Federal housing cuts will grow deeper as housing needs grow

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The latest corporate report from Canada Mortgage and Housing Corporation, the federal government's housing agency, confirms that the two-decade erosion of federal affordable housing investments is continuing to grow worse. The corporate report from CMHC includes actual results from 2008 to 20010, and plans or estimates for 2011 to 2016. The latest numbers show that federal housing program expenses, including the affordable housing initiative, were $3.6 billion in 2010 as the short-term affordable housing investments from the 2009 stimulus budget reached their peak. However, funding was cut by more than one-third in 2011, and those cuts will continue to get worse through 2016.

The CMHC corporate plan also confirms that the number of households assisted under federal housing programs will be cut by almost 100,000 to fall from 623,700 households in 2008 to 525,000 households in 2016. That cut of 16 percent in the federal of federally-subsidized households comes at a time when most communities across Canada report that the after-shocks from the 2008 recession are continuing to cause deep housing and homelessness distress.

By 2016, the federal affordable housing initiative will be cut to zero and combined federal housing investments will have been cut to $1.8 billion – a cut of 52 percent in just six years. The planned housing cuts come at the same time that CMHC is reporting that its net income will rise to $1.6 billion annually by 2016. CMHC generates revenues from commercial activities, including premiums from the sale of mortgage insurance. The net income is the surplus generated after expenses are deducted from revenues.

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