Housing Policy Debate ›

Volume 6, 1995 - Issue 4: Part II: Social Housing Toward the Year 2000

Financing social housing: Mechanisms, constraints, and opportunities

Financing social housing in Canada

Nick Van Dyk

Pages 815-848 | Published online: 31 Mar 2010

Cite this article https://doi.org/10.1080/10511482.1995.9521206

Abstract

This article examines the mechanisms used since the 1970s to finance social housing in Canada. It reveals that direct government assistance has proven to be the most cost-effective mechanism. Experimentation with alternative mortgage instruments such as the graduated-payment mortgage and the index-linked mortgage has also been central to the attempt to minimize subsidy and financing costs.

The article concludes that the possibility of further enhancements in social housing finance is limited at best. The problem remains the gap between the cost of developing new social housing and the revenues generated from rents. Various partnership approaches have been tried, but none has been successful in providing housing at low rent levels. Some potential does exist, however, to refinance older social housing developments and draw equity out of them. This may be the only source of new funding available because federal assistance to new social housing developments has been frozen.

Keywords:

Canada Financing Low-income housing Nonprofit sector

Related research

People also read | Recommended articles | Cited by 17