



# Affordable Housing Challenges & Innovations in the North

A CHRA Congress Session Summary



BC Housing

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**COMMON CHALLENGES IN THE NORTH**

Together, Canada's three northern territories occupy 40% of Canada's land mass, but are home to roughly 100,000 residents in 83 separate communities. Housing is far more expensive to deliver in the North; not surprisingly, the cold climate affects heating costs, with annual expenses of \$3,000 to \$5,000 per unit. Building costs are also much higher due to the high cost of land, the specialized building materials needed to combat moisture and mold, and the expense of delivering construction materials to communities that are far from large centres and others that lack roads connecting one community to another. The lack of existing community infrastructure also pushes up prices along with the already high cost of land.

The percentage of housing units requiring major repairs is higher in the North than in the rest of Canada: 23% in Nunavut, 17% in NWT and 15% in Yukon versus the rest of Canada, which sits at 7.5%. For rural areas in the North, outside of the major centres, there is an absence of a conventional housing market in that once housing is built, it often does not maintain the market value it would in regional centres (or in most areas of the south). In fact, the market value of the housing is only 30 to 60% of the construction costs. There is extremely low possibility for recovery of investment. Across the North, critical pieces of the traditional housing continuum available to the rest of Canada are absent, for example: transitional, supportive and assisted housing; purpose-built rental and secondary rental; and cooperative and co-housing ownership.

**Yukon**

After 10 consecutive years of economic growth, Yukon anticipates the same for the next years due to the high level of mining activity. Population has increased every year for the last several years and is projected to increase by approximately 600 in 2013, representing between 200 and 300 new homes. Yukon differs significantly from the provinces in that it has 14 First Nation governments, 11 of which have constitutionally entrenched land claim settlements and self-government agreements. Each self-governing First Nation has numerous powers that are equivalent to those of provincial as well as municipal governments, including the responsibility for housing their citizens. In addition to self-government powers, Yukon First Nations are the owners of 41, 439 square kilometers of land including some of the best lands for housing development. Unfortunately, few First Nations are in a position to make their lands available for housing.

With 24% of its 36,000 population comprised of First Nations persons, the number of First Nation tenants in Yukon Housing Corporation social housing varies between 30% and 40% of all tenants. On the housing front, Yukon has very low vacancy rates hovering around 1%, with

70% of new housing units built as condos and townhouses, and a dearth of affordable rental housing. The government introduced a home ownership incentive plan to free up rental units. Lots to build new houses are scarce in rural areas. The Yukon Housing Corporation developed a new `Super Green Home`, which are more energy efficient with lower operating costs and improved built environments for healthier prolonged indoor living.

Unlike the other territories, social housing makes up only 4.3% of total dwellings in Yukon. The waiting lists are extensive and populated by as many as 60% seniors. Yukon`s high level of seniors is expected to grow from 9% of the population now to 15% in 2021. The non-senior applicants in social housing are victims of violence, have disabilities, or are classified as homeless; few applicants are successfully being allocated housing for reasons of affordability alone. Supportive housing is an emerging issue and the Yukon Housing Corporation has started to work with NGOs to assess their capacity to provide supportive housing and to directly provide assistance to them where they need help so that a variety of supportive housing options are developed for the Yukon in the future. With the numerous challenges to housing in the North, the Yukon developed a strategic plan to maximize the investment and effectiveness of housing initiatives.

### **Northwest Territories**

The Northwest Territories (NWT) has 33 communities and 11 official languages. The population is approximately 43,000 persons, half of which is First Nations and Inuit. NWT has had much less population growth than Yukon in recent years. This poses a problem insofar as much of their funding from the federal government is tied to population growth. NWT has highest average household income in Canada, but there is great disparity amongst households throughout the territory. In fact, 19% of all households were in core need (2009). The NWT Housing Corporation supports 25% of all housing in the territory through public housing (17%), direct rental (3%), third party projects (3%) and subsidized homeownership (3%). It partners with 22 local housing organizations to deliver its public housing program and spends \$45 million annually to operate their public housing units or \$18,000 to \$20,000 per unit on average. In very remote areas, that figure can be closer to \$40,000 per year.

There are many challenges to delivering housing in a Northern environment. In addition to the affordability and logistics issues in construction mentioned earlier, the lack of skilled trades people and limited construction capacity in some communities continues to be a concern in many northern jurisdictions. The lack of competition between contractors has also led to increased cost to construct in some communities. Climate change has compounded northern challenges with unpredictable weather patterns, soil erosion and the melting of the permafrost have impeded new builds, but also posed problems for existing homes. Respecting cultural and ecological guidelines established by the communities, as well as traditional knowledge, adds complexity to lands planning in communities.

The NWT Housing Corporation has laid out an 8-point plan featuring initiatives to strengthen public housing, improve homeownership supports and housing services, strengthen supports to homeless individuals, and address the lack of federal funding supports, among others. Energy efficiency and sustainable design play a huge role in the way forward.

## Nunavut

Nunavut covers one-fifth of Canada's land mass. Housing is extremely high cost because of the geographical and climate challenge in transporting goods to Nunavut, as there are no roads leading to any of its communities. For example, routes over land and sea for goods manufactured in Southern Ontario to some points of the territory can range from 7,000 km on an eastern route to 19,000 km traveling around and west of Alaska.

Its largest city is the capital, Iqaluit with 6,740 people, and its smallest community has 140 residents. Sixty percent of Nunavut's population lives in public housing. Across the territory, the median monthly rent paid by public housing tenants is \$60, while the average monthly rent is \$285 based on average household income of \$9,700. The housing tenure varies considerably among non-market communities and larger centres. Non-market communities have as many as 67% in government social housing, with another 8% renting government housing. This number dips to 45% and 15% respectively in Rankin Inlet and Cambridge Bay, while the largest centre, Iqaluit, has only 19% in social housing, but 34% in government housing. Homeownership rates are highest in Rankin Inlet/Cambridge Bay at 31%, 24% in Iqaluit and 19% in the non-market communities.

The territory has a very young population that is almost the reverse of the rest of Canada's demographic profile. Just over 40% of Nunavut's population is under the age of 20, while the Canadian proportion is only 23% for the same age group. At the other end of the spectrum, Canadians 60 and older form 20% of the population, while in Nunavut that cohort represents just over 5% of the territory. This will present significant housing challenges. With an occupancy rate of 3.08 to 3.84, Nunavut forecasts a need for 5,358 to 2,615 new housing units. Current construction and financial capacity is nowhere near the level required for this demand.

The Government of Nunavut has developed a Housing and Homelessness Strategy which focuses on: defining housing demand factors; increasing investment in housing; reducing the costs of housing and removing the barriers to housing supply.



*The **Canadian Housing and Renewal Association (CHRA)** is the national voice for the full range of affordable housing and homelessness issues and solutions across Canada. We have over 275 members who collectively house and shelter hundreds of thousands of Canadians, and provide housing support to many more. CHRA provides a home for the housing sector and for all who believe that every Canadian should have a decent, adequate and affordable place to call home.*

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