

CORE HOUSING NEED: WHAT IT IS AND WHY IT MATTERS

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WHAT IS CORE HOUSING NEED?

Core housing need is a CMHC/StatsCan indicator used to measure the quality and cost of Canada's housing.

It's calculated by estimating households who:

1. **Live in housing that is not acceptable.** Housing is not acceptable if it does not meet CMHC definitions of adequacy, suitability, or affordability.
2. **Cannot find an acceptable alternative dwelling within their means.** These are households who would have to spend 30% or more of their before-tax household for an alternative dwelling (based on median market rent in that area) that is acceptable.

Sources of information:

- Census of Canada (every five years)
- Canadian Housing Survey (every other year)
- Tax information (for household income)
- CMHC annual Rental Market Report (for info on median market rent in different areas)

WHAT IS CORE HOUSING NEED?

Term	Definition
Acceptable Housing	Umbrella term for housing that meets the CMHC's three standards of adequate, suitable, and affordable housing. That is, housing not in need of any major repairs, has enough rooms for the size and make-up of the household, and costs less than 30% of before-tax income.
Adequate Housing	Housing that does not need any major repairs (i.e., doesn't have defective plumbing or electrical wiring, or structural repairs are needed to walls, floors, or ceilings).
Suitable Housing	<p>Housing that has enough bedrooms for the size and make-up of the household based on the National Occupancy Standard (NOS) requirements.</p> <p>A household must have one bedroom for each: cohabiting adult couple, unattached person aged 18+, same-sex pair of children under age 18, and additional child in the family. There are exceptions for two opposite sex children under age five who are permitted to share a bedroom, and households of one.</p>
Affordable Housing	<p>Housing that costs less than 30% of a household's before-tax income. For renters, housing costs include rent and utilities, such as electricity, fuel, water, and other municipal services, as applicable. For owners, housing costs include mortgage payments (principal and interest), property taxes, condo fees, and utilities.</p> <p>The terms "severe" or "deep" core housing need are also sometimes used to describe households that spend 50% or more of their before-tax income on shelter costs.</p>

WHO'S IN CORE HOUSING NEED?

Overall, just over 10% of the population experiences core housing need.

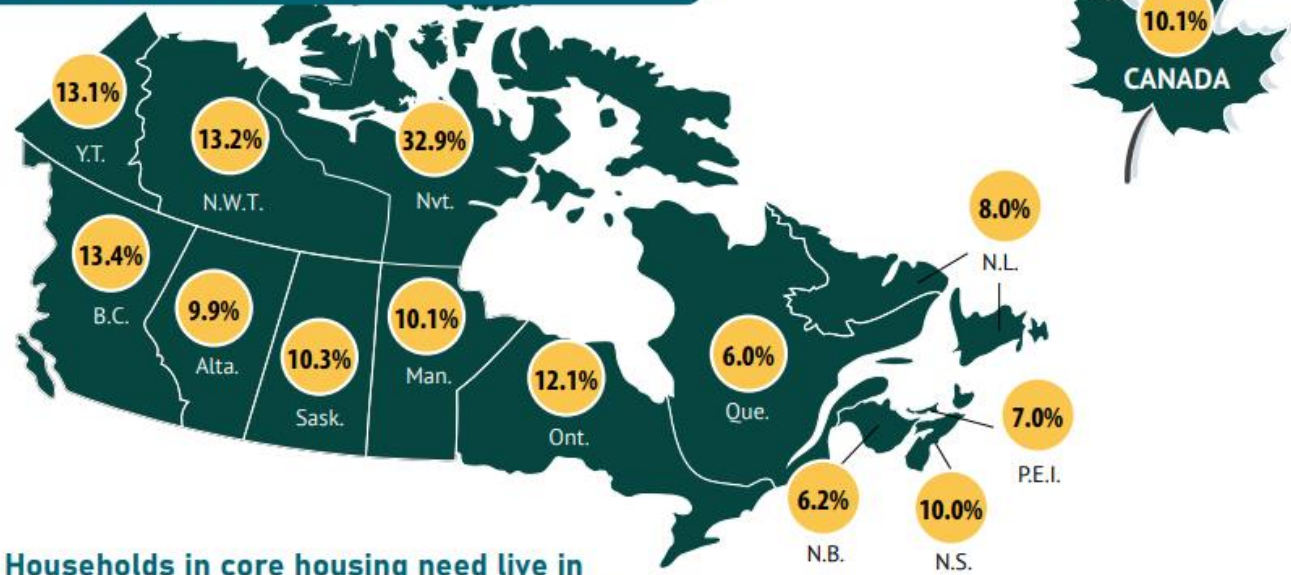
- Almost **1.5 million Canadian households** lived in core housing need in 2021.
- This represents an overall rate of **10.1%**—a 2.6 percentage point decrease from 2016. Decline was largely from COVID-19 pandemic supports and rent freezes, which temporarily raised incomes and froze housing costs for people with lower incomes.

But some individuals and communities are more likely to experience core need than others:

- **Renters** were nearly **4x more likely** than homeowners to be in core need in 2021 (26.8 per cent vs. 5.3 per cent). This is in large urban centres (e.g., Montreal, Vancouver, Toronto).
- Households who are not in couple families (i.e., lone-parent and lone-person households), are led by women, include people with disabilities, or are racialized, tend to experience higher rates of core housing need.
- **Indigenous Peoples** were almost twice as likely to live in unsuitable housing and almost three times more likely to live in inadequate housing than the non-Indigenous population in 2021. First Nations Peoples living on reserve experienced particularly high rates of overcrowding.

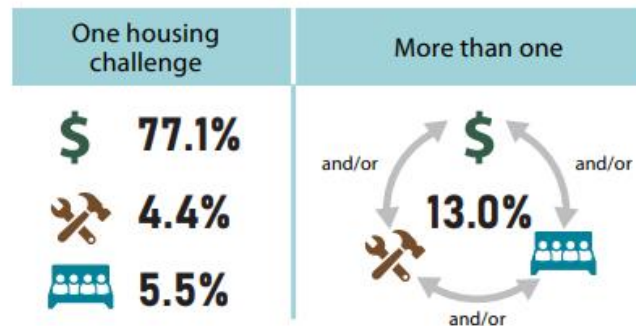
WHO'S IN CORE HOUSING NEED?

In 2021, 1 in 10 households were in core housing need

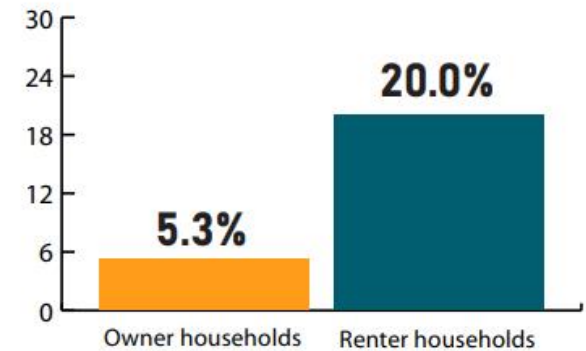


Households in core housing need live in an unsuitable, inadequate or unaffordable dwelling and cannot afford alternative housing in their community.

More than 1 in 10 households in core housing need face more than one housing challenge



Renters are more likely than owners to be in core housing need



WHY DOES CORE HOUSING NEED MATTER FOR POLICY?

Core housing need as a policy goal

Historically created/used to allocate federal dollars to PTs

Part of the National Housing Strategy: lift 530,000 families from core housing need

Core housing need as a program eligibility tool

30% rule used to determine eligibility for support (e.g., temporary \$500 rental benefit)

30% embedded in formula for level of financial support for housing (e.g., RGI, portable housing benefits)

WHAT'S THE PROBLEM?

Core housing need is generally a good (enough!) proxy for who needs support, but has some methodology issues.

- Some strengths: compares housing costs to income, can be compared across time and jurisdiction, simple to calculate.
- However:
 - Measure developed in the 1980s and hasn't really changed since then. 30% rule (i.e., spending less than 30% of income on housing) is arbitrary. What we think of as adequate housing (e.g., location to school or work) has also changed.
 - Affordability, suitability, and adequacy combined into one measure means that no single variable is explored in depth. Most people (over 3/4s) fell into core housing need in 2021 because they had **unaffordable housing only**, meaning core housing need is really a representation of people with unaffordable housing.
 - % experiencing core need since has been consistent over time (under 14%), but no threshold for when need is too big.

Core housing need excludes individuals and communities who are in need – so it's likely an underestimate.

- Focuses on people in private dwellings: excludes people in collective dwellings (e.g., rooming houses) and people experiencing homelessness. Students are also excluded since their circumstances are considered temporary.
- CMHC removes people who have access to an “acceptable alternative” without acknowledging that some people don't actually have much choice over how much they pay for rent for a new unit. This is because of factors like the lack of limits on rent increases between tenants (i.e., vacancy decontrol).

ARE WE ADDRESSING CORE HOUSING NEED?

Parliamentary Budget Office, 2019, 2021, 2023

- NHS will spend \$89 billion by 2028
- Decreased spending on low-income households in core housing need

National Housing Council, 2022

- The RCF, NHCF, and RHI together will repair about 66,000 units of existing housing and create just under 35,000 units of new housing
- Only 3% of homes created through RCF are affordable to those in housing need (all studio apartments)

“It is not clear that the National Housing Strategy will reduce the prevalence of housing need relative to 2017 levels.” (2019)

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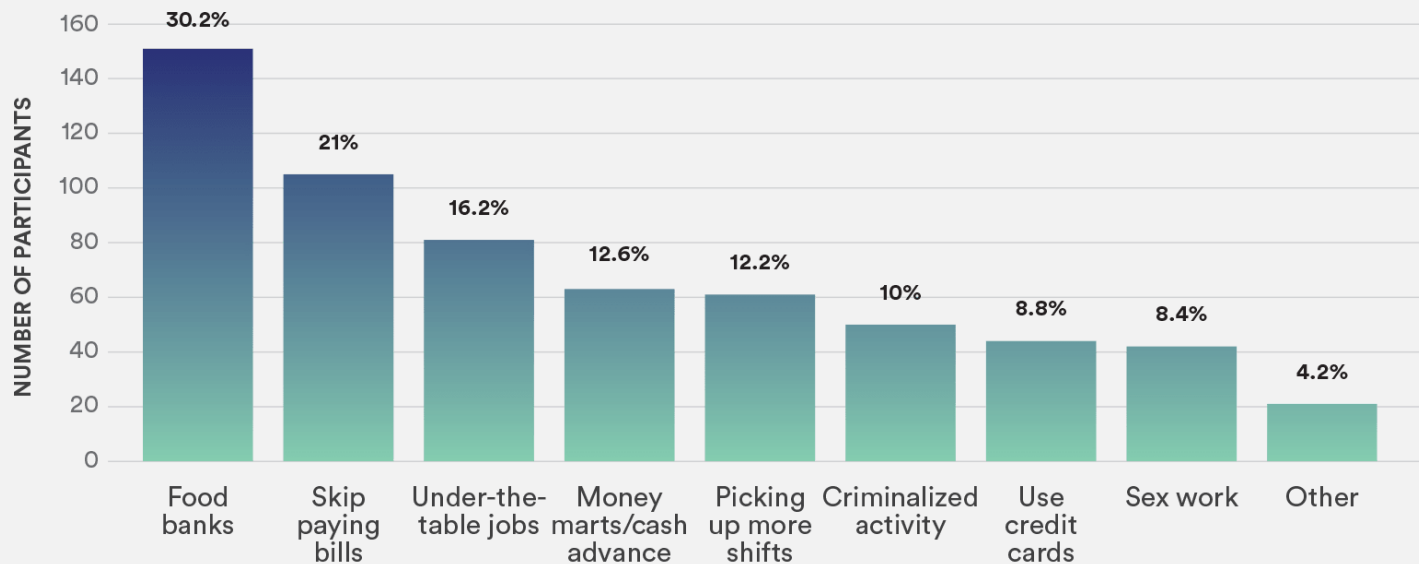
“Overall, Infrastructure Canada, Employment and Social Development Canada, and the Canada Mortgage and Housing Corporation did not know whether their efforts improved through housing outcomes for people experiencing homelessness or chronic homelessness and for other vulnerable groups.”

- Auditor General, 2022

CASE STUDY

DEEP POVERTY OF WOMEN VS. FEDERAL CAPITAL NHS INVESTMENTS

STRATEGIES USED TO AFFORD BASIC NECESSITIES



“The average single room rent across Canada in August 2023 was \$1,450. That is a gap of over \$1,000 a month between very low-income affordability and market rent.” (Whitzman, 2023)

Rental Construction Financing Initiative:

- Represents 40% of NHS funding + aims to produce 14,000 housing units over the life of the program
- Relaxed affordability criteria - 30% of the median total income for families in the area
- 80% of the rental units have no affordability requirements
- Only maintain the affordability of 20% of units for 10 years
- No targets re: women, girls, and gender diverse people

RIGHT TO ADEQUATE HOUSING

PROGRESSIVELY REALIZING THE FOLLOWING ELEMENTS



- **Affordable:** enough \$ left over to pay for food, transport, other necessities
- **Habitable:** clean water, toilets, heat, cooling
- **Suitable:** appropriate size
- **Accessible:** able to be lived in by people with different abilities
- **Well-located:** in relation to services, transit etc.
- **Secure in tenure:** not subject to eviction
- **Culturally appropriate:** allowing relationships with family, community, spiritual needs (associated with For Indigenous By Indigenous housing in Canada)

QUESTIONS TO ASK OURSELVES

- Does the right to housing change how we should think about core housing need?
- What other measures or standards could be adopted to better measure housing precarity amongst marginalized populations?
- How do we ensure our metrics, measurements, and definitions reflect the human right standard to allocate maximum resources to those in greatest need?

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