HOMELESSNESS AND RENTAL HOUSING IN CANADA AND AUSTRALIA: COMPARING PANDEMIC POLICY RESPONSES AND FUTURE PROSPECTS

BACKGROUND MATERIAL FOR MORE DIFFERENT FUTURES NETWORK MEETING 13/14 JULY 2020
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In this clip I draw on earlier Canadian videos by Steve Pomeroy and Stephen Gaetz to draw Australia/Canada comparisons on pandemic policy responses in the homelessness and rental housing fields.

**Homelessness crisis action**

In the immediate policy responses to the pandemic both countries saw a huge and extraordinary effort to reduce infection risk for street homeless and sheltered homeless people. In each case this included unusual levels of collaboration between levels of govt, especially involving state or provincial authorities and municipalities.

It also saw unprecedented state/provincial joint working with NGOs to get street homeless people into temporary hotel accommodation.

More broadly, both countries boosted income supports and imposed evictions moratoria that – at least temporarily – helped to stabilise the situation and stem an immediate rise in new homelessness.

As Stephen Gaetz rightly argues, the pandemic has highlighted the risks faced by homeless people – because our societies have failed to make proper provision for them.

The remarkable action of March/April 2020 was triggered by public health arguments that homeless people were at high risk, and that this in turn magnified public health risks for society at large.

Even so, this argument did not hold sway everywhere. Notably, in Western Australia no associated program was funded. This possibly reflects the local context where border closure and other measures meant that no community transmission became established. Therefore, despite having over 1,000 rough sleepers there was no emergency rehousing program as in the eastern states.

**More fundamental action to counter homelessness**

‘By focusing most of our investment, even to this day, on emergency services like shelters, day programs, soup kitchens, we put people at risk’ (Stephen Gaetz)

This Canadian comment could equally apply to Australia. In both countries recent enthusiasm for the Housing First principle has been a positive development when it comes to tackling street homelessness. Also in common, on the other hand, is a long history of over-emphasis on crisis response – dealing with the symptoms of the homelessness problem – rather than tackling its causes.

This is partly about the lack of attention to active homelessness prevention. I’m talking here about reliable procedures or ‘early intervention’ to minimise homelessness resulting from institutional discharge or eviction. Neither Canada nor Australia has learned sufficiently from UK jurisdictions in this respect.

A more challenging observation when it comes to government policy – especially in the Australian context – is that official tolerance for rising crisis services expenditure, is unmatched when it comes to longer term investment in social housing.
Prompted by the crisis, Toronto made an early announcement on construction of 1,000 units of new permanent supportive housing. Some other Canadian cities are following suit on a similar modest scale. But the only significant action by Federal or provincial authorities has been British Columbia’s motel acquisition and conversion program.

Parallel developments in Australia have seen small-scale pledges on social housing stimulus investment by a number of Australia’s state/territory governments. But these commitments add up to barely more than hundreds of additional homes in a country where the shortfall is – on any measure – in the hundreds of thousands.

Only if Federal Governments come to the party with nationally funded social housing programs are we going to see action at scale here. Proposals for a social housing stimulus have attracted quite broad-based support in Australia and the possibility remains in play. Similar calls have been made in Canada but have likewise evoked no formal government response as yet.

However, at least in Australia, official contemplation of this idea is overwhelmingly on the basis of its employment-boosting impact. Regrettably it doesn’t signal any sudden acceptance that boosted affordable rental provision is a fundamental strategic priority in housing policy terms.

**The backdrop to 2020: contracting affordable housing availability**

Common to both countries, the backdrop to the recent crisis is not only the near absence of even nominal growth in government-subsidised social housing over 20-25 years, but also the contraction of low-rent private tenancies.

‘...it’s been going on for 20 years or more, but we can see here in the last 5 years ... a dramatic erosion of the naturally-occurring affordable housing... across Canada in total. We lost 300,000 units renting below $750 a month, to be affordable [to incomes below $30,000] at 30% of income’ (Steve Pomeroy)

Highly comparable findings have recently been reported for Australia by Kath Hulse and colleagues who have noted a drastic contraction in affordable private rental housing over recent decades. The national shortfall quadrupled to 212,000 in the past 15 years.

The notion that lightly regulated private housing markets can be relied upon to provide adequately for low income populations has been the bedrock of official thinking for 25 years. Surely it has now been tested to destruction.

**Future prospects**

Coming out of the public health crisis during the second half of 2020 there are immediate dangers that enhanced income support will be wound back before the economy has significantly recovered. In coming months, with evictions having been legally suppressed for a substantial period there is great concern at a new homelessness wave due to rental evictions.

Only two things could moderate this. First, landlord recognition that finding replacement tenants at current rents may be difficult. And second, that – if avoidable – selling their property into a falling market could be a poor business strategy.

A darker post-pandemic scenario, hinted by Steve Pomeroy, is where a substantial fall in asset values creates conditions for mass property acquisition by investment funds (a.k.a. vulture landlords). Something like this was seen in the USA and some other countries in the wake of the post-GFC house price crash. This would be difficult to control via regulation.
Instead, Steve Pomeroy advocates that not-for-profit landlords should be given the resources to go into the market themselves to preserve the rental affordability status of tenanted properties put up for sale at bargain prices.

In Australia, perhaps because the phenomenon of institutional ownership of rental housing remains unfamiliar, and also because there has been no significant national house price crash for 30 years, such a scenario has been barely contemplated.

Looking to the future through a more optimistic lens, Steve Pomeroy identifies a post-pandemic silver lining for the housing market:

‘... there is potential for a healthy market correction and ideally a more balanced market with sustained lower levels of appreciation that makes it possible for individuals to access home ownership and take pressure off the rental demand. And, for the non-profit sector, opportunities through [using possible stimulus investment] both to expand the ... non-market sector through acquisition, and to add to stock both by building in the affordable space and in the intermediate space’.

Much of this could be similarly argued for Australia. But the bigger question is whether the crisis shock can enable us to get traction with arguments for more fundamental and enduring changes in official thinking on housing and the role of government in this space. Action to tackle the tax-preferred exploitation of housing asset growth – what some people call financialisation – and to re-balance housing markets should be front and centre of this manifesto.