

RESEARCH & PLANNING FUND

## Research Insight

JULY 2020



# Assisting Renters

## Manitoba Rent Assist in the Context of Canada's National Housing Strategy

### INTRODUCTION

According to the 2016 Census, 51,130 (11.4 percent) of all households (renters and homeowners) in Manitoba were in core housing need.<sup>1</sup> Unstable housing is both a cause, and a condition, of interrelated social and personal health and safety concerns.<sup>2</sup> The 2017 National Housing Strategy was released with a provision for a portable rental supplement, the Canada Housing Benefit (CHB), to be negotiated and delivered with the provinces. Can Rent Assist provide insights towards designing a national rent subsidy program?

In 2019, with the support of the CMHC, the Manitoba Non-Profit Housing Association (MNPHA), the Canadian Centre for Policy Alternatives-Manitoba (CCPA-MB) and academics from the University of Manitoba came together to study Manitoba's Rent Assist program and determine what is working, what is not working, and what can be

better. The research included seventy-five (75) interviews with tenants, non-profit housing providers, and private landlords throughout the province. In addition, it analyzed the participation rates, costs, and benefit levels of Rent Assist, the impact on poverty status for various family types, and what, if any, effect Rent Assist has had on the rental market in Manitoba. The intent of this research was to share the insights and lessons learned for future implementation of provincial and national housing programs, specifically the proposed CHB.

### FINDINGS

**Rent Assist has led to a significant increase in resources going to qualifying households – an estimated \$138 million in 2018/19**

For individual households, Rent Assist led to maximum shelter benefit increases of between \$149 and \$328 per month in 2014 and 2015 for typical household structures, equal to increases of between 41 and 76 percent, with further increases over time linked to median market rents.

1 A household in core housing need is defined by Statistics Canada (2017) as a household that lives in housing that needs major repairs, is too small relative to family composition, or costs more than 30 percent of household income.

2 Carter, T., & Polevychok, C. (2004). Housing Is good social policy: Research report. Canadian Policy Research Networks. Madden, D., & Marcuse, P. (2016). In defense of housing. Brooklyn: Verso Books.

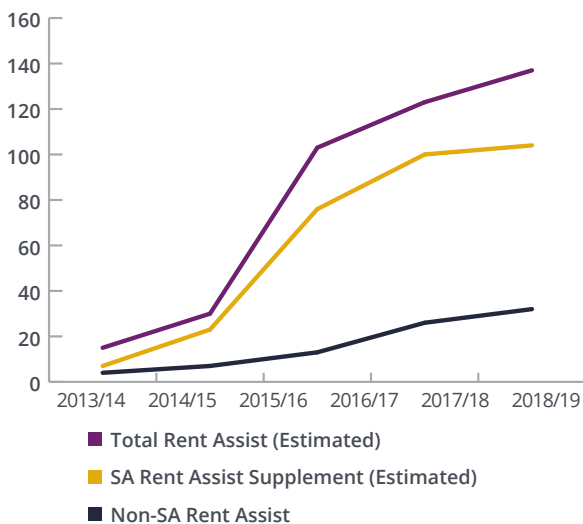
*Photos taken prior to COVID-19 physical distancing safety measures*

**Rent Assist significantly helps people who are at risk of homelessness and lifts many families above the poverty line.**

Over half of the people interviewed had past experiences with unstable, precarious, and unsafe housing and spoke to the role of Rent Assist in providing stability for themselves and their family. For many, this difference in people's housing outcomes allowed them to focus on employment, education and family.

**Rent Assist has led to an estimate increase of \$138 million per year additional spending on low-income renters in Manitoba.**

**Figure 1:** Estimates of Social Assistance (SA) Rent Assist Supplement (in addition to base SA Shelter Benefits) and Total Rent Assist Expenditure (in \$ millions)



**Note:** Values for 2013 and 2014 include RentAid program amounts, the program replaced by Rent Assist. Values for 2013/14 and 2014/15 are based on actual reported expenditures in provincial annual reports, remaining years are estimated.

**Sources:** Author's calculations based on Province of Manitoba (2014a, 2015a, 2016) and Manitoba Families (2017, 2018, 2019a).

“ Before it was chaotic. I was couch surfing. I was constantly worried about whether I’d get kicked out or not. I didn’t want to make a peep or I’d get kicked out. Now I have home. I cherish it. It’s not the best, but it’s mine.”

**– Tenant, 41 years old, Swan River**

**Rent Assist enables people to enjoy better physical and mental health.**

Over three-quarters of the people interviewed stated, unprompted, “I can breathe. I know that I have a roof over my head and food on the table” or a statement of similar effect. Many social assistance recipients mentioned they now have money for basic food requirements they previously went without. Seniors interviewed spoke of reduced pressure on tight budgets, and less often facing difficult choices between paying for medications or rent.

“ Before Rent Assist it was very, very tight. I saved my money from my income tax and my children helped me, but if I didn’t receive Rent Assist I don’t know what I’d do. I’m on a lot of medication. If I had to buy my medication not covered by Pharmacare, that meant I went without something else.”

**– Tenant, 75 years old, Winnipeg**



**CMHC data does not suggest Rent Assist is driving up rents in Manitoba, although some suggest impact on the lowest -cost housing.**

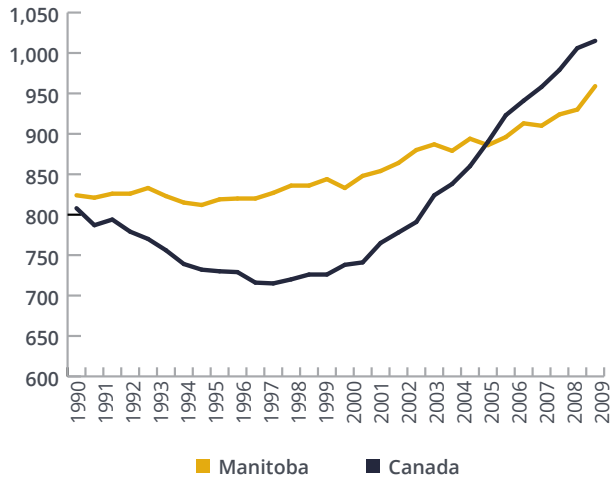
CHMC rental market data for Manitoba indicates that since Rent Assist was introduced, rents at the bottom quartile, close to where recipients are likely renting, are not increasing faster than median rents. Some non-profit housing providers may lower their rents to meet Rent Assist levels, or are setting rents at Rent Assist levels as their subsidy agreements end, but there is no evidence from interviews to suggest for-profit housing providers are increasing their rents as a result of Rent Assist. Stakeholders did report, however, that rooming houses appear to be increasing rents to match Rent Assist levels.

**Both private and non-profit landlords find Rent Assist to be an important tool in the provision of low cost housing.**

Non-profit housing providers, including those providing housing for seniors, peoples with disabilities, and Government Assisted Refugees and refugee applicants all spoke positively of the Rent Assist program. Many viewed it as a lifeline for tenants to be able to secure and maintain housing. Private landlords also spoke to the benefit of Rent Assist in “providing dignity and an opportunity for people to have safe, quality housing they could not otherwise afford.” That said, many non-profit housing providers and private landlords were unaware of the existence and eligibility criteria for Rent Assist outside of Manitoba’s social assistance program.

**Median market rents in Manitoba have risen faster than Canadian averages. Rents in the first quartile (most likely to be impacted by Rent Assist), however, have not increased more than the median or 3<sup>rd</sup> quartiles.**

**Figure 2:** Median Market Rents, Canada and Manitoba, Inflation adjusted (2019 prices)



**Source:** Authors calculations based on CMHC (2020b) and Statistics Canada (2020).

“ We have other people who are trying to get a second job or improve their education and RA gives them a hand. It gives them a leg up through potentially hard times. And then we get our rent – which, at the end of the day, is my job: I am responsible to the owners and we need to make sure we are running the building well. ”

**- Landlord, Winnipeg**

#### **The thresholds for people to receive Rent Assist are too low.**

Although originally designed to help individuals transition from welfare to work and out of poverty, single individuals working 35-hours per week at minimum wage fail to qualify for Rent Assist, and remain below the poverty line. Seniors also noted that Rent Assist only partially addresses the affordability gap they face.

#### **The amount provided in Rent Assist for those relying on social assistance is insufficient to cover market rents for many.**

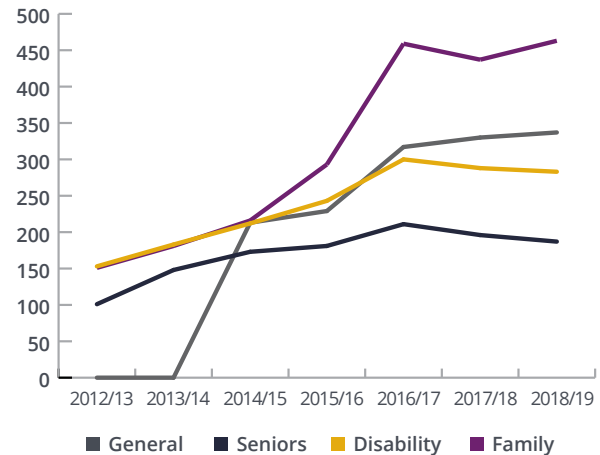
Of the tenants receiving Rent Assist through Manitoba's social assistance program, over 90% paid more in rent than they received in Rent Assist. Most therefore used portions of their basic needs allowance to pay rent.

“ I am extremely frustrated with the funding levels for Rent Assist. I understand you [social assistance] want to encourage people to get out and work but if you are going to support people, support them!... They are on [social assistance] but they are kept at a level where they can’t go forward, or backwards or anywhere! The cheapest apartment I have is in an older four-plex and it is \$650. They can’t afford that! And decent housing in Winkler starts at \$800. ”

– **Landlord, Winkler**

**Rent Assist led to maximum benefit increases of \$149 and \$312 per month in 2014 and 2015, increasing maximum shelter benefits between 41 and 73 percent.**

**Figure 3:** Non-Social Assistance Average Monthly Rent Assist Benefits Paid, by Case Category



**Sources:** Based on data from Jobs and the Economy (2014, 2015 & 2016) and Manitoba Families (2017, 2018 & 2019)

**Rent Assist is a tool to cover some, but not all, of the costs of providing affordable housing.**

Non-profit housing providers, along with private market landlords more generally, have been clear that current Rent Assist rates are not sufficient to match operating costs with revenues available for housing low-income Manitobans. A higher Rent Assist benefit funded through the Canada Housing Benefit could be a solution for some, but not all non-profit housing providers. Social housing providers serving those with the highest needs will likely continue to require ongoing direct supports, including the renegotiation of operating agreements or new subsidy frameworks, to facilitate maintenance of existing assets and RGI rent levels as per affordability standards.

There is a lack of awareness regarding non-social assistance Rent Assist, particularly outside of Winnipeg. This results in many potentially eligible households failing to benefit from Rent Assist.

It is clear that Rent Assist, when accessed, helps tenants pay their rent and helps landlords receive their rent. There is, however, a lack of awareness regarding the existence of and eligibility criteria for Rent Assist outside of social assistance. In some communities it was assumed one must be on social assistance and/or disability in order to qualify for Rent Assist. Estimates of enrollment, supported by interviews across the province, indicate that there may be thousands of households that could potentially qualify for Rent Assist that are not currently registered for the program.

## FURTHER READING:

Cooper, S. Hajer, J., & Plaut, S. (2020) *Assisting renters: Manitoba's Rent Assist in the context of Canada's National Housing Strategy*. Canadian Centre for Policy Alternatives, Manitoba & Manitoba Non-Profit Housing Association.

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