



RESEARCH HIGHLIGHT

2011 Census/National Household Survey Housing Conditions Series: Issue 6 Subsidized Renter Households

November 2015 Socio-economic Series

INTRODUCTION

At the request of CMHC, the 2011 National Household Survey (NHS) gathered data on subsidized renter households. Subsidized housing is intended to help reduce the cost of maintaining a home for those with low and moderate incomes. In the context of the NHS, “subsidized housing” is non-band, non-reserve, rental housing that:

is rent-geared-to-income housing, social housing, public housing, government-assisted housing, non-profit housing, or households receiving rent supplements or housing allowances (see Glossary in the annex for definitions of the above).

Using this data, this Research Highlight examines the housing conditions of these households.

FINDINGS

According to the NHS, there were 560,745 subsidized households in Canada in 2011. This total captures a range of contexts and types of subsidized housing, including:

1. federally assisted housing¹ created under a variety of social housing programs between 1946–1993 that receive subsidy under federal programs or federal/provincial/territorial (F/P/T) agreements;²

2. housing created through F/P/T agreements under the Affordable Housing Initiative (2001–2011);
3. housing assistance provided unilaterally by governments outside of F/P/T agreements;
4. housing created by non-profit housing organizations outside of F/P/T agreements;
5. rent supplement programs. As of October 2013, there were at least 14 different rent subsidy programs offered by 9 Provinces and Territories (See Examples of Rent Supplement Programs in Canada in the annex); and
6. landlords or property management companies that provide subsidized rent to employees as part of their job benefit.

About 4% of all households in Canada live in subsidized housing

In 2011, the 560,745 households who indicated their housing was subsidized represented about 4% of the 13.3 million households in Canada and 14% of the rental households (see The Distribution of Subsidized Renter Households in Canada in the annex).

¹ There were 550,700 federally assisted housing units in Canada in 2011. This number includes affordable housing projects where all of the units are subsidized (for example, public housing) as well as “mixed income” social housing units where some tenants pay market rent while others pay subsidized rent (for example, rent geared to income). The data on subsidized households from the NHS would exclude the units in federally assisted housing in which the tenants are paying market rent.

² See: “The Evolution of Social Housing in Canada,” Chapter 9 of the 2011 *Canadian Housing Observer*, at http://www.cmhc-schl.gc.ca/en/corp/about/cahoob/cahoob_009.cfm

Need for subsidized housing is affected by socio-economic factors, such as income levels, unemployment rates, the cost of housing, family breakup and family violence, as well as demographic factors such as the aging population.

Subsidized renter households are among the poorest in our society with an average before-tax household income in 2010³ of \$29,938, about 38% of the Canadian average (\$79,102). Subsidized housing is home to higher proportions of women, immigrants, children and seniors, compared to non-subsidized housing. People living in subsidized households also are more likely to be lone-parent families or adults living alone, again compared to non-subsidized housing. These patterns are due in part to demographic and socio-economic factors, as well as housing assistance program and waiting list priorities.

Housing conditions of subsidized households

Housing conditions were assessed for 528,755 subsidized households for which income and housing affordability can be interpreted; that is, households with incomes greater than zero and shelter cost-to-income ratios (STIRs) of less than 100% (see Glossary in the annex). Of these, the majority were above all three (adequate, suitable and affordable) housing standards (see figure 1 and Glossary).

Core housing need

About 37% of subsidized households are in core housing need

Of the households living in subsidized housing, about 37% were in core housing need (compared to about 25% of non-subsidized renter households) (see figure 1 and appendix table A1 in the annex).

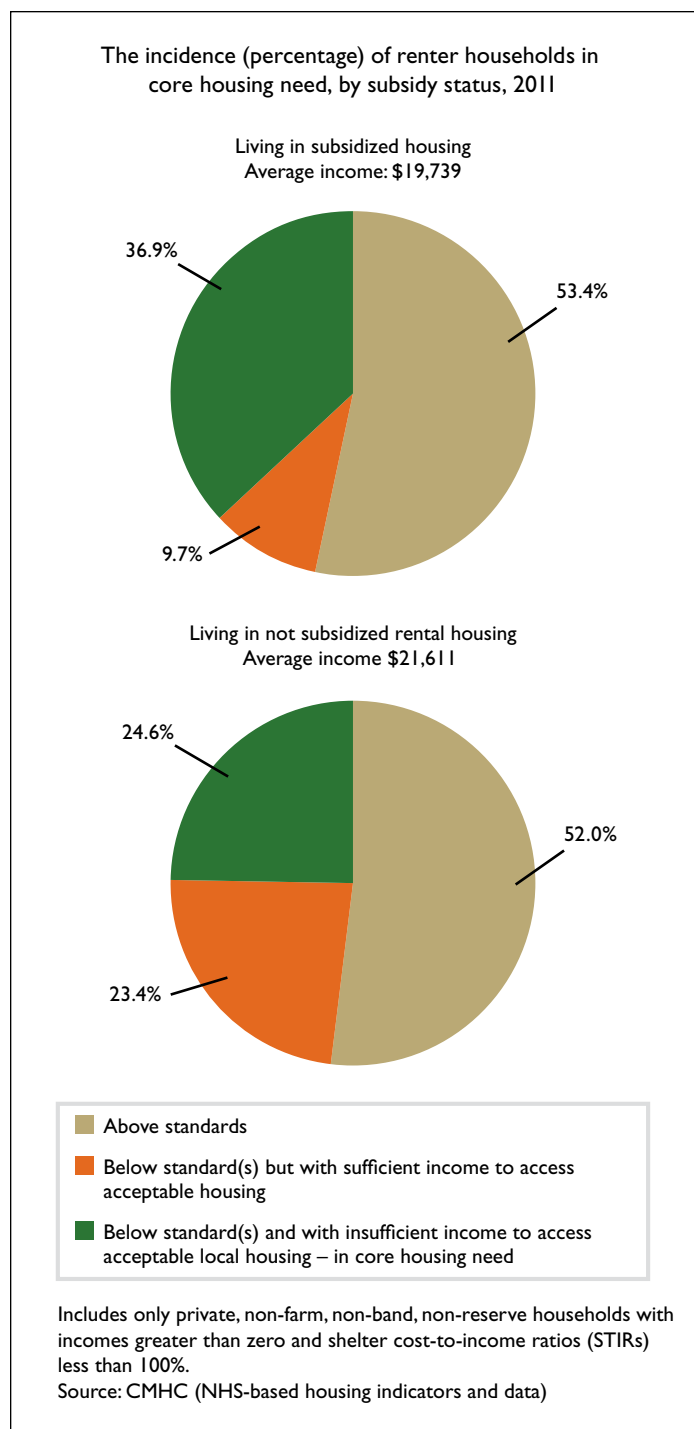


Figure 1 Lower average income means subsidized households have higher incidence of core housing need than not subsidized renter households

³ Income data on the 2011 National Household Survey is for 2010.

Subsidized households in core housing need have lower shelter-cost-to-income ratios than non-subsidized households

A relatively much lower percentage of households in subsidized housing in core housing need fall into housing need because they are below the affordability standard, either alone or in combination with other standards (see figure 2). Not surprisingly, among households in core housing need, households in subsidized housing generally had lower average before-tax household incomes (\$19,739) than non-subsidized renter households (\$21,611).

Subsidization lessens the severity of core housing need

The subsidized households in core housing need had an average shelter-cost-to-income ratio (STIR) of about 41%, compared to 51% for non-subsidized renter households in core housing need. Family households with children (both couple families and lone-parent families) living in subsidized housing have much lower STIRs than those living in non-subsidized rental housing and the same is the case for households which are one-person, senior-led, female-headed and immigrant households (see figure 3).

The lower STIRs for subsidized households are largely the result of lower shelter costs; the average shelter cost for a subsidized household in core housing need was \$592, compared to \$833 for those not living in subsidized housing (see figure 4).

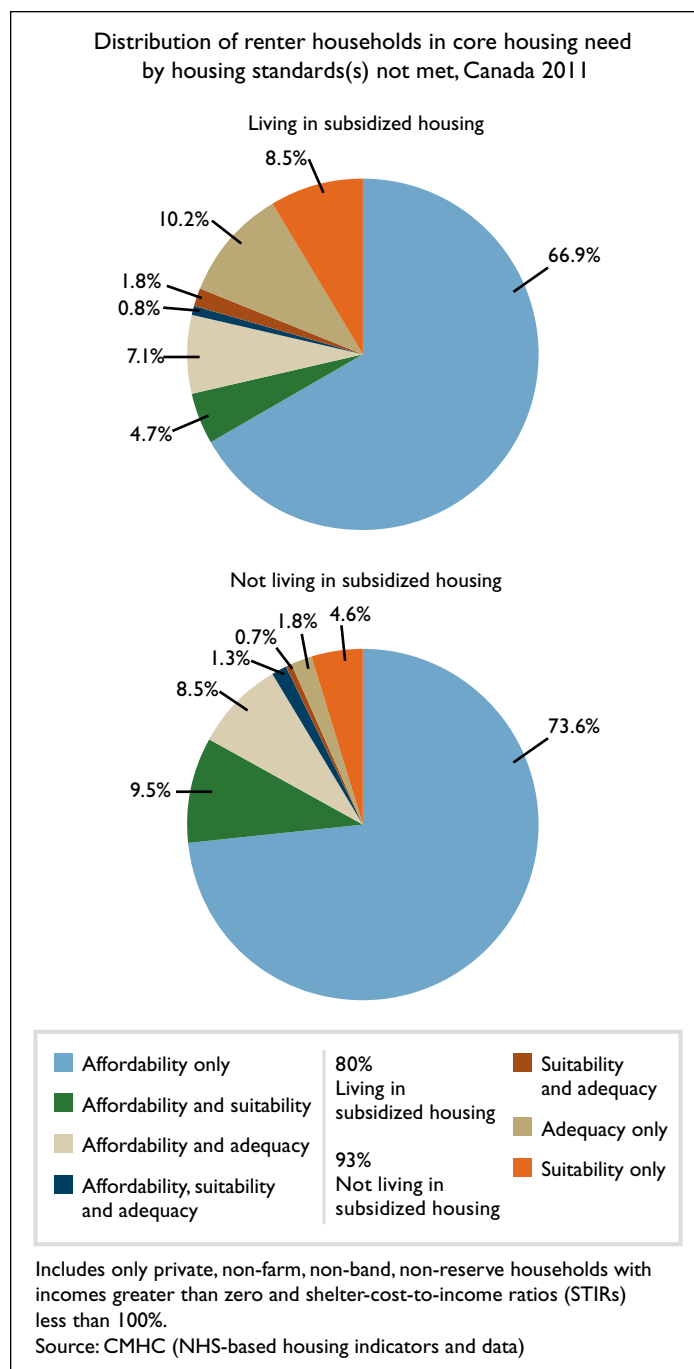


Figure 2 About 80% of subsidized households in core need fall into need because of affordability

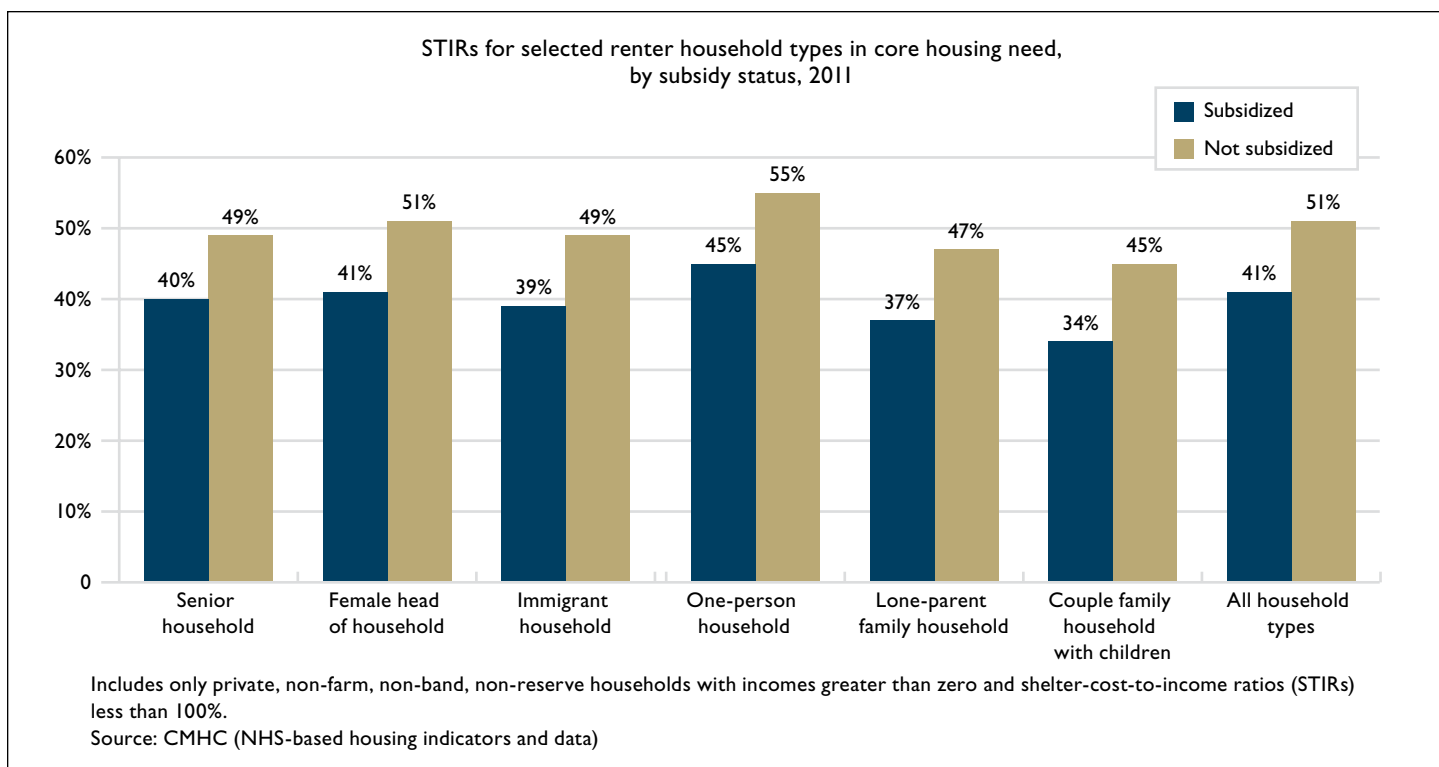


Figure 3 Subsidization reduces the shelter-cost-to-income ratio, thereby lessening the severity of being in core housing need

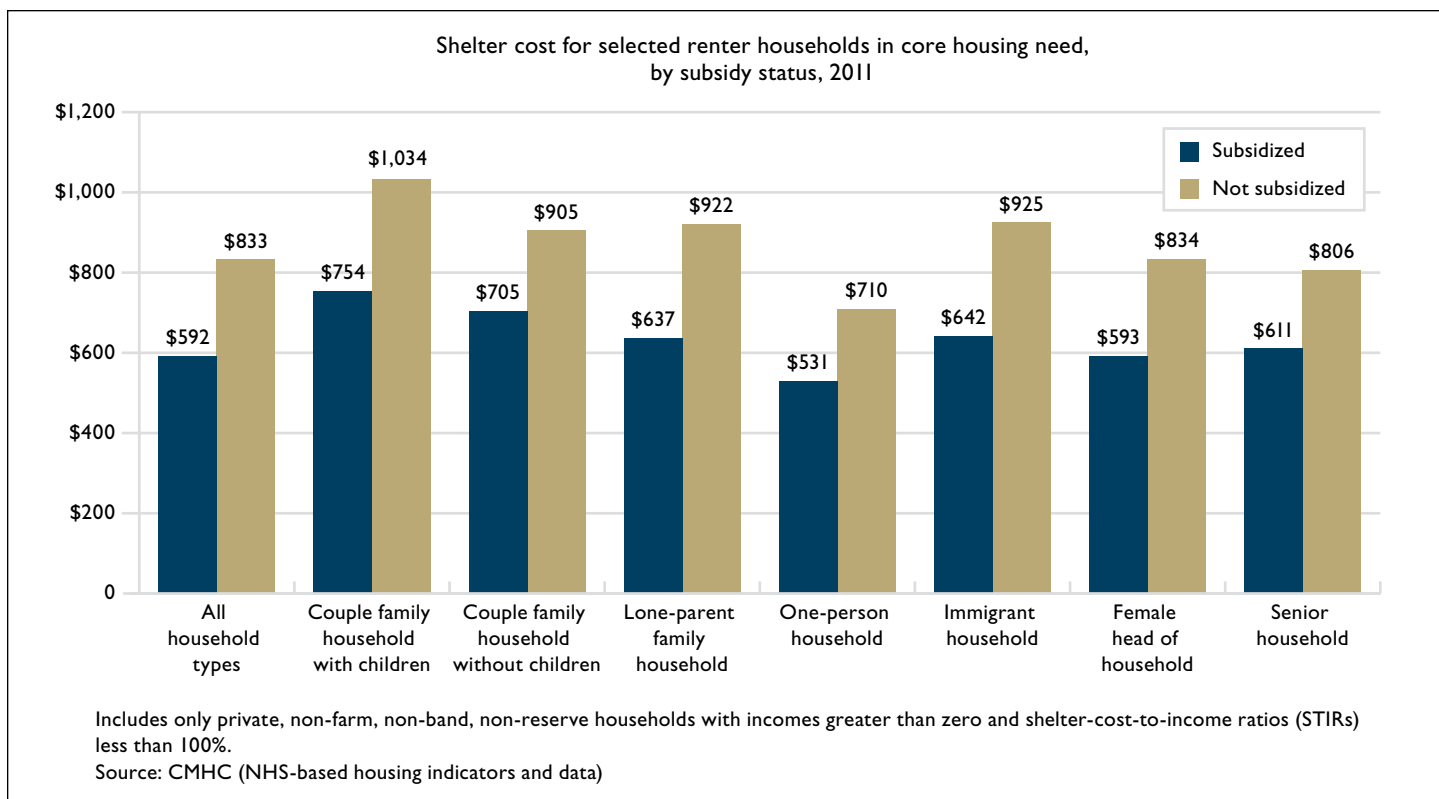


Figure 4 Subsidization reduces shelter costs

Housing assistance programs remove most subsidized households from core housing need and reduce the severity of need of others

“Subsidized housing” captures a broad range of housing assistance programs and approaches. Most subsidized households are not in core housing need (see figure 1). Some subsidized households continue to be below the affordability standard for a variety of reasons; that is, some housing assistance programs do not necessarily reduce the proportion of household income spent on shelter to less than 30%.

- Depending on the housing program, rent may not be geared-to-income; instead, housing allowances and rent subsidies may assist with a portion of the rent without reducing rent below 30% of income.⁴
- Households in subsidized housing who are in receipt of a fixed shelter and basic needs allowance through social assistance could pay 30% or more of their household income on shelter.⁵
- Where subsidized housing is rent-geared-to-income, a tenant household paying 30% of income on shelter would, by definition, fall below the affordability standard. In addition, subsidized rent may or may not include utilities. As a result, while a tenant might be paying less than 30% of income on rent, the additional cost of utilities could put total shelter costs over 30%.

While subsidized housing does not raise all subsidized households up out of core housing need, it does improve the housing situation of those with low incomes and provides greater stability for vulnerable households, including those with children. Households living in social, public or other non-profit housing are expected to have a greater degree of security of tenure than non-subsidized households in market housing. In rent-geared-to-income housing (that is, social or public housing), if a household maintainer loses their job or has an unexpected drop in income, their rent should be decreased to reflect their reduced income. This is not the case in market housing, where such a change of income can necessitate a move and/or cause significant financial hardship.

Of course, limited resources can be used either to lift every one of a smaller number of houses out of core housing need, or to provide lesser assistance to a larger number of households.

⁴ For example, B.C.’s Shelter Aid for Elderly Renters (SAFER) and Rental Assistance Program provide a limited benefit that is only part of the difference between 30% of total income and rent. In 2011, the Ontario initiative Rental Opportunity for Ontario Families (ROOF) provided a fixed amount of \$100/month, regardless of shelter cost. (This program has since been discontinued). http://www.bchousing.org/Options/Rental_market/SAFER/Calculator

⁵ For example a single person on social assistance in Ontario (2014) could be paying the shelter component of welfare as prescribed by social assistance, which could represent 60% of household income if there is no other income source. <http://www.mcass.gov.on.ca/en/mcass/programs/social/directives/index.aspx>. In B.C., a one-parent family where the parent receives disability assistance could be paying 46% of income on shelter. <http://www.eia.gov.bc.ca/mhr/da.htm>

ANNEX

1. Glossary

Acceptable housing: housing which is adequate in condition, suitable in size, and affordable.

Core housing need: 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 access local housing that meets all three standards.

- **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 makeup of resident households, according to National Occupancy Standard (NOS) requirements. Enough bedrooms based on NOS requirements means one bedroom for each cohabiting adult couple, lone parent, unattached household member age 18 or older, 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 (that is, a unit with no bedroom).
- **Affordable housing** costs less than 30% of before-tax household income. For renters, shelter costs include, as applicable, rent and payments for electricity, fuel, water and other municipal services. For owners, shelter costs include, as applicable, mortgage payments (principal and interest), property taxes, condominium fees, and payments for electricity, fuel, water and other municipal services.

Not all households in below-standard housing are in core housing need

If a household not living in acceptable housing can access acceptable local housing for less than 30% of its before-tax income, it is not in core housing need; it is in core housing need only if acceptable local housing would cost 30% or more of its before-tax income. In communities where market rents can be estimated, the cost of acceptable housing is calculated using the median rent of rental units with the number of bedrooms the household requires. Elsewhere, the cost of acceptable housing is based on the estimated monthly carrying cost of a newly constructed home with the number of bedrooms the household requires.

Households assessed for core housing need

Only private, non-farm, non-band, non-reserve households with incomes greater than zero and shelter-cost-to-income ratios (STIRs) less than 100% are assessed for core housing need. Farms are excluded because shelter costs for farm households are not separable from costs related to other farm structures. Band households are excluded because shelter costs are not collected for households whose housing costs are paid through band housing arrangements. For the purpose of measuring affordability, CMHC regards STIRs of 100% or more, STIRs for households with incomes of zero or less, and STIRs of households living in non-band housing on-reserves⁶ as uninterpretable.

Incidence of core housing need: the percentage of households in core housing need.

Co-operative (or co-op) housing: housing which is owned and managed by the people who live there.

⁶ Given communal land tenure in most reserve communities, the distinction among different tenures as reported on-reserve may be less clear than off-reserve.

ANNEX (CONTINUED)

Government assisted housing: any housing created through government assistance such as social or public housing, housing created under federal/provincial/territorial (F/P/T) agreements under the Affordable Housing Initiative (2001-2011), Investment in Affordable Housing (2011-2014; 2014-2019), and housing provided unilaterally by governments outside of F/P/T agreements.

Housing allowances: subsidies paid by the government to a tenant to reduce the cost burden of housing, and rent subsidies which are provided by landlords or property management companies to employees as part of their job benefit. Subsidy levels can be geared to income or a fixed amount.

Non-profit housing: rental housing built and managed by a community group, such as a faith group, labour union, or ethnic group. Non-profit housing can use both private funds and government subsidies to support subsidized rent for low-income tenants.

Public housing: housing which has been created under a variety of social housing programs between 1946-1993 that receive subsidy under federal/provincial/territorial agreements that is owned and operated by a government entity. Typically all of the units are rent-geared-to-income (RGI).

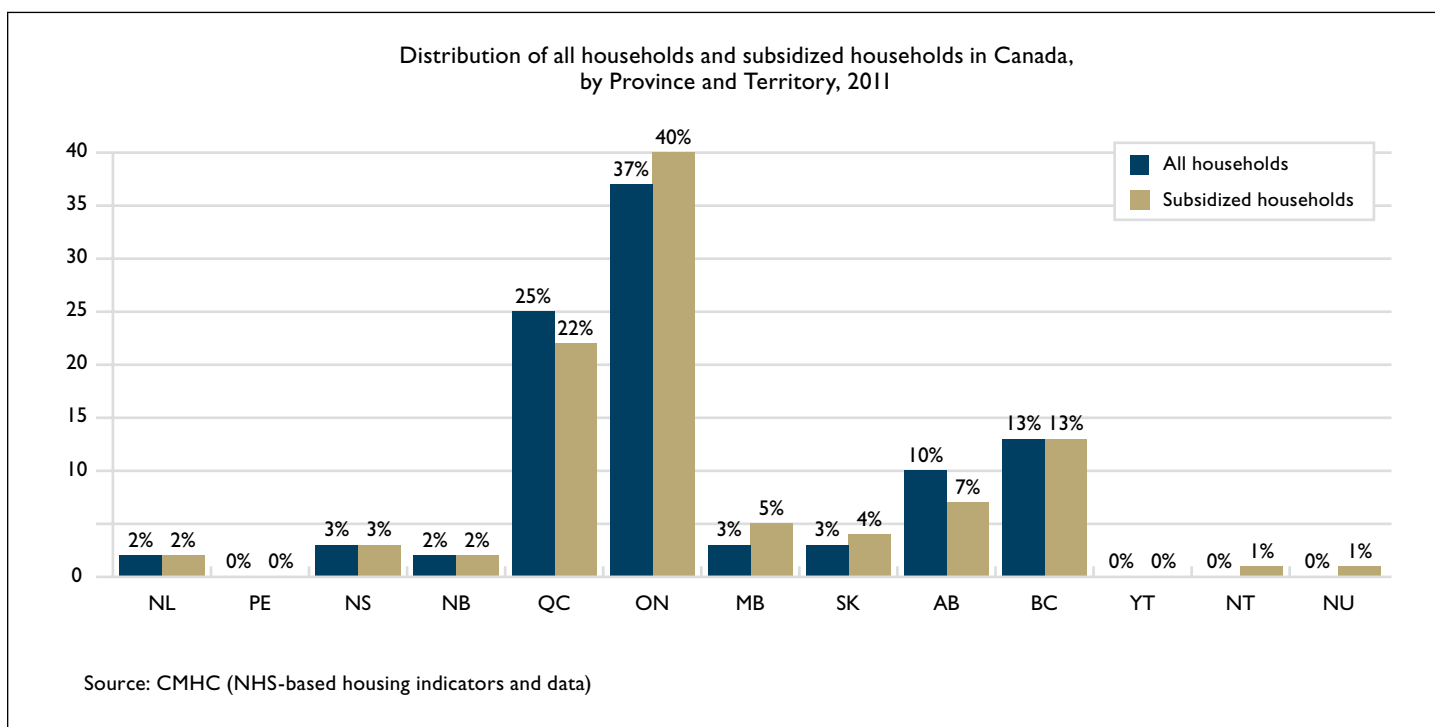
Rent-geared-to-income (RGI): housing where the rent is calculated based on a percentage of gross household income, typically 25%-30%. RGI housing is typically found in social or public housing.

Rent supplements: subsidies paid by the government to private landlords who house low-income tenants. Subsidy levels can be geared-to-income (that is, the difference between negotiated market rent and the geared-to-income rent the household is able to pay).

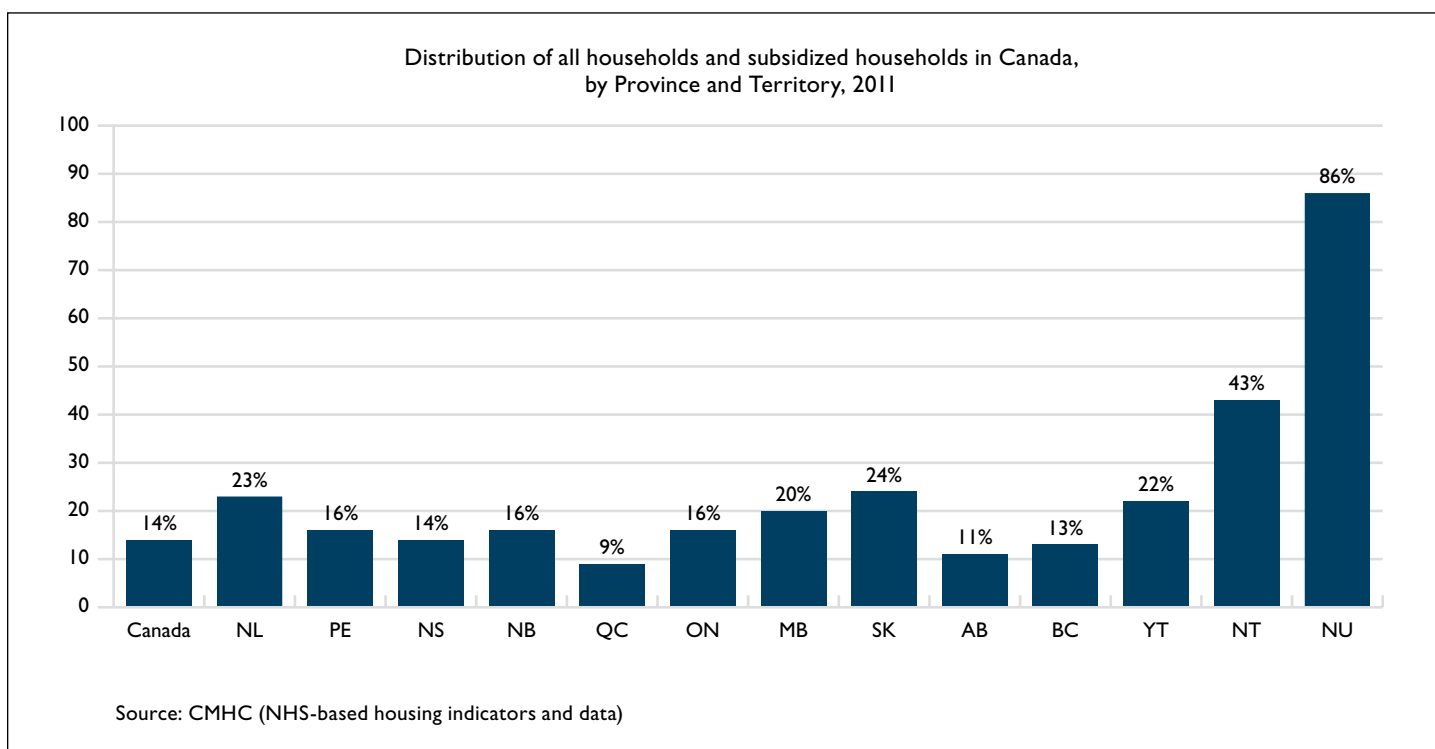
Social housing: federally assisted housing created under a variety of social housing programs between 1946-1993 that receive subsidy under federal/provincial/territorial agreements. Depending on the program, some or all of the units may be RGI. Social housing can also include market rent units. This housing is typically owned and operated by non-profit and co-operative societies or government agencies.

Shelter-cost-to-income ratio (STIR): the STIR is calculated for each household by dividing its total shelter cost by its 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 average STIR for a particular group is the average of the STIRs recorded for each household in that group; it cannot be calculated by dividing the group's total average shelter cost by the group's total average income.

2. The distribution of subsidized renter households in Canada

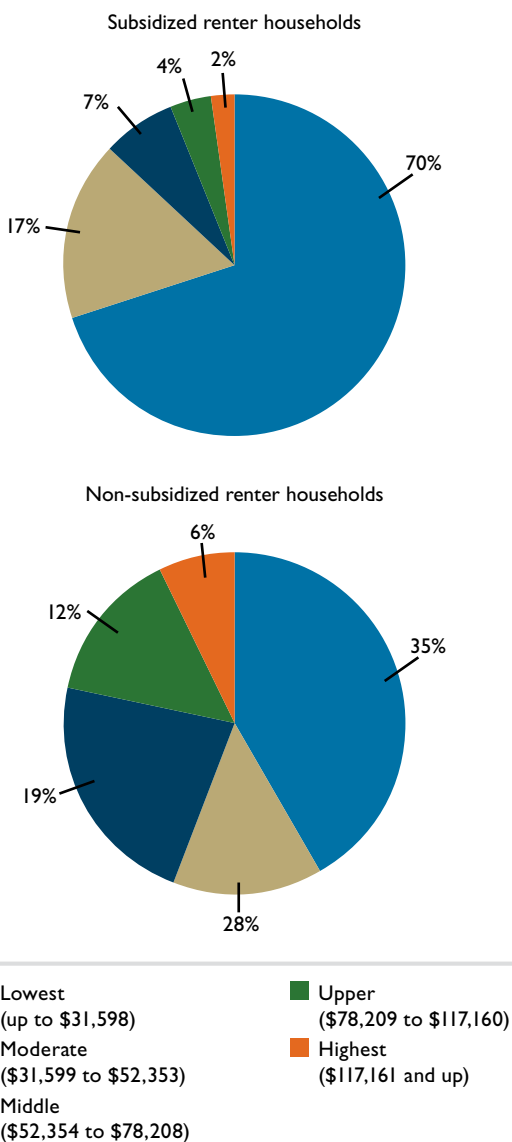


Annex figure 1 The distribution of subsidized rental housing in Canada roughly mirrors the distribution of households in Canada, except for Ontario, Quebec and Alberta



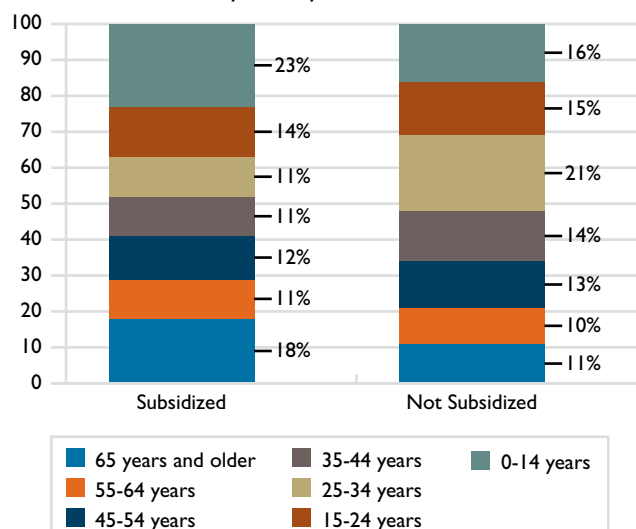
Annex figure 2 14% of the renter households in Canada are subsidized

Before-tax income quintile by subsidy status, 2011



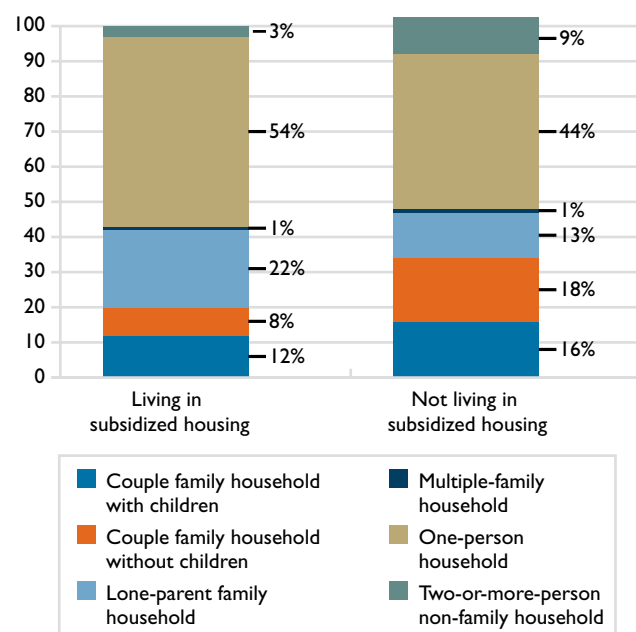
Annex figure 3 The vast majority of renters in subsidized housing have annual incomes in the lowest-income quintile

Population living in renter households by age, by subsidy status, 2011



Annex figure 4 Subsidized rental households are more likely than non-subsidized rental households to house children under the age of 15 and seniors (65+)

Households in rental housing by household type and subsidy status, 2011



Annex figure 5 People living in subsidized rental housing are more likely to be living alone

3. Examples of rent supplement programs in Canada

Province or Territory	Program Name	Eligibility
Prince Edward Island	Rent Supplement Program	Households in need
Nova Scotia	Rent Supplement Program	Households in need
New Brunswick	Rent Supplement Assistance Program	Households in need
Quebec	Rent Supplement Program	Households in need
Ontario	Rent Supplement	Households in need
Ontario	Off-Reserve Aboriginal Housing—Rent Supplement	Off-reserve Aboriginal households in need
Manitoba	Rent Supplement Program	Families in need
Manitoba	Rent Supplement Program	Seniors
Manitoba	Rent Supplement Program	Persons with disabilities
British Columbia	Shelter Aid for Elderly Renters (SAFER)	Seniors
British Columbia	Rental Assistance Program	Households in need
British Columbia	Homelessness Prevention Program	Households in need
Northwest Territories	Home Entry Level Program (HELP)	Households in need
Yukon	Rent Supplement, Shelter Allowance, Homeownership	Households in need

Appendix table A1: Subsidized renter households below housing standard(s), Canada, 2011

	Households Living in Subsidized Housing								
	All Households			Able to Access Acceptable Housing			Unable to Access Acceptable Housing - in Core Housing Need		
Housing standard(s) not met	(#)	(%)	(Cumulative %)	(#)	(%)	(Cumulative %)	(#)	(%)	(Cumulative %)
Below housing standards	246,650	46.6	46.6	51,425	9.7	9.7	195,220	36.9	36.9
Below one housing standard									
Affordability only	151,080	28.6	28.6	20,485	3.9	3.9	130,600	24.7	24.7
Suitability only	33,365	6.3	34.9	16,840	3.2	7.1	16,525	3.1	27.8
Adequacy only	29,825	5.6	40.5	9,865	1.9	9.0	19,960	3.8	31.6
Below multiple housing standards									
Affordability and suitability	9,710	1.8	42.4	510	0.1	9.1	9,200	1.7	33.3
Affordability and adequacy	15,245	2.9	45.2	1,365	0.2	9.3	13,875	2.6	35.9
Suitability and adequacy	5,870	1.1	46.4	2,310	0.4	9.7	3,555	0.7	36.6
Affordability, suitability and adequacy	1,560	0.3	46.6	45	0.0	9.7	1,510	0.3	36.9

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

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For further information on CMHC's census-based housing data, refer to *Housing in Canada Online* on the CMHC website, at 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, or via regular mail at:

Policy and Research Division
Canada Mortgage and Housing Corporation
700 Montreal Road
Ottawa, ON K1A 0P7

CMHC contributors: Stephanie Shewchuk, Jeremiah Prentice, Housing Indicators; Janet Kreda, Housing Needs.

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Canada Mortgage and Housing Corporation
700 Montreal Road
Ottawa, Ontario
K1A 0P7

Phone: 1-800-668-2642

Fax: 1-800-245-9274



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Alternative text and data for figures

Figure 1 Lower average income means subsidized households have higher incidence of core housing need than not subsidized renter households

The incidence (percentage) of renter households in core housing need, by subsidy status, 2011		
	Living in Not Subsidized Rental Housing Average Income: \$21,611	Living in Subsidized Housing Average Income: \$19,739
Above standards	52.0%	53.4%
Below standard(s) but with sufficient income to access acceptable housing	23.4%	9.7%
Below standard(s) and with insufficient income to access acceptable local housing – in core housing need	24.6%	36.9%

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%.

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

Figure 2 About 80% of subsidized households in core need fall into need because of affordability

Distributions of renter households in core housing need by housing standard(s) not met, Canada, 2011				
	Not Living in Subsidized Housing		Living in Subsidized Housing	
Affordability only	73.6%	93% Not living in subsidized housing	66.9%	80% Living in subsidized housing
Affordability and suitability	9.5%		4.7%	
Affordability and adequacy	8.5%		7.1%	
Affordability, suitability and adequacy	1.3%		0.8%	
Suitability and adequacy	0.7%		1.8%	
Adequacy only	1.8%		10.2%	
Suitability only	4.6%		8.5%	

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%.

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

Figure 3 Subsidization reduces the shelter-cost-to-income ratio, thereby lessening the severity of being in core housing need

STIRs for selected renter household types in core housing need, by subsidy status, 2011		
	Subsidized	Not Subsidized
All household types	41%	51%
Couple family household with children	34%	45%
Lone-parent family household	37%	47%
One-person household	45%	55%
Immigrant households	39%	49%
Female head of household	41%	51%
Senior households	40%	49%

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%.

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

Figure 4 Subsidization reduces shelter costs

Shelter cost for selected renter households in core housing need, by subsidy status, 2011		
	Subsidized	Not Subsidized
All household types	\$592	\$833
Couple family household with children	\$754	\$1,034
Couple family household without children	\$705	\$905
Lone-parent family household	\$637	\$922
One-person household	\$531	\$710
Immigrant household	\$642	\$925
Female head of household	\$593	\$834
Senior households	\$611	\$806

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%.

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

Research Highlight

2011 Census/National Household Survey Housing Conditions Series: Issue 6 – Subsidized Renter Households

Annex figure 1 The distribution of subsidized rental housing in Canada roughly mirrors the distribution of households in Canada, except for Ontario, Quebec and Alberta

Distribution of all households and subsidized households in Canada, by province and territory, 2011		
Province or Territory	All Households	Subsidized Households
NL	2%	2%
PE	0%	0%
NS	3%	3%
NB	2%	2%
QC	25%	22%
ON	37%	40%
MB	3%	5%
SK	3%	4%
AB	10%	7%
BC	13%	13%
YT	0%	0%
NT	0%	1%
NU	0%	1%

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

Annex figure 2 14% of the renter households in Canada are subsidized

Proportion of rental households that are subsidized, by province and territory, 2011	
	Proportion of Rental Stock in Province
Canada	14%
NL	23%
PE	16%
NS	14%
NB	16%
QC	9%
ON	16%
MB	20%
SK	24%
AB	11%
BC	13%
YT	22%
NT	43%
NU	86%

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

Annex figure 3 The vast majority of renters in subsidized housing have annual incomes in the lowest-income quintile

Before-tax income quintile by subsidy status, 2011		
	Subsidized Renter Households	Non-Subsidized Renter Households
Lowest (up to \$31,598)	70%	35%
Moderate (\$31,599 to \$52,353)	17%	28%
Middle (\$52,354 to \$78,208)	7%	19%
Upper (\$78,209 to \$117,160)	4%	12%
Highest (\$117,161 and up)	2%	6%

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

Annex figure 4 Subsidized rental households are more likely than non-subsidized rental households to house children under the age of 15 and seniors (65+)

Population living in renter households by age, by subsidy status, 2011		
	Subsidized	Not Subsidized
0-14 years	23%	16%
15-24 years	14%	15%
25-34 years	11%	21%
35-44 years	11%	14%
45-54 years	12%	13%
55-64 years	11%	10%
65 years and older	18%	11%

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

Annex figure 5 People living in subsidized rental housing are more likely to be living alone

Households in rental housing by household type and subsidy status, 2011		
	Living in Subsidized Housing	Not Living in Subsidized Housing
Two-or-more-person non-family household	3%	9%
One-person household	54%	44%
Multiple-family household	1%	1%
Lone-parent family household	22%	13%
Couple family household without children	8%	18%
Couple family household with children	12%	16%

Numbers may not add to 100% due to rounding.

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