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Affordable Rental Housing Hard to Find

New Province-Wide Report Highlights Housing Needs in Guelph, Kitchener and Waterloo

(Toronto) As Ontario continues its slide into one of the deepest recessions in 50 years, increasing rents and tight rental markets mean many households in **Guelph**, **Kitchener** and **Waterloo** are facing housing challenges. According to a report released today, tight rental markets and long social housing waiting lists highlight the need for increased investment in affordable housing in order to protect families and create jobs.

The eighth annual edition of *Where's Home? A Picture of Housing Needs in Ontario (2008)* authored by the Ontario Non-Profit Housing Association (ONPHA) and the Co-operative Housing Federation of Canada (CHF Canada) Ontario Region, analyzes 22 separate housing markets across Ontario.

"One –in –five Ontario tenant households are still spending more than half of their income on housing," said ONPHA Executive Director, Sharad Kerur. "Many of these households are one paycheque away from losing their homes. I am really worried that as the economy moves deeper into recession, more and more households will be forced to choose between paying the rent and other necessities."

"We need to fix the housing we have and build more co-operative and non-profit housing," commented Harvey Cooper, Manager of Government Relations at CHF Canada Ontario Region. "Affordable housing is a natural firewall against poverty – we need more of it."

In **Guelph** and **Kitchener**, strong employment and increasing immigration are contributing to tight rental markets. In **Kitchener**, the vacancy rate fell to less than 2% in 2008 despite increasing rental housing production. **Guelph's** vacancy rate increased slightly to 2.3% in 2008, although it remains below the 3% vacancy rate considered a "healthy rental market." It is predicted that vacancy rates will decrease in both markets in 2009.

Both **Kitchener** and **Guelph** have seen increases in rental housing completions. While it is not nearly enough to meet rental demand, approximately 177 new rental units are under construction in **Guelph** and approximately 800 are under construction in **Kitchener**.

Affordability remains an issue across the province, with rents outpacing inflation in 14 of the 22 rental markets studied. In the **Kitchener** area, rents increased by a rate that was 30% more than the rate of inflation.

Waterloo continues to have an active set of housing programs and policies in place; not surprisingly, the region has one of the lowest incidences of housing affordability problems. In **Guelph**, 18% of tenant households spend more than half of their income on rent, a level that forces them to make daily choices between necessities, and that puts them at considerable risk of losing their housing. As the economic condition across the province deteriorates, these households may be at increased risk for housing-induced poverty.

The report argues that a larger inventory of permanently affordable non-profit and co-operative housing would offer low-income households a measure of stability as the economy worsens. Furthermore, building new affordable housing can act as an effective stimulus strategy, benefiting Ontario's low-income households and creating jobs in sectors like construction.

"Housing affordability problems are getting worse and Ontario's low and moderate-income households are losing ground," said Harvey Cooper. "While many municipalities are attempting to improve the situation, they can't do it alone. Senior governments have to do their part."

"The time is now. The public wants economic stimulus, energy conservation and poverty reduction. Good housing policies can achieve all three." said Sharad Kerur.

ONPHA and CHF Canada Ontario Region want to see senior governments take a balanced approach to the creation of more affordable housing, combining permanently affordable non-profit and co-op housing, private sector rental, renovation of existing social housing, as well as rent supplements to fill vacant units.

"Where's Home?" can be found on www.onpha.on.ca or www.chfc.ca. For more information, contact:

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