

Position Statement | March 2026

Canada's Long-Term Care Housing Crisis

Canada faces a dual housing crisis: while general housing challenges dominate public discussion, a critical and growing issue remains largely overlooked—the shortage and aging of long-term care (LTC) homes. These homes are more than healthcare facilities; they are **homes** where older Canadians live, age, and receive essential support. Ensuring seniors have access to safe, high-quality, and modern long-term care homes is a national priority.

The Canadian Association for Long Term Care (CALTC) urges the federal government to take immediate action to access to capital financing for LTC homes and recognize LTC home development as a national housing and infrastructure priority.

The Urgent Need for LTC Infrastructure

Canada's population over age 85 is projected to double by 2040. By 2035, 382,000 to 454,000 LTC beds will be required, a 93% to 121% increase over current capacity.¹ The average cost of construction per bed is approximately \$780,000, translating to a capital investment need of \$137–\$187 billion over the next decade.

Waitlists are already extensive. Ontario alone has over 48,000² individuals waiting for LTC placement, with other provinces experiencing similar pressures. Without immediate action, hospital overcrowding and emergency department strain will worsen, and many seniors will continue to wait months—or years—for access to appropriate care.

¹ [Sizing Up the Challenge. Meeting the Demand for Long-Term Care in Canada](#)

² <https://www.oltca.com/about-long-term-care/the-data/>

Challenges in Capital Financing

LTC homes face systemic barriers to accessing capital financing:

1. **Recognition as Housing:** LTC homes are not formally recognized as housing under federal programs, limiting access to Canada Mortgage and Housing Corporation (CMHC) programs such as MLI Select.
2. **Financial Risk Assessment:** CMHC categorizes LTC homes as financially high-risk due to limited operational budget funding.
3. **Operational Funding Gaps:** Provincial funding models often fail to fully reflect the cost of delivering care, preventing homes from building sufficient capital reserves.
4. **Ownership Complexity:** LTC homes include public, non-profit, and for-profit operators³, requiring reliance on traditional lending markets where borrowing is challenging.
5. **Historical Policy Changes:** Previous federal-provincial multi-party agreements that facilitated LTC home construction were discontinued in the 1990s, leaving the sector responsible for securing capital independently.
6. **Inflationary and Construction Pressures:** The cost to build or retrofit LTC homes has risen sharply. In British Columbia, for example, the cost per bed has reached over **\$1 million**⁴, with other provinces closely behind. This highlights the need to ensure that design guidelines are reasonable and sustainable.

Provinces such as Alberta have successfully used multi-party agreements with CMHC to support LTC development. Expanding these proven models nationally would enable safer and faster access to capital.

Modernizing Existing Infrastructure

In addition to funding new builds, **upgrading existing homes** is critical. Many LTC homes were built decades ago and no longer meet modern standards for infection prevention, accessibility, or climate resilience. Investments are needed to:

- Ensure homes meet contemporary safety and quality standards.
- Support operational sustainability while accommodating rising care demands.

³ [Long-Term Care Facilities in Canada: How Are They Funded and Regulated? - HillNotes](#)

⁴ [B.C. cites \\$1.8m-a-bed cost to justify delay long-term care homes](#)

- Facilitate renovation projects through access to federal programs like CMHC financing and infrastructure funding.

Federal climate-related infrastructure funding should be made accessible to support modernization and resilience upgrades.

Policy Recommendations

- **Include long-term care (LTC) homes in the federal “Communities Strong Fund”** as infrastructure essential to Canada’s national interest⁵, with explicit eligibility under the *Health Infrastructure Fund* stream.
- **Ensure federal infrastructure programs**, including climate-related funds, are accessible for LTC home upgrades.
- **Ensure that when renewed, the National Housing Strategy includes LTC home development** as part of Canada’s long-term housing and community infrastructure plan.
- **Direct the Canada Mortgage and Housing Corporation (CMHC) to:**
 - Formally recognize LTC homes as “housing” and confirm eligibility for CMHC programs that provide long-term, stable-rate financing.
 - Modernize financial assessment criteria for LTC homes to better reflect sector realities and remove barriers that classify homes as high risk due to limited operational margins.
 - Extend eligibility for LTC homes to apply under the MLI Select program.
 - Designate a dedicated program specialist to work with the LTC sector and support timely access to infrastructure financing programs.
 - Expand multi-party capital financing agreements (CMHC–Province–LTC home), using Alberta as a national model.

Economic and Workforce Considerations

Investing in LTC infrastructure is also an economic driver:

- Creates local jobs and stimulates community development.
- Supports workforce planning, including replacement for upcoming retirements.

⁵ [Minister Olszewski highlights Budget 2025 investments in the Build Communities Strong Fund - Canada.ca](#)

- Ensures that provincial operating budgets and licensing requirements are aligned with capital investments.

Federal-provincial collaboration is essential to ensure the sector can scale infrastructure and workforce capacity to meet future demand.

Conclusion

Canada's LTC sector is ready to build and upgrade homes to meet the needs of an aging population. Immediate federal action is required to unlock capital financing, modernize policy, and recognize LTC homes as a vital component of Canada's housing system.

By implementing these measures, Canada can ensure seniors have access to safe, modern, and dignified homes—protecting their well-being today and for generations to come.

References

- [Population Projections for Canada, Provinces and Territories, 2021 to 2068, 2022](#)
- [New report reveals that Canada is missing 4.4M affordable homes for people in housing need](#)
- [Long-Term Care Facilities in Canada: How Are They Funded and Regulated? - HillNotes](#)
- <https://www.auditor.on.ca/en/content/annualreports/arreports/en09/312en09.pdf>
- [Housing and parliamentary action \(PRB99-1E\)](#)
- [OLTCA-2025-Budget-Submission-final-web.pdf](#)
- [NR-From-Shortfall-to-Crisis.pdf](#)
- [Ontario is falling far short of its long-term care bed goal, its own numbers show | CBC Accessibility](#)