



Caledon Institute Welcomes the New National Housing Strategy

November 22, 2017, is a landmark date for social policy in Canada. The federal government announced the details of its National Housing Strategy, which will be rolled out over the next ten years. The cost of the \$40-billion Strategy will be shared partially with the provinces and territories.

One noteworthy aspect of the new Strategy is the federal commitment to make significant investments in affordable housing. While Ottawa played a strong role in ensuring reasonable housing availability in the post-war period, its commitment to this goal has ebbed and flowed over the years. Its funding was never secure and its Constitutional role was always subject to question.

We welcome this new era in which the federal government is stepping up boldly and unequivocally to the plate. Federal commitment is extraordinarily important to ensure stable and secure investments in affordable housing over time.

The second noteworthy aspect of today's announcement is its recognition of access to decent affordable housing as a basic right of Canadians. This right will be enshrined in legislation. The new law will make real the obligation set out in the international Covenant on Social, Economic and Cultural Rights to which Canada is a signatory.

Enshrining this right in law is important recognition of the evidence. Stable decent housing is the foundation for social and economic well-being. It provides the basis for healthy child development. It serves as the cornerstone of vibrant communities.

Unfortunately, an estimated 12.7 percent of Canadians households lived in 'core housing need' in 2016. Their dwelling was considered unsuitable, inadequate or unaffordable, and they could not afford alternative suitable and adequate housing in their community.

Many families worry that they will not have enough money to pay the next month's rent. They live in constant fear of eviction. Thousands are even worse off with no roof at all; an estimated 150,000-300,000 homeless Canadians live on the street in a given year.

Today's federal announcement represents a vital advance in tackling these serious problems. There are three main components to the Strategy.

The first involves an investment in the supply of affordable housing. The bulk of the announced funds will go toward the construction of new affordable units as well as the retrofit and repair of the existing social housing supply. The monies will be directed through a \$15.9 billion National Housing Co-Investment Fund (made up of \$4.7 billion in financial contributions and \$11.2 billion in low-interest loans) and a \$9.1 billion Fund for Community Housing Initiatives.

The Strategy is expected to create an estimated 100,000 new housing units and to repair 300,000 existing units. At least 25 percent of the National Housing Strategy investment will be directed toward the needs of women and girls, including shelters and second-stage homes for women fleeing violence.

The second component of the Strategy is a focus on homelessness. A total \$2.2 billion will be allocated toward the Homelessness Partnering Strategy. The goal is a 50 percent reduction in the numbers of chronically homeless shelter users.

The third major element of the National Housing Strategy is a new Canada Housing Benefit. Many community groups and social organizations have called for this investment and were pleased to see its inclusion in the package. The \$4 billion (to be shared with the provinces and territories) Canada Housing Benefit will be made available to low-income renters.

The advantage of a benefit paid directly to households is that it enables mobility within communities, and portability across a given jurisdiction and even the country. Low-income households will be free to move in search of employment or to be closer to families and other supports. They won't be 'locked in' to a single housing development in which the financial subsidy is tied to their housing unit rather than their family.

There are many factors that will need to be taken into consideration in the design of the Canada Housing Benefit. Its amount and delivery will vary across the country as it will be administered by provinces and territories.

The ongoing evolution of the National Housing Strategy will be assisted by the new requirement for a report on the Strategy to be tabled in Parliament, including targets and results. The appointment of a Housing Advocate and the establishment of a National Housing Council will also go a long way towards keeping a spotlight on housing policy.

Some observers have called the announcement inadequate and insufficient to tackle immediate and pressing affordability and homelessness problems. In our view, the announcement should be understood as a down payment with additional investments to be made on an ongoing basis. The key challenge is to set up a solid and effective platform to which future contributions can be made.

There is precedent for such an approach with the introduction of the National Child Benefit in 1998. It began as a modest benefit that grew over time. The vital part of the work was the creation of the foundational architecture that enabled continual investment in its constituent parts.

The National Housing Strategy introduces the right fundamentals: bolstering the supply of affordable housing, tackling homelessness and providing financial assistance to low-income households to help pay the rent. Together, these measures are intended to remove an estimated 530,000 households from core housing need.

Ottawa has laid a solid foundation on which to build the National Housing Strategy in the coming years and decades.

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