

# WELLESLEY INSTITUTE

## Precarious Housing in Canada

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“The health of Toronto must necessarily mean the health of its citizens. It must mean, too, the continued progress and development of Toronto along desirable lines. We have a great and beautiful city that has been blessed by honest and efficient government. It is a city enviably situated, a city of fine residential areas, of beautiful buildings, of high standards of citizenship. That is how we see it; but I fear, in all candour one must confess that this city, in common with every large city, has acquired inevitable ‘slum districts’. These areas of misery and degradation exert an unhappy environmental influence upon many of our citizens. You will probably say: ‘But Toronto has few such areas and they are not of great extent!’ I say, and I think you will agree with me, that Toronto wants none of them, and that the Toronto of the future which we like to contemplate will have none of them.”

**Hon. Dr Herbert Bruce**, *Lieutenant-Governor of Ontario, 1934*  
Speaking on the occasion of Toronto’s 100th anniversary celebrations

Dr Bruce was founder of the Wellesley Hospital in 1911.  
The Wellesley Institute is a legacy of the Wellesley Hospital.

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### SUMMER 2010

EXECUTIVE SUMMARY: To whom it may concern:

**We are pleased to present you with the following recommendations and executive research and policy background support information.**

**Note:** The Wellesley Institute defines *affordable housing* as housing costs that exceed 30% of household income. This definition stands in contrast to the federal government's, in which "affordable" means any rent or housing cost that is 80% or less of gross market rents. Instead of defining affordability based on housing markets, we define affordability based on household income. The Wellesley Institute recognizes that a significant number of Canadians are precariously-housed – living in housing that is not affordable, over-crowded and/or sub-standard

### AFFORDABLE HOUSING AS A CONTRIBUTOR TO BETTER HEALTH

Precarious housing in Canada, whether defined by the level of inadequate or affordable housing, homelessness, or under-housing, can be solved in this decade; the mechanisms already exist, but the will to do so must be nurtured.

People's ability to find, and afford, good quality housing is crucial to their overall health and well-being, and is a telling index of the state of a country's social infrastructure. Lack of access to affordable and adequate housing is a pressing problem, and precarious housing contributes to poorer health for many, which leads to pervasive but avoidable health inequalities.

The lenses through which we consider precarious housing combine two concepts: *health equity* and the *social determinants of health*. Health equity suggests that the role of society is to reduce the health disparities gap between those who are advantaged and those who are marginalized or disadvantaged by shifting the equity gradient upward. The social determinants of health recognize the non-medical and socio-economic contributors to better health; for example, the greater a population's income, education, and access to healthcare and affordable housing, the better its health will be.

This report demonstrates the link between the improvement of precarious housing and better population health (which leads to reduced health inequities). It also provides a strong vision for a national housing plan for rectifying the problem of precarious housing, which we hope will provide the framework for continued serious debate. Consequently, the report is presented in two parts: Part I reviews precarious housing in the national and international context, and part II addresses policy actions toward a national housing plan.

This report is meant to address a wide range of issues from which various stakeholders (e.g., governments, housing advocates, private and public sector housing providers) can draw information and action points.

## PRECARIOUS HOUSING RECOMMENDATIONS

### Vision 2020: Targets and timelines

We recommend the following targets and timelines to meet the housing needs of Canadians:

Years 2011/12/13	Annual target
New affordable homes	50,000 homes
Repairs to existing homes	20,000 homes
Affordability measures*	150,000 households

Years 2014/15/16/17	Annual target
New affordable homes	60,000 homes
Repairs to existing homes	20,000 homes
Affordability measures*	150,000 households

Years 2018/19/20	Annual target
New affordable homes	70,000 homes
Repairs to existing homes	20,000 homes
Affordability measures*	150,000 households

\* For housing that costs 30% or less of income

**Note:** To meet these targets, governments must continue their current housing expenditure commitments.

Part II of this report, *Vision 2020: Toward a National Housing Plan* details how these goals can be achieved. Meeting these goals and ensuring access to affordable, decent housing for all will make an immense contribution not only to the immediate health conditions and prospects of so many vulnerable people but also to the overall health of Canadians.

## THE WELLESLEY INSTITUTE'S FIVE-POINT PLAN TO REDUCE PRECARIOUS HOUSING

### One: Accept the Wellesley Institute's Vision 2020 targets:

- Fund 600,000 new affordable homes – cost-shared among federal, provincial, territorial, and municipal governments, and the affordable housing sector. Supply targets would increase over the years as the capacity of the sector grows.

- Repair 200,000 low- and moderate-income homes (in addition to the current annual allocation of 20,000 homes).
- Provide affordable housing allowances (shelter subsidies) to up to 1.5 million low- and moderate-income households, based on determination of need.

### Two: Maintain the current consolidated government housing investments at the \$6 billion level:

- Eliminate the automatic “step-out” in federal housing investments.
- Create a benchmark for federal housing investments at 1% of GDP.
- Develop more robust housing indicators at the national and community levels that measure all the dimensions of housing insecurity.

### Three: Ensure a full range of adequate, innovative, and sustainable funding options:

- Establish direct grants as incentives for private capital.
- Create innovative financing options such as a housing financing facility at the federal level funded by issuance of “affordable housing bonds.”
- Establish a social housing investment fund.
- Amend the National Housing Act and the mandate of Canada Mortgage and Housing Corporation (CMHC) to strengthen their leadership role in affordable housing development; reinvest part of the annual surplus of CMHC in affordable housing initiatives.

### Four: Identify and support innovative and successful community practices:

- Build national policies and programs that support local priorities as per the successful model of the National Homelessness Initiative.
- Initiate inclusionary housing legislation.
- Partner financially with community housing providers.
- Develop and implement the appropriate regulatory tools, mainly at the provincial and municipal levels, including land-use planning inclusionary housing policies.

### Five: Build on the solid housing recommendations foundation of prior housing commissions:

- Complete the process that began with the federal-provincial-territorial affordable housing agreement of 2001 and the White Point Principles of 2005 to create a permanent federal-provincial-territorial affordable housing agreement.

- **Move Bill C-304 – draft legislation to create a comprehensive national housing strategy that has undergone a six-month consultative process – through the Parliamentary process Support the housing and homelessness recommendations in the Senate report In from the Margins, including the enhancement of existing federal housing and homelessness initiatives. Research background: The link between precarious housing and health**

### Stakeholder collaboration process

First, our research and policy recommendations are a result of a consultative process with numerous stakeholders within the housing sector, governments, third-sector service providers, private-sector housing developers, and academic leaders. This report was shared with several housing and social policy experts, and we have benefited from their advice. We thank all the individuals and organizations who provided insights and recommendations.

Second, this report has been prepared for a range of housing stakeholders, including policy advisers, government decision makers, affordable housing associations and advocates, housing networks, and consumers. Our goal is to provide sound evidence-based research, recognize the experiences of those living below the affordability line, provide achievable 10-year targets, and stimulate an ongoing discussion on how this country can move forward on effectively rectifying the issue of precarious housing.

Third, while this report deals mainly with the national perspective and possible federal initiatives, it recognizes and promotes policy and cost sharing among the provinces, territories, municipalities, and the private sector.

### Assessing the impact of precarious housing on population health

Affordable housing is one of the most fundamental requirements for good health. In his annual report to Canadians in 2009, Canada's chief public health officer Dr. David Butler-Jones, drew the connections between housing and health:

Shelter is a basic need for optimal health. Inadequate housing can result in numerous negative health outcomes, ranging from respiratory disease and asthma due to moulds and poor ventilation, to mental health impacts associated with overcrowding.<sup>1</sup>

The Social Determinants of Health Commission of the World Health Organization (WHO) indicated the strong link between health and housing in its final report, released in 2008. According to the commission, the health impacts arise from the physical quality and the affordability of housing to urban planning and financing issues:

One of the biggest challenges facing cities is access to adequate shelter for all. Not only is the provision of shelter essential, but the quality of the shelter and the services associated with it, such as water and sanitation, are also vital contributors to health... Many cities in rich and poor countries alike are facing a crisis in the availability of, and access to, affordable quality housing. This crisis will worsen social inequities in general, and in health in particular.<sup>2</sup>

Numerous studies suggest that homeless people, a growing part of the precarious housing problem, are at high risk for illness and have higher death rates than the general population. In a comprehensive 11-year study across Canada, Dr. Stephen Hwang and his colleagues note that living in shelters, rooming houses, and hotels is associated with a much higher mortality rate; the probability that a 25-year-old living in one of these settings would survive to age 75 is only 32% for men and 60% for women.<sup>3</sup> These figures would be comparable to the probability of men in the general population in 1921 surviving to age 75 and the probability of women in the general population in 1956 surviving to age 75 in Canada.

Findings from this and other studies indicate that younger cohorts of men and women among the unstably housed population have a higher risk of dying. For example, homeless women 18 to 44 years old were 10 times more likely to die than women of the same age group in the general population of Toronto.<sup>4</sup>

### Health, homelessness, and precarious housing

Extensive literature exists on the powerful and adverse relationship between homelessness and poor mental and physical health.<sup>5</sup> The evidence, both at a national and international level, indicates that individuals that are homeless tend to have multiple, complex health needs that are often exacerbated by periods of homelessness and/or stays in marginal or temporary accommodation.

Epidemiological studies point to elevated rates of poor health among individuals who are homeless, including mental illness,<sup>6</sup>

<sup>1</sup> Available at <http://www.phac-aspc.gc.ca/publicat/2009/cphorsphc-respcacsp/index-eng.php>

<sup>2</sup> Available at [http://whqlibdoc.who.int/publications/2008/9789241563703\\_eng.pdf](http://whqlibdoc.who.int/publications/2008/9789241563703_eng.pdf)

<sup>3</sup> S.W. Hwang et al. "Mortality among Residents of Shelters, Rooming Houses, and Hotels in Canada: 11 Year Follow-up Study," *BMJ* 339 (2009): b4036.

<sup>4</sup> A.M. Cheng, and S.W. Hwang. "Risk of Death among Homeless Women: A Cohort Study and Review of the Literature," *Canadian Medical Association Journal* 170, no. 8 (2004): 1243-47.

<sup>5</sup> Frankish [?]; S.W. Hwang, "Homelessness and Health," *Canadian Medical Association Journal* 164, no. 2 (2001): 229-33; CIHI. *Improving the Health of Canadians: Mental Health and Homelessness* (Ottawa: CIHI, 2007); N. Pleace, and D. Quilgars. *Health and Homelessness in London: A Review* (London: The King's Fund).

<sup>6</sup> W.H. Martens. "A Review of Physical and Mental Health in Homeless Persons," *Public Health Review* 29 (2001): 13-22.

# THE PRECARIOUS HOUSING “ICEBERG”

Visible homeless: 150,000 - 300,000

Hidden homeless: 450,000 - 900,000

Overcrowded: 705,165 h/hs

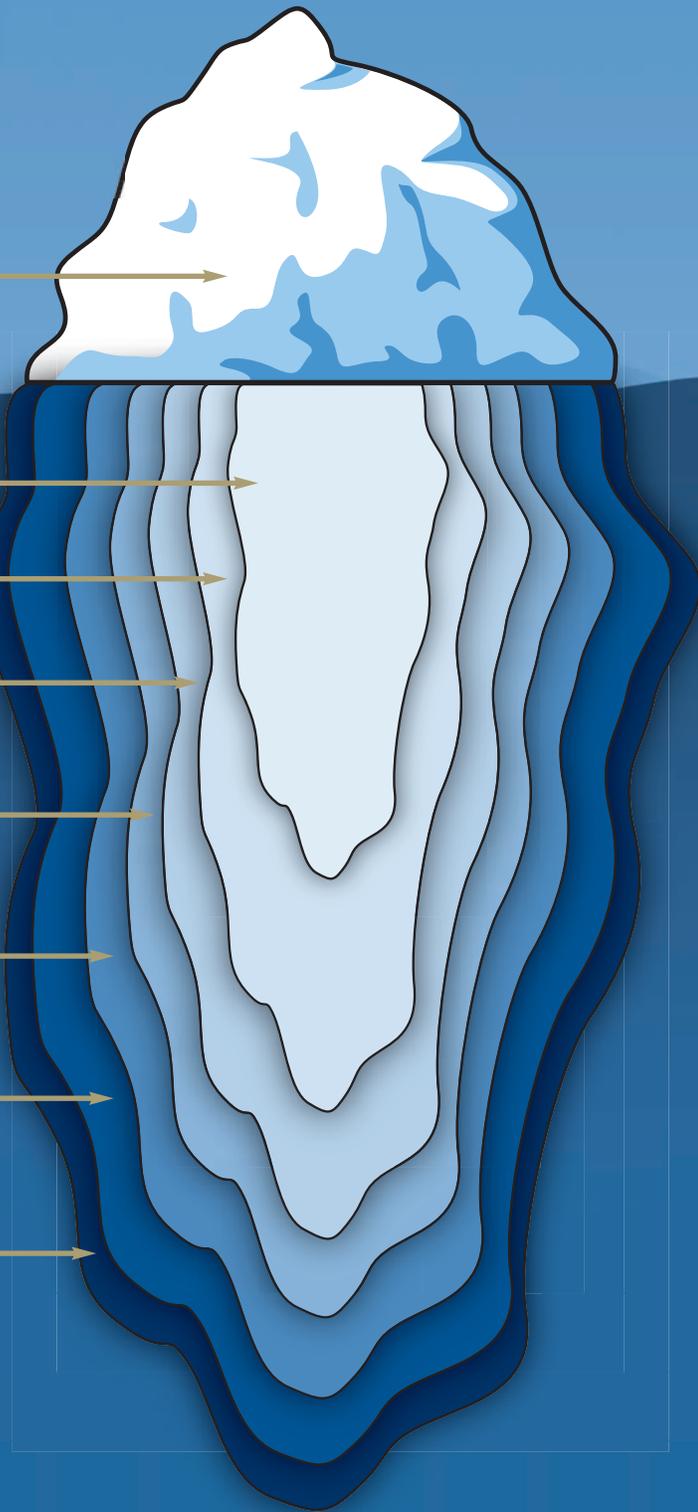
Substandard housing:  
1.3 million h/hs

Core housing need:  
1.5 million h/hs

Inadequate housing: 2 million h/hs  
(minor repairs)

Annual housing supply deficit:  
220,000 h/hs

Unaffordable housing: 3.1 million h/hs  
(paying > 30%)



infectious diseases (HIV and TB),<sup>7</sup> and substance-abuse related ailments and injuries.<sup>8</sup>

Much of our knowledge of the mental health issues for the marginally housed relies upon research conducted with the homeless who represent some of the most extreme life circumstances and, as a consequence, are likely to experience the most extreme rate of morbidity and early mortality. The health experiences of the “hidden” homeless have received little attention.<sup>9</sup> There may be “graduated” improvements in health associated with improvements in housing stability. What little health research does exist in this area seems to support this theory.<sup>10</sup>

## THE PRECARIOUS HOUSING “ICEBERG”

Housing insecurity and homelessness in Canada is like an iceberg – the biggest part of the problem is largely hidden from view. “Unsheltered” people sleeping on benches in urban parks may be the most common image of Canada’s housing troubles, but they represent just a fraction of the overall numbers. While the housing and service needs of people who are absolutely without a home are urgent, the needs of the millions of other Canadians who are inadequately housed deserve serious attention and an effective response.

## THE LAYERS OF THE PRECARIOUS HOUSING “ICEBERG”

### Precarious housing in Canada 2010: A two-part approach

*Precarious Housing in Canada 2010* is divided into two parts: Part I reviews precarious housing in the national and international context, and part II presents policy actions toward a national housing plan. We draw on the latest numbers on housing needs and housing spending to provide the evidence and analysis for a comprehensive and effective national housing plan that seeks to answer four key questions:

- What is the present state of housing and homelessness in Canada?
- How adequate and effective are the policy, program, and funding responses that are currently offered?
- What can we learn from housing successes in Canada and elsewhere?
- What is the way forward toward a comprehensive national housing plan that truly meets the housing needs of Canadians?

## THIS REPORT REACHES FOUR CENTRAL CONCLUSIONS:

### First, housing insecurity and homelessness remain deep and persistent throughout Canada.

No matter how you measure it, a significant number of Canadians are precariously housed:

- Of the 12 million households in Canada, about 1.5 million households are in “core housing need” – Canada Mortgage and Housing Corporation’s definition of those who are in the greatest need.
- An estimated 3.3 million households live in homes that require repairs; and 1.3 million of those households report the need for major repairs (those that affect the health and safety of the people living in the housing).
- Housing affordability continues to erode as both rental and ownership costs continue to rise and 1.5 million households are involuntarily paying 30% or more of their income on shelter.

### Second, the nationwide affordable housing crisis is costly to individuals, communities, the economy, and the government.

The costs can be measured in many ways:

- Poor housing is directly linked to poor health. Numerous research reports funded by the Wellesley Institute and others point to a good home as one of the most important determinants of health. Inadequate housing and homelessness leads to increased illness and premature death.
- Communities are disrupted by poverty and poor housing. Increasingly, Canada’s urban areas are being divided by income, and this is leading to dramatic inequalities in housing and health. A good home is critical for individuals and households to effectively participate in the social and economic lives of their community.
- Increasingly, business organizations recognize that a good home is not only a social and health issue but also an important economic issue. The ability of employers to attract and retain a qualified workforce depends on good homes in good neighbourhoods.

<sup>7</sup> S. Goldfinger et al. HIV, Homelessness and the Severely Mentally Ill. The National Resource Center on Homelessness & Mental Illness, Policy Research Associates Inc., The Center for Mental Health Services, Substance Abuse and Mental Health Services Administration, U.S. Department of Health and Human Services, 1998; E. Susser et al. “Injection Drug Use and Risk of HIV Transmission among Homeless Men with Mental Illness,” *American Journal of Psychiatry* 153 (1996): 794–98.

<sup>8</sup> Living in Fear (London: Crisis and LSE Mannheim School, 2005); Angela Cheung, and Stephen Hwang. “Risk of Death among Homeless Women,” *Canadian Medical Association Journal* 170, no. 8 (2004): 1251–52.

<sup>9</sup> P. Kenway, and G. Palmer. *How Many? How Much? Single Homelessness and the Question of Numbers and Cost* (London: Crisis and the New Policy Institute, 2003).

<sup>10</sup> M. Shaw, D. Dorling, and N. Brimblecombe. “Life Chances in Britain by Housing Wealth, and for the Homeless and Vulnerably Housed,” *Environment and Planning A* 31, no. 12 (1999): 2239–48.

- The cost of “doing nothing” in the face of deep and persistent housing insecurity and homelessness – as measured by increased health, justice, education, and social services costs – far outweighs the cost of solutions. The 2008 report *Breaking the cycle: Ontario’s Poverty Reduction Strategy* stated that poverty in Ontario cost the provincial and federal governments up to \$13.1 billion annually.

### Third, federal housing and homelessness investments on an indexed basis have been eroding since 1989.

By the year 2013:

- Federal housing program spending will drop by 18% from \$2.3 billion to \$1.9 billion.
- The federal Affordable Housing Initiative will be cut from \$164 million to \$1 million.
- Households receiving federal housing support will drop by 7% from 621,700 to 578,479.
- Funding will be cut to zero for the federal Homelessness Partnering Strategy and the federal Residential Rehabilitation Assistance Program.

### Fourth, although the federal government has developed a collection of housing initiatives, Canada does not have an integrated, cohesive, and recognized national housing plan.

- Australia’s Commonwealth-State Housing Agreement was first negotiated in 1945, and eight times since then. In 2008, the federal and state governments in Australia adopted a new National Affordable Housing Agreement.
- In the United States, the federal government has an extensive housing role in both funding and regulation. In his most recent budget proposal, President Barack Obama is calling for a 2.8% increase in federal housing funding, including \$1 billion to capitalize the national housing trust fund that was created by former president George W. Bush.
- The British government stepped up its national housing plan with the Building Britain’s Future initiative of 2009, which included a \$3.1 billion investment in new homes, and a ramping up of support for both social and private rented homes.
- The United Nations’ Special Rapporteur on the Right to Adequate Housing concluded his fact-finding mission to Canada with a report tabled in 2009 at the United Nations Human Rights Council (UNHRC) that concluded that Canada is failing

to meet its international housing rights obligations and that housing rights are being eroded in Canada.

- During the Universal Periodic Review of Canada’s compliance with its international housing and other human rights obligations in February 2009, the UNHRC made a series of specific recommendations to the federal government to improve Canada’s housing record. In June 2009, in Canada’s formal response to the United Nations, the federal government promised to work more closely with the provinces and territories on housing and poverty issues.

## A CALL FOR AN AMBITIOUS 10-YEAR PLAN

We recognize the great difficulty that national governments are facing in dealing with the balance between social needs and massive deficits. This is a period of such monumental challenge that even nations once thought of as stable sovereign states are on the verge of bankruptcy (e.g., Greece). However, this cannot stop Canada, a nation that has emerged relatively much better from the “great recession,” from acting now to address precarious housing.

Our recommendations call for Canada to create targets over the next decade that address core housing need, needed repairs to unsafe housing, and housing subsidies to those living below the affordability line. These targets would be met by equal funding from the federal government, the provincial/territorial/municipal governments, and the affordable housing sector.

### A financially affordable plan for Canada

*Precarious Housing in Canada 2010* sets out the latest facts and figures about housing insecurity and homelessness in Canada. It also sets out the many costs and scrutinizes government investments in affordable housing over the past decade.

Most important, part II sets out the key components of a new national housing plan for Canada that will significantly improve access to affordable housing and contribute to enhancing health and health equity. This plan fully engages the federal, provincial, territorial, and municipal governments, along with the community and private sectors.

### According to the Conference Board of Canada:

- Housing unaffordability negatively affects Canadians’ health, which reduces their productivity, limits national competitiveness, and indirectly drives up the cost of health care and welfare.
- All stakeholders must act to improve housing affordability. First, however, Canada needs a reconfigured approach to housing development and allocation, which will require stakeholders to refocus on their core competencies.

- Exemplary building, operating, and financing models, and the diagnostic and planning tools provided in this report, can help stakeholders act.<sup>11</sup>

Access to affordable housing is highly linked to improved individual and societal health. We need to act now if we are to alleviate the challenge of precarious housing as seen by the explosion in areas such as homelessness and unaffordable housing. Governments can virtually eliminate this inequity by maintaining current spending. We urge governments to accept the recommendations in this report.

## Respectively submitted on behalf of the Wellesley Institute,

**Michael Shapcott**, *Director: Affordable Housing and Community Innovation*

**Richard Blickstead**, *CEO*

**Dr. Bob Gardner**, *Director: Public Policy*

**Dr. Brenda Roche**, *Director: Research*

## The Wellesley Institute wishes to acknowledge and thank all those who contributed to this report.

The Wellesley Institute is a leading national applied research and pragmatic public policy solutions institute working to advance population health through the lenses of health equity and the social determinants of health. Currently the Wellesley focuses on the issues of precarious and affordable housing, healthcare reform, immigrant community health, and social innovation. The Institute is non-partisan and independently funded. It is the successor to the Wellesley Hospital established in 1912.

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<sup>11</sup> Conference Board of Canada. Building from the Ground Up: Enhancing Affordable Housing in Canada (Ottawa: Author, 2010).