

High rents + low income = homelessness – New report offers some practical policy steps to reduce the use of homeless shelters

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Calgary - There are a lot of reasons for homelessness. Addictions and mental illness play a part to be sure – but a new report from expert Ron Kneebone shows that there is a more basic reason for homelessness – high rents and low incomes.

The report is national in scope and shows wildly varying homelessness numbers from province to province. Why is homelessness such a big problem in Alberta, but not PEI? Because rent is cheaper in PEI. It's the "rent to income" ratio.

According to Kneebone "A high proportion of rent-to-income is a key contributor to homelessness. People who find that rent eats up so much of their income that they can't afford other necessities will often try their luck doubling up with relatives or friends or temporarily using a city's shelter system. Anything that influences the rent to-income ratio – from income support programs, to tax policies affecting the costs of new construction and the costs of maintaining or rehabilitating old buildings, to zoning and density restrictions – will therefore have a significant influence on the rate of homelessness. Recognizing this opens a wide range of policy options and exposes all levels of government to the responsibility for initiating useful policy reforms."

Modest efforts to increase housing affordability via rent subsidies and enhanced income support have the advantage over the construction of public housing of maximizing choice and flexibility for those to whom assistance is provided. If the great majority of people experiencing homelessness do so because of poverty, it is best to address that issue directly with increased levels of income support. And, any housing policies should be targeted at high rent communities. There is no one size fits all solution across Canada. Other proposals include:

- Minimize housing regulations – these hurt low-cost housing most
- Zoning responses
- Tax incentives for builders of low-cost housing
- Index social assistance payments to inflation and re-think the abysmal level of support provided to singles – most shelter users are single

The paper can be downloaded at <https://www.policyschool.ca/publications/>

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