

Third Report of Canada

**INTERNATIONAL COVENANT ON ECONOMIC,
SOCIAL AND CULTURAL RIGHTS**

Article 11: Housing

Background Report

Canada Mortgage and Housing Corporation

NOTE: **DISPONIBLE AUSSI EN FRANÇAIS SOUS LE TITRE:**

LE PACTE INTERNATIONAL RELATIF AUX DROITS ÉCONOMIQUES, SOCIAUX ET
CULTURELS : DOCUMENT D'INFORMATION

Abstract

This report is a supplement to the *Third Report of Canada* to the United Nations on progress achieved under the International Covenant on Economic, Social and Cultural Rights. Using the reporting guidelines suggested by the UN for the housing aspects of Article 11, this background report provides an overview of the Canadian housing system, in-depth coverage of housing needs in Canada, and detailed descriptions of measures taken by the federal government to address housing needs. Topics include: homelessness, core housing need, housing needs of children, Aboriginal peoples and persons with disabilities, enabling strategies, improving housing affordability and choice, and housing-related expenditures by governments. An index of activities, initiatives and programs is appended. The report primarily covers the period January 1, 1990 through December 31, 1994, with updates to the end of 1997 included as appropriate.

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PLEASE NOTE:

The required period to be covered in Canada's reporting on Article 11 of the Covenant was January 1, 1990 through September 30, 1994. **This report covers the period January 1, 1990 through December 31, 1994.** Some significant developments affecting the housing situation in Canada that have arisen subsequent to this period are also included as appropriate.

FRAMEWORK / OVERVIEW

In Canada, there is an extensive framework of legislation, policy and practice which structures housing-related activities at the national, provincial, territorial and municipal levels. The purpose of the activities of the Government of Canada, as expressed in the National Housing Act (NHA) and administered by Canada Mortgage and Housing Corporation (CMHC) is to "promote the construction of new houses, the repair and modernization of existing houses, and the improvement of housing and living conditions." To that end, CMHC is engaged in market-related housing activities, housing assistance (including social housing), and research and information transfer activities. **Readers should note that this Background Report deals primarily with the federal-level component of the housing system and does not include specific information on provincial, territorial or municipal activities or expenditures.**

Market-Related Housing Activities

Canada's housing finance system is highly developed and is supported by government policy at the federal, provincial and territorial levels. The Bank of Canada's low inflation policy, for example, has led recently to mortgage rates hovering near their historical lows, and mortgage financing stability is supported by regulatory policy which has cultivated one of the most stable financial sector environments in the world.

Within this national environment, CMHC employs various policy tools under the NHA. Mortgage loan insurance, which has supported the financing of one in every three Canadian homes, is an inexpensive vehicle for borrowers to obtain low-downpayment financing and for lenders to obtain protection against default. This type of insurance can save borrowers upwards of two percentage points in financing costs. As a result, Canadians generally enjoy levels of access to mortgage financing, pricing and choice that are comparable to those for prime corporate customers. Special initiatives further enhance accessibility; for example, First Home Loan Insurance assisted more than half a million households in its first six years by extending mortgage insurance coverage from 90% to 95% of property value, thereby reducing the minimum downpayment required to purchase a housing unit.

Another tool, mortgage-backed securities, uses risk diversification and investment liquidity to broaden the availability of housing finance and put downward pressure on mortgage interest rates. Other federal-government tools include a rebate of part of the federal goods and services tax on eligible new homes, a home buyers' plan which allows first-time buyers to temporarily withdraw money tax-free from eligible retirement savings plans, and an exemption from

personal income taxes of capital gains on a principal residence. In 1996 the federal government announced a more commercialized and flexible NHA housing finance mandate which is specifically geared towards improving housing affordability and choice, facilitating introduction of new innovative mortgage insurance products, and preserving access to mortgage financing in all regions of Canada.

Housing Assistance

The administrative arrangements relating to social housing programs and delivery have been governed by federal-provincial/territorial Global Agreements on Social Housing. As of December 31, 1995, the portfolio of federally assisted housing units totalled 664,235 units (6.6% of all households in Canada). Over the period January 1, 1990 through December 31, 1995, 182,286 new households were assisted under federal and federal-provincial/territorial assisted housing programs. Further, various unilateral provincial programs were delivered. Since 1990, it is estimated that the combined direct government expenditure on housing in Canada has risen from \$3.5 billion to approximately \$4 billion per year. In addition to this, municipalities are also active in promoting social housing.

Federal funding for new social housing units, with the exception of housing on reserves and a series of short-term initiatives, was terminated in 1993; annual funding for existing projects continues. The Housing Adaptations for Seniors' Independence (HASI) program and the Next Step program for survivors of domestic violence were both completed as originally planned, while new non-profit housing development and renovation activity for Aboriginal peoples on reserves continued at the same levels as before. The Remote Housing Program was also introduced in 1994, for one year at a cost of \$17 million, to address critical housing needs in remote northern areas. The budget for existing social housing was capped in 1994, and subsequently reduced in 1995 and 1996 through efficiency measures such as savings achieved by refinancing social housing loans at lower interest rates.

In 1994, the federal government reinstated the Residential Rehabilitation Assistance Program (RRAP) for two years at a cost of \$100 million. RRAP provides assistance to bring owner-occupied and rental housing units, and roominghouses, up to minimum property standards, to complete emergency repairs on homes in rural areas, and to make housing accessible for persons with disabilities. Assistance is targeted to housing occupied by low-income households. In 1995, over 15,000 housing units were assisted through RRAP.¹ The RRAP program was extended to March 31, 1997 at a cost of \$50 million, and again to March 31, 1998 at a cost of \$38.7 million.²

In 1996 the federal government opened negotiations to offer provinces and territories the opportunity to assume responsibility for the management of existing federal social housing

¹ Includes the Emergency Repair Program (ERP).

² Further information on federal and joint assisted housing programs (such as the Non-Profit and Co-operative Housing programs) and special initiatives (such as the Shelter Enhancement Initiative and the Remote Housing Initiatives announced in April 1996) can be found throughout this report.

resources. The new arrangements will maximize the impact of taxpayers' dollars and improve service by streamlining administration, reducing overlap, and directing resources to low-income Canadians in need. The federal government will continue to maintain its financial commitments to social housing and to uphold federal principles to help the needy, while allowing provinces and territories greater flexibility to manage social housing resources.

Research and Information Transfer Activities

CMHC has the mandate under Part IX of the NHA to perform and manage a wide variety of research and communications activities aimed at improving housing and living conditions. The annual expenditure budget under Part IX has been approximately \$8 million. CMHC's research and information transfer mandate was enhanced in 1996 to strengthen its capacity to promote housing exports, with the objective of expanding business opportunities in the housing sector and creating employment for Canadians.

Housing research is also coordinated through the National Housing Research Committee (NHRC), which is made up of federal, provincial, non-governmental, industry and consumer representatives. The NHRC identifies priority areas for research or demonstration, encourages greater co-operation, develops partnerships and minimizes overlap in research activities, encourages support for housing research, and promotes dissemination, application and adoption of research results.

DETAILED REPORTING (as per Revised General Guidelines E/C 12/1991/1)

The information requirements in the General Guidelines for reporting on the housing aspects of Article 11 of the Covenant are addressed below, according to the numbering system given in the Guidelines.

3a) GENERAL STATISTICS ON THE HOUSING SITUATION IN CANADA

According to the 1991 Census, Canada's total housing stock comprised 10.7 million dwelling units, of which 662,000 were unoccupied at the time of the Census.³ This stock housed 10,018,000 private households while an additional 21,000 collective dwellings accommodated 447,000 individuals in institutions, elderly and nursing homes, military establishments, and religious collectives. In privately occupied dwellings, the number of persons per dwelling is low by international standards, having fallen from 2.9 persons per household in 1961 to 2.7 persons in 1991. The predominant form of dwelling is the single detached home, accounting for 57% of occupied dwellings. Semi-detached and row units comprise an additional 10%, apartments in structures under six storeys 22%, apartments in structures over five storeys 9%, and moveable homes 1.7%. Table 1 provides an overview.

³ The 662,000 unoccupied dwellings include units vacant at the time of the Census. The majority of unoccupied dwellings are cottages and other temporary residences, and dwellings deemed unfit for habitation.

TABLE 1
General Housing Statistics, Comparing 1986 and 1991

	1986	1991
TOTAL DWELLINGS	9,515,930	10,742,055
Occupied	8,991,675	10,018,265
Occupied by Temporary/Foreign Residents	55,265	61,175
Unoccupied	469,000	662,615
TENURE		
Owner-Occupied	5,580,875	6,272,050
With Mortgage	n/a	51.5%
Without Mortgage	n/a	48.5%
Rental	3,368,485	3,719,505
Band Housing	42,310	26,715
FAMILY HOUSEHOLDS	6,635,370 (73.8%)	7,235,230 (72.2%)
Families Sharing a Dwelling	n/a	147,315
NON-FAMILY HOUSEHOLDS	2,356,305 (26.2%)	2,783,035 (27.8%)
STRUCTURAL FORM		
Single Detached	5,171,800	5,703,230
Semi-Detached, Row, and Apartments under 6 storeys	2,900,100	3,226,140
Apartments over 5 storeys	803,345	909,705
Moveable Dwellings	116,425	179,195
DENSITY		
Persons per Dwelling	2.8	2.7
Rooms per Dwelling	6.1	6.1
Persons per Room	0.5	0.4
Crowding (over 1 person per room)	164,535 (1.8%)	131,560 (1.3%)

Source: Statistics Canada (Census)

Note: Totals may not quite equal the sum of subcategories due to rounding.

Each year the total stock of housing is augmented by new housing starts which, as a percentage of the existing stock, have hovered around the 2% mark since the mid-1980s. After peaking at 246,000 units in 1987, housing starts since 1990 have been affected by lower demographic requirements and weaker economic conditions, averaging around 156,000 completed dwellings each year for a total addition to the stock of 1,244,022 dwellings by the end of 1997 (although net change would be reduced by any demolitions, for which data is difficult to assemble). The majority of these new dwellings were built for owner occupation, while private rental and social

rental units accounted for as much as one-fifth of new units in population centres of 10,000 or more. Table 2 provides details on housing starts, for the larger centres and nationwide.

TABLE 2
Housing Starts, 1990-1997, by Structural Form, Tenure and Year

	1990	1991	1992	1993	1994	1995	1996	1997
ACROSS CANADA								
TOTAL STARTS	181,630	156,197	168,271	155,443	154,057	110,933	124,713	147,040
Single	102,315	86,567	92,851	85,099	89,509	64,425	77,996	93,186
Semi-Detached & Row	23,791	25,755	30,314	30,290	29,366	19,423	23,655	28,641
Apartment & Other	55,524	43,875	45,106	40,054	35,182	27,085	23,062	25,213
CENTRES 10,000+								
TOTAL STARTS	150,620	130,094	140,126	129,988	127,346	89,526	101,804	123,221
Owner-Occupied	114,384 (75.9%)	95,732 (73.6%)	107,341 (76.6%)	110,237 (84.8%)	114,152 (89.6%)	80,790 (90.2%)	94,629 (93.0%)	115,480 (93.7%)
Rentals	32,201 (21.4%)	30,495 (23.4%)	27,197 (19.4%)	18,193 (14.0%)	11,698 (9.2%)	7,998 (8.9%)	6,643 (6.5%)	7,559 (6.1%)
Co-operative	n/a	n/a	n/a	1,373 (1.1%)	1,224 (1.0%)	707 (.8%)	527 (.5%)	134 (.1%)
Other	2,293 (1.5%)	3,112 (2.4%)	5,152 (3.7%)	n/a	n/a	n/a	n/a	n/a
Tenure Information Unavailable	1,742 (1.2%)	755 (.6%)	436 (.3%)	185 (.1%)	272 (.2%)	31 (--%)	5 (--%)	48 (--%)

Source: CMHC (*Canadian Housing Statistics*)

Canada's housing stock is relatively new and the quality of housing in Canada has improved substantially over the post-war period; this is largely attributable to technological change coupled with rising consumer expectations. The private sector, guided by building codes and standards and benefiting from public investment in research and development, has provided Canada with one of the highest standards of housing in the world. Within this context, the physical condition of dwellings is associated with their age. As noted, much of the nation's housing is relatively new, with 46% having been constructed since 1971, while that built prior to 1945, that built between 1945 and 1960, and that built between 1961 and 1970 each account for approximately 18% of the total. Table 3 displays major repair need data according to tenure and age of the housing stock. About 10% of occupied dwellings were in need of major repair in 1991.⁴ By age, 16.3% of dwellings built prior to 1945 were in need of major repair,

⁴ Two data sources, the Census and the Household Income, Facilities and Equipment / Shelter Cost Survey (HIFE), provide information on the physical state of the Canadian housing stock, each identifying whether the dwelling is in need of major repair, minor repair, or only regular maintenance. The principal difference between the two sources is in the definition of "major" versus "minor", which is slightly more detailed for HIFE. Another difference is that, for the HIFE survey, the assessment of housing condition is assisted by a trained...

while the rate dropped to 2.2% for dwellings built since 1981. A further 23.6% of units of all ages required minor repair. The incidence of dwellings lacking basic plumbing facilities (including indoor toilet, hot and cold running water, and exclusive use of bath or shower) was very low at 0.6%; these dwellings were generally in remote, unserved locations.

TABLE 3
Major Repair Need, 1991, by Tenure and Age of Structure

AGE OF STRUCTURE (year built)	OWNER-OCCUPIED		RENTAL		TOTAL	
	Number in Need ²	Incidence (%)	Number in Need	Incidence (%)	Number in Need	Incidence (%)
pre-1945	183,665	16.1	105,330	16.7	288,995	16.3
1945-1960	104,295	9.4	80,775	12.3	185,070	10.5
1961-1970	69,435	7.1	79,140	9.1	148,575	8.1
1971-1980	86,220	5.4	51,010	5.8	137,230	5.6
1981-1991	28,955	2.0	18,640	2.7	47,595	2.2
ALL YEARS (Census) ¹	472,570	7.5	334,895	9.0	807,465	8.1
ALL YEARS (HIFE) ³	623,000	9.9	340,000	9.5	963,000	9.8

¹ All data in the table except that in the last row is taken from the 1991 Census.

² Excludes band dwellings.

³ Excludes Indian bands and Yukon and Northwest Territories.

There is some geographic pattern to repair need: the eastern provinces, which have a higher proportion of older stock, and northern areas, which suffer from harsh climate conditions, record the highest incidence of repair need. Only one in four of all households in Canada who were living below adequacy standards were found to be experiencing core housing need (see section 3b)(ii) below), that is, one-quarter could not afford to improve their physical housing conditions themselves.

In Canada, most households can afford adequate and suitable housing through the private market. Almost two-thirds (62.6%) of Canadian households own their homes,⁵ while 37.1% are renters. Further, close to half of all owner-occupied homes are mortgage-free. The Canadian home ownership rate is comparable to those of the United States and the United Kingdom, somewhat lower than those of Australia and New Zealand, and higher than most western European and Scandinavian countries. The Canadian private rental sector (just under 31% of occupied dwellings) is about the same size as those in Belgium, Italy and the United States, and much smaller than those in Switzerland and the former West Germany. Canadian social housing, which is geared towards those whose needs are not met by the private market,

(4 continued) ...enumerator, while for the Census it is solely based on the opinion of the occupant.

⁵ This includes owned units in multi-unit structures (such as row homes), often termed condominiums.

accounts for nearly 7% of the total occupied stock, or about the same proportion as in Australia and Belgium and more than double the rate in the United States (see also section 3d)(iv) below).

Collective ownership in the form of co-operatives also exists in Canada, although data on this tenure form is not collected in the Census. Many co-operatives are part of the assisted stock, those being federally assisted amounting to some 66,000 units (0.66% of the total stock). An unknown number of unassisted equity co-operatives have also been developed.

TABLE 4

Shelter Cost-to-Income Ratios, 1990, by Tenure and Age of Household Head

AGE OF HOUSEHOLD HEAD	SHELTER COST-TO-INCOME RATIO (%)		
	Owner-Occupied	Rental	All Households
15 to 34 years	14.2	21.5	17.9
35 to 54 years	9.6	22.4	11.7
55 years and over	7.0	30.0	11.3
All ages	9.5	23.9	13.3

Source: Statistics Canada (Family Expenditure Survey)

Table 4 provides general information on shelter costs incurred by Canadians, relative to their incomes. In 1990, Canadians were spending approximately 13% of their incomes on shelter; this figure suggests that housing affordability has improved since the late 1970s and early 1980s, when shelter costs amounted to about 15% of income. Differences between owner-occupants and renters are evident, with renters consistently spending a higher proportion of their incomes on shelter than do owners. Households with the lowest incomes are becoming more concentrated in the rental sector: between 1978 and 1992, the percentage of renter households in the lowest income quintile increased from 51% to 73%. Further information regarding housing affordability can be found in sections 3b)(ii) and 3d)(ii) below.

3b) HOUSING NEEDS IN CANADA

(i) Homelessness

Sources of data to measure the incidence of homelessness in Canada have been limited, largely due to the difficulties involved in enumerating this population.⁶ While Canada, and particularly CMHC, has substantial expertise in developing indicators and techniques to identify and characterize housing need, such indicators and techniques are workable only as long as people are living in private households in readily identifiable dwellings. CMHC aims to make

⁶ In responding to the previous report of Canada, the Committee noted the lack of information on the issue of homelessness. As noted here, and no doubt by other countries as well, gathering data on homelessness is a major challenge. Two studies that were wider in scope than a single locale or region have been mentioned in...

significant progress on the important challenge of profiling and understanding the situations of Canadians without dwellings, and has therefore designated homelessness as a research priority, initiated an ongoing National Housing Research Committee discussion group on this topic (in 1994), and commenced a program of research on homelessness.

This research program began in June 1995, when CMHC assembled a panel of experts on homelessness drawn from the government, service and research communities across North America, to participate in a three-day workshop regarding the problems and solutions involved in identifying, measuring and better understanding the homeless. The results of the workshop, which included a consensus that a local service-based approach would be best for enumerating the homeless in urban areas, gave rise to a three-phase project to develop a tool for assisting local shelters and agencies in standardizing the collection and management of data on homeless shelter users. Phase one of the project consisted of identifying the data elements for the system and developing guidelines for the provision of confidentiality in data collection and dissemination. Phase two, which is currently underway, involves final systems specifications development, computer program development, and preparations to ready the system for the pilot testing to occur in phase three.

Other elements of CMHC's research program on homelessness include projects to bring together, for the first time in Canada, knowledge about important subpopulations of the homeless. Two literature reviews were recently commissioned, which were enhanced by telephone interviews with experts in the field; the first focused on Aboriginal peoples and homelessness, and the second focused on women and homelessness. Both studies have identified numerous gaps in knowledge about these subpopulations. Each report also suggests how the characteristics of the subgroup, the "causes", "sources" or "risk factors" contributing to their homelessness, and the most promising "solutions", may differ significantly in nature or intensity from those for the "traditional homeless" (single adult males).

Notwithstanding the difficulties inherent in measuring and understanding homelessness, several government program initiatives are worthy of note as they have provided direct responses to this problem. Under the federal-provincial Non-Profit Housing Program, 5,438 units were produced since 1990 which were targeted to certain population groups including the homeless and those "at risk" of homelessness, notably: people being treated for alcohol and drug abuse, people with mental and physical disabilities, survivors of domestic violence, and ex-patients of psychiatric hospitals. In addition to these "special needs" units provided under the non-profit program, 767 emergency and second-stage shelter units were produced between 1988 and 1995 under the Project Haven and Next Step programs, to aid women and children leaving domestic violence. With the Shelter Enhancement Initiative,⁷ 1,909 shelter units were upgraded

(6 continued) ...past submissions to the Committee. One was a third-sector study that involved counting shelter capacity and use to develop some estimates. Statistics Canada also undertook a special survey of soup kitchens in 16 selected cities as part of the 1991 Census, in order to test a methodology. However, each of these studies was a one-time, exploratory effort and did not purport to be reliable or statistically representative.

⁷ See section 3b)(ii) for more information on Project Haven, Next Step and the Shelter Enhancement Initiative.

and six second-stage shelter units were created in 1995/96. This initiative was renewed for 1996/97 and again for 1997/98, with allocations of \$4.3 million and \$8.6 million respectively.

Under the 1994 reintroduction of the Rental Residential Rehabilitation Assistance Program (Rental RRAP), a specific allocation was identified to rehabilitate existing roominghouse accommodation, a part of the stock which typically houses individuals "at risk" of homelessness. Additional units could be rehabilitated where provinces or territories chose to participate. In 1995, with a federal budget of \$16 million, Rental RRAP helped rehabilitate 2,523 units. Further funds are being targeted to the rental and roominghouse component under the \$50 million RRAP extension announced for 1996/97.

It is well recognized that the issue of homelessness is broader than a lack of accommodation, that it requires a co-ordinated, multidimensional approach including provision for long-term supportive housing environments. CMHC's role in this regard has been to facilitate the development or demonstration of comprehensive "enabling" approaches undertaken by partnerships among community-based agencies, chiefly by documenting and communicating best practices across the country. For example, research funding was provided to the Downtown Eastside Residents Association in Vancouver, who acquired a single room occupancy hotel (SRO) and demonstrated the benefits of community control over this type of housing stock for the purpose of serving the homeless population. CMHC also provided funding for evaluation of the original StreetCity project in Toronto, a project which went beyond addressing shelter issues to incorporate a range of community development and self-help principles. In the process of converting warehouse space to accommodate 70 former street people considered "hard to house", the future residents of StreetCity participated throughout the planning, development and administration phases. CMHC is now involved as well in StreetCity II, through a partnership in developing an hour-long documentary film portraying homelessness as seen through the eyes of the future residents of StreetCity II. A further example of CMHC's efforts to communicate solutions and best practices is its recent partnership in the production of a video about how the Downtown Women's Project in Victoria built the Sandy Merriman House. In this "unconventional community development", twelve women on social assistance turned a large, rundown house into an emergency shelter for women on the street.

Finally, under the Homegrown Solutions initiative, CMHC and its partners⁸ are helping various grassroots groups to develop ideas for innovative, affordable community responses to housing needs. Three of these are specifically geared towards those who are homeless or "at risk" of becoming homeless:

Victoria Street Community Association (Victoria, British Columbia). This association has been working to create a healthy street community in downtown Victoria since 1992. It wants to establish two houses, one each for males and females, for up to six young

⁸ The other partners in this initiative are: the Canadian Housing and Renewal Association, the Canadian Home Builders' Association, the Federation of Canadian Municipalities, and the Co-operative Housing Federation of Canada (see also section 3d(i)).

people, who would be required to maintain their education while learning independent living skills, assisted by two live-in university social work graduate students as mentors and care providers. Homegrown Solutions funding is being provided to research the feasibility of doing this and to develop a funding proposal to acquire the buildings.

Partenaires-Logements de la Petite-Patrie (Montréal, Québec). This project is being developed by the GRT Batis son Quartier resource group with the aim of preparing and delivering a strategic analysis and pilot project for the renovation and rejuvenation of a specific apartment block in a troubled neighbourhood in Montréal. Socially and financially marginalized tenants, itinerants and those at risk of becoming homeless are the target groups. Homegrown Solutions funding will allow the group to further research the potential to redevelop the project, including reconfiguration of units, financing options, and possible support services for tenants.

Homes First Non-Profit Community Lands (Toronto, Ontario). A community-based non-profit organization established with the support of the Homes First Society, this group hopes to develop a 50-unit apartment building to provide permanent housing for homeless women and men, and 40 resident-financed ownership housing units (including 10 live/work units). The group hopes that through a unique financing plan, the sale of ownership units will provide a cross-subsidy to the rental housing component, thus enabling the development to proceed with little or no government funding. Homegrown Solutions funding is being provided to the group to carry out some of the pre-development work for this project.

(ii) Measuring Housing Need

Waiting Lists

There seems to be some interest on the international scene in measuring housing need on the basis of waiting lists. In Canada, not unlike other countries, this is not feasible because most social housing is owned and administered either by provincial or municipal housing departments or agencies, or by community-based non-profit organizations, each of whom maintain their own waiting lists. Given the plurality of organizations providing assisted housing, most households seeking assisted accommodation place their names on as many lists as possible. While some organizations and provinces have attempted to consolidate these lists into regionally-based central registries, there continues to be a serious problem of over-counting.

One problem with utilizing waiting lists as a measure of housing need is that they do not distinguish among different dimensions of housing need. The Core Housing Need Model developed by CMHC (see below) has much greater sensitivity in this regard. In particular, it is important to remember that, in Canada, households on waiting lists typically are not without shelter. Rather, they could be experiencing problems with affordability, adequacy or suitability in the context of their present dwelling. Moreover, people who become homeless qualify for immediate assistance in the form of emergency shelter or hotel accommodation (this is generally provided under social assistance programs rather than under housing programs). At

the same time, homeless households and those at risk of becoming homeless are more likely to have high priority for social housing accommodation, since most housing providers use a point rating system to establish priority, relying on a range of criteria relating to affordability, adequacy (including accessibility for a disability) and suitability, as well as other factors including household size, refugee status, imminent eviction, and domestic violence.

The Core Housing Need Model

Canada has developed a comprehensive system for measuring the nature and incidence of housing problems, called the Core Housing Need Model. This model has been used since 1986 by federal, provincial, territorial, municipal and third-sector housing departments and agencies to consistently measure housing need in all areas of the country. The model defines three "standards" or norms, against which a household's situation is assessed in a two-stage process. The first stage establishes whether or not the household falls below one or more of the following standards:

Affordability: which specifies that the household should not have to spend 30% or more of its total household income on shelter. For owners, shelter costs include mortgage principal and interest, taxes, and utilities (water, fuel, electricity). For renters, shelter costs include rent plus any utilities not included in the rent.

Adequacy: which specifies that the dwelling should have all basic plumbing facilities (hot and cold running water, indoor toilet, and bath or shower) and not require major repairs.

Suitability: which specifies that, according to a National Occupancy Standard (NOS), the dwelling has enough bedrooms to accommodate a household given its size and composition. The NOS stipulates that there can be no more than two persons per bedroom, children of opposite gender age 5 or more do not share a bedroom, and each unmarried individual over 18 and married couple should have a separate bedroom.

The second stage of the model tests whether households living below any of the three housing standards could afford adequate and suitable rental units in their market areas without expending 30% or more of their incomes. In this way the model identifies those who are capable of improving their housing standards on their own; for example, four-fifths of owners and two-fifths of renters who were paying 30% or more of their incomes for shelter in 1991 could have found decent rental housing in their area for less than 30% of their incomes. Only those who cannot obtain adequate, suitable rental housing without spending 30% or more of their income are left at the end of the calculation. Table 5 compiles the results of each stage. Applying the model to the ten provinces in 1991,⁹ a total of 1.16 million households were deemed to be experiencing core housing need. This represents about 12% of all households in Canada, with over 7 in 10 of these being renter households.

⁹ As HIFE (the database on which the core housing need calculation is usually performed) covers only the provinces, the territories cannot be included in the national calculation. Separate studies in the Northwest Territories and Yukon indicate that the incidence of core housing need is considerably higher in the North...

TABLE 5*Households Living in Housing Below Standards, 1991, by Tenure and Core Housing Need*

STANDARDS	STAGE 1: Total Households Below Standards		STAGE 2: Households in Core Housing Need	
	Owners (%)	Renters (%)	Owners (%)	Renters (%)
Affordability	11.8	29.0	3.6	22.9
Adequacy	10.7	10.0	1.8	3.5
Suitability	3.8	7.9	0.3	2.7
One or more of above	24.1	41.3	5.1	24.9
TOTAL IN CORE HOUSING NEED (Households)			315,000	849,000

Source: HIFE

As in the past, the vast majority of households in core housing need in 1991 had affordability problems, rather than suitability or adequacy problems. Of all households in core housing need, 71.7% had affordability problems only, while a further 14.8% had affordability problems combined with suitability and/or adequacy problems. Tenure differences are important; only 3.6% of all owners, in contrast with 22.9% of all renters, were in core housing need with respect to affordability. This contrast is associated with income differences between owners and renters. As Table 6 indicates, renters are concentrated in the lower end of the income distribution, constituting about two-thirds of the lowest income quintile; with each higher income quintile, there is a decrease in the percentage of renters in that quintile. Shelter cost-to-income ratios also differ noticeably in the lower end of the distribution.

The second most frequently cited problem for people in core housing need related to adequacy. About 10% of all occupied dwellings in Canada were in need of major repair in 1991, and less than 1% lacked basic plumbing facilities (see also section 3a)). Most of the households living in these dwellings could afford to remedy these conditions themselves. While 10.7% of all owners were living below adequacy standards, only 1.8% of all owners were actually in core housing need while experiencing adequacy problems. Though somewhat worse off, renters followed a similar pattern; while 10% of all renters were living below adequacy standards, 3.5% of all renters were actually in core housing need when experiencing adequacy problems.

The third and least likely source of core housing need in 1991 was crowded living conditions, or suitability problems. The role of this factor continues to diminish. As with the other factors, tenure differences are evident, although for both owners and renters the majority of households living below suitability standards could have found suitable housing in their area for less than 30% of their income. While 3.8% of all owners were living below the suitability standard, only

(9 continued) ...For example, in the Northwest Territories a 1990 survey indicated that 25% of the 14,500 households surveyed were in core housing need. In the Yukon, a 1986 survey determined that approximately 29% of households were in core housing need. Further, families were much more likely to be experiencing core housing need in the territories than they were in the provinces.

0.3% of all owners were actually in core housing need with respect to this standard. While 7.9% of all renters were living below the suitability standard, 2.7% of all renters were actually in core housing need with respect to this standard.

TABLE 6
Tenure, Income and Shelter Cost-to-Income Ratios, 1978-1992, by Income Quintile¹

YEAR	Lowest Income Quintile	Second Income Quintile	Third Income Quintile	Fourth Income Quintile	Highest Income Quintile
TENURE PROFILE (ratio of owners to renters)					
1978	48.9 : 51.1	49.5 : 50.5	62.1 : 37.9	73.0 : 27.0	85.0 : 15.0
1982	39.9 : 60.1	49.4 : 50.6	61.4 : 38.6	74.4 : 25.6	86.6 : 13.4
1986 ²	37.0 : 63.0	46.8 : 53.2	59.5 : 40.5	74.4 : 25.6	86.4 : 13.6
1992 ²	33.7 : 66.3	50.0 : 50.0	58.6 : 41.4	73.6 : 26.4	86.9 : 13.1
AVERAGE INCOME (before-tax, constant 1992 dollars)					
1978	\$ 12,998	\$ 27,653	\$ 40,885	\$ 55,160	\$ 86,653
1982	\$ 12,454	\$ 25,868	\$ 39,480	\$ 54,647	\$ 88,297
1986 ²	\$ 12,852	\$ 25,988	\$ 40,388	\$ 57,250	\$ 96,045
1992 ²	\$ 12,602	\$ 25,456	\$ 39,419	\$ 56,173	\$ 95,955
AVERAGE SHELTER COST-TO-INCOME RATIO					
1978	28.9 %	18.9 %	16.3 %	13.9 %	10.8 %
1982	30.5 %	20.0 %	16.4 %	14.5 %	11.1 %
1986 ²	32.7 %	21.2 %	16.5 %	13.9 %	10.0 %
1992 ²	36.3 %	23.8 %	18.4 %	15.1 %	11.5 %

¹ Data in this table are not directly comparable to figures elsewhere due to methodological differences associated with the use of the Family Expenditure Survey.

² The unit of observation was changed from 1986 onward, from "spending units" to "households".
Source: Statistics Canada (Family Expenditure Survey)

When the core housing need data are broken down and analyzed in further detail, variations in housing need become evident among different types of households and demographic groups. A notable example is that of lone-parent households (primarily headed by women), who are by far the most likely to experience core housing need. They are twice as likely to be in need as seniors, and seven times more likely than couples and couple-headed families (see the following pages for more information regarding female lone-parent families). Table 7 presents data on different types of households in core housing need.

The remainder of section 3b)(ii) is devoted to detailed descriptions of the housing needs of selected demographic groups, along with notes on measures taken to address these needs.

TABLE 7*Characteristics of Households in Core Housing Need, 1991, by Household Type*

CHARACTERISTICS	SENIORS	NON-ELDERLY SINGLE PERSONS	COUPLES & COUPLE-HEADED FAMILIES	LONE PARENT FAMILIES
Number of Households	335,000	361,000	253,000	215,000
Incidence of Need	17.7 %	20.9 %	4.7 %	34.7 %
Average Household Income (1990\$)	\$ 13,000	\$ 11,100	\$ 15,400	\$ 14,200
Shelter Cost-to-Income Ratio	42 %	50 %	46 %	47 %
Household Average Size	1.2 persons	1.1 persons	3.3 persons	2.7 persons
Ratio of Owners to Renters	31 : 69	15 : 85	44 : 56	20 : 80

Source: HIFE

Housing Needs of Children

According to 1991 data, about one-third (3.15 million) of all households in the ten Canadian provinces include children under 16 years of age, some 5.62 million children in all. There are three basic categories of family household, each category having a distinctive combination of socio-economic characteristics and housing conditions. Two-parent family households are the most prevalent, comprising 85% of all families; these households have the highest incomes and allocate the smallest proportion of their incomes to housing. On average 4 persons in size, two-parent households own their homes 8 times out of 10. The next largest group of family households (13%) are those headed by lone parents, who are primarily women. Lone-parent families have the lowest incomes and spend the highest proportion of their incomes on shelter. On average 3 persons in size, these families rent their homes 7 times out of 10. The remaining 2% of family households are those with other configurations, for example, where lone-parent families are sharing the home with the children's grandparents, or aunts, uncles and/or grandparents are living with the children. Table 8 presents an overview of the housing situation of families in Canada.

As of 1991, 68% or 2.125 million family households enjoyed housing which met or exceeded all standards. Among the remaining one-third of all family households, 54% were spending 30% or more of their incomes on shelter, while 46% occupied housing considered crowded or inadequate. However, application of the Core Housing Need Model reveals that most of these households had the means to afford to rent dwellings of suitable size which were in adequate condition. In total, 309,000 family households (with 548,000 children), or less than 1 in 10 Canadian family households, were found to be experiencing core housing need.

Of the three elements of the Core Housing Need Model, affordability is by far the most common problem for these 309,000 families; 84% of the family households in core housing need in 1991 were spending 30% or more of their incomes on housing, while only 16% of core

need family households lived in crowded or inadequate housing (that is, about 1.5% of all family households and 0.5% of all households in Canada). As with core need households in general, income and housing affordability problems are linked in core need family households. Household income for families in core housing need was one-quarter of the income for families not in core housing need, and shelter costs consumed 2.7 times more of household income for the core need families than they did for families not in core housing need. As Table 9 suggests, the highest incidence of core housing need among family households occurs among those headed by lone parents. In 1991, lone-parent family households were eleven times more likely to experience core housing need than two-parent family households. Lone parents who rent are the most likely to find themselves in housing need: one of every two experienced core housing need in 1991.

TABLE 8
A Profile of Family Households in Canada, 1991

CHARACTERISTICS	LONE-PARENT HOUSEHOLDS	TWO-PARENT HOUSEHOLDS	OTHER FAMILY HOUSEHOLDS	ALL FAMILY HOUSEHOLDS
Number of Households	399,000	2,680,000	71,000	3,149,000
Number of Children	638,000	4,872,000	109,000	5,620,000
Ratio of Owners to Renters	31 : 69	80 : 20	58 : 42	73 : 27
Income (1990\$)	\$ 25,500	\$ 56,700	\$ 46,300	\$ 52,500
Shelter Cost-to-Income Ratio	32.1 %	18.2 %	21.6 %	20.1 %

Source: HIFE

TABLE 9
Family Households in Core Housing Need, 1991

CHARACTERISTICS	LONE-PARENT HOUSEHOLDS	TWO-PARENT HOUSEHOLDS	OTHER FAMILY HOUSEHOLDS	ALL FAMILY HOUSEHOLDS
Number of Households	174,000	121,000	14,000	309,000
Number of Children	291,000	234,000	23,000	548,000
Ratio of Owners to Renters	17 : 83	43 : 57	N.A. ¹	29 : 71
Income (1990\$)	\$ 14,000	\$ 16,700	\$ 18,600	\$ 15,300
Shelter Cost-to-Income Ratio	47.1 %	45.3 %	37.3 %	46.0 %

¹ Sampled group too small to present reliable estimates by tenure.

Source: HIFE

A large number of Canadian children have benefited from housing-related policies and programs initiated by Canadian governments. As a result of efforts to target social housing effectively, for example, the public housing portfolio has become home to a high number of children, especially those in lone-parent families. As the Public Housing Evaluation reported in

1990, one-quarter (24.1%) of all households in public housing were headed by a lone parent, compared with an incidence of 10.2% among all renter households combined, and this was twice as numerous as two-parent family households in public housing (13.3%). It has recently been estimated that about 35% of all federally assisted social housing, or approximately 230,000 of the 664,000 units across the country, houses one or more children under 18 years of age. An estimated 450,000 children under 18 years of age live in these 230,000 households.

Another area of federal government activity significantly affecting children is the building or renovation of shelters for women and children leaving domestic violence. CMHC has been involved in financing such shelters since the 1970s. Recent examples are the Project Haven and Next Step programs,¹⁰ which enabled production of 767 emergency and second-stage shelter units between 1988 and 1995. Project Haven alone increased the capacity of emergency shelters in Canada to serve abused women by about 20%. These shelters serve women and children who have no other options open to them when they leave the abusive situation. The majority of Project Haven clients had limited independent financial resources with only 20% having employment income from full-time, part-time or occasional employment. A considerable proportion of the women (nearly one-third) were of First Nations or other Aboriginal background. Most Project Haven clients were younger, on average 32 years old; three-quarters of them had children, and 60% brought their children with them to the shelters. Although many women stayed in Project Haven shelters (an estimated 6,000 in 1992/93), the shelters housed even more children (over 8,000) over the same period. The strong presence of children in shelters has heightened awareness of the intergenerational cycle of violence and prompted discussions on how steps might be taken to break this cycle. Participants in CMHC's national consultation in 1994 on the role of housing in addressing domestic violence, for example, felt that second-stage shelters could be a conducive environment for addressing the needs of children who have experienced or witnessed domestic abuse.

In 1995, the federal government introduced the Shelter Enhancement Initiative. During the 1994 national consultation, respondents had indicated a preference for ensuring that the shelters already produced were safe and secure and that the accommodation addressed the special needs of children, persons with disabilities, and older clients. Specific gaps were identified with

¹⁰ Part of a federal multi-departmental initiative to address family violence, the Project Haven and Next Step programs provided non-repayable interest-free loans to non-profit and Native groups to cover the capital costs of buying, building or renovating shelters for women and children leaving domestic violence. Project Haven (1988-1991) was for developing "first-stage" (short-term) emergency shelters. Pre-commitment, interest-free loans were available to groups selected to proceed after initial proposal review; these loans were for preparing a final application for full funding commitment and could cover a variety of expenses incurred to finalize the application. Capital funds were then provided and secured by CMHC mortgages, of which one-fifteenth of the principal would be forgiven each year over a 15-year period, provided the sponsor group continued to operate the facility as a shelter. Sponsor groups had to secure assurances of operating support from the relevant provincial, territorial or other agency prior to CMHC's commitment of capital funds. Next Step (1991-1995), like Project Haven, facilitated development of "first-stage" shelters; however, its principal goal was to help produce "second-stage" housing, that is, secure self-contained housing for women leaving emergency shelters for an interim adjustment period. Program details for Next Step were similar to those for Project Haven, except that operating costs for second-stage units were to be covered through modest rents paid by the occupants.

regard to northern and remote regions. The primary focus of the Shelter Enhancement Initiative is on renovation and upgrading of existing shelters, while a limited number of new emergency and second-stage units can also be developed. In the first year of the Initiative (1995/96), \$4 million was allocated by the federal government, with 1,909 shelter beds enhanced and 6 new units developed. In 1996/97, a further \$4.3 million was allocated to this initiative from savings achieved from efficiencies in the management and administration of the existing social housing budget. In both years, CMHC delivered the initiative, except in two of the provinces where the provincial governments cost-shared and delivered the initiative themselves. The Shelter Enhancement Initiative was recently extended for another year to March 31, 1998 with an additional contribution by the federal government of \$8.6 million.

It has been suggested on a number of occasions that poor housing conditions may be a contributing factor to the stress associated with abusive situations. For example, some Canadians raised this issue during the national consultation mentioned above.¹¹ In order to examine this and other child-related issues, the recently initiated National Longitudinal Survey on Children (under the What Works for Children program, Brighter Futures initiative, through Human Resources Development Canada) provides for an examination of the impact of housing quality on child development. Given the longitudinal nature of this research, findings are not available for the present report.

In addition, CMHC conducts research and information transfer activities intended to benefit children. Recognizing that children are particularly vulnerable to various environmental concerns and that most of their preschool age is spent in and around the home, CMHC has worked with other federal agencies to research and provide information to the public on indoor air quality (including studying linkages between asthma and indoor air quality), lead, fire safety (including specific projects aimed at on-reserve audiences), home safety, and children's playspaces. For instance, CMHC, with three other agencies and the paint manufacturers' association, undertook an extensive public information campaign in 1992 (including provision of almost 2 million leaflets at hardware stores) emphasizing safety concerns of renovations in homes with lead-based paint, especially in houses with young children present.

¹¹ The issue of housing inadequacy as it relates to child welfare was mentioned in the Committee's comments following review of Canada's second report, based on concerns raised by an NGO submission which suggested that children had been removed from the custody of their parents and placed in foster homes because of inadequate housing conditions. This information was apparently based on findings from a study in Toronto. The agency that undertook the study (The Children's Aid Society of Metropolitan Toronto) has confirmed that the children were not removed as a result of inadequate housing conditions, but because the children were victims of abuse or neglect. Housing inadequacy is not considered by the relevant provincial legislation to be grounds for placing children in "temporary care". Housing problems of any description were mentioned in less than one-fifth of these cases. What the Toronto study did argue was that, in households where there are problems that constitute grounds for putting children into "temporary care", there frequently are a series of other problems present as well, which can be summed up as attributes of extreme socio-economic disadvantage (which can include and/or lead to inadequate, unsuitable or unaffordable housing). The point of the study was to call for an integrated approach to the problem of child abuse and neglect.

Housing Needs of Aboriginal Peoples

Aboriginal peoples live in every province and territory. First Nations, who are registered under federal legislation, have over 600 communities on reserves (lands set aside for the sole use and benefit of First Nations). There are around 2,370 reserves across the country, comprising about 3 million hectares of land. As of 1995, another 57.8 million hectares had been identified for exclusive use of Aboriginal people through land claims settlements. Inuit communities are located in the Northwest Territories, Labrador and northern Québec. Métis communities are found primarily in the prairie provinces: Manitoba, Saskatchewan and Alberta. In northern and remote areas Aboriginal peoples are often the majority residents. Recent migration patterns show significant movement of Aboriginal people to reserves and to large urban centres, with small urban centres and rural areas seeing losses of Aboriginal population. Family matters, access to employment and schooling as well as seeking better housing are the most frequently cited reasons for migration.

Aboriginal peoples experience substantially higher levels of housing need than the rest of the Canadian population. About half of all Aboriginal households (52%) live in dwellings that fall below one or more of the three standards in the Core Housing Need Model, in contrast with about one-third (32%) of all non-Aboriginal households. Further, among Aboriginal households, on-reserve households are more likely to be living below one or more of these standards than off-reserve households, as Table 10 suggests. In rural off-reserve areas, Aboriginal households are over twice as likely to be in core housing need as non-Aboriginal households; they are 60% more likely to be in core housing need in urban areas.

TABLE 10
Aboriginal Households Living Below Standards, 1991, by Location

LOCATION	Total Households	BELOW ONE OR MORE STANDARDS		IN CORE HOUSING NEED	
		Number	Incidence	Number	Incidence
On-Reserve Households	40,200	26,250	65 %	not applicable ¹	
Off-Reserve Households	196,375	97,100	49 %	63,070	32 %
ALL ABORIGINAL HOUSEHOLDS	236,575	123,360	52 %	not applicable ¹	

¹ Lack of complete cost data prevents assessing whether or not on-reserve households are in core housing need.
Source: Statistics Canada (Census and Aboriginal Peoples Survey)

While affordability is the primary source of housing need for both Aboriginal and non-Aboriginal populations, problems of suitability and adequacy are much greater for Aboriginal households. This is indicated in Table 11. Aboriginal peoples - First Nations and Inuit in particular - have had to try to keep pace with such factors as dramatic growth in new household formation as well as to avert the rapid deterioration of their existing housing stock. Although more than 18,000 federally subsidized new houses have been built for and with Aboriginal peoples over the past five years, it has been difficult to sustain progress, particularly

on reserves where low initial construction quality, lack of maintenance and overcrowding all contribute to a housing lifespan which is about half as long on average as that of off-reserve housing. Recent estimates regarding housing conditions on reserves indicated that, out of a total of 76,000 units on reserve, there is a need for complete replacement in 7% of the units, a need for major renovations in nearly 18% of the units, and a need for minor renovations in 29% of the units. Further, it was found that one in four on-reserve households do not have full, operational bathroom facilities.

TABLE 11

Non-Aboriginal / Aboriginal Households Below Standards, 1991, by Location and Standard

LOCATION	NON-ABORIGINAL HOUSEHOLDS			ABORIGINAL HOUSEHOLDS		
	Affordability	Adequacy	Suitability	Affordability	Adequacy	Suitability
On-Reserve	not applicable			14% ¹	50%	31%
Rural (Off-Reserve)	16%	11%	5%	16%	28%	20%
Urban (Off-Reserve)	23%	7%	7%	30%	14%	15%
TOTALS	22%	9%	6%	25%	23%	19%

¹ Rented and owned households on-reserve only, since expenditure data are not available for band housing.

Source: Statistics Canada (Census and Aboriginal Peoples Survey)

TABLE 12

Census Family Status of Non-Aboriginal / Aboriginal Population, 1991

CENSUS FAMILY STATUS	NON-ABORIGINAL POPULATION	ABORIGINAL POPULATION
LIVING WITH SPOUSE	48%	32%
LONE PARENT	4%	7%
FAMILIES WITH CHILDREN	33%	47%
Children under Age 15	20%	34%
Children Age 15 and Over	12%	13%
NON-FAMILY PERSONS	8%	8%
Non-Family Person Living with Others	7%	11%
Person Living Alone	9%	4%

Source: Statistics Canada (Census)

The high incidence of poor housing conditions in Aboriginal communities is strongly related to a number of locational, socio-demographic, health and economic factors. For example, Aboriginal households tend to be larger than non-Aboriginal households and are more likely to be made up of children and young adults, especially young spouses and lone parents. Aboriginal peoples are also more likely to be living in extended-family or multigenerational arrangements. Table 12 shows a significantly higher incidence of children in Aboriginal families than in non-Aboriginal families, as well as a higher incidence among Aboriginal peoples of

families headed by a lone parent. Moreover, despite the fact that dwellings inhabited by Aboriginal persons tend to be smaller and have fewer rooms, the number of persons per household is higher for Aboriginal households than for non-Aboriginal households. This is particularly evident among the Inuit and those living on-reserve, where household sizes are largest and dwellings are smallest (see Table 13).

TABLE 13
Non-Aboriginal / Aboriginal Household and Dwelling Size, 1991, by Location

MEASURE	NON- ABORIGINAL POPULATION	ABORIGINAL POPULATION		
		Urban (Off-Reserve)	Rural (Off-Reserve)	On-Reserve
Persons per Household	2.7 persons	3.1 persons	4.0 persons	4.3 persons
Dwelling Size	6.1 rooms	5.6 rooms	6.1 rooms	5.5 rooms

Source: Statistics Canada (Census)

Federal government responsibilities for Aboriginal housing fall under the purview of CMHC and Indian and Northern Affairs Canada (INAC). Through capital subsidies covering part of the costs, INAC programs support First Nations living on reserves to construct, acquire and/or rehabilitate housing units. Smaller capital amounts are also available for related infrastructure such as water and sewage. Other assistance provided by INAC includes funding to help meet various administrative costs, Ministerial Loan Guarantees to encourage availability of approved private-sector lender loans, and the Social Development Program to fund shelter allowance payments for eligible households.

With respect to CMHC activities, some programs have been designed specifically for the use of Aboriginal peoples, while other programs incorporate affirmative action targets to increase the proportion of the total housing budget allocated to Aboriginal peoples. For example, within the Non-Profit and Co-operative Housing programs, the Urban Native program exclusively services Aboriginal people in urban areas, while the On-Reserve Non-Profit program is for reserves. The Urban Native component provides assistance to not-for-profit community-based organizations to house low to moderate income clients. CMHC provided mortgage insurance to facilitate 100% private-sector financing as well as subsidizing the operating shortfall for up to 35 years. The Non-Profit program on-reserve provides contributions for up to 25 years to Native bands operating rental housing projects by reducing loan amortization charges to an effective rate of 2%.¹² Housing programs on reserves were exempted from the 1994 cap on new social housing expenditure, allowing levels of new activity to be sustained on-reserve.

¹² Other programs targeted to Aboriginal peoples include the Rural and Native Housing (RNH) Program and the Residential Rehabilitation Assistance Program (RRAP). RRAP is described elsewhere. The RNH program was introduced in 1974 to provide affordable housing to low-income households in rural and remote communities; dwellings could be for rental, lease-to-purchase or ownership. As elaborated in section 3d)(i), a demonstration variant of the RNH program was introduced in 1986 wherein building materials, supervision and related up-front support were offered to those willing to use self-help to construct their own homes. The...

Subsidies continue for existing stock both on and off reserve. In total, in fiscal 1994/95, approximately \$275 million was directed to Aboriginal peoples under specifically targeted components of social housing programs.

In addition, a further number of Aboriginal people living off-reserve have participated in untargeted program components of virtually all federally funded assisted housing programs, notably the off-reserve portions of the Non-Profit and Rent Supplement programs, the Next Step program, RRAP and ERP (Emergency Repair Program),¹³ and the HASI (Housing Adaptations for Seniors' Independence) initiative. Although these other programs are not targeted specifically to Aboriginal peoples, there tend to be a higher proportion of Aboriginal clients than their proportion in the general population. Programs intended to address needs in rural, remote and/or northern areas are especially likely to serve Aboriginal peoples. A notable example is the Remote Housing Program, a one-year strategic initiative modelled on the self-help component of the Rural and Native Housing Program. Approximately 65% of the participants in the RNH demonstration program were Aboriginal.

In April 1996 the federal government announced two new initiatives that can be expected to substantially benefit Aboriginal people. The Remote Housing Initiative, targeted to low-income households living in smaller remote communities, provides capital grants for home construction and requires that client households provide "sweat equity" labour. It is anticipated that 272 households will have benefited from this initiative. The On-Reserve Remote Housing Initiative, for households on reserves in remote areas, also provides funds for home construction through capital grants. Local Native bands are involved in all aspects of planning, delivery, construction and property management. It is anticipated that 310 households will have benefited from this initiative. These two initiatives are in addition to the extension of the RRAP program mentioned in the opening section of this report, as well as funds allocated to the Emergency Repair Program.

The federal government, in partnership with Aboriginal peoples, other levels of government and the private sector, is committed to helping identify creative housing solutions to meet the needs of Aboriginal peoples. The federal approach to housing emphasizes partnerships, community control, use of local resources and flexibility in design and labour requirements. Through involvement with CMHC and INAC programs, a network has formed of Aboriginal people with housing expertise in areas such as construction management, inspections, tenant counselling, project administration and portfolio management.¹⁴ A consultation process to consolidate the views of Aboriginal peoples regarding a renewed Aboriginal housing strategy commenced in the summer of 1994; it focused on rationalizing current efforts and, consistent with the desire for greater self-government, shifting increasing responsibility for housing delivery and

(12 continued) ...success of this demonstration led to several similar initiatives as well as its incorporation into the RNH program itself.

¹³ Closely related to RRAP, ERP is directed towards rural and remote dwellings in so serious a state of disrepair as to make full repair unjustifiable. The ERP program offers emergency assistance to make the dwelling safe enough to inhabit until a more permanent solution can be found.

¹⁴ See section 3d)(i) for information on training and capacity-building activities involving Aboriginal peoples.

administration to Aboriginal communities themselves. Key principles discussed included: (1) addressing the housing need, (2) strengthening community control, (3) facilitating skills and organizational development, (4) supporting job creation and economic development, and (5) ensuring social spin-offs are achieved.

CMHC recently published four new research reports on Aboriginal peoples in Canada.¹⁵ Drawing on data from the 1991 Census and the Aboriginal Peoples Survey, the reports contain detailed information on housing conditions, population projections, migration and mobility patterns, and social and economic characteristics. At present, research is continuing on the development of detailed housing condition information on specific segments of the Aboriginal population (such as lone-parent households in urban areas), and on improving measurement of housing need in northern and remote areas, in order to better capture differences in the severity of problems between the North and the rest of Canada. Other research planned, underway or recently completed includes an investigation of alternative housing finance mechanisms for Aboriginal peoples, a study regarding Aboriginal urbanization in prairie cities, and the literature review on Aboriginal peoples and homelessness referred to in section 3a)(i).

In 1994 CMHC's biennial Housing Awards Program¹⁶ highlighted Aboriginal housing issues. The theme was "Sharing Successes in Native Housing", in line with the desire of Aboriginal groups to provide role models and best practices for their communities. More innovative proposals and Housing Awards Symposium participants were attracted than in any previous Housing Awards competition. The winning proposals will transfer information on solid successes in designing, financing and managing housing by and for Aboriginal peoples.

Housing Needs of Canadians with Disabilities

Evidence from the Health and Activity Limitations Survey (HALS) indicates that the rate of disability among Canadians increased from 13.2% in 1986 to 15.5% in 1991, from 3.3 million to 4.2 million persons with disabilities. This increase is due to an aging population, greater willingness of people to report activity limitations, and improved enumeration techniques. Table 14 summarizes some characteristics and housing needs of Canadians with disabilities.

The likelihood of having a disability, as well as its severity, increases with age. This is of particular concern in Canada because the Canadian population is aging, while most of the older housing stock was not designed to accommodate the physical limitations of the elderly or persons with disabilities. In addition, studies on the housing needs of persons with disabilities have found that most prefer to live in their own homes as long as possible. Data from HALS 1991 indicates that over 75% of adults and 77% of seniors with disabilities would prefer to stay in their present residence if their condition changed. High cost appears to be the main reason why adults or seniors with disabilities do not make the necessary minor modifications to their

¹⁵ Two of the studies were funded by the Royal Commission on Aboriginal Peoples, while a third was a joint study funded by both CMHC and the Royal Commission.

¹⁶ Launched in 1988, the Housing Awards Program has been successful in promoting innovations in housing for seniors, families and persons with disabilities, in addition to Aboriginal peoples.

homes. Other reasons include lack of knowledge about the existence of available specialized features or about how to obtain such features.

TABLE 14
Some Characteristics and Housing Needs of Persons with Disabilities, 1991

CHARACTERISTICS / NEEDS	ADULTS (AGE 15+)		SENIORS (AGE 65+)	
	Number	Percent	Number	Percent
TOTAL POPULATION WITH DISABILITIES RESIDING IN HOUSEHOLDS	3,533,090	17%	1,235,955	43%
NATURE OF DISABILITY¹				
Mobility	2,091,625	59%	886,605	72%
Agility	1,904,325	54%	750,615	61%
Hearing	1,076,555	30%	508,035	41%
Seeing	510,755	14%	298,370	24%
Speaking	242,390	7%	63,220	5%
Other	1,061,920	30%	317,390	26%
Nature not specified	232,335	7%	39,160	3%
SEVERITY OF DISABILITY^{1,2}				
Severe	323,200	14%	313,380	25%
Moderate	725,430	32%	435,155	35%
Mild	1,248,500	54%	487,425	39%
TENURE OF ACCOMMODATION				
Own	2,062,270	58%	709,655	57%
Rent	1,247,365	35%	431,015	35%
Tenure not specified	223,455	6%	95,280	8%
BARRIERS TO MOVING TO PREFERRED ACCOMMODATION¹				
Too costly	293,685	69%	30,560	36%
Not ready to move	111,625	26%	17,020	20%
Satisfactory accommodation unavailable	90,760	21%	29,685	35%
Too difficult to move	75,725	18%	15,945	19%
On waiting list	52,965	12%	26,315	31%
Difficulty getting accom. due to condition	30,665	7%	10,935	13%
Lack of independent living support	29,800	7%	7,200	8%
Barriers not specified	7,225	2%	--	--

¹ Sum of categories is greater than 100% due to multiple disabilities and barriers to moving.

² First pair of columns pertains to ages 15-64 only.

Source: Statistics Canada (Health and Activity Limitations Survey)

Many federally-funded housing programs make special provisions for persons with disabilities. A significant proportion of non-profit dwellings houses people with physical disabilities, and many of these units incorporate special design features. Within the Project Haven and Next Step programs, as well as the Shelter Enhancement Initiative, special priority was given to making shelters accessible to women with disabilities and funding units suitable for people using wheelchairs. It should be noted, also, that one of the components of the Residential Rehabilitation Assistance Program has been targeted towards persons with disabilities. First introduced in 1981, RRAP for Persons with Disabilities has been available to all age groups of disabled individuals and has covered the cost of major home modifications or repairs that assist persons with disabilities to live independently. Funding is in the form of repayable loans, a portion of which can be forgiven depending on client income. The RRAP program, including the component for persons with disabilities, was extended into 1996 and 1997 as noted elsewhere in this report.

The National Strategy for the Integration of Persons with Disabilities (NSIPD) announced in 1991 was a five-year, multi-departmental \$157.9 million program, one of several measures the federal government initiated to enhance the participation of persons with disabilities in Canada's social and economic mainstream. CMHC, which was allocated \$13.2 million to improve access to housing for persons with disabilities, undertook two main activities in support of the federal strategy. The two-year \$10 million Home Adaptations for Seniors' Independence (HASI) pilot program was to assist seniors with diminishing abilities to continue living independently in their own homes, by providing financial support to obtain minor adaptations to their residences. Grants were provided for both owner-occupied and rental residential properties, to cover the cost of materials and labour for minor home adaptations up to a maximum of \$2,500. Provinces and territories were invited to cost-share the HASI program to attract additional financial resources, avoid duplication of housing delivery networks, and facilitate links with provincial and territorial social service organizations that might be connected with seniors. Seven provinces and territories joined CMHC to help fund and deliver HASI, contributing between 25% and 33% in additional funding. A total of 4,318 units were adapted through this program. In April 1996 the government announced a new HASI initiative which would, like its predecessor, provide contributions of up to \$2,500 for home adaptations to allow low-income seniors to continue living independently in their own homes. It is anticipated that over 2,000 households will have benefited from this latest initiative.

HASI was found to have a major impact on improving the comfort, safety and quality of life of seniors who wished to continue living in their own homes. As a direct result of this program, about 32% of participants were able to avoid moving into institutional types of residence. Eligible "age-related conditions" or "diminished abilities" included mobility, agility, endurance, seeing, hearing, and mental incapacity that interfered with common household activities. These activities included getting in and out of the home, using the stairs, getting around hallways, using the kitchen, using the bathroom, getting in and out of a bed or chair, using closets and storage areas, doing the laundry, answering the door, using the telephone, and controlling light, heat and ventilation. Virtually all of the seniors who participated in the program had incomes below the Core Housing Need Model threshold, and the majority of them would not have been

able to carry out the adaptations without the financial assistance provided. A series of estimates were constructed to compare the reduced cost to society of these simple home adaptations versus institutionalization or relatively intensive home support; these estimates suggest significant potential to reduce financial pressures on the national health care system.

The second main activity under the NSIPD was a \$3.2 million series of research and demonstration activities to develop design and construction solutions to improve the living conditions of all persons with disabilities, in order to raise public awareness of the housing needs of persons with disabilities, informing members of the housing industry, and providing useful information for persons with disabilities themselves. CMHC held workshops and focus groups with agencies representing seniors and persons with disabilities to identify the most significant features of barrier-free and adaptable design. Other work was done to identify the types of technology, including automated buildings and a "smart house", that can assist seniors and persons with disabilities in their daily activities and enhance their comfort and safety. Design competitions, pilot-testing and demonstrations incorporating the lessons learned from the various research trajectories have been undertaken, in partnership with provincial/territorial housing departments and agencies, non-profit groups and the private sector. Models have been built based on research findings, notably the 93-square-metre "Open House", which has toured the country (in conjunction with workshops, seminars, focus groups, media events and other activities), highlighting solutions to barrier-free living for persons with mobility conditions and vision and hearing impairments. The Open House display went to 32 venues, had almost 200,000 visitors and used over 1,000 guides who became local barrier-free housing experts.

One focus of CMHC's research and demonstration activities within and beyond the NSIPD has been on improvements in housing for people with environmental hypersensitivities, those who react to extremely low levels of contaminants or to substances which appear innocuous to the general population, resulting in health problems ranging from mild allergic symptoms to complete debilitation. Research evaluated building materials, developed and evaluated affordable building systems (such as floors and interior walls), and examined the performance of mechanical systems (such as heating, cooling, air-purification and ventilation). Testing and demonstration of the research findings is done in new and existing buildings in collaboration with builders and housing agencies. A prototype "clean" modular house was built to test and demonstrate the performance of building materials, mechanical systems and affordability. Guidelines for design and production of modular units will be developed based on the findings. Other work is on lighting requirements for people with environmental hypersensitivities and integration of apartment units for these occupants into typical high-rise buildings. Related work includes research on possible linkages between indoor air quality and asthmatics and demonstration of non-toxic methods of pest control, especially for use in high-rise buildings.¹⁷

(iii) Illegal Settlements

The topic of illegal settlements typically relates to "squatter settlements", which are not seen as an issue in Canada. Accordingly no Canadian data or other information appears to be available

¹⁷ See also the FlexHousing Design Competition, section 3d)(ii).

regarding this subject. In certain areas of Canada, however, "accessory apartments" have been considered part of the "illegal sector". These are typically independent living spaces in primary housing units, such as second units in dwellings designated for "single family" use. A number of steps have been taken at the provincial and municipal levels to address issues concerning both security of tenure and health and safety conditions in such units. CMHC also completed a study of accessory apartments in Canada. This study reviewed current research on the subject and explored the relationship between accessory apartments and housing affordability. It also identified characteristics, issues and opportunities associated with accessory apartments, particularly in Canada's largest cities, Toronto, Montréal and Vancouver.

(iv) Evictions

In Canada the matter of evictions is addressed at the provincial level of government. Eviction without cause is prohibited in all jurisdictions. Provincial legislation sets out the circumstances under which tenancy may be terminated, relating to such issues as undue damage to the premises, conduct of illegal acts or business, substantial interferences with the reasonable enjoyment of the premises by other tenants, and situations that may contravene health and safety standards. Eviction proceedings may also be initiated upon failure to pay rent; in such cases the legislation provides for notification of arrears and allows the tenant a specified grace period to respond. Termination of tenancy may occur in some other specific circumstances, such as those where possession is required for occupancy by the landlord, his or her spouse, children or parents. Finally, termination may be granted to permit demolition, conversion to other than a residential use, or substantial renovation requiring vacant possession; however, requests on these grounds are relatively rare and tend to be subject to rigorous scrutiny.

Regulation of rent levels also falls under provincial jurisdiction in Canada. As of the early 1990s, four provinces had systems of controls with mandatory review, including prescribed levels of permitted rent increases, three provinces had systems of voluntary review where tenants could appeal rent increases and have the final amount adjudicated by a tribunal, and the remaining provinces and territories did not have systems of rent control.

(v) Discrimination

Protection against discrimination as it relates to housing is largely addressed through provincial human rights codes, which are administered by provincial human rights commissions. These codes set out prohibited grounds of discrimination, such as race, sex, marital status and receipt of public assistance; it is discriminatory to deny housing based on these grounds. The provinces work to combat discrimination through the human rights commissions and through community-based advocacy organizations which provide formal mechanisms and assist victims in pursuing recourse. In addition, the Canadian Charter of Rights and Freedoms prohibits discrimination in a number of areas which, though not specifically named in the Charter, may in practice include housing. The Review of Jurisprudence chapter¹⁸ identifies several recent housing-related cases in which the Charter has been cited.

¹⁸ See the main volume of the Third Report of Canada.

Not unlike the homelessness issue, it is quite difficult to measure discrimination and to define its dimensions and underlying causes. The patterns and incidence of housing-related discrimination in Canada, including the degree to which it exists, have yet to be clearly established.¹⁹ On the other hand, there is anecdotal evidence, as well as a somewhat scattered body of exploratory research and analysis. Moreover, complaints about housing-related discrimination are on record. CMHC is currently commissioning research on housing-related discrimination towards the objective of building a solid, national foundation of knowledge regarding this topic, with the initial stage consisting of compilation of existing resources and assessment of the current state of knowledge.

(vi) Affordability

See section 3b)(ii) above and section 3d)(ii) below.

(vii) Waiting Lists

See section 3b)(ii) above.

(viii) Tenure Distributions

See sections 3a) and 3b)(ii) above, and 3d)(iv) below.

3c) EXISTING LEGISLATION

As noted in the opening section of this Background Report, there is an extensive framework of legislation, policy and practice which structures housing-related activities at the national, provincial, territorial and municipal levels. The opening section also notes the legislative basis for CMHC's activities in particular. Virtually all of the matters listed under section 3c) in the Reporting Guidelines pertain to other jurisdictions in Canada; in instances where CMHC is involved in some way, for example homelessness, discrimination, affordability, and healthy living environments, this is already elaborated elsewhere in the present report.

3d) MEASURES TAKEN TO ADDRESS HOUSING NEEDS²⁰

(i) Enabling Strategies

Federal housing policy in Canada has historically embraced the vision of enabling individuals and community organizations to actively participate in addressing their own housing needs.

¹⁹ The conclusion that housing-related discrimination in Canada is "widespread", according to the comments of the Committee following review of the Second Report of Canada, is premature. The term "widespread" was used in an NGO submission to the Committee but the submission only cited research evidence (of unknown quality) from a single city.

²⁰ See section 3b)(ii) for measures taken with respect to the housing needs of children, Aboriginal peoples, and Canadians with disabilities.

This approach has helped foster a vibrant third sector with significant knowledge and experience in the planning and development, delivery and renovation of housing as well as ongoing property management. CMHC is especially interested in developing enabling strategies to benefit groups such as the homeless, Aboriginal peoples, seniors, and women and children leaving domestic violence situations. It should also be noted that many of CMHC's research and information transfer activities incorporate "enabling" objectives, as they are intended to put knowledge-based tools into the hands of Canadians (as individuals and as communities) so that they can make informed decisions and are equipped with the knowledge required to act on these decisions. Recent examples of work with an especially strong "enabling" focus include projects on community safety audits, promotion of local responses to domestic violence within assisted housing communities, and meeting needs of frail seniors.

Canada has a long tradition of self-help, which includes builders' co-operatives, self-built housing for Aboriginal peoples, and continuing not-for-profit co-operatives; this tradition is most prominent, however, in the construction of single detached homes. CMHC is seeking to encourage self-help for multiple-unit buildings and has produced a guide to assist local groups in organizing and developing such projects. An earlier research project documented examples of self-help initiatives across Canada, and made the results widely available to stimulate and assist other efforts. Further, in addition to continuing to support resident management in co-operatives, CMHC has been encouraging public housing residents to form tenant management committees, and has given them special funding and training materials to facilitate self-help initiatives in improving their living environments. Success stories have been documented in a video production, together with a Tenant Association Register which provides contacts for networking.

At present, CMHC is sponsoring a two-year demonstration initiative called Homegrown Solutions, in co-operation with the Canadian Housing and Renewal Association, the Canadian Home Builders' Association, the Federation of Canadian Municipalities, and the Co-operative Housing Federation of Canada. This is a grassroots initiative to develop and share innovative, affordable community responses to housing needs. Proposals from community groups across the country were reviewed by a national committee representing the participating organizations, and from these, 28 groups were selected to receive \$1,000 each to develop their proposals further. The new proposals were then reviewed and 13 groups were selected in the fall of 1996 to receive up to \$20,000 to develop their concepts further, do demonstration projects and document their experiences. Three of the projects selected in the second round are described here as examples (see also section 3b)(i)):

Upper Hammonds Plains Community Development Association and the Melvin Land Tract Protection Society (Lucasville / Upper Hammonds Plains, Nova Scotia). Both the Upper Hammonds Plains Community Development Association and the Melvin Land Tract Protection Society are non-profit community-based organizations, the former created to develop and implement community-based initiatives and projects, and the latter created to manage 1200 acres of forest resources and coordinate sustainable economic initiatives on community-owned land. This historic black community wishes to build

affordable homeownership and co-operative housing for low-income black households, utilizing their land and timber resource, self-build and various volunteers with construction development skills, in order to encourage residents to stay in the community. Homegrown Solutions will provide funding for the development of a strategic business plan that will identify project goals and objectives, financial and human resources and develop a project timetable.

Communitas Group Ltd. (Edmonton, Alberta). Communitas is a private Alberta-based corporation with over 20 years experience in developing quality multiple non-profit housing projects, which is helping to establish a co-ownership housing corporation using a land trust and equity participation fund. Part of the project capital and equity will come from future residents and a community-based revolving loan fund. Homegrown Solutions will fund the initial development work relating to development of the land trust.

City of Prince Albert (Prince Albert, Saskatchewan). The City of Prince Albert is leading an initiative to enable low-income households to access home ownership through an equity co-operative model that utilizes social assistance housing allowances and owners' sweat equity. The initiative will enable social assistance recipients to purchase their homes by diverting their housing allowances toward mortgage payments administered by a housing co-operative. Homegrown Solutions funding will enable the City to develop and implement a business plan.

With respect to assisted housing programs, CMHC has given increasing attention to self-help "sweat equity" housing provision, particularly in the hundreds of small rural and remote communities scattered across the North. These are places where the economic base is often weak or undiversified, where cash accounts for only half of the typical family's income, and employment opportunities are limited. At the same time, inadequate infrastructure plus extremely high housing construction costs combine to limit housing development and intensify housing shortages and substandard living conditions. The Rural and Native Housing (RNH) Demonstration Program, which ran from 1986 to 1991, was based on the key principles of: (1) using local volunteer labour to construct the dwelling units, (2) providing supervision and training through an on-site construction manager, (3) providing an up-front forgivable loan for materials, services and land, (4) motivating households to solve their housing problems through their own organization and effort, (5) reducing households' long-term dependency on publicly subsidized housing, and (6) developing building designs and systems that lend themselves to simplified construction procedures and self-help labour. Under this program a total of 500 new units were built in about 85 communities, at approximately half the cost of building them under other government programs or in the private market. This "self-build" program was reintroduced in 1992 as a component of the Rural and Native Housing Program. In addition, both the Remote Housing Program of 1994²¹ and the Remote Housing Initiatives announced in April 1996 have been modelled on this approach (see also section 3b)(ii)).

²¹ The Remote Housing Program combined "sweat equity" labour with on-site construction expertise and forgivable financing to produce homes in small remote northern communities. Several provinces and territories added funds to the federal contribution. A total of 165 units were delivered.

In keeping with the idea that a multi-faceted policy approach is an effective way to promote individual and community enablement, CMHC has worked with other government partners to prevent disincentives to self-sufficiency. For example, CMHC agreed to exclude an earnings supplement in calculating how much subsidy assistance social housing residents would be eligible for, as part of demonstration projects initiated by another federal department. Participants in these projects received as a supplement half of the difference between their actual employment earnings and a pre-set target income amount. This supplement, which replaced all social assistance benefits, was accompanied by training, education and financial and career counselling to help participants become economically self-sufficient over time. Since about one-third of the project participants lived in social housing, the decision to exclude the supplement from the rent subsidy calculation created an incentive to earn more employment income because less of it was "taxed back" through automatic increases in payable rent.

Enablement and capacity-building have been central to programs involving Aboriginal communities, where training and skill development opportunities are often limited. Employment of Aboriginal housing delivery agents has been facilitated by a program to pay for services on a fee-for-service basis. Training in housing inspection, rehabilitation skills, specification writing and tenant counselling is offered by CMHC through a Native Cadre Program, which supported 81 Aboriginal persons between 1990 and 1994. In 1993, the pilot Métis Housing Administration Program was initiated in Saskatchewan,²² providing a combination of classroom and on-the-job training to prepare students of Métis origin for employment in the housing industry. About 90% of the students were successful in finding housing-related employment. Workshops and training programs have also been conducted nationally by CMHC for administrators of the Rural and Native Housing, Urban Native and Non-Profit on-reserve programs. In 1996 CMHC entered into partnerships with Aboriginal groups to develop and implement construction training for First Nations builders. Sessions have been held in Ontario, led by the Ontario First Nations Technical Services Corporation (OFNTSC), with similar initiatives planned in the rest of the country throughout 1997. CMHC is also working with the OFNTSC to demonstrate appropriate foundation and ventilation systems; the resultant information will be integrated into the construction training. Finally, just announced is a two-year Housing Internship Initiative for First Nations and Inuit Youth, which will provide work experience and on-the-job training in the housing field for young people living on reserves or in Inuit communities who are out of school and unemployed. Funds will be made available to eligible sponsor groups to assist them in hiring First Nations and Inuit youth. It is anticipated that Band and community councils will work in partnership with local housing-related businesses and organizations.

(ii) Improving Housing Affordability and Choice

Promoting housing affordability and choice is central to CMHC's mission. This is reflected in many different activities, whether related to private markets, housing assistance or research and information transfer. Addressing the housing dimensions of affordability requires attention to

²² This was a joint venture of CMHC, Saskatchewan Municipal Government and the Métis Nation of Saskatchewan.

many topics, including: materials, technology and production; financing, tenure, marketing and partnership alternatives; planning and building regulations; housing types, including efficient design and adaptability; overall community design and intensification; and day-to-day housing management and operations. The following are highlights of national data and activities.

Private Rental Sector

As described in section 3b)(ii), low-income households are predominantly renters. This means that the private-sector rental stock plays an important role in meeting their shelter needs. Private rental accommodation provides the largest supply of affordable housing in Canada. As Table 15 indicates, over 60% of all rental stock in Canada, or about 2.2 million dwellings, were renting for less than \$500 per month in 1991. The average cash rent at that time for all unsubsidized rental dwellings was \$513 per month. The median rent was less than \$450 per month. To draw a rough comparison with the income information presented in Table 8 and Table 9, a rent of \$450 per month would have represented 10.3% of income on average for all family households in 1990, and would have represented 35.3% of income for family households in core housing need. For the most disadvantaged group of family households, those headed by a lone parent, this rent would have represented 21.2% of 1990 income on average for all lone-parent family households, and 38.6% of income for lone-parent family households experiencing core housing need.

TABLE 15
Distribution of Renter-Occupied Dwelling Units, 1991

RENT (\$)	HOUSEHOLD AVERAGE INCOME (\$)	PERCENT OF ALL RENTAL UNITS	ESTIMATED NUMBER OF UNITS	CUMULATIVE	
				PERCENT	NUMBER
No cash rent	25,471	1.9	70,670	1.9	70,670
1-99	19,441	0.5	18,600	2.4	89,270
100-149	17,707	1.3	48,350	3.7	137,620
150-199	16,514	2.7	100,430	6.4	238,050
200-249	16,177	5.7	212,010	12.1	450,060
250-299	20,166	7.4	275,240	19.5	725,300
300-349	24,141	8.4	312,440	27.9	1,037,740
350-399	25,948	11.4	424,020	39.3	1,461,760
400-449	28,579	11.3	420,300	50.6	1,882,060
450-499	31,089	10.3	383,110	60.9	2,265,170
500-549	33,371	8.2	305,000	69.1	2,570,170
550-599	35,654	7.2	267,800	76.3	2,837,970
600-699	39,056	10.3	383,110	86.6	3,221,080
700 and over	50,501	13.2	490,970	99.8	3,712,050

Source: HIFE

TABLE 16*Vacancy Rates, 1990-1997, in Private Rental Apartment Structures, by Metropolitan Area¹*

METROPOLITAN AREA	1990	1991	1992	1993	1994	1995	1996	1997
Calgary	2.0	3.8	5.6	5.9	5.0	3.6	1.5	0.5
Chicoutimi-Jonquière	6.2	6.9	7.5	6.9	6.9	6.9	5.7	4.6
Edmonton	1.8	2.3	4.0	6.4	8.9	10.2	7.6	4.6
Halifax	3.6	5.0	5.9	6.5	7.3	7.8	8.6	8.2
Hamilton	1.2	1.4	2.1	2.5	2.1	1.9	2.1	3.1
Kitchener	1.3	4.4	4.4	4.4	2.8	2.2	1.8	1.9
London	2.8	3.8	3.4	3.8	3.9	4.1	5.8	4.9
Montréal	5.9	7.8	8.4	8.2	7.5	6.8	6.3	6.6
Oshawa	1.6	3.4	6.1	4.6	3.3	2.5	3.7	2.3
Ottawa-Hull: Ottawa	0.5	0.7	1.3	1.8	2.6	3.8	4.9	4.0
Ottawa-Hull: Hull	4.2	4.9	3.8	5.1	6.9	8.7	7.2	8.9
Québec	6.1	5.7	6.7	6.2	7.1	6.2	6.4	6.5
Regina	5.0	5.6	3.6	3.5	3.1	2.0	1.8	1.5
St. Catharines-Niagara	1.9	2.7	3.4	4.9	5.4	4.8	5.1	4.8
Saint John	3.3	4.6	6.4	6.6	7.6	8.6	10.2	8.6
St. John's	1.6	7.3	5.7	9.1	6.9	11.1	16.0	17.4
Saskatoon	7.5	6.0	4.4	2.7	1.8	1.0	0.7	0.9
Sherbrooke	10.5	10.7	10.0	8.4	8.5	6.8	7.1	8.1
Sudbury	0.7	0.5	2.8	3.4	3.8	5.0	5.9	6.9
Thunder Bay	0.9	0.7	2.4	2.4	4.1	6.2	5.0	7.3
Toronto	0.9	1.7	2.0	1.9	1.2	0.8	1.2	0.8
Trois-Rivières	8.1	9.0	7.4	7.0	7.8	7.8	8.5	8.8
Vancouver	0.9	2.2	1.6	1.1	0.8	1.1	1.1	1.5
Victoria	0.3	0.8	1.5	1.8	1.9	3.5	4.3	3.5
Windsor	2.2	3.0	3.0	2.3	1.5	1.6	2.7	4.5
Winnipeg	6.4	6.6	6.1	5.8	5.6	5.3	5.9	5.8
AVERAGE VACANCY RATE	3.3	4.4	4.8	4.8	4.6	4.3	4.3	4.1

¹ Rates are as of October for each year. Apartment structures contain 6 or more units.Source: CMHC (*Canadian Housing Statistics*)

There has also been an easing of vacancy rates in many urban centres in Canada during the early 1990s, as shown in Table 16. Higher vacancy rates are thought to put downward pressure on rent levels as well as to enhance access and choice for those seeking

accommodation. The average vacancy rate nationwide for multi-unit apartment buildings rose from 3.3% in October 1990 to a peak of 4.8% in 1992 and 1993, and had dropped back somewhat to 4.1% by October 1997. Given that a 3% vacancy rate is viewed as a benchmark indicating that the rental market is in equilibrium, it is also useful to note that the number of metropolitan markets with vacancy rates under 3% has dropped markedly, from 15 markets in 1990 to 7 markets in 1997.

Recognizing the importance of the private rental sector in the lives of low-income households, CMHC has made it a research priority to gain a better understanding of this sector. One objective is to improve knowledge about the condition of the stock and about the characteristics and changing needs of tenants. Research is examining how renter households were affected by changes in Canadian society and the economy over the last 15 years, tracing the evolution of renter housing conditions over time and examining economic factors associated with changes in the level and nature of housing need. Another objective is to improve understanding of investor behaviour in rental markets; good information on the characteristics of rental investors and property managers, along with the factors which motivate or discourage them, is key to informed business and policy decisions that can ultimately benefit both residents and landlords.

Assisted Housing Programs

For those whose basic housing needs are not served by the private market, some 58,000 new social housing units were developed between 1990 and 1995 under the various federal and joint federal-provincial/territorial programs. This brought the total portfolio of federally assisted units to 664,235 units as of December 31, 1995. As noted in the opening section of this report, additional social housing stock was created by some provinces and/or municipalities. In addition, a strong emphasis has been placed on preserving the existing affordable housing stock through rehabilitation programs; between 1990 and 1995 over 124,000 units were assisted under federal and joint federal-provincial/territorial rehabilitation programs, while a further number have been assisted under unilateral provincial and territorial programs. Table 17 provides details on new households assisted under various federal and joint programs.

Since household income is a critical dimension of affordability, it is important to note the role of income support in making shelter more affordable for Canadians with low incomes. Income support programs at all levels of government, such as social assistance, are described throughout the Third Report of Canada. The Rent Supplement Program is a variant on the income support approach, using contracts with landlords. Tenants pay rent to the landlord based on 25% of their income, with the program paying the landlord the difference between this amount and the contracted market rent. The program's latest form (dating from 1986) was specifically intended to respond to housing needs cost-effectively in a manner sensitive to local housing market conditions. A recent evaluation indicated that both the 1973 and 1986 versions of the Rent Supplement Program serve Canadians with the lowest incomes - indeed lower incomes than those seen in both public and non-profit housing.

TABLE 17
New Households Assisted under Assisted Housing Programs, 1990-1995

PROGRAM	1990	1991	1992	1993	1994	1995	TOTAL
Non-Profit and Co-operative Housing, Rent Supplement ¹	15,277	15,351	11,732	7,756	1,348	1,100	52,564
Rural and Native Housing (RNH) and Remote Housing Program ²	1,815	1,766	951	674	165	0	5,371
Residential Rehabilitation Assistance Program (RRAP)	25,203	27,325	24,434	15,175	11,003	14,374	117,514
Emergency Repair Program (ERP)	1,485	1,501	1,106	892	900	953	6,837
TOTAL	43,780	45,943	38,223	24,497	13,416	16,427	182,286

¹ Includes ILM Co-op, Urban Native and On Reserve programs. Figures for 1994 and 1995 relate only to the Non-Profit On-Reserve Program.

² Includes RNH demonstration in 1990. Figure for 1994 relates to Remote Housing Program.

Source: CMHC

Home Ownership

No discussion of efforts to improve housing affordability and choice in Canada would be complete without consideration of the significant federal government initiatives in support of home ownership. As indicated in the opening pages of this report, these initiatives pertain not only to monitoring and cultivating a stable financial environment, but also to specific policy tools aimed at improving access to home ownership for more and more Canadians.

CMHC has developed affordability indicators to monitor the affordability of starter homes for potential first-time buyers. Table 18 shows, for the present reporting period, the percentage of renter households who could afford to buy a starter home in their urban area. Affordability of entry-level housing for owner occupation has risen considerably since 1990; indeed by 1997 new records had been set in many urban centres and a 25-year high had been reached in the national average. Much of this trend has been attributed to availability of the lowest mortgage interest rates in over 30 years. The high affordability levels, combined with an abundant supply of affordable homes on the market, led to record levels of first-time buying.

Two federal government initiatives were introduced in 1992 to assist renters wishing to become home owners. One of these was First Home Loan Insurance (FHLI), which reduces the minimum downpayment requirement for federally insured mortgages from 10% to 5% for first-time home buyers; this is intended for people who could afford the monthly mortgage payment but who have difficulty saving for the downpayment. FHLI is also available for those who are not first-time buyers in situations where they are experiencing hardship, namely where they (1) have had to sell their principal residence as a result of a formal marital break-up, (2) have had to sell their principal residence for employment reasons and moved to a new location, or (3) have sold their principal residence and sustained a loss of equity. To preserve the affordability

dimension, ceilings were set on purchase prices to reflect average costs for moderate housing in given locales. As Table 19 shows, FHLI has assisted 610,462 households since inception.

TABLE 18
Renter Households (%) Who Could Afford to Buy a Starter Home, 1990-1997¹

METROPOLITAN AREA	1990	1991	1992	1993	1994	1995	1996	1997
Calgary	20.1	30.2	33.8	40.6	40.7	36.5	44.0	45.8
Edmonton	26.1	35.8	39.3	40.1	42.4	38.7	45.4	48.9
Halifax	26.2	37.0	44.6	39.4	44.0	40.9	48.7	51.1
Hamilton	9.8	19.6	28.9	31.9	27.6	24.2	31.6	34.0
Kitchener	7.0	20.3	33.5	35.2	31.9	28.4	35.8	38.3
London	14.4	26.5	36.7	39.2	30.8	29.2	35.8	40.1
Montréal	20.8	31.7	35.4	37.2	35.7	32.8	40.4	45.1
Oshawa	6.8	24.1	34.6	38.3	37.2	32.7	40.5	45.4
Ottawa-Hull: Ottawa	20.6	27.8	33.1	32.7	28.9	26.6	34.1	38.6
Ottawa-Hull: Hull	30.1	38.8	41.0	39.5	40.2	39.0	44.1	49.2
Québec	29.2	42.3	43.9	43.0	40.5	39.2	45.8	49.4
Regina	37.0	44.1	45.5	43.7	44.8	41.5	46.5	48.0
St. Catharines	16.4	28.4	36.1	37.7	33.6	32.5	37.6	42.4
Saint John	30.3	41.6	42.7	40.7	47.6	43.8	51.2	54.4
St. John's	41.9	44.4	53.4	51.4	44.1	42.7	47.7	51.0
Saskatoon	32.8	42.9	48.5	47.6	42.7	39.0	44.0	43.8
Toronto	7.2	17.7	27.0	29.5	27.2	23.2	30.2	33.6
Vancouver	9.0	17.9	20.7	20.8	22.4	19.7	26.7	29.1
Victoria	7.8	9.0	9.2	10.8	18.0	16.8	25.5	32.1
Windsor	33.9	47.0	49.7	48.6	35.9	30.3	34.6	37.6
Winnipeg	33.0	41.4	45.3	44.4	39.5	35.6	41.2	44.2
NATIONAL AVERAGE	n/a	n/a	n/a	34.8	33.2	30.0	37.0	40.5

¹ Figures based on January through June for each year.

Source: CMHC (*Canadian Housing Markets*)

Another lending program designed to make home ownership more affordable and accessible is the Chattel Loan Insurance Program (CLIP), which allows consumers to buy mobile and modular homes with downpayments as low as 10%. The homes may be single or multiple in width, and may be situated on owned or leased land. This program began in 1988 as an experiment to improve access to alternative affordable housing without government expense and to help manufactured homes compete with conventionally built houses. The CLIP program was modified in 1995 to make it one of CMHC's standard insurance products and bring its financing options more in line with those that apply to conventionally built homes. The changes

also allow purchasers to use CLIP to buy resale manufactured homes. Up until early 1995, about 600 households per year had used this program; however, it is estimated that the program improvements will boost this number to about 2,500 purchases a year.

TABLE 19
Units Assisted Under the First Home Loan Insurance Program, 1992-1997

YEAR	NEW HOUSING		EXISTING HOUSING		TOTALS	
	Number of Units	Average Sale Price	Number of Units	Average Sale Price	Number of Units	Average Sale Price
1992	7,759	\$ 108,530	55,778	\$ 95,889	63,537	\$ 97,456
1993	12,363	\$ 113,544	65,623	\$ 94,083	77,986	\$ 97,215
1994	17,750	\$ 115,804	83,270	\$ 96,723	101,020	\$ 100,122
1995	14,668	\$ 119,265	83,169	\$ 95,234	97,837	\$ 98,889
1996	22,000	\$ 126,533	116,480	\$ 101,015	138,480	\$ 105,133
1997	20,565	\$ 131,153	111,037	\$ 103,294	131,602	\$ 107,712
TOTAL	95,105	\$ 121,259	515,357	\$ 98,446	610,462	\$ 102,053

Source: CMHC

TABLE 20
Participation in the Home Buyers Plan, 1992-1996

TIME PERIOD	NUMBER OF PARTICIPANTS	AMOUNTS WITHDRAWN
February 26, 1992 to March 1, 1993	158,000	\$ 1.536 billion
March 2, 1993 to March 1, 1994	102,000	\$ 1.008 billion
March 2, 1994 to December 31, 1994	56,000	\$ 453 million
January 1, 1995 to December 31, 1995	78,000	\$ 713 million
January 1, 1996 to October 23, 1996	71,000	\$ 663 million
TOTAL	466,000	\$ 4.372 billion

Source: Statistics Canada (*Canadian Economic Observer*)

The other home ownership initiative introduced in 1992, the Home Buyers Plan, is a tax-related arrangement which allows households with savings in registered retirement savings plans (RRSPs) to temporarily withdraw up to \$20,000 of these funds without a tax penalty, for the purpose of purchasing a home. All savings and earnings in RRSPs are normally sheltered from income tax unless funds are withdrawn before a planholder reaches the age of 65; the Home Buyers Plan waives the usual tax penalty where the money is being used to purchase a home. Between the commencement of this program in 1992 and October 1996 about 466,000 individuals had participated, releasing nearly \$4.4 billion of their capital to facilitate access to home ownership (see Table 20). The Home Buyers Plan, originally intended to expire in March

1993, was initially extended to March 1994 and subsequently made permanent. The program was restricted in 1995 to participants who had not owned a home in the previous five years.²³

Public/Private Partnerships

Additional efforts to promote housing affordability and choice involve the Canadian Centre for Public/Private Partnerships in Housing (CCPPPH), which is based at CMHC. The Centre acts as a catalyst, initiator and source of best advice to advance and encourage housing partnership projects. It bridges the public, private and non-profit sectors and ventures into untried areas to advance the cause of cost-effective, accessible housing, without tax subsidies, through such means as innovative financing and tenure arrangements. Provision of CMHC insurance for the financing is an important element in facilitating these projects. Another tool is a program called Proposal Development Funding (PDF). Under this program, a non-profit group can borrow up to \$75,000 interest-free to pay various costs associated with bringing a proposal to maturity, including the hiring of professional help. The program is available to non-profit groups developing housing projects to meet the needs of seniors, low-income households, and the disabled. An external advisory committee made up of key stakeholders helps shape policies and advise on Centre goals by identifying local and regional priorities. Altogether, since the Centre began its activities in 1992, a total of 169 projects involving 9,215 dwelling units have been facilitated (see Table 21).

TABLE 21
Projects and Units Facilitated by the CCPPPH, 1992-1997

	1992	1993	1994	1995	1996	1997	TOTAL
Number of Projects	6	26	32	39	34	32	169
Number of Units	93	1,380	1,958	2,143	1,856	1,785	9,215

Source: CCPPPH

Here are a few examples of projects facilitated and reported on recently by the CCPPPH:

Langley, British Columbia. The WindSong CoHousing Community, which opened in September 1996, is only the second co-housing community in Canada, although many others are in various stages of completion. CMHC provided mortgage insurance for the financing of the 34-unit project. Designed by its future residents, the community consists of a combination of one- to four-bedroom townhomes, a common dining and kitchen area that also includes a lounge, children's play area, craft room, workshop, laundry facilities, office, teen room, guest room and convenience store, plus a glass-covered "street" for pedestrians to meet and socialize year round. Besides CMHC and the WindSong Co-Housing Construction Co-op Association, other partners included the builder, Northmark Projects, the municipality, the B.C. Co-Housing Network, the M.R.S. Trust Company and architect Davidson Yuen Simpson.

²³ Another tax-related arrangement affecting home buyers is a rebate of over one-third of the federal goods and services tax on the purchase of eligible newly-constructed homes. Further, although mortgage interest costs on one's principal residence are not deductible against income taxes, capital gains on it are exempted.

Saint John, New Brunswick. CMHC approved insured financing for a one-storey 20-unit home for senior citizens to be built with volunteer labour. The value of the free labour, estimated at \$190,000, was a significant component of the \$386,000 equity invested in the project by Kennebec Senior Housing Inc., the non-profit group established for the purpose of building and operating the residence (the parent sponsor was the Seventh Day Adventist Maritime Conference). Volunteers from Maranatha Volunteers International, all retirees, worked for four weeks in the summer of 1995 under the direction of a local contractor to construct the frame and exterior of the building.

Edmonton, Alberta. A new barrier-free home was built in 1994 for a family of eleven with two children confined to wheelchairs by severe disabilities, by HomeWorks, a partnership coordinated by the Handicapped Housing Society of Alberta. The home has six large bedrooms, wide hallways, a stair lift, custom-fitted bathrooms, outdoor access ramps and other barrier-free features that permit all family members to move about freely. Injured workers at the Workers' Compensation Board's rehabilitation centre did the actual construction, building the home in modules and having it trucked across the city in sections for assembly on a lot purchased from the City of Edmonton for \$1. CMHC drew up the barrier-free house plans and oversaw construction. Instructors from the Northern Alberta Institute of Technology's woodworking division supervised a team of labourers from the Mennonite Central Committee, who prepared the site. Vital funding and assistance came from the Kiwanis Club of South Edmonton, who donated \$30,000 to the project. As well, several businesses contributed supplies and specialized services. Finally, the family and their friends also contributed sweat equity.

Research and Information Transfer

CMHC is involved in a number of research, demonstration and communications activities aimed at improving housing affordability and choice. One of these is the Affordability and Choice Today (A.C.T.) Program, a partnership initiative among CMHC, the Federation of Canadian Municipalities, the Canadian Home Builders' Association, and the Canadian Housing and Renewal Association. Grants are provided to identify, demonstrate and promote changes in municipal planning and building regulations that will improve the affordability, choice and quality of housing. Project selections are made by a national committee of housing experts. From its inception in 1989 until the end of 1995, this program provided grants to 94 projects. In 1996 a three-year extension to the program was announced, in which grants will be provided for about 40 more projects. Two examples of recent projects follow:

City of Edmonton, Alberta. Edmonton received an A.C.T. grant in 1993 for a project to show that old inner-city housing can be economically upgraded to health and safety standards with practical, innovative and flexible guidelines geared to renovation. Many older residences in the inner city, which had been converted into smaller units occupied by households of modest income, had deteriorated to a point where health and safety were at risk. Revenue was not high enough for landlords to afford compliance within the strict building code requirements for new housing, yet closing down these structures

would have created a serious housing problem. The City therefore developed Safe Housing Standards designed to achieve economical building renovation to acceptable levels of health and safety. The building chosen for the demonstration was a three-story, 21-unit rooming house that had already been closed due to health and safety problems. Upgrading the building to the Safe Housing Standards cost about \$2,400 per unit; all improvements combined, including exterior stucco, cost about \$6,500 per unit.²⁴

City of Victoria, British Columbia. The City of Victoria received an A.C.T. grant for the first stage of a project facilitating infill development, including research, consideration for streamlining the development process, and preparation of design guidelines and zoning by-law amendments. Three houses were officially opened to demonstrate innovative housing designs for small "leftover" lots that are affordable to buy and easy to maintain. The designs won approval not only from potential home buyers but from local residents who felt they enhanced the neighbourhood. Built on lots of about 223 square metres, each has two bedrooms upstairs, a bathroom and small office next to the landing, and kitchen, dining, living room and powder room on the ground floor. All this fits into a building about 8 metres long and 6 metres wide. Although Victoria housing prices are among the highest in Canada, these homes are priced at \$204,900.²⁵

Many of CMHC's research and information transfer activities have significant affordability dimensions. One of the priority areas is specifically concerned with developing and maintaining a supply of affordable, appropriate housing which meets the needs of Canada's changing population. Work is underway to investigate the range of financial measures used in the United States to facilitate provision of affordable housing through multi-sector partnerships; this study will assess why these measures have been successful and consider their potential transferability to Canada. Another project involves a survey to compile innovative approaches and best practices being used by the Canadian non-profit and municipal housing sector to create affordable housing. The project, which is being conducted in partnership with the Canadian Housing and Renewal Association (CHRA), will identify affordable housing initiatives, innovations and ideas, examine current capacity in the sector, and identify the tools, mechanisms and information that may be needed for implementation.

CMHC, while not a regulatory agency, undertakes research on issues related to building codes and standards. Recent examples include impact studies of mandatory fire sprinklering, development of alternatives to current code compliance for existing buildings which are being renovated, an examination of obstacles to mobile homes, and development of lower-cost techniques for building housing on contaminated lands.²⁶ CMHC has also created a national body, the Federal-Provincial-Territorial Subcommittee on Housing and Building Codes, which enables housing agencies to have greater input into the code development process; the primary focus of this group has been on proposed code changes that could impact the cost of housing.

²⁴ In comparison, recent similar RRAP-supported projects in Edmonton's inner city averaged \$13,000 per unit.

²⁵ The average new housing price in Victoria was \$305,869 as of December 1994.

²⁶ Many urban properties are now regarded as contaminated, significantly reducing available land for housing. See section 3d)(iii) for more on this issue.

Another area of CMHC-sponsored research and information transfer is aimed at improving the affordability of multi-family housing through technical innovation. Support is offered to building design professionals through "best practice guides" which compile many years of building research into comprehensive construction details and advice. This work will help ensure that buildings are constructed as soundly as possible, minimizing future repair and replacement costs to owners and occupants. Case study surveys are underway of innovations in existing residential buildings and of best practices in retrofit of apartment buildings, in order to transfer these ideas to Canadian building professionals. The concepts of life cycle costing and proactive asset management are being promoted through a series of publications to increase owner and property manager awareness. Finally, the IDEAS Challenge competition, a joint CMHC-CANMET²⁷ initiative, focused the creative energies of Canadian design/development teams on many areas of building technology. Energy-efficient projects were proposed which sought to reduce energy consumption by 50% through integration of better ventilation, improved envelope design and construction techniques and more efficient heating. Accessible design features were also taken into account.

The FlexHousing Design Competition was launched by CMHC in 1996 to encourage the development and promote the benefits of housing that can be easily adapted to meet the present and future needs of occupants. The concept of FlexHousing recognizes that a significant number of Canadians require homes that can accommodate changing needs. Including adaptable features at the time of construction is potentially highly cost-effective, contributing to long-term affordability, and will enable occupants to remain in their homes even as their physical and lifestyle requirements vary over their lifetimes. Nine regional winners were selected in stage one based on how well their designs reflected the FlexHousing principles of adaptability, affordability and marketability. In addition, the selection committees looked for Healthy Housing²⁸ features such as energy efficiency, environmental responsibility, and occupant health. Stage one winners were awarded \$5,000 each to help with the costs of further development of their winning designs. In 1997 a national winner of the competition was chosen, along with three awards of merit. Interactive computer tours are being developed to demonstrate the benefits of Canada's most imaginative and forward-thinking designs to consumers and the housing industry. The first Canadian FlexHouse was built in Edmonton in partnership with Habitat for Humanity, and officially opened in October 1997.

(iii) Maximizing Land Use

Provincial, territorial and municipal governments have the primary responsibility in Canada for community planning and development, including matters pertaining to land use. However, the federal government does play a role in land use and stewardship to the extent that it (1) owns

²⁷ Canada Centre for Mineral and Energy Technology, a division of Natural Resources Canada.

²⁸ Healthy Housing is a concept developed by CMHC to describe housing that promotes occupant health, enhances energy efficiency, improves efficient use of natural resources, encourages environmental responsibility, and is affordable. The Toronto Healthy House, for example, is a three-bedroom infill home that is completely self-sufficient; it produces its own energy, collects rainfall and purifies it for drinking, and biologically treats waste. Annual water consumption cost is zero and space heating requirements are less than a quarter of those for an average home. A Healthy Housing exhibit toured Canada for two years providing...

or controls various properties across the country, and (2) continues to conduct research and information transfer activities of national scope and benefit.

With respect to property, the federal government reactivated a Crown corporation, the Canada Lands Company (CLC), in 1995 in order to improve the management and/or disposition of federal surplus lands for the benefit of the Canadian people. Operating in a commercially viable manner and at arm's length from the government, the mandate of the Company is to ensure that the government realizes fair value from these assets; this is ultimately intended to contribute to national debt and deficit reduction.²⁹ At the same time, the Company is mandated to respect federal environmental, heritage and First Nations policies and priorities. Currently the CLC owns or manages well over 100 properties across the country, totalling nearly 3,000 acres. One example of a project underway is the Company's assumption of responsibility for planning, redeveloping and managing the 600-acre Downsview decommissioned military base in North York, Ontario. CLC has established a site office there with a dedicated project team and has invited the private sector to submit specific proposals for the redevelopment of the property. It is the federal government's intention that a feature of this property will be a unique urban park and that a significant portion of the property will be held in perpetuity by a Special Trust. It is also anticipated that private-sector involvement will be mainly on a leasehold basis.

CMHC itself is involved in land development and management activities on properties owned by CMHC or surplus lands owned by other federal departments. In some cases CMHC also has worked in partnership with provinces to develop lands acquired in prior years to create new communities. The Corporation's approach is to maximize profits while delivering well-planned, integrated communities with housing suitable for a wide range of income levels and household types, and including ancillary community services and commercial development. Development of National Office lands in Ottawa has included the sale of a 64-unit townhouse block to a municipal non-profit housing corporation and the construction of 74 houses by the three builders who purchased single-family lots. As of the end of 1995, active CMHC land management projects involved a total of 2,100 hectares.

CMHC also owns and manages a property portfolio acquired as a result of its various activities over the years. At the end of 1995, 3,538 units in 49 projects were under administration. CMHC is undertaking redevelopment work on some of these properties at this time. Examples include three (two in the Vancouver area and one in Montréal) where CMHC is providing "aging-in-place" housing for existing tenants on a portion of the lands and offering surplus lands to private-sector developers for a mix of condominiums, rental and social housing.

Through its research and information transfer function, CMHC has long taken an interest in community sustainability - one of the chief concerns underlying land use issues.³⁰ Important

(28 continued) ...practical tips to Canadians on how to affordably make changes to their homes to make them healthier. Healthy Housing publications distribute information on choices that can be made when building or renovating.

²⁹ After its first seven months of operations the CLC had distributed \$10.9 million to the federal government.

³⁰ Other federal departments and agencies also undertake research and communications work to contribute to...

examples of activity in this area, such as that on urban sustainability indicators, were described recently in Canada's report to Habitat II. With regard to land use issues specifically, much effort has been devoted to building the knowledge base and awareness necessary to encourage intensification, compact urban form and mixed-use development. In addition to a need to influence attitudes and beliefs, it is recognized that widespread public and industry acceptance of sustainable urban form depends on the availability of alternatives which are convenient, attractive and affordable. There is some evidence that this could be starting to take hold in the Canadian mainstream. More compact developments with a finer mix of land uses, a diversity of more affordable housing, and more pedestrian-friendly layouts are becoming increasingly popular with home builders and buyers across the country. Montgomery Village in Orangeville, Ontario and Bois Franc in Ville Saint-Laurent in Québec are examples of innovative new communities that are more environmentally responsible, more cost-effective, and more responsive to changing housing needs.

In order to encourage more effective and responsible land use, CMHC is looking at several key issues: planning principles and practices that can encourage higher densities; overcoming social and political barriers, notably the localized resistance to infill and redevelopment known as the NIMBY (Not in My Back Yard) syndrome; and changes to regulations, codes and standards to facilitate innovations. The A.C.T. program is of special importance in the latter case since many innovations challenge the established regulatory framework. CMHC recently published several research reports examining alternative development patterns that conserve natural resources and facilitate healthy, sustainable communities. One report uses case studies in Canadian and American cities to consider how different planning standards have shaped the form and character of communities in older urban and newer suburban areas. Based on these findings, the study presents alternative principles for urban development and applies them to create a model "integrated" community. Another report reviews new ideas in community planning that address the problems of urban sprawl. A comprehensive evaluative framework is used to take an in-depth look at "new urbanism", "cohousing" and "eco-villages"; the framework considers such issues as resource conservation, economic viability and health and safety, and it can be used both to assess the social, economic and environmental performance of existing communities and to help plan more sustainable "green-field" developments. A third report compares the cost-effectiveness of a conventional low-density suburban development and a mixed-use, more compact development planned according to the principles of "new urbanism".

Finally, CMHC has been exploring the important problem of contaminated lands, which are typically abandoned properties that were used by industry in the past. Although data are poor as to the number of contaminated sites in Canada, it is clear that they represent a large supply of land that has potential for urban housing redevelopment. The process of redeveloping these lands for housing can be extremely complicated, with two of the biggest obstacles being prohibitive clean-up costs and liability issues. CMHC has undertaken research on site assessment protocols in Canada and other countries, and also worked on site clean-up and

(30 continued) ...sustainable development objectives. A full description of this work would far exceed the scope of the present section.

remediation technologies. A CMHC study was recently published focusing on the barriers to the redevelopment of contaminated sites for housing. This study examined the factors currently discouraging such redevelopment in Canada, investigated initiatives in various Canadian and American jurisdictions which could address these problems, and noted areas in which more research is required to fill information gaps. As part of its involvement with the National Round Table on the Environment and the Economy's Financial Services Program, CMHC funded a study looking into what the financial services sector could do to facilitate redevelopment of these sites. CMHC also funded one of the Financial Services Program's multi-stakeholder workshops, held in major centres across the country, to discuss the issues raised in this and other commissioned studies.

(iv) Housing-Related Expenditures by Governments

A full quantification of the financial contribution of governments to housing in Canada is at best a challenge. There are numerous reasons for this, many of which apply in other countries as well, but in Canada there are the added complexities of a federal system of governance along with the fact that a substantial proportion of assistance for shelter needs flows through income support channels rather than through bricks-and-mortar approaches. In addition, any efforts to evaluate the significance of Canadian governments' financial contribution to housing must take into account the significance of non-government contributions; for example, it could be argued that less government expenditure on housing is necessary in Canada due to the overall high affordability, quality and choice in both rental and owner-occupied housing in the Canadian private sector relative to many other countries.

TABLE 22
Direct Housing Expenditures by Canadian Governments, 1990-1995

	1990-91		1991-92		1992-93		1993-94		1994-95	
	\$million ¹	% ²	\$million ¹	% ²	\$million ¹	% ²	\$million ¹	% ²	\$million ¹	% ²
Federal (CMHC)	1,981	1.82	1,903	1.59	1,980	1.59	1,945	1.51	1,987	1.58
Combined provincial/territorial	1,597	1.30	1,630	1.22	1,880	1.32	1,966	1.39	1,899 ³	1.35 ³
TOTAL	3,578	1.54	3,533	1.40	3,860	1.45	3,911	1.44	3,886	1.46

¹ Expenditure for that government category in millions of dollars.

² Percentage of all expenditures by that government category, excluding interest on the public debt.

³ Excludes Prince Edward Island (data unavailable).

Sources: CMHC and Statistics Canada (*National Income and Expenditure Accounts*)

With respect to direct government expenditures on housing, it is necessary to remember that both federal and provincial (or territorial) governments make substantial financial contributions.³¹ For instance, much of the current portfolio of assisted housing in Canada

³¹ Some municipal governments also make contributions, but their proportion of total spending is quite small.

(664,235 units under administration as of the end of 1995) is jointly funded by the two levels of government, through a variety of cost-sharing arrangements ranging from 100% to 50% federally funded. Accordingly, Table 22 provides an overview of all federal, provincial and territorial direct housing expenditures. Since 1990, the combined direct expenditure on housing in Canada has risen from \$3.5 billion to approximately \$4 billion per year. This is associated with the addition and/or renovation of over 182,000 federally or jointly assisted units, plus an undetermined number of unilaterally sponsored provincial or territorial non-profit and renovated units. As a proportion of total government spending, the 1994/95 figure represents about 1.5% of total current expenditures, net of interest on the accumulated public debt, and about 1.2% of current expenditures including interest payments on the debt.

In addition to these direct housing measures, there are considerable indirect government expenditures on housing through the national income security system. For example, housing is the single largest expenditure by recipients of social assistance, also known as welfare, which has been cost-shared by the federal, provincial and territorial governments under the Canada Assistance Plan (CAP)³² and administered by social services agencies. The Canada Assistance Plan has been estimated to provide an additional \$5.2 billion for shelter alone, thereby raising the total estimated government expenditure on housing to \$9.2 billion in 1993/94; this represented approximately 3.5% of total government spending net of the debt, and about 2.8% including interest on the debt. Total government spending on housing is actually higher than this because of expenditures through other components of the national income security system, notably Employment Insurance, Old Age Security and the Guaranteed Income Supplement. However, the amounts which income support recipients spend on shelter is not well documented; therefore no reliable estimates are available beyond the CAP figure.

In recent years there has been some attention focused on the proportion of the Canadian housing stock devoted to social housing. The underlying argument seems to be that (1) the incidence of Canadian social housing is low by international standards, and that (2) this low incidence is somehow linked with both the incidence of housing need in Canada and with the levels and types of expenditures made by Canadian governments to meet this housing need. In fact it is very difficult to draw valid international comparisons regarding "social housing". Critical differences abound in political, cultural and economic contexts, definitions of social housing, variations in accounting methods, and so on. The distinction between "public" and "private" is particularly difficult to define. In Scandinavian countries, for instance, "co-operatives and co-ownership" have *de facto* private market status, including opportunities to realize capital gains, yet international observers frequently include this category in "social housing" figures. Another difficulty in making the "public-private" distinction is that, unlike in Canada (where a large amount of "social housing" is "public housing"), a significant proportion of "social" housing in many countries is privately owned, financed and operated. The former West Germany and the United States have historically provided social housing through special agreements and financial incentives to private investors, and in The Netherlands three-quarters of all rental housing is actually owned and managed by private corporations. Still another

³² The CAP was recently replaced by the Canada Health and Social Transfer. For details, see the federal government chapter in the main volume of the Third Report of Canada.

analytical problem is that many countries provide "portable" housing benefits to people to enable them to rent in the private market; for example, the United States relies extensively on housing vouchers and certificates. This means that the "social housing" stock as a percentage of all housing stock in these countries is not a very good indicator of public assistance for people in housing need.

TABLE 23

International Survey of Housing Tenures, in Percentages of Total National Stock¹

COUNTRY	OWNER- OCCUPIED	PRIVATE RENTALS	"SOCIAL HOUSING" ²
Australia ³	70	19	7
Italy	66	30	6
United Kingdom	64	8	28
United States	64	32	3
Canada	63	31	7
Belgium	59	31	7
Norway	59	18	23
Sweden	58	21	21
Denmark	55	18	21
France	54	20	17
The Netherlands	44	12	44
(West) Germany	42	42	16
Austria	39	20	30
Finland	36	12	34
Switzerland	24	60	13

¹ Most recent data available at CMHC; varies between 1981 and 1994.

² The "social" tenure category can be differently defined in each country. It may or may not include "public" housing. In general, these figures encompass all third-sector housing, as well as some private rental and owner occupied stock.

³ Percentages may not add up to 100% due to rounding and/or the presence of an "other" or "unknown" category in some national data.

Table 23 offers a 15-country overview of housing tenure distributions. It can be seen from this table that the distribution of the various housing tenures in Canada is consistent with levels in countries whose political, cultural and economic systems are most comparable with Canada's. This should not be surprising, given that in countries such as Canada it is possible for the majority of households to obtain affordable, adequate and suitable housing through the private market. The ability of the private market to address most needs is particularly well reflected in the achievement of home ownership by nearly two-thirds of the Canadian population. The Canadian home ownership rate is comparable to those of the United States and the United Kingdom (both in the 60%-65% range), somewhat lower than those of Australia and New

Zealand (around 70%), and significantly higher than the average in most European countries (where owner occupation rates can dip as low as 24%). The high level of home ownership in Canada, combined with a functional private rental sector where accommodation is plentiful and affordable (see also section 3d)(ii) above), would suggest that the proportion of Canadian social housing stock is approximately what would be predicted compared to other countries.

Assuming that international tenure comparisons will continue to be drawn despite their limitations, it must be recognized that the numbers themselves are not indicative of the extent to which the housing system is addressing the needs of the population. In this regard, evidence has been presented throughout this report indicating that Canadians are, on the whole, unusually well-housed, and that where they are not, governments try to target public resources carefully to meet those needs. This is a different approach to housing assistance than the one traditionally seen in Europe, where social housing has, by and large, been geared to moderate and middle-income households. In contrast, the role expected of European social housing has been accomplished in Canada by the private rental and home ownership sectors. It should be noted further that the European approach appears to be changing. Debates about the most appropriate types and amounts of housing assistance have been prominent in virtually all industrialized countries since the early to mid-1980s. This being a pressing issue for many countries, it may prove more useful to stimulate and facilitate a balanced international dialogue regarding common challenges and opportunities, so that benefits of lessons learned may be more widely, quickly and effectively achieved.

(v) *International Assistance*

Canada is a donor rather than a recipient of international aid.

(vi) *Encouragement of Smaller Population Centres*

Issues for Canada's smaller population centres vary according to their size and location. The urban agglomerations in which most Canadians now live tend to take in small urban centres on the periphery. Net population growth from 1981 to 1991 was predominantly in these fringe areas. The policy challenge is not necessarily to encourage growth in these centres, but to manage their growth so that the pattern of development is more sustainable. Indeed expansion at the edge and declining density overall, where accompanied by declines in the central city's share of population and employment opportunities, could give rise to concerns about physical decline, economic health and concentration of poverty and other social problems in some inner-city neighbourhoods. While land use issues are primarily a provincial responsibility, CMHC has helped to encourage sustainable urban form, as described earlier in section 3d)(iii).

The challenges are quite different for small centres in remote and northern locales. As noted in section 3d)(i), these communities may be prone to economic difficulties, as the economic base is weak or undiversified and the costs of meeting basic needs can be unusually high. In addition to efforts to promote "enabling strategies" for these communities, housing policies have made a visible contribution by ensuring (for instance through mortgage insurance) that households in these areas have the same level of access to mortgage financing as residents of other centres.

(vii) Security of Tenure Issues Relating to Major Events

The only major international event held in Canada during the current reporting period was the Commonwealth Games in Victoria. Aware of the issue of displacement, Games officials consulted both with the City of Edmonton, host of the previous Commonwealth Games in Canada (1978), and with Vancouver, where evictions had been a concern in connection with Expo 86.³³ As a result of these consultations, several remedial measures were put into place to avert potential displacement problems. These included contracting with various organizations operating shelter or hostel accommodation to reserve space for referrals if necessary, and with the regional housing authority to give priority to displaced families. Despite the temporary closure of an existing 50-bed facility (due to a labour dispute during the Games), no cases of eviction or displacement were reported. The relatively short duration of the Games (two weeks, compared with six months for Expo 86) may have contributed to this success. With the focus of activity at the university, one legacy of the Games was construction of 275 self-contained housing units, initially used as accommodation for the athletes but now available as student housing.

3e) RECENT CHANGES TO POLICIES, LAWS AND PRACTICES

Recent changes to policies, laws and practices affecting housing in Canada have been documented throughout this report. The Framework/Overview section provides a summary.

4) CONSTRAINTS, CHALLENGES AND OPPORTUNITIES

For the federal government, the principal constraint on measures to fulfill the objective of ensuring that all Canadians are adequately, suitably and affordably housed is limited fiscal capacity. During the late 1980s and early 1990s, for example, there has been a reduction in the growth of the federal government's assisted housing budget³⁴ in response to the serious public debt situation in Canada. As noted elsewhere in the Third Report of Canada, the government has established firm targets to reduce the federal deficit as a proportion of the GDP.

As this Background Report demonstrates, however, fiscal constraints have not prevented the government from helping to meet the housing needs of Canadians in a variety of creative ways. These include: enhancing access to home ownership, realizing efficiencies in the management of existing social housing, implementing new initiatives designed to meet specific and pressing needs, preserving the existing affordable housing stock and making it more adaptable and accessible, leveraging the resources available through encouragement of multi-sector partnerships, and cultivating knowledge and expertise in all sectors to enable broad, efficient and effective participation in the design and utilization of housing solutions.

³³ Section 3b)(iv) above gives basic information about the Canadian legal framework with respect to evictions, which are under provincial jurisdiction.

³⁴ See also the opening Framework/Overview section of this report.

5. INTERNATIONAL PARTICIPATION IN HOUSING AND HUMAN SETTLEMENTS

The scope and variety of Canadian housing-related activities and contacts with other countries is too extensive to be fully cited here. Canada's participation internationally regarding housing and human settlements was recently described in some detail in chapter five of Canada's national report to Habitat II. Activities of the Canadian International Development Agency (CIDA) and the International Development Research Centre (IDRC) were highlighted, along with projects involving such Canadian third-sector organizations as Calmeadow, the Federation of Canadian Municipalities, l'Ordre des urbanistes du Québec, Oxfam Canada and World University Services of Canada.

In addition to active participation in the planning for Habitat II, Canada was involved in the Global Strategy for Shelter, and between 1989 and 1993 was a major participant in the OECD project on Housing and Social Integration. Canadian expertise has also been provided to Poland and other Eastern European states to establish effective housing finance systems and assist them in the transition to a market economy; a related conference was organized to provide a forum for discussing housing opportunities in Eastern and Central Europe. The form of assistance for these events has largely been technical and research expertise. Funding was being provided annually (1990 to 1993) to support U.N. Habitat's North American - Caribbean office; however from 1994 onward, with the relocation of this office to Kenya, funding has been sent directly to Habitat to assist in ongoing work on indicators.

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