

National Housing Council  
Canada  
Review Panel on the Financialization of Purpose-Built Rental Housing

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## Written Submission of Campaign 2000: End Child and Family Poverty

### Introduction

Campaign 2000 is a non-partisan pan-Canadian coalition of over 120 organizations working to end child and family poverty. The coalition came about in response to the 1989 federal resolution to end child poverty by the year 2000. For more than 30 years, Campaign 2000 has been monitoring and tracking rates of child and family poverty and presenting achievable federal policy solutions through annual reporting. From inception, Campaign 2000 has researched and written about the role of housing in experiences of poverty, and the need for affordable, accessible, quality housing as one of the critical components to ending child and family poverty.

Child poverty is disproportionately experienced by families who are systemically marginalized in Canadian society, including First Nations, Inuit, and Métis Peoples, immigrants, newcomers, those who are racialized, those who have disabilities, lone-mother led families, 2SLGBTQI+ families, youth aging out of the child welfare system, among others. These children and families experience both the crisis of poverty and the crisis of housing together. The financialization of purpose-built rental housing is a significant contributor to the housing crisis, as experienced by families and children living in low incomes.

Across the country, Campaign 2000 coalition members hear from communities that they feel hopeless and that there is no way out of poverty, no access to adequate housing, and too many barriers to achieving wellbeing.

Campaign 2000 is providing this submission to the National Housing Council for the review on the issue of the financialization of purpose-built rental housing in Canada in which we aim to highlight the correlation and effects of the financialization of purpose-built rental housing on children and families who live in low-income and provide a set of evidence-based recommendations that will help to address this urgent issue.

### Background

Financialization of purpose-built rental housing

The “financialization of housing” refers to structural changes in housing and financial markets and global investment whereby housing is treated as a commodity or asset as a means of accumulating wealth, often as security for financial instruments that are traded and sold on global markets. It refers to those institutional investors in housing who cater predominantly to their shareholder or investor clients and in the process — inadvertently or not — cause harm to tenants. It refers to the way capital investment in housing increasingly disconnects housing from its social function of providing a place to live in security and dignity and hence undermines the realization of housing as a human right.<sup>1</sup> Human rights violations resulting from the financialization of housing include, but are not limited to, evictions, escalating rents and diminished building services and maintenance.

## Demographics of children in families with low incomes

Data from the most recent Campaign 2000's latest national annual report card tells us more about who the families and children in low income are. It should be noted that there is a two-year lag in the release of data. These rates reflect the presence of generous pandemic benefits transferred by the federal government to families in 2020 that attributed to historically low poverty rates. Since these benefits have all been withdrawn and preliminary estimates are showing that the situation is worse today. In 2020:

- 13.5%, or nearly 1 million children in Canada, lived in poverty according to the Census Family Low Income Measure, After Tax (CFLIM-AT). That is more than 1 in 8 children growing up with the short- and long-term physical, mental, emotional, economic and social harms of poverty.
- Child poverty rates for children under six were even higher at 14.2%, representing 327,550 children.<sup>ii</sup>

Child poverty rates continued to be disproportionately higher for those who are systemically marginalized by colonization, racism, ableism, family status:

- 37.4% for First Nations children living on reserve.
- 24% for First Nations children living off reserve.
- 19.4% for Inuit children.
- 15.2% for Métis children.
- 15.1% for racialized children.
- 21.8% for newcomer children who have been in the country five years or less.
- 18.8% for immigrant children.
- 29.7% for children in lone mother led families.<sup>iii</sup>

Systemically marginalized groups experience housing insecurity at higher rates. For example, 2021 Census data show the disproportionate effects of housing insecurity on racialized families:

- 18.2% of racialized families with children aged 0-14 were in core housing need (defined as spending over 30% of household income to afford adequate housing), compared to 9.8% of non-racialized families with children 0-14.
- 7.1% of racialized families with children 0-14 spend 50% or more of their household income on housing, compared with only 2.8% for non-racialized families with children aged 0-14.<sup>iv</sup>

## Effects on low-income families and children, particularly in systemically marginalized groups

Low income families and children are significantly negatively affected by the financialization of housing and by the human rights violations they cause. Their incomes, whether through low-waged or precarious work or government assistance programs, have not kept pace with the dramatic increase of rents, which have in large part risen because of financialization.

Displacement, for example, occurs when investors buy affordable rental housing and to sell it to wealthier households. Marginalized and low income families struggle to pay for the costs of moving and often are unable to find replacement affordable units in their neighbourhoods. They are forced to leave their communities and children must move to new schools often losing friends and community supports. Oftentimes, families find themselves in unsafe or overcrowded housing, they spend a disproportionate amount or even their entire paycheque on rent, or lose their housing entirely. This in turn affects their ability to keep a stable job, pay for basic needs, provide adequate food for their children, maintain their physical, mental and emotional health, friendships and community supports, and more.

Shockingly, some landlords have publicly stated their intentions of removing low and moderate-income tenants whom they deem “undesirable” from buildings they acquire, targeting buildings in gentrifying areas and intentionally displacing working-class tenants.<sup>v</sup>

Financialized landlords are those who perpetuate human rights violations in the interest of maximizing profits through illegal and unethical methods. Northern Properties Real Estate Investment Trust (NP REIT), now Northview, is one example. This company holds 74% and 85% of all privately initiated rental structures in Iqaluit and Yellowknife respectively.<sup>vi</sup> They have used their monopoly to influence rental rates, driving prices higher while reportedly neglecting services, allowing pest problems to fester in some buildings, and implementing exclusionary practices such as renting selectively (ie. not renting to income assistance recipients) and ‘blacklisting’ tenants. Their business model focuses on renting to ‘creditworthy’ tenants. In northern communities, this practice reinforces the socio-economic divide along income and Indigenous identity, where long-term housing contracts with government and corporations benefits renters from the Canadian south who travel to the north for work that is often well-paid. Local Indigenous people and communities, who experience much higher rates of poverty, housing insecurity and homelessness are unable to access this housing supply.<sup>vii</sup>

Human rights violations

Canada has an obligation to uphold the right to housing for children, but the federal government is falling far short of ensuring that right is realized.

Canada’s failure to ensure the right to housing for children is in violation of The United Nations Convention on the Rights of the Child (CRC). The CRC, ratified by Canada in 1991, outlines that states have a duty to assist those responsible for caring for children with housing.<sup>viii</sup> The National Housing Strategy Act, passed in 2019, enshrined the right to housing for all in Canadian law.

Campaign 2000 made two joint submissions in 2020 to the UN Committee on the Rights of the Child’s review of federal progress towards implementing and upholding the CRC. In both submissions, the poverty, the lack of adequate housing and the connection between the two challenges, particularly for marginalized groups, were highlighted as violations of the CRC.<sup>ix x</sup>

In May 2022 the Committee released concluding observations in which they stated they were ‘deeply concerned’ about discrimination of children from marginalized communities including Indigenous and Black children, children in different regions and territories, children with disabilities and migrant and racialized children. Areas of concern included higher rates of poverty and structural discrimination with regards to their access to education, health and an adequate standard of living, including access to adequate housing.<sup>xi</sup> The review noted that women and children are particularly vulnerable to housing insecurity due to a variety of reasons including family violence, a lack of affordable housing, low wages, under employment and low social assistance rates.

On housing and homelessness for children, the committee recommends the government of Canada:

Strengthen measures, including time-lines and priorities to achieve its targets to end homelessness of children and to progressively guarantee all children from low-income families stable access to adequate and affordable long-term housing that provides physical safety, adequate space, protection against the threats to health and structural hazards, including cold, damp, heat and pollution, and accessibility for children with disabilities.<sup>xii</sup>

Campaign 2000 strongly recommends a rights-based approach to address the financialization of housing where purpose-built rental housing is not treated as a commodity that generates wealth for institutional investors. Rather, purpose-built housing must be re-connected to its social function of providing a place to live in security, health and dignity. Housing is a fundamental human right for children and families who are marginalized and living with low incomes. Targeted action is urgently required. Campaign 2000 submits the following recommendations.

## Recommendations

- Recognize the human rights violations resulting from the financialization of purpose-built rental housing in Canada. The federal government must collaborate with provincial and territorial governments to ensure that unfair evictions, rent increases and service decreases are proscribed by provincial statutes and that accessible enforcement mechanisms are available to tenants. Federal funding related to housing should be binding, requiring that these conditions be met and reported on.
- Address the financialization of purpose-built rental housing and ensure the progressive realization of the right to adequate housing, including targeted action for low-income and marginalized children and families who experience disproportionate rates of poverty and housing insecurity. This will require the federal government to take a more active role in the rental housing market by increasing the production of social, cooperative and affordable housing. This could be partly financed through increased taxation on corporate profits related to purpose-built rental housing and taxing the increased value of such properties when they are inherited from previous generations.
- Ensure that federally financed housing is affordable for low-income families and reflects the diverse needs of families with children from a range of cultures and with a range of abilities.
- The federal government should establish standards that must be met to implement the right to housing and should tie funding to meeting these standards. There should also be a requirement that federal funding should not increase the financialization of housing.
- Change affordability requirements in federal rental housing financing and co-investment funding to ensure that any supported housing development includes a sufficient number of units and a range of unit types that are affordable for, and meet the adequacy needs of, low-income families with children, defining 'affordability' at 30% of gross income.
- Take immediate action on the commitment to ending homelessness as part of Canada's international human rights obligations. Reassess the definition of 'chronic homelessness' to capture the experiences of women and gender diverse people fleeing violence, immigrants, refugees, First Nations, Inuit and Métis Peoples, families and youth.
- Eliminate inflows into homelessness by establishing a national framework with programs for extended care and support for youth in child welfare, in collaboration with First Voice Advocates, territories and provinces.

## Conclusion

Campaign 2000: End Child and Family Poverty respectfully requests the National Housing Council to consider the arguments and evidence presented in this submission and to take appropriate action to protect and promote the right to adequate housing in relation to the financialization of purpose-built rental housing in Canada.

Sincerely,

Leila Sarangi, National Director

On behalf of Campaign 2000: End Child and Family Poverty

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<sup>i</sup> The Shift. (June 2022). "The Shift Directives: From Financialized to Human Rights-Based Housing". <https://make-the-shift.org/directives/>

<sup>ii</sup> Campaign 2000. *Pandemic Lessons: Ending Child and Family Poverty is Possible*. February 14, 2023. [https://campaign2000.ca/wp-content/uploads/2023/02/English-Pandemic-Lessons\\_Ending-Child-and-Family-Poverty-is-Possible\\_2022-National-Report-Card-on-Child-and-Family-Poverty.pdf](https://campaign2000.ca/wp-content/uploads/2023/02/English-Pandemic-Lessons_Ending-Child-and-Family-Poverty-is-Possible_2022-National-Report-Card-on-Child-and-Family-Poverty.pdf)

<sup>iii</sup> Ibid

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<sup>iv</sup> Statistics Canada. Table 98-10-0328-01 Shelter-cost-to-income ratio by visible minority and immigrant status and period of immigration: Canada, provinces and territories, census metropolitan areas and census agglomerations with parts. <https://doi.org/10.25318/9810032801-eng>

<sup>v</sup> Martine August (2020). The financialization of Canadian multi-family rental housing: From trailer to tower, *Journal of Urban Affairs*, 42:7, 975-997, <https://herongatetenants.ca/wp-content/uploads/2021/09/The-financialization-of-Canadian-multi-family-rental-housing-From-trailer-to-tower.pdf>

<sup>vi</sup> Martine August (2020). The financialization of Canadian multi-family rental housing: From trailer to tower, *Journal of Urban Affairs*, 42:7, 975-997, <https://herongatetenants.ca/wp-content/uploads/2021/09/The-financialization-of-Canadian-multi-family-rental-housing-From-trailer-to-tower.pdf>

<sup>vii</sup> Ibid.

<sup>viii</sup> United Nations Office of the High Commissioner on Human Rights. (1989). Convention on the Rights of the Child. <https://www.ohchr.org/en/instruments-mechanisms/instruments/convention-rights-child>

<sup>ix</sup> Colour of Poverty Colour of Change et.al. (March 2020). Joint Submission to the UN Committee on the Rights of the Child at its 87<sup>th</sup> Session and Review of the Fifth and Sixth Periodic Reports of Canada. [csalc.ca/wp-content/uploads/2020/03/COPC-CRC-Report-FINAL-update.pdf](https://www.ccalc.ca/wp-content/uploads/2020/03/COPC-CRC-Report-FINAL-update.pdf)

<sup>x</sup> Canada Without Poverty, Campaign 2000 and Citizens for Public Justice. (February 2020). Submission to the UN Committee on the Rights of the Child: Reply to issues 133, 134, 135, 136, 137, 138, 139, 140, 141, & 142, and to articles 2, 4, 6, and 27. [rightsofchildren.ca/wp-content/uploads/2020/02/FINAL-CWP-C2000-and-CPJ-Joint-Submission-to-the-Committee-on-the-Rights-of-the-Child.pdf](https://www.rightsofchildren.ca/wp-content/uploads/2020/02/FINAL-CWP-C2000-and-CPJ-Joint-Submission-to-the-Committee-on-the-Rights-of-the-Child.pdf)

<sup>xi</sup> United Nations Committee on the Rights of the Child. (2022, June 9). *Concluding observations on the combined fifth and sixth reports of Canada*. <https://digitallibrary.un.org/record/3978336?ln=en>

<sup>xii</sup> Ibid.