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Need for Affordable Housing Continues in Toronto

New Province -Wide Housing Report Highlights Housing Needs

(Toronto) As Ontario continues its slide into one of the deepest recessions in 50 years, access to affordable and safe housing continues to be a problem for many households in **Toronto**. Tight rentals markets and long waiting lists for social housing highlight the need for increased investment in affordable housing to protect families and create jobs, according to a report released today.

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.

"Almost 23% of Toronto tenants are spending more than half of their income on housing," said ONPHA Executive Director, Sharad Kerur. "The average minimum wage household in Toronto can't afford the rent on a basic bachelor apartment. 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."

Where's Home? 2008 shows that vacancy rates in major urban areas, such as **Toronto** and **Peel**, remained tight in 2008. **Toronto's** vacancy rate decreased substantially in 2008, falling to 2%. As of December 2008, the provincial vacancy rate had continued to decline, falling from 3.3% in 2007 to 2.7% in response to increasing house prices in a number of markets and growing uncertainty about the economy.

The report shows that in the **City of Toronto**, rents outpaced inflation by 30%. This was a period of relative economic growth, so the current projections of a lengthy recession with significant job losses and wage deflation are of great concern.

Rental housing completions have increased modestly in Toronto since 2002, but the report found that overall, there are almost 550 *fewer* rental units in Toronto in 2007 than there were in 1997. This net loss is largely a result of demolitions and conversion of rental units to condominiums. Across the province, there has been a net loss of more than 8,500 rental units since 1997.

Census data shows that increases in the average income of homeowners steadily outpaced increases to tenant incomes in Toronto. Homeowner incomes increased by 48% between 1995 and 2005, compared to an average increase of 25% among Toronto's tenant households. Even during periods of stable economic growth, Toronto's tenant households have been left behind.

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, the report argues that 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 municipalities like Toronto are trying to tackle the problem, 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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