



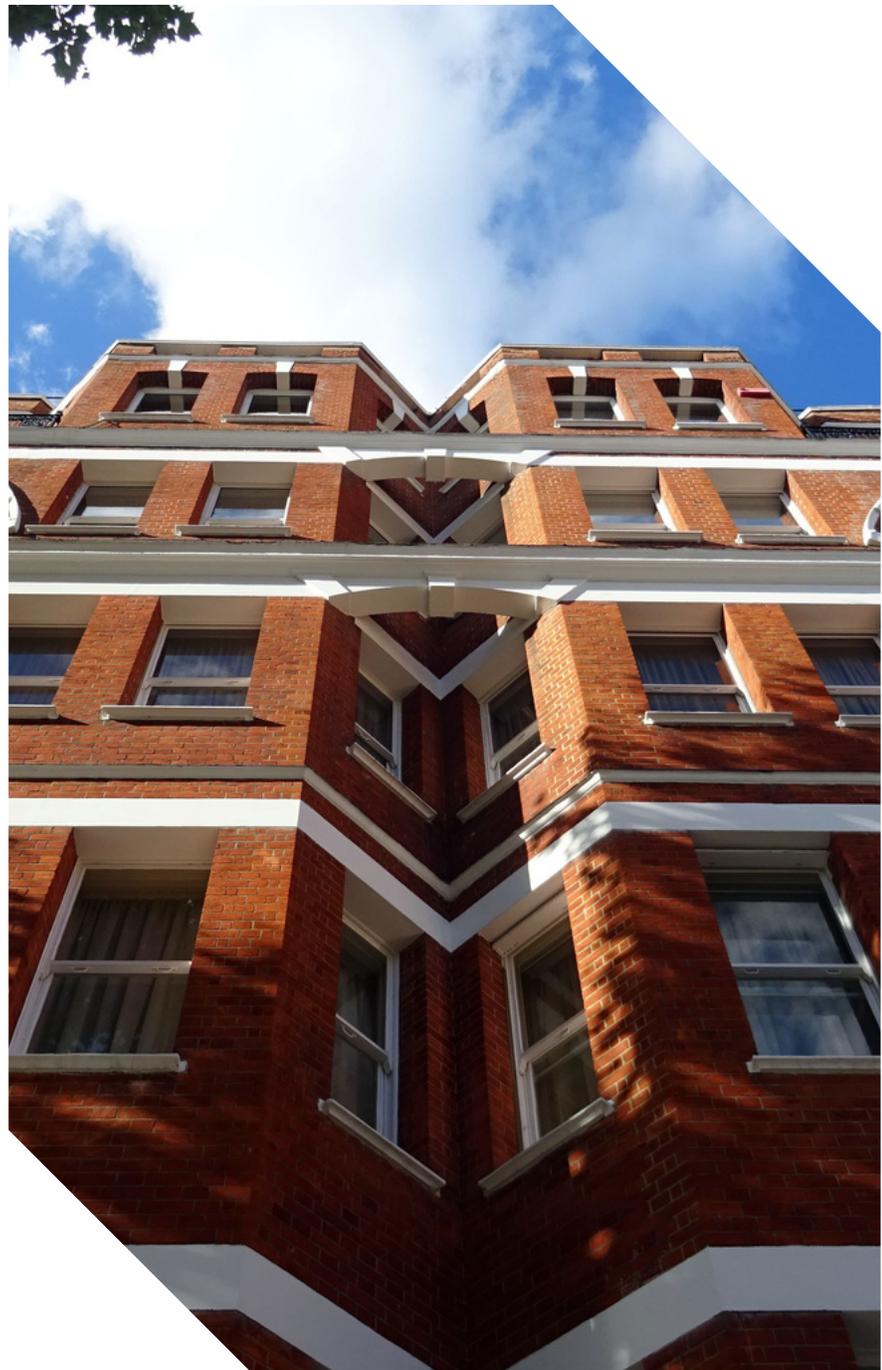
# International Students and the Lack of Affordable Housing in PEI Community Report

**June 2022**

Results from interviews  
part of the  
IST 6210 Practicum  
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Presented by  
**Kelly Rivera**

Presented to  
**Philip Davidson**



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## Introduction

Prince Edward Island (PEI) has the country's lowest immigrant-retention rate. According to Statistics Canada, 28 % of immigrants choose to remain on the Island five years after coming to Canada. (Umana, 2022). However, during the first quarter of 2022, Prince Edward Island had the highest quarterly immigration rate in the country, so why would immigrants choose to leave PEI?

In Charlottetown, almost half of all households are rental households, with 41% of these spending more than 30% of their income on shelter (Mawhinney, 2017). Within the context of this study, in Canada, housing is considered "affordable" if it costs less than 30% of a household's before-tax income (Statistics Canada, 2020).

In a recent survey, 67.42% of UPEI students confirmed that they would stay, work, and live in PEI if the vacancy rate were higher and if housing was more affordable (UPEISU, 2022). Therefore, the housing crisis might be related to our immigrant retention rate, but how is this crisis affecting international students?

To answer this question, we used a qualitative approach during the second week of May 2022, where four students took part in virtual and in-person interviews focused on their living conditions. Most of the participants had been living in Charlottetown for only a few months before being interviewed and encountered several challenges related to housing in this city.

## Literature Review

Canada is currently home to 388,782 international students who come from more than 100 countries around the world, out of which 39.4% are attending colleges while 60.5% are enrolled in universities (Erudera, 2022).

Becoming an international student comes with a lot of challenges; it is hard enough to leave your home country and adjust to a completely different culture; that experience alone already adds emotional stress, and dealing with a housing crisis on top of that can make things worse. This was evidenced in a recent study of undergraduate to post-graduate students in Toronto. Students reported that they were forced to work extra hours in order to afford their costly rent, taking away from their academic and social involvement (Sotomayor et al., 2022). But international students don't have that option; in fact, working more than 20 hours per week violates the international student permit conditions (Nasser, 2019). Nonetheless, in order to get a student visa, international students must demonstrate that they have to show as proof of funds a sum of \$833 per month to cover their expenses. Additionally, students are expected to bring enough funds to also cover their tuition for a full year (Immigration, n.d.).

There is a lack of regulations on international students' tuition increases. For example, research from the Canadian Federation of Students found that, in Autumn 2021, international undergraduate students paid an average of \$33,623 in tuition fees, more than five times the amount paid by Canadian students (Packer, 2022).



## Literature Review

The financial challenges that International Students face are also caused by their high tuition costs, tying them to endless austerity (Sotomayor et al., 2022). Nonetheless, due to a decline in public funding, cash-deprived universities “are looking for revenues from all sources ... and international students do help them do that” (Chignal, 2015).

It is safe to say that students encounter problems finding a place to stay upon their arrival and consider hotels to be very expensive. (Poyrazli & Grahame, 2007). In a tourism-driven destination like Prince Edward Island, trying to find housing on the island is challenging due to low vacancy rates and high rent prices (C. Kelly, personal communication, March 18, 2022). In fact, this past semester, students were asked not to come or defer their admission to UPEI because of the current housing crisis (Umana, 2022).

Today, Canada is one of the top destinations for post-secondary education (Somos, 2021). Therefore, not solving the lack of affordable housing issue for international students could take Canada out of the top destinations for post-secondary education. For instance, as increasing numbers of international students struggle to find affordable housing near Canadian universities, the appeal of Canadian institutions to prospective students decreases, thus hurting the country's international competitiveness (UTILE, 2022).



## Literature Review

In a recent interview with the associate vice-president of student housing at the University of British Columbia in Vancouver, he said, “Time will tell where we might have a situation where students who don’t have safe shelter might opt not to come to UBC” (Luymes, 2022). According to new research, international students contributed \$21.6 billion to Canada’s GDP in 2018 (Mackenzie, 2021).

However, there are some universities already investing in building housing for students. For example, Unité de travail pour l’implantation de logement étudiant (UTILE) is a new non-profit organization that builds and rents new apartments in living environments adapted to the needs of students. When UTILE started, it was partly paid for by leveraging a contribution from the Concordia University student union, funded through student fees (National Housing Strategy, 2022). However, according to UTILE’s co-founder, this model doesn’t require as much funding as traditional social housing because developing affordable housing for free is possible if you get university land (Solving the Student Housing Crisis, 2022).

The sources used for this literature review contain information about the current housing crisis and how it is affecting students across Canada, with a focus on international students living on Prince Edward Island.

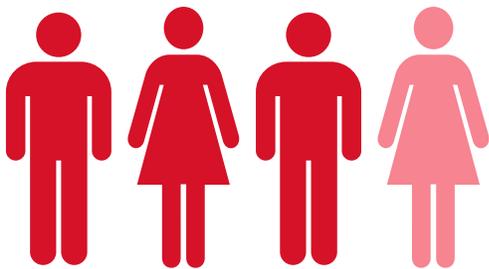


# Results



In this study, I interviewed four international students currently living in Charlottetown enrolled in different graduate programs as full-time students of the University of Prince Edward Island. Three of the interviews were conducted in virtual sessions, and only one of them was done in person. I used a voice recorder and a transcriber to gather all the data from this study.

The average price of rent paid by the participants of this study was **\$816 CAD a month** for one furnished bedroom with common shared spaces, including the price of utilities. Also, most of them dedicate about **66.7% of their income to their monthly rent** aside from other expenses.

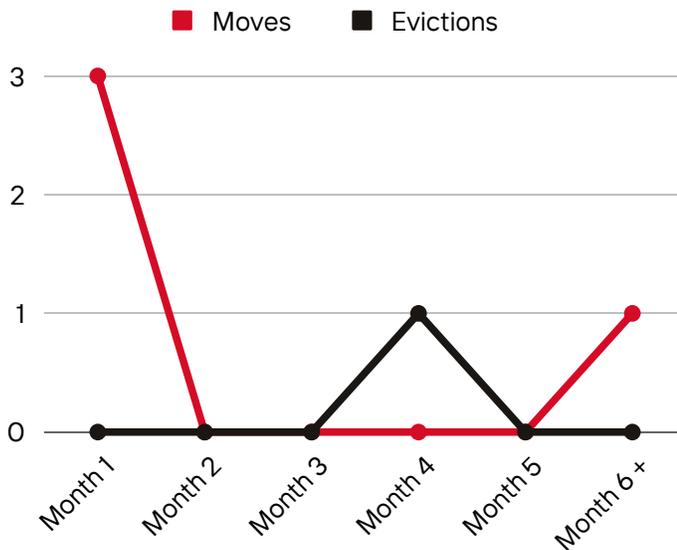


**Three out of four students** reported feeling unsafe after moving to Charlottetown while living in their first long-term accommodation and decided to move out after their first month of rent.

**"I found a place that was affordable, but the issue was that they didn't have a proper heating system. So I had to tolerate the coldest nights for three days" .**

*Quote from one of the participants in this study*

## Results



**Two out of the four participants** of this study **moved out** of their accommodations **at least twice** since living on Prince Edward Island.

Furthermore, **most of these participants moved out of their first long-term accommodation during their first month of living there**, and only one of them was evicted.

Most of the participants in this study expressed discomfort with the process of getting a place to live before their arrival; they mentioned different challenges, such as dealing with currency exchanges and money transfers, relying on virtual interactions with landlords, and how the process makes them easy targets for scams.

**"I've been living here for 3 months and out of nowhere, my landlord asked me to leave because someone else is coming to live in this house".**

*Quote from one of the participants in this study*

None of the international students who participated in this research were aware of the institutions and nonprofit organizations that exist on the Island where they could ask for help when needed. At the time, they didn't know what was legal and what was not. All four participants found their current spaces on social media and relied on online conversations and transactions to finalize an agreement with their landlords before arriving in PEI.

## Results

All the students who participated in this research admitted to struggling to pay for their daily expenses. Some participants were more detailed than others about their financial struggles. However, most of them expressed distress because they are not able to work full-time yet; they also seemed discouraged because of their current income as it is not enough to cover all of their expenses which forces them to rely on their savings or loans.

We must consider that talking about financial hardship is challenging for most people, and there might have been hesitation from the participants of this study to share more details about their current financial situation because it is such a personal topic that could open the door for poor judgment or misconceptions about international students.

However, all the international students who participated in this study admitted to feeling hopeful and that their financial situations will improve once they graduate and are able to get full-time jobs.

**"I'm actively looking for a job but I can only work from 6 p.m. until 9 p.m. because of my class schedule right now".**

*Quote from one of the participants in this study*



## Possible Long-term Solutions

Under a market-driven model, rather than invest in social housing, multiple levels of government pay private investors to occasionally provide something like affordable housing while bearing the social and economic costs of a housing-insecure population (PEI Fight For Affordable Housing, 2022). The cost of renting spiked on P.E.I. last year; the average rent, including apartments and townhouses, rose to \$1,017 in 2021, an increase of 8.1 percent (Campbell, 2022).

The vacancy rate is also an important factor and contributes to how difficult it is for students and others to find a place to live. The overall vacancy rate in Charlottetown, Cornwall, Stratford, and Summerside was 1.5 percent in 2021, which is more than an entire percentage point lower than 2020's rate of 2.6 percent (Canada Mortgage and Housing Corporation, 2021).

When policymakers and stakeholders understand that access to affordable housing is a right and not a business to profit from, effective solutions benefiting our community can be applied, such as government investment in public and non-profit housing and cooperative housing projects and the incorporation of local policies that tap the economic gains from rising real estate values to create affordable housing for lower-income families (also known as inclusionary zoning).

For example, in countries like Austria and Singapore, having policies where the government-owned land gets repurposed into affordable houses has proven to be an effective way to address the housing crisis. The effects of a lack of policy-based solutions reflect on the ground under local government control, not being repurposed to create similar projects (Gurstein, 2021).

Furthermore, nowadays, a private developer wanting to build an apartment complex can apply to the Canada Mortgage and Housing Corporation to receive taxpayer-funded capital grants, subsidized loans, and exemptions from fees and permits. In exchange, they agree that 30% of their units be rented at affordable rates – which is classified as 80% of the median, and many low-income families still can't afford it. After 20 years, this affordability condition expires, and the building can be converted into luxury rentals, sold, or turned into a short-term rental (PEI Fight For Affordable Housing, 2020). Therefore, temporarily providing a "lower price" of rent is not inclusive, as not everyone's goal is to be a homeowner, and we all deserve a decent place to live.



## Possible Short Term Solutions

In the 2017-18 academic year, international students paid approximately 40 percent of the tuition fees earned by Canadian universities. Without international students, many Canadian post-secondary institutions would face dire economic circumstances (Stirret, 2022). Therefore, the lack of regulation on international students' tuition fee increases allows universities to use international students as cash cows. It is essential for policy-makers and university administrators to understand how tuition increases impact international students' quality of life.

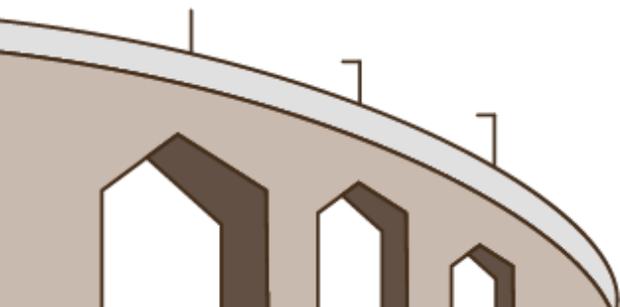
Tuition at the University of Prince Edward Island and Holland College increased this fall (CBC, 2022). Furthermore, since international students' tuition is higher than the regular students' tuition, it's unfair that they currently don't feel as supported in finding proper housing before their arrival. It is unknown where tuition and student fees are spent but investing a percentage of these fees into more substantial housing support for international students would help prevent students from falling for scams and create a safe, educational experience.

Expecting International Students to find a place to live by themselves is unrealistic; by the time they get their visas, they know little about the situation in PEI, let alone the proper channels they should use to find support. Students rely on virtual information, have no connections on the island, and cannot rely on anyone to check apartments for them.

Students' first and only contact by that point is the educational institution. Therefore, one possible solution could be to establish a staff dedicated to checking out potential places that are affordable, verifying the condition of the home, meeting the landlord, and checking the lease agreement.

International Students' average income is lower than minimum wage as most of them are only allowed to work 20 hours a week, which limits their options to part-time jobs that usually offer a salary lower than a livable income or about \$14,75 per hour. Therefore, international students' average income should be considered when charging them a holding fee before renting.

Having an unstable living situation even before beginning the journey of chasing their dreams in Canada affects students' mental health, making it harder to meet school obligations. We are grateful to the students who took part in this report by sharing just a snippet of their lives here and their constant hope for a brighter future.



## A Look into the Future

Due to the short deadline of this study, there are so many unanswered questions left. As a researcher, I would like to discover more details about the situation of international students from different post-graduate institutions and their income groups. I would also like to define specific policies to resolve some of these issues; it's crucial for me to look at the exact difference in the tuition costs of domestic and international students and if other universities in the country currently have programs to help students deal with the housing crisis. Furthermore, I would like to study international students' well-being, and look at the effect of short-term rentals and renovations, for example. Also, I would like to investigate more about how the current housing crisis might have an impact on international students' mental health because, based on this report, it is safe to say that financial issues related to the housing crisis have negatively impacted their mental health.

Finally, looking into the work that has already been done to help international students cope with these issues, would be beneficial for this research. Also, I consider it important to look into the history of post-graduate educational institutions in PEI to understand what has been done to resolve this issue and provide a better support system for international students.



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[www.cooperinstitute.ca](http://www.cooperinstitute.ca)  
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