

Nunavut is facing a severe housing crisis

Compared to the rest of the country, Nunavut's housing statistics are devastating

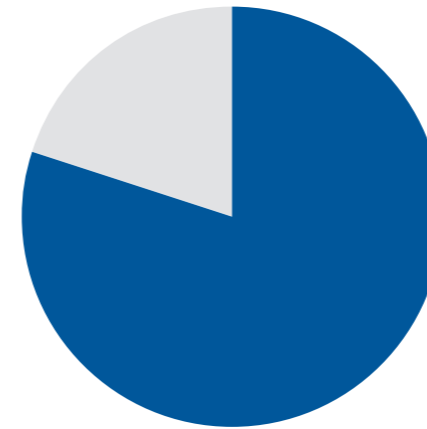


Nunavut Housing Corporation's Appearance before the Standing Senate Committee on Aboriginal Peoples - March 23, 2016



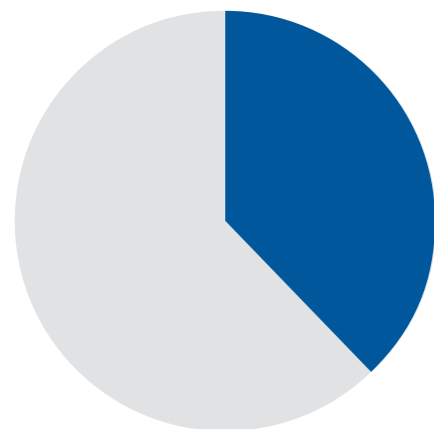
52%

Of Nunavummiut live in Social Housing



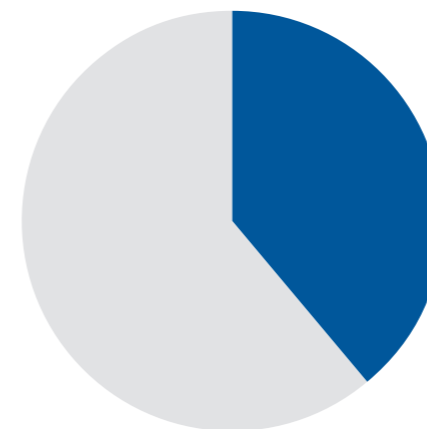
80%

Of social housing tenants make less than \$23,000/year



38%

Of social housing tenants live in overcrowded conditions. (up to 72% in some communities)



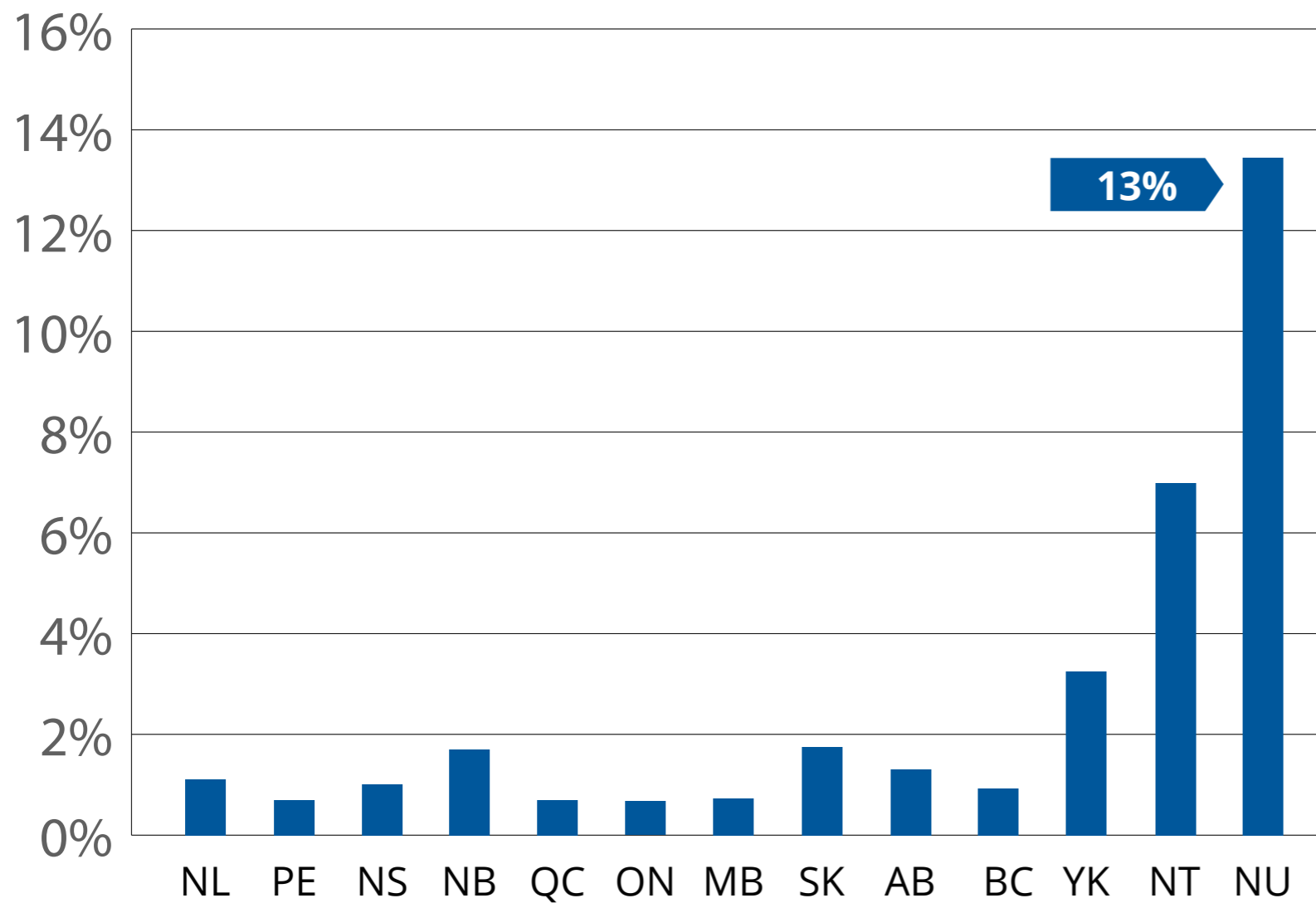
39%

Of Nunavummiut live in core housing need

It is no secret that Nunavut is facing a housing crisis, marked most significantly by a severe housing shortage, and rates of overcrowding unparalleled to anywhere else in the country.

How can we move beyond these staggering statistics, and what can or should be done to ensure Inuit in Nunavut have access to the same housing opportunities and options as other Canadians?

Housing expenditure as a % of Total Revenues



Between 1999 and 2009, the average housing expenditures by the Government of Nunavut were 13.3% of the territory's revenue. Over 13 times greater than other provinces and territories.

Construction Costs in the North

3x

The cost of southern construction



Construction costs in Nunavut are extremely high in comparison to Southern Canada. On average, construction in Nunavut costs three times more than in the Greater Toronto Area.

While in Nunavut, costs do vary by community, the average cost of a new public housing unit is between \$400,000 and \$550,000.

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Annual O&M costs of one public housing unit

\$26,000

	Average per unit cost	2014/2015 totals 5,153 units
Water and Sewage	\$7,400	\$38,123,200
Power	\$5,100	\$26,280,300
Fuel	\$3,700	\$19,066,100
Garbage	\$700	\$3,607,100
Taxes	\$400	\$2,061,200
LHO Administration	\$2,300	\$11,851,900
LHO Maintenance	\$5,200	\$26,795,600
Total	\$24,800	\$127,794,400

The cost of operating and maintaining public housing units is also very high in comparison to Southern Canada. The yearly operating cost of one public housing unit is approximately \$26,000, the majority of which can be attributed to utility costs.

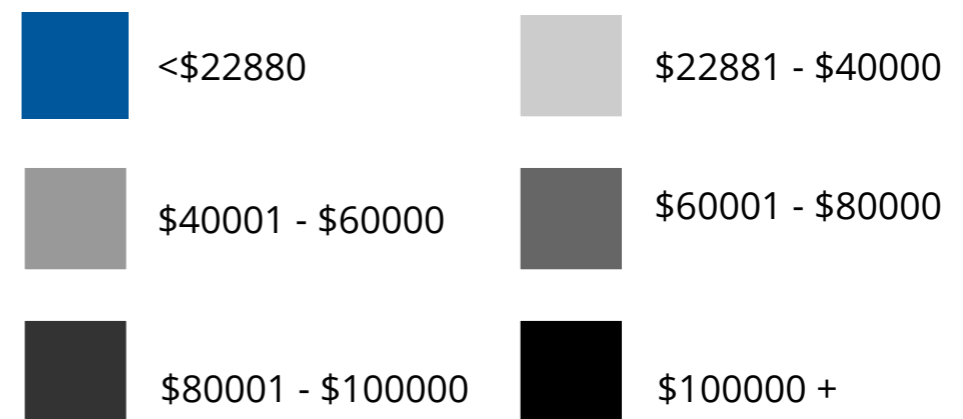
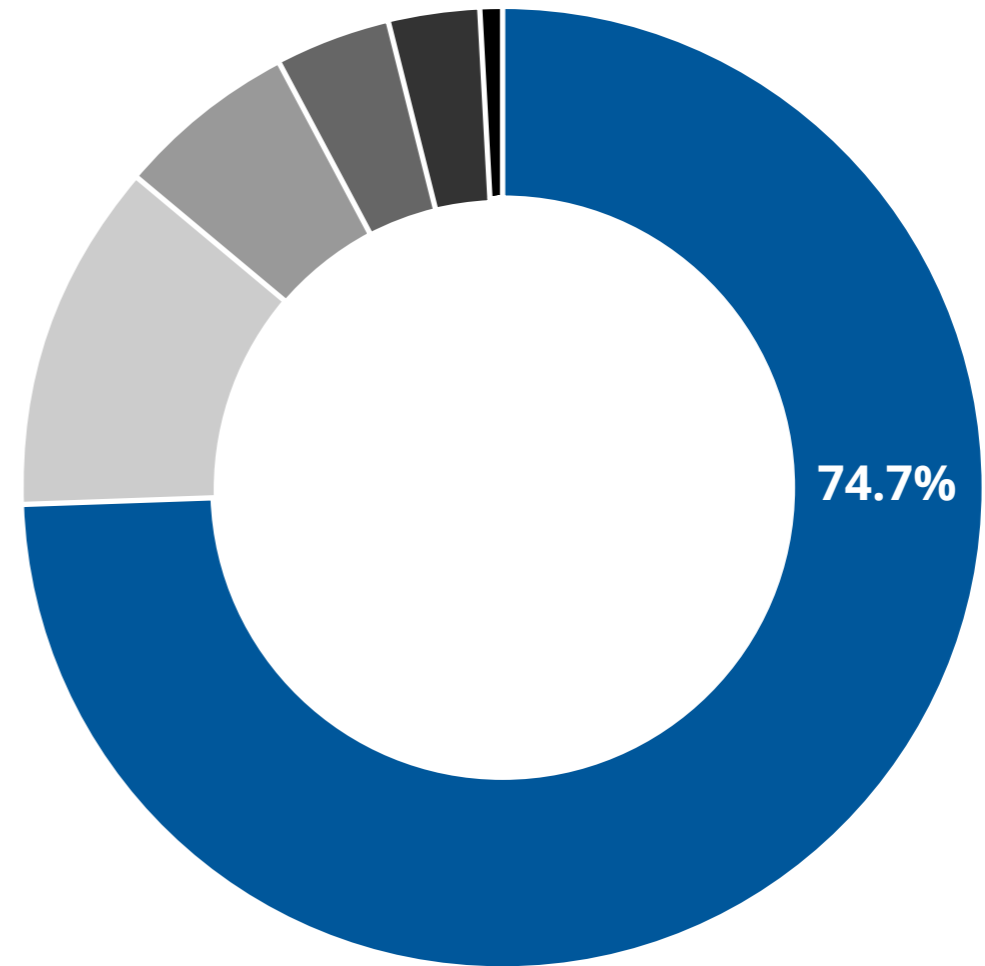
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74.7%

of the territory's public housing clients earn less than \$22,800 a year



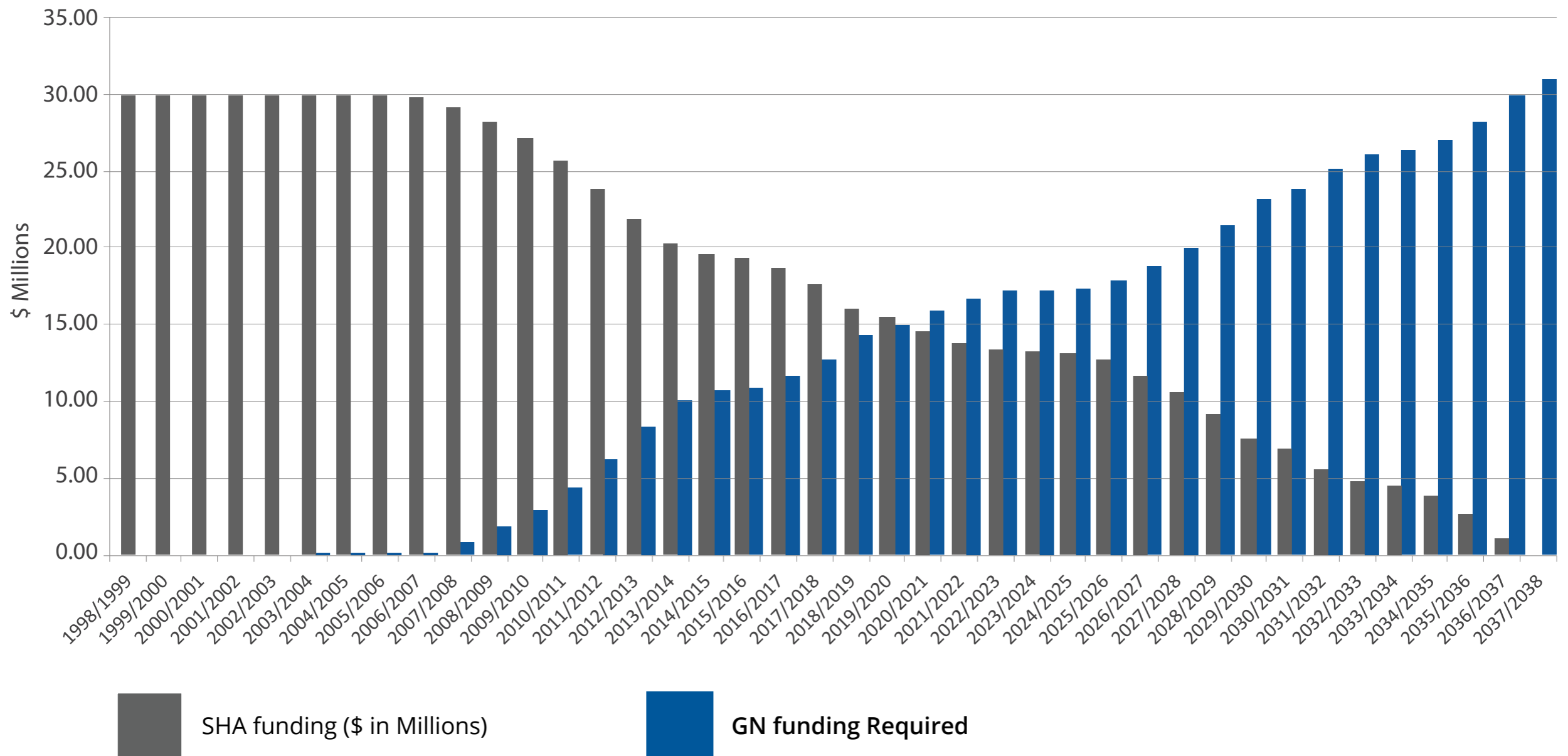
The underlying challenge is that there is very little opportunity for the Government of Nunavut to recover its costs. Rental revenues from public housing tenants in Nunavut are limited by the territory's lack of economic opportunities for individuals. In 2014-15 74.7% of public tenants made less than \$23,000 annually. Because all public housing rent is geared to income, the vast majority of tenants pay the minimum rent of only \$60/month.



Declining SHA

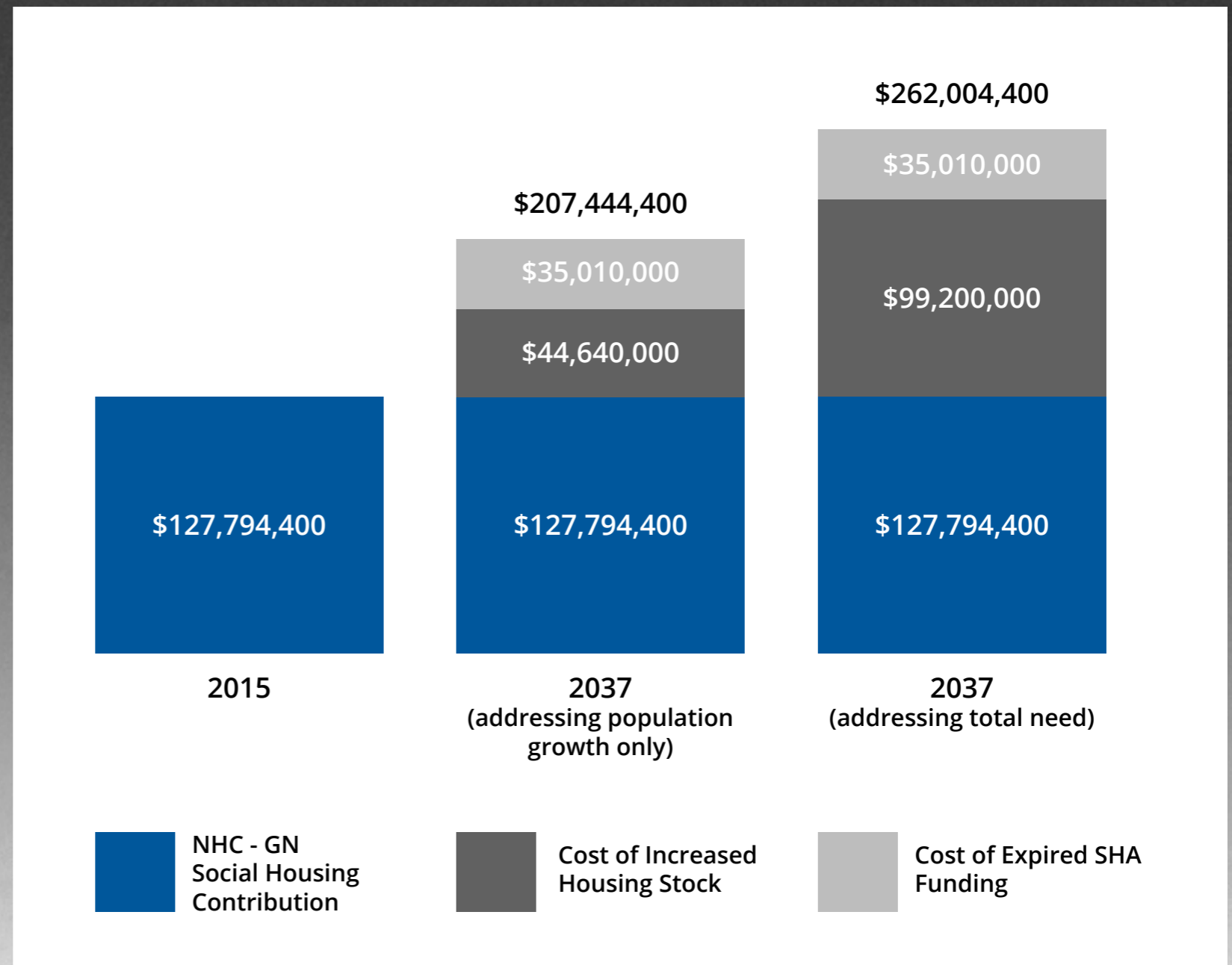
The impact of declining SHA funding is amplified by the two-fold pressure on already limited Government of Nunavut budgets.

1. Comensating for diminishing SHA funding
2. Maintaining all units as housing stock grows



Growing O&M Costs

Currently, the Government of Nunavut's contribution to social housing alone makes up 9% of its total O&M Budget of \$1.5 billion, but as we begin to address the 3,000 unit gap through new construction, we predict the costs of maintaining public housing units will grow up to 16% of the GN's total budget.

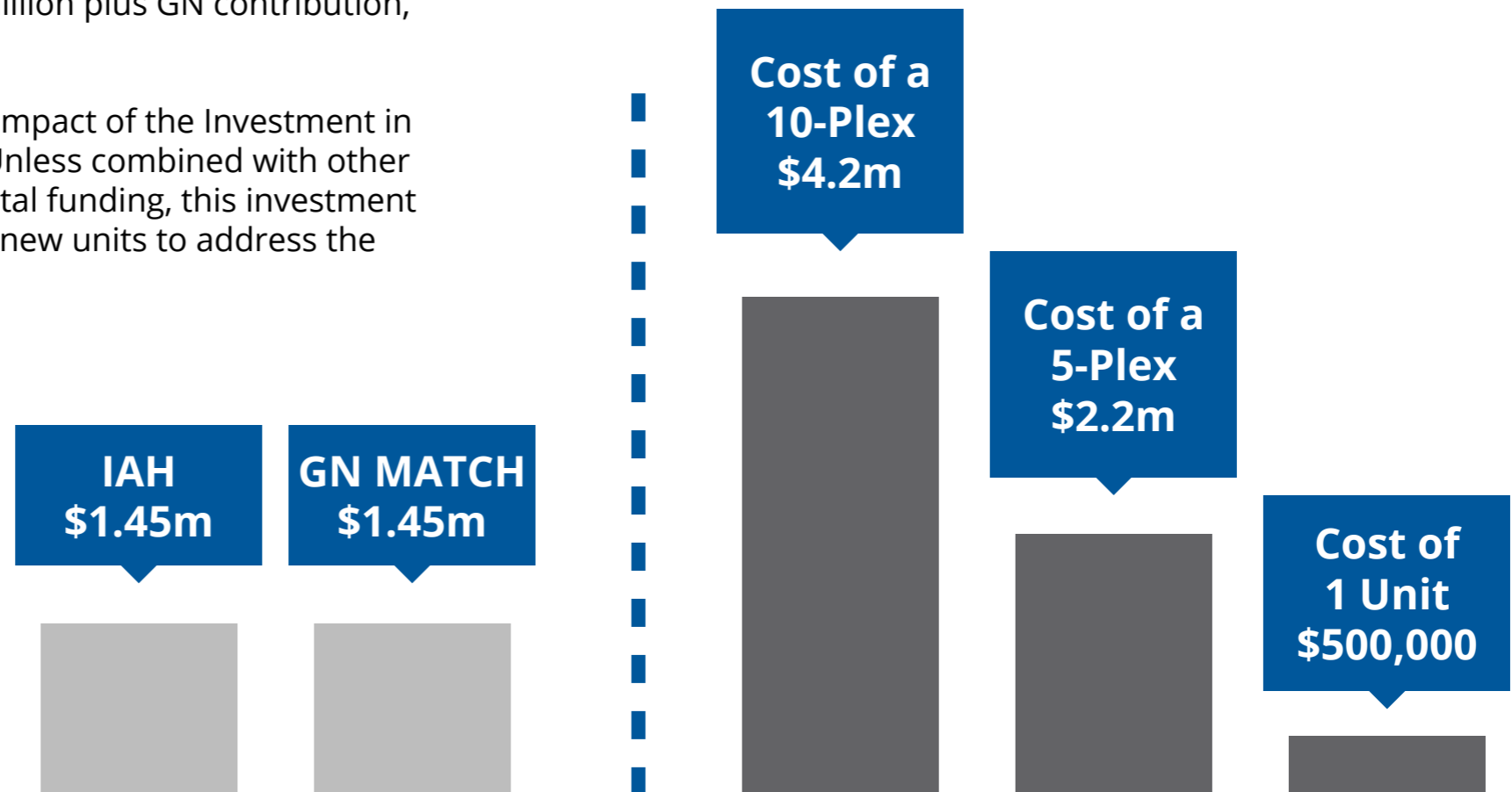


Investment in Affordable Housing Agreement

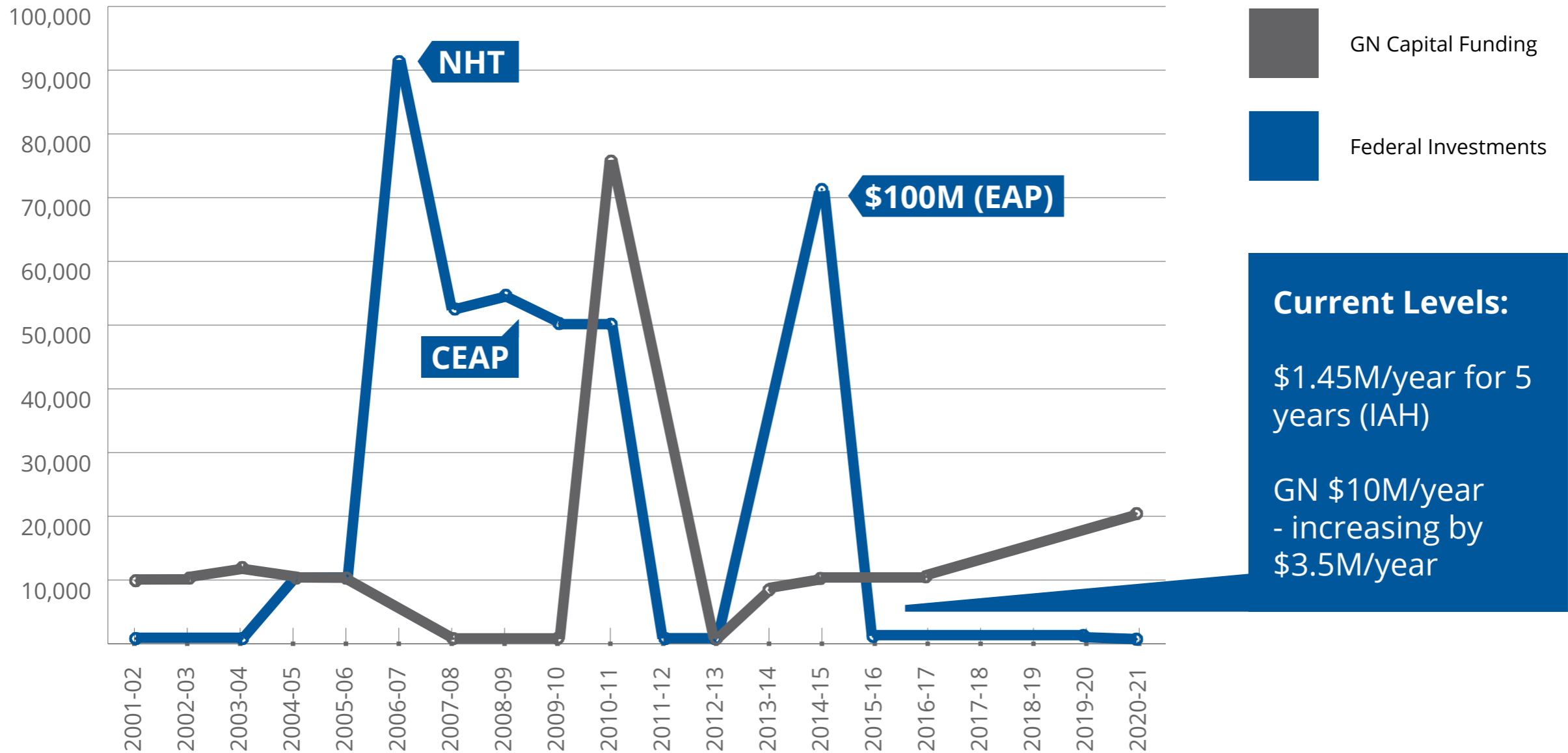
The IAH provides \$1.465 million/ year over 5 years, and requires a 100% cost match from the Government of Nunavut.

Total for 2014-2019 Agreement: \$7.33 million plus GN contribution, for a total of \$14.7 million over 5 years.

Because of its inadequate size, the true impact of the Investment in Affordable Housing funding is limited. Unless combined with other Government of Nunavut sponsored capital funding, this investment cannot realistically be used to construct new units to address the growing gap.



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Capital funding also flows to Nunavut from the federal government is through large one-time capital funding injections. Examples of this include NHT, CEAP, and most recently, in 2013, the \$100 Million Economic Action Plan funding.

These types of capital injections are welcome, however, the unpredictable nature of these investments presents significant challenges.

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Sporadic investments seriously hinder the ability of the NHC, the Government of Nunavut and municipalities to plan ahead to implement better land use policies and plan for community infrastructure needs in relation to community priorities.

Unpredictable funding also limits the ability for the Government of Nunavut to accomplish additional economic outcomes through initiatives that require longer horizons, such as apprenticeship and training. Lack of predictability limits planning, not just for the GN, but for Municipalities and other stakeholders in community infrastructure. This also creates a feast or famine environment for local contractors and impedes a sustainable approach to economic development at the community level.

Long term planning horizons

Longer planning horizons would also allow the NHC to take advantage of new technologies in housing construction and maintenance. The local workforce capacity is very limited in many communities across the territory. This means that using and installing the latest technologies in our housing units is impractical, as in many cases, there is no one in the community with the knowledge and expertise to maintain or fix these new technologies.

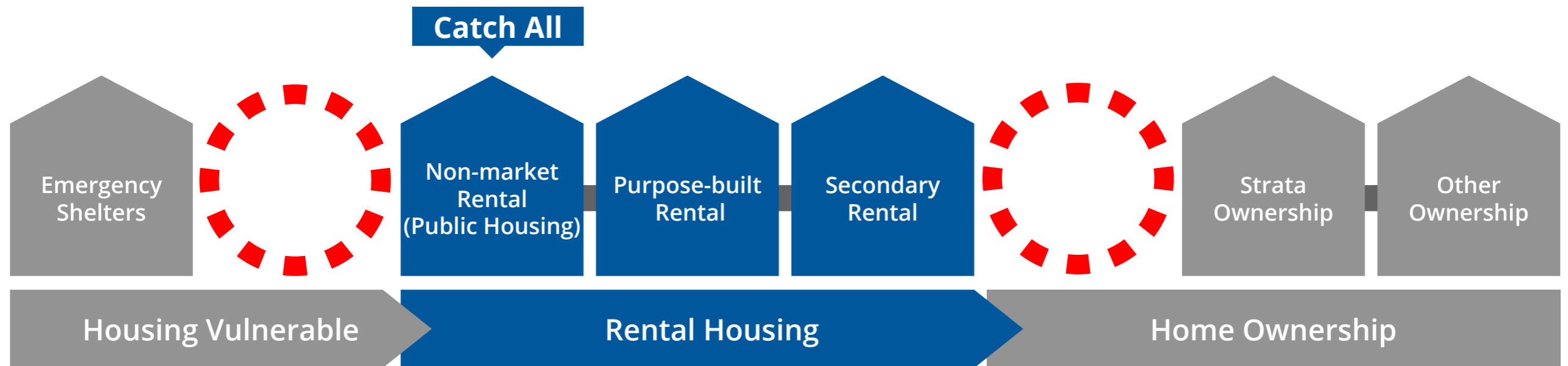
Longer planning horizons allow more opportunity to develop tradespeople who have the skills necessary to deal with the latest technological advances in housing.



Housing Continuum

Limitations to developing diverse housing options is what prevents Nunavut from having a full housing continuum. A housing continuum can be described as a line with two extremes: at one end, an owner-occupied home; at the other end, homelessness, and somewhere in between, supportive housing for those unable to live independently.

Longer term funding commitments could assist in developing a more robust housing continuum not only by supporting the training for the maintenance workers needed to support diverse housing, but also by allowing longer planning horizons so that the Government of Nunavut can better determine the true needs of Nunavummiut, and have the flexibility to meet these needs with whatever types of housing are most suitable.





Nunavut Ten-Year Inuit Housing Action Plan

A long-term funding strategy with the federal government to address Nunavut's housing crisis is what is most needed.

We came together with Inuit organizations to ask for this in 2004, and without it, over 10 years later, we are in the same dire housing situation that we were a decade ago, despite over \$500 million invested.

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The Government of Nunavut has not sat idly by waiting for a housing solution to come from the federal government. The GN has and continues to invest significant capital funds for housing construction in Nunavut, and has now made its commitments more long-term.

The NHC has also been leading a three-part initiative for the Government of Nunavut to develop a holistic and comprehensive approach to address the territory's housing crisis. We are currently in the process of completing the final phase of this initiative, which seeks to reduce the costs of housing, increase the supply of housing, and determine more definitively the housing needs of Nunavummiut. The success of the initiative, however, will be greatly impacted by the level of commitment the federal government is willing to make.

**Thank you
Merci
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