

## REPORT



# Why income support is good housing policy

A new case for a permanent housing benefit in Canada

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### **About Maytree**

Maytree is a Toronto-based human rights organization committed to advancing systemic solutions to poverty and strengthening civic communities. We believe the most enduring way to fix the systems that create poverty is to ensure that economic and social rights are respected, protected, and fulfilled for all people living in Canada. Through our work, we support non-profit organizations, their leaders, and people they work with.

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# Introduction

People across Canada are struggling with the high cost of living. In 2024, nearly half of Canadians said that rising prices were greatly impacting their ability to meet day-to-day expenses, up from roughly a third in 2022.<sup>1</sup> Given the current climate of economic uncertainty, these concerns are only set to worsen.

When prices go up, everyone feels the affordability pinch, but people with lower incomes are disproportionately impacted. In 2024, Canadian households in the lowest income quintile devoted, on average, just over 94 per cent of their disposable income to basic needs, like housing, energy, and food.<sup>2</sup>

People with lower incomes who rent are often the ones who are most cost burdened. When money is tight, there is no cutting back on rent. As the saying goes: “The rent eats first.”

But all over Canada, governments have been implementing new policies and programs to make housing more affordable. So why are lower-income renters still struggling so much? And how can we make sure there are systems in place to protect them in such an unpredictable time?

In this report, we explore the key challenges affecting housing affordability for people with lower incomes. We show that income is a driving factor, with income supports for those in deepest poverty far from sufficient. We also find that the rents for market housing – where most people have to find a place to live – are often out of reach. These challenges are contributing to rising homelessness, and the intersectional characteristics of age, family type, gender, race, and others put some at greater risk.

Yet public debate and government policy responses tend to fixate on increasing the supply of market rental housing. The theory is that more of this housing will decrease costs, partially through the “filtering” effect, when people with higher incomes move to home ownership, freeing up space for people with lower

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1 Statistics Canada. (2024). *Nearly half of Canadians report that rising prices are greatly impacting their ability to meet day-to-day expenses*. <https://www150.statcan.gc.ca/n1/daily-quotidien/240815/dq240815b-eng.htm>.

2 Romard, R. (2025). *It's not a “vibecession.” Canadians are really struggling more, and the data proves it*. Canadian Centre for Policy Alternatives. <https://www.policyalternatives.ca/news-research/its-not-a-vibecession-canadians-are-really-struggling-more-and-the-data-proves-it/>.

incomes.<sup>3</sup> However, recent trends show that these efforts are largely benefitting higher-income renters and are not improving affordability for others.<sup>4</sup>

To this end, we assert that while there is a lot of talk about Canada's housing affordability crisis, we see a particular crisis for lower-income renters who need support now. The prevailing government approach of boosting market supply will not be enough to improve circumstances for these renters. And while significantly increasing the supply of non-market housing, especially social housing, will be absolutely necessary in the long term, it could take a decade for new efforts to come to fruition.

In the meantime, income is the only thing that will pay the rent. Unfortunately, we identify significant gaps in Canada's income security and housing policies that are preventing people with low incomes from getting the support they need. These include inadequate and outdated social assistance benefits, as well as challenges with the current design of the time-limited Canada Housing Benefit.

With this in mind, we show that Canada needs a permanent housing benefit to immediately raise incomes for people in deepest need, while also offering predictability and security. This is not a new idea, but it is one whose time has come.

Responsibility for the design, funding, and administration for this benefit should be shared by governments, and the benefit should integrate into the existing income security system.

In line with the *National Housing Strategy Act*, 2019, the benefit should also be grounded in the human right to adequate housing. This is a fundamental human right affirmed in international law and binding on all orders of government in Canada. It is commonly understood as having the right to a safe and secure home that meets minimum standards for elements such as affordability and habitability. Under the International Covenant on Economic, Social and Cultural Rights, Canada committed to use the "maximum available resources" to advance the "progressive realization" of this right. This means fulfilling the right to housing for more and more people as fast as resources will allow.

Adding this missing piece to the current approach to Canadian housing policy could turn the tide for many of those in greatest need. Alongside strong rent and income stability policies, as well as ambitious social housing development, a permanent portable housing benefit would help us build a housing system that meets the challenges of today and tomorrow.

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3 Canada Mortgage and Housing Corporation. (2024). *Understanding Filtering: A Long-Term Strategy to New Supply and Housing Affordability*. <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-research/research-reports/accelerate-supply/understanding-filtering-long-term-strategy-new-supply-housing-affordability>.

4 Canada Mortgage and Housing Corporation. (2024). *Fall 2024 Rental Market Report*. <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/market-reports/rental-market-reports-major-centres>.

# 1. What we know about housing for people with lower incomes

## Insufficient income drives housing need

In 2022, about 11.6 per cent of households in Canada were in core housing need. Being in core housing need combines several housing challenges into one measure – it means living in housing that is unaffordable (in that it costs 30 per cent or more of before-tax income) needs major repairs, does not have enough bedrooms, or faces a combination of these challenges. To be in core housing need in that it costs 30 per cent or more of before-tax income means that there is also no other housing available in your community that is affordable to you.<sup>5</sup>

While core housing need takes different challenges into account, most people fall into this situation because they spend too much of their income on housing rather than it being too small or in poor condition. In 2022, for example, nearly three-quarters of those who were in core housing need experienced unaffordable housing only.<sup>6</sup> This is especially the case for renters, who spend a greater proportion of their income on housing costs compared to owners.



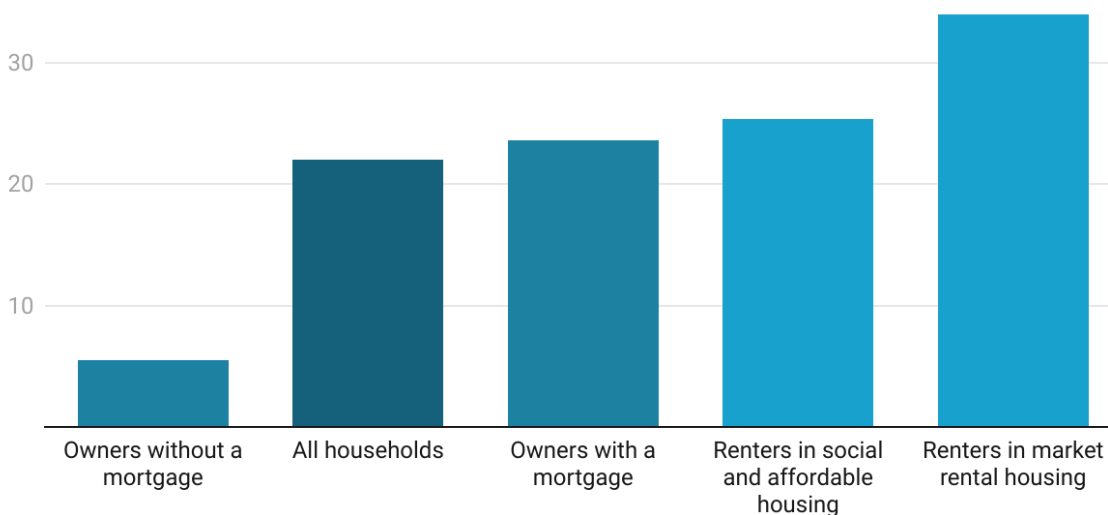
In 2022, nearly three-quarters of households in core housing need had unaffordable housing only.

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

6 *ibid.*

**Figure 1: Share of households spending 30% or more of their income on shelter costs by tenure, 2022**



Visualization of Statistics Canada calculations using the 2022 Canadian Housing Survey. Incomes refer to before-tax household income. Source: [Statistics Canada](#)

The intersection of income and tenure is also important: It is not just renters who are particularly cost burdened, but renters with lower incomes. In 2021, 17.2 per cent of renters experienced core housing need, compared to 58.6 per cent of renters living in poverty.<sup>7</sup>

Insufficient income is also contributing to rising homelessness across the country, which represents a clear and urgent violation of Canada's human rights obligations. The most recent point-in-time count of homelessness in Canada suggests that the number of people who are unhoused increased by roughly 20 per cent from 2018 to 2022, with more people living in unsheltered locations.<sup>8</sup> And the situation is likely to have gotten worse: A new study found that known homelessness in Ontario alone grew by 25 per cent in the last two years.<sup>9</sup> Chronic homelessness, characterized by continuous or repeated experiences of

7 Thurston, Z. (2023). *Housing Experiences in Canada: Renters who are in poverty, seniors and recent immigrants, 2021*. Maytree. <https://www150.statcan.gc.ca/n1/en/pub/46-28-0001/2021001/article/00025-eng.pdf?st=ldaSz54H>.

8 Infrastructure Canada. (2024). *Everyone Counts 2020-2022: Results from the Third Nationally Coordinated Point-in-Time Counts of Homelessness in Canada*. <https://housing-infrastructure.canada.ca/alt-format/pdf/homelessness-sans-abri/reports-rapports/pit-counts-dp-2020-2022-results-resultats-en.pdf>.

9 Donaldson, J., Wang, D., Escamilla, C., & Turner, A. (2025). Municipalities under pressure: The human and financial cost of Ontario's homelessness crisis. HelpSeeker. <https://www.amo.on.ca/policy/health-emergency-and-social-services/amo-launches-groundbreaking-homelessness-study-ontario>.

homelessness, has tripled over the same period, and now accounts for more than half of all people known to be homeless in the province.<sup>10</sup>

While there are many complex factors that contribute to homelessness, not having enough income is the most cited reason for a recent housing loss.<sup>11</sup> This finding underscores the need for sufficient income to stay housed in addition to finding housing to begin with.

## Spotlight: Housing need for equity-deserving populations

In 2022, people who lived alone and those in lone-parent families experienced core housing need at nearly double the rate of the population as whole.<sup>12</sup>

Housing affordability is a particularly difficult challenge for female-led households. A 2016 study found that all the female-led household types they examined had higher incidences of core housing need and lower household incomes compared to male-led households. While the incidence of core housing need among female-led households generally decreased with age, it increased for female-led one-person households.<sup>13</sup>

Households led by people with disabilities, Indigenous peoples, recent immigrants, and individuals from racialized communities are more likely to experience housing challenges compared to the overall population.<sup>14</sup> And some who have intersecting identities may face a combination of these experiences, pushing them even farther away from finding safe and affordable housing.

For those who are unhoused, Indigenous peoples are often over-represented. One estimate suggests that while roughly 5 per cent of Canadians identify as Indigenous, nearly one-third of those who are homeless identify as Indigenous.<sup>15</sup>

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10 *ibid.*

11 Infrastructure Canada. (2024). (Footnote 8).

12 White, A. & DiBellonia, S. (2024). Below the surface: What the latest Canadian Housing Survey data tells us about housing need. *Maytree*. <https://maytree.com/publications/below-the-surface-what-the-latest-canadian-housing-survey-data-tells-us-about-housing-need/>.

13 Canada Mortgage and Housing Corporation. (2019). *Housing Conditions of Female-led Households*. <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-research/research-reports/housing-needs/socio-economic-analysis-housing-conditions-female-led-households>.

14 DiBellonia, S. & Talwar Kapoor, G. (2023). *Modernizing Core Housing Need*. Maytree. <https://maytree.com/publications/modernizing-core-housing-need/>.

15 Infrastructure Canada. (2024). (Footnote 8).

# Existing income supports are part of the problem

Canada's patchwork of federal and provincial income supports help with different needs and circumstances. For example, some programs are considered forms of income replacement, since benefits are based on previous wages and they temporarily replace income in times of low or no earnings. Tax credits are often thought of as supplementary programs, since they provide additional support for specific purposes on top of the resources a person already has. Income supports can also have different funding and legislative frameworks, delivery methods, and target populations, with varying levels of support provided.

Provincial and territorial social assistance programs are often the main source of support for those who are of working age. For decades, low-income Canadians have relied on these programs to help pay the rent. Unfortunately, these benefits have not kept up with living costs, making finding a place to live even more difficult.

When comparing the total incomes of different households who could receive social assistance, Maytree found that even when combined with tax credits and benefits, most would still have incomes below the Market Basket Measure (MBM), Canada's official poverty line.<sup>16</sup> For single adults without disabilities, almost all of the households we assessed would not only fall into poverty, but deep poverty, meaning that their incomes were below 75 per cent of what is needed for basic goods and services.<sup>17</sup>

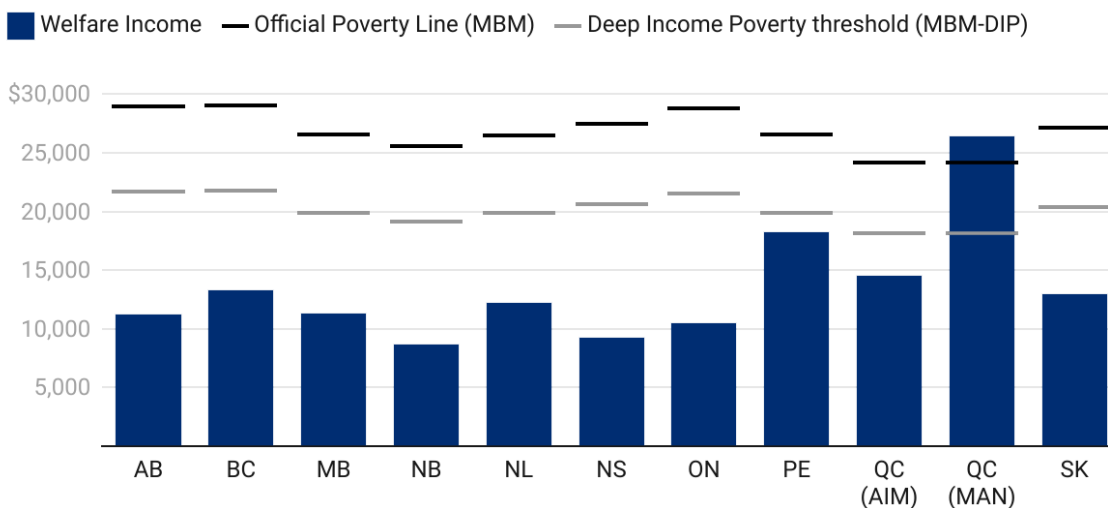
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16 Laidley, J. & Tabbara, M. (2024). *Interpreting the data: Key takeaways from Welfare in Canada, 2023*. Maytree. [https://maytree.com/wp-content/uploads/Welfare\\_in\\_Canada\\_2023\\_brief.pdf/](https://maytree.com/wp-content/uploads/Welfare_in_Canada_2023_brief.pdf/).

17 *ibid.*



**Figure 2: Adequacy of total welfare incomes for example unattached singles in each province, 2023**



*Note: AIM refers to Quebec's Aim for Employment program. MAN refers to Quebec's Manpower Training measure.*

Since almost half of all social assistance recipients live in Ontario, a closer look at this province can tell us more about the situation.

In Ontario, social assistance is divided into two main programs: Ontario Works and the Ontario Disability Support Program (ODSP). Ontario Works is for those with low incomes who are considered employable,<sup>18</sup> and ODSP benefits are for those with low incomes who have disabilities.

While the financial assistance provided through both programs is far too low, the state of Ontario Works benefits is alarming. Benefit amounts do not reflect the actual costs of basic necessities, have been frozen for nearly seven years, and do not even increase with inflation.

To understand how this relates to housing, compare benefits for a single individual receiving Ontario Works, who represent just over 64 per cent of all Ontario Works cases,<sup>19</sup> to the cost of rent. In 2024, a single person could receive a maximum of only \$733 per month from Ontario Works. By comparison, the average asking rent for a one-bedroom unit in Ontario was \$2,126 in December 2024, or nearly three

<sup>18</sup> Being considered employable typically means that a person does not have an identified disability that would prevent them from participating in the labour market. This concept of who is employable and the divide between who can and cannot work is outdated, and is only used in this paper to describe the design of these programs.

<sup>19</sup> Tabbara, M. (2024). *Social Assistance Summaries*. Maytree. <https://maytree.com/wp-content/uploads/Social-Assistance-Summaries-2023.pdf>.

times the maximum total Ontario Works benefit.<sup>20</sup> Even a unit that charges more affordable rent, such as a room with shared common space, often costs more than the maximum benefit amount and leaves the recipient with nothing left to pay for other necessities.

Adding insult to injury, aspects of the structure of social assistance programs are based on rules that no longer make sense in today's world. For example, financial assistance for both Ontario Works and ODSP is split into support for basic needs and shelter costs. To access shelter assistance, people have to provide information about where they live, the type of housing they have, who they live with, and the value and type of their housing-related expenses. This is all in addition to the other onerous reporting and eligibility requirements that go along with social assistance to begin with. And even when this information is given, the support a person can receive is often much less than what they need.

The situation can be even worse for a person who is unhoused. While a single person accessing Ontario Works can receive up to \$733 per month, if they are living in an encampment, they can only receive up to \$343 per month, the basic needs portion of the benefit. In the twisted logic of social assistance programs, this is because people who are unhoused do not have specific housing expenses, and so they would not require financial support to cover their shelter costs. This is likely the situation for the approximately 8 per cent of Ontario Works individuals and families who are unhoused – a figure that is estimated to have doubled since 2022.<sup>21</sup>

The commonly heard rationales for our broken social assistance systems do not hold up against reality. While some argue that increasing social assistance benefits could discourage people from working, benefits are far too low to be having this effect on people's decisions.

In fact, many people face health-related challenges, lack control over their working hours, cannot earn enough to leave the social assistance system, or require tailored work supports. For example, in Canada's 2020 to 2022 point-in-time count of homelessness, 85 per cent of people reported that they had at least one health challenge and over two-thirds reported that they had more than one.<sup>22</sup>

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20 Rentals.ca. (2025). January 2025 Rentals.ca Report. <https://rentals.ca/blog/january-2025-rentals-ca-rent-report>.

21 Pinkerton, C., & Hauen, J. (2024). Number of homeless OW, ODSP recipients has almost doubled in two years: government data. The Trillium. <https://www.thetrillium.ca/news/social-services-and-society/number-of-homeless-ow-odsp-recipients-has-almost-doubled-in-two-years-government-data-9577826>.

22 Infrastructure Canada. (2024). (Footnote 8).

Recent changes to Ontario's Integrated Employment Services (IES) system are not helping matters either. A third-party evaluation of the first three IES regions found that people who were closest to the labour market were receiving the most support, whereas the needs of people with barriers to employment, such as ODSP recipients, were not being met.<sup>23</sup>

But even having a full-time job does not guarantee having enough money for housing when rents grow faster than wages, especially the minimum wage. In 2023, in every province in Canada, the hourly wage needed for rental housing to be affordable was higher than the hourly minimum wage.<sup>24</sup>

## There is not enough affordable rental housing

Most rental housing in Canada is owned and operated in the private market, where rent is based on market forces. Currently, about 88 per cent of renter households live in this type of housing. The remaining 12 per cent of renters live in non-market housing, including social housing, where rents take into account how much a person can afford based on their income.

Despite its importance in the housing system, there is not enough social housing for the number of people who need it – a situation that seems to only be getting worse. In 2022, there were approximately 245,900 households on the waitlist for social housing across Canada, with most of these households living in Ontario, Quebec, and British Columbia. The national average wait time for social housing is just over four years, an increase of eight months from 2018.<sup>25</sup>

Yet even when social housing units are available, there is no guarantee that they will be as affordable as some need them to be. A report from Scotiabank Economics found that renters in the lowest after-tax income quintile would have to pay more than the defined threshold for affordability in Canada – 30 per cent

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23 White, A. & DiBellonia, S. (2024). *Early signs of trouble: Findings from the third-party evaluation of Ontario's Employment Services Transformation*. Maytree. <https://maytree.com/publications/early-signs-of-trouble-findings-from-the-third-party-evaluation-of-ontariosemployment-services-transformation/>.

24 Tranjan, R. & Macdonald, D. (2024). Out-of-control rents: Rental wages in Canada, 2023. *Canadian Centre for Policy Alternatives*. <https://www.policyalternatives.ca/news-research/out-of-control-rents/>.

25 See Canadian Housing Survey Data Tables, Table 11.0 Number and Percentage of Households on a Waitlist for Subsidized Housing. <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/canadian-housing-survey-2022>.

of their income – for the average two-bedroom social housing unit in eight of ten provinces.<sup>26</sup>

Lower-income households who cannot access social housing are left to find housing in the private rental market, where affordability is getting further out of reach. From October 2022 to 2023, average rents for two-bedroom units in purpose-built apartments grew by 8 per cent compared to the previous year, outpacing wage and inflation growth. By comparison, from 1990 to 2022, average growth was 2.8 per cent.<sup>27</sup>

While overall rent growth is starting to cool, reporting from the Canada Mortgage and Housing Corporation (CMHC) suggests that new rental units will still be unaffordable. From October 2023 to 2024, the average rent for two-bedroom purpose-built units that were turned over to new tenants increased by 23.5 per cent compared to the previous year. While just one in eight of these types of units were turned over to new tenants, they contributed to more than 40 per cent of total rent growth.<sup>28</sup>

Various factors are influencing these trends, and while not always acknowledged, this includes lax provincial and territorial laws that regulate the price of rent. These policies, where they exist, can include gaps like vacancy de-control, when there is no limit on how much rent can be charged when a tenant moves out and a new one moves in. There are also usually provisions that allow for above-guideline-rent increases, when rents can be increased above legislated limits to make renovations, or exemptions for newer buildings. The gaps in these policies can put upward pressure on rents and encourage evictions to increase profits.

Unsurprisingly, some tenants, when they are able to, are choosing to stay in their units to avoid the near certainty of a rent increase. In the 2022 to 2023 period, the national vacancy rate for purpose-built apartments was a record-low of 1.5 per cent. Even worse, virtually none of the units that were available would be affordable to households in the first income quintile in major cities like Vancouver, Toronto, and Ottawa.<sup>29</sup> While the overall vacancy rate rose to 2.2 per cent in the 2023 to 2024 period, this is still below the 10-year historical average.<sup>30</sup>

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26 Young, R. (2023). *Canadian Housing Affordability Hurts*. Scotiabank Economics. <https://www.scotiabank.com/ca/en/about/economics/economics-publications/post.other-publications.insights-views.social-housing--january-18--2023-.html>.

27 Canada Mortgage and Housing Corporation. (2024). *Rental Market Report: January 2024*. <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/market-reports/rental-market-report/rental-market-report-2023-en.pdf>.

28 Canada Mortgage and Housing Corporation. (2024). (Footnote 4).

29 Canada Mortgage and Housing Corporation. (2024). (Footnote 27)

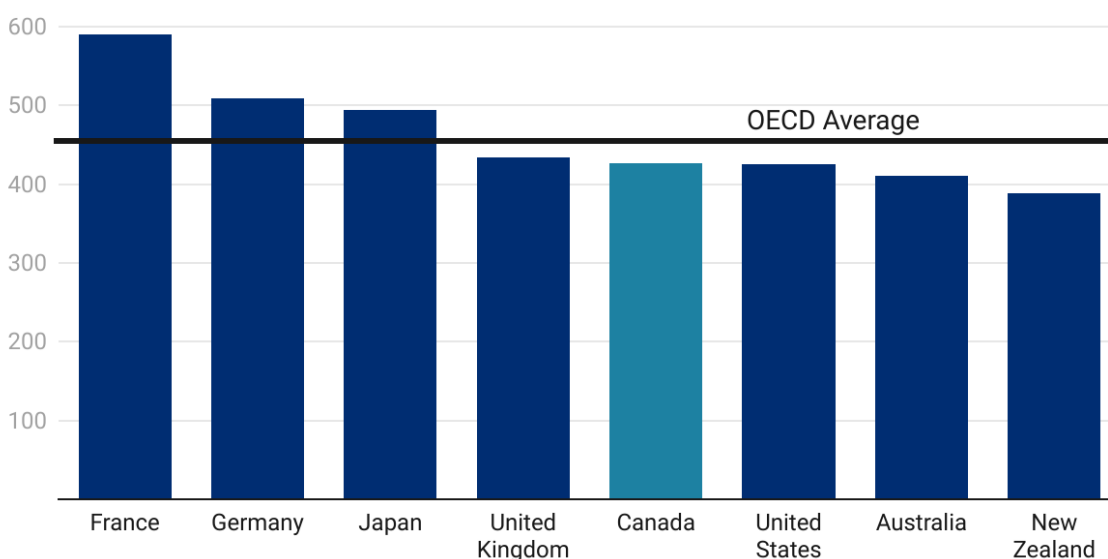
30 Canada Mortgage and Housing Corporation. (2024). (Footnote 4).

## 2. How policymakers have responded

### The focus on market supply is leaving people with lower incomes behind

Over the past few years, housing policy conversations have been dominated by the idea that there is not enough housing supply to meet demand, especially when Canada is compared to other OECD countries, as in Figure 3.

**Figure 3: 2022 Federal Budget depiction of the number of homes per 1,000 people for selected OECD countries, highlighting Canada's gap**



Source: Government of Canada illustration based on 2021 OECD Questionnaire on Affordable and Social Housing.

This has prompted several estimates of how much more housing Canada needs to restore affordability. These estimates vary because they rely on generalized assumptions. For example, CMHC estimates that while current rates of construction will increase Canada's overall housing stock by 2.3 million units from 2021 to 2030, about 3.5 million additional units would still be needed to make housing more affordable by that time.<sup>31</sup> Even when accounting for the federal government's new immigration plan, which will slow demand, the Parliamentary

31 Canada Mortgage and Housing Corporation. (2023). *Estimating how much housing we'll need by 2030*. <https://www.cmhc-schl.gc.ca/blog/2023/estimating-how-much-housing-we-need-by-2030>.

Budget Officer estimates that Canada could still have a housing supply gap of 658,000 units in 2030.<sup>32</sup>

Most conversations about housing supply ignore the fact that the private market has never shown an ability to build housing that is affordable to low-income Canadians. What low-income Canadians need is the right kind of supply in the form of deeply affordable non-market housing, coupled with greater income supports that make the low end of the market rental market a realistic option for more families.

For example, a 2023 report from Scotiabank found that social housing represents just 3.5 per cent of Canada's total housing stock. To make housing more affordable to people with lower incomes, we would need to at least double this amount just to meet the OECD average.<sup>33</sup> Research commissioned by the Office of the Federal Housing Advocate supports the idea that more housing specifically for this population is needed, estimating that 9.6 million more homes will be needed by 2031 to make housing more affordable, including 4.3 million homes for those in the lowest income quintile alone.<sup>34</sup>

Unfortunately, our housing policy responses have focused far too much on increasing market rental supply, without a matching investment in non-market housing. A closer look at the federal National Housing Strategy's two biggest programs highlights the challenges with this approach. These programs are the

Affordable Housing Fund (formerly the National Housing Co-Investment Fund) and the Apartment Construction Loan Program (formerly the Rental Construction Financing Initiative), representing \$10.34 billion and \$20.65 billion in committed funding, respectively.<sup>35</sup>

While the structure of these programs has evolved over time, an analysis found that most of the funding committed has been for loans, the majority of which have gone to private developers. The consequence is that neither of these programs is equipped to provide much support to lower-income renters. Just over one-third

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32 Office of the Parliamentary Budget Officer. (2024). *Impact of the 2025-2027 Immigration Levels Plan on Canada's Housing Gap*. <https://www.pbo-dpb.ca/en/additional-analyses--analyses-complementaires/BLOG-2425-006--impact-2025-2027-immigration-levels-plan-canada-housing-gap--repercussions-plan-niveaux-immigration-2025-2027-ecart-offre-logement-canada>.

33 Young, R. (2023). (Footnote 26).

34 Whitzman, C. (2023). *A Human Rights Based Calculation of Canada's Housing Supply Shortages*. (Office of the Federal Housing Advocate). [https://homelesshub.ca/sites/default/files/attachments/Whitzman-Human\\_Rights\\_Based\\_Supply\\_Report-EN\\_1.pdf](https://homelesshub.ca/sites/default/files/attachments/Whitzman-Human_Rights_Based_Supply_Report-EN_1.pdf)

35 Government of Canada. (2024). *Progress on the National Housing Strategy: September 2024*. <https://housing-infrastructure.canada.ca/alt-format/pdf/housing-logement/ptch-csd/prog-nhs-sept-2024-sept-snl-en.pdf>.

of the new units created through the Affordable Housing Fund would be the right size and cost to meet the needs of low-income households, while only 3 per cent of units from the Apartment Construction Loan Program would be able to support this population.<sup>36</sup>

By comparison, initiatives focused on expanding non-market housing are not getting the same amount of funding or attention. For example, even if bilateral efforts aimed at supporting non-market housing meet their goals (e.g., expand social housing by 50,000 units), we could still have about 96,000 fewer units of social housing than we did in 2015.<sup>37</sup>

While the federal government has recently proposed some important housing initiatives that could better support people with lower incomes, its approach remains focused on market rental supply.

A 2024 report from the Office of the Parliamentary Budget Officer (PBO) found that the largest share of new funding provided through the federal housing strategy has been for one-time funding for the “Financing for Housing” stream, which includes the Affordable Housing Fund and the Apartment Construction Loan Program. These programs received a \$1.3 billion annual increase in real spending compared to the previous decade. By comparison, programs that fell into the category of “Assistance for Housing Need,” typically targeted to people with low incomes, saw a 19 per cent decline in real spending when compared to the previous decade.<sup>38</sup> If policies progress as they are, along with current trends in incomes and rent, we could see core housing need grow for the renter population from now until 2027.<sup>39</sup>

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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 Blueprint. (2022). *Analysis of the Progress of Bilateral National Housing Strategy Programs*. <https://assets.cmhc-schl.gc.ca/sites/place-to-call-home/pdfs/national-housing-council/blueprint-report-analysis-progress-bilateral-nhs-programs-en.pdf?rev=0d9e503d-6318-4ccb-b909-e1a00f291163>.

38 Office of the Parliamentary Budget Officer. (2024). *Federal Spending on Housing Affordability in 2024*. <https://www.pbo-dpb.ca/en/publications/RP-2425-023-S--federal-spending-housing-affordability-in-2024--depenses-federales-axe-es-abordabilite-logement-2024>.

39 *ibid.*



Table 1: PBO estimates of selected federal funding by housing policy area, annual real spending, millions of dollars, 2024

Policy Area	2008-09 to 2017-18 (Baseline)	2018-19 to 2027-28 (National Housing Strategy)	\$ Change in real spending	% Change in real spending
Assistance for Housing Need	\$3,862	\$3,120	\$(742)	-19%
Financing for Housing	\$15	\$1,341	\$1,326	8913%

Predictably, recent trends reported by CMHC further show that increasing market supply is not having an impact on affordability for lower-income households. In 2024, despite more rental completions, lower-income households are still struggling, as completions in some regions are being driven by new units that support higher-income households. In Toronto, for example, condo completions drove the increase in overall rental supply.<sup>40</sup> Combined with gaps in provincial and territorial rent regulations, new units are simply out of reach for many lower-income renters. Even CMHC notes that other policies will be needed to improve affordability for lower-income renters – the first time the agency has publicly acknowledged this gap in a major publication in recent years.

### 3. The way forward

#### Income support as housing policy

Expanding non-market housing, especially social housing, will be critical to improving affordability for lower-income households in the long term. Several housing researchers have pointed to potential approaches to achieve this goal, including better use of government-owned land, providing more low-interest financing and grants to community housing providers, and focusing on zoning reforms.<sup>41</sup>

But the reality is that many renters with lower incomes need support with their housing costs now and simply cannot wait for years for these efforts to come to fruition. This is where income supports come in. We have already discussed the role

40 Canada Mortgage and Housing Corporation (2024). (Footnote 4).

41 Whitzman, C. *Homeward Bound: How to Create Deeply Affordable Housing*. Institute for Research and Public Policy. <https://irpp.org/wp-content/uploads/2024/10/Homeward-Bound-How-to-Create-Deeply-Affordable-Housing.pdf>.



our income security system has played for decades in helping to keep thousands of low-income Canadians housed. In fact, governments across Canada spend about \$18 billion a year on direct financial support through their social assistance programs, the majority of which often goes to making sure people can pay rent and stay housed.<sup>42</sup>

Income support, or demand-side assistance, focuses on directly raising the incomes of renters. And while demand-side assistance can be provided to an individual, a landlord on behalf of the individual, or a housing provider, the ultimate goal is to boost the renter's ability to afford their housing. A strictly demand-side approach is agnostic to where someone lives, since support is tied to the individual and not the specific housing unit.

Demand-side supports for lower-income households have several advantages. They can be targeted to people with lower incomes who have varying needs and circumstances; they can promote choice and autonomy; and, if provided over the long-term, they can offer stable and predictable support. Importantly, they can provide immediate relief to complement efforts to expand social housing.

Trends in core housing need during and after the COVID-19 pandemic show the impact that income supports can have on housing affordability. In 2021, the number of households experiencing core housing need actually decreased substantially compared to 2016, especially among the lower-income renter population.<sup>43</sup> National poverty rates also dropped during this time.<sup>44</sup>

Affordability improved for these households largely because they received temporary income supports, such as the Canada Emergency Response Benefit, and benefited from provincial and territorial policies that froze rents. In 2022, once these policies were phased out, core housing need and poverty rates returned to pre-pandemic levels.

Having enough income also helps people exit homelessness. Using data from the Canadian Housing Survey, Statistics Canada found that financial factors contributed to nearly 70 per cent of exits from sheltered or unsheltered homelessness in 2022. Financial factors included employment income, social assistance, and receiving support from friends or other sources.<sup>45</sup>

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42 Author calculations based on data compiled by Open Policy Ontario from provincial public accounts.

43 DiBellonia, S. & Talwar Kapoor, G. (2023). (Footnote 14).

44 White, A., DiBellonia, S. & Tabbara, M. (2024). *Warning signs: Poverty in Canada*. Maytree. <https://maytree.com/publications/warning-signs-poverty-in-2022/>.

45 Espinoza, F., & Randle, J. (2025). *Existing homelessness: An examination of factors contributing to regaining and maintaining housing*. Statistics Canada. [https://www150.statcan.gc.ca/n1/pub/46-28-0001/2025001/article/00002-eng.htm?utm\\_source=mstatcan&utm\\_medium=eml&utm\\_campaign=statcan-statcan-mstatcan](https://www150.statcan.gc.ca/n1/pub/46-28-0001/2025001/article/00002-eng.htm?utm_source=mstatcan&utm_medium=eml&utm_campaign=statcan-statcan-mstatcan).

But, as discussed in Section 1, most social assistance programs provide too little support for too few people to replicate the success of pandemic supports. And at the federal level, despite having an official housing strategy, there is only one nation-wide income support specifically for lower-income renters: the Canada Housing Benefit (CHB).

## Learning from the current housing benefit regime

The CHB, jointly funded with provinces and territories, provides support to lower-income renters through a “rent-gap” model, where the assistance covers the gap between their income and affordable 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.”<sup>46</sup>

The CHB is temporary, launched in 2020-2021 and ending in 2029. When it was introduced as part of the National Housing Strategy, CHB benefits were estimated to be \$2,500 on average per year, targeting 300,000 households by the program’s end, at a total cost of \$4.6 billion.<sup>47</sup> 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.<sup>48</sup>

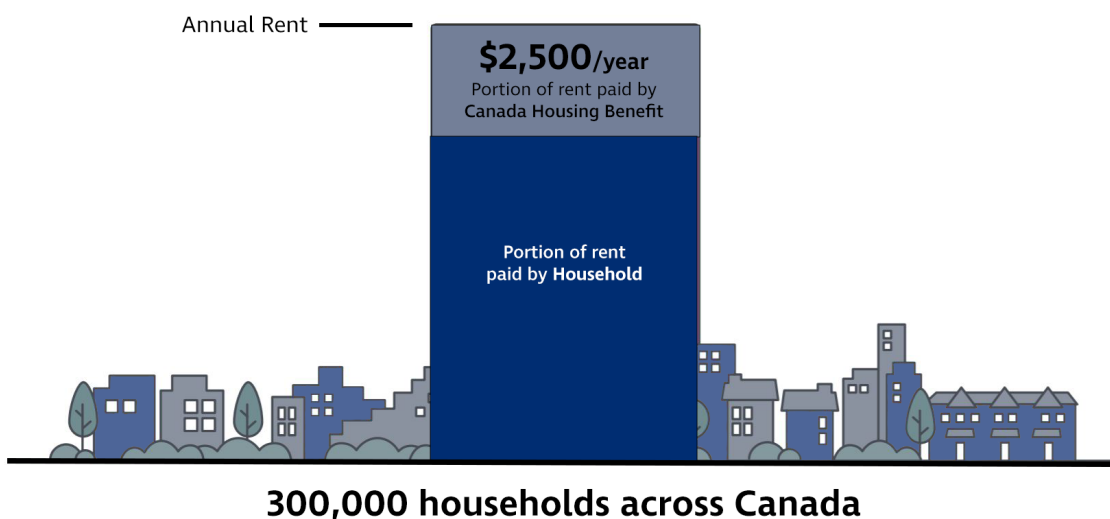
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46 Government of Canada. (n.d.) *Canada’s National Housing Strategy*. <https://housing-infrastructure.canada.ca/alt-format/pdf/housing-logement/ptch-csd/canada-national-housing-strategy.pdf>.

47 *ibid.*

48 Government of Canada. (2024). (Footnote 25).

**Figure 4: 2017 National Housing Strategy overview illustration of the CHB**



While the CHB has the potential to provide greater support to lower-income renters, there are challenges with its current design that limits its effectiveness.

First, it is not funded sufficiently to support the number of people who need it. One report found that it would have cost about \$3.5 billion in 2022 alone to support all CHB-eligible households – this is more than the \$4 billion initially allocated for the program’s roughly nine-year run.<sup>49</sup> Insufficient funding is having effects on the ground, with some municipalities reporting that they are exhausting their CHB allocations before they can receive more of it. For existing recipients, this means not getting enough support or even less stability. It also prevents new applicants from entering the program.

There is also significant variation in how the program is being implemented across, and even within, different regions, leading to confusion over eligibility requirements, inequitable outcomes, and a lack of clarity on how well the program is meeting people’s needs.

And, ultimately, the CHB is a time-limited program that was not specifically designed with the rest of the income security system in mind. Rather, it mitigates costs for some individuals in the short term. In this way, it can add further complexity to existing income and housing services by operating outside of the system, making it difficult to scale the current CHB design even if more funding were available.

Despite its challenges, recent evidence from the Atlantic provinces about the impact of their CHB programs suggests that overall, providing more income support

<sup>49</sup> Blueprint. (2022). (Footnote 37).

is helping lower-income renters find and keep their housing.<sup>50</sup> Clearly, having a broadly available portable housing benefit can be beneficial, but the challenge lies in getting the design and implementation right.

## In focus: The Canada-Ontario Housing Benefit

### What is the Canada Housing Benefit in Ontario?

The Canada-Ontario Housing Benefit (COHB) is the version of the Canada Housing Benefit delivered in Ontario. While the COHB's general design and administration is a provincial responsibility, municipalities and community partners often determine who receives the benefits – households cannot directly apply.

### Who is eligible?

Access is based on residency status and eligibility for the social housing waitlist, and applicants are supposed to be removed from the waitlist if they accept the COHB. This design means that the COHB is intended to assist renters in market housing.

Priority for the COHB is expected to be given to survivors of domestic violence, people experiencing or at risk of experiencing homelessness, Indigenous persons, seniors, persons with disabilities, and households that are no longer receiving housing assistance due to the loss of some social housing units in the province.<sup>51</sup> These are general guidelines and who is receiving or given priority for the COHB can differ across municipalities.

### How much can you receive?

For those who do not receive social assistance, the COHB pays the difference between 30 per cent of the household's annual income, as reported on their tax returns, and the average market rent in the area for the size of the unit the household needs. For those who receive social assistance, the COHB pays the difference between their shelter benefit and rental costs, up to a maximum amount.<sup>52</sup> Eligibility is assessed on an annual basis.

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50 Leviten-Reid, C., Digou, M. & Kennelly, J. (2024). Housing as a human right, rent supplements and the new Canada Housing Benefit. *Housing Studies*. <https://www.tandfonline.com/doi/epdf/10.1080/02673037.2024.2307595?needAccess=true>.

51 Government of Ontario. (2024). Ontario's Second Action Plan Under the National Housing Strategy (2022-2025). <https://www.ontario.ca/document/ontarios-second-action-plan-under-national-housing-strategy-2022-25>.

52 City of Toronto. (n.d.). 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/>.

For example, in 2024, a single person living in Toronto who:

1. Has an annual net income of about \$32,273, equal to full time earnings at the minimum wage
2. Rents a one-bedroom unit at \$1,708 per month, the average market rent in Toronto
3. Could receive about **\$901/month** through the COHB. They would still need to put 30 per cent of their monthly income (about \$807) towards their rent – the amount considered affordable.<sup>53</sup> Unfortunately, there is very little public reporting on COHB benefits, making it unclear how representative this example is to the population of recipients.

### **What is the impact?**

According to Ontario's 2022 to 2025 Action Plan under the National Housing Strategy, the COHB, combined with benefits for survivors of gender-based violence, is intended to support 19,902 households from the 2022-23 to the 2024-25 fiscal years.<sup>54</sup>

Since the province's reporting makes it difficult to determine how much the COHB alone supports recipients, or who receives these benefits. Reporting from the City of Toronto suggests that in Toronto, the COHB supported almost 3,300 new households in 2023-24, most of whom were experiencing homelessness.<sup>55</sup>

Provincial housing benefits, like Manitoba's Rent Assist program, also illustrate how a permanent housing benefit can be designed to support a broader population of lower-income renters.

Manitoba's Rent Assist program offers financial assistance to people with lower incomes who rent in the private market 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 status in Canada.

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53 Author estimates are an illustration only using the City of Toronto's October 2024 COHB calculator. The person is assumed to have earned the minimum wage as at October 2023 for the full year (\$16.55/hour), since benefits are based on the previous year's income, with no other sources of income. Full-time work is assumed to be 37.5 hours/week for 52 weeks. The average market rent for a one-bedroom unit in Toronto is per CMHC.

54 Government of Ontario. (2024). (Footnote 49).

55 City of Toronto. (2024). 2023-2023 *Housing Update Report*. <https://www.toronto.ca/legdocs/mmis/2024/ph/bgrd/backgroundfile-248632.pdf>.

In general, Rent Assist benefits follow the “rent-gap” model, where assistance pays the difference between a person’s ability to pay and a proportion of the median market rent in Winnipeg. For people receiving social assistance, benefits are generally equal to 77 per cent of the median market rent, and for those without social assistance, benefits pay the difference between 30 per cent of annual household income and 80 per cent of the median market rent.<sup>56</sup> This design can help to mitigate the effect that boosting incomes can have on increasing rents, since it acts as more of a targeted income supplement rather than supplementing the cost of actual rent paid.

There are several promising features of Manitoba’s Rent Assist model. 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.<sup>57</sup> Many recipients also see benefits beyond just reduced housing costs, such as relief from day-to-day stress.<sup>58</sup> However, there are still some challenges related to the adequacy of benefit levels, the quality of the housing that people are accessing, and awareness of the program for people outside of social assistance.<sup>59</sup>

Taken together, the federal CHB and Manitoba’s Rent Assist program illustrate how a housing benefit could help lower-income people find housing, while also supporting existing renters to stay housed (see Appendix 2 for more details). We can address some of the program flaws that we noted in this section by learning from Canada’s other successful income-tested benefits, such as the Canada Child Benefit and the Guaranteed Income Supplement (see Appendix 3). These permanent programs help to support a broad range of Canadians to cover their costs of living without cumbersome administration and significant regional variation in design.

Getting housing benefits right is not just good for renters, it also means society-wide cost savings. For example, the BC Rent Bank estimates that every dollar in emergency financial assistance it provides leads to five dollars in savings. Some of the gains go to renters by keeping them housed at lower rents and avoiding the costs of moving, storage, and lost possessions. The rest of the savings go

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56 Government of Manitoba. (n.d.) *Assistance Regulation*. [https://www.gov.mb.ca/fs/eia\\_manual/regs/index.html](https://www.gov.mb.ca/fs/eia_manual/regs/index.html).

57 Brandon, J., Hajer, J., & Mendelson, M. (2017). *What does an actual housing allowance look like? Manitoba’s Rent Assist Program*. Caledon Institute of Social Policy. <https://maytree.com/wp-content/uploads/1117ENG.pdf>.

58 Cooper, S., Hajer, J., & Plaut, S. (2020). *Assisting Renters: Manitoba’s Rent Assist in the Context of Canada’s National Housing Strategy*. Canadian Centre for Policy Alternatives. [https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/sf/project/archive/publications/nhs/research\\_and\\_planning\\_fund\\_program/assisting-renters.pdf](https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/sf/project/archive/publications/nhs/research_and_planning_fund_program/assisting-renters.pdf).

59 *ibid.*

to governments in the form of lower public expenditures for health care, child welfare, and housing services.<sup>60</sup>

## Pair housing benefits with stability measures to keep housing affordable over the longer term

Programs that boost incomes, like a housing benefit, can only go so far on their own. They must be complimented by other policies that protect their value over time. The most important of these are provincial and territorial rent regulations and benefit indexation.

Rent regulation policies include rent control, which can help keep annual rent increases from growing beyond what people with lower incomes are able to pay. Policies that provide protection against evictions can also help to preserve the supply of affordable rental housing, as well as protect people's security of tenure. Both are critical aspects of upholding the human right to adequate housing.

While there are concerns that some of these policies can deter the creation of new rental housing, a recent study from CMHC did not find evidence that rental starts were lower in rent control markets than in no rent control markets.<sup>61</sup> Rather, the study highlights the impact that policies can have on rents: That markets without rent control are more likely to vary, and can lead to an increase in rental prices when they have exemptions for new units.<sup>62</sup>

In addition, to ensure that the value of demand-side support is not eroded over time, all governments should commit to automatically adjusting their income security programs with living costs. As we noted in Section 1, some income supports for people with very low incomes are only being increased on an ad-hoc basis, leaving many with unpredictable and inconsistent levels of support. In any income support program, consideration must be given to making sure that benefits keep up with inflation – a practice consistent with many tax-based benefits and credits.

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60 BC Rent Bank. (2024). *The Power of Eviction Prevention: How BC Rent Bank Saves Renters and Government \$27.5 million*. <https://bcrentbank.ca/news/eviction-prevention-report/>.

61 Canada Mortgage and Housing Corporation. (2020). *Rent Controls, Rental Prices and Rental Supply: Empirical Evidence from Canadian Metropolitan Centres*. <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-research/research-reports/housing-needs/research-insight-impact-rent-control-housing-affordability>

62 *ibid.*



## 4. Our proposal for a permanent housing benefit

### The idea in brief

Maytree is proposing the creation of a permanent, long-term housing benefit that would be integrated into the existing income security and housing systems for people with lower incomes. The intention is to create stability for those struggling to remain housed in the rental market, as well as to help those who are unhoused afford a place to live.

**Table 2: Illustration of income security integration into housing policy for lower-income renters**

Policy tool	Addresses immediate needs	Provides longer-term stability
Housing	Emergency shelters, transitional housing	Non-market housing (including social housing)
Income support	Social assistance programs, wage-loss programs, the CHB, financial support for renters (rent banks)	Longer-term income supports (tax-based and other benefits with yearly assessments)
	<b>New tool: Permanent housing benefit + inflation indexing of all benefits (integrated with current supports)</b>	
Rent regulation policies	Temporary rent freezes, eviction prevention	Legislation that regulates rents, such as rent control and vacancy control

### GOAL 1

#### Support new or existing renters with lower incomes

The benefit would aim to support lower-income renters, whether they currently have a place to live or are looking for one.

### GOAL 2

#### Spur greater collaboration between levels of government on benefit design, funding, and delivery

An effective housing benefit must leverage the capacities and responsibilities of each level of government. The federal government has the greatest fiscal capacity



and plays a key role in developing a national policy framework that offers a balance of consistency and flexibility. As such, it should take the lead in the legislative and fiscal framework for the benefit.

Since provinces and territories oversee both social assistance programs and rent regulations, they must also play an integral role in designing a housing benefit that reflects their current system of supports, tailored to the needs of their jurisdictions. Their fiscal capacity can also be leveraged to support this goal.

In some provinces, municipalities and communities could play a role in implementation.

### **GOAL 3**

## **Use human rights principles to guide policy design and implementation**

The benefit design should reflect the needs of the people it will support, and a rights-based approach will help achieve this goal. Starting with the recognition that adequate housing is a fundamental human right, the elements of adequate housing as defined in international law must guide the benefit's design and implementation. Aligned with the *National Housing Strategy Act*, 2019, there should also be defined goals related to supporting people in need, as well as mechanisms to monitor these goals.

While some governments in Canada recognize the right to housing, none have fully embedded this approach in their policies and programs. To ensure that programs are properly targeted and that accountability mechanisms are in place, human rights principles must be at the heart of any policy response to address rental housing affordability.

# Key principles

## Adequacy and dignity



Benefit amounts should be adequate enough to help people meet their needs. As such, consideration should be given to how well the benefit, when combined with other supports, reduces indicators of income and housing need, such as poverty, core housing need, and homelessness.

To promote dignity, the design of the benefit should also be grounded in the principles of autonomy, flexibility, and predictability.

## Equity



The benefit amount would be reduced as income increases to ensure that it is both targeted and progressive. This means that the deepest support would be provided to those with lower incomes.

The benefit should also aim to improve equity between recipients, so that everyone can get the support they need regardless of their varying circumstances, such as their income source or housing situation. This may mean redesigning or modifying current programs.

## Simplicity



Eligibility rules and benefit administration should minimize the burden placed on individuals to apply for and receive the benefit.

While the benefit should reduce the overall complexity of the income security system, there may also be a need for several assessment and delivery methods to respond to different housing needs. This will require a holistic view of the income security system and a whole-of-government approach to assess potential benefit interactions.

## 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.

## Transparency and accountability



Governments should set clear and measurable goals for the benefit, as well as create the internal infrastructure to monitor these goals.

Basic information about how the benefit is working, including spending, recipients, and progress made against goals, should be available to the public. 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.

# Policy considerations

We recognize that a housing benefit is not a panacea for all of the challenges faced by lower-income renters. In this report, we focus on examining how a housing benefit could help ease the cost burden of housing for specific populations, but there are other important and intersecting issues in Canada's housing system that would still need to be addressed. These include the adequacy of the condition and size of a family's housing, as well as challenges related to accessing homeownership for newer owners, including lower-income people who have limited rental options. Consideration also needs to be given to the specific needs of equity-deserving populations, such as strengthening policies to reduce discrimination in the tenant screening process.

Importantly, policymakers should recognize that a housing benefit will not replace the need for more non-market housing. This report is meant to show that the urgency and magnitude of the challenges faced by people with lower incomes requires using all tools available in a complementary way, not using one at the expense of another.

In addition, policymakers need to keep in mind some specific design considerations. These include:

- **Appropriateness:** A housing benefit alone may not be appropriate for some who face affordability challenges. For example, some people with lower-incomes face multiple barriers to accessing housing and require additional support tailored to their needs, such as health-related supports. Others may also need specific supports that are more culturally appropriate.
- **Rent inflation:** Consideration should be given to a benefit design that helps to mitigate potential upward pressure on rents. To protect the benefit's value, approaches to rent regulation may also need to be explored.
- **Benefit interactions and the “welfare wall”:** How a housing benefit fits with existing income support and housing programs would need to be thoroughly assessed. Interactions include exploring the ways in which the income received by this benefit would be treated in calculating the amount of other benefits. Particular attention will need to be given to how the benefit can complement the existing social assistance system, so as to not increase complexity or discourage exiting social assistance for work.<sup>63</sup>

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63 Torjman, S., & Battle, K. (1993). *Breaking Down the Welfare Wall*. Caledon Institute of Social Policy. <https://maytree.com/wp-content/uploads/488ENG.pdf>.

- **Trade-offs:** It may not be possible to achieve all of the policy goals and guiding principles outlined in this report at once. Fiscal considerations will also need to be taken into account, which can impact the ultimate structure of the benefit.

## 5. Next steps

This is the first in a series of Maytree reports about a permanent housing benefit in Canada. In this report, we mainly focused on why this benefit is needed and the general principles that should be used to guide its development. The appendices also outline lessons that can be used to inform the design and implementation of the benefit, including from former housing benefit proposals, existing housing benefit programs, income supports, and rights-based legislation.

In subsequent reports, we will explore questions related to the key features of the benefit. These include the elements of the benefit's design (e.g., age or income eligibility, benefit amounts), potential assessment and delivery mechanisms, as well as funding and legislative arrangements. In addition, we will examine how a housing benefit could be integrated into the existing system of supports for people with lower incomes to reduce complexity and improve well-being.

Ultimately, we aim to provide policymakers with a practical and implementable design for housing benefit that makes income security a part of our overall approach to housing policy.

# Appendices: Learning from experience

## Appendix 1: A recent history of housing benefit discussions

### National Housing Collaborative (2016)

The National Housing Collaborative put forward a housing benefit proposal in the lead up to the National Housing Strategy.<sup>64</sup>

In the proposal, the benefit amount would equal the gap between 30 per cent of the household's income and its rent, up to a maximum level for the community. However, the benefit would cover only 75 per cent of this gap to reduce upward pressure on rents, while still improving affordability.

### Canadian Alliance to End Homelessness (2023)

More recently, research from the Canadian Alliance to End Homelessness proposed a federal Homelessness Prevention and Housing Benefit that targets renters in core housing need and people experiencing homelessness.<sup>65</sup>

This proposal splits benefits into two streams: one to support exits out of homelessness, and another for people who are at risk of becoming homeless (i.e., those in unaffordable housing). For the second stream, two approaches are put forward – one that is more universal for people in deepest housing need (i.e., those who spend 50 per cent or more of their income on rent) and another that has a selective enrollment process based on the level of need. The personal income tax system would be used to assess and deliver benefits in both streams. The report also notes that the infrastructure built by Reaching Home, which provides support for homelessness prevention through a community-based model, could be used as a way to support to people experiencing chronic homelessness.

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64 National Housing Collaborative. (2016). *A new housing affordability agenda for Canada: submission to the National Housing Strategy*. <https://cdn2.hubspot.net/hubfs/316071/VC/Policy%20Clearing%20House/NHC-Submission-Oct-2016.pdf>.

65 Pomeroy, S. (2023). *Responding to a new wave of homelessness: proposal for a homelessness prevention and housing benefit*. Canadian Alliance to End Homelessness. <https://caeh.ca/wp-content/uploads/Homelessness-Prevention-and-Housing-Benefit-Policy-Whitepaper-CAEH.pdf>.

The proposal discusses different ways benefits can be designed, such as by fully or partially reducing rental housing costs, and the potential for benefits to be phased in. It also suggests that benefits could be provided on a temporary or permanent basis.

## **Caledon Institute of Social Policy (2016) and Income Security Reform Working Group (2017)**

Other proposals have focused on changing provincial and territorial social assistance programs to boost overall benefits and, by extension, housing support for people with the lowest incomes.

For example, a 2016 report from the Caledon Institute of Social Policy examines different ways to provide housing support to both social assistance recipients and the broader low-income population in Ontario.<sup>66</sup> These include partially or fully covering the gap between the social assistance shelter benefit and rent, fully covering the gap between affordable rent based on income and actual rent paid, and a flat-rate benefit based on income only, with the potential for a housing allowance on top of this support.

In 2017, Ontario's Income Security Reform Working Group further expanded on the Caledon Institute's options with two specific recommendations to the provincial government:

- Combine the basic needs and shelter allowance in social assistance into one benefit called the Standard Flat Rate that does not distinguish between living arrangements or housing expenses. While this structure would generally provide higher benefits to recipients, recipients in subsidized housing may end up paying higher rents compared to the current system. However, municipal service system managers would be required to reinvest any additional revenue from higher rents into local housing and homelessness priorities.
- A housing benefit for all low-income people that covers 75 per cent of the gap between incomes and affordable rent, similar to the recommendation made by the National Housing Collaborative. However, gap coverage would be phased in over time, from 25 per cent to 75 per cent over several years. The eligibility assessment and delivery mechanisms are not confirmed in the report.<sup>67</sup>

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66 Mendelson, M. (2016). *Designing a housing allowance program*. Caledon Institute of Social Policy. <https://maytree.com/wp-content/uploads/1091ENG.pdf>.

67 Income Security Reform Working Group. (2017). *Income Security: A Roadmap for Change*. [https://files.ontario.ca/income\\_security\\_-\\_a\\_roadmap\\_for\\_change-english-accessible\\_0.pdf](https://files.ontario.ca/income_security_-_a_roadmap_for_change-english-accessible_0.pdf).

Both of these designs would increase housing affordability and stability for those in the greatest need, including people experiencing homelessness, people receiving social assistance, and the broader lower-income renter population. However, interactions with social housing would need to be further considered. Benefit delivery would likely be through the personal income tax system, with some room for flexibility to address immediate needs.

## Exploring improvements to housing benefits in British Columbia (2020)

Some have also examined how to reform existing demand-side housing programs in British Columbia, including social assistance, to align with the core principles of a basic income approach.<sup>68</sup>

Options examined include:

- Changing the structure of the social assistance shelter allowance so that it is a flat right that only varies by family size, rather than covering the costs of rent paid up to a maximum; and
- Consolidating all demand-side housing programs into one rent supplement program called BC Rent Assist, that pays a benefit to all low-income renters, regardless of social assistance receipt, based on income and a proportion of median market rents.

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68 Mendelson, M. & Kesselman, J. (2020). *Applying a basic income lens to British Columbia's demand-side housing programs*. Maytree. <https://maytree.com/publications/applying-a-basic-income-lens-to-british-columbias-demand-side-housing-programs/>.

**Table 3: Comparison of selected proposals for housing benefits in Canada**

Proposal	Leading jurisdiction	Target group	General design	Assessment and delivery mechanisms	Estimated impact
<b>National Housing Collaborative</b>	Federal and local	Low-income renters and people experiencing homelessness	Long-term national benefit that provides rent-gap assistance plus a local mechanism to give temporary support	Phased-in approach  Personal income tax system plus a local delivery system for immediate needs	\$1.2 billion annually at full implementation, assisting 800,000 households in core need with their rent
<b>Homelessness Prevention and Housing Benefit</b>	Federal and local	People experiencing homelessness (reduce chronic homelessness and facilitate exists) and renters at risk of homelessness	First stream for people experiencing chronic homelessness and second stream for people in deep housing unaffordability/at risk of experiencing chronic homelessness	Personal income tax system and communities supported through Reaching Home	At full implementation, the first stream would support 50,000 recipients and the second stream would support about 200,000 households, costing about \$1.4 billion annually
<b>Income Security Reform Working Group</b>	Ontario	People receiving social assistance and low-income renters	Flat rate social assistance benefit (maximum basic needs + shelter allowance) and a housing benefit for low-income renters	Social assistance and the personal income tax system	Not publicly available



## Appendix 2: Lessons from demand-side housing benefits

There is currently a patchwork of demand-side housing benefits being provided at all levels of government, making it difficult to understand the impact of one individual program or how a new benefit can be best designed to integrate into the current system.

### The Canada Housing Benefit

The Canada Housing Benefit (CHB) is a federal program that is cost-shared by federal and provincial/territorial governments through bilateral agreements. It took several years to implement the benefit fully, but since 2022, the CHB has been available in every jurisdiction across the country.<sup>69</sup>

The bilateral agreements prescribe general ways the CHB funding is to be used, including by targeting households in core housing need, prioritizing certain groups (e.g., vulnerable households, people eligible or living in subsidized housing but not receiving affordability support), and households in the private market. Benefits also need to be provided directly and not be tied to specific units.<sup>70</sup>

Although all CHB programs follow this general guidance, a 2022 analysis by Blueprint found that there are significant variations in how benefits are being designed and implemented across the country. These variations include different target groups, application processes, benefit amounts, and even benefit duration. In addition, some jurisdictional data was not publicly available, making it difficult to understand all of the different regional design variations.<sup>71</sup> Some jurisdictions like Ontario also allow for local governments and community partners to tailor benefits to their needs, further clouding the picture of what happens on the ground.

While there is limited public data on the effectiveness of the CHB, some jurisdictions have reported that it provides important support for the people who

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<sup>69</sup> Blueprint. (2022). (Footnote 37).

<sup>70</sup> Blueprint. (2022). (Footnote 37).

<sup>71</sup> Blueprint. (2022). (Footnote 37).

receive it, but they require more funding to deepen support and expand the benefit to more people.<sup>72</sup>

A recent study about the CHB in the Atlantic provinces illustrates the complexities of the benefit's design and the diversity of recipient experiences. While many of the tenants surveyed reported how the CHB helped them with their rent and stay housed, several issues were raised. These include interactions with social assistance benefits, which left some recipients with less support and lower support for utilities compared to other rent supplement programs. Some also reported that they lived in housing in need of major repairs.<sup>73</sup> These findings show that, while helpful, the CHB design needs to provide deeper levels of support. It also cannot solve all challenges faced by lower-income renters and should be complemented with initiatives to improve the condition of the affordable rental housing stock.

In addition, some CHB programs, such as the benefit design in Toronto, see the municipality select CHB recipients without application. Recipients are asked to choose between a long-term affordable unit and the temporary CHB, which raises questions about accessibility and the actual effect of the program.

Another issue with the CHB is poor transparency. While jurisdictions are required to report on their progress to the federal government every three years, these action plans follow different formats, do not report on the same shared targets, and differ in the amount of information that is provided publicly. Bilateral agreements should be strengthened to increase and standardize accountability.

## Manitoba's Rent Assist program

In addition to the federal CHB, there are also provincial and territorial benefits that support lower-income renters. This includes the Manitoba Rent Assist program, which is provided in two separate streams for people who receive provincial social assistance benefits and the broader low-income renter population. Both streams are meant to target low-income people who rent in the private market, and while they have similar goals, their designs are different to reflect the needs of each population.

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72 Gibson, V. (2024). We're stuck: Toronto mayor calls for aid as rent-subsidy freeze nears six months. *Toronto Star*. [https://www.thestar.com/news/gta/we-re-stuck-toronto-mayor-calls-for-aid-as-rent-subsidy-freeze-nears-six-months/article\\_43a88d56-6aed-11ef-b392-3b178f1c55bd.html](https://www.thestar.com/news/gta/we-re-stuck-toronto-mayor-calls-for-aid-as-rent-subsidy-freeze-nears-six-months/article_43a88d56-6aed-11ef-b392-3b178f1c55bd.html); Froese, I. (2024). Low-income Manitobans let down as government temporarily yanks top-up, housing advocates say. *CBC News*. <https://www.cbc.ca/news/canada/manitoba/low-income-housing-benefit-rent-top-up-pause-1.7319476>.

73 Leviten-Reid, C., Digou, M. & Kennelly, J. (2024). (Footnote 55).

For households who receive provincial social assistance benefits, the Rent Assist program is a replacement for the shelter allowance. Benefits are automatically provided and can be paid to the tenant or directly to the landlord. Generally, Rent Assist benefits are equal to 77 per cent of the median market rent in Winnipeg, and can vary depending on whether utilities are included.<sup>74</sup>

For households who do not receive provincial social assistance benefits, the Rent Assist program provides financial assistance such that benefits are equal to 80 per cent of the median market rent in Winnipeg, and tenants pay no more than 30 per cent of their income on rent.<sup>75</sup> The main qualification is having very low incomes that differ based on family size and age. According to the Government of Manitoba, to be eligible, annual net income must be less than \$25,600 for a single person, \$29,280 for a single person aged 55 or older, \$32,960 for two people, \$42,400 for three or four people, and \$54,360 for five or more people.<sup>76</sup>

In general, the Rent Assist program has been positively received. It is credited with improving housing affordability and reducing poverty for many lower-income renters without leading to substantial increases in overall rents across the province.<sup>77</sup> However, it has been reported that Rent Assist benefits are too low to offer access to quality housing, and there is low awareness of the Rent Assist program outside of social assistance. People have also reported that they still face other barriers in the housing market, such as discrimination based on racialized identity and lacking rental history, as well limited choice due to low availability of affordable housing. In addition, there have been some reports of rent increases by multi-tenant housing operators connected to Rent Assist.<sup>78</sup>

Manitoba's experience with the Rent Assist program is a practical example of how a permanent housing benefit can be designed to target lower-income renters without inflating overall rents.

## Local housing benefits and allowances

There are also housing subsidies being provided at the local level across Canada, including rent banks. However, there is a lack of publicly available data that examines the benefits available in each jurisdiction, which makes them difficult to evaluate.

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74 Government of Manitoba. (n.d.). (Footnote 56).

75 Government of Manitoba. (n.d.). (Footnote 56).

76 Government of Manitoba. (n.d.). (Footnote 56).

77 Cooper, S., Hajer, J. & Plaut, S. (2020). (Footnote 58).

78 Cooper, S., Hajer, J. & Plaut, S. (2020). (Footnote 58).

## Appendix 3: Lessons from tax-based income supports

Canada has several income-tested benefits delivered through the tax system that show examples of a permanent housing benefit can be better designed and delivered to integrate with existing systems.

### The federal Canada Child Benefit

The Canada Child Benefit (CCB) is a direct financial benefit for families with children. Its design reflects decades of advocacy to reduce child poverty in a way that treats families equitably, regardless of their marital status or their status in the welfare system.

In general, eligibility and benefits amount are based on the age of the child and the family's income. For the 2024-2025 payment year, the maximum benefit is paid to families with up to \$36,502 in adjusted family net income, after which the benefit amount begins to be reduced. This design makes the CCB progressive, in that benefits are the highest for people with the lowest incomes. It also makes the CCB far-reaching so that even moderate-income families receive some support.

The CCB uses the tax system as both its income assessment and delivery mechanism. To receive the benefit, eligible families must file their personal income tax returns each year. While this design makes the CCB less responsive to immediate needs, the benefit is easier to access and be delivered to a wide range of people. Benefits are also not counted towards taxable income, so they do not affect the amount of other tax-based supports received.

In addition to the federal child benefit, many provinces and territories provide their own benefits for families with children, albeit at lower amounts. These benefits are income-tested, can vary by the age of the child, and typically use the tax system for assessment and delivery.

### The federal Guaranteed Income Supplement

The Guaranteed Income Supplement for low-income seniors is designed in a similar way to the CCB in that it is income-tested, varies by family size, and uses the personal income tax system for assessment and delivery. As with the CCB, several provinces and territories provide their own benefits for low-income seniors to supplement the GIS.

Unlike the CCB, the GIS is a supplement to the broader Old Age Security program, which provides support to almost all seniors in Canada. The combined OAS/GIS system is expensive and could better target those seniors in greatest need, but it provides an example of how an income-tested support can be split into two separate but linked programs with an overall goal.

## The federal Canada Workers Benefit

The Canada Workers Benefit (CWB), formerly the Working Income Tax Benefit, is a tax-based federal benefit that allows for provincial and territorial design differences if they meet certain goals.

The CWB is intended to provide additional financial assistance to workers who live in lower-income households. Although sometimes framed as providing a work incentive, the CWB is more of a supplement program that helps low-income workers make ends meet.

Like the CCB and GIS, the CWB is income-tested, indexed to inflation, and uses the tax system for eligibility assessment and delivery. However, the CWB allows for provinces and territories to tailor the benefit in their jurisdictions.

When the CWB was first introduced in the 2007 Budget, provinces and territories were permitted to make design changes to harmonize the benefits, as long they:

- Build on actions to improve work incentives for low-income populations;
- Be cost neutral to the federal government;
- Provide a minimum benefit level for all recipients; and
- Preserve harmonization of the benefit with existing federal programs.<sup>79</sup>

Alberta, Nunavut, and Quebec have made adjustments to the CWB parameters in their regions, mainly to broaden eligibility or deepen support levels for different family types.<sup>80</sup> Although not publicly available, these adjustments are governed by reconfiguration agreements.

The CWB also has a unique delivery option where up to 50 per cent of the value of benefits can be paid in advance, and any overpayments or underpayments are reconciled the following tax year.

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79 Government of Canada. (2007). *The Budget Plan 2007: Aspire to a Stronger, Safer, Better Benefit*. <https://www.budget.canada.ca/2007/pdf/bp2007e.pdf>.

80 Tabbara, M. (2021). *What is the Canada Workers Benefit, and how could it be better?* Maytree. <https://maytree.com/wp-content/uploads/What-is-the-Canada-Workers-Benefit.pdf>.

## Pandemic-related income supports

The Canada Emergency Response Benefit (CERB) and top-ups to the federal GST/HST credit provided during the pandemic also show examples of ways to increase income support.

While these supports did help people with lower incomes, they were not as targeted as others. In a 2022 report, Statistics Canada found that while recipients with moderate to middle incomes were more likely to receive these benefits compared to recipients in the bottom income decile, the median amount of support provided was the highest for recipients in the first two income deciles.<sup>81</sup>

However, even without being sufficiently targeted, data from the 2021 Census shows that these benefits, coupled with rent regulation policies, helped to ease housing costs for people with lower incomes. For renter households, the rate experiencing unaffordable housing declined from 40 per cent in 2016 to 33.2 per cent in 2021, with most of the decline experienced among renters with household incomes below the median of all renters.<sup>82</sup>

In addition, the federal government provided a temporary rental assistance benefit in 2022 to ease the impacts of the COVID-19 pandemic and the high cost of living on lower-income renters.

Called the one-time top-up to the Canada Housing Benefit, low-income renters were eligible to apply for \$500 payments delivered through the personal income tax system from 2022 to early 2023. However, the eligibility criteria were unnecessarily onerous and invasive: They were based on income and required recipients to attest that they paid 30 per cent or more of their income on rent, as well as provide their landlord's information. These requirements likely contributed to lower-than-expected take-up, with one report estimating that not even half of those who were eligible received it.<sup>83</sup> This shows the importance of administrative simplicity when providing support to people with lower incomes.

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81 Statistics Canada. (2020). *The contribution of pandemic benefits to the incomes of Canadians in 2020*. <https://www12.statcan.gc.ca/census-recensement/2021/as-sa/98-200-X/2021005/98-200-X2021005-eng.cfm>.

82 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/en/daily-quotidien/220921/dq220921b-eng.pdf?st=xxqiPhSA>.

83 Al Mallees, N. (2023). Thousands of Canadians missed out on federal housing and dental benefits: report. CTV News. <https://www.ctvnews.ca/canada/thousands-of-canadians-missed-out-on-federal-housing-and-dental-benefits-report-1.6359901>.

## Appendix 4: Housing rights legislation

Getting the benefit right will mean more than looking at best practices in policy design alone. It will also mean ensuring that the benefit is guided by the fundamental principle that adequate housing is a human right, as defined in both international and domestic law.

### Spotlight: Obligations and elements of the right to adequate housing

#### International Covenant on Economic, Social and Cultural Rights

Article 11. (1) The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for themselves and their family, including adequate food, clothing and housing, and to the continuous improvement of living conditions.

#### The UN's elements of adequate housing

- **Security of tenure:** Housing is not adequate if its occupants do not have a degree of tenure security, which guarantees legal protection against forced evictions, harassment, and threats.
- **Availability of services, materials, facilities and infrastructure:** Housing is not adequate if its occupants do not have safe drinking water, sanitation, energy for basic tasks, or food storage.
- **Affordability:** Housing is not adequate if its cost threatens other rights.
- **Habitability:** Housing is not adequate if it does not guarantee safety or adequate space.
- **Accessibility:** Housing is not adequate if the specific needs of certain groups are not reflected.
- **Location:** Housing is not adequate if it is cut off from employment opportunities, health services, schools, childcare centres, or if located in polluted or dangerous areas.
- **Cultural adequacy:** Housing is not adequate if it does not respect cultural identity.

#### Canada's National Housing Strategy Act, 2019

4. It is declared to be the housing policy of the Government of Canada to,
- a. recognize that the right to adequate housing is a fundamental human right affirmed in international law;
  - b. recognize that housing is essential to the inherent dignity and well-being of the person and to building sustainable and inclusive communities;



- c. support improved housing outcomes for the people of Canada; and
- d. further the progressive realization of the right to adequate housing as recognized in the International Covenant on Economic, Social and Cultural Rights.

Canada's *National Housing Strategy Act*, 2019, (NHSA), further expands on the roles and responsibilities of governments in realizing the right to adequate housing. These responsibilities include focusing on improving the housing outcomes of people in greatest need, establishing goals and timeliness for achieving outcomes, and allowing for participatory measures so that people who are most affected can be involved in the policymaking process. The NHSA also commits the government to take incremental steps to the maximum of its capacity towards furthering the right to adequate housing – a concept often referred to as using the maximum available resources. The maximum available resources is not just limited to fiscal capacity, but includes all tools governments have at their disposal.

This NHSA was the result of several years of advocacy from the human rights and housing communities, and is rooted in international human rights law. However, its principles and structures have yet to be implemented fully into federal housing policy.

Given its grounding in evidence and the involvement of the public in its development, the NHSA should be used as a starting point for determining a housing benefit's objectives and accountability structure.





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