

Homeowners in Core Housing Need: Understanding Affordability and Other Challenges

Canadian Census data from 2016 reveals that 1.7 million households are in Core Housing Need (CHN), of which nearly 600,000 are homeowners. While homeowners as a proportion of all those in CHN is significant (about one-third), knowledge of their experiences remains limited. This raises important questions around the affordability, adequacy, and suitability¹ challenges that homeowners in CHN face in different parts of the country, the ways in which these challenges may intersect with one another, and the policy and other responses that could address those needs. Related to this is a potential role for the National Housing Strategy² (NHS) to better support homeowners in CHN.

¹ Affordable housing is that which costs less than 30% of a household's before-tax income. Adequate housing is defined as not needing major repairs, and suitable housing is that which has enough bedrooms to accommodate household size and composition (based on National Occupancy Standards). If a household is below one or more of these indicators, and has to spend over 30% of its income to have housing with these three needs met, it is in CHN.

² The National Housing Strategy comprises over \$70 billion to support housing initiatives (some to create and preserve housing; others to support individuals and meet their housing needs).

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Research Questions & Approach

To help better understand the lived experience of homeowners in CHN in selected parts of the country,³ and to inform responses to improve these conditions, the following research questions were advanced:

- What are the underlying issues that homeowners in CHN face that impact affordability? How are these issues related to adequacy and suitability?
- Have past program and policy decisions, by provincial, territorial or municipal orders of government, placed some homeowners in precarious housing situations? If so, how?
- What is the nature and magnitude of these affordability, adequacy and suitability challenges for homeowners in CHN? What additional measures to support homeowners in need through the NHS can be developed in the future?

To answer these questions, CMHC commissioned a research team from the Institute of Urban Studies (IUS), University of Winnipeg, to undertake two main tasks:

- 1. Housing program, policy and decision list:** A list of relevant policies and programs in selected provinces (Saskatchewan, Nova Scotia, British Columbia, Ontario, Manitoba) and at federal level was compiled. This program list served as a starting point to understand the policies and programs that were critical to homeowners in CHN in these provinces and informed the second stage work.
- 2. Interviews, with Housing Professionals and Homeowners:** Housing professionals who worked in governmental departments with knowledge of issues for homeowners in CHN, or the programs and policies that impact those homeowners, were conducted in Saskatchewan (n=3) and Nova Scotia (n=8). Homeowners in CHN were also interviewed in Saskatchewan (n=11) and Nova Scotia (n=13), by focusing on those accessing a provincial housing assistance program.⁴ Interviews were informed in part by the program list findings, and used to update the list as necessary.

³ Provinces with the highest share of homeowners in CHN as of 2016 were BC, Ontario, Saskatchewan and Nova Scotia. While the original project included all four, challenges due to COVID-19 resulted in a reduced scope.

⁴ Of the 24 homeowners, 18 were retired seniors (57-90 years), and six were younger adults. Two of the six younger respondents were unable to work and on disability. 18 were female, and most (17) lived alone.

Interview Findings: Housing Professionals

Interviews were conducted with housing professionals who worked in government departments⁵ at three provinces, including: Nova Scotia (eight), Saskatchewan (three), and Ontario⁶ (one). Many themes were highlighted in these interviews:

- **Market challenges, supply problems:** interviews confirmed that market forces contribute towards CHN. In Nova Scotia, for example, the homeownership market is characterized by *limited availability* and *more demand than supply*. This limits options, including for existing homeowners who might like to downsize. The *need for more affordable rental supply* to reduce CHN was also cited in these interviews. *Limited supply and options for apartments, seniors' housing and social housing* are also more acute in rural communities.

Other relevant market forces in Nova Scotia include: *increased demand for high-end dwellings* (apartments, houses) in regions beyond suburban areas, the *demolition of older stock* to make way for newer and more expensive dwellings, *intra-provincial migration* (of higher earning residents from outside NS, in part due to COVID-19), and a high post-secondary *student population* that dominates one-bedroom and rooming house options (to the detriment of local residents). Rising *construction costs* were also cited as adversely affecting housing affordability and options.

- **Rural, northern markets:** For interviewees in Saskatchewan, the unique challenges associated within northern and rural markets were highlighted. This includes *outward migration from rural communities* (and resulting decline in some rural property values), which can drive CHN by making it *difficult for remaining residents to sell or refinance their homes*. The *limited services* in these communities can also adversely affect the housing market (as some people avoid moving into these areas), and CHN. In northern Saskatchewan, related challenges around securing a mortgage,⁷ *lower resale opportunities*, refinancing difficulties and *limited downsizing options*, were highlighted.

- **Geographic differences:** In Ontario, a geographically varied portrait of CHN was apparent. In the northern part of the province, ongoing *costs for repairs and energy* were cited as more important drivers of CHN. Within the GTA, however, the *affordability* challenge is paramount. Outward migration from Toronto to surrounding areas has also increased house prices in those communities, extending the affordability challenge out further. *Suitability problems* were also highlighted in Toronto, tied to the *overcrowding* that can result from affordability pressures. Limited options for larger units were also cited as also contributing to suitability challenges there.

Similar **geographical variations in CHN were observed in Saskatchewan**, with suitability problems being common in the northern part of the province. These challenges were predominantly experienced by larger (and extended) families living in housing that is too small; these issues were attributed to lack of supply and high construction costs. Seniors living in two-storey dwellings but in need of single-storey living environments were cited as a key population affected by accessibility-driven CHN. The kinds of renovations these households require to exit CHN are extensive and not covered by existing accessibility programs.

- **Socio-economic challenges:** Professionals spoke of multiple income and affordability challenges. These included: *high and worsening levels of unemployment* in Nova Scotia (especially in rural communities), moderate income *households at risk of falling into CHN* in Saskatchewan (who were 'barely' able to pass the stress test and become homeowners), and *intergenerational poverty, unemployment, seasonal employment and low/marginal incomes* in northern Saskatchewan. *Insufficient retirement incomes* were cited by professionals as a driver of *CHN for seniors*, who end up spending too much of their limited and fixed incomes on their housing. A type of *inherited CHN — when older houses in need of repair are passed down within families* — was highlighted in Nova Scotia. When newer homeowners don't have sufficient income to maintain the dwellings they have inherited or make repairs, they end up also inheriting CHN.

⁵ Participating organizations included: Saskatchewan Housing Corporation (SHC), Housing Nova Scotia (HNS).

⁶ While the research consultants conducted one further interview with a professional from BC, this was not as informative and so not part of the final report.

⁷ Over 52% of senior homeowners in CHN did not have mortgages in Canada. Of those without a mortgage, the majority lived alone (62%).

- **Program responses, challenges:** While home repair programs were seen as essential to professionals, in order to tackle CHN and enable people to remain in their homes, they were not without their challenges. In Nova Scotia, for example, *demand for the emergency repair program is high, with a 2-3 year waiting list*. Also noted was an issue with scope, whereby certain repairs required by homeowners (accessibility related, extensive upgrades) cannot be accommodated by the program. These *two issues are related*, in that the longer one waits to receive support, the more likely some issues can worsen and no longer be in scope with the program focus. A *mismatch between available program funding and demand* was also noted in Nova Scotia, with increased funding needed to accommodate demand.

In Saskatchewan, **a gradual reduction in program support for low-income homeowners** was observed. Whereas previously (over 10 years ago), repair programs provided more general supports, these now have a narrowed focus on emergencies (esp. roofs and heating related repairs).

- **Program Awareness:** A common theme across interviews with participating provinces was that word of mouth is the most common way by which clients become aware of relevant programs. This finding was supported in interviews with homeowners. *Opportunities to improve program awareness* were raised by participants, including: *advertising in seniors' centres and by mail, and more targeted promotion* of down-payment programs (through lenders, developers, and realtors).
- **Data challenges:** While participating housing professionals all made use of CMHC data, two main challenges were highlighted. These include that: *data for non-urban areas are not detailed enough* (to assess homeowner and rental markets); and *smaller provinces are often unable to collect their own data*, due to capacity and resource constraints. Other participants noted regular *attempts to collect data from other sources* informally.

- **Limited supply prolongs CHN:** Professionals highlighted the *role of more housing supply in helping some homeowners exit CHN*. In the absence of other housing options, people are unable to sell and move into a more affordable, suitable, adequate home. Limited supply can therefore prolong the experience of CHN for homeowners; situations that were cited as particularly acute in northern regions, but also in major urban areas, such as the GTA.

Interview Findings: Homeowners in CHN

Interviews were also conducted with homeowners in Nova Scotia (n=13)⁸ and Saskatchewan (n=11)⁹ who had accessed one or more housing programs. In Nova Scotia, interviewees mostly lived in smaller, rural and remote communities. In Saskatchewan, interviewees were mostly based in larger cities, with one being based in a village. Across the two provinces, the majority (18) of homeowner interviewees were women, and seniors (also 18 participants).¹⁰ Incomes were reportedly low for these participants. Half of the interviewees had up to a high-school level education,¹¹ and over half reported having disabilities.¹²

A number of themes emerged from these interviews:

- **Love of home, aging in place:** homeowners across both jurisdictions reported loving their homes and many confirmed an *interest to age in place throughout the rest of their lives*. Nearly all interviewees were longstanding residents, with most living in their dwellings for over 15 years. Similar sentiments were expressed for their communities, further affirming a desire to age in place.
- **Housing conditions:** many homeowners lived in *older dwellings*, and building age was often cited as foundational to the *need for repairs*. Examples cited included: poor insulation, poor windows, leaking walls and roofs. The *costs* associated with repairs were seen as *significant and even prohibitive*.

⁸ In Nova Scotia, eight participants had used a provincial emergency repair program, one had used an accessibility program, three had used both programs, and one had used a down-payment program.

⁹ In Saskatchewan, nine participants had used a provincial emergency repair program, one had used an accessibility program, and one had used both programs.

¹⁰ While not representative samples, it is worth noting the proportions of female-led, senior owner households in these jurisdictions as comparators. These are provided in [Appendix 1](#).

¹¹ 64% of homeowners in CHN in Canada had a high school diploma or less in 2016. The median income of homeowners in CHN in Canada was less than 40% of those not in CHN.

¹² Over a third of homeowners in CHN experienced activity limitations according to the 2016 Census in Canada. However, when looking at specifically senior populations, the figure increases to 64%.

- **Total housing costs too high:** participants were asked to provide estimates of their total housing costs, including utilities. While approximately one-third of interviewees were paying 30% of their incomes on housing, the remaining *two-thirds were spending beyond 30%*. Many within this latter group spent 40-70% of their incomes on their housing, while two respondents confirmed spending nearly 100% of their incomes (both of whom had disabilities and very low incomes).¹³ Housing related costs comprised everything from mortgage payments to taxes and maintenance costs, repairs, utilities, internet and phone service; food was also cited by participants. Of these, *repairs and utilities costs* were highlighted as especially *high and burdensome*.
- **Mortgages:** although most participants were retired, *over half had mortgages* for their homes. *Despite mortgages being relatively small* (between \$300 and \$1,000 per month for nearly all participants), these costs were *still burdensome, due to the low and fixed incomes* upon which people rely to make ends meet, and the many other costs they incur.
- **Intersection with medical, transport costs:** interviewees discussed the ways in which other essential costs affected their housing affordability. Medical costs for *prescriptions, equipment and other mobility and accessibility related expenses* were all cited in this regard. Most respondents lived in *older homes that were neither visitable or accessible*, and in need of retrofits (grab bars, stair lifts, ramps). More significant works were also cited by some participants as necessary (reconfiguring bathrooms, relocating laundry rooms from a basement to a main floor). In addition, and for those interviewees who lived in more *rural or beyond-suburban locations*, the relative affordability of their housing was somewhat offset by the *additional expenses associated with car ownership*.
- **Lack of options, changing housing markets:** A common theme in interviews with homeowners in CHN was the observed lack of other housing options in their communities that they could afford. Homeowners with mortgages, for example, recognized that *rents in their communities* for smaller dwellings (eg. one-bedroom apartments) were *higher than their existing mortgage payments*. The precarity of the rental market was also known to some interviewees, specifically *the prospect of renovations* and resulting *increases in rental rates*. Additionally, senior homeowners recognized the *long waiting lists for senior-specific dwellings* (retirement homes, supportive housing). Interviewees were well-aware of the changes to the housing market in their communities, and *the relative lack of other housing options* that are affordable and available has *contributed to their remaining in CHN*.
- **Cost of living challenges, trade-offs:** While homeowners loved their homes, *interviewees were faced with multiple cost of living challenges on low and fixed incomes*. Of the 24 homeowner participants, for example, 18 had reported household incomes of less than \$29,000. Against that backdrop, *interviewees often had to make difficult choices in order to stay in their homes* (to continue with mortgage and other housing-related payments, such as repairs), with essentials such as *medicine and food, heating and transport, often hanging in the balance*. One participant reported *forgoing home insurance*; others noted *cutting back on food* or using *food banks*.
- **Selling not a viable route out of CHN:** Given that many of the homes lived in by interviewees were older, smaller, and in need of repairs, participants observed that their *dwellings would not necessarily command a high enough price to offset expected costs associated with market rent or nursing home fees elsewhere*. For these individuals, selling and moving into new housing (and moving out of CHN), isn't really an option.

¹³ These participants were receiving government supports at the time of their interviews.

Opportunities

Part of the impetus for this project was to explore potential roles for the NHS to assist homeowners in CHN. This was an important discussion point in the interviews with housing professionals, for example. Several opportunities were highlighted, which may be worth further study:

- **Explore a dedicated home repair program:** Housing professionals confirmed that maintaining homes was the most affordable way to ensure access to adequate, safe and affordable housing. Opportunities for increased funding for a repair and maintenance program for homeowners in CHN were cited by these participants. The program list prepared for this project confirms that some emergency repair programs exist within different provinces. However, issues such as long waiting lists and difficulty of access were apparent.
- **Explore the flexibility within the Canada Housing Benefit (CHB) to extend to homeowners:** In interviews with some professionals, it was made clear that reducing CHN significantly for homeowners will be challenging unless more supports are directed to those individuals. The research also confirmed that some homeowners in CHN have low and fixed incomes (incl. disability benefits, small pensions). Given that limited income is central to the experience of CHN, opportunities explore the flexibility within the CHB to extend to homeowners.¹⁴ The Government of Nova Scotia, for example, has extended the CHB in this way to support both renters and homeowners. The program was cited by some interview participants as successful.
- **More affordable housing options:** Interviews with homeowners in CHN confirmed the relative limited alternative housing options that they could afford (incl. rental housing) or that were available (eg. seniors-focused housing). Professionals also highlighted that limited supply was a key reason why homeowners remain stuck in CHN. Opportunities exist through NHS initiatives to respond to these challenges, so that homeowners can have more affordable and viable routes to exit CHN.

- **Focus on smaller, northern and rural communities:** While housing affordability is challenged throughout the country, these pressures can be especially acute in northern and rural areas. Analysis of CHN data confirm high proportions in the Territories; and in rural areas for some jurisdictions (Atlantic provinces, Saskatchewan). Opportunities therefore exist to explore directing more NHS support towards northern, rural and smaller communities, for both the preservation of existing dwellings and the development of new housing.
- **Data for non-urban areas:** Housing professionals who participated in this research all made use of CMHC's housing data yet noted challenges for rural and beyond-urban areas. This is compounded by the fact that smaller provinces may not be able to collect data independently. With rental rates and house prices increasing throughout the country (not just in larger urban centres), improved data collection and sharing for beyond-urban areas was highlighted as important.

The many challenges identified in interviews with both professionals and homeowners also suggest a need for **a more coordinated and integrated response to tackling CHN**. Many homeowners in CHN require not only repairs to their homes, for example, but related evaluations, such as energy audits. Related to this is that many **older homeowners in CHN would benefit from other services to support aging-in-place**, such as homecare, grocery and meal delivery programs, cleaning services, and help with household tasks and small repairs. This suggests that a more holistic approach to tackling CHN for homeowners would include other aging-in-place initiatives.

There is some **precedent for a more integrated approach** as documented in this research. Homeowners who access programs through Housing Nova Scotia, for example, are referred to the Province's energy efficiency utility for a home assessment. Several homeowners who participated in this research mentioned the Utility's energy-related programs; some, such as insulation provision or air-source heat pumps, can result in meaningful reductions in electric heating costs.

¹⁴ Homeowners in severe CHN are also eligible for the CHB in Quebec.

Implementing a more holistic approach would involve **additional collaborations amongst the departments and functions** broadly focused on services to support homeowners in CHN, whether they are home or community-centric. This could be further developed across functions within provincial and territorial (PT) governments, amongst CMHC (the NHS) and the PTs, and within the federal family (as relevant).

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Full Report

McCullough, S., and Zell, S. (2021). *Understanding Affordability Challenges for Homeowners in Core Housing Need in Canada*. Ottawa: Canada Mortgage and Housing Corporation.

https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/sf/project/archive/research_6/understanding-homeowners-challenges-ctp107.pdf

Shirliffe, R., McCullough, S., and Zell, S. (2021). *Homeowners Affordability – Program List [database]*. Ottawa: Canada Mortgage and Housing Corporation.

https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/sf/project/archive/research_6/21-05-06-homeowner-afford----program-list.xlsx

Table 1: Excerpt from the Housing Program List

Program Name	Program Provider	Core Housing Need			Target Population		
		Adequacy	Affordability	Sustainability	Seniors	Indigenous	Disability
Home Repair Program – Adaptation for Independence	Government of Saskatchewan	✗	✗				✗ (low-income)
Emergency Home Repairs	Government of Saskatchewan	✗	✗				
Home Adaptation for Seniors' Independence	Housing Services	✗			✗		
Emergency Repair Program	Housing Nova Scotia	✗				✗	
Provincial Housing Emergency Repair Fund	Housing Nova Scotia	✗					
Home Ownership Preservation	Housing Nova Scotia	✗					
The Senior Citizen Assistance Program	Housing Nova Scotia	✗			✗		
Small Loan Assistance Program	Housing Nova Scotia	✗					
Nova Scotia Property Tax Rebate for Seniors	Government of Nova Scotia				✗		
Access-A-Home	Housing Services	✗					✗

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Appendix 1: CHN Data Tables, Nova Scotia and Saskatchewan

Nova Scotia

Female Led Senior Owner Households in CHN in Nova Scotia by Area, 2016

Total	Halifax	All CAs ¹	Non-CMA/CA ²
12.4%	11.8%	9.1%	14.8%

Portion of Nova Scotia Female Led Senior Owner Households in CHN by area, 2016

Halifax	All CAs	Non-CMA/CA
30.0%	18.4%	51.7%

Saskatchewan

Female Led Senior Owner Households in CHN in Saskatchewan, 2016

Saskatchewan	Regina	Saskatoon	All CAs ³	Non-CMA/CA
15.3%	12.7%	13.1%	10.2%	20.2%

Portion of Saskatchewan Female Led Senior Owner Households in CHN by area, 2016

Regina	Saskatoon	All CAs	Non-CMA/CA
17.1%	20.3%	11.5%	51.1%

¹ All CA's includes Cape Breton, Kentville, New Glasgow, and Truro.

² Non-CMA/CA was used as a proxy for rural areas.

³ All CA's includes Estevan, Lloydminster, Moose Jaw, North Battleford, Prince Albert, Swift Current, Weyburn, and Yorkton.