Submission to the House of Commons Finance Committee

2025 Pre-Budget Consultations

July 30, 2025

Submitted by the Advocacy Centre for Tenants Ontario

ACTO TDCP Advocacy Centre for Tenants Ontario | Tenant Duty Counsel Program

The Advocacy Centre for Tenants Ontario (ACTO) is a community legal clinic funded by Legal Aid Ontario. ACTO provides legal services to low-income tenants across Ontario on issues that affect their ability to maintain decent, adequate homes for themselves and their families. We recommend the following priorities for the 2025 budget:

1. **Prioritize funding and supports for non-profit housing**
2. **Strengthen the new Canada Rental Protection Fund**
3. **Address the financialization of housing**
4. **Increase housing supports for renters**
5. **Mechanisms for rights holders**
6. **Implement guidelines in the Renter's Bill of Rights**
7. **Address the linkages between GBV and housing**
8. **Establish and fund a tenant focused low income efficiency program**

Addressing the Ongoing Affordable Housing Crisis

The ever worsening housing crisis in Canada is disproportionately impacting the country's almost 5 million tenants – 1.7 million of which live in Ontario. With increases in the cost of living, a growing number of tenant households do not have incomes keeping pace with rental costs. In Ontario, 38.4% of tenant households spend 30% or more of their income on shelter; 15% spend 50% or more of their income on shelter, placing them at higher risk of homelessness.[1]

We make the following recommendations:

1. Prioritize funding and supports for non-profit housing

The greatest housing need in Ontario and across Canada is for purpose-built rental housing that is affordable over the long term.

One of the most effective ways to increase the supply of affordable housing is to invest in the development of non-market rental housing, including supportive housing and transitional housing. These stable, secure and affordable homes are desperately needed in communities across Canada. Investing in the non-profit housing sector will also create new jobs, result in gains in economic productivity,[2] and improve disposable incomes for low-income households as well as social, educational, and health outcomes. The government should examine allocation of National Housing Strategy resources (funding, loans, and tax incentives) to prioritize non-profit housing providers that will keep housing affordable over the long run. Programs such as the Rental Construction Financing Initiative have largely funded market rentals that cost between 45 – 55% of tenant incomes.[3] The government should increase support and extend the Affordable Housing Fund, which provides funding for affordable housing, shelters, transitional housing and supportive housing.

2. Strengthen the new Canada Rental Protection Fund

For the past 15 years, Ontario has lost affordable housing units without building enough units to replace them. As a result, average rents have rapidly increased as the stock of affordable units has steadily decreased. The Canadian Housing Policy Roundtable (CHPR), calculated that from 2010-2020, an estimated 60,000 affordable units (with monthly rents below $750, affordable to annual incomes under $30,000) were lost every year, while the NHS aims to create an average of 16,000 affordable units annually.[4]

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[1] Statistics Canada. Table 98-10-0248-01 Core housing need by tenure including presence of mortgage payments and subsidized housing: Canada, provinces and territories, census metropolitan areas and census agglomerations.
[2] https://chra-achru.ca/economic-necessity/
[3] https://monitormag.ca/articles/fact-check-affordable-rental-housing-isnt-affordable/
[4] https://www.chpr-trpcl.ca/_files/ugd/d08e4f_ced4187d60614d0289b436c74723b2b1.pdf

In 2024, the federal government answered the call from housing advocates and the non-profit housing sector for a dedicated acquisitions strategy. The Canada Rental Protection Fund dedicates $1.47 billion over 5 years ($1 billion in loans, $470 million in contributions) to help the community housing sector acquire rental apartment buildings. While this announcement was encouraging, the budget only included $5 million in the first year and did not include additional details on the loans. The government should increase investments in this program, which has the potential to play a critical role in preserving affordable housing. We also ask that this program includes funding for on-going operation and preventative maintenance.

3. Address the financialization of housing

One of the growing challenges behind our affordable housing crisis is the "financialization" of housing. We have seen an increase in institutional investors in the rental housing market, including private equity firms, publicly listed companies, real estate investment trusts (REITs) and financial institutions. These businesses must by their nature maximize profits and therefore pursue ever-increasing rental income. This view of housing as a profit-maximizing investment is in direct conflict with the notion of housing as a basic need and human right. It has led to detrimental impacts on housing affordability and the ability to find housing for low- and moderate-income renter households.[5] As a result, tenants face large rent increases, evictions, and displacement in the landlord's quest for greater profits. According to research published in April 2025, financialized landlords in Toronto charged 44% more per month than average neighbourhood rents over 2022–2024.[6]

In June 2025, the National Competition Bureau issued a statement expressing concern about potential collusion between landlords, stating that it is illegal for competitors to agree about rental prices, the terms of their leases, or to restrict the housing supply by artificially reducing the availability of rental units.[7] We welcome the attention to this matter and call for increased attention and enforcement of these types of anti-competitive practices that are detrimental to renters.

In 2024, the National Housing Council focused its first ever panel on the financialization of multi-family housing. We support the recommendations delivered by the review panel in its final report[8], including:

- Exploring the creation of non-market housing bonds that can fund non-market rental housing providers' acquisition and operation of deeply affordable rental housing

[5] http://www.focus-consult.com/why-canada-needs-a-non-market-rental-acquisition-strategy/
[6] August, M., & St-Hilaire, C. (2025). Financialization, housing rents, and affordability in Toronto. Environment and Planning A: Economy and Space, 0(0). https://doi.org/10.1177/0308518X251328129
[7] https://www.canada.ca/en/competition-bureau/news/2025/06/landlords-and-property-managers-agreeing-with-competitors-on-rental-prices-is-illegal.html
[8] https://cms.nhc-cnl.ca/media/PDFs/REVIEW%20PANEL%20REPORT%20-%20The%20Financialization%20of%20Purpose-Built%20Rental%20Housing%20-%20MAY%202024.pdf

- Imposing regulatory restrictions to ensure that rental units funded through the rental acquisitions program remain in the non-market rental sector in perpetuity
- Increasing federal funding to match the average funding provided for social housing by other developed OECD countries (0.5%-1.5% of GDP)
- Transferring Crown-owned land in suitable locations to local jurisdictions for the exclusive purpose of developing non-market housing.

We need government to commit to addressing the scope and impact of financialization and its harmful impact on housing by eliminating the preferential tax treatment for REITs, examining the rules around down payments for investment properties, creating a publicly available beneficial ownership registry to eliminate hidden ownership, reining in speculation in real estate, and targeting money laundering.

4. Increase housing supports for renters

An increasing number of renter households find themselves unable to fully pay their monthly rents and have fallen into arrears or have taken on large debts in order to keep a roof over their heads. ACTO's 2022 poll of renter households in Ontario found that 60% of households had cut back on food to pay for housing[9]. We ask the government to scale up housing supports and establish the Canada Housing Benefit as a permanent program. The rising cost of living is placing an increasing number of tenant households in a precarious financial position and at greater risk of eviction. Providing direct financial supports to tenant households will increase housing stability and result in long-term health and wellbeing benefits.

5. Mechanisms for rights holders

Tenants across Canada have lacked meaningful mechanisms when housing rights have been violated or to prevent future infringements on housing rights. Key considerations include:

a) Federal funding of civil legal aid: A series of reports from the Office of the Federal Housing Advocate confirmed that evictions in Canada contravene Human Rights Law.[10] While eviction should always be a last resort, and tenants have a right to legal counsel when facing eviction, most tenants do not have access to legal representation.[11] This is especially the case for Indigenous people, Black and racialized people, people with disabilities, and households with low-incomes.[12] We

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[9] https://www.acto.ca/a-new-poll-shows-the-majority-of-ontario-renters-are-having-to-choose-between-food-and-paying-their-rents-when-it-comes-to-housing-affordability-this-province-is-on-fire/
[10] https://www.housingchrc.ca/en/new-reports-confirm-that-evictions-in-canada-contravene-human-rights-law
[11] Sarah Buhler, "The Right to Counsel for Tenants Facing Eviction: Security of Tenure in Canada." 2023.
[12] https://www.housingchrc.ca/en/new-reports-confirm-that-evictions-in-canada-contravene-human-rights-law

were greatly encouraged by the launch of the $15-million Tenant Protection Fund in 2024. Increased and sustainable funding is needed to ensure tenants across the country have access to legal advice and representation as needed.

In addition there have been countless municipal and/or provincial attempts at evicting encampment residents. Municipalities and provinces should have to seek Court permission to evict as a prerequisite for eviction. And there should be dedicated government funds set aside to ensure tenants and rights holders will have access to legal representation when needed.

b) Restore the budget of the Federal Housing Advocate: the budget of the Office of the Federal Housing Advocate was reduced by over 50% in the 2024 budget. The budget should be restored so the Federal Housing Advocate can continue to monitor the progressive realization of the right to adequate housing, and engage meaningfully with rights holders.

6. Implement guidelines in the Renter's Bill of Rights

The 2024 blueprint for a Renters' Bill of Rights provides important guidelines to ensure all tenants across Canada are protected against evictions and displacement. These guidelines include protections against excessive rent increases. In Ontario, vacancy decontrol means that landlords can set any price they choose for a vacant unit. For tenants facing eviction, it means they will face great difficulties in finding a new place that they can afford in the current rental market. The blueprint also includes a call for providing publicly accessible information on rental price history and state of repairs, as well as eviction notices. These measures would provide valuable protections and empower tenants and tenant representatives. We call on the federal government to work closely with the provincial government to turn these guidelines into effective policies.

7. Address the linkages between GBV and housing

Gender-based violence is a housing issue. Ending it requires sustainable, long-term solutions that ensure housing is safe, stable, and equitable. For many survivors of GBV, the lack of housing is not only a barrier to stability but a direct threat to their safety and wellbeing. We submit the following recommendations:

a) Increase Investments in Housing Options that Support Long-Term Stability for Survivors

Survivors require access to a continuum of housing supports including transitional, supportive, and permanent affordable housing. Particular focus must be placed on Indigenous-led housing and wraparound services, as well as culturally safe housing for

2SLGBTQQIA+ survivors of violence. These investments must be stable, long-term, and flexible to meet the diverse needs of survivors.

b) Expand and Extend the Canada-Ontario Housing Benefit

The COHB has been instrumental in enabling survivors to escape violence, avoid homelessness, and maintain housing in the private rental market. We recommend extending the program beyond March 2029 to ensure continued housing stability.

c) Sustain Long-Term Funding for Legal and Housing Navigation Supports

Survivors often encounter complex legal and systemic barriers in securing or maintaining housing. ACTO's specialized housing legal service, funded through Canada's Victims Fund and Justice Partnership and Innovation Program, is the first-of-its-kind legal service supporting survivors in Ontario. We urge the federal government to provide sustainable funding for this program and others like it across Canada, ensuring that survivors are supported through housing retention, eviction prevention, and access to justice.

d) Update the National Housing Strategy to Center Lived Expertise and Gender Equity

The National Housing Strategy must be revised to reflect the lived realities and recommendations of survivors. This includes creating a dedicated GBV and housing funding stream within the Strategy to ensure a coordinated and intersectional approach.

8. Fund and implement the Canada Greener Homes Affordability Program with a tenant-focused approach

In Budget 2024, the federal government announced the Canada Greener Homes Affordability Program with a commitment of $800 million over 4 years to support low- and modest-income households, including tenants. However, the program has not yet launched, and the current level of funding may not be sufficient to meet the scale of need. We join Efficiency Canada's call for an increased federal investment of $2 billion over 4 years to implement the program with a strong tenant focus, extend the reach of energy efficiency programs to all low-income households, support services like air conditioning, permit adequate time to ramp up capabilities of regional programs already in place, and facilitate retrofits to 200,000 homes.