



THE (STUDENT) HOUSING CRISIS:

Roles and implications for Canadian universities

BY ALISON LARABIE CHASE

Anyone who reads the news these days knows Canada is in the throes of a lengthy and worsening housing crisis. A lack of both availability and affordability is being exacerbated by a concurrent cost-of-living crisis, brought on by rapid and significant post-pandemic inflation. Many people in Canada are currently unable to find a safe, affordable home near their place of work, educational institution, or family.

Governments, industry, think tanks, nonprofit organizations, and academics are all struggling to propose ideas and incentives that can relieve the pressure

on the housing market. Unsurprisingly, universities and their students are also experiencing the effects of this crisis. Housing departments on campuses across Canada are feeling a pressing need to respond with support and, if possible, increased supply.

This is a multifaceted issue being driven by a number of factors, with no easy answers or quick solutions. And it doesn't help that providing student housing poses some unique challenges for universities, including how to fund new construction, how to ensure that the cost of

living in residence is affordable for students, and how to balance supply with shifting demand so they're not left with empty beds.

NOT ENOUGH BEDS

In many parts of Canada, universities cannot access government funding to support new housing builds, and campuses simply don't have enough beds for all the students who want to live on campus. This increase is being driven by both a lack of affordable private-market housing and a greater desire for in-person connection and community since the pandemic lockdowns.

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“What we have is 2,300 single occupancy rooms [and]... we have a waiting list at this moment with 200 students,” says Mathieu Gagnon, Director of Residence Services at Université Laval. “Two years ago, we were wondering if people would still want to stay on campus, would still want to have on-site courses, on-site activities; and now we know for sure that they want that,” he adds. “People want to experience living on campus. They need to meet people face to face, not only on social media.”

Tracey Mason-Innes, Executive Director of Student Affairs at Simon Fraser University (SFU) in Burnaby, B.C., says SFU is in a similar situation, with 36,000 students and only 2,600 residence beds. “When I came [to SFU] in 2014, we couldn’t fill the beds. But by 2018, 2019, we had wait lists. And this past summer we had a wait list of 1,500 students.” She also attributes the increased demand to the post-pandemic desire for in-person interaction: “Especially now, students really crave and desire connection and community. These folks, the new ones, went through a tough high school and middle school experience, being isolated, and ... they really crave being with one another. We’re seeing a lot of students saying things like ‘I won’t be successful unless I am with other people and going through this with someone.’”

Glen Weppler, Director of Housing at the University of Waterloo (UW) in

Kitchener-Waterloo, Ontario, says between UW and its affiliated institutions, they have a total of around 7,000 beds on campus for approximately 38,000 students, making theirs one of the larger campus housing operations in the country – and also one of the most competitive student housing markets.

“We have strong demand at Waterloo for housing, and it’s coming from some audiences [like] upper-year undergrads and grad students that is stronger than it was pre-pandemic,” Weppler says.

IT’S NOT JUST INTERNATIONAL STUDENTS

The Canadian news media has recently pointed fingers at an increasing number of international students as a cause of the current housing crisis, but that’s not the whole story, Weppler says.

“Occupancy has not kept pace with enrollment because Canada has prioritized access to education. That means we have some of the highest post-secondary participation rates in the world. And so it has meant a lot more students at university and college and the housing gap... has been filled in the last few decades by for-profit or other types of housing providers.”

Gordon MacInnis, Vice-President Finance & Operations at Cape Breton University, adds that affordability is also a major issue for students: “In Nova Scotia, we have some of the highest average tuition rates in the country...

you’re seeing more and more pressure being put on students in terms of tuition and fees, so I think it’s to be expected that the money available for housing is going to be constrained.”

Mason-Innes agrees that keeping housing costs affordable for students is an ever-present challenge, though she says the housing crisis has made the cost of on-campus living comparatively affordable in hot markets like SFU’s Vancouver-adjacent location of Burnaby.

“The mantra has always been ‘living in residence is more expensive.’ Not anymore. We have pretty competitive under- or low-market rates now. And that includes all your utilities, and all your support programs, and you’re a two-minute walk from campus.”

“Affordability for post-secondary is an ongoing challenge, especially in larger cities with higher housing costs like Toronto. As an institution set in the GTA, we’re also impacted by the regional housing challenges, including a tight rental market that is rising in rates far past what is sustainable or accessible for many,” says Kim McLean, Assistant Vice-President of Ancillary Services at York University in Toronto.

NOT ENOUGH HOUSING ANYWHERE, FOR ANYONE

One of the fundamental issues driving this whole crisis is a simple one: In most of Canada, there has simply been far too little housing built over the last several decades, both in the private market and specifically for students.

“I’ve worked here for 30 years, and I’ve seen a lot... these phenomena are cyclical, but this time is different,” Gagnon says. “This is the first time we need as much housing as this. And I don’t see big change in the short term. I would say that situation’s going to last for a few years. And it’s not only attributed to university and student housing. It’s a lack of housing in all the submarkets.”

Mason-Innes says things in the lower mainland of B.C. are as bad or worse: “You haven’t seen a tonne of student housing being built; when I came out here in 2007, there was a lot of housing, there wasn’t that squeeze... It used to be you could pop in and pop out of student housing, and now students don’t want to lose their place, so they’re keeping them over the summer, longer-term leases, and that’s an expensive thing.”

Yes, there are more international students coming to Canada now than in the past; the importance of this segment to Canadian

universities has increased significantly in recent years. But Mason-Innes says even without more international enrolment, SFU struggles to find space for everyone: “We haven’t increased our international student numbers; but their experience finding housing in the private market has become increasingly challenging for them. So many parents of international students want them to at least be with us for the first year. They know that ... we’ll take care of them as much as we can.”

And it’s not just international students struggling to find a place to live; Canadian students moving to another part of the country for their education are also facing affordability challenges and a private rental market that’s rife with fraud, especially for vulnerable students who are far from home and family who can offer support and advice.

“We are spending a lot more time on our resources for students finding off-campus housing. We’ve partnered with an off-campus listing provider. They curate the listings with people who want to rent to students, so it’s not your Craigslist or your Kijiji,” Mason-Innes says.

Weppler says things were pretty dire in Kitchener-Waterloo back in summer 2022, when students at every stage of their education were re-entering the housing market post-lockdowns: “We were receiving a number of concerns from students with finding housing that fit their budgets, concerns with some landlords.” UW quickly put support services into place for students looking for off-campus housing and provided tips, such as making sure to visit an apartment before signing a lease and asking the right questions of a landlord. Weppler says the issue has simmered down a bit in the past year, with fewer students looking for housing, but it has not disappeared.

In Nova Scotia, MacInnis says the housing crisis is being further exacerbated by the short-term rental market. “Whether that’s VRBO, Airbnb, I think that is definitely affecting the availability of housing stock... And of course in some cases it’s availability of units, which clearly is an issue in many communities, but it’s also availability of affordable units.”

WHY NOT JUST BUILD MORE BEDS?

With all these factors combining to make it harder for students to find affordable, safe, convenient housing, the solution might seem obvious: universities should simply build more residence beds. And

that is happening at some institutions – Weppler says UW is currently exploring a new residence project – but it’s not that easy for every university to do so.

“We are fortunate to have space for that. There are other institutions in the country where that isn’t reality. If you’re in a big city like TMU, for instance, then it’s harder to have access to the space. In Waterloo’s case, we do, and so we’re actively pursuing it.”

McLean says governments at all levels need to provide incentives and low-cost financing to help post-secondary institutions build additional student housing. “The rapid growth in demand for affordable housing, limited institutional financial resources, as well as higher interest rates, escalating construction costs, and municipal approval timelines, are making it more difficult for universities to build more housing for students,” she says.

Gagnon agrees that governments need to step in and offer support to universities if they’re serious about solving the housing crisis, because most institutions simply don’t have the capital to tie up in the construction of new residence buildings. He says Laval has plans to add around 1,000 beds in the next five to 10 years

and that they’re in the fortunate position of having the land to build them on, but they’re still trying to come up with the last 10 to 15% of the funds: “Here in Québec, the rules for an ancillary service like us, it’s self-financed, we cannot have subsidies to operate.”

“We’re not asking for them to give us 100% of the cost. We’re asking for them to fund 15% of the cost. I believe it’s a win for everyone... we have to be part of the solution, especially since we have the land to build on. The people who came before us were thinking long-term when they held that land in reserve; it’s a sustainable strategy. We can do something quickly and that makes a big difference, if we can get help.”

Organizations like CMHC also have a role to play, MacInnis says. “Some of the programs that CMHC has been offering for years really were not geared toward affordable housing development in regions of the country outside of the major urban centres. For example, the cost of construction when you have a 20-to-30-foot run to tie into municipal services is very different than when you have a run that requires site development if you’re in a more rural community.”

AGING INFRASTRUCTURE IS A CHALLENGE AT UNIVERSITIES

A major issue plaguing universities is that many of the existing buildings on Canadian campuses, including residences, were built in the 1960s and ‘70s. Many of these buildings are in need of significant upgrades – or replacement.

Mason-Innes says SFU’s existing student housing stock needs a lot of updating: “The townhome [style residences] were built for provincial games back in the ‘80s and they’re wooden buildings... really difficult for deferred maintenance. The buildings from the ‘60s and ‘70s, two of them had to come down. We do have one of the original residences [left]. Students love it. But can we even turn on lights tomorrow? We have to figure that all out.”

The same problem exists at UW, says Weppler. “The majority of on-campus housing stock in the country was built in the ‘60s and ‘70s. We put together a strategy over the last few years to help guide how we can make those investments to renew that space.”

At Université Laval, Gagnon says all four residence buildings date from the 1960s, so deferred maintenance is a major issue there as well. “We need to put a lot of money into those buildings,” he says – on average, between \$3 million and \$4 million a year for the next 10 years.

COLLABORATING WITH MUNICIPALITIES ON STUDENT HOUSING

In an effort to create more student housing in their communities, some universities are collaborating with local municipalities to seek out mutually beneficial solutions:

- Cape Breton University is part of a local nonprofit group seeking to build a 600+ unit mixed-use housing development in Sydney, NS, called Tartan Downs. "It will involve affordable units [and] market-driven units, and the affordable units would have an allocation for student housing," says MacInnis.
- The University of Waterloo (UW) participates in a "town and gown" committee that just completed a supply-and-demand housing study offering "highly credible information that can be used by a wide variety of organizations, for-profit or not-for-profit, to help make decisions about where we're at," says Weppeler. UW is also collaborating with Build Now: Waterloo Region, an organization bringing together developers, housing experts, municipalities, post-secondary institutions, and non-profits to create 10,000 units of "missing middle" homes across the region.
- Gagnon of Université Laval referenced a recently announced collaboration at Université du Québec en Outaouais for a new residence building with 131 rooms to open in 2026, with 60% of construction costs potentially funded by the Programme d'habitation abordable Québec (PHAQ). If approved, the City of Gatineau has agreed to cover 40% of that amount; the university will cover the remainder through donations and funds from its foundation.

Out in B.C., Mason-Innes says SFU is in a far better position, for one very important reason: The provincial government is investing in student housing with a 10-year housing plan with 8,000 new student beds to be built by 2028. This is being supported through government loans and grants. In 2015, SFU put together a 20-year housing master plan, which combined with the government borrowing has enabled the institution to complete two of a planned five phases of housing renewal and expansion so far, with more to come.

"We have a master plan that aims to have added 3,000 [beds] by 2035; I think we're getting really close to that," says Mason-Innes. She adds that the university could probably fill even more beds if they were built.

UW also has a housing master plan that serves as a blueprint for future housing capacity increases. Such plans can be adapted, accelerated, or decelerated as the market shifts and demographics change. "It was important for us to be able to have that long-term view so that, when we were going to present projects, the bigger picture was available for decision-makers, the executive and the board, so that they could understand how projects fit into the

big picture," Weppeler says.

Risk appetite is another consideration for universities thinking about building more residence beds. At CBU, where around 77% of the student body is composed of international students, MacInnis says his primary concern is the potential for volatility in the international student market, based on factors that institutions have no control over, such as federal policy governing student visas.

"What are you going to do with it if, in fact, things go sideways in the international marketplace? How do you proceed? What is the right configuration? And how do you build it in a way that you might be able to re-profile that capacity if circumstances take you in that direction?" MacInnis says. He believes building accommodations that could be renovated for other uses, such as mixed-use or senior housing, can help reduce the risk to universities' bottom lines.

Post-secondary institutions can also help address the larger societal housing crisis by engaging the academic side of the house: "Universities play an active role in research and advocacy, such as taking part in research studies, collaborating with local government and housing agencies, and advocating for policies that promote

housing affordability. It's a complex societal issue that expands well beyond the post-secondary sector. And it will be up, I think, to all three levels of government collaborating with willing partners like the post-secondary sector to achieve a lasting solution," says McLean.

"I think universities generally have a lot of capacity," says MacInnis. "I look at one of our seasoned academics here, who is probably one of Canada's experts in affordable housing as recognized by CMHC. Universities have a lot of horsepower that we can turn to this issue."

AN ENTREPRENEURIAL APPROACH

Governments may be universities' preferred partners when it comes to financing new student housing, but some institutions are taking a more entrepreneurial approach to building housing capacity by partnering with private-sector developers and housing providers, as well as with local governments. (See sidebar "Collaborating with municipalities on student housing.") This approach brings in much-needed capital and spreads out the risks associated with new construction, but comes with its own compromises.

"We're seeing more interest from private developers in building housing for students. Which is kind of nice, because we can't do it by ourselves. We'll never be able to provide housing for all of the students who want it," says Mason-Innes; but she emphasizes that it's not a perfect solution. "Because I think private developers would like more occupancy guarantees, but... we don't want to put our [own] housing at risk and we can't really make those guarantees."

York has also partnered with private-sector developers specializing in purpose-built student accommodation. "We find this an increasingly viable approach, as the partners bring the required capital financing, design and construction expertise and assume the operating risks associated with such projects," McLean says. "The addition of rooms and units available at the Quad, an on-campus external residence [at York], has certainly helped to accommodate our undergrad students this year." She says the university plans to expand these partnerships going forward, with additional buildings already planned for the Quad.

But York is also looking beyond student housing to help boost available supply in the wider Toronto rental housing market, which is incredibly tight and increasingly unaffordable. The university

is able to contemplate this only because they have something that's in even shorter supply – land.


"In 2021, York released our Keele campus vision and strategy, which includes a goal to enhance and expand diverse housing options, both affordable and market-based, on our available lands. Our vision includes four neighborhoods with a range of housing options for students, faculty and staff, seniors and families. The implementation for this strategy is underway and will take place in phases over the coming years," McLean says.

In the final analysis, it's clear that universities are looking at the issue of housing through both a narrow and a wide lens, and are exploring multiple options and pathways to if not solving, then at least alleviating the housing crisis on campus and beyond. They understand the stakes and know that continually working toward solutions is essential to post-secondary institutions' ongoing success – and that of their students.

"We've seen a direct correlation between enrolment and not being able to find housing. We know it impacts our enrolment. And if a student gets an offer at a university with housing, that will really impact their decision whether or not to attend," Mason-Innes says.

McLean agrees: "Affordable on-campus housing is linked to attracting and retaining the best and the brightest." She adds that, for students, achieving success is exceedingly challenging in the absence of affordable housing.

Weppeler goes even further, asserting that the stability and support services that come with on-campus, university-operated housing are just as essential to student success as the room itself. "Where one lives really matters. If the student's living environment has resources available to that student... it helps the students focus on their learning and on their development. When those things are not stable, when they are having problems, then they can't be as effective a student. They can't learn as much. They can't develop as much."

One thing is clear: This isn't a problem that will be solved overnight, and it won't be solved by any one institution or sector working alone. Broad, deep collaboration between universities, governments, and the private sector is needed to find workable, affordable ways forward. If that happens, universities can indeed be an integral part of the solution to Canada's housing crisis. 



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Just before this issue of *University Manager* went to print, the federal government announced two new housing investments in its fall economic statement. Universities Canada issued a response, including recommendations that would allow universities to help address the housing crisis. You can read the full statement here:

www.univcan.ca/media-room/media-releases/let-universities-be-part-of-the-solution-to-canadas-housing-crisis

THE TYPE OF RESIDENCE MATTERS

The number of beds a university has available for student housing is not the only important factor; they also need the right mix of housing styles to meet the wants and needs of current students.

At SFU, Tracey Mason-Innes says housing is predominantly traditional-style single rooms with shared washrooms, but newer builds include private four-piece bathrooms that are shared, but not used simultaneously. "We [also] have townhouses, apartment-style, and we recently just opened up another building that's apartment-style for family housing."

MacInnis says his experience at Cape Breton University (CBU) also bears that out: The university's housing currently has a 12.5% vacancy rate, mainly due to a low uptake of single rooms based on student preferences. "What we are finding is that apartment-style accommodations are in high demand; the area we're having trouble with would be the traditional dorm rooms. It's ironic, I guess, in the context of the housing crisis that we would be left with unfilled beds on campus."

At Université Laval, Gagnon says all of their rooms are single-occupancy with shared bathrooms and kitchens, but those aren't what students prefer: "We know that if we had other kinds of housing, like apartments or lofts, we estimate that we would need... 2,000 more places on campus."

Gagnon also says the age and life circumstances of students is shifting. "There are more and more students who need housing for children and families... the average age in our traditional residences is 23 or 24, it's not 19 or 18. And we have more and more students that are in their 30s and 40s too, they have kids and wives and husbands. We need to have apartments for those people."