

Transitions Into and Out of Core Housing Need:

One fourth of Canadians that experienced core housing need faced persistent housing challenges

INTRODUCTION

This research provides new evidence on the transitions of Canadians into and out of core housing need. The core housing need indicator (please refer to the Key Terms section for definitions) is used to measure housing need in Canada. From 2001 to 2016, the proportion of the population in core housing need remained around 11%. This number, however, does not tell us which individuals and households are in core housing need, nor does it answer the question of whether households in Canada are able to improve their housing conditions over time. This research is the first to analyze the flows of individuals into and out of core housing need. It is also the first time that a longitudinal dataset drawn from the census is used to study the housing need of the same individuals over time. This research helps us build an understanding of the demographic of individuals that experience different housing situations and begin to identify factors contributing to persistent housing challenges.

HIGHLIGHT OF FINDINGS

- One in four Canadians that experienced core housing need since 2006 faced persistent housing challenges
- Renters, single or divorced individuals, seniors, Indigenous people and women were more likely to enter and remain in core housing need
- A range of socio-economic factors, such as income, housing tenure and marital status, correlates with core housing need transitions

PROJECT OVERVIEW

We use data from Canada's Census of Population for the 2006, 2011 and 2016 census cycles. A longitudinal dataset was developed based on the census, where individuals are trackable in two consecutive census cycles. In this study, we define two transition periods—from 2006 to 2011 and from 2011 to 2016. We identify individuals' core housing need status at the beginning and the end of the transition period and conceptualize core housing need transition as the movement into and out of core housing need. We classify the core housing need transitions into three categories and document the populations that fall into each category. We then use a statistical model to evaluate how core housing need transitions correlate with individual-level socio-economic factors.

KEY FINDINGS

The three categories of core housing need transitions

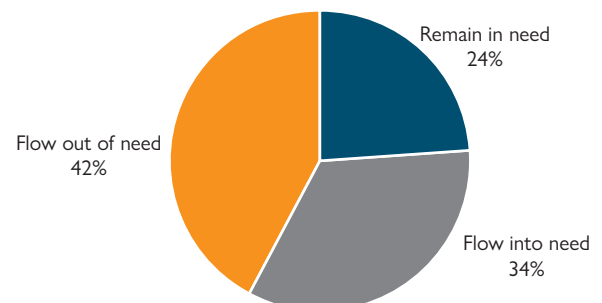
About 15% of the population experienced housing need in at least one of the consecutive census years. For individuals who were in core housing need in any of the census years, the core housing need transitions are classified into three categories:

- **Remain in need:** individuals who were in core housing need during both census cycles. We consider these individuals as experiencing persistent housing need.
- **Flow into need:** individuals who were not in core housing need during one census cycle, but were in need during the next cycle.
- **Flow out of need:** individuals who were in core housing need during one census cycle, and moved out of need during the next cycle.

The composition of the population in core housing need changed over time, while one in four experienced persistent housing need

For the transition period from 2011 to 2016, among the individuals who experienced core housing need during this period, 24% had experienced persistent housing need (figure 1). While individuals may have remained in core need during the five-year period, it is possible that they moved in and out of core housing need during the five-year period and re-entered housing need by the end. In such cases, these individuals experienced multiple episodes of core housing need. Our data, however, does not capture these movements.

Figure 1: Categories of core housing need transitions



This diagram captures individuals who experienced core housing need in 2011, 2016, or both
 Source: CMHC calculation using Statistics Canada data (Census 2006, 2011, 2016)

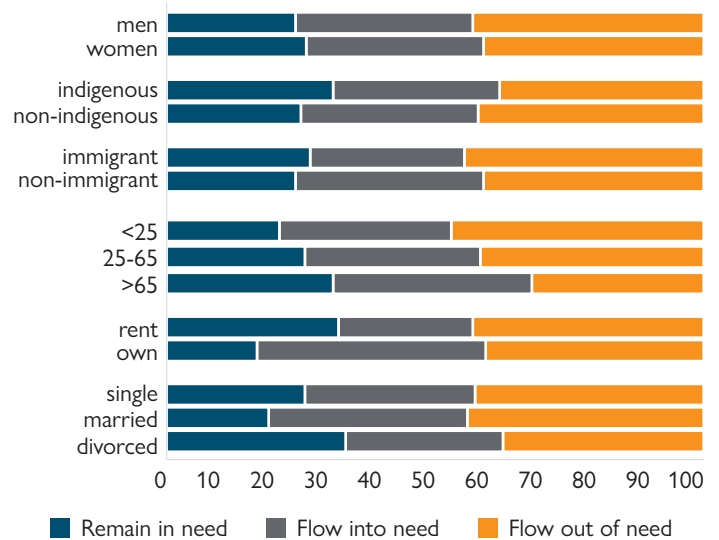
Figure 1 also shows that although the overall percentage of the population in core housing need did not fluctuate widely, the composition of those who were in need had changed. Among the individuals who experienced core housing need in the 2011-2016 period, 42% transitioned out of core housing need, while 34% transitioned into need. The percentages in these categories are similar in the two transition periods in our study (see table 1 in the appendix). The following results by population are based on the average values from both transition periods.

Renters and single or divorced individuals were more likely to enter and remain in core housing need

Among those who had experienced core housing need, renters were more likely to struggle with persistent housing need. About a third of renters remained in core housing need during two consecutive census cycles, compared to one sixth of homeowners. In terms of marital status, 19% of married individuals fell in the “remain in need” category, compared to 26% for single individuals and 33% for divorced individuals. Figure 2 also shows that a higher percentage of women, seniors, Indigenous people and immigrants were in the “remain in need” category. The next section demonstrates two reasons contributing to the greater housing challenges experienced by these groups. First, they were more likely to enter core housing need. Second, once in core housing need, they were more likely to remain in that situation and were less able to transition out.

Figure 3 presents the core housing need transition dynamics for the two transition periods in our sample. During the transition period from 2011 to 2016, 10.3% of the population were in core housing need at the beginning of the period in 2011. Among them, 63.4% moved out of housing need at the end of the transition period in 2016, while 36.6% remained in need. After experiencing core

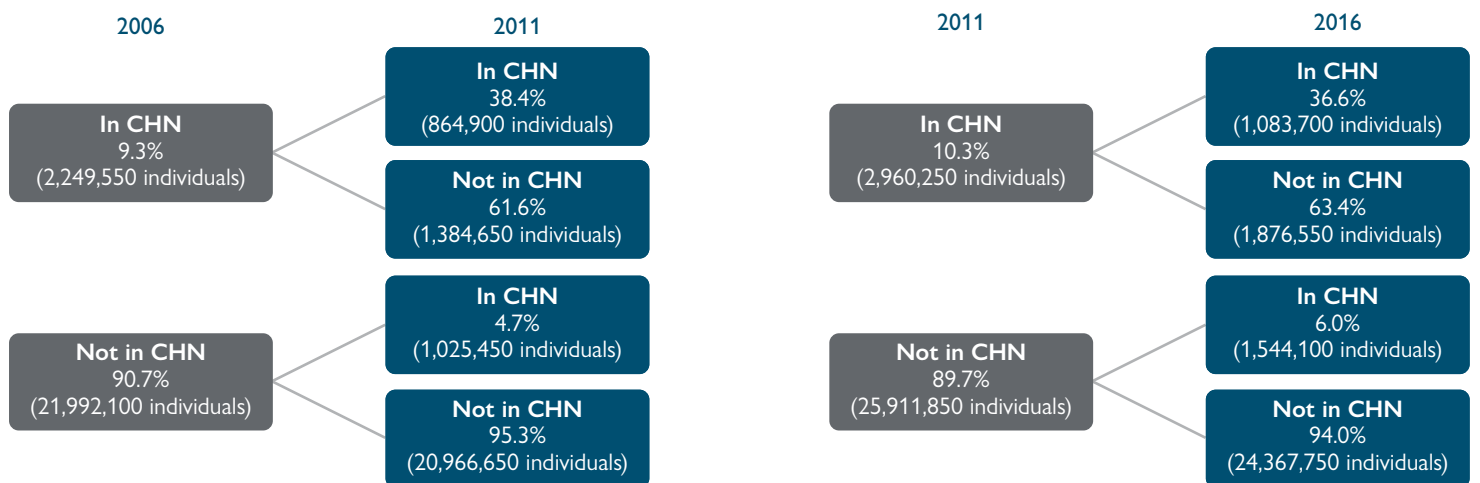
Figure 2: Categories of core housing need transitions, by sub-group of population



Source: CMHC calculation using Statistics Canada data (Census 2006, 2011, 2016)

housing need, many people were able to improve their housing conditions. However, chronic housing need remained a concern for many others, who could not lift themselves out of core housing need or had repeat experiences of housing need during the 5-year period. Among the 89.7% of the population who were not in core housing need at the beginning of the period in 2011, 94.0% stayed out of core housing need at the end of the transition period in 2016, while the other 6.0% fell into housing need. Figure 3 shows that these transition dynamics are similar in the earlier period from 2006 to 2011.

Figure 3: Core housing need (CHN) transition dynamics



Source: CMHC calculation using Statistics Canada data (Census 2006, 2011, 2016)

Appendix A reports these transition dynamics for various sub-groups of the population. Indigenous people, renters, women, seniors and those who were single or divorced were more likely to be in core housing need than their counterparts at the beginning of a transition period (denoted Year 0). Once in core housing need, they were more likely to remain in core housing need at the end of the transition period (denoted Year 5). Looking at housing tenure, for example, 25.2% of the renters were in core housing need in Year 0, 43.0% of whom were still in core housing need 5 years later. In comparison, 5.1% of the homeowners were in core housing need in Year 0. Of that cohort, 29.1% remained in core housing need at the end of the 5-year transition period. We see a somewhat unexpected result for immigrants. After experiencing core housing need, immigrants were just as likely to transition out of core housing need as non-immigrants.

A range of socio-economic factors correlates with core housing need transitions

We use a statistical model to evaluate how the housing need transitions correspond to changes in individuals' socio-economic situations. A change of housing tenure from rent to own was associated with a lower likelihood of remaining in core housing need for renters, while a change of tenure from own to rent was associated with a higher likelihood of remaining in core housing need for homeowners. Shared living arrangements were found to improve individuals' housing situations. A change from non-shared to shared living arrangements corresponded to a lower likelihood of remaining in core housing need. Changes in marital status were found to have a significant relationship with the housing need transitions. We also quantify the degrees of associations between core housing need transitions and socio-economic variables, such as income and shelter cost.

LESSONS LEARNED AND STEPS FORWARD

Policy makers at various levels of government deliver housing programs and other supports to address the affordability challenges of individuals and families living in housing need. Point-in-time snapshots of core housing need can limit the ability of decision makers to target their programs effectively. These snapshots do not tell us the number of individuals and households that enter and exit housing need over time, nor do they tell us how many are facing persistent housing challenges over extended periods. This research begins to fill that gap by deepening our understanding of the demographics of flows into and out of core housing need, including individuals in Canada that experience housing need for longer durations. This research is also a step toward identifying factors that drive entries into housing need and factors that may support exits from need. This type of analysis may provide important information to decision makers across all levels of government with responsibility for delivering housing and related support programs for low-income Canadians. Being able to measure the flows of housing need over time also allows us to better understand whether the interventions by the government are achieving the goal of reducing housing need over time.

Opportunities for future research include more detailed analyses of these trends at a provincial/territorial and CMA level. As well, taking a closer look at populations known to experience a higher incidence of housing need could provide greater insight into demographic differences among those entering and exiting housing need, including those who face persistent housing need over time. This research can help to build the evidence base needed to more clearly identify barriers to housing stability and solutions to prevent entry into and support permanent exits from housing need for different segments of the Canadian population.

For the most recent version of the full research paper, please contact Mingxin Li mili@cmhc-schl.gc.ca or Rachel Shan rshan@cmhc-schl.gc.ca.

KEY TERMS

A household is in **core housing need** if its housing is below one or more of the adequacy, suitability and affordability standards, and it would have to spend 30% or more of its before-tax household income to access local housing that meets all three standards.

Adequate housing does not require any major repairs, according to residents.

Suitable housing has enough bedrooms for the size and makeup of resident households, according to National Occupancy Standard (NOS) requirements.

Affordable housing costs less than 30% of before-tax household income. Households assessed for core housing need comprise private, non-farm, non-band, non-reserve households with incomes greater than zero and shelter cost-to-income ratios (STIRs) less than 100%.

Project Managers:

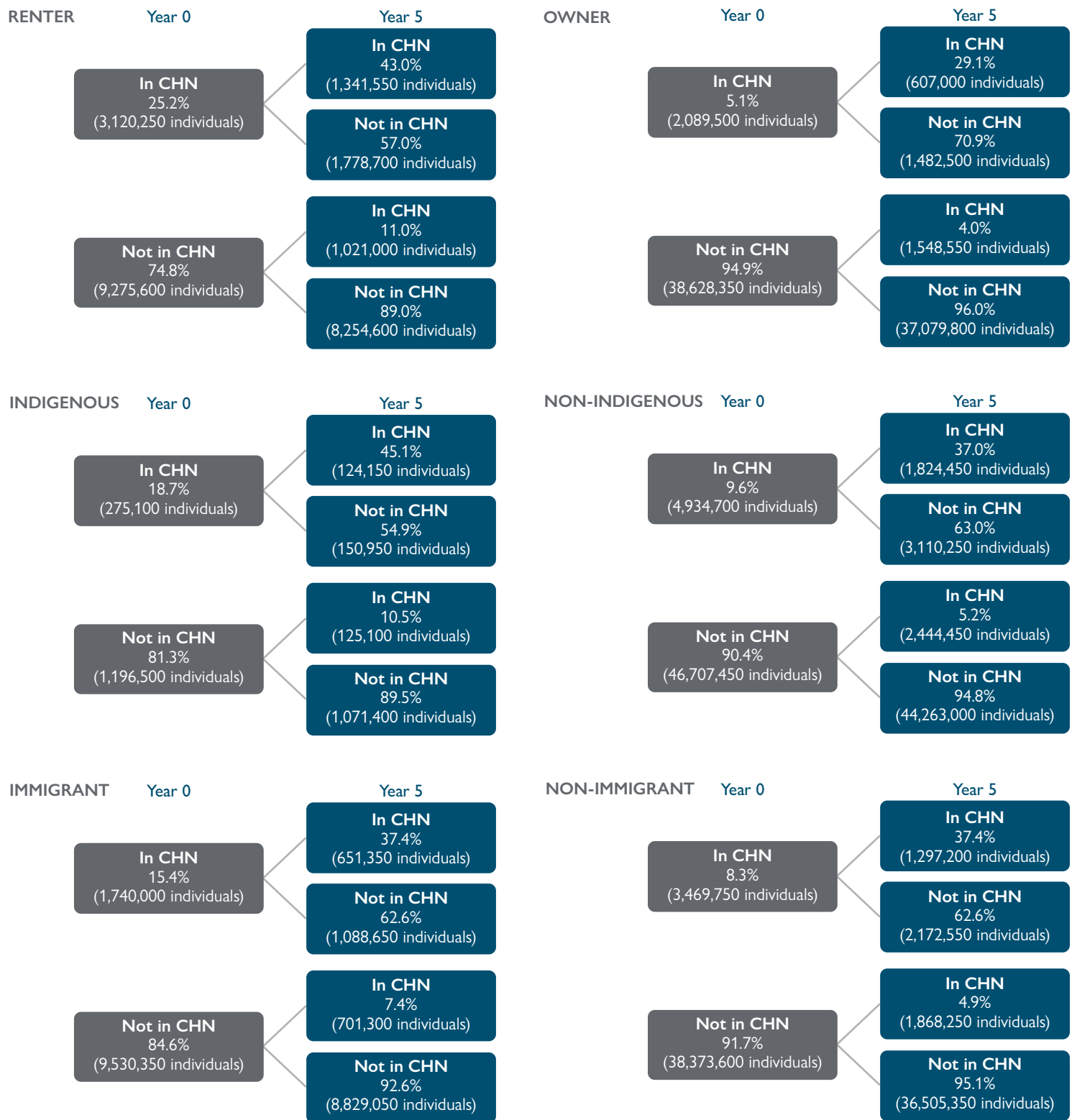
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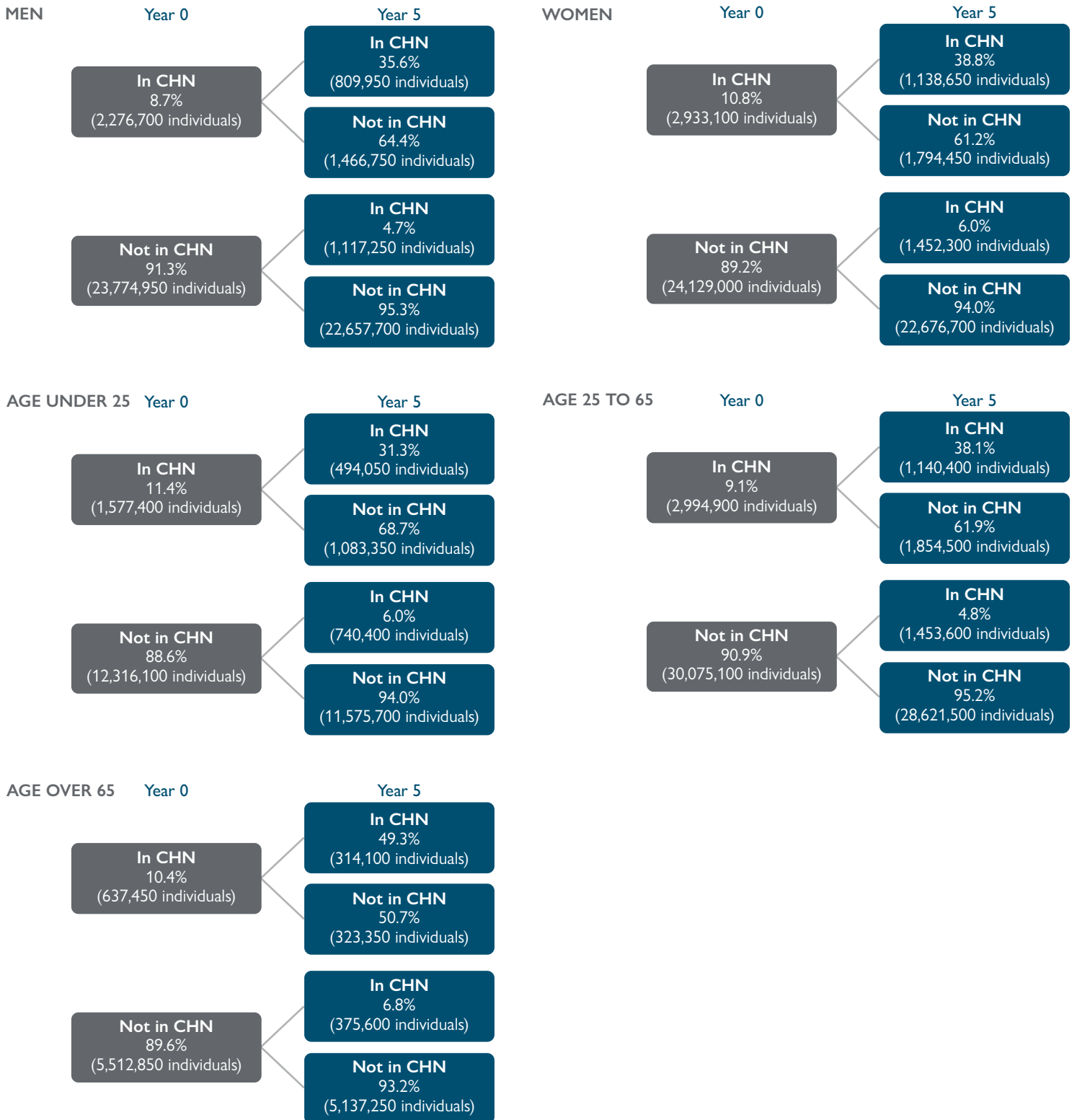
Canada Mortgage and Housing Corporation

APPENDIX A: CORE HOUSING NEED TRANSITION DYNAMICS

The diagrams below show the core housing need transition dynamics for sub-groups of the population. The numbers are the average from two 5-year transition periods, 2006-2011 and 2011-2016. Year 0 (5) denotes the beginning (end) of a transition period.

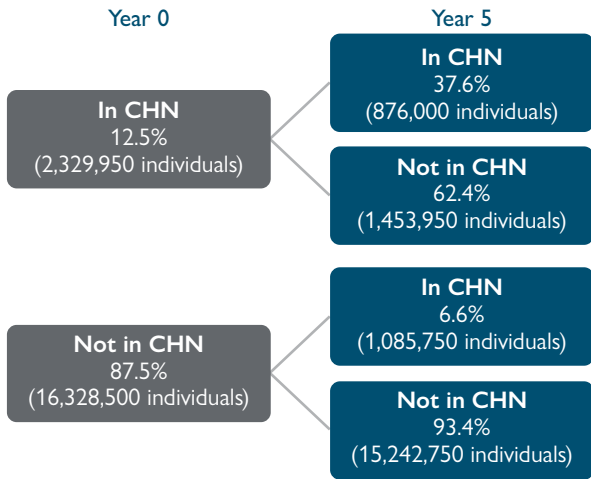


Source: CMHC calculation using Statistics Canada data (Census 2006, 2011, 2016)

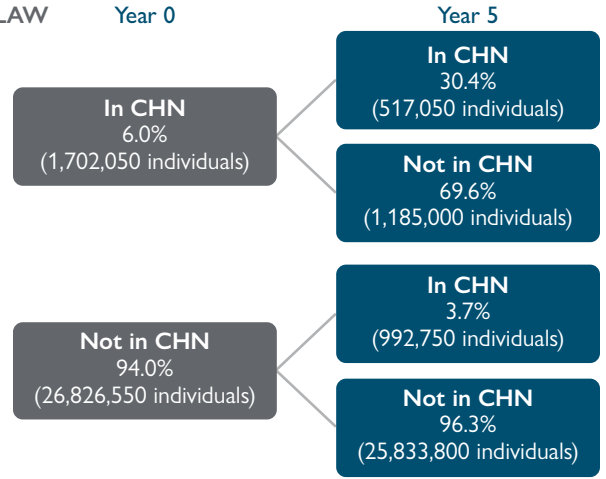


Source: CMHC calculation using Statistics Canada data (Census 2006, 2011, 2016)

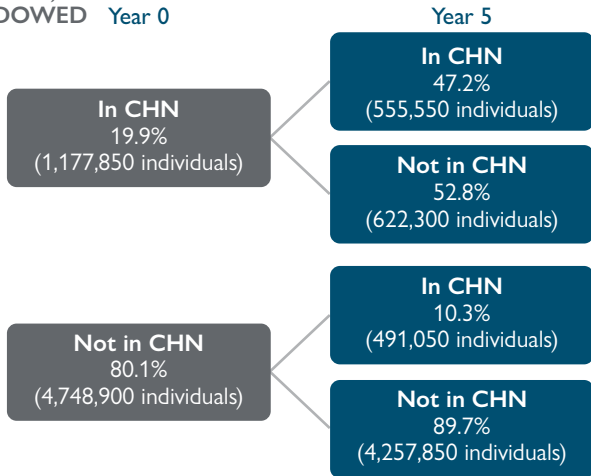
SINGLE



MARRIED OR COMMON-LAW



DIVORCED, SEPARATED, OR WIDOWED



Source: CMHC calculation using Statistics Canada data (Census 2006, 2011, 2016)

Table 1: Categories of core housing need transitions

	Average	Transition period 2006-2011	Transition period 2011-2016
Remain in need	25%	26%	24%
Flow into need	33%	32%	34%
Flow out of need	42%	42%	42%

Source: CMHC calculation using Statistics Canada data (Census 2006, 2011, 2016)

Table 2: Categories of core housing need transitions, by sub-group of population

	Remain in need	Flow into need	Flow out of need
men	24%	33%	43%
women	26%	33%	41%
indigenous	31%	31%	38%
non-indigenous	25%	33%	42%
immigrant	27%	29%	45%
non-immigrant	24%	35%	41%
<25	21%	32%	47%
25-65	26%	33%	42%
>65	31%	37%	32%
rent	32%	25%	43%
own	17%	43%	41%
single	26%	32%	43%
married	19%	37%	44%
divorced	33%	29%	37%

Source: CMHC calculation using Statistics Canada data (Census 2006, 2011, 2016)

ALTERNATIVE TEXT AND DATA FOR FIGURES

Figure 3: Core housing need (CHN) transition dynamics

2006		2011		2011		2016	
In CHN 9.3% (2,249,550 individuals)		In CHN 38.4% (864,900 individuals)		In CHN 10.3% (2,960,250 individuals)		In CHN 36.6% (1,083,700 individuals)	
		Not in CHN 61.6% (1,384,650 individuals)				Not in CHN 63.4% (1,876,550 individuals)	
Not in CHN 90.7% (21,992,100 individuals)		In CHN 4.7% (1,025,450 individuals)		Not in CHN 89.7% (25,911,850 individuals)		In CHN 6.0% (1,544,100 individuals)	
		Not in CHN 95.3% (20,966,650 individuals)				Not in CHN 94.0% (24,367,750 individuals)	

Source: CMHC calculation using Statistics Canada data (Census 2006, 2011, 2016)

Appendix A: Core housing need transition dynamics

Renter

Year 0	Year 5
In CHN 25.2% (3,120,250 individuals)	In CHN 43.0% (1,341,550 individuals)
	Not in CHN 57.0% (1,778,700 individuals)
Not in CHN 74.8% (9,275,600 individuals)	In CHN 11.0% (1,021,000 individuals)
	Not in CHN 89.0% (8,254,600 individuals)

Owner

Year 0	Year 5
In CHN 5.1% (2,089,500 individuals)	In CHN 29.1% (607,000 individuals)
	Not in CHN 70.9% (1,482,500 individuals)
Not in CHN 94.9% (38,628,350 individuals)	In CHN 4.0% (1,548,550 individuals)
	Not in CHN 96.0% (37,079,800 individuals)

Indigenous

Year 0	Year 5
In CHN 18.7% (275,100 individuals)	In CHN 45.1% (124,150 individuals)
	Not in CHN 54.9% (150,950 individuals)
Not in CHN 81.3% (1,196,500 individuals)	In CHN 10.5% (125,100 individuals)
	Not in CHN 89.5% (1,071,400 individuals)

Non-Indigenous

Year 0	Year 5
In CHN 9.6% (4,934,700 individuals)	In CHN 37.0% (1,824,450 individuals)
	Not in CHN 63.0% (3,110,250 individuals)
Not in CHN 90.4% (46,707,450 individuals)	In CHN 5.2% (2,444,450 individuals)
	Not in CHN 94.8% (44,263,000 individuals)

Immigrant

Year 0	Year 5
In CHN 15.4% (1,740,000 individuals)	In CHN 37.4% (651,350 individuals)
	Not in CHN 62.6% (1,088,650 individuals)
Not in CHN 84.6% (9,530,350 individuals)	In CHN 7.4% (701,300 individuals)
	Not in CHN 92.6% (8,829,050 individuals)

Non-Immigrant

Year 0	Year 5
In CHN 8.3% (3,469,750 individuals)	In CHN 37.4% (1,297,200 individuals)
	Not in CHN 62.6% (2,172,550 individuals)
Not in CHN 91.7% (38,373,600 individuals)	In CHN 4.9% (1,868,250 individuals)
	Not in CHN 95.1% (36,505,350 individuals)

Men

Year 0	Year 5
In CHN 8.7% (2,276,700 individuals)	In CHN 35.6% (809,950 individuals)
	Not in CHN 64.4% (1,466,750 individuals)
Not in CHN 91.3% (23,774,950 individuals)	In CHN 4.7% (1,117,250 individuals)
	Not in CHN 95.3% (22,657,700 individuals)

Women

Year 0	Year 5
In CHN 10.8% (2,933,100 individuals)	In CHN 38.8% (1,138,650 individuals)
	Not in CHN 61.2% (1,794,450 individuals)
Not in CHN 89.2% (24,129,000 individuals)	In CHN 6.0% (1,452,300 individuals)
	Not in CHN 94.0% (22,676,700 individuals)

Age under 25

Year 0	Year 5
In CHN 11.4% (1,577,400 individuals)	In CHN 31.3% (494,050 individuals)
	Not in CHN 68.7% (1,083,350 individuals)
Not in CHN 88.6% (12,316,100 individuals)	In CHN 6.0% (740,400 individuals)
	Not in CHN 94.0% (11,575,700 individuals)

Age 25 to 65

Year 0	Year 5
In CHN 9.1% (2,994,900 individuals)	In CHN 38.1% (1,140,400 individuals)
	Not in CHN 61.9% (1,854,500 individuals)
Not in CHN 90.9% (30,075,100 individuals)	In CHN 4.8% (1,453,600 individuals)
	Not in CHN 95.2% (28,621,500 individuals)

Age over 65

Year 0	Year 5
In CHN 10.4% (637,450 individuals)	In CHN 49.3% (314,100 individuals)
	Not in CHN 50.7% (323,350 individuals)
Not in CHN 89.6% (5,512,850 individuals)	In CHN 6.8% (375,600 individuals)
	Not in CHN 93.2% (5,137,250 individuals)

Single

Year 0	Year 5
In CHN 12.5% (2,329,950 individuals)	In CHN 37.6% (876,000 individuals)
	Not in CHN 62.4% (1,453,950 individuals)
Not in CHN 87.5% (16,328,500 individuals)	In CHN 6.6% (1,085,750 individuals)
	Not in CHN 93.4% (15,242,750 individuals)

Married or common-law

Year 0	Year 5
In CHN 6.0% (1,702,050 individuals)	In CHN 30.4% (517,050 individuals)
	Not in CHN 69.6% (1,185,000 individuals)
Not in CHN 94.0% (26,826,550 individuals)	In CHN 3.7% (992,750 individuals)
	Not in CHN 96.3% (25,833,800 individuals)

Divorced, separated, or widowed

Year 0	Year 5
In CHN 19.9% (1,177,850 individuals)	In CHN 47.2% (555,550 individuals)
	Not in CHN 52.8% 622,300 individuals)
Not in CHN 80.1% (4,748,900 individuals)	In CHN 10.3% (491,050 individuals)
	Not in CHN 89.7% (4,257,850 individuals)

Source: CMHC calculation using Statistics Canada data (Census 2006, 2011, 2016)