

**Presentation to the Federal Panel
Towards a New Canadian Housing Framework
January 13, 2005
Sheraton Centre, Toronto
by
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Good morning ladies and gentlemen,

On behalf of the Greater Toronto Apartment Association I would like to thank you for the opportunity to address you this morning concerning positive and concrete ways the federal government can play a role in making private sector rental housing more affordable for thousands of Canadians.

The Greater Toronto Apartment Association is a not-for-profit business association made up of 240 companies that own and operate in excess of 160,000 private rental apartment units across the greater-Toronto area. The members have come together in the association because of their interest in rental housing issues and the lives of the residents residing in their communities. I have provided a brochure on the association with copies of this presentation.

Many of our members have provided decent, affordable private rental housing for many decades and have operated these properties under governments of all political stripes and under very different regulatory regimes. Yet one thing has always been constant and that is that some of the people who would like to live in our buildings simply cannot afford to do so. Or, they do reside with us but spend much more than 30% of their gross family income on shelter costs.

This situation is not because rents are high it is because for some families and individuals their income is simply too low. Therefore, there is now an unprecedented opportunity for the government to look at new solutions to bridge the gap between the cost of rental housing and the ability of people to pay.

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In this regard, we advocate for the federal government to create a shelter allowance program that would provide a modest subsidy to a qualifying family or individual that would allow them to rent from our members and afford the cost. This would house people today, not years down the road when new housing may or may not be built. It is a realistic solution that gets results now.

My colleague Vince Brescia from the Federation of Rental-housing Providers of Ontario spoke to you yesterday and detailed how a portable shelter allowance program works.

Today I would like to talk about this unprecedented opportunity we have, specifically in the greater-Toronto area, to make a shelter allowance program work. Canada Mortgage and Housing Corporation (CMHC) released its October 2004 Rental Market Survey on December 21, 2004 noting that in the Toronto CMA the vacancy rate has again risen and is now standing at 4.3%. That means that four out of a hundred apartments in Toronto are vacant and ready for someone to move in tomorrow.

The City of Toronto believes there are close to 210,000 private rental apartment units in buildings of seven units and more in the city. That means that there are over 9,000 vacant apartment units available for people to occupy immediately. That number does not include condominium rentals, buildings of less than seven units or basement apartments that are also available.

Ever since CMHC starting tracking and releasing this information, the vacancy rate has never been higher. CMHC attributes this to a number of reasons including more affordable home ownership, lower levels of first time young renters and immigrants and low interest rates. Regardless of the reason, the reality is that there is a window of opportunity for the government to make an immediate impact on affordable housing through a shelter allowance program.

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Further, CMHC reported that in 2004 there was a 5.1% vacancy rate in apartments in the Toronto CMA that rent for under \$800 per month. This number is up considerably over the previous years and does not account for inflation. Therefore, the government can be assured that there is a considerable pool of apartments available at the lower end of the rental market that could qualify for a reasonable shelter allowance.

Finally, CMHC predicts that the high vacancy rates are likely to continue however may not last forever. Therefore the time to act to take advantage of this situation is limited.

Also, I note with interest that governments are very keen to develop programs designed to lure people to buy homes yet no programs exist to lure people to rent their homes despite it being a preferred housing choice for millions of people.

Governments often tend to focus on how to get new housing built. I would submit to you that (a) it is impossible to build new “affordable” housing and (b) there are already thousands of apartment units built that with a little help can be affordable to people today.

In closing let me thank you for your time. Your own website states that, “it is recognized that helping individuals and families to overcome housing challenges promotes self reliance, counters a multitude of social problems; and it contributes to the economic well-being of all Canadians.”

We believe through our recommended approach you will be able to achieve this goal.

Thank you.