Submission to the Department of Finance in advance of the 2026 Budget

September 8, 2026

CHRA ACHRU
Canadian Housing and Renewal Association
A Home for the Housing Sector

Introduction: The Housing Crisis Demands a Whole-System Response

Canada's housing crisis is not a single problem; it is a failure across an interconnected system. The National Housing Strategy must reflect this reality. Piecemeal interventions targeting one part of the system while neglecting others have produced a decade of worsening outcomes: record-high rents, a surge in homelessness, and a dramatic erosion of affordability for low- to median-income Canadians. A clear, coordinated, and comprehensive plan that addresses all parts of the housing system is necessary to reverse these losses.

The costs of inaction are not abstract. More than 1.5 million Canadian households were in core housing need in 2021. At the same time, Canada's non-market housing stock makes up only 4.54% of total housing, leaving far too many Canadians without access to permanently affordable homes.

The housing crisis also presents a massive economic challenge. Stable, affordable housing is foundational to productivity, workforce mobility, and long-term economic competitiveness. The federal government has the tools, including Build Canada Homes, to respond with the scale and ambition this moment demands. To do so, it must prioritize non-market community housing—the core of its strategy.

Supporting Economic Resilience

As Canada seeks to strengthen the resilience and capacity of our economy, we must ensure high productivity and a strong housing safety net for our workforce. We cannot do either of those things without addressing the housing affordability crisis.

More than 1.5 million Canadian households were in core housing need as of the 2021 Census, including 20% of all renter households.[1] A 2023 study conducted by Deloitte Canada for CHRA found a direct relationship between community housing in a jurisdiction's overall stock and gains in economic productivity, with estimated economic returns that would outweigh the costs of reaching a larger share of non-market housing within a few years.[2] Scotiabank and RBC have each separately pointed to scaling-up social and community housing as essential to Canada's long-term economic resilience and competitiveness.[3][4] Working with the GTHA Community Housing Collaborative, and with support from Scotiabank, the Canadian Centre for Economic Analysis recently concluded that every dollar invested in public housing returns nearly three dollars in quantified social and economic benefits.[5] The Aboriginal Housing Management Association in BC has concluded that for every dollar invested in Indigenous community housing, there is a social return on investment of nearly seven dollars.[6]

The supply of naturally occurring affordable housing in the private market is disappearing rapidly: the ratio of loss of homes renting under $1000 compared to newly built affordable

1 Canada Mortgage and Housing Corporation, based on 2021 Census data on core housing need.
2 Deloitte Canada. *The Impact of Community Housing on Productivity*. Prepared for CHRA, 2023.
3 Rebekah Young. *Canadian Housing Affordability Hurts*. Scotiabank Economics, 2023.
4 Robert Hogue. *The Great Rebuild: Seven Ways to Fix Canada's Housing Shortage*. RBC, 2024.
5 CANCEA. *The Public Housing Dividend*, 2026
6 AHMA. *British Columbia Urban, Rural, and Northern Indigenous Housing Strategy*, 2024.

housing is as high as 35:1 in Winnipeg, 39:1 in Kitchener-Waterloo, and 10:1 in Vancouver.[7] Recent evidence shows that the lack of available affordable housing is the clear and dominant driver of homelessness.[8]

New private market rental units are simply not priced for the households who need help most. A new one-bedroom rental in many Canadian cities now lists above $2000 a month, requiring an income above $80,000 to be genuinely affordable, while the median Canadian renter earned $62,000 in 2023, and renters in core housing need earned a median of just $31,280.
The answer for a stronger Canadian economy is non-market community housing.

We Need to More Than Double the Non-Market Housing Sector

Canada's non-market community housing sector currently represents 4.54% of the overall housing stock, down from a peak of 5.2% in 1996.[9] CHRA's 2025 research report on scaling up non-market housing, estimates the current stock at roughly 758,000 to 796,000 homes. Both Scotiabank[10] and RBC[11] underscore the economic urgency of expanding social housing noting that addressing Canada's housing shortage is essential to long-term economic competitiveness and resilience.

Advocates and researchers have converged on the goal of first doubling the stock of non-market community housing and then aiming for a 20% share of Canada's housing stock. Achieving the first goal would require producing more than 750,000 units; reaching that target in 15 years would require building 50,000 non-market units annually; a significant but achievable ambition if the political will and investment are sustained.

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7 Pomeroy. *Filling the hole in the bucket: loss of existing affordable rentals massively undermining new affordable supply*. CHEC, 2024.
8 CAEH. *Homelessness is a Housing Problem, Preliminary Findings*, 2026.
9 Steve Pomeroy. *I'll Have a Double-double, Please: Quantifying the base to scale up non-market housing in Canada*. CHRA. 2025
10 Scotiabank Economics. *Canadian Housing Affordability Hurts*. 2023.
11 Royal Bank of Canada. *The Great Rebuild: Seven Ways to Fix Canada's Housing Shortage*.

Summary of Recommendations

1. Establish a fiscal framework for the renewal of the National Housing Strategy that prioritizes the development of non-market community housing.
2. Deliver a clear and resourced strategy for Indigenous housing
3. Recapitalize Build Canada Homes with a 10-year investment time horizon.
4. Work with provinces and territories to fund operating expenses and wrap-around supports for supportive housing.
5. Enable the Community Housing Transformation Centre to serve as a long-term national intermediary for community housing capacity.

Recommendation 1: Establish a fiscal framework for the renewal of the National Housing Strategy that prioritizes the development of non-market community housing

The current National Housing Strategy ends in March 2028. That deadline is approaching fast and the stakes could not be higher. The bilateral agreements with provinces and territories that underpin the NHS will need to be renegotiated. If the federal government waits until 2027 to begin that process in earnest, it will be too late. Housing providers, provinces, and municipalities need predictability years in advance to plan, secure financing, and retain the organizational capacity required to deliver housing at scale.

CHRA recommends that this budget lay the groundwork for a comprehensive federal fiscal framework for the next National Housing Strategy, developed in genuine partnership with provinces, territories, municipalities, and the non-market community housing sector. That framework must provide clarity and continuity across three interconnected pillars:

- **Stability of rental assistance and housing allowances**. Both jointly funded rental assistance programs such as the Canada Housing Benefit, and federal programs such as the Federal Community Housing Initiative Phase 2 represent a critical housing lifeline for tens of thousands of low-income households. The next NHS framework must confirm, with sufficient lead time, that these programs will continue without interruption.
- **A stable and predictable pipeline for new non-market housing development**. The next NHS must include a clearly articulated ten-year funding framework for new non-market community housing supply. This should be paired with a clear commitment by all levels of government to more than double the supply of non-market community housing across the country.
- **Ongoing preservation of the existing non-market community housing stock**. Canada's legacy non-market housing stock is aging and in urgent need of capital investment. The next NHS fiscal framework must embed a coordinated federal-provincial approach to the preservation and rehabilitation of existing community housing. The most affordable home we can provide is the one that already exists. A complete National Housing Strategy can't focus on new supply while allowing existing affordable homes to deteriorate and be lost.

Supporting low-income households that currently benefit from federally funded rent subsidies, building a strong pipeline of new non-market housing supply, and supporting long-term capital asset management of existing community housing all require long, stable, and predictable timelines. CHRA urges this Committee to recommend that Budget 2026 allocate resources to begin the design and consultation process for the next National Housing Strategy immediately and to signal clearly that a multi-year fiscal framework will be in place before the current NHS concludes.

Recommendation 2: Deliver a Clear and Resourced Strategy for Indigenous Housing

Approximately 1.8 million Indigenous people live in Canada, roughly 79 percent of whom live in urban, rural, and northern (URN) settings, outside Indigenous-governed territories.[12] These communities remain chronically underserved. Budget 2023 committed $4 billion to URN Indigenous housing, yet much of that funding is only now being deployed in 2026-2027 due to the absence of a clear federal implementation plan.[13]

Properly resourced Indigenous-led delivery has demonstrated strong results. The National Indigenous Collaborative Housing Inc. (NICHI) leveraged an initial $281.5 million investment to deliver 77 funded projects and approximately 3,800 units and shelter spaces within 18 months.[14] In British Columbia, the Aboriginal Housing Management Association (AHMA) documented approximately $7 in social returns for every dollar invested in Indigenous-led housing, accounting for tax revenue, reduced demand on other government services, and improved health outcomes.[15]

URN Indigenous communities rely on Indigenous housing and service providers that serve people across distinctions and statuses, without jurisdictional barriers. These organizations primarily operate in municipalities where Indigenous people live and are often uniquely positioned to provide culturally grounded, barrier-free housing and supports. A renewed National Housing Strategy must include a clear, adequately funded, For-Indigenous, By-Indigenous policy and delivery approach for URN housing from the outset, not as an afterthought.

CHRA recommends that the federal government enshrine a for-Indigenous, by-Indigenous approach to urban, rural, and northern Indigenous housing within the renewed National Housing Strategy, backed by dedicated, stable, multi-year funding and an implementation plan to quadruple the supply of Indigenous-led community housing through Indigenous-controlled funding and delivery mechanisms.

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12 Statistics Canada, 2021 Census of Population

13 Housing, Infrastructure and Communities Canada, *Progress on the National Housing Strategy*, December 2023; Build Canada Homes mandate documents, 2025 to 2026.

14 National Indigenous Collaborative Housing Inc. (NICHI), reported project and funding outcomes, 2022 to 2024.

15 Aboriginal Housing Management Association, published estimates of the social return on investment in Indigenous-led housing, based on tax revenue, reduced government spending elsewhere, and health and social outcomes.

Recommendation 3: Recapitalize Build Canada Homes with a 10-year investment time horizon

The initial $13 billion capitalization of Build Canada Homes is a meaningful first step, but it is not sufficient to deliver the scale of non-market housing that Canada needs. BCH's current five-year funding horizon creates uncertainty that undermines long-term housing development. Housing development projects operate on multi-year timelines from conception to completion—often five to ten years or more. Organizations making decisions today about land acquisition, partnership development, and design need confidence that BCH, and the capital behind it, will be a reliable, long-term source of financing and funding, not something that may or may not be renewed at the next budget cycle.

Consistent and stable funding and financing is what creates a strong, sustained pipeline of new non-market community housing developments. CHRA recommends that Budget 2026 commit to a full recapitalization of Build Canada Homes through to 2036, at a level of funding and financing commensurate with the goal of more than doubling Canada's non-market housing stock.

To ensure that this investment delivers permanent affordability rather than time-limited subsidy, the 10-year recapitalization must be paired with some essential conditions:

- **BCH must prioritize non-market community housing**. "Affordability" is too broad a mandate for a Crown Corporation of this scale and consequence. Without a clear focus on mission-driven, permanently affordable non-market housing, we risk pushing towards market-based time-limited affordability.
- **BCH must adopt clear public targets**. These targets must outline how much non-market community housing will be built, what levels of affordably they will create, and the proportion that is Indigenous-led non-market housing. There must be public reporting against these targets., These targets must sit clearly within the context of a broader National Housing Strategy.

Recommendation 4: Work with provinces and territories to fund operating expenses and wrap-around supports for supportive housing

Supportive housing, which combines stable housing with integrated health, social, and wrap-around services, is among the most effective interventions available for Canadians experiencing chronic homelessness or living with complex needs. It is also among the most difficult housing to fund sustainably, because the economics of supportive housing do not work without dedicated, ongoing public investment in both reducing the rents and funding the supports.

Capital funding alone is not sufficient. CHRA recommends that the federal government work with provincial and territorial partners to establish sustainable, long-term funding for the operating costs and wrap-around supports associated with supportive and transitional housing. This investment must be designed in close partnership with supportive housing providers with demonstrated expertise in this area.

Recommendation 5: Enable the Community Housing Transformation Centre to serve as a long-term national intermediary for community housing capacity

Scaling up Canada's non-market community housing sector is not simply a question of capital. It requires a sector that has the organizational capacity, development expertise, professional skills, and institutional readiness to absorb and deploy investment at scale, in every region of the country. Building this capacity takes time, and it requires sustained investment.

The Community Housing Transformation Centre (CHTC) has been an exceptional steward of federal investment in sector capacity. Since its establishment, the CHTC has leveraged federal funding with provincial and other partner investments, supported pre-development work, strengthened organizational capacity, and driven innovation across the non-market community housing sector. However, the CHTC's current funding is set to expire in March 2028.[16]

This investment must also recognize the distinct institutional capacity required to deliver equitable and Indigenous-led housing at scale. For URN Indigenous housing, that means sustained investment in for-Indigenous, by-Indigenous housing delivery capacity, including NICHI as Canada's only national Indigenous housing institution. The Black Communities Technical Housing Resource Centre similarly provides targeted capacity to help dismantle barriers to scaling up Black-led community housing.

CHRA strongly recommends that the federal government make a long-term investment into strengthening the non-market community housing sector by providing the Community Housing Transformation Centre with stable funding to 2038, alongside sustained investment in professionalization, equitable capacity building, and for-Indigenous, by-Indigenous housing delivery capacity, including national Indigenous housing institutions. Canada's community housing sector has established organizations act as national intermediaries and create capacity-building infrastructure that supports Canada's non-market housing sector to strengthen governance, scale delivery, preserve affordability, and mobilize innovation into practice. Failing to fund these efforts would be a significant setback at precisely the moment Canada needs to be scaling up.

16 Housing, Infrastructure and Communities Canada. *Progress on the Naitonal Housing Strategy* – December 2023.

About CHRA

The Canadian Housing and Renewal Association (CHRA) is Canada's national voice for the non-market community housing sector. CHRA represents a diverse membership of non-profit and cooperative housing providers, Indigenous housing organizations, provincial and territorial housing associations, municipalities, and other housing stakeholders.

Our members are on the front lines of Canada's housing crisis everyday building, operating, and managing homes for the people who need them most: seniors on fixed incomes; families in core housing need; people transitioning out of homelessness; Indigenous peoples in urban, rural, and northern contexts; below-median income households; and countless others.

CHRA believes that addressing Canada's housing crisis requires bold, sustained action. The market alone cannot and will not solve the affordability crisis. We need a strong, well-funded, permanently affordable non-market community housing sector to meet the needs of millions of Canadians.

CHRA's central position is clear: Canada must more than double the supply of non-market community housing.

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