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Housing Allowances in 2007 Budget Welcomed by Rental Housing Providers

Toronto – The Federation of Rental-housing Providers of Ontario (FRPO) expressed support today for initiatives in the 2007 Ontario budget aimed at greatly expanding the number of housing allowances available to lower income households.

The 2007 Budget proposes a new \$185 million housing allowance program that would begin in January 2008 and create more than 27,000 new housing allowances and provide up to \$100 a month, for a maximum of five years. This would bring the total number of new housing allowances to 35,000.

FRPO has long advocated for expanded use of housing allowances to improve housing affordability for low income Ontarians. FRPO maintains that more housing allowances would be an effective investment in improving housing affordability.

“Housing allowances are an effective policy to directly assist low income households pay for housing costs”, said Mike Chopowick, Manager of Policy for FRPO. “Rental housing providers welcome expansion of this initiative and are pleased to see it moving in the right direction towards helping to address housing affordability”.

FRPO notes that the provincial government neglected to take action to reduce property tax inequity facing tenants. Tenant households pay property taxes that are two to four times higher than homeowners, amounting to up to \$100/month more, coincidentally similar to the monthly housing allowance proposed in the 2007 Budget.

“We remained very concerned for the unfair property taxation of rental housing”, said Chopowick. “On average tenants pay up to \$100 more in monthly rent than they would if they were taxed at the same property tax rate as homeowners”.

Previous enhanced allocations to the provincial rent bank, raising social assistance rates by two per cent and enhanced Ontario Property and Sales Tax Credits for seniors, are other measures FRPO welcomes as ways to help low income households with housing affordability. Even though real rents in Ontario according to CMHC have declined to 1999 levels and housing affordability has improved dramatically since 1996, many lower income households will benefit from increases to supports that should further help housing affordability.

FRPO points out, however, that today’s Budget proposes nothing in the way of fixing any of the flaws in the *Residential Tenancies Act* that discourage further investment in quality rental housing.

The Federation of Rental-housing Providers of Ontario is the province’s leading advocate for quality rental housing, representing over 800 owners and managers who supply homes for over 250,000 households.

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