The Canadian Housing Crisis:

A Secondary Research Analysis of Unaffordable Housing in Canada

By: Cayley Roddie

A Housing Crisis occurs when there is an extended and increasing scarcity of affordable housing and the housing supply falls far short of demand. Most major cities are experiencing this problem as strong economic growth has led to massive population growth and sky rocketing housing prices. (Fung, Parikh & Zulauf, 2020)

According to Strobel, Burcul, Hong Dai, Ma, Jamani and Hossain (2021), homelessness can be defined as people living on the streets, staying in emergency shelters, temporarily staying with friends, family or strangers, temporarily living in motels or hostels and/or living in inadequate or high-risk housing. On any given night, Strobel et al. (2021) say that 25,000 to 35,000 people may be experiencing homelessness, with over 235,000 people experiencing the same within any given year in Canada. However, the Canadian housing crisis is not limited only to homelessness. Ben Winck (2021) states that it is estimated that, compared to every other G7 nation, Canada has the fewest homes per every 1000 people. In the year of 2020, housing prices jumped by 22 per cent, placing home prices at a record high in Canada (Winck, 2021). These are significant factors that create challenges for both housed and homeless people when seeking homes to rent or buy, further contributing to the housing crisis within Canada.

I argue that the housing crisis is one of the most important political issues facing Canadians today. This issue affects Canadians, particularly who are low-income, as rent and mortgage prices skyrocket, putting people in vulnerable positions. The housing crisis has been exacerbated by many issues and can be solved by the government investing time and money in various issues. This paper first explores emergency department access within homeless populations (Strobel et al., 2021; Forchuk et al., 2015), then the effects of inflation and supply

shortages (Fung et al., 2020; Rherrad et al., 2019), and closes with housing needs within First

Nations communities (McCartney et al., 2020).

Literature Review

This literature is organized chronologically and focuses on houselessness among people

with mental health issues (Forchuk, Reiss, Mitchell, Ewen, & Meier, 2015) and real estate

bubbles (Rherrad, Mokengoy, & Fotue, 2019).

Forchuk, Reiss, Mitchell, Ewen and Meier (2015) found that homeless individuals access

emergency services more frequently than those who are housed. Due to this disproportionate rate

of emergency department (ED) use, Forchuk et al. (2015) found EDs to be an effective place to

reduce homelessness via not discharging to homelessness without intervention. In a study of 14

people, Forchuk et al. (2015) found that of the seven participants who received

intervention/assistance remained housed after six months, six participants who did not receive

intervention remained unhoused. By introducing an intervention of providing database access to

welfare and available rental housing, discharges from EDs to homelessness were reduced to nine

per cent – a 20-time decrease from the baseline data (Forchuk et al., 2015). Overall, the

researchers found that more in-depth screening and increased psychosocial support reduces

homelessness and non-medical visits to EDs.

Rherrad, Mokengoy and Fotue (2019) studied 'real estate bubbles,' also known as

financial imbalances, or gouging within the Canadian real-estate sector with a focus on

Vancouver, Toronto and Montreal. The researchers found that the real-estate markets in both

Toronto and Vancouver are experiencing 'real estate price exuberance,' whereas Montreal is at

risk of experiencing the same phenomena. Real estate price exuberance is when prices of homes

skyrocket and may be higher than proper evaluation (Rherrad et al., 2019). It was also found that

many factors may increase or decrease these imbalances, including governmental real estate

regulation and excessive price spillover from US real estate prices (Rherrad et al., 2019).

Emergency Department Access within Homeless Populations

Throughout a study that ranged from 2010-2017 on people experiencing homelessness

that visited emergency departments in Ontario, Strobel et al. (2021) discovered an overall rise in

homelessness over those seven years.

Table 1: People Experiencing Homelessness Based on Visits to all Emergency Departments

in Ontario (Strobel et al., 2021).

Figure 1
Time series of unique people experiencing homelessness based on visits to all emergency departments in Ontario by year of visit and gender

Number of unique patients experiencing homelessness
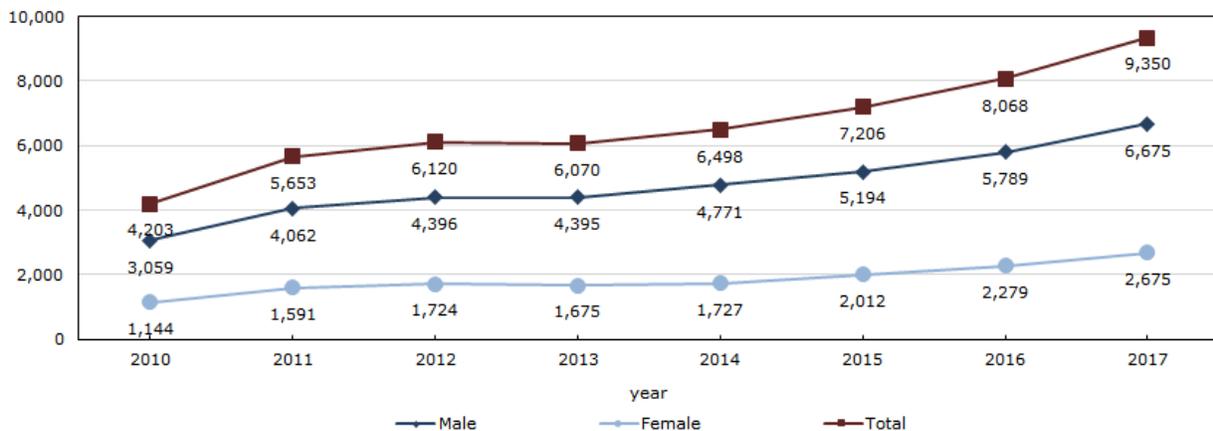
Source: National Ambulatory Care Reporting System for Ontario from 2010 to 2017.

Particularly, Strobel et al. (2021) found the age range of men experiencing homelessness

changed from the 50-to-54 age range to the 20-to-24 age range, while in women experiencing

homelessness, all age ranges between 20 and 34 doubled. Additionally, Strobel et al. (2021)

found a shift in the location of homeless populations. It was discovered that homelessness

became more prominent in more suburban, growing municipalities such as Hamilton and

Windsor within Ontario (Strobel et al., 2021). In the first year of this study, Toronto made up for

about 60 per cent of Ontario's homeless population; in 2017, the final year of the study, it made

up for just over 40 per cent, with smaller municipalities each seeing individual overall growth

(Strobel et al., 2021).

Although homelessness and mental health issues are not always directly related, Forchuk

et al. (2015) note that homelessness disproportionately affects individuals who face mental health

challenges. A lack of knowledge of and access to resources often lead to emergency department

visits:

> *When a person with mental illness is in crisis due to income or housing issues, particularly outside of normal 'office hours', there is often no specific emergency service to turn to, other than homeless services or emergency medical services. While some cities offer mental health crisis services and beds, people may not be aware of or access them. As a consequence, the emergency department (ED) of a hospital may be chosen… (Forchuk et al., 2015)*

A study explored by Forchuk et al. found that the average annual number of ED visits for people

experiencing homelessness was six, compared to one to two visits a year for non-homeless

participants.

Additionally, Forchuk et al. (2015) found that within the individuals who participated in

their study, over 35 per cent of individuals experiencing homelessness accessed an ED for mental

health needs, compared to just over four per cent of housed individuals accessing EDs for mental

health reasons. During their study, Forchuk et al. (2015) found homelessness as a reason for

accessing an ED for mental health support is likely underreported, as none of their participants

listed housing as a reason for their visit during triage, but all mentioned it was a stressor for their

mental health challenges during research interviews. Due to evidence of underreporting, Forchuk

et al. state that more effective screening practices are necessary to offer intervention when

discharging people experiencing homelessness from EDs.

Effects of Inflation and Supply Shortages

The housing crisis has effects on demographics beyond the homeless population. Within

the housed population of Canada, this crisis creates challenges in finding affordable rental homes

and homes to purchase. These challenges can include people being pushed into crowded,

inadequate, or dangerous housing situations, or being forced to pay rent or mortgage payments

beyond their means, thus compromising food security, access to education and healthcare, and

general wellbeing (Fung et al., 2020).

According to Fung et al. (2020), this crisis is primarily fuelled by two potential factors:

growth combined with a supply shortage, and inequality and housing costs rising at a faster pace

than individual incomes. Additionally, Fung et al. say a significant decrease in affordable rental

units has created a lack of accessibility. This decrease has been caused by new structures being

built for high-cost luxury rentals, lack of laws against rental increases and the financialization of

housing (Fung et al., 2020). Despite the United Nations declaring a safe and secure home a

human right, the practice of high-income individuals and companies buying housing as an

investment or other financial strategy is increasing:

> *The treatment of housing as a financial asset is often done so at the expense of people who need it as shelter. Policies, such as divestment from social housing, removal of rental protections, and vacancy decontrol have opened the housing market up to exploitation by financial firms. (Fung et al., 2020)*

The monthly cost to the Canadian government to subsidize a single social housing unit is $306

CAD, whereas the cost of subsidizing a single bed in a homeless shelter is $2250 CAD (Fung et

al., 2020). Despite this wide gap, social housing can be hard to come by and agree on because of

social stigmas such as the idea that the presence of affordable rental housing will decrease

property values and assumptions that renters care less for their communities than homeowners

(Fung et al., 2020).

Inflation and lack of regulations around housing costs can lead to another social-financial

phenomenon called real estate bubbles. Throughout a study that was conducted in Toronto,

Vancouver and Montreal using data from 1988 to 2018, Rherrad et al. (2019) found that

over-evaluation and price exuberance occurred in Toronto and Vancouver and called these

actions 'contagious.' This means when prices are inflated in Vancouver, they also become

inflated in Toronto and vice versa. Rherrad et al. found less evidence of real estate bubbles and

their contagion within Montreal, however, note a risk of price exuberance within this city.

Housing Needs within First Nations Communities

These sub-groups of people experiencing homelessness have been affected by different life circumstances with each having a unique experience as far as being homeless is concerned. It is due to these varying circumstances that homelessness is considered as an issue, which is not strictly contingent to housing instability. (Abijet, 2020)

Colonialism is a root cause of homelessness for Indigenous people. Abijet (2020) outlines that

colonization and colonial practices have marginalized First Nations communities and have

caused pain, suffering and trauma that can influence situations that lead to homelessness,

particularly in urban settings.

In rural settings, particularly on First Nations reserves, McCartney, Herskovits and

Hintelmann (2020) state that the three components of the Core Housing Needs cannot be applied

due to varied needs. McCartney et al. (2020) state that housing policy and programs were created

and dominated by the Canadian government in a failing attempt to bring on-reserve households

to a Canadian standard of living and disregard local culture, preferences and climates.

Additionally, McCartney et al. (2020) state that past attempts at supporting housing on reserve communities have not only been poorly executed by the government, but also poorly communicated, particularly to the First Nations peoples living in said communities.

In their study conducted on Eabametoong First Nations reserve, McCartney et al. (2020) found that over 79 per cent of homes have three or more rooms. However, within this First Nations community, movement between homes is common, specifically compared to colonial standards (McCartney et al., 2020). This means family members may live in the house only some of the time. Adult children, adult siblings, and other extended family members are also more likely to be primary members of a household. At the time of their study, McCartney et al. stated that 163 families were on the waitlist for housing in the community of Eabametoong. Due to the high number of multi-room homes in the Eabametoong First Nations reserve, families are usually prioritized on this waitlist leaving young adults and other single individuals in crisis. Young people end up being pushed off the reserve in pursuit of independence from their parents, but are left without the support of their family, culture, language, and identities (McCartney et al., 2020).

It was found through comparing Canadian suitable housing standards to First Nations housing policies and frameworks that the current solutions being offered by the federal government are under-funded and unsuitable, leading First Nations peoples to live under colonial norms (McCartney et al., 2020). McCartney et al. argue that performing community-based housing assessments can lead to targeted solutions, reducing or ending colonial approaches to the housing crisis.

Recommendations

To mitigate the Canadian housing crisis, it is recommended that the Canadian government create more effective programming in hospitals and emergency departments to screen for homelessness in triage. Additionally, creating more support for people experiencing mental health issues and discontinuing the practice of discharging patients into homelessness will reduce chronic homelessness within vulnerable populations.

Next, it is recommended that the Government of Canada continue to work towards reducing harmful practices that occur within the real estate sector that contribute to inflation and housing bubbles. Justin Trudeau has acknowledged the home-buying process needs to be reworked and has laid out plans to build 1.4 million homes over the course of four years (Winck, 2021). Additionally, Winck (2021) states that Trudeau plans to ban the practice of purchasing homes as investments, particularly to reduce the effects of foreign buyers inflating prices of both rental and owned properties.

To contribute to reducing the effects of colonialism on the housing crisis within Canadian Indigenous communities, it is recommended that the Government of Canada work with and listen to First Nations leaders and elders. Previous frameworks applied by the Government of Canada failed within Indigenous communities due to the lack of cultural understanding and forcing of colonial standards. While the Government of Canada listens to Indigenous leaders, they must also follow through and assist with requests made from each community. Overall, the government must understand that rural communities of all kinds have different needs than urban communities.

Lastly, the Government of Canada must apply certain functions of government public relations. Lee, Neely and Stewart (2012) list increasing the use of services and products, as well

as public education and public service campaigns as an optional, but useful purpose of GPR.

This paper has two examples of the government poorly communicating support systems and/or

failing to educate the public as a contributor to the housing crisis, one from Forchuk et al. (2015),

and another from McCartney et al. (2020). This evidence allows me to make a strong

recommendation to invest in communications plans to create and distribute effective campaigns

to educate the public of whatever supports, programs and solutions become offered in the fight to

reduce the housing crisis. Two-way communication and listening to Canadian citizens will also

be vital in mitigating this issue.

Conclusion

The Canadian housing crisis is a multifaceted issue that affects nearly every Canadian.

Mental health is a significant factor within the homeless population – becoming homeless can be

caused by a lack of mental health support and being homeless can be an added stressor to mental

health issues as outlined by Strobel et al. (2021). Research by Fung et al. (2020) and Rherrad et

al. (2019) proves that inflation and a shortage of adequate housing combined with a rapidly

increasing population and foreign buyers purchasing housing structures as investments creates

housing challenges for the general population, particularly low-income families and individuals.

Lastly, McCartney et al. (2020) show that colonial standards and a lack of support and

communication with First Nations communities leaves Indigenous people and communities in

particularly vulnerable situations. Colonialism strips First Nations communities of their culture

and fails to consider their unique needs, particularly in non-urban settings.

        The Government of Canada has recognized the crisis and has plans towards reducing the

issues this crisis brings. These plans need to be backed with adequate communication and public

education to be effective in reducing this ongoing crisis that affects life for all Canadians.

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