

CUPE Policy Statement

HOUSING IN A TIME OF CRISIS

Housing availability and affordability is at a crisis point across Canada. Our members see the toll that the housing crisis is taking on their lives and communities every day. Workers need to be able to afford a home near their place of work, and communities need frontline workers to be able to live where they work.

The rising cost of housing has driven this crisis. Home prices have far outpaced incomes across the country. In 1980, the average home cost 2.5 times the average household income. Today, the average home costs 8.8 times the average income. In Toronto and Vancouver, the situation is even more dire with homes costing 13.2 and 14.4 times the average income respectively.ⁱ Rents have also increased substantially with a 7.9% increase from April 2023 to April 2024.ⁱⁱ The gap between the rental wage—the hourly wage a worker needs to earn so that their rent will not eat up more than 30 per cent of their pre-tax income—and the minimum wage is larger than it should be in every province in Canada.ⁱⁱⁱ

Many workers, whether they rent or own their homes, are paying more than 30% of their income on housing, which puts them in core housing need. Workers from equity-seeking groups, including Indigenous, Black and racialized workers and workers with disabilities, are particularly at risk of housing insecurity.

Our members are not insulated from the broad lack of availability and affordability of homes, or rampant renovictions, or unaffordable mortgage rates. Housing is a human right that is not being upheld in Canada.

CUPE has a history of housing resolutions going back to 1969, calling for the federal government to enact a national plan for housing and make low-cost loans available (see resolutions and strategic directions on housing in Appendix A and B). Housing is a fundamental union issue. It is the basis of stability and security for our members. Everyone needs and deserves a safe, accessible and affordable home.

Given the current housing crisis, CUPE is strengthening and renewing its position on housing.

The Financialization of Housing is at the Root of the Housing Crisis

Treating housing as a profit-generating commodity, rather than a guaranteed human right, is a root cause of the housing crisis. Known as the financialization of housing, the problem ranges from large corporate investors making huge profits from rental housing to a federal government that provides an inadequate public pension and treats homeownership as a key component of retirement security.

Rental accommodation has been targeted by large corporate investors including private equity firms, real estate operating companies, real estate investment trusts, asset managers, and institutional investors like pension funds. These corporations treat people's homes as an asset class from which to extract profit. They do this through displacing lower income tenants in favour of higher-income tenants through unaffordable rent increases and renovictions.

Workers' pension funds are one of the actors driving up the cost of rental accommodation. A number of pension funds have been found to engage in controversial and rights-violating efforts to displace low-income renters or sell properties to the highest bidder.^{iv}

The financialization of housing has occurred as an increasing number of homes are purchased by small-scale investors who own multiple properties. With fewer workplaces offering stable defined benefit pension plans, homeowners have come to depend on housing as a way to achieve retirement security. This has resulted in an environment where increasing housing affordability—in other words, lowering house prices—is seen by many homeowners in Canada as a threat to their retirement security. At the same time, others have been priced out of buying a home altogether.

Financialization is associated with increased housing costs for both renters and homeowners. Addressing the financialization of housing and increasing the supply of public, non-profit and co-operative housing are two key measures that will help bring down the cost of rental accommodation and buying a home.

The Human Rights to Housing Needs to Drive Action on Housing

CUPE believes public funding needs to be aligned with the right to housing as recognized in international law and the National Housing Strategy Act.

The National Housing Strategy (NHS), which was adopted by the federal government in 2017, has allocated over \$82 billion toward housing. However, the majority of this funding has been funnelled toward for-profit housing corporations building largely unaffordable homes. Moreover, there is no consistent definition of “affordable”. Even CMHC uses multiple measures of affordability in its programs and publications, including 80% or less than “market rent” or less than 30% of a household's median pre-tax income.^v

A market-based housing system will never uphold everyone's right to housing. The federal government must intervene with a significant investment in public, non-profit and co-operative housing that includes rent-geared to income units. Non-market housing including public, non-profit and co-operative housing have specific needs and each has a role to play in ensuring the human right to housing.

A Workers' Plan for Housing

In order to build a housing system that ensures CUPE members—and all workers—can afford safe and accessible housing in the communities where they work, CUPE takes the following position:

- A right to housing framework must be incorporated in all public funding and policy on housing.
- Public money and public lands must be used for the public interest, not private profit:
 - The federal government must vastly increase the stock of non-market housing, including public, non-profit and co-operative housing that includes rent-g geared-to-income housing;
 - The federal government should partner with other levels of government to ensure non-market housing providers have ongoing operating and maintenance subsidies to maintain rents at a maximum 30% of pre-tax household income;
 - Recognizing the different challenges of small and rural communities, the federal government must develop targeted approaches to increase the supply of affordable housing with dedicated funding streams;
 - The federal government must provide funding and support for provincial and municipal governments' efforts to repair and revitalize public housing and improve its structural integrity and habitability;
 - The federal government must expand its acquisition fund, to enable the public sector, non-profit and co-operative organizations to purchase housing stock in order to maintain affordability;
 - Public lands must only be available to public, non-profit and co-operative organizations for real estate projects and must remain non-profit permanently.
- Regulations and restrictions must be put in place for large-scale investors in residential real estate including pension funds and real estate investment trusts such as:
 - Closing the tax loopholes for Real Estate Investment Trusts' (REITs);
 - Further strengthening capital gains taxes for large-scale investors;
 - Placing limits on the amount of residential real estate units that corporate investors can own; and
 - Regulations on pension funds holding residential real estate investments.
- Our public pension system must be improved to guarantee a dignified retirement for all, so Canadians do not have to rely on the appreciation of their home value to fund their retirement.

- To make housing more affordable, governments should institute tax measures such as speculation and vacancy taxes. This tax money will go back into public services.
- The federal government must tie federal housing funding to enforceable provincial and territorial minimum tenant standards including:
 - rent control, which limits how much a landlord can raise the rent for the current and ongoing tenants;
 - vacancy control, which limits how much a landlord can raise the rent when a tenant moves out and a new tenant moves in; and
 - protection against unfair eviction.
- Indigenous peoples have the right to the improvement of their housing conditions. Indigenous peoples have the right to be actively involved in developing and determining housing programmes affecting them and, as far as possible, to administer such programmes through their own institutions.^{vi} The federal government needs to provide adequate funding to close the housing gap experienced by Indigenous people.
- Legislative protections must be put in place for tenant unions.
- The beneficial ownership of housing, which would require the names of real estate owners to be public, should be mandated.

CUPE makes the following commitments:

- To continue to support and resource tenant movements and housing advocates who advance the call for housing justice;
- to work against the racist and anti-immigrant messaging around the housing crisis;
- to collect data on the housing challenges experienced by our members;
- to explore union-led housing initiatives that support our members and support members who are working to build affordable and inclusive housing options; and
- to consult members on developing a policy on homeless/unhoused encampments.

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ⁱ Alexandra Flynn and Carolyn Whitzman, “Housing Is a Direct Federal Responsibility, Contrary to What Trudeau Said. Here’s How His Government Can Do Better.” *The Conversation*, August 7, 2023, <http://theconversation.com/housing-is-a-direct-federal-responsibility-contrary-to-what-trudeau-said-heres-how-his-government-can-do-better-211082>.

ⁱⁱ “Consumer Price Index, Monthly, Percentage Change, Not Seasonally Adjusted, Canada, Provinces, Whitehorse and Yellowknife — Shelter” (Statistics Canada, May 21, 2024).

ⁱⁱⁱ David Macdonald and Ricardo Tranjan, “Can’t Afford the Rent: Rental Wages in Canada 2022,” *Canadian Centre for Policy Alternatives*, July 2023, <https://policyalternatives.ca/publications/reports/cant-afford-rent>.

^{iv} See further details about the role of pension funds in residential real estate in the following articles: Neal Rockwell, “A Public Pension Fund Is Canada’s Newest Mega-Landlord ★ The Breach,” *The Breach*, March 30, 2022, <https://breachmedia.ca/a-public-pension-fund-is-canadas-newest-mega-landlord/>. “Burnaby Housing Co-Ops Threatened by Sell-off to Private Landlords” (Co-operative Housing Federation of BC, 2021), <https://www.chf.bc.ca/wp-content/uploads/2021/10/CHF-BC-statement-on-IUOE-pension-fund-co-ops-1.pdf>. “BC Housing, Burnaby Reach Financing Deal to Preserve Threatened Co-Op Housing - BC | Globalnews.Ca,” accessed May 30, 2024, <https://globalnews.ca/news/8981703/burnaby-co-ops-saved-affordable-housing/>.

^v Carolyn Whitzman, “A Human Rights-Based Calculation of Canada’s Housing Supply Shortages” (Office of the Federal Housing Advocate, November 2023), <https://www.homelesshub.ca/resource/human-rights-based-calculation-canada%E2%80%99s-housing-shortages>.

^{vi} United Nations Declaration on the Rights of Indigenous Peoples, Article 21 no. 1 and Article 23; https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf

Appendix A: CUPE National Convention Resolutions on Housing

Year	Resolution no.	Position Summary
1969	90	The federal government must enact a national plan for housing and make low-cost loans available.
1973	401	The federal government should grant low-interest loans to municipalities to build seniors' housing and should offer mortgages at below 7% interest.
1975	41	The federal government should build housing. Use CPP funds to create a low-interest loan program for housing. Compel banks to issue low-interest loans for low-income housing. Establish rent control, create land banks.
1977	31	Private sector control of financing is a problem. The federal government should provide mortgages, not the private sector, in order to keep rates below 6%.
1977	32	Developer control of housing is an issue. The federal government should maintain land banks to help the average worker build and own a home, in order to combat developer influence.
1977	33	Building codes need to be changed so that energy consumption is brought under control.
1981	183	CUPE should fight for rent control across Canada.
1981	502	Federal and provincial governments should build more housing, establish guaranteed income and prioritize using Canadian raw materials in the industry.
1981	504	The federal government should increase taxes on financial institutions and reduce mortgage rates.
2003	183	Federal Government should enact a national housing strategy. Support NDP call for 1% of spending is diverted to housing to create 30,000 units of social housing and 10,000 units of refurbished housing per year.
2011	167	Federal Government should enact a national housing strategy, with a plan to build new social housing, and with special attention to the needs of Indigenous peoples.

Appendix B: Strategic Direction's discussion of housing

Year	Summary
2023–2025	<p>Work together with our political allies for affordable housing.</p> <p>Develop a strategy to support workers struggling with the housing crisis, including advocating for affordable and non-market housing, better rent control, tenants' rights, and the ability of workers to live in the community in which they work.</p> <p>Develop bargaining language on affordability measures such as workforce housing.</p> <p>Fight for funding for housing that prioritizes housing people, instead of profit for corporate landlords and developers.</p> <p>Explore, with our trustees, new regulations or statutory limits on pension fund ownership of residential real estate as part of our broader effort to address the housing crisis.</p>
2007–2009	<p>Commitment to developing lobbying materials directed at all levels of government for public investments in housing (among other priorities).</p>
2013–2015	<p>Commitment to campaign at the federal level for affordable housing.</p>
2019–2021	<p>Commitment to focus on the consequences of unaffordable and inadequate housing and urgent need for a national housing strategy.</p>