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A rights-based approach to the Canada Housing Benefit

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This report was commissioned by the Office of the Federal Housing Advocate (OFHA). Other such reports can be found on the OFHA website and on the Homeless Hub at homelesshub.ca/OFHA.

The opinions, findings, and conclusions or recommendations expressed in this document are those of the author and do not necessarily reflect the views of the Canadian Human Rights Commission or the Federal Housing Advocate.

Le présent document existe également en version française sous le titre, Une approche de l'Allocation canadienne pour le logement fondée sur les droits. Elle est disponible sur le site du Bureau du défenseur fédéral du logement et sur le Rond-point de l'itinérance.

How to cite this report:

Whitzman, C. (2026). *A Rights-Based Approach to the Canada Housing Benefit*. Office of the Federal Housing Advocate.

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Cat. No.: HR34-31/2026E-PDF

ISBN: 978-0-660-99238-9

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List of Abbreviations

ACLP: Apartment Construction Loan Program

CAEH: Canadian Alliance to End Homelessness

CHB: Canada Housing Benefit

NHS: National Housing Strategy

RHI: Rapid Housing Initiative

Executive Summary

The Canada Housing Benefit (CHB) was introduced as a key program within the National Housing Strategy (NHS) in 2017. The CHB, which is a bilateral cost-shared program (with contributions from both federal and provincial or territorial governments) is meant to temporarily bridge the gap between rents and affordable housing costs for very low- and low-income households. It is intended to be a major contributor to the strategy's 10-year targets of reducing core housing need by 530,000 households (out of 1.7 million households in core housing need) and reducing chronic homelessness, estimated at 35,000 individuals, by half.

The CHB has not achieved its purpose. A small minority of eligible renter households have received an amount that is insufficient to cover the growing gap between market and affordable rent. Homelessness has rapidly increased, and core housing need has not decreased. At the same time, an equal amount of money has been expended to preserve subsidised non-market homes, arguably with greater impact.

The CHB needs to be substantially revised as part of the next NHS to include rights-based targets related to the eradication of homelessness and the goal of all Canadians having an affordable and adequate home. Provincial and territorial reporting on the CHB must be transparent and timely and demonstrate how the CHB and other rent supplements contribute to targets.

A new CHB needs to be based in the following priorities:

- 1. Preventing and diverting inflows into homelessness:** by supporting rent banks, emergency subsidies, and other mechanisms developed by municipal and regional coordinators to allow households to remain in their homes, at least until affordable and suitable alternatives can be found;
- 2. Rapidly rehousing homeless people:** by providing ongoing rent subsidies for Housing First approaches to 100% deeply affordable projects (50,000 new and acquired supportive, student, and senior homes per year), while ensuring that provincial and territorial funding for social and health supports are also provided to those who need them;
- 3. Supporting the rapid growth of the non-market housing sector:** by prioritizing continuing operating subsidies for existing non-market projects for CHB funds while ensuring that one third of an expanded portfolio of new, acquired, and renovated non-market homes (150,000 new, acquired, and renovated homes per year) are deeply affordable to those who need them most.

The impacts of a renewed CHB must be transparently measured in relation to targets, including:

- 1. Year-over-year reduction of homelessness**, as measured using real-time by name data collected by municipalities, regions, provinces, and territories.
- 2. Increase in non-market and market home completions** that are affordable to the majority of Canadians: very low-, low-, moderate- and median-income households.
- 3. Reduction in housing need**, as measured through the biennial Canada Housing Survey and census data every five years, with an expanded housing need baseline that includes students, temporary migrants, asylum seekers, those in collective dwellings, and those forced to leave job- and service-rich locations.

These recommendations are intended to dovetail with a separate report for the Advocate on bilateral funding agreements which recommends that the federal government link transfers to provincial, territorial, municipal, and regional governments to:

- A plan to eradicate homelessness by 2040 that includes targets and budgeted programs
- An immediate commitment to reducing evictions into homelessness
- An immediate commitment to raising social assistance rates to a level that will cover the cost of housing, food, and energy in the household's area (a market basket approach)
- Quarterly reporting on progress towards these targets

Introduction

This report is intended to inform rights-based ministerial and intergovernmental engagements by the Federal Housing Advocate on the Canada Housing Benefit (CHB) in relation to the next iteration of the National Housing Strategy (NHS). It is based on a scan of recent Canadian housing policy literature, as well as discussions with Professor Jacqueline Kennelly, Carleton University, Olga Tasci from the Agency for Cooperative Housing, and Ray Sullivan and Kenneth Milner of the Canadian Housing Renewal Association.

The CHB was introduced as part of the Canada's first National Housing Strategy in 2017. It was intended to lift 300,000 households out of core housing need¹ by the end of the Strategy in 2027, although it was not implemented until 2020-2021. The CHB was a major contributor to the strategy's overall targets of reducing core housing need by 530,000 households (of a total of 1.7 million households in core housing need in the 2016 census) over the 10-year span of the strategy and halving chronic homelessness from approximately 35,000 individuals to a still unacceptable 16,000 individuals.

The CHB, and the NHS more generally, has been unsuccessful in reaching its targets. Core housing need has remained unchanged, at a little below 1.7 million households from the 2016 census to the 2022 Canada Housing Survey,² and unsheltered homelessness has almost doubled from 2018 to 2022.³ The idea of a short-term rent supplement program that could be phased out in 2029, at the end of a successful NHS, now seems unrealistic.

This report:

- examines how to improve the CHB as a rent supplement aimed at preventing homelessness and improving housing outcomes;
- evaluates the CHB's integration with provincial and territorial income-assistance and renter security systems, as well as its integration with operating subsidies for non-market housing providers;
- identifies opportunities for the CHB to better complement the long-term expansion of permanently affordable and secure housing, which involves investment in a long-term solution rather than less efficient short-term spending.

¹ Government of Canada. (2018). *Canada's National Housing Strategy: A Place to Call Home*. Government of Canada. <https://housing-infrastructure.canada.ca/alt-format/pdf/housing-logement/ptch-csd/canada-national-housing-strategy.pdf>

² Canada Mortgage and Housing Corporation. (2024). *2022 Canadian Housing Survey*. <https://www.cmhc-schl.gc.ca/blog/2024/2022-canadian-housing-survey>

³ Infrastructure Canada. (2023). *Everyone Counts 2020-2022 – Results from the Third Nationally Coordinated Point-in-Time Counts of Homelessness in Canada*. <https://secure.infc.gc.ca/alt-format/pdf/homelessness-sans-abri/reports-rapports/pit-counts-dp-2020-2022-results-resultats-en.pdf>

What Is the CHB?

The CHB is a bilateral federal program, jointly funded with provinces and territories. It provides support to lower-income renters through a “rent-gap” model, where the assistance covers the gap between 30% of their pre-tax income and rent, up to a maximum. It is meant to target those in core housing need, including “potentially those living in social housing, those on the social housing waitlist, or those housed in the private market but still struggling to make ends meet.”⁴

The CHB’s total cost was \$4.6 billion over eight years, with a maximum cost of \$2,500 per year per household. As of September 2024, \$646.9 million in federal funding and \$692.7 million in provincial and territorial funding have been committed, assisting 226,189 households.⁵

The CHB supersedes an earlier approach to housing policy that involved subsidizing a set proportion of homes for low-income households within non-market and affordable market housing projects. Long-term, low-rate mortgages of 35-50 years were accompanied by operating agreements that further subsidized the rent gap of 15% to 40% of the homes. The rest of the homes (60% to 85%) had their costs covered by rent. Free or low-cost government land combined with low-cost financing and non-market provision helped bring costs down, resulting in moderate- and median-income rents that were lower than similar market rents. Non-market rents also stayed lower over time than market rents.⁶ The best estimate of this non-market and affordable housing stock is 700,000 homes, mostly delivered from the mid-1960s to the late 1980s.⁷

⁴ di Bellonia, S., & White, A. (2025). *Why Income Support Is Good Housing Policy: A New Case for a Permanent Housing Benefit in Canada*. <https://maytree.com/wp-content/uploads/Why-income-support-is-good-housing-policy.pdf>

⁵ di Bellonia & White, 2025.

⁶ Sutor, G., Odogwu, C., & Falvo, N. (2022). *The Co-op Difference: Comparing Co-op and Market Rents in Five Canadian Cities*. <https://chfcanda.coop/wp-content/uploads/2022/11/The-Co-op-Difference-report.pdf>

⁷ Pomeroy, S. (2025). *I'll Have a Double Double Please: Quantifying the Base to Scale Up Non-Market Housing in Canada*. https://chra-achru.ca/wp-content/uploads/2025/11/Scaling-up-non-market-housing-CHRA-report_2025.pdf

There has been an unknown number of subsidized homes lost through the end of long-term operating agreements since 2015, and most of these were below-market homes under short-term affordability covenants.⁸ The NHS extended operating agreements for non-market homes, on a temporary basis, from 2020 to 2028 in two programs:

- The Canada Community Housing Initiative, which provides \$4.3 billion to provinces and territories to maintain rent supplements for 255,559 homes;
- The Federal Community Housing Initiative, which provides \$418 million to the much smaller number, 13,700, of non-market homes (mostly co-ops) whose operating agreements stayed with the federal government after affordable housing was downloaded in the early 1990s.

The Parliamentary Budget Office argues that these two programs, with a similar combined total cost as the CHB, have been more effective than the CHB in reducing core housing need.⁹ Certainly, non-market rent supplements are efficient, with an average cost of \$470 to \$600 per month in the Federal Community Housing Initiative, which covers the rent gap between non-market housing costs and 30% affordability, even in homes with three or more bedrooms.¹⁰

CHB Track Record in Preventing and Addressing Homelessness and Housing Unaffordability

Across Canada, very low- and low-income renters constitute almost 80% of those in core housing need and 100% of those who are homeless. They can afford no more than \$1,050 per month in rent and often much less.¹¹ The average asking rent¹² across Canada is \$2,057¹³ as of February 2026, which represents a decrease of 2% over the past year but is still almost double the affordable housing cost for a low-income household. Even with the recent decrease in asking rents, that is an average shortfall of at least \$1,005 a month, or an average shortfall of \$12,060 per year per household, which is about five times the maximum amount (\$2,500

⁸ Segel-Brown, B. (2025). *The Evolution of Canada's Social Housing Stock*. <https://www.pbo-dpb.ca/en/additional-analyses--analyses-complementaires/BLOG-2425-008--evolution-canada-social-housing-stock--evolution-parc-logements-sociaux-canada>

⁹ Segel-Brown, (2025).

¹⁰ The Agency for Co-operative Housing. (2025). *2024 Rental Assistance Portfolio Review*. <https://www.agency.coop/media/1532/download?attachment>

¹¹ Housing Assessment Resource Tools Project. (2023). Housing Need Assessment Tool. <https://hart.ubc.ca/housing-needs-assessment-tool/>

¹² "Asking rents" are rents asked for a new unit, as opposed to "sitting rents," which are paid by those staying in their home.

¹³ Rentals.ca (2026). February 2026 rentals report. <https://rentals.ca/national-rent-report>

annually) available under the CHB (and two to three times as much every month as rent supplements to non-market homes).

There are at least 235,000 individuals who are homeless in Canada each year,¹⁴ a further 1.7 million households in core housing need, and approximately two million postsecondary students and at least 500,000 people in congregate housing in need. This gives a total of 4.4 million households in housing need across Canada, of which three million are very low or low income.¹⁵ **That means that the CHB reaches about one in 20 households in greatest need, each with about one fifth of the rent subsidy that they need to live affordably while paying for other essential expenses such as food, energy, and transportation.**

Of course, renters with portable housing benefits “choose” cheaper apartments than average in order to afford them, even if these apartments are smaller than required for the number of children (single mothers are the demographic group most likely to be in core housing need),¹⁶ located far from jobs and services, or poorly maintained.¹⁷ These are all examples of inadequate housing and fly in the face of the rhetoric of choice that is used to justify portable rent supplements. And cheap market rental apartments are no longer available: Ottawa, Toronto, Halifax, Vancouver, and many other cities have a 0% vacancy rate for homes affordable to the lowest income quartile¹⁸ due to the financialization of market rental housing and the inadequate supply of non-market rental housing.¹⁹ The CHB is increasingly incapable of bridging the gap between market rent and affordability. It does not significantly contribute to ending

¹⁴ This statistic dates from 2016: Homeless Hub. (2025). *How Many People Are Homeless in Canada?* <https://homelesshub.ca/collection/homelessness-101/how-many-people-homeless-canada>

In Ontario, the only province to have a comprehensive by-name count of people experiencing homelessness, the latest data shows 84,973 people experiencing homelessness: Donaldson, J., Kandyba, L., & Wang, D. (2026). *Municipalities Under Pressure One Year Later: An Update on the Human and Financial Cost of Ontario's Homelessness Crisis*. <https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Reports/2026/MunisUnderPressure1YearUpdateReport2026-01-13.pdf>

¹⁵ Whitzman, C. (2023). *A Human Rights-Based Estimate of Canada's Housing Shortages*. https://www.homelesshub.ca/sites/default/files/attachments/Whitzman-Human_Rights_Based_Supply_Report-EN_1.pdf

¹⁶ Housing Assessment Resource Tools Project, 2023.

¹⁷ Leviten-Reid, C., Digou, M., & Kennelly, J. (2025). Housing as a human right, rent supplements and the new Canada Housing Benefit. *Housing Studies*, 40(3), 565–588.

¹⁸ Government of Canada. (2025). *Progress on the National Housing Strategy - June 2025*. <https://housing-infrastructure.canada.ca/housing-logement/ptch-csd/reports-rapports/prog-nhs-june-2025-juin-snl-eng.html>

¹⁹ August, M. (2022). *The Financialization of Housing in Canada: A Summary Report for the Office of the Federal Housing Advocate*. <https://www.homelesshub.ca/sites/default/files/attachments/august-financialization-summary-report-ofha-en.pdf>

homelessness and housing need, let alone provide a long-term solution to the affordable housing supply crisis.

According to recent rights-based research on the impact of the CHB in Nova Scotia, shifting from the provincial rent supplement system to a federal-provincial housing benefit substantially increased housing costs for individuals in the program. This is because the CHB excludes energy costs, which were included in the previous provincial housing benefit.²⁰ In Ontario, housing benefit recipients are removed from the centralized waiting list for permanently subsidized non-market housing,²¹ meaning that they lose out on opportunities for more secure and possibly better located adequate homes.

Market-based low-income housing solutions have largely proven ineffective in Canada:

- Even with rent subsidies, market rentals are still too expensive, and inexpensive options are often in poor repair and lack security of tenure;²²
- Market providers increase rents much more rapidly than non-market providers;²³ market providers also evict much more often than non-market providers;²⁴
- Claims that rent subsidies avoid concentrating low-income people in neighbourhoods with fewer job and service opportunities have been disproven—available low-cost market units are usually in poorly located areas, far from jobs and services;²⁵
- The high cost of demand-side interventions, like rent subsidies, over time diminishes resources that could be provided to non-market supply, and the latter is less expensive to governments in the long-term.²⁶

This mirrors international comparative research. For instance, the UK spends 1.25% of its GDP on housing allowances and France spends 0.6%. Yet 40% of UK low-income renters, and only 15% of French low-income renters, are in unaffordable housing. Meanwhile, 55% of Canadian low-income renters are in unaffordable housing.²⁷

²⁰ Leviten-Reid et al., 2025.

²¹ City of Toronto. (2025). *Canada-Ontario Housing Benefit (COHB)*. <https://www.toronto.ca/community-people/employment-social-support/housing-support/rent-geared-to-income-subsidy/canada-ontario-housing-benefit/>

²² Levitan-Reid et al., 2025.

²³ Suttor et al., 2022.

²⁴ Xuereb, S., & Jones, C. (2023). *Estimating No-Fault Evictions in Canada: Understanding BC's Disproportionate Eviction Rate in the 2021 Canadian Housing Survey*. <https://bsh.ubc.ca/research/estimating-no-fault-evictions/>

²⁵ Leviten-Reid et al., 2025.

²⁶ Lawson, J., Troy, L., & van den Neuwelant, R. (2024). Social housing as infrastructure and the role of mission driven financing. *Housing Policy* 39(2), 398–418. <https://doi.org/https://doi.org/10.1080/02673037.2022.2056152>

²⁷ Organization of Economic Cooperation and Development. (2025). *OECD Affordable Housing Database*. <https://www.oecd.org/content/oecd/en/data/datasets/oecd-affordable-housing-database.html>

Integration with Provincial and Territorial Social Assistance Programs

One of the reasons that the CHB is ineffective in preventing homelessness or addressing housing need is that provincial and territorial social assistance programs are so insufficient in meeting basic needs of human life: shelter, food, and energy for heating and cooling. In 2024, Canadian households in the lowest income quintile devoted, on average, just over 94% of their disposable income to these basic needs.²⁸ Current social assistance in almost all circumstances in almost every province and territory is not enough to rent a room, let alone a private apartment. Furthermore, social assistance shelter allowances require proof of rent payment, so those in encampments or shelters cannot access this money to rent a room.²⁹

To some extent, the CHB fills gaps left by social assistance shortfalls, especially when local administering agencies set priorities. For instance, it has been used to subsidize asylum seekers and other newcomers who might not have the permanent residency required for social assistance in many provinces and territories. Similarly, it can be used by those currently without housing to access this basic right. The City of Toronto has been able to use COHB (that is, the provincially co-funded CHB) to provide homes to 3,300 people in 2023-2024 who, for the most part, previously did not have housing.³⁰

A separate and parallel technical note on intergovernmental agreements for the Federal Housing Advocate argues that the Canadian government must establish minimum standards for provincial social assistance and renter protection, similar to those regarding health standards in the Canada Health Act, and link these standards to conditional transfers of federal dollars. Ongoing federal funding for a rent supplement should not be used as an excuse for provincial and territorial governments to claw back income supports.

There is a model provincial housing benefit that works well with social assistance. Manitoba's Rent Assist program offers financial assistance to people with lower incomes who are accessing market rentals through two separate streams: one for households who receive social assistance, and another for other low-income renters. For those who receive social assistance, Rent Assist replaces the maximum shelter benefit, and recipients are automatically enrolled in the program. For others, they must apply to the program, and eligibility is based on income and permanent residency in Canada. Eligibility is broader than just the social assistance population; benefits are legislated to increase as median market rents increase; and there is no waitlist to access support. However, amounts may not cover enough rent costs for affordability; there still is not enough adequate, affordable housing, especially permanently affordable non-market housing;

²⁸ Di Bellonia & White, 2025, p. 2.

²⁹ Di Bellonia & White, 2025.

³⁰ Di Bellonia & White, 2025, p. 17.

and the exclusion of those without permanent residency is contrary to the human rights of new arrivals, including those seeking asylum.³¹

A more comprehensive possibility is a guaranteed livable basic income approach led by the federal government. During the COVID-19 pandemic, the Canada Emergency Response Benefit was associated with a decrease in housing need of 250,000 households from the 2016 census to the 2021 census,³² which was far greater than the impact of any supply program in the NHS. Unfortunately, this huge decrease in households in housing need was immediately lost once COVID-era income support was replaced by provincial and territorial social assistance.³³ COVID-era interventions were not only temporary but also conditional, being based on employment income. Bill S-206, currently in its second Senate reading, would build on two successful federal programs—the Canada Child Benefit and the Guaranteed Income Supplement for seniors³⁴—to lift all persons over the age of 17 out of poverty, without conditions. While this would still leave the problem of inadequate low-rent housing supply, at least it has a strong possibility of reducing inflows into homelessness and of assisting individuals and households to exit homelessness. **While this report supports the direction taken by Bill S-206 towards a guaranteed livable basic income and agrees that it might provide an important national approach to the right to life, the recommendations presented here focus on a housing policy approach that is directly linked to the next National Housing Strategy.**

Breaking Free of Market Rent Supplements as the Solution

The essential problem behind the implementation of CHB is that, at this point, there are simply too many homeless and inadequately housed people to imagine a short-term housing supply solution, partly because of a four-decade shortfall in non-market affordable housing. Market rent supplements are posited as the only short-term policy choice. However, they have been the primary short-term policy choice from the early 1990s, when non-market housing was 6% of

³¹ Di Bellonia & White, 2025, pp. 19-20.

³² Statistics Canada. (2022). To Buy or to Rent: The Housing Market Continues to Be Reshaped by Several Factors as Canadians Search for an Affordable Place to Call Home. <https://www150.statcan.gc.ca/n1/daily-quotidien/220921/dq220921b-eng.htm>

³³ Canada Mortgage and Housing Corporation. (2024). 2022 Canadian Housing Survey. <https://www.cmhc-schl.gc.ca/blog/2024/2022-canadian-housing-survey#>:

³⁴ Senator Kim Pate. (2025). *Guaranteed Livable Basic Income*. <https://senpate.sencanada.ca/en/current-work/s-206/>; Senator Kim Pate. (2020). *Why A Guaranteed Living Income?* https://sencanada.ca/media/366776/senpate_glibi-perspective-document_10-05-2020_e.pdf

housing stock, to today, 35 years later, when non-market housing is 3.5% of housing stock and shrinking.³⁵ At some point, this failed approach needs to change.

Figure 1 shows federal spending on housing supply programs under the NHS. Almost three-quarters of the funds committed were aimed at market rentals with extremely limited affordability requirements. Only 3% of apartments financed by the Apartment Construction Loan Program (ACLP) can be afforded by the low-income households most affected by housing need, and these are mostly studio apartments³⁶ that are affordable for a limited period (20 years). As well, as Table 1 shows, the ACLP, which launched in 2017, was not even effective as an aggregate supply measure: of the 131,000 targeted by this \$88 billion financing program, slightly less than 18,000 homes have been completed as of the latest update in September 2025.³⁷ In contrast, the Rapid Housing Initiative (RHI), the only federal unilateral program to focus on the NHS targets of reducing housing need and homelessness, received less than one-twentieth the money of the ACLP. It operated over a much shorter period than the ACLP (three distinct grant tranches, from 2020 to 2024) yet has led to almost 10,000 completed homes, out of its target of 12,000 homes. An important aspect of the RHI is that acquisitions and redevelopment from other uses were allowable, and these tend to be faster and less expensive than new build. But even given smaller home sizes in the RHI program and an emphasis on grants rather than loans, the contrast in cost effectiveness, let alone human rights adherence, among NHS programs is stark.

The NHS placed little emphasis on preserving affordable housing stock, even though 15 homes affordable to low-income households were lost for every new home created from 2011 to 2016.³⁸ Except for the RHI, there was no emphasis on non-market providers acquiring market rental units, even though this had been an important aspect of federal housing policy in the 1970s and 1980s. And rent control, an important aspect of federal housing policy in the 1970s, was completely ignored in the NHS.³⁹

³⁵ National Housing Council. (2025). *Scaling Up the Non-Market Housing Sector in Canada*, p. 9. <https://cms.nhc-cn1.ca/media/Scaling%20Non%20Market%20Housing%20Report%20-%20V10%202.pdf>. Note that Pomeroy (2025) estimates 5.5% of stock in 1996 and 4.4% of housing stock in 2021.

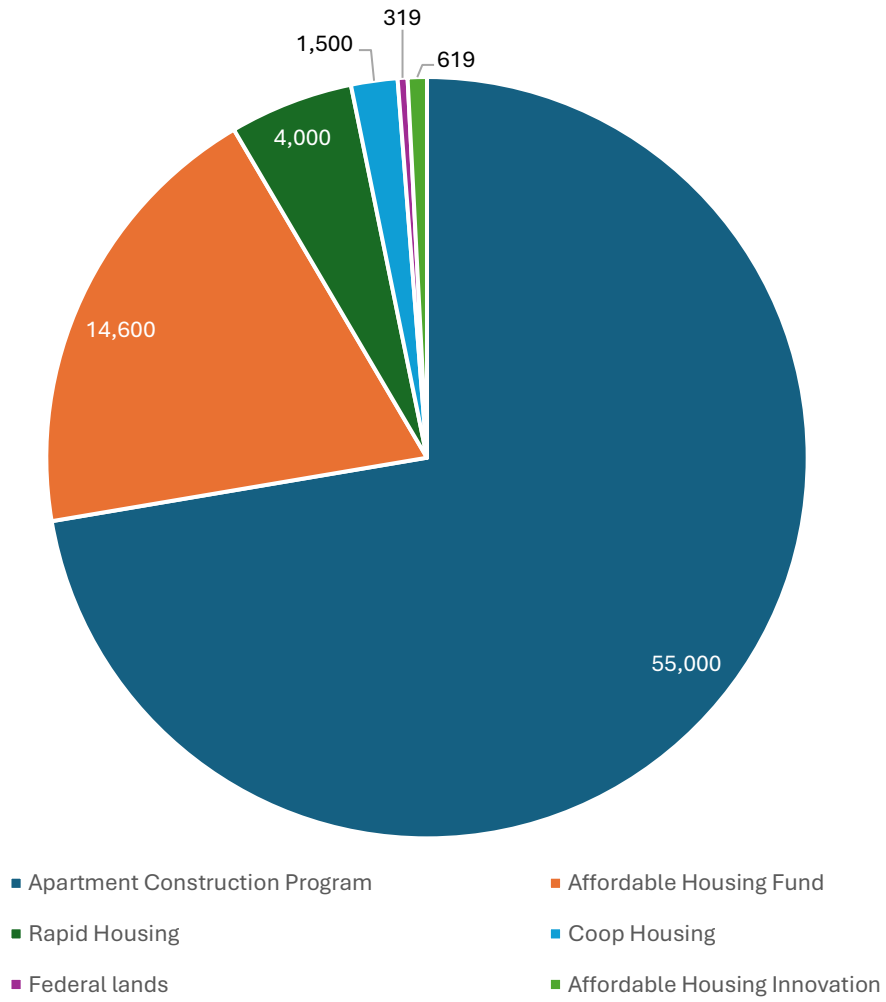
³⁶ Blueprint. (2022). *Analysis of Affordable Housing Supply Created by Unilateral National Housing Strategy Programs*. <https://assets.cmhc-schl.gc.ca/sites/place-to-call-home/pdfs/analysis-affordable-housing-supply-created-unilateral-nhs-programs-en.pdf>

³⁷ Government of Canada. (2025). *Progress on the National Housing Strategy - September 2025*. <https://housing-infrastructure.canada.ca/alt-format/pdf/housing-logement/ptch-csd/prog-nhs-sept-2025-sept-snl-en.pdf>

³⁸ Pomeroy, S. (2022). *Updating Analysis on Erosion of Lower Rent Stock from 2021 Census*. <https://chec-ccrl.ca/wp-content/uploads/2022/10/Updated-Analysis-on-Housing-Erosion-from-2021-Census-Steve-Pomeroy.pdf>

³⁹ Pomeroy, S. (2023). Coming Full Circle: Federalism and Responsibility for Housing. In A. Lecours, D. Beland, T. Tombe, & E. Champagne (Eds.), *Fiscal Federalism in Canada: Analysis, Evaluation, Prescription* (pp. 284–305). University of Toronto Press.

Figure 1. Federal Funding for Housing Supply under the NHS (in millions of dollars)



Source: Government of Canada (2025)⁴⁰

⁴⁰ Derived from Government of Canada, 2025.

Table 1: Number of units completed by each NHS federal supply program as of September 2025⁴¹

Program	Target Population	Supply Targets	Amount (millions of dollars)	Homes Completed
Apartment Construction	Market homes, of which 20% are supposedly affordable to middle income households ⁴²	131,000	54,900	18,497
Affordable Housing Program	Market and non-market housing, of which 30% is supposedly affordable to moderate and middle-income households	60,000 new, 170,000 repaired	14,600	25,498 new units, of which an unknown number are shelter spaces and an unknown number are homes in which repairs were completed
Rapid Housing	Non-market housing; 100% affordable to low-income households	12,000 new and acquired	4,000	9,971
Federal Lands	Market and non-market housing, of which 40% is supposedly affordable to moderate and middle income households	4,899 new, 208 repaired	319	507 new, an unknown number in which repairs are complete

⁴¹ Government of Canada, 2025. Note: The Cooperative Housing Development Program only began in 2024, while other programs began between 2016 and 2020, thus there are no completions expected yet.

⁴² Most NHS programs used definitions of affordability that are incompatible with a rights-based approach, such as “below market,” rather than specifying the target income categories for programs. This contrasts with federal programs before 1992, which focused on low- and moderate-income affordability, categories that equate to the two lowest income quintiles.

Affordable Housing Innovation	Market and non-market housing, of which 100% is supposedly affordable to moderate and middle income households	14,800	607	5,913 new and 1,663 acquired or repaired
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Recent research has confirmed that non-market developers, with free leased government land and low-rate, long-term financing can break even when producing homes that are affordable to moderate and median-income households at scale when development fees and property taxes are waived. However, even for non-market providers, both mixed-income projects and projects dedicated to low-income individuals and households (such as supportive, student, and assisted seniors’ housing) require rent subsidies as well as capital grants or financing.⁴³ As discussed earlier, long-term investment (including rent supplements in non-market housing for low-income tenant) provides value-for-money through lower rents over time and more tenure security. It is for this reason that the National Housing Council recommends linking rent supplements to non-market homes through a variety of mechanisms, including by expanding and further extending the Federal Community Housing Initiative and the Canada Community Housing Initiative to maintain non-market affordable options and by targeting a stream of the CHB to tenants in the non-market sector.⁴⁴

⁴³ Whitzman, C., & Perwani, P. (2025). *Scaling Up Affordable Housing Through a ‘Build Canada Homes’ Proposal*. <https://maytree.com/publications/scaling-up-affordable-housing-through-a-build-canada-homes-proposal/>. See also: Lee, M. (2021). *How to Build Affordable Rental Housing in Vancouver*. https://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2021/03/ccpa-bc_Affordable-Housing-March2021_report.pdf

⁴⁴ National Housing Council, 2025, p. 12.

What Needs to Happen Next With the CHB?

The emphasis of CHB 2.0 must be on a rapid response to unsheltered homelessness and encampments, along with homelessness prevention and diversion. This aligns with the National Housing Strategy Act's rights-based emphasis on "improving housing outcomes for persons in greatest need."⁴⁵

The Canadian Alliance to End Homelessness (CAEH) provided a proposal in 2023 to enhance the CHB's ability to prevent and rapidly respond to homelessness. In terms of preventing homelessness, it recommends two possible options to more fully address the gap between affordable and available market rents:

1. A more universal option that provides 385,000 tenant households with the full amount of the difference between market rent (as calculated in 2021) and 30% of pre-tax household income. The estimated expenditure for this homelessness prevention program would be \$3 billion per annum (as opposed to \$4 billion over the current eight-year life of the CHB)
2. A targeted option that covers 200,000 tenant households at highest risk of losing their homes to unaffordability because they are paying more than 50% of their income on rent. These households would be provided with an amount covering the difference between market rents and 40% of pre-tax household income. The estimated expenditure for this targeted option would be \$1 billion per annum.

In response to rapidly increasing homelessness and keeping in mind that many of the people who are currently chronically homeless require health and social supports as well as affordable homes, the CAEH also proposes a federal rent supplement only (service costs to be covered by provinces and territories) for 50,000 people experiencing homelessness per year, at a cost of \$400 million.⁴⁶

⁴⁵ Government of Canada. (2019). *National Housing Strategy Act* (C29 S313). <https://laws-lois.justice.gc.ca/eng/acts/N-11.2/FullText.html>

⁴⁶ Pomeroy, S. (2023). *Responding to a New Wave of Homelessness: Proposal for a Homelessness Prevention and Housing Benefit*. <https://caeh.ca/wp-content/uploads/Homelessness-Prevention-and-Housing-Benefit-Policy-Whitepaper-CAEH.pdf>

In 2025, the Maytree Foundation developed a proposal for a rights-based CHB program, with the following principles:

- **Adequacy and Dignity:** Benefit amounts should be adequate to address and prevent homelessness and housing need. To promote dignity, the design of the benefit should also be grounded in the principles of autonomy, flexibility, and predictability.
- **Progressivity:** The benefit amount would be reduced as income increases to ensure that the benefit is both targeted and progressive.
- **Flexibility:** Eligibility rules and benefit administration should minimize the burden placed on individuals to apply for and receive the benefit.
- **Timeliness:** Benefits should be provided as quickly as possible depending on the recipient's needs. This may require flexibility in the benefit's design to respond to sudden changes in circumstances, such as the need for a "rent bank"-type remedy to allow residents to keep their homes after a sudden change in income or circumstances.
- **Transparency and Accountability:** The program must be clearly linked to progressively ending homelessness and housing need. A strong evaluation framework is also needed to inform future improvements. In addition, and in line with a rights-based approach, people who are most impacted by the program should be given the opportunity to participate in the benefit's design.⁴⁷

The new National Housing Strategy offers the opportunity to more strongly align supply-side housing programs with rent subsidies, including:

- Retaining non-market housing through expanded operating agreements to maintain subsidized spaces in non-market homes;
- Greatly expanding the Rapid Housing Initiative with an emphasis on acquisition of market properties (including rooming houses and low-cost apartments) to be run by non-market providers, with targets of 50,000 per year for supportive, student, and assisted seniors' homes;
- Focusing investments on scaling up mixed-income, non-market housing that is affordable to very low- to median-income households, with an overall target of 150,000 homes per year, with one third of homes having subsidized spaces for low-income households, including women and children fleeing violence, Indigenous households, low-income seniors, and asylum seekers.

⁴⁷ Di Bellonia & White, 2025, p. 22.

In the short term, portable rent subsidies for immediate housing may need to focus on market rental options. In the longer term, it makes economic as well as human rights-based social sense to layer rent subsidies on non-market homes that offer greater tenure security and long-term affordability.

Recommendations

Building on evidence of the CHB's performance over the first National Housing Strategy and on rights-based recommendations made by the National Housing Council, the CAEH, and the Maytree Foundation, the rent supplement approach needs to be substantially revised to progressively realize the right to adequate housing. An ongoing rent supplement program is still needed, but this program (which we will continue to call the CHB), would need to:

- Be greatly expanded to meet critical needs and have an immediate impact on the goal of eradicating homelessness;
- Prioritize non-market rather than market rentals, for greater long term cost effectiveness and tenure security;
- Be linked to conditional agreements with provinces and territories to do the following: increase social assistance and health and social supports; provide a plan to end homelessness that includes preventing evictions and eviction-causing rapid rent increases; and provide annual reports on the impact of its policies, including rent supplements, on reducing rates of homelessness and housing need. Failing these agreements, the federal government should negotiate directly with municipalities and regions to establish plans to end homelessness and annual reporting on the impact of coordinated policies, including rent supplements, on reducing and addressing homelessness;
- Include conditional agreements with First Nation, Métis, and Inuit governments and other Indigenous housing organizations, which must be directly negotiated with the federal government in alignment with self-government and treaty obligation that are consistent with the United Nations Declaration on the Rights of Indigenous Peoples.

The CHB must directly address national targets and be integrated into a National Housing Strategy 2.0 that is committed to the eradication of homelessness and the goal of everyone in Canada having an affordable, adequate home. To accomplish these aims, the program must both have enough money and provide enough to each individual household. The CAEH proposal (\$3.4 billion a year to prevent and address homelessness) must be seen as a starting point, especially if it is to include a continuation to the Federal Community Housing Initiative and the Canada Community Housing Initiative (as it must). Four billion dollars a year is more realistic, especially if this amount is to encompass all rent supplement agreements. Conditional federal agreements with provinces and territories could include these governments providing the benefit in return for federal housing infrastructure funding.

Any rent supplement program must work in concert with, not as an alternative to, the target of acquiring, building, and retaining enough permanently affordable non-market homes to achieve the goal of everyone in Canada having an affordable, adequate home. This means that priorities must include:

- Rent supplements for supportive, student, and seniors' non-market homes, which are conditional on sufficient health and social supports for supportive and seniors' programs;
- On-going rent subsidies for a proportion (up to one third) of deeply affordable homes as part of mixed-income, non-market projects.

As discussed above, the CHB must be conditional on having a plan to end homelessness and annual reporting on outcomes in relation to targets.

A new CHB needs to be based on the following priorities, enforced through conditional bilateral agreements with provinces, territories, municipalities, regions, and Indigenous governments, and accompanied by annual reporting using by-name lists based on HIFIS. These priorities are:

- 1. Preventing and diverting inflows into homelessness:** supporting rent banks, emergency subsidies, and other mechanisms, enabled by municipal and regional coordinators, to allow households to remain in their homes, at least until affordable and adequate alternatives can be found;
- 2. Rapidly rehousing homeless people:** providing ongoing rent subsidies for Housing First approaches to 100% deeply affordable projects (50,000 new and acquired supportive, student, and senior homes per year), while ensuring that provincial and territorial funding for social and health supports is also provided so that these are available for those who need them and that there is no clawback to social assistance;
- 3. Supporting the rapid growth of the non-market housing sector:** prioritizing within the CHB the ongoing operating subsidies for existing non-market projects while ensuring that one third of an expanded portfolio of new, acquired, and renovated non-market homes (150,000 new, acquired, and renovated homes per year) are deeply affordable to those who need them most.

The impacts of a renewed CHB must be transparently measured in relation to targets, including:

- 1. Year-over-year reduction of homelessness**, as measured through real-time by name data collected by municipalities, regions, provinces, territories, and Indigenous governments;
- 2. An increase in completions of non-market and market homes** that are affordable to the majority of Canadians: very low-, low-, moderate-, and median-income households;
- 3. Reduction of housing need**, as measured through updates in the biennial Canada Housing Survey and census data every five years, with an expanded housing need baseline that includes students, temporary migrants and those seeking asylum, those in collective dwellings, and those forced to leave job- and service-rich locations because of the absence of affordable and adequate homes.

These recommendations are intended to dovetail with a separate report for the Advocate on bilateral funding agreements, which recommends that the federal government link conditional infrastructure transfers (including housing infrastructure funding) to provincial, territorial, municipal, and regional governments, to the following conditions:

- A plan, with targets and budgeted programs, to eradicate homelessness by 2040 and low-income housing need by 2050 and to ensure adequate housing for all Canadians by 2060;
- An immediate commitment to reducing evictions into homelessness;
- An immediate commitment to raising social assistance rates to a level that will cover the cost of housing, food, and energy in the household's area (a market basket approach);
- Annual reporting on progress towards these targets.