



Canadian  
Federation  
of Apartment  
Associations

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## News Release

17 January 2006

**For Immediate Release**

### **CFAA welcomes proposals for housing assistance in cash allowances**

On January 11, the Liberal Party and the NDP released their housing proposals as part of their election platforms. The Canadian Federation of Apartment Associations (CFAA) welcomes the moves toward a greater focus on cash support for low-income renters.

The NDP would provide cash support for low-income tenants by expanding rent supplements. Under rent supplements, government agencies make contracts with landlords, and then refer tenants to those landlords. While a move to more rent supplements is sound public policy because rent supplements in existing buildings are more cost-effective than building new housing, they do not offer as many advantages as portable housing allowances. Unlike rent supplements, portable housing allowances allow tenants choice and mobility, and encourage tenants to access the most suitable and affordable units available.

The Liberal Party platform refers to the developing Canadian Housing Framework, and to creating benchmarks and specific goals for reducing core housing need and homelessness. Benchmarks and specific goals will provide much needed accountability, and the CFAA welcomes the plan to adopt them.

A careful study of the causes of housing need and the effect of different housing policies should lead the next government to the adoption of portable housing allowances. Very few Canadians lack housing, but 15% of Canadians pay more than 30% of their incomes for their housing, and some pay over 50%. The best solution is a housing allowance system, similar to the ones which have been operated for many years, with limited funds, in Quebec, British Columbia and Manitoba, under all the parties which have formed the governments of those provinces.

Other recent moves in the direction of cash support for low-income tenants are the Rental Housing Supplement adopted early last year by the NDP government in Saskatchewan, and the BC government's plan to expand its housing allowance program significantly, while eventually focusing public housing on those with special needs.

John Dickie, President of CFAA, says, "We will review the various policy options with whoever forms the federal government after January 23. Both federally and provincially we encourage all Canadian governments to implement or expand the most effective program to make housing more affordable, namely a portable housing allowance program."

For more information, or for our news release about the Conservative party housing proposal, contact:  
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*The Canadian Federation of Apartment Associations represents the owners and managers of more than one million residential rental suites in Canada, through 16 organizations across Canada.*



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## BACKGROUND

January 12, 2006

### Housing affordability tools

**Public housing** generally refers to rental units in projects owned and operated by governments or government housing agencies. Rental units are provided to low-income tenants who pay a rent geared-to-income, usually amounting to 30% of their incomes. There are about 400,000 public housing units across Canada. In many cities there are long waiting lists to gain access to a public housing unit.

**Non-profit housing** generally refers to apartment buildings owned and operated by non-profit housing corporations. Rental units are provided both to moderate income Canadians who pay market rents, and to low-income tenants who pay a rent geared-to-income, usually amounting to 30% of their incomes. There are about 200,000 non-profit housing units in Canada, serving about 120,000 low income households. In many cities the subsidized non-profit housing units are accessed through the same combined social housing waiting list which also covers public housing units.

**Rent supplements** are based on contracts between social housing authorities and a limited number of landlords. Housing authorities send low-income tenants to one of those landlords. The tenants enter into tenancy agreements with the landlord to rent the specific units. These rules tie rent supplements to specific units, so that the program in effect functions as privately supplied public housing units without the problem of ghettoization. Under a *flexible rent supplement* program, tenants would be able to stay in their current units as long as their existing landlord will accept a rent supplement contract.

**Portable housing allowances** are not tied to a contract between a social housing agency and a rental property owner. The government provides the financial assistance directly to low-income tenants. Tenants who qualify for allowances can find and rent units in the same way they do now, except that the allowances will help them pay the rent. Tenants can use the money to help stay where they are (since 75% of low-income tenants already live in suitable housing), or to move to another unit of their choice in the private market.

Portable housing allowances, or properly designed and *flexible* rent supplements, are marvellous policy tools because they

- use the existing economical housing stock, rather than newly built (and therefore expensive) housing;
- allow tenants to keep their housing assistance when they move to take a new job (which is very good for the economy);
- allow tenants to choose where to live;
- achieve income mixing without the cost of subsidizing middle income tenants; and
- allow the available funding to be spread more equitably among more low income tenants.

**Currently five provinces have housing allowance programs, but they are all limited in their coverage. Canada is almost unique among countries with advanced economies in not having a national housing allowance program.**