CANADIAN HOUSING OBSERVER 2013

With a feature on Condominiums

Canada

CMHC SCHL
HOME TO CANADIANS

CMHC — HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for more than 65 years.

Together with other housing stakeholders, we help ensure that the Canadian housing system remains one of the best in the world. We are committed to helping Canadians access a wide choice of quality, environmentally sustainable and affordable housing solutions that will continue to create vibrant and healthy communities and cities across the country.

For more information, visit our website at **www.cmhc.ca** or follow us on **Twitter, YouTube** and **Flickr**.

You can also reach us by phone at 1-800-668-2642 or by fax at 1-800-245-9274.

Outside Canada call 613-748-2003 or fax to 613-748-2016.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wish to obtain this publication in alternative formats, call 1-800-668-2642.

CMHC would like to express its appreciation to the National Gallery of Canada for its assistance in regard to the reproductions of housing-themed Canadian paintings from its collection which appear in this publication.

Cover Photo: Lawren S. Harris, *Toronto Houses,* c. 1919, Oil on beaverboard, 27 x 32.5 cm, National Gallery of Canada, Ottawa, Gift of Mrs. S.J. Williams, Mrs. Harvey Sims, Mrs. T.M. Cram, and Miss Geneva Jackson, Kitchener, Ontario, 1943, Photo © NGC

CANADIAN HOUSING OBSERVER 2013

ELEVENTH IN A YEARLY SERIES

Library and Archives Canada Cataloguing in Publication

Canadian housing observer.

Annual
2003-

Other editions available: Observateur du logement au Canada.
Issued also online.
ISSN: 1717-4600
ISBN 978-1-100-16888-3
Cat. no.: NH2-1/2013E

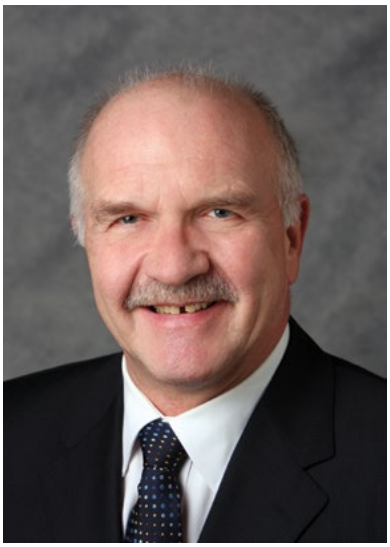
1. Housing--Canada--Periodicals. 2. Housing--Canada—Statistics --Periodicals. 3. Housing--Economic aspects--Canada--Periodicals. I. Canada Mortgage and Housing Corporation.

HD7305.C36 .5’097105 C2005-980291-X

Printed in Canada
Produced by CMHC

A Message from Douglas A. Stewart,

INTERIM PRESIDENT AND CEO OF CANADA MORTGAGE AND HOUSING CORPORATION (CMHC)



It is my pleasure to present the *Canadian Housing Observer 2013*, CMHC's flagship publication. As Canada's national housing agency, CMHC provides reliable, impartial research, and up-to-date housing market reports, analysis and knowledge. The *Observer* provides an in-depth review of housing conditions and trends in Canada and describes the key factors that influence these developments. For 11 years, the *Observer* has provided useful, relevant and reliable information and analysis for those in the private, non-profit and government sectors.

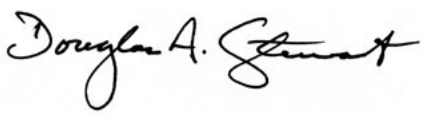
This year's *Observer* includes a feature article on condominiums. Condos (called strata in BC) include a variety of housing types and are an increasingly popular form of homeownership. Condos which are rented out supplement the supply of traditional purpose-built rental units. The article, which includes discussion of the condominium apartment markets in Toronto and Vancouver, is a must read for anyone interested in residential condominiums.

There is a chapter on industrialized housing which includes factory-built housing and components such as roof trusses or wall assemblies used as part of traditional stick-built housing. Factory-built housing production accounts for about one in eight single-family housing starts in Canada. The chapter examines both the advantages and challenges of industrialized housing, as well as recent trends.

The *Observer* report is accompanied by a broad range of on-line statistical information on housing conditions from national, regional and local perspectives, including interactive local data tables for over 160 municipalities across Canada. CMHC's *Housing in Canada Online* (HiCO), provides ready access to housing conditions data for specific geographic areas (Regional Municipalities, Census Metropolitan Areas and Census Agglomerations) and permits the user to create and save data profiles.

As with previous *Observer* reports, other chapters review Canada's evolving housing finance system, housing markets, demographic and socio-economic influences on housing demand, and recent trends in housing affordability and core housing need; and key housing and housing finance statistics are provided in Appendix Tables.

We welcome your comments and suggestions on how we can improve future editions: please send them to *Canadian Housing Observer*, Housing Policy and Research Division, CMHC, 700 Montreal Road, Ottawa ON K1A 0P7 or to observer@cmhc.ca.



Douglas A. Stewart
Interim President and CEO, CMHC

Table of Contents

Chapter 1

Chapter 2

Chapter 3

Chapter 4

Chapter 5

Demographic and Socio-economic Influences on Housing Demand. . . . 5-1

Chapter 6

Recent Trends in Housing Affordability and Core Housing Need 6-1

Chapter 7

Sustainable Housing and Communities - Industrialized Housing 7-1

Appendix

List of Figures

Chapter 1

Chapter 2

Chapter 3

Chapter 4

Chapter 5

Chapter 6

Chapter 7

Executive Summary

L.L. FitzGerald, *Houses*, c. 1929, Oil on canvas, 20.9 x 28.6 cm, National Gallery of Canada, Ottawa, Gift from the Douglas M. Duncan Collection, 1970, Photo © NGC

11th Edition

Considered CMHC's flagship publication, the *Canadian Housing Observer* presents an annual, detailed review of housing conditions and trends in Canada and of the key factors behind them. From its first issue in 2003, the *Observer* has included annual chapters on demographic and socioeconomic influences on housing demand, housing market developments, housing finance, and housing affordability and need. Beginning in 2005, a chapter on sustainable, healthy housing and communities was added. Some years included an additional chapter(s): Aboriginal housing (2005); 60 years of housing progress in Canada (2006); New housing for a changing world (2007); Northern housing (2008); Affordable housing, and Housing research in Canada (2009); Housing and the economy, and An exploration of alternative measures of core housing need (2010); Household indebtedness, Seniors' housing, and The evolution of social housing in Canada (2011). All continue to be available under "Past Articles" on the CMHC website at www.cmhc.ca/observer.

This year's *Observer* includes a feature article on condominiums; the Sustainable Housing and Communities chapter discusses industrialized housing.

The *Observer* is comprised of both an analytical report and extensive additional online information which includes:

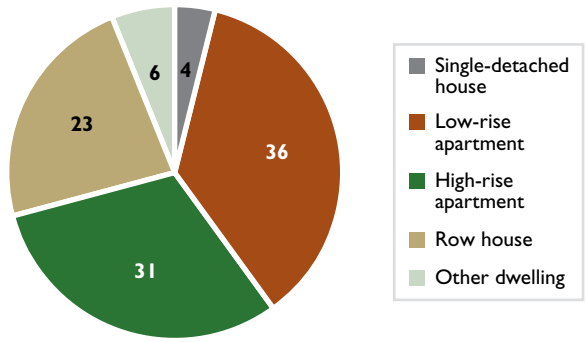
- Data on mortgage markets and all major housing markets;
- CMHC's own housing survey data;
- Housing in Canada Online, an interactive tool which provides CMHC custom, Census-based, national, regional and local housing conditions data, including Core Housing Need;
- Interactive charts of e.g. housing prices and rents; and
- Interactive profiles of local market data and housing conditions data for over 160 municipalities.

Condominiums

FIGURE 1-1

Condominiums can be any structure type

Distribution of condominiums by structure type (%), Canada, 2011



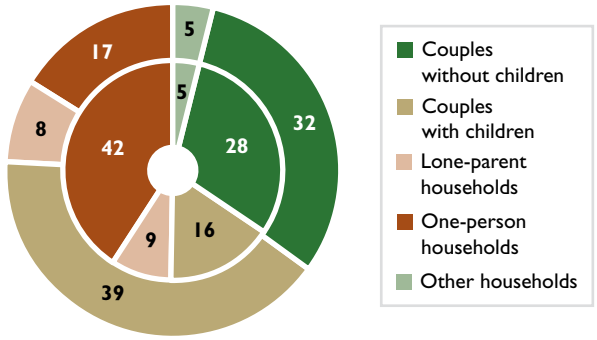
Includes both owner-occupied and rented condominiums.
Low-rise apartments are in buildings with fewer than five storeys.
High-rise apartments are in buildings with five or more storeys.
Other dwellings comprise duplexes, single-attached houses (a single dwelling attached to another building), semi-detached houses, and movable dwellings.

Source: CMHC, adapted from Statistics Canada (*National Household Survey*)

FIGURE 1-2

Couples without children and one-person households account for the bulk of condo ownership

Distributions by household type (%), Canada, 2011



Inner ring: Condominium owners Outer ring: Other homeowners

Other households comprise multi-family households and non-family households of two or more persons. Family households include at least one census family (a couple with or without children or a lone parent) and may include additional members who are not part of the census family.

Source: CMHC, adapted from Statistics Canada (*National Household Survey*)

- The term "condominium" or "condo" ("strata" in British Columbia) describes a type of tenure that combines elements of both private and shared ownership. Condominium purchasers own a private dwelling (a "unit") registered in their names and share ownership of common property elements, such as recreational facilities.
- Condos are not limited to any single type of structure, with high-rise condos predominating in Toronto, low-rise condos in Quebec Census Metropolitan Areas (CMA), and row house condos in many Ontario CMAs. Single-detached condos are found in every CMA.
- From 1981 to 2011, the number of owner-occupied condos in Canada increased from about 171,000 to 1,154,000, more than nine times faster than other owner-occupied homes. The 461,000 rented condos brought the total number of occupied condo units to 1,615,000.
- Condos nearly quadrupled their share of the homeownership market to 12.6% of owner-occupied dwellings in 2011 from 3.3% in 1981.
- In 2012, units intended for the condo market accounted for 40% of housing starts in urban areas of Canada.
- Condo ownership rates rose in every age group in every 5-year period between 1996 and 2011, but condos are particularly popular with seniors and young adults. In 2011, 19% of condo owners in Canada were under the age of 35, and 29% were 65 or older.
- Condos tend to have fewer rooms than other owner-occupied dwellings, with 5.0 rooms versus 7.5, on average, respectively in 2011, and typically appeal to smaller households.
- In 2011, median estimated selling prices of condos were lower than those of other owner-occupied dwellings in every CMA, and condo buyers generally paid lower monthly shelter costs than other home buyers.

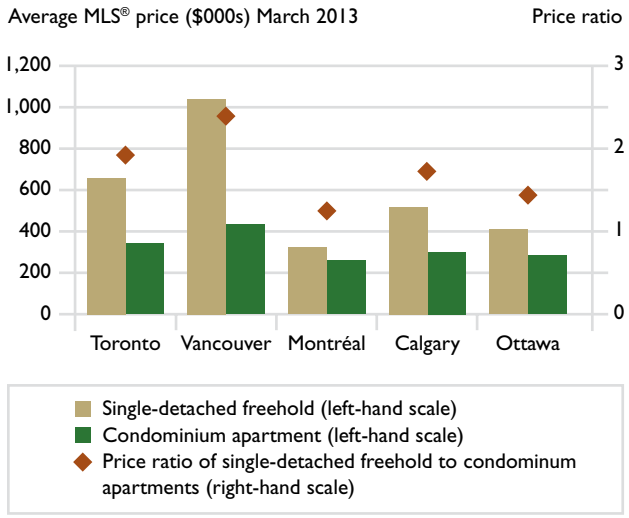
- In 2011, women made up 65% of condo owner-occupants who lived alone, including 76% of those aged 55 or older.
- Condos are found principally in large urban areas, where land costs tend to be high and multiple-unit buildings relatively common. Condos made up 35% of the owner-occupied housing stock in Vancouver in 2011, the highest market share by far in any CMA.

Condo apartments

- Condo apartment markets are significantly different from freehold single-detached markets, e.g., in regard to the average time between purchase and occupation.
- The Toronto and Vancouver CMAs accounted for about half (51%) of all condo apartment housing starts in Canada in 2012. Condo apartments represented almost one-quarter of all local resales in Toronto and over two-thirds in Vancouver.
- Condominium apartments provide a comparatively accessible entry point into homeownership. In March 2013, the average MLS® resale price of a single-detached freehold house was 1.9 and 2.4 times that of a condominium apartment in Toronto and Vancouver, respectively.
- Investors are a strong presence in the Toronto and Vancouver condo apartment markets, where, in 2012, about 23% and 26%, respectively, of all condo apartments were used as rental units, shares that have increased since 2007. Condo apartment rentals in Toronto and Vancouver feature lower average vacancy rates and higher average rents than purpose-built rental apartments.

FIGURE 1-3

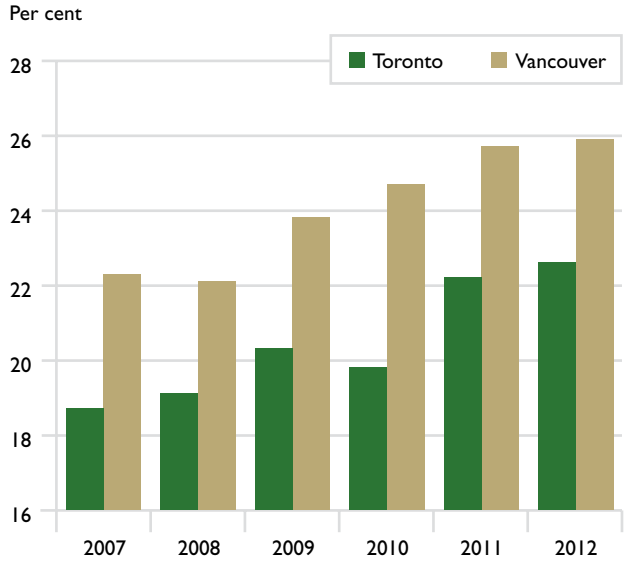
Condominium apartments are less expensive than single-detached homes



Source: CMHC; adapted from Real Estate Board of Greater Vancouver, Fraser Valley Real Estate Board, Toronto Real Estate Board, Greater Montréal Real Estate Board, Calgary Real Estate Board, Ottawa Real Estate Board

FIGURE 1-4

About 1 in 4 condominium apartments are used as rentals in Toronto and Vancouver

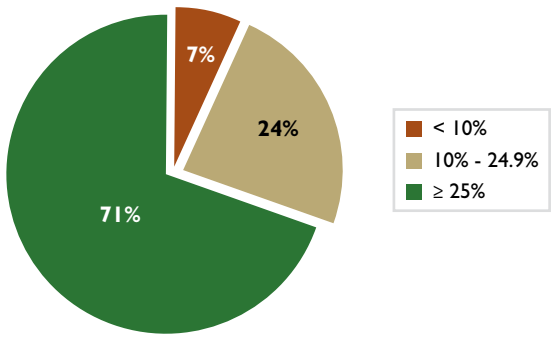


Source: CMHC (*Rental Market Survey*)

Housing Finance

FIGURE 1-5

Home equity levels of mortgage holders[1] are strong



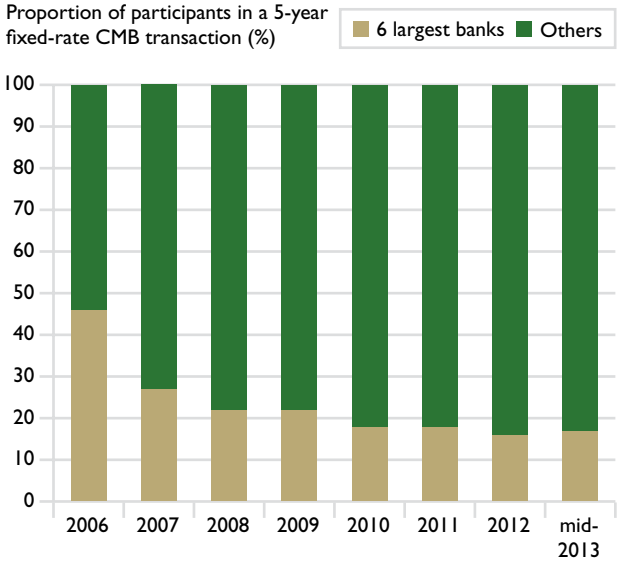
[1] The home equity is calculated by deducting from the value of the home the outstanding balances of the mortgage on the property and the Home Equity Lines of Credit (HELOCs).

May not add to 100% due to rounding.

Source: Canadian Association of Accredited Mortgage Professionals (CAAMP). Change in the Canadian Mortgage Market – May 2013.

FIGURE 1-6

Participation in the Canada Mortgage Bonds program by smaller lenders has increased significantly since 2006



Source: CMHC

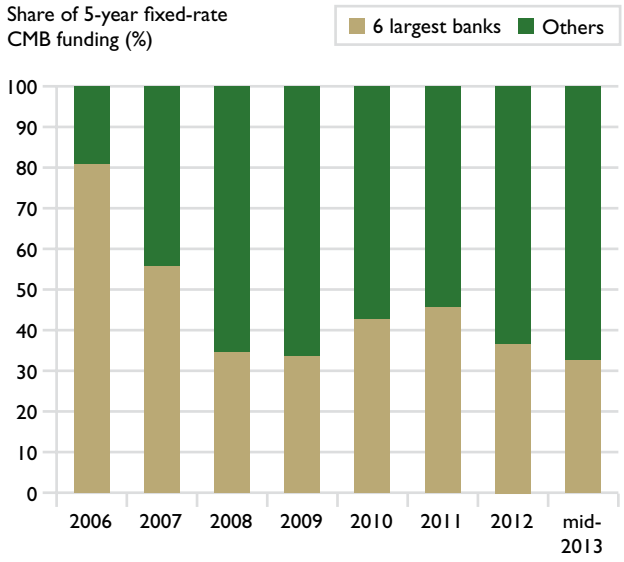
Chapter 3 highlights key features of, and updates on, Canada's residential mortgage lending and mortgage funding markets, and major policy and regulatory developments related to these areas.

- Total residential mortgage credit outstanding stood at $1.172 trillion in April 2013, up 5.2% compared to a year earlier; this was below the average annual growth rate of 9.3% from 2001-2010, reflecting a moderation in housing market activity levels.
- The average posted 5-year fixed mortgage rate was 5.19% in the first quarter of 2013, down from an average of 5.27% in 2012. Variable mortgage rates continued to hold steady at 3%.
- Based on data from the 2013 survey by the Canadian Association of Accredited Mortgage Professionals, estimated negotiated discounts on 5-year fixed-rate mortgages averaged 2.2 percentage points, compared to 1.85 percentage points in 2012.
- The ratio of annual mortgage debt-service costs to annual personal disposable income moderated in 2012 and fell further to 3.6% in the first quarter of 2013, considerably below the average of 4.8% since 1990.
- As of June 2013, 0.31% of residential mortgages were three or more months in arrears, compared to 0.33% twelve months earlier. Canada's internationally recognized conservative mortgage lending practices are among the key factors contributing to this outcome.
- Effective July 9, 2012, the maximum amortization period for insured mortgages with loan-to-value (LTV) ratios above 80% was set at 25 years under the government-backed mortgage insurance framework. Some lenders continue to offer mortgages with longer amortization periods for uninsured mortgages with lower LTV ratios.
- The 5-year fixed-rate mortgage (amortized over 25 years) remains the most common mortgage product.

- About 31% of recent buyers reported making a lump-sum payment and/or increasing their regular mortgage payment in 2012 in order to pay off their mortgage sooner, and 44% had their payment set above the minimum.
- In 2012, the Office of the Superintendent of Financial Institutions (OSFI) reduced the maximum loan-to-value ratio on Home Equity Lines of Credit to 65% from 80% for federally-regulated financial institutions. OSFI also issued a guideline which sets out OSFI's expectations for prudent residential mortgage underwriting.
- Implementation of the Basel III rules will impact Canadian mortgage lenders, and in turn may have implications for the residential mortgage market.
- On January 1, 2013, a new legislative framework came into force formalizing the existing government guarantee rules and other arrangements that the Government of Canada has with CMHC and private mortgage insurers.
- Budget 2013 announced new measures related to mortgage insurance, including gradually limiting the insurance of low-ratio mortgages to only those mortgages that will be used in CMHC securitization programs, and prohibiting the use of any government-backed insured mortgage as collateral in securitization vehicles not sponsored by CMHC.
- There was $79.6 billion of market NHA MBS issued in 2012; total outstanding was $387.4 billion at year end.
- In December 2012, CMHC established detailed requirements to implement the legal framework for Canadian covered bonds, i.e., the Canadian Registered Covered Bonds Program Guide. By July 2013, the Canadian Imperial Bank of Commerce and the Royal Bank of Canada became the first issuers with programs registered under the new framework.

FIGURE 1-7

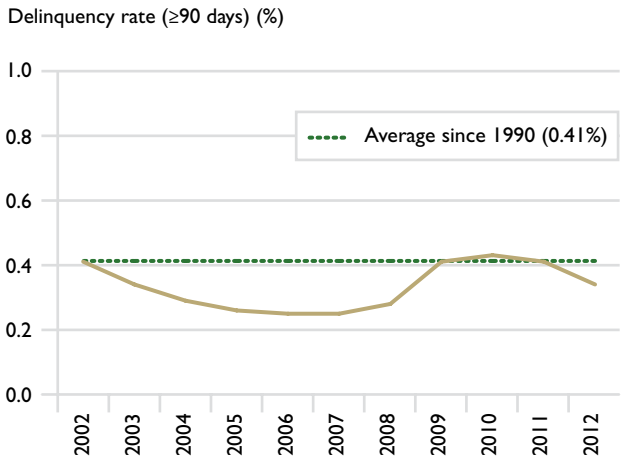
Smaller lenders enjoy access to a large share of mortgage funding through the Canada Mortgage Bonds program



Source: CMHC

FIGURE 1-8

Mortgage arrears rate remains low and stable[1,2]



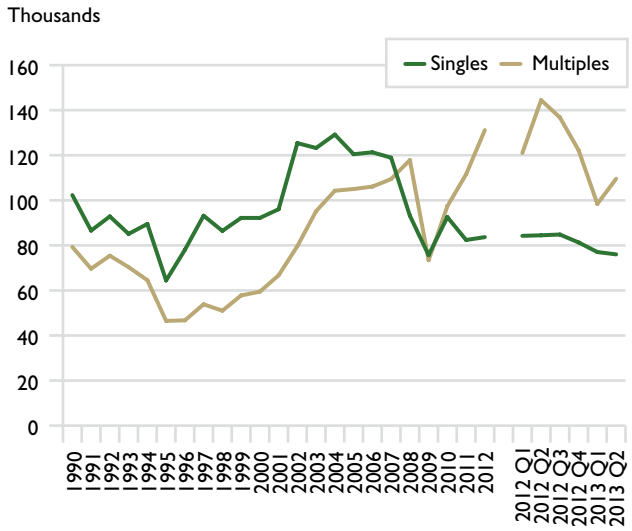
[1] Mortgage arrears rates are non-seasonally adjusted, and calculated based on the total number of loans serviced instead of their dollar value.
[2] The mortgage arrears rate reflects the ratio of loans with installments past due by 90 days or more. The annual arrears rate is calculated by averaging 12 monthly arrears data for 10 major Canadian banks.

Source: Canadian Bankers Association

Housing Markets

FIGURE 1-9

Increased starts of multiple-type dwellings led housing starts higher in 2012

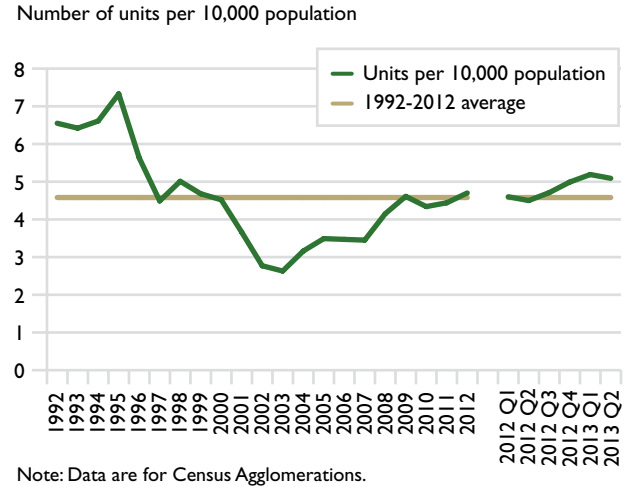


Note: Quarterly data are seasonally adjusted at annual rates.

Source: CMHC *(Starts and Completions Survey)*

FIGURE 1-10

The inventory of completed and unoccupied housing is slightly above the historical average



Note: Data are for Census Agglomerations.

Source: CMHC *(Starts and Completions Survey)* and Statistics Canada (CANSIM).

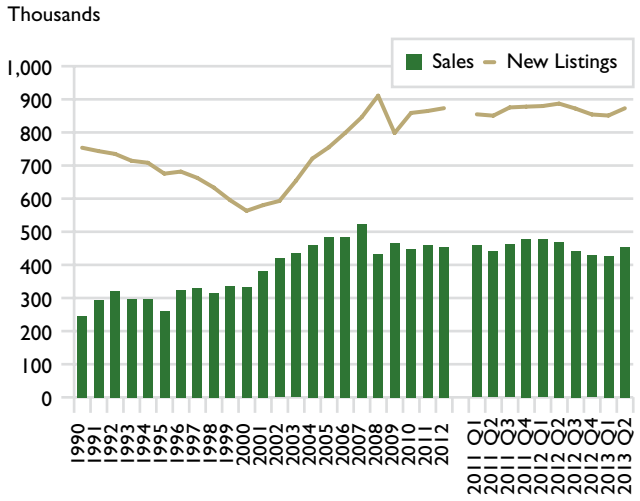
Chapter 4 examines trends and recent developments in housing markets including new housing starts, unabsorbed completed dwellings; sales, new listings and prices of existing homes; vacancy rates and rents; and housing-related spending.

- In 2012, growth in employment of 1.2% (all of which was in the form of an increase in full-time jobs) and in average inflation-adjusted personal disposable income of 2.5%, along with low mortgage rates were among the factors which supported Canada's housing markets.
- Average annual growth from 2007 to 2012 of 1.9% in the 25 to 34 age group—the prime new household formation age group—exceeded that in the total population (1.2%), adding to housing demand.
- From 1990 to 2012, the average annual rate of housing starts was 178,132 units. Starts in 2012 were 214,827 units, nearly 11% higher than in 2011.
- Single-detached dwelling starts increased 1.5% to 83,657 in 2012, while multiple dwelling starts rose 17.6% to 131,170 units. Multiples grew to 61% of total housing starts, continuing a trend which began in late 2002. The increase in multiples was due mainly to a rise in apartment starts to 95,909 in 2012; starts of row housing units reached 20,976, and of semi-detached units 14,285.
- Homeownership condominium starts in urban centres increased 26%, to 77,693 units in 2012, while freehold homeownership starts increased 2.5%. The share of condominium starts in total starts was highest in Vancouver at 64%, followed by Toronto at 59% and Montréal at 58%.
- Rental starts in urban centres increased 6% to 21,990 units, or 11% of all starts.
- Housing starts increased the most in percentage terms in 2012 in Saskatchewan (42%) and Alberta (30%), while recording small decreases in Quebec, New Brunswick and Nova Scotia.

- The average quarterly inventory of all newly completed and unoccupied housing units per 10,000 people in 2012, in urban centres with populations of 10,000 people or more, was 4.7 units, slightly above the average of 4.6 units from 1992 to 2012.
- In 2012, sales of existing homes sold through the Multiple Listing Service® (MLS®) decreased 1.2% to 454,463 units, but remained well above the 1990–2012 annual average of 382,825 units.
- The average resale price of a home sold through the MLS® in 2012 increased 0.3% to $363,399. Although the average resale home price decreased in Greater Vancouver, it had the highest average price at $730,063, followed by Toronto at $498,973 and Victoria at $484,164.
- New home prices increased on average 2.3% in 2012, with price growth recorded in 18 of the 21 urban centres covered by Statistics Canada's New Housing Price Index. The largest increase was recorded in Toronto-Oshawa (5%); the largest decrease in Victoria (3%).
- The average national vacancy rate in purpose-built rental units for all centres with a population of 10,000 people or more increased to 2.8% in October 2012 from 2.5% in October 2011.
- The average monthly rent for a two-bedroom apartment in new and existing, purpose-built structures across 35 major centres surveyed by CMHC, increased 2.2% from October 2011 to October 2012 to $901. The highest average monthly rents for two-bedroom apartments were in Vancouver ($1,261), Toronto ($1,183) and Calgary ($1,150). Rent increases were highest in Calgary (5.9%) and Thunder Bay (5.4%).
- In 2012, housing expenditures contributed nearly $315 billion to the national Gross Domestic Product (GDP) representing 17.3% of total GDP.

FIGURE 1-11

MLS® sales and new listings saw relatively modest changes

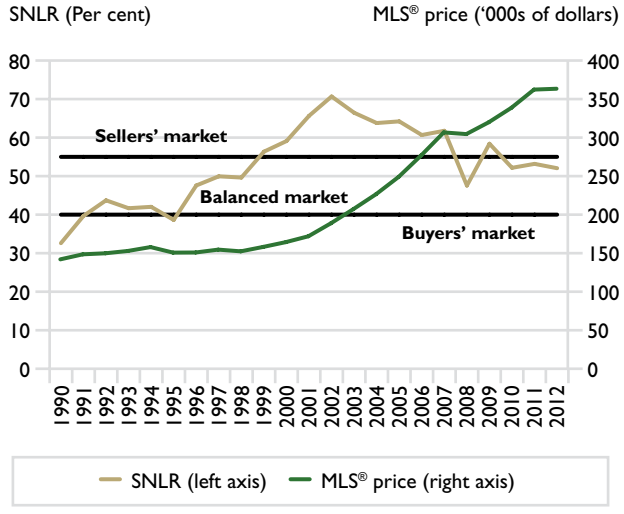


Note: Quarterly data are seasonally adjusted at annual rates.

Sources: Canadian Real Estate Association (CREA); MLS® is a registered trademark for CREA.

FIGURE 1-12

The average MLS® sales-to-new listings ratio (SNLR) fell to 52.1% in 2012 while the average MLS® price increased a slight 0.3% to $363,399

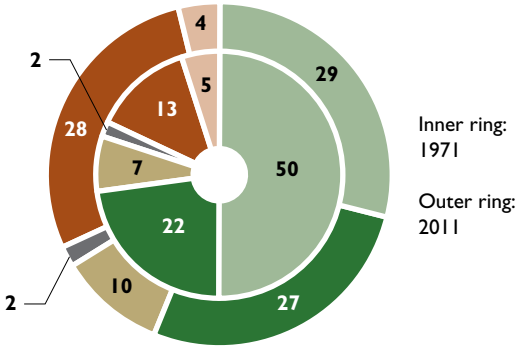


Source: Canadian Real Estate Association (CREA); MLS® is a registered trademark for CREA.

Demographic and Socio-economic Influences on Housing Demand

FIGURE 1-13

Couples with children represent a declining share of all households (%)



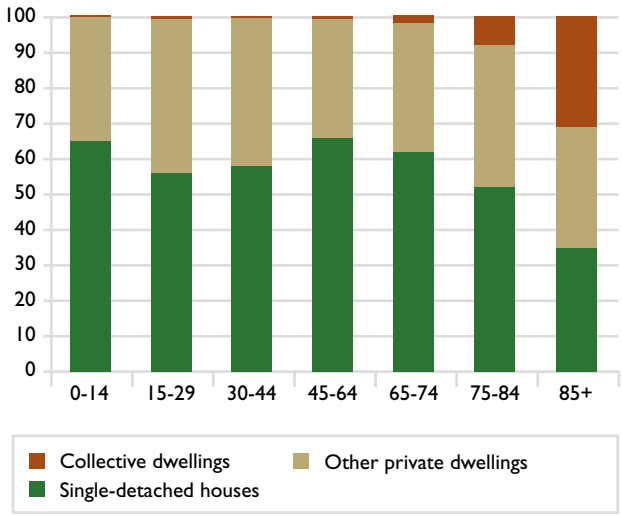
May not add to 100% due to rounding.

Source: CMHC, adapted from Statistics Canada (Census of Canada)

FIGURE 1-14

Most Canadians younger than 85 live in single-detached houses

Distribution of age-group population by dwelling type, 2011 (%)



Source: CMHC, adapted from Statistics Canada (Census of Canada)

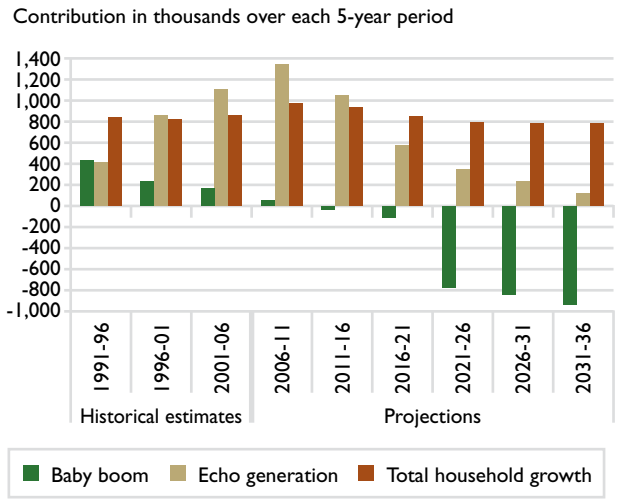
The first section of Chapter 5 reviews Canadian population trends, household growth, and changes in household composition and their influence on housing demand. The second section discusses CMHC's updated long-term projections of household growth to 2036.

- Since 2000, annual population growth has averaged 1.1%, up slightly from 1.0% during the 1990s. The stronger growth resulted largely from rising immigration and more non-permanent residents.
- Higher population growth has contributed to stronger household formation and housing demand. From 2001 to 2011, annual household formation averaged 176,000, compared to 154,000 from 1991 to 2001.
- Average household size in Canada decreased from 3.5 persons in 1971 to 2.5 in 2011.
- One-person households are the fastest-growing type of household, accounting for 28% of households in 2011, more than double their 13% share in 1971. Couples with children accounted for 29% in 2011, down from 50% in 1971.
- Consistent with declining household sizes, shifts in household composition, and the increasing concentration of population in Census Metropolitan Areas (CMAs) where land costs tend to be high, multiple-unit structures have accounted for a rising share of new homes, representing more than half of all housing completions from 2008 to 2012.
- Single-detached houses remain the dominant housing type across Canada, home to 55% of households in 2011 and the majority of people in every age segment below the age of 85.
- In CMAs, single-detached houses accounted for less than half of the occupied housing stock in 2011, compared to nearly three-quarters elsewhere. Market shares for single-detached dwellings were lowest in Toronto (41%), Montréal (33%), and Vancouver (34%).
- In 2011, of women aged 85 or older, 37% lived alone, and 35% lived in collective dwellings, such as nursing homes and seniors residences, compared to 22% and 23%, respectively, of similarly aged men.

- From 1996 to 2011, population in collective dwellings grew 37%, compared to 16% for the general population. Collective dwellings were home to 613,000 people in 2011, 64% of them seniors. Age-related shifts from private to collective housing occur mainly above the age of 75.
- From an estimated 12.8 million in 2006, the number of private households is projected to reach between 16.3 million and 19.7 million in 2036.
- The rate of household growth is projected to slow over the projection horizon, ranging from 0.8% per year in the lowest growth scenario to 1.5% per year in the highest, all lower than the 1.9% per year recorded in the three decades to 2006.
- The baby boom generation had the most influence on housing from the 1970s to the 1990s. The echo generation (the children of the baby boomers, augmented by immigrants) has supplanted it as the leading source of household and homeownership growth, and is projected to remain the main source of household growth to 2021, and of homeownership growth into the 2030s.
- As a consequence of population aging and the increased tendency to live alone, one-person households are expected to show the fastest pace of growth to 2036, making it the single biggest type of household by the 2020s.
- Owner-occupied apartment dwellings, most of which are condominiums, are projected to show the fastest pace of growth of all dwelling categories to 2036, but single-detached houses are expected to remain the most common type of dwelling.
- From 2006 to 2036, the increase in the number of homeowner households is projected to average between 106,000 and 146,000 per year in the medium household growth scenario, compared to 141,000 per year from 1976 to 2006.

FIGURE 1-15

Echo generation expected to continue to lead household formation to 2021[1]

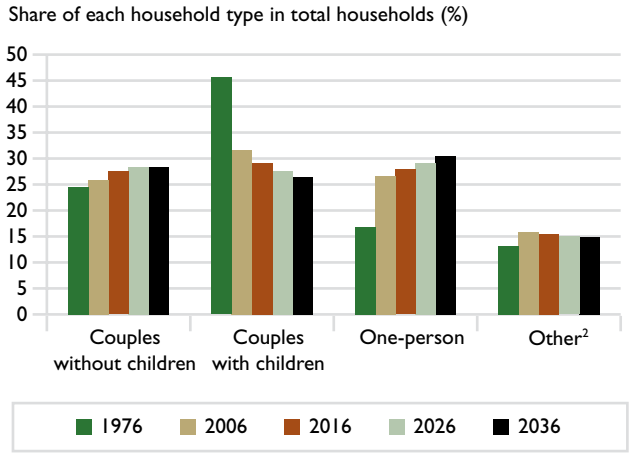


[1] Based on the medium household growth projection scenario.

Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and *Annual Demographic Estimates*)

FIGURE 1-16

One-person households expected to become the most prevalent type of household[1]



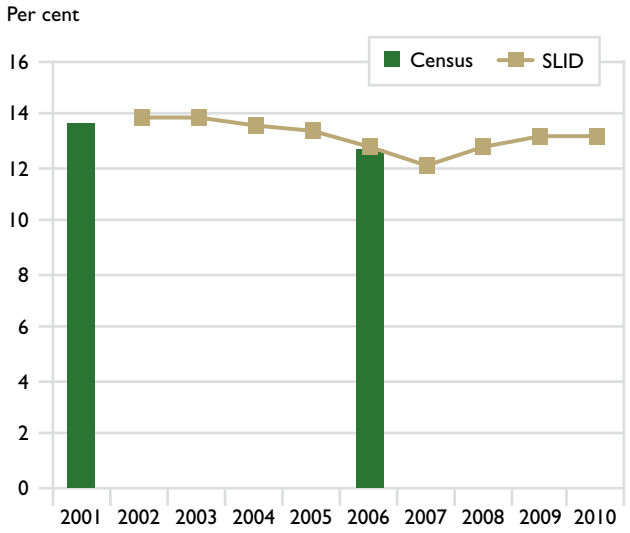
[1] Based on the medium household growth projection scenario.
[2] Other includes lone-parent households, multiple-family households and two or more person non-family households.

Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and *Annual Demographic Estimates*)

Recent Trends in Housing Affordability and Core Housing Need

FIGURE 1-17

Urban Core Housing Need was unchanged from 2009 to 2010, at 13.2%

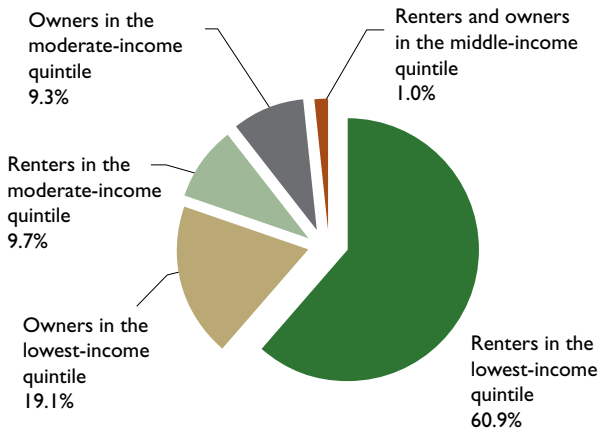


All figures are rounded.

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

FIGURE 1-18

About 80% of urban households in Core Housing Need in 2010 were in the lowest-income quintile



All figures are rounded.
There are no households in Core Housing Need in the upper- and highest-income quintiles.

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

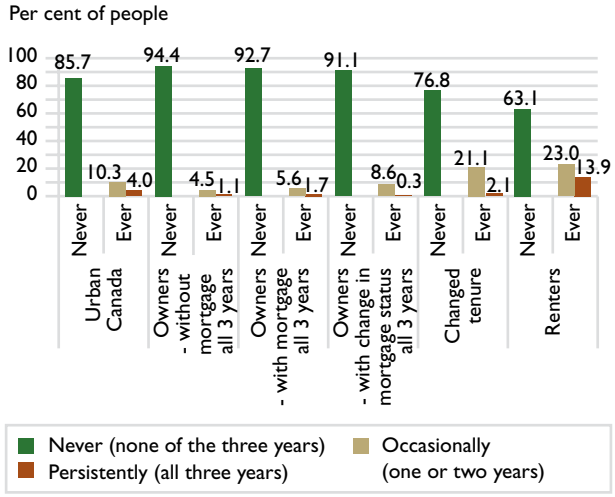
Chapter 6 examines trends in urban housing conditions based on annual data from 2002 to 2010 from the *Survey of Labour and Income Dynamics*. This includes analysis of urban households in Core Housing Need, of persistence of individuals in Core Housing Need over three-year and six-year periods, and of year-to-year movements of individuals into or out of Core Housing Need.

- In 2010, about 86.8% of Canada's urban households either were living in acceptable housing (67.2%) or, although living in housing below one or more housing standards, could have afforded to rent acceptable local housing (19.6%).
- The incidence of Core Housing Need (the percentage below one or more housing standards and that could not afford to rent acceptable local housing) was 13.2% for urban households in 2010, unchanged from 2009.
- The median depth of housing need for urban households in Core Housing Need—a measure of severity of need—decreased from $2,320 in 2009 to $1,980 in 2010 (in 2010 constant dollars).
- In 2010, the *incidence* of urban Core Housing Need was highest for the following:
  - households in British Columbia (at 17.3%);
  - households in Vancouver (at 20.1%), Toronto (at 17.9%), and Halifax (at 15.7%);
  - lone-parent households (at 32.0%) and one-person senior female households (at 26.2%);
  - renter households (at 28.0%); and
  - households in the lowest-income quintile (at 52.6%), and particularly non-senior households in this income quintile (at 61.8%).
- In 2010, the largest *shares* of urban Core Housing Need (which refers to the composition of all households in Core Housing Need) were:
  - households below the affordability standard (92%), either alone (79%) or along with one or both of the adequacy and suitability standards (13%); and
  - households in the lowest-income quintile (80%), either renters (61%) or owners (19%).

- Most individuals who lived in Core Housing Need did so temporarily. Over the three-year period 2008-2010, 85.7% of urban individuals were never in Core Housing Need; 10.3% lived in Core Housing Need occasionally (one or two years) and 4.0% did so persistently (all three years).
- Over the six-year period 2005 to 2010, of the individuals ever (at least one year) in Core Housing Need, 74% were in Core Housing Need for 1, 2 or 3 (not necessarily consecutive) years; and 26% for 4 (not necessarily consecutive) to 6 years.
- Based on data averaged over six pairs of adjacent years, of all individuals in Core Housing Need in the first year, 64% remained in core need in the second year and 36% were not in core need in the second year, but the latter were replaced by about the same number who entered core need in the second year.
- The Government of Canada's key investments in affordable housing include the Investment in Affordable Housing (IAH) and assistance for households living in existing social housing.
  - Federal funding for the IAH includes some $716 million for 2011-2014. The Government of Canada's Economic Action Plan 2013 provides a further $1.25 billion over five years to extend the IAH to 2019, and $100 million over two years to 2015 to support new affordable housing units in Nunavut.
  - The federal government, through Canada Mortgage and Housing Corporation (CMHC), invests about $1.7 billion annually in support of close to 594,000 households living in existing social housing across Canada, including Aboriginal peoples both on- and off-reserve.

FIGURE 1-19

The persistence of Core Housing Need for urban individuals over the three-year period 2008-2010 was highest for renters

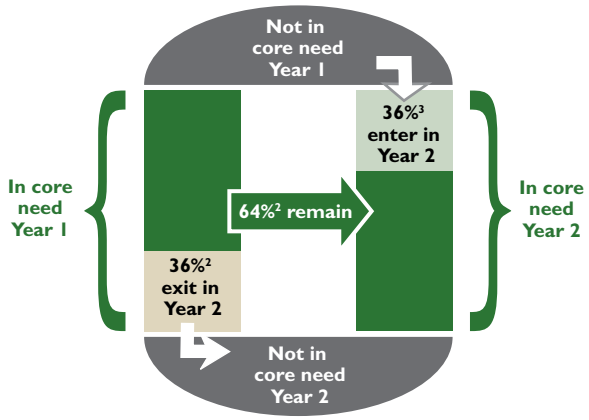


All figures are rounded.

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

FIGURE 1-20

There is considerable turnover of individuals in Core Housing Need from year to year[1]



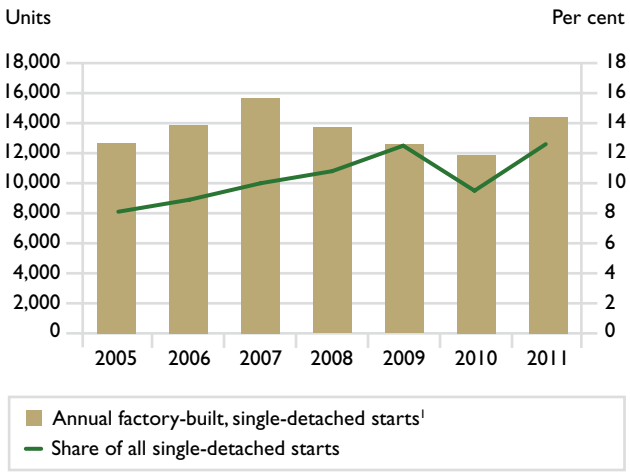
[1] Average is over pairs of years shown in Figure 6-1.
[2] Shows shares of those individuals in Core Housing Need in Year 1 - derived from data in Figure 6-1.
[3] Shows share of those individuals in Core Housing Need in Year 2 - derived from data in Figure 6-1.

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

Sustainable Housing and Communities–Industrialized Housing

FIGURE 1-21

In 2011, one in eight single-detached starts were factory built



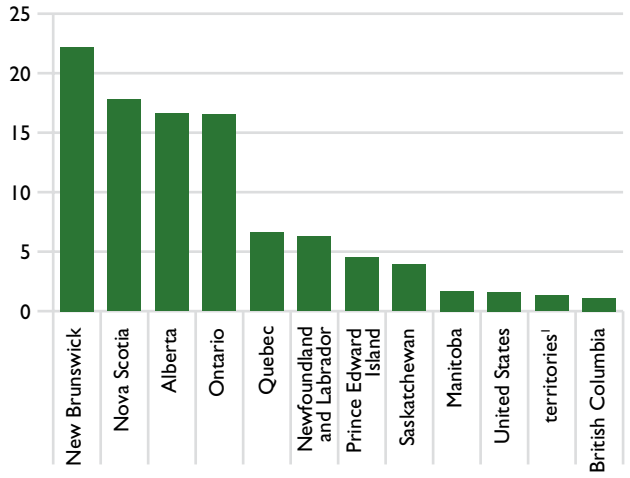
[1] "Starts" is Canadian residential manufactured building production, less exports, plus imports.

Source: Altus Group Economic Consulting, based on data from Statistics Canada and CMHC

FIGURE 1-22

73% of factory-built, single-detached homes were shipped to four provinces

Share of total single-detached homes (%), 2011



[1] Includes Yukon, Northwest Territories and Nunavut.

Source: CMHI *Manufactured Building Survey 2011*

Chapter 7 examines the factory-built housing industry in Canada, including its size and evolution from the provision of very basic mobile homes, temporary workers' accommodation, and cottage kits, to multi-storey residential condominiums and rental projects. Advances in technology, and the sector's strong focus on quality, customization, energy efficiency and affordability are discussed.

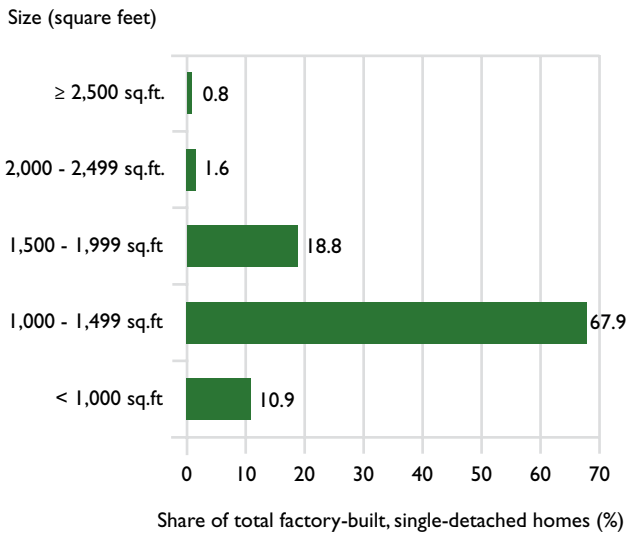
- The development of technical standards and certification processes has resulted in a steady improvement in the quality of factory-built housing. The number of factories certified under Canadian Standards Association CSA A277 more than doubled from 2001 to 2012, to 123, of which 96 are in Canada.
- Factories differ in the degree of automation, and robotics have been introduced. Landmark Group of Builders' factory in Edmonton, built in 2012, is designed to produce more than 1,200 homes per year with a workforce of 40 people.
- Total employment in the factory-built housing sector was 7,431 in 2010.
- According to the Canadian Manufactured Housing Institute (CMHI), 14,427 factory-built, single-detached, homes were started in 2011, accounting for 12.5% of all single-detached starts.
- In 2011, about three-quarters of all factory-built, single-detached homes were shipped to New Brunswick, Nova Scotia, Alberta and Ontario.
- While there is some overlap, in general, the two factory-built housing types, *manufactured* and *modular,* can be distinguished by their characteristics, and the codes and standards to which they are constructed.
  - A manufactured home is built on a non-removable steel chassis to which wheels are attached for towing to the site. On site, the wheels are removed and the house is placed on a surface-mount foundation, piers or a foundation pad.

- Modular homes are constructed of factory-built modules that are up to 4.9 m (16 feet) in width and 18.3 m (60 feet) in length. The modules are transported to the building site on flat-bed trucks where they are assembled to create single-family dwellings, duplex or row-homes, or stacked to create multi-family housing.

- Production processes and the range and quality of factory-built products has evolved considerably, leading to increased on-site use of prefabricated wall, floor and roof assemblies, and complete kitchen and bathroom "pods", blurring the line between factory-built and conventional site-built homes, for both single-unit and multi-unit residential buildings.
- Factory-built housing products offer reduced waste generation, improved reuse-recycling potential, opportunities for disassembly and reconfiguration, and enhanced energy efficiency.
- Several factory-built housing providers have demonstrated their capacity to build near net zero energy housing.
- Under CMHC's EQuilibrium™ Sustainable Housing Demonstration Initiative, Alouette Homes *ÉcoTerra*™ house was a pre-engineered, factory-built, site-assembled, modular house incorporating passive and active solar technologies and a wall system that is 38% more energy efficient than standard walls.
- Energy-efficient, pre-fabricated wall, floor and roof panels that can be quickly assembled have been successfully deployed to provide much needed new housing in the North. As panelized housing can be quickly constructed, this helps overcome the challenges associated with the relatively short construction season in the North.

FIGURE 1-23

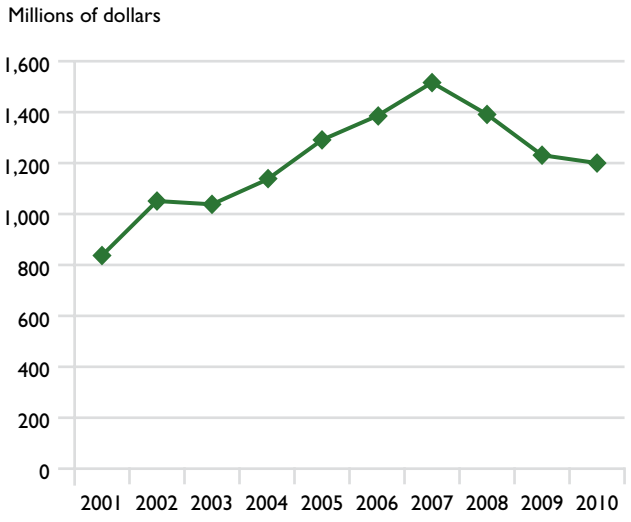
In 2011, about two-thirds of factory-built, single-detached homes were 1,000 to 1,499 square feet



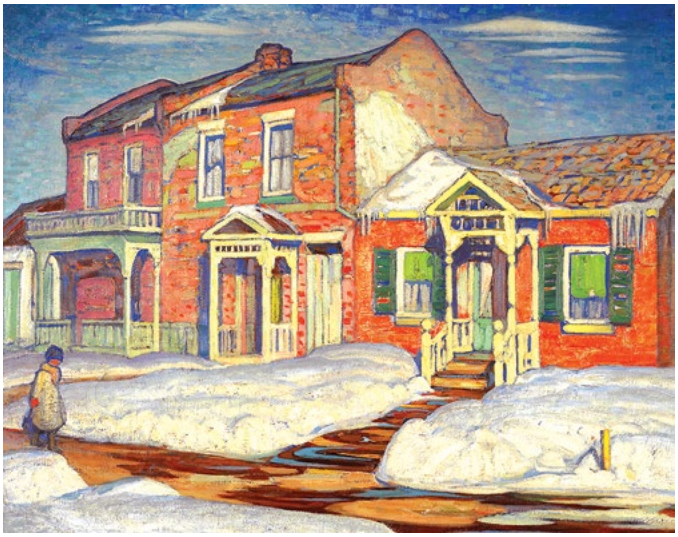
Source: CMHI *Manufactured Building Survey 2011*

FIGURE 1-24

Factory-built housing shipments amounted to $1.2 billion in 2010



Source: Adapted from Statistics Canada's *Annual Survey of Manufactures and Logging for industry codes NAICS 321991 - Manufactured (Mobile) Home Manufacturing and NAICS 321992 - Prefabricated Wood Building Manufacturing*



Condominiums

Lawren S. Harris, *Red House, Winter,* c. 1925, Oil on canvas, 90.3 x 115 cm, National Gallery of Canada, Ottawa, Gift of the artist, Vancouver, 1960, Photo © NGC

Fast Facts

- The term "condominium" ("strata" in British Columbia) describes a type of tenure that combines elements of both private and shared ownership.
- Condominiums are not limited to any single type of structure: condominiums in 2011 comprised high-rise apartments (31%), low-rise apartments (36%), row houses (23%), single-detached houses (4%), and other dwelling types (6%).
- From 1981 to 2011, the number of owner-occupied condominiums in Canada increased from about 171,000 to 1,154,000, more than nine times faster than other owner-occupied homes. There were 461,000 rented condominiums in 2011, bringing the total number of occupied condominium units in Canada to 1,615,000.
- Condominiums nearly quadrupled their share of the homeownership market to 12.6% of owner-occupied dwellings in 2011 from 3.3% in 1981.
- Condominiums are particularly popular with seniors and young adults. In 2011, 19% of condominium owners in Canada were under the age of 35, and 29% were 65 or older, compared to 11% and 23%, respectively, of other homeowners.
- In 2011, 42% of households in owner-occupied condominiums were people who lived alone, and 28% were couples without children.
- Condominiums made up 35% of the owner-occupied housing stock in the Vancouver Census Metropolitan Area (CMA) in 2011, the highest market share by far in any CMA.
- The Toronto and Vancouver CMAs accounted for about half (51%) of all condominium apartment housing starts in Canada in 2012.

Condominiums are a unique tenure form

The term "condominium" ("strata corporation" in British Columbia) refers to a legal form of ownership that combines private and shared ownership. Purchasers of condominiums own a private dwelling (called a unit) registered in their names and share ownership of common property elements, such as recreational facilities, walkways, gardens, lobbies, hallways, and elevators. These vary depending on the structure type and facilities included.

The cost of operating, maintaining, and replacing common elements is shared among unit owners. Common property elements must be listed in a condominium's governing documents. Owners pay monthly condominium fees that cover upkeep and replacement of these elements. Expenses that are covered by condominium fees vary from one condominium to another (*see text box What Do Condo Fees Cover?)*. Often, a portion of condominium fees goes into a condominium's reserve fund, which finances major repairs and renewal of common elements over the life of the building.[1]

Unit boundaries are defined in a condominium's governing documents. Boundaries outline where private units end and common (shared) elements begin. Some condominium units, known as freehold condominiums,[2] include ownership of the land the home is on. In this instance, the unit may be the whole house, including exterior walls, roof, and lawn. The unit owner would normally be responsible for care and upkeep of all these elements, while condominium fees would cover maintenance of common property, such as recreational facilities or visitor parking.

What do condo fees cover?

Monthly condominium fees may cover the following:

- Removal of snow, garbage and recyclables;
- Landscaping, gardening, and grass-cutting;
- Cleaning (e.g., outside windows and carpets in common areas);
- Heating and cooling systems maintenance;
- Maintenance and operation of recreational facilities (such as a swimming pool, exercise equipment, or party room);
- Utilities;
- Cable and internet;
- Insurance for the condominium's common areas;
- Security systems maintenance and monitoring;
- Property management; and
- Reserve fund contributions.

Condominiums can be of any structure type

Although the term "condominium" (or "condo") is commonly used to describe condominium apartments, property owned under condominium tenure can be of any structure type *(see Figure 2-1)*. Condominium tenure is defined by the mix of private and shared ownership described above, not by any particular physical arrangement of living space. In 2011, 31% of condominiums in Canada were high-rise apartments,[3] 36% were low-rise apartments, and 23% were row houses *(see Figure 2-2 and text box Note on Census and National Household Survey (NHS))*. Single-detached houses accounted for 4% of condominiums and other dwelling types for the remaining 6%.

[1] Reserve funds are not mandatory in all jurisdictions.

[2] The term "freehold condominium" has different meanings in different provinces. In most jurisdictions, the term refers to a condominium where the unit holder owns the house as well as the plot of land on which the unit sits. However, in Ontario, the term refers to all condominiums where the land is owned by either the unit holder or the condominium corporation. This is to distinguish freehold condominiums from leasehold condominiums, where the developer leases the land and the condominium corporation is essentially a tenant.

[3] Low-rise apartments are in buildings with fewer than five storeys. High-rise apartments are in buildings with five or more storeys. Other dwellings comprise duplexes, single-attached houses (a single dwelling attached to another building), semi-detached houses, and movable dwellings.

FIGURE 2-1

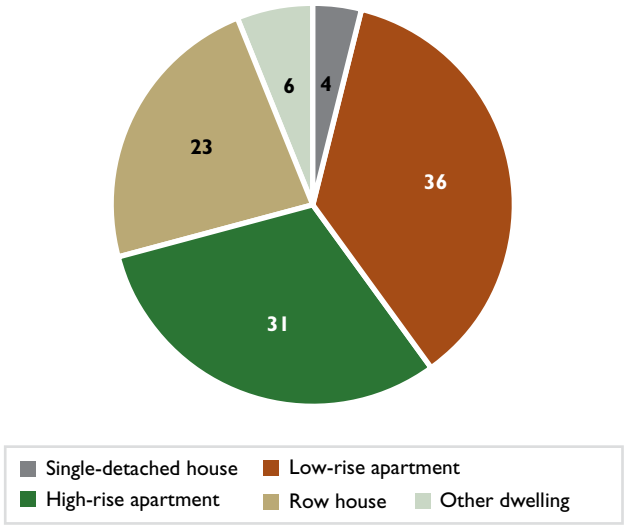
Property owned under condominium tenure can be of any structure type

High-rise and stacked townhouse condominium units in Durham Region, Ontario.

Credit: William Baynes

FIGURE 2-2

Condominiums by structure type (%), Canada, 2011



Includes both owner-occupied and rented condominiums.

Low-rise apartments are in buildings with fewer than five storeys. High-rise apartments are in buildings with five or more storeys. Other dwellings comprise duplexes, single-attached houses (a single dwelling attached to another building), semi-detached houses, and movable dwellings.

Source: CMHC, adapted from Statistics Canada (*National Household Survey*)

Note on Census and National Household Survey (NHS)

On September 11, 2013, Statistics Canada published income, earnings, housing and shelter cost data, including data on condominiums, from its voluntary 2011 *National Household Survey* (NHS), which in 2011 replaced the former mandatory "long form" census.

Because the 2006 and earlier Censuses did not identify rented condominiums, comparisons of 2011 NHS condominium counts to census data must exclude rented condominiums.

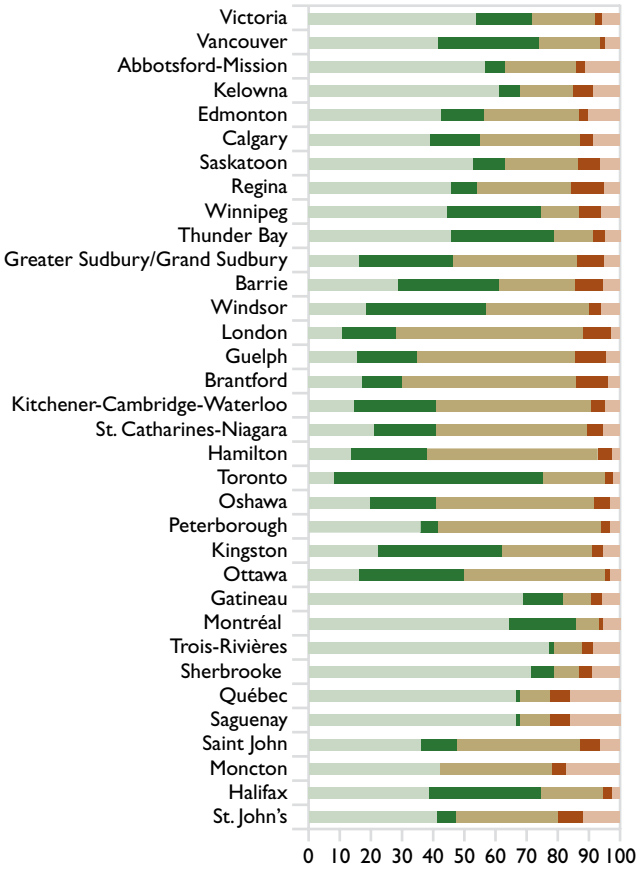
Statistics Canada has cautioned that because of the methodological change from a mandatory to voluntary survey, data from the 2011 NHS may not be strictly comparable to those from earlier censuses.

The distribution of structure types varied considerably across the country *(see Figure 2-3)*. In Quebec, low-rise apartments accounted for more than 60% of condominiums in every Census Metropolitan Area[4] (CMA). In contrast, high-rise apartments made up more than two-thirds of condominiums in Toronto, the only CMA in which high-rises accounted for the majority of condominiums. Half of all high-rise condominiums in Canada were in Toronto. Row houses accounted for more than half the condominium stock in a number of Ontario CMAs. Single-detached condominiums were found in every CMA.

[4] Statistics Canada defines a Census Metropolitan Area (CMA) as an urban area with a total population of at least 100,000 and an urban core population of at least 50,000.

FIGURE 2-3

Condominiums by structure type, CMAs, 2011



Includes both owner-occupied and rented condominiums.

Quebec and Ontario portions of Ottawa-Gatineau are shown separately.

Low-rise apartments are in buildings with fewer than five storeys. High-rise apartments are in buildings with five or more storeys. Other dwellings comprise duplexes, single-attached houses (a single dwelling attached to another building), semi-detached houses, and movable dwellings.

Source: CMHC, adapted from Statistics Canada (*National Household Survey*)

Provincial and territorial legislation governs condominiums

Condominiums are governed by provincial and territorial legislation *(see text box Legislation and regulations governing condominium corporations).* In all jurisdictions, condominiums share the quality of being corporations whose units are privately owned and whose common elements are owned by all of the condominium members, but they differ in other respects. Details of legislation and regulations differ from one jurisdiction to another, for example, with regard to reserve funds, which are not mandatory in some places.[5]

Condominium corporations may establish their own bylaws and rules

Condominium owners, as members of the condominium corporation, have the right to vote at general meetings and to elect the board of directors, which manages the corporation's business affairs.[6]

The board of directors meets regularly and has the right to make decisions affecting the corporation, but some decisions must be made by unit owners. Decisions requiring the approval of unit owners are made at annual general or special meetings and are binding.

Bylaws govern how the corporation is run, for example, addressing matters such as the election and duties of the board of directors and collection of condo fees. In addition, condominiums have rules that focus on day-to-day concerns, for example, pets, noise, parking, and use of amenities, such as swimming pools or exercise rooms.[7]

Condominium corporations often hire a property management company, which, under the leadership of the board of directors, handles day-to-day operations. Responsibilities could include collection of monthly fees; cleaning and maintenance of common areas; payment of

[5] For more detail on condominium ownership, see CMHC's *Condominium Buyer's Guide* www.cmhc.ca/od/?pid=63100 (July 25, 2013).

[6] Some condominiums assign one vote per unit. Others weight the vote based on a "unit factor". A unit factor is a percentage that represents how much of the condominium's common elements a given unit owns. Unit factors are assigned by the developer when the condominium is registered, usually based on the size and location of individual units, and are used to calculate monthly condominium fees.

[7] Condominium legislation in Quebec, Saskatchewan, and Alberta does not differentiate between bylaws and rules. For more information, see CMHC's *Condominium Buyer's Guide.*

Legislation and regulations governing condominium corporations

Province/Territory	Act	Regulation
British Columbia	Strata Property Act, S.B.C. 1998, c. 43	Strata Property Regulation, B.C. Reg. 43/2000 Bare Land Strata Regulations, B.C. Reg. 75/78 Bare Land Strata Plan Cancellation Regulation, B.C. Reg. 556/82
Alberta	Condominium Property Act, R.S.A. 2000, c. C-22	Condominium Property Regulation, Alta. Reg. 168/2000
Saskatchewan	Condominium Property Act, 1993	Condominium Property Regulations, 2001
Manitoba	Condominium Act, C.C.S.M. c. C170	Condominium Arbitrations Regulation Condominium Forms Regulation Condominium Reserve Funds Regulation
Ontario	Condominium Act, 1998, S.O. 1998, c. 19	Description and Registration, O. Reg. 49/01 General, O, Reg. 48/01
Quebec	Civil Code of Québec, S.Q., 1991, c. 64.	
New Brunswick	Condominium Property Act, 2009, C-16.05	Regulation 2009-169
Nova Scotia	Condominium Act. R.S., c. 85, s. 1	Condominium Regulations
Prince Edward Island	Condominium Act, R.S.P.E.I. 1988, c. C-16	General Regulations, P.E.I. Reg. EC10/78
Newfoundland and Labrador	Condominium Act, 2009 SNL2009 c. C-29.1	Condominium Regulations, 2011
Yukon	Condominium Act, R.S.Y. 2002, c. 36	Regulations (Forms)
Northwest Territories	Condominium Act, R.S.N.W.T. 1988, c. C-15	Condominium Regulations R-098-2008
Nunavut	Consolidation of Condominium Act, R.S.N.W.T. 1988, c. C-15	

common area utility bills; operation and maintenance of heating, cooling, and other systems; and removal of snow and garbage. Some "self-managed" condominiums do not have a property manager. In these instances, the board of directors assumes responsibility for day-to-day management.

Condominiums have advantages and disadvantages

A condominium offers the convenience of having maintenance and repairs to the common property elements handled for a regular monthly cost, but, in opting for this convenience, a buyer gives up a good measure of control over what gets maintained, repaired, replaced, or upgraded, and over the timing and amounts of these expenses *(see text box Pros and cons of condominium ownership)*. Condominium fees are neither optional nor negotiable, and special assessment charges may be levied if unexpected expenses cannot be paid out of a reserve fund.

Condominium markets expanded rapidly from 1981 to 2011

Condominiums are an increasingly popular housing choice in Canada, and have accounted for a large share of the growth of homeownership over the last three decades. From 1981 to 2011, the number of owner-occupied condominiums in Canada increased from about 171,000 to 1,154,000, more than nine times faster than other owner-occupied homes *(see Figure 2-4)*. Condominiums nearly quadrupled their share of the homeownership market, representing 12.6% of owner-occupied dwellings in 2011, compared

Pros and cons of condominium ownership

Pros	Cons
Fewer maintenance and repair responsibilities.	Owners may not be able to decide when maintenance and repairs get done.
Access to on-site amenities, such as gyms, saunas, or swimming pools, and to social, entertainment and recreational activities.	Owners pay for amenities that they may never or rarely use.
Presence in some buildings of security features, such as entry buzzers and video surveillance cameras, as well as concierges and/or security guards to help protect residents. Proximity of neighbours when owners are absent.	Potential for less privacy and more noise, especially for those moving from single-detached homes to apartment condominiums.
Monthly maintenance or condo fees that are usually predictable.	Possibility of special assessment charges for unexpected costly repairs.
Owners have a say in making bylaws and rules and in the running of the condominium corporation. Owners have voting rights and can be elected to the board of directors.	Condominiums attract individuals with a variety of personalities; reaching a consensus can be a challenge. Possible restrictions on things like noise levels, parking, pets, smoking and even the style and colour of things like doors and window coverings.

FIGURE 2-4

Occupied dwellings by tenure, Canada, 1981-2011

	All occupied dwellings	Owner-occupied condominiums	Other owner-occupied dwellings	Rented dwellings
Number				
1981	8,281,535	171,090	4,970,845	3,139,595
1986	8,991,670	234,520	5,346,355	3,368,485
1991	10,018,265	367,765	5,905,265	3,718,525
1996	10,820,050	514,720	6,363,060	3,905,145
2001	11,562,975	670,530	6,939,860	3,907,170
2006	12,437,470	915,725	7,594,055	3,878,500
2011	13,319,250	1,153,585	8,032,260	4,078,225
Growth (%)				
1981-86	8.6	37.1	7.6	7.3
1986-91	11.4	56.8	10.5	10.4
1991-96	8.0	40.0	7.8	5.0
1996-01	6.9	30.3	9.1	0.1
2001-06	7.6	36.6	9.4	-0.7
2006-11	7.1	26.0	5.8	5.1
1981-11	**60.8**	**574.3**	**61.6**	**29.9**

Data from the 2011 *National Household Survey* may not be comparable to those from earlier censuses.

Source: CMHC, adapted from Statistics Canada (Census of Canada, *National Household Survey*)

to just 3.3% in 1981. In 2012, units intended for the condominium market accounted for 40% of housing starts in urban areas of Canada, compared to annual shares of 25% or less in all but one year of the 1990s (*see Figure 2-5 and text box CMHC surveys that collect data on condominiums).*

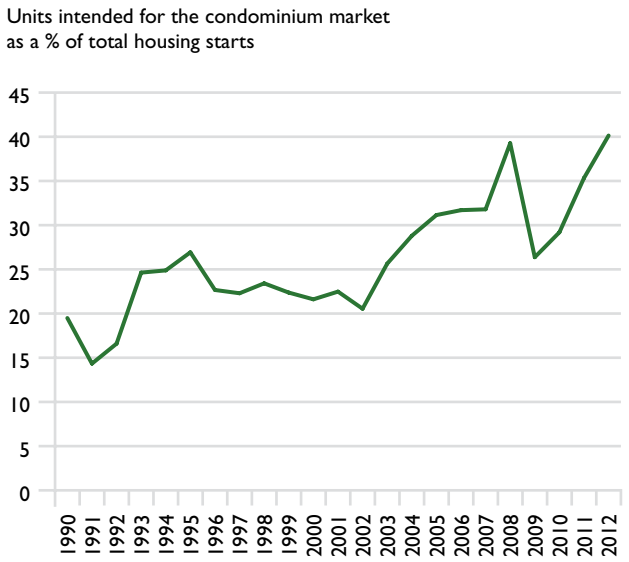
From 1996 to 2011, the number of owner-occupied condominiums grew by over 600,000 units nationally —28% of the total growth in owner-occupied dwellings. In many CMAs, including Vancouver (58%), Montréal (40%) and Saskatoon (40%), growth in the condominium stock represented upwards of 30% of the total increase in owner-occupied dwellings *(see Figure 2-6).*

The total stock of occupied condominiums exceeded 1.6 million units in 2011

The condominium stock comprises owner-occupied units and rented units. Many condominiums are purchased by investors who rent them out. In 2011, there were 461,000 such rentals in Canada, 29% of all occupied condominiums, somewhat lower than

FIGURE 2-5

Condominium share of total housing starts, Urban Canada,[1] 1990-2012



[1] Figure displays data for centres with populations of 10,000 or more.

Source: CMHC (*Starts and Completions Survey*)

CMHC surveys that collect data on condominiums

CMHC Survey	Survey Coverage	Reports
Starts and Completions Survey Survey inception: Data for condominiums were first published in 1984	Key content: ■ Condominium units started, completed and under construction each month Current coverage (as of most recent survey): ■ Monthly in CMAs, and those Census Agglomerations[1] (CAs) with a population of at least 50,000 ■ Quarterly in remaining CAs, and selected other centres with a total population of at least 10,000	Housing Market Outlook Housing Now Canadian Housing Statistics Monthly Housing Statistics Housing Information Monthly
Market Absorption Survey Survey inception: Data for condominiums were first published in 1984	Key content: ■ Condominium units absorbed[2] and unabsorbed each month Current coverage (as of most recent survey): ■ Monthly in CMAs, and those CAs with a population of at least 50,000	Housing Market Outlook Housing Now Canadian Housing Statistics Monthly Housing Statistics Housing Information Monthly

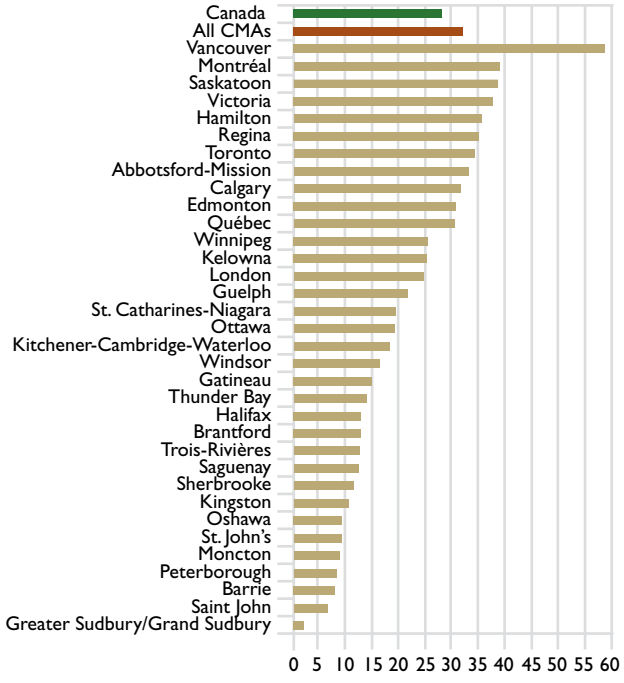
[1] A Census Agglomeration (CA) is an urban area that is not a CMA and has an urban core population of at least 10,000.
[2] The unit is said to be absorbed once the structure has been completed and the unit has been sold or rented.

CMHC surveys that collect data on condominiums (continued)

CMHC Survey	Survey Coverage	Reports
Condominium Apartment Vacancy Survey (a component of CMHC's *Secondary Rental Market Survey)* Survey inception: Data were first published in 2006	Key content: ■ Estimated number of condominium apartments being rented ■ Estimated vacancy rate of rented condominium apartments Current coverage (as of most recent survey): ■ Annually, in the early autumn, in Québec, Montréal, Ottawa, Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, and Victoria	Rental Market Report
Condominium Apartment Rent Survey (a component of CMHC's *Secondary Rental Market Survey)* Survey inception: Data were first published in 2006	Key content: ■ Average rent for condominium apartments Current coverage (as of most recent survey): ■ Annually, in the early autumn, in Québec, Montréal, Ottawa, Toronto, Winnipeg, Calgary, Edmonton, Vancouver and Victoria	Rental Market Report

FIGURE 2-6

Condominium share of growth in homeownership, Canada and CMAs, 1996-2011



Change in owner-occupied condominiums as a % of change in owner households

Data from the 2011 *National Household Survey* may not be comparable to those from earlier censuses.

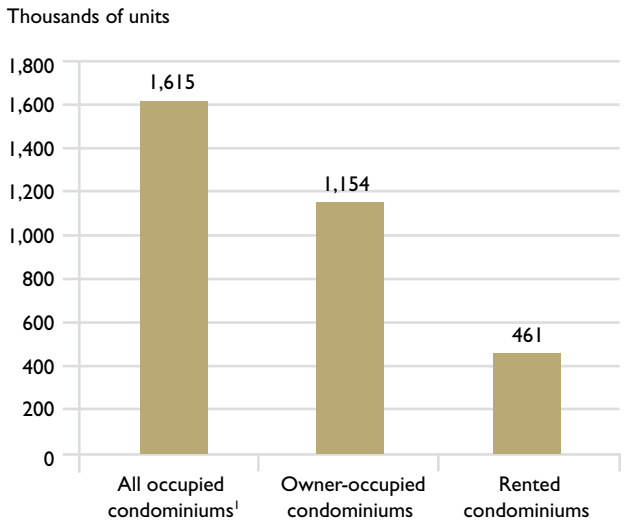
Quebec and Ontario portions of Ottawa-Gatineau are shown separately.

Source: CMHC, adapted from Statistics Canada (Census of Canada, *National Household Survey*)

the percentage of condominiums that are rented in the United States *(see text box Condominiums in the United States)*.The total number of occupied condominiums in Canada – owned plus rented – stood at 1,615,000 *(see Figure 2-7)*. Nearly one out of eight Canadian homes (12%) was a condominium.

FIGURE 2-7

Occupied condominiums by tenure, Canada, 2011



[1] Includes 700 units of band housing.

Source: CMHC, adapted from Statistics Canada (*National Household Survey*)

All age groups contributed to the growth in condominiums

The strong recent growth in condominiums in Canada is a testament to the growing appeal of this tenure form. Canadians of all ages are more likely today than in the past to live in condominiums. Condominium ownership rates rose in every age group between 1996 and 2001, between 2001 and 2006, and again between 2006 and 2011 *(see Figure 2-8)*. Had these rates remained at their 1996 levels instead of rising, the growth in owner-occupied condominiums from 1996 to 2011 would have been less than a quarter of what actually took place. In other words, the increased popularity of condominiums with all age groups accounted for more than three-quarters of condominium growth, the growth and aging of the population for less than one-quarter.

Condominiums in the United States

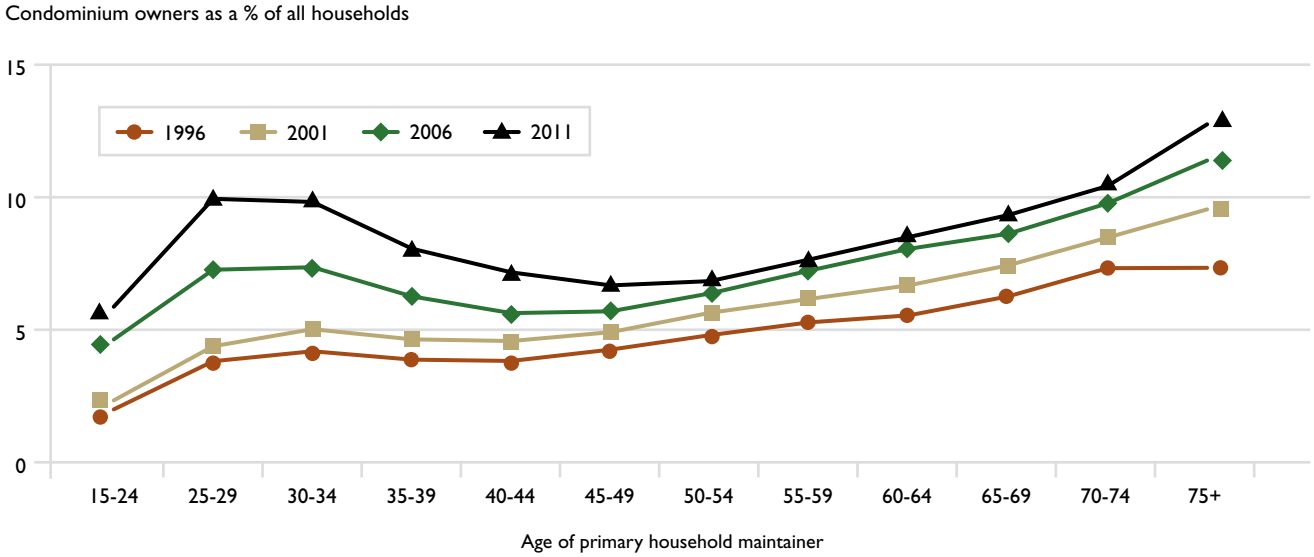
In 2011, there were 9.4 million condominium units in the United States, of which 8.7 million were classed as year-round residences.[1] The 4.4 million owner-occupied condominiums represented 5.8% of owner-occupied housing in the United States, a lower percentage than in Canada (12.6% in 2011). Condominium rentals in the United States (occupied units plus vacant units for rent) accounted for 37.0% of condominiums (excluding seasonal units).[2]

[1] See *American Housing Survey* tables available for download at www.census.gov/housing/ahs/data/national.html (March 12, 2013).

[2] United States and Canadian data are not strictly compatible. Reference dates differ, and there may be other survey details that affect comparability.

FIGURE 2-8

Condominium ownership rates by age of primary household maintainer,[1] Canada, 1996, 2001, 2006, 2011



[1] A household maintainer is the person or one of the people in the household responsible for major household payments such as the rent or mortgage. Where more than one person in a household claims responsibility for such payments, the primary maintainer is the first person listed on the census form as a maintainer.

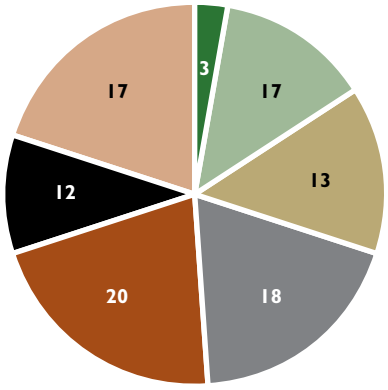
Data from the 2011 *National Household Survey* may not be comparable to those from earlier censuses.

Source: CMHC, adapted from Statistics Canada (Census of Canada, *National Household Survey*)

Not surprisingly, given the increased rate of condominium ownership at all ages, the number of condominium owners rose in every age group from 1996 to 2011. All ages contributed to the growth in condominiums *(see Figure 2-9)*, with no single group dominating. Senior households (households with maintainers 65 or older) accounted for 29% of the total growth.

FIGURE 2-9

Share of total growth in owner-occupied condominiums by age of primary household maintainer (%),[1] Canada, 1996-2011



[1] A household maintainer is the person or one of the people in the household responsible for major household payments such as the rent or mortgage. Where more than one person in a household claims responsibility for such payments, the primary maintainer is the first person listed on the census form as a maintainer.

Data from the 2011 *National Household Survey* may not be comparable to those from earlier censuses.

Source: CMHC, adapted from Statistics Canada (Census of Canada, *National Household Survey*)

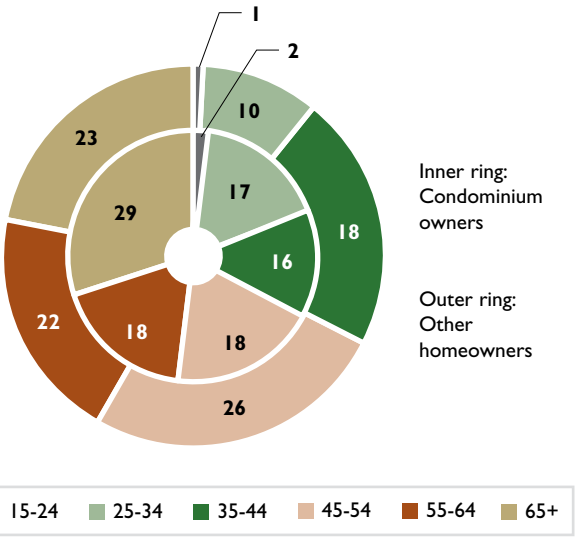
Condominiums are popular with seniors and young adults

Condominiums can offer features—ease of maintenance, security, on-site amenities, and the potential for living close to public transit or within walking distance of work and centrally located attractions and services—that appeal to a range of buyers, especially the young and the old. Seniors and young adults account for a disproportionate share of condominium owners. In 2011, 19% of condominium owners in Canada were under the age of 35, and 29% were seniors 65 or older, compared to 11% and 23%, respectively, of other homeowners *(see Figure 2-10)*.

People aged 55 or older are much more likely than younger individuals to cite the desire for a smaller dwelling as a reason for moving.[8] They are also more interested in living close to facilities and services.

FIGURE 2-10

Distributions of condominium owners and other homeowners by age of primary household maintainer (%),[1] Canada, 2011



[1] A household maintainer is the person or one of the people in the household responsible for major household payments such as the rent or mortgage. Where more than one person in a household claims responsibility for such payments, the primary maintainer is the first person listed on the census form as a maintainer.

Source: CMHC, adapted from Statistics Canada (*National Household Survey*)

[8] For more detailed discussion of reasons for moving, see Canada Mortgage and Housing Corporation, *2001 Census Housing Series: Issue 10 Aging, Residential Mobility and Housing Choices,* Research Highlight, Socio-economic Series 06-001 (Ottawa, CMHC, 2006); and Canada Mortgage and Housing Corporation, *2006 Census Housing Series: Issue 16 A Profile of Condominiums in Canada, 1981-2006,* Research Highlight, Socio-economic Series 12-001 (Ottawa, CMHC, 2012).

In addition, health concerns, increasingly common as people age, are the most common reason for moving at ages 75 or older. Condominiums can be a logical choice for aging homeowners looking to downsize or to reduce maintenance responsibilities.

People living alone and couples without children make up the majority of households living in condominiums

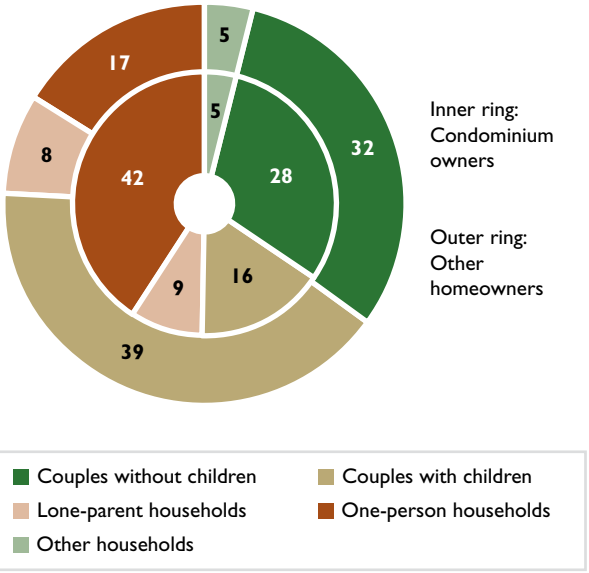
The overrepresentation of young adults and seniors in the ranks of condominium owners is echoed in relatively small household sizes—an average in 2011 of 1.9 persons for households in condominiums, compared to 2.8 for other owner-occupied dwellings. Couples with children made up only 16% of owner-occupants of condominiums but 39% of other owner households *(see Figure 2-11)*. By contrast, 42% of households in owner-occupied condominiums were people who lived alone, compared to only 17% of households in other owner-occupied homes.

Together, one-person households and couples without children—people less likely than families with children to need or want the large floor areas and backyards often associated with traditional suburban homes—made up 71% of condominium owners in 2011. Of the couples without children who owned and lived in condominiums, 62% were households with maintainers aged 55 or older. Nearly two-thirds (65%) of condominium owners who lived alone were women, who chose condominiums for a variety of reasons *(see text box Women and condominiums)*.

From 1996 to 2011, one-person households and couples without children accounted for almost three-quarters (73%) of the growth in owner-occupied condominiums. During these years, as well as in previous decades, people living alone and couples without children were among the fastest-growing household types in Canada, their growth boosted by the aging of Canada's population.[9]

FIGURE 2-11

Distributions of condominium owners and other homeowners by household type (%), Canada, 2011



Other households comprise multi-family households and non-family households of two or more persons. Family households include at least one census family (a couple with or without children or a lone parent) and may include additional members who are not part of the census family.

Source: CMHC, adapted from Statistics Canada (*National Household Survey*)

Low-maintenance apartments appeal to senior households

In 2011, 68% of senior households who owned and occupied condominiums lived in apartments, perhaps the easiest type of housing for occupants to maintain. Living space is usually confined to a single floor, and owners are typically not physically responsible for upkeep of any grounds. For people who have problems with eyesight, frailty, or balance, buildings with elevators have the added attraction of reducing the risk of falls on stairs.[10]

[9] See Chapter 5 ("Demographic and Socio-economic Influences on Housing Demand") for more about changes in household composition in Canada.

[10] Problems with vision, frailty, and balance can make climbing stairs a difficult and potentially dangerous activity for aging seniors. See "Preventing Falls on Stairs" in the *About Your House* series of fact sheets available on the CMHC website at www.cmhc-schl.gc.ca/en/co/maho/adse/adse_001.cfm (July 25, 2013).

Women and condominiums

In 2011, women made up 65% of condominium owner-occupants in Canada who lived alone, including 76% of those aged 55 or older. Women accounted for 84% of lone-parent condominium owners.

According to Canadian media, quoting industry participants and women buyers, condominiums appeal to women for a number of reasons[1]:

- Low maintenance demands (compared to other homeownership options) —being able to "lock and leave";
- Financial security—owning a home and not having to pay rent;
- Locations in established neighbourhoods within walking distance of amenities;
- Safety—cameras in lobbies, elevators, and parking garages; concierge services; good lighting in and around buildings; easy-to-use fob-style access keys;
- Unit features—storage space, including walk-in closets; extra lighting in bathrooms; and generously sized bathtubs;
- Amenities like gyms on upper floors away from lobby traffic and with windows providing views—sometimes with programs that cater to women; and
- Design options (e.g., finishes and other details) that allow for customization.

[1] This list is compiled from Dave McGinn, "What women want – in a condo," *The Globe and Mail,* January 17, 2013, p. L3; Marty Hope, "Women opting for secure condo lifestyle," *Calgary Herald,* undated www.calgaryherald.com/homesWomen+opting+secure+condo+lifestyle/2774215/story.html (March 26, 2013); Tracy Hanes "Jade condo targets what women want," *The Toronto Star,* October 22, 2010. www.thestar.com/life/homes/2010/10/22/jade_condo_targets_what_women_want.html (March 26, 2013).

Of all condominium owner-occupants, senior households, particularly those with maintainers aged 75 or older, are the age segment most likely to live in high-rise apartments, units in buildings of five floors or more that would typically have elevators *(see Figure 2-12)*.[11] In 2011, high-rise units made up 40% of the condominiums in Canada owned and occupied by those 75 or older. Together, high-rise and low-rise apartments accounted for nearly three-quarters (72%) of the condominiums owned and occupied by this group.[12]

Median prices are lower for condominiums than for other homes, a reflection of smaller unit sizes

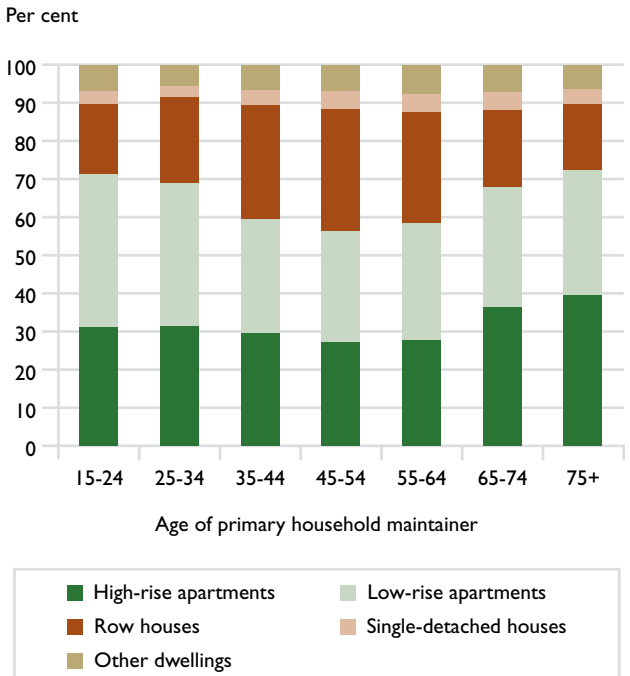
Given the strong growth in condominiums over the past quarter century and their popularity with young buyers, it would be surprising if affordability was not part of their appeal. For first-time buyers with limited savings, affordability is apt to be a deciding factor in housing choices.

[11] In 2011, the structure-type choices of senior households who owned and occupied condominiums varied by CMA. High-rise apartments were the most common choice of seniors in Halifax, Winnipeg and a number of centres in Ontario, including Toronto and Ottawa. Low-rise apartments were the most popular choice in St. John's, Thunder Bay, and CMAs in the provinces of Quebec, Saskatchewan, Alberta, and British Columbia. Row houses were most popular in CMAs in New Brunswick and in a number of centres in Ontario, including Hamilton.

[12] Row house condominiums, though still in the minority, were relatively more popular with maintainers aged 35 to 64 than with seniors or maintainers under the age of 35. These ground-oriented condominiums can combine substantial floor area with access to outdoor space, features that would appeal to families with children.

FIGURE 2-12

Structure type choices of condominium owners by age group, Canada, 2011



Low-rise apartments are in buildings with fewer than five storeys. High-rise apartments are in buildings with five or more storeys. Other dwellings comprise duplexes, single-attached houses (a single dwelling attached to another building), semi-detached houses, and movable dwellings.

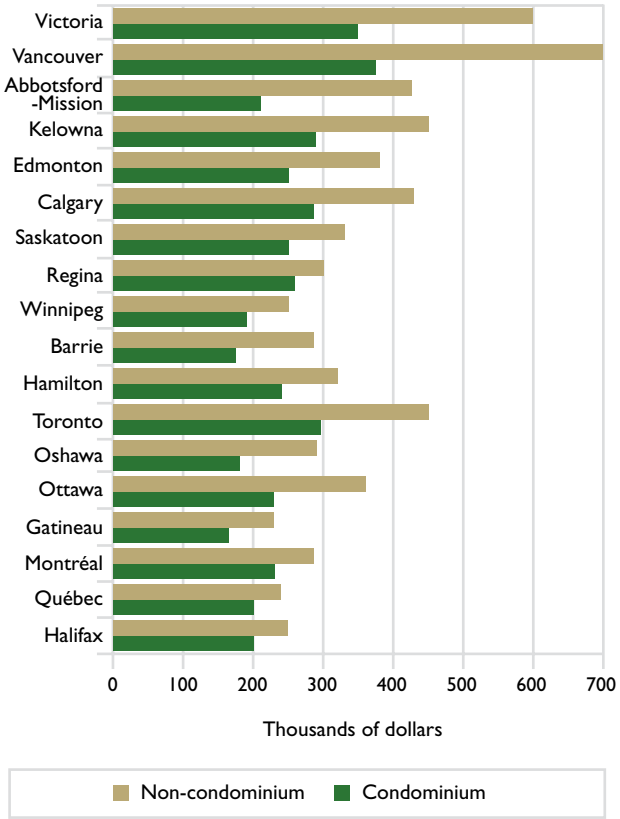
Source: CMHC, adapted from Statistics Canada (*National Household Survey*)

In 2011, condominium owners in Canada estimated that their homes would sell for a median price of $260,000, compared to $289,000 for other owner-occupied dwellings.[13] In every CMA, the estimated selling price of condominiums was less than that of other owner-occupied units, with the difference in median prices exceeding $300,000 in Vancouver, $200,000 in Victoria and Abbotsford-Mission, and $100,000 in Ottawa (excluding Gatineau), Oshawa, Toronto, Barrie, Calgary, Edmonton, and Kelowna *(see Figure 2-13)*.

In expensive central locations, reducing the size of condominiums is one way for developers to keep prices down. In 2011, condominiums in Canada had an average of 5.0 rooms compared to 7.5 for other owner-occupied dwellings.[14] Condominium apartments may be quite small.[15] Such compact units provide a relatively affordable

FIGURE 2-13

Median estimated dwelling values[1] for condominiums and other owner-occupied dwellings, selected CMAs, 2011



[1] Values estimated by homeowners if their dwellings were to be sold. Excludes farm households.

Quebec and Ontario portions of Ottawa-Gatineau are shown separately.

Source: Statistics Canada (*National Household Survey*)

[13] The *National Household Survey* does not collect actual selling prices. Instead, homeowners in 2011 (other than farm operators) were asked "If you were to sell this dwelling now, for how much would you expect to sell it?"

[14] The *National Household Survey* does not collect square footage estimates.

[15] In Vancouver, according to one source, "most inner-city condos today are under 600 ft^2 [55.7m^2]." Emma Teitel, "It's a small world after all," *Maclean's,* January 16, 2012, p. 28.

form of homeownership, but one with limited appeal to prospective buyers with families or those planning to start families.

Condominium buyers reported significantly lower monthly shelter costs than other home buyers in 2011

Consistent with the comparatively low prices of condominiums, condominium buyers generally paid lower monthly shelter costs in 2011 than other home buyers.[16] In a number of CMAs, households financing the purchase of recently constructed condominiums had median monthly shelter costs that were more than $500 lower than the costs faced by borrowers financing the purchase of other recently built homes *(see Figure 2-14)*.[17] Differences were generally larger in the West, especially in CMAs in British Columbia.

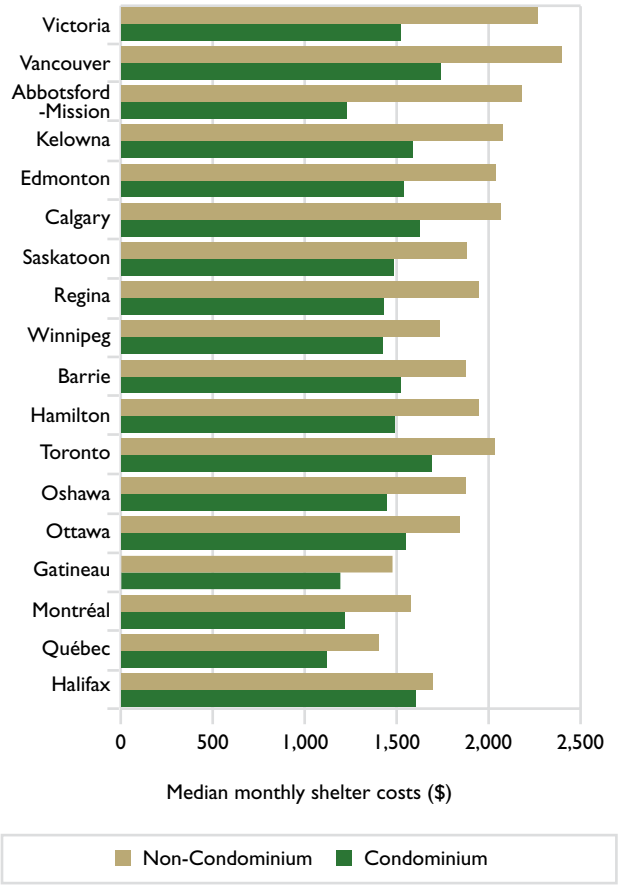
Market shares for condominiums are highest in British Columbia

Condominiums are found principally in large urban areas, where land costs tend to be high and multiple-unit buildings relatively common. Home to 68% of all households in Canada, CMAs accounted for 90% of owner-occupied condominiums in 2011. Condominiums were underrepresented elsewhere: 7% in medium-sized centres (CAs) and 3% in small towns and rural areas, home respectively to 14% and 18% of households in Canada.[18]

In Vancouver, condominiums made up 35% of the owner-occupied housing stock in 2011, the highest market share by far in any CMA *(see Figure 2-15)*. Market shares also exceeded the CMA average in Abbotsford-Mission, Victoria, Toronto, Kelowna, Calgary, and Edmonton.

FIGURE 2-14

Median shelter costs[1] for condominium owners with mortgages and other owners[2] with mortgages, recently constructed units,[3] selected CMAs, 2011



[1] Shelter costs include mortgage payments (principal and interest), property taxes, and condominium fees, along with payments for electricity, fuel, water and other municipal services.
[2] Excludes farm households.
[3] Recent construction refers to units built from January 1, 2006 to May 10, 2011 (Census Day).

Quebec and Ontario portions of Ottawa-Gatineau are shown separately.

Source: Statistics Canada (*National Household Survey*)

[16] For homeowners, shelter costs comprise mortgage payments (principal and interest), property taxes, and any condominium fees, along with payments for electricity, fuel, water and other municipal services. Since condominium fees are included, the shelter costs of condominium owners reflect at least a portion of what they spend on maintenance and repairs. Figures likely understate cost differences between condominium owners and other homeowners since repair and maintenance spending are not included in the shelter costs of other homeowners.

[17] Data from the *National Household Survey* do not provide details on down payments, loan amounts, mortgage rates, amortization periods, or purchase prices, all of which influence monthly shelter costs. Focusing on recent construction ensures that purchase prices are roughly contemporaneous. Construction dates in census data are ranges estimated by respondents. Here, recent construction refers to units built from 2006 to May 10, 2011 (Census Day).

[18] Small towns and rural areas comprise places that are not CMAs or CAs.

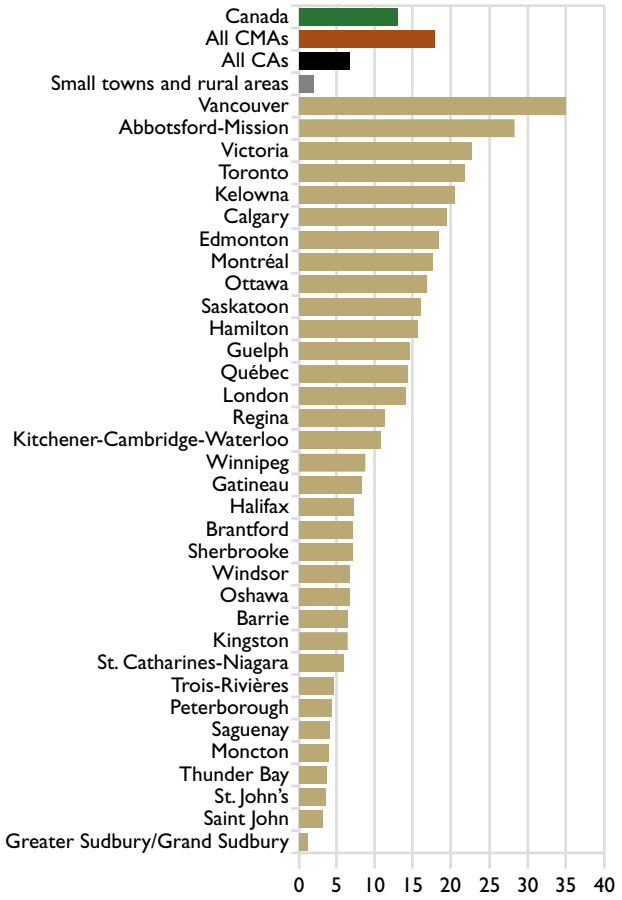
Among CMAs, market shares were lowest in Atlantic Canada and in small metropolitan areas in Quebec and Ontario.

Condominiums are popular in mid-sized centres in resort and retirement areas

Although typically found in metropolitan areas, condominiums have above-average shares of the homeownership market (i.e., above the Canadian average) in some mid-sized centres (CAs), including a number of retirement destinations or resort locations. Most of these communities are in British Columbia, a province known for attracting retirees, or Alberta *(see Figure 2-16)*. The only mid-sized communities east of Alberta in which condominiums held higher-than-average shares of the homeownership market were Collingwood and Cobourg, both in Ontario.

FIGURE 2-15

Condominium share of homeownership market, Canada, CMAs, CAs, and other areas, 2011



Owner-occupied condominiums as a % of owner households

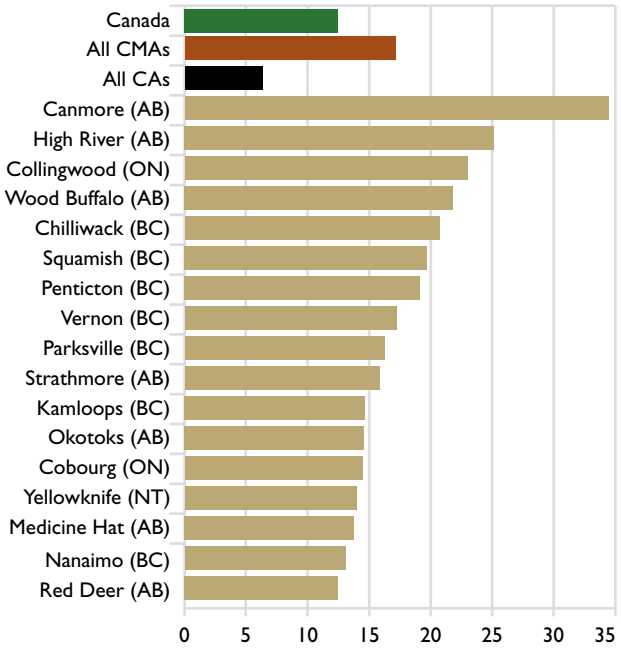
A Census Metropolitan Area (CMA) is an urban area with a total population of at least 100,000 and an urban core population of at least 50,000. A Census Agglomeration (CA) is an urban area that is not a CMA and has an urban core population of at least 10,000.

Quebec and Ontario portions of Ottawa-Gatineau are shown separately.

Source: CMHC, adapted from Statistics Canada (*National Household Survey*)

FIGURE 2-16

Condominium shares of homeownership market, selected CAs, 2011



Owner-occupied condominiums as a % of owner households

Figure displays all CAs with higher-than-average condominium shares. A Census Agglomeration (CA) is an urban area that is not a CMA and has an urban core population of at least 10,000. A Census Metropolitan Area (CMA) is an urban area with a total population of at least 100,000 and an urban core population of at least 50,000.

Source: CMHC, adapted from Statistics Canada (*National Household Survey*)

Condominium market growth could be tempered by lingering attachment to family homes

Further aging of baby boomers will likely contribute to continued growth in the numbers of one-person households and couples without children, the household types that account for the bulk of condominium

residents.[19] The oldest baby boomers—the large generation born in the two decades following World War II—are just beginning to turn 65. Earlier generations achieved their highest rates of condominium ownership during their senior years. If baby boomers follow the same pattern, many will buy condominiums as they age. In many of the larger CMAs, condominiums account for half or more of the homes bought by senior households *(see Figure 2-17)*.[20]

Households today have significantly higher rates of condominium ownership than earlier generations when they were of comparable age. Whether Canadians continue to display an increasing appetite for condominiums remains to be seen. One factor that may ultimately restrain the growth of condominiums is the desire of many aging households to remain in their current homes.

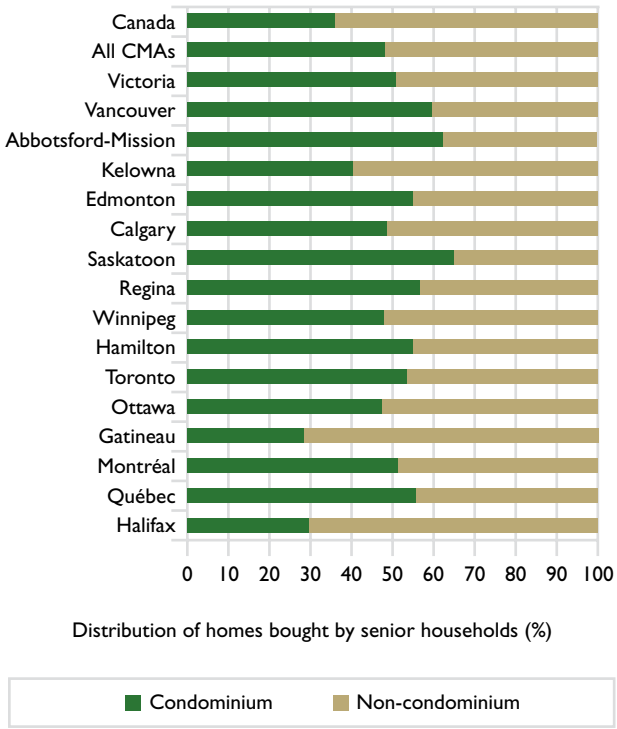
Despite the increasing availability and popularity of condominiums, the rates at which different age groups move appear to have dropped over the past two decades.[21] In 2011, 18% of seniors had moved in the previous five years, compared to 22% in 1991 *(see Figure 2-18)*. The fact that more than 80% of seniors do not move in any given five-year period suggests that many remain strongly attached to their homes. If baby boomers exhibit similar tendencies, the turnover of the housing stock as they age will be gradual.

Condominium apartment markets

This section discusses condominium apartment markets with a focus on Toronto and Vancouver, based in part on data collected by CMHC *(see text box CMHC surveys that collect data on condominiums, page 2-7)*.

FIGURE 2-17

Distribution of condominium and non-condominium purchases, senior households,[1] Canada and selected CMAs, May 2006 to May 2011[2]



[1] Senior households have maintainers aged 65 or older. The household maintainer is the person or one of the people in the household responsible for major household payments. Where more than one person in a household claims responsibility for such payments, the primary maintainer is the first person listed on the census form as a maintainer.

[2] May 10, 2006 to May 10, 2011 – the 5 years up to and including Census Day.

Quebec and Ontario portions of Ottawa-Gatineau are shown separately.

Source: CMHC, adapted from Statistics Canada (*National Household Survey*)

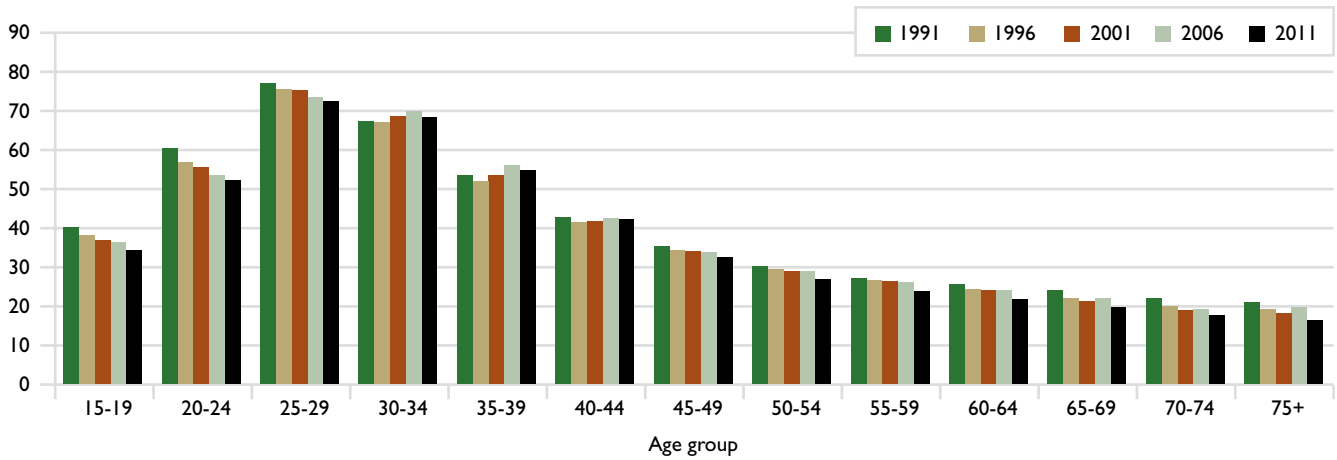
[19] Couples without children include those whose children no longer live with them. *See Chapter 5* ("Demographic and Socio-economic Influences on Housing Demand") for discussion of projected changes in household composition in Canada.

[20] In CMAs collectively, 48% of the homes bought by senior maintainers who moved in the 5 years ending on May 10, 2011 were condominiums.

[21] Mobility data from the 2011 *National Household Survey* (NHS) and earlier Censuses are not strictly comparable. Census data include people living in non-institutional collective dwellings, such as rooming houses, motels, student residences, and residences for senior citizens, whereas NHS data include only the population living in private households.

FIGURE 2-18

Residential mobility by age group, Canada, 1991-2011



[1] Population in private households.

Mobility data from the 2011 *National Household Survey* (NHS) and earlier censuses are not strictly comparable. Unlike census data, NHS data do not include residents of non-institutional collective dwellings.

Source: CMHC, adapted from Statistics Canada (Census of Canada, *National Household Survey*)

Distinguishing features of the condominium apartment market

The condominium apartment market is significantly different than the freehold and condominium single-detached house markets for a variety of reasons:

- The process involved in constructing an apartment building, particularly a high-rise, combined with the large number of units that a high-rise building can contain, means that local markets can experience large waves of new supply, as opposed to the more gradual additions to the stock typical with single-detached houses.
- The time between pre-sales[22] of a new high-rise building and when units are occupied can be two or more years, depending on the stage of construction at which the pre-sale occurred; whereas, for new single-detached houses built on-site, the time between sale and occupation is typically less than one year.
- Owners of condominium apartments tend to own their units for a shorter period of time than owners of single-detached houses, contributing to relatively larger volumes of resales.
- Condominium apartments also attract buyers purchasing units as an investment rather than as their primary residence, so increases in sales may reflect increased investor activity. While single-detached freehold and condominium houses also attract some investor interest, buyers of them are typically purchasing their primary residence.

The differences in markets discussed above result in greater fluctuations in the construction levels, sales, and prices of condominium apartments relative to freehold and condominium single-detached houses.

Within the condominium apartment market in Canada, the Toronto and Vancouver markets warrant specific attention, given the large size of these markets, and the

[22] Pre-sales here refers to real estate properties that are sold either before start or completion of construction. These types of sales are known as off plan properties in the United Kingdom and Australia.

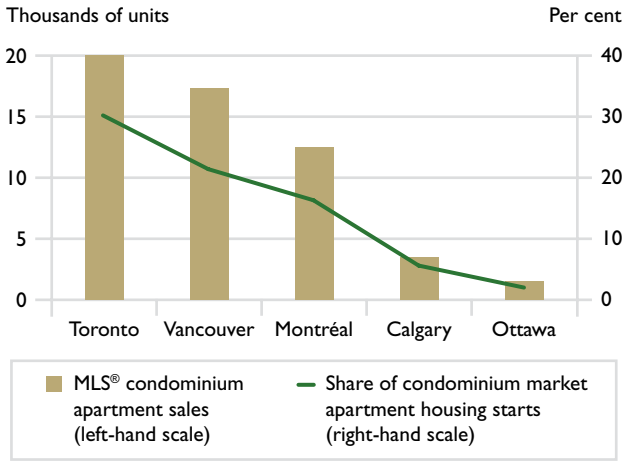
role that apartment condominiums play in them as a source of rental housing and as a relatively less expensive option for homeownership. The fluctuations in new construction, sales, and prices over the past decade have also brought more attention to these markets.

Toronto and Vancouver account for about half of new Canadian condominium apartment starts

Toronto and Vancouver dominate the Canadian condominium apartment housing market both in terms of housing starts as well as resales.[23] As a share of national condominium apartment housing starts, these two CMAs accounted for just over half the national total in 2012, with 30% in Toronto and 21% in Vancouver. In 2012, condominium apartments accounted for close to 20,000 resales in Toronto (almost one-quarter of all resales) and more than 17,300 resales in Vancouver (over two-thirds of all resales). The condominium apartment market is significantly larger in these two CMAs than in other CMAs in Canada *(see Figure 2-19).*

FIGURE 2-19

Condominium apartment MLS® sales and share of Canadian apartment housing starts, selected CMAs, 2012



Source: CMHC, adapted from Real Estate Board of Greater Vancouver, Fraser Valley Real Estate Board, Toronto Real Estate Board, Greater Montréal Real Estate Board, Calgary Real Estate Board, Ottawa Real Estate Board

Pre-sales signal direction of new condominium apartment construction

The number of pre-sales is a key indicator for evaluating the state of the condominium apartment market.

In both Toronto and Vancouver, the number of pre-sales slowed in 2012 after increasing by 91% and 153%, respectively, from 2009 to 2011 *(see Figure 2-20).* Pre-sales affect the pace and volume of future projects as they enable developers to assess potential demand, so the lower number of pre-sales in 2012 could suggest fewer condominium apartment starts in 2013 and 2014.

In Toronto, the number of condominium apartment starts dropped 51% from 2008 to 2009, responding to the global economic downturn, and, as pre-sales increased from 2009 to 2011, starts increased accordingly. By 2012, condominium apartment starts were 23% above the 2008 level.

Vancouver experienced a similar pattern, although with a larger initial decrease in the number of starts followed by a more moderate rebound. Between 2008 and 2009, condominium apartment starts decreased by 80% amidst a decline in the number of pre-sales. While the number of pre-sales increased 153% between 2009 and 2011, the number of new condominium apartment starts in 2012 stayed below 2008 levels.

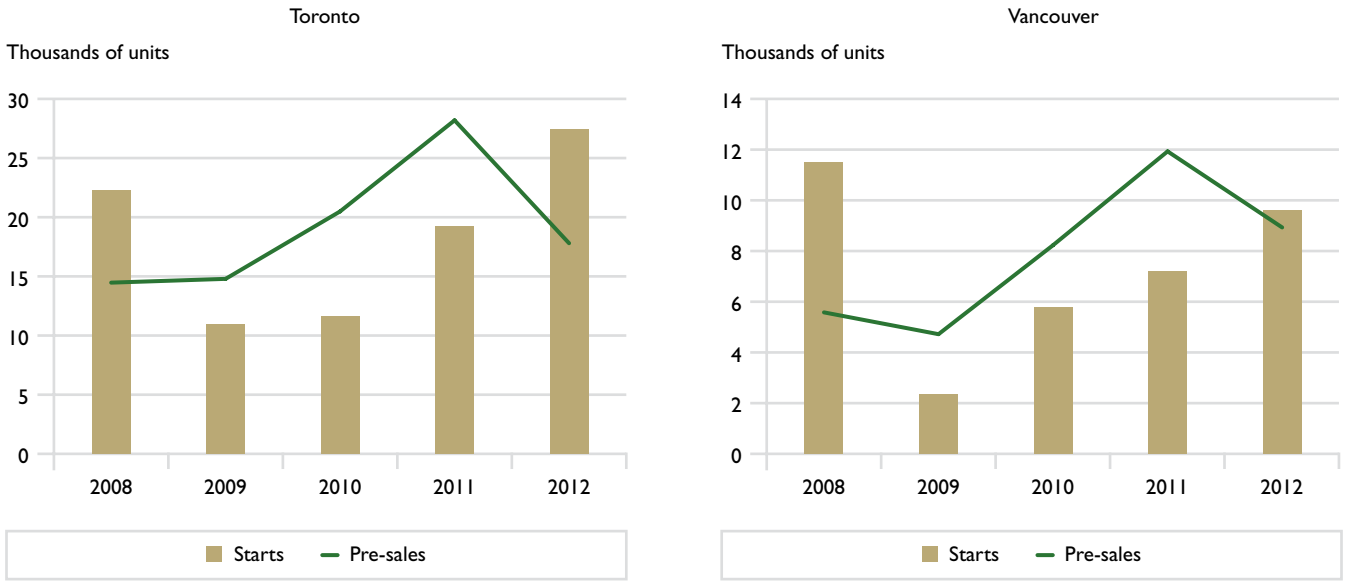
Since many pre-sales occur before start of construction, comparing the average annual pre-sales and starts over a 5-year period is also useful. Between 2008 and 2012, the Toronto condominium apartment market averaged approximately 18,300 starts per year and 19,200 pre-sales annually, while Vancouver averaged approximately 7,300 starts and 7,900 presales.

The number of units under construction in Toronto, echoing the pattern of starts, was lower from December 2008 to December 2011, and higher in December 2012 *(see Figure 2-21).* In March 2013, the number of condominium apartments under construction in Toronto was 43.5% higher than the previous peak in December 2008. This increase coincided with a rise in the percentage

[23] Sales of existing property through the Multiple Listing Service (MLS®) system.

FIGURE 2-20

Condominium apartment new construction starts and pre-sales, Toronto and Vancouver CMAs, 2008-2012

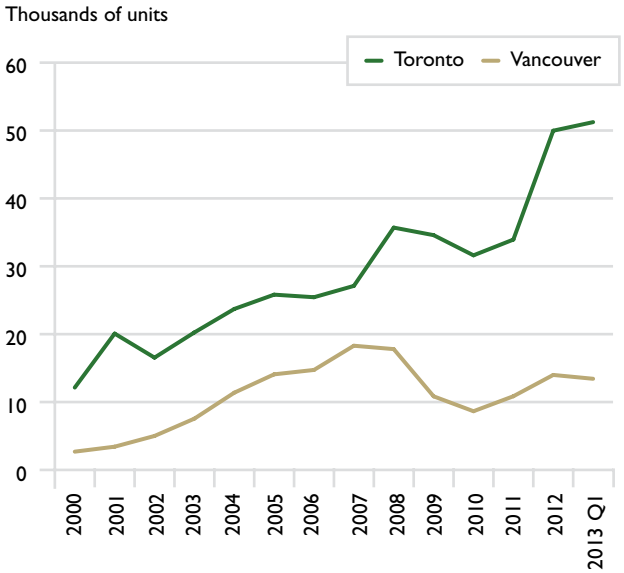


Pre-sale is defined as a sale of a condominium apartment unit that occurs before construction completion.

Source: CMHC; CMHC, adapted from Urbanation Inc. and MPC Intelligence

FIGURE 2-21

Condominium apartments under construction, Toronto and Vancouver CMAs, 2000-2013 Q1



Data for 2000-2012 are as of December; 2013 data are as of March.

Source: CMHC (*Starts and Completions Survey*)

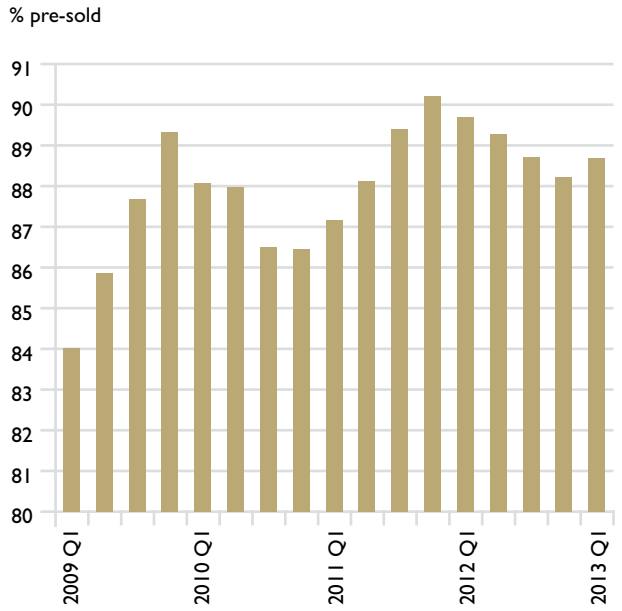
of units under construction that were pre-sold, from 84% in the first quarter of 2009 to 89% in the first quarter of 2013 *(see Figure 2-22)*. Unlike Toronto, the number of condominium apartments under construction in Vancouver fell by 24.6% from December 2008 to March 2013. Units under construction will be completed at various points in time.

Condominium apartments offer a more accessible entry point into homeownership

The relative affordability of condominium apartments compared to single-detached houses has played a part in fuelling the demand for, and the prevalence of, condominium apartments in both Toronto and Vancouver. In March 2013, based on average MLS® resale prices, the price of a single-detached house was 1.9 and 2.4 times that of a condominium apartment in Toronto and Vancouver, respectively. Condominium apartments thus provided a much more accessible entry point into homeownership in these two CMAs *(see Figure 2-23)*.

FIGURE 2-22

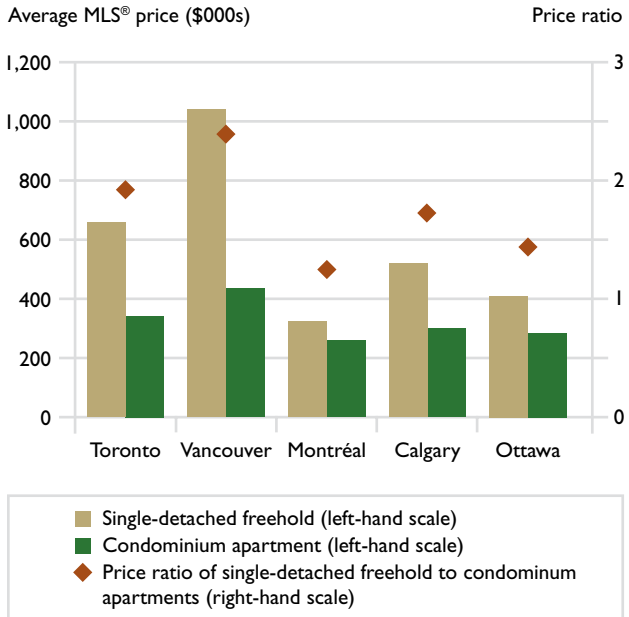
Percentage of condominium apartment units under construction that are pre-sold, Toronto CMA, 2009 Q1–2013 Q1



Source: CMHC, adapted from Urbanation Inc.

FIGURE 2-23

Average MLS® prices and price ratios for single-detached freehold houses and condominium apartments, selected CMAs, March 2013



Source: CMHC, adapted from Real Estate Board of Greater Vancouver, Fraser Valley Real Estate Board, Toronto Real Estate Board, Greater Montréal Real Estate Board, Calgary Real Estate Board, Ottawa Real Estate Board

Strong rental market demand for condominium apartments

Investors are a strong presence in the Toronto and Vancouver condominium apartment markets. In both CMAs, condominium apartments represent the vast majority of all new rental supply, accounting for 86% of the new additions to the rental market in the Toronto CMA, and 91% of the new units in Vancouver from October 2011 to October 2012.[24]

In 2012, about 23% and 26%, respectively, of all condominium apartments in Toronto and Vancouver were used as rental units, shares that have increased since 2007 *(see Figure 2-24)*.

Condominium apartment rentals in Toronto and Vancouver feature lower average vacancy rates and higher average rents compared to conventional purpose-built rental apartment units,[25] creating a favourable investor market given the prevailing low mortgage interest rates and generally increasing resale prices (see below). The vacancy rate for rental condominium apartments in Vancouver was 1.0% in 2012, compared to 1.8% for purpose-built rental apartments; in Toronto it was 1.2% and 1.7%, respectively.

[24] CMHC *Rental Market Report,* 2012, based on the increase in the condominium apartment universe and the increase in all other rental units from October 2011 to October 2012.

[25] CMHC *Rental Market Report,* 2012. The higher rents and lower vacancy rates of condominium apartment rentals compared to purpose-built rental units may reflect a variety of factors: more convenient locations (e.g., closer to downtown or on rapid transit) of condominium apartment rentals, newer buildings with more amenities, and flexibilities with rent by the investor landlord to keep occupancy high and loss low of rents through vacancies.

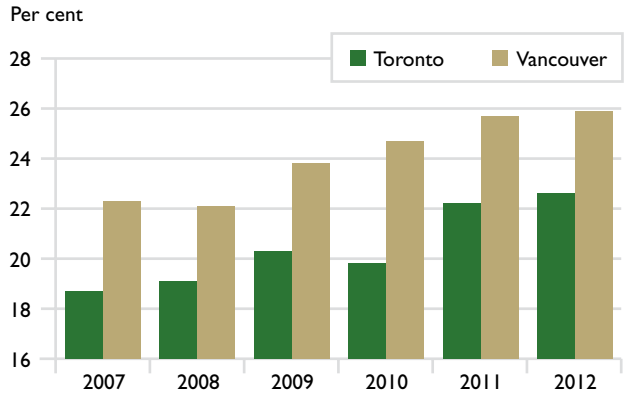
In Vancouver, the average rent for a one-bedroom condominium apartment in October 2012 was 32% higher than the average rent for a purpose-built one-bedroom apartment; in Toronto it was 43% higher *(see Figure 2-25)*.

The length of time a condominium apartment is held before it is resold tends to be shorter than that for a single-detached freehold *(see Figure 2-26)*. The percentage of owners holding a condominium apartment unit for 2-5 years is generally higher than the percentage for owners of a single-detached freehold and the relationship is reversed for owners holding a unit 5-10 years.

For many (e.g., younger) buyers who purchase a condominium apartment as a primary residence, there typically is a "trade-up" plan in mind. For example, an entry-level bachelor or one-bedroom condominium apartment is often viewed as a stepping stone to a larger two- or three-bedroom condominium apartment or a single-detached freehold. The average size of a condominium apartment has decreased; for example, the average size of a one-bedroom condominium apartment in the City of Vancouver fell from 62.1 m^2 (668 ft^2) for units completed in 2008 to 53 m^2 (580 ft^2) for those scheduled to be completed in 2013.[26]

FIGURE 2-24

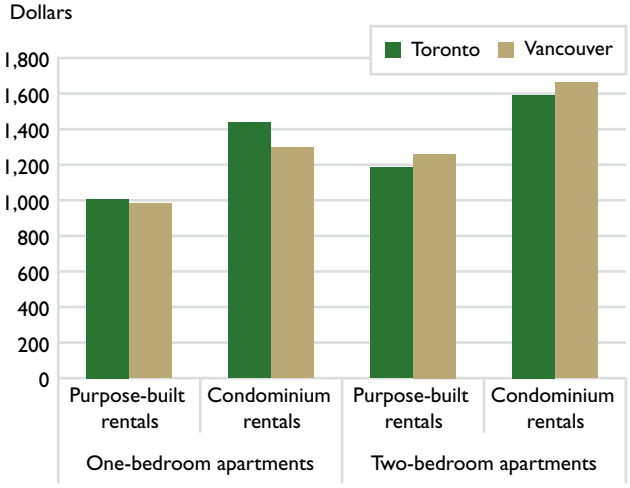
Shares of condominium apartments used as rentals, Toronto and Vancouver CMAs, 2007-2012



Source: CMHC (*Rental Market Survey*)

FIGURE 2-25

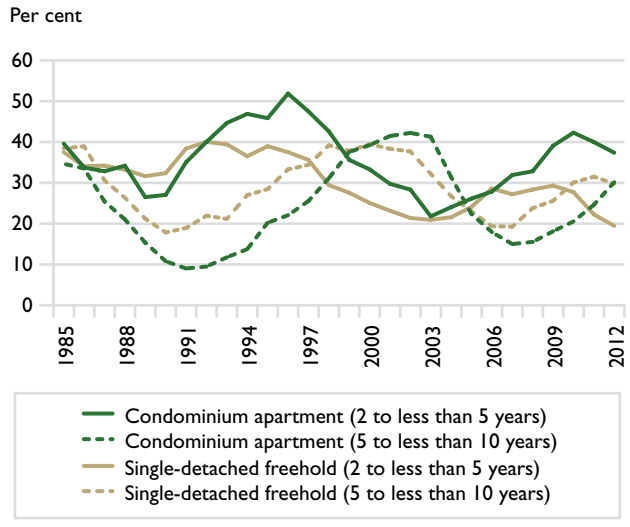
Average monthly rents for one-bedroom and two-bedroom condominium apartments and purpose-built rental apartments, Toronto and Vancouver CMAs, October 2012



Source: CMHC (*Rental Market Survey, Condominium Apartment Rent Survey*)

FIGURE 2-26

Shares of single-detached freehold house sales and condominium apartment sales by time held before resold, Vancouver CMA, 1985-2012



Source: CMHC, adapted from Landcor Data Corporation

[26] CMHC, adapted from Real Estate Board of Greater Vancouver.

Space constraints are typically experienced in condominium apartments more quickly than in larger single-detached houses as the latter are often built with at least three bedrooms and / or provide more opportunity to be reconfigured or expanded as needed.

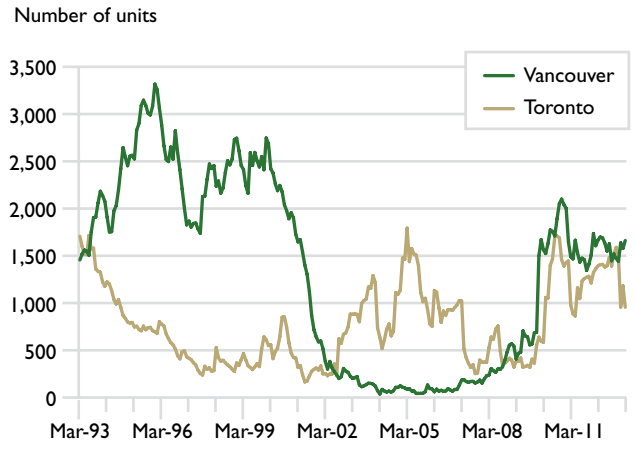
The number of completed but unsold units has been increasing, particularly in Vancouver, impacting prices

The inventory of completed and unsold condominium apartment units in Toronto declined from almost 1,800 units in the mid-2000s to about 380 units in 2009, and has since increased. In March 2013, there were 955 completed and unsold condominium apartment units in Toronto *(see Figure 2-27)*.

In Vancouver, there were 1,662 completed and unsold condominium apartment units at March 2013, well below the peak of 3,317 units from the mid-1990s but above the very low levels recorded from 2002 to 2007. This higher volume of readily available new units since 2009 provided price competition for units on the resale market.

FIGURE 2-27

Completed and unsold condominium apartment units, Toronto and Vancouver CMAs, 1993-2013

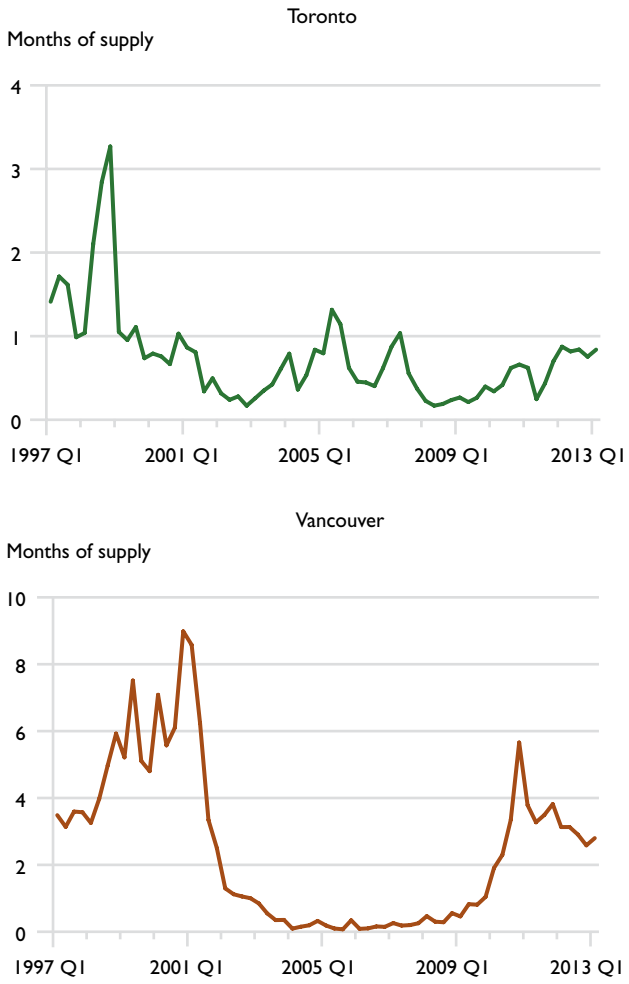


Source: CMHC (*Starts and Completions Survey*)

The months of supply of completed and unsold condominium apartments[27] in Toronto has been about or below one month for over a decade *(see Figure 2-28)*. In Vancouver, it was below one month for several years, before rising to about six months at the end of 2010, and falling thereafter to about three months in the first quarter of 2013.

FIGURE 2-28

Months of supply of completed and unsold condominium apartments, Toronto and Vancouver CMAs, 1997 Q1–2013 Q1



Source: CMHC (*Starts and Completions Survey*)

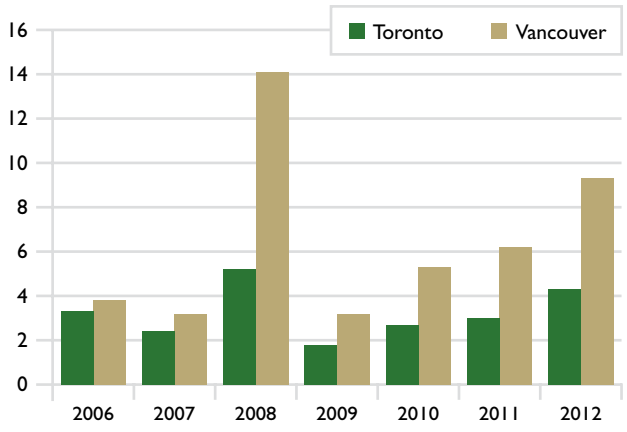
[27] The months of supply of completed and unsold units is the ratio of the number of these units to the number of units that have been absorbed in the same month; absorbed means that a housing unit is no longer on the market, having been sold or rented, usually via a binding contract secured by a non-refundable deposit and signed by a qualified purchaser.

In 2007, the months of supply[28] of resale condominium apartments were 2.4 in Toronto and 3.2 in Vancouver *(see Figure 2-29)*. One year later, as sales slowed and the number of listings increased, the months of supply increased in both markets, particularly in Vancouver, before falling in 2009 to about 2007 levels. The months of supply trended up between 2009 and 2012 to 4.3 months of supply in Toronto and 9.3 in Vancouver by the end of that period. However, the months of supply trended down in the first quarter of 2013.

A surge in sales of condominium apartments in 2010 in both Toronto and Vancouver led to an average MLS® price increase of over 9% for condominium apartments compared to the previous year *(see Figure 2-30)*. Since then, a combination of slower sales, higher listings, and competition from new supply contributed to slower price growth or declining prices, depending on the market. Builders have adjusted to the moderation in demand by slowing the construction of new condominium units and offering increased incentives to buyers *(see text box Toronto and Vancouver condominium builders react to market conditions)*. At the end of the first quarter in 2013, average MLS® prices for condominium apartments were down 1.5% in Toronto and 0.7% in Vancouver compared to the first quarter of 2012.

FIGURE 2-29

Months of supply for resale condominium apartment units,[1] Toronto and Vancouver CMAs, 2006-2012

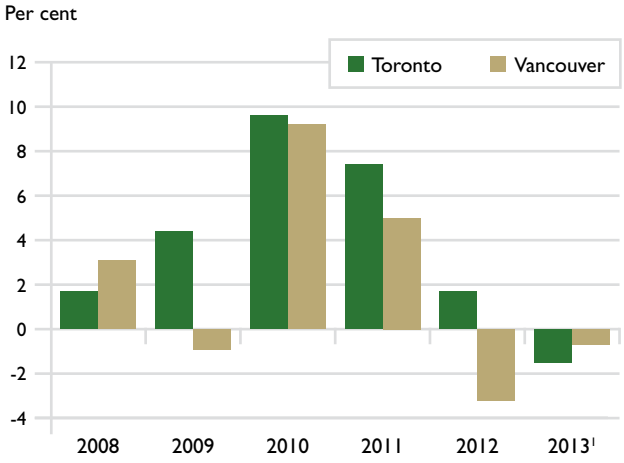


[1] Calculated as seasonally-adjusted year-end active listings divided by the seasonally-adjusted monthly sales rate during the fourth quarter.

Source: Toronto Real Estate Board, Real Estate Board of Greater Vancouver

FIGURE 2-30

Condominium apartment average MLS® price change, Toronto and Vancouver CMAs, 2008-2013[1]



[1] January – March 2013.

Source: CMHC, adapted from Toronto Real Estate Board, Real Estate Board of Greater Vancouver

Average prices vary within both Toronto and Vancouver CMAs

In the Greater Toronto Area, the southern part of the City of Toronto recorded the highest average condominium apartment MLS® price of $804,000 over the first six months of 2013; however, the average price of condominium apartments in this area is likely skewed by more expensive units in and around the downtown core, as the median MLS® price of a condominium unit was nearly $200,000 lower, at $613,000, over the same period.

[28] The months of supply of resale condominium apartments is calculated as seasonally-adjusted year-end active listings divided by the seasonally-adjusted monthly sales rate during the fourth quarter.

Other regions in the Greater Toronto Area saw smaller absolute gaps between the average and median MLS® price of condominium apartments, including the northern part of the City of Toronto, outside the downtown core. This suggests that the share of the high-end luxury condominium segment is larger in the southern area of the City when compared to the rest of the Greater Toronto Area. In particular, the northern part of the City saw an average price of $384,000 and a median price of $362,000 over the first six months of 2013, while Markham saw average and median prices of $333,000 and $307,000, respectively, and Mississauga registered an average price of $267,000 and a median price of $253,000 *(see Figure 2-31)*. Clarington offered even lower average and median prices and a smaller absolute spread between the two measures.

There was a wide range in Vancouver as well. The average MLS® price of condominium apartments in March 2013 was about $708,000 for Vancouver Downtown; in Richmond, it was $354,000 *(see Figure 2-32)*. Still more affordable condominium apartments were in Coquitlam, Surrey, and Langley.

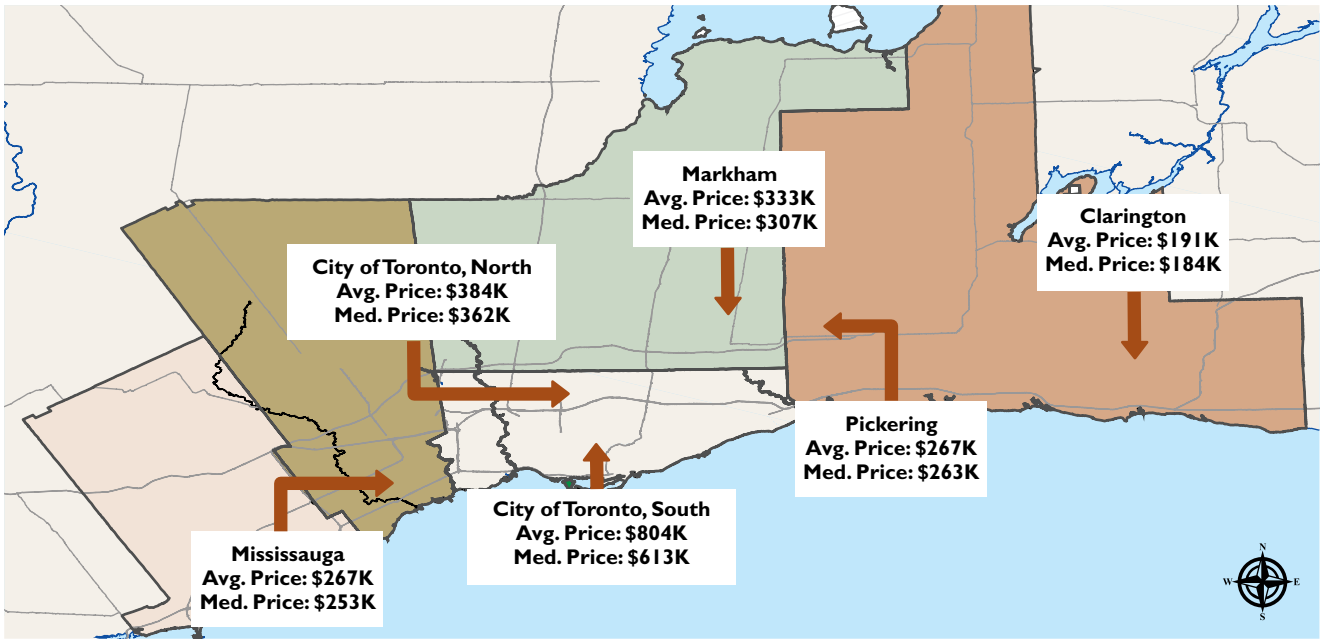
Toronto and Vancouver condominium builders react to market conditions

In Toronto, echoing the significant level of starts in 2012, the number of condominiums currently under construction is high from a historical standpoint. However, this is not expected to translate into a sudden rise in completions and higher inventories of completed and unsold units because apartment condominiums under construction typically consist of projects started at different points in time that take varying lengths of time to complete—some as long as three or four years. While there may be concerns about the current number of units under construction, builders are responding to market conditions by reducing the number of new project launches and moderation of pricing at launch. In addition, inventories of completed and unabsorbed units, in terms of months of supply, remain low because builders typically don't begin construction until a substantial share of units in a project are sold. Builders are expected to continue to manage their construction and completion schedules in order to avoid sudden increases in inventories of newly constructed units. As a result, completions of new units are expected to trend higher for some time rather than spiking. Because some new units are resold shortly following completion, inventories of units for sale on the resale market (active listings) can also be expected to rise as completions of new units rise. However, while the months of supply on the resale market increased in late-2012, it fell by mid-2013 as sales picked up. In addition, more condominium investors are renting rather than listing for sale at completion. The trend in months of supply is similar across most submarkets, but Etobicoke is an area where it tends to be above average. Builders also continue to offer incentives for buyers.

In Vancouver, the number of condominiums under construction rose in 2012, but remains below the peak levels in 2007 and 2008. While the number of completed units is trending up, the level of completed and unabsorbed units, in terms of months of supply, is trending lower. As in Toronto, many newly completed units find their way to the resale market. Active resale condominium listings have increased slightly while existing condominium sales have been decreasing, resulting in a rising number of months of supply on the resale market and softening resale prices. This is particularly the case in the resale markets outside the downtown core, such as Richmond, Surrey and Coquitlam, when compared to the City of Vancouver. However, rental condominium demand is expected to partly restrain the growth of resale condominium listings, reflecting the much lower cost to a tenant of renting a condominium in Vancouver when compared to the cost of carrying a mortgage on a similar unit, particularly for down payments that are not considerably higher than 20%. In addition, builders in Vancouver have slowed the construction of new units, resulting in a declining trend for condominium starts since the last quarter of 2012 and over the first half of 2013, and are also offering increased incentives to encourage sales.

FIGURE 2-31

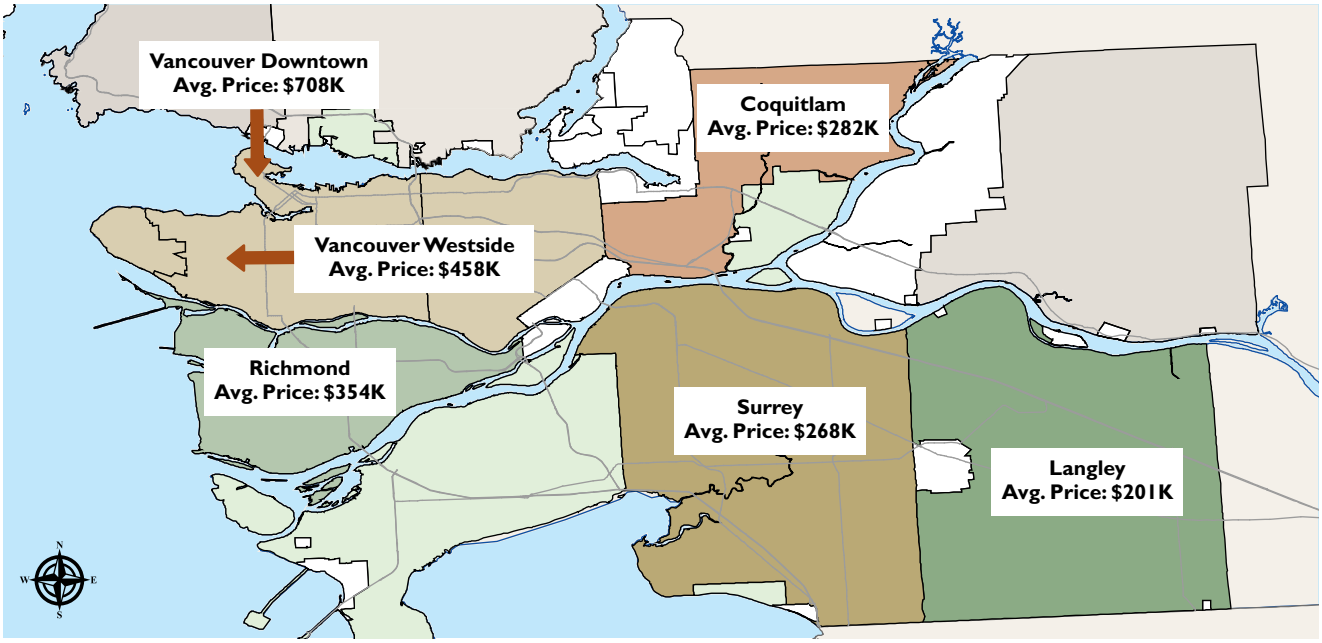
Average and median MLS® price for condominium apartments, Greater Toronto Area, first half of 2013



Source: CMHC, adapted from Toronto Real Estate Board

FIGURE 2-32

Average MLS® price for condominium apartments, Vancouver area, March 2013



Source: CMHC, adapted from Real Estate Board of Greater Vancouver, Fraser Valley Real Estate Board

Housing Finance

Ethel Seath, *The Gardener's House*, c. 1930, Oil on canvas, 62.5 x 67 cm, National Gallery of Canada, Ottawa. Photo © NGC

Fast Facts

- In 2011, 3.7 million or 41.4% of the 9.0 million non-farm, non-reserve homeowners in Canada did not have a mortgage.
- Total residential mortgage credit outstanding stood at $1.172 trillion in April 2013, an increase of 5.2% from April 2012.
- The proportion of residential mortgages that were three or more months in arrears continued trending down; it was 0.31% in June 2013 (i.e., below one-third of 1%), lower than the average of 0.41% in 2011 and the average of 0.41% in the decades 1990-2010.
- Mortgage insurance plays an important role in Canada by helping consumers purchase homes with a minimum down payment of 5% at interest rates comparable to those paid by buyers with a 20% (or higher) down payment.
- The average homeowner equity in CMHC's insured portfolio in 2012 was 45% and has remained in line with 2010 and 2011.
- There was $79.6 billion of market *National Housing Act* Mortgage-Backed Securities (NHA MBS) guaranteed in 2012 and market NHA MBS outstanding increased to $387.4 billion by the end of 2012.
- There was $39.9 billion of Canada Mortgage Bonds (CMB) issued in 2012 and CMB outstanding rose to $203 billion by the end of 2012.
- By July 2013, the Canadian Imperial Bank of Commerce and the Royal Bank of Canada became the first issuers with programs registered under CMHC's new Canadian Registered Covered Bonds Program Guide.

This chapter highlights key features of, and updates on, Canada's residential mortgage lending and mortgage funding markets, and touches on major policy and regulatory developments related to these areas.

Residential mortgage lending market

According to Statistics Canada's *National Housing Survey*, in 2011, of the 9.0 million non-farm, non-reserve homeowners in Canada, 58.6% had a mortgage.

Mortgage credit rose, but growth rate remained below the long-term average

Total residential mortgage credit outstanding[1] stood at $1.172 trillion in April 2013,[2] up 5.2% compared to a year earlier. The year-over-year growth rate of mortgage credit in April 2013 was below the average annual growth rate of 9.3% for the decade 2001-2010, reflecting a moderation in housing market activity levels.

Variable mortgage rates continue to hold steady

From September 2010 to July 2013,[3] the Bank of Canada maintained the target for the overnight rate[4] at 1%. This important benchmark interest rate influences other short-term interest rates in the economy including variable mortgage rates *(see text box Some common mortgage terminology),* which have remained relatively stable since the last quarter of 2011. For instance, the Bank of Canada's "estimated variable mortgage rate" has held steady at 3% from October 2011 through April 2013.[5]

Some common mortgage terminology[1]

- **Mortgage term** is the length of time a mortgage agreement will be in effect (for example, five years). At the end of the term, the borrower has to either pay off the outstanding mortgage amount in full, or renew for another mortgage term (which includes renegotiating the mortgage rate and some other mortgage features).
- **Amortization period** is the length of time it would take to pay off a mortgage in full (e.g. 25 years).
- **Fixed mortgage rate** is a mortgage interest rate that is set for the duration of the mortgage term.
- **Variable mortgage rate** (including adjustable rate) is a mortgage interest rate that varies during the mortgage term.
- **Posted mortgage rate** is the rate publicly advertised by lenders (lenders often offer borrowers a discount from this rate.).
- **Combination mortgage** typically has a portion of the mortgage term or mortgage loan amount at a fixed rate and the remaining portion at a variable rate. Some mortgage products may also offer a combination of amortizing and non-amortizing (i.e., Home Equity Line of Credit (HELOC))[2] components or, in general, components with different features.

[1] Adapted from Financial Consumer Agency of Canada definitions. www.fcac-acfc.gc.ca/eng/consumers/mortgages/index-eng.asp (June 5, 2013).

[2] See Home Equity Lines of Credit (HELOCs) later in this chapter.

[1] The Bank of Canada reports Home Equity Lines of Credit (HELOCs) data under consumer credit, rather than residential mortgage credit. However, lenders may include HELOCs in their mortgage credit data when reporting to the Bank of Canada.

[2] Bank of Canada. Weekly Financial Statistics – 10 May 2013. www.bankofcanada.ca/publications-research/periodicals/wfs/ (Accessed July 23, 2013).

[3] Latest data available as of the time of writing.

[4] The target for the overnight rate is the main tool used by the Bank of Canada to conduct monetary policy. www.bankofcanada.ca/monetary-policy-introduction/key-interest-rate/ (August 26, 2013).

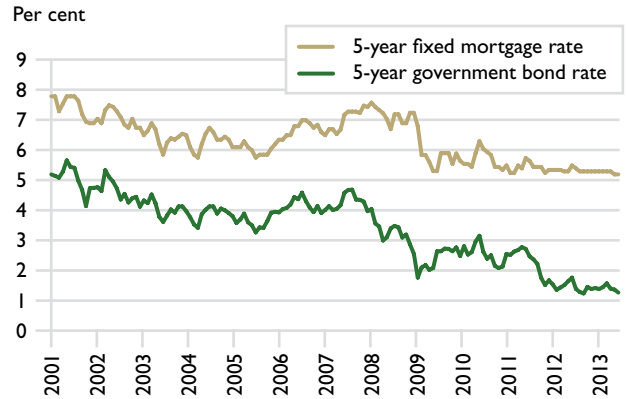
[5] Bank of Canada, Financial Conditions, credit.bankofcanada.ca/financialconditions (July 12, 2013).

Five-year fixed mortgage rates decreased slightly

Government bond yields are one of the key factors influencing longer-term fixed mortgage rates. For example, posted 5-year fixed mortgage rates have generally been correlated with the 5-year government bond yield in the long run *(see Figure 3-1)*. The posted 5-year fixed mortgage rate has been on a stable trajectory since late 2012. The average posted 5-year fixed mortgage rate was 5.19% in the first quarter of 2013, down from an average of 5.27% in 2012 and 5.37% in 2011. The spread between the 5-year government bond yield and posted 5-year fixed mortgage rates was largely steady; it averaged 3.87 percentage points between January and April 2013, compared to 3.90 percentage points in 2012.

FIGURE 3-1

5-year fixed mortgage rate[1] and the 5-year government bond yield, 2001-2013[2]



[1] Chartered bank posted interest rates.
[2] Latest data point is April 2013.

Source: Bank of Canada

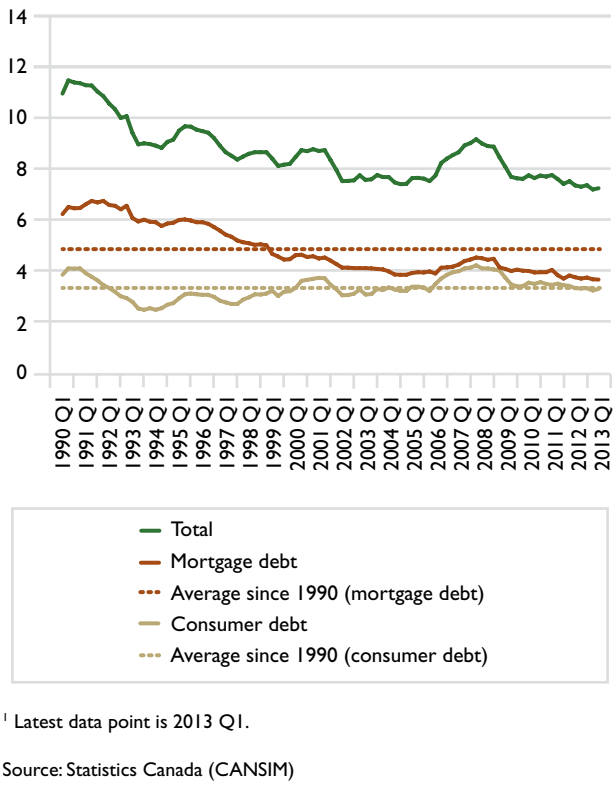
Household mortgage debt-service ratios continued to moderate

There are various ways to look at households' financial health. The household net worth-to-disposable income ratio stood at 6.7 in the fourth quarter of 2012, above the historical average of 5.6 since 1990.[6]

In addition, indicators relating to Canadians' ability to service their total debt and their mortgage debt have shown continued improvement since 2008. Their total debt-service ratio (DSR); i.e., the ratio of total annual debt-service costs to annual personal disposable income, and their mortgage DSR; i.e., the ratio of annual mortgage debt-service costs to annual personal disposable income, have followed a declining trend since 2008.[7] More specifically, in 2012 the mortgage DSR moderated for the fifth year in a row. It fell further to 3.6% in the first quarter of 2013, which is considerably lower than the historical average of 4.8% since 1990 *(see Figure 3-2)*.

FIGURE 3-2

Quarterly household debt-service ratios, 1990-2013[1]



[1] Latest data point is 2013 Q1.

Source: Statistics Canada (CANSIM)

[6] CMHC, adapted from Statistics Canada (CANSIM) data.
[7] The DSR measure captures only interest paid on debt; in practise, the actual burden of mortgage debt includes principal repayments.

Mortgage arrears rate remained low and trended downward since mid-2010

Mortgage arrears remained low and stable *(see Figure 3-3)*. The annual average rate of mortgage arrears was about one-third of 1%, at 0.34% in 2012, down from 0.41% in 2011, according to the Canadian Bankers Association.[8] As of June 2013, 0.31% of residential mortgages were three or more months in arrears, compared to 0.33% twelve months earlier. Canada's internationally recognized conservative mortgage lending practices are among the key factors contributing to this outcome.[9]

A wide range of mortgage product choices continue to benefit Canadians

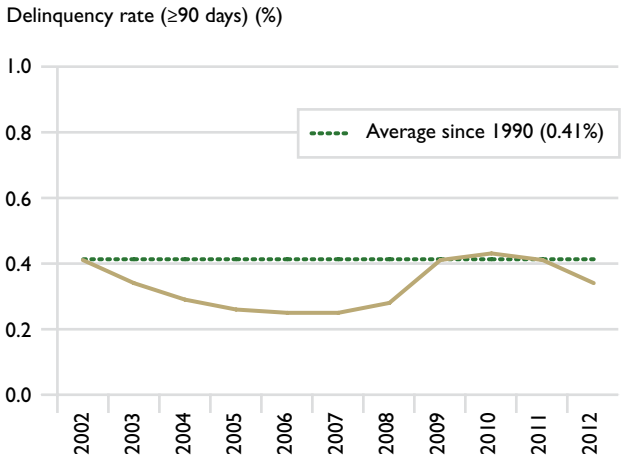
In recent decades, Canadian consumers have benefitted from a wider range of mortgage product offerings including greater choice of rate, term, and payment features. Mortgage market competition has been one of the key drivers that facilitate consumer choice. Greater use of mortgage brokers may have also assisted consumers in accessing more mortgage products and lenders. According to CMHC's 2013 *Mortgage Consumer Survey*,[10] nearly a quarter (23%) of all consumers used a broker to arrange their mortgage in 2013, compared to 14% in 1999.

Maximum mortgage amortization period for insured mortgages set at 25 years

Effective July 9, 2012, the maximum amortization period for insured mortgages with loan-to-value (LTV) ratios above 80% was set at 25 years under the government-backed mortgage insurance framework (see below). However, some lenders continue to offer mortgages with amortization periods of more than 25 years for uninsured mortgage loans with LTV ratios at or below 80%.

FIGURE 3-3

Mortgage arrears rate, 2002-2012[1,2]



[1] Mortgage arrears rates are non-seasonally adjusted, and calculated based on the total number of loans serviced instead of their dollar value.
[2] The mortgage arrears rate reflects the ratio of loans with installments past due by 90 days or more. The annual arrears rate is calculated by averaging 12 monthly arrears data in a calendar year, which is collected by the Canadian Bankers Association from 10 major Canadian banks including BMO, CIBC, HSBC, National, RBC, Scotia, TD Canada Trust, Canadian Western, Manulife (as of April 2004) and Laurentian (as of October 2010).

Source: Canadian Bankers Association

Most common mortgage remains 5-year term, fixed rate

The 5-year fixed-rate mortgage (amortized over 25 years) continues to be the most common mortgage product. The 2013 Financial Industry Research Monitor's (FIRM) *Residential Mortgage Survey*[11] confirms the popularity of the 5-year term: 68% of the borrowers who initiated or renewed in the six months prior to the survey opted for a 5-year term (this includes both fixed- and variable-rate products). Another 20% chose a term ranging from 6 months to 4 years, while the remaining borrowers had mortgage terms longer than 5 years.

[8] Canadian Bankers Association. Arrears data include data from the Bank of Montreal, Canadian Imperial Bank of Commerce, HSBC Bank Canada, National Bank of Canada, RBC Royal Bank, Scotiabank, TD Canada Trust, Canadian Western Bank, Manulife Bank (as of April 2004) and Laurentian Bank (as of October 2010). www.cba.ca/contents/files/statistics/stat_mortgage_db050_en.xls (May 13, 2013).

[9] Financial Stability Board. 2012. Peer Review of Canada. www.financialstabilityboard.org/publications/r_120130.pdf (May 13, 2012).

[10] www.cmhc.ca/en/hoficlincl/moloin/cosu/loader.cfm?csModule=security/getfile&PageID=278459 (June 13, 2013).

[11] The Financial Industry Research Monitor (FIRM) *Residential Mortgage Survey,* prepared for CMHC by Altus Group Consulting and Ipsos Reid (Winter 2013).

Fixed-rate mortgages continue to appeal to the majority of Canadian mortgage borrowers. The 2013 CAAMP survey[12] showed that 69% of the surveyed mortgage holders had fixed-rate mortgages, while 26% had variable- and adjustable-rate mortgages, and the remaining 5% had "combination" mortgages—where part of the payment is based on a fixed rate and part is based on a variable rate *(see text box Some common mortgage terminology)*. This is in line with CAAMP's 2012 survey findings.

Many Canadians continue to pay off their mortgage sooner than required

CMHC's 2012 *Mortgage Consumer Survey*[13] found that 31% of recent buyers reported making either a lump-sum payment or increasing their regular mortgage payment or both, in order to pay off their mortgage sooner; this compares to 29% in the 2011 survey. As well, 44% of recent buyers had their mortgage payment set higher than the minimum required. This trend was consistent across the country.

The propensity for Canadians to take steps to shorten the life of their mortgages was also echoed in a December 2012 CAAMP report[14] which indicated that 32% of mortgage holders accelerated the pace at which they paid their mortgage, either through payment increases or lump-sum payments. These findings were particularly true for young and middle-aged mortgage holders.

Home equity levels are strong

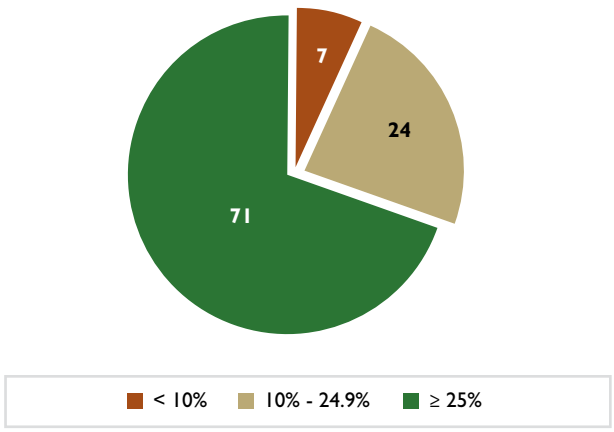
The 2013 CAAMP survey[15] revealed that home equity levels continue to be strong in Canada; the average equity for homeowners with mortgages was 47%. Among homeowners with mortgages, 71% had at least 25% equity in their home and only 7% had less than 10% equity as of April 2013 *(see Figure 3-4)*. In line with this, the average borrower equity in CMHC's insured portfolio was 45% in 2012.[16]

Mortgage rate discounting is supported by market competition

Competition in the mortgage market has continued to support borrowers' negotiating power when it comes to getting better mortgage rates. Although lenders offer

FIGURE 3-4

Home equity levels of mortgage holders[1] (%)



[1] The home equity is calculated by deducting from the value of the home the outstanding balances of the mortgage on the property and the Home Equity Lines of Credit (HELOCs).

May not add to 100% due to rounding.

Source: Canadian Association of Accredited Mortgage Professionals (CAAMP). Change in the Canadian Mortgage Market – May 2013. www.caamp.org/meloncms/media/Change%20in%20Cdn%20Mortgage%20Mkt.pdf (July 24, 2013)

[12] Canadian Association of Accredited Mortgage Professionals (CAAMP). Change in the Canadian Mortgage Market – May 2013. www.caamp.org/meloncms/media/Change%20in%20Cdn%20Mortgage%20Mkt.pdf (June 13, 2013).

[13] www.cmhc-schl.gc.ca/en/hoficlincl/moloin/cosu/index-old.cfm

[14] Mortgage Insights—Highlights from CAAMP's Fall 2012 Consumer and Industry Surveys (Toronto: Canadian Association of Accredited Mortgage Professionals (CAAMP), December 2012). www.caamp.org/meloncms/media/Mortgage%20Insights%20Dec2012%20FINAL.pdf (June 13, 2013).

[15] Change in the Canadian Mortgage Market (Toronto: Canadian Association of Accredited Mortgage Professionals (CAAMP), May 2013). www.caamp.org/meloncms/media/Change%20in%20Cdn%20Mortgage%20Mkt.pdf (July 24, 2013).

[16] www.cmhc.ca/en/corp/about/anrecopl/anre/2012/upload/CMHC_2012_Annual_Report.pdf (July 9, 2013).

posted rates, it has become a common practice for them to discount these rates based on negotiations with borrowers. The 2013 survey by CAAMP,[17] shows the average rate for 5-year fixed-rate mortgages among the surveyed borrowers was 3.05% compared to the average posted 5-year mortgage rate of 5.25% for the same period—implying that negotiated mortgage rate discounts averaged 2.2 percentage points for a 5-year fixed-rate term. This is a larger estimated discount than in the 2012 CAAMP survey when negotiated mortgage rate discounts averaged 1.85 percentage points for 5-year fixed-rate mortgages.

Home equity lines of credit (HELOCs)

HELOCs—lines of credit secured by the equity in borrowers' property(ies), often their homes—have become more popular over the last decade as they provide households with additional financial flexibility at a lower cost. According to the 2013 CAAMP survey,[18] about 2.35 million homeowners have HELOCs.

In recent years the criteria for HELOCs have been tightened. Since April 2011, HELOCs have not been eligible for government-backed mortgage insurance. More recently, in June 2012, the Office of the Superintendent of Financial Institutions (OSFI) reduced the maximum loan-to-value ratio on HELOCs to 65% from 80% for federally-regulated financial institutions.[19]

Mortgage lenders

Chartered banks continue to be the largest type of mortgage lender

Residential mortgage credit is provided by a variety of financial institutions in Canada.[20]

- Chartered banks are the largest mortgage lenders in Canada, holding 74.6% of total outstanding residential mortgage credit on their balance sheets as of February 2013, including mortgages that have been securitized.[21] The second largest group of mortgage lenders are credit unions and caisses populaires, holding 12.5% of the mortgages outstanding on their balance sheets.
- Other types of mortgage lenders are life insurance companies and pension plans, together accounting for 2.4%; trusts and loan companies holding 2.7%; and non-depository and other financial institutions holding 3.9% of the outstanding mortgage credit on their balance sheets.
- The remaining 3.9% of the total outstanding mortgage credit corresponded to securitized mortgages that were not recorded on lenders' balance sheets *(see Figure 3-5)*.

The composition of the mortgage lending market is virtually unchanged compared to the same period one year earlier.

Regulation of mortgage lenders

Federally-regulated financial institutions are supervised by OSFI

The Office of the Superintendent of Financial Institutions (OSFI) supervises federally-regulated financial institutions[22] in Canada, including chartered banks, life insurance companies, trust and loan companies, and pension plans. OSFI's long-held, proactive and transparent approach reinforces lenders' conservative business and risk management practices, including their housing finance activities.

[17] Change in the Canadian Mortgage Market (Toronto: Canadian Association of Accredited Mortgage Professionals (CAAMP), May 2013). www.caamp.org/meloncms/media/Change%20in%20Cdn%20Mortgage%20Mkt.pdf (June 13, 2013).

[18] Ibid.

[19] OSFI. June 2012. Guideline B-20 – Residential Mortgage Underwriting Practices and Procedures. http://www.osfi-bsif.gc.ca/Eng/fi-if/rg-ro/gdn-ort/gl-ld/Pages/b20.aspx (December 12, 2013).

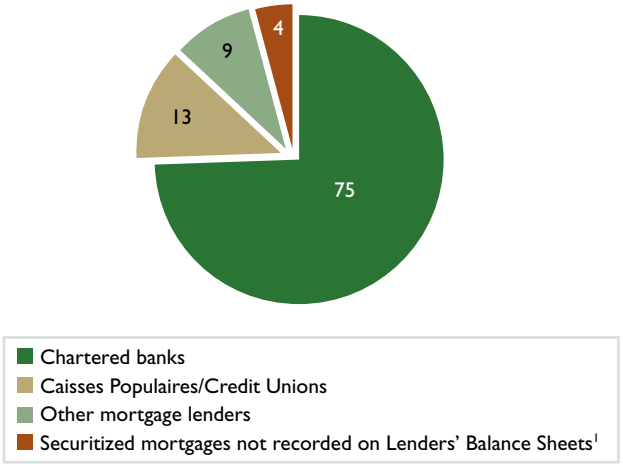
[20] The data in this section are calculated from the residential mortgage credit data in the Bank of Canada's Banking and Financial Statistics (April 2013).

[21] With the adoption of International Financial Reporting Standards (IFRS), the majority of banks' securitization volume (via both public and private programs) is now recorded on balance sheet.

[22] This includes financial institutions incorporated, continued or regulated under the *Bank Act, Trust and Loan Companies Act, Insurance Companies Act,* or *Cooperative Credit Associations Act.*

FIGURE 3-5

Total residential mortgage credit outstanding by institution, February 2013 (%)



[1] With the adoption of International Financial Reporting Standards (IFRS), the majority of banks' securitization volume (via both public and private programs) is now recorded on balance sheet.

May not add to 100% due to rounding.

Source: Bank of Canada's Banking and Financial Statistics (April 2013)

OSFI also works closely with other financial sector agencies, such as the Canada Deposit Insurance Corporation, the Financial Consumer Agency of Canada, the Bank of Canada, and the Department of Finance at the federal level; as well as with provincial regulators. Together they form a comprehensive regulatory framework.

Provincially-regulated financial institutions

Canada's credit unions and caisses populaires are regulated almost entirely at the provincial level. Mortgage broker activities are regulated by provincial legislation.

Unregulated lenders

A small number of lenders are not explicitly subject to a specific financial institutions' regulator, but must comply with regulations applied to their business and corporate structure. Such mortgage lenders account for a small proportion of Canada's mortgage market and many focus on niche market segments.

Key policy developments related to mortgage lenders

OSFI's guideline for prudent residential mortgage underwriting

In June 2012, OSFI issued Guideline B-20 on Residential Mortgage Underwriting Practices and Procedures,[23] which sets out OSFI's expectations for prudent residential mortgage underwriting. The guideline applies to all federally-regulated financial institutions that are engaged in residential mortgage underwriting and/or the acquisition of residential mortgage loan assets in Canada.[24] The guideline outlines requirements under the five following principles:

1. A comprehensive board-approved residential mortgage underwriting policy;
2. Due diligence to record and assess borrower's identity, background, and willingness to service debts;
3. Adequate assessment of borrower's capacity to service debt obligations;
4. Sound collateral management and appraisal processes; and
5. Effective credit and counterparty risk management that supports mortgage underwriting and asset management, including mortgage insurance.

The guideline also sets out new disclosure requirements regarding the mortgage lending business of regulated institutions.

New Basel III capital rules came into effect in Canada in 2013

The Basel Committee on Banking Supervision, of which Canada is a member, formulates broad international standards and guidelines, and recommends best practices

[23] OSFI's final guideline: http://www.osfi-bsif.gc.ca/Eng/fi-if/rg-ro/gdn-ort/gl-ld/Pages/b20.aspx (December 12, 2013).

[24] OSFI is developing a separate guideline which will apply to mortgage insurers (as of time of writing).

related to prudential banking supervision. The Basel I Accord (1988) and Basel II Accord (2004) were the earlier international frameworks established by the Basel Committee.

In the aftermath of the financial crisis, the Basel Committee responded by developing new global standards; i.e., Basel III, to improve supervision, regulation and risk management of the banking sector. The major elements of the Basel III rules on capital, leverage and liquidity were issued at the end of 2010; however, details on some components are still being finalized.

For Canada, OSFI has issued Basel III-compliant capital requirements[25] which came into effect on January 1, 2013 for banks, trust and loan companies, and cooperative retail associations operating in Canada. OSFI is in the process of adapting and implementing other Basel III rules for its regulated financial institutions.

Implementation of the Basel III rules will affect Canadian mortgage lenders, including their capital, liquidity, funding and operations, and in turn may have implications for the residential mortgage market. For example, new Basel III liquidity rules are expected to result in higher demand for high quality liquid assets as regulated financial institutions are required to maintain a higher minimum amount of liquid assets on their balance sheet. To the extent that some mortgage-backed securities are qualified as liquid assets, demand for them may become greater, which in turn may impact mortgage securitization and the origination of underlying mortgages.

Mortgage loan insurance

Mortgage loan insurance facilitates consumer access to mortgage credit and housing

Mortgage loan insurance is a significant component of Canada's mortgage market and financial stability framework. Federally-regulated lenders and most provincially-regulated lenders are required by law to have mortgage insurance coverage for high-ratio mortgages (mortgages where the loan exceeds 80% of the value of the collateral property). Mortgage loan insurance helps protect lenders against mortgage default, and enables consumers to purchase homes with a minimum down payment of 5%—with interest rates comparable to those with a 20% or larger down payment. Thus, mortgage insurance helps facilitate the availability of, and access to, mortgage credit.

Mortgage insurers

The mortgage loan insurance market is currently served by one federal Crown corporation—Canada Mortgage and Housing Corporation (CMHC)—and two private mortgage insurers—Genworth Financial and Canada Guaranty.

CMHC is Canada's largest mortgage insurer. As the only public mortgage insurer, CMHC provides service in all parts of the country, including rural and smaller markets that may not be served or well-served by private insurers. CMHC also insures mortgages for large rental housing developments, purpose-built student housing projects, and nursing and retirement homes, important segments of the housing market that are not served by private mortgage insurers in Canada. About 47% of CMHC's mortgage insurance business in 2012 was to address these less-served markets.

CMHC's mortgage insurance activities are carried out on a commercial basis with no direct financial assistance from the Government of Canada and in accordance with prudent actuarial and underwriting criteria *(see Figure 3-6)*. In 2012, CMHC's mandate was enhanced to include financial stability as an objective of its commercial activities, including mortgage insurance.

[25] http://www.osfi-bsif.gc.ca/Eng/fi-if/rg-ro/gdn-ort/gl-ld/Pages/CAR_chpt_let.aspx (December 12, 2013).

FIGURE 3-6

Overview of CMHC insured homeowner loan underwriting criteria, by type of mortgage[1]

	Purchase Mortgage With traditional source of down payment	Refinance Mortgage[2]
Mortgage criteria		
Loan-to-value (LTV) ratio	≤ 95% for 1-2 unit dwelling ≤ 90% for 3-4 unit dwelling	≤ 80%
Number of units	1 - 4	
Maximum amortization period	25 years for LTV ratio > 80% 40 years for LTV ratio ≤ 80%	40 years
Interest rate types	Fixed, standard or capped variable, and adjustable rates	
Maximum home purchase price	The maximum home purchase price must be less than $1 million for LTV ratio > 80%.[3]	NA
Maximum loan amount	None	≤ $200,000 of additional financing
Borrower criteria		
Down payment source	Savings, RRSP withdrawal, loan against proven assets, proceeds from other property sale, non-repayable gift from immediate relative, non-repayable government equity grant, sweat equity (< 50% of minimum required equity), unencumbered land/real property, rent-as-equity.	NA
Qualifying interest rates[4]	The qualifying interest rate is the interest rate used to assess applicable debt-service ratios. The qualifying interest rate to be used for the calculation of the debt-service ratios depends on the type of loan.	
Minimum credit score[5]	No minimum for LTV ratio ≤60% 580 (required) for LTV ratio 60.01% - 80% 600 (recommended) for LTV ratio > 80% 610 (recommended) for standard variable-rate mortgages with LTV ratio 90.01% - 95%	No minimum for LTV ratio ≤60% 580 (required) for LTV ratio 60.01% - 80%
Debt-service guidelines		
Maximum gross debt-service ratio[6]	35% for credit score < 680 39% for credit score 680+	
Maximum total debt-service ratio[7]	42% for credit score < 680 44% for credit score 680+	
Borrower eligibility[8]	Canadian citizens and permanent residents. Non-permanent residents, subject to specific terms and conditions.	Canadian citizens and permanent residents.
Property location and occupancy	The property can be located anywhere within Canada and must be suitable for year-round occupancy.	
Number of insured properties	Maximum of 2 CMHC-insured homeowner properties per borrower.	

[1] This information is subject to CMHC's insurance policies which may contain other conditions, requirements or restrictions and may change from time to time.
[2] For Self-Employed Without Traditional Third-Party Income Validation, number of units is 1-2; minimum credit score is 600 (recommended) for LTV ratios ≤ 75%, and 620 (recommended) for LTV ratios between 75.01% - 80%; applicable to Canadian citizens and permanent residents with less than three years of business operation and established Canadian credit history. Not available for borrowers with commission-based income. Income taxes must be paid and up-to-date. For mortgage assumptions, subsequent borrowers must be able to obtain third-party income validation, subject to standard policies.
[3] Effective as of July 9, 2012.
[4] For loans with LTV ratios between 80.01% to 95% the qualifying interest rate used to assess applicable debt-service ratios is as follows: Fixed-rate (FR) mortgages where the term is less than five years, the qualifying interest rate is the greater of the benchmark rate, or the contract interest rate. FR where the term is five years or more, the qualifying interest rate is the contract interest rate. Variable-rate (VR) mortgages regardless of the term, the qualifying interest rate is the greater of the benchmark rate, or the contract interest rate (or capped rate, as applicable). For loans with LTV ratios equal to or below 80%, the qualifying interest rate used to assess applicable debt-service ratios is as follows: FR or capped VR where the term is less than three years, the qualifying interest rate is the greater of the lender's three-year posted fixed rate, or the contract interest rate (or capped rate, as applicable). FR or capped VR where the term is three years or more, the qualifying interest rate is the contract interest rate (or capped rate, as applicable). Standard and adjustable VR regardless of the term, the qualifying interest rate is the greater of the lender's three-year posted fixed rate, or the contract interest rate.
[5] From one of two Canadian credit rating agencies. Canadian credit scores generally range from 300 to 900. For borrowers without a Canadian credit history, where the LTV ratio is > 80%, alternative sources of information to validate ability and willingness to repay debts may be considered on a case-by-case basis.
[6] Gross debt-service ratio is defined as the *annual payments on principal, interest, property taxes and heat (PITH) + 50% of condominium fees (if applicable) / borrower's gross annual income (up to 50% of subject property's gross rental income, if applicable).*
[7] Total debt-service ratio is defined as the *annual payments on PITH + 50% of condominium fees (if applicable) + annual payments for all other debts / borrower's gross annual income (up to 50% of subject property's gross rental income, if applicable).*
[8] A non-permanent resident (i.e., a foreign worker with a valid Canadian work permit) is limited to purchase one owner-occupied unit only - maximum 90% LTV ratio.
NA = not applicable

Source: CMHC

Regulation of mortgage insurers

OSFI regulates Canada's private mortgage insurance companies. It prescribes minimum capital test ratios, and ensures that the companies engage in prudent business practices and comply with applicable regulations. CMHC abides by the same capital guidelines. Since 2012, OSFI has been mandated to conduct examinations, at least annually, into whether CMHC's commercial activities are conducted in a safe and sound manner with due regard to its exposure to loss.

In November 2013, OSFI announced that it would publish a draft mortgage underwriting guideline for mortgage insurers in 2014. In addition, in May 2013,[26] OSFI stated that it had commenced an internal process aimed at developing a new capital framework for mortgage insurers.[27]

In addition to OSFI's regulation and supervision, mortgage insurance in Canada is subject to the government-backed mortgage insurance framework.

Government-backed mortgage insurance framework promotes financial stability

On January 1, 2013, a new legislative framework came into force formalizing the existing government guarantee rules and other arrangements that the Government of Canada has with CMHC and private mortgage insurers.[28] Under the framework, the Government guarantees 100% of CMHC's obligations and 90% of the private insurers' obligations.[29] The Government also sets insurance-in-force limits for CMHC ($600 billion) and the private mortgage insurers ($300 billion) and prescribes stringent criteria for government-backed residential mortgage insurance.

Government backing provided to both public and private mortgage insurance, supports continued access to mortgage credit regardless of financial market conditions. Furthermore, the government-backed mortgage insurance framework regulates and promotes prudent mortgage insurance and mortgage underwriting practices by both regulated and unregulated lenders in Canada, making an important contribution to the stability of the Canadian housing market and the financial system *(see Figure 3-7)*.

Key policy developments related to mortgage insurance

The Government has revised the criteria for government-backed insured mortgages four times since 2008, with the most recent changes taking effect in July 2012.[30] The most recent four measures included:

- Reducing the maximum amortization period to 25 years from 30 years;
- Lowering the maximum amount Canadians can borrow when refinancing to 80% from 85% of the value of their homes;
- Fixing the maximum gross debt-service ratio at 39% and the maximum total debt-service ratio at 44%;[31] and
- Limiting the availability of government-backed insured mortgages to homes with a purchase price of less than $1 million.

[26] http://www.osfi-bsif.gc.ca/Eng/osfi-bsif/med/sp-ds/Pages/jd20131125.aspx (December 12, 2013).

[27] http://www.osfi-bsif.gc.ca/Eng/fi-if/rg-ro/gdn-ort/pp-do/Pages/MCTDC.aspx (December 12, 2013).

[28] *Protection of Residential Mortgage or Hypothecary Insurance Act.*

[29] Government-backing for mortgage loan insurance applies to all insurers, both CMHC and the private insurers. While the Government fully backs CMHC's eligible mortgage loan insurance, a 90% guarantee is provided to the private insurers, which allows them to compete with CMHC. CMHC contributes to the stability of the financial system, including housing markets, by providing qualified Canadians in all parts of the country with access to a range of housing options. This sets CMHC apart from private sector competitors who have the ability to select the markets in which they operate.

[30] www.fin.gc.ca/n12/12-070-eng.asp (June 13, 2013).

[31] CMHC defines the gross debt-service ratio as the annual payments on principal, interest, property taxes and heat (PITH) + 50% of condominium fees (if applicable) / borrower's gross annual income (up to 50% of subject property's gross rental income, if applicable). CMHC defines the total debt-service ratio as the annual payments on PITH + 50% of condominium fees (if applicable) + annual payments for all other debts / borrower's gross annual income (up to 50% of subject property's gross rental income, if applicable).

FIGURE 3-7

Overview of Government of Canada policy parameters for Canadian government-backed insured residential mortgages (for high-ratio homeowner loans)[1]

Loan-to-value (LTV) ratio	Maximum 95% LTV ratio for homeowner purchase mortgages.[2]
Amortization period	Maximum amortization period of 25 years.[3]
Debt-service ratios	Maximum GDS[4] and TDS[5] ratios are capped at 39% and 44% respectively. Requirement for borrowers to meet the standards for a 5-year fixed-rate mortgage in calculation of GDS and TDS ratios, even if they chose a mortgage with a lower interest rate and shorter term.
Credit score	Minimum of 600, with a limited set of exceptions for borrowers that otherwise represent low credit risks.
Loan documentation	Requirement to make a reasonable effort to verify the value of the property, the borrower's income and employment status and that the borrower can afford the loan payment and all other debts and obligations.
Maximum purchase price	Home purchase price of less than $1 million.[6]
Other	Prohibition of loans with no amoritization in initial years, including non-amortizing lines of credit secured by home equity (e.g. HELOCs).

[1] Refers to residential properties comprising of one to four housing units.
[2] Effective July 9, 2012, high-ratio refinanced loans became ineligible for mortgage insurance as the Department of Finance (DoF) lowered the maximum LTV ratio for refinancing from 85% to 80%.
[3] The maximum amortization was reduced from 30 years to 25 years as of July 9, 2012.
[4] Gross debt-service ratio is defined by the DoF as the ratio of the carrying costs of the home, including the mortgage payment, taxes and heating costs, to the borrower's income .The maximum GDS ratio was established at 39% as of July 9, 2012.
[5] Total debt-service ratio is defined by the DoF as the ratio of the carrying costs of the home and all other debt payments to the borrower's total income. The maximum TDS ratio was reduced from 45% to 44% as of July 9, 2012.
[6] Effective as of July 9, 2012.

Source: Government of Canada's Department of Finance (DoF)

Budget 2013 measures on insured mortgages

The Government of Canada announced in Budget 2013[32] new measures related to mortgage insurance, including i) gradually limiting the insurance of low-ratio mortgages to only those mortgages that will be used in CMHC securitization programs, and ii) prohibiting the use of any government-backed insured mortgage, both high ratio and low ratio, as collateral in securitization vehicles that are not sponsored by CMHC.

Low-ratio mortgages are mortgages where the loan is less than or equal to 80% of the value of the collateral property. Portfolio insurance is a mortgage insurance product that allows lenders to purchase mortgage insurance for pools of previously uninsured low-ratio mortgages. In addition to mitigating the risk of default of the mortgages, portfolio insurance facilitates lender access to funding via CMHC-sponsored securitization programs by providing the insurance coverage necessary for the mortgages to be securitized *(see text box CMHC securitization programs support funding, competition, and stability below)*. CMHC's portfolio insurance-in-force decreased from $243 billion in 2011 to $230 billion in 2012 *(see Figure 3-8)*.

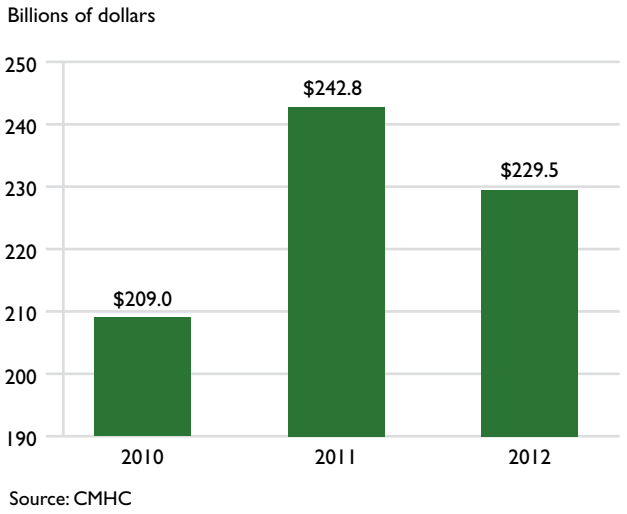
Mortgage funding

Mortgage funding refers to the funds acquired by lenders from various sources to lend to mortgage borrowers. Canada's mortgage lenders have access to a variety of funding options for mortgages, including customer deposits and funds raised in capital markets. Key capital market-based funding sources in Canada are securitization, covered bonds, and other corporate debts.

[32] actionplan.gc.ca/en/initiative/housing-finance-framework (July 9, 2013).

FIGURE 3-8

CMHC's portfolio insurance-in-force



Source: CMHC

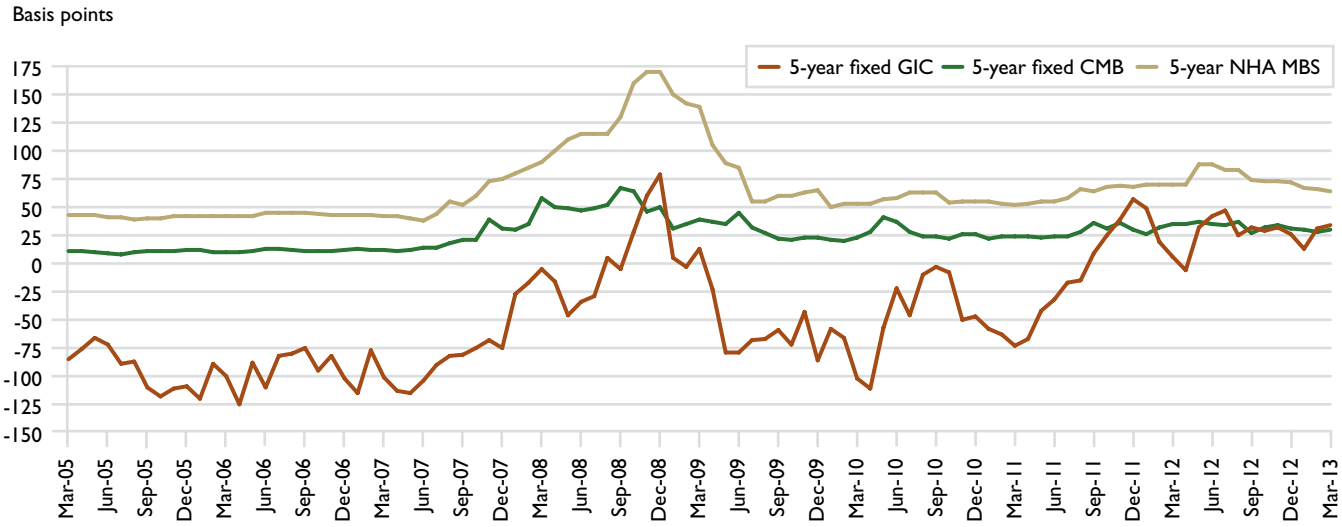
Deposits remain the primary source of mortgage funds for deposit-taking institutions

Historically, deposits have been the primary mortgage funding source for Canadian deposit-taking institutions. Deposits are typically short- to medium-term. Retail deposits include demand deposits, e.g. chequing and savings accounts, as well as term deposits, e.g. guaranteed investment certificates (GICs). In addition, banks issue short- to medium-term debts (often called deposit notes), which typically target capital market investors, in particular large institutional investors.

Retail deposits continue to be one of the lowest cost funding sources.[33] For example, 5-year guaranteed investment certificates (GIC) rates have generally been lower than 5-year Government of Canada bond rates[34] *(see Figure 3-9).*

FIGURE 3-9

GIC, CMB and NHA MBS monthly spreads to Government of Canada bond benchmark, 2005-2013



Note: The figure uses monthly spread data, which may not reflect all daily changes.

Source: CMHC, Bank of Canada, CIBC World Markets, Scotia Capital Markets

[33] As an approach to assess the cost of funding, the spreads of various mortgage funding sources can be compared. However, these do not represent the full cost, which includes costs, such as legal costs, guarantee fees or other forms of credit enhancements, and underwriting fees, which may differ by funding source.

[34] Exceptions to this occurred around the ends of 2008 and 2011 as well as during 2012, when significant market uncertainty drove up demand for the government bonds, driving the bond rates to below the GIC rates. In addition, competition for deposits may have also pushed up the costs of GIC post-crisis, narrowing the spread.

CMHC securitization programs

The *National Housing Act* Mortgage-Backed Securities (NHA MBS) and Canada Mortgage Bonds (CMB) programs have been facilitating large and small Canadian mortgage lenders' access to funding in good and bad times, thereby fostering competition and promoting system stability. Investors are afforded the opportunity to invest in high-quality, government-guaranteed securities backed by insured mortgages.

Both NHA MBS and CMB carry CMHC's guarantee for timely payment of principal and interest to investors. This guarantee acts as a credit enhancement to lower the cost of funding. CMHC charges a fee for the provision of the guarantee.

National Housing Act Mortgage-Backed Securities program

Introduced in 1986, the NHA MBS program allows financial institutions to issue mortgage-backed securities backed by pools of residential mortgages insured under the *National Housing Act*. In addition to the rigorous criteria for the underlying insured mortgages set by the Government of Canada, CMHC sets stringent requirements for the NHA MBS and program participants.

Investors in NHA MBS receive monthly installments of principal and interest that are passed on from the cash flows of the underlying mortgages. They are exposed to the prepayment risk of the underlying mortgages, essentially associated with the uncertainty (timing and amount) of the mortgage cash flows due to unexpected prepayments by borrowers.[35] However, they are protected from the risk of loss by the mortgage insurance coverage for the underlying mortgages and CMHC's timely payment guarantee for the NHA MBS.

NHA MBS provide a cost-effective source of funding after deposits and CMBs *(see Figure 3-9)*. Until the onset of the global financial crisis, the NHA MBS spread against the government bond benchmark was about 40 basis points.[36] The spread widened during the crisis, when the costs of private funding sources increased even more. The spread eased lower to a range of 70 to 88 basis points in 2012.

There was $79.6 billion of market NHA MBS[37] guaranteed in 2012 *(see Figure 3-10)* and total NHA MBS outstanding stood at $387.4 billion by the end of 2012.

A significant increase in NHA MBS issuance was observed during the years of the global financial crisis as many lenders, given the contraction of many private funding sources, needed to obtain more funding by selling NHA MBS into the CMB program or the Insured Mortgage Purchase Program[38]—a temporary funding support program set up by the Government.

However, significant NHA MBS issuance has continued in recent years; i.e., 2011-2012. The Bank of Canada has suggested that banks may be retaining more NHA MBS on their balance sheets in recent years in order to obtain relief from Basel III prudential liquidity requirements.[39] Indeed a number of changes in the evolving post-crisis regulatory environment are impacting lenders' demand for CMHC securitization programs *(see text box CMHC securitization programs support funding, competition, and stability)*.

For 2013, the Minister of Finance authorized CMHC to guarantee a maximum of $85 billion in new market NHA MBS. This limit was established in consultation between CMHC and the Department of Finance based on past issuance activity and funding needs. However, as a result of unexpected growth in NHA MBS issuance volumes in 2013, CMHC implemented an allocation methodology for new NHA MBS guarantees, covering the period from

[35] Prepayment risk is the risk that borrowers make partial or full prepayments on the mortgage. The prepayments pass through to the investors and alter their expected cash flows.

[36] Data from TD Securities for the "975" NHA MBS pool type, which has the largest issuance volume among NHA MBS pool types.

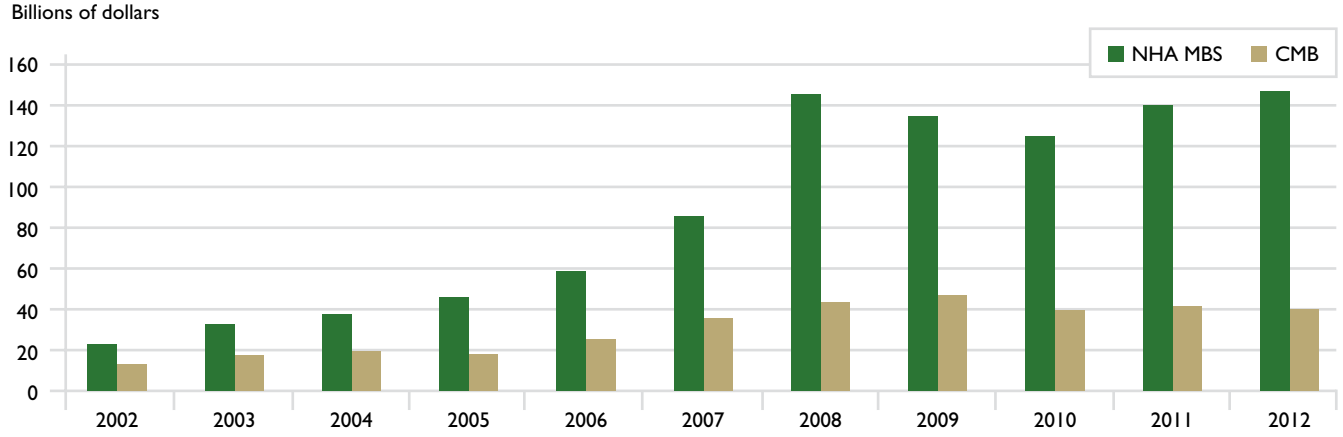
[37] Market NHA MBS refers to NHA MBS that are not specifically created for the CMB Program and on which a guarantee fee has been paid.

[38] The Government of Canada introduced the Insured Mortgage Purchase Program during the global financial crisis. CMHC purchased a total of $69.3 billion of NHA MBS from Canadian financial institutions between October 2008 and March 2010.

[39] www.bankofcanada.ca/wp-content/uploads/2013/06/fsr-0613-gravelle.pdf (July 9, 2013).

FIGURE 3-10

Annual issuance of NHA MBS and CMB,[1] 2002-2012



[1] Total NHA MBS issuance includes the market NHA MBS sold to capital market investors or held on balance sheet and the NHA MBS issued for sale to the Canada Housing Trust under the CMB program (as original or replacement assets).

Source: CMHC

September 1, 2013 to December 31, 2013. The allocation methodology was intended to ensure that CMHC's securitization programs continued to provide both large and small lenders with access to a reasonable supply of mortgage funding.

Canada Mortgage Bonds (CMBs)

Introduced in 2001, the CMB program is an enhancement of the NHA MBS program. Under the CMB program, the Canada Housing Trust[40] converts the monthly cash flows from NHA MBS into non-amortising bond cash flows with fixed interest payments (e.g. semi-annual) and principal payment at maturity. Such bonds are often called "bullet bonds". By eliminating the prepayment risk associated with NHA MBS and carrying CMHC's timely payment guarantee, CMBs appeal to a broad spectrum of domestic and foreign investors, which helps attract a greater supply of funding and at lower costs. CMBs enjoy a high level of liquidity with large benchmark issues that are actively traded in the secondary market.

Investor appeal, regular issuance, and stable performance, has consistently established CMBs as the most cost-effective funding source for mortgage lenders in Canada after deposits *(see Figure 3-9)*. For example, the daily 5-year CMB spread over the government bond benchmark was in a range of 7 to 14 basis points before the global financial crisis. It peaked at over 80 basis points during the crisis; however, the cost of private funding sources during the crisis increased much more than this. The CMB spread fell to a range of about 30 to 39 basis points in 2012.

The CMB program has evolved over time to reflect or facilitate changes in the mortgage market, and these enhancements have expanded the program's benefits. For example, CMBs are offered in different maturities, e.g. 5 or 10 years, and types of interest rates, e.g. fixed-rate and floating-rate. The launch of the 10-year CMB in 2008 not only helped address funding pressures during the crisis period but also facilitated the provision of mortgages with terms longer than five years in Canada. There was $39.9 billion of CMB issued in 2012 *(see Figure 3-10)* and CMB outstanding stood at $203 billion by the end of 2012.

[40] The Canada Housing Trust is a special purpose trust created and managed by CMHC to issue CMBs to investors and use the proceeds to purchase NHA MBS.

CMHC securitization programs support funding, competition, and stability

CMHC's securitization programs contribute to the efficient functioning, competitiveness, and stability of the housing finance system by helping ensure lenders and, in turn, borrowers have access to a reliable source of funding for residential mortgages regardless of economic cycles and market conditions. Experience during the global financial crisis provided a notable example of this, as the programs were able to expand quickly to address funding gaps caused by the contraction of other funding sources. The programs also contribute to system stability during stress periods.

Furthermore, CMHC securitization programs promote competition in the mortgage market by allowing a broad range of lenders to access a cost-effective source of funding *(see Figure 3-9 for an indication of the cost of funding).* Many smaller lenders have increasingly benefited from CMHC's securitization programs as a source of funding, not only during the critical crisis time, but also in recent years. This in turn facilitates consumer choice and helps mitigate the risk of increasing market power in a few larger lenders. For example, 83% of the participants in 5-year fixed-rate CMB transactions as of mid-2013 were smaller lenders; i.e., those other than the six largest banks,[1] and the number of these participants more than quadrupled between 2006 and mid-2013 *(see Figure 3-11).* The share of 5-year fixed-rate CMB issuances attributable to participants other than the six largest banks increased significantly from 19% in 2006 to 67% by mid-2013 *(see Figure 3-12).*

FIGURE 3-11

Participation in the CMB program by smaller lenders has increased significantly since 2006

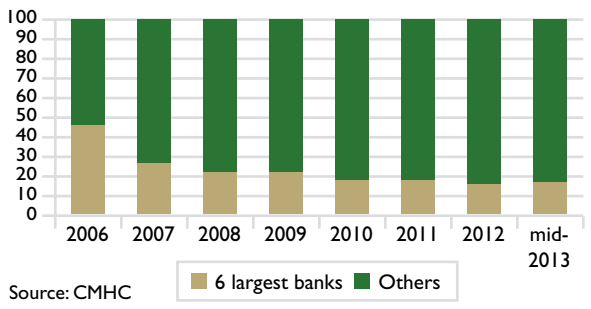
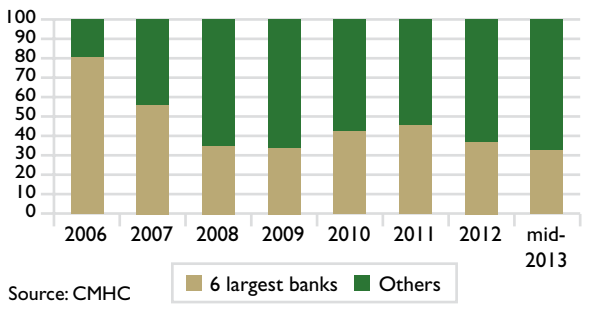


FIGURE 3-12

Smaller lenders enjoy access to a large share of mortgage funding through the CMB program



Changes in the regulatory and policy environment, e.g. new Basel III standards on capital and liquidity; reforms related to derivatives, securitization and shadow banking; and the recently announced Budget 2013 measures related to mortgage insurance may impact future demand for, and the use of, CMHC securitization programs by market participants. For example, the measures prohibiting the use of insured mortgages as collateral in private securitization vehicles mean that many market participants will now have CMHC securitization programs as the only means of securitizing insured mortgages.

In another example, according to some commentators, e.g. the Bank of Canada, the new Basel liquidity rule and other reforms to improve financial stability may result in greater demand for high quality liquid assets such as NHA MBS and CMB in order to meet liquidity and collateral requirements.[2]

[1] These are Bank of Montreal, Canadian Imperial Bank of Commerce, National Bank of Canada, RBC Royal Bank, Scotiabank, and Toronto-Dominion Bank.

[2] www.bankofcanada.ca/wp-content/uploads/2013/06/fsr-0613-lopez.pdf (June 2013).

Recovery of private mortgage securitization remains uncertain

Prior to the global financial crisis, Canadian lenders, particularly small non-bank lenders, accessed funding via private mortgage securitization by issuing residential mortgage-backed securities (RMBS), asset-backed securities (ABS), and asset-backed commercial paper (ABCP) backed in full or in part by mortgages. Private mortgage securitization in Canada and abroad effectively collapsed during the crisis as investors withdrew from these markets. Canada's private mortgage securitization market has shown few signs of recovery in the post-crisis period.

Similar to 2010 and 2011, there was no new private RMBS issuance in 2012 and only about $1 million of private RMBS outstanding at the end of 2012. The share of mortgage assets underlying ABS was minimal at the end of 2012, while mortgage assets underlying ABCP fell to $6.9 billion in 2012 compared to $10.1 billion in 2011.[41]

An interesting post-crisis shift in the sector has been the increased use of insured residential mortgages to back ABCP. Between 2008 and 2012, there was a notable shift in the types of residential mortgages backing ABCP from conventional to insured mortgages. Conventional mortgages and insured mortgages represented 20.9% and 5.7% of the total outstanding, respectively, in 2008. By 2012, the split was 21.7% for insured residential mortgages and 4.3% for conventional mortgages.[42]

The future trajectory for a recovery of the private mortgage securitization market remains unclear. In Canada, the noted trend of increased use of insured mortgages in private securitization vehicles will be impacted by the Budget 2013 measure prohibiting the use of insured mortgages as collateral in non-CMHC-sponsored securitization vehicles.

At the international level, regulatory reform proposals may also impact securitization in Canada. For example, greater disclosure on securitization was recommended in November 2012 by the International Organization of Securities Commissions.[43] In December 2012, the Basel Committee indicated that it is working on a new capital framework for securitization,[44] which is expected to entail higher capital costs for securitization activities.

Covered bond funding is supported by new covered bond legislation

Covered bonds *(see text box What are covered bonds?)* are a relatively new mortgage funding tool available to Canadian financial institutions. First issued in 2007, issuance volumes have grown in recent years as covered bonds have become an established funding source

What are covered bonds?

Covered bonds are debt obligations generally issued by regulated financial institutions and secured by a segregated pool of assets (called the "cover pool"). Covered bonds provide investors with dual recourse to the issuer and to the assets in the cover pool. The issuer is obliged to pay the investors the principal and interest on the covered bond. In the event of default by the issuer, the investors continue to be paid with proceeds from the segregated cover pool assets. This dual recourse feature distinguishes covered bonds from other debt obligations. For example, securitization debt instruments are typically supported only by a designated asset pool backing the securities and not also by recourse to the issuer, as is the case for covered bonds. Residential mortgages are the most common asset type in the cover pool.

[41] Dominion Bond Rating Service (DBRS), 2013. *Canadian Structured Finance: Big Wins, Notable Misses and the Great Unknown.*

[42] Ibid.

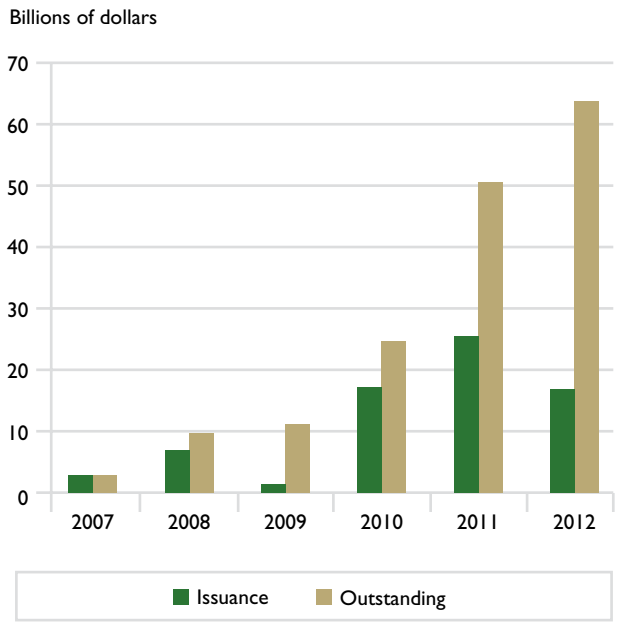
[43] www.iosco.org/library/pubdocs/pdf/IOSCOPD394.pdf (July 23, 2013).

[44] www.bis.org/publ/bcbs236.pdf (July 24, 2013).

(see Figure 3-13). By early 2012, Canada's six largest banks and one credit union had each set up their own covered bond programs. However, covered bonds issued by Canadian financial institutions between 2007 and 2012 are contractual covered bonds as they were issued prior to the implementation of Canada's new covered bonds legal framework *(see Canada's covered bond legal framework, below).*

FIGURE 3-13

Annual issuance and outstanding volume of contractual covered bonds, 2007-2012

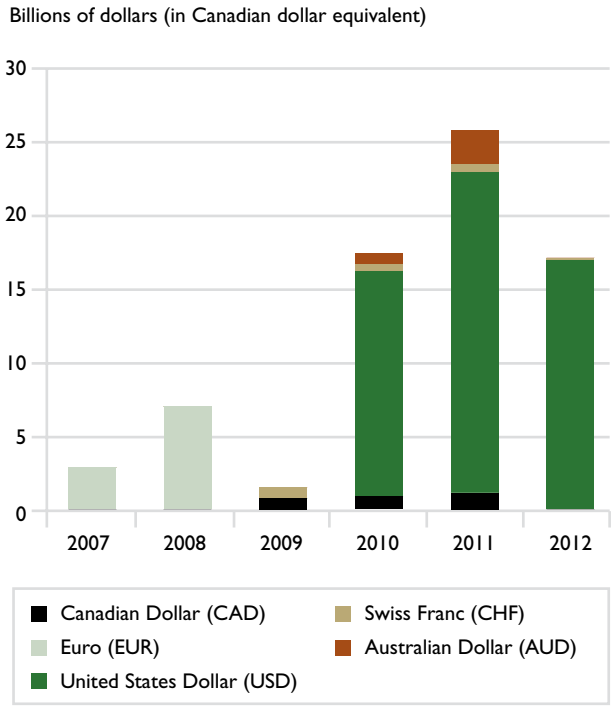


Source: CMHC, adapted from DBRS Monthly Canadian Covered Bond Report and Issuers' Monthly Covered Bond Program Investor Reports

Under these contractual covered bond programs, covered bonds were issued in a variety of currencies *(see Figure 3-14)* and terms, ranging from 2 to 10 years. The U.S. dollar has been the most popular issuance currency since 2010 and 3-year and 5-year terms the dominant maturities. Total contractual covered bonds outstanding were $64.5 billion by the end of 2012 *(see Figure 3-13).*

FIGURE 3-14

Annual issuance of contractual covered bonds by currency, 2007-2012



Source: CMHC, adapted from DBRS Monthly Canadian Covered Bond Report and Issuers' Monthly Covered Bond Program Investor Reports

Canada's covered bond legal framework

In April 2012, the Government of Canada amended the *National Housing Act* to establish a dedicated legal framework for future issuance of Canadian covered bonds and designated CMHC as responsible for administering the framework. The legislative framework established a truly private source of mortgage-backed funding for banks, as it prohibited the use of taxpayer-backed insured mortgages as collateral in cover pools. The framework has made the Canadian covered bonds market more robust, by improving investor certainty, and has helped lenders access new sources of funding, as some international investors can only invest in covered bonds that are issued under a legislative framework.

CMHC established detailed requirements to implement the legal framework for covered bonds in December 2012 via the *Canadian Registered Covered Bond Programs Guide*[45] *(see text box Key requirements of the Canadian registered covered bonds legal framework)*. In order to issue covered bonds in Canada, an issuer must now be registered and comply with the requirements in the guide.

In administering the legal framework for covered bonds, CMHC maintains a public registry of Canadian covered bond issuers and programs containing:

- the names and addresses of registered issuers;
- a list of registered programs and information relating to those programs;
- a list of any registered issuers whose right to issue is suspended and the reasons for the suspension; and
- any other information that, in the Corporation's opinion, is necessary.

One of the key differences and requirements under the new framework is that insured mortgages are prohibited as collateral in cover pools. Thus the legislative framework for covered bonds establishes a truly private source of mortgage funding. Covered bonds issued under the contractual framework will be allowed to mature, but will benefit from the legal framework only if the bonds comply with all the requirements of the framework, including the prohibition on insured collateral.

In July 2013, CMHC announced the Canadian Imperial Bank of Commerce and the Royal Bank of Canada as the first issuers with programs registered under the new framework.[46] The framework has been positively received by industry, analysts and ratings agencies, and is widely recognized as being among the strongest in the world.

Key requirements of the Canadian registered covered bonds legal framework

There are four key areas of the Canadian registered covered bonds legal framework:

Structure of registered covered bond programs

The framework is designed to promote the soundness of covered bond structures in order to improve the continuity of payments pre- and post-issuer default. There are requirements that

- mitigate counterparty risk[1] (e.g. mandatory ratings triggers for counterparty replacement);
- set issuer and servicer standards (e.g. issuer/servicer must be in good standing and compliance with their policies); and
- mitigate risks upon issuer default (e.g. require transferring the control of the covered bond guarantor to an independent entity upon issuer default and using an independent document custodian).

[1] Counterparty risk is the risk that a party of a contract will default on its contractual obligations.

[45] www.cmhc.ca/en/hoficlincl/cacobo/cacobo_010.cfm (July 9, 2013).

[46] www.cmhc.ca/en/corp/nero/nere/2013/2013-07-03-1600.cfm (July 9, 2013).

Key requirements of the Canadian registered covered bonds legal framework (continued)

Cover pool assets that secure registered covered bonds

To improve the strength of the collateral that secures covered bonds, the framework includes important enhancements related to the valuation and risk management of the cover pool assets.

- Concerning valuation, issuers are required to update the asset value quarterly using property price indices and to disclose the updated value and methodology;[2] and
- Regarding risk management, issuers are required to materially hedge all market risks associated with the cover pool, to collateralize the hedging exposures upon rating triggers, and to disclose the hedging agreements.

Disclosures to investors

The disclosure requirements under the framework will facilitate investors' ability to assess covered bond investments. Key disclosure requirements include the following:

- multi-dimensional disclosure of the cover pool asset characteristics (i.e. the disclosure integrates multiple factors such as geography, loan-to-value, credit score, and arrear rates); and
- disclosure of all material legal agreements and material changes to the program or the cover pool.

In addition, each issuer must make all disclosures related to their covered bond programs accessible through a single website and provide them in a format that assists investors' analysis.

Monitoring to ensure compliance

Requirements in this area focus on ensuring continued integrity and compliance of covered bond issuers and programs with the framework. Key requirements include the following:

- specified reports of covered bond programs be prepared by independent cover pool monitors;
- disclosure to investors of all material issues raised in the reports as well as any material breaches by the issuer;
- a written annual certification of compliance from an issuer's management; and
- potential suspension of an issuer's right to issue covered bonds if it fails to remedy breaches during a specified period.

Further details on the Canadian covered bond legal framework and the *Canadian Registered Covered Bond Programs Guide* can be found at CMHC's website http://www.cmhc.ca/en/hoficlincl/cacobo/index.cfm. On the website, CMHC also maintains the public registry of registered covered bond issuers, registered programs, suspended registered issuers, if any, and provides a centralized platform for other useful information related to the Canadian registered covered bond programs.

[2] This requirement is effective on or before July 1, 2014. See page 41 of the *Canadian Registered Covered Bond Programs Guide,* http://www.cmhc-schl.gc.ca/en/hoficlincl/cacobo/upload/RegCoveredBondsProgramsGuide_June-272013_en.pdf.

Housing Markets

Lawren S. Harris, *In the Ward, Toronto,* c. 1919, Oil on beaverboard, 26.7 x 34.7 x 3.9 cm
National Gallery of Canada, Ottawa, Vincent Massey Bequest, 1968, Photo © NGC

Fast Facts

- Employment growth in 2012 of 1.2%, along with other factors such as low mortgage rates, supported Canada's housing markets.
- Housing starts in Canada grew in 2012 relative to 2011 by nearly 11% to 214,827 units, well above the 1990–2012 average of 178,132. Most of this growth occurred in multiple starts, which increased by 17.6% from 2011.
- Inventories of completed and unoccupied housing units per 10,000 people rose to 4.7 units in 2012, well below the high of 7.3 in 1995 and only slightly above the 1992–2012 average of 4.6.
- The average selling price of an existing home sold through MLS® in Canada increased by 0.3% in 2012 to $363,399 from $362,304 in 2011, a smaller increase than the general inflation rate of 1.5%. The highest growth rates in resale prices occurred in Regina (8.5%), Hamilton-Burlington (8%) and Toronto (7%). The only declines in prices were in Greater Vancouver (-6.4%), Victoria (-2.8%) and Saint John (-1.4%).
- Greater Vancouver had the highest average resale price of all major urban centres in 2012 at $730,063, although this represented a decline of 6.4% from 2011.
- In 2012, the average increase in the New Housing Price Index in the 21 urban centres surveyed by Statistics Canada was 2.3%, compared to the general inflation rate of 1.5%.
- The average vacancy rate for all centres with a population of 10,000 people or more increased to 2.8% in October 2012 from 2.5% in October 2011.
- Housing-related expenditures contributed nearly $315 billion to the national Gross Domestic Product (GDP) in 2012, accounting for 17.3% of total GDP.

This chapter examines trends in housing market activity at the national and provincial levels and by major urban centre.[1] These trends are influenced by both economic and demographic factors. The key economic factors are discussed in this chapter; demographic factors are examined in detail in Chapter 5.

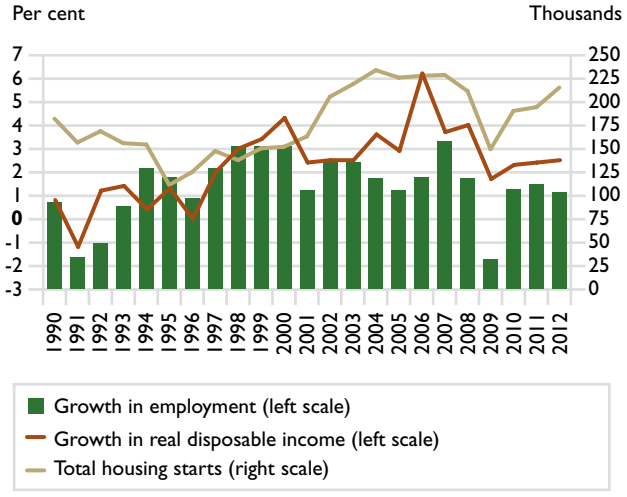
Housing demand was sustained by the resiliency of Canada's economy in 2012, including growth in employment and real (i.e., inflation-adjusted) disposable income, and increased net migration, along with low interest rates.

Continued growth in full-time employment in 2012 supported housing markets

Employment in Canada rose by 1.2% in 2012 from 2011 levels, supporting housing markets *(see Figure 4-1)*. In 2012, all of the overall growth in employment came in the form of an increase in full-time jobs, of 1.6% over 2011; part-time employment decreased by 0.5%.

FIGURE 4-1

Annual growth in employment and real disposable income, and total housing starts, Canada, 1990-2012



Source: CMHC (*Starts and Completions Survey*); Statistics Canada

Employment growth continued to support housing demand in the first and second quarters of 2013, although the pace of growth moderated from 1.7% in the first quarter to 1.2% in the second quarter, on a year-over-year basis. Full-time employment also continued to register gains in both the first (1.9%) and second quarter (1.4%) of 2013, while part-time employment saw relatively more modest gains in the first quarter (0.8%) and the second quarter (0.2%) of 2013.

All provinces recorded gains in employment in 2012 over the previous year with the exception of New Brunswick (-0.2%). New Brunswick, however, did record an increase in the number of full-time jobs (0.5%). All provinces except Nova Scotia and Prince Edward Island recorded growth in full-time jobs in excess of growth in part-time jobs. In Nova Scotia, part-time employment increased by 1.1% (compared to a decrease of 0.2% in full-time), while Prince Edward Island saw part-time employment increase by 6.1% (compared to a 0.1% increase in full time). In the first half of 2013, provincial employment growth has been strongest in Alberta and Saskatchewan, on a year-over-year basis.

The national unemployment rate fell to 7.3% in 2012, from 7.5% in 2011. Unemployment rates varied across the country in 2012, ranging from lows of 4.7% in Alberta and 4.8% in Saskatchewan to highs of 15.1% in Nunavut and 12.6% in Newfoundland and Labrador *(see Figure 4-2)*. The national unemployment rate continued to trend lower in 2013, standing at a level of 7.1% in the second quarter.

Increases in disposable income and net worth also supported housing demand in 2012

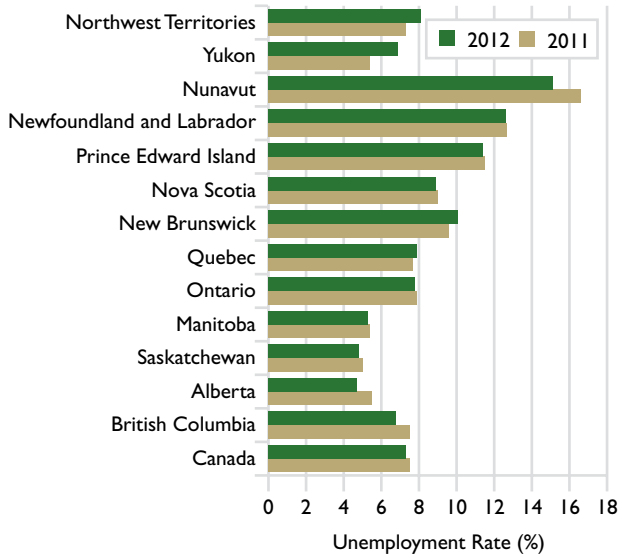
Average inflation-adjusted personal disposable income[2] grew by 2.5% in 2012 from 2011, compared to average growth from 1990 to 2012 of 2.3%. This factor helped sustain housing demand in 2012.

[1] The latest reference date for data in this chapter is the second quarter of 2013, unless otherwise indicated.

[2] Statistics Canada defines personal income as the sum of all incomes received by residents of each province, including returns for labour and investments, and transfers from the government and other sectors (including old age security payments and employment insurance). Personal disposable income is the amount left over after payment of personal direct taxes, including income taxes, contributions to social insurance plans (such as Canada and Quebec Pension Plan contributions and Employment Insurance premiums) and other fees. It is a measure of the funds available for personal expenditure on goods and services, saving, and transfers.

FIGURE 4-2

Unemployment rate, Canada, Provinces and Territories, 2011 and 2012



Source: Statistics Canada (CANSIM)

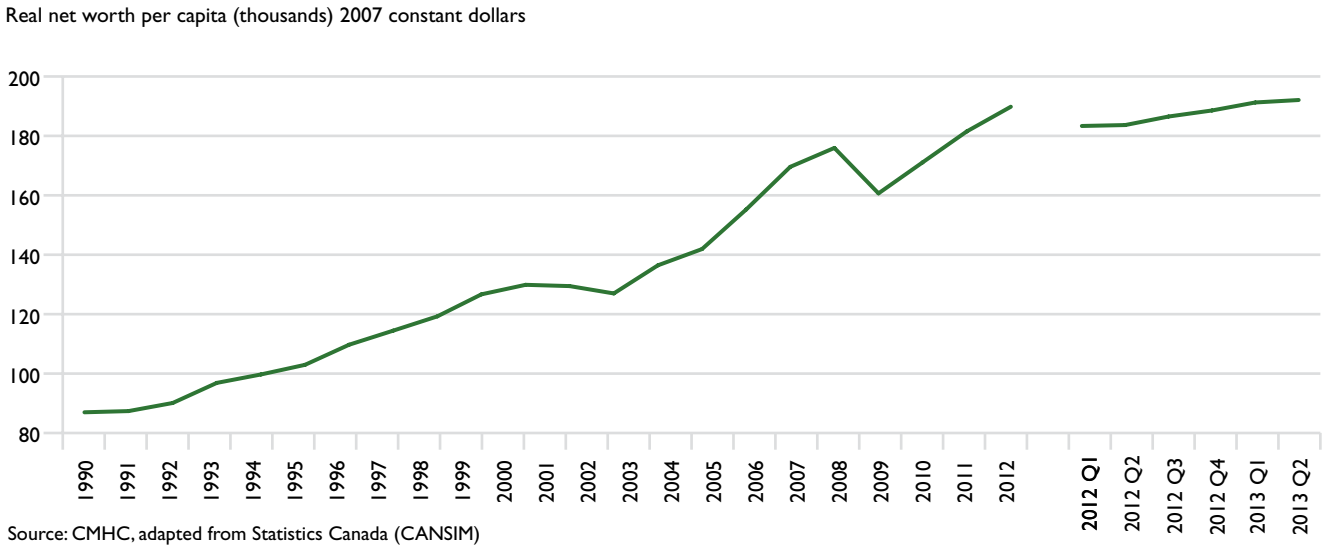
In addition, real per-capita net worth increased over the course of 2012. In particular, average real household net worth per capita, as measured in 2007 constant dollars, increased by 4.6% in 2012 from 2011, to $189,815 *(see Figure 4-3)*. However, the growth rate of average real net worth per-capita moderated, on a seasonally adjusted, quarter-to-quarter basis, from 1.6% in the third quarter of 2012 to 1.1% in the fourth quarter of 2012, suggesting that this factor provided less support to housing demand as 2012 came to a close. The growth rate of average real per-capita net worth increased to 1.4% in the first quarter of 2013, when compared to the fourth quarter of 2012, moderating to a gain of 0.4% in the second quarter of 2013. The value of residential structures and land has accounted for about 40% of total household assets on a quarterly basis since 2011 *(see Figure 4-4)*.

Housing demand buoyed by increase in population aged 25–34 and increase in net migration

The level of housing demand is affected by changes in the size and composition of the population. The population aged 25 to 34 is considered the prime new household formation age group, as this is the age that young people typically leave the home they grew up in and start their own household. As a result, growth in this demographic age group tends to stimulate an increase in housing demand. The recent growth in this age group has exceeded the growth rate of the total population since 2007. From 2007 to 2012 the average annual growth of the population aged 25 to 34 was 1.9%, compared to average annual growth in the total population of 1.2%.

FIGURE 4-3

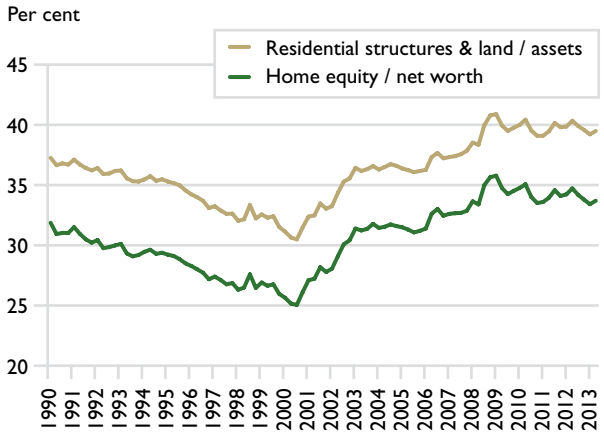
Household sector net worth per capita, Canada, 1990-2012 and 2012Q1-2013Q2



Source: CMHC, adapted from Statistics Canada (CANSIM)

FIGURE 4-4

Contribution of housing to net worth and total assets, household sector, Canada, 1990-2013



Quarterly data are shown. Latest data point is 2013 Q2.
Data refer to persons and unincorporated businesses (the household sector).
Home equity = residential structures + land - mortgage liabilities.
Land includes residential, non-residential and other holdings.

Source: CMHC, adapted from Statistics Canada (CANSIM)

Housing demand is also influenced by net migration. In the year ending June 30, 2012, net migration was 267,160, an increase of 18% from the previous year.

See Chapter 5 for further details on demographic and socio-economic influences on housing demand, and Chapter 3 for discussion of interest rates and housing finance.

Housing starts increased by nearly 11% in 2012

From 1990 to 1999, the average annual number of housing starts was 148,569 units. This increased to an average rate of 201,263 unit starts per year in the following decade, despite reduced activity during the 2008–2009 recession. Housing starts continued to increase from 2010 to 2012, reaching 214,827 units in 2012, an increase of 10.8% over the total number of starts in 2011 and higher than the long-term annual average of 178,132 units during the 1990–2012 period *(see Figure 4-1)*. However, housing starts moderated over the second half of 2012 and continued to decline in the first quarter of 2013 (-13.8% on a seasonally-adjusted, quarter-to-quarter basis) before registering a relatively modest increase of 5.7 % in the second quarter. As a result, the average level of housing starts in the second quarter of 2013 was 185,535 units (at a seasonally-adjusted, annual rate[3]), closer to the 1990-2012 annual average.

The overall growth in Canadian housing starts during 2012 was primarily due to an increase in the number of multiple dwelling starts[4] *(see Figure 4-5)*. Multiple starts grew by 17.6% from 2011 to 2012, compared to 1.5% for single-detached starts. Single-detached starts in 2012 totalled 83,657 units and were below the long-term average of 96,726 units over the period 1990–2012. Meanwhile, multiple starts reached 131,170, well above the long-term average of 81,405 units over the 1990–2012 timeframe. In 2012, multiples accounted for 61% of total housing starts, continuing the trend toward an increasing share of multiples that began in the last quarter of 2002. The increase in multiples was mainly due to an increase in the number of apartment starts,[5] which reached a total of 95,909 in 2012, almost double the 1990–2012 annual average of 51,574 units. Starts of row housing units also recovered after the economic downturn, increasing from a low of 13,908 in 2009 to 20,976 in 2012. Semi-detached starts reached a total of 14,285 in 2012, higher than the 1990–2012 average of 11,768 units.

Moderation in total housing starts in the last half of 2012 and the first quarter of 2013 (on a seasonally-adjusted, quarter-to-quarter basis) mainly reflected moderation in multiple dwelling starts. In particular, multiple dwelling starts declined for three consecutive quarters before seeing a relatively modest gain in the second quarter of 2013.

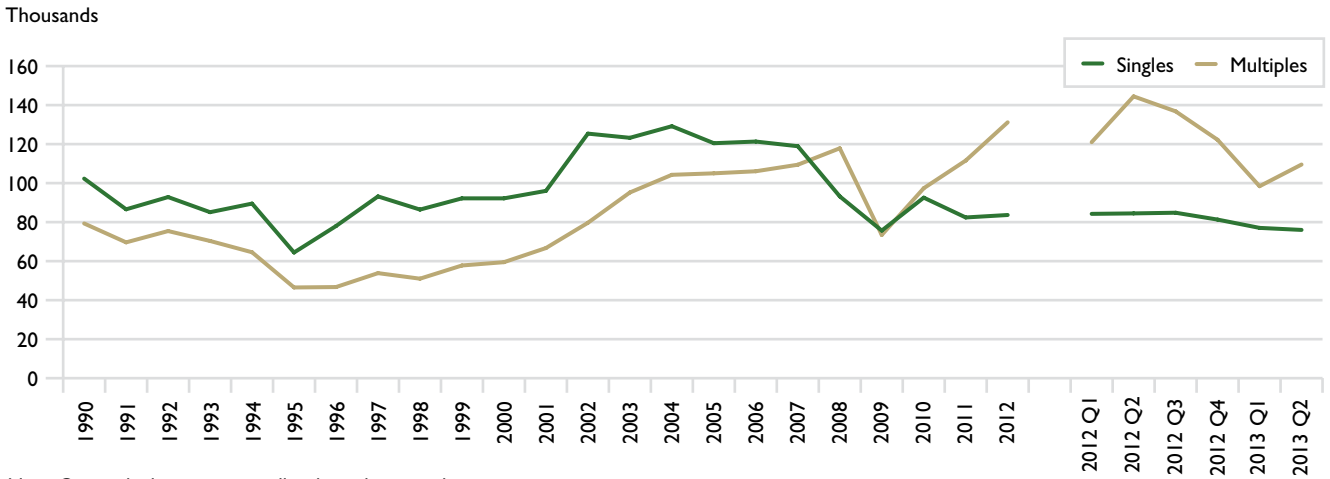
[3] Seasonally-Adjusted Annual Rates (SAAR) are figures adjusted to remove normal seasonal variation and multiplied by 12 to reflect annual levels. By removing seasonal ups and downs, seasonal adjustment allows for a comparison from one month or quarter to the next. Reporting monthly figures at annual rates indicates the annual level of starts that would be obtained if the monthly pace were maintained for 12 months. This facilitates comparison of the current pace of activity to annual forecasts as well as to historical annual levels.

[4] Multiple dwelling starts consist of row, semi-detached and apartment units.

[5] Apartment starts can include condominium apartments and purpose-built rental apartments.

FIGURE 4-5

Single and multiple housing starts, Canada, 1990-2012 and 2012Q1-2013Q2



Note: Quarterly data are seasonally adjusted at annual rates

Source: CMHC *(Starts and Completions Survey)*

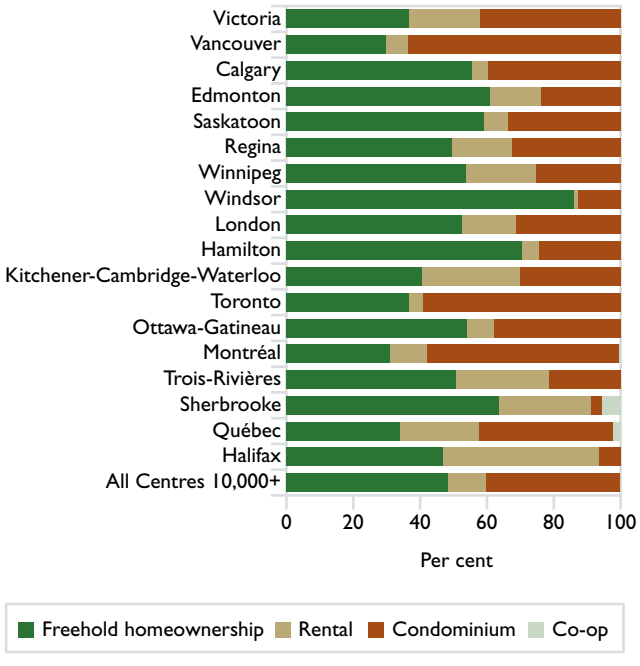
As a result, the annualized level of multiple housing starts in the second quarter of 2013, at 109,530 units, moved closer to the 1990-2012 historical average. Single-detached starts also trended lower over the same time frame, but at a relatively slower pace. The annualized level of single-detached starts in the second quarter of 2013 stood at 76,005 units, below the 1990-2012 average.

Housing starts in urban centres with populations of 10,000 or more totalled 193,562 in 2012, accounting for 90% of all housing starts in Canada. By the second quarter of 2013, total urban housing starts had moderated to a seasonally-adjusted annualized level of 168,206 units.

Rental starts in urban centres increased by 6.1% from 2011 to a total of 21,990 units, or 11.4% of all starts. This exceeded the 1990–2012 average of 17,088 units per year. Homeownership starts also increased in urban centres, especially condominium starts which increased by 26.1% from 61,605 units in 2011 to 77,693 in 2012. In 2012, condominium starts, as a percentage of total starts, were highest in Vancouver at 64%, followed by Toronto at 59% and Montréal at 58% *(see Figure 4-6)*. This long-term trend toward a higher share of condominium starts, especially in higher-priced urban centres, is likely due to the relatively lower price of condominium apartment units compared to freehold single-detached dwellings. In some urban centres, a significant percentage of condominiums

FIGURE 4-6

Share of starts by intended tenure,[1] all urban centres 10,000+ and selected CMAs, 2012



[1] Freehold refers to units for fee simple tenure (neither condominium nor co-operative ownership).
See CMHC's *Housing Information Monthly* for more information, at www.cmhc.ca/housingmarketinformation.

Source: CMHC (*Starts and Completions Survey*)

is rented, complementing the purpose-built rental housing stock. Freehold homeownership starts also increased in 2012, but at a slower rate (2.5% over 2011).

Starts increased in six provinces in 2012, but most provinces have seen declines in 2013

British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Newfoundland and Labrador recorded increases in housing starts in 2012. Quebec, New Brunswick and Nova Scotia recorded small decreases while Prince Edward Island remained relatively constant *(see Figure 4-7)*. However, consistent with the recent national trend, housing starts in most provinces also moderated in the second half of 2012 (on a seasonally-adjusted, quarter-to-quarter basis) and in the first quarter of 2013 before experiencing relatively modest gains in the second quarter of 2013 (although housing starts continued to trend lower in the Atlantic region, outside of Newfoundland and Labrador). As a result of the earlier declines in activity, the annualized level of housing starts in the second quarter of 2013 remained below the level of starts in 2012 in most provinces despite the return of growth in the second quarter. The main exception to this cross-provincial moderating trend was Alberta, where activity trended higher over the same period.

In 2012, Saskatchewan recorded the greatest percentage increase (42%), bringing total starts to 9,968 units. Although single-detached starts also increased in Saskatchewan from 2011 to 2012, multiple starts experienced stronger growth, increasing from 2,879 to 4,797. This was the third year in a row that housing activity in Saskatchewan experienced a marked increase. However, the pace of housing starts growth slowed in the second half of 2012 and registered a decline of 40.7% in the first quarter of 2013 (on a seasonally-adjusted, quarter-

FIGURE 4-7

Housing starts by Province, 2010-2012

Source: CMHC *(Starts and Completions Survey)*

to-quarter basis), before seeing a gain of 14.3% in the second quarter. Housing activity in Saskatchewan in 2012 benefitted from a low unemployment rate *(see Figure 4-2)* and growth in full-time employment of 2.4%.

Housing starts in Alberta also increased, growing by nearly 30% from 2011 to a total of 33,396 units in 2012. Following a relatively small decline in the first quarter of 2013 (-2.2% on a seasonally-adjusted, quarter-to-quarter basis), Alberta registered a strong gain in the second quarter of 2013 (16.1%). In 2012, multiple starts were strong, with an increase of 51% from 2011. Multiple starts continued to drive overall activity in Alberta in 2013. Alberta benefitted from a low unemployment rate *(see Figure 4-2)* and a 3.7% increase in full-time employment in 2012, trends which have continued in 2013.

In 2012, housing starts increased in Manitoba (19%), Ontario (13%) and British Columbia (4%). In Ontario and British Columbia, the increase was due solely to increased levels of multiples, as single-detached starts declined in both provinces from the 2011 level (by 5% in Ontario and by 6% in British Columbia). In Manitoba, both singles and multiples increased, but multiples increased more (36%). Over the second half of 2012 and in the first quarter of 2013, housing starts in British Columbia and Ontario trended lower on a seasonally-adjusted, quarter-to-quarter basis, largely driven by declines in multiple starts. However, while housing starts also trended lower in Manitoba in the second half of 2012, activity has been more resilient so far in 2013, with increases registered in both the first and second quarters of the year.

Housing starts increased in 2012 in most Census Metropolitan Areas (CMAs), with the exception of Montréal (-9%), Trois-Rivières (-8%), Kitchener-Cambridge-Waterloo (-2%) and Windsor (-0.3%). The largest increases were recorded in Calgary and Edmonton (38% each), London (28%) and Saskatoon at 25%. Winnipeg, Toronto and Hamilton also recorded increases of more than 20%.[6] Consistent with recent provincial trends, most CMAs saw declines over the second half of 2012 and in the first quarter of 2013, followed by a return of positive rates of growth in the second quarter of 2013. This trend includes the major urban centres of Toronto, Montréal and Vancouver.

Inventories of completed and unoccupied units per 10,000 people remained close to historical average

One of the key variables used to assess the state of the new housing market is the inventory of completed and unoccupied units. In recent years, CMHC has assessed this inventory using the ratio of unoccupied housing units per 10,000 people *(see text box: A better measure for assessing housing inventory).*

In 2012, inventories in urban centres with populations of 10,000 people or more averaged 4.7 units per 10,000 people, only slightly above the long-term average of 4.6 from 1992 to 2012, and below the level of 7.3 recorded in 1995. In the second quarter of 2013, inventories were at 5.1 units per 10,000 people, an increase from 4.7 units in 2012.

In 18 out of 31 major urban centres, inventories per 10,000 people in 2012 were below their average historical levels from 1996 to 2012,[7] and above them in the remaining 13 centres. The large urban centres of Vancouver, Toronto, Ottawa and Montréal were all below their respective historical averages in 2012.

[6] Data on annual housing starts by province and CMA can be found in Appendix Table 4.

[7] Data is not available for 1990–1995.

A better measure for assessing housing inventory

Housing inventory levels are often assessed by aggregating the number of completed and unoccupied units and comparing this figure to the long-term average. Above-average inventory levels are sometimes interpreted as warning signs of potential oversupply; however, this fails to take into account growth of the housing stock. When population grows, as it has in most parts of Canada, the housing stock tends to increase over time to keep pace with housing demand. Under these circumstances, relying upon the simple measure of total housing inventory can give an inaccurate picture of the state of the housing market. It is more informative to express inventory levels as a percentage of the total housing stock; or, since estimates of the housing stock are generally available only every five years from the Census, as a percentage of the total population.

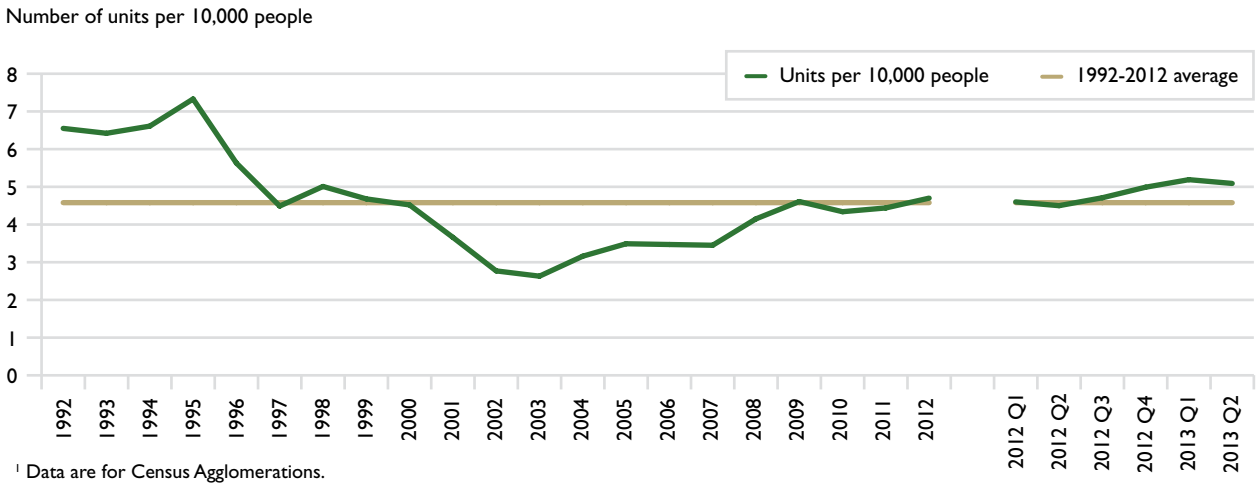
The following example illustrates the importance of taking into account population growth. Inventory levels of completed and unoccupied housing units began to climb in the second half of 2003, after a fairly steady decline from a high of 22,416 in the second quarter of 1995. In the second quarter of 2009, inventory levels reached 16,661, exceeding the long-term average of 14,512 (1992–2012) and leading to concerns that the housing market might be heading towards the elevated levels of inventory experienced in the early 1990s.

However, when inventory levels are measured in relation to the size of the population, a much different picture emerges. The inventory per 10,000 people in 2009 was 4.6 units, much lower than the inventory of 7.3 in 1995 *(see Figure 4-8)*. In 2012, inventory levels per 10,000 people increased to 4.7, only slightly above the long-term average of 4.6, suggesting that the housing market is not oversupplied at the national level. Nonetheless, CMHC continuously monitors inventory conditions in all centres across Canada.

Clearly, these two different measures lead to different conclusions about the state of the housing market. In 2012, the inventory of units without adjusting for population was in the range of historical highs but, on a population-adjusted basis, the inventory was close to the long-term average and well below the historical highs.

FIGURE 4-8

Annual total completed and unoccupied housing per 10,000 people, Canada,[1] 1992-2012 and 2012Q1-2013Q2



[1] Data are for Census Agglomerations.

Source: CMHC (*Starts and Completions Survey*) and Statistics Canada (CANSIM).

Sales of existing homes decreased slightly in 2012, and were stable in the first half of 2013

In 2012, sales of existing homes sold through the Multiple Listing Service® (MLS®) totalled 454,463 units, a decrease of 1.2% from the 2011 level of 459,835, but well above the 1990–2012 annual average of 382,825 *(see Figure 4-9)*. Sales were stronger in the first quarter of 2012, when they reached a seasonally-adjusted annual rate of 476,668 and then declined over the year to 428,676 at the end of the fourth quarter. In the second quarter of 2013, sales essentially returned to the average annual level recorded in 2012. In particular, a slight decline in the first quarter of 2013 (-0.3% on a quarter-to-quarter, seasonally-adjusted basis) was followed by an increase of 6.3% to 454,188 units (annual rate).

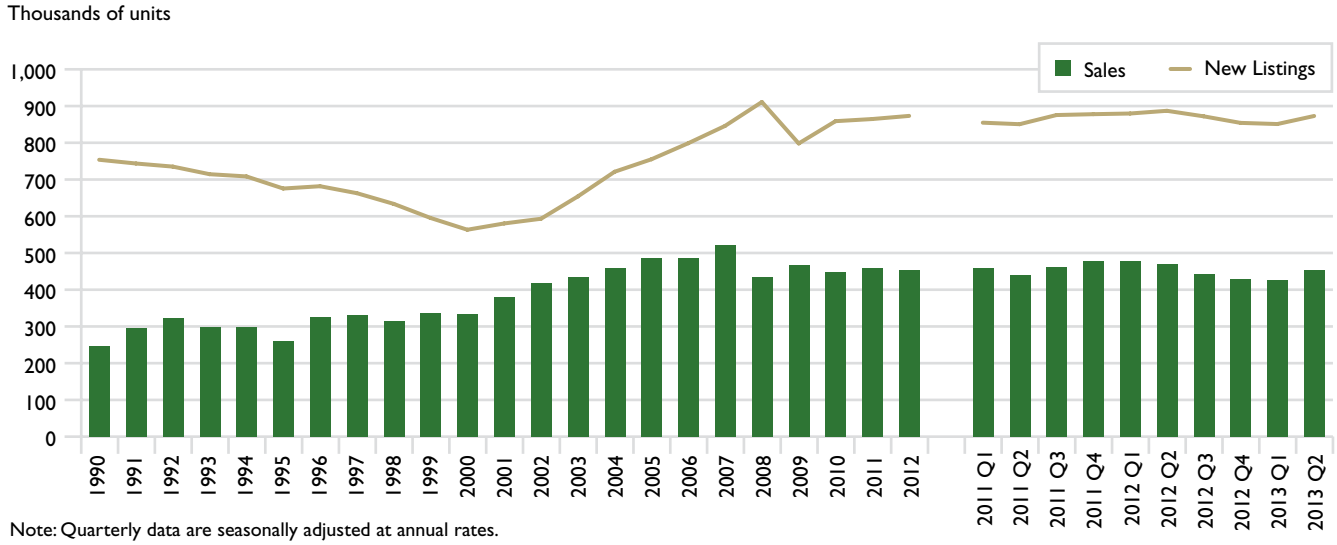
The number of new listings grew by 1% in 2012 to 873,188 units, continuing the upward trend observed since 2009. Largely mirroring the trend in sales, new listings in the second quarter of 2013 also essentially held steady at the average annual level recorded in 2012, as a slight decline in the first quarter of 2013 (-0.4% on a quarter-to-quarter, seasonally-adjusted basis) was followed by a gain of 2.6% to 872,936 units (annual rate) in the second quarter.

The sales-to-new-listings ratio (SNLR) is often used as a barometer of the state of the housing market. Historically, time periods with a SNLR ratio below 40% have been associated with a buyers' market, with nominal house prices rising more slowly than the rate of inflation. Conversely, time periods with a SNLR ratio above 55% have been associated with a sellers' market, and house prices rising more rapidly than inflation. When the SNLR is between these two thresholds, the housing market is considered to be in balance, and house prices are expected to rise at a rate similar to inflation.

In 2010, the market returned to balanced conditions with a SNLR of 52.2% *(see Figure 4-10)*. Balanced market conditions continued in 2011, with a ratio of 53.2%, and in 2012 with a ratio of 52.1%. Nationally, the market remained in balance throughout 2012, with a first quarter SNLR of 54.2%, which declined to 50.2% by the end of the year. Consistent with the trends in sales and new listings in the first half of 2013, the SNLR has also displayed a stable trend, when compared to 2012 annual levels. Specifically, in the first quarter of 2013, similar declines in sales and new listings left the ratio unchanged at 50.2%.

FIGURE 4-9

MLS® sales and new listings, Canada, 1990-2012 and 2011Q1-2013Q2



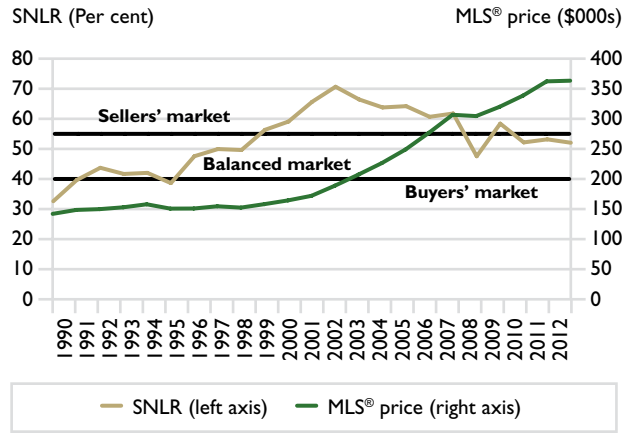
Note: Quarterly data are seasonally adjusted at annual rates.

Sources: Canadian Real Estate Association (CREA); MLS® is a registered trademark for CREA.

However, sales growth in the second quarter outpaced growth in the level of new listings, leading to a slight increase in the SNLR to 52%, essentially unchanged from the average level in 2012.

FIGURE 4-10

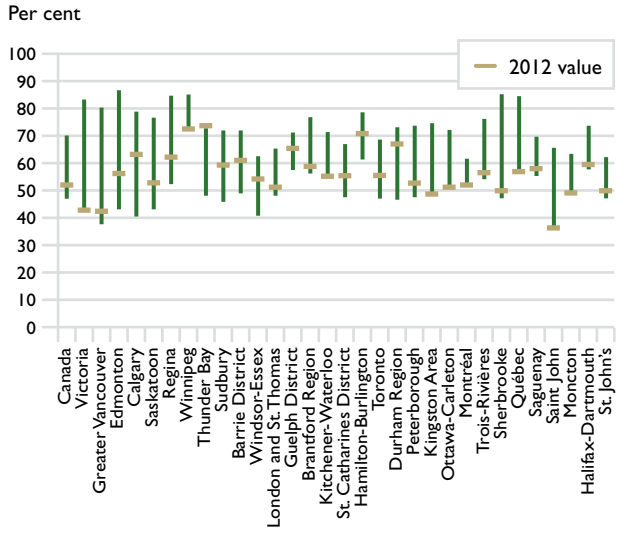
MLS® sales-to-new-listings ratio (SNLR) and average MLS® price, Canada, 1990-2012



Source: Canadian Real Estate Association (CREA); MLS® is a registered trademark for CREA.

FIGURE 4-11

Sales-to-new-listings ratio (SNLR), Canada and selected urban centres, 2002-2012 range[1] and 2012 value



[1] Minimums and maximums for Montréal are from the 2004-2012 period.

Source : Canadian Real Estate Association (CREA); MLS® is a registered trademark for CREA. QFREB by the Centris® system. The Centris® system contains all the listings of Quebec real estate brokers.

Of course, housing markets are local in nature, and housing market conditions varied across the country *(see Figure 4-11)*.

Average MLS® resale home price increased more slowly than inflation

Across the country, the average selling price of an existing home sold through MLS® in 2012 was $363,399 *(see Figure 4-12)* or 0.3% higher than the average price of $362,304 in 2011. This increase was lower than the rate of inflation (1.5%).

However, in many urban centres,[8] house prices increased in 2012 by more than inflation *(see Figure 4-13)*. Regina (8.5%) experienced the highest increase in nominal price, bringing the average MLS® price in Regina to $301,145. Hamilton-Burlington also experienced strong growth in prices (8%), reaching an average selling price of $360,059. Toronto and St. John's recorded price increases of 7% and 6.8%, respectively. Average house prices in 2012 declined in Greater Vancouver by 6.4%, in Victoria by 2.8%, and in Saint John by 1.4%. Greater Vancouver recorded the highest average resale price of all major urban centres at $730,063, followed by Toronto at $498,973 and Victoria at $484,164 *(see Figure 4-14)*.[9]

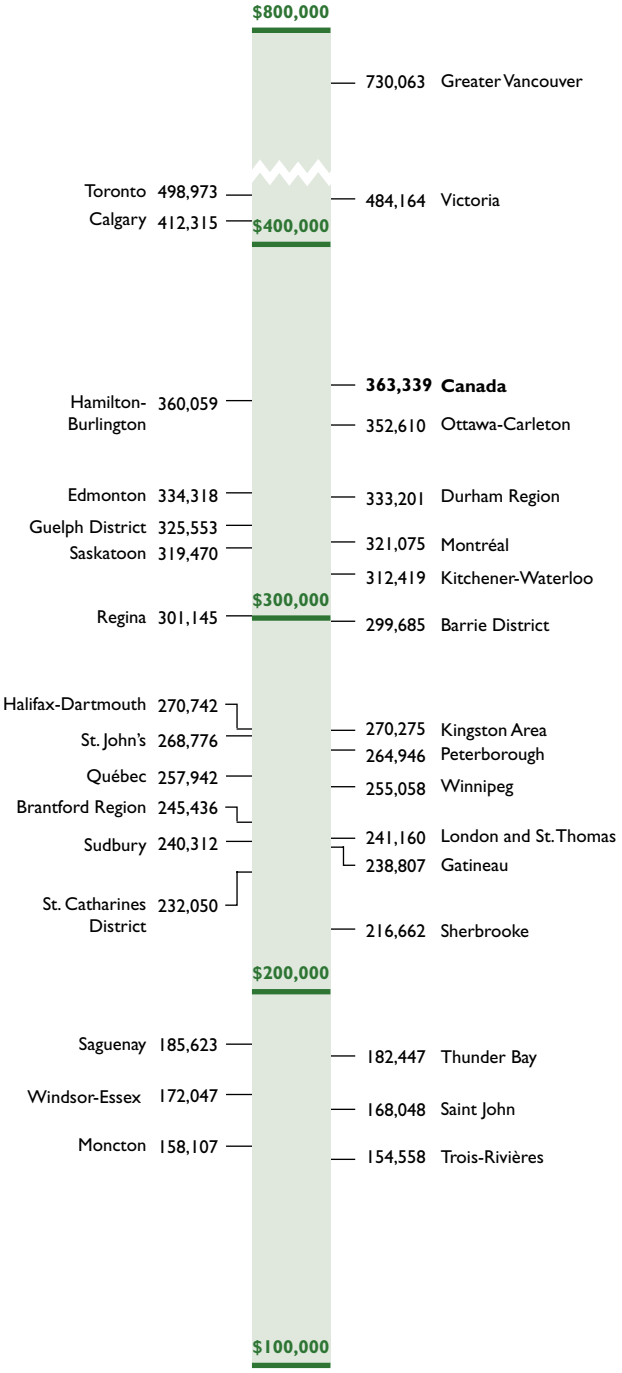
In the first half of 2013, the average price of an existing home continued to trend higher. On a year-over-year, unadjusted basis, the average MLS® price increased 1.1% from the first quarter of 2012 to the first quarter of 2013, followed by a year-over-year gain of 3.2% in the second quarter of 2013. On a seasonally-adjusted basis, the average MLS® price stood at $372,775 in the second quarter of 2013.

[8] The geographic boundaries and names of urban areas covered by CREA data do not necessarily coincide in an exact way with the boundaries and names of Statistics Canada's 2011 Census definitions of Census Metropolitan Areas (CMAs).

[9] Annual data on MLS® average prices by metropolitan area can be found in Appendix Table 6.

FIGURE 4-12

Average resale price, Canada, and urban centres, 2012 (dollars)

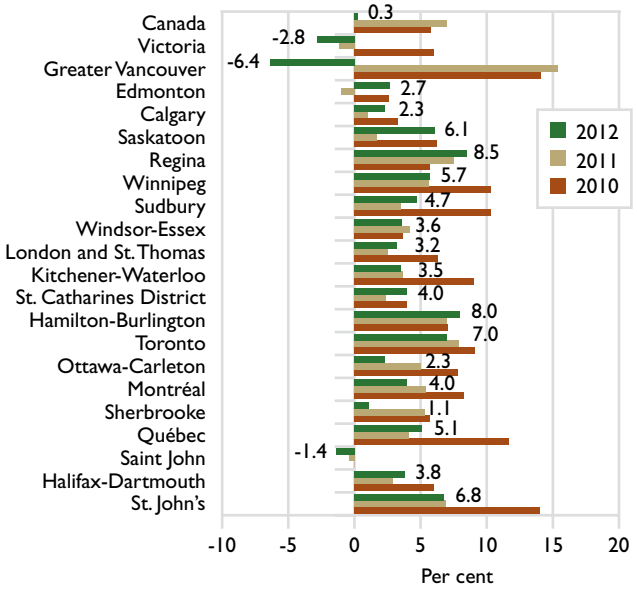


Note: The geographic definitions used by CREA differ from those used by Statistics Canada.

Source : CREA (MLS®). MLS® is a registered trademark of the Canadian Real Estate Association. QFREB by the Centris® System. The Centris® System contains all the listings of Québec real estate brokers.

FIGURE 4-13

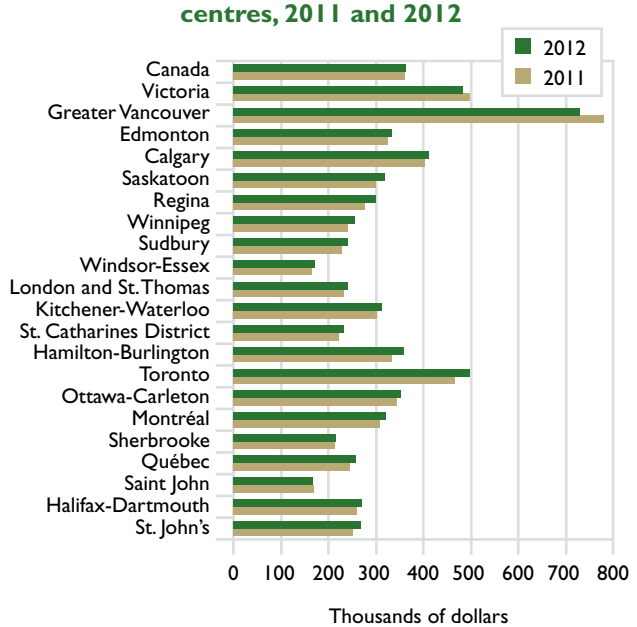
Changes in average resale prices, Canada and selected urban centres, 2010-2012



Source : Canadian Real Estate Association (CREA). MLS® is a registered trademark for CREA. QFREB by the Centris® system. The Centris® contains all the listings of Quebec real estate brokers.

FIGURE 4-14

Average resale price, Canada and selected urban centres, 2011 and 2012



Source : Canadian Real Estate Association (CREA); MLS® is a registered trademark for CREA. QFREB by the Centris® system. The Centris® system contains all the listings of Quebec real estate brokers.

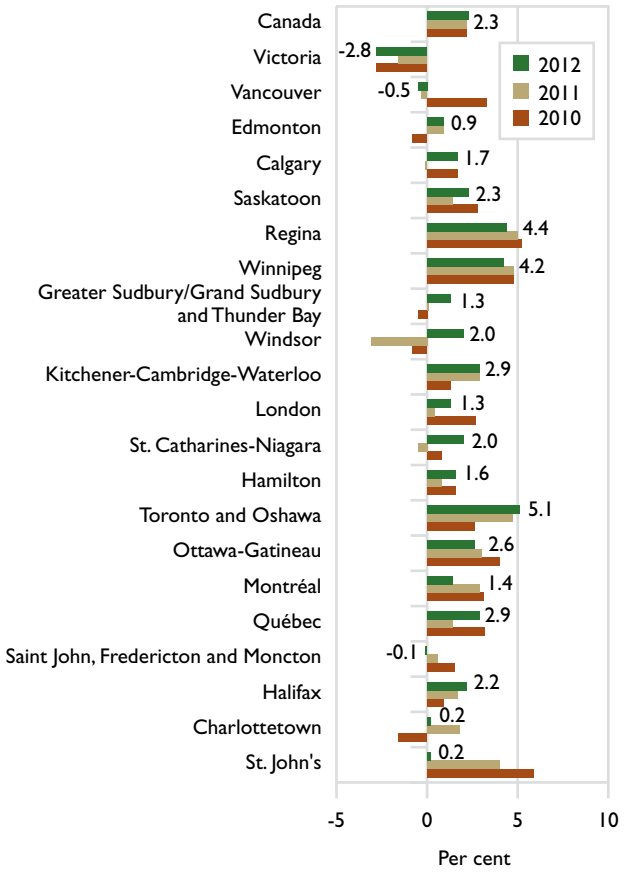
The Teranet-National Bank National Composite House Price Index™ is based on housing sales activity in 11 major housing markets.[10] The index controls for changes in the types and quality of homes sold over time. In 2012, the average monthly level of the index increased 4.8 % when compared to 2011, well above the rate of inflation in 2012 (1.5%). The largest increases in 2012 were recorded in Toronto (8.6%), Winnipeg and Hamilton (both at 6.7%). All other centres recorded increases above the rate of inflation, with the exception of Victoria, which was the only centre covered by the index to register a decline in 2012 (-1.4%). However, price growth as measured by the Teranet-National Bank National Composite House Price Index™ moderated in the second half of 2012 and continued to moderate in the first and second quarters of 2013. Specifically, year-over-year growth moderated from 6.2% in the first quarter of 2012 to 3.3% in the fourth quarter, 2.6% in the first quarter of 2013 and 1.9% in the second quarter of 2013.

New housing prices increased slightly more than inflation

The New Housing Price Index (NHPI),[11] developed by Statistics Canada, measures the change in the selling price of new residential homes and is based on housing specifications that remain constant between periods. In 2012, the average increase in the NHPI in the 21 urban centres surveyed by Statistics Canada was 2.3%, compared to the general inflation rate of 1.5% *(see Figure 4-15).* In the first half of 2013, the NHPI moderated. On a year-over-year, unadjusted basis, the NHPI moderated from 2.3% in the fourth quarter of 2012 to 2.1% in the first quarter of 2013 and to 1.8% in the second quarter of 2013.

FIGURE 4-15

Changes in Statistics Canada's New Housing Price Index, urban centres, 2010-2012



Note: Value for Canada is based on the average of 21 urban centres covered by this index.

Source: Statistics Canada (CANSIM)

Growth was recorded in the NHPI in 18 out of 21 urban centres in 2012. The largest increases in 2012 were recorded in Toronto-Oshawa (5.1%), Regina (4.4%) and Winnipeg

[10] There are two such indexes: the "composite 6" index and the "composite 11" index. The latter index is referenced here because it provides greater geographic coverage, including the six centres covered by the composite 6 index (Halifax, Montréal, Ottawa-Gatineau, Toronto, Calgary and Vancouver) as well as the five additional centres of Québec, Hamilton, Winnipeg, Edmonton and Victoria.

[11] For more information, see Capital Expenditure Price Statistics, Catalogue number 62-007-X Ottawa: Statistics Canada. The NHPI does not provide coverage for all CMAs as defined in the 2011 Census. In addition, some geographic regions that are covered by the NHPI are not currently defined as a specific CMA (according to the 2011 Census definition), and some individual CMAs are aggregated in the NHPI. As a result, the urban centres covered by the NHPI are referred to as "metropolitan areas" by Statistics Canada rather than as "Census Metropolitan Areas". For consistency with the nomenclature adopted for the previous discussion of existing home markets, NHPI localities are referred to here as "urban centres".

(4.2%), the same three centres recording the highest increases in 2011. Other urban centres recording increases in the NHPI in excess of the CPI included Kitchener-Cambridge-Waterloo (2.9%), Québec (2.9%), Ottawa-Gatineau (2.6%), Saskatoon (2.3%), Halifax (2.2%), St. Catharines-Niagara (2.0%), Windsor (2.0%), Calgary (1.7%) and Hamilton (1.6%). The NHPI continued to decline in Victoria, (by 2.8%), and also decreased slightly in Vancouver (by 0.5%) and Saint John-Fredericton-Moncton (by 0.1%).

Rental vacancy rates increased slightly in 2012

The average vacancy rate for all centres with a population of 10,000 people or more increased to 2.8% in October 2012 from 2.5% in October 2011 *(see Figure 4-16)*. An increased number of rental apartment completions during the year, combined with weaker rental demand from the under 25 age group, pushed Canada's purpose-built rental apartment vacancy rate upward. Full-time employment of the under 25 age group fell by 3.2% from October 2011 to October 2012, potentially restraining new household formation and consequent demand for rental housing as young adults are predominantly renters.[12]

Vacancy rates were lowest in Manitoba (1.6%), and Alberta (2.0%). New Brunswick continued to have the highest vacancy rate (6.9%) in October 2012, an increase of 2.1 percentage points from a year earlier. Both New Brunswick and Prince Edward Island have seen markedly stronger growth in rental apartment starts since 2010, when compared to the national average. As a result, the

FIGURE 4-16

MLS® prices, monthly rents and vacancy rates; Canada[1] and Provinces, 2012

	Average MLS® Price[2]		Monthly Rent[3] (two-bedroom apartments)		Vacancy Rate[3] (apartment structures of 3+ units)	
	Level ($000)	Change (%)	Level ($)	Fixed Sample Rent Growth (%)	Level (%)	Change (percentage points)
British Columbia	514.8	-8.3	1,073	2.0	2.7	0.3
Alberta	363.2	2.8	1,083	4.3	2.0	-1.4
Saskatchewan	275.5	6.2	958	3.9	2.3	0.4
Manitoba	246.3	5.0	887	3.7	1.6	0.6
Ontario	384.5	5.3	1,033	2.7	2.5	0.3
Quebec	264.1	3.9	681	0.9	3.0	0.4
New Brunswick	161.1	0.4	707	2.7	6.9	2.1
Nova Scotia	220.4	3.7	909	2.7	3.4	0.7
Prince Edward Island	152.3	1.8	787	2.7	5.0	2.1
Newfoundland and Labrador	268.8	6.8	725	4.0	2.2	0.9
Canada[1]	363.4	0.3	875	2.2	2.8	0.3

[1] The data in the bottom row refer to all of "Canada" for MLS® prices, rent level and vacancy rate. The fixed sample rent growth rate is a CMA total only.
[2] For MLS® prices, the level is for 2012; changes are from 2011 to 2012.
[3] For rent and vacancy rates, levels are for October 2012; changes are from October 2011 to October 2012. The percentage change in monthly rent is based on the fixed sample.

Sources: CMHC (*Rental Market Survey*), Fall 2012; Canadian Real Estate Association (CREA); Quebec Federation of Real Estate Boards. MLS® is a registered trademark for CREA.

[12] See: CMHC's *Rental Market Report – Canada* Highlights available at www.cmhc.ca/od/?pid=64667 (May 8, 2013).

growth in the share of new structures in the local rental apartment stock in New Brunswick and Prince Edward Island has outpaced national gains. As newer structures generally command higher rents, the rental housing markets in these two provinces have seen overall rent increases that exceed the national average.

The major centres with the highest vacancy rates in purpose-built rental units were Saint John (9.7%), Windsor (7.3%) and Moncton (6.7%). The lowest vacancy rates were recorded in Regina (1.0%), Thunder Bay (1.1%) and Calgary (1.3%).

The October 2012 *Rental Market Survey* also included condominium apartments offered for rent in 11 CMAs *(see Figure 4-17)*. Vacancy rates in these condominium apartments ranged from a high of 3.2% in Ottawa to a low of 0.9% in Saskatoon.

Average rents for two-bedroom apartments increased 2.2%

In October 2012, the average monthly rent for a two-bedroom apartment in new and existing purpose-built structures across the 35 major centres surveyed by CMHC

FIGURE 4-17

Rental condominium apartments vacancy rates (%), average rents ($) and percentage of condominium apartments rented out

	Vacancy rates (%)		Average rent (two-bedroom apartments) ($)		Percentage of condominium apartments rented out	
	Oct-11	Oct-12	Oct-11	Oct-12	Oct-11	Oct-12
Victoria	1.2	2.2	1,277	1,368	20.0	20.7
Vancouver	0.9	1.0	1,663	1,662	25.7	25.9
Edmonton	3.7	2.5	1,164	1,286	28.5	31.8
Calgary	5.7	2.1	1,460	1,355	26.2	30.4
Saskatoon	0.4	0.9	n/u	n/u	22.4	20.6
Regina	0.6	1.9	n/u	n/u	23.2	25.2
Winnipeg	1.8	1.3	917	1,160	13.8	14.5
Toronto	1.1	1.2	1,608	1,592	22.2	22.6
Ottawa-Gatineau (Ont. part)	1.4	3.2	1,235	1,271	19.3	20.7
Montréal	2.8	2.7	1,075	1,027	9.3	11.0
Québec	2.3	2.2	907	1,022	6.3	9.0

n/u: No units exist in the universe for this category.

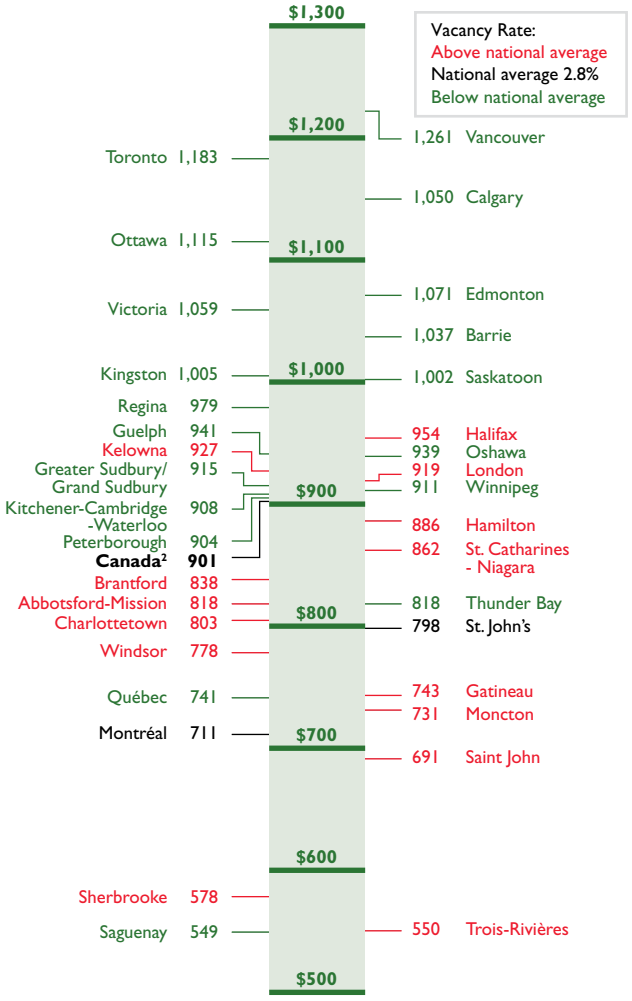
Source: CMHC (*Rental Market Survey*), Fall 2012

was $901 *(see Figure 4-18)*. For two-bedroom apartments that were included in CMHC's *Rental Market Survey* in both October 2011 and October 2012, the average rent increased by 2.2% from the previous October[13] *(see Figure 4-19)* among major centres. The highest average monthly rents for two-bedroom apartments were in Vancouver ($1,261), Toronto ($1,183) and Calgary ($1,150). Vancouver and Toronto also had the highest average rent levels for two-bedroom apartments in 2011. Rent increases were highest in Calgary (5.9%) and Thunder Bay (5.4%).

The lowest average rents in 2012 were recorded in Saguenay ($549), Trois-Rivières ($550) and Sherbrooke ($578),[14] the same three centres that recorded the lowest rents in 2011. The latter two centres recorded vacancy rates of 5.2% and 5.0%, respectively.

FIGURE 4-18

Average rents[1] and vacancy rates for two-bedroom apartments, Canada and metropolitan areas, 2012

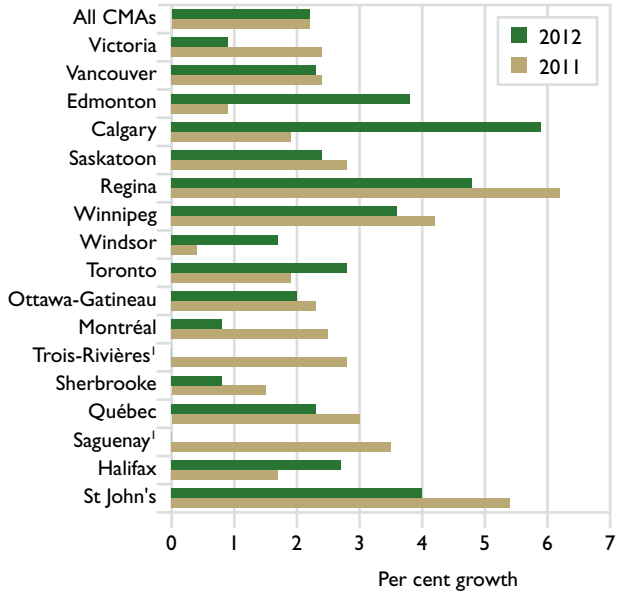


[1] In privately initiated apartment structures with at least three units.
[2] The average includes the metropolitan areas shown.

Source: CMHC (*Rental Market Survey*)

FIGURE 4-19

Fixed sample monthly rent growth for two-bedroom apartments, all and selected CMAs, 2011 and 2012



[1] Data for 2012 are suppressed for confidentiality reasons or the change is not statistically different from zero.

Source: CMHC (*Rental Market Survey*), Fall 2012.

[13] The *Rental Market Survey* tracked changes in rent levels from 2011 to 2012 based on a fixed sample (i.e., structures that were included in the sample in both years). This is a more reliable indicator of rent movement as it excludes new units coming onto the rental market which could skew the overall measure of changes in rents, especially in smaller markets. However, some composition effects still remain in the measurement because the survey does not collect details such as rent increases resulting from renovations/upgrades to units or from a change in tenancy.

[14] Saguenay, Trois-Rivières and Sherbrooke also experienced inventory levels of completed and unoccupied units per 10,000 people in excess of historical averages.

Housing-related expenditures contributed nearly $315 billion to national GDP[15]

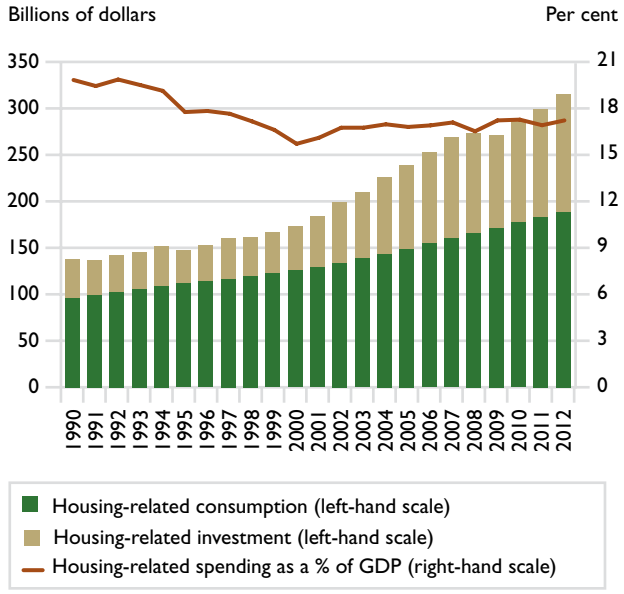
In 2012, housing expenditures contributed nearly $315 billion to the national Gross Domestic Product (GDP) representing 17.3% of total GDP *(see Figure 4-20)*. Housing-related expenditures include housing-related consumption (i.e., paid rent plus imputed rent[16] plus expenditures on maintenance and repairs), and residential investment (i.e., the value of new construction, renovations and the transfer costs associated with the sale of existing homes, including real estate commissions, legal fees and land transfer fees).[17]

Housing-related consumption increased by 3.1% in 2012, to about $189 billion. Residential investment also grew in 2012, by 8.7% to $126 billion, continuing the recovery in housing investment that began in 2010, and contributing 6.9% to national GDP, close to the previous high of 7.0% in 2007, prior to the economic downturn.

Investment in new dwellings grew in 2012 to $57.8 billion, an increase of 15.7% from 2011, continuing the growth that began in 2010 when the value of investment in new dwellings rose 21.7% over the previous year to a total of $48.4 billion (*see Figure 4-21)*. In 2012, investment in new dwellings accounted for 3.2% of GDP, approaching the level of 3.3% registered in 2007, prior to the downturn. Expenditures on home renovations continued to grow in 2012, reaching $45.9 billion, an increase of 4.7% over the $43.8 billion spent in 2011. This growth in spending continued the upward trend experienced since 2000. Total expenditures on renovation represented over 2.5% of GDP in 2012, exceeding the long-term average of 2% over the period 1990–2012. Transfer costs totalled $22.7 billion in 2012 and remained relatively stable as a percentage of GDP at 1.2%, compared to 1.3% in 2011.

FIGURE 4-20

Housing-related spending, by type, and as a percentage of Gross Domestic Product, Canada, 1990-2012



Source: CMHC, adapted from Statistics Canada (CANSIM)

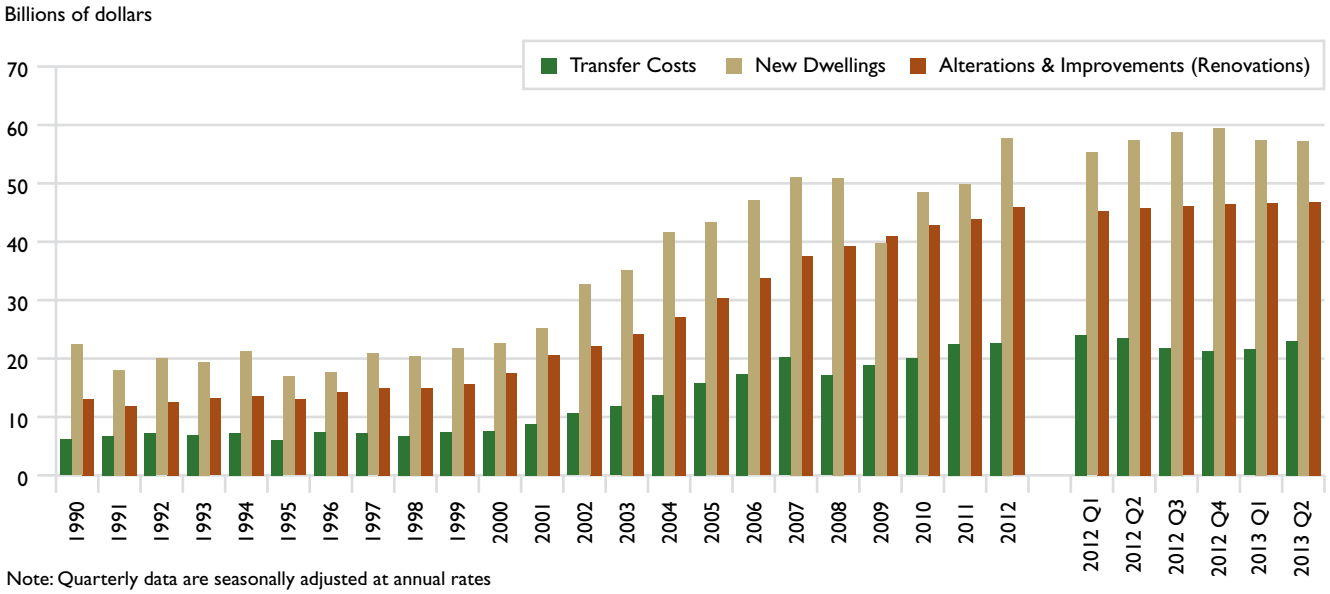
[15] The information on housing-related GDP is based on data available as at September 3, 2013. Note that direct comparison with previous years is not possible for all variables due to recent changes to national accounting methods at Statistics Canada. For further details, see Statistics Canada's Canadian System of National Accounts 2012 Historical Revision, available at www.statcan.gc.ca/nea-cen/hr2012-rh2012/start-debut-eng.htm (July 05, 2013).

[16] The housing-related spending of tenants is typically calculated by aggregating the rents paid. Calculating housing-related consumption spending for owner households is done as follows. Rather than calculating money spent by owners on mortgage interest, taxes, maintenance, etc., owners are treated as though they are paying an "imputed" rent to themselves. This imputed rent is based on what they would be able to charge if they rented their dwelling to someone else. This means that owners without mortgages are treated in the same way as owners with mortgages and the contribution of owner-occupied housing to overall economic activity is not understated.

[17] CMHC has refined the definition of housing-related consumption from the definition used in previous editions of the *Observer*. Previously, housing-related consumption included spending on gross rent as well as spending on electricity and fuels. Currently, housing-related consumption of rental services has been expanded to include a measure of imputed rent for owner-occupied homes. On the other hand, the definition no longer includes spending on electricity and fuels because these data include all spending on these categories by households, not just housing-related spending. These revisions to the definition of housing-related consumption are intended to improve the accuracy of measures of Canadian households' spending on shelter-related consumption.

FIGURE 4-21

Components of residential investment, Canada, 1990-2012 and 2012Q1-2013Q2



Note: Quarterly data are seasonally adjusted at annual rates

Source: Statistics Canada (CANSIM)

In the first quarter of 2013, the contribution of housing-related expenditures to GDP moderated to 17.1% from 17.3% in the fourth quarter of 2012, reflecting a slight decline in the value of investment in new dwellings over the same period. However, moderation in the pace of decline in the value of investment in new dwellings in the second quarter of 2013 led to an up-tick in the contribution of housing-related expenditures to GDP to 17.2% in the same period. Housing-related consumption, as well as the other two components of housing-related investment (transfer costs and home renovations), registered gains that generally kept pace with GDP growth in the first and second quarters, thus keeping the shares of these other components in GDP constant.

Demographic and Socio-economic Influences on Housing Demand

Anne Savage, *Untitled (Pink Farmhouse in the Valley)*, c. 1936, Oil on wood, 22.2 x 31.8 cm
National Gallery of Canada, Ottawa, Gift of John B. Claxton, Q.C., Anne McDougall, Galt MacDermot, Mary Drummond, and Helen Leslie, 1997, Photo © NGC

Fast Facts

- Households in Canada are continuing to get smaller, shrinking from an average of 3.5 persons in 1971 to 2.5 in 2011.
- People living alone accounted for 28% of households in 2011, more than double their share in 1971.
- Consistent with declining household sizes and accompanying shifts in household composition, multiple-unit structures have accounted for a rising share of new homes built in Canada, representing more than half of all housing completions from 2008 through 2012.
- Single-detached houses remain the dominant housing choice of Canadians, home to 55% of households in 2011.
- From an estimated 12.8 million in 2006, the number of private households is projected to reach between 16.3 million and 19.7 million in 2036.
- Persons living alone are projected to become the most prevalent type of household, accounting for about 31% of all households by 2036.
- The share of senior-led households is projected to rise from 21% in 2006 to between 33% and 35% by 2036.
- The average yearly growth in owner-occupied apartment dwellings, most of which are condominiums, could range from 1.3% to 1.7% over the 2006 to 2036 period; the corresponding rate for single-detached dwellings is 1% to 1.3%.

Population growth and changes in the composition of the population affect both the volume and types of housing demanded. Increases in the number of households, tied to the growth of the population, underlie much of the expansion of the housing stock. Changes in the age make-up of the population contribute to shifts in household composition – the mix of family and household types – which in turn influence the housing choices that people make.

The first section of this chapter discusses recent demographic developments. The second section presents an update of CMHC's long-term projections to 2036 of household growth.

Net migration to Canada sustains population growth

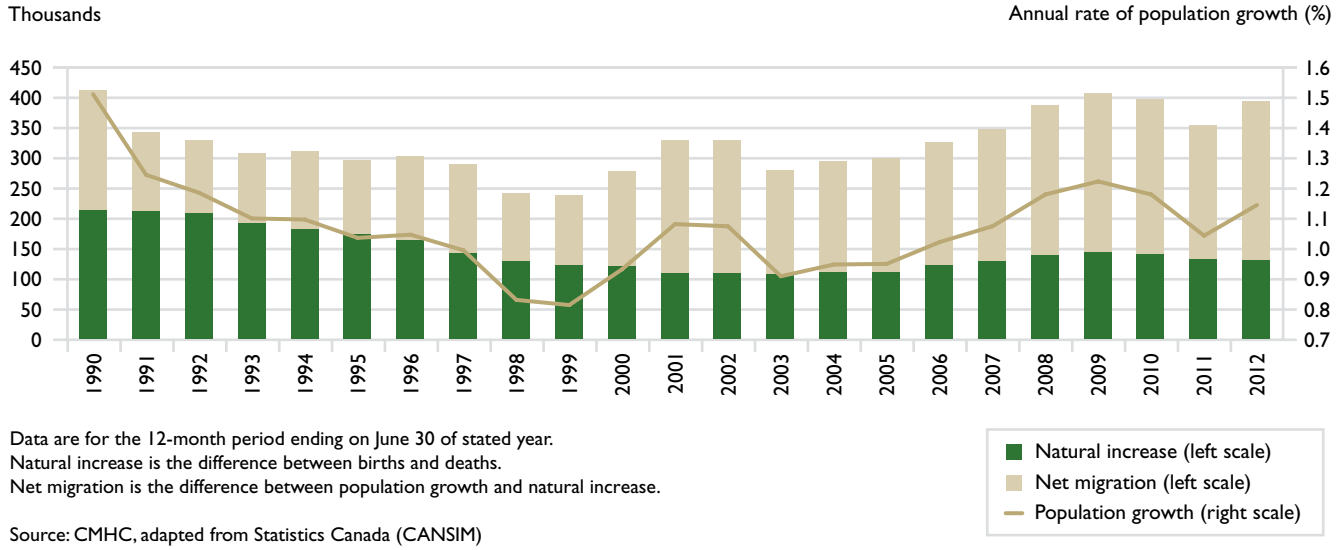
Canada's population is aging. The oldest baby boomers, the large generation born between the end of World War II and the mid-1960s, are now senior citizens, and the median age of the population has risen for decades. During the 1990s, births fell and deaths rose as baby boomers moved into middle age. Natural increase (the difference between births and deaths) in each of the years from 2001 through 2005 was barely half of what it had been in 1990 *(see Figure 5-1)*.

Net international migration has accounted for an increasing share of population growth in Canada, rising from around 40% in the early 1990s to two-thirds (67%) in 2012 *(see Figure 5-2)*. In the first decade of this century, the pace of immigration to Canada exceeded that of any decade of the 20th century. Immigrants to Canada settle disproportionately in large urban centres, the majority initially choosing to rent their homes.

Population growth in Canada rose moderately in the past decade, helping boost household formation and housing construction. Annual population growth averaged 1.1% since 2000, up slightly from 1.0% during the 1990s.[1] Stronger growth came as a result of rising immigration and increasing numbers of non-permanent residents.[2]

FIGURE 5-1

Components of population growth, Canada, 1990-2012



Data are for the 12-month period ending on June 30 of stated year.
Natural increase is the difference between births and deaths.
Net migration is the difference between population growth and natural increase.

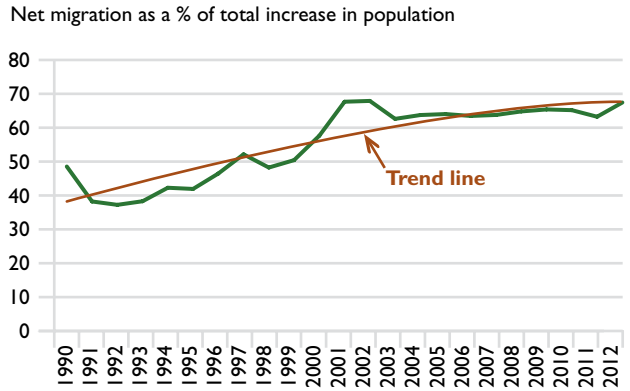
Source: CMHC, adapted from Statistics Canada (CANSIM)

[1] Growth rates in this section are calculated from mid-year (July 1) estimates. Quoted growth rates are for the 1990-2000 and 2000-2012 periods. Annual estimates of births, deaths, and migration refer to the 12-month periods preceding mid-year.

[2] Non-permanent residents are people who are lawfully in Canada on a temporary basis. They include foreign workers, foreign students, refugee claimants, and members of their families.

FIGURE 5-2

Contribution of net migration to population growth, Canada, 1990-2012



Net migration is the difference between population growth and natural increase.

Source: CMHC, adapted from Statistics Canada (CANSIM)

In 2012, population growth accelerated modestly, largely on the strength of increased growth in non-permanent residents. At 260,000, immigration in 2012 was on par with the total for the previous year, one of the highest intakes of the past 40 years.

Just as population growth in Canada has fluctuated, so has the distribution of that growth within Canada. Dominated historically by Alberta, British Columbia, and Ontario, regional growth patterns have shifted some in recent years. In 2010, 2011, and 2012, population growth in each of the three Prairie provinces exceeded the national average. Previously, Saskatchewan, and to a lesser extent Manitoba, had experienced years of low growth. The number of homes built in Saskatchewan and Manitoba rose as population growth strengthened. In contrast to the Prairies, growth in British Columbia and Ontario was below-average in 2012. Population growth slowed considerably in British Columbia in 2011, and in Ontario it has been at or below the national rate since 2007 (with the exception of 2011).

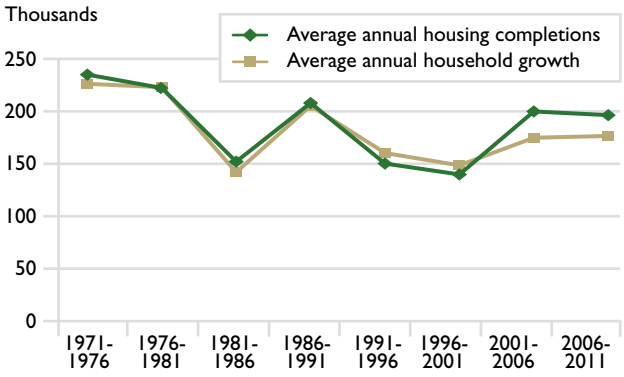
Rising household growth supports increased housing construction

Population growth is the major factor driving expansion of the housing stock. As populations grow, the number of households tends to rise, generating demand for additional housing. Housing supply responds to market signals—changes in prices, sales, and inventories—that reflect demographic pressures and economic conditions. Communities with high rates of housing construction are generally characterized by high rates of population and household growth.

Over the past four decades in Canada, changes in the volume of housing construction have paralleled shifts in household growth (net household formation) *(see Figure 5-3).* Housing construction during the past decade, generally robust by comparison to the 1990s, was supported by increased household growth—itself a product of moderately stronger population growth.[3] From 2001 to 2011, annual household formation in Canada averaged 176,000, compared to 154,000 from 1991 to 2001.

FIGURE 5-3

Household growth and housing completions, Canada, 1971-2011



Completions based on totals for Q3 through Q2.

Source: CMHC *(Starts and Completions Survey)* and adapted from Statistics Canada (Census of Canada)

[3] For more detailed discussion of the relationship between household formation and housing construction, see *Canadian Housing Observer 2012*. Ottawa: Canada Mortgage and Housing Corporation, 2012. pp. 4-9 to 4-13. www.cmhc.ca/od/?pid=67708 (May 30, 2013); and *2011 Census/National Household Survey Housing Conditions Series: Issue 1 Demographics and Housing Construction, 1971-2011,* Research Highlight, Socio-economic Series 13-007. Ottawa: Canada Mortgage and Housing Corporation, 2013. www.cmhc.ca/od/?pid=67972 (December 17, 2013).

Household terminology

The discussion of household growth and composition presented below uses terminology derived from census concepts.[1]

Household - one or more people who occupy a private dwelling and do not have a usual place of residence elsewhere in Canada.[2] A private dwelling is a dwelling that is not a collective dwelling (see definition below).

Households fall into two main groups: family households and non-family households.

Family household - family households comprise couples with children, couples without children, lone parents, and multiple-family households.

> **Couples with children household** – a household containing a married or common-law couple with at least one child. A couple may be of the opposite or same sex. Non-family members may also be present.
>
> **Couples without children household** – a household containing a married or common-law couple without children. A couple may be of the opposite or same sex. This category includes empty-nesters whose children have moved out. Non-family members may also be present.
>
> **Lone-parent household** – a lone parent living with one or more children. Non-family members may also be present.
>
> **Multiple-family household** – a household containing two or more families (couples with or without children or lone-parent families). Non-family members may also be present.

Non-family household – non-family households comprise one-person and two or more person non-family households.

> **One-person household** – a person living alone.
>
> **Two or more person non-family household** – Two or more people who share a dwelling and who do not constitute a family.

Collective dwelling – a dwelling of a commercial, institutional, or communal nature, such as rooming houses, hotels, hospitals, nursing homes, jails, and group homes.

Primary household maintainer – the primary household maintainer is the person or one of the persons in the household responsible for major household payments such as the rent or mortgage. In households with more than one maintainer, the primary maintainer is the first person listed as a maintainer. In this chapter, age, when applied to households of any type, refers to the age of the primary household maintainer.

Headship rate – an age-specific headship rate is the rate at which people in a given age group form households, and is calculated as the number of primary household maintainers in that age bracket divided by the total number of people in the same age bracket.

Net household formation – net household formation, also referred to as household formation and household growth in this chapter, is the change in the number of households between two years.

---

[1] Complete documentation of census concepts, including structure types and other housing content, is available in Statistics Canada's Census Dictionaries. See the *2006 Census Dictionary* at www12.statcan.gc.ca/census-recensement/2006/ref/dict/index-eng.cfm (May 28, 2013) and the *2011 Census Dictionary* at www12.statcan.gc.ca/census-recensement/2011/ref/dict/index-eng.cfm (May 28, 2013).

[2] Foreign residents visiting Canada, members of the Armed Forces of another country stationed in Canada and family members living with them, and government representatives of another country and family members are not included in census counts. Non-permanent residents—people from another country who had a work or study permit, or who were refugee claimants, and family members living with them—are counted by the Census.

Population aging contributes to growth of one-person households and empty-nesters

Demographic factors influence not only the volume of new housing construction but also the kinds of housing demanded. Propensities to occupy different types of housing vary by age group and household type *(see text box Household terminology)*. As populations age, the mix of household types can be expected to change since family formation, child-rearing, and the departure of children from home are all age-related phenomena.

From 1971 to 2011, one-person households were the fastest-growing type of household in Canada, and couples with children the slowest-growing. In 1971, half of all households were couples with children, a share that had shrunk to 29% by 2011 *(see Figure 5-4)*. By contrast, people living alone accounted for 28% of households in 2011, more than double their share in 1971. There were nearly as many one-person households in Canada (3.7 million) as couples with children (3.9 million) in 2011.

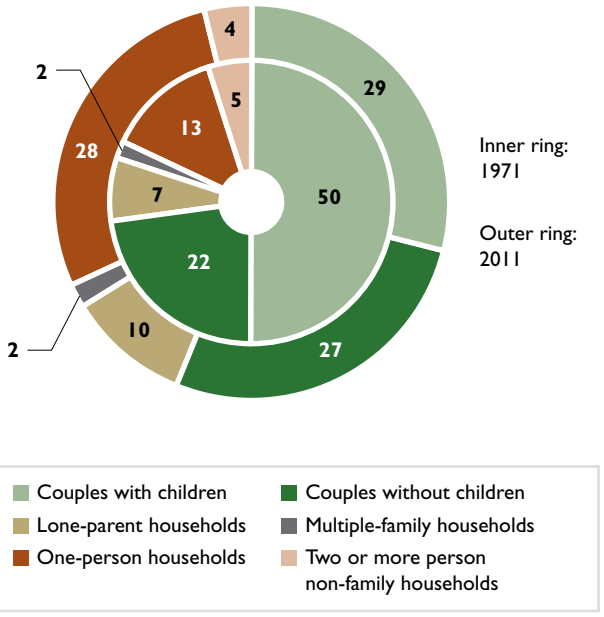
During this period, the aging of baby boomers into and then out of their child-bearing years was one of the factors supporting and then limiting growth of couples with children. Socio-economic forces also played a role. Fertility rates dropped and remained below replacement level, the average age at first marriage rose,[4] participation by women in the labour force increased, and divorces more than doubled following passage of the Divorce Act in 1968.[5]

Conversely, aging contributed to the growth of both empty-nesters—couples whose children left the family home—and one-person households—including the never-married, separated, divorced, and widowed.

In 2011, a third of people who lived alone were seniors (65 or older) and slightly over half were 55 or older.

FIGURE 5-4

Share of each household type (%), Canada, 1971 and 2011



Source: CMHC, adapted from Statistics Canada (Census of Canada)

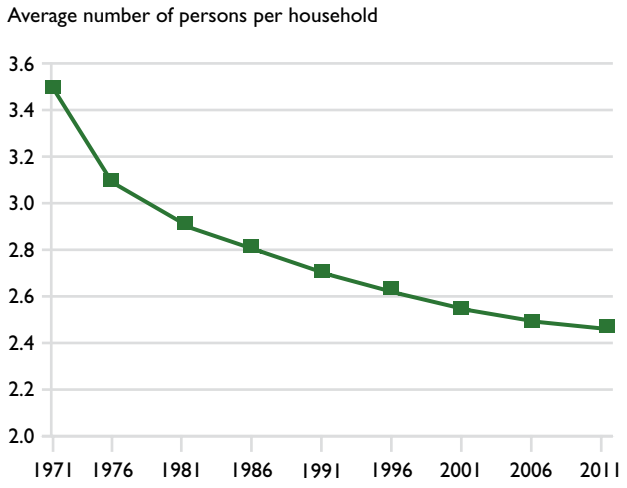
The changes in household composition in recent decades translated into a steady decline in household size. From 3.5 persons in 1971, the average size of households in Canada shrank to 2.5 in 2011 *(see Figure 5-5)*. Although reductions in household size have been less pronounced in recent years than during the 1970s, a time when large numbers of baby boomers were leaving the family home, further modest decreases can be expected given the ongoing aging of Canada's population.

[4] From 1972 through 2008, the average age at which people first marry in Canada rose for both genders, from 24.9 to 31.1 years for men and from 22.5 to 29.1 years for women. See Employment and Social Development, *Indicators of Well-being in Canada Family Life – Marriage.* www4.hrsdc.gc.ca/.3ndic.1t.4r@-eng.jsp?iid=78 (March 19, 2013).

[5] Divorces in Canada rose from 30,000 in 1971 to 68,000 in 1981. During the same time-span, the total fertility rate dropped from 2.2 to 1.7 births per woman. Standing at 1.6 in 2010, the total fertility rate has been below the replacement level for decades. In industrial countries, the replacement fertility rate is roughly 2.1 births per woman, the number required for each generation to replace itself.

FIGURE 5-5

Average household size, Canada, 1971-2011



Source: CMHC, adapted from Statistics Canada (Census of Canada)

Household composition varies across Census Metropolitan Areas (CMAs[6])

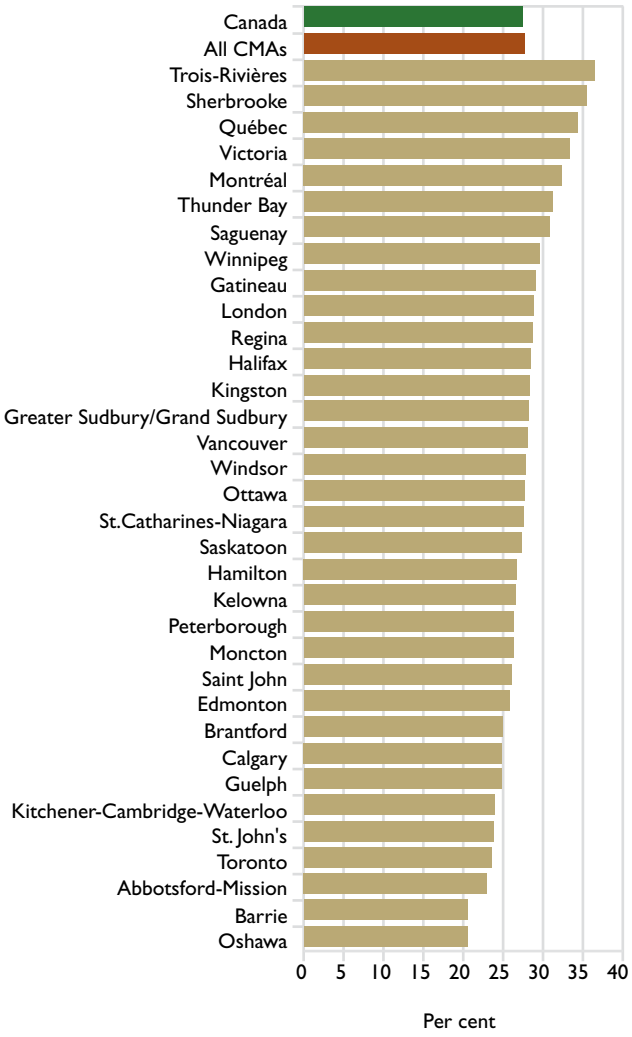
Household composition varies a good deal across Canada. Differences reflect the combined effects over time of family formation and dissolution, births, deaths, and migration in each locale.[7]

From 1996 to 2011, one-person households increased as a percentage of all households and the share of couples with children declined in every Census Metropolitan Area (CMA) in Canada. In 2011, people living alone made up anywhere from 21% (in Oshawa and Barrie) to 37% (in Trois-Rivières) of households in CMAs *(see Figure 5-6)*. The share of one-person households was relatively high in all CMAs in Quebec; in Victoria, a popular destination for retirees; and in Thunder Bay.

Many centres with high concentrations of one-person households had low concentrations of couples with children and vice versa. In 2011, couples with children represented anywhere from 21% (in Trois-Rivières and Victoria) to 37% (in Oshawa) of households in CMAs *(see Figure 5-7)*. The percentage of couples with children was below average in CMAs in Quebec, in Thunder Bay, and in Victoria. Kelowna also had a low concentration of couples with children, consistent with its higher-than-average proportion of people aged 55 or older.

FIGURE 5-6

One-person households as a % of all households, Canada and CMAs, 2011



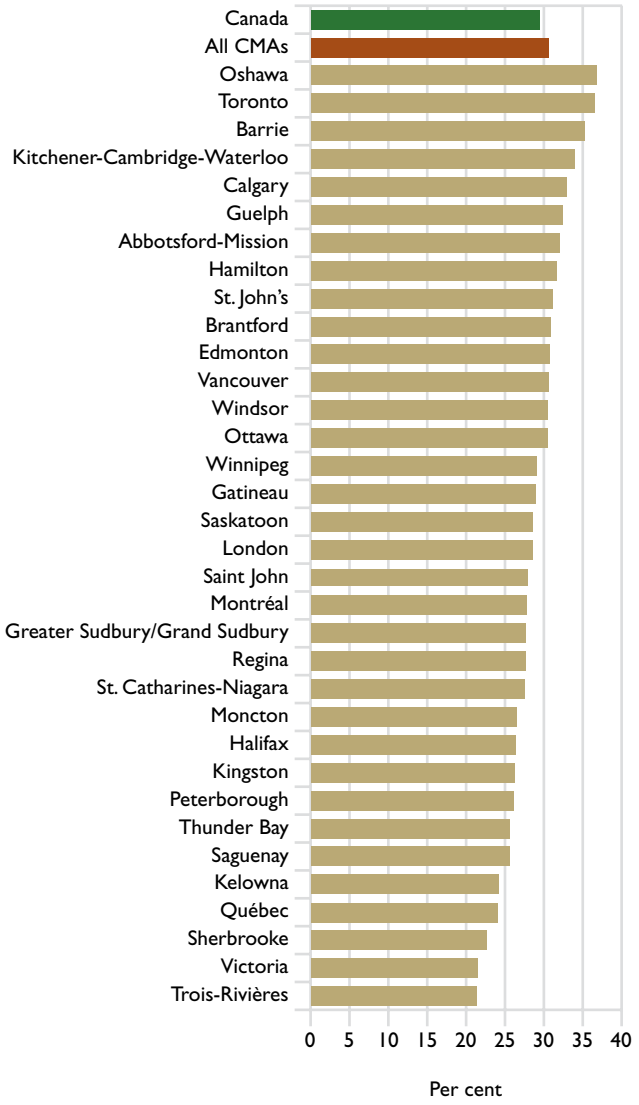
Source: CMHC, adapted from Statistics Canada (Census of Canada)

[6] A Census Metropolitan Area is an urban area with a total population of at least 100,000 and an urban core population of at least 50,000.

[7] For more about aging and migration in Census Metropolitan Areas, see *Canadian Housing Observer 2011*. Ottawa: Canada Mortgage and Housing Corporation, 2011. p. 63. www.cmhc.ca/od?pid=67508 (November 27, 2013).

FIGURE 5-7

Couples with children as a % of all households,[1] Canada and CMAs, 2011



[1] Households containing a married or common-law couple with at least one child. Non-family household members may also be present.

Source: CMHC, adapted from Statistics Canada (Census of Canada)

Among seniors, women are more likely than men to live alone and more likely to live in collective dwellings

Longer life expectancies for women mean that considerably more senior women than men live alone, and differences in the living arrangements of men and women are progressively more striking the older the group. In 2011, 46% of Canadian men aged 85 or older lived with a spouse,[8] compared to just 10% of comparably aged women *(see Figure 5-8)*. In this age group, 37% of women lived alone, well above the percentage for men (22%), and women were twice as likely (18% of women versus 9% of men) to be living with someone other than a spouse, in most cases a relative.[9]

As evidenced by the relatively high proportion of senior men living with spouses, the death of spouses disproportionately affects women. Though most senior women live in private dwellings, the absence of a partner who can provide needed support and care likely contributes to the higher percentage of women living in collective dwellings, such as nursing homes and seniors residences. In 2011, 35% of women in Canada aged 85 or older lived in collective dwellings, compared to 23% of similarly aged men.

Increasing multiple-unit housing construction is consistent with changes in household composition

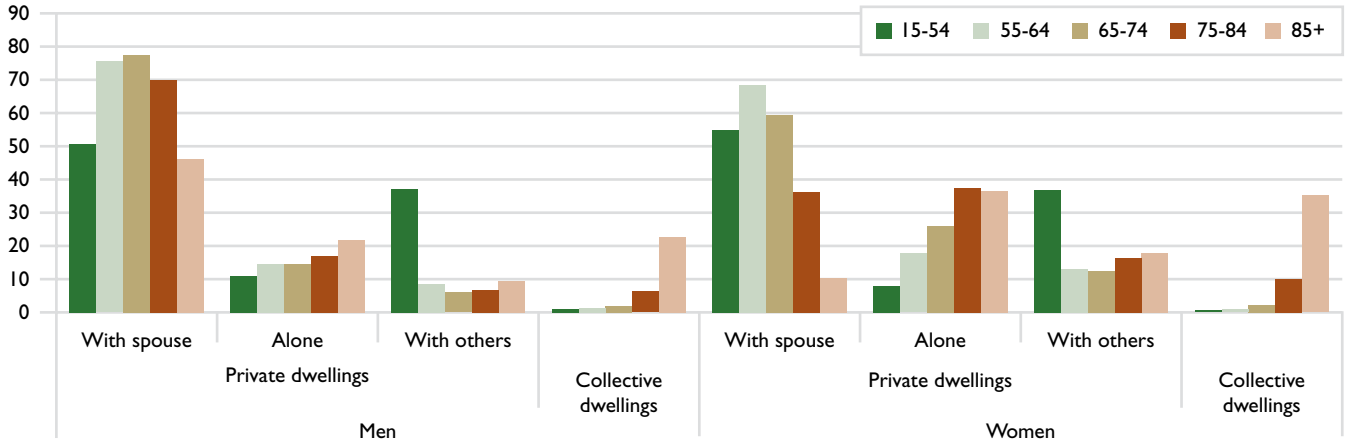
Couples with children are the household type most likely to occupy single-detached houses, and people who live alone are the least likely to choose such homes *(see Figure 5-9)*. In 2011, 72% of couples with children lived in single-detached houses compared to just 33% of one-person households. To varying degrees, households other than couples with children, especially one-person households and other non-family households, are more likely to live in multiple-unit dwellings, be they apartments, row houses, or other types.

[8] A common-law partner is considered a spouse.

[9] Among women aged 85 or older who lived with someone other than a spouse in 2006, 94% lived with a relative.

FIGURE 5-8

Living arrangements by age group and sex, Canada, 2011

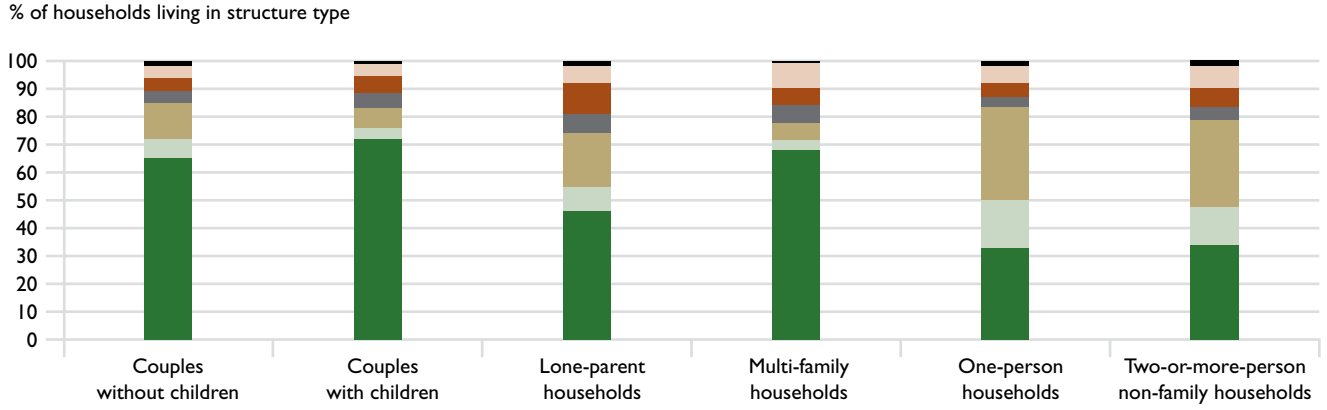


Spouse includes a common-law partner. The group "With others" includes anyone living in a private dwelling who did not live alone and did not live with a spouse.

Source: CMHC, adapted from Statistics Canada (Census of Canada)

FIGURE 5-9

Structure types by household type, Canada, 2011



Low-rise apartments are in buildings with less than five storeys.
High-rise apartments are in buildings with five or more storeys.
Other dwellings comprise single-attached houses
(a single dwelling attached to another building) and movable dwellings.

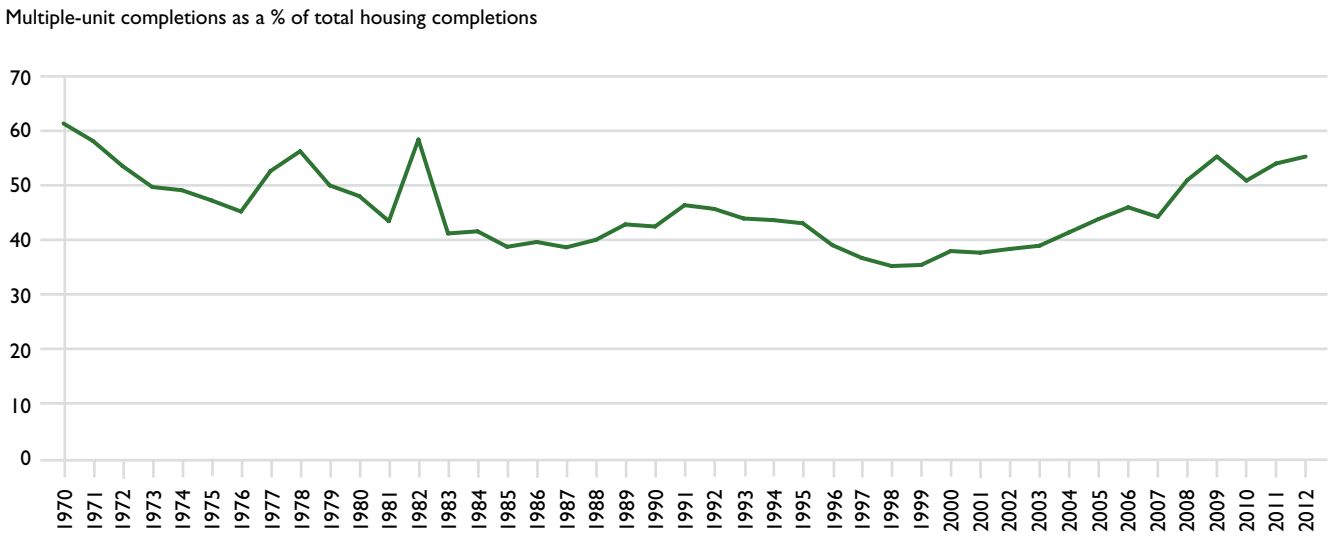
Source: CMHC, adapted from Statistics Canada (Census of Canada)

For more than a decade, multiple-unit structures have accounted for a rising share of new homes built in Canada *(see Figure 5-10)*. Units in multiples represented more than half of all housing completions from 2008 through 2012.

The number of multiple-unit homes built was higher than at any other time since the 1970s, a decade when many baby boomers reached adulthood and moved from their parents' homes into rental housing.

FIGURE 5-10

Multiples share of total housing completions, Canada, 1970-2012



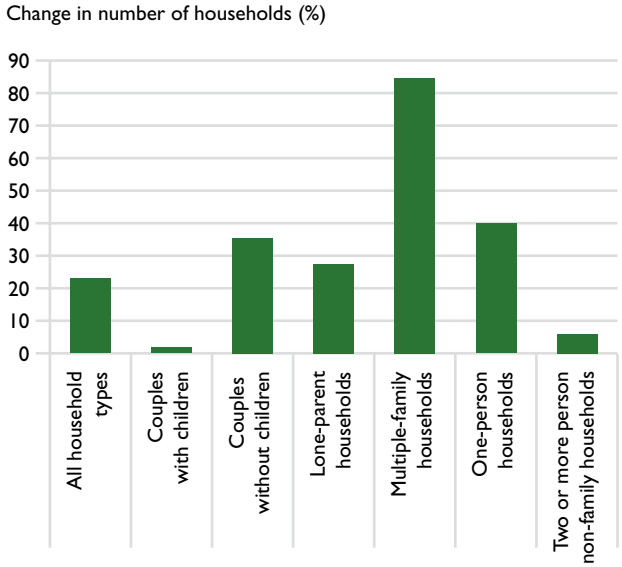
Source: CMHC *(Starts and Completions Survey)*

The growing market share of multiple-unit construction is consistent with declining household sizes and the shifts in household composition described above. From 1996 to 2011, the number of couples with children increased just 2%, a fraction of the growth of couples without children (36%), one-person households (40%), and other household types *(see Figure 5-11).*

With the oldest baby boomers now senior citizens and the other baby boomers headed that way in the decades to come, strong growth of one-person households is likely to continue as time and mortality continue to transform families. Given the gap between male and female life expectancy, the great majority of the one-person households thereby created will be women: in 2011, more than three-quarters of people aged 85 or older who lived alone were women.

FIGURE 5-11

Household growth by type, Canada, 1996-2011



Source: CMHC, adapted from Statistics Canada (Census of Canada)

Urbanization plays a role in rising multiple-unit construction

Other demographic developments also contributed to the recent rise in multiple-unit construction. Canada's population is increasingly concentrated in Census Metropolitan Areas where land tends to be expensive and multiple-unit housing relatively common. In 2011, 69% of Canadians lived in CMAs. From 2006 to 2011, the total population of CMAs grew 7.4%, the population in the rest of Canada 2.7%. Comparable growth rates for 2001-2006 were 6.9% and 2.2%, respectively. The growth of CMAs has been boosted by high immigration.[10] Most immigrant households initially rent homes, almost all of them multiple dwellings.[11]

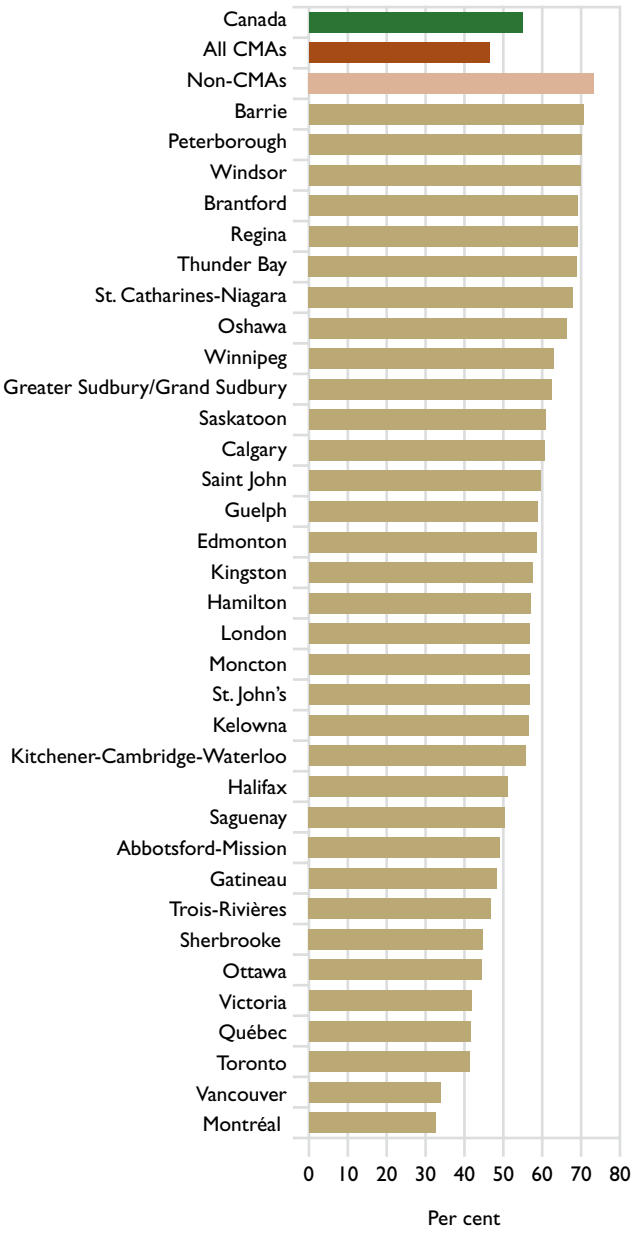
In 2011, single-detached houses accounted for less than half of the occupied housing stock of CMAs, compared to nearly three-quarters of the stock in other parts of Canada *(see Figure 5-12)*. Detached houses were generally more common in relatively small CMAs, led by Barrie (71%) and Peterborough (70%). Market shares for single-detached houses were lowest in the three largest CMAs —Toronto (41%), Montréal (33%), and Vancouver (34%)—and generally low in Quebec, the province with the highest percentage of renters in Canada; and in Victoria, an expensive market favoured by retirees.

Single-detached houses remain the most popular dwelling choice

Although decades-long demographic shifts—urbanization and the declining prominence of couples with children —have contributed and will continue to contribute to increased demand for multiple housing, single-detached houses remain the dominant dwelling choice of Canadians. Even with the trend since the late 1990s toward increased multiple-unit construction, the percentage of households in Canada living in single-detached houses was 55% in 2011, down from 57% in 2001 and 62% in 1966 *(see Figure 5-13)*.

FIGURE 5-12

Single-detached houses as a % of all occupied dwellings, Canada and CMAs, 2011



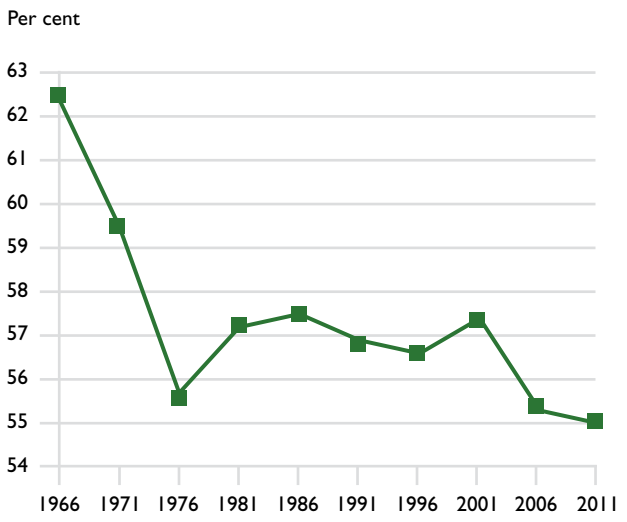
Source: CMHC, adapted from Statistics Canada (Census of Canada)

[10] In 2011, 92% of immigrants to Canada settled in a CMA.

[11] In 2006, almost two-thirds (65%) of households maintained by recent immigrants rented their homes. Almost all (96%) of these rentals were multiples.

FIGURE 5-13

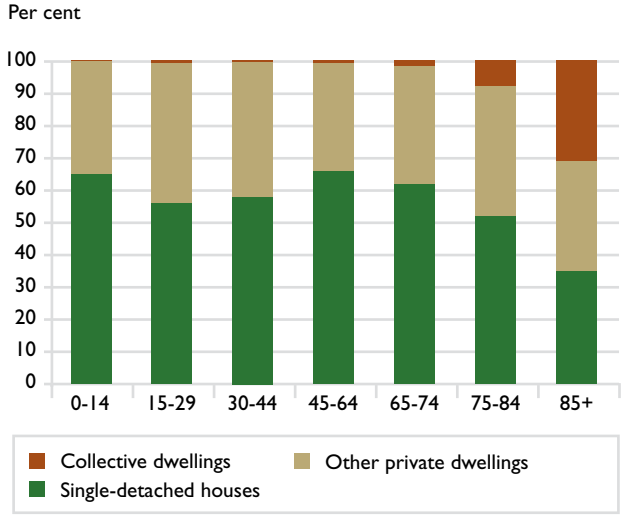
Single-detached houses as a % of all occupied dwellings, Canada, 1966-2011



Source: CMHC, adapted from Statistics Canada (Census of Canada)

FIGURE 5-14

Distribution of dwelling types by population age group, Canada, 2011



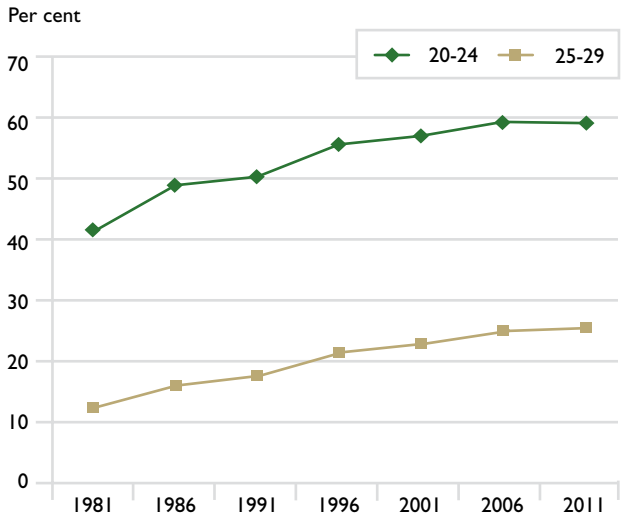
Source: CMHC, adapted from Statistics Canada (Census of Canada)

In 2011, more than half of the Canadian population in every age segment below the age of 85 lived in single-detached dwellings *(see Figure 5-14)*.[12] The preponderance of young adults in single-detached dwellings is related to the fact that they are more likely to be living in the parental home than previous generations *(see Figure 5-15)*.

At the other end of the age spectrum, the high proportion of seniors in detached dwellings is indicative of the attachment many have to their homes and neighbourhoods. In 2011, even though a minority (35%) of people in Canada who were 85 or older lived in single-detached houses, these were still the most common type of private dwelling for this group: more people aged 85 or older lived in detached dwellings than in all other types of private dwellings combined.[13]

FIGURE 5-15

Young adults living in the parental home, Canada, 1981-2011



Source: Statistics Canada (Census of Canada)

[12] The percentage of Canadians aged 25 to 34 living in single-detached houses was a very slight minority (49%).

[13] Some of these seniors may not have owned the detached houses they lived in; for example, they may have been living in a home owned by one of their children.

Occupancy and mobility patterns suggest that the transition of aging baby boomers out of single-detached houses will be gradual

Some aging households do change residences, but seniors generally move much less often than younger people. In 2011, 18% of seniors had changed residence in the previous five years, compared to almost three-quarters (72%) of those aged 25 to 29.[14] Health considerations and the desire to downsize are common reasons that seniors move.[15]

In 2011, the percentage of the population living in detached houses peaked between the ages of 45 and 64, declining gradually at older ages *(see Figure 5-14)*. This pattern suggests that transitions from single-detached to multiple homes occur, for the most part, once people are 65 or older, becoming more likely after they hit 75, an inference confirmed by previous CMHC research.[16] The relatively low mobility of past generations of seniors suggests that the turnover of the housing stock as baby boomers age will be gradual.

Growth of the population in collective dwellings is likely to continue

In 2011, there were 28,800 collective dwellings in Canada. About half of these dwellings were health care and related facilities. Within the health care group, there were 3,500 facilities classified as nursing homes, chronic care and long-term care hospitals and 2,900 residences for senior citizens.

From 1996 to 2011, growth of the population in collective dwellings (37%) in Canada was more than double that of the general population (16%) and roughly in line with growth of the senior population (40%). Collective dwellings were home to 613,000 people in 2011, almost two-thirds (64%) of them seniors. The number of senior women in collective dwellings was more than double the number of senior men—276,000 compared to 117,000. In nursing homes, chronic care and long-term care hospitals and in residences for senior citizens, there were around 2.5 female residents for every male resident. The majority (62%) of the population in collective dwellings lived in nursing homes, chronic care and long-term care hospitals (40%) or residences for senior citizens (22%).

In 2011, 1.8% of Canadians lived in collective dwellings, up slightly from 1.7% in 2006. Below the age of 65, few people lived in collective dwellings —1% or less of the population in 2011. At older ages, the likelihood of living in such housing increases *(see Figure 5-16)*. Occupancy patterns suggest that age-related shifts from private to collective housing occur mainly above the age of 75. In 2011, the share of the population in collective housing roughly doubled with each five-year increase in age above 75, reaching 44% at ages of 90 or older. At this age, seven out of ten residents of collective dwellings (69%) lived in institutions, such as nursing homes and long-term care hospitals.

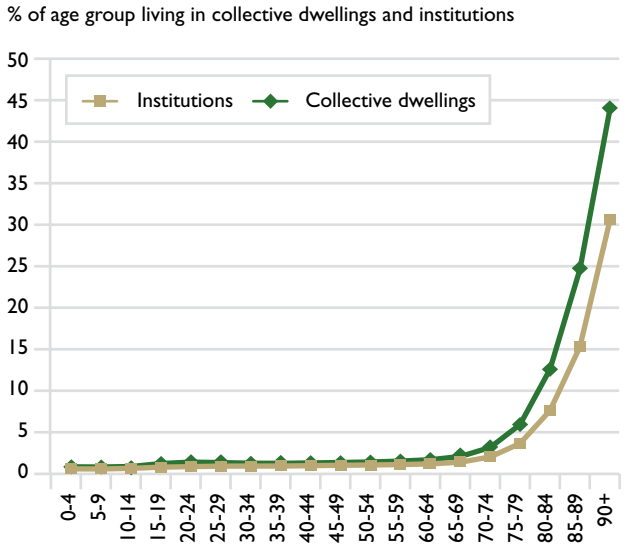
[14] The *National Household Survey* collected information on the mobility of people living in private dwellings. Mobility estimates do not include individuals who moved from a private home to a collective dwelling, such as a nursing home or some other type of institution.

[15] For more detailed discussion of mobility rates by age group and reasons for moving, see *2001 Census Housing Series: Issue 10 Aging, Residential Mobility and Housing Choices,* Research Highlight, Socio-economic Series 06-001. Ottawa: Canada Mortgage and Housing Corporation, 2006. www.cmhc.ca/od/?pid=64992 (May 30, 2013). Also, see *2006 Census Housing Series: Issue 16 A Profile of Condominiums in Canada, 1981-2006,* Research Highlight, Socio-economic Series 12-001. Ottawa: Canada Mortgage and Housing Corporation, 2012. www.cmhc.ca/od/?pid=67697 (May 30, 2013) for discussion of growth in the condominium market and related mobility patterns.

[16] Census data for 2011 show housing choices of different generations as of May 10, 2011. They do not indicate how choices of individual generations changed over the course of their lives. Previous research by CMHC, which examined the most recent moves of aging Canadians, confirms that net shifts out of single-detached houses occur mainly once people are 65 or older. See *2001 Census Housing Series: Issue 10 Aging, Residential Mobility and Housing Choices.* Ottawa: Canada Mortgage and Housing Corporation, 2006. p.11. www.cmhc.ca/od/?pid=64992 (May 30, 2013).

FIGURE 5-16

Population in collective dwellings, Canada, 2011



Source: CMHC, adapted from Statistics Canada (Census of Canada)

The number of seniors in Canada is expected to double in the next 25 years, and growth of the population aged 85 or older will be even stronger.[17] Unless the percentage of seniors able to remain living independently in their homes rises in the future, demand for nursing homes and other types of collective housing will increase significantly as baby boomers move more deeply into their senior years.[18]

Household growth projections – 2013 update

This section summarizes an update to CMHC's previous long-term projections of household growth for Canada.[19] A more comprehensive set of projections, including projections for provinces and territories, is available in a Research Highlight.[20]

Methodology of the population and household projections

The findings reported here are not forecasts and should not be interpreted as such. Rather, they explore, using scenarios, the main drivers influencing the pace and composition of future household growth.

CMHC produces household projections using a demographics-driven model that projects the number of households by multiplying age-specific household headship rates by corresponding age-specific population data *(see text box Household Terminology and Figure 5-17)*.[21]

[17] Projected growth is derived from Statistics Canada's M1—Medium-growth scenario. *Population Projections for Canada, Provinces and Territories 2009 to 2036*, Statistics Canada Catalogue no. 91-520-X. Ottawa: Statistics Canada, 2010. p.167.

[18] A recent report argues that better integration of delivery of health care and other services has the potential to increase the proportion of seniors receiving care at home. Stacey McDonald, *Ontario's Aging Population Challenges and Opportunities*. Toronto: Ontario Trillium Foundation, 2011. p. 9.

[19] See *Canadian Housing Observer 2011*. Ottawa: Canada Mortgage and Housing Corporation, 2011. p. 68. www.cmhc.ca/od/?pid=67508 and "Long-term household projections—2011 Update". Research Highlight. Socio-economic Series; 11-008. Ottawa: Canada Mortgage and Housing Corporation, 2011. www.cmhc.ca/od/?pid=67512 (May 30, 2013). For a description of projections, assumptions, and related methodology of the household projections published in 2009, see "Demographic and Socio-economic Influences on Housing Demand," *Canadian Housing Observer 2009*. Ottawa: Canada Mortgage and Housing Corporation, 2009.

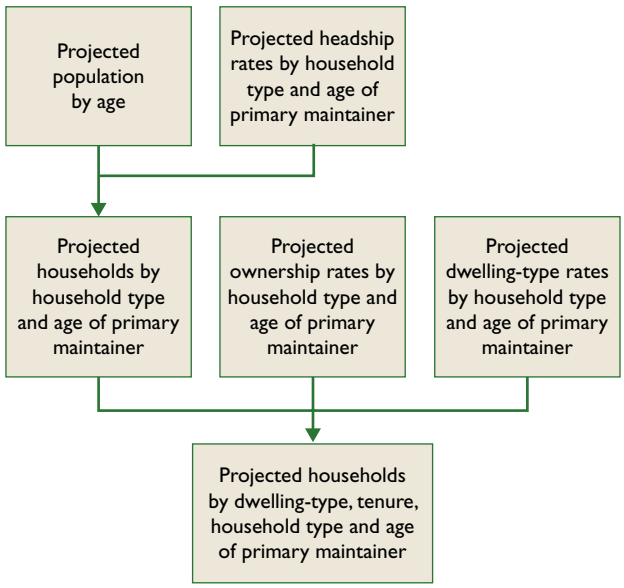
[20] See "Long-term household projections—2013 Update". Research Highlight. Socio-economic Series; 13-006. Ottawa: Canada Mortgage and Housing Corporation, 2013. www.cmhc.ca/od/?pid=68020 (December 17, 2013).

[21] The household figures reported in the first section of this chapter, which were taken from the censuses, are not directly comparable with those reported in this section. To generate the historical estimates of households discussed in this section, census-based headship rates are multiplied by population estimates that have been adjusted for census undercount, resulting in adjusted household estimates. As such, these household estimates are higher than the household counts reported in the censuses. The household projections are likewise derived from adjusted base populations, and are thereby generally higher than those that would be obtained from using unadjusted population data from the censuses.

FIGURE 5-17

Household projection framework

- Projects number of private households, tenure and dwellings by type
- Projection horizon: 5-year intervals from 2011 to 2036
- Does not project
  - Replacement demand due to demolitions and conversions
  - Second home demand
- Household formation projections are not housing starts/ completions projections



Headship rate projections were produced for each province and territory, and for family and non-family households, based on historical trends. Historical data on household maintainers by age-group for the years 1971 to 2006 comes from the censuses. Similar data for 2011, collected in the 2011 Census of the Population and National Household Survey, were unavailable at the time of these projections. Age-specific headship rates are projected at five-year intervals for the years 2011 to 2036.

The household projections embody three headship rate projection scenarios: the High, Medium and Low headship rate scenarios are the same as those reported in the 2011 Canadian Housing Observer.

The population inputs used in the household projections are based on Statistics Canada's long-term population projections produced in 2010 and spanning the period 2011 to 2036.[22] These population projections were updated in two steps. Using these long-term population projections, annual growth rates for the population by five-year age-groups were calculated for the period 2013 to 2036. The projected growth rates were then applied to Statistics Canada's population estimates for the year 2012,[23] yielding annual population growth projections for the period 2013 to 2036. There are five long-term population projection scenarios at the national level: Low-growth, Medium-growth, High-growth, Replacement fertility and 1% Immigration *(see Figure 5-18).*[24]

Each of the three headship rate scenarios was paired with one of the five population projection scenarios, resulting in 15 household growth scenarios for Canada.

The household figures are therefore historical estimates for five-year periods from 1971 to 2006 and projections for five-year periods from 2011 to 2036.

Population and household projections

Population growth rate projected to slow

From an estimated 29.2 million persons in 2012, the adult population (those aged 15 or older) is projected to grow to 39.6 million by 2036 in the projection based on the 1% Immigration assumption *(see Figure 5-19);* this scenario produces the highest level of population growth.[25]

[22] See *Population Projections for Canada, Provinces and Territories, 2009—2036,* catalogue 91-520-X. Ottawa: Statistics Canada, 2010 for a detailed description of the population projection assumptions and results.

[23] Using the 2010 Statistics Canada population projection scenarios, provincial and territorial growth rates were obtained for each five-year age group from 0 to 4 years to 85 to 89 years; growth rates were likewise obtained for persons in the 90 and older age bracket. The projected growth rates for each projection scenario were applied to the 2012 population estimates for each province and territory, yielding a population projection for the period 2013 to 2036. Totals for Canada were obtained by summing together provincial and territorial projections.

[24] These scenarios are described in "Long-term household projections—2013 Update". Research Highlight. Socio-economic Series; 13-006. Ottawa: Canada Mortgage and Housing Corporation, 2013. www.cmhc.ca/od/?pid=68020 (December 17, 2013).

[25] Under the 1% Immigration assumption, which sets the level of yearly immigration to 1% of the resident population, the number of newcomers would rise each year, from about 350,000 in 2013 to nearly 440,000 by 2036, well over average of about 246,000 for the ten years to 2012.

FIGURE 5-18

Statistics Canada population projection scenarios

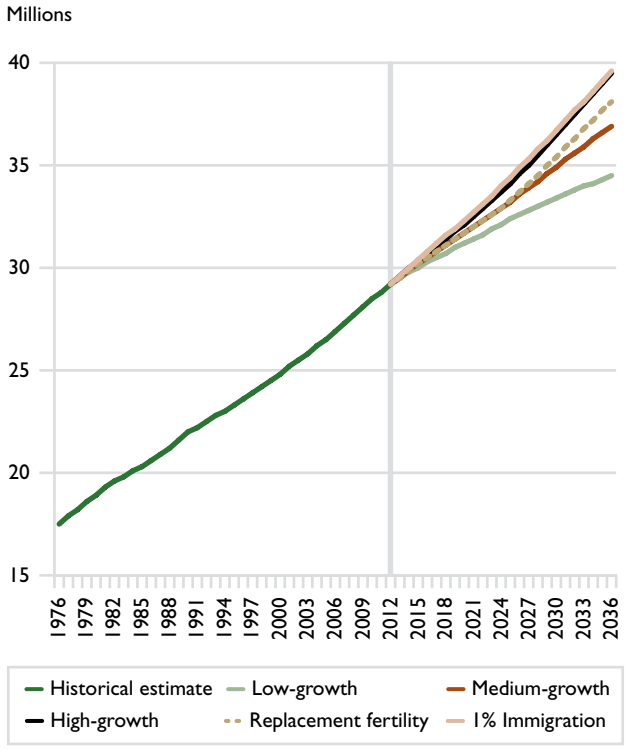
Scenario	Fertility[1]	Life Expectancy[2]	Immigration[3]
1% Immigration	Medium	Medium	1% Immigration
High-growth	High	High	High
Replacement fertility	Replacement fertility	Medium	Medium
Medium-growth	Medium	Medium	Medium
Low-growth	Low	Low	Low

[1] The Replacement fertility assumption projects a total fertility rate (TFR) of 2.1 children per woman; the TFRs for the High, Medium, and Low assumptions are 1.9, 1.7, and 1.5, respectively.
[2] The High, Medium and Low life expectancy assumptions pertain to the projected gains in life expectancy over the projection period.
[3] The High, Medium and Low immigration assumptions project 9, 7.5, and 6 immigrants per 1,000 population, respectively. The 1% Immigration scenario sets yearly immigration equal to 1% of the resident population.

Source: *Population Projections for Canada, Provinces and Territories, 2009—2036*. Statistics Canada Catalogue no. 91-520-X. Ottawa: Statistics Canada, 2010.

FIGURE 5-19

Population 15+, Canada, 1976-2012 and projections to 2036[1]



[1] Population projections produced by applying Statistics Canada's projected population growth rates from 2010 population projections to Statistics Canada's 2012 population estimates. Figures are for the mid-year population.

Source: CMHC, based on Statistics Canada 2012 population estimates and 2010 population projection

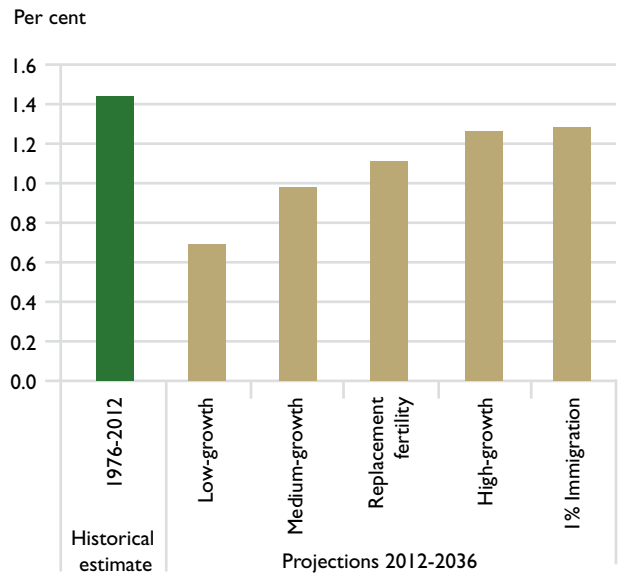
In the scenario producing the lowest growth, termed the Low-growth scenario, the adult population increases to 34.5 million. In the Medium-growth scenario, the adult population rises to 36.9 million. Despite relatively high levels of immigration in each projection scenario, compared to the 1976 to 2012 period, the average yearly pace of population growth is expected to slow over the 2012 to 2036 period *(see Figure 5-20)*, owing primarily to a rising average age. Since population growth is a key driver of household growth, slower population growth portends a likewise slower pace of household growth over the projection period.

Between 3.6 million and 7 million new households projected by 2036

As discussed above, household formation is the principal driver of the demand for new housing construction. There were an estimated 12.8 million private households in Canada in 2006, about 5.5 million more than in 1976 *(see Figure 5-21)*. By 2036, the number of households is projected to reach 19.7 million (an increase of 7 million) in the highest growth scenario, which was produced by pairing the "1% Immigration" population growth scenario with the High headship rate scenario. The household count rises to 17.9 million (an increase of 5.1 million) in the medium household growth scenario, obtained by combining the "Medium-growth" population growth scenario with the Medium headship rate scenario. The number of households grows to 16.3 million

FIGURE 5-20

Average yearly 15+ population growth, Canada, 1976-2012 and projections to 2036[1]

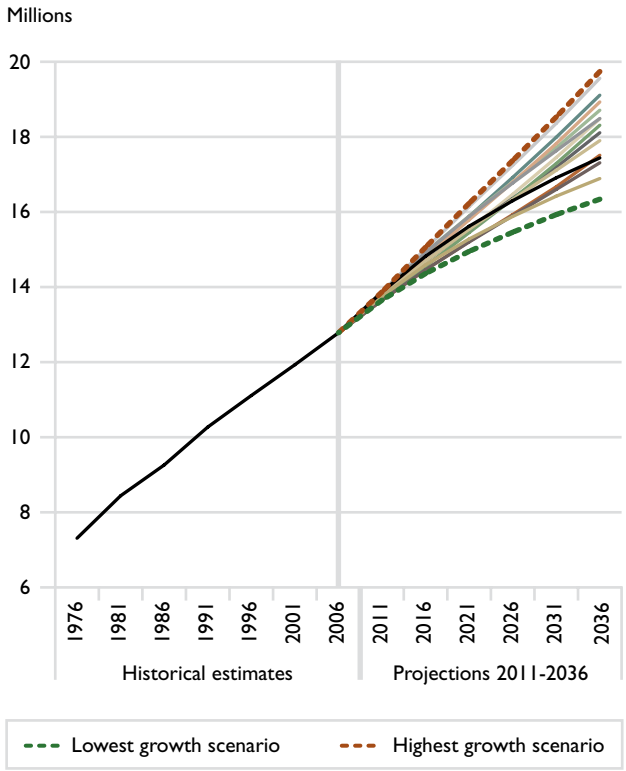


[1] Population projections produced by applying Statistics Canada's projected population growth rates from its 2010 population projections to Statistics Canada's 2012 population estimates. Figures are for the mid-year population.

Source: CMHC, based on Statistics Canada 2012 population estimates and 2010 population projections

FIGURE 5-21

Number of households, Canada, 1976-2006 and projections to 2036[1]



[1] Figures for 2011 produced using Statistics Canada's historical population estimates and CMHC's projected headship rates. Figures for 2016 onwards produced using projected population and headship rates. Figures are for mid-year.

Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and *Annual Demographic Estimates*)

(an increase of 3.6 million) in the lowest growth scenario, the result of combining the "Low-growth" population growth scenario with the Low headship rate scenario.

Echo generation to lead household formation

In the decades to 2036, the echo generation, the children of the baby boomers born during the 1972 to 1992 period, are expected to emerge as the most demographically important generation. The echo cohort's numbers are large and growing, augmented by a rising number of young immigrants. It now outnumbers the baby boomers, making it Canada's biggest generation.[26] This means that the members of the echo cohort, a large number of whom have yet to reach the peak years of household formation, will be the main source of homeowner and rental growth until the 2020s. In the medium household growth projection, for example, the group is the single biggest source of household growth from 2006 to 2021 *(see Figure 5-22).*

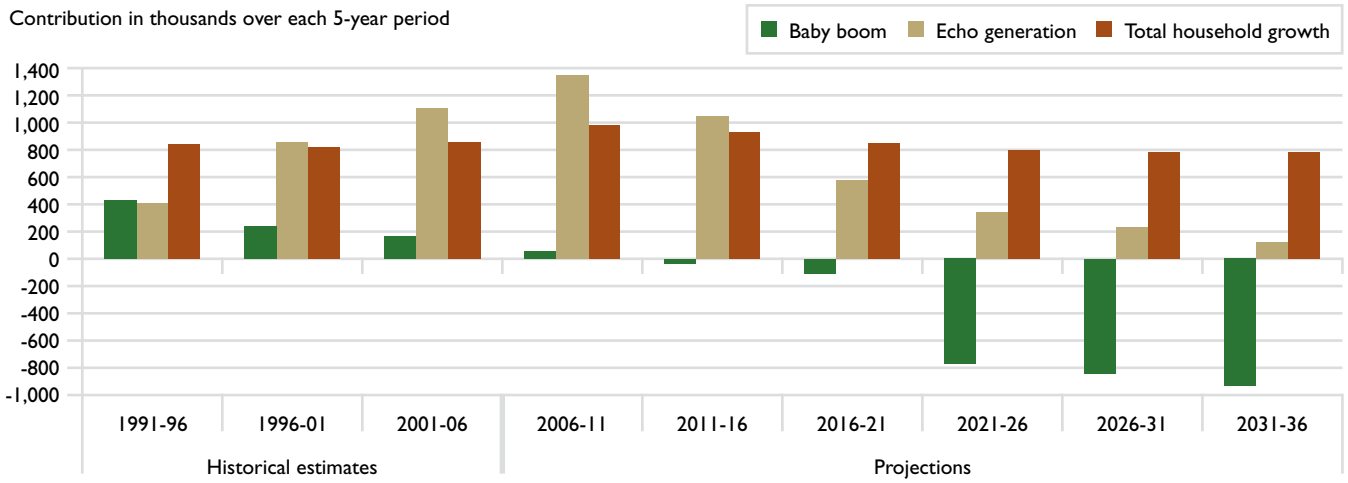
Population aging expected to curb the pace of household growth

Between 1976 and 2006, about 182,000 households were formed per year, on average *(see Figure 5-23).*

[26] See "Demographic Change and the National Homeownership Rate 2001 to 2006". Research Highlight. Socio-economic Series; 13-010. Ottawa: Canada Mortgage and Housing Corporation, 2013. www.cmhc.ca/od/?pid=68024 (December 17, 2013).

FIGURE 5-22

Baby boom and Echo generations' contributions to household formation, Canada, 1991-2006, and projections to 2036[1] Medium household growth scenario

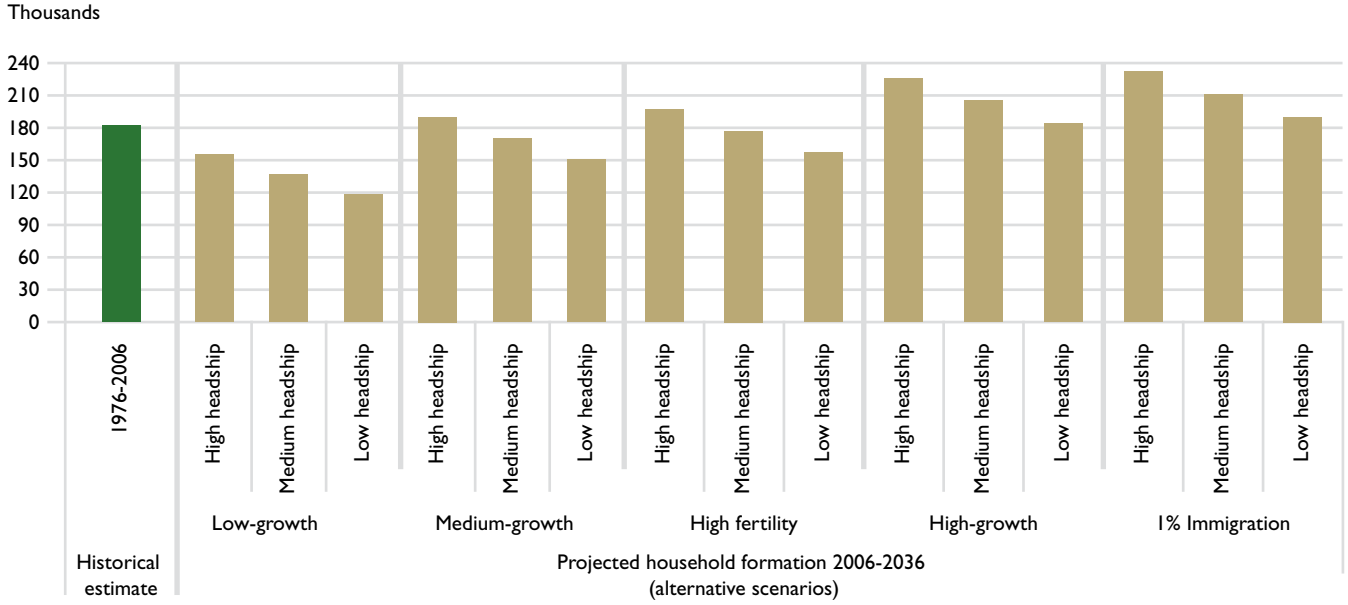


[1] Figures are based on the approximate 5-year age-groups of the baby boom generation, born from 1946 to 1965, and the echo generation, born from 1972 to 1992. The magnitude of a generation's contribution can be greater than the total growth because there are always large household losses among the oldest cohorts.

Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and *Annual Demographic Estimates*)

FIGURE 5-23

Average yearly household formation, Canada, 1976-2006, and projections to 2036



Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and *Annual Demographic Estimates*)

Over the three decades to 2036, household formation is projected to average 118,000 per year in the lowest household growth scenario, 170,000 per year in the medium household growth scenario, and 232,000 per year in the highest scenario. The household projection scenarios embodying low-growth or medium-growth population assumptions generally show lower household formation over the projection period compared to the 1976 to 2006 period. Conversely, those reflecting high immigration or high fertility project relatively strong gains in average household formation.

Despite relatively elevated levels of household formation in some scenarios, the rate of household growth is projected to slow over the projection horizon. Over the 2006 to 2036 period, growth is projected to average 0.8% per year in the lowest household growth scenario, 1.1% in the medium household growth scenario, and 1.5% per year in the highest scenario *(see Figure 5-24),* all lower than the average pace of 1.9% per year recorded in the three decades to 2006.

The main source of the slowing in growth is population aging, which is expected to bring about a growing number of dissolutions among private households, arising mainly from deaths among older Canadians and moves into collective dwellings. In the medium household growth scenario, for example, the number of household dissolutions among household maintainers reaching the 75 and older age-group during the 2031 to 2036 period rises to nearly twice the level of the 2001 to 2006 period *(see Figure 5-25).*

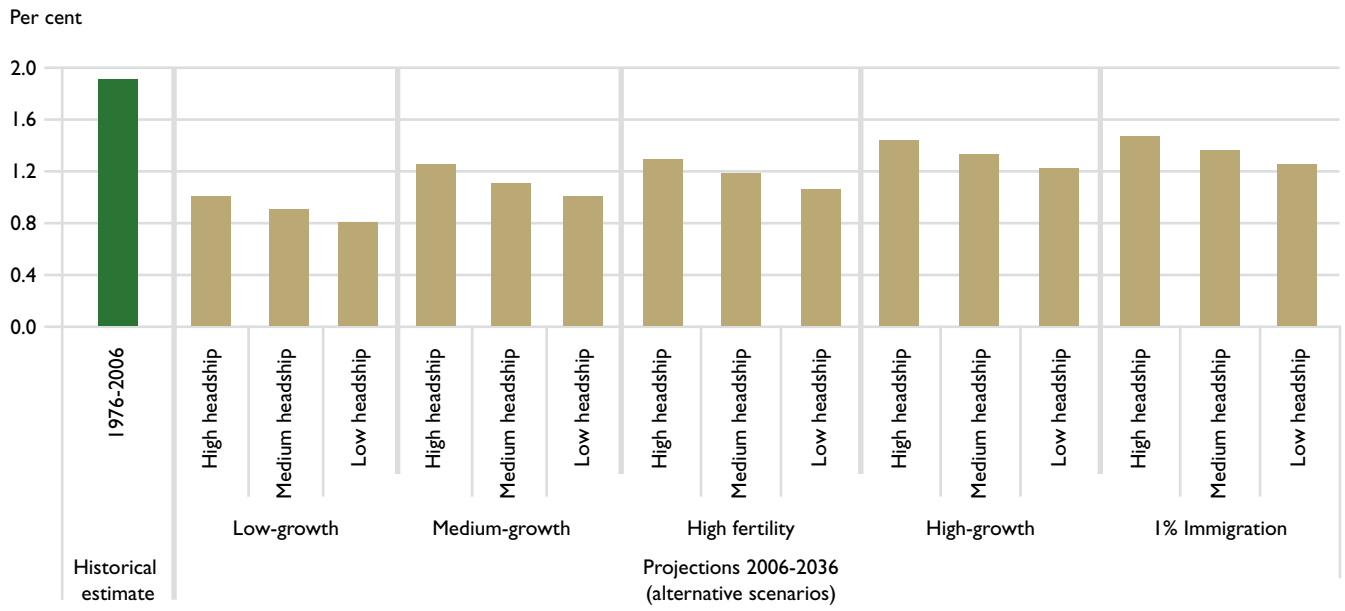
The slowing in household growth even in the scenarios embodying very strong immigration assumptions suggests that immigration will at best limit, but not halt, the effects of population aging.

Share of senior-led households expected to rise

In the three decades to 2006, the number of households led by seniors (i.e., those aged 65 or older) rose by about 1.4 million, and their proportion of total households rose

FIGURE 5-24

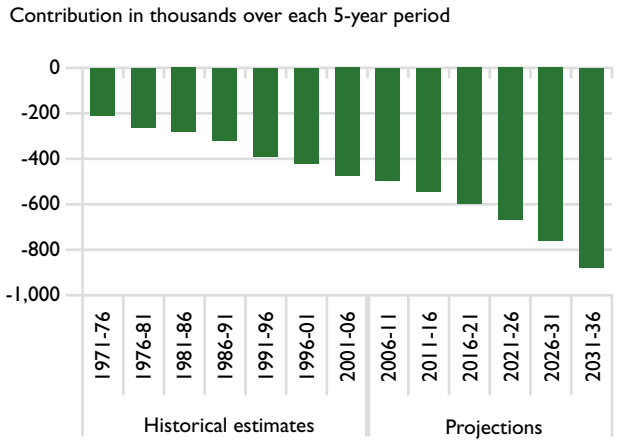
Average yearly household growth, Canada, 1976-2006 and projections to 2036



Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and *Annual Demographic Estimates*)

FIGURE 5-25

Oldest cohorts'[1] contribution to household growth, Canada, 1971-2006 and projections to 2036 Medium household growth scenario



[1] The oldest cohorts of household maintainers are those reaching the ages 75 or older in each five-year period.

Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and *Annual Demographic Estimates*)

by 5 percentage points, from 16% in 1976 to 21% in 2006. Over the three decades to 2036, the rise in the average age of the population that will accompany the transition of the baby boom and bust generations into their senior years will help to bring about a comparatively large rise in number of older households. In the medium household growth scenario, for example, the number of senior-led households is projected to rise by about 3.5 million, raising their share of total households to about 34% by 2036.[27]

Persons living alone projected to become the most common household type

Although all categories of households are projected to experience slower growth over the projection period, non-family households, the vast majority of which are households comprising one person, are expected to show the strongest pace of growth. Despite rising gains in longevity for both sexes, women are expected to continue outliving men, contributing to a growing number of one-person households over the projection horizon. Also contributing to the rise in gains in one-person households is the trend of non-senior adults living alone, which is expected to persist. In the medium household growth scenario, an average yearly rate of increase of 1.5% is projected for non-family households, higher than the 0.9% projected for family households but about half the pace of growth seen from 1976 to 2006 *(see Figure 5-26)*.[28] Consequently, one-person households are projected to become the single biggest type of

FIGURE 5-26

Household growth by household type, Canada, 1976-2006 and projections to 2036 Medium household growth scenario

Household type	Number of households (000s)			Average yearly household formation (000s)		Average yearly growth (%)	
	1976	2006	2036	1976-06	2006-36	1976-06	2006-36
Family	5,747	8,898	11,802	105	97	1.5	0.9
Couples without children	1,795	3,305	5,067	50	59	2.1	1.4
Couples with children	3,334	4,040	4,718	24	23	0.6	0.5
Lone parents	526	1,315	1,696	26	13	3.1	0.9
Multiple families	93	237	321	5	3	3.2	1.0
Non-Family	1,564	3,884	6,095	77	74	3.1	1.5
One person	1,229	3,402	5,454	72	68	3.5	1.6
Two or more person non-family	335	482	642	5	5	1.2	1.0
Total	7,311	12,783	17,897	182	170	1.9	1.1

Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada, *Annual Demographic Estimates*)

[27] Across the 15 household growth scenarios, the projected share of senior-led households in 2036 ranges from 33% to 35%.

[28] Faster growth for non-family households is projected in all household growth scenarios.

households by the 2020s, and are expected to account for over 30% of all households by the end of the projection period *(see Figure 5-27)*.

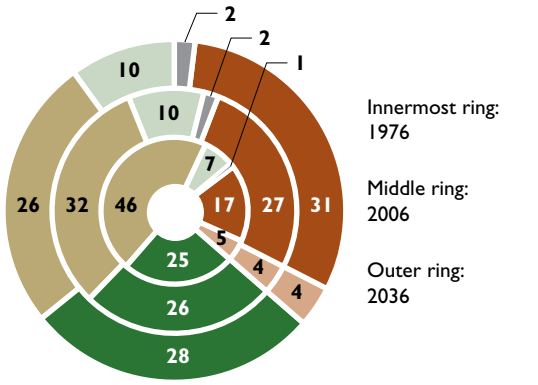
The average household size, estimated at 2.5 in 2006, is projected to decline to about 2.3 by 2036.

Echo generation to drive homeownership growth

Homeownership decisions depend primarily on economic conditions, but demographic factors such as age are likewise an important driver. The baby boomer generation's large numbers and 20-year age bracket meant that from the late 1970s when its oldest members were in their early thirties, to the late 1990s when the oldest were in their early fifties, the cohort was the main source of growth in homeownership.[29] A notable shift took place from 2001 to 2006, when for the first time the echo generation eclipsed the baby boomers in homeownership growth and became the single biggest source of homeownership gains. As the remaining members of the echo generation reach their late twenties and thirties in the decade 2011 to 2021, the group's contribution to homeownership growth is projected to rise in comparison to its contribution in the preceding decade *(see Figure 5-28)*.

FIGURE 5-27

Share of each household type (%), Canada, 1976, 2006, and projected 2036 Medium household growth scenario



Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and *Annual Demographic Estimates*)

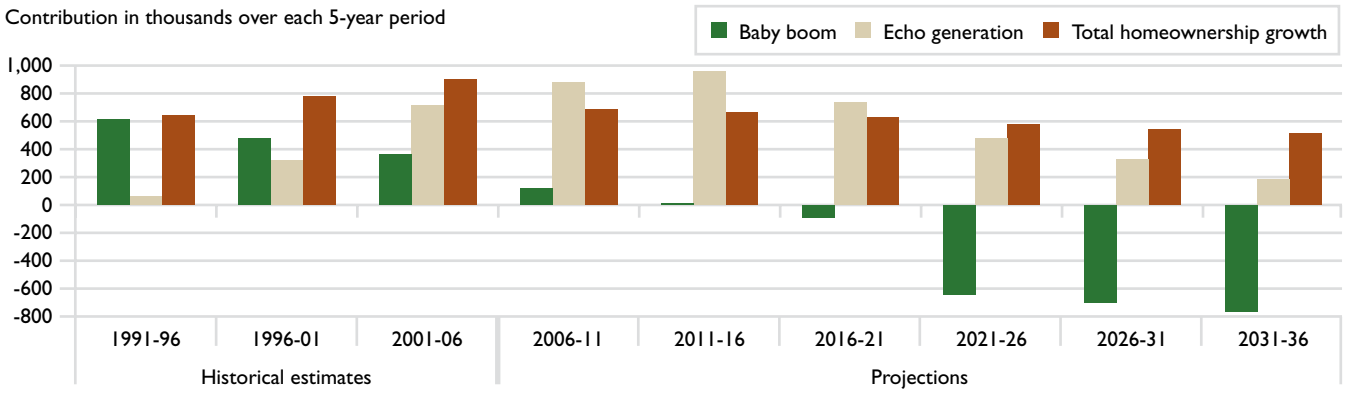
Three scenarios of household tenure were produced reflecting rising, constant and declining age-specific homeownership rates. The "High ownership rate" scenario, assumes that the pattern of rising age-specific ownership rates observed from 1996 to 2006 persists, though with less strength, over the projection period. The "Constant ownership rate" scenario holds age-specific ownership rates at their 2006 values. The "Low ownership rate" scenario assumes declining age-specific ownership rates over the projection horizon. When the scenario of rising homeownership rates is paired with the medium household growth scenario, the number of homeowner households added over the projection averages about 146,000 per year, compared to 141,000 per year over the three decades to 2006 *(see Figure 5-29)*.[30] The number of homeowner households added each year averages 121,000 per year in the constant homeownership rates scenario, and 106,000 in the declining homeownership rates scenario.

[29] See "Demographic Change and the National Homeownership Rate 2001 to 2006", Research Highlight. Socio-economic Series; 13-010. Ottawa: Canada Mortgage and Housing Corporation, 2013. www.cmhc.ca/od/?pid=68024 (December 17, 2013).

[30] The tenure projections reported here are all based on the three scenarios arising from the pairing of the three above-mentioned homeownership rate assumptions with the medium household growth projections. The tenure projections that use stronger household growth scenarios show higher levels of homeowner and renter household growth; the tenure projections based on weaker household growth scenarios show lower levels of homeowner and renter household growth.

FIGURE 5-28

Baby boom and echo generations' contributions to homeownership growth, Canada, 1991-2006 and projections to 2036[1]
Medium household growth—constant homeownership rates scenario



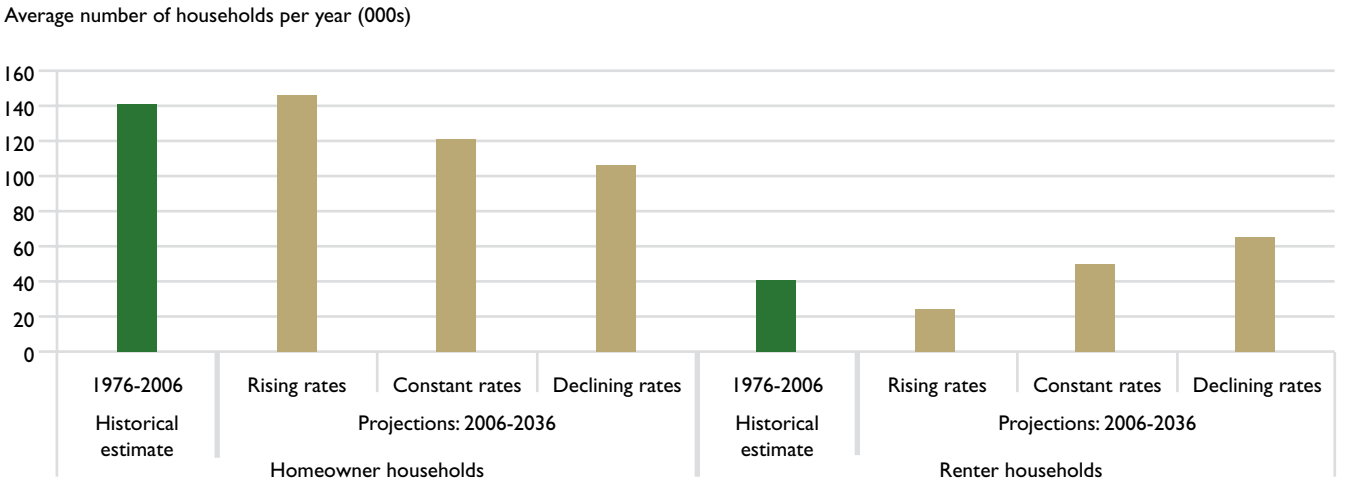
[1] Figures are based on the approximate 5-year age-groups of the baby boom generation, born from 1946 to 1965, and the echo generation, born from 1972 to 1992. The magnitude of a generation's contribution can be greater than the total growth because there are always large household losses among the oldest cohorts.

Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and *Annual Demographic Estimates*)

The number of renter households added between 1976 and 2006 averaged about 41,000 per year. With rising homeownership rates over the projection horizon, the average yearly renter household additions would decline to about 24,000 per year over the 2006 to 2036 period *(see Figure 5-29)*. The projected gains in renter households are higher in both the constant and declining homeownership rate scenarios, averaging 50,000 per year and 65,000 per year, respectively.

FIGURE 5-29

Growth in homeowner and renter households, Canada, 1976-2006 and projections to 2036
Medium household growth—rising, constant, and declining homeownership rates scenarios



Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and *Annual Demographic Estimates*)

Single-detached houses projected to remain the most common type of dwelling

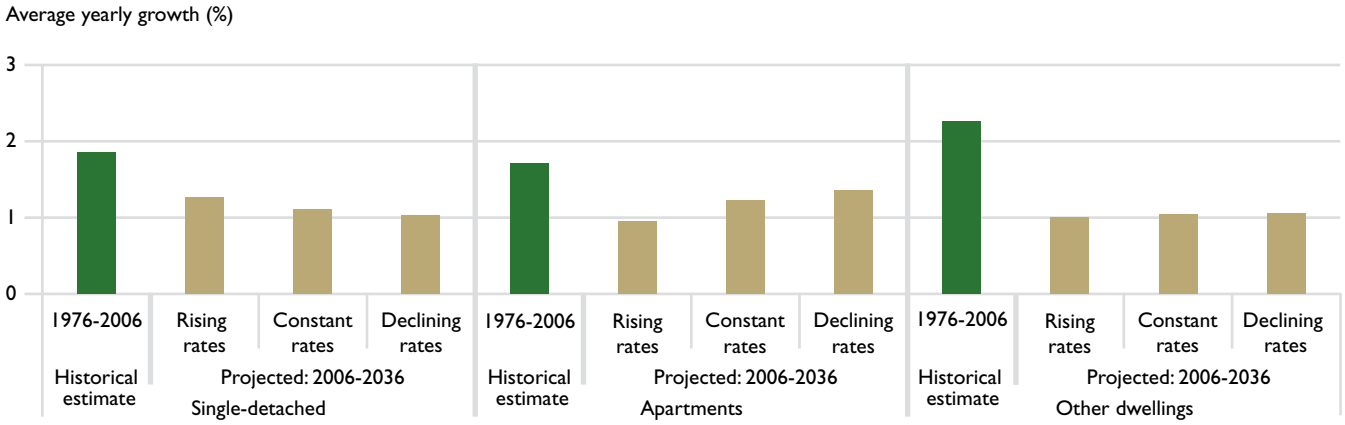
The current projections assume that Canadians' dwelling-type preferences generally remain as they were in 2006, including a continued strong link between homeownership and single-detached dwellings. This assumption is paired with the above-described homeownership rate scenarios and the medium household growth projection scenario to produce projections of single-detached, apartment and other dwellings.[31] Consequently, the dwelling projection scenarios do not explicitly include the financial, economic and other factors that shape Canadians' preferences for one type of dwelling over another.[32]

The dwelling-type projection scenario that encompasses rising age-specific homeownership rates shows an average yearly rate of growth of single-detached dwellings of about 1.3%, down from the 1.9% pace recorded between 1976 and 2006 *(see Figure 5-30)*. As expected, the constant and declining homeownership rates scenarios show slower rates of growth in the number of single-detached houses.

Since most apartment dwellings are rented, the slowest pace of projected apartment dwelling growth is associated with the scenario of rising homeownership rates. Apartment dwellings grow at an average yearly pace of about 0.9% when homeownership rates are assumed to rise, and by 1.4% per year when they are assumed to decline *(see Figure 5-30)*. The gap between the projected growth in apartments and single-detached houses is not large. The relatively strong gains in apartment dwellings are consistent with a declining average household size, brought about in part by the growing share of non-family households. It is also consistent with the fact that slightly more than one-half of all non-family households reside in owned or rented apartment dwellings.

FIGURE 5-30

Growth in private dwellings, Canada, 1976-2006 and projected to 2036
Medium household growth—rising, constant, and declining homeownership rates scenarios



An apartment can be a dwelling unit in a high-rise apartment building that has five or more storeys or a dwelling unit in a building that has fewer than five storeys. The category Other dwellings comprises row houses, semi-detached or double houses, units in a detached duplex, other single-attached houses, mobile homes and other movable dwellings.

Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and *Annual Demographic Estimates*)

[31] An apartment can be a dwelling unit in a high-rise apartment building that has five or more storeys or a dwelling unit in a building that has fewer than five storeys. The "other" category of dwellings includes row houses, semi-detached or double houses, units in a detached duplex, other single-attached houses, mobile homes and other movable dwellings.

[32] Since homeownership rates and headship rates are partly determined by households' financial circumstances and economic conditions, their inclusion in the dwelling scenarios means that non-demographic factors are implicitly included in the projections.

Dwellings belonging to the 'other dwellings' category recorded the fastest rate of growth between 1976 and 2006, increasing at about 2.3% per year *(see Figure 5-30)*. In contrast to the three decades to 2006, these dwellings are projected to show a relatively slow pace of increase over the projection horizon, with growth averaging close to 1% per year in all three homeownership scenarios.

The dwelling-type projections suggest that population growth and change and shifts in age-specific homeownership rates are unlikely to bring about substantial changes in percentage share of single-detached dwellings. The housing stock is heavily weighted toward these dwellings, thus only a very large shift in dwelling preferences and the make-up of new construction would bring about a corresponding shift in the proportion of single-detached houses. The projected prevalence of single-detached dwellings is also explained by the assumption of a continued preference for these dwellings among Canadian households: 55% of all households, and the same proportion of senior-led households, resided in single-detached dwellings in 2006.

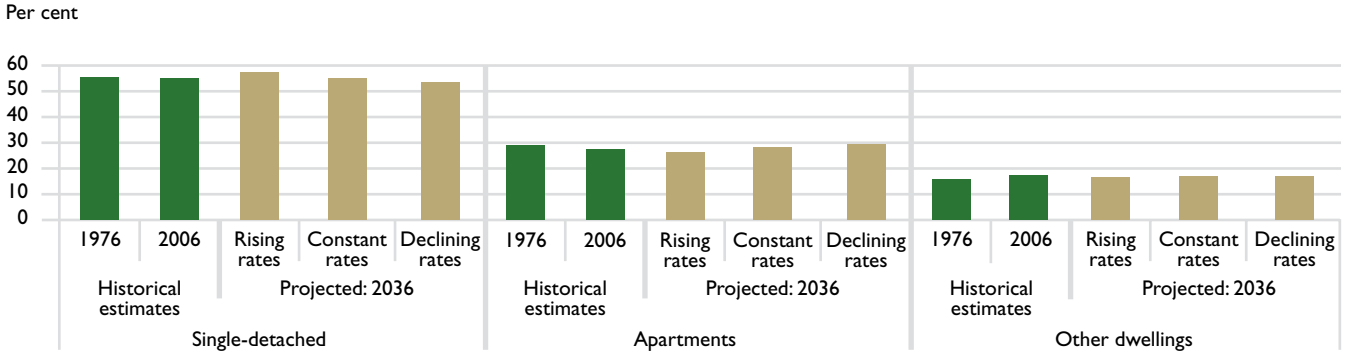
Since most homeowners prefer single-detached homes, rising homeownership rates would raise the proportion of these dwellings from 55% in 2006 to about 57% in 2036. It would also reduce the share of apartments from about 28% in 2006 to 26% in 2036; the decline in the share of apartments is partly offset by strong growth in owner-occupied apartment dwellings, most of which are condominiums.[33] Conversely, declining homeownership rates would reduce the proportion of single-detached dwellings to about 53% while raising the share of apartments to 29% *(see Figure 5-31)*.

Owner-occupied apartments projected to show fastest pace of growth

The number of owner-occupied apartment dwellings increased more than threefold (or by about 4% per year on average) between 1976 and 2006, making them the fastest growing category of dwellings over this period. Even though they comprise a relatively small proportion of all apartment dwellings, they were responsible for a disproportionately large share of the increase in these dwellings.[34] Over the

FIGURE 5-31

Proportion of single-detached, apartment and other dwellings in total dwellings, Canada, 1976, 2006 and projected 2036
Medium household growth—rising, constant, and declining homeownership rates scenarios



An apartment can be a dwelling unit in a highrise apartment building that has five or more storeys or a dwelling unit in a building that has fewer than five storeys. The category Other dwellings comprises row houses, semi-detached or double houses, units in a detached duplex, other single-attached houses, mobile homes and other movable dwellings.

Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and *Annual Demographic Estimates*)

[33] In the 2006 Census, 72% of owner-occupied apartment dwellings were reported by respondents as being part of a condominium.

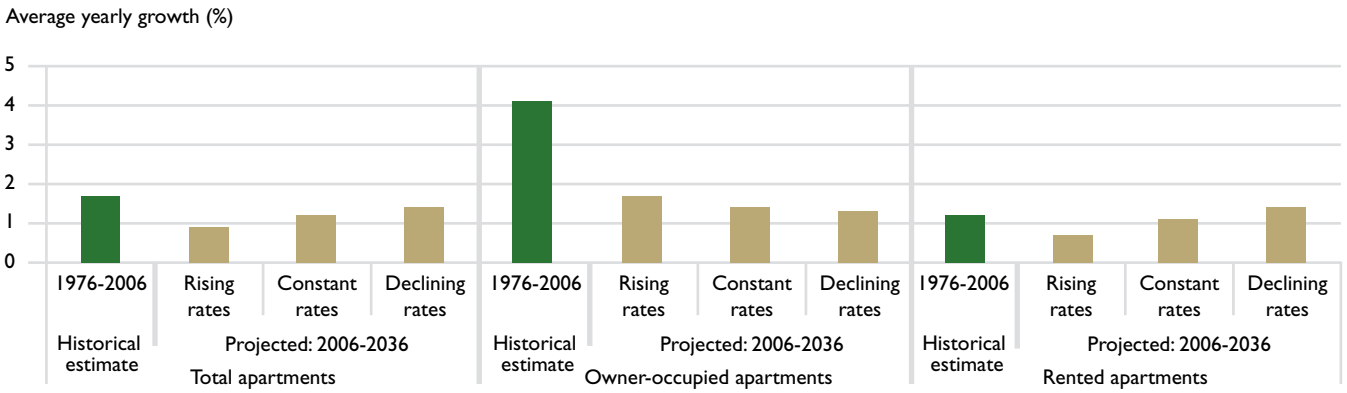
[34] Owner-occupied apartments accounted for 23% of all apartment dwellings in 2006 but were responsible for 41% of the total increase in such dwellings in the 1976 to 2006 period.

2006 to 2036 period, the number of households residing in owner-occupied apartments is projected to grow by 1.7% per year in the rising homeownership rates scenario *(see Figure 5-32)*, considerably slower than in the past but faster than that for single-detached and other owner-occupied dwellings *(see Figure 5-33)*.

Consequently, owner-occupied apartments are projected in this scenario to account for close to half of the total increase in apartment dwellings over the projection period. The number of owner-occupied apartments would increase at a slower pace—1.3% per year—in the scenario of declining homeownership rates.

FIGURE 5-32

Growth in apartment dwellings, by tenure, Canada, 1976-2006 and projections to 2036
Medium household growth—rising, constant, and declining homeownership rates scenarios

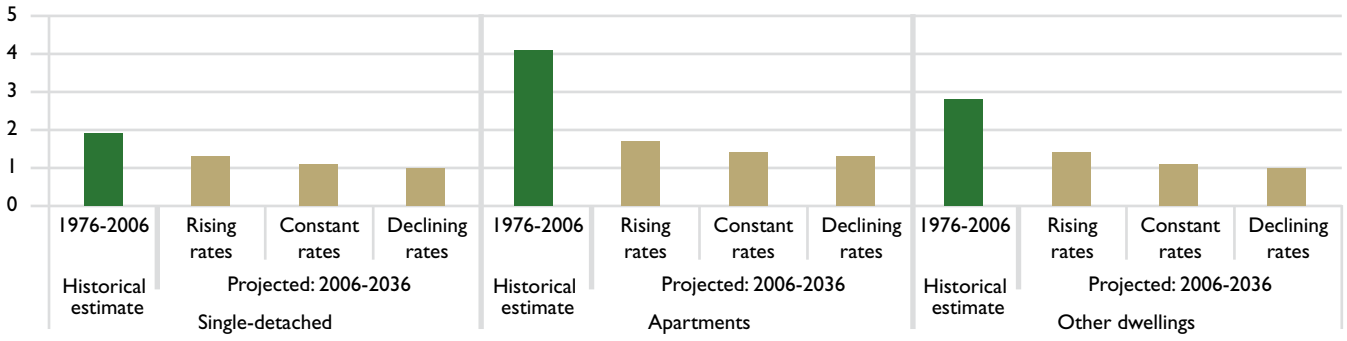


An apartment can be a dwelling unit in a high-rise apartment building that has five or more storeys or a dwelling unit in a building that has fewer than five storeys. The category Other dwellings comprises row houses, semi-detached or double houses, units in a detached duplex, other single-attached houses, mobile homes and other movable dwellings.

Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and *Annual Demographic Estimates*)

FIGURE 5-33

Growth in owner-occupied dwellings by type, Canada, 1976-2006 and projections to 2036
Medium household growth—rising, constant, and declining homeownership rates scenarios



An apartment can be a dwelling unit in a high-rise apartment building that has five or more storeys or a dwelling unit in a building that has fewer than five storeys. The category Other dwellings comprises row houses, semi-detached or double houses, units in a detached duplex, other single-attached houses, mobile homes and other movable dwellings.

Source: CMHC (projections) and adapted from Statistics Canada (Census of Canada and *Annual Demographic Estimates*)

Recent Trends in Housing Affordability and Core Housing Need

L.L. FitzGerald, *Doc Snyder's House*, 1931, Oil on canvas, 74.9 x 85.1 cm, National Gallery of Canada, Ottawa, Gift of P.D. Ross, Ottawa, 1932, Photo © NGC

Fast Facts

- The incidence of Core Housing Need for urban households was 13.2% in 2010, unchanged from 2009.
- Lone-parent households (at 32.0%) and senior women living alone (at 26.2%) were the most likely to live in Core Housing Need in 2010.
- The median depth of housing need for urban households in Core Housing Need—a measure of severity of need—decreased from $2,320 in 2009 to $1,980 in 2010 (expressed in 2010 constant dollars).
- About 92% of urban households in Core Housing Need failed to meet the affordability standard either alone (79%) or in combination with other housing standards (13%) in 2010.
- Most individuals who lived in Core Housing Need did so temporarily:
  - Over the three-year period 2008-2010, of the 14.3% of urban individuals who ever (at least one year) lived in Core Housing Need, about one-quarter (28%) lived persistently (all three years) in Core Housing Need while about three-quarters (72%) lived occasionally (one or two years) in Core Housing Need.
  - Over the six-year period 2005-2010, of the 17.5% of urban individuals who ever (at least one year) lived in Core Housing Need, about one-quarter were in Core Housing Need for four (not necessarily consecutive) to six years, and three-quarters were in Core Housing Need for up to three (not necessarily consecutive) years.

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

This chapter examines trends in urban[1] housing conditions based on data from the *Survey of Labour and Income Dynamics* (SLID) from 2002 to 2010. Information about SLID and key definitions is available at the end of the chapter *(see text boxes Survey of Labour and Income Dynamics (SLID), and Acceptable housing and Core Housing Need).*

Federal government Investments in Affordable Housing

The Government of Canada's key investments in affordable housing include the Investment in Affordable Housing (IAH) and assistance for households living in existing social housing.

Investment in Affordable Housing

In 2011, a Framework for the Investment in Affordable Housing (IAH), toward reducing the number of Canadians in housing need, was jointly announced by federal, provincial and territorial ministers responsible for housing. The federal funding for the IAH (2011-2014) is some $716 million. The Government of Canada's Economic Action Plan 2013 builds on this investment through a further $1.25 billion[1] over five years to extend the IAH (2014-2019).

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

Between April 2011 and December 2012, more than 136,000 households benefitted from the Investment in Affordable Housing.

- Investment in Nunavut Housing

  To address the unique challenges Nunavut faces in providing affordable housing due to its climate, geography and dispersed population, and high incidence of housing need relative to other provinces and territories, the Economic Action Plan 2013 also announced $100 million, over two years to 2015, to support new affordable housing units.

Existing social housing

The federal government, through Canada Mortgage and Housing Corporation (CMHC), invests about $1.7 billion annually in support of close to 594,000 households living in existing social housing across Canada, including Aboriginal peoples both on-and off-reserve. This funding helps to provide these households with access to affordable, sound, and suitable housing.

[1] Funding for the Investment in Affordable Housing includes funding for on-reserve renovation programs.

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

The incidence of urban Core Housing Need did not change from 2009 to 2010

The incidence of Core Housing Need for urban households was 13.2% in 2010, unchanged from 2009 *(see Figure 6-1)*. In 2010, about 86.8% (9.3 million) of Canada's 10.7 million urban households either lived in, or had sufficient income to access, acceptable housing. This included about 7.2 million households (67.2%) living in acceptable housing, and about 2.1 million households (19.6%) who lived in housing below one

FIGURE 6-1

Urban housing conditions, 2002-2010[1]

	2002	2003	2004	2005	2006R	2007R	2008R	2009R	2010
Number of urban[2] households (in millions)	9.4	9.5	9.6	10.0	10.1	10.3	10.5	10.6	10.7
Number of individuals in urban households (in millions)	24.0	24.1	24.3	25.1	25.5	25.9	26.2	26.3	26.8
a) Housing conditions of urban households									
Percentage of urban households in acceptable housing (meets adequacy, suitability and affordability standards)	69.7	69.8	70.0	68.3	67.9	67.6	67.2	67.5	67.2
Percentage of urban households in housing below one or more standards, but could afford acceptable housing	16.4	16.3	16.4	18.3	19.3	20.3	20.0	19.4	19.6
Percentage of urban households in Core Housing Need (i.e., below one or more standards and unable to access acceptable housing)	13.9	13.9	13.6	13.4	12.8	12.1	12.8	13.2	13.2
Average depth ratio (%)	27.8	28.0	28.2	27.5	26.8	26.1	27.5	28.0	26.6
Median depth of housing need for households in Core Housing Need (2010 constant dollars)	2,080	2,080	2,120	2,010	2,030	1,950	2,140	2,320	1,980
b) Housing conditions of urban individuals									

Persistence of Core Housing Need over three-year periods	**2002-2004**	**2005-2007R**	**2008-2010**
Percentage of individuals never in Core Housing Need during the three-year period	84.6	85.7	85.7
Percentage of individuals occasionally (one or two years) in Core Housing Need during the three-year period	10.8	10.4	10.3
Percentage of individuals persistently in Core Housing Need all three years	4.6	3.9	4.0

Year-to-year movements of individuals into or out of Core Housing Need over pairs of years	**Average over pairs of years (2002-2003, 2003-2004, 2005-2006, 2006-2007, 2008-2009, 2009-2010)[3]**		
	%	**Percentage change in median household income**	**Percentage change in median household shelter cost**
Not in Core Housing Need in both years	87.7	2.7	2.4
In Core Housing Need in both years	5.8	6.6	2.3
Exited Core Housing Need from one year to the next	3.3	64.1	-6.8
Entered Core Housing Need from one year to the next	3.2	-41.6	12.4

All figures are rounded.
[1] Data for 2002-2005 are based on 2001 Census sample weights; data for 2006-2010 are based on 2006 Census sample weights.
[2] Urban households are households living in Census Metropolitan Areas (CMAs) and provincial Census Agglomerations (CAs).
[3] These are the pairs of years for which longitudinal data are available from two SLID panels.
R: Revised

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

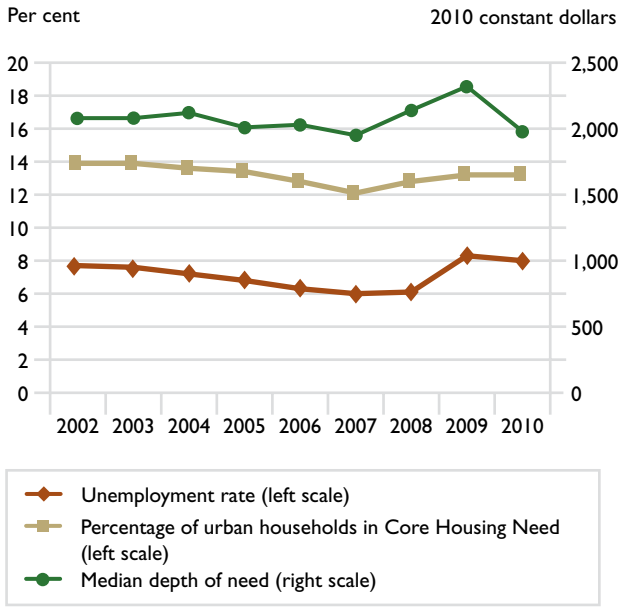
or more standards but could have afforded acceptable housing in their local housing market. Urban Core Housing Need improved from 13.9% in 2002 to 12.1% in 2007. The economic recession of 2008-2009 eroded these gains, increasing the incidence of urban Core Housing Need by about one percentage point by 2009.

Severity of housing need decreased in 2010

Urban households in Core Housing Need experienced less severe need in 2010; median depth of need decreased (in 2010 constant dollars) from $2,320 in 2009 to $1,980 in 2010, about the same level as in 2007 before the recession *(see Figure 6-2)*.

FIGURE 6-2

Incidence of urban Core Housing Need, median depth of need and Canadian unemployment rate, 2002-2010



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

Most individuals who lived in Core Housing Need did so temporarily

Although the overall incidence of Core Housing Need may not change markedly from one year to the next, the particular households in Core Housing Need change over time, as some move out of need while others move in.

CMHC has looked at this phenomena using annual panel data from SLID *(see text box Survey of Labour and Income Dynamics at the end of this chapter)*. Panel surveys are uniquely suited to this kind of analysis as they collect information for the same individuals over a period of time. Two types of analyses are presented below that explore the degree to which Core Housing Need is a persistent or temporary phenomenon for those individuals that are affected. First, data over three-year and six-year periods are examined to see for how many years (not necessarily consecutive) a person lived in a household in Core Housing Need. Next, data over available pairs of years are examined to look at year-to-year movements into and out of Core Housing Need. The main finding of this analysis is that most individuals who lived in Core Housing Need did so temporarily.

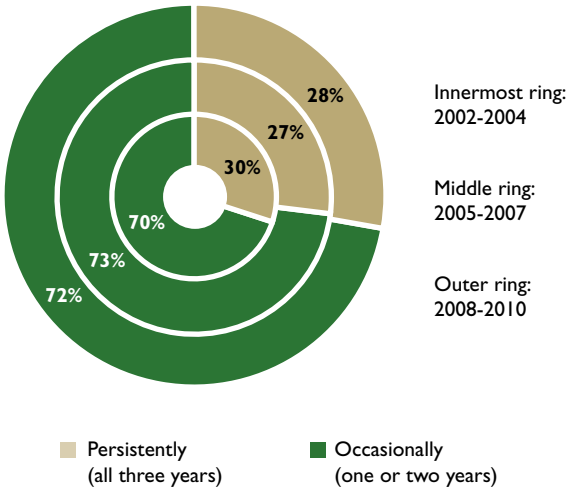
Based on longitudinal data where the same individuals are followed over time, during 2008 to 2010, about 10.3% of urban individuals lived occasionally (one or two years) in Core Housing Need; about 4.0% lived persistently (all three years) in Core Housing Need; and about 85.7% never lived in Core Housing Need *(see Figure 6-1)*. These proportions are very similar to the experiences of urban individuals' in the other three-year periods (2002-2004 and 2005-2007) for which longitudinal data on housing conditions are available.

During 2008 to 2010, of the 14.3% of urban individuals who ever (at least one year) lived in Core Housing Need, the share of people who did so persistently (all three years) was about one-quarter (28%), while about three-quarters (72%) did so occasionally (one or two years) *(see Figure 6-3)*. This is similar to the shares for the three-year periods, 2002-2004 and 2005-2007.

Over the six-year period 2005-2010, about 82.5% of urban individuals were never in Core Housing Need *(see Figure 6-4)*. Of the 17.5% of urban individuals that ever (at least one year) lived in Core Housing Need, about three-quarters were in Core Housing Need for up to three (not necessarily consecutive) years, and about one-quarter were in Core Housing Need for four (not necessarily consecutive) to six years *(see Figure 6-5)*. These shares were similar for the other six-year SLID panel (2002-2007) for which housing conditions data are available.

FIGURE 6-3

Share of individuals ever in Core Housing Need over three-year periods, 2002-2004, 2005-2007 and 2008-2010

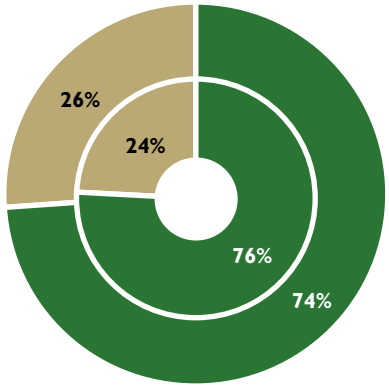


All figures are rounded.

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

FIGURE 6-5

Share of individuals ever in Core Housing Need over six-year periods, 2002-2007 and 2005-2010



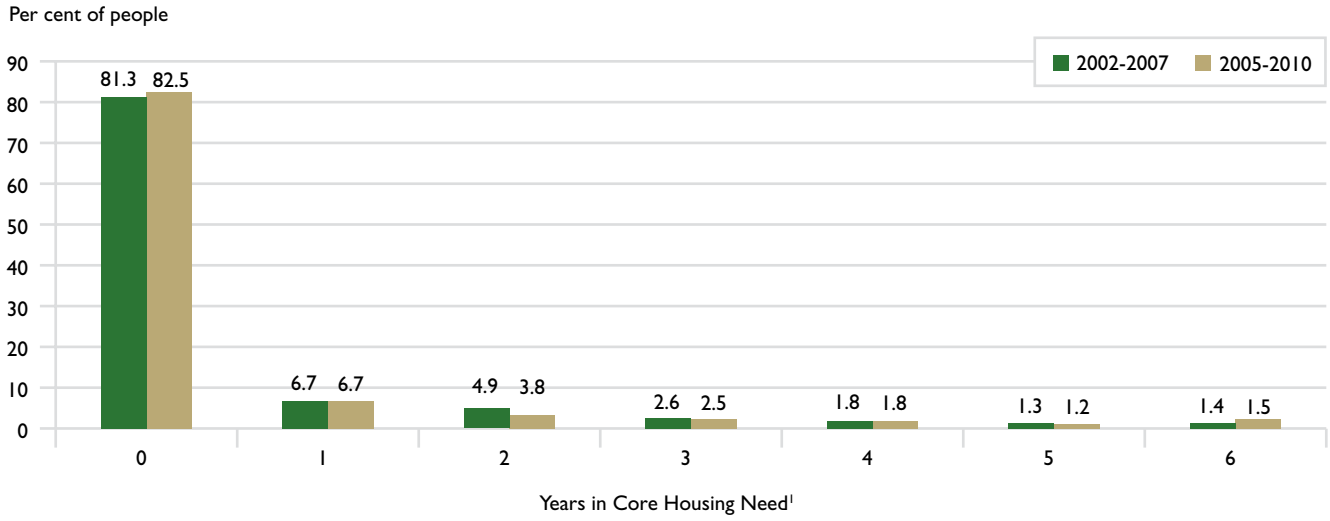
All figures are rounded.

[1] The years in Core Housing Need are not necessarily consecutive years.

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

FIGURE 6-4

Persistence of Core Housing Need for urban individuals over six-year periods, 2002-2007 and 2005-2010



All figures are rounded.

[1] The years in Core Housing Need are not necessarily consecutive years.

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

Year-to-year movements into or out of Core Housing Need were examined for 2002-2003, 2003-2004, 2005-2006, 2006-2007, 2008-2009, and 2009-2010.[2] During the above pairs of years, on average, about 87.7% of urban individuals remained out of Core Housing Need and about 5.8% remained in Core Housing Need in both years of each pair *(see Figure 6-1)*. About 3.3% moved out of Core Housing Need from one year to the next and about the same number (3.2%) moved into Core Housing Need. Of individuals in Core Housing Need in the first year, about two-thirds (64%) remained in Core Housing Need, and the about one-third (36%) who moved out of Core Housing Need were more or less replaced by those who moved into Core Housing Need *(see Figure 6-6)*.

Changes in household income would appear to be a stronger determinant of moving out of, or into, Core Housing Need, than changes in shelter costs.

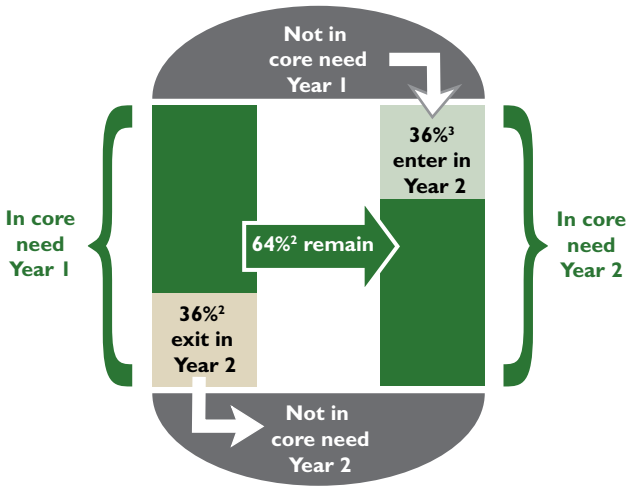
Individuals who moved out of Core Housing Need in these pairs of years experienced an increase in their median household income of about 64%, while individuals who moved into Core Housing Need saw a decrease in their median household income of about 42% *(see Figure 6-1)*. The former saw their median shelter costs decrease by 6.8%, while the latter saw a 12.4% increase in their median shelter costs.

Affordability is the main reason for Core Housing Need

In 2010, about 92% of urban households in Core Housing Need fell into need because they were unable to meet the housing affordability standard, either alone or in combination with the other two standards *(see Figure 6-7)*. Only about 8% of urban households in Core Housing Need fell into need because they did not meet only the suitability and/or adequacy standards.

FIGURE 6-6

Average year-to-year turnover in individuals in Core Housing Need[1]

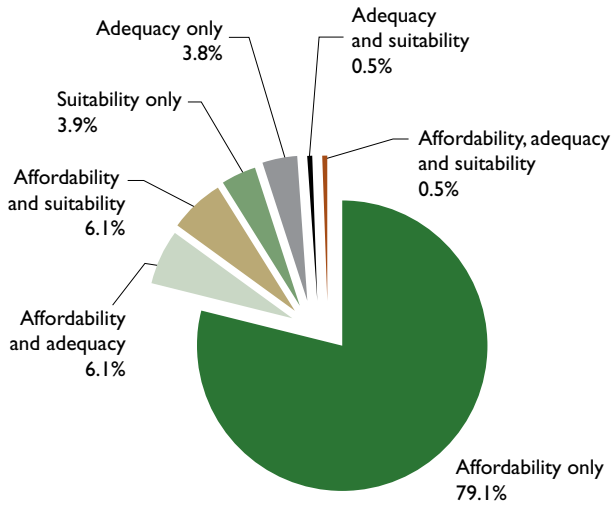


[1] Average is over pairs of years shown in Figure 6-1.
[2] Shows shares of those individuals in Core Housing Need in Year 1 - derived from data in Figure 6-1.
[3] Shows share of those individuals in Core Housing Need in Year 2 - derived from data in Figure 6-1.

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

FIGURE 6-7

Share of urban households in Core Housing Need below housing standard(s), 2010



All figures are rounded.

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

[2] These are the pairs of years for which longitudinal data are available from two SLID panels.

British Columbia had the highest incidence of urban Core Housing Need in 2010

The incidence of urban Core Housing Need varied among the provinces in 2010. British Columbia (at 17.3%) had the highest incidence of Core Housing Need in 2010. New Brunswick, Alberta and Manitoba all had incidences of Core Housing Need below 10% in 2010 *(see Figures 6-8 and 6-9).*

About 13.6% of individuals who moved between provinces experienced occasional (one or two years) Core Housing Need but they did not live in persistent (all three years) Core Housing Need during 2008-2010.

FIGURE 6-8

Urban housing conditions, Canada and Provinces, 2002-2010[1]

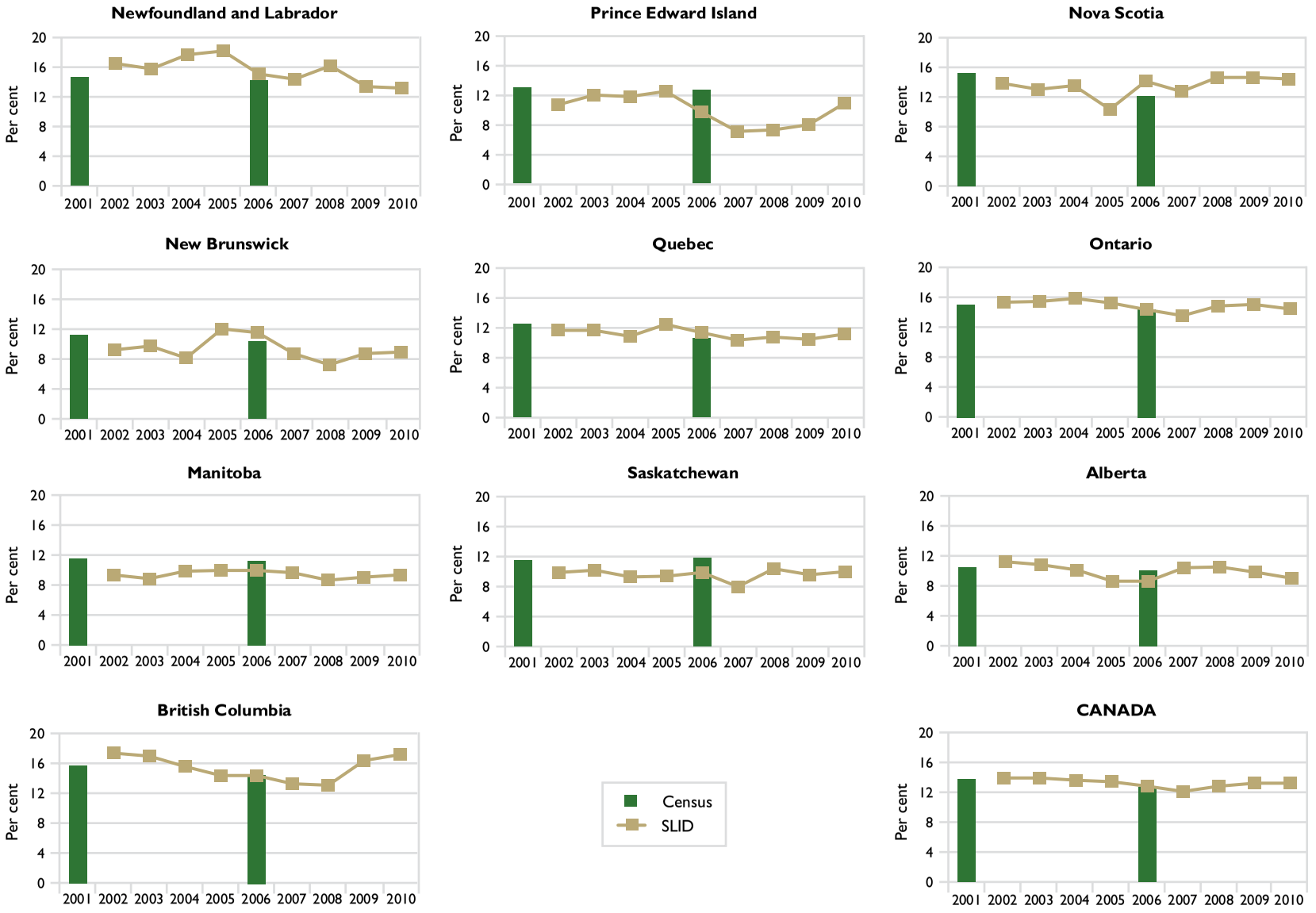
	Percentage of households in Core Housing Need									Percentage of individuals persistently in Core Housing Need all three years			Percentage of individuals who:	
													Entered Core Housing Need	Exited Core Housing Need
	2002	2003	2004	2005	2006[R]	2007[R]	2008[R]	2009[R]	2010[2]	2002-2004	2005-2007[R]	2008-2010	Average over 2002-2010[3]	Average over 2002-2010[3]
Urban Canada	**13.9**	**13.9**	**13.6**	**13.4**	**12.8**	**12.1**	**12.8**	**13.2**	**13.2[B]**	**4.6**	**3.9**	**4.0**	**3.2**	**3.3**
British Columbia	17.5	17.1	15.7	14.5	14.5	13.4	13.2	16.5	17.3[C]	6.2	4.2	4.6	3.9	3.8
Alberta	11.3	10.9	10.2	8.7	8.7	10.5	10.6	9.9	9.1[D]	2.9	2.4	3.1	3.0	3.0
Saskatchewan	9.9	10.2	9.3	9.4	9.9	8.0	10.4	9.6	10.0[D]	3.2	2.6	2.7	2.2	2.7
Manitoba	9.4	8.9	9.9	10.0	10.0	9.7	8.7	9.1	9.4[D]	3.4	2.5	2.5	2.7	2.5
Ontario	15.5	15.6	16.0	15.4	14.5	13.7	15.0	15.2	14.6[C]	5.6	4.9	4.9	3.5	3.8
Quebec	11.6	11.6	10.8	12.4	11.3	10.3	10.7	10.4	11.1[C]	3.2	3.2	3.0	2.3	2.6
New Brunswick	9.2	9.7	8.1	12.0	11.5	8.7	7.2	8.7	8.9[D]	2.0	3.3	2.3	2.2	2.6
Nova Scotia	13.8	13.0	13.5	10.3	14.1	12.7	14.6	14.6	14.4[D]	4.9	3.5	4.3	3.1	2.9
Prince Edward Island	10.6	11.9	11.7	12.4	9.6	7.0	7.2	7.9	10.8[E]	F	F	2.7	F	2.6
Newfoundland and Labrador	16.4	15.7	17.6	18.1	15.0	14.3	16.1	13.3	13.1[D]	5.4	F	4.7	2.9	3.6

All figures are rounded.
[1] Data for 2002-2005 are based on 2001 Census sample weights; data for 2006-2010 are based on 2006 Census sample weights.
[2] Letters indicate quality of the estimates (see text box *Survey of Labour and Income Dynamics* at the end of the chapter).
[3] From one year to the next of a two-year period (2002-2003, 2003-2004, 2005-2006, 2006-2007, 2008-2009 and 2009-2010). These are the pairs of years for which longitudinal data are available from two SLID panels.
F: Indicates an estimate that was too unreliable to be published.
R: Revised

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

FIGURE 6-9

Comparison of incidences of urban Core Housing Need based on Census and SLID, Canada and Provinces, 2001-2010[1]



Note: SLID-based housing data are unavailable for 2001.

[1] For information on differences between SLID-based and Census-based estimates, see text box *Survey of Labour and Income Dynamics (SLID)* at the end of the chapter.

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

Vancouver and Toronto had above-average incidences of urban Core Housing Need from 2002 to 2010

Vancouver and Toronto had above-average incidences of Core Housing Need from 2002 to 2010 *(see Figures 6-10 and 6-11)*. Even though households in Core Housing Need in Toronto and Vancouver had higher median household income (at $27,080 and $25,300, respectively) in 2010 compared to other CMAs, their median shelter costs (at $10,840 and $12,340, respectively) were also higher. The median depth of need was $3,030 for Toronto and $3,300 for Vancouver in 2010.

Vancouver (at 20.1%), Toronto (at 17.9%) and Halifax (at 15.7%) had the highest incidences of Core Housing Need in 2010. Québec (at 5.4%) and Regina (at 7.6%) experienced the lowest incidences of urban Core Housing Need in 2010; they also had the lowest incidences from 2007 to 2009.

Lone-parent households had the highest incidence of Core Housing Need

Lone-parent households had the highest incidence of urban Core Housing Need from 2002 to 2010, and one-person senior female households the second

FIGURE 6-10

Housing conditions, selected Census Metropolitan Areas (CMAs), 2002-2010[1]

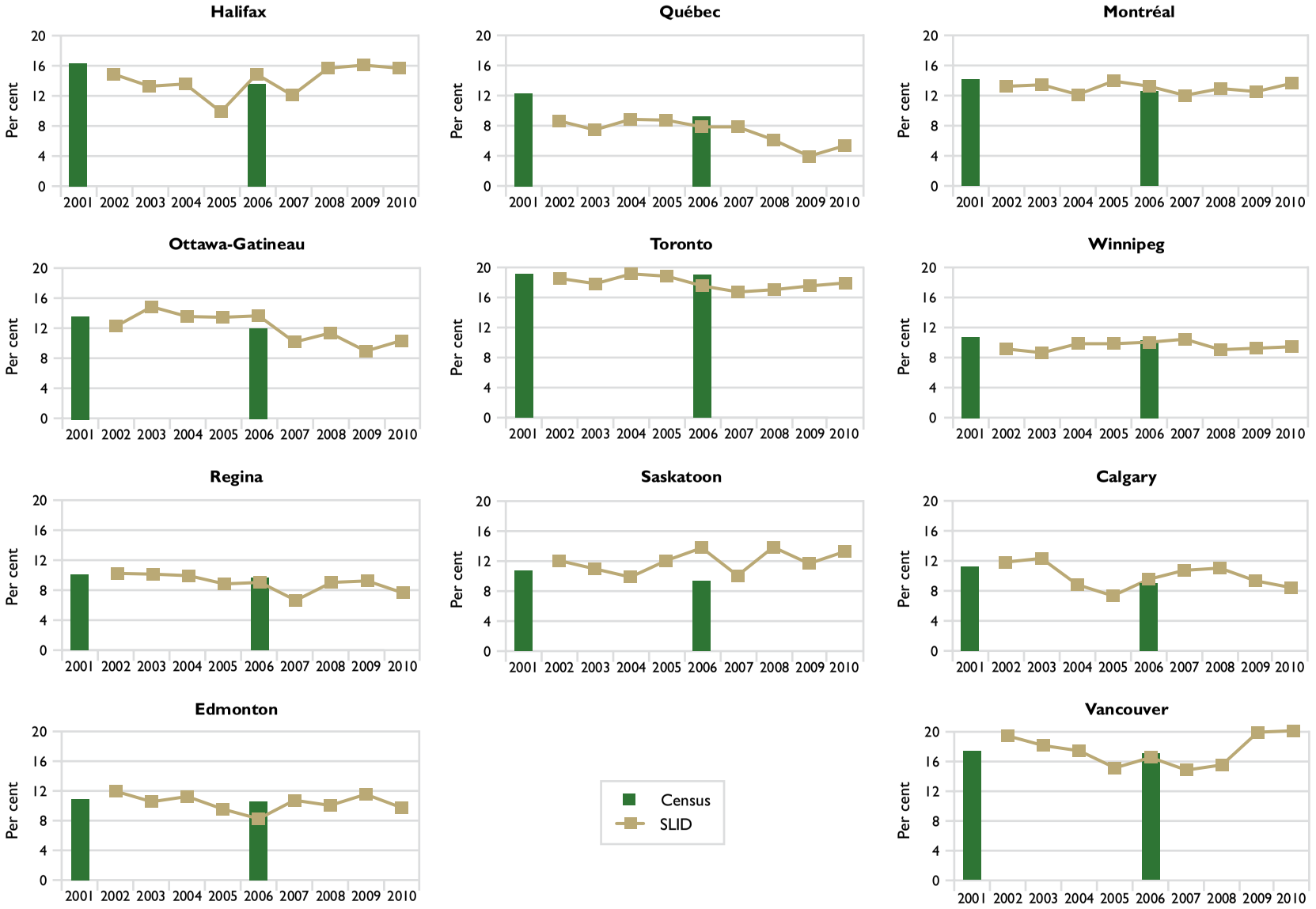
	Percentage of households in Core Housing Need									Percentage of individuals persistently in Core Housing Need all three years			Percentage of individuals who:	
													Entered Core Housing Need	Exited Core Housing Need
	2002	2003	2004	2005	2006[R]	2007[R]	2008[R]	2009[R]	2010[2]	2002-2004	2005-2007[R]	2008-2010	Average over 2002-2010[3]	Average over 2002-2010[3]
Urban Canada	**13.9**	**13.9**	**13.6**	**13.4**	**12.8**	**12.1**	**12.8**	**13.2**	**13.2[B]**	**4.6**	**3.9**	**4.0**	**3.2**	**3.3**
Vancouver	19.4	18.1	17.4	15.1	16.5	14.8	15.5	19.9	20.1[D]	7.3	4.8	5.0	4.1	4.2
Edmonton	12.0	10.6	11.3	9.6	8.3	10.8	10.1	11.6	9.8[D]	2.7	2.6	3.9	2.9	3.0
Calgary	11.8	12.3	8.8	7.3	9.5	10.7	11.0	9.3	8.4[E]	3.3	F	2.4	3.1	3.0
Saskatoon	12.0	10.9	9.8	12.0	13.7	10.0	13.8	11.6	13.2[D]	3.5	F	2.8	F	3.4
Regina	10.2	10.1	9.9	8.8	9.0	6.6	9.0	9.2	7.6[E]	F	F	3.5	F	F
Winnipeg	9.2	8.7	9.9	9.9	10.1	10.5	9.1	9.3	9.5[D]	3.2	2.6	2.7	2.8	2.4
Toronto	18.5	17.8	19.1	18.8	17.5	16.7	17.0	17.5	17.9[D]	6.7	6.9	6.2	4.5	4.3
Ottawa-Gatineau	12.4	15.0	13.7	13.6	13.8	10.3	11.5	9.1	10.5[E]	4.4	4.7	4.0	2.3	2.6
Montréal	13.2	13.4	12.1	13.9	13.2	12.0	12.9	12.5	13.6[D]	3.5	3.8	3.7	2.6	3.1
Québec	8.7	7.5	8.9	8.8	7.9	7.9	6.2	4.0	5.4[E]	F	F	1.3	F	F
Halifax	14.9	13.3	13.6	9.9	14.9	12.1	15.7	16.1	15.7[D]	5.6	3.2	4.6	3.4	3.2

All figures are rounded.
[1] Data for 2002-2005 are based on 2001 Census sample weights; data for 2006-2010 are based on 2006 Census sample weights.
[2] Letters indicate quality of the estimates (see *text box Survey of Labour and Income Dynamics at the end of the chapter*).
[3] From one year to the next of a two-year period (2002-2003, 2003-2004, 2005-2006, 2006-2007, 2008-2009 and 2009-2010). These are the pairs of years for which longitudinal data are available from two SLID panels.
F: Indicates an estimate that was too unreliable to be published.
R: Revised

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

FIGURE 6-11

Comparison of incidences of urban Core Housing Need based on Census and SLID, selected Census Metropolitan Areas, 2001-2010[1]



Note: SLID-based housing data are unavailable for 2001.

[1] For information on differences between SLID-based and Census-based estimates, see text box *Survey of Labour and Income Dynamics (SLID)* at the end of the chapter.

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

highest *(see Figure 6-12)*. While Core Housing Need appears to have moderated for lone-parent households over the period 2002-2010, it remained fairly steady for one-person senior female households. These two groups also contained the two highest percentages of individuals who were persistently (all three years) in Core Housing Need in each of the three-year periods 2002-2004, 2005-2007 and 2008-2010. The persistence of Core Housing Need moderated more for individuals in lone-parent households from the earliest to the latest of these three-year periods than it did for senior females living alone.

Individuals in households that changed their household type (for example, through marriage, divorce, separation, death of a spouse) experienced high occasional Core Housing Need; during 2008-2010, 15.7% were in Core Housing Need for one or two years of the three-year period. Couples without children experienced the lowest incidence of Core Housing Need throughout the nine-year period, 2002-2010.

FIGURE 6-12

Urban housing conditions by selected household type, 2002-2010[1]

	Percentage of households in Core Housing Need									Percentage of individuals in households persistently in Core Housing Need all three years			Percentage of individuals in households who:	
													Entered Core Housing Need	Exited Core Housing Need
	2002	2003	2004	2005	2006[R]	2007[R]	2008[R]	2009[R]	2010[2]	2002-2004	2005-2007[R]	2008-2010	Average over 2002-2010[3]	Average over 2002-2010[3]
Urban Canada	**13.9**	**13.9**	**13.6**	**13.4**	**12.8**	**12.1**	**12.8**	**13.2**	**13.2[B]**	**4.6**	**3.9**	**4.0**	**3.1**	**3.3**
Couples with children	8.6	7.9	8.2	7.7	7.4	6.9	8.7	8.6	8.1[D]	3.1	2.9	2.7	2.2	2.7
Couples without children	5.2	5.3	5.0	5.2	4.6	4.1	4.5	4.1	4.4[D]	1.6	1.6	1.3	1.2	1.4
Lone-parent households	41.2	42.0	37.9	32.9	32.2	35.6	32.8	32.7	32.0[C]	24.3	19.4	16.2	6.6	8.5
Other one-family households	14.9	14.4	13.8	12.2	13.9	11.7	13.1	15.2	17.0[D]	4.1	3.2	7.2	4.0	4.3
Households with at least one unrelated person[4]	11.5	11.4	11.4	11.5	12.8	11.4	11.2	9.9	12.0[D]	F	F	F	F	F
One-person households	23.8	24.3	24.4	24.8	23.3	22.1	22.8	24.4	23.6[C]	13.1	11.5	12.1	4.9	5.1
One-person: senior male	20.6	21.7	17.8	16.4	22.3	19.0	20.1	21.0	21.7[D]	F	F	9.5	F	F
One-person: senior female	28.9	28.0	26.7	30.2	24.9	24.7	27.9	27.1	26.2[C]	17.1	13.5	15.0	6.1	6.9
One-person: non-senior male	20.8	20.9	23.1	21.9	22.3	18.4	17.7	23.2	22.7[D]	10.3	10.5	10.8	4.6	3.5
One-person: non-senior female	24.1	26.6	25.8	26.6	23.5	25.7	26.0	25.0	23.4[C]	13.2	10.4	11.3	3.9	4.2

All figures are rounded.
[1] Data for 2002-2005 are based on 2001 Census sample weights; data for 2006-2010 are based on 2006 Census sample weights.
[2] Letters indicate quality of the estimates (see *text box Survey of Labour and Income Dynamics at the end of the chapter*).
[3] From one year to the next of a two-year period (2002-2003, 2003-2004, 2005-2006, 2006-2007, 2008-2009 and 2009-2010). These are the pairs of years for which longitudinal data are available from two SLID panels.
[4] For example, roommate households, households with boarders, or two or more families sharing a dwelling.
F: Indicates an estimate that was too unreliable to be published.
R: Revised

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

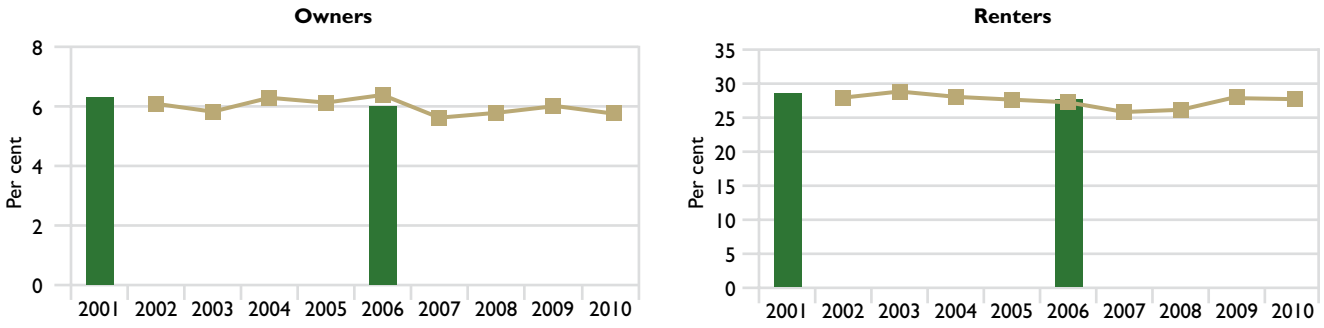
Renters are much more likely to be in Core Housing Need than owners

The incidence of Core Housing Need for urban renter households is consistently well above that for owners *(see Figure 6-13);* it was 28.0% in 2010, compared to 5.7% for owners.

Renters and those who changed their tenure type (from renter to owner or vice versa) were the most likely individuals to be persistently (all three years) and occasionally (one or two years) in Core Housing Need over 2008-2010; and over a number of years during the six-year period 2005-2010 *(see Figures 6-14 and 6-15).*

FIGURE 6-13

Incidence of urban Core Housing Need based on Census and SLID, by tenure type, 2001-2010[1]

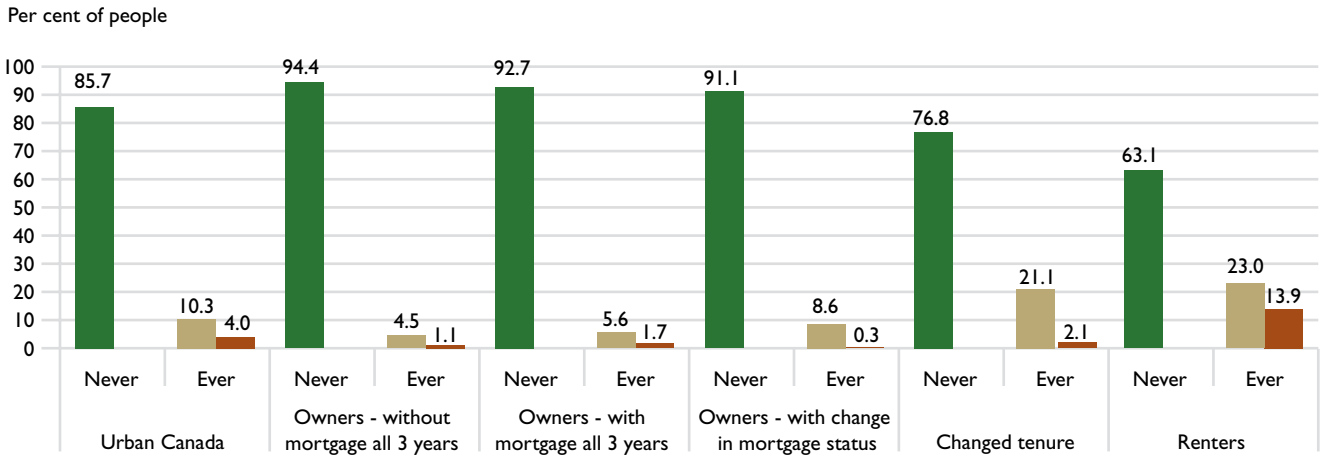


Note: SLID-based housing data are unavailable for 2001.
[1] For information on differences between SLID-based and Census-based estimates, see text box *Survey of Labour and Income Dynamics (SLID)* at the end of the chapter.

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

FIGURE 6-14

Persistence of Core Housing Need for urban individuals over the three-year period, by tenure, 2008-2010



All figures are rounded.

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

FIGURE 6-15

Persistence of Core Housing Need for urban individuals over the six-year period 2005-2010, by selected characteristics (in per cent)

	0 years in Core Housing Need	1 year in Core Housing Need	2 years in Core Housing Need[1]	3 years in Core Housing Need[1]	4 years in Core Housing Need[1]	5 years in Core Housing Need[1]	6 years in Core Housing Need[1]
Urban Canada	82.5	6.7	3.8	2.5	1.8	1.2	1.5
Tenure							
Changed tenure	**67.5**	**13.9**	**7.7**	**6.1**	**2.6**	F	F
Owners - with change in mortgage status	91.1	5.8	F	F	F	F	0.0
Owners - with mortgage all 6 years	90.9	3.5	2.4	0.8	1.5	F	F
Owners - without mortgage all 6 years	92.8	4.0	1.4	0.8	F	F	F
Renters	**52.6**	**12.5**	**9.9**	**6.9**	**5.2**	**4.4**	**8.6**
Household Type							
Changed household type	**78.6**	**9.9**	**5.7**	**2.8**	**1.9**	0.7	F
Couples with children	86.3	4.7	2.8	**2.9**	**2.0**	F	F
Coupes without children	93.2	2.4	1.8	F	F	F	F
Lone-parent households	**55.5**	**13.7**	F	F	F	F	**12.2**
One-person households	**67.0**	**8.1**	**5.4**	3.7	**3.1**	**4.0**	**8.7**
Income Quintile							
Middle	92.6	4.4	2.1	F	0.0	0.0	0.0
Moderate	**78.9**	**10.6**	**7.0**	2.4	F	0.0	0.0
Lowest	**44.4**	**15.8**	**9.9**	**9.3**	**7.6**	**5.6**	**7.4**
CMA/CA							
Lived in same CA all six years	87.0	5.5	3.1	1.2	1.1	0.6	1.5
Lived in same CMA all six years	83.4	**6.9**	3.6	2.5	F	F	F
Lived in different CMA/CA	**77.2**	**9.9**	**7.9**	F	F	0.0	0.0

All figures are rounded.
Bold numbers indicate cases where the percentage of individuals in Core Housing Need is higher than the national average.
[1] The years in Core Housing Need are not necessarily consecutive years.
F: Indicates an estimate that was too unreliable to be published.

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

Households in the lowest-income quintile were the most likely income group to live in Core Housing Need

In 2010, about 52.6% of households in the lowest-income quintile were in Core Housing Need, compared to 12.5% of moderate-income households. There were no upper- or highest-income households in Core Housing Need[3] in 2010 *(see Figure 6-16)*.

While the median household income of the moderate-income households is almost double that of the lowest-income households ($41,340 and $20,980, respectively, in 2010), the median shelter costs of the former were about 29% or $2,060 more than that of the latter ($9,260 and $7,200, respectively, in 2010). The median shelter-cost-to-income ratio (STIR)[4] for the lowest-income households (at 34.4%) was the highest of any income quintile.

In 2010, the incidence of urban Core Housing Need for renters in the lowest-income quintile was 58.5%, compared to 39.9% for homeowners in this quintile *(see Figure 6-17)*. Households in the lowest-income quintile accounted for about 80% of all households in Core Housing Need.

FIGURE 6-16

Housing conditions of urban households by income quintile,[1] Canada, 2010

Income quintile	Income range ($)	Median income ($)	Median shelter costs ($)	Median shelter-cost-to-income ratio (STIR)[2] (%)	Incidence of Core Housing Need[3,4] (%)
Highest	116,431 and up	153,620	17,770	10.9	0.0
Upper	77,571 to 116,430	94,670	14,840	15.7	0.0
Middle	51,891 to 77,570	63,940	11,700	18.5	F
Moderate	31,811 to 51,890	41,340	9,260	22.3	12.5[D]
Lowest	Up to 31,810	20,980	7,200	34.4	52.6[B]
All urban households	NA	63,940	10,710	18.6	13.2[B]

All figures are rounded.
[1] Households were ranked by their before-tax income and divided into five equally-sized groups (quintiles). For descriptive purposes, these groups are referred to as follows: lowest-income, moderate-income, middle-income, upper-income, and highest-income.
[2] The median STIR is the mid-point of the ranked STIRs for individual households; it cannot be calculated by dividing the median shelter cost by the median income.
[3] Letters indicate quality of the estimates (see *text box Survey of Labour and Income Dynamics at the end of the chapter*).
[4] Incidence of Core Housing Need refers to the percentage of households in Core Housing Need.
F: Indicates an estimate that was too unreliable to be published.
NA - Not applicable

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

[3] A very small number of households in the middle-income quintile were in Core Housing Need; however, the estimate is not of sufficient quality for publication.

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

FIGURE 6-17

Housing conditions of urban households in the lowest- and moderate-income quintiles by tenure, 2010

Income quintile	Tenure	Incidence of Core Housing Need (%)[1,2]	Share of urban households in Core Housing Need (%)[3]	For households in Core Housing Need		
				Median shelter-cost-to-income ratio (STIR)[4] (%)	Median depth ($)	Average depth ratio (%)
Moderate	Owner	10.7[D]	9.3	50.9	2,030	16.6
	Renter	15.0[D]	9.7	31.5	1,320	13.7
	All	12.5[D]	19.0	36.9	1,760	15.1
Lowest	Owner	39.9[C]	19.1	47.9	1,890	27.1
	Renter	58.5[C]	60.9	47.8	2,080	30.2
	All	52.6[B]	80.0	47.9	2,050	29.5
Urban Canada	Owner	5.7[C]	28.9	49.5	1,910	23.5
	Renter	28.0[B]	71.1	44.5	2,030	27.8
	All	13.2[B]	100.0	45.8	1,980	26.6

All figures are rounded.
[1] Incidence of Core Housing Need refers to the percentage of households in Core Housing Need.
[2] Letters indicate quality of the estimates (see *text box Survey of Labour and Income Dynamics at the end of the chapter*).
[3] Share of Core Housing Need refers to the composition of Core Housing Need by various criteria such as household income.
[4] The median STIR is the mid-point of the ranked STIRs for individual households; it cannot be calculated by dividing the median shelter cost by the median income.

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

Senior households were more likely to be in Core Housing Need than non-senior households

Senior households[5] were more likely to be in Core Housing Need than non-senior households, in total and for all tenure types in 2010 *(see Figure 6-18)*.

Senior and non-senior households who owned their dwellings without a mortgage had relatively low incidences of Core Housing Need (at 6.2% and 5.2%, respectively) in 2010.

The incidence of urban Core Housing Need for senior households in the lowest-income quintile was much lower (at 36.8%) than that for non-senior households (at 61.8%) in 2010. The difference is expected to be due to the higher share of seniors who owned their homes with no mortgage.

About 10.3% of senior households reported receiving government housing assistance in 2010, compared to about 5.8% of non-senior households.

Senior households in Core Housing Need experienced less severe need in 2010 than did non-senior households; the median depth of need was $1,110 for senior households, while that for non-senior households was $2,300.

The percentage of senior individuals occasionally and persistently in Core Housing Need generally increases with age

Among senior individuals, those 85 years or older had the highest percentages (at 12.3% and 7.6%, respectively) living occasionally (one or two years) and persistently (all three years) in Core Housing Need over the three-year period 2008-2010 *(see Figure 6-19)*.

[5] Includes households all of whose members were 65 years or older.

FIGURE 6-18

Urban housing conditions, seniors, non-seniors and all households, 2010

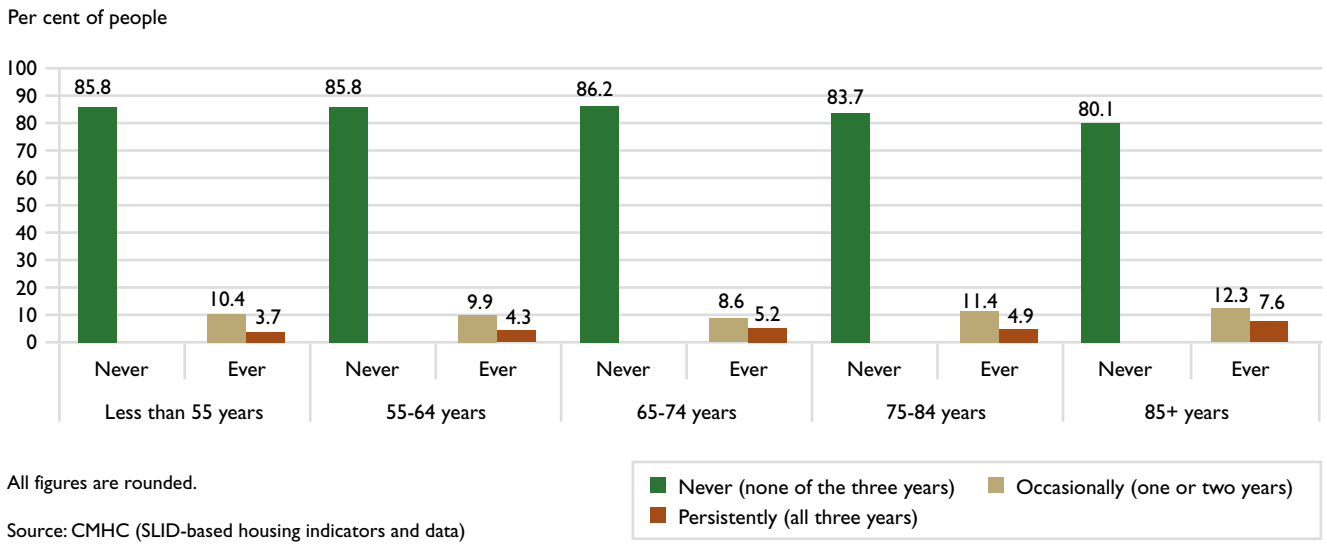
	Senior households[1]	Non-senior households	All households
a) Incidence of urban Core Housing Need (%)			
Urban Canada	14.5	12.8	13.2
Owners without a mortgage	6.2	5.2	5.6
Owners with a mortgage	13.8	5.3	5.7
Renters	29.2	27.7	28.0
In moderate-income quintile	3.6	16.2	12.5
In lowest-income quintile	36.8	61.8	52.6
b) For households in Core Housing Need:			
Median shelter-cost-to-income ratio (STIR) (%)	42.5	47.9	45.8
Average depth ratio (%)	18.8	28.8	26.6
Median household income	$19,450	$20,690	$20,230
Median shelter cost	$8,690	$9,580	$9,360
Median depth	$1,110	$2,300	$1,980
c) Share of households receiving government housing assistance (%)	10.3	5.8	6.7

All figures are rounded.
[1] Includes households all of whose members were 65 years or older.

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

FIGURE 6-19

Persistence of Core Housing Need for urban individuals over the three-year period, by age group, 2008-2010



All figures are rounded.

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

Acceptable housing and Core Housing Need

The term **acceptable housing** refers to housing that is adequate in condition, suitable in size, and affordable.

- **Adequate** housing does not require any major repairs, according to residents. Major repairs include those to defective plumbing or electrical wiring, or structural repairs to walls, floors or ceilings.
- **Suitable** housing has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements. Enough bedrooms based on NOS requirements means one bedroom for each cohabiting adult couple; unattached household member 18 years of age and over; same-sex pair of children under age 18; and additional boy or girl in the family, unless there are two opposite sex children under 5 years of age, in which case they are expected to share a bedroom. A household of one individual can occupy a bachelor unit (i.e., a unit with no bedroom).
- **Affordable** housing costs less than 30% of before-tax household income. For renters, shelter costs include rent and any payments for electricity, fuel, water and other municipal services. For owners, shelter costs include mortgage payments (principal and interest), property taxes, and any condominium fees, along with payments for electricity, fuel, water and other municipal services.

A household is in **Core Housing Need** if its housing does not meet one or more of the adequacy, suitability or affordability standards **and** it would have to spend 30% or more of its before-tax income to pay the median rent (including utility costs) of alternative local market housing that meets all three standards.

Households tested for Core Housing Need include only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter-cost-to-income ratios (STIRs) less than 100%. Farms are excluded because shelter costs for farm households are not separable from costs related to other farm structures. Reserves and other band households are excluded because shelter costs are not collected for households whose housing costs are paid through band housing arrangements. CMHC regards STIRs of 100% or more and STIRs for households with incomes of zero or less as uninterpretable.

Incidence of Core Housing Need refers to the percentage of households in Core Housing Need.

Share of Core Housing Need refers to the composition of Core Housing Need by various criteria such as household income *(see Figures 6-3, 6-5* and *6-7)*.

Depth of housing need measures the comparative severity of Core Housing Need, e.g. for different categories of households or over different time periods.

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

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

These calculations are slightly different for households in core need with suitable and adequate dwellings and a reported shelter cost that is below the median rent of alternative local market housing (these households accounted for about 34% of the households in Core Housing Need in 2010):

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

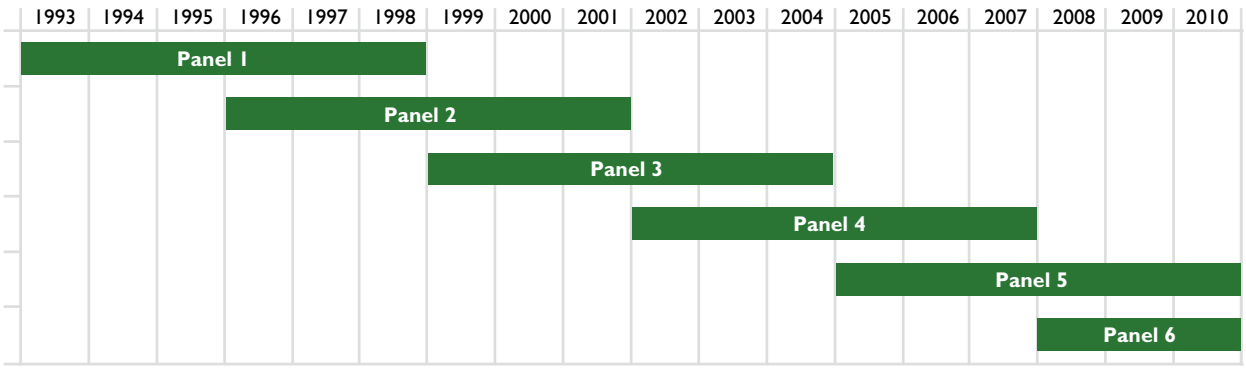
Median depth of housing need is the middle value when households are ranked in order of their depth of need.

Survey of Labour and Income Dynamics (SLID)

SLID is a household survey conducted by Statistics Canada that collects information from two groups or panels of people who are surveyed annually for six consecutive years on their labour and income characteristics *(see Figure 6-20)*. Each panel comprises a sample of some 34,000 adults or about 17,000 households. A new panel begins every three years and thus the two panels overlap for three years. SLID covers the 10 Canadian provinces but excludes households in the territories, in institutions or collective dwellings, in military barracks and on Indian reserves. SLID also excludes the homeless.

FIGURE 6-20

Panel periods for *Survey of Labour and Income Dynamics* (SLID)



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

SLID cross-sectional estimates of Core Housing Need for 2005 are comparable to estimates from the 2006 Census since both sources collect household income for the 2005 reference year and shelter costs as of the first half of 2006 *(see Figures 6-9 and 6-11)*.

Longitudinal estimates of housing conditions are based on individuals since, over time, households may form, dissolve or change membership. Longitudinal estimates allow for tracking the persistence of individuals in Core Housing Need for periods of three years (using data from two panels) or for six years (using data from one panel); as well as the examination of movements into or out of Core Housing Need from year-to-year (for pairs of years). The final year for which Statistics Canada is providing longitudinal data from SLID is 2010.

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

Survey of Labour and Income Dynamics (SLID) (continued)

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

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

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

Sustainable Housing and Communities – Industrialized Housing

Molly Lamb Bobak, *New Housing Project,* 1956 Oil on canvas, 88.8 x 127.4 cm, National Gallery of Canada, Ottawa, Photo © NGC

Fast Facts

- As of 2011, factory-built housing production accounted for 12.5% of single-detached housing starts.
- About 90% of factory-built houses are distributed through builders, developers and retailers, with the balance going directly to consumers building on their own lots.
- About three-quarters of all factory-built, single-detached homes were shipped to New Brunswick, Nova Scotia, Alberta and Ontario.
- The average size of factory-built, single-detached homes in 2011 was 117.3 m^2 (1,263 ft^2), which is smaller than the 176.5 m^2 (1,900 ft^2) for single-detached starts in general, reflecting, in part, the popularity of compact manufactured homes among empty-nesters and seniors.
- Modules for modular homes generally range from 3.7 to 4.9 metres (12 to 16 feet) in width and up to 18.3 metres (60 feet) in length.
- The first house completed under CMHC's EQuilibrium™ Sustainable Housing Demonstration Initiative was a factory-built home.
- The modular temporary housing units used by athletes for the 2010 Olympic Games and Paralympic Games were moved from Whistler, British Columbia after the games and reconfigured into 156 permanent, affordable housing units in six communities across the province.

Factory-built housing has come a long way from the prefabricated homes produced during and after the Second World War which were very basic in style, size and materials used and suffered from perceptions of lower quality. Advances in technology and a strong focus on quality, customization, energy efficiency and affordability are changing that image.

Industrialisation in housing production is moving rapidly on two fronts. First, site-builders are increasing their use of components fabricated in the factory, and secondly, factory-produced whole-houses, modules and panelized homes are increasingly offering a comparable quality and range of housing to that being built on-site. The industrialized housing process is also receiving renewed interest from housing providers in Canada's far north. Recent projects have demonstrated that factory built, and highly energy-efficient housing can be quickly designed, built, shipped and assembled in remote locations across the north.

The industrialization of housing continues to evolve, offering opportunities to manufacturers as well as to builders and developers to benefit from the availability of a range of high quality, and sustainable, housing products. In this way, industrialized housing offers an opportunity to increase awareness, knowledge and uptake of innovative housing products.

A number of industry- and government-led programs, including CMHC's EQuilibrium™ Sustainable Housing Demonstration Initiative, have worked to advance awareness, knowledge and uptake of sustainable housing over the past few years. However, sustainable housing proponents continue to face a number of challenges including the following:

- A lack of familiarity on the part of designers and trades with new technologies and practices, concerns regarding the potential risks associated with new, untried approaches;
- Regulatory and other systemic barriers to unfamiliar technologies and practices;
- Higher capital costs and uncertain operating and maintenance costs;
- Specialized training requirements for trades and sub-trades; and
- A need to educate consumers on the benefits of sustainable features and products.

There is a growing appreciation that the factory-built housing sector's basic approach to building and delivering housing may have intrinsic attributes, processes and frameworks already in place that can offer solutions to many of the aforementioned challenges. The industrialized approaches that the factory-built housing sector has adopted over the many years since the first factory went into business have been successfully applied to the construction of R-2000 houses, the benchmark for residential energy efficiency in Canada. More recently, several factory-built housing providers have demonstrated their capacity to build near net zero energy housing. Indeed, the first house completed under CMHC's EQuilibrium™ Sustainable Housing Demonstration Initiative was a factory-built home.[1]

This chapter examines the factory-built housing system within the context of sustainable housing. The evolution of the sector and its products will be discussed, from its role in the provision of very basic mobile homes, temporary workers' accommodation, and cottage kits, to multi-storey condominiums and rental projects *(see Figure 7-1)*.

A brief history of factory-built housing

Pre-engineered housing kits were arriving at North American east-coast ports as far back as the seventeenth century, but the transportation of whole homes did not become a reality until the late nineteenth century when a Nova Scotia company began shipping ready-made wood-frame houses within Canada and to the Caribbean.

[1] Les industries Ste-Anne de la Rochelle Inc. ÉcoTerra project www.cmhc-schl.gc.ca/en/inpr/su/eqho/ecte/index.cfm (accessed July 31, 2013).

FIGURE 7-1

Baker Gardens

Baker Gardens, which opened in 2011, is a large modular housing development built in Cranbrook, British Columbia for low-income seniors aged 55 and older and people with disabilities who are able to live independently. It includes 36 one-storey, one bedroom homes, built in groups of four. Funding for Baker gardens was made available under the Canada-British Columbia Affordable Housing Agreement, which included federal funding from Canada`s Economic Action Plan that was matched by the Government of British Columbia.

Credit: CMHC

While the need for temporary accommodation for itinerant workers during the Great Depression provided a boost to factory construction of housing, it was not until the Second World War that the modern era of factory-built construction began. There was a need to build homes in a way that would divert as little material from the war effort as possible, and subsequently to address the severe housing shortage following the war. The efficiencies in material use driven by the war effort would later be recognized as one of the many green attributes of manufactured housing due to carefully managed waste generation and natural resource use. By the early 1970s factory-built units accounted for 15% of all single-detached home starts.

While war-driven construction gave a boost to the industry, it also created an image of prefabricated housing as quickly built temporary housing that should provide a roof only until one could afford a regular site-built home. The perceived lower-quality of the product also contributed to restrictive municipal zoning regulations, limiting the spread of mobile homes and mobile home parks. By the early 1990s, factory-built housing had steadily dropped to about 8% of single-detached starts. The quality concern however also led to the development of technical standards and certification processes for the industry in the 1970s, which helped fuel the subsequent steady improvement in quality.

In more recent years, the image of factory-built housing has been elevated through the appearance of manufactured homes that look just like site-built homes, located in well maintained manufactured housing communities and alongside site-built housing, and by the success of modular housing producers in building high quality, affordable and luxury housing. The participation of manufactured housing companies in programs such as R-2000, and the EQuilibrium™ Sustainable Housing Demonstration Initiative and other net zero energy projects has helped the industry to demonstrate its capacity to deliver highly sustainable housing. As of 2011, factory-built housing production had recovered to 12.5% of single-detached housing starts.[2]

Types of factory-built housing

The most useful and commonly used distinction in the types of factory-built housing is between *manufactured* homes and *modular* housing. While there is some overlap, in general, the two housing types can be distinguished by their characteristics, and the codes and standards to which they were constructed.

Manufactured homes

A manufactured home is a complete house built on a non-removable steel chassis to which wheels can be attached for towing to the site. For installation, the wheels are removed and the home is typically placed on a surface mount foundation, piers or a foundation pad, although it may also be placed on a permanent

[2] Source: CMHI Manufactured Building Survey Annual Report (Ottawa: Canadian Manufactured Housing Institute, 2011). www.cmhi.ca/sites/default/files/CMHI%202011%20Annual%20%20Survey%20Statistics%20Report%20fFINAL.pdf (May 31, 2013).

foundation *(see Figure 7-2)*. Cabinets, flooring, appliances and electrical and plumbing systems are installed at the factory and the home is ready to be connected to municipal electrical, water, sewage and gas networks.

Manufacturers must be certified (class 8111-01) by the Canadian Standards Association (CSA) to build manufactured homes in Canada. In most parts of the country, manufactured homes must be built to the CSA Z240 MH series of standards,[3] a certification which covers complete structural, plumbing, heating and electrical services installed in the factory. It is intended to obviate the necessity for further inspection by local regulatory authorities except for connections to services and other sections (such as porches and garages) and site mounting features.[4] This is an important aspect of manufactured homes as, given the completed nature of the delivered products, some on-site inspections, common for conventionally-built housing, are not possible. In their modern form, often with a garage and porch attached, manufactured homes have come a long way from the traditional mobile homes of the past *(see Figure 7-3)*.

Modular homes

Modular homes are assembled on-site from factory-built modules. Each module is a building block of a home, typically 3.7 to 4.9 m (12 to 16 ft) wide, and up to 18.3 m (60 ft) in length, which can be combined with other modules to make single-detached, duplex or row homes, and can be stacked to create multi-storey, multi-family housing *(see Figure 7-4)*.

FIGURE 7-2

A single section manufactured home with a steel chassis, installed on wooden cribs

The photograph shows a single section, manufactured home on a steel chassis installed on wooden cribs. Skirting, which may be vinyl, wood, metal, brick or even concrete is subsequently attached between the house and the ground, to keep out animals, provide weather protection and to project a more finished appearance (see home on the left).

Credit: CMHC

FIGURE 7-3

Albion Sun Vista

Albion Sun Vista is a manufactured housing community in Greely, Ontario. The homes are typically one- or two-bedroom designs. Once constructed, the houses arrive in two or more sections with the option of adding a garage or sunroom, or both, at an extra cost. Each house is placed on a poured concrete foundation and has a crawl space of about 1.8 m (6ft) in height. Purchasers buy the house and usually lease the land.

Credit: CMHC

[3] The province of Alberta does not recognise the CSA Z240 standard; manufactured homes destined for Alberta have to comply with the Alberta Building Code.

[4] See Canadian Standards Association website. directories.csa-international.org/xml_transform.asp?xml=classxml/8111-01.xml&xsl=xsl/class.xsl (May 31, 2013).

FIGURE 7-4

Hartford Greens

Hartford Greens is an affordable 94-unit modular housing project in Saskatoon, Saskatchewan. The townhouses are each assembled from two modules stacked one on top of the other. Siding, garages and other design features are added after the homes have been transported to the site.

To learn more about how manufactured housing has been used in communities across Canada to meet the needs of affordable housing, visit CMHC's website at CMHC.ca and search Affordable Housing Centre.

Credit: CMHC

Modules are transported on flatbed trucks and lifted by cranes onto full perimeter permanent crawl-space or full depth basement foundations. Modular construction offers considerable flexibility since modules can be highly customized and assembled in a variety of configurations to create buildings of any shape and size.

To build modular homes, factories must be certified, but under a different class (class 8131-01) than that for manufactured homes. Producers of factory-built housing are required to be certified under the CSA standard A277-08 *Procedure for Factory Certification of Buildings*. This standard specifies the procedure for factory certification of manufactured, modular, and panelized buildings (see below) intended for residential use. It has specific requirements:

- Certification of the factory quality program;
- Certification of the built product;
- Auditing of the factory quality program; and
- In-factory inspection of the built product.

Unlike manufactured homes, under the CSA A277 Program modular homes are certified to comply with the building code in the province in which they are to be located.

Modular housing is thus subject to the same codes and standards as site-built homes—it involves another housing construction process— rather than being considered a distinct housing type like manufactured housing. As such, it is not subject to the municipal zoning restrictions that may limit the placing of manufactured housing and the creation of manufactured housing communities. In addition to being able to withstand a variety of transportation loads (that is, lateral loads due to winds and stopping and starting, and vibrations due to road conditions), modular homes must also be structurally designed and constructed to accommodate the lifting forces which occur when the house modules are moved by crane from the flatbed truck to the building foundation. For this reason, modular homes may use more structural elements (i.e., wood or steel studs) than do site-built homes.

Components and panelized homes

While the building of a house could not be easily shifted to a factory, over the years, more and more housing components were prefabricated and transported to the site along with the basic building materials. Window assemblies, door assemblies and cabinets were early factory-built products. Prefabrication not only simplified on-site installation of windows, it also allowed for a significant improvement in the energy performance of window assemblies due to the inclusion of insulating glass units, air tight gaskets and seals, and insulated frames.

Later factory-built products included roof trusses and floor joists. Prefabricated roof trusses *(see Figure 7-5)* and cabinetry are now used in most site-built homes.

The development of raised heel roof trusses[5] increased the clearance of the roof deck over the exterior walls permitting more insulation to be installed around the perimeter of attic spaces than was previously possible. Many prefabricated floor joists and beams systems are available that make more efficient use of forest products than does conventional dimensional lumber.

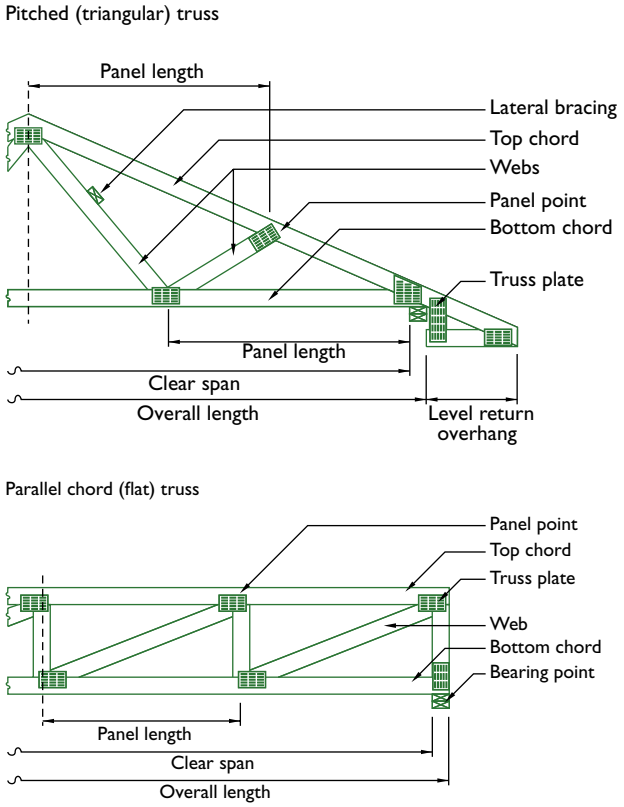
The production processes and the range and quality of what is produced in the factory have evolved considerably in recent years, and now prefabricated walls, floors, roofs, and kitchen and bathroom "pods" can all be obtained to order. The building of a complete house through components found its earliest expression in pre-engineered cottage kits and log homes. In recent years though, the increasing on-site use of prefabricated components is blurring the line between factory-built and conventional site-built homes, for both single-unit and multi-unit residential buildings.

Advances continue to be made in engineered wood products, a research area that is receiving support from the National Science and Engineering Research Council (NSERC),[6] and from Natural Resources Canada's Value to Wood Program.[7] Engineered wood products offer an alternative to the solid dimensional lumber that has been traditionally used to build houses. Made up of laminations of wood members or composites of adhesives and wood wafers or wood fibres, engineered wood products provide high performance while reducing the impact of residential construction on our forests.

Prefabricated engineered wood products can be made with less susceptibility to warping, shrinking and twisting than sawn lumber. This makes them particularly suitable for joists and beams. One engineered wood product with high potential in multi-storey buildings is cross-laminated timber (CLT). This is a prefabricated panel product made of multiple layers of wood with each layer crosswise to the next. This gives it exceptional strength, meaning it can be used for long spans and can replace steel and concrete. It is thinner and lighter than concrete as well as being cost-competitive. Panel thickness is usually in the range of 50 to 300 mm (2 to 11.8 in), but panels as thick as 500 mm (19.7 in) can be produced. Panel sizes range from 1.2 to 3 m (3.9 to 9.8 ft) in width and 5 to 15 m (16.4 to 49.2 ft) in length.[8]

FIGURE 7-5

Prefabricated roof and floor trusses



Roof and floor trusses can come in a variety of configurations. With their open web form, floor trusses simplify the installation of plumbing, electrical and heating conduits, eliminating the necessity to drill or cut openings as with conventional floor joists.

Credit: Canadian Wood Council

[5] Raised-heel roof truss: Where the roof truss bears on the wall assembly below, a vertical member is inserted between the top and bottom chords of the truss, raising the top chord to allow full-depth uncompressed insulation to be installed up to the plane of the exterior wall. See www.buildingscience.com/glossary/raisedheeltruss (September 24, 2013).

[6] See NSERC Strategic Network on Innovative Wood Products and Building Systems. nsercpartnerships.ca/How-Comment/Networks-Reseaux/newbuilds-newbuilds-eng.asp (May 31, 2013).

[7] See www.valuetowood.ca/html/english/index.php (May 31, 2013).

[8] Canadian Wood Council website at http://www.cwc.ca/index.php/en/?option=com_content&view=article&id=268&Itemid=444 (May 31, 2013).

Prefabricated structural insulated panels (SIPs) consisting of two panels of oriented strand board (OSB) sandwiching an insulating foam layer are a well known factory-built product. They provide a high insulation value for a given wall thickness due to the use of insulating foam and the elimination of thermal bridges formed by the framing used in conventional wall assemblies. SIPs also form part of an air-tight building envelope as each panel is airtight and SIP manufacturers have developed approaches to interlock the panels together so the joints are airtight. The OSB panels make use of wood chips and fibres and reduce the need for solid dimensional lumber thereby reducing resource consumption and other associated environmental impacts. SIPs are employed for walls, roofs and floors. SIPs' advantages are proving useful in northern housing *(see text box Use of structural insulated panels (SIPs) in Nunavut housing).*

Use of structural insulated panels (SIPs) in Nunavut housing

The Government of Nunavut was provided with $100 million over two years under the federal government's 2009 Economic Action Plan to build affordable housing. The Nunavut Housing Corporation (NHC) developed a plan to allocate funding to an innovative housing project that would help to quickly increase the supply of much-needed, energy-efficient housing.

To meet its needs, the NHC issued a Request for Proposal (RFP) for housing units constructed with SIPs. The RFP included the following design requirements:

- Thermal insulation: RSI 8.8 (R-50) floors, RSI 7.0 (R-40) walls, and RSI 8.8 (R-50) roofs;
- Structure: The integration of the structural elements into the panelized system and an ability to meet the highest wind and snow loads in Nunavut; and, cantilevered floors (beyond the foundation);
- Moisture Protection: Integrated vapour control layer in the panel assembly;
- Air Leakage Control: A maximum forced air leakage rate of 0.50 air changes per hour (ACH) @ 50 Pascals without reliance on caulking or spray foam;
- Assembly: Manual or machine-assisted construction.

The measured air leakage performance of the completed houses was as low as 0.19 ACH @ 50 Pascals, less than one-seventh the maximum allowable air leakage for an R-2000 home (1.5 ACH @ 50 Pascals).

FIGURE 7-6

Structural Insulated Panels being lifted into place in Sanikiluaq, Nunavut

Credit: DAC International

The pre-fabrication approach to building housing in the North yielded other tangible benefits:

- The SIP system permitted the exterior shells of the dwellings to be quickly and efficiently constructed *(see Figure 7-6)*—an important consideration given the short construction season in the North. This permitted mechanical, electrical, plumbing and finishing work to begin sooner in warmer, better controlled interior conditions;

Use of structural insulated panels (SIPs) in Nunavut housing (continued)

- The speed and efficiency of pre-fabrication allowed 142 SIP homes to be manufactured, stockpiled and crated ready for shipping in the six months January to June 2010;
- The SIP system incorporated the structure, thermal control, air leakage control and vapour barrier thereby reducing the amount of on-site labour and material use; and
- The simplicity of the SIP installation process helped offset the shortage of skilled labour in the communities. The manufacturer provided training and guidance to community members and employed them to assist in the construction.

Prefabricated wall, floor and roof panels can come in varying degrees of completion. In their highest industrialised form as custom-made closed wall panels, they may be delivered ready to lock into place on the building site with windows, doors, wiring and plumbing already installed creating a fully "panelized home". They can also be open panels consisting of just the framing and outer sheathing that are completed on-site.

With panelized construction, the assembly of the outer walls, roofs and floors can be completed in as little as one day, leaving a weather-tight home for the interior trades to complete their work.

The production process

Industrialized housing tends to come from stock plans, but considerable variation within the broad parameters may be possible. Where customization is involved, discussions with the client result in a set of detailed specifications for the home. Computer Assisted Design (CAD) and Building Information Modeling (BIM) are increasingly being used by Canadian companies, giving them the tools to help the client choose what they want in a home, including three-dimensional visualization, with cost estimation, and the flexibility to produce to a range of specifications.

Factories differ in the degree of automation in the manufacturing process used, but all follow an assembly line approach, with the product moving through a series of workstations to completion. The process usually begins with the fabrication of the floor system. The intermediate product may make its journey through the different stations on a conveyor belt, by overhead crane, or on wheels. To fulfill CSA requirements, independent building inspectors must be at hand at crucial points in the process to ensure that the product is being built in accordance with the appropriate code or standard.

In a profile of the factory-built housing industry prepared in 2006, Clayton Research found a wide variation in the details of the approaches used at the different stages. For example, at the framing stage, some manufacturers build the floor upside down in order to install the mechanical heating, ventilation and plumbing systems and then turn it right-side up to install the subflooring. Others start the floor construction in the conventional way and make use of a pit below the production line or jack up the floor assembly using a hydraulic jack to install mechanical and electrical systems. Others opt to put in the under-floor mechanicals on-site.[9]

The industry is making increased usage of robotics. For example, Landmark Group of Builders has a highly automated factory in Edmonton, Alberta, which began operations in 2012. It employs robotic technology and is designed to produce more than 1,200 homes per year, with a workforce of 40 people *(see Figure 7-7)*. Landmark reports that it is developing net zero housing communities in the province which, using panelized walls and roof systems along with active solar energy technology, are designed to produce as much energy as they consume over the year.

[9] Profile and Prospects of the Factory-Built Housing Industry in Canada, prepared for CMHC by Clayton Research, 2006. www.cmhi.ca/sites/default/files/pdf/Factory_Built_Housing_Study_Final_Report.pdf (May 31, 2013).

FIGURE 7-7

Inside the Factory

Credit: Landmark Group of Builders

Distribution channels for factory-built products

Close to 90% of factory-built houses are distributed through builders, developers and retailers,[10] with the balance going directly to consumers building on their own sites.

Most manufactured homes are sold through retailers or dealers who may handle product from several manufacturers, whereas modular housing producers are increasingly selling through on-site builders, often with the manufacturer and the builder sharing the credits in the promotion of the project.

Strengths of factory-built construction

Shorter on-site construction time

Shorter on-site construction time and firmer completion dates are benefits which have been promoted extensively by the factory-built housing industry. A number of side-by-side demonstrations have pitted factory-built house construction against conventional site-built construction in the creation of identical units. Not surprisingly, site time is significantly reduced when pre-built units are used. In addition, factory production can take place while the site is being prepared. Delays due to inclement weather are also minimised. Shorter construction time can save interim financing costs and labour costs, and result in less disruption to the neighbourhood. For example, modular construction of Stony Mountain Plaza[11] in Alberta shortened the construction time by nine months *(see Figure 7-8)*. From an environmental perspective, a reduction in on-site construction time also reduces the energy and material consumption associated with travel to and from the site, and heating and electricity consumption to support on-site activities.

FIGURE 7-8

Stony Mountain Plaza

Stony Mountain Plaza, which opened in 2011, is a four-storey 125-unit rental project located in Wood Buffalo in northern Alberta. The modules making up the building were transported to the site, craned into place and joined together. The project has 75 one-bedroom, 34 two-bedroom and 16 three-bedroom units.

Credit: CMHC

[10] CMHI's Manufactured Building Survey Annual Report 2011 (Ottawa: CMHI, 2011). http://www.cmhi.ca/sites/default/files/CMHI%20 2011%20Annual%20%20Survey%20Statistics%20Report%20FINAL.pdf (August 22, 2013).

[11] CMHC Project Profile of Stony Mountain Plaza, Wood Buffalo, Alberta. www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce/prpr/upload/ Stony-Mountain-Plaza-EN.pdf (May 31, 2013).

Precision construction and quality control

Prefabrication indoors, protected from rain and wind, in a controlled factory environment prevents the warping and deformation of wood. The result is a higher quality product, and decreased material waste directed to landfill. It allows teams to communicate better, and the work to be sequenced and organized more efficiently. The use of sophisticated machinery enables precision and consistency in nailing, cutting and other key operations. Testing, inspection and certification can be conducted more effectively as the various materials are assembled into larger components and systems. Precision construction and quality control also reduces problems that may occur on site as all assemblies will be square and true and therefore easily and quickly assembled with little wastage and less exposure to the weather. The repetition of construction tasks within a busy factory may yield higher quality products as the workforce adapts to and improves upon their specific job areas. Conceivably, task repetition may also facilitate the more rapid adoption and integration of sustainable technologies and practices into construction sequences within a factory setting.

Potential for improved energy efficiency

With greater quality control provided in the factory, it is easier to ensure that gaps in insulation are reduced and that air-sealing is effective, making for a much tighter, more energy-efficient building envelope. Producers of factory-built housing are promoting this strength through the production of highly energy-efficient homes. Several are targeting, or have already produced, net zero or near net zero homes in which the tight building envelope, high levels of insulation, solar technology, waste heat recovery and the tapping of geothermal heat sources result in the generation of as much energy as is used over the course of a year *(see text box Industrializing Sustainable Housing —EQuilibrium™ Sustainable Housing Demonstration Initiative Projects).* By designing, engineering and building a complete house, including all building envelope, heating, cooling and electrical systems, in a factory environment, a factory-built house provider has more opportunities to optimize and perfect their product in one complete and well-integrated package.

Industrializing Sustainable Housing—EQuilibrium™ Sustainable Housing Demonstration Initiative Projects

ÉcoTerra™

ÉcoTerra™ is a two-storey, 234 m² (2,519 ft²) single-detached home that was a winning project in CMHC's EQuilibrium™ Sustainable Housing Demonstration Initiative *(see Figure 7-9).* One of the innovative aspects of the ÉcoTerra™ project is that the house was pre-engineered and built in a factory before being assembled on site.

The prefabricated, or industrialized, home building process offered the Alouette team many advantages in the construction of its net zero energy sustainable house project *(see Figure 7-10).* This included improved quality control and reduced on-site waste generation. It also introduced additional challenges at the preliminary design stage,

FIGURE 7-9

ÉcoTerra™ home

The ÉcoTerra™ house in Eastman, Quebec was assembled by Alouette Homes from factory-built modules. The house, which uses passive and active solar technologies was one of the winners in CMHC's EQuilibrium™ Sustainable Housing Demonstration Initiative which is working with industry to demonstrate homes that combine resource and energy-efficient technologies with renewable energy technologies in order to reduce their environmental impact.

Credit: CMHC

Industrializing Sustainable Housing—EQuilibrium™ Sustainable Housing Demonstration Initiative Projects (continued)

FIGURE 7-10

Module fabrication in factory

Credit: CMHC

FIGURE 7-11

Module delivery

Credit: CMHC

on account of the size and shape of the house modules that could be built due to transportation and production line constraints.

Once the seven modules of the house were completed in the factory, they were prepared and shipped to the site by truck *(see Figure 7-11)* where they were assembled using a crane. On-site assembly took about six hours *(see Figure 7-12)*. The quick construction and assembly time, attributable to the industrialized home building process, contributed to ÉcoTerra™ being the first EQuilibrium™ demonstration home to be completed.

One of the many innovations built into the ÉcoTerra™ project is the building-integrated photovoltaic roof with solar thermal heat recovery (BIPV/T). It was constructed as one module in the Alouette plant *(see Figure 7-13)*. The BIPV/T roof is an innovative concept, which uses the photovoltaic panels, the metal roofing and the roof sheathing to form an air-based, open-loop, solar thermal collector. The BIPV/T system generates electricity and collects thermal energy at the same time. By doing this, the energy (thermal plus electricity) generation efficiency and the cost-effectiveness of the system can be increased.

FIGURE 7-12

Module placement with a crane

Credit: CMHC

Industrializing Sustainable Housing—EQuilibrium™ Sustainable Housing Demonstration Initiative Projects (continued)

Constructing such an advanced and innovative assembly on-site would be very challenging. By engineering and building the BIPV/T roof on an assembly line, intricate work could be done in well-controlled conditions as the assembly was progressed to completion. During the construction, the basic structure of the BIPV/T roof was constructed first, the metal roofing with photovoltaic panels attached was then laid on top of the structure and mechanical and electrical components were added. Spray foam insulation was applied to cover the back of the roof sheathing to provide thermal insulation and airtightness *(see Figure 7-13)*. Not only did the industrialized process facilitate the construction of the roof assembly, it also permitted the many different elements and sub-systems to be inspected, tested and adjusted as the assembly went together—activities that can be much more difficult to do on-site.

The ÉcoTerra™ team reported that the prefabrication of the BIPV/T roof in the factory helped to ensure the assembly was properly built. Further, the team was of the view that if the roof system was to be assembled in the factory for many homes, the cost of the system would be reduced given the economies of scale that assembly line operations provide. Prefabrication in a factory setting could also help address any lack of availability of highly skilled tradespeople on individual and dispersed construction sites. It would also help address the risks and uncertainties that builders can experience if they are responsible for overseeing the work of many different specialized trades as they assemble a relatively complex system on site. By ordering a complete PV integrated roof system and having it delivered to the site ready to be connected, much of this risk can be avoided.

Another innovative derivative of Alouette's experience with building ÉcoTerra™ was the development of a highly insulated, pre-manufactured wall panel system. The ÉcoTerra™ wall system offered builders a product that is 38% more energy efficient than standard walls, and 22% more efficient than the Novoclimat[1] standard in Quebec. The wall panels *(see Figure 7-14)* were designed to be manufactured on the assembly line and delivered on site with drywall and ENERGY STAR® windows already installed. The wall panels would also come pre-wired and allow a house to be closed-in in three days.

Avalon Discovery 3 and Laebon CHESS projects

Two other EQuilibrium™ Housing projects also used highly insulated, airtight, pre-manufactured wall systems as a part of their net zero energy, Healthy

FIGURE 7-13

Construction of building-integrated photovoltaic roof with solar thermal heat recovery (BIPV/T)

a) Construction of BIPV/T roof module

b) Ducting manifold installed

c) Spray foam insulation applied

d) BIPV/T roof module lifted into place

Credit: CMHC

[1] See Novoclimat at www.efficaciteenergetique.mrnf.gouv.qc.ca/en/my-home/novoclimat (October 7, 2013).

Industrializing Sustainable Housing—EQuilibrium™ Sustainable Housing Demonstration Initiative Projects (continued)

FIGURE 7-14

Exterior view of ÉcoTerra™ wall system in factory

Credit: CMHC

FIGURE 7-15

SIPs assembly for Avalon Discovery 3 project

Credit: CMHC

Housing™ solutions. The Avalon Discovery 3 *(see Figure 7-15),* located in Red Deer, Alberta, has exterior walls composed of a double layer of pre-fabricated structural insulated panels (SIPs).

SIPs are manufactured through a precise process that produces a solid wall section made of rigid foam insulation sandwiched between two layers of sheathing. Careful engineering and fabrication allow SIPs to be manufactured to different sizes and thicknesses depending on the needs of any given project.

For Avalon Discovery 3, the inside layer is a standard 165 mm (6.5 in) thick SIP wall with an insulating value of RSI-7.7 (R-44). The exterior 102 mm (4 in) SIP wall layer has an insulating value of RSI-4.9 (R-28). The double-layer SIP wall achieves an exceptional RSI-12.7 (R-72) insulating value.

The Laebon CHESS project *(see Figure 7-16),* also in Red Deer, employed a single layer SIP system with an insulating value of RSI-7.7 (R-44) as the base structural and insulating system for the house to which another layer of exterior insulation was added on site.

For more information about these and other EQuilibrium™ housing projects, visit the CMHC website at www.cmhc.ca/en/inpr/su/eqho/.

FIGURE 7-16

SIPs assembly for the Laebon CHESS project

Credit: CMHC

Reduced waste generation and improved reuse-recycling possibilities

Precision measurement reduces errors and waste. Careful computer-aided design makes full use of framing and panel materials. Wastage on materials is also reduced in a factory setting by enabling a more effective use of inventories; for example, framing materials of different lengths can be systematically stored in a dry place and used as required. Many factory-built homes use advanced framing techniques and are designed to use smaller cuts of lumber that would be considered waste in the construction of a typical stick-built home. The more secure factory environment also reduces loss resulting from theft of materials. By reducing waste and promoting reuse and recycling, factory-built housing can reduce the environmental impacts associated with landfilling of construction wastes and the resource consumption associated with house construction.

Easy to disassemble and reconfigure

Due to the fact that modules are designed and constructed to be assembled into complete buildings on site, they are also easy to disassemble if need be. This enables reconfiguration of the modules to meet the changing needs of the occupants or the use of the modules to create a new dwelling on the same or another site. An example of this was the pre-planned initiative of the Province of British Columbia and the Vancouver Organizing Committee for the 2010 Olympic Games and Paralympic Games. Under this initiative, temporary modular housing units from the Olympic and Paralympic Village, in Whistler, British Columbia, were reconfigured to convert them into 156 permanent, affordable apartments that were relocated to six communities across the province *(see Figure 7-17)*. Ease of adaptability reduces the costs and material needs—and associated environmental impacts and resource consumption —that would otherwise be needed for new or renovated housing projects.

Labour cost advantages and bulk buying power

Automated processes complement the labour force, including skilled trades people, who produce factory-built housing. This both lowers overall labour costs and helps to address the problem of skilled labour shortages which can occur at the peak of the construction cycle. Factories may also offer more secure, stable, comfortable and less seasonal employment. Lower employee turnover can reduce training costs through retention of experienced people. This would also potentially improve quality and reduce costs associated with call-backs. Costs of production may also be lowered through the power of bulk buying. The development and retention of a skilled labour force also makes it possible and more cost-effective for a factory to deliver highly sustainable housing. The learning curves associated with the adoption of innovative technologies and practices can be quickly overcome given the quality control, repetition of tasks and the scale of operations within an industrialized environment.

FIGURE 7-17

The Village, Chilliwack, British Columbia

Modular housing units that once accommodated athletes in Whistler during Vancouver's 2010 Winter Olympics are providing permanent affordable housing for vulnerable adults and youth in Chilliwack, British Columbia. Seventy-two of the legacy housing modular units were transported from Whistler to Chilliwack and converted into 33 affordable housing units.

Credit: CMHC

In-house design and development

Many factory-built housing manufacturers have some product design and development capacity. This provides an opportunity to optimize and improve designs based on feedback from workers on the factory floor. It also helps ensure workers can be fully aware of design objectives and what is expected of them. In-house engineering

capacity can help factory-built housing providers to overcome knowledge gaps and reduce the risks associated with the adoption of sustainable technologies and practices. By engineering, building, and perfecting high performance products such as highly insulated, airtight, wall and roof assemblies or integrated solar photovoltaic roof assemblies, factory-built housing providers can also reduce the risks that builders might otherwise take to custom build such products themselves.

Challenges and barriers for factory-built housing

Some factors may limit the potential for the factory-built housing sector. For example, the large capital costs, and high fixed costs compared to site-built housing mean that high volumes of production must be achieved to ensure viability. The cyclical nature of the residential construction sector also makes factory producers vulnerable, since it is important to keep machines operating and the permanent workforce busy to cover costs. By contrast, site building requires only limited capital investment, and site builders can contract skilled labour as needed.

With regard to cost, while there are real sources of savings in factory production of housing, these may be offset to some extent by the fact that manufactured and modular housing units typically require more framing to withstand the additional forces to which they are subject during transportation and installation of the units (but panelized products typically are not subject to the same transportation and installation loading constraints).

In addition, transportation costs can be high and limit the geographical area that can be served. Transportation hurdles related to narrow roads, low bridges or overhead power-lines, rolling or flat terrain and roads with load restrictions may also place limits on where manufactured and modular housing sites may be located relative to the factory. However, properly crated or packaged panelized building products (such as roof trusses and wall panels) have overcome these transportation barriers or limitations and are often incorporated in traditional site-built projects as well as pre-manufactured housing.

While manufactured homes may be towed on wheels attached to the metal chassis, modules are transported by flatbed truck. Provincial regulations, safety considerations, the characteristics of access roads and economics determine the limits of the height, width and length of homes or modules that can be transported. The practicalities of the move must be investigated before undertaking a project. Most manufacturers contract out the transportation.

Regulations in most provinces limit width to 4.9 m (16 ft). Height is limited mostly by the vertical clearance of highway overpasses which may be as low as 4.3 m (14 ft) on some secondary highways. This challenge has been addressed by modular builders through the use of hinged roof assemblies that are used to lower the height of the roof of the module during transportation.

Transportation costs depend on the distance, the terrain and the permits required. Modular housing manufacturers generally market within a 500 km (311 miles) radius of the factory. The cost for long distances could be as high as about $20,000 depending on the number and size of modules and the permits required. Transportation challenges give an advantage to panelized systems of production since wall, roof, and floor panels can be easily accommodated using smaller flatbed trucks and shipping containers, and transported across the country by truck, rail and, in some instances, by ship. The cost of escort vehicles and special permits is also eliminated.

How large is the factory-built housing sector?

Based on available data, the section below examines trends in the size and composition of the factory-built housing sector in Canada *(see text box The factory-built housing industry).*

The factory-built housing industry

Facilities engaged in factory-built housing production are included in one of two North American Industrial Classification System (NAICS) categories, and industry data are collected and presented on this basis by Statistics Canada and Industry Canada:

- **Manufactured (Mobile) Home Manufacturing[1] (NAICS 321991)**
  This includes all manufactured homes as the term is used in this chapter, but also includes any other buildings on a chassis equipped with wheels and designed to be connected to sewage and water utilities. This also covers classroom buildings, portables, construction site buildings and mobile buildings for commercial use. It does not include motor homes or travel trailers.
- **Prefabricated Wood Building Manufacturing[1] (NAICS 321992)**
  This includes manufacturing modular and pre-cut wood frame houses, cottages, cabins, log homes and other buildings, as well as establishments producing wood panels.

Clayton Research estimated that, as of 2004, 70% of the output of these two classes was residential, and the other 30% non-residential.

Altogether, as of 2011, counting only employer establishments,[2] there were 44 companies in manufactured (mobile) home manufacturing (NAICS 321991) and 171 companies in prefabricated wood building manufacturing (NAICS 321992) for a total of 215 companies.

[1] Canadian and United States industries are comparable.

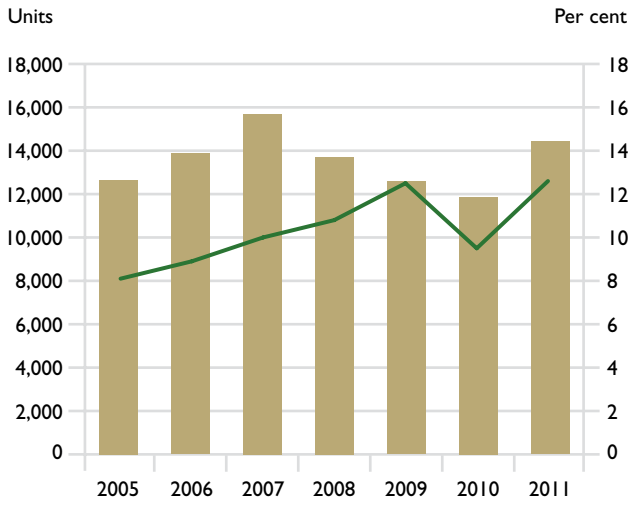
[2] Source of this data (and an explanation of the difference between employer establishments and non-employer/indeterminate establishments): Canadian Industry Statistics, www.ic.gc.ca/cis-sic/cis-sic.nsf/IDE/cis-sic321991etbe.html and www.ic.gc.ca/cis-sic/cis-sic.nsf/IDE/cis-sic321992defe.html (July 4, 2013).

In 2011, one in eight single-detached starts were factory built

According to the Canadian Manufactured Housing Institute (CMHI), 14,427 factory-built single-detached homes were started in 2011[12] *(see Figure 7-18),* about 20% higher than the previous year. They accounted for 12.5% of all single-detached starts.[13] Despite a dip in 2010, the proportion of factory-built, single-detached starts has been in a fairly continuous upward trend since 2004, when it was only 7.3% of total single-detached starts. In spite of this rising trend, the share has not yet returned to its peak of about 15% in the early 1970s.

FIGURE 7-18

Annual building residential starts,[1] Canada, 2005-2011



[1] "Starts" is Canadian residential manufactured building production, less exports, plus imports.

Source: Altus Group Economic Consulting, based on data from Statistics Canada and CMHC

[12] The number of factory-built, single-detached housing starts is estimated by taking the total Canadian factory-built production, subtracting exports, and adding imports.

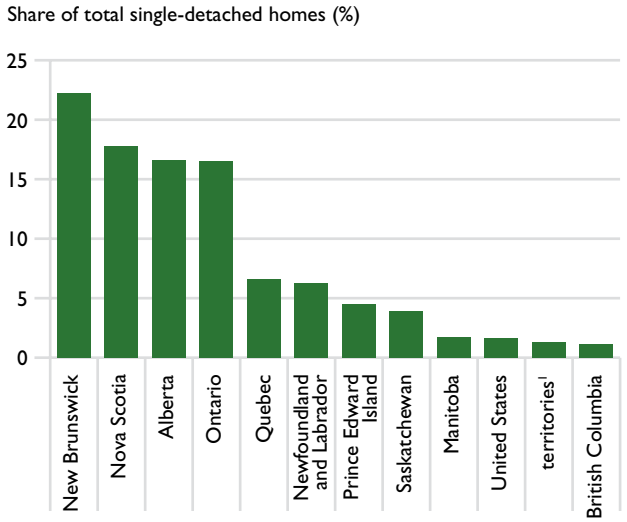
[13] Single-detached starts in this section include single, semi and row units.

About 73% of factory-built, single-detached homes were shipped to four provinces (New Brunswick, Nova Scotia, Alberta and Ontario) in 2011 *(see Figure 7-19)*.

No estimate of factory-built, multi-family units is available. Analysing data for 2004, Clayton Research estimated that the number of factory-built, multi-family starts in that year was about one-eighth as high as starts of single-detached units.[14]

FIGURE 7-19

Distribution of factory-built, single-detached homes by destination, 2011



[1] Includes Yukon, Northwest Territories and Nunavut.

Source: *CMHI Manufactured Building Survey 2011*

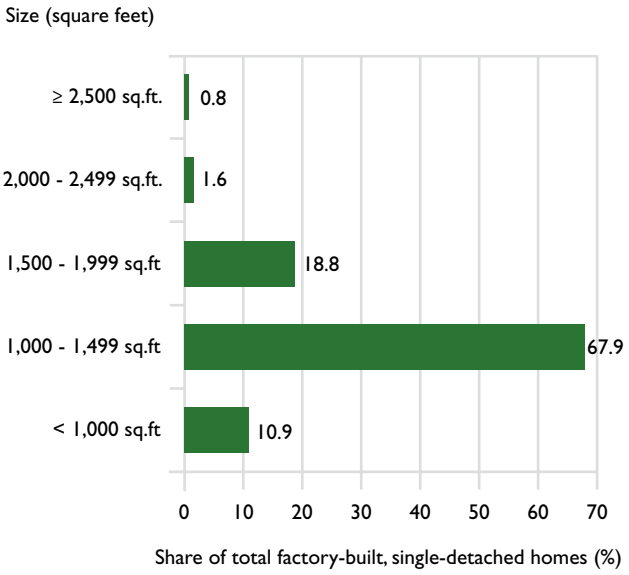
Average size of factory-built, single-detached homes started in 2011 was 117.3 m² (1,263 ft²)

Based on a 14% sample of all CSA-certified factory home producers in 2011, the average size of single-detached homes was 117.3 m² (1,263 ft²). This is smaller than the average of 176.5 m² (1,900 ft²) for single-detached starts in general,[15] reflecting in part the popularity of compact manufactured homes among empty nesters and seniors. Smaller houses also have less of an environmental footprint than larger houses as the former require fewer natural resources to build, finish, furnish, operate and maintain and emit less pollutants to land, air and water over their lifecycle.

Factory-produced units in multiple dwellings averaged 102.8 m² (1,107 ft²). The size of single-detached homes produced in factories has declined gradually since 2008, when it was 128 m² (1,378 ft²) (an overall decrease of 8.4%). In 2011, 68% of factory-built, single-detached homes were between 93 and 139.4 m² (1,000 and 1,500 ft²) *(see Figure 7-20)*.

FIGURE 7-20

Distribution of factory-built, single-detached homes by size, 2011



Source: CMHI *Manufactured Building Survey 2011*

[14] Profile and Prospects of the Factory-Built Housing Industry in Canada, (Toronto: Clayton Research for Canada Mortgage and Housing Corporation, 2006). www.cmhi.ca/sites/default/files/pdf/Factory-Built_Housing_Study_Final_Report.pdf (May 31, 2013).

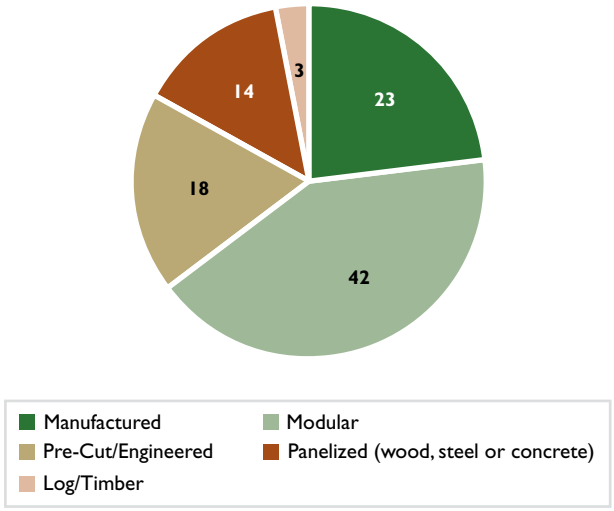
[15] Pulse Survey (Ottawa: Canadian Home Builders Association, Winter 2012). www.chba.ca/uploads/pulse%20survey%20results/main%20report2012.pdf (May 31, 2013).

Modular housing accounts for the largest share of factory-built output

The most recent statistical breakdown of factory-built housing starts into different types is from the 2006 Clayton Research study using data from 2004. The study found that 42% of factory-built, single-detached starts were of modular construction, almost twice the proportion (23%) for manufactured homes *(see Figure 7-21)*. Pre-cut/engineered housing accounted for 18% and panelized (wood-based, steel or concrete) for 14%.

FIGURE 7-21

Factory-built, single-detached starts by type, 2004 (%)



Source: Clayton Research based on data from Statistics Canada and CMHC

Industry shipments

Total manufacturing shipments of the industry engaged primarily in producing factory-built housing totalled $1.2 billion in 2010 *(see Figure 7-22)*. This compares to total residential construction investment of $113.5 billion, and was down from a high of $1.5 billion in 2007. Employment totalled 7,431 in 2010, compared to a high of 8,700 in 2008.

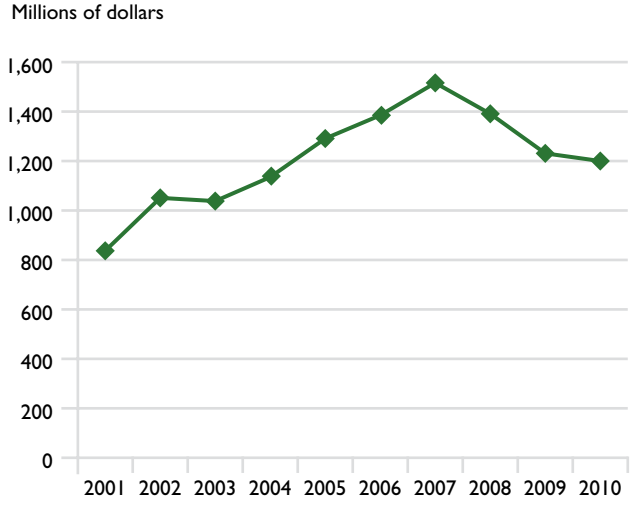
Certifications of Canadian factories to produce manufactured and modular housing

As of 2012, 96 factories in Canada were certified under CSA A277, the procedure for factory certification of buildings *(see Figure 7-23)*. Fifty-five of these were in the Prairie provinces, including 35 in Alberta. Quebec had the second largest number of certifications at 16, followed by British Columbia at 14 and Saskatchewan at 13. The industry has seen considerable growth in the number of certified Canadian factories with 37 added since 2001, of which 21 were added since 2006. All of the growth has been in the Prairie provinces and British Columbia.

The number of United States factories certified to CSA A277 grew to 26 in 2012, from 5 in 2006, consistent with the large increase in imports in the sector. One factory in China was certified.

FIGURE 7-22

Value of shipments of factory-built housing, 2001-2010



Source: Adapted from Statistics Canada's *Annual Survey of Manufactures and Logging for industry codes NAICS 321991 - Manufactured (Mobile) Home Manufacturing and NAICS 321992 - Prefabricated Wood Building Manufacturing*

FIGURE 7-23

Number of factories certified under CSA A277, the Procedure for the Factory Certification of Buildings, selected provinces, Canada, China and United States, 2001, 2006 and 2012

Certified building factories			
Region	**2001**	**2006**	**2012**
British Columbia	7	8	14
Alberta	16	28	35
Saskatchewan	4	6	13
Manitoba	3	3	7
Ontario	6	6	6
Quebec	17	18	16
New Brunswick	5	5	5
Newfoundland and Labrador	1	1	-
Canada	**59**	**75**	**96**
China	-	-	1
United States	1	5	26
Total	**60**	**80**	**123**

Source: Adapted from Canadian Manufactured Housing Institute (CMHI), CSA-International, Intertek Testing Services and Quality Auditing Institute.

Manufactured modular housing can provide a flexible, affordable and energy-efficient housing option

Manufactured modular housing has been used to create flexible, affordable and energy-efficient housing to meet local needs, supported by federal and provincial stimulus funding under Canada's Economic Action Plan.

For example, Baker Gardens in Cranbrook which opened in 2011, is the largest modular housing development in British Columbia for independent living by low-income seniors and people with disabilities. It has an EnerGuide[16] rating of 80.

For more information on Baker Gardens and other affordable housing projects see www.cmhc.ca/en/inpr/afhoce/afhoce/vi/.

[16] See Energuide at oee.nrcan.gc.ca/residential/new-homes/upgrade-packages/4998 (October 7, 2013).

APPENDIX

Key Housing and Housing Finance Statistics

List of Tables

List of Tables

TABLE 1

Housing Market Indicators, Canada, 2003-2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Construction										
Starts, total	218,426	233,431	225,481	227,395	228,343	211,056	149,081	189,930	193,950	214,827
Single-detached	123,227	129,171	120,463	121,313	118,917	93,202	75,659	92,554	82,392	83,657
Multiple	95,199	104,260	105,018	106,082	109,426	117,854	73,422	97,376	111,558	131,170
Semi-detached	13,644	14,297	13,477	14,358	14,432	12,651	11,114	13,006	12,570	14,285
Row	20,343	22,067	22,134	20,963	23,281	20,868	13,908	19,857	19,447	20,976
Apartment	61,212	67,896	69,407	70,761	71,713	84,335	48,400	64,513	79,541	95,909
Starts by intended market,[1] total	191,911	204,389	193,471	195,024	193,744	187,368	130,369	166,175	174,351	193,563
Homeownership - freehold	121,890	124,678	114,008	113,743	112,730	94,871	78,617	97,085	91,250	93,521
Rental	19,939	20,343	17,210	18,518	18,605	18,265	16,237	19,735	20,721	21,990
Homeownership - condominium	49,212	58,852	60,251	61,817	61,595	73,574	34,382	48,506	61,605	77,693
Other (co-op and unknown)	870	516	2,002	946	814	658	1,133	849	775	359
Completions, total	199,244	215,621	211,242	215,947	208,889	214,137	176,441	186,855	175,623	180,093
Residential Building Permits[4]	222,545	241,471	238,882	233,233	237,813	205,245	165,257	203,170	199,975	212,228
Residential Building Permits($) (thousands)[4]	28,792	33,026	34,526	36,613	40,735	35,568	29,253	37,720	38,530	42,229
Available Supply										
Newly completed and unabsorbed homes[2]	8,163	10,932	10,115	12,230	11,632	15,340	13,791	15,048	15,600	17,388
Single- and semi-detached	5,070	5,766	5,029	5,786	6,292	8,566	5,515	5,810	6,121	6,657
Row and apartment	3,093	5,166	5,086	6,444	5,340	6,774	8,276	9,238	9,479	10,731
Rental vacancy rate (%)[3]	2.6	2.9	2.8	2.7	2.6	2.3	3.0	2.9	2.5	2.8
Rental availability rate (%)[3]	NA	3.9	4.0	3.7	3.7	3.3	4.2	3.9	3.4	3.7
Housing Costs										
New Housing Price Index (% change)[5]	4.8	5.6	5.0	9.7	7.7	3.4	-2.3	2.2	2.2	2.3
Teranet - National Bank House Price Index (% change)[6]	7.7	7.7	8.2	12.2	9.3	-0.8	5.4	4.0	7.4	3.1
Consumer Price Index (% change)[5]	2.8	1.9	2.2	2.0	2.1	2.4	0.3	1.8	2.9	1.5
Construction materials cost index (% change)[5]	1.3	6.8	0.0	1.1	0.1	1.1	1.3	1.1	0.7	1.9
Construction wage rate index (% change)[5]	2.5	1.4	1.7	4.0	5.0	1.5	3.9	1.6	3.8	4.1
Owned accommodation costs (% change)[5]	3.0	2.8	3.1	4.1	4.9	4.5	1.1	0.6	1.5	1.2
Rental accommodation costs (% change)[5]	1.5	1.0	0.8	1.0	1.5	1.7	1.5	1.2	1.1	1.4
Average rent ($)[3]										
Bachelor	516	523	529	547	563	582	594	607	636	639
One-bedroom	638	646	659	676	699	726	736	756	775	792
Two-bedroom	704	720	732	755	772	804	812	835	856	874
3+ bedroom	788	807	816	853	863	884	888	928	943	963
Demand Influences										
Population on July 1 (thousands)[4]	31,640	31,941	32,245	32,576	32,928	33,318	33,727	34,127	34,484	34,880
Labour force participation rate (%)[4]	67.5	67.5	67.1	67.0	67.4	67.7	67.2	67.0	66.8	66.7
Employment (% change)[5]	2.4	1.7	1.3	1.8	2.4	1.7	-1.6	1.4	1.6	1.2
Unemployment rate (%)[4]	7.6	7.2	6.8	6.3	6.0	6.1	8.3	8.0	7.4	7.2
Real disposable income (% change)[5]	2.2	3.9	2.7	5.9	4.0	4.1	0.9	3.5	1.2	0.9
1-year mortgage rate (%)	4.84	4.59	5.06	6.28	6.90	6.70	4.02	3.49	3.52	3.17
3-year mortgage rate (%)	5.82	5.65	5.59	6.45	7.09	6.87	4.57	4.30	4.28	3.90
5-year mortgage rate (%)	6.39	6.23	5.99	6.66	7.07	7.06	5.63	5.61	5.37	5.27
Net migration[5]	200,443	213,178	216,216	228,666	224,352	252,975	267,671	260,554	226,353	267,160
Housing in GDP ($ millions)[4]										
Rent imputed to owners	94,459	99,112	103,783	109,824	117,266	124,573	130,690	136,332	142,349	149,638
Rent paid by tenants	33,595	34,953	36,203	37,943	40,115	42,287	44,239	46,048	47,902	50,149
Total housing-related spending in GDP[5]	226,960	245,291	260,272	277,480	299,330	309,493	307,471	327,424	342,523	362,476
Total consumption-related spending (including repairs)	155,772	162,790	170,913	179,320	190,461	202,246	207,805	216,184	226,328	236,167
Total residential investment	71,188	82,501	89,359	98,160	108,869	107,247	99,666	111,240	116,195	126,309
New construction (including acquisition costs)	35,198	41,618	43,322	47,082	51,101	50,970	39,782	48,428	49,905	57,747
Alterations and improvements	24,209	27,100	30,271	33,692	37,567	39,182	41,034	42,821	43,848	45,889
Transfer costs	11,781	13,783	15,766	17,386	20,201	17,095	18,850	19,991	22,442	22,673

[1] Housing units in centres 10,000+.
[2] Homeowner and Condominium housing units in centres 50,000+ for which construction has been completed but which have not been rented or sold.
[3] In privately initiated apartment structures with at least 3 units.
[4] Statistics Canada (CANSIM).
[5] CMHC, adapted from Statistics Canada (CANSIM).
[6] Teranet – National Bank House Price Index™.
NA = Not available
Source: CMHC *(Starts and Completions Survey, Market Absorption Survey, Rental Market Survey)*; Bank of Canada (mortgage rates); Statistics Canada (CANSIM and custom tabulation of construction materials cost index); ©Teranet – National Bank House Price Index™, all rights reserved.
For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 2

Residential Building Permits, Canada, Provinces and Metropolitan Areas, 2003–2012 (units)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Canada	**222,545**	**241,471**	**238,882**	**233,233**	**237,813**	**205,245**	**165,257**	**203,170**	**199,975**	**212,228**
Provinces										
Newfoundland and Labrador	2,328	2,644	2,171	2,065	2,525	3,200	3,013	3,165	3,355	3,473
Prince Edward Island	840	1,095	1,070	911	771	723	731	928	953	1,086
Nova Scotia	5,243	5,471	5,239	5,854	5,150	4,216	4,370	5,054	5,070	5,197
New Brunswick	3,930	4,059	4,062	4,089	4,182	4,375	3,939	3,997	3,527	3,771
Quebec	50,544	56,655	52,844	49,109	51,786	52,469	45,340	53,579	53,890	51,262
Ontario	88,477	89,118	84,757	72,418	73,271	70,031	57,653	68,703	65,374	69,884
Manitoba	4,340	4,794	4,730	5,636	6,058	5,912	4,504	6,064	6,084	7,340
Saskatchewan	3,193	3,230	2,915	3,341	5,332	5,890	4,401	5,958	6,701	8,643
Alberta	35,847	38,824	43,160	50,514	47,277	27,779	22,235	26,292	28,590	33,807
British Columbia	27,163	34,898	37,391	38,835	40,932	30,110	18,607	28,984	25,745	27,214
Metropolitan Areas										
St. John's	1,663	1,957	1,477	1,419	1,731	2,019	1,973	1,895	2,034	1,979
Halifax	3,125	3,151	2,664	3,316	2,841	1,923	2,199	2,803	3,054	3,001
Moncton	NA	NA	NA	1,437	1,493	1,274	1,060	1,384	1,322	1,368
Saint John	619	640	615	734	828	979	873	667	535	448
Saguenay	435	507	493	623	784	1,029	675	933	1,013	1,518
Québec	5,830	6,064	6,192	4,864	6,114	5,877	6,595	7,324	5,950	6,958
Sherbrooke	1,246	1,398	1,066	1,669	1,333	1,729	1,762	1,709	1,762	1,748
Trois-Rivières	732	815	996	1,034	1,248	1,115	1,120	1,768	1,161	1,060
Montréal	26,490	30,780	27,365	24,392	24,695	24,452	19,278	22,905	26,003	22,722
Gatineau	3,297	3,028	2,148	3,330	3,374	2,980	2,585	3,162	3,092	2,958
Ottawa	6,915	7,507	5,174	5,222	6,956	7,102	6,732	7,094	6,488	6,628
Kingston	1,134	1,021	912	790	865	686	933	763	894	845
Peterborough	NA	NA	NA	466	675	464	428	395	370	402
Oshawa	3,940	2,815	3,019	2,924	2,235	2,059	1,104	1,949	2,160	1,692
Toronto	44,770	42,992	43,642	34,438	35,627	33,318	28,269	32,982	32,709	38,002
Hamilton	3,309	4,063	3,469	3,300	3,283	3,595	2,100	3,456	3,137	3,205
St. Catharines-Niagara	1,523	1,832	1,443	1,451	1,183	1,276	978	1,252	1,250	1,362
Kitchener-Cambridge-Waterloo	4,411	4,037	3,741	2,994	2,837	2,743	2,790	3,952	3,396	2,280
Brantford	NA	NA	NA	688	678	573	396	552	485	455
Guelph	NA	NA	NA	922	1,078	963	831	1,019	648	839
London	2,805	3,353	3,302	4,073	2,901	3,133	1,981	2,322	1,615	2,243
Windsor	2,404	2,285	1,491	1,037	644	460	395	671	695	718
Barrie	NA	NA	NA	1,309	1,262	1,409	394	758	696	694
Greater Sudbury/Grand Sudbury	327	355	430	491	625	582	1,069	445	658	488
Thunder Bay	316	274	288	248	223	241	237	308	443	338
Winnipeg	2,733	2,938	2,723	3,729	3,849	3,457	2,370	3,898	3,909	4,616
Regina	990	1,012	1,073	1,104	1,185	1,459	1,190	1,121	1,926	2,865
Saskatoon	1,677	1,529	1,139	1,502	2,624	2,181	1,856	3,079	3,181	3,760
Calgary	13,783	14,676	15,664	18,784	15,225	8,365	7,529	8,682	11,605	12,819
Edmonton	12,137	12,873	14,676	14,550	15,016	7,299	7,789	10,166	10,410	12,783
Kelowna	NA	NA	NA	2,238	2,951	1,935	833	1,258	673	783
Abbotsford-Mission	921	1,002	1,113	1,210	1,107	1,193	435	553	535	482
Vancouver	15,070	20,973	20,017	21,095	22,803	14,781	10,028	17,814	17,384	18,645
Victoria	2,283	2,277	2,305	2,624	2,947	2,141	1,599	1,973	1,660	2,076

NA = Not available
Source: Statistics Canada (CANSIM)
For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 3

Residential Building Permits, Canada, Provinces and Metropolitan Areas, 2003–2012 ($) (thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Canada	**28,792**	**33,026**	**34,526**	**36,613**	**40,735**	**35,568**	**29,253**	**37,720**	**38,530**	**42,229**
Provinces										
Newfoundland and Labrador	297	360	330	326	423	579	580	705	723	760
Prince Edward Island	89	137	132	126	114	118	115	145	132	172
Nova Scotia	669	757	783	863	844	789	807	956	922	972
New Brunswick	410	482	480	493	560	590	575	571	543	552
Quebec	6,507	7,971	7,886	7,779	8,416	8,912	8,407	9,846	10,175	10,196
Ontario	13,114	13,971	13,498	12,802	14,003	12,823	10,801	13,641	14,040	15,334
Manitoba	526	676	695	829	966	1,103	941	1,164	1,164	1,442
Saskatchewan	350	402	396	493	865	1,103	803	1,145	1,431	1,823
Alberta	4,241	4,864	6,047	8,140	9,010	6,175	5,446	6,663	7,010	8,287
British Columbia	4,514	5,869	6,971	7,621	8,612	6,899	4,491	6,706	6,113	6,712
Metropolitan Areas										
St. John's	214	266	227	221	291	385	386	466	483	467
Halifax	398	434	391	463	439	379	386	504	521	541
Moncton	NA	NA	NA	138	153	135	128	156	165	159
Saint John	71	81	87	97	122	139	139	105	88	81
Saguenay	62	77	85	92	132	157	146	163	204	258
Québec	661	752	824	693	862	901	1,091	1,182	1,096	1,164
Sherbrooke	144	168	150	214	216	252	265	265	276	282
Trois-Rivières	101	113	136	136	175	164	175	264	221	204
Montréal	3,453	4,357	4,095	3,955	4,062	4,252	3,728	4,482	4,958	4,787
Gatineau	391	409	313	424	454	410	364	433	430	467
Ottawa	948	1,060	797	782	1,047	1,018	955	1,033	927	934
Kingston	111	113	103	102	114	96	129	115	134	125
Peterborough	NA	NA	NA	68	101	90	80	74	81	81
Oshawa	687	502	598	563	504	456	337	530	629	522
Toronto	7,418	7,651	7,496	7,121	8,106	7,113	6,155	7,671	8,461	9,795
Hamilton	466	602	562	548	578	632	387	759	673	762
St. Catharines-Niagara	221	288	242	261	225	231	184	241	239	277
Kitchener-Cambridge-Waterloo	575	546	537	440	425	462	521	691	676	481
Brantford	NA	NA	NA	80	86	66	43	68	64	67
Guelph	NA	NA	NA	126	148	126	123	166	112	131
London	366	476	482	610	510	507	391	501	448	591
Windsor	371	367	262	206	139	104	99	146	171	206
Barrie	NA	NA	NA	266	266	315	97	168	170	167
Greater Sudbury/Grand Sudbury	44	47	59	79	117	110	160	81	128	87
Thunder Bay	38	42	41	35	34	36	41	56	68	64
Winnipeg	320	407	401	529	595	664	539	734	731	930
Regina	109	127	127	165	192	259	209	252	346	535
Saskatoon	157	167	152	189	372	362	277	491	700	830
Calgary	1,811	1,962	2,329	2,988	3,155	1,976	1,874	2,219	2,724	3,269
Edmonton	1,208	1,375	1,909	2,435	2,746	1,713	2,095	2,741	2,640	3,109
Kelowna	NA	NA	NA	426	622	439	202	303	179	210
Abbotsford-Mission	113	133	149	151	180	165	72	87	83	80
Vancouver	2,752	3,613	3,969	4,243	4,761	3,382	2,426	4,089	4,011	4,589
Victoria	333	401	434	551	668	556	395	490	420	443

NA = Not available

Source: Statistics Canada (CANSIM)

For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 4

Total Housing Starts, Canada, Provinces and Metropolitan Areas, 2003–2012 (units)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Canada	**218,426**	**233,431**	**225,481**	**227,395**	**228,343**	**211,056**	**149,081**	**189,930**	**193,950**	**214,827**
Provinces										
Newfoundland and Labrador	2,692	2,870	2,498	2,234	2,649	3,261	3,057	3,606	3,488	3,885
Prince Edward Island	814	919	862	738	750	712	877	756	940	941
Nova Scotia	5,096	4,717	4,775	4,896	4,750	3,982	3,438	4,309	4,644	4,522
New Brunswick	4,489	3,947	3,959	4,085	4,242	4,274	3,521	4,101	3,452	3,299
Quebec	50,289	58,448	50,910	47,877	48,553	47,901	43,403	51,363	48,387	47,367
Ontario	85,180	85,114	78,795	73,417	68,123	75,076	50,370	60,433	67,821	76,742
Manitoba	4,206	4,440	4,731	5,028	5,738	5,537	4,174	5,888	6,083	7,242
Saskatchewan	3,315	3,781	3,437	3,715	6,007	6,828	3,866	5,907	7,031	9,968
Alberta	36,171	36,270	40,847	48,962	48,336	29,164	20,298	27,088	25,704	33,396
British Columbia	26,174	32,925	34,667	36,443	39,195	34,321	16,077	26,479	26,400	27,465
Metropolitan Areas										
St. John's	1,604	1,834	1,534	1,275	1,480	1,863	1,703	1,816	1,923	2,153
Halifax	3,066	2,627	2,451	2,511	2,489	2,096	1,733	2,390	2,954	2,754
Moncton	1,435	1,151	1,191	1,416	1,425	1,359	973	1,400	1,194	1,297
Saint John	580	516	501	565	687	832	659	653	361	355
Saguenay	435	347	464	485	685	869	584	783	859	1,117
Québec	5,599	6,186	5,835	5,176	5,284	5,457	5,513	6,652	5,445	6,416
Sherbrooke	1,070	1,355	1,076	1,305	1,318	1,627	1,580	1,656	1,575	1,741
Trois-Rivières	635	874	919	1,017	1,197	1,148	1,027	1,691	1,114	1,021
Montréal	24,321	28,673	25,317	22,813	23,233	21,927	19,251	22,001	22,719	20,591
Gatineau	2,801	3,227	2,123	2,933	2,788	3,304	3,116	2,687	2,420	2,759
Ottawa	6,381	7,243	4,982	5,875	6,506	6,998	5,814	6,446	5,794	6,026
Kingston	1,131	872	683	968	880	672	717	653	959	896
Peterborough	547	514	619	437	540	428	371	404	351	343
Oshawa	3,907	3,153	2,934	2,995	2,389	1,987	980	1,888	1,859	1,803
Toronto	45,475	42,115	41,596	37,080	33,293	42,212	25,949	29,195	39,745	48,105
Hamilton	3,260	4,093	3,145	3,043	3,004	3,529	1,860	3,562	2,462	2,969
St. Catharines-Niagara	1,444	1,781	1,412	1,294	1,149	1,138	859	1,086	1,110	1,137
Kitchener-Cambridge-Waterloo	3,955	3,912	3,763	2,599	2,740	2,634	2,298	2,815	2,954	2,900
Brantford	458	482	534	409	589	432	317	504	428	402
Guelph	994	1,420	951	864	941	1,087	567	1,021	764	731
London	3,027	3,078	3,067	3,674	3,141	2,385	2,168	2,079	1,748	2,240
Windsor	2,237	2,287	1,496	1,045	614	453	391	617	719	717
Barrie	2,368	2,435	1,484	1,169	980	1,416	427	682	700	782
Greater Sudbury/Grand Sudbury	306	388	400	477	587	543	450	575	595	536
Thunder Bay	211	287	227	165	249	167	180	222	374	380
Winnipeg	2,430	2,489	2,586	2,777	3,371	3,009	2,033	3,244	3,331	4,065
Regina	889	1,242	888	986	1,398	1,375	930	1,347	1,694	3,093
Saskatoon	1,455	1,578	1,062	1,496	2,380	2,319	1,428	2,381	2,994	3,753
Calgary	13,642	14,008	13,667	17,046	13,505	11,438	6,318	9,262	9,292	12,841
Edmonton	12,380	11,488	13,294	14,970	14,888	6,615	6,317	9,959	9,332	12,837
Kelowna	2,137	2,224	2,755	2,692	2,805	2,257	657	957	934	836
Abbotsford-Mission	1,056	1,083	1,012	1,207	1,088	1,285	365	516	537	371
Vancouver	15,626	19,430	18,914	18,705	20,736	19,591	8,339	15,217	17,867	19,027
Victoria	2,008	2,363	2,058	2,739	2,579	1,905	1,034	2,118	1,642	1,700

Source: CMHC *(Starts and Completions Survey)*

For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 5

MLS® Total Residential Sales, Canada, Provinces and Metropolitan Areas, 2003–2012 (units)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Canada	**434,526**	**459,914**	**484,855**	**484,612**	**522,523**	**433,151**	**466,235**	**447,982**	**459,835**	**454,463**
Provinces										
Newfoundland and Labrador	3,238	3,265	3,211	3,537	4,471	4,695	4,416	4,236	4,480	4,650
Prince Edward Island	1,404	1,500	1,449	1,492	1,769	1,413	1,404	1,487	1,521	1,614
Nova Scotia	9,221	8,887	10,948	10,697	11,857	10,869	10,021	10,036	10,312	10,437
New Brunswick	5,489	5,979	6,836	7,125	8,161	7,555	7,003	6,702	6,599	6,403
Quebec	66,370	68,268	70,385	71,619	80,647	76,752	79,107	80,027	77,167	77,381
Ontario	184,610	197,481	198,326	196,405	214,843	182,349	197,011	196,662	201,761	197,620
Manitoba	11,523	12,098	12,761	13,018	13,928	13,525	13,086	13,164	13,944	14,008
Saskatchewan	7,898	8,440	8,653	9,531	12,540	10,538	11,095	10,872	13,131	13,886
Alberta	51,197	57,216	65,531	73,970	70,954	56,045	57,543	49,723	53,756	60,369
British Columbia	93,095	96,385	106,310	96,671	102,805	68,923	85,028	74,640	76,721	67,637
Metropolitan Areas										
St. John's	3,238	3,265	3,211	3,537	4,471	4,695	4,416	4,236	4,480	4,650
Halifax	5,813	5,516	6,698	6,462	7,261	6,472	6,062	5,944	6,119	6,239
Moncton	1,861	2,028	2,341	2,561	2,849	2,663	2,386	2,402	2,467	2,259
Saint John	1,636	1,612	1,901	1,852	2,253	2,166	1,986	1,751	1,572	1,610
Saguenay	1,350	1,396	1,601	1,645	1,651	1,537	1,502	1,514	1,404	1,450
Québec	6,858	6,811	7,554	7,538	8,002	7,873	7,994	7,100	7,241	7,219
Sherbrooke	1,911	1,938	1,976	1,892	2,011	1,855	1,890	1,838	1,883	1,784
Trois-Rivières	927	971	906	1,021	1,046	1,021	1,049	958	991	1,026
Montréal	37,523	38,319	39,111	39,141	43,666	40,440	41,753	42,298	40,355	40,091
Gatineau	4,186	4,158	4,165	4,339	4,647	4,229	4,379	4,285	3,913	3,865
Ottawa	12,877	13,457	13,300	14,003	14,739	13,908	14,923	14,586	14,551	14,497
Kingston	3,651	3,764	3,464	3,517	3,725	3,473	3,377	3,209	3,179	3,321
Peterborough	2,851	2,980	2,847	2,714	2,880	2,506	2,458	2,537	2,507	2,553
Oshawa	9,025	9,816	9,232	9,354	10,217	8,797	9,328	9,479	9,604	10,288
Toronto	79,366	84,854	85,672	84,842	95,164	76,387	89,255	88,214	91,760	88,157
Hamilton	12,807	13,176	13,565	13,059	13,866	12,110	12,680	12,934	13,932	13,035
St. Catharines-Niagara	6,174	6,722	6,698	6,410	6,668	5,896	5,808	6,024	5,798	5,554
Kitchener-Cambridge-Waterloo	5,443	6,059	6,306	6,166	6,988	6,205	6,477	6,553	6,641	6,314
Brantford	1,986	2,281	2,204	2,139	2,305	2,097	1,884	2,086	1,971	1,983
Guelph	2,768	2,918	2,932	2,859	3,088	2,794	2,878	2,834	2,982	2,929
London	8,412	9,238	9,133	9,234	9,686	8,620	8,314	8,389	8,272	8,272
Windsor	5,381	5,832	5,661	5,047	4,987	4,546	4,661	4,893	4,946	5,082
Barrie	4,311	4,657	4,675	4,397	5,017	4,058	4,326	4,105	4,228	4,576
Greater Sudbury/Grand Sudbury	2,191	2,500	2,726	2,762	2,754	2,396	1,977	2,244	2,507	2,478
Thunder Bay	1,662	1,447	1,358	1,750	1,902	1,973	2,041	2,146	2,076	2,056
Winnipeg	10,201	10,797	11,415	11,594	12,319	11,854	11,509	11,572	12,297	12,094
Regina	2,640	2,785	2,730	2,953	3,957	3,338	3,704	3,581	3,899	3,952
Saskatoon	2,848	2,999	3,246	3,430	4,446	3,540	3,834	3,574	5,183	5,398
Calgary	24,359	26,511	31,569	33,027	32,176	23,136	24,880	20,996	22,466	26,634
Edmonton	16,277	17,652	18,634	21,984	20,427	17,369	19,139	16,403	16,963	17,641
Kelowna	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Abbotsford-Mission	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Vancouver	39,022	37,972	42,222	36,479	38,978	25,149	36,257	31,144	32,936	25,445
Victoria	7,581	7,685	7,970	7,500	8,403	6,171	7,660	6,169	5,773	5,460

The geographic definitions used by CREA differ from those used by Statistics Canada.

NA = Not available

Sources: Canadian Real Estate Association (CREA) (MLS®). MLS® is a registered trademark of the Canadian Real Estate Association. Quebec Federation of Real Estate Boards (QFREB) by the Centris® System The Centris® System contains all the listings of Quebec real estate brokers.

For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 6

MLS® Average Residential Price, Canada, Provinces and Metropolitan Areas, 2003–2012 (dollars)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Canada	**207,321**	**226,576**	**249,024**	**276,901**	**306,724**	**304,551**	**319,990**	**338,698**	**362,304**	**363,399**
Provinces										
Newfoundland and Labrador	119,822	131,499	141,167	139,542	149,258	178,477	206,374	235,341	251,581	268,776
Prince Edward Island	101,745	110,815	117,238	125,430	133,457	139,944	146,044	147,196	149,617	152,250
Nova Scotia	136,292	146,033	159,221	168,614	180,989	189,932	196,690	206,186	212,512	220,413
New Brunswick	105,858	112,933	120,641	126,864	136,603	145,762	154,906	157,240	160,545	161,116
Quebec	146,514	165,778	179,473	191,063	204,586	214,844	224,550	242,259	254,204	264,110
Ontario	226,854	245,277	262,450	277,589	298,707	301,375	317,490	341,425	365,018	384,455
Manitoba	106,788	119,245	133,854	150,229	169,189	190,296	201,343	222,132	234,604	246,318
Saskatchewan	104,925	110,856	122,990	132,340	174,121	223,931	232,882	242,258	259,461	275,490
Alberta	183,027	195,092	218,718	286,149	357,483	353,748	341,818	352,301	353,394	363,208
British Columbia	259,968	289,107	332,224	390,963	439,119	454,599	465,725	505,178	561,304	514,836
Metropolitan Areas										
St. John's	119,822	131,499	141,167	139,542	149,258	178,477	206,374	235,341	251,581	268,776
Halifax	162,486	175,132	189,196	203,178	216,339	232,106	239,158	253,610	260,950	270,742
Moncton	104,577	113,096	124,088	128,547	140,032	143,173	150,135	152,251	158,561	158,107
Saint John	106,473	116,836	119,718	128,202	140,544	158,117	171,027	171,104	170,354	168,048
Saguenay	91,433	95,489	105,001	114,381	129,714	143,238	151,701	167,091	177,406	185,623
Québec	125,829	139,423	152,176	161,973	180,219	196,433	211,022	235,722	245,470	257,942
Sherbrooke	122,875	142,226	162,028	166,571	183,328	186,896	192,474	203,536	214,358	216,662
Trois-Rivières	89,615	100,413	111,356	115,822	131,495	137,682	141,270	150,611	156,197	154,558
Montréal	179,101	203,924	218,515	231,902	247,827	258,553	270,562	293,011	308,856	321,075
Gatineau	136,735	153,163	164,001	172,720	184,031	192,466	204,294	216,765	231,748	238,807
Ottawa	219,713	238,152	248,358	257,481	273,058	290,483	304,801	328,439	344,791	352,610
Kingston	159,694	175,821	195,757	212,157	222,300	235,047	242,729	249,509	261,968	270,275
Peterborough	169,326	188,624	206,270	213,469	231,596	230,656	236,637	249,763	254,605	264,946
Oshawa	219,341	237,084	252,606	258,362	265,620	272,429	278,505	299,983	314,450	333,201
Toronto	293,308	315,266	336,176	352,388	377,029	379,943	396,154	432,264	466,352	498,973
Hamilton	197,744	215,922	229,753	248,754	268,857	280,790	290,946	311,683	333,498	360,059
St. Catharines-Niagara	154,559	170,452	182,443	194,671	202,314	203,647	209,563	217,938	223,066	232,050
Kitchener-Cambridge-Waterloo	191,228	207,993	222,412	238,092	252,153	268,945	267,169	291,182	301,841	312,419
Brantford	154,805	166,885	182,470	198,716	209,151	218,890	220,369	229,678	237,283	245,436
Guelph	196,844	215,511	236,140	245,676	262,186	267,329	265,799	295,207	305,100	325,553
London	153,637	167,344	178,910	190,521	202,908	212,092	214,510	228,114	233,731	241,160
Windsor	151,524	159,597	163,001	164,123	163,215	159,709	153,691	159,347	166,008	172,047
Barrie	197,843	215,275	232,045	244,394	258,999	264,034	263,959	281,966	287,588	299,685
Greater Sudbury/Grand Sudbury	117,359	122,866	133,938	150,434	182,536	211,614	200,947	221,699	229,485	240,312
Thunder Bay	111,927	112,404	121,183	122,064	123,237	132,470	138,090	144,034	164,393	182,447
Winnipeg	108,812	121,925	137,063	154,607	174,203	196,940	207,341	228,706	241,408	255,058
Regina	104,419	111,869	123,600	131,851	165,613	229,716	244,088	258,023	277,473	301,145
Saskatoon	125,191	132,549	144,787	160,577	232,754	287,803	278,895	296,293	301,232	319,470
Calgary	211,155	222,860	250,832	346,675	414,066	405,267	385,882	398,764	402,851	412,315
Edmonton	165,541	179,610	193,934	250,915	338,636	332,852	320,378	328,803	325,595	334,318
Kelowna	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Abbotsford-Mission	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Vancouver	329,447	373,877	425,745	509,876	570,795	593,767	592,441	675,853	779,730	730,063
Victoria	280,625	325,412	380,897	427,154	466,974	484,898	476,137	504,561	498,300	484,164

The geographic definitions used by CREA differ from those used by Statistics Canada.

NA = Not available

Sources: Canadian Real Estate Association (CREA) (MLS®). MLS® is a registered trademark of the Canadian Real Estate Association. Quebec Federation of Real Estate Boards (QFREB) by the Centris® System The Centris® System contains all the listings of Quebec real estate brokers.

For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 7

Teranet - National Bank National Composite House Price Index™ 2003–2012 (2005 = 100)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Canada	**88.53**	**95.36**	**103.16**	**115.79**	**126.57**	**125.61**	**132.37**	**137.67**	**147.82**	**152.35**
Halifax	87.84	95.81	99.71	108.66	113.22	118.02	123.56	130.37	132.48	139.88
Québec	85.71	93.94	100.76	107.02	117.48	132.61	143.56	154.95	166.18	173.11
Montréal	85.23	94.19	99.81	108.81	116.80	121.57	127.74	135.35	143.69	148.06
Ottawa - Gatineau	91.39	97.48	101.51	105.30	111.57	116.62	123.82	131.07	137.04	140.57
Toronto	91.40	96.10	102.21	104.38	113.12	112.31	120.64	125.66	138.15	146.84
Hamilton	89.40	95.59	103.27	107.59	112.55	115.75	118.83	121.89	131.28	141.01
Winnipeg	84.67	93.97	103.45	115.72	135.84	147.74	158.21	165.83	180.28	187.32
Calgary	90.18	96.17	106.55	153.34	171.16	158.00	157.73	153.48	154.88	161.17
Edmonton	88.74	95.11	104.45	145.91	180.30	163.31	163.20	162.03	163.64	166.16
Vancouver	84.31	93.90	106.56	128.76	143.99	141.60	148.93	156.45	169.29	165.89
Victoria	81.34	92.85	107.50	123.01	138.81	138.19	143.08	139.07	139.51	139.51

Data as of December of each year.
Source: ©Teranet and National Bank of Canada, all rights reserved.
For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 8

Occupied Housing Stock by Structure Type and Tenure, Canada, 1996-2006 (dwelling units)

	1996				2001				2006			
	Owned	Rented	Band	Total	Owned	Rented	Band	Total	Owned	Rented	Band	Total
Total	**6,877,780**	**3,905,145**	**37,125**	**10,820,050**	**7,610,390**	**3,907,170**	**45,415**	**11,562,975**	**8,509,780**	**3,878,500**	**49,180**	**12,437,470**
Single-detached house	5,488,620	597,480	34,280	6,120,380	5,972,985	620,950	41,135	6,635,065	6,329,200	507,550	43,210	6,879,965
Semi-detached house	337,005	164,580	505	502,090	395,460	169,585	800	565,850	452,965	141,385	1,265	595,615
Row house	259,690	278,125	545	538,365	340,870	276,140	995	618,010	439,175	254,335	1,635	695,145
Apartment detached duplex	164,720	286,620	155	451,495	154,385	258,210	165	412,760	335,835	329,075	290	665,200
Apartment building that has five or more storeys	157,395	822,075	-	979,470	213,205	836,440	10	1,049,655	288,800	824,045	120	1,112,965
Apartment building that has fewer than five storeys	318,645	1,709,375	305	2,028,325	386,165	1,696,730	510	2,083,410	507,850	1,779,910	540	2,288,300
Other single-attached house	17,525	22,005	25	39,555	16,850	24,945	50	41,845	18,865	18,810	65	37,735
Movable dwelling	134,175	24,885	1,310	160,370	130,470	24,165	1,750	156,385	137,085	23,385	2,055	162,535

Source: Statistics Canada (Census of Canada)
For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 9

Dwelling Condition by Tenure and Period of Construction, Canada, 2006

Tenure and Period of Construction	Total Occupied Dwellings	Dwelling Condition					
		In Need of Regular Maintenance Only		In Need of Minor Repairs		In Need of Major Repairs	
		Number	Per cent	Number	Per cent	Number	Per cent
Total	**12,437,470**	**8,168,615**	**65.7**	**3,339,840**	**26.9**	**929,020**	**7.5**
1945 or before	1,595,320	762,690	47.8	581,265	36.4	251,365	15.8
1946-1960	1,812,525	1,015,315	56.0	604,185	33.3	193,020	10.6
1961-1970	1,753,170	1,063,480	60.7	538,205	30.7	151,480	8.6
1971-1980	2,421,395	1,519,130	62.7	728,125	30.1	174,140	7.2
1981-1985	1,028,180	683,185	66.4	287,310	27.9	57,690	5.6
1986-1990	1,055,955	731,520	69.3	277,380	26.3	47,055	4.5
1991-1995	894,860	681,245	76.1	183,835	20.5	29,775	3.3
1996-2001	820,365	714,630	87.1	90,655	11.1	15,085	1.8
2001-2006	1,055,690	997,405	94.5	48,875	4.6	9,405	0.9
Owned	**8,509,780**	**5,676,230**	**66.7**	**2,298,875**	**27.0**	**534,675**	**6.3**
1945 or before	1,060,535	499,255	47.1	403,100	38.0	158,180	14.9
1946-1960	1,160,095	656,330	56.6	397,650	34.3	106,115	9.1
1961-1970	984,120	601,045	61.1	312,590	31.8	70,485	7.2
1971-1980	1,604,445	991,945	61.8	508,190	31.7	104,305	6.5
1981-1985	672,220	437,465	65.1	202,845	30.2	31,910	4.7
1986-1990	790,550	538,940	68.2	221,565	28.0	30,045	3.8
1991-1995	682,990	520,955	76.3	144,010	21.1	18,030	2.6
1996-2001	679,780	598,930	88.1	71,615	10.5	9,235	1.4
2001-2006	875,045	831,370	95.0	37,310	4.3	6,365	0.7
Rented	**3,878,500**	**2,481,730**	**64.0**	**1,025,705**	**26.4**	**371,065**	**9.6**
1945 or before	534,520	263,415	49.3	178,095	33.3	93,010	17.4
1946-1960	651,595	358,905	55.1	206,365	31.7	86,320	13.2
1961-1970	766,470	462,205	60.3	225,060	29.4	79,205	10.3
1971-1980	810,100	526,490	65.0	218,340	27.0	65,265	8.1
1981-1985	348,675	244,830	70.2	82,495	23.7	21,350	6.1
1986-1990	257,565	191,455	74.3	53,235	20.7	12,880	5.0
1991-1995	203,240	158,790	78.1	36,635	18.0	7,815	3.8
1996-2001	132,515	113,470	85.6	15,845	12.0	3,200	2.4
2001-2006	173,820	162,165	93.3	9,630	5.5	2,020	1.2
Band	**49,185**	**10,650**	**21.7**	**15,255**	**31.0**	**23,275**	**47.3**
1945 or before	275	30	10.9	65	23.6	175	63.6
1946-1960	830	80	9.6	170	20.5	585	70.5
1961-1970	2,580	240	9.3	555	21.5	1,785	69.2
1971-1980	6,850	695	10.1	1,595	23.3	4,565	66.6
1981-1985	7,290	885	12.1	1,970	27.0	4,435	60.8
1986-1990	7,835	1,125	14.4	2,580	32.9	4,130	52.7
1991-1995	8,625	1,495	17.3	3,195	37.0	3,935	45.6
1996-2001	8,070	2,230	27.6	3,195	39.6	2,650	32.8
2001-2006	6,820	3,870	56.7	1,930	28.3	1,015	14.9

Components may not add up to totals due to rounding.
Source: CMHC, adapted from Statistics Canada (Census of Canada)
For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 10

Ownership Rate, Canada, Provinces, Territories and Metropolitan Areas, 1971-2006 (per cent)[1]

	1971	1976	1981	1986	1991	1996	2001	2006
Canada	**60.3**	**61.8**	**62.1**	**62.1**	**62.6**	**63.6**	**65.8**	**68.4**
Provinces and Territories								
Newfoundland and Labrador	80.0	80.6	80.6	80.1	78.6	77.1	78.2	78.7
Prince Edward Island	74.3	76.6	75.7	74.0	73.6	72.1	73.1	74.1
Nova Scotia	71.2	72.4	71.5	71.6	70.6	70.4	70.8	72.0
New Brunswick	69.4	71.8	73.4	74.2	74.1	73.8	74.5	75.5
Quebec	47.4	50.4	53.3	54.7	55.5	56.5	57.9	60.1
Ontario	62.9	63.6	63.3	63.6	63.7	64.3	67.8	71.0
Manitoba	66.1	66.4	65.8	65.5	65.8	66.4	67.8	68.9
Saskatchewan	72.7	75.5	72.9	70.1	69.9	68.8	70.8	71.8
Alberta	63.9	64.8	63.1	61.7	63.9	67.8	70.4	73.1
British Columbia	63.3	65.3	64.4	62.2	63.8	65.2	66.3	69.7
Yukon	50.2	49.3	52.7	55.7	57.6	58.5	63.0	63.8
Northwest Territories[2]	24.7	25.0	22.6	27.6	31.5	38.6	53.1	52.8
Nunavut[2]	NA	NA	NA	NA	NA	NA	24.2	22.7
Metropolitan Areas								
St. John's	66.6	68.9	69.5	68.3	67.1	67.5	69.5	71.5
Halifax	53.2	55.7	55.6	58.3	58.0	59.9	61.7	64.0
Moncton	64.1	66.1	68.2	69.3	69.5	69.2	68.6	70.1
Saint John	52.0	56.8	59.6	61.6	63.4	65.6	67.4	70.0
Saguenay	55.5	60.3	62.0	61.5	60.9	60.8	62.3	63.3
Québec	43.8	46.6	50.9	52.9	53.6	54.9	55.5	58.6
Sherbrooke	43.9	48.0	49.4	50.1	49.2	50.2	51.9	53.5
Trois-Rivières	50.3	53.0	55.6	55.4	54.5	55.5	57.3	57.6
Montréal	35.5	38.4	41.9	44.7	46.7	48.5	50.2	53.4
Gatineau	58.6	59.7	59.1	59.2	59.8	61.5	62.4	67.5
Ottawa	50.1	50.1	51.4	50.0	54.4	58.2	61.4	66.7
Kingston	55.1	57.7	59.3	59.7	59.4	61.2	63.9	67.4
Peterborough	71.7	71.0	68.6	70.0	68.8	69.4	71.6	72.7
Oshawa	69.0	70.0	68.8	70.2	70.1	71.4	75.6	78.6
Toronto	55.4	56.7	57.3	58.3	57.9	58.4	63.2	67.6
Hamilton	63.9	63.8	63.4	64.6	64.6	65.2	68.3	71.6
St. Catharines-Niagara	72.2	72.9	71.6	72.0	71.4	70.7	73.2	74.6
Kitchener	60.8	60.4	60.8	61.9	61.5	62.4	66.7	69.8
Brantford	69.2	68.1	66.6	66.4	66.1	67.4	66.8	73.7
Guelph	64.5	62.4	61.2	62.5	61.8	62.1	68.4	71.2
London	60.1	59.5	58.0	57.8	57.6	60.0	62.8	65.9
Windsor	70.4	69.9	68.0	67.2	68.4	68.6	71.8	74.3
Barrie	70.0	72.8	71.6	72.4	71.5	71.7	77.3	80.7
Greater Sudbury	57.6	62.2	64.3	64.4	63.8	62.6	65.8	66.9
Thunder Bay	73.6	72.0	69.4	69.0	68.4	69.7	71.9	72.9
Winnipeg	59.6	59.2	59.1	60.8	62.0	63.9	65.5	67.2
Regina	60.9	66.2	65.4	65.7	66.2	66.0	68.2	70.1
Saskatoon	61.3	65.7	61.8	59.9	61.0	61.4	65.0	66.8
Calgary	56.5	59.2	58.4	57.9	60.6	65.5	70.6	74.1
Edmonton	57.1	58.1	57.9	57.1	59.2	64.4	66.3	69.2
Kelowna	70.8	73.0	71.5	67.1	71.1	72.4	73.5	77.3
Abbotsford	74.7	75.5	72.2	70.4	72.6	71.5	71.1	73.5
Vancouver	58.8	59.4	58.5	56.3	57.5	59.4	61.0	65.1
Victoria	61.5	61.2	59.8	59.2	61.1	62.1	63.1	64.7

[1] Ownership rates are computed as owners divided by total of all tenure types. Census Metropolitan Area data for 1971–1986 are based on 1986 CMA boundaries. All other data for Census Metropolitan Areas have not been adjusted for boundary changes.

[2] In 1996 and prior years, the Northwest Territories included Nunavut.

Source: CMHC, adapted from Statistics Canada (Census of Canada)

For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 11

Rental Vacancy Rate, Canada, Provinces and Metropolitan Areas, 2003–2012 (per cent)[1]

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Canada	**2.6**	**2.9**	**2.8**	**2.7**	**2.6**	**2.3**	**3.0**	**2.9**	**2.5**	**2.8**
Provinces										
Newfoundland and Labrador	3.3	4.1	4.6	4.1	2.1	1.1	1.0	1.0	1.3	2.2
Prince Edward Island	3.7	4.2	4.4	5.3	4.1	2.6	3.1	2.2	2.9	5.0
Nova Scotia	2.6	3.0	3.4	3.3	3.2	3.5	3.1	2.9	2.7	3.4
New Brunswick	4.3	5.3	5.0	6.0	5.3	3.6	3.8	4.5	4.8	6.9
Quebec	1.3	1.7	2.0	2.5	2.6	2.2	2.4	2.7	2.6	3.0
Ontario	3.5	4.1	3.8	3.4	3.3	2.7	3.5	2.9	2.2	2.5
Manitoba	1.6	1.4	1.9	1.6	1.5	0.9	1.1	0.9	1.0	1.6
Saskatchewan	4.1	5.3	4.5	3.3	1.2	1.2	1.5	2.2	1.9	2.3
Alberta	3.7	4.6	3.1	0.9	1.6	2.5	5.6	4.6	3.4	2.0
British Columbia	3.1	2.4	1.9	1.2	1.0	1.0	2.8	2.7	2.4	2.7
Metropolitan Area										
St. John's	2.0	3.1	4.5	5.1	2.6	0.8	0.9	1.1	1.3	2.8
Halifax	2.3	2.9	3.3	3.2	3.1	3.4	2.9	2.6	2.4	3.0
Moncton	2.9	5.0	4.7	5.6	4.3	2.4	3.8	4.2	4.3	6.7
Saint John	5.2	5.8	5.7	6.8	5.2	3.1	3.6	5.1	5.9	9.7
Saguenay	5.2	5.3	4.5	4.1	2.8	1.6	1.5	1.8	1.4	2.0
Québec	0.5	1.1	1.4	1.5	1.2	0.6	0.6	1.0	1.6	2.0
Sherbrooke	0.7	0.9	1.2	1.2	2.4	2.8	3.9	4.6	4.7	5.0
Trois-Rivières	1.5	1.2	1.5	1.0	1.5	1.7	2.7	3.9	3.9	5.2
Montréal	1.0	1.5	2.0	2.7	2.9	2.4	2.5	2.7	2.5	2.8
Gatineau	1.2	2.1	3.1	4.2	2.9	1.9	2.2	2.5	2.2	3.3
Ottawa	2.9	3.9	3.3	2.3	2.3	1.4	1.5	1.6	1.4	2.5
Kingston	1.9	2.4	2.4	2.1	3.2	1.3	1.3	1.0	1.1	1.7
Peterborough	1.4	1.7	2.8	2.8	2.8	2.4	6.0	4.1	3.5	2.7
Oshawa	2.9	3.4	3.3	4.1	3.7	4.2	4.2	3.0	1.8	2.1
Toronto	3.8	4.3	3.7	3.2	3.2	2.0	3.1	2.1	1.4	1.7
Hamilton	3.0	3.4	4.3	4.3	3.5	3.2	4.0	3.7	3.4	3.5
St. Catharines - Niagara	2.7	2.6	2.7	4.3	4.0	4.3	4.4	4.4	3.2	4.0
Kitchener-Cambridge-Waterloo	3.2	3.5	3.3	3.3	2.7	1.8	3.3	2.6	1.7	2.6
Brantford	3.2	1.7	1.8	2.3	2.9	2.4	3.3	3.7	1.8	3.5
Guelph	3.9	3.3	3.6	2.8	1.9	2.3	4.1	3.4	1.1	1.4
London	2.1	3.7	4.2	3.6	3.6	3.9	5.0	5.0	3.8	3.9
Windsor	4.3	8.8	10.3	10.4	12.8	14.6	13.0	10.9	8.1	7.3
Barrie	3.3	3.0	2.1	2.8	3.2	3.5	3.8	3.4	1.7	2.0
Greater Sudbury/Grand Sudbury	3.6	2.6	1.6	1.2	0.6	0.7	2.9	3.0	2.8	2.7
Thunder Bay	3.3	5.0	4.6	4.9	3.8	2.2	2.3	2.2	1.7	1.1
Winnipeg	1.3	1.1	1.7	1.3	1.5	1.0	1.1	0.8	1.1	1.7
Regina	2.1	2.7	3.2	3.3	1.7	0.5	0.6	1.0	0.6	1.0
Saskatoon	4.5	6.3	4.6	3.2	0.6	1.9	1.9	2.6	2.6	2.6
Calgary	4.4	4.3	1.6	0.5	1.5	2.1	5.3	3.6	1.9	1.3
Edmonton	3.4	5.3	4.5	1.2	1.5	2.4	4.5	4.2	3.3	1.7
Kelowna	1.4	1.0	0.5	0.6	0.0	0.3	3.0	3.5	3.0	4.0
Abbotsford-Mission	2.5	2.8	3.8	2.0	2.1	2.6	6.1	6.5	6.7	4.2
Vancouver	2.0	1.3	1.4	0.7	0.7	0.5	2.1	1.9	1.4	1.8
Victoria	1.1	0.6	0.5	0.5	0.5	0.5	1.4	1.5	2.1	2.7
Average of Metropolitan Areas[2]	**2.2**	**2.7**	**2.7**	**2.6**	**2.6**	**2.2**	**2.8**	**2.6**	**2.2**	**2.6**

[1] In privately initiated apartment structures with at least three units

[2] Prior to 2007, Moncton, Peterborough, Brantford, Guelph, Barrie, and Kelowna are not included in the average of metropolitan areas.

Source: CMHC (Rental Market Survey)

For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 12

Average Rent for Two-Bedroom Apartments, Canada, Provinces and Metropolitan Areas, 2003–2012 (dollars)[1]

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Canada[2]	**704**	**720**	**732**	**755**	**772**	**804**	**812**	**835**	**856**	**875**
Provinces										
Newfoundland and Labrador	563	571	578	585	575	596	634	668	701	725
Prince Edward Island	585	603	612	631	648	660	688	719	745	787
Nova Scotia	684	711	726	760	777	795	838	851	882	909
New Brunswick	556	576	586	609	619	635	656	668	687	707
Quebec	553	572	591	607	616	628	640	666	684	681
Ontario	886	898	903	919	924	948	955	980	1,002	1,033
Manitoba	633	650	669	692	721	748	788	815	850	887
Saskatchewan	564	572	577	596	656	762	833	873	914	958
Alberta	745	754	765	866	1,008	1,074	1,042	1,034	1,042	1,083
British Columbia	806	821	844	885	922	969	1,001	1,019	1,050	1,073
Metropolitan Area										
St. John's	607	618	634	635	614	630	677	725	771	798
Halifax	720	747	762	799	815	833	877	891	925	954
Moncton	588	611	612	636	643	656	675	691	715	731
Saint John	504	520	526	556	570	618	644	645	670	691
Saguenay	457	459	472	485	490	518	518	535	557	549
Québec	567	596	621	637	641	653	676	692	718	741
Sherbrooke	471	495	505	515	529	543	553	566	577	578
Trois-Rivières	436	457	474	488	487	505	520	533	547	550
Montréal	575	594	616	636	647	659	669	700	719	711
Gatineau	639	663	660	667	662	677	690	711	731	743
Ottawa	932	940	920	941	961	995	1,028	1,048	1,086	1,115
Kingston	768	785	807	841	856	880	909	935	965	1,005
Peterborough	728	775	797	818	822	850	875	890	899	904
Oshawa	845	852	855	861	877	889	900	903	941	939
Toronto	1,040	1,052	1,052	1,067	1,061	1,095	1,096	1,123	1,149	1,183
Hamilton	778	789	791	796	824	836	831	862	884	886
St. Catharines - Niagara	704	722	736	752	765	777	804	817	833	862
Kitchener-Cambridge-Waterloo	754	765	811	824	829	845	856	872	889	908
Brantford	675	684	722	712	749	752	754	778	792	838
Guelph	823	829	830	839	848	869	874	887	903	941
London	736	758	775	790	816	834	896	869	881	919
Windsor	776	776	780	774	773	772	747	752	753	778
Barrie	934	920	909	906	934	954	961	968	1,001	1,037
Greater Sudbury/Grand Sudbury	651	655	668	706	749	800	830	840	881	915
Thunder Bay	672	679	689	696	709	719	742	763	772	818
Winnipeg	645	664	683	709	740	769	809	837	875	911
Regina	589	602	607	619	661	756	832	881	932	979
Saskatoon	576	580	584	608	693	841	905	934	966	1,002
Calgary	804	806	808	960	1,089	1,148	1,099	1,069	1,084	1,150
Edmonton	722	730	732	808	958	1,034	1,015	1,015	1,034	1,071
Kelowna	697	723	755	800	846	967	897	898	922	927
Abbotsford-Mission	672	684	704	719	752	765	781	785	800	818
Vancouver	965	984	1,004	1,045	1,084	1,124	1,169	1,195	1,237	1,261
Victoria	789	799	837	874	907	965	1,001	1,024	1,045	1,059

[1] In privately initiated apartment structures with at least three units

[2] Only includes provincial data

Source: CMHC (Rental Market Survey)

For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 13

Households by Age of Maintainer and Tenure, Canada, 1971-2006

	1971	1976	1981	1986	1991	1996	2001	2006
Total Households								
15-24	413,570	584,270	674,825	535,945	466,225	437,460	447,165	456,625
25-34	1,262,315	1,678,965	2,036,370	2,124,040	2,219,995	2,045,210	1,792,025	1,782,270
35-44	1,250,530	1,339,425	1,589,410	1,971,475	2,363,020	2,630,170	2,747,615	2,591,890
45-54	1,172,285	1,305,650	1,370,800	1,412,515	1,666,415	2,102,365	2,509,625	2,829,775
55-64	955,825	1,079,005	1,215,890	1,327,005	1,379,945	1,434,725	1,659,775	2,130,820
65-74	627,395	763,350	905,740	1,021,305	1,168,255	1,280,605	1,324,885	1,387,285
75+	352,590	415,430	488,490	599,385	754,405	889,510	1,081,880	1,258,805
Total	**6,034,505**	**7,166,095**	**8,281,535**	**8,991,670**	**10,018,265**	**10,820,050**	**11,562,975**	**12,437,470**
Owners								
15-24	57,750	111,125	127,180	88,815	64,625	61,670	70,990	96,380
25-34	541,240	866,895	1,064,390	1,029,220	1,043,470	936,020	837,010	914,485
35-44	838,995	949,750	1,142,890	1,374,245	1,606,665	1,741,120	1,844,450	1,797,405
45-54	851,190	970,265	1,037,395	1,062,030	1,246,970	1,555,580	1,868,280	2,135,865
55-64	682,985	775,350	894,035	989,245	1,041,660	1,093,570	1,276,610	1,654,860
65-74	432,440	504,665	595,650	695,155	824,185	936,610	997,030	1,056,105
75+	232,330	253,190	280,405	342,175	445,450	553,210	716,015	854,680
Total	**3,636,925**	**4,431,230**	**5,141,935**	**5,580,875**	**6,273,030**	**6,877,780**	**7,610,390**	**8,509,780**
Renters								
15-24	355,820	473,150	547,645	443,735	399,360	372,805	373,060	357,010
25-34	721,070	812,075	971,985	1,083,920	1,168,780	1,098,795	943,670	857,475
35-44	411,535	389,670	446,520	588,310	750,085	879,555	890,540	781,090
45-54	321,095	335,390	333,405	343,705	415,175	540,525	633,160	683,720
55-64	272,845	303,655	321,860	332,095	335,185	337,020	378,015	469,565
65-74	194,955	258,685	310,095	321,750	342,100	341,440	324,590	327,400
75+	120,260	162,240	208,080	254,975	307,840	335,010	364,135	402,240
Total	**2,397,580**	**2,734,860**	**3,139,595**	**3,368,485**	**3,718,525**	**3,905,145**	**3,907,170**	**3,878,500**
Avg. Household Size	**3.5**	**3.1**	**2.9**	**2.8**	**2.7**	**2.6**	**2.6**	**2.5**

Total household counts for 1986-2006 include households in on-reserve (1986) or band housing (1991, 1996, 2001, 2006) and are therefore larger than the sum of owners and renters.

Components may not add up to totals due to rounding.

Source: Statistics Canada (Census of Canada)

For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 14

Households by Type and Tenure, Canada, 1971-2006

	1971	1976	1981	1986	1991	1996	2001	2006
Total Households								
All household types	6,034,505	7,166,095	8,281,535	8,991,670	10,018,265	10,820,050	11,562,975	12,437,470
Family households	4,928,130	5,633,945	6,231,485	6,634,995	7,235,230	7,685,470	8,155,560	8,651,330
One-family households	4,807,010	5,542,295	6,140,330	6,537,880	7,118,660	7,540,625	7,951,960	8,421,050
Couples with children	3,028,315	3,266,655	3,523,205	3,604,045	3,729,800	3,853,800	3,857,620	3,902,390
Couples without children	1,354,970	1,759,510	1,948,700	2,130,935	2,485,115	2,608,435	2,910,180	3,242,530
Lone parents	423,725	516,125	668,425	802,905	903,745	1,078,385	1,184,165	1,276,130
Multiple-family households	121,120	91,655	91,160	97,115	116,575	144,845	203,600	230,280
Non-family households	1,106,375	1,532,150	2,050,045	2,356,675	2,783,035	3,134,580	3,407,415	3,786,130
One person only	810,395	1,205,340	1,681,130	1,934,710	2,297,060	2,622,180	2,976,880	3,327,045
Two or more persons	295,980	326,810	368,915	421,965	485,975	512,400	430,535	459,085
Owners								
All household types	3,636,925	4,431,230	5,141,935	5,580,875	6,273,030	6,877,780	7,610,385	8,509,780
Family households	3,220,840	3,918,915	4,465,250	4,755,765	5,240,405	5,626,670	6,145,835	6,737,530
One-family households	3,124,275	3,842,355	4,390,265	4,677,435	5,145,490	5,511,500	5,985,695	6,550,125
Couples with children	2,095,895	2,488,795	2,807,650	2,868,915	2,975,720	3,083,980	3,148,020	3,268,070
Couples without children	820,960	1,106,650	1,267,930	1,445,650	1,765,205	1,954,540	2,239,700	2,581,035
Lone parents	207,420	246,910	314,685	362,870	404,565	472,980	597,970	701,020
Multiple-family households	96,560	76,560	74,985	78,330	94,910	115,170	160,140	187,405
Non-family households	416,085	512,320	676,690	825,110	1,032,630	1,251,110	1,464,555	1,772,240
One person only	299,805	391,475	539,200	668,270	848,310	1,050,520	1,307,170	1,590,125
Two or more persons	116,285	120,850	137,490	156,845	184,325	200,595	157,380	182,115
Renters								
All household types	2,397,580	2,734,860	3,139,595	3,368,485	3,718,525	3,905,145	3,907,170	3,878,500
Family households	1,707,290	1,715,035	1,766,240	1,845,340	1,972,740	2,028,420	1,972,310	1,874,090
One-family households	1,682,735	1,699,940	1,750,065	1,828,435	1,952,400	2,000,890	1,933,895	1,837,590
Couples with children	932,420	777,860	715,555	715,655	740,235	752,150	690,815	616,430
Couples without children	534,015	652,860	680,770	679,600	717,520	650,285	666,775	657,110
Lone parents	216,310	269,220	353,745	433,180	494,645	598,450	576,290	564,050
Multiple-family households	24,555	15,095	16,170	16,900	20,340	27,530	38,415	36,500
Non-family households	690,290	1,019,825	1,373,355	1,523,145	1,745,785	1,876,725	1,934,860	2,004,410
One person only	510,595	813,865	1,141,935	1,260,065	1,445,450	1,566,635	1,662,845	1,728,725
Two or more persons	179,695	205,960	231,425	263,085	300,330	310,095	272,015	275,685

Total household counts for 1986-2006 include households in on-reserve (1986) or band housing (1991, 1996, 2001, 2006) and are therefore larger than the sum of owners and renters.

Because of changes to the definition of census family, household-type data for 2001 and 2006 — except for one-person households — are not strictly comparable to data from earlier censuses.

Components may not add up to totals due to rounding.

Source: Statistics Canada (Census of Canada)

For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 15

Housing Profile of One-Person and Lone-Parent Households by Gender, Canada, 2006

	All private households	One-person households			Lone-parent households		
		Total	Female	Male	Total	Female	Male
Total households[1]							
Number of households	12,437,465	3,327,050	1,845,285	1,481,770	1,276,130	1,028,350	247,780
Average household income before taxes in 2005 ($)	69,548	35,372	31,786	39,839	49,721	46,126	64,644
Average household income after taxes in 2005 ($)	57,217	29,265	26,914	32,192	43,335	40,854	53,631
Average monthly shelter costs ($)[2]	915	690	670	716	866	854	913
Single-detached houses	6,879,965	1,092,710	564,180	528,535	574,830	437,150	137,680
Semi-detached houses	595,615	114,725	69,585	45,140	88,395	74,220	14,175
Row houses	695,145	162,590	103,785	58,805	137,990	121,015	16,980
Duplex apartments	665,200	200,700	107,190	93,515	84,325	68,075	16,255
Apartments in buildings that have fewer than five storeys	2,288,295	1,123,840	628,140	495,695	269,050	224,410	44,645
Apartments in buildings that have five or more storeys	1,112,965	568,360	343,825	224,530	100,020	86,795	13,230
Other dwellings[3]	200,275	64,125	28,580	35,545	21,510	16,695	4,820
Part of a condominium[4]	915,725	378,625	251,885	126,740	80,595	68,030	12,565
Owner households							
Number of households	8,509,785	1,590,130	897,890	692,235	701,030	540,250	160,775
Average household income before taxes in 2005 ($)	83,439	43,651	38,816	49,922	61,773	57,998	74,455
Average household income after taxes in 2005 ($)	67,737	35,276	32,100	39,396	52,576	50,137	60,772
Average monthly shelter costs ($)[2]	996	739	692	802	967	962	984
Single-detached houses	6,329,205	947,900	501,690	446,210	478,160	358,490	119,670
Semi-detached houses	452,965	79,240	50,155	29,080	54,420	45,000	9,425
Row houses	439,180	108,915	72,390	36,530	59,315	50,665	8,650
Duplex apartments	335,830	70,495	38,325	32,170	32,985	24,975	8,005
Apartments in buildings that have fewer than five storeys	507,850	205,195	129,985	75,210	42,810	34,195	8,615
Apartments in buildings that have five or more storeys	288,795	131,975	84,200	47,770	18,850	15,840	3,010
Other dwellings[3]	155,950	46,410	21,150	25,260	14,485	11,080	3,410
Part of a condominium[4]	915,725	378,625	251,890	126,735	80,595	68,035	12,565
Homeowners with mortgages[5]	4,858,785	705,650	340,365	365,285	442,115	338,760	103,355
Homeowners without mortgages[5]	3,557,195	876,285	555,805	320,475	255,380	199,505	55,875
Renter households							
Number of households	3,878,505	1,728,730	944,520	784,210	564,050	479,610	84,440
Average household income before taxes in 2005 ($)	39,519	27,852	25,146	31,111	35,205	33,121	47,047
Average household income after taxes in 2005 ($)	34,438	23,804	22,016	25,958	32,195	30,679	40,807
Average monthly shelter costs ($)[2]	738	645	649	640	739	732	779
Single-detached houses	507,550	138,010	60,205	77,805	87,025	71,300	15,725
Semi-detached houses	141,385	35,185	19,300	15,885	33,710	29,010	4,700
Row houses	254,335	53,230	31,195	22,035	78,240	69,985	8,255
Duplex apartments	329,080	130,130	68,825	61,305	51,275	43,040	8,240
Apartments in buildings that have fewer than five storeys	1,779,910	918,450	498,070	420,385	226,130	190,110	36,015
Apartments in buildings that have five or more storeys	824,050	436,380	259,625	176,760	81,135	70,925	10,210
Other dwellings[3]	42,195	17,345	7,305	10,035	6,530	5,235	1,300
Part of a condominium[4]	NA	NA	NA	NA	NA	NA	NA

[1] Where band housing is present, total household counts are larger than the sum of owner and renter households.
[2] The Census does not collect shelter costs for households living in band housing or for farm operators. For renters, shelter costs include rent and any payments for electricity, fuel, water and other municipal services. For owners, shelter costs include mortgage payments (principal and interest), property taxes, and any condominium fees, along with payments for electricity, fuel, water and other municipal services.
[3] Other dwellings comprise other single-attached houses, mobile homes, and other movable dwellings.
[4] The 2006 Census did not ask whether rented units were part of a condominium.
[5] Mortgage data exclude farm operators.
NA = Not available
Source: Statistics Canada (Census of Canada)

TABLE 16

Household Growth Summary, Canada, Provinces, Territories and Census Metropolitan Areas, 2006–2011

	2006	2011	Growth (per cent)	Avg. Annual Growth
Canada	**12,435,520**	**13,320,614**	**7.1**	**177,019**
Provinces and Territories				
Newfoundland and Labrador	197,245	208,842	5.9	2,319
Prince Edward Island	53,084	56,462	6.4	676
Nova Scotia	376,829	390,279	3.6	2,690
New Brunswick	295,871	314,007	6.1	3,627
Quebec	3,188,713	3,395,343	6.5	41,326
Ontario	4,554,251	4,887,508	7.3	66,651
Manitoba	448,766	466,138	3.9	3,474
Saskatchewan	387,160	409,645	5.8	4,497
Alberta	1,256,192	1,390,275	10.7	26,817
British Columbia	1,642,715	1,764,637	7.4	24,384
Yukon	12,615	14,117	11.9	300
Northwest Territories	14,224	14,700	3.3	95
Nunavut	7,855	8,661	10.3	161
Census Metropolitan Areas				
St. John's	70,663	78,960	11.7	1,659
Halifax	155,138	165,153	6.5	2,003
Moncton	51,593	58,294	13.0	1,340
Saint John	49,107	52,281	6.5	635
Saguenay	66,251	69,507	4.9	651
Québec	318,001	345,892	8.8	5,578
Sherbrooke	84,605	91,099	7.7	1,299
Trois-Rivières	65,153	70,138	7.7	997
Montréal	1,525,625	1,613,260	5.7	17,527
Ottawa-Gatineau	450,333	498,636	10.7	9,661
Kingston	61,978	65,965	6.4	797
Peterborough	46,667	48,848	4.7	436
Oshawa	119,028	129,698	9.0	2,134
Toronto	1,801,071	1,989,705	10.5	37,727
Hamilton	266,377	282,186	5.9	3,162
St. Catharines-Niagara	156,386	160,455	2.6	814
Kitchener-Waterloo-Cambridge	169,063	181,493	7.4	2,486
Brantford	47,847	52,726	10.2	976
Guelph	51,116	54,868	7.3	750
London	184,946	195,056	5.5	2,022
Windsor	125,848	126,843	0.8	199
Barrie	63,877	68,495	7.2	924
Greater Sudbury/Grand Sudbury	65,076	67,767	4.1	538
Thunder Bay	51,426	52,062	1.2	127
Winnipeg	281,745	291,316	3.4	1,914
Regina	80,323	85,731	6.7	1,082
Saskatoon	95,257	104,237	9.4	1,796
Calgary	415,592	464,001	11.6	9,682
Edmonton	405,311	450,786	11.2	9,095
Kelowna	66,925	74,942	12.0	1,603
Abbotsford-Mission	55,948	59,317	6.0	674
Vancouver	817,033	891,336	9.1	14,861
Victoria	145,388	153,328	5.5	1,588

Data for 2006 are based on 2011 Census Metropolitan Area boundaries. Between 2006 and 2011, CMA boundaries changed in Saguenay, Québec, Sherbrooke, Trois-Rivières, Montréal, Ottawa-Gatineau, and Guelph.

Data are census-based estimates of dwellings occupied by usual residents, which were released by Statistics Canada on February 8, 2012.

Source: CMHC, adapted from Statistics Canada (Census of Canada)

TABLE 17

Households in Core Housing Need, Canada, Provinces, Territories and Metropolitan Areas, 1991-2006

	Number of Households in Core Housing Need				Incidence of Core Housing Need (%)			
	1991	1996	2001	2006	1991	1996	2001	2006
Canada	**1,269,980**	**1,567,180**	**1,485,340**	**1,494,395**	**13.6**	**15.6**	**13.7**	**12.7**
Provinces and Territories								
Newfoundland and Labrador	24,630	26,310	26,605	27,305	14.5	14.8	14.6	14.2
Prince Edward Island	5,585	6,060	6,200	6,435	13.4	13.4	12.9	12.6
Nova Scotia	42,070	48,105	51,590	43,760	13.6	14.9	15.2	12.1
New Brunswick	39,405	34,735	29,990	29,360	16.2	13.6	11.2	10.3
Quebec	359,985	426,655	352,350	324,590	14.5	16.3	12.5	10.6
Ontario	408,035	594,250	599,660	627,530	11.9	16.1	15.1	14.5
Manitoba	50,525	55,015	45,390	46,915	13.9	14.7	11.6	11.3
Saskatchewan	45,410	39,685	37,160	40,835	14.9	12.6	11.5	11.8
Alberta	105,780	100,775	106,285	119,055	12.8	11.3	10.5	10.1
British Columbia	182,505	228,970	223,675	221,475	15.6	17.4	15.8	14.6
Yukon	1,515	1,970	1,615	1,880	16.3	19.2	15.8	16.3
Northwest Territories[1]	4,540	4,665	2,085	2,390	28.9	25.4	17.4	17.5
Nunavut[1]	NA	NA	2,740	2,870	NA	NA	38.8	37.3
Census Metropolitan Areas[2]	852,620	1,063,310	1,033,380	1,093,025	14.4	16.7	14.7	13.6
St. John's	7,600	8,640	8,375	9,255	14.2	15.0	13.5	13.5
Halifax	16,365	20,100	22,390	20,200	14.4	16.6	16.3	13.6
Moncton[4]	5,275	5,400	4,850	5,370	14.1	13.2	10.8	10.8
Saint John	6,140	6,405	5,185	4,580	14.0	14.3	11.2	9.6
Saguenay	5,700	7,410	6,615	5,090	10.6	13.3	11.2	8.2
Québec	32,925	39,970	34,590	28,695	13.6	15.3	12.3	9.3
Sherbrooke	7,985	9,240	7,560	7,580	15.2	16.2	12.0	9.5
Trois - Rivières	7,695	8,765	7,260	7,645	15.0	16.3	12.9	12.3
Montréal	200,300	238,275	188,980	184,640	17.1	19.0	14.1	12.6
Ottawa - Gatineau (Total)	37,810	54,925	54,535	52,350	11.3	15.0	13.7	12.1
Gatineau	8,840	12,735	10,910	11,585	11.0	14.3	11.0	10.3
Ottawa	28,965	42,195	43,625	40,760	11.4	15.2	14.5	12.7
Kingston[3]	5,480	8,035	8,290	7,545	11.2	15.5	15.0	12.7
Peterborough[4]	4,510	5,740	5,045	6,160	13.2	16.0	13.2	14.0
Oshawa	8,580	11,775	12,025	13,310	10.8	13.1	12.0	11.6
Toronto	176,320	269,670	295,475	322,415	13.5	19.3	19.1	19.0
Hamilton	22,935	33,590	32,985	33,090	10.8	15.0	13.7	12.9
St. Catharines-Niagara	13,995	19,760	18,510	18,425	10.8	14.5	12.9	12.2
Kitchener	12,710	18,160	17,155	16,845	10.3	13.5	11.6	10.3
Brantford[4]	4,050	5,990	5,155	5,250	11.8	16.7	15.9	11.4
Guelph[4]	3,155	5,060	4,560	5,540	9.3	13.6	10.7	11.8
London	16,525	23,075	21,640	22,625	11.9	15.7	13.2	12.8
Windsor	11,185	13,940	14,390	15,285	12.1	13.9	12.8	12.7
Barrie[4]	3,680	6,420	7,145	8,290	11.7	16.1	14.2	13.5
Greater Sudbury	6,500	8,970	7,410	6,315	11.8	15.2	12.4	10.0
Thunder Bay	4,945	6,215	5,640	5,415	10.9	13.2	11.9	10.9
Winnipeg	35,390	38,025	28,085	28,375	14.6	15.3	10.8	10.4
Regina	10,135	8,645	7,420	7,435	14.8	12.2	10.1	9.6
Saskatoon	13,275	10,645	8,985	8,515	17.7	13.4	10.7	9.3
Calgary	31,965	32,300	38,305	36,135	12.1	11.1	11.2	9.0
Edmonton	36,500	33,285	36,730	41,220	12.6	11.0	10.9	10.6
Kelowna[4]	4,805	7,290	6,325	6,615	12.1	15.2	11.8	11.1
Abbotsford[3]	3,965	6,215	5,505	6,795	10.9	14.3	11.5	12.9
Vancouver	111,070	122,350	122,285	129,145	19.1	19.0	17.3	17.0
Victoria	18,070	19,170	17,055	16,900	15.9	15.7	13.4	12.4

[1] In 1999, Nunavut was established as a territory distinct from the Northwest Territories (N.W.T.). As a result, beginning with the 2001 Census, data for Nunavut are presented exclusive of N.W.T.

[2] A Census Metropolitan Area (CMA) is an area consisting of one or more adjacent municipalities situated around a major urban core and which has a population of at least 100,000. The CMA total represents all the CMAs in Canada at the time of each census. Note that it is adjusted neither for changes in CMA boundaries nor for changes in the number of CMAs between census years.

[3] Kingston and Abbotsford were not CMAs in 1991 and 1996 and therefore their data are not included in the CMA total for these years.

[4] Moncton, Peterborough, Brantford, Guelph, Barrie and Kelowna were not CMAs in 1991, 1996 and 2001 and therefore their data are not included in the CMA total for these years.

These data, from the Census of Canada, apply to all non-farm, non-band, non-reserve private households reporting positive incomes and shelter cost-to-income ratios less than 100 per cent.

Income data collected by the Census of Canada refer to the calendar year preceding the census, while shelter cost data give expenses for the current year. Shelter-cost-to-income ratios are computed directly from these data, that is, by comparing current shelter costs to incomes from the previous year.

Acceptable housing is defined as adequate and suitable shelter that can be obtained without spending 30 per cent or more of before-tax household income. Adequate shelter is housing that is not in need of major repair. Suitable shelter is housing that is not crowded, meaning that it has sufficient bedrooms for the size and make-up of the occupying household. The subset of households classified as living in unacceptable housing and unable to access acceptable housing is considered to be in core housing need.

NA = Not available

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

For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 18

Characteristics of Households in Core Housing Need, Canada, 2006

	All Households		Renters		Owners	
	Households in Core Housing Need (#)	Incidence of Core Housing Need (%)	Households in Core Housing Need (#)	Incidence of Core Housing Need (%)	Households in Core Housing Need (#)	Incidence of Core Housing Need (%)
All Households	**1,494,395**	**12.7**	**981,750**	**27.2**	**512,645**	**6.3**
Components:						
Below Affordability Standard Only	1,072,760	9.1	693,905	19.2	378,855	4.6
Below Suitability Standard Only	73,895	0.6	58,150	1.6	15,745	0.2
Below Adequacy Standard Only	70,010	0.6	27,920	0.8	42,090	0.5
Below Multiple Housing Standards	277,725	2.4	201,775	5.6	75,955	0.9
Household Type						
Senior-led	369,860	14.4	223,145	31.4	146,715	7.9
Family	77,300	5.4	32,370	15.3	44,930	3.7
Non-Family	292,560	25.6	190,780	38.2	101,780	15.8
Individuals Living Alone	287,445	26.2	187,985	38.8	99,455	16.3
Female	227,845	28.4	148,380	40.9	79,470	18.0
Male	59,600	20.4	39,610	32.6	19,985	11.7
Non-Senior-led	1,124,535	12.2	758,605	26.2	365,930	5.8
Family	683,435	10.0	419,150	26.7	264,285	5.0
Couples with Children	258,540	7.2	130,660	23.0	127,880	4.3
Couples without Children	115,005	5.5	67,135	14.0	47,870	3.0
Lone Parent Families	293,605	28.6	214,120	43.5	79,480	14.9
Female	261,750	31.7	193,675	46.2	68,075	16.8
Male	31,850	15.9	20,445	27.9	11,405	9.0
Non-Family	441,105	18.9	339,460	25.6	101,650	10.0
Individuals Living Alone	394,390	20.1	303,310	27.9	91,085	10.4
Female	197,370	21.7	149,570	29.7	47,805	11.7
Male	197,020	18.8	153,740	26.4	43,285	9.3
Individuals Sharing with Others	46,715	12.4	36,145	15.1	10,565	7.6
Aboriginal Status						
Non-Aboriginal Household	1,412,580	12.4	918,690	26.8	493,890	6.2
Aboriginal Household	81,810	20.4	63,065	34.9	18,750	8.5
Status Indian	38,740	24.8	31,440	37.9	7,305	10.0
Non-Status Indian	15,860	20.3	12,440	35.1	3,415	8.0
Métis	33,145	16.2	23,260	30.1	9,880	7.7
Inuit	5,705	35.8	4,835	46.4	865	15.6
Period of Immigration						
Non-immigrant	995,705	11.0	676,055	24.5	319,650	5.1
Immigrant	480,420	18.2	289,825	36.4	190,595	10.3
Prior to 1981	170,835	12.5	87,365	32.4	83,470	7.6
1981 to 1990	82,480	18.7	48,615	35.3	33,865	11.2
1991 to 1995	67,500	22.9	40,045	37.3	27,455	14.7
1996 to 2000	64,160	24.0	38,210	34.9	25,945	16.4
2001 to 2006	95,445	35.4	75,590	44.1	19,860	20.2

These data, from the Census of Canada, apply to all non-farm, non-band, non-reserve private households reporting positive incomes and shelter cost-to-income ratios less than 100%.

Income data collected by the Census of Canada refer to the calendar year preceding the census, while shelter cost data give expenses for the current year. Shelter-cost-to-income ratios are computed directly from these data, that is, by comparing current shelter costs to incomes from the previous year.

Acceptable housing is defined as adequate and suitable shelter that can be obtained without spending 30% or more of before-tax household income. Adequate shelter is housing that is not in need of major repair. Suitable shelter is housing that is not crowded, meaning that it has sufficient bedrooms for the size and make-up of the occupying household. The subset of households classified as living in unacceptable housing and unable to access acceptable housing is considered to be in core housing need.

Components may not add up to totals due to rounding.

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

For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 19

Real Median After-Tax Household Income, Canada, Provinces and Selected Metropolitan Areas, 2003-2011(2011 constant dollars)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Canada	**49,900**	**50,300**	**51,400**	**53,000 a**	**54,300 a**	**55,400 a**	**55,400 a**	**54,900 a**	**55,400 a**
Provinces									
Newfoundland and Labrador	41,200	41,100	41,700	44,400 a	46,800 b	48,000 b	49,600 a	50,200 a	49,800 b
Prince Edward Island	43,800	44,200	45,600	46,100 b	48,500 b	50,400 b	50,800 b	50,600 b	49,100 b
Nova Scotia	42,300	44,300	44,600	45,900 a	48,200 a	46,900 a	47,500 a	48,300 a	49,500 a
New Brunswick	42,800	42,700	42,900	44,100 a	46,600 a	47,000 a	47,900 b	49,400 a	49,100 b
Quebec	43,900	43,800	43,900	45,500 a	46,300 a	45,500 a	48,000 a	47,300 a	47,800 a
Ontario	57,200	56,900	57,700	58,000 a	59,700 a	60,100 a	60,100 a	60,300 a	59,600 a
Manitoba	45,900	46,400	47,600	48,100 a	50,500 a	52,900 a	53,600 a	52,900 b	51,800 a
Saskatchewan	45,000	44,700	46,300	47,800 a	51,100 a	53,700 a	55,200 a	55,400 a	57,700 b
Alberta	56,900	60,600	61,900	65,500 a	68,300 a	70,000 a	69,100 a	68,300 a	69,700 a
British Columbia	48,700	50,400	52,200	55,000 a	55,600 a	58,100 a	55,700 a	54,800 a	55,200 b
Metropolitan Area									
St John's	45,400	46,100	47,000	47,700 c	51,200 c	54,900 c	56,100 c	57,700 c	59,700 c
Halifax	45,500	48,400	48,100	48,600 c	52,900 b	51,700 b	52,600 c	55,300 b	60,200 b
Saint John	46,700	47,400	46,200	49,200 c	49,800 c	58,100 c	59,100 c	60,000 c	57,200 c
Saguenay	39,600	40,700	41,800	42,300 b	41,800 c	41,200 c	46,100 c	46,300 c	47,300 c
Québec	47,800	48,300	47,200	47,400 c	48,900 c	53,800 c	53,900 c	55,200 c	55,500 c
Sherbrooke	42,500	43,100	40,800	41,300 c	43,900 c	42,800 c	44,200 c	47,800 d	44,000 c
Trois-Rivières	38,000	40,600	35,700	37,100 c	41,300 c	41,900 c	42,800 c	42,800 c	41,000 d
Montréal	46,900	46,600	45,600	47,000 b	47,700 b	46,000 b	48,400 b	46,900 b	48,600 b
Ottawa - Gatineau	60,000	63,200	59,200	60,300 c	62,400 c	63,300 c	65,100 c	66,100 c	69,700 c
Kingston	55,400	56,900	48,900	51,700 d	54,000 c	63,200 c	53,100 d	50,200 d	54,100 d
Oshawa	67,200	64,400	65,000	62,200 c	64,300 c	63,000 c	64,600 c	64,100 c	59,500 c
Toronto	63,400	61,700	62,000	61,700 b	63,800 b	64,100 b	64,400 b	67,800 b	64,600 b
Hamilton	62,400	61,500	58,500	62,900 c	63,600 c	63,200 c	66,300 c	65,600 c	63,600 b
St. Catharines-Niagara	59,200	57,800	51,700	54,500 c	52,500 c	52,900 c	54,800 c	56,200 c	54,600 c
Kitchener-Cambridge-Waterloo	56,200	56,800	54,700	57,700 c	57,900 c	56,300 c	60,200 d	57,600 c	57,800 d
London	50,000	50,400	57,000	58,100 b	63,000 c	56,100 c	55,800 c	50,400 c	46,200 c
Windsor	57,900	57,500	57,400	58,500 c	58,400 c	55,800 c	51,800 c	57,000 c	50,000 c
Greater Sudbury/Grand Sudbury	46,400	46,900	49,900	52,100 c	52,900 c	51,300 c	49,100 c	48,200 c	57,300 c
Thunder Bay	53,900	55,400	55,100	56,100 c	60,700 c	58,100 c	57,000 c	52,300 d	49,200 d
Winnipeg	49,600	51,200	50,700	50,000 b	52,700 b	56,400 b	56,800 b	56,700 b	56,600 b
Regina	52,700	51,700	56,000	56,400 c	57,900 c	61,000 c	67,600 c	67,600 c	66,400 c
Saskatoon	50,200	48,700	46,900	49,600 c	54,000 b	54,900 c	56,100 b	56,000 b	64,700 c
Calgary	59,700	65,200	63,100	69,300 b	72,400 b	71,800 c	70,900 c	72,800 c	78,800 c
Edmonton	60,500	61,000	61,800	64,000 b	68,300 b	68,900 b	66,200 c	68,300 b	66,500 b
Abbotsford-Mission	45,400	47,400	56,300	59,500 d	62,900 c	60,700 d	60,500 c	60,300 c	59,800 c
Vancouver	53,900	53,700	55,100	60,100 b	61,300 b	59,700 c	57,000 c	56,100 b	58,400 b
Victoria	47,000	49,000	50,100	50,300 c	50,500 c	62,000 c	58,500 c	54,700 d	54,600 c

All data are rounded to the nearest $100.

Data quality indicators are based on the coefficient of variation (CV) and number of observations: a - Excellent (CV between 0% and 2%); b - Very good (CV between 2% and 4%); c - Good (CV between 4% and 8%); d - Acceptable (CV between 8% and 16%); e - Use with caution (CV greater than or equal to 16%); f - Too unreliable to be published.

Source: Statistics Canada (Survey of Consumer Finances - 1990-1993; Survey of Consumer Finances and Survey of Labour and Income Dynamics - 1994-1997; Survey of Labour and Income Dynamics - 1998-2011)

For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 20

Home Equity and Net Worth by Tenure and Age Group, Canada 1999 and 2005 (2005 constant dollars)

	Renters[1]		Owned with a Mortgage		Owned without a Mortgage		All Owners		All Households	
Age Group[2]	Median	Average	Median	Average	Median	Average	Median	Average	Median	Average
Equity in Principal Residence[3]										
2005										
All ages	0	0	84,000	120,000	175,000	228,000	121,000	169,000	58,000	110,000
Less than 65	0	0	81,000	119,000	180,000	232,000	110,000	158,000	48,000	101,000
65 years or over	0	0	NA	NA	168,000	222,000	160,000	212,000	100,000	149,000
1999										
All ages	0	0	58,000	83,000	138,000	173,000	92,000	125,000	37,000	78,000
Less than 65	0	0	58,000	82,000	144,000	183,000	82,000	117,000	30,000	72,000
65 years or over	0	0	78,000	101,000	136,000	159,000	127,000	153,000	81,000	104,000
Net Worth[4]										
2005										
All ages	14,000	69,000	219,000	378,000	525,000	764,000	327,000	552,000	166,000	383,000
Less than 65	11,000	54,000*	216,000	377,000	561,000	826,000	289,000	530,000	141,000	359,000
65 years or over	40,000*	147,000	355,000	404,000	491,000	670,000	462,000	638,000	309,000	491,000
1999										
All ages	14,000	71,000	169,000	284,000	402,000	599,000	257,000	430,000	136,000	296,000
Less than 65	12,000	58,000	166,000	279,000	439,000	659,000	229,000	412,000	114,000	276,000
65 years or over	43,000	132,000	278,000	407,000	355,000	511,000	349,000	501,000	245,000	382,000

[1] Includes households occupying their homes rent free.
[2] Age of the highest income earner in the household. Where owners and renters are both present, refers to the owner with the highest income.
[3] Home equity is the value of the principal residence less any outstanding mortgages.
[4] Includes the value of employer pension plan benefits. Net worth is the difference between a household's assets and its liabilities.
All dollar figures are rounded to the nearest $1,000.
NA - Not available. Suppressed by Statistics Canada to meet the confidentiality requirements of the Statistics Act.
* Use with caution.
Source: CMHC, adapted from Statistics Canada (Survey of Financial Security)
For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 21

National Mortgage Market Highlights, Canada, 2003-2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Residential Mortgages Outstanding, year-end ($ billions)[1]	**541.9**	**597.8**	**656.6**	**723.6**	**813.3**	**896.4**	**954.3**	**1,020.7**	**1,096.4**	**1,158.9**
Chartered banks	339.6	366.0	388.6	416.9	455.4	445.0	456.7	495.7	813.3[(2)]	864.3
Trust and mortgage loan companies	6.3	7.2	8.3	7.9	9.3	10.2	10.6	11.2	29.8[(2)]	30.9
Credit unions and caisses populaires	72.7	80.4	89.3	97.6	107.1	114.2	120.6	125.5	135.5[(2)]	144.0
Life insurance companies	15.5	15.4	14.4	15.0	14.8	15.4	14.9	14.0	15.6[(2)]	15.0
Pension funds	9.1	10.1	11.0	12.5	14.0	16.1	15.4	14.4	12.3[(2)]	12.2
Non-depository credit intermediaries and other financial institutions	26.9	27.9	30.0	31.1	31.4	29.8	30.2	30.4	43.9[(2)]	45.1
National Housing Act mortgage-backed securities (NHA MBS)	57.2	75.7	96.7	119.6	157.1	245.6	291.9	316.6	37.0[(2)]	36.6
Special purpose corporations (securitization)[3]	14.5	15.1	18.3	23.1	24.1	20.2	14.0	13.0	9.0[(2)]	10.9
Mortgage Performance										
Mortgage arrears rate (%)[4]	0.35	0.29	0.26	0.25	0.25	0.28	0.41	0.43	0.41	0.34
Net impaired Canadian mortgages ratio (%)[5]	0.18	0.13	0.12	0.12	0.13	0.25	0.37	0.39	0.29	0.22
Loss provisions ratio (%)[6]	0.01[(7)]	0.01	0.01	0.01	0.00	0.01	0.04	0.06	0.05	0.05
Household Affordability										
Mortgage debt service ratio[8] (interest paid on mortgage as per cent of disposable income) (%)	4.1	3.9	3.9	4.1	4.4	4.4	4.0	3.9	3.8	3.7
Mortgage payment ratio[9] (interest and principal as per cent of personal disposable income per worker) (%)	28.2	29.4	30.5	34.2	38.2	36.3	32.1	33.5	34.0	32.9
Household debt to GDP (%)[8]	64.3	67.0	69.5	72.1	76.6	80.6	88.4	92.2	92.2	93.3

Components may not add up to totals due to rounding.

[1] Statistics Canada (CANSIM).

[2] Following the adoption of International Financial Reporting Standards (IFRS) beginning in 2011 in Canada, a significant amount of residential mortgage loans securitized under the NHA mortgage-backed securities (NHA MBS) program or by private special purpose corporations is no longer eligible for off-balance sheet treatment, and thus must be consolidated on the balance sheets of the respective lenders or issuers. This represents a key factor behind the variations from 2010 to 2011 in amounts of mortgages outstanding reported as NHA MBS and special purpose corporations versus those reported as holdings by the banks and other financial institutions.

[3] Private residential mortgage securitization.

[4] CMHC, adapted from the Canadian Bankers Association by calculating the annual average mortgage arrears rate. Mortgage arrears rate is the number of mortgages in arrears as a per cent of the total number of mortgages, based on data from 9 banks. Arrears are defined as mortgages that are 90 days past due.

[5] CMHC, adapted from annual reports from the Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada, and TD Banking Group (as at Oct. 31 of each year) by calculating the ratio. Impaired loans are residential mortgages that are 90 days past due, or 365 days past due if government-guaranteed, net of allowances for credit losses. The ratio is the value of net impaired Canadian residential mortgages as a per cent of total Canadian residential mortgages.

[6] CMHC, adapted from annual reports from the Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Royal Bank of Canada, and TD Banking Group (as at Oct. 31 of each year) by calculating the ratio. Provisions for credit losses on residential mortgages (all countries) are annual charges to income to provide for impaired loans, as per financial statements and accounting policies and assumptions. The ratio is the value of provision as a per cent of total residential mortgages (all countries).

[7] This ratio does not include the data for loss provisions from the Bank of Nova Scotia.

[8] Statistics Canada (CANSIM). Changes to this series from last year's presentation resulted from new data classification made by Statistics Canada.

[9] CMHC, adapted from Statistics Canada (CANSIM) and the Canadian Real Estate Association (CREA) by calculating the ratio. Changes to this series from last year's presentation are due to historical adjustments to the raw data made by Statistics Canada and CREA. The monthly mortgage payment is calculated using the prevailing average Multiple Listing Service® (MLS®) price and the 5 year fixed mortgage posted rate prevailing in each period, assuming a 25% down payment and 25 year amortization. The income figure is personal disposable (after tax) income per worker.

Source: CMHC, unless otherwise noted

For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 22

CMHC Mortgage Loan Insurance Highlights, 2003-2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Overview[1]										
CMHC insurance-in-force outstanding ($ billions)	230.0	243.8	273.7	291.4	345.2	407.7	472.6	514.2	566.5	566.1
Annual number of insured units[2]	517,795	652,573	746,157	528,074	695,971	798,309	1,048,736	643,991	630,957	386,222
Annual CMHC insurance volumes ($ billions)[3]	43.6	60.1	77.1	70.7	104.5	126.3	154.9	106.1	106.0	66.0
Homeowner Loans by Interest Rate Type (%)[4]										
Fixed	89.1	80.4	78.2	88.4	89.2	72.1	80.3	75.7	73.9	92.9
Non-fixed[5]	10.9	19.6	21.8	11.6	10.8	27.9	19.7	24.3	26.1	7.1
Credit Profile										
Distribution of CMHC homeowner insurance-in-force by LTV ratio, based on updated property value (%)[4]										
Share with LTV 80% or under	NA	NA	NA	NA	NA	NA	71	70	75	76
Share with LTV 80.01% to 90%	NA	NA	NA	NA	NA	NA	16	21	17	17
Share with LTV 90.01% to 95%	NA	NA	NA	NA	NA	NA	9	7	7	6
Share with LTV 95.01% and over	NA	NA	NA	NA	NA	NA	4	2	1	1
Average LTV ratio of CMHC-insured homeowner mortgages (%)[4]	NA	NA	NA	NA	NA	NA	54	56	56	55
Average CMHC-insured loan amount per household ($)[6]	NA	NA	NA	NA	NA	NA	132,442	137,349	141,290	140,587
Distribution of insurance-in-force by average outstanding loan amount (%)[6]										
$60,000 or under	NA	NA	NA	NA	NA	NA	8	7	7	7
Over $60,000 to $100,000	NA	NA	NA	NA	NA	NA	11	10	9	9
Over $100,000 to $250,000	NA	NA	NA	NA	NA	NA	47	47	45	44
Over $250,000 to $400,000	NA	NA	NA	NA	NA	NA	24	25	26	27
Over $400,000 to $550,000	NA	NA	NA	NA	NA	NA	6	7	8	8
Over $550,000	NA	NA	NA	NA	NA	NA	4	4	5	5
Distribution of approved high-ratio homeowner loans by credit score at origination (%)[7]										
No score	0	0	0	0	0	0	0	0	0	0
Under 600	3	3	3	3	3	2	1	0	0	0
600 - 659	14	14	14	14	14	13	11	9	8	7
660 - 699	18	18	19	18	18	18	16	17	16	14
700 and over	65	64	64	65	65	66	72	74	76	79
Performance										
CMHC insured mortgages arrears rate (%)[6,8]	0.42	0.33	0.33	0.33	0.32	0.36	0.47	0.44	0.41	0.35
CMHC losses on claims expense ($ millions)[6,9]	185.8	166.0	147.1	217.9	217.4	248.2	512.0	678.0	616.8	532.4

Components may not add up to totals due to rounding.

[1] For homeowner high-ratio and low-ratio, low-ratio portfolio and multi-unit residential (5+ units) loans.

[2] From 2006 on, the series were revised to refer to mortgages for which CMHC received a premium (including portfolio insurance for low-ratio loans), rather than approved applications.

[3] Data is based on the loans for which premiums were received in a given year.

[4] For homeowner high-ratio and low-ratio loans.

[5] Includes: variable, capped variable, adjustable, buydown, and indexed rates.

[6] For homeowner high-ratio and low-ratio, and multi-unit residential loans.

[7] Canadian credit scores generally range from 300 to 900.

[8] Number of all loans that are 90 days or more past due as a per cent of the total number of outstanding insured loans.

[9] Deficit after sale of CMHC-insured foreclosed properties and payment of all claim expenses to lenders.

NA = Not available

Source: CMHC

For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 23

Private Mortgage Securitization, Canada, 2008-2012[1]

	2008	2009	2010	2011	2012
Total Canadian Private Mortgage Securitization Outstanding ($ billions)	**23.68**	**19.69**	**16.82**	**16.21**	**13.47**
Mortgage Assets as Share of the Total Canadian Private Securitization (%)	**28.3**	**31.6**	**30.2**	**29.6**	**24.0**
Breakdown of the Mortgage Assets by Type ($ billions)					
Home Equity Line of Credit (HELOC)[2]	8.07	7.81	7.28	6.05	6.47
Conventional Mortgage[3]	10.52	7.41	6.32	5.70	1.15
Insured Mortgage[4]	2.99	2.60	2.01	3.67	5.75
Non-Conventional Mortgage[5]	2.11	1.87	1.21	0.79	0.11

[1] This table reports Canadian private residential mortgage securitization transactions rated by DBRS, including asset-backed securities (ABS) and asset-backed commercial paper (ABCP), but excluding floating-rate structured notes (FRSN).

[2] This credit facility is secured by residential real estate.

[3] Uninsured residential mortgages with a loan-to-value (LTV) ratio equal or less than 80% at origination and underwritten by financial institutions to a prime credit borrower for property purchase, with full documentation, scheduled monthly amortizing payments and generally maximum gross debt-service ratio of 32% and total debt-service ratio of 40%.

[4] Residential mortgages insured by mortgage insurers with insurance premiums paid by either the borrower or the lender. The insurers must be rated at least AA (low) by DBRS to be eligible as securitization counterparty.

[5] Uninsured residential mortgages with a LTV ratio greater than 80%, limited underwriting documentation, lower than monthly amortizing payments and/or less credit worthy borrowers.

Source: CMHC, adapted from DBRS Monthly Canadian ABS and ABCP Reports

TABLE 24

Covered Bond Market, Canada, 2007-2012[1,2]

	2007	2008	2009	2010	2011	2012
Total Annual Covered Bond Issuance (C$ billions)	**2.84**	**6.98**	**1.45**	**17.34**	**25.67**	**17.00**
Issuance per Issuer (C$ billions)						
Royal Bank of Canada (RBC)	2.84	1.88	0.75	2.36	1.66	3.93
Canadian Imperial Bank of Commerce (CIBC)	-	3.60	0.70	5.66	7.30	0.22
Bank of Montreal (BMO)	-	1.50	-	2.08	3.51	2.02
Bank of Nova Scotia (BNS)	-	-	-	5.17	4.87	5.76
Toronto-Dominion Bank (TD)	-	-	-	2.08	4.93	2.98
National Bank of Canada (NBC)	-	-	-	-	2.42	0.60
Caisse centrale Desjardins du Québec (CCDQ)	-	-	-	-	0.99	1.49
Issuance by Currency (billions in currency indicated)						
Canadian Dollar (CAD)	-	-	0.75	0.85	1.10	-
Euro (EUR)	2.00	4.57	-	-	-	-
United States Dollar (USD)	-	-	-	14.75	21.90	16.85
Swiss Franc (CHF)	-	-	0.68	0.50	0.50	0.20
Australian Dollar (AUD)	-	-	-	0.75	2.30	-
Issuance by Term (C$ billions)						
2-yr	-	3.60	0.31	-	-	-
3-yr	-	-	-	5.89	11.97	2.73
4-yr	-	-	-	-	0.61	-
5-yr	2.84	1.50	1.14	11.00	11.43	14.05
7-yr	-	-	-	0.45	1.10	0.22
10-yr	-	1.88	-	-	0.56	-
Total Covered Bonds Outstanding (C$ billions)	**2.84**	**9.83**	**11.27**	**25.02**	**50.37**	**64.53**
Outstanding per Issuer (C$ billions)						
RBC	2.84	4.73	5.48	7.84	9.49	10.58
CIBC	-	3.60	4.30	6.36	13.35	13.57
BMO	-	1.50	1.50	3.58	7.09	9.10
BNS	-	-	-	5.17	10.03	15.79
TD	-	-	-	2.08	7.01	9.99
NBC	-	-	-	-	2.42	3.01
CCDQ	-	-	-	-	0.99	2.48
Outstanding by Currency (billions in currency indicated)						
CAD	-	-	0.75	1.60	2.70	2.70
EUR	2.00	6.57	6.57	4.25	4.25	2.25
USD	-	-	-	14.75	36.65	51.50
CHF	-	-	0.68	1.18	1.38	1.58
AUD	-	-	-	0.75	3.05	3.05
Outstanding by Term (C$ billions)						
2-yr	-	3.60	3.91	0.31	-	-
3-yr	-	-	-	5.89	17.86	20.59
4-yr	-	-	-	-	0.61	0.61
5-yr	2.84	4.34	5.48	16.48	27.91	39.12
7-yr	-	-	-	0.45	1.55	1.77
10-yr	-	1.88	1.88	1.88	2.44	2.44

Components may not add up to totals due to rounding.

[1] There were no covered bonds issued in Canada prior to 2007.

[2] Denominated in Canadian dollars (except where indicated) based on the exchange rates posted in issuers' covered bond investor reports at time of issuance.

- = 0

Source: CMHC, adapted from DBRS Monthly Canadian Covered Bond Report, Issuers' Monthly Covered Bond Program Investor Reports

TABLE 25

CMHC National Housing Act Mortgage-Backed Securities (NHA MBS) Program, 2003-2012[1]

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Annual NHA MBS Issuance ($ billions)	**32.702**	**37.713**	**46.002**	**58.447**	**85.673**	**144.972**	**134.236**	**124.638**	**139.893**	**146.721**
Annual NHA MBS Issuance by Pool Type ($ billions)										
867 Pool (Multi-Component FRM[2])	-	-	-	-	-	-	17.058	3.848	13.662	9.925
880 Pool (Multi-Component ARM[3])	-	-	-	-	-	-	0.108	0.074	2.530	3.396
885 Pool (Multi-Component VRM[4])	-	-	-	-	-	-	-	0.097	0.264	2.900
964 Pool (Homeowner)	0.532	0.910	0.193	0.267	0.162	1.064	1.789	0.573	0.010	0.014
965 Pool (Mixed)	0.545	0.529	0.442	0.572	1.139	3.397	4.593	3.575	3.271	3.747
966 Pool (Multi-Family)	0.481	0.181	-	-	0.059	0.180	0.145	0.065	-	0.425
967 Pool (Homeowner - prepayments retained)	-	-	-	-	-	-	-	-	-	-
970 Pool (Homeowner - 36 mth prepayment lock-out)	5.922	6.705	5.272	4.855	3.431	1.723	1.289	0.146	0.100	-
975 Pool (Homeowner - 60 mth prepayment lock-out)	23.471	23.722	27.531	41.080	66.586	79.764	73.531	77.921	78.092	94.056
980 Pool (Homeowner ARM)	-	-	0.266	0.291	1.491	4.562	11.878	12.808	10.723	5.612
985 Pool (Homeowner VRM)	1.557	5.422	10.634	9.600	8.689	46.810	19.443	18.777	20.756	23.758
987 Pool (Homeowner WAC[5])	-	-	1.382	1.048	3.022	6.956	3.737	6.098	9.996	2.243
990 Pool (Social Housing Loans)	0.194	0.244	0.282	0.735	1.092	0.515	0.666	0.657	0.488	0.647
Total NHA MBS Outstanding ($ billions)	**NA**	**NA**	**NA**	**124.155**	**166.291**	**254.274**	**298.246**	**325.133**	**368.308**	**387.415**
NHA MBS Outstanding by Pool Type ($ billions)										
867 Pool (Multi-Component FRM)	NA	NA	NA	-	-	-	13.782	12.691	21.727	24.328
880 Pool (Multi-Component ARM)	NA	NA	NA	-	-	-	0.097	0.151	2.612	5.286
885 Pool (Multi-Component VRM)	NA	NA	NA	-	-	-	-	0.097	0.315	2.921
964 Pool (Homeowner)	NA	NA	NA	1.288	1.018	1.635	2.590	2.450	1.804	1.268
965 Pool (Mixed)	NA	NA	NA	2.893	3.604	6.300	10.211	12.881	15.063	16.969
966 Pool (Multi-Family)	NA	NA	NA	1.752	1.190	1.092	1.018	0.942	0.729	0.876
967 Pool (Homeowner - prepayments retained)	NA	NA	NA	0.0048	0.0011	0.0007	0.0005	0.0004	0.0002	0.0001
970 Pool (Homeowner - 36 mth prepayment lock-out)	NA	NA	NA	15.275	13.272	9.121	5.685	2.735	1.137	0.280
975 Pool (Homeowner - 60 mth prepayment lock-out)	NA	NA	NA	80.103	118.910	160.592	178.558	201.814	219.582	229.765
980 Pool (Homeowner ARM)	NA	NA	NA	0.379	1.694	5.867	15.859	23.849	29.288	28.121
985 Pool (Homeowner VRM)	NA	NA	NA	16.729	18.065	55.498	54.579	48.947	51.668	55.527
987 Pool (Homeowner WAC)	NA	NA	NA	1.738	4.068	9.587	11.139	13.534	19.407	17.163
990 Pool (Social Housing Loans)	NA	NA	NA	3.994	4.468	4.582	4.727	5.042	4.977	4.913
Total Number of NHA MBS Pools Outstanding	**NA**	**NA**	**NA**	**2,558**	**3,313**	**4,791**	**6,528**	**7,807**	**9,115**	**9,968**
Number of NHA MBS Pools Outstanding										
867 Pool (Multi-Component FRM)	NA	NA	NA	-	-	-	151	279	429	637
880 Pool (Multi-Component ARM)	NA	NA	NA	-	-	-	12	21	75	132
885 Pool (Multi-Component VRM)	NA	NA	NA	-	-	-	-	6	28	56
964 Pool (Homeowner)	NA	NA	NA	132	107	143	243	262	235	179
965 Pool (Mixed)	NA	NA	NA	205	225	265	312	378	451	500
966 Pool (Multi-Family)	NA	NA	NA	118	91	72	57	52	45	61
967 Pool (Homeowner - prepayments retained)	NA	NA	NA	16	4	3	2	2	2	2
970 Pool (Homeowner - 36 mth prepayment lock-out)	NA	NA	NA	413	424	408	358	245	155	60
975 Pool (Homeowner - 60 mth prepayment lock-out)	NA	NA	NA	1,201	1,712	2,653	3,635	4,351	5,055	5,568
980 Pool (Homeowner ARM)	NA	NA	NA	35	117	270	551	943	1,351	1,484
985 Pool (Homeowner VRM)	NA	NA	NA	272	344	532	644	673	674	688
987 Pool (Homeowner WAC)	NA	NA	NA	73	180	330	432	451	466	450
990 Pool (Social Housing Loans)	NA	NA	NA	93	109	115	131	144	149	151

Components may not add up to totals due to rounding.

[1] This includes NHA MBS purchased by the Canada Housing Trust under the Canada Mortgage Bonds (CMB) program, market NHA MBS sold to capital market investors or held by the issuers, and NHA MBS purchased under the Insured Mortgage Purchase Program (IMPP).

[2] FRM are Fixed Rate Mortgages.

[3] ARM are Adjustable Rate Mortgages.

[4] VRM are Variable Rate Mortgages.

[5] WAC is Weighted Average Mortgage Rate.

NA = Not available; - = 0

Source: CMHC

TABLE 26

CMHC Canada Mortgage Bonds (CMB) Program, 2003-2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Annual CMB Issuance ($ billions)	**17.3**	**19.3**	**18.0**	**25.1**	**35.7**	**43.5**	**46.9**	**39.4**	**41.3**	**39.9**
Annual CMB Issuance by Term ($ billions)										
3-yr Fixed	-	-	-	-	-	6.0	2.0	-	-	-
5-yr Floating Rate Note	-	0.8	3.0	-	-	1.5	9.2	7.9	9.3	10.9
5-yr Fixed	17.3	18.5	15.0	25.1	35.7	34.0	28.5	23.8	22.8	20.0
10-yr Fixed	-	-	-	-	-	2.0	7.2	7.8	9.3	9.0
Total CMB Outstanding ($ billions)	**35.2**	**54.5**	**72.6**	**95.4**	**118.5**	**141.7**	**175.6**	**195.5**	**200.8**	**203.0**
CMB Outstanding by Term ($ billions)										
3-yr Fixed	-	-	-	-	-	6.0	8.0	8.0	2.0	-
5-yr Floating Rate Note	-	0.8	3.9	3.9	3.9	5.4	14.6	18.6	27.8	38.7
5-yr Fixed	35.2	53.7	68.7	91.6	114.7	128.3	143.8	152.0	144.7	129.0
10-yr Fixed	-	-	-	-	-	2.0	9.2	17.0	26.3	35.3
Investor Profile by Region (market share in %)										
Canada	59.7	56.5	62.3	66.7	71.9	77.3	76.6	71.9	72.1	73.2
United States	11.1	17.8	16.4	16.1	11.4	12.5	17.6	15.8	14.5	13.9
Europe	25.5	22.4	19.1	12.9	11.3	5.6	3.4	5.0	4.4	6.2
Australasia	3.6	2.9	1.9	2.9	4.9	4.4	2.0	4.0	3.0	3.6
Middle East and Other	0.1	0.5	0.3	1.4	0.5	0.3	0.4	3.2	6.0	3.0
Investor Profile by Investor Type (market share in %)										
Insurance companies and pension funds	42.5	52.9	54.1	44.5	47.5	47.1	42.9	45.4	41.5	46.1
Other institutional investors	7.3	16.4	17.6	9.5	14.5	9.1	4.0	10.2	5.2	2.5
Government	20.7	6.3	5.2	7.5	5.1	2.7	2.3	3.6	2.2	0.9
Chartered banks and quasi banks	19.9	16.8	9.9	20.1	17.2	26.6	43.0	30.0	36.7	40.3
Brokers/dealers	0.1	0.3	1.1	0.1	0.4	0.7	1.1	0.2	1.3	0.3
Canadian retail investors	2.7	3.0	3.5	2.3	2.4	2.5	1.9	1.8	1.8	1.6
Monetary authorities	6.7	4.3	3.5	6.4	7.0	5.4	2.3	7.1	8.7	5.5
Hedge funds	0.0	0.0	5.1	9.7	6.0	6.0	2.5	1.7	2.4	2.8

Components may not add up to totals due to rounding.

- = 0

Source: CMHC

For additional data, please refer to the CMHC website: www.cmhc.ca/observer.

TABLE 27

Canada Mortgage Bonds (CMB) 5-Year Constant Maturity Spread over the Government of Canada Curve,[1] 2003-2012 (basis points)

	January[2]	February	March	April	May	June	July	August	September	October	November	December	Annual Average
2003[(2)]	NA	NA	NA	NA	NA	12.3	12.2	17.7	18.5	13.6	12.8	11.3	**13.8**
2004	10.4	10.4	10.1	12.1	14.4	15.0	15.0	14.7	14.2	13.9	12.2	11.1	**12.8**
2005	11.0	10.8	10.1	10.6	9.5	8.5	8.5	8.0	7.7	8.8	8.9	11.2	**9.4**
2006	11.4	9.8	10.2	9.9	10.3	12.6	12.7	12.1	11.7	11.2	11.2	11.4	**11.2**
2007	11.6	11.8	11.8	11.3	11.6	13.4	14.1	16.0	19.5	19.7	28.9	31.2	**16.5**
2008	28.7	33.6	50.9	54.2	47.8	48.5	47.8	50.1	58.3	70.0	45.6	48.3	**48.6**
2009	32.4	32.4	38.9	37.6	35.8	41.1	34.9	26.7	25.7	23.5	22.4	23.2	**31.4**
2010	19.8	20.6	21.3	26.7	35.7	39.5	31.9	26.8	23.6	22.3	24.0	26.1	**26.6**
2011	23.6	22.1	24.8	23.9	23.5	23.9	23.9	25.8	34.9	32.3	32.1	31.0	**26.9**
2012[(3)]	28.7	27.9	34.0	35.1	36.2	37.2	34.8	34.2	33.0	33.6	33.0	31.8	**33.3**

[1] The constant maturity spread represents the exact term indicated and is calculated by an interpolation using CMB market spreads to Government of Canada yields.

[2] From 2003 to 2011 inclusively, the data presented are a monthly average of daily data.

[3] Starting in 2012, the data presented are a monthly average of weekly data.

NA = Not available

Source: CMHC

Housing market intelligence you can count on

FREE REPORTS AVAILABLE ON-LINE

- Canadian Housing Statistics
- Housing Information Monthly
- Housing Market Outlook, Canada
- Housing Market Outlook, Highlight Reports – Canada and Regional
- Housing Market Outlook, Major Centres
- Housing Market Tables: Selected South Central Ontario Centres
- Housing Now, Canada
- Housing Now, Major Centres
- Housing Now, Regional
- Monthly Housing Statistics
- Northern Housing Outlook Report
- Preliminary Housing Start Data
- Renovation and Home Purchase Report
- Rental Market Provincial Highlight Reports
- Rental Market Reports, Major Centres
- Rental Market Statistics
- Residential Construction Digest, Prairie Centres
- Seniors' Housing Reports

Get the market intelligence you need today!

Go to www.cmhc.ca/housingmarketinformation to view, download or subscribe.

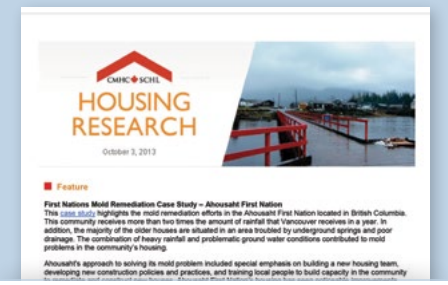
CMHC's Market Analysis Centre e-reports provide a wealth of detailed local, provincial, regional and national market information.

- **Forecasts and Analysis –** Future-oriented information about local, regional and national housing trends.
- **Statistics and Data –** Information on current housing market activities — starts, rents, vacancy rates and much more.

Are you interested in housing research?

Stay up-to-date with the latest housing research findings and events related to sustainable housing, housing conditions and trends, housing finance and more.

Subscribe Today to CMHC's Housing Research E-Newsletter!



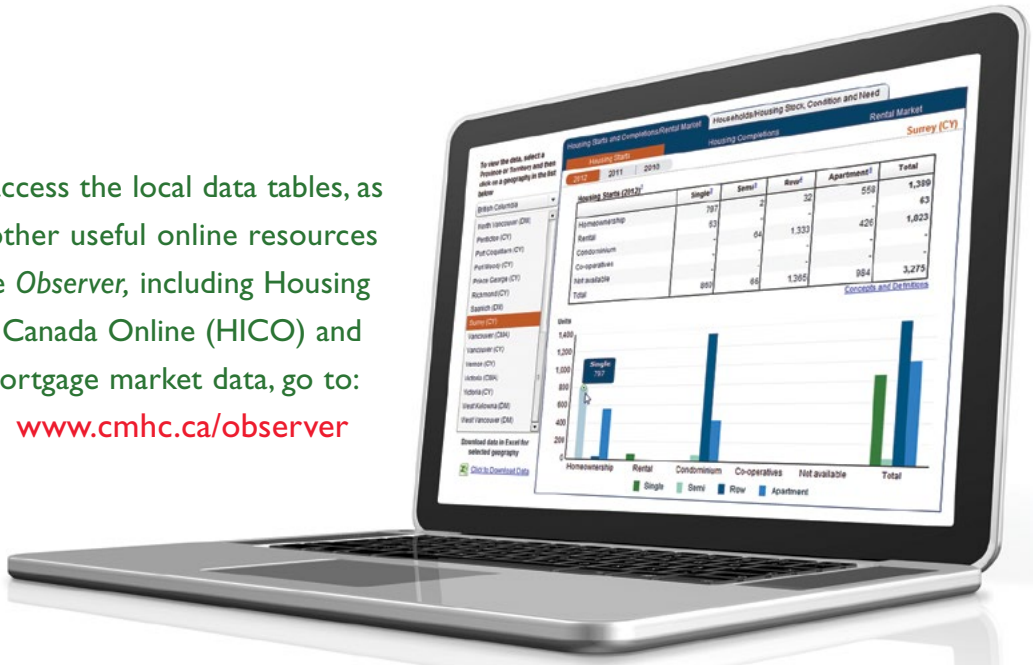
CANADIAN HOUSING OBSERVER 2013

Visit **www.cmhc.ca/observer** for easy access to timely, comprehensive data on Canadian Housing.

INTERACTIVE LOCAL DATA TABLES

The analysis provided in the *Observer* is backed by a suite of online data resources and tools that provide a comprehensive overview of Canadian housing conditions. One of these data resources is interactive local data tables for over 160 selected municipalities (Census Subdivisions) across Canada which provide a range of housing information to help you make more informed decisions at the municipal level.

To access the local data tables, as well as other useful online resources from the *Observer,* including Housing in Canada Online (HICO) and mortgage market data, go to: www.cmhc.ca/observer



flickr twitter YouTube

To be kept up-to-date on CMHC's latest housing research information, subscribe to the FREE CMHC Housing Research E-newsletter at

www.cmhc.ca

13 -12-13

67989