

## 2006 Census Housing Series: Issue 2— The Geography of Core Housing Need, 2001-2006

### INTRODUCTION

This *Highlight* draws on a composite measure of acceptable housing that integrates CMHC's housing standards of adequacy, suitability, and affordability into a single indicator: core housing need. Core housing need provides an estimate of the number of households not living in and unable to access acceptable housing (see "Acceptable Housing and Core Housing Need"). This *Highlight* examines changes in the levels of core housing need between 2001 and 2006, for Canada, the provinces and territories as well as for owners and renters.

The universe of households<sup>1</sup> tested for core housing need includes only private non-farm, non-band, non-reserve households with incomes greater than zero and shelter-cost-to-income ratios (STIRs) less than 100%. Shelter costs for farm households are not separable from costs related to other farm structures. Shelter costs are not collected for households whose housing costs are paid through band housing arrangements (both on-and off-reserve). For the purpose of measuring affordability, CMHC regards STIRs of 100% or more and STIRs for households with incomes of zero or less as uninterpretable.

### FINDINGS

#### More Households Examined for Core Housing Need in 2006

Of the 12.4 million households identified in the 2006 Census, 11.8 million were non-farm, non-band, non-reserve households with interpretable shelter cost-to-income ratios (STIRs) (see Figure 1). This *Highlight* examines the housing conditions of these 11.8 million households. Between 2001 and 2006, the number of Canadian households whose housing conditions could be assessed for core housing need grew by 8.9%, from 10.8 million to 11.8 million (see Table 1).<sup>2</sup>

Homeowners comprised almost all (97%) of the additional 960,500 households assessed for core housing need in Canada in 2006 compared to 2001. The remaining 3%, or 32,100 additional households, were renters. This faster increase in the number of owners, compared to renters, reflected a movement of households in general towards ownership.

#### Acceptable Housing and Core Housing Need

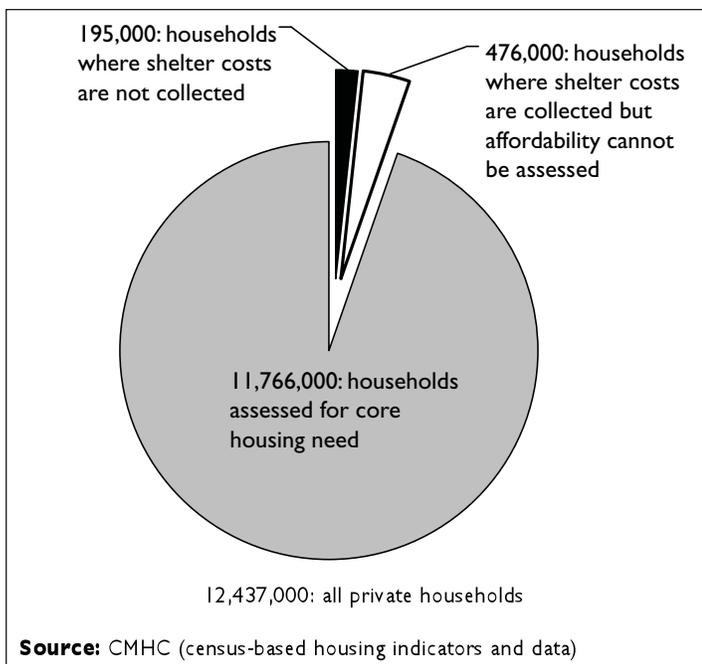
The term acceptable housing refers to housing that is adequate in condition, suitable in size, and affordable.

- **Adequate** housing does not require any major repairs, according to residents.
- **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 per cent 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 per cent or more of its before-tax income to pay the median rent of alternative local market housing that meets all three standards.

<sup>1</sup> According to Statistics Canada's *2006 Census Dictionary*, a household comprises a person or a group of persons who occupy the same dwelling and do not have a usual place of residence elsewhere in Canada.

<sup>2</sup> The growth in the number of households examined for core housing need also represented an increased proportion of all private households, going from 93% in 2001 to 95% in 2006.



**Figure 1** Households assessed for core housing need, Canada, 2006

**Housing Conditions in Canada Continued to Improve from 2001 to 2006**

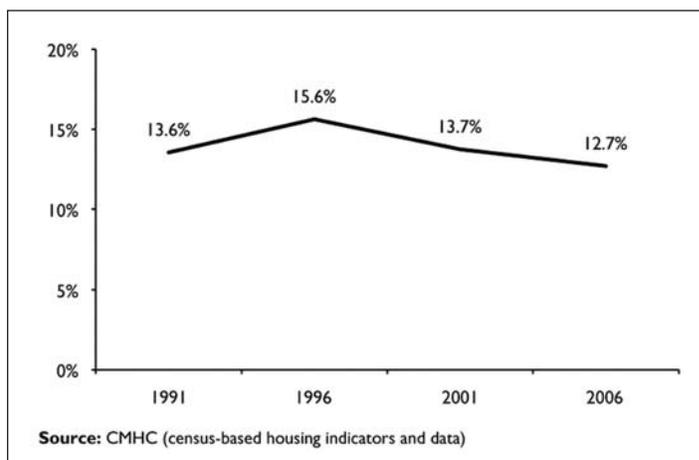
In 2006, 12.7% of households were in core housing need, down one percentage point from 13.7% in 2001. This was the lowest incidence of any census year dating back to 1991 (see Figure 2). As in the past, the behaviour in the incidence of core housing need between 2001 and 2006 generally mirrored the fortunes of the Canadian economy. The incidence rose from 1991 to 1996 in the wake of a recession, and has continually fallen since 1996 as the economy strengthened. Despite the decrease in the incidence of need, the number of households in core housing need increased; there were 9,055 more households (an increase of 0.6%) in core need in 2006 than in 2001 (see Table 1).

Between 2001 and 2006, all the provinces and territories, except Saskatchewan, Yukon and the Northwest Territories saw improvements in their incidences of core housing need. Three provinces and one territory experienced a decrease of more than one percentage point: Nova Scotia (-3.1 percentage points), Quebec (-1.9 percentage points), British Columbia (-1.2 percentage points) and Nunavut (-1.5 percentage points).

On the other hand, Yukon (0.5 percentage point), Saskatchewan (0.3 percentage points) and the Northwest Territories (0.1 percentage point) experienced increases in the percentage of households in core housing need.

In 2006, the incidence of core housing need remained high in the territories. Nunavut once again had the highest proportion of households in need (37.3%), while the Northwest Territories (17.5%) and Yukon (16.3%) remained in second and third place, respectively. British Columbia, Ontario, and Newfoundland and Labrador were the provinces with the highest levels of core housing need, all above 14%. Alberta again experienced the lowest incidence of core housing need (10.1%), followed very closely by New Brunswick (10.3%).

Changes in the number of households in core housing need in the provinces and territories reflect both the incidence of core housing need and growth in the number of households. For example, in Nova Scotia, a large decrease in the incidence of need (-3.1 percentage points), coupled with moderate household growth (6.2%) between 2001 and 2006, resulted in a large decrease in the number of households in need (by 15%) (see Table 1).



**Figure 2** Percentage of households in core housing need—Canada, 1991-2006

**Table 1** All households by core housing need status, 2001 and 2006

	All Households*			Households in Core Housing Need			Incidence of Core Housing Need		
	2001 (#)	2006 (#)	Change (%)	2001 (#)	2006 (#)	Change (%)	2001 (%)	2006 (%)	Difference (Percentage pts)
Newfoundland and Labrador	181,700	191,800	5.6	26,600	27,300	2.6	14.6	14.2	-0.4
Prince Edward Island	48,100	50,900	5.9	6,200	6,400	3.8	12.9	12.6	-0.3
Nova Scotia	339,700	360,800	6.2	51,600	43,800	-15.2	15.2	12.1	-3.1
New Brunswick	268,800	284,200	5.7	30,000	29,400	-2.1	11.2	10.3	-0.9
Quebec	2,812,800	3,061,400	8.8	352,400	324,600	-7.9	12.5	10.6	-1.9
Ontario	3,981,500	4,319,100	8.5	599,700	627,500	4.6	15.1	14.5	-0.6
Manitoba	389,800	414,300	6.3	45,400	46,900	3.4	11.6	11.3	-0.3
Saskatchewan	323,100	346,700	7.3	37,200	40,800	9.9	11.5	11.8	0.3
Alberta	1,014,200	1,184,000	16.7	106,300	119,100	12.0	10.5	10.1	-0.4
British Columbia	1,416,700	1,520,100	7.3	223,700	221,500	-1.0	15.8	14.6	-1.2
Yukon	10,200	11,500	12.6	1,600	1,900	16.4	15.8	16.3	0.5
Northwest Territories	12,000	13,700	14.2	2,100	2,400	14.6	17.4	17.5	0.1
Nunavut	7,100	7,700	8.9	2,700	2,900	4.7	38.8	37.3	-1.5
<b>CANADA</b>	<b>10,805,600</b>	<b>11,766,100</b>	<b>8.9</b>	<b>1,485,300</b>	<b>1,494,400</b>	<b>0.6</b>	<b>13.7</b>	<b>12.7</b>	<b>-1.0</b>

**Notes:**

Figures may not add up to totals due to rounding. Percentages based on non-rounded counts.

\*Includes only private, non-farm, non-band, non-reserve households with incomes greater than zero and STIRs less than 100%.

Source: CMHC (census-based housing indicators and data).

### More Owner Households in Need, Although Incidence Decreases

The absolute number of owner households in core housing need increased by 39,000 (8.2%), reflecting a 12.8% increase in the total number of owner households; however, the incidence of housing need among owner households in Canada decreased from 6.6% in 2001 to 6.3% in 2006 (see Table 2).

The incidence of core housing need for homeowners decreased in five of the ten provinces and all of the territories. The largest improvements occurred in Nunavut (-6.3 percentage points),

Nova Scotia (-2.2 percentage points), and Quebec (-1.1 percentage points). Other provinces with improvements in housing need among owner households included New Brunswick, Newfoundland and Labrador and British Columbia.

Among the five provinces that saw an increase in the incidence of core housing need among homeowners, Saskatchewan (1.1 percentage points) experienced the most significant change, followed by Prince Edward Island and Manitoba (0.5 percentage points each), Alberta (0.2 percentage points), and Ontario (0.1 percentage points).

**Table 2** Owner households by core housing need status, 2001 and 2006

	All Households*			Households in Core Housing Need			Incidence of Core Housing Need among Owner Households		
	2001 (#)	2006 (#)	Change (%)	2001 (#)	2006 (#)	Change (%)	2001 (%)	2006 (%)	Difference (Percentage pts)
Newfoundland and Labrador	143,900	152,300	5.9	13,500	13,700	1.7	9.4	9.0	-0.4
Prince Edward Island	35,400	37,800	6.8	2,400	2,700	13.9	6.7	7.2	0.5
Nova Scotia	245,800	263,700	7.3	19,800	15,500	-21.7	8.1	5.9	-2.2
New Brunswick	203,200	217,200	6.9	12,600	12,300	-2.1	6.2	5.7	-0.5
Quebec	1,658,100	1,863,000	12.4	74,700	63,900	-14.4	4.5	3.4	-1.1
Ontario	2,748,900	3,109,700	13.1	201,300	228,900	13.7	7.3	7.4	0.1
Manitoba	271,200	294,100	8.5	15,600	18,100	16.2	5.7	6.2	0.5
Saskatchewan	230,800	254,300	10.2	14,200	18,600	30.3	6.2	7.3	1.1
Alberta	719,300	874,300	21.5	38,300	48,500	26.7	5.3	5.5	0.2
British Columbia	958,100	1,074,800	12.2	79,500	88,300	11.1	8.3	8.2	-0.1
Yukon	6,900	7,800	12.7	700	800	10.8	10.0	9.8	-0.2
Northwest Territories	6,500	7,300	13.1	800	900	8.5	12.6	12.1	-0.5
Nunavut	1,700	1,700	2.0	500	400	-19.4	30.1	23.8	-6.3
<b>CANADA</b>	<b>7,229,700</b>	<b>8,158,100</b>	<b>12.8</b>	<b>473,800</b>	<b>512,600</b>	<b>8.2</b>	<b>6.6</b>	<b>6.3</b>	<b>-0.3</b>

**Notes:**

Figures may not add up to totals due to rounding. Percentages based on non-rounded counts.

\*Includes only private, non-farm, non-band, non-reserve households with incomes greater than zero and STIRs less than 100%.

Source: CMHC (census-based housing indicators and data).

**Fewer Renter Households in Need**

Although traditionally more susceptible to falling into core housing need (27.2% compared to 6.3% of owner households in 2006), Canadian renter households saw not only a decrease in the incidence of core housing need (down from 28.3% in 2001) but also a 2.9% decrease in the number of renter households in need.

Renter households in all provinces and territories—except Ontario, Yukon and the Northwest Territories—experienced a decrease in the incidence of core housing need (see Table 3). Renter households in Nova Scotia experienced the largest improvement (-4.8 percentage points), followed by Quebec (-2.2 percentage points) and Prince Edward Island (-1.7 percentage points).

Between 2001 and 2006, the incidence of renter core housing need in Yukon increased the most (at 2 percentage points), followed by Ontario (at 0.7 percentage points)<sup>3</sup> and the Northwest Territories (0.5 percentage points).

<sup>3</sup> Although counterintuitive at first glance, the fact that the incidence of core housing need for all households in Ontario decreased despite an increased incidence for both owners and renters reflects the large jump in the proportion of Ontario households owning in 2006 (72%) in comparison to 2001 (69%). Between 2001 and 2006, a substantial rise in the proportion of owner households pushed down the overall incidence of core need for Ontario households, because the incidence of core need for owners (at 7.4%) is much lower than that for renters (33.0%).

**Table 3** Renter households by core housing need status, 2001 and 2006

	All Households*			Households in Core Housing Need			Incidence of Core Housing Need among Renters Households		
	2001 (#)	2006 (#)	Change (%)	2001 (#)	2006 (#)	Change (%)	2001 (%)	2006 (%)	Difference (Percentage pts)
Newfoundland and Labrador	37,800	39,400	4.3	13,100	13,600	3.6	34.8	34.5	-0.3
Prince Edward Island	12,700	13,100	3.3	3,800	3,700	-2.5	30.1	28.4	-1.7
Nova Scotia	93,900	97,100	3.4	31,800	28,300	-11.1	33.9	29.1	-4.8
New Brunswick	65,600	67,000	2.1	17,400	17,000	-2.1	26.5	25.4	-1.1
Quebec	1,154,700	1,198,400	3.8	277,700	260,700	-6.1	24.0	21.8	-2.2
Ontario	1,232,700	1,209,400	-1.9	398,300	398,600	0.1	32.3	33.0	0.7
Manitoba	118,700	120,200	1.3	29,800	28,800	-3.4	25.1	23.9	-1.2
Saskatchewan	92,200	92,400	0.1	22,900	22,300	-2.7	24.8	24.1	-0.7
Alberta	294,900	309,700	5.0	68,000	70,500	3.8	23.1	22.8	-0.3
British Columbia	458,700	445,300	-2.9	144,200	133,100	-7.7	31.4	29.9	-1.5
Yukon	3,300	3,700	12.7	900	1,100	20.7	28.2	30.2	2.0
Northwest Territories	5,500	6,400	15.3	1,300	1,500	18.1	23.1	23.6	0.5
Nunavut	5,400	6,000	11.1	2,200	2,500	10.6	41.5	41.3	-0.2
<b>CANADA</b>	<b>3,576,000</b>	<b>3,608,000</b>	<b>0.9</b>	<b>1,011,500</b>	<b>981,800</b>	<b>-2.9</b>	<b>28.3</b>	<b>27.2</b>	<b>-1.1</b>

**Notes:**

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\*Includes only private, non-farm, non-band, non-reserve households with incomes greater than zero and STIRs less than 100%.

Source: CMHC (census-based housing indicators and data).

**Summary**

Canadian housing conditions continued to improve from 2001 to 2006, with the percentage of households in core housing need falling to 12.7% from 13.7% in 2001 and 15.6% in 1996. The number of Canadian households in core housing need increased by some 9,000 households (0.6%); households whose housing conditions could be assessed grew by about 1 million.

Owner households saw a small decrease (0.3 percentage points) in their incidence of core housing need between 2001 and 2006, and renter households experienced a larger decrease in their incidence of core housing need (1.1 percentage points).

These national trends did not occur uniformly across the country. All the provinces and territories—except Saskatchewan, Yukon and the Northwest Territories—experienced decreases in their incidences of core housing need.

## Research Highlight

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**For further information** on CMHC's 2006 census-based housing data, refer to *Housing in Canada Online* on the CMHC website, at [www.cmhc.ca](http://www.cmhc.ca). To inquire or comment on this *Highlight* or make suggestions for further research, please contact us, either by e-mail at [HiCO-LaCel@cmhc-schl.gc.ca](mailto:HiCO-LaCel@cmhc-schl.gc.ca), or via regular mail at:

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