

# RESEARCH REPORT



## Housing Needs of Low Income People Living in Rural Areas Volume 2



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## Volume 2

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Executive Summary

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# Executive Summary

This research report summarizes the housing situations of low income persons living in rural areas of Canada. It also identifies the barriers to addressing their housing needs, and the opportunities that exist in rural communities and small towns to address these situations.

## ***Methodology***

Three approaches were employed to develop an understanding of the housing needs of low income people living in rural areas. A literature review and a statistical review were conducted concurrently. This was followed by 12 case studies conducted in 12 diverse rural communities and small towns across Canada. This included key informant interviews and a review of relevant local documents.

For the purpose of this research, many definitions of rural were employed. This permitted, for example, a wide-ranging exploration of literature on the subject. It also permitted a review of Census data exploring the relationship among housing, income, and households in rural areas, using primarily CMHC's Housing in Canada database. The OECD definition of predominantly rural regions was employed to define rural areas for the purpose of selecting 12 case study communities (where the community is less than 10,000 in population) for detailed investigation.

The case studies were chosen on the basis of a convenience sampling procedure, and through consultations with CMHC and members of the Federal/Provincial/Territorial Working Group on Rural and Remote Housing. The case study sites were:

Brooks, Alberta	Preeceville, Saskatchewan
Coral Harbour, Nunavut	Russell, Manitoba
Kingston-Greenwood, Nova Scotia	Saint-Fabien-de-Panet, Québec
Maniwaki, Québec	St. Stephen, New Brunswick
Marystown, Newfoundland and Labrador	Wawa, Ontario
Mississippi Mills, Ontario	
Port Elgin, Ontario	

## ***Low Income Households in Rural Canada***

The types of low income households in different types of rural communities vary significantly. In growing rural communities, the working poor, single parents, and seniors tend to be the most prominent among low income households. They typically feel the brunt of rising housing costs in these communities. Low income households of all types are typically found in both stable and declining rural communities. In rural communities which are bedroom communities for larger urban centres, where higher income households are moving into the community, the result is that the working poor and single parents typically find themselves in low income situations, and are

more prevalent than other low income household types. In retirement communities, one typically finds seniors and single persons as the most visible among low income households. In Northern communities, Aboriginal people, single parents, the working poor, and single persons are prevalent among low income households. Single youth and disabled persons were generally not prevalent among the low income populations we observed.

## ***Housing Situations of Low Income Households***

The housing situations of low income households also vary significantly across different types of rural communities. In growing communities, high housing costs and declining vacancy rates are problems faced by low income households. In both stable and declining communities, high operating costs and older housing in poor condition are more common problems. Declining vacancy rates in stable communities are due to the lack of new construction. In bedroom communities, where higher income households are moving in to the community, the result is that the working poor and single parents typically face rising costs and fewer housing choices. In retirement communities, rents in new seniors' housing are high. In Northern communities, where construction and operating costs are much higher than in the south, there are major affordability and crowding problems, especially among Aboriginal households.

**Affordability:** The statistical review showed that 15.0% of rural households and 17.8% of rural off-reserve Aboriginal households faced affordability problems, as measured by the core housing need model, in 1996. Senior-led households, non-family households (such as people living alone, or unattached individuals living together) and renters were more likely to have affordability problems compared to other rural households. This was confirmed in most case study communities.

**Adequacy and Suitability:** The statistical review showed that 11.3% of rural households have an adequacy problem, but only 4.4% are among those in core need. Suitability is a smaller problem, with 4.1% of rural households being crowded, and only 0.9% being among those who are in core need. The need for repair was evident in some case study communities, especially in St. Stephen, Kingston-Greenwood, Maniwaki, and Wawa. Crowding problems were apparent only in relatively isolated cases within the case study communities; however, there was evidence of crowding in Brooks and in Coral Harbour in particular.

**Heating and Utility Costs:** Lower income households (of all types) tended to live in older housing units which were poorly insulated and had high heating and utility costs. This was particularly evident for low income renters in St. Stephen, Marystown, Kingston-Greenwood, Saint-Fabien-de-Panet, Maniwaki, Port Elgin, and Wawa. These high operating costs are particularly acute in the north.

**Rental Housing:** Most of the case study communities experienced a lack of new rental housing construction. The result is very little rental housing choice characterized by low vacancies, poor conditions, and high operating costs. The exceptions were in communities where the economy is

growing (Brooks, Mississippi Mills), and in communities where a modest number of new units aimed at higher income seniors, usually with extended services and amenities, were being built (Kingston-Greenwood, St. Stephen, Russell, Port Elgin). Social assistance rates created distortions in small rental markets: in some provinces, the rates paid were too low to make ends meet (Ontario, New Brunswick), and in other provinces (Nova Scotia), where there is a shelter component to social assistance, market rents are usually set at that rate by landlords, making it more expensive for other low income households, particularly the working poor.

**Ownership Housing:** This is the main tenure form in rural areas and small towns even for low income households. On a relative basis, a smaller percentage of rural homeowners are in core need (10% compared to 30% of rural renters). Ownership is often the only tenure choice, especially when rental housing is either unavailable due to low vacancies, or is at least as expensive as owning. Many low income households have problems saving for a downpayment to actually purchase a home. In Brooks, Kingston-Greenwood, Mississippi Mills and Port Elgin, where average incomes are relatively high, average house prices tend to be high and beyond the reach of low income households. In Coral Harbour, where the construction costs (and therefore purchase prices) are exceptionally high, those with low incomes have almost no hope of owning a home. Other low income homeowners have problems affording the costs of maintaining their homes (property taxes, utility bills, and maintenance and repair). This was evident in Saint-Fabien-de-Panet, Port Elgin, St. Stephen, Kingston-Greenwood, and Preeceville.

**Low Income Off-Reserve Aboriginal Households:** The incidence of need among Aboriginal households in 1996 was much higher (28.8%) than among other households living in rural areas, including 17.8% with some type of housing affordability problem, 21.6% with an adequacy problem, and 18% with a suitability problem. Although this situation was an improvement from the early 1990s, off-reserve Aboriginal households were twice as likely to be in core housing need and seven times more likely to be below multiple housing standards when compared to other rural households. The absolute numbers of these households in need were small. However, in Coral Harbour there were many housing problems associated with the high costs of construction and utilities coupled with the lack of employment opportunities. This leaves Aboriginal households with major affordability problems, which are often addressed by "doubling up" in crowded situations.

**Rural Homelessness:** There was very little evidence of absolute homelessness in the case studies. In most of the case study communities there may be only one or two households or individuals who could be described as being "absolute homeless" without a permanent place to call home. They would typically be living outside of a small town or community, in a very rural location, perhaps in a tent for part of the year, or in some other modified structure (such as a converted bus or camper).

## ***The Nature of Rural Housing***

**Type and Tenure:** According to the 1996 Census of Canada, a higher percentage of rural and small town residents in Canada own their homes (82%) compared to urban households, where ownership rates are at 64%. Many of the homes owned by rural and small town residents are mortgage-free (56%), while only 45% of urban homeowners do not have mortgages on their homes. Rental housing in rural areas is typically comprised of low rise apartment buildings of 6 or fewer units (including houses converted to multiple unit dwellings), plus single detached or semi-detached homes. In some rural communities and small towns there are secondary suites, mini or mobile homes, and apartments above commercial properties, but these were generally less important in terms of overall supply.

**Condition of the Rural Housing Stock:** Compared to that in urban areas, more of the rural housing stock is in need of major repairs. The rural housing stock is made up of significant proportions of older, pre-1941 residential dwellings (29%). Because of their age, the proportion of these houses in need of major repairs is higher than the Canadian national average. The problem of poor quality housing stock or the need for repairs (particularly for low income renters) was raised in a number of case study communities, including St. Stephen, Saint-Fabien-de-Panet, Maniwaki, and Wawa. It was also identified as a problem for some rural homeowners, especially older homeowners.

**Housing Supply Issues:** The number of new rental units built has been very low or non-existent, which has created a supply deficiency in many small communities, particularly for low income households. Bursts of new housing supply in rural communities and small towns are often linked to specific periods of increased economic activity (Port Elgin, Maniwaki and Wawa). The resale market as a means of supplying homes varies widely, but in communities with depressed economies it can be difficult to sell homes because of limited in-migration (Maniwaki, St. Stephen) or the older age of the properties which calls into question their quality and the costs of operating them.

**Local Construction Sector Capacity:** In general, the private building sector faces many challenges in supplying housing. When added together, elements like a small population, the scattered nature of settlement, and extra costs reduce the viability of any private market activity in many smaller and more isolated rural communities. In Maniwaki, Wawa, Preeceville, Saint-Fabien-de-Panet, Preeceville and Russell, it was noted that the local construction sector typically only exists to provide renovation services. The limited or non-existent demand over time for new housing construction (due in large measure to the small population sizes in these communities) has meant that few people have become involved in this sector, or they have left their communities in search of other employment opportunities. One exception is in Coral Harbour where there has been a concerted effort to train carpenters and tradespeople from among the Aboriginal population as a means to reduce the need to import such labour, and as a way to provide local employment opportunities. In communities where the economy is expanding or reasonably healthy (Brooks, Mississippi Mills, Kingston-Greenwood), there is new residential



construction activity, and more capacity in the local construction sector to build new housing on demand.

**Self Build:** One of the common strategies in rural communities and small towns employed by households wishing to reduce their housing costs is to build their own homes. The cost savings for self-builders are primarily through sweat equity provided by themselves, family members, and friends, and through lower borrowing costs by dramatically reducing or eliminating the amount borrowed through a mortgage. However, both the literature review and the case study work revealed that very few self-builders are low income households, because they lack the necessary up-front cash savings required.

**Manufactured Housing:** Manufactured housing is important as a potential affordable ownership or rental supply for lower income households. Unfortunately, older models are in poor condition, and carry a stigma with them which makes the purchase and placement of new units somewhat difficult because of negative local attitudes and perceptions toward these types of units. Across Canada, only 3% of new housing starts are from the manufactured housing sector (but it is 24% in the United States). The sector is more active in Nova Scotia and New Brunswick than elsewhere in Canada in terms of its relative share of new housing starts. In Preeceville and Russell, where the populations are small and there is virtually no construction sector, and in St. Stephen, manufactured housing has become the housing of choice across all income categories.

## ***Barriers and Opportunities***

There are a variety of barriers to addressing the housing needs of low income households beyond low incomes:

- high building costs
- NIMBY
- limited economic options, economic uncertainty, and lack of viable housing markets
- limited economic return on rental housing
- community services infrastructure
- poor social conditions
- lack of community leadership
- public policy and regulations

Despite the fact that there are many barriers to addressing the housing needs of low income households in rural communities, the collective experience of the 12 case studies reveals that there are many potential opportunities to address some of the needs:

- introducing new municipal planning and land development practices
- having proactive community leadership
- converting buildings to housing
- responding to market demand from seniors
- integrating housing and services for seniors, disabled people, and others

- embracing manufactured housing
- continuing research and development on building technology for the north

The development of strategies to address housing needs in rural communities and small towns must be considered in concert with broader community development activities. The investigation in case study communities clearly revealed that some communities are better prepared to address needs. In these cases, the community adopted broader approaches to the issue, through the establishment of community housing or social agencies (Brooks, Mississippi Mills), developing a population growth or retention strategy (Saint-Fabien-de-Panet), making use of community assets and resources (Saint-Fabien-de-Panet, Port Elgin, St. Stephen), and linking social development and social or health services with the provision of housing (Mississippi Mills, Port Elgin, Russell, Preeceville). Other communities recognized the need to put in place a more coordinated social development strategy to boost people's life skills so that they would be better housing occupants and would have a greater chance of obtaining meaningful employment (St. Stephen, Coral Harbour).

The housing needs of low income households are also, in part, an income problem. Many rural communities have limited economic options (Coral Harbour, Marystown, Wawa, Saint-Fabien-de-Panet, Maniwaki, Preeceville), which reduce the potential residents have to obtain sustained, year-round employment capable of providing an income sufficient to pay for their housing. Thus, it is critical that housing development strategies be explicitly linked to broader community economic development strategies which will create jobs and income for lower income households.

## ***Conclusions***

The housing needs of low income persons in rural Canada are quite diverse and vary from place to place across the country. One finds seniors, working poor families, single parent households, some single youth and young adults, some disabled persons, and some Aboriginal persons represented in the "universe" of low income persons in rural Canada. The relative presence of one or more of these groups among local low income populations varies from place to place dependent upon the local circumstances, as do the housing situations they face, and the barriers and opportunities associated with addressing their housing needs.

There are four issues which largely define the nature of the housing situation facing low income households in rural communities:

- Economic context of the community in terms of its activity and relation to its larger region, which relates to employment opportunities and incomes;
- Distance of the community from a large urban centre, which relates to access to services and also to employment opportunities and incomes;
- Population size of the community, which relates to market functioning, and to construction sector development and capacity; and

- Size of the local and regional seniors population, since this group is attracted to small rural communities if there is access to a range of housing options (from homeownership to appropriate apartments to assisted living to full care nursing homes) and health care facilities.

As a result of these four predominant factors, housing development generally, and rental markets more specifically, tend to be problematic in most rural communities and small towns. From a demand perspective, those with relatively high or even modest incomes can afford homeownership. Thus renters are often characterized as being low income, on social assistance, or transient. There are several instances, however, where high income earners (teachers, health care professionals) desire short to medium term rental accommodation, but there is limited choice, and little of high quality. This was in evidence in St. Stephen and Russell. From a supply side, then, it is difficult for rental owners and investors to earn sufficient income for reinvestment purposes, and this leads in part to a decline in the quality of the stock.

This context poses real challenges for low income households looking for ways to solve their own housing problems. The implicit assumption of the core housing need model is that, with sufficient income, a household can resolve its housing difficulty. In an urban setting with a viable rental market, this assumption is probably reasonable. In a rural setting, supply can be constrained so that, even with financial resources, other options may not exist. The lack of housing supply in rural areas must be borne in mind when assessing housing need in rural areas.



# Résumé

La présente recherche résume les besoins en matière de logement des personnes à faible revenu habitant en milieu rural au Canada, caractérise les obstacles qui empêchent de répondre à leurs besoins de logement, et les possibilités qui existent dans les collectivités rurales et les petites municipalités pour remédier à la situation.

## Méthode

Trois méthodes ont permis de comprendre les besoins de logement des personnes à faible revenu des secteurs ruraux. Un dépouillement documentaire et une étude statistique ont été effectués simultanément, suivis par 12 études de cas portant sur des collectivités rurales ou des petites municipalités canadiennes, y compris des entretiens avec des spécialistes et une revue des documents à caractère local.

De nombreuses définitions de ruralité ont servi dans le cadre de la présente recherche. Elles ont permis, par exemple, d'explorer grandement la documentation pertinente et de revoir les données de recensement sondant le rapport entre le logement, le revenu et les ménages des secteurs ruraux, principalement à l'aide de la base de données SCHL intitulée *Le logement au Canada*. Pour cerner la notion de milieu rural, on a retenu la définition de région essentiellement rurale de l'OCDE en vue de soumettre 12 collectivités à une étude de cas (là où la collectivité compte moins de 10 000 habitants) en prévision d'une étude approfondie.

Les études de cas ont été choisies selon la commodité de la méthode d'échantillonnage et en fonction des consultations menées auprès de la SCHL et de membres du groupe de travail fédéral-provincial-territorial sur le logement dans les milieux ruraux et éloignés. Voici d'ailleurs les endroits sur lesquels ont porté les études de cas :

Brooks (Alberta)	Preeceville (Saskatchewan)
Coral Harbour (Nunavut)	Russell (Manitoba)
Kingston-Greenwood (Nouvelle-Écosse)	Saint-Fabien-de-Panet (Québec)
Maniwaki (Québec)	St. Stephen (Nouveau-Brunswick)
Marystown (Terre-Neuve et Labrador)	Wawa (Ontario)
Mississippi Mills (Ontario)	
Port Elgin (Ontario)	

## Ménages à faible revenu habitant en milieu rural au Canada

Les catégories de ménages à faible revenu vivant dans différents types de collectivités rurales varient énormément. Dans les collectivités rurales en croissance, les travailleurs à faible revenu, les familles monoparentales et les personnes âgées dominent généralement parmi les ménages à faible revenu. Ils y ressentent habituellement les effets de la hausse du coût du logement. Les ménages à faible revenu de toutes les catégories se retrouvent, en règle générale, aussi bien dans

les collectivités stables qu'en déclin. Dans les collectivités rurales, collectivités d'ortoirs des grands centres urbains, où emménagent les ménages à revenu élevé, les travailleurs à faible revenu et les familles monoparentales se retrouvent généralement dans une situation de faible revenu et en plus grand nombre que les autres catégories de ménages à faible revenu. Les collectivités de retraités regroupent surtout des aînés et des personnes seules parmi les ménages à faible revenu. Dans les collectivités du Nord, les Autochtones, les familles monoparentales, les travailleurs à faible revenu et les personnes seules dominent parmi les ménages à faible revenu. On a observé que les jeunes vivant seuls et les personnes handicapées ne dominaient pas parmi les gens à faible revenu.

### ***Situation du logement pour les ménages à faible revenu***

La situation du logement pour les ménages à faible revenu varie considérablement selon les différentes catégories de collectivités rurales. En effet, dans les collectivités en croissance, les ménages à faible revenu sont confrontés à la hausse du coût du logement et à la baisse des taux d'inoccupation. Tant dans les collectivités stables qu'en déclin, le coût d'utilisation élevé et les vieux logements en piètre état constituent des problèmes plus répandus. La baisse des taux d'inoccupation qu'enregistrent les collectivités stables s'explique par la pénurie de constructions neuves. Dans les collectivités d'ortoirs, où emménagent les gens à revenu élevé, les travailleurs à faible revenu et les familles monoparentales connaissent généralement une hausse de coût du logement et peu de choix de logements. Les loyers des logements neufs pour les aînés habitant les collectivités de retraités sont élevés. Les collectivités du Nord, qui se caractérisent par des coûts de construction et d'utilisation beaucoup plus élevés que dans le Sud, connaissent d'importants problèmes d'abordabilité et de surpeuplement, en particulier chez les ménages autochtones.

**Abordabilité** L'étude statistique montre que 15 % des ménages ruraux et 17,8 % des ménages autochtones ruraux habitant hors des réserves éprouvent des problèmes d'abordabilité, comme en faisait foi le modèle des besoins impérieux de logement en 1996. Les ménages dirigés par une personne âgée, les ménages non familiaux (formés notamment des gens vivant seuls, ou des individus libres de liens familiaux vivant ensemble) et les locataires sont plus susceptibles d'éprouver des problèmes d'abordabilité que les autres ménages ruraux. Cette assertion a été corroborée dans la plupart des collectivités ayant fait l'objet d'une étude de cas.

**Qualité et taille convenables** L'étude statistique révèle que 11,3 % des ménages ruraux n'ont pas de logement de qualité convenable, mais que seulement 4,4 % figurent parmi ceux qui éprouvent des besoins impérieux de logement. La taille convenable pose un problème de moindre envergure, alors que 4,1 % des ménages ruraux occupent un logement surpeuplé et que seulement 0,9 % sont du nombre de ceux qui éprouvent des besoins impérieux. Les besoins de réparations étaient évidents dans certaines collectivités ayant fait l'objet d'une étude de cas, surtout St. Stephen, Kingston-Greenwood, Maniwaki et Wawa. Les problèmes de surpeuplement ne se sont manifestés que dans des cas assez isolés parmi les collectivités étudiées; par contre, il y avait des signes de surpeuplement à Brooks et à Coral Harbour en particulier.

**Coût du chauffage et des services publics** Les ménages à faible revenu (de toutes les catégories) habitaient généralement de vieux logements mal isolés, et subissaient par conséquent des frais élevés de chauffage et de services publics. La situation était particulièrement évidente pour les locataires à faible revenu de St. Stephen, Marystown, Kingston-Greenwood, Saint-Fabien-de-Panet, Maniwaki, Port Elgin et Wawa. Les coûts d'utilisation élevés étaient particulièrement prononcés dans le Nord.

**Logements locatifs** La plupart des collectivités ayant fait l'objet d'une étude de cas connaissaient une pénurie de logements locatifs neufs, d'où le très faible choix de logements locatifs caractérisés par un faible taux d'inoccupation, l'état du logement laissant à désirer et des frais d'utilisation élevés. Faisaient exception à la règle les collectivités en essor économique (Brooks, Mississippi Mills) et celles où il se construisait un nombre modeste de logements neufs destinés aux aînés à revenu élevés, comportant généralement une gamme étendue de services et de commodités (Kingston-Greenwood, St. Stephen, Russell, Port Elgin). Les versements d'aide sociale créaient de la distorsion dans les petits marchés locatifs : dans certaines provinces, les versements étaient trop faibles pour permettre aux ménages de joindre les deux bouts (Ontario, Nouveau-Brunswick) et, dans d'autres provinces (Nouvelle-Écosse), où l'aide sociale a une composante logement, les loyers du marché étaient généralement fixés à ce niveau par les propriétaires-bailleurs, ce qui rendait les loyers encore plus chers pour les ménages à faible revenu, en particulier les travailleurs à faible revenu.

**L'accession à la propriété** Il s'agit du principal mode d'occupation dans les secteurs ruraux et les petites municipalités, même pour les ménages à faible revenu. Un faible pourcentage de propriétaires ruraux éprouvent des besoins impérieux (10 % comparativement à 30 % pour les locataires ruraux). L'accession à la propriété ne constitue souvent que le seul mode d'occupation, surtout lorsque les logements locatifs sont inaccessibles en raison du faible taux d'inoccupation ou coûtent aussi cher que d'être propriétaires. De nombreux ménages à faible revenu ont de la difficulté à constituer une mise de fonds en vue de s'acheter une maison. À Brooks, Kingston-Greenwood, Mississippi Mills et Port Elgin, où le revenu moyen est assez élevé, le prix moyen des maisons est généralement élevé et hors de portée des ménages à faible revenu. À Coral Harbour, où les coûts de construction (et par conséquent les prix d'achat) sont exceptionnellement élevés, les personnes touchant un faible revenu n'ont pratiquement pas d'espoir d'acquérir une maison. D'autres propriétaires à faible revenu n'ont pas les moyens d'acquitter les frais d'entretien de leur maison (taxes foncières, factures de services publics, frais d'entretien et de réparation). C'est une situation évidente à Saint-Fabien-de-Panet, Port Elgin, St. Stephen, Kingston-Greenwood et Preeceville.

**Ménages autochtones à faible revenu habitant hors des réserves** Les besoins parmi les ménages autochtones étaient beaucoup plus élevés en 1996 (28,8 %) que parmi les autres ménages des secteurs ruraux; ainsi, 17,8 % éprouvaient un problème quelconque d'abordabilité en matière de logement, 21,6 % n'avaient pas un logement de qualité convenable et 18 % n'avaient pas de logement de taille convenable. Même si la situation s'est améliorée depuis le début des années 1990, les ménages autochtones vivant hors des réserves étaient deux fois plus

susceptibles d'éprouver des besoins impérieux et sept fois plus susceptibles d'occuper des logements non conformes à plusieurs normes que les autres ménages ruraux. Le nombre absolu de ces ménages dans le besoin était faible. Par contre, à Coral Harbour, de nombreux problèmes de logement étaient associés au coût élevé de la construction et des services publics, en plus de la pénurie d'emplois. La situation laisse les ménages autochtones avec d'importants problèmes d'abordabilité qui se règlent souvent par la « cohabitation » de logements déjà surpeuplés.

**Les sans-abri en milieu rural** Les études de cas montrent très peu de signes de sans-abri absolus. En effet, la plupart des communautés ayant fait l'objet d'une étude de cas ne comptent peut-être qu'un ou deux ménages ou individus qui pourraient correspondre à la définition de « sans-abri absolu » dépourvu d'un lieu de résidence permanent. En général, ces gens vivent à l'extérieur de la petite municipalité ou de la communauté, en milieu vraiment rural, peut-être sous la tente pendant une partie de l'année ou dans un autre abri quelconque (comme un autobus ou une camionnette de camping transformés).

### ***La nature du logement en milieu rural***

**Type et mode d'occupation** Selon le recensement du Canada de 1996, les habitants des secteurs ruraux et des petites municipalités du Canada sont, dans un pourcentage élevé, propriétaires de leur habitation (82 %) comparativement aux ménages des milieux urbains où le taux de possession s'établit à 64 %. Bien des maisons appartenant à des occupants des secteurs ruraux et des petites municipalités ne sont pas grevées d'une hypothèque (56 %), alors que seulement 45 % des maisons des propriétaires des régions urbaines ne sont pas grevées d'une hypothèque. Les logements locatifs des secteurs ruraux comprennent généralement des immeubles d'appartements de faible hauteur regroupant 6 logements ou moins (y compris des maisons transformées en collectifs d'habitation), ainsi que des maisons individuelles ou des maisons jumelées. Certaines communautés rurales et petites municipalités regroupent des appartements accessoires, des pavillons-jardins ou des maisons mobiles, ainsi que des appartements situés au-dessus de propriétés commerciales, mais leur nombre est généralement moins important sur le plan de l'offre dans l'ensemble.

**État du parc de logements en milieu rural** Par rapport aux secteurs urbains, plus de logements du parc rural requièrent d'importantes réparations. Le parc de logements en milieu rural est constitué de proportions appréciables de vieux logements d'avant 1941 (29 %). Vu leur âge, la proportion de ces maisons ayant besoin d'importantes réparations est supérieure à la moyenne canadienne. Le problème causé par la piètre qualité du parc de logements ou le besoin de réparations (en particulier pour les locataires à faible revenu) a été soulevé dans certaines communautés ayant fait l'objet d'une étude de cas, dont St. Stephen, Saint-Fabien-de-Panet, Maniwaki et Wawa. On a également cerné ce problème à l'égard de certains propriétaires habitant en milieu rural, surtout les propriétaires-occupants âgés.

**Offre de logements** Le nombre de logements locatifs neufs a été très peu élevé, voire inexistant, ce qui a suscité une déficience de l'offre dans de nombreuses petites communautés, en particulier



pour les ménages à faible revenu. L'apport soudain de nouveaux logements dans les communautés rurales et les petites municipalités a souvent un lien avec une période précise d'essor économique (Port Elgin, Maniwaki et Wawa). Le marché de la revente, à titre de moyen d'approvisionnement en maisons varie largement, mais dans les communautés connaissant une crise économique, il peut être difficile de vendre des maisons en raison de l'immigration interne limitée (Maniwaki, St. Stephen) ou de l'âge avancé des propriétés, ce qui remet en question leur qualité et leur coût d'utilisation.

**Capacité du secteur local de la construction** En général, le secteur privé de la construction est confronté à de nombreux défis pour assurer l'approvisionnement en logements. Une fois réunis, la population peu élevée, l'éparpillement des collectivités et les coûts supplémentaires réduisent la viabilité de toute activité du marché privé dans de nombreuses communautés rurales isolées ou de petite taille. À Maniwaki, Wawa, Preeceville, Saint-Fabien-de-Panet, Preeceville et Russell, on a relevé que le secteur local de la construction n'existe généralement que pour la rénovation. Au fil du temps, la demande limitée ou inexistante à l'égard de logements neufs (attribuable dans une large mesure à la faible taille de la population de ces communautés) signifie que peu de gens oeuvrent dans ce secteur ou qu'il y a des gens qui ont quitté leur communauté pour se trouver un autre emploi. Coral Harbour fait exception à la règle. En effet, il y a eu à cet endroit des efforts concertés pour former des menuisiers et gens de métier parmi la population autochtone dans le dessein de réduire la nécessité d'importer une telle main-d'oeuvre et d'offrir des emplois dans la localité. Dans les communautés connaissant une économie en essor ou raisonnablement saine (Brooks, Mississippi Mills, Kingston-Greenwood), il se construit des logements neufs et le secteur local de la construction est davantage en mesure de construire des logements neufs sur demande.

**Autoconstruction** L'autoconstruction est l'une des stratégies auxquelles ont recours les ménages des communautés rurales et des petites municipalités, qui désirent réduire leur coût de logement. Les économies de coût réalisées par les autoconstructeurs tiennent principalement à leur propre contribution physique aux travaux, à la collaboration de membres de la famille et d'amis, et aux frais d'emprunt moindres obtenus en réduisant considérablement ou en éliminant le montant du prêt hypothécaire. Par contre, tant le dépouillement documentaire que les études de cas révèlent que très peu d'autoconstructeurs font partie des ménages à faible revenu, puisqu'ils n'ont pas les économies initiales requises.

**Habitation usinée** L'habitation usinée revêt de l'importance comme moyen possible d'offrir des logements abordables locatifs ou d'accession à des ménages à faible revenu. Malheureusement, les vieux modèles sont en piètre état et portent avec eux le stigmate qui rend l'achat et la mise en place de nouveaux logements quelque peu difficiles à cause de l'attitude et des perceptions négatives des gens locaux à l'égard de ce type de logements. Dans l'ensemble du Canada, seulement 3 % des logements mis en chantier proviennent du secteur de l'habitation usinée (comparativement à 24 % aux États-Unis). Le secteur enregistre plus d'activité en Nouvelle-Écosse et au Nouveau-Brunswick que partout ailleurs au Canada, d'après sa part de mises en chantier de logements. À Preeceville et à Russell, endroits peu peuplés où le secteur de

la construction n'existe à peu près pas, et à St. Stephen, l'habitation usinée est devenue le logement de choix parmi toutes les catégories de revenu.

## ***Obstacles et possibilités***

Différents obstacles empêchent de satisfaire les besoins de logement des ménages à faible revenu, mis à part le faible revenu :

- le coût de construction élevé;
- le syndrome pas dans ma cour;
- le peu d'options économiques, l'incertitude économique et l'absence de marché de l'habitation viable;
- le peu de rendement économique des logements locatifs;
- l'infrastructure des services communautaires;
- la situation sociale laissant à désirer;
- le manque de leadership au sein de la communauté;
- les règlements et la politique d'intérêt public.

Malgré les nombreux obstacles empêchant de répondre aux besoins de logement des ménages à faible revenu des communautés rurales, l'expérience collective des 12 études de cas révèle qu'il existe bien des possibilités pour satisfaire certains de ces besoins :

- adopter de nouvelles pratiques municipales de planification et d'aménagement foncier;
- exploiter l'esprit de leadership au sein de la communauté;
- transformer des bâtiments non résidentiels en logements;
- donner suite aux besoins des aînés au sein du marché;
- intégrer les logements et les services pour le bénéfice des aînés, des personnes handicapées et des autres;
- se tourner vers l'habitation usinée;
- poursuivre la recherche et le développement sur les techniques de construction pour le Nord.

L'élaboration de stratégies visant à satisfaire les besoins de logement des communautés rurales et des petites municipalités doit être envisagée de concert avec les activités générales d'aménagement communautaire. L'enquête menée dans les communautés ayant fait l'objet d'une étude de cas révèle clairement que certaines communautés sont mieux préparées pour répondre aux besoins. En pareils cas, la communauté a adopté des méthodes générales en établissant des habitations communautaires ou des organismes sociaux (Brooks, Mississippi Mills), en élaborant une stratégie de croissance ou de conservation de la population (Saint-Fabien-de-Panet), en faisant usage des biens et ressources communautaires (Saint-Fabien-de-Panet, Port Elgin, St. Stephen) et en liant le développement social et la prestation de services sociaux et de soins de santé à la fourniture de logements (Mississippi Mills, Port Elgin, Russell, Preeceville). D'autres communautés ont reconnu la nécessité de mettre en place une stratégie de développement social mieux coordonnée pour accroître la dynamique de la vie des gens pour qu'ils occupent mieux

leur logement et qu'ils aient une plus grande chance d'obtenir un emploi significatif (St. Stephen, Coral Harbour).

Les besoins de logement des ménages à faible revenu font aussi partie, dans une certaine mesure, du problème de revenu. Bien des communautés rurales disposent de peu d'options économiques (Coral Harbour, Marystown, Wawa, Saint-Fabien-de-Panet, Maniwaki, Preeceville), ce qui réduit les possibilités que les citoyens obtiennent un emploi durable, à longueur d'année, susceptible de leur assurer un revenu suffisant pour acquitter leurs frais de logement. Il est, par conséquent, primordial que les stratégies de création de logements soient explicitement liées à des stratégies générales de développement communautaire qui permettront de créer des emplois pour les ménages à faible revenu et de pourvoir à leur subsistance.

## **Conclusions**

Les besoins de logement des personnes à faible revenu habitant les secteurs ruraux au Canada sont plutôt différents et varient d'un endroit à l'autre. On retrouve des aînés, des familles à faible revenu, des ménages monoparentaux, des jeunes vivant seuls et des jeunes adultes, des personnes handicapées et des Autochtones représentés dans « l'univers » des personnes à faible revenu habitant en milieu rural au Canada. La présence d'un groupe ou plus parmi les populations locales à faible revenu varie d'un endroit à l'autre, compte tenu des circonstances locales, tout comme les besoins de logement auxquels ils sont confrontés, ainsi que les obstacles et les possibilités pour satisfaire leurs besoins de logement.

Quatre enjeux définissent largement la nature de la situation en matière de logement à laquelle sont confrontés les ménages à faible revenu des communautés rurales :

- la situation économique de la communauté en termes d'activité et en rapport avec la grande région, qui se rapporte aux possibilités et revenus d'emplois;
- la distance séparant la communauté d'un grand centre urbain, qui a rapport avec l'accès aux services et aussi avec les possibilités d'emploi et le revenu;
- la taille de la population de la communauté, qui a rapport avec le fonctionnement du marché, ainsi qu'avec le développement et la capacité du secteur de la construction;
- la taille de la population locale et régionale d'aînés, étant donné que ce groupe est attiré vers les petites communautés rurales donnant accès à une gamme d'options de logement (de l'accession à la propriété aux immeubles d'appartements tout indiqués en passant par les résidences-services jusqu'aux centres d'hébergement dispensant tous les services de soins) et d'installations de soins de santé.

Par suite de ces quatre facteurs prédominants, la création de logements en général et les marchés locatifs en particulier, posent d'habitude problème dans la plupart des communautés rurales et des petites municipalités. Du point de vue de la demande, les personnes à revenu plutôt élevé ou même modeste ont les moyens d'accéder à la propriété. Par conséquent, les locataires sont souvent caractérisés comme des gens à faible revenu, ou prestataires d'aide sociale ou en situation transitoire. Il existe cependant plusieurs occasions où les personnes à revenu élevé

(enseignants, spécialistes de soins de santé) désirent avoir accès à des logements locatifs à court ou à moyen terme, dont le choix est limité et peu présentent une qualité élevée. Cet état de fait a été mis en évidence à St. Stephen et à Russell. Puis, du côté de l'offre, il est difficile pour les propriétaires de logements locatifs et les investisseurs de toucher un revenu suffisant pour réinvestir et cette situation explique en partie la baisse de qualité du parc de logements.

Ce contexte pose de véritables défis aux ménages à faible revenu qui cherchent des façons de régler leur propre problème de logement. Le modèle des besoins impérieux de logement tient pour acquis l'hypothèse suivante : le ménage qui touche un revenu suffisant est en mesure de régler son problème de logement. En milieu urbain connaissant un marché locatif viable, cette hypothèse tient probablement du raisonnable. En milieu rural, l'offre peut être restreinte au point que même les gens possédant les ressources financières ne pourraient peut-être pas avoir accès à d'autres options. Le manque d'offre de logements dans les secteurs ruraux doit entrer en ligne de compte au moment d'évaluer les besoins de logement en pareil milieu.

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# Housing Needs of Low Income People Living in Rural Areas

## Statistical Review

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## 1.0 Introduction

This report provides a brief review of the statistical evidence on housing need in rural areas using information from the *Census of Canada* 1991 and 1996, the 1999 *Survey of Household Spending* and the 1991 Post Censal *Aboriginal Peoples' Survey*.

### 1.1 Measuring Housing Need

CMHC (1991 and 1994) set out the basic approach to the definition and quantification of housing need, generally referred to as the **core housing need** methodology. This approach has been accepted in Canada at both the federal and provincial level, and has been applied to a variety of statistical sources.

Most Canadian households live in dwellings that are **adequate** in condition, **affordable** in relation to their income and **suitable** in size.

- An **adequate** dwelling does not, in the assessment of the occupants, require major repairs or lack (hot or cold) running water and has a full bathroom;
- The shelter cost for an **affordable** dwelling must be less than 30% of household pre-tax income;

Shelter cost for owners includes mortgage principal and interest, property taxes, condominium charges (if applicable) and utility payments (water, gas and electricity). For renters, the shelter cost includes rent and utilities if the latter are not included in the rent.

- A **suitable** dwelling has enough bedrooms to provide the household with the required amount of space and privacy, taking into account the age and gender of the members using the **National Occupancy Standards** (NOS) as the measure of space requirements;

The elements of the National Occupancy Standards are as follows:

- o Children under five years of age are expected to share a bedroom with one other sibling, regardless of gender;
- o From five to 18 years of age, children are expected to share a bedroom with one other sibling of the same gender
- o Each adult (18 years of age and older) is allotted his/her own bedroom, unless they are part of a married or common law relationship, in which case they would be expected to share a bedroom with his/her spouse/partner.

A certain percentage of households fall below one or more of the adequacy, affordability or suitability standards. Some of these households have the **means** to rent alternative accommodation in their home market that would meet or exceed the housing standards. In other cases, the household income may prevent them from doing so. To be in **core housing need**, a

household must fall below one or more of the three housing standards of adequacy, affordability or suitability **and** lack the **means** to access accommodation that would meet adequacy and suitability standards. The latter **means test** compares 30% of the pre-tax household income to the median annual rent for adequate and suitable accommodation.

In the case of farm households, it is not always possible to separate the residential expenditures from those related to the farm buildings and property so the affordability test cannot be applied to farm households.

The *Housing In Canada* (HIC) electronic database provides separate tables for farm households and for aboriginal households living off reserve. (Aboriginal households living on reserves are not part of this study.)

## **1.2 Limitations of Core Housing Need Model in the North**

The Core Housing Need Model is currently used to assess housing need in Northern and Remote Communities. A report prepared by the Institute of Urban Studies (1999) evaluated the appropriateness of the Core Need Model in the measurement of housing circumstances in such communities. The report included a literature review that identified a variety of approaches to assessing housing need in Canada and other countries and utilized case studies that developed detailed profiles of households, housing and community characteristics in these areas. The report concluded that a better assessment of need in northern and remote areas would require a more comprehensive model. This model would incorporate not only an expanded database on housing and household circumstances, but would include data on the general service base of the community, housing supply, marketplace factors, and the effect of housing circumstances on health and social well-being of the household (quality of life). The study also suggested that the fact that the current “Core Housing Need Model” does not identify the “depth or severity” of need was also a major concern in these communities. Overall, the report suggested that a more comprehensive approach to identifying housing need on a community or regional basis is required. This approach must go beyond the current focus on household composition, income and housing characteristics to consider a broader range of community, marketplace and household characteristics.

For the purposes of this current study, the core housing need data, as applied to all communities, is used for analysis purposes because it is the only source of such information at the present time.



### 1.3 Defining Rural

The term rural area has several operational definitions in the statistical sources used in this report. The standard definition of rural area from the 1996 Census Dictionary is:

*Rural areas are sparsely populated lands lying outside urban areas. Within the rural areas of Canada, population densities and living conditions can vary greatly. Included in rural areas are:*

- *Small towns, villages and other populated places with less than 1,000 population, according to the most recent census;*
- *Rural fringes of census metropolitan areas and census agglomerations that may contain estate lots, agricultural, undeveloped and undevelopable lands;*
- *Remote and wilderness areas;*
- *Agricultural lands.*

Rural areas are defined in relation to urban areas, which have a population density of 400 or more persons per square kilometre. Rural areas have a lower density.

CMHC uses a simple population cut-off of 2,500 or less to define rural communities. Communities below the cut-off are considered rural, while those with more than 2,500 are urban. Rupnik et al (2001) used an OECD (1994) concept of a "predominantly rural region". This is defined as an area where more than 50% of the population lives at a density of less than 150 per square kilometre. These rural areas were further sub-divided into three - those adjacent to metropolitan areas, those not adjacent to metropolitan areas and rural northern areas.

This report uses all of these definitions, depending on the data source and includes communities under these designations. The *Survey of Household Spending* (SHS) used the Statistics Canada definition. Information from CMHC's *Housing In Canada* used the 2,500 population cut-off to delineate rural areas. Reference will also be made to the Rupnik et al (2001) study of housing need that used the OECD definition.

### 1.4 Statistical Sources

The census is the most complete data vehicle for the assessment of housing conditions and the estimation of housing need using the core housing need methodology. It has the advantage of a large sample size that allows housing need to be calculated at the lowest geographic levels. The census also collects complete demographic information on all of the household members. This facilitates the examination of how well the dwelling can provide for the privacy needs of the household members (suitability), taking into account the age, gender and the relationships between the members.

The census is conducted only once every five years and the data is published with a two to three year lag. Sample surveys are used to monitor intercensal trends in housing need. The *Survey of*

*Household Spending* is an annual Statistics Canada survey undertaken to provide the weighting for the Consumer Price Index expenditure basket and to distribute the revenue between the provincial and federal governments where the sales taxes have been harmonized. The SHS also gathers stock and facilities items previously gathered by the *Survey of Household Facilities and Equipment*. SHS collects household income (uniquely among Statistics Canada surveys) for the same reference period as the expenditure information. In other surveys, the household income refers to the most recent complete year while housing expenditures refer to the current year. From a housing viewpoint, SHS is then a replacement for both the *Family Expenditure Survey* (FAMEX) and *Household Facilities and Equipment* (HFE) Surveys.

### 1.5 Households Excluded from the Core Housing Need Methodology

Not all households can be tested for housing need. Shelter cost-to-income ratios (STIRs) cannot be calculated for households with zero incomes, for example. Some households will have STIRs in excess of 100% and these are excluded from the analysis. On the census, the incomes refer to the most recent complete year while the shelter costs are for the current month. A STIR in excess of 100% might suggest that the household income has changed since the previous year and that the income for the current year, whatever it might be, is better able to sustain the shelter cost. Since there is no ready explanation as to why the shelter is so high relative to income, the records are excluded from the analysis. For farm households, it may not be possible to distinguish the residential from the farm related portion of their expenditures. Table 1 shows the relationship between the total number of households and those for which core housing need could be determined and therefore included in HIC.

Table 1: Households Included in the <i>Housing in Canada</i> Database					
	Total	Non-farm, non-native	Non-farm native	Farm	Reserve
All	10,818,470	10,320,690	239,995	188,260	69,525
Positive Income	10,720,235	10,295,160	239,600	185,475	52,098
STIR < 100	10,027,835	9,809,525	218,310	N/A	N/A
Source: CMHC <i>Housing in Canada</i> Documentation Figure 1A					

In all, almost 800,000 households or 7.3% were excluded from the study of core housing need examination.

The new territory of Nunavut came into being in April 1999. At the time of the 1996 census, it was included as part of the Northwest Territories. That is how it will appear in most of the tables that are based on the 1996 Census (and released through *Housing in Canada* database). CMHC did provide some special runs on Nunavut that are shown on Table 7.

## 2.0 Housing Need among Non-Farm, Non Aboriginal Rural Households

Table 2 shows the number of households living in rural areas in 1996. This table uses the CMHC definition of rural (communities of 2,500 or less). It also excludes households with zero incomes and shelter cost to income ratios in excess of 100%, since these households could not be tested for core housing need. Finally, this table is limited to non-farm, non-Aboriginal households. This is then a subset of all rural households. The rate of home ownership for rural households is very high (over 80%), compared to 65% for Canadian households as a whole. Senior households are more common in rural areas than in the Canada overall (25% to 21%). Conversely, non-family households are less common in rural areas.<sup>1</sup>

Table 2: Households in Rural Areas, by Type and Tenure, 1996			
	Total	Own	Rent
<b>All Households</b>	1,556,815	1,254,650	302,165
<b>Senior Households</b>	383,735	320,990	62,745
<b>Non-Senior Households</b>	1,173,080	933,660	239,420
Family Households	969,920	812,500	157,415
Non-Family Households	203,160	121,160	82,000
Source: CMHC HIC Database, based on 1996 Census			

The HIC database also allowed a comparison to be made with the situation in 1991 as the following table shows. Table 3 shows the percentage change in the number of rural households, by tenure and type of household in the period 1991-1996. In order to facilitate intercensal comparisons, Statistics Canada restates the 1991 data on the 1996 geography. That way, areas defined as rural in 1996 would be compared to the same areas in 1991.

The highest growth rate was among non-family households. There was a 16.2% increase in the number of non-family households that owned their own home. The lowest growth rate was seen among non-senior family households, where there was even a decline in the absolute number of households renting in rural areas.

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<sup>1</sup> HIC defined Senior Households as those on which one of the maintainers is 65 years of age or older. Family households are households where the maintainer was a member of a family in the household. Non-family households can consist of unrelated individuals as well as siblings living together. For census purposes, a family consists of a married or common law couple with or without children or a parent with never married children.

Table 3: Percentage Change in the Number of Rural Households By Type, 1991-1996			
	Total	Own	Rent
<b>All Households</b>	4.4%	4.9%	2.6%
<b>Senior Households</b>	7.2%	7.8%	4.1%
<b>Non-Senior Households</b>	3.5%	3.9%	2.2%
Family Households	1.8%	2.3%	-0.6%
Non-Family Households	12.7%	16.2%	8.0%
Source: CMHC's HIC Database, based on 1996 Census			

## 2.1 Housing Need

On the HIC database, the percentage of rural households in core housing need was 14% compared to 18% for households in urban areas. In rural areas, affordability was a major factor in placing a household in core housing need. More than 78% of households in core housing need fell below the affordability standard, either alone or in combination with one of the other standards. However, in urban areas that percentage was 95%.

Table 4 shows a breakdown of urban and rural households by housing standards and whether or not they were in core housing need. Among urban households, 18.2% were in core housing need compared to 14.2% for households in rural areas.

A household can be below one of the three housing standards (adequacy, affordability and suitability) without being in core housing need, if the household income is above the core need income threshold. A smaller percentage of urban households were above all of the standards (67%) compared to 73% for rural households. The percentages are based on the total number of rural or urban households. A larger percentage of urban households were below the affordability and suitability standards. Rural households were more likely to be below the adequacy standard. Six per cent of rural households lived in dwellings that were in need of major repairs, but were not in core housing need. Their income was high enough to be able to rent better quality accommodation, if some were available. The comparable percentage in urban areas was less than four percent.

A larger percentage of households in core housing need in rural areas fell below the adequacy standard suggesting that housing quality and choice were more of a problem in rural than in urban areas. Overall, some 14% of rural households were in core housing need compared to 18% for households living in urban areas.

**Table 4: Urban and Rural Households by Housing Standards and Need Status, 1996**

	Urban		Rural	
	Not In Need	In Need	Not In Need	In Need
All Households	81.8%	18.2%	85.8%	14.2%
Households Above Housing Standards	67.3%	0.0%	73.0%	0.0%
Households Below Housing Standards	14.5%	18.2%	12.8%	14.2%
Households Below One Standard	13.1%	15.1%	11.7%	12.0%
Below Affordability	5.3%	13.9%	3.2%	9.1%
Below Adequacy	3.7%	0.8%	6.0%	2.6%
Below Suitability	4.0%	0.4%	2.5%	0.4%
Households below multiple housing standards	1.4%	3.1%	1.1%	2.2%
Below Affordability & Adequacy	0.4%	1.4%	0.4%	1.6%
Below Affordability & Suitability	0.5%	1.4%	0.2%	0.4%
Below Adequacy & Suitability	0.4%	0.0%	0.5%	0.1%
Below Affordability, Adequacy & Suitability	0.1%	0.2%	0.0%	0.1%

Source: CMHC's HIC Database, based on 1996 Census

Table 5 shows the characteristics of rural households in core housing need. Almost 59% of them were owners compared to 41% of renters. Fifty percent of the households were family households led by a non-senior. Senior led households and non-senior led non-family households accounted for a quarter of the households in core housing need each.

**Table 5: Rural Households in Core Housing Need, by Type and Tenure, 1996**

	Total	Own	Rent
<b>All Households</b>	100.0%	58.7%	41.3%
<b>Senior Households</b>	25.7%	15.8%	9.9%
<b>Non-Senior Households</b>	74.3%	42.8%	31.5%
Family Households	49.2%	30.5%	18.7%
Non-Family Households	25.1%	12.3%	12.7%

Source: CMHC's HIC Database, based on 1996 Census

The highest incidence of core housing need was among renting senior led and non-senior, non-family households (34%). The lowest incidence of need (8%) was among family households that owned their home (Table 6).

Table 6: Incidence of Core Housing Need among Rural Households, by Type and Tenure, 1996			
	Total	Own	Rent
<b>All Households</b>	14.2%	10.3%	30.2%
<b>Senior Households</b>	14.8%	10.9%	34.7%
<b>Non-Senior Households</b>	14.0%	10.1%	29.0%
Family Households	11.2%	8.3%	26.3%
Non-Family Households	27.3%	22.5%	34.3%
Source: CMHC's HIC Database, based on 1996 Census			

On a province-by-province basis, the highest percentage of households in housing need among rural households was in the Yukon and British Columbia with 20.7% of the households testing positive for core housing need. Newfoundland was second highest with 15.4%. The lowest incidence was in Saskatchewan at 12.4% (Table 7).

Quebec had the largest share of households in core housing need - 28.7% of all households in core housing need in 1996 lived in Quebec. Further, 30% of all rural households in core housing need were in Quebec. On both distributions, Ontario ranked second. This is not surprising since Ontario and Quebec were the most populous provinces (with Ontario having the largest population). Newfoundland, Nova Scotia and British Columbia had a larger share of the households in core housing need than their share of all rural households. In the other provinces their share of households in need was less than their share of total rural households, except in PEI where they were exactly the same.

**Table 7: The Incidence of Housing Need Among Rural Households, Provincial Distribution of Households in Need and All Rural Households, 1996**

Province	Incidence	Provincial Distribution of Households	
		In Need	All Rural
Newfoundland	15.4%	4.4%	4.1%
Prince Edward Island	14.6%	1.2%	1.2%
Nova Scotia	14.5%	6.8%	6.6%
New Brunswick	14.0%	6.1%	6.2%
Québec	13.5%	28.6%	30.1%
Ontario	13.6%	24.7%	25.8%
Manitoba	13.4%	4.1%	4.4%
Saskatchewan	12.4%	4.6%	5.2%
Alberta	12.5%	6.5%	7.3%
British Columbia	20.7%	12.7%	8.7%
Northwest Territories	13.6%	0.0%	0.0%
Nunavut	12.2%	0.0%	0.1%
Yukon	21.0%	0.2%	0.2%
Canada	14.2%	100.0%	100.0%

Source: CMHC's HIC Database, based on 1996 Census

Table 8 examines incomes, shelter costs and shelter cost to income ratios (STIRs) for rural households with a comparison to the situation in 1991. In 1996, the household incomes of rural households in need were less than a third of households not in need (\$15,200 as compared to \$47,800). The difference in their shelter costs was less than eight dollars. Households in need paid on average \$487 dollars a month compared to \$495 for households not in need. This small difference in shelter cost combined with a large difference in income led to a major difference in the average percentage of income going towards shelter. Households in core housing need spent 42% of their income on shelter compared to only 14% for households not in need.

Average STIRs also increased from 1991 to 1996, by 2 percentage points to 42% for all households in need. It jumped from 37% to 40% for owners in need and from 44% to 46% for renters in need. Average STIRs remained constant for households that were not in core housing need. It is clear that incomes among low-income households are not keeping pace with rising shelter cost.

Renters in need had the lowest household income - \$13,700 compared to owners \$16,200. In fact, renters in need spent more on shelter than renters not in need - \$479 compared to \$446. As a result the renters in need were spending in 1996, 46% of their income on shelter.

**Table 8: Average Income, Shelter Cost and Shelter Cost-to-Income Ratios for Rural Households by Need Status, 1991-1996**

		1996			1991		
		Average Income	Average Shelter Cost	Average STIR	Average Income	Average Shelter Cost	Average STIR
All	Total	\$43,160	\$495	18	\$39,718	\$426	17
	Not in Need	\$47,794	\$495	14	\$43,066	\$432	14
	In Need	\$15,156	\$487	42	\$12,872	\$378	40
Owner	Total	\$46,257	\$504	16	\$42,255	\$434	15
	Not in Need	\$49,727	\$504	13	\$44,791	\$439	13
	In Need	\$16,171	\$493	40	\$13,759	\$373	37
Renter	Total	\$30,297	\$458	26	\$29,417	\$395	23
	Not in Need	\$37,481	\$446	17	\$34,719	\$397	17
	In Need	\$13,716	\$479	46	\$11,589	\$386	44
Source: CMHC's HIC Database, based on 1996 Census							

Rupnik et al (2001) published a report on housing need in rural areas based on the 1996 Census. That publication used CMHC's definition of need in terms of adequacy, affordability and suitability, using variables that CMHC had Statistics Canada add to the Census file. The definition of rural used by Rupnik et al was different from the one used by CMHC in its HIC database. CMHC uses a simple population cut-off of 2,500 or less. Rupnik et al used an OECD (1994) concept of a "predominantly rural region". This is defined as an area where more than 50% of the population lives at a density of less than 150 per square kilometre. Rupnik et al further sub-divided their rural regions into three - those adjacent to metropolitan areas, those not adjacent to metropolitan areas and rural northern areas.

Overall, in OECD defined rural regions, 31% of households were below one or more of the CMHC housing standards of adequacy, affordability or suitability. On the HIC database, the percentage was lower - 27%. The comparable number for urban households from HIC was 32%.



### 3.0 Farm Households

Affordability, in this study, is not measured for farm households, since shelter expenditures are often not separable from those for farm related property and buildings. However, adequacy and suitability standards can be applied. Table 9 shows farm households above and below adequacy and suitability standards in 1996, and provides estimates of housing need. The vast majority of farm households (84%) were above both adequacy and suitability housing standards. The other 16% fell below one or both of these standards. Of those households living below one of the standards, 76% were below the adequacy standard, either alone or in combination with the suitability standard.

Of the 22,530 farm households falling below the adequacy standard, 65% had incomes above the norm rent incomes and, as such, they would have the financial means to resolve their housing problems. Less than 5% of farm households which fell below the adequacy or suitability standard had an income below the norm rent income, and would therefore be considered to be in need.

Table 9: Farm Households by Housing Standard and Need Status, 1996			
	Total	Not in Need	In Need
Total Households	185,475	176,265	9,210
Above all housing standards	155,765	155,765	0
Below housing standards other than affordability	29,710	20,500	9,210
Below Adequacy Standard	21,030	13,645	7,380
Below Suitability Standard	7,180	5,755	1,430
Below Both Adequacy & Suitability	1,500	1,100	400
Source: CMHC's HIC Database, based on 1996 Census			

Table 10 shows the total number of farms by province with the provincial distribution along with the number in need (according to the above definition) and the incidence. PEI, Nova Scotia, Manitoba, Alberta and BC were over represented among farms in need compared to their share of total farms. Quebec and Ontario had a lower share of the farms in need than their share of total farms. The incidence of farms in need was highest in Manitoba, PEI and BC. Quebec and Ontario were the only provinces with incidences of need below 4%.

The average income of farm households in need was 34% of households not in need - \$18,400 as compared to almost \$54,000. Non-family farm households had by far the highest incidence of

need - 11% compared to approximately 4% for family households and 5% for senior led households.

The adequacy of the dwelling in terms of need for major repair was a contributing factor to housing need among farm households. Twelve percent of all farm residences were considered to be in need of major repair. For the oldest category of dwelling - those built before 1946 - the rate was 18%. The rate of need for repair decreased with the age of the dwelling and was 2.4% for dwellings built after 1991.

A similar declining function was also seen when the incidence of need for major repair was compared to income. The lowest income category - below \$10,000 in annual household income - had the highest incidence of dwellings in need of major repair - 18%. The rate declined to 10.3% for households with more than \$50,000 in annual income. The average income of households in dwellings in need of major repair was \$44,300, \$10,000 less than the average of households who reported that their dwellings simply needed regular maintenance.

**Table10: All Farm Households, Farms in Need and Incidence of Need, 1996**

Province	All Farms		Farms In Need		Incidence
	Number	%	Number	%	
Newfoundland	215	0 1%	10	0 1%	4 7%
Prince Edward Island	1,260	0 7%	95	1.0%	7 5%
New Brunswick	1,780	1 0%	80	0 9%	4 5%
Nova Scotia	2,195	1 2%	140	1 5%	6.4%
Québec	22,605	12 2%	675	7 3%	3 0%
Ontario	47,160	25 4%	1,775	19 3%	3.8%
Manitoba	17,695	9 5%	1,465	15 9%	8 3%
Saskatchewan	36,495	19 7%	1,780	19.3%	4 9%
Alberta	41,855	22 6%	2,180	23 7%	5.2%
British Columbia	14,205	7 7%	1,005	10 9%	7.1%
Canada	185,475	100 0%	9,210	100 0%	5 0%

Source: CMHC's HIC Database, based on 1996 Census

#### 4.0 Aboriginal Households

Statistics Canada uses two *Aboriginal* definitions in the census. The first is based on ethnic origin and the second on the group with which the respondent identifies. In 1991, Statistics Canada conducted a post-censal *Aboriginal Peoples' Survey* (APS). A sample of respondents who identified themselves on the census questionnaire as Aboriginal were included in the APS. Ark Research (1996) conducted an analysis of the APS results on behalf of CMHC. This project included matching the APS questionnaire with the household return from the census so that the housing situation of Aboriginal people could be examined.

CMHC has adopted the identity definition of Aboriginal households. An Aboriginal household is defined as

- Any single-family household where at least one spouse, common law partner or lone parent self-identified themselves as Aboriginal;
- Any multiple family household where at least one of the families in the household was a Aboriginal family (as defined above);
- Any non-family household where at least 50% of the household members self-identified as Aboriginal.

The *Housing In Canada* tables use this definition of Aboriginal. The HIC database provides information on off-reserve Aboriginal identity population living in rural and urban areas. In all, there were 218,000 Aboriginal identity households of which 56,000 lived in rural areas in 1996.

Of the 56,000 households living off-reserve in rural areas in 1996, over 50% were North American Indian, 35% identified themselves as Metis and about 12% as Inuit. For comparison purposes, in total there were 59,000 Aboriginal households living on reserves, some of which would have been in urban areas. The largest percentage of Aboriginal households in 1996 lived off-reserve in urban areas. This group constituted 162,000 households or 58% of the total.

The incidence of need among Aboriginal households in 1996 was much higher than among other households living in rural areas (Table 11). In the Northwest Territories and Saskatchewan more than 1/3 of Aboriginal households were in core housing need. The lowest rates of core housing need were in PEI and Nova Scotia, where there were relatively few such households. Ontario, BC and Saskatchewan had the largest share of all Aboriginal households in need in 1996. In relative terms, however, Saskatchewan, Northwest Territories, and BC had a higher proportion of Aboriginal households in need compared to the proportion of all Aboriginal households in those provinces. The 28.8% incidence of core housing need was less than the overall rate for all off-reserve Aboriginal households in 1996, which was 32%.

**Table 11: Rural Households with Aboriginal Identity by Province and Need Status, 1996**

	All Households		Households In Need		Incidence
	Number	%	Number	%	
Newfoundland	2,290	4.1%	585	3.6%	25.5%
Prince Edward Island	115	0.2%	20	0.1%	17.4%
Nova Scotia	955	1.7%	165	1.0%	17.3%
New Brunswick	715	1.3%	155	1.0%	21.7%
Québec	6,775	12.1%	1,345	8.3%	19.9%
Ontario	10,355	18.5%	2,570	15.9%	24.8%
Manitoba	7,220	12.9%	2,035	12.6%	28.2%
Saskatchewan	6,155	11.0%	2,130	13.2%	34.6%
Alberta	6,390	11.4%	1,650	10.2%	25.8%
British Columbia	6,825	12.2%	2,185	13.5%	32.0%
Yukon Territory	785	1.4%	255	1.6%	32.5%
Northwest Territories	3,225	5.8%	1,250	7.7%	38.8%
Canada	55,990	100.0%	16,140	100.0%	28.8%

Source: CMHC's HIC Database, based on 1996 Census

Table 12 shows the distribution of Aboriginal households by housing standard and core need status. More than 46% of the Aboriginal households in rural areas fell below one or more of the housing standards. Aboriginal households, taken as a group, were more likely to fall below the adequacy standard than affordability.

Compared with the level of housing problems among all rural households, Aboriginal households are twice as likely to be in core housing need and seven times more likely to be below multiple housing standards.

**Table 12: Rural Aboriginal Households by Housing Standard and Need Status, 1996**

	Total	Not in need	In need
Total Households	100.0%	71.2%	28.8%
Above all housing standards	54.0%	54.0%	0.0%
Below housing standards	46.1%	17.2%	28.8%
Below one housing standard	35.5%	14.4%	21.1%
Below Affordability Standard Only	11.6%	1.5%	10.1%
Below Adequacy Standard Only	12.9%	7.0%	5.9%
Below Suitability Standard Only	11.0%	5.8%	5.1%
Total below multiple housing standards	10.6%	2.9%	7.7%
Below Both Affordability & Adequacy	3.6%	0.3%	3.3%
Below Both Affordability & Suitability	1.9%	0.1%	1.7%
Below Both Adequacy & Suitability	4.4%	2.3%	2.1%
Below Affordability, Adequacy & Suitability	0.7%	0.1%	0.6%

Source: CMHC's HIC Database, Based on 1996 Census

Table 13 compares the income, shelter cost and shelter cost-to-income ratio (STIR) of rural Aboriginal households by need status. The average income of households in need was less than 40% of that of households not in need. At the same time the average shelter payment of households in need was 84% of those not in need (\$411 compared to \$487). Consequently, households in need paid more than twice the proportion of their income on shelter than those that were not in need (34% compared to 14%).

Table 13: Rural Aboriginal Households: Average Income, Shelter Cost and Shelter Cost-to-Income Ratio by Need Status, 1996				
	Number of Households	Average Income	Average Shelter Cost	Average STIR
Total	55,990	\$39,555	\$466	19%
Not in Need	39,855	\$48,266	\$487	14%
In Need	16,140	\$18,044	\$411	34%
Source: CMHC's HIC Database, Based on 1996 Census				

Between 1991 and 1996, the incidence of core housing need dropped 8.1% for Inuit (Table 14). For Métis, the rate of core housing need stayed roughly the same over that time. For North American Indians, the incidence of housing need rose by 3.2%.

Table 14: Change in Incidence of Housing Need Among Aboriginal Groups in Rural Areas, Off-Reserve, 1991-1996	
Total Aboriginal Ethnic Origin	+1.5%
North American Indian	+3.2%
Metis	-1.0%
Inuit	-8.1%
Source: CMHC's HIC Database, Based on 1996 Census	

## 5.0 Survey of Household Spending

This section will present information on housing need in rural areas from the 1999 *Survey of Household Spending* (SHS). As this is a relatively new database, it has not been used before for the estimation of core housing need. The predecessor to the SHS - *Family Expenditure Survey* or *FAMEX* - was used by Marshall (1999) to examine the expenditure patterns of rural and urban households. The results of that study are referred to for comparative purposes.

Because of its limited size, the PEI sample is not broken down between rural and urban. So PEI information is not shown in any of the tabulations from the SHS.

Table 15 shows the breakdown of households by urban/rural and tenure. The rural definition used in the SHS is the same as the census. The census defines an urban area as having a population of 1,000 or more and a population density at least 400 per square kilometre. Rural areas would fall below one or the other of those criteria. Table 15 would also include farmers and persons of Aboriginal origin. SHS does not cover Indian Reserves or Settlements and only covered urban areas in the Territories (e.g., Yukon, Northwest and Nunavut).

The tenure profile is different between urban and rural areas. Whereas the proportion of homeowners with mortgages is basically the same between the two geographic areas, the other two groups represent markedly different percentages. Renters are less than half as common in rural areas. Owners without mortgages account for almost 48% of all rural households compared to 27% of their urban counterparts.

Table 15: Households by Urban/Rural, 1999				
	Homeowner no Mortgage	Homeowner with Mortgage	Renter	Total
Urban	2,535,518	3,186,302	3,736,104	9,457,924
%	26.8%	33.7%	39.5%	100.0%
Rural	899,110	634,631	343,558	1,877,299
%	47.9%	33.8%	18.3%	100.0%
Total	3,451,906	3,840,101	4,091,949	11,383,956
%	30.3%	33.7%	35.9%	100.0%
Source: Survey of Household Spending, 1999				

Table 16 shows average income, shelter cost and shelter cost-to-income ratios by tenure and urban/rural. Shelter cost for owners includes principal, interest, property taxes, condominium charges (if applicable) and utility payments (water, gas and electricity). For renters, the shelter payment includes rent and utilities. It can be seen from Table 16 that urban households paid more for shelter than their rural counterparts. Despite their higher incomes, the average shelter cost to income ratios for urban households were often higher because of their higher shelter payments. Average STIRs are lower in rural areas for all tenure types. The widest gap was among renters.

**Table 16: Income, Shelter Payment and Shelter Cost-to-Income Ratio by Urban/Rural and Tenure, 1999**

		Homeowner no Mortgage	Homeowner with Mortgage	Renter	Group Total
Urban	Income	\$60,468	\$75,351	\$34,044	\$55,044
	Shelter Payment	\$ 4,639	\$14,160	\$ 7,086	\$ 8,813
	STIR	11.5%	22.6%	28.6%	22.0%
Rural	Income	\$43,723	\$59,963	\$30,323	\$46,761
	Shelter Payment	\$ 2,971	\$10,210	\$ 5,083	\$ 5,805
	STIR	10 1%	20.4%	23.5%	16.0%
Total	Income	\$56,028	\$72,706	\$33,710	\$53,632
	Shelter Payment	\$ 4,196	\$13,485	\$ 6,914	\$ 8,307
	STIR	11 2%	22 2%	28.1%	21.0%

Source: Survey of Household Spending, 1999

Based on FAMEX 1996, Marshall (1999) calculated the total expenditure of a rural household as \$42,620 compared to \$50,283 for an urban household. These totals changed very little in the three years to SHS 1999 -\$41,884 for rural, \$51,916 for urban. The percentage change is +3.2% for urban households and minus -1.7% for rural households. These differences are not within the range of sampling variation. In other words, there has been a change in the level of expenditures. However, one should probably wait for another reading to conclude whether or not a pattern is developing.

The study based on FAMEX 1996, looked at clothing, food, and shelter taken together. The ratio of this grouping to total expenditures in 1996 according to Marshall was 1/3 for both urban and rural households. That has changed somewhat since then. In 1999, urban households spent about 36% of their income on clothing, food and shelter as compared to rural households which spent about 32%.

In 1996, Marshall reported that rural households spent slightly more for food, as a percentage of income, than urban households (13% compared to 12%). By way of explanation, they mentioned the slightly larger size of the rural households (2.75 compared to 2.58 persons). The gap in the size of households narrowed to 2.57 to 2.54 on average in 1999. The percentage of income spent by urban households on food increased to 19% compared to 16% for rural households. The percentage of household income going to clothing was the same for both groups at 5%, up from 4.3% in 1996.

The average amount expended for shelter by rural households declined by about \$900 since 1996. The amount paid on average by urban households remained virtually the same. The Statistics Canada *FAMEX* study included repairs and maintenance in shelter expenditures. The explanation for the trend since 1996 is that fewer rural owner households now have a mortgage compared to a few years ago (59% to 56%).

Transportation is one area where rural households continued to spend more than urban households and the gap is growing from \$336 in 1996 to \$486 in 1999. In 1999, rural households spent \$6,810 on transportation, up from \$6,328 three years earlier.

Table 17 shows the incidence of core housing need as well as average income and shelter expenditures for 1999. For the most part, there was not a great deal of difference in the shelter expenditure for households in core housing need compared to households not in need. In fact, for homeowners without mortgages, households in need paid more. For homeowners with mortgages, those in need paid considerably less than those not in need. This would reflect, presumably, the lower borrowing power of households in need. Having lower incomes would mean that they could obtain smaller mortgages. The shelter cost-to-income ratios were much higher for households in need and even reached more than 47% on average for homeowners with a mortgage.

		Incidence of Need	Average Income	Average Shelter Cost	Average STIR
Total	Total	8.9%	\$46,691	\$5,857	16.0%
	Not In Need		\$49,962	\$5,946	13.7%
	In Need		\$13,379	\$4,954	39.0%
Homeowner no Mortgage	Total	6.4%	\$43,382	\$2,975	10.1%
	Not In Need		\$45,522	\$2,968	8.8%
	In Need		\$12,151	\$3,086	29.5%
Homeowner with Mortgage	Total	5.5%	\$59,474	\$10,300	20.4%
	Not In Need		\$61,947	\$10,453	18.9%
	In Need		\$16,656	\$7,660	47.2%
Renter	Total	22.5%	\$31,308	\$5,251	23.5%
	Not In Need		\$36,682	\$5,279	17.9%
	In Need		\$12,818	\$5,156	42.7%
Source: Survey of Household Spending, 1999					

Table 18 shows the distribution of all rural households by province from SHS 1999 along with the distribution of households in core housing need and the incidence of need at the provincial level. The highest incidence of core housing need was in the rural areas of British Columbia, followed by Manitoba and Alberta. The lowest incidence was to be found in Saskatchewan at 6.2%. For BC, Alberta and Manitoba, their share of households in need exceeded their share of all rural households. The other provinces' share of households in need was less than their share of all rural households.



**Table 18: Provincial Distribution of Rural Households in Need, 1999**

Province	Incidence of Core Need	Provincial Distribution of Households	
		In Need	All Rural
Newfoundland	8.2%	3.4%	3.7%
Prince Edward Island	N/A		
Nova Scotia	7.9%	6.0%	6.7%
New Brunswick	7.7%	5.7%	6.5%
Quebec	7.9%	22.4%	25.4%
Ontario	8.2%	23.5%	25.8%
Manitoba	10.3%	5.8%	5.0%
Saskatchewan	6.2%	4.8%	6.8%
Alberta	9.9%	8.9%	8.0%
British Columbia	14.6%	19.6%	12.0%
Total	8.9%	100.0%	100.0%
Source: Survey of Household Spending, 1999			

## 6.0 Housing Need in the Yukon

The Yukon Housing Corporation (YHC) (1992) laid out a methodology for the determination of housing needs in Yukon communities. The approach involved a householder survey that gathered information on both the current housing situation and needs of the occupants. Under their *current housing situation* for example are questions on heating cost, number of bedrooms, etc. Under *needs* are requirements for dwelling adaptation to meet the needs of a household member with a disability. The methodology was applied to a number of communities in 2000 and provided more recent information on the Yukon than we have on other provinces or territories. However, because of the unique questions used on the YHC instrument, it is not possible to make comparisons with the census information to see how the housing situation may have changed since 1996. And, because the methodology is only used in the Yukon, the information cannot be compared to other provinces and territories. Those considerations aside, the Yukon housing need methodology does provide some basis for at least comparing communities within the Yukon to each other, which is probably the main objective from the Territory's point of view.

According to the 1996 Census, there were 8,555 households in the Yukon of which 2,600 were in rural areas. The Whitehorse census agglomeration accounted for 6,620 households. Since Whitehorse has a rural component, some of the 2,600 households would be included in the 6,620.

The incidence of core housing need in the Yukon in 1996 was 18.6%. The rate was somewhat higher in rural (21%) as compared to urban areas (18%).

Although 21% of households in rural areas were in core housing need, according to the Census information 37% were below one or more of the three housing standards of adequacy, affordability or suitability. More households fell below the adequacy standard (18.5%)<sup>2</sup> than suitability (11%) or affordability (8%). Interestingly, more than half of the households falling below the adequacy standard were not in core housing need. Fewer households fell below the affordability than either of the other two standards.

### 6.1 Yukon Housing Need Study

The Yukon Housing Corporation undertook a housing need study, in conjunction with the Northern Research Institute between January and March 2000. Some 1,324 households were included in the study, of which 62% were in Whitehorse. Individual community reports were posted on the YHC website.

Table 19 shows the specifications of the *Yukon Housing Need Study*. Apart from Whitehorse, many of the communities covered were very small and would certainly qualify as rural, using Statistics Canada's definition. By necessity, the samples also had to be modest. Even so they

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<sup>2</sup> Alone or in combination with other standards That also applies to the other percentages in that sentence.

probably exhausted the entire potential of the community in terms of households. The questionnaire covered many housing related subjects. A key area related to adequacy and dwelling quality aspects.

Table 19 Yukon Housing Need Study, Population and Sample Size, 2000			
	Population 1991	Population 1996	Sample (Households )
Beaver Creek	104	131	38
Burwash Landing	77	58	26
Carcross	183	196	65
Carmacks	349	466	151
Dawson City	1089	1287	89
Destruction Bay	N/A	34	15
Haines Junction	477	574	69
Marsh Lake	N/A	1954	81
Mayo	243	324	66
Ross River	324	352	65
Teslin	181	189	66
Watson Lake	912	993	83
Whitehorse	17,925	19,157	1,324
Yukon	27,797	30,766	2,139
Source: Yukon Housing Corporation Website and 1996 Census			

As was indicated by the Census data, housing quality was more of a concern in the Yukon than affordability. Table 20 provides several indicators of dwelling adequacy. The percentage of households spending more than \$2.00 per square foot for heating would be an important consideration in a northern setting. This ranged from 13 to 41 percent. As an indicator, it could be seen as potentially ambiguous as it does not speak to how well the house is heated after the expenditure has been made. The expenditure pattern in Whitehorse (urban) was very similar to that in the other communities (rural).

The number of households that indicated a need to repair their heating systems varied from a low of nine per cent in Whitehorse to a high of 50% in Mayo. This is clearly a source of concern since safe and effective heating systems would play a major role in domestic comfort in the far north and is primarily a rural issue. A high percentage of households in some communities indicated the need for major repair to their dwellings, often involving structural elements. There were fewer households that indicated a need for repairs to less significant elements.

Table 20: Adequacy Indicators on Housing in the Yukon, 2000

	Percent paying more than \$2.00 per sq. foot for heating	Percent requiring repairs to heating systems	Percent requiring major repair	Percent requiring minor repair	Percent lacking basic amenities	Percent with health and safety deficiencies
Beaver Creek	29	24	42	16	0	32
Burwash Landing	30	39	61	27	27	55
Carcross	30	34	51	46	6	63
Carmacks	28	44	61	49	9	62
Dawson City	22	21	38	24	11	38
Destruction Bay	13	13	27	7	7	40
Haines Junction	33	30	45	22	0	39
Marsh Lake	25	19	43	16	19	51
Mayo	41	50	64	53	8	47
Ross River	30	40	72	40	12	45
Teslin	23	19	48	16	11	65
Watson Lake	30	39	58	39	2	35
Whitehorse	30	9	26	5	2	24
Yukon	N/A	14	33	N/A	4	33

Source: Yukon Housing Needs Study, from Website

While in general most communities had only a small percentage of households lacking basic amenities such as a bath and toilet facilities, in one case that percentage rose to 27%. A final question dealt with health and safety issues and here again the percentage was surprisingly high in some cases. This included the lack of such items as a working smoke detector and ventilation from bathrooms. This is primarily a rural issue.

Table 21 shows some further housing indicators from the *Yukon Housing Need Study*. Affordability is not a very frequent issue in the Yukon. It is highest in Haines Junction (13%). However, given the quality indicators as revealed above, it could be expected that the housing should be inexpensive. Suitability, in terms of a requirement for additional bedrooms was more common. Households also reported a high frequency of a household member with a disability. This could indicate a broad range of conditions, not all of which would require a housing adaptation.

The percentage of households with at least one member aged 65 years of age or older, ranged from 12 to 43 percent.

Table 21: Other Housing Indicators, Yukon, 2000 (by percent of households)

	Affordability		Requiring Additional Bedrooms	At least one person with a disability	Senior Households
	Insufficient Data	Affordability Problem			
Beaver Creek	37	0	13	8	13
Burwash Landing	23	0	8	12	31
Carcross	23	0	8	17	43
Carmacks	23	7	15	13	N/A
Dawson City	27	2	7	8	17
Destruction Bay	59	7	7	0	27
Haines Junction	25	13	7	15	19
Marsh Lake	25	5	5	6	27
Mayo	27	2	8	19	23
Ross River	82	0	12	14	12
Teslin	12	2	14	17	23
Watson Lake	22	1	4	13	17
Whitehorse	14	10	5	13	28
Yukon	18	8	6	N/A	N/A
Source Yukon Housing Needs Study, from Website					

## 7.0 Summary and Conclusions

The core need methodology applies a two-stage test to determine if a specific household is in need. Firstly, the household must fall below one of the housing standards of adequacy, affordability or suitability. Secondly, the household's income must be below a threshold that would allow the household to find alternative accommodation that would meet or exceed all of the housing standards. The implicit assumption of the model is that with sufficient income, a household can resolve its housing difficulty. In an urban setting with a viable rental market, this assumption is probably reasonable. In a rural setting, supply can be constrained so that even with financial resources, other options may not exist. The lack of housing supply in rural areas must be borne in mind when assessing housing need in rural areas.

Based on information from the 1996 *Census* and the 1999 *Survey of Household Spending*, it is clear that the incidence of core housing need is lower in rural than in urban areas. While incomes are lower in rural areas, shelter costs are not as high as in urban areas. Lower shelter costs keep rural households from falling below the affordability standard and income level required to access alternative accommodation.

On the 1996 Census rural information, home owning families constituted the largest number of households in core housing need, although they had the lowest incidence of need. Renter households, (especially those headed by a senior) had the highest incidence of need. The incidence of core need among rural households (excluding farm and Aboriginal households) was 14%.

Among the provinces, BC had the highest incidence of rural households in need while Quebec accounted for the largest percentage of rural households in need.

The average income of households in need was \$15,156; it was \$16,171 for owners and \$13,716 for renters (excluding farm and Aboriginal households).

The average income of Aboriginal households in need was higher than that of non-Aboriginal households - \$16,140 compared to \$15,156. In this context, "Aboriginal households" refers only to those living off-reserve in rural areas. The rate of core housing need was almost 29% among these households - somewhat lower than the 32% incidence of core housing need for all Aboriginal households living off-reserve.

The 1999 *Survey of Household Spending* reflected many of the same rural/urban comparisons that can be seen from the census data. However, as with other sample surveys, the incidence of core housing need in rural areas was lower than observed on the census. The lower income in rural areas along with lower shelter cost explains the lower incidence of housing need. Transportation is one area where rural households spent more on average than households in urban areas. However, on a purely housing basis, the incidence of need was lower in rural than in urban areas. Given the lower incomes of rural households and the lack of alternative accommodation, these households may have less choice in addressing their housing problems.

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# Housing Needs of Low Income People Living in Rural Areas

## Literature Review

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## 1.0 Introduction

The purpose of this literature review is to provide an overview of the housing issues faced by low income households and individuals in rural areas. It focuses primarily on Canadian issues. The American context is also highlighted, since the issues are somewhat similar to those in Canada. A separate and brief discussion of rural housing issues in Europe, New Zealand, and Australia is provided as well. This document serves as a background report for the larger project which also includes a review of Canadian statistics on the issue of housing and low income rural households, and the conduct of 12 case studies in different parts of rural Canada. Together they will provide the basis for a final report.

The literature review is not intended to be comprehensive for three reasons. First, the companion statistical review focused primarily on the specific issue of core housing need (affordability, suitability, and adequacy) in a rural context. The literature review covers other issues, outlined below. Second, the literature review is intended primarily to provide an informed approach to the conduct of the local case studies, providing information about the issues to be addressed in interviews and to be uncovered in a review of local and regional documents and reports. Finally, the literature review is also designed to identify the types of housing indicators and measures that might be appropriate in a rural context, and in a northern Canada context as well. In other words, the concepts we typically attach to shelter and living conditions in urban communities are not always transferable or appropriate in a rural context.

The literature review begins by defining rural for the purpose of the literature review, distinguishing the North and Aboriginal elements from the balance of rural settlements. It is followed by an examination of economic, social and housing issues in rural communities. A discussion of the special challenges associated with socio-economic issues and the building limitations in the North follows. A brief summary of international perspectives from New Zealand, Australia, and Europe is offered. Concluding comments identify important issues to be addressed through case study research.

### 1.1 Defining Rural

There are potentially many different definitions of rural. The two most common frameworks for defining rural in Canada are the Statistics Canada definition, and the Organization for Economic Cooperation and Development (OECD) definition, each of which is described below.

Statistics Canada defines rural as anything that is not urban. Thus, rural communities include any unincorporated place. Urban areas are divided into three categories:

- **Census Metropolitan Areas** - the main labour market area of an urbanized core or a continuous built up area having 100,000 or more population;
- **Census Agglomerations** - the main labour market area of an urbanized core or a continuous built up area with a population between 10,000 and 99,999;

- **Small Urban** - all other incorporated places with a population of less than 10,000.

Thus, Statistics Canada's "rural and small town" definition includes rural areas and small urban areas. In 1996, about 22% of the Canadian population lived in these types of communities. Du Plessis et al (2001) note that:

*"... the appropriate definition should be determined by the question being addressed; however, if we were to recommend one definition as a starting point or benchmark for understanding Canada's rural population, it would be the "rural and small town" definition. This is the population living in towns and municipalities outside the commuting zone of larger urban centres (i.e. outside the commuting zone of centres with population of 10,000 or more) ..."* (p. 1)

The Organization for Economic Cooperation and Development (OECD) approach to defining rural is based on establishing rural regions with population density as an important factor:

*"... OECD predominantly rural regions refers to individuals living in census divisions with more than 50 percent of the population living in OECD rural [communities with a population density of less than 150 persons per square km] communities. This includes all census divisions without a major city ..."* (du Plessis et al, 2001, p. 6)

Based on this definition, approximately 31.4% of the Canadian population in 1996 lived in predominantly rural regions (du Plessis et al., 2001).

An important defining feature which distinguishes one rural and small town community from another is its distance from a major city. Rural communities and small towns are generally found within one of three types of predominantly rural regions in Canada: rural metro-adjacent regions, rural non-metro-adjacent regions, and rural northern and remote regions. In 1996, 15% of the total Canadian population lived in rural metro-adjacent regions; 14% lived in rural non-metro-adjacent regions and 2% in rural northern and remote regions (Beshiri and Bollman, 2001).

For the purposes of the literature review we did not develop strict boundaries to define rural. Recognizing that there are many degrees of rurality, and that the definition of rural varies from country to country, we allowed our review to include reports, articles, and studies which defined rural in many different ways. Generally speaking, however, most of the material reviewed falls into one of three types of rural "definitions":

- Individual **rural communities** of less than 10,000 residents.

- **Rural regions** (counties or districts, for example) where the majority of the population lives outside of urban centres within the regional boundaries.
- **The North** (the three northern territories and the northern parts of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, and Labrador within Newfoundland).

In the case of the rural communities and rural regions, we are primarily talking about a non-Northern, non-Aboriginal population. Aboriginal and Northern populations are often grouped together: Aboriginals comprise 81% of the Northern population; and Aboriginals living on-reserve in non-Northern rural areas of Canada have similar economic, social, and demographic profiles to Northern populations. For this reason, we have treated the North as a separate section for the purpose of reviewing the literature. Where appropriate, comparisons between the North and other rural regions are provided.

## **2.0 Rural Canada and the United States: Issues and Challenges**

In this section we examine 5 key factors related to housing in rural communities: economic structure and change; social and demographic issues; social services and support; infrastructure and land development; and supply and demand factors in rural housing markets. The focus in this section is primarily on rural Canada, with supporting evidence from the American experience, where appropriate.

### **2.1 Economic Structure and Change**

The structure of the rural economy has an influence on housing markets, and the changing nature of the rural economy away from a predominantly resource-based economy creates changes in supply and demand factors. The major employment sectors in rural Canada are retail and wholesale trade and manufacturing in all provinces except PEI and the three Prairie provinces, where the primary sector (agriculture) is dominant (Beshiri, 2001). The employment structure includes, on a national basis: trade (426,000 workers), manufacturing (426,000 workers), primary industry (401,000 workers), health care (259,000), other services (183,000 workers) and accommodation, food and beverage (180,000) (Beshiri, 2001).

Of the total Canadian workforce, only 29% live in predominantly rural regions (rural communities and small towns, as defined by the OECD, see Beshiri, 2001). Of these, 15% live in rural metro-adjacent regions (just outside of large urban centres), 12% in rural non-metro-adjacent regions, and only 2% in rural northern regions. The unemployment rate for non-metro areas is lower than for metro areas only in the prairie provinces, due to the classification of all farmers as employed throughout the year (Mendelson, 1999).

In a study of rental markets in small communities, Bruce (2000a) noted that there were at least three types of rural economies, each of which in turn produces a slightly different type of housing market:

“The dynamics of (rental) markets in small towns is very much linked to the local economic context within which the community operates ... three principal types of communities as they relate to (rental) markets: boom-bust communities, where changes in the (rental) market are quite variable and fluctuate significantly with economic activity; stagnant communities, where changes are minimal and gradual over time; and declining communities, where housing markets are depressed and investment opportunities are limited.” (p. vi)

Beshiri (2001) points out that employment growth (and economic activity) is more generally associated with rural locations near major urban centres, while employment is in decline in most other types of rural communities. For example, he notes that over the period of 1981 to 1996, rural areas around Calgary,

Toronto, Winnipeg, Ottawa, Montreal, Quebec City, and Halifax reported continued employment growth, while most of rural Newfoundland, Northern Ontario, southern Saskatchewan, western Manitoba, the Gaspe, and other places reported continued decline in employment.

Mendelson (1999) notes that the labour force in rural Canada is much different than the urban labour force, on three particular fronts: unemployment rates are higher in rural areas; the participation rate (percent of the population active - employed or unemployed and seeking work - in the labour force) is lower in rural areas; and changes in employment are less affected by fluctuations in the economy (in times of recession fewer jobs are lost, but in times of growth fewer jobs are gained).

Diversity of the economic base generally declines as the degree of nordicity and rurality increases (CMHC, 1999). In the 1990s, many small communities in rural, remote and northern areas suffered significantly from a weak economy and lower prices in the agriculture and resource sectors (Carter, 1990). There has been a noticeable slow down in resource development.

Canadian households in rural areas have incomes lower than households in urban areas. "In 1997, the average income for families living in rural areas was \$48,850, while in areas with a population of 100,000 or more, the average family income was \$59,920 (in constant 1996 dollars)" (Rupnik, Thompson-James, and Bollman, 2001, 3). This gap between rural and urban family incomes has been slowly closing. "Rural families in Ontario and British Columbia have the highest average incomes while rural families in the Atlantic Provinces and Quebec have the lowest average incomes" (Rupnik, Thompson-James, and Bollman, 2001, 5).

When "low income cut-off" (LICO) categories are used, there are fewer Canadian low income families in rural areas (10% of households) than in urban centres (16-18 %). However, rural areas have the highest proportion of households with low incomes based on the "low income measure", with a rate of 15%, compared to 12% for urban centres with populations of 500,000 or more (Rupnik, Thompson-James, and Bollman, 2001, 15).

Twombly (2001) identifies that in both urban and rural areas of the United States, the prevailing minimum wage is not adequate to afford the fair market rent (40th percentile rent for a unit with a specified number of bedrooms) for a two bedroom home. Furthermore, in many places in the United States, high demand combined with low vacancies is placing increasing pressure on the housing market, exacerbating a situation already in crisis.

Geography (urban versus rural) impacts the distribution of household expenditures. Canadians living in rural and small town communities spend slightly less of their total household expenditures on shelter (16%) compared to urban households (17%), but more on other costs such as food and transportation. A typical rural and small town household will spend \$620 annually for home maintenance and repairs,



significantly higher than urban households who spend \$446 annually. In addition, costs for water, fuel and electricity are higher for rural and small town households (\$1,847) than urban households (\$1,437). Because public transportation is limited in rural and small town areas, households depend more on private transportation. As a result, transportation costs are generally 15% of total household expenditures for rural and small town households, compared to 12% for urban households (Marshall and Bollman, 1999).

## **2.2 Social and Demographic Issues**

Rural Canada, as defined by the Organization for Economic Cooperation and Development, has 31.4% of the Canadian population; and most of that population lives in rural metro-adjacent communities (du Plessis et al., 2001). Significant changes in the rural and small town share of the province's population between 1976 and 1996 are seen in British Columbia (dropping from 37% to 16%) and Prince Edward Island (dropping from 67% to 46%). Saskatchewan and Alberta also saw significant drops in share of population, with Saskatchewan moving from 63% to 43%, and Alberta from 42% to 26% (Mendelson and Bollman, 1999).

Where there is growth of rural and small town populations in Canada, it has been fuelled in part by the development of retirement communities outside urban areas. Other growth has been seen in communities adjacent to the commuting zones of large urban centres. As CMAs and CAs increase in size, the population share of rural and small towns will continue to decrease, as the urban centres are growing at a faster rate than rural and small town areas (Mendelson and Bollman, 1999).

In rural communities in the southern part of the Prairie Provinces it is the increase in the numbers of seniors that is the most prominent demographic trend (Carter Research Associates Inc., 1999). This is particularly true in Saskatchewan and Manitoba and the lack of adequate housing options for both low and moderate-income seniors is a significant problem in many communities.

### **2.2.1 The Aging Rural Population**

The aging of our national population is more pronounced in rural than in urban Canada. Not only is our society as a whole rapidly aging, more older citizens are moving from urban to rural communities, and there is continued out-migration of youth from rural communities (see section 2.2.2). The Advocate Institute (1999), references the work of David Foot in noting "... that over the next two decades as the whole 'boom' turns 50, we will witness a significant exodus from big-city Canada to small town Canada" (p.15). The Institute also noted that the highest population growth in rural and small towns is and will continue to be among people 65 years of age and over.

This is consistent with the experience in the United States. Some communities that have experienced this significant in-migration of seniors have been adversely affected by it. For example, some of the impacts of an increase in senior households in rural communities and small town communities include:

- Higher house prices resulting from competition for properties.
- Higher property taxes as a result of properties increasing in value.
- Increase in median incomes.
- Strains on available services such as health, recreation and transportation (George and Holden, 2001).

The authors go further to explain that in some of the communities they studied, the net results for lower income senior households is that they can no longer afford to own their own home and, because the median income of seniors reaches a higher level, funding for assistance programs is decreased despite the stable or rising number of needy senior households.

Three different migration patterns for seniors have been identified. Seniors who migrate to take advantage of amenities, for example those moving to the U.S. sunbelt, are typically younger, healthier and more affluent than the general senior population. Seniors leaving a rural area for a metro area because they require access to services not available in a rural area tend to have lower incomes and higher dependency on services. A third group moves back to rural areas that they left years before in order to obtain employment. This group is considered less affluent than those who move to obtain amenities, yet more affluent than those seeking services only available in metro areas (George and Holden, 2000).

In addition to income, the gender of the senior also affects migration patterns. Senior widows typically move from small towns and villages to metro areas, while widowers tend to remain in the rural community.

Bruce and Black (2000), reporting on the results of a 1998 survey of 285 seniors living in 20 different rural communities and small towns in Atlantic Canada, found that:

- Most seniors (82%) live in single detached housing, with fewer than 5% living in any other single housing type (apartments, duplexes, mobile homes, etc).
- Most are owners (91%), while 9% are renters.
- Seniors have lower average incomes overall when compared to the general population, but this is expected to improve over time as baby boomers retire.
- Only 55% feel there is adequate housing choice in their communities.
- Only half feel the cost of housing in their communities is reasonable.

Furthermore, the study found that few seniors (only 25%) had used a mortgage to finance the acquisition of their current home. Many (40%) had used savings, and 20% had used the “pay as you build it” approach.

George and Holden (2000) found similar patterns in the United States. Senior householders in rural areas are most likely to own their own home (88%), and very few have an existing mortgage (13.8%). However, many more rural than urban seniors live in manufactured or mobile homes (13.6%). They found that about 6% of rural seniors live in housing that is considered deficient (reporting problems with plumbing, heating, electrical systems, upkeep, hallways or kitchens), a rate that is higher than for all seniors in the US.

### **2.2.2 Youth and Youth Out-Migration**

Compounding the problems presented by a naturally aging rural population is the out-migration of youth (aged 15-29) from rural communities. Dupuy et al (2000) found that young individuals in Canada tend to leave rural areas more often than from urban areas; that among those aged 15-19 the total outflow of youth is greater from rural areas in all provinces except for New Brunswick, and that for those aged 20-29, the outflow rates are higher for rural areas in Ontario, British Columbia, and Alberta. Looking at the total difference between the outflow and inflow of youth aged 15-19, the authors conclude that rural areas lose between 12% and 16% of their youth to urban areas. Furthermore, rural areas of Atlantic Canada, Manitoba, and Saskatchewan are net losers of their rural population aged 15-29 years of age.

### **2.2.3 Social Conditions**

A number of studies document the connection between poor housing conditions and health, social and educational development. Specific elements which tend to be present in some rural (and particularly remote) communities include: higher rates of communicable diseases, chronic illness, personal stress, interpersonal conflicts, divorce, family/spousal violence, drug and alcohol abuse, crime levels and suicide (Carter Research Associates Inc.,1999).

## **2.3 Social Services and Support**

One of the concerns from a rural housing perspective is the desire to help older citizens age in place and be supported by a range of public services and community volunteer services to remain in their homes longer. Two Canadian studies by the Canadian Rural Revitalization Foundation’s New Rural Economy project suggest that this may be difficult. Both studies examined conditions in a representative sample of different types of rural communities.

The first, looking at access to government services, found that more rural residents have to travel further to access many different types of services (such as airports, trains, buses, etc) and government services (employment offices, education facilities, health care facilities, and much more). While the study acknowledges that citizens make tradeoffs when they choose to live in rural areas (trading lower cost of living and amenities for high cost and less frequent access to services), it also suggests that access to basic services may be out of the reach of too many rural citizens (Reimer, 1998).

The second study examined the state of voluntary organizations. It concluded that while these organizations provide a wide range of valuable services in their communities, many are faced with declining membership and decreased funding support, and some are in danger of folding (Bruce, Halseth, and Jordan, 1999). Together, both studies suggest significant challenges for an aging rural population experiencing decreased mobility, and for the communities which wish to support them.

To further illustrate this point, Bruce and Black (2000), in their survey of seniors in 20 Atlantic Canadian communities, found that only 20% felt the quality of medical care met their needs in 1998. This was a significant drop from the levels of satisfaction from similar surveys carried out in 1986 and 1992, where the level was more than 75%.

This reality is confirmed by work in the United States (George and Holden, 2000). Seniors in rural communities face unique challenges, as they tend to rely on a number of supports including public transportation and social service infrastructure. Community-based services such as meals, medical, transportation, and recreational opportunities are not always available in small communities. The lack of these services places the responsibility on the family members of the senior, who provide between 80 and 90 percent of care, including personal, medical-related care and assistance with daily activities.

A number of case studies summarized by George and Holden (2000) identify the following gaps in services for seniors:

- Providing affordable assisted living for residents who need assistance with daily tasks.
- Additional funding for homeownership rehabilitation and weatherization service.
- Reaching seniors in more remote areas with services.
- Educating homeowners about programs such as meal delivery and availability of subsidized rental housing.
- Providing housing for seniors with moderate incomes.
- Building additional homeownership units in larger communities which would be purchased by seniors currently living in remote areas.
- Providing additional support services to frail elderly living in small towns and villages.

- Encouraging seniors to participate in loan programs to rehabilitate their substandard housing, even though a lien on the house would be required which could impact the value of the inheritance left to family members.
- Developing a communications program that requires seniors to use automated telephone systems where they have difficulty understanding the instructions.
- Addressing the lack of literacy skills which limits comprehension about available programs.
- Expanding transportation services.

George and Holden (2001) identified a need for a variety of housing types available to seniors as they age. However, in many rural communities in the U.S. seniors have few housing options, due to income limitations and the lack of facilities in the community. Seniors in the rural communities of the U.S. strongly prefer to remain in their own homes instead of moving to rental apartments.

Seniors tend to move along a housing continuum from home ownership to renting to assisted living to a long-term care facility; however, in a rural context they tend to have less access to rental housing than do city or suburban residents. To some extent this is a matter of preference, but as people age, many want and need apartment living. Because it is difficult for seniors in rural communities to find rental housing, many remain in owned homes that they cannot maintain in order to avoid moving into a long-term care facility (George and Holden, 2001).

## **2.4 Infrastructure, Planning, and Land Development**

Small municipalities and unincorporated rural communities do not have the same capacity as their larger urban counterparts to provide serviced land and other infrastructure to facilitate development. Smaller municipal budgets do not afford the opportunity to provide water and sewerage services to some or all parts of some small municipalities. In rural unincorporated areas, there simply is little or no economic or service rationale for delivery of these services to scattered residential property owners. In most cases small municipalities do not have the capacity to assemble and develop large tracts of land - this is left to the private sector. The bottom line in terms of new housing development is that single detached houses on large one-acre lots predominate in rural areas. In small municipalities, limited water and sewer services cannot support much in the way of multiple unit dwelling structures.

In addition, many small communities and rural areas have only basic planning statements and regulations, which often do not permit alternative housing forms beyond single detached houses. This limits opportunities for addressing housing needs.

Some pilot projects have been carried out to explore ways of building new forms of housing within these constraints. In Sackville, New Brunswick, the municipality amended its municipal plan and zoning by-law to permit garden suites as a temporary use, as defined in a development agreement between the

property owner and the Town (Energy Pathways, 1994). Garden suites are self-contained dwellings which are temporarily located on the property of an existing single-family home, for use by the older adult parent(s) of the property owner. They provide a housing option for seniors who wish to maintain some degree of independence.

A second project examined the ways to permit second dwelling units, primarily accessory apartments, in a home (Energy Pathways, 1996). While this is typically an urban strategy to increase housing supply, the Township of Roxborough (eastern Ontario) explored this possibility when it saw the need to address the issue of second dwelling units, both accessory suites in existing homes and second homes on lots already containing one dwelling.

The Township recognized that its population of seniors had been growing steadily, resulting in a demand for accessory apartments in single family homes. The possibility of establishing garden suites on existing lots was also explored. Younger families were also seen as a group that could benefit by permitting the creation of accessory suites, as these units would provide rental income for families purchasing their first home, making the home more affordable.

Under existing regulations applications for these types of units had been denied because the second dwelling unit did not conform to zoning requirements or the Official Plan. The zoning by-law was revised to permit accessory suites in all zones where the primary use is residential, and to permit garden suites in all zones where single-detached homes were permitted as a primary use. Parking and lot setbacks were determined, and development charges waived where the second suite was smaller than the existing unit. The actions taken by the township will permit additional growth throughout the township, as well as provide affordable housing for lower income residents.

A third example explored the placement of two homes on one rural building lot (Tasker-Brown, 1999). In this case, the rural community of Beaubassin, New Brunswick saw the need to both control urban spread and enhance community life. The community includes two villages and one town, and homes rely on individual septic systems for waste treatment. Lot sizes are required to be 4,000 square metres (1 acre) in order to accommodate the septic systems. Because of this relatively large lot size requirement, land that had once been used for farming was converted to single-family home use. The pilot project involved setting new standards for minimum lot sizes and permitting second dwellings to be placed on lots with existing homes. In the case where a landowner seeks to divide a 4,000 square metre lot into two smaller lots or to build a second dwelling on such a lot, the owner is required to obtain the approval of the Department of Health and Community Services for the waste treatment plan. The Beaubassin East Rural Community reviewed potential waste treatment options (including a community disposal field, artificial pond, land treatment, and peat bed sewage disposal system), and determined that installing “shared” or community septic systems was appropriate. The net benefit is an increase in housing density in rural communities, thereby offering more housing options to citizens.

## **2.5 Rural Housing Markets: Supply and Demand Factors**

### **2.5.1 Rural Housing Markets**

Halseth and Rosenberg (1995) suggest that there is less understanding of housing issues and markets in a rural Canadian context, primarily because of our collective use of universal measures of quality or general characteristics. They argue that rural housing is more complex than we suspect. For example, they note that the rapidly aging nature of the stock itself may require public policy intervention to rehabilitate and preserve it for future use. They note that in rural cottage property areas the conversion to year-round use poses infrastructure (water and sewerage) and public service (health, education, transportation, etc) challenges. In addition, much of the conversion in this context is happening within the parameters of retirement and pre-retirement households moving to the rural countryside on a permanent basis. While this is happening in the earlier, more “fit” years of age, the long term implications are potentially significant as an aging population requires more services.

### **2.5.2 Supply Issues**

There is scant evidence in the literature related to the capacity of the home building sector to supply new housing in a rural context. In general, the private building sector faces many challenges in supplying housing. When added together, elements like a small population, the scattered nature of settlement, and extra costs reduce the viability of private market activity. Low incomes, limited demand and low or non-existent profit margins have also reduced the effectiveness of private sector builders and lenders (Carter, 1993). The absence of a private market not only reduces the housing options available, it also compounds the existing housing problems. As a result, the public sector has had a primary role in funding, building and repairing housing in rural and especially remote communities.

Case studies bear out this point in more detail. For example, in examining the issue of homelessness in the Muskoka area of Ontario, it was found that there was almost no private rental construction in Muskoka in the 1990-2000 period. Between 1985 and 1990 there were 178 private rental units constructed. Since 1990 there have been only 27 constructed. Vacancy rates have declined to less than 2% in Huntsville, 4% for Muskoka overall (Callaghan, 1999).

Bruce’s analysis of housing supply and demand issues in a rural New Brunswick region where the economy is growing shows that the private sector developers often have limited capacity to build new housing to meet current and anticipated demands (Bruce, 2000b). Developers have difficulty with the costs of development and infrastructure, and often are small with limited financial capacity to “carry” developments until they begin to offer return on investment.

### *Type and Tenure*

According to the 1996 Census of Canada, a higher percentage of rural and small town residents in Canada own their homes (82%) compared to urban households, where ownership rates are at 64%. This is down slightly compared to the estimated 88% rate of rural homeownership a decade earlier (Rostum, 1987). In addition, many of the homes owned by rural and small town residents are mortgage-free (56%), while only 45% of urban homeowners do not have mortgages on their homes (Marshall and Bollman, 1999).

Bruce (2000a), in a study of rental housing in Atlantic Canada, found that the supply is quite limited in rural communities (unincorporated places of less than 1,000 population), and mostly single detached homes. In small towns (incorporated places of less than 10,000 population) the profile is a bit more “urban-like”, but still with one-quarter of the rental stock being single detached units (Table 1). Multiple unit dwellings of more than two units are home to slightly more than 60% of renter households. In Census Metropolitan Areas (CMAs, with a population of at least 100,000) and in Census Agglomeration Areas (CAs, with a population of 10,000 to 99,999), apartments (multiple households) are most common.

Table 1 - Structural Type of Rental Dwellings (Percent Distribution, 1996)						
Structural Type	Canada	Atlantic Canada	Atlantic CMAs	Atlantic CAs	Atlantic Small Towns	Atlantic Rural
Single-detached house	15	23.4	10	20.4	24.6	61.4
Semi-detached or double house	4.2	8	6	9.9	11.2	5.8
Multiple Households	79.6	66.1	82.8	67.1	61.7	26.8
Other	1.2	2.4	1.2	2.5	2.4	6

Source: Statistics Canada, custom tabulations from 1996 census.

Homeownership rates are high for all types of rural households. For example, in Saskatchewan, approximately 75% of rural seniors owned their dwelling in 1999, while only 21% rented (Carter Research Associates Inc., 1999). Badiuk and Carter’s study (1991) on housing in rural Manitoba found that homeownership rates were highest in communities with smaller populations, as was the percent of the stock classified as single detached housing.

In comparison, 75% of homes in U.S. nonmetro areas are owner-occupied, but there is a significant number of renter households in nonmetro areas (5.6 million). Nationally, only two-thirds of U.S. homes are owner-occupied. George and Holden explain the reason for fewer renter households in rural areas: “housing options in rural areas, particularly for low-income renters, are not only inadequate but are diminishing as well. In this strong economy, many private landlords are increasing rents and pricing out many low-income renters” (2000, p.5).



George and Holden (2000) also report on the household's level of satisfaction with the home they lived in. Among rural homeowners in the U.S., over 75% report high satisfaction with their homes. The level of satisfaction reported by rural households in the U.S. renting their homes was significantly lower, at just over half of renter households.

### *Condition of the Rural Housing Stock*

Often, in rural, remote and northern communities, the majority of the housing stock is comprised of older, single detached dwellings, belonging either to the government (rental social housing) or homeowners (CMHC, 1999; Badiuk and Carter, 1991). The study by Badiuk and Carter (1991) supports the national findings of research conducted by Rostum (1987). Rostum's findings show that the rural housing stock is made up of significant proportions of older, pre-1941 residential dwellings (29%). Because of their age, the proportion of these houses in need of major repairs is higher than the Canadian national average (Rostum, 1987; Stocking, 1978).

Carter and Shindruk's (1992) review of population and housing trends in rural Canada echo the findings of earlier studies by Stocking (1978) and Rostum (1987). Carter and Shindruk make a number of important points:

- Single detached units account for approximately 80% of the rural housing stock.
- The rural housing stock is much older than in urban centres.
- Due to this age difference, a higher percent of rural housing is in need of major repair compared to the housing stock in urban areas.

Bruce's study of the rural rental market in Atlantic Canada (2000a) confirms these points. Of particular concern is that a greater percentage of the small town (10%) and rural (14%) stock is in need of major repairs, compared to the stock in urban centres (Table 2).

**Table 2 - Condition of Rental Dwelling Units (Percent Distribution, 1996)**

Condition of Dwelling Unit	Canada	Atlantic Canada	Atlantic CMAs	Atlantic CAs	Atlantic Small Towns	Atlantic Rural
Regular maintenance needed	67.3	65.8	68.5	66.8	65	57.4
Major repairs are needed	9.2	9.5	7.5	9.1	10.2	14
Minor repairs are needed	23.5	24.8	24	24.2	24.8	28.6

Source: Statistics Canada, custom tabulations from 1996 census.

In addition to physical problems associated with the quality of housing stock, supply problems have also been evident. For years, the number of new rental units built has been very low or non-existent. This has created a supply deficiency in many small communities. Part of the problem is limited capacity of the private sector to build. (Bruce, 2000b) This results in a lack of adequate housing choices for low as well as moderate-income households. Lack of adequate rental housing options is a real problem for the few professional and skilled workers that seek employment in these communities. (Bruce, 2000a) Small centres often have trouble attracting such people because of the lack of adequate rental housing, and this can create problems for economic growth opportunities. (Bruce, 2000b) Moderate-income seniors who wish to rent also face the same lack of options.

The private rental sector in many of these communities cannot adequately accommodate the rental demand that exists at present, because of the higher building costs, limited demand and lower incomes (Badiuk and Carter, 1991). Hence, social housing comprises a significant portion of the rental housing stock in northern and remote communities (Badiuk and Carter, 1991). Often, rental dwellings are targeted to single parents, disabled people and seniors.

### *Self Build*

One of the common strategies in rural communities and small towns employed by households wishing to reduce their housing costs is to build their own homes. A study of this activity in the early 1990s (Ashton, Bruce, and White, 1993) reported that up to 50% of the rural housing stock is contributed by self-builders. They also reported that self-builders often have the financial means to purchase a contractor-built home, but choose to build their own because they believe they can match or exceed the quality at a lower cost. The major cost savings for self-builders are primarily through sweat equity provided by themselves, family members, and friends, and through lower borrowing costs by dramatically reducing or eliminating the amount borrowed through a mortgage. However, the study also showed that very few self-builders are low income households, because they lack the necessary up front cash savings required.

### *Manufactured Housing*

Manufactured housing, also referred to as “mobile homes”, comprises a greater share of the overall structural types found in rural communities, compared to those in urban communities. It is also more prevalent in the U.S. compared to Canada. The Canadian Manufactured Housing Institute reported that new manufactured homes made up 7.15% of all single family home starts between January 1 and September 30 1998. The 1996 Census shows that 160,370 households, or 1.5% of total households, were reported living in “moveable dwellings”, many of which would be manufactured homes. More recent Statistics Canada data for housing tenure (drawn from the Survey of Household Spending) shows that households living in manufactured homes (which includes many moveable dwellings plus other types

of manufactured housing) in 1998 are approximately 2.1% of all Canadian households, decreasing slightly from 2.2% in 1997.

Corbett (2001) reports that while only 3% of new housing starts in Canada are from the manufactured housing sector, the figure approaches 24% in the United States. He suggests that the legislative environment in the United States is more permissive of such housing.

The highest percentage of Canadians living in manufactured homes according to the 1996 Census is found in Yukon Territory (9.2%), Northwest Territories (7.8%), Prince Edward Island (4.5%), and New Brunswick (4.5%). The highest numbers of households living in manufactured homes are found in British Columbia (41,835 households), followed by Alberta (37,330 households), and Quebec (19,355 households). Corbett's study (2001) confirms these figures, noting that manufactured housing accounted for 20% of all new housing starts (1997) in Nova Scotia and New Brunswick, with the Western provinces at about 10%, and Ontario at less than 2%.

Some of the problems experienced in the U.S. with older manufactured homes include quality control, resolution of customer complaints by the manufacturer, inadequate ventilation, damage from high winds and hurricanes (Housing Assistance Council, 2001e). The Fannie Mae Foundation produced a report on the results of a survey undertaken in eight counties in Virginia. This study surveyed residents of manufactured homes and residents in the general community regarding their opinion of manufactured homes. This report recommended education of consumers and the general public regarding manufactured homes and the changes in the quality of the homes now being built. As well, the report made the following recommendation for manufactured home parks: "local communities must set standards for density, appearance, and level of maintenance that will help make these parks more desirable places to live" (Beamish et al., 2000).

In Corbett's analysis (2001) of the barriers to affordable housing in Canada through manufactured housing, he notes that some policies and regulations discourage manufactured housing parks in rural communities as a means to control urban sprawl. In other cases, provincial governments, which have enabling legislation to allow municipalities to control local land use, permit municipalities to differentiate between site-built and manufactured housing. In the United States, most states have legislation which prevents municipalities from this discriminatory practice. Many of the existing legislative barriers, it seems, stem from experiences with older and poorer quality construction. Thus, current local policies fail to take into account many of the design and performance improvements introduced over the past 20 to 30 years. Based on surveys of lawyers practising municipal law across Canada, and of Ontario planning officials, Corbett concluded that with changes to some of the existing municipal regulations, there is a great potential for the manufactured housing sector to supply high quality affordable housing for lower income households.

### 2.5.3 Demand Issues

Demand for housing will vary from community to community based on local conditions and the regional economy within which the community is located. In some areas there may be conditions which contribute to a more favourable environment for housing investment, or for increasing the potential demand for housing. As the rural economy continues its shift away from a resource-based economy to other economic activities (including seasonal and year-round tourism, information technology, and small scale home-based activity), the people employed in these new activities may require, for example, rental housing on a year round or seasonal basis. As the rural occupational structure becomes more complex and diverse, so too does the potential for a more migratory and less permanent population, who are more likely to demand rental housing. This is thought to be especially true with the relocation of professional and technical consulting and business services, which can be carried out on the information highway, to small towns and rural areas (Bruce 2000a).

Potential increases in demand for rental housing may also be based on a key demographic issue. The aging of our society suggests that as the population ages, the demands for different types of housing beyond the single detached, owner-occupied house will increase, especially in small towns and rural areas as people wish to remain in communities where they grew up, or to retire in these locations. They will want quality, low maintenance housing with services and amenities (Bruce 2000a).

At the same time in other communities there may be conditions which contribute to a less favourable environment for housing investment, or decrease the potential demand for housing. The ongoing substitution of capital (i.e. technology) for labour in many of the resource-based industries which contributes in part to an out-migration of households will reduce the population base and lessen the potential demand for housing generally and for rental housing more specifically. When this is combined with the changes brought about in the employment insurance program, living in rural communities and small towns where generating a reasonable household income is more problematic, there is likely to be less demand for housing in general and for rental specifically. With very low birth rates and rates of household formation, there are fewer young families and households in rural areas seeking housing. In addition, the centralization of government services (such as health and education) in larger centres makes living in rural communities and small towns somewhat less attractive, thereby further reducing potential demand for rental housing (Bruce 2000a).

To illustrate the current demand for rental housing in rural areas, we turn to a case study of Atlantic Canada. In his examination of the rental housing situation in rural Atlantic Canada, Bruce (2000a) found that renters in Atlantic rural areas and small towns are more likely than renters in urban communities to be husband and wife families, with or without children (Table 3). There is also a large percentage of renter households who are lone parent families

**Table 3 - Renter Household Type (Percent Distribution, 1996)**

Renter Household Type	Canada	Atlantic Canada	Atlantic CMAs	Atlantic CAs	Atlantic Small Towns	Atlantic Rural
Husband-wife families w/out extra persons	333.4	535	232.3	232.2	838.3	444.5
Lone parent families without extra persons	313.4	717.1	616	717.9	717.6	818.2
Single persons without extra persons	040.2	535.3	636.9	737.1	434.5	828
All other families	313	212.5	414.9	212.7	.9.7	.9.4

Source: Statistics Canada, custom tabulations from 1996 census.

Demand is partially defined by “ability to pay” as well. Tables 4 and 5, drawn from the same study, show that there has been a large decline between 1991 and 1996 in the percentage of renter households paying less than 20% of household income for rent in all geographic areas. Conversely, there has been an increase in the percentage paying 50% or more of their household income in all areas. In rural areas, 31% of renter households paid 30% or more of their household income for rent in 1991, and by 1996, that increased to almost 40%. In small towns the figure jumped from 36% in 1991 to 44% in 1996. These figures suggest that more households are at risk of losing their housing, and that their ability to pay market rents in a private sector supplied housing context is limited.

**Table 4 - Gross Rent as a Percentage of Renter Household Income (Percent Distribution, 1991)**

Rent as a Percentage	Canada	Atlantic Canada	Atlantic CMAs	Atlantic CAs	Atlantic Small Towns	Atlantic Rural
Less than 20%	40.3	40.8	39.9	51.8	42.9	48.5
20 - 29%	24.9	23	24.8	23	21.1	20.2
30 - 39%	11.9	12.5	12.5	13.7	12	10.7
40 - 49%	6.9	6.8	6.6	7.7	6.2	6.2
50% and over	15.9	16.9	16.3	18.5	17.8	14.4

Source: Statistics Canada, custom tabulations from 1991 census.

Table 5 - Gross Rent as a Percentage of Renter Household Income (Percent Distribution, 1996)

Rent as a Percentage	Canada	Atlantic Canada	Atlantic CMAs	Atlantic CAs	Atlantic ST	Atlantic Rural
Less than 20%	33	33.3	32	29.9	35.4	40.7
20-29%	23.9	22.1	23.5	22.7	20.4	19.6
30-39%	13.5	14.3	13.7	16	14.4	12.3
40-49%	8.1	8.6	8.3	9.1	8.9	7.9
50% and over	21.6	21.7	22.5	22.2	20.8	19.4

Source: Statistics Canada, custom tabulations from 1996 census.

In the United States, by comparison, about one in four rural households was “costburdened” in 1995. The Housing Assistance Council (2001a) noted that “... affordability is a particular problem for low-income rural people, for whom high housing costs often preclude other basic necessities, such as food, clothing, and health care. In 1995, 68 percent of rural households earning less than \$10,000 a year paid more than 30 percent of their income for housing...”

### *Access to Mortgage Loans and Insurance*

The literature on access to mortgage loans and insurance in a rural context is mostly dated to the 1980s, with almost no recent literature outlining the extent and nature of any potential issues and problems in the current timeframe. Given the lack of current literature it is highly probable that some of the issues and challenges may have changed or may no longer be of concern. The summary that follows, then, is an attempt to highlight some of the key issues from the 1980s on this subject.

With the exception of more remote communities and some single industry resource towns there is general satisfaction with the mortgage lending and insurance industry in rural Canada. In some cases in these smaller and often more remote communities there may be some concern that mortgage insurance is more difficult to obtain and is only available under more stringent regulations than is the case in larger metropolitan centres (Fallis, 1983a, 1983b).

Although several studies made reference to this issue they did not provide much concrete evidence that clearly defined and substantiated the problem.

While these centres had unique needs they also had unique problems that affected the operations of the lending industry. These centres were characterized by:

- Geographic dispersion, which increased per loan (or unit), underwriting and claims administration costs.
- Fewer lenders.

- Generally and comparatively lower sales and housing start levels because of lower demand levels (although there are exceptions).
- Market values that are lower than the cost of construction or replacement values.
- Generally lower than average dwelling values despite higher building costs (although there are exceptions in high growth communities or in communities adjacent to urban core areas).
- In many rural communities there are generally lower than average incomes and incomes that may be less reliable (in a seasonal economy context) than in larger urban centers. Furthermore, incomes may fluctuate substantially from year to year.
- The virtual absence of speculative purchasing for residential purposes.

Resource towns and single industry communities exhibited some additional characteristics that were important to the mortgage lending and insurance industry, including:

- Dependence on one industry employment, a situation in which the private lending industry assigns a higher level of risk.
- Higher than average turnover and mobility rates among the labour force.
- An age structure comprised of both much older and much younger households, and a higher incidence of single males, which reduces confidence in ability to pay and reduces demand for mortgage loans as well.
- Direct links to, and more dependency on, global market structures which may be subject to rapid fluctuations in demand and price for products.
- Housing policies that may be subject to strong influence by corporate policies.
- Often extreme isolation with poor transportation linkages.
- Subject to sudden closures and wind down circumstances that may lead to rapid devaluation in house values.
- A history of absolute losses in housing markets.
- Substantial use of mobile homes with lower values and affect re-sale potential (Bradbury, 1993).

Given these particular characteristics it was suggested that lenders and insurers are more reluctant to get involved or if they do, that lending and insuring comes with a higher cost to the housing consumer. This higher cost could come in a number of forms:

- Lower availability of mortgage financing.
- More reluctance to provide higher ratio mortgages and in some communities reluctance to provide mortgage funds in general.
- Less flexible mortgage regulations.
- Higher underwriting fees and mortgage administration costs.

- Lower market values mean lower lending values and when construction costs exceed market values more equity (higher down payment requirements) may be required from housing consumers to build or buy homes.

As a result of these conditions, some mortgage insurance companies did not conduct business at all in more rural and remote areas because of the higher administration costs and anticipated higher risk of defaults and loss (Clayton, 1984; Ryba, Damus and Carriere, 1983).

On farms the difficulty in assigning land values may also reduce access to credit as loan values may be reduced to the point where construction costs exceed the value of the loan the homebuilder can obtain. This generates a situation where the housing consumer either has to provide more equity or build a lower cost home (Rowe, 1993).

Overall, the difficulties the lending industry has faced in rural, remote and resource communities reduced the flexibility and service available to the housing consumer. These circumstances made access to adequate housing more difficult and less affordable. These communities did not exhibit the characteristics of a “normal market” and this situation was difficult for the lending industry to handle.

George and Holden (2000) examined the issue of access to mortgage financing in the United States. They found that a nonmetro household is more than twice as likely to be turned down for a mortgage than a metro household would be. One explanation for this increase in denial rates is because a larger portion of households in nonmetro areas reside in manufactured homes which have higher mortgage denial rates than other forms of housing. Generally speaking, the value of manufactured homes depreciates over time, in contrast to conventional homes which typically appreciate. As well, financing to purchase a manufactured home in rural areas is frequently difficult to obtain for a number of reasons, including the lower income levels of applicants (median of \$18,746) compared to the median for all households in rural areas (\$24,750). Instead of using traditional methods to purchase these homes, many households (73%) use consumer installment loans obtained through finance companies. The result is that these households face higher costs for financing, as these loans sometimes require larger down payments than home mortgage loans, and usually have shorter terms and up to 5 percent higher interest rates (Housing Assistance Council, 2001f).

### **2.5.4 Gaps in the Changing Rural Housing Landscape**

The discussion to this point has identified important challenges related to supply and demand in imperfect housing markets in a changing rural context. This creates some important gaps in housing, particularly among those in need. For households in lower income situations, they face the danger of becoming “at-risk of homelessness”. Although they may be currently housed, they are in danger of losing their housing because of costs, need for major repairs, conversion of the housing stock to other uses, purchase and



upgrading of rental stock by others, and much more. The supply of options is limited, and many may be forced to leave their communities in search of solutions.

Part of the gap emerges from the fact that there has been little or no new social or assisted housing built in recent years. From some local studies we note that social housing provides a only a small percentage of the rural housing stock, while there are huge demands for more. For example, there are 574 social housing units in Muskoka, representing 13% of the rental housing stock; however, the waiting list has grown by 60% in less than five years (Callaghan, 1999). In rural Atlantic Canada, the situation is similar. Bruce (2000a) summarized the problem in rural communities and small towns as:

“The impact .... varies by community type. In boom-bust communities the impact has been minimal. There has been sufficient new development to meet overall demand ... there were still people having serious affordability problems ... In declining communities, and to a certain extent in stagnant communities, key informants suggested that the government as a supplier of rental housing made it difficult for private rental property owners to attract and keep “the best” of the lower income renter households. Waiting lists for social housing in these communities have grown significantly. The fact that the private sector has not been able to build rental housing at costs low enough for lower income households to afford market rents suggests that there has been a problem created by the lack of new social housing construction.”

There has been a growing literature on the issue of homelessness in rural areas. The literature is primarily in the form of case studies and community plans (Armin, 2000; Callaghan, 1999; Housing Assistance Council, 2001b; National Rural Health Association, 1996; Post, 2002) with some also considering the issue in a larger theoretical context (Fitchen, 1991; Wright, Rubin, and Devine, 1998). Collectively, the literature identifies a number of critical elements which are important for understanding the issue of rural homelessness:

- In a rural context homelessness is often more about “relative” homelessness; this is a population which is vulnerable to becoming homeless (because of low incomes, lack of security in tenure, or poor quality housing), or who are less visible because they live in squalid conditions, double or triple up with family and friends, are transient from one location to another within a community or from community to community, or because they do not have access to services that one might find in an urban setting. The Housing Assistance Council “suggest[s] that homelessness [in a rural context] be defined as a continuum ranging from a complete lack of shelter at one end to severely inadequate housing conditions at the other”.
- The problem is really one of poverty - rural households with little or no income are vulnerable to becoming homeless.
- There are usually no emergency shelters for homeless singles, youth or families, which means that many “rural homeless” migrate to urban centres in search of services and solutions.

- There is an increasing reliance of individuals and families on motel accommodation.
- Low income tenants in rural areas are often caught in an affordability squeeze and they have few other housing choices.
- The low density of population and services in rural areas means that poor rural people require a car to get around, which erodes their ability to afford decent housing.
- Rural homelessness is more often caused by economic changes beyond the control of individuals and households; the impact of the loss of energy-related, manufacturing, and farm-related jobs and their replacement, if any, by low-paying and often part-time service sector employment is noted in several reports; when someone loses a job in a rural community, they have few options other than to relocate to another community to find a job, and this is often not a choice people want to make.
- Rural homelessness is less likely to be a result of mental illness than it is in urban settings.
- Fitchen (1991) notes that rural gentrification, whereby people from neighbouring urban areas relocate to obtain cheaper housing or vacationers build second homes (both of which result in rising housing costs for local residents) contributes to the increasing problem of rural homelessness.
- Whole, intact families are more likely to be the face of rural homelessness than are single persons (as is usually the case in urban centres); however, family conflict and domestic violence can also result in the breakup of rural families and leaving women and children with a housing problem (Housing Assistance Council, 2001b; Pauktuutit Inuit Women's Association, undated).

More specifically, Post (2002) provides a glimpse of the rural homeless in the United States, noting that most have very low levels of education (64% with less than a high school education), many are homeless for the first time (62%), and many live temporarily in private housing (45%) as opposed to being literally on the street. In addition, Post describes some specific differences between rural and urban homeless people. The rural homeless population generally tends to have low levels of education, but is more likely to be employed (but usually in temporary jobs with no benefits) and to have some type of income. Additionally, they are more likely to have shorter and fewer periods of homelessness, and more likely to be housed (at least temporarily) in private housing with family or friends. However, rural homeless people have less access to medical care, often do not have any form of medical insurance or assistance, and are less likely to receive income from government assistance programs. These characteristics suggest that rural homeless people may have fewer formal or institutional supports for a broader range of their needs, but have greater informal supports within the community to help them through difficult periods.

The emerging gaps in rural housing markets, then, present special challenges at the local level, particularly where there are fewer community and institutional supports to assist individuals and families with their housing problems.

### **3.0 Northern Canada: Special Challenges**

In this section we focus on issues that are specific to northern and remote communities in the Canadian context. Important issues which differ from other rural parts of Canada related to economic structure, demographics, access to services, and housing construction challenges are discussed.

#### **3.1 Economic, Social, and Demographic Issues**

Although communities of the North are often small, sparse and widely scattered, population growth is often more significant than in southern centres (CMHC, 1999). Aboriginal people represent approximately 81% of the population of the northern communities. This population has a very high proportion of young children and young adults, especially those under the age of 20 and in the child-bearing/raising years. Projections illustrate that this population is expected to grow significantly between 1996 and 2016 (Carter Research Associates Inc., 1999). This population growth will place considerable pressure on the existing housing stock and dictate a need for significant increases in the supply of housing designed for families. If this supply is not provided the level of housing need can be expected to rise in these communities.

Although the demographics emphasize the need for family accommodation there are also a growing number of seniors living in the North and a growing number living alone (Carter Research Associates Inc., 1999). This will dictate a need for more rental units and units that provide various levels of support services. The decline in the traditional extended family living arrangement in First Nation communities leaves many seniors without the housing security they have experienced in the past.

Household size in rural and remote communities is generally larger than that of urban centres, especially where Aboriginal populations are high. One particular trend, in Aboriginal communities, is for single parents, the majority being female, to live with their parents, grandparents or other extended family, due to the lack of adequate housing options. In spite of the fact that family size is larger, there are fewer rooms per dwelling and fewer bedrooms per dwelling (CMHC, 1999, 19). Hence, overcrowding is a major problem. Large households, in addition to generating suitability problems, generate considerable “wear and tear” on units, which leads to more rapid deterioration and adequacy problems. The exacerbated wear and tear on the houses, in addition to their old age, has left the existing housing stock in need of repair (Badiuk and Carter, 1991).

In rural and remote communities where Aboriginal populations are high, birth rates are also significantly higher than in urban regions. The incidence of teen pregnancy is often high, as is the number of children in each family (Carter, 1993).

Educational achievement in rural and remote settlements is lower than in urban centres. A study by Ark Research Associates (1997) reports that Aboriginal lone parents are more likely than non-senior adults in the Canadian population at large to have had no schooling, or only elementary schooling. They are also less likely to have had any post-secondary training. Non-Aboriginals living in rural and remote centres also have lower levels of education in general. A lack of education will have an adverse effect on employment opportunities, which reduces earning capacity and the ability to access adequate, affordable housing.

In the First Nations context, while some Aboriginals may be able to find work, unemployment is often three to four times higher than average in many northern and remote communities (CMHC, 1999). Non-Aboriginal workers are often employed by government- or resource-based organizations, earning high incomes, while Aboriginal workers are often employed by traditional activities like living off the land or rely on government transfer payments, earning very low incomes (CMHC, 1999). Taking all the above factors into consideration, income levels are lower in the North, especially amongst Aboriginals (Carter Research Associates Inc., 1999). As a result, the incidence of poverty amongst families/individuals/households is also much higher (two to three times) (CMHC, 1999; Carter Research Associates Inc. 1999).

The combination of lower levels of education, particularly within the Aboriginal population, and the arrival of “outsiders” to fill higher paying jobs, creates a dual economy. This is illustrated in a study of La Loche in Northern Saskatchewan. Aboriginals have been unable to participate in the economy to the same beneficial degree as the non-Aboriginal population. In La Loche, 75% of the workforce is employed in the service sector (federal, provincial, municipal agencies, providing education, health, etc.) and 45% of all employees come to or are transferred to La Loche to work (Carter, 1994). The government employees may be the only full-time employees in the communities. They come “from the south” and their effect on the community is often limited, providing very little stability because they leave after a short period of time and make no long term commitment to the community, often spending most of their money on trips “back south”. Even where a more resource-based economy exists, it may not produce higher incomes for Aboriginal people (CMHC, 1999, 17) as they may not have the education and skills required to access the jobs. Thus there are two economies in some communities - one for Aboriginals, and one for others who come from elsewhere to work for short periods of time.

This dual economy creates a dual housing market, one characterized by poor quality accommodation and households living in crowded conditions and the other by better conditions and smaller households with higher incomes. In these communities, which are generally characterized as non-market in nature, housing options for the better-educated, higher income population are often also very limited, unless governments have taken steps to provide staff housing (CMHC, 1999).

With high housing costs and low income levels, the occurrence of homeownership is very low in northern and remote centres. (CMHC, 1999) Many families are forced to become renters. In most instances, the only source of rental housing is social housing provided by the government.

The Yukon Housing Corporation (Yukon Housing Corporation, 2001) recently carried out a series of community housing studies which examined a variety of housing issues in all communities. The study included the City of Whitehorse as well as 11 small communities. Moving beyond the issues associated with core housing need (affordability, suitability, and adequacy) other housing problems these studies highlight include:

- A rising proportion of seniors in some communities and a lack of adequate housing options for seniors and elders.
- The absence of adequate housing for people with disabilities, particularly accessibility features.
- Difficulties in accessing home ownership, particularly the lack of an adequate down payment, and the lack of adequate housing options for people who want to purchase, as there is little private sector housing in these communities.
- Ownership is also not always viewed as a viable option because it is cheaper to rent and many people do not plan to stay in these communities long enough to make ownership a viable option.
- Some households, particularly seniors, complain of mobility problems as there is a lack of adequate transportation alternatives to access services in the communities.
- Some community studies note a lack of adequate private sector rental housing for higher income professional/service workers.

### **3.2 Infrastructure Issues**

The lack of (or poor quality) infrastructure, also contributes to the problem of poor housing conditions. Due to their isolated nature, small size and limited resources, the construction of community-wide water and sanitary sewer facilities often does not make economic sense in rural and remote communities in northern and western Canada. Less efficient means of providing these services exist (wells, septic fields), but installation and maintenance is expensive. A lack of efficient sanitary facilities is also linked with the poor health of rural residents (Carter, 1987; CMHC, 1999).

The scattered nature of the settlement pattern and the poorly developed transportation system also add to the cost of housing (CMHC 1999). Restricted access to many of these rural and remote areas, particularly in the NWT, has resulted in higher transportation costs. For example, in the NWT, the freight charge for a three-bedroom housing package to the High Arctic costs upwards of \$20,000. Operating costs are also much higher because of the higher price of oil/fuel and in some communities the absence of local wood (CMHC 1999). For example, electricity and heating bills combined can average more than \$650 per month in the NWT. Providing basic utilities like water and sewer (which require above ground

pipng and storage tanks, combined with truck delivery and removal) in rural and remote settlements is enormously expensive, especially for northern regions of Canada.

Although labour costs are not as high in rural areas in the South, skilled labour often has to be brought in from larger communities, and the absence of the economies of scale present in urban centres still keeps costs high (Carter, 1987; CMHC, 1999).

### **3.3 Housing Supply and Development Issues**

When added together, elements like a small population, the scattered nature of settlement, and extra costs reduce the viability of any private market activity. Low incomes, limited demand and low or non-existent profit margins have also reduced the effectiveness of private sector builders and lenders. (Carter, 1993) The absence of a private market not only reduces the housing options available, it also compounds the existing housing problems. As a result, the public sector has had a primary role in funding, building and repairing housing in rural and remote communities.

Generally, the cost of housing increases as the level of nordicity and rurality increases, in spite of lower land costs in smaller communities. In northern and remote communities, average dwelling values are derived from the cost of building the house, not the market value (CMHC, 1999). For example, construction costs are often more than twice those in the South on a square foot basis (CMHC 1999). Factors associated with the climate, such as permafrost, add to cost and design difficulties as does the absence of local building materials.

Finally, our northern climate poses significant challenges. Communities in the northern latitudes of Canada must endure lengthy and harsh winters. As a result, housing materials and components must be replaced frequently, contributing to higher overall operating costs.

The following is drawn from several sources (CMHC, 1990a; CMHC 1990b; CMHC 1991; and Carter, 1996), and describes in some detail the specific difficulties for home construction and operation in the north.

- **Site Development and Drainage:** Because many dwelling and town sites are underlain by permafrost which prevents snow melt and rain from percolating into the soil, flooding, standing water and erosion are a problem. This can lead to undermining of existing foundations, erosion of gravel pads and settling of foundation and pads. This can lead to shifting and settling which creates wracking of the structure, cracking of walls, shifting of windows and doorframes and an overall reduction in the airtightness integrity of the building.

Attention to proper drainage and thick well-compacted gravel pads that raise the structures so water drains away from them, as well as reducing the possibility of heat loss from the building which will melt the permafrost, reduce risks and costs. Positive drainage over large areas of housing should be addressed by appropriate infrastructure and land use planning.

- **Foundations:** Where there are areas of permafrost and muskeg, or even soils with high water tables, foundations are often subject to torsional forces. Uneven thawing, settling and shifting are common. This can lead to cracking of the foundation and shifting of the building . If the condition is bad enough it may destroy the function and appearance of building components.

Several solutions are possible including the use of piles, well constructed gravel pads, point form loading (on three or four well placed piles) and lifting the building off the ground to prevent heat from the home melting the permafrost.

- **Building Envelope:** The dominant method of construction in most northern areas is still wood frame. However, wood frame and wood products in general often suffer in the unique climate conditions of the north. Significant shrinkage can occur and moisture may lead to premature rotting and development of mold on wood products. There is also the cracking and wracking mentioned above. There is also the concern associated with the energy efficiency of standard wood frame construction.
- **Windows, Doors and Other Openings:** In the extreme cold conditions of the north, windows and doors become sources of significant heat loss. The shifting already mentioned also contributes to heat loss when seals are affected by this shifting. In addition, the cold conditions cause window and door hardware and weather stripping to become brittle, crack and fail. More resilient hardware and weather stripping is required and the energy efficiency of the products has to be increased. In addition, it is important that openings, particularly windows, be smaller and properly placed to most effectively capture what heat there is from the sun. Air locks, or porches, are also useful in reducing heat loss. These features require different design approaches and increase costs.
- **Space and Water Heating:** With increasing energy costs more effective space and water heating systems are required in the north. In addition to higher insulation values, experimentation on a number of space and water heating systems has occurred. These include more efficient oil heating systems, efficient wood burning options where wood is present, and hydronic heating systems amongst others. Improvement in heating systems must go hand in hand with improved building envelopes and ventilation systems. In the extreme climates of the north treating the house as a system is important. Modifications to one component of the system require changes in the other components as well. This adds to the cost of construction and often makes operation of the home more complex.

- **Ventilation and Heat Recovery:** With efforts to reduce heat loss and increase energy efficiency home ventilation becomes very important. A contributing factor to this issue is often the large families that live in these homes. Without adequate air exchange, air can become stale creating poor air quality and affecting the health of the residents. There can also be a significant moisture build-up in the home related to the number of people in the unit and life-style activities such as cooking. High moisture levels, in addition to contributing to poor environmental health conditions can also lead to the development of mold, which also affects people's health. The best system is one that provides for adequate air exchange but also provides heat recovery and re-circulation options, again adding to the expense associated with construction and the complexity and expense of operation.
- **Water and Sewage:** Many dwellings still lack connections to municipal/community services. Outdoor facilities are still common in some centres and disposal of household waste, including human excreta and grey water, is often by dumping it outside or in a nearby lake or stream. Many households are drinking untreated water. Developing adequate waste disposal systems is difficult in muskeg and permafrost areas. Landfills and lagoons require very special construction techniques, if it is possible to construct them at all. Permafrost and muskeg may also dictate a need for above ground utilidors that creates its own set of problems in a cold climate. The provision of water treatment plants is also very expensive. The difficulties that have to be overcome add to the cost of housing but also mean that many households are inadequately serviced, which contributes to health problems.
- **Transportation and Storage Problems:** Several studies raise the issue of high transportation costs to get the necessary building materials to remote and northern communities. This adds to both the cost and the time frame of construction. Transportation difficulties also make replacement parts expensive, and often it is necessary to wait on material for repairs. There are also storage difficulties. Material arrives by bulk and has to be stored, often outdoors, for some time. This leads to deterioration of the material as well as theft and vandalism.

### **3.4 Building Technology for the North**

To address some of these technical building issues in the North, there have been a number of studies and pilot projects undertaken. These include:

- **The Northern Healthy House:** Concept created by First Nations Tribal Councils and CMHC, and tested in 1997 at Eagle Lake First Nation near Dryden, Ontario (CMHC, 2000). The concept emerged as a potential means of dealing with the problem of providing infrastructure and affordable, quality housing in northern and remote locations in Canada. The goal of a self-contained portable utility system that would minimize costs and reduce environmental impacts was met. Termed "The EcoNomad", this design is a portable, self-contained, off-grid utility system, containing all the utilities for the Eagle Lake Healthy House - power, heat, water supply, hot water, waste water management



and water reclamation. Benefits include utilizing clean energy, reduced greenhouse gas production, reduced fuel consumption, reclaimed water, increased energy savings and suitability (in terms of its extreme weather design for northern and circumpolar locations).

- **Arctic Hot Roof:** Because the effective life of a roof is a primary concern, the Arctic Hot Roof Design is an optimal response to environmental conditions that characterize Northern communities, where there is little annual precipitation and prevalent blowing snow conditions in long winters (CMHC, 2001c). The design promotes superior insulating qualities, ease of installation, effective control of potential indoor moisture damage, provision of a secure utility chase and a built-in escape for moisture that does infiltrate the roof assembly, ensuring that it does not become waterlogged.
- **Structural Insulated Panels (SIPs):** Tested in Repulse Bay, SIPs are an alternative building material suitable for the floor, wall and roof assemblies of a building (CMHC, 2001a). Their suitability for northern housing projects includes: the reduction of structural framing, thereby reducing the potential for thermal bridging; the reduction of on-site waste due to pre-cut pieces; their durability (no rot, shrink, swell, split or warp takes place); their light weight; and their quick panel construction. An evaluation of the construction phase demonstrated that material costs were comparable to wood-frame construction, fewer hours of labour were required, reduction of financing costs was possible, and semi-skilled workers could adopt the skills needed to build with SIPs. A one year warranty inspection showed that the durability and effectiveness of the SIPs were excellent, in addition to lower operating costs and a high degree of owner satisfaction. Although it is too early to draw long-term conclusions, it appears that SIPs are a very suitable product for Northern house construction.
- **On-Site Wastewater Reclamation Systems:** The cost of water and sewer services to homes in northern latitudes is extremely costly, due to subsurface soil conditions (CMHC, 2001b). Current disposal methods are not environmentally sound and the costs associated with trucking water and sewage are high. A study has been conducted in Ndilo, NWT to assess the benefits of using a microsystem, which include cost savings through reduced purchase of water, reduced consumption of natural resources, reduced environmental impact from lagoons and increased health benefits as a result of increased water consumption.

## 4.0 Some International Considerations

In this section we provide a summary of rural housing issues in New Zealand, Australia, and Europe.

### 4.1 New Zealand

The New Zealand situation is slightly different than in Canada. New Zealand is a much more urbanized country, with 85% of the population living in urban areas. Drawing on Statistics New Zealand's **New Zealand Now: Housing**, we can make the following relevant observations:

- The highest rate of growth in private dwellings is in rural areas, primarily due to lifestyle choices being made by people.
- However, there is a declining percent of adults in rental accommodation in rural areas from 1986 to 1996, where the rate fell from 17.4% to 14.7% for this cohort.
- There has been a decline in young adults aged 20-29 in rural areas, due to a combination of out-migration and natural aging.
- New Zealanders (both urban and rural) have higher rates of ownership without a mortgage, and lower rates of renting, than in Canada and the United Kingdom, but less than in Australia.
- Maori (the Aboriginal population in New Zealand) and Pacific Islands people live in more crowded conditions and in extended family situations, in both urban and in rural areas.
- For these ethnic groups, the age distribution, employment, income, and household-type patterns are much different than that in the general population, and much more like Canada's Aboriginal population. This places more of them in housing-related problem situations, including crowding and affordability.
- However, overcrowding (particularly among low income households) is more likely to be a problem in urban than in rural areas, because in rural areas the houses are larger.
- Housing affordability is a major problem in the major urban region of Auckland, and is less of a problem in the more rural Southlands region.

The issue of housing disparities that exist between Maori and the general population in New Zealand mirror the problems we find in rural Canada. Although the Maori are a highly urbanized group in New Zealand, more and more of their population are moving back to the rural countryside to traditional homeland areas. However, these areas are vastly underserved in terms of infrastructure (e.g. electricity) and social service delivery. Maori people are less likely to own their own home (only 50% do so), they are twice as likely to live in rental accommodation (even in rural areas), and a high percentage of them face affordability problems (Ministry of Maori Development, 1997).

A particular challenge in rural New Zealand for Maori people is that land is held in "multiple ownership", meaning that large tracts of land are held in ownership by an extended family or entire "tribe". Although

these areas are not “reserves” in the Canadian sense of the word, the fact that these lands are collectively owned makes it difficult for traditional mortgage lending and even government housing programs to be used by the Maori people. Within a rural context, the Ministry of Maori Development (1997) summarizes the Maori housing problem as two-fold: a lack of adequate supply by the housing market in rural areas; and lower incomes among their population.

## **4.2 Australia**

### **4.2.1 The Economy and Housing**

The rural economy in Australia is currently having a significant impact on the housing difficulties facing low income households. The economy is characterized by a declining number of farms, increasing farm size, shrinking farm populations, lower levels of spending contributing to a contraction of local economies, the closure of services, a reduction in employment opportunities and further out migration and depopulation. There has also been a weakening of social capital (networks, norms and trust, local service clubs, volunteer organizations, etc.). Similar trends in the timber industry and other primary resource areas extending from mining to fishing have exacerbated the situation in rural and remote communities (Tonts, et al. 2001).

These economic trends have resulted in declining, or at best, very slow growth in household income. Unemployment has been rising in many centres and poor access to services is a significant problem. There has been significant migration out of many small communities as people seek employment opportunities in the larger metropolitan centres (Tonts, et al. 2001). On the other hand, entrapment of households in resource dependent areas is also common. The family home is often the major asset. When it is located in a declining resource dependent community where there is an inadequate supply of buyers and falling prices households do not realize any equity. Without the capital invested in the home it is difficult to migrate to larger centres where there are better economic, social and service opportunities (Budge, Hugo and D’Rozario, 1992, and Hugo and Bell, 1998).

These circumstances have led to a situation where few new units are being built in these centres and maintenance of existing units is being delayed. In addition, research suggests that rates of chronic illness, depression, stress, suicide, and domestic violence are higher in these communities (Tonts, et al. 2001, and Coorey, 1990).

### **4.2.2 The Housing Market**

Housing outcomes in these communities are seldom produced by the free interaction of supply and demand factors. They are much more often the product of private and public investment. However, many Australian rural communities would be classified as “non-market” areas, and thus the outcomes are often

dependent on public intervention, or constrained in other ways (Gray and Tompkins, 1997). Although the cost of land is often lower than metropolitan prices in these areas, the cost of construction is considerably higher. Geographic isolation affects costs as it does in Canada. Maintenance costs are also significantly higher in rural areas and the availability of skilled trades to conduct maintenance can also be a problem. Cheaper existing housing is generally available for purchase but there is generally a trade off in terms of quality suitability and the high cost of maintenance.

Housing choice is limited in these communities and, given the relationship between costs and incomes and the “non-market” nature of the centres, the private sector is unable to ameliorate the situation. The availability of rental housing is often low. This presents a problem for young employees, particularly in the skilled and professional employment categories. They are often reluctant to come to such centres to work as they are unable to access adequate and affordable rental accommodation (Budge, et al.1992).

In general, housing in rural areas is characterized by a high percentage of single detached units, higher percentages of owners than in urban areas, older stock, often smaller units and a lower standard of municipal services. The lack of services is a significant problem in remote Aboriginal communities.

#### **4.2.3 Housing Need**

As in the Canadian situation there are three critical issues in rural housing markets: i) overcrowding, ii) poor physical condition, and iii) affordability (Burbidge and Winter, 1995). The nature of the problem varies from one community to another. Affordability, as in Canada, is still the most common problem, but adequacy and suitability problems are much more common than they are in urban centres. Aboriginal households experience the most severe housing problems and they are also the group most likely to experience suitability and adequacy problems. As in the Canadian context, there are centres in remote areas of Australia where 100% of the households are in housing need and experience at least one, but often all three, housing problems (Medhurst, Lea and Pritchard, 2001).

Single parent Aboriginals are the group with the highest incidence of need. Overall, housing in rural Australia is less likely to be appropriate and obtainable to meet the specific needs of the aged, single persons, lone parents, people in itinerant occupations, the disabled, low income families, the unemployed, women and children seeking refuge from domestic violence and young people who have left home in search of employment or education (Tonts, et. al. 2001). Studies have also identified the problem of rural homelessness. The numbers of people “on the street” are not significant but there are many “high risk” families and individuals (Baker, 1996 and Gray and Tompkins, 1997).

Studies also point to the absence of links between the provision of social support services and the provision of shelter. Many of the above groups, even if they are able to access the housing they require, find that the support services they need with this housing are lacking (Budge, et. al. 1992).

### 4.3 Europe

Drawing on the work of Shucksmith, Twedwr-Jones, and Gallent (2000), there are a number of relevant issues in the European experience (Netherlands, Spain, Wales, Ireland, Scotland) which are similar to those in Canada. These include:

- Rural areas suffer out-migration and selective in-migration of different economic groups, causing pressure on housing supply and pushing up prices for local people.
- Financial investment into rural areas through government subsidies and European funding centred on tourism which, while alleviating the economic conditions in rural areas, have also indirectly caused a heightened perception of the countryside as an attractive location to live and commute from.
- Lack of improvement grants and other financial incentives has had a negative impact upon rehabilitation possibilities of existing stock.
- The selective use of planning powers is having an effect on the extent and nature of the supply of affordable housing for local people; for example, local authorities and other community actors have sought to provide clear criteria for the definition of local housing need, have prioritised the needs of communities, defined affordability according to a range of criteria, and then developed planning policies within development plans to address the deficit.
- There are no clear and unambiguous policies or strategies to address pressured rural housing areas, which partly explains the lack of clear and unambiguous approaches for policy formulation and delivery; the overriding view is that economic strategies of government are likely to have just as profound an impact on rural housing as any specific housing or planning policy; and there is a need to identify ways of reviving marginal and/or lagging rural economies which might then contribute to the amelioration of social housing or affordability problems.

Thus the European experience is much different than it is in Canada and in the other international areas reviewed. There are no Aboriginal people, and generally speaking, there are few or no “remote” rural communities as we understand that term in Canada and Australia. Furthermore, with higher population densities and smaller territories occupied by most European countries, rural communities are often located much closer to large urban centres, and perhaps more closely intertwined.

## **5.0 Summary**

In this section we provide a brief summary of the most important points emerging from the literature, primarily as they relate to providing direction for our case study inquiry in the next phase of this study.

### **Demographic Issues**

In rural communities the population is aging and there is youth out-migration. At the same time, the Aboriginal and northern populations are much younger and will generate new households and new housing demands. Our case study inquiries must examine the local dynamics of how demographics affect supply and demand, particularly in the context of low income households.

### **Social and Economic Indicators**

Senior populations have lower incomes. Working age cohorts function in diverse but generally weak and unstable economic situations with respect to employment. Our case study inquiry must look at these issues as they impact on housing.

### **Housing Conditions, Costs, Tenure and Supply**

More of the rural stock is need of repair, and overcrowding is a problem, especially in the North. The supply is limited in its diversity and range of tenure and type choices for households. The cost of new construction, especially in the North, is high. Private sector developers are not as well established nor do they have the capacity to meet new and alternative housing demands. Social housing waiting lists are long. Our case study inquiry must explore how local housing solutions for low income households are being addressed, if at all, in this context.

### **Geographic Limitations**

In our northern communities there are significant challenges associated with location, isolation, transportation, climate, and much more. For our case study inquiry in the northern territories and northern Ontario, we need to develop an understanding of these impacts on housing for low income households.

### **Homelessness**

It is clear that rural homelessness or near homelessness is on the rise. It appears the root causes are economic and household related, and affect entire families. While there are support networks which can temporarily mask the extent of the problem, there are few solutions to this issue. Our case study inquiry must attempt to identify the extent of homelessness and the capacity of formal and informal support networks to address the problem.

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# Housing Needs of Low Income People Living in Rural Areas

## Case Study Report

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# 1.0 Introduction

The purpose of this project is to explore the housing needs of low income people living in rural areas in Canada. It excludes a specific examination of housing needs of First Nations people living on-reserve. The purpose of this report is to provide a summary of the major issues emerging from detailed case studies of 12 diverse rural communities and small towns.

This report is the third in a series of three background reports prepared for this project. These three reports form the basis for preparing a final report on the housing needs of low income people living in rural Canada. The previous two background reports are a literature review on rural housing issues associated with low income persons, and review of published and unpublished Canadian statistics on the topic of housing needs in rural areas.

This report continues with a description of the methodology employed for selecting case study communities, and the manner in which the case studies were carried out. This is followed by a brief description of the 12 case study communities, and a summary of five major issues or topics from across the case study communities (the low income households; their housing situations; recent housing initiatives; opportunities and barriers to address low income housing challenges). The report concludes with a summary of the major concerns associated with the housing needs of low income people living in rural Canada. A copy of the interview guide employed in the case study process is provided in Appendix A. A summary of relevant federal, provincial and territorial housing programs is provided in Appendix B. A detailed report from each of the case study communities is provided in Volume 3.

## 2.0 Methodology

This section describes the methodology employed in selecting the case study communities, and the manner in which the case studies were conducted. The terms of reference for this study, as outlined in the request for proposals, identified that a convenient sampling method was to be used to select case study communities for analysis. The terms of reference also identified that 10 to 15 key informant interviews, supplemented with a review of local documents, were to be completed for each case study. An initial proposed list of case study communities was submitted with the proposal to complete this project, and this list was subsequently refined and revised in consultation with CMHC. Nonetheless, a rigorous approach to selecting the case study communities was applied, as outlined below.

### 2.1 Sampling Frame

For our purposes we interpret rural to be small towns and rural areas combined, with no single centre or municipality having more than 10,000 people. Furthermore, we recognize that delivery of public services is often provided on a regional basis. Therefore, “community” would be defined as both a single legal entity (municipality) or a cluster of settlements, incorporated or otherwise, identifiable as a “community”. This general approach to defining rural fits well with the recommended approach of du Plessis et al (2001):

*“... the appropriate definition should be determined by the question being addressed; however, if we were to recommend one definition as a starting point or benchmark for understanding Canada’s rural population, it would be the “rural and small town” definition. This is the population living in towns and municipalities outside the commuting zone of larger urban centres (i.e. outside the commuting zone of centres with population of 10,000 or more) ...” (p. 1)*

This definition is most helpful when looking at community-specific issues, such as school location or municipal services. It is also appropriate for looking at housing issues. The “geographic building block” for this is primarily a census subdivision, such as a small town or village. All areas outside of census metropolitan areas (where the core population is at least 100,000 people) and census agglomeration areas (where the core population is at least 10,000 people) would be included.

Furthermore, this approach is consistent with the OECD approach to defining rural:

*“... OECD predominantly rural regions refers to individuals living in census divisions with more than 50 percent of the population living in OECD rural communities. This includes all census divisions without a major city ...” (du Plessis et al, 2001, p. 6)*

This definition is most helpful when attempting to understand regional issues such as economic development or labour market issues. It too is appropriate for looking at housing issues, since the nature of service delivery by the public and non-profit sectors to people with low incomes tends to be on a regional basis, and since housing markets in individual small communities tend to be limited; one often has to look at several adjacent communities to find a full range of housing options and choices within the private and public sectors.

Thus, by combining the two definitions, our approach to identifying the sampling frame for case study selection is to begin by identifying predominantly rural regions, and then to focus on a single municipality as the focal point for the case study. In many cases, information about issues in the surrounding region of a specific municipality would also be collected, given the interdependent nature of outlying rural areas with a municipality, or with the interconnectedness of many social and economic functions within a region comprised of several municipalities.

## ***2.2 Criteria for Selecting Sites within the Sampling Frame***

Within the confines of the sampling frame, the following criteria were used to guide the selection of specific case study communities:

- Ensure coverage of each region of Canada (West, Ontario, Quebec, Atlantic, North).
- Ensure coverage of Anglophone and Francophone communities.
- Ensure inclusion of an off-reserve aboriginal case study community.
- Ensure the communities reflect a mix of different economic activities (e.g., seasonal, agricultural, resource-based).
- Ensure the communities reflect a mix of economic trends (e.g., a community experiencing decline, a community experiencing growth, but excluding suburban or urban shadow communities of large urban centres).
- Ensure the communities reflect a mix of different social and demographic characteristics (e.g., high proportion of elderly, high proportion of single parents).
- Select communities where we expect there to be available local data to supplement interviews.
- Select communities where there has been previous research and consulting experience by team members.

The final list of case studies chosen includes (in alphabetical order):

- Brooks, Alberta
- Coral Harbour, Nunavut
- Kingston-Greenwood, Nova Scotia
- Maniwaki, Québec
- Marystown, Newfoundland and Labrador
- Mississippi Mills, Ontario
- Port Elgin, Ontario

- Preeceville, Saskatchewan
- Russell, Manitoba
- Saint-Fabien-de-Panet, Québec
- St. Stephen, New Brunswick
- Wawa, Ontario

The sampling frame and criteria for selecting the case study communities was not rigorously applied. For example, Brooks (Alberta) has slightly more than 10,000 people, but it was selected because of its recent rapid population growth to this figure, and based on the suggestion by the Province of Alberta. Additionally, Mississippi Mills (Ontario) also has more than 10,000 people (as a result of recent amalgamation of three communities) and it is an urban shadow community. This community was included based on the recommendation of CMHC.

An interview guide (see Appendix A) was prepared, informed by literature review and statistical review.

## ***2.3 Key Informant Interviewee Selection Criteria***

A two-step process was used to identify key informants in each case study community. The first included the preparation of a generic list of the types of individuals and representatives of organizations with knowledge about local housing and related issues, who should be interviewed in all case study communities. These individuals were included if they were in fact present in the community or provided service on a regional basis to the case study community, even if they were based in a neighbouring community. This list was supplemented by a list of optional or substitute list of individuals and representatives of organizations. Individuals would be chosen on a local basis, to replace a refused interview, unavailable interviewee, or non-existent individual or organization, from the priority list. In some cases interviewees were selected from the second list for other reasons. For example, since the RCMP participated on the national steering committee for this project, where RCMP detachments were found in the case study locations, an RCMP officer was contacted for an interview. In other cases, the relative prominence and activity of a particular organization or agency in a given case study location warranted its selection for an interview.

Group One: To be interviewed in all communities:

- municipal staff or municipal councilor
- social workers or municipal social service departments
- economic development officers
- health care officials, community health workers, directors of the regional health districts
- housing authority managers
- real estate agents
- non-profit housing corporations

- central housing registries
- landlords/property managers
- directors of municipal homes for the aged
- operators of emergency shelters/transitional housing

Group Two: To be interviewed in some communities, as appropriate:

- presidents of seniors' associations
- RCMP officers
- school division superintendents
- agricultural development officers
- community planners
- HRDC/local employment centres
- support agencies
- RRAP administrator
- friendship centre

The second step was the identification of the name and contact information for each individual or organization chosen for an interview, in each site. Potential interviewees were personally contacted, provided with background information about the project, and invited to participate in the research project.

## ***2.4 Site Visits and Followup***

Interviews with key informants were conducted on-site, in each of the local case study communities, in the months of February to May, 2002. Most interviews were conducted in-person; however, in some instances, due to scheduling conflicts, interviews were completed by telephone either before or after the site visit.

Interviews lasted between 1 and 1.5 hours in length. The interview guide (with the prompts deleted) was faxed or e-mailed ahead so that the interviewees would have an opportunity to review the questions and prepare some answers and information in advance of the actual interview. The interviews were not tape-recorded; handwritten notes were taken and transcribed.

In some cases, individuals who were contacted chose to participate in the interview process on the basis of including others from their organization or agency in the interview itself. This was deemed appropriate given that in most cases, these instances involved an interview with both a senior management person responsible for an entire district or region, and a "field representative" working specifically in the case study community.

As a courtesy to the individuals who participated in the interview process, and as a means of verification and ensuring accuracy in the interpretation of the information collected, interviewees were invited to provide comments on a draft of the case study report for their community.

## ***2.5 Document Review***

For each of the case study communities, an attempt was made to collect and review published and unpublished relevant local reports or studies, such as:

- a submission made by a local group to a provincial housing or social task force
- local studies by consultants or others
- municipal plans
- social services reports
- annual reports of local community groups such as food banks
- community homelessness plan
- social housing waiting list reports
- social planning council reports
- others as identified locally

Finally, where possible, reviews of local newspapers for rental listings, and of real estate listings, were also completed for the purpose of providing context and information about the local housing market.

## 3.0 Overview of the Case Study Communities

In this section we provide a brief summary of the geographic and economic context of each case study communities for the purpose of understanding the local and regional context within which housing is provided. The case studies are discussed in alphabetical order. Table 1 provides a summary of the context for each case study.

Table 1: Context Summary for Case Study Communities				
	Geography	Economy	Population Size	% Age 65+
Brooks AB	<ul style="list-style-type: none"> <li>• situated in close proximity to major urban centres</li> <li>• extensive natural resources</li> </ul>	<ul style="list-style-type: none"> <li>• dependent on meat processing/oil and gas sectors</li> <li>• high percentage unskilled labour</li> </ul>	<ul style="list-style-type: none"> <li>• 11064, one of the fastest growing in Canada</li> <li>• younger population profile/many immigrants</li> </ul>	<ul style="list-style-type: none"> <li>• 10.8%, low number of seniors (moving away)</li> <li>• lack of services (health/ retirement) to retain seniors in the community</li> </ul>
Coral Harbour NU	<ul style="list-style-type: none"> <li>• remote/ isolated</li> <li>• no trade area, limited natural resources</li> </ul>	<ul style="list-style-type: none"> <li>• dependent on local services</li> <li>• lack of economic development</li> </ul>	<ul style="list-style-type: none"> <li>• 712</li> <li>• rapid growth</li> <li>• very young age profile</li> </ul>	<ul style="list-style-type: none"> <li>• limited number of seniors</li> <li>• modest growth expected</li> </ul>
Kingston-Greenwood NS	<ul style="list-style-type: none"> <li>• central service centre for region</li> <li>• 1.5 hours to Halifax</li> </ul>	<ul style="list-style-type: none"> <li>• military base</li> <li>• retail and agriculture</li> </ul>	<ul style="list-style-type: none"> <li>• 5090</li> <li>• rapid population growth</li> </ul>	<ul style="list-style-type: none"> <li>• 10.5%</li> <li>• good community for early retirees, especially from military</li> </ul>
Maniwaki QC	<ul style="list-style-type: none"> <li>• 1.5 hours drive north of Ottawa-Gatineau</li> <li>• regional service centre</li> <li>• off-reserve case study community</li> </ul>	<ul style="list-style-type: none"> <li>• primary sector (mining and forestry), decline in forestry sector</li> <li>• regional health centre</li> <li>• tourism growing</li> </ul>	<ul style="list-style-type: none"> <li>• 3,571</li> <li>• decline of 21.1% from 1996 to 2001</li> </ul>	<ul style="list-style-type: none"> <li>• 17.0%</li> <li>• higher than provincial average</li> </ul>
Marystown NF	<ul style="list-style-type: none"> <li>• largest centre in a remote rural region</li> <li>• 3 hours to St. John's</li> </ul>	<ul style="list-style-type: none"> <li>• decline in fishery and ship building</li> <li>• low wage service and retail</li> </ul>	<ul style="list-style-type: none"> <li>• 5908</li> <li>• decline of 12.4% from 1996 to 2001</li> </ul>	<ul style="list-style-type: none"> <li>• 6.7%</li> <li>• 50-64 age cohort is large, will have future needs</li> </ul>
Mississippi Mills ON	<ul style="list-style-type: none"> <li>• 50 kms west of Ottawa</li> <li>• extended residential suburb for urban centre</li> </ul>	<ul style="list-style-type: none"> <li>• agriculture declining, tourism rising</li> <li>• small high tech displacing retail</li> </ul>	<ul style="list-style-type: none"> <li>• 11,069</li> <li>• increase of 13.1% from 1996 to 2001</li> </ul>	<ul style="list-style-type: none"> <li>• 13.1%</li> <li>• relative decline due to in-migration of younger households</li> </ul>



Table 1: Context Summary for Case Study Communities

	Geography	Economy	Population Size	% Age 65+
Port Elgin ON	<ul style="list-style-type: none"> <li>• 200 km northwest of Toronto</li> <li>• located on shores of Lake Huron in agriculture and tourism area</li> <li>• Port Elgin part of new amalgamated town</li> </ul>	<ul style="list-style-type: none"> <li>• nuclear power station dominates</li> <li>• prone to cyclical rise and fall of local economy based on activity at plant</li> <li>• agriculture and tourism</li> </ul>	<ul style="list-style-type: none"> <li>• 11,388 for new amalgamated town of Saugeen Shores</li> <li>• decline of 5.8% from 1996 to 2001</li> </ul>	<ul style="list-style-type: none"> <li>• 14.6%</li> <li>• large number of older, not yet retired nuclear plant employees</li> </ul>
Preeceville SK	<ul style="list-style-type: none"> <li>• located within agriculture/ forest region</li> <li>• relatively isolated from major urban centres</li> </ul>	<ul style="list-style-type: none"> <li>• service centre for agriculture</li> <li>• forestry/ outfitting</li> </ul>	<ul style="list-style-type: none"> <li>• 1074, stable/ modest decline</li> <li>• aging population profile</li> </ul>	<ul style="list-style-type: none"> <li>• 38.3%, high and growing</li> <li>• expanding retirement community</li> </ul>
Russell MB	<ul style="list-style-type: none"> <li>• centre of rich agriculture area</li> <li>• expanding tourist sector</li> </ul>	<ul style="list-style-type: none"> <li>• agriculture service centre</li> <li>• diversified economic base</li> </ul>	<ul style="list-style-type: none"> <li>• 1587, stable</li> <li>• aging profile</li> </ul>	<ul style="list-style-type: none"> <li>• 26.2%, high and growing</li> <li>• expanding retirement community</li> </ul>
Saint-Fabien-de-Panet QC	<ul style="list-style-type: none"> <li>• 1.5 hours south of Quebec City</li> <li>• one of 14 communities in a regional setting, on the US border</li> </ul>	<ul style="list-style-type: none"> <li>• mostly primary sector</li> <li>• lumber mill near the town</li> <li>• large regional hospital</li> </ul>	<ul style="list-style-type: none"> <li>• 1,021</li> <li>• decline of 3.8% from 1996 to 2001, but this is better than most rural Québec towns</li> </ul>	<ul style="list-style-type: none"> <li>• 11.8%</li> <li>• modest in-migration of younger households</li> </ul>
St. Stephen NB	<ul style="list-style-type: none"> <li>• borders on the US, very rural County</li> <li>• 1.25 hours to Saint John</li> </ul>	<ul style="list-style-type: none"> <li>• shift from part time and seasonal to full time</li> <li>• labour shortage</li> </ul>	<ul style="list-style-type: none"> <li>• 4669</li> <li>• decline of 5.9% from 1996 to 2001</li> </ul>	<ul style="list-style-type: none"> <li>• 18.3%</li> <li>• expected to grow significantly in next few years</li> </ul>
Wawa ON	<ul style="list-style-type: none"> <li>• 227 kms north of Sault Ste. Marie</li> <li>• located on Trans Canada Highway en route to Thunder Bay</li> </ul>	<ul style="list-style-type: none"> <li>• active mining and forest area</li> <li>• major mine recently closed</li> <li>• value-added forestry, tourism sector are increasing</li> <li>• loss of many good paying jobs since 1996</li> </ul>	<ul style="list-style-type: none"> <li>• 3,668</li> <li>• decline of 11.5% from 1996 to 2001</li> <li>• mostly due to mine close and loss of public sector jobs</li> </ul>	<ul style="list-style-type: none"> <li>• 8.1%</li> <li>• while low, share is rising with out-migration of adult workforce</li> </ul>

## Brooks, Alberta

The Town of Brooks is a community on the move. Substantial economic expansion, employment opportunities and capital expenditures have resulted in tremendous growth. The most active economic sectors have been oil and gas and meat processing which have effectively added hundreds of jobs in a

community of 11,604. However, rapid growth has not been without ‘growing pains’ as the gap between wages paid and the cost of living in these sectors has resulted in many individuals and families falling behind. As well, rapid job growth has contributed to increased in-migration and international immigration and a highly transient workforce. This has led to some social tension within the community. However, Brooks remains a well-situated community, located an hour from either Calgary or Medicine Hat along the Trans Canada Highway. The economic prowess of Brooks is being felt in many nearby communities who are benefitting from the spinoffs generated from growth in both oil and gas and meat processing. With an immediate trade area (excluding Calgary and Medicine Hat) of more than 25,000, the Town of Brooks is fast becoming a powerful mid-sized urban centre with an expanding hinterland.

### **Coral Harbour, Nunavut**

Coral Harbour (population 712) is an isolated, remote community that has no significant trade area. There are no other settlements on Southampton Island and no mining developments at this point in time. The economic base of the community consists mainly of services for the resident population. Utilization of natural resources in the immediate area is limited to fishing, hunting, carving of limestone and soapstone and crafts and clothing from local furs. These natural resources attract a limited number of tourists each year and support a limited number of outfitters, guides and tourist operations. These natural resources also provide a source of “country food” for local consumption and the carvings and crafts are a source of revenue for a small sector of the population. Coral Harbour is accessible only by air in the winter, but during the summer products such as fuel, building supplies and many other goods arrive by boat and barge. Transportation costs increase the price of all products in the community ranging from food to housing. Major employers in the community are the Hamlet of Coral, the school, health centre, housing association, the Northern Store, the Co-op Store and a limited number of people working for the Territorial Government. The community was not designated as a regional service centre when the Nunavut Government decentralized the delivery of services. Many of the jobs pay wages that are very low relative to the cost of living in the community so poverty is a significant problem. Economic development that creates jobs is a priority for the Hamlet as in some months of the year more than fifty percent of households are receiving social assistance. No significant change in the economy is anticipated in the immediate future.

### **Kingston-Greenwood, Nova Scotia**

The case study communities of Kingston (2000 population of 2,968) and Greenwood (population 2,122) are two villages located within the Municipality of the County of Kings, in an area known as “Western Kings”. The population of the two villages is on the rise; Kingston’s population has increased by more than 30% since 1986, and Greenwood’s by more than 40%. The entire area is primarily rural and small urban with the settled areas located closely around Highway 101, which runs along the river valley floor. The “North Mountain” and “South Mountain” flank the river valley, and are home to more sparsely settled areas with much less economic affluence than that of the communities like Kingston and

Greenwood, along the valley floor. The nearest major urban centre is Halifax (population of more than 300,000), located 90 minutes to the east. Kentville (population 5,500, the seat of County government and the major service area for the region), is a half hour to the east.

CFB Greenwood, located on the edge of Greenwood, is one of the largest airforce bases (more than 2,000 personnel and their families) in the Canadian Forces. Government services (primarily the military base plus provincial government employees) is the largest employment sector. Retail (because of the presence of the Greenwood Mall), health and social services, and agriculture are the next largest employment sectors. The Annapolis Valley is the primary producer of agricultural products in the Maritimes. A large Michelin Tire plant is located less than half an hour drive to the east in Coldbrook, employing many from Kingston and Greenwood. The military base itself is the major industry and employer locally, and thus is the important economic engine in the area. The agricultural sector, while an important economic activity, has been facing severe problems related to drought in recent years, and is facing a “watershed” in terms of its viability.

### **Maniwaki, Québec**

Maniwaki is one of 20 municipalities that make up the Vallée-de-la-Gatineau MRC (Regional Municipality of Counties). Occupying the centre of this large territory, it is situated 130 km directly north of Ottawa-Gatineau (about 90 minutes by road). It depends largely on the forestry industry but it is increasingly diversifying its economy, with a particularly strong emphasis on tourism-related activity. It also benefits from local mining and hydro-electric activity. With a population of 3,571, Maniwaki serves as the main administrative centre of the Upper Gatineau and is home to many businesses and services, including a combined hospital (Centre hospitalier or CHSLD) and Local Community Service Centre (CLSC) with 24-hour emergency service, financial institutions, and tourist facilities.

### **Marystown, Newfoundland and Labrador**

The Town of Marystown (population 5,908) is the service hub for the communities of the Burin Peninsula. It is a relatively isolated community located in a rural area. It is 306 kilometers away from St. John's, the closest major urban centre. Today Marystown remains the largest town in the region of the Burin Peninsula, and plays an increasingly important role as the government service delivery, financial and retail centre for the region of the Burin Peninsula. The majority of the key public, private and commercial services are located in town.

In the early 1990s the community was booming. It had one of the largest fresh fish processing plants (owned by Fisheries Products International) in Eastern Canada. In addition, Marystown was home to a modern shipbuilding industry which included in its operations repairing and servicing of oil rigs and supply vessels engaged in the oil industry operating in the North Atlantic. Since 1992 the community has experienced a significant decline in all areas of employment and reductions in just about all services.

As the in-shore fishery closed down in 1992 due to fishery industry restructuring, the economic downward spiral became more and more apparent, especially within the last 5 or 6 years. Currently, the fish processing plant is operating at a reduced capacity for 5 months each year and is offering temporary employment to a fraction of its previous workforce. The shipyard was the main employer that offered good wages to skilled workers. Currently the final sale of the shipyard is pending, which will likely lead to its closure and further outmigration of people. Overall the community is experiencing a 30% unemployment rate. This unemployment rate remained constant over the last couple of years.

The only new businesses in town that are surviving are the discount retail (bargain stores) and service based businesses (fast-food outlets) which generate only minimum-wage, 'fringe' employment. The regional hospital, located in the neighbouring community of Salt Pond, is considered to be the major employer for residents of Marystown today.

### **Mississippi Mills, Ontario**

The Town of Mississippi Mills (population 11,647) is located in Eastern Ontario (Lanark County) immediately west of Ottawa. Its primary population centre is the former Town of Almonte, located just north of Highway 7, approximately 50 kms. from downtown Ottawa.

Lanark County has traditionally been primarily an agriculturally-based rural area serving Ottawa and eastern-Ontario communities. With the rapid growth and expansion of Ottawa, however, Lanark's role has increasingly been shifting to that of commuter suburb. In particular, the growth of high-tech industries in Ottawa's west end has made it convenient and attractive for workers in the high tech sector to live in Lanark (where the cost of housing is less expensive than in Ottawa) and commute to jobs in this rapidly industrializing part of the city.

Mississippi Mills is actually comprised of three former municipalities which were amalgamated in 1999 to form the new municipality of Mississippi Mills. The largest former municipality, Almonte, is a well established small town of almost 5,000 people. The other two former municipalities, the former Pakenham and Ramsay Townships, still retain some of their rural character, although they are urbanizing steadily through the development of new subdivisions largely housing commuters working in Ottawa.

### **Port Elgin, Ontario**

Port Elgin is a small town of approximately 7,000 population located in West-Central Ontario (Bruce County) along the shores of Lake Huron approximately 200 kms northwest of Toronto. In January, 1999 it was amalgamated with two adjacent communities, the former Town of Southampton and the former Township of Saugeen, to form the amalgamated Town of Saugeen Shores. Although located adjacent to an active agricultural area, Port Elgin has long served as a tourist centre attracting large

numbers of cottagers, campers and beach goers. The workforce supporting this tourism and agricultural activity tends to have modest incomes, often working at part-time or seasonal jobs.

In the mid-1960s, Ontario Hydro developed the Bruce Nuclear Power Development (BNPD) at Port Elgin, one of the largest centres for energy production in the world. It produces approximately 20% of Ontario's electricity and 60% of the world's cobalt (a radiation source used for cancer treatment). It currently employs 3,800 persons and is the largest employer in Bruce County, paying wages well beyond those paid in most local jobs.

### **Preeceville, Saskatchewan**

Located in east-central Saskatchewan approximately 105 km north of Yorkton, the town of Preeceville is accessible by Highways 9, 47, and 49. Rail service is provided by the Canadian National Railway, with Saskatchewan Transportation buses connecting Preeceville to Regina and Saskatoon. Preeceville is a service community for the surrounding agricultural area. This sector has been characterized by decline in recent years because of falling grain prices. This has resulted in a modest reduction in the number of services in Preeceville and a loss in employment in the community. This decline has been softened somewhat by expansion in feedlot operations and more recently the addition of large hog operations in the area. As Preeceville is located in an area of land use transition from agriculture to forest, logging and forestry industries also employ a number of people. This proximity to the mixed deciduous and coniferous forest area, as well as many lakes, also generates jobs in outfitting (for hunting) and tourism. Many of the jobs in forestry, outfitting and tourism, however, tend to be seasonal in nature. The other growth sector tends to be services (housing and social support) for seniors as Preeceville is becoming a retirement community. With a reasonable range of housing and health care options, Preeceville hopes to be able to strengthen its role as a retirement centre. However, it faces stiff opposition in this sector from other, often larger, communities nearby. Despite some diversification of its economic base, significant growth in the economy and jobs is not anticipated in Preeceville.

### **Russell, Manitoba**

The Town of Russell is located at the junction of Highways 16 and 83, approximately 15 km from the Saskatchewan border and 340 km northwest of Winnipeg. The community is home to approximately 1,600 people with a trading area of over 14,000 people. Russell, like many other Prairie towns, is basically a service centre for the surrounding agricultural area. Low prices in the traditional agricultural sector (grains), larger farm sizes and replacement of labour by technology have led to a loss of purchasing power and fewer people in the agricultural sector. The decline in this sector has trickled down to the Town of Russell, reducing the strength of the local service base and the number of services and jobs in the community. The decline has been softened to a certain extent by growth in feedlot operations and hog production as well as specialized crops (oil seeds). Other positive trends in the economy include the development of tourism with the opening of a downhill ski complex nearby and

fishing, camping and “cottage country” on nearby lakes. In addition, with a diverse range of health care services, Russell is also becoming a retirement community and services for the elderly are becoming an important part of the economic base. Although Russell is diversifying its economic base it faces stiff competition from other larger or similar sized centres in the region.

### **Saint-Fabien-de-Panet, Québec**

Saint-Fabien-de-Panet is a community of approximately 1000 people. Located on a mountain ridge, it offers an excellent view of the Appalachian Range. This small community is situated 54 km south of Montmagny, about 1.5 hours drive south from Quebec City and within minutes of the U.S. border. It is one of 14 municipalities that make up the Montmagny MRC (Regional Municipality of Counties). It is active in the primary sector, including agriculture, fishing and forestry. There is also a significant manufacturing sector in the area, primarily featuring a large lumber mill on the outskirts of town. A major regional health centre is also located within the community.

### **St. Stephen, New Brunswick**

St. Stephen is located in Charlotte County, a very rural but strategically located area of the province. The County stretches from the Maine-New Brunswick border in the west to the outer edges of the Greater Saint John area in the east, along the Bay of Fundy, providing easy access to the New England markets and to the rest of Atlantic Canada. There are five municipalities and a total population of less than 30,000 people. St. Stephen is the western-most town, located on the Maine border with a population of 4,667. There is no public transportation in the town or County. The time to travel to Saint John (a city of about 100,000) is almost 1.25 hours from St. Stephen. Many people must travel to Saint John for specialty services (particularly health care related) not available locally.

The economy of the County revolves around the traditional fishery, aquaculture, fish processing, tourism, government services, and personal services. In addition to those in these sectors, other major employers can be found in transportation, manufacturing and construction. The economy as a whole has been growing in the 1990s with a shift in employment patterns away from seasonal and part time employment to more full time, year round positions. However, there is a serious growing employment problem in the community: there is a mismatch between the skills of the existing labour force, especially among those looking for work, and the skills required by larger employers. Several of the larger employers in town cannot find skilled labour to fill vacant, well-paying positions. The same is true in the aquaculture sector across the County.

### **Wawa, Ontario**

Wawa is a small town (population 3,668) located in Northern Ontario along the Trans Canada Highway (Highway 17) between Sault Ste. Marie and Thunder Bay, near the north shore of Lake

Superior. It is located 227 kilometers north of Sault Ste. Marie. It is the primary urban centre for the Township of Michipicoten, which is the municipal jurisdiction that administers the Wawa area. For most of this century, the economy of Wawa has been heavily dependent on resource-based activity, primarily mining and forestry, although in recent years the economy has become more diverse with a growing dependence on tourism and service-based activity. The recent closure of the Algoma Ore Division brought a loss of a number of better paying jobs, although recent expansion in forest product manufacturing and mining-based activity has helped overcome this decline.

## 4.0 Findings from the Case Study Communities

In this section we provide a summary of the major housing issues across the case study communities, with a focus on developing a better understanding of who the low income households are and their housing situations, as well as the opportunities and barriers for addressing their needs. We also summarize some of the recent and current initiatives within these communities to address housing problems. A summary table outlining these points is provided in Table 2.

Table 2: Housing Issues Summary for Case Study Communities				
	Low Income Households	Housing Situation for Low Income Households	Opportunities	Barriers
Brooks AB	<ul style="list-style-type: none"> <li>• working poor</li> <li>• young families with single wage earner</li> </ul>	<ul style="list-style-type: none"> <li>• shortage of affordable rental units</li> <li>• limited social support services for all low income households</li> </ul>	<ul style="list-style-type: none"> <li>• high potential for new rental units - market/ social</li> <li>• continued benefits from further economic expansion</li> </ul>	<ul style="list-style-type: none"> <li>• lack of affordable and available housing (rental and ownership).</li> <li>• low wages for many workers</li> </ul>
Coral Harbour NU	<ul style="list-style-type: none"> <li>• high percent on social assistance, especially single parent households</li> <li>• predominantly young families and individuals</li> </ul>	<ul style="list-style-type: none"> <li>• 2 to 3 year wait for assisted housing</li> <li>• overcrowding, doubling up problem</li> </ul>	<ul style="list-style-type: none"> <li>• tourism</li> <li>• many people with expertise in the construction industry</li> </ul>	<ul style="list-style-type: none"> <li>• low income, affordability</li> <li>• high cost of construction and utilities due to remote location</li> </ul>
Kingston NS	<ul style="list-style-type: none"> <li>• working poor families</li> <li>• single parent households</li> <li>• elderly homeowner women</li> </ul>	<ul style="list-style-type: none"> <li>• high heating costs in older buildings</li> <li>• maintenance, repair, and upkeep in homeowner units</li> </ul>	<ul style="list-style-type: none"> <li>• surplus military housing units</li> <li>• pre-zoned, serviced land</li> </ul>	<ul style="list-style-type: none"> <li>• unclear picture of needs, masked by higher average incomes</li> <li>• lack of political interest, NIMBY</li> </ul>
Maniwaki QC	<ul style="list-style-type: none"> <li>• all types of households</li> <li>• incidence of low income higher than provincial average</li> </ul>	<ul style="list-style-type: none"> <li>• rental affordability problems</li> <li>• single detached rentals have high operating costs</li> </ul>	<ul style="list-style-type: none"> <li>• inexpensive land</li> <li>• land lease community has lots available for development</li> </ul>	<ul style="list-style-type: none"> <li>• no local construction sector capacity</li> <li>• municipal finance limitations</li> <li>• lack of local leadership</li> </ul>
Marystown NF	<ul style="list-style-type: none"> <li>• all types of households</li> <li>• more likely to be working poor and families on social assistance</li> </ul>	<ul style="list-style-type: none"> <li>• many renters have affordability problems</li> <li>• operating costs for heat and electricity</li> </ul>	<ul style="list-style-type: none"> <li>• land for development</li> </ul>	<ul style="list-style-type: none"> <li>• very low incomes</li> <li>• social housing stock does not meet needs of clients (size and type)</li> </ul>
Mississippi Mills ON	<ul style="list-style-type: none"> <li>• relatively fewer low income situations than other communities</li> <li>• single persons, working poor, single parent households</li> </ul>	<ul style="list-style-type: none"> <li>• rapid rise in rents with low vacancy rates</li> <li>• affordable ownership units scarce</li> </ul>	<ul style="list-style-type: none"> <li>• strong local nonprofit sector</li> <li>• new official plan process will lead to new activities</li> </ul>	<ul style="list-style-type: none"> <li>• market pressure from Ottawa area</li> <li>• high development charges for land</li> <li>• potential NIMBY with new affluent residents moving in</li> </ul>



Table 2: Housing Issues Summary for Case Study Communities

	Low Income Households	Housing Situation for Low Income Households	Opportunities	Barriers
Port Elgin ON	<ul style="list-style-type: none"> <li>• high wages at nuclear plant mask low income households</li> <li>• seasonal employees in tourism and agriculture</li> <li>• single parent households</li> </ul>	<ul style="list-style-type: none"> <li>• rapid rise in rents with low vacancy rates</li> <li>• lack of affordable ownership units</li> <li>• high energy costs</li> </ul>	<ul style="list-style-type: none"> <li>• strong local nonprofit sector, local leaders committed to issue</li> <li>• good supply of serviced land</li> </ul>	<ul style="list-style-type: none"> <li>• market pressure from nuclear plant expansion</li> </ul>
Preeceville SK	<ul style="list-style-type: none"> <li>• seniors on fixed incomes</li> <li>• young families, individuals</li> </ul>	<ul style="list-style-type: none"> <li>• limited supply of assisted housing for seniors</li> <li>• limited supply of affordable rental housing for young low income families and individuals</li> </ul>	<ul style="list-style-type: none"> <li>• expanding retirement centre</li> <li>• diverse range of health care facilities</li> </ul>	<ul style="list-style-type: none"> <li>• affordability/ market gap</li> <li>• limited program funding for low income households</li> </ul>
Russell MB	<ul style="list-style-type: none"> <li>• seniors on fixed income</li> <li>• young families, individuals</li> <li>• working poor</li> </ul>	<ul style="list-style-type: none"> <li>• limited supply of affordable rental for low income families and individuals</li> <li>• shortage of quality rental units for higher income professionals</li> </ul>	<ul style="list-style-type: none"> <li>• diversifying economic base</li> <li>• excellent health care services</li> </ul>	<ul style="list-style-type: none"> <li>• affordability/ market gap</li> <li>• regional competition with other centres</li> </ul>
Saint-Fabien-de-Panet QC	<ul style="list-style-type: none"> <li>• generally fewer low income households than in other Québec communities</li> <li>• single persons</li> <li>• seniors with fixed incomes</li> </ul>	<ul style="list-style-type: none"> <li>• renters have affordability problems</li> <li>• seniors have problems with operating costs of their homes</li> <li>• high utility costs in older units</li> </ul>	<ul style="list-style-type: none"> <li>• strong local leadership</li> <li>• good supply of serviced land</li> <li>• older stock suitable for conversion to rental</li> </ul>	<ul style="list-style-type: none"> <li>• lack of good paying jobs</li> <li>• lack of local builders</li> </ul>
St. Stephen NB	<ul style="list-style-type: none"> <li>• working poor families</li> <li>• single parent households</li> </ul>	<ul style="list-style-type: none"> <li>• rents and operating costs are high</li> <li>• high percent of units in need of major repair</li> </ul>	<ul style="list-style-type: none"> <li>• new municipal housing policy</li> <li>• growth in seniors market may lead to "trickle-down"</li> </ul>	<ul style="list-style-type: none"> <li>• NIMBY</li> <li>• low incomes, in part due to lack of labour force skills to match demand</li> <li>• limited land supply</li> </ul>
Wawa ON	<ul style="list-style-type: none"> <li>• single parents, singles, and working poor</li> </ul>	<ul style="list-style-type: none"> <li>• affordability and substandard problems for renters</li> <li>• older housing stock</li> </ul>	<ul style="list-style-type: none"> <li>• good supply of inexpensive serviced land</li> <li>• new economic development activities hope to raise incomes</li> </ul>	<ul style="list-style-type: none"> <li>• short term mining activities create temporary supply shortage and high prices</li> <li>• economic uncertainty means lack of investment in housing</li> </ul>

## **4.1 Low Income Households in Rural Canada**

Defining a low income situation is very difficult, and varies from community to community. Indicators of low income situations include the “incidence of low income” as reported in the Census; social housing waiting lists numbers and composition; food bank usage; and a “general understanding” in the local context of the income required for different types of households to make ends meet. These indicators were used to construct a picture of the types of individuals and households who collectively comprise the “universe” of low income households in each of our case studies. Because the most recent census is now quite dated, and because the other indicators used are imperfect, there is no easy way to arrive at a “number” of low income persons and households in each community. Furthermore, because of the varying degree of knowledge and contact, and the mix of potential indicators used, local informants also were challenged to describe what they felt was the relative composition of the low income universe in their respective communities. The following types of households represent potential low income households, and we summarize their relative presence across our case study communities.

- **Working poor families.** These households generally have lower levels of education and employable skills, and are found in most of the case study communities to be one of the largest components of the low income universe. In communities where the service sector, tourism, and primary industries are major employers, these households tend to be more prominent. They also are prominent in other communities like Kingston-Greenwood, Port Elgin and Mississippi Mills, where there is a large employer paying high wages to a large segment of the workforce, which in turn keeps housing prices relatively higher and thus more expensive for lower income workers. The “working poor” were less prevalent in Preeceville and Coral Harbour. In several of the case study communities it was noted that some “working poor” families choose to reside in a more rural area outside of a town or village, where land and housing costs are cheaper, or where they may have inherited a family property.
- **Single parent households.** These households were also found to be a large component of the low income universe in most of the case study communities. Many of these households are dependent on social assistance for income, and often occupy social housing units. These households were especially prevalent in Coral Harbour, Marystown, Kingston-Greenwood, Mississippi Mills, Port Elgin, St. Stephen, and Wawa.
- **Seniors.** Low income seniors are generally of two types. The first are those who may have been in a relatively low income situation for most of their life. They now find themselves on fixed incomes, living in rental or social housing. They may be single or two-person households. The second are single seniors, usually widowed females, living alone in an older home they own, with a low or modest income. Some of these seniors may have been in a low income situation for most of their lives, while others may have lower incomes now than in their past. These seniors often have challenges associated with the costs of maintaining their homes, and covering the costs of property

taxes, high utility bills, and maintenance and repair. Senior households of both types were prominent in Kingston-Greenwood, Preeceville, Russell, and Saint-Fabien-de-Panet.

- **Single persons.** These households vary significantly in their circumstances, but are generally young adults with limited education and employable skills. They are more prominent in absolute numbers in communities dependent on natural resources, and thus they tend to form a larger share of the low income group in those types of communities. This includes Coral Harbour, Maniwaki, Marystown, Saint-Fabien-de-Panet, and Wawa, and to a lesser extent, Mississippi Mills, Preeceville, and Russell.
- **Single youth.** Because there are few economic or housing options for youth when they leave their parental home in a rural area, they often leave the community immediately for larger urban centres. They tend not to be a visible or large part of the low income universe in rural communities. However, there was evidence in most of the case study communities of single youth accessing food banks, or receiving some form of social assistance.
- **Disabled persons.** This include both physically and mentally disabled persons. The general observation from the case study communities is that they are not a large component of the low income situation, primarily because of the family involvement in providing care, or because of the presence of a well-managed group home. Those without local families or with specific challenges not served by local agencies often move from the community to larger urban centres. Informants in some of the case study communities, such as Kingston-Greenwood, suggested that the number of disabled persons in rural communities is on the rise due to a number of factors, including de-institutionalization of mentally disabled persons, and an aging population with more physical limitations. In most of the case study communities there appeared to be limited knowledge about the number of low income disabled persons and their housing needs. One observation from the three Ontario case study communities (Mississippi Mills, Port Elgin, and Wawa) is that local non-profit housing corporations were generally having trouble keeping their disabled units full.
- **Aboriginal people.** Four of the case study communities had some element of an Aboriginal population. Maniwaki, Preeceville, and Russell are each located near a First Nation reserve. There is some indication that Aboriginal people from these nearby reserves move into these communities and some of them end up in low income situations. Coral Harbour has a large Inuit population. They tend to have lower levels of education and do not always qualify for the higher paying government and management jobs typically held by southerners.

## ***4.2 Housing Situations of Low Income Households***

Regardless of the type of household in a low income situation, the most common housing problem they face is one of affordability, especially in the private rental market. With limited incomes, a significant

proportion goes toward rent and utilities, with little left over for other necessities. Low income households tend to make up the largest proportion of renters in most small towns and rural communities, so there is little economic incentive for new rental housing to be built, or for there to be regular upgrading of the existing stock.

Across almost all of the case study communities was a lack of new rental housing construction. In communities where the population is stable or declining, there has been little or no new construction. The result is very little rental housing choice characterized by low vacancies, relatively poorer conditions, and higher operating costs. The exceptions are twofold. First, in communities where the economy is growing (Brooks, Mississippi Mills) there is new construction for the general marketplace. While this is out of the reach of low income households, there is some trickle-down effect of opening up of existing older rental units for lower income households. However, these may not be affordable, and the pace of new rental construction, especially in Brooks, is not keeping up with demand. Second, in some of the other case study communities (Kingston-Greenwood, St. Stephen, Russell, Port Elgin), the only new rental housing being constructed is a modest number of units aimed at higher income seniors, usually with extended services and amenities.

Rental housing problems for low income households are compounded by a number of factors, including:

- In many communities the rental housing stock is older and in poor condition, contributing to poor living conditions, high utility costs, and frequent movement in search of better arrangements.
- In provinces where there is a shelter component to social assistance, the shelter component amount poses some problems. In Nova Scotia for example, interviewees in Kingston-Greenwood noted landlords tend to peg the rents at the maximum allowable. While this is not necessarily a problem for households on social assistance, it does keep rents higher than the marketplace might actually dictate, and thereby posing greater affordability burdens on other low income households, namely the working poor. The reverse is true in many Ontario communities. Interviewees noted that the shelter component for social assistance recipients was much lower compared to the market rents being charged. This exacerbates the affordability problem for low income households on social assistance.
- In provinces without a shelter component to social assistance, the total amount of money available to social assistance households is often insufficient to pay for housing and other expenses.

There are also homeownership problems for low income households. Essentially, they fall into three categories:

- The first, and most obvious, is that many have problems saving for a downpayment to actually purchase a home. In communities like Brooks, Kingston-Greenwood, Mississippi Mills and Port Elgin, where average incomes are higher, average house prices tend to be higher and beyond the reach of low income households. In Coral Harbour, where the construction costs (and therefore

purchase prices) are exceptionally high, those with low incomes have almost no hope of owning a home.

- Second, as noted previously with respect to female seniors living alone in their own home, there can be problems for low income homeowners of all types associated with the costs of maintaining their homes, and covering the costs of property taxes, high utility bills, and maintenance and repair. This was evident in many of the case study communities.
- Finally, for those few low income households that might save for a downpayment, there are potential challenges securing a mortgage loan. If the lenders do not feel that the income is high enough or the employment secure enough, then the application could be denied. While there was very little evidence of this in most of the case study communities, it was mentioned as a problem for a few people in Kingston-Greenwood, Maniwaki, and Wawa.

There are a host of other housing problems faced by low income households, and their nature and extent vary according to household type and community. Crowding problems emerge as two or more households share one unit or a household must choose a smaller unit because of lower costs or lack of choice. This was in evidence in Brooks and in Coral Harbour in particular, and to a lesser extent in the other communities.

### ***4.3 Examples of Past and Present Housing Initiatives***

Most of the case study communities (with the exception of Coral Harbour, Kingston-Greenwood, and Maniwaki) have had some recent and current initiatives to address one or more housing issues in their communities. These are summarized in short fashion here; more details can be obtained from the individual case studies appended to this report. The common elements among many of the various initiatives include the active role of the municipal government in purchasing or securing land for private sector or partnership development, and strong local leadership.

#### **Brooks AB**

Town Council has become increasingly active in addressing housing issues. This has resulted in such initiatives as forming strategic partnerships, changing zoning to accommodate more multiple family construction, and increasing political will related to housing concerns. Because of the current lack of affordable housing options in Brooks, the processing plant has responded by supplying shuttle transportation between Medicine Hat (where the supply of affordable housing is greater) and Brooks in an effort to stabilize its workforce. The Town has offered a parcel of land to a newly formed housing agency called the Brooks Housing Society (BHS). The land is to be developed into a low income rental complex consisting of approximately 40 units. This development is expected to be a partnership between the Town, Provincial officials and CMHC. The intention is to provide affordable housing options for the working poor. The agency has held two forums (funded under the AREA Affordable Housing Project) to come up with local solutions for addressing the needs of low income families and individuals.

**Marystown NF**

Town Council, with the assistance of the Newfoundland and Labrador Housing Corporation, is involved in the development of a new subdivision. The provincial government is providing financial support for infrastructure development for this subdivision, therefore subsidizing the cost of new development. This initiative started in 1998 when the shipyards had a new owner and there was a certain hope for returning economic activity and an influx of new residents. Town Council also promoted construction of 'granny flats' in Marystown toward solving some of the existing housing problems, but the initiative was not successful because it wasn't popular among residents.

**Mississippi Mills ON**

The Mills Community Support Corporation is a local non-profit initiative to address local low income housing and social needs. "The Mills" was initially known as Almonte Community Builders, then Almonte Community Development Corporation, before assuming its current name. Its activities include a Home Support Program; three group homes for people with developmental disabilities; a 50 unit non-profit apartment building for seniors; family homes; a Housing Help worker who intervenes with people on the verge of, or already, homeless; and other charitable services.

**Port Elgin ON**

One private developer has been active in converting some local non-residential space (a local hotel) to a small number of affordable rental apartments. The Lutheran Church has sponsored a life lease development for area seniors, although this project serves senior households of middle and upper income and is beyond the financial reach of low income seniors. The Ministry of Health and Long Term Care recently made available funding under its Supportive Housing Program to enable the Bruce County Housing Corporation to provide accommodation for up to 8 individuals with mental health challenges. The Bruce County Social Services Department has established a Homeless Housing Registry. Some of the funding for this comes from the federal "SCPI" Program (Supporting Communities Partnership Initiatives). A local Habitat for Humanity Chapter has started up and built one home in Port Elgin. The "Y" in Owen Sound operates a housing support program that helps low income people find and keep affordable housing.

**Preeceville SK**

The construction of a ten-bed housing unit for Levels 1 and 2 personal care is in the planning process. The move to combine the hospital and the personal care home has also been discussed. Two life lease developments for seniors are in the discussion stages. There is also some interest in cooperative housing in the community but this interest has not translated into any concrete plans at this point.

**Russell MB**

A new housing complex (Eastview Estates) consisting of two fourplexes for seniors (55 plus), has been built on the east side of town. Designed especially for seniors, these units are affordable only for upper-income seniors. There are plans for new seniors accommodation on the hospital grounds,

although no definite commitments have been made at this time. Funding will have to come from the provincial government. If built, this would become the main personal care home. The existing personal care home would be converted into a second stage home for those seniors requiring a lower level of support services.

The municipal government, in an effort to encourage more rental housing, has bought land from private landowners. They have developed and serviced these residential lots, including lots for a multi-unit housing development. However, to this point no investors have purchased land to develop multiple unit housing.

### **Saint-Fabien-de-Panet QC**

In 1994, the mayor and town council developed a strategy to construct affordable housing as a means of stemming population out-migration. First, they embarked on an advertising campaign to attract more permanent residents. The mayor personally wrote to former residents encouraging them to return, with an information package that outlined the benefits (e.g. lower costs, peaceful setting, etc) of adopting Saint-Fabien-de-Panet as home.

At the same time, the town embarked on an ambitious and innovative housing program. The municipality worked together with the Société d'habitation du Québec and the Caisse Populaire Desjardins to launch a number of new initiatives aimed at making more affordable housing available to low income families and seniors and at renovating and reutilizing vacant and substandard housing stock.

Several projects were undertaken which have proven successful in not only providing much-needed assistance to those of low income; they have also succeeded in attracting persons from elsewhere across the region and beyond to move to Saint-Fabien-de-Panet, thereby filling the vacant units, providing customers for local businesses, helping stabilize enrolments in local schools and improving the overall appearance and image of the area. They also provided several short-term construction jobs and support long term jobs in management and maintenance.

The projects were developed and are currently owned and operated by local non-profit and coop housing providers. The projects included: a 15-unit addition to a convent (for seniors); the conversion of a presbytery into 10 units for seniors; the development of Coop Beauséjour, with 15 renovated houses (25 units) for families.

The town also owns several vacant lots which it is selling to individual home owners for \$1 to try and attract more permanent population. It is also offering a tax rebate of up to \$2,000 per lot to persons building on serviced land to attract new residential development. The local Caisse Populaire also offers financial assistance in the form of a mortgage interest rebate of \$500.

### **St. Stephen NB**

The most important new housing initiative in the community has been the introduction of a municipal grant incentive program to stimulate new residential construction, particularly rental and particularly for seniors. In 2000 the town recognized that there was a housing need and that there had been no new rental development in recent years. The town also recognized that much of the undeveloped land in the town was also very difficult to develop because of the geology of the area. Through a series of stakeholder meetings and the preparation of a discussion paper on the issue, town council eventually adopted a new municipal housing policy on January 15, 2001. The hope is that through new construction the overall quality of the housing supply will increase, and that there will be a trickle down effect to lower income households as those with higher incomes move into new developments, freeing up their better quality units.

The new municipal housing policy governs this initiative. The four-year program targets houses, townhouse, and apartment construction. The first part involves financial incentives to offset the costs of unusual infrastructure development problems (for water, sewer, storm sewer, gutter, road work, etc). Developers are eligible if they show proof of extra costs for unusual development problems, and the amount of the grant is capped at the cost of resolving the problems but not exceeding \$2750 per unit. The second part is a grant of \$1000 for each new housing unit built. Developers of seniors rental apartments can apply for \$3750 per unit prior to the start of the development, with the submission of a business plan. The new policy is having a positive impact. For example, the newest rental development project was facilitated in part by the grant and incentive programs. A private sector partnership is building a 20-unit seniors apartment complex, to which they may add on the assisted living component later.

Beyond this, there is a small group of people looking at the feasibility of starting up a Habitat for Humanity chapter affiliate. Home Support Services, a private non-profit social agency, is developing a plan to construct an assisted living housing complex, on a small piece of waterfront property it owns.

### **Wawa ON**

There have been a few new housing initiatives in Wawa over the past decade. In the early 1990's, the municipality formed the Michipicoten Non-Profit Housing Corporation due to the lack of affordable rental housing and was successful in obtaining provincial funding to construct a 40-unit non-profit townhouse project for families, singles, seniors and persons with disabilities. This project contains a mix of rent-geared-to-income and market rental units, and currently has a lengthy waiting list. There are also units built under the federal Rural and Native housing program within Wawa, and two public housing projects built many years ago by the Ontario Housing Corporation and recently transferred to the Algoma District Social Services Administration Board as part of the transfer of social housing from the provincial level to the municipal level.



Chadwic House, an emergency shelter for women, has been established and serves a wide catchment area across the region. In addition, Iris Place was recently opened. It is a drop-in centre for persons with mental health challenges and has been extremely well supported by funding and donations from throughout the community. The Health Unit also has received an allocation of units under the Provincial Homeless Rent Supplement Program, under which it can place persons with mental health challenges within existing rental housing units on a rent-geared-to-income basis. Because of the shortage of rental housing in Wawa, it has experienced difficulty finding private sector landlords to take these units.

#### ***4.4 Opportunities to Address Housing Needs***

In large part, most of the communities included in this case study report have some tools at their disposal that could form part of a solution to addressing the housing needs of low income households. These are summarized under several headings:

- **Serviced land.** Most communities have a supply of affordable and serviced land, ready and available for development. The exceptions in this case would be Mississippi Mills (high development cost charges), St. Stephen (limited developable land remaining), and Maniwaki.
- **Local leadership.** In some of the case study communities, local government has attempted to provide a leadership role, introducing new measures to stimulate housing development. This is the case in Saint-Fabien-de-Panet, St. Stephen, Marystown, and Russell. The initiatives range from taking an active role in land assembly and development to providing a variety of financial incentives for new housing starts. At the same time, some communities have effective local non-profit groups which are well-established and anxious to do more, including those in Mississippi Mills, Port Elgin, and Brooks.
- **Market demand for new units.** In some of the case study communities where seniors with sufficient incomes are growing in number, there are developments underway to meet their needs (including assisted living or other care related facilities). This will attract new seniors to the community, and/or free up existing units occupied by seniors. Preeceville, Russell, St. Stephen, Kingston-Greenwood, and Saint-Fabien-de-Panet all have varying degrees of activity on this front.
- **Conversion of existing properties.** Some of the communities have had conversion of existing properties into residential units, or they have such assets at their disposal. For example, vacant church properties have been converted to seniors housing in Saint-Fabien-de-Panet.
- **Manufactured housing.** Several of the case study communities are located in provinces or regions where the manufactured housing sector is reasonably healthy and progressive, and offers a broad range of housing production options. In St. Stephen, Preeceville, and Russell the manufactured housing sector is an important supplier of most new housing. These are pre-packaged, modular

houses, either bungalows or two-storeys. It also includes a supply of mini-homes (traditionally called “trailers” which are mounted on permanent or temporary foundations. These latter forms are especially important as potential affordable ownership or rental supply for lower income households. Unfortunately, older models are in much poorer condition, and carry a stigma with them which makes the purchase and placement of new units somewhat more difficult because of negative local attitudes and perceptions toward these types of units.

## ***4.5 Barriers to Address Housing Needs***

At the same time, there are many barriers across the case study communities to addressing the needs of low income households. On the surface, it is easy to pinpoint low incomes as the major barrier, resulting in an inability to pay market rents, or requiring deep subsidies from government. However, the problems entail much more, which make it extremely difficult for the private sector and others to meet these housing needs.

- **High building costs.** In several of the communities, the cost of building is high because of the long distances to larger centres where the materials or the labour would be supplied from. This is especially the case in Coral Harbour, where a short shipping season by barge to the community is a reality. For some other centres where there is a non-viable or non-existing construction sector, such as in Maniwaki, Wawa, or Preeceville, the high cost of bringing in labour to complete the work is a reality.
- **NIMBY.** Informants in most communities noted that NIMBY (not in my backyard) issues are not nearly as problematic as they were several years ago. At the same time, however, there has been little new social or market housing built for lower income households to really test this issue. Explicit NIMBY challenges to new developments were found in Brooks, where a large employer in the meat processing sector attempted to build modest, affordable modular housing (barracks-style) for its new employees as a means to house them until they can find permanent accommodation. In St. Stephen there appears to be a long standing bias against low income households. In Mississippi Mills there is concern that with many more affluent households arriving in the community there may be NIMBY pressure applied towards any new developments for lower income households.
- **Limited economic options.** For several of the case study communities, the challenges associated with sustaining some long term, viable, economic activity have made it difficult for people with an interest in addressing housing problems. In places where major employers have shut down or where unemployment has been high or rising (Marystown, Wawa, Maniwaki, Coral Harbour), there is little economic incentive for investors to build new rental housing, for residents to build new ownership housing, or for people to move to the community to buy existing resale property. In this context, incomes are flat and depressed, with little hope of rising to a level where housing demand can generate new supply.

- Social conditions. In a few of the case study communities, it was noted that the social conditions of low income households posed problems for them to help themselves. With low levels of educational attainment, limited self-esteem, few family role models to serve as guides for improving one's life circumstances, and few "life survival skills" some of these households find themselves trapped in poverty situations from which they have limited ability to escape. These circumstances were described in St. Stephen in particular, and to a lesser extent for some households in Coral Harbour, Maniwaki, and Saint-Fabien-de-Panet. A movement to improve education levels and social skills was seen as an important strategy within any long term housing plan.

## 5.0 Summary

The housing needs of low income persons in rural Canada are quite diverse and vary from place to place across the country. One would find seniors, working poor families, single parent households, some single youth and young adults, some disabled persons, and some Aboriginal persons represented in the “universe” of low income persons in rural Canada. The relative presence of one or more of these groups among local low income populations varies from place to place dependent upon the local circumstances. These local circumstances, summarized below, can be categorized somewhat based on the local economy, distance to urban centres, and population size.

- The economic context of the community seems to be the most important element in shaping the nature of the low income households, and the housing situations they face. In communities where the economy is dependent on one major employer or sector, there tends to be a significant division between those with good incomes, and those on the margins. This was in evidence in Kingston-Greenwood (military base), Port Elgin (nuclear generating plant). In other communities where the major employer is relatively unstable, there are dramatic problems associated with supply and demand for housing. In Maniwaki (forestry), Wawa (mining), Marystown (fishing and shipbuilding), and Brooks (meat processing) there are striking examples of new housing developments associated with peaks in economic activity, but also significant stoppages and vacancies associated with economic downturns and population out-migration.
- Distance from a large urban centre, and the relative role that the community plays in a regional economic context, also shape the dynamic of the local housing market. For example, Coral Harbour is an isolated northern community with no market to serve, limited economic opportunities, and high costs for housing. At the other extreme, Mississippi Mills is a near-suburban community to Ottawa, and is feeling the pressure of rising market prices associated with population and income growth. Marystown serves as a regional service centre for an isolated region of Newfoundland and Labrador, and relatively poor economic fortunes create affordability problems. Brooks is in the middle of a growing economic region, and its relatively smaller population size poses problems for the supply of more affordable housing options for lower income households.
- Population size is important, especially as it relates to market functioning, and to construction sector development and capacity. The smallest communities in the study, Saint-Fabien-de-Panet, Preeceville and Russell, have relatively few new housing starts. There is limited or no presence of a construction sector except for small trades. When construction opportunities emerge, they often require outside firms to manage them, while making use of local labour. In other cases the manufactured housing sector (as in Preeceville and Russell) has stepped in to fill the void created by a lack of construction capacity, supplying most or all of any new housing.

- Proportion of the population who are seniors has an impact on the local housing market. Seniors are attracted to small rural communities if there is access to a range of housing options (from homeownership to appropriate apartments to assisted living to full care nursing homes) and health care facilities. The existing population moving into a retirement age will be more likely to remain in the community if some or all of these options and services are available to them. From a community development perspective, then, the ability to retain and provide health care services, and the ability to construct a range of housing options is important. Furthermore, the presence of a large proportion of seniors in the community can be a good thing for rural communities and small towns because the range of services (health care and related) that they require and purchase can in part sustain a local economy, and their changing housing needs can stimulate new housing construction and make available houses on the resale market. The communities of Preeceville, Russell, Maniwaki, St. Stephen, and Kingston-Greenwood all provided evidence of the importance of the seniors population. Many of the other case study communities have a rapidly aging population who will soon retire and begin to influence the local housing market in similar ways.

As a result of these four predominant factors, rental markets tend to be problematic in most rural communities and small towns. From a demand perspective, those with relatively modest or higher incomes can afford homeownership. Thus renters are often characterized as being low income, on social assistance, or transient. There are several instances, however, where there are high income earners (teachers, health care professionals, others) who desire short to medium term rental accommodation, but there is limited choice, and little of high quality. This was in evidence in St. Stephen and Russell. From a supply side, then, it is difficult for rental owners and investors to earn sufficient income for reinvestment purposes, and this leads in part to a decline in the quality of the stock.

# Appendix A: Interview Guide

## Housing Needs of Low Income People Living in Rural Canada

Interview Guide

Winter 2002

Interviewee Name:

Interviewer:

Full contact information:

Community:

Interview Date:

Thank you for agreeing to participate in this interview. Strict confidentiality will be maintained in this interview. Your responses will not be seen by anyone other than our research team. No names will be used in the report and the information collected will be presented only in the form of summaries.

You may freely choose to not answer any or all of the questions, or to stop the interview at any time for any reason.

The purpose of the interview is to obtain information about low income individuals and households in this community, to find out about their housing situation, and to find out about what, if anything, individuals and the community as a whole are doing to address any housing problems for low income households.

We are interviewing approximately 12 people from this community who have knowledge about various aspects of these issues. In total we conducting interviews in 12 different rural communities and small towns in Canada. Canada Mortgage and Housing Corporation has commissioned this study of the housing needs of low income individuals and households in rural communities. Our findings will be presented to CMHC in May of this year.

For the purpose of this interview, we are interested in the specific housing issues in this community, defined as \_\_\_\_\_. However, if you feel it is relevant to provide information or comments about surrounding communities, please do so.

Before we begin the interview, do you have a copy of any reports, plans, articles, etc. about housing or low income persons in this community or region?

The interview is divided into the following sections:

- General Information About the Community
- Information About those with Low Incomes
- Information about Housing Supply
- Strategies for Addressing Housing Problems

## **PART A: General Information About the Community**

A1. Please summarize the local social and economic conditions of this area. Who are the major employers? How have things changed over the past 10 years? How have these changes affected low income people in particular?

A2. Have there been particular events, closure or restructuring of services, or other catalytic events which have contributed to the problems facing low income people? Verbal Prompt: (loss of major employer, closure of a mine, change in gov't services)

A3. What are the population trends for this area? Is it aging, is there in-migration or out-migration, youth out-migration, is there movement to other centres? Describe the types of people who are moving in or moving out, and why they are doing so.

## **PART B: Information about Housing Supply**

B1. What are the housing trends in this area? Are housing problems becoming more common or more severe? Explain.

B2. How available is rental housing in the community? Is it affordable? Good quality? Verbal prompt: aging, in need of major repair, etc. Describe the rental housing stock. Verbal prompt: mostly apartments, secondary suites, single houses, etc. Describe the range of rents charged. Are there any important differences in the rent charged based on the type of rental unit offered?

B3. Are there any rooming houses in this community? If yes, who are the types of people living in these units, and what are the typical housing charges?

B4. How available is ownership housing in the community? Is it affordable? Good quality? Describe the ownership stock. Verbal prompt: mostly older houses, too expensive, mobile homes, etc. Have prices escalated or dropped recently and, if so, can you suggest any major factors causing these changes?

B5. Do individuals or households have any problems obtaining mortgage financing?

B6. Is there any non-traditional or non-market housing supply (motels, campgrounds, etc)? How many units? Are these types of units used by people for permanent or temporary housing? If so, who are these people, and how frequently does this happen? What do these people do for housing when these are occupied by tourists?

B7. Is there any social/public/government sponsored housing in the community? How many units? Who

is it targeted to? Verbal prompt: seniors, families, individuals, disabled, those seeking shelter from abuse, etc.

B8. Have there been any recent initiatives to address housing needs, or anything planned in the near future? If yes, please describe. How have they been//will these be funded? Has there been any involvement from the local municipality and/or other government agencies? Note: make sure to explore if there have been any non-government program initiatives.

B9. What are the constraints or limitations, if any, of addressing the need? Verbal prompt: capital, capacity, expertise, political commitment, community resistance (NIMBY).

B10. What is the capacity of local construction industry to build new housing in the community when it is needed?

### **PART C: Information About those with Low Incomes**

C1. What is considered to be a low income in this area for individual persons living alone? For families?

C2. What are some of the typical housing problems faced by low income households in this area? Verbal prompt: for example: high rental or ownership costs; high maintenance costs; high heating costs; crowding or living with family members; living in older and poor quality buildings; no housing at all.

C3. Describe the groups of low income persons or households who are in particular need of housing. Are these people from the local community, or are they coming into the community from elsewhere (and if so, where)? Verbal prompt: working poor, unemployed, underemployed, singles, seniors, disabled people, youth, lone parents, Aboriginal people, women and families fleeing violent situations.

C4. For seniors, are there sufficient community supports to provide them with the means to “age in place” or remain in the community? Are there any agencies particularly active in providing support services to help seniors live independently and, if so, what types of services do they provide?

C5. Are you aware of any low income persons who might be commuting into this community from elsewhere to work here? If yes, are there any limitations in the housing stock in this community which prevents them from living here instead?

### **PART D: Strategies for Addressing Housing Problems**

D1. What strategies do individuals and families with low incomes use to obtain and retain housing in this community? Are you aware of low income households doing things such as: (if yes, describe)  
- sharing with friends and relatives



- staying in shelters for those escaping family violence
- camping
- living in vehicles
- living seasonally in cottages
- renting motel rooms
- frequently moving from place to place
- living on the street or in parks
- other

D2. Housing mobility refers to the movement of people from house to house or from community to community. What do you know about housing mobility within the community? Do you see evidence of people moving to other communities when they are experiencing difficulty obtaining housing? Where to? Which types of households?

D3. Are there people in this community who do not have any permanent place to call home? How do they manage? Who are they? If yes, are the numbers of such people growing? Verbal prompt: if they say “no”, ask if it is because people move to another community to “solve the problem”.

D4. What services and supports are available locally to low-income and vulnerable people experiencing difficulty obtaining or retaining affordable, adequate housing? Do they need to go outside the community to obtain services? Why? Where? Verbal prompt: shelters for homeless, emergency housing, victims of family violence, food banks, advocacy/counseling services to resolve disputes with landlords, etc.

D5. What resources might be available locally that could be organized or used to help address housing problems? Verbal prompt: construction capacity, serviced land, vacant houses, other vacant buildings, etc. What barriers exist? Verbal prompt: construction capacity, serviced land, community infrastructure, cost of building materials, programs to bridge the gap between what households can afford and the cost of supplying new or rehabilitated unit.

D6. What have community organizations and others attempted to do in this community to address the housing needs of low income households? Are there any community-based non-governmental groups active in providing new housing? Verbal prompt: Salvation Army, Habitat for Humanities, Civic Clubs, etc. What challenges or barriers have they faced in doing so?

D7. What specific suggestions do you have to address the housing problems faced by low income households in this community?

## **Appendix B: Federal, Provincial and Territorial Housing Programs**

In this section we provide a brief listing of the common federal programs (some of which are cost-shared with provinces and territories) that are available across the country to assist low or moderate income persons. We also provide a brief listing of programs funded and delivered by individual provinces and territories. We only include those provinces and territories where we conducted case studies.

### ***Federal Housing Programs***

#### **Renovation Programs**

##### **Home Repair**

- Residential Rehabilitation Assistance Program (RRAP)
- Disabled RRAP
- Emergency Repair Program (ERP)
- Home Adaptation for Seniors Independence (HASI)

##### **Rental Repair**

- Rental RRAP
- Rooming House RRAP
- Disabled RRAP
- Conversion RRAP

##### **Special Needs Housing**

- Shelter Enhancement Program (SEP)

In many jurisdictions these renovation programs or their provincial equivalents are being cost-shared and delivered by provincial and territorial housing corporations. The federal government, through CMHC, delivers directly or through agents in the remaining jurisdictions. Funding for the various Residential Rehabilitation Assistance Programs, ERP and HASI expire March 31, 2003. Funding for SEP is scheduled to return to its pre-1999 budget levels at that time.

#### **Ongoing Social Housing Assistance**

The following programs relate to existing commitments for which subsidies are provided through ongoing social housing agreements. No new commitments have been made under these programs since 1993.

**Social Housing**

- Rural and Native Housing
- Rent Supplement Program
- Non-Profit Housing
- Co-op Housing

***Provincial and Territorial Housing Programs***

The programs listed in this section are funded by the individual provinces or territories, and are aimed at providing direct assistance to low income households.

**Alberta**

- No programs

**Manitoba**

- No programs

**New Brunswick**

- Homeownership Assistance Program (to provide access to home purchase financing)
- Home Completion Loan (to provide funds to households who need assistance finishing their home construction)

**Newfoundland and Labrador**

- No programs

**Nova Scotia**

- Senior Citizens Assistance Program (to provide for emergency health and safety-related repairs)
- Access-A-Home Program (to renovate homes to make them more wheelchair accessible)
- Family Modest Housing Program (to provide access to home purchase financing)
- Parent Apartment Program (to provide loans to create a secondary suite for an aging parent)
- Small Loans Assistance Program (to provide loans for home renovations, additions, or repairs)

**Nunavut**

- The Access Program (funded by the Territorial and Federal governments, to assist low income households become homeowners through subsidizing their mortgage payments)

**Ontario**

- No programs

#### Québec

- Rénovation Québec Program (to provide funds for residential, co-op, and non-profit renovations)
- Réno-Village (to provide funds for households to be equipped with water and sewer systems)
- Programme d'adaptation de domicile (to renovate homes to make them more wheelchair accessible)

Note: CMHC provides some funding through cost-sharing agreements for the programs Réno-Village and Programme d'adaptation de domicile

#### Saskatchewan

- No programs