

Housing Crisis in Winnipeg?

**Prepared by Susan Mulligan MCP
Research Associate,, Institute of Urban Studies
June, 2008**

The World Health Organization identifies safe and affordable shelter as a major determinant of health. Adequate housing is a basic need and leads to the development of a broader range of fulfilling social interactions, which often results in a greater quality of life.

A review of the private rental marketing Winnipeg indicates that there are low vacancy rates while the housing stock is declining and the rates for rental properties are rising. In addition, there are large wait lists for social housing, with some agencies reporting well over 2,000 persons on their registry. While the three levels of governments are working to create and maintain affordable and adequate housing, leading agencies concerned with housing in Winnipeg have claimed that there is nothing short of a housing crisis.

This brief report examines the adequacy and provision of rental housing in Winnipeg, including both public and private market housing. This research focuses on housing options and provision for persons with limited incomes and pays special attention to those who experience mental illness and/or substance use.

Housing Affordability in Winnipeg: The Private Rental Market

Winnipeg's housing is among the most affordable in Canada; however, many limited income households pay excessive amounts of their income on housing (SPCW, 2001). For people on Social Assistance, finding quality, rental remains an untenable burden. For example, a single person on Employment Income Assistance with a shelter allowance of \$285 per month (for rent, heat, lights and water) would have difficulty in obtaining shelter in Winnipeg. In 2006, the average rent for a bachelor apartment in Winnipeg was \$451 per month, which represents a shortfall of \$166 per month for shelter costs.

In 2007, the CMHC Rental Market Report revealed that the private rental housing stock for Winnipeg was 52,430 units (within their sample size), with 775 vacant and/or available for rent. Approximately, 40 per cent of the rental housing stock is located within the inner city where the housing is relatively older than the other areas of the city.ⁱ The 2001 Census revealed that the core housing need for Winnipeg renters is at 33.7 per cent, meaning that the rental accommodation may be in need of repair, the household pays more than 30 per cent for shelter or the household is considered to be crowded (CMHC, 2007). Over 50 per cent of all households in the inner city pay in excess of 25 per cent of their income on housing. Moreover, the majority of persons accessing housing resources are unemployed and receive social assistance (SPCW, 2001). Table One highlights the shelter allowance for persons who require assistance in Manitoba.

| Table One | |
|--|---|
| Maximum Rent Rates Employment and Income Assistance: Manitoba, 2007 | |
| Family Size | Rent with Heat, Lights and Water |
| Person * | \$285 |
| 1 Person– Disability ** | \$285 |
| 2 Persons | \$387 |
| 3 Persons | \$430 |
| 4 Persons | \$471 |

Source: Manitoba Family Services and Housing.

Further information see: <http://www.gov.mb.ca/fs/eiafacts/rental.html>

*A single person in this category who rents a suite with a shared kitchen or bathroom will receive a maximum of \$236.00 per month for rent, it is unclear if this has changed for residential hotels, but it has slightly increased for rooming houses.

** The Income Assistance for Persons with Disabilities benefit was increased by \$25 to \$105 per month, an increase of 30 per cent effective as of January, 2008.

Vacancy Rates

Since 1991, there has been an overall steady decline of vacancy rates for rental property in Winnipeg. A sum of 4,800 units out of the total rental housing stock in Winnipeg have been lost in part due to condominium conversions since 1992 (CMHC, 2007). The following table illustrates the number of rental units in Winnipeg and the associated vacancy rates.

| Table Two | | | | |
|--|-----------------|------------------|------------------|-------------------|
| Private Apartment Units by Bedroom Type, Winnipeg CMA: 2007 | | | | |
| | Bachelor | I Bedroom | 2 Bedroom | 3 Bedroom+ |
| Total Units | 3,826 | 26,967 | 20,475 | 1,163 |
| Total Vacancy | 70 | 382 | 305 | 18 |

Source: Canada Mortgage and Housing Corporation (2007) Rental Market Report, Manitoba Highlights. Ottawa, Ontario. P. 4

Table Three shows the decline of the vacancy rates from 2005 to 2007. Reasons for the declining vacancy rates may be attributed to the arrival of new Canadians seeking rented shelter, a younger demographic of renters, and very little affordable rental housing has been constructed in the past ten years.

| Table Three | | | | |
|--|-----------------|------------------|------------------|-------------------|
| Private Apartment Vacancy Rates (%) by Bedroom Type, Winnipeg CMA | | | | |
| Year of Survey | Bachelor | I Bedroom | 2 Bedroom | 3 Bedroom+ |
| 2005 | 3.1 | 1.8 | 1.4 | 1.1 |
| 2006 | 2.2 | 1.4 | 1.1 | 0.7 |
| 2007 | 1.8 | 1.4 | 1.5 | 1.6 |

Source: Data for 2005-2006 see Canada Mortgage and Housing Corporation (2006) Rental Market Report, Manitoba Highlights. Ottawa, Ontario. P. 2. Data for 2007 see Canada Mortgage and Housing Corporation (2007) Rental Market Report, Manitoba Highlights. Ottawa, Ontario. P. 4.

In the United States, the link between homelessness and low vacancy rates for rental housing is well documented in the literature by O'Flaherty (1995) and more recently by Park (2000). These studies show that homelessness is primarily attributable to a decline in the stock of limited income housing, or tighter low-market conditions.

Wait Lists

The wait lists for subsidized housing is also a key barrier For instance, the Manitoba Urban Native Housing Association reports that there is an overwhelming shortage of housing, with 2,300 persons on their wait lists (MUNHA, 2008) while the Manitoba Housing Authority had 3,037 households on their wait lists in 2003, which is the latest statistic available (Campaign 2000).

Because of the low vacancy rates in Winnipeg, prospective landowners and managers in the public market have the power to be particular in tenant selection. Some avoid renting to tenants who are considered marginalized due to perceived drug and alcohol use and misuse, mental health issues. As one volunteer at the Canadian Mental Health Association BC's Division put it:

People with these conditions are often treated with fear, anger, and resentment rather than community support and compassion. They are often treated badly by institutions like the legal system, the police and the health care system, they are at higher risk of having their human rights violated (Kaur, 2004).

The Social Planning Council of Winnipeg (2004) reported that a disproportionately high number of individuals accessing housing and outreach services have substance abuse/addiction problems and mental health issues. Many housing providers require abstinence; however, studies show that the co-occurrence of mental illness and substance misuse is the norm, not the exception. Evictions only expose the individual to greater risks; therefore, housing programs need to have the capacity to provide a more effective response to someone who is using drugs and alcohol. A Vancouver study found that homeless persons were more likely to address their addictions if they were adequately housed (Russell, 2004).

Hidden Homelessness

In 2006, The Institute of Urban Studies (IUS) released a study on hidden homelessness of Aboriginal persons in prairie cities. Hidden homelessness may be defined as persons who stay temporarily with friends or family also known as “couch surfing.” In a media release (2006), the research team highlighted the fact that there are approximately 10,000 persons who are considered to be among the hidden homeless in Winnipeg. This estimate includes persons residing in residential hotels and rooming houses, which are highly

insecure forms of shelter.

Both rooming houses and residential hotels are considered to be part of the private market in Winnipeg, and the Province of Manitoba provides shelter allowance to approximately 90 per cent of those residing in them. IUS released two reports (2002, 2005) on the conditions of rooming houses and residential hotels within Winnipeg. It was estimated that there are approximately 1,000 rooming houses in Winnipeg, (5,000 tenants) with Employment Assistance Income paying approximately \$825,000 in monthly rents (Distasio *et al*, 2002). In addition, there are approximately 1,000 persons living in residential hotels along the Main Street area of downtown Winnipeg (Distasio *et al*, 2005). Both studies highlighted the fact that many residents within these studies live in shelter conditions that are inadequate and unsafe. The study also confirmed that these tenants have minimal other housing options primarily due to limited incomes. Since 2003, three of these residential hotels have closed, displacing 150 persons, without sound residential replacement programs in place.

With-out Shelter

There are no accurate methods for determining the number of individuals that are experiencing homelessness. The following is a chart of typical areas those researchers and government officials may include when trying to count persons who are homeless (Cordray and Pion, 1991).

| Table Four | |
|---|---|
| Institutional Categories for Counting Persons who are Homeless | |
| Institutional Categories | Targeted Areas |
| Shelter-type | Homeless shelters, subsidized housing units, and youth centres |
| Non-shelter | Prisons, mental health clinics, and halfway housing |
| Gray Areas | Residential hotels, transitional housing, rooming houses and group homes |
| Long-standing | Hospitals, facilities for victims of natural disasters and other emergency situations |
| Non-residential | Soup kitchens, mobile food vans, and drop-in centres |
| Non-institutional Locations | Streets, parks, transportation depots, and abandoned buildings |
| Conventional Dwelling Units | Having multiple individuals/families sharing rooms or housing |

Siloam Mission estimates that the number of homeless persons in Winnipeg is well over 2,000 and reports serving close to 400-500 persons per day through their food bank and other services.ⁱⁱ The Main Street Project reported seeing a high level of access to their shelter services in 2006-2007. They supplied overnight shelter services to 55 individuals on a nightly basis and provided almost 19,000 shelter stays to almost 1,100 individuals in the past year.ⁱⁱⁱ

Persons of Aboriginal Descent

It is estimated that 75-80% of the homeless in Winnipeg are of Aboriginal descent. The Aboriginal homelessness population faces a distinctive set of issues and concerns in comparison to non-Aboriginal populations in Winnipeg. Yet, there are no emergency shelters, run by and for adult persons of Aboriginal descent. The National Association of Friendship Centres, in collaboration with the Institute of Urban Studies, reported that a cultural component is vital in being effective for Indigenous persons.

“The approaches of shelters for Aboriginal people, run by Aboriginal people, differ fundamentally from mainstream shelters; these differences make Aboriginal shelters more effective than mainstream shelters in assisting Aboriginal clients (Webster, 2007).

A longitudinal study concerning Aboriginal mobility in Manitoba revealed that those who move to urban centres in search of work, education and other opportunities are at a particularly high risk of becoming and remaining homeless (Distasio, 2004). High mobility rates remove people from services and impact the development of neighbourhood networks. As a result, service providers face challenges establishing a continuum of care, and difficulties preparing appropriate policies, business plans and budgets (CMHC, 2002). Furthermore, funding to community-based organizations is often short-term affecting policies and programming. To this point, Webster adds:

The National Homelessness Initiative did not acknowledge that the provision of ongoing funding, for urban Aboriginal shelters, is a necessary and appropriate role for the federal government; this created conditions contrary to sound

management, accountability, and programme impacts” (Webster, 2007).

The report on hidden homeless among Aboriginal persons in prairie cities identified a set of four prevalent concerns. These include:

- A lack of affordable housing;
- A lack of support networks;
- A lack of information for new arrivals to urban centres; and
- Institutional discrimination.

Any policies that involve the well-being of Indigenous persons must be developed from within the Aboriginal community which honours the spirit of self-determination and respects of the principle of self-governance.

Housing for Persons with Distinct Needs in Winnipeg

Individuals experiencing mental illness are identified as the most under-served in the area of housing resources. The Winnipeg Regional Health Authority defines “mental health consumers” as people with mental health issues/concerns and who have one or the following characteristics; a history of mental illness, difficulties in functioning in the community, use of hospital/crisis service and other complex needs related to addiction, homelessness and criminal activity. Studies show that one in five persons is affected with mental illness during their lifetime (Anderson, 2006) and more than one in three Canadians treated in hospital for some form of mental illness return within one year of their discharge (Ubelacker, 2006).

The Social Planning Council (2001) offered the following recommended actions relating to those who are experiencing mental health issues:

- Mental health services should be incorporated into existing emergency housing services;
- People with mental health issues are in need of transitional housing when they leave hospital or emergency housing; and

- People with mental health issues need permanent supportive housing.

Supportive/Supported Housing

There are many examples of non-profit corporations in North America that supply supportive and supported housing units. Supportive housing refers to permanent, independent and affordable housing where appropriate services are provided as part of normal operations (Proscio, 2000). A supportive housing model is a means of assisting the residents to maintain a maximum possible level of independence, stability and participation in the general community. Typically, utilizing the supportive services is not a condition of tenancy. Supported housing, on the other hand, refers to housing that has supports which are de-linked from housing. Services are provided on an as needed basis and offered in an individualized manner.

Both models have proven effective in providing *permanent* housing for persons experiencing mental illness and substance use. Safe and affordable housing helps chronically mentally ill people, disabled people or people in recovery from addictions (Cohen *et al.*, 2004). These forms of housing focuses less on professional services but rather more on person-centered support, self-help and natural support.

Steve Lurie, Executive Director of the Toronto Branch of the Canadian Mental Health Association, argues that rent supplements are effective for scattered apartments and communities that have a high vacancy rate. However, he points out that once a support service is provided with the housing unit, the residential unit is typically thought of as quasi-institutional resulting in serious zoning issues. This scenario results in major hurdles to the development of supportive housing in the form of added costs. It is important to note that developers of supportive housing models must recognize and respect the local legislative and regulatory environments.

The Costs of Doing Nothing

By providing safe and secure housing, supportive housing models have proven to be effective in reducing financial burdens to society due to decreases in hospital, justice system and emergency shelter involvement. The total annual cost of alcohol, illegal drugs and tobacco abuse in Manitoba is now estimated at \$324 million and this represents a cost of \$281 to each individual in Manitoba (based on 2002 data), (The Addictions Foundations of Manitoba, 2006).

The Lewin Group in the United States conducted a comparison of the cost per day per person in nine cities and found similarities in each locale. The following chart highlights the costs per day, per person, in three cities as examples from the Lewin Group study:

| Table Five | | | | | | |
|--|---------------------------|-------------|---------------|----------------|-----------------------------|-----------------|
| Cost per Day per Person Comparison in Three Selected Cities | | | | | | |
| City | Supportive Housing | Jail | Prison | Shelter | Psychiatric Hospital | Hospital |
| Boston | \$33.45 | \$91.78 | \$117.08 | \$40.28 | \$541 | \$1,770 |
| Chicago | \$20.55 | \$60.00 | \$61.99 | \$20.00 | \$437 | \$1,201 |
| Los Angeles | \$30.10 | \$63.69 | \$87.74 | \$37.50 | \$607 | \$1,474.05 |

Source: The Lewin Group. (2004) Costs of Serving Homeless Individuals in Nine Cities.

What is important in the above table is that there is no doubt higher costs for institutionalization, be that jail or hospitalization. But what the authors did determine is that providing supportive housing can be a cost effective alternative to other forms of shelter. What might also be inferred is that providing supportive housing or quality shelter space might also reduce the number of hospital stays.

Conclusion

This brief report examines the adequacy and provision of rental housing in Winnipeg, including both public and private market housing as well as other institutional categories of shelter. Evidence has shown that there is indeed a housing crisis in Winnipeg for those who are on limited incomes, especially for those who are experiencing mental illness and

substance misuse. The private rental market analysis shows that rents are higher while vacancy rates have decreased. The evidence also shows that many persons with limited incomes are resorting to inadequate housing, such as rooming houses and residential hotels. Research on supportive housing indicates that there are cost effective models that provide permanent assistance to those who require it the most. Persons of Aboriginal descent are the most vulnerable when one looks at the population that is homeless in Winnipeg and addressing the need for culturally appropriate emergency shelters and supportive housing need to be further examined.

i The inner city zone areas as defined by CMHC are:

Zone 1 **Fort Rouge** - North: Assiniboine River; East: Red River; South: Jubilee Avenue, Parker Avenue; West: Waverley St.

Zone 2 **Centennial** - North: C.P. Rail Winnipeg Yards; East: Red River; South: Assiniboine River to Osborne Street, north on Osborne to Portage Avenue, Portage to Sherbrook St., Sherbrook to Notre Dame Ave.; West: Keewatin St.

Zone 3 **Midland** - North: Notre Dame Avenue; East: Sherbrook Street to Portage Ave., Portage to Osborne St., to Assiniboine River; South: Assiniboine River; West: St. James Street.

Zone 4 **Lord Selkirk** - North : City limits to Ritchie St., south to Ritchie/Templeton intersection, West in a straight line to CPR Arborg, South along Keewatin Street to the north limit of the Inkster Industrial Park, the north limit of Inkster Industrial Park to Carruthers Avenue, Carruthers Avenue to McGregor, North along McGregor to Smithfield, Smithfield to the Red River; East: Red River; South: CPR Molson/Carberry; West: Brookside Blvd (city limits).

ii Siloam Mission. For further information see: <http://www.siloam.ca/general.htm>

iii Main Street Project, Inc. Annual Report 2006-1007.

SOURCES:

Addiction Foundation of Manitoba. (2006) 2006 Annual Report. Winnipeg, Manitoba.

Anderson, Margot. (2006) *Mental Health Moves up the Agenda*. Canadian Mental Association. Journal. Vol.175, No.2. pps. 139-140.

Campaign (2000) Date Accessed: January 16, 2008. For further information see <http://www.campaign2000.ca/si/index.html>

CMHC (2002). *Effects of Urban Aboriginal Residential Mobility*, Research Highlights, Socio-Economic Series Issue 114.

CMHC (2005) *Homelessness, Housing, and Harm Reduction: Stable Housing for Homeless People with Substance Use Issues*. Research Report: Distinct Housing Needs Series. Ottawa, Ontario.

CMHC (2006) Rental Market Report, Manitoba Highlights. Ottawa, Ontario.

CMHC (2007) Rental Market Report, Manitoba Highlights. Ottawa, Ontario.

Cohen, Carol., Mulroy, Elizabeth., Tull, Tanya., White, Catherine., & Crowley, Shelia. (2004) *Housing Plus Services: Families in Permanent Housing*. Child Welfare. Vol. LXXXIII, No. 5.

Distasio, Jino Dudley, Michael & Maunder, Mike. (2002) *Out of the Long Dark Hallway: Voices from Winnipeg's Rooming Houses*. Winnipeg Inner City Research Alliance. Winnipeg Manitoba.

Distasio, J. (2003). *First Nations/Métis/Inuit Mobility Study*. Western Economic Diversification Canada. Winnipeg, MB.: Institute of Urban Studies, University of Winnipeg.

Distasio, Jino & Mulligan, Susan. (2005) *Beyond the Front Desk: The Residential Hotel as Home*. Winnipeg Inner City Research Alliance. Winnipeg Manitoba.

Distasio, Jino & Mulligan, Susan. (2005) *Home is Where the Heart is, and Right now that is No-where: An Examination of Hidden Homelessness Among Aboriginal Persons in Prairie Cities*. The Institute of Urban Studies, the University of Winnipeg. Winnipeg Manitoba.

Kaur, Harkirat. (2004) *Discrimination: The Double Stigma Against People with Mental Illness and Addictions*. Visions; BC's Mental Health and Addictions Journal. Vol. 2 No. 1 Winter.

Main Street Project Inc., (2007) Annual Report. Winnipeg, Manitoba.

Manitoba Family Services and Housing Annual Report-2005-2006. *Manitoba Family Services and Housing*. (2005) Annual Report 2004-2005. Winnipeg, Manitoba.

MUNHA: Manitoba Urban Native Housing Association. (2007) Aboriginal Housing Plan. MUNHA. Winnipeg, MB.

O'Flaherty, Brendan. (1995) *An Economic Theory of Homelessness and Housing*. Journal of Housing Economics. No. 4. pps. 13-49.

Park Hwa & June Ying. (2000) *Increased Homelessness and Low Rent Housing Vacancy Rates*. Journal of Housing Economics . Vol. 9. pps 76-103.

Proscio, Tony. (2000) *Forming an Effective Supportive Housing Consortium*. Corporation for Supportive Housing. 50 Broadway, 17th Floor, New York, NY.

Province of Manitoba News Release (April 17, 2007) *\$188 Million Invested in Four-Pillar, Low-Income Housing Strategy*. Province of Manitoba.

Russell, John. (2004) *Housing, Mental Illness and Substance Misuse*. Visions; BC's Mental Health and Addictions Journal. Vol. 2 No. 1 Winter.

Siloam Mission. For further information see: <http://www.siloam.ca/general.htm>

Social Planning Council of Winnipeg. (2001) *A Community Plan on Homelessness and Housing in Winnipeg*. Prepared through a community consultation process by The Community Partnership for Homelessness and Housing and the Aboriginal Reference Group on Homelessness and Housing.

The Lewin Group. (2004) *Costs of Serving Homeless Individuals in Nine Cities*.

Ubelacker, Sheryl. (2006) *1 in 3 Mental Health Patients Readmitted to Hospital Within a Year: Report*. Canadian Press Newswire. Toronto: November 29th, 2006.

Webster, Andrew. (2007) *Sheltering Urban Aboriginal Homeless People*. The National Association of Friendship Centres In collaboration with the Institute of Urban Studies, University of Winnipeg.

Winnipeg Regional Health Authority. (2003) *Mental Health Housing Strategy*. Winnipeg, Manitoba.