

## SPECIAL STUDIES ON 1996 CENSUS DATA: CHANGES IN CANADIAN HOUSING CONDITIONS, 1991-96

### Introduction

CMHC is responsible for monitoring housing conditions and providing up-to-date information to inform and assist decision-making, planning and policy formation by industry, all levels of government and non-profit organizations.

This is the fifth in a series of concise studies that explore the housing conditions of households reported by the 1996 Census of Canada. This study examines changes that occurred in housing conditions of non-farm, non-Native households between the 1991 and 1996 Censuses.<sup>1</sup>

### Commonly used terminology

Most Canadians have access to a dwelling unit that is **adequate** in condition (does not require major repairs), **suitable** in size (has enough bedrooms) and **affordable** (shelter costs are less than 30 percent of before-tax household income). Some Canadians live in dwellings which do not meet one or more of these standards.

In some cases these households could afford to rent alternative housing which meets all three standards; in some cases they cannot. A household is said to be in **core housing need** if its housing falls below at least one of the adequacy, suitability or affordability standards **and** it would have to spend 30 percent or more of its income to pay the average rent of alternative local market housing that meets all three standards. More details on terminology, data definitions and national level data are provided in the first study in this series: *Canadian Housing Conditions* (Research Highlights Issue 55-1).

### Findings

**The number of households grew by 9 per cent**  
During the period 1991-96, the number of non-farm, non-Native households increased by some 772,000 (nearly 9%), to reach 9.8 million (see Table 1).

**Table 1: Changes in Number of Households, 1991-1996**

	1991		1996		1991-96 Change		
	(000s)	%	(000s)	%	(000s)	%	% increase
All households studied	9,038	100%	9,810	100%	772	100%	9%
Urban	7,547	84%	8,253	84%	706	91%	9%
Rural	1,491	16%	1,557	16%	66	9%	4%
Seniors	1,824	20%	2,083	21%	259	34%	14%
Non-seniors							
- family	5,571	62%	5,905	60%	334	43%	6%
- non-family	1,643	18%	1,821	19%	178	23%	11%
Tenants	3,270	36%	3,409	35%	139	18%	4%
Owners	5,768	64%	6,400	65%	632	82%	11%

Of this growth:

- 92% occurred in four provinces: Ontario, Québec, British Columbia and Alberta. In 1996, these contained 85% of the households studied.
- 91% occurred in urban areas, which held 84% of all households.



	At or Above All Standards				Below Housing Standards							
	1991		1996		Could Afford to Meet All Standards				In Core Housing Need			
	(000s)	% of all HH	(000s)	% of all HH	(000s)	% of all HH	(000s)	% of all HH	(000s)	% of all HH	(000s)	% of all HH
Households in category	6,340	70%	6,687	68%	1,501	17%	1,397	14%	1,197	13%	1,726	18%
	% of category		% of category		% of category		% of category		% of category		% of category	
Seniors	1,328	21%	1,492	22%	163	11%	149	11%	334	28%	442	26%
Non-seniors												
- family	4,025	63%	4,144	62%	1,042	69%	1,015	73%	503	42%	745	43%
- non-family	988	16%	1,050	16%	296	20%	233	17%	359	30%	538	31%
Tenants	1,875	30%	1,752	26%	539	36%	486	35%	856	72%	1,172	68%
Owners	4,465	70%	4,935	74%	962	64%	911	65%	340	28%	553	32%

Between 1991 and 1996, the proportion of seniors households (defined as head of household 65 years and over) grew to 21% (from 20%), and the proportion of non-senior, non-family households increased to 19% (from 18%). These changes reflect, respectively, the ageing of the population and larger numbers of households comprised of either unrelated people living together or individuals living alone.

	1991		1996		1991-96 Change	
	(000s)	% of all HH	(000s)	% of all HH	(000s)	% increase
Households in housing above all standards	6,340	70%	6,687	68%	347	5%
Households in housing below standards						
- All housing below standards	2,698	30%	3,123	32%	425	16%
- Below adequacy standard only	474	5%	507	5%	33	7%
- Below suitability standard only	382	4%	410	4%	28	7%
- Below affordability standard only	1,517	17%	1,779	18%	262	17%
- Below multiple standards	325	4%	427	4%	102	31%

Households owning their own home grew to 6.4 million (to 65%, an increase of one percentage point from 64% in 1991).

**In both years, most households were well-housed**  
In both 1991 and 1996, most households either occupied housing that met or exceeded all standards, or could have afforded to rent local housing that met all standards. The number of such households not in core housing need rose from 7.8 million in 1991 to 8.1 million in 1996, an increase of 3% (see Table 2). Such households accounted for more than 4 out of 5 of the households studied.

**But there was an increase in housing that did not meet standards, particularly the affordability standard**

The number of all households living in housing that was below one or more standards rose over this period,

however, by 16% to 3.1 million (see Table 3). The increase in those paying 30% or more of their before-tax income for shelter accounts for most of the increment.

**The main problem was that increases in shelter costs exceeded growth in incomes**

Over the five-year period 1990 to 1995<sup>2</sup> average household incomes grew 6% but shelter costs increased by 11% from 1991 to 1996 (see Table 4).

For tenants, average household incomes grew only 1% but shelter costs increased by 11%.

For those households living in housing below standards, average incomes *declined* marginally, but their average shelter cost rose 4%.

**Table 4: Changes in Household Incomes and Shelter Costs\***

	Average Annual Before-tax Household Income			Average Annual Shelter Cost		
	1990 \$	1995 \$	% change 1990-1995	1991 \$	1996 \$	% change 1991-1996
All households studied	48,173	51,203	6%	7,428	8,280	11%
Tenants	33,021	33,329	1%	6,468	7,152	11%
Owners	56,762	60,725	7%	7,968	8,868	11%
All households studied:						
Households in housing above all standards	54,747	59,852	9%	6,804	7,800	15%
Households in housing below standards						
- All housing below standards	32,721	32,682	**	8,892	9,288	4%
- Below adequacy standard only	44,975	49,946	11%	5,976	7,032	18%
- Below suitability standard only	56,665	58,141	3%	7,140	8,232	15%
- Below affordability standard only	24,300	23,595	-3%	10,188	10,104	-1%
- Below multiple standards	25,971	25,619	-1%	9,084	9,564	5%
Tenants:						
Households in housing above all standards	40,111	42,559	6%	6,240	6,912	11%
Households in housing below standards						
- All housing below standards	23,490	23,578	**	6,780	7,392	9%
- Below adequacy standard only	40,612	43,474	7%	6,192	7,080	14%
- Below suitability standard only	45,105	46,161	2%	6,684	7,428	11%
- Below affordability standard only	15,675	16,312	4%	6,828	7,296	7%
- Below multiple standards	19,885	20,444	3%	7,116	7,920	11%
Owners:						
Households in housing above all standards	60,893	65,989	8%	7,968	8,868	11%
Households in housing below standards						
- All housing below standards	42,604	42,986	1%	11,136	11,424	3%
- Below adequacy standard only	47,298	52,825	12%	5,856	7,008	20%
- Below suitability standard only	69,725	72,550	4%	7,644	9,180	20%
- Below affordability standard only	34,753	33,055	-5%	14,256	13,764	-3%
- Below multiple standards	35,290	34,777	-1%	12,096	12,468	3%

\* All values in nominal terms (i.e. in dollars of the year to which they pertain).

\*\* Change is less than +/- 1%.

### Housing need also increased

Households in core housing need grew during the period by some 529,000 (44%) to a total of 1.7 million (see Table 5). In 1996, 18% of the households studied were in core housing need, up from 13% in 1991.

As in 1991, in 1996 the largest demographic group of households in need were non-senior, family households. Although this group in need increased 48% from 1991 to some 745,000 households, they still remained one of the groups least likely to be in need. While non-senior families comprised about 60% of all households in 1996, they accounted for only about 43% of all households in need.

Non-senior, non-family households remained particularly prone to being in housing need over the period. These lone individuals and

The problems of lower income households are further illustrated in other data from Statistics Canada.<sup>3</sup> Between 1991 and 1996 the share of total incomes received by the lowest, second lowest and middle income quintiles all declined (by 0.1%, 0.3% and 0.3%, respectively).

The household heads of many lower income households are not in the labour force (59% of the lowest quintile and 36% of the second lowest quintile in 1997)<sup>4</sup>.

unrelated people living together constituted about 19% of all households in both 1991 and 1996, yet they comprised about 31% of all households in need in both years. The group contained some 538,000 households in need in 1996, up from 359,000 in 1991, an increase of 50%.

<b>Table 5: Tenant and Owner Households in Core Housing Need</b>						
	1991		1996		1991-96 Change	
	(000s)	Incidence of need*	(000s)	Incidence of need*	(000s)	% increase
<b>Tenants</b>						
Seniors	228	36%	282	43%	54	24%
Non-seniors						
- family	332	22%	463	29%	131	39%
- non-family	297	26%	427	36%	130	44%
<b>Total tenants</b>	<b>856</b>	<b>26%</b>	<b>1,172</b>	<b>34%</b>	<b>316</b>	<b>37%</b>
<b>Owners</b>						
Seniors	107	10%	160	11%	53	50%
Non-seniors						
- family	171	4%	282	7%	111	65%
- non-family	63	12%	111	17%	48	76%
<b>Total owners</b>	<b>340</b>	<b>6%</b>	<b>553</b>	<b>9%</b>	<b>213</b>	<b>63%</b>
<b>All households in core need</b>	<b>1,197</b>	<b>13%</b>	<b>1,726</b>	<b>18%</b>	<b>529</b>	<b>44%</b>

\* % of all households of that type

### Similar patterns likely in the United States

In the United States, the Department of Housing and Urban Development reports<sup>5</sup> that between 1991 and 1997 the number of families at or below 30 per cent of median income increased by 3%, while the stock of rental units affordable to these families shrunk 5%. Further, the percentages in the U. S. of renter and owner households with shelter cost burdens greater than 30% of income increased between 1991 and 1997 by 3 percentage points each, to 40% of renters and 21% of owners<sup>6</sup>.

### Affordability and core need may have improved in Canada since 1996

While housing affordability worsened between 1991 and 1996, there has been steady improvement in Canada since 1996 in several of the factors usually associated with affordability problems:

Senior households were 26% of all households in need in 1996, down from 28% in 1991. Still, the number of such households in need increased 32% over the period to some 442,000.

In regard to households in housing need by tenure characteristics, there were 1.2 million tenant households in need in 1996, an increase of 37% over 1991. Tenants comprised 68% of all 1996 households in need, down from 72% in 1991.

Owners in need increased 63%, from 340,000 households in 1991 to some 553,000 households in 1996. The largest component of this change was an increase of 65% in the number of non-senior family households in need.

### Most of the growth in housing need was associated with housing affordability

Most (80%) of the additional households in core housing need between 1991 and 1996, fell into core need only because they failed to meet the affordability standard and could not afford to rent local housing which met all housing standards. In 1996, there were 1.3 million households in core need only because of affordability, an increase of 49% over 1991.

- annual personal incomes increased 2.5% from 1996 to 1997, then rose another 3.0% in 1998; and the average hourly earnings of permanent workers accelerated from annual rates of increase of below 2% in 1998 and the early months of 1999 to 3% or better in late 1999 and the first 3 months of 2000<sup>7</sup>;
- labour force participation rates have increased each year since 1996; the 1999 rate of 65.6% was almost a full percentage point higher than the rate of 64.7% in 1996<sup>8</sup>;
- the unemployment rate has decreased sharply from 9.6% in May 1996 to 6.8% in the first quarter of 2000<sup>9</sup>;
- average annual rent increases have been moderate since 1996: 1997 (1.1%), 1998 (1.0%), and 1999 (1.0%)<sup>10</sup>.

While any reduction in core housing need since 1996 cannot be confirmed until the results of the 2001 Census become available, the improvement in these factors should act to reduce the extent of the affordability problem and core housing need reported in the 1996 Census.

## Conclusion

Information from the 1991 and 1996 Censuses indicates that the number of non-farm, non-Native households increased by some 772,000 (nearly 9%), to reach 9.8 million. There was an increase of 346,000 households, to 6.7 million, in the number of households occupying housing which met or exceeded all standards.

The number of households living in housing below one or more of today's housing standards for adequacy, suitability and affordability but who could afford to rent housing that met all standards declined some 104,000 to 1.4 million. Thus, the number of households not in core housing need rose from 7.8 million in 1991 to 8.1 million in 1996, an increase of 3%. Such households accounted for more than 4 out of 5 of the households studied.

However, households in core housing need grew during the period by some 529,000 to a total of 1.7 million. In 1996, 18% of the households studied were in core housing need, up from 13% in 1991. Affordability was the leading cause of the increase. Non-senior, non-family households and tenant households remained particularly prone to being in housing need.

There is evidence in the growth since 1996 of labour force participation rates, employment, incomes and average hourly earnings, and in the moderate average annual rent increases, that the affordability problem which caused households to fall into core housing need during the 1991-1996 period, may have diminished.

## Notes

1. Certain improvements were made in the tabulation of households in core need between the 1991 and 1996 Censuses. For this Research Highlight, the new method was applied to the 1991 data in order to make it compatible with 1996. Also, for this study, Native households have been excluded:  
In the 1996 data a family household is defined as Native where at least one spouse, common-law partner or lone parent identified themselves as an Aboriginal person, a band member or a Registered Indian; and a non-family household is defined as Native where at least 50 % of the members so self-identified.  
While the 1991 data has been adjusted toward these definitions, it is not possible to match them exactly.  
For details on other households excluded from consideration, see the first study in this series: *Canadian Housing Conditions* (Research Highlights Issue 55-1).
2. Income reported in the Census is for the preceding calendar year (i.e. for 1990 and 1995).
3. *Income Distribution by Size in Canada - 1997*, Statistics Canada Cat. No. 13-207-XPB, Table 57.
4. Ibid.
5. *The Widening Gap: New Findings on Housing Affordability in America*, United States Department of Housing and Urban Development, 1999.
6. *Rental Housing Assistance - The Worsening Crisis: A Report to Congress on Worst Case Housing Needs*, United States Department of Housing and Urban Development, March 2000, Table A-2.
7. Cansim D28602 9219 8, Statistics Canada and *Bank of Canada Review*, Spring 2000.
8. Cansim Matrix 3472, Statistics Canada.
9. Ibid and *Bank of Canada Review*, Spring 2000.
10. From Consumer Price Index, CANSIM P100079, Statistics Canada.

**Authors:** Mr. Peter Spurr, Spurr Research Associates;  
Mr. Ian Melzer and Mr. John Engeland,  
Research Division, CMHC.

**For further information** on 1996 Census housing data please contact:

Mr. John Engeland  
Research Division  
Canada Mortgage and Housing Corporation  
700 Montreal Road  
Ottawa ON Canada K1A 0P7

**Your comments** on this study **and suggestions** for further research are welcomed and should be addressed to:

Director,  
Research Division  
Canada Mortgage and Housing Corporation  
700 Montreal Road  
Ottawa ON Canada K1A 0P7

### **Housing Research at CMHC**

Under Part IX of the National Housing Act, the Government of Canada provides funds to CMHC to conduct research into the social, economic and technical aspects of housing and related fields, and to undertake the publishing and distribution of the results of this research.

This fact sheet is one of a series intended to inform you of the nature and scope of CMHC's research.

The Research Highlights fact sheet is one of a wide variety of housing related publications produced by CMHC.

For a complete list of Research Highlights, or for more information on CMHC housing research and information, please contact:

The Canadian Housing Information Centre  
Canada Mortgage and Housing Corporation  
700 Montreal Road  
Ottawa ON K1A 0P7

Telephone: 1 800 668-2642

FAX: 1 800 245-9274

**OUR WEB SITE ADDRESS:** <http://www.cmhc-schl.gc.ca/Research>

The information in this publication represents the latest knowledge available to CMHC at the time of publication and has been thoroughly reviewed by experts in the housing field. CMHC, however, assumes no liability for any damage, injury, expense or loss that may result from the use of this information