

AFFORDABLE HOUSING PRIMER, VANCOUVER 2011

Vancouver is now the **NUMBER ONE** unaffordable housing city of 262 world markets. The homeless people of Vancouver's streets and shelters are the most distressing symptom of a much larger affordable housing crisis that affects nearly half of Vancouver's citizens: those whose annual before-tax household income is below Vancouver's median of \$47,000.

Who are they?

- ▶ Young workers
- ▶ Hospital and clerical workers
- ▶ Transportation, service and retail workers
- ▶ Entry-level firefighters, police, paramedics, nurses and teachers
- ▶ Single-income and single-parent families with moderate wages. Two income families on minimum wages
- ▶ Retirees who rent
- ▶ Those who rely solely on fixed incomes:
 - disability pensions
 - old age pensions
 - income assistance
 - employment insurance

So what's their problem?

All of us with moderate and low incomes, including family, friends, neighbours, are forced to make choices. You have to forget about some items on this list. The lower your income, the more items get crossed off:

- a decent place to live
- nutritious food
- saving for emergencies
- clothing, school fees and higher education for your children
- a car for your job

According to BC Housing and Canada Mortgage and Housing, you are forced to make these bad choices if you are spending more than 30% of your before-tax household income on shelter.

Have things become that bad? Check the math

Although rents vary somewhat from year to year, the basic situation has remained the same for a decade. Here's an example:

Median before-tax household income:	\$47,000 /year = \$ <u>3,915 /month</u>
30% of \$3,915/month	<u>1175/month</u>
Average eastside 2-bedroom in-home suite	<u>1170/month</u>
Average 2-bedroom apt. building suite	<u>1638/month</u>

Result If your household income is significantly lower than \$47,000/year, you get to choose between low-end rental accommodation and doing without some of the other basics of life.

Sources of information

Before-tax income: Statistics Canada 2006 (latest available)

In-home east-side suite rental cost: Vancouver Courier ads August to November 2010

Apartment building rental cost: CMHC 2009 (latest available)

World Markets: Demographia International 2010

Vancouver's housing was affordable into the 1990's, based on international comparisons, using World Bank and UN measures. However, in 1998 mayors of Canada's biggest cities declared homelessness a "national disaster". In 2007 the UN declared homelessness in Canada a "national emergency".

What happened?

- Federal Gov't. cancelled CMHC Co-op Housing Programmes, 1993
- Federal Gov't. transferred social housing programmes to provinces and territories, 1996
- B.C. government policy shifted subsidies from building non-market housing to direct tenant/landlord subsidies, 2001
- Income gap in Canada between renters and owners widens from 20% in 1960's to 208% in 1999 (Source: J. David Hulchanski, Centre for Urban and Community Studies, Res. Bull. 38, Sept. 2007)
- After the .com crash in 2000, speculative investment moved to land
- Federal tax laws (1980s) discriminate against purpose-built rental construction, but the demand for rental units continues.
- Speculative pressure to redevelop aging rental stock continues. (Building strata units and condominiums is more profitable than building rental units.)
- City of Vancouver only recently set out a Short Term Incentives for Rental programme to require rental units as a proportion of other construction in all parts of the city.
- Non-indexed welfare rates, low minimum wages
- Economic downturn and consequent rising unemployment.
- Post-Olympic increase in available rental units occurred in recently renovated, expensive units, not in affordable ones.

We need affordable housing NOW. Affordable housing requires affordable land. Provincial and Federal governments need to use taxpayers' money to build non-market, affordable housing on taxpayer-owned land, as is done in every other G8 country.