



# Building foundations for the future in non-metropolitan Canada

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In non-metropolitan Canada, the state of housing has become a key constraint on economic and community development. Our 2020 research study, *Building Foundations for the Future: Housing, Community Development, and Economic Opportunity in Non-Metropolitan Canada*, points to a number of emerging issues and challenges.<sup>1</sup> The findings also lead to a pathway for potential solutions.

## Understanding Housing Issues in Non-Metropolitan Canada: Setting the Stage

To understand housing issues in non-metropolitan Canada, it is important to understand how the population has changed in these communities and regions.

Looking at the period since the early 1980s, there has been no universal pattern of population change in non-metropolitan Canada; some communities are growing, some are shrinking, and some are just holding steady. Adding to this complexity, many of these communities and regions have experienced dynamic population change: sudden decline or growth as an industry leaves or moves in; waves of in-migration or out-migration, often in response to amenity or market conditions; or steady growth or decline over decades. What is important to note is that the findings of this research hold, regardless of the pattern of population change.

Population ageing, however, is found across non-metropolitan communities and regions and is more pronounced than in metropolitan areas. Even in communities that have a young median age, seniors are commonly the fastest growing population cohort. The degree to which population ageing has occurred is illustrated by looking at the population for one of the youngest communities in our research sample, Thompson, Manitoba and the oldest, Bathurst, New Brunswick. In Thompson, the proportion of the population over 65 years of age in 1981 was below one percent, while in 2016, it was 5.7 percent. For Bathurst, the population over 65 in 1981 was just over nine percent, and by 2016, it had reached 28 percent.

## Sample communities

Statistics Canada classifies communities as Census Metropolitan Areas (CMAs) when they have reached a population of 100,000. There are 52 CMAs in Canada. For the purpose of this research, a sample of two non-metropolitan communities from each province and territory was chosen. The communities selected for this report range in 2016 population size from 790 (Watson Lake, Yukon) to 63,260 (Medicine Hat, Alberta); they are commonly located some distance from, and have a weak

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**1. *Municipal World Insider and Executive Members:*** You can download this report in the research library on [municipalworld.com](http://municipalworld.com). Access it from inside your membership area! Just search for “non-metro.”

connection to, a CMA; they represent a diverse range of primary economic activity, which includes agriculture, forestry, mining, oil and gas, manufacturing, retirement living, and government services; and they have diverse histories and pathways of development. To provide context, the amalgamated data of the eight largest CMAs in Canada – Toronto, Montreal, Calgary, Ottawa, Edmonton, Mississauga, Winnipeg, and Vancouver – has also been included. The data included in this report is sourced from Statistics Canada’s Census program.

### Three Indicators Pointing to the Housing Crisis in Non-Metropolitan Canada

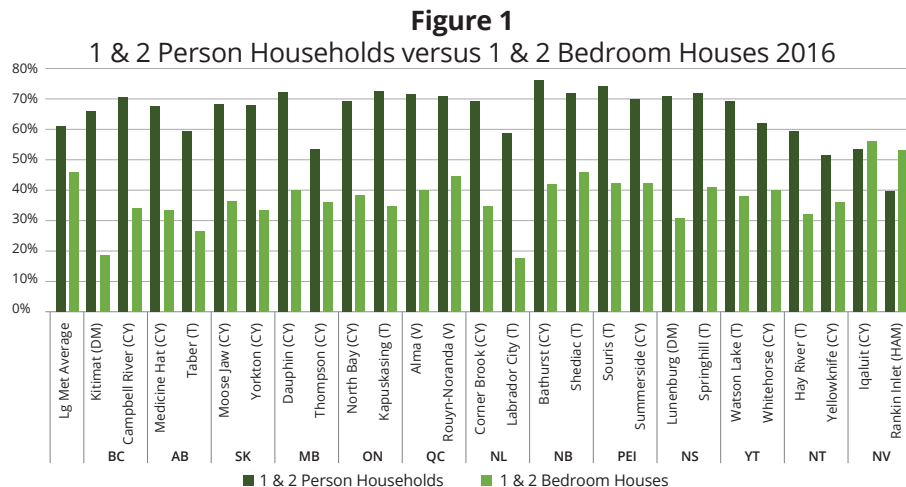
Looking at Statistics Canada Census data for 2016, there are three topics that point to the conclusion that the state of housing in non-metropolitan Canada has become a key constraint on economic and community development: the age of the housing stock; the degree to which the housing stock is failing to meet current housing needs; and indicators regarding housing affordability.

#### 1. Age of the housing stock

The housing stock in non-metropolitan Canada is old. In the majority of communities in the research sample, between 50 and 85 percent of the housing stock was built before 1981. These homes are not energy efficient and are more likely to be in need of major repair. A further breakdown of the data shows that rental housing tends to be more likely to be in need of major repair than owner-occupied dwellings. Old housing is costly; costly to maintain, costly to heat, and costly to update.

#### 2. Mismatch between housing stock and household need

A look at the size of homes in non-metropolitan areas reveals a pronounced mismatch between household size and housing stock. The research compared the prevalence of one- and two-bedroom homes with the proportion of one- and two-person households. This comparison identified a shortage of smaller homes. On the other end of the spectrum, in comparing four- and more bedroom homes with four- and more person households, the data points to an over-supply of large homes. In addition, the data also reveals that the majority of the



housing stock in most non-metropolitan areas is comprised of single detached dwellings, which further limits housing choice and options. The existing housing stock in non-metropolitan Canada is simply not matched to need.

#### 3. Housing affordability in non-metropolitan Canada

When it comes to understanding the issue of affordability in non-metropolitan Canada, it is important to look beyond the median or average income data, as this data often masks patterns of vulnerability. For example, looking beyond housing affordability for all households in the community shows tenant vulnerability in most of the communities in the research sample is between 30 and 57 percent, which is comparable to the 40 percent vulnerability found in metropolitan areas. Looking deeper, seniors are found to be even more vulnerable. Other traditionally vulnerable groups – for example, people on lower and fixed incomes, people with disabilities, lone-parent families, and those at risk of homelessness – might be similarly affected. With the growing need for major repairs and maintenance in rental and owner-occupied housing stock, and increasing costs for home heating, affordability issues in non-metropolitan areas can be expected to increase – and increase rapidly for many vulnerable groups.

#### Implications for Key Players in Economic and Community Development

A diverse and adequate supply of housing to suit the evolving needs of the non-metropolitan population is central to a community’s economic potential and

social health. This section looks more closely at the implications of the findings for two demographic groups key to economic and community development: seniors and young workers.

#### Seniors

Seniors play a critical role in non-metropolitan areas, making a significant contribution to the economic and social life of the community. Retaining seniors benefits business, non-profit, and voluntary sectors in the community. However, the future trajectory and implications of the data presented do not bode well.

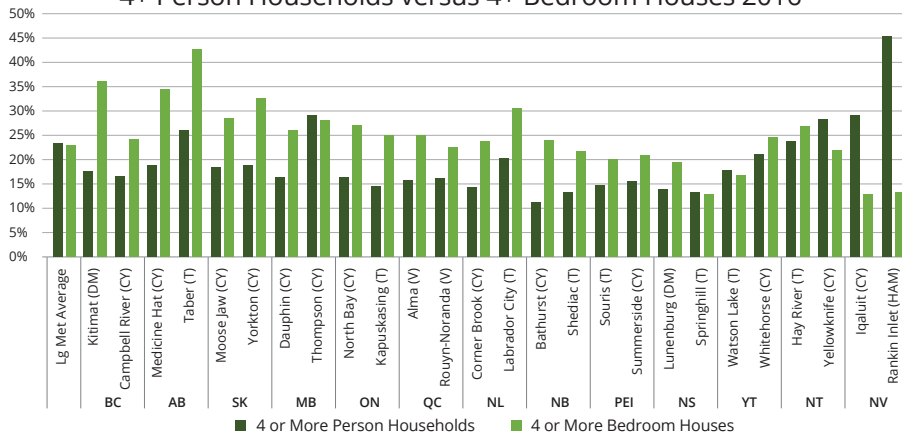
Over the coming years, communities will find that many of their older residents are living in large, old homes that are, or soon will be, too much for them to manage and afford and too challenging to live in as they age. Major and minor repairs, even regular maintenance, will be neglected. Housing stock will deteriorate, and along with it, neighbourhood attractiveness.

Without options and action, ageing in place in the community may not be possible. This can lead to out-migration or premature institutionalization.

#### Young workers and families

Attracting young workers and families to the community is essential for economic renewal; however, many non-metropolitan areas lack the types of housing that appeal to the skilled professionals they are trying to recruit. Many communities have reported that jobs for young workers and young families are available but that these groups are not coming because they cannot find suitable housing. Again, the future trajectory and implications of the data presented do not bode well.

**Figure 2**  
4+ Person Households versus 4+ Bedroom Houses 2016



Housing options for young one- and two-person households are limited. Those hoping to purchase a home find a shortage of one- and two-bedroom homes in non-metropolitan areas. Those who would prefer to rent find that the rental stock is limited, outdated, and in need of repair.

Housing options for young families are also problematic. While there is an abundance of larger homes, the stock dates back to before the 1980s. These homes do not have the features and amenities young families today are looking for, and the cost of renovation and repair makes these homes unaffordable.

The implications of these findings are important for non-metropolitan communities. They do not have housing that is suitable and safe for older residents and they do not have housing that is attractive to younger residents. This is a formula for community decline.

### A Call to Action

The state of housing in non-metropolitan Canada has become a key constraint on economic and community

development. Through this research, a pattern of housing decline and the implications for communities has been identified. 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. This is creating concern among elected officials and local government administration in non-metropolitan areas as they struggle to engage other orders of government to deal with housing issues.

The research findings point to a need for federal action on non-metropolitan housing. The study concludes with two recommendations in this regard.

### Expand information available for decision support and policy development

The data set of communities needs to be expanded. This includes collecting information on additional communities in each province and territory, and additional information on vulnerable population subsets.

There is also a need for information about the capacity and readiness in non-metropolitan areas of the three sectors that support housing development: the building industry and construction trades, the non-profit housing sector, and local government. Understanding the capacity in these sectors is critical, as many smaller communities have reported that there is a shortage of skilled building trades, that non-profit housing groups are folding due to the age of the directors, and that local government cannot recruit key professionals such as building inspectors and planners. Without this capacity “in place,” housing programs and policies cannot succeed.

### Develop programs that renew existing housing stock and encourage construction of new housing

The data collected should then drive the development of programs that renew existing housing stock and encourage construction of new housing in non-metropolitan areas. The prevalence of large single-family dwellings on large lots suggest that there are multiple pathways forward for development and redevelopment. A three-pronged focus on improving energy efficiency, creating smaller units, and enhancing accessibility would help alleviate the most critical housing issues in these communities. Housing options would be expanded. People could find a house that is the right size, affordable to maintain and to heat, and has the design and features that are suitable to their age and stage in life. Community housing stock would meet community housing need.

It is time to put housing issues in non-metropolitan Canada on the agenda. **MW**

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