

Universal Periodic Review – Canada

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Individual submission on behalf of: The Wellesley Institute

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1. The Wellesley Institute is an independent research and policy institute celebrating our first decade of advancing urban health. We have supported more than 100 community-based research projects in urban health and housing. Please see attached list of selected research. We engage in policy work with civil society, governments and business groups locally, nationally and internationally. In this submission, we focus on housing and homelessness as it relates to Canada’s obligations under a variety of international instruments, including Article 11 of the International Covenant on Economic, Social and Cultural Rights (ICESCR), and its elaboration in General Comment #4 (housing) by the UN Committee on Economic, Social and Cultural Rights (CESCR). We have attached a statistical annex.

2. NATIONAL EMERGENCY: Homelessness and inadequate housing was called a “national emergency” at paragraph 62 of the Concluding Observations of the 2006 CESCR periodic review of Canada. This finding was confirmed by the United Nation’s Special Rapporteur on the Right to Adequate Housing following his fact-finding mission to Canada in 2007. In this submission, the Wellesley Institute will provide statistical indicators and other information on several dimensions of housing and homelessness. Research confirms the rise of a large class of precariously-housed people, along with a rise in mass homelessness, over the past two decades since Canada made substantial cuts in housing spending and in legislation to provide security of tenure and other basic protections. These significant increases in housing insecurity combined with the steady erosion in government housing initiatives are clear evidence that Canada has failed to realize its international housing obligations.

3. SUCCESSFUL HOUSING HISTORY: Canada is a signatory to the International Covenant on Economic, Social and Cultural Rights, along with numerous other human rights instruments that set out the right to housing. In 1973, when Canada amended its *National Housing Act* to create a new national housing program, it asserted that: “Good housing at a reasonable cost is a social right of every citizen... This must be our objective, our obligation and our goal.” The 1973 NHA led to the development of more than half a million good quality co-op and non-profit homes over two decades. At the provincial level, tenant protection laws (including rent regulation) were introduced in many parts of the country, along with additional social housing programs. Canada has a long history of successful and cost-effective housing initiatives, including programs aimed at specific populations, such as Aboriginal people, women, and people with special physical or mental health issues. From 1945 to 1985, Canada’s federal government, and many sub-national governments, supported the development of a wide array of housing initiatives including non-profit and co-operative

housing, tenant protection legislation, rent regulation legislation, rental housing protection legislation and human rights legislation to prevent discrimination in accommodation.

4. **MASSIVE EROSION IN HOUSING:** In the past two decades, there has been a massive erosion in public housing spending and in legislated housing protection in many parts of the country. Since 1996, when the federal government announced plans to dismantle most of its remaining national housing programs, Canada has not had a national housing strategy. Instead, it has had a patchwork of short-term initiatives. The expressed goal of many elected officials has been to reduce the role of government and rely on private markets to deliver affordable homes and ensure security of tenure. While Canada's economy has been robust for most of the past 15 years (Canada's economy is ranked as the ninth biggest in the world by the *Economist*), growing income inequality and growing poverty has led to a growing number of Canadians forced to the margins, or entirely out of, private rental and ownership markets. The strategy of relying on the private markets to deliver homes has left many Canadians without adequate housing as private markets have been unable to deliver truly affordable homes to the growing numbers of households that need them.
5. **MOST IN MARKET HOUSING:** In 2006, Canada had 31.6 million people living in 12.4 million private households, according to the Census of Canada. Approximately two-thirds of Canadians live in owned housing, and one-third live in rented housing. About 5% of Canadians live in social (co-op or non-profit) housing – a low level of non-market housing compared to many European countries. The percentage of renters, and social housing, is higher in most large urban areas. Statistics Canada reports that owner households have incomes that are, on average, about double those of renters. Housing insecurity and poverty is more concentrated amongst renter. Several groups bear a disproportionate burden of housing insecurity and poverty, including Aboriginal people, women, recent immigrants, and people from a variety of ethno-racial groups.
6. **LARGE AND GROWING INEQUALITY:** One-in-four Canadian households face severe housing affordability challenges and lack the income to pay for shelter, plus other necessities such as energy, food, medicine, clothing, transportation and childcare. One key component of Canada's nation-wide housing crisis is the high cost of housing relative to the incomes of Canadian households. Affordability is recognized in CESC General Comment #4 as a critical part of the right to adequate housing. Most experts in Canada use 30% of income for shelter as the maximum threshold for affordability. This measure is used by Canada Mortgage and Housing Corporation (CMHC – the federal government's housing agency) as part of its "housing core need" indicator. One-quarter (24.9%) of Canadian households paid 30% or more on shelter in 2006. This is a rise of 3% from 2001. Among renter households, the affordability crisis is more severe. Close to half (40.3%) of renters are paying 30% or more. The median household income for owners has barely increased in the past 25 years, while the median renter household income has dropped slightly. But median shelter costs have risen sharply. Owner shelter costs rose by 41% since 1997, and tenant costs rose by 25%. Water, fuel and electricity (one significant component of shelter costs) grew by 43%.
7. **EXCLUDED FROM PRIVATE MARKETS:** More than half of Canadians are now unable to afford to buy the least expensive owned housing (a standard condominium apartment unit);

and more than half of renters cannot afford the average private market rent. Private markets were expected to meet housing needs when governments dismantled programs and cut funding over the past two decades. The median income for private households in Canada in 2006 was \$53,634, yet RBC Economics (the research unit of a major chartered bank) reported in 2008 that a household needs an income of \$53,874 (plus a down payment of \$54,000) to qualify for the least expensive owned housing. The qualifying income is higher in larger urban areas. On the rental side, statistics from CMHC show that starting in 2003, average rents charged by private landlords were higher than the median rents that tenants could afford to pay. Growing inaffordability is a fundamental violation of international housing rights, and it has a big impact on the health and lives of many households.

8. **INADEQUATE SUPPLY:** The need for new housing is growing. Private developers have been delivering a near-record supply of ownership housing, there very little new rental housing and almost no new affordable housing. In the early 1980s, more than ten out of every one hundred new homes were truly affordable housing. By 2007, this number fell to less than one-in-one-hundred. The growing need for new housing is fueled: Immigration (research confirms that recent immigrants are arriving in Canada poorer than residents and poorer than previous cohorts of immigrants, and they are staying poorer for longer); internal migration (as people move in search of jobs); new household formation; and new homes to meet existing needs (including replacement of aging and rundown housing, reducing overcrowding and housing those who are homeless). On the rental side, the most widely-accepted supply measure is CMHC's twice-annual rental market survey. Most experts agree that a rental vacancy rate below 3% is in the danger zone – and Canada's rental vacancy rate has been below 3% since the year 2000. In a number of municipalities, the rate is below 1% - which effectively means no rental units available. The spring 2008 survey reported that the overall supply of private rental housing decreased from 2007 to 2008. The loss of existing rental housing (due to demolition and conversion), the critically low vacancy rate and the extremely low level of new rental housing demonstrate the failure of relying exclusively on markets and also amount to a fundamental violation by Canada of its international housing obligations.
9. **FOOD BANKS, WAITING LISTS BUSY:** Rising inaffordability and lack of new supply means less money for food and a long wait for the limited amount of available affordable housing. Some of the costs are not easy to measure, such as increased overcrowding in housing (two or more families in a home designed for one). There are no reliable estimates on the numbers of "hidden homeless". A total of 720,231 people were forced to rely on emergency food relief in March of 2007, according to the Canadian Association of Food Banks – an increase of 91% since 1989. A growing number of people are being forcibly evicted because they cannot afford the rent. There are no reliable national numbers on affordable housing waiting lists. Toronto – Canada's most populous municipality – reported that in 2007 there were 66,186 households on their waiting list. Toronto was able to house 4,336 households in 2007, down from the 5,160 households in 2006. A household that signed onto the list in 2007 could expect to wait until 2022 to be offered a home.
10. **RISING EVICTIONS, GROWING HOMELESSNESS:** Two other indicators of housing insecurity are rising evictions and growing homelessness. There is no reliable national numbers on evictions (tenant protection laws are a provincial responsibility and security of

tenure provisions differ widely across the country). In Ontario, Canada's most populous province, 66,746 renter households faced eviction in 2006 – up 21% since 1998 (the year that Ontario dismantled its tenant protection and rent regulation laws). There are no reliable figures on the number of people who are homeless. Several municipalities do “street counts” which all point to a dramatic rise in homelessness (Edmonton: up 20% increase over two years to 2006; Vancouver: up 19% over three years to 2008; Calgary: up 13.2% over two years to 2008). There are three categories of homeless people: The unsheltered (rough sleepers), the sheltered (in temporary hostels) and the hidden (people in temporary and insecure conditions). The federal government's Homeless Individuals and Families Information System reports that 1,020 homeless shelters offered 26,872 beds in 2007 – a 22% increase in one year. Almost all shelters report that they are full most nights. There are no shelters in many small communities, remote, rural and northern areas. People in those areas are forced to move to other locations for shelter and services. Canada's national homelessness strategy (due to expire in the current fiscal year) offers funding to only 61 communities in the entire country. Even without comprehensive numbers, the available statistics demonstrate a massive increase in homelessness in recent years and confirm that Canada has failed in its housing obligations.

11. **DISAPPEARING FEDERAL HOUSING INVESTMENTS:** Federal housing investments have been on a downward slide even as the need for new housing grows. Federal housing spending peaked in the fiscal year ending in March of 2007 due to a one-time spike from Bill C-48 (\$1.4 billion in new housing investment authorized in the minority Parliament of 2005). Federal housing investments in 2008 were at their lowest level since 2003 in dollar terms. On a per capita basis, public housing spending is at its lowest level since 1989. Measured against Canada's robust Gross Domestic Product, federal housing spending is at its lowest level in more than two decades. CMHC projects that its net income (mainly from sales of mortgage insurance) will rise to more than \$1.4 billion annually by 2012. Over the same time, spending on new affordable housing will shrink by 95% to less than \$10 million annually. The federal government's major homelessness funding program (Homeless Partnership Strategy - \$135 million annually) and its national housing repair program (Residential Rehabilitation Assistance Program - \$128 million annually) both expire in fiscal 2008. The federal government has not announced plans to renew or enhance these programs. As part of the 1996 federal decision to download most national housing programs to the provinces and territories, there is an automatic “step-out” of federal funding for affordable housing. The number of households currently assisted will drop from 630,000 in 2005 to 594,800 by 2012 – with even deeper cuts in subsequent years. CMHC affordable housing program spending will be cut by almost half a billion dollars over the next four years. Federal housing funding, program and legislative cuts (along with cuts in many provinces and territories) are a violation of the obligation to ensure the progressive realization of housing rights.
12. **STAGNANT PUBLIC INVESTMENTS:** Compared to European countries, Canada's public housing investments are falling sharply. Substantial housing investments are made by provinces, territories and municipalities in Canada, but when these are added to the dwindling federal investments, the overall funding remains below the levels of the early 1990s – when compared on a per capita basis or as a percentage of the GDP. Consolidated federal, provincial, territorial and municipal investment in housing was \$138 in 2008,

compared to \$144 in 1993. Consolidated spending amounted to 0.57% of GDP in 1992 and 1993. Fifteen years later, Canada's GDP had more than doubled, but housing spending had shrunk to 0.29% of GDP. Canada's housing spending is falling short of its international partners. The Organization for Economic Co-operation and Development reports that in 1980, Canada ranked number two among OECD countries in public housing spending as a percentage of GDP. Canada dropped to third spot in 1985, fifth place by 1995, and seventh place by 2003 (the latest year for which figures are available.) Declining housing investment relative to a growing need – especially during a time of growing available resources (a growing economy) – is a violation of the international housing rights standards.

13. STEPS TOWARDS COMPLIANCE WITH HOUSING RIGHTS STANDARDS: Canada has signed the ICESCR and numerous other international legal instruments that recognize the right to housing, but it has failed to incorporate this international right into domestic law. Previous periodic reviews of Canada's compliance have noted this critical failing. Successive reviews have called on the federal government to ensure that this international right is explicitly written into domestic law and that appropriate steps are taken with provincial, territorial and municipal governments to ensure that they realize their housing rights obligations. There are two private member's bills in front of the national Parliament to achieve these objectives: Bill C-242, *An Act to amend the Canadian Bill of Rights (right to housing)*; and Bill C-382, *An Act to provide for secure, adequate, accessible and affordable housing for Canadians*. Neither bill is scheduled for further debate or a vote. The Ontario Human Rights Commission, in its ground-breaking work in 2008 called *Right at Home* sets out a coherent agenda for action that includes a new national housing framework, the incorporation of international housing rights standards into domestic law and 47 detailed recommendations that run the spectrum from income assistance programs to building standards to tenant protection legislation.

14. OUR RECOMMENDATIONS: The Wellesley Institute urges that the Government of Canada take the following steps to come into compliance with its housing rights obligations: (1) Incorporate the international right to housing into domestic law; (2) Take action to implement the many recommendations from previous CESC reviews; (3) Immediately commit to renew and enhance the federal housing and homelessness programs that are due to expire in the current fiscal year (the homelessness program, the housing repair program and the affordable housing initiative); (4) Implement a multi-year affordable housing investment plan, with clear targets, to increase overall public housing spending to meet the growing affordable housing needs of Canadians. Canada used to be a global leader in the realization of housing rights, but two decades of sharp cuts to housing funding, programs and legislation have had a significant impact. Housing insecurity is widespread and homelessness is on the rise. Planned cuts in housing investments from 2009 to 2012 will make a bad situation even worse. The impact is measured in poor health and premature mortality of the growing number of precariously-housed Canadians. The strategy of relying almost exclusively on private ownership and rental markets to deliver housing has been a failure and falls far short of Canada's obligations under international human rights laws to realize the right to housing for all Canadians. Canada could become a leader again in housing rights. This country has the fiscal capacity and we have a history of successful housing initiatives.