

## 1.6 Housing and Neighbourhoods

### Background

Access to secure, affordable housing is an increasing concern to many Canadian households. It is estimated that more than 300,000 people experience homelessness every year in Canada, a country with a surplus of riches. At the same time, 537,000 households are paying more than 50% of their before-tax income on housing. They are housed precariously, and any reduction in their income will very quickly move them out onto the streets. That is why we need a full strategy that does not fix a leak in the roof when the rafters are rotting.

In its past (through the 1970s and '80s), Canada built 25,000 units of non-profit social and co-operative housing annually, while up to 40,000 units of private sector rental housing were being added to the rental housing stock annually. Governments now support the growth of less than 7,000 units per year, while the private sector rental stock is in worsening repair and Canada is in a net loss position on rental housing because more rental housing is being demolished or converted to ownership than is being added to the stock.

Some OECD countries, such as New Zealand, Australia, the U.S. and the U.K., have recognized the benefits of having a long-term commitment to the provision of non-market housing, and are developing new modern programs to restore production of social and affordable housing. Canada, however, lags behind in its policies and in its production of affordable housing, and has no long-term strategy to address its failing housing system.

Young Canadians entering the workplace often remain at home until their early 30s and, with mounting student debt and increasing housing prices, have less chance than their parents of purchasing a home. Modest-income households are competing in the rental market and low-income households are being segregated into communities that offer the cheapest rent, but little chance of advancement exists for them or their children. This situation leads to diminishing expectations for a growing minority of Canadians. Young people see little hope for a brighter future.

Security of the country begins with security for the individual. Investing in housing is investing in individuals, their health, and their life chances. It also builds communities of hope

and opportunity. Housing is closely linked to improvements in a number of outcomes, including economic performance, personal health and well-being, community security, educational outcomes, and reductions in health care costs and in greenhouse gases. Growing income inequality in Canada's metropolitan areas over the past two decades has fuelled growing housing insecurity and increased homelessness. Aboriginal people, both on and off reserve, bear the heaviest burden in the current nationwide housing crisis. Recent immigrants, who arrive in Canada poorer than resident Canadians, remain poorer longer and suffer a disproportionate share of housing distress.

With globalization, the old theory that a rising tide lifts all boats is no longer valid. Globalization brings us greater income inequalities and rapid house price inflation. Edmonton, Calgary, Vancouver, and the Greater Toronto Area have the most severe affordable housing shortages despite their booming economies — or perhaps because of them.

As housing insecurity and homelessness grew worse in the late-1990s, the federal, provincial, and territorial governments responded with a series of short-term initiatives and no guarantees for future funding. A study by the Canadian Housing & Renewal Association shows that there have been deep cuts to historic program funding at the provincial level. However, it is clear that the federal government has to take a leadership role in order to leverage action at the regional level.

The United Nations' Special Rapporteur on the Right to Adequate Housing, Miloon Kothari, made an official fact-finding mission to Canada in October of 2007 and, after meeting with community groups and governments across the country, called on the federal government to take leadership in creating a durable, comprehensive, and fully-funded national housing strategy.

#### **GENDER ANALYSIS** Housing and Neighbourhoods

In 2005, at least 1.5 million households (over 4 million people) were classified as being in "core housing need". People in core housing need can be defined as those living in a dwelling where major repairs are needed; whether the dwelling has enough bedrooms for the size and composition of the household; and whether rent costs the household 30% or more of its total gross income.

Twenty-five percent of all households in core housing need are households headed by single mothers.<sup>2</sup>

All three of the federal government's major housing and homelessness initiatives are due to expire. In fiscal 2009, the Homelessness Partnering Strategy and the Residential Rehabilitation Assistance Program will end. Housing Trust Funds that were delivered to provincial treasuries in 2006 are expected to be fully committed by that time as well.

#### **AFB Directions**

The 2008 AFB asserts a strong and sustainable role in the healthy operation of the Canadian housing system, putting in place the resources and mechanisms that will eradicate homelessness within five years.

Land for housing is growing scarce, especially in areas close to employment opportunities and social infrastructure. Municipal planning departments must be encouraged to develop inclusionary zoning practices and land banking policies so that land is available to construct new housing in mixed income, mixed tenure communities, and so that the public purse benefits from the uplift in property value that is a result of its policies.

Canada's existing stock of approximately 600,000 units of affordable housing must be protected from sell-offs and deterioration, to

ensure that it is available for future generations of low-income households.

Canada's communities, and in particular its growing cities, are held back by shortages of affordable housing. Improvements to these regions must begin by increasing the supply. Conversion of commercial or industrial buildings to housing will be one strategy. However, rent supplements that utilize scarce housing budgets will reduce the ability to increase the supply of affordable housing in areas where supply is clearly the most pressing issue.

Canada's supply of affordable housing will be increased by 37,500 homes annually for the next ten years. This will be done in a combination of market sector rental and community-based non-profit housing. Given that the private sector is currently building a very small stock of rental housing, 30,000 new community-based, non-profit rental units will be added to the stock of affordable housing annually for the next three years.

### AFB Budget for Housing

The AFB will provide \$4.5 billion over the next three years to assist the provinces and territories to add 30,000 units of secure long-term affordable housing annually to Canada's stock of affordable housing.

The AFB will provide \$10 million annually over the next three years to assist with preserving the existing social housing stock.

The AFB will begin to set out a sustainable, predictable flow of funds for housing by committing to maintain the investment in social housing. This means that there will be no further cuts to the federal social housing budget.

The AFB will also renew the Residential Rehabilitation Assistance Program and the Homelessness Partnering Strategy.

### Notes

<sup>1</sup> <http://www.cmhc-schl.gc.ca/en/corp/nero/nere/2005/2005-12-07-1030.cfm>

<sup>2</sup> <http://www.equalityrights.org/cera/>