and moving to an unfamiliar community and home to be near or with their family members who can provide needed support (Moore and Rosenberg, 2001).

The elderly struggle with this tension. There are many reasons for not moving, including a desire to stay in their own home, to keep their routines, and to have continued access to their friends and existing support networks. There is also the fear of institutionalization once they leave their home (CMHC, 1999). On the other hand, a decision may be made to relocate to another, often larger, community to access amenities and support services. The risk factors which trigger a move include poor health, chronic disorders, inability to carry out daily activities, cognitive impairment, lack of partner or support network, low incomes, and advanced age (CMHC, 1999).

### 3.3 Rural Service Provision

The issue of rural service provision and the factors which either drive the demand for these services or which inhibit the ability of the public sector to provide them has been mentioned briefly in the previous sections. Here we explore the issue in more detail. To begin, the impacts of continued population loss have been well-documented. The list is lengthy, and it includes fewer opportunities for economic development, new business development, and job creation; depression of the resale housing market; rising vacancy rates in rental properties (including social housing projects in some areas); diminished access to and provision of social services (health care, education, etc.) as population levels fall below demand thresholds; and diminished municipal capacity to provide critical and necessary municipal infrastructure due to an eroding tax base (Halseth et al., 2003). This view is shared by other authors. Slack et al., (2003a) noted in their review of the Ontario situation that:

As a direct consequence [of population decline] many rural communities ... especially the case in isolated resource-based communities in the north ... such communities also have a truncated fiscal base, and thus find it difficult to support the wide range of social services, medical services, infrastructure and cultural and recreational activities that people increasingly expect (8).

On a somewhat related note, Halseth et al., (2003) traced the history of rural service provision in Canada, and noted that there were three distinct eras:

Historically, rural places were isolated and few services were provided by the State. Most rural and small town places had to look after their own service provision, with the result that there was tremendous variability from place to place. In the economic boom of the post Second World War period, the State expanded its social safety net role to most facets of Canadian life. Principles such as universality meant that funding for education and health care, and access to government services, become more readily available in both metropolitan and non-metropolitan Canada. The net result was tremendous expansion of rural and small town services. Through the past two decades, however, there has been a retrenchment of these services (20).

There is ample evidence of this “retrenchment.” Most recently, a report to the Ontario Panel on the Role of Government identified potential settlement strategies within the context of declining population and the challenge of providing public services in rural areas. It suggested a distinct and comprehensive strategy for rural, small and remote communities, which would anticipate and accommodate widespread population decline. The key element would be concentrating growth and resources in designated urban growth centres - drawing on the experiences of Nordic countries - to build and maintain viable (small) cities in remote regions by concentrating public services in them (Slack et al., 2003a).

In addition, there has been significant health service restructuring in all provinces. The components of this restructuring include regionalization of health services; hospital closures and conversions; downloading of services to communities; and growing reliance on informal support (Moore and Rosenberg, 2001). To highlight a specific example of these reforms, an examination of the changes in Ontario shows that in the 1996-2001 period there were 40 public hospital closures and another 35 merged into 15 organizations. This was in part due to the recommendations within the Rural and Northern Health Care Framework for Ontario (1997), which encouraged smaller hospitals to work and plan together to share services rather than work in isolation (Hanlon, 2001).

Carter echoes these changes in the Saskatchewan. Referencing the population decline (noted in the previous sections), he suggests that the population shift to urban centres will be facilitated by further consolidation of public infrastructure. Hospitals, special care facilities, resident doctors, dentists, and secondary schools are, and will continue, consolidating their services in these larger communities (Carter Research Associates Inc., 1999).

Robinson assessed the nature of regionalization of health care services across Canada and concluded that the intersection of financial pressures, economic downturns, demographic changes, funding formulas, and health personnel shortage will lead to further regionalization. The primary hope through regionalization is achieving efficiencies and cost-effective delivery of services. She cautions that unless regionalization is planned for and implemented properly, it can lead to fragmentation in the system and result in problems related to access to services and marginalization of those most vulnerable to change, including the rural elderly (Robinson, 1994).

The various restructuring and regionalization efforts are having some impact on access to health care services (although there are other factors involved as well). Using data from the 1998-99 National Population Health Survey by Statistics Canada, Wilson and Rosenberg (2002) explored the range of impacts and issues related to access. They found that:

- geographic barriers (because the needed services were not available locally) to accessing health care was highest in Saskatchewan (14 percent of those who were unable to receive the services they required) and Newfoundland and Labrador (13 percent), followed by PEI, Manitoba and Nova Scotia;
- transportation barriers were highest in Newfoundland and Labrador (5 percent) and Nova Scotia (4 percent); and
- unavailability of care when needed (inconvenient hours, doctor on holidays) was highest in Nova Scotia (30 percent) and British Columbia (23 percent).

The authors conclude that all of this is largely explained by the relative concentration of health services in larger urban centres, and thus citizens living in provinces with a more rural population are more likely to have problems with access (Wilson and Rosenberg, 2002).

In a similar vein, a review of rural Manitoba health care issues revealed that access to a wide range of services was a problem due primarily to geographic isolation. This in turn is related to the high costs of transportation to larger centres, the lack of specialist services in smaller centres, and a lack of or insufficient on-site seniors services and programs (TPG, 1999). These latter points were also noted in a review of rural service provision by Desjardins et al., (2002). Health services in particular show a strong relationship between population size of a settlement and the level of services available in the settlement - the larger the community, the more services that are available.

### **Impact on the Elderly of Reduced Access to Services**

There are particular issues and problems for the elderly associated with the above-mentioned challenges and changes in rural service provision. An aging population results in highly uneven demands for public services. As the level of specialization in public services that people want and expect increases, they will be concentrated in larger metropolitan centres where they can be afforded by the public. This will draw people away from rural communities and small towns (Slack et al., 2003b). A review of services for the rural elderly shows that they are generally lacking, including limited range of services, inaccessibility when they are available, poor levels of awareness about the availability of services, and the lack of a personalized approach to service provision (Desjardins et al., 2002).

A prime example of this is hospital closures in rural areas. These have disproportionately affected seniors because seniors have greater health care needs and are more concentrated in most rural places. This is also true with respect to the downloading of responsibility for elder care to community groups and family members. Reliance on informal supports is a problem for those living alone and in poverty, and for those who may have recently migrated to a rural community because they tend to have fewer social networks (Moore and Rosenberg, 2001).

The rural elderly are more in need of services and are generally in poorer health than their urban counterparts. However, formal support services are less accessible and more costly in rural areas. As a result the kin network is frequently critical to the continued independence of older rural adults (Powers and Kivett, 1992). In New Brunswick, a provincial review of demographics and their impacts on society and public services concluded that those living in rural areas are likely to remain and age in place. This will put additional pressure on the community and on all levels of government to provide support services for the elderly (Province of New Brunswick, 1996).

Rural seniors face a variety of other service-related problems. There is little housing choice, support services and facilities are meager, and there is a lack of transportation services. Transportation is an especially problematic barrier for elderly women living alone. Most prefer to be close to town, within 10km, but there is usually no regular public transportation available in rural areas (Steele, 2002). One in five seniors do not drive, and this rate doubles for those 75 and over. The result is that they often have to move to a larger town to find manageable housing and to access a range of services they need (CMHC, 1998).

There is a direct connection between services and the provision of housing. Rural elderly housing needs and resources are different than urban - they need a wide range of housing choices along a continuum spanning from aging in place in their own homes to long term care. At one end of the continuum is a need for repair and rehabilitation programs which can assist aging homeowners to modify their homes to accommodate their mobility limitations. From there, there is a need for quality and accessible rental housing (both private market rental housing and social housing), assisted living arrangements, followed by long term care, usually in an institution such as a nursing home. These choices are often unavailable in rural areas because there is a lack of resources and services (Belden, 1999). With advancing age, there are more people who require a range of personal support services - personal care, meals, convenience services, home maintenance, safety and security, transportation, protective, and professional. More and more, the informal care sector (family and others) is being asked to provide these in the absence of public provision of such services. This makes it difficult to age in place, or to move into appropriate housing in the same community. Respite care services are desperately needed in rural communities and small towns in order to facilitate aging in place (CMHC, 1999).

### **3.4 Social Housing Issues**

In this section we examine three elements related to housing: current issues within the social housing stock; housing options demanded by the elderly; and housing design concerns.

#### **Current Social Housing Issues**

The Canadian Housing and Renewal Association (CHRA) recently undertook an examination of social housing related to the pending expiry of many operating agreements (2002). Although the study looked at the stock as a whole, there were many issues identified which apply to a rural setting and to the elderly client group, the main concern of this study. Many variables affect the financial and operational circumstances of social housing, including programs, markets, client groups, the political environment, construction and maintenance histories, size and type of housing provider (CHRA, 2002). In the context of the issues identified in the previous sections, it is likely that many rural social housing projects, especially those aimed at seniors, face different and significant challenges.

Some of the social housing no longer continues to meet the needs it once served. For example, in some of the provinces (Newfoundland and Labrador, Saskatchewan) some family housing units were built in the 1960s and 1970s and were designed for larger families. However, today the highest demand is for smaller two-bedroom units, because there are fewer large families. Smaller families needing a two-bedroom unit are generally not interested in or willing to pay the slightly higher rents associated with three-bedroom units. Thus there is a mismatch between the household type and size on waiting lists for social housing units and the supply available. Without rehabilitation and adaptation of these units, there may be financial problems and high

vacancy rates (CHRA, 2002). A similar story can be told about seniors housing that is not accessible or does not have support services on-site or near the site.

In a similar way, some social housing was built in rural communities and small towns to serve a need at a particular time, or to serve an anticipated need that never materialized. For example, Carter examined 12 single industry communities with generally less than 1000 people in Saskatchewan. When first established, industries in some of these towns were having difficulty attracting workers because of the lack of housing. Despite the questionable long term stability and viability of some of these industries, the provincial government built non-profit housing in five of the centres. Some of the industries failed after a short period of time, while in others the employment level fluctuated and demand for housing units fluctuated accordingly. Housing projects experienced significant vacancies (Carter Research Associates Inc., 1990). Today they no longer meet a need.

Social housing for seniors in rural areas is expected to face significant challenges. For example, in Saskatchewan continued decline in the population and the level of services in these communities may result in growing vacancies in the existing portfolio, as residents find that the services they require are no longer available (Carter Research Associates Inc., 1999). However, not all of the seniors are going to leave for the larger centres and there will be pressure on governments to provide an increasing range of support services in rural areas and small towns. If the services are not made available, the seniors are likely to move in even greater numbers toward the larger centres, further lowering the level of demand and increasing the vacancies in social housing. These factors combine to place the long term viability of many of the projects in these smaller communities in doubt (Carter Research Associates Inc., 1999).

It is not anticipated that there will be any significant increase in housing demand in these communities. There is evidence of falling prices, high vacancies, units not being maintained and repaired and vacancies in social housing units. Government housing policies appear to have two options in such centres: continue to oppose the trends of consolidation and retain underutilized housing facilities; or recognize and accommodate these trends by moving vacant units to other centres where there is demand or abandoning some of the projects entirely. Social housing consolidation in larger centres seems futile unless it is in step with broader government policy on provision and consolidation of other services such as health care (Carter Research Associates Inc., 1994).

One of the clear messages emerging from CHRA's review of the situation is that resources are needed to modify the existing stock so that it continues to meet public needs into the future (CHRA, 2002). In the context of rural and seniors social housing, this may mean directing resources to rehabilitate family units to be used for seniors housing, and to rehabilitate existing seniors units so they are more accessible. This would potentially address some of the problems noted earlier associated with the lack of housing choices in rural areas and the need to ensure a continuum of housing choices, including (social) rental housing.



CHRA identified a number of suggestions for housing providers to take action as their operating agreements expire, in order to improve the long term financial viability of their properties:

- pool reserves and resources with other housing providers;
- consider ways to adjust or restructure the housing to meet needs and enhance its viability;
- plan ahead with rent increases that reflect true market rents;
- enhance links to the community;
- gradually rent to more market renters;
- amalgamate with other, smaller housing providers to achieve economies of scale (CHRA, 2002).

These suggestions may potentially be part of solutions required to address some of the problems that some individual social housing providers may face related to long term chronic vacancies. CHRA also provided suggestions for provincial, territorial, and federal governments:

- adopt a flexible approach to operating agreements prior to their expiry so that new approaches could be implemented or tested, such as allowing revenue generation from market rents, retention of surpluses, etc.; and
- revise mortgage insurance to allow private non-profits access to direct lending (CHRA, 2002).

One of the issues that CHRA explored in this context is the sale of social housing units. The impact of termination of operating agreements of Limited Dividend Program Housing (the oldest agreements in the country, and the ones for which there is actually some information related to the outcomes) has been mixed. In a few cases some housing providers exited and sold their projects to private interests and the monies were used for other non-housing purposes in the not-for-profit sector. In other cases, sales resulted in the monies being used to build new affordable housing for low income people (CHRA, 2002).

Given the realities of population decline in rural communities, and the significant demographic shift to an older population, there may be different options and impacts to be considered in the rural context related to the potential sale of social housing by a non-profit provider when the operating agreements end. In some cases, the projects may no longer be viable due to limited demand or obsolescence (due to design). One possibility, then, would be for the provider to use the proceeds of the sale to build in another community where there is demand. This would be different than an outright sale of the units and the proceeds used for other purposes (CHRA, 2002).

However, in rural areas and small towns with declining populations (and limited and falling levels of demand for subsidized housing), there might not be any interest shown by the private sector in building rental housing or to buy existing stock from housing providers (Carter Research Associates Inc., 1999).

### **Housing Options for the Elderly**

The review of the literature revealed a consistent message about the current and future need to better integrate seniors housing with a range of support services within the community in which it is located: “Local governments and community planners will need to ensure that essential services and facilities are in place to cope with increased numbers of seniors and elderly people” (Skaburskis, 2002: 1). In some cases, that means providing the services on site. New forms of assisted housing are emerging and will need to be developed to allow older people to live independently while having access to common areas and 24-hour emergency care (Skaburskis, 2002).

Social housing (with ongoing subsidies) is not the only option for seniors. On the private sector side, lifestyle preferences of seniors will be an important influence. Today’s seniors can better afford housing choices than those in the past, although average income decreases with age (Social Data Research Ltd., 2001). This is expected to drive demand for quality rental housing, condominiums, and new approaches to integrating housing with provision of on-site services. On the not-for-profit side, it is expected that demand for housing similar to what is known as Abbeyfield Housing - where there is a shared housekeeper among seven to ten seniors - will rise as people will want a balance between independent living and some modest level of assistance as they age (CMHC, 1998).

### **Design Issues Related to Seniors Housing**

Any individual or household, regardless of age, generally would like a residential space that provides a good quality of life and provides a sense of enjoyment and satisfaction. Residents of existing seniors housing (in both the public and private sector) derive satisfaction with their housing from the following factors:

- quality of the dwelling unit;
- attractiveness of the project;
- closeness of facilities and services;
- services available on the premises (Simon Fraser University, 2001).

These are important considerations to keep in mind, especially in the context of social housing targeted to seniors in a rural setting. If existing housing units are not able to provide satisfaction for the occupants or prospective clients, they will be difficult to market and keep full. When this is combined with other important housing design considerations - accessibility and adaptability,

security and safety (CMHC, 1999) - it is clear that many rural housing projects will need significant resources invested in rehabilitation and upgrades in order to be viable.

Older people also take into account other factors, such as location, design, and facilities when choosing where to live. Generally speaking they like to be closer to shopping and transportation, and prefer housing that offers security. This would include a wide-range of features, such as emergency response systems, accessibility, meal services, nursing care, and much more (Lilley and Campbell, 1999). These concerns about design and access to services provide important signals for those who are building new or rehabilitating existing housing. There will be a need to provide maximum opportunity for independence and an active lifestyle among seniors. This means that social housing providers need to put more importance on access to services (such as food or meal services, health services, personal-care services, and home maintenance services) if they are to remain viable and marketable. At the same time, the portfolio must be designed in such a way that it is adaptable to the changing needs of the occupants as they age. For example, this means there is a need to ensure potential for wheelchair access and other mobility aids (CMHC, 1999).

### **3.5 Summary of Key Context Issues**

The discussion of key contextual issues affecting social housing in rural communities identifies a number of interconnected issues and challenges. In communities located in non-metropolitan regions of the country there is a long term trend of out-migration and population decline. In communities located adjacent to metropolitan areas there is net population growth and some in-migration of the elderly in search of better access to health care and other services. Some provinces in particular are experiencing more widespread population decline in most rural communities regardless of geography, including Newfoundland and Labrador, Saskatchewan, and Manitoba. At the same time there is an aging of our population as a whole, and the housing we have built - social and private - may not necessarily meet the needs of this population now and into the future. The pressure on governments to provide efficient and cost-effective health care services to all citizens has resulted in rationalization and regionalization of services in larger towns and cities, making it more difficult for the aging population who remain in small rural centres to access the services they require.

These combined effects of economic and population decline, service regionalization, and an aging population, are most pronounced in the smallest and more rural communities. Furthermore, many of these issues and challenges are interconnected; declining economic activity leads to outmigration, and this leads to a decline in the critical mass required to sustain a broad range of health care services. In other cases, the regionalization of services may trigger population movement and subsequent economic decline. Overall, these factors place great pressure on social housing providers to keep their units full in the face of falling demand.

## 4.0 Chronic Vacancies in Social Housing

In this section we describe the magnitude of the chronic vacancy problem in rural social housing. The section begins with a brief description of the rural social housing stock as a whole. This is followed by a summary of the various definitions employed for chronic vacancies across Canada. A summary of the problem in each province is provided, illustrated with examples from case studies, where appropriate. The section concludes with an assessment of the common patterns associated with the chronic vacancy problem, taking into account program type, client type, unit size, and structural type of units.

### Characteristics of Rural Social Housing

Rural social housing properties or projects tend to be small in size, typically with ten or fewer units, although some may be up to 25 units in size, especially for seniors housing. There are cases of larger projects. Seniors projects tend to be ground floor apartments (“motel” style) or walkups consisting of units on both ground and second level floors. Family projects tend to be duplexes and townhouses, although there are multi-storey apartment-style projects in some larger towns. There are typically limited or no amenities. However, some seniors properties have common or amenity space provided (typically a common room for social activities). Projects have been built in rural areas under all forms and types of social housing programs.

### Chronic Vacancies

Chronic vacancies are defined differently in each province (but most provinces do not have a particular definition or threshold for categorizing a unit as chronically vacant). Some examples include:

- Saskatchewan - vacant for six or more months;
- Manitoba - vacant for three or more months;
- Québec - a group of housing units that remains vacant for more than four months;
- Nova Scotia - vacant and no one on the waiting list to move in;
- Newfoundland and Labrador - vacant for at least 12 months;

#### Summary of Chronic Vacancies

|    |   |
|----|---|
| NL | 200 / 5800 public housing units   |
| NS | 200 / 7700 seniors public housing units                                 |
| PE | no problems, waiting lists for seniors are declining                    |
| NB | no data, average 3.0% vacancy months for family units, 2.3% for seniors |
| QC | no problems, 229 / 62884 public housing units (non-chronic)             |
| ON | no data   |
| MB | 101 / 6000 (all rural units)  |
| SK | 493 / 18759 (all units)   |
| AB | no data   |
| BC | 73 units (70 are in one family unit property)                           |

Note: Compiled from key informant interviews with provincial government staff; data sources are not consistent among provinces.

Few provinces have any way of measuring the true extent of the chronic vacancy problem because they do not track vacancies in any or all parts of the total social portfolio (e.g., in Québec, Newfoundland and Labrador, Nova Scotia, and New Brunswick they track vacancies in the public housing stock, but not in the private non-profit and cooperative stock). In other cases the lack of information is because there has been devolution to the local level with minimal reporting requirements (e.g., Ontario). The exceptions to both of these would be Manitoba and Saskatchewan, where they feel the problem is significant and serious, and they have collected detailed vacancy data for some time now. It is not possible to provide a national roll-up of the number or percent of rural social housing units which are chronically vacant because of the significant variation from one province to the next in how they are defined and whether or not there is data collected on the issue, either for a portion or all of the stock. We now turn to a summary of the chronic vacancy situation in each province.

#### Chronic Vacancies Expected to Continue

Provinces where the problem **will continue or worsen**:

- Newfoundland and Labrador
- Nova Scotia
- Manitoba
- Saskatchewan

Provinces where the problem **is not expected to worsen, or will likely remain the same**:

- Prince Edward Island
- New Brunswick
- British Columbia

Provinces which have **no indication** of future trend:

- Québec
- Ontario

Note: Compiled from key informant interviews with provincial government staff; data sources are not consistent among provinces.

### Newfoundland and Labrador

The Newfoundland and Labrador Housing Corporation (NLHC) provides direct delivery of 5,800 subsidized rental units, or just under 50 percent of the social housing portfolio in the province. Almost 60 percent of these units are in the Avalon Region (City of St. John's and surrounding areas). There are about 5,100 units in private non-profit (both community based groups and community or regional health boards) and cooperative projects. About 4,100 of these were developed under CMHC programs. These units are now under NLHC responsibility as a result of the social housing devolution agreement signed by the Province in 1997. NLHC is in the process of developing a new data reporting method associated with these latter projects. There are also 1,000 rent supplement units. In total, it is estimated that there are about 200 vacant NLHC units (of 5,800) across the province.

Although NLHC does not have current vacancy data on the units operated by the private non-profit sector, it is known that almost all of these are seniors housing projects, and almost all of them are fully occupied. In a small number of communities there might be some overcapacity and vacancy issues. There is a pattern of migration by older residents to the regional centres like Clarenville, Gander, and similar places, primarily to be closer to medical services. However, it is

not known yet about the extent to which this pattern of migration is having a direct impact on vacancies in seniors housing.

More specifically, examples of areas with long term vacancies include:

- St. Anthony, where 4 of 12 family units are empty with no likelihood of them being filled;
- Placentia (south of St. John's) has 10-12 units vacant in a 50 unit family housing project, but NLHC is hopeful of filling those once the Voisey's Bay nickel smelter is built and operational in the area;
- Marystown (on the Burin Peninsula) recently had 75 vacancies in 340 family units, but with new oil rig activity bringing workers back to the community, there are only 5 vacancies;
- Lewisporte, in the central part of the province, has high vacancies in its family housing stock;
- Wabush and Labrador City have experienced rural depopulation and high vacancies in family units; and
- Goose Bay has some very old and poorly designed and built family public housing, with more than half of the 55 units vacant.

There are some problems with vacancies in bachelor units - but these are generally not in the rural areas. There are also vacancy problems with three-bedroom units - there is a lack of demand for them as there are now smaller household sizes than a generation ago. The apartment-style complexes for family housing are less desirable, and as in the Goose Bay example noted earlier, there are vacancy problems with these types of units.

## **Nova Scotia**

The total number of public non-profit housing units in Nova Scotia exceeds 12,300 with about 7,700 seniors apartments, 3,700 family units, and approximately 800 rent supplement units. There are seven Housing Authorities, operating within the Housing Services Division of the Department of Community Services, who are responsible for the administration and management of the public housing stock. There are also approximately 750 private non-profit and cooperative units, representing a much smaller portion of the total social housing stock.

The chronic vacancy problem is primarily related to seniors housing, and concentrated primarily in Cape Breton (both rural and Industrial Cape Breton), and in the Eastern and Northern delivery regions (Guysborough, Antigonish, Pictou, and Cumberland Counties, and parts of Colchester County). In scattered locations in the rest of the province there are specific seniors projects which have chronic vacancies, such as Port Maitland (near Yarmouth), River Hebert, Joggins (both near Amherst), and from Lawrencetown in the western part of Annapolis County to and

including Digby County. These are typified by aging populations, declining total populations, traditional dependence on seasonal and primary sector employment, and relative geographic isolation and poor transportation links to regional towns and centres. It is estimated that about 200 seniors public housing units are “chronically vacant” in the sense that they are currently vacant and there is no waiting list to fill them.

There are no important variations in the types of social housing and the chronic vacancies. Almost all of the seniors stock is one-bedroom units. Some are in ground floor access buildings, others are in multiple storey buildings. Some are larger projects, and some are smaller in the 10 to 15 unit size. There are no variations based on the age of the public housing project, and the type of program under which it was built. But the defining variable is the geographic location in an area of rural depopulation.

The specific situation in the Cape Breton region (comprised of four counties, including the urban core area of the Cape Breton Regional Municipality - CBRM) provides an illustration of the chronic vacancy problem in Nova Scotia. The vacancy rate in the public housing stock is summarized in Table 1. The largest number of chronic vacancies are in Cape Breton County (roughly the equivalent of the CBRM), but most of the vacancies in Victoria and Inverness Counties (the most rural counties) are in fact chronic in nature. Chronic vacancies make up 2.1 percent of all public housing units in the region, but 39.3 percent of all vacancies.

Table 1: Vacancies and Chronic Vacancies as of March 31, 2004, Cape Breton Island Housing Authority

| <b>Area<br/>(3271 total units)</b> | <b># of Vacant<br/>Units</b> | <b># of Chronic<br/>Vacancies</b> | <b>Vacancy Rate (%)<br/>(# vacancies / #units)</b> |
|------------------------------------|------------------------------|-----------------------------------|--|
| Cape Breton County                 | 137                          | 44                                | 5.0  |
| Victoria County                    | 14                           | 14                                | 22.5   |
| Richmond County                    | 6                            | 2                                 | 5.1  |
| Inverness County                   | 16                           | 8                                 | 4.7  |
| <b>Total</b>                       | <b>173</b>                   | <b>68</b>                         | <b>5.3</b>   |

Source: Cape Breton Island Housing Authority, 2004. **Annual Report.**

While there are chronic vacancies in the region, there have been increases in the number of approved applications for both seniors and families looking for social housing, as summarized in Table 2. However, the chronic vacancies are mostly in seniors properties in rural communities. Almost all of the increase in demand for social housing (the approved applications) is coming from residents already living in the urban core area of this rural region. Those living in the urban core area and waiting for a subsidized unit are not willing to or interested in moving to a vacant unit in the rural part of the region. The significant increase in demand in the urban core area is being driven by the decline in incomes, the loss of jobs in the steel plant and the coal mines, and the rising cost of home heating fuel.

Table 2: Number of Approved Applications on File, 2000-2003, Cape Breton Island Housing Authority

| <b>Year Ending</b>                       | <b>Senior Citizen</b> | <b>Family</b> | <b>Non-Elderly Single</b> |
|--|-----------------------|---------------|---------------------------|
| December 31, 2000                        | 224                   | 189           | 123                       |
| December 31, 2001                        | 254                   | 156           | 131                       |
| December 31, 2002                        | 291                   | 210           | 168                       |
| December 31, 2003                        | 354                   | 372           | 165                       |
| % Increase (Decrease) – Dec/00 to Dec/03 | 58%                   | 97%           | 26%                       |

Source: Cape Breton Island Housing Authority, 2004. **Annual Report.**

### **Prince Edward Island**

The Department of Health and Social Services is responsible for social housing in the province. The PEI Housing Corporation is a crown corporation and falls under the responsibility of the Minister of Health and Social Services. Finances and budgeting for all housing programs flow through the PEI Housing Corporation. The Department signs off on all social housing policies and shares its responsibility with regional partners and Community Boards who provide the staffing and delivery of programs. Four Regional Health Authorities are responsible for management of seniors housing projects located in 38 communities across the province. Family housing projects are managed by the Department and delivered through nine local Housing Authorities.

Long term chronic vacancies is not a pressing issue in PEI. However, there are some specific projects in some rural areas which have had vacancy problems, but these are not necessarily directly associated with rural depopulation issues. At the present time, there are 482 family housing units in 9 communities across the Island (290 in urban areas and 192 in rural areas). There is a waiting list of 713 families, and the turnover rate was 15.3 percent in 2002-03. There are 1,144 seniors housing units in 38 communities (549 in urban areas and 595 in rural areas). There is a waiting list of 238, representing a steady decline in recent years. The turnover rate was 15.1 percent.

### **New Brunswick**

Social housing falls under the responsibility of the Department of Family and Community Services. There are eight delivery regions. Units built in the post-1985 period are smaller projects of 4 to 10 units, scattered in small towns and rural areas of the province, and owned and operated by community groups in the private non-profit sector. Units built in the pre-1986 period tend to be larger, and located in the larger towns. There are also cooperative housing projects, mostly in the urban centres (but some in the larger towns) and public housing units built in the 1960s and 1970s in the urban centres.



The Province does not have current data on specific locations of vacancies. However, in some areas of the province there are problems with vacancies. The long term vacancies are a result of a combination of factors, including rural depopulation, poor management by the non-profit owners, poor quality of the units in some cases, and lack of demand. There is no specific region where the problem persists, and no geographic pattern to the long term vacancies, but in general there are high vacancies in some villages dependent on the fishing industry. Some specific examples include:

- in parts of the Acadian Peninsula, there have been aggressive efforts in the private sector to build and rent basement suites to low income households;
- in Bathurst, a small city in a rural region where the economy is depressed and there are job losses and depopulation;
- in the southwest (between Saint John and the US border) there are high vacancies in the fishing villages and rural areas where seasonal employment and a transient workforce are present;
- in Kent County there is out-migration of seniors to the nearby urban centre of Moncton, as seniors seek access to services and better housing choice;
- in parts of the Upper Saint John River Valley (north and west of Fredericton to the Woodstock area) there is a similar pattern of seniors moving to private sector accommodations in Fredericton to access shopping, services, and wider housing choice (seniors with modest incomes are willing to pay a bit extra for private accommodation as a tradeoff against rising transportation costs in rural areas); and
- east of Saint John in the Kennebecasis Valley a similar situation is happening as seniors are moving into Saint John to be close to services.

The province tracks “vacancy months” - the total number of months that any units are vacant - and reports them as a percent of all possible “occupied months.” For example, if there are ten units in a project, and one of those units was vacant for six months in a given year, the total vacancy months would be six of a possible 120, or five percent. Across the province, vacancy months in the 1997-2001 period were higher for family units than for seniors units (see Table 3), and this is the case in most of the rural regions of the province. The one exception would be in the Lameque region (northeast, Acadian Peninsula area), where vacancy months are higher for seniors units. Given the way that the province tracks the vacancies, data are not available for specific projects or specific units, so it is not possible to quantify the chronic units within this data set. For example, in the Miramichi region there were 82 vacant months in 2000-2001. That total could represent 82 different units being vacant for one month each, or it could represent seven units being vacant for a year.

In the post-1985 period of social housing development, many duplex-type projects were built in small towns and rural areas, and these are largely scattered (e.g., in a given town, there might have one duplex in one neighbourhood, and another duplex in another neighbourhood, etc.) and targeted to families. There are some problems keeping these units full because of poor management practices by the local housing provider, resulting in poor maintenance and upkeep, and limited board involvement in addressing the issue.

Table 3: Public Housing Vacancies, 1997-2001, Vacancy Months as a Percent of Total Units, New Brunswick

|                      | 4-Year Average, 1997-2001 |                   |
|----------------------|---------------------------|-------------------|
|                      | Family Units (%)          | Seniors Units (%) |
| <b>Urban Regions</b> |                           |                   |
| Fredericton          | 3.1                       | 1.4               |
| Moncton              | 3.3                       | 2.5               |
| Saint John           | 2.1                       | 2.3               |
| <b>Rural Regions</b> |                           |                   |
| Campbellton          | 3.7                       | 3.2               |
| Bathurst             | 3.2                       | 1.7               |
| Miramichi            | 5.0                       | 1.6               |
| Edmundston           | 2.6                       | 2.1               |
| Woodstock            | no data                   | 2.9               |
| Lameque              | 2.8                       | 3.7               |
| <b>Total</b>         | <b>3.0</b>                | <b>2.3</b>        |

Source: **Public Housing Vacancies and Vacancy Turnovers: 1997-2001**. Province of New Brunswick. Unpublished.

There does not appear to be any variation in terms of long term vacancies based on the client target group. However, there do seem to be more problems in small towns and rural areas for projects which have more than ten units in their portfolio. In terms of vacancies associated with specific programs, there do not appear to be any problems with cooperative housing. For the pre-1986 non-profit housing, where vacancy problems exist, they seem to be associated with finding sufficient capital to do upgrading and renovations to make the units more marketable. This is due to the nature of the programs which make revenue generation a challenge. For the post-1985 non-profit housing, where vacancy problems exist, they seem to be associated with poor management and the struggles to find interested board members to manage the projects. It does seem, however, that mixed income projects appear to be more popular among clients than projects with 100 percent full subsidy occupants. There are perceptions among some people on waiting lists that the post-1985 projects are “less desirable” because all of the occupants are low income and on a subsidy.

## Québec

The Société d'habitation du Québec (SHQ) is the Québec government's principal advisor on housing issues, and falls under the authority of the Ministry of Municipal Affairs, Sport and Leisure. The SHQ prepares and implements policies and programs in the housing sector, and is also responsible for the largest social housing inventory in Québec. The social housing stock includes 90,000 housing units for low-income households. The SHQ owns 65,000 such units that are managed for the most part by municipal agencies. The remaining 25,000 units are owned by cooperatives, non-profit organizations and private landlords. Vacancy statistics are more readily available for the SHQ stock than they are for the remaining stock of cooperatives, non-profit organizations and private landlords, who are operating independently. In fact, there is virtually no data for this latter portion of the social housing stock, although some regions (like Gaspé/Iles-de-la-Madeleine) are now starting to gather information from all their regional cooperatives/non-profit/private landlords.

Social housing vacancies throughout the Province of Québec are not chronic in nature. According to the SHQ, the social housing vacancy rate has in fact declined in Québec. In 2002, there were 280 housing units vacant. As of December 31, 2003, there were a total of 62,884 housing units, of which 229 were vacant including 173 for seniors and 56 for families and singles. The overall vacancy rate was 0.4 percent. There are no vacant housing units in 459 of the 550 *offices municipaux d'habitation* (OMH, or Local Housing Authorities). In fact, only 13 Local Housing Authorities had five or more vacant housing units. Table 4 shows the vacancy rate among the public housing units owned by SHQ in selected rural regions. The vacancy rate is below two percent in all but one of these rural regions.

Table 4: Vacancy Rates in the Social Housing Stock in Selected Rural Regions of Québec

| <b>Selected Rural Regions</b> | <b>Vacant Seniors Units</b> | <b>Vacant Family &amp; Singles Units</b> | <b>Total Vacancies</b> | <b>Vacancy Rate (%)</b> |
|-------------------------------|-----------------------------|--|------------------------|-------------------------|
| Abitibi-Témiscamingue         | 23                          | 7  | 30                     | 2.6                     |
| Bas Saint-Laurent             | 36                          | 9  | 45                     | 1.6                     |
| Chaudière Appalaches          | 34                          | 11                                       | 45                     | 1.6                     |
| Mauricie/Centre du Québec     | 38                          | 13                                       | 51                     | 1.1                     |
| Estrie                        | 14                          | 9  | 23                     | 1.1                     |
| Gaspésie                      | 4                           | 0  | 4                      | 0.3                     |

Source: Hubert de Nicolini, Director, Community and Social Housing Development Service, Program Development Branch, Québec Housing Corporation (SHQ - Société d'habitation du Québec).

## Ontario

The Province of Ontario enacted the Social Housing Reform Act (SHRA) in 2000 which downloaded the responsibility for much of the social housing portfolio from the Province to 47 “Service Managers”. Each Service Manager is responsible for social housing within a designated boundary. Most Service Managers are municipalities (cities, regional municipalities or counties) or entities known as District Social Service Administration Boards (DSSAB), which generally correspond to northern and remote districts. Since the majority of the population of southern and central Ontario lives in “non-rural” areas with populations of 10,000 or more, most of the areas of responsibility of Service Managers, other than those in northern Ontario, do not include rural communities. However, there are some pockets within the larger southern Service Manager's areas which include rural communities experiencing depopulation.

The date that each Service Manager assumed responsibility for administering social housing ranges from October 1, 2001 to May 1, 2002, with all responsibilities now downloaded to the Service Managers from the Province for most housing programs.

The impact of the downloading of social housing administration to each Service Manager is that the province no longer retains responsibility, and therefore no longer collects data on social housing projects. Instead, each Service Manager is responsible for collecting data on the social housing projects devolved to their administration. Anecdotal evidence suggests some potential chronic vacancy problems in northern regions of the province.

Three examples from the Algoma District and the Manitoulin-Sudbury District help to illustrate what little is known about the larger picture in Ontario. The common theme in these districts is that where there are chronic vacancies, they have been persistent vacancy problems in the past or there is a risk of having vacancy problems (i.e., they have very short waiting lists). Michipicoten Non-Profit Housing Corporation in Wawa, for example, has seen a reduction in the number of people on its waiting list over the past ten years to the point now where there is very slow response to available vacancies, especially for market rent units (this is a mixed rent-geared-to-income (RGI) and market rent development). Due to the closure of the local iron ore mine, it is expected that the population will continue to decline and the difficulties of maintaining full occupancy will increase.

The Warren Housing Project in Sudbury East currently has four vacancies which have persisted for several months. Two other projects located in smaller centres, Lakeview Apartments in Thessalon and Webwood Non-Profit in Webwood, were both originally serving seniors and were experiencing chronic vacancies until they opened up the units to all ages.

The Township of White River Municipal Housing Corporation currently has one vacancy which has been vacant for approximately a year. This is the usual turnover time for White River; however, they do not usually experience more than one or two vacancies at a time. This trend in vacancies has been experienced since the building was first built in 1992. Within the Municipality of White River, the housing market is not very active so many seniors have trouble

selling their homes. Another reason attributed to the vacancies in White River is that they no longer have a nurse available for tenants. White River is currently experiencing a population decline in all age groups.

## **Manitoba**

Social housing falls under the jurisdiction of the Manitoba Department of Family Services and Housing. The Housing Division of the Department provides policy and program planning and program delivery support. Portfolio management is handled by the Manitoba Housing Authority (MHA) that reports to the Department. The MHA provides overall property management direction and guidance, operating out of eight communities in different regions of the province. The authority took over direct management in 1998, replacing the many local housing authorities in the province.

The MHA is responsible for the management of approximately 13,000 units in Manitoba. Approximately 5,000 units are in rural and northern centres. In addition to these direct management units, private non-sponsors (non-profits and coops) also report to the Housing Division, although the reporting relationship is less formal and the Housing Division has less control over property management. This non-profit sector has another 1,000 units in rural communities. Non-profit and cooperative projects have local management boards. Board members serve on a volunteer basis and provide direction and guidance for all aspects of property management including tenant selection.

Projects built in the rural communities are generally small. Usually they consist of ten units, or slightly larger projects of 11 to 25 units. This depends on centre size and the client type. Projects for seniors are often larger than those for families, a function of past demand. Seniors projects are generally small “motel type” apartments (often one storey) that may include some common area space, although this is rare. Family units may occasionally be single detached units but are generally small townhouse projects. There are rarely more than ten family units in any one centre.

Most of the units built in small communities fall under two program categories: Public Housing (and these tend to be older properties); and Non-Profit and Cooperative Housing. Non-profit and cooperative projects tend to be located in larger rural communities. Chronic vacancies are generally much more common in public housing than they are in private non-profit and cooperative units. In the non-profit sector pre-1986 projects tend to experience more vacancies than post-1985 projects. A small number of units were built under other program frameworks, including Rural Housing Units and Section 15.1.

The province keeps relatively good statistics on vacancies. This includes information by program, client group, project size and specific centres. Summary statistics are included in Tables 5 and 6. Vacancies are classified as chronic or non-chronic. Chronic vacancies are those that are continuously vacant for a period of three months or more. There are currently 173 public

housing units in the province that vacant; 101 (59%) of these are considered chronic vacancies. Vacancies are generally higher in the smaller centres.

Chronic vacancies in social housing occur in centres throughout the province but are most pronounced in the Parklands West, North, North Central and Churchill districts of the province. There are fewer vacancies in the Interlake, Parklands East, South Central and South West parts of the province. In general the vacancies seem to be higher in areas that have a less diversified economy or those areas that depend mainly on agriculture or the primary extraction industries of mining and forestry. There are also fewer vacancies in small communities immediately adjacent to larger centres such as Brandon and Winnipeg. This can be attributed to larger demand from a commuting population. Centres in the South Central and South West as well as Parklands East have a more diversified agricultural sector that has moved toward a large range of specialty crops. They are also areas where there has been significant growth in hog operations, and other small industries in both the agriculture and non-agricultural sectors. Examples include food processing in Carberry, and a major printing industry in Altona.

Table 5: Property Vacancy by Region and Occupant, Public Housing, March 2004, Manitoba

| <b>Rural District</b>    | <b>Number of Units</b> | <b>Number Vacant</b> | <b>Percent Vacant</b> |
|--------------------------|------------------------|----------------------|-----------------------|
| <u>Churchill</u>         | 341                    | 55                   | 16.1                  |
| Elderly                  | 10                     | 0                    | 0.0                   |
| Family                   | 331                    | 55                   | 16.6                  |
| <u>Eastman/Interlake</u> | 1,120                  | 56                   | 5.0                   |
| Elderly                  | 684                    | 42                   | 6.1                   |
| Family                   | 436                    | 14                   | 3.2                   |
| <u>North Central</u>     | 831                    | 112                  | 13.5                  |
| Elderly                  | 424                    | 84                   | 19.8                  |
| Family                   | 407                    | 28                   | 6.9                   |
| <u>Northern</u>          | 582                    | 170                  | 29.2                  |
| Elderly                  | 106                    | 49                   | 48.0                  |
| Family                   | 476                    | 121                  | 25.4                  |
| <u>Parklands East</u>    | 463                    | 50                   | 10.8                  |
| Elderly                  | 353                    | 45                   | 12.8                  |
| Family                   | 110                    | 5                    | 5.5                   |
| <u>Parklands West</u>    | 318                    | 56                   | 17.6                  |
| Elderly                  | 194                    | 42                   | 21.7                  |
| Family                   | 124                    | 14                   | 11.3                  |
| <u>South Central</u>     | no data available      | no data available    | no data available     |
| Elderly                  |                        |                      |                       |
| Family                   |                        |                      |                       |
| <u>South West</u>        | 1,412                  | 171                  | 12.1                  |
| Elderly                  | 799                    | 130                  | 16.3                  |
| Family                   | 613                    | 41                   | 6.7                   |

Source: Manitoba Housing Authority

The province views the vacancy problem as long term and expects chronic vacancies to increase at a gradual rate. Manitoba has an aging population, particularly in small rural communities. As the current seniors die or move to other centres to access services and as the baby boom ages, it is anticipated that population decline will intensify, further reducing the demand for both senior and family units.

The problem is most severe in one-bedroom and studio (bachelor) units built for seniors. The situation is not as bad for family units but there are a large number of vacant family units in Leaf Rapids due to the mine closure. With the aging senior population in these communities many of the vacant one-bedroom and studio units are no longer attractive to clients who are looking for housing with support services. These units were designed for independent living. Most of the vacancies occur in small projects, usually those in the 11 to 25 units size range.

Table 6: Non-Profit Portfolio Vacancy Summary Report, March 2004, Manitoba

| Program Type                | Units       |             |             | Total Vacancy | Percentage |
|-----------------------------|-------------|-------------|-------------|---------------|------------|
|                             | Elderly     | Family      | Total       |               |            |
| Rural Private Non-Profit    | 446         | 98          | 544         | 50            | 9.2        |
| Rural Sponsor               | 435         | 0           | 435         | 12            | 2.8        |
| Winnipeg Private Non-Profit | 374         | 944         | 1318        | 24            | 1.8        |
| Winnipeg Sponsor            | 2336        | 447         | 2783        | 77            | 2.8        |
| <b>Total</b>                | <b>3591</b> | <b>1489</b> | <b>5080</b> | <b>163</b>    | <b>3.2</b> |

Source: Manitoba Housing Authority

The Parklands West region serves to provide a closer look at the problems in Manitoba. The vacancy problems in these communities go back at least fifteen years. Some projects have had vacancies since shortly after the projects were built. In the seniors units vacancy rates range from 20 percent in Inglis to 37 percent in Benito, 44 percent in Bowsman and 50 percent in both Minitonas and Birch River. Vacancies are a problem in both the bachelor and one-bedroom units. There are far fewer family units in these centres, only 16 in total compared to 91 seniors units and only Birch River has vacancies in family units. However, in Birch River five of the eight family units are vacant (Table 7).

Table 7: Vacancies in Parklands West, March 31, 2004, Manitoba

| Community    | Elderly     |           |           | Family      |           |           |
|--------------|-------------|-----------|-----------|-------------|-----------|-----------|
|              | Total Units | Vacant    | %         | Total Units | Vacant    | %         |
| Benito       | 30          | 11        | 37        | 0           | 0         | 0         |
| Birch River  | 24          | 12        | 50        | 8           | 5         | 63        |
| Bowsman      | 9           | 4         | 44        | 2           | 0         | 0         |
| Inglis       | 10          | 2         | 20        | 0           | 0         | 0         |
| Minitonas    | 18          | 9         | 50        | 6           | 0         | 0         |
| Roblin       | 30          | 0         | 0         | 0           | 0         | 0         |
| Swan River   | 103         | 4         | 4         | 78          | 9         | 12        |
| <b>Total</b> | <b>194</b>  | <b>42</b> | <b>22</b> | <b>94</b>   | <b>14</b> | <b>15</b> |

Source: Manitoba Department of Family Services and Housing, 2004

## Saskatchewan

Social housing falls under the jurisdiction of the Saskatchewan Housing Corporation. The Corporation provides policy and program planning and program delivery support. Portfolio management is handled by nine regional area organizations that report to the Corporation. The regional organizations provide overall property management direction and guidance. Projects in individual centres are managed by local housing authorities. These authorities are volunteer organizations that provide day-to-day property management functions with the support of regional offices.

Projects built in the rural communities are generally small. Usually they consist of ten units or slightly larger projects of 11 to 25 units. This depends on centre size and the client type. Projects for seniors are often larger than those for families, a function of past demand. Seniors projects are generally semi-detached units (side-by-sides). Some of the larger projects are apartments (generally one storey) that may include some common area. Family units may be side-by-sides, occasionally single detached units or small townhouse projects. Family units built under the Rural and Native Program are generally single detached. There are rarely more than ten family units in any one centre.

Most of the units built in small communities fall under two program categories: Public Housing (which tend to be older properties) and Public Non-Profit Housing (managed by Prairie Housing Development, the province's public non-profit agency). A small number of units were built under other program frameworks, including Rural Housing Units and Section 15.1.

The province keeps very good statistics on vacancies. This includes information by size of centre, program, client group, project size, specific centres and regional property management areas. Summary statistics are included in Tables 8 and 9. As Table 8 illustrates, vacancies are much higher in the smaller centres.

Table 8: Property Vacancy by Centre Size, Client and Program, As at October 31, 2003, Saskatchewan

| Population Class     | Number of Units | Number Vacant | Percent Vacant |
|----------------------|-----------------|---------------|----------------|
| <b>Public Senior</b> | <b>10225</b>    | <b>667</b>    | <b>6.5</b>     |
| Under 250            | 571             | 122           | 21.4           |
| 250 - 499            | 1,304           | 207           | 15.9           |
| 500 - 999            | 1,136           | 110           | 9.7            |
| 1,000 - 2,499        | 1,679           | 95            | 5.7            |
| 2,500 - 4,999        | 760             | 33            | 4.3            |
| 5,000 - 9,999        | 582             | 19            | 3.3            |
| 10,000 - 29,999      | 929             | 24            | 2.6            |
| 30,000 - 29,999      | 895             | 14            | 1.6            |
| 100,000 +            | 2,369           | 43            | 1.8            |



| <b>Population Class</b>            | <b>Number of Units</b> | <b>Number Vacant</b> | <b>Percent Vacant</b> |
|------------------------------------|------------------------|----------------------|-----------------------|
| <b>Public Family</b>               | <b>5054</b>            | <b>362</b>           | <b>7.2</b>            |
| Under 250                          | 490                    | 70                   | 14.3                  |
| 250 - 499                          | 322                    | 35                   | 10.9                  |
| 500 - 999                          | 663                    | 66                   | 10.0                  |
| 1,000 - 2,499                      | 1,103                  | 83                   | 7.5                   |
| 2,500 - 4,999                      | 280                    | 12                   | 4.3                   |
| 5,000 - 9,999                      | 181                    | 15                   | 8.3                   |
| 10,000 - 29,999                    | 221                    | 5                    | 2.3                   |
| 30,000 - 29,999                    | 524                    | 12                   | 2.3                   |
| 100,000 +                          | 1,270                  | 64                   | 5.0                   |
| <b>Prairie Housing Development</b> | <b>3082</b>            | <b>276</b>           | <b>8.9</b>            |
| Under 250                          | 30                     | 5                    | 16.7                  |
| 250 - 499                          | 139                    | 27                   | 19.4                  |
| 500 - 999                          | 238                    | 34                   | 14.3                  |
| 1,000 - 2,499                      | 315                    | 40                   | 12.7                  |
| 2,500 - 4,999                      | 6                      | 1                    | 1.5                   |
| 5,000 - 9,999                      | 131                    | 13                   | 9.9                   |
| 10,000 - 29,999                    | 212                    | 12                   | 5.7                   |
| 30,000 - 99,999                    | 415                    | 17                   | 4.1                   |
| 100,000 +                          | 1,571                  | 127                  | 8.1                   |
| <b>Non-Profit</b>                  | <b>241</b>             | <b>17</b>            | <b>7.1</b>            |
| Under 250                          | 0                      | 0                    | 0.0                   |
| 250 - 499                          | 0                      | 0                    | 0.0                   |
| 500 - 999                          | 8                      | 0                    | 0.0                   |
| 1,000 - 2,499                      | 0                      | 0                    | 0.0                   |
| 2,500 - 4,999                      | 0                      | 0                    | 0.0                   |
| 5,000 - 9,999                      | 37                     | 1                    | 2.7                   |
| 10,000 - 29,999                    | 0                      | 0                    | 0.0                   |
| 30,000 - 99,999                    | 47                     | 2                    | 4.3                   |
| 100,000 +                          | 149                    | 14                   | 9.4                   |
| <b>Other</b>                       | <b>122</b>             | <b>0</b>             | <b>0.0</b>            |
| Under 250                          | 6                      | 0                    | 0.0                   |
| 250 - 499                          | 4                      | 0                    | 0.0                   |
| 500 - 999                          | 4                      | 0                    | 0.0                   |
| 1,000 - 2,499                      | 28                     | 0                    | 0.0                   |
| 2,500 - 4,999                      | 0                      | 0                    | 0.0                   |
| 5,000 - 9,999                      | 11                     | 0                    | 0.0                   |
| 10,000 - 29,999                    | 0                      | 0                    | 0.0                   |
| 30,000 - 99,999                    | 0                      | 0                    | 0.0                   |
| 100,000 +                          | 69                     | 0                    | 0.0                   |

Source: Saskatchewan Housing Corporation

Vacancies are classified as chronic or non-chronic. Chronic vacancies (currently 493 units) are those that are continuously vacant for a period of six months or more (Table 9). This represents about 37% of all social housing vacancies. The province has had a problem with chronic long-term social housing vacancies in small rural centres for more than 15 years. Evidence of the looming problem appeared as early as 20 years ago.

Table 9: Property Vacancy Summary Report, As at October 31, 2003, Saskatchewan

| Program Type                | Total Units  | Non-Chronic   |            | Chronic       |            | Total         |            |
|-----------------------------|--------------|---------------|------------|---------------|------------|---------------|------------|
|                             |              | Number Vacant | %          | Number Vacant | %          | Number Vacant | %          |
| Public Senior               | 10225        | 323           | 3.2        | 344           | 3.4        | 667           | 6.5        |
| Public Family               | 5054         | 286           | 5.7        | 76            | 1.5        | 362           | 7.2        |
| Prairie Housing Development | 3117         | 203           | 6.5        | 73            | 2.3        | 276           | 8.9        |
| Non-Profit                  | 241          | 17            | 7.1        | 0             | 0          | 17            | 7.1        |
| Other                       | 122          | 0             | 0          | 0             | 0          | 0             | 0          |
| <b>Total</b>                | <b>18759</b> | <b>829</b>    | <b>4.4</b> | <b>493</b>    | <b>2.6</b> | <b>1322</b>   | <b>7.0</b> |

Source: Saskatchewan Housing Corporation

Vacancies in social housing in the province are evenly distributed throughout the southern rural communities. There are very few vacancies in northern communities where demand from a young and rapidly growing Aboriginal population is higher. There are also fewer vacancies in small communities immediately adjacent to larger centres like Regina and Saskatoon. This can be attributed to larger demand from a commuting population. Communities that are the focus of large potash mining operations also have relatively few vacancies. The rest of the province where vacancies are common is characterized largely by an agriculture based economy.

The province views the vacancy problem as long term and a situation that is likely to get worse. Saskatchewan has an aging population, particularly in these small rural communities. As the current seniors die or move to other centres to access services and as the baby boom ages, it is anticipated that population decline will intensify, further reducing the demand for both senior and family units. The province views this issue as a long term systemic problem and they see no need for additional units in many of these centres in the foreseeable future.

The problem is most severe in one-bedroom senior semi-detached units. The situation is not as bad for family units but this is partly due to the fact that some family units that were vacant have been moved to other centres or disposed of in other ways. With the aging senior population in these communities many of the vacant one-bedroom semis are no longer attractive to clients who are looking for housing with support services. Most of the vacancies occur in small projects, often less than ten units and rarely in projects larger than 25 units. Because of the size of the centres and the limited demand even at the time the projects were built, initial project size was small.

The North East region of the province (Melfort / Yorkton) provides helpful examples of the problem in Saskatchewan. Vacancy problems in the three largest centres (Spy Hill, Choiceland, and Star City) are chronic and long term - most go back more than ten years. In Spy Hill over 40 percent of seniors units were vacant. As shown in Table 10, the vacancy rate was similar in the seniors semi-detached units in Star City but much lower in the motel design (ten percent). Vacancy rates in seniors units in Choiceland were lower; 21 percent in the public housing semi-

detached units and 33 percent in the family Public Non-Profit units. Vacancy rates in the family units in all three centres are much lower.

Table 10: Chronic Vacancies in North East Saskatchewan, By Client and Unit Types, 2003, Saskatchewan

| Community    | Client Type  | Building Type  | # Units    | Vacant    | Percent     |
|--------------|--------------|----------------|------------|-----------|-------------|
| Star City    | Senior       | Semi- Detached | 16         | 7         | 43.8        |
|              | Senior       | Motel-style    | 10         | 1         | 0.1         |
|              | Family       | Single Family  | 6          | 1         | 16.7        |
|              |              | Total          | 32         | 9         | 28.1        |
| Choiceland   | Senior       | Semi- Detached | 34         | 7         | 20.6        |
|              | Family       | Single Family  | 10         | 0         | 0           |
|              | PHD (Family) | Semi- Detached | 6          | 2         | 33.3        |
|              |              | Total          | 50         | 9         | 18.0        |
| Spy Hill     | Senior       | Motel-style    | 19         | 8         | 42.1        |
|              | Family       | Single Family  | 5          | 0         | 0.0         |
|              |              | Total          | 24         | 8         | 33.3        |
| <b>Total</b> |              |                | <b>106</b> | <b>26</b> | <b>24.5</b> |

Source: Saskatchewan Housing Corporation.

## British Columbia

Social housing falls under the jurisdiction of British Columbia Housing. This crown corporation falls under the jurisdiction of the Ministry of Community, Aboriginal and Women's Services. The Ministry provides policy and program planning, while BC Housing handles program delivery and portfolio management. Non-profit and cooperative projects have local management boards and their units are not part of the BC Housing portfolio.

Projects built in the rural communities are generally small. Some consist of less than ten units with slightly larger projects of 30 or more units in some of the larger rural centres. Projects for seniors are often larger than those for families, a function of demand. Seniors projects are generally "motel type" apartments (one storey) that may include some common area space. Family units may occasionally be single detached units but are generally small townhouse projects. Most of the units built in small communities fall under two program categories: Public Housing (these tend to be older properties); and Non-Profit and Cooperative Housing.

The province does not keep comprehensive statistics on vacancies. Perhaps this is because there are very few vacancies overall and even fewer chronic vacancy problems. There are fewer than 150 vacant units in the BC Housing Portfolio and 70 of them are in Prince Rupert. Although no specific figures were provided for the non-profit sector, the information collected during the interview suggests even fewer vacancies in this sector.

There are only two centres with current chronic vacancies: Prince Rupert with 70 of 375 units (19 percent) vacant and Greenwood with three of four units (75 percent) vacant. Chronic vacancies are units that remain vacant for at least six months.

The chronic vacancies in Prince Rupert are due to failure of the fishing industry and closing of a pulp mill and the associated general forestry services. Most of the vacant units are family public housing units but CMHC is also closing a coop project because of vacancy problems. The population of Prince Rupert declined by 12.4 percent or nearly 2,000 people between 1996 and 2001. However, as Prince Rupert contains in excess of 14,000 people it does not really qualify as a rural centre under our definition. The population of Greenwood was 665 in 2001 and the population declined by eight percent between 1996 and 2001 and 15 percent between 1991 and 1996.

Examining the situation for Public Housing on a regional basis across the province, Vancouver Island and the North Coast have very few problem centres outside Prince Rupert. Centres in this area (such as Port Hardy, Terrace, Port Alberni and Campbell River) have occasional vacancies related to swings in the logging, fishing and other resource based industries. However, vacancies are usually short term and the recent growth in the tourism industry helps to counteract this problem.

In the southern interior, family projects rarely have a vacancy. Some units in Castlegar may sit vacant for a few months but this is generally related to the departure of people attending college and with a new term the units fill up again. There is more concern about vacancies in senior units. A 46 unit seniors project in Revelstoke has had vacancy rates as high as 25 percent over the years. There have been vacant seniors units at times in Chase, Keremeos, Sparwood, 100 Mile House, and Meritt.

Non-profit sponsors also face some vacancy issues in this area. The four unit project in Greenwood has been 75 percent vacant for several years. The vacancies in this area are related to the fact that these rural communities have limited local and personal services and amenities for seniors. It is difficult for seniors to live in a community where there is no hospital. Also, these centres have very affordable housing markets and seniors have more choices.

In the northern interior, Chetwynd is the only centre with a vacancy problem. A new seniors project was built that created vacancies in an older project. There are no noteworthy problems in the western lower mainland and the eastern lower mainland.

The province does not view the vacancies as a problem. There are few centres with chronic vacancies. The vacancies that do exist are related to lay-offs in resource based industries, the lack of support services for seniors in smaller centres and the fact that in some of the smaller centres seniors have other affordable options. The seniors units that are vacant are generally bachelor units and most seniors want one bedroom units. This preference may be related to the fact that seniors are charged 30 percent of income regardless of whether they live in a bachelor or one-bedroom unit.

## Synthesis of Chronic Vacancy Problems

Based on these summaries from each province, there are some patterns to the chronic vacancy problem which emerge. These are summarized in Table 11. The information in the table and the foregoing discussion are designed to provide an overview of the general patterns, recognizing that there is a paucity of available data to quantify the situation. The common pattern in those provinces where there are chronic vacancies is that they are almost exclusively in rural regions of those provinces. The largest community example reported to have a problem was Prince Rupert, British Columbia, with about 14,000 population. While it is a “city,” it is located within a predominantly rural region of that province.

Table 11: Summary of Chronic Vacancy Problem Based on Programs, Clients, Unit Size, and Structural Type, All Provinces (Except Alberta)

| Program Type   | Client Type  | Unit Size   | Structural Type  |
|--|--|---|--|
| <ul style="list-style-type: none"> <li>Public (family) - NL, NB, MB, BC</li> <li>Public (seniors) - NS, MB, SK</li> <li>Post-1985 Private Non-Profit - NB</li> <li>Pre-1986 Private Non-Profit - NB, MB</li> </ul> | <ul style="list-style-type: none"> <li>Family - NL, NB, MB, BC</li> <li>Seniors - NS, PEI, NB, MB, SK</li> </ul> | <ul style="list-style-type: none"> <li>Bachelor - MB, BC</li> <li>1 Bedroom - NS, MB, SK</li> <li>3 Bedroom - NL</li> </ul> | <ul style="list-style-type: none"> <li>Apartment-style - NL</li> <li>Semi-detached - SK</li> <li>Motel-style - NS, MB, SK</li> <li>Small scale / volume properties (fewer than 25 units) - NS, NB, ON, MB, SK</li> </ul> |

Note: Compiled from key informant interviews with provincial government staff; data sources and knowledge of chronic vacancy problems are not consistent among provinces.

There is a high degree of overlap among the categorizations provided in Table 11. It is not possible to talk about the problems associated with a particular program or a particular structural type without acknowledging the significant interconnectedness of these. For example, when chronic vacancies are identified as being a problem in some seniors properties, they may have a common set of features, such as being a public housing property, with one-bedroom units, in a motel-style design or structure. The combination of “descriptors” may be slightly different in each province. At this point, we simply describe the broader patterns, and return to variable combinations in Section 6.0 in the discussion of the causes of chronic vacancies.

According to the interviews, properties built under public housing programs have chronic vacancy problems - in family units in some provinces (e.g., Newfoundland and Labrador, New Brunswick, Manitoba, and British Columbia) and seniors units in others (e.g., Nova Scotia, Manitoba, and Saskatchewan). There appear to be fewer examples or concerns in the private non-profit units, and the problems seem to be restricted to New Brunswick and Manitoba. One explanation of the situation in New Brunswick is that almost all of the rural social housing stock is in fact owned and managed by the private non-profit sector (with the exception of units in

larger urban centres found within predominantly rural regions), so where there are problems for any reason, they are largely found in that stock.

Both family units and seniors units are affected. However, the problems in family units seem to be more likely in Newfoundland and Labrador, New Brunswick, Manitoba, and British Columbia, especially in regions and communities in those provinces hard hit by downturns in the primary sector (fishery, forestry, and mining especially) which have led to labour force migration to other places in search of work. The problem in seniors projects can be found in Nova Scotia, New Brunswick, Manitoba, and Saskatchewan, where an aging population has been migrating to larger centres to obtain better access to shopping and medical services, or where there may be better selection of units (private or social) that meet their aging in place needs. Although PEI does not have chronic vacancies at the moment, there is a shrinking waiting list for seniors units.

Chronic vacancies also vary by unit size. Manitoba and British Columbia report chronic vacancies in bachelor units. Seniors one-bedroom units are problems in Nova Scotia, Manitoba, and Saskatchewan. Three-bedroom units targeted to families were identified as a problem in Newfoundland and Labrador.

There are also some patterns associated with the structural type of units as well. Most provinces reported that the smallest of properties (less than 25 units) were more likely to experience chronic vacancy problems.

## **5.0 Financial and Management Impact of Chronic Vacancies**

In this section we discuss the financial impact of chronic vacancies, as well as the impact these vacancies have on management practices and activities. In both cases there is limited information about the impacts, especially at a province-wide level. This is not surprising given that few provinces have been tracking the vacancy problem and can quantify the number of chronically vacant units. Much of the discussion presented here, then, is about the general types of financial impacts.

### **Financial Impacts**

There is no clear indication of the full financial impacts of the chronic vacancies because most provinces have not first quantified the chronic vacancies (except for Manitoba and Saskatchewan). In the direct delivery portfolios (the public housing stock) the provinces make annual allocations for replacements and repairs, so the funds are being spent whether the units are full or not. In the private non-profit and cooperative portfolios there is not a clear picture of the financial situation, but anecdotal evidence from key informants suggests that for some properties some routine maintenance and replacement reserves are affected by the lack of revenue. The general pattern seems to be that provinces have simply “absorbed the financial losses” or have contributed additional one-time capital to a property to help it get back on its feet (through refurbishing, renovation, or conversion of units to different sizes and layouts).

The financial problems associated with the chronic vacancy issue can be grouped into two categories: those at the province-wide or program level; and those at the property or project level.

Looking first at the province-wide or program level, our interviews reveal mostly information related to the public housing stock. In Newfoundland and Labrador, for example, the impacts related to replacement reserves vary based on programs. On the direct delivery, public housing portion of the portfolio, NLHC makes annual allocations within its budgeting process for upgrades and replacements, and this continues as per past practice. There are no replacement reserves, per se, in this case. If properties are not generating sufficient revenues because of vacancies, the money is found in other parts of the public budget. However, on the portion of the portfolio that has been taken over from CMHC management after the 1997 signing of the social housing devolution agreements (non-profit and cooperative projects), the replacement reserves on the whole are not as healthy. In some cases in the past the necessary annual allocations to the fund were not made. A general statement can be made, however, that the issue of unhealthy replacement reserves is not directly related to chronic vacancies.

In Nova Scotia’s public housing portfolio, all of the projects are “bottom line funded,” meaning that the province absorbs the losses and covers the difference between rents collected and expenses paid. There have been no formal estimates of the amount of money being absorbed as losses due to chronic vacancies. In addition, some of the delivery regions have been doing some

“scenario-building.” For example, the Cape Breton Island Housing Authority (CBIHA) did a quick impact assessment on the possible financial savings of closing one of its 15-unit buildings (just closing the building, not selling it). It found that the costs savings would be almost minuscule in comparison to the overall budget for the regional stock, given that there would be no reduction in staff, the fleet of vehicles, etc., of the CBIHA. So in this case, while there are impacts on revenues and “the bottom line” associated with specific properties, the net revenue losses must be examined in the context of overall program delivery and property management.

In Manitoba, the revenue loss generated by the vacant public housing units is shared by the federal and provincial governments on a 50/50 basis. Although the end of the federal/provincial operating agreements may provide the province with more flexibility it will not help the chronic vacancy situation. There is limited demand for many units in small communities and their market value is so low that refinancing is unrealistic. Vacancy losses will continue to be a drain on financial resources.

In Saskatchewan, the losses in public housing are shared by the three levels of government: 75 percent federal, 20 percent provincial and five percent municipal. In the public non-profit units the senior levels of government share the losses. There is no budget for replacement reserves in the public housing or public non-profit programs. However, municipal non-profits experiencing vacancies in other communities are having difficulty maintaining replacement reserves and maintenance and repair are being delayed and units are deteriorating.

Across most provinces, there were comments about the mismatch that results between the “book value” of the stock and what it would be worth in the marketplace if it were to be sold. In most cases, if there was any interest in selling properties with chronic vacancies to the private sector or to another party, the properties could not be sold for anywhere near what they are worth (even if a potential buyer could be found). This is because the “market value” of properties in these communities would be low. In addition, in the event of any possible sale, most of the proceeds would go to paying off the remaining mortgage or other debts, leaving little or no cash to be reinvested in social housing elsewhere. This scenario or problem was identified in Newfoundland and Labrador, Nova Scotia, Manitoba, and Saskatchewan.

Turning to property-level financial impacts, we find many examples of the range of problems and impacts:

- The loss of revenue restricts the ability to do much more than basic, necessary maintenance on units. This has created some problems in some communities.
  - For example, in Marystown, NL where a block of 12 to 20 units remained vacant for a long period of time, the units were subject to vandalism which compounded the problem of having the units in a “marketable” state.
  - For example, in Nova Scotia’s public housing stock with chronic vacancies, a unit which becomes vacant is no longer immediately readied for a new client (fresh paint, steam-cleaning of carpets, etc.,) until there is actually someone ready to move in. This reduces the burden on short term cash flow. Another related measure is that the exterior of the buildings



are not painted as frequently, save for the sides which are visible to the public (usually the front and sides only).

- A similar story was provided for Manitoba and Saskatchewan. The local housing authorities do not delay any major maintenance and repairs, particularly those that would threaten the structural integrity of the units, their outward appearance or their weather worthiness. However, they certainly do not paint, install new carpet or upgrade appliances. They try to keep the units in good condition so that they can be rented on very short notice.
- In some cases there has been a drawing down of replacement reserve funds within private non-profit properties to pay for basic maintenance, property taxes, and, in isolated cases, the monthly mortgage payment. This is a very real problem, because it leaves little or no money to do the necessary replacement of major structural components, appliances, and other items, all of which are necessary to keep the buildings in the best shape possible and make them attractive to potential renters.
- Properties that were developed under the federal pre-1986 private non-profit program and experiencing chronic vacancies are constrained by the design of that program. The only subsidy available is in the form of a mortgage interest rate write-down. With interest rates as low as they are, the amount of subsidy is minimal, and thus it becomes difficult to keep rents low enough so that those on social assistance can rent in the building. The program also requires that rents be kept at the low end of the market in the community as well, so that also restricts how much rent can be charged to “full paying” clients in mixed income projects. Chronic vacancies in these properties severely crimp total revenues required to keep projects financially viable.
- Most properties, including those managed in the public housing portfolio, construct annual budgets in such a way as to accommodate and forecast some reasonable “vacancy budget.” That is, they budget for some “lost revenue” because there will be some likely vacancies through the year. However, in some properties experiencing chronic vacancies, the vacancy budget may last only 6 months or less if there are sudden additional and unplanned vacancies.
- In Ontario the situation is somewhat unique because of the transfer of social housing to the municipal level under the Social Housing Reform Act. For properties which experienced losses and chronic vacancies prior to the transfer, such as Lakeview Apartments in Thessalon, the financial losses incurred were absorbed by the Province of Ontario. However, under the requirements of the Act, municipalities are required to deal with the losses without the province absorbing them. For the two projects examined in Manitoulin-Sudbury, financial losses are now being absorbed by the Manitoulin-Sudbury DSSAB. Of course, given the rather limited financial resources of smaller municipal entities of this nature, the DSSABs are extremely anxious to overcome their vacancy problems and work closely with the providers to develop solutions to the problem.

Three case studies<sup>3</sup> are used to illustrate the impacts at the property, community, and regional level. The first example (Table 12) is a public seniors housing property with 8 of 15 units vacant. The net loss is more than \$70,000.

Table 12: Example One: Financial Impact of Chronic Vacancies for a Specific Property

|  |                   |
|--|-------------------|
| <b>REVENUE</b>                           |                   |
| RESIDENTIAL REVENUE                      |                   |
| Total Residential                        | \$23,486          |
| Total Utilities, Parking and Maintenance | \$2,621           |
| Total Bad Debt Expense                   | (\$470)           |
| <b>TOTAL REVENUE</b>                     | <b>\$25,637</b>   |
| <b>EXPENSES</b>                          |                   |
| OPERATING EXPENSES                       |                   |
| Total Utilities                          | \$8,988           |
| Total Janitorial                         | \$261             |
| Total Grounds                            | \$2,382           |
| Total Vehicles & Equipment               | \$278             |
| Total Occupational Health & Safety       | \$200             |
| <b>TOTAL OPERATING EXPENSES</b>          | <b>\$12,110</b>   |
| MAINTENANCE                              |                   |
| Total Building Interior                  | \$689             |
| Total Building Exterior                  | \$168             |
| Total Heating & Ventilation              | \$331             |
| Total Appliances                         | \$154             |
| Total Electrical Systems                 | \$2,060           |
| Total Emergency Systems                  | \$2,937           |
| Total Site Works                         | \$1,016           |
| Total Plumbing                           | \$1,777           |
| Total Maintenance Overhead               | \$14,334          |
| <b>TOTAL MAINTENANCE EXPENSES</b>        | <b>\$23,466</b>   |
| ADMINISTRATION                           |                   |
| Total Administration                     | \$7,557           |
| NON OPERATING EXPENSES                   |                   |
| Total Property Taxes                     | \$6,356           |
| Total Amortization                       | \$48,880          |
| <b>TOTAL NON OPERATING EXPENSES</b>      | <b>\$55,236</b>   |
| <b>TOTAL EXPENSES</b>                    | <b>(\$98,368)</b> |
| <b>TOTAL LOSS</b>                        | <b>(\$72,731)</b> |

The second example (Table 13) shows the financial losses for a housing authority responsible for several properties in a community. The net loss in this 24 unit property over the past ten years is close to \$450,000 almost \$2,000 per unit per year. These losses are expected to continue.

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<sup>3</sup> Although the financial information provided about each case study is real and factual, the identity of each case study is not revealed to protect the confidentiality requested by those who provided the information.

Table 13: Example Two: Financial Impact of Chronic Vacancies for a Housing Authority

| <b>Year</b>  | <b>Net Loss \$</b> | <b>Municipal Share \$</b> |
|--------------|--------------------|---------------------------|
| 1994         | 66741              | 2651                      |
| 1995         | 34705              | 1203                      |
| 1996         | 47419              | 2143                      |
| 1997         | 35006              | 976                       |
| 1998         | 69249              | 3330                      |
| 1999         | 37034              | 1719                      |
| 2000         | 32531              | 1494                      |
| 2001         | 58295              | 2782                      |
| 2002         | 40753              | 1905                      |
| 2003         | 24043              | 1069                      |
| <b>Total</b> | <b>445776</b>      | <b>17129</b>              |

The third example (Table 14) shows the financial losses for a region consisting of several communities. Annual losses range from \$8,200 to \$73,000 by community. The total estimated annual loss in the five communities is close to \$180,000. Approximately 85 percent of the revenue loss is attributed to vacancies in seniors units. These losses are expected to continue and will likely increase over the next decade.

Table 14: Example Three: Financial Impact of Chronic Vacancies for a Region

|              | <b>Seniors</b>      |                        | <b>Families</b>     |                        | <b>Total \$</b> |
|--------------|---------------------|------------------------|---------------------|------------------------|-----------------|
|              | <b>Vacant Units</b> | <b>Revenue Loss \$</b> | <b>Vacant Units</b> | <b>Revenue Loss \$</b> |                 |
| Community 1  | 11                  | 44,880                 | -                   | -                      | 44,880          |
| Community 2  | 12                  | 48,960                 | 5                   | 24,000                 | 72,960          |
| Community 3  | 4                   | 16,320                 | -                   | -                      | 16,320          |
| Community 4  | 2                   | 8,160                  | -                   | -                      | 8,160           |
| Community 5  | 9                   | 36,720                 | -                   | -                      | 36,720          |
| <b>TOTAL</b> | <b>38</b>           | <b>155,040</b>         | <b>5</b>            | <b>24,000</b>          | <b>179,040</b>  |

### Management Impacts and Issues

Rural depopulation is having an effect on participation on the private non-profit volunteer boards. In general there are fewer people in these rural communities, and fewer people interested in participating in and serving on a community or private non-profit board. This may have longer term implications for the quality of the management of the units. The results of the interviews suggest that there are no consistent patterns between the extent of chronic vacancies and the interest / morale of boards and staff. In some of the cases we examined (e.g., in Ontario, Saskatchewan, Nova Scotia, and parts of New Brunswick) it was reported that existing boards and staff were enthusiastic and committed to their management of the social housing stock. On the other hand, there were examples of projects in most provinces where interest has waned and it has become difficult to attract new board members. It may lead to the dissolution of some of

these boards and handover to provinces for direct delivery as public housing (this has been identified as an issue in British Columbia, Saskatchewan, Manitoba, New Brunswick, and Newfoundland and Labrador).

Chronically vacant units also have property management and community relations implications. They need to be heated in winter, there is still a need to do basic maintenance (i.e., fresh paint, clean the exterior), but at the same time the units are potentially subject to vandalism. This has led to some community relations problems in some communities (i.e., they give the appearance that the community is going downhill, or, in the case of outright sale, closure, or removal of units, the sense of “abandoning the community.”) This problem was identified in Newfoundland and Labrador, Manitoba, and Saskatchewan. The pressure and strain on private non-profit boards in these situations can be intense, and it also makes extra work for provincial or regional housing authority staff who, in addition to managing properties and programs and trying to fill the units, have to work on building or repairing community relations.

Within the public housing portfolio, there have not been significant impacts on the day to day work of staff resulting from the chronic vacancy problem. However, there have been some shifts in activity. In Nova Scotia, for example, staff of the Cape Breton Island Housing Authority have been spending more time and resources to avoid further chronic vacancies (e.g., more time and energy spent on advertising, planning, arranging for foreign students to rent, etc.). There has been some reallocation of staff time to work on the issue, and with the establishment of a local interdepartmental committee on the issue, and interest in addressing the problem in other parts of the province, it is expected that more time will likely be devoted to this issue.

## 6.0 Causes of Chronic Vacancies in Social Housing

In this section the focus is on developing a better understanding of the underlying causes of chronic vacancies in rural social housing properties. The discussion revolves around those factors which directly and indirectly result in chronic vacancies, and not on those which contribute to rural depopulation in general (as discussed in Section 3.0). Nor does the discussion and analysis attempt to pinpoint the contributing factors to financial losses. This is because chronic vacancies may be only one of a number of issues which contribute to financial losses.

We make the assumption here that rural depopulation is an overriding, but not sole cause, of chronic vacancies. There may be factors at a broader social, economic, and policy levels, (macro level), factors which are specific to particular communities or regions, and factors which are specific to individual properties or projects, which also contribute to chronic vacancies. Thus the discussion is organized around these broad categories of factors. We also recognize that there are significant interconnections, interplay, and overlaps, among the factors: each factor by itself is not likely to be the single only factor which causes chronic vacancies in any given property, project, community, or rural region. Indeed, rural depopulation, while an overriding factor or cause, is usually conditioned by the nature of the macro factors and the community and regional factors at play as they relate to any analysis of the situation. While there are many common factors across the country associated with the issue, there are also different combinations of factors and effects in each province.

The discussion begins, then, with an overview of the three clusters of factors. This is followed by a very brief summary of the causes in each province. This is followed by several brief “project examples” to illustrate the complexity of the causes and the mix of causes at the property level.

Table 15 provides a synthesis of the causes clustered into the three categories of “macro level;” “community / region level;” and “property / project level.” For the most part the causes are somewhat independent of one another across the groups, but there are some linkages in specific cases (explored in the examples which follow). The list of causes is intended to illustrate the range of causes uncovered in our research, and are not ordered in any particular way to reflect the most prevalent or common. To do so would require a more in-depth survey of a large number of properties and a more systematic line of inquiry at the provincial level.

Table 15: Synthesis of Causes of Chronic Vacancies in Rural Social Housing

|          | <b>Macro Level Causes<br/>“The Big Picture Effect”</b>   | <b>Community / Region Causes<br/>“The Rural Depopulation<br/>Effect”</b>  | <b>Property / Project Causes<br/>“The Site Specific Effect”</b>   |
|----------|--|---|---|
| Causes   | <ul style="list-style-type: none"> <li>• increase in number of seniors</li> <li>• smaller households</li> <li>• increase in non-elderly singles in need</li> <li>• bi-polarity of incomes among seniors (more with higher and with lower incomes)</li> <li>• Housing Income Limits are lower than income of applicants</li> <li>• residualization of renters - more are social assistance recipients; fewer working poor</li> <li>• programs, acts, and regulations - Ontario SHRA permits an applicant to decline 3 RGI units; no “overhousing” permitted</li> <li>• increased aging in place</li> <li>• changing consumer preferences and increase in housing options <ul style="list-style-type: none"> <li>• housing with amenities and aging in place features</li> <li>• more tenure options such as life leases, condominiums, etc</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• in non metro-adjacent rural communities and regions: <ul style="list-style-type: none"> <li>• current out-migration of population in all age cohorts</li> <li>• fewer 45-64 years of age because of previous out-migration patterns</li> <li>• loss of kin and family supports</li> <li>• loss of social, health, and retail services; population moves closer to these services in more urban places</li> <li>• declining economic performance</li> <li>• closure of primary resource industries</li> </ul> </li> <li>• in metro-adjacent rural communities and regions: <ul style="list-style-type: none"> <li>• better housing choice</li> <li>• more amenities and services</li> </ul> </li> <li>• oversupply of rental and social housing in some markets</li> <li>• local / regional housing market dynamics <ul style="list-style-type: none"> <li>• resale of homes occupied by elderly may be difficult</li> <li>• other housing forms such as “illegal” suites may divert potential clients</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• obsolescence of units <ul style="list-style-type: none"> <li>• age of units</li> <li>• size of units (bachelor and 1BR in less demand)</li> </ul> </li> <li>• poor location of property in community relative to services and other housing options</li> <li>• lack of on-site amenities (washer/dryer, recreation, common space, accessibility features)</li> <li>• poor maintenance and upkeep</li> <li>• poor reputation of property due to prejudice, prior incidents, higher densities</li> <li>• poor management practices</li> <li>• existing client mix may not be desirable among potential new clients (mixed incomes vs RGI only)</li> <li>• structures converted from other uses may be less desirable (design, look, unit size, amenities, etc.) or not easily modified or rehabilitated</li> </ul> |
| Results  | <ul style="list-style-type: none"> <li>• indirect relationship with rural depopulation</li> <li>• reduces overall demand and waiting lists in some rural regions</li> </ul>  | <ul style="list-style-type: none"> <li>• rural depopulation which reduces occupancy, demand, and waiting list</li> </ul>  | <ul style="list-style-type: none"> <li>• properties may be difficult to fill</li> <li>• chronic vacancies may not be related to rural depopulation at all</li> </ul>  |
| Concerns | <ul style="list-style-type: none"> <li>• strategies may require adjustments to programs and policies</li> <li>• strategies may work in some properties but not others</li> </ul>   | <ul style="list-style-type: none"> <li>• strategies require comprehensive approach, not just housing or property specific solutions</li> <li>• long term future of community / potential need must be considered</li> </ul>   | <ul style="list-style-type: none"> <li>• strategies must focus on property specific items while considering any connections with other causes</li> </ul>  |

### **Macro Level Causes: "The Big Picture Effect"**

These causes are beyond the control of individual properties and the groups which own or manage them. They are big picture trends, policies, programs, and societal shifts which have an impact on communities and on individual properties. Some of these directly result in chronic vacancies in rural social housing, while others have an indirect impact because they first contribute to rural depopulation. Solutions or strategies might be adopted to address or ameliorate the impacts of some of these macro level causes, but because they are broad in their scope they may not necessarily result in reducing chronic vacancies.

### **Community / Region Causes: "The Rural Depopulation Effect"**

These causes are also beyond the control of individual properties and the groups which own or manage them. They play out at the individual community or rural region level. In some cases communities and regions may be able to address some of the causes, such as imperfections in the marketplace or the problems of access to services. In other cases, there may be little that can be done, especially if, for example, the decline in the local economy (especially in the primary resource industries) is beyond local control (e.g., depletion of the resource, outside ownership of the business or industry). Strategies to address chronic vacancies in rural social housing may need to first look at the broader community or regional causes to see what can be done to address those first, before considering property specific solutions.

### **Property / Project Causes: "The Site Specific Effect"**

With some exceptions, these causes are local in nature and the groups which own or manage the properties may have some ability or capacity to do something to address the causes. The age and size of units, the location, on-site amenities, and the existing client group are more or less items which were not the "fault" of the owners / managers, but strategies can potentially be developed, alone or in partnership with others, to address them. However, the strategies adopted to address specific property-related causes must be considered in the context of the community and macro level causes as well. For example, it may well be that the size of the units are not of interest to the potential client group, and renovations could be completed to expand their size. However, if the client group is also a shrinking population and one that is largely migrating out of the community for other reasons (e.g., economic, social), then the renovations may not make sense as a standalone strategy.

### **Discussion of Causes in Each Province**

What follows now are brief summaries of the causes of chronic vacancies in each province as described by our key informants, followed by some property specific examples of the causes of chronic vacancies "on the ground," to illustrate the complexity and interconnectedness of the causes.

## Newfoundland and Labrador

The chronic vacancies in Newfoundland and Labrador are largely associated with economic declines in the primary resource sector, primarily the declining or cyclical economic fortunes of resource-dependent communities, which in turn forces people to move. More specifically, there have been problems with declining economic activity in the fishery (in many communities); downturns in shipbuilding in Marystown; Wabush and Labrador City have experienced mine closures; and Goose Bay has some very old and poorly designed and built family housing (more than half of the 55 units are vacant). In the latter case, because these are undesirable and “last resort,” they are unlikely to be rented in the future, especially if there were to be further cuts at the local military base. In the Marystown and Labrador City cases, public housing for low income families was built in anticipation of large scale industrial development, which never really materialized, or which lasted only for short periods of time. As a result, these communities are oversupplied with low income housing. This means there are more units available for low income households to choose from, and makes the social housing units vulnerable to chronic vacancies.

Although NLHC does not have current vacancy data on the units operated by the private non-profit sector, it is known that almost all of these are seniors housing projects, and almost all of them are fully occupied. In a small number of communities there might be some overcapacity and vacancy issues. There is a pattern of migration by older residents to the regional centres like Clarenville, Gander, and similar places, primarily to be closer to medical services. However, the extent to which this pattern of migration is having a direct impact on vacancies in seniors housing is not yet known.

## Nova Scotia

The regions of the province suffering from chronic vacancies in social housing are typified by aging populations, declining total populations, traditional dependence on seasonal and primary sector employment, relative geographic isolation, and poor transportation links to regional towns and centres. Seniors projects located in these regions filled an important need when they were built 20 or more years ago. But now, with significant rural depopulation occurring, they are in less and less demand in the communities in which they are located. In the urban core area of Cape Breton, family public housing has chronic vacancies. Part of the vacancy problem is low demand because families have moved away, and part of the problem is the overall depressed housing market which keeps private sector rents competitive with the public housing rents.

## Prince Edward Island

While the issue of long term chronic vacancies is not a pressing issue in PEI, there are some specific projects in some rural areas which have had vacancy problems. The feeling is that these are not necessarily directly associated with rural depopulation issues. At this time, PEI has seniors who are very well off compared to their counterparts in other provinces. Island seniors



for the next ten years will have a high asset base which allows them to renovate or remain at home longer. This is expected to keep waiting lists depressed, but not to the point of chronic vacancies. In some small communities, the private sector has been building seniors housing complexes which are very affordable, and as seniors have the ability to pay affordable rents and do not require subsidized rents, this is filling the housing need for seniors at this time and has contributed to social housing vacancies in those communities. In a handful of small communities, the original location of buildings which may have been appropriate 20 years ago has now become an issue, because the centre of the community has shifted, or the loss of retail or other services locally has made their accessibility more difficult for those living in social housing.

## New Brunswick

Long term vacancies are a result of a combination of factors, including changing economies which have resulted in rural depopulation, poor management by the non-profit owners, poor quality of the units in some cases, and lack of demand. There is no specific region where the problem persists, and no geographic pattern to the long term vacancies, but in general there are high vacancies in some villages dependent on the fishing industry; in northern communities where there have been job losses and the threat of a mine closure; and in rural areas close to Moncton, Saint John, and Fredericton which have seen seniors move to these cities for better housing choices and access to services. The province is also seeing some changes in the needs within the social housing sector. There is more demand for non-elderly single units, and for units with disability access. Smaller unit sizes are also in more demand (one and two bedroom units). The nature of the present stock makes it difficult to meet these demands. Furthermore, New Brunswick has a rapidly aging population. The current social housing stock is not designed to meet aging in place needs, and this is already presenting a difficulty in the seniors housing portfolio. Too many of the units were built as two or three storey buildings, and there is now a demand for elevators. Over the longer term, the continued centralization of health and social services is expected to be a key driver in shaping the locational choices of seniors, and this will make it difficult for some rural seniors projects to remain viable. In the post-1985 period of social housing development, many duplex-type projects were built in small towns and rural areas, and these are largely scattered in nature and targeted to families. There are some problems keeping these units full because of poor management practices by the local housing provider, resulting in poor maintenance and upkeep, and limited board involvement in addressing the issue.

## Québec

The causes of the limited vacancy problem here are less clear. Older people tend to want to continue living in their own house for as long as possible. Rural depopulation is playing a minimal role in vacancies although, in some regions, youth and elderly people are choosing to move closer to larger centres where work and more social and health services are available. The fact that in many rural areas and small towns there are many private homes vacant and for sale at very cheap prices constitutes an obstacle to keeping social housing units full.

## Manitoba and Saskatchewan

The causes of chronic vacancies in both Manitoba and Saskatchewan are similar, and are due to a number of interconnected reasons, including population decline; centralization of health and education services; business closures and the centralization of business functions in larger centres; the rise and fall of single industry communities; modification to the rail network and closure of many small lines; an improved highway network which allows people to drive further to shop at larger outlets in larger regional centres; continued lower prices in agricultural and mining; and farm bankruptcies and farm consolidation. Furthermore, poor initial decision making resulted in social housing project development in communities that lacked sustainability in Saskatchewan, and there are units in Manitoba that cannot be filled because of fire damage or the need for major repairs.

These factors, plus others, feed on each other and become self-reinforcing. Together they have contributed to population decline in certain rural communities and contributed to chronic vacancies in social housing projects.

### **Property Specific Examples**

Drawing on specific project examples from our case study interviews, we offer the following three illustrations of the causes and complexities at the local level.

#### Résidences Notre Dame de Kent, NB

This property is located in Kent County, 20 kms north of Moncton. This is a pre-1986 non-profit, with ten seniors units built in 1985. This project has nine, one-bedroom units and one, two-bedroom unit. Access to each unit is through exterior doors, and via a central corridor. Rents are fixed at \$365 per month for a one-bedroom unit (\$375 per month with cable television included).

The chronic vacancy problem for Résidences Notre Dame de Kent is the result of a number of factors. There are currently three vacant units, with no waiting list, and the board sees no hope that the situation will change. One-bedroom units are not of interest to many potential renters. The property is located less than 20 minutes to the large urban centre of Moncton which had recent growth in private sector seniors rental housing construction. There are other housing options for seniors in nearby communities which seem to be more attractive. Other factors include:

- the property is located in a rural area where nothing is accessible except with a car, and there are no grocery stores in the community;

- in nearby Cocagne and Grand Digue, there are newer properties built under the post-1985 private non-profit program, where tenants pay 30 percent of income for rent - this is more attractive for low income seniors, and both properties have a waiting list;
- to the north, nearby St-Antoine is a slightly larger community and has a larger grocery store, a pharmacy, and a small hospital, so seniors prefer to rent there rather than in Notre Dame; and
- new seniors housing developments in Moncton make them much more attractive, even at higher rents, because they are very close to health care services and shopping, and the properties are usually newer and have more amenities and services on site.

#### Parklands West Region, Manitoba

This example includes five small communities that collectively have five seniors and three family projects providing 91 units for seniors and 16 for families. The seniors projects in these centres are a mixture of semi-detached units and one-storey motel type buildings with interior hallways and amenity space. They contain a mixture of bachelor (studio) and one-bedroom units. Family units are two and three bedroom single detached units. All units were built under the Public Housing Program during the 1970s and early 1980s. A number of reasons were offered to explain the chronic vacancy situation:

- depopulation in these centres as well as in the surrounding municipalities as farm size is continuing to increase;
- these centres have lost business and services, particularly those that seniors need including hospitals, pharmacies, post offices, curling rinks, churches, banks, grocery stores, doctors, dentists, community health clinics, etc.;
- more seniors are staying in their own home longer because home care provides support services that were not available 10 to 15 years ago; this delays entry into independent living public housing units and generally means that people go straight from their own home to higher levels of care;
- there are a greater range of housing options for seniors (life lease units, private rental units and condominiums) in larger centres like Swan River, Roblin and Dauphin and this is also where the health services are concentrated;
- with the loss of businesses and associated jobs young people are also leaving; there are very few skilled jobs left in any of these small communities so young people with skills and education move to larger centres;
- schools have closed or been reduced to elementary (K-8) institutions; some families left for the larger centres;

- people used to move from the farm to these small communities to retire but they now by-pass these centres, moving instead to places like Swan River where there is a greater range of housing and health care services;
- many seniors prefer larger units with more built in amenities than they find available in the older smaller public housing units;
- seniors have a slight preference for motel type units because they contain common space for visiting and social functions; they also have a slight preference for one-bedroom over bachelor units because they are slightly larger; and,
- the small communities simply do not offer the range of recreational, social and cultural activities that are available in the larger communities.

#### Melfort / Yorkton Region, Saskatchewan

This example includes three communities in the Melfort /Yorkton area of North Eastern Saskatchewan. Collectively these three centres include four family and four seniors projects providing 79 units for seniors and 27 units for families. The seniors units in these projects are a mixture of semi-detached units and one-storey motel type buildings with interior hallways and amenity space. All seniors units are one-bedroom. The family units are single detached three bedroom homes on lots scattered throughout the community or two- and three-bedroom semi-detached units. The seniors units were all built under the Public Housing Program and the family units are a mixture of Public and Non-Profit Housing. The Public Housing units were built in the 1970s and early 1980s; the non-profit units were built in the 1980s. A number of reasons were offered to explain these vacancies:

- rural depopulation, not just in the centres themselves, but in the surrounding farming areas as farm size continues to increase;
- declining family and household size also plays a role;
- these centres have lost businesses, social services, and jobs; Spy Hill, for example has no hospital, no school, no pharmacy, the railway line has been abandoned and the grain elevators have disappeared and it is reduced to one small general store; Star City and Choiceland have a few more services: Choiceland still has a K-12 school, Star City K-8, but neither centre has a hospital, pharmacy or any range of retail and personal services;
- people are not moving from the rural areas to these centres to retire; they move to larger centres where there are services; and,
- young people are also leaving to seek jobs elsewhere so there is no new family formation and decline in the younger age groups means the future seniors will be fewer in number.

Over the past ten years the economic base of these communities has declined. Although the housing was built to serve a need and units were full in the first few years, those interviewed expect vacancies to increase in the coming years. There is no foreseeable continuous need for these units. In addition to population loss, population change and a declining economic base, there are other factors that contribute to vacancies:

- seniors are receiving home care services in their home so they are less likely to move into seniors housing designed for independent living; many move directly from their home into units with a higher level of services. Such projects are only being built in the larger regional centres where there are hospitals and other services required by seniors;
- many seniors prefer larger units with a more modern design and motel units are preferred to the semi-detached because of the increased amenities, greater potential to rely on one's neighbours, operate a "buddy" system, etc.;
- many seniors in these small centres are unable to sell their homes as there is such limited demand; this also delays their move into social housing; and,
- with improved highways and reduced commuting times, people drive to the regional centres for services and gravitate to these centres to access jobs and when they retire; the hospitals, pharmacy, expanded housing options, and a greater range of personal and support services attract the aging population.

These property specific examples illustrate the detailed complexity of the chronic vacancy problem in rural social housing units. It is clear that solutions and strategies will need to be multifaceted and address a variety of causes and factors. The next section of the report assesses the potential solutions.

## 7.0 Strategies and Solutions

In this section we examine the range of solutions employed to address the problem of chronic vacancies in rural social housing properties. The focus of the discussion is on the vacancy issue itself, and not on the solutions to the financial impacts of the vacancies (which, for example, might include property tax relief, development of bulk purchasing programs to reduce costs, shared maintenance service agreements, etc., which address financial but not vacancy problems). We organize the discussion around different types of strategies and solutions: portfolio solutions; market-based solutions; community-based solutions; and design solutions. The discussion includes examples from various provinces and individual properties where these solutions have been attempted.

In all provinces there is a genuine interest in and concern for keeping all of their social housing units within the social housing portfolio. Removing the units from the portfolio (through sale, abandonment, conversion, or demolition) is seen as an absolute last resort. Furthermore, provincial contacts identified that the identification and implementation of strategies and solutions to the chronic vacancy problem are complex and unique to individual properties and communities. They recognize the need for flexibility in responding to and working with individual cases of chronic vacancies. However, the development of solutions often begins with a detailed assessment of the root causes of the problem. Some informants felt that not all cases of chronic vacancy problems were necessarily a direct or even indirect result of rural depopulation. Their investigations uncovered other issues such as poor management, poor perceptions of the properties by potential clients, and other issues, which have nothing to do with the out-migration of people. In these cases solutions unique to individual properties were developed, implemented, and the chronic vacancy problem was resolved over time. At the same time, those who were interviewed did acknowledge that in most cases the chronic vacancies were in fact as a result of the larger problem of rural depopulation, and that solutions were more challenging to identify and implement.

Table 16 summarizes the range of solutions, organized by different types based on their portfolio, market, community, or design orientation. As with the causes, it is recognized that the solutions are generally not standalone solutions or ones that can necessarily be implemented in isolation. Often a multipronged approach may be needed. For example, while converting some existing bachelor units into one-bedroom units may at first glance appear to be a useful solution to attract more seniors interested in larger units, it may also be necessary to lower the age of eligibility, or permit renting to non-elderly singles, in order to expand the potential list of eligible renters.

Table 16: Range of Solutions to the Chronic Vacancy Problem

|          | <b>Portfolio Solutions</b>  | <b>Market-Based Solutions</b>  | <b>Community-Based Solutions</b>   | <b>Design Solutions</b>  |
|----------|---|--|--|--|
| Ideas    | <ul style="list-style-type: none"> <li>• move units (modular, single detached)</li> <li>• demolish units</li> <li>• sell units to private sector</li> <li>• change criteria for entry               <ul style="list-style-type: none"> <li>• permit sharing among households</li> <li>• lower age levels</li> <li>• higher income thresholds</li> <li>• widen geographic “region” for accepting applications</li> </ul> </li> <li>• trade social housing units in problem area for rent supplements in higher demand areas</li> </ul> | <ul style="list-style-type: none"> <li>• rent to other social housing client groups               <ul style="list-style-type: none"> <li>• families in seniors housing</li> <li>• non-elderly singles in seniors housing</li> </ul> </li> <li>• rent to others at full market rents               <ul style="list-style-type: none"> <li>• families</li> <li>• tourists</li> <li>• seasonal workers</li> </ul> </li> <li>• offer “all-inclusive” package of services in rent (basic phone, cable)</li> <li>• new advertising and marketing (through churches, others)</li> </ul> | <ul style="list-style-type: none"> <li>• use vacancies for non-housing uses (doctor’s office, clinic, meeting room, community policing, family resource centre, food bank)</li> <li>• add new non-housing activities on-site (doctor visits to residents)</li> <li>• expand / renovate to include assisted living units, nursing care units</li> </ul> | <ul style="list-style-type: none"> <li>• convert unit sizes to respond to “demand”               <ul style="list-style-type: none"> <li>• 1BR to 2BR</li> <li>• 3BR to 2BR</li> </ul> </li> <li>• convert to “accessible” units</li> <li>• add accessibility features to units</li> <li>• add amenities on site (recreation, meeting space, gardens, patios, decks)</li> <li>• invest in modernization and rehabilitation (paint, carpet, appliances)</li> </ul> |
| Comments | <ul style="list-style-type: none"> <li>• higher level decision making required</li> <li>• may require internal “work teams” to develop scenarios</li> <li>• may require interdepartmental teams to explore links to other departments</li> </ul>  | <ul style="list-style-type: none"> <li>• creativity required</li> <li>• groups need to be proactive</li> <li>• exemptions to programs and policies might be needed</li> <li>• consider local market dynamics</li> </ul>  | <ul style="list-style-type: none"> <li>• local groups need to identify local needs and potential solutions</li> <li>• seek local partners in health, education, economic development</li> </ul>  | <ul style="list-style-type: none"> <li>• will require provincial capital investment</li> <li>• consider local market dynamics</li> <li>• will likely be part of a large strategy or other solutions</li> </ul>   |

## **Portfolio Solutions**

The range of portfolio-related solutions are largely in the hands of government departments and agencies responsible for social housing and the attendant policies and programs. The solutions identified in some of the provinces required higher level decision-making to develop changes to or exemptions to existing policies and programs. These changes have facilitated greater flexibility in how the total portfolio is responding to changing conditions. For example, in Québec, the SHQ has permitted local housing authorities to accept social housing applications from outside of their territorial boundaries, in order to increase the number of potential applicants. In other cases exemptions are provided at the portfolio management level (usually at the regional/district office) to individual properties to accept people outside of the original criteria. This was the case in Cape Breton, NS, where the policy for the age threshold for an applicant for seniors housing was lowered to 58 years of age. The region also changed the policy to allow chronically vacant seniors units to be rented to younger persons (usually non-elderly singles), if they meet the income criteria and if it is judged that they will be compatible with the existing seniors population in the properties. In Ontario the conditions of the SHRA permit RGI units to be rented at market value as long as they are replaced by rent supplement units in the private sector elsewhere within the same DSSAB jurisdiction.

There have been very few cases where social housing units have been sold to the private sector. There are isolated examples in Newfoundland and Labrador, New Brunswick, Québec, and Saskatchewan but these were seen as last resort measures and are not considered to be part of the formal strategy in those provinces for addressing the problem.

## **Market-based Solutions**

These types of solutions may be initiated by either the province / portfolio manager, or by groups or communities at the local level. They usually focus on short term solutions to fill chronic vacancies that will generate revenue. This “buys time” for the development of longer term solutions. The short term nature of these solutions must be underlined. For example, in Spy Hill, SK there were construction workers who rented for a work-term in several properties, while in Deer Island, NB seasonal labourers have over the years rented for three or four months at a time in a seniors project. In other provinces (such as PEI, New Brunswick, Manitoba, and Saskatchewan) there have been property-by-property arrangements to permit non-client groups to rent at market prices for as long as necessary (usually until they move out on their own) and then units are filled with someone from the eligible waiting list, if such a waiting list has developed in the interim. Individual private non-profit groups, and the managers of public housing, may also change their advertising practices to make them competitive in the marketplace.



## **Community-based Solutions**

By definition, these solutions are largely initiated by the community or non-profit groups themselves. This occurs when there is a recognition of the problem and a desire to be creative about solutions. It may include attempts to develop a wider community dialogue and strategy development session about the problem. On a short or long term basis, a decision may be made to use some of the vacant units for purposes other than housing (e.g., a doctor's office, a medical clinic, meeting space, food bank, etc.). This has the advantage of giving the property a larger sense of purpose, provide a reason for current occupants to remain, and generate demand for vacant units. There are examples of these solutions in New Brunswick, Manitoba, and Saskatchewan.

In other cases the community or the group recognizes a potential to expand the purpose and operations of the property, so that in addition to filling a service gap in the community, the solution may also have the effect of filling chronic vacancies or heading off the potential for this to occur down the road. There are at least two instances in New Brunswick worth noting. First, a non-profit group in the Hartland area is looking to provide housing for seniors that would be something between full independent living and a full nursing home - an assisted living project which would meet a need in the region. They currently have 19 supportive housing units and are looking at seven additional ones. Second, on Deer Island the board is looking at the idea of developing 14-15 assisted living units (with a live-in nurse in the building) on the ground floor of the nine unit building (which is a converted school building). This would require extensive renovations, but it would provide further housing alternatives for people so that they would not have to move off-island for assisted living or other related services. The regional staff of Family and Community Services originally suggested the ideas to the board. The local MLA and the Minister of Health and Wellness are now involved in the process.

## **Design Solutions**

These solutions focus on the specifics of the property itself. The solutions may be suggested by the provincial government or by the group which owns the building. The focus is on making the units more attractive to potential clients, or significantly rehabilitating the property so that the size and types of units better meet the needs of the changing clientele. In many cases the design solution(s) are selected after a careful process of fully investigating the cause(s) of the chronic vacancy problem, determining the viability of making changes, and identifying their costs. All examples we uncovered related to design solutions involved one or more capital investments by CMHC or the province. For example, in St-Andre (a small village near Grand Falls in the northwestern part of New Brunswick) a ten unit seniors complex had many vacancies (five at one point), and the board was struggling with the question of why. The province determined that the unit design and look was not appealing to potential clients, and provided financial assistance to redo the floors, new paint, etc., and the units are now full with a waiting list.

There are also examples of this in the public housing stock. To address the issue of a growing waiting list of non-elderly singles in the Bathurst, NB area, the idea of converting larger units into smaller units (bachelor and one-bedroom units) has been explored. Money was set aside to convert two basements in three-bedroom townhouses to basement suites (at a cost of \$25,000 each). In another instance at another Bathurst public housing property, two units were converted to permit three disabled clients to rent together without a loss of their income - the main floor of a four-bedroom unit was converted to a two-bedroom up and three-bedroom down unit. However, there is a lack of money available for doing very many of these types of conversions.

## **7.1 Development of Broad Strategies At the Provincial Level**

Most provinces have just begun (as of July 2004) to look at developing more comprehensive solutions and strategies to the chronic vacancy problem. Saskatchewan and Manitoba have been the most aggressive in developing a game plan, while other provinces are at various stages. Most other provinces have very little solid data about the magnitude of the problem and the financial impact it is having, especially outside of the public housing portfolio.

The Saskatchewan experience to date may serve as a model for other provinces to follow. The province anticipates that it may have to dispose of up to 1,000 units before the chronic vacancy problem is resolved. The disposal policy in place includes a number of options which are generally applied in the following order:

- The first option is to look for another community use that would keep the unit(s) in the public sphere. This could include a range of options from special needs housing, office use, use by non-profit community organizations, housing for single teachers coming to the community, etc. This strategy also includes renting units at market rates to higher income people if there is no demand from low-income households.
- When this possibility has been exhausted the strategy then turns to private economic use. This might include working with the local economic development organization to see if the unit can be used to support local economic development initiatives. These could include office space, housing for employees coming to work in local industry, etc.
- If the first two options fail, the strategy then focuses on a private sale approach. Naturally, given the nature of the units this does not work well for seniors units. There has been some success in selling single family units but people are often reluctant to invest in communities that are declining. If they do purchase a unit it is generally at a price well below initial construction and/or replacement costs.
- If a private sale does not work, and most frequently this part of the strategy is not a success, then the Saskatchewan Housing Corporation is left with two options: demolition, or moving the unit(s) to another centre. Moving the unit(s) is only an option if there is a centre relatively close that needs units of the type that are available. Generally the move option is most feasible

if the vacant unit(s) is (are) close to Northern Saskatchewan where demand is high. On average it costs \$40,000 to move a unit. This does not include the administration costs of the Corporation staff working on the move. It is not very feasible to move units into the major urban centres. The units are generally not of a type that are needed and moving a unit in to a major urban centre increases the cost (more wires to cut, land is more expensive, etc.). Communities are also reluctant to see units leave their immediate area. It instills a negative image of a centre “on the way down.” If moving the unit is not an option and it remains chronically vacant with no foreseeable use in sight, then the unit may be demolished. This has not been an option the Corporation has used extensively. Units have sat vacant for very long periods of time before they are demolished.

Communities are very involved in development of strategies to deal with vacancies. The Corporation works closely at all times with the local housing authority, town council and other community organizations that may have an interest or useful input. Nothing is done without community consultation. The Corporation (or the Regional Portfolio Management Authority) also works closely with other government departments in the development of the strategy. The first priority is to find a “public” use to protect the public investment. Failing this, the approach moves to other options. Demolition is the last resort.

The above speaks to supply side management strategies. The chronic vacancy problems have also affected demand side approaches and policies. Now the Corporation is much more diligent when it conducts need and demand studies for any new assisted housing or relocation of units into other communities, and looks more closely at the long term sustainability of demand in rural centres. In addition, it looks at the service base in the community, particularly services for aging seniors, to ensure these services are available and likely to remain available in these communities.

Manitoba has a similar but less detailed approach. The province continues to develop and test methods to decrease chronic vacancies in rural communities. The strategy has included:

- Establishing rent ceilings to encourage higher income households to rent units for which there is no elderly or low-income need and demand. Removing the need to charge 30 percent of gross income and setting rents at market rates makes units more attractive to higher income households in these communities.
- Undertaking unit modifications such as converting two studios into a one-bedroom unit or three studios into a two bedroom unit. This depends on building configuration and construction type. The non-profits and cooperatives have also actively pursued this option.
- Increased marketing through local newspapers, churches and community centres.
- Providing suites to community organizations for food banks, nursing stations, neighbourhood police offices, etc.

- Converting a portion of the suites to supportive housing or assisted living to increase project marketability or to allow seniors to age in place.
- As a last resort units have been physically moved to communities where there is a housing demand.

Communities and tenants are involved in development of strategies to deal with vacancies. The Department works closely at all times with the non-profits and cooperatives, the town council and other community organizations that may have an interest or useful input. The Manitoba Housing Authority and the Housing Division also works closely with Manitoba Health if services for supportive housing or assisted living are involved. The first priority is to find a “public” use to protect the public investment. Failing this, the approach moves to other options.

No cost information is available for these strategies, but unit modifications and the establishment of ceiling rents appear to have been the most successful strategies.

In Newfoundland and Labrador there have been some preliminary, internal discussions within NLHC about the problem of chronic vacancies. As a first step, NLHC is moving to a more comprehensive system to collect data across the entire portfolio to get a better sense of the vacancy trends and problems. A staff person has been assigned to “manage” vacancies, and this issue is on the agenda of the Corporation’s board of directors. At the present time, NLHC will attempt to sell properties where there are long term vacancies, if no other solutions are forthcoming. NLHC will try to keep these sales to a minimum by selling only small numbers of their total holdings in any given community, to avoid “flooding the market,” and also to reduce the potential for community resentment and backlash. In areas with high vacancies, it is expected that it will be difficult to sell the units anyway.

In Nova Scotia senior management at head office convened a meeting in early September 2004 to begin a province-wide effort to further analyze and diagnose the problem on a larger scale so that new ideas, initiatives, and plans can be built into the budgeting and planning process for the 2005-06 fiscal year. There have been a range of minor adjustments to policies and programs over the years to provide more flexibility at the local level to reduce vacancies.

In PEI the Province is in the process of addressing the issue of direction for social housing in the future. The Department of Health and Social Services is in discussions with Executive Council and have provided recommendations for new approaches. It is hoped that this will result in much more flexibility in how the social housing stock is managed and how it can be retained to meet the changing needs of the Island population as demographics continue to change. One option being discussed is to have all vacant units be rented as generic social housing and if necessary a re-alignment of management authorities to make it as workable as possible for all partners with the emphasis on delivery of social housing programs for low income Islanders. The Department is asking the Province to commit to keeping all of its social housing units.

The Province of New Brunswick does not have a province-wide strategy for addressing the issue of chronic vacancies other than the explicit “case-by-case” approach to determine the root cause(s) of the problem and determine if there are viable options to address them. The Province has been involved in many project-specific initiatives to address local chronic vacancies.

In Québec there are no formal approaches or strategies. However, SHQ has permitted Housing Authorities to use two principal measures to rectify a housing vacancy problem. First, if dealing with housing units for seniors, they can lower the minimum age of admissibility to 50 years of age. Normally, the minimal age for this type of unit is 65 years of age. Second, they can expand the boundaries of their territory for selecting / identifying potential tenants, if they have no one on the waiting list from within their region or territory. This means they could advertise in some neighbouring municipalities, the “municipalité régionale de comté”, the administrative region, or the entire province.

With the devolution to the municipal level in Ontario and the 2002 Social Housing Reform Act, there is no province wide strategy for dealing with chronic vacancies, where they exist. The 47 regional DSSABs are left with the responsibility for management and respecting the SHRA.

In British Columbia, because few long term vacancy problems exist the province has not developed a strategy to deal with problems. They tackle the issues on a case-by-case basis.

## **7.2 Specific Project/Property Examples**

Three examples provide useful illustrations of the interconnected approach to developing comprehensive strategies.

The first example is the Cape Breton Island Housing Authority (CBIHA), responsible for a range of family and seniors projects in rural Cape Breton and in the urban core area as well. An in-house committee of the CBIHA has been struck to develop a plan for addressing the problem and finding solutions in the public housing stock. Their first task is to identify which stakeholders should be involved in discussions about the future of the chronically vacant stock (e.g., regional staff, head office staff, municipal representatives, others). There are a range of possible options to deal with the situation, including:

- Moving the residents of the Iona and Orangedale properties into one property, since the communities are only 20 minutes apart.
- Finding other uses for the buildings. For example, in Iona the building may have potential for tourism use, because it is located on the Bras d’or Lakes and the Highland Village interpretive centre is nearby.
- Converting the problem property in New Waterford to a non-elderly singles use.

These emerging ideas have grown out of a number of small efforts in recent years to deal with the chronic vacancy problem. These include a change in policy to reduce the defined age of a senior to 58 years of age and over; a change in policy to allow chronically vacant units to be rented to younger persons (usually non-elderly singles), if they meet the income criteria and if it is judged that they will be compatible with the existing seniors population in the properties; and renting vacant seniors units in the urban core area to foreign students attending University College of Cape Breton. In addition, the CBIHA has been more aggressive in advertising of the vacant units in rural communities, including announcements in church bulletins, and presentations to County government staff and elected officials. They have also lowered the rents charged in rural properties to make the units more attractive.

In general, these efforts have not addressed the problems of chronic vacancies in rural areas, but they have addressed some of the problems in the urban core area of the region (especially the lowering of the age to 58 years and over, and the renting to foreign students).

The second example is the public housing stock - a mix of family properties and seniors properties - in Bathurst, NB. The Upper Dawson properties (which are former company housing purchased by the province in the early 1970s) have had some major expenditures over the past six years to make them more appealing, including new siding and doors, replacement of the drainage tiles, and new landscaping. To address the issue of a growing waiting list of non-elderly singles, some larger units were converted into smaller units (bachelor and one-bedroom units). Another strategy developed for the Bathurst region's public housing stock for seniors was to reprofile the Vanier complex of five buildings (each has three storeys). One building was retrofitted with an elevator and rented mostly to seniors, with the basement units rented to non-elderly singles. It is likely that another building in the complex will be designated exclusively for non-elderly singles.

The third example is the mix of seniors and family housing in the three communities in the Melfort/Yorkton region of Saskatchewan. The strategy involves property specific solutions developed jointly between the province and the local housing authorities. They have rented units in all three centres (Spy Hill, Star City, and Choiceland) to wealthy seniors, charging them the ceiling, or market, rent. They have also rented seniors units to low income singles on a rent-geared-to-income basis. Vacancies in Spy Hill are temporarily reduced from eight to one unit because units have been rented to construction employees working on a project in nearby Rocanville. School teachers have rented units in Choiceland. Others who often rent the units include RCMP Officers and Emergency Measures Employees (i.e., ambulance drivers, paramedics, etc.). The local housing authority also makes units available to visiting relatives for short periods of time. They rent units on the private market at a ceiling rent that approximates "market" value. There has also been some modification of units. In some semi-detached units they have built a door between the two units so they can rent to families or others wanting "two bedroom" units. They still rent these units for \$390 as no houses in these towns rent for more than \$400 per month. Some units have been used for other services. Choiceland has provided units (at modest rents) for use as offices by home care services, visiting doctors, etc.

### 7.3 Limitations / Barriers to Implementing Solutions

There were a number of common limitations and barriers identified in the provincial interviews and in the case study examinations. The following discussion attempts to highlight the range of concerns and limits to implementing some of the solutions and strategies outlined.

A major barrier or limitation is the **cost factor** associated with implementing solutions, especially those which require significant rehabilitation of units or the movement of units to another community (where possible) to meet a need there. One property in New Brunswick was upgraded at a cost of \$8,000 per unit (funded by the province), while the costs of moving units in Saskatchewan was \$40,000 per unit.

In Ontario, the **Social Housing Reform Act (SHRA)** itself may be a barrier to implementing solutions. DSSABs may have good ideas and may want to try new solutions, but the terms of the Act mean that removal of units from the social housing portfolio are not permitted unless they are replaced elsewhere. It also allows households on waiting lists for social housing up to three refusals for RGI units that become available. This means that properties with chronic vacancies may be regularly refused by those on waiting lists.

Attempting to **rent units in seniors properties to families may be a non-starter if the units are only one bedroom units.**

They will be too small to be attractive for families. Furthermore, existing residents in seniors properties may resist attempts to fill vacant units with other client types for a variety of reasons, including uncertainty, fear of security, potential noise problems, etc. Careful planning and possibly consultation may be needed to keep existing occupants “onside”.

Another barrier in some locations may be the **higher incomes among seniors** today, which may place many potential applicants above the local Housing Income Limits (HILs). This creates some problems if the desire is to rent only to those who meet the original eligibility criteria.

More **seniors are staying in their own home longer** because home care provides support services that were not available 10 to 15 years ago. This delays entry into independent living public housing units and generally means that people go straight from their own home to higher levels of care, such as that in a nursing home.

#### Conditions for Success

The discussion highlights certain conditions that need to be in place to have successful outcomes.

- Need for better data and information.
- Situation and solutions vary by province and by property - one size does not fit all.
- Integration of solutions into a “strategy” required.
- Local community and market dynamics must be conducive to “helping the solution”.
- Willingness to recognize the problem at local level.
- Provincial cash infusion usually required.
- Local will and provincial will to discuss and be flexible.
- Agreements coming to an end not seen as a solution or creating increased flexibility.

It has been observed in some individual case studies that **potential tenants are much more selective today** in terms of what they are willing to rent, even in the social housing stock. This is especially a problem in communities and regions where there is more than one social housing property serving the same client group. People on waiting lists may choose to wait for a vacancy in a preferred property rather than accept a unit in a less desirable property, even if those have received investments and upgrades to make them more attractive and “marketable.” These problems were observed in Bathurst, NB, Cape Breton, NS, and Northern Ontario.

A related issue is the **obsolescence of some units**, or, expressed another way, that some units are no longer desired by a client group. This is because their “standards” are higher now than in the past. This example was cited in Nova Scotia in particular, where it was felt that the small size and limited range of amenities on-site in seniors properties meant that people were less interested in living in them even if the rents were lower, and even if the units had been improved with paint, carpeting, and other elements.

If a decision is made to attempt to sell chronically vacant units / properties, a barrier may be **the very low market value in rural areas**, relative to the book value or investment in the property. This problem was observed in Newfoundland and Labrador, Nova Scotia, Québec, Saskatchewan and Manitoba. It may be impossible to find a buyer because there may be no viable private sector use for the property.

A related barrier, associated with the possible solution of selling units, is the concern about **flooding the local or regional rental market** with additional housing units. There may be a local government and local private sector backlash if there is already an unhealthy and high vacancy rate in the private rental market. The “dumping” of additional units into such a marketplace may not be welcome or possible.

For pre-1986 private non-profit properties, there may be a **limited number of potential renter households in the local market**, including very few willing and able to pay low end market rents in a mixed income property. Furthermore, with the **continued residualization of renters to now include mostly social assistance clients** (as noted by some interviewees), the renter clientele may be perceived as unattractive for both income mixing purposes and for total revenue generation required.

There may also be a limit to the possibilities and long term **sustainability of renting to others at full market value**. Where this has been attempted it has usually been a short term solution to the problem because of the limits of the local economy and labour force. For example, in Deer Island, NB there have been out-of-province, short term seasonal labourers working in occupations related to the fishery who have rented vacant units in a seniors property for three to four months each year. In Spy Hill, SK there was a short term rental arrangement offered to migrant construction workers. However, unless there are significant changes in local and regional economies to sustain long term jobs, it may not be possible to rent at full market value.



There may be **disagreements between communities and government over what defines a solution or a successful strategy**. Communities may be very reluctant to see, for example, the demolition or removal of social housing units, because it might be perceived as “abandonment” by the government, or a failure in the eyes of the community residents to sustain a viable local community or economy. There may be hopes that the units may one day be needed. On the other hand, such “solutions” may in fact be deemed a success from a portfolio management perspective, especially if they reduce losses or free up units for use in other communities where there is demand.

A final barrier may be the **unwillingness of a community or local group responsible for a property to recognize the problem** of chronic vacancies and the impacts it is having. This may be especially the case in public housing properties where the management of them may be centralized in a larger community, but the local community may have a “sense of ownership” of the property. They may not see chronic vacancies as problems because occupied units in the properties may be serving the needs of some people in the community. Working out a successful strategy or solution may require significant community relationship building to arrive at a mutually acceptable outcome.

The looming expiry of operating agreements is not seen to play any role in addressing the problem in the future. Most of those interviewed felt that there is already sufficient flexibility in the operating agreements to permit innovative approaches to addressing vacancy problems.

## 7.4 Summary: Solutions and Barriers

Given the limited information about the extent of the chronic vacancy problem in most provinces, it is difficult to develop a comprehensive strategy or set of solutions that might be applied across an entire province. The experience to date in Saskatchewan (and to a certain extent, in Manitoba) suggests that having good data about the problem and establishing process for examining the nature of the problem on a property-to-property or community-to-community basis is likely the best starting point. This process should involve all key stakeholders including communities, property managers, and housing providers. This will consist in identifying the root causes and assessing potential solutions. For each potential solution there will need to be a judicious check for any potential barriers or limitations to employing the solution, given the local circumstances and the type of chronic vacancy problem being addressed.

### From Problem to Solution: Key Steps

- Collect data and track changes over time.
- Establish a process that involves stakeholders.
- Assess the root causes of the problem.
- Identify potential solutions that match the causes.
- Flag any potential barriers or limitations.

## **8.0 Conclusions**

This research has developed a broader understanding of the chronic vacancy problem in rural social housing properties and portfolios in Canada. The specific volume of chronic vacancies, the types of properties in which they occur, the client groups most affected, and the size of units affected each vary significantly from one province to the next, and indeed, within each province in some cases. There is limited information about the financial impacts of the chronic vacancies, but the general finding is that the provincial governments have been absorbing most of the losses. Furthermore, the research has demonstrated that the cause of chronic vacancies is exceptionally complex, and that it is not necessarily tied directly to rural depopulation trends in all cases. Finally, our research has identified that there are few provinces which have a formal strategy to address the problem, although many provinces have attempted to deal with the problems on a case-by-case basis. This may in fact be a positive sign because it acknowledges that the problems and circumstances are unique to each property. What may be lacking, however, is a policy and dedicated resource approach to quickly identifying and tackling the problems.

### **Magnitude of the Chronic Vacancy Problem**

There is a lack of data from province to province on this issue. Most of the information we obtained was only related to the public housing portfolio. There are approximately 200 chronically vacant units in each of Newfoundland and Labrador and Nova Scotia (in the latter case, all of them are seniors public housing units). There are 100 units in Manitoba, 493 in Saskatchewan, and 73 in British Columbia. None of the remaining provinces have data, but New Brunswick identified that there were specific cases of chronic vacancies. Almost all examples and totals of chronic vacancies that were identified were found in rural regions of the provinces.

In Newfoundland and Labrador, Nova Scotia, Manitoba, and Saskatchewan it is expected that the problem will continue or worsen before it gets better. In PEI, New Brunswick, and British Columbia it is expected that there will be little change.

The chronic vacancy problem is found in all programs and portfolios, affects both family and seniors units, affects mostly bachelor and one-bedroom unit properties (although three-bedroom properties in areas of depressed demand for family social housing are affected), and affects properties of all structural types. The mix of impacts varies from one province to the next. Family public housing with larger units in Newfoundland and Labrador; seniors public housing in Nova Scotia; and pre-1986 private non-profit family and seniors housing in both New Brunswick and Manitoba, are more affected in those provinces. Small scale properties with fewer than 25 units, the predominant scale of rural social housing properties, are particularly vulnerable because they have small economies of scale within which to absorb losses.

### **Financial Impacts of Chronic Vacancies**

Less is known about the financial impacts. On a broader scale, the provincial governments are absorbing the revenue losses in public housing because they are bottom-line funded. Provincial governments have also been assisting private non-profit groups with financial resources to upgrade and improve their properties to address the problem. At the property level, the impacts are mostly felt on maintenance and replacement reserves. Basic maintenance continues on properties with chronic vacancies in order to keep units ready for potential occupancy. But larger, non-essential maintenance tasks may be deferred. Some private non-profit groups have had to stop adding to their replacement reserve funds, or they have drawn on them to pay property taxes, maintenance costs, or, in extreme cases, mortgage payments.

### **Causes of Chronic Vacancies**

The causes of chronic vacancies were found to be quite complex and often there were a mix of causes or factors. The causes can be grouped into three categories:

- *Macro level causes*, such as changing demographics, shifting consumer preferences, and policy and program;
- *Community / region causes*, such as declining economies, rural depopulation, shifting of services to larger centres, and local housing market dynamics; and
- *Property / project specific causes*, such as the size and age of units, the location of units within a community, the state of repair, lack of amenities, and the existing client mix.

The causes were grouped in this way for discussion purposes. However, these causes need to be considered together because, as the literature review and the interviews indicated, the causes are often interrelated. Addressing only one cause may not be sufficient because other causes may also be at play.

### **Strategies and Solutions**

Provinces and communities are keen to ensure that there is no loss of units in the social housing stock. Every effort is made to find solutions which keeps the stock intact. However, there are varying degrees of responsiveness and approaches across the provinces.

Saskatchewan has developed a formalized strategy to deal with the issue. It has developed a step-by-step approach to decision-making, and a key component is close consultation with and involvement of municipalities and local housing authorities. Manitoba has also moved quite far along in terms of developing a comprehensive approach. Several other provinces have largely used a “case-by-case” approach. Provincial housing departments and agencies in Québec and Ontario have not played a major role in working out solutions at the individual property level.

The strategies and solutions can be grouped into four categories, including:

- *Portfolio-based solutions*, involving changes to the programs and policies to make it possible for greater flexibility at the local level;
- *Market-based solutions*, which involve finding other markets for vacant units such as renting to others who are not part of the social housing waiting list;
- *Community-based solutions*, which involve using the units for other purposes to reduce financial losses in the short term while attempting to make the property attractive because of the added services and amenities; and
- *Design solutions*, which involve changes to the properties to make units larger or smaller to meet demand, to improve the look and amenities, and to look at accessibility options.

The solutions must be looked at in a comprehensive way and it must be realized that several solutions may need to be adopted together as a package in order to have the desired impact of reducing chronic vacancies. An example of this would be to not just invest in basic improvements such as fresh paint and carpet, but to also look at changing the client mix or the eligibility rules or thresholds at the same time to increase the potential pool of applicants.

Not all solutions will work in all cases. There are many barriers to achieving success, including limited financial resources, resistance at the community level to change, and local housing and economic conditions which may limit the possibility for implementing solutions.

## **Summary**

The chronic vacancy problem is a complex one. More information is required about the magnitude of the problem in each province, and its financial impact. As rural communities continue to change and evolve, there will likely be a need to adopt a more concerted approach to the problem. Some solutions, such as moving units or selling units to the private sector, may be unpalatable but necessary over the longer term, in some specific cases. The key point, however, is that solutions must be developed with a view to flexibility so that what is attempted in any given community respects the unique local circumstances there, and that the mix of efforts is responsive to those unique conditions.

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## Appendix A Key Informant Interview Contacts

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Manitoba Housing and Renewal Corporation

Craig Marchinko, Director  
Housing Policy and Program Services  
Saskatchewan Housing Corporation

Jim Crisp  
Manager, Program Analysis  
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## Appendix B Case Studies

### Nova Scotia

Mary MacKenzie

Property Manager and Operations Manager

Cape Breton Association for Housing Development (CBAHD)

PO Box 1055, 4 Dryden Avenue

Sydney NS B1P 6J7

Telephone: (902) 539-9560

Fax: (902) 539-7210

The Cape Breton Association for Housing Development (CBAHD) is a division of New Dawn Enterprises Ltd. It provides a mix of affordable housing, including 160 subsidized units (all rents are based on 30 percent of the total gross income in the household), and 60 market based units, in a number of properties throughout Industrial Cape Breton. The social housing units include:

- Glace Bay - 6 units
- North Sydney - 20 units
- Sydney Mines - 20 units
- Sydney - 114 units

All of the units are two-bedroom units in small scale multi-storey apartment buildings, with the exception of 14 units which are three-bedroom units, in a row house structure. Three properties of interest to this case study (each targeted to seniors) have a third floor (two in Sydney - 30 units - and one in Sydney Mines - 12 units). About 90 percent of the clientele are seniors (mostly single persons) with the balance being families. The properties were built or acquired over time, dating back to the 1970s, and thus have been developed under a variety of social housing programs over the years.

Joan McKeough

Manager, Cape Breton Island Housing Authority (CBIHA)

18 Dolbin Street,

PO Box 1372

Sydney NS B1P 6K3

Telephone: (902) 562-6911

Fax: (902) 539-0330

[mckeoujm@gov.ns.ca](mailto:mckeoujm@gov.ns.ca)

The CBIHA manages 3380 units in many properties across its region. Most are located in the urban area of “Industrial Cape Breton”, but there are several properties for seniors in rural communities across the Island. The four properties of interest to this case study include:

Lakeview Complex, Orangedale

A 15-unit, 2 storey seniors apartment complex built in 1980, under the Public Non-Profit Housing Program. Residents pay 30 percent of their monthly income for rent. All units are one-bedroom, accessible through a central corridor on each floor. There are five vacant units with no one on the waiting list. There is a water quality problem in the community of Orangedale, which makes the complex less attractive as a housing choice.

#### **Iona Seniors Complex, Iona**

A 15-unit, 2 storey seniors apartment complex built in 1979, under the Public Non-Profit Housing Program. Residents pay 30 percent of their monthly income for rent. All units are one-bedroom, accessible through a central corridor on each floor. There are eight vacant units with no one on the waiting list.

#### **Donkin Seniors Complex, Donkin**

A 15-unit, 2 storey seniors apartment complex built in 1978, under the Public Non-Profit Housing Program. Residents pay 30 percent of their monthly income for rent. All units are one-bedroom, accessible through a central corridor on each floor. There are six vacant units with no one on the waiting list.

#### **New Waterford**

The CBIHA manages 214 units for seniors in nine separate buildings, each with between 15 and 40 units. There are 26 vacant seniors units in New Waterford, but most of these are in one building which is in a relatively poor location, and which has mostly bachelor unit apartments.

### **New Brunswick**

#### **Judy White**

Westford Health Nursing Care Inc. Villa  
57 West Main Street  
Port Elgin NB  
E4M 1L7  
Telephone: (506) 538-2307  
Fax: (506) 538-7293

Westford Health Nursing Care Inc. Villa is located in Port Elgin. This is a six unit seniors building (ground floor, motel style) with four, one-bedroom units and two, two-bedroom units. It is co-located on the grounds of a nursing home managed by the same board of directors. This is a post-1985 project built in 1993 with rents-g geared to income, and there were two vacant apartments as of February 2004 with one vacant for 10 months and another for eight months. Port Elgin is a village of approximately 450 residents and is located approximately 45 miles from Moncton on the extreme southeast coast of New Brunswick at Baie Verte bordering the Northumberland Strait.

Ruth Farris, President

Deer Island Senior Citizens Inc.  
277 Route 772  
Lord's Cove NB  
E5V 1J2  
Telephone: (506) 747-2108

Deer Island Senior Citizens Inc., is located in Lord's Cove on Deer Island. This is a nine unit seniors building with one two-bedroom unit and eight one-bedroom units. This is a post-1985 project with rents-g geared to income, built in 1988. As of March 2004 three of the nine units were vacant. The building is an old converted two-storey high school. There are two units downstairs, and seven units upstairs. The conversion resulted in much wasted space within the building envelope. In hindsight, the existing board members feel that there could have been better design considerations and allocation of space during the conversion, or an outright demolition and building of a new facility on the property at that time. Deer Island is a small island located at the extreme southwest corner of New Brunswick in the Bay of Fundy. It is approximately 6 miles long with about 900 permanent residents and is accessible only by ferry.

Rene Poirier, President  
Résidences Notre Dame de Kent  
153 Alexandrina  
Notre Dame De Kent NB  
E4V 1S4  
Telephone: (506) 576-9245

Résidences Notre Dame de Kent, located in Kent County, 20 kms north of Moncton. This is a pre-1986 non-profit, with 10 seniors units built in 1985. This project has nine, one-bedroom units and one, two-bedroom unit. Access to each unit is through exterior doors, and via a central corridor. Rents are fixed at \$365 per month for a one-bedroom unit (\$375 per month with cable television included). Over the past few years this property has been experiencing vacancies: in March of 2004 four of ten units were vacant.

Paul Blanchette, Administrateur  
Projet S.Q.P. Inc.  
189 rue Bellefeuille  
Shippagan NB  
E8S 1G5  
Telephone: (506) 336-2244

Projet S.Q.P. Inc., is a 22 family unit project located in Shippagan (Acadian Peninsula). It is a pre-1986 project (built as a private building in the 1970s but acquired by S.Q.P. in 1981 when the private owner filed for bankruptcy). In 1996 all of the units were filled except for the five bachelor units. As of September 2004 there were five of 22 units vacant (four bachelor units and one two-bedroom unit). Rents are \$430 for a three-bedroom, \$410 for a two-bedroom, \$380 for a one-bedroom, and \$290 for a bachelor unit.

Frances Jessome-Lebrun  
Program Officer, Family and Community Services  
Bathurst Regional Office  
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[Frances.Jessome-Lebrun@gnb.ca](mailto:Frances.Jessome-Lebrun@gnb.ca)

This is a 142 unit public housing project in Bathurst that is made up of 25 buildings, locally known as “Upper Dawson”. About one-third of the units are two-bedroom, 60 percent are three-bedroom, and 5 percent are four-bedroom units. The properties - a mix of four- and five-plex townhouses and some row houses - were acquired by the province in 1971 from Bathurst Mining and Smelting Company. There have been some problems with vacancies attributed to public housing stigma rather than soft demand. The vacancy rate in 2001 was about 5 percent which was higher than the provincial average of 3 percent. The turnover average of 34 percent was considerably in excess of the provincial average of 20 percent.

## **Ontario**

Lakeview Apartments  
Mr. Ken Gibson  
Thessalon Non-Profit Housing Corporation  
282 Water St., Box 220  
Thessalon, ON P0R 1L0  
Telephone: (705) 842-3321

Lakeview Apartments located in Thessalon was built in 1979. It is a 21 unit two-storey walk-up apartment building. All the units in this building are one-bedroom and the building was originally aimed at seniors only. The construction of a new building within the community created a vacancy problem for Lakeview that lasted about two years. Many seniors were opting for the new building and Lakeview was left with vacancies. As a result this building was opened up to all ages and currently does not have vacancy problems.

Michipicoten Non-Profit Housing Corporation  
Connie Taylor  
Housing Coordinator  
Telephone: (705) 856-7111  
Fax: (705) 856-1098

The Michipicoten project is a forty unit building built in 1993. The building rents to families and seniors and has a mix of sizes ranging from one to four bedroom units with the bulk (32) of the units being two and three-bedroom units. Currently, there is about a one-month turnover rate.

The waiting lists for the two and three-bedroom apartments are getting shorter and shorter and there is an increase in demand for the one-bedrooms. This is a result of depopulation and the changes in age demographics (increasing population over 65 and decreasing youth and adult populations).

Warren Building  
Peter Bradley  
Social Housing Manager  
Manitoulin-Sudbury  
Telephone: (705) 862-7850 ext. 260

Warren is a community of approximately 1,500 people located midway between North Bay and Sudbury. The 19 unit two storey walk-up building was originally developed for seniors and was formerly owned and operated directly by the Ontario Housing Corporation under the Local Housing Authority. Its ownership was transferred directly to the DSSAB in 2001. As with all the DSSAB owned buildings, it is now an age-mixed building housing all age groups.

Given its original status as a seniors-only building, it still has an older "adult" base. Warren currently has four vacancies.

Webwood Non-Profit  
Webwood ON  
Peter Bradley  
Social Housing Manager  
Manitoulin-Sudbury  
Telephone: (705) 862-7850 ext. 260

Webwood is a 24 unit apartment with all units being one-bedroom. Webwood is a hamlet and was having difficulty finding tenants 65 years and older. Vacancy problems were caused by people moving to larger communities with more amenities and services such as hospitals and churches. The board decided to open the building to adults of all ages and it now has 100 percent occupancy.

## **Manitoba**

Stan Plewak  
Regional Housing Authority Manager  
Manitoba Housing Authority  
Parklands West Region  
Dauphin, Manitoba  
Telephone: (204) 622-2141  
Fax: (204) 622-2138

The case study region included five small communities that collectively have five seniors and three family projects providing 91 units for seniors and 16 for families.

Benito: 30 units for seniors  
Birch River: 24 units for seniors, 8 for family  
Bowsman: 9 units for seniors, 2 for family  
Inglis: 10 units for seniors  
Minitonas: 18 units for seniors, 6 for family

The seniors projects in these centres are a mixture of semi-detached units and one-storey motel type buildings with interior hallways and amenity space. They contain a mixture of bachelor (studio) and one-bedroom units. Family units are two and three bedroom single detached units. All units were built under the Public Housing Program during the 1970s and early 1980s.

### **Saskatchewan**

Mark Bell  
Regional Portfolio Manager  
Saskatchewan Housing Corporation  
Melfort, Saskatchewan  
Telephone: (306) 783-1000  
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The case study region included three communities in the Melfort /Yorkton area of North Eastern Saskatchewan. Collectively these three centres included four family and four seniors projects providing 79 units for seniors and 27 units for families.

Spy Hill: 19 units for senior, 5 for family  
Star City: 26 units for senior, 6 for family  
Choiceland: 34 units for seniors, 16 for family

The seniors units in these projects are a mixture of semi-detached units and one-storey motel type buildings with interior hallways and amenity space. All seniors units are one-bedroom. The family units are single detached three bedroom homes on lots scattered throughout the community or two and three bedroom semi-detached units. The seniors units were all built under the Public Housing Program and the family units are a mixture of Public and Non-Profit Housing. The Public Housing units were built in the 1970s and early 1980s; the Non-profit units were built in the 80s.



## **Appendix C Key Informant Interview Guide**

### **Provincial Overview of the Situation**

1. Is there a problem with chronic social housing vacancies in your province? How do you define or classify a “long term vacancy problem” in your province (e.g., more than 10 percent vacancy rate for three straight years)? What has caused these chronic vacancies? What role, if any, has rural depopulation played? Please describe.
2. Which specific part(s) of the province is/are experiencing chronic social housing vacancies? Is the problem concentrated or more widely scattered? If it is concentrated in specific regions of the province, how do you define a region or territory in your province (e.g., program delivery region, county, etc.)? Are there specific municipalities (towns or villages) either within these regions or elsewhere in the province, where chronic social housing vacancies are a problem?
3. Do you have any statistics or estimates on the number of vacant units in the province? In the regions you identified as having a vacancy problem?
  - a. across the province:
    - i. total number of projects and total number with long term vacancy problems
    - ii. total number of units that are vacant (or vacancy rates)
  - b. in each region(s) you identified in question 2:
    - i. total number of projects and total number with long term vacancy problems
    - ii. total number of units that are vacant (or vacancy rates)

### **For each region you identified in Question 2:**

4. Do you have any specific data which shows how the population has changed or declined in the regions(s) where chronic vacancies in social housing are a problem? How has the population changed over the past 10 years?
5. How would you describe the economic base of each of these regions?
6. In what specific ways have these regions been characterized by any of the following?
  - a. change in the mix of population (e.g., roughly same number of people but more elderly people; population movement within the region from rural areas to small towns; etc.)
  - b. loss of businesses
  - c. loss of jobs
  - d. loss / reduction of social services (what type of services - health care, education, etc)
7. Do you expect the situation (related to vacancies) to change in the next 10 years? If so, how? Will vacancies decline? Will they increase? Is this a long term systemic problem that means there will be no need for the units in the foreseeable future?

8. For how long have vacancies been a problem in these region(s)?
9. Can you provide a list of social housing projects with chronic long term vacancies in the region(s) you identified? (If possible: Project Name, Contact, Client Group, Number of Units, Vacancies) Do you expect this list to stabilize or increase over time? Why?
10. Are there unit sizes that are chronically vacant? (Select all that apply.) Do you have any insight into why this is the case?
  - a. bachelor
  - b. one bedroom
  - c. two bedroom
  - d. three-bedroom or more
11. Are there structural types which are chronically vacant? (Select all that apply.) Do you have any insight into why this is the case?
  - a. single detached units
  - b. townhouses
  - c. semis / duplexes
  - d. apartments
  - e. other (specify)
12. Are there units that were built for specific client groups which are chronically vacant? (Select all that apply.) Do you have any insight into why this is the case?
  - a. families
  - b. seniors
  - c. individuals
  - d. units modified for physically disabled individuals
  - e. others (specify)
13. Are there project sizes which are chronically vacant? (Select all that apply.) Do you have any insight into why this is the case?
  - a. 10 or fewer units
  - b. 11-24 units
  - c. 25 or more units
14. Are there projects which were built under specific housing programs which are chronically vacant? (Select all that apply.) Do you have any insight into why this is the case?
  - a. public housing
  - b. co-operative housing
  - c. non-profit pre-86
  - d. non-profit post-85
  - e. other (specify)

15. Are there projects or units managed or owned by different types of groups which are chronically vacant? (Select all that apply.) Do you have any insight into why this is the case?
- a. Private non-profit
  - b. municipal (public) non-profit
  - c. provincial government housing authority
  - d. co-operative
  - e. other (specify)

### **Financial Issues Resulting from Long Term Vacancy Problems**

Thinking about the region(s) you identified as having chronic long term vacancies:

16. Do you have an estimate of how many of these projects are suffering from financial losses or having financial problems? Can these losses be attributed directly to declining population in such areas, or are there other factors contributing to the losses? Do you have any estimates of how large the financial losses are, collectively or for each individual project? Are the losses expected to continue?
17. How have these losses been handled? Who has absorbed the cost? What have been the impacts on other aspects of operations (e.g., less money in replacement reserves, lack of spending on maintenance and repair, etc.)?
18. In the past five years, have any groups folded and turned over the units to be managed by the province because of financial problems? Describe.
19. What impact or opportunity, if any, do you see as a result of operating agreements coming to an end soon for some groups / projects (for example, more flexibility and options, better opportunity to sell, etc.)?
20. In the past years, has there been a net loss of social housing units because of the chronic long term vacancies? Describe.

### **Strategies and Solutions**

21. Have you (the province) developed strategies to deal with chronic vacancies? Describe (even if the strategies or example are from the recent past). If not, are you actively working on developing potential solutions or strategies (e.g., market assessments, feasibility studies, etc.)?
22. What are the specific components of these strategies?
- a. rent to other client groups
  - b. rent on the private market
  - c. move units to other centres
  - d. abandon projects and demolish the units
  - e. sell units on the private market
  - f. give / sell units to communities for other uses
  - g. other (specify)

23. Can you provide costs for the implementation of these strategies?
24. Who else was involved in developing these strategies? Who implemented them?
- other provincial departments and agencies
  - the regional / municipal public housing authority
  - the community
  - the non-profit sector
  - private sector
  - other (specify)
25. Are you aware of any strategies developed and implemented by individual groups or communities on their own, without any government involvement? Describe.
26. Have any strategies adopted been successful in preventing a net loss of social housing units? If not, why not?
27. Has the pattern and nature of vacancies changed how you provide housing or changed your housing policies with respect to small communities or rural regions? If so, how? What is the nature of the policy changes?

### **Management Issues**

28. Has rural depopulation affected the strength or capacity of the boards of directors who manage social housing, or of other organizations involved in the management of housing? If so, how?
29. Has the problem of chronic vacancies and rural depopulation changed how you manage the public portfolio (e.g., move to regional management of the portfolio)? Have there been efforts to integrate social housing management with the provision of other services, such as social services, for example?

## **Appendix D Case Study Interview Guide**

### **Overview of the Situation**

1. Is there a problem with chronic social housing vacancies in your project? How do you define or classify a “long term vacancy problem” (e.g., more than 10 percent vacancy rate for three straight years)? What has caused these chronic vacancies? What role, if any, has rural depopulation played? Where are the people to whom you might rent moving to, and why? Please describe.
2. Describe how your community and the larger region has changed in the past decade. Was the housing built to meet a need that existed at one time, but which now no longer exists? How has the population changed or declined over the past 10 years? How would you describe the economic base today, and how has it changed over the past 10 years?

Probe for:

- a. change in the mix of population (e.g., roughly same number of people but more elderly people; population movement within the region from rural areas to small towns; etc.)
  - b. loss of businesses
  - c. loss of jobs
  - d. loss / reduction of social services (what type of services - health care, education, etc)
3. Do you expect the situation (related to vacancies) to change in the next 10 years? If so, how? Will vacancies decline? Will they increase? Is this a long term systemic problem that means there will be no need for the units in the foreseeable future?
  4. For how long have vacancies been a problem for you?

### **Financial Issues Resulting from Long Term Vacancy Problems**

5. Have you been suffering from financial losses or having financial problems because of these vacancies? Can these losses be attributed directly to declining population in such areas, or are there other factors contributing to the losses? Do you have any estimates of how large the financial losses have been in the last fiscal year? Since you began having vacancy problems? Are the losses expected to continue?
6. How have these losses been handled? Who has absorbed the cost? What have been the impacts on other aspects of operations (e.g., less money in replacement reserves, lack of spending on maintenance and repair, etc.)?
7. What impact or opportunity, if any, do you see as a result of operating agreements coming to an end for your groups / projects (for example, more flexibility and options, refinance, etc.)?
8. Have you removed any of your units from social housing and used them for other purposes because of the chronic long term vacancies? Describe.

### **Strategies and Solutions**

9. Have you developed any strategies to deal with chronic vacancies? Describe. If not, are you actively working on developing potential solutions or strategies (e.g., market assessments, feasibility studies, etc.)?
10. Have you changed the physical aspects of your housing to make it more attractive to potential renters (more accessibility features, new paint, new flooring, expanded or reduced the size of the units, improved amenities, etc)? Have you tried “innovative” ways to market the units, or to “package” them with other services or features?
11. What has been the role, if any, of the province or CMHC in helping you identify strategies or solutions? If there has been a role, was the dialogue / their participation initiated by you or them? Describe.
12. What are the specific components of these strategies?
  - a. rent to other client groups
  - b. rent on the private market
  - c. move units to other centres
  - d. abandon projects and demolish the units
  - e. sell units on the private market
  - f. give / sell units to communities for other uses
  - g. other (specify)
13. Can you provide costs for the implementation of these strategies?
14. Who else was involved in developing these strategies? Who implemented them?
  - a. other provincial departments and agencies
  - b. the regional / municipal public housing authority
  - c. the community
  - d. the non-profit sector
  - e. private sector
  - f. other (specify)
15. Are you aware of any other strategies developed and implemented by other groups or communities?

### **Management Issues**

16. Has the vacancy problem, and/or the rural depopulation problem, affected the strength or capacity of your board of directors? If so, how (morale issues, interest, loss of board members, etc)?
17. Is there any other information you would like to share with us about your organization and its social housing?

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