Housing Affordability and the Canadian Suburb

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Housing affordability is an issue that impacts many Canadian households and which has gained prominence in recent decades for its increasing presence across Canadian regions. According to the Canadian Council on Social Development (CCSD), in 2007 more than 2,700,000 Canadian households experienced a state of housing affordability stress, as defined by incurred shelter expenses that exceed 30% of the household's income (CMHC, 2011). In a national study, Moore & Skaburskis (2004) concluded that the problem of housing affordability in Canada has been growing over the past twenty years. Their empirical analysis of the *Survey of Financial Expenditures* (FAMEX) and the *Survey of Household Spending* (SHS) showed that the number of Canadian households spending over 50% of their income on housing expenditures "increased by 59% from 560,000 to 891,000 between 1992 and 1999" (p. 399). The Canada Mortgage and Housing Corporation (CMHC) also reported an increase of 4.6% in households experiencing core housing need (which takes into account housing affordability as well as suitability and adequacy) between 1991 and 1996 (CMHC, 2011).

A number of factors have been cited in the literature as contributors to the rise in the proportion of households encountering housing affordability stress in Canada. The most common factors include: rising income inequality (Linneman & Megbolugbe, 1992; Moore & Skaburskis, 2004); increasing housing prices as a result of inadequate supply and growth management strategies (Glaeser et al., 2006); imbalances between labour and housing markets (Stone, 2006); housing provision systems; and rising rents (Walks & Bourne, 2006).

Housing affordability is a complex issue that has far reaching consequences for "health, education, and well-being" (Burke, 2007, p. 3; Hulchanski, 2005, p. 2). Housing affordability is also the key issue used in determining the need for housing funding and policy (Sewell, 1994). For these reasons it is a subject of great importance within the political realm at all levels of government. As such, the issue requires a multidimensional and spatial understanding in order to accurately direct housing funding, programs, and related services.

While an extensive literature already exists on housing affordability, aside from Bunting and Filion's (2004) analysis of affordability across Canadian Metropolitan Areas and Ray et al.'s (2002) study of suburban Chinese immigrants in Richmond, BC, few studies deal explicitly with considerations of the spatial and suburban dimensions. My objective here is to bring together the literatures on housing affordability and the Canadian suburban context to show their spatial connections and relevance. To achieve this I will explore two dimensions that connect the Canadian suburb to the issue of housing affordability. In the first section I will describe how a deeply ingrained suburban imagery and corresponding popular culture have perpetuated the image of a suburban landscape where the issue of housing affordability stress is purportedly not relevant. Case studies in the literature that counter this perceived notion will be outlined. In the second section I will look at the connection between neo-liberalism and housing affordability within the suburban context, as well as the significance of suburban voting preferences for their impact on housing affordability. A final section outlines some of the implications of this analysis for political leadership and planning practice.

For the purposes of this analysis, "housing affordability" refers explicitly to the CMHC (2012) definition: "The cost of adequate shelter should not exceed 30% of household income. Housing which costs less than this is considered affordable" (par. 5). This normative definition and standard for measuring housing affordability is widely accepted for its ease of calculation, and despite criticism (see Bramley, 2012; Chaplin & Freeman, 1999; Stone, 2006; Hulchanski, 2005) it is employed as the standard by which Canadian regulatory bodies identify those suffering from excess cost burden (CMHC, 2011).

The Suburban Ideal and its Lasting Connection to Housing Affordability

Enduring suburban ideals perpetuated and sustained through popular culture and imagery dating back to the 1950s have resulted in the notion of a Canadian suburban landscape in which housing affordability stress is not considered an issue of priority in housing policy and provision. A study of the existing research however suggests that this perceived notion is inconsistent with modern realities.

The dominant stereotype of the traditional suburb of the 1950s and 1960s is centred on the

symbolic housing unit of the period: the single-detached home, owned and occupied by the middle to upper-class, nuclear family (Harris, 2001). The selection of the single-detached home as the building block of choice for the suburb was part of a national policy aimed at meeting the demand for housing among a growing population (Carroll & Jones, 2000). Continuous rows of these houses aligned curved and quiet streets forming a foundation for the suburban neighbourhood and creating a homogeneous spatial geography.

Achieving the suburban dream first became financially feasible for many Canadians in the 1930s with the introduction of mortgages offered by the federal government in conjunction with approved lending institutions through the *Dominion Housing Act* (DHA). But it was a mortgage insurance model adopted by CMHC in 1954 that was largely responsible for the significant increase in suburban home ownership in the 1950s through the 1970s (Harris, 1999).

The new economic capability of many middle-class Canadian families to attain home ownership during this time was coupled with the desire for a suburban lifestyle. Similar to the modern suburb described by Vitale (2011), the post-war suburb was one that prescribed to "conformity, community, privacy, and stability" (p. 41). This way of life manifested itself aesthetically through large lots, ample green space and carefully manicured lawns, situated along curvilinear streets. This was in stark contrast to the urban conditions of the city which were marked by crowding, noise, and pollution (Smith, 2006). Less measureable, but perhaps more significant for their lasting perceptual power were the attributes of increased safety and a greater quality of life that suburban life promised (Freilich, 1997; Weir et al., 2006). Reinforcing this notion was the fact that the affordable housing units available to low-income earners remained highly visible in the city centre. As Purcell (2001) has argued, the migration of the affluent to the suburbs resulted in the establishment of a "moral standard for the suburb" (p. 183).

While it is still common today to regard the post-war suburbs as socioeconomically homogeneous spaces where relative affluence is the norm, contemporary research counters this popular perception. As Harris and Larkham (1999) argue, the supposed lack of social diversity is a "suburban myth" (p. 2). Studies have shown that the suburbs actually comprise a diversity of household compositions, incomes and race (Baldassare, 1986, Murdie, 2011). As evidenced by the high-rise apartment buildings constructed during the 1970s in inner suburban Toronto, heterogeneity in the urban form can also be found in these areas.

In one of the few empirical studies to look at intra-metropolitan differences in housing affordability, Bunting et al. (2004) uncover evidence that challenges the long held perception of the suburbs as places where housing affordability is not a problem. Using a 50 percent threshold of housing expenditures-to-income ratio to identify households at greatest risk of facing homelessness, the authors find that the actual number of households experiencing affordability stress was greater in the suburbs than in the cities. Ray et al. (2002) obtained similar results in a study of Chinese residents in suburban Richmond: comparing this suburb against the City of Vancouver, housing affordability for the same immigrant cohort was found to be a greater issue in Richmond. These findings counter long-held perceptions of Richmond's Chinese immigrant population as being entirely composed of affluent households.

These results present several implications for the suburbs. Current planning practices concentrate housing and social services in urban centres where housing affordability stress tends to cluster (Milbourne & Widdowfield, 2000). Suburban households encountering housing affordability stress find themselves far from the social services to which they require access (Bunting et al., 2004). The suburban market also continues to be oriented towards homeownership, with very little social housing or rental options (Hulchanski, 2005). The lack of rental or low-cost housing coupled with the suburbanization of many service-oriented jobs has also restricted many low income residents who have remained in urban centres from accessing suburban employment and housing, either because they cannot afford residential accommodation or because the commuting costs of getting to and from these new suburban employment centres are too high (Bunting et al., 2004).

Neo-liberalism and Suburban Influence

A shift in political discourse towards neo-liberalism and the increasing support among a dominant suburban population for neo-liberal

policies has culminated in a political and economic environment that impacts housing affordability within the suburban context through supply, tenure and accessibility.

Neo-liberalism gained ground in the 1980s with the growing popular belief that government intervention through social policy resulted in negative impacts on economic growth (Clark, 2002). Exogenous factors including rising oil prices and inflation (Dalton, 2009) and rising concern over government spending, debt and inefficiencies (particularly for social programs and services) led to a shift towards neo-liberal governance, which called for privatization of social services and a reduction in the size and intervention of government in order to become "more efficient, and encourage competition, choice and decentralization" (Wolfe, 2002, p. 211). This shift led to numerous reforms at the federal level which resulted in the cutting of programs, reductions in the size of the public service and the downloading of responsibilities to provincial and municipal levels of government (Clark, 2002). Social housing programs were particularly hard hit (Wolfe, 2002).

Whereas the federal government had taken an active policy role supporting the provision of housing through the 1950s and 1970s - actions that were directly linked to greater affordability and the surge in suburban growth - by the 1980s, the political will in favour of federal involvement in housing markets had declined considerably. The supply of affordable housing was reduced (Paris, 2007) and new rental construction declined (Harris, 2006; Tsenkova & Witwer, 2011; Walks & Bourne, 2006).

There is increasing support for neo-liberal policies among suburban voters which, given their population and influence, presents policy implications for housing affordability. By the 1960s suburban voters outnumbered inner-city voters in the largest metropolitan areas in Canada (Walks, 2004). Over the past several decades, a number of neo-liberal ideas have garnered support among this population, including tax cuts (as opposed to increased social spending), as well as the privatization of public goods and services (Walks, 2006). This is part of a greater distinction between urban and suburban populations on policies concerning social welfare and privatization, and which relate to the entry of lower income households into the suburbs. Examples include spending on public transportation to make the suburbs more accessible for low-income residents who rely on public transit, as well as public health spending on services which would be of benefit for suburban lower income families (Walks, 2006). Moreover, policies that aim to introduce affordable housing and rental stock in the suburbs face huge opposition from middle- and upper-income suburban residents. Without a rental market, those who do not qualify for mortgages are prevented entry (Hulchanski, 2005). Moore and Skaburskis (2004) point to the need to reconsider current rental regulations that prevent rental development within the suburbs.

Political fragmentation and competition among suburban municipalities extends into residential development and service provision. There is pressure exerted by both suburban residents and politicians against growth policies. This "growth revolt" is indicative in part of a desire to maintain the existing homogeneity of suburban space, but is also part of a larger political opposition shared by suburban voters toward regional-level governance (Baldassare, 1992, p. 484). As a result of this "growth revolt," social services associated with housing affordability remain concentrated in city centres. Wealthy suburbs remain free of low income housing and rental stock and can essentially "deny responsibility" (Smith, 2006, p. 231) for these services and housing types. Gated communities perhaps represent the epitomized vision of this idea. Residents of these communities are physically barricading themselves from what they perceive as the blights of the inner city, including crime and violence (Low, 2003).

A Disconnect between Planning Theory and Political Leadership

If the goals of smart growth and sustainability include intensification, transit-oriented development, and mixed use with a focus on achieving equal opportunity, then the lack of affordable housing and rental options within the suburbs points to a gap between planning theory and political leadership. Reasons for this gap include the influence of the development industry, market desire for suburban development of owner-occupied low-density housing, and political fragmentation.

Tsenkova & Witwer (2011) argue that residential developers are in a position to increase housing affordability within the suburbs by providing lower prices through lower construction

and operational costs. However, developers are reluctant to provide housing for low income renters because it would mean foregoing the higher profits that can be obtained from building housing for higher income home buyers (Harris, 2006).

As Grant (2009) concluded following analysis of a series of interviews conducted with developers, planners and city councillors in Canada's largest cities, private sector influence creates challenges for municipalities, as developers argue that market desires do not align with the goals of planners. As expressed by Wolfe (2002):

> "words like efficiency, cost recovery, user-pay, privatization, partnerships, fast track approvals, downloading, community economic development, 'making a deal' and the 'bottom line' have replaced discourse aimed at equal opportunity, social justice and humanistic approaches to problem solving" (p. 207)

In fact, it has been argued that without significant investment from the public sector, the planning strategies and mechanisms intended to increase the supply of affordable housing may have little effect (Paris, 2007).

If private sector involvement is to be achieved, policy tools and instruments that incentivize affordable residential development (Tsenkova & Witwer, 2011) are required, such as inclusionary zoning, density bonusing and planning agreements (Sewell, 2003). Another alternative necessitating developer incentives is to build smaller homes with moderate infrastructure requirements in order to reduce costs (Sewell, 2003). When used effectively, planning tools can encourage growth in areas that best maximize accessibility to services (White & Allmendinger, 2003). The result is a "social mix of housing units" which aligns with the principles of sustainability and smart growth (Tsenkova & Witwer, 2011, p. 59).

Planning can be seen as a way for the government to influence the housing market (Tsenkova & Witwer, 2011). But housing affordability cannot be achieved through planning alone: it requires political leadership and private sector buy-in (Fischler & Wolfe, 2006; Whitehead, 2007). In other words, addressing the problem of housing affordability requires that city council, planners and the private industry be aligned.

Conclusion

In this paper I have focused on two dimensions of housing affordability that are of relevance in the suburban context, and have discussed the need to realign city council, planners and the private industry around this problem. All these issues present challenges for policymakers, and need to be taken into consideration when setting housing policy.

Enduring perceptions of the suburbs as being free from housing affordability stress have led to the exclusion of social services from these environments. Empirical evidence from Canadian case studies contradicts these perceptions and points to instances where housing affordability stress is indeed present in the suburbs. This calls into question the current distribution of services, a matter that warrants further consideration when implementing housing policy to ensure that services are accessible to those who require them.

The second dimension discussed is the growing political support for neo-liberalism and how this shift impacts the suburbs and housing affordability. The withdrawal of support for the welfare state has resulted in the cutting of federal spending for social programs, including affordable and social housing programs and services. A growing segment of the suburban population whose voting preferences support these neo-liberal ideas opposes the adoption of policies that may facilitate the introduction of housing for the most needy into their neighbourhoods. This presents further problems when service-oriented jobs relocate to the suburbs. These jobs become inaccessible to lower income households who cannot afford the commuting costs or find affordable accommodation in sufficient proximity.

The discussion presented here of these two dimensions of housing affordability in the suburbs sought to highlight the importance of this issue. The fact that little research has been conducted to date on housing affordability within this context points to the need for further exploration of ways to integrate affordable housing into the suburban blueprint. The political influence of suburban residents is substantial, and opposition to social housing agendas can deter politicians from investigating and implementing ways to integrate affordable housing into these environments. Political leadership and support for social housing programs is essential for the integration of

affordable housing into the suburban fabric.

More specifically, there is a need for both provincial and municipal leadership in the case of housing affordability within the suburban context. A gap exists between planning theory (which supports housing integration and social equity) and political leadership. New strategies must be considered to integrate affordable housing into the suburbs. Political leadership, support for planning practice, and private sector buy-in are all required in order to address the affordable housing situation in Canadian suburbs.

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