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INTRODUCTION

The Nunavut Housing Corporation (the Corporation) is a Public Agency of the Government of Nunavut (GN), created through the Nunavut Legislature by the Nunavut Housing Corporation Act. As such an agency, the Corporation is at arms-length from the GN, and its operating boundaries are set out in Part IX of the *Financial Administration Act*, the section of the Act specifically devoted to Public Agencies.

The Corporation reports to the Legislative Assembly, Executive Committee and Nunavummiut through its President and the Minister responsible for the Nunavut Housing Corporation. This approach allows the Minister to maximize the effectiveness of the Corporation for the present and future benefit of Nunavummiut.

The advantages to a stand-alone Corporation are:

- The ability to enter into funding partnerships with others, principally the Canada Mortgage and Housing Corporation (CMHC), outside of the GN's financial structure. This means that Nunavut's transfer payments from the federal government are not affected by the funding the Corporation receives.
- The ability to carry over funds from one year to the next, ensuring that funds from all sources designated for housing initiatives remain dedicated to housing solutions.
- The stewardship of funds in the Capital and Operating and Maintenance pools, allowing the Corporation to maximize the impact of housing initiatives and meet the housing needs of Nunavummiut.

Our Mission

To provide opportunities for all residents of Nunavut to have homes that support a healthy, secure, independent and dignified lifestyle through working with our communities to allow them to assume the role of providing housing to Nunavummiut.

Our Vision

To ensure families and individuals in Nunavut have access to a range of affordable housing options.

Our Principles and Values

The Nunavut Housing Corporation believes in and strives for:

- Placing “human capital” – its employees, Local Housing Organization (LHO) partners, tenants and clients – first when targeting housing solutions for Nunavummiut;

Nunavut Housing Corporation

- Recognizing the contribution NHC and LHO staff make to housing in Nunavut and providing them with the proper work environment and tools to enable them to maximize that contribution;
- Making a positive impact on the quality and affordability of housing;
- Quality of advice, assistance and support to LHOs, other client organizations and agencies, and individuals;
- Quality of property management services for Nunavut Public and Staff Housing;
- Ensuring housing services and support are provided in an equitable manner;
- Use of Inuit Qaujimajatuqangit in Corporation decision-making;
- Building constructive relationships with other governments, agencies, departments, and both community and Aboriginal organizations.

ENVIRONMENTAL SCAN

Housing interacts with economic realities in two primary respects. First, housing is where Nunavummiut live, and their participation and success in economic activities connects to their overall well-being. Adequate, affordable and appropriate shelter is a key factor in achieving well-being. Second, housing is an economic sector that responds to new and ongoing infrastructural needs. It is a source of employment and a market for materials and services.

The Government of Nunavut is the principal supplier of the 8,177 dwelling units in the territory. The government, through the Nunavut Housing Corporation, currently maintains approximately 3,900 Public Housing units, leases or owns 1,100 Staff Housing units, and holds mortgages for 500 homeowners. This represents over 60 per cent of Nunavut's total housing stock, and does not take federal/municipal staff accommodations, other private sector employers' staff accommodations, Nunavut Arctic College student housing or Income Support funded units into consideration.

There is an extremely limited private market in Nunavut: most landlords/developers only respond to tenders that promise long term government leases. The cost to transport material, obtain developed land, and construct and operate dwellings, makes building on speculation unpalatable for most.

There is an acute shortage of housing throughout Nunavut. Lack of supply pervades all tenure types, from Public Housing and Staff Housing, to affordable rental housing and homeownership units. Urban definitions of homelessness do not apply in Nunavut, where dwellings are overcrowded with those who would be "on-the-street" in other, more forgiving climates.

- Long waiting lists exist for Public Housing, which are also the units that frequently accommodate the "hidden homeless" of the territory.
- Staff housing capacity is limited in all communities, severely hampering the evolution of the GN as well as economic growth in communities.
- High, and increasing, shelter costs, combined with lack of supply, make homeownership unattainable for many Nunavummiut.

The 2001 Canada Census population count for Nunavut was about 28,000. The territory grew at a rate of 8% between the 1996 and 2001 counts, twice as high as the Canadian average for the same time period. The Nunavut Bureau of Statistics predicts that Nunavut's population will rise from the current estimate of 28,000, to almost 44,000 by the year 2020. The just-released general plan for the City of Iqaluit predicts that 2,000 additional housing units will be needed, in Iqaluit alone, over this same twenty-year time-span.

Nunavut's climate and geography present unique challenges to the construction industry. The territory's 25 communities are remote, with no road or rail access. All construction materials must be transported by air or on annual summer sealift ships

and barges. As a result, the cost of landed goods is substantially higher than elsewhere in Canada.

Storage facilities must also be available to accommodate a 12-month supply of various products. In addition, the first snowfall usually occurs around the time the sealift ship arrives, complicating or impeding construction.

Market forces are immature or non-existent in Nunavut. New construction by the private sector is usually responsive rather than proactive. A cornerstone to economic well-being in the housing construction industry is continued training of Nunavummiut in construction fields. Over time, as more Nunavummiut become skilled in these trades, the overall economic impact will increase.

The Nunavut Housing Corporation relies on its community partners, the LHOs, to provide maintenance and administration services. The NHC also looks to these partners for valuable and constantly utilized perspectives on community priorities and concerns. The current funding formula for the LHOs has not been adjusted since 1996, either for inflationary pressures or economic realities in Nunavut.

Critical Issues

- Monitor cost of transportation, material and labour as a basis for analysis on the reasons that construction costs have been rising about 10-12% per year over the past three years;
- Seek new technologies and cost-effective alternatives that will extend the economic life of units;
- Use the *Building Connections* in Nunavut vehicle to inventory existing training programs for trades, promote new and existing training courses and resources, and investigate ways to promote trades in schools;
- Continue to lobby for a special intervention or base funding from the federal government to make a real dent in the housing need experienced territory-wide.

CORE BUSINESS

The programs of the Nunavut Housing Corporation are described, below, within four business areas:

- Advisory and Administrative Services
- Public Housing
- Staff Housing
- Homeownership

Advisory and Administrative Services

Advisory and Administrative services for the NHC are provided by a group of housing professionals. A small cadre of seventy persons works diligently to make the NHC an action-oriented service delivery agency. Our strength is in our dedication to delivering targeted housing solutions to all audiences: education, training and support to LHOs in the areas of administration, finance, program delivery and technical construction techniques and procedures; homeowner services in the areas of finance, life skills and technical assistance; and, coordination of housing-related lobby efforts on behalf of all Nunavummiut.

Objectives

- To increase coordination of housing policies and procedures in Nunavut
- To add staffing and delivery capacity to the Nunavut Housing Corporation, the LHOs, and Nunavummiut
- To increase the awareness and understanding of housing realities in Nunavut both in the territory and nationally

Programs	Main Estimates (\$000)	2002-03	2003-04
Corporate Governance		341	357
Responsible for managing the Corporation to ensure consistent application of policy, standards and procedure and program delivery throughout Nunavut.			
Corporate Operations		1,539	1,537
Responsible for the administration of corporate policy, strategic planning and communications. Corporate Operations provides support to the Minister, the senior management team, and the regional offices.			
Corporate Policy and Planning		345	354
Accountable for the development and co-ordination of Corporation policies in support of the Nunavut Housing Corporation's Vision, Mission, Mandate, and Goals and			

Objectives. This function is also responsible and accountable for research, economic and financial planning for the Corporation.

Corporate Financial Administration 1,438 1,108

Accountable for the complete management of the financial affairs of the Nunavut Housing Corporation, including safeguarding the Corporation's assets, preparing and issuing financial reports, maintaining internal financial controls, and providing training and advice.

District Program Administration 1,662 1,792

Responsible for managing the delivery of homeownership and housing repair programs, assisting the Local Housing Organizations in the delivery of rental housing programs by monitoring the management/partnership agreements, and providing a high degree of support to the District. Also accountable for the management of the mortgage and homeownership portfolio, which includes financial counseling and training of clients.

District Financial Administration 1,294 1,302

Fulfills a dual function in providing financial support to the District, and in monitoring, evaluating and assisting LHOs with financial matters.

District Technical Administration 2,147 2,216

Provides support and training to LHO maintenance staff. This function also manages the planning, implementation and administration of all Capital construction and Modernization and Improvement projects. In addition, the provision of technical advice to homeowners supports delivery of the homeownership programs.

Total, Advisory and Administrative Services 8,766 8,666

Accomplishments (2001 & 2002)

- Raised the awareness of Nunavut's housing crisis through the participation on various pan-Canadian committees and presentations at national and international housing conferences.
- Signed and delivered the CMHC Affordable Housing Program in 2002; value \$4.96 million.
- Created a continuing liaison with Northern Quebec (Nunavik) and the Société d'habitation du Quebec through the hosting of a three-day conference in Iqaluit to discuss housing realities in both jurisdictions.
- Hosted the President of CMHC and the Senior Housing Advisor to the Minister responsible for CMHC on a three day "tour of discovery" in Nunavut.
- Created and hosted the important *Building Connections in Nunavut* (BCIN) set of symposia. Participants at the BCIN February 2002 Roundtable, and the

subsequent September 2002 Symposium, concentrated on identifying linkages between housing challenges and their individual mandates. They also focused on strategic directions for further discussion and action. Representatives came from both territorial and federal departments, as well as territory-wide NGOs. The third BCIN event, to be held in 2003, will attempt to engage all housing stakeholders in Nunavut.

- Requested and secured an increase in Technical and Program staffing in the Baffin District. Four additional staff members (two Technical Officers, two Program Officers) will do much to assist in meeting the needs of LHOs, tenants and homeowner clients in the Baffin District.
- Created a perpetual \$286,000 training fund for Corporation staff and LHO staff and Board members.
- Migrated the NHC financial accounting system to the “FreeBalance” accounting system.

Priorities (2003-04)

- Continue the Housing Strategy Committee
- Coordinate Staff Housing programs and services “*Under One Roof*”
- Coordinated approach to housing policy/framework
- Actively participate in all discussion groups and conferences that relate to housing in Nunavut
- Continue to review the NHC Act
- Continue to build the capacity of the NHC
- Effective management of housing expenditures to maximize positive impacts
- Participate on committees and working groups and create strategic linkages
- Participate in GN-wide initiatives
- Continue to raise awareness of housing issues

Public Housing

Public Housing concentrates on our twenty-five community partners, giving them the financial tools they need to deliver the Public Housing program to Nunavummiut. LHOs are responsible for the complete care of the 3,900-unit portfolio, from unit allocations and rental assessments/collections, to maintenance and repairs.

Objectives

- To add staffing and delivery capacity to the Nunavut Housing Corporation, the LHOs, and Nunavummiut;
- To increase the number of adequate, suitable and affordable dwelling units in Nunavut.

Programs	Main Estimates (\$000)	2002-03	2003-04
Leased Units – Rent Supplement		7,003	7,003
262 leased Public Housing units throughout the territory. Provides an opportunity for the private sector to provide much needed Public Housing rent supplement units without the capital expenditure required for the construction of new units.			
Administration and Maintenance		22,192	22,700
The Administration and Maintenance component includes such items as salaries and benefits, equipment and supplies to perform both demand and preventative maintenance, travel and training.			
Utilities		36,531	37,366
Covers the cost of utilities for the Public Housing Program. Utility expenses include power, fuel, water and sewerage, and garbage collection.			
Taxes and Land Leases		1,921	1,965
Covers the cost of taxes and land lease expenses.			
Debt Recovery		28,003	28,003
Repaid to CMHC to pay down the debt on the Public Housing portfolio, which is about \$200 million as at March 31, 2002.			
Rental Revenue		(5,815)	(5,815)
LHOs assess Public Housing rents and are responsible for their collection. Revenues collected are discounted 3% for an allowance for bad debt. The remainder is used to offset the cost of administering the Public Housing Program.			
Other Revenue		(56,197)	(56,175)
CMHC contributions for Social Housing and own source revenue.			
Total, Public Housing		33,638	35,047

Accomplishments (2001 & 2002)

- Construction of over 230 new Public Housing units over the last three years;
- A reinvestment in the Modernization and Improvement of existing stock; value, almost \$10 million/year;
- Implementation of a new Public Housing Rent Scale in consultation with the LHOs;
- Creation of a perpetual \$286,000 training fund for Corporation staff and LHO staff and Board members;

- Investment in important affordable housing initiatives that are community driven and engage all housing stakeholders. The Baker Lake Senior’s 4-Plex project is an excellent example of interagency cooperation in housing.

Priorities (2003-04)

- Continue to build capacity at the community level – LHOs;
- Lobby federal government for more housing dollars;
- Continue implementation of Minister’s Task Force on Housing’s recommendations;
- Renovate and revitalize the current housing stock through targeted Modernization and Improvement programs.

Staff Housing

Staff Housing provides rental and homeowner units to Government of Nunavut staff, as well as policy support to this important segment of the population in Nunavut. Currently, over 90% of the Staff Housing stock is in the form of leased units, tying up the lion’s share of the budget. Significant policy and procedural work will continue over the next five years as we investigate, revise and refresh virtually all areas of Staff Housing.

Objective

- To increase the number of adequate, suitable and affordable staff dwelling units in Nunavut.

Programs	Main Estimates (\$000)	2002-03	2003-04
Operations		5,214	5,214
Provides the day-to-day operations for the Staff Housing portfolio in a decentralized environment.			
Leases for Staff Housing Rental Units		28,589	28,589
Representing 90% of the portfolio, provides about 1,100 rental units.			
Total, Staff Housing		33,803	33,803

Accomplishments (2001 & 2002)

- Transfer of Staff Housing from the Department of Public Works and Services to the Nunavut Housing Corporation, bringing housing in Nunavut – staff and public – “*Under One Roof*”;
- Creation of the *GN Staff Condominium Program*, which will see at least 157 new condominium units built in ten Nunavut communities, by summer 2003;

Tenant-to-Owner Program

Allows tenants who are able to assume the responsibility of homeownership to purchase their Public Housing unit. The NHC will replace units sold under this program within three years.

GN Staff Condominium Program

Creates a supply of affordable staff accommodations and offers homeownership opportunities to GN staff who are able to assume the responsibility of homeownership. Also provides assistance in the administration of Condominium Corporations.

Accomplishments (2001 & 2002)

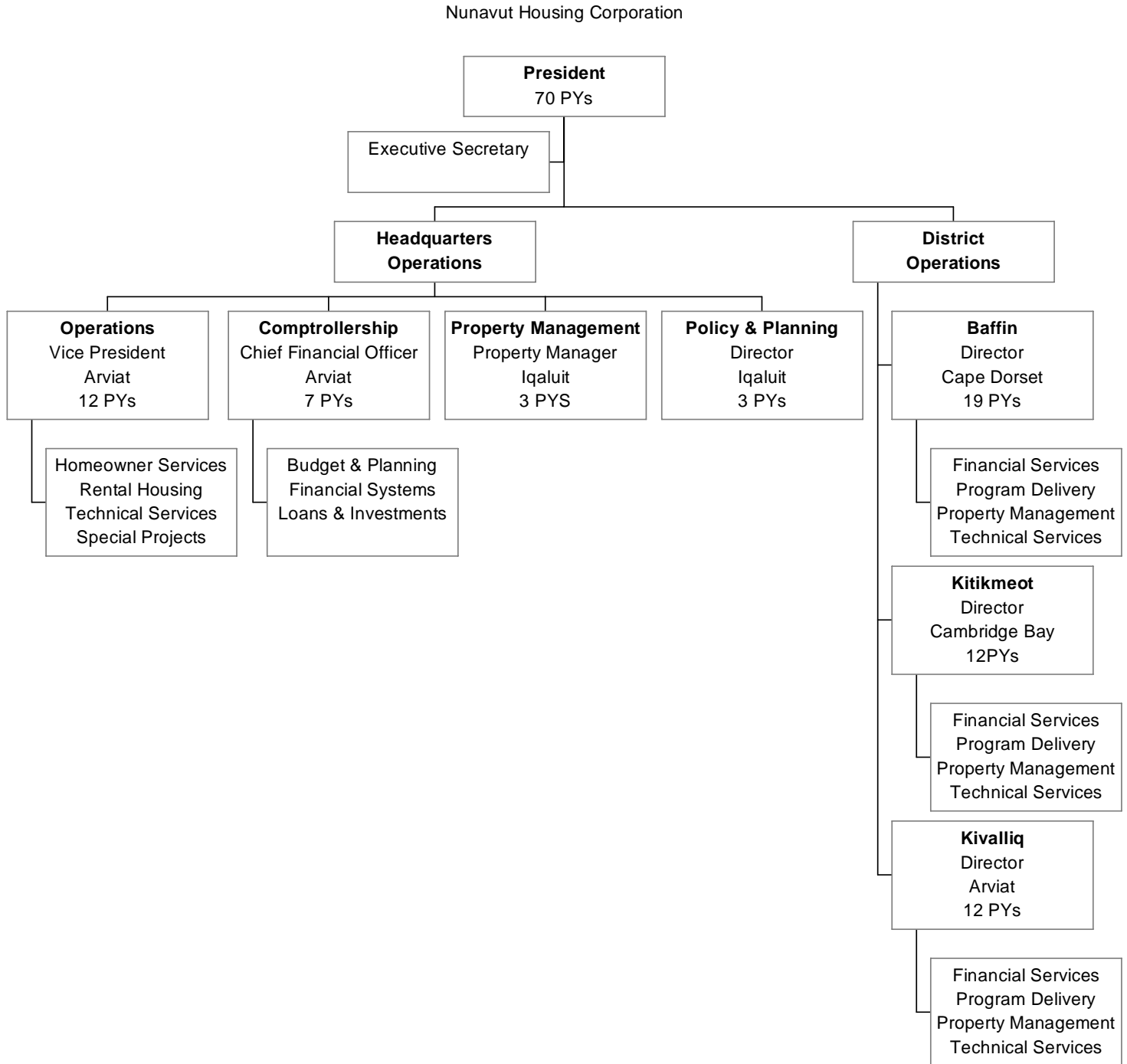
- The creation of the *Tenant-to-Owner Program*, which assists Public Housing tenants who are ready to become homeowners to purchase “their home.” The NHC will replace the units sold under this program within three years, thus refreshing the current Public Housing stock;
- Revisions to the repayment scale for Corporation-held mortgages that is reflective of the cost of homeownership in Nunavut;
- The creation of a short-term homeowner fuel rebate for fiscal 2001/2002;
- Revamping of the homeowner programs: ensuring assistance available under the Home Repair and Emergency Repair Programs is representative of the cost of maintaining a home in Nunavut, while retaining the program parameters necessary to participate in the Canada Mortgage and Housing Corporation (CMHC) Residential Rehabilitation Assistance Program (RRAP) suite of homeowner programs;
- An augmentation to the Nunavut Downpayment Assistance Program to stimulate the creation of new housing stock in Nunavut. Downpayment assistance of \$25,000 is now available for eligible applicants who purchase a newly built home;
- Creation and delivery of the GN Staff Condominium Program, creating 157 new affordable homeownership units in ten communities in Nunavut;
- Refreshing of current homeowner programs for the new millennia, including new Household Income Limits, increased and amended funding limits, and increased shelter component percentages in geared-to-income mortgages.

Priorities (2003-04)

- To increase the number of adequate, suitable and affordable dwelling units in Nunavut.

APPENDIX A – Organizational Structure and Budget

Part 1 – Organizational Chart



APPENDIX A

Part 2 – Departmental Roles

Corporate Summary

Directorate

The Executive is responsible for managing the Corporation to ensure consistent application of policy, standards and procedure and program delivery throughout Nunavut. It also oversees the development of long-range plans, policies, and operational guidelines on Corporate matters for the Minister responsible for the Nunavut Housing Corporation and for the Executive Council (Cabinet). As well, it ensures that programs are delivered according to the Corporation's funding agreement with Canada Mortgage and Housing Corporation (CMHC).

Corporate Headquarters

Corporate Headquarters is responsible for the development of corporate policy, strategic planning and communications. Corporate headquarters provides support to the Minister, the Corporate Executive and to the regional offices. It coordinates the preparation, monitoring and reporting of the Corporate O&M and capital budgets, administers the loan portfolio and provides accounting and treasury services. It provides support to the regions in the areas of programs, contracting, project management, design and maintenance.

District Offices

Delivery of services and support to communities in programs and services is managed through the Corporation's District Offices. District Offices set regional priorities and work with LHOs and individual clients to ensure programs are being delivered to appropriate standards through monitoring and assessment. They also carry out the delivery of services when not undertaken by the local community. The District Office is responsible for ensuring the construction program is successful in their region. They are also responsible for developing a positive relationship with other government departments and agencies.

Local Housing Organizations (LHOs)

The Corporation is partnered at the community level with LHOs. LHO staff perform most of the day-to-day duties associated with program delivery to individuals and families. Most LHOs are formed as independent organizations under the *Societies Act* (Housing Associations). The Iqaluit Housing Authority is formed under the *Nunavut Housing Corporation Act*. Some communities include the housing function within the municipality.

Relationships with the LHOs are based on operating or partnership agreements. Under the Public Housing Program, duties include allocation of housing to community residents according to need. As well, LHOs provide related administrative and maintenance services. Several LHOs also have responsibility for parts or all of the home repair and homeownership programs. The partnership between the Corporation and the LHO is based on a cooperative investment of resources (time, funding, materials and support).

Amortization

The Corporation owes CMHC approximately \$200 million for outstanding mortgages in the Social Housing portfolio. These mortgages will be paid out by 2037, at which time the NHC will neither be indebted to nor receive funding from CMHC under the Social Housing Agreement.

Investment Strategy

Information on the investment activity of the Corporation is required in the Corporate Business Plan to comply with subsection 91(2) of the *Financial Administration Act*.

The types of investments the Corporation is restricted to are those specified in subsection 81(1) of the *Financial Administration Act*, which states:

A public agency may invest money belonging to the public agency:

- a. in certificates of deposit, deposit receipts, notes or other evidences of indebtedness given by a bank in consideration of deposits made with the bank*
- b. in securities where repayment principal and interest is unconditionally guaranteed by a bank.*

Investments are determined through cash management procedures that ensure surplus funds are invested in those forms of security that pay the highest level of interest while maintaining an adequate level of cash on hand to meet daily operating requirements.

APPENDIX A

Part 3 – Financial Summary

Branch	2002 - 2003 Main Estimates		2003 - 2004 Main Estimates	
	\$000	PYs	\$000	PYs
Headquarters				
Salary	2,259	24	2,310	24
Grants & Contributions	-		-	
Other O&M	1,403		1,148	
Subtotal	3,662		3,458	
Debt Repayment				
Salary	-	-	-	-
Grants & Contributions	-		-	
Other O&M (includes CMHC contributions*)	28,003		28,003	
Subtotal	28,003		28,003	
District Offices				
Salary	3,618	40	3,761	40
Grants & Contributions	-		-	
Other O&M	1,486		1,447	
Subtotal	5,104		5,208	
Affordable Housing				
Salary	504	6	515	6
Grants & Contributions (includes CMHC contributions*)	61,832		63,219	
Other O&M	33,299		33,288	
Subtotal	95,635		97,022	
Total, funded	132,404		133,691	
* Less CMHC contributions	56,197		56,175	
Total, GN-funded	76,207	70	77,516	70

APPENDIX B – Report On Decentralization

The Nunavut Housing Corporation (NHC) has a small, but highly trained and motivated, cadre of staff living and operating in the decentralized communities of Arviat, Cambridge Bay and Cape Dorset. In addition, a small Directorate group works out of Nunavut's capital, Iqaluit, ensuring effective liaison with the Minister's office and Legislature.

District Operations, which cover all lines of business, represent 43, or 60 per cent, of our 70 staff positions. The NHC's Headquarter functions are also decentralized, with the Operations and Finance groups in Arviat comprised of 19 positions, and Policy, Planning, Property Management and Directorate with the remaining eight positions in Iqaluit.

Community	Division	PYs
Arviat	Headquarters	19
	Kivalliq District Operations (Existing Pre-Division)	12
Cambridge Bay	Kitikmeot District Operations (Existing Pre-Division)	12
Cape Dorset	Baffin District Operations (Decentralization, 4 th quarter 2002/2003)	19

Since Division on April 1, 1999, the Headquarters Group has been based in Arviat. This group was originally a team working under the Department of Community Government, Housing and Transportation. Since that time, Headquarters has been working diligently towards 100% staffing, with good results.

The relocation of the Baffin District Office will be finalized in March 2003, but staff members have been taking positions in the community since Summer 2002. The NHC has every expectation that 100% of the Baffin District positions will be filled by year-end 2002/2003.

APPENDIX C – Focus Papers

Building Connections in Nunavut – Beyond the Task Force

Discussing and finding solutions to address Nunavut's housing needs has progressed from one department trying to do it alone, to interdepartmental co-ordination, to intergovernmental, multi-sectoral and diverse proactive work.

The Minister's *Task Force* was a catalyst for expanding these partnerships: in Recommendation No. 15, partnerships with community organizations and the private business sector were encouraged as a means of developing cost-effective and viable solutions for addressing housing shortages. While the *Task Force* created the blueprint, ***Building Connections*** laid the foundation and is now developing the framework for adequate, available and affordable housing made in, made by, and made for Nunavummiut.

Through continued co-operation, open and frequent dialogue, and proactive and responsive overlapping commitment, governments, organizations, and Inuit agree that housing is central to every person's life. Under the ***Building Connections*** initiative, participants at the 2002 February Roundtable and 2002 September Symposium gathered to explore linkages between housing challenges and their diverse mandates, and to look at collaborative solutions.

The next steps include involving the communities and industry. ***Building Connections*** needs these two critical elements to make our case in a number of areas including:

- Identifying training and development needs at the community level;
- Prioritizing housing needs at the community level;
- Researching and promoting innovative designs and technologies to support the housing needs of groups within Nunavut, such as seniors;
- Identifying the health and wellness connections to different housing realities; and,
- Advocating, with all partners, for improved awareness and response to Nunavut's housing challenges.

Major change does not happen overnight. A made-in and made-for Nunavut Housing Framework requires long-term commitment from diverse sectors.

Building Connections is about finding solutions in an ever-changing environment.
Building Connections is about developing comprehensive and holistic approaches.
Building Connections is about promoting Nunavut and our immediate and long-term housing needs.

Building Connections is about reporting progress, developing strategies to address continued challenges, and announcing commitments.

Recommendations of the Minister’s Task Force on Housing

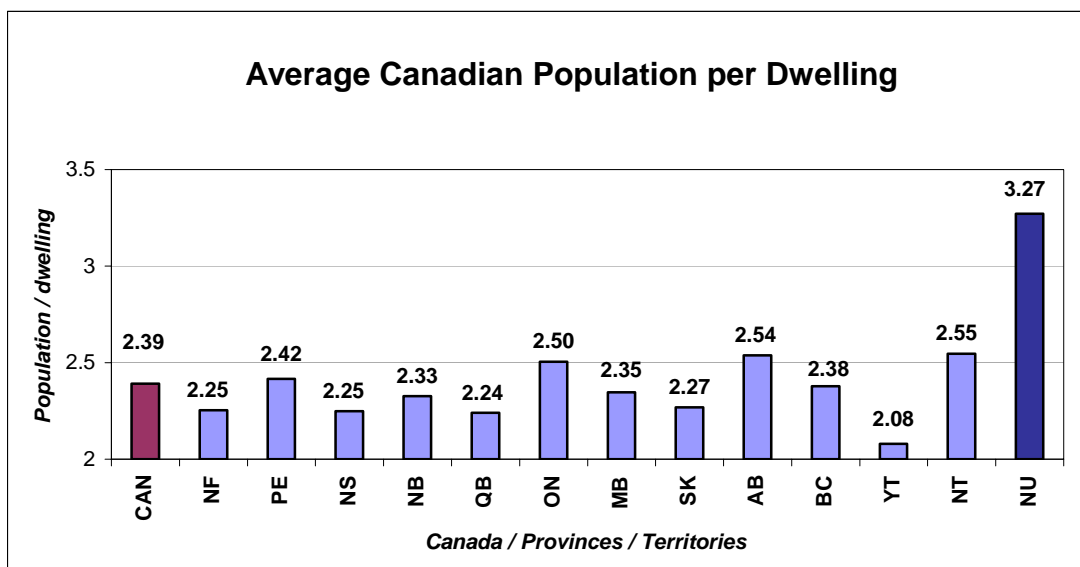
“Renewal” – A Commitment to New Organizational Values	
Stand-alone Nunavut Housing Corporation	Complete
The Housing Corporation Act	Not begun Will be further investigated during fiscal 2004/2005
Community consultations	Complete - Ongoing
Integrating IQ into Corporation policies and guidelines	Complete Always ongoing through community consultations with LHO Boards of Directors
Housing needs assessment	Complete Through the Nunavut Household survey, 2001 Federal census and LHO “Rent-scale” statistical software
Education campaign	Complete - Ongoing
Housing Corporation Business	
Rent Scale	Complete
Rent charged to Income Support Recipients	Complete
Revision to Homeownership Programs	Complete
Senior’s and Specialized Housing Issues	More work will be done in this area during 2003/2004
Housing Design	More work will be done in this area during 2003/2004
Inflated Cost of Housing Programs in Nunavut	
Land Leases	Will be continuing in this area starting in fiscal 2002/03 through a joint initiative with the Department of Community Government and Transportation
The “Hidden Subsidies”	Will be continuing in this area starting in fiscal 2002/03 through a joint initiative with the Department of Community Government and Transportation
Leveraging Dollars and Building Community Capacity	
The Local Housing Program	Will be continuing in this area starting in fiscal 2002/03 through a joint initiative with LHOs
Exploring partnerships	Complete – Ongoing

Housing in Nunavut – By the Numbers

How does one quantify need? Such is the reality of the housing crisis in Nunavut. By any form of measure, Nunavut’s housing need is staggering. Public Housing waiting lists continually exceed 1,000 families or 3,800 persons; 3,000 homes are needed in the territory right now to bring Nunavut on a par with the rest of the country (or even its territorial sisters); and, over the next twenty years, more than \$1.5 billion needs to be invested in housing infrastructure to meet Nunavut’s housing requirements. This, in an environment where, for many months of the year, flesh freezes in seconds, not minutes. Absolute homelessness *per force* does not exist in Nunavut. Instead the “hidden homeless” squeeze into homes that are already overcrowded, into homes that do not average 1,000 square feet in size, and into homes where living space is shared with potable water tanks, washers/dryers, furnaces and hot water makers. Space, to say the least, is at a premium – and it probably has a prior claim on it from someone else.

Once the exclusive domain of the Public Housing portfolio, the housing crisis in Nunavut now runs the gamut from Public Housing, Staff Housing and affordable rental housing to availability of homeownership units. Staff Housing capacity is limited in all communities, severely hampering the evolution of this government as well as economic growth in our communities. Public Housing waiting lists continue to grow, while overcrowding becomes more and more of an issue. Even with the introduction of almost 300 additional Public Housing units since 2000, average numbers of persons per household is still 3.8, with some communities averaging over five. This is particularly telling when the Canadian average of persons per dwelling of 2.39 is compared against Nunavut, with an average of 3.27 people in each and every dwelling unit in the territory (Figure 1).

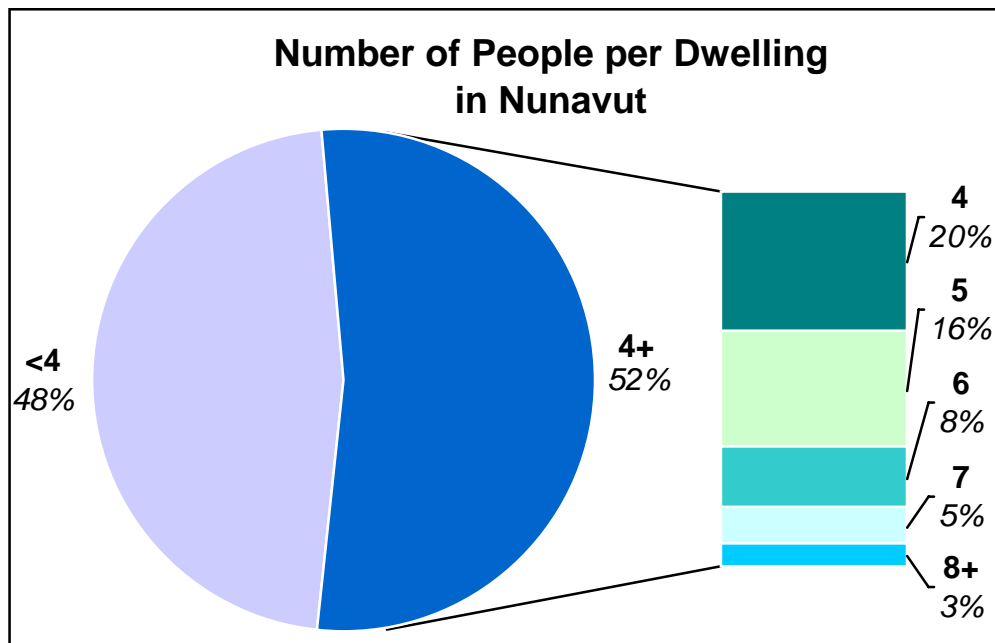
Figure 1: Average Canadian Population per Dwelling



Source: 2001 Census

However, average population per dwelling does not tell the whole story. 3.27 people per dwelling doesn't sound very crowded: that's only two parents and two children, after all. What must be considered is that there are an average of 3.27 people in *every* dwelling, from the smallest bachelor suite to the largest homes in the territory. The reality is that over 52% of the dwellings have more than four people living in them and over 32% have over five persons per dwelling (Figure 2). Although statistics do not exist on unit size and overcrowding, anecdotal observations indicate that the homes with the highest numbers of occupants also have the smallest square footage, thus increasing overcrowding pressures. As an added perspective on the overcrowding situation in Nunavut, consider that in 1996, the percentage of occupied dwellings with more than one person per room in Canada was 1.7. In Nunavut the average was 25.8 with some communities as high as 38 and higher.¹

Figure 2: Number of People per Dwelling in Nunavut



Source: Nunavut Household Survey

Housing is fundamental to growth in all aspects of life and business in Nunavut. One needs only to look at the composition of housing types to immediately see how critically it pervades the spectrum of life in the territory. Fully 45% of the dwellings are Public Housing. Tenancy in Public Housing is 99% Inuit and of those tenants, over 70% are either on Income Support or pay only minimum rent. In fiscal 2001/2002, rental receipts from Public Housing totaled only \$5.8 million, or less than 8% of the yearly cost to manage the portfolio.

Staff Housing from all employers (not simply the GN) accounts for another 19% of the dwelling count, while a further 21% of the units have received some type of

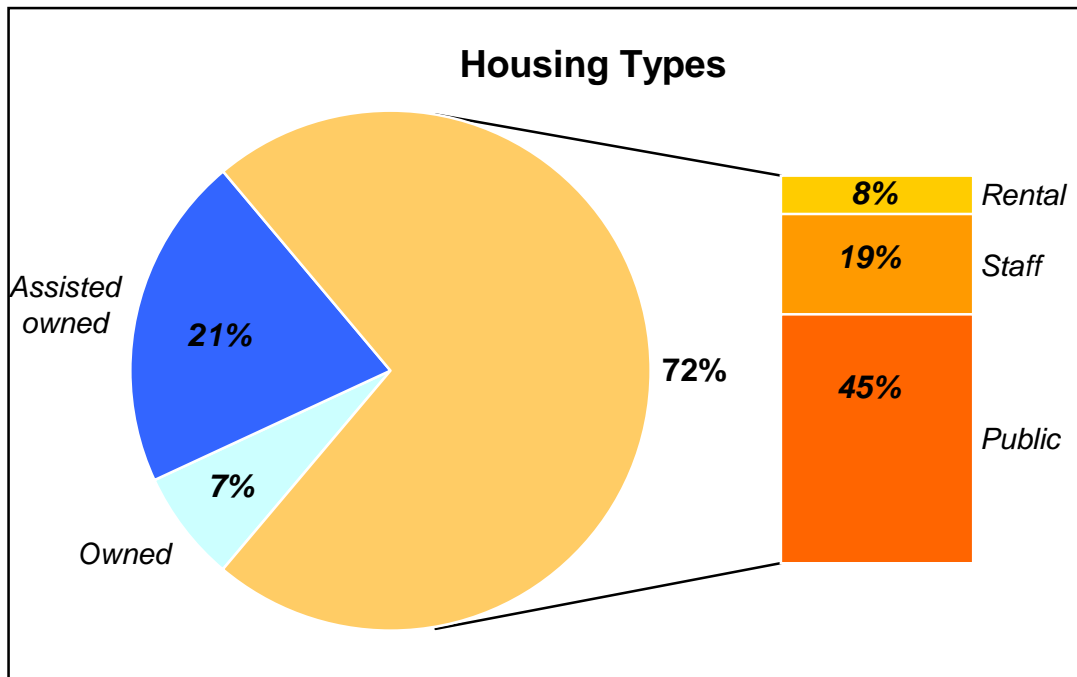
¹ 1996 Census

homeownership assistance under one or another of the NHC's programs. Only 7% of the dwellings in the Territory were purchased privately (Figure 3).

When compared to the rest of Canada, Nunavut's mix of dwelling type is notably different. Only 6% of units in the rest of Canada are of the social housing type, whereas homeownership accounts for 70%, and rental, 14%.

Nunavut must mature into the supply of affordable rental housing and from there, homeownership. The GN Staff Condominium program is one such vehicle to increase the supply of varied dwellings in the Territory. During 2002 and 2003, 157 units will be constructed in ten Nunavut communities. Proceeds from the sales of the Condos will be reinvested to deliver additional housing supply solutions to other communities where demand exists.

Figure 3: Housing Types in Nunavut



Source: Nunavut Household Survey

The supply of more housing infrastructure is likely the most important issue facing Nunavut today. In the face of crushing demand, Nunavut also faces the reality of a huge birth rate. The 2001 Census shows Nunavut as having increased its population by 8% in five years, with population increases in some communities as high as 22%. The Nunavut Bureau of Statistics predicts that Nunavut's population will rise from current levels of approximately 27,000 to almost 44,000 by the year 2020. The just released general plan for the City of Iqaluit predicts that 2,000 additional housing units will be needed, in Iqaluit alone, over this same twenty year time-span.

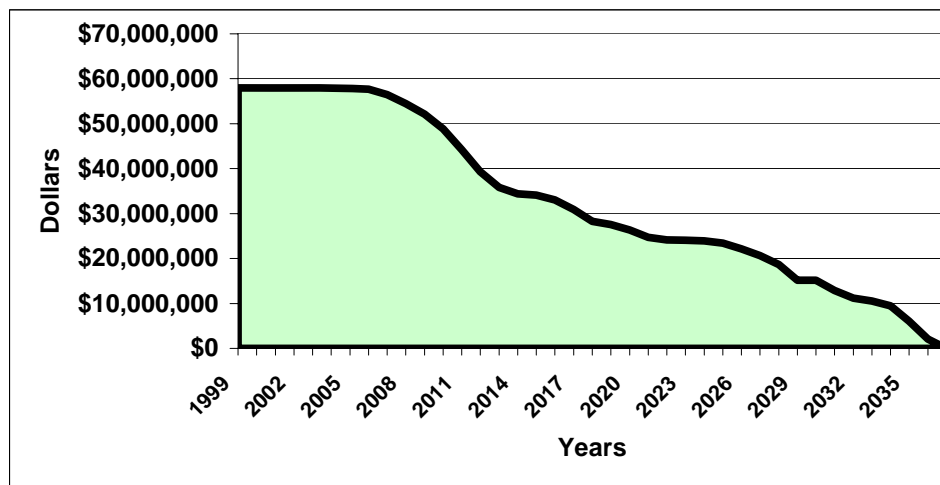
Housing priorities in Nunavut include:

- Increasing the number of homes and improving the condition of existing homes to help begin to address the other important social problems which children and families face.
- Providing people with proper housing addresses their basic shelter, safety and security needs so that more of their focus can be directed to education, employment, child-raising, etc.

Inadequate and overcrowded housing contributes to social and health problems, such as major diseases, marriage breakdown, alcoholism and child and spousal abuse. The financial results can be measured in terms of higher costs of health care, income support payments, policing and penitentiary service. Solving the housing problems of Nunavummiut could reduce the cost of health services and social assistance by improving social and health standards. Adequate housing is essential to achieving wellness in Nunavut communities.

Funding from CMHC for existing social housing inventory is declining and will terminate completely in the year 2037 (Figure 4). More resources need to be dedicated to the O&M of the existing Public Housing inventory. This is especially true in light of the block funding being fixed at 1996 levels. Owing to this, the buying power of these funds is being eroded on a yearly basis by inflation. Fiscal 2003/004 is the first year when funding declines. Albeit small (\$21,917), we are nevertheless now on the downward slope.

Figure 4: Future CMHC Funding for the Operation of Current Social Housing in Nunavut



Note: 1996 dollars (no provision for inflation)

Source: Nunavut Housing Corporation

Construction costs also contribute to the rapidly increasing housing costs in Nunavut. In these otherwise low inflation times, construction costs have risen in excess of 10% per year for the last several years. It is not expected that this trend will drop off in the

near future for Nunavut, or indeed, the North in general. Single Family Dwelling costs are even more frightening. For 2002/2003 square footage costs are as high as \$260 ft²; the Canadian cost for similar construction is about \$113 ft².

Lack of employment and economic development opportunities has contributed to keeping individual and household incomes low, making it difficult for people to help themselves meet their own housing needs. Almost 54%² of Nunavummiut live in Public Housing.

The Corporation maintains almost 3,900³ Public Housing units across Nunavut. There are 3,638 owned and 262 rent supplement units, representing a total public investment of over \$407 million⁴ in the social housing stock across the territory. During fiscal 2003/2004 at least 48 additional Public Housing units will be built.

The Staff Housing stock includes over 1,100⁵ units. Of these, approximately 100 are owned by the NHC; the remainder are rent supplement. Over time, the NHC will need to address the composition of this portfolio with a view towards rebalancing its assets.

Housing Demand Factors⁶

- In 2001 54% of the total Nunavut population lived in Public Housing.
- Over 99% of tenants in Public Housing in the territory are aboriginal.
- Over 96% of Nunavut households in core need are aboriginal.
- Over 70% of Public Housing tenants pay minimum rent.

Homeownership potential gauges the type, style and amount of assistance the Corporation should be offering to assist Nunavummiut in becoming homeowners. Every new homeowner either frees up a rental unit, whether it is in the social housing pool or GN Staff Housing or reduces a home's occupancy level.

Ongoing shelter costs are very high in Nunavut. On average, shelter costs are \$556 per month for the basics: fuel, water, garbage, power, insurance, maintenance and land lease fees (Figure 5). Costs are as high as \$672 in some communities. As these costs rise with inflation and over time, it will become more and more difficult to afford the cost of homeownership. As well, rental costs will need to escalate to keep pace with rising shelter costs, possibly pricing affordable rental housing out of the reach of most residents. These factors in turn increase reliance on the Public and Staff Housing pools, putting ever-increasing pressure on a society already in crisis.

² NHC occupancy statistics

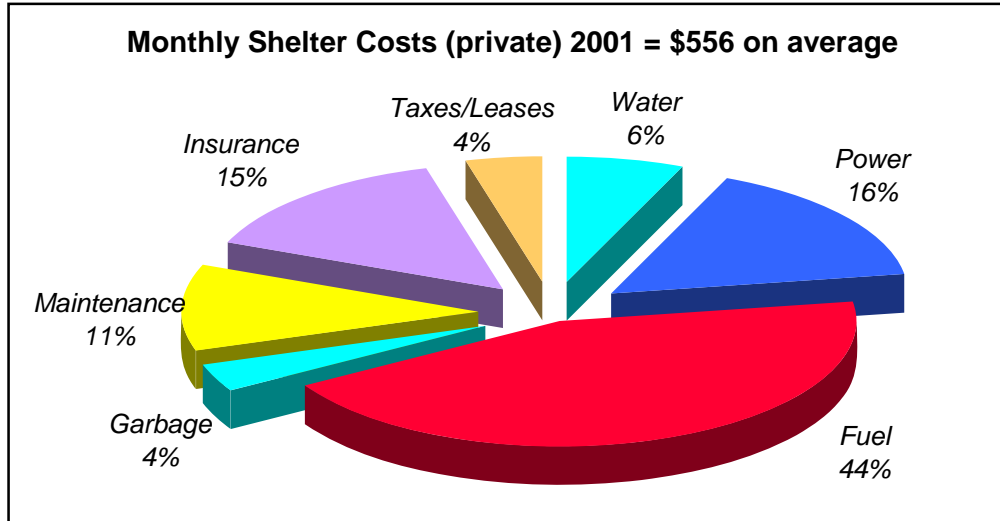
³ NHC Unit Inventory

⁴ NHC 2001 Audited Financial Statements

⁵ NHC Unit Inventory

⁶ 1996 NWT HC Needs Survey

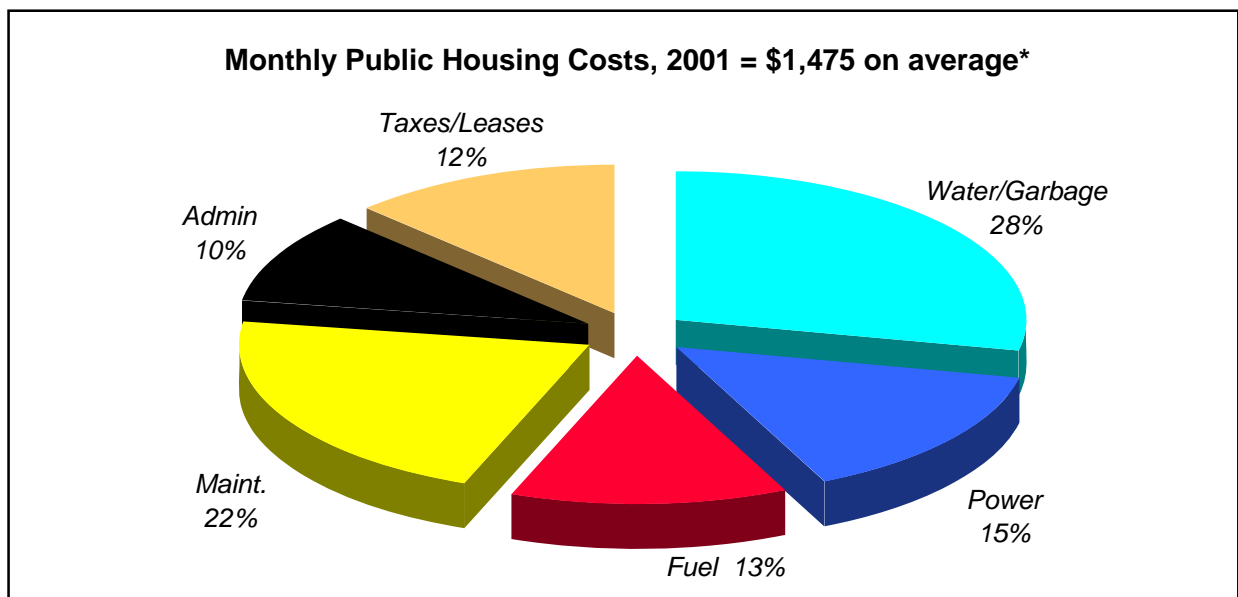
Figure 5: Nunavut Shelter Costs



Source: Nunavut Housing Corporation

Public Housing costs, principally because of the “hidden subsidies” for power, water/sewerage and garbage, continue to escalate. Although the NHC has been successful in receiving forced growth dollars for newly constructed units, funding for existing units remains constant, pegged at 1996 levels (Figure 6). Additionally, the LHO block funding formula for Administration and Maintenance has not been adjusted since 1996, neither for inflationary pressures nor for Nunavut economic realities.

Figure 6: Nunavut Public Housing Costs



* before depreciation or major renovations

Source: Nunavut Housing Corporation