POLICY BRIEF

Proposal for a Canada Renters Credit

A new tool to complement and reform the Canada Housing Benefit

Sam DiBellonia

July 2026

Maytree
Poverty • Rights • Change

About the author

Sam DiBellonia is Manager of Policy at Maytree.

Acknowledgements

This publication would not be possible without several contributors.

The author would like to sincerely thank:

- Alexi White and Annaliese Loeppky for their guidance and insights.
- Gillian Petit and Selvia Arshad for their statistical modeling and analytical support.
- The many people from the housing, income security, community, and policy sectors who provided thoughtful feedback that helped shape this proposal.

About Maytree

Maytree is a Toronto-based human rights organization committed to advancing systemic solutions to poverty and strengthening civic communities. We believe the most enduring way to fix the systems that create poverty is to ensure that economic and social rights are respected, protected, and fulfilled for all people living in Canada. Through our work, we support non-profit organizations, their leaders, and people they work with.

ISBN: 978-1-996945-08-7

Maytree
77 Bloor Street West, Suite 1600
Toronto, ON M5S 1M2
CANADA

+1-416-944-2627

Email: info@maytree.com
Website: www.maytree.com

Summary of the proposal

Step 1: The federal government should maintain and extend the existing federal funding envelope for the Canada Housing Benefit (CHB) at 2027/28 levels, plus an inflation factor to account for average annual growth in rent.

The CHB is the only demand-side housing initiative in the National Housing Strategy (NHS) that provides financial assistance directly to renters. It has supported roughly 300,000 households.

Any reduction to the CHB funding envelope would mean putting hundreds of thousands of current recipients at risk of losing critical support that keeps them housed. For the same reason, it is not advisable to redirect CHB spending to new priorities without a plan to compensate and transition recipients who could be negatively impacted.

Step 2: In parallel, the government should introduce a federal refundable tax credit that provides modest support to a broad range of lower-income market renters, starting in the 2028 tax year.

Through the next NHS, the federal government should reimagine its approach to supporting renters. Instead of providing time-limited funding through the CHB for a patchwork of complex supports with varying purposes, we propose that the government design a new housing benefit outside of this system – one that is simpler to understand, access, and administer. This support could help stem the flow of people into homelessness by creating an income floor for a broader population of low-income market renters who cannot wait for more deeply affordable housing to be built.

This paper offers four options for this support, which we call a Canada Renters Credit. We recommend option 3, where the credit provides up to $200 per month for single renter households who rent at market rates.

The Canada Renters Credit is an important step forward, but it is not the end of the journey. Per Maytree's proposal for a Canada Housing Benefit System, over time, the new credit should be integrated with the rest of the federal, provincial, and territorial housing benefit landscape to create a single system, with further enhancement through this process. (See Appendix A for a summary of Maytree's Canada Housing Benefit proposal.)

Step 3: The federal government should work with provinces and territories to repurpose future CHB funding towards ending homelessness.

If implemented, the Canada Renters Credit would provide an income floor to millions of existing low-income renter households. This significant change to the housing policy landscape would free up governments to reconsider how best to use the structure set up by the CHB for ongoing cost-matched funding towards a collective goal that cannot be achieved through federal action alone.

The federal government should take this opportunity to work with provinces and territories to repurpose the CHB structure to focus on ending homelessness. By reaching those in deepest need – some of whom would struggle to access support offered through the tax system – the CHB can find a single national purpose, making it more effective and accountable.

Since the federal government would be taking on responsibility for providing an income floor for low-income renters, provinces and territories could be asked to do more to strengthen security of tenure, for example, through greater protections against no-fault evictions. Since provinces and territories hold primary responsibility for regulating rents, the federal government could consider pressing for improved rent regulations as part of a larger national housing accord.

Part 1: The case for a new income support for low-income renters

Canada needs more deeply affordable housing, but only income support will house and stabilize people today

Canada needs more housing of all kinds, but especially social and supportive housing for renters with low incomes. Many housing experts have called on Canada to at least double its stock of social housing to meet demand.[1]

But building this kind of housing at the scale that is needed will take time and money. In the meantime, many low-income households are struggling to pay market rents and cannot wait years for supply-side programs to build the next generation of affordable housing.

In 2022, for example, about 22 per cent of renter households experienced core housing need.[2] Most of them – nearly 9 in 10 households – lived in unaffordable housing.[3] Moreover, the 2024 national point-in-time count of homelessness found that, of the nearly 60,000 people surveyed, most cited not having enough income as the reason behind their housing loss.[4]

Today, there are worrying signs that these trends are getting worse. Recent analysis from Scotiabank suggests that the economic impact of higher oil prices will likely

---

1 Young, R. (2023). *Canadian Housing Affordability Hurts*. Scotiabank Economics. https://www.scotiabank.com/ca/en/about/economics/economics-publications/post.other-publications.insights-views.social-housing--january-18--2023-.html; Pomeroy, Steve. (2025). *It's Time for a Double-Double in Canada's Housing Strategy*. Canadian Housing and Renewal Association. https://chra-achru.ca/blog_article/its-time-for-a-double-double-in-canadas-housing-strategy/.

2 Statistics Canada. (2024). Table 46-10-0085-01: Core housing need, by tenure including first-time homebuyer and social and affordable housing status. https://doi.org/10.25318/4610008501-eng.

3 Statistics Canada. (2024). Table 46-10-0086-0: Dimensions of core housing need, by tenure including first-time homebuyer and social and affordable housing status. https://doi.org/10.25318/4610008601-eng.

4 Housing, Infrastructure and Communities Canada. (2025). *Everyone Counts 2024: Highlights Report Part 2 – Survey of People Experiencing Homelessness*. https://housing-infrastructure.canada.ca/alt-format/pdf/homelessness-sans-abri/reports-rapports/pit-counts-dp-2024-highlights-p2-en.pdf.

hit lower-income households the hardest, despite them having the least flexibility to absorb price shocks in essential goods.[5]

The Canada Housing Benefit proves that income support works, but its design has significant drawbacks

The Canada Housing Benefit (CHB) is the only National Housing Strategy (NHS) program that provides direct financial assistance to low-income renters across Canada. As of March 2026, it has helped roughly 300,000 households.[6] A recent evaluation commissioned by CMHC found that, of the survey respondents who received the CHB, 41.5 per cent reported that they would be behind on their rent without the benefit.[7]

From a federal perspective, the CHB is structured as a conditional transfer to provinces and territories that requires matching contributions. When it was first introduced, the federal investment in the CHB was expected to equal about $2 billion spread across roughly eight fiscal years, with matching provincial and territorial contributions. Since then, there have been additional investments and benefits, including those to support survivors of gender-based violence. Federal funding for the CHB is set to expire at the end of the 2027/28 fiscal year.

The CHB is operated through individual bilateral agreements, jointly agreed to by the federal government and each province and territory, in which the federal government sets general conditions for how CHB funding must be used. These conditions are:

- Support households in need (with broad categories for who is considered in need that can be selected and prioritized differently depending on the jurisdiction, including homeowners);
- Provide direct support to households; and
- Provide portable support not tied to a specific unit.

5 Young, R. (2026). *Distributional Considerations of Oil Price Shock: From If to How Canada Responds*. https://www.scotiabank.com/ca/en/about/economics/economics-publications/post.other-publications.insights-views.distributional-considerations-of-oil-shock-in-canada--april-9--2026-.html.

6 Housing, Infrastructure and Communities Canada. (2026). *Progress on the National Housing Strategy – March 2026*. https://housing-infrastructure.canada.ca/housing-logement/ptch-csd/reports-rapports/prog-nhs-mar-2026-mar-snl-eng.html.

7 Canada Mortgage and Housing Corporation. (2026). *Evaluation of the Canada Housing Benefit (CHB)*. https://assets.cmhc-schl.gc.ca/sites/cmhc/about-cmhc/corporate-reporting/program-evaluation/2026/evaluation-canada-housing-benefit.pdf?rev=28e4885d-0e33-4350-8fa9-8309ec5d4fc7.

Provinces and territories also report on agreed upon outcomes through progress reports.

In theory, this flexibility allows jurisdictions to use the CHB to complement existing programs or meet local needs. In practice, the result is a program that adds greater complexity to income support systems by being layered on top of them. Plus, CHB designs can differ significantly across jurisdictions and, in some cases, by municipality. This setup makes it nearly impossible to understand the CHB's overall impact or make program adjustments that affect all CHBs at the federal level.

For example, Ontario used the funding from the CHB to create a new Canada-Ontario Housing Benefit (COHB). The COHB provides a deep level of support related to the average area market rent to a small number of both future (i.e., people who are unhoused) and existing low-income renters. Applications are assessed annually by the Ontario Ministry of Finance. But not everyone can apply. Instead, municipal service managers select recipients through a referral-based application process, with some having their own streams and priority populations. By contrast, Quebec used CHB funding to gradually increase benefits under its existing Shelter Allowance Program, from $80 to $170 per month, for low-income families with dependent children and adults over 50. Anyone can apply for the Shelter Allowance Program if they meet income, age, housing status, and asset eligibility requirements. In addition, some CHB programs are not just for renters. In Nova Scotia, for example, there is a specific stream for homeowners in severe housing need. (See Appendix B for a comparison of provincial CHBs.)

The significant variation in CHB design and administration can also be confusing for recipients to navigate, sometimes leaving gaps in support. For example, one study about the CHB in the Atlantic provinces found that while recipients reported that the assistance was helpful, eligibility requirements left many people in poverty, people with disabilities, and seniors ineligible under New Brunswick's initial benefit's design.[8] Additionally, there is no clear reporting by each province and territory on how their various housing benefits layer or stack with each other, obscuring the picture of whether the CHB provides additional support to existing housing benefit recipients and who is being excluded.

But perhaps the greatest limitation of the CHB structure is that the funding envelope is too small to offer support to everyone in need. Some jurisdictions must ration the support they provide, causing intake to stop for months at a time when the money runs out. Furthermore, since the goal of the CHB is different in

8 Leviten-Reid, C. (2024). Just Housing Unrealized: *The Canada Housing Benefit in Atlantic Canada*. Studies in Social Justice. https://philpapers.org/rec/LEVJHU.

each jurisdiction, it is not even clear how the federal government could determine how much funding at a national level could be considered enough to meet current beneficiaries' needs or new demand for the benefit. The government would need a deeper understanding about who is receiving benefits in each province and territory and what their specific needs are, as well as to engage in a new round of negotiations – a complicated process that would still leave out many people who need support.

Looking beyond the Canada Housing Benefit

The Canada Housing Benefit (CHB) demonstrates that income supports can and must be a much larger part of Canada's housing policy toolkit, but this does not mean new support must flow through this one existing mechanism.

While a significant increase to the CHB could boost the depth of support to current recipients, allow more people to apply, or a combination of these goals, this would further complicate and entrench the complex landscape of housing benefits in Canada. On the other hand, attempting to reform the CHB within its funding envelope would necessarily mean taking from some low-income Canadians to give more to others.

Scaling back the CHB is also not an option, as this would put hundreds of thousands of recipient households at risk of precarious housing.

A new income support for renters: the proposed Canada Renters Credit

We need to think outside of the CHB box. Instead of providing a patchwork of support that varies depending on where you live and your particular circumstances, the federal government should create and invest in a broadly available Canada Renters Credit. The credit would offer modest tax-delivered support for low-income renters who rent at market rates. Once this new support is established, the federal government can then work with provinces and territories to repurpose the CHB towards ending homelessness, this time with measurable national outcomes.

This approach would:

1. Create a new support focused on shutting off the pipeline into homelessness. The new Canada Renters Credit would provide low-income market renters

with entitlement-based access to one housing benefit floor with a standard design across Canada to address immediate affordability needs.

2. Decrease the federal government's path dependence on the CHB as its only true demand-side initiative by expanding support to more renters outside of that system. This would provide the government with an additional tool and bring it closer to Maytree's proposed long-term vision for a Canada Housing Benefit System (see Appendix A for more on this approach).[9] A redesign and integration of housing benefits will not happen overnight, but the Canada Renters Credit would be an important step towards a unified housing benefit system that is accessible through multiple pathways.

3. Create space to move the CHB away from a general transfer with various designs and purposes towards a program focused on reaching those in deepest housing need – those at immediate risk of or experiencing homelessness – making the CHB more effective and accountable in the process.

A key guiding principle: Advancing the right to adequate housing

The right to adequate housing is recognized in international law and through the National Housing Strategy Act, 2019. While this right cannot be fulfilled immediately, governments are obligated to progressively realize it over time using all available tools. Our proposal advances this commitment by encouraging governments to focus policy efforts on those in greatest housing need, assessing how to mobilize resources more efficiently across and between governments, and offering a design that reflects the insights of organizations that represent and serve people with a wide range of lived experience of housing precarity.

9 DiBellonia, S. (2026). *Blueprint for a Canada Housing Benefit System: Architecture and design features*. Maytree. https://maytree.com/publications/blueprint-for-a-canada-housing-benefit-system-architecture-and-design-features/.

Part 2: Proposed design of the Canada Renters Credit

We propose four options for the design of the Canada Renters Credit, all of which target renter households with low incomes who rent at market rates. They differ depending on the amount of the maximum benefit and the income point where benefits begin to phase out.

Benefit amount

The proposed Canada Renters Credit would provide a modest maximum benefit that slowly declines as income increases. For single-person renter households, the maximum benefit is $100 or $200 per month in support, depending on the option. Other family types would receive benefit levels scaled to the size of the unit needed for their household, consistent with the National Occupancy Standard. For example, the maximum benefit for a single-parent household with one dependent child, who requires a two-bedroom unit, would be the maximum benefit for the single person multiplied by the square root of two (i.e., $100 x 1.41 = A maximum benefit of $141/month).

Maximum benefits are provided to tax families with incomes below either 75 per cent or 100 per cent of the 2024 after-tax Low Income Measure (LIM-AT), depending on the option. The LIM is an internationally recognized relative measure of low income equal to 50 per cent of the median after-tax household income, adjusted for family size. The LIM threshold is used as the cut-off point for maximum benefits because its threshold can be easily applied at a national level, unlike Canada's Official Poverty Line, the Market Basket Measure, which varies by community. The LIM thresholds also generally line up with income-eligibility thresholds for other federal credits that target low-income households.

For every additional dollar of income that a recipient earns after the LIM-AT thresholds, the credit would be reduced by 30 cents until it completely phases out. This design feature ensures that the deepest support goes to people with the lowest incomes, while still providing some support as incomes increase so that earning more is not discouraged.

Eligibility requirements

Eligibility would be primarily based on income, where income refers to the tax system's definition of adjusted family net income (AFNI). This means that income from various sources, including earnings, would be counted in determining credit payments. It also means that only the income of the applicant and their spouse/common-law partner would be included in determining eligibility, with just one benefit paid per tax family.

Those who meet income, Canadian residency, and housing status eligibility criteria would be able to apply for the credit. However, we suggest excluding post-secondary students, aged 18-24. This exclusion is consistent with the eligibility requirements for the Canada Workers Benefit (CWB), which targets a similar population of low-income tax families, because it considers the low-income situations of adult students to be temporary. Unlike the CWB, seniors are included in our design. But we have excluded single adult dependents of tax families (i.e., adults over 18 living with their parents) to further target the benefit.

In terms of housing status, people who are unhoused, people who live in rent-geared-to-income housing, and low-income homeowners would not be eligible for the credit. These exclusions are consistent with many existing provincial housing benefits meant to support people paying market rents. This does not mean that these individuals do not need support, but that this particular credit would not meet their needs and other initiatives are required to better support them. Also, like many CHB designs, our model includes people living in non-profit housing but not in a subsidized unit. This inclusion will help reduce the affordability burden both on people who live in this housing situation and on the non-market housing providers themselves.

Administration

We propose that the Canada Renters Credit be administered as a refundable tax credit. This means that, like most income supports, eligibility would be assessed using annual income and demographic information from personal income tax returns. The Canada Revenue Agency (CRA) has extensive experience administering other federal refundable tax credits, the Canada Child Benefit, and related temporary benefits, such as the Canada Housing Benefit Top-up.

While using the tax system for administration has many advantages, one drawback is that eligibility is based on a person's previous year's tax return, reducing the responsiveness of the benefit. Therefore, fully funding and repurposing the CHB to focus on those in deepest need will be imperative to address emergency situations that require a more immediate response.

Potential benefit interactions

Using AFNI as the income definition for eligibility means that the credit would count social assistance benefits, CHB payments, and federal low-income seniors' benefits as income. This is because, for benefit payments from these programs that are valued at more than $500 per year, recipients receive a tax slip that is reported on their tax returns and included in their net incomes. Therefore, receipt of these benefits could reduce support from the credit, but only if the recipient's AFNI is above the point at which the credit amount begins to reduce. Assistance received through the Canada Child Benefit or refundable tax credits, including other provincial/territorial tax credits that help with the cost of rent, would be excluded from determining credit amounts.

In addition, as a refundable tax credit, the benefit would likely be excluded as income for the purposes of calculating provincial/territorial social assistance benefits in most provinces and territories. This is an important feature because it means that the credit would stack on top of social assistance.

However, some recipients may face a higher effective benefit reduction rate because they receive multiple credits and benefits that phase out over the same income range. When these clawbacks occur together at the same income point, it can create a "welfare wall" – a term used to describe situations where recipients are discouraged from earning more in the fear that they may lose access to multiple benefits at once. Further jurisdiction-specific analysis is required to assess the potential impact in each province and territory. Importantly, the potential for higher combined reduction rates should be dealt with through broad-based housing benefit reform of the type Maytree has advocated (see Appendix A), and it is not a justification to avoid helping struggling renters.

Evidence of renter status

To restrict the eligibility to market renters, the tax system must have a way of determining a tax family's status as a renter. Some provincial housing benefits that target renters do this by requiring that applicants attest to being a renter or by providing some type of proof of rent, including landlord contact information. However, these requirements can deter low-income households from applying and represent an unnecessary barrier.

Instead, we recommend that the federal government work with the CRA to require landlords to submit a tax form containing basic information on their tenants, something that is already done by Revenu Quebec. Based on the approach taken by Revenu Quebec, tenants could be provided with a number that they can report in a box on their tax return, allowing the CRA to match their return to a record submitted by their landlord.

Other design considerations

- In the context of other recent changes to Canada's income security system, the Canada Renters Credit would complement the government's commitment to help low- and modest-income Canadians better afford essentials through the new Groceries and Essentials Benefit. It would also offset the considerable net loss of income from the cancellation of the Canada Carbon Rebate and Carbon Tax.
- Note that our analysis of the impact of the options for the credit is for 2024. It does not consider the impact that subsequent changes to the tax and transfer system have had on incomes. It also does not consider any behavioural responses that may occur because of the credit.
- To protect the value of benefits over time and reduce the potential for rent inflation, both the maximum benefit and income thresholds of the credit should be adjusted with inflation, similar to other tax credits and benefits.

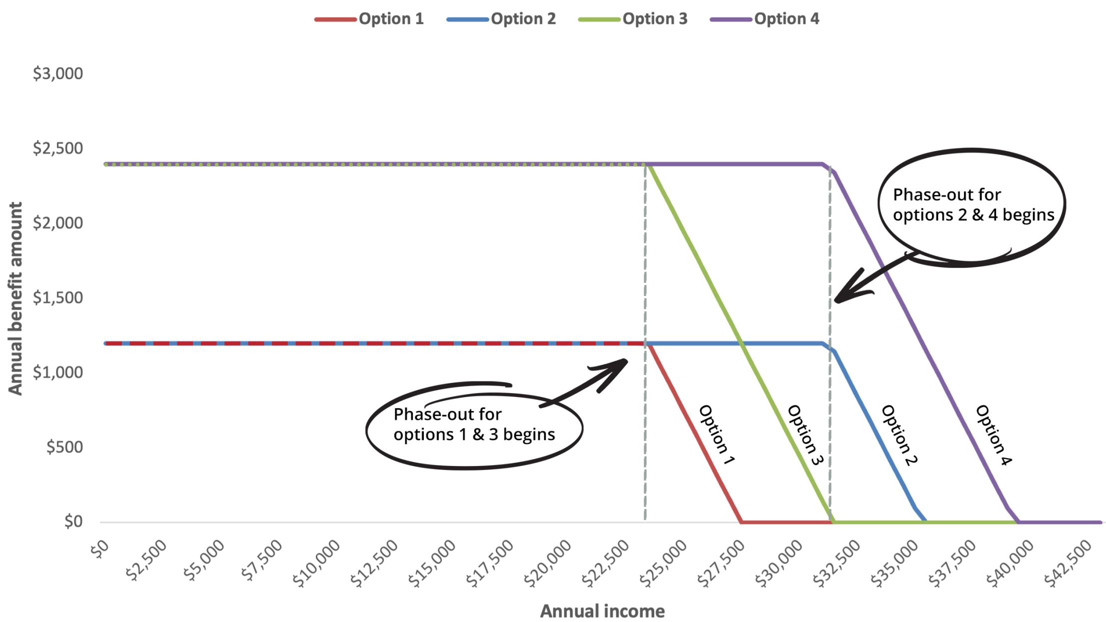
Illustration of options for the Canada Renters Credit

The following table and graph illustrate four potential options for the design of a refundable tax credit for market renters. As noted above, they differ depending on the maximum benefit and the income threshold where benefits begin to be reduced. All other design elements are the same in each option.

Table 1: Comparison of the design and impact of the credit, by option, 2024

Purpose	Maximum benefit (single-person household)	Income where reduction starts (single-person household)	Income where benefit reaches $0 (single-person household)	Total tax families reached	Average benefit across all family types	Annual cost
Option 1 Moderate support for narrow range	$100/month or $1,200/year	$23,488 (75% of LIM-AT)	$27,488 (Just below the 100% of LIM-AT)	1.76 million	$101/month or $1,216/year	$2.14B
Option 2 Moderate support for wider range	$100/month or $1,200/year	$31,317 (100% of LIM-AT)	$35,317	2.36 million	$106/month or $1,273/year	$3.01B
Option 3 Deeper support for narrow range	$200/month or $2,400/year	$23,488 (75% of LIM-AT)	$31,488 (Just over 100% of LIM-AT)	2.05 million	$192/month or $2,301/year	$4.72B
Option 4 Deeper support for wider range	$200/month or $2,400/year	$31,317 (100% of LIM-AT)	$39,317	2.64 million	$201/month or $2,408/year	$6.37B

Figure 1: Comparison of options, benefit amounts and phase-out points, single-person household, 2024



Source: Modelling by Gillian Petit and Selvia Arshad using the Social Policy and Simulation Database and Model (SPSD/M) v. 34.0. The SPSD/M is a Statistics Canada database that combines survey microdata with a tax-benefit calculator. It contains household- and family-level records on income, taxes, transfers, and housing. The database used in our design is built primarily from the 2022 Canadian Income Survey and adjusted for growth to provide estimates for 2024.

Notes:

1. Maximum benefit levels and income thresholds represent the design for single-person households. Reach, average benefit levels, and annual costs are for all eligible renter families.
2. Income levels, reach, and costs are for 2024.
3. Costs are considered conservative estimates because they do not account for behavioural effects; however, they are at the upper bound because they are weighted using the SPSD/M database, which includes a larger population than would be supported by the benefit.
4. Territories are excluded.

Expected impacts

Affordability

While providing up to $100 or $200 per month in support is a modest improvement, it would ease the affordability burden faced by many renters with low incomes.

For example, in Ontario, a single renter without additional income who receives support from the social assistance program Ontario Works would only have been able to access up to $733 in social assistance per month in 2024. Yet, the average asking rent for a single room in Toronto was $860 per month during this time. Even after accounting for other small tax benefits and credits, Maytree's analysis shows that, in 2024, they would have had less than $900 in total monthly income. Providing this person with an additional $100 or $200 per month could prevent them from becoming homeless, help them find more suitable housing, or ensure they have enough money left over for food.

Our analysis of the aggregate impact of the proposed credit on shelter-cost-to-income ratios, which are used to measure housing need, illustrates how the design of the credit could improve renter affordability.

As a baseline, it is estimated that 48.6 per cent of renter families in 2024 spent less than 30 per cent of their income on rent, meaning they lived in affordable housing. All other renter families lived in unaffordable housing – about four million families in total – with 23.3 per cent spending 30-50 per cent of their income on rent and 28.1 per cent spending over 50 per cent of their income on rent, which is commonly understood as having a severe affordability burden.

All four options for the Canada Renters Credit would increase the proportion of renter families who live in affordable housing, with the more generous options 3 and 4 having the largest impact. Similarly, all options reduce the proportion of renter families with a severe affordability burden, with options 3 and 4 again having the largest impact.

To move more households spending between 30 and 50 per cent of their income on housing into the affordable housing range, the maximum benefit would likely need to be higher or provided to more households over a wider income range.

Table 2: Impact of the credit on shelter-cost-to-income ratios, by option, 2024

	Spending <30% on rent	% pt. change from baseline	Spending 30-50% on rent	% pt. change from baseline	Spending >50% on rent	% pt. change from baseline
Baseline	48.6%	N/A	23.3%	N/A	28.1%	N/A
Option 1	49.9%	+1.3%	23.6%	+0.3%	26.4%	-1.7%
Option 2	51.1%	+2.5%	22.9%	-0.4%	26.0%	-2.1%
Option 3	52.1%	+3.5%	23.3%	0%	24.6%	-3.5%
Option 4	53.9%	+5.3%	22.6%	-0.7%	23.5%	-4.6%

Notes: Percentages may not add to 100% due to rounding.

Population impacts

All options provide the deepest support to people with the lowest incomes by targeting recipients in the first four income deciles. As shown in Table 3, options 2 and 4, where the credit phases out at a higher income threshold, support more families with moderate incomes, classified as having income in deciles five and six.

Since many equity-deserving populations experience elevated rates of poverty and core housing need, all options are likely to provide a disproportionate benefit to racialized people, immigrants, and people with disabilities. Notably, in 2024, people with disabilities made up over a third of all people aged 15-64 living in poverty.[10]

In terms of family types supported, regardless of the option chosen, the majority of recipients would be in unattached single families, consistent with the fact that this family type faces the highest poverty rate in Canada. Lone parents, who also face elevated rates of poverty and core housing need, make up a higher proportion of recipients under options 1 and 3 because these start phasing out at a lower income threshold.

In addition, under all options, the top provinces impacted are Ontario, Quebec, British Columbia, and Alberta, consistent with their relative shares of the population.

10 Maytree. (2026). *Stubbornly high: Canada's poverty reduction efforts have stalled*. https://maytree.com/publications/stubbornly-high-canadas-poverty-reduction-efforts-have-stalled/.

Table 3: Proportion of recipients by income decline, province, and family type, by option, 2024

	Income impact	Top provincial impact	Family type impact
Option 1	Deciles 1-4: 88.0% Deciles 5-6: 10.5% Decile 10: 0.0%	ON: 37.8% QC: 28.1% BC: 12.0% AB: 9.2%	Unattached singles: 61.7% Lone parents: 18.0% Couples without children: 4.7% Couples with children: 15.5%
Option 2	Deciles 1-4: 77.4% Deciles 5-6: 17.0% Decile 10: 0.0%	ON: 36.9% QC: 29.3% BC: 11.4% AB 9.6%	Unattached singles: 61.5% Lone parents: 15.1% Couples without children: 7.5% Couples with children: 15.9%
Option 3	Deciles 1-4: 86.2% Deciles 5-6: 11.5% Decile 10: 0.0%	ON: 37.4% QC: 28.5% BC: 11.8% AB: 9.4%	Unattached singles: 62.4% Lone parents: 17.0% Couples with children: 5.2% Couples without children: 15.4%
Option 4	Deciles 1-4: 73.2% Deciles 5-6: 20.1% Decile 10: 0.0%	ON: 36.7% QC: 29.5% BC: 11.4% AB: 9.5%	Unattached singles: 61.3% Lone parents: 14.9% Couples with children: 7.8% Couples without children: 16.0%

Recommendations

Recommendation 1: Maintain and extend the existing federal funding envelope for the CHB at 2027/28 levels, plus an inflation factor to account for annual growth in rent.

- Any immediate reduction to the CHB funding envelope without a plan for alternative support would put the nearly 300,000 households who have been assisted at risk of losing their housing.
- To support existing CHB beneficiaries while the Canada Renters Credit is implemented, CHB funding should be maintained and indexed by roughly 5 per cent annually to account for average annual rent growth, as measured by CMHC.

Recommendation 2: In parallel, introduce a federal refundable tax credit – the Canada Renters Credit – that would provide modest support to a broader range of low-income market renters, starting in the 2028 tax year.

- Of the four options we examined, we recommend option 3, where the credit provides up to $200 per month for single renter households and begins to phase out at 30 cents for each dollar of income above 75 per cent of the LIM-AT.
- As noted in Table 1, this option is estimated to reach over two million tax families at an annual cost of roughly $4.72 billion at full implementation. This option could be phased in gradually, by, for example, incrementally increasing the maximum benefit amount or starting with specific family types.
- By providing a higher maximum benefit compared to options 1 and 2, this option ensures that more existing CHB beneficiaries can transition into the new credit without experiencing a reduction in support. It would also support a broader range of the population compared to most CHB designs, while keeping costs reasonable.
- As with all options, this option would create one benefit design across Canada. Instead of the fragmented CHB approach, recipients will experience consistent, broadly accessible eligibility criteria regardless of the region in which they live and the existing programs they access.
- Credit amounts would not be related to how much rent is paid. This design feature helps mitigate against the potential effect of rent inflation, since landlords would not know whether a person is receiving support and cannot affect the benefit amount by raising the rent.

- The Canada Renters Credit is an important step forward, but it is not the end of the journey. Per Maytree's proposal for a Canada Housing Benefit System, over time, the new credit should be integrated with existing provincial and territorial housing benefits, as well as enhanced further, to create a single, cohesive, and meaningful system. Until this integrated system of housing benefits is implemented and enhanced, existing provincial and territorial programs for renters, including social assistance benefits and tax credits, must not be reduced.

Recommendation 3: Repurpose the CHB, working with provinces and territories, to redirect new CHB funds towards the goal of ending homelessness.

- Creating a Canada Renters Credit would provide the federal government with the opportunity to refocus the CHB agreements and cost-matching structure on a new goal: ending homelessness. It could do this by giving the CHB more specific goals related to supporting hard-to-reach populations that are at risk of, or experiencing, homelessness – those not easily reached by the Canada Renters Credit. This population may also include renters in informal arrangements who may not be able to fully meet the credit's requirements for evidence of renter status. By reaching those in deepest need, some of whom would struggle to access support offered through the tax system, the repurposed CHB can find a single national purpose as an effective and accountable benefit.
- The repurposed CHB would be different from Reaching Home because it would provide direct financial assistance to recipients – a distinct feature from other homelessness initiatives. The repurposed CHB should also continue to include support for survivors of gender-based violence, either through the CHB or through a separate supplement, as is currently the case for provinces and territories that have separate agreements to cover these types of benefits.
- At the appropriate time, the majority of current CHB recipients would transition off the CHB and onto the Canada Renters Credit. The federal government would need to work with provinces and territories to identify where a new Canada Renters Credit can replace the CHB, as well as where a refocused CHB is better positioned to offer uninterrupted support.
    - Most recipients of the CHB are concentrated in Quebec where they receive only a modest level of support and can be transitioned to the Canada Renters Credit without a reduction in benefits. The same is true for recipients in Saskatchewan.

    - In some other provinces, they chose to design the CHB such that a smaller number of households receive a larger benefit, and a new Canada Renters Credit may not offer enough to keep these households whole. However, some of these households were experiencing homelessness and needed deeper support to find housing, suggesting a repurposed CHB could continue to assist those households. As an example, a repurposed CHB could look like the benefits offered in Manitoba and British Columbia, which have CHB designs that already prioritize households who need additional support beyond their existing provincial housing benefits. The federal government could work with provinces and territories to build from these models and create national guidelines for other jurisdictions to follow.
    - Additional negotiations and supports may be needed for Alberta, which has a CHB-funded support focused on people who are employed, and Nova Scotia, where CHB funding also supports homeowners. These designs do not easily fit with a repurposed CHB. The federal government should also work with territories to determine the best approach to a Canada Renters Credit and repurposed CHB in these regions, as housing costs and need often look different.
- Since the federal government would be taking on responsibility for providing an income floor for low-income renters, provinces and territories could be asked to do more to strengthen security of tenure, by, for example, strengthening protections against no-fault evictions. Since provinces and territories hold primary responsibility for regulating rents, the federal government could consider pressing for improved rent regulations as part of a larger national housing accord.

Conclusion

A refreshed NHS must include ambitious action to close off the pipeline into homelessness by significantly increasing demand-side support for low-income market renters. As this brief argues, Canada needs a new delivery mechanism that rebalances the system to provide modest support to more renters. This support would be used to complement a refocused Canada Housing Benefit for people at risk of or experiencing homelessness. This brief presents specific options to get us to this new system. We call on the federal government to seize this moment.

Appendix A: Maytree's proposal for a Canada Housing Benefit System

In April 2026, Maytree released a report that explores potential models for a Canada Housing Benefit System and recommends a specific system architecture and benefit design (access report at https://maytree.com/publications/blueprint-for-a-canada-housing-benefit-system-architecture-and-design-features/). Our proposal calls for a restructuring of Canada's housing-related income supports into a simpler, more accessible, and meaningful system of supports where governments leverage different areas of expertise to make it happen.

In brief, we propose that over the long term, governments work together to create a Canada Housing Benefit System where:

1. The federal government, provinces, and territories develop a national housing benefit standard that promotes consistency across Canada. Provinces and territories negotiate some flexibility to adapt program design to local circumstances.

2. The national housing benefit standard largely mirrors the design of Manitoba's Rent Assist program – the most impactful and broadly available housing benefit in Canada. We need to adapt Manitoba's approach across Canada.

3. The default benefit calculation follows a simple formula: Recipients contribute 30 per cent of their income towards rent, and the benefit fills the gap between that contribution and 80 per cent of the median market rent for an appropriately sized unit in the jurisdiction's most populous region.

4. Federal, provincial, and territorial governments contribute as equal partners in both financial and non-financial ways. Provinces and territories are incentivized through new funding to consolidate their existing housing-related benefits into a simpler, more meaningful benefit that meets the new national standard, with today's leading jurisdictions rewarded for their past investments.

5. Provinces and territories retain responsibility over administration. Most households receive their benefit through the tax system, leveraging existing arrangements with the Canada Revenue Agency. A transitional stream operating through social assistance systems would be responsive to households with urgent needs.

Appendix B: Comparison of provincial Canada Housing Benefit designs

<table>
<tr><th rowspan="2">Province</th><th rowspan="2">Housing benefit(s) before the CHB</th><th colspan="6">Housing benefit(s) under the CHB</th></tr>
<tr><th>Benefit description</th><th>Eligibility criteria</th><th>Benefit amounts</th><th>Administration</th><th>Duration</th><th>Recipient households</th></tr>
<tr><td rowspan="2">Alberta</td><td>Direct to Tenant Rent Supplement Program</td><td>Turned into Rent Assistance Benefit, expanding eligibility for support</td><td>• Not receiving a housing subsidy
• Household income below limits that vary by municipality and unit size
• Canadian residency
• Be in core housing need
• Have assets of less than $25,000</td><td>• Based on household income and local market rent, up to maximums depending on unit size
• Maximums are $700 to $900/month, depending on unit size</td><td>• Administered through local housing providers
• Application forms provided by housing providers</td><td>Long term, must reapply annually</td><td rowspan="2">16,063</td></tr>
<tr><td>N/A</td><td>New Temporary Rent Assistance Benefit</td><td>Same criteria as the Rent Assistance Benefit, plus:
• Employed or have been employed
• Not receiving social assistance or seniors' benefits</td><td>• Differs based on year of program (reduced in second year), municipality, and unit size
• 2025 Year 1 support ranges from $162 to $482/month
• 2025 Year 2 support ranges from $130 to $386/month</td><td>• Administered through local housing providers
• Application forms provided by housing providers</td><td>Two-year limit, eligibility reassessed after the first year</td></tr>
</table>

Province	Housing benefit(s) before the CHB	Housing benefit(s) under the CHB					
		Benefit description	Eligibility criteria	Benefit amounts	Administration	Duration	Recipient households
British Columbia	Rental Assistance Program and Shelter Aid for Elderly Renters Program	New benefit for renters not eligible for Rental Assistance Program and Shelter Aid for Elderly Renters program	• Identified based on priority groups, including people experiencing homelessness and survivors of violence • Not receiving a housing subsidy • Household income below limits that vary by family size • Canadian residency • Pays more than 30% of gross monthly income towards rent	• Difference between 30% of gross monthly household income and lesser of actual rent and rent ceiling • No public benefit amounts; some sources suggest average benefit of $472/month	• Available through BC Housing, non-profit, or community housing providers • Applicants chosen through referral process only	Long term, must reapply annually	53,712
Manitoba	Manitoba Rent Assist	New benefit that supplements Manitoba Rent Assist for four populations: youth, people experiencing homelessness, people with mental health and addiction challenges, and survivors of gender-based violence	• Each stream has its own eligibility criteria, generally based on age of recipient, household income, household size, and housing status	• Up to $350/month, can vary based on unit size depending on the stream • For most streams, offers an additional $72/month for utilities if paid separately from rent	• Open application • For gender-based violence stream, applicants selected via approved shelters	Long term, must reapply annually	12,407

Province	Housing benefit(s) before the CHB	Housing benefit(s) under the CHB					
		Benefit description	Eligibility criteria	Benefit amounts	Administration	Duration	Recipient households
New Brunswick	N/A	New benefits for renters, must have employment income or have been employed in the last 24 months if single	• Renting • Not receive another housing subsidy • If living alone and under 65, must have employment income (before tax) between $12,500 and $50,000 • If over 65 or with dependent children, the combined income of the household must be less than $58,000	• Benefit amount based on before-tax income and location • No public information on minimum/ maximum amounts	• Open application, submitted to Social Supports New Brunswick	Long term, must reapply annually	7,175
Newfoundland	Rent Supplement Program	Expansion to existing Rental Housing Program, which offers subsidized housing, to also offer greater direct financial assistance Financial assistance previously provided through Rent Supplement Program, but was expanded under CHB	• Renters • Total household net income less than or equal to $32,500 (or $65,000 in Labrador West and North Coast of Labrador) • Currently paying over 30% of income in rent and heat • Paying less than 30% but present housing is unsuitable and suitable housing would cost over 30% of income	• Pays the difference between 25% of net income and the lower of actual rent paid or the average market rent in the community as set by the CMHC Rental Market Survey	• Open application through the Newfoundland Housing Corporation (NLHC) Rental Housing Program, and applicants receive a unit or financial assistance • Beneficiaries chosen by NLHC based on need	Long term, must reapply annually	2,112

<table>
<tr><th rowspan="2">Province</th><th rowspan="2">Housing benefit(s) before the CHB</th><th colspan="6">Housing benefit(s) under the CHB</th></tr>
<tr><th>Benefit description</th><th>Eligibility criteria</th><th>Benefit amounts</th><th>Administration</th><th>Duration</th><th>Recipient households</th></tr>
<tr><td>Nova Scotia</td><td>N/A</td><td>New benefit with two different streams for homeowners in severe housing need and renters in housing need with low incomes</td><td>Homeowners stream:
• Spend more than 50% of gross household income on housing costs (including utilities)
• Residency requirements
• Pre-tax household income below prescribed limits
• Assessed value of home is lower than prescribed limits based on where you live
• Students eligible if they have a disability or dependents
• Renters stream:
• Spend more than 40% of gross household income on area AMR
• Residency requirements
• Pre-tax household income below prescribed limits
• Eligible rental unit/ can provide proof of rent
• Students eligible if they have a disability or dependents</td><td>Homeowner stream:
• Up to $200/ month

Renter stream:
• Difference between 30% of income and either the average market rent or actual rent paid, whichever is less</td><td>• Open application online through the government's website</td><td>• Long term, must reapply annually</td><td>11,635</td></tr>
</table>

Province	Housing benefit(s) before the CHB	Housing benefit(s) under the CHB					
		Benefit description	Eligibility criteria	Benefit amounts	Administration	Duration	Recipient households
Ontario	Ontario Portable Housing Benefit – Special Priority Policy Program, temporary pilot for survivors of gender-based violence	New benefit for low-income renters	• Must be eligible or be on the waitlist for social housing, with other requirements depending on the population supported (e.g., in Toronto, there are different streams, including one for people experiencing homelessness) • Removed from central housing waitlist if COHB is accepted • SGBV households may be exempt from the requirement to be removed from the central housing waitlist	• Difference between 30% of AFNI and 80%-100% of average market rent (in municipality) • Depending on beneficiary, municipalities can provide support with first and last month's rent	• Closed application process that is referral based • Administered by local service managers	• Long term, must reapply annually to the Ontario Ministry of Finance	25,555
Prince Edward Island	N/A	Expansion to existing Senior Housing Program and Family Housing Program (subsidized housing) to offer rent vouchers	• Renters not receiving a housing subsidy • Income below prescribed income thresholds • Rent exceeds 30% of gross income	• Difference between 25% of gross income or the financial assistance shelter rate and the lesser of the median market rent value or the actual rent cost	• Appears that applicants are selected from social housing waitlist through PEI Housing Services • Recipients selected based on need	• Long term, must reapply annually	2,663

Province	Housing benefit(s) before the CHB	Housing benefit(s) under the CHB					
		Benefit description	Eligibility criteria	Benefit amounts	Administration	Duration	Recipient households
Quebec	Shelter Allowance Program	Enhancement to Shelter Allowance Program to increase benefit amount	• Open to homeowners, renters, and boarders • Applicant or their spouse (if they have one) has at least one dependent child or will be 50 or over by September 30, 2026 • The total value of bank accounts, TFSAs, and investments does not exceed $50,000 • Spend at least 30% of family income on housing • Family income is less than prescribed maximums that change based on family situation and the percentage of income spent on rent	• Ranges from $100-$170/ month depending on percentage of family income spent on housing	• Open application through Revenu Quebec	• Long term, must reapply annually	184,803

Province	Housing benefit(s) before the CHB	Housing benefit(s) under the CHB					
		Benefit description	Eligibility criteria	Benefit amounts	Administration	Duration	Recipient households
Saskatchewan	N/A	New benefit for low-income renters for rent and utilities Two additional streams for supportive housing residents and survivors of gender-based violence	Low-income renters stream: • Rent and live in Saskatchewan • Have before-tax household income at or below prescribed annual limits • Spend 35% or more of before-tax household income on rent and utilities • Have less than $300,000 in assets • Not eligible if they receive income assistance or a housing subsidy	• Varies depending on proportion of income spent on rent and family size • Range from $175-$325/ month	• Open application process through the Saskatchewan Housing Corporation	• Available for 12 months, but renters can continue to receive the benefit for longer if they remain eligible and funding is available	7,371

Source: Author's understanding of CHB designs based on publicly available information. There may be design features or program changes not captured by this table due to lack of public information.

Notes: Table only includes provincial CHB designs. Housing benefits before the CHB refer to provincial financial assistance directly available to market renters outside of social assistance. Estimated recipient households for each province come from the federal government's March 2026 National Housing Strategy (NHS) Progress Report, which summarizes each jurisdiction's progress in meeting its goals under the NHS. While recipient counts are reflective of different times between 2024 and 2025, the NHS progress report is used for consistency and comparability of the numbers.

Maytree

Poverty • Rights • Change

77 Bloor Street West, Suite 1600, Toronto, Ontario M5S 1M2 | www.maytree.com