More Different Futures Network Topic Review: Homelessness and Urgent Housing Needs

1. Introduction:

The public health crisis resulting from COVID-19 has impacted every aspect of economies and societies across the globe. One of the key urgent considerations for governments in response to this virus, by virtue of the way it is transmitted, was to address the challenges of those experiencing homelessness; particularly those who are unsheltered or who are temporarily housed in congregate settings. This most urgent need was why the More Different Futures Network discussed this topic in its first meetings. Apart from this immediate public health intervention needed to address this population, the economic impact of the virus also raises concerns of homelessness for those who will experience a large drop in income or job loss, particularly with the ending of moratoria on rental sector evictions, rising mortgage arrears and the removal of emergency income supports by governments.

A key aim of this paper is to detail the discussion from the More Different Future Network on homelessness and urgent housing needs during the week of 12 May to 19 May 2020 and is updated with more recent comments from the Australia/Canada bilateral of 13th July. This summary proceeds by discussing the emergency responses taken by governments in mid to late-March and the impact of public health interventions on particular populations; the medium-term policy issues related to housing supply and potential stimulus packages; and longer-term/recovery policy measures and issues to consider. As this briefing covers that discussion from mid-May, and Australia and Canada until mid-July there are likely to be continuing updates on many of the issues discussed.

2. Pre-pandemic Country Contexts

The homelessness situation in Australia, Canada and the UK reflects some important common features of housing policy change since the 1990’s onwards; particularly the growing queues for social housing and the loss of lower rent market accommodation to other processes of urban change, not least renewal and gentrification. Each context is also importantly unique in a variety of ways regarding legal requirements of governments, rights to housing and shelter, and the role of social housing in the solution (for example). However, to set the context for the discussion each of the expert panellists discussed three issues that were raised in the discussions (and they were reinforced in the July 13th bilateral):

Homelessness trends, pre-pandemic: Each of the countries has experienced an increase in homelessness in the last few decades, particularly as policymakers in each country have taken a more neoliberal approach to social welfare support. Australia experienced a 30% increase in homelessness between 2006 – 2016, and there has also been a sharp increase in homelessness since 2010 in the UK (including a doubling of rough sleeping in England since 2010). Primary drivers of homelessness are, of course, poverty along with a lack of affordable and social housing to meet the demand and austerity policies (particularly in the UK). Lack of affordable housing plagues all three countries in MDFN.

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National Strategies and Levels of government action: Canada is the only country of the three to have a National Housing Strategy (2017) and a National Strategy to End Homelessness (2018). Australia has not had a national housing strategy since 1945 (nor does it have a National Housing Agency), and the UK also does not have an institutional framework at the national level to guide action. In the devolved administrations created in 1999, notably Scotland and Wales, there have been both national strategies and innovative approaches to reducing homelessness. The UK government, with responsibility for housing and homelessness issues only in England, took a notable turn towards localism from 2010 onwards, where the central government retreated from playing a role in homeless policy; rather local authorities are responsible for creating and implementing homeless policy (which has not been a positive development) and are required to produce a local homelessness strategy. In Australia local government is not required to do so.

System-wide funding: In general the majority of all funding related to homeless policy is concentrated in emergency measures, with very little provided for prevention measures or longer term solutions (see an illustration of this funding imbalance produced by Stephen Gaetz in Figure 1). Countries however differ in the scale of social housing (and even within the devolved nations of the UK). Only 4% of all housing stock in Australia is social housing, while 17% is social housing in England/Wales/Northern Ireland, 23% in Scotland, and 6% in Canada (which includes ‘social and affordable housing’).

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3. Emergency responses during the pandemic

Temporarily housing rough sleeping/unsheltered homeless population and those in congregate settings: Swift public health-led emergency response common in all countries was local authorities/governments moving rough sleepers to other forms of more self-contained accommodation. Local governments moved residents from shelters or other congregate settings into hotels or hostels. Hotels serve as this temporary accommodation for most places, along with hostels in the UK.

- In Australia, 5,000 rough sleepers were moved into hotel accommodation; in Toronto, Canada 2,000 homeless people were housed in hotels; in the UK an estimated 15,000 rough sleepers were moved into hotel accommodation. The scale of this problem is larger in Canada and the UK than in Australia.
- Do we have any information on the number of people in each type of accommodation – including those who may still be living in dormitory-style accommodation? How long is each country going to house people in these accommodations, and what are the ethical concerns with keeping people in this type of temporary setting for many months?
- A focus of the discussion was how to move from temporary accommodation to more permanent housing solutions (see next section): while many of those currently housed in hotels will need minimal supports beyond a house to live in, there are distinct populations

Source: Stephen Gaetz, 2020

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with complex needs that will require more social care needs. For those with complex needs a closer relationship between housing and social care is needed. By July a number of cities, for instance Vancouver, had already begun to explore the possibility of purchasing and converting more vacant hotel and offices spaces to housing for the homeless (SRO-style accommodation, noted below).

- Population of migrants in the UK with no recourse to public funds who are being housed in this emergency phase (especially in places like London) but who are neither eligible for social housing nor other types of government assistance are a key population of concern moving out of this emergency phase. They will be facing imminent homelessness once these temporary measures end and local authorities cannot legally house them; temporary foreign workers in Australia are likely to face similar challenges.

**Evictions moratoriums** were put into place in all three countries to ensure that people who lose income due to economic lockdown would not be made homeless.

- Concern that the end of this moratorium, coupled with the end of income support schemes in each country (all ending in the Autumn) and the economic recession, will lead to a large spike in homelessness particularly among young people, families and others who may not have experienced a housing crisis of this type before. The evictions moratoriums in each country last until late summer.
- This group is distinct from the chronic or rough sleepers that were moved to temporary accommodation and likely do not have the same set of complex needs. They may thus be able, if supply is available, to move more quickly out of this housing crisis – but each country must plan for this spike and put supply/rapid rehousing programmes in place to serve this need.
- Concern from the landlord side as well: what happens when they can no longer operate due to arrears?

**Income support schemes in each country involve both increasing support via the social security system and furlough schemes to keep workers attached to their employers.** This includes, in Canada and the UK, housing benefit-specific increases to support, including in the UK an increase in Local Housing Allowance being covered by benefit to 30% of median rent from 20%. Calls in Canada for the Canadian Housing Benefit to be increased for a longer period. In the UK, in particular, this crisis created a larger awareness of the social safety net. In all countries there is a distinct concern that there will be a further housing and homelessness crisis to come when the furlough scheme ends. Indications, as of early July, are that the UK and Canadian governments will extend such support for longer than initially intended.

**Pandemic brought to the fore the housing and homelessness crisis disproportionately impacting indigenous populations** in Canada, Australia and New Zealand: populations who struggled economically before the pandemic and who will likely also be disproportionately impacted by this recession.

4. **Issues post-emergency in the medium term (including stimulus discussions)**

**Supply issues remain at the fore to address the permanent housing concerns of those temporarily housed in hotels and those who may soon be in housing crisis.** While new build is part of the solution in the medium term (including via stimulus) and some of the projects in progress can potentially come online quickly, the key considerations now are how to get more existing stock available now. In short, ‘Housing First needs housing first’. Stephen Gaetz, in the July bilateral, noted that Housing First had become the ‘new orthodoxy’ in homelessness strategies and encouraged all to think of further innovations to improve this important policy improvement.
Factors in the pandemic that may increase supply to be repurposed for affordable housing solutions, though this will likely require an uplift in acquisition support to providers:

- massive decrease in immigration that leaves more affordable rental units available (particularly acute in Australia, London and larger cities in Canada);
- collapse in AirBnb markets in each country;
- major decrease in international student market;
- contraction of owner occupiers from their second homes due to unemployment (specifically in Australia);
- loss of larger office space that could be potentially redeveloped into affordable units (although that is a medium to longer-term solution).

Private leasing schemes/headleasing option discussed to serve those who are on social housing waiting lists, particularly discussed in the Australia session where the social housing sector is quite small but also being developed in cities such as Edinburgh. Local governments make agreements with private landlords to house clients in these units and are paid with housing benefit.

- Availability of units due to the collapse in immigration and other housing markets would potentially lower the cost to local/state governments to make these agreements, particularly where there are still investors with large supplies of stock (as in New South Wales).
- Concern in some places with high housing costs in the UK like Edinburgh that this creates a work disincentive effect.
- Concern also of the quality of these properties, particularly among the smaller landlords that make up much of the sector in the UK.

Social housing: In each country there was agreement that low to moderate income workers are not served by the private rented sector, including those in the pandemic we consider ‘key workers’: better targeting and more supply of affordable and social housing is needed.

This is the area with some key contrasts between the countries based on the size of the sector:

- In Australia, the social housing sector simply has no capacity to rehouse those who are in hotels because it only comprises 4% of all housing stock. While the Australian federal government has taken some responsibility for the most vulnerable, the onus for dealing with issues of supply come down to community housing providers and state governments.
- In the UK the Crisis UK plan to end homelessness, Everybody In (2018)¹, puts housing associations as a key actor in solving the homelessness crisis. There is variation between UK nations on how this is done. In Scotland the national government gives priority allocations in social housing to those presenting as homeless and Scotland has a national Housing First Strategy, whereas there is a debate in England coming out of this crisis on how to allocate social housing places for those leaving temporary accommodation.
- In Canada local governments in larger cities such as Vancouver have a small stock of single room occupancy (SRO) units that are self-contained with shared bathroom facilities. This type of intervention is used primarily for the single adult homeless population, but there was discussion of a potential to increase this supply if the space is available.
- In the UK there is variation in allocation for those previously homeless on social housing lists: in Scotland there is a duty to assist, but this is not present in Canada or Australia.

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In Canada and in Australia the non-profit sector does provide affordable housing but how to do so at scale? (This is discussed in a separate topic review.)

**Agreement that stimulus packages that include housing issues are key to solutions:**

There is an opportunity to wrap long-term housing solutions into concerns about public health and employment now:

- **Stimulus (with the multiplier and cost savings effects for other programmes that are well evidenced): create interest in a new supply programme** from state govs (Australia)/municipal govs (Canada) and national govs (UK), with an opportunity to combine with concessional finance in the federal government. This can include investing in modular housing solutions (done in both Vancouver and Toronto).
- While there are innovative solutions at the local level there is very little revenue to do so, and therefore collaboration is necessary.
- **Stimulus should also include using government investment to upgrade and repair units** to avoid them going to obsolescence (discussed among all countries).
- A stimulus in this way would help to solve the potential vulnerability of the building sector, to potentially help to buy up properties in development that are distressed due to the economic downturn and challenges in the building sector. Also would tackle employment concerns (a hook for political buy-in).
- In Canada there is potential within the national housing strategy ($40B) to accelerate funding to 2020/2021 rather than what is allocated at 2027-2028 to meet these concerns.

**Emerging consensus from this crisis, particularly the challenges facing people leaving the street, is that there needs to be a better connection between housing, health and social care.** If we are to avoid going back to the status quo and ignoring the population with complex needs, collaboration must be at the forefront.

**Concern in medium term: going back to ‘business as usual’.** A return to austerity in the medium term was flagged for each county as a serious concern. It would set back any recovery for tenants who have been evicted/leaving temporary accommodation with a decrease in individual support alongside local governments with less revenue to meet housing needs. Was also mentioned in the Canada/UK breakout that because of austerity there has also been a shift to provinces and municipalities as responsible for homeless solutions, which causes different approaches taken to those experiencing homelessness.

5. **Issues in the long-term**

Sense that this is an opportunity to change the narrative and make large changes in preventing and ending homelessness, but how best to do so?

**Making economic cases for investment in housing:** Although in the Canadian/UK session there was a distinct feeling that there is a moral argument to be made for investments in improving/building the housing supply to solve homelessness, those in the Australia/UK session focussed rather on how best to make the economic case.

- Economic argument made by considering multiplier effect (linking housing to productivity) and also potentially considering key worker argument (given sympathy for this group of workers in the current crisis).
- Need to produce clear evidence on value for money, which will show that most temporary solutions are of poor quality and are expensive. Getting this evidence to local or state-level actors has the potential to change minds.
• Call for internationally comparative evidence to make the case: If we have clearer figures in each country on the cost of homelessness / or specific interventions compared to longer term solutions we can create a more coherent narrative for public funding. Emerging evidence from Andi Nygaard in Australia in capturing these costs.
• Consider coalitions of the ‘unusual suspects’: bring together community housing providers alongside larger private investors to make the case for more affordable housing.

Whole systems approach and key reforms needed:
• **Need better evidence on what interventions work** to make a better case for changing the overall funding from emergency response measures to prevention and longer-term solutions. This is especially needed for preventative measures such as rapid rehousing, where we could use more evidence of its effectiveness. (See Figure 2 from Stephen Gaetz on a more appropriate funding balance).

Where we want to get to ...

![Diagram](source: Stephen Gaetz, 2020)

• **Remove prejudicial tests** for support from local governments.
• **Move people away from congregate settings** which do not serve those well with complex needs anyway. This was a positive outcome from the initial public health response to the virus, and all efforts should be made to not go back to this ‘normal’ once the crisis is over. This will require further collaboration for supports for this vulnerable group beyond just a room like a hotel.
• **Understand the nuanced approaches needed for different homeless populations**: including those with complex needs that are better served by Housing First and supports, those who can be rapidly rehoused, families who may need more support to stay housed but do not need more intensive supports.

**Create housing and homelessness strategies with teeth**: the need for federal/national government leadership on this issue is apparent in the long term (especially for Australia and UK). The swift action to (albeit temporarily) solve the street homelessness problem is an example of how clear strategy from the top produced results. Coherence among policy areas is necessary to solve the integrated problems that drive homelessness – unemployment, health and social care needs (particularly acute for the chronically homeless population), lack of affordable and social housing – this may be best addressed at the metropolitan or regional level.