

15th
EDITION

2020 Housing is Fundamental

A Report to the Community of Peterborough



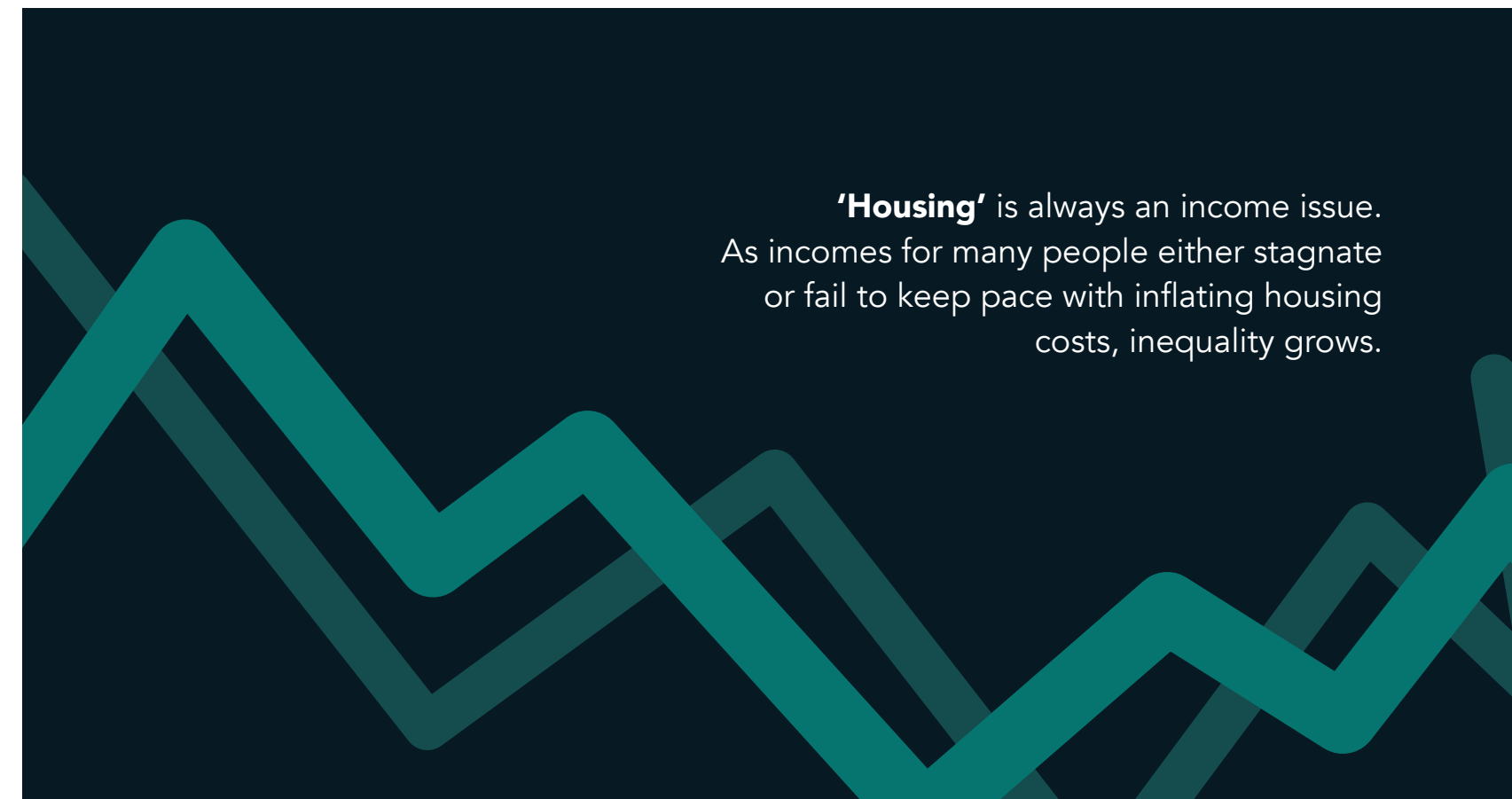
United Way
Peterborough & District

What We Knew in 2003

Findings from the 2003 Housing Needs Analysis and Strategies for Peterborough City and County report.



Is today's housing market **improved, worse or much the same** as it was in 2003?



The Great Recession of 2008 – Spotlight on Inequality

It was an economic shock that ricocheted around the world; the beginning of an era of suspicion and anxiety about the modern economic system.

The housing sector would be transformed by global corporate financial actors and massive amounts of excess global capital. The U.S. government, rather than helping millions who would lose their homes, seemed to side with the banks in encouraging foreclosures. Hedge funds and private equity firms took advantage buying up distressed assets which would later represent enormous profits. In this way the 2008 crisis played an important role in shifting wealth and creating additional inequality. The economic collapse had shone a light on expanding economic inequality.

With the incomes of working people growing slower than the wealth reaped from capital investments like stocks and real estate, the resultant inequality then and now diminishes living standards and the ability to acquire life's necessities.

Most financially onerous in our bid for survival is housing and nowhere is inequality played out

more relentlessly than in the housing market. Rising shelter costs consume greater portions of household income and, insidiously, households forego more life essentials to stay housed.

Less disposable income means less economic participation. Annual economic output is now flatlining. Thomas Piketty refers to this as:

“When the past devours the future.”

(“Capital in the Twenty-first Century”, 2013, Thomas Piketty) Ref. 1

As rental affordability challenges include more people in Peterborough, our community experiences declining nutrition, deteriorating health, limited access to the marketplace, lower educational achievement, homelessness, and heightened social differentiation. In the fifteen years in which Housing Is Fundamental has been produced, these deficits have been growing. This should be taken as a cautionary note. Will we ever redeem these social debts?

PAUL ARMSTRONG

SEE: “How the Great Recession helped shape politics in the 2010s” Ref. 2

RENTAL



Rental Market Highlights

Peterborough CMA, Fall 2019

- ▲ Overall average rent \$1,054 (up 2.6% from 2018)
- ▼ Overall vacancy rate 2.1%
- ▲ Purpose-built rental completions - 13 units
- ▼ No completion of condominium apartments
- ▼ No addition of seniors' residences
- ▼ Weaker employment kept young adults in their family homes
- ▲ Share of owner households headed by a senior increased significantly to 34.9%
- ▲ Addition of secondary suites likely placed upward pressure on the purpose-built vacancy rate
- ▼ Turnover rate declined five percentage points to 12.8% (one of the lowest rates in Ontario) (fewer opportunities for landlords to increase rents beyond the Ontario Rent Review Guideline)
- ▲ Gap between homeownership and rental costs widened making rental more feasible (attractive)

SOURCE: Rental Market Report, Peterborough CMA, Canada Mortgage and Housing Corporation, 2020 Ref. 6

The overall vacancy rate moved higher, yet, remained low from a historical standpoint.

Olga Golozub, Senior Analyst, Economics, CMHC

'Just' Renting: Rethinking Rental in the 21st Century

Renting is changing. No longer is renting a temporary stage in the life course; it is the new normal for a growing segment of society. Yet as the demand for rental continues to grow, it is becoming more precarious, less available, and far less affordable than it has been in previous decades. This has implications for how Canada ensures that everyone has a home that they can afford and that meets their needs.

SOURCE: CMHC 2019 Ref. 3

Vienna ensures housing affordability for all residents with government sponsorship extended to some **60% of households** at a cost of **3% of GDP annually**.

READ: How Vienna Cracked the Case of Housing Affordability Ref. 4

Rent-Geared-to-Income (RGI) Wait List – Peterborough

Also known as the Social Housing Wait List, this list had **1,339 applicants** as of December 31, 2019.

As of July 1, 2020, this list has been administered by the Social Services Dept., City of Peterborough. At the same time, applicants in Peterborough will join the rest of the province and be reduced from three refusals to one refusal.

The (1,339) number does not reflect people who could presumably benefit from rent-geared-to-income apartments.

SOURCE: Social Services Department, City of Peterborough, June 2020

A Living-Wage Earner & a Two-Bedroom Apartment

Peterborough CMA – Fall 2019 (see market rents in this document)

The Minimum-Wage Earner & a Two-Bedroom Apartment

Peterborough CMA – Fall 2019 (see market rents in this document)

Two-Bdrm. - \$1,104 Monthly

Renter Rents 'Affordably'

\$22.65

37.5 hours

Living-Wage Earner

\$17.63

48.2 hours

Hourly Wage

Required Hours of Work Weekly

Two-Bdrm. - \$1,104 Monthly

Renter Earns ON. Minimum-Wage*

\$14.00

60.7 hours

Renter Rents 'Affordably'

\$22.65

37.5 hours

'afford' and 'affordably' imply the CMHC definitions of 'affordable'.

Conclusion: A Living-Wage earner works 48.2 hours or an additional 10.7 hours weekly to **afford** a two-bedroom apartment in Peterborough.

Assumption: Living-Wage earner works full-time, full-year.

Conclusion: Compared to a renter who can **'afford'** to rent a two-bedroom apartment in Peterborough, a minimum-wage earner would have to work an additional 23.2 hours each week to rent **'affordably'**.

***Assumption:** Minimum-wage earner works full-time, full-year. Many minimum-wage earners do not work full weeks (i.e. 37.5 hrs.) or a full year.

On average, a Canadian worker needs to earn \$20.20 an hour working full-time to afford a one-bedroom apartment – well above any provincial minimum wage. Ref. 10

Year | 2005 2015

Average Market Rents* | \$757 \$921

Rent Increase 2005 - 2015 | **21.7%**

Household Median Total Incomes** | \$57,155 \$58,127

Household Income Increase 2005 - 2015 | **1.7%**

Rents Outpace Incomes Peterborough CMA

COMMENTARY: Escalating rents and all-but-stagnating incomes have left households with less discretionary spending. Moreover, it has repositioned many households both socially and economically. This is a simple snapshot of dynamic inequality in the making.

NOTE: Both 2005 and 2015 were years used in Census profiles

*SOURCE: Canada Housing and Mortgage Corporation Ref. 7

**Statistics Canada, Peterborough CMA Ref. 8

After Ten Years

A comparison of rents and required annual wages in 2009 and 2019

Rental Unit Type	Rent 2009	Required Annual Wage 2009	Rent 2019	Required Annual Wage 2019	% Increase Over Ten Years
Bachelor	\$589	\$23,560	\$785	\$31,400	33.3%
1 Bdrm.	\$749	\$29,960	\$942	\$37,680	25.8%
2 Bdrm.	\$875	\$35,880	\$1,104	\$44,160	23.1%
3 Bdrm.	\$1,057	\$42,280	\$1,347	\$53,880	27.4%

Annual wages in chart are required for 'affordability' (i.e. household spending no more than 30% of annual household income for housing).

All wages represent total combined household earnings. All rents are average market rents provided by CMHC (Rental Market Reports).

One-Bedroom Units

Peterborough CMA (Nov. 2019)

\$942 Monthly Rent

Hourly Wage Required to Rent Affordably **\$19.32**

Two-Bedroom Units

Peterborough CMA (Nov. 2019)

\$1,104 Monthly Rent

Hourly Wage Required to Rent Affordably **\$22.65**

CMHC Rental Market Report – Peterborough CMA – January 2020

\$27,300 annually

Ontario Minimum Wage Working Full-Time - \$14/hour

\$682.50 monthly

Affordable Rent

The Rental Crisis for Full-Time Minimum-Wage Earners

A one-bedroom apartment is affordable to full-time minimum-wage earners in only 70 of 795 neighbourhoods in Canada. A two-bedroom apartment is affordable in only 24 of the same 795 locales. "Unaccommodating: Housing Rental Wage in Canada", is based on October 2018 rents and wages and defines affordable as no more than 30 per cent of before-tax income spent on housing. "... in most Canadian cities..... there are no neighbourhoods where it is possible to afford a one- or two-bedroom unit on a single minimum wage." the report says.

In 31 of 36 Canadian metropolitan areas (CMA's), including the Peterborough CMA, there are no neighbourhoods where two-bedroom apartments are affordable to full-time minimum-wage earners.

NOTE: Increased rents reflected in Nov. 2019 CMHC statistics would likely result in fewer neighbourhoods having affordable rents (in one and two bedroom units) for full-time minimum-wage earners than noted in the "Unaccommodating" report.

SOURCE: Ref. 11

Individuals/Households With Incomes Less Than \$30,000 Annually

NOTE: None of the above households can afford any average market rent for any apartment size in the Peterborough CMA.

SOURCE: Statistics Canada 2016 Census Ref. 48

does not include **2,330** individuals with no income

35,115

Individuals With Annual Incomes Less Than \$30,000 After Tax

8,490

Households With Annual Incomes Less Than \$30,000 After Tax

Peterborough (City Only)

Average Private Market Rents & Required Minimum Income

Peterborough CMA - FALL 2019

Rental Type Rent Hourly Wage Annual Wage

Bachelor	\$785	\$16.10	\$31,400
1 Bdrm.	\$942	\$19.32	\$37,680
2 Bdrm.	\$1,104	\$22.65	\$44,160
3 Bdrm.	\$1,347	\$27.63	\$53,880

SOURCE: Canada Mortgage and Housing Rental Market Report, January 2020 (Peterborough CMA) and Custom Calculations

- Market rents **may or may not** include heat and hydro.
- Rents are '**affordable**' (**CMHC definition**) when wages are at or above the numbers in the chart.
- Rents are deemed **affordable** when they represent
- no more than **30% of the gross**, combined household income before tax. (CMHC)
- Hourly wage based on an individual working **37.5 hours weekly** for a full year (1,950 hrs.)

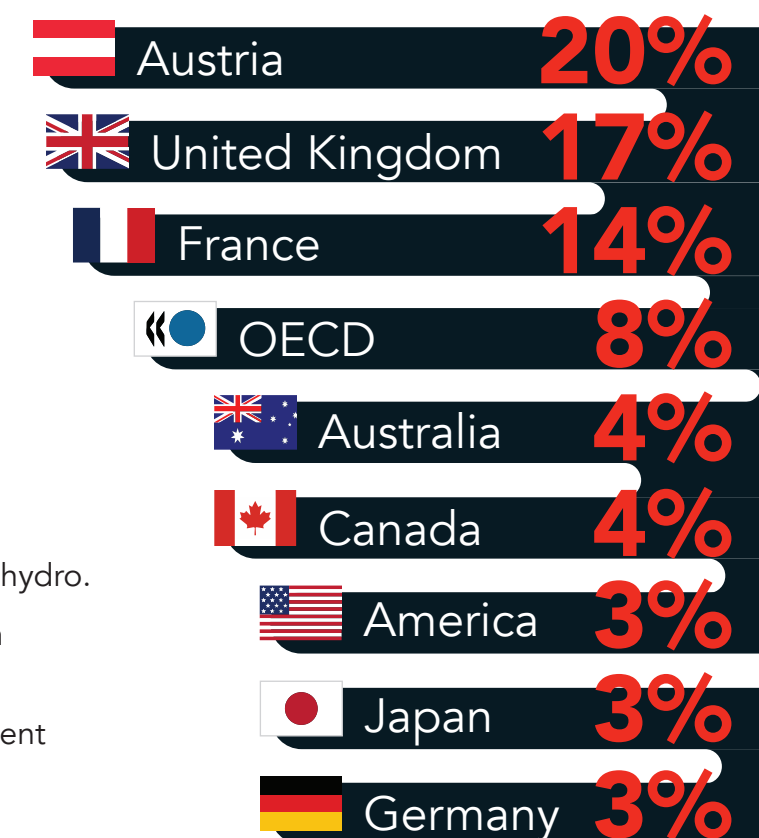
THIS IS A FIRST!

No household earning \$30,000 annually **can rent** any type of apartment '**affordably**' (i.e. without spending more than 30% of household income).

There are **9,735 households earning less than \$30,000 annually** before tax in the Peterborough CMA.

Social Rental Housing Stock

Social Rental Dwellings as Share of Total Dwellings, 2018



SOURCE: OECD Affordable Data Housing Base OECD – Organization for Economic Cooperation and Development Ref. 9

COMMENTARY: It has become increasingly obvious that the housing needs of all people cannot be attained through the private housing market. If Canada is serious about regarding housing as a 'human right', it must intervene to ensure low-income households are not financially crippled with housing costs or displaced from housing altogether.



OWNERSHIP

House Prices Soar: Implications

- barely **half of Millennials** will be able to purchase a home
- more demand** for rental accommodations
- renting will become a **larger share** of the overall housing market
- construction of purpose-built rentals is not meeting demand
- rental rates are **spiking**
- higher immigration targets and natural reproduction are **contributing to higher rental demand**
- increasing value of rental buildings raises **return-on-investment** expectations (rents go up, or buildings are sold, or buildings are repurposed)
- extended times** to acquire permits and approvals for construction
- Canada's rental housing shortage **will deepen**



SOURCE: Ref. 32



Ref. 5

Rental Unit Type	Bachelor	One Bdrm.	Two Bdrm.	Three Bdrm.	Overall Average Rent
Fall 2015 <small>Average Market Rent (AMR)</small>	\$666	\$816	\$959	\$1,172	\$921
Fall 2016 <small>Average Market Rent (AMR)</small>	\$691	\$834	\$980	\$1,208	\$936
Fall 2017 <small>Average Market Rent (AMR)</small>	\$705	\$850	\$988	\$1,190	\$944
Fall 2018 <small>Average Market Rent (AMR)</small>	\$734	\$916	\$1,077	\$1,322	\$1,027
Fall 2019 <small>Average Market Rent (AMR)</small>	\$785	\$942	\$1,104	\$1,347	\$1,054
% Increase <small>2015-2019</small>	17.9%	15.4%	15.1%	14.9%	14.4%

6.24%
(2015 - 2019)
Inflation

Rent Increases 2015 to 2019 Peterborough CMA

COMMENTARY: Rent increases over the last four years have far exceeded the inflation rate and have added significant economic burden to lower income renter households.

EDITORIAL

Multiple Choice:



1 Choose the most critical outcome of "inequality" in the rental housing market.

lack of apartment choice **A)**

poor apartment conditions **B)**

insufficient funds for food and necessities after paying housing costs **C)**

incessant inflation in housing costs **D)**

household financial insecurity **E)**

2 What has contributed the most to the crisis within the rental housing market?

A) insufficient government funding (assistance) relative to need

B) Federal Government departure from the "social housing" business

C) too few purpose-built apartments built in the last two decades

D) financialization of housing driven by substantial profit-taking

E) absence of effective government regulation of the rental market

How Social Innovation Will Solve Government's Priciest Problems

There's a big difference between reactive spending to manage problems (e.g. the justice system, social services, welfare, etc.) and proactive spending meant to solve problems (e.g. healthy food initiatives, affordable housing, etc.). Spending in the latter category can significantly reduce the high costs of problem management. Governments focus on managing problems rather than on solving problems. The trick "is to turn governments from funders into customers."

Consider as an example: The cost of homelessness is high, but Manitoba Housing has determined that for every dollar of supports added to their social procurement strategy, government received \$2.23 back.

Non-profits (i.e. the problem-solvers) have the potential to save governments enormous amounts of money. They ask governments for money to accomplish good social outcomes. In reality they should be asking governments if they would agree to save money.

SOURCE: The Beautiful Bailout, Shaun Loney with Will Braun
SEE VIDEO: <https://www.beautifulbailout.com>

There Are Usually Reasons for Crisis

- consistent government **underfunding**
- **sparse additions** to social housing
- **no new** Long-Term-Care beds
- **inadequate supply** of supportive housing units
- **inflating** rental costs
- **stagnant incomes** among a significant sector
- investor **manipulation** of housing market

How Are Housing and Homelessness Dollars Spent in Peterborough City and County?

Housing and Homelessness (Within the Social Services Budget)

Service Area	2019 Expenditures	2020 Budgeted
Housing Administration	\$945,370	\$893,508
Peterborough Housing Corp.	\$3,750,000	\$3,804,000
Rent Supplement Programs (budgeted amount)	\$2,478,250	\$2,553,250
Non-Profit and Native Housing Providers	\$7,140,000	\$7,165,000
Housing Resource Centre	\$308,000	\$314,000
Housing Access Peterborough	\$145,500	\$148,363
Special Program Funding "DOOR" program	\$125,000	\$250,000
Special Program Funding "Investment in Affordable Housing" program	\$1,547,000	\$1,869,365
Homelessness	\$4,529,844	\$4,433,344
"Home for Good" Program	\$983,236	\$983,236
Total	\$21,952,200	\$22,414,066

SOURCE: Peterborough Social Services, City of Peterborough

Where Do Housing and Homelessness Dollars Come From?

Housing & Homelessness Budget 2020

Funding Source 2020	Amount \$	Percent %
Peterborough County	\$6,091,645	27.2%
Province and Other	\$10,353,748	46.2%
City of Peterborough	\$5,968,673	26.6%
TOTAL BUDGET 2020	\$22,414,066	100%

SOURCE: Peterborough Social Services, City of Peterborough

Simply Facts:

Canada's house price to income ratio is the **highest in the world**.

SOURCE: Better Dwelling, May 27, 2019 Ref. 16



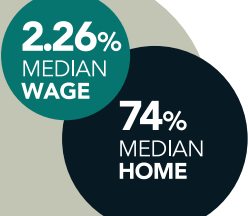
Canadians are carrying some **50 per cent more** debt than Americans, relative to incomes.

SOURCE: Ref. 17



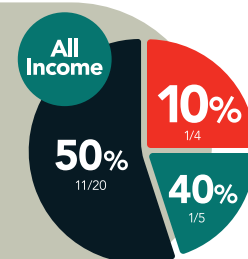
Between 1997 and 2013 in the GTA the median wage **grew by 2.26%** (adjusted for inflation) while the median home price **grew by 74%** (adjusted for inflation)

SOURCE: Ref. 18



Top 10% of income earners have almost one-quarter of all income. **Bottom 40%** of income earners have one-fifth of all income.

SOURCE: Statistics Canada Ref. 19



There is **\$1.77** in credit market debt for every dollar of household disposable income.

SOURCE: Ref. 20



Children represent almost **one-quarter** of low-income persons in Canada. Peterborough is **ranked tenth** in the Census Metropolitan Areas of Canada for children in low-income households.

SOURCE: Ref. 21



National Housing Strategy: How Effective Will It Be?

A report from the parliamentary budget officer (PBO) (June 2019) suggests the National Housing Strategy (NHS) may not alleviate the national housing dilemma. It is unclear the strategy will reduce the number of families who live in substandard housing or the number of households struggling to afford their current homes. Budget officer Yves Giroux's report notes that the plan (NHS) doesn't represent a significant funding increase from current levels and slightly reduces funding targeting households in 'core housing need'. The National Housing Strategy included a 10-year, \$40 billion expenditure in partnership with the provinces and territories

PBO questions whether NHS's laudable goals are achievable.

SOURCES: Ref. 22 and Ref. 23

The Financialization of Housing

Housing is the base for our living, our security, our essential wellbeing. It should be a 'social good', but for investors it's simply a commodity to trade like any other in the pursuit of profit.

Currently, large and pervasive investment has had the effect of inflating market rents that fuel high investment returns. It doesn't help that rental demand is the highest in a generation.

A predatory mentality manipulates the housing market for substantial profits while affordable living is unattainable for too many.

A Thought:

We know that growing numbers of marginalized households need rent-geared-to-income apartments. Why doesn't government invest in more social housing? (Social housing provides affordable rents based on household income.)

WATCH: "Push", The Housing Gap, TVO docs Ref. 24



Not Enough \$\$\$!

Both poverty and housing issues are about not having enough money. Housing costs are running well ahead of income and mechanisms to regulate the housing market are either non-existent or dismal failures (e.g. rent controls). Government compensation to the housing scene is regrettably inadequate.

Without fundamental changes, we are committed to a perpetuating system of deepening housing-induced poverty.

It is unlikely that government(s) will intervene (effectively) to regulate the housing market back to affordability. Therefore, we must look to the income side for relief. Housing is an income issue.

Ingrained Poverty

Income assistance programs like O.W. and O.D.S.P. provide between 40% and 50% of the income at the poverty line. A 'basic income' would provide income top-up based on personal income which would total above the poverty line.

With 'basic income':

- households would enjoy improved housing affordability
- many Canadians could return to the marketplace
- improved health would be almost guaranteed
- the consumer economy would expand

What do we call a guaranteed income threshold exceeding the poverty line for every individual 18 years and older?

A 'BASIC INCOME'

O.W. And O.D.S.P. Caseload City and County of Peterborough

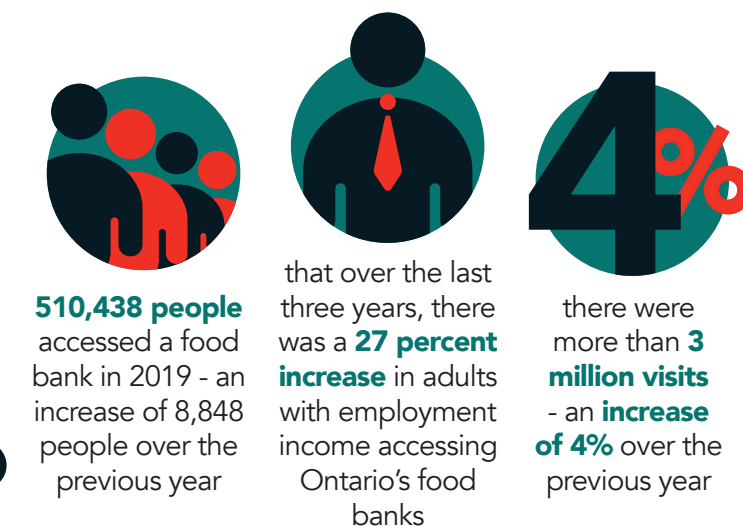
2019 (Dec.)

Ontario Works (O.W.)
3,427*
O.W. caseloads have decreased **4.8%**

Ontario Disability Support Program (O.D.S.P.)
5,696*
O.D.S.P. Caseloads have increased **3.9%**

Ontario 2019 HUNGER REPORT

Did You Know?



Ontario's changing employment landscape has **increased food bank use**.

Feed Ontario believes these increases are a result of a number of changes to Ontario's workforce, including:

- changes to Ontario's social assistance and worker support programs,
- changes to types of jobs available to working-age adults,
- and changes to Ontario's labour laws

SOURCE: Feed Ontario, Hunger Report 2019 Ref. 33

HOMELESSNESS

Do We Want a Divided Community?

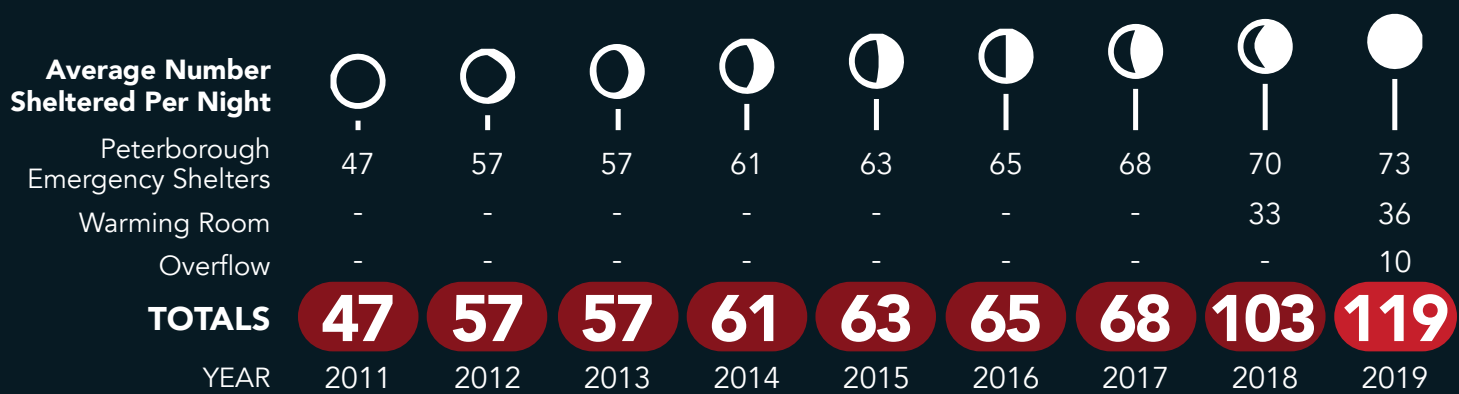
In unequal societies, health and social problems are worse for everyone. Life expectancy, physical health, community connections, mental health, and child well-being deteriorate when there are large gaps between the poor and the rich. (The Wellesley Institute)

COMMENTARY: With tent city in Peterborough (2019) the hidden issue of perennial homelessness could not be denied. Severe contrasts in how we live in this community were exposed. Some City residents sympathized, wanting better solutions for the homeless, while others simply wanted it to 'go away' whatever it took. Are we a City of two communities consistent with a nation of 'haves' and 'have-nots'?

Peterborough Emergency Shelter Costs

2019	Brock Mission	Cameron House	Youth & Family Emergency Shelter	TOTALS	Difference from 2018
Number of Bed Days	14,319 <small>14,049 (2018)</small>	3,692 <small>3,793 (2018)</small>	8,702 <small>7,821 (2018)</small>	26,713 <small>25,663 (2018)</small>	4.1% INCREASE
Base Funding	\$1,035,292 <small>\$975,580 (2018)</small>	\$566,052 <small>\$457,600 (2018)</small>	\$1,601,344 <small>\$1,433,180 (2018)</small>		11.7% INCREASE

NOTES: The Brock Mission and Cameron House are operated by one entity or service provider. SOURCE: Social Services Department, City of Peterborough, May 2020



NOTE: The Warming Room was only open from January 1st to June 30th in 2019, and Overflow was only open July 17th to December 31st in 2019. Social Services Department, City of Peterborough, April 2020

On average **119 individuals accessed shelters each night** in 2019.

(includes Brock Mission, Cameron House, Youth and Family Emergency Shelter, the Warming Room and Overflow)

Homelessness: No Quick Fix

Our emergency shelter system is not a permanent housing solution. Emergency shelters, however, are a permanent feature within our community.

Why?

- finding permanent housing is difficult;
- supportive housing services are expensive requiring continuous funding;
- homeless numbers are growing;
- the systemic determinants of homelessness are not being addressed effectively;

We can end chronic homelessness in a way that is life-changing for individuals and enormously beneficial for all of society. (Dr. Stephen Hwang)

Ref. 26 and Ref. 27

Supportive Housing

Q. What is it?

A. Supportive housing provides a home with access to on-site supports to ensure people can achieve and maintain housing stability.

Q. Is it costly to taxpayers?

A. Studies show the cost of providing supportive housing is less than the cost of providing the health and public safety services needed to address homelessness.

Q. Does supportive housing work to reduce homelessness in my community?

A. Supportive housing residents are no longer homeless after they are housed. Once in a supportive housing unit, individuals report improvements in access to employment, income, education, addiction issues, mental health and life-skills.

COMMENTARY: Peterborough is working to reduce and eventually end homelessness. The goal is to achieve "functional zero" by 2025. "Functional Zero" means three or less chronically homeless over three months. Supportive housing is key to success in this effort.

SOURCE: Community Benefits of Supportive Housing, B.C. Housing Research Centre Ref. 30

SOURCE: Gaetz, Stephen, Jesse Donaldson, Tim Richter and Tanya Gulliver. The State of Homelessness In Canada 2013. A Homeless Hub Research Paper.

Growing Wealth and Increasing Homelessness

One might think that homelessness fluctuates inversely with a nation's wealth. Accordingly, homelessness would shrink during periods of economic growth and unprecedented individual wealth. But Dr. Cameron Parsell found something quite different. Sustained wealth expansion in Australia, was concurrent with homelessness increases at a rate higher than population growth. During this climb the government increased funding for specialist homelessness services and reduced funding for social housing.

Dr. Parsell demonstrated how wealthy governments subtly erode public services for the homeless while the charitable sector unintentionally compensates, meeting immediate and basic needs. However, without sufficient social assistance income and sufficient social housing, the ultimate outcome is still an increase in homelessness.

Charitable initiatives may soothe the consequences of homelessness, but do not address the structural, and policy level failings that create homelessness. Charitable responses to homelessness may obscure the need to fund longer-term solutions, such as increasing affordable housing stock.

COMMENTARY: If we are going to end homelessness, it must be done at a social policy level. This will require policy shifts and deep investment of our government.

SOURCE: Growing Wealth, Increasing Homelessness, and More Opportunities to Exercise Our Care to the Homeless, Dr. Cameron Parsell, School of Social Science, The University of Queensland, St Lucia, Queensland, Australia, Jan. 15, 2020 Ref. 25

Economic Refugees – When Even Modest Living Is Impossible

Oppressive living costs, (notably housing), relative to meagre incomes is a too common equation. The result: people are displaced from mainstream life.

COMMENTARY: What about declaring a definitive "minimal-living standard" as a human right? A universal basic income could turn that declaration into a living reality.

INEQUALITY

What's the Big Deal About Inequality?

What is it?

Wealth and income disparity between the wealthiest elites and the masses who struggle under ballooning household debt and stagnating incomes.

How does it happen?

It occurs because the incomes of working people grow slower than the wealth reaped (by a small minority) from capital investments (like stocks and real estate).

What can we expect?

When inequality is sustained over long periods, annual economic output declines and stagnates. More people will participate less in the marketplace.

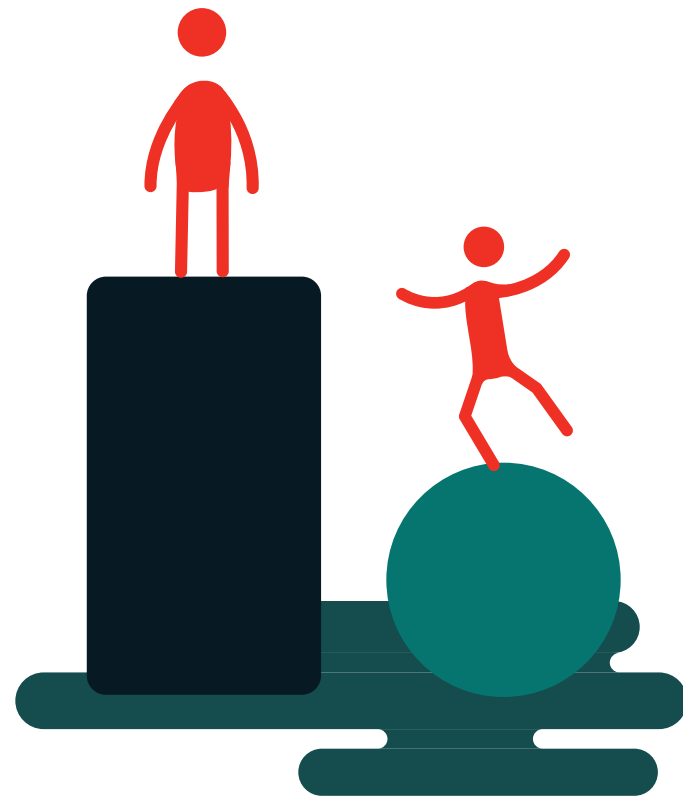
Does this have anything to do with my housing costs?

In housing inequality fewer people are able to consider home ownership. It has also resulted in higher rents and too few apartments. "Core housing need" has expanded, meaning that households and individuals are more insecure.

SOURCE: Ref. 40

Inequality has been robbing many Canadians of **security, prosperity, and dignity** for decades. No, we don't just have an adjustment problem; we have—as we have long had—an inequality problem.

Ref. 41



The Crisis of Income Inequality

Corporate focus on maximizing profits for shareholders has led to atrocious inequality

The widening gap between rich and poor is an ever-increasing drain on government treasuries, when expressed in the welfare, health-care and criminal-justice systems.

Can income inequality expand further? Estimates suggest one third of Canada's existing workforce will suffer job loss to a robot or other form of automation in the next decade.

SOURCE: David Olive, April 19, 2020 Ref. 36

COMMENTARY: Lack of affordability and availability in our housing market is a product of widening inequality in income.

Corrosive, Disruptive, Unjust

The seeds of poverty and unnecessary health decline can be found in inequality. Every day inequality grows as exploitive economic mechanisms redistribute wealth.

Inequality is the inevitable outcome of a socio-economic system that designs and reinforces the dynamics of imbalance - a system embraced in our democratic society. But while this structure is lauded, it results in the untamed disparity found in our communities. How, otherwise, could one per cent of our society control twenty-five percent of the nation's wealth?

We need to recognize the growth of inequality and its corrosive effects. When we do, perhaps we will understand the need for compensatory actions that can overcome its worst consequences.

In housing, governments display a clear admission of the deficits of inequality – especially those accrued by low income households. But government programs are always a day late and a dollar short. Clearly we witness the power of economics over social justice.

PAUL ARMSTRONG

Income Distribution (Total Income)

Peterborough CMA – 2016 Census

Percent of All Income Persons	Income Persons	Income Range \$
70.2%	68,470	\$0 – \$49,999
23.5%	22,925	\$50,000 – \$99,999
4.5%	4,335	\$100,000 – \$149,999
1.8%	1,775	\$150,000 and over

SOURCE: Ref. 34

COMMENTARY: This above income pattern clearly demonstrates exaggerated income inequality.

The Mirage of Universality

Disturbing inequities persist in both our society and our health care system. For example, between 1993 and 2014, the likelihood of dying from a preventable cause increased more than twofold when comparing Ontario's poorest and most affluent neighbourhoods. Thousands of deaths are avoidable every year.

SOURCE: Ref. 37

When compared with our international peers, Canada ranked last on the amount we spent on social programs in 2017. Canada needs to invest in, and evaluate, new social programs such as a guaranteed annual income. CMAJ (Feb. 2020)

Ref. 38

COMMENTARY: The relation between income and health is bidirectional. We value sustainable growth and development more than sustainable health and well-being.

SOURCE: Canadian Medical Association Journal Ref. 39

The Age of Increasing Inequality: The Astonishing Rise of Canada's 1%

The bottom three-quarters of Canadian taxpayers have seen no meaningful increase in annual incomes dating back to the early 1980s. This is in stark contrast to a very slim minority who have seen steady income growth, particularly in the last decade.

The incessant growth of inequality is arguably the most crucial policy challenge facing governments today.

Inequality is the most salient reason for the growing affordability challenges in the rental housing market.

SOURCE: The Age of Increasing Inequality: The Astonishing Rise of Canada's 1%, Lars Osberg Ref. 35



AFFORDABILITY

Affordable Living?

If 'affordable' living can be viewed as a commonly shared and holistic goal of health, the question becomes: Is our government contributing to a healthy life for the many, or for the few? (The Wellesley Institute, The Broadbent Institute)

SOURCE: Ref 24

Affordable for Whom?

The term affordable is misleading at best and dishonest at worst. Let's be informed. You must know either the proposed rent or your before-tax household income to determine 'affordability'.

The National Housing Strategy has defined 'affordability' in relation to average market rents and not in relation to what households can actually afford to pay. See: "National Housing Strategy: How Effective Will It Be?" in this document.

DISCOVER YOUR 'AFFORDABLE' RENT

Annual Household Income Before Tax

Affordable Monthly Rent - CMHC Threshold

$$\$40,000 \times .025 = \$1000$$

(EXAMPLE) Annual Household Income

Affordable Rent

x .025

=

Affordable Rent

YOUR Annual Household Income

Affordable Rent

DISCOVER YOUR 'Affordable' ANNUAL HOUSEHOLD INCOME BEFORE TAX

Monthly Rent

Annual Household Income Before Tax

$$\$1,225 \times 40 = \$49,000$$

(EXAMPLE) Monthly Rent

Affordable Income

x 40

=

Affordable Income

YOUR Monthly Rent

Affordable Income

NOTE: CMHC Definition of 'Affordability': Housing is 'affordable' when total housing costs (including utilities) do not exceed 30% of total annual household income before tax.

Not New, But Pervasive.

The plight of renters, as measured by the twin indicators of affordability and availability, is deteriorating.

David Hulchanski, 2012.

The affordability of housing is the biggest issue facing cities.

Leilani Farha, the United Nations special rapporteur on adequate housing.

COMMENTARY: While provisions within the National Housing Strategy attempt to remediate, will it be timely and proportionally adequate? (See "National Housing Strategy: How Effective Will It Be?" in this document.)

SOURCE: Ref. 15

Affordable Living Is In Decline

It used to be that if the economy was good, most other things followed. That is no longer the case.

Workers are being displaced with artificial intelligence (AI) that maximizes productivity and profits. While governments try to compensate with parental leave, unemployment insurance, re-training programs, child care benefits, social assistance and more, poverty and absolute marginalization persist.

Governments are concerned with declining consumerism and its effects. But are governments focussed sufficiently on deteriorating health, increasing morbidity, sub-standard living conditions, and diminished dignity?

Continuous measurement of productivity, GDP (gross domestic product) and workforce participation is misdirected when a large part of our citizenry cannot make ends meet.

Rolling all social programs into one universal basic income might better address living affordability.

SOURCE: Ref. 13



BASIC INCOME

Income Support Necessary to Relieve Housing Malaise

Federal and Provincial funding for housing is helpful, but its application is piecemeal and anything but universal. Too often it does not benefit those in greatest need. The universality of a 'basic income' would ensure that all housing-burdened households would be able to reduce their current overspending on housing. Notwithstanding the economic benefits, one major result would be the ability to consume essential goods and services with concurrent health benefits.

Canada Child Benefit Makes the Case for Basic Income

The Canada Child Benefit (CCB) has not only lifted kids out of poverty, but it has boosted the country's economy by \$139 billion since 2016. Every dollar Ottawa spends in child benefits generates almost \$2 in economic activity.

A new economic analysis suggests the benefit "acts as a basic income guarantee for families with children". CCB contributes to Canada's economy and prosperity by increasing family spending on goods and services.

Basic income is an economic issue as much as it is a social issue.

SOURCE: Ref. 42

Economic Contribution of the Canada Child Benefit: A Basic Income Guarantee for Canadian Families with Children Ref. 43



PLEASE WATCH

This amazing short video is helpful in understanding the urgency for a 'basic income'.

<https://www.youtube.com/watch?v=qlwyTtPY0vY>

...nothing so denies liberty as a total absence of money.

John Kenneth Galbraith



LONG-TERM-CARE

Safe Environments in LTC Depend on What A Senior Can Pay

People unable to afford a private or semi-private room are allocated to more risky environments (i.e. LTC ward rooms commonly found in older facilities).

What does this look like?

Wards usually have four residents, with only curtains separating them. In some cases, all four residents must use the toilets remote to the ward further complicating efforts to control infections.

What's needed:

Use the model of the Canada Health Act to develop a universal public long-term residential care plan that is adequately accessible and funded.

Stop privatization of LTC and ensure non-profit ownership. Move to integrate and coordinate health care services through public mechanisms.

SOURCE: Re-imagining Long-term Residential Care in the COVID-19 Crisis Pat Armstrong, Hugh Armstrong, Jacqueline Choiniere, Ruth Lowndes, and James Struthers (Canadian Centre for Policy Alternatives)

Did you know?:

The Canadian Nurses Association is recommending the implementation of a national seniors strategy and asking the Canadian government to ensure seniors have access to affordable and adequate housing and adequate income support both of which influence social isolation and adverse health outcomes. The pandemic clearly presents a challenge to the individual-level interventions and reveals shortcomings in community-level approaches to prevent senior social isolation.

Canadian Nurses Association – Advancing Inclusion and Quality of Life for Seniors (2017), Accessed May 28, 2020 Ref. 46

Peterborough: Seniors are “Languishing” on an Ever-Growing Waiting List

849 PEOPLE A government document states a waiting list of **849 people** for Fairhaven which has **252 beds**.

2127 PEOPLE For **803 long-term care beds** in the city and county, a total of **2,127 people** are on the waiting list.

GREW 40% That waiting list **grew by 40 per cent** in three years.

SOURCE: Peterborough Examiner, November 22, 2019 Ref. 45

Long-Term Care Home Quick Facts

Central East Local Health Integration Network As of February 29, 2020 (Peterborough is in the Central East Local Health Integration Network Area)

68 Number of LTCH homes in the Central East area

9507 Number of long-stay LTCH beds in the Central East area

12768 Number of individuals waiting for a LTCH in the Central East area

441 Average number of individuals per month who move into a LTCH in Central East

39% Percentage of individuals moving to their first choice home on initial bed

SOURCE: Central East LHIN, Information About Home and Community Care, Long-Term Care Homes (LTCH) Ref. 44

Long-term Care Facilities

In the past decade, the long-term care sector has undergone profound change. Historically, long-term care homes accommodated a mix of residents with low to very high care needs. Since 2010 however, only people with high or very high care needs are eligible for long-term care in Ontario. The result: Ontario seniors are entering long-term care homes when they are older, frailer, and in need of more medical and personal care than ever before.

Long-term care is part of the province's health care system and publicly funded on a cost-shared basis with residents. The government does not pay the full cost of long-term care and expects residents to pay a portion of their “room and board” to the long-term care home. This “room and board” payment is what long-term care homes use to make a return on their investment.

The government sets the amount that residents must pay the home, with an opportunity to qualify for a subsidy if a resident's basic accommodations are not affordable (up to \$1,891.31 a month). Residents also pay out of pocket for any medications or other services not covered by their private insurance plans or the provincial drug benefit program.

Provincial funding for long-term care in 2018:

- **\$12.06** per day for specialized therapies, recreational programs, and support services
- Approximately **\$100.91** per day for nursing & personal care (such as assistance with personal hygiene, bathing, eating, and toileting)
- **\$149.95** per resident, per day (\$54,730 per year)
- **\$9.54** per day for raw food (ingredients used to prepare meals)
- **\$4.28** billion (7% of the overall provincial health budget)

COMMENTARY: The Covid crisis has produced reports revealing the irrefutable and appalling living experience within long-term-care facilities. The need for profound improvement is incontestable.

SOURCE: 2018 Ontario Budget, LTCH Level-of-Care Per Diem Funding Summary (July 1, 2018)

Now We See Clearly

Covid has been revealing in many areas: health care, long-term care, precarious work, economic insecurity and more. Particularly evident is the impossibility for everyone to access what they need to simply live, let alone thrive. In this period of Covid uncertainty, maybe more than ever, we can see how unacceptable this is and what it costs us.

In reference to the pandemic, some have used the word “apocalypse” which literally means an uncovering or revelation - not an end, but the beginning of a new and better order. Seeing the faults of the world we live in laid bare, can we build something better?

What is the personal cost to seniors?

As of July 1, 2019, the maximum daily accommodation rates are as follows:

Type of Accommodation

Daily Co-Payment

Basic Long Stay

\$62.18

Semi-Private Long Stay*

\$70.70 to \$74.96

Private Long Stay*

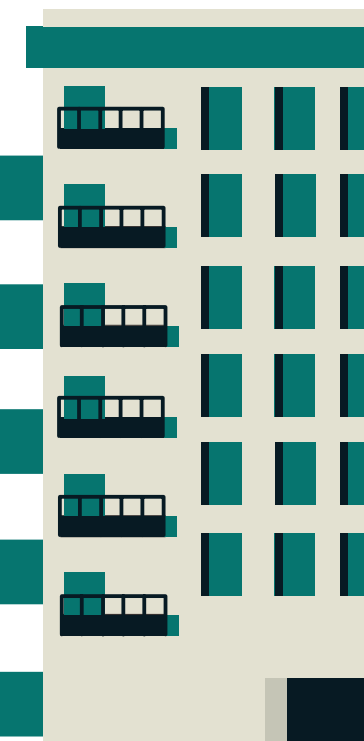
\$81.35 to \$88.82

Short Stay (Respite)

\$40.35

*Varies depending on home's structural class and date of move-in.

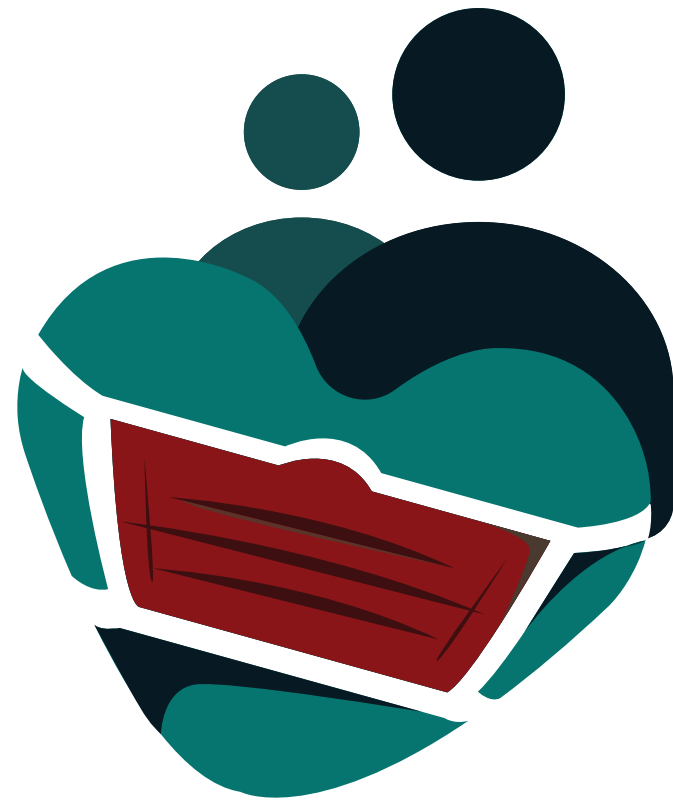
SOURCE: Ministry of Health and Long-Term Care Ref. 47



Building a better social system: lessons learned from Covid-19

The year 2020 will be remembered certainly for the impact that Covid-19 has had on our communities, our nation and our world. Generations to come will read of its' impact on our work culture, our health system, our economy, our emotional and physical health. But it will also be remembered as a time of resilience, innovation and compassion.

A **healthy, equitable community** is one that offers complete social, physical and mental well-being to all its residents at all stages of life and has the following themes embedded across all the **components**: accessibility, affordability, stability, diversity, safety, equity.



As we strive to collectively better our community:

1 Will our governments **finally justify** and put in place the resources for a **basic income**?

2 Can we **build a new support system for the homeless** and learn from the innovative approaches in larger centres e.g. providing emergency housing in hotels to a great success?

3 Will our long-term care system be overhauled to **ensure adequate staffing, appropriate compensation for all support workers** and appropriate physical plants without multiple-bed rooms and with mandated air conditioning?

We have experienced an amazing collaboration amongst communities, provinces and the federal governments as well as all political parties.

Will this result in a better system of social supports in the future?

Dawn Berry-Merriam



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Housing, Income and Health:

For most of this year, because of COVID-19, we have been advised to stay home. Most of us have complied with this public health recommendation. For many in our community this simple request is unachievable. Many do not have a home. Many more are precariously housed. Many thousands are spending more than the recommended 30% of income on shelter, thus compromising health in other ways such as the inability to purchase nutritious food.

Adequate basic income, and shelter, are essential components of a person's health. Enough money, and a safe secure place to live enhance one's ability to stay healthy. They are key social determinants of health, both for individuals and a community.

Income and housing. Housing and income. They go hand in hand with wellbeing and the opportunity to prosper, feel included, and contribute to a community.

This 15th anniversary of Housing is Fundamental takes a deeper dive into the circumstance of housing in our community and highlights the ever-increasing pressure on both home ownership, and affordable rent.

It is we hope, a clarion call for a deeper discussion and action on a Basic Income in our country. It is we hope an enticement to a deeper discussion and action on affordable housing for people in our community.

Finally, while the virus is "unprecedented", it is critical that our response and recovery is equally unprecedented. More critical still, we need a recovery for all. We need conviction that housing is a human right. We need to embolden policy and investment in safe affordable housing for all citizens.

The United Way is proud to produce this annual report to the community, and to be joined with many in our community in the Built for Zero Campaign dedicated to ending homelessness in Peterborough by 2025.

JIM RUSSELL B.S.W., M.S.W.

CEO United Way Peterborough and District

