

The affordable housing myth

by BRIAN LOCKHART

There is a subdivision near where I live that is filled with modest homes.

It has a 1960s feel, and that's pretty much the decade this development was built.

The homes are all bungalows, mostly with wood and aluminum siding or wood panelling. They are small, but on a fairly decent-sized lot.

This area was obviously designed to be a neighbourhood for people who didn't want to spend a lot of money on a big fancy house.

At the time, I'm sure there were many young couples who took advantage of this area, purchased their first home, and decided to raise a family there.

I'm pretty sure this neighbourhood would be considered to be a place with 'affordable housing,' in the sense that someone who bought there wouldn't end up being house poor and unable to have a meal in a restaurant once a month because their mortgage payments sucked the life out of their weekly pay cheque.

I heard yet another radio commercial this morning from the federal government, telling us how 'we', that is, the government, are building 'affordable housing' to meet the need for more homes in this country.

Yet, you have never seen a house or subdivision built by either the federal or provincial government. You have never seen a sign welcoming you to the new 'Happy Acres Neighbourhood' that was designed and built by the federal or provincial government.

Governments do not build homes. They only facilitate the process.

The ads use the phrase 'affordable housing,' which has been a buzzword in both the government and building industry for the last few years.

Except no one has identified exactly what 'affordable housing' is supposed to mean.

Are they building homes that are affordable for a family with an income of \$250,000, or affordable for a family with an income of \$50,000?

Some people can afford a \$5 million dollar home. These days, most people struggle to afford an average-priced, entry-level home.

There are many people who are buried beneath a mortgage and barely manage to hold on each month.

The term 'affordable housing' suggests that these houses are priced so that anyone can afford to buy one.

However, that's not the case - not by a long shot.

Housing prices are determined by what someone is willing to pay. The prices are not based on a developer's good intentions of providing homes for the less fortunate.

All you have to do is drive through any new development to see what's going on. They are building cookie-cutter homes and slapping on a price tag that is no better than when the affordable housing chant began.

You will still buy a house and assume the huge mortgage that goes along with it.

Try asking a developer or a government official where the affordable \$200,000 houses are being built, because that's all you can afford, considering you will be paying for it for at least 25 years.

The other trick is 'intensification.' In this case, they cram as many homes into the smallest area possible.

For some reason, the government thinks that cramming 10,000 people into a one-square-mile area is a good thing, in a country that spans 9.9 million square kilometres.

Again, for some reason, the promise of affordability is toyed with, suggesting that lower-income people don't deserve a front lawn and should be happy to live in a house connected to their neighbour's home on both sides.

But again, all you have to do is look at the asking price of these new builds to see that the affordability factor is a myth.

Housing prices for 'affordable housing' does not mean that homes are being built and sold for a small profit. It means they are being built and sold for a huge profit.

Developers aren't in the building business because they are nice guys. They are in the business to make a profit.

The government has to explore other options to ensure everyone has a place to live.

Building new homes means nothing if the average person can't afford to live there.