

Intelligence MEMOS



From: Tingting Zhang
To: Canadians Concerned About Housing
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Re: CANADA'S HOUSING CRISIS: A GROWING CHALLENGE FOR VULNERABLE POPULATIONS

The dream of a safe, affordable place to call home is slipping away for millions of Canadians. As rents soar and waitlists for social housing stretch for years, Canada faces an unprecedented housing crisis that disproportionately affects its most vulnerable populations.

Meanwhile, a dramatic shift is reshaping the housing landscape. Between 2011 and 2021, the homeownership rate declined while the number of renters surged, with renting households growing at more than [twice](#) the rate of owner households. Today, approximately one in three of Canada's 15 million households rents their home, reflecting a fundamental change in housing access.

The implications of this shift are profound, increasing the number of people at risk of vulnerable housing conditions. In 2021, nearly 1.7 million Canadian [households](#) lived in "core housing need," meaning they resided in an unsuitable, inadequate or unaffordable dwelling and could not afford alternatives within their community – a 10-percent increase from 2018. The situation [disproportionately](#) affects certain groups – single mothers, seniors, First Nations peoples, immigrants, and visible minorities – and is especially dire for renters in social and affordable housing, including those receiving housing subsidies or paying rent geared-to-income.

Among low-income renters, the burden is severe, with 35 [percent](#) spending more than 40 percent of their income on rent. For these households, even small financial setbacks – unexpected medical expenses, job loss, or car repair – can lead to eviction or housing loss, which increases their risk of homelessness and takes a toll on their social and mental wellbeing.

Meanwhile, the current rental market offers little relief, with record-low vacancy rates of 1.5 percent and unprecedented 8-percent [growth](#) in average rent in 2023. Adding to this challenge, Canada's social rental housing makes up only 3.5 percent of the total housing stock – far below the OECD [average](#) of 7.1 percent and significantly less than in peer countries such as the United Kingdom (16.3 percent) and the Netherlands (34 percent).

The growing waitlist for social housing further highlights the crisis. In 2022, approximately [245,900 households](#) were on a waitlist for social and affordable housing, with nearly two-thirds waiting for two years or longer. In Toronto, the average [wait](#) for a one-bedroom subsidized housing unit is 14 years and seniors might wait for eight years for a studio apartment. Even in [Montreal](#), where the situation is somewhat better, the average wait time remains around six years.

Addressing this crisis requires both private rental markets and public social housing, but each has limitations. Private rental markets can respond quickly with minimal government interventions but remain unaffordable for low-income households without subsidies. Social housing ensures affordability and stability but is costly, slow to develop, and dependent on political will. While determining the precise need for social housing is challenging, a balanced approach that encourages private investment while expanding social housing is needed.

Since launching its National Housing Strategy in 2019, the federal government has [pledged](#) \$82 billion toward affordable housing initiatives. Despite this, the National Housing Council [found](#) that the strategy has had a limited impact on those most in need, doing little to alleviate core housing needs or homelessness.

The Office of the Federal Housing Advocate estimates that Canada [needs](#) three million homes for low and very low-income households. However, development faces multiple barriers: underinvestment in social housing, skilled labour shortages, restrictive land-use regulations, high development charges, and other regulatory obstacles.

Expanding financial support for households in core housing need and those at risk of homelessness is crucial. Effectively utilizing rental markets combined with government benefits can help these households access and maintain stable rentals. At the same time, governments should aim to increase non-market housing to reach the OECD average. Quebec, which has the country's largest stock of social housing, is the [only](#) province with available and affordable units for low-income renters. The province has also updated its eligibility criteria to enhance accessibility: Low-income households in [subsidized housing](#) pay rent equal to 25 percent of their income (as opposed to 30 percent in other provinces), with childcare benefits up to \$500 per month per child excluded from rent calculations.

All levels of government also need to induce businesses to build more purpose-built rental housing. Potential measures include offering income tax credits for new rental housing construction and eliminating GST/HST on these projects. Removing the regulatory barriers is equally important. Toronto, for example, took a positive step in June by [exempting](#) affordable residential units from development charges – a major hurdle for developers. However, building permit approvals also need to be expedited. Currently, Toronto's approval process significantly [lags](#) behind global benchmarks, and these delays further contribute to housing unaffordability.

With each delay, more Canadians are left struggling to find affordable housing, more families are forced into unsuitable conditions, and more communities face the social and economic consequences of this crisis. We cannot afford to wait.

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