RESEARCH HIGHLIGHT

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COST EFFECTIVENESS OF EVICTION PREVENTION PROGRAMS

INTRODUCTION

Eviction disrupts the lives of tenants and imposes costs on both tenants and landlords. In some cases, eviction can result in absolute homelessness, including reliance on emergency shelters and other social services. Successful eviction prevention initiatives can prevent these costly outcomes.

The objectives of this research study included documenting the costs to landlords, tenants and social services agencies resulting from eviction, as well as examining the costs and factors leading to success or failure of programs and services that help prevent evictions.

The primary question addressed by the study was: How do the different approaches to eviction prevention in Canada compare to each other in terms of costs and effectiveness, and how do the costs of these different approaches compare to the costs of eviction?

The research examined

- the direct, quantifiable and non-quantifiable costs of eviction facing tenants, landlords, and social services agencies
- the costs associated with preventing evictions
- the factors associated with effective or ineffective eviction prevention initiatives
- the extent to which various eviction prevention initiatives are accomplishing what they set out to do
- how eviction prevention initiatives can be compared to each other

METHODOLOGY

The researchers undertook

- a review of Canadian and international literature
- compilation of an inventory of 32 Canadian eviction prevention initiatives
- interviews or focus groups with a non-representative sample of 32 individuals with a history of eviction
- telephone interviews with key informants (people with a good knowledge of tenant-landlord relations, affiliated with landlords, municipal housing agencies, social services agencies and tenant organizations)
- questionnaire-based interviews with 26 eviction prevention agencies and private and social housing landlords
- an in-depth review of four eviction prevention agencies in Ottawa and Toronto
- a detailed comparison of six eviction prevention initiatives offered by these four agencies

FINDINGS

Literature Review

The literature suggests that in recent years many Canadian cities experienced some combination of rising rents, very limited new construction of rental housing, falling incomes among modest income families and individuals, and limited access to social housing. Combined with low vacancy rates, these factors created conditions for an increased number of evictions.

Canada

CMHC SCHL
HOME TO CANADIANS

The vast majority of evictions are economic in nature, involving some form of non-payment of rent. Evictions occur in both private and social housing. A significant number of evictions are believed to be preventable, since many are caused by misunderstandings or a temporary lack of funds due to an unexpected incident. Because few tenants seek assistance in opposing evictions, it is likely that eviction prevention initiatives could play an important role in maintaining stable housing for vulnerable households.

An overview of literature from the US, UK, France and Australia revealed that, while there is considerable information on the types of eviction prevention initiatives which exist internationally, there is a lack of empirical evaluative information. Available information tends to be descriptive. Costs to landlords and tenants often occur indirectly, and eviction prevention program budget details are often unclear, or buried within broader agency-wide budgets.

Numerous reports and studies from Canada, the US and UK establish an explicit link between eviction and absolute homelessness; hence, many eviction prevention initiatives claim to avert emergency shelter usage and the costs of associated supportive services. However, lack of previous rigorous research on this topic makes it difficult to know to what extent eviction prevention initiatives actually contribute to complex and long-term outcomes that are cited in the literature, such as increased housing stability of tenants, reduced reliance on publicly-funded social services, and rental affordability.

Canadian Eviction Prevention Initiatives

This study presents an overview of 32 Canadian eviction prevention initiatives in five categories:

- 12 initiatives focused primarily on providing information and advice;
- five programs offered conflict resolution and mediation services;
- one provided legal representation;
- 11 provided emergency financial assistance (including rent banks); and
- three offered third-party financial management, or trusteeship-style programs.

Publicly funded and administered, community-based and private initiatives were included. Most offered services to any client who contacted them, while some targeted their services to particular populations. The median annual budget for programs included in the inventory was about $159,000, with reported annual budgets ranging from $25,000 to $10.4 million.

Costs of Eviction to Tenants

The survey of 32 individuals with a history of eviction (13 women and 19 men in Montréal, Ottawa and Vancouver) addressed the direct and indirect costs of eviction to tenants. Nine of the respondents were part of families, while 23 were single at the time of the survey. Fourteen of the 32 respondents reported being homeless at the time of the survey, while 18 lived in rental accommodation.

The costs most often reported by the individuals participating in the study were the loss of belongings, loss of security or damage deposits, and moving expenses. In addition, the costs of setting up a new residence and higher transportation costs were described as significant by a number of individuals. The average cost of each eviction to tenants in this sample was $2,234.

Consistent with other research, this study found that eviction often resulted in tenants moving to less stable accommodation. After eviction, some respondents reported a loss of employment, and greater reliance on social assistance. Twenty-four of the 32 participants indicated that they lived in an emergency shelter at some point during the weeks following their eviction. Other common themes identified by respondents centered on social disruption including loss of friends and social networks, and family break-up. Substance abuse was common among evicted tenants in this sample, as were arrests of tenants by police in the weeks following eviction.

Respondents described a number of barriers and difficulties related to securing new accommodation subsequent to being evicted. Private rental units were often described as too expensive and tenants were unable to secure social housing because of long waiting lists.

Costs of Eviction to Landlords

Landlords participating in the study indicated that the costs of each eviction are substantial, averaging nearly $3,000 for social housing landlords, and close to $6,600 for private sector landlords. Costs included legal fees, unpaid rent, foregone rent, and rental unit repairs. A number of landlords reported budgeting for these costs or foregone revenues as operating costs or vacancy costs. Landlords also seek to recover costs from evicted tenants.

Public Costs of Eviction

Estimates of the public costs of eviction were based on a 2001 report prepared for the Government of British Columbia which quantified per-capita costs of a wide range of publicly-funded services associated with homelessness. Based on these estimates, the study found it would have cost up to $2,500 to house those tenants who relied on an emergency shelter for a month following eviction. The cost of housing tenants who reported living in social housing would have been as much as $5,000 (for a self-contained apartment with supports on site). For tenants accessing addiction treatment, costs would have ranged from $2,000 to $10,000 for a month, depending on the level of services.

Achieving Eviction Prevention

The respondents to the survey of tenants with a history of eviction indicated that their landlords had tried to evict them an average of 2.9 times, while they had actually vacated their rental units an average of 2.1 times. The range of responses included one tenant who had been evicted 11 times based on 12 attempts by different landlords, to another who had never been actually evicted despite receiving six separate notices of eviction. While approximately one-third of interviewed tenants facing an eviction had taken no action, the majority of participants made efforts to challenge their eviction. Many reported engaging in discussion with landlords and seeking information, while a few reported seeking third-party or financial assistance. Most efforts to prevent eviction had been unsuccessful, with only seven of the 32 tenants reporting that they had successfully prevented at least one eviction. Tenants unable to prevent their eviction cited several limitations of available programs. They suggested that administrative procedures often were not a good fit with tenant circumstances or needs. Tenants facing both eviction and other problems such as addiction, abuse, and lack of knowledge of landlord-tenant laws expressed feelings of helplessness as supports which were available to them did not address their multiple and interconnecting difficulties.

Landlord assessments of successful eviction prevention initiatives varied considerably. Financial trusteeship, rent subsidies, and emergency financial assistance were rated most favourably. Information and legal representation for tenants were viewed by landlords as least effective.

Eviction prevention agencies generally felt that their efforts were successful. Agencies identified outreach, direct contact with landlords, multiple approaches and timing as central to their successes. Program location was not considered to be of high importance. In addition, several programs cited adequacy of resources, and political and economic factors as significant determinants of program success.

Comparing Costs and Effectiveness of Preventing Eviction

Detailed comparison of eviction prevention programs is difficult, both because of the tremendously wide variation in programs and the challenges of long-term tracking of clients. In this study, six eviction prevention programs delivered by four agencies in Ottawa and Toronto were compared as to cost and effectiveness. Each initiative was categorized as high, medium, or low cost, and assessed in terms of 'reach' (number of clients contacted), extent to which services are targeted to particular clients, and service impact in terms of client housing retention (see Table 1). Per-client costs of these six initiatives ranged from $106 to $2,088.

Agency	Initiative	Annual cost per client	Effectiveness (reach, targetting, impact)
Advocacy Centre for Tenants Ontario (ACTO)	Tenant Duty Counsel	$106 (low)	Very wide reach (6,000 people over 6 months) Moderately effective targetting Low, limited impact (eviction typically delayed rather than prevented)
Neighbourhood Information Post (NIP)	Toronto Rent Bank	$1709 (high)	Moderate reach Moderately effective targetting (families at risk of eviction) High medium-term impact (87% of clients avoided eviction for 7 months)
Neighbourhood Information Post (NIP)	Trusteeship program	$706 (medium)	Limited reach (36 clients served) Highly effective targetting (all clients at high risk of eviction and absolute homelessness) High long-term impact (94% of clients remained permanently housed)
Salvation Army	HomeSafe Rent Bank	$1085 (high)	Moderate reach Moderately effective targetting (families at risk of eviction) Potentially high medium-term impact (94% of tracked clients still in housing after 6 months, but 64% of client outcomes unknown)
Salvation Army	MoneyWise Trusteeship	$2088 (high)	Limited reach (76 clients in 2003) Highly effective targetting (all clients at high risk of eviction and absolute homelessness) High long-term impact (93% of clients retained housing for at least 1 year)
Pinecrest-Queensway Health and Community Services	Housing Loss Prevention Network	$377 (medium)	Wide reach (661 clients in first 9 months of 2004) Effective targetting (clients face imminent loss of housing) High long-term impact (95% of clients retained their housing)

Table 1: Comparison of Costs and Effectiveness

CONCLUSIONS

The costs of eviction are substantial, affecting tenants, landlords and the taxpayer. Tenants also experience difficult-to-quantify social and other costs as a result of eviction.

The costs of prevention vary significantly, depending on the type of intervention. In general, preventing evictions costs far less than the costs of eviction incurred by tenants and landlords. However, comparing the cost of eviction prevention programs to the costs incurred by government and community services when evictions occur is difficult, since an unknown percentage of evicted households relies on publicly-funded services.

The top success factors in preventing evictions identified by agency survey respondents included direct outreach, early intervention, and offering multiple and complementary services. Landlords preferred programs which rely on payments made directly to landlords from agencies delivering eviction prevention programs.

More evaluations and more thorough evaluations of programs would be useful in order to ascertain whether they are accomplishing their goals. Available reports tend to focus on numbers of clients served rather than tracking the impact of the program. Evaluations were available for the six programs selected for more careful analysis during the course of the study. Based on available data, these six programs appear to be accomplishing their goals.

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Housing Research at CMHC

Under Part IX of the *National Housing Act*, the Government of Canada provides funds to CMHC to conduct research into the social, economic and technical aspects of housing and related fields, and to undertake the publishing and distribution of the results of this research.

This fact sheet is one of a series intended to inform you of the nature and scope of CMHC's research.

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