

NOT IN STOCK

The challenge of meeting housing market needs and expectations in non-metropolitan Canada

By Marleen Morris, Julia Good, and Greg Halseth

Summary

In non-metropolitan Canada, housing has become a key constraint on economic and community development. A study by the Community Development Institute at the University of Northern British Columbia found that the housing stock in these areas no longer meets community needs and expectations. Demographic aging, the growth of one- and two-person households, and the trend to smaller family sizes all point to the need for a diverse range of smaller homes. Yet, the predominant form of housing stock in non-metropolitan communities continues to be large single-detached homes that were constructed before 1980. Housing in non-metropolitan Canada needs planning and action to support community sustainability into the future.

Sommaire

Dans les régions non métropolitaines du Canada, le logement est devenu une contrainte majeure pour le développement économique et communautaire. Une étude de l'Institut de développement communautaire de l'Université du Nord de la Colombie-Britannique a révélé que le parc de logements dans ces régions ne répond plus aux besoins et aux attentes de la communauté. Le vieillissement démographique, la croissance des ménages d'une ou deux personnes et la tendance à la réduction de la taille des familles sont autant d'éléments qui soulignent la nécessité de disposer d'une gamme diversifiée de logements plus petits. Pourtant, la forme prédominante du parc de logement dans les communautés non métropolitaines continue d'être constituée de grandes maisons individuelles construites avant 1980. Le logement dans les régions non métropolitaines du Canada doit faire l'objet d'une planification et de mesures visant à soutenir la viabilité des collectivités dans l'avenir.

Housing is a dominant land use in our communities, but in non-metropolitan Canada – those communities and regions outside of Canada's large metropolitan areas – housing stock has not been responding to the changing profile of the population. As a result, housing has become a key constraint on both economic and community development.

There are over seven million dwellings in non-metropolitan Canada. Data from Statistics Canada's Census program illustrate how out-of-step this housing stock has become in meeting the needs of the population. This gap has emerged as a result of the convergence of several factors: limited new housing construction, population aging-in-place, variable population growth, and the persistence of the single detached home. The fact that this housing challenge exists across non-metropolitan Canada is a signal that a comprehensive national focus is needed, including action on research, policy, program development, and planning.

BC	Kitimat 8,131
	Campbell River 32,588
AB	Medicine Hat 63,260
	Taber 8,428
SK	Moose Jaw 33,890
	Yorkton 16,343
MB	Dauphin 8,457
	Thompson 13,678
ON	North Bay 51,553
	Kapuskasing 8,292
QC	Alma 30,776
	Rouyn-Noranda 42,334
NL	Corner Brook 19,806
	Labrador City 7,220
NB	Bathurst 11,897
	Shediac 6,664
PEI	Souris 1,053
	Summerside 14,829

Table 1. List of sample communities and 2016 populations.

Canada	2001-2006	2006-2011	2011-2016
Census Agglomerations (CAs)	4.0	4.2	3.3
Rural and Small Town Areas (RSTAs) areas	1.0	1.7	1.4
Census Metropolitan Areas (CMAs)	6.9	7.4	6.2

Table 2. Percent change in population, Canada, 2001-2016. Source: Statistics Canada. 2001-2016. Source: Statistics Canada

Using Data to Anticipate Housing Need

The data used for this analysis reveal patterns and trends in the relationship between the population and housing stock in non-metropolitan Canada. Together, the data points constitute a suite of key indicators that can, and should, be monitored over time. Data can help us anticipate housing needs so that we are able to get ahead of an issue, rather than being 'behind the curve'. Data can point to where more information is needed, but ultimately, data and information are critical in the development of informed, timely, and effective policy, programs, planning, and action.



Town of Campbell River, BC.

Sample communities

For the purpose of this article, the authors chose a sample of two non-metropolitan communities from each province. The populations of the selected communities range in size from 1,053 (Souris, PEI) to 63,260 (Medicine Hat, AB); they are commonly located some distance from, and have a weak connection to, a Census Metropolitan Area (CMA); they include a diverse range of economic activities such as agriculture, forestry, mining, oil and gas, manufacturing, retirement living, and government services; and they have diverse histories and pathways of development.

To provide context, we have also included data for the eight largest CMAs in Canada: Toronto, Montreal, Calgary, Ottawa, Edmonton, Mississauga, Winnipeg, and Vancouver. The data source is Statistics Canada's Census program. For each category of metro and non-metro data, averaged results have been used in the discussion that follows (see **Table 1**).

Taken together, non-metropolitan communities in Canada have been growing since 2001, although there are variations over time. This points to the need for more information and data in order to develop effective policy, program, and planning interventions.



Town of Medicine Hat, AB.

Lack of housing options

Census data for 2016 show that the prevailing form of housing stock in most of Canada's non-metropolitan areas is single-detached dwellings. This pattern has remained fairly steady since at least 1996. In the sample communities analyzed, the prevalence of single-detached homes in 2016 ranges from 47% to 92% of the total housing stock.

By comparison, the housing stock in the CMA sample has always contained a wider mix of housing, with single-detached homes comprising less than 40% of the overall housing stock. Between 1996 and 2016, there has been a noticeable increase in the shares of semi-detached, row, and duplex style housing. These housing forms are diversifying the metropolitan housing mix, increasing development density, and making more efficient use of built infrastructure.

That the housing mix in non-metropolitan Canada has not changed over the past 20 years is surprising, given the dramatic changes occurring in the

population. Demographic aging, the growth of single- and two-person households, and the trend to smaller family sizes all suggest that housing stock in non-metropolitan areas of Canada is less suited to contemporary demands than it is in metropolitan areas.

Compounding the issue of lack of housing choice is that the housing stock in non-metropolitan Canada is old. In the majority of communities in the research sample, well over 50% and up to 87% of the housing stock was built before 1981. These homes are much less energy efficient and are more likely to be in need of major repair. The data also show that rental housing tends to be more likely in need of major repair than owner-occupied dwellings. Old housing is costly to maintain, to heat, and to update, making it less suited to contemporary expectations in the housing market.

Another indicator pointing to a lack of housing options in non-metropolitan areas is the size of dwellings. The prevalence of

one- and two-bedroom homes compared to the proportion of one- and two-person households shows a lack of alignment, suggesting that there is a shortage of smaller homes. Across the sample of non-metropolitan communities, one- and two-person households comprised an average of 69% of local households, while one- and two-bedroom homes comprised only 36% of the local housing stock. This differential exists in all non-metropolitan communities to varying degrees with Kitimat, British Columbia having the greatest disconnect, with a differential of 47%. By comparison, the match between dwelling size and household size is much better aligned in the CMA sample.

Implications for communities and planners

A diverse and adequate supply of housing that meets the needs of the population now and into the future is essential if non-metropolitan communities are to realize their economic potential and support overall social well-being. Attracting young workers



Town of Lunenburg, NS.

and families to the community is essential for economic and workforce renewal. This analysis shows, however, that the old and inappropriately sized homes that dominate the local housing landscape in non-metropolitan areas of Canada are not what young skilled professionals are looking for. Many communities have indicated that young workers and families have turned down employment offers because they cannot find suitable housing.

Retaining seniors in the community also provides economic and social benefit. Again, however, local housing may not support aging-in-place as many seniors who would like to downsize cannot find smaller housing units. Given the existing housing stock, this could mean that many older residents will be living in large, old homes that are, or soon will be, too much for them to manage and afford, and too challenging for them to live in as they age. Major and minor repairs, even regular maintenance, will be neglected. Housing stock will deteriorate, and along with it, neighbourhood attractiveness.

A call to action for local housing policy and support

The state of housing in non-metropolitan Canada has become a key constraint on economic and community development. The housing available in these communities no longer meets the needs and expectations of the population. Without action, community economic opportunities will be lost, housing affordability will decline – especially for vulnerable populations – and health and safety will be put at risk.

That this situation exists in non-metropolitan areas across Canada points to the need for a comprehensive national focus, including action on research, policy, program development, and planning. With its renewed interest and action on housing, the federal government, through Canada Mortgage and Housing Corporation (CMHC), can take the lead, in terms of research, to confirm and deepen the understanding of non-metropolitan housing issues. There is a significant research and data gap that needs to be addressed. Filling the data gap must

then lead to policy action – *informed policy action* – to address housing needs in non-metropolitan communities.

With or without federal leadership, there are opportunities for provincial and local governments to take action on housing in non-metropolitan communities. Planners can make a difference by understanding their local housing and population profiles and by encouraging new models and approaches to meeting housing need. The following recommendations are proffered:

Renovation and conversion of existing housing: Given the predominance of large, old, single detached dwellings, there is a significant opportunity for renovation and redesign of these units. Renovations should include energy upgrades, including insulation, doors, windows, appliances, and the heating system. This will protect affordability over the coming decades. The renovations could also include conversion of larger homes into multiple units that include features people are looking for in



Town of Alma, QC.

today's housing. It is worth highlighting that many homes in non-metropolitan Canada were built from stock plans. If this is the case, could stock renovation plans also be developed? This would cut costs and renovation time.

Infill housing: Large, old, single detached homes in non-metropolitan communities often sit on large lots. This presents an opportunity for infill housing, the construction of additional units in an already existing neighbourhood. These units could take the form of carriage houses, laneway houses, garden suites, and granny flats. Once again, standard plans and simplified zoning and permitting could reduce costs and development time.

Encouraging new development within the existing infrastructure envelope: Infrastructure, such as roads, water, sewer, hydro, and gas are expensive to install and maintain. These costs are inevitably passed on to the homeowners through property taxes and utility payments – all of which affects long-term affordability. Encouraging development within the existing infrastructure envelope will reduce installation and maintenance costs for local government and other service providers.

Summary

Action on these issues would help work towards alleviating the critical housing issues in Canada's non-metropolitan communities. Housing options would be expanded, people could find housing that is the right size, is affordable to maintain and heat, and has the design and features that are suitable to their age and stage in life.

Action on these issues would also help ensure that non-metropolitan communities have the housing they need to support economic potential and social well-being. This would support community sustainability into the future.

For local and regional government, action on housing could also support the sustainability of their development services functions. Many local and regional governments struggle to maintain development services capacity, including planners, building inspectors, and approving officers. Often this is due to lack of consistent development activity. Increasing opportunities for renovation and development will help support and retain these functions.

For non-metropolitan communities, action on housing would support the building and construction industry, as well as building suppliers, creating jobs and economic activity.

Across Canada, non-metropolitan communities are facing a significant housing challenge. This research is a signal that all levels of government need to focus attention on these issues. Action is needed, starting with a focus on research to provide data and information that support policy development and planning. From research and data, informed policies and programs can be developed to encourage housing that will meet community needs. If not addressed, non-metropolitan communities in Canada will not realize their economic potential or be able to support social well-being. Housing in non-metropolitan Canada needs planning and action now to support community sustainability into the future.

The authors of this article have just released a research study entitled, *Building Foundations for the Future: Housing, Community Development, and Economic Opportunity in Non-Metropolitan Canada*. The study contains additional data and analysis on non-metropolitan housing in Canada. The study can be found online at <https://www.unbc.ca/community-development-institute>.

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