

# Investors for Affordable Cities

Responsible Investment in Housing  
Disclosure Framework



## Introduction

Institutional investors incorporate environmental, social and governance (ESG) considerations into their investment decision-making across asset classes to better manage risk and generate sustainable long-term returns. There is a body of frameworks, tools and resources to support institutional investors in incorporating climate considerations into their residential real estate investments, but fewer tools that offer guidance on social factors. This framework is designed to help investors understand, measure and assess affordability in their housing portfolios.

## Why housing affordability is important for investors

In Canada, housing affordability has deteriorated over the past two decades as home prices and rent increases outpaced income growth, with renter households contending with the steepest rent-to-income ratios and spending larger proportions of their income on housing.<sup>1</sup> Elevated housing and rental costs are a driver of inequality, as households with lower incomes devote a larger share of their resources to shelter and face greater barriers to achieving financial stability and building assets.<sup>2</sup> These pressures are reflected in indicators that matter to long-horizon investors, including levels of disposable income, aggregate productivity growth and savings, as well as in reported life satisfaction and overall well-being.<sup>3</sup>

1 CMHC (2025), *The Way Back to Housing Affordability*, <https://www.cmhc-schl.gc.ca/observer/2025/way-back-housing-affordability>, accessed 8 May 2026; CMHC (n.d.), Core housing need data – by the numbers: Research and publishing data from the 1980s to present day, <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-research/core-housing-need/core-housing-need-data-by-the-numbers>, accessed 8 May 2026, OECD (2025), *OECD Economic Surveys: Canada 2025*, OECD Publishing, Paris, <https://doi.org/10.1787/28f9e02c-en>; Statistics Canada (2024), *Housing Affordability in Canada, 2022: The share of households spending 30% or more of their income on shelter costs returns to pre-pandemic levels*, [https://www150.statcan.gc.ca/n1/daily-quotidien/240910/dq240910b-eng.htm?utm\\_source=mstatcan&utm\\_medium=eml&utm\\_campaign=statcan-statcan-mstatcan](https://www150.statcan.gc.ca/n1/daily-quotidien/240910/dq240910b-eng.htm?utm_source=mstatcan&utm_medium=eml&utm_campaign=statcan-statcan-mstatcan), accessed 8 May 2026.

2 Canadian Centre for Economic Analysis. (5 January, 2024). *Macroeconomic consequences of unaffordability and core housing need*. <https://www.cancea.ca/index.php/2024/01/05/macroeconomic-consequences-housing-unaffordability/>, accessed 9 May 2026.

3 Statistics Canada (2024), *Housing Affordability in Canada, 2022: The share of households spending 30% or more of their income on shelter costs returns to pre-pandemic levels*, [https://www150.statcan.gc.ca/n1/daily-quotidien/240910/dq240910b-eng.htm?utm\\_source=mstatcan&utm\\_medium=eml&utm\\_campaign=statcan-statcan-mstatcan](https://www150.statcan.gc.ca/n1/daily-quotidien/240910/dq240910b-eng.htm?utm_source=mstatcan&utm_medium=eml&utm_campaign=statcan-statcan-mstatcan), accessed 8 May 2026; Canadian Centre for Economic Analysis. (5 January, 2024). *Macroeconomic consequences of unaffordability and core housing need*. <https://www.cancea.ca/index.php/2024/01/05/macroeconomic-consequences-housing-unaffordability/>, accessed 9 May 2026.



Analyzing affordability within housing portfolios can help investors monitor their own contributions to housing cost pressures, as well as their potential implications for inequality and the macroeconomic conditions that are relevant to sustainable, long-term returns. The deterioration in housing affordability is furthermore relevant for a growing number of investors who acknowledge that inequality can have system-level impacts.<sup>4</sup>

Tenants, governments, regulators, and other stakeholders are paying attention to housing affordability and to the role of large corporations and institutional investors in the housing system.<sup>5</sup> Public debates about the financialization of housing have put institutional owners and

managers of residential assets under greater scrutiny, particularly where investment strategies are perceived to conflict with the goal of ensuring adequate and affordable housing. In this context, investors may face challenges such as strained tenant or community relationships, public criticism or calls for policy and regulatory changes. Assessing affordability within housing portfolios can help investors understand where such tensions might arise in their portfolios. This, in turn, can help investors engage constructively with partners and policymakers on approaches that support both stable returns and more affordable housing outcomes.

4 See, for instance BNP Paribas Asset Management. (n.d.). *Why investors should make addressing inequality a priority*. <https://viewpoint.bnpparibas-am.com/why-investors-should-make-addressing-inequality-a-priority-en/>, accessed 5 May 2026; Manulife Investment Management. (n.d.). *Rising inequality: A global sustainability challenge that needs our attention*. <https://www.manulifeim.com/institutional/global/en/viewpoints/sustainability/rising-inequality-a-global-sustainability-challenge-that-needs-our-attention>, accessed 5 May 2026; University Pension Plan. (n.d.). *Inequality stewardship plan*. <https://myupp.ca/investments/responsible-investing/inequality-stewardship-plan/>, accessed 5 May 2026; Taskforce on Inequality and Social-related Financial Disclosures. (n.d.). TISFD. <https://www.tisfd.org/>, accessed 5 May 2026.

5 See for example Canadian Human Rights Commission. (n.d.). *Financialization of housing*. <https://www.chrc-ccdp.gc.ca/individuals/right-housing/financialization-housing>; National Housing Council Review Panel. (n.d.). *Systemic issue 1: Financialization*. <https://housing.chrcreport.ca/systemic-issue-1-financialization.html>; Department of Finance Canada. (2024). *Deputy Prime Minister announces new action to lower the cost of housing for Canadians*. <https://www.canada.ca/en/department-finance/news/2024/11/deputy-prime-minister-announces-new-action-to-lower-the-cost-of-housing-for-canadians.htm>, accessed 5 May 2026.



## Housing, Sustainable Development Goals (SDGs) and human rights

Canada's commercial real estate industry and many Canadian institutional investors acknowledge their role in advancing the Sustainable Development Goals (SDGs).<sup>6</sup> Affordable housing is explicitly recognized in Canada's approach to SDG 11 on "sustainable cities and communities" and is closely linked to efforts to reduce inequalities under SDG 10.<sup>7</sup>

International human rights standards such as the [UN Guiding Principles on Business and Human Rights](#) articulate governments' obligation to protect human rights and the responsibility of investors and companies to respect human rights. The [OECD Guidance on Responsible Business Conduct for Institutional Investors](#) describes due diligence measures that institutional investors can implement to prevent or mitigate

adverse impacts in their portfolio holdings. The [Universal Declaration of Human Rights](#) recognizes the [right to adequate housing](#), which includes affordability as a criterion for its realization. Canada's 2019 [National Housing Strategy Act](#) recognizes the right to adequate housing as a fundamental human right and establishes structures to monitor its progressive realization. These rights-based standards provide additional reasons for investors to measure and understand affordability in their portfolios.

## How to use this framework

This framework aims to support investors that are seeking to better understand and address housing affordability in their portfolios. It can be used by asset owners to encourage disclosure on affordability by asset managers, portfolio companies such as Real Estate Investment Trusts (REITs), and/or building operators in public and private markets.

6 REALPAC. (2024). *2024 Canadian commercial real estate sustainability industry report*. <https://realpac.ca/product/sustainabilityreport2024/>, accessed 5 May 2026; Responsible Investment Association. (2025). *2025 Canadian RI trends report*. <https://ri-research-initiative.ca/reports/2025-ri-trends-report>, accessed 5 May 2026.

7 Habitat for Humanity. (2021). *The sustainable development goals: The transformational impact of housing*. <https://www.habitat.org/sites/default/files/documents/Housing-and-Sustainable-Development-Goals.pdf>, accessed 5 May 2026; Government of Canada. (2024). *Sustainable Development Goal 11: Sustainable cities and communities*. Employment and Social Development Canada, <https://www.canada.ca/en/employment-social-development/programs/agenda-2030/cities-communities.html>, accessed 5 May 2026.

## Housing Affordability Disclosure Framework: Core Disclosures

Disclosures can be requested for a building, geographic area and/or portfolio, and for new and acquired buildings as well as existing assets.

Disclosures	Rationale	Sources of Data	Tool																																										
<p><b>Affordable rent</b> Rent by number of bedrooms, as compared to area median income categories.</p>	<p>Understanding how rents compare to median incomes provides investors with insight into how affordable housing is for renters across a spectrum of income categories.</p>	<p>Property manager data on rents for units by number of bedrooms.</p> <p>Census data organized through the HART website,<sup>8</sup> which provides affordable rent ranges by income category from very low to high income for census divisions (CD) and census subdivisions (CSD) across Canada.</p>	<table border="1"> <thead> <tr> <th></th> <th>0 br</th> <th>1br</th> <th>2br</th> <th>3+br</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Very low income</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Low income</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Moderate income</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Median income</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Higher income</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>TOTAL</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		0 br	1br	2br	3+br	TOTAL	Very low income						Low income						Moderate income						Median income						Higher income						TOTAL					
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<p><b>Annual rent increases</b> Annual rent increases by building, which can be aggregated at the regional and portfolio levels, as compared to annual national income increases.</p>	<p>Comparing annual rent increases to annual national income increases provides investors with insight into the share of earnings that households spend on housing.</p>	<p>Property manager data on annual rent increases per unit in a building, which can be aggregated at the regional and portfolio level for investors.</p> <p>Statistics Canada<sup>9</sup> data on annual household income increases.</p>	<table border="1"> <thead> <tr> <th>(1) Rent increase (%)</th> <th>(2) Household income increase (%)</th> <th>Difference (1-2) (%)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	(1) Rent increase (%)	(2) Household income increase (%)	Difference (1-2) (%)																																							
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<sup>8</sup> University of British Columbia (UBC). *Housing Assessment Resource Tools (HART)*. <https://hart.ubc.ca/housing-needs-assessment-tool/>, accessed 5 May 2026.

<sup>9</sup> For example, Statistics Canada. (29 April, 2026). *Canadian Income Survey, 2024*. <https://www150.statcan.gc.ca/n1/daily-quotidien/260429/dq260429a-eng.htm>, accessed 15 May 2026.



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<p><b>Annual rent increases in turned-over suites</b> Change in monthly rents for turned-over suites over a one-year period.</p>	<p>In most jurisdictions, governments do not limit rent increases between tenancies. Raising rents to market rates for incoming tenants generates rental income growth but has implications for market prices and affordability.<sup>10</sup></p>	<p>Property manager data on unit turnover. Statistics Canada data on rental increases.</p>	<table border="1"> <tr> <td>Turnover rate % (total suites turned over/total suites)</td> <td></td> </tr> <tr> <td>Change (%) in monthly rent for lease renewals</td> <td></td> </tr> <tr> <td>Change (%) in monthly rent for turned over suites</td> <td></td> </tr> <tr> <td>Overall rent increases in CD/CSDs</td> <td></td> </tr> </table>	Turnover rate % (total suites turned over/total suites)		Change (%) in monthly rent for lease renewals		Change (%) in monthly rent for turned over suites		Overall rent increases in CD/CSDs	
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<p><b>For assets in rent-controlled jurisdictions:<sup>9</sup> Rent increases above annual provincial/territorial guidelines and limits</b> Percentage of units and rent increases from Above Guideline Increases (AGIs) and Additional Rent Increases (ARIs).</p>	<p>In some rent-controlled jurisdictions such as Ontario and BC, landlords that incur costs for eligible capital expenditures may apply to increase tenant rents above provincial/territorial guidelines and limits through devices such as AGIs and ARIs.  These rent increases can significantly impact housing costs for tenants and the extent to which they are utilized is a consideration for investors seeking to understand affordability.</p>	<p>Property manager data on rent increases above annual provincial/territorial guidelines and limits.</p>	<table border="1"> <tr> <td>% of units with AGIs/ARIs</td> <td></td> </tr> <tr> <td>Average rent increases for AGIs/ARIs</td> <td></td> </tr> </table>	% of units with AGIs/ARIs		Average rent increases for AGIs/ARIs					
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10 For example, Statistics Canada. (n.d.). *The Canadian rental conundrum*. <https://www.statcan.gc.ca/o1/en/plus/8660-canadian-rental-conundrum>, accessed 5 May 2026.

11 Applicable to assets in provinces and territories where rent increases are regulated. See Housing Rights Canada. (n.d.). Rent control policies across Canada. <https://housingrightscanada.com/resources/rent-control-policies-across-canada/>, accessed 5 May 2026.

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<p><b>Number and rationale of evictions</b> Number of tenant evictions over past year per reason.</p>	Monitoring the number of evictions and the rationale supports investor efforts to understand housing affordability and manage related risks.	<p>The Canadian Housing Survey, which provides categories of reasons for forced moves/evictions.<sup>10</sup></p> <p>Property manager data drawn from legal tenant applications.</p>	<table border="1"> <thead> <tr> <th>Reason Given</th> <th>Number</th> <th>% of Tenants</th> </tr> </thead> <tbody> <tr> <td>Nonpayment of rent</td> <td></td> <td></td> </tr> <tr> <td>Tenant behavior (including disruptive or illegal acts, regular late payments, damage to rental property)</td> <td></td> <td></td> </tr> <tr> <td>Overcrowding</td> <td></td> <td></td> </tr> <tr> <td>Demolition, conversion or major repairs by landlord</td> <td></td> <td></td> </tr> <tr> <td>Major repairs or renovation</td> <td></td> <td></td> </tr> <tr> <td>TOTAL</td> <td></td> <td></td> </tr> </tbody> </table>	Reason Given	Number	% of Tenants	Nonpayment of rent			Tenant behavior (including disruptive or illegal acts, regular late payments, damage to rental property)			Overcrowding			Demolition, conversion or major repairs by landlord			Major repairs or renovation			TOTAL		
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<p><b>Maintenance</b> Number of maintenance requests received by building and average response times, as well as the results of any building inspections by municipal or regional officials.</p>	Housing affordability, habitability and security of tenure are interconnected, and maintenance is central to tenant retention and long-term housing quality.	Property manager data on maintenance requests and infractions.	<table border="1"> <tbody> <tr> <td>Number of maintenance requests</td> <td></td> </tr> <tr> <td>Average response time (days)</td> <td></td> </tr> <tr> <td>Number of infractions</td> <td></td> </tr> <tr> <td>% of suites or buildings with infractions across a portfolio</td> <td></td> </tr> </tbody> </table>	Number of maintenance requests		Average response time (days)		Number of infractions		% of suites or buildings with infractions across a portfolio														
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12 Statistics Canada. (2022). *Canadian Housing Survey, 2022: Forced moves* (EVI). [https://www23.statcan.gc.ca/imdb/p3Instr.pl?Function=assembleInstr&a=1&&lang=en&Item\\_Id=1479765#qb1485935](https://www23.statcan.gc.ca/imdb/p3Instr.pl?Function=assembleInstr&a=1&&lang=en&Item_Id=1479765#qb1485935), accessed 12 May 2026.