Daily Bread Food Bank

Proposal for a Canada Renters Credit:

A bridge to affordability for renters while Canada builds the housing we need

Recommendation: Introduce a refundable **Canada Renters Credit** for low-income renters—delivered monthly through the CRA—to keep them housed and help deliver on the government's commitment to end homelessness within 10 years.

Why now

Budget 2026 renewed the Canada Housing Benefit (CHB)—but did not expand it. The CHB works: CMHC's own evaluation found that 41.5% of recipients would be behind on rent without it. Even at its full target of 300,000 households, however, it will reach only **5%** of people living in unaffordable housing—and in Ontario, it is referral-only, so most renters who need it can never apply. The Canada Renters Credit is how to reach everyone else—more than 2 million households who are squeezed by high housing costs and missed by other benefits.

Supply is the long game; renters need a bridge today. Budget 2026's $44.7-billion housing plan, including $13 billion for Build Canada Homes, is the right long-term investment, but starts are running below target and new units will not be affordable to the lowest-income renters for years. The Renters Credit is that bridge—and a key to preventing homelessness.

The delivery machinery and fiscal room already exist. The Canada Groceries and Essentials Benefit showed that an automatic, refundable, CRA-delivered payment can reach more than 12 million Canadians quickly. The Renters Credit runs on the same rails—no new bureaucracy and no federal-provincial negotiation required. At $4.72 billion a year, a full Credit would cost only slightly more than Budget 2026's $4.1-billion one-time grocery benefit top-up but would deliver predictable monthly support to the renters **most at risk** of losing their homes.

What this solves

Daily Bread Food Bank sees the rent-versus-food trade-off every day. Toronto recorded **4.1 million** food bank visits for the second year in a row, and **1 in 8 Toronto children** now relies on a food bank, nearly double the 2022 rate. Most of our clients (**85%**) rent, and **82%** live in unaffordable housing. After paying for housing, they have a median of just **$8.33** a day left for everything else. In the past month alone, **59%** missed a rent, credit, or loan payment. Even a job is no longer protection: **38%** of our clients are employed. A $200 monthly credit would **nearly double** what a single renter has left for food, transit, medication, and other essentials.

The Credit delivers where the crisis is deepest. In Ontario, homelessness rose 25% in two years to more than 80,000 people in 2024. Ontarians would make up 37% of Credit recipients, more than any other province. The national goal of ending homelessness within a decade will be won or lost in high-rent provinces like Ontario.

How it works

Support is scaled to household size and phases out gradually as income rises (at 30 cents per dollar of income above $23,488), so work still pays. The Credit is refundable and automatic, and because the amount is not tied to rent paid, landlords cannot capture it through higher rents. It stacks on top of social assistance and other credits rather than clawing them back, and it reaches renters other federal benefits miss: seniors and others without earnings, who remain outside the Build Canada Workers Benefit; adults without children, who fall outside the Canada Child Benefit; and people working full time who still earn too little to cover market rent.

Table 1: Recommended design and impact of the Canada Renters Credit, as proposed by Maytree

Maximum benefit (single renter)	Full benefit up to	Benefit phased out at	Households reached	Average benefit (all family types)	Annual cost
$200/month ($2,400/year)	$23,488 (75% of LIM-AT)	$31,488	2.05 million	$192/month ($2,301/year)	$4.72 billion

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Sources: CMHC, *Evaluation of the Canada Housing Benefit* (2026); Maytree, *Proposal for a Canada Renters Credit* (2026); Daily Bread Food Bank, *Who's Hungry 2026*; Association of Municipalities of Ontario, *Municipalities Under Pressure* (2025); Department of Finance Canada, *Budget 2026*. Full citations available on request.