

# Housing newcomers to Canada: A federal housing policy perspective

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Canada



# Canada Mortgage and Housing Corporation (CMHC) is Canada's national housing agency

- As a Crown corporation, we are responsible to Parliament through the newly established Minister of Housing and Diversity and Inclusion
- We contribute to housing affordability and a stable housing finance system, support Canadians in housing need through investments for housing, and conduct housing research and market analysis
- Our corporate aspiration: *By 2030, everyone in Canada has a home that they can afford and that meets their needs*
- We lead Canada's National Housing Strategy (NHS) on behalf of the Government of Canada, working with other federal departments, other levels of government and the housing sector

# Housing in Canada

An overview

# Canada's housing system

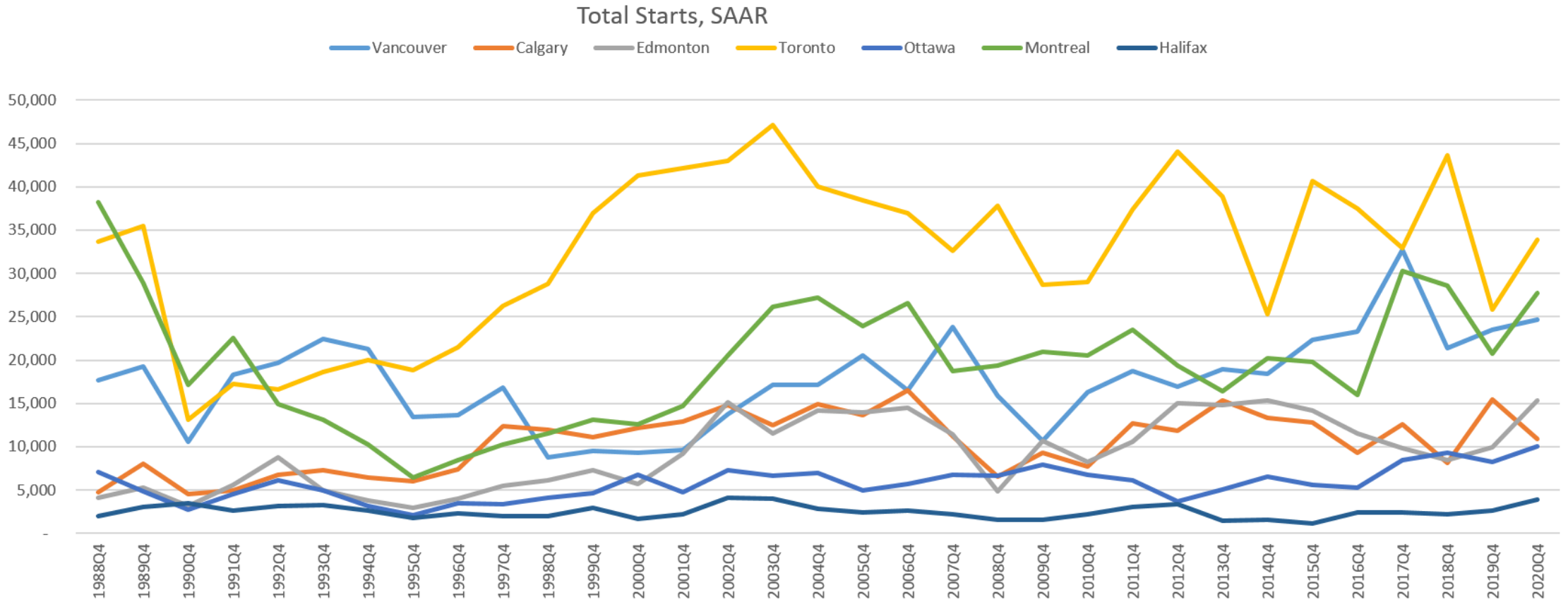
- Housing is a continuum, including shelters, transitional and supportive housing, community housing, affordable rental housing and homeownership
- Housing is mostly privately owned, and tightly connected to financial, economic and social systems
- A well-functioning, stable housing system is fundamental to a human rights-based approach to housing and promotes economic stability, long-term affordability and sustainability



# Housing supply has not kept up with high demand

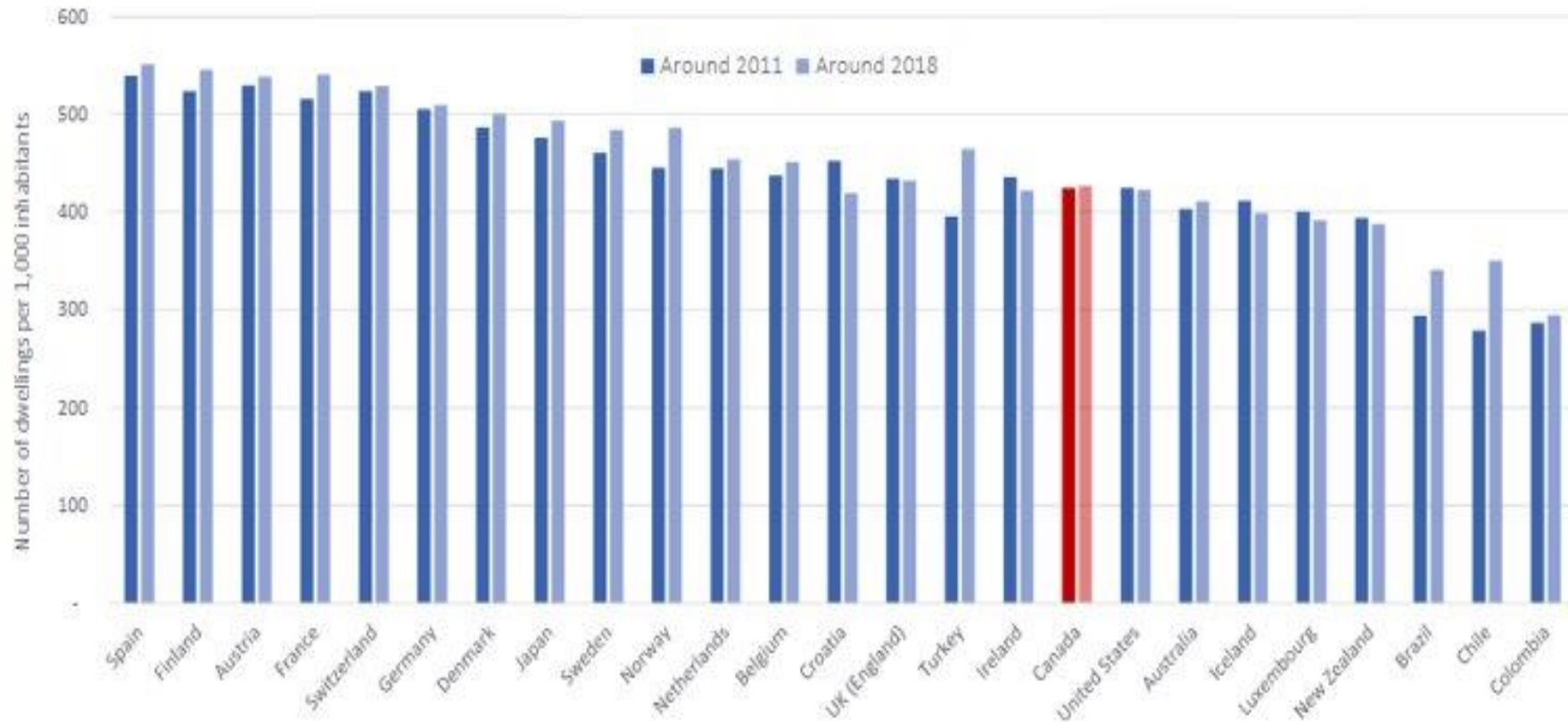
- House prices and rents have continued to increase, while incomes have not kept up
- Increased housing demand over the past two decades has been driven by population growth (including from immigration), low interest rates, tax structures and unwarranted demand
- Supply has not kept up with the increased demand
- Key barriers to increasing supply include geographic constraints, land-use regulations, high building costs, and local opposition (“Not-in-My-Backyard” or NIMBYism)

# Despite strong demand, housing starts have remained steady



Sources: CMHC (Starts and Completions Survey); Extracted 2021-04  
SAAR = seasonally adjusted annual rates

# Supply is lagging: Canada has continued to lag many benchmark countries in the number of dwellings per capita



Source: OECD, last updated 2021-06



# Unmet housing demand has several socio-economic and environmental impacts

- Erodes economic growth: High housing costs reduce productivity of labour markets; more difficult to attract, retain employees
- Increases social exclusion: Housing shortages displace and exclude certain population groups from communities
- Drives inequality: Widening divide between owners and renters; parents with home equity more able to help children
- Hurts the environment: Low-density land-use contributes to higher emissions



# Over 12% of households in Canada are in Core Housing Need

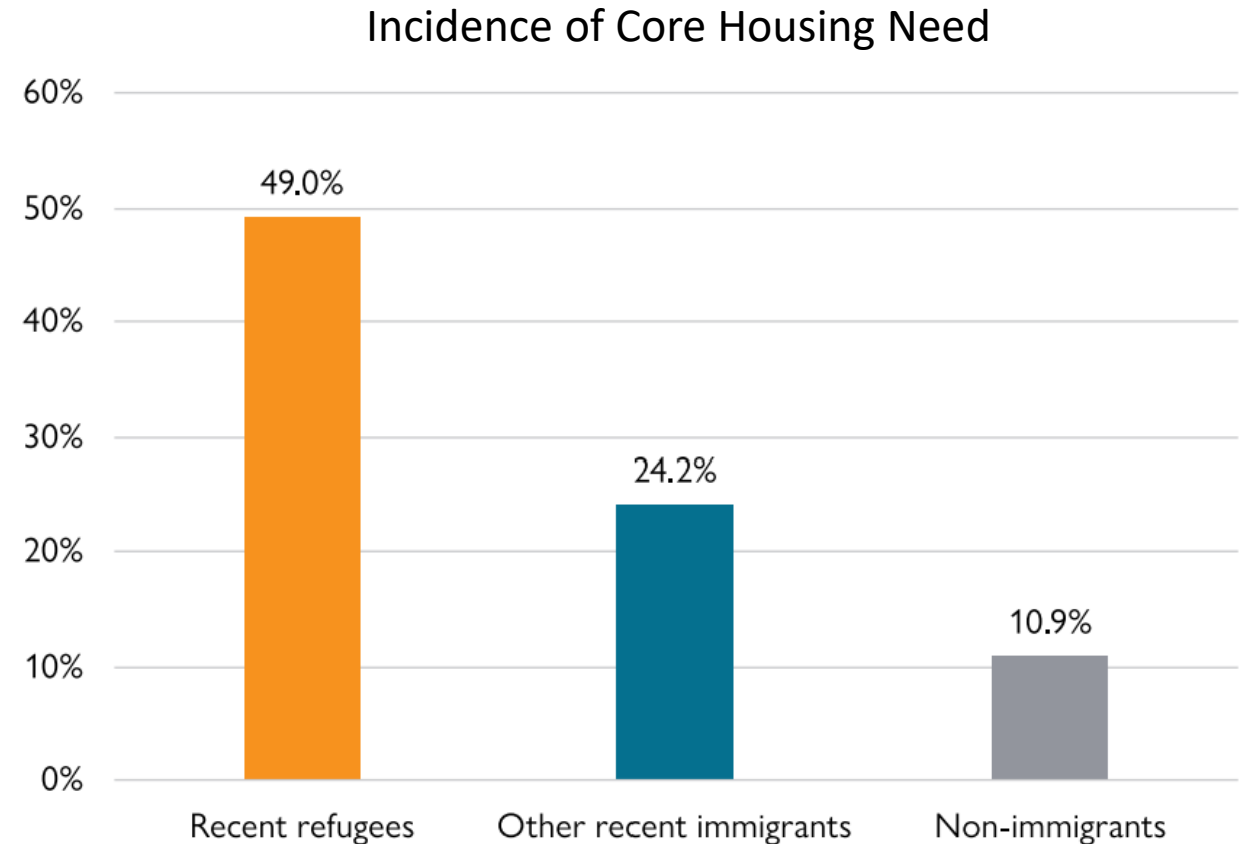
- In 2016, 1.7 million households in Canada were in core housing need (2016 Census)
- Core housing need happens when:
  - Housing fails to meet one or more of the standards of affordability, adequacy (condition of the home), or suitability (enough bedrooms for household composition)
  - AND the household would have to spend 30% or more of its before-tax income to find an alternative unit in the local housing market that meets all three standards
- Certain groups are overrepresented in core housing need statistics, including renters, newcomers, Indigenous peoples, seniors

# Newcomers to Canada

Access to housing

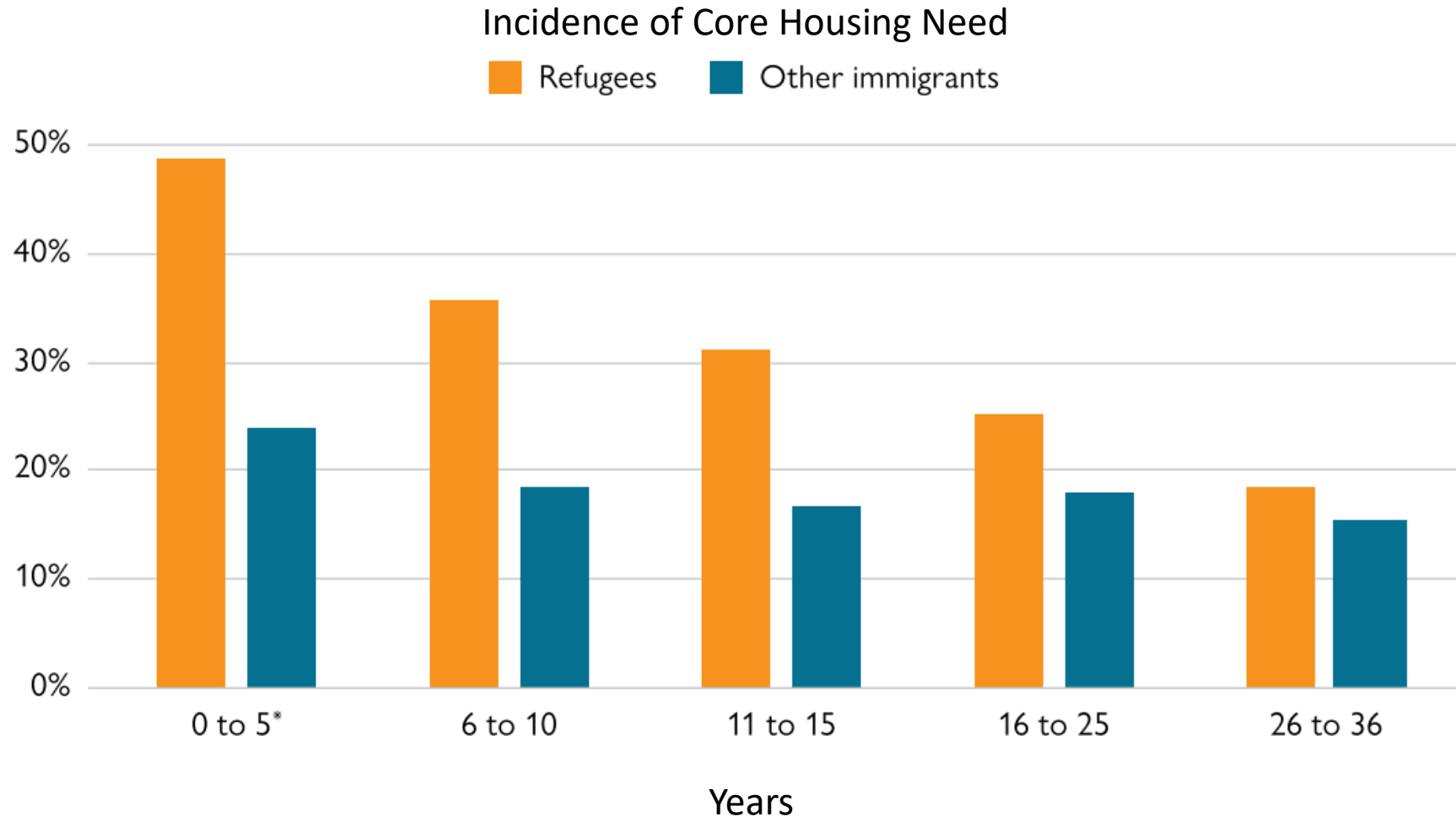
# Newcomers and visible minority households have a higher incidence of core housing need

- 17.8% of immigrant-led households in core housing need (CHN), compared to 12.7% for all households
- Incidence of CHN among recent refugee-led households almost 2x that of other recent immigrant-led households and over 4x greater than non-immigrant-led households
- 20.1% of visible minority households in CHN, compared to 11.2% of non-visible minority households



Source: CMHC, adapted from Statistics Canada (Census 2016)

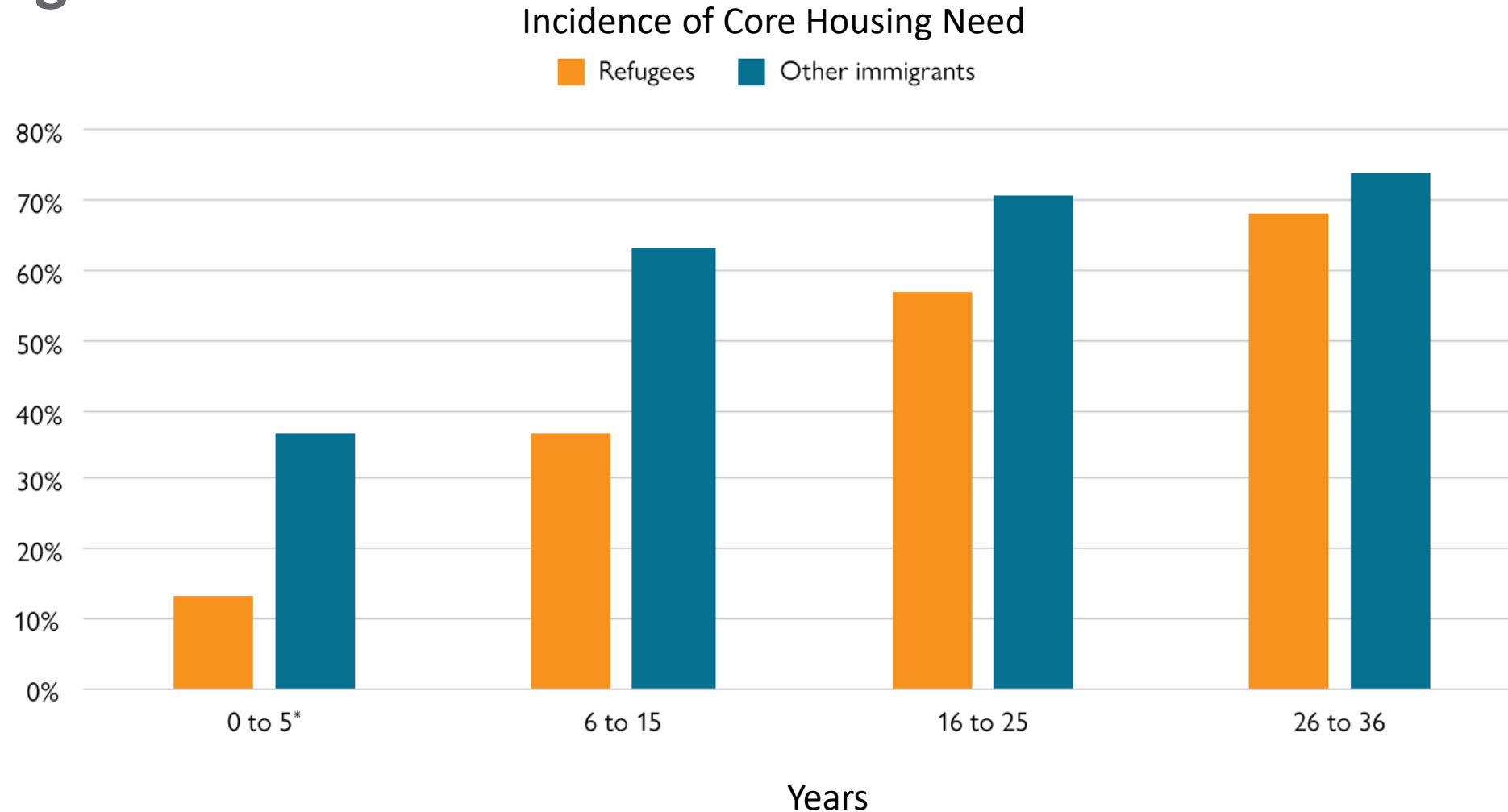
# Incidence of core housing need goes down after first five years since immigration



\*From January 1, 2011 to May 10, 2016

Source: CMHC, adapted from Statistics Canada (Census 2016)

# Homeownership rates increase as families are in the country longer



\*From January 1, 2011 to May 10, 2016

Source: CMHC, adapted from Statistics Canada (Census 2016)

- Access to suitable and affordable housing is critical to timely integration of newcomers
- Immigrants have historically fared well in the housing market; core housing need declines with length of time in Canada, and homeownership increases
- Housing outcomes are tied to the admission category and other factors (e.g. visible minority status)
  - Over first four years of arrival, refugees experience least improvement in housing of three admission classes

## Housing outcomes for newcomers to Canada

## Affordability

- Most commonly cited barrier
- Especially challenging in major cities where newcomers tend to resettle

## Overcrowding and hidden homelessness

- Common experience among many newcomers

## Discrimination

- Newcomers, particularly from racialized groups, face discrimination in rental housing markets

## Disconnected services and underutilizations

- May not be aware of available services
- May prefer to rely on informal networks for information

# Key challenges and barriers for newcomers in accessing housing



# **Building housing solutions**

Federal role in housing policy

**2017**

# The federal government launches Canada's first National Housing Strategy

The National Housing Strategy (NHS) is a

**\$72+ billion\*, 10-year plan**

to meet the housing needs of Canadians. The NHS:

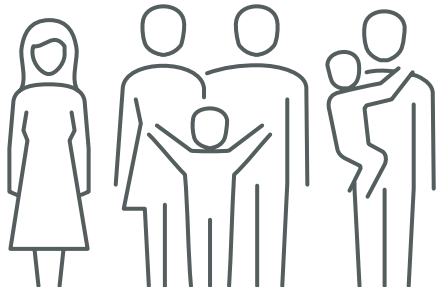
- is founded on a human rights-based approach that promotes inclusion, accountability, participation and non-discrimination.
- applies a Gender-Based Analysis Plus (GBA+) lens to equitably address diverse housing needs
- offers a toolkit of responses to address challenges across the housing continuum.

*\*Funding includes over \$2B proposed in Budget 2021 which are pending spending authorities.*

# NHS programs respect the three key principles:

## People

The Strategy will better meet the needs of Canadians with distinct housing needs.



## Communities

The NHS is creating a new generation of housing.

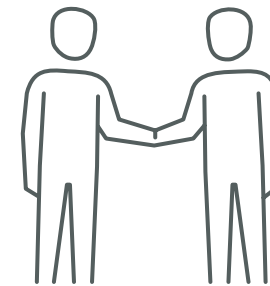
Housing investments align with other public investments including climate action.



## Partnerships

The NHS is creating opportunities for greater innovation and collaboration.

Federal, provincial and territorial governments are primary partners in housing.

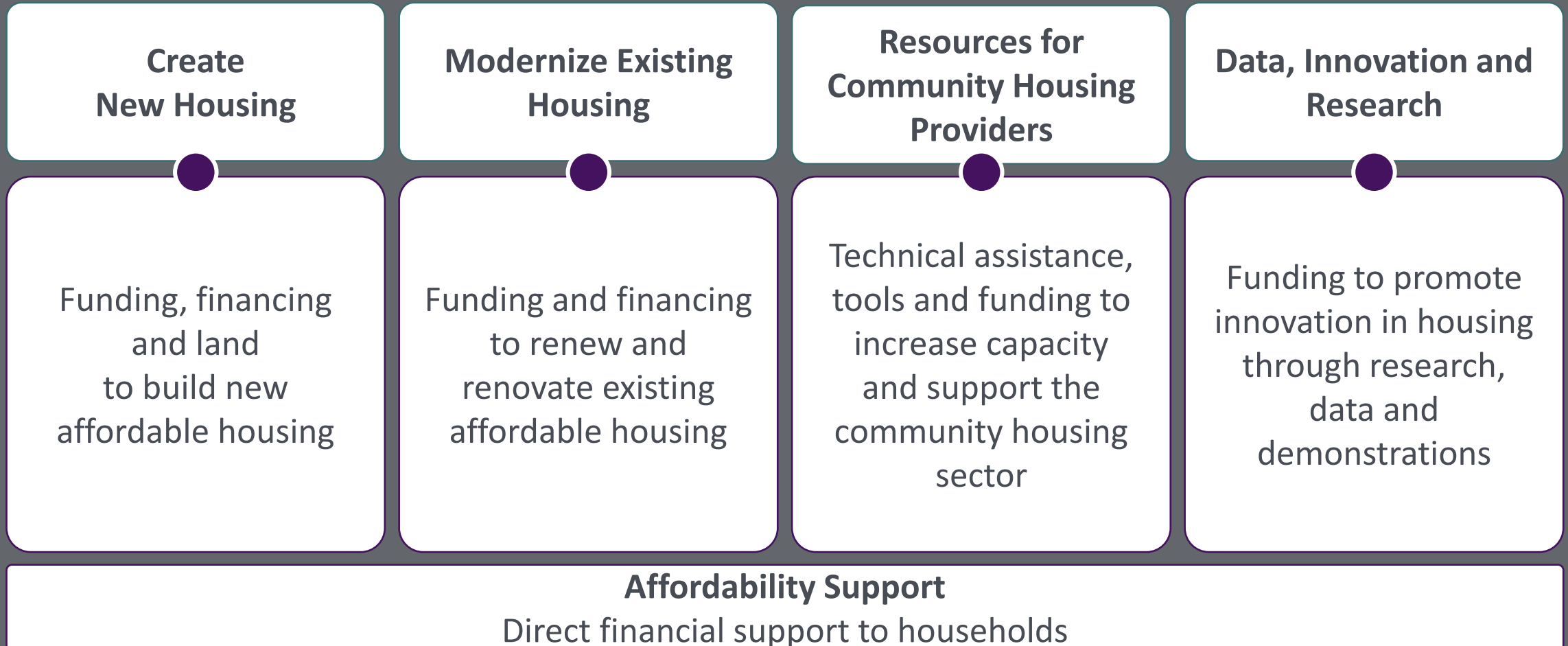


# The NHS prioritizes vulnerable people, including:

- Women and children fleeing domestic violence
- Seniors
- Indigenous peoples
- Young adults
- People with disabilities
- People dealing with mental health and addiction issues
- Veterans
- LGBTQ2+
- Racialized groups, including Black Canadians
- Recent immigrants, including refugees
- People experiencing homelessness



# Funding is delivered by the federal government or provinces and territories to developers, housing providers, community groups and researchers



# What are the policy priorities?

- Increase supply of housing and repair the existing housing stock
- Ensure housing needs of equity-seeking groups are reflected in policies and programs
- Form partnerships and collaborations across all orders of government and across sectors necessary to address complex housing challenges
- Invest in research, data, and innovation to develop effective interventions



# Affordable and resilient housing for new immigrants

Solutions Lab

Improved access to quality housing helps integrate new immigrants into the community





# Let's Talk about Home and Community

Solutions Lab

Promoting social and economic inclusion for newcomers and people with developmental disabilities



For questions or  
more information

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