Barriers to Sustainable Housing Delivery in Inuit Nunangat
About Inuit Tapiriit Kanatami

Inuit Tapiriit Kanatami (ITK) is the national representational organization for Canada’s 60,000 Inuit, the majority of whom live in four regions of Canada’s Arctic, specifically, the Inuvialuit Settlement Region (Northwest Territories), Nunavut, Nunavik (Northern Quebec), and Nunatsiavut (Northern Labrador). Collectively, these four regions make up Inuit Nunangat, our homeland in Canada. It includes 53 communities and encompasses roughly 35 percent of Canada’s landmass and 50 percent of its coastline.

The comprehensive land claim agreements that have been settled in Inuit Nunangat continue to form a core component of our organization’s mandate. These land claims have the status of protected treaties under section 35 of the Constitution Act, 1982, and we remain committed to working in partnership with the Crown toward their full implementation. Consistent with its founding purpose, ITK represents the rights and interests of Inuit at the national level through a democratic governance structure that represents all Inuit regions.

ITK advocates for policies, programs and services to address the social, cultural, political and environmental issues facing our people.

ITK is governed by a Board of Directors composed of the following members:

- Chair and CEO, Inuvialuit Regional Corporation
- President, Makivik Corporation
- President, Nunavut Tunngavik Incorporated
- President, Nunatsiavut Government

In addition to voting members, the following non-voting Permanent Participant Representatives also sit on the Board of Directors:

- President, Inuit Circumpolar Council Canada
- President, Pauktuutit Inuit Women of Canada
- President, National Inuit Youth Council

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Introduction

Housing affects every aspect of life—including work, education and family—and is therefore one of the most crucial determinants of a healthy life for individuals and communities. Throughout the Inuit homeland, a deep, costly and persistent housing crisis has been the norm for decades. It began in the second half of the 20th century when Inuit were forced to live in permanent settlements. Today the housing crisis represents a major impediment to healthy living, education and employment opportunities for Inuit.

This discussion paper reviews the housing needs and barriers in Inuit Nunangat. It explores the challenges for Inuit to access adequate housing in the North by focusing on financial, policy and other barriers to housing access, along with opportunities for addressing those barriers. First, an overview of the historical and socioeconomic context is provided, followed by a discussion of the factors affecting housing delivery, main barriers, and a summary of key trends and recommendations.

1. Historical and Socioeconomic Context for Housing in Inuit Nunangat

There are almost 60,000 Inuit in Canada and nearly three quarters reside within Inuit Nunangat (four Inuit regions: the Inuvialuit Settlement Region, Nunavut, Nunavik, and Nunatsiavut).

Most Inuit across the four regions live in small, remote coastal communities. Due to limited transportation infrastructure in the regions, communities generally depend on air and seasonal marine service for goods transport and passenger travel. High transportation and power costs make northern operations expensive, significantly influencing the cost of living and doing business. The climate in the four regions is dominated by long and cold winters, resulting in high heating and insulation costs. The cold northern climate further influences the building and construction season, as most materials have to be delivered in the summer and built in a heated structure to continue work in the winter (NAHO, 2008). Furthermore, climate change has affected all four regions, with warming being about twice as fast in the Arctic compared to the global average (Intergovernmental Panel on Climate Change [IPCC], 2007). This has profound impacts on thawing of permafrost, change in wildlife migration and length of hunting seasons, affecting the traditional Inuit lifestyle and potentially constraining economic and social development.

In the second half of the 20th century, the federal government’s economic development plans for the Arctic led to the establishment of permanent housing in Inuit settlements. In the 1960s and early 1970s, there were significant concerns regarding the living conditions and Inuit mobilized and demanded greater autonomy and control over their land. Today, each of the Inuit regions has a distinct legal and political jurisdictional determination.

By entering into land claims agreements and self-government agreements, the signatories committed to a series of obligations to further the goals of all parties. These included improving
the social well-being and economic prosperity of Inuit; developing healthier, more sustainable communities; and promoting the participation of Inuit in Canada’s political, social and economic environment to the benefit of all Canadians (Indigenous and Northern Affairs Canada [INAC], 2015). Therefore, the federal, provincial and territorial governments have a direct responsibility to work with Inuit to ensure access to affordable, sustainable and adequate housing in the Arctic.

Despite the gains made by Inuit in self-governance and other fields, northern communities are challenged by limited access to health services, high unemployment, crowded and poor-quality housing, and concerns regarding basic services such as drinking water quality and sanitation, and low educational achievement (Ford et al., 2010).

2. Housing in Inuit Nunangat

The importance of housing to human well-being and social development is stipulated in many international human rights documents. In particular, Article 11 of the International Covenant on Economic, Social and Cultural Rights (ICESCR), ratified by Canada, mentions the “right of everyone to an adequate standard of living for himself and his family, including adequate […] housing […]” (United Nations [UN], 1976). The relationship between poor housing (or the lack of housing) and poor mental and physical health is well documented in numerous studies. Housing is “the most crucial determinant of a healthy life for individuals as well as for communities as a whole” (National Aboriginal Health Organization [NAHO], 2012, p. 4). Beyond providing a living space, housing has many attributes that are influential in an individual’s life: physical, financial, spatial, psychological and environmental (Canadian Policy Research Networks [CPRN], 2004, p. v). Indigenous peoples have the right to the improvement of their housing conditions, and governments must take steps to ensure access to housing in indigenous communities (United Nations, 2008).

Unfortunately, access to adequate housing is a significant issue in Inuit Nunangat. Up to 31 per cent of Inuit live in overcrowded conditions, compared to just 3 per cent of Canadians overall (Knotsch & Kinnon, 2011, p. 9). Overcrowding results in public health problems such as respiratory diseases and infections, and causes stress that can lead to domestic violence (Inuit Tapiriit Kanatami [ITK], 2014, p. 21; NAHO, 2012, p. 17). The share of inadequate housing is larger in Inuit Nunangat compared to Canada overall. For example, in Nunavik and Nunavut, currently about 50 per cent of people are living in substandard housing units (Canada Mortgage and Housing Corporation [CMHC], 2015 p. 2).
3. Factors and Barriers Affecting Housing Delivery

There are numerous factors affecting housing provision in Inuit Nunangat. An analysis of available literature and interviews with stakeholders revealed seven main barriers related to intergovernmental cooperation, policy gaps, inadequate consideration of demographics, insufficient or inconsistent funding, high housing costs, lack of housing markets and trade-offs between sustainability and housing costs.

Figure 1: Housing Barriers

Source: Authors
3.1 Intergovernmental Cooperation

According to Article 23 of the UN Declaration on the Rights of Indigenous Peoples, Indigenous peoples have the right to be involved in housing programs and administer such programs through their own institutions (United Nations, 2008). In practice, housing programs usually involve cooperation between federal, provincial, territorial, regional and local authorities. This cooperation is not always smooth, resulting in limited commitments, delays and funding withdrawals. Intergovernmental cooperation may also affect coordination between housing agencies. For example, in Nunatsiavut, the Newfoundland and Labrador Housing Corporation (NLHC) is supported by the provincial government, while the Torngat Regional Housing Association (TRHA) is supported by the regional government. Stronger coordination between the two agencies could help reduce housing costs in the region, but that requires a clearer division of housing responsibilities between the two governments (Parliament of Canada, 2016b).

3.2 Insufficient or Inconsistent Funding

Addressing the housing crisis in Inuit Nunangat would require an estimated CAD 2 billion in capital expenditures, not including operating and maintenance costs (Parliament of Canada, 2016b). Most Inuit regions lack the means to independently and fully support housing provision and look to federal, provincial or territorial funding.

Federal funding is typically provided in the framework of the Social Housing Agreements (SHA) and the Investment in Affordable Housing (IAH) program. Funding in the SHA framework is declining and these agreements will expire by 2040, potentially exacerbating an already severe housing crisis in the North (Zanasi, 2007, p. 26). The federal government channels approximately CAD 240 million per year into housing through the IAH program, to be matched by provincial or territorial governments. However, the northern regions receive a rather small share of this amount (Parliament of Canada, 2016a). In addition, there is a level of uncertainty with funding for housing in the Inuit regions. In Nunavik, three federal-provincial-regional housing agreements were signed in 2000, 2005 and 2010, each time for five years, but in 2015, only a one-year agreement was signed at the request of Makivik Corporation. Makivik was not prepared to commit to a five-year agreement which contained clauses wherein Makivik recognized that Canada and Quebec had fulfilled their housing-related obligations to the Inuit of Nunavik unless there was a significant increase in funding. In Nunavut, there was no announcement in 2015 of additional federal housing funding (Van Dusen, 2015). In both Nunavik and Nunavut, these announcements resulted in adjustments of construction planning.

The federal government increasingly views social housing as a responsibility of the provinces and territories (ITK, 2013). Yet provincial and territorial funding is often insufficient. For example, closing the housing gap in Nunavut would require over CAD 1 billion (Van Dusen, 2015). However, obtaining these funds within Nunavut would be difficult. Managing social housing does not present revenue generation opportunities. In Nunavut, revenue from subsidized rentals
covers only about 10 per cent of the annual cost of the rental stock (NHC 2012a, p. 23). In addition, since Nunavut’s land is owned by the federal government (82 per cent) or by Inuit themselves (18 per cent), the territorial government cannot collect revenue from land development (Nunavut Housing Corporation [NHC], 2012a, p. 13). All this indicates a continued need for federal financial assistance.

3.3 Policy Gaps

The housing policies in Inuit Nunangat have not sufficiently focused on addressing all options along the housing continuum and the need for culturally appropriate housing built of high-quality materials suited to the Northern climate. These housing policies do not always account for the fact that many communities in Inuit Nunangat do not have housing markets, which results in the continued need to fund public housing. The policies have also not fully accounted for the demographic trends in Inuit Nunangat.

3.4 Disconnect Between Demographics and Housing

It is important to forecast housing demand based on demographic projections (Canadian Polar Commission [CPC], 2014). Both research and housing needs assessments conducted in the four regions have revealed key demographic characteristics of Inuit populations. Some of these characteristics include high fertility rates, population growth, and a large number of children and young people. As a result, there is a much larger share of Inuit households with five or more members, and a smaller share of one-person households, compared to Canada overall (CMHC, 2015, p. 13). The number of elderly people is also projected to grow (NHC, 2012a, p. 32). These findings indicate the need to build more housing units and to diversify them to match the needs of different groups.

3.5 High Living and Housing Costs

The economic situation in Inuit Nunangat is characterized by volatile economic growth tied to the price of commodities. Economic growth does not guarantee that people have sufficient assets to afford housing, especially given the high cost of living in Inuit Nunangat (NHC, 2012a, p. 17). In 2014 Nunavut had one of the highest GDP growth rates in Canada (6.2 per cent), more than double Canada’s overall rate (2.4 per cent) (CMHC, 2015, p. 8). Yet, in spite of this economic growth, many Inuit have insufficient equity and continue to rely on subsidized housing (NHC, 2012a, p. 9). Housing costs are directly connected to the costs of municipal and energy infrastructure (Parliament of Canada, 2016b). Northern communities live off-grid, so electricity and heating fuel are expensive. In Nunavut, monthly heating costs can easily reach CAD 1,000 (CMHC, 2013, p. 5). In Nunatsiavut, total mortgage and heating costs for a three-bedroom home can reach CAD 700 in the summer and CAD 900 in the winter (NAHO, 2012, p. 9). Given the widespread seasonal employment in Northern communities, residents may not be able to save enough money for the winter when maintenance costs are higher (NAHO, 2012, p. 9).
Many Inuit rely on subsidies and cost-of-living adjustment measures. It is not always possible to determine the full impact of income support measures, but sometimes they may influence labour supply negatively. For example, some residents of small communities in Inuit Nunangat do not pursue full-time work for fear that losing unemployment benefits would lead to significant rent increases (Thompson, 2008).

According to the CMHC, adequacy and suitability of housing are more pressing concerns in Inuit Nunangat than affordability, because subsidies and higher incomes tend to dampen the effect of high housing prices (CMHC, 2015, p. 2). However, housing cost statistics may not fully account for hidden poverty and differences between urban centres where economic opportunities are concentrated, and small communities where low-income households are prevalent. In fact, research has shown that across Canada, the earnings gap between urban and rural areas may be more pronounced than the earnings gap between provinces; in general, urban areas have a larger share of higher-income households (Beckstead and Brown 2005). These urban areas provide companies with incentives in the form of better infrastructure and a higher concentration of knowledge and skills (Beckstead et al., 2010). This suggests that as smaller communities are poorer than urban areas, housing affordability may be a more pressing concern in those communities than in urban centres. In addition, as seen in Nunavik, new housing construction is more likely to be concentrated in the larger communities, where more organizations and companies are present, than in the smaller communities (Parliament of Canada, 2016c).

In general, housing in Inuit Nunangat is characterized by high costs of construction, operation and maintenance. Subsidies result in reduced shelter cost to income ratios (STIR) for rental housing (CMHC, 2015, p. 4), creating a disincentive for home ownership. Many Inuit live in subsidized rentals for long periods of time, which reduces the availability of social housing. In Nunavut, NHC concluded that, for the foreseeable future, public housing will remain the most viable option for the majority of residents (NHC, 2013, p. 11). Currently, the share of Nunavut residents living in public housing units is 57 per cent, compared to 25 per cent homeowners (NHC, 2012a, p. 15). In the Inuvialuit region, the share of households living in public housing (33 per cent) is twice as high as the rate for the Northwest Territories overall (15 per cent). In five of the six communities (Inuvik being the exception), this share is higher than 50 per cent (Inuvialuit Regional Corporation [IRC] & NWT Bureau of Statistics, 2016). In Nunavik, approximately three per cent of households own their homes (Kativik Municipal Housing Bureau [KMHB] & BDL, 2013, p. 14), and the home ownership program receives few applications, resulting in unused home ownership subsidies (Rogers, 2014). Nunatsiavut is the only region where home ownership rates are relatively high (close to 50–60 per cent).

As social housing stock ages, operating and maintenance costs increase. Yet in the Northwest Territories, public funding of these costs is decreasing. As a result of this decrease, the capacity of housing organizations for maintaining the housing stock is diminished (NWTHC, 2012, p. 33).

A shortage of qualified workers and the high cost of labour contribute to the high costs of home ownership in the North. There is a chronic shortage of qualified tradespeople in Inuit regions,
and bringing workforce from outside those regions is expensive (CMHC, 2008, p. 72; Tester, 2009, p. 140). In some communities of the Northwest Territories, the lack of skilled workers and contractors increases the construction costs and contributes to delays in housing construction (NWTHC, 2012, p. 4).

In addition to the high costs of home construction and maintenance, home ownership is constrained by difficulties obtaining mortgage loans and affordable home insurance (Moorhouse, n.d., p. 9). In-person banking services are not available in many communities, and there are few mortgage loan providers. In Nunavik, 15-year mortgage loans are the norm. These are very short-term offerings, especially given the high cost of required funding. Nunavik residents do not own the land; they lease it from their local landholding corporation, typically for 20 years, for a very small fee with a possibility of renewal. The five-year gap between the mortgage and lease terms increases the security of mortgage providers but does not benefit their clients.

3.6 Housing Markets

Many Inuit communities do not have housing markets. In the Northwest Territories, the term “non-market communities” refers to most of its communities, including all the communities in the Inuvialuit region. Housing market growth may be constrained by remoteness and isolation, sparse population, lack of road access and extreme weather conditions, as well as by limited economic opportunities, unemployment and high housing costs (CMHC, 2013, p. 4).

From a supply perspective, many Northern housing projects are perceived as high-risk endeavors (CMHC, 2013, pp. 6–7). For example, the high costs and logistical challenges limit the housing market in Nunavut to relatively riskless projects often associated with long-term government leases (NHC, 2012b, p. 2). Consequently, strategies for involving the private sector in housing in Nunavut include reducing risks associated with construction (NHC, 2013, p. 23). This could be achieved through government guarantees.

From a demand perspective, the presence of a healthy housing market makes home ownership attractive to higher-income households. Governments can initiate and support housing markets through repurchase funds used to buy housing units from previous owners. For example, the Quebec government is considering organizing a repurchase fund to stimulate the creation of a housing market in Nunavik (Government of Quebec, 2013). Similar efforts could be made to subsidize home purchases on the secondary market.
3.7 Tradeoffs Between Sustainability and Construction Costs

Semple (2013) describes best practices in sustainable Northern housing, emphasizing that the use of sustainable construction practices, high-grade building materials, and housing designs tailored to Arctic conditions are not necessarily associated with higher costs – on the contrary, in the long-term they often result in cost reductions. In Inuit regions, initiatives such as Healthy Homes in Nunatsiavut (Pain, 2014) or the use of the Integrated Design Process to design northern housing (CMHC n.d.) demonstrate the growing realization of the importance of sustainable practices. However, limited housing budgets often prompt the need to compromise on housing sustainability to ensure affordability (NAHO, 2012, p. 9); as a result, many homes in Inuit Nunangat are still not climate-proofed, and low-quality building materials, design and construction practices lead to high heating costs, mould, and rapid deterioration of building structures.

4. Main Takeaways: Key Trends and Barriers to Housing Provision

A literature review and interviews with stakeholders reveal the following trends and issues related to sustainable housing provision:

- Sufficient funding is one of the most important determinants of successful housing programs. Lack of sustainable funding combining federal, provincial and territorial sources, as well as regional and local sources (where possible), prevents the closure of the housing gap.
- The housing continuum is crucial to sustainable housing provision, but not all options along the continuum are available in all communities, particularly when it comes to transitional and supportive housing, private rentals and cooperatives.
- A key demographic characteristic of Inuit Nunangat is fast population growth. This calls for building more housing units and diversifying them to match the needs of different groups, particularly large families, young people and elders. However, this is not always possible due to limited funding and short-term planning.
- The economy of Inuit Nunangat is characterized by volatile economic growth, high poverty rates, high costs of goods and services, and uneven distribution of economic opportunities that benefit primarily larger communities and those with extraction industry presence.
- Many residents of Inuit Nunangat receive cost-of-living adjustment subsidies and housing subsidies, but the two types of subsidies are not always carefully coordinated to ensure maximum impact.
- Lack of cooperation between various government levels often results in limited funding commitments, delays and funding withdrawals.
- High costs of home ownership, as well as lack of financing and other opportunities, point at the continued need for social housing for most Inuit residents. Social rental policies are not always designed to balance affordability and incentives for employment. Emerging efforts to help strengthen the sense of ownership among homeowners or
tenants, as well as pride in their communities, are important for reducing costs and improving quality of life.

- Housing markets are lacking in the regions. Some builders and households potentially interested in home ownership perceive investment in northern housing as risky.
- There is evidence that sustainable housing construction practices help improve housing quality and reduce its costs; however, due to limited budgets, housing sustainability is often compromised.

5. Recommendations: What Can Be Done to Address the Barriers and Improve Housing Provision

- Create a long-term national Inuit housing strategy involving governments at all levels and is based on social and demographic trends and forecasts, as well as on Inuit culture and traditions. This will require strengthening intergovernmental cooperation.
- All possible options along the housing continuum to diversify housing provision should be explored and provided. This should include identifying and addressing gaps such as shortages of transitional housing, cooperatives or private rentals.
- Design strategies for long-term, sustainable funding of housing provision involving the public and private sectors. It is important to ensure that Inuit governments and organizations have access to a full range of federal, Indigenous-specific funding options and to design incentives for private-sector involvement in housing finance, including through public-private partnerships. It is also imperative to identify opportunities for reducing housing costs at various levels.
- Stimulate the creation and growth of housing markets. This will require additional government involvement, including guarantees to reduce risks for builders and investors. Similarly, government involvement is required to attract higher-income households to home ownership.
- Document and disseminate best practices in Northern sustainable housing. Ensure that housing policies and programs include targets and funding allocations to support sustainable housing construction in Inuit Nunangat. Construction standards should also encourage sustainability.
6. Bibliography


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