
January 2026

Municipalities Under Pressure One Year Later:

An Update on the Human and Financial
Cost of Ontario's Homelessness Crisis



About this report

This report updates *Municipalities Under Pressure: The Human and Financial Cost of Ontario's Homelessness Crisis* (Donaldson, Wang, Escamilla, & Turner, 2025), published in January 2025, and developed under the leadership of the Association of Municipalities of Ontario (AMO), the Ontario Municipal Social Services Association (OMSSA), and the Northern Ontario Service Deliverers Association (NOSDA).

The previous report established a province-wide baseline of known homelessness from 2016 onward and examined regional patterns, impacts on key populations, housing and homelessness investments across governments, and projected homelessness under different socioeconomic conditions.

This update applies the same approach using complete 2024 data and year-to-date 2025 information. It provides updated estimates of homelessness and chronic homelessness, community housing waitlists, housing and homelessness funding and expenditures, and encampments. The methods, assumptions, and limitations from the original report remain in effect unless otherwise noted.

Further detail on data sources, assumptions, and analytical methods is provided in the Technical Appendix.

About HelpSeeker

HelpSeeker Technologies is a Canadian social innovation company dedicated to helping communities, nonprofits, and government agencies solve complex social challenges through data, technology, systems insight, and modelling.

We design and implement data-driven tools, including scenario modelling grounded in structured logic models that connect investments and program changes to real-world outcomes over time. This enables organizations and policymakers to test strategies before committing resources, strengthen long-term planning, and make more informed, cost-effective decisions.

Donaldson, J., Kandyba, L., Wang, D. (2026). Municipalities Under Pressure One Year Later: An Update on the Human and Financial Cost of Ontario's Homelessness Crisis. HelpSeeker.

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Contributions

The data in this report is generated through people seeking housing and homelessness support across Ontario. Individuals share information as part of accessing services, often in the hope of improving their housing outcomes. This report is only useful insofar as it supports those efforts by improving understanding of system conditions and informing more effective responses.

This work also reflects the contributions of community agencies, frontline staff, and Ontario's 47 municipal Service Managers who support individuals, families, and communities experiencing homelessness and housing instability, and who are responsible for collecting, maintaining, organizing, and interpreting homelessness and housing data in their communities. Their ongoing participation and reporting make a province-wide analysis of homelessness possible.

This report builds on the original Municipalities Under Pressure analysis and was developed in collaboration with the Association of Municipalities of Ontario (AMO), the Ontario Municipal Social Services Association (OMSSA), and the Northern Ontario Service Deliverers Association (NOSDA). Key contributions to this work were provided by Michael Jacek and Alicia Neufeld (AMO), Fern Dominelli (NOSDA), and Aaron Stauch and Tod Duncan (OMSSA), who supported interpretation, contextualization, and review throughout the project.

Design, copyediting, and technical work were supported by Camilo Escamilla, Kim Harper, Hedgehog Writing & Editing, and others on the HelpSeeker team.

Executive summary

MUNICIPALITIES UNDER PRESSURE WAS PUBLISHED IN JANUARY 2025 TO ESTABLISH A PROVINCE-WIDE BASELINE OF HOMELESSNESS IN ONTARIO USING DATA FROM 2016 TO 2024.

The report showed that homelessness was rising faster than housing and homelessness-serving systems could respond, even as municipalities increased funding and expanded services, and identified the need for sustained investment in housing supply, prevention, supportive housing, and exit capacity, a need that remains today.

Since the release of that report, the socioeconomic environment and policy priorities at both the provincial and federal levels have changed, while housing affordability pressures, economic risks, and fiscal constraints remain elevated and continue to pose significant challenges, despite some easing from recent peak conditions (OECD, 2025; Bank of Canada, 2025).



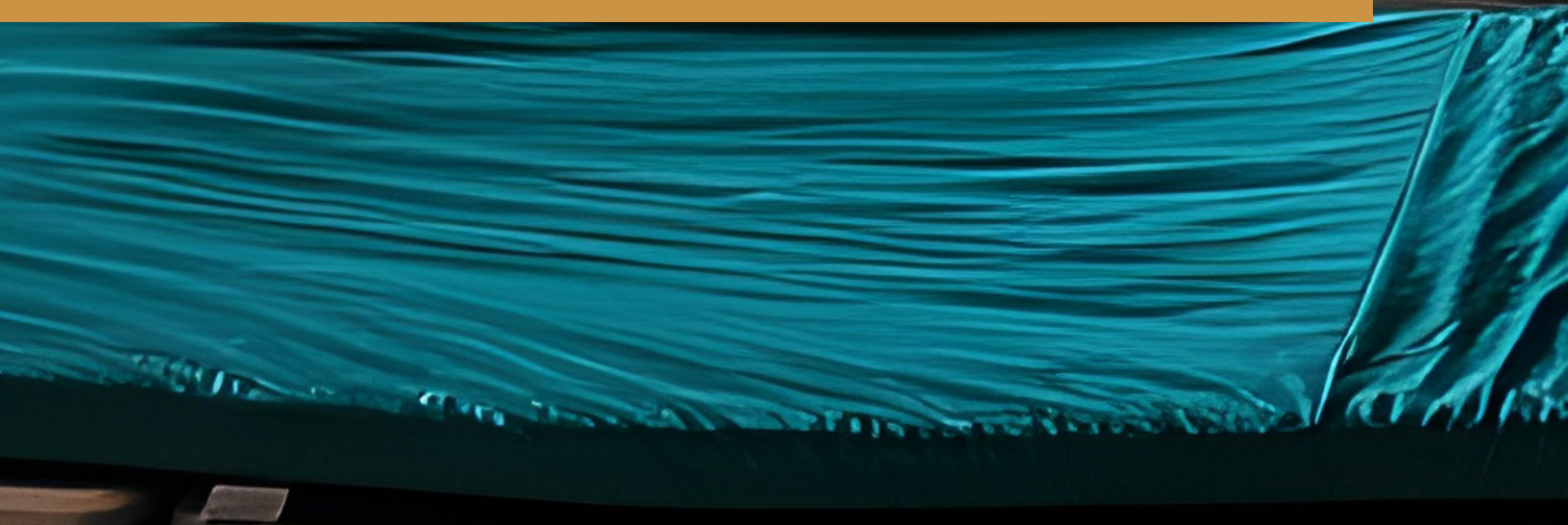
More people are experiencing prolonged periods without housing, affecting community health, safety, and stability, while municipalities face growing operational, financial, and service-delivery pressures.

THESE PRESSURES REFLECT NOT ONLY RISING DEMAND, BUT PERSISTENT LIMITS IN HOUSING AVAILABILITY AND EXIT CAPACITY ACROSS THE SYSTEM.



With the addition of 2025 data, this update builds on the 2024 findings and provides an opportunity to step back from a period of rapid change following the pandemic and consider what options exist to reverse homelessness when housing and support capacity remains constrained and fiscal conditions are tightening.

This report provides updated estimates of homelessness in Ontario, examines chronic homelessness, community housing waitlists, and housing and homelessness funding and expenditures, and presents projections of homelessness to 2035.



01

Homelessness increased in 2025.

In 2025, an estimated 84,973 people experienced known homelessness in Ontario, a 7.8% increase (6,171 people) from 2024, an increase that followed several consecutive years of growth.¹

While the rate of growth has moderated compared to the peak between 2021 and 2023, this past year's increase confirms that homelessness has not yet stabilized or decreased.

84,973

ONTARIANS EXPERIENCED
KNOWN HOMELESSNESS

7.8%

INCREASE
FROM 2024

02

Homelessness growth accelerated sharply after 2021 and has not been reversed.

Between 2016 and 2020, known homelessness in Ontario increased gradually, by approximately 6.3% over four years. From 2021 to 2025, known homelessness increased by approximately 49.1%.

This acceleration coincides with the COVID-19 pandemic period. Homelessness has not returned to pre-2020 levels, even as housing and homelessness funding increased and services expanded. This indicates that the availability of housing and supports has not kept pace with the scale or persistence of homelessness following the pandemic.

2016 - 2020



VS

2021 - 2025



03

Homelessness is growing fastest in northern communities.

Homelessness is increasing more rapidly in Northern Ontario than elsewhere in the province. From 2024 to 2025, known homelessness in Northern Ontario increased by 37.3%. Since 2021, homelessness in the north has increased by approximately 117.5%, compared to 49.1% provincially over the same period. Northern communities, which account for approximately 5% of Ontario's total population, now account for nearly 10% of all known homelessness.



2024 - 2025

KNOWN HOMELESSNESS IN
NORTHERN ONTARIO



37.3%

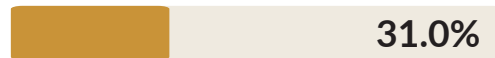
1. The 2024 figure in Municipalities Under Pressure (January 2025) was estimated using partial-year data. Updated data submitted by Service Managers have since been incorporated, resulting in a revised observed estimate for 2024.

04

Homelessness is also increasing rapidly in mostly rural communities.

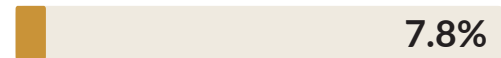
Homelessness growth is also significantly higher in mostly rural Service Manager areas than the provincial average. In 2025, known homelessness in mostly rural communities increased by approximately 31.0% from 2024, compared to 7.8% provincially. Communities with a mix of rural and urban characteristics experienced growth of approximately 15.1% over the same period.

2024 - 2025 Rural Communities



VS

2024 - 2025 Provincially



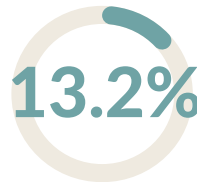
05

Indigenous people are significantly overrepresented among people experiencing homelessness.

Indigenous people in Ontario remain significantly overrepresented among those experiencing homelessness. Representing approximately 2.9% of the population (Statistics Canada, 2022), they account for an estimated 13.2% of people experiencing homelessness province-wide and 40.7% in northern communities.

The number of Indigenous people experiencing homelessness reported by Service Managers increased from approximately 6,100 in 2021 to over 11,000 in 2025. As homelessness grows, structural inequities, including racism and discrimination that drive the overrepresentation of Indigenous people are reproduced at a larger scale (Thistle, 2017).

2.9% OF THE
POPULATION



OF PEOPLE EXPERIENCING
HOMELESSNESS PROVINCE-WIDE

06

Encampments exist in most areas of Ontario in 2025.

Forty-two of 47 Service Managers reported at least one encampment, with nearly 2,000 site-based encampments estimated across the province. Most encampments are small, typically involving fewer than 10 people per site.

Service Manager reporting indicates that enforcement and site-management activities tend to change where encampments are located and how visible they are, often resulting in movement into vehicles, more hidden locations, or smaller, short-lived sites, rather than reducing the number of people experiencing homelessness.

42/47 SERVICE MANAGERS REPORTED
AT LEAST ONE ENCAMPMENT

2,000 SITE-BASED
ENCAMPMENTS

07

Lack of housing is increasing the duration and chronicity of homelessness.

In 2025, an estimated 45,111 people were experiencing chronic homelessness, representing 53% of all known homelessness in Ontario. Growth in chronic homelessness in-part reflects the limited availability of appropriate and affordable housing, with many people cycling through shelters, temporary accommodations, and other emergency responses because there are few options to exit into stable housing.

Homelessness in Ontario is increasingly characterized by conditions consistent with high inflow into homelessness and limited exit capacity, particularly limited access to affordable housing options that support timely exits.

In 2025, the community housing (RGI) waitlist reached an estimated 301,340 households, with an average wait time of 65 months and some households waiting more than 16 years. While RGI serves a broader population beyond people experiencing homelessness, these wait times point to limited system capacity to support exits from homelessness. As a result, more people remain homeless for longer periods.

In 2025, an estimated 45,111 people were experiencing chronic homelessness, representing 53% of all known homelessness in Ontario. Growth in chronic homelessness is consistent with an imbalance between the number of people entering homelessness and the availability of affordable housing options to support exits, with many people cycling through shelters, temporary accommodations, and other emergency responses because there are few options to exit into stable housing.

45,111

ONTARIANS EXPERIENCED
CHRONIC HOMELESSNESS



OF ALL KNOWN
HOMELESSNESS

08

Housing and homelessness funding has increased, but homelessness grows faster.

Public funding for housing and homelessness in Ontario has increased substantially while homelessness continues to rise. In 2025, combined housing and homelessness funding is estimated at just over \$4.0 billion, more than double the level reported in 2018. However, while the number of people experiencing homelessness increased by 49.1% between 2021 and 2025, total funding increased by 32.1% over the same period, with municipal funding increasing by 48.2%.

Over the same period, program expenditures increased by 75.4% overall—rising by 88.0% for homelessness programs and 66.1% for housing programs—indicating that municipalities are increasingly absorbing the cost of managing higher and more persistent levels of homelessness through local service delivery.

Emergency shelters have remained the largest area of homelessness-related expenditure, increasing by 51.6% since 2021. Community housing has remained the largest area of housing program expenditure, but spending declined by 0.6% over the same period, highlighting limited growth in deeply affordable housing despite rising need.

09

Homelessness is projected to more than double by 2035.

Factoring in updated assumptions about economic conditions, housing affordability, population change, and related drivers, homelessness in Ontario is projected to continue increasing through 2035.

Under steady conditions, known homelessness is projected to reach approximately 177,000 people province-wide by 2035. Under an economic downturn scenario, projected homelessness exceeds 297,000 people.

In Northern Ontario, homelessness is projected to increase from current levels to approximately 16,900 people under steady conditions and to more than 27,500 people under a downturn scenario by 2035. This reflects an amplified version of the broader provincial trend, with homelessness in the north growing much faster than funding and system capacity because of a lack of housing and limited service infrastructure.

UNDER STEADY CONDITIONS

177,000

VS

UNDER AN ECONOMIC DOWNTURN

297,000

10

Post-pandemic homelessness appears increasingly difficult to reverse.

The projections in this report show homelessness continuing to increase through 2035 under all modelled conditions. Observed trends since 2021 indicate that after homelessness rose above pre-pandemic levels, it did not return to those earlier levels, even after emergency responses expanded and short-term crisis conditions eased. Under current conditions, the system has not demonstrated the ability to reduce overall homelessness after increases occur.

With access to permanent housing constrained, more people remain unhoused for longer periods and spend extended time within homelessness-serving systems. This sustains pressure on services and increases costs over time.

Taken together, these trends indicate that homelessness in Ontario is not a temporary crisis. Instead, growth is being sustained by ongoing system conditions that affect how many people enter homelessness, how long they remain unhoused, and whether sufficient housing capacity exists to support exits at scale.

Key implications and direction.

PUBLIC SPENDING HAS GROWN, YET HOMELESSNESS CONTINUES TO RISE, INDICATING THAT EXISTING APPROACHES ARE NOT CONSISTENTLY TRANSLATING INTO IMPROVED OUTCOMES AT THE SCALE REQUIRED.

Much of the effort has focused on managing crises. This is necessary to address immediate harm, but it does not prevent or support timely access to affordable and appropriate housing. As a result, spending is often directed toward stabilizing conditions as needs arise, requiring increasing investment.

Homelessness does not occur within a single program, ministry, or level of government. It is shaped by how housing, healthcare, income supports, justice, child welfare, education, and other systems operate and interact over time. Outcomes depend on how these systems are designed, coordinated, sequenced, and governed across ministries and levels of government. Treating homelessness as an outcome produced across systems, rather than as a challenge to be managed within a single policy or program, is essential to reducing homelessness and limiting costs.

Because pressures move between systems, progress depends on a whole-of-government approach, rather than isolated action. Decisions made in one system can either increase or reduce homelessness pressures elsewhere. A coordinated, whole-of-government approach—operating horizontally across provincial services and mandates delivered through Service Managers, and vertically through federal, provincial, and municipal systems—helps ensure that effort in one area supports outcomes in another. This requires reconsidering how social spending is planned, targeted, and evaluated, based on outcomes across systems.

Yet, housing availability remains a central constraint. Increasing the supply of housing, particularly deeply affordable housing, is essential to reducing homelessness and requires an expanded federal role, alongside provincial and municipal action.

The previous *Municipalities Under Pressure* report modelled two investment approaches:

a longer-term investment of approximately \$11 billion

over 10 years to achieve functional zero chronic homelessness, including capital investment to substantially expand deeply affordable and supportive housing, alongside ongoing operating funding for prevention, housing stability, and supports; or

a targeted near-term investment of approximately \$2 billion

to reduce acute pressures such as encampments and stabilize conditions while longer-term housing supply is developed.²

THESE SOCIAL INFRASTRUCTURE INVESTMENTS REMAIN NEEDED TO IMPROVE STABILITY FOR INDIVIDUALS, FAMILIES, AND COMMUNITIES AND REDUCE HOMELESSNESS OVER THE MEDIUM AND LONG TERM.

At the same time, given the projected growth in homelessness and the persistence of underlying drivers, housing investment alone will not be sufficient. To be effective, investments must be paired with better integration of policy, data, activities, outcomes, accountability, and decision-making across ministries, mandates, and levels of government.

2. Detailed estimates of the housing and support capacity required under the longer-term investment approach—including approximately 40,000 affordable housing units and 32,000 rent subsidies—are set out on page 100 of *Municipalities Under Pressure* (2025). Details of the targeted near-term investment to address acute pressures are set out on page 108

The integration [of housing, health, income, and social service systems across levels of government] is necessary to **ensure that housing investments translate into sustained reductions in homelessness**, do not shift pressures between systems, and support a response that remains sustainable over time.

Municipalities Under Pressure One Year Later:

An Update on the Human and Financial Cost of Ontario's Homelessness Crisis



This report is a joint project of the Association of Municipalities of Ontario, the Ontario Municipal Social Services Association, and the Northern Ontario Service Deliverers Association. It updates *Municipalities Under Pressure: The Human and Financial Cost of Ontario's Homelessness Crisis* (January 2025) using complete 2024 data and year-to-date 2025 information.

The original report documented a sharp rise in homelessness during and immediately following the pandemic, alongside rapid system expansion and increased public spending to manage rising need. This update uses more recent and complete data to assess how homelessness has continued to change since that period, and how homelessness-serving systems are functioning under current conditions.

Since the original report was released, housing affordability pressures have intensified, economic risks have increased, and fiscal constraints have become more pronounced across all levels of government.

At the same time, more people are remaining unhoused for longer periods, increasing pressure across housing, health, and social service systems and raising the human and financial costs associated with prolonged homelessness.

This report uses updated 2024–2025 data to examine current trends in homelessness, including changes in inflow, duration, spending, and capacity, as well as revised homelessness projections through 2035. Taken together, the findings indicate that higher levels of homelessness are continuing, despite increased spending within the system to address homelessness and, under current conditions, the homelessness trajectory is increasingly difficult to reverse.

1

People experiencing homelessness

This section presents updated estimates of people experiencing known homelessness in Ontario, using complete 2024 data and 2025 estimates based on annualized year-to-date information establishing the current scale and recent direction of change.

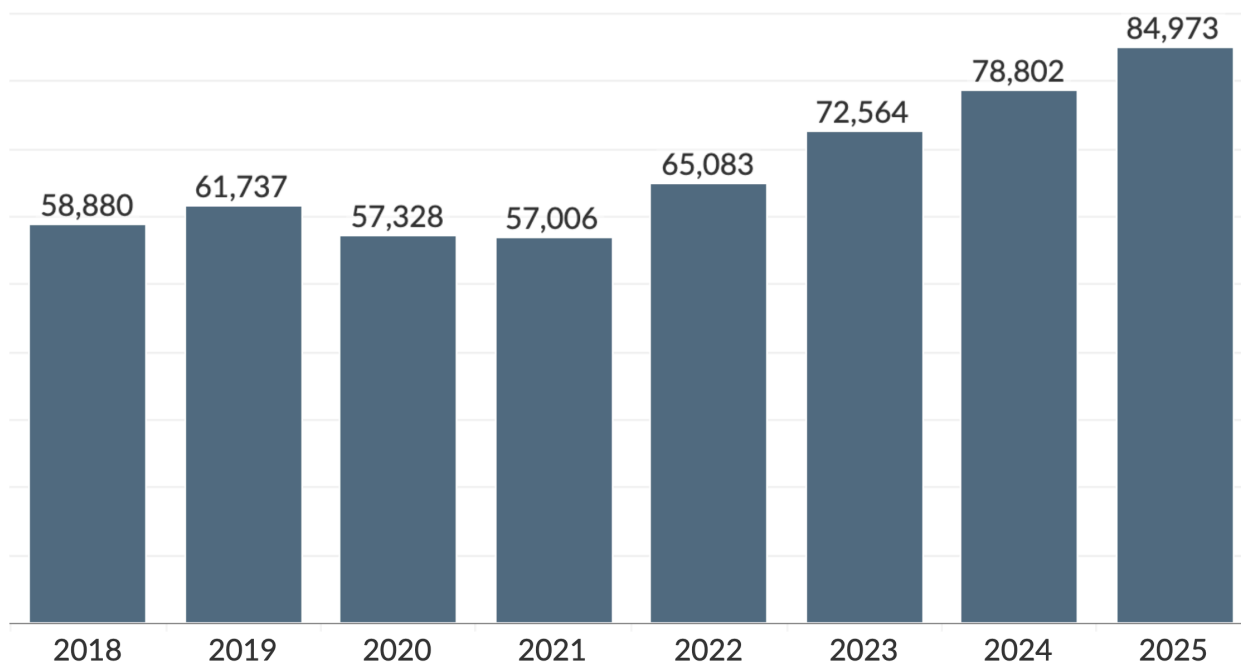
1.1 Known homelessness increased by 7.8% in Ontario in 2025.

In 2025, an estimated 84,973 people experienced known homelessness across Ontario. This represents an increase of 6,171 people from 2024, or 7.8%.

The 2025 *Municipalities Under Pressure* report estimated that 81,515 people would experience known homelessness by the end of 2024. With full-year 2024 data now available, the observed total was 78,802, a variance of 3.3% from the original estimate.

Taken together, the 2024 actuals and 2025 estimates show that the previous report's projection of an increase has occurred. Homelessness has risen year-over-year, across communities, and over multiple years, indicating a pattern that is persistent and growing.

Figure 1: Estimated number of people experiencing homelessness in Ontario, 2018–2025



Adjusted

Missing values have been filled using additional research or statistical methods.

Table 1: Service Manager (SM) submission rates Ontario, 2018-2024

	2018	2019	2020	2021	2022	2023	2024	2025
SM count	24	20	24	37	46	47	47	46
Population %	54%	63%	73%	85%	96%	100%	100%	99%

From 2016 to 2020, known homelessness increased gradually, rising from 53,930 to 57,328, an increase of approximately 6.3% over four years. Since 2021, the pattern has shifted. Over the same span of time, known homelessness has increased from 57,006 to 84,973, an increase of approximately 49.1%. While the year-over-year growth rate has declined since 2021, the total number of people experiencing homelessness has continued to rise each year.

Table 2: Year-over-year growth in known homelessness, Ontario, 2021–2025

Year	People experiencing known homelessness	Change from previous year	Percent change
2021	57,006	—	—
2022	65,083	+8,077	+14.2%
2023	72,564	+7,481	+11.5%
2024	78,802	+6,238	+8.6%
2025	84,973	+6,171	+7.8%

Although homelessness in Ontario is often described as a crisis—and undeniably is for individuals, families, and communities—the data in this section shows that it does not behave like a short-term shock. Growth has continued year after year, including under post-pandemic conditions, with crisis-response capacity expanding to keep pace with rising demand.

In practice, homelessness is not a temporary crisis. It has grown over time and is now a predictable, ongoing feature of the system. As a result, homelessness continues to be addressed through crisis responses (Gaetz & DeJ, 2017), because those are the tools most readily available to manage sustained demand.

1.2 Northern Ontario accounts for nearly 10% of homelessness in Ontario despite representing only 5% of the population.

In 2025, an estimated 8,142 people experienced homelessness in Northern Ontario, up from 5,930 in 2024, an increase of 37.3%.³

This increase represents a substantially higher rate of growth than in other parts of the province. Since 2021, homelessness in Northern Ontario has more than doubled, increasing by 117.5%, compared to 49.1% provincially over the same period. Northern Ontario now accounts for nearly 10% of all known homelessness in Ontario.

Figure 2: Estimated number of people experiencing homelessness in northern communities, Ontario, 2018–2025

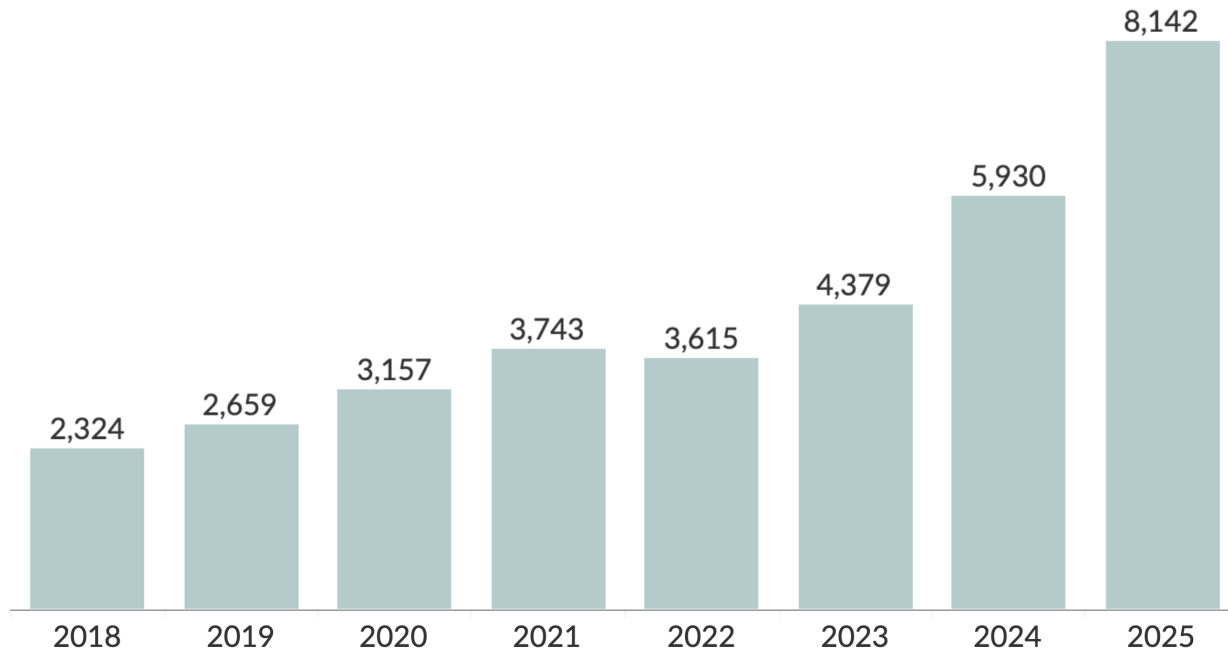


Table 3: Service Manager (SM) submission rates Ontario, 2018–2024

	2018	2019	2020	2021	2022	2023	2024	2025
SM count	6	3	5	8	11	11	11	11
Population %	37%	12%	37%	53%	100%	100%	100%	100%

3. Part of the year-over-year increase between 2024 and 2025 reflects improved data collection by one Northern Service Manager. However, even accounting for data improvements, homelessness in Northern Ontario has increased substantially over multiple years, indicating sustained growth rather than a one-time reporting effect.

In southern communities, existing housing and service infrastructure has absorbed rising demand to date, though it has been an increasing strain to do so. In Northern Ontario, where housing markets are tighter and service delivery is shaped by large geographic distance, smaller systems, and more limited infrastructure, including less access to provincially delivered services such as mental health and addictions supports, it has been impossible to absorb the increasing demand.

As factors driving homelessness persist, the Northern Ontario context illustrates how growing pressures on individuals, families, and communities may see the same situation occurring more widely across the province, something already apparent in rural areas.

1.3 Homelessness in communities that are mostly rural grew by 31.0% in 2025.

Homelessness in rural Ontario has grown more rapidly than in any other community type in the province. In 2025, an estimated 4,609 people experienced known homelessness in mostly rural Service Manager areas. Homelessness in the province increased by 7.8% overall from the previous year, while the increase was 31.0% in mostly rural communities and 15.1% in mixed rural-urban communities over the same period.

Figure 3: Estimated number of people experiencing homelessness in mostly rural communities, Ontario, 2018–2025

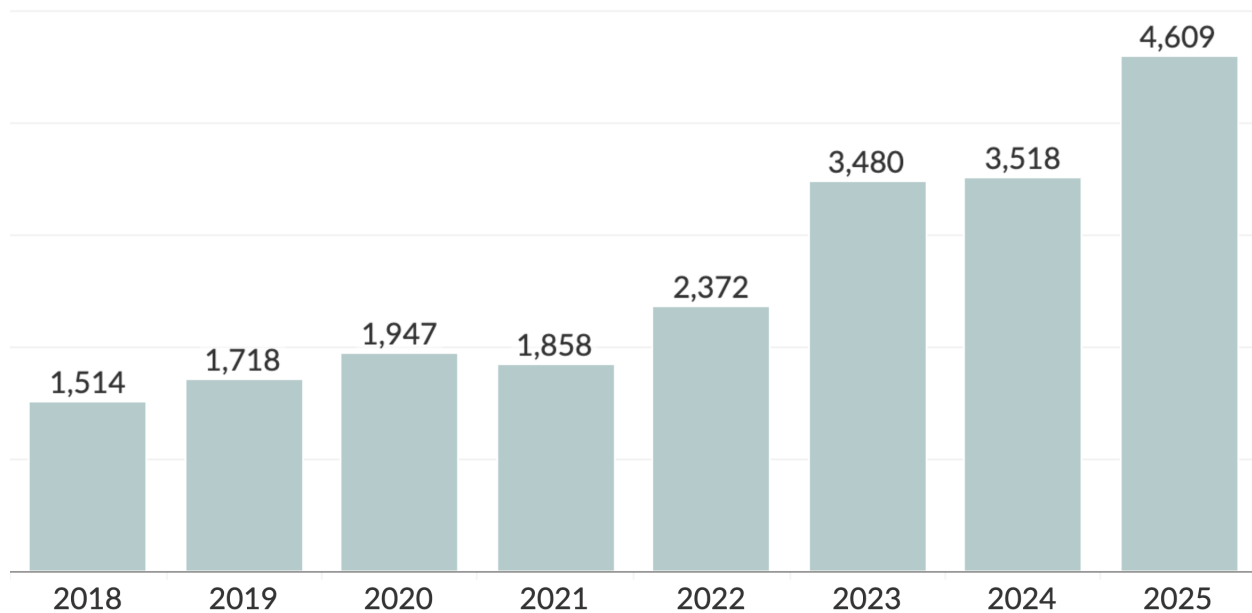
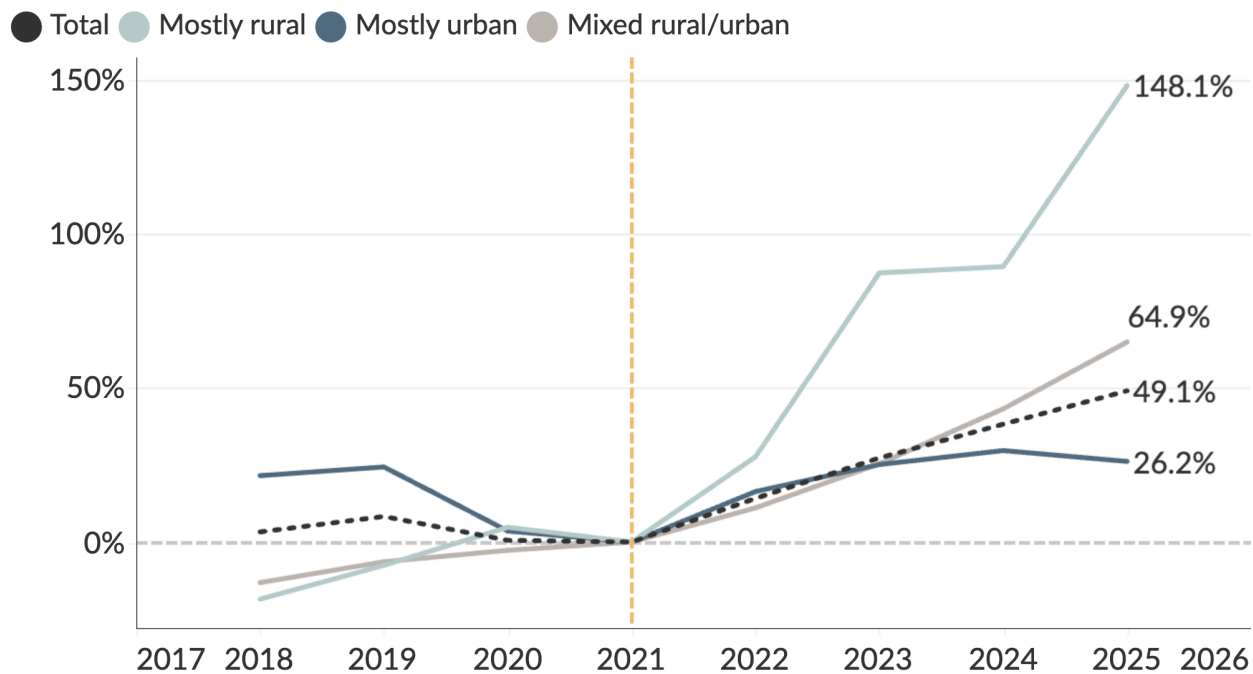


Table 4: Service Manager (SM) submission rates Ontario, 2018-2024

	2018	2019	2020	2021	2022	2023	2024	2025
SM count	11	8	8	12	15	15	15	15
Population %	76%	55%	58%	81%	100%	100%	100%	100%

Figure 4: Percent change in number of people experiencing homelessness from 2021, mostly rural, mixed rural-urban, and mostly urban communities, Ontario, 2018-2025



As noted in *Municipalities Under Pressure* (January 2025) and discussed further in section four of this report, municipalities across Ontario have increased their financial support for housing and homelessness programming in response to the rising need.

In mostly rural communities, lower population density and smaller tax bases limit the extent to which such support can be addressed through the property-tax levy alone. The financial pressures arise primarily as a result of the downloading of major assets and responsibilities to municipalities in the 1990s, a municipal challenge further exacerbated by severe funding constraints in rural areas.

Even though the province has increased support for rural municipalities through targeted infrastructure, operating, and development programs, rural municipalities remain more dependent on property tax revenue, which accounts for approximately 62% of total rural municipal revenues, compared to 54% in urban municipalities (ROMA, 2024).⁴

These figures reinforce the reality that the investment required to respond to sustained homelessness growth exceeds what municipal revenues can provide within the current system design. Even when provincially supported housing and homelessness funding streams are factored in, the system cannot keep up with demand.

4. Rural Ontario Municipal Association, based on analysis of 2023 Financial Information Returns, Government of Ontario.

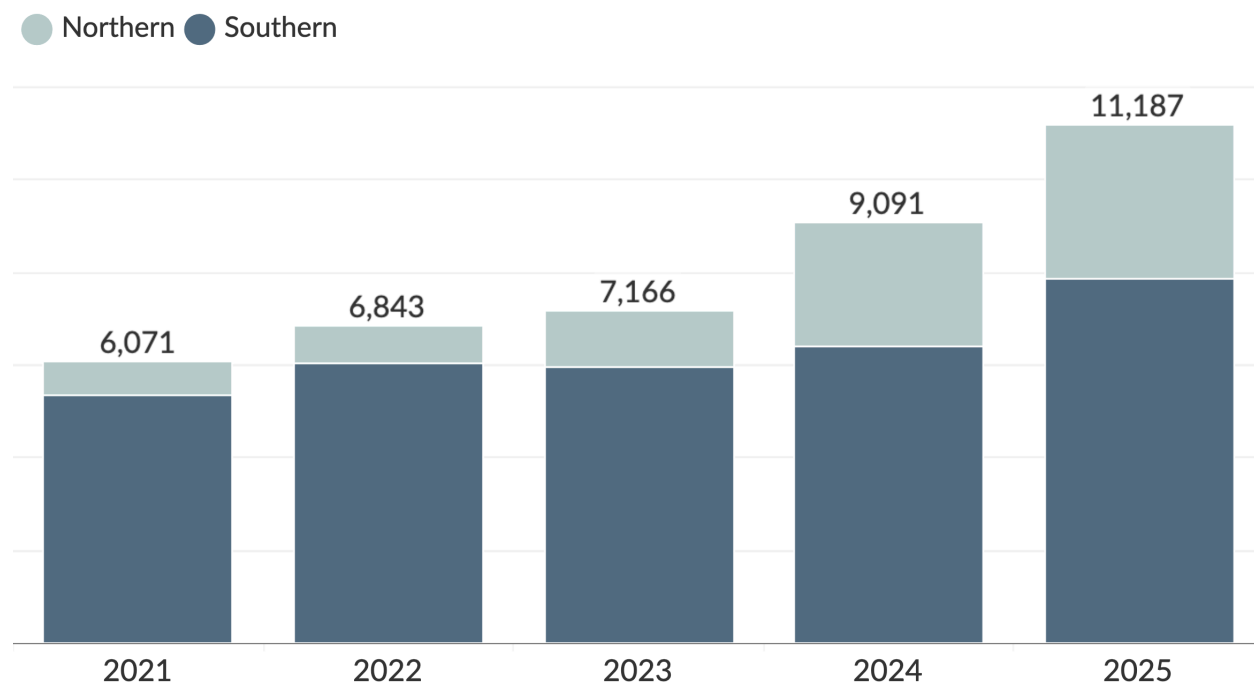
1.4 Service Manager–reported Indigenous homelessness increased by 23.0%.

Indigenous people are significantly overrepresented among those experiencing homelessness in Ontario. While Indigenous people represent approximately 2.9% of the provincial population, they account for an estimated 13.2% of people experiencing homelessness. In absolute terms, the number of Indigenous people experiencing homelessness has increased from approximately 6,100 in 2021 to over 11,000 in 2025, with the largest year-over-year increases occurring in 2024 (an increase of 26.8%) and 2025 (an increase of 23.0%). Part of this increase may reflect improved data collection across Service Managers.

In the north, Indigenous homelessness increased by 22.7% from 2024 to 2025. However, as documented in the 2025 report, Indigenous homelessness remains undercounted due to persistent structural barriers, including limited use of mainstream services, lack of culturally safe spaces, less likelihood of voluntary self-identification, and the exclusion of on-reserve homelessness from Service Manager reporting.

Over the same period, Indigenous representation as a proportion of total homelessness has remained relatively stable, fluctuating between roughly 11% and 13%. These trends indicate that, even if the percentage of Indigenous homelessness does not increase, as the number of people experiencing homelessness grows overall, Indigenous homelessness grows with it.

Figure 5: Estimated number of Indigenous people experiencing known homelessness, as reported by Service Managers, Ontario, 2021–2025



Adjusted

Missing values have been filled using additional research or statistical methods.

Table 5: Service Manager (SM) submission rates Ontario, 2021-2024

	2021	2022	2023	2024	2025
SM count	26	31	34	46	46
Population %	81%	87%	89%	100%	99%

Definitions of homelessness, funding arrangements, and service responsibilities across federal, provincial, and Indigenous governments have remained largely unchanged, even as demand has increased. As a result, responsibility for housing and support is often fragmented across systems, with no single pathway that consistently supports people to move out of homelessness.

For Indigenous people—particularly those moving between on-reserve and off-reserve systems—**this fragmentation can interrupt access to housing, income supports, and services**, contributing to longer periods of homelessness and higher rates of chronic homelessness (Infrastructure Canada, 2025).

2

Encampments and unsheltered homelessness

Encampments and unsheltered homelessness continue to be reported across most service areas in Ontario.

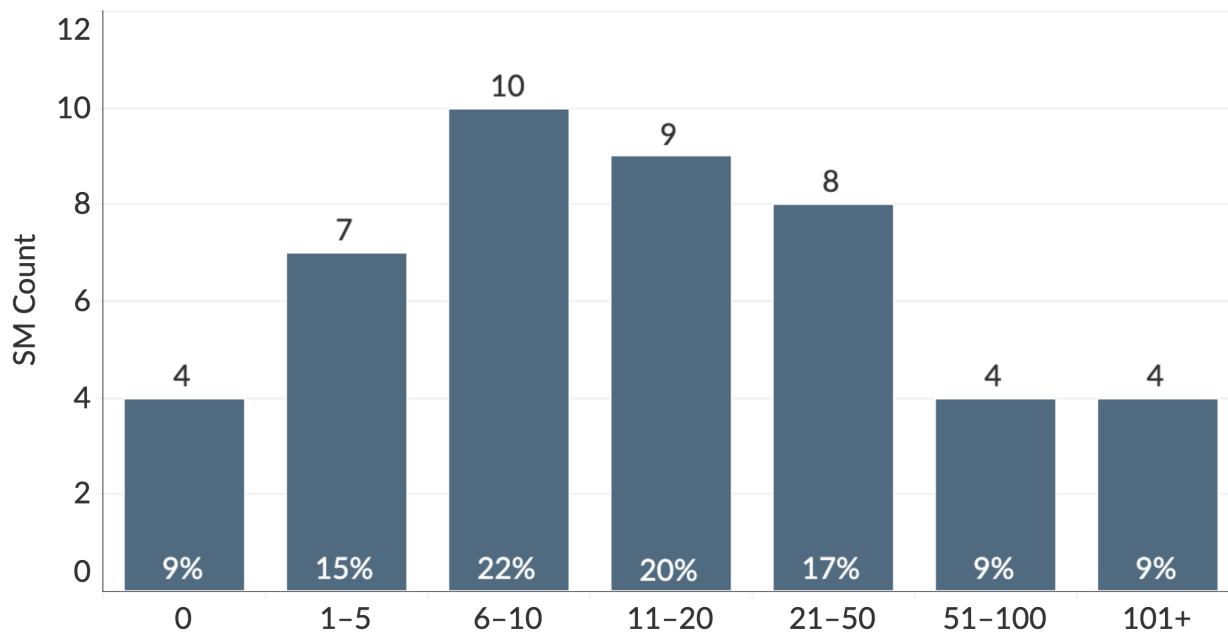
2.1 Service Managers report approximately 2,000 encampment sites across Ontario.

In 2025, Service Managers across Ontario reported an estimated 2,130 encampments, which were standardized to 1,944 site-based encampments after adjusting for differences in how encampments are defined and counted. Of 47 Service Managers, 42 reported at least one encampment. Reported counts range widely, from zero to more than 500 sites in individual jurisdictions; 74% of Service Managers reported fewer than 50 encampments in their area.

Encampments are predominantly small and dispersed, with 93% of Service Managers who reported at least one encampment saying the typical site involves between two and ten people. Large, centralized encampments are much less common. Several Service Managers reported increases in encampments in 2025, particularly for small, short-lived sites, rather than stable clusters.

Alongside encampments, Service Managers reported approximately 8,100 people experiencing unsheltered homelessness at a point in time.⁵ This includes people living in tents, vehicles, abandoned buildings, or other places not intended for habitation. As with encampments, unsheltered homelessness was reported across most service areas, with considerable geographic variation.

Figure 6: Number of encampments reported by Service Managers, Ontario, 2025



Recent provincial policy has addressed the visibility of encampments. The Safer Municipalities Act, 2025 (Bill 6) expands enforcement tools related to public drug use and public trespassing and defines tents on public land as public places, enabling police and municipal authorities to disperse encampments under specified conditions (Government of Ontario, 2025a). These measures respond to growing public concern about safety and disorder in shared spaces.

5. These figures differ from those gathered through coordinated Point-in-Time counts, which are conducted on a single reference night. Unsheltered homelessness counts reported here are drawn from a range of reporting periods and sources across Service Managers, and therefore do not represent single-night enumeration.

Several communities reported that encampments are smaller, which may be attributable to investments and policy decisions made by federal and provincial governments. At the same time, reporting by Service Managers indicates that enforcement activities primarily affect the location and visibility of encampments rather than resolving the issue. When encampments are dismantled, people often relocate to vehicles, more hidden locations, abandoned buildings, or smaller dispersed sites that are less visible and harder to track.

Taken together, the data indicates that enforcement is used increasingly to try to manage pressures that originate across multiple systems. When housing, shelter, and support capacities are limited, additional regulation of public spaces becomes part of addressing excess demand.

While this approach may make homelessness less visible, it does not resolve the needs of people who are living unsheltered: **encampments are not a reaction to a temporary crisis but an ongoing response to the growth in homelessness that chronically exceeds the system's capacity to respond.**



3

Inflow and outflow

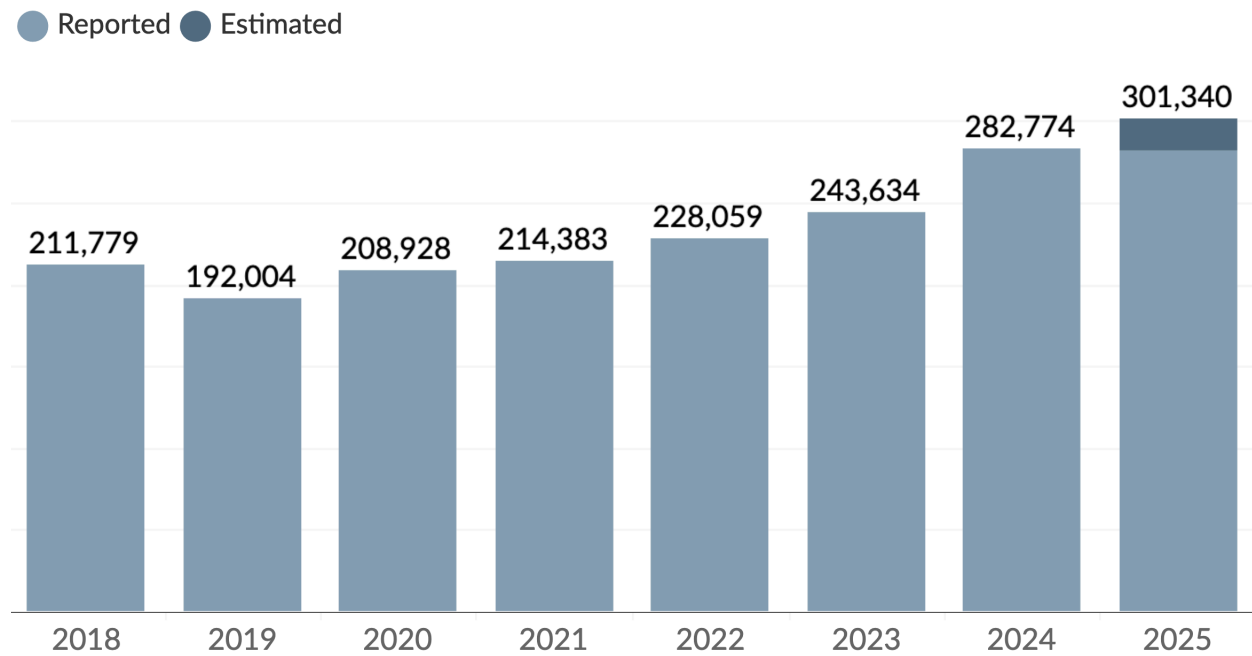
Homelessness increases when more people enter the system than can be supported to exit it, making it essential to examine the community housing waitlist, and the growing number of people remaining unhoused for longer periods.

3.1 The community housing waitlist now exceeds 300,000 households across Ontario.

In 2025, the rent-geared-to-income (RGI) waitlist in Ontario reached 301,340 households, an increase of 6.6% from 2024. The average wait time is now 65 months, or more than 5 years, with some households having waited 16 years.

The number of households on a waitlist is now 69% higher than the total supply of rent-geared-to-income units reported in 2024, which means the waitlist is growing faster than housing can be allocated (Donaldson, Wang, Escamilla, & Turner, 2025).

Figure 7: Households on waitlist for RGI, Ontario, 2018–2025



Adjusted

Missing values have been filled using additional research or statistical methods.

Table 6: Service Manager (SM) submission rates Ontario, 2018–2024

	2018	2019	2020	2021	2022	2023	2024	2025
SM count	39	40	41	41	41	43	47	46
Population %	90%	91%	95%	95%	95%	97%	100%	100%

The waitlist also indicates inflow pressure, since it shows households already experiencing homelessness as well as those at heightened risk of entering it. As the list grows, it shows that housing precarity is increasing at the same time that exit capacity remains limited.

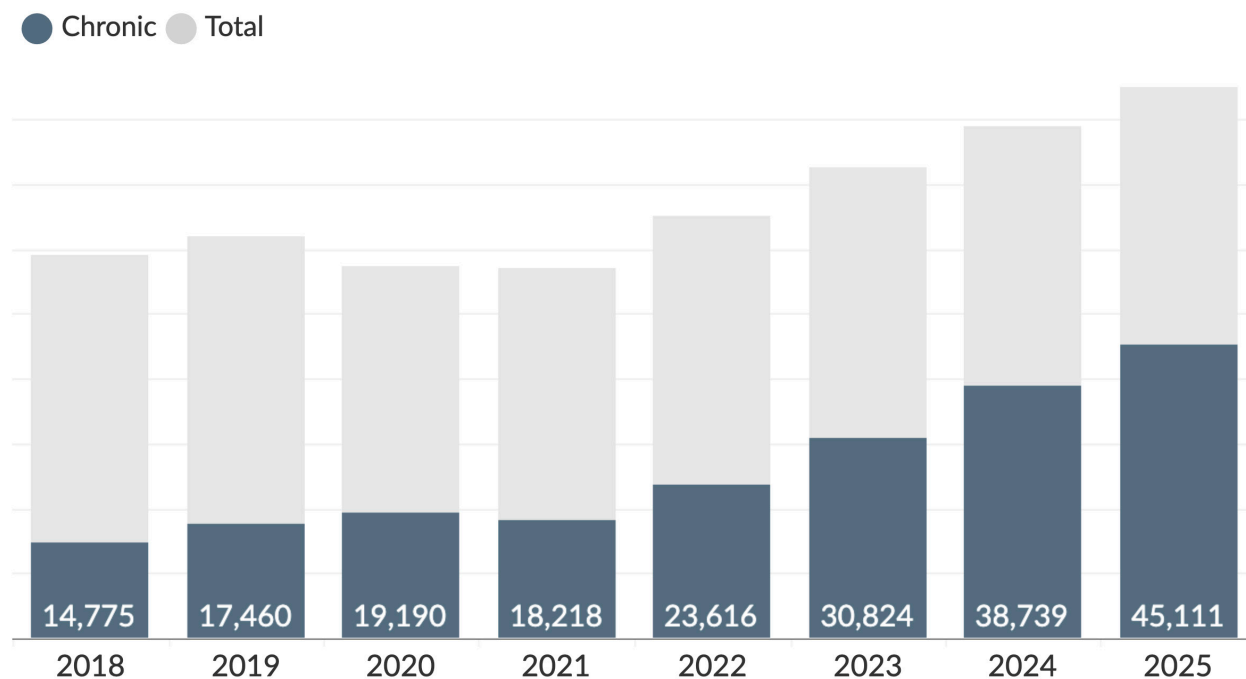
Socioeconomic conditions reinforce this imbalance. Income supports have not kept pace with housing costs, leaving many households unable to secure or maintain market housing without access to community housing (OECD, 2025). Rising food insecurity is another factor, with over one million Ontarians relying on food banks in 2024–25 and first-time food bank use increasing (Feed Ontario, 2025). Historically, homelessness rates grow within 12–18 months of increased food bank usage, suggesting that the recent increases in food bank usage means a likely continuation or even increase in people entering the homelessness system (Jadidzadeh & Kneebone, 2025)).

Taken together, the scale, growth, and duration of the community housing waitlist means the system is limited on both ends, creating conditions for persistent homelessness that will be increasingly difficult to reverse over time.

3.2 More than half of people experiencing homelessness remain unhoused long term.

In 2025, an estimated 45,111 people in Ontario were experiencing chronic homelessness, accounting for approximately 53% of all known homelessness. Chronic homelessness involves prolonged housing instability and extended interaction with homelessness-serving systems.

Figure 8: Estimated number of people experiencing chronic homelessness compared to total population experiencing homelessness, Ontario, 2018–2025 ⁶



Adjusted

Missing values have been filled using additional research or statistical methods.

6. The 2025 report estimated chronic homelessness in 2024 at 41,512; with updated full-year totals now available, the 2024 estimated count is 38,739.

Table 7: Service Manager (SM) submission rates Ontario, 2018-2024

	2018	2019	2020	2021	2022	2023	2024	2025
SM count	21	15	21	36	45	46	47	46
Population %	43%	51%	61%	81%	91%	95%	100%	99%

Rates of chronic homelessness are an indicator of how effectively the broader social safety net is supporting exits from homelessness under current conditions. Between 2021 and 2025, the number of people experiencing chronic homelessness more than doubled, rising from 18,218 to 45,111, while chronic homelessness as a proportion of all known homelessness increased from 32% to 53%.

A rising rate of chronic homelessness indicates that emergency responses are increasingly being used to manage ongoing demand for housing, with more people remaining unhoused for longer periods and cycling through shelters, encampments, and emergency or institutional settings.

When this pattern persists, costs and pressures are shifted to other public systems, including health care, justice, and emergency services, **extending the impact beyond the homelessness sector** (Mental Health Commission of Canada, 2014; Richard et al., 2024; Kouyoumdjian et al., 2019).

4

Spending

This section provides an updated overview of housing and homelessness funding using 2025 data. It reviews changes in overall investment since 2018 and examines how spending is allocated across program areas, offering context for how funding is being used to respond to the sustained pressures of homelessness.

4.1 Municipal contributions to housing and homelessness continue to increase.

Municipalities account for the largest and fastest-growing share of housing and homelessness funding in Ontario. Combined funding for housing and homelessness response is estimated to have reached over \$4.0 billion in 2025, more than double the \$2.1 billion reported in 2018. This represents an increase of 103.0% over the period, and 32.1% since 2021.

All levels of government increased their contributions. Federal funding rose from \$384 million in 2018 to \$950 million in 2025 (+147%). Provincial funding nearly doubled, from \$535 million to just over \$1.0 billion. Municipal funding increased from approximately \$1.1 billion to \$2.0 billion (+90%) and accounts for roughly half of all combined housing and homelessness funding.⁷

Figure 9: Funding trends for homelessness and housing programs by source, Ontario, 2018–2025

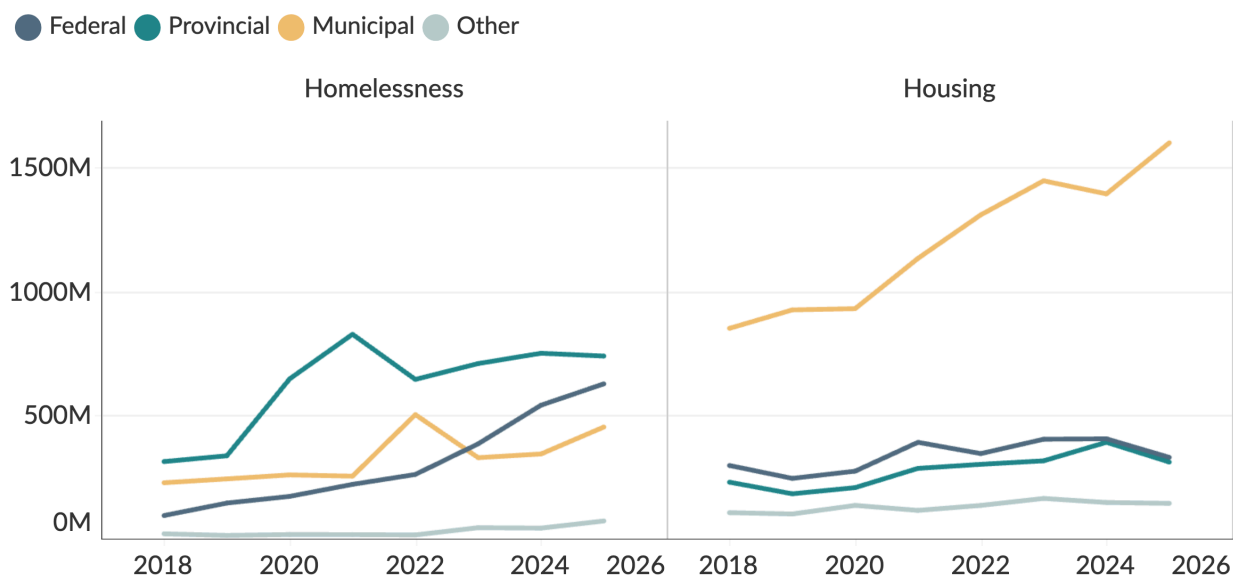


Table 8: Service Manager (SM) submission rates Ontario, 2018–2024

		2018	2019	2020	2021	2022	2023	2024	2025
Homelessness	SM count	38	39	42	44	44	47	47	47
	Population %	78%	79%	85%	88%	88%	100%	100%	100%
Housing	SM count	46	46	46	47	47	47	47	47
	Population %	80%	80%	80%	100%	100%	100%	100%	100%

7. Funding figures for 2024 in *Municipalities Under Pressure: The Human and Financial Cost of Ontario's Homelessness Crisis (2025)* reflected budgeted or estimated amounts, as the data collection period concluded in September prior to the end of the 2024 reporting year. Funding figures for 2024 in this update reflect reported full-year funding submitted by Service Managers. Differences between the two reports are attributable to the use of reported full-year data in this update.

Municipal governments are the primary funder of housing programs in Ontario, contributing approximately 67.4% of housing funding in 2025, while also providing nearly one-quarter of homelessness funding. In absolute terms, municipalities added approximately \$667 million in housing and homelessness funding between 2021 and 2025.

These figures reflect housing and homelessness funding reported through municipal Service Managers. However, they do not capture all homelessness-related costs incurred by municipalities. While Service Managers administer provincially funded housing and homelessness programs, all 444 municipalities incur additional expenses related to homelessness, including the provision of basic necessities, public safety and security, encampment management and clean-up, bylaw enforcement, and locally funded affordable-housing initiatives. As a result, total municipal exposure to homelessness-related costs is higher than what is reflected in Service Manager reporting alone.

Additionally, some provincial spending related to homelessness—such as Violence Against Women shelters and other provincially funded responses delivered outside the Service Manager system—is not captured in these figures.

Over the same period, homelessness continued to grow. Between 2021 and 2025, total funding increased by 32.1%, while the number of people experiencing homelessness increased by 49.1%. This indicates that financial investment and rising demand have expanded in parallel.

Homelessness growth is occurring alongside sustained and historically high levels of investment. While the data cannot indicate what homelessness levels would have been without this additional funding—particularly given rising inflow pressures, economic volatility, and constraints on housing availability—they do show that increased investment alone has not reversed the overall trajectory.

One such explanation may be the increase in chronic homelessness. As more people remain unhoused for longer periods, the cost of supporting each person increases. Longer shelter stays, repeated use of emergency and institutional services, and higher support needs raise per-person costs over time. As a result, increased funding can be absorbed by supporting fewer people for longer, rather than reducing homelessness overall.

4.2 Homelessness spending grew by 11% from 2024 to 2025, with emergency shelters and supportive housing accounting for most of that increase.

Spending on homelessness programs in Ontario increased from \$2.04 billion in 2024 to \$2.3 billion in 2025, an increase of \$229.9 million (11.3%).

The largest spending increases from 2024 to 2025 were for emergency shelters and supportive housing. Emergency-shelter spending increased from \$1.0 billion to \$1.1 billion, an increase of \$107.5 million (10.4%). This remained the single-largest area of homelessness spending.

Spending for supportive housing increased from \$540.8 million in 2024 to \$578.7 million in 2025, an increase of \$37.9 million (7.0%). While that year-over-year growth rate slowed compared to earlier years, supportive housing continued to represent a substantial and growing proportion of total homelessness spending, accounting for 25.5% in 2025.

Other program areas also had continued growth between 2024 and 2025. Spending on transitional housing increased from \$143.2 million to \$180.6 million, an increase of \$37.4 million (26.1%), while community outreach spending rose from \$87.1 million to \$134.6 million, an increase of \$47.5 million (54.5%). By contrast, spending on prevention and diversion declined from \$98.5 million to \$88.3 million, a decrease of \$10.2 million (10.4%).

Table 9: Homelessness program spending by program type, Ontario, 2021–2025

		2021	2022	2023	2024	2025
Emergency shelters	Expenditures	750.8M	820.1M	966.5M	1,030.4M	1,137.9M
	% of total	62.2%	64.2%	66.7%	50.5%	50.1%
	SM average	\$18,771K	\$19,073K	\$21,478K	\$21,923K	\$24,211K
	SM count	40	43	45	47	47
	Population %	86%	87%	95%	100%	100%
Transitional housing	Expenditures	64.6M	80.9M	90.0M	143.2M	180.6M
	% of total	5.4%	6.3%	6.2%	7.0%	8.0%
	SM average	\$2,810K	\$3,677K	\$3,599K	\$3,047K	\$3,843K
	SM count	23	22	25	47	47
	Population %	66%	52%	70%	100%	100%
Supportive housing	Expenditures	147.4M	163.5M	144.4M	540.8M	578.7M
	% of total	12.2%	12.8%	10.0%	26.5%	25.5%
	SM average	\$4,912K	\$4,673K	\$3,904K	\$11,507K	\$12,312K
	SM count	30	35	37	47	47
	Population %	61%	65%	73%	100%	100%
Caseload support services	Expenditures	26.4M	19.8M	22.8M	39.1M	45.7M
	% of total	2.2%	1.6%	1.6%	1.9%	2.0%
	SM average	\$1,054K	\$861K	\$948K	\$832K	\$973K
	SM count	25	23	24	47	47
	Population %	61%	57%	64%	100%	100%
Prevention and diversion	Expenditures	68.3M	83.7M	81.0M	98.5M	88.3M
	% of total	5.7%	6.6%	5.6%	4.8%	3.9%
	SM average	\$1,665K	\$2,092K	\$1,928K	\$2,097K	\$1,879K
	SM count	41	40	42	47	47
	Population %	67%	63%	71%	100%	100%

Community outreach	Expenditures	23.4M	35.7M	60.5M	87.1M	134.6M
	% of total	1.9%	2.8%	4.2%	4.3%	5.9%
	SM average	\$938K	\$1,021K	\$1,552K	\$1,853K	\$2,864K
	SM count	25	35	39	47	47
	Population %	59%	82%	91%	100%	100%
Other services and supports	Expenditures	126.5M	72.9M	83.3M	100.8M	104.1M
	% of total	10.5%	5.7%	5.8%	4.9%	4.6%
	SM average	\$3,163K	\$1,823K	\$2,083K	\$2,145K	\$2,214K
	SM count	40	40	40	47	47
	Population %	86%	85%	92%	100%	100%
Total	Expenditures	1,207.4M	1,276.7M	1,448.5M	2,040.0M	2,269.9M
	% of total	100.0%	100.0%	100.0%	100.0%	100.0%
	SM average	\$5,390K	\$5,364K	\$5,748K	\$6,200K	\$6,899K
	SM count	43	44	46	47	47
	Population %	87%	88%	96%	100%	100%

Housing program spending also increased in 2025. Total housing spending rose from \$2.31 billion in 2024 to \$2.7 billion in 2025, an increase of \$422.4million (18.3%). Growth was concentrated in rent supplements and housing allowances (+\$102.3 million), market rent housing (+\$61.3 million), and other housing programs (+\$162.8 million).

In a longer-term context, homelessness spending increased from \$1.21 billion in 2021 to \$2.27 billion in 2025, an increase of \$1.06 billion (88.0%). Over this period, supportive housing accounted for the largest absolute increase for any homelessness program area, rising by \$431.3 million, while emergency shelter spending increased by \$387.1 million. Together, these two areas accounted for most of the growth in homelessness spending.

Increased investment in supportive housing is necessary. Growth in spending for this program area recognizes its importance within the homelessness response and the growing number of people experiencing homelessness who have complex needs around mental health, substance use, and physical health. Many of these needs emerge or intensify over time, shaped by prolonged experiences of homelessness and limited access to timely housing, healthcare, and treatment earlier in people's pathways into homelessness (Gaetz & DeJ, 2017).

Recent provincial investments, including the establishment of Homelessness and Addiction Recovery Treatment (HART) hubs, reflect growing recognition of the close connection between homelessness, mental health, and substance use.

At the same time, the continued year-over-year growth in spending on emergency shelter and supportive housing shows that demands on the system are driven by increasingly complex needs. This pattern demonstrates that pressure is building at the intensive end of the system, driving more investment in responses to crisis and long-term high support, rather than reducing the flow of people before they reach that level of need.

5

Future homelessness

This section presents updated projections of future homelessness in Ontario, using the most recent data available and projections that illustrate how homelessness is expected to change under different economic and policy conditions.

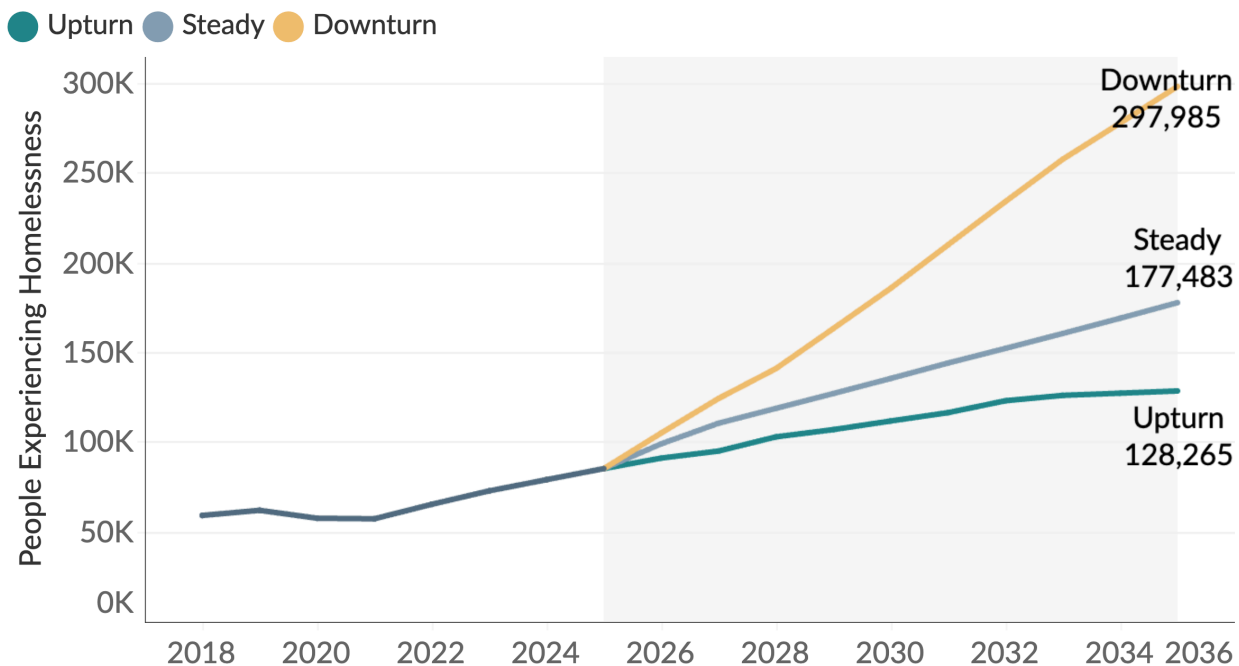
5.1 Over 170,000 people may be experiencing homelessness by 2035.

Homelessness in Ontario is projected to increase substantially through 2035, under all modelled conditions. The projections in this update are generated using the same model structure and core drivers applied in the January 2025 *Municipalities Under Pressure* report, including labour-market conditions, income, housing affordability, population change, and core housing need. What differs in this update are the assumptions applied to those drivers, reflecting the current economic and policy environments, which have changed. Additional detail on model structure and assumptions is provided in the technical appendix.

Under an economic upturn, homelessness is projected to reach approximately 128,265 people by 2035. Under steady conditions, the projection rises to 177,483, while under an economic downturn, the number reaches approximately 297,985.

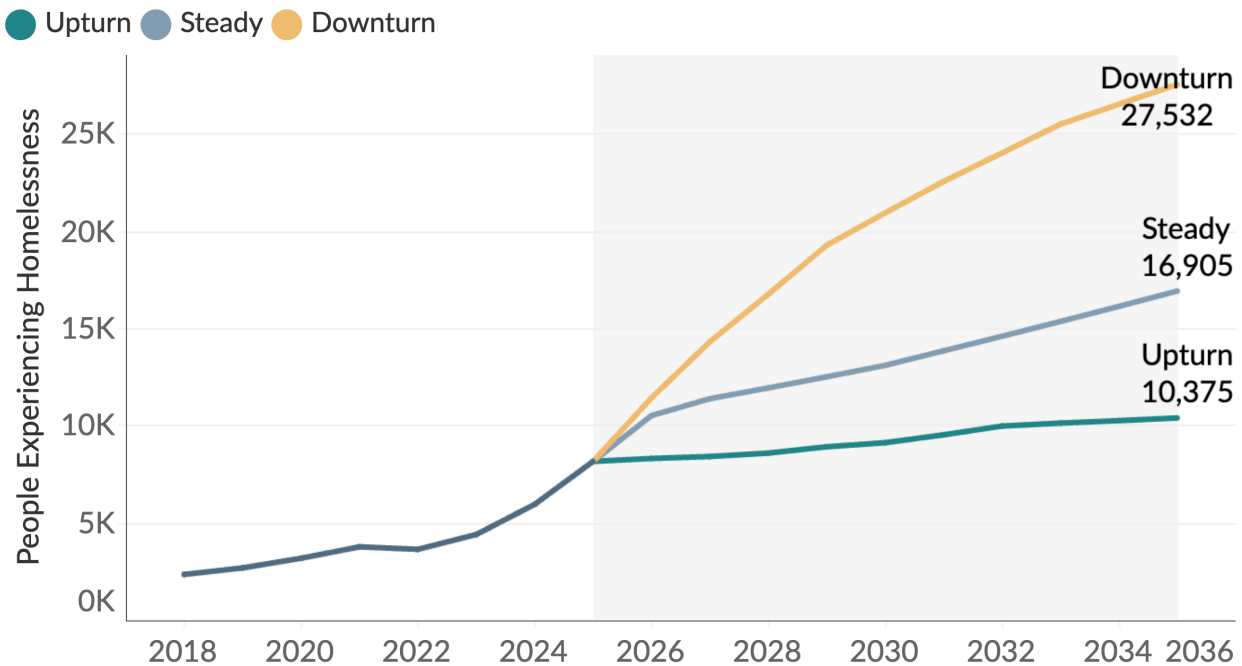
In each scenario, homelessness continues to increase rather than stabilizing or declining, even under improved economic conditions. Homelessness by 2035 is projected to more than double under the steady scenario and more than triple under the downturn scenario.

Figure 10: Projected homelessness under three socioeconomic scenarios, Ontario, 2025–2035



In Northern Ontario, homelessness is projected to rise by 2035 to approximately 10,375 under an upturn, 16,905 under steady conditions, and 27,532 under a downturn. In Southern Ontario, increases in projected homelessness account for the majority of provincial growth in absolute numbers across all scenarios, reflecting larger populations and ongoing affordability pressures.

Figure 11: Projected homelessness under three socio-economic scenarios, Northern Ontario, 2025–2035



The updated assumptions reflect more severe and prolonged economic shock than was projected in earlier downturn scenarios. Emerging risks—including United States trade tariffs, weakening global demand, and new domestic policy restrictions affecting immigration—are assumed to place deeper and longer-lasting strain on Ontario's economy. Under these conditions, unemployment rises faster and remains elevated for longer, immigration declines more sharply, and core housing need accelerates as incomes stagnate and the cost of living continues to rise.

Recent economic indicators suggest this added pressure is already starting to occur. Ontario's real GDP contracted 0.6% in the second quarter of 2025, marking the first quarterly decline other than during the pandemic in nine years, driven in part by the effects of the United States tariffs on manufacturing and exports (Government of Ontario, 2025).

The Financial Accountability Office projects 68,100 fewer jobs in 2025 and 119,200 fewer jobs in 2026 under current trade conditions (Financial Accountability Office of Ontario, 2025). Labour-market disruption is closely linked to homelessness through income instability. Job loss and insufficient income are leading factors in housing loss, with 37% of respondents citing insufficient income as the primary reason for their most recent episode—up from 28% in 2020–2022 (Housing, Infrastructure and Communities Canada, 2025).

5.2 Homelessness in Ontario is not a temporary crisis.

The projections in Section 5.1 show homelessness continuing to increase through 2035 under all modelled conditions, including scenarios that assume economic improvement. This premise builds on a longstanding and substantial level of homelessness that existed before the pandemic. That was followed by a sharp increase beginning around 2021, with no subsequent return to earlier levels. While the increase in homelessness has moderated since 2021, there continues to be an upward trajectory.

It is clear that this pattern of increasing homelessness is not a temporary crisis. Though we are at risk of the situation becoming intractable, there are things we can do to change the current trajectory. In considering rates of homelessness over the past nine years, we can see that, prior to 2021, homelessness levels were relatively stable, though still high, reflecting persistent underlying pressures. That these pressures have not been resolved is evident from continued increases: despite larger investments, the homelessness system has not been able to reduce homelessness overall.

Recent trends support this conclusion. Between 2024 and 2025, both homelessness and homelessness-related spending continued to increase: as people remain unhoused for longer periods and access to permanent housing remains limited, more people stay within the system for longer. This increases pressure on services and increases costs over time.

As a result, investment and system response are increasingly directed toward managing higher levels of demand, rather than reducing homelessness back to earlier levels. Emergency shelters, supportive housing, and other high-intensity responses have expanded to meet growing need, meaning spending is reacting to demand rather than reducing it.

In these circumstances, it is not feasible for any single level of government or homelessness-related program, under the current system design, to produce sustained reductions in homelessness.

It is important to note that the economic-scenario projections assume that current funding levels will be maintained in an increasingly constrained fiscal environment, but should existing federal housing investments, including the National Housing Strategy, be reduced or suspended, projected homelessness may increase substantially.

6

Moving forward

The findings in this report indicate that reversing the growth of homelessness will require both substantial housing investment and changes in how systems operate together.

The previous *Municipalities Under Pressure* report modelled the scale of investment required to change the trajectory of homelessness, assuming improved coordination and performance across the broader social safety net. That modelling identified two investment approaches:

- a longer-term investment of approximately \$11 billion over 10 years to substantially expand deeply affordable and supportive housing, alongside ongoing operating funding for prevention, housing stability, and supports; or
- a targeted near-term investment of approximately \$2 billion to address acute pressures such as encampments and visible unsheltered homelessness, intended to reduce immediate harm and slow further system strain while longer-term housing supply is developed.

These investment estimates have not been re-modelled in this update, as they continue to reflect the scale of housing and social infrastructure required to improve outcomes under current conditions.

At the same time, this report shows that homelessness has continued to increase despite growing investment and expanded system activity. This pattern suggests that decisions made within the homelessness-serving system alone, while necessary and reflective of sustained effort, have not been sufficient to reverse overall homelessness. The findings point to the importance of examining how conditions across the broader social safety net interact over time, particularly under sustained pressure.

Historically, responses to homelessness have focused primarily on managing immediate need rather than preventing housing instability earlier. What is required is a more coordinated approach that addresses the conditions associated with homelessness, with clearer alignment of policy, funding, service delivery, and accountability across housing availability, income supports, healthcare, mental-health and substance-use services, the justice system, and other related systems.

This section describes what is required to support that shift in approach.

6.1 Slowing the rate of homelessness requires each government, across departments, and all levels of government, to work together in a coordinated approach.

Improving outcomes across Ontario's social safety net requires actively integrating how social policy, funding, and service delivery operate across housing, healthcare, income supports, justice, child welfare, education, and related systems. These systems serve the same people over time and need to work together to effectively serve the population's needs.

When systems plan and deliver programs in isolation, there are gaps, duplications, and inefficiencies, even when individual programs are performing as intended. Over time, this leads to income insecurity, higher use of emergency healthcare, involvement with the justice system, and homelessness.

But homelessness rarely comes first. Integrating the social safety net to improve outcomes earlier and more broadly, rather than addressing any single issue in isolation, will help support a greater focus on homelessness prevention.

A whole-of-government approach means strategically aligning systems to work together, so that public policy and service delivery support stability earlier, reduce the cycle of repeated system use, and improve outcomes across people's lifetime. Expected benefits will go beyond reducing homelessness, to include improved health outcomes, more stable income-support transitions, reduced reliance on emergency services, and improved overall use of public resources.

This approach requires governments working together. Housing supply and immigration policy are shaped in part by federal decisions. Healthcare, income supports, and system design are administered provincially. Housing and homelessness services are delivered municipally through Service Managers. Better outcomes depend on how these various government programs interact.

In practical terms, this integration requires alignment in:

- Data, so people can be followed across systems over time.
- Activities, so services connect at key transition points.
- Funding, so public resources reinforce shared outcomes rather than shifting costs to one another.
- Outcomes and accountability, so responsibility for system performance is visible across each government's departments and all levels of government.

The province is uniquely positioned to lead integration across the social safety net, given its role in setting social policy, administering major service systems, and managing the largest share of social spending.

6.2 A shared data infrastructure is required to understand people, outcomes, and costs.

A whole-of-government approach depends on seeing how people access various systems over time. The province holds extensive administrative data across the social safety net, while Service Managers hold detailed information on housing, homelessness, income supports, and related community services. In most cases, these datasets remain separate.

Linking data across systems makes it possible to identify where instability begins, how long it lasts, and how people move between programs. Such linkages also allow governments to see patterns of repeated system use, prolonged and recurrent homelessness, and delayed exits.

This approach makes the most of funding limited by fiscal constraints, allowing governments to see whether public spending is improving outcomes.

6.3 Identifying persistent, cross-system needs will improve outcomes and manage cost.

When data is connected across systems, it becomes possible to identify people whose needs are being addressed repeatedly rather than being resolved. This is important, because such situations account for a disproportionate amount of public spending. Cross-system connections can help ensure that responses to those needs are timely and in the right sequence.

6.4 Activities across systems must be aligned at key transition points.

Adverse outcomes, including homelessness, frequently occur at predictable transition points, such as hospital discharge, justice involvement, loss of income, housing instability, or ageing out of care. These situations are shaped by eligibility rules, funding arrangements, and operational practice across multiple systems.

Aligning programs and early coordination at these points prevents people from falling into gaps between systems and improves outcomes over time.

6.5 Public spending should be traceable across systems and outcomes.

Public spending on essential services—including housing, healthcare, income supports, justice, and emergency services—is largely planned within individual programs under the direction of individual ministries. But, over time, the programs are serving the same people.

The response to homelessness illustrates this. People experiencing homelessness often interact with multiple systems, either all at once or sequentially. Each system may be acting as effectively as possible within its mandate, yet the total spending may still fail to help people achieve and sustain permanent housing. Overall costs may often be higher in a fragmented system while outcomes may be poorer.

Housing supply is a critical constraint on these outcomes. Federal investment is required to finance the construction of deeply affordable and social housing at the levels required. Recent initiatives, including Build Canada Homes, represent an important step in this direction (Government of Canada, 2024). However, without sustained capital investment at sufficient scale—aligned with provincial system design and municipal funding and delivery—new supply will continue to be absorbed into an already strained system without producing durable housing exits or changing overall outcomes.

Making public spending traceable across systems allows governments to understand how housing investment interacts with spending in other areas, identify inefficiencies, and assess whether resources are reducing homelessness through improved exit outcomes or unintentionally sustaining it by trying to manage chronic homelessness through crisis services. This visibility is essential for aligning housing investment with changes elsewhere in the social safety net, so that public spending produces lasting housing stability rather than managing persistent instability.

6.6 Accountability for outcomes should extend across ministries and governments.

Reducing homelessness depends on whether public spending across systems results in people securing and keeping stable, long-term housing. Stabilizing costs over time requires better outcomes, including shorter periods of homelessness, fewer returns into homelessness, and greater housing stability.

People's needs are shaped over time by multiple systems, including housing, income support, healthcare, and justice. But since accountability remains largely organized within individual programs and ministries, it becomes difficult to see whether people are achieving stable outcomes or whether costs and pressures are simply being moved from one system to another.

With fiscal constraints, cross-system accountability becomes even more important, allowing governments to distinguish between cost containment resulting from improved performance and cost reductions based on delays in serving needs or shifting the pressure to other programs and systems.

Accountability should be tied to shared, system-level targets, rather than program-specific measures. These targets should focus on outcomes that matter across systems, including reducing avoidable use of emergency services, shortening the time people remain homeless, improving housing stability, and reducing reliance on high-cost crisis responses.

6.7 Acting earlier is essential to managing cost and improving outcomes.

Improving how systems work together does not reduce the need for housing investment. It determines whether that investment leads to greater stability or is quickly overwhelmed by continued homelessness. Delays in addressing housing availability and related system pressures increase costs across housing, healthcare, income supports, and emergency services.

If current trends continue, pressures across housing, healthcare, income supports, and emergency services will intensify and become increasingly difficult to manage. Homelessness is projected to continue increasing through to 2035, and many communities are already experiencing these effects.

Acting earlier creates an opportunity to change course. This includes not only investing in housing sooner, but also addressing how other systems contribute to housing instability and homelessness. Earlier action can reduce the number of people entering homelessness, shorten the time people remain unhoused, and limit the accumulation of costs across multiple systems.

In a fiscally constrained environment with sustained growth in need, the central challenge is to act early enough, and in a coordinated way, so that public spending supports individual, family, and community wellbeing rather than managing ongoing instability. This requires combining necessary housing investment with changes in how policy, funding, service delivery, and accountability operate across the broader social safety net.

Conclusion

Ontario's current discussions around policy emphasize protecting the province from external economic threats, including trade disruption, tariffs, and global instability. The findings of this report demonstrate that Ontario is also dealing with growing internal pressure that warrants the same sort of forward-looking approach. Homelessness is now a predictable, modelled outcome under current conditions. Its persistence is shaped by an increase in chronic homelessness, limited options to exit homelessness, and increasing interactions with health, justice, and emergency systems.

In *Municipalities Under Pressure* (2025), the investment required to change this trajectory was estimated at approximately \$2 billion to address acute pressures, such as encampments, in the near term, and up to \$11 billion over 10 years to achieve functional zero chronic homelessness through expanded housing and supports (Donaldson, Wang, Escamilla, & Turner, 2025). We stand behind that assessment in this updated report.

These investments are required to expand deeply affordable and supportive housing, transitional housing, emergency infrastructure where it does not exist, and effective mental-health and substance-use treatment. Additional investment in broader affordable-housing construction is also necessary to reduce first-time homelessness and to support economic activity during a period of trade disruption. Preserving existing federal housing investments, including the continuation of the National Housing Strategy, remains critical.

Recent federal initiatives, including Build Canada Homes, represent a meaningful step toward an improved deeply affordable housing supply. To improve homelessness outcomes, these capital investments must be sustained and aligned with provincial-system design and municipal delivery.

Even with these investments and initiatives underway, over the last four years, combined housing and homelessness funding has increased by approximately 32.1%, while the number of people experiencing homelessness has increased by approximately 49%. This pattern highlights the difficulty of translating increased investment into sustained reductions in homelessness across a multi-level system.

Increased funding alone cannot change outcomes in a system facing continued inflow into homelessness, long durations without housing, and responses spread across multiple sectors. While new social infrastructure is being developed, outcomes will *also* depend on how effectively policy, funding, and delivery are aligned across provincial systems and Service Manager operations. As fiscal pressures grow, labour-market conditions change, and external risks intensify, reliance on continued spending increases alone is not sustainable.

Protecting Ontario means ensuring that housing, homelessness, healthcare, justice, child welfare, social assistance, and employment systems have the capacity to respond effectively under sustained pressure.

Homelessness is one visible expression of broader strain across the social safety net. The broader question is whether current systems can produce stability over the life course—across housing, health, income security, disability support, ageing, and family wellbeing—rather than responding after instability has already taken hold.

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Technical appendix

This appendix summarizes methodological changes and updates from the previous report published in January 2025. This report focuses on differences in data collection, coverage, and estimation approaches.

For full methodology details, refer to the Technical Notes in the previous report: <https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Reports/2025/2025-01-08-EndingChronicHomelessnessinOntario.pdf>

1. Data collection and coverage

Data collection

Compared to the previous collection cycle, data was collected from Service Managers for 2024 and 2025 only, whereas the previous report collected data from 2016 to 2024. The 2024 data collected in the current cycle replaces the 2024 data from the previous cycle.

This year's collection included approximately 10% of the data points from last year, focusing on:

- People experiencing homelessness
- Community housing (RGI) waitlist
- Program funding
- Program expenditures

Service Manager participation

All 47 Service Managers provided data for 2024 and 2025, with only a few missing data points. Some reported figures may not include data from all Service Managers due to the exclusion of outliers and/or timing of submissions.

Estimation approach

For Service Managers that provided year-to-date figures for 2025 (January through October or November), totals were projected to year end using the same methodology applied in the previous cycle. Data reported for 2024 in the current cycle replaced the year-to-date 2024 data from the previous cycle. The normalization process for annualizing point-in-time and monthly counts was refined to improve accuracy.

2. New metrics

Encampments

Encampment data was collected systematically for the first time in this cycle. While encampment questions were included in last year's collection, data quality was insufficient for reporting. In the current cycle, 46 of 47 Service Managers provided a point-in-time count of encampments.

Unsheltered homelessness

Point-in-time unsheltered homelessness counts were collected for the first time in this cycle. Of 47 Service Managers 43 provided a count, with figures representing people living outside or in places not intended for habitation.

3. Community housing waitlist

Data coverage

For 2024, all 47 Service Managers reported waitlist data. For 2025, 46 Service Managers reported. The missing value for 2025 was estimated using the aggregate year-over-year change (6.7%) observed among Service Managers that reported for both years.

Wait times

Wait-time data was reported by 45 Service Managers for 2024 and by 43 for 2025. Two Service Managers were excluded from averages due to extreme outlier values.

4. Funding and expenditures

Historical data (2018–2023)

Funding and expenditure data for 2018–2023 from the previous reporting cycle was carried forward unchanged. In that dataset, approximately 6% of funding data was estimated to fill gaps where some Service Managers had missing years.

Current data (2024–2025)

No missing values were filled or estimated for 2024 and 2025. Most Service Managers reported 2024 figures based on actuals (calendar year or fiscal year results), while 2025 values were drawn from approved budgets or year-to-date actuals prorated to represent the full year.

5. Comparability with other sources

The funding and expenditure data collected may not align with other reports or publicly available data for several reasons:

- Amounts reflect what was received rather than what was announced or committed over multi-year periods.
- Housing and homelessness program categorization differs from standard reporting structures.
- Service Managers often do not receive detailed statements specifying federal or provincial contributions in cost-shared programs.
- Some funding streams or program allocations outside the scope of this analysis may be included in other datasets.

6. Projection methodology

Model structure

The underlying projection model is unchanged from the previous report. It uses multiple linear regression with ridge regression, backward elimination, principal component analysis, and k-fold cross-validation.

Base Data

The model uses people experiencing homelessness (PEH) data from 2016 to 2025. For 2016 to 2023, standardized values produced during the previous reporting cycle were carried forward. For 2024 and 2025, data collected from Service Managers in the current cycle was used, with the same standardization process applied.

Scenario assumptions

The three scenarios (steady, upturn, downturn) use the same framework as the previous report, but assumptions have been updated to reflect significant shifts in the policy and economic landscape, including changes to trade policy, immigration targets, and housing market conditions. Updated assumptions also address persistent housing supply shortfalls, inadequate income supports, mental health treatment gaps, and emerging climate displacement risks.

Table 10: Changes to scenario assumptions from the previous report

Variable	Change	Rationale
Unemployment rate	Increased	Trade shocks and persistent structural barriers limit labour market matching, keeping unemployment elevated despite labour shortages.
Median household income	Decreased	Prolonged real income stagnation and constrained productivity keep income growth well below historical levels.
Core housing need	Increased	Ongoing housing supply shortfalls, inadequate income supports, and structural barriers to housing stability drive sustained growth.
Households with limitations	Unchanged	No new evidence indicating a material change from prior assumptions.
Maximum affordable shelter cost	Decreased (relative to market rents)	Income growth fails to keep pace with rent increases, widening the affordability gap for low-income households.
Median value of dwellings	Increased	Persistent housing supply constraints continue to place upward pressure on housing prices.

Comparability with the previous report

Projection results are not directly comparable to the previous report due to both updated base data and revised scenario assumptions. The higher projections in the current report reflect the incorporation of significant policy and economic shifts that were not present or anticipated in the previous report’s assumptions. Under the steady scenario, homelessness is projected to reach 177,483 by 2035, compared to 156,241 in the previous report

This difference reflects new information about the economic and policy environment being incorporated into the model, not a change in the underlying methodology or model structure.

