SOCIAL POLICY TRENDS

August 2020

EMERGENCY HOMELESS SHELTER BEDS AND THE COST OF HOUSING IN 50 CANADIAN CITIES

The number of emergency shelter beds provided in a community increases with the cost of housing.
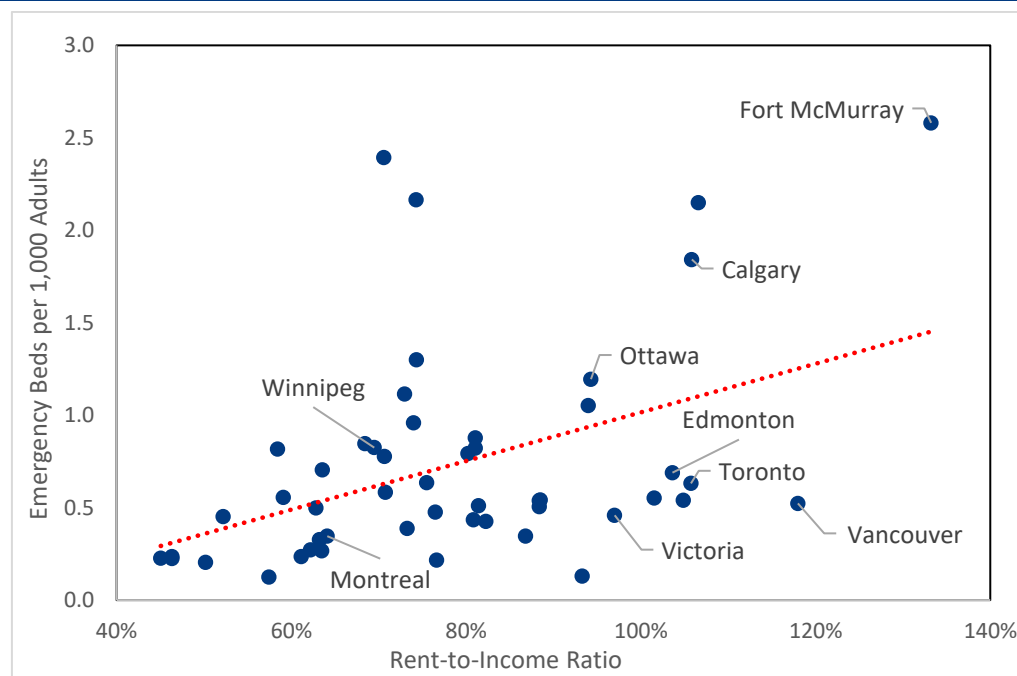
The graph presents data from 2018 for 50 cities in Canada. On the vertical axis is the number of emergency homeless shelter beds per 1,000 adults in each city. On the horizontal axis is a measure of the cost of housing in each of those cities. Cities with more expensive housing tend to make more emergency shelter beds available.

Most people experiencing homelessness are single adults. Our measure of the cost of housing uses the rent charged on a low-quality studio apartment. We assume the income of single people most at risk of homelessness is well-measured by the amount of social assistance income to which they are entitled. The rent-to-income ratio measures the percentage of social assistance income that would be required to rent a low-quality studio apartment. In many cities a single person must share accommodations to remain housed.

The number of emergency shelter beds provided in a city is not necessarily a good measure of the number of people experiencing homelessness.

In the graph we identify Canada's seven largest cities plus Victoria and Fort McMurray. The dashed red line is a line of best fit through these data. The slope of that line is statistically significant (p < 0.01).

The number of emergency shelter beds that governments and social agencies choose to provide in a city is one measure of that community's response to homelessness. It may also provide an indication of the size of the homelessness problem in that community, but that is not necessarily the case. Victoria, for example, makes relatively few shelter beds available but has a large

Sources: Rent on a studio apartment priced in the first quintile of the rent distribution in each city was provided by special request to CMHC. Social assistance income is from Maytree Foundation. Adult population is from Census 2018. The number of emergency shelter beds is from Statistics Canada Table 14-10-0353-01.

and growing population of people experiencing homelessness. Weather conditions may also factor into the decisions a community makes regarding the number of shelter beds it will make available. Cities with colder winters may choose to make more shelter beds available.

Most people who experience homelessness do so infrequently and for short periods of time. This pattern of shelter use is consistent with an explanation that for most people homelessness is due to income being low relative to the cost of housing rather than due to addiction or mental health issues. Once housing consumes a very large portion of income it becomes a rational decision for people to give up housing to protect their budget for food and other necessities. The data in the graph suggests that most communities in Canada recognize that unless high rent-to-income ratios are addressed with higher income supports and/or with an increased supply of affordable housing, they must provide more emergency shelter beds.

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