



Leveraging Community Housing Investments to Support Canadians Amid Trade and Economic Challenges

The Economic Case for Investing in Community Housing

Canada faces significant economic challenges as the threat of tariffs from the United States looms. The potential trade disruption poses risks to employment, household stability, and overall economic productivity. Given these circumstances, strategic investments in community housing can play a pivotal role in stabilizing the economy, protecting vulnerable Canadians, and fostering economic recovery.

Community housing is more than a social service—it is an economic engine. Investments in this sector stimulate job creation, support local businesses, and provide long-term stability for families at risk of displacement.

Numerous authoritative studies underscore the economic benefits of investing in community housing. Deloitte Canada's [*Economic Study: The Impact of Community Housing on Productivity \(2023\)*](#) demonstrates that well-maintained and accessible community housing positively impacts workforce productivity by fostering better health outcomes and social stability. The Scotiabank study, [*Canadian Housing Affordability Hurts \(2023\)*](#) highlights stable housing as a key factor in maintaining consumer spending and economic resilience during economic downturns. Furthermore, RBC found in their [*Proof Point study*](#), that we need to quadruple the rate at which we build affordable rental housing while emphasizing that addressing Canada's housing shortages is essential for sustaining long-term economic competitiveness.

Investments in community housing not only address urgent social needs but also function as a strategic economic lever. They stimulate job creation in construction and trades, support local supply chains, and enhance community well-being. Collectively, these studies make a compelling case for immediate and sustained investment in community housing as a cornerstone of Canada's economic strategy.

This proposal outlines three key recommendations that the federal government should adopt to leverage community housing investments for economic resilience.

Recommendation 1: Immediate Release of Capital Repair Funding

The federal government should immediately release capital repair funding to assist community housing providers in renovating and upgrading their buildings. There is a \$6 billion of unmet capital repair need in the community housing sector. Many organizations have capital repair plans which outline repair needs exceed their currently available funding. As a result, any injection of funding would be easy to dispose of and this action would inject much-needed capital into the economy, spurring productivity and employment.

To speed up the process funding can be made available through the existing Affordable Housing Fund: Repair and Renewal contributions-only stream, which is generally faster and more streamlined than loan-first programs.

Economic Rationale:

- Renovation projects create immediate construction and trades jobs, supporting local economies.
- Improved housing infrastructure enhances energy efficiency, reducing long-term operational costs and contributing to Canada's climate goals.
- Community housing providers have active capital-repair programs, usually with unmet capital needs, and across the country can identify billions in shovel-ready repair projects.
- As outlined in the [Economic Study: The Impact of Community Housing on Productivity \(2023\)](#), well-maintained housing contributes to better health outcomes and greater community stability, indirectly boosting workforce productivity.

Recommendation 2: Establishment of an Emergency Rent Subsidy

According to the Housing Needs Assessment Tools group, approximately 1.7 million Canadian households are in core housing need, meaning they live in homes that are unaffordable, overcrowded, or in poor condition. Many of these households are at significant risk of losing their housing in the event of economic hardship, such as job losses caused by a trade war with the United States.

To safeguard Canadians most at risk of losing their homes due to economic hardship, the federal government should establish an emergency rent subsidy. This subsidy would provide temporary financial relief for those facing unemployment or severe housing cost burdens.

Economic Rationale:

- Preventing homelessness is more cost-effective than addressing it after the fact.
- Keeping individuals and families housed ensures they remain productive members of the workforce and reduces the strain on social services.

- The Scotiabank study, [Canadian Housing Affordability Hurts \(2023\)](#) highlights the importance of stable housing for maintaining consumer spending and economic stability during downturns.

Recommendation 3: Immediate Release of \$300 Million to the National Indigenous Housing Collaborative Inc. (NICHl)

Building new stable housing is one of the most effective ways to spur economic growth and keep people employed in the potential economic recession that might be caused by an ongoing trade war. Therefore, the federal government should release \$300 million to NICHl to fund shovel-ready projects for urban, rural, and northern Indigenous housing. Only NICHl has a list of shovel-ready project proposals that could begin development immediately, providing a timely boost to the economy. This would both provide a much-needed economic boost as well as supporting Indigenous people, who are in greater core housing need, find more secure housing.

Economic Rationale:

- Construction projects generate employment and stimulate local supply chains.
- Addressing the critical shortage of Indigenous housing supports social equity and economic inclusion.
- NICHl's proven track record of delivering housing projects ensures both a fast and
- effective use of public funds.

Conclusion

Investing in community housing is a prudent and necessary response to the economic challenges posed by potential U.S. tariffs and the ensuing recession. By releasing capital repair funding, establishing an emergency rent subsidy, and supporting Indigenous housing development, the federal government can protect Canadians, stimulate economic activity, and lay the groundwork for a resilient recovery. These strategic investments will not only address immediate economic needs but also contribute to a more stable and productive society in the long term.

The time to act is now. Community housing offers a pathway to economic recovery and social stability—a path the federal government must seize for the benefit of all Canadians.