BC Rent Bank

Why Eviction Prevention Matters

The Social and Economic Benefits of BC Rent Bank in British Columbia

DECEMBER 2024

Vancity Community Foundation

Territorial Acknowledgement

Vancity Community Foundation and its programs operate on the lands of many Indigenous Nations. We bring our hearts and minds together and acknowledge the territory of these Nations. Our office, 312 Main, is located on the unceded territories of the xʷməθkʷəy̓əm (Musqueam), Sḵwx-wú7mesh (Squamish), and səlilwətaɬ (Tsleil-Waututh) Nations.

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BC Rent Bank delivers rent bank services through partnerships with community-based agencies and local non-profit organizations that operate rent banks in their community.

The program is funded by the Province of British Columbia. BC Rent Bank is a project of Vancity Community Foundation.

Executive Summary

Evictions aren't just disruptions—they're crises that ripple through families, communities, and the economy. Since 2019, thanks to funding provided by the provincial government, BC Rent Bank has provided support and funding to develop a province-wide safety net for renters. Low- and moderate-income renters can access their local rent bank to receive financial assistance and individualized support if they are unable to pay rent or essential utilities during a crisis.

In the 2023/24 fiscal year, rent banks supported 1,513 households, preventing over 600 people from becoming homeless and close to 1,000 households from spending significantly more on rent. This report demonstrates how this intervention has saved an estimated $27.5 million in avoided costs—split almost evenly between tenants and the government.

These savings stem from lower public expenditures on health care, child welfare, and housing services, as well as private savings from avoiding rent hikes, moving costs, and lost possessions.

The program's cost-effectiveness is stunning: every dollar invested in BC Rent Bank delivered $5 in savings for individuals and families, as well as government.

BC Rent Bank initiatives bolster health and health equity goals, family stability, child development, and educational achievement. It reduces employment precarity and prevents impacts to financial health and income. It supports business growth, strengthens regional economic development, and lowers inflation.

For the thousands of British Columbians who are only a single emergency away from not being able to maintain a roof over their heads, BC Rent Bank offers more than financial aid—it offers hope and security.

As this report shows, being able to prevent people from becoming unhoused is far more cost effective than supporting people to become housed again.

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Introduction

Evictions have profound impacts on tenants, including difficulties in finding a place to move to, paying more for rent, becoming displaced from communities, and for some, experiencing homelessness.

Established in 2019, with over $21 million in funding provided by the Government of BC to date, BC Rent Bank is a project of the Vancity Community Foundation.

Low- and moderate-income renters can access their local rent bank to receive financial assistance and individualized support if they are unable to pay for rent or essential utilities during a crisis.

The community partners that deliver rent bank services also connect applicants with non-financial supports. This study estimates the social and economic value to renters and government when evictions are avoided and demonstrates why investing in BC Rent Bank makes sense.

RESEARCH QUESTIONS

The study addresses the following research questions:

- How would an eviction affect households if they had been unable to keep their housing without rent bank assistance?
- What costs were likely avoided?
- Are the benefits of preventing evictions through the BC Rent Bank network higher than the costs of administering the program and the value of financial assistance?
- How does eviction prevention support provincial government objectives?
- Does continued investment in BC Rent Bank make sense from a public perspective?

CONTEXT

BC Rent Bank, working with local community partners, provides financial assistance with the primary goal of stabilizing the applicant's housing situation. Funding from the provincial government flows through BC Rent Bank to community partners delivering rent bank programming across the province, and these community providers also receive funding from other public and private sources.

Financial assistance is most often provided as a loan: applicants must demonstrate that beyond the funding provided through the rent bank, they can meet their ongoing housing costs through existing or anticipated income. In some regions, financial assistance can also be provided as a grant to applicants who do not qualify for a loan. BC Rent Bank provides an accessible alternative to high-interest lending institutions, which are often one of the few options available to low-income households struggling with debt and day-to-day living expenses. Rent bank loans are interest-free, and repayments can be deferred or re-negotiated as needed. The community partners that deliver rent bank services also connect renters with individualized supports, including connections to services such as financial literacy and debt relief, government benefits and housing supports, physical needs such as food and clothing, and referrals that support physical, mental, and emotional well-being.

In 2021, BC Rent Bank completed an impact survey that looked at whether assistance provided by rent banks successfully supported people to stay housed. It found that 94% of respondents either maintained or improved their housing situation. Ninety-one percent of respondents said that rent bank assistance helped them to stay housed. Sixty-one per cent said they would have faced homelessness had they not received assistance.

Method

OVERVIEW

We develop a cost estimate of the economic benefits of households avoiding eviction and maintaining their housing due to rent bank assistance in the most recent fiscal year (April 1, 2023 to March 31, 2024). This involves the following steps:

1. Estimate how many households avoided eviction because of rent bank assistance.
2. Develop a scenario for what would likely have happened to households if they had been evicted and not maintained their existing housing.
3. Apply costs associated with this scenario by:
    a. Estimating the 'private' costs that evicted renters would have faced.
    b. Estimating the 'public' costs that government would have incurred.
4. Determine total avoided costs.

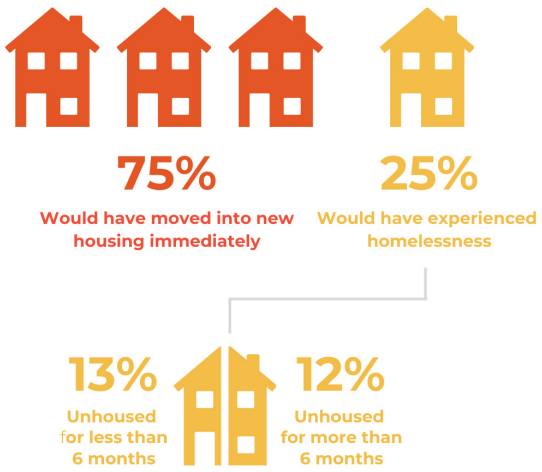
STEP 1: HOUSEHOLDS

The first step is to determine how many households supported in 2023/24 successfully maintained their housing because of rent bank assistance. While we do not have housing stability outcomes for 2023/24, we assume the same success rate that is found in the 2021/22 Housing Stability Survey Report, in which 91% of households reported that they stayed housed because of rent bank assistance. We therefore assume that 1,133 households of the 1,245 households that received financial support in 2023/24 for upcoming or past-due rent maintained their housing due to assistance from BC Rent Bank. This translates to 2,561 people: 1,681 adults and 881 children and youth.

STEP 2: POST-EVICTION ALTERNATE SCENARIO

In this step, we develop a scenario to describe what these 1,133 households would likely have experienced had they not maintained their housing. This 'post-eviction scenario' describes the degree to which households would have experienced homelessness and their pathway back into housing over time. After eviction, 25% of households are assumed to experience homelessness and 75% are assumed to find housing right away (Figure 1). This split is based on data from the BC Eviction Mapping project, which gathers information on where evictions are happening across the province, who is affected by them, and the resulting impacts.

Figure 1: Homelessness Experienced by Households Upon Eviction (Post-Eviction Scenario)



In subsequent years, most households are assumed to regain housing and exit homelessness, as shown in Figures 2 and 3. The number of people in Figure 3 is based on the average size of a household (2.6 people per household) that received rent bank assistance in 2023/2024.

Figure 2: Housing Outcomes Experienced in the 3 Years Following Eviction (Post-Eviction Scenario)

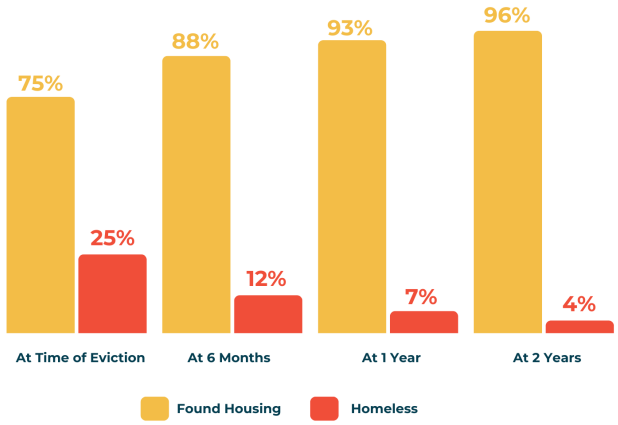


Figure 3: Number of People Experiencing Homelessness (Post-Eviction Scenario)

The duration of homelessness is informed by data and analysis from Preventing and Reducing Homelessness Integrated Data Project.[1] This program, based on estimating homelessness in BC from three administrative service use datasets, presents an initial picture of inflows and outflows from homelessness over three years.[2]

STEP 3: APPLY COSTS TO THE SCENARIO

Eviction inflicts substantial economic costs on the community as well as personal costs on the individuals and families concerned. In this step, we estimate the costs associated with the 1,133 evictions that have been avoided ('avoided costs'). We reviewed published research and datasets to understand what specific costs could be associated with the post-eviction scenario developed in Step 2. This scenario is focused on housing-related outcomes for evicted tenants. Our analysis, therefore, does not include other types of costs, such as those experienced by landlords in evicting tenants (e.g., cost of having to rent out vacated units). We also focus only on direct, tangible costs, though a future iteration of this study could broaden the scope of the costs included.[3] We include only avoided costs for which we could find good data.

All costs are in 2023 dollars. If the cost is sourced in an earlier year, it is updated to 2023 dollars using the Canadian Price Index for BC (CPI).[4]

PRIVATE COSTS

This section describes costs that evicted tenants face because they must move out and find new housing. We have not included all potential costs (e.g., costs of fighting the eviction, increased transportation costs, loss of security deposit, utility hookups, and loss of employment).

The following costs are applied to the post-eviction scenario. Details on the source and how we apply each cost follows.

Higher Rent

Cost per month: $457 ($5,479/year)

Applies to 995 households

Moving & Storage

Cost per household: $519

Applies to 500 households

Lost Possessions

One-time cost per person: $1,666

Applies to 565 households

▸ HIGHER RENT

Households that have lost their housing no longer benefit from rent protections that kept their shelter costs relatively low. In BC, rent increases are mostly tied to the inflation rate, but this applies only to rentals in which the occupant is the same year to year. When a rental unit becomes vacant, the landlord can increase the rent to align with current market rates. As such, when a renter is evicted, they are likely facing rental rates that are significantly higher than in the unit they vacated. To calculate this incremental cost, we first look to BC Rent Bank administrative data to understand what households were paying in shelter costs when they received financial assistance. This average cost was $1,798/month. We then assume that households would, on average, face an increase of 25% in shelter costs. This is equal to $457/month, or $5,479/year. The average percent increase in shelter costs is based on:

- **BC Evictions Map data** – Of the evicted tenants that found new housing, 32% paid up to $500/month more, 29% paid between $500 - $1,000/month more, and 17% paid more than $1,000/month.[5] This roughly translates to at least $462/month.[6]

- **CMHC 2023 Rental Market data** – We used CMHC data by municipality to calculate an average cost increase of 25%. The average is weighted based on the locations of households served by rent banks.[7]

People in both large and small communities struggle with unsustainable rent hikes when they re-enter the rental market after eviction.[8] By avoiding eviction, households maintain more affordable rents and avoid significant costs. In our alternate scenario, we assume that upon eviction, 852 households would have secured housing within one month, and another 143 households would have secured housing before six months. We do not include the remaining 12% of households that are assumed to enter a longer period of being unhoused, presuming that they are more likely to re-enter the housing market through supportive housing and other social housing or through subsidized private rentals.

▸ MOVING AND STORAGE

The cost is based on CMHC-commissioned research from 2005, ***Cost Effectiveness of Eviction Prevention,*** which found that evicted households in their study had paid an average of $519 for moving and storage costs.[9] This number represents the low end of moving costs. This cost is applied to 44% of households, also based on the CMHC 2005 research.

▸ LOST POSSESSIONS

Many households are forced to leave their possessions behind because of the expense of moving and storage costs. We use cost information for the average value of lost possessions from the same CMHC study. It is applied to 50% of households.[10]

This is likely a conservative estimate. The participants in the CMHC study were mainly single men and would not represent the range of possessions held by households such as families, which account for almost half of households supported by rent bank assistance. While Statistics Canada does not have data on the value of possessions, they do have annual household spending by income. For the lowest income quintile, the average spending in 2021 by households on furnishings, cooking appliances, clothing and accessories, and home entertainment equipment was $3,153.[11]

PUBLIC COSTS

Public costs refer to the costs of providing government services. We do not distinguish the level of government that bears these costs, but most would relate to the provincial government. All avoided public costs in our analysis relate to homelessness. While there are significant impacts on tenants even when no period of homelessness occurs, these impacts and associated costs are more complex and are difficult to monetize.

We include public costs related to emergency shelters, health care, housing placement and support, and placements in care for children and youth. We do not include costs relating to policing, incarceration, and the justice system, which is often included in studies that describe the cost of homelessness. The relationship between individuals experiencing homelessness following an eviction and the criminal justice system

is multifaceted and is difficult to relate to our scenario.[12]

The following costs are applied to the post-eviction scenario. Details on the source and how we apply each cost follows.

Emergency Shelter

Cost per bed per night: $110

Applies to 276 individuals who experience homelessness and use shelters.

Housing Placement & Support

Cost per person experiencing chronic homelessness: $13,525

Applies to 134 adults

Health Care

Annual costs per person: $11,439

Applies to 112 adults experiencing chronic homelessness.

Placement in Care

Annual costs per child or youth: $60,255

Applies to 44 children/youth

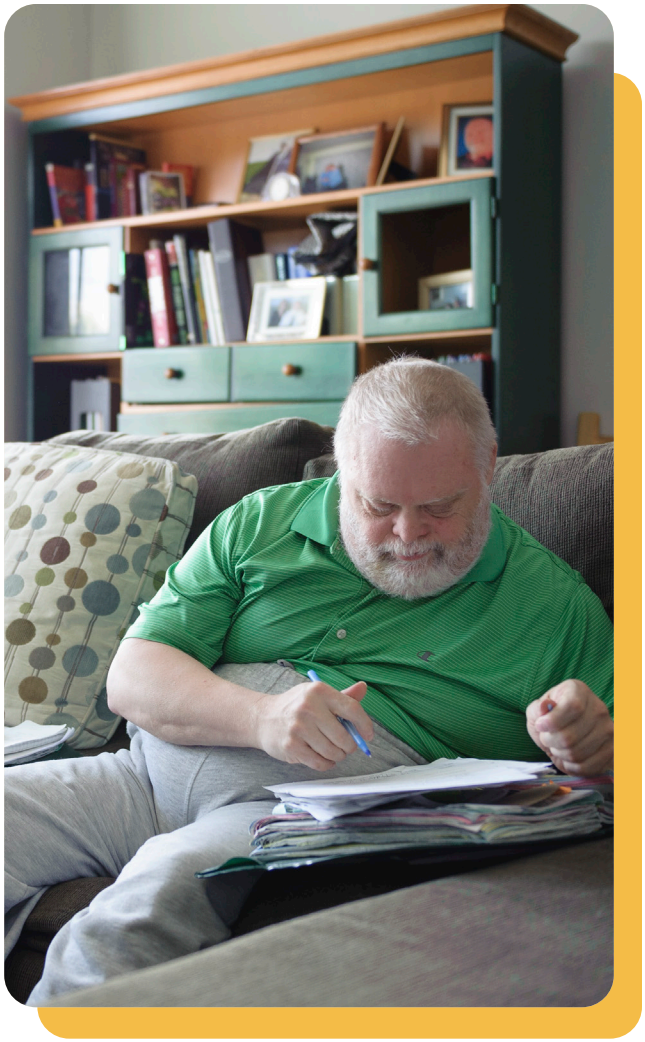
▸ EMERGENCY SHELTER

In our scenario, only some people who experience homelessness use shelters. Twenty-eight percent of those unhoused for less than six months use shelters, increasing to 60% for those who are unhoused for longer.[13] According to Infrastructure Canada's *Homelessness Data Snapshot*, the number of nights spent in a shelter differs considerably based on how long someone has experienced homelessness. Based on data in that report, we assume that those who are unhoused for less than six months use shelters an average of four nights in a year, while those unhoused longer spent an average of 30 nights in a year.[14]

We base our cost for providing a shelter bed on the Greater Victoria Coalition to End Homelessness's 2013 publication, *The Cost: Housing vs. Shelter*, which describes an annual operating cost of $31,030 per bed.[15] This works out to $110 a night per bed.[16] This estimate falls in the range of estimates provided by other costing studies: $48 - $132 per night in the 2001 report, *The Costs of Homelessness in BC*, and $36 - $156 per night in the 2005 report, *The Cost of Homelessness: Analysis of Alternate Responses in Four Canadian Cities.*[17]

▸ HEALTH CARE

Our cost estimate is based on research published in 2024 that investigates the differences in health care costs between those who are experiencing homelessness and those who are not.[18] This study includes expenditures associated with acute care admissions, psychiatric admissions, emergency department visits, outpatient ambulatory care, and prescriptions. The study found that healthcare expenditures of individuals experiencing homelessness were nearly seven-times higher than that of housed individuals earning a low-income. The additional average health care cost per person was $11,439.[19] We applied this cost to individuals in our scenario who experience homelessness for over one year.[20]



▸ HOUSING PLACEMENT AND SUPPORT

Housing placement and support refers to housing programs that assist people experiencing homelessness to become permanently housed. The nature and degree of supports offered through various housing programs differ considerably. In this analysis, we consider three categories of support:

- **Low Need** – Housing programs that are designed for individuals and families to quickly find and get into permanent housing.
- **Moderate Need** – Housing programs designed to support individuals who have experienced longer term homelessness and have complex health needs, including living with a substance use disorder (e.g., Intensive Case Management or ICM).
- **High Need** – Similar to Moderate Need but directed towards individuals who benefit from a higher level of support to succeed (e.g., Assertive Community Treatment or ACT).[21]

We assume that a relatively small number of people become involved in housing programs — 21% of individuals experiencing homelessness — and that most receive ***Low Need*** or ***Moderate Need*** support (see Table 1).

Table 1: Cost Assumptions, Housing Supports

TYPE OF HOUSING SUPPORT	NUMBER OF INDIVIDUALS	COST
Low Need	62	$3,198 per person
Moderate Need	61	$20,146 per person
High Need	11	$35,965 per person

The costs per person are drawn from two different sources. Costs for the ***Moderate Need*** and ***High Need*** support are based on the 2014 ***At Home Vancouver*** study.[22] We use both their definitions and costs for the Moderate Need (ICM) and High Need (ACT) groups. The cost per person for the Low Need group is based on the average costs of two programs described in the Calgary Foundation literature review of rapid re-housing programs.[23]

▸ PLACEMENT IN CARE

Many households that received rent bank financial assistance in 2023/24 are family households with children (41% of all households). Almost two-thirds (63%) of these families are led by single parents. In our analysis, we assume that 611 families with 881 children avoided eviction because of rent bank support. Had they been evicted, these households would have found it particularly challenging to find new, suitable housing. [24] Some would have experienced homelessness.[25] Families facing housing insecurity and homelessness are more likely to be involved with the child welfare system and children have a higher likelihood of being placed in foster care, out-of-care (kinship care), and contracted group homes.[26] In our post-eviction scenario, 218 children experience homelessness. We assume that 20% are placed in care (44 children).[27] Given the uncertainty of this number, we explore its impact on the results in the sensitivity analysis in Appendix A. The annual cost of placement of a child in BC is $60,255 (2023 dollars).[28]

STEP 4: DETERMINE TOTAL AVOIDED COSTS

In this analysis, financial assistance from the rent bank leads to a future stream of benefits for both the households that avoided eviction and the government that will have reduced expenditures for emergency shelter, health care, housing placement and support, and out-of-home care for children and youth. We convert the future expected stream of benefits into a present value amount using a discount rate of 3%. We limit the future stream of savings to three years, though in many cases avoided costs would extend over a longer period.[29] Table 2 shows when avoided costs are assumed to occur.

Table 2: Timing of Avoided Costs Applied to the Scenario

CATEGORY	1ST YEAR	2ND YEAR	3RD YEAR
Higher Rent	x	x	x
Moving, Storage Costs & Lost Possessions	x		
Emergency Shelter	x	x	x
Health Care	x	x	x
Housing Placement and Support		x	x
Children & Youth Placed in Care		x	x

Results

Supporting 1,513 households in 2023/24 with emergency financial assistance from rent banks is estimated to save $27.5 million in avoided costs for both tenants and government.

Total cost savings are shown in Table 3. Tenants experience significant cost savings related to staying in more affordable housing - more than 50% of the total. The government also avoids significant expenditures in health care, the child welfare system, and housing services.

As described in Step 4, the cost savings represent a stream of benefits over three years discounted to a present value. Cost savings are shown by year in Table 4. Tenants would see greater savings in the first year, because the avoided costs of moving, storage, and losing possessions is one-time only. Government costs increase in the second and third year, reflecting the significant costs for public services related to chronic homelessness that increase after the first year. In the sensitivity analysis in Appendix A, we tested a range of parameters for costs and assumptions.

Table 3: Total Cost Savings by Avoided Cost ($ Million)

CATEGORY	COST (MILLIONS)
Private Costs (Tenants)	**$16.1**
Higher Rent	$14.9
Moving, Storage Costs & Lost Possessions	$1.2
Public Costs (Government)	**$11.4**
Emergency Shelter	$1.3
Health Care	$3.3
Housing Placement and Support	$1.7
Children & Youth Placed in Care	$5.1
Total	**$27.5**

Table 4: Total Avoided Costs by Year ($ Million)

TYPE OF COST	YEAR 1 (MILLIONS)	YEAR 2 (MILLIONS)	YEAR 3 (MILLIONS)
Private	$5.7	$5.5	$5.5
Public	$1.9	$4.5	$5.3
Total	**$7.6**	**$10.0**	**$10.8**

COST EFFECTIVENESS

Providing financial assistance to avoid evictions is very cost effective. In the 2023/24 fiscal year, rent banks provided $2.35 million in financial assistance. Most of this assistance, $1.88 million, was provided to households to maintain their housing. This assistance resulted in $27.5 million in cost savings, a ratio of 1:15. If we also consider that close to three quarters of the funds are repayable, the ratio rises to 1:28, assuming $945,008 is repaid (a repayment rate of 69%) within 3 years.[30] Households received on average $1,513 in emergency financial support in 2023/24. This results in an estimated cost savings of $18,168 per household that received assistance ($8,037 per person).[31]

The total expenses of operating a rent bank system across BC, including financial support to tenants and the operating and administrative costs of both BC Rent Bank and local rent bank partners, was $5.47 million in 2023/24. Our estimate of cost savings is five-times greater than the cost of this service.

COST SAVINGS, 2019 TO PRESENT

Our estimate only considered financial support in the 2023/24 fiscal year. We can use our estimate of savings per household to estimate total benefits since BC Rent Bank was launched (Table 5). This is equal to $109 million. This is a rough calculation based on multiplying average costs savings per household by the number of households. A more detailed analysis could be undertaken to consider the total impact of the program to date.

Table 5: Estimate of Cost Savings by Year

FISCAL YEAR	HOUSEHOLDS	COST SAVINGS (MILLIONS)
2019-20	265	$4.8
2020-21	642	$11.7
2021-22	1,464	$26.6
2022-23	1,112	$20.2
2023-24	1,513	$27.5
2024-25*	1,015	$18.4
Total	**6,011**	**$109.2**

*to Oct 31, 2024

FUTURE COST SAVINGS

Looking forward, it is also possible to use our results to estimate future benefits of investing in BC Rent Bank. If public investments continue at a similar level over the next three years, **net savings to government would be over $25 million, and close to 2,000 people would avoid homelessness.** If the government increases its investment to $5 million a year, net savings would be over $42 million, and 3,000 people could avoid homelessness. In addition, renters would benefit from avoiding substantial rent increases, moving costs, and loss of possessions: $47 million in the first case and $75 million in the second.

Discussion

VALIDITY

How accurate is this cost savings estimate? Our estimate is based on developing a credible scenario for what could have happened to households had they been evicted. We then applied costs to this scenario based on available data and empirical evidence. We do not have a means to know with certainty what would have happened to those households and resulting costs to them and to government. However, we do have adequate information and data to build a plausible scenario.

For instance, we are fortunate in the timing of this analysis to be able to draw on recent BC and Canada-specific projects related to evictions - for instance, the ***First United BC Eviction Mapping Project*** and CMHC's recent research reports related to evictions, as well as other recent research that is developing a clearer (and more nuanced) picture of how people experience homelessness and its impact. There is also a significant body of research built up over the past 15 years that establishes the high costs of homelessness. By connecting the program outcomes of BC Rent Bank to this research, we feel confident that the program results in a significant cost savings.

Our estimate only includes direct, tangible costs for which we can access reasonable cost data and research. It does not include cost savings for other impacts of evictions.

This includes:

- Health impacts of housing insecurity (not just those that relate to chronic homelessness).
- Educational impacts from disrupting schooling.
- Impacts related to loss of employment and income.
- Transportation impacts due to moving out of the neighbourhood.
- Impacts related to crime (related to both victimization and involvement in justice system).

We also have not sought to monetize intangible impacts that are avoided, including:

- Greater mortality risk.
- Well-being / quality of life.
- Family conflict.
- Loss of supports.
- Isolation.

The estimate also does not include secondary benefits related to household spending, such as:

- Improved food security.
- Savings, including RESP and RRSP investments.
- Local economic spending.

BC GOVERNMENT OBJECTIVES

This analysis shows that by keeping people housed, BC Rent bank supports a wide range of government objectives across multiple ministries. We highlight some of the most significant ones below:

▸ HOUSING

PREVENTING HOMELESSNESS

We estimate that in 2023/24 alone, BC Rent Bank has prevented over 600 people from becoming homeless because of an eviction. This increases to over 2,500 people if we consider the number of households that have received rent bank support since the program's inception in 2019.

BC Rent Bank also prevented over 1,000 low-income households from having an increased risk of homelessness after eviction had they moved to higher cost housing. Given that 78% of households with incomes below $30,000 already pay 50% or more of their income on rent, the additional rent (estimated to be $5,000 a year) is enough to significantly increase vulnerability to future homelessness.[40] In the 2023/24 fiscal year, we estimate that over 2,000 people benefited in this way by retaining their housing (and over 9,800 since 2019).

INCREASING ACCESS TO SUPPORTS AND SERVICES

Investing in BC Rent Bank ensures that renters have access to local rent bank supports and services when faced with a crisis threatening their housing stability. Embedding rent banks within established non-profits throughout BC enables front-line staff to provide additional services to the renter “in-house”, such as basic needs provisions, advocacy, social supports, and more. Since 2019, the network has grown from seven rent banks, primarily located in the Lower Mainland, to 19 rent banks serving all renters in BC. Between 2019 and 2024, the number of households receiving financial support from the rent bank has increased by nearly 500%.

Embedding rent banks within local community organizations means that emergency financial assistance can be provided alongside other types of housing prevention measures and supports. As a backbone organization, BC Rent Bank works with local rent banks to ensure services are delivered in an equitable, consistent, and efficient manner. In addition to funding, BC Rent Bank supports local rent banks with technology, resources, and training.

By reducing the number of evictions in the province, BC Rent Bank **reduces the demand for Residential Tenancy Branch services,** freeing up resources, reducing wait times, and improving efficiency and timeliness of services.

Eviction prevention is also important in addressing equity and inclusion in housing. BC Rent Bank serves households that face additional barriers in securing new housing once evicted due to landlord discrimination. While BC Housing is committed to increasing permanent housing to serve these households, it will take years for these units to reach occupancy. It's crucial to maintain housing for populations that are particularly vulnerable such as people with disabilities, seniors and women leaving violence, until more accessible and appropriate housing becomes available.

▸ HEALTH

A significant share (20%) of those who received financial assistance from BC Rent Bank in 2023/24 indicated they were experiencing a health crisis. Had they been evicted, the impact of losing their home would likely have contributed to slower healing and a higher chance of complications. This occurs from removing people from their support network, increasing stress, and affecting their ability to maintain proper hygiene, nutrition, rest, and follow medical regimens.[32] Rent banks are critical in being able to support people to heal, both physically and mentally.

Even if someone is not going through a health crisis when they receive rent bank support, eviction on its own is increasingly recognized as a threat to health and health equity. A review of key findings of recent research on eviction and health, including studies from the U.S., Canada and beyond, found significant links between eviction exposures and poor health (Box 1). Negative effects of eviction on numerous health outcomes were exacerbated for members of structurally marginalized groups.

In our costs analysis, we showed that preventing 1,133 evictions lowers health care costs by $3.3 million by reducing the number of people experiencing homelessness. The incremental health care costs for people experiencing homelessness compared with people who are housed are significant. While we only considered costs related to chronic homelessness, there is also some empirical evidence that links evictions (including those that do not result in homelessness) to increased health care costs.[33]

Box 1: Health Outcomes Associated with Evictions[42]

Adults: Poor mental health, exposure to infectious diseases, injection drug use, violence, and mortality.

Women & Newborns: Higher likelihood of adverse birth outcomes, including prematurity and low birthweight.

Children: Adverse health and developmental outcomes.

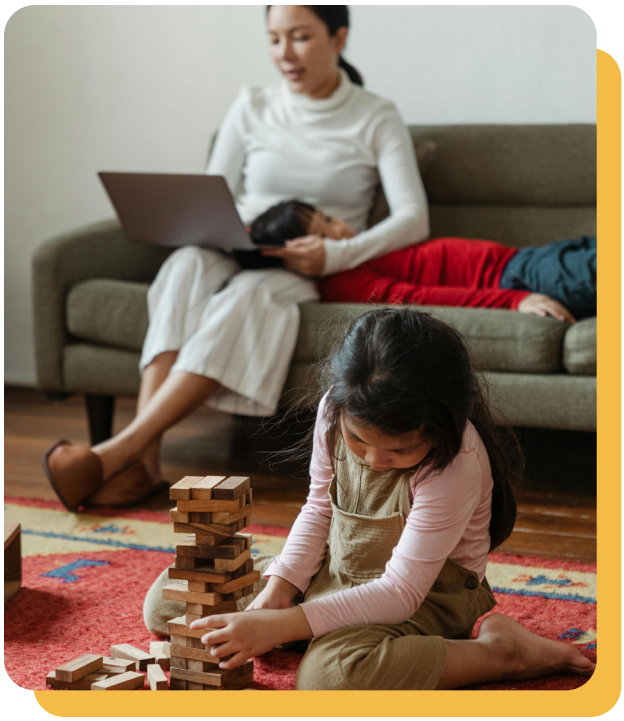
Community: Less protection from infectious disease.

▸ CHILDREN & FAMILY DEVELOPMENT

In 2023/24, BC Rent Bank assisted 611 families, 63% of which were led by single parents. In total 1,169 children benefited from emergency financial assistance to improve family housing stability.

Supporting housing stability enhances family stability. Overall, research shows that housing instability is disruptive and negatively impacts the family support system and children's development and well-being.[34] By staying housed, families can:

- Have more time to spend nurturing their children.
- Keep support systems intact.
- Stay connected to their communities and culture.
- Access resources they need.



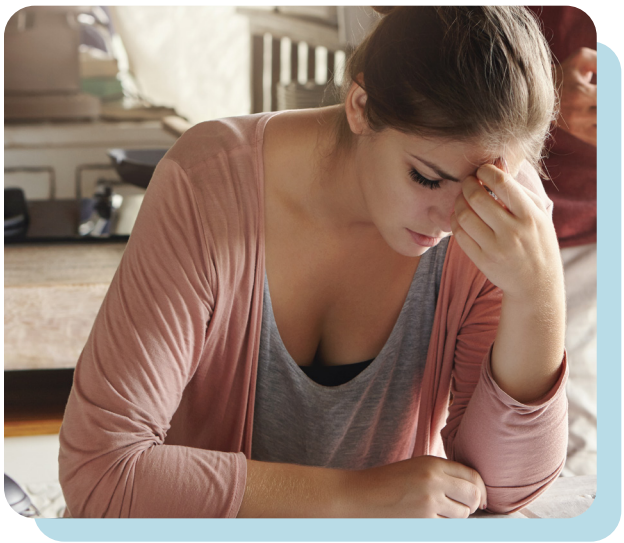
The cost savings estimate includes several elements that relate to child and family development:

- **Rent savings:** By not having to move, families avoid having to pay more for rent. Five thousand dollars more per year means a greater ability to meet other basic family expenses such as utilities, food, and transportation.

- **Reducing children and youth placements in care:** Families that experience homelessness or are precariously housed are more likely to be involved with the child welfare system. Even reducing a small number of placements could have significant public cost implications, given the high cost of placements ($60,255 per child per year).

▸ EDUCATION

While we did not include impacts relating to education in the cost analysis, these are nonetheless important. Preventing evictions can strengthen student outcomes and equity for students. There is considerable evidence that links housing instability with negative student outcomes. In an extensive review of research evidence, Sandstrom and Huerta (2013) found that residential instability leads to lower vocabulary skills, grade retention, increased high school drop-out rates, and lower adult educational attainment.[35] Housing instability can be a cause of long-lasting achievement gaps in education; for instance, researchers have found that a change in schools decreases a child's levels in math and reading equal to a 3-4 month learning disadvantage.[36]



▸ ECONOMY

BC Rent Bank positively impacts the economy by reducing economic hardship, loss of employment, and enhancing economic development. It also lowers inflation related to shelter costs. We discuss each of these points in more detail below.

ECONOMIC HARDSHIP / UNEMPLOYMENT

Approximately 25% of rent bank assistance was provided to households that experienced a crisis related to their ability to work, such as a job loss and under-employment. This rose to 30% for young adults (ages 19-29). By providing immediate assistance, the personal and social impacts from loss of employment and other work-related crises can be minimized.

Eviction leads to reduced earnings and employment precarity. Participants in CMHC's 2005 study reported lower incomes, more reliance on social assistant, and less reliance on employment income. Incomes fell by 58% of that prior to eviction.[37] A large-scale study in the United States also found significant income loss in the period following eviction. This study found that after two years, income not only did not rebound, but income loss was even higher. This study also found that a decline in financial health and credit scores impeded future economic mobility and access to financial resources.[38]

ECONOMIC DEVELOPMENT

Housing stability supports business growth and strengthens regional economic development. As shown in this analysis, being evicted and having to pay higher rent as a result constrains household budgets and thereby reduces local spending, particularly when rental income goes outside of the community. Keeping people in housing also ensures that small businesses can maintain employment, and that employees are not priced out of the neighbourhood (and region). In the long term, reducing evictions and housing instability in families supports educational outcomes and the next generation's contribution to the economy and tax base.[39]

LOWERING INFLATION

By keeping people in their homes, **BC Rent Bank helps to lower inflation related to shelter costs for renters in BC.** Had renters served by rent banks been forced to vacate their homes instead, the rent for those units would no longer have been regulated and would have increased to market rates, contributing to an increase in average rent costs in BC.

Conclusion

The establishment of BC Rent Bank in 2019 has greatly enhanced access to emergency financial assistance to cover the cost of rent and utility payments for households facing eviction. By preventing evictions and displacement, rent banks have significant, wide-ranging, and proven impacts.

The analysis in this report shows that investment in BC Rent Bank is cost effective and is associated with significant cost savings to both renters and government. **Providing $1.9 million in financial assistance to 1,245 tenants that faced eviction in 2023/24 resulted in an estimated $16.1 million in cost savings to those households, and $11.4 million in reduced public expenditures.**

Many people are only a single pay cheque away from not being able to maintain a roof over their heads.[40] BC Rent Bank is a successful intervention that stands between these households and homelessness. Given that there are over 31,000 low income renter households in BC that pay more than 50% of their income on shelter costs, the risk of eviction due to the inability to pay rent is great.[41] Until there is a much greater supply of affordable housing and/or incomes increase significantly, there is a strong case for expanded public investment in BC Rent Bank to prevent these households from becoming homeless, particularly given that this investment can be linked to sizeable public cost savings. Being able to prevent people from becoming unhoused is far more cost effective than supporting people to become stably housed again. The human cost savings is beyond measurement.

Appendix A: Sensitivity Analysis

In the sensitivity analysis, we test how much total cost savings would change if we had used different parameters.

Table A-1: Results of Sensitivity Analysis

Parameter	Change	Impact on Cost Saving Estimate	Discussion
Benefit Period	Increase from 3 to 5 years	160% increase	Additional cost savings are counted in additional years for avoiding higher rent, additional costs for health care, and child welfare costs.
Share of Evicted Households That Experience Homelessness	Increase from 25% to 61%	72% increase	61% represents the share of respondents in the Housing Stability survey that said they would have been homelessness if they had been evicted.
Duration of Homelessness That is Less Than 6 Months	Lower from 51% to 33%	12% decrease	While the magnitude of cost savings decreases, cost savings for tenants increases slightly.
Additional Monthly Rent	Lower from a 25% to a 15% increase	22% decrease	There are fewer cost savings to tenants. Government cost savings stay the same.
Children Placed in Care	Lower from 44 to 20 children	10% decrease	Fewer cost savings to government.
# Individuals with Higher Health Care Costs	Increase from 171 to 416 individuals	10% increase	All adults experiencing homelessness have higher health care costs.
Duration of Higher Health Care Costs	Cost would have endured after individuals became housed (up to 2 years)	7% increase	Additional health care costs do not return right away to that of pre-homelessness.
Discount Rate	Lower from 3% to 2%	1% decrease	2% is often used as a social discount. However, it makes a negligible difference on the results.

Appendix B:
Breakdown by Rent Bank Name & Region

Table B-1: Costs Savings by Rent Bank

RENT BANK	COMMUNITY ORGANIZATION	COST SAVINGS (MILLIONS)
Central Okanagan Rent Bank	CMHA Kelowna	$1.82
Comox Valley and North Island Rent Bank	Comox Valley Affordable Housing Society	$0.47
Cowichan Region Rent Bank	Cowichan Housing Association	$0.24
Fraser Valley Rent Bank	Mennonite Central Committee	$3.65
Greater Victoria Rent Bank	Community Social Planning Council	$3.52
Nanaimo Region and Alberni-Clayoquot Rent Bank	Connective	$2.14
New Westminster, Burnaby, Maple Ridge and Pitt Meadows Rent Bank	Purpose Society	$3.62
North Okanagan Rent Bank	CHMA Vernon and District	$1.33
North Vancouver Rent Bank	Harvest Project	$0.94
Province-Wide Rent Bank	Kamloops and District Elizabeth Fry Society	$1.20
Sunshine Coast Rent Bank	Sunshine Coast Community Services Society	$0.25
Surrey, Langley and White Rock Rent Bank	Sources BC	$1.82
Thompson-Nicola Rent Bank	Kamloops and District Elizabeth Fry Society	$0.85
Tri-Cities Rent Bank	SHARE Family and Community Services	$1.33
Vancouver Rent Bank	Network of Inner Community Services Society	$4.14

Table B-2: Costs Savings by Municipality (Top 20)

MUNICIPALITY	COST SAVINGS (MILLIONS)
Abbotsford	$1.85
Burnaby	$1.07
Chilliwack	$1.02
Colwood	$0.24
Courtenay	$0.29
Kamloops	$0.78
Kelowna	$1.49
Langford	$1.22
Langley	$0.29
Maple Ridge	$1.18
Mission	$0.56
Nanaimo	$1.64
New Westminster	$1.29
North Shore	$0.94
Saanich	$0.38
Surrey	$1.25
Tri Cities	$1.34
Vancouver	$4.07
Vernon	$1.16
Victoria	$1.33

Endnotes

1 See: Ministry of Housing, Province of British Columbia, Report: 2021 Estimate of the Housing Population in British Columbia (Victoria: 2021); "Preventing and Reducing Homelessness Integrated Data Project" BC Stats, Downloaded November 3, 2024, https://catalogue.data.gov.bc.ca.

2 Ministry of Housing, Province of British Columbia, Report: 2021 Estimate of the Homeless Population in British Columbia. (Victoria: 2021) https://www2.gov.bc.ca/assets/gov/housing-and-tenancy/social-housing/supportive-housing/2021_idp_cohort_report_homeless_population_in_bc_final.pdf.

3 They are 'direct' by being costs that directly result from moving to other housing or by experiencing homelessness. They are tangible because they have an observed price such as the cost of rent, moving, storage, health care, etc. In contrast, intangible costs have no readily observable price but are nonetheless important (e.g., fractured family relationships). Indirect costs relate to costs that occur because of another cost, for instance, if households spend more on rent, they spend less on other goods and services in the community, an indirect cost to the local economy.

4 Costs are updated to 2023 dollars using: "The Consumer Price Index for BC (CPI)", BC Stats, accessed November 3, 2024, https://www2.gov.bc.ca/gov/content/data/statistics/economy/consumer-price-index.

5 "First United Eviction Map," https://firstunited.ca/evictions-map/ At this point, the map represented 970 evictions across the province.

6 Calculated assuming $250 (for 0-$500), $750 (for $500-$1,000) and $1,000 (for increased greater than $1,000).

7 This table reports data for 2-bedroom units only and covers units in purpose-built rentals only for Census metropolitan areas. See: Canada Mortgage and Housing Corporation (CMHC), "Rental Market Survey Data Tables, Canada, 2023", published January 31, 2024, https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables.

8 First United, BC's Eviction Crisis: Evidence, Impacts and Solutions for Justice, 22.

9 They identified an average of $365 (2005 dollars), which we updated to 2023 dollars using the CPI. Canadian Mortgage and Housing Corporation (CMHC), Cost Effectiveness of Eviction Prevention Programs (Ottawa: 2005), 37, https://publications.gc.ca/collections/collection_2011/schl-cmhc/nh18-1/NH18-1-236-2005-eng.pdf

10 They identified an average of $1,171 in 2004 dollars for lost possession. This is updated $1,666 in 2023 dollars using Consumer Price Index for B.C. See: CMHC, Cost Effectiveness of Eviction Prevention Programs, 37.

11 "Household spending by household income quintile, Canada, regions and provinces," Statistics Canada, Table: 11-10-0223-01, https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110022301. For example, had a family been living in their home for 5 years, they would have spent approximately $19,000 on personal possessions that would be lost due to an eviction.

12 People who experience homelessness are more likely to be victims of crime than they are to commit crimes. See: Institute for the Prevention of Crime, University of Ottawa, Homelessness, Victimization and Crime: Knowledge and Actionable Recommendations, prepared for the Homelessness Partnering Strategy (Ottawa: 2008), https://www.publicsafety.gc.ca/lbrr/archives/cnmcs-plcng/cn35305-eng.pdf.

13 The first share is based on data reported in: D. Wachsmuth, C. St-Hilaire, D. Kerrigan, C. Chellew, M. Adair, and B. Mayhew, The Lived Experience of Evictions in Canada, Prepared for Canada Mortgage and Housing Corporation, McGill University (Montreal: March 2023), Table 8, https://assets.cmhc-schl.gc.ca/sf/project/archive/research_6/the-lived-experience-of-evictions-in-canada-wachsmuth-et-al-2023.pdf.

The second share (unhoused for > 6 months) is based on J. Caspersen, S. D'Souza, & D. Lupick, Report on Homeless Counts in B.C. Prepared for BC Housing, The Homelessness Services Association of BC (March 2024), 42, https://www.bchousing.org/sites/default/files/media/documents/2023-BC-Homeless-Counts.pdf.

14 "Homelessness Data Snapshot: Analysis of Chronic Homelessness Among Shelter Users in Canada 2017 – 2021," Housing, Infrastructure and Communities Canada, accessed November 3, 2024. https://housing-infrastructure.canada.ca/homelessness-sans-abri/reports-rapports/chronic-homelessness-2017-2021-litinerance-chronique-eng.html.

15 We updated their estimate using the Consumer Price Index for B.C. See: Greater Victoria Coalition to End Homelessness, "The Cost: Housing vs. Shelter," (2013), https://victoriahomelessness.ca/wp-content/uploads/2012/08/COST-HousingVShelter.pdf.

16 Dividing annual cost by 365 days. Cost per bed would be higher if the bed is not fully occupied.

17 The original costs reported in those studies were updated to 2023 dollars using the Consumer Price Index for B.C.

18 The study examines healthcare costs by looking at health care administrative records for a group of individuals experiencing homelessness in Toronto that are randomly recruited at shelters and encampments compared with individuals of the same in age and sex-assigned-at-birth who are housed (a 'matched cohort'). Lucie Richard et al., "Disparities in healthcare costs of people experiencing homelessness in Toronto, Canada in the post COVID-19 pandemic era: a matched cohort study," BMC Health Services Research 24, no. 17 (2024). No similar study has been conducted that is specific to BC (to our knowledge), though there is research that has investigated specific types of health care costs (e.g., emergency department rooms) for certain types of individuals (e.g., living with a substance use disorder). Many studies also focus on interventions to house individuals and do not compare costs with the general population. In general, health care costs per person in Ontario are lower than B.C.'s.

19 We updated the study's incremental cost of $10,297 (in 2021 dollars) to 2023 dollars using the Consumer Price Index for B.C.

20 While the research study does not exclude individuals with experiences of homelessness for a shorter duration, their recruitment took place in mostly shelters and an encampment, which are used more by individuals experiencing chronic homelessness. We therefore limit the number of people that would incur this cost to those that are not likely to find housing for at least a year. We assume the incremental costs do not continue after leaving homelessness because this is not described in the study.

21 These are individuals who are more socially isolated and experiencing serious mental illness.

22 Costs used from this study are updated to 2023 dollars the Consumer Price Index for B.C. See: L. Currie, A. Moniruzzaman, M. Patterson, & J. Somers, At Home/Chez Soi Project: Vancouver Site Final Report Mental Health Commission of Canada (Calgary: 2014), 8, https://mentalhealthcommission.ca/wp-content/uploads/2021/09/At2520Home2520Report2520Vancouver2520ENG_0.pdf.

23 The rapid housing programs described in their report are $3,216 and $8,040 per household (2013 dollars). See: C. Claussen, R. Abboud, B. Hansen, Study on Rapid Re-housing Program Models: Project Summary Report, Prepared for the Calgary Homeless Foundation (Calgary: March 2020), 19, https://www.calgaryhomeless.com/wp-content/uploads/2021/08/Rapid-Rehousing-Models-2020-Final-Report.pdf.

24 First Call Child and Youth Advocacy Society, Failure to Protect: The Denial of Children's Right to Housing in British Columbia (Vancouver: 2023), https://firstcallbc.org/wp-content/uploads/2024/01/First-Call-Housing-Report-2023.pdf.

25 Families are one of the fastest growing demographics to experience homelessness in Canada. See: E. Paradis, "Outsiders within: Claiming discursive space at national homelessness conferences in Canada," Social Inclusion 4, no. 4 (2016): 97-107.

26 Living in sub-standard, crowded, and unsafe housing can result in the placement of children in care. For instance, University of Toronto research found that in one in five cases the family's housing situation was a factor that resulted in placement of a child into care. See: S. Chau et. al., "One in five . . . housing as a factor in the admission of children into care." Centre for Urban and Community Studies Research Bulletin #5 (November 2001). The Ministry of Child and Family Development (MCFD) does not publish data publicly about the number of placements related to housing insecurity and homelessness. The safety of living situations for children is an aspect of risk assessments that lead to placement due to neglect, which is the largest share of all placements (73%) described in MCFD's performance indicators on its website: "Children and Youth in Care," accessed November 3, 2022, https://mcfd.gov.bc.ca/reporting/services/child-protection/permanency-for-children-and-youth/performance-indicators/children-in-care.

27 This is based on applying research findings which found that children of mothers with at least one homeless episode have the greatest rate of involvement with child welfare services (37%) and that among families involved with child welfare services, the rate of placement in foster care for these families was the highest (62%). This research is US-based and may not be representative of the local context. However, we could not identify Canadian-specific research to inform our assumptions. See: J. Culhane, "Prevalence of Child Welfare Services Involvement among Homeless and Low-Income Mothers: A Five-year Birth Cohort Study," Journal of Sociology & Social Welfare 30, no. 3 (2003): 79.

28 "Children and Youth in Care," Ministry of Children and Family Development, accessed November 3, 2022, https://mcfd.gov.bc.ca/reporting/services/child-protection/permanency-for-children-and-youth/performance-indicators/children-in-care.

29 The length of time for a placement would likely exceed two years and be closer to 5 years. Even for children who exit care and achieve permanency, the median time to permanency is 24 months, and for those that do not, it is 68 months. https://mcfd.gov.bc.ca/reporting/services/child-protection/permanency-for-children-and-youth/performance-indicators/children-in-care Rent savings are also likely to extend past 3 years for many households, since the length of stay in a dwelling is on average 9.43 years in BC. This is calculated based on Rental Unit Turnover rate of 10.6% in BC (CMHC, "Rental Market Survey Data Tables").

30 This is $948,008 as a present value (assuming repayment is 3 years after receiving the loan assuming a discount rate 3%).

31 This is based on the total number of households and people served by the program in 2023/24 (1,513 households, 3,420 people)

32 Patrick D. Smith et al., "Eviction from rental housing and its links to health: A scoping review." Health & Place: (2024).

33 A US study found that evictions increased the probability of hospitalization within the following two years by 3.5 percentage points. See: R. Collinson & D. Reed, "The Effects of Evictions on Low-Income Households," New York University (2014).

34 See: A. Dworsky, "Families at The Nexus of Housing and Child Welfare," Chapin Hall at the University of Chicago (2014), https://firstfocus.org/wp-content/uploads/2014/12/Families-at-the-Nexus-of-Housing-and-Child-Welfare.pdf;

Representative for Children and Youth, "Housing, Help and Hope: A Better Path for Struggling Families." (2009), https://rcybc.ca/reports-and-publications/reports/reviews-and-investigations/housing-help-and-hope-a-better-path-for-struggling-families/

35 H. Sandstrom and S. Huerta, The Negative Effects of Instability on Child Development: A Research Synthesis, Urban Institute Discussion Paper (2013), https://www.urban.org/sites/default/files/publication/32706/412899-The-Negative-Effects-of-Instability-on-Child-Development-A-Research-Synthesis.PDF

36 A. Voight, M. Shinn, M. Nation, "The Longitudinal Effects of Residential Mobility on the Academic Achievement of Urban Elementary and Middle School Students." Educational Researcher 41, no. 9 (2012): 385–392.

37 Canadian Mortgage and Housing Corporation (CMHC), "Cost Effectiveness of Eviction Prevention Programs." (2005)

38 R. Collinson et al., "Eviction and Poverty in American Cities." The Quarterly Journal of Economics 139, no. 1 (February 2024): 57-120, https://doi.org/10.1093/qje/qjad042.

39 Collinson, "Eviction and Poverty in American Cities."

40 The Government of BC, Belonging in BC Plan: A Collaborative Plan to Prevent and Reduce Homelessness (Victoria: April 2023), 7, https://news.gov.bc.ca/files/BelongingStrategy.pdf

41 In the 2021 Census there were 31,195 renter households earning under $30,000 a year that paid more than 50% of their income on rent. "Census Table: 98-10-0253-01", Statistic Canada, accessed November 3, 2024, https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=9810025301.

42 Sources: Patrick D. Smith et al., "Eviction from rental housing and its links to health: A scoping review," Health & Place 86 (Feb 2024).
Bruce Ramphal et al., "Evictions and Infant and Child Health Outcomes: A Systematic Review," American Medical Association (JAMA Network Open) 6, no. 4 (2023).