



Canadian Housing Framework Consultations 2005

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The Question

- How can we best improve housing affordability in Canada?





The Context

- Housing affordability is an income issue
- You cannot build affordable housing
- A framework or strategy which does not recognize these two facts will fail

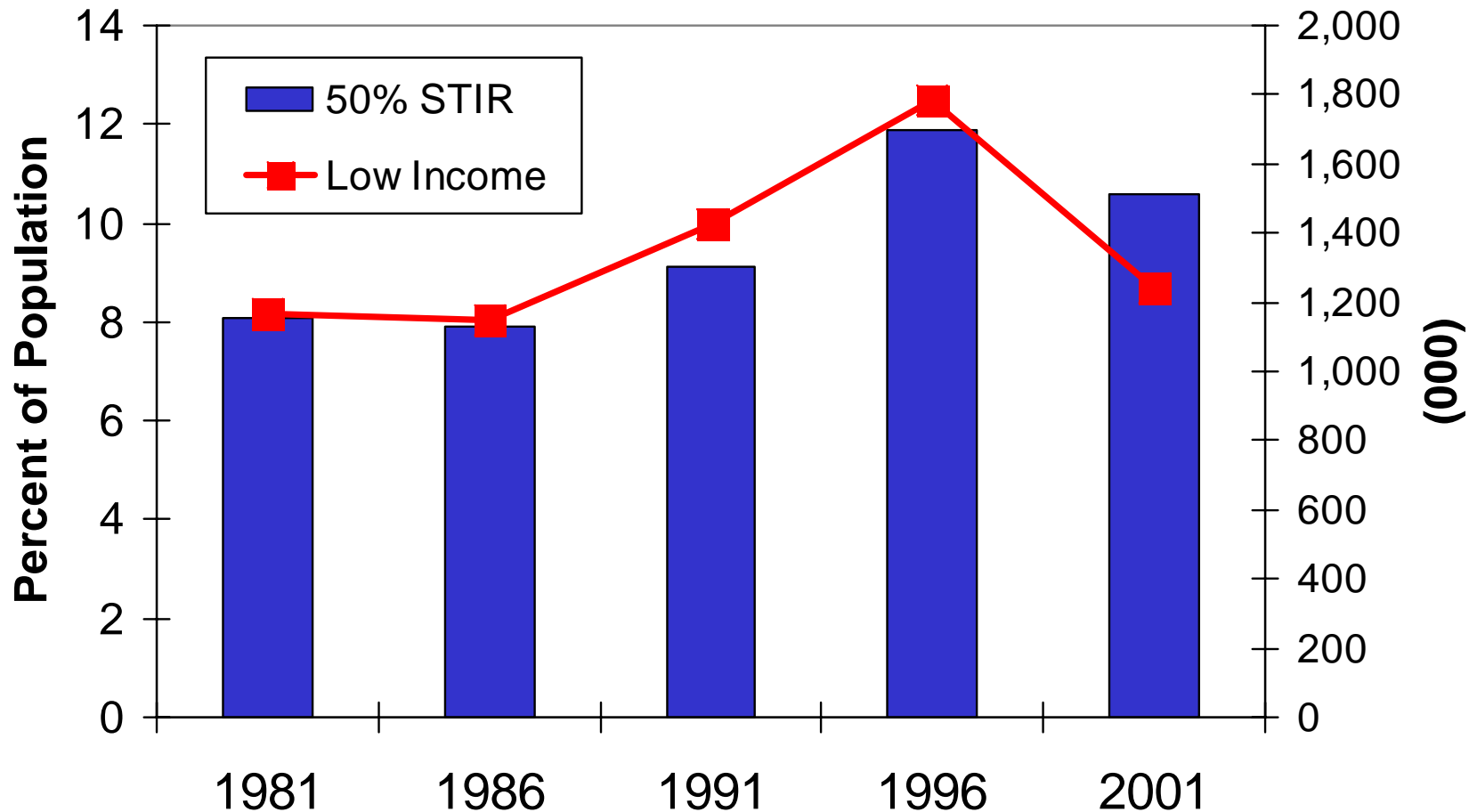




Housing Affordability is an Income Issue



50%+ STIR Households and Low Income Households, Ontario



Source: Statistics Canada and Census, various years

Federal Research Finds Housing Affordability an Income Issue

- Lefebvre (2000) for Statistics Canada: “Housing: An Income Issue”.
- Engeland et al (2004): “the overwhelming reason that households are in core need is that they spend 30 percent of their income on in shelter and do not have enough income to access acceptable housing”



Renters in Core Need, Ontario

- Average Income: \$19,682
- Rent they can afford: \$492
- Their actual rent: \$708
- Ontario CMHC average rent 2001: \$815
- Conclusion
 - They live in low cost housing
 - They have low incomes





You Cannot Build “Affordable Housing”



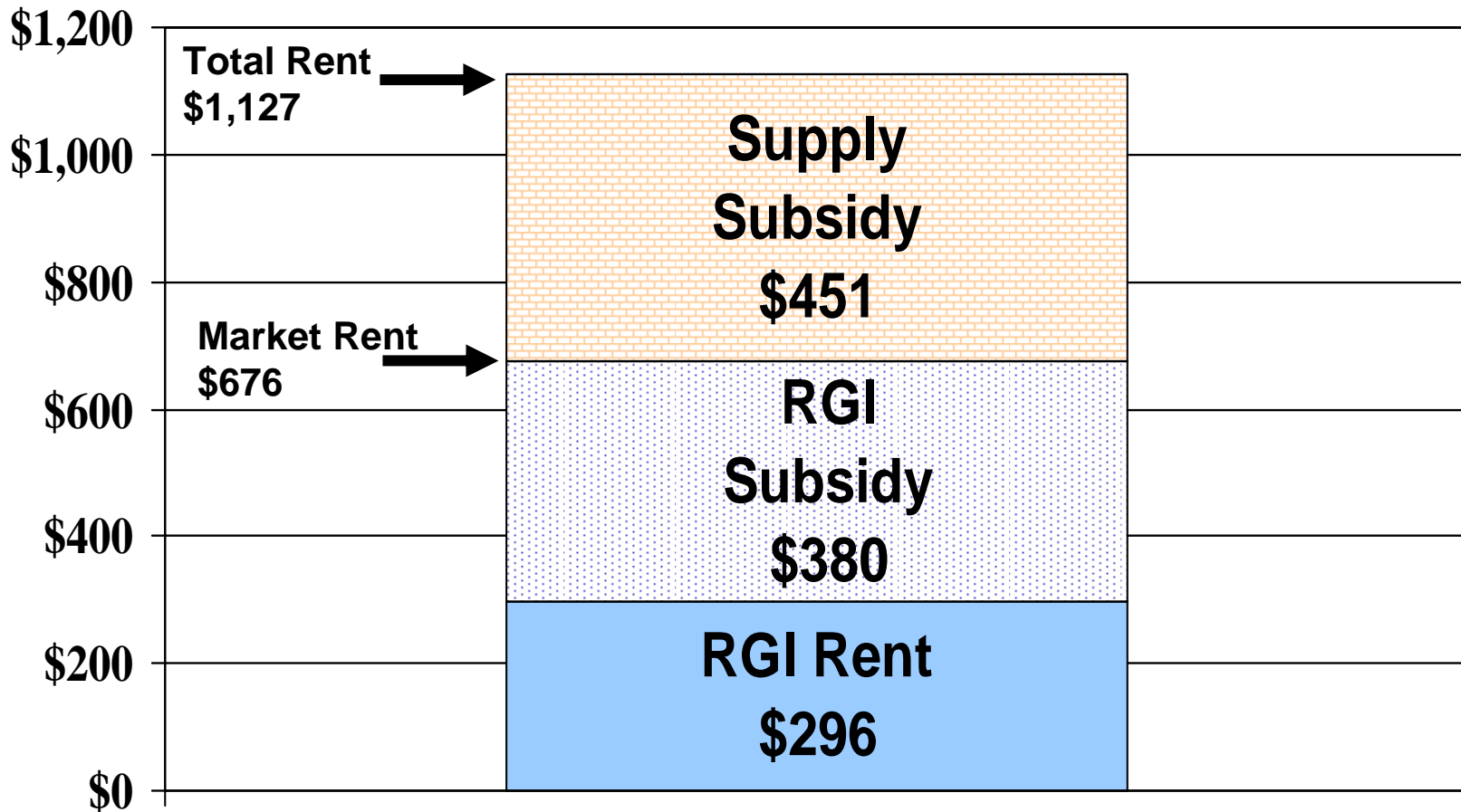


The Wrong Question

- “Why isn’t the housing industry building sufficient affordable housing”
 - You cannot build affordable housing
 - Neither non-profits nor the private sector ever:
 - Built it in the past
 - Are building it now
 - Will build it in the future

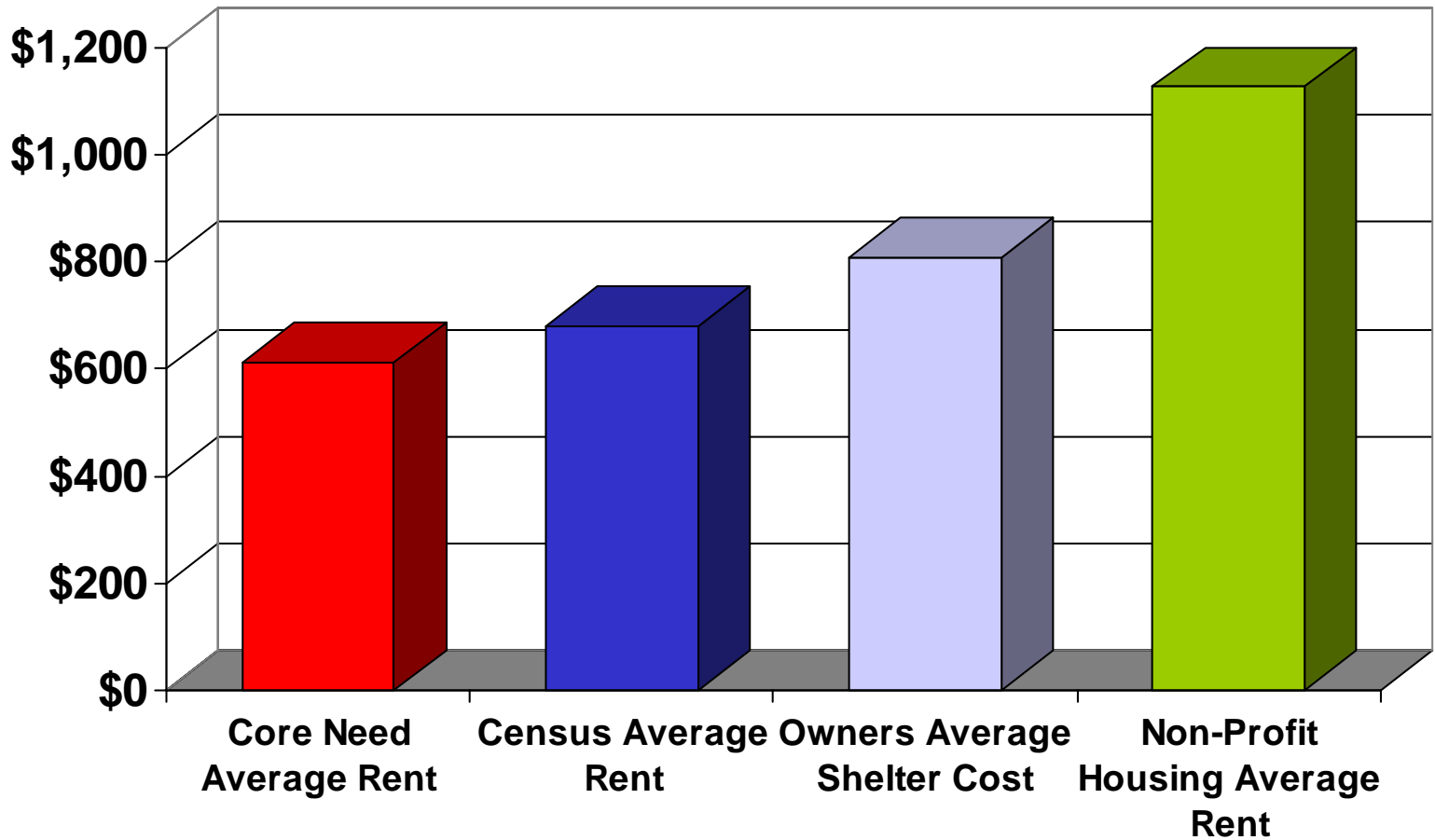


Average Monthly Costs and Revenues, Ontario Non-Profit Housing Portfolio, 1996-97



Source: Ontario Ministry of Municipal Affairs & Housing.

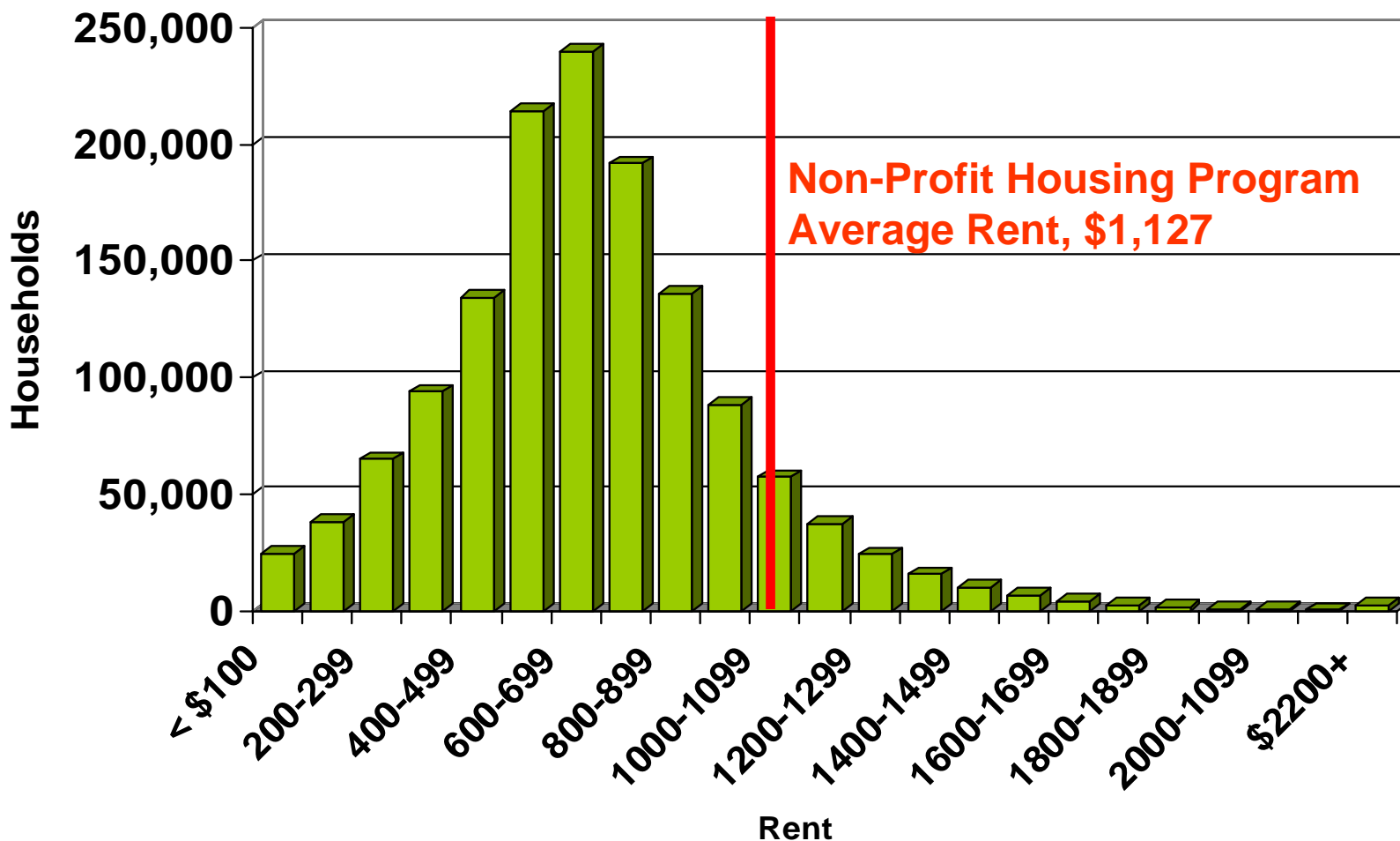
Average Monthly Housing Costs by Type of Housing, Ontario, 1996



Sources: Census, Ontario Ministry of Municipal Affairs and Housing.



Distribution of Gross Rents Ontario, 1996



Source: Census.



Program Solutions



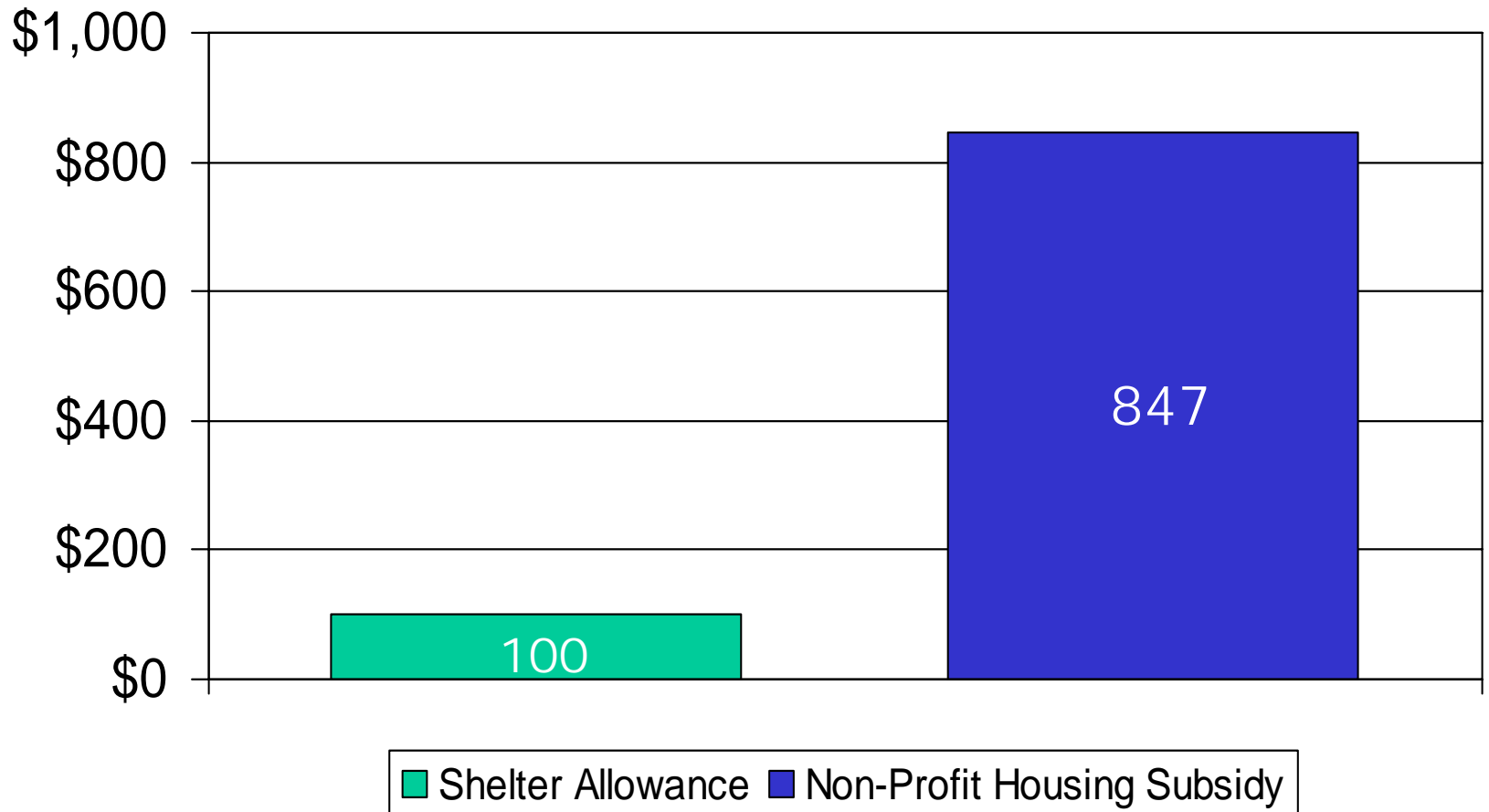


Portable Shelter Subsidy

- Housing affordability is an income issue
- Core need households already have low cost housing
- Nobody can build anything new that is even remotely as low cost as the housing core need people already live in



Monthly Cost of Helping a Core Need Household With a Shelter Allowance vs. Non-Profit Housing Program, 1996





Example Countries With National Housing Allowances

- Austria
- Belgium
- Denmark
- England
- Finland
- France
- Germany
- Ireland
- Netherlands
- Norway
- Sweden
- Switzerland
- United States
- New Zealand





They Work

- Tent city pilot project here in Toronto
- Countries mentioned earlier
- Recommended by the Mayor's Homelessness Action Task Force as best tool available to prevent homelessness
- Excellent research by economist Marion Steele on their applicability to Canada





What You Need to Know About Shelter Allowances

- **DO NOT HAVE TO BE UNIVERSAL ENTITLEMENT PROGRAM!**
- Low in cost per household
- Research confirms non-inflationary
- Portability improves household satisfaction, autonomy and options
- Better labour market attachment incentives





Thank You.

Questions?

