

# **The Time is Now: Ending Canada's Housing Crisis through Budget 2023**

Submitted by the  
National Right to Housing Network

for the Pre-Budget Consultations  
in Advance of the 2023 Federal Budget

October 2022

## List of Recommendations

### ADVANCING EQUITY & RECONCILIATION

**Recommendation 1:** Address Canada’s legacy of colonialism and systemic housing inequality for Indigenous people by supporting the implementation of adequately funded for-Indigenous, by-Indigenous urban, rural, and northern Indigenous housing strategies, and target funds in National Housing Strategy (NHS) housing programs towards the construction of permanent housing options and related supports for Indigenous peoples.

**Recommendation 2:** Ensure housing programs are purpose-built to prioritize housing for those in the greatest need, particularly people experiencing housing precarity and homelessness. Programs should apply a human rights and gender-based analysis plus framework to all budgetary and policy decisions, including existing policies and programs under the NHS, to target and prioritize under-resourced and disadvantaged groups.

**Recommendation 3:** Ensure all government-funded housing projects include a significant percentage (e.g., at least 20%) of fully accessible and universally designed units for persons with disabilities.

### ENSURING TRANSPARENCY, ACCOUNTABILITY & MONITORING

**Recommendation 4:** Commit to ending all homelessness, not just chronic homelessness by 2030. Set bold and clear targets and timelines to achieve these goals, in alignment with the *National Housing Strategy Act* (NHSA) and international legal obligations to “progressively realize” the right to housing in the shortest possible time. These targets and timelines should inform every program and policy within the NHS as well as multilateral agreements and fund transfers with provinces, territories, cities, and regions.

**Recommendation 5:** Ensure transparent monitoring mechanisms that enable public tracking of National Housing Strategy investments, progress, and outcomes for each program and capital initiative, as required under the NHSA.

### ADDRESSING UNAFFORDABILITY & PROTECTING TENANTS

**Recommendation 6:** Implement minimum affordability criteria across all housing programs, capital initiatives, policies, monitoring mechanisms, and multilateral agreements, and apply a consistent definition of “affordable housing” which ties affordability to household income rather than market rate. Use the definition of a home costing no more than 30% of before-tax household income, with an emphasis on households in core housing need, and ensure that these affordable units remain affordable in perpetuity.

**Recommendation 7:** Strengthen income and rental supports for people on fixed or very low incomes, including people with disabilities, and enable the “stacking” of supports for priority populations and those in deep housing need. This includes expanding the Canada Housing Benefit to target those in deepest housing need.

**Recommendation 8:** Demonstrate national leadership in ensuring compliance with the right to housing at all levels of government, as required under the NHSA and international law. This means, among other measures:

- Implementing strong housing affordability and adequacy measures and criteria (including tenant protections) in the Housing Accelerator Fund and other fund transfers to provincial, territorial, and municipal governments.
- Creating national guidelines on tenancy protections with a view to strengthening security of tenure across the country, and using federal spending power to ensure compliance by other levels of government, particularly provinces. Ontario's Bill 23 is a prime example of a damaging and retrogressive provincial decision requiring federal intervention.

**Recommendation 9:** Allocate a “maximum of available resources” and “all appropriate means” towards ending homelessness and inadequate housing, including appropriate taxation measures, as required under the rights-based framework articulated in the NHS.

#### ADDRESSING HOUSING INFLATION

**Recommendation 10:** Prioritize the development and acquisition of housing supply that is non-market based, permanently affordable, and provides community value. Commit to building at least one million non-market (i.e., social, non-profit, and co-op) housing units over the next decade and allocate funds in the NHS accordingly. This means removing or significantly increasing grant caps like the one recently implemented in the National Housing Co-Investment Fund to ensure adequate funding for non-profit housing providers and developers.

**Recommendation 11:** Invest in land and housing acquisition programs to increase public and non-market housing stock. This means:

- Expediting the rollout of the Federal Lands Initiative;
- Introducing a \$10-billion Public Land Acquisition Fund to bring additional land into public ownership for the construction of non-market, affordable rental housing;
- Investing \$20 billion in a Housing Acquisition Fund to help non-profit housing providers acquire rental buildings.

**Recommendation 12:** End first-time home-buyer incentives, which only worsen inflation. Reinvest this money in a rights-based NHS.

**Recommendation 13:** Close real estate tax loopholes and strengthen taxation and regulation of large corporate landlords, Real Estate Investment Trusts, and housing speculators to tackle housing inflation and financialization. Reinvest this tax revenue in a rights-based NHS.

#### PROMOTING JUSTICE & MEANINGFUL PARTICIPATION

**Recommendation 14:** Ensure robust funding for NHSA mechanisms (i.e., the Office of the Federal Housing Advocate, the National Housing Council, and Review Panels) and create a funding stream specifically to support rights-claimants to engage with NHSA mechanisms and

bring forward right to housing claims. This funding stream should be separate from, but work in concert with, the important Community-Based Tenant Initiative Fund which should also be renewed.

## Background: A Rights-Based Paradigm Shift in Housing

The historic [National Housing Strategy Act](#) (NHTSA), adopted in 2019, reaffirms Canada’s international obligations to the right to housing and **commits the Government of Canada to implementing housing as a fundamental human right** throughout its programs, policies, and budgetary decisions. The rights-based approach outlined in the NHTSA mandates that federal investments in housing programs and policies must use a **“maximum of available resources”** and **“all appropriate means”** (including legislative and other measures) to ensure adequate housing for all (quite a high standard for a wealthy state like Canada). It also requires that these **investments target and prioritize those in greatest need** with an aim of “progressively realizing” the right to housing in the **shortest possible time**, using clear **targets, timelines, and monitoring processes** to track progress.

The right to housing outlined in the NHTSA and international law recognizes that all people are [entitled](#) to adequate housing (i.e., secure, affordable, accessible, habitable, culturally adequate, and well-located housing with necessary infrastructure) to live a life of dignity, well-being, and opportunity. A rights-based approach to housing also requires that housing decisions, policies, and investments be rooted in meaningful engagement with affected communities (i.e., people with lived or living experience of homelessness or inadequate housing), human rights experts and advocates, and civil society.

Moreover, cross-sectoral, non-partisan, and whole-of-government collaboration is critical to realizing the right to adequate housing and digging us out of Canada’s deep housing crisis. **National leadership** is needed to coordinate and implement human rights-based policies and budgetary decisions among **other levels of government and across departments**, and to ensure that **private and non-governmental actors** support rather than undermine the progressive realization of the right to housing, including through taxation, regulatory, and legislative measures.

This Brief offers a roadmap for bold systemic change that tackles the roots of the housing crisis. Now is the time to demonstrate political will and national leadership.

## Revamping the National Housing Strategy

The NHTSA’s commitment to realizing the fundamental right to adequate housing in a non-discriminatory manner has clear implications for people experiencing homelessness and housing precarity, many of whom belong to historically marginalized groups. Yet the \$70+ billion National Housing Strategy (NHS), has, to date, failed to meaningfully address the housing needs of those bearing the brunt of the deepening housing crisis. In fact, housing adequacy and affordability issues have only worsened in the past five years since the Strategy was launched, particularly for Indigenous, racialized, 2SLGBTQAI+, low-income, and new migrant households, people with disabilities, rural and remote communities, and women and gender-diverse people, who the CMHC has recognized are [most likely to be in core housing need](#). **This retrogression in**

**housing adequacy and affordability indicates a clear and urgent need for a major rights-based revamp of the NHS.**

The many gaps, issues, and actively harmful or inflationary effects of the NHS have been explored time and time again by *numerous* experts, organizations, and authorities including the [National Housing Council](#), [National Right to Housing Network](#), [Women’s National Housing and Homelessness Network](#), [Front d’action populaire en réaménagement urbain](#), [Canadian Centre for Policy Alternatives](#), and Parliamentary Budget Officer (both in [2019](#) and [2021](#)). This research demonstrates that the federal government’s current housing programs will not adequately meet its targets of halving the net number of tenant households in need or eliminating chronic homelessness—let alone meet more bold targets of ending homelessness by 2030, as recommended in this Brief.

Meanwhile, **Canada continues to suffer from a significant deficit in public, non-market, and affordable housing as a result of decades of federal divestment.** [Recent data from the Organisation for Economic Co-operation and Development \(OECD\)](#) shows Canada’s social housing stock at 4% in 2020, far below the OECD average (7%) and comparable countries like the Netherlands (34%) and United Kingdom (17%).

**The recommendations in this brief directly address these and other gaps in the NHS and rely on the principle that public funds be used for public good—however these are not exhaustive recommendations.** There are many other tangible actions Canada can take to better support priority populations in the NHS, including **revamping Reaching Home criteria** to ensure that small- and mid-sized communities do not need to compete for limited funds, or requiring that all government-funded housing units to be **fully accessible and universally designed**.

## Urban, Rural, and Northern Indigenous Housing

It is also well-known that over 85% of Indigenous peoples live in urban centers and are disproportionately affected by inadequate housing and homelessness. According to the 2021 [Parliamentary Budget Officer’s report](#), Indigenous persons comprise 31% of shelter users but only 5% of the total population. The 2019 [National Inquiry into Missing and Murdered Indigenous Women and Girls](#) also revealed that a lack of safe and affordable housing poses a barrier to fleeing unsafe situations and increases risks of violence and harm for Indigenous women.

The [National Housing Council](#)’s recent report suggested **a minimum investment of \$6.3 billion into Urban, Rural, and Northern Indigenous housing over the next two years** to begin addressing the stark housing disparities faced by Indigenous peoples. **Yet Budget 2022 only committed \$300 million over five years towards creating an Urban, Rural, and Northern Indigenous housing body—and not a single home.** This huge underinvestment is a clear violation of Canada’s right to housing commitments as well as the rights of Indigenous peoples in both [domestic](#) and [international law](#).

## Ensuring Interjurisdictional Cooperation

Although the NHTA is federal legislation, international law also applies its obligations to provincial, territorial, and municipal governments—and demands that the federal government demonstrate national leadership in ensuring this interjurisdiction compliance and cooperation.

Many experts have outlined the ways in which Canada’s [multilateral and fund transfer agreements](#) with other levels of government can be used to require housing adequacy and affordability measures, including tenancy protections.

## The Housing Accelerator Fund

The Housing Accelerator Fund is an opportunity for the Government of Canada to proactively work with municipalities to transform housing systems under a rights-based approach.

**The National Right to Housing Network, as part of the Feminist Housing Collective, [has already outlined specific criteria, measures, and policies](#) that can be implemented in the Housing Accelerator Fund to uphold the federal government’s human rights obligations.** Applying these recommendations will enable the new Housing Accelerator Fund to become Canada’s flagship program in embracing the rights-based, GBA+ framework and achieving equitable and sustainable outcomes. It can also serve as a model for other NHS programs as they are reviewed and revamped.

## Regulating Private Actors

Canada continues to delay in meaningfully regulating private investors, multi-property owners, and large corporate landlords in the housing market. Budget 2022 implemented a house flipping tax and two-year foreign investor ban while promising to study “potential changes to the tax treatment of large corporate players that invest in residential real estate.” Given that foreign investors make up only 5% of the housing market and foreign corporate landlords can easily create Canadian subsidiaries to become “domestic,” these measures will not make a significant impact on housing affordability.

Real Estate Investment Trusts (REITs)—who make up approximately 20% of the market and are known for displacing and renovating low- and middle-income tenants to significantly increase rents—continue to benefit from tax loopholes in the real estate sector. Pre-pandemic data also tells us that [multi-property owners owned 15 to 41% of housing stock](#) in many provinces—a trend that likely escalated during the pandemic thanks to low interest rates and huge equity gains among homeowners.

**Canada is allowing wealthy investors to benefit from tax exemptions and extract wealth from housing at the continued expense of renters, women-led households, low-income people, racialized people, and other marginalized groups who will likely fall deeper into housing need.**

The rights-based framework requires that we close tax loopholes and apply “all appropriate means... including legislative measures” to ensure that the rules under which private actors operate and their actions enable the creation and preservation of adequate and affordable housing.

**Closing tax loopholes would save money which could then be directed towards “affordable housing, subsidies for low-income households, the creation of land banks and other resources to support housing strategies” as per [international human rights guidelines](#).**

## Conclusion

Budget 2022 recognized that “shelter is a basic need” and highlighted housing affordability as a top priority—but starkly missing was acknowledgement or meaningful implementation of housing as a human right. A rights-based approach to housing in Budget 2023 demands a paradigm shift, with bold commitments, investments, targets, timelines, policies, regulations, transparency, and affordability criteria, all aimed at tackling homelessness and inadequate housing for those in greatest need through a whole-of-government and interjurisdictional approach.

International and domestic human rights law, principles, and approaches already offer us a roadmap for how to address Canada’s massive and worsening housing crisis **at its core**. Now is the time to embrace the rights-based approach and tackle the systemic drivers, rather than just surface-level effects, of the housing crisis.