

Aging at Home: a Wish Threatened by the Housing Crisis

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The housing crisis is having an impact on the quality of life of a large part of the population, but certain categories of people are being hit harder by its aftershocks. This is particularly true of vulnerable seniors, who are finding it increasingly difficult to afford housing.

Increased pressure on the healthcare system

Precarious housing conditions - a combination of situations that make the occupation of housing uncertain, inadequate or unaffordable - faced by many seniors adds to the pressure on the healthcare system, which is already facing numerous challenges related to the aging of the population and the shortage of healthcare personnel.

According to [a study](#) published last spring by the Jacques-Parizeau Research Chair in Economic Policy at HEC Montréal, in Quebec, the capacity of residential and long-term care centers (CHSLDs) and *Maison des aînés* (MDAs) will have to be doubled by 2040 to meet the growing demand for seniors' care. However, such an operation represents significant costs for the government. The average construction cost for a place in a CHSLD and an MDA was \$460,000 and \$795,000 per place respectively in 2023, plus annual operating costs.

To avoid such a scenario, the authors of the study argue that a shift towards home care is needed. Aging at home is the wish expressed by a large proportion of seniors in the Jacques-Parizeau Research Chair study, but the housing crisis could jeopardize this ideal.

Seniors in the midst of the housing crisis

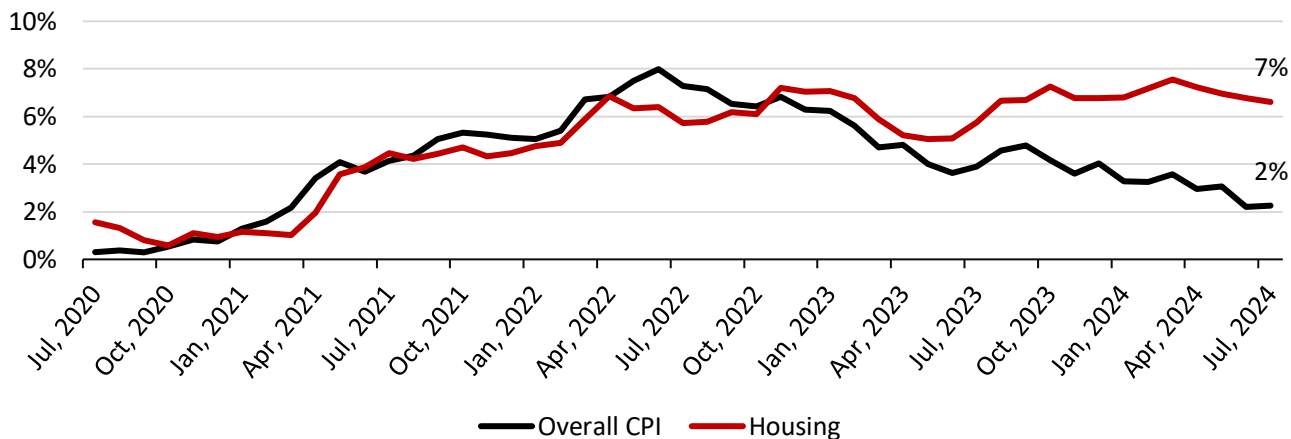
In [an article](#) published in the journal *Recherches sociographiques* in 2021, social gerontology expert Julien Simard called on governments to recognize that forces external to households, such as rising prices in the private rental sector, could negatively influence the ability of seniors to age at home, and thus compromise public home care policies.

In the context of the housing crisis, such “external forces” are definitely at work. In the private rental market, senior tenants in Quebec are facing [significant rent increases](#). These rents are rising at a higher rate than retirement incomes, which are often stable¹. Between October 2022 and October 2023, the average rent for apartments in Quebec rose from \$952 to \$1,022, an increase of 7.4%. In some cities, the increase in average rent exceeded 10% in one year.

¹ According to a [recent study](#) by the *Observatoire de la retraite*, in Canada, around 45% of defined benefit pension plan participants contribute to plans with no cost-of-living indexation, while 20% contribute to plans with full CPI indexation.

The situation is likely to deteriorate further in the coming months, as the housing component of the Consumer Price Index (CPI) - an indicator used to measure price trends for goods and services - remains at a high level. The 12-month change in housing prices reached 6.6% in July 2024, well above the overall CPI (2.3%).

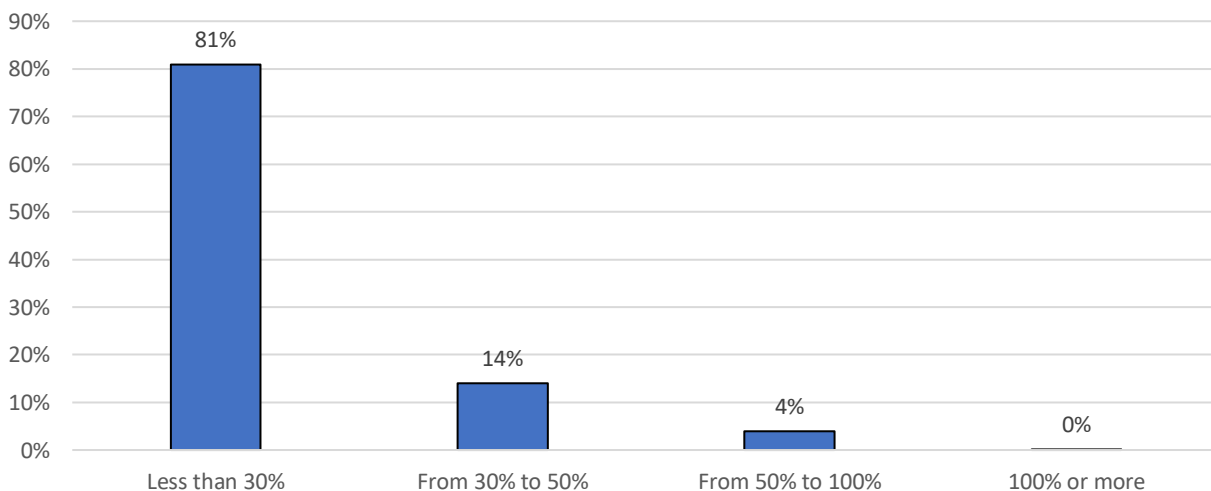
Figure 1: 12-month change in the Consumer Price Index, Quebec, 2020-2024



Source: Analyses by the *Observatoire québécois des inégalités* based on table 18-10-0004-01 from Statistics Canada's Consumer Price Index.

According to data from the Canadian Housing Survey, in Quebec, 18% of households composed of people aged 65 and over were spending more than 30% of their income on housing costs in 2021, a higher proportion than in the general population (15%). This situation gives cause for concern, especially as half of all seniors have incomes below the sustainable income threshold, as revealed in [a report](#) by the *Observatoire québécois des inégalités* in 2022.

Figure 2: Ratio of housing costs to total household income for people aged 65 and over, Quebec, 2021



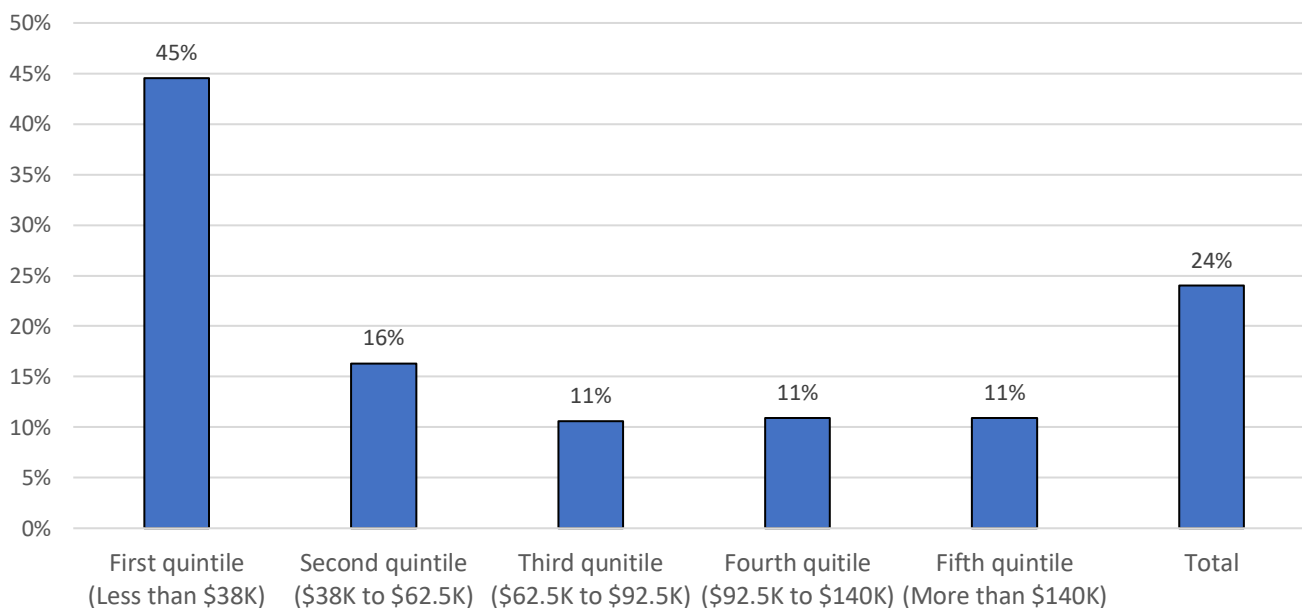
Source: Analyses by the *Observatoire québécois des inégalités* based on Statistics Canada's Canadian Housing Survey Public Use Microdata File.

Note: The total does not correspond to 100%, as the ratio could not be calculated for 1.1% of the universe of selected households (e.g.: households on reserves, farm housing, households reporting zero or negative total household income).

A high proportion of households composed of people aged 65 and over occupy housing that is not deemed acceptable, i.e. that does not meet the three standards set by the Canada Mortgage and Housing Corporation (CMHC) in terms of affordability, suitable size and quality of housing². This situation affected a quarter (24%) of senior households in Quebec in 2021.

Low-income seniors occupy a higher proportion of unacceptable housing. If we divide senior households into quintiles, i.e. into five equal income brackets, we find that almost half (45%) of households in the first income quintile (\$38,000 and under) occupy housing deemed unacceptable.

Figure 3. Proportion of households with people aged 65 and over living in unacceptable housing, by total household income quintile, Quebec, 2021

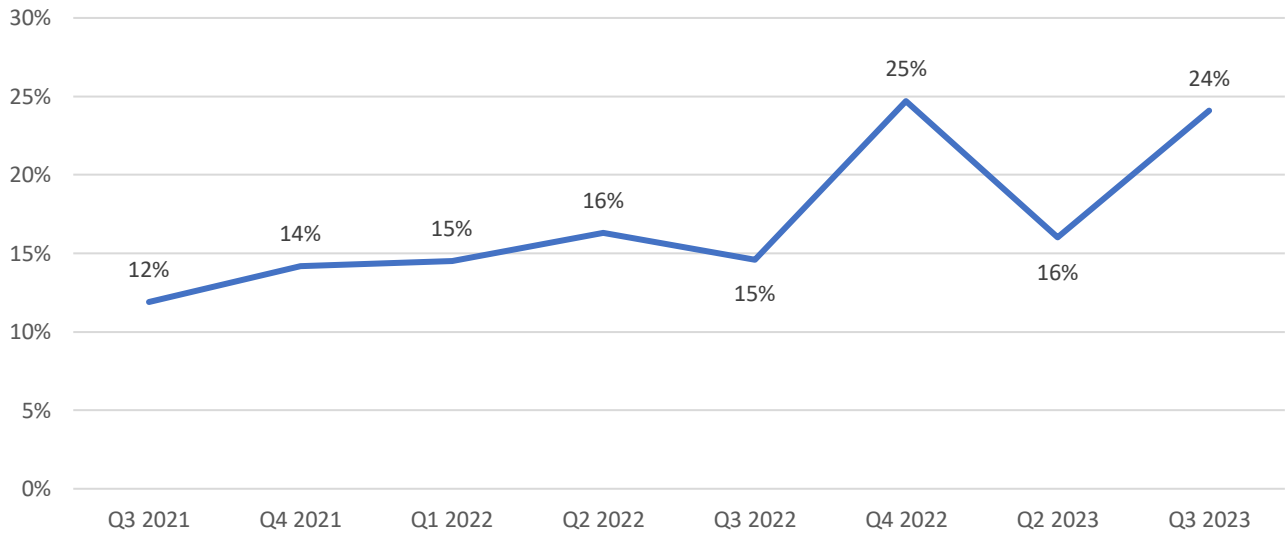


Source: Analyses by the *Observatoire québécois des inégalités* based on Statistics Canada's Canadian Housing Survey Public Use Microdata File.

This increased pressure can undermine seniors' overall financial situation. In Canada, nearly one in four (24%) households of people aged 65 and over said it was difficult or very difficult to meet their financial needs for transportation, housing, food, clothing and other necessary expenses in the 3rd quarter of 2023. This proportion has doubled in two years (12% in the 3rd quarter of 2021), indicating a worsening financial situation for seniors.

² According to Statistics Canada and CMHC, a household is deemed to occupy unacceptable housing when the housing is requiring major repairs (inadequate quality), does not have enough bedrooms for the size and composition of resident households (unsuitable size), or when housing costs equal or exceed 30% of the household's total before-tax income (unaffordable).

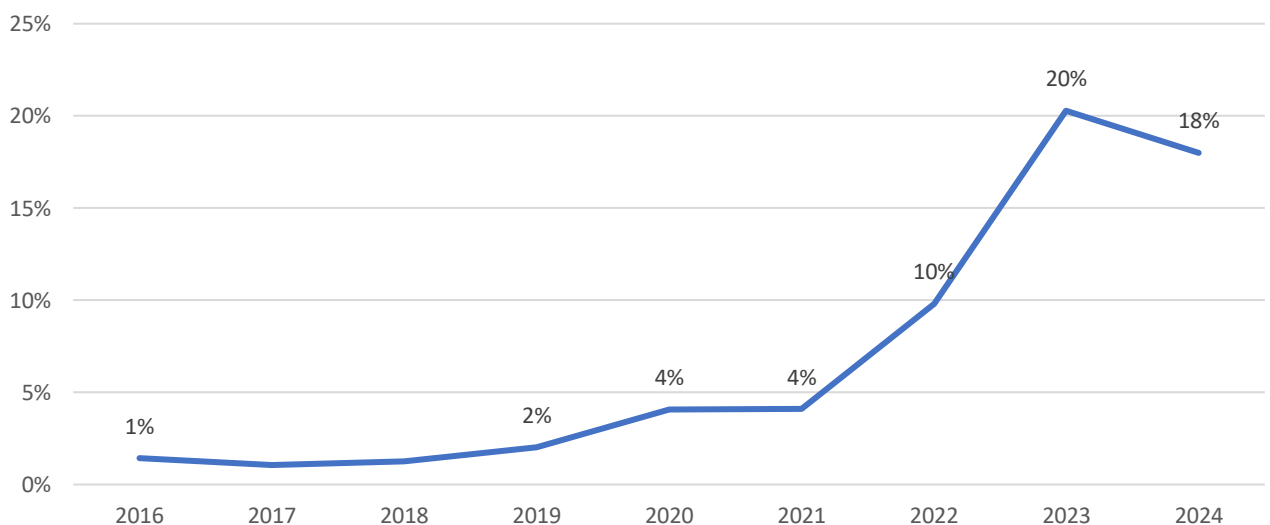
Figure 4: Level of economic difficulty experienced by households composed of people aged 65 and over, Canada, 2021-2023



Source: Analyses by the *Observatoire québécois des inégalités* based on table 45-10-0087-01 from Statistics Canada's Canadian Social Survey.

But these difficulties are not limited to senior tenants. Many senior homeowners on limited incomes are facing property tax increases because of rising property values on the real estate market. In 2024, the average property value of single-family homes in Quebec rose by 18%, according to a compilation of municipal assessment rolls by Quebec's Ministry of Municipal Affairs and Housing. This increase was 20% in 2023.

Figure 5: Annual growth rate of average standardized assessed value of single-family homes, Quebec, 2014-2024



Source: Analyses by the *Observatoire québécois des inégalités* based on table 3943 of the *Institut de la statistique du Québec* from the Summaries of the Municipal Property Assessment Roll of Québec's Ministry of Municipal Affairs and Housing.

To prevent a significant number of seniors from being forced to leave their homes because of their financial situation, it is important to put in place long-term policies promoting the development of affordable housing adapted to the specific needs of seniors.

According to social gerontologist Julien Simard, in the absence of massive construction of social housing for aging people on low incomes, only households belonging to better-off social classes will be able to age at home in the next decade, particularly in inner-city neighborhoods.

And the residential precariousness experienced by seniors could generate significant costs for the healthcare system. Access to adequate, affordable housing is a [major determinant of health](#), particularly among vulnerable seniors.

This article was produced in collaboration with the [Association québécoise de défense des droits des personnes retraitées et préretraitées \(AQDR\)](#).