

# All parties in Ontario's provincial election bear responsibility for the province's disastrous housing crisis

Steve Hill  
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As Ontario's June 2 election approaches, nothing could symbolize the dire state of the housing crisis in the province quite like the announcement that Blackstone Inc. is opening an office in Toronto, the provincial capital. Blackstone is an investment management company based in New York City with approximately US\$880 billion in assets under management, including \$14 billion in Canada's real estate sector. In the aftermath of the sub-prime mortgage crisis in the United States, Blackstone took advantage of the wave of foreclosures to gobble up \$5.5 billion in single-family homes in order to flip them for a profit. The formal presence of a corporation such as Blackstone, with deep roots in the Reagan/Thatcher era of casino capitalism, is entirely fitting in the cutthroat, profit-driven housing market that now exists in Ontario.

In November 2021, the average rent for all property types in the Greater Toronto Area was \$2,167 a month, a 4.3 percent increase from the year before. Average home prices increased \$200,000 to \$1.3 million in the one-year period to March 2022.

Bidding wars, which have been common for house sales for many years in the province, have now become standard for rental properties as well. It is not unusual for apartment seekers to expect to compete to pay above-list rent, in advance, for up to a year. And this is in addition to supplying a security deposit after a thorough screening by a credit agency.

For low-income workers or those in precarious employment who are fortunate enough to have "affordable" housing, a job loss or reduction in employment hours, even due to illness in the era of COVID-19, can bring the prospect of homelessness. A single person working full-time for the province's miserable \$15.00 an hour minimum wage would barely be able to meet the average cost of a rental unit, which is to say that nearly 100 percent of his or her income would be required for housing alone. This was true even before inflation, currently running at 7 percent, began eating away at workers' stagnant wages.

For those who rely on government benefits the outlook is even more grim. The *World Socialist Web Site* recently reported on the cases of two women with disabilities, who have chosen medical assistance in death after fruitless searches for affordable housing with environmental conditions that would not aggravate their illnesses. One of them already ended her life out of desperation in February. Even with the assistance of friends and medical professionals appealing to more than 10 different agencies over the course of months, no suitable accommodation could be found for either of these unfortunate people. No level of government or public agency in the province has been willing or able to fulfill one of the most basic duties—ensuring that

everyone has access to adequate shelter.

People already living on the streets face shocking conditions. Homeless shelters are inadequate at the best of times, and the last two years with the COVID-19 pandemic have made survival even more precarious. As the most vulnerable sought to avoid infection in overcrowded shelters, they resorted to building encampments under overpasses and in public parks. The City of Toronto, claiming to be concerned about health and safety, spent almost \$2 million planning and forcefully removing encampments in the spring of 2021. This year the City intends to avoid the bad publicity of large-scale police operations to clear homeless people from public parks by contracting private security guards to patrol certain locations around the clock in order to alert the authorities beforehand. The plan has been criticized as neither a reasonable or sustainable solution and one which will simply criminalize vulnerable people even further.

## How the Liberals, Tories, and New Democrats destroyed public housing

Ontario, home to the country's financial elite, spends less per capita on public and social services than all but the poorest Atlantic provinces. Its prosperity was built on generations of labour in agriculture, mining and manufacturing as it became the economic powerhouse of the country. After the Second World War, between 1945 and 1950, social housing in Ontario consisted of Veterans Housing for soldiers returning from the battlefield. Throughout the 1950s and early 1960s, Ontario, like much of industrial North America, experienced an economic and population boom. In 1964, the province, led by Progressive Conservative John Robarts, created the Ontario Housing Corporation (OHC) to direct the administration of the province's publicly owned housing portfolio, set social housing policies and programs, and recommend new policy and program initiatives. Between 1964 and 1975 the OHC created 84,145 public housing units under the management of Local Housing Authorities. Public housing programs were one of the concessions wrenched from the ruling elite by the working class through decades of bitter class battles during the post-war period.

In 1978, under the Liberal government of Pierre Trudeau, the first full federal social housing program began, in which the federal government took the lead in funding and administering social housing

in Ontario, creating an additional 52,189 units. The ruling elite quickly reneged on this promise. Shortly after coming to power in 1984, Brian Mulroney's Progressive Conservative pulled back on social housing, as part of a program of austerity, privatization, and attacks on worker rights.

From 1985 until 1995, under the Ontario Liberal government of David Peterson and subsequently the nominally left Ontario New Democratic Party government of Bob Rae, the province dramatically slashed the number of social housing units it built, even as the provincial population swelled by 18 percent. By 1993, the NDP provincial government, citing a budget deficit that it was determined to balance at the expense of the working class, aggressively instituted the austerity measures adopted by capitalist governments around the world. The union-backed NDP attacked the wages of government employees and slashed public spending, including the subsidization of rent-g geared-to-income (RGI) housing units. The federal Liberal Chrétien government, which was in the process of imposing the largest social spending cuts in Canadian history, ended Canada's subsidized affordable housing program the same year.

In 1995 the Ontario Progressive Conservatives returned to office under Premier Mike Harris. They quickly canceled the provincial housing program and in 1996, after half a century, government-funded non-profit housing construction came to an end.

### **Housing as an investment vehicle for the financial oligarchy**

The intervening quarter century has seen the complete transformation of Ontario's residential property sector into a vehicle for the fabulous enrichment of a thin layer of criminal speculators and big banks. In July 2020, when Toronto tenants' organizations protested the pro-landlord Bill 184 passed by Doug Ford's Progressive Conservative government, which made evictions easier in the midst of the Covid-19 pandemic, the WSWWS wrote:

"The sky-high rents in Toronto are the result of a frenzy of real estate speculation over the past 20 years that has enriched a handful of real estate moguls at the expense of renters. In contrast to the growing number of workers struggling to keep afloat, Toronto is a pole of attraction for the super-rich from across the country and internationally. Condo units are bought as an investment or for cash laundering, and often held unoccupied or simply rented out for the seasonal tourist trade. The multi-millions possessed by Mayor Tory and Premier Ford are dwarfed by the wealth of the estimated 27 billionaires who make Toronto their home. Their numbers include David Thomson of the Thomson Reuters media empire, whose family, with a net worth of \$37 billion, is Canada's richest.

"The housing crisis is also the product of the systematic gutting of social housing by both the federal and Ontario governments and all political parties, including the trade union-aligned New Democratic Party (NDP). Going all the way back to the NDP government of Bob Rae in the early 1990s, provincial governments have provided zero funding for public housing, while gutting public spending for social services across the board. Successive governments have slashed corporate and personal income tax rates, and eviscerated labour market regulations, leading to a rapid growth in social inequality as millions of low-paid, precariously employed workers struggle to make ends meet."

While Toronto is certainly not the entirety of the housing crisis in the province of Ontario, the concentration of extremes there serves to illuminate the general state of affairs. The completely reasonable assumption that adequate housing in an advanced industrial economy is a basic human right has been deliberately transformed into the notion that a "home" is nothing more than a bourgeois investment vehicle. The ruling class desperately wants workers to believe that the essentials of life are commodities to be bought and sold. Thousands of hours of mass media programming is devoted to promoting real estate speculators, the parasites of society barely one step above debt collectors, as entrepreneurial heroes.

What then do the parties vying for office in the June 2 provincial election propose to alleviate the housing crisis?

Doug Ford's incumbent Progressive Conservative government has not, as of this writing, released an election platform beyond the slogan "Get it Done," whatever that means. They stand behind their 2018 decision to remove rent controls on new builds, claiming it has spurred more starts on rental units in 30 years; the ongoing rental housing crisis notwithstanding. And apparently they are content with the existing situation in the purchase market.

The official opposition New Democrats offer a selection of minor zoning changes and tax modifications for home ownership along with a return to the pre-2018 rent control regulations. The Liberal party pledges to get 1.5 million new homes built over the next 10 years, claiming they will go after "the rules and red-tape that are driving home costs and prices up—and we'll make it faster and more affordable to get new homes built where people want to live such as unlocking more provincial land by burying electric transmission lines and redeveloping underutilized strip malls and offices." The Liberals also promise to return to the pre-2018 rent control regulations.

In other words, all of the major parties promise to essentially maintain the status quo with perhaps some minor modifications. The same profit-driven market-based policies that have brought us to the present crisis will continue regardless of which party wins on June 2. This is hardly surprising when one considers that 1 in 5 members of the Ontario Provincial Parliament, including 13 PC, eight NDP, two Liberal and one Independent MPP declared rental income for themselves or their spouses last year.

Vulture-capitalist corporations like Blackstone know how to spot prime opportunities and their executives clearly believe the province will be a good bet regardless of the polling results. They can rest easily, safe in the knowledge that Ontario's bourgeois politicians will do nothing to interfere with capitalist predatory interests in the residential property sector or any other area of the economy.



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