

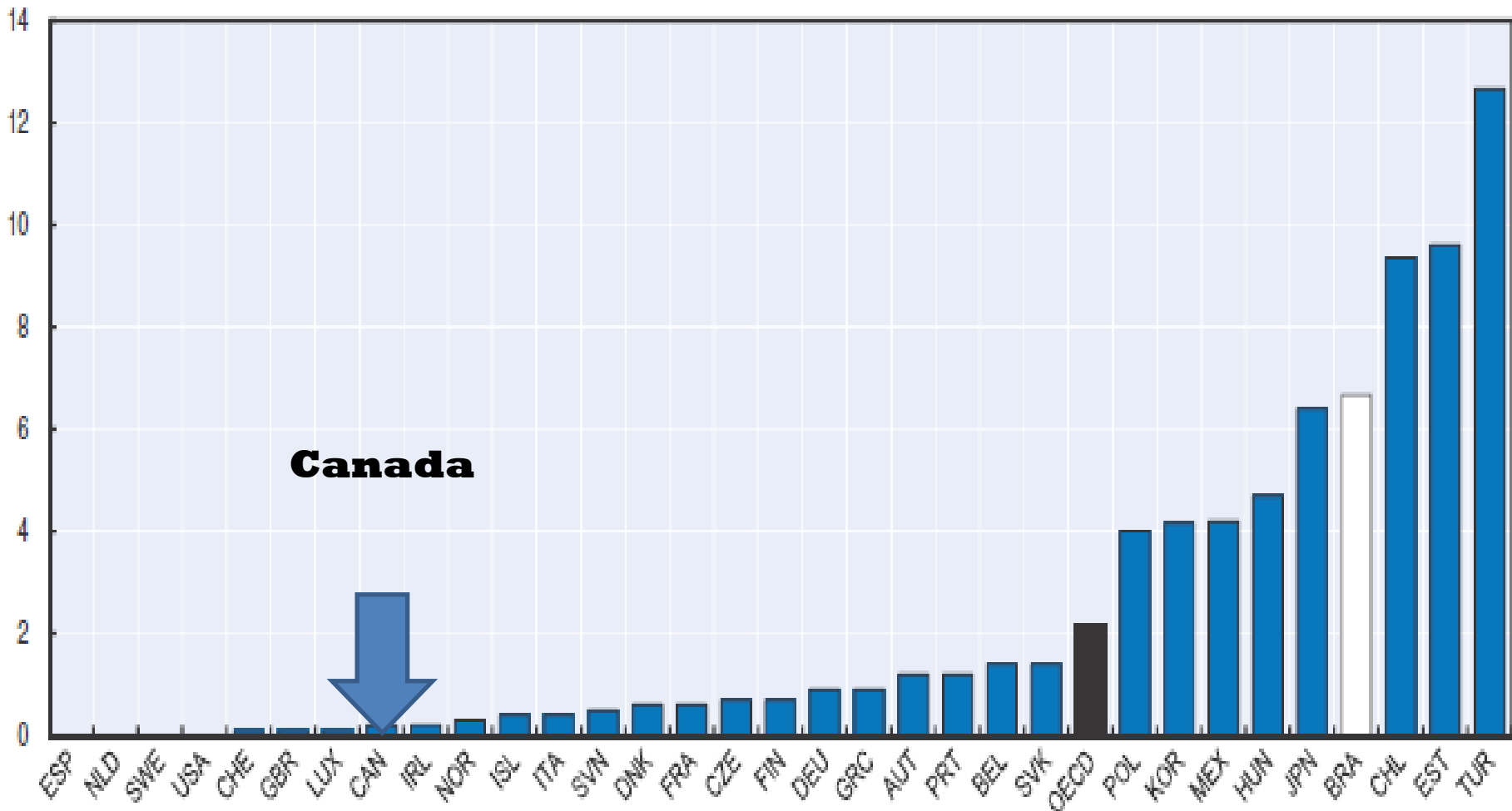
NPSIA Affordable Housing Debate

Ian Lee, PhD

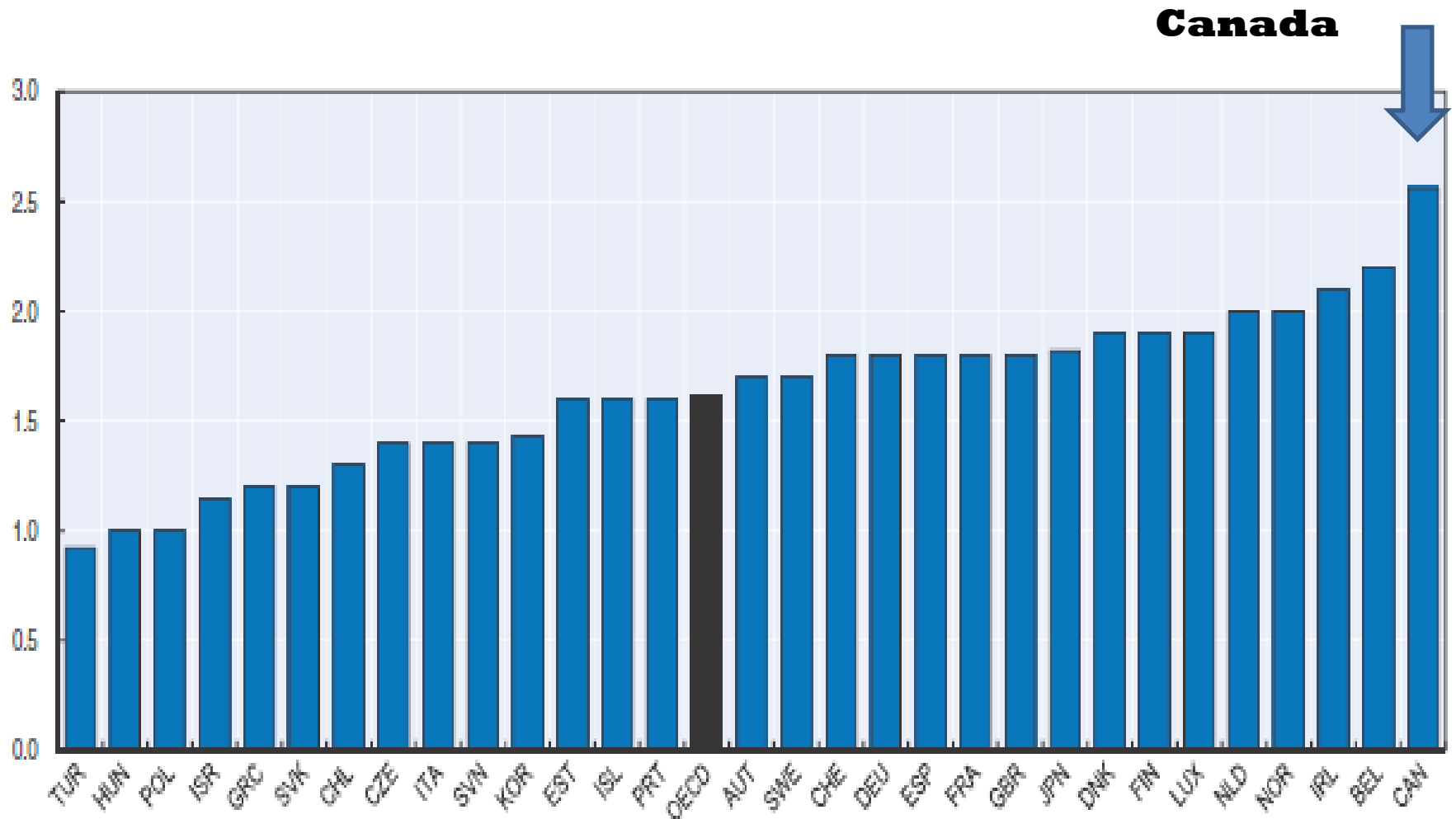
Sprott School of Business

Carleton University

OECD: People living in dwellings without basic facilities

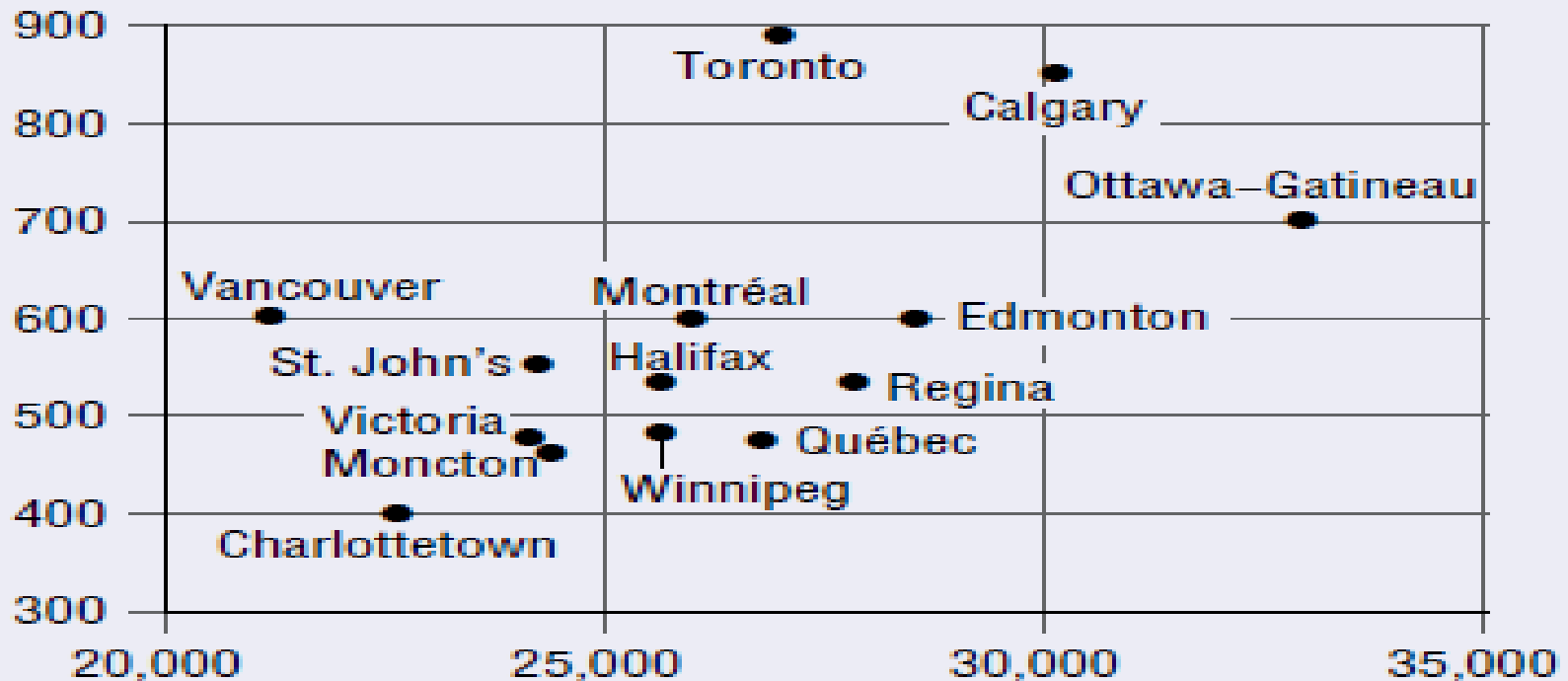


OECD, Number of Rooms per person



Large Cities can be hard places for low-income people to live

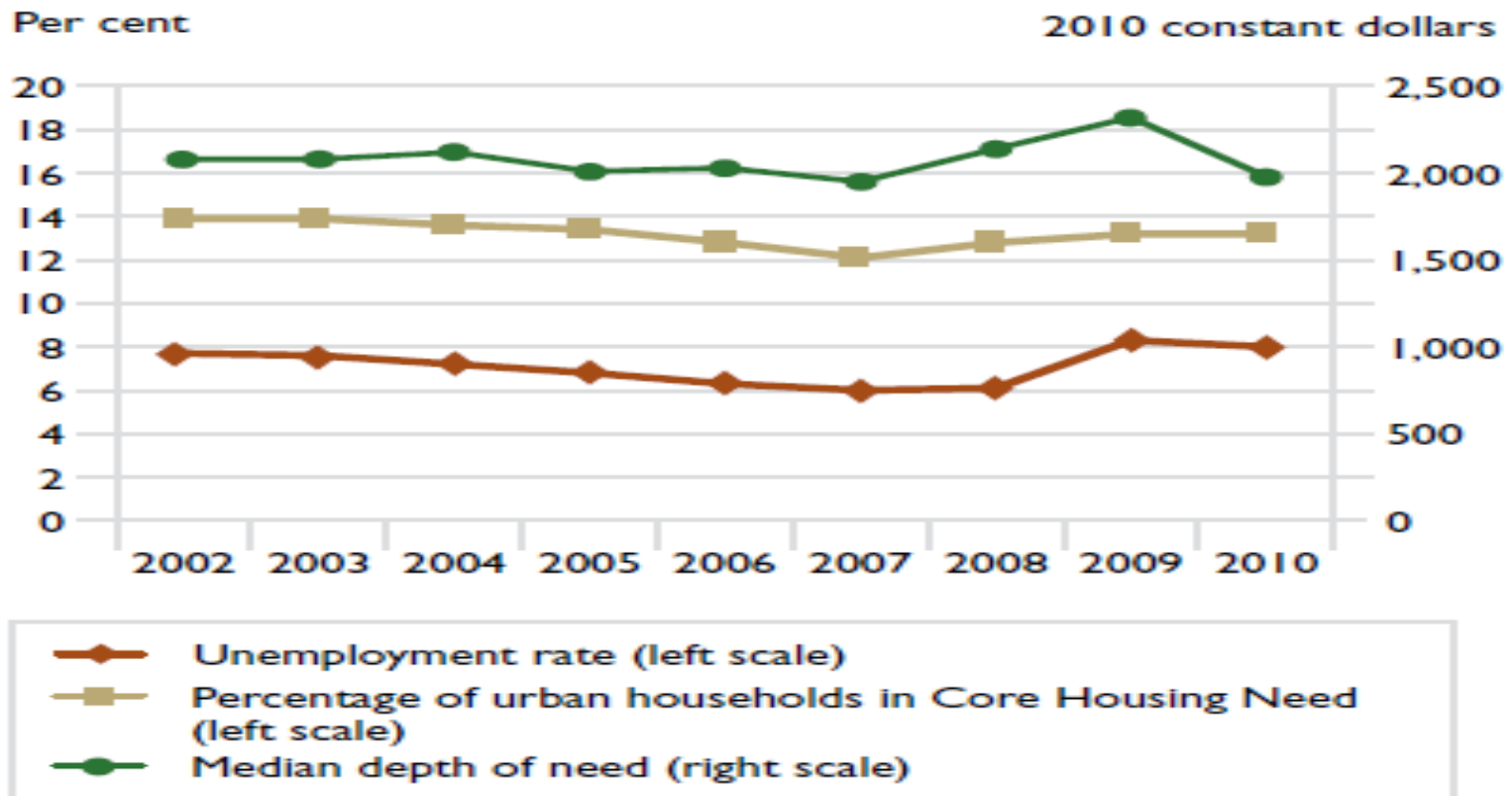
Major Shelter Payments per Month and Annual Income of Lowest Quintile Owners (\$)



Source: Statistics Canada, custom tabulation.

Despite the unemployment rate increasing, urban core housing need has declined

Incidence of urban Core Housing Need, median depth of need and Canadian unemployment rate, 2002-2010

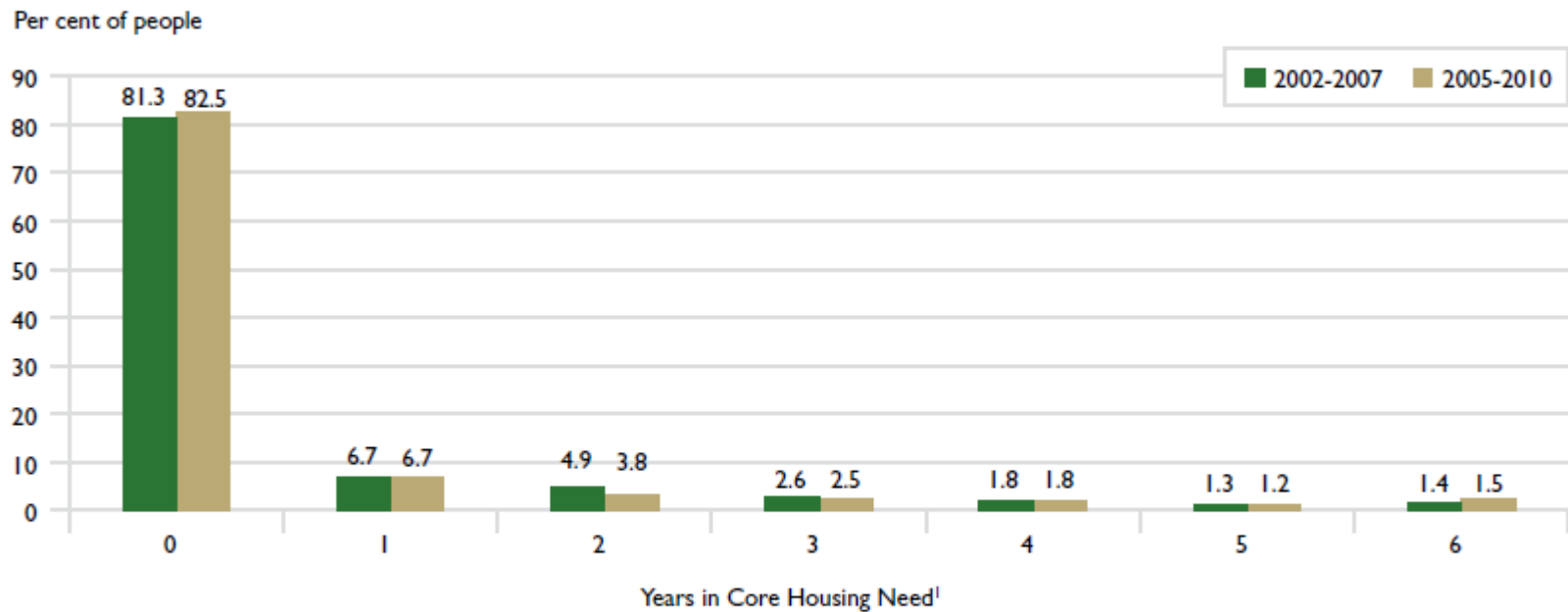


Source: CMHC (SLID-based housing indicators and data)

CMHC, Persistence of Core Housing Need, 2002-2010

FIGURE 6-4

Persistence of Core Housing Need for urban individuals over six-year periods, 2002-2007 and 2005-2010



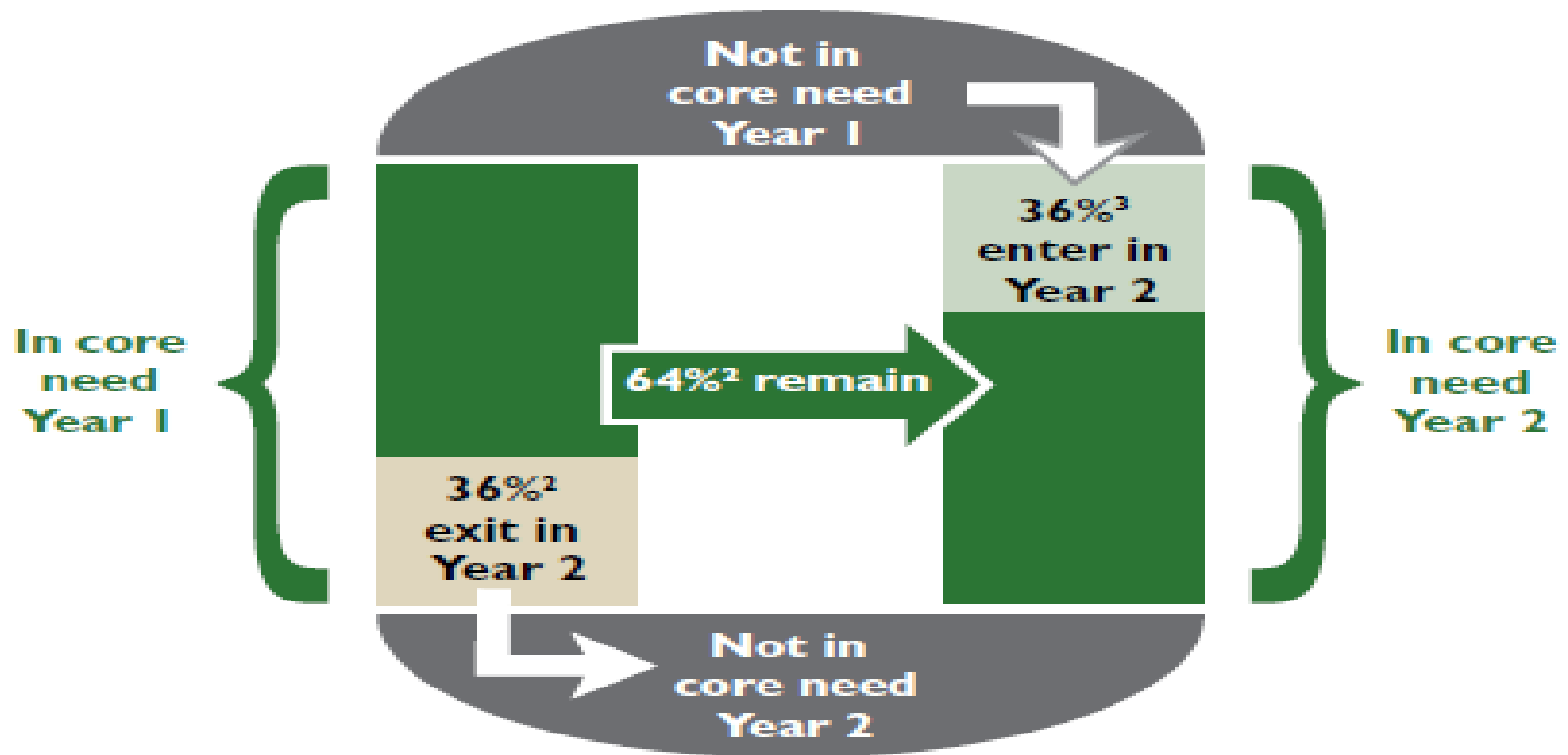
All figures are rounded.

¹ The years in Core Housing Need are not necessarily consecutive years.

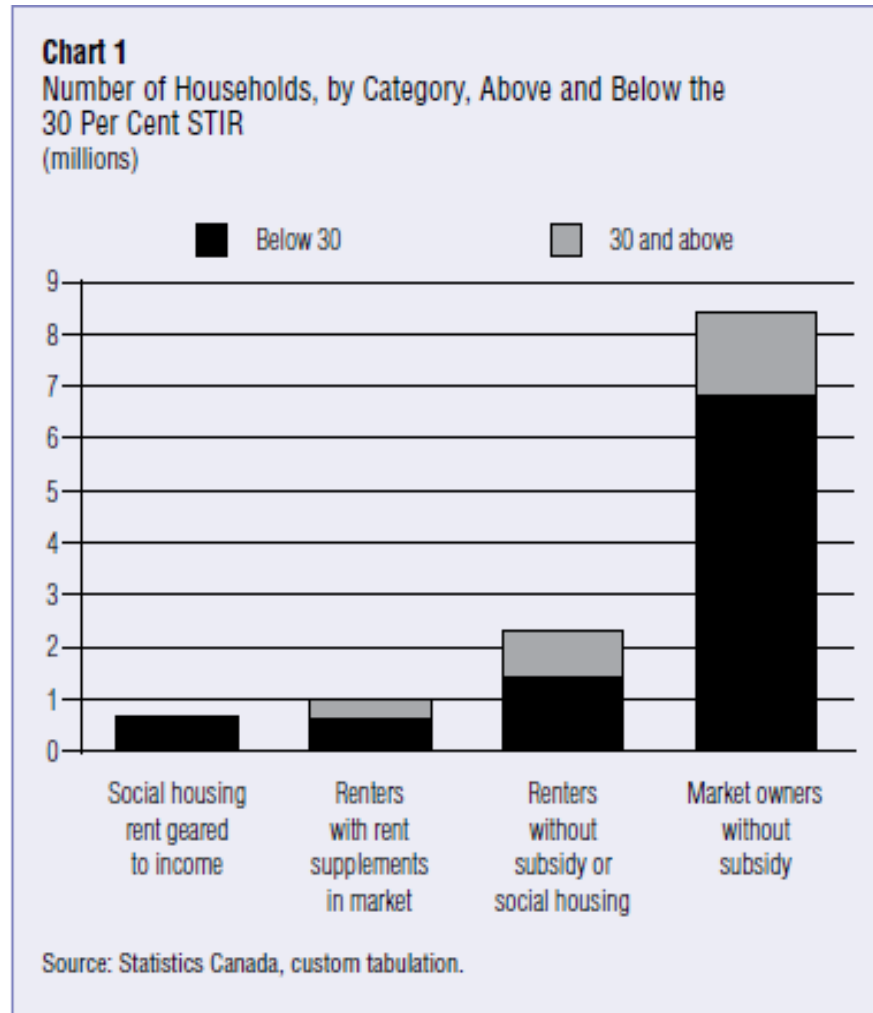
Source: CMHC (SLID-based housing indicators and data)

CMHC, Most people in Core Housing do so temporarily

Average year-to-year turnover in individuals in Core Housing Need¹

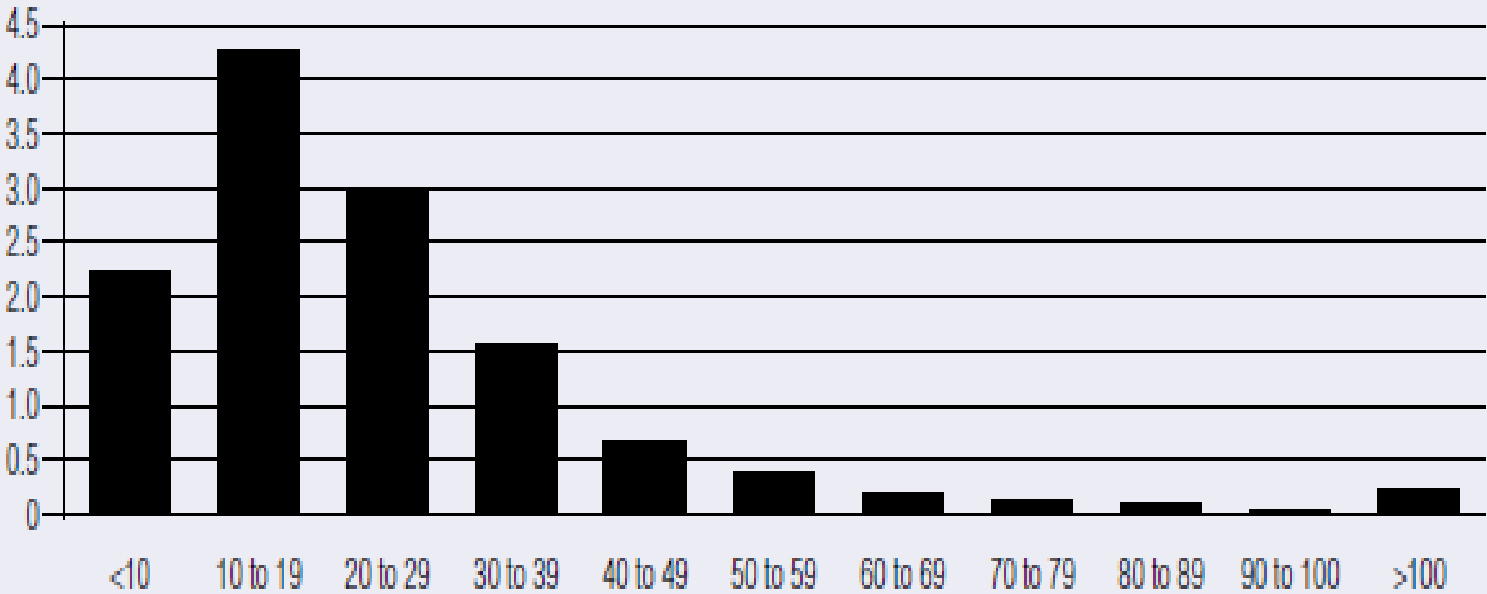


Stats Can, # Households above & Below STIR ratio



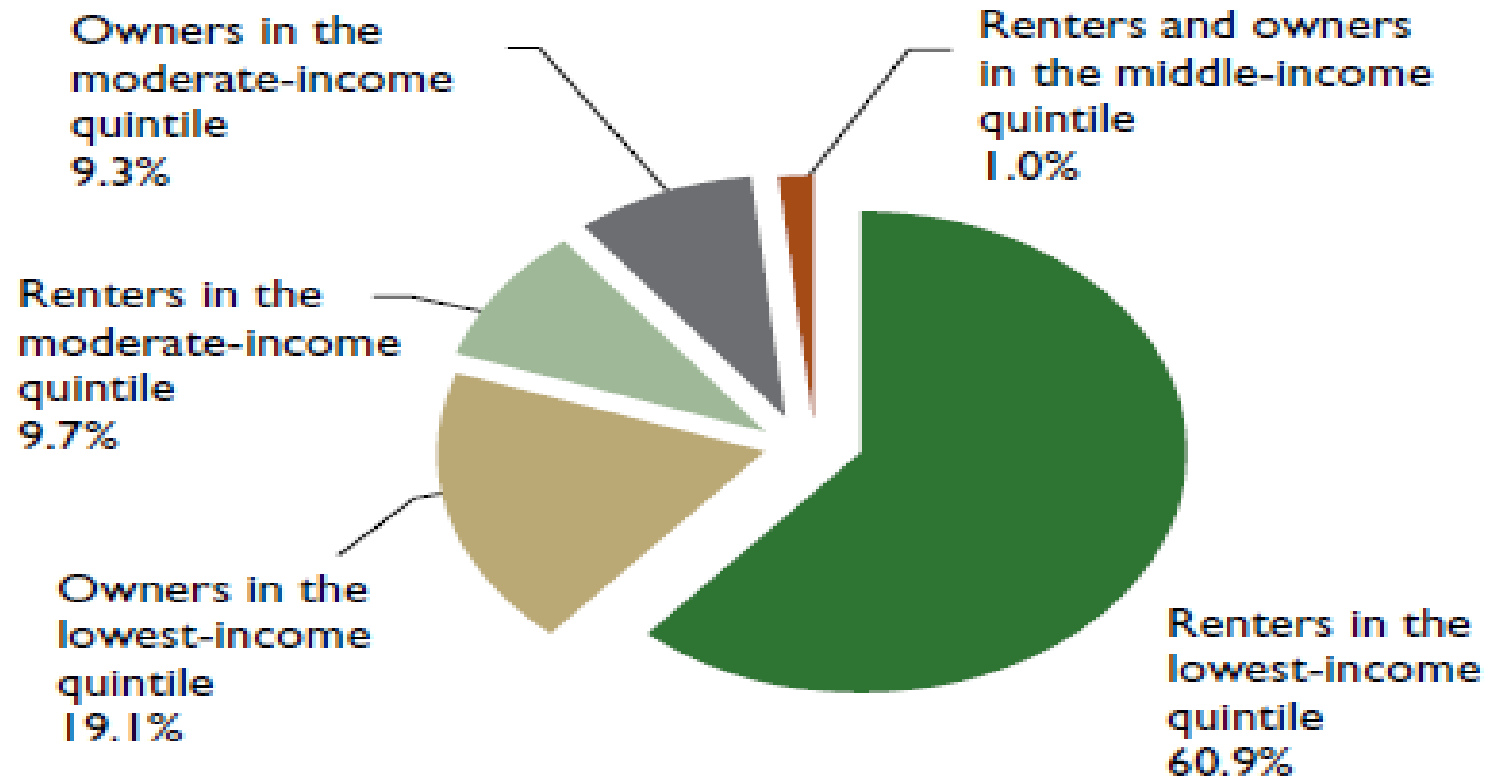
Households by Category Above 30% STIR

Chart 3
Shelter Costs as a Percentage of Household Income, Canada, 2007
(number of households, millions)



Source: Statistics Canada, Survey of Household Spending, custom tabulation; The Conference Board of Canada.

About 80% of urban households in Core Housing Need in 2010 were in the lowest-income quintile



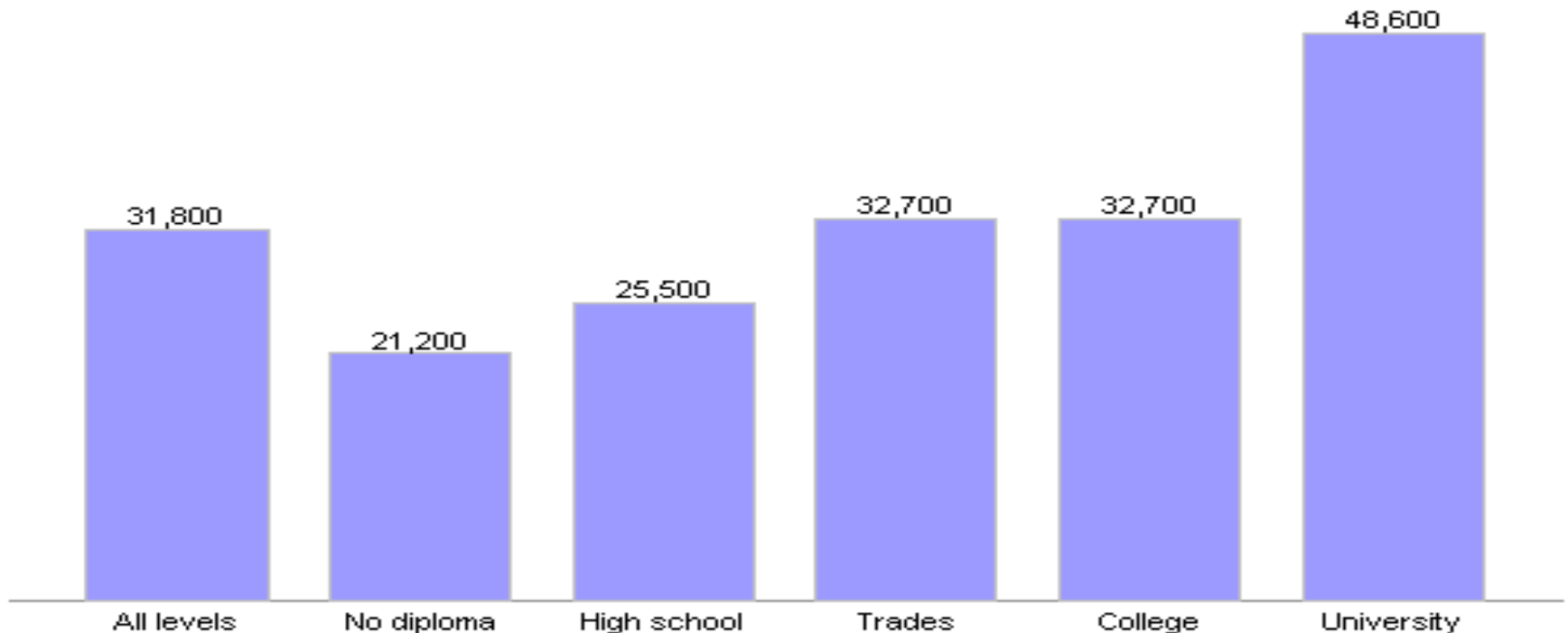
All figures are rounded.

There are no households in Core Housing Need in the upper- and highest-income quintiles.

Source: CMHC (SLID-based housing indicators and data)

Stats Can, PSE = higher income

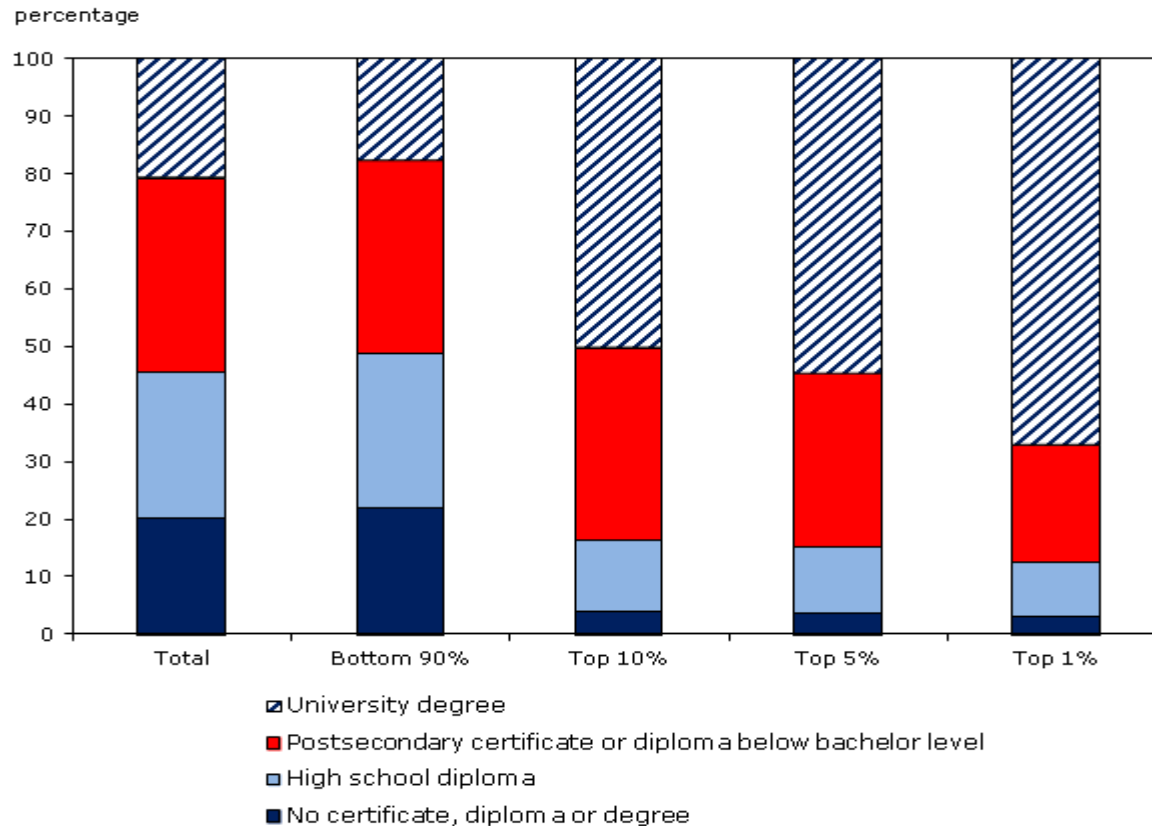
**Earnings, by education level, Canadian dollars, 2000
(population 15 years and over with employment income)**



Source: Statistics Canada Census Catalogue #97F00119XCB2001002

Stats Canada, Income Distribution by Quintile & Education

Figure 1
Distribution of persons by income group and highest level of education attainment

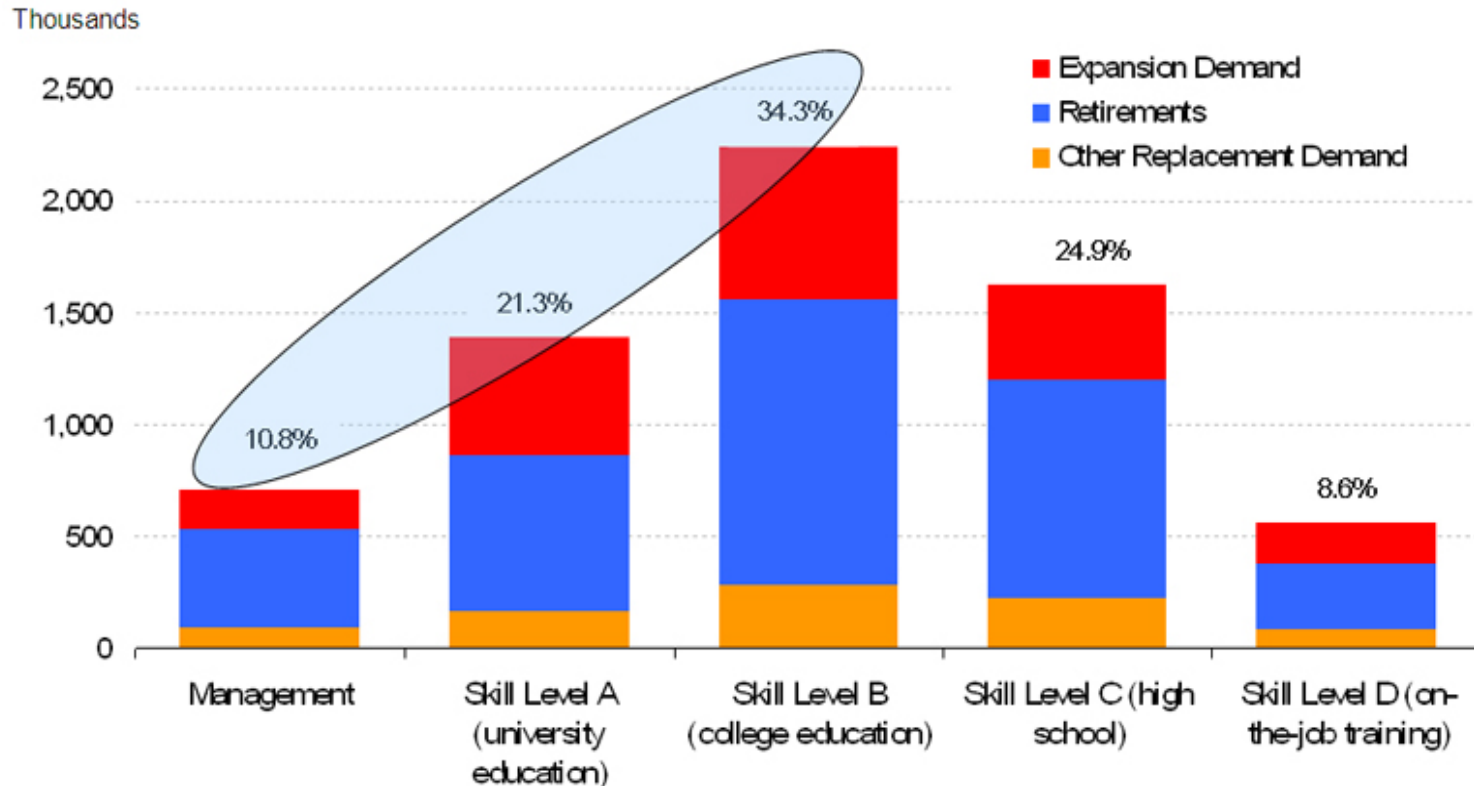


Note: Please refer to [Box 2: Concepts and definitions](#) at the end of the document for concepts and definitions.

Source: Statistics Canada, National Household Survey, 2011.

HRSDC, Employment Opportunities vs Education Levels

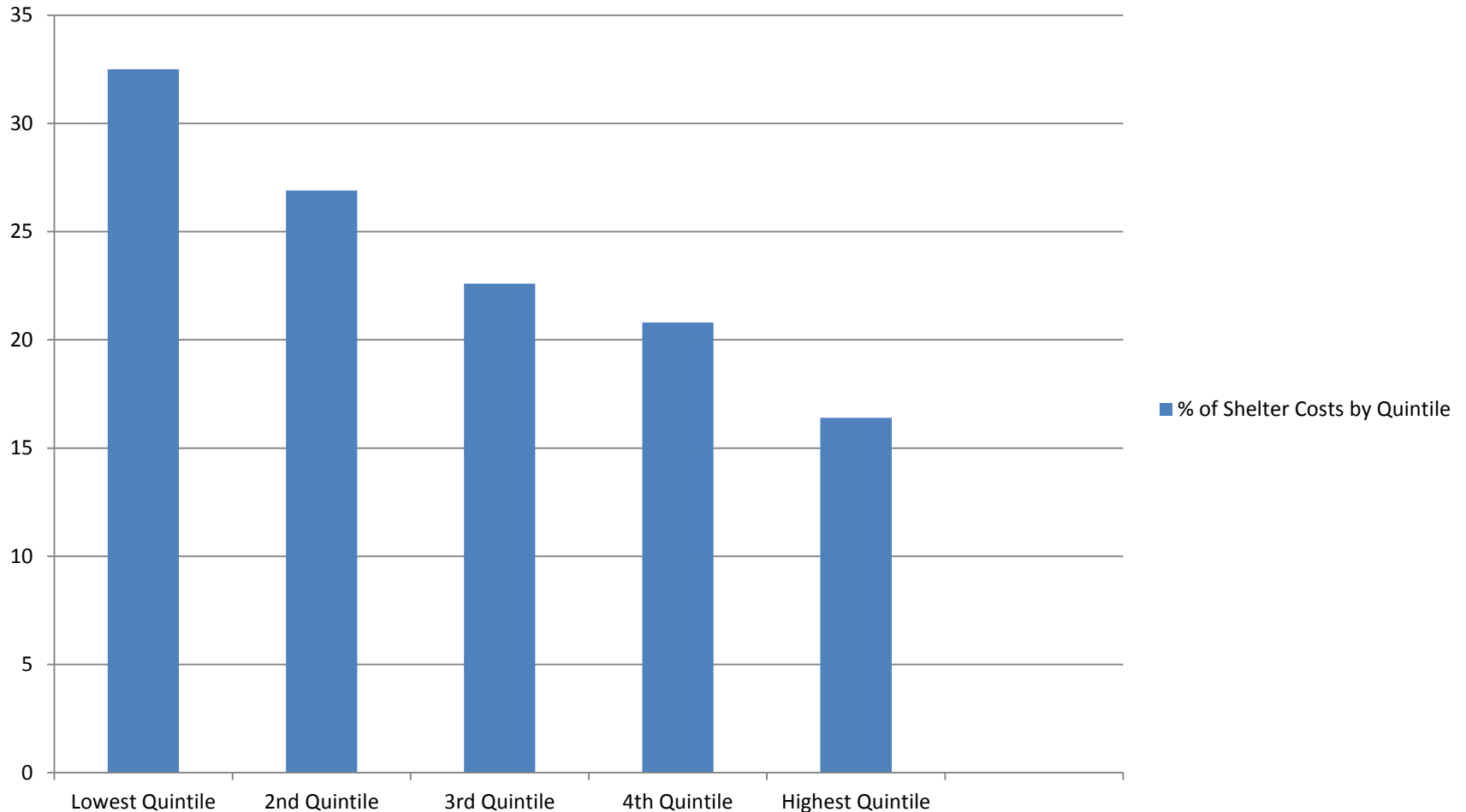
Job Openings from Expansion and Replacement Demand by Skill Level, 2011-2020



Source: HRSDC 2011 COPS Reference Scenario.

Stats Can, Lowest Quintile pays 32% of income towards Shelter

% of Shelter Costs by Quintile



Yet Mortgage rules allows more

Gross Debt Service (GDS)

- To qualify for CMHC insurance, total PIT should not exceed 32% of gross monthly household income

Total Debt Service (TDS)

- Should not exceed 40% of gross monthly household income

Stats Can, Budgets shares by quintile, 2012

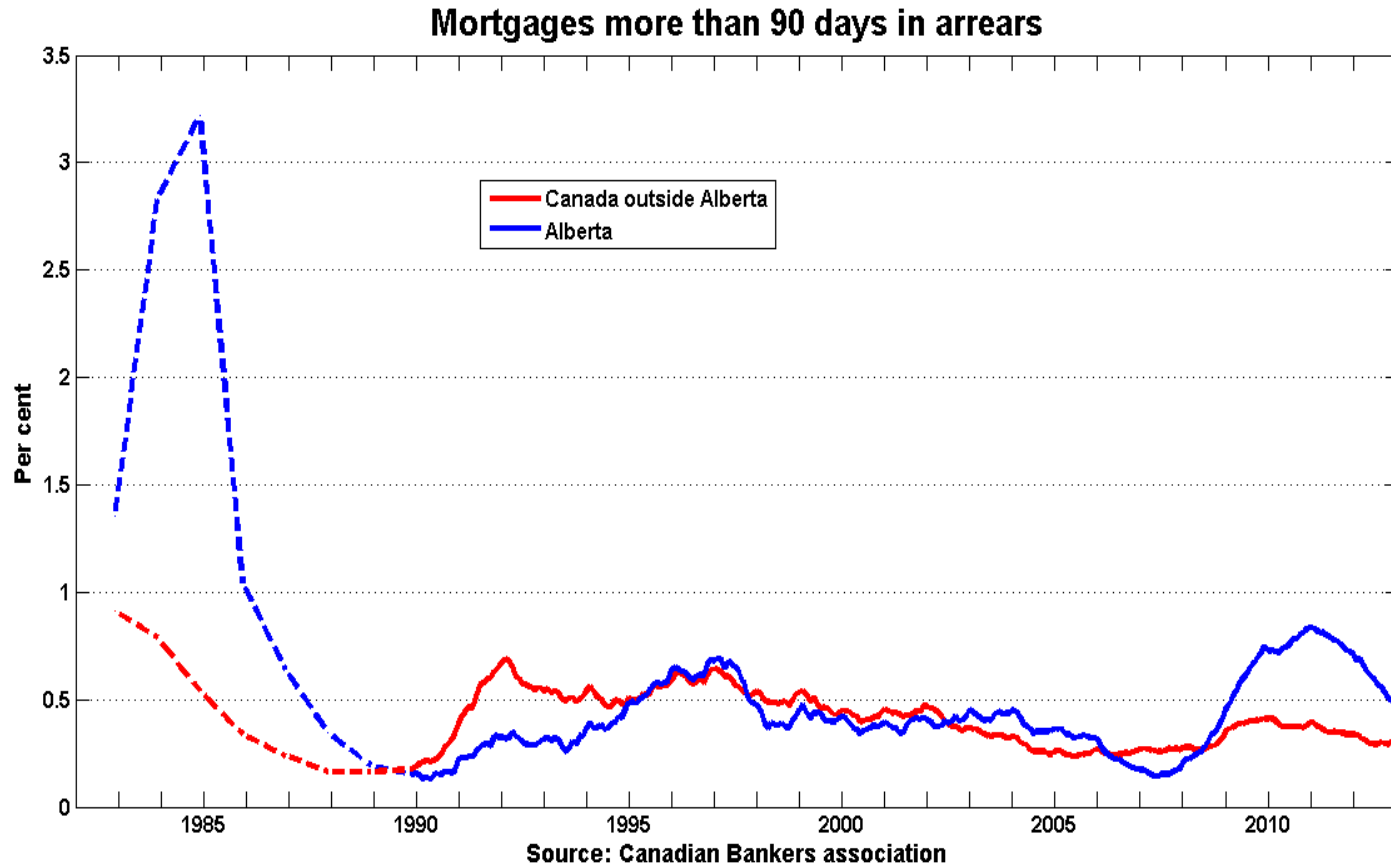
Table 2

Budget shares of major spending categories by income quintile, 2012

	Lowest quintile	Second quintile	Third quintile	Fourth quintile	Highest quintile
	dollars				
Average household expenditures	29,921	43,507	64,008	88,061	151,506
	shares of spending (%)				
Food	14.1	13.6	11.4	10.2	8.1
Shelter	32.5	26.9	22.6	20.8	16.4
Clothing and accessories	5.2	5.3	4.9	4.4	4.2
Transportation	13.8	16.0	17.2	16.0	13.1
Income taxes	1.1	5.3	10.8	15.6	27.7

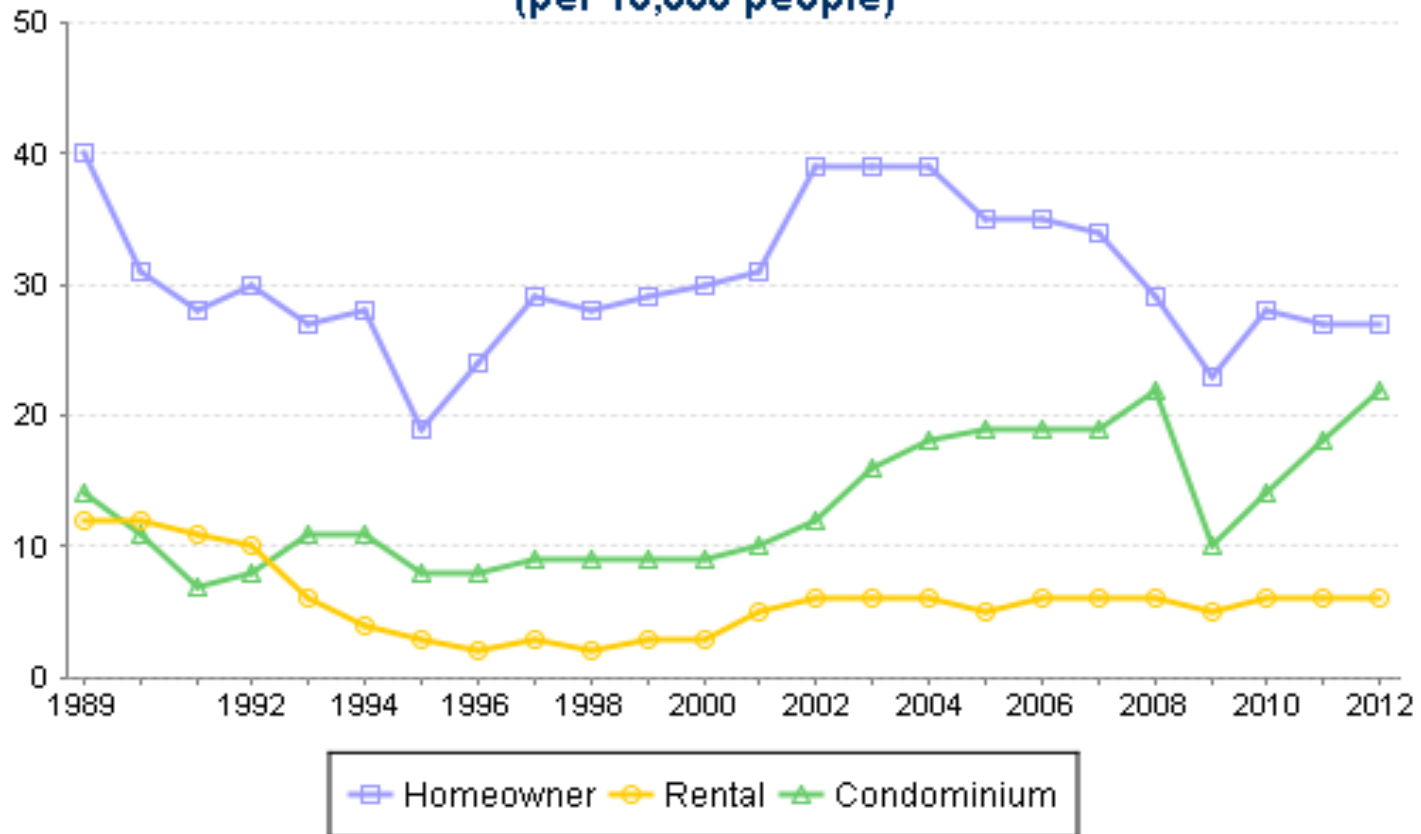
CBA, Mortgages > 90 days arrears, 1995-2012

Extremely low with much higher STIR ratio



HRSDC, Housing starts by market, 1989-2012

Housing starts, by intended market, communities of 10,000 or more, 1989-2012
(per 10,000 people)



CMHC, Annual Housing starts, 1955-2012

