

Canadian Alliance to End Homelessness

**Submission to the House of Commons Standing Committee on
Finance 2025 Pre-Budget Consultation**



Summary of Recommendations:

1. Negotiate a new national agreement on housing and homelessness with the provinces and territories

2. Ensure that Build Canada Homes delivers the affordable and supportive housing needed to reduce homelessness

3. Strengthen community capacity to respond to unsheltered homelessness

4. Create a housing safety net to prevent new homelessness

5. Build a housing system that works for everyone

Introduction

The Canadian Alliance to End Homelessness (CAEH) is a national charity working to prevent and end homelessness by helping to build effective community response systems and collaborating with government to solve the housing crisis.

The housing and homelessness crisis is personal for Canadians – 53% worry that the impacts of the trade war could put them at risk of losing their home or becoming homelessⁱ, and 57% of Canadians fear losing their housing if their financial situation were to changeⁱⁱ. These numbers reflect Canadians' widespread economic uncertainty and housing precarity as they grapple with unaffordable rents, increasing homelessness, and the dream of homeownership slipping further out of reach.

The risk of a deepening housing and homelessness crisis is high but can be mitigated with decisive government leadership and strategic, outcome-driven investments. As trade tensions and economic stagnation create new pressures on Canada's economy, housing is central to the federal government's focused effort to drive growth – attracting investment, creating good jobs, and increasing productivity.

Budget 2025 is a critical moment for the federal government to deliver a bold vision on housing – one that transforms Canada's progress towards ending homelessness and builds the long-term solutions we need to solve the housing crisis for good.

Recommendations

1. Negotiate a new national agreement on housing and homelessness with the provinces and territories

CAEH recommends that Budget 2025 include a commitment to immediately begin negotiations with provinces and territories towards a new national agreement on housing and homelessness.

The new federal government has set an ambitious agenda on housing, but implementation will require a Team Canada approach. While many governments across the country have taken up housing as a priority over the past several years, fragmented efforts and limited intergovernmental coordination on housing and homelessness have slowed progress. Canada is now in a unique moment to develop a new, coordinated approach that delivers for Canadians and solves the housing crisis for good.

As the existing bilateral agreements under the National Housing Strategy approach their expiry in 2028, the federal government has an opportunity now to re-negotiate these agreements early to reset these partnerships, respond to our new housing realities, and re-define federal-provincial-territorial (FPT) cooperation to improve housing and homelessness outcomes.

FPT governments have a record of coming together on issues of national importance to find collaborative solutions and more effectively meet the needs of Canadians. Building on successful precedents like the health agreements and the early learning and childcare agreements, and on existing frameworks established through the National Housing Strategy, this approach would be

transformative for Canadians, leveraging and focusing every level of government on effective solutions to the housing crisis and working together to accelerate the end of homelessness.

A national agreement would set out our country's shared vision on housing; establish agreed-upon FPT objectives and outcomes, including homelessness reduction and affordable housing targets; identify shared initiatives and priority areas; and detail the funding commitments and allocations needed to achieve the goals set out through the agreement. This agreement would complement ongoing FPT collaboration on trade and economic transformation by enabling the federal government and provinces to streamline and harmonize regulations to accelerate housing development, support adoption of factory-built housing, reduce interprovincial trade barriers, address collective challenges like development charges, and build the construction workforce Canada needs. It would also enable federal-provincial-territorial-municipal alignment on homelessness responses, scaling up proven and effective measures and focusing on housing-centred responses to homelessness. This is not about creating new bureaucracy but rather creating the systems, coordination, and relationships required to solve homelessness and fix the housing crisis.

2. Ensure that Build Canada Homes delivers the deeply affordable and supportive housing needed to reduce homelessness

As the federal government announces funding and programs to be delivered through Build Canada Homes (BCH), CAEH makes the following recommendations to ensure this important initiative results in the affordable and supportive housing Canada needs to reduce and end homelessness:

Re-define affordability: While BCH aims to build affordable homes at scale, Canada needs to re-define affordability to ensure that the right homes get built and are available to people who need them, at the right price. Market-linked definitions of “affordable rents,” sometimes set at 80% of average market rent, do not reflect the reality of what Canadians can afford. The affordable housing delivered through BCH should build on CMHC's definition of affordable housing as 30% of pre-tax or gross household income, focusing on true affordability based on the household income of those in greatest need – including those who are living on income supports/fixed incomes.

Deliver 50,000 new supportive housing units: As work begins on an FPT agreement on housing and homelessness and BCH, the federal government can work with provinces and territories immediately to improve the delivery of supportive housing. Programs like the Rapid Housing Initiative and the Affordable Housing Fund's Rapid Housing Stream have been important enablers of deeply affordable and supportive housing. These funds, combined with other new mechanisms, like available federal lands, can more efficiently deliver affordable and supportive housing. However, to realize the full potential of the federal government's capital investment in supportive housing, the provinces and territories need to be involved. CAEH recommends that federal capital funding to build supportive housing be set up so that provinces and territories fund and sustain operating and support costs, including health, mental health, and case management. Without FPT collaboration on supportive housing, the units built through the support of the federal government risk falling short of their intended impact. BCH must enable the delivery of the supportive housing desperately needed in our communities, and CAEH recommends the government work towards an initial target of 50,000 new supportive housing units.

Leveraging federal dollars and working collaboratively with provinces and territories on supportive housing is not only a moral imperative, but also a smart economic investment. Supportive housing is a cheaper and more effective option to house people with complex needs, costing around \$4,000 per month. By comparison, a month-long stay at a shelter costs \$7,000, prison \$10,000, and nearly \$30,000 in a hospital.ⁱⁱⁱ All levels of government have a shared responsibility and direct interest in ensuring people in our communities have the housing and support they need – Budget 2025 and new initiatives through BCH can ensure that happens.

3. Strengthen community capacity to respond to unsheltered homelessness

The federal government is making critical investments in communities and organizations working to prevent and end homelessness through Reaching Home and the new Homelessness Reduction Innovation Fund. These investments are uniquely focused on strengthening the capacity of communities across Canada to rapidly resolve homelessness. As the federal government prioritizes efficient government spending, there is a vital opportunity to bolster these capacity-building efforts and make strategic investments in proven, scalable, local solutions to drive measurable homelessness reductions.

Budget 2024 announced a new Unsheltered Homelessness and Encampments Initiative (UHEI), supporting initiatives to respond to unsheltered homelessness and encampments, increasing readily-available shelter and housing spaces and outreach support. Through the UHEI, the federal government is transforming how communities are able to respond to and reduce homelessness. CAEH recommends that the federal government expands the UHEI funding available, and seeks cost-matching through provinces, to scale the impact and make investments that will meaningfully reduce unsheltered homelessness and encampments.

In major Canadian cities, an increased number of people experiencing unsheltered homelessness are refugees. The City of Toronto's recent Street Needs Assessment found the average nightly occupancy of refugee shelter users in the system went from 681 people in October 2021 to 4,709 by October 2024.^{iv} The local shelter system is overwhelmed and doesn't have the resources to respond – the federal government needs a comprehensive refugee and asylum seeker reception and resettlement system that ensures those seeking safety in Canada don't end up in local homeless shelter systems. Doing so will help relieve pressure on local shelters while ensuring refugees and asylum seekers are supported appropriately and get connected to the services they need.

As the landscape of homelessness changes in communities across the country, Budget 2025 must reinforce community capacity to respond to unsheltered homelessness.

4. Create a housing safety net to prevent new homelessness

The impacts of the economic instability driven by the Trump administration are being felt across Canada's economy, labour market, and housing system, worsening housing insecurity and driving more people into homelessness^v.

To protect Canadians from the impacts and ensure Canada doesn't face a wave of new homelessness, we need more substantial and targeted benefits. CAEH recommends that the

federal government re-negotiate the Canada Housing Benefit (CHB) with provinces and territories, as part of a new national agreement on housing and homelessness, to create a housing safety net. As the current CHB is set to expire with the National Housing Strategy bilateral agreements in 2028, the federal government should work with PTs to develop a cost-shared housing benefit – modelled off the proposed [homelessness prevention and housing benefit](#) – that targets those in deepest housing need to prevent housing loss.

Housing benefits can have an immediate impact, filling a critical gap while the housing the federal government is currently funding gets built. Findings from the City of Toronto’s Homelessness Point-in-Time Count confirmed that housing affordability is at the core of homelessness – the most commonly reported reason for recent housing loss amongst those experiencing homelessness (41%) was not having enough income for housing.^{vi} The same report also demonstrated the direct link of housing benefits, the Canada-Ontario Housing Benefit (COHB) in this case, to improving people’s ability to transition from homelessness to permanent housing. In 2024, delays in Toronto’s allocation of the COHB directly impacted the number of people who were able to exit the shelter system and move into permanent housing.^{vii}

We know that our housing system and social safety net are vulnerable need to be reinforced – Canadians need the federal government to respond with a reinforced Canada Housing Benefit.

5. Build a housing system that works for everyone

Homelessness is a housing problem and is deeply connected to our stretched housing system, including rental unaffordability, barriers to home ownership, and a lack of supportive and affordable housing. That is why it is essential to approach the solutions to the housing crisis from a systems-lens – from supporting young Canadians to achieve the dream of homeownership to building diversified non-market housing and investing in the policy solutions needed to end homelessness.

As partners in the Housing Canada Coalition, CAEH works collaboratively with organizations across the housing sector, including the Canadian Real Estate Association, Canadian Housing & Renewal Association, and Habitat for Humanity Canada. In the face of our worsening housing crisis and trade pressures, we released [the Sovereign Housing Plan](#), laying out a roadmap for the government to respond to the immediate crisis while building resiliency for the future. In addition to measures to end homelessness, our plan includes solutions to unblock housing supply, address financing barriers, grow non-market housing, protect renters and expand Indigenous urban, rural and northern housing. To build a housing system that works for everyone, Budget 2025 must advance these types of bold, coordinated solutions that address needs and opportunities across the entire housing ecosystem. CAEH and the Housing Canada Coalition stand ready to partner to build a Canada where everyone has a safe, affordable place to call home.

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ⁱ [Abacus Data 2025](#)

ⁱⁱ [Abacus Data 2024](#)

ⁱⁱⁱ [Andrew Boozary, Globe and Mail 2024](#)

^{iv} [2024 Toronto Street Needs Assessment p.8](#)

^v [Sovereign Housing Plan](#)

^{vi} [2024 Toronto Street Needs Assessment, p.56](#)

^{vii} [Ibid. p13](#)