CSLA
Canadian Senior Living Association

Submission to Finance Canada
Prebudget Consultations

September 2026

LIST OF RECOMMENDATIONS

1	In support of the government's priority of making housing affordable and increasing housing supply, create a new government registered savings account to help seniors age in the right place and free up larger family homes.
2	Collect better data on senior living to inform the government and industry about what gaps exist in the current marketplace.
3	Enhance existing federal programs to accelerate the development of senior living communities across Canada by introducing criteria that recognize the sector's unique needs.

About the Canadian Senior Living Association (CSLA)

The Canadian Senior Living Association (CSLA) is a member-based organization founded in 2024 with the mission to connect provincial associations to support collaboration, drive federal advocacy, share information and best practices, and promote change that will help provide choice to seniors, alleviate pressures on public health care, and offer tangible solutions to assist with addressing the national housing crisis.

Our members consist of provincial senior living associations across Canada, including the BC Care Providers Association, the Alberta Seniors & Community Housing Association (ASCHA), the Ontario Retirement Communities Association (ORCA), and the Regroupement québécois des residences pour aînés (RQRA).

INTRODUCTION

On behalf of the Canadian Senior Living Association (CSLA), we are pleased to present these recommendations to help address the housing needs of Canada's rapidly aging population. As the country faces a significant demographic shift with an increasing senior population[1], ensuring seniors have access to appropriate housing is essential not only for their quality of life but also for improving housing affordability. Further, there is a significant supply gap in seniors housing; according to Cushman and Wakefield's 2026 Seniors Housing Report[2], Canada will require approximately 200,000 new seniors housing units over the next decade to maintain market equilibrium. This submission outlines key recommendations that aim to enhance the availability and accessibility of senior housing and care services, ensure the federal government and industry have the data they need to make informed policy decisions, and encourage senior living developers to build more homes to meet the upcoming surge in demand. Ultimately, this will contribute to a better environment for seniors in Canada.

RECOMMENDATION 1

In support of the government's priority of making housing affordable and increasing housing supply, create a new government registered savings account to help seniors age in the right place and free up larger family homes.

Seniors are the fastest-growing age group in Canada, with Statistics Canada projecting that the population aged 75 and older will increase by 53%, from 2021 to 2031. [3] As seniors age, they may want to move into more manageable homes such as senior living communities but face a range of financial, logistical, and emotional barriers that make the choice difficult.

CMHC's 2023 report "Housing Market Insight" highlighted that more than 5 million Canadian households aged 45-84 were living in homes with three or more bedrooms.Additionally, between 2011-2021, only 913,000 households in this age group downsized, demonstrating low desire for families and individuals to downsize, even if they no longer need all the space in their home.[4] As the 'super aging' population continues to grow, this issue will put more pressure on the housing supply, leaving limited options for families looking to downsize and families looking to enter the housing market.

A key barrier is the financial uncertainty seniors face during the transition from a long-held home to housing that better supports their needs as they age. Downsizing involves transaction costs, cash-flow gaps, and complexity. Many seniors continue to live in family-sized homes due

1 https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000501
2 https://sch.cushmanwakefield.com/api/public/content/3b3b6e50670e41c6959dbbccc0cf2e45?v=b2f18e35
3 Statistics Canada, Population Projections for Canada, Provinces and Territories; Interactive Dashboard, Catalogue No. 71. https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2022015-eng.htm
4 https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/market-reports/housing-market/housing-market-insight

to the financial costs of moving and uncertainty of relocating. Creating incentives that support rightsizing can improve movement along the housing ladder by helping seniors find the right home that better fits their needs while freeing up larger but underutilized homes. In the context of housing supply constraints and affordability pressures, a new government registered savings account to support home transitions could help encourage more seniors to move into safe, senior-friendly, and appropriately sized housing.

CSLA recommends that the federal government create a new Transition Account for Senior Housing to assist with rightsizing their home.

This would free up housing and support rightsizing while addressing some of the financial concerns related to moving. Australia has implemented similar tax-free downsizing incentives that Canada could model.[5] This would complement the federal government's housing plan.

For this financial product, **CSLA recommends**:

- Canadians over the age of 65 can open a Transition Account for Senior Housing once they sell their primary residence, which they have owned for a minimum period of five years.
- Contributions funded directly from the sale of their home would be tax-free, and investment growth would remain tax-free, mirroring the First Home Savings Account structure.
- Contributions must be made within 90 days of receiving the proceeds from the sale of the primary residence.
- CSLA recommends the cap be $100,000 per person, and couples can jointly contribute up to $200,000, to target the middle class.
    - The caps are designed to prevent the savings account from being used as a long-term tax shelter.
- Withdrawals can begin immediately, and withdrawals will not be taxed, similar to the Tax-Free Savings Account.
    - This would not affect income-tested benefits such as Old Age Security (OAS) and Guaranteed Income Supplement (GIS).
- Disposal of second properties does not qualify; each individual or couple may only open one account in their lifetime.

5 https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/growing-and-keeping-track-of-your-super/how-to-save-more-in-your-super/downsizer-super-contributions

- The new Transition Account for Senior Housing would be additional financial capacity alongside the existing Tax-Free Savings Account currently available to all Canadians.

- This new account would service the opposite end of the housing ladder, with the First Home Savings Account being on the other side providing benefits to first time homebuyers.

The cost to the federal government for supporting such a product would be minimal, as the funds invested through the Transition Account for Senior Housing are derived from the sale of a primary residence—investments unlikely to be made without that sale. By establishing a tax-free savings vehicle aimed at seniors looking to right-size their homes, this initiative sends a strong signal to developers and builders of dedicated senior living residences that demand for additional spaces will grow, thereby encouraging the accelerated construction of these specialized homes.

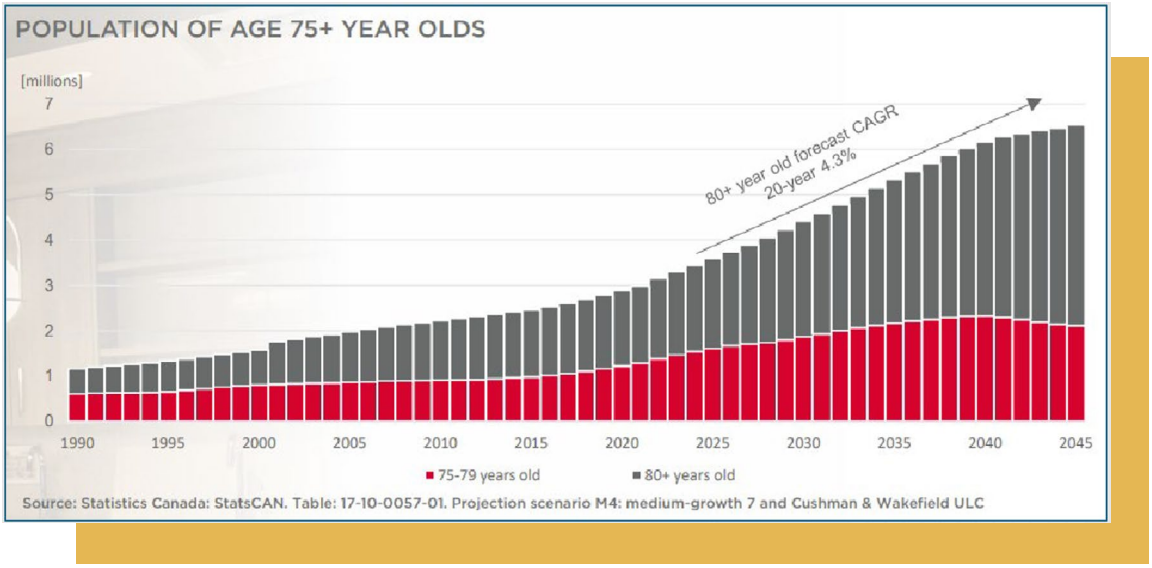
RECOMMENDATION 2

Collect better data on senior living to inform the government and industry about what gaps exist in the current marketplace.

The CMHC's Seniors Housing Survey, which was discontinued in 2021, provided vital insights into the supply, demand, and affordability of senior housing. Its absence has created a wide data gap for decision-makers. Given that there is a great need for purpose-built seniors housing, reinstating the survey can help with efforts for long-term planning that is needed to address the housing crisis. In the 2026 Spring Economic Update, the government included the goal of improving "the responsiveness of Canada's housing markets by working with stakeholders to modernise how housing data is collected, tracked, monitored, and shared across the country".[6] The government committed to doing so through $41.9 million in funding. CSLA recommends that as part of this funding, the National Research Council work with CMHC to collect housing data specifically related to seniors to fill the gap left when the Seniors Housing Survey was discontinued five years ago.

6 https://budget.canada.ca/update-miseajour/2026/report-rapport/toc-tdm-en.html

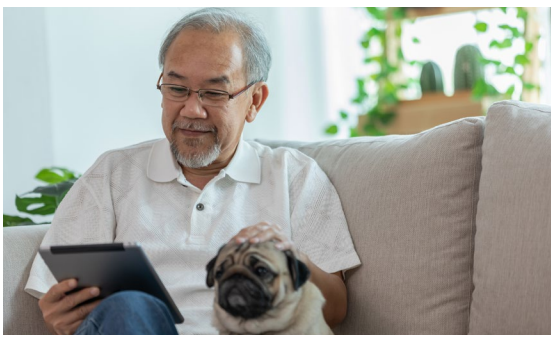
An outcome-oriented housing policy that will address the needs of Canadians, specifically seniors, depends on reliable data. Without good data, it is difficult to design strong policy to address the current supply gaps.



CSLA recommends:

- The creation of a dedicated survey focused on senior housing, modeled similarly to the data collected through the previous CMHC survey;
- Ensure the survey includes data on vacancy rates, rental costs, and new developments.

A data-driven approach will lead to more effective decisions on housing and tax policy, as well as better underwriting and investment decisions. CSLA believes that only a dedicated survey for the senior housing sector will be sufficient. Grouping senior housing with more general housing data collection will lead to gaps in data being collected and will not be detailed enough to account for the unique needs of seniors housing compared to traditional housing.



RECOMMENDATION 3

Enhance existing federal programs to accelerate the development of senior living communities across Canada by introducing criteria that recognize the sector's unique needs.

Canada's aging population is creating an urgent need for additional senior living communities. According to Cushman & Wakefield's report on senior housing[7], approximately 200,000 new seniors housing units will be required over the next decade, while fewer than 10,000 units are currently under construction. Senior living communities are an essential part of Canada's housing continuum, providing housing with services that help older adults maintain their independence while delaying or preventing the need for more intensive and publicly funded care.

Currently, federal programs that should help accelerate the development of senior living communities are not designed with the sector in mind and, as a result, have a limited impact. Both the CMHC's Apartment Construction Loan Program and the newly formed Build Canada Homes (BCH) focus significantly on traditional housing. While senior living communities are not explicitly excluded from either program, the eligibility and underwriting criteria need to be modified to reflect the realities of developing and operating senior living communities in Canada.

It is imperative that the CMHC's Apartment Construction Loan Program be decoupled from its MLI Select product to allow senior living residences to qualify more effectively. In its current form, MLI Select has several fundamental limitations that prevent the senior living sector from effectively utilizing the product. These include:

- **Occupancy stabilization:** Senior living developments are assessed in the same manner as conventional multi-residential projects and are expected to achieve stabilized occupancy within 12 months, whereas most senior living projects require 24 to 36 months to stabilize.

- **50-unit threshold:** The 50-unit minimum disqualifies many viable, high-quality projects. Senior living communities range in sizes, including developments with fewer than 50 units that provide valuable housing and services to the communities they serve. Projects of varying sizes allow developments to better reflect community needs and local character, particularly in rural and smaller communities, while providing seniors with greater choice in the type of housing that best suits their needs and preferences.

7 https://sch.cushmanwakefield.com/api/public/content/3b3b6e50670e41c6959dbbccc0cf2e45?v=b2f18e35

- **Affordability criteria:** Senior living communities provide significantly more than accommodation. Affordability criteria need to recognize that, unlike conventional multi-residential housing, senior living costs often include meals, wellness programming, accessibility features, safety measures, and supportive services as integral components of our sector's housing model. Applying conventional rental affordability measures without accounting for these bundled services does not accurately reflect the nature or value of senior living communities.

While CMHC's MLI Select program has played an important role in supporting rental housing development, its eligibility criteria were designed primarily for conventional multi-residential projects and do not adequately reflect the operating realities of senior living communities.

Senior living developers face similar challenges with Build Canada Homes, particularly with respect to affordability requirements. Unless BCH recognizes that affordability must be assessed differently for senior living communities because of their service-rich operating model, it will be challenging for interested proponents to participate in the program and use it to expand the supply of senior living housing in Canada.

Given the restrictive nature of current federal housing programs, if the government wants to achieve meaningful growth in the supply of senior living communities, **CSLA proposes two options:**

Modify existing federal housing programs to recognize the unique development, financing, affordability, and operating requirements of the senior living sector, providing senior living developers with a clear pathway to apply and qualify for existing programs.

OR

Create a dedicated senior living financing program through Housing, Infrastructure and Communities Canada, with a financing stream of up to $1 billion over five years designed specifically to support the development of senior living communities.

For speed of implementation, CSLA strongly believes that modifying existing programs to appropriately include senior living communities would be the most effective approach. Consultations with the sector should begin immediately, followed by changes that provide senior living developers with a clear and practical pathway to accessing these programs.

Without these changes, much-needed senior living projects will continue to be delayed or cancelled, reducing housing supply at a time when demand is growing rapidly. Federal financing programs should recognize that senior living communities are not traditional multi-unit residential buildings, they are purpose-built housing designed to support aging Canadians

while reducing pressure on hospitals, home care, and long-term care. Appropriate federal support can help incentivize the development of dedicated senior living communities and promote greater movement along Canada's housing continuum.

Whether the government modifies existing programs or creates a dedicated financing stream, the approach should include:

- Eligibility criteria that recognize the service-rich operating model of senior living communities rather than treating them as conventional rental housing.
- More flexible occupancy stabilization and revenue requirements that reflect the typical 24-to-36-month lease-up period for senior living communities.
- Financing eligibility for projects with fewer than 50 suites (units) where supported by demonstrated market demand, particularly in rural and smaller communities.
- Affordability criteria that recognize meals, wellness programming, accessibility features, safety measures, and supportive services as integral components of senior living.
- Underwriting criteria developed in consultation with the senior living sector to better reflect the financial and operational realities of these projects.

Adjusting existing programs or creating a dedicated financing stream would remove barriers that currently discourage investment, stimulate the construction of new senior living communities, improve housing choice for older Canadians, and help free up larger family homes by enabling seniors to move into housing that better meets their needs.

By recognizing senior living as a distinct asset class within Canada's housing system, the federal government can significantly expand housing supply while reducing future demand on publicly funded health care and long-term care systems.

CONCLUSION

Canada's housing strategy cannot succeed without the inclusion of effective and senior-specific housing policies that will improve affordability and increase housing supply while assisting Canada's aging population in finding suitable housing. As Canada's population continues to age, the federal government must prioritize streamlining the development of seniors housing, otherwise more pressure will be put on the housing system which Canada cannot sustain at this rate. Incentivizing seniors to move into homes that better meet their needs will free up larger homes, making more efficient use of existing housing supply.

The recommendations outlined in this submission provide targeted actions that can be implemented in conjunction with the provinces, territories, and other partners in the sector.

Creating a Transition Account for Senior Housing would help alleviate some financial barriers that prevent many seniors from deciding to move.

Reinstating the Seniors Housing Survey would provide the data required to inform effective policy, leading to better investment decisions and outcomes for Canadians.

Create a dedicated financing program to accelerate the development of senior living communities across Canada. Together, these measures would help get Canada on the right track to meet the 200,000 additional seniors housing units required over the next decade.

CSLA thanks the Department of Finance Canada for the opportunity to submit comments ahead of the 2026 Federal Budget. CSLA welcomes the opportunity to work with the federal government to continue to find solutions that will support healthy senior living.

FOR MORE INFORMATION:

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