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To: Standing Senate Committee on Aboriginal Peoples

From: Duane Ningaqsiq Smith
Chair and Chief Executive Officer, Inuvialuit Regional Corporation

Date: May 31, 2016

RE: Study on best practices and on-going challenges relating to housing in First Nation and Inuit communities in Nunavut, Nunavik, Nunatsiavut and the Northwest Territories

This submission is provided to the Standing Senate Committee on Aboriginal Peoples (Committee) by the Inuvialuit Regional Corporation (IRC), at the Committee's invitation.

Overview

Important Context: Impacts on other aspects of life

It is well-understood that benefiting from good quality housing is inextricably linked to having a good quality of life. It is also well-understood that good quality housing is a factor which impacts many other aspects of life including the economic, social and health well-being of individuals. Household crowding "has been associated with a number of adverse health outcomes including respiratory infections, person-to-person transmission of pathogens, elevated measures of chronic stress and lower levels of self-reported general health".¹ Whether in the Inuvialuit Settlement Region (ISR) or elsewhere, we suggest that is of critical importance to consider the issue of housing within this larger context.

Quantity vs. Quality & Demand vs. Supply

Inuvialuit demographics show a trajectory that is expected to further compound the overcrowding problem in the ISR in the years ahead. Consequently, the shortage of adequate housing in the ISR is a challenge requiring critical, focussed and immediate attention and solutions. To provide the Committee with a better understanding of the magnitude of the issue, Table 1 in the Appendix shows the number of available units in each ISR community and the related waiting lists, for different housing sizes. The waiting list represents the number of community members currently seeking Public Housing and serves as a helpful indicator of the demand in each community. We submit that this information makes it abundantly clear that there exists a significant shortage of housing in the ISR – especially in the community of Paulatuk. However revealing this information may be, it is worth noting that it provides limited insights with respect to the *quality* of the existing housing in the ISR.

Three Specific Themes

We were invited by your Committee to focus our submission on 3 specific areas, namely:

1. Innovative solutions and technologies for the construction of housing in the North;
2. Financing opportunities and challenges to the construction, operations, and maintenance costs of housing; and
3. Federal and cost-shared territorial programs and activities in relation to northern housing.

1. Innovative solutions and technologies for the construction of housing in the North

Legacy of Poor Choices

Direct experience with housing in the ISR has taught us that focussing on the *quantity* side of the housing issue – while important and necessary – is not, by itself, sufficient. Poor design and inappropriate choice of building material and technology have resulted in a legacy of uninhabitable structures across the North. Today, we find these in the form of abandoned and/or dilapidated buildings in each of the ISR communities.

Cultural Considerations of Design

We consider the matter of housing design to be multi-faceted. Firstly, housing designed for the North has typically been culturally unsuitable for Indigenous families and has been shown not to meet the needs of life in the North.ⁱⁱ While we recognize that some progress has been achieved in this area thanks to a handful of pilot projectsⁱⁱⁱ, the reality is that much remains to be done until these individual success stories translate into large-scale improvement across the North. Moving forward, it will be helpful to learn from these pilot projects and to further enhance this knowledge by way of consultation with Inuit in each of the four Regions. To be most effective, such a process should be undertaken prior to making any substantial investments in each Region and should be undertaken with an appreciation that time remains of the essence with respect to housing in the northern communities.

Efficiency

Another important aspect to effective housing design for a northern environment pertains to considerations to energy and water efficiency issues. The social housing units currently in existence are older, equipped with less efficient energy and water systems and are urgently in need of repairs. In many areas of the North, including in the ISR, it has been our experience that housing is “designed and constructed according to southern perspectives and practices, and as a result, may not necessarily accommodate the needs of Northerners or be appropriate for the northern environmental context”.^{iv} In particular, this applies to the National Building Code and various green building rating systems which, in all cases, are primarily intended for a southern context. Looking ahead, we take note of Budget 2016’s allocation of \$573.9 million over two years^v to help (we hope) provide the improvements in efficiency and energy use reductions for which it appears to be earmarked. Lastly, considering the relatively higher price of energy across the North, it is worth observing that any energy-efficiency gain successfully achieved can quickly translate into financial savings for northern households.

2. Financing opportunities and challenges to the construction, operations, and maintenance costs of housing

High Building & Maintenance Costs

It is well-known that the costs of building in the North are very high. This fact can be attributed to a number of factors including the Arctic environment, changing climate, brief construction season and limited local resources. The cumulative net impact of these factors results in building costs that are on average 150% higher in the North than in the rest of Canada.^{vi} The actual costs in the more isolated communities are even higher.^{vii}

Local experience in the ISR suggests that the average building costs can range anywhere between \$300 to \$400 per square foot, depending on the community. This range is considerably more expensive than in other regions in Canada. The high cost is impacted by the unit size (number of bedrooms), quality of construction, emergency efficiency, foundation types, contractor and equipment

availability, labour force, accommodation for contractors and shipping costs. As for maintenance costs, they can average anywhere between \$3,000 to \$4,000 per unit, per year. This is for preventative maintenance only and does not include any demand maintenance.

Affordability

As can be expected, the high housing costs have real practical consequences for residents of the ISR. The challenge of affordability serves as a major contributing factor leading to a high degree of reliance on public housing. The high unemployment rate in the isolated ISR communities further exacerbate these conditions. Combined, these factors may help explain why much of the current public housing inventory is “old, in need of major repair and energy-inefficient.”^{viii}

With respect to home ownership, despite Government attempts to promote it as an important means of encouraging greater self-reliance, many “NWT residents have low incomes and cannot afford to pay market costs of buying or building a house or to pay the ongoing operating and maintenance costs”^{ix}. To help address this challenge, the NWT Housing Corporation “has established many different homeownership assistance programs over the years to help the NWT residents acquire and maintain their own homes.”^x

Building in the Arctic

The high costs are also a consequence of the local environmental conditions. The severe Arctic climate makes homes expensive to heat and leads to rapid deterioration of structures, especially of homes designed for warmer climates.”^{xi} This results in a need for more maintenance and repair work, which again is more expensive because of constraints on both labour and materials across the North.^{xii}

3. Federal and cost-shared territorial programs and activities in relation to northern housing

Public Housing in the NWT

The public authority responsible for public housing in the ISR is the NWT Housing Corporation. Its mandate includes “the prudent management and stewardship of its public housing portfolio”.^{xiii} This area of public responsibility represents a significant ongoing investment by the Government of the Northwest Territories and, as a consequence, it would be expected that regular monitoring and reporting on the condition of the public housing portfolio would unfold as common practice.

Housing Market?

In the absence of a true housing market, the Housing Authority plays a vital role in the North. For northerners, the attractiveness of building equity, making an investment in real estate or even relying on market-driven pricing signals are considerations which exist in isolation from market forces and where cost structures are distorted. For those northerners not already dependent on public housing, it quickly becomes apparent that there is no tangible financial benefit to owning versus renting a home. If anything, housing is an investment as a lifetime shelter for raising a family.

What’s more, the concept of “nuclear family home ownership” is counter-intuitive to Northerners with limited cash flows who value the investment in extended family relations and the sharing of financial and material resources. Maintaining these extended family relationships “is essential to the social, cultural, and economic well-being of many Northern communities”^{xiv} and thus must be given due regard while investigating the realities of northern housing and potential programs.

Experience with Cost-Sharing Programs

As for cost-sharing programs to help develop additional housing capacity in the ISR, (e.g. joint ventures and public-private partnerships), experience would suggest that these can often become too bureaucratic and time consuming. Such programs can occasionally insert process inefficiencies in a context where time is very much of the essence. Likewise, intermediaries and/or complex arrangements can increase process costs, and thus ultimately further add to the already high costs of construction and/or maintenance. A better solution is to work directly with the recipient communities of housing investments, by way of their representative organizations. In the ISR, this would mean the Inuvialuit Regional Corporation.

Conclusion

Budget 2016: an Opportunity?

The recent federal Government Budget 2016 funding allocation for housing in the Arctic provide an opportunity to “get it right”. Success in this regard however will largely depend on the degree to which Inuit are involved in the process. It is in part for that reason that Inuit collectively continue to advocate to the current Government that the Budget 2016 money should flow directly to their representative regional organizations, instead of through an intermediary.

Measure of Progress

In closing, there is nothing in this submission which would not have previously been documented and/or communicated by many others who have turned their attention to this important issue. Acknowledging and understanding the northern housing problem, while important and essential steps, do not on their own *solve* the problem. Political will & leadership, adequate resourcing levels and effective execution are the true ingredients upon which success in this area will depend. Inuvialuit are therefore grateful to this Committee and to the Senate for whatever influence and/or contributions you may be able to direct toward the ultimate goal of resolving the northern housing issue, once and for all.

Table 1: Housing overview in the Inuvialuit Settlement Region (March 2016, Northwest Territories Housing Corporation)

Community	Type	Waiting List	Current # of Units	Population (GNWT, 2015)	Waiting List Proportion		% of "bedroom demand" relative to population	
					Unit Count	% of Existing Units	"Bedroom demand"	"Bedroom demand" as % population
Aklavik	1 bedroom	12	142	668	16	11.3%	21	3.1%
	2 bedroom	3						
	3 bedroom	1						
Inuvik	Bachelor	37	236	3265	74	11.3%	110	3.1%
	1 bedroom	8						
	2 bedroom	24						
	3 bedroom	3						
	4 bedroom	2						
Paulatuk	1 bedroom	10	61	321	20	32.8%	31	9.7%
	2 bedroom	9						
	3 bedroom	1						
Sachs Harbour	1 bedroom	3	21	132	4	11.3%	5	3.1%
	2 bedroom	1						
Tuktoyaktuk	1 bedroom	19	176	965	25	11.3%	31	3.1%
	2 bedroom	6						
Ulukhaktok	1 bedroom	3	90	415	5	11.3%	7	3.1%
	2 bedroom	2						

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- ⁱ Daley, Kiley. *Meeting the northern housing challenge*, available at <https://www.canada.ca/en/polar-knowledge/publications/polarleads/vol1-no1-2016.html> (consulted May 2016).
- ⁱⁱ *Ibid.*
- ⁱⁱⁱ See the Canada Mortgage and Housing Corporation various pilot projects.
- ^{iv} Canadian Polar Commission (March 31, 2014). *Housing in the Canadian North: Recent Advances and Remaining Knowledge Gaps and Research Opportunities*, at p. 2.
- ^v Government of Canada (2016). *Growing the Middle Class: Budget 2016*, Chapter 2, available at <http://www.budget.gc.ca/2016/docs/plan/ch2-en.html> (consulted May 2016).
- ^{vi} Canadian Polar Commission, *supra* iv.
- ^{vii} *Ibid.*
- ^{viii} *Ibid.*
- ^{ix} Office of the Auditor General of Canada, (February 2008). *Northwest Territories Housing Corporation Public Housing and Homeownership Programs*, at p. 13.
- ^x *Ibid.*
- ^{xi} Center for the North, The Conference Board of Canada (2012). *Framing Sustainable Options for Housing in Canada's North*, available at http://kottlumber.com/pdf/Centre_for_the_North_Framing_Sustainable_Housing_Options.pdf (Consulted May 2016).
- ^{xii} *Ibid.*
- ^{xiii} Office of the Auditor General of Canada, *supra* ix, at p. 3.
- ^{xiv} Pulla, Dr. Siomonn, (2013). *Framing Sustainable Housing Options for Canada's North*, available at http://www.conferenceboard.ca/Libraries/PUBLIC_PDFS/si_jun2013_presentation_pulla.sflb (consulted May 2016)