

HOUSING MARKET INFORMATION

INDIGENOUS
& NORTHERN
HOUSING

Northern Housing Report 2023



To request an alternate format, please contact us at:

1-800-668-2642
contactcentre@cmhc.ca

700 Montreal Road,
Ottawa, ON K1A 0P7

[CMHC.ca](https://www.cmhc.ca)

Canada



Table of Contents

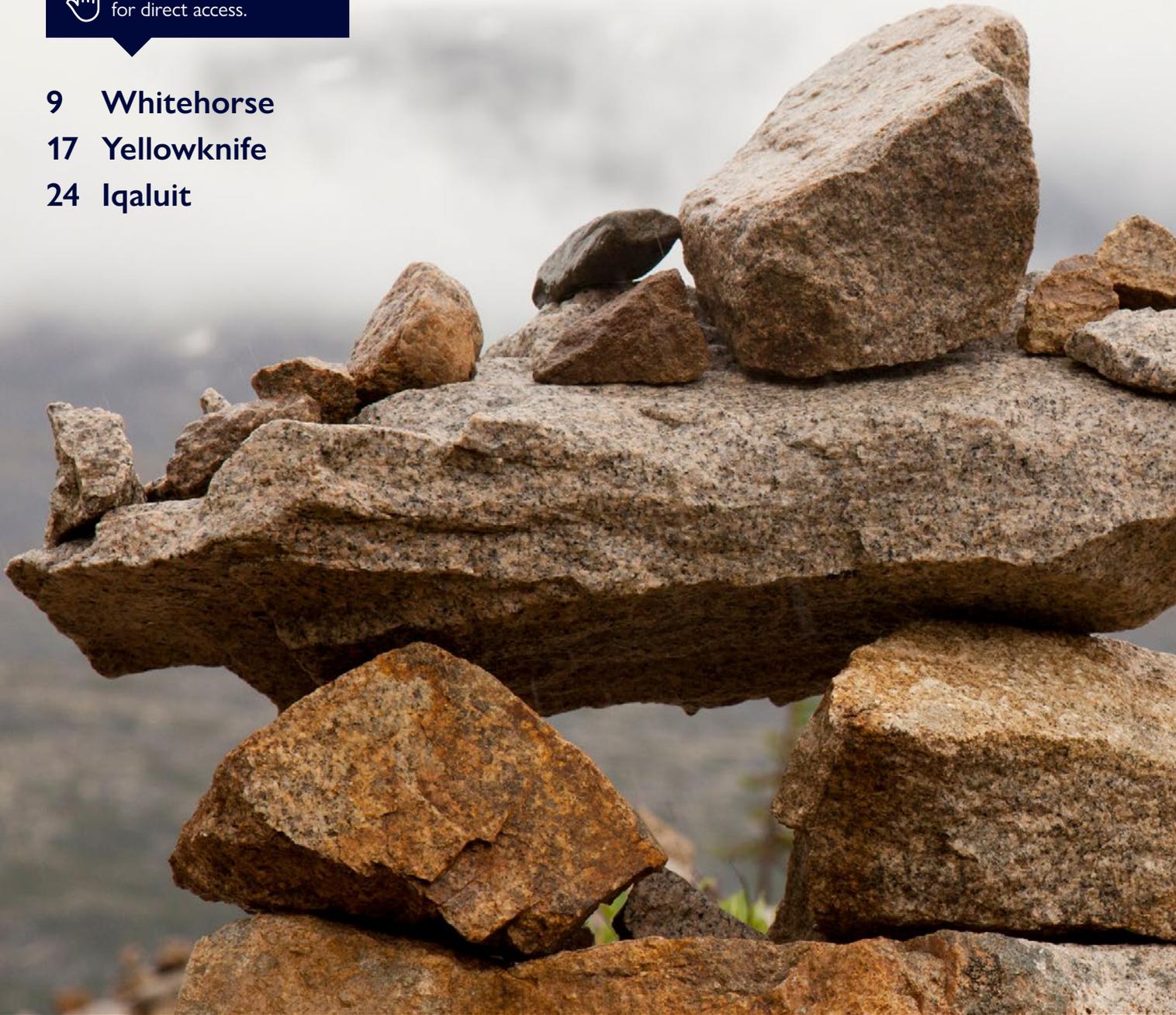


Click on links below
for direct access.

9 Whitehorse

17 Yellowknife

24 Iqaluit



Aled Ab Iorwerth
Deputy Chief Economist

Taylor Pardy
Lead Economist, Prairies and Territories



Market Insight
speakers@cmhc-schl.gc.ca

Introduction

The Northern Housing Report looks at housing market conditions in the 3 major centres in the territories:

- Whitehorse
- Yellowknife
- Iqaluit

The housing markets in the territories differ from those in the rest of the country: In the territories, a greater proportion of housing is provided by non-market providers like non-profit groups and governments. Across the territories, social housing accounts for 19% of the total housing stock, compared to 4% in the rest of the country.¹ The territorial governments provide a significant amount of housing through their housing corporations:

- Yukon Housing Corporation
- Northwest Territories Housing Corporation
- Nunavut Housing Corporation

¹ Statistics Canada 2021 Census of Population, CMHC Social and Affordable Housing Survey





Northern Housing

Economic growth mixed, as signs of slowdown emerge

The sharp economic rebound seen following the COVID-19 pandemic has slowed down across the North. While economic growth has continued, the rate of growth is much lower. The economies of the territories are driven to a large extent by resource-based industries. The slowdown of these industries after an expansion in 2021 influenced most of the change in growth in 2022.

All 3 territories saw a slowdown in residential construction as part of their GDP, pointing to future constraints in housing supply.

Populations continued to grow in the North, with signs of increasing urbanization toward the 3 major centres. The main sources of population growth vary by territory,

but all 3 show a quickly aging population. People over age 65 continue to be the fastest-growing age group, highlighting the greater need to provide appropriate social and housing support. Such support is especially important in areas outside of major centres, where appropriate infrastructure may not be as widely available.

Labour markets showed some signs of weakness in 2022, compared to tighter conditions in 2021. While unemployment rose in 2 of the territories, unemployment rates still stand well within pre-COVID ranges. Unlike in 2021, when labour market conditions were similar in all 3 territories, in 2022, there were greater differences between them. The similarities in 2021 were likely due to the post-lockdown economic rebound.

Monetary policy tightens at a quick pace

The Bank of Canada started raising its policy interest rate in 2022. It paused its increases in September 2023, when the policy rate reached 5%. Sentiment from the Bank indicates that it's waiting for the effects of the increases to become fully apparent before deciding whether more increases are needed to slow down inflation.

The 5-year conventional mortgage rate rose to 6.27% in September 2023, higher than the 5.64% seen at the same time last year. Mortgage rates at this level were last seen right before the 2008 financial crisis.

Tighter monetary policy has served to slow down inflation. At the same time, however, it's made financing more difficult to obtain and manage for both homebuyers and homebuilders. While growth in supply costs have slowed down, they remain high. Homebuying activity has also slowed down due to increased difficulty in securing a mortgage. Homebuilders, meanwhile, face tighter profit margins and fewer available sources of capital. Future housing supply in the North will be impacted by current monetary policy.

Housing unaffordability accelerates

While house price growth slowed down in some centres in 2023 compared to 2022, prices continued to stay high. Increases in wages didn't compensate enough for higher homeownership expenses, and this negatively impacted affordability.

Most of the increases in homeownership costs this year were driven by sharply higher mortgage rates. Data from Equifax shows that average mortgage payments for all mortgage holders grew across the North. Those who took out new mortgages also saw a sharp increase, since these mortgages are likely to carry the highest balances and reflect market rates.

Core Housing Need

According to the 2021 census, the share of the population in core housing need¹ stood at:

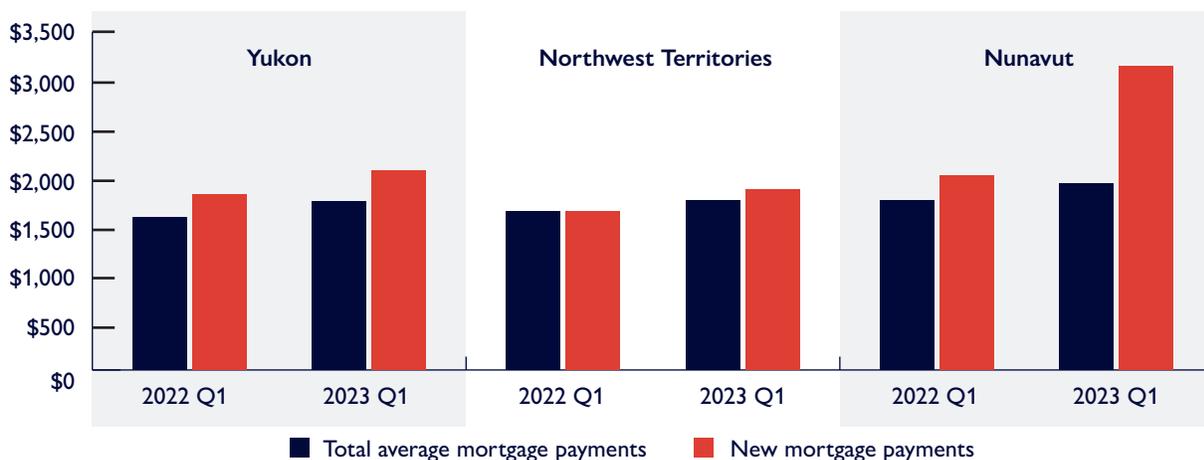
- 7.7% in Canada, down from 10.6% in 2016
- 9.9% in Yukon, down from 12.1%
- 11.4% in the NWT, down from 15%
- 40.5% in Nunavut, down from 47.2%

This decrease in core housing need is partially attributed to government income support during the COVID-19 pandemic.

Affordability has likely worsened since the data available in the 2021 Census as rents and homeownership costs have been increasing while growth in incomes have not kept pace.

While the decline in core housing need between 2016 and 2021 can be attributed to a smaller proportion of the population living in unaffordable housing, the share of the population living in housing that was inadequate (in need of major repairs) or unsuitable (overcrowded) increased in Yellowknife, Whitehorse and Nunavut.

Figure 1: Average mortgage payments grew at a quicker pace as interest rates rose and home prices remained high; new-mortgage payments in Nunavut grew rapidly



Source: Equifax

Note: Equifax data for 2022 was revised earlier in 2023.

¹ Core Housing Need is presented as a share of the population and may differ from data at the household level.

Because of this, the number of hours of work per month needed to keep mortgage payments below the affordability threshold (30% of gross income) rose in all 3 territories.

The 3 territories saw rising wages in the current inflationary environment. However, these increases weren't enough to compensate for faster-rising mortgage payments. Average hourly earnings were:

High mortgage payments reflect increasing difficulty in achieving affordability in the North. Additionally, homeownership is generally the least subsidized among all housing tenure types in the territories. However, a large proportion of housing in the North originates from non-market providers.

Yukon	Northwest Territories	Nunavut
\$39.6	\$42.4	\$38

Figure 2: Hours of work per month to keep mortgage payments below 30% of gross income

Sources: Average monthly mortgage payment on newly opened mortgages (Equifax) and average hourly earnings (Statistics Canada)
Reference period: Q1 2023



National Housing Strategy

The National Housing Strategy (NHS) is currently a 10-year, \$82+ billion plan to give more people in Canada a place to call home. Indigenous and Northern housing are priorities under the NHS.

As of September 30, 2023, total federal commitments for the territories under the NHS federal programs is \$550M for 2,342 units. Further information on the NHS can be found on the [Strategy's website](#)².

Through the Federal, Provincial and Territorial (FPT) Housing Partnership, bilateral agreements were made with all 3 territorial governments. Total joint investments amounted to:

Yukon	Northwest Territories	Nunavut
\$78M	\$158.6M	\$357.2M

Under these agreements, the Northern Funding Initiative includes \$300 million of funding that doesn't require cost-matching by the territorial governments. As of September 30, 2023, over \$150 million had been committed through this initiative.

Two other funding programs under the NHS are the Affordable Housing Fund (AHF) and the Rapid Housing Initiative (RHI).

The Affordable Housing Fund provides capital to partnered organizations* for new affordable housing and the renovation and repair of existing affordable and community housing. Funds are provided as low-interest and/or forgivable loans and contributions. In the North, over \$278 million has been contributed to support 1,557 units as of September 30, 2023.

The RHI provides capital contributions for the rapid construction of new housing and/or acquisition of existing buildings for rehabilitation or conversion to permanent affordable housing. For projects funded in the territories, this program extended the required deadline for construction from 18 months to 24 months in the third round to accommodate for unique logistical constraints in the North.

² placetocallhome.ca



Yukon

Over the past year, several housing projects have been supported by the NHS.

In December 2022, a seniors' living community was completed in Whitehorse, adding 84 suites to supply. Twenty-six of the units are geared to supporting low-income seniors and Indigenous Elders. This project was made possible by contributions of:

Affordable Housing Fund	\$34.5M
Yukon Housing Corporation	\$4.0M

In August 2023, construction began on a 10-unit housing complex to support those at risk of homelessness in Watson Lake. This project is made possible through the following contributions of \$13.1 million:

Affordable Housing Fund	\$5.24M
Yukon Housing Corporation	\$7.86M

The third round of the Rapid Housing Initiative is providing \$5 million to the YHC to create 9 new affordable homes.

Northwest Territories

In October 2023, the development of a project of 50 new affordable homes was announced in downtown Yellowknife. These homes will support Indigenous and vulnerable populations. This project was made possible by a \$20-million investment through the third round of the Rapid Housing Initiative.

In June 2023, \$5 million in federal funding through the third round of the Rapid Housing Initiative was announced for the Aspen Apartments project. This project aims to add 36 permanent affordable homes to the city's housing stock by converting former federal staff housing. The units are intended for Indigenous people, women with children and people at risk of homelessness.

In November 2022, \$23 million in funding was announced for 2 housing projects: 12.5 million from the AHF and \$5 million from the RHI for a 21-unit affordable rental project, and \$6 million from the AHF for a 42-unit project for at-risk individuals.

Nunavut

The third round of the RHI includes a commitment of \$17.9 million in October 2023 to 21 new affordable homes across 5 Qikiqtani communities including Grise Fiord, Resolute Bay, Clyde River, Arctic Bay and Pond Inlet that aim to provide affordable and accessible homes for women and Indigenous people. Another \$11.9 million was also contributed by the Qikiqtani Inuit Association to support this project.

In November 2022, 3 projects were announced to convert 3 existing properties into 21 transitional homes in Iqaluit for at-risk Inuit women and children. These were funded through the following contributions:

Federal Funding	\$2.1M
Qikiqtani Inuit Association	\$1.4M
Nunavut Tunngavik Inc	\$750K
YWCA – Agvik	\$604K

WHITEHORSE

HIGHLIGHTS

- Housing starts declined in 2022 compared to 2021, in part due to labour shortages and rising costs in the construction sector.
- Resale prices in the single-detached market segment have moderated since reaching record highs in Q3-2022. Still, they remain elevated.
- Vacancy rates remain low in the private rental market as demand continues to outpace supply.
- Housing affordability challenges persist as high home prices and rising borrowing costs keep market options out of reach for many households.



Fundamentals

Population growth slowed in 2022

Total population growth slowed in both Yukon and Whitehorse in 2022 compared to 2021.

- Yukon's population expanded by 1.2% in 2022 to reach 43,789.¹
- Over the same period, Whitehorse's population grew by 2.1% to reach 35,372.
- Growth in different age groups continued to follow historical trends in 2022. The senior population (age 65 and older) posted the highest growth, increasing by 5.8% from 2021 to 2022. The populations in the 15-24, 25-34, and 35-44 age groups increased by 3.4%, 0.2% and 4.3%, respectively.²

Net interprovincial migration to Yukon was 722 in Q2-2023, a 12.8% decline from Q2-2022.³ Whitehorse experienced a net outflow for the first time since 2013, with a net total of 39 residents relocating to other provinces and territories. This is a significant decline from the inflow

of 436 residents to Whitehorse from other provinces and territories in the previous year, and below the historical average inflow of 149 residents.

International immigration was a primary driver of population growth in Whitehorse, having increased by 117.5% from 275 in 2021 to 598 in 2022. This is a relatively high number of international immigrants compared to the historical annual average of 176. Seventy percent of new immigrants fell into the 15-24 and 25-34 age groups, likely attracted by employment opportunities available in Whitehorse.⁴

Tight labour market conditions have started to ease

The level of employment in Yukon had returned to its pre-pandemic (August 2019) level as of August 2023, reaching 23,600. This increase in employment was driven by higher labour force participation. Labour market tightness eased over the past year, with the unemployment rate rising from 2.5% in August 2022 to 4.5% in August 2023.⁵

¹ Table 17-10-0005-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000501>)

² Table 17-10-0135-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1710013501>)

³ Table 17-10-0022-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1710002201>)

⁴ Table 17-10-0136-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1710013601>)

⁵ Table 14-10-0292-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410029201&pickMembers%5B0%5D=3.1&pickMembers%5B1%5D=4.1&pickMembers%5B2%5D=5.1&pickMembers%5B3%5D=6.1&cubeTimeFrame.startMonth=01&cubeTimeFrame.startYear=2023&cubeTimeFrame.endMonth=08&cubeTimeFrame.endYear=2023&referencePeriods=20230101%2C20230801>)

The job vacancy rate declined from 8.9% in Q2-2022 to 6.7% in Q2-2023. The following sectors had the largest number of vacant jobs as of the fall of 2022⁶:

- Construction (223 vacancies)
- Retail trade (123 vacancies)
- Accommodation and food services (114 vacancies)

Wages are responding to the mismatch between labour demand and supply. As of Q2-2023, the average hourly wage offered for vacant positions was \$28.90, a 7.4% increase from Q2-2022. Wage increases were particularly high for some industries experiencing acute labour shortages. For example, the construction sector saw wages go up by 23% from Q2-2022 to Q2-2023.⁷

Overall economic growth moderated in 2022 following a period of high growth

Real GDP growth in Yukon was 3.3% in 2022, following an increase of 10.0% in 2021. The high growth observed in 2021 was largely due to an expansion of the mining sector.

This sector then saw a decline of 0.7% in 2022.⁸

The transportation and warehousing, construction, and accommodation and food services sectors experienced the highest growth:

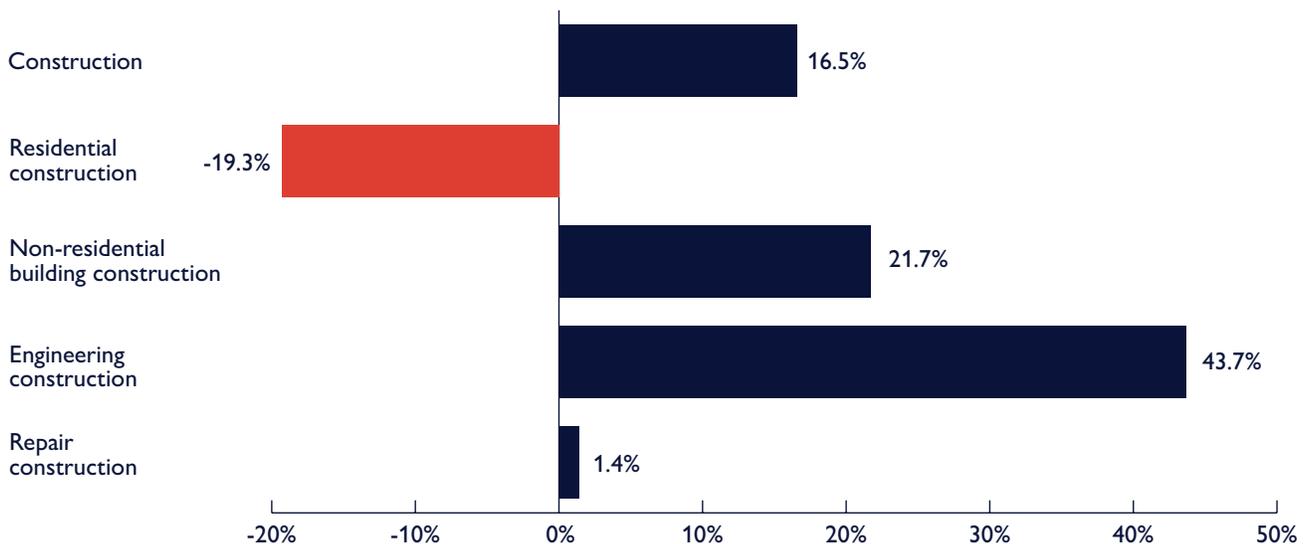
- 28.3% in transportation and warehousing
- 16.6% in construction
- 16.4% in accommodation and food services

Expansion in the construction sector was driven primarily by a rise in transportation engineering construction (construction related to the operation and maintenance of transportation systems). This subsector grew by 53% from 2021 to 2022.

Residential building construction declined by 19.3% over the same period (figure 1). Recent data indicate that there has been \$90.5 million in residential building construction in Yukon in 2023 (January to July). This figure represents a 13.6% decline from the same period in 2022.⁹ Labour shortages mentioned in the previous section, which contribute to higher construction costs, are leading to lower residential construction output.

Figure 1: Growth in the construction sector was driven by a rise in transportation engineering construction, while residential construction declined

% change in GDP from 2021 to 2022, Yukon



Source: Statistics Canada Table 36-10-0402-02

⁶ Yukon Labour Demand Survey (<https://yukon.ca/en/yukon-labour-demand-survey-2022>)

⁷ Table 14-10-0326-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410032601>)

⁸ Table 36-10-0402-02 (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610040202>)

⁹ Yukon Bureau of Statistics (<https://yukon.ca/sites/yukon.ca/files/ybs/fin-investment-building-construction-july-2023.pdf>)

Affordability

20% of families in Whitehorse are unable to afford market housing

According to before-tax family income ranges in 2021,¹⁰ over 20% of all families in Whitehorse would be unable to secure market housing without assistance (figure 2).

A household is living in unaffordable housing if their shelter costs are more than 30% of their before-tax income. The annual before-tax income required to afford rent on a bachelor, 1- or 2-bedroom apartment ranged from \$43,980 to \$54,640. Approximately 12% of families in Whitehorse had an income in this range.

Less than half of families can afford any market option, including purchasing a single-detached home. A minimum annual income of \$140,581 would be required to purchase a single-detached home, and fewer than 44% of families in Whitehorse could afford this option.

In 2023, the Government of Yukon increased the annual household income thresholds for social housing eligibility:

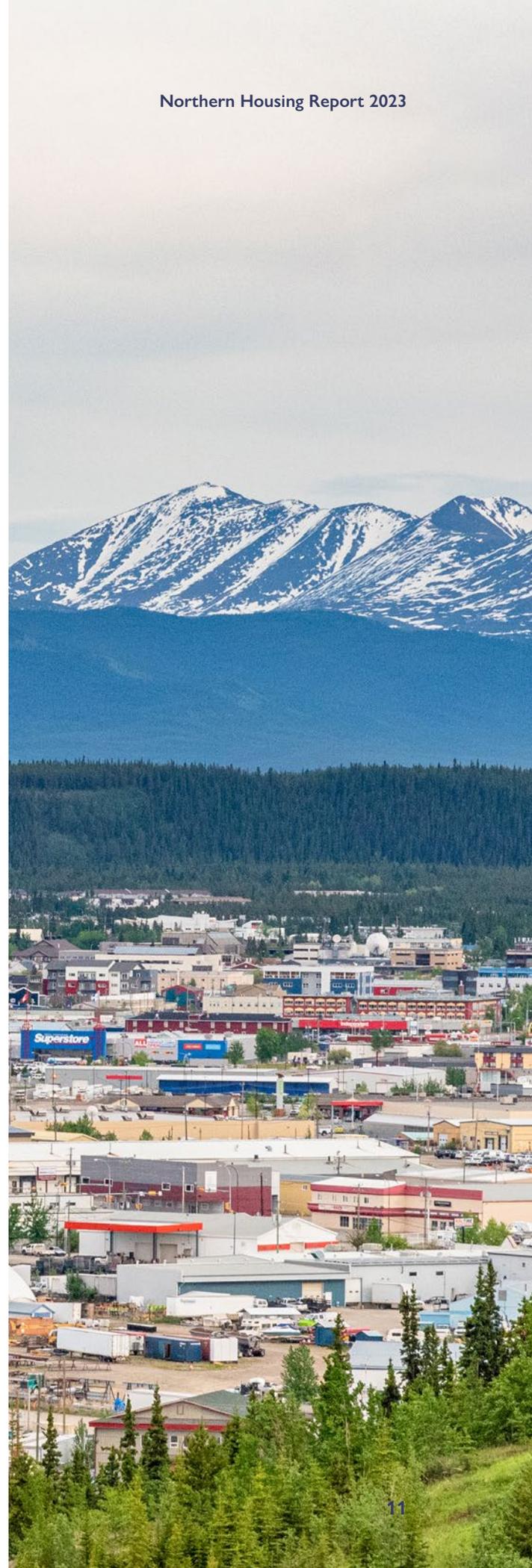
- To apply for a bachelor or 1-bedroom social housing unit, household income must be under \$54,000. Before, the threshold was \$38,000.
- The new threshold for a 2-bedroom unit is \$71,000, up from \$58,500.
- The new threshold for a 3-or-more-bedroom unit is \$84,500, up from \$72,500.

This is an important step toward making social housing more accessible, but the availability of social housing units remains constrained. According to CMHC's Social and Affordable Housing Survey, of the 3 territories, Yukon had the lowest number of social and affordable housing units per capita in 2022 (0.03 units per capita).¹¹

As market options move further out of reach for many Whitehorse residents, there's a growing need for more social and affordable housing or other policies to help households cover shelter costs.

¹⁰ Table 11-10-0012-01
(<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110001201>)

¹¹ Social and Affordable Housing Survey, 2022
(<https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/social-affordable-housing-survey-rental-structures-data>)

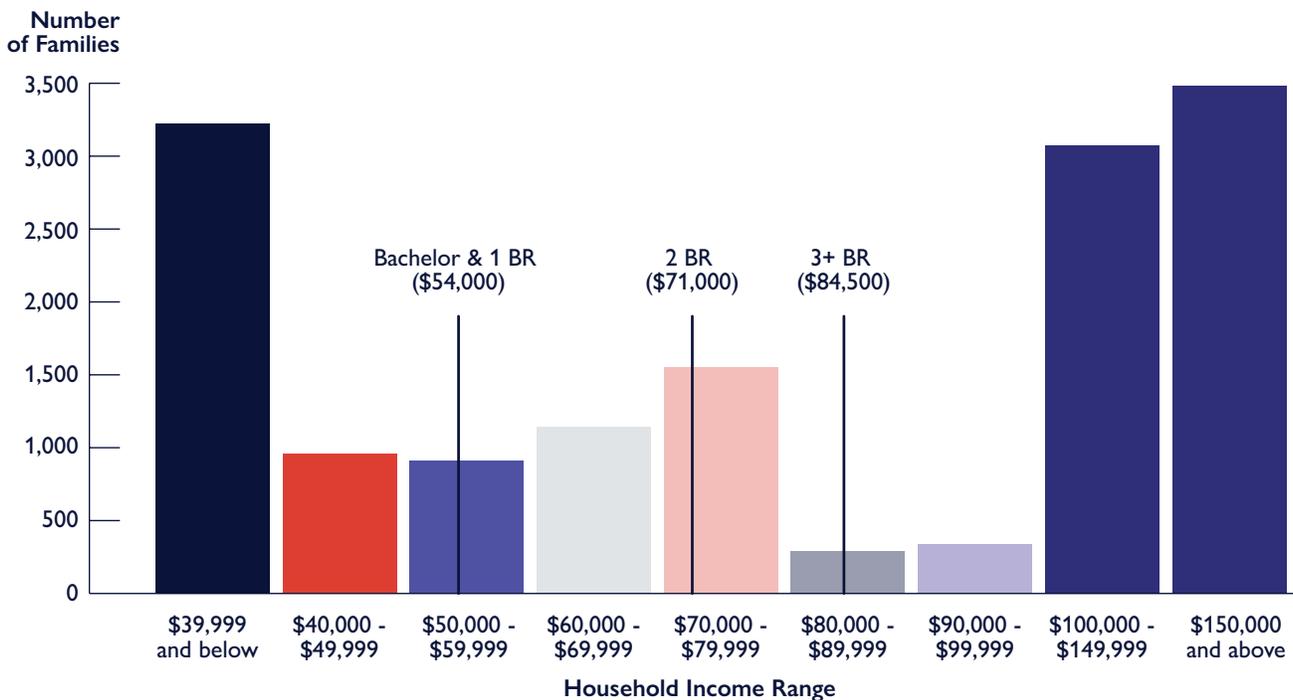


In addition to rising housing costs, high inflation has persisted throughout 2022 and 2023, contributing to higher living costs. The all-items Consumer Price Index (CPI) in Whitehorse increased by 4.6% from August 2022

to August 2023, above the national CPI inflation rate of 4.0%. Rising living costs place additional financial pressure on households that already struggle to secure affordable market housing.¹²

Figure 2: A large share of families cannot affordably secure market housing

Market affordability in 2021, Whitehorse



- Cannot affordably secure any market option
- Can afford to rent a bachelor or 1-BR
- Can afford to rent a 2-BR or mobile home
- Can afford to rent a duplex
- Can afford to rent a condominium or purchase a mobile home
- Can afford to rent a single-detached home
- Can afford to purchase a condominium
- Can afford any option (including purchasing a single-detached home)

————— Solid line and in parentheses: rent assistance subsidy and social housing eligibility cut-off

Sources: Statistics Canada, Yukon Housing Corporation, Yukon Bureau of Statistics, Yukon Real Estate Association, and CMHC
 Note: The number of families in each before-tax income range was drawn from the Annual Income Estimates for Census Families and Individuals for 2021. Affordability assessments were based on the minimum annual income required to meet the 30% affordability criterion and were calculated using the median rent and median mortgage payment in the second quarter of 2023. Mortgage payments were based on median sale price in Q2-2023, a 25-year amortization, the prevailing 5-year fixed discount rate, a 5% down payment, and include mortgage insurance.

¹² Table 18-10-0004-11 (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000411&pickMembers%5B0%5D=1.2&cubeTimeFrame.startMonth=08&cubeTimeFrame.startYear=2023&referencePeriods=20230801%2C20230801>)

In 2021, 1 in 10 people in Yukon were in core housing need¹³

According to the 2021 census, the share of the population in core housing need stood at:

- 7.7% in Canada (down from 10.6% in 2016)
- 9.9% in Yukon (down from 12.1% in 2016)
- 7.5% in Whitehorse (down from 9.4% in 2016)

A household is in core housing need if its housing does not meet 1 or more of 3 standards (adequacy, suitability or affordability) and it would have to spend 30% or more of its before-tax income to access local housing that meets all 3 standards.

The decline in core housing need between 2016 and 2021 is entirely attributable to a smaller proportion of the population living in unaffordable housing. The share of the population living in housing that was inadequate (in need of major repairs) or unsuitable (overcrowded) increased in both Yukon and Whitehorse.

Vulnerable populations continue to experience higher rates of core housing need:

- 14.4% of individuals who identify as Indigenous in Whitehorse experienced core housing need. This is higher than the 6.2% of non-Indigenous people in Whitehorse who experienced it. It's also higher than the 13.2% of Indigenous individuals who experience core housing need nationally.
- 10.6% of individuals aged 65 and over in Whitehorse experienced core housing need, compared to 6.4% for the population aged 18 to 64.

By household type, the shares of the population who experienced the highest rates of core housing need were:

- Single-person households (20.9%) (compared to 7.1% for households with more than 1 person).
- Lone-parent households (23.5%) (compared to 3.2% for dual-parent households).

The share of the population in core housing need was significantly higher among renters (18%) than owners (3.5%). Within the renter population in Whitehorse:

- 22.7% live in unaffordable housing
- 17.9% live in unsuitable housing
- 10.5% live in inadequate housing

Private Rental Market

Vacancy rates remain at record lows in the private rental market¹⁴

Low vacancy rates and growing rents suggest that demand for rental housing continues to outpace supply. Whitehorse's vacancy rate for apartment structures containing 3 or more units increased slightly to 1.0% in April 2023 from a record low of 0.8% in April 2022 (figure 3).

Several factors contributed to sustained downward pressure on rental apartment vacancies:

- Migration to the region has been a key driver of population growth in recent years. A larger share of immigrants in younger age groups has led to higher rental demand, as younger households tend to opt for rental housing rather than homeownership.
- High prices in the region's resale market combined with rising borrowing costs have likely discouraged renters from purchasing a home. With more renters remaining in their existing units for longer periods, there are fewer units added to the stock of vacant units.
- Higher construction costs and labour shortages are creating supply challenges. Residential construction hasn't been able to keep up with a growing population, and this is contributing to affordability issues.

As of April 2023, the median rent for units in buildings with 3 or more rental units was \$1,234. This reflects an increase of 2.8% compared to October 2022. For rental units in all types of buildings, the median rent was \$1,353, and the vacancy rate was 2.0%.

The Government of Yukon recently updated the territory's residential rent index as part of an effort to address housing pressures. Under the new regulations, rent increases in Yukon cannot exceed 5% in years when the CPI for the previous calendar year was equal to or greater than 5%.¹⁵

¹³ Statistics Canada (<https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/dv-vd/housing-logement/index-en.cfm>)

¹⁴ Yukon Rent Survey - April 2023, Yukon Rent Survey - October 2022 (<https://yukon.ca/en/yukon-rent-survey-october-2022>)

¹⁵ Government of Yukon (<https://yukon.ca/en/news/yukon-residential-rent-index-updated-and-new-conditions-ending-residential-tenancies-introduced>)

Expansion of the rental apartment universe has slowed down

On the supply side, there were 2,304 rental units across all types of buildings as of April 2023 (of this number, 47 were vacant). This is 2.9% lower than the 2,374 rental units in October 2022.¹⁶ New rental apartment completions totalled 185 units in 2022 and 178 units for the first 2 quarters of 2023.¹⁷

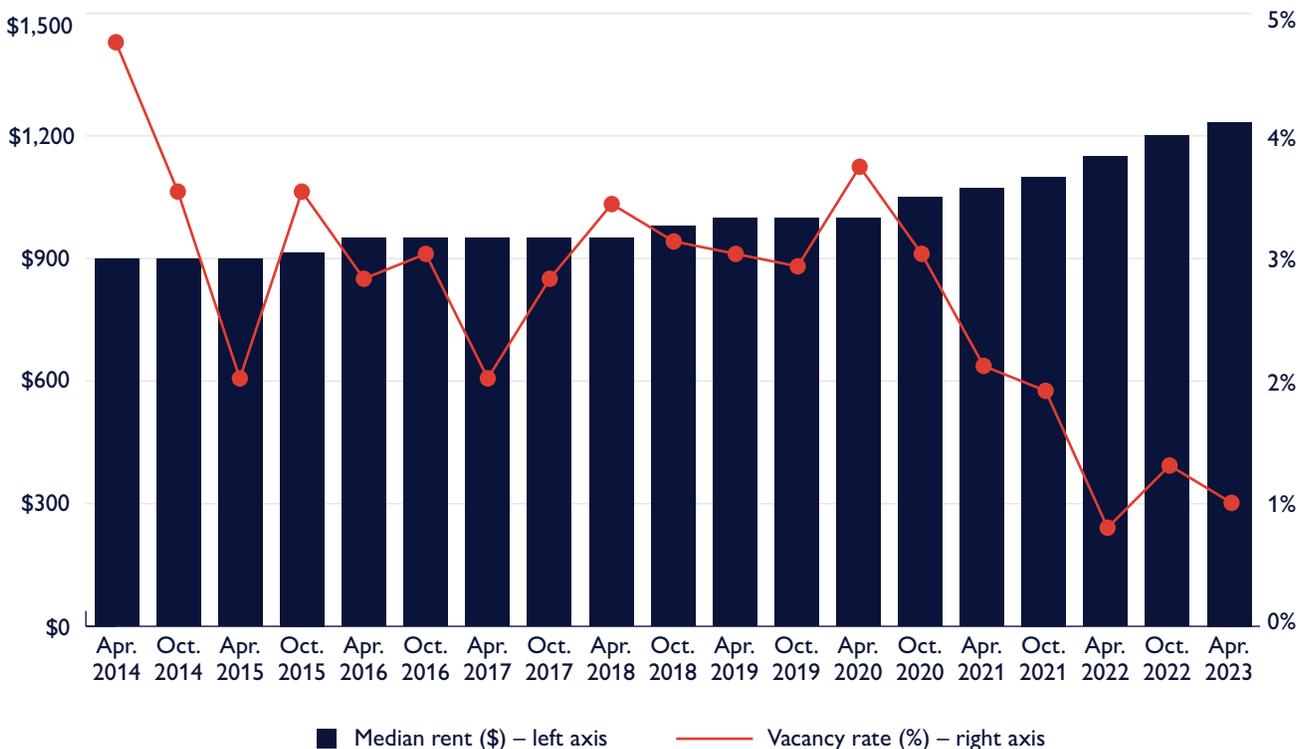
We can attribute the differences between completions and changes in the rental universe to:

- units possibly being moved out of the survey sample for conversion to a different use;
- demolition; and
- temporary reasons such as renovation.

As of Q2-2023, there were 16 rental apartment units under construction, a sharp decline from the 232 units in Q2-2022, and lower than the average of 163 units under construction for any given quarter from 2017 to 2022. These units will be added to the stock of rental housing once completed. The relatively low number of units under construction is concerning, since more rental units are needed to keep up with increasing demand.

Figure 3: Vacancy rates remain low and the median rent continues to rise

Median rent and vacancy rate, units in buildings with 3+ rental units, Whitehorse



Source: Yukon Rent Survey, April and October, Yukon Bureau of Statistics

¹⁶ Yukon Rent Survey - April 2023, Yukon Rent Survey - October 2022 (<https://yukon.ca/en/yukon-rent-survey-october-2022>)

¹⁷ CMHC Starts and Completions Survey (<https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/housing-market-data/housing-starts-completions-units-under-construction>)

Homeownership Market

Prices remain elevated in the single-detached market segment¹⁸

The total value of real estate transactions reached a record high of \$403.5 million in 2022. This was a 4.3% increase compared to \$386.9 million in 2021. The value of real estate transactions for the first 2 quarters of 2023 was \$168.5 million, down 16.3% from \$201.2 million for the first 2 quarters of 2022.

The total number of units sold was 709 in 2022, up from 664 in the previous year. The increase was driven primarily by a rebound in condominium sales, which increased by 36.5% from 181 units to 247 units. Single-detached home resales increased by 6.5%, from 306 units in 2021 to 326 units in 2022. Mobile homes and duplexes recorded lower unit sales compared to 2021.

Tight resale market conditions put upward pressure on prices in 2022:

- The average single-detached home price was \$668,325, a 3.6% increase from \$645,000 in 2021.
- Average prices of mobile homes and duplexes reached record highs of \$443,625 and \$512,550, respectively.
- The average condominium price, meanwhile, was \$443,900, down 4.2%.

Average single-detached home prices have moderated since reaching a record high of \$701,200 in Q3-2022, but remain above pre-pandemic levels (figure 4).

As of Q2-2023, prices for both single-detached homes and condominiums had decreased from the same quarter the year before:

- The average price of a single-detached home was \$628,700, down 9.6%.
- The average price of a condominium was \$407,000, down 6.6%.

Purchasing a mobile home was the most affordable option in Q2-2023, at an average price of \$343,600.

Interest rate increases throughout 2022 and 2023 have driven up borrowing costs. Higher borrowing costs further constrain consumer budgets, making homeownership less affordable. Record-high prices were no longer sustainable at current income levels given current mortgage rates.

Figure 4: Average prices have moderated since reaching record highs in Q3-2022, but remain elevated
Real estate transactions and average prices, Whitehorse



Source: Yukon Real Estate Report, Yukon Bureau of Statistics

¹⁸ Yukon Real Estate Report, Q2-2023, Yukon Real Estate Report, Q4-2022
(<https://yukon.ca/sites/yukon.ca/files/ybs/fin-yukon-real-estate-report-q2-2023.pdf>)

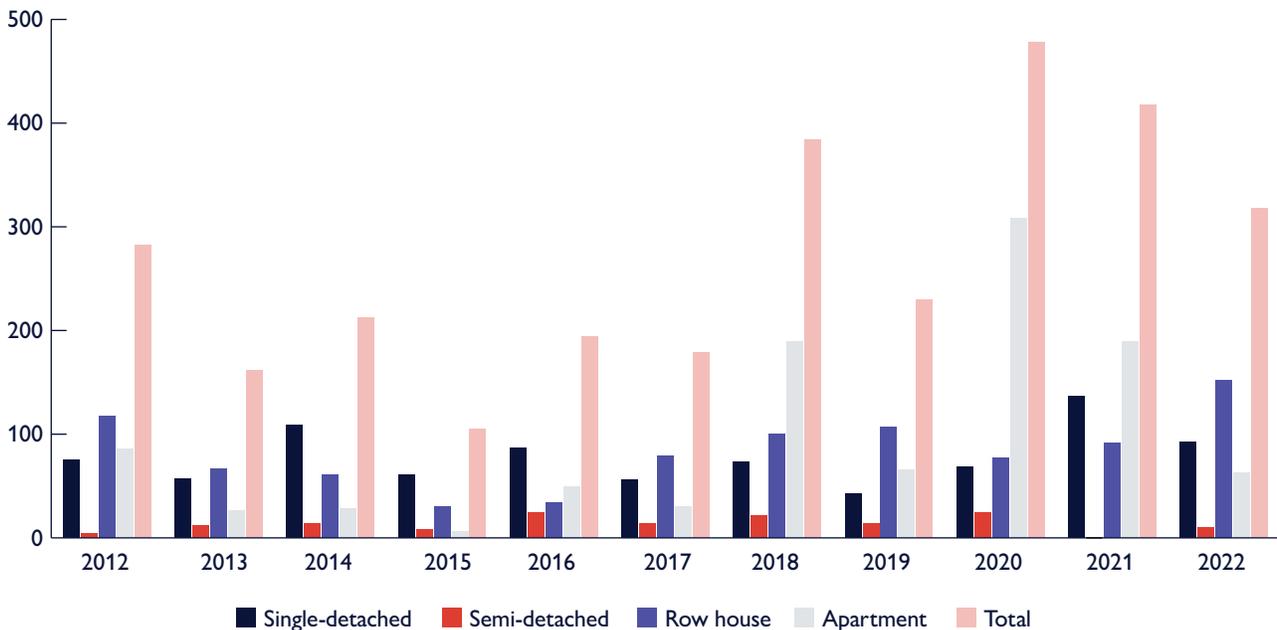
Housing starts declined in 2022¹⁹

Housing starts fell to 318 units in 2022, down 24% from the previous year (figure 5). The 318 units is still 20% above the historical annual average of 264 units. The decline is due to a drop in single-detached starts from 137 units to 93 units and a drop in apartment starts from 189 units to 63 units. Multi-unit starts totalled 215 units, down 10.7% from the previous year, but above the historical annual average of 135 units. This drop is almost entirely due to a large decline in rental apartment construction.

Several factors, including labour shortages and rising material and financing costs contributed to the decline in rental apartment starts. Average hourly wages offered in Yukon’s construction sector increased by 23.1% from Q2-2022 to Q2-2023, from \$27.70 to \$34.10. This is relatively high compared to the 7.4% wage growth observed across all business sectors over the same period. Higher wages also contribute to higher construction costs, which explains part of the decline in rental apartment starts and units under construction.

Figure 5: Housing starts declined in 2022

Housing starts by type, Whitehorse



Source: CMHC Starts and Completions Survey

Average monthly mortgage payments reach record highs

Equifax data captures mortgage and consumer credit trends in Yukon.

New homebuyers face higher mortgage costs resulting from sustained house price growth and high interest rates. The average monthly obligation for consumers with a new mortgage loan was \$2,023 in Q1-2023, a 16% increase from the same quarter in the previous year. This is \$343 higher than the average monthly payment on existing mortgage loans, which stood at \$1,680 in Q1-2023.

Consumers’ average monthly scheduled mortgage payments were up 10% in Q2-2023 compared to the same quarter in the previous year. This far outpaced growth in mortgage payments observed in recent years: the average year-over-year growth in mortgage payments from 2013 to 2022 was just 2.4%. If the costs of borrowing continue to rise at this rate, homeownership will become increasingly unaffordable for households in Yukon.

¹⁹ CMHC Starts and Completions Survey (<https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/housing-market-data/housing-starts-completions-units-under-construction>)

YELLOWKNIFE

HIGHLIGHTS

- Yellowknife recorded moderate population growth and a strengthening labour market in 2022.
- Housing affordability is a concern, with 28% of families unable to affordably secure rental housing.
- Vacancies increased and rents climbed marginally, while the stock of rental apartments declined.
- Average home prices climbed, despite a decline in sales compared to the previous year.



Fundamentals

Yellowknife recorded moderate population growth in 2022

In 2022, the Northwest Territories (NWT) population expanded by 0.02% to reach 45,605.¹ Almost half of the population of the NWT lives in the territory's capital, Yellowknife. The population of Yellowknife grew slightly faster than that of the territory, increasing by 1.1% in 2022.²

Older people continue to account for an increasing share of Yellowknife's population. The population that is 60 years and older now makes up 13.4% of the population. That's more than double the share this group accounted for in 2010.

The population segment most likely to be homeowners, those aged 25 to 59, has remained stable over the last decade. This trend continued into 2022. We expect housing demand from this group to also remain constant.

Yellowknife recorded a net outflow of 277 residents to other provinces and territories between 2021 and 2022.³

Immigration was a primary driver of population growth in Yellowknife in 2022, adding 283 residents. This is the largest increase in the last decade.

The Yellowknife labour market got stronger in 2023

As of August 2023, the Yellowknife labour market was stronger than the overall labour market of the NWT.⁴ Strong labour market conditions are likely a principal driver of migration to Yellowknife from within the territory and from outside Canada. The additional residents contributed to the expansion of the labour force by 700 people between August 2022 and August 2023. Labour market indicators showed signs of improvement over this period:

- Total employment increased by 900 people, or 6.3%.
- The unemployment rate declined from 3.4% to 1.9%.
- The participation rate and employment rate both increased in Yellowknife.

The strength of these labour market indicators for Yellowknife continues a trend observed in the previous year. The labour market conditions in Yellowknife provide strong support for demand in the housing and rental markets.

¹ Table 17-10-0005-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000501>)

² Table 17-10-0135-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1710013501>)

³ Table 17-10-0136-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1710013601>)

⁴ NWT Bureau of Statistics (<https://www.statsnwt.ca/index.html>)

The labour market in the NWT showed signs of weakening between August 2022 and August 2023⁵:

- Total employment declined by 1,000 people, or 3.9%.
- The unemployment rate increased from 4.1% to 6.1%.
- The participation rate and employment rate declined, but continue to exceed pre-COVID rates.

Despite the increase in the unemployment rate, it still stands well below the 7%-9% range that it was in from 2013 to 2018.

GDP expanded by 1.5% in 2022, while residential construction declined by 21.3%

The GDP in the NWT grew by 1.5% in 2022.⁶ This was a decline from the previous year, when GDP growth was 4.9%. The GDP of the NWT has shown a moderate increase year over year since 2020, but hasn't yet reached its pre-COVID levels. The composition of GDP shifted over the last year:

- Mining, the largest component of GDP for the NWT, declined by 5.9% to \$1,295.9 million in 2022. The sector is yet to recover to its pre-pandemic levels, and is well below the 5-year pre-pandemic average (2015-2019) of \$1,606.5 million.
- Construction increased by 20.7% to \$328 million in 2022. The increase follows a contraction of the sector from its peak of \$565.7 million in 2015.

- Transportation and warehousing increased by 32.7% to \$160.4 million. This is still well below the pre-pandemic 5-year average of \$231.2 million.

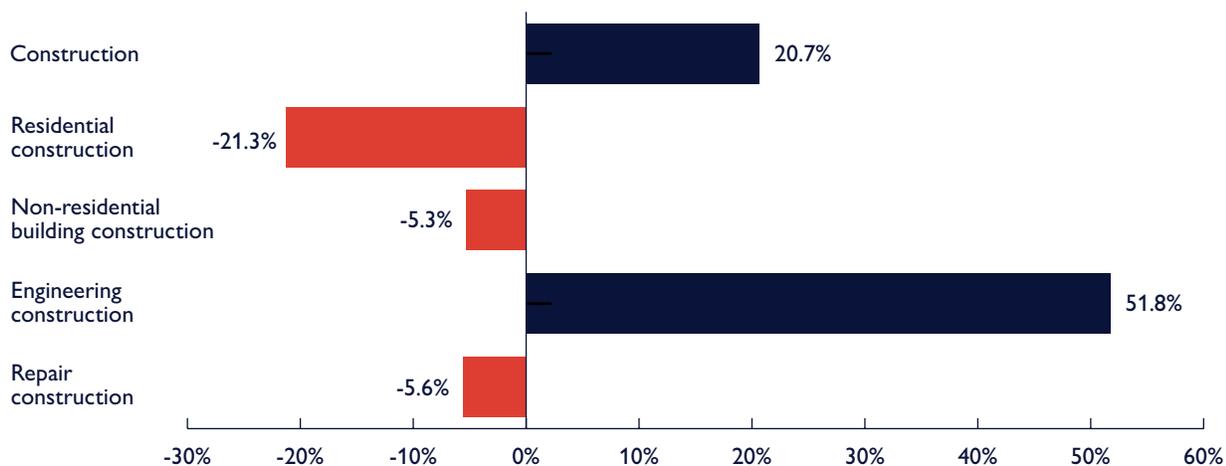
There were shifts in the allocation of resources used in construction between 2021 and 2022:

- Residential construction's contribution to GDP declined 21.3%. It contributed \$29.9 million to GDP in 2022. This was below the 5-year pre-pandemic average (2015-2019) of \$38.3 million.
- Engineering construction's contribution increased 59.2%. It contributed \$168.1 million to GDP. This was below the 5-year pre-pandemic average of \$196.7 million.

Residential construction faces challenges in Yellowknife. Existing land titles and protections limit the usable land within the city. Natural features such as rock outcrops, permafrost and soil stability further reduce the available land for development. Construction costs are high due to expensive labour and materials, both of which often need to be brought in from outside the city.

Yellowknife also has a short construction season. Construction projects need to be completed within a limited timeframe, which can inflate costs by requiring overtime work. Development costs have further increased due to the increase in interest rates since early 2022. These interest rate increases have made it more expensive to finance new housing developments.

Figure 1: Residential construction declined in 2022
% change in GDP from 2021 to 2022, Northwest Territories



Source: Statistics Canada Table 36-10-0402-02

⁵ Table 14-10-0292-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410029201&pickMembers%5B0%5D=3.1&pickMembers%5B1%5D=4.1&pickMembers%5B2%5D=5.1&pickMembers%5B3%5D=6.1&cubeTimeFrame.startMonth=01&cubeTimeFrame.startYear=2023&cubeTimeFrame.endMonth=08&cubeTimeFrame.endYear=2023&referencePeriods=20230101%2C20230801>)

⁶ Table: 36-10-0402-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610040201>)

Affordability

Market affordability

Housing affordability is an ongoing concern affecting the NWT. Rental rates and house prices have both continued their upward trends throughout 2022. Based on the October 2022 median rental rates:

- renting a 1-bedroom unit required a before-tax annual income of \$63,000 to be considered affordable.
- renting a 2-bedroom unit required a before-tax annual income of \$73,200 to be considered affordable.
- purchasing a house required a before-tax annual income of \$114,767 to be considered affordable based on the average sale price in the Q2-2023.

According to before-tax family income ranges in 2021⁷:

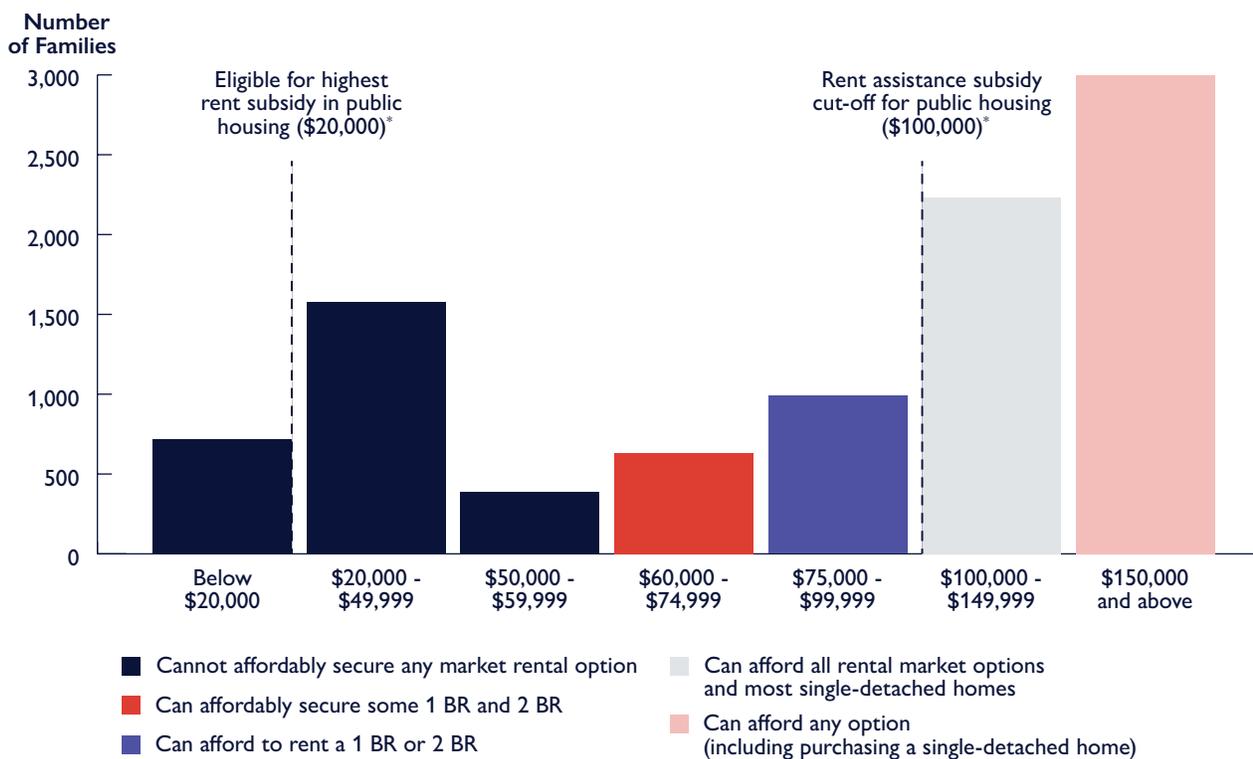
- 28% of families within Yellowknife have a before-tax annual income below \$60,000. For these families, renting a 1-bedroom unit for the median price in October 2022 is considered unaffordable.
- 45% of families make below \$100,000 per year. For these households, purchasing a house for the average sale price in 2023 is considered unaffordable.

In addition to rising housing costs, high inflation throughout 2022 and 2023 has also contributed to a higher cost of living⁸. In Yellowknife, the all-items Consumer Price Index (CPI) grew by 3.7% from August 2022 to August 2023. This was below the national CPI inflation rate of 4.0%. Inflation in food prices reached 10.7%, exceeding the national number of 6.8%.

New affordable housing supply is anticipated in Yellowknife with recent announcements of jointly funded affordable housing projects.

Figure 2: Affordability continues to be a concern in Yellowknife

Market affordability in 2021, Yellowknife



Sources: Statistics Canada, CREA, CMHC

Note: The number of families in each before-tax income range was drawn from the Annual Income Estimates for Census Families and Individuals for 2021. Affordability assessments were based on the minimum annual income required to meet the 30% affordability criteria and were calculated using the median rent in October 2022 and the median mortgage payments in the second quarter of 2023. Mortgage payments were based on median sale price in Q2-2023, a 25-year amortization, the prevailing 5-year fixed discount rate, 5% down, and include mortgage insurance.

⁷ Table 11-10-0012-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110001201>)

⁸ Table 18-10-0004-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000401>)

Core housing need highest among lone-parent households, seniors, and the Indigenous population⁹

For a household to fall into core housing need, they must not meet 1 or more standards of adequacy, suitability, or affordability. According to the 2021 census, the share of the population in core housing need stood at:

- 9.1% in Yellowknife
- 11.4% in the NWT
- 7.7% in Canada

Within Yellowknife, the share of renters in core housing need (18.2%) exceeded that of homeowners (3.7%).

Within the renter population in Yellowknife:

- 19.8% live in unaffordable housing
- 21.2% live in unsuitable housing
- 12.7% live in inadequate housing

Seniors and individuals who identify as Indigenous continued to experience higher rates of core housing need:

- 17.4% of individuals who identify as Indigenous experienced core housing need, compared to 6.5% of non-Indigenous.
- 12.9% of people aged 65 and over experienced core housing need, compared to 7.4% for the population aged 18 to 64.
- 28.6% of seniors living alone experienced core housing need.

The housing needs of the senior population is an ongoing concern in Yellowknife, as this demographic continues to grow. To help meet these needs, an additional 102 units of seniors' housing are being constructed as part of the Avens facility expansion. These units are expected to be completed late 2023.

Looking by household type, the shares of the population who experienced core housing need were:

- Lone-parent households (35.5%)
 - Female-led households (37.7%)
 - Male-led households (32.7%)
- Single-person households (17.5%)
- Dual-parent households with children (4.5%)

Private Rental Market

Vacancy rates increase in Yellowknife¹⁰

Yellowknife's vacancy rate for all rental units nearly doubled to 3.5% in October 2022 from a year before. This translates into approximately 70 vacant rental units. The vacancy rate increased more for larger units:

- Bachelor apartments had a vacancy rate near 0%, comparable to rates seen in past years.
- 1-bedroom apartments had a vacancy rate of 1.8%, unchanged from 2021.
- 2-bedroom apartments had a vacancy rate that more than doubled to 4.8%.
- Apartments with 3 or more bedrooms had a rate of 2.9%, up from 2.2% a year before.
- Row houses had a vacancy rate of 4.5%, up from 1.1% a year before.

Despite there being higher vacancy rates in 2022 compared to 2021, the overall vacancy rate is comparable to those observed over the last decade. The increase in the vacancy rate corresponds to roughly 33 additional vacant units compared to the previous year.

The high flow of migrants into and out of Yellowknife may contribute to the observed change in the vacancy rate, as the housing needs of incoming and outgoing residents are likely to differ.

The rental data collected by CMHC does not capture individually owned rental condominiums and homes that are available options within the Yellowknife rental market. The addition of 40 condominium apartments in Q4-2022 may lead to additional rental units on the market, as some of these units are likely to have been purchased as investment properties and then rented out.

⁹ Statistics Canada (<https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/dv-vd/housing-logement/index-en.cfm>)

¹⁰ CMHC Rental Market Survey (<https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables>)

Rental rates either remained flat or increased marginally between October 2021 and October 2022. With a slight reduction in rental units observed in 2022, the price changes indicate that local demand for rental units was maintained. In October 2022, the median rents in Yellowknife were:

- \$1,300 for bachelor units, an increase of 7.4% from the previous year;
- \$1,575 for 1-bedroom units, unchanged from the previous year;
- \$1,830 for 2-bedroom units, an increase of 1.1%; and
- \$2,240 for 3-or-more-bedroom units, an increase of 1.4%.

The median rent paid among all units remained unchanged between 2021 and 2022 at \$1,750.

Fewer rental units in 2022

The number of private apartments declined to 1,702 units in 2022 from 1,750 units in 2021. The decreases were mostly observed across 1- and 2-bedroom units. Yellowknife had 279 rental row houses at the end of 2022, a decline of 20 units from the previous year.

In 2022, Housing NWT, the provider of public housing within the NWT, purchased the 24-unit Nordic Arms apartment building. This purchase converted 22 units of market rental apartments to public housing. According to Housing NWT, the acquisition of the building will lead to a corresponding increase in available market rental apartments as they plan to reduce their reliance on leased units within the private rental market.

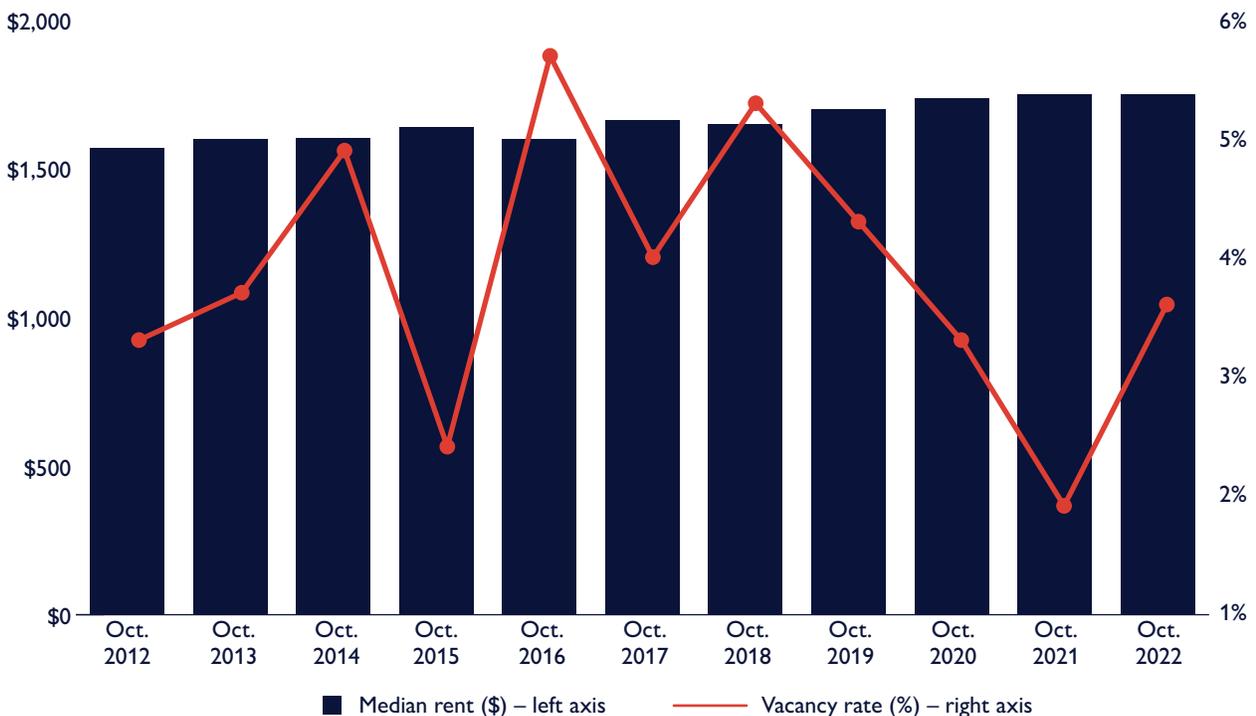
There were no new private rental completions in 2022. As of June 2023, there were 70 rental apartment units under construction. Upon completion, these units will increase the stock of rental apartments by roughly 4.1%.

There were additional rental apartments proposed in 2022. The proposals would lead to a significant increase in rental supply if successfully completed:

- The proposed conversion of the Bellanca Building in downtown Yellowknife would create 72 additional rental units.
- In Q3-2022, Yellowknife City Council approved the sale of a downtown parking lot, known as the 50/50 lot, to a developer proposing to build a 12-story building with 180 housing units.

Figure 3: Vacancy rates climb while rents remain flat in 2022

Median rent and vacancy rate, Yellowknife



Source: CMHC Rental Market Survey

Homeownership Market

Average house prices remain high while sales decline¹¹

The resale market in Yellowknife saw 295 units sold in 2022, a decline of 19.4% from 2021. Despite the decline from the previous year, the number of sales was higher than pre-pandemic levels.

Market demand for housing in Yellowknife was supported by a strengthening labour market throughout 2022 as post-pandemic activity ramped up. Additionally, the large inflow of international migrants helped contribute to demand.

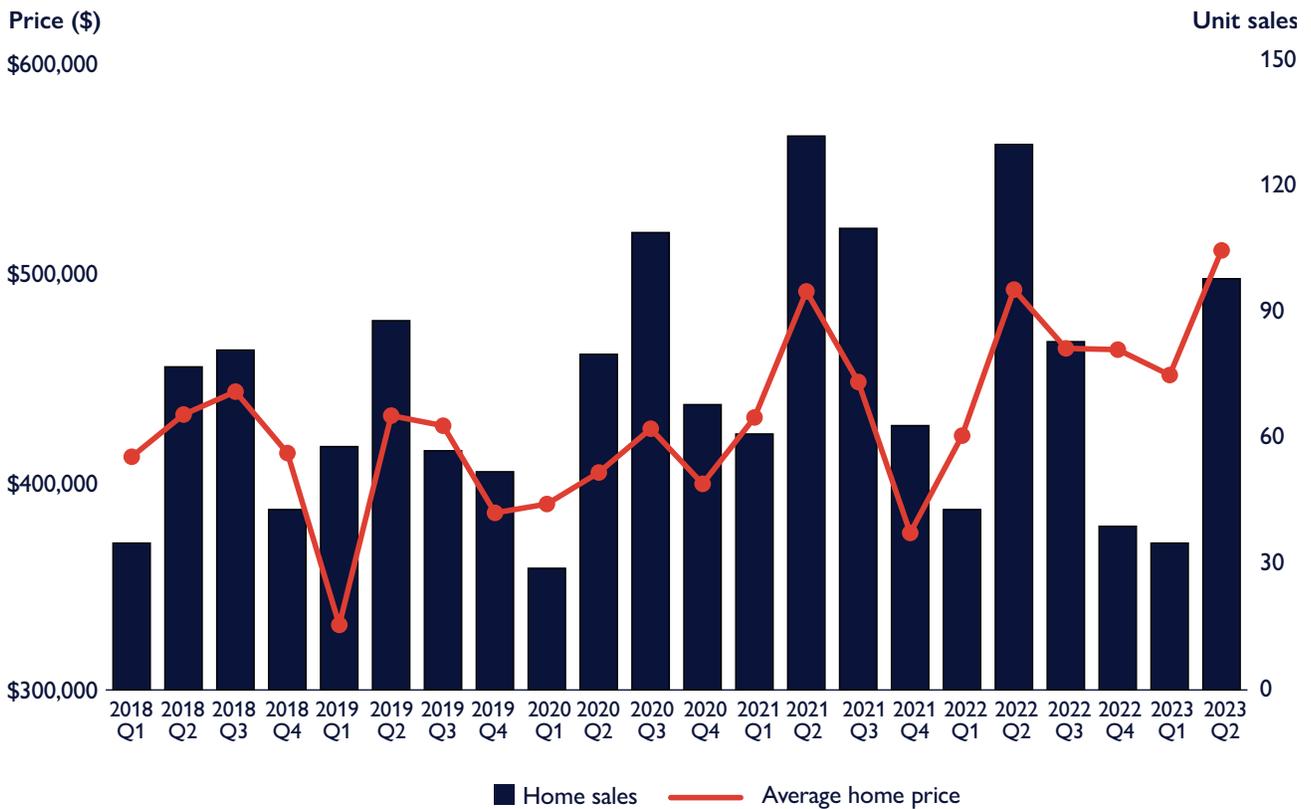
Home sales were down in the first half of 2023, despite the record-low unemployment in this period. This can be attributed to the increase in interest rates that have occurred since the start of 2022.

The seasonally adjusted sales-to-new-listings ratio reached 98% in Q2-2022. The ratio declined to 93% in Q2-2023. The ratio indicates that a seller’s market persists in Yellowknife.

The average home price across all types rose to \$505,286 in Q2-2023. This was an increase of 3.8% from a year earlier. The increase in prices along with the increase in interest rates over the last year add to the affordability challenges within the Yellowknife housing market.

Figure 4: Sales decline on year-over-year basis while average prices climb in 2023

Real estate transactions and average prices, Yellowknife



Source: CREA

¹¹ CREA

Housing starts decline while housing completions increase in 2022¹²

Housing starts declined to 57 units in 2022, down 38% from the previous year:

- There were 17 single-detached home starts in 2022, the lowest for this category in the last decade.
- There were 40 additional condominium apartment starts, the first addition to this category since 2018.

Total completions in Yellowknife increased by 57% in 2022, with 55 new units being completed. The composition of housing completions shifted compared to the previous years:

- Only 15 single-detached home completions were recorded in 2022, the least since 2012.
- There were 40 condominium apartment completions in 2022, the first condominium units added since 2018.

The shift toward condominium apartments could help with affordability challenges in the homeowner market, as these units often vary in size and price. This variation provides potential buyers with additional options over single-detached homes.

Average monthly mortgage payments see record increase

Equifax data captures mortgage and consumer credit trends in the Northwest Territories.

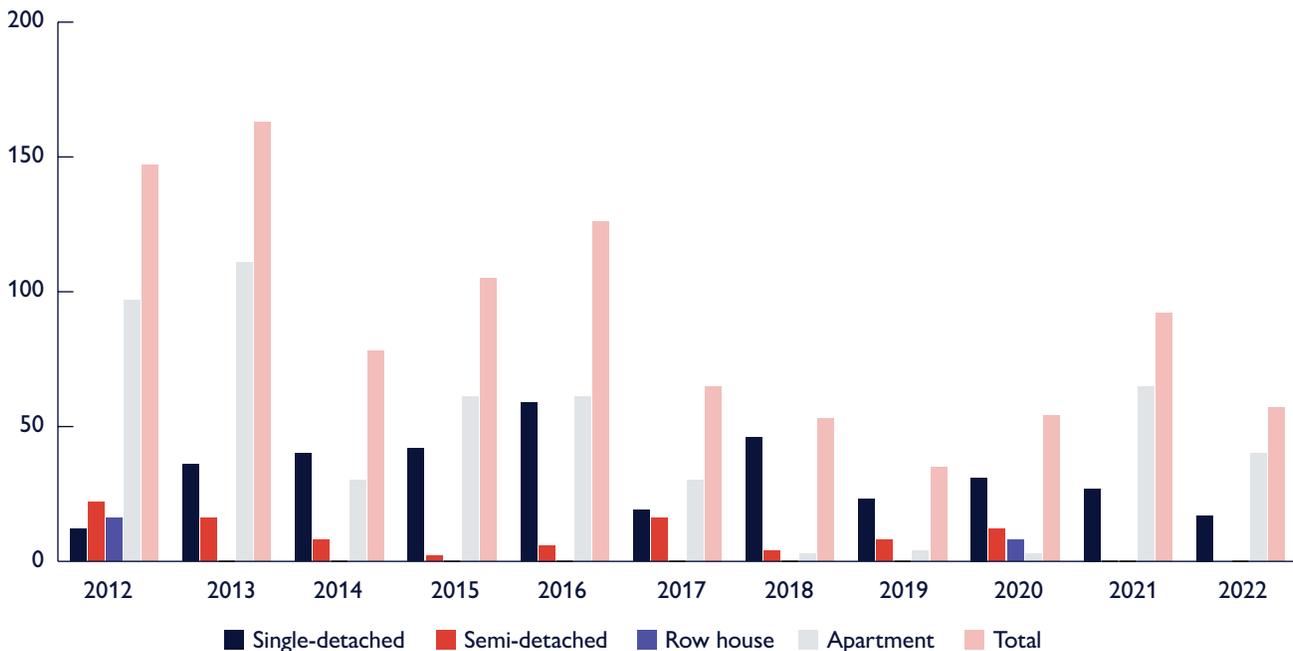
The average monthly obligation for existing mortgages was \$1,698 as of Q1-2023. This was an increase of 5.4% from a year earlier. For comparison, monthly obligations over the past 2 years remained flat, while the pre-COVID annual growth in monthly obligations typically fell in the 1-2% range.

New home buyers faced an average monthly cost of \$1,834, a 14.1% increase over the previous year. The increase reverses the downturn in monthly obligations recorded throughout the COVID pandemic and is 3.4% higher than the pre-COVID monthly obligations recorded in 2019. The higher monthly obligation for new mortgage holders is a result of higher home prices and the increase in interest rates that have taken place since early 2022.

Compared to 1 year before, a new mortgage would cost an additional \$227 per month, on average. The increase in monthly obligations for new mortgage holders raises concerns for affordability in the housing market.

Figure 5: Total housing starts decline by 38% from previous year

Housing starts by type, Yellowknife



Source: CMHC Starts and Completions Survey

¹² CMHC Starts and Completions Survey (<https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/housing-market-data/housing-starts-completions-units-under-construction>)

IQALUIT

HIGHLIGHTS

- Population growth driven by a high birth rate contributed to housing demand and highlights the need for more suitable and adequate housing in the territory.
- The vacancy rate in Iqaluit remained near zero, signalling a continuation of the tight rental market conditions observed over the last 5 years.
- Average prices of single-detached homes reached a record high in 2022, while price growth moderated in the row-house and condominium market segments.
- Market affordability remains a challenge for many households as significant increases in borrowing costs keep homeownership out of reach.



Fundamentals

Nunavut's population grows at a moderate pace

Nunavut had an estimated population of 40,526 in 2022, an increase of 2.1% over 2021.¹ This was the highest rate of growth recorded in the last 5 years.

The population of Nunavut is one of the youngest in Canada, with 31% of its population being below age 15. Despite the fact that youth accounts for a large share of the population, it's the older population that's growing the fastest.

The share of individuals aged 65 and up grew by 6.6% from 2021 to 2022. This age group now makes up 4.5% of the population of Nunavut, compared to 3.9% 5 years ago.

Most of the population growth in Nunavut comes from its high birth rate.² Net interprovincial migration was also positive for the first time in recent history, adding 183 new residents from other provinces and territories. The territory had positive net international migration, which added 52 new residents from abroad.

¹ Table 17-10-0005-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000501>)

² Table 17-10-0138-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710013801>)

Employment held steady over the last year

The level of employment in Nunavut reached approximately 14,600 as of September 2023.³ This number was unchanged from the same time the year before.

The unemployment rate in Nunavut is high relative to the rest of the country and stands at 12.4%. This is down slightly from the previous year due to the labour force shrinking by 300 individuals.

Employment losses in part-time employment were offset by gains in full-time employment. The gains in full-time employment have been ongoing since the initial drop seen at the onset of the COVID-19 pandemic in 2020.

Growth in GDP driven by expansion of the mining sector

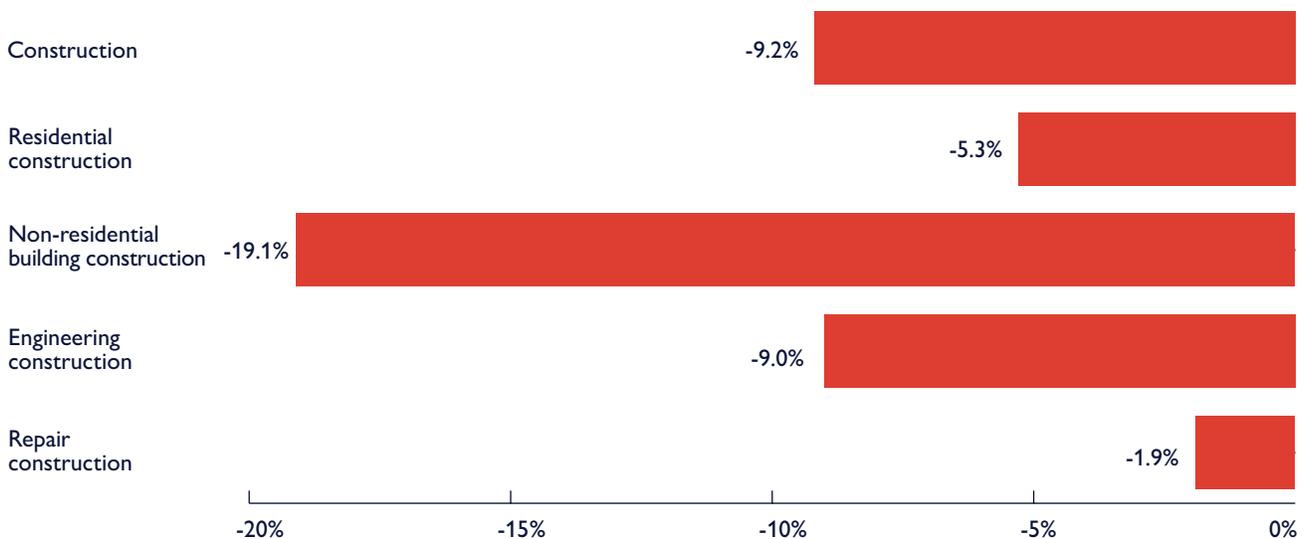
GDP growth in Nunavut slowed to 1.6% in 2022, a decline from the 7.6% growth seen in 2021.⁴ The economy of Nunavut is primarily resource-based. Most of the growth in GDP can be attributed to this sector:

- In 2022, mining, quarrying, and oil and gas extraction made up 37.8% of the GDP of Nunavut.
- The mining sector grew by 5.3% from 2021 to 2022, a decline from 13.7% seen from 2020 to 2021.

The construction sector, which accounts for 8.1% of GDP, declined in 2022. Residential building construction contributed \$23 million toward GDP. This amount is 20.1% lower than it was in 2018.

Figure 1: Residential construction declined in 2022

% change in GDP from 2021 to 2022, Nunavut



Source: Statistics Canada Table 36-10-0402-02

³ Table 14-10-0292-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410029201&pickMembers%5B0%5D=3.1&pickMembers%5B1%5D=4.1&pickMembers%5B2%5D=5.1&pickMembers%5B3%5D=6.1&cubeTimeFrame.startMonth=01&cubeTimeFrame.startYear=2023&cubeTimeFrame.endMonth=08&cubeTimeFrame.endYear=2023&referencePeriods=20230101%2C20230801>)

⁴ Table: 36-10-0402-01 (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610040201>)

Affordability

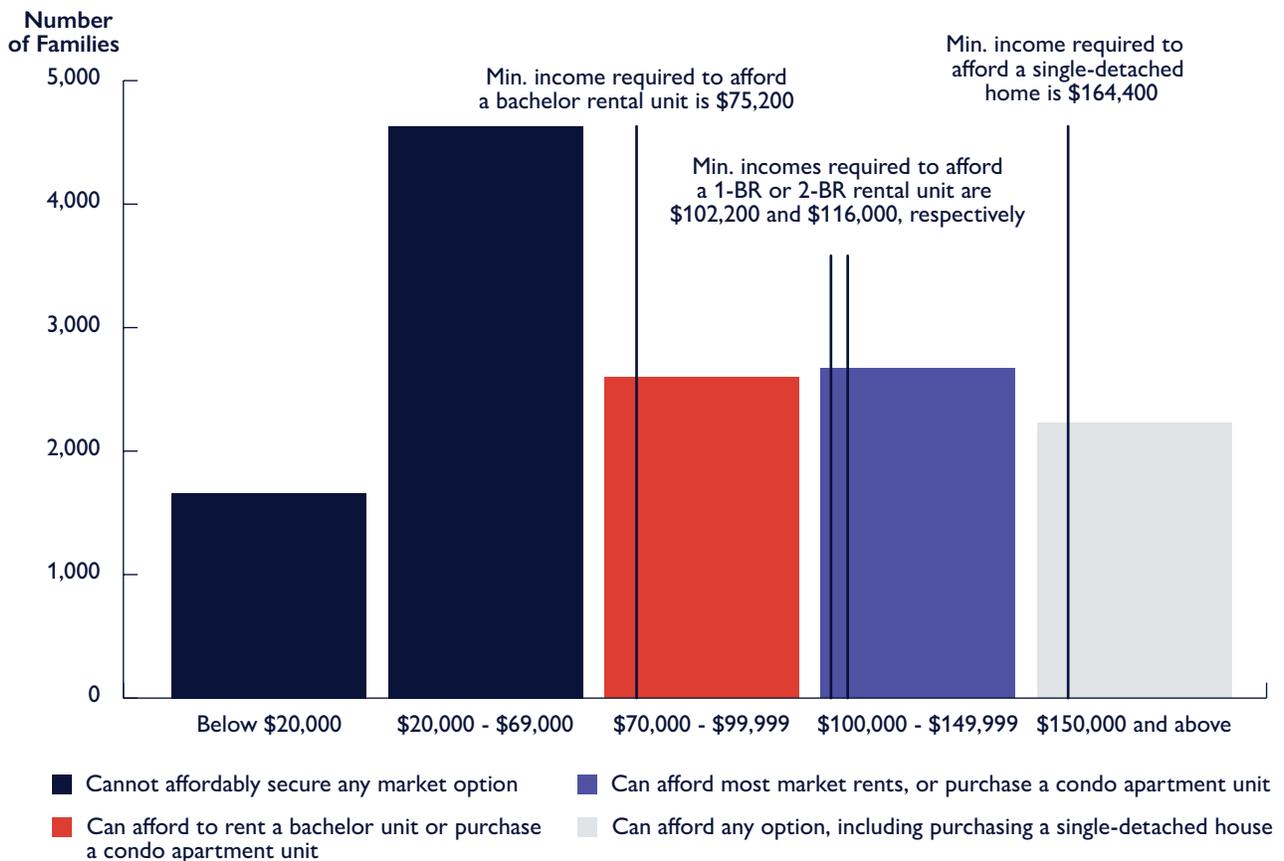
A large share of the population cannot affordably secure market housing

Approximately 49% of families in Nunavut are unable to affordably secure market housing (figure 2). The minimum before-tax incomes required to affordably secure rental units increased broadly compared to 2022:

- Renting a bachelor unit requires an annual income of at least \$75,000.
- Renting a 1-bedroom unit requires an annual income of at least \$102,200.
- Renting a 2-bedroom unit requires an annual income of at least \$116,000.

Less than 20% of families can afford to purchase a single-detached home in Nunavut. Annual before-tax incomes of about \$98,300 and \$164,400 are required to afford the purchase of an apartment condo unit and a single-detached house, respectively.

Figure 2: A large share of families in Nunavut cannot affordably secure market housing
Market affordability in 2021, Nunavut



Sources: Statistics Canada and CMHC

Note: The number of families in each before-tax income range was drawn from the Annual Income Estimates for Census Families and Individuals for 2021. Affordability assessments were based on the minimum annual income required to meet the 30% affordability criteria. Mortgage payments were based on median sale price, a 25-year amortization, the prevailing 5-year fixed discount rate, 5% down, and include mortgage insurance.

Nunavut has the highest rate of core housing need in Canada⁵

Nunavut continues to experience the highest rate of core housing need of any province or territory. According to the 2021 census, the share of the population in core housing need stood at 40.5%, down from 47.2% in 2016.

The quality of housing is a primary issue in Nunavut. The share of the population living in housing that was inadequate or unsuitable increased from 2016 to 2021, while the share living in unaffordable housing fell.

Of the population experiencing core housing need:

- 3.5% live in unaffordable housing
- 32.2% live in inadequate housing
- 53.1% live in unsuitable housing

Among different demographics in Nunavut, the rate of core housing need in 2021 was highest for:

- people in lone-parent households, at 55.9% (compared to 40.8% for dual-parent households);
- the Indigenous population, at 45.9% (compared to 7.9% for the non-Indigenous population). Nunavut's Indigenous population has the highest rate of core housing need of any demographic group in any province or territory;
- Renters, at 45.4% (compared to 17.9% for owners).

Rental Market

Rental housing in Iqaluit is primarily non-market based

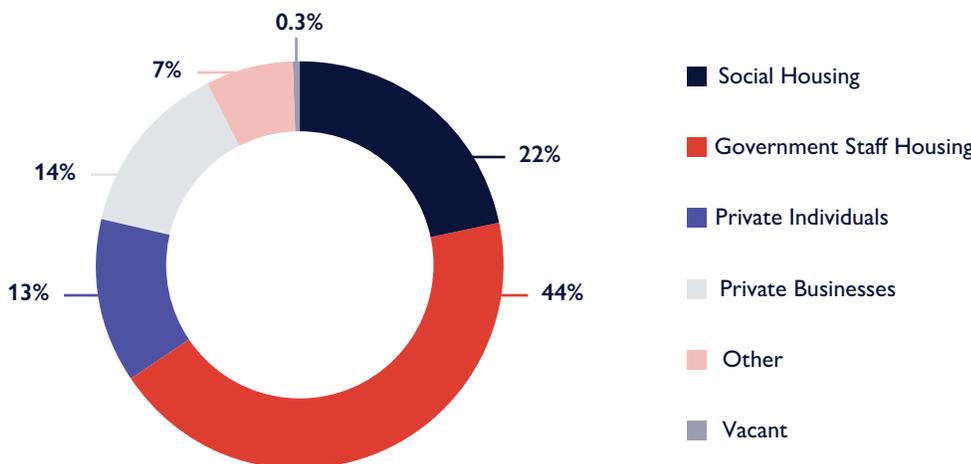
Most renter households in Iqaluit have limited interaction with the private rental market. It is typical for leases to be held by government organizations or employers and rented out as:

- Social housing by the Nunavut Housing Corporation
- Government staff housing
- Employee housing by private firms

The rental survey for 2023 included 1,923 rental units. In addition to the units in the survey, the Nunavut Housing Corporation administers over 500 social housing units, approximately 22% of all rental units in Iqaluit.

Figure 3: Social housing and government staff housing are large components of the rental universe

Rental market universe by leaseholder in 2023, Iqaluit



Source: CMHC Survey

⁵ Statistics Canada (<https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/dv-vd/housing-logement/index-en.cfm>)

Vacancy rate near zero as rental demand continues to exceed supply⁶

The vacancy rate in Iqaluit was 0.3% in 2023, with only 6 vacant units recorded. The rental market in Iqaluit has experienced extreme conditions since 2018 with rental demand greatly exceeding supply, leading to near zero vacancy rates over this period.

The recent completion of a mixed-use apartment added 24 units to the Iqaluit rental market. There are an additional 29 units currently under construction that are expected to be completed by the end of 2024.

The rental supply may see a large increase in the coming years. A recent proposal has been put forward to build multiple high rise apartment buildings. The development project, if approved and successfully completed, has the potential to increase the supply of rental units in Iqaluit by up to 20%.

Rents increase across all unit types

The median rent for all bedroom types was \$2,835 in 2023. This was an increase of 3.1% since the last survey was taken in 2021.

Rents increased the most among bachelor units and units with 4 or more bedrooms. These units make up a very small portion of the rental supply. Most of the rental supply is composed of 1-bedroom and 2-bedroom units, both of which saw their rents climb by just over 3% since the last rental survey.

The median rents varied by structure type.

- Single-detached units had a median rent of \$3,825.
- Units within multifamily structures other than apartment buildings had a median rent of \$3,168.
- Apartment units had a median rent of \$2,700.

Table 1: Median rent by bedroom type (excluding social housing)

Type	2021 Survey	2023 Survey	Growth (%)
Bachelor	\$1,750	\$1,900	8.6%
1-bedroom	\$2,490	\$2,571	3.3%
2-bedroom	\$2,843	\$2,930	3.1%
3-bedroom	\$3,200	\$3,330	4.1%
4 or more bedrooms	\$3,711	\$3,930	5.9%
Total	\$2,750	\$2,835	3.1%

⁶ CHMC Survey

Homeownership Market

Average single-detached home prices reached record highs in 2022

The housing market in Iqaluit differs from other markets in Canada. Similar to other Nunavut communities, the land is mainly leased for both residential and commercial usage. The land lease is “assigned” when a property is transferred to a new individual/organization.

There were 44 land-title transfers in Iqaluit in 2022, a decrease from the 49 transfers recorded in 2021 and from a historical average of 48 transfers each year. Of the transfers recorded in 2022, 75% were for single-detached units, and the remaining 25% were for condominiums and row houses.

The average price of a single-detached home reached a historical high of \$724,504 in 2022. This reflects an increase of 17.7% compared to the previous year’s price of \$615,362 (figure 2). Growth moderated slightly from 2021 levels for other dwelling types:

- The average price of a row house was \$614,100, down 11.9% from \$696,700 in 2021.
- The average price of a condominium was \$435,000, down 9.4% from \$480,000 in 2021.

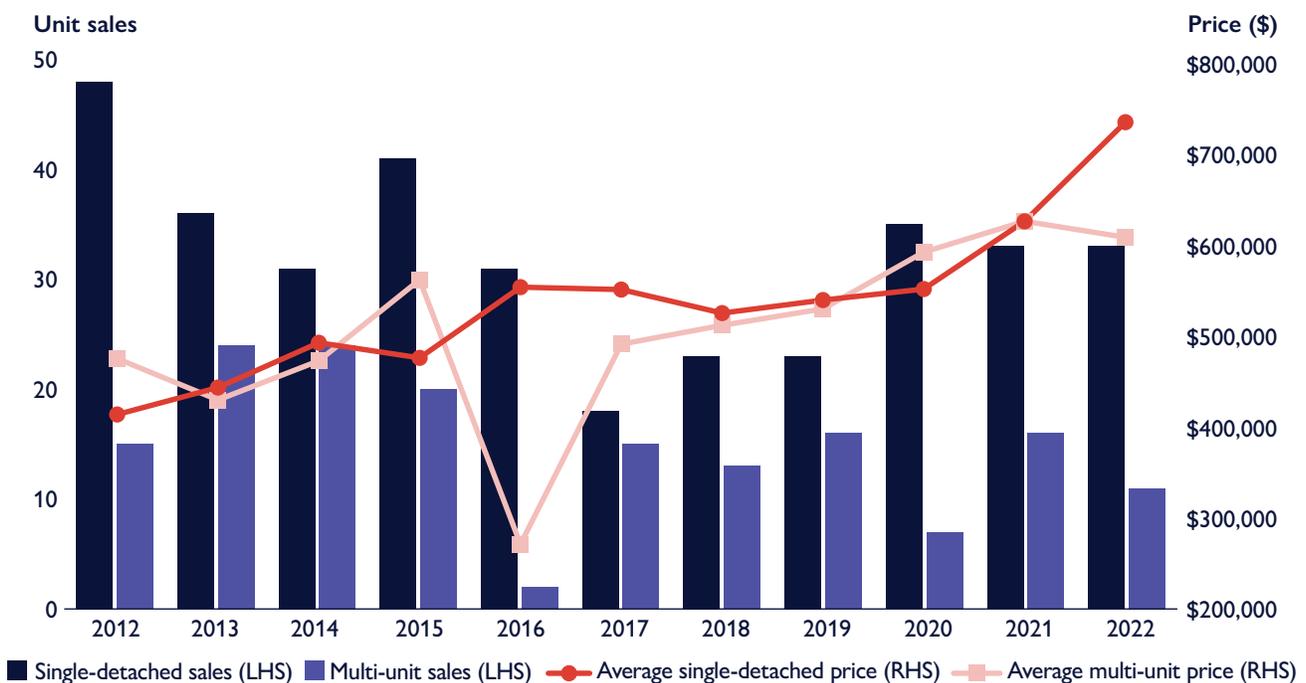
Table 2: Total residential sales (transfers)

	Residential Sales	Average Price	Median Price	Average Price Per Square Foot
2017	33	\$512,961	\$503,335	\$299
2018	36	\$509,542	\$522,500	\$297
2019	39	\$524,756	\$550,000	\$324
2020	42	\$547,631	\$552,500	\$347
2021	49	\$615,387	\$625,000	\$373
2022	44	\$692,832	\$735,000	\$379

Source: CMHC

Figure 4: The average price of single-detached homes reached a record high in 2022

Residential sales and average price by unit type



Source: CMHC Survey

Average monthly payments on new mortgage loans reach record highs

Although most households in Nunavut live in non-market housing, some households have access to funding through regular mortgages. Mortgage and consumer credit trends in Nunavut reported by Equifax showed that the average monthly mortgage obligation was \$1,896 as of Q2-2023. This reflects an increase of 9.8% compared to Q2-2022. Average growth in monthly mortgage payments from 2013 to 2022 was 2.0%.

Homeownership is becoming increasingly unaffordable to new buyers, as average monthly mortgage payments on new loans reached \$3,089 in Q1-2023. This is \$1,245 higher than the monthly payment of \$1,844 for existing loans. For comparison, the difference between the monthly payment on new loans and those on existing loans was \$153, on average, over the past 5 years (2017-2022).

The share of consumers with a mortgage loan in Nunavut declined slightly for all age groups from 2022 to 2023. The population aged 35-44 has the highest share of mortgage holders and outstanding mortgage balances, while the younger (under 25) and senior (65+) populations have the lowest share. These last 2 groups tend to have lower incomes, which makes it more difficult to secure any market housing options.



Additional Resources



Get the latest findings directly
in your inbox

Subscribe

cmhc.ca/housingupdates

Get more housing market
publications and reports

Stay Informed

cmhc.ca/housingmarketinformation

CMHC helps Canadians meet their housing needs

Canada Mortgage and Housing Corporation (CMHC) has been helping Canadians meet their housing needs for more than 75 years. As Canada's authority on housing, we contribute to the stability of the housing market and financial system, provide support for Canadians in housing need, and offer unbiased housing research and advice to Canadian governments, consumers and the housing industry. Prudent risk management, strong corporate governance and transparency are cornerstones of our operations.

Reach us by phone at **1-800-668-2642** or by fax at **1-800-245-9274**.

©2023 Canada Mortgage and Housing Corporation. All rights reserved. CMHC grants reasonable rights of use of this publication's content solely for personal, corporate or public policy research, and educational purposes. This permission consists of the right to use the content for general reference purposes in written analyses and in the reporting of results, conclusions, and forecasts including the citation of limited amounts of supporting data extracted from this publication. Reasonable and limited rights of use are also permitted in commercial publications subject to the above criteria, and CMHC's right to request that such use be discontinued for any reason.

Any use of the publication's content must include the source of the information, including statistical data, acknowledged as follows:

Source: CMHC (or "Adapted from CMHC," if appropriate), name of product, year and date of publication issue.

Other than as outlined above, the content of the publication cannot be reproduced or transmitted to any person or, if acquired by an organization, to users outside the organization. Placing the publication, in whole or part, on a website accessible to the public or on any website accessible to persons not directly employed by the organization is not permitted. To use the content of this CMHC publication for any purpose other than the general reference purposes set out above or to request permission to reproduce large portions of, or the entire content of, this CMHC publication, please send a Copyright request to the Housing Knowledge Centre at Housing_Knowledge_Centre@cmhc.ca. Please provide the following information: Publication's name, year and date of issue.

Without limiting the generality of the foregoing, no portion of the content may be translated from English or French into any other language without the prior written permission of Canada Mortgage and Housing Corporation.

The information, analyses and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibility.

70265 20231019-004A

Alternative text and data for figures

Northern Housing

Figure 1: Average mortgage payments grew at a quicker pace as interest rates rose and home prices remained high; new-mortgage payments in Nunavut grew rapidly

Type	Yukon		Northwest Territories		Nunavut	
	2022 Q1	2023 Q1	2022 Q1	2023 Q1	2022 Q1	2023 Q1
Total average mortgage payments	\$1,556	\$1,715	\$1,613	\$1,725	\$1,723	\$1,895
New mortgage payments	\$1,781	\$2,023	\$1,611	\$1,834	\$1,976	\$3,089

Source: Equifax

Note: Equifax data for 2022 was revised earlier in 2023.

Whitehorse

Figure 1: Growth in the construction sector was driven by a rise in transportation engineering construction, while residential construction declined

% change in GDP from 2021 to 2022, Yukon

Type	% change 2021 to 2022
Repair construction	1.4%
Engineering construction	43.7%
Non-residential building construction	21.7%
Residential construction	-19.3%
Construction	16.6%

Source: Statistics Canada Table 36-10-0402-02

Figure 2: A large share of families cannot affordably secure market housing

Market affordability in 2021, Whitehorse

Family income range	Cannot affordably secure any market option	Can afford to rent a bachelor or 1-BR	Can afford to rent a 2-BR or mobile home	Can afford to rent a duplex	Can afford to rent a condominium or purchase a mobile home	Can afford to rent a single-detached home	Can afford to purchase a condominium	Can afford any option (including purchasing a single-detached home)
\$39,999 and below	3,220	-	-	-	-	-	-	-
\$40,000 - \$49,999	-	960	-	-	-	-	-	-
\$50,000 - \$59,999	-	-	910	-	-	-	-	-
\$60,000 - \$69,999	-	-	-	1,140	-	-	-	-
\$70,000 - \$79,999	-	-	-	-	1,550	-	-	-
\$80,000 - \$89,999	-	-	-	-	-	290	-	-
\$90,000 - \$99,999	-	-	-	-	-	-	340	-
\$100,000 - \$149,999	-	-	-	-	-	-	-	3,070
\$150,000 and above	-	-	-	-	-	-	-	3,5480

Sources: Statistics Canada, Yukon Housing Corporation, Yukon Bureau of Statistics, Yukon Real Estate Association, and CMHC

Note: The number of families in each before-tax income range was drawn from Census 2021. Affordability assessments were based on the minimum annual income required to meet the 30% affordability criterion and were calculated using the median rent and median mortgage payment in the second quarter of 2022. Mortgage payments were based on median sale price, a 25-year amortization, the prevailing 5-year fixed discount rate, a 5% down payment, and include mortgage insurance.

Figure 3: Vacancy rates remain low and the median rent continues to rise*Median rent and vacancy rate, units in buildings with 3+ rental units, Whitehorse*

Month	Median rent (\$)	Vacancy rate (%)
2014-Apr	900	4.7%
2014-Oct	900	3.5%
2015-Apr	900	2.0%
2015-Oct	915	3.5%
2016-Apr	950	2.8%
2016-Oct	950	3.0%
2017-Apr	950	2.0%
2017-Oct	950	2.8%
2018-Apr	950	3.4%
2018-Oct	980	3.1%
2019-Apr	1,000	3.0%
2019-Oct	1,000	2.9%
2020-Apr	1,000	3.7%
2020-Oct	1,050	3.0%
2021-Apr	1,071	2.1%
2021-Oct	1,100	1.9%
2022-Apr	1,150	0.8%
2022-Oct	1,200	1.3%
2023-Apr	1,234	1.0%

Source: Statistics Canada Table 36-10-0402-02

Figure 4: Average prices have moderated since reaching record highs in Q3-2022, but remain elevated*Real estate transactions and average prices, Whitehorse*

Quarter	Single-detached sales	Condominium sales	Average single-detached price	Average condominium price
2018Q1	47	22	461.9	332.8
2018Q2	87	52	479.0	334.9
2018Q3	108	64	475.0	351.4
2018Q4	65	49	506.2	350.3
2019Q1	48	34	477.0	387.4
2019Q2	81	66	529.5	354.7
2019Q3	120	69	517.5	359.0
2019Q4	69	64	525.7	413.4
2020Q1	31	68	508.8	411.6
2020Q2	76	72	546.8	412.8
2020Q3	103	87	568.9	412.6
2020Q4	78	72	598.8	459.9
2021Q1	35	22	590.7	479.9
2021Q2	91	54	650.7	457.7
2021Q3	102	47	656.8	456.3
2021Q4	78	58	647.4	468.9
2022Q1	54	49	637.3	419.9
2022Q2	109	60	695.1	453.0
2022Q3	100	64	701.2	487.2
2022Q4	63	74	639.7	415.5
2023Q1	34	49	635.0	403.8
2023Q2	82	34	628.7	407.0

Source: Yukon Real Estate Report, Yukon Bureau of Statistics

Figure 5: Housing starts declined in 2022*Housing starts by type, Whitehorse*

Year	Single-detached	Semi-detached	Row house	Apartment	Total
2012	75	4	117	86	282
2013	57	12	67	26	162
2014	109	14	61	28	212
2015	61	8	30	6	105
2016	87	24	34	49	194
2017	56	14	79	30	179
2018	73	22	100	189	384
2019	43	14	107	66	230
2020	69	24	77	308	478
2021	137	0	92	189	418
2022	93	10	152	63	318

Source: CMHC Starts and Completions Survey

Yellowknife

Figure 1: Residential construction declined in 2022
% change in GDP from 2021 to 2022, Northwest Territories

Type	% change 2021 to 2022
Repair construction	-5.6%
Engineering construction	51.8%
Non-residential building construction	-5.3%
Residential construction	-21.3%
Construction	20.7%

Source: Statistics Canada Table 36-10-0402-02

Figure 2: Affordability continues to be a concern in Yellowknife
Market affordability in 2021, Yellowknife

Family Income Range	Cannot affordably secure any market rental option	Can affordably secure some 1 BR and 2 BR	Can afford to rent a 1 BR or 2 BR	Can afford all rental market options and most single-detached homes	Can afford any option (including purchasing a single-detached home)
Below \$20,000	720	-	-	-	-
\$20,000 - \$49,999	1580	-	-	-	-
\$50,000 - \$59,999	390	-	-	-	-
\$60,000 - \$74,999	-	630	-	-	-
\$75,000 - \$99,999	-	-	990	-	-
\$100,000 - \$149,999	-	-	-	2230	-
\$150,000 and above	-	-	-	-	3000

Sources: Statistics Canada, CREA, CMHC

Note: The number of families in each before-tax income range was drawn from the Annual Income Estimates for Census Families and Individuals for 2021. Affordability assessments were based on the minimum annual income required to meet the 30% affordability criteria and were calculated using the median rent in October 2022 and the median mortgage payments in the second quarter of 2023. Mortgage payments were based on median sale price in Q2-2023, a 25-year amortization, the prevailing 5-year fixed discount rate, 5% down, and include mortgage insurance.

Figure 3: Vacancy rates climb while rents remain flat in 2022*Median rent and vacancy rate, Yellowknife*

Period	Median rent (\$)	Vacancy rate (%)
2012-Oct	1,570	3.2
2013-Oct	1,600	3.6
2014-Oct	1,604	4.8
2015-Oct	1,640	2.3
2016-Oct	1,600	5.6
2017-Oct	1,665	3.9
2018-Oct	1,650	5.2
2019-Oct	1,700	4.2
2020-Oct	1,737	3.2
2021-Oct	1,750	1.8
2022-Oct	1,750	3.5

Source: CMHC Rental Market Survey

Figure 4: Sales decline on year-over-year basis while average prices climb in 2023*Real estate transactions and average prices, Yellowknife*

Quarter	Average home price	Home sales
2018Q1	\$406,942	35
2018Q2	\$427,078	77
2018Q3	\$437,975	81
2018Q4	\$408,723	43
2019Q1	\$326,816	58
2019Q2	\$426,545	88
2019Q3	\$421,739	57
2019Q4	\$380,214	52
2020Q1	\$384,427	29
2020Q2	\$399,450	80
2020Q3	\$420,314	109
2020Q4	\$394,043	68
2021Q1	\$425,679	61
2021Q2	\$485,757	132
2021Q3	\$442,581	110
2021Q4	\$370,643	63
2022Q1	\$417,022	43
2022Q2	\$486,596	130
2022Q3	\$458,600	83
2022Q4	\$458,004	39
2023Q1	\$445,890	35
2023Q2	\$505,286	98

Source: CREA

Figure 5: Total housing starts decline by 38% from previous year*Housing starts by type, Yellowknife*

Year	Single-detached	Semi-detached	Row house	Apartment	Total
2012	12	22	16	97	147
2013	36	16	0	111	163
2014	40	8	0	30	78
2015	42	2	0	61	105
2016	59	6	0	61	126
2017	19	16	0	30	65
2018	46	4	0	3	53
2019	23	8	0	4	35
2020	31	12	8	3	54
2021	27	0	0	65	92
2022	17	0	0	40	57

Source: CMHC Starts and Completions Survey

Iqaluit

Figure 1: Residential construction declined in 2022*% change in GDP from 2021 to 2022, Nunavut*

Type	% change 2021 to 2022
Repair construction	-1.9%
Engineering construction	-9.0%
Non-residential building construction	-19.1%
Residential construction	-5.3%
Construction	-9.2%

Source: Statistics Canada Table 36-10-0402-02

Figure 2: A large share of families in Nunavut cannot affordably secure market housing*Market affordability in 2021, Nunavut*

Family income range	Cannot affordably secure any market option	Can afford to rent a bachelor unit or purchase a condo apartment unit	Can afford most market rents, or purchase a condo apartment unit	Can afford any option, including purchasing a single-detached house
Below \$20,000	1660	-	-	-
\$20,000 - \$69,000	4630	-	-	-
\$70,000 - \$99,999	-	2600	-	-
\$100,000 - \$149,999	-	-	2670	-
\$150,000 and above	-	-	-	2330

Sources: Statistics Canada and CMHC

Note: The number of families in each before-tax income range was drawn from the Annual Income Estimates for Census Families and Individuals for 2021. Affordability assessments were based on the minimum annual income required to meet the 30% affordability criteria. Mortgage payments were based on median sale price, a 25-year amortization, the prevailing 5-year fixed discount rate, 5% down, and include mortgage insurance.

Figure 3: Social housing and government staff housing are large components of the rental universe*Rental market universe by leaseholder in 2023, Iqaluit*

Year	Social Housing	Government Staff Housing	Private Individuals	Private Businesses	Other	Vacant
2023	22%	44%	13%	14%	7%	0.3%

Source: CMHC Survey

Figure 4: The average price of single-detached homes reached a record high in 2022*Residential sales and average price by unit type*

Year	Single-Detached		Multi-Units	
	Sales	Price (RHS)	Sales	Price (RHS)
2012	48	\$402,802.92	15	\$464,340.13
2013	36	\$432,444.44	24	\$418,763.12
2014	31	\$481,756.45	24	\$461,872.96
2015	41	\$465,126.83	20	\$550,996.75
2016	31	\$542,949.84	2	\$260,000.00
2017	18	\$540,277.78	15	\$480,180.40
2018	23	\$514,391.30	13	\$500,961.54
2019	23	\$528,717.39	16	\$519,062.50
2020	35	\$540,857.14	7	\$581,500.00
2021	33	\$615,362.12	16	\$615,437.50
2022	33	\$724,503.64	11	\$597,818.18

Source: CMHC