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## News Release

November 22, 2022

On this National Housing Day, the Canadian Federation of Apartment Associations, wishes to recognize what we have in Canada's housing sector, and what we still need to achieve.

### What we have in Canada's housing sector

- 92.3% of Canadian households live in adequate, suitable and affordable housing, or have it available to them. (In 2021, the rate of core housing need was 7.7%.)
- Canadians who rent have access to 1.2 million rental homes in large rental buildings in the purpose-built sector, a much larger percentage than in the OECD<sup>1</sup> (other than the United States, where the proportion is similar).
- Low-income Canadians who rent have access to 550,000 rental homes in community housing<sup>2</sup>.
- Other than on indigenous reserves, very few low-income households in Canada are overcrowded (Canada's rate is 1 out of 100 versus the OECD average of 16 out of 100!).
- In Canada, 65% of low-income private renters spend less than 40% of their income on rent, compared with only 54% in the US and 47% in the UK.
- In Canada, the OECD reports a homelessness rate of 0.36% in comparison with 0.33% in Sweden, 0.48% in Australia and 1.2% in England (the largest part of the UK).
- Canada's private market rental housing sector supports the right to adequate housing.
- Canada's renters have security of tenure, so that they cannot be evicted
  - Unless there is a cause specified by provincial law (such as not paying their rent or seriously disturbing other tenants), and
  - Unless the landlord follows the legal process specified by provincial law.

### What we still need to achieve

- Improved housing affordability for low-income people.
- Improved housing affordability for those wishing to enter homeownership.
- The elimination of chronic homelessness.
- Improved housing for indigenous people, both on and off-reserve, in collaboration with indigenous communities.

### **Krish Vadivale, CFAA Board Chair, says, "Most existing housing issues will be helped by an increased supply of housing, including more housing in all tenures and at all price points."**

John Dickie, CFAA President, says, "A more positive political and economic environment for rental housing providers of all sizes tends to increase rental supply, foster competition, improve rental quality and moderate rents. Unfortunately, a hostile environment works in the opposite direction."

**For more information**, contact John Dickie, CFAA President at [jdickie@dickieandlyman.com](mailto:jdickie@dickieandlyman.com) or 613-592-5197, or Krish Vadivale, CFAA Board Chair at [kvadivale@skylinegrp.ca](mailto:kvadivale@skylinegrp.ca) or (519) 826-0439 x 218.

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<sup>1</sup> The Organization for Economic Development and Cooperation is a World body which collects and distributes statistics on most First World countries, and compares public policy across countries.

<sup>2</sup> That still means that more than 2 out of 3 Canadians with low-incomes who rent each year find their housing in the private rental market.

*The Canadian Federation of Apartment Associations represents the owners and managers of 1.5 million residential rental suites in Canada, through direct membership and 13 associations across Canada. CFAA is the sole national organization representing the interests of Canada's \$900 billion private rental housing industry, which houses more than ten million Canadians.*

## BACKGROUND

The OECD figures can be accessed here: <https://www.oecd.org/housing/data/>

### **CFAA notes the benefits of large rental housing providers (operating large purpose-built rental housing) as a major part of the whole rental housing system:**

Rental housing has been owned by some people, and occupied by other people, for thousands of years. However, corporations are a development of the last 250 years, and Real Estate Investment Trusts (REITs) are a development of the last 40 years. Although there are some differences, good-sized real estate corporations and all REITs bring similar benefits to investors and to renters.

### **From rental housing corporations and REITs generally, renters receive the following advantages:**

- professional property management
- a formal organization, which operates on a standardized basis through the turmoil that can affect individuals
- large buildings or rental complexes, where renters can access and share a range of amenities
- large buildings or rental complexes, which justify, and often include, on-site staffing
- owner access to capital to perform major repairs and upgrades in a timely manner.

### **Publicly traded REITs and corporations add these benefits:**

- regular and timely public reporting on their building upgrades and financial results
- regular and timely public reporting on their ESG<sup>3</sup> goals, plans and results
- scale to justify internal specialization and create access to trained employees in different fields such as engineering, finance and employee training.

### **Despite some growth in the housing holding of REITs and large corporations in recent year, the rental housing sector is still very unconcentrated.**

The degree of concentration in an industry is closely associated with how businesses behave and how goods or services are priced. The range is from competitive pricing, where prices are determined by supply and demand, to monopolistic pricing, where a single provider has a significant amount of pricing power.

As the Financial Post stated on November 9, “The standard measure for industry concentration is the market share controlled by the five largest firms. In Canada’s heavily-regulated banking sector, that figure is 85 per cent. The five largest Canadian telecom companies account for 87 per cent of sales. But in rental housing, the top five firms comprise less than five per cent of the market. Canada’s rental housing market is extremely *unconcentrated*.”

**For more information on rental housing issues, see CFAA’s paper “Rental Housing Industry Facts”, dated October 3, 2022.** It can be found at by going to “Federal Political Updates”, within “Resources” at [www.cfaa-fcapi.org](http://www.cfaa-fcapi.org).

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<sup>3</sup> ESG stands for Environmental, Social and Governance. Along with leading corporation in other economic sectors, leading real estate corporations and REITs are addressing ESG concerns, in addition to seeking the satisfactory profits needed to attract capital investment.

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