



No. 39

# Feudal Manitoba: Forever Tenants of the Provincial Landlord

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By Paul Willets

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## About the Author



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## POLICY SERIES NO. 40

### Feudal Manitoba: Forever Tenants of the Provincial Landlord



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*Isn't it fine to look at a scheme where we can say to council tenants, housing association tenants 'why not change your rent payments into mortgage payments, so that as you pay that payment over time you will own that home?'*

[Source: David Cameron, leader of the UK Conservative Party, The Times Online, August 18<sup>th</sup>, 2006  
<http://www.timesonline.co.uk/tol/news/uk/article612643.ece>]



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## Executive Summary

- The issue of public housing provision in Winnipeg and other Canadian cities is currently of great political, economic and social importance.
- There are many different policy approaches that can be taken to address the issues of housing provision in society, as demonstrated by an examination of past and current policy approaches employed in Canada, the United States, New Zealand and the United Kingdom.
- Provincial governments, including Manitoba use an approach to state housing provision based upon a system of rental agreements between the tenant and the government.
- This policy approach offers a limited set of options for those unable to purchase a house in the private housing market.
- In the United Kingdom during the 1980s the government formulated and implemented a housing policy called the 'Right to Buy' which entitled government tenants to turn their rental payments into mortgage payments at a below-market cost.
- This strategy allowed many citizens of the United Kingdom to eventually purchase their state-owned home and in doing so gain a significant source of wealth and financial security.
- Among the lessons from the U.K. Right to Buy policy for Canada
  - It allows home owners to build wealth and financial security
  - It creates a culture of pride in ownership
  - It created an incentive to gain a skill or trade to carry the cost of owning the home
  - It created an estate with capital that could be left to children
- Canadian provinces, particularly Manitoba, should adopt the 'Right to Buy' as a blueprint for the implementation of a similar program to improve the current housing situation and to allow people to become independent of the state for survival.
- The benefits of allowing state tenants to purchase their homes are massive: reducing reliance on the state, creating civic pride and a greater sense of social inclusion, improving neighbourhood appearance and safety and providing a basis for financial security.

## ***Introduction***

### **Everyone Needs a Home**

The challenge of providing housing for those who cannot do so for themselves exists in all societies. Different governments and countless politicians have tried to answer this need, with varying levels of success in different times and places. Housing need is a prominent concern as urban centres grow in size. In Canada, the Federation of Canadian Municipalities declared this issue a “national disaster.” Different political philosophies have shaped the programs that have been implemented in the United States, the United Kingdom, Canada and New Zealand. Of these various models, the U.K. approach to public housing offers much for Winnipeggers to consider. Implementing a similar model in Manitoba would improve the lives of many individuals as well as raise the quality of life in the province’s cities overall.

The provision of public housing is a relatively recent phenomenon. It has grown in importance over the past century and especially in the post-World War II period. In many European and North American countries, the first involvement of government in housing was the setting of regulations to ensure safe and healthy living conditions. Over time, however, governments have increasingly come to control and maintain public housing. The public housing sector has become a heavily bureaucratized and unionized industry, creating many vested interests and much waste along the way. It left a damaging legacy to urban environments and ultimately failed to serve the people it was designed to ‘save.’ The philosophy behind many public housing plans is to concentrate public housing in particular areas of the city. This geographic marginalization combined with a refusal to help tenants move toward home ownership has created the current ghettoization that we see in most, if not all, North American cities.

The key difference in philosophy between public housing programs in New Zealand and the United Kingdom compared to the United States and Canada is that in the former, the system’s ultimate goal is to give people the opportunity to become property holders. In the United Kingdom and New Zealand, the emphasis is on freeing tenants from reliance on the state by providing them the opportunity to become self-reliant. In Canada and the United States, the government forces people to remain reliant on a paternalistic state that prevents them from building capital, owning property and ultimately gaining independence from the state.

### **Canada and the United States: The Poor Held Hostage**

In Canada and the United States, a heavy involvement in the creation of public housing took place for 20 years following World War II. *This was initially due to the large influx of returning soldiers and the desire of the state to cater to this segment of the population.* This intervention coincided with a simultaneous focus on slum clearance and urban renewal in inner cities as North American cities grew and became increasingly suburban.<sup>1</sup> Therefore, municipal governments concentrated public housing complexes in inner-city areas, which in turn frequently became

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<sup>1</sup> Jim Silver. *Public Housing in Winnipeg’s North End: The Case of the Lord Selkirk Park Housing Development.* Canadian Centre for Policy Alternatives. 2006.

enclaves of poverty, crime and unemployment. The public housing programs that created this reality are bound to maintain this status quo because they concentrate poor people in areas with few employment options, areas that have become criminal havens. Further, North American housing policy then prevents the poor from investing in their homes by only permitting rental agreements. As has been widely documented, the creation of public housing during this period, especially in the United States, led to the rise of the housing project.

The choice to create housing projects was deliberate; however, the negative connotations that the word has come to embody are a testament to the failure of this type of housing. Projects have become synonymous with gang warfare, extreme poverty, prostitution, drug use, violence, welfare reliance and unemployment.

The United States set up public housing complexes through the Department of Housing and Urban Development (HUD). Public housing in the United States was originally set up to house veterans returning from World War II, and the majority of residents were members of the working poor.

Over time, though, due to broad policy decisions to relax tenant screening and maintain a minimal rental rate, this demographic changed. The working poor took the opportunity to seek private housing with marginally higher rents rather than remain in public housing developments that increasingly accommodated welfare-dependent individuals. As a result, public housing developments in the United States have become pockets of unemployment, poverty and violence. Michael Schill, a law professor at UCLA, reported that these housing projects are increasingly exhibiting signs of distress. The cause of this, Schill argues, is “physical deterioration, social problems, or a combination of the two phenomena.”<sup>2</sup> The government has exacerbated public housing problems; it has indirectly encouraged those who can afford to leave to do so by failing to provide adequate maintenance. A recently commissioned report on public housing estimated that the total cost to modernize all units would range from \$14.5-billion to \$29.2-billion.<sup>3</sup> Christopher Leo has noted, “Where social problems predominate, lawlessness follows. Increasing crime and growing poverty lead to the decay of some downtown neighbourhoods. Houses are boarded up. Some neighbourhoods become so crime-ridden and decayed that they turn into no-go zones.”<sup>4</sup>

Anthony Downs, a Senior Fellow at the Brookings Institution in Washington D.C., echoed this sentiment concerning U.S. public housing projects. Downs suggested these projects do not constitute neighbourhoods in the true sociological sense of the word as they are devoid of churches, retail outlets, community organizations and have “few fully employed workers, few middle income households, and few two parent households.”<sup>5</sup> Therefore, because housing project ‘neighbourhoods’ increasingly

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<sup>2</sup> Michael Schill. “Distressed Public Housing: Where do we go from here?” *University of Chicago Law Review*. Vol. 60, no. 2. 501.

<sup>3</sup> *Ibid.* 501.

<sup>4</sup> Christopher Leo. Barricading our cities, and our minds. [www.radicalurbantheory.com](http://www.radicalurbantheory.com) 1997.

<sup>5</sup> Anthony Downs. *New Visions for Metropolitan America*. The Brookings Institution: Washington D.C., 1994.

suffer from inadequate government maintenance, provide little in the way of social services and amenities and offer few employment options, those who can leave, do, and the situation worsens as the problem is compounded and spirals continuously downward.

A final defining feature of public housing in the United States is its demographic constitution. Downs noted that in extremely poor neighbourhoods, Hispanics and blacks are over-represented. These residents are 48% black, 22% Hispanic and 7% white.<sup>6</sup> A parallel to this scenario may be drawn in Canada where Aboriginal populations disproportionately represent low-income Canadians living in public housing.

The Canadian situation is in many ways comparable to the one in the United States. There has been a similar philosophy driving Canadian public housing developments. Governments have opted to locate developments in the inner city, and this has created areas of concentrated poverty and social problems. Governments have chosen to maintain public housing as rental units and consequently are suffering many of the same problems that are associated with ghettoization and housing projects.

Public housing in Canada, as in the United States, does vary across jurisdictions. The particular ideology or policy goals of the federal, provincial or municipal government can lead to differences in the way public housing is implemented. During the past 80 years of government involvement in public housing, a variety of approaches has been put into practice. These approaches have differed according to degree of intervention, whether action has been unilateral or multilateral, and if and how private and non-profit organizations have been involved and the strength of public support. The complexity of the situation in Canada is compounded by the fact that the Canadian Constitution makes no direct reference to public housing. As a result, all three levels of government have attempted to address the issue with mixed degrees of coherence, co-ordination and success.

Public housing in Canada and the United States is also similar in terms of urban design. Generally, public housing has been constructed to a set model, creating many identical houses and apartment blocks and, consequently, single-class developments. In addition, a large percentage of public housing has been located in inner-city areas.

In Canada, there is still a common public perception that ghettos are an American issue and that Canadian cities do not suffer this phenomenon, at least not to the same degree. A report conducted by the United Way of Greater Toronto during 2003, however, suggested that this is an unfortunate misconception. The study demonstrated that the number of ghettos in Toronto quadrupled over the preceding 20 years.<sup>7</sup> A further finding was that the demographic of Toronto's neighbourhoods

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<sup>6</sup> Downs. *Metropolitan Visions*. 72.

<sup>7</sup> "Toronto ghettos shifting to the suburbs." CTV News.

[http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/1081170041355\\_20/?hub=Canada](http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/1081170041355_20/?hub=Canada) 2004.

shifted dramatically in this period, with a reduction in mixed-income areas and an increase in concentrated poverty and wealth.

### **The New Zealand Approach**

In New Zealand, state housing, a form of public housing, was introduced by the Labour government in 1938. At that time, the only option available to tenants was to rent the property. Beginning in 1952, the government introduced the option to purchase homes. It also offered loans and subsidized the building industry in an attempt to reduce house prices.<sup>8</sup> This practice proved very popular and continued for 40 years. By the early 1990s, approximately 70,000 state homes had been purchased by tenants and converted into private dwellings. In the period following 1991, New Zealand sold off state houses and only maintained a small building program. More recently, however, the government has again provided housing, fixing the rental rate for tenants at a maximum of 25 per cent of total income.

An important distinction between public housing in North America and New Zealand is the difference in approach to design, construction and quality of the housing. The first state houses built in New Zealand were designed and constructed to the highest possible standard that the budgets permitted. Furthermore, no two houses were identical. This decision was made so that the occupants would not be immediately identifiable as state tenants. Another step that was taken by consecutive national governments was to avoid the creation of areas of concentrated poverty by attempting to appeal to both poor and relatively better off workers. To this end, all houses were constructed with quality building materials and to high labour standards. Interior design was also important in this process; for example, each of the houses was built to ensure that the kitchen faced the morning sun.<sup>9</sup> This attention to detail has been somewhat successful in maintaining mixed-income neighbourhoods in New Zealand. A final effort made by governments in the post-1970 period has been to avoid locating public housing in exclusively inner-city neighbourhoods that are already suffering from urban decline and a lack of employment opportunities. Instead, when constructing public housing, the state has attempted to locate it close to existing private developments, effective transportation links and employment opportunities. This conscious effort was in part a response to the emerging problems in American cities such as Detroit, where public housing policy created large inner-city ghettos of welfare-dependent individuals who are segregated from the rest of the population, are without enough money to leave the locale and have few employment prospects in the vicinity.

### **Recognizing Everyone's Right to Buy: Privatization in the United Kingdom**

Winnipeg is a city that takes pride in its social services and capacity to provide for the marginalized and the poor. In Winnipeg, thousands of people rely on the government to provide housing, as they lack the necessary resources to purchase

<sup>8</sup> Housing New Zealand. "History of State Housing." [http://www.hnzc.co.nz/hnzc/web/about-us/history-of-state-housing/history-of-state-housing\\_home.htm](http://www.hnzc.co.nz/hnzc/web/about-us/history-of-state-housing/history-of-state-housing_home.htm)

<sup>9</sup> New Zealand History. "State-housing style – State Housing in NZ." <http://www.nzhistory.net.nz/culture/we-call-it-home/state-house-style>

their own home or to rent privately. Home ownership is a goal pursued by many. Significant portions of the population, though, never achieve it. The City of Winnipeg and the provincial government could aid this process by giving their tenants the opportunity to buy the homes they currently rent. This would reduce the strain on government to provide housing, allow individuals the opportunity to build capital and lead to an overall improvement in many neighbourhoods.

This is not a new idea, as it was instituted almost 30 years ago in the United Kingdom. In October 1980, Margaret Thatcher's Conservative government introduced an innovative and hugely successful Housing Act 1980, which featured the Right to Buy scheme. It provided over 5-million British citizens with the opportunity to purchase their state-owned homes. The policy was quickly accepted, and it is regarded as a major vote winner for Thatcher's government in the 1979 and 1983 national elections. In real terms, it meant that millions of people who never had or would likely never have the opportunity to be owner-occupiers could gain a major asset, and, as a consequence, a degree of financial security and a significant stake in their country.

The Right to Buy was successful because it was the first public housing policy introduced in the United Kingdom that recognized a deeply ingrained desire for home ownership.<sup>10</sup> The philosophy underpinning the Right to Buy was summed up by the environment minister at that time: "The Right to Buy has two main objectives: first to give people what they want, and secondly, to reverse the trend of ever-increasing dominance over the life of the individual ... It reflects the wishes of the people, ensures the spread of wealth through society, encourages a personal desire to improve and modernize one's home, enables parents to accrue wealth for their children and stimulates the attitudes of independence and self-reliance that are the bedrock of a free society."<sup>11</sup>

The Right to Buy scheme has functioned by allowing council tenants to purchase homes at significantly discounted prices, which were based upon length of tenure. Tenants who had lived in their homes for up to three years were given a 33% discount on the market value of their home, with discounts increasing in stages up to 50% for a tenancy of 20 years. The government also offered tenants a 100 per cent mortgage from the local authority. In addition, those who were unable to immediately purchase their homes were allowed to pay a 100 deposit and postpone the sale for two years, at which time they were able to purchase the house at the original price.

This program proved to be very popular because it allowed people to own homes at a very substantial discount. The policy was successful and innovative because it acknowledged, "council tenants possessed justifiable rights in the management of their homes ... a fact that successive post-war governments repeatedly failed to

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<sup>10</sup> Nicholas Hopkins and Emma Laurie. Housing or Property? The dynamics of housing policy and property principles in the Right to Buy. *Legal Studies*. Vol. 26, no.1. March 2006. 66.

<sup>11</sup> *Ibid.* 167.



accept.”<sup>12</sup> As a direct result of the Right to Buy, home ownership in the United Kingdom increased from 55% in 1980 to 64% in 1987 and by 2003, it was estimated that approximately 1.5-million council homes had been bought.<sup>13</sup>

One of the persistent criticisms of the Right to Buy has been that because a Conservative government instituted it, it is suspicious, since it was implemented by a party not known for its support of ‘welfare rights’. The reality, however, is that the policy cannot be labelled due to its political origin. The goal of good policy, which is to improve the overall social structure of the country, holds regardless of political affiliation. The accusation that this particular Conservative government and Conservative governments in general pay little attention to ‘welfare rights’ is unjustified, as this policy not only provided security of tenure and associated rights in the tenancy but also provided substantial discounts to help tenants wanting to buy their own homes. Its legal form provided complete equality between all council tenants in its allowance of exchange and purchase.

### Short-term Benefits and Long-term Rewards

Both the short- and long-term effects of the Right to Buy can be assessed by the bill’s impact on the individual and on society at large. In the short term, the Right to Buy gave more than 5-million council tenants the opportunity to own their home instead of wasting their hard-earned wages on rents from which they saw no financial return. It rewarded the skilled working-class tenants who, in different circumstances or location, would have been owner-occupiers.<sup>14</sup> Ultimately, it strengthened the concept of the property-owning democracy, and as a consequence, a more socially responsible population. For example, a survey conducted by The Scottish Executive found that Right to Buy purchasers believed that the process led to a general improvement in peoples’ lives and helped create more caring neighbours and citizens.<sup>15</sup>

The broad impact of an increase in social responsibility brought positive changes to urban living conditions and public safety. Howard Husock, *director of case studies in public policy and management at the Kennedy School of Government at Harvard University*, notes that most policy experts agree that big public housing projects are noxious environments for their tenants.<sup>16</sup> He suggested that what is not acknowledged is just how noxious such projects are for the cities that surround them, as housing projects often radiate dysfunction and social problems outward, damaging local businesses and neighbourhood property values.

<sup>12</sup> Ian Loveland. “Square Pegs, Round Holes: The Right to Council Housing in the Post-War Era.” *Journal of Law and Society*. Vol. 19, no. 3. Pg?

<sup>13</sup> “Council tenants will have ‘right to buy’”. BBC Online.

[http://news.bbc.co.uk/onthisday/hi/dates/stories/december/20/newsid\\_4017000/4017019.stm](http://news.bbc.co.uk/onthisday/hi/dates/stories/december/20/newsid_4017000/4017019.stm)

<sup>14</sup> Ann Stewart. “Housing Tales of Law and Space.” *Journal of Law and Society*. Vol. 16, no.1. 67.

<sup>15</sup> Scottish Executive. *Views and Experiences of Right to Buy Amongst Tenants*. September 2006.

<http://www.scottishexecutive.gov.uk/Publications/2006/09/15085602/7>

<sup>16</sup> Howard Husock. “How Public Housing Harms Cities.” [http://www.city-journal-org/html/13\\_1\\_how\\_public\\_housing.html](http://www.city-journal-org/html/13_1_how_public_housing.html)

These problems have been intensified in many North American cities through a government propensity to zone whole areas as public housing forever, “shutting out in perpetuity the constant recycling of property that helps dynamic cities generate new wealth and opportunity for rich and poor alike.”<sup>17</sup> As a result, public housing has encouraged neighbourhood social problems because it concentrates together welfare-dependent, single-parent families whose children disproportionately possess lower levels of education and are more likely to become unemployed and involved in street-level criminal activity such as drug dealing and prostitution.

Making it possible for people to purchase their homes provides an impetus to break this cycle. It offers a strong incentive to gain the necessary education and training to become skilled and employable. Once individuals are earning a legitimate income, the financial appeal of prostitution and drug dealing is reduced, which in turn leads to a decrease in these crimes and the related problems that are tied to their occurrence. As an increasing number of people follow this trend in a neighbourhood, the positive effects increase exponentially as a welfare culture is replaced by a culture of pride, ownership and social responsibility.

The negative consequences of failing to privatize public housing are also seen in Canada. While Detroit is often held up as an example of the problems associated with public housing and urban decay, the same developments are taking place in Vancouver’s Downtown Eastside, Calgary’s East Village and Winnipeg’s North End. By concentrating people in state-provided housing and preventing them from investing in, and ultimately owning, those homes, current policy creates a perfect breeding ground for social problems. If governments allowed people to invest in their homes, they would take more pride in their property and in the neighbourhoods in which they live.

Another short-term benefit that resulted from the Right to Buy was a significant reduction in government inefficiency and wastefulness. In the United Kingdom in 1985, the Audit Commission assessed the initial impact of the Right to Buy in a report titled *Managing the Crisis in Council Housing*. One of the most significant findings was that “many local authorities were poor quality managers and could be [improved] if they adopted some market management techniques.”

The long-term rewards of the Right to Buy are visible in the reality that, despite shifts in political leadership in the United Kingdom over the past three decades, the policy has remained and continues to be a source of voter support. The current U.K. Conservative leader, David Cameron, announced last summer that, if elected, he plans to extend and revitalize the Right to Buy in the hopes of creating an “opportunity society – a society in which everybody is a somebody, a doer not a done-for.” The Scottish Communities Minister, Malcolm Chisholm, echoed these sentiments in September 2006. Chisholm stated, “Nearly half a million sales have taken place in Scotland since the Right to Buy was introduced in 1980. These high numbers of new homeowners mean that more than 67% of Scottish households are now owner-occupied [and] the Right to Buy has been instrumental in mixing tenure

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<sup>17</sup> Ibid.

and helping to forge stability in many communities as families purchase homes for the first time.”<sup>18</sup>

Overall, the long-term impact of the Right to Buy has been a significant increase in home ownership and a more socially responsible and mobile country. It is clear that in the long term this plan has been a success. What are we waiting for in Canada?

### **It's Time to Buy in Winnipeg**

The Winnipeg policy community can learn much from the successes of the Right to Buy scheme implemented in the United Kingdom. This is not to say that the policy is perfect or that it should be mirrored exactly, but the message is clear. Money is being wasted by the provincial government, and individuals living in government-provided housing are throwing away their money and being denied the chance to own their own home. The current system can be improved in order to offer individuals a greater stake in their city, province and country and to take advantage of the wider social benefits that will improve our cities and their neighbourhoods.

Canadian cities are in need of a new policy response as growth and hot real estate markets fuel housing problems. In addition, Winnipeg contends with a wide range of individuals in need of housing: the working poor, those that have become unemployed, Aboriginals arriving from northern Canada in search of opportunity and refugees arriving from war-ravaged countries. These groups are distinct and diverse; therefore, greater choice in housing provision is required.

Recently, the Canadian Centre for Policy Alternatives (CCPA) reported that the lack of decent housing in Winnipeg “takes a huge toll on individual families and the broader community.” Moreover, they said, “safe, affordable housing is necessary to individual health and well-being, educational achievement, social inclusion, labour market attachment and healthy, stable communities.” This group correctly recognizes and describes the problems associated with public housing but then stops short in proposing effective and workable solutions.

Unfortunately, the CCPA prefers the dependency model, which suggests that making home ownership a more viable option for low-income Manitobans is little more than an honourable idea. They argue that for many low-income Manitobans home ownership is neither desirable nor affordable. This ignores the fact that for many low-income Manitobans it is both desirable and, with careful government co-ordination, absolutely affordable. All Manitobans deserve the right to a choice in how and where they live, and in addition to this, the success of such a program has been demonstrated in the United Kingdom.

We can derive six major lessons from the U.K.'s Right to Buy policy. First, it offers those at a financial disadvantage the opportunity to invest their money in property and to begin building wealth and financial security. A second directly related benefit of allowing more people to invest in mortgages instead of rents is that it creates a culture of pride in ownership. People tend to care for and invest in their belongings as opposed to those that are temporary, rented or loaned. When people are given

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<sup>18</sup> “Report shows Effects of Right to Buy Policy.” [www.scotland.gov.uk/News/Releases/2006/09/28153259](http://www.scotland.gov.uk/News/Releases/2006/09/28153259)

the opportunity to own a home they are more likely to invest in its maintenance and appearance, the effects of which are twofold. The first is intangible and difficult to measure – it makes people feel good. The second, and much more visible, is that it creates a domino effect within neighbourhoods with small changes leading to neighbourhood overhauls. As people see others investing in their homes and taking the time to improve and maintain them, they also feel that it is worthwhile and follow suit. This eventually leads to neighbourhood revitalization and significant increases in property values as well as neighbourhood appeal and livability.

Third, the opportunity to earn an income and put it toward a mortgage can serve as an incentive to gain a skill or trade in order to afford a home, since the class of homeowners will expand significantly under such a scheme. Fourth, property ownership provides families that would otherwise have little to pass on to their children a legacy to leave to them. Fifth, an important distinction between Manitoba in 2007 and the United Kingdom in 1980 is the differences in population demographic, economy and political climate. One consideration in implementing a Right to Buy plan in Western cities like Winnipeg is determining if and how Aboriginals will be accounted for. This group was clearly not a factor in the United Kingdom and constitutes a significant percentage of the total population living in Manitoba Housing, receiving welfare payments and classified as unemployed. One of the major determinants of this reality within Aboriginal populations in Winnipeg is overall lower levels of formal education, which directly reduces employability and income potential. Therefore, implementing a Right to Buy policy in Winnipeg in conjunction with targeted educational training would provide the necessary impetus and supports to make the program successful.

Jim Silver observed that for Aboriginals living in Winnipeg's inner city, poverty rates are astonishingly high.<sup>19</sup> In fact, almost two-thirds of all Aboriginal households in Winnipeg have incomes below the poverty line, while the figure for the same demographic in the inner city is above 80%.<sup>20</sup> It is not surprising, therefore, that Aboriginals are disproportionately represented in Manitoba Housing units. A further consideration when dealing specifically with Aboriginal populations is the unique housing problems associated with reserves. Housing on reserves is often overcrowded, in poor physical condition and lacking basic amenities. The supply of affordable housing on reserves is detrimentally affected by the marginal economic base, fixed levels of financial support and high rates of unemployment.<sup>21</sup>

Finally, it must be noted that while the overall short- and long-term effects of the Right to Buy are hugely beneficial for U.K. citizens and the state as a whole, a Manitoba model should not be identical and should include several important safeguards that were lacking in the U.K. model. One principal safeguard that must be included is the condition that when an individual enters a personal care home, the state does not include the value of the home for cost determinacy in its

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<sup>19</sup> Jim Silver. *Solutions that Work*. Canadian Centre for Policy Alternatives: Winnipeg, 2000. 39.

<sup>20</sup> *Ibid.* 39.

<sup>21</sup> Shannon Orr. *A Roof over Our Heads: Affordable Housing and Urban Growth in Western Canada*. Canada West Foundation. 2000.

summation of total assets and wealth. When the Right to Buy was first instituted, the U.K. government included the value of owned property in calculating total wealth. This figure was used to determine things like the price an individual had to pay to enter and stay in a senior care home. While the Right to Buy was designed to encourage people to accumulate some capital and something to hand on to their children, many, ironically, were forced to mortgage their property to fund care-home stays, thus losing the capital they had gained. The British government failed to differentiate between a person with £100,000 in cash and someone with a £100,000 invested in home ownership. Having money invested in property is not the same as having cash in hand. Consequently, due to public outcry and pressure from public advocacy groups such as SAGA ([www.saga.co.uk](http://www.saga.co.uk)), the government introduced a threshold limit and no longer took into account the entire value of a home in determining overall wealth. Canadian governments should recognize this policy quirk and adjust their frameworks accordingly.

While there are some minor drawbacks to home ownership, such as the inherent capital risk and obligations for upkeep and maintenance, the advantages are easily apparent. All Canadians deserve the opportunity to have greater control over their immediate living situation, more control over housing expenses and the ability to accumulate wealth through the forced savings scheme that a mortgage provides.

It is surprising that provinces and cities that pride themselves on social programs and attempts at social justice have failed, like many others, to recognize the right of public housing tenants to have the opportunity to own their home. Governments preach equality and the importance of social safety nets, yet consciously choose to force low-earning individuals to pay rent (money they will never see again) rather than accumulate capital by paying down a mortgage and creating the opportunity to use that capital to benefit themselves, the city and the province as a whole. This narrow reliance on old ideologies of state dependency and government ownership is extending and compounding the social damage in many Canadian cities. In Winnipeg, a failure to act now may soon place the historically and culturally rich North End beyond hope, following examples set in cities such as Detroit.

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