# Maintaining and Renewing the Social Housing Stock: Canada in a Comparative Perspective

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# Land Acknowledgement

*We wish to acknowledge this land on which the University of Toronto operates. For thousands of years it has been the traditional lands of the Huron-Wendat, the Seneca, and most recently, the Mississaugas of the Credit. Today, this meeting place is still the home to many Indigenous people from across Turtle Island and we are grateful to have the opportunity to work on this land.*

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Collin Bernard, PhD

# Swansea Mews: Case Study of Deferred Maintenance

Lance McMillan/Toronto Star file photo


City News/ Tony Fera

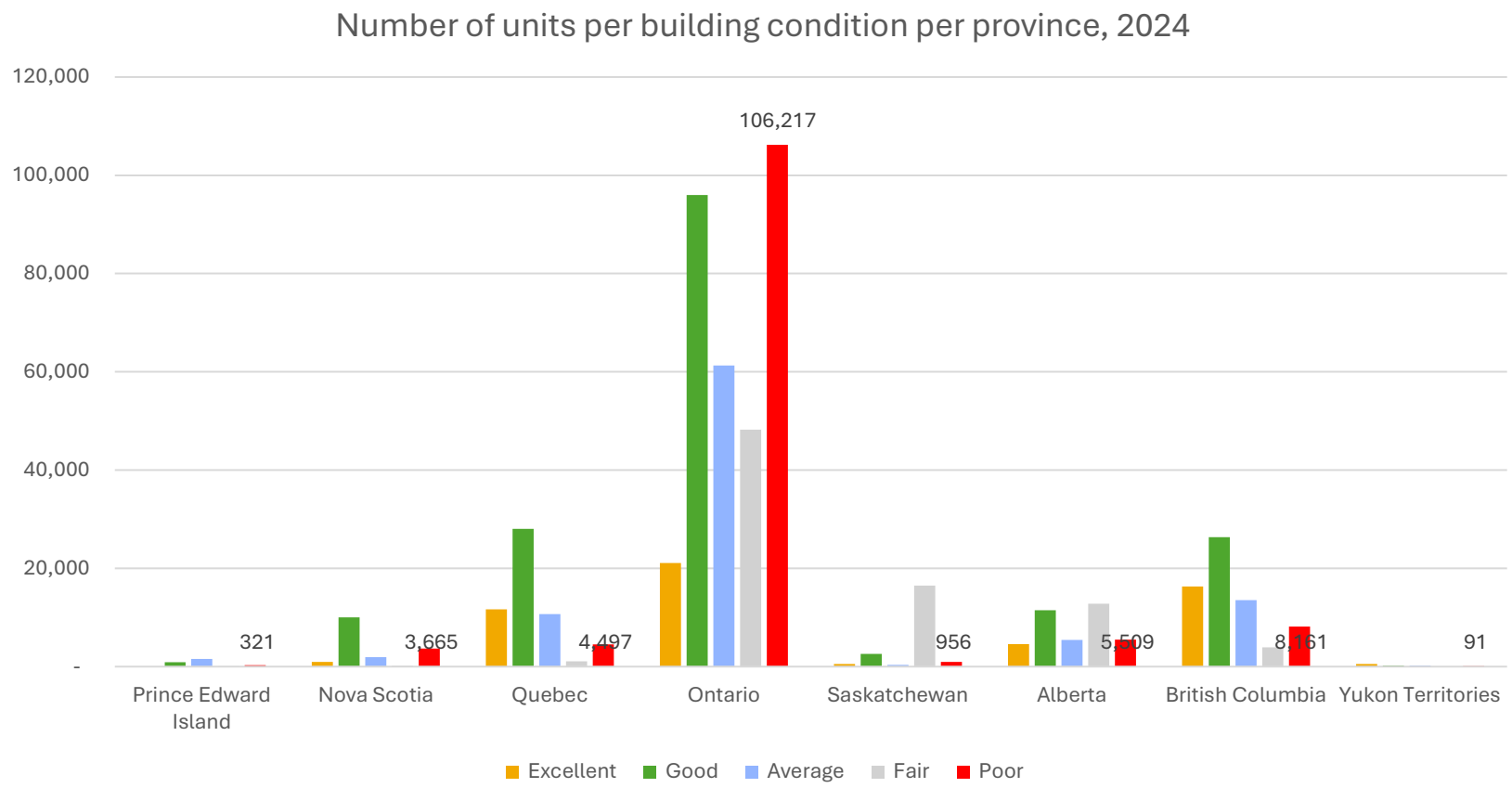
# Today's Agenda

- Global Challenge
- Canadian Context
- Case Studies
- Key Takeaways

# Aging of Social Housing: A Global Issue

- World-wide building wave: 1945–1980s →now 40–80 years old
- Aging inevitable, disrepair is not
- Many systems lacked long-term perspective
- Mandate of renovation policy expanded
- Many systems' financial models could not keep up → disrepair

# The Canadian Context




CMHC. (2024). *Social and Affordable Housing Survey.*

# Canada

**System Profile**

- Small (4.4% of stock) & old (built 1965-1995)
- Diverse providers: government, non-profit, co-op
- Complex federal-provincial governance
- Tenants: highly targeted

**Funding Model**

- Income-based rent setting
- Subsidy-based
- Time-limited agreements

**Key Historical Turning Points**

- 1965-1995: Federal leadership (prime construction
- Early-mid 1990s: Federal withdrawal; devolution
- 2001-2015: Modest Federal Re-engagement
- 2017: National Housing Strategy re-engagement

# Canada

**The Core Issue: Structural Funding Gap**

- Federal operating subsidy frozen at 1995 levels
- Repair costs downloaded to provinces/municipalities
- Decades of deferred maintenance

**The System: A Reactive Patchwork**

- No coherent national framework
- Varied provincial programs
- Outcomes vary widely by provider capacity

**The Special Response: Temporary Infusions**

- Federal role: time-limited transfers (e.g., $4B for repairs in National Housing Strategy)

# England

## System Profile

- Larger system (~16% of stock); built 1945-1980
- Massive shift from councils to Housing Associations
- Low-income targeted; lost mixed-income base

## Funding Model

- Near-market, formula-based rents governed by national regulations
- Affordability via "Housing Benefit" vouchers to tenants
- Designed for financial independence & private borrowing

## Key Historical Turning Point

- 1980s Thatcher reforms: Shifted towards privatization
- Housing benefit replaced subsidies
- Created current "self-sustaining" non-profit model

# England

**The Core Issue: From Upkeep to Backlog**

- Pre-1980s: Funds covered only basic repairs
- Thatcher era cuts left revenues insufficient for growing repair needs
- £19 billion social housing repair backlog by 1996

**The System: Enforced Self-Sufficiency**

- 2000s: Decent Homes Standard with 2010 deadline
- Forced restructuring: Stock transfers & ALMOs
- Used private loans backed by rental income

**The Special Response: Area-Based Redevelopment**

- Targeted programs for deprived neighborhoods
- Demolition & mixed-income rebuilding via PPPs
- Dual goal: Physical renewal & social reform

# France

## System Profile

- Medium-large system ("HLM"): ~14% of stock
- Old stock: ~50% built pre-1976 (modernist estates)
- Run by non-profit HLM organizations
- Broad eligibility but increasingly low-income since 1970s

## Funding Model

- Cost-based rent framework governed by national regulations
- Dual subsidy: Supply-side loans + rent allowance for low-income tenants
- Primarily public finance; minimal private market reliance

## Key Historical Turning Point

- 1978 reform: Introduced personalized rent allowance (APL) while decreasing supply subsidy
- Slowed construction, changed tenant demographics, increased residualization

# France

**The System: Cost-Based Rent**

- Standard rents to cover basic maintenance
- Extra fee for common areas
- Grants + subsidized loans can cover larger repairs

**The Core Issue: A Cycle of Decline**

- Poor original construction & design flaws in certain estates
- Financial spiral: Low revenue → deferred maintenance → stigma
- Concentrated poverty & poor-quality buildings in certain areas

**The Special Response: Urban Renewal**

- Since 1980s: Targeted state programs (e.g., National Urban Renewal Agency)
- Extra grants for demolition & mixed-income redevelopment
- Goal: Neighborhood transformation & social integration

# Austria

**System Profile**

- Very large system: ~24% of total stock
- Mixed providers: Limited-Profit Housing Associations (17%) & municipal (7%)
- Ongoing construction; not uniformly old stock
- Mass-based, mixed-income tenancy prevents stigma

**Funding Model**

- Cost-covering rents with reinvestment margin
- Ring-fenced "Housing Fund" (state loans + construction bank)
- Financially independent; no ongoing operating subsidies

**Key Historical Context**

- Long-term policy stability since post-1945
- Consistent political commitment & dedicated funding
- Avoids "stop-start" funding cycles

# Austria

**No Systemic Repair Issue: Proactive Management**

- Strong financial base prevents disrepair
- Focus on modernization & energy retrofits
- Historic preservation considerations

**The System: Mandated, Planned Reinvestment**

- Building-specific sinking funds required by law
- Formula-driven, inflation-adjusted contributions
- "Use it or lose it" rule (20-year spending deadline)
- Same funding sources as new construction

**The Special Response: None Required**

- No crisis-driven demolition/rebuild programs
- Targeted subsidies only for specific goals (e.g., climate)

# Takeaways

- **Disrepair is not inevitable.** It stems from policy choices and funding gaps.
- **Three options for financial sustainability:**
  - Low rents + operating subsidies (volatile).
  - Higher rents + tenant allowances (costly).
  - Higher rents + mixed-income base (requires consensus).
- **Healthy systems access loans.** Unhealthy systems rely on grants.
- **Renovation's mandate has expanded** to social, climate, and urban goals.

# Thank you