

Proposal for the Canada Renters Credit and repurposed Canada Housing Benefit

Frequently asked questions

1. What's the difference between the Canada Renters Credit and Maytree's proposal for a Canada Housing Benefit System?

Maytree's proposed "[Blueprint for a Canada Housing Benefit System: Architecture and design features](#)" calls on federal and provincial/territorial governments to work together to integrate their income supports for renters into one, enhanced benefit. It's a long-term vision for reorganizing, augmenting, and enhancing the patchwork of existing housing benefits. Work on a Canada Housing Benefit System should begin immediately, but it will take time to implement.

The Canada Renters Credit would create an immediate income floor for renters with low incomes and could be delivered solely by the federal government. Over time, this benefit should be enhanced and integrated with other housing supports, consistent with our vision for a Canada Housing Benefit System.

Consult the [full report](#) for more on why Canada needs an integrated system of housing benefits and how one should be designed, governed, funded, and delivered.

2. Why not just build more housing?

Income support for renters complements supply-side housing policies, it does not replace them.

On the supply side, many experts have called on Canada to at least double its stock of social housing, especially housing where there's access to other critical health supports. Maytree joins this call for urgent action, but we acknowledge that building our way out of homelessness and housing unaffordability will take years, possibly decades. In the meantime, income is what pays the rent today.

The proposed Canada Renters Credit can help people stay housed or find a home urgently while supply catches up.

3. How does a Canada Renters Credit advance the right to housing?

In 2019, the federal government recognized in the [National Housing Strategy Act](#) that adequate housing is a fundamental human right affirmed in international law and committed the federal government to the progressive realization of that right.

The Canada Renters Credit would advance that commitment by creating a broad, nationally consistent income floor for low-income market renters that provides the most support to people with the lowest incomes. It would help many people remain housed, reduce affordability pressure, and prevent more households from being pushed into homelessness.

It is not a substitute for social housing, rent regulation, or deeper homelessness-prevention supports, but is a concrete and immediate rights-based measure that uses federal tools to improve housing outcomes for people in need.

4. Won't a new tax credit just create inflation and push rents higher?

The Canada Renters Credit would not be based on the actual cost of a household's rent. This design feature limits the potential effect of rent inflation by ensuring that landlords wouldn't know if their tenants receive the credit, how much they receive, or if they're using it for rent.

Most provincial and territorial rent regulations also place some limits on annual rent increases, which help keep rents affordable relative to the cost of living. However, there are often gaps in these regulations that end up leaving new renters with higher costs. To help protect the value of the credit over time, we call on the federal government to encourage provinces and territories to strengthen their rent regulations.

5. Who would qualify and how much could they get?

Benefits from the Canada Renters Credit are designed to target renter households who have low incomes. They would depend on a renter's annual income and the size of the housing they need for their family.

For example, single renters with annual incomes below roughly \$24,000 could receive \$200 per month in support from the credit. As their income rises beyond this amount, their credit would be gradually reduced by 30 per cent for each additional dollar of income. Once their annual income reaches just over \$31,000, they would no longer qualify for the credit.

The benefit amount and income threshold where benefits start to decrease would change for larger families. This means that a lone parent with one child who needs

a two-bedroom unit could access a higher maximum benefit and would start to see their benefits decline at a different income level. The formula for this benefit adjustment based on family size would be similar to the design of other income supports.

Renters of any age would be eligible, but full-time students would be excluded, as they can access grants and loans through other programs.

The credit could be delivered on a monthly or quarterly basis. Plus, as a refundable credit, support would be provided regardless of whether tax is owing, similar to the Canada Groceries and Essentials Benefit.

6. How would you apply for the credit?

Renters would apply when they submit their annual tax returns, just like they do for many other federal, provincial, and territorial tax credits. There would be no separate application process needed.

To identify households who rent in the private market, our proposal suggests using Revenu Quebec's method for proving renter status. It asks landlords to submit a form about their tenants, including the address where they live, and then provides a corresponding number for tenants to report on their tax returns. This avoids the need to ask each renter for proof that they rent market housing.

7. What happens to the current Canada Housing Benefit?

The federal-provincial-territorial Canada Housing Benefit (CHB) is an important direct financial support for households with low incomes. Over the past decade, it has assisted roughly 300,000 households across Canada.

The success of the CHB demonstrates the important role that direct income support can and should play in making housing more affordable for people with low incomes. However, the CHB wasn't designed as a permanent income floor – there's a different CHB in each province and territory with no consistent way of qualifying or applying, there isn't enough money to support everyone who needs it, and federal funding is set to end in March 2028.

Learning from the CHB, we have created a new tool for the federal government to reach more renters with low incomes. But this doesn't mean the CHB should end or be reduced.

Instead, we propose that current CHB funding levels are maintained or enhanced and that, in the future, the benefit's infrastructure is used to reach households in deepest need, including those who may have trouble accessing the tax system. This

repurposed CHB should have a goal of ending homelessness – something that all governments in Canada should care about.

Our proposal digs deeper into how the CHB could work alongside the Canada Renters Credit, including an assessment of which CHB recipients could be supported by the credit over time. [Consult the full policy brief](#) for more details on what we think this transition could look like.

8. What would happen to other supports for renters, like social assistance benefits, tax credits, and rent-geared-to-income housing?

The Canada Renters Credit and repurposed Canada Housing Benefit are designed to complement and fill in gaps in existing supports for renters. They would not, and should not, replace other supports, like provincial and territorial tax credits or social assistance benefits.

Importantly, the Canada Renters Credit has not been designed to support renters in rent-geared-to-income housing – these renters still need assistance to pay for housing.

9. What about low-income homeowners?

The Canada Renters Credit is designed to support renters with low incomes who rent at market rates. However, we recognize that there are also many other Canadians struggling with their housing costs, such as low-income homeowners. Governments should strengthen supports for these individuals through a separate suite of initiatives that are better suited to their needs.

10. How much will a Canada Renters Credit cost?

We estimate that the annual cost of the Canada Renters Credit would be roughly \$4.72 billion, supporting over two million tax families.

11. How long will it take to implement?

The Canada Renters Credit could be implemented as soon as possible. In our policy brief, we recommend that the credit be available in 2028, lining up with the timing of when federal funding for the Canada Housing Benefit is set to end.