2025 REPORT OF THE AUDITOR GENERAL OF CANADA TO THE NORTHWEST TERRITORIES LEGISLATIVE ASSEMBLY

Housing in the Northwest Territories

Office of the Auditor General of Canada
Bureau du vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

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At a Glance

Overall message

Housing is a persistent challenge in the Northwest Territories due to factors such as the territory's geography and climate. Public housing and homeownership support are essential to the health, safety, and stability of residents of the Northwest Territories. Overall, in this audit, we concluded that Housing Northwest Territories did not provide residents most in need with equitable access to housing and housing supports through its public housing and homeownership programs.

Housing Northwest Territories developed a point-rating system for public housing allocation to those most in need based on criteria such as affordability and how long applicants have been waiting. However, during our audit period, the corporation did not know whether units were allocated equitably as it performed only limited monitoring of the independent local housing organizations' assessing those criteria.

Understanding the condition of public housing units and performing regular maintenance reduce costs and help to ensure the safety of residents, especially those in units beyond the end of their useful service life. We found that Housing Northwest Territories did not follow its own requirements to monitor the condition and maintenance of its public housing units. During the audit period, the corporation completed unit-condition rating verifications for only half of the local housing organizations, and maintenance was monitored in an ad-hoc and limited way.

We also found that Housing Northwest Territories did not monitor outcomes for its homeownership programs, which provide funds to help residents buy modest private homes, repair their homes, and prepare them to become homeowners. Therefore, the corporation could not ensure that funds for these programs were being allocated to meet the objective of equitable access to housing supports for Northwest Territories residents. Further, Housing Northwest Territories did not consistently apply key eligibility criteria for equitable access to the homeownership programs.

Some of our current audit findings are outstanding issues from previous audits in both 2008 and 2012. It is critical that Housing Northwest Territories deliver on its commitment to the well-being of individuals and communities by providing equitable access to quality housing support for people most in need so that each individual has a safe place to call home.

Key facts and findings

- Across the territory's 33 communities, Housing Northwest Territories is responsible for
  - funding, supporting, and overseeing independent local housing organizations, which manage 2,365 public housing units
  - delivering programs that support homeownership
- In the last 3 fiscal years, public housing and homeownership supports represented on average $83.6 million, or 64%, of the corporation's overall expenses.
- About 15% of the 15,356 households across the territory live in public housing, according to 2024 data from the Northwest Territories Bureau of Statistics.
- According to Housing Northwest Territories data, 918 households were on the public housing waitlist as of March 31, 2025, with the average household on the list for about 2 years.
- We found that as of March 31, 2025, unit-condition ratings for public housing units were, on average, not completed within the required 2-year period. The average time between unit-condition ratings was every 2.28 years and differed by Housing Northwest Territories district office, including 1 district that had unit-condition ratings completed on average a little over 5 years apart.
- Housing Northwest Territories' data indicates that it funded 644 applications of the 1,654 homeownership program applications it received between April 1, 2023, and March 31, 2025.

See **Recommendations and Responses** at the end of this report.

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Introduction

Background

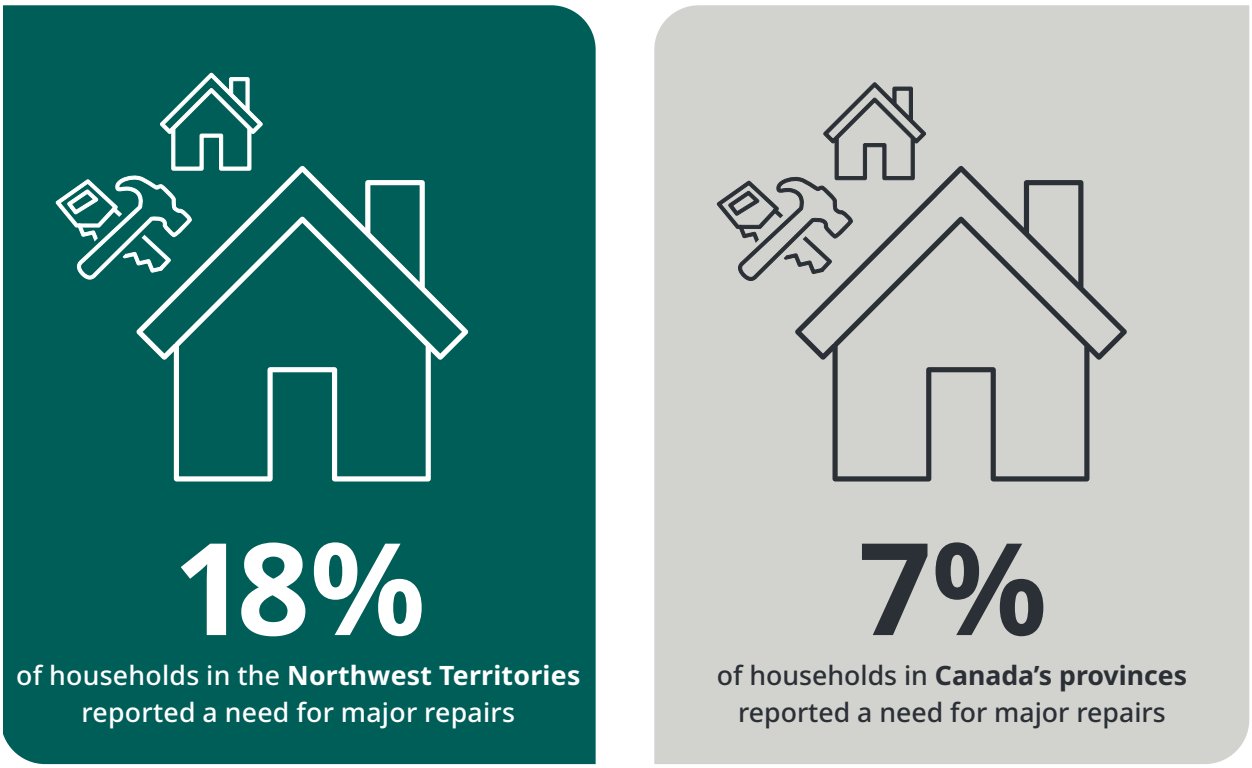
Housing in the Northwest Territories

1. Housing is a top priority for the Government of the Northwest Territories. The territory's climate, socio-economic context, and geography make the provision of public housing and homeownership support challenging. According to the Government of the Northwest Territories, the territory's small residential construction industry faces elevated costs related to labour and materials, making it hard to build and maintain homes. At the same time, climate change risks, such as permafrost thaw, wildfires, and increased precipitation, impact repairs to and maintenance of existing housing. For example, in 2023, the territory experienced an unprecedented wildfire season that included the evacuation of many communities, disrupting maintenance activities.

2. The Northwest Territories is home to approximately 45,000 individuals living in 33 communities dispersed over 5 regions. According to Statistics Canada's most recent census (2021), approximately 50% of Northwest Territories residents are Indigenous. This includes First Nations groups which made up about 30% of the total population, followed by Inuit (about 10%) and Métis peoples (about 7%). Data (2024) from the Northwest Territories Bureau of Statistics shows that there are 15,356 households across the territory. Approximately 15%, or 2,365, of these households live in public housing—that is, subsidized housing provided to tenants according to their income and ability to pay rent.

3. In 2024, a greater percentage of households in the Northwest Territories reported living in homes requiring major repairs than households in Canada's provinces (Exhibit 1). Major repairs include defective plumbing or electrical wiring or dwellings needing structural repairs to walls, roofs, floors, or ceilings. Furthermore, Statistics Canada's 2021 census data showed that approximately 10% of Northwest Territories households live in dwellings lacking enough bedrooms for those living in the housing unit.

Exhibit 1—Percentage of households reporting a need for major repairs in the Northwest Territories compared with Canada's provinces in 2024



Source: Based on data from the Northwest Territories Bureau of Statistics and Statistics Canada

Read the Exhibit 1 text description

Roles and responsibilities

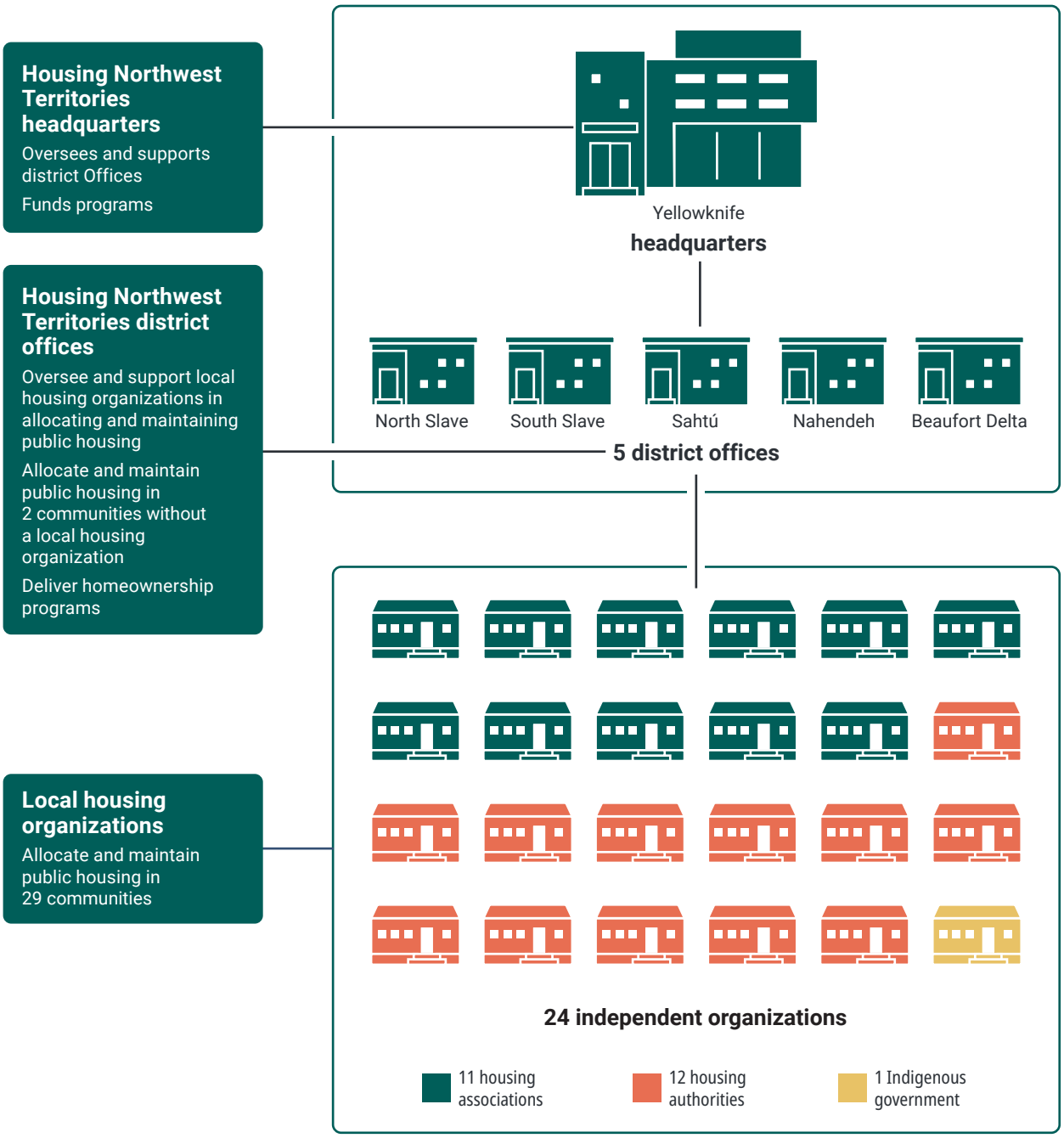
4. **Housing Northwest Territories.** Housing Northwest Territories is a public agency of the Government of the Northwest Territories. This territorial corporation operates under the authority of the Housing Northwest Territories Act to provide a broad range of housing programs. Its mission is to increase the well-being of individuals and communities by providing fair access to quality housing support for people most in need. This mandate is largely delivered by providing public housing and homeownership programs.

5. Housing Northwest Territories, through its headquarters and 5 district offices (covering all communities across the territory), is responsible for regularly monitoring and assessing the operations of local housing organizations to ensure that they deliver the corporation's public housing program effectively and in accordance with established policies and procedures provided by the corporation. The corporation funds, supports, and oversees these independent service delivery partners. In addition, the corporation directly funds, manages, and delivers homeownership programs for the territory's residents. These programs are offered through the corporation's district offices (Exhibit 2).

6. **Local housing organizations.** Housing Northwest Territories manages public housing in collaboration with local housing organizations, which operate in 29 of the territory's 33 communities. Local housing organizations are independent organizations with their own bylaws and include 11 local housing associations, 12 local housing authorities, and 1 Indigenous government. Local housing associations are formed under the Societies Act and local housing authorities are incorporated under the Housing Northwest Territories Act. Housing Northwest Territories has entered into a community housing service agreement with each of the local housing organizations. Local housing organizations' responsibilities include assessing public housing applications, allocating public housing units, collecting rent from tenants, and maintaining units in accordance with Housing Northwest Territories' policies and procedures.

7. Housing Northwest Territories district offices manage public housing directly for the 4 communities that are not served by a local housing organization, and 2 of these communities have no public housing units. Given that there are only 2 communities where public housing is being delivered by Housing Northwest Territories district offices, we refer only to local housing organizations throughout the report rather than to both local housing organizations and staff at Housing Northwest Territories district offices directly managing public housing.

Exhibit 2—Public housing and homeownership program oversight and management in the Northwest Territories



Source: Based on data from Housing Northwest Territories

Read the Exhibit 2 text description

Public housing and homeownership programs

8. Housing Northwest Territories defines its programs as follows:

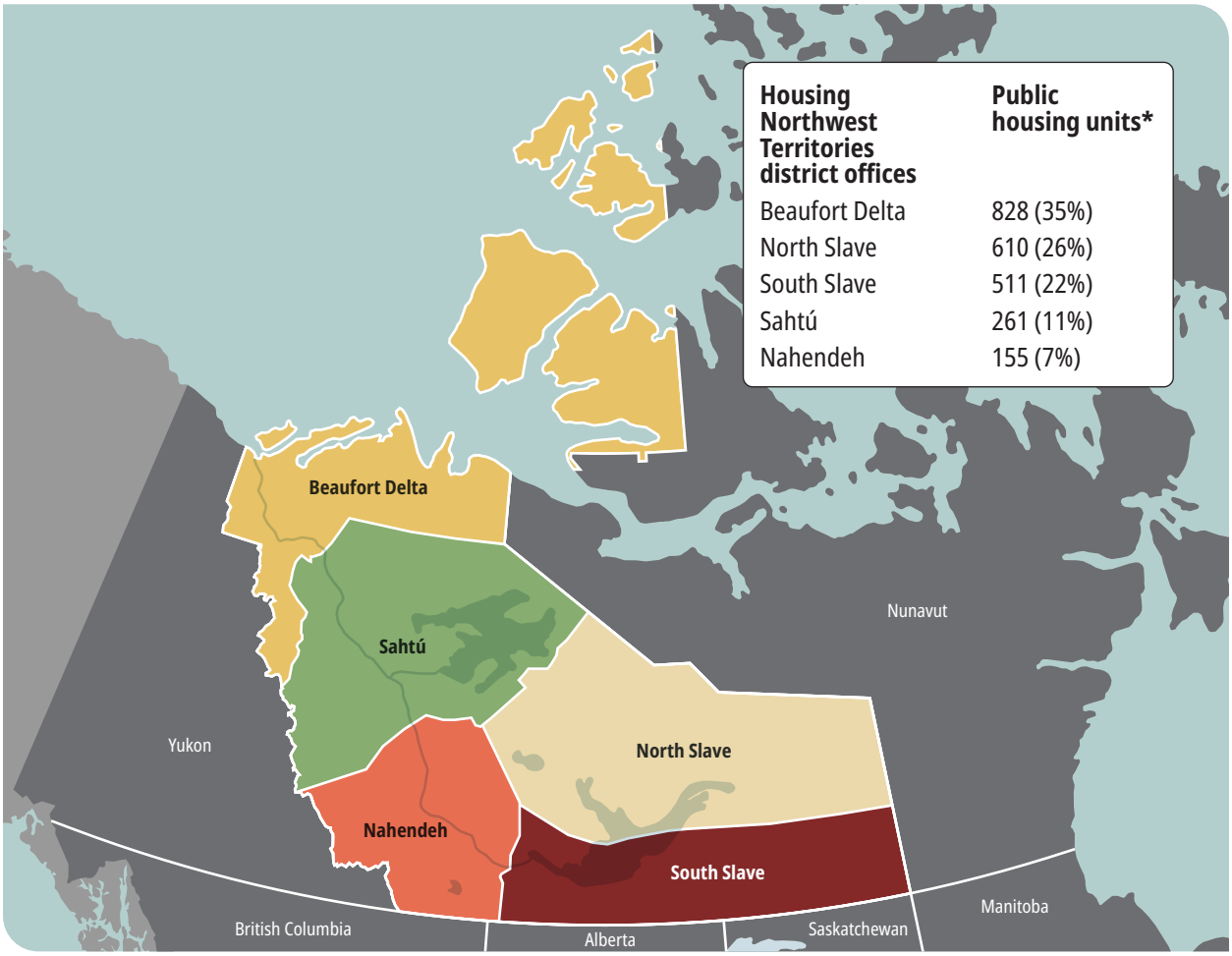
- **Public Housing program:** A rental program for individuals and families who do not have the financial resources to access shelter on their own, providing residents in need with income-based subsidies for housing rental.
- **Homeownership programs:** Programs offered to individuals to access support for homeownership.

9. Housing Northwest Territories homeownership programs can help residents i) buy modest private homes, ii) repair their homes so that they are safe, healthy, and last longer, and iii) rent housing so that they are better prepared to be effective homeowners in the future. During the audit period, the corporation offered 8 different homeownership programs with specific eligibility criteria.

10. As of March 31, 2025, Housing Northwest Territories' portfolio of 2,365 public housing units across the territory (Exhibit 3) was valued at approximately $269.5 million.

11. Housing Northwest Territories relied on funding from the Government of the Northwest Territories and the Government of Canada to support its operations. For the 2022–23, 2023–24, and 2024–25 fiscal years, the corporation delivered various programs, the largest being public housing with an average cost of $74.2 million for operating expenses (Exhibit 4). In addition, the corporation's average capital expenditures for its public housing units were $29.0 million. For this same period, the corporation spent on average $9.3 million (7%) of its annual operating expenses on homeownership programs.

Exhibit 3—Distribution of public housing units across the territory



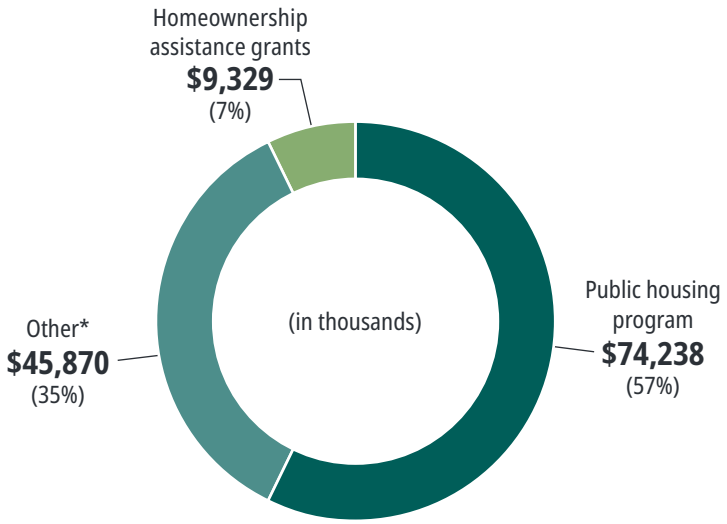
Housing Northwest Territories district offices	Public housing units*
Beaufort Delta	828 (35%)
North Slave	610 (26%)
South Slave	511 (22%)
Sahtú	261 (11%)
Nahendeh	155 (7%)

* Based on data as of March 31, 2025. Numbers do not add up to 100% due to rounding.

Source: Based on the data from Housing Northwest Territories

Read the Exhibit 3 text description

Exhibit 4—The majority of Housing Northwest Territories' average annual operating expenses were related to public housing in the 3 fiscal years from 2022–23 to 2024–25



* Other includes the homelessness fund program, housing operations and support, other housing programs, and other miscellaneous expenses.

Note: The dollar amounts are based on the average over the 3 fiscal years. The percentages do not add up to 100% due to rounding

Source: Housing Northwest Territories audited consolidated financial statements

Read the Exhibit 4 text description

12. In 2008, we reported the results of an audit focused on public housing and homeownership programs in the Northwest Territories. The audit found that Housing Northwest Territories did not sufficiently monitor local housing organizations' operations to determine whether public housing unit allocations and maintenance activities were being performed as required. The audit also found that the corporation did not evaluate its homeownership programs regularly to ensure they were achieving stated objectives. In 2012, we examined the progress the corporation made in the areas identified in our 2008 audit and found that monitoring of its public housing program still needed improvement.

Focus of the audit

13. This audit focused on whether Housing Northwest Territories provided Northwest Territories residents most in need with equitable access to housing and housing supports through its public housing and homeownership programs:

- **Equitable access.** For public housing, Housing Northwest Territories uses a point-rating system to allocate its public housing units to those families in greatest need. This includes defined criteria such as family and social circumstances. Equitable access to public housing is achieved through the use of the point-rating system. For homeownership programs, the corporation committed to providing equitable access to those most in need.

14. This audit is important because equitable access to public housing and homeownership support is essential to the health, safety, and stability of residents of the Northwest Territories. Without inclusive and effective housing supports, individuals and families in need may face significant consequences, including homelessness, overcrowding, and declining well-being.

15. More details about the audit objective, scope, approach, and criteria are in **About the Audit** at the end of this report.

Findings and Recommendations

Housing Northwest Territories did not know whether it provided equitable access to suitable public housing

Why this finding matters

16. This finding matters because there is not enough public housing to meet demand in the territory. If the corporation does not identify and understand the needs of residents, including priority groups and subpopulations, it cannot ensure that it allocates public housing units first to those most in need of them. Without access to public housing, residents in need may become homeless or live in housing without enough space for all living there.

Context

17. To facilitate equitable access to housing, Housing Northwest Territories developed a point-rating system for public housing allocation to those most in need. Local housing organizations are required to allocate public housing units using this point-rating system. Applicants with the most points should be allocated a suitable public housing unit. Points are awarded according to various factors, with some factors being worth more points than others. Factors include suitability, affordability, amount of time on the waitlist, and family violence:

- **Suitability** is based on whether a home has enough bedrooms for its occupants, according to the National Occupancy Standard.

Public housing units are allocated on the basis of the awarded number of points and the availability of suitable units. Housing Northwest Territories is required to provide an annual assessment of compliance to every local housing organization, including assessing activities such as the use of the point-rating system for unit allocation.

18. In 2012, Housing Northwest Territories introduced a territory-wide system called the Territorial Housing System to administer public housing. The system is to be used by local housing organizations to input all public housing applicants' information, including the points awarded as part of the point-rating system. The Territorial Housing System generates applicants' total scores and creates waitlists for public housing applicants, including by community and district.

Housing Northwest Territories did inconsistent and ad-hoc monitoring of whether public housing units were appropriately allocated

Findings

19. We found that Housing Northwest Territories carried out limited monitoring of whether local housing organizations complied with the corporation's point-rating system to allocate public housing units to residents. The corporation did not have a consistent or documented process in place to do this. Instead, corporation officials carried out ad-hoc monitoring activities. Corporation officials indicated that this was because of a lack of resources and time. For example, while corporation officials reviewed information in the Territorial Housing System to look for errors and take corrective actions, this was not done on an assessment

of where errors might occur and did not result in a systematic review of the compliance of all local housing organizations with the point-rating system.

20. Housing Northwest Territories also did not provide any of the local housing organizations with the required annual assessments. Regular monitoring of local housing organization activities would allow the corporation to identify and address specific areas where local housing organizations were not following the corporation's requirements, including those related to public housing allocation. It would also allow the corporation to provide useful and timely feedback to the local housing organizations. This is a recurring issue for Housing Northwest Territories: Both our 2008 and 2012 audits of housing in the Northwest Territories indicated the need for the corporation to improve its monitoring of local housing organization activities.

21. We found that Housing Northwest Territories did not consistently monitor and did not publicly report on waitlists on a consistent basis. As of March 31, 2025, the average amount of time people had been on the waitlist across the territory was approximately 2 years (Exhibit 5). Time on waitlists differed across communities, with 1 community having a waitlist of 2.7 years, and with others having a waitlist of less than 4 months.

22. More than two thirds of the households on the list were waiting for a bachelor unit or a 1-bedroom unit (Exhibit 6).

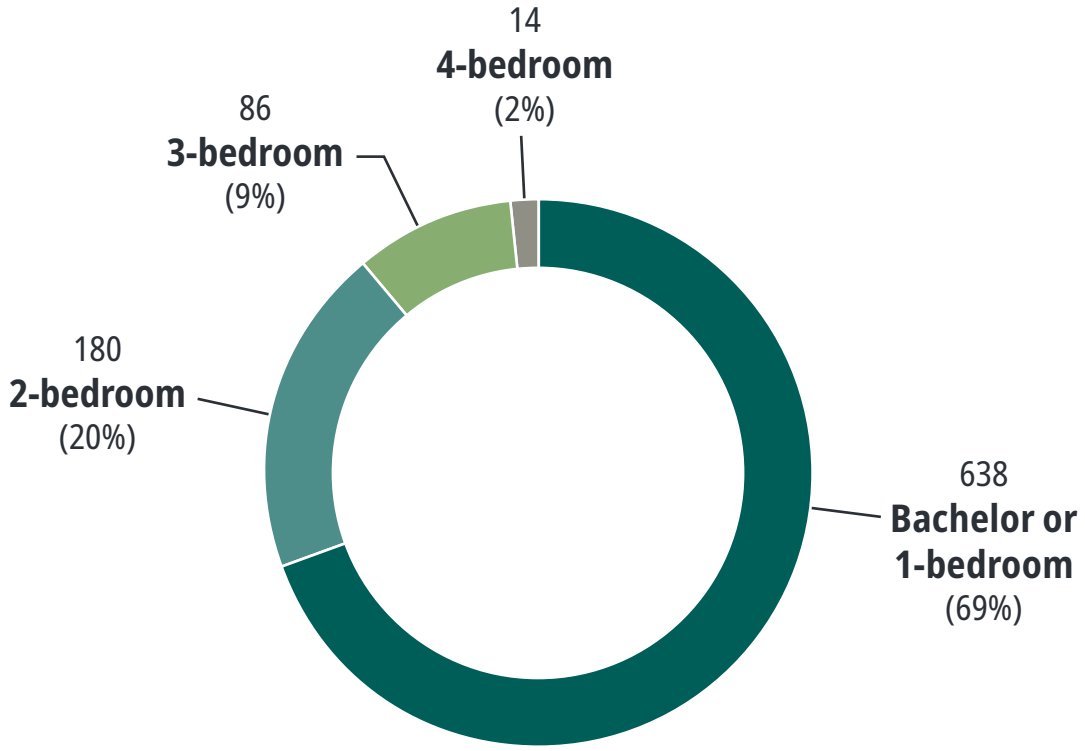
23. We also found that Housing Northwest Territories did not have a systematic and consistent approach for monitoring issues related to public housing unit allocation and suitability. Instead, the corporation used the questions and concerns related to public housing that it received from members of the Legislative Assembly as a way to identify and address issues. In our view, this is a reactive approach and is not a form of systematic and consistent monitoring.

Exhibit 5—Eligible residents waited an average of about 2 years for a public housing unit in the Northwest Territories as of March 31, 2025

Source: Based on data from Housing Northwest Territories

Read the Exhibit 5 text description

Exhibit 6—Household demand for public housing as of March 31, 2025



Source: Based on data from Housing Northwest Territories

Read the Exhibit 6 text description

24. Further, we found that there were gaps in the guidance that Housing Northwest Territories provided to local housing organizations to support equitable public housing allocation. The guidance on how to interpret the point-rating form and administer the point-rating system had not been updated to align with the point system being used. For example, the point-rating system was updated to allow for applicants with a disability to be awarded additional points, but the guidance provided to local housing organizations did not clarify whether the disability must be impacted negatively by the applicant's living conditions in order to be awarded these additional points. In addition, there was no guidance on how to allocate units when public housing tenants were requesting a transfer to another public housing unit. Such a transfer could be requested when a tenant's current unit no longer has the required number of bedrooms.

Recommendation

25. Housing Northwest Territories should systematically monitor local housing organizations to ensure that requirements for public housing unit allocation are met and corrective actions are taken if it identifies that allocations are not made in accordance with its policies, procedures, and guidance.

The corporation's response. Agreed.

See **Recommendations and Responses** at the end of this report for detailed responses.

Recommendation

26. Housing Northwest Territories should review and update its policies, procedures, and guidance to support the equitable allocation of public housing carried out by the local housing organizations.

The corporation's response. Agreed.

See **Recommendations and Responses** at the end of this report for detailed responses.

Housing Northwest Territories was working to understand the public housing needs of Northwest Territories residents

Findings

27. We found that Housing Northwest Territories had undertaken only limited activities to understand the public housing needs of priority groups and subpopulations. For example, while the corporation engaged with Indigenous residents during our audit period to discuss their housing needs, these activities were ad hoc and not part of a comprehensive approach to understand the needs of this subpopulation.

28. We found that Housing Northwest Territories had begun to deliver on the Government of the Northwest Territories' commitment to the completion of the Territorial Housing Needs Assessment as outlined in the 2024–2028 Business Plan. This needs assessment is to be used to inform policy and planning decisions. Specifically, the corporation had completed the quantitative analysis component of this assessment in January 2025 and was working on the qualitative assessment component.

Housing Northwest Territories did not effectively manage the condition of its public housing inventory

Why this finding matters

29. This finding matters because effective management of the condition of Housing Northwest Territories' public housing inventory is essential for the corporation to identify the adequacy of its public housing units, plan repairs, allocate resources efficiently, and prevent costly deterioration. Poorly maintained units can lead to health risks, reduce quality of life, and potentially increase inequalities.

Context

30. Local housing organizations are responsible for the management and maintenance of Housing Northwest Territories' 2,365 public housing units in 29 of the 31 communities across the Northwest Territories with public housing units. Specifically, they are responsible for conducting a unit-condition rating for each public housing unit and for conducting preventative and demand maintenance.

- A unit-condition rating is a method of determining the overall condition of a public housing unit using a scoring system (rated from 1% to 100%, where a higher percentage is a better rating). Every public housing unit should have a unit-condition rating performed every 2 years. Housing Northwest Territories is required to verify 3 of these condition ratings in each local housing organization every 2 years.
- Preventative maintenance includes regular checks and maintenance on buildings and equipment to prevent small problems from developing into large ones. Every unit is required to undergo a set of preventative maintenance activities on a regular basis.
- Demand maintenance includes repairs that are not scheduled, such as fixing a window that is stuck. It also includes emergency repairs, such as a broken furnace in the winter.

31. Information on the territory's public housing inventory, including adequacy, condition ratings, and building age, is included in Housing Northwest Territories' centralized system called the Asset Management System. The corporation defines "adequate" housing as a household with running water, an indoor toilet, bathing and washing facilities, and one that does not require major repairs.

32. Housing Northwest Territories must ensure that its public housing units are properly maintained. This requires monitoring local housing organizations to ensure that unit-condition ratings and maintenance are performed as required. Tracking and recording of all maintenance activities by local housing organizations are captured in Housing Northwest Territories' separate centralized system.

33. As of March 31, 2025, the average age of the public housing units across the territory was a little over 33 years old, with units in 1 district averaging more than 36 years. Of Housing Northwest Territories' 2,365 public housing units, 424 (about 18%) were at or past the unit's end of service life. The corporation defines the end of service life for public housing units as 50 years past construction.

34. The status of public housing units, including their condition and age, is an important factor in the capital planning process. Capital planning includes major improvements to existing public housing units and the building of new units.

Housing Northwest Territories did limited monitoring of the public housing units' overall condition and associated maintenance activities

Findings

35. We found that Housing Northwest Territories did not conduct the required monitoring of the condition of its public housing units:

- The corporation did not monitor whether local housing organizations completed unit-condition ratings of public housing units every 2 years as required.
- The corporation did not complete a verification of the unit-condition ratings as required. Between April 1, 2023, and March 31, 2025, the corporation conducted the required verification in only half of the local housing organizations.
- The corporation did not compare completed unit-condition ratings with previous ratings and did not obtain explanations for large variances.

This is a recurring issue as we noted in our 2012 audit of housing in the Northwest Territories that the corporation was not verifying unit-condition ratings. The corporation informed us that the completion of the 2023–24 verification forms was impacted by the 2023 wildfires and related evacuations.

36. From our review of the Asset Management System, we found that as of March 31, 2025, unit-condition ratings for public housing units were, on average, not completed within the required 2-year period. The average time between unit-condition ratings was every 2.28 years and differed by Housing Northwest Territories district office, including 1 district having the unit-condition ratings completed on average a little over 5 years apart. As a result, the corporation was using unit-condition ratings to support its capital planning decisions related to future investments in public housing that were, at times, out of date.

37. We found that Housing Northwest Territories did not complete the required annual assessments of local housing organizations' performance related to maintenance activities. The corporation also did not enforce the requirement for quarterly reporting by local housing organizations on maintenance activities.

38. Further, we found that while the required monitoring was not done, Housing Northwest Territories carried out some limited, at times inconsistent, monitoring of public housing unit-condition ratings and preventative maintenance work that were conducted by the local housing organizations. We also found that the corporation did not monitor demand maintenance even in a limited or inconsistent manner.

39. Lastly, we found that Housing Northwest Territories did not consistently document its capital planning decisions related to where to build new public housing units or where to replace units. While data such as age and building-condition ratings (see paragraph 36) was used to support analysis, only the most recent capital planning process (2025–2026) included a clear rationale related to the location of the replacement public housing units.

Recommendation

40. Housing Northwest Territories should monitor and document its monitoring of unit-condition ratings and maintenance carried out by local housing organizations, as required, and follow up to ensure public housing units are adequately maintained.

The corporation's response. Agreed.

See **Recommendations and Responses** at the end of this report for detailed responses.

Recommendation

41. In order to support its monitoring, Housing Northwest Territories should

- assess local housing organization compliance with the required maintenance activities annually
- enforce the requirement for the local housing organizations to submit quarterly reports on maintenance activities

The corporation's response. Agreed.

See **Recommendations and Responses** at the end of this report for detailed responses.

Housing Northwest Territories did not take measures to ensure that funding under its homeownership programs was being equitably allocated

Why this finding matters

42. This finding matters because equitable allocation of housing supports to Northwest Territories residents through the Housing Northwest Territories homeownership programs ensures that the applicants that are most in need receive funding to improve their housing conditions. This includes funding to support a safe residence and to keep a home functional for as long as possible.

Context

43. Housing Northwest Territories funded and managed 8 homeownership programs for Northwest Territories residents during the 2 fiscal years in the audit period:

- Emergency Repairs
- Fuel Tank Replacement (discontinued April 1, 2024)
- Homeownership Initiative
- Home Purchase
- Mobility Modifications
- Preventative Maintenance
- Seniors Aging in Place
- Seniors Home Repair

44. Each homeownership program has its own set of eligibility criteria. These criteria are outlined in Housing Northwest Territories policies, supported by procedures to be followed by the corporation when assessing applications and administering the programs. Examples of criteria are age and income. For 5 of the 8 programs (Home Purchase, Mobility Modifications, Seniors Home Repair, Seniors Aging in Place, and Fuel Tank Replacement), eligible applications are also prioritized using a point-rating system specific to each program. For example, points are awarded for residency and previous assistance. The eligibility criteria and prioritization process are to ensure that applicants most in need receive housing support.

45. Homeownership program applications and supporting documentation are maintained by Housing Northwest Territories in a centralized database called the Client Application System. From April 1, 2023, to March 31, 2025, the total number of homeownership program applications that were accepted, denied, cancelled, and withdrawn totalled 1,654 (Exhibit 7). Of the applications received, 1,026 were approved and 644 were funded. The corporation's annual spending on its homeownership programs was approximately $10.2 million in 2022–23, $10 million in 2023–24, and $7.8 million in 2024–25.

Exhibit 7—Applications received and funded for homeownership programs from April 1, 2023, to March 31, 2025

Homeownership program type	Applications received	Applications funded	Proportion of applications funded by program
Emergency Repairs	669	351	52.5%
Preventative Maintenance	461	184	39.9%
Seniors Aging In Place	299	54	18.1%
Fuel Tank Replacement	57	30	52.6%
Seniors Home Repair	56	8	14.3%
Home Purchase	54	11	20.4%
Homeownership Initiative	43	3	7.0%
Mobility Modifications	15	3	20.0%
Total	**1,654**	**644**	**38.9%**

Source: Based on data from Housing Northwest Territories

Housing Northwest Territories did not consistently apply key eligibility criteria for equitable access to the homeownership programs

Findings

46. We examined a representative sample of 51 applicant files, which included applications from all 8 homeownership programs and across all 5 districts of Housing Northwest Territories. We assessed each file to verify that key eligibility criteria were equitably applied. These eligibility criteria were age, residency, home ownership, and income. We also assessed files for required approvals and prioritization, where applicable. We found that 11 applicant files (22%) did not meet 1 or more of these requirements because of missing documentation. All 11 files had missing documentation to support 1 or more of the eligibility criteria.

47. We also found that Housing Northwest Territories' procedures did not include any guidance on how to verify the applicant's age. The corporation told us that in practice, age was confirmed by matching the applicant's date of birth on the application with the income information. However, this was not documented in the corporation's policies and procedures. This is important because in 2 homeownership programs (Seniors Home Repair and Seniors Aging in Place), the corporation needs to ensure that it allocates funding to people of 60 years of age and older. We could not verify the applicant's age for 5 (10%) applicant files, 1 being an application for a dedicated program for seniors.

48. We found that half of the files that were subject to prioritization (8 of 16 applicant files) were not assessed for adequacy as part of the point-rating system as required. This is important because the adequacy criterion, when applicable, helps determine which applicant's dwelling is most in need of repair.

49. We also found that half of the files we reviewed for the Emergency Repairs Program (10 of 20 applicant files) did not have the repairs completed within the required time frame of 60 days. This is despite the fact that the purpose of the program is to ensure homes remain safe to live in and that emergency repairs are completed in a timely manner. The corporation informed us that such delays can be attributed to construction challenges faced by the territory, such as wildfires and floods.

Recommendation

50. Housing Northwest Territories should ensure that procedures and guidance for staff on verifying and documenting homeownership program eligibility and prioritization are comprehensive and rigorously followed.

The corporation's response. Agreed.

See **Recommendations and Responses** at the end of this report for detailed responses.

Housing Northwest Territories was not monitoring homeownership program outcomes

Findings

51. We found that Housing Northwest Territories did not monitor program outcomes for its homeownership programs. For example, while the corporation had begun to implement the government-wide Program Evaluation Policy, it had not yet assessed any of the homeownership programs. This policy was introduced in January 2021 by the Government of the Northwest Territories to ensure that program performance was measured and to inform sound resource allocation decisions. Corporation officials indicated that this was because of resource constraints. Without monitoring program outcomes for its homeownership programs, the corporation could not ensure that funds for these programs were being allocated to meet the objectives of equitable access to homeownership supports for Northwest Territories residents.

Recommendation

52. Housing Northwest Territories should comprehensively monitor the performance of all of its homeownership programs and the outcomes achieved.

The corporation's response. Agreed.

See **Recommendations and Responses** at the end of this report for detailed responses.

Conclusion

53. We concluded that Housing Northwest Territories did not provide Northwest Territories residents most in need with equitable access to housing and housing supports through its public housing and homeownership programs.

About the Audit

This independent assurance report was prepared by the Office of the Auditor General of Canada on housing in the Northwest Territories. Our responsibility was to provide objective information, advice, and assurance to assist the Northwest Territories Legislative Assembly in its scrutiny of the government's management of resources and programs and to conclude on whether the public housing and homeownership programs complied in all significant respects with the applicable criteria.

All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001—Direct Engagements, set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook—Assurance.

The Office of the Auditor General of Canada applies the Canadian Standard on Quality Management 1—Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. This standard requires our office to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we complied with the independence and other ethical requirements of the relevant rules of professional conduct applicable to the practice of public accounting in Canada, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

In accordance with our regular audit process, we obtained the following from entity management:

- confirmation of management's responsibility for the subject under audit
- acknowledgement of the suitability of the criteria used in the audit
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided
- confirmation that the audit report is factually accurate

Audit objective

The objective of this audit was to determine whether Housing Northwest Territories provided Northwest Territories residents most in need with equitable access to housing and housing supports through its public housing and homeownership programs.

Scope and approach

The audit included an examination of Housing Northwest Territories' provision of equitable access to public housing and housing supports.

The audit team reviewed and analyzed key documentation, including needs assessments, risk and gap analyses, funding documentation, Housing Northwest Territories policies and procedures, Housing Northwest Territories manuals and guidelines, community housing service agreements between the corporation and local housing organizations, and relevant planning documents. We also interviewed corporation officials from the Housing Northwest Territories' headquarters and district offices, local housing organization representatives, and individuals from the community. Furthermore, we examined data and related databases that the corporation used to manage its public housing stock, including waitlists, its inventory listing, condition ratings, and maintenance work, as well as homeownership program application information.

Where representative sampling was used, samples were sufficient in size to conclude on the sampled population with a confidence level of no less than 90% and a margin of error of no greater than plus 10%. Specifically, from the Housing Northwest Territories' listing of homeownership program applicants, we selected a sample of 51 units out of 1,654 homeownership applications received between April 1, 2023, and March 31, 2025. We proportionally stratified the sample by the 5 Housing Northwest Territories district offices and by the 8 homeownership programs.

We did not examine the corporation's management of housing types other than public housing (such as staff housing, transitional housing, and shelters). We also did not examine homelessness. We did not assess the point-rating system for public housing prioritization and allocation or assess the eligibility criteria for the homeownership programs. We also did not examine the procurement process and related contracts for new housing construction, the quality of any housing unit maintenance activities or inspections, or the determination of whether Housing Northwest Territories complied with the terms and conditions of funding agreements with the federal government. Furthermore, we did not audit the local housing organizations. Information we reviewed related to the local housing organizations was provided by the corporation.

Criteria

We used the following criteria to conclude against our audit objective:

Criteria	Sources
Housing Northwest Territories monitors whether suitable public housing units were allocated to Northwest Territories residents in an equitable manner.	• Community housing services agreements • Annual Report 2023–2024, Housing Northwest Territories • National Occupancy Standard, Canada Mortgage and Housing Corporation • LHO Tenant Relations Manual, Northwest Territories Housing Corporation (now Housing Northwest Territories), 2012 • A Strategy for Renewal of the Northwest Territories Housing Corporation, Northwest Territories Housing Corporation, 2021 • Mission, Values and Vision, Housing Northwest Territories, 2022 • 2024–2028 Business Plans, Government of the Northwest Territories • Changing the Relationship—Action Plan: In Response to the Calls for Justice on Missing and Murdered Indigenous Women, Girls and 2SLGBTQQIA+ People, Government of the Northwest Territories • United Nations Declaration on the Rights of Indigenous Peoples • Housing Northwest Territories Act • Residential Tenancies Act • LHO Financial Administration Manual, Northwest Territories Housing Corporation, 2012 • Minister Responsible for Housing Northwest Territories Mandate Letter, 2024

Criteria	Sources
Housing Northwest Territories manages the maintenance of its public housing stock to provide adequate public housing to Northwest Territories residents.	• Mission, Values and Vision, Housing Northwest Territories, 2022 • Annual Report 2023–2024, Housing Northwest Territories • Housing Northwest Territories Act • Community housing services agreements • Residential Tenancies Act • LHO Maintenance Manual, Northwest Territories Housing Corporation, 2012 • Unit Condition Rating—Inspection, Training, Monitoring and Reporting Process, Housing Northwest Territories, 2022 • LHO Financial Administration Manual, Northwest Territories Housing Corporation, 2012 • Minister Responsible for Housing Northwest Territories Mandate Letter, 2024 • 2024–2028 Business Plans, Government of the Northwest Territories

Criteria	Sources

Housing Northwest Territories allocates homeownership supports to Northwest Territories residents in an equitable manner.	• Mission, Values and Vision, Housing Northwest Territories, 2022
	• A Strategy for Renewal of the Northwest Territories Housing Corporation, Northwest Territories Housing Corporation, 2021
	• Program Evaluation Policy, Government of the Northwest Territories, 2021
	• Public Service Act
	• 2019–2023 Mandate of the Government of the Northwest Territories
	• Changing the Relationship—Action Plan: In Response to the Calls for Justice on Missing and Murdered Indigenous Women, Girls and 2SLGBTQQIA+ People, Government of the Northwest Territories
	• United Nations Declaration on the Rights of Indigenous Peoples
	• Homeownership program policies, Housing Northwest Territories, 2023:
	  • Emergency Repairs
	  • Fuel Tank Replacement
	  • Homeownership Initiative
	  • Home Purchase
	  • Mobility Modifications
	  • Preventative Maintenance
	  • Seniors Aging in Place
	  • Seniors Home Repair

Period covered by the audit

The audit covered the period from April 1, 2023, to April 1, 2025. This is the period to which the audit conclusion applies. However, to gain a more complete understanding of the subject matter of the audit, we also examined certain matters that preceded the start date of this period.

Date of the report

We obtained sufficient and appropriate audit evidence on which to base our conclusion on October 14, 2025, in Ottawa, Canada.

Audit team

This audit was completed by a multidisciplinary team from across the Office of the Auditor General of Canada led by Jo Ann Schwartz, Principal. The principal has overall responsibility for audit quality, including conducting the audit in accordance with professional standards, applicable legal and regulatory requirements, and the office's policies and system of quality management.

Recommendations and Responses

Responses appear as they were received by the Office of the Auditor General of Canada.

In the following table, the paragraph number preceding the recommendation indicates the location of the recommendation in the report.

Recommendation	Response
25. Housing Northwest Territories should systematically monitor local housing organizations to ensure that requirements for public housing unit allocation are met and corrective actions are taken if it identifies that allocations are not made in accordance with its policies, procedures, and guidance.	**The corporation's response.** Agreed. Housing NWT (HNWT) is committed to ensuring, transparent, culturally appropriate, and equitable access to public housing, with decisions made in accordance with established policies and procedures. By October 2027, and in conjunction with legislative amendments to the Housing NWT Act, HNWT will: • Conduct an external review to examine the structure and governance of local housing organizations (LHOs), assess current monitoring practices, and identify opportunities to improve allocation practices. This review will include an analysis of best practices from other jurisdictions and engagement within HNWT and with LHOs to explore options for enhancement. • Continue to support LHOs capacity-building by documenting and amending policies, procedures and guidance to reflect the one-on-one support and oversight currently provided by District Office staff to LHOs. • Implement regular assessments of allocation practices. • Collaborate within HNWT and with LHOs to streamline monitoring and incorporate best practices. • Develop a systematic approach to allocations and corrective actions, with clear guidance to HNWT staff and LHOs. These actions will be implemented in accordance with available resources and supported by improvements to internal systems and tools to enhance transparency, accountability, and compliance. These actions will also work towards reconciliation through a person-centered approach, in accordance with HNWT's Mandate.

Recommendation	Response
26. Housing Northwest Territories should review and update its policies, procedures, and guidance to support the equitable allocation of public housing carried out by the local housing organizations.	**The corporation's response.** Agreed. Housing NWT (HNWT) is committed to supporting local housing organizations in the equitable allocation of public housing through clear, consistent, culturally appropriate, and up-to-date policies, procedures, and guidance. By October 2027, HNWT will: • Collaborate with local housing organizations (LHOs) and subject matter experts to assess current practices and identify opportunities for improvement. • Review and update policies, procedures and guidance on the point rating system and tenant transfers to promote fairness, transparency, and consistency. This will be done with a view to ensuring policies are person-centered and culturally appropriate. • Introduce a new Tenant Transfer policy to quantify tenant transfer on the point-rating scale to support the equitable allocation of public housing units. The new policy will provide clear guidance to LHOs on assessing both new applicants and existing tenants requesting transfers. • Revise and update the LHO Tenant Relations Manual to reflect updated practices and provide clearer direction to LHOs. • Continue to support LHOs capacity-building by documenting and amending policies, procedures and guidance to reflect the one-on-one training and oversight currently provided by District Office staff to LHO staff. • Ensure that changes to policies and procedures are communicated clearly and supported with training resources.

Recommendation	Response
40. Housing Northwest Territories should monitor and document its monitoring of unit-condition ratings and maintenance carried out by local housing organizations, as required, and follow up to ensure public housing units are adequately maintained.	**The corporation's response.** Agreed. Housing NWT (HNWT) acknowledges the importance of its partnership with local housing organizations (LHOs) in maintaining public housing and ensuring accurate condition assessments to guide evidence-based decisions, such as capital planning. Unprecedented wildfire activity and community evacuations spanning spring to fall 2023 impacted performance metrics related to maintenance, assessment, and verification processes during the audit period. However, strengthening maintenance systems and practices remains a Strategic Renewal priority. To continue to advance this, Housing NWT will continue improving monitoring and documentation of maintenance activities and condition assessments, by working collaboratively with LHOs to incrementally implement the following actions by October 2027: • Complete modernization of the maintenance management system, started in 2023. • Provide training to LHOs on the modernized maintenance system, complemented with ongoing support. • Expand the application of on-line reporting tools and pilot digital devices to facilitate timely reporting on performance outcomes. • Complete required unit condition verifications for each LHO and pilot third party condition assessments of public housing assets in three communities. These efforts will augment Housing NWT's maintenance program, ensuring timely, effective maintenance and demonstrate that units are adequately maintained.

Recommendation	Response
41. In order to support its monitoring, Housing Northwest Territories should • assess local housing organization compliance with the required maintenance activities annually • enforce the requirement for the local housing organizations to submit quarterly reports on maintenance activities	**The corporation's response.** Agreed. Maintenance activities completed in collaboration with the local housing organizations (LHOs) are integral to the success of Housing NWT's (HNWT) public housing program. This was improved through HNWT's strategic renewal with system modernization and a formal asset management policy now in place. Building on the well-established relationship with LHOs, HNWT will work with the LHOs to identify the most appropriate ways to strengthen relationships and formalize reporting requirements as well as mutually determined key performance indicators to guide our effort in continuous quality improvement. We will work together by October 2027 to incrementally implement the following actions: • Complete the modernization of the Community Housing Services Agreement through a collaborative process, started in 2024-2025. • Formally document quarterly maintenance activity reporting through a process which will proactively highlight capacity needs and training investments to best support LHOs and improved maintenance outcomes. • Develop and implement joint compliance reviews of maintenance outcomes with LHOs to ensure compliance with expected outcomes, identify gaps, and determine areas requiring increased support for continuous improvement. These efforts will ensure that housing units are adequately maintained and that LHOs continue to be supported in meeting reporting requirements.

Recommendation	Response
50. Housing Northwest Territories should ensure that procedures and guidance for staff on verifying and documenting homeownership program eligibility and prioritization are comprehensive and rigorously followed.	**The corporation's response.** Agreed. Housing NWT (HNWT) is committed to strengthening the consistency, transparency, and effectiveness of its homeownership program. HNWT will update and expand guidance on verifying and documenting homeownership program eligibility and prioritization by April 2027. This guidance will be supported with streamlined documentation tools and targeted training resources to enhance clarity and alignment with program objectives. The modernization of this initiative will also ensure meaningful, culturally appropriate collaboration with clients through a person-centered approach. HNWT is in the process of exploring additional resources to build organizational capacity to support routine file audits and monitoring. Added support and training for HNWT staff would help ensure that eligibility and prioritization criteria are applied rigorously and equitably across all regions. These initiatives will enable Housing NWT to identify areas for added support and guidance to ensure homeownership programs are meeting the needs of residents effectively and equitably.

Recommendation	Response
52. Housing Northwest Territories should comprehensively monitor the performance of all of its homeownership programs and the outcomes achieved.	**The corporation's response.** Agreed. Housing NWT (HNWT) is working to embed a culture of evidence-based decision-making and continuous improvement across its homeownership programs. The Corporation is in the early stages of the development of formal program evaluation processes for its homeownership programs. A new program evaluation position was created in 2024–25 and the Corporation is actively recruiting to fill the position. This reflects a broader commitment to building internal capacity for program evaluation, in line with HNWT's Mandate. A program evaluation framework was developed for the Emergency Repair Program in 2024–25, and the evaluation of that program will be undertaken by October 2027. HNWT will also, within that same period, develop a program evaluation design for one additional homeownership program. This will be in addition to the program evaluation designs already underway for HNWT's Market Housing and Public Housing maintenance programs. These frameworks will include performance indicators linked to short- and long-term outcomes, enabling the Corporation to assess program effectiveness and inform future planning, while ensuring a flexible, person-centered approach is taken. Collectively, these efforts position HNWT to respond proactively to housing needs, improve service delivery, and ensure that homeownership programs are delivering meaningful outcomes for residents.

Appendix—Text Descriptions of Exhibits

Here are the text descriptions of the exhibits.

Exhibit 1—Percentage of households reporting a need for major repairs in the Northwest Territories compared with Canada's provinces in 2024—Text description

This illustration shows that 18% of households in the Northwest Territories reported a need for major repairs compared with 7% of households in Canada's provinces.

Source: Based on data from the Northwest Territories Bureau of Statistics and Statistics Canada

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Exhibit 2—Public housing and homeownership program oversight and management in the Northwest Territories—Text description

This illustration shows that Housing Northwest Territories headquarters and its 5 district offices oversee and manage public housing and homeownership programs and that local housing organizations allocate and maintain public housing in the Northwest Territories.

Housing Northwest Territories headquarters in Yellowknife oversees and supports district offices and funds programs.

The corporation's 5 district offices oversee and support local housing organizations in allocating and maintaining public housing. They also allocate and maintain public housing in 2 communities without a local housing organization.

The district offices also deliver homeownership programs. The 5 district offices are in North Slave, South Slave, Sahtú, Nahendeh, and Beaufort Delta.

Local housing organizations allocate and maintain public housing in 29 communities. These are 24 independent organizations composed of 11 housing associations, 12 housing authorities, and 1 Indigenous government.

Source: Based on data from Housing Northwest Territories

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Exhibit 3—Distribution of public housing units across the territory—Text description

This map shows the areas served by the 5 district offices of Housing Northwest Territories and the number of public housing units managed by each district office. The number of units is based on data as of March 31, 2025. Numbers do not add up to 100% due to rounding.

The 5 districts are Beaufort Delta, Sahtú, Nahendeh, North Slave, and South Slave.

Following are the number of public housing units for each district from the largest number to the smallest number:

- The Beaufort Delta district office has 828 public housing units or 35% of the units in the Northwest Territories.
- The North Slave district office has 610 public housing units or 26% of the units in the Northwest Territories.
- The South Slave district office has 511 public housing units or 22% of the units in the Northwest Territories.
- The Sahtú district office has 261 public housing units or 11% of the units in the Northwest Territories.
- The Nahendeh district office has 155 public housing units or 7% of the units in the Northwest Territories.

Source: Based on data from Housing Northwest Territories

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Exhibit 4—The majority of Housing Northwest Territories' average annual operating expenses were related to public housing in the 3 fiscal years from 2022–23 to 2024–25—Text description

This chart shows the average amounts in 3 categories over 3 fiscal years of Housing Northwest Territories' annual operating expenses. The 3 categories of expenses are the public housing program, other, and homeownership assistance grants. The dollar amounts are based on the average over 3 fiscal years. The percentages do not add up to 100% due to rounding.

From 2022–23 to 2024–25, Housing Northwest Territories' greatest operating expense was the public housing program. The average amount over the 3 fiscal years was $74,238 thousand or 57% of its operating expenses.

The second-largest category of expenses was other, which included the homelessness fund program, housing operations and support, other housing programs, and other miscellaneous expenses. The average amount over the 3 fiscal years was $45,870 thousand or 35% of its operating expenses.

The smallest operating expense was on homeownership assistance grants. The average amount over the 3 fiscal years was $9,329 thousand or 7% of its operating expenses.

Source: Housing Northwest Territories audited consolidated financial statements

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Exhibit 5—Eligible residents waited an average of about 2 years for a public housing unit in the Northwest Territories as of March 31, 2025—Text description

This illustration shows the public housing demand in the Northwest Territories: 3,080 people from 918 households were waiting for public housing units as of March 31, 2025. The average wait time was 2 years.

Source: Based on data from Housing Northwest Territories

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Exhibit 6—Household demand for public housing as of March 31, 2025—Text description

This chart shows the number of households in need of public housing by size of housing unit. Four sizes of housing units are shown: bachelor or 1-bedroom units, 2-bedroom units, 3-bedroom units, or 4-bedroom units.

The greatest demand was for bachelor or 1-bedroom units: 638 households, or 69%, requested this type of housing.

The number of households that requested 2-bedroom units was 180, or 20%.

The number of households that requested 3-bedroom units was 86, or 9%.

The number of households that requested 4-bedroom units was 14, or 2%.

Source: Based on data from Housing Northwest Territories

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