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Canada needs ambitious, urgent strategy for social housing: Scotiabank report

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As affordable housing remains elusive despite policy pledges, Canada needs a more ambitious, urgent and well-resourced strategy — including doubling the stock of social housing — to support the country’s most vulnerable citizens, a new [Scotiabank report](#) says.

Increased demand and lacklustre supply are still making it difficult for a growing number of Canadians to buy a home, even as housing prices cool as a result of rising interest rates, says Rebekah Young, VP & Head of Inclusion and Resilience Economics at Scotiabank.

To help restore affordability by 2030, Canada Mortgage and Housing Corporation (CMHC) says 3.5 million additional units will need to be added beyond what is now being built each year, Young noted in the report. We are not on this path, she adds.

“Addressing broad-based housing affordability challenges remains as urgent as ever,” she wrote in an economics report on Canadian housing affordability.



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alternatives are being snatched up, pricing out lower income households and putting greater demand on social housing, she said. Demand for affordable rental units has also risen since large-scale immigration resumed after Covid-19 lockdowns. Immigration rose 6.3% to 431,000 last year, after expanding 160% in 2021, Young said.

The report points to [2021 census data from Statistics Canada](#) that shows more than 10% of Canadian households were in “core housing need,” meaning their housing falls below at least one of the thresholds for adequacy, affordability or suitability, and the median rent of alternative local housing would exceed 30% of before-tax income, while nearly 250,000 people are experiencing homelessness.

Meanwhile, Canada’s stock of subsidized rental units is among the lowest in the Organization For Economic Co-operation and Development (OECD) countries at 3.5% of total housing units, Young wrote.

The most vulnerable part of the population simply doesn’t have time to wait for affordable housing to be built, Young said.

Doubling the stock of social housing across the country would bring Canada just in line with OECD (and G7) averages, but well below some European and Nordic countries, a plan far more ambitious than the 150,000 incremental units targeted under the National Housing Strategy, Young wrote.

The report also noted that increased supply of social housing didn’t have to come from new builds, with Young suggesting policymakers apply a broader approach of build, buy, renovate, and retrofit to get where it needs to be. While there has been some headway in identifying the challenges, setting targets, and crafting solutions, achieving tangible results will take time, if any are implemented at all, Young noted.

“Meanwhile, as the situation deteriorates, particularly for those most vulnerable, it’s fueling a growing polarization around the public versus private provision of affordable housing in Canada,” she said, noting that “the enormity of the challenge requires both.”

Read the full Scotiabank Economics Report on Canadian housing affordability.

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