

## Social Justice Vestry Motion 2024: Protecting and Advancing the Right to Housing

We, the parish of \_\_\_\_\_, call on all levels of government to take the following measures to protect and advance the human right to housing:

- We call on the Government of Canada to ensure that federal subsidies and incentives are targeted to those developers and projects that demonstrably address housing need and uphold the human right to housing by meeting clear conditions on affordable rents, non-displacement policies and eviction prevention measures.
- We call on the Government of Canada to end the favourable tax treatment of Real Estate Investment Trusts (REITs) and tax them at the regular corporate rate, with resulting revenues being directed toward the creation and preservation of affordable housing.
- We call on the Province of Ontario to enact rent controls and vacancy controls on all rental housing and put restrictions on Above Guideline Rent Increases.
- We call on the Province of Ontario to work with municipal governments to enact and enforce restrictions on short-term rentals to protect rental housing stock.

Canada has ratified the human right to housing in multiple international treaties, including the Sustainable Development Goals. The National Housing Strategy Act (2019) commits the federal government to the progressive realization of the right to housing. This does not mean that the government guarantees everyone a home. What it does mean is that the government must do everything in its power to realize the right to housing for Canadians, including removing obstacles and barriers to the realization of that right.

Three key aspects of the right to housing are **affordability**, **security of tenure** and **habitability**. Affordability is threatened when housing costs exceed 30% of a household's pre-tax income. Security of tenure is threatened when people are subject to eviction for no fault of their own, such as expropriation or arbitrary eviction. Habitability is threatened when units are not kept in an adequate state of repair.

Most recent government policy around affordable housing, at both the federal and provincial levels, has focussed on supply. Considering that both levels of government stopped creating non-market housing in the 1990's, we have a 30-year deficit in that supply. Worse, we are losing existing affordable housing faster than it is being built. For every new affordable rental unit created between 2011 and 2016, 15 units were lost in the private rental sector.<sup>1</sup> We cannot merely build our way out of the affordable housing crisis: we must also take measures to prevent the loss of existing affordable housing stock.

In the 1990's, as governments in Canada withdrew from investing in social housing, they also made several regulatory and legislative changes. These changes permitted the securitization of mortgages removed restrictions on the type and location of assets pension plans could hold, and enabled the creation of Real Estate Investment Trusts (REITS), which provide investors with access to real estate income at a preferential tax rate. These changes have accelerated the acquisition of existing rental housing by corporate investors whose primary purpose is to minimize costs and maximize profits for shareholders, rather than to provide housing at a reasonable rate of return. This trend is known as the *financialization of housing*, and "is associated with rising rent levels, displacement pressure, impacts on tenant quality of life, higher rates of eviction, and gentrification."<sup>2</sup>

The pressure to minimize costs while maximizing profits for shareholders has adverse impacts on affordability, habitability, and security of tenure for tenants of corporate landlords. Routine maintenance and upkeep of buildings is often neglected or deferred while money is invested in cosmetic improvements that allow landlords to apply

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<sup>1</sup> <https://www.focus-consult.com/why-canada-needs-a-non-market-rental-acquisition-strategy/>

<sup>2</sup> August, Martine. 2022. *The financialization of housing in Canada: A summary report for the Office of the Federal Housing Advocate*. The Office of the Federal Housing Advocate.

successfully for above-guideline rent increases. Tenants suffer from neglect of needed repairs and upkeep, disruptive construction, repeated above-guideline increases, and both legal and extra-legal tactics, including harassment, that pressure them to leave their units. Indeed, financial firms strategically pursue “turnover” of tenants to benefit from vacancy decontrol (the opportunity to raise rents between tenancies.) This puts a strain on the mental and physical health of tenants while putting their security of tenure in jeopardy. These harmful effects are disproportionately experienced by people who are Indigenous, racialized, disabled, and newcomers to Canada, as well as those on low or fixed incomes – the same “vulnerable groups” that the National Housing Strategy is designed to assist.<sup>3</sup>

Some corporations buy up multiple rental units and divert them to the short-term rental market (i.e. AirBnB) This keeps these units from being accessible to local residents, and drives up rents in the area. It is happening in communities large and small, urban and rural alike.

Carol, a renter in Toronto, lives in a building recently acquired by a REIT. She describes “a real struggle getting any work done”, with pest control, break-ins, and a non-functioning elevator being ongoing problems, while the owner was granted back-to-back above guideline increases. “We are always on edge because they have all the power and money to win things. It’s exhausting for us,” she says.<sup>4</sup>

Whitney is a mother of three who has been renting a house for five years in a small town with a very low rental vacancy rate. While her rent has been increasing each year as her landlord makes upgrades and applies above guideline rent increases, her own income has not been getting upgraded. Whitney is worried: “If the rent goes up anymore, I don’t think we’ll be able to stay—where will we go?”

Nicole leads an outreach team in a small community, supporting people experiencing homelessness. She recently realized how precarious her own housing is. After over 10 years of renting a house, she and her husband were given sixty days to vacate as the landlord elected to put the property up for sale. Nicole and her husband could not afford to purchase it and so, with limited options, short notice, and high prices, they had to leave the community to find housing. While Nicole continues to lead outreach work in the community she loves, she now commutes to work. It turns out the landlord didn’t sell the house after all - it is being rented again to new tenants at a new (higher) price. Nicole says, “Thankfully we were able to live with my parents for a few months until we could find a place. If it can happen to us, it can happen to anyone.”<sup>5</sup>

Protecting and advancing the right to housing for people like Carol, Whitney, Nicole and their families means removing the barriers to housing that is affordable, habitable, and does not expose renters to arbitrary eviction. To make this happen, governments should ensure that public funds are targeted to the creation and preservation of housing that commits to those principles. Real Estate Investment Trusts, which have been shown to erode the right to housing, should be taxed at the regular corporate rate, which would make hundreds of millions of dollars in revenue available for creating and preserving truly affordable housing<sup>6</sup> The province must end the vacancy decontrol loophole, which gives landlords an incentive to evict tenants, and work with municipalities to create and enforce restrictions on short-term rental operators so valuable units are not removed from the rental market.

Scripture recognizes the human need for shelter, security and dignity. Isaiah 32:18 reads, “My people will abide in a peaceful habitation, in secure dwellings, and in quiet resting places.” If Canada is a country truly committed to realizing the right to housing, our laws and policies must reflect this commitment.

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<sup>3</sup> August, 2022

<sup>4</sup> ACORN Canada. 2022. *The impact of financialization on tenants: Findings from a national survey of ACORN members*. The Office of the Federal Housing Advocate

<sup>5</sup> These are the stories of real people living in our Diocese. “Whitney” and “Nicole”’s names have been changed.

<sup>6</sup> <https://www.pbo-dpb.ca/en/publications/RP-2324-001-M-cost-removing-tax-exemptions-real-estate-investment-trusts--estimation-couts-elimination-exemptions-fiscales-accordees-fiducies-placement-immobilier>