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Federal Spending on Housing Affordability in 2024



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

The Parliamentary Budget Officer (PBO) supports Parliament by providing economic and financial analysis for the purposes of raising the quality of parliamentary debate and promoting greater budget transparency and accountability.

This report provides an overview of federal spending and progress towards meeting the overall target of Canada's National Housing Strategy. This report was written in response to interest from Parliamentarians and the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

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Highlights

Spending on programs to address housing affordability averages \$6.1 billion annually over the term of Canada's 10-year National Housing Strategy (NHS). This represents a 50% increase in the purchasing power of federal spending compared with the prior 10 years.

Additional program spending has been primarily allocated to the Canada Mortgage and Housing Corporations' Financing for Housing programs, which received a \$1.3 billion per annum increase in funding.

Total spending on housing affordability is estimated to be \$17.5 billion annually, with 65% attributable to tax expenditures.

After accounting for the impact of all relevant federal policies, we project that 2.6 million households will be in housing need by 2027. This represents an increase of about 926,000 households in core housing need compared to the start of Canada's NHS in 2017.

Increasing core housing need is being driven by higher interest rates and the slow adjustment of the housing stock to higher immigration.

Without the renewed federal spending to address housing affordability under Canada's NHS, there would be about 78,000 more households in core housing need by 2027.

Summary

Over the 10-year term of Canada's National Housing Strategy (NHS) from 2018-19 to 2027-28, Canada plans to spend an average of \$6.1 billion annually on programs to address housing affordability. This represents a 133% increase in nominal spending over the average of \$2.6 billion spent in the prior 10 years and a 50% increase in the real purchasing power of federal spending. Federal real spending on housing affordability per person is 30% higher over the term of Canada's NHS, at an average cost of \$168 per person per year, while federal spending on housing affordability as a share of total economic activity is 50% higher over the term of Canada's NHS, at an average of 0.22% of GDP.

The largest share of additional funding has been allocated to the Canada Mortgage and Housing Corporations' "Financing for Housing" programs, which received a \$1.3 billion per annum increase in funding compared with the prior 10 years, accounting for 36% of the \$3.5 billion increase in nominal spending. In contrast, "Assistance for Housing Need" programs received a \$499 million per annum increase in funding, which represents a 22% increase in nominal spending and a 19% decline in real spending compared with the prior 10 years.

Over the course of Canada's NHS, we estimate that Canada will forgo an average of \$11.4 billion in tax revenue annually to support housing affordability, representing 65% of an estimated total of \$17.5 billion in expenditures to support housing affordability when also including program spending. The largest of these tax expenditures is forgone capital gains income tax revenue on primary residences.

The overall target of Canada's NHS is to remove 530,000 households from housing need by 2027-28. After accounting for the impact of all relevant federal policies and economic trends, we estimate that 2.4 million households are currently in core housing need and we project that, by 2027, 2.6 million households will be in core housing need. We project that by 2027, there will be about 926,000 more households in core housing need compared to the start of Canada's NHS in 2017.

For households with mortgages, shelter costs increased primarily because they faced higher interest rates upon renewal of their mortgages. For renter households, recent increases in rents are primarily attributed to the delay between increased demand from demographic factors and the adjustment of the housing stock.

NHS programs mitigate the increase in the number of households in core housing need; without those programs there would be about 78,000 more households in core housing need by 2027. Most of that reduction is attributable to federal contributions towards the fiscal capacity of provinces and territories to deliver rent-geared-to-income housing to low-income households.

Introduction

The Government of Canada's plan to improve housing affordability is rooted in the 2017 National Housing Strategy (NHS), which allocated funding and set targets for 2027-28. However, Canada has continued to announce additional housing measures, including several in the 2024 Budget.

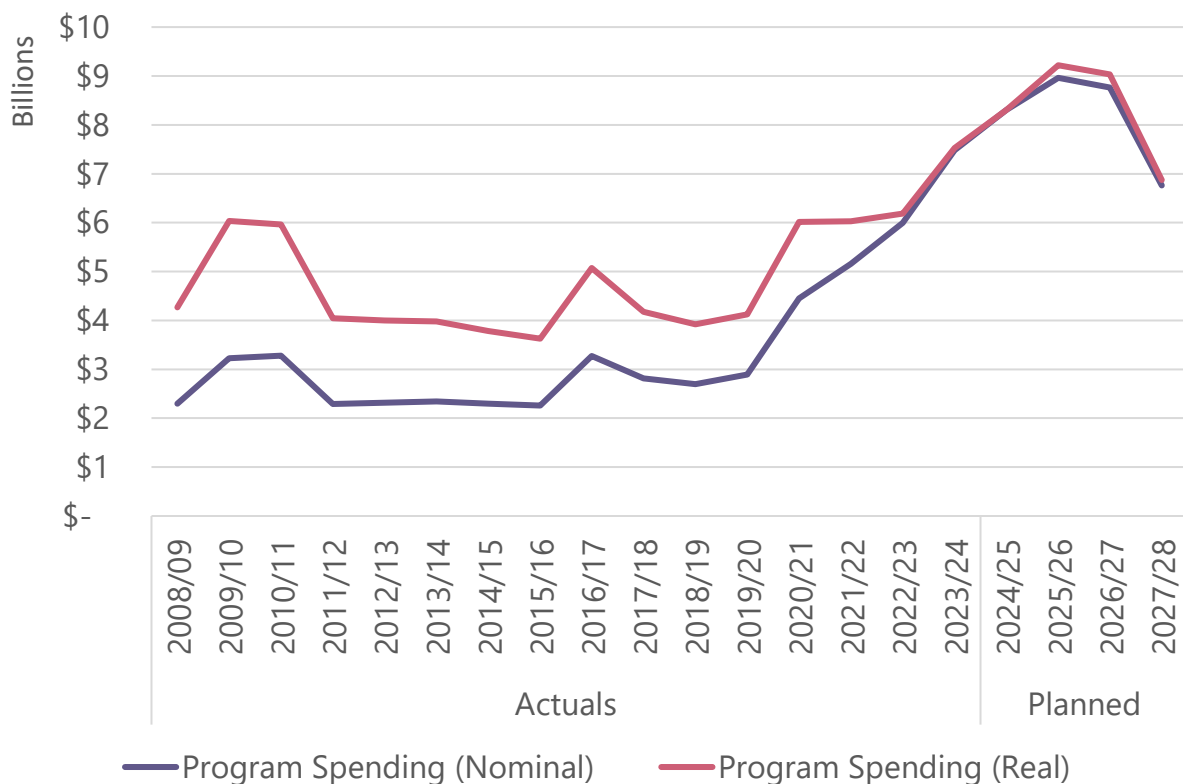
Program Spending

Overview

Over the 10-year term of Canada's National Housing Strategy (NHS) from 2018-19 to 2027-28, Canada plans to spend an average of \$6.1 billion annually on programs to address housing affordability.¹ This represents a 133% increase in nominal spending over the average of \$2.6 billion spent in the prior 10 years. Adjusting for increases in the costs of residential construction, this represents a 50% increase in the real purchasing power of federal spending.²

Figure 1

Real and Nominal Federal Program Spending on Housing Affordability by Fiscal Year



Source:

Office of the Parliamentary Budget Officer.

Based on data provided by CMHC, HICC, ISC and CIRNAC.³

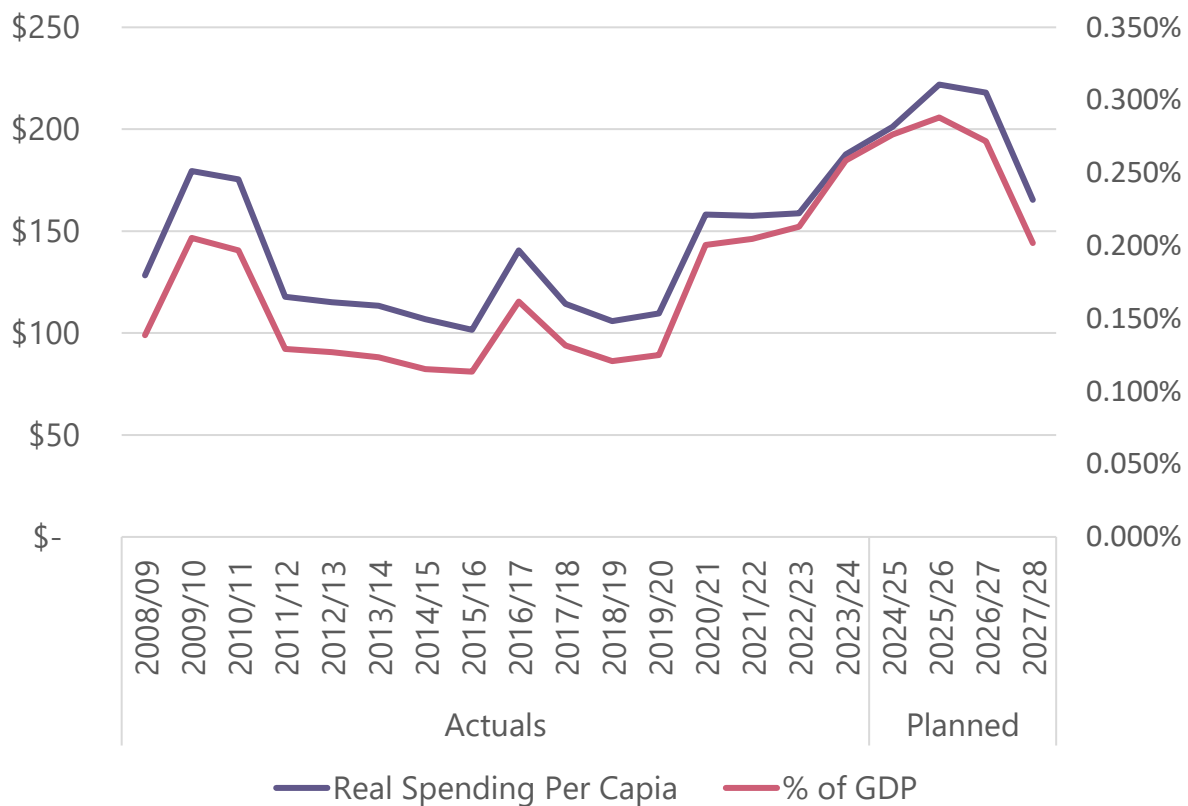
Note:

Real purchasing power is adjusted based on the Price Deflator for Capital Formation of Residential Structures.

In considering time trends in spending, it can be useful to also account for changes in Canada's population and economic resources. Federal real spending on housing affordability per person is 30% higher over the term of Canada's NHS, at an average cost of \$168 per person per year, up from \$129 per person per year over the prior 10 years. Federal spending on housing affordability as a share of total economic activity is 50% higher over the term of Canada's NHS, at an average of 0.22% of GDP, up from 0.14% of GDP over the prior 10 years.

Figure 2

Federal Program Spending on Housing Affordability by Fiscal Year, real per capita (left axis) and as a share of GDP (right axis)



Source:

Office of the Parliamentary Budget Officer.

Based on data provided by CMHC, HICC, ISC and CIRNAC.

Prioritization

Canada's National Housing Strategy (NHS) includes an array of programs targeting individuals at a range of risk of homelessness and housing need.

- Housing, Infrastructure and Communities Canada's **Reaching Home** programs primarily fund supportive housing for individuals who are already homeless and prevention services for individuals at imminent risk of becoming homeless.
- Canada Mortgage and Housing Corporation's (CMHC) **Assistance for Housing Needs** programs provide support targeted to low-income households that would otherwise be in housing need.
- CMHC's **Financing for Housing** programs support the supply of new rental housing, the repair and renewal of existing rental housing, and the creation of mixed-income rental housing.
- CMHC's **Housing Expertise and Capacity Development** programs historically focused on supporting capacity building, research and analysis and the dissemination of information. However, this core responsibility now also includes new municipal incentives for less restrictive zoning under the Housing Accelerator Fund.
- Indigenous Services Canada and Crown-Indigenous Relations and Northern Affairs Canada's **Support for Indigenous Housing** programs provide a range of housing assistance for First Nations, Inuit, and Métis communities.

Nominal spending has increased for all core responsibilities; however, the largest share of additional funding has been allocated to CMHC's **Financing for Housing** programs, which received a \$1.3 billion per annum increase in spending compared with the prior 10 years, accounting for 36% of the \$3.5 billion increase in nominal spending. In contrast, **Assistance for Housing Need** programs received a \$499 million per annum increase in spending, which represents a 22% increase in nominal spending and a 19% decline in real spending compared with the prior 10 years.

Despite being allocated a smaller share of new spending and a decline in real spending, **Assistance for Housing Need** continues to be the largest program group, accounting for 45% of planned spending over the term of Canada's NHS.

Table 1

Annual nominal spending by core responsibility in millions of dollars

Core Responsibility	2008-09 to 2017-18 Baseline	2018-19 to 2027-28 NHS	Increase	Share of Increase	Share of NHS Spending
Reaching Home	\$118	\$561	\$443	13%	9%
Assistance for Housing Need	\$2,260	\$2,759	\$499	14%	45%
Financing for Housing	\$10	\$1,288	\$1,278	36%	21%
Expertise and Capacity	\$56	\$613	\$557	16%	10%
Indigenous Housing	\$196	\$926	\$730	21%	15%
Total	\$2,640	\$6,147	\$3,506		

Source:

Office of the Parliamentary Budget Officer.

Based on data provided by CMHC, HICC, ISC and CIRNAC.

Table 2

Annual real spending by core responsibility in millions of 2024 dollars

Core Responsibility	2008-09 to 2017-18 Baseline	2018-19 to 2027-28 NHS	Change	% Change
Reaching Home	\$198	\$616	\$419	212%
Assistance for Housing Need	\$3,862	\$3,120	\$(742)	-19%
Financing for Housing	\$15	\$1,341	\$1,326	8913%
Expertise and Capacity	\$95	\$640	\$545	571%
Indigenous Housing	\$326	\$1,006	\$680	209%
Total	\$4,496	\$6,723	\$2,227	50%

Source:

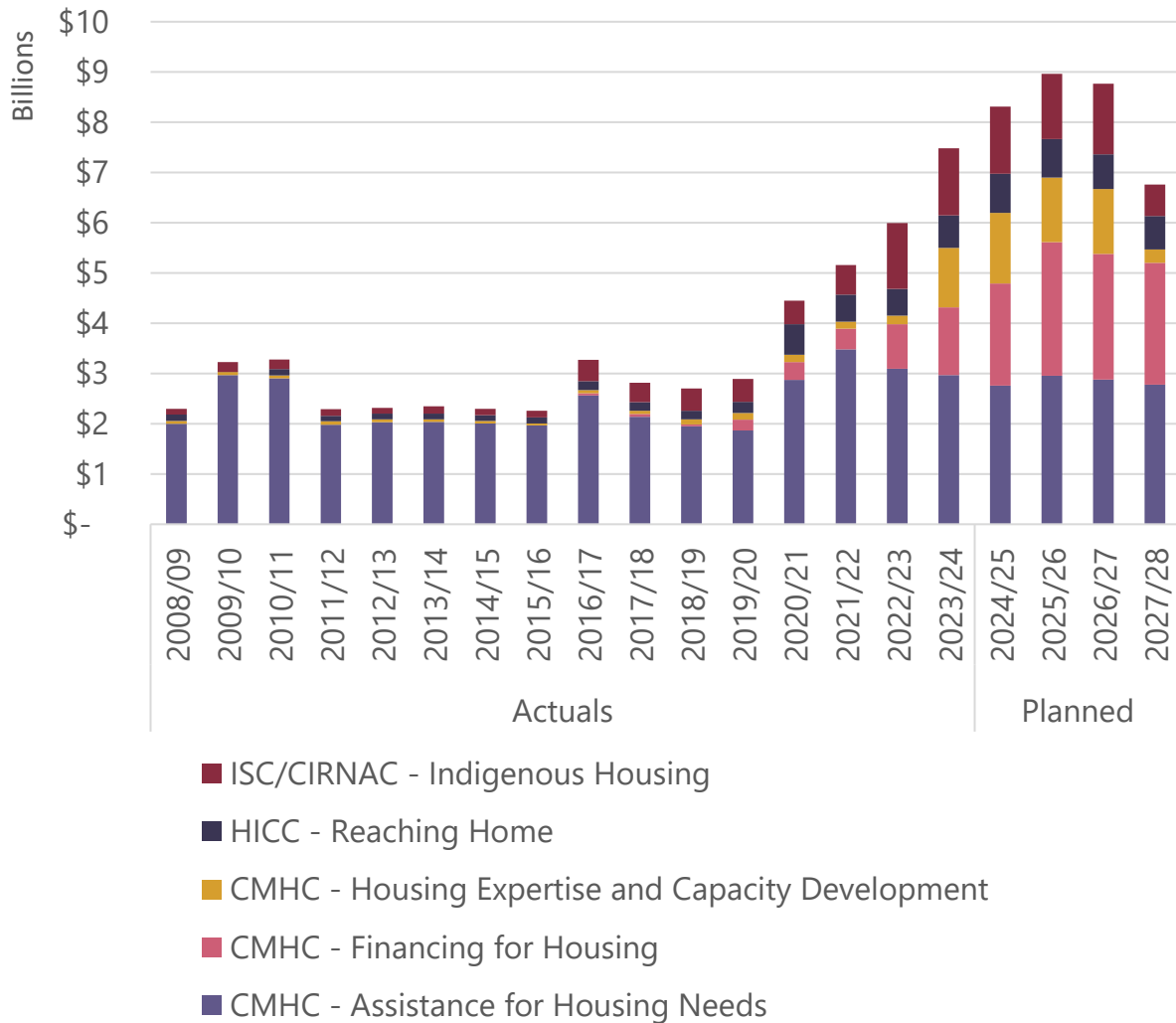
Office of the Parliamentary Budget Officer.

Based on data provided by CMHC, HICC, ISC and CIRNAC.

At this high level, the allocation of funding under the NHS appears to move away from prioritizing targeted **Assistance for Housing Need**, instead moving towards prioritizing market-based **Financing for Housing** programs. There are also significant increases in spending on **Indigenous Housing Strategies, Reaching Home** and **Housing Expertise and Capacity Development**.

Figure 3

Nominal Federal Program Spending on Housing Affordability by Fiscal Year and Core Responsibility



Source:

Office of the Parliamentary Budget Officer.

Based on data provided by CMHC, HICC, ISC and CIRNAC.

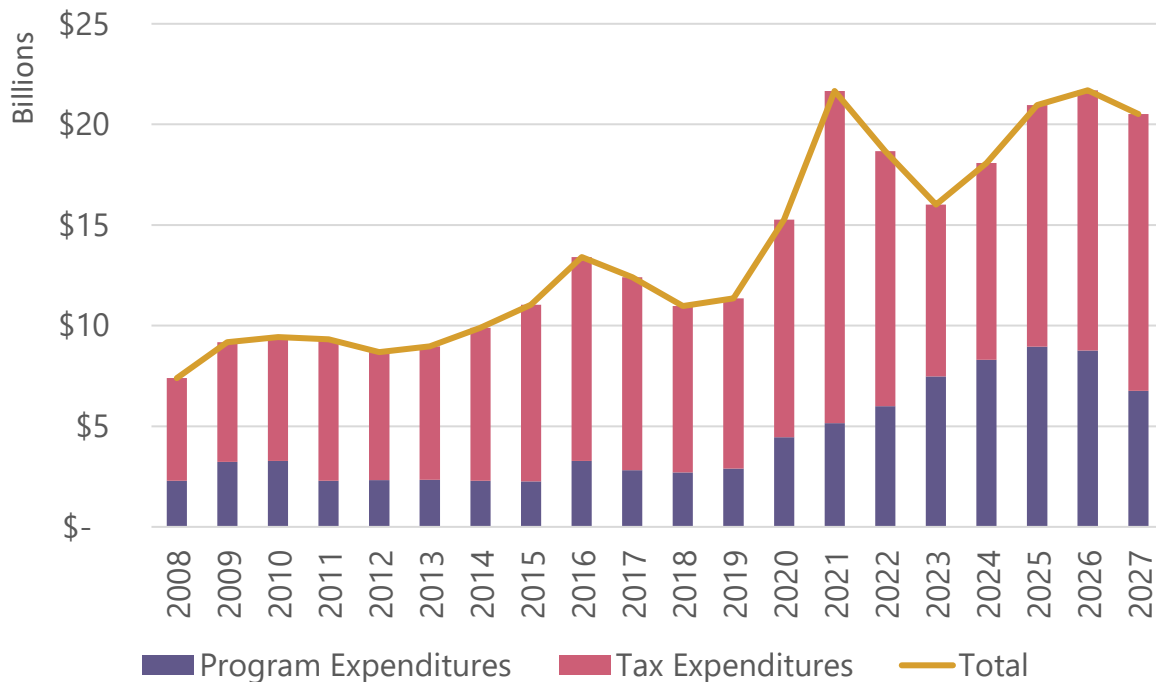
Tax Expenditures

The tax system can be used to achieve public policy objectives through tax measures such as preferential tax rates, exemptions, deductions, deferrals, and tax credits. These tax measures are referred to as “tax expenditures” because they are used to achieve a policy objective at the cost of lower tax revenues. While previous editions of this report have focused on federal program spending, Canada has recently announced several new tax expenditures related to housing affordability.

Over the course of Canada’s National Housing Strategy (NHS), we estimate that Canada will forgo an average of \$11.4 billion in tax revenue annually to support housing affordability, representing 65% of an estimated total of \$17.5 billion in expenditures to support housing affordability when also including program spending. Over the term of Canada’s NHS, total expenditures to support housing affordability are estimated to be 76% higher than the prior 10 years.

Figure 4

Nominal Expenditures on Housing Affordability by Type



Source:
Office of the Parliamentary Budget Officer.⁴

Challenges with Reporting on Tax Expenditures

Tax expenditures are forgone revenue relative to a benchmark tax system and there is some subjectivity regarding how that benchmark system should be defined. This report follows the Department of Finance's [2024 Report on Tax Expenditures](#). Notably, that report does not consider the non-taxation of imputed rent for homeowners to be a tax expenditure.

A second challenge is that whereas program spending can be derived directly from accounting records and spending plans, tax expenditures often need to be estimated and projected. Unlike program expenditures, lost revenue is not limited by any predefined budget.

Finally, we do not account for interactions between tax expenditures.

Based on the tax expenditures related to housing for which estimates are available, they reduced tax revenues by approximately \$9.8 billion in 2024. Of that total, most is attributed to the non-taxation of capital gains on principal residences (\$5.5 billion) and exemption from GST for residential rent (\$2.8 billion).

Table 3
2024 Housing Tax Expenditures in millions of dollars

Tax Expenditure	2024	Source
Non-taxation of capital gains on principal residences	5,470	FIN
Exemption from GST for certain residential rent	2,815	FIN
Tax-Free First Home Savings Account	465	FIN
Rebate for new housing	415	FIN
Rebate for new residential rental property	270	PBO ⁵
First-Time Home Buyers' Tax Credit	190	FIN
Enhanced rebate for new residential rental property	66	PBO ⁶
Tax Exemptions for Real Estate Investment Trusts	55	PBO ⁷
Enhancing the Home Buyers' Plan	20	FIN
Multigenerational Home Renovation Tax Credit	10	PBO ⁸
Enhanced rebate for new residential rentals - Student Housing	1	FIN
Temporary accelerated capital cost allowance	1	FIN
Exemption from GST for sales of used residential housing	NE	
Exemption from GST for short-term accommodation	NE	
Total of Available Estimates	9,778	

Source:

Office of the Parliamentary Budget Officer, based in part on Department of Finance 2024 Report on Tax Expenditures.

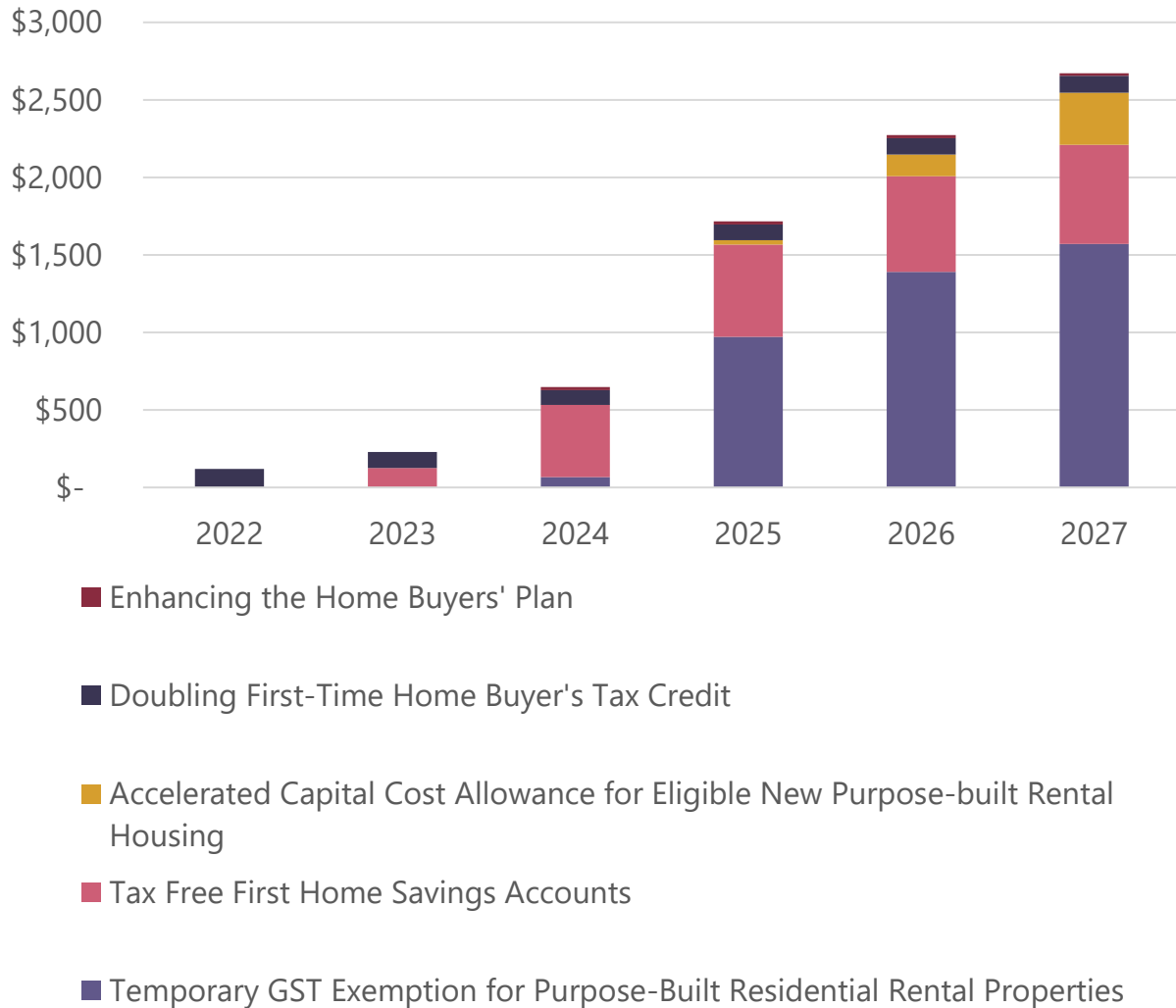
Note:

Tax expenditures labelled "FIN" reflect Finance Canada estimates while those labelled "PBO" reflect estimates of the Office of the Parliamentary Budget Officer. "NE" means no estimate was available for a tax expenditure. Note that the "Non-taxation of capital gains on principal residences" does not account for the recent increase in the capital gains inclusion rate.

Forgone tax revenue associated with recently announced tax expenditures is expected to grow significantly over time. For 2024, the largest recently introduced tax expenditures are expected for Tax-Free First Home Savings Accounts introduced in 2023 (\$465 million) followed by the doubling of the First-Time Home Buyers' Tax Credit in 2022 (\$95 million). However, the impact of some new measures increases substantially over time, including the Temporary GST Exemption for Purpose-Built Residential Rental Properties (costing \$1.6 billion in 2027) and the temporary accelerated capital cost allowance for purpose-built rental properties (costing \$335 million in 2027).

Figure 5

Cost of New Housing Tax Expenditures by tax year in millions of dollars



Source:
Office of the Parliamentary Budget Officer.

Core Housing Need

The Target

The overall target of Canada's National Housing Strategy (NHS) is to remove 530,000 households from housing need by 2027-28.⁹ That target was set to reflect a reduction in core housing need among renters by 50%.

What is core housing need?

A household is in "Core Housing Need" if:

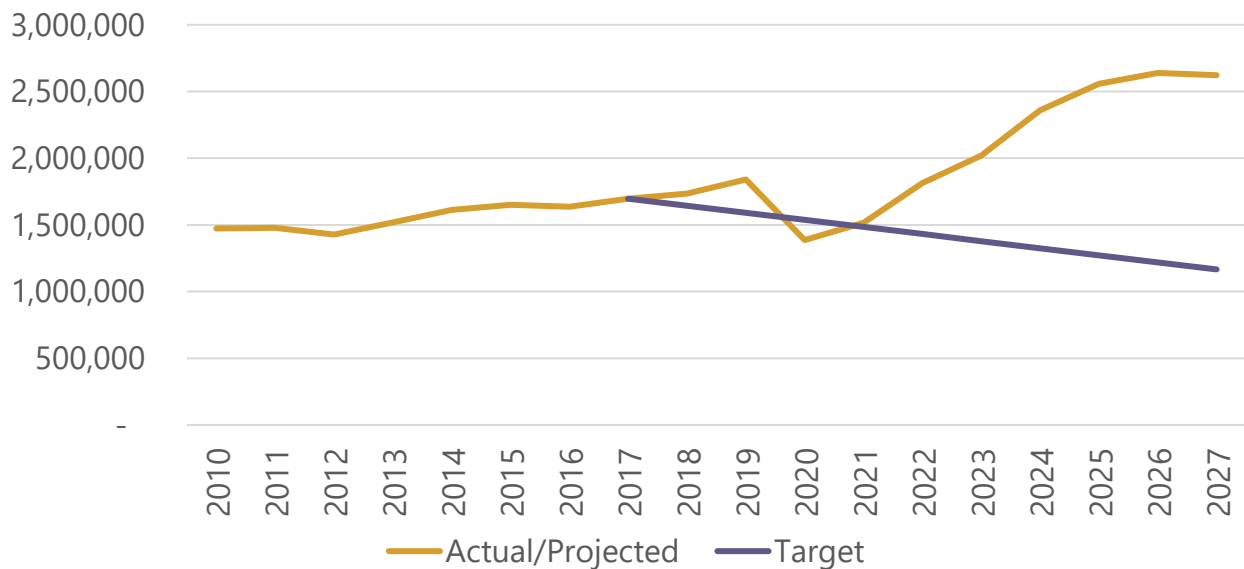
- Either
 - Their home is in need of major repairs (inadequacy),
 - Their home does not have enough bedrooms for the household size and structure (unsuitability), or
 - Their shelter costs (rent or mortgage plus utilities, property taxes, etc.) exceed 30% of the household's before-tax income (unaffordability),
- and**
- The local median cost of adequate suitable housing is more than 30% of the household's before-tax income.

"Core Housing Need" is a Canada-specific measure of housing need defined by the Canada Mortgage and Housing Corporation (CMHC) and applied across a variety of Statistics Canada publications.

Nowcast and Projection

We estimate that 2.4 million households are currently in core housing need, and we project that 2.6 million households will be in core housing need by 2027. Relative to the start of Canada's National Housing Strategy in 2017, this represents an increase of about 662,000 households in core housing need to date and an increase of 926,000 households in core housing need by 2027.

Figure 6
Number of Households in Core Housing Need



Source:

Office of the Parliamentary Budget Officer.

Note:

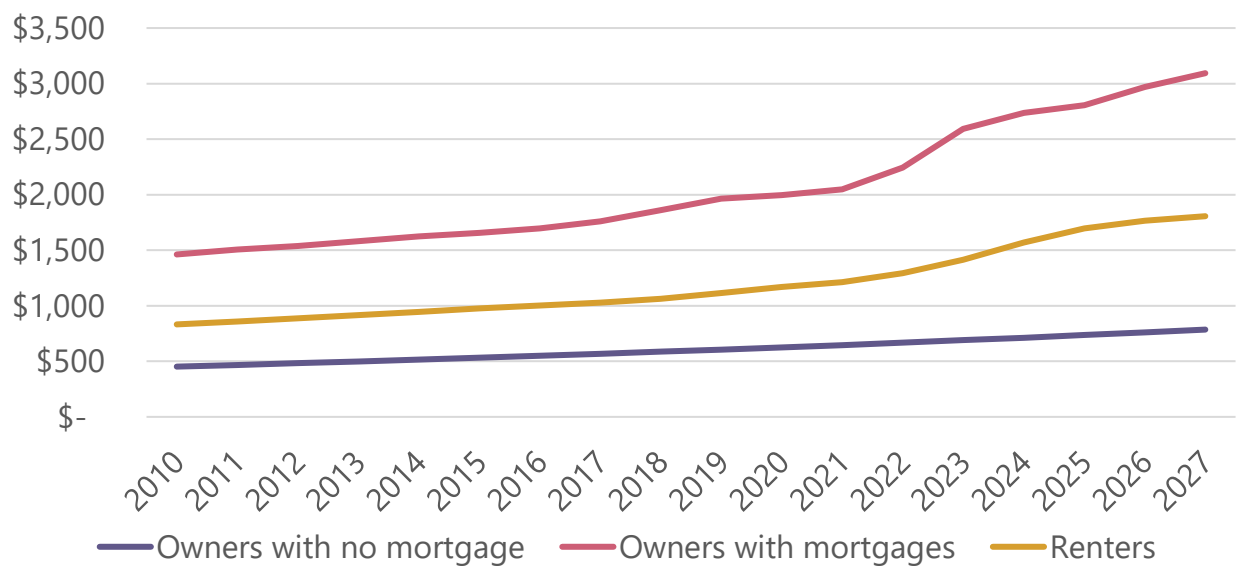
The NHS does not have annual targets; we show linear achievement for the purposes of readability. The reduction in core housing need in 2020 and 2021 was due to temporary income supports implemented in response to the COVID-19 pandemic, which increased incomes for low-income households.

Shelter Costs and Increasing Housing Need

Shelter costs have increased faster than incomes for both homeowners with mortgages and renters, driving significant increases in core housing need for both groups.

Figure 7

Average Monthly Shelter Cost by Tenure and Presence of Mortgage

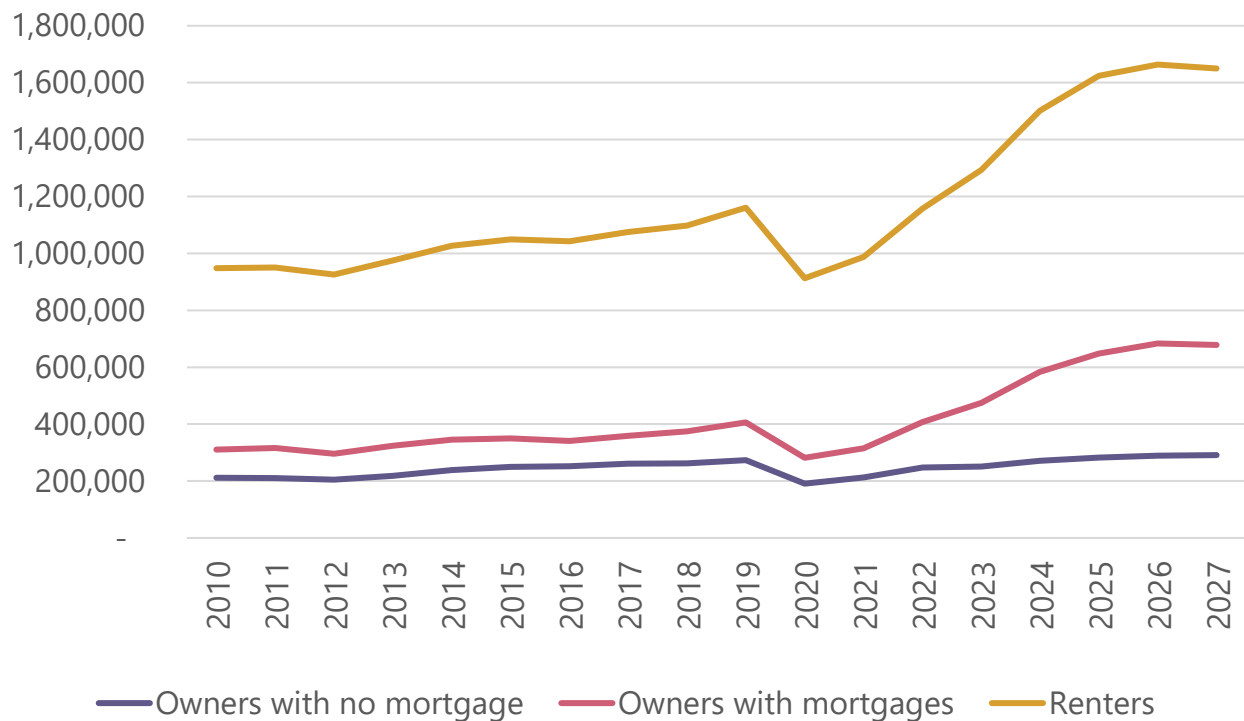


Source:

Office of the Parliamentary Budget Officer.

Figure 8

Number of Households in Core Housing Need by Tenure and Presence of Mortgage



Source:

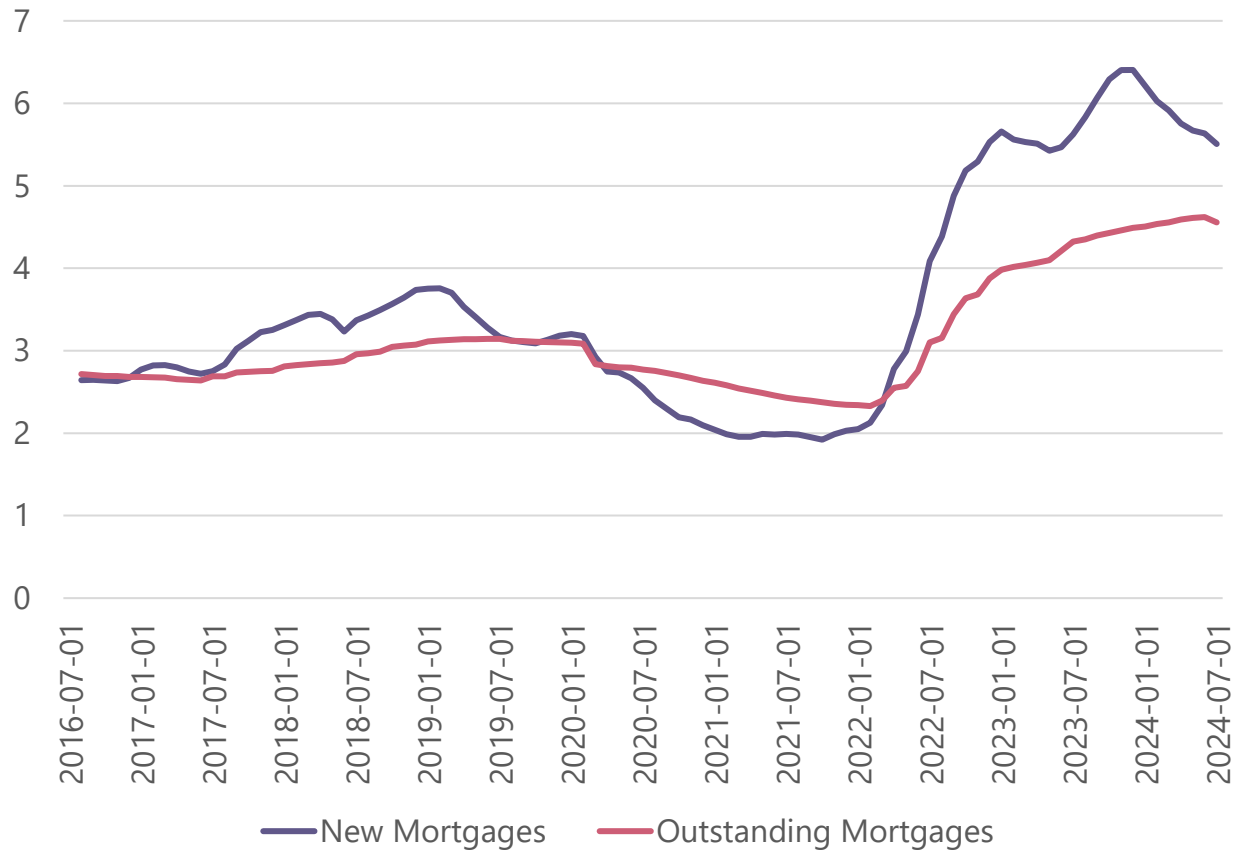
Office of the Parliamentary Budget Officer.

Homeowners with Mortgages

For homeowner households with mortgages, shelter costs increased primarily because they faced higher interest rates upon renewal of their mortgages. Across chartered banks, the average interest rate for new uninsured residential mortgages in 2023 was 5.8%, 37% higher than the 4.2% average interest rate for outstanding mortgages.¹⁰

Figure 9

Average Interest Rates for New and Outstanding Residential Mortgages at Chartered Banks



Source:

Office of the Parliamentary Budget Officer based on Bank of Canada, [Interest rates charged for new and existing lending by chartered banks](#).

Increases in mortgage rates were driven by increases in the Bank of Canada's policy interest rate across 2022 to 2023. Although the policy interest rate has been cut in 2024 and we expect the policy rate to continue to decline, the average interest rate for outstanding mortgages is expected to remain higher than in 2017. This is both because payments are usually fixed at the time of mortgage renewals and because mortgage rates are not expected to fully return to 2017 levels.

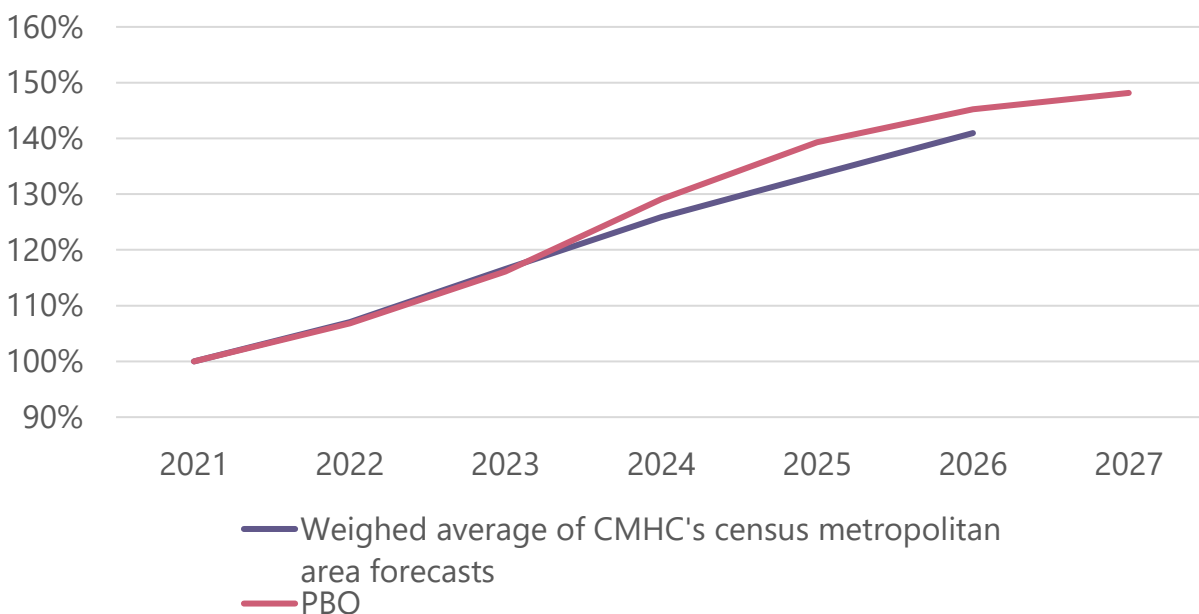
Renters

Shelter costs for renters increased primarily as a result of higher rents for new tenancies. CMHC's latest Rental Market Survey indicated that the average increase in rent for turnover units in 2023 was 24.1%, meaning that new tenants were being charged 24.1% more than the former occupant of the same unit.

Our forecast for average rents is slightly higher than CMHC's 2024 Housing Market Outlook, driven by growth in the rented accommodation component of the consumer price index since the publication of CMHC's outlook.

Figure 10

Projected Cumulative Change in Average Rents Since 2021



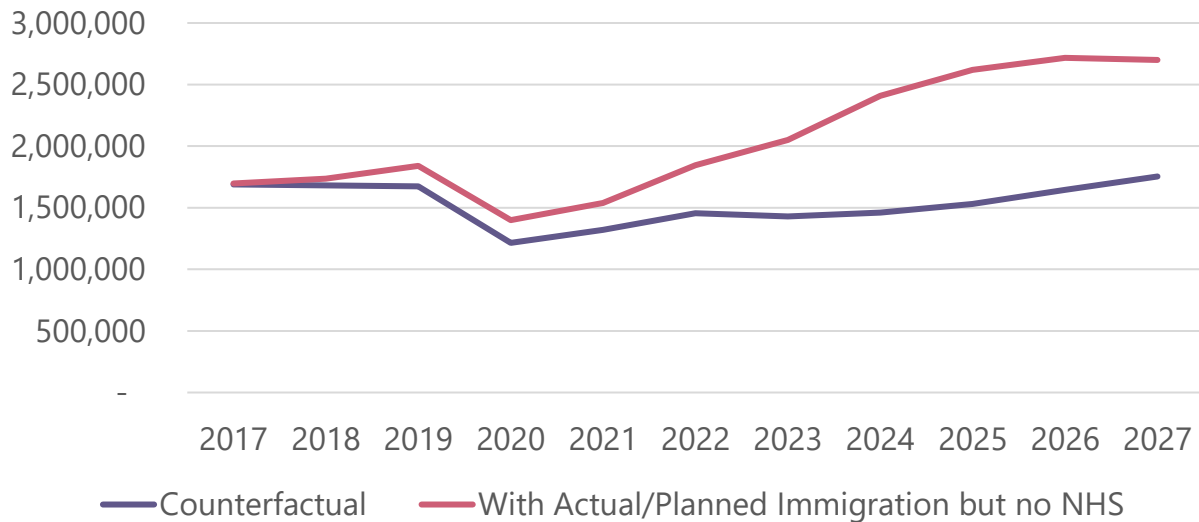
Source:
Office of the Parliamentary Budget Officer.

Increased immigration contributes to higher rents but also, over the longer term, towards increased supply which moderates those higher rents. Recent increases in rents are primarily attributed to the delay between increased demand from immigration and the adjustment of housing starts and, ultimately, the housing stock. Conversely, reductions in planned immigration across 2025 to 2027 will reduce the upward pressure

on rents, partially closing the gap relative to what would have happened if immigration had continued at historical rates.¹¹

Figure 11

Number of Households in Core Housing Need, by Year and Population Growth Scenario



Source:

Office of the Parliamentary Budget Officer.

Note:

Counterfactual scenario assumes constant immigration at historical average rates from 2016.

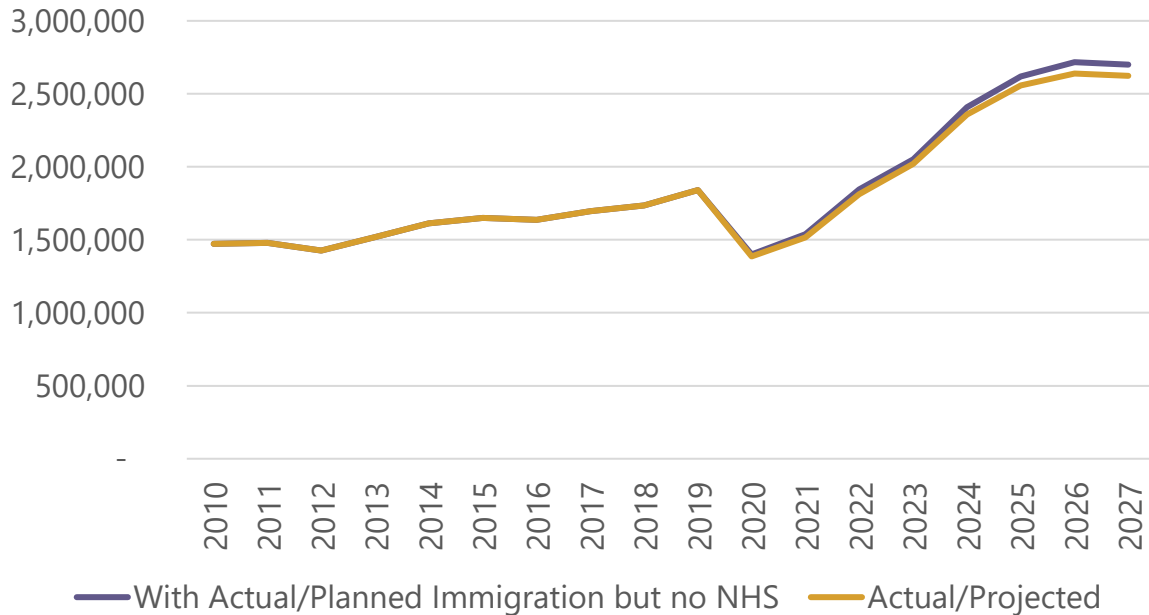
Actual/planned scenario assumes achievement of the targets set out in Immigration, Refugees and Citizenship Canada's [2024 Immigration Levels Plan](#).

Impact of the National Housing Strategy

Federal policies mitigate the increase in core housing need relative to what would have occurred without those policies. Without Canada's National Housing Strategy (NHS) we estimate that there would be 51,452 more households in housing need in 2024 and we project that there would be 78,077 more households in core housing need by 2027.

Figure 12

Number of Households in Core Housing Need, by Year and Scenario (With and Without NHS programs)



Source:

Office of the Parliamentary Budget Officer.

Targeted Assistance

The original plan to remove 530,000 households from housing need by 2027-28 rested primarily on targeted assistance. The main initiatives that were intended to contribute to the achievement of that target were:

- rent subsidies (300,000 households removed from housing need),
- sustaining community housing (199,300 households removed from housing need), and
- direct support for construction and renovation (27,600 households removed from housing need).¹²

Additional targeted assistance was provided through subsequent announcements, notably the Rapid Housing Initiative.

In total, we expect these programs to assist about 606,373 households by 2027, of whom approximately 78,077 will be removed from housing need. The households removed from housing need due to targeted assistance under the NHS consists of:

- 15,791 recipients of rent assistance through the Canada Housing Benefit,
- 55,961 residents in rent-geared-to-income community housing which otherwise would have been lost or not created, and
- 6,325 recipients of new affordable housing.

Table 5

Projected impact of National Housing Strategy Programs on Housing Need in 2027-28

	Canada Housing Benefit	Rent-geared to income Housing	Affordable Housing	Total
Not in Core Housing Need Regardless or Not Assessed	161,573	40,035	11,557	213,165
Removed from Housing Need	15,791	55,961	6,325	78,077
Still in Housing Need	252,711	52,821	9,600	315,132
Total Beneficiaries	430,075	148,817	27,481	606,373

Source:

Office of the Parliamentary Budget Officer.

Canada Housing Benefit

The Canada Housing Benefit provides funding to provinces to support housing benefits for low-income households. The benefit aims to provide \$2,500 per year to each recipient household, although actual benefits vary. By 2027, funding will be sufficient to provide the targeted benefit to 430,075 households with provincial/territorial cost-matching and the 2024 top-up to allocated funding. Our microsimulation model assumes that the benefit is allocated among low-income households in a similar manner to available subsidized housing.¹³ Not all of those households are in housing need and for those households that are in housing need, a \$208/month increase in income is

usually not sufficient to remove them from such needs. However, by 2027 we expect about 15,791 (4%) of the projected 430,075 beneficiaries of the Canada Housing Benefit to be removed from core housing need.

Rent-Geared-to-Income Housing

Under Canada's NHS, Canada aims to maintain part of the community housing stock with expiring operating agreements through renewed funding under the Federal Community Housing Initiative and Federal Provincial Territorial Partnership. Canada has also created new rent-geared-to-income housing through the Rapid Housing Initiative. In total, we expect these programs to result in 148,817 more low-income households living in rent-geared-to-income housing that would have otherwise been lost or not created, of whom 55,961 (38% of recipients) are removed from core housing need.¹⁴

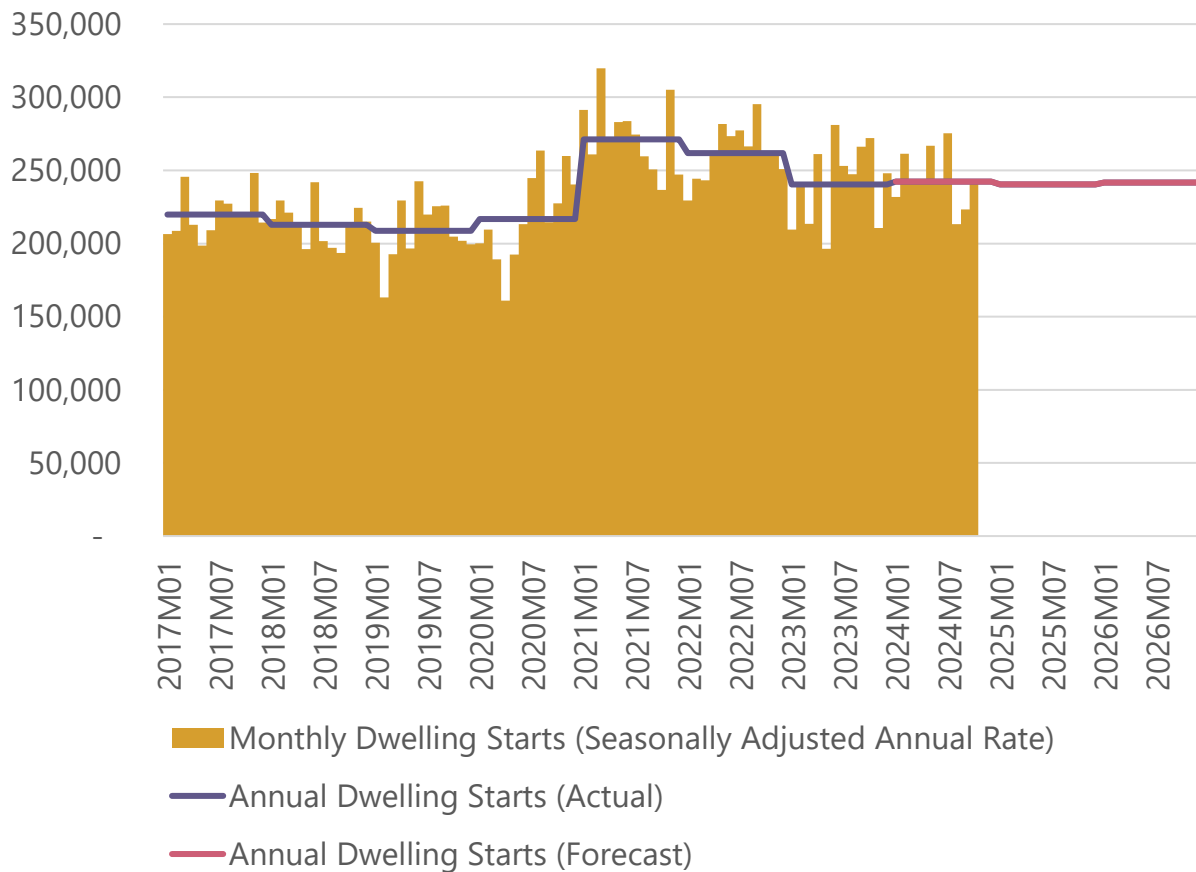
New Affordable Housing

Many federal programs provide financial support for the creation of new below-market housing. These programs include the Federal Lands Initiative, the Innovation Fund, and the Affordable Housing Fund. We assume that federal support results in the creation of additional affordable housing, with a causal contribution proportionate to the share of funding which is federal. For example, we assume that if a project created one hundred units, and the federal government contributed 16% of costs, then federal funding resulted in the creation of 16 additional units. We assume that the distribution of those units across affordability levels is the same as for Affordable Housing Fund projects to date. In total this suggests that cumulative spending by 2027 will have resulted in the creation of about 27,481 units of affordable housing, removing about 6,325 households (23% of recipients) from housing need.

Supply Initiatives

New tax expenditures and incentives for less restrictive zoning may contribute to housing supply, but their impact is highly uncertain and will largely fall beyond our projection period.

Whether these measures have an impact, it is not yet apparent. However, given these changes were implemented in 2023 and 2024, it may also be too soon to tell. It is also possible that there may be some impact offset by economic conditions.

Figure 13**Housing Starts, Monthly and Annual, Actual and Forecast**

Source:

Office of the Parliamentary Budget Officer.

For our main projection outlined above, we assume that there is no future shift in the relationship between the housing stock and housing demand due to these programs. Our specific forecast of housing starts reflects a linear projection of in-year starts for 2024, then the high-growth forecast set out in CMHC's 2024 [Housing Market Outlook](#).

To explore the sensitivity of our model to a potential increase in housing starts, we modelled an alternative scenario where housing completions increase by 75,000 per year starting in 2026. If realized, this increase in construction would increase the 2027 housing stock by 1.0% and decrease rents by 2.5%, compared with our main scenario.

Comparison to CMHC Estimate

CMHC's latest progress report on the NHS estimates the strategy has achieved "621,614 households reduced or eliminated from housing need."¹⁵ This figure essentially reflects the number of households significantly benefiting from programs receiving NHS funding, rather than a reduction in core housing need due to that funding.

- CMHC's count includes households benefiting from a continuation of baseline assistance, such as households in preserved low-income community housing.
- CMHC's count includes households assisted even if they would remain in housing need or were never in housing need.
- CMHC counts all low-income community housing maintained and affordable units built, rather than looking at the incremental units maintained or built due to federal contributions.
- CMHC does not account for economic trends or market measures.

Reporting Improvements

The PBO does not make policy recommendations or assess the merits of any policy proposal. However, we do have a mandate to promote fiscal transparency and we sometimes recommend that Parliament consider taking steps to make the government's spending plans easier to understand for both parliamentarians and the public.

CMHC currently reports on progress under the National Housing Strategy (NHS) through quarterly reports, Triennial Reports, and program evaluations. Parliamentarians may be better served if CMHC enhanced its existing reporting to include the following information:

1. A profile of planned spending (i.e., budgetary expenditures) across the duration of the government's NHS, by year and program.
2. Expected outcomes for each of its housing programs. These should identify:
 - a. incrementality (i.e., what does the expected outcome represent in terms of a change relative to current and baseline levels of support),
 - b. causality (i.e., what change in outcomes is attributable to federal support), and
 - c. benefits (i.e., who will receive support as a result of that activity and what is the magnitude and timing of that support).

These expected outcomes should be supported by published analysis estimating the outcomes likely to be achieved given each program's funding and design.

Finance Canada currently reports on tax expenditures through its Report on Federal Tax Expenditures. Parliamentarians could request that Finance Canada enhance its existing reporting to include the following information:

1. Expected outcomes for tax expenditures related to housing for which the government is seeking parliamentary approval. Those expected outcomes should be supported by published analysis.
2. Periodic evaluations of tax expenditures related to housing, updating estimates of their impact based on the latest available data.

Although reducing the number of households in core housing need is the overall target of Canada's NHS, the government does not currently provide any projections of the number of households that will be in housing need. Parliamentarians could request that the government publish such a projection, taking into account the impacts of planned

program spending, tax expenditures, planned immigration, interest rates and other relevant economic conditions.

Notes

¹ Spending refers exclusively to federal budgetary expenditures. It does not include loans (except as they give rise to budgetary costs), or provincial and territorial cost-matching.

² The real purchasing power of federal spending is calculated based on the Price Deflator for Capital Formation of Residential Structures, including the PBO projection for that figure. That deflator is based on the ratio of nominal to real capital formation of residential structures as set out in Statistics Canada [Table: 36-10-0104-01 \(Gross domestic product, expenditure-based\)](#), which is based primarily on new home price indexes, apartment building construction price indexes and an index of wage and material costs for renovations.

³ In order to focus on spending on housing affordability and to maintain comparability over time, we exclude infrastructure funding provided by Housing, Infrastructure and Communities Canada, including the recently announced Canada Housing Infrastructure Fund. Some planned spending is based on budget announcements.

⁴ Finance Canada's Report on Tax Expenditures has a forecast horizon of 2025. Some tax expenditures are indexed to nominal GDP for 2026 and 2027 to align with the time frame of Canada's National Housing Strategy.

⁵ PBO, [Foregone revenue from enhanced GST Rental Rebate on purpose-built rental housing](#).

⁶ PBO, [Foregone revenue from enhanced GST Rental Rebate on purpose-built rental housing](#).

⁷ PBO, [Cost of removing the tax exemptions for Real Estate Investment Trusts](#).

⁸ PBO, [Cost Estimate for the Multigenerational Home Renovation Tax Credit](#).

⁹ There is some ambiguity about this target. Initially, the goal of Canada's National Housing Strategy was to reduce the core housing need among renters by up to 50 per cent:

“We will cut in half the number of Canadian renters in housing need. That means about 500,000 more families will be able to afford a home that meets their needs.”

Hon. Jean-Yves Duclos, then Minister of Families, Children and Social Development, as quoted in the Federation of Canadian Municipalities, [National Housing Strategy: Getting it Right](#).

“We estimate that these historic investments will yield tangible results over 11 years, including up to a 50 per cent reduction in core housing need among renters.”

CMHC, [No Solitudes: A Canadian National Housing Strategy](#).

However, the strategy document expresses this target as being to remove 530,000 households from housing need, which is not limited to renters and is less clear about whether reductions would be available relative to 2017 levels or some hypothetical counterfactual. A footnote in the same document indicates that this refers to households whose housing need is significantly reduced or eliminated, which also reflects how CMHC has chosen to measure progress towards its target.

CMHC, [Canada’s National Housing Strategy](#).

CMHC advised us the Treasury Board has approved the adoption of “580,000 households whose housing need is reduced or eliminated” as a revised indicator for the National Housing Strategy.

¹⁰ Bank of Canada, [Interest rates charged for new and existing lending by chartered banks](#).

¹¹ More specifically, the counterfactual uses the historical average from 2007-08 and 2016-17 for both immigration and growth in non-permanent residents.

¹² PBO, [Federal Program Spending on Housing Affordability](#).

¹³ Provinces and territories may be able to better target housing benefits than social housing, since it is easier to discontinue support for households whose incomes increase. If so, Table 5 may overstate the share of Canada Housing Benefits who are not in core housing need.

¹⁴ Households in rent-geared-to-income housing can remain in housing need for a variety of reasons. Their home may be in need of major repairs, or unsuitable for their family size. Their shelter costs may also still exceed 30% of their household income due to income fluctuations or rents being set to a shelter allowance within social assistance rather than a share of household income.

¹⁵ CMHC, [Progress report on the National Housing Strategy](#).

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