
NUNAVUT TEN-YEAR INUIT HOUSING ACTION PLAN



**A Proposal to the Government of Canada
By:
The Government of Nunavut
(Nunavut Housing Corporation)
and
Nunavut Tunngavik Inc.**

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EXECUTIVE SUMMARY

"...the conditions in far too many Aboriginal communities can only be described as shameful. This offends our values. It is in our collective interest to turn the corner. And we must start now."

_____ *The Right Honourable Adrienne Clarkson,
Speech from the Throne, February 2, 2004*

Nowhere in Canada is this statement illustrated more starkly than in Nunavut where adequate shelter has become a scarce resource rather than a basic right. National statistics tell the story: half of Inuit live in overcrowded conditions and 38.7% of them are considered in Core Need meaning they do not live in and cannot access acceptable housing. The Inuit of Nunavut are locked in a housing crisis that is worsening daily as the population booms and existing housing stock ages.

This crisis, building for more than a decade before the new Territory of Nunavut was founded, is not of the Government of Nunavut's making. With an annual budget less than half of the amount required to bring overcrowding down to the standard of the rest of Canada, the Government of Nunavut does not begin to have the resources to address the problem itself. Nevertheless, the issue cannot be ignored and, through the Nunavut Housing Corporation, the Government of Nunavut has strained its ability to address many other priorities by contributing \$10 million annually (or 50 houses per year) over the past 5 years. All the data points to the same, unavoidable conclusion:

3000 Public Housing units are needed immediately just to bring overcrowding in Nunavut on a par with the rest of Canada.

A unique set of factors intersect in Nunavut that complicate the current housing crisis. A harsh climate, remote geography, extremely small population base, lack of road or rail access, underdeveloped infrastructure systems and the high costs of labour and materials combine to prevent the development of the kind of housing market which encourages private investment in southern Canada. Consequently, the creation of new housing supply is heavily dependent on public sector involvement.

Over 99% of public housing residents in Nunavut are Inuit and, with the shortage of housing such as it is, the only housing choice for many Nunavummiut is to add their names to the lengthy public housing waiting lists. For many people, this means years of waiting while multiple families live together and sleep in shifts within homes that average less than 1000 square feet.

In an effort to end this shameful situation, Nunavut Tunngavik Incorporated and the Government of Nunavut through the offices of the Nunavut Housing Corporation have joined together to develop this Ten-Year Inuit Housing Action Plan but we cannot do it alone.

A Call for Renewed Action:

Article 2 of the constitutionally protected Nunavut Land Claims Agreement clearly states that Inuit as Aboriginal Canadians are entitled to access to any federal programs or services intended for Aboriginal peoples. The Nunavut Ten-Year Inuit Housing Action Plan is a call to the Federal Government to honour its obligations to the Inuit of Nunavut with respect to social housing.

The Impacts and Benefits of Intervention:

Within Nunavut, a sustained ten-year intervention into the social housing crisis will, in addition to bringing overcrowding down to national standards, create:

- More experience, training and hours towards local trades certifications;
- Increased employment/income;
- Improved access to Employment Insurance for seasonal workers;
- Increased local community expenditures (local economic development);
- Increased community wealth;
- Reduced dependence on Income Support;
- Reduction of health and social problems linked to overcrowding such as family violence, high attrition rates and high rates of respiratory disease/tuberculosis;
- Increased community well-being through capacity building and empowerment; and
- Creation of a sense of ownership and pride through participation of local trades people.

A Ten-Year Action Plan for Inuit Social Housing:

The evidence from national, territorial and anecdotal data all lead to the same estimates of need for social housing for Inuit in Nunavut:

Crisis Relief	3000 New Units Constructed	Reduce overcrowding rate and core need.
Crisis Relief	1000 Existing Units Renovated	Reduce overcrowding & improve long-term utility of units.
Forced Growth (2006 - 2016)	2730 New Units Constructed	Keep apace of Inuit population growth.

Total projected funding requirements (2006 - 2016) are approximately \$1.9 billion.

Accountability, efficiency and transparency to investors and the people of Nunavut is a cornerstone of the Action Plan. Key issues for discussion are:

1. The composition and establishment of a delivery model, which should include:
 - a. A governance structure that remains true to the vision of the Action Plan and is based on a business model;
 - b. A representative and knowledgeable Board of Directors that work to ensure due diligence, transparency and strict accountability;
 - c. Representation from Nunavut Tunngavik Inc., Nunavut Housing Corporation, and other relevant organizations; and
 - d. A mechanism to ensure that all funds are used for Inuit-specific housing.
2. Recognition of increased administrative requirements associated with preparation and construction over 10 years.
3. A commitment to efficiency by building on existing capacity and management systems wherever possible.
4. Recognition of increased demand upon local housing administration that will be created by the additional units.
5. Recognition of the need for sustainability beyond the 10 year Action Plan window.
6. The identification of objective indicators and timelines for regular progress reports to all partners of the Action Plan.

Conclusion:

Inuit in Nunavut are urgently in need of suitable, adequate housing. Nunavut Tunngavik Incorporated and the Government of Nunavut (through Nunavut Housing Corporation) propose that the Federal Government has responsibilities, pursuant to the Nunavut Land Claims Agreement and in keeping with recent statements made by the Governor General of Canada and the Prime Minister of Canada, to intervene into this escalating crisis in Nunavut. Through a partnership between the Government of Canada, the Government of Nunavut and Nunavut Tunngavik Incorporated, a long-term intervention can become a reality and Inuit can enjoy the same basic right to adequate shelter as all Canadians.

1. PURPOSE

Nunavut Tunngavik Incorporated and the Government of Nunavut through the offices of the Nunavut Housing Corporation are seeking a partnership with the Government of Canada to address the severe housing crisis affecting the Inuit population in Nunavut. This document lays out the history, the facts and a realistic estimate of the scale of action required to solve this daunting problem.

Throughout this Action Plan, the terms "social housing" and "public housing" are used interchangeably to refer to one of the various forms of subsidized housing available to residents of Nunavut. As in the rest of Canada, public housing in Nunavut is intended to provide affordable accommodation for people with low or no income. However, because Nunavut effectively lacks a private rental marketplace, public housing serves as the primary source of dwelling units. In most Nunavut communities, public housing units also serve as temporary accommodation for homeless persons, refuges for victims of family violence and halfway houses for those released from institutions.

For the purposes of this document, public housing does not include temporary housing operated on a commercial basis, such as hotels; staff housing for government employees; and housing constructed for the employees of a private company as part of their benefit package.

The central importance of public housing in Nunavut emerged as a result of complex social, cultural, political, economic and technological factors. Historically, creation of new housing supply has been highly dependent on government funds and initiatives. Further, the combined effect of an under-developed infrastructure, minimal private/non-profit participation in speculative new construction, and the high cost of independent homeownership ensure that, in the foreseeable future, public sector involvement in the provision of public housing will continue to be essential.

This document briefly explains the history of housing provision in Nunavut but is focused on the situation of Inuit specifically. Nunavut Inuit comprise 85% of the territory's population, are governed by a public territorial government and, unlike on-reserve First Nations' people, pay taxes. However, Article 2 of the constitutionally protected Nunavut Land Claims Agreement clearly states the following:


"Nothing in the Agreement shall: (a) be construed so as to deny that Inuit are an aboriginal people of Canada...; (b) affect the ability of Inuit to participate in and benefit from government programs for Inuit or aboriginal people generally as the case may be..."

(Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada; Section 2.7.3)

Inuit as Aboriginal Canadians are entitled to access to any federal programs or services intended for Aboriginal peoples. This Action Plan is a call to the Federal Government to honour their obligations to the Inuit of Nunavut.

Territorial funding is simply not sufficient to address Nunavut's severe housing shortage, felt most acutely by the public housing tenants who comprise more than half of the territory's population. It is time for recognition of Nunavut's housing crisis to evolve into action.

We recognize that action taken in Nunavut to level the playing field with respect to housing must be transparent and accountable to other Canadians - Aboriginal and non-Aboriginal alike. Therefore the Action Plan is based upon ensuring that funds provided by Canadian taxpayers will achieve the greatest positive impact; utilize innovation and efficiencies to control costs; and create economic benefits including employment and business development within Nunavut and the country at large.



2. NATIONAL AND TERRITORIAL CONTEXT

Housing has been a chronic problem affecting the lives of Inuit for nearly half a century. The federal, and, later, territorial governments, have both been major participants in the housing process. While efforts by both governments have included a range of programs and services over the years, the end result remains the same: Inuit in Nunavut currently experience among the highest levels of overcrowded, inadequate housing in the country. What follows is a brief history of events that have brought us here.

Social housing programs in the Eastern region of the Northwest Territories (NWT) - later to become Nunavut - date back to the 1960s. Public participation was sought early on through the formation of community housing organizations to manage the Public Housing Program dwellings. During the 1970s, the stock of social housing was expanded to most communities across the Baffin, Kivalliq and Kitikmeot regions.

Federal governments of the day were beginning to understand the unique situation of this region. For example, in 1969, when Public Housing construction was suspended across most of Canada, it was continued in the NWT. Federal officials recognized that urban-related concerns about large high-rise "ghettos" of the poor did not apply in the Territories.

Although the non-profit and co-operative housing programs of 1973 replaced Public Housing programs in the rest of Canada, they continued unabated in the North, operated by the Northwest Territories Housing Corporation after 1972. Throughout the 1980s, there was progressive improvement in the quality and energy efficiency of northern housing, and new designs and models were introduced. (*Source: Robert Robson, "Housing in the Northwest Territories: The Post-War Vision"*)

In 1986, Nunavut Land Claims negotiators specifically proposed to take on responsibility for housing as part of the settlement. The Federal Minister of the day rejected their proposal, indicating that it was beyond the lands-based mandate of the Federal Comprehensive Claims Policy in effect at the time. However, the Government's commitment to housing for Inuit seemed clear and the proposal was withdrawn.

On May 25, 1993 the Government of Canada signed the Nunavut Land Claims Agreement with the Inuit of Nunavut on behalf of Canada. Within a few months, the Federal Government announced that new construction and acquisition of social housing was to be phased out and responsibility assigned to the provincial and territorial governments. No special provisions were made for the North or for the Inuit of Nunavut. Given the historical dependence upon government for social housing, this decision had obvious and profound implications for Inuit.

Thus, social housing programs for Nunavut ceased even while on-reserve housing programs for other Aboriginal Canadians were maintained and, in some cases, improved. Since 1993, over \$3.8

billion has been invested in housing for First Nations, while Inuit - clearly recognized as Aboriginal People - were specifically excluded.

Not only was construction of new social housing units terminated, but Federal subsidies for operating and maintaining existing units were scheduled for phase-out beginning in 2004 and ending in 2037. By this time, although Nunavut will have free-and-clear title to the 3,100 odd units under the Social Housing Agreement, it will have lost over \$986 million in funding.

Federal social housing programs for the North should not have been terminated in 1993. This decision did not take into account the lack of any other housing options for residents of Nunavut.

In southern Canada capital repayment costs are usually the largest single item in a social housing provider's budget. Withdrawing government support as loans are paid off is logical, even if it creates difficulties for some social housing providers. By contrast, in Nunavut utilities and fuel comprise fully 56% of the on-going costs for social housing. Further, while the prospects for economic and human resource development in Nunavut are promising, they remain some years away. There is no realistic option for replacing government support through tenant charges in most communities.

No known counter-measure to this dramatic change in Federal funding was made in the 1999 Territorial Formula Financing arrangements with Nunavut. Although provisions were made for incremental infrastructure costs, an attempt by negotiators on behalf of Nunavut to include a social housing component in the transfer base was not successful and the issue was set aside.

The overall impact of these Federal policy changes - helpful as they were in terms of eliminating the deficit and reducing long-term debt - was to exacerbate a growing housing deficit in Nunavut, especially in social housing. Upon the withdrawal of Federal funding for new social housing construction, the Government of the Northwest Territories stepped in and assisted in the construction of approximately 1,400 new homeownership units in what was to become Nunavut. That was a noteworthy intervention - without it, the housing crisis in Nunavut would be significantly worse than it is today.

A major component of the Federal Incremental Infrastructure Program for the creation of Nunavut saw an additional 250 subsidized staff housing units constructed. These units were matched by the Territory to increase the housing stock in Nunavut by 500. Unfortunately, this number falls far short of the staff housing need, and did little to reduce overcrowding in social housing. Currently, over 200 additional Government of Nunavut staff housing units are needed to meet the needs of a fully staffed territorial bureaucracy.

In addition to the new supply created for the new territory's civil service upon division, approximately 300 staff housing units were built or acquired by the Federal government to provide housing for its increased presence in Nunavut. Of these, 99% are in Iqaluit, and virtually all are occupied by southern Canadians.

In April of 2000, the Nunavut Housing Corporation was created as the successor to the NWT Housing Corporation. It is responsible for managing and maintaining the existing stock of approximately 3,900 social housing units in the Territory. With a current budget of \$156 million, it is one of the most significant employers in the communities and is the only provider of public housing.

In that same year (2000) as a result of the *Minister's Task Force on Housing*, the Government of Nunavut made a unilateral intervention into social housing beginning with the construction of 100 new social housing units. By the end of March 2004, a total of 277 new social housing units had been built in Nunavut. In addition, 33 rent-supplement units had been acquired and 19 Nunavut Housing Corporation owned homeownership units had been converted to social housing. In all, 329 units have been added to the social housing portfolio since the creation of the Territory on April 1, 1999. The Canada Mortgage and Housing Corporation's Affordable Housing Program, Phases I and II, contributed the equivalent of twenty-seven 780-square-foot units to this total.

Recent one-off housing initiatives, while welcome, are not adequate

In early 2002, the Federal government began to recognize the problems created by cancelling the social housing programs in 1993. It offered support for new affordable housing construction through the Affordable Housing Program, allocating a national total of \$680 million for the first phase of delivery. Unfortunately, the criteria for this program did not reflect the cost of construction in the north and the federal contribution was limited to \$25,000 per unit regardless of location.

In Nunavut, the Federal contribution of \$4.96 million was matched tenfold by the Government of Nunavut's investment of \$49.5 million since 2000. Provincial/territorial allocations under Phase I were calculated using a modified per capita formula for funding, ensuring each jurisdiction had a "base" amount of funding.

The second phase of the program received \$320 million nationally, and was announced in April of 2004. Each jurisdiction's share was calculated on a strict per-capita basis. Under these conditions, Nunavut's allocation fell to \$290,000 - enough money to build one house. Overall, presuming Nunavut delivers the second phase of the Affordable Housing Program – which is by no means a certainty – Nunavut's share of the \$1 billion program is \$5.25 million, or 0.5% (one half of one percent).

In October of 2003, the Federal government announced a further contribution to social housing in Nunavut through the Strategic Infrastructure Fund administered by Infrastructure Canada. This time, the amount allocated was \$20 million through a cost-matching program for the fiscal years 2004/5 and 2005/6. These funds are helpful and the resulting investment of \$40 million will allow the construction of as many as 160 additional social housing units in communities across Nunavut.

However, given the severity of the existing housing shortage in Nunavut and with construction costs at approximately \$250,000 per unit plus yearly operational costs of \$18,000, this investment is a stop-gap measure at best and falls far short of addressing the underlying issues.

What is required is a systematic intervention that addresses Nunavut's escalating housing crisis in a sustainable manner; only this will achieve lasting solutions.

Intervention is urgently needed: Federal commitment to participate in solving the housing crisis must be honoured.

In her February 2, 2004 Speech from the Throne, Her Excellency The Right Honourable Adrienne Clarkson made the following statements on behalf of the Government of Canada:

"...the conditions in far too many Aboriginal communities can only be described as shameful. This offends our values. It is in our collective interest to turn the corner. And we must start now."

In his reply, Prime Minister Martin repeated those sentiments and envisaged Federal/Provincial negotiations leading to stable, long-term funding for municipal infrastructure. Subsequently, the Prime Minister made comments in Montreal on February 23 and again in Ottawa at an Aboriginal Round Table on April 19, indicating the Federal Government's intention to follow up with further resources for social housing. Then, on April 20, the Parliamentary Secretary to the Prime Minister for Aboriginal Affairs stated clearly that a strategy for off-reserve housing was being actively considered by the Government.

This joint proposal from the Nunavut Housing Corporation and Nunavut Tunngavik Incorporated calls upon the Federal Government to turn those welcome words into reality. Through this proposal, we are seeking to work in partnership with the Federal Government to develop an effective housing intervention for Nunavut. A sustained and targeted intervention in the housing sector will achieve multiple national and community objectives, and alleviate multiple stressors at the same time. It will produce tangible benefits for the health and safety of individuals and families; training for Inuit trades people; economic growth in Nunavut and southern Canada; and increased capacity within communities across the territory.

3. ENVIRONMENTAL SCAN

Nunavut is locked in a severe public housing crisis - a crisis that is worsening daily as the population booms and existing stock ages. Public Housing Program waiting lists continually exceed 1,000 families or about 3,800 persons. In Nunavut, 54% of Inuit are living in overcrowded conditions (Aboriginal Peoples Survey defines crowding as one or more person per room). Multiple families sleep in shifts within homes that average less than 1000 square feet.

In the territory of Nunavut suitable, adequate living space has become a scarce resource rather than a basic right.

The nature of the housing situation in Nunavut is shaped by several key socio-economic and environmental factors:

- a) **The Arctic climate** where extreme cold dominates results in construction requirements that exceed national standards (e.g. insulation, building envelope).
- b) **Nunavut currently depends entirely on oil** for heating and for generating all of its electricity. Hydro, wind, tidal, solar, and other renewable energy sources have all proven too technically difficult for conditions to date, though development of alternate energy sources may prove viable in the future.
- c) **The absence of trees** and therefore accessible lumber for construction or wood for heating. All lumber, building materials and fuel must be shipped or flown into the communities.
- d) **An extremely small population base in a vast area of land.** Nunavut is twice the size of Ontario and accounts for 1/5 the land mass of Canada. However, it has a population of only approximately 28,000. Approximately 85% of the population are Inuit. The population density is the lowest in Canada at 0.01 persons per square kilometre compared to the Canadian average of 2.9 persons per square kilometre.
- e) **The 25 communities in Nunavut are isolated** from each other and from the rest of Canada by vast distances. Road transportation of goods and materials is impossible into or within Nunavut: there are no roads connecting any communities.
- f) **The high proportion of housing necessarily provided by government.** A lack of market forces and underdeveloped infrastructure systems, among other factors, make the creation of new housing supply heavily dependent on public sector involvement. Independent home ownership is very costly and is an historically unfamiliar concept for much of the population.
- g) **Most relevant to our proposal, over 99% of public housing residents are Inuit.**

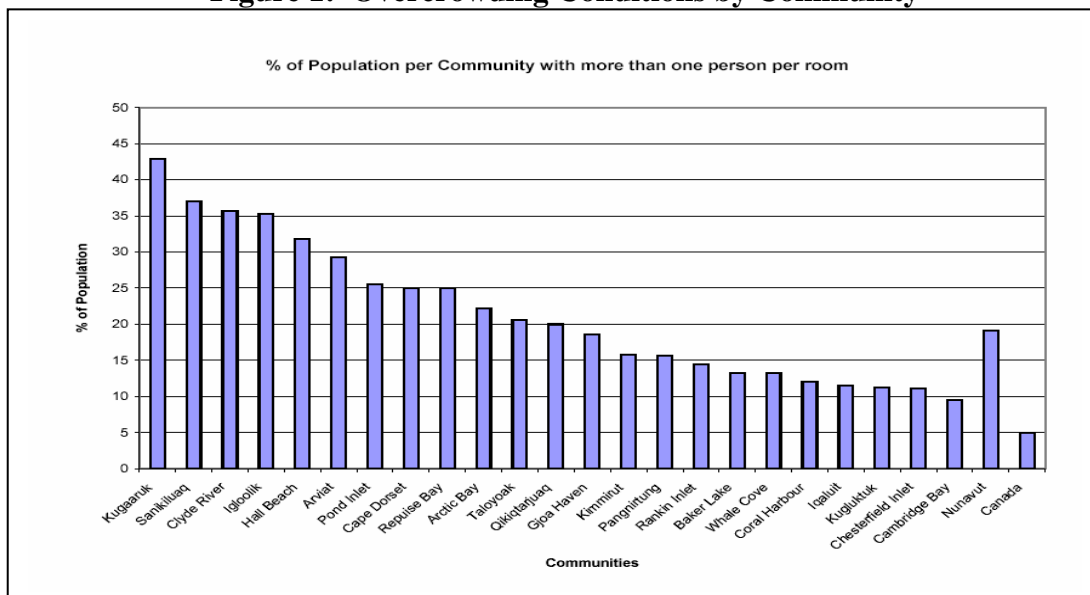
These factors combine to create a series of challenges, including:

- i. Markedly high costs for materials, equipment and labour** plus associated transportation and accommodation costs to import skilled trades people. Very few communities have any ticketed trades people although some do have general contracting firms. Construction costs are estimated by the Nunavut Housing Corporation to be \$330.00 per square foot, compared to \$103.45 per square foot for comparable construction in southern Canada.
- ii. Higher operating and maintenance costs per unit** than in any other jurisdiction in Canada. It costs the Nunavut Housing Corporation an average of \$18,000 per unit annually for operations and maintenance. The extremes of the Arctic climate, where furnaces run year-round, combined with the high cost of oil for heating and electricity mean that utility costs alone average \$11,370 per unit per year. Given the volatility of the price of oil, these figures are highly subject to change.
- iii. Fewer alternatives** than in almost every other jurisdiction for securing financing and building housing.
- iv. A lack of economies of scale** in virtually every aspect of housing construction and renovation, compounded by lack of local industry competition that would spur greater efficiency and innovation.

3a. Overcrowding

Every community in Nunavut is affected by overcrowding.

Figure 1: Overcrowding Conditions by Community



Source: 2001 Aboriginal Peoples Survey, Community Statistics
 Note: Statistics were not available for the communities of Grise Fiord and Resolute Bay

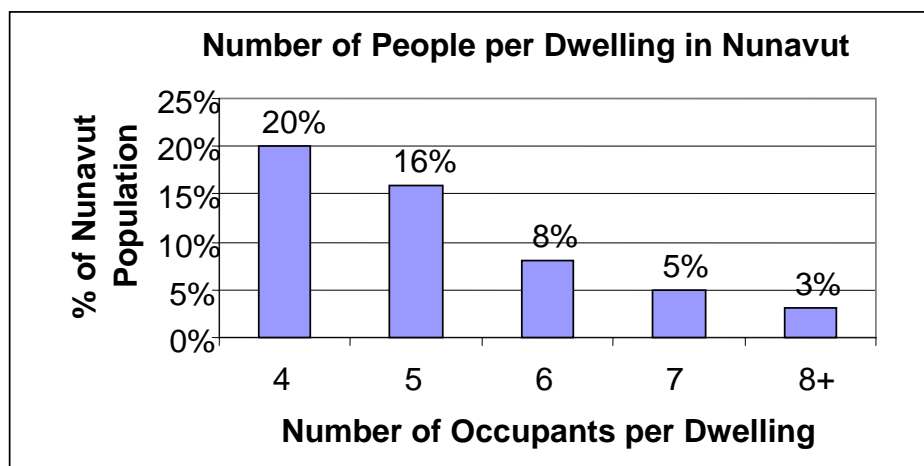
The 2001 Aboriginal Peoples Survey (APS) defines overcrowding as one or more person per room. As shown in Figure 1, Nunavut experiences an average rate of 19% overcrowding compared to Canada's 5% average. Within that statistic, the APS further reveals that overcrowding in Nunavut is primarily an Inuit experience:

54% of Inuit in Nunavut live in overcrowded conditions.

Note that 'average number of people per dwelling' refers to the number of people in *every* dwelling - from a tiny bungalow to a large house. Figure 2 reveals that over 52% of Nunavut's dwellings have four or more people per dwelling and over 32% have five or more. There are no statistics on unit size and overcrowding, but anecdotal observations from the Nunavut Housing Corporation indicate that the homes with the highest numbers of occupants also tend to have the smallest square footage.

The existing stock of social housing falls far short of requirements.

Figure 2: Number of People per Dwelling in Nunavut



Source: 2001 Nunavut Household Survey

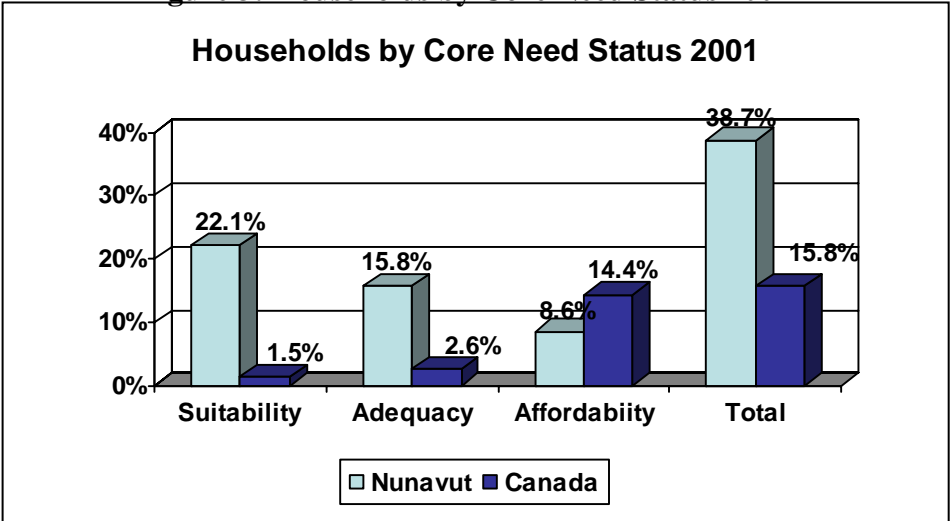
According to the Nunavut Housing Corporation's Business Plan for 2004-2005, fully 45% of Nunavut's dwellings are Public Housing Program units. Tenancy in these units is over 99% Inuit. The Nunavut Housing Corporation maintains a total stock of some 3,900 Public Housing units around the Territory. Of these 3,638 are government-owned with the remainder leased from private owners. Fifty percent of the directly-owned units are at least 25 years old. All evidence gathered from Nunavut Housing Corporation internal data, Statistics Canada, Aboriginal Peoples Survey data and Canada Mortgage and Housing Corporation's (CMHC) Core Housing Needs data points to the same, unavoidable conclusion:

3000 Public Housing units are needed immediately to bring overcrowding in Nunavut on a par with the rest of Canada.

The recently released CMHC Research Highlight: *Geography of Household Growth and Core Housing Need* both reinforces the desperate situation in Nunavut and offers perhaps the most telling statistics to date regarding Nunavut’s housing crisis. CMHC research examines housing core needs in the areas of adequacy, suitability and affordability. Adequate housing is housing not in need of major repair. Suitable shelter is housing that is not crowded, meaning it should adhere to National Occupancy Standards: maximum number of people per bedroom is 2 with parents eligible to a bedroom separate from their children; members 18 years of age and older eligible to a separate bedroom unless cohabitating as spouses; and dependents aged five or more required to share a bedroom only with siblings of the same sex. Affordable housing is adequate, suitable housing that can be obtained without spending 30% or more of before-tax household income. Finally, CMHC defines a household to be in core need if they do not live in and cannot access acceptable housing.

Regarding affordability, Nunavut also stands out statistically. Each and every private dwelling unit in the territory receives some type of housing subsidy. For some at the highest income levels it may be a small subsidy for power and fuel. For middle income earners subsidies may also include staff housing rent/household subsidies and homeownership down payment and/or home repair assistance. For low income earners, rent and mortgage geared to income options are the norm, along with virtually all utilities paid on their behalf. If these subsidies were removed or factored out, all but the most affluent of Nunavummiut (Nunavut residents) would have affordability problems. In this scenario, Nunavut percentage of households in core need would rise from the current - unacceptable - 38.7% to well over 90%. Figure 3 graphically shows the disparities that currently exist between Nunavut and the rest of Canada.

Figure 3: Households by Core Need Status 2001



Source: CMHC Core Housing Needs Study based on 2001 Census of Canada.

3b. Population Growth

In addition to existing levels of overcrowding, Nunavut also faces a birth rate more than twice the Canadian average. 2001 Census information indicates that the birth rate in Nunavut is consistently 25% or higher compared to a birth rate of between 10.5% and 11.2% for the rest of the country (Table 1). The Nunavut Bureau of Statistics predicts the territory's population will rise from 2001 levels of approximately 28,000 to almost 38,000 by the year 2016. For example, the City of Iqaluit's general plan predicts that 2,000 new housing units will be needed in that community alone over this same twenty-year period.

Table 1: Birth Rate Canada and Provinces & Territories

	1998-1999	1999-2000	2000-2001	2001-2002 ^P	2002-2003 ^P
	birth rate per 1,000 population				
Canada	11.2	11.0	10.6	10.7	10.5
Newfoundland and Labrador	9.1	9.5	9.0	9.0	8.8
Prince Edward Island	11.3	11.2	10.1	10.1	10.1
Nova Scotia	10.2	10.2	9.6	9.5	9.3
New Brunswick	10.2	10.2	9.6	9.5	9.4
Quebec	10.2	10.1	9.7	9.8	9.6
Ontario	11.4	11.3	10.8	11.0	10.8
Manitoba	12.7	12.6	12.1	12.1	11.9
Saskatchewan	12.5	12.4	12.0	12.2	12.2
Alberta	13.0	12.7	12.3	12.3	12.2
British Columbia	10.7	10.3	9.9	9.9	9.7
Yukon	13.0	12.0	11.5	11.3	10.9
Northwest Territories ¹	16.1	16.2	16.1	14.8	14.5
Nunavut¹	24.9	27.8	25.6	25.2	25.0

P.: Projected Note. 1. Data are displayed separately for Nunavut to reflect April 1, 1999 partitioning of the Northwest Territories. Source: Statistics Canada, CANSIM, tables 051-0001 and 051-0004 and Catalogue no. 91-213-XIB.

Another factor relevant to the escalating housing crisis in Nunavut is that the median age of the Inuit population is young: 19.1 years old. This is 18.6 years below the median age of 37.7 years for the non-aboriginal population in Canada (Source: Statistics Canada 2001 Census Data).

It is possible to forecast the effect of population growth in terms of the number of new households that will be formed. Whether projected at the low, medium or high point of the range, it is clear that:

Nunavut is experiencing - and will continue to face - pressing demographic requirements for new social housing units.

**Table 2: Projected Increase in Numbers of Nunavut Households
Based on Population Projections 2001 to 2016**

Year:	Low	Medium	High
2001	7,195	7,210	7,285
2016	11,000	11,310	11,865
Increase in Number of Households:	+ 3,805 (253 annually)	+ 4,100 (273 annually)	+ 4,580 (305 annually)

Source: Calculated from Statistics Canada, Catalogue No. 91-520 and from Roger Lewis, The Long-term Housing Outlook: Household Growth in Canada and the Provinces, 1991-2016.

3c. Market Forces: Present and Future

Nunavut is essentially a non-market environment. That fact combined with a harsh climate, remote geography, underdeveloped local infrastructure, lack of road or rail access and the high cost of labour and materials make it very expensive to build in the territory.

The cost and complexity of building in Nunavut combines to make speculative construction unpalatable to most developers. Independent homeownership is inhibited by the cost of materials, the lack of available contractors and developed lots in some communities, and by the significant expense of operating a home in any community. When young adults in Nunavut begin to look for housing options outside of their parents' homes, virtually the only choice is to add their names to the public housing waiting list. Statistics demonstrate the differences in dominant tenure types between Nunavut and the rest of Canada. In contrast with the rest of Canada, where 63% of people own their own homes, only 28% of people in Nunavut are homeowners. Of these, only 7% did not receive direct government assistance to purchase their homes (*Source: Statistics Canada; 2001 Census Data and Nunavut Bureau of Statistics; Nunavut Household Survey*).

Over twenty years of varied homeownership programs offered by the former NWT created approximately 2,200 new homeowners in what is today Nunavut. Many of these people struggled to keep up with the ongoing operating and maintenance costs associated with homeownership, and were compelled to give back their units and attempt to find their way back into public housing. Nunavut Housing Corporation estimates that the list of clients with geared-to-income mortgages in arrears or struggling to make payments numbers in the hundreds.

In light of these realities, it is likely that the proportion of Nunavummiut ready to assume the financial requirements of independent homeownership today is modest. However, this is expected to evolve over time.

In fact, there is an important intersection between the targets outlined in the Nunavut Land Claims Agreement for Inuit employment (Article 23) and economic development (Article 24) and the public housing intervention proposed in this Action Plan. Rising Inuit employment will gradually create a larger pool of prospective homeowners with an income level sufficient to support ongoing homeownership. Younger generations entering the workforce will experience more exposure to, and familiarity with, the benefits of homeownership. These factors combined with the growth of wage-based economies in some communities will create increased demand for homeownership opportunities.

However, to meet this anticipated future demand, Nunavut will require trained local contractors and housing maintainers. These future tradespersons and the local companies they will work for cannot hope to gain a relevant level of experience without significant, sustained levels of construction over the next ten years. This argument can be taken a step further to suggest that an emerging Inuit workforce – those who will be building homes and those who will be buying and living in them – require adequate, suitable and affordable dwellings now as a critical stepping stone toward their future success.



4. RATIONALE FOR ACTION

4a. Health and Wellness

While there are many positive signs of growth and development in Nunavut today, there are also numerous health indicators that point to serious wellness issues facing this Territory.

Inadequate, unsuitable, overcrowded housing has long been linked to community and social well being. Although specific causal relationships remain elusive, there is increasing evidence, for example, that overcrowded conditions can have direct health effects upon household members - especially infants. According to Health Canada, overcrowded housing conditions are associated with the transmission of infectious diseases such as tuberculosis (*Source: Health Canada 1999:14*).

Overcrowding also affects families by contributing to increased risk of injuries, mental health problems, family tension and violence (*Source: Health Canada 2003b:44*). These stressors are powerful triggers for (negative) coping behaviours such as dependence on alcohol and drugs. Such behaviours, in turn, are two of the most common and recurring themes encountered within Nunavut's justice system - behaviours with profound effects on the lives of the aggressors, their victims and the territory as a whole. Significant anecdotal evidence also suggests that children in overcrowded, stressful homes often exhibit low attendance and success rates at school.

A systematic intervention in the housing sector through the Ten-Year Inuit Housing Action Plan will provide the foundation for better health, education, social stability and economic development. From a humanitarian perspective, the opportunity to alleviate any degree of illness or violence in a community is a strong rationale for such an intervention. Investment in housing is an important step in addressing one of the root causes of poor health among Inuit and Aboriginal peoples in Canada.

4b. Long-term Planning Promotes Long-Term Benefits

A sustained commitment to implement a ten-year strategy will facilitate long-term planning and meaningful short-term improvements. Nunavut will be able to address current needs while developing its capacity to respond to new issues as they emerge. Planning for the future will allow communities to identify potential land development issues, and assess whether the local infrastructure can properly support its developing population. Stable funding for long-term planning will allow hamlet infrastructure capacity to develop in tandem with the increased housing in the community. A variety of different housing tenures will be required as part of the 3000 units needed immediately to relieve the overcrowding crisis. Ranging from transition

homes to elders' facilities to single family dwellings, long-term planning will enable the territory to assess the population demographics, needs and specific issues within individual communities.

This long-term action plan will provide much needed housing in the short term, while allowing the territory to implement long-term solutions. It will enable a future of more active economic development and stronger community governance through the development of innovative local enterprises and the influence of new technologies.

4c. Socio-economic benefits: Territorial and National

A sustained social housing investment will provide direct and indirect benefits not only to Nunavut, but also to regions of southern Canada. These benefits include the generation of significant long-term employment; skills development and community capacity building.

Within Nunavut, a sustained ten-year plan to build 500 - 700 units a year will create:

- ▶ Expanded construction schedules;
- ▶ More experience, training and hours towards local trades certifications;
- ▶ Increased employment/income (estimated total full time employment for approximately 1500 people);
- ▶ Reduced dependence on Income Support system;
- ▶ Improved access to Employment Insurance for seasonal workers;
- ▶ Increased local community expenditures (local economic development); and
- ▶ Increased community wealth

By concentrating the construction practices in specific communities each season, there will be an increase in efficiency, an acceleration of local activity, and significant cost savings. Increased volumes of new housing and component procurement over a stable planning horizon would be used to reduce per-unit costs through bulk purchasing. The leverage offered by long-term, stable funding will create opportunities to achieve economies of scale. If realized, this will result in reduced costs over the life of the action plan or allow increased investment in Nunavut capacity building, training and community empowerment.

Housing will form a major component for a skills-upgrading program across the Territory, organized and delivered in partnership with Inuit organizations and companies. Training for Inuit carpenters, electricians, plumbers, and other trades people, as well as for small business managers and entrepreneurs is transferable to other non-residential projects and to projects in other territories and provinces where there are labour shortages. Nunavut Tunngavik Inc. and regional Inuit associations will work with Community Economic Development Organizations to develop culturally appropriate training programs to take advantage of various opportunities that will arise from the Action Plan.

Addressing the housing needs in this sustained manner will allow communities to prepare for future development opportunities. It will provide a foundation for community infrastructure that will allow communities to respond to opportunities as they arise – be it opportunities in tourism, traditional livelihoods and artistry, mining and energy development or local administration.

There will also be economic benefits for Southern Canada. For example, all materials will necessarily be procured from Southern markets and additional, experienced labour will need to be brought into Nunavut.

Socio-cultural benefits of the Action Plan will include:

- ▶ Contribution to the reduction of health and social problems linked to overcrowding such as family violence, high attrition rates and high rates of respiratory disease/tuberculosis;
- ▶ Increased community well-being through capacity building and empowerment;
- ▶ Training and technology transfer in Inuktitut where appropriate;
- ▶ Design of a "Nunavut" house that includes expression of Inuit cultural preferences in layout, design, unit finishes and features;
- ▶ Creation of a sense of ownership and pride through participation of local trades people; and
- ▶ Increased community empowerment through culturally sensitive land assembly in tune with community needs, traditional land use and future priorities.

4d. Nunavut: Current Initiatives

In the face of challenging conditions, communities and authorities in Nunavut have been able to achieve a tremendous amount in their short time as a territory. These initiatives include:

- a)** Progressive improvements in home energy efficiency.
- b)** Higher than national standards of insulation that are now the norm in new houses and which assist in containing on-going operating costs.
- c)** Adoption of a proactive stance regarding alternative energy source development. Through a partnership between the Government of Nunavut, Qulliq Energy Corporation and Nunavut Tunngavik Incorporated, Nunavut is in the process of establishing a Nunavut Energy Centre to promote best practices and new technologies.
- d)** *Building Connections in Nunavut (BCIN)*: a multi-sector process that supports the development of a long-term housing strategy for Nunavut. To date, BCIN initiatives include several conferences organized to tap the expertise of diverse housing stakeholders, and Nunavut-wide community consultations undertaken to identify local priorities for housing in a ten-year window.

Now is the right time for a Federal investment in Nunavut. Government departments and local organizations have been working together to address the housing crisis in Nunavut. Together, we have developed a progressive plan that will address the current needs of the territory while enabling individual communities to develop their capacity well into the future. What is needed to implement this plan is a long-term commitment of defined Federal resources.

Within this plan, the first priority will be to reduce the backlog of need by addressing overcrowding and social housing waiting lists in the communities. Also, a primary priority will be to introduce targeted actions to address potential housing-related health problems by introducing innovative technologies that improve ventilation and air quality while maintaining the integrity of the building envelopes.

4e. Impacts of Non-Intervention

Non-intervention is not an option for Nunavut.

Based on even conservative interpretations of population projections, the implications of non-intervention are stark. By 2016:

- ▶ The overcrowding rate among Inuit will increase by 30% to reach almost 70%;
- ▶ The percentage of units over 20 years old will rise from a current 66% to 91.9%; and
- ▶ The percentage of units over 40 years old will rise from a current 6.5% to 31%.

Clearly, all health, social, economic and educational stress indicators linked to housing conditions would be severely exacerbated.

5. THE INUIT HOUSING ACTION PLAN

5a. Elements

The Ten-Year Inuit Housing Action Plan takes a progressive approach to building up local community and industry capacity over time through technology transfer, training, and ongoing capacity-building.

We propose a partnership between Federal, Territorial and Inuit Stakeholders to make a direct intervention into the Inuit Social Housing Crisis.

Although the specific structure of a delivery model to implement the Ten-Year Inuit Housing Action Plan will be the subject of discussions among the partners, several fundamental principles should inform those decisions. The delivery model should include:

- ▶ A governance structure that remains true to the vision of the Action Plan and is based on a business model;
- ▶ A representative and knowledgeable Board of Directors that works to ensure due diligence, transparency and strict accountability;
- ▶ Representation from Nunavut Tunngavik Inc., the Nunavut Housing Corporation, and other relevant organizations;
- ▶ A mechanism to ensure that all funds are used for Inuit-specific housing;
- ▶ Recognition of increased administrative requirements associated with preparation and construction over the 10 years.

Implementation of the Action Plan should also be guided by:

- ▶ A commitment to efficiency by building on existing capacity and management systems wherever possible;
- ▶ Recognition of increased demand upon local housing administration that will be created by the additional units;
- ▶ Recognition of the need for sustainability beyond the 10 year Action Plan window.

For the purposes of discussion, the delivery model will be called the *Inuit Social Housing Trust* (the Trust). The Trust would be an Inuit-controlled investment foundation with a clearly

prescribed mandate to flow funds for the construction of Inuit social housing to an agreed upon delivery agent. As Members of the Board of Directors, all of the partners involved in or responsible for the provision of social housing in Nunavut (federal, territorial and relevant Inuit organizations) will design and direct the Trust. Accountability, cost-efficiency, innovation and cultural responsibility would be the driving forces behind the design and operation of The Trust.

Inuit Social Housing: Minimum Targets

As the Environmental Scan and Rationale for Action reveal, the evidence from national, territorial and anecdotal data all lead to the same estimates of need for social housing for Inuit in Nunavut:

1. **Crisis Relief: 3000 new units** (various tenure types) to reduce Nunavut overcrowding rate to the national average.
2. **Crisis Relief: 1000 existing units** renovated and/or expanded to alleviate overcrowding and improve long-term utility of units.
3. **Forced Growth (2006 - 2016): 2730 new units** to keep pace of Inuit population growth.

5b. Projected Funding Requirements

The implementation of the Action Plan requires investment in social housing on a scale not previously available to the Inuit of Nunavut. However, several points are worth noting:

- ▶ In the past eleven years the Federal Government has invested over \$3.8 billion in housing for First Nations. Inuit have been excluded from eligibility to these funds.
- ▶ A long-term capital commitment will allow long-term, strategic implementation planning and allow cost-saving efficiencies.
- ▶ The requirement for social housing for Inuit in Nunavut will persist beyond the 10 year scope of this Action Plan. Whether that demand will necessitate additional units cannot be predicted at this time. Discussions of future requirements should occur at a later stage within the 10 year period.
- ▶ Implementation of the Action Plan should foster capacity building in Nunavut and economic development directly within the territory and indirectly to the country.
- ▶ Implementation of the Action Plan must reflect existing capacity within Nunavut and facilitate reasonable capital flow.

The projected funding requirements and implementation schedule for the Action Plan are presented in Table 3. Costs are based on the following actual Nunavut Housing Corporation costs at 2004 rates:

New Units (materials, construction, labour & associated): \$250,000 per unit
 Existing Units (renovation, expansion): \$100,000 per unit
 Operations & Maintenance (utilities, repairs, lease, administration): \$ 18,000 per year

Table 3: Projected Funding Requirements and Implementation Schedule

Delivery Year	Existing Units Renovation		New Units Construction		Operations & Maintenance		Total
	Quantity	Cost (millions)	Quantity	Cost (millions)	Quantity	Cost (millions)	Cost (millions)
2006/2007	200	20	330	83			103
2007/2008	200	20	400	100	330	6	126
2008/2009	200	20	500	125	730	13	158
2009/2010	200	20	500	125	1230	22	167
2010/2011	200	20	500	125	1730	31	176
2011/2012			700	175	2230	40	215
2012/2013			700	175	2930	53	228
2013/2014			700	175	3630	65	240
2014/2015			700	175	4330	78	253
2015/2016			700	175	5030	91	266
Total:	1000	100	5730	1,433	5730	399	1,932
Ongoing O & M costs beyond 2016 (@ \$18,000/unit/year)						5730	103

There are many associated factors that remain to be discussed among the partners of the Ten-Year Inuit Housing Action Plan such as:

- ▶ Future (beyond the ten year period) operations & maintenance funding requirements;
- ▶ Land assembly and municipal roles & authorities;
- ▶ Municipal service capacity;
- ▶ Development of the Ten-Year Tenure Plan;
- ▶ Community prioritization of housing requirements;
- ▶ Operational mandate and structure of the delivery model (the Trust); and
- ▶ Financing mechanisms and partner contributions.

We look forward to identifying and analyzing options for all associated factors as part of the anticipated partnership discussions with the Government of Canada.

5c. *Accountability*

Accountability to investors and the people of Nunavut is a cornerstone of the Action Plan. Issues to consider include:

- ▶ The composition and establishment of a sound governance structure for delivery mechanism (e.g. the Trust);
- ▶ The identification of objective indicators and timelines for regular progress reports to all partners of the Action Plan. For example:

Direct Indicators:

- Numbers of new units built and occupied;
- Numbers of older units replaced and demolished;
- Numbers of older units renovated and inspected to standards;
- Numbers of individuals listed on Public Housing waiting lists; and
- Rate of overcrowding (persons per room per dwelling) on a per community basis.

Economic Indicators:

- Numbers of construction jobs created;
- Numbers of new enterprises created that have housing construction and renovation, including community infrastructure, as a principal business focus, as shown by business statistics;
- Costs of construction and renovation per square metre; and
- Rate of inflation in construction and renovation costs.

Social Indicators:

- Numbers of Inuit employed in construction, renovation and related occupations; and
- Rates of occupant satisfaction with their dwellings as measured by surveys.

The above data could be collected and reported as an integral part of the Action Plan and at the direction of the Trust's Board of Directors. Additionally, reporting requirements can be incorporated into annual reporting obligations of the territorial partners (e.g. Nunavut Tunngavik Incorporated and Nunavut Housing Corporation).

6. RECOMMENDATIONS

Nunavut Tunngavik and the Nunavut Housing Corporation (Government of Nunavut) recommend to the Government of Canada:

1. That the Government of Canada agree they have a responsibility, pursuant to Article 2 of the Nunavut Land Claims Agreement, to ensure that the Inuit of Nunavut benefit from federal participation in provision of housing for Aboriginal peoples in Canada.
2. That the Government of Canada meet with the Nunavut Housing Corporation and Nunavut Tunngavik Incorporated as soon as possible to define the terms of a partnership and a mechanism to implement the Nunavut Ten-Year Inuit Housing Action Plan.
3. That the priority investments for this partnership be as follows:
 - a. Construction of new social housing to relieve the overcrowding crisis in Nunavut immediately; and
 - b. Additions and/or renovations of existing units also to alleviate overcrowding and improve utility of units over time.
4. That technologies are selected for performance in northern conditions and for their compatibility with the spirit and intent of Article 23 of the NLCA.
5. That the Action Plan implementation process embrace the spirit and intent of Article 24 of the NLCA and the Nunavummi Nangminiqqtunik Ikajuuti Policy.
6. That a concerted training program be developed for all building trades and for construction supervisory personnel targeted specifically for Inuit.