

A Human-Rights Based Calculation of Housing Needs

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HART Overview

The Housing Assessment Resource Tools (HART) project works with governments, housing providers, and advocates across Canada to improve how we measure and address housing need, towards the national goal of “progressively realizing the right to adequate housing”.



We are based at the University of British Columbia and funded by the CMHC Housing Supply Challenge.

We are currently assisting municipalities with needs assessments as part of the Housing Accelerator Fund.



Federal Housing Advocate's Report

The Advocate monitors the progress of the right to adequate housing, through the *National Housing Strategy (NHS)*.

Response to *Canada's Housing Supply Shortages* (CMHC, Jun. 2022; update Sept. 2023).

- Relationship to National Housing Strategy and National Housing Strategy Act methods, targets, and goals
- Who is in need of what type of housing, at what prices, and where?

The CMHC report does NOT use core housing need – it uses average homeownership costs to calculate housing shortage.

- There is no mention of homelessness, core housing need, or low-and moderate-income affordability in the report, unlike most prior federal research and policy.



HART Income Categories (HART, 2021)

| Income Category | % of median income | Typical Income Source | CMHC Income Quintile Equivalent |
|-----------------|--------------------|---|---|
| Very Low Income | 0 – 20% | Fixed income, e.g., welfare, pension | Low (1 st quintile) |
| Low Income | 21 – 50% | Minimum wage | Low (1 st quintile) |
| Moderate Income | 51 – 80% | Starting salary for professional, e.g., nurse, teacher, construction worker | Moderate (2 nd quintile) |
| Median Income | 81 – 120% | Mid-range salary | Median (3 rd quintile) |
| High Income | 121%+ | Higher-range salary | 4 th and 5 th quintiles |

Core Housing Need by Income Category

(HART, 2023, based on Census 2021)

| Income Category | % of households | # of households | Maximum Income (\$) | Maximum Shelter Cost (\$) | % in CHN | # in CHN |
|------------------------------|-----------------|-------------------|---------------------|---------------------------|----------|------------------|
| Very Low (0 – 20%) | 2% | 300,000 | \$18,000 | \$420 | 69% | 199,613 |
| Low Income (21 – 50%) | 18% | 2,700,000 | \$42,000 | \$1,050 | 37% | 921,093 |
| Moderate (51 – 80%) | 19% | 2,850,000 | \$67,200 | \$1,680 | 11% | 293,685 |
| Median (81 – 120%) | 21% | 3,150,000 | \$100,800 | \$2,520 | 1% | 35,260 |
| High (121%+) | 40% | 6,000,000 | n/a | n/a | 0% | 1,435 |
| Total | 100% | 15,000,000 | - | - | - | 1,451,030 |



Core Housing Need by Income Category & Household Size

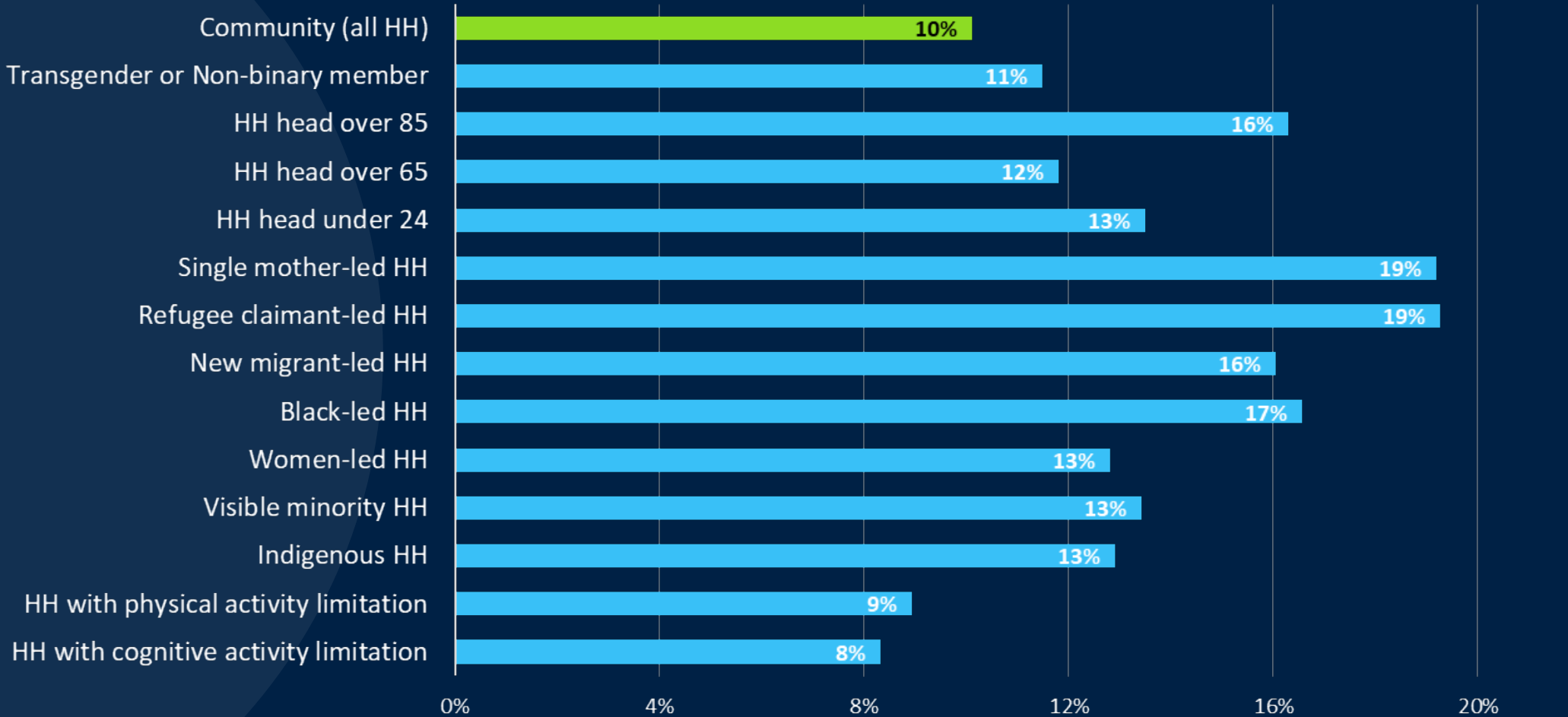
(HART, 2023, based on Census 2021)

| Income Category | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | % in CHN |
|-----------------|--------------|--------------|--------------|-------------|-------------|---------------------|
| Very Low | 12% | 1.4% | 0.3% | - | - | 13.8% |
| Low Income | 41.3% | 14.8% | 4.7% | 2.0% | - | 62.5% (76.3) |
| Moderate | 2.3% | 6.6% | 4.9% | 3.7% | 2.6% | 20.2% (96.5) |
| Median | - | - | - | - | 1.1% | 2.4% |
| High | - | - | - | - | - | 0.9% |
| Total | 55.4% | 22.9% | 10.3% | 6.7% | 4.7% | - |



Percent of Households (HHs) in Core Housing Need by Priority Population, 2021

Canada



Who is left out of Core Housing Need?

Multiple Sources

| Excluded Population | Estimated Number | Income Category | Notes |
|---------------------------|-----------------------|-----------------|---|
| Homeless | 35,000 – 235,000 | Very Low | 35,000 on given night in 55 of 725 municipalities with population of 5,000+; 100% in inadequate conditions |
| Students | 1,430,000 | Very Low - Low | 2.3 million students, including temporary visa holders, 35% of whom live with parents, many in inadequate conditions (unaffordable, overcrowded) |
| Congregate Housing | 700,000 | Very Low | Group homes, health and correctional institutions, long-term care; most have disabilities (mental, addictions, cognitive), mostly in inadequate conditions (overcrowded, in need of repair) |
| Farm Workers | 70,365 | Very Low - Low | Mostly temporary visa workers, majority in inadequate conditions (overcrowded, in need of repair) |
| Total | 1,605,000 – 1,805,000 | | Plus 1.3 million Very Low and Low income households formally in housing need |



Who else is left out? (Moffatt, 2022)

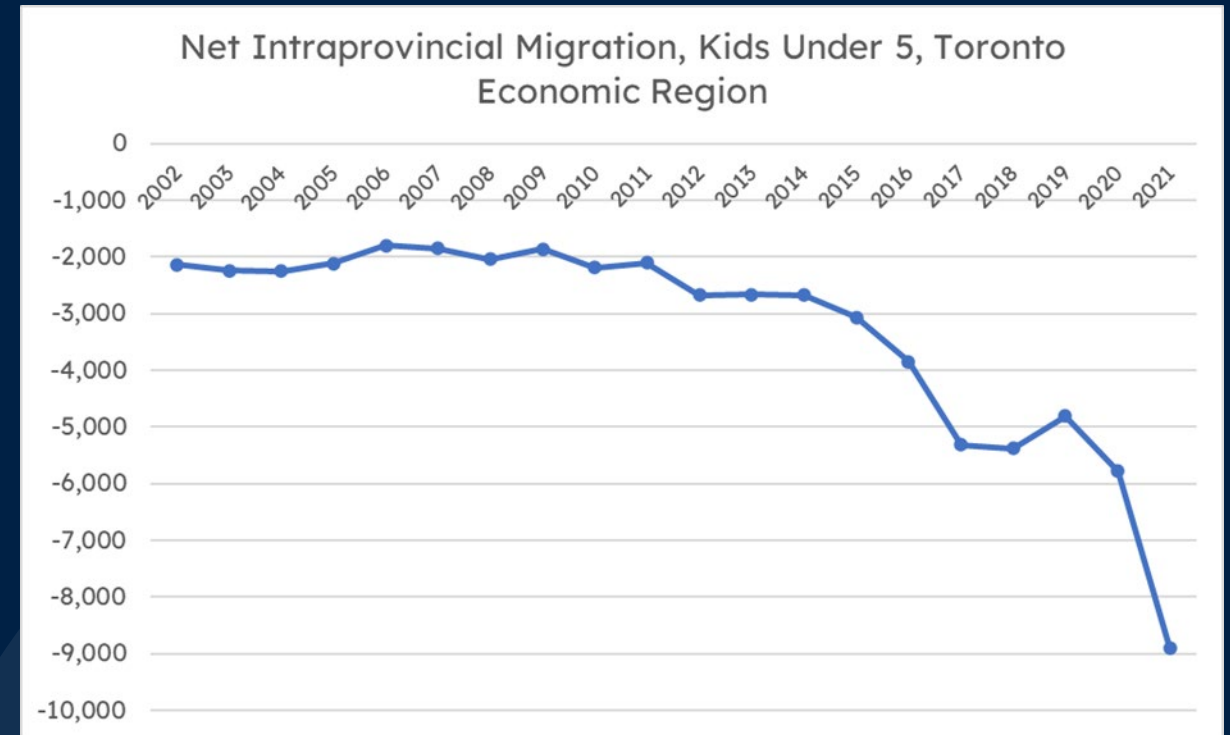
Suppressed Household Formation:

- People living involuntarily with family or friends due to lack of affordability
- 4% of households are unrelated roommates, 54% increase since 2001
- 7% multi-generational or 2 families or family with lodger, 45% increase since 2001
- 1.5 million low to moderate income households

Suppressed Local Demand:

- Households 'driving until they qualify' for affordable housing

Need for healthy vacancy rate (5-8%)



Findings: Current Deficits + Population Growth Very Low-Income / Low-Income Households

Deficit: 3 million very low and low income households requiring homes <\$1,050/month
(1.1 million in census CHN + 1.9 million persons experiencing homelessness + students +
congregate housing)

+

Population Growth: 25% Immigrants at 2.7% annual growth rate

=

2030 Low Income Supply Need: 4.3 million new and acquired homes costing
<\$1,050/month



Findings: Current Deficits + Population Growth Moderate and Median Income Households

Deficit: 1.3 million households

(330,000 in census CHN + 1 million mostly in Lower Mainland BC + GTHA to combat suppressed household formation + suppressed local demand)

+

Population Growth: 50% immigrants at 2.7% annual growth rate

=

2030 Moderate and Median Supply Need: 3.9 million new homes costing <\$2,560/month

Higher Income Households

Population Growth: 25% immigrants = 1.4 million additional new homes



Findings: Current Deficits + Population Growth

Total Households

9.6 million homes in a decade

Current total of private homes = 15 million, so increasing total supply by almost 66% and increasing rate of supply by 4x



Implications of Findings

- Need to take industrialized approach to housing shortage (Accord)
 - Zoning
 - Building code and technology (Modular)
 - Finance
 - Land
- 6 million over next decade for next three decades
- 30 Year Infrastructure Plan to “progressively realize the right to housing”
- Return to the rule of thirds
 - 1/3 non-market housing, 1.3 regulated rental or co-op housing, 1/3 ownership



Recommendations

1. A Rights-Based Approach

- Any follow up report specifying Canadian housing supply needs to prioritize the goal of “progressively realizing the right to housing” as mandated by the NHSA, by including analysis by income categories or maximum affordable monthly housing costs, household sizes, and priority populations

2. Clear and Consistent Definitions

- That the current CMHC definition of “affordable housing” becomes the standard for all federal government policies, programs, and reports rather than affordability definition based on market rents and prices

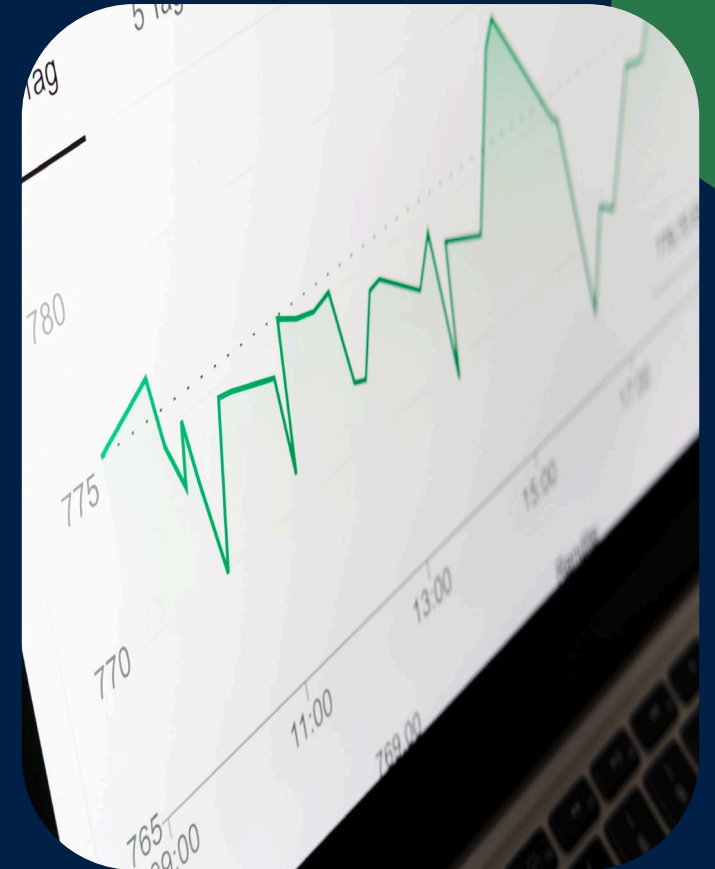
***Affordability:
30% of pre-tax or
gross household
income with an
emphasis on
households in CHN
who cannot afford
adequate home in
their community***



Recommendations

3. Better Evidence

- That Statistics Canada work with the Office of the Federal Housing Advocate, the CMHC, Infrastructure Canada, WAGE, researchers and advocates to improve 2026 census data collection and analysis
- Include students, homeless people, temporary workers on farms, and those in congregate housing in calculation of core housing need
- Commence work on a new definition of core housing need that includes accessibility, tenure security, location, and cultural adequacy



Recommendations

4. Targets

- That Infrastructure Canada provide a mandatory housing need assessment template for all provinces, territories, regions and municipalities that is
 - **replicable** (e.g. every five years, in line with the census, with annual homelessness counts), comparable (using the same definitions and data sources),
 - **equity-focused** (including the same income categories, household sizes, and priority populations);
- That the federal government mandate provincial/territorial targets based on area housing needs;
- and that grants and transfers to other levels of government rely on regular reporting to targets;



Recommendations

5. Policy and Program Implications of a Rights-Based Approach

- That, in revising NHS programs, the federal government **focus on improving outcomes for those in greatest need**,
 - 4.3 million very low- and low-income households (current core housing need deficit plus projected population increase),
 - including those in need of ongoing housing-related support services;
- That the government set **a 20% target for non-market housing** for every province/territory, region and municipality in order to improve outcomes for those most in need.
- The federal government should also consider the needs of 3.9 million moderate- and median-income households who will need homes over the next decade, as well as 1.4 million higher-income households: a **total 9.6 million households who will require homes by 2031**.



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