

Federal Housing Needs Assessment: Readiness Guide



AMO Webinar Series: HNA Support for Small Municipalities

May 2026



AMO – HNA Readiness Guide

This document is a short diagnostic tool designed for municipalities to complete prior to writing the Federal Housing Needs Assessment, in order to understand their current capacity, data availability, and staff resourcing available to undertake the assessment.

Completing this guide before your municipality begins drafting the Federal HNA will help you set realistic timelines, identify where you may need additional support, and ensure you are well-prepared to produce a complete and defensible assessment.

Background on the Federal Housing Needs Assessment 3

Benefits of Completing the Federal HNA..... 5

Federal HNA Required Components..... 6

Considerations for Completing the Federal HNA..... 7

Recommended Pathway 10

Next Steps..... 11

Background on the Federal Housing Needs Assessment

What is a Housing Needs Assessment?

Housing Needs Assessments (HNAs) provide data to support evidence-based decision making at the local and community level. An HNA helps a community gather critical housing data to guide decisions on the type and location of housing to build, as well as the infrastructure needed to support community growth.

An HNA allows a community to answer fundamental questions such as:

- Where does the greatest housing need exist in our community?
- How much housing, which size, and at what price point do we need to ensure that all current and future households can live in suitable, adequate and affordable housing?
- How can we set meaningful housing targets and measure progress to support the right kind of housing for all residents?

A comprehensive HNA generally includes gathering and analyzing data on demographics, economic trends, current housing stocks and their characteristics, government policies and incentives, and the adequacy and availability of selected community services. The assessment spans the full housing continuum, from emergency shelter through to market ownership, and considers the needs of current and future residents across all income levels.

The Federal HNA: Origin and Purpose in Affordable Housing Delivery

Canada's *Housing Plan and Budget 2024* indicated the federal government's intent to use HNAs as a key evidence-based tool in the long-term approach to addressing housing needs across Canada. The Federal HNA template was developed by Housing, Infrastructure and Communities of Canada (HICC) to standardize how communities assess and report on housing need, and to support an integrated approach to housing and infrastructure planning.

HICC has positioned the Federal HNA as a foundational tool for housing and infrastructure decision-making. HNAs help all levels of government, including federal, provincial, and municipal governments, to use a shared evidence base to inform investments in housing-enabling infrastructure and guide policy and regulatory decision-making.

The Federal HNA and Funding Programs

Completing an HNA is required for accessing certain federal infrastructure funding and supports applications for both federal and provincial infrastructure funding. These programs have been outlined in the table below.

Program	HNA Requirement
Housing Accelerator Fund (HAF)	Communities with funding agreements through HAF are required to complete an HNA by year 3 of the program, if one has not already been completed within two years of the April 7, 2022, federal budget announcement.
Community Stream of the Build Communities Strong Fund (formerly CCBF)	While an HNA is encouraged for all Municipalities, the Recipient must complete a HNA if it had a population of 30,000 or more on the 2021 Census of Canada and is a Single-Tier Municipality or a Lower-Tier Municipality.
Canada Housing Infrastructure Fund (CHIF)	HNAs should be used to substantiate applications to CHIF by demonstrating the link between infrastructure projects and local housing need. This funding is now rolled into the Direct Delivery stream of the Build Communities Strong Fund.
Future Federal Programs	Once an HNA has been completed as a federal program requirement, a community will not be required to complete a new one, other than to update it every five years. Completing an HNA positions your municipality for future funding opportunities as they arise.

A Note for Small Municipalities (Under 30,000 in Population)

HICC has developed a specialized HNA template tailored to the needs of smaller communities and has made pre-populated templates available (for communities with populations of at least 1,000) to reduce the administrative burden.

Why Complete a Federal HNA?

The Federal HNA is more than a compliance exercise. The HNA is a foundational planning tool that:

- Establishes a locally-grounded evidence base for housing policy and planning decisions
- Documents housing gaps that can be used to advocate for provincial and federal investment
- Supports applications for grants, development charges exemptions, and affordable housing funding

- Informs official plan policies, zoning by-law updates, and community improvement plans
- Enables comparability with other communities and contributes to a national picture of housing need
- Helps municipal staff and elected officials communicate housing needs clearly to residents and partners

Key Point

Completing the HNA does not mean that municipalities must solve housing challenges on their own. The assessment helps staff identify what is needed to make the case for the resources, partnerships, and investments required to address local housing needs.

Benefits of Completing the Federal HNA

Completing a Federal HNA offers immediate and long-term benefits in the planning and delivery of affordable housing.

Understanding Local Housing Needs

Completing an HNA enables your municipality to identify the unique housing needs and opportunities in your community. Identifying and documenting these needs through the Federal HNA provides staff and Council with a shared understanding of local priorities and a common language for discussing housing, shaping short- and long-term municipal priorities.

Allocating Municipal Assets and Resources Efficiently

An HNA can inform how your municipality allocates land, infrastructure investment, and financial incentives. By identifying where housing gaps are most acute, municipalities can prioritize use of community improvement plans, surplus land, development charge exemptions, and other levers to support the types of housing most needed.

Long-Term Planning for Housing Needs

An HNA gives your municipality a clear, current picture of housing supply and a forward-looking view of housing demand. This evidence base supports better-informed decisions in official plan reviews, secondary plans, and development approvals. Rather than responding reactively to development proposals, your municipality can use the HNA to proactively shape what gets built and where.

Coordinating with Partners

The HNA provides a shared evidence base for working with:

- Your upper-tier municipality or DSSAB, which may have housing services and social housing responsibilities
- Non-profit and co-operative housing providers seeking to develop housing in your community
- Indigenous partners and communities with housing needs that intersect with municipal planning
- Provincial and federal funders who require demonstrated local need before committing investment

Did You Know?

Municipalities that have completed HNAs are better positioned to respond quickly to funding opportunities. Many provincial and federal housing programs require evidence of local housing need as part of the application process. Having an up-to-date HNA means you have the evidence needed ready for when opportunities arise.

Federal HNA Required Components

The Federal HNA template is organized around a set of required sections. While the depth and complexity of analysis will vary based on your municipality's size and capacity, all municipalities are expected to address each of the following components.

Section	What It Covers
Community Profile	Population size and trends; household composition; demographic characteristics including age, income, and household type
Household Profiles & Economic Characteristics	Affordability conditions across income bands; proportion of households spending more than 30% of income on housing; market rental and ownership costs; connecting local economic and labour conditions to housing supply and demand
Priority Groups	Housing need experienced by 12 CMHC priority population groups and women-led households; incidence and severity of homelessness; housing access for students, temporary foreign workers, and those in congregate housing
Housing Profile	Current housing stock by type (ownership, rental, supportive); condition of housing; vacancy rates; new supply added in recent years; housing values/sale prices

Projected Housing Needs & Next Steps	Projected population and household growth; anticipated housing demand by type and tenure over a planning horizon (typically 10–20 years)
Use of HNAs in Long-Term Planning	Municipal housing objectives derived from the assessment findings, to be embedded in official plan policies or action plans; anticipated growth pressures caused by infrastructure gaps
Community Consultation	Evidence that local residents, sector partners, and Indigenous community members (where applicable) have been engaged in identifying housing priorities

A Note on Methodology and Data Availability

The federal template recognizes that small municipalities face capacity constraints and data limitations. HICC has indicated that HNAs are not required to present every requested data point for the document to be considered ‘complete’. What matters is that your assessment is honest, locally grounded, and clearly connected to planning decisions. Use the data that is available to you, acknowledge where gaps exist and why, and document your methodology.

Considerations for Completing the Federal HNA

Before beginning your HNA, it is helpful to reflect on the current readiness of your municipality across four key dimensions: staff capacity, data availability, Council and leadership support, and budget. The reflective checklists below are not pass/fail assessments. Rather, they are intended to help you identify where you are ready and where you may need to plan ahead or seek support.

Staff Capacity

Completing an HNA requires dedicated staff time, typically of someone with a background in planning, policy, or research. Consider the following:

Consideration	Current Status / Notes	Action Required?
We have a staff member with planning, policy, research, or community development experience who can lead the HNA		<input type="checkbox"/> Yes <input type="checkbox"/> No
The staff member has available capacity (estimated 40–80 hours for a small municipality HNA, depending on data availability)		<input type="checkbox"/> Yes <input type="checkbox"/> No

Consideration	Current Status / Notes	Action Required?
We have access to someone who can work with data and basic spreadsheets		<input type="checkbox"/> Yes <input type="checkbox"/> No
We have identified who will review and approve the final HNA (e.g., CAO, Director of Planning, Council)		<input type="checkbox"/> Yes <input type="checkbox"/> No
We have a realistic timeline for completing the HNA, accounting for other municipal priorities		<input type="checkbox"/> Yes <input type="checkbox"/> No

If staff capacity is limited:

- Consider whether your upper-tier municipality or DSSAB can provide support
- Explore shared services arrangements with neighbouring municipalities
- Review AMO resources and any provincial supports available for small municipalities
- Consider scoping the HNA to focus on the most critical sections first, then supplementing over time

Data Availability

The HNA relies primarily on publicly available data from Statistics Canada (Census), CMHC, and provincial sources. Most required data is free and accessible online. Consider the following:

Consideration	Current Status / Notes	Action Required?
We have access to the most recent Census data for our municipality (available at Statistics Canada)		<input type="checkbox"/> Yes <input type="checkbox"/> No
We have access to CMHC rental market data, housing starts, and completions data (available through CMHC's Housing Market Information Portal)		<input type="checkbox"/> Yes <input type="checkbox"/> No
We have internal data on building permits issued in recent years		<input type="checkbox"/> Yes <input type="checkbox"/> No
We have information on community and supportive housing (from our upper-tier municipality or Service Manager)		<input type="checkbox"/> Yes <input type="checkbox"/> No

Consideration	Current Status / Notes	Action Required?
We are aware of any significant data gaps (e.g., no recent rental vacancy data for our community) and have considered how to address them		<input type="checkbox"/> Yes <input type="checkbox"/> No
We have or can develop a plan for community consultation to supplement data gaps		<input type="checkbox"/> Yes <input type="checkbox"/> No

Handling Data Gaps:

Data gaps are common for small municipalities, particularly for housing market data and community housing information. Where data is unavailable, document what you know, acknowledge the limitation, and describe any qualitative information or community consultation findings that can supplement the quantitative record. Reviewers understand the data environment facing small municipalities.

Council and Leadership Support

A successful HNA requires Council awareness and buy-in, both because the process requires staff time and budget, and because the findings will need to be translated into planning policies and decisions. Consider the following:

Consideration	Current Status / Notes	Action Required?
Council is aware of the requirement to complete a Federal HNA if federal funding is being pursued		<input type="checkbox"/> Yes <input type="checkbox"/> No
Council understands the purpose of the HNA and how findings will inform planning decisions		<input type="checkbox"/> Yes <input type="checkbox"/> No
The CAO or senior leadership has endorsed the HNA process		<input type="checkbox"/> Yes <input type="checkbox"/> No
There is a plan to report back to Council at key milestones (e.g., upon completion of draft, before finalization)		<input type="checkbox"/> Yes <input type="checkbox"/> No
Housing has been identified as a priority in the municipality's strategic plan or official plan		<input type="checkbox"/> Yes <input type="checkbox"/> No

Building the Case for Council:

If Council support is uncertain, consider framing the HNA in terms of supporting local priorities (e.g., attracting workers and families, supporting seniors, enabling economic growth), rather than federal compliance. Connecting the HNA to priority funding opportunities can also help build support.

Budget

For many small municipalities, completing an HNA in-house is achievable within existing staff time and resources, provided data is accessible. However, if external support is needed, budget will be required. Consider the following:

Consideration	Current Status / Notes	Action Required?
We have confirmed whether completing the HNA in-house is feasible given current staff capacity		<input type="checkbox"/> Yes <input type="checkbox"/> No
If external support is needed, we have estimated the likely cost		<input type="checkbox"/> Yes <input type="checkbox"/> No
We have identified a budget source (e.g., planning operating budget, reserve fund, provincial grant)		<input type="checkbox"/> Yes <input type="checkbox"/> No
We are aware of any provincial or federal funding that may support the cost of completing an HNA		<input type="checkbox"/> Yes <input type="checkbox"/> No
We have included HNA completion in upcoming budget discussions if funding is not yet confirmed		<input type="checkbox"/> Yes <input type="checkbox"/> No

Recommended Pathway

Based on your reflection across the four readiness dimensions above, use this table to identify the pathway that best fits your municipality's current situation.

Pathway	Typical Profile	Suggested Next Steps
Proceed In-House	Staff with planning or policy experience; access to Census and CMHC data; Council support and awareness of housing obligations	Begin data collection using the Data Collection Guide; assign an internal lead; set a completion timeline
Partner with Your Upper-Tier Municipality or DSSAB	Limited internal planning capacity; regional municipality or county has housing data,	Contact your County/Region planning or housing department; request shared data or co-completion support; review

Pathway	Typical Profile	Suggested Next Steps
	recently completed HNA, or staff who can support	regional housing strategies already in place
Seek External Support	Little to no internal capacity; no recent housing data.	Explore AMO supports and provincial programs; consider shared services with neighbouring municipalities; contact a housing consultant or planning firm; reach out to the HNA Secretariat

Next Steps

Once you have completed this readiness guide, the following resources are available to support your HNA process:

Resource	How It Helps
Data Collection Guide	Identifies key data sources for each HNA section; explains how to access free and publicly available data; provides guidance on handling data gaps
Webinar 1: HNA 101 and Template Completion	Walks through the Federal HNA template section by section; includes examples and common pitfalls to avoid
FAQ Document	Answers the most common questions municipalities have when completing the HNA, organized by topic (data, process, operationalization)
Glossary / Plain Language Guide	Translates HNA terminology into plain language for non-specialist staff and elected officials
Webinar 2: Operationalizing HNAs in Municipal Planning	Covers how to use your HNA findings in official plan updates, capital budgets, grant applications, and interdepartmental planning