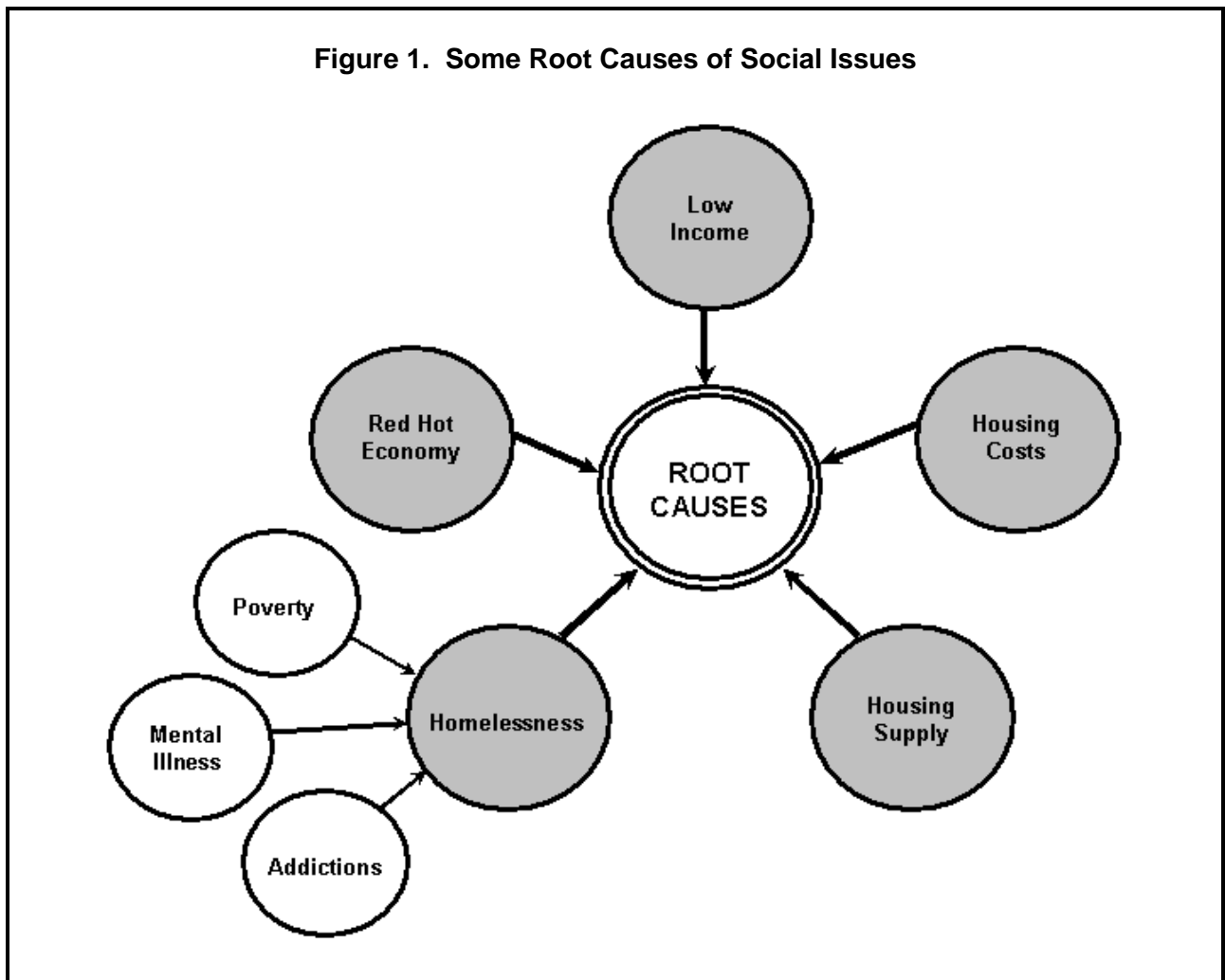


Root Causes of Social Issues: An Overview

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There are many factors that contribute to the complexity and seeming intractability of social issues in the Centre City. No single issue, considered in isolation, can provide an accurate picture of the problem. Some of these root causes relate to individual circumstances, while others are systemic issues that are beyond individual control. The following diagram illustrates some of the root causes associated with social problems, which are discussed in more detail in the remainder of the overview report.



Low Income

Alberta's minimum wage was increased from \$7.00 to \$8.00 per hour on September 1, 2007 (Government of Alberta, 2007a: 1). At this new rate, working 40 hours per week for 52 weeks per year would yield an annual pre-tax income of only \$16,640 (or \$17,306 including holiday pay). This is \$3,896 below the 2006 pre-tax Low-Income Cut-Off of \$21,202 for an *individual* living in a city with a population over 500,000, and \$15,144 below the \$32,450 Low-Income Cut-Off for a *family of three* (Vibrant Communities Calgary, 2007a: 1; Statistics Canada, 2006b: 23).

Although only 1.3% of Alberta's employees earn minimum wage, that number disguises a profound effect on women, who made up 66% of minimum wage workers in Alberta in 2007. It also has a disproportionate effect on young people, since 43.3% of minimum wage earners were aged 15 to 19 and another 16.9% were aged 20 to 24 in 2007 (Government of Alberta, 2007a).

The recent increase in Alberta's minimum wage brings it more in line with the other western provinces, which currently have a minimum wage of about \$8.00 per hour. However, this is still less than current rates of \$8.25 to \$8.50 per hour in the Northern Territories and, without further increases, will fall significantly behind planned increases of up to \$10.25 in 2010 in Ontario (Government of Canada, 2006) and up to the Low-Income Cut-Off in Saskatchewan in 2010 (Government of Saskatchewan, 2007).

Another way of thinking about this issue is by considering the "minimum housing wage" required to pay for shelter in Calgary without spending more than the national standard of 30% of gross household income. As shown in Table 1, the 2006 minimum housing wage needed in the Calgary Census Metropolitan Area (CMA) ranges from \$11.87 per hour for a bachelor apartment to \$18.46 per hour for a two bedroom apartment.

One can also look at the number of minimum wage workers needed to pay for apartments of various sizes in Calgary, which is also shown in Table 1. Using data for 2006, which is the most current available, at the previous minimum wage of \$7.00 per hour, 1.7 full-time, full-year workers would be required to affordably pay for a bachelor apartment and 2.6 full-time, full-year workers would be needed to affordably rent a two bedroom apartment.

A \$1.00 per hour wage increase to \$8.00 per hour would not significantly improve this situation. Vibrant Communities Calgary (2007b: 1) has determined that "an individual working full time (35 hours per week, 52 weeks a year) needs to make a minimum of \$12 per hour to earn a Living Wage (or \$13.25 an hour in lieu of benefits). This figure is based on the Statistics Canada 2001 before-tax Low-Income Cut-Off (LICO) amount for an individual with no dependants, adjusted for Calgary's inflation."

Table 1. Minimum Housing Wage in Calgary, 2006				
Apartment Unit Type	Average Monthly Apartment Rent, by Unit Type (\$)		Minimum Housing Wage for Calgary CMA, by Unit Type	Full-Time, Full-Year Minimum Wage Workers Required to Afford Average Market Rent
	Calgary	Calgary CMA		
Bachelor	\$618	\$617	\$11.87 per hour	1.7 workers earning \$7.00/hour
1 Bedroom	\$781	\$780	\$15.00 per hour	2.1 workers earning \$7.00/hour
2 Bedroom	\$962	\$960	\$18.46 per hour	2.6 workers earning \$7.00/hour
3 + Bedroom	\$887	\$884	\$17.00 per hour	2.4 workers earning \$7.00/hour
Source: CMHC (2006b: 13, Table 1.1.2); Pomeroy (2007a; 2007b).				

For those unable to work who rely on Income Supports, the National Child Benefit, or Assured Income for the Severely Handicapped (AISH), the picture is even bleaker. While employment for 40 hours a week at minimum wage would yield a monthly pretax income of \$1,387, Table 2 shows that social support programs in Alberta do not provide even that amount. To illustrate the challenges these low-income earners face, the maximum monthly affordable rent is also shown for each earning category. None of these low-income households could afford to rent a bachelor apartment in Calgary at the 2006 average monthly rent of \$618 (or \$617 for the slightly larger Calgary CMA).

Table 2. Low Income in Alberta	
Income Source	Monthly Income and 30% of Income (for Affordable Rent)
Alberta Minimum Wage \$8.00 per hour	\$1,387 30% for rent = \$416
Income Supports – Not Expected to Work <u>Example:</u> Single individual with no dependents	\$635 30% for rent = \$190
Income Supports – Expected to Work <u>Example:</u> A lone-parent family with two children aged 6 and 14 would receive \$880 per month from Income Supports plus \$220 per month from the National Child Benefit	\$1,100 30% for rent = \$330
AISH – Maximum monthly living allowance for a single individual	\$1,000 30% for rent = \$300
Source: Government of Alberta (2007a; 2007c; 2005; 2004).	

Taking inflation into account, the National Council of Welfare (2006) notes that, in real dollars, the income of a single person on welfare has decreased by almost 50% since 1986 in Alberta. A lone parent with one child lost 23.3% in this period, while a couple with two children lost 22.4% of their income. In 2005, Alberta had the lowest real welfare incomes in all of Canada.

Moreover, the eligibility requirements for other income support payments have been tightened considerably. Child benefits have been clawed back and other social supports such as employment insurance have become increasingly restricted, requiring more weeks worked to qualify, reduced maximum pay, and no eligibility for those who quit previous jobs 'without just cause.'

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<u>Source:</u> Government of Alberta (2007a; 2007c; 2005; 2004).	

As shown in Table 3, a basic expenditure profile for a Calgary family of three with one teenaged child finds that they would require a minimum income of \$1,771 per month just to meet basic needs. This is significantly higher than the \$1,387 per month that would be earned by a minimum wage worker or the \$1,100 per month that would be received by a lone-parent with two school-aged children who is seeking work while receiving Income Supports.

In addition, according to the Retail Council of Canada, the average Canadian will spend \$337 on school supplies in 2007, which does not include "school resource fees, transportation fees, music and extracurricular fees, computer lab fees, field trips, athletic fees, and general school fees such as locker rentals, yearbook and graduation fees. It also does not include clothing (Vibrant Communities Calgary, 2007a: 3). Further expenses arise for families with infants or toddlers who require child care, even when that care is subsidized, as shown in Table 4.

Table 3. Basic Monthly Expenses for a Lone-Parent Calgary Household with Two School-Aged Children	
Basic Household Expenses	Monthly Cost
Rent: Two-Bedroom Apartment in Calgary (2006)	\$962.00
Food: Family of three comprised of a man 25-49 years, a woman 25-49 years, and a boy 13-15 years (2006)	\$519.31
Utilities: Includes telephone, power, water, sewer, garbage collection, and land drainage (2006) – excludes heating costs	\$164.35
Transportation: Calgary Low-income Transit Pass (2007)	\$37.50
Alberta Health Care Premiums: Family Premium (2007)	\$88.00
Total Basic Monthly Expenses for a Family of Three	\$1,771.16
<u>Source:</u> Vibrant Communities Calgary (2007a: 1).	

Table 4. Additional Monthly Expenses for Families with Young Children, Canadian Average, 2007	
Child Care Expenses	Monthly Cost
Infant Child Care (\$800-\$1,000 per month) less subsidy (\$575 per month)	\$225 – \$425
Toddler Child Care (\$600-\$750 per month) less subsidy (\$500 per month)	\$100 – \$150
<u>Source:</u> Vibrant Communities Calgary (2007a: 3).	

Many studies have shown that children growing up in poverty – with its associated problems such as unstable, poor quality housing and nutritional deficiencies – tend to have poorer health, less educational success, and other outcomes that are more likely to result in them continuing an intergenerational cycle of poverty. According to a 2004 study conducted by the Institute of Health Economics at the University of Calgary for the United Way of Calgary and Area, poor students are more than twice as likely as non-poor students to drop out of high school. Poor children are also 1.8 times more likely to require special education resources (Shiell and Zhang, 2004).

These children not only face personal costs arising from living in poverty, they also cost taxpayers an extra \$8.25 million in health and education expenses, and may cost an additional \$46 to \$57 million per year in costs to the criminal justice, social services, and income support systems (Shiell and Zhang, 2004). The cost of prevention provided for a few years (for example, until a children reaches the age of 18) is widely understood to be far less than paying the societal costs of social welfare, incarceration, and so on.

Housing Costs

Problems of low income are exacerbated when housing costs are high. As shown in Table 5, the average market rent in Calgary in 2006 was \$618 for a bachelor apartment, \$781 for a one-bedroom apartment, \$962 for a two-bedroom apartment, and \$887 for an apartment with three or more bedrooms (CMHC, 2006b: 13). Rental costs were similar for row homes, at \$705 for a one-bedroom row home, \$907 for a two-bedroom row home, and \$971 for a row home with three or more bedrooms (CMHC, 2006b: 22). Monthly rent increases in 2006 ranged from \$62 to \$153 per month, a sharp rise over 2005, when the *greatest* increase was just \$11 per month (City of Calgary, 2007d: 2). These rents are not affordable for many low-income Calgarians.

Table 5. Average Monthly Rent in Calgary, 2006				
Type of Unit	Average Monthly Apartment Rent in Calgary, 2006	Change from 2005	Average Monthly Row Home Rent in Calgary, 2006	Change from 2005
Bachelor	\$618	↑ \$94	n/a ¹	n/a ¹
One Bedroom	\$781	↑ \$115	\$705	↑ \$62
Two Bedroom	\$962	↑ \$153	\$907	↑ \$118
Three+ Bedroom	\$887	↑ \$111	\$971	↑ \$130
Notes:				
1 The 2006 data was either suppressed to protect confidentiality or was not statistically reliable (CMHC, 2006b: 22, Table 2.1.2 notes).				
Source: CMHC (2006b: 13, Table 1.1.2; 22, Table 2.1.2).				

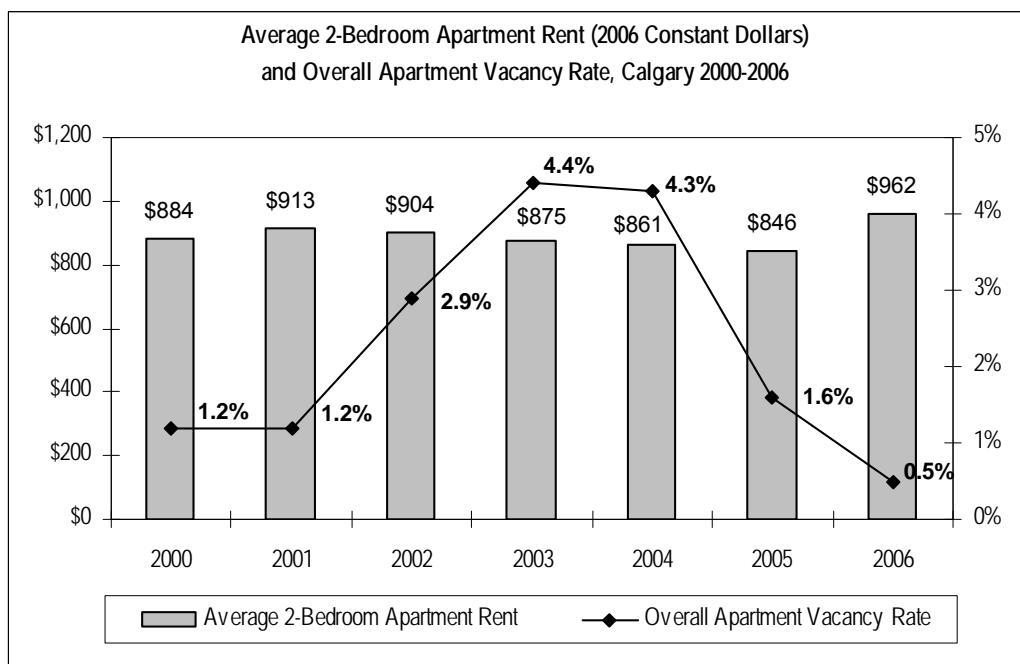
When we examine housing need in Calgary as a whole, 17.6 percent of *all* Calgary households earn less than 65% of area median income (\$38,000 per year) and spend more than 30% of gross household income on shelter. This is a staggering 58,555 households. Among all *renter* households in Calgary, 34.1% have low income and are overspending on shelter (34,650 households). An additional 23,905 *owner* households (10.4% of all owner households) share this dilemma (City of Calgary, 2004: 3; 10).

Within the Centre City, the proportion of *renters* spending more than 30% of gross household income on shelter in 2001 was almost identical to that of Calgary as a whole. However, a significantly higher proportion of renters were overspending on shelter in the Downtown West End (53.7%), Chinatown (49.6%), and the Downtown Commercial Core (40.7%). Each of these communities has a much higher proportion of persons living in low-income households than the rest of Calgary (City of Calgary, 2005b: 32).

In contrast, only 38.8% of renter households living in the Downtown East Village in 2001 were overspending on shelter. This is much lower than might be expected since, within the Centre City, the East Village has the highest proportion of persons living in low-income households (63.4%) and the highest proportion of renter households (96.7%). A partial explanation for this is because three large apartment buildings in the community provide non-market (subsidized) housing for residents, primarily seniors, who pay “rent geared to income” and, therefore, are *not* spending more than 30% of gross household income on shelter (City of Calgary, 2005b: 32).

While the overall inflation rate for Calgary in 2006 was 5.7%, the consumer price index assumes that housing constitutes only 27% of the consumer basket of goods (Statistics Canada, 2007). For those at the lower end of the economic scale – almost one-fifth of Calgary households – housing constitutes a much larger share of their consumer basket of goods. Figure 2 shows the average rent for a two-bedroom apartment in Calgary from 2000 through 2006 (in constant 2006 dollars). Although rental costs are high, they have remained relatively steady, with the exception of a rather significant jump between 2005 and 2006. However, the vacancy rate for rental units has plummeted since 2004 (also shown in Figure 2), which has increased demand and driven rental costs higher.

Figure 2. Average Rental Costs and Vacancy Rates, 2000-2006

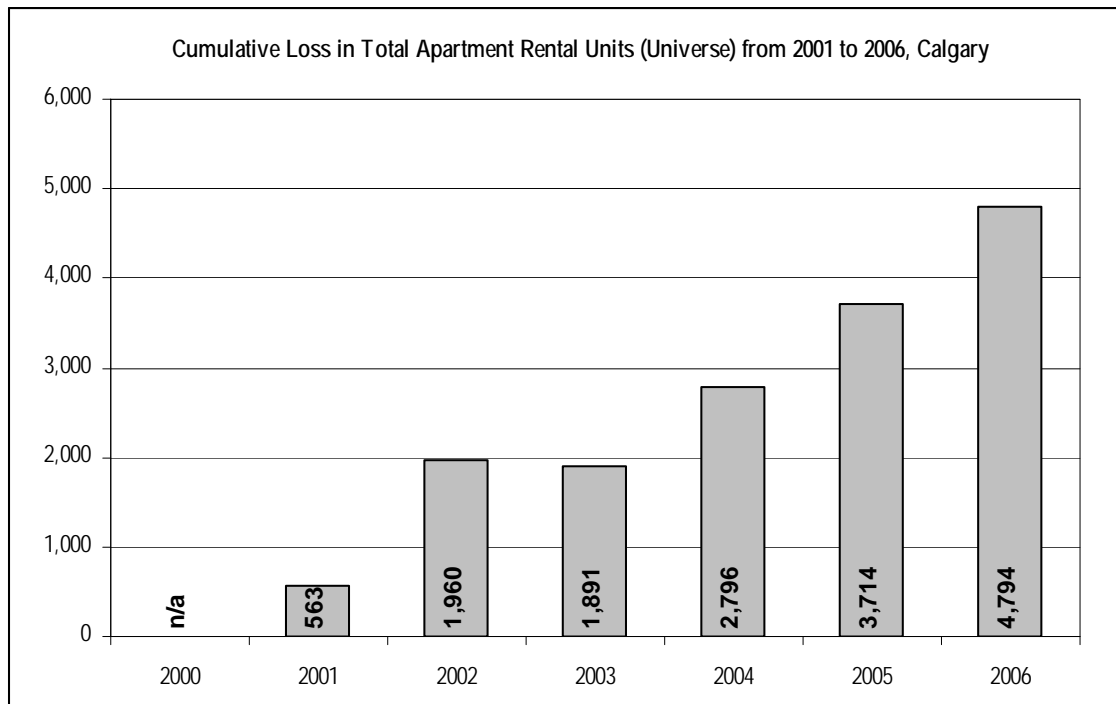


Housing Supply

Housing costs are also linked to the supply of housing stock. Calgary has the lowest number of rental units per capita of 15 major Canadian cities that were surveyed by Canada Mortgage and Housing Corporation and Statistics Canada. Calgary has less than 40 rental units per 1,000 population, compared to 65 units per 1,000 for Edmonton and over 150 units per 1,000 for Sherbrooke, Quebec (CMHC, 2006a). There are only 44,396 rental apartments or rental row homes in “purpose built rental structures” remaining in Calgary (CMHC, 2006b: 14; 23). This figure does not include rented single family homes or condominiums that are rented in owner-occupied buildings, however.

Calgary continues to lose rental stock to demolition or conversion into condominiums. Figure 3 shows the cumulative loss of rental *apartments* in Calgary since 2001. During that time, 4,794 apartment units have been lost to demolition or condo conversion, and a total of 71% of the 1,329 units lost in 2006 were converted into condominiums (City of Calgary, 2007d: 10). As Canada Mortgage and Housing Corporation (CMHC) observes, the conversion of rental suites has “far surpassed the number of new rental completions” (CMHC, 2006a).

Figure 3. Cumulative Number of Apartments Lost in Calgary, 2001-2006



As a result of high demand, the continued loss of rental accommodation, and no new rental construction, CMHC (2006b: 2) reports that vacancy rates for rental units in Calgary in 2006 were only 0.5%. A vacancy rate of 2.0% is often said to mean that there are essentially no vacancies in an area due to units being repaired, upgraded, and so on, meaning they are empty but not available for immediate occupancy. However, the notion that 'very low vacancy' equates to 'no vacancy' is not supported by Canada Mortgage and Housing Corporation (Neeson, 2007; CMHC, 2006b: 30).

While some non-market (subsidized) housing units are available in Calgary – where rental payments are geared to income so spending on shelter does not exceed 30% of gross household income – there are nowhere near enough of them to meet the growing demand. There is a constant waiting list for the non-market housing units managed by Calgary Housing Company, the primary provider of non-market housing in Calgary. In 2007, there were about 2,000 households on Calgary Housing Company's waiting list. Thus it could take up to two years for individuals and families to be accommodated in non-market housing, where rent is geared to income (City of Calgary, 2007b).

One reason for the lack of affordable housing in Calgary is the federal and provincial withdrawal from non-market (subsidized) housing initiatives, which began in the mid-1980s. In 1999, new federal funding through the Supporting Community Partnerships Initiative became available for community based projects to address the burgeoning problem of homelessness. In 2002, new federal-provincial program funding for non-market housing was introduced, which had slow uptake in Calgary due to the erosion of community capacity in the sector (City of Calgary, 2005c: 4). This program, the Affordable Housing Partnerships Initiative, has since been extended to 2008.

A lack of sustained and predictable capital funding from other levels of government makes it difficult for local affordable housing providers to plan in any meaningful way. In addition, a lack of government support for operating funding is an ongoing challenge for non-profit providers. This situation may be changing in Alberta with the provision of \$285 million in additional funding over three years for the implementation of some of the recommendations contained in the *Alberta Affordable Housing Task Force Report* and the announcement of an investment of \$100 million towards the creation of an Alberta Secretariat for Action on Homelessness, which is planning to build over 11,000 new affordable units in the province in the next five years and will develop a provincial plan to end homelessness within 10 years (Government of Alberta, 2007d; 2007e).

Federal tax reforms making rental properties less attractive for investors, changes to CMHC's mortgage underwriting practices for rental properties, and reductions in federal and provincial spending on housing have been strong factors in reducing the supply of rental housing all across Canada. Owners of rental properties can make money when the property is sold, but the sale of a rental property often results in a rent increase for the tenant, who may not see any improvements made to the rental unit. In a market downturn, a rental apartment building owner could lose money if they sold a building but would be able to deduct the capital losses if that were the case.

A confounding factor is that renters do not receive any tax deductions or tax credits towards the payment of rent. This prevents renters from accumulating savings that could be used to purchase a home, which is another disadvantage since the way most people accumulate wealth in Canada is through home ownership. Tax advantages for homeowners include Registered Home Ownership Savings Plans, which allow tax-free savings towards the purchase of a first home and the avoidance of capital gains tax on increases to the value of a home subsequent to purchase for homeowners who sell their primary residence.

Mental Illness and Addictions

Many of the poor and homeless suffer from multiple problems. For the *2002 Calgary Homelessness Study* (Gardiner and Cairns, 2002), a stratified sample of 309 homeless individuals were surveyed. In the stratified sample (for which demographic subgroups were identified by providers), it was determined that 85% of survey participants were single, 35% were Aboriginal, and 10% were women fleeing violence. In addition, half of those interviewed worked either full-time, part-time, or occasionally.

All study participants were asked to report the general cause of their homelessness. The most frequently reported causes were health problems; rent was too high; family problems (including abuse); lack of supported housing; and landlord or eviction issues. When asked what specifically caused their current episode of homelessness, having *insufficient funds for rent* was key for all respondent groups.

From this larger group of 309 homeless persons, 61 individuals who had been homeless in Calgary more than once participated in a follow-up clinical interview, where 68% of them were identified as having “probable mental illness.”

While the demographic composition of the survey sample cannot be generalized to Calgary’s homeless population overall (due to the stratified sampling method used), *characteristics of the sample can be generalized* since these were allowed to emerge out of the random sample (Gardiner and Cairns, 2002). Among the findings that can be generalized to Calgary’s overall population of homeless persons, the study found that:

- 26% of all homeless individuals surveyed in Calgary had a *mental health problem* (e.g., schizophrenia, bipolar disorder, clinical depression, or personality disorders), compared with a rate of 25% reported in the literature reviewed for the study
- 69% of all homeless individuals surveyed had a history of *substance abuse*, versus a rate of 50% reported in the literature
- 80% of the homeless mentally ill who were interviewed for the *2002 Calgary Homelessness Study* had been incarcerated at least once – and averaging 26 times in jail – often for minor infractions like unpaid fines

- 32% of the absolutely homeless¹ population surveyed had been *homeless for more than one year but less than five years*, and
- 8% of the absolutely homeless population had been continuously homeless for more than five years and were considered to be *chronically homeless* by the study team.

This demonstrates the connection between *personal characteristics* (such as poverty, mental illness or addictions) that are among the root causes of social issues such as homelessness, and *broader systemic issues* related to the lack of affordable housing and supportive services for those facing difficult and often multiple challenges (including those with the ‘dual diagnosis’ of mental health and addiction problems). Systemically, the deinstitutionalization of psychiatric patients in Alberta starting in the 1960’s – without an associated transfer of needed funding for community treatment – has left many mentally ill and addicted Albertans to fend for themselves, often not very successfully.

The mentally ill, who are generally best served by stable surroundings and supportive care, are often left worse off without suitable housing, regular nutritious meals, and consistent access to prescribed medication. Mental illness and drug addiction often coexist, as there may be a similar neurobiological hereditary nature to both. In addition, due to the lack of understanding of mental illness in society, often those suffering from it may try to self-medicate with street drugs. This sometimes worsens their problems because of the depressant or stimulant nature of the illicit drugs they use.

Mental illness and drug addiction are not just issues of concern for the homeless in Calgary, however. According to the *Canadian Addiction Survey* (Adlaf, Begin, and Sawka, 2005) and the *Canadian Community Health Survey* (Statistics Canada, 2003), Albertans generally have higher rates of alcohol and drug dependence, and lower levels of mental health than the Canadian average. For example, 11.7% of Albertans had at least one measured mental disorder or substance dependence, compared to 10.6% of Canadians as a whole. While a one percent difference may sound small, it amounts to over 24,000 additional individuals requiring treatment, based on the Alberta population at the time (Statistics Canada, 2003). Similarly, 15.9% of Albertans surveyed reported having used drugs in the previous year, compared to the Canadian average of 14.5% (Adlaf, Begin, and Sawka, 2005).

Compounding the issue, there is an inadequate supply of treatment spaces for both mental illness and drug addiction in Calgary. The homeless serving Addictions Sector prepared an environmental scan and strategic plan in 2006, calling for more spaces and improved coordination between agencies. Based on Calgary’s population in 2007, the study estimates that addiction prevalence in the city includes 41,619 people who are alcohol dependent, 35,673 people who are daily cannabis users, 9,518 people who use other illicit drugs, and 47,564 people who are addicted to prescription drugs (Gardiner, Cairns, and Hoffart, 2006).

¹ *Absolute homelessness* is defined as “individuals living in the street with no physical shelter of their own, including those who spend their nights in emergency shelters” (United Nations, cited in Gardiner and Cairns, 2002).

There also appears to be a link between drug or alcohol addiction and crime, although whether addiction is a direct cause or simply associated with crime is not entirely clear. Research has found that there may be two types of effects between addiction and crime: *psychopharmacological effects*, such as reduced inhibition and increased risk taking, and *economic effects*, such as a reliance on crimes such as theft and prostitution in order to pay for a drug habit (WHO, 2004).

In Canada, there is a particularly strong link between substance abuse and violent crime: 51% of physical assaults, 48% of sexual assaults, and 11% of homicides in Canada were found to be alcohol or drug related (Desjardins and Hotton, 2004). As identified by The City of Calgary (2005a), Centre City communities were the location in which half of all person and property crimes occurred in Calgary between August 2005 and 2005. Moreover, given that substance abuse can lead to violence, Emergency Medical Services statistics for 2002 to 2004 identify a large number of responses to blunt injuries and assaults (often alcohol related) and narcotics overdoses in the Centre City. This concentration of social issues may be due in part to the fact that Centre City communities are home to over 24% of the city's drinking establishments.

A related issue is that there appears to be a lack of serious consequences for those who engage in drug related crimes such as trafficking. According to the Alberta Crime Reduction and Safe Communities Task Force, although there has been a steady increase in drug charges in Alberta since 1996 – which has the third highest rates in Canada – this increased enforcement has not necessarily resulted in increased convictions or more jail time (Government of Alberta, 2007b). Only half of drug related charges resulted in conviction, in either youth or adult court. While drug trafficking was treated more harshly than drug possession, only 42% of convicted adult drug traffickers received jail time and fully 83% of convicted youth traffickers received only probation (Desjardins and Hotton, 2004).

Across Canada, adult criminal court statistics show a reduction in the average prison sentence for drug trafficking offences, from a median of 120 days in 1994/95 to only 90 days in 2003/04 (Thomas, 2004). Early release policies and credit for pre-trial time in jail would reduce those numbers even further. According to Statistics Canada (2006a), one-third of offenders return to custody within two years of release and a chronic 15% of offenders are responsible for 50% to 60% of crimes committed.

It is clear that, although criminal enforcement has its place, it is an expensive and not as cost effective as prevention and treatment. The Calgary Addictions Sector report states that “according to several conservative estimates, every \$1 invested in addiction treatment programs yields a return of between \$4 and \$7 in reduced drug-related crime, criminal justice costs, and theft alone. ... When savings related to health care are included, total savings can exceed costs by a ratio of 12:1” (Gardiner, Cairns and Hoffart, 2006: 29).

Two new federal programs announced in 2007 may offer some assistance. First, the National Anti-Drug Strategy “will provide \$63.8 million over two years to prevent illegal drug use in young people, treat people who have drug addictions, and fight illegal drug crime.” As a collaborative effort involving the Department of Justice, Public Safety Canada, and Health Canada, the National Anti-Drug Strategy includes plans for “preventing illicit drug use; treating those with illicit drug dependencies; and combating the production and distribution of illicit drugs” (Government of Canada, 2007).

Second, as the only large Canadian city without a dedicated mental health hospital, Calgary has been chosen as the site for the Mental Health Commission of Canada, which “is a non-profit organization created to focus national attention on mental health issues and to work to improve the health and social outcomes of people living with mental illness” (MHCC, 2007*b*). The Commission plans to develop a national strategy to address mental illness; create a Knowledge Exchange Centre to “allow governments, service providers, researchers and the general public to access evidence-based information about mental health and mental illness, and to enable people across the country to engage in a variety of collaborative activities;” and “implement a 10-year national anti-stigma campaign aimed at promoting a better understanding of mental illness among the general population and at changing public attitudes towards mental illness” (MHCC, 2007*a*).

Calgary’s Red Hot Economy

Between 2005 and 2006, more newcomers were attracted to Calgary than in any previous year since 1988. There were 25,557 migrants to Calgary, 9,887 individuals added through natural increase, and 237 added through annexation, for a total population increase of 35,681. Between 2006 and 2007, there was a further population increase of 28,183 (City of Calgary, 2007*a*). To illustrate the challenges of such rapid population growth, only 12,764 new residential dwellings became available in Calgary between 2005 and 2006, and only 11,768 units were added between 2006 and 2007, a significant shortfall between supply and demand (City of Calgary, 2007*a*).

As a result of increased competition for housing among newcomers to Calgary, resale housing prices increased by 40% between the second quarters of 2005 and 2006 (City of Calgary, 2006*b*). Although there has been some weakening of the housing market in the second and third quarters of 2007, this may relate to an unusually high number of properties for sale, rather than a lack of demand. Indeed, housing prices in September 2007 were still 16% higher than they were in September 2006 (City of Calgary, 2007*c*). Where housing has been purchased as rental property, price increases may have been passed along to renters. As shown in Table 5, the average monthly rent charged for a two-bedroom apartment in Calgary was \$809 in October 2005, which increased by \$153 per month to \$962 one year later (CMHC, 2006*b*: 13). This amounted to a 19% increase in average rent in one year. However, this average may not reveal the whole story, given the anecdotal evidence from some tenants about rent hikes that doubled previous rents and about bidding wars taking place to secure available rental units.

Population increases from migration, low wages, high rent, high home ownership costs, and the lack of non-market housing have serious repercussions for the city as a whole. In reviewing Calgary's economic outlook for 2007, Calgary Economic Development (Legge, 2006) sums up the effects of these challenges on Calgary's economy when it observes that:

With increasing rents and energy level prices, Calgary's ability to offer housing for those looking to enter the home ownership market, or for those of lower income who need a more affordable rent, is challenged. With prices unlikely to drop, and no new rental units scheduled to be added in 2007, the outlook is not promising. This ultimately becomes a labour force retention and attraction issue, ultimately resulting in competitiveness and quality of life issues. While The City of Calgary is responding with some new affordable rental housing units, demand is far greater than supply.

The Complexity of Social Issues

This overview has illustrated the complexity of social issues and helps to explain why some problems are considered to be intractable. Most Centre City neighbourhoods include higher than average proportions of people with low or no market income, low educational attainment, and a high share of income from government transfers. Many of these neighbourhoods also feature high concentrations of population groups who face many social and economic barriers and are at high risk of living in poverty. This includes seniors, lone-parent families (most often headed by women), unattached adults, recent immigrants, and Aboriginal peoples (Cooper, 2006: 11).

It is clear that some Centre City neighbourhoods also lack many of the attributes that contribute to high quality of life and make an area a desirable place to live. Barriers include poor quality housing and less than ideal neighbourhood design; environmental hazards or less than optimal environmental conditions; higher than average crime rates; limited access to affordable, accessible and high quality services, supports and recreational facilities; poor or undesirable economic development; and low levels of social capital, social inclusion, community capacity, sense of community, and civic engagement. The immediate and cumulative health, developmental, and economic consequences for children, families, and individuals living in these conditions can be negative and acute (Cooper, 2006: 11; Cooper and Bartlett, 2005).

While Calgary as a whole has yet to experience the depth of urban decay encountered in some other Canadian municipalities, the Centre City includes neighbourhoods that do experience a greater share of social problems such as poverty, homelessness, and crime. These issues "can have broad and pernicious consequences for residents, commuters, surrounding communities, and the city as a whole" (Cooper, 2006: 4). If Calgary is to flourish and mature as a sustainable, world-class city, we cannot afford to neglect the social needs of all those who live, work, study, and play in the Centre City.

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