

Canada's Housing System Compared to Other Similar Nations



Housing and Community Development
GGR 357, Session 4, 2021, David Hulchanski

SUMMARY OF SESSION 3

1. Why is the housing problem defined as “affordability”?
2. Why is the private sector not building more rental?
Market failure?

For the answer, let's go back to that starting question: Why after 85 years...

Winter 2004
Practicing Planner

APA American Planning Association
Making great communities happen

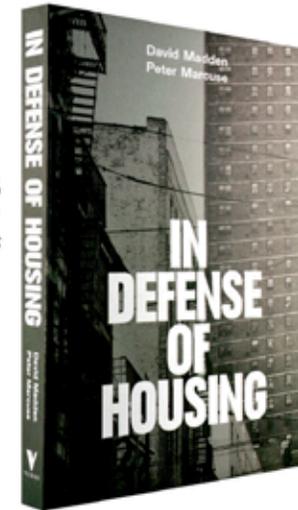
Housing on the Defensive

By Peter Marcuse, FAICP

We are on the defensive on housing worldwide.

- Prices are escalating
- Segregation is not declining
- Security of tenure is a problem
- Homelessness increasing
- Housing is in short supply almost everywhere
- Everywhere, there are cutbacks in social provision
- Housing advocacy is reduced to pushing for extension of tax benefits

2016
*In Defense of Housing:
The Politics of Crisis*



What explains this situation, **85 years after the first publicly built housing in the U.S.**, 70 years after the New Deal's housing programs, after more than a century of social welfare programs featuring housing in most developed countries, and after decades of declarations and the setting of ambitious housing goals by international agencies and the United Nations?

We need today a radical back-to-basics review of the housing situation, what explains it, and what can be done about it. *Why limited housing improvement for many after 1940s but only until the 1980s?*

To start with, why do these types of housing problems continue to exist today? **Two factors.**

- (1) 1. The **first** is an economic system that, with all its virtues, results in a very uneven distribution of wealth, leaving many with inadequate incomes to pay for the necessities of life at their actual costs of production.
- (2) 2. The **second factor** is the marketization of housing, which means a housing industry and a housing system geared to meet the needs and preferences of those willing and able to pay the most, and uninterested in the needs of those unable to pay even the least, not compensated for by the very limited role of government in meeting those housing needs that the provision of housing through a profit-driven market cannot supply.

Five Barriers to Housing Security

Fiscal
Austerity

Neoliberal
Ideology

Market
(De)regulation

Limited Social
Housing

Political
Power of
\$\$\$\$\$

=

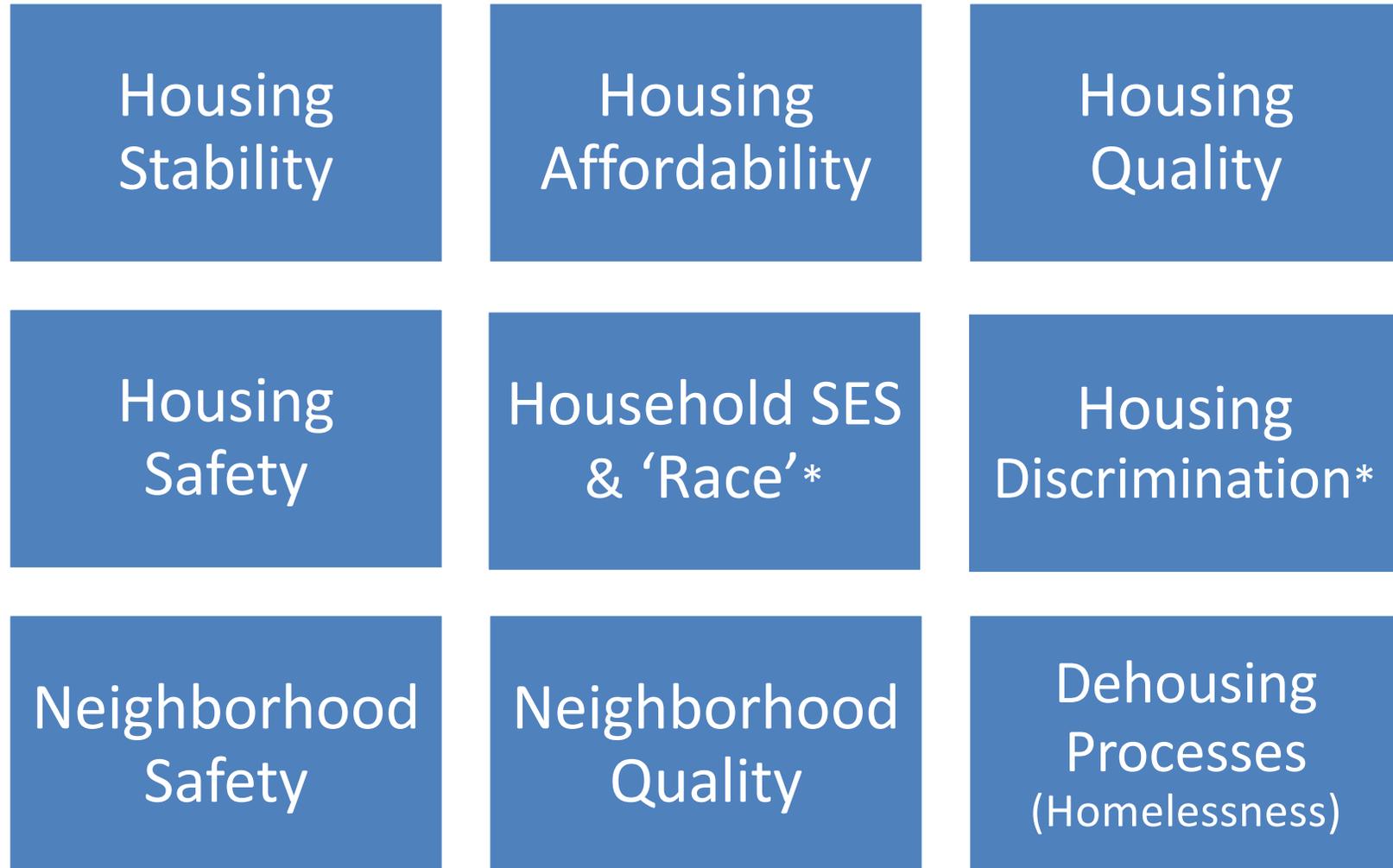
Housing Insecurity
caused by public policy decisions

Housing Security: Definition

Availability of and access to
stable, safe, adequate, and affordable
housing *and* neighborhoods
regardless of
gender, 'race', ethnicity, or sexual orientation.

Cox, R., Henwood, B., Rodnyansky, S., Rice, E., & Wenzel, S. (2019).
Road Map to a Unified Measure of Housing Insecurity. *Cityscape*, 21(2), 93-128.

Dimensions of Housing Insecurity



* = added by JDH; the rest from

Cox, R., Henwood, B., Rodnyansky, S., Rice, E., & Wenzel, S. (2019).

Road Map to a Unified Measure of Housing Insecurity. *Cityscape*, 21(2), 93-128.

“Social Problems” or “Social Conflicts”

Most “social problems” stem from oppositions of value or interest

“Poverty, racial tension, environmental disarray,
unemployment

are all, strictly speaking, **conflicts**

rather than problems in the sense of
conditions equally deplored by all.”

— James B. Rule, *Theory and Progress in Social Science*, Cambridge U Press, 1997.

Primary (Purpose-built) Rental Housing

Primary Rental Housing is defined by CMHC in its Rental Market Survey as including

- private rental housing in buildings with 3 or more units (purpose-built for rent) and
- assisted housing units subsidized by government

Purpose-built rental housing

- residential construction developed for the rental housing market, including, but not limited to, multi-unit rental apartment buildings

Two Types of Rental Housing Sectors within a Housing System

Differences between integrated and dualist rental systems: four hypotheses

| | Dualist | Integrated |
|--|---|---|
| 1. Share of owner-occupancy sector | Relatively large | Relatively small |
| 2. Level of housing quality | Relatively large differences in housing quality between the owner-occupancy sector and the social rental sector | Relatively small differences in housing quality between the owner-occupancy sector and the social rental sector |
| 3. Income distribution of tenants | Relatively strong residualisation in the social rental sector | Relatively limited residualisation in the social rental sector |
| 4. Rent levels corrected for housing quality | Large differences between social rental and private rental dwellings | Small differences between social rental and private rental dwellings |
| Countries | UK, Ireland, Belgium & Canada, USA, Australia | The Netherlands, Denmark, Austria & Germany |

Two Types of Rental System? An Exploratory Empirical Test of Kemeny's Rental System Typology
Urban Studies (January 2009), 46 (1), pg. 45-62
Joris Hoekstra

Dualist vs. Integrated
Rental Housing Sectors

Definition: Dualist vs. Integrated Rented Housing Sectors

Kemeny's Dualist and Integrated Housing Systems

At the heart of Kemeny's work is the division of dualist and integrated² systems in housing markets (Kemeny 1995). In brief, **dualist rental systems** are characterized by two polarized rental tenures and a strong preference of housing policies for the owner-occupied sector. As opposed to the almost fully deregulated private housing sector, social housing is provided through a publicly controlled, strongly regulated command economy, acting as a safety-net for the lowest-income stratum. In reality, dualist rental systems can primarily be found in Anglo-Saxon countries. On the other hand, in an **integrated rental system**, non-profit social landlords compete with for-profit firms on the open market, a process which is supported by tenure neutral housing policies. Germany, the Netherlands and the Scandinavian countries (with Norway as the exception) are classified as integrated systems (Kemeny 1995, 2006).

Lennartz, C. (2011). **Power structures and privatization across integrated rental markets**: Exploring the cleavage between typologies of welfare regimes and housing systems. *Housing, Theory and Society*, 28(4), 342-359. p.347.

Integrated Rental Sectors & the extent of Housing Deprivation

It is hypothesized that nations with **integrated rental sector** are more likely to be successful in reducing housing deprivation rates.

The objective of the integrated rental sector is to

- minimize differences in prices and quality between dwellings in profit-oriented and non-profit rental sectors

This means governments seek to be tenure neutral, which means each tenure type is afforded similar levels of government support.

Borg, I. (2015) '**Housing Deprivation in Europe: On the Role of Rental Tenure Types**', *Housing, Theory and Society*, 32(1): 73–93.

If we do not change: Prospects for the PRS

- **Growth** as ownership becomes more difficult
- **Overcrowding** much more common
- **Landlord/tenant** legislation needs to catch up
- **Rent regulation** a key issue
- **Quality** of the aging rental stock
- **Purpose-built** vs secondary rental
- **Unregulated** / illegal rental situations

GLOBAL TREND

Use of Housing not as a Residence for local households

Critical Housing Analysis



Volume 6 | Issue 1 | 2019 | 22-31

Available online at www.housing-critical.com

'Not for Housing' Housing: Widening the Scope of Housing Studies

John Doling, School of Social Policy, University of Birmingham, Birmingham

Richard Ronald, Centre for Urban Studies, University of Amsterdam, Amsterdam

Types of NFHH:

- second homes
- 'bank vaults'
- hotels
- offices

Abstract: *Historically, the main focus of the study of housing in advanced economies has been on houses that meet the accommodation needs of households: houses as the main residence of families. In recent decades there has been the growth in the numbers of houses used for purposes other than as a main residence, for example in the forms of the recent global spread of Airbnb and of foreign engagement in housing as an investment tool; alongside a set of 'for housing' houses (FHH) another, overlapping, set of 'not for housing' houses (NFHH) is emerging. The present paper begins by identifying four types of NFHH, and considers the significance of their growth. It argues that while the NFHH sector is relatively small it has large impacts, and these are such that they challenge housing researchers and policy makers to develop additional ways of looking at housing systems.*



SESSION 4

Canada's Housing System Compared To Other Similar Nations

What should be the Objective of Canada's Housing System?

Should it be a mechanism for

- increasing wealth (for some) while also increasing income inequality and polarization

or for

- ensuring fair access to adequate, appropriate, affordable housing for all households

Current reality: Some “countries have come to organise their housing systems as mechanisms for encouraging rentier returns and increasing wealth and income inequalities.” — Maclennan and Miao, 2016.

From Session 1

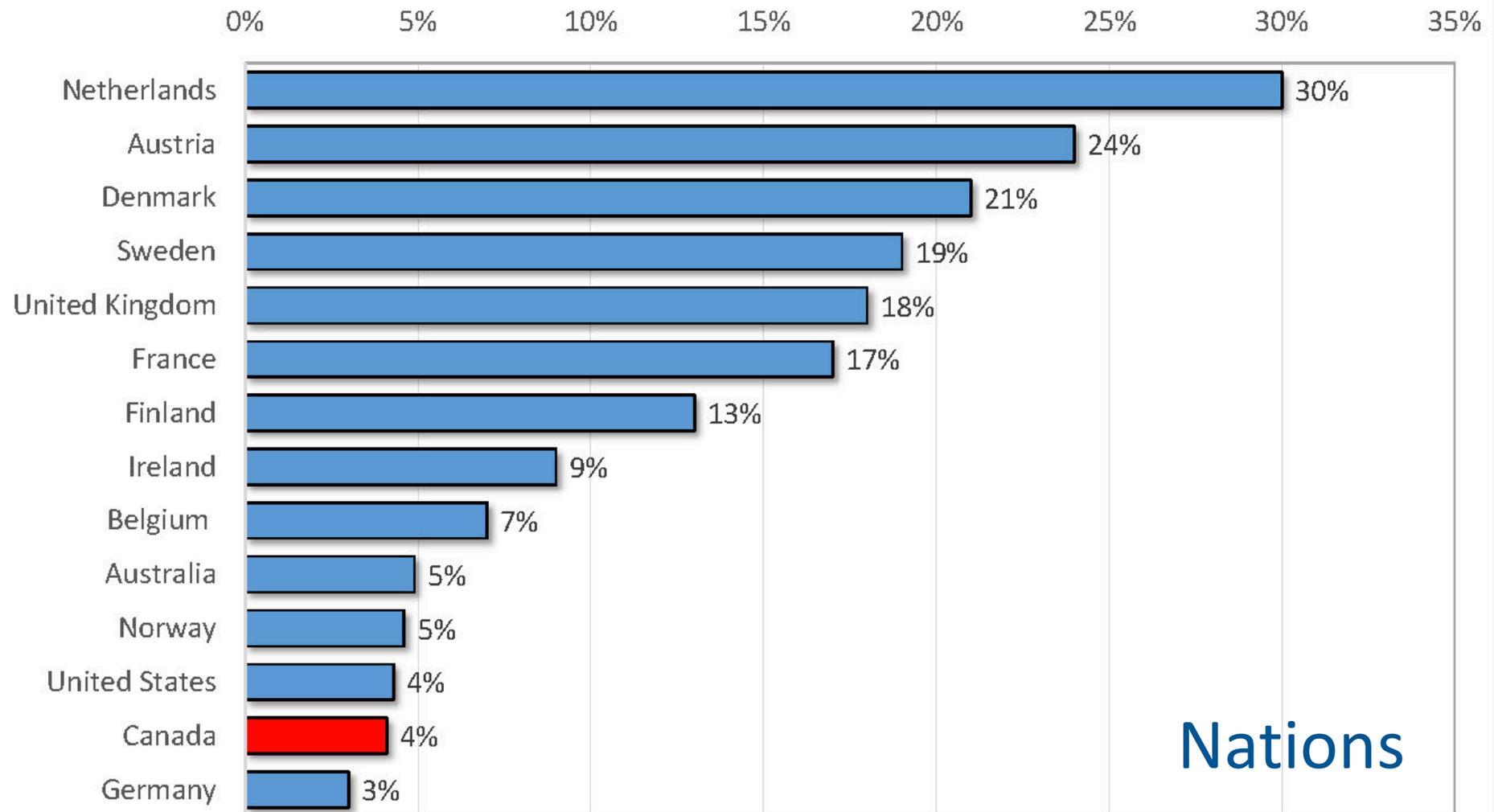
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Objectives of an *Inclusive* Housing System

1. stimulate adequate housing **production**
2. help produce a mix of housing **choice**
(tenure, location, size, quality)
3. assist those who cannot **afford** adequate,
appropriate housing

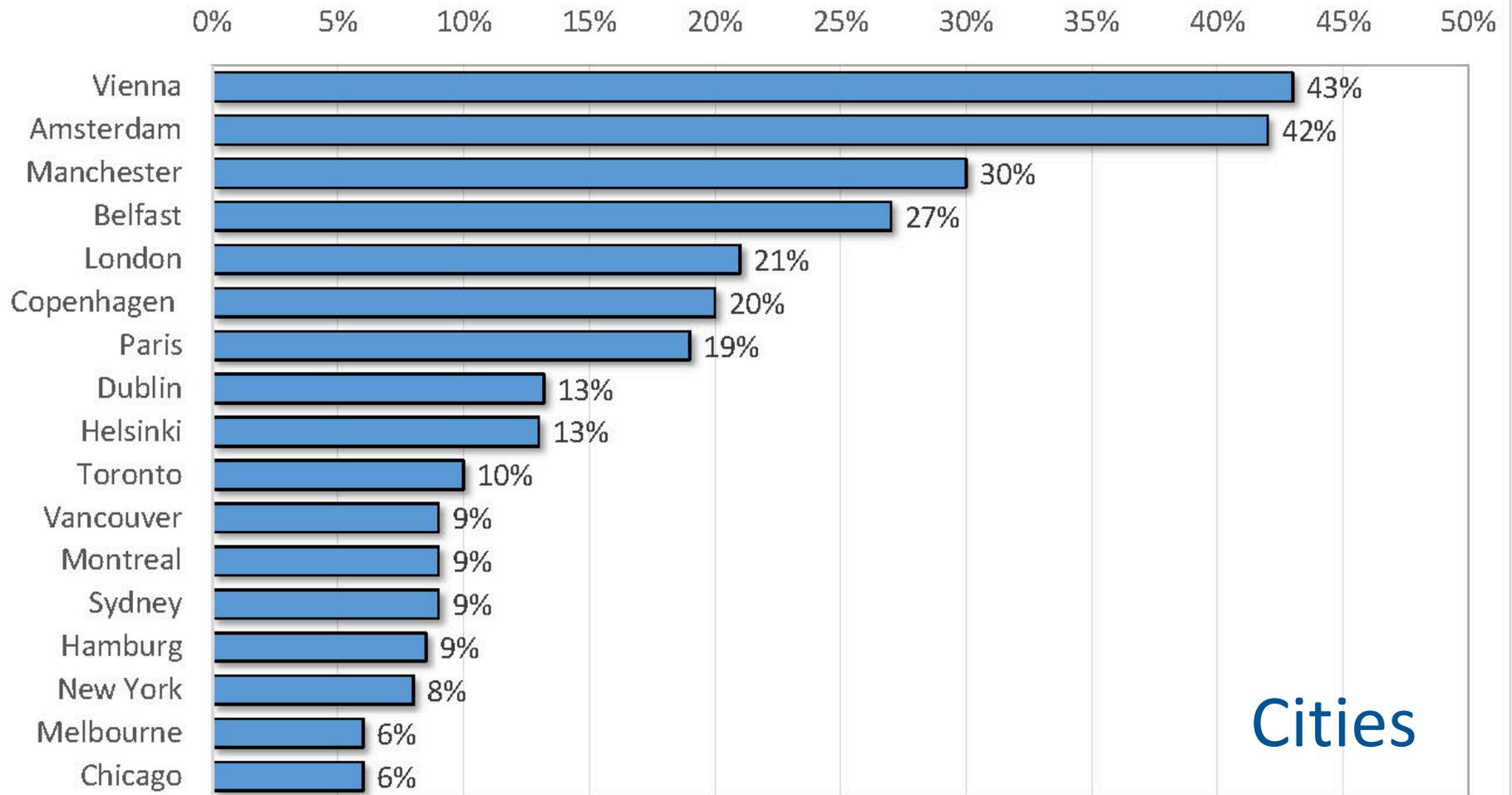
Social Rental Housing Share, 2019 or latest year

Fourteen OECD Countries



Share of all household tenure types. Social rental housing defined as "the stock of residential rental accommodation provided at sub-market prices and allocated according to specific rules rather than according to market mechanisms". Source: OECD Affordable Housing Database, PH 4.2.1; Housing Europe (2019) The State of Housing in the EU, Brussels: European Federation of Public, Cooperative and Social Housing, p.23.

Social Rental Housing Share, 2019 or latest year Seventeen Anglo-American and European Cities

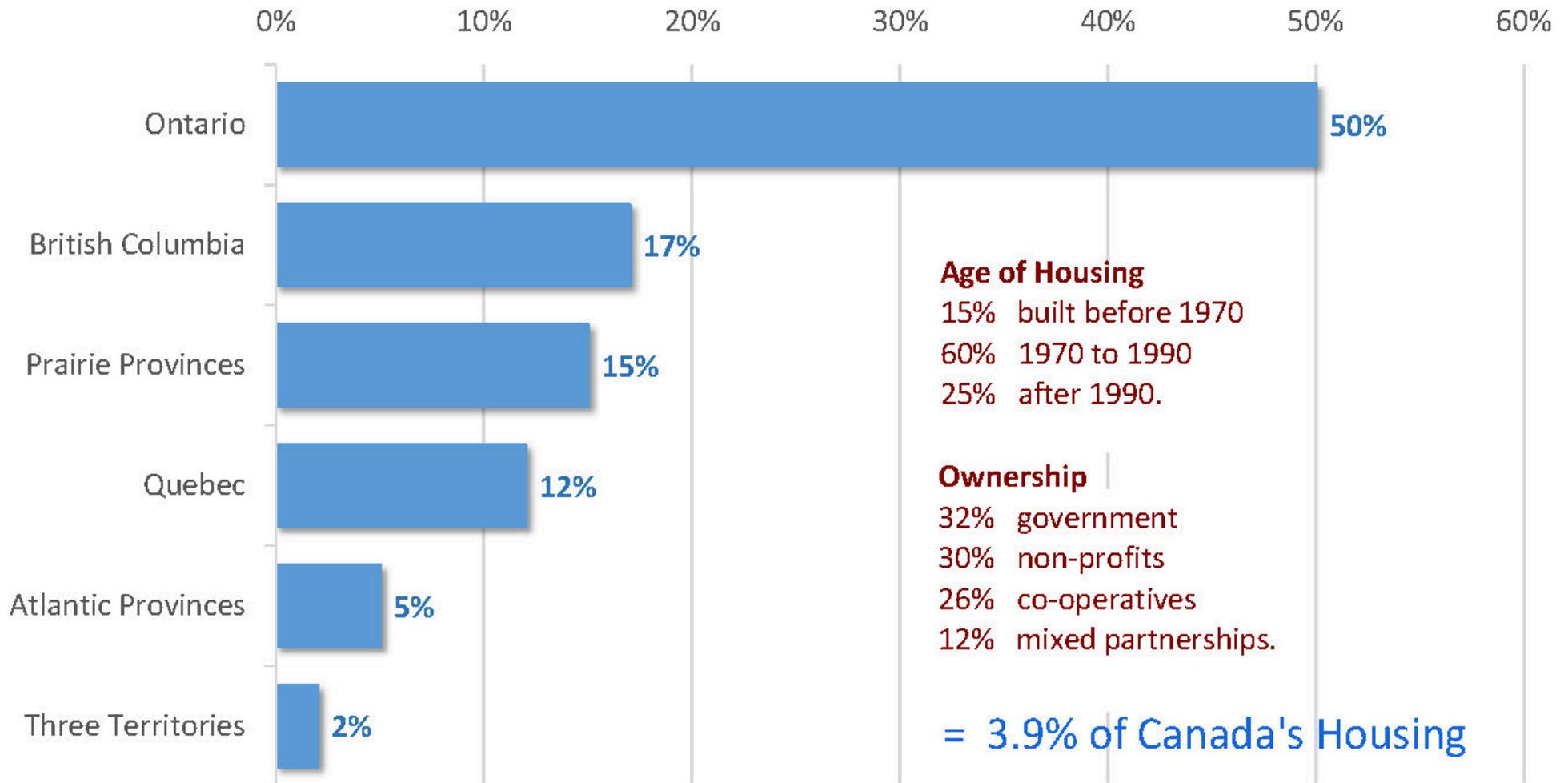


Cities

Share of all household tenure types. Social rental housing defined as "the stock of residential rental accommodation provided at sub-market prices and allocated according to specific rules rather than according to market mechanisms". Source: Housing Europe, The State of Housing in the EU, Brussels, 2019. U.S. Department of Housing and Urban Development, Programs of HUD, Washington, 2018. Montreal, Toronto, and Vancouver, from municipal sources.

Social and Affordable Housing in Canada

Regional Distribution, 540,000 Units, 2019

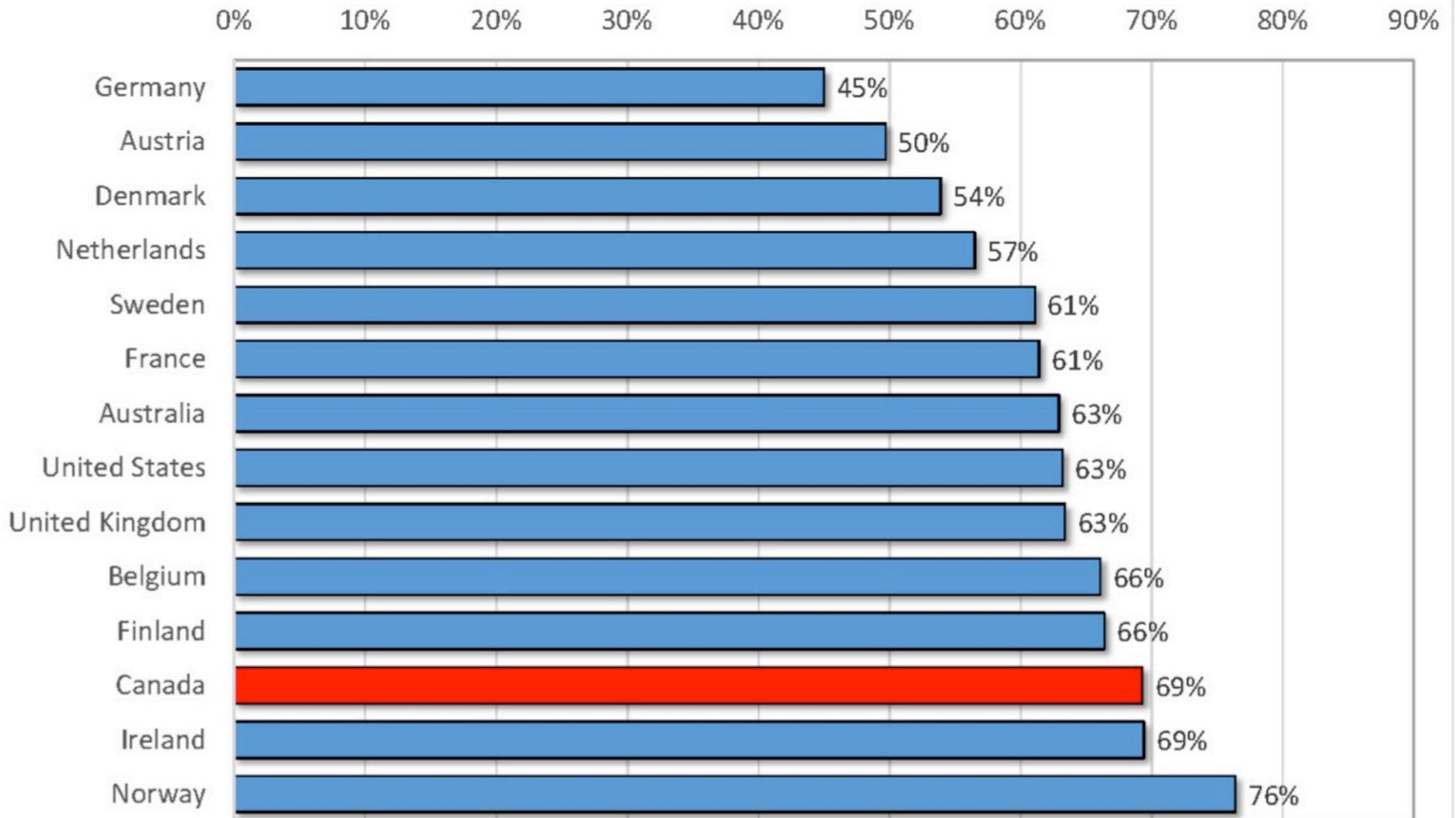


Source: CMHC, Survey of Social and Affordable Housing, Rental Structures, 2019.

<https://www.cmhc-schl.gc.ca/en/housing-observer-online/2019-housing-observer/measuring-housing-outcomes>

Homeownership Share, 2014 or latest year

Fourteen OECD Countries



Share of all household tenure types. With or without mortgage.

Canadian Real Estate Buyers Pay Steep Premiums To Own Vs Rent



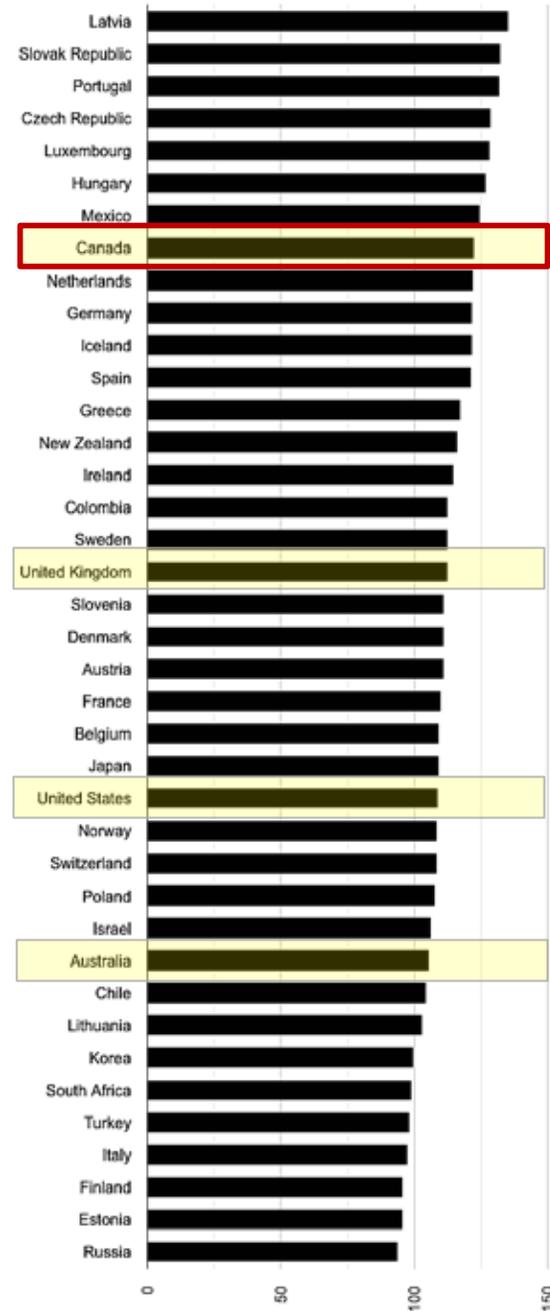
JULY 31, 2020

Canadian real estate buyers pay steep premiums to own, compared to their global peers. IMF research shows Canada's house price-to-rent ratio, the difference between renting and buying, is one of the highest in the world. Owning a home in Canada more closely resembles ratios in countries like Latvia and Slovak Republic, than countries like the US and Australia.

<https://betterdwelling.com/canadian-real-estate-buyers-pay-steep-premiums-to-own-vs-rent/>

House Price-To-Rent Ratio

The house price-to-rent ratio for IMF tracked real estate markets in 2019.



Source: IMF, Better Dwelling.

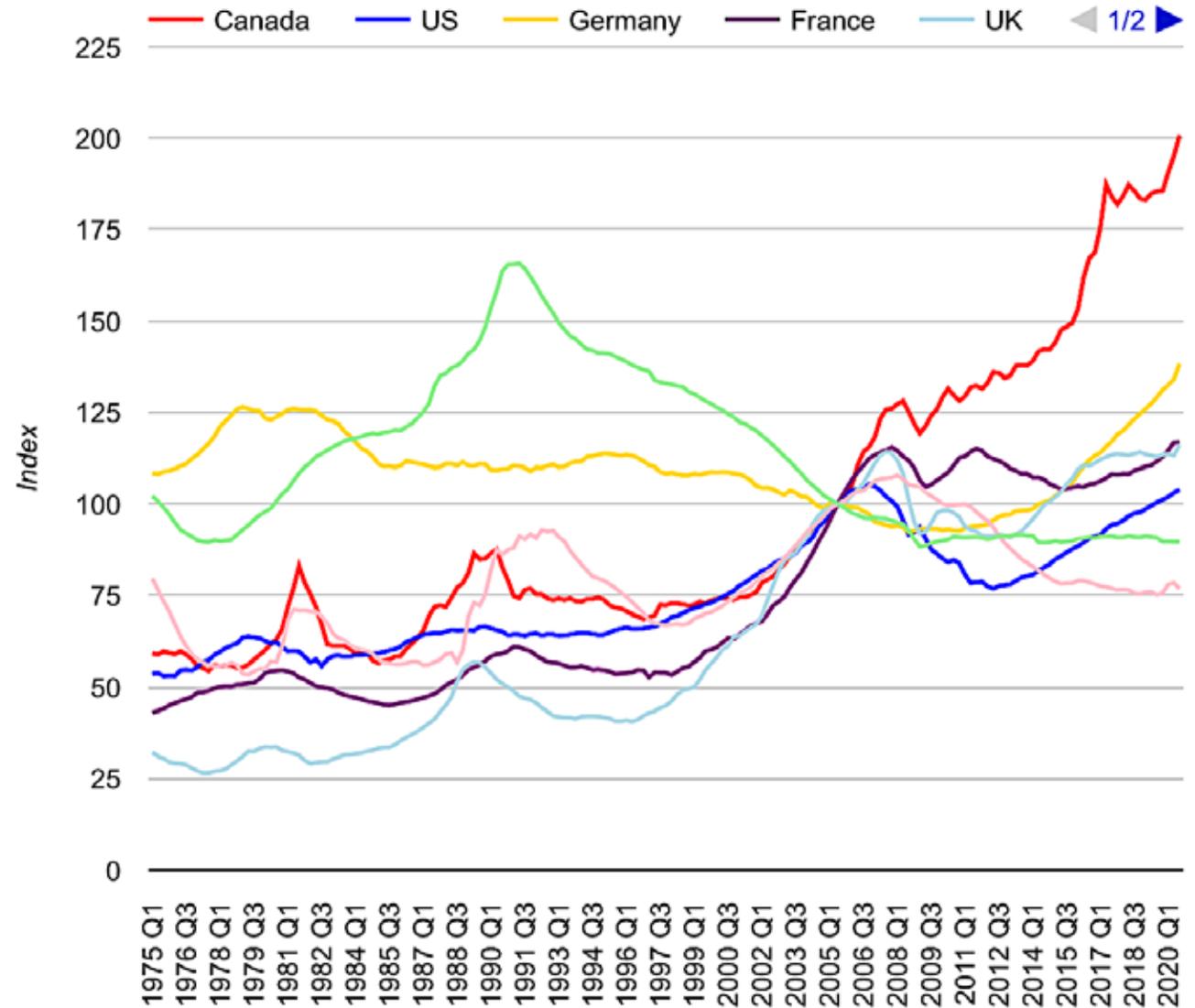
Canada's Ratio Is Higher Than 80% Of Economies Tracked

July 2020



G7 Real Estate Price Index

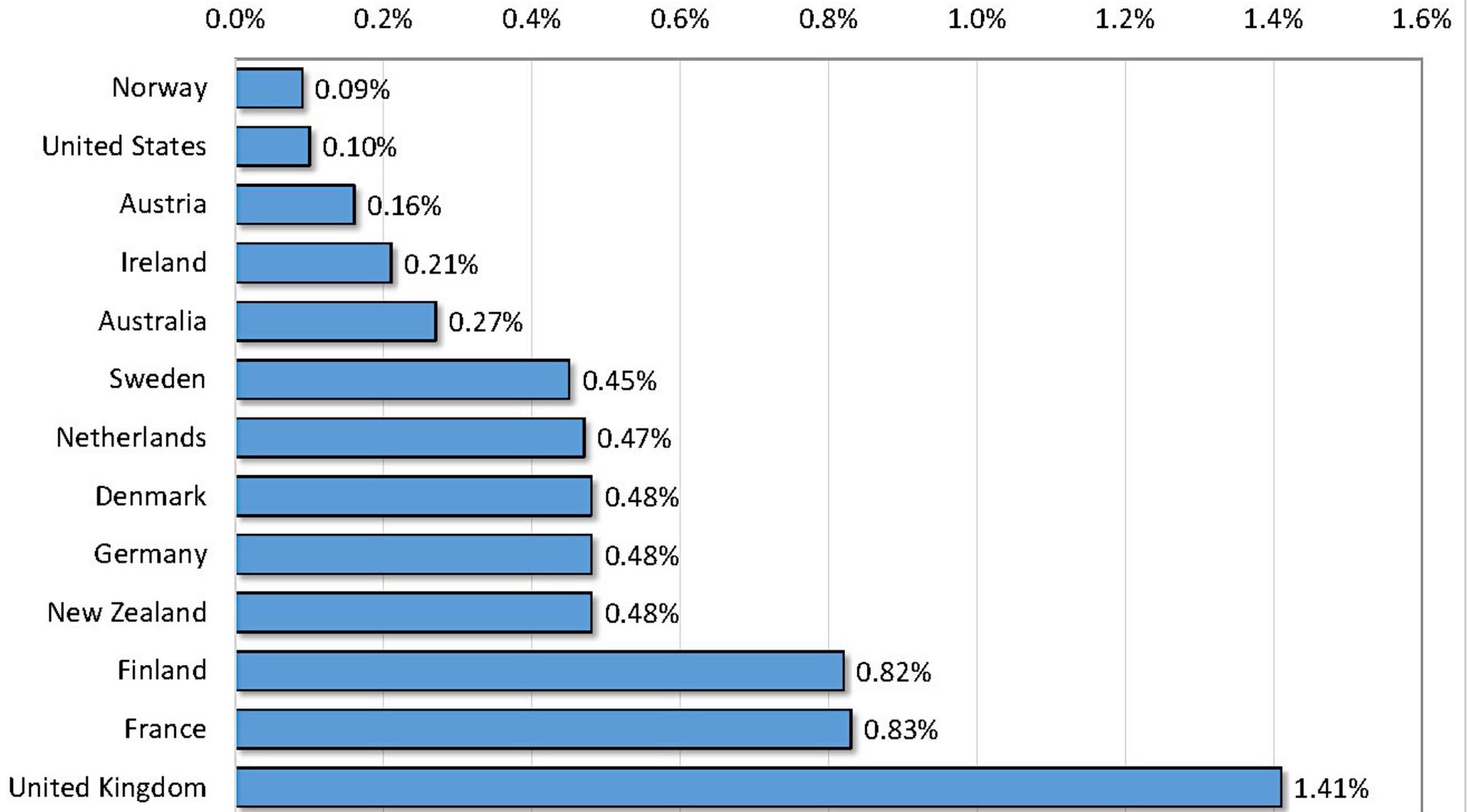
An inflation adjusted index of G7 real estate prices.



Source: US Federal Reserve, Better Dwelling.

Housing Allowance Share of GDP, 2015 or latest year

Thirteen OECD Countries



Total government spending as a percent of Gross Domestic Product (GDP). There is provision of housing allowances in Canada but data on public spending are not available.

Housing by numbers

Who gets housing benefit and what does it cost?

UK
'Housing
Benefit'

The government spent £24bn on housing benefit in 2014. More than half of claimants under 35 are single mothers and many live in deprived coastal towns

Dawn Foster

Wed 22 Jun 2016 10.49 BST



In 2014-15 the government spent a total of **£24.313bn on housing benefit** - more than on any other benefit apart from the state pension, which at £86.516bn a year costs more than three times more than housing benefit.

What is housing benefit?

Housing benefit pays for all or part of the rent of people on low incomes in England and Wales. The benefit is means tested, taking into account earnings, how many people you care for, your rent and whether anyone in the household is sick, disabled, or a full-time carer. Private renters can apply for housing benefit using the local housing allowance calculation, and different rules apply if you are under 25, a student, or under 35.

How many people get housing benefit?

The most **recent statistics from the Department for Work and Pensions**, to February 2016, report 4,731,241 housing benefit claimants in England, Scotland and Wales. In London, 807,024 households claim housing benefit; Scotland, 451,358; Wales, 242,076.

UK housing crisis deepens as benefit claimants priced out by high rents

Benefit freeze is making London and Manchester increasingly unaffordable

Robert Booth *Social affairs correspondent*

Sun 7 Jul 2019 13.53 BST



891

Britain's housing crisis has hit a new low with not one of the single rooms available for private rent in large parts of London and **Greater Manchester** within the budget of people on housing benefit.

None of 87 rooms for rent in outer south-west London - which includes areas such as Feltham and Hanworth - were affordable for people relying on local housing allowance (LHA) and neither were any of the rooms in the southern Greater **Manchester** area, including Stockport and Wythenshawe,

LHA is relied upon by 1.2m households to rent private accommodation but it has been frozen since 2016 and will continue to be frozen until at least 2020 as part of welfare cuts.

An insecure form of social benefit:

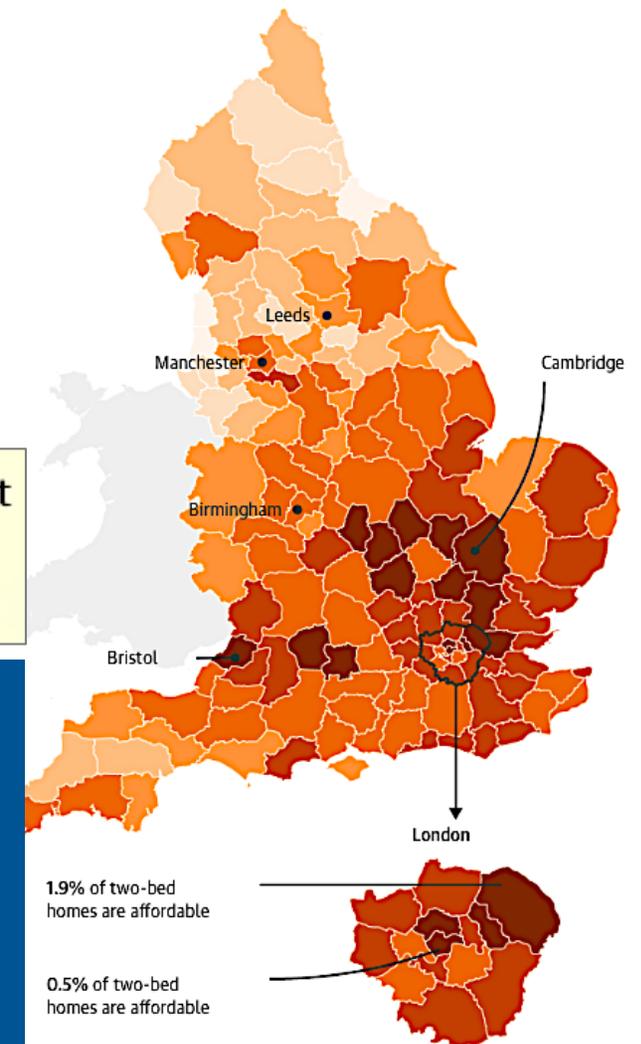
The key social policy, social justice issue with a housing allowance is that it can be

- withdrawn, or
- the amount decreased, or
- the amount frozen at any time

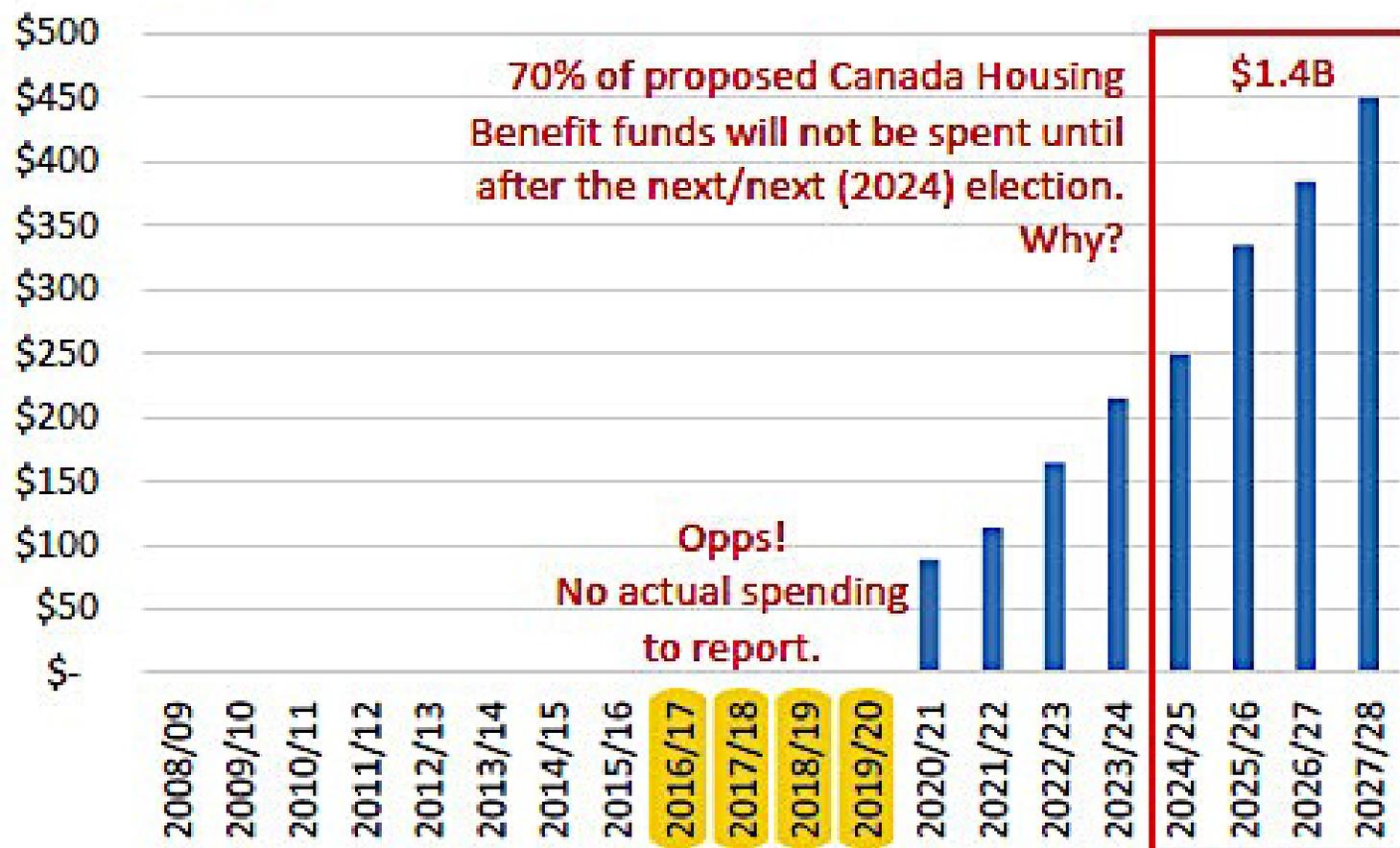
even though it is still needed and even if rents are increasing.

Who is affected by the local housing allowance freeze?

Percentage of two-bed private rental homes covered by the local housing allowance in 2018



CMHC Actual and Planned Spending on Canada Housing Benefit (\$M)



Source: PBO based on figures provided by CMHC in response to IR0405

The federal government is assuming that provinces and territories will meet the matching requirement, so the federal government is only budgeting to cover about half the cost of this benefit.³⁸

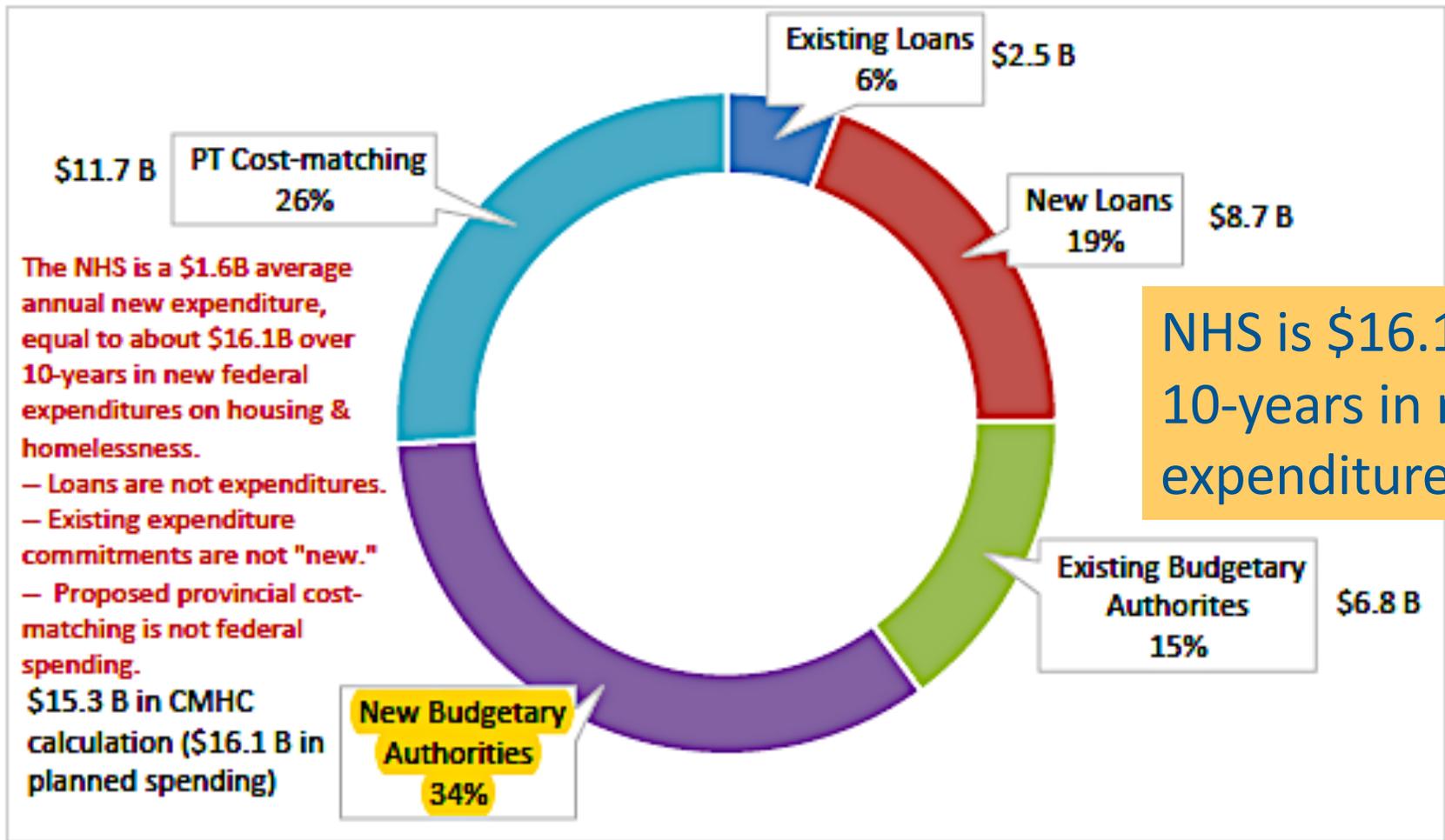
Questions about Design & Management of a Housing Benefit program

- Based on the actual rent level?
- Fills the gap between 30% of income & the rent?
- Annually adjusted for inflation and rent increases?
- Not subject to a gov. budgetary freeze, decrease, or termination?
- Permanent for qualifying tenants rather than temporary (e.g., only 1 or 2 years / household)

Cost: Assume \$250/month housing allowance: = \$3,000 / year/ household
If for 1 million renter households in 'core housing need': = \$3 Billion / year

Figure 2-4

Breakdown of figures added by CMHC to produce headline commitment under the National Housing Strategy

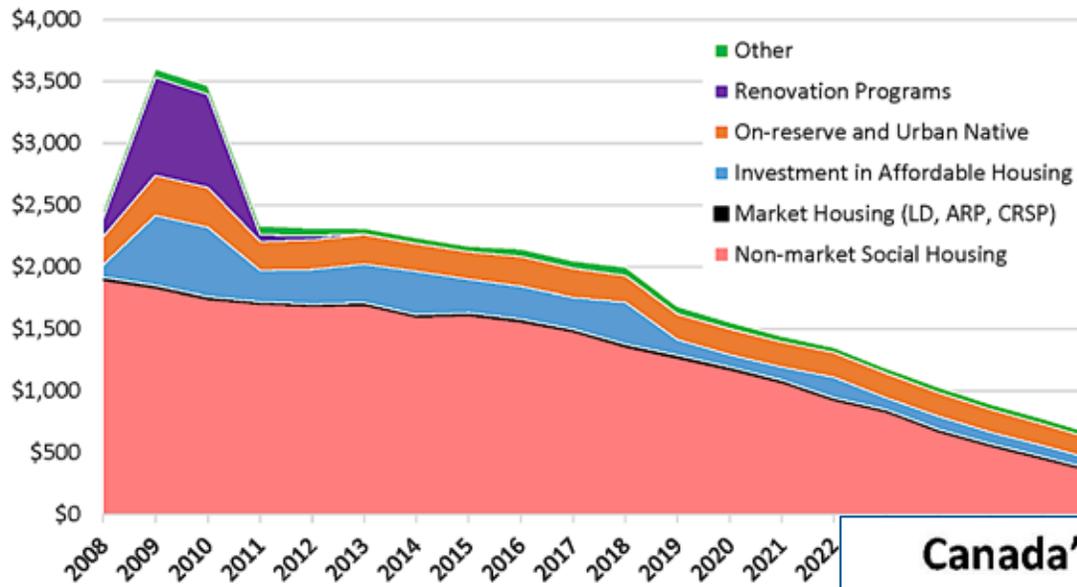


Source: PBO based on figures provided by CMHC in response to IR0405

In the 2019 election year federal budget we are told the NHS is now \$55+ billion, by tossing in more proposed loans.

Since Budget 2019, CMHC has revised the "\$40 billion" headline commitment to "\$55+ billion" reflecting the \$10 billion in additional loans planned in Budget 2019.

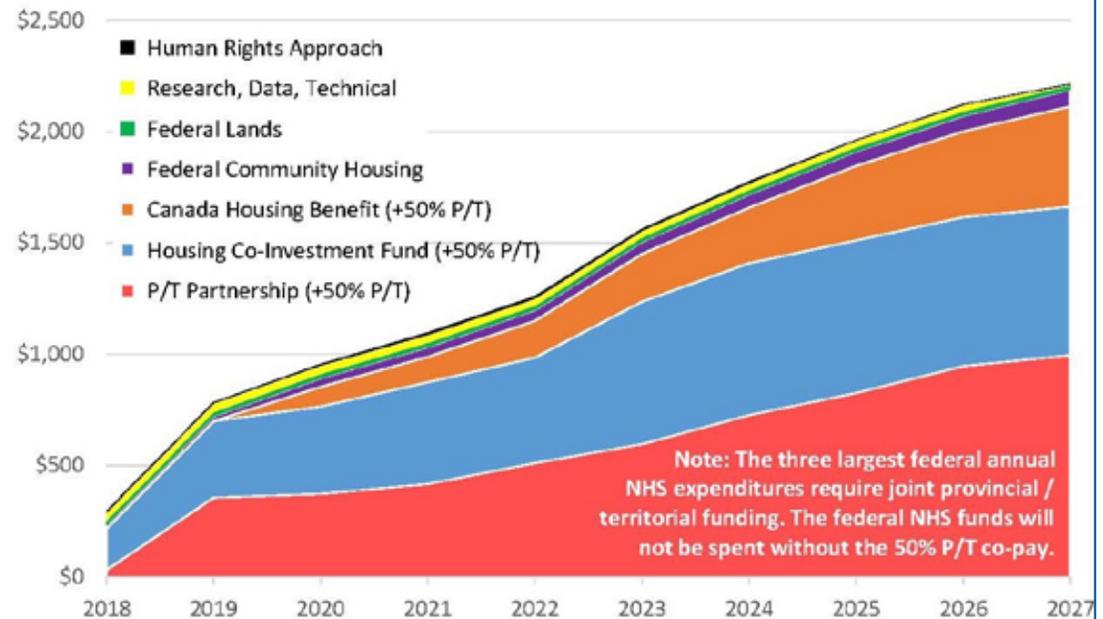
Canada's Pre-2016 National Housing Programs Actual and Committed Federal Expenditures, 2008-2027



From 2016 to 2027 the stream of subsidies on pre-2016 housing programs declines annually because there is no renewal of any.

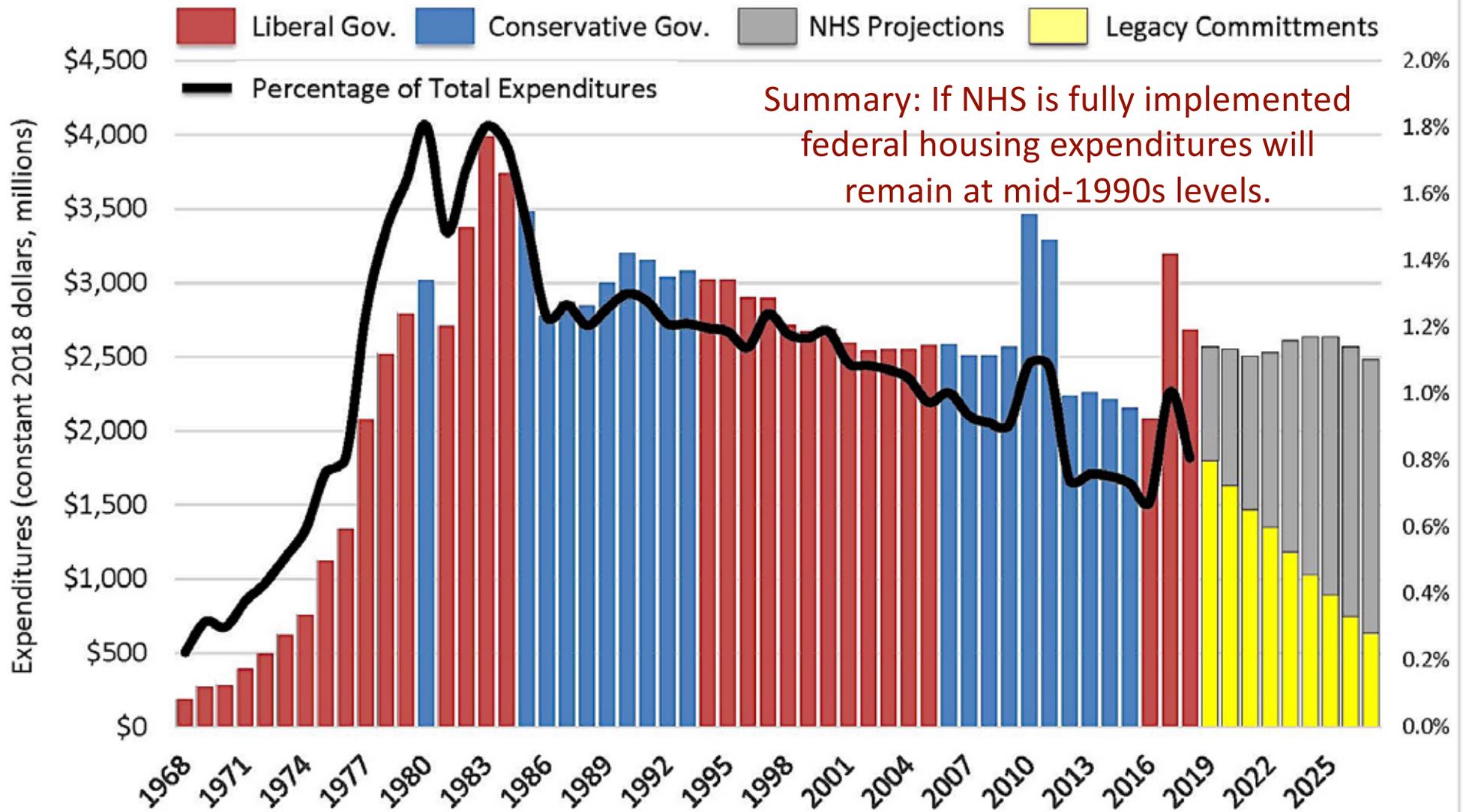
Proposed NHS spending will increase but the overall total will remain about the same as in the past, \$2.5 billion. With no social housing supply program.

Canada's National Housing Strategy Programs Proposed Federal Expenditures, 2018-2027



Housing Program Expenditures, Canada

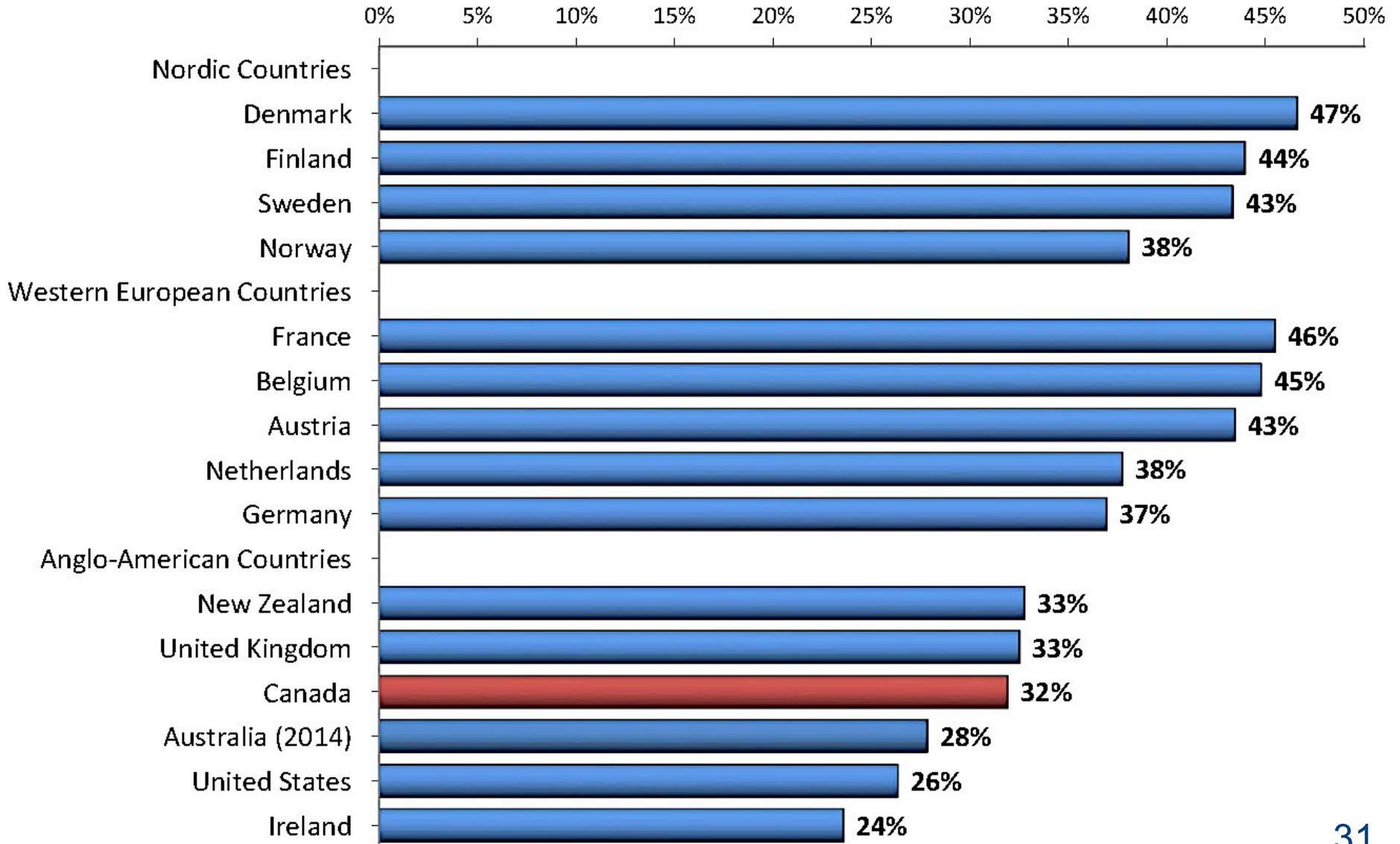
Actual 1968–2018, and National Housing Strategy Projections, 2019–2027



Source: CMHC, Canadian Housing Statistics, various years; for 2016–2018, Public Accounts of Canada; Canada, Fiscal Reference Tables. National Housing Strategy budget forecast from CMHC special tabulations, February 2019.

Total Tax Revenues as a Percentage of GDP, 2015

Fifteen OECD Countries in Three Groups





HOUSING SYSTEMS HOUSING REGIMES

DEFINITION

Housing System

“a typically vague but convenient shorthand expression to encompass the full range of inter-relationships between all of the actors (individual and corporate), housing units and institutions involved in the production, consumption and regulation of housing.”

“It is thus a much broader term than housing market or housing sector.” — Larry Bourne, 1981

Structure (components) of a Housing System

It is important to make a distinction between

1. the organisation of the *housing market* (the institutional structure),
2. the actors (supply & demand), and
3. housing policy (e.g., non-market housing)

These factors interact with exogenic factors (the context) to determine the objective characteristics of the housing system.

— Boelhouwer & van der Heijden, 1992

DEFINITION

The concept of a 'Housing Regime'

“the set of discourses and social, economic and political practices that *influence* the provision, allocation, consumption, and housing outcomes in a given country”

— David Clapham, 2018

The concept allows us to examine both

- the *agency* of different *actors* and
- the *structural elements* of housing policy.

— David Clapham (2018) “The distribution and affordability of housing,” Chapter 8 of his book, *Remaking Housing Policy: An International Study*, Routledge.

DEFINITION

Housing Tenure

The terms and conditions (rights and responsibilities), legal and cultural, by which housing is owned, occupied, and maintained.

| Tenure | CA | UK | NL | DE |
|--------------|----|----|----|----|
| OWN | 69 | 63 | 57 | 45 |
| PRIVATE RENT | 27 | 18 | 13 | 52 |
| PUBLIC RENT | 2 | 14 | -- | 3 |
| N-P RENT | 2 | 4 | 30 | -- |

Housing Tenure & Welfare Regime Types

Welfare regimes have qualitatively different relationships between state, market, and the household.

Three welfare regimes types & housing tenure:

- **social-democratic** is likely to have low rates of homeownership & a unitary rental system
- **conservative (corporatist)** is likely to have low rates of homeownership & low public rental
- **liberal (neoliberal)** is likely to have a high rate of homeownership & a dualistic rental system

— David Clapham (2018) “The distribution and affordability of housing,” Chapter 8 of his book, *Remaking Housing Policy: An International Study*, Routledge.

Table 3.1 The six housing regimes

Canada? Similar to Australia.

| Country | Variety of capitalism | Welfare regime | Institutional structure | Housing outcomes |
|-------------------------------|--|-------------------|-------------------------|---------------------------------|
| UK | Liberal/high GDP/flexible/financialised/unequal | Neoliberal | Market dominant | Unequal/good conditions |
| Sweden | Controlled/high GDP/inflexible/non-financialised/equal | Social-democratic | Corporatist | Equal/good conditions |
| China | Controlled/medium GDP/inflexible/non-financialised/equal | Productivist | Government dominant | Stratified/improving conditions |
| USA | Liberal/flexible/high GDP/financialised/unequal | Neoliberal | Market dominant | Highly unequal/good conditions |
| Australia & Canada | Liberal/flexible/high GDP/financialised/medium inequality | Neoliberal | Market dominant | Unequal/good conditions |
| Argentina | Controlled/inflexible/low GDP/low financialised/highly unequal | Latin American | Market dominant | Highly unequal/poor conditions |

David Clapham (2018) “The distribution and affordability of housing,” Chapter 8, *Remaking Housing Policy*, Routledge.

United Kingdom

KEYWORDS:

disadvantaged neighbourhoods; social exclusion; social & spatial segregation

Housing in the welfare state: Partitioning places and people

Local Economy
27(5-6) 480-485
© The Author(s) 2012

Alan Murie

"WELFARE STATES are

- ensembles of social practices and strategic understandings
 - designed to resolve historically specific problems of
 - harmonizing the production of wealth with its distribution."
- John Myles, 1988

Abstract

The language of disadvantaged neighbourhoods, social exclusion and social and spatial segregation has been prominent in policy debates in the UK in recent decades and has been associated with

United Kingdom

UK's 20th c. Housing System until 1980s

- Council housing stabilized neighbourhoods and imparted social mix.

The UK's state managed housing market

- provided more and better housing,
- was more stable and
- provided more shelter from market rents than in previous periods or in other countries with less state intervention.

-- Alan Murie, 2012

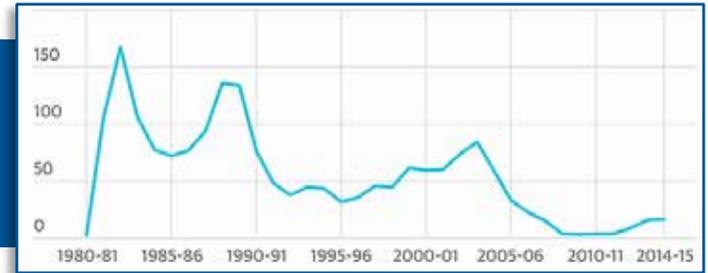
United Kingdom

Since the 1980s: Deregulation, Privatization

- **rising rents & growing income inequality:** more households need some protection from market determined housing costs.
- **PRS has grown:** deregulated, insecure, poorly managed —UK PRS: **9% in 1990; 14% in 2008; 18% in 2019**
- **Downloading of risk:** proportion of households sheltered from market prices and practices the *lowest* in a century.

—Alan Murie, 2012

1.8 million UK council homes have been sold at a discount since 1980



The Housing Act 1980 included many incentives to encourage take up of right to buy:

- Offering tenants who had lived in their home for up to three years a 33% discount on the market value of their house.
- Increasing in stages up to a 50% discount for a tenancy of 20 years.
- The opportunity to put down a £100 deposit, stalling the sale for two years, then buying at the earlier value.
- Guaranteed 100% mortgages available from the local authority.

1999: The Tony Blair Labour government reduced the discount to £25,000.

**Social housing as a % of all UK housing:
from 33% in 1980 to 18% today**

United Kingdom

Lesson: Housing Policy a key part of the Solution

Providing stable and secure housing was associated in the past with social mobility and routes out of poverty.

We need to discover ways to do this again,

to moderate emerging social and spatial patterns that carry enormous social and economic costs.”

—Alan Murie, 2012

Australia (as with Canada)

- “housing policy [in post-war Australia] has been constructed to deliver and entrench benefits for the better off.
- “It is a story of limited vision and the dogged persistence of the powerful to ensure that the less fortunate are recognised as little as possible,
- “in the belief that the private market was and should be the way in which housing services are delivered.” (pp. 4–5)

Troy, P. (2012) *Accommodating Australians: Commonwealth Government Involvement in Housing*, Sydney, Federation Press, 320 pp. ISBN 9781862878747

Netherlands: Reregulation

Reregulation and Residualization in Dutch social Housing: a critical Evaluation of new Policies

Joris Hoekstra

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Abstract: *The Dutch social rental sector often serves as an example for other countries as a result of its large share and good quality housing. However, many things have changed in the sector in recent years. After 2011, the central government has regained its control over the housing associations. This was needed after the unacceptable amount of scandals that characterized Dutch social housing after 2000. Unfortunately, some of the new housing policies direct the sector into the direction of a residualization (the sector becomes smaller and there is a larger concentration of lower income groups). This is undesirable because the challenges that housing associations have to face are bigger than ever. Housing shortages are increasing, housing affordability is under pressure and spatial segregation is growing.*

Germany: Need for Social Housing

Social Housing in Germany: an inevitably shrinking Sector?

Stefan Kofner

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Germany
s.kofner@hszg.de

Abstract: *The role of the social housing sector as part of the German housing system has changed fundamentally since 1950. Social housing in Germany followed a number of common trends and features to be observed in most countries in Europe: delegation to local government, a narrow focus on fragile populations and a reduction in the proportion of social housing. The specific reasons for this are discussed with relation to their German background. Against a background of more and more tense housing markets, the paper argues for a revitalisation of social housing in Germany without repeating the old mistakes.*

Germany: Why a 45% Home Ownership Rate?

1. extensive private sector rental housing subsidies
2. high quality standards in rental housing
3. no high subsidies for homeowners
4. few interventions in rent levels
5. house prices remained stable over a long period of time [but maybe a bubble now]

German house prices: 10% *decrease*
in real terms over 30 years. In UK +230%.

The image is a screenshot of a Forbes article. On the left side, there is a vertical navigation bar with the Forbes logo at the top, followed by a hamburger menu icon, a magnifying glass icon, a person icon, and social media icons for Facebook and Twitter. The main content area shows the article title, date, time, and view count. The author's name and bio are also visible.

Forbes

FEB 2, 2014 @ 11:55 AM 484,163 VIEWS

In World's Best-Run Economy, House Prices Keep Falling -- Because That's What House Prices Are Supposed To Do

Eamonn Fingleton, SUBSCRIBER

A sharp eye on media bias, official propaganda, and globaloney. [FULL BIO](#) ✓

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Germany

The German housing system at a glance

In a nutshell, the German housing system is characterised by:

- relative tenure neutrality and no strong fiscal support of owner-occupied housing as well as for the rental sector.
- the building up of a large rental housing stock via a combination of regulation, extensive housing subsidies and generous tax treatment in the past (although these subsidies were reduced to a negligible quantity 10 years ago).
- a system of temporary subsidies for social housing at moderate profits, which finally returns the dwellings to the private market.
- strong tenancy security for decades, which means that rental housing is regarded as a stable and reliable tenure, almost as secure as owner-occupied housing.
- rent regulation that does not set overly-strict boundaries on the yields of landlords (although the market rent could be followed more closely and the market-orientation of the system has suffered from recent legislative measures).
- a severe market split between ongoing and new tenancies in urban growth regions that has become visible in recent years.

Germany's Housing System: Not a mechanism for increasing wealth & income inequality

“The German housing system: Fundamentally resilient?”

Abstract The initial research question was: How can we explain the fact that the German housing system was seemingly unaffected by the financial crisis? The relative macro-economic stability of the German economy is part of the story, but the initial question led to a more fundamental analysis of why there had been no precrisis excesses in the German housing market. The longer term lack of volatility in Germany is just as in need of explanation as the excesses elsewhere. An important part of the explanation may be the particular tenure structure of the German housing market—which is characterized by a low homeownership rate and a large market share for private landlords. This structure was shaped over time by institutional development. In particular, mortgage finance systems and habits did not develop independently of that tenure structure. Equally that tenure structure arises in part from regulation and housing subsidy systems that do not favour homeownership.

— Kofner, S. (2014) *Journal of Housing and the Built Environment*, 29(2), 255-275.

What is social housing?

In Sweden the concept “social housing” is not used. The corresponding sector is called “*allmännyttig*”, which literally means “**public utility**” or “**for the benefit of everybody**”. In an international context the concept “public housing” is adequate. This sector consists of rental dwellings, owned by municipal housing companies that are organized as joint-stock companies (limited companies). In most cases the local authorities holds all the shares. These housing companies have a general interest objective – to promote the provision of housing in their municipality – but operate on business-like principles.

Who provides social housing?

Municipal housing companies must work for the purpose of promoting public benefit and it must have a general interest objective by promoting the supply of housing in the municipality, not only housing for the most vulnerable but for all kinds of people.



Housing as Asset Based Welfare: A Comment

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Homeownership

- can be a high-risk option for less well-off households
- increase inequality across income groups
- increase inequality through its impact on inter-generational income and wealth.

Why are the housing systems in Anglo-American nations so different from W&N Europe?

- Very high income & wealth inequality
- Low taxes; limited revenues for government
- Discrimination: Labour market, housing, education
- Policy focus on homeownership: The lack of tenure neutrality in policy & in the culture
Canada Housing subsidies: \$6B ownership; \$2.5B social rental; \$0.5B private rental
- Biased regulation of rental housing
- A 'dualist' rental housing sector (private rental / social rental)
- 'Beneficial owner' hidden for tax and money laundering
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For an inclusive housing system

- Phase out homeownership subsidy bias
- Tax real estate flipping and unearned capital gains on housing and urban land (betterment levies)
- Mandatory inclusionary zoning
- Subsidize private & social rented housing supply and rehabilitation; move towards a unified rental housing sector
- Fair landlord / tenant regulations
- Rent regulations with a rent registry (no rent decontrol on vacancy)
- End mass homelessness
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Learning from Contrasts and Commonalities in Housing Policy Narratives: Australia, Canada and the UK

Duncan MacLennan

Governments must develop a policy approach that understands and tracks how housing system outcomes impact not just some quantitative needs target or desirable rent to income ratio, but how they influence performance in relation to major government goals such as competitiveness, social justice and mobility and environmental sustainability. We must question, on reading across the policy narratives for the three countries, whether housing policy first advocated to reduce negative externalities, promote fairness for all and – in downturns – stabilise economies, now performs any of these roles.

Housing system outcomes impact / influence:

1. The economy: competitiveness
2. Social cohesion: social justice / fairness
3. Social mobility: residential mobility
4. Climate change: environmental sustainability

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Reflections across the three countries make it clear that **four fundamental changes** in the new 'meta framework' of quasi-principles for policymaking emerging at the end of the 1970s had fundamental implications for housing policies. These were **'smaller state', 'reducing public debt', 'localisation-devolution, decentralisation and subsidiarity'** and **'a presumption of the efficacy of market provision'**.

Four fundamental / key AU-CA-UK changes since 1970s-80s:

1. smaller state
2. reduce public debt
3. devolution, decentralization
4. premise that market provision is 'efficient'

Next week

Session 5. 'Sorry it's taken': Housing Discrimination

Session 5. February 8

"Sorry it's taken": Housing Discrimination

Optional Readings:

- Re: a slide in the Powerpoint – Toronto Star article about claim of Black couple who were told 'sorry its taken' when attempting to buy anew house in Fergus, Ontario. [PDF](#)
- Re: a slide in the Powerpoint – "Anti-Black Housing Discrimination: What We Know from the Research Literature," A report prepared for the Human Rights Tribunal of Ontario Walkes v. Reid's Heritage Homes, by J. David Hulchanski, April 2019. [PDF](#)

Readings

1. Novac, S., J. Darden, J.D. Hulchanski & A. Seguin (2004). "Housing Discrimination in Canada: Stakeholder Views and Research Gaps," *Finding Room*, Chapter 7, 135-145. [PDF](#)
2. Centre for Equality Rights in Accommodation (2009). "Sorry it's Rented": *Measuring Discrimination in Toronto's Rental Housing Market*, Toronto: CERA. [PDF](#) [Web Link](#) ↗ .
3. CERA (2011). "Sorry it's Rented": *Know Your Rights, Housing Discrimination is Against the Law*, Toronto: CERA. [PDF](#)
4. Divine, G. (2004) "Aboriginal Housing in Canada," *Finding Room*, Chapter 23, pp. 343-355. [PDF](#)

Supplemental (optional) Readings

RR#2, due Feb 6

Reading Assignment #2. Sessions 3 & 4.

Due February 6

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**Question 1: Canada's social housing sector, at about 4% of the nation's housing stock, is much smaller than many western and northern European countries. How do authors who discuss this in our first four sets of readings explain it?**

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Question 2: As a society it is helpful to have short form summary characterizations of difficult issues. It is common to read in the media, for example, that we have a "housing affordability problem." What are some problems with that summary characterization?

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