

**CANADIANS AND THEIR
HOUSING EXPENDITURES,
1978 1992**

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Les dépenses des canadiens en matière de logement de 1978 à 1992.

INTRODUCTION:

Events which occurred from the late 1970s through to the early 1990s make these years important to study. During this period the economy slid into recession, gradually recovered, then dipped again into recession. At the same time Canadian society grew and changed dynamically. An examination of data from Statistics Canada's Family Expenditure Surveys (FAMEX) indicates that there were accompanying shifts in income and housing consumption for specific groups of Canadians. The nature of these changes is the subject of this report.

First, however, it is important to understand a little about FAMEX data on Canadian expenditure patterns. Historically, Statistics Canada decided to assemble these data using the purest analytical concept or tool possible. Thus, they collected expenditure information for units of individuals who pooled their incomes to share common expenditures. These units were recognized as "*spending units*". However, when 1986 Survey of Family Expenditure data showed that more than 97 per cent of "spending units" were identical to "*households*" anyway¹, Statistics Canada decided to collect subsequent expenditure data using the more broadly recognized "household" unit. Thus, expenditure data are presented in this study for "spending units" for survey years up to and including 1986. Expenditure data are then provided for "households" in 1992. To link pre- to post-1986 expenditure data, 1986 "spending unit" data have been reworked² and are presented twice, first on a "spending unit", then on a "household" basis.

OVERALL TRENDS:

The period can be naturally divided into the pre- and post-1986 years. Between 1978 and 1986 growth in aggregate housing expenditures largely reflected growth in the number of spending units in Canada. Over the eight year period, the number of spending units increased by 17 per cent, from 7.3 to 8.5 million (Table 1). Aggregate shelter expenditures increased just slightly more, 19 per cent, from \$47.5 to \$56.7 billion (expressed in constant 1992 dollars). With aggregate income increasing at about the same rate, the average shelter cost-to-income ratio remained virtually the same, shifting only from 14.7 to 14.6 per cent.

¹ In 1986, there were 248,000 spending units that were not identical to households. Most of them were renters (82%), predominantly led by non-elderly heads. Just over two-thirds of these spending units (167,000) were *unattached individuals* who (1) either shared accommodation with another unattached individual (or occasionally with two or more of them), or (2) lived with a family as lodgers, roomers, live-in domestic help, companions, and the like, or, on a few occasions, as the landlord. The remaining spending units that were not identical to households were comprised of: 69,000 *married couple families*, representing 28 per cent of the total group of 248,000, and 12,000 "*Other*" *spending units*, constituting five per cent of the total.

² Spending unit / household equivalents have been derived specially for this study by applying a simple logic to the 1986 micro-data file and then executing the series of steps summarized here. *First*, any spending units affected by the conversion were identified as described in the footnote above, and removed from the file. This left only those cases where spending units constituted complete households. *Second*, the cases removed in step one were formed into households by identifying spending units which belonged to the same household and creating a merged household record. This process eliminated 167,000 unattached individuals, reduced the number of units headed by married couples by 15,000, and created 41,000 new units in the "Other" household category. *Third*, the data base of households was reunified to represent a universe of 8,385,000 households.

This seemingly stable situation changed sharply over the next six years, however, when aggregate shelter costs posted a 27 per cent increase, nearly double the rate of growth of income (up 14%) or households (up 15%). This pushed up the average shelter cost-to-income ratio for households from 14.6 per cent in 1986 to 16.3 per cent by 1992. Over the entire 1978 to 1992 period, the average proportion of income spent on two other basics, food and clothing, actually declined while personal income taxes took an ever increasing share of income, particularly after 1982. The widening gap between increases in income and shelter costs affected some types of households more than others.

TABLE 1 Spending Units/Households By Type, 1978-1992				
Year S.U./Household Characteristics	Total Number	Unattached Individuals	Married Couples	Other
SPENDING UNITS				
1978 Spending Units - total	7,309,000 100.0%	1,344,000 18.4%	5,189,000 71.0%	777,000 10.6%
Ave.# Persons	2.9	1.0	3.5	2.7
Ave.Age - Head	46.1	50.2	44.9	46.9
Pretax Income*	\$44,387	\$22,854	\$51,409	\$34,726
Shelter Costs*	\$6,503	\$4,501	\$7,121	\$5,842
1982 Spending Units - total	8,122,000 100.0%	1,816,000 22.4%	5,410,000 66.6%	896,000 11.0%
Ave.# Persons	2.7	1.0	3.4	2.6
Ave.Age - Head	46.2	50.8	44.8	45.5
Pretax Income*	\$44,003	\$23,629	\$52,149	\$36,109
Shelter Costs*	\$6,621	\$4,796	\$7,317	\$6,127
1986 Spending Units - total	8,525,000 100.0%	2,004,000 23.5%	5,439,000 63.8%	1,082,000 12.7%
Ave.# Persons	2.7	1.0	3.4	2.6
Ave.Age - Head	46.8	52.5	45.4	43.0
Pretax Income*	\$45,547	\$22,828	\$55,519	\$37,496
Shelter Costs*	\$6,652	\$4,785	\$7,366	\$6,528
HOUSEHOLDS				
1986 Households - total	8,385,000 100.0%	1,837,000 21.9%	5,424,000 64.7%	1,123,000 13.4%
Ave.# Persons	2.8	1.0	3.4	2.6
Ave.Age - Head	46.8	53.4	45.4	42.8
Pretax Income*	\$46,290	\$23,263	\$55,748	\$38,281
Shelter Costs*	\$6,762	\$4,928	\$7,398	\$6,689
1992 Households - total	9,659,000 100.0%	2,120,000 21.9%	6,149,000 63.7%	1,390,000 14.4%
Ave.# Persons	2.6	1.0	3.1	2.6
Ave.Age - Head	47.4	53.8	46.2	43.1
Pretax Income*	\$45,961	\$23,796	\$55,780	\$36,325
Shelter Costs*	\$7,478	\$5,511	\$8,192	\$7,321
*Average in constant (1992) dollars. NOTE: All spending units which changed tenure during the year have been excluded from this study.				

Over the 1978-1992 period, much of the growth in spending units/households occurred because of the formation of new smaller types of units, and not because of population growth. In fact, between 1978 and 1986, the average number of persons per spending unit dropped from 2.9 to 2.7 persons. This decline continued over the 1986-1992 period when the average size of *households* decreased from 2.8 to 2.6 persons. As birth rates fell, age at-first-marriage and divorce rates rose, and life spans lengthened. The result was that in terms of numbers, elderly, single person, and single parent households grew faster than traditional families (Table 1). Canadian society was changing; the nature of the change is explored below.

CHANGING HOUSEHOLD TYPES:

The population of spending units/households can be considered to be comprised of three main types: (1) *married couple* (or traditional) *families*, (2) *unattached individuals*, i.e. one person units, and (3) *"others"*, comprised of a majority which are single parent families, mainly female-led, and a minority which are persons sharing accommodation with others, related or unrelated.

• 1978-1986

Between 1978 and 1986, the fastest growing group among *spending units* was unattached individuals. They increased by 50 per cent in number. "Others", dominated by single parents and individuals sharing increased by 40 per cent in number. The growth of both groups during this period vastly outpaced the growth of traditional married couple families which, although they remained by far the largest group, grew by just 5 per cent over the same eight years.

• 1986-1992

From 1986 to 1992, however, the fastest growing group of *households* was in the "other" category, which increased almost 24 per cent in six years. Unattached individuals (one person households) increased 15 per cent in number, while married couple households were not far behind, with a respectable 13 per cent growth. These changing demographics are shown in Table 1 and profiled in Figure 1.

• Low Incomes

Traditionally low income spending units or households grew fastest in number over the period, and their growth rapidly swelled the ranks of the lowest income quintile. Between 1978 and 1986 unattached individuals increased from 48 to 60 per cent of the *spending units* in the lowest quintile. Their growth spilled into the second quintile as well where over the eight years they increased from 24 to 30 per cent of all spending units. From 1986 to 1992, however, in terms of *households*, there were only minor changes in the composition of the two lower income quintiles³. While the proportion of unattached individuals (one person households) in the lowest quintile increased slightly, from 56 to 58 per cent between 1986 and 1992, it fell by three percentage points, from 28 to 25 per cent, in the second income quintile.

³It should be noted that upper quintile limits shift upwards when units are re-defined from spending units to households. Households have more members and hence more earners and income than spending units. As a result, taking two examples, the conversion to households in 1986 shifted income limits from \$18,554 to \$19,115 for the lowest quintile, and from \$32,666 to \$33,306 for the second quintile. All amounts are expressed in constant 1992 dollars.

The explanation for this deepening concentration of unattached individuals in the bottom quintile is clearly shown in Table 1: these households did not experience much of any real income gain over the fourteen-year period (four per cent). Their shelter costs, on the other hand, increased twenty-two per cent. The result is shown in Figure 1: increasing numbers of unattached individuals spent more than today's norm (i.e. 30 per cent or more of household income) for their housing. Housing was becoming more costly for them.

Figure 1
Households by Type, Showing Proportion
Spending $\geq 30\%$ of Income on Shelter, Canada, 1978-1992

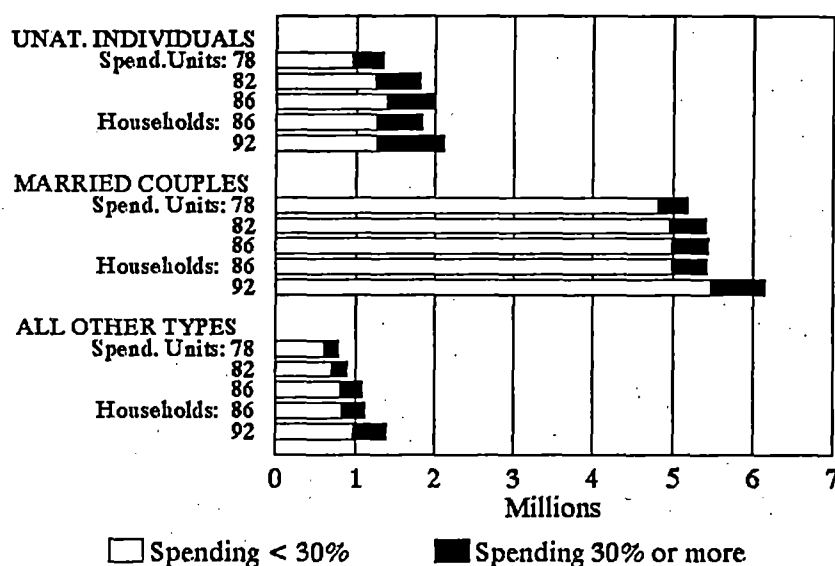
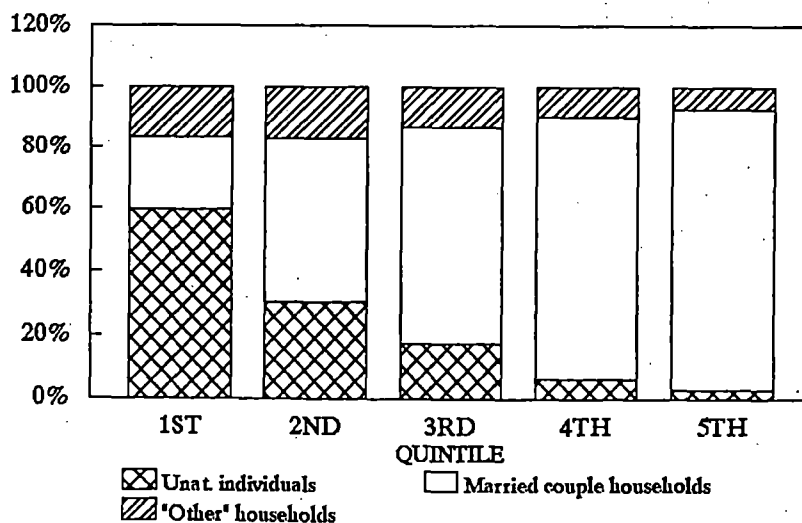


Figure 2 illustrates the household type mix by quintile in 1992. The predominance of unattached individuals and "other" households in the lowest quintiles and married couple families in the highest quintiles is clear.

Figure 2
Quintile Composition by Household Type
Canada, 1992



Thus, although the aggregate shelter cost-to-income ratio that prevailed through to 1986 appeared to be stable at about 14.6 per cent, there was actually considerable variance in the experience of different types of households. Between 1978 and 1986, more and more unattached individuals and to a lesser degree "other" households ended up spending more than the norm for their shelter. Between 1986 and 1992, the need to spend more than the norm for housing spread even to the vast majority of households, married couple households. As a result, even the average shelter cost-to-income ratio began to shift upward, moving from 14.6 per cent in 1986 to 16.3 per cent in 1992.

<p style="text-align: center;">TABLE 2 Spending Units/Households Paying More than the Norm for Their Shelter, by Income Quintile, Canada, 1978, 1982, 1986, 1992</p>										
	SPENDING UNITS						HOUSEHOLDS			
	1978		1982		1986		1986		1992	
	Number	%	Number	%	Number	%	Number	%	Number	%
Canada Number Incidence	926,000 12.7%	100.0%	1,220,000 15.0%	100.0%	1,332,000 15.6%	100.0%	1,305,000 15.6%	100.0%	1,943,000 20.1%	100.0%
Quintile										
Lowest Number Incidence	613,000 41.1%	66.2%	780,000 47.1%	63.9%	899,000 51.7%	67.5%	896,000 52.4%	68.7%	1,150,000 59.7%	59.2%
Second Number Incidence	154,000 10.4%	16.7%	231,000 14.2%	18.9%	295,000 17.1%	22.1%	275,000 16.2%	21.1%	477,000 24.7%	24.5%
Middle Number Incidence	102,000 7.0%	11.0%	118,000 7.3%	9.7%	76,000 4.5%	5.7%	71,000 4.3%	5.4%	200,000 10.3%	10.3%
Fourth Number Incidence	39,000 2.7%	4.2%	62,000 3.9%	5.1%	49,000 2.9%	3.7%	51,000 3.1%	3.9%	87,000 4.5%	4.5%
Highest Number Incidence	18,000 1.3%	2.0%	29,000 1.8%	2.4%	14,000 0.8%	1.0%	12,000 0.7%	0.9%	29,000 1.5%	1.5%

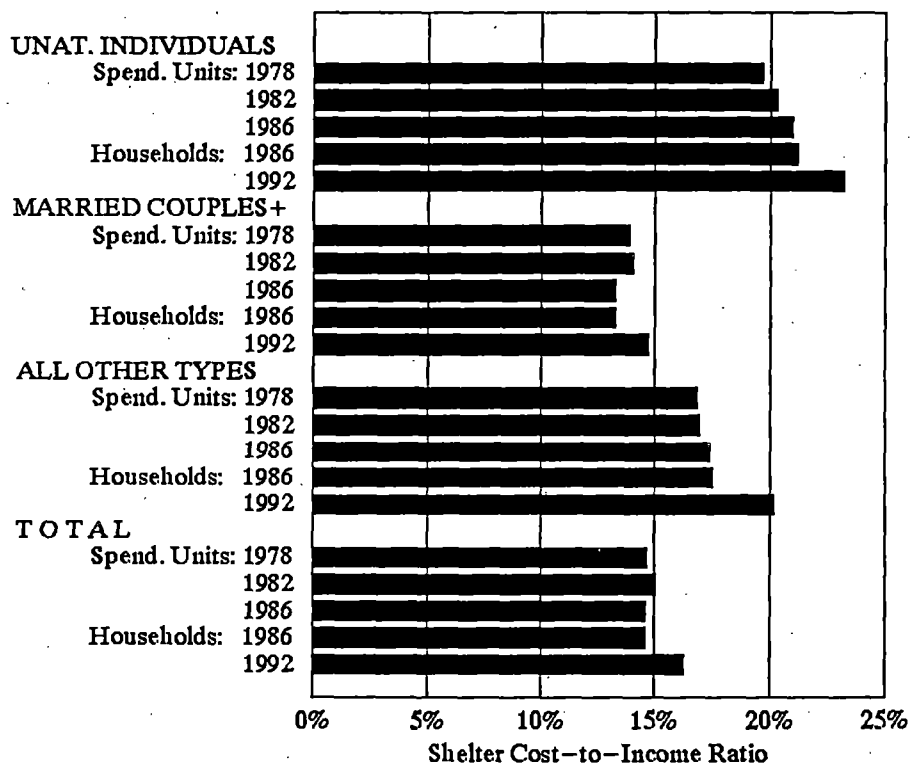
AFFORDABILITY AND THE ECONOMY:

As illustrated by Table 2, over the period the number of units spending more than the norm for their housing grew at a much faster rate than the overall population, but the rate of growth was uneven. Between 1978 and 1986, the number of *spending units* disbursing more than the norm for their housing grew from 926,000 to 1,332,000, an increase of 44 per cent (two to three times the general increase of 17 per cent in total spending units over the eight years). This increase in spending units disbursing more than the norm for shelter mirrored changes in the economic cycle during these years. The increase occurred primarily between 1978 and 1982, the period of economic downturn. It was then that 300,000 new spending units were added to the group, an increase of 32 per cent, three times the natural increase in the number of spending units during these four years. In contrast, during the recovery phase of the economy over the next four years only 112,000 spending units were added, an increase of 9 per cent. But between 1986 and 1992, as the economy slowed down once again, more than 600,000 households

were added to the group spending more than the norm, an increase of 46 per cent, compared to an increase of only 13 per cent in total households.

However, there were variations to this general pattern. For example, in the case of the lowest two quintiles, the proportion of units paying more than the norm for shelter increased consistently throughout the period, irrespective of changes in the business cycle. Albeit during periods of economic downturn, such increases in the lowest quintile tended, in relative terms, to be smaller than those in other quintiles⁴, resulting in reductions in its share of affordability problem cases each time economic conditions deteriorated. This happened both in 1982 and on a larger scale in 1992. Nevertheless, the growing number of units spending 30 per cent or more of income on shelter became more concentrated in the bottom quintiles, increasing from two to three out of every five in the lowest quintile by 1992. Even average data for all households regardless of income quintile can be used to illustrate this. Figure 3 shows that average shelter cost-to-income ratios rose precisely for those households of the lowest quintile, unattached individuals and "other" households. This was primarily a function of differences in income changes as shelter costs rose for all groups over the period.

Figure 3
Shelter Cost as a % of Income
All Households, by Type, Canada, 1978-1992



⁴The reduced "sensitivity" of households in the lowest quintile to changes in the level of business activity can be explained in part by the fact that this quintile depends heavily on the steady flow of government transfer payments. Unlike earnings, these payments are independent of market forces. In 1992, they comprised 70 per cent of this quintile's entire pre-tax income.

Before going into further detail regarding household type and the fundamental changes which occurred in housing affordability and shelter expenditures, it is important to add the dimension of tenure to the analysis.

TENURE AND INCOME:

Between 1978 and 1992, housing affordability shifted most for those in the lowest income quintile, as the quintile itself came to be dominated by not only unattached individuals, but also renters (Table 3). Meanwhile, as evidenced by steadily rising average shelter cost-to-income ratios, shelter also grew less affordable for households in the second quintile. As already noted⁵, between 1978 and 1986, the second quintile also absorbed an increasing flow of unattached individuals, and to a lesser extent "other" units, who were mostly renters. At the same time, its proportion of married couple families, mostly owners, declined and ownership dipped by 1986. Between 1986 and 1992, however, as the number of unattached individuals declined and married couple families regained importance, ownership returned to its traditional level of around 50 per cent in the second quintile.

TABLE 3 TENURE, AND AVERAGE INCOME AND SHELTER COST-TO-INCOME RATIOS PROFILED BY QUINTILES, SELECTED YEARS						
Year	All Quintiles	Lowest Quintile	Second Quintile	Middle Quintile	Fourth Quintile	Highest Quintile
Tenure Profile by Quintile (ratio of owners to renters)						
Spending Units:						
1978	63.5/36.5	48.9/51.1	49.5/50.5	62.1/37.9	73.0/27.0	85.0/15.0
1982	62.2/37.8	39.9/60.1	49.4/50.6	61.4/38.6	74.4/25.6	86.6/13.4
1986	59.7/40.3	34.1/65.9	46.7/53.3	58.3/41.7	73.6/26.4	86.7/13.3
Households:						
1986	60.6/39.4	37.0/63.0	46.8/53.2	59.5/40.5	74.4/25.6	86.4/13.6
1992	60.6/39.4	33.7/66.3	50.0/50.0	58.6/41.4	73.6/26.4	86.9/13.1
Average Income (before tax - in constant 1992 dollars)						
Spending Units:						
1978	\$44,387	\$12,998	\$27,653	\$40,885	\$55,160	\$86,653
1982	\$44,003	\$12,454	\$25,868	\$39,480	\$54,647	\$88,297
1986	\$45,547	\$12,436	\$25,213	\$39,636	\$56,501	\$95,041
Households:						
1986	\$46,290	\$12,852	\$25,988	\$40,388	\$57,250	\$96,045
1992	\$45,961	\$12,602	\$25,456	\$39,419	\$56,173	\$95,955
Average Shelter Cost-to-Income Ratios - % of income spent on shelter						
Spending Units:						
1978	14.7%	28.9%	18.9%	16.3%	13.9%	10.8%
1982	15.0%	30.5%	20.0%	16.4%	14.5%	11.1%
1986	14.6%	33.0%	21.4%	16.5%	13.9%	10.0%
Households:						
1986	14.6%	32.7%	21.2%	16.5%	13.9%	10.0%
1992	16.3%	36.3%	23.8%	18.4%	15.1%	11.5%

After a drop between 1978 and 1982, the lowest quintile's share of aggregate income fluctuated marginally around 5.5 per cent. In comparison, with the exception of the period between 1986 and 1992,

⁵See page 3, "Low Incomes".

its share of aggregate shelter costs rose consistently (Table 4). Relative shelter costs thus increased most for bottom quintile households, those least able to afford it. Their already high average shelter costs-to-incomes rose even higher (Table 3). In fact, between 1978 and 1992 only top income quintile households realized substantial gains in real income and these were due entirely to pre-1986 gains. Indeed, even top quintile households could not maintain their real income level between 1986 and 1992. Still, of all the quintiles, the top one incurred the smallest increment in its shelter cost-to-income ratio over the fourteen-year period.

TABLE 4 Percentage Distributions of Total Income and Shelter Expenditures by Income Quintiles, Selected Years					
Year	Lowest Quintile	Second Quintile	Middle Quintile	Fourth Quintile	Highest Quintile
Shares of Total Income (before tax) - %					
Spending Units:					
1978	5.8%	12.4%	18.3%	24.7%	38.7%
1982	5.6%	11.8%	17.9%	24.8%	39.9%
1986	5.4%	11.0%	17.4%	24.7%	41.4%
Households:					
1986	5.7%	11.4%	17.2%	24.3%	41.4%
1992	5.5%	11.1%	17.2%	24.4%	41.9%
Shares of Total Expenditures on Principal Accommodation - %					
Spending Units:					
1978	11.8%	16.3%	20.5%	23.0%	28.4%
1982	11.7%	15.6%	19.4%	23.6%	29.7%
1986	12.6%	16.4%	19.4%	23.2%	28.4%
Households:					
1986	12.7%	16.4%	19.5%	23.1%	28.3%
1992	12.2%	16.2%	19.4%	22.7%	29.6%

The lowest quintile's fortunes declined as it became renter-dominated. As illustrated by Table 5, renters are far more prone than owners to spending more than the norm for shelter. Between 1978 and 1986, renters spending 30 per cent or more on shelter increased by 86 per cent, twice the increase of 44 per cent experienced by the overall population. In fact, the absolute increase in renters spending 30 per cent of income or more was greater than the net increase in all spending units spending this much on shelter. This happened because the increase in the number of renters spending more than the norm on shelter more than made up for a small absolute decline in mortgage-free owners paying above the norm. As a result, in 1986 even though renters comprised only 40 per cent of all spending units, they constituted 67 per cent of those spending more than the norm for shelter.

When changes over the period are analyzed in greater detail, the conclusion is that, unlike other tenure groups, renters as a whole did not benefit from the upturn in the economy between 1982 and 1986. As shown in Table 5 the proportion of renters spending more than the norm for shelter continued to increase: from 18.0 per cent in 1978 to 22.4 in 1982 and to 25.9 per cent in 1986. By 1992, reflecting the arrival of another recession, this proportion climbed even higher, to 33 per cent - one in every three renter households. In contrast, owner shelter affordability followed the business cycle. Initially, the proportion of owners with mortgages spending more than the norm increased from 9.8 per cent in 1978 to 11.7 per cent in 1982, when interest rates were highest. Then, by 1986, as economic conditions improved, this proportion fell back to 10.3 per cent. By 1992, as shelter costs continued to climb while incomes stagnated, it rose sharply to 14.9 per cent. For mortgage-free owners there was virtually no change in shelter affordability in the 1978-1982 period, but in the following years, the pattern coincided

with changes in economic conditions. Over the entire fourteen years, however, only amongst mortgage-free owners did the proportion of households spending more than the norm for shelter decline, from 9.4 per cent in 1978 to 8.5 per cent in 1992.

<p style="text-align: center;">TABLE 5 Spending Units/Households Paying More than the Norm for Their Shelter, by Tenure, Canada, 1978, 1982, 1986, 1992</p>										
	Spending Units						Households			
	1978		1982		1986		1986		1992	
	Number	%	Number	%	Number	%	Number	%	Number	%
TOTAL										
Number	926,000	100.0%	1,220,000	100.0%	1,332,000	100.0%	1,305,000	100.0%	1,943,000	100.0%
Percentage	100.0%		131.7%		143.8%		100.0%		148.9%	
Incidence	12.7%		15.0%		15.6%		15.6%		20.1%	
RENT										
Number	479,000	51.8%	688,000	56.4%	892,000	66.9%	870,000	66.7%	1,261,000	64.9%
Percentage	100.0%		143.6%		186.0%		100.0%		144.9%	
Incidence	18.0%		22.4%		25.9%		26.4%		33.1%	
OWN/NO MORTGAGE										
Number	207,000	22.3%	230,000	18.8%	190,000	14.3%	186,000	14.2%	248,000	12.8%
Percentage	100.0%		111.2%		92.1%		100.0%		133.3%	
Incidence	9.4%		9.3%		7.1%		7.0%		8.5%	
OWN/MORTGAGE										
Number	240,000	25.9%	302,000	24.8%	250,000	18.8%	249,000	19.1%	434,000	22.3%
Percentage	100.0%		125.8%		104.2%		100.0%		174.3%	
Incidence	9.8%		11.7%		10.3%		10.3%		14.9%	

By 1986, two-thirds of all units spending 30 per cent of income or more on shelter were renters, up from half in 1978. With the sharp increase in shelter costs encountered by owners with mortgages between 1986 and 1992, however, the proportion of renters in this group declined marginally by 1992. However, it was renters who changed the complexion of the bottom income quintile, as they increased from just 51 per cent of the group in 1978 to 66 per cent in 1992 (Table 3).

AFFORDABILITY BY HOUSEHOLD TYPE:

As shown in Table 6, although the number of spending units/households of virtually every type spending 30 per cent or more of their income for shelter rose over the 1978 to 1992 period, increases varied greatly by type. This section examines how changes, which occurred primarily in the first and the last inter-survey periods, resulted in a 1992 composition of households with above norm shelter expenditures very different from 1978.

Figure 4
Households Spending $\geq 30\%$ of Income on Shelter,
by Type, Canada, 1978-1992

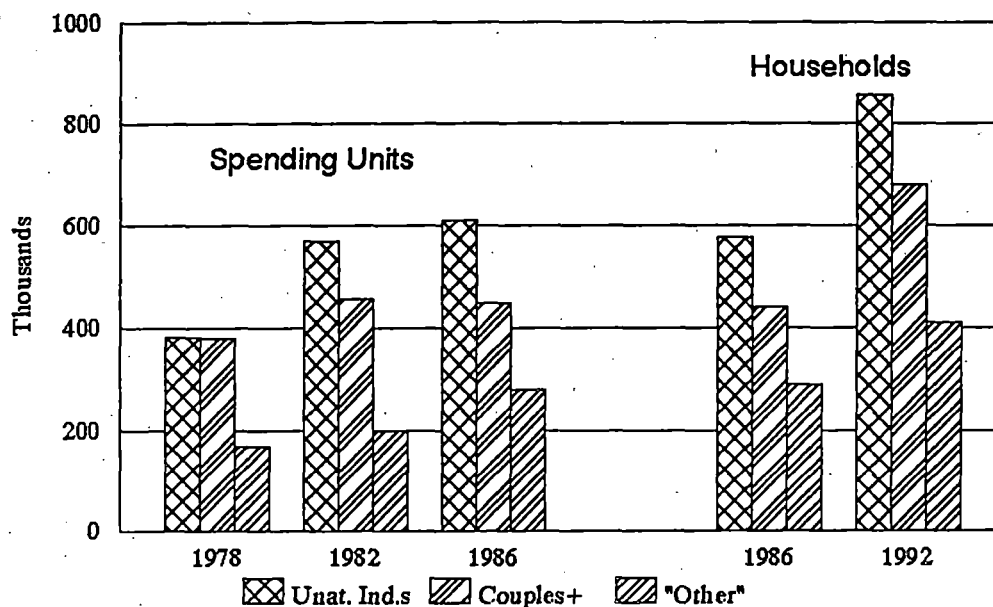
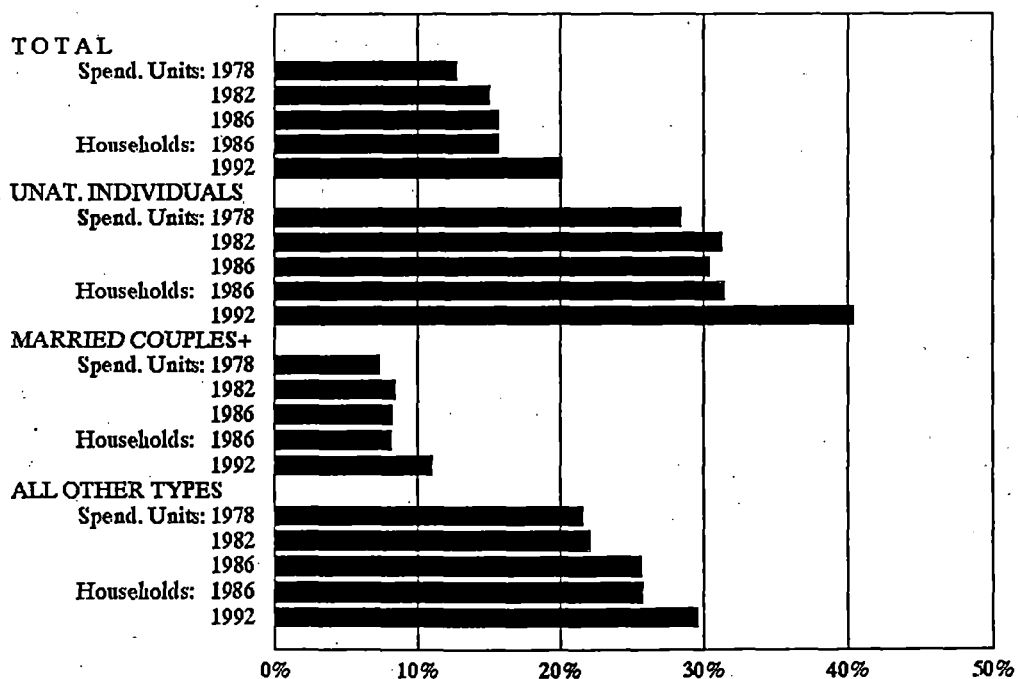


Figure 5
Incidence of Shelter Payments $\geq 30\%$ of Income
by Household Type, Canada, 1978-1992



Married Family Couples compared to Other Types of Households

• 1978-1986

In 1978, married couple families accounted for 71 per cent of all spending units but just 41 per cent of those spending 30 per cent or more for their shelter. In comparison, unattached individuals, although constituting just 18 per cent of all units, comprised 41 per cent of the group spending above the norm for shelter. Over the next eight years, the net increase in married couple families to the affordability group was only 68,000 or 17.9 per cent. This paled in comparison to the net increase for unattached individuals of 59.9 per cent or 228,000, of whom 187,000 joined the affordability group between 1978 and 1982. Over the eight years, however, the largest percentage increase amongst those in the affordability group belonged to "other households". They grew in number by 66.1 per cent or 110,000, most of the growth occurring between 1982 and 1986.

• 1986-1992

In contrast to pre-1986, post-1986 the likelihood of joining those already spending more than the norm for shelter came to differ little by household type. In fact, in a reversal of their good fortunes of pre-1986, married couple households became the largest relative contributor to the group, increasing in number by 54 per cent from 440,000 in 1986 to 679,000 households in 1992. At the same time, the fortunes of "other" households improved slightly as 122,000 or another 42 per cent joined the affordability group, and the proportion of households with above norm shelter costs comprised of "other" households fell. Unattached individuals, however, still contributed the largest absolute number of households, some 279,000, to the affordability group. As a result, unattached individuals continued to form 44 per cent of all households spending more than the norm for their housing. This was unchanged from 1986. The changing composition of households spending above the norm is illustrated in Figure 4, and shifts in their level of incidence in Figure 5.

As indicated in Table 6 and illustrated by Figure 5, housing affordability moves very much in line with the economy. The likelihood of spending 30 per cent or more on housing increased as the economy slowed between 1978 and 1982, and then stabilized or declined as economic conditions improved between 1982 and 1986. The probability of spending more than the norm for housing did not decline, however, to 1978 levels, and as the economy slowed again between 1986 and 1992, it resumed its relentless march upward, particularly sharply for unattached individuals. The one exception is "other" spending units, dominated by families of non-elderly single mothers. They found that their housing affordability deteriorated throughout the entire period, in fact worsening at an even faster pace during economic recovery. Indeed, by 1986, the incidence of "other" households spending 30 per cent or more of income on shelter was closing the gap with the incidence of unattached individuals, but only temporarily, as between 1986 and 1992 the gap with unattached individuals widened again. At all four points in time (1978, 1982, 1986 and 1992), unattached individuals had the highest likelihood of spending above norm for their shelter.

TABLE 6
SPENDING UNITS/HOUSEHOLDS PAYING MORE THAN THE NORM FOR THEIR SHELTER
BY TYPE AND AGE OF HEAD, CANADA, 1978, 1982, 1986, 1992

	SPENDING UNITS						HOUSEHOLDS			
	1978		1982		1986		1986		1992	
	#	%	#	%	#	%	#	%	#	%
ALL SPENDING UNITS/HOUSEHOLDS										
TOTAL										
Number	926,000	100.0%	1,220,000	100.0%	1,332,000	100.0%	1,305,000	100.0%	1,943,000	100.0%
Percentage	100.0%		131.7%		143.8%		100.0%		148.9%	
Incidence	12.7%		15.0%		15.6%		15.6%		20.1%	
Non-Elderly										
Number	613,000	66.1%	843,000	69.0%	931,000	69.9%	912,000	69.9%	1,402,000	72.1%
Percentage	100.0%		137.5%		151.9%		100.0%		153.7%	
Incidence	10.1%		12.6%		13.4%		13.3%		18.0%	
Elderly										
Number	314,000	33.9%	378,000	31.0%	402,000	30.1%	393,000	30.1%	542,000	27.9%
Percentage	100.0%		120.4%		128.0%		100.0%		137.9%	
Incidence	25.0%		26.1%		25.2%		25.4%		29.1%	
MARRIED COUPLE FAMILIES										
TOTAL										
Number	379,000	40.9%	455,000	37.2%	447,000	33.5%	440,000	33.7%	679,000	34.9%
Percentage	100.0%		120.0%		117.9%		100.0%		154.3%	
Incidence	7.3%		8.4%		8.2%		8.1%		11.0%	
Non-Elderly										
Number	281,000	30.4%	371,000	30.4%	342,000	25.7%	338,000	25.9%	572,000	29.4%
Percentage	100.0%		131.8%		121.6%		100.0%		169.2%	
Incidence	6.2%		7.8%		7.3%		7.2%		10.9%	
Elderly										
Number	97,000	10.5%	84,000	6.8%	104,000	7.8%	102,000	7.8%	107,000	5.5%
Percentage	100.0%		85.9%		107.1%		100.0%		104.9%	
Incidence	14.6%		12.2%		14.5%		14.3%		12.0%	
UNATTACHED INDIVIDUALS										
TOTAL										
Number	381,000	41.1%	568,000	46.5%	609,000	45.7%	576,000	44.1%	855,000	44.0%
Percentage	100.0%		149.2%		159.9%		100.0%		148.4%	
Incidence	28.3%		31.3%		30.4%		31.4%		40.3%	
Non-Elderly										
Number	185,000	19.9%	297,000	24.4%	329,000	24.7%	304,000	23.3%	451,000	23.2%
Percentage	100.0%		161.2%		178.5%		100.0%		148.4%	
Incidence	20.5%		25.0%		25.9%		26.5%		34.2%	
Elderly										
Number	196,000	21.2%	271,000	22.2%	279,000	21.0%	273,000	20.9%	404,000	20.8%
Percentage	100.0%		137.9%		142.4%		100.0%		148.0%	
Incidence	44.3%		43.3%		38.1%		39.5%		50.3%	
Female										
Number	290,000	31.3%	418,000	34.3%	426,000	32.0%	409,000	31.3%	586,000	30.2%
Percentage	100.0%		144.1%		146.8%		100.0%		143.3%	
Incidence	34.5%		38.2%		35.4%		36.4%		45.8%	
Male										
Number	90,000	9.8%	150,000	12.3%	183,000	13.7%	168,000	12.9%	269,000	13.8%
Percentage	100.0%		165.3%		201.9%		100.0%		160.1%	
Incidence	18.0%		20.7%		22.8%		23.5%		32.0%	

TABLE 6 (contd) SPENDING UNITS/HOUSEHOLDS PAYING MORE THAN THE NORM FOR THEIR SHELTER BY TYPE AND AGE OF HEAD, CANADA, 1978, 1982, 1986, 1992										
	SPENDING UNITS						HOUSEHOLDS			
	1978		1982		1986		1986		1992	
	#	%	#	%	#	%	#	%	#	%
"OTHER" SPENDING UNITS										
TOTAL										
Number	167,000	18.0%	198,000	16.2%	277,000	20.8%	288,000	22.1%	410,000	21.1%
Percentage	100.0%		118.6%		166.1%		100.0%		142.4%	
Incidence	21.5%		22.1%		25.6%		25.7%		29.5%	
Non-Elderly										
Number	147,000	15.8%	174,000	14.3%	259,000	19.4%	270,000	20.7%	379,000	19.5%
Percentage	100.0%		118.9%		176.7%		100.0%		140.4%	
Incidence	23.3%		23.1%		27.5%		27.6%		30.8%	
Elderly										
Number	20,000	2.2%	24,000	1.9%	18,000	1.4%	18,000	1.4%	30,000	1.6%
Percentage	100.0%		116.0%		89.1%		100.0%		166.7%	
Incidence	13.8%		16.7%		12.8%		12.5%		19.0%	
Female										
Number	137,000	14.8%	170,000	14.0%	239,000	17.9%	246,000	18.9%	373,000	19.2%
Percentage	100.0%		123.8%		173.7%		100.0%		151.6%	
Incidence	25.0%		25.6%		30.4%		30.3%		35.7%	
Male										
Number	29,000	3.2%	28,000	2.3%	38,000	2.9%	43,000	3.3%	37,000	1.9%
Percentage	100.0%		93.9%		130.4%		100.0%		86.0%	
Incidence	13.0%		12.0%		13.0%		13.6%		10.7%	

Age and Sex of Head of Household

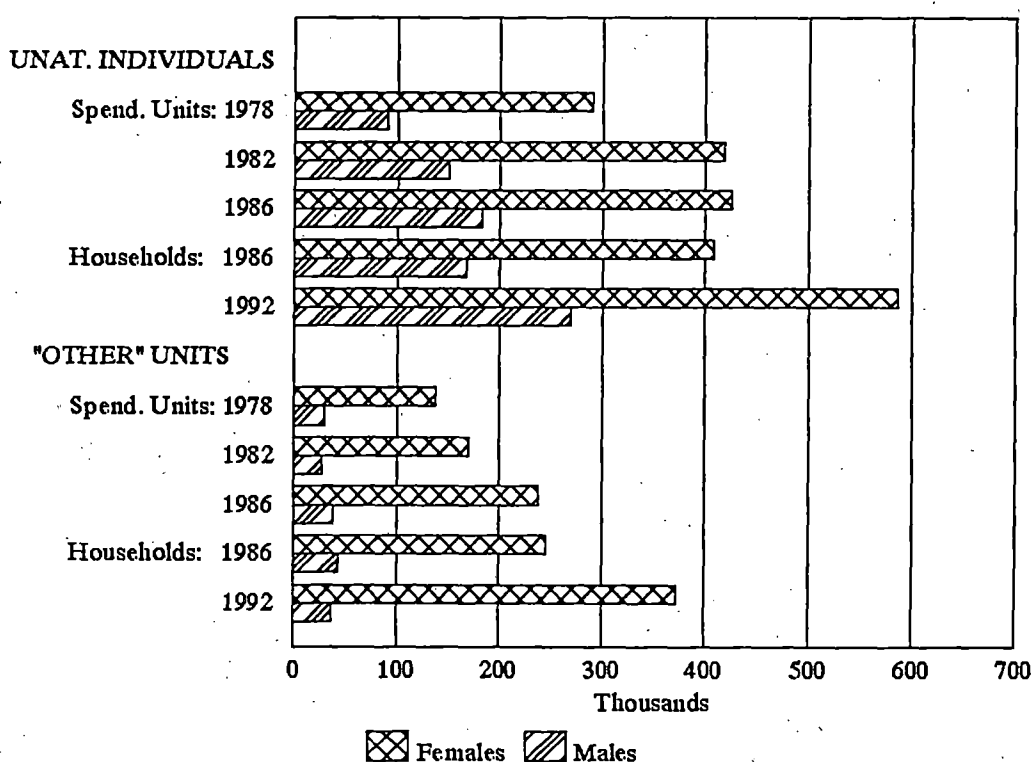
Although throughout the period the shelter cost burden remained much heavier for elderly than non-elderly households, with time the gap gradually narrowed. This shift in the gap occurred largely because over the period the proportion of elderly spending more than the norm for shelter remained relatively stable while it increased steadily for the non-elderly.

The proportion of households with *elderly* heads spending 30 per cent or more of income on shelter changed little over the 1978-1986 period, hovering around the 25 per cent level most of the time. Only in the last interval (1986-1992) did it increase, rising from 25 to 29 per cent. And even this increase was concentrated amongst certain elderly heads. While the proportion of elderly unattached individuals spending more than the norm for shelter jumped from 40 to 50 per cent, it dropped from 14 to 12 per cent for elderly couples. Although still small in number, the proportion of "other" households with elderly heads spending 30 per cent or more of income on shelter also rose from 12.5 to 19.0 per cent (Table 6).

On the other hand, the incidence of the *non-elderly* spending this much on shelter steadily increased, moving up from ten per cent in 1978, to over 13 per cent by 1986, and to 18 per cent in 1992 (Table 6). This occurred as different types of non-elderly were adversely affected at different points in time. Increases between 1978 and 1986 were driven largely by the rapid growth of non-elderly unattached

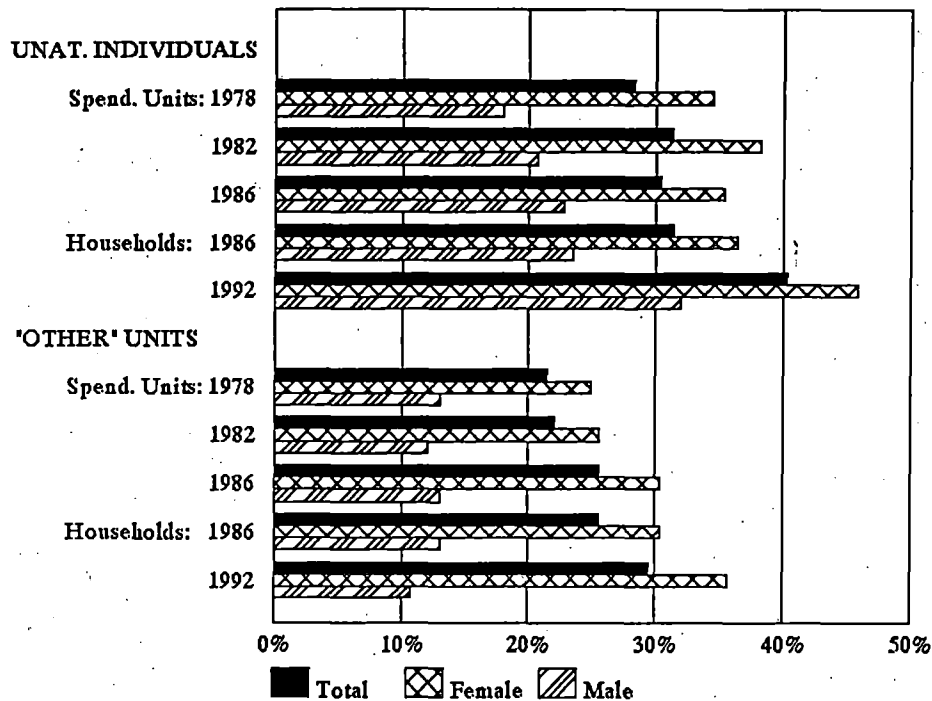
individuals and "other" spending units with non-elderly heads (mostly female single parents) spending 30 per cent or more of income for shelter. These were both up by more than 75 per cent, compared to an increase of only 22 per cent amongst non-elderly couples. Between 1986 and 1992, however, the number of married couple households spending more than the affordability norm increased 69 per cent, compared to increases of 48 per cent amongst unattached individuals and 40 per cent amongst "other" households with non-elderly heads.

Figure 6
Households Spending \geq of Income on Shelter
by Type, and Sex of Head, Canada, 1978-1992



Likewise, female-led households continued to carry heavier shelter cost burdens although the differences narrowed somewhat between females and males, particularly over the last six years. In the case of unattached individuals and "other" households, three of four incurring more than norm level housing expenditures were headed by women. Throughout the earlier stages of the period, every third unattached female spent 30 per cent or more of her income for shelter; by 1992, this proportion had increased to 46 per cent. While over the entire period the number of single females spending 30 per cent or more of income for shelter doubled from 290,000 to 586,000, this figure tripled for male singles, from only 90,000 in 1978 to 269,000 in 1992. This pushed up the affordability incidence rate among single men from 18 to 32 per cent.

Figure 7
Incidence of Shelter Payments $\geq 30\%$ of Income
by Type and Sex of Head, Canada, 1978-1992



The greatest likelihood of spending more than the norm for housing is, however, associated with being elderly and female. Throughout the period over 4 in 10 elderly female unattached individuals spent 30 per cent or more of their incomes for shelter. In fact, the proportion of elderly female individuals spending this much declined from 48.2 per cent in 1978 to 42.0 in 1986, only to increase dramatically between 1986 and 1992 by rising to the highest level ever, an incidence of 53.9 per cent. In 1992, 336,000 or 83 per cent of 404,000 elderly singles with high shelter affordability burdens were women. (Table 6 and untabled estimates).

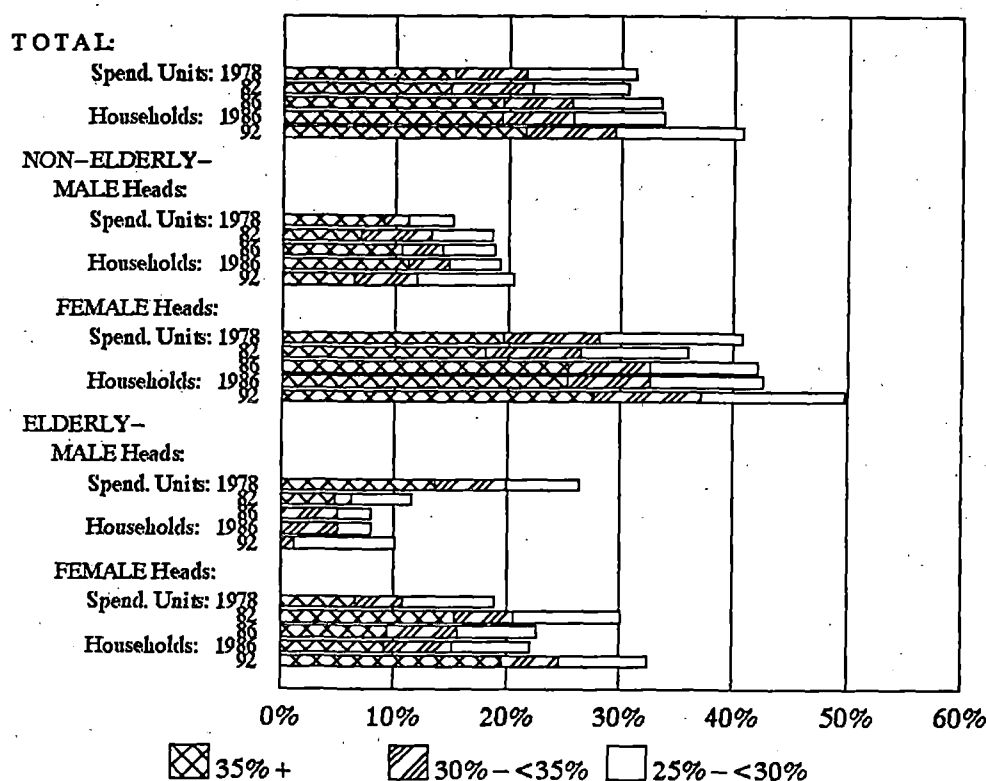
'Other' Households: In Particular Female Single Parents

In 1992, female heads dominated "other" family households with above norm shelter expenditures. Their predominance in the group with high shelter cost-to-income ratios was greater even than their female counterparts among elderly unattached individuals. Among the 410,000 "other" households with above norm shelter expenditures, 91 per cent or 373,000 were female-led (Table 6). Nine of ten or 343,000 of these were non-elderly. Of the non-elderly, 289,000 were single parents (untabled). The rest were elderly females in "other" households. These high percentages represent very high concentrations when considered in the context of all "other" households, of which 75 per cent were female-led.

Figure 8 focusses on these "other" spending units/households. It illustrates how shelter costs affected different sub-groups within them. It shows, by age and sex of head, for all "other" spending units/households the proportions spending within three ranges of income for their shelter:

- those paying well above the affordability norm, 35 per cent and more of income for shelter;
- those paying just above, 30 to 35 per cent; and
- those paying just below the norm.

Figure 8
'OTHER' Households in Specified Shelter Cost-to-Income Ratio Ranges
by Age and Sex of Head, Canada, 1978-1992



Non-elderly: less than 65 years of age

Elderly: 65 years of age and over

By doing so, it illustrates that affordability improved throughout the period for a small and declining group of units with elderly male heads, who comprised less than 3 per cent of "other" households in 1992. It also shows, however, that the reverse occurred for the 66 per cent of "other" spending units with non-elderly female heads, of which more than two-thirds were single parents. Indeed, the number of female single parents spending above the norm grew rapidly in the years following 1982, rising 54.7 per cent from 124,000 to 192,000 by 1986, and a further 52 per cent to 289,000 households by 1992. And a good portion of these increases took place in the highest shelter cost-to-income category, expenditures of 35 per cent or more of income.

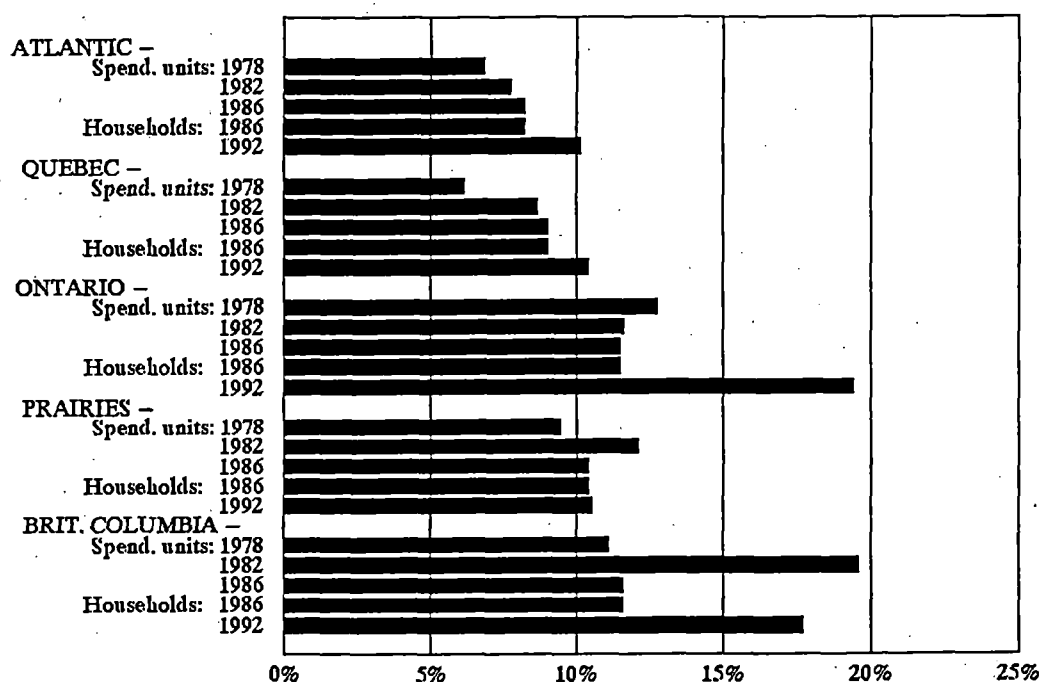
Two conclusions are worth emphasizing. First, in 1992, female elderly unattached individuals were more prone than any other group to excessive shelter costs. With 54 per cent paying more than the norm for shelter (up from 42 per cent in 1986), they had regained this dubious distinction from female single parents for whom this ratio had stabilized at around 44 per cent. Second, three of four of all "other" female households who were paying 30 per cent or more of income for shelter were families led by non-elderly single mothers.

CORE HOUSING NEED AFFORDABILITY

Up to this point affordability has been measured simply according to what the household reports spending for shelter. Some households may choose to overconsume, however, and do not spend more than the norm for their shelter out of necessity. To identify such households, CMHC developed the concept of core housing need. Core housing need tests all households spending more than the norm for their shelter to determine if they would still have to pay more than the norm if they were to occupy an average rental unit in their market area. The latter units meet adequacy and suitability standards and hence are called norm rental units. Those households which spent 30 per cent or more of income for the units in which they live and would still have to spend this much for a norm rental unit are considered to be in core housing need. They have core housing need affordability problems.⁶

The reference tables of this section illustrate the difference between the simple affordability estimates discussed at length to this point and core housing need affordability, beginning with the geography of affordability.

Figure 9
Incidence of Above Norm Shelter Payments, by Region
Owners with Mortgage only, Canada, 1978-1992



The simple affordability data illustrated in Figure 9 do not mean that owners with mortgages could not afford suitable and adequate housing. On the contrary, as shown in Table 7, the core housing need

⁶For further information on core housing need, the reader may wish to consult "Core Housing Need in Canada", NHA publication 6567.

affordability indicator demonstrates that a very large proportion incurred their temporarily high shelter cost burdens voluntarily. For example, as indicated by the B.C. row in the first half of the table the proportion of owners with mortgages spending more than the norm peaked in 1982 at 19.5 per cent. When their capability to afford suitable and adequate alternative housing is considered, however, only 4.6 per cent would have been considered to have had core housing need affordability problems.

TABLE 7
Actual Shelter Costs Above Norm Levels Compared to
Core Housing Need Affordability, by Region and Tenure

Incidence Rate, Based on:

REGION	ACTUAL COSTS					CORE HOUSING NEED AFFORDABILITY				
	SPENDING UNITS			HOUSEHOLDS		SPENDING UNITS			HOUSEHOLDS	
	1978	1982	1986	1986	1992	1978	1982	1986	1986	1992
ALL SELECTED TENURES										
ATLANTIC	10.4%	11.4%	12.0%	11.4%	15.7%	6.1%	7.2%	8.4%	7.9%	10.8%
QUEBEC	10.8%	15.3%	18.3%	18.4%	19.1%	6.9%	10.1%	12.7%	12.6%	12.8%
ONTARIO	14.4%	13.8%	14.2%	14.2%	22.3%	7.8%	6.9%	9.4%	9.2%	12.1%
PRAIRIES	11.8%	15.0%	15.2%	14.9%	16.2%	6.4%	8.1%	9.1%	9.1%	10.3%
BRIT.COLUMBIA	14.3%	20.4%	17.5%	17.4%	24.0%	9.1%	11.4%	11.9%	11.9%	14.4%
TOTAL	12.7%	15.0%	15.6%	15.6%	20.1%	7.3%	8.5%	10.4%	10.3%	12.0%
RENTERS										
ATLANTIC	18.9%	21.9%	25.6%	23.9%	31.7%	13.8%	16.9%	19.6%	17.9%	24.0%
QUEBEC	14.8%	22.9%	29.3%	29.9%	32.0%	12.5%	18.2%	22.9%	23.0%	24.1%
ONTARIO	18.7%	19.0%	21.5%	22.2%	33.6%	12.8%	12.5%	16.9%	17.2%	22.2%
PRAIRIES	19.0%	23.6%	26.0%	26.0%	28.3%	12.2%	15.5%	18.2%	18.4%	20.5%
BRIT.COLUMBIA	23.6%	29.8%	30.7%	31.6%	41.8%	18.8%	19.9%	24.4%	25.2%	29.0%
TOTAL	18.0%	22.4%	25.9%	26.4%	33.1%	13.3%	16.0%	20.0%	20.2%	23.2%
OWNERS, SUB-TOTAL										
ATLANTIC	7.7%	7.4%	7.1%	7.1%	7.6%	3.6%	3.5%	4.4%	4.5%	4.1%
QUEBEC	7.4%	8.4%	7.9%	7.9%	8.4%	2.1%	2.7%	3.0%	3.1%	3.4%
ONTARIO	12.1%	11.0%	9.4%	9.1%	15.6%	5.1%	3.8%	4.5%	4.1%	6.1%
PRAIRIES	8.4%	10.6%	8.8%	8.6%	8.7%	3.6%	4.4%	3.8%	3.8%	3.9%
BRIT.COLUMBIA	9.6%	15.2%	9.3%	9.3%	13.1%	4.2%	6.6%	4.3%	4.3%	5.6%
TOTAL	9.6%	10.5%	8.7%	8.6%	11.7%	3.9%	4.0%	4.0%	3.9%	4.8%
OWNERS, NO MORTGAGE										
ATLANTIC	8.3%	7.3%	6.5%	6.5%	5.6%	5.1%	4.1%	5.3%	5.3%	4.1%
QUEBEC	9.5%	8.2%	6.8%	6.8%	6.4%	4.6%	3.7%	3.9%	3.8%	4.7%
ONTARIO	11.3%	10.3%	7.5%	7.0%	11.3%	9.1%	5.9%	6.1%	5.7%	8.7%
PRAIRIES	7.5%	9.1%	7.2%	7.2%	7.1%	5.9%	7.1%	5.1%	5.1%	5.6%
BRIT.COLUMBIA	7.9%	10.5%	7.4%	7.4%	9.2%	6.0%	8.7%	5.8%	5.8%	6.8%
TOTAL	9.4%	9.3%	7.1%	7.0%	8.5%	6.8%	5.8%	5.3%	5.2%	6.4%
OWNERS, WITH MORTGAGE										
ATLANTIC	6.8%	7.7%	8.2%	8.1%	10.1%	1.2%	2.6%	2.8%	3.0%	4.0%
QUEBEC	6.1%	8.6%	9.0%	9.0%	10.4%	0.6%	1.9%	2.2%	2.5%	2.1%
ONTARIO	12.7%	11.6%	11.5%	11.5%	19.4%	1.6%	1.8%	2.6%	2.4%	3.8%
PRAIRIES	9.4%	12.1%	10.4%	10.1%	10.5%	1.0%	1.6%	2.4%	2.4%	2.1%
BRIT.COLUMBIA	11.1%	19.5%	11.6%	11.6%	17.7%	2.7%	4.6%	2.5%	2.5%	4.1%
TOTAL	9.8%	11.7%	10.3%	10.3%	14.9%	1.3%	2.2%	2.5%	2.5%	3.1%

The Tenure of Affordability

Owners with mortgages were chosen for the above example to illustrate how regional differences in the economy and housing markets have a great impact on affordability. This group is, however, also an excellent example of a tenure group which is of generally higher income and which incurs higher than normal shelter affordability burdens voluntarily.

TABLE 8 Actual Shelter Costs Above Norm Levels Compared to Core Housing Need Affordability - Incidence by Quintile and Tenure -										
Incidence Rate, Based on:										
QUINTILE	ACTUAL COSTS					CORE HOUSING NEED AFFORDABILITY				
	SPENDING UNITS			HOUSEHOLDS		SPENDING UNITS			HOUSEHOLDS	
	1978	1982	1986	1986	1992	1978	1982	1986	1986	1992
ALL SELECTED TENURES										
LOWEST	41.1%	47.1%	51.7%	52.4%	59.7%	35.2%	39.6%	47.4%	47.3%	54.8%
SECOND	10.4%	14.2%	17.1%	16.2%	24.7%	0.7%	2.1%	3.7%	3.1%	5.5%
MIDDLE	7.0%	7.3%	4.5%	4.3%	10.3%	0.0%	0.0%	0.0%	0.0%	0.0%
FOURTH	2.7%	3.9%	2.9%	3.1%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%
HIGHEST	1.3%	1.8%	0.8%	0.7%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	12.7%	15.0%	15.6%	15.6%	20.1%	7.3%	8.5%	10.4%	10.3%	12.0%
RENTERS										
LOWEST	51.9%	54.0%	60.7%	63.8%	68.7%	45.5%	47.5%	56.0%	58.2%	63.0%
SECOND	8.7%	14.3%	19.8%	18.8%	30.7%	1.1%	2.1%	4.9%	4.2%	8.0%
MIDDLE	2.2%	4.4%	2.0%	2.0%	8.6%	0.0%	0.0%	0.0%	0.0%	0.0%
FOURTH	0.9%	1.3%	0.0%	0.0%	2.6%	0.0%	0.0%	0.0%	0.0%	0.0%
HIGHEST	1.0%	0.3%	0.0%	0.0%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	18.0%	22.4%	25.9%	26.4%	33.1%	13.3%	16.0%	20.0%	20.2%	23.2%
OWNERS, SUB-TOTAL										
LOWEST	29.7%	36.8%	34.3%	33.0%	41.9%	24.5%	27.8%	30.9%	28.8%	38.5%
SECOND	12.1%	14.1%	13.9%	13.3%	18.7%	0.4%	2.1%	2.3%	1.9%	2.9%
MIDDLE	9.9%	9.1%	6.3%	5.8%	11.5%	0.0%	0.1%	0.0%	0.0%	0.0%
FOURTH	3.4%	4.8%	4.0%	4.2%	5.2%	0.0%	0.0%	0.0%	0.0%	0.0%
HIGHEST	1.3%	2.0%	0.9%	0.8%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	9.6%	10.5%	8.7%	8.5%	11.7%	3.9%	4.0%	4.0%	3.9%	4.8%
OWNERS, NO MORTGAGE										
LOWEST	27.3%	31.7%	29.7%	28.0%	36.8%	22.7%	24.7%	27.5%	25.3%	34.1%
SECOND	4.0%	5.1%	6.2%	5.6%	5.3%	0.3%	0.4%	1.0%	0.8%	0.3%
MIDDLE	2.5%	3.4%	1.0%	1.1%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FOURTH	0.0%	0.5%	0.8%	0.7%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
HIGHEST	0.2%	0.6%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	9.4%	9.3%	7.1%	7.0%	8.5%	6.8%	5.8%	5.3%	5.2%	6.4%
OWNERS, WITH MORTGAGE										
LOWEST	49.9%	70.4%	58.2%	57.8%	68.9%	39.4%	47.6%	48.0%	46.0%	62.0%
SECOND	27.9%	30.3%	31.3%	29.8%	43.5%	0.7%	5.2%	5.4%	4.2%	7.9%
MIDDLE	14.8%	14.5%	11.3%	10.3%	22.2%	0.0%	0.1%	0.0%	0.0%	0.0%
FOURTH	5.0%	7.1%	6.0%	6.3%	7.6%	0.0%	0.0%	0.0%	0.0%	0.0%
HIGHEST	1.8%	2.8%	1.7%	1.5%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	9.8%	11.7%	10.3%	10.3%	14.9%	1.3%	2.2%	2.5%	2.5%	3.1%

As shown in Table 8, in 1992 there were no owners with mortgages spending more than the norm for their shelter in quintiles three and up included in the smaller core housing affordability need group. All of these households had enough income that they could have afforded alternative norm rental units. They were the types of households in Mainland B.C. who consumed ownership housing when high house prices and mortgage rates made such housing very expensive in 1982.

A closer examination of Table 8 shows that there were in fact even some very high income renters (highest quintile) which in 1978 and again in 1992 chose to spend 30 per cent or more of their income on shelter. The core housing need model completely eliminates this group, along with renters of the third and fourth quintiles, at the same time reducing the proportion in the second quintile, which falls into the affordability group defined by core housing need. The core need indicator identifies only those who have affordability problems out of necessity. For example, under difficult economic circumstances in 1992, owners in the lowest income quintile who were carrying mortgages became much more susceptible to being in need. The proportion of these owners in need because of spending more than the norm for their dwellings rose from 46 to 62 per cent (Table 8). As shown by Table 7, those located in B.C. and Ontario were particularly affected.

The Household Type Profiles of Affordability

The last two Reference Tables, 9 and 10, illustrate what happens to the types of households identified when the core housing need concept is used to determine which households spending more than the norm on shelter do so out of necessity, and may be in need of housing assistance.

<p>TABLE 9 Actual Shelter Costs Above Norm Levels Compared to Core Housing Need Affordability, for NON-ELDERLY Heads only - by Type and Tenure - Incidence Rate, Based on:</p>										
SPENDING UNIT/HOUSEHOLD TYPE	ACTUAL COSTS					CORE HOUSING NEED AFFORDABILITY				
	SPENDING UNITS			HOUSEHOLDS		SPENDING UNITS			HOUSEHOLDS	
	1978	1982	1986	1986	1992	1978	1982	1986	1986	1992
ALL SELECTED TENURES										
All units	10.1%	12.6%	13.4%	13.3%	18.0%	4.8%	6.3%	8.5%	8.3%	9.8%
U.I.s - Total	20.5%	25.0%	25.9%	26.5%	34.2%	16.0%	17.9%	21.0%	21.5%	25.6%
- Male	13.8%	18.2%	21.9%	22.4%	30.4%	11.2%	12.6%	18.1%	18.5%	21.7%
- Female	25.6%	31.6%	29.8%	30.1%	38.0%	19.7%	23.1%	23.9%	24.2%	29.4%
Couple families	6.2%	7.8%	7.3%	7.2%	10.9%	1.2%	2.3%	3.0%	3.0%	3.9%
Other units -										
- Total	23.3%	23.1%	27.5%	27.6%	30.8%	14.9%	13.7%	19.4%	18.7%	17.9%
- Male head	11.1%	13.1%	14.1%	14.8%	11.9%	5.4%	4.4%	5.9%	6.0%	3.5%
- Female head	28.1%	26.5%	32.6%	32.6%	37.1%	18.6%	16.9%	24.5%	23.6%	22.7%
-Single parent		31.2%	43.0%	42.8%	44.4%		20.2%	33.7%	33.6%	29.1%
-Other		15.1%	13.0%	15.3%	19.8%		9.0%	7.1%	6.4%	7.3%
RENTERS										
All units	14.3%	18.8%	22.6%	22.7%	28.5%	10.1%	12.8%	17.6%	17.4%	19.5%
U.I.s - Total	19.7%	23.5%	27.7%	28.7%	38.3%	15.6%	19.3%	23.5%	24.2%	30.6%
- Male	13.6%	17.6%	22.7%	23.8%	34.6%	12.0%	14.8%	19.6%	20.3%	26.0%
- Female	24.1%	29.2%	32.6%	33.0%	41.9%	18.2%	23.7%	27.4%	27.8%	35.1%
Couple families	6.0%	10.9%	12.3%	12.1%	16.6%	2.8%	5.3%	8.2%	8.3%	8.9%
Other units -										
- Total	29.6%	30.5%	35.0%	35.0%	38.4%	22.0%	20.0%	27.0%	25.7%	25.6%
- Male head	17.3%	17.5%	17.7%	18.6%	14.0%	11.0%	6.8%	10.2%	10.2%	4.7%
- Female head	33.1%	33.8%	40.6%	40.6%	44.6%	25.1%	23.3%	32.3%	31.0%	30.9%
-Single parent		38.0%	51.7%	51.4%	51.7%		26.6%	43.2%	43.2%	38.2%
-Other		22.6%	18.2%	21.5%	24.9%		14.4%	10.4%	9.3%	10.6%

TABLE 9 (contd) Actual Shelter Costs Above Norm Levels Compared to Core Housing Need Affordability, for NON-ELDERLY Heads only - by Type and Tenure - Incidence Rate, Based on:										
SPENDING UNIT/HOUSEHOLD TYPE	ACTUAL COSTS					CORE HOUSING NEED AFFORDABILITY				
	SPENDING UNITS			HOUSEHOLDS		SPENDING UNITS			HOUSEHOLDS	
	1978	1982	1986	1986	1992	1978	1982	1986	1986	1992
OWNERS, SUB-TOTAL										
All units	7.6%	8.9%	7.2%	7.2%	10.9%	1.7%	2.4%	2.3%	2.3%	3.2%
U.I.s - Total	23.3%	29.7%	20.3%	20.2%	24.1%	17.4%	13.4%	13.2%	13.5%	13.0%
- Male	14.5%	20.2%	19.0%	18.3%	20.4%	8.5%	5.9%	12.9%	13.1%	11.4%
- Female	32.0%	39.6%	21.4%	22.0%	28.1%	26.1%	21.1%	13.4%	13.8%	14.6%
Couple families	6.3%	6.8%	5.5%	5.5%	8.8%	0.7%	1.2%	1.1%	1.1%	2.0%
Other units -										
- Total	13.5%	12.8%	13.6%	13.3%	17.7%	3.8%	5.1%	5.2%	5.1%	4.6%
- Male head	5.6%	9.4%	9.3%	9.1%	9.7%	0.4%	2.3%	0.0%	0.0%	2.2%
- Female head	18.3%	14.4%	15.8%	15.5%	21.6%	5.8%	6.5%	7.8%	7.7%	5.7%
-Single parent	19.1%	23.3%	23.4%	23.4%	26.9%	8.7%	12.0%	12.0%	12.1%	7.7%
-Other		5.1%	3.1%	2.9%	12.2%	1.9%	0.8%	0.7%	0.7%	2.2%
OWNERS, NO MORTGAGE										
All units	4.6%	5.2%	3.7%	3.7%	5.5%	3.1%	3.0%	2.5%	2.5%	3.8%
U.I.s - Total	25.6%	24.7%	17.9%	18.4%	20.4%	24.2%	19.8%	14.7%	15.1%	17.9%
- Male	12.7%	11.4%	15.6%	15.6%	15.4%	12.3%	9.4%	12.7%	12.7%	13.7%
- Female	36.1%	35.1%	19.7%	20.7%	25.1%	34.0%	27.8%	16.2%	17.0%	21.7%
Couple families	2.1%	3.1%	1.9%	1.9%	3.7%	0.8%	1.2%	1.1%	1.1%	2.0%
Other units -										
- Total	6.5%	5.9%	5.1%	5.0%	4.7%	2.9%	3.3%	2.7%	2.6%	2.7%
- Male head	1.8%	6.3%	2.3%	2.3%	3.5%	0.0%	4.7%	0.0%	0.0%	3.5%
- Female head	10.1%	5.7%	6.6%	6.4%	5.3%	5.0%	2.6%	4.1%	4.0%	2.3%
-Single parent		7.0%	9.1%	9.2%	5.4%		2.3%	6.2%	6.3%	0.7%
-Other		3.3%	3.3%	2.9%	5.2%		3.3%	1.2%	1.1%	4.0%
OWNERS, WITH MORTGAGE										
All units	9.4%	11.2%	9.9%	9.8%	14.4%	0.9%	1.9%	2.2%	2.2%	2.8%
U.I.s - Total	18.6%	34.4%	23.2%	22.4%	28.0%	3.0%	7.3%	11.2%	11.4%	7.9%
- Male	17.3%	26.5%	22.6%	21.1%	25.0%	2.3%	3.4%	13.1%	13.6%	9.3%
- Female	20.5%	45.1%	23.9%	23.9%	31.8%	3.9%	12.7%	9.2%	9.2%	6.0%
Couple families	8.5%	9.0%	8.0%	8.0%	11.9%	0.6%	1.2%	1.2%	1.1%	2.0%
Other units -										
- Total	21.4%	20.8%	23.8%	23.4%	26.7%	4.8%	7.2%	8.2%	8.1%	5.9%
- Male head	11.2%	12.5%	18.5%	17.6%	14.0%	1.1%	0.0%	0.0%	0.0%	1.3%
- Female head	26.4%	25.3%	26.3%	26.3%	33.0%	6.6%	11.2%	12.1%	12.1%	8.1%
-Single parent		33.7%	36.9%	36.9%	37.7%		16.5%	17.6%	17.6%	11.2%
-Other		7.5%	2.8%	2.8%	20.6%		0.0%	0.0%	0.0%	0.0%

While the core housing need concept identifies fewer households which it classifies as having affordability problems, the households identified as most prone to being in core housing affordability need strongly resemble those which had the greatest likelihood of spending more than the norm in the first place. In general they tend to be renters first, mortgage-free owners second, and owners with mortgages last.

With an incidence of 54.6 per cent in 1992 (Table 10), 355,000 single female elderly renters had the greatest likelihood of having core housing need affordability problems. They were followed by 94,000 single male elderly renters at 41.6 per cent, and 16,000 female elderly singles who were owners with mortgages at 41.5 per cent (Table 10). The fourth highest incidence was 38.2 per cent, held by 458,000 female non-elderly single parent renters, and the fifth was again a renter female group, comprised of 473,000 non-elderly female singles, of which 35.1 per cent were in core housing affordability need (Table 9). It is self-evident that it is primarily women, especially those renting often with their children, who are much more susceptible to core housing need affordability problems.

TABLE 10
Actual Shelter Costs Above Norm Levels Compared to
Core Housing Need Affordability, for ELDERLY Heads only
- by Type and Tenure -
Incidence Rate, Based on:

SPENDING UNIT/HOUSEHOLD TYPE	ACTUAL COSTS					CORE HOUSING NEED AFFORDABILITY				
	SPENDING UNITS			HOUSEHOLDS		SPENDING UNITS			HOUSEHOLDS	
	1978	1982	1986	1986	1992	1978	1982	1986	1986	1992
ALL SELECTED TENURES										
All units	25.0%	26.1%	25.2%	25.4%	29.1%	19.3%	18.5%	18.8%	19.0%	21.5%
U.I.s - Total	44.3%	43.3%	38.1%	39.5%	50.3%	40.8%	36.2%	32.4%	33.9%	42.5%
- Male	32.7%	32.4%	26.2%	27.0%	37.6%	31.0%	22.3%	21.7%	22.4%	31.7%
- Female	48.2%	46.2%	42.0%	43.7%	53.9%	44.1%	39.8%	35.8%	37.7%	45.6%
Couple families	14.6%	12.2%	14.5%	14.3%	12.0%	7.9%	3.5%	7.1%	6.8%	4.7%
Other units -										
- Total	13.8%	16.7%	12.8%	12.5%	19.0%	6.6%	13.5%	7.7%	7.6%	10.1%
- Male head	19.9%	6.3%	5.0%	5.0%	1.1%	9.2%	2.2%	0.7%	0.7%	0.0%
- Female head	10.8%	20.6%	15.6%	15.2%	24.6%	5.4%	17.6%	10.3%	10.0%	13.3%
RENTERS										
All units	38.1%	39.8%	41.1%	43.2%	55.4%	31.0%	31.0%	30.8%	32.8%	40.7%
U.I.s - Total	46.6%	48.0%	44.2%	47.6%	61.6%	42.8%	41.2%	36.7%	40.3%	51.9%
- Male	36.8%	36.5%	26.3%	27.9%	50.7%	36.7%	28.3%	20.8%	22.0%	41.6%
- Female	49.6%	51.0%	49.2%	53.4%	64.6%	44.6%	44.5%	41.2%	45.7%	54.6%
Couple families	29.7%	21.4%	37.1%	37.1%	40.8%	18.6%	6.7%	19.5%	19.5%	15.4%
Other units -										
- Total	22.0%	28.5%	24.8%	24.8%	47.2%	11.4%	22.5%	11.5%	11.5%	23.0%
- Male head	7.0%	11.6%	2.9%	2.9%	6.9%	3.5%	1.9%	0.0%	0.0%	0.0%
- Female head	27.7%	33.6%	28.4%	28.4%	54.4%	14.4%	28.6%	13.4%	13.4%	27.1%
OWNERS, SUB-TOTAL										
All units	18.6%	18.1%	14.9%	14.5%	14.7%	13.7%	11.3%	11.0%	10.5%	11.0%
U.I.s - Total	42.0%	37.0%	29.5%	28.9%	35.9%	38.9%	29.4%	26.2%	25.6%	30.7%
- Male	29.2%	26.9%	26.0%	26.0%	23.2%	26.0%	14.5%	22.8%	22.8%	20.9%
- Female	46.6%	39.6%	30.8%	30.0%	39.9%	43.6%	33.3%	27.5%	26.6%	33.8%
Couple families	10.3%	10.0%	8.4%	8.1%	5.2%	4.8%	2.6%	3.7%	3.4%	2.2%
Other units -										
- Total	10.7%	12.6%	7.5%	7.3%	9.5%	4.9%	10.3%	6.1%	5.9%	5.8%
- Male head	23.7%	4.8%	5.4%	5.4%	0.0%	10.8%	2.2%	0.9%	0.9%	0.0%
- Female head	3.9%	15.7%	8.6%	8.2%	13.0%	1.8%	13.5%	8.6%	8.2%	8.0%
OWNERS, NO MORTGAGE										
All units	18.1%	17.3%	14.1%	13.6%	13.5%	13.4%	11.4%	11.0%	10.5%	11.0%
U.I.s - Total	40.0%	36.8%	27.9%	27.2%	34.5%	36.7%	29.1%	25.8%	25.1%	30.6%
- Male	29.2%	26.2%	23.9%	23.9%	22.3%	26.0%	14.6%	23.2%	23.2%	22.3%
- Female	44.1%	39.6%	29.5%	28.6%	38.4%	40.8%	33.0%	26.8%	25.9%	33.3%
Couple families	9.8%	7.9%	8.0%	7.6%	3.4%	4.8%	2.2%	3.9%	3.5%	1.7%
Other units -										
- Total	10.8%	13.6%	5.9%	5.7%	8.4%	5.0%	10.9%	5.9%	5.7%	5.9%
- Male head	23.9%	3.0%	0.9%	0.9%	0.0%	11.2%	0.0%	0.9%	0.9%	0.0%
- Female head	4.2%	17.6%	8.2%	7.8%	11.5%	1.9%	15.1%	8.2%	7.8%	8.1%
OWNERS, WITH MORTGAGE										
All units	25.0%	26.1%	24.3%	24.3%	26.2%	17.1%	10.5%	10.9%	10.9%	10.9%
U.I.s - Total	82.3%	41.4%	48.4%	48.4%	57.8%	81.8%	35.5%	30.6%	30.6%	31.3%
- Male	0.0%	50.1%	53.8%	53.8%	38.1%	0.0%	11.1%	16.9%	16.9%	0.0%
- Female	82.3%	39.9%	46.5%	46.5%	64.3%	81.8%	39.9%	35.3%	35.3%	41.5%
Couple families	15.1%	27.9%	12.9%	12.9%	18.9%	5.2%	6.2%	2.3%	2.3%	6.5%
Other units -										
- Total	10.5%	6.0%	26.4%	26.4%	20.1%	3.9%	6.0%	8.2%	8.2%	4.8%
- Male head	22.1%	13.8%	45.0%	45.0%	0.0%	8.3%	13.8%	0.0%	0.0%	0.0%
- Female head	0.0%	1.8%	13.8%	13.8%	29.1%	0.0%	1.8%	13.8%	13.8%	7.0%

CONCLUSION:

This report began with aggregate statistics to indicate that the overall shelter cost-to-income ratio for Canadians had remained stable at about 15 per cent between 1978 and 1986, before shifting up to 16.3 per cent by 1992. In-depth analysis then revealed that beneath the apparent stability of the pre-1986 period, major socio-economic shifts were afoot and beginning to cause significantly more Canadians to pay more than the norm for their shelter. Finally, statistics were presented to show that by 1992 an economic downturn had intensified the presence of instability in housing affordability. The result, shown in Figure 10, is that core housing need affordability continues to creep upward.

Figure 10
Percent Spending \geq 30% of Income on Shelter,
Showing Percent with Affordability Core Need, Canada, 1978-1992

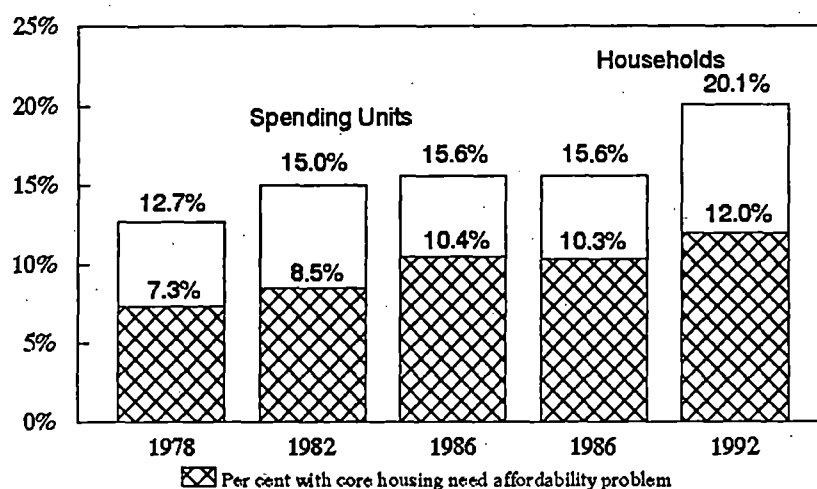


Figure 10 summarizes a great deal. It illustrates that:

- the fastest increase in the incidence of spending units/households simply paying more than the norm for their shelter took place during the first and the last parts of the period, 1978 to 1982, and 1986 to 1992.
- it was during the second part of the period, 1982 to 1986, that the incidence of spending units in core housing need affordability rose most quickly.

The statistics of Tables 9 and 10 then document that:

- the more significant rise in the first part of the period in the incidence of spending units simply spending more than the norm, as opposed to core housing need affordability, is highly related to the high housing cost and interest rate conditions owners with mortgages temporarily experienced at the start of the decade.
- the faster rise in core housing need affordability in the second period reflected the development of high shelter cost-to-income ratio conditions for renters, and one group of renters in

particular, those that were female-led, especially single parents.

The period brought about a widening gap in the likelihood of owners and renters to pay more than the norm for their housing, and more importantly to fall into core housing need affordability.

- Core housing need affordability rose from 3.9 to 4.0 per cent of all owners between 1978 and 1982, where it remained through 1986, until rising to 4.8 per cent by 1992.
- In contrast, while the much more pervasive renter core housing need affordability rose from 13.3 to 16.0 per cent between 1978 and 1982, as the economy improved it worsened at a faster rate, reaching 20.0 per cent by 1986. It then subsequently increased again to 23.2 per cent by 1992.
- Housing affordability declined for both renters and owners alike between 1986 and 1992. This decline can be attributed to conditions arising out of economic downswing.

Major socio-demographic changes in the make-up of renters in the bottom income quintile played an important role in shifts in housing affordability, 1978-1992. These shifts in combination with cyclical economic changes were critical events from the housing needs perspective.

INQUIRIES CONCERNING THIS REPORT SHOULD BE DIRECTED TO:

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For further information on core housing need, the reader may wish to consult "Core Housing Need in Canada". NHA publication 6567.