

# Climate-Resilient and Affordable Housing in Canada

## Key Findings and Recommendations

### Converging crises

Canada is facing a dual crisis: a persistent shortage of affordable housing and rising exposure to climate disasters. Housing supply continues to lag population growth, while climate risks intensify in frequency, cost, and impact.

For leaders in government, disaster resilience, and insurance, this convergence warrants a shift from episodic crisis response to systemic risk management—where housing policy, land-use planning, insurance, and recovery programs are integrated.

### Key findings

#### Rising exposure and disproportionate risk

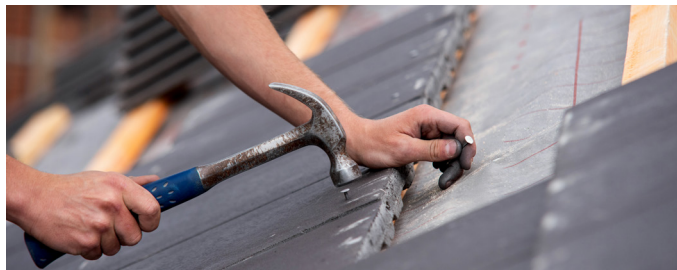
The share of Canadians living in areas exposed to floods or large wildfires rose from 8 per cent in 2010 to approximately 36 per cent in 2024. More than half (53 per cent) of social and affordable housing units sit in these high-risk areas.

This concentration increases displacement pressure, particularly for low-income and marginalized households that lack the resources to absorb shocks or relocate.

#### Aging housing stock and infrastructure gaps

More than 85 per cent of social and affordable housing was built prior to 1995, before climate risks informed building codes and design standards.

Retrofitting is essential but underfunded, leaving much of this housing stock vulnerable.



#### Escalating disaster costs and insurance pressures

Climate-related losses continue to rise at an unprecedented pace.

- Catastrophic insured losses increased from \$14 billion between 2006 and 2015 to \$37 billion between 2016 and 2025.
- Annual losses peaked at \$8.5 billion in 2024.

Insurance markets are responding by raising premiums, narrowing coverage, or withdrawing from high-risk areas altogether. These shifts drive up housing costs, restrict access to mortgages, and transfer risk back to governments and communities.

Indigenous communities face particularly acute challenges due to remoteness, infrastructure gaps, and complex land tenure arrangements that limit access to conventional insurance products.

#### Reactive recovery systems

Despite recent reforms, most disaster recovery and housing programs still focus on restoring assets to pre-disaster conditions rather than reducing future risk.

This restorative approach locks in vulnerability, discourages resilience upgrades, and increases long-term costs. Although the federal Disaster Financial Assistance Arrangements program now promotes build-back-better principles, provinces apply these provisions unevenly.

## Fragmented planning and data

Climate risk data, including flood mapping and wildfire modelling, remains inconsistent and unevenly accessible across Canada. Many municipalities—especially smaller, rural, or remote communities—lack the capacity to apply this data effectively.

These gaps constrain risk-informed land-use planning, zoning, and infrastructure investment, reinforcing exposure rather than reducing it.

## Strategic implications

Disaster recovery cannot operate as a standalone function. Leaders who wish to address systemic risks can embed recovery considerations upstream in housing policy, insurance systems, and land-use planning.

Without this shift, recovery costs will continue to escalate, displacement will increase, and public spending will remain reactive and inefficient.



## Core recommendations

1. Shift to risk-informed zoning and climate-resilient housing.
  - Standardize and share national climate hazard data to support local decision-making.
  - Integrate flood and wildfire risk into zoning, site selection, and development approvals.
  - Prioritize new construction and rebuilding in lower-risk locations.

This approach reduces repeated recovery cycles and supports proactive risk reduction.

2. Embed affordability and resilience in housing and recovery programs.
  - Require resilience standards in federal and provincial/territorial housing programs.
  - Expand build-back-better funding within disaster recovery programs.
  - Incentivize retrofits for existing affordable housing.
3. Prioritize non-profits and housing co-operatives for long-term housing affordability.
  - Designate non-profits and co-operatives as preferred delivery partners for the Build Canada Homes initiative.
  - Prioritize non-profits and housing co-operatives for public land development.
  - Fund acquisition and retrofitting of at-risk rental stock.

This strategy supports long-term affordability while enabling meaningful resilience upgrades.

4. Strengthen insurance systems and address coverage gaps.
  - Develop public-private mechanisms, including subsidies and re-insurance, to maintain affordability and availability.
  - Encourage resilience-linked pricing that rewards risk reduction.
  - Expand innovative tools such as parametric insurance to speed payouts.

These measures are especially critical for Indigenous and other high-risk communities.

For the full research, see our impact paper [\*Under One Roof: \(Re\)building Climate-Resilient and Affordable Housing in Canada\*](#).

