

Canadian  
Forces  
College

Collège  
des  
Forces  
Canadiennes



# No Vacancy: The Critical State of Military Housing Options in Canada

Major Anonymous

**JCSP 49**

**Service Paper**

**Disclaimer**

Opinions expressed remain those of the author and do not represent Department of National Defence or Canadian Forces policy. This paper may not be used without written permission.

© His Majesty the King in Right of Canada, as represented by the Minister of National Defence, 2023.

**PCEMI n° 49**

**Étude militaire**

**Avertissement**

Les opinions exprimées n'engagent que leurs auteurs et ne reflètent aucunement des politiques du Ministère de la Défense nationale ou des Forces canadiennes. Ce papier ne peut être reproduit sans autorisation écrite.

© Sa Majesté le Roi du chef du Canada, représenté par le ministre de la défense nationale, 2023.

CANADIAN FORCES COLLEGE - COLLÈGE DES FORCES CANADIENNES

JCSP 49 - PCEMI n° 49  
2022 - 2023

Service Paper – Étude militaire

**NO VACANCY:  
THE CRITICAL STATE OF MILITARY HOUSING OPTIONS IN CANADA**

Major Anonymous

*“This paper was written by a candidate attending the Canadian Forces College in fulfilment of one of the requirements of the Course of Studies. The paper is a scholastic document, and thus contains facts and opinions which the author alone considered appropriate and correct for the subject. It does not necessarily reflect the policy or the opinion of any agency, including the Government of Canada and the Canadian Department of National Defence. This paper may not be released, quoted or copied, except with the express permission of the Canadian Department of National Defence.”*

*« La présente étude a été rédigée par un stagiaire du Collège des Forces canadiennes pour satisfaire à l'une des exigences du cours. L'étude est un document qui se rapporte au cours et contient donc des faits et des opinions que seul l'auteur considère appropriés et convenables au sujet. Elle ne reflète pas nécessairement la politique ou l'opinion d'un organisme quelconque, y compris le gouvernement du Canada et le ministère de la Défense nationale du Canada. Il est défendu de diffuser, de citer ou de reproduire cette étude sans la permission expresse du ministère de la Défense nationale. »*

## **NO VACANCY:**

### **THE CRITICAL STATE OF MILITARY HOUSING OPTIONS IN CANADA**

#### **AIM**

1. The aim of this service paper is to discuss the current cost of living crisis preventing Canadian Armed Forces (CAF) members from being able to afford housing. This paper will review and compare CAF member support to international allies, scrutinize policy, examine current data on the national housing situation, and summarize with three recommendations on how the current situation can be remediated.

#### **INTRODUCTION: A COST OF LIVING CRISIS**

2. Canadians and most citizens of other nations are facing a cost of living crisis in 2023. A global pandemic came out of nowhere to upend the world in the early months of 2020, and international economic markets were plunged into turmoil. In some areas, real estate markets boomed due to people's desire to move out of densely populated cities, and conversely, in other areas, real estate markets crashed as people scrambled to sell homes or condos. An ensuing war in Europe beginning in 2022 did nothing to help the global economic situation, contributing to countries now facing inflation rates unseen in decades.<sup>1</sup> CAF members are no exception to the current global economic situation and arguably bear the brunt of the worst impacts of this crisis due to the unique nature of the lifestyle involved with serving their nation. Military families sacrifice many precious aspects of normal Canadian life for what service demands. CAF members and their families can no longer afford housing in many locations across Canada due to the rising cost of living and inaction from the Government of Canada (GoC) to improve housing solutions. Steps must be taken to correct this deficiency, or the CAF risks a mass exodus of members leaving to find other means to support their families.

3. There are three possible solutions to this issue that the GoC and the CAF should be actively considering to remediate the current crisis. First, the CAF should review its current investment in military housing initiatives, including committing more overall funding, increasing personnel resources, and investing in infrastructure. Secondly, the CAF must rethink its posting policies and the frequency of postings required for member career progression. Finally, with the understanding that the military requires more moves than the civilian sector, the GoC and CAF should review compensation for members required to move into pricier housing markets. Unaffordable housing is a complex issue which is not unique to CAF members; however, there are unique challenges that CAF members face that other citizens do not. Service to one's country should not come at a personal detriment to an individual's financial and familial stability.

---

<sup>1</sup> International Monetary Fund, 'World Economic Outlook Update, Inflation Peaking Amid Low Growth', January 2023, 1.

## DISCUSSION

### INVESTING IN ALL FACETS OF MILITARY HOUSING

3. In the 2022 federal budget announcement, the GoC confirmed that the proposed budget would help all citizens dealing with housing issues. Specifically, it tabled “\$4 billion over five years to help municipalities speed up housing development”<sup>2</sup> to aid affordable housing. Clearly, the GoC understands the predicament that citizens face today; however, defence and security spending announced in the same budget proposal did not mention housing for CAF members. Since 1995, CAF housing has been managed by a Special Operating Agency run by a CEO, the Canadian Forces Housing Agency (CFHA). Annual government funding for the CFHA in 2020 was \$72 million,<sup>3</sup> as detailed in the last available CFHA Annual Report from the fiscal year 2019-2020. A larger funding investment than \$72 million is required to jumpstart the construction of residential housing units (RHUs) as bases across the country are dramatically short, and waitlists for military housing are exceedingly lengthy. The Chief of the Defence Staff (CDS), General Eyre, vocally identified housing as a key concern of the members he leads and confirmed in April of 2022 that “we’re somewhere in the neighbourhood of 4,000 to 6,000 units short on our bases, which is also accentuating the housing problem.”<sup>4</sup>

4. Currently, CFHA manages approximately 12000 RHUs in 27 locations nationwide. Approximately 20% of CAF members are housed in RHUs, with almost 4500 personnel on a waitlist as of July 2022.<sup>5</sup> The construction of new RHUs must keep pace with the demands of accessibility to all CAF members. The US military takes the approach that it “provides military housing for all service members, whether they’re living on or off base,”<sup>6</sup> with options on the type of accommodation such as living on or off base. Increasing the number of available RHUs will not alone solve this issue as the cost of maintaining infrastructure can be even more expensive than the initial construction cost. The GoC needs to invest funding in the recapitalization, operating and maintenance costs of the RHU program. A national RHU condition assessment in 2020 revealed that 16.2% of RHUs across the country were in a “below average”<sup>7</sup> state, affecting occupancy availability. This means that of the close to 12000 units, almost 2000 required investment to meet the current residency standard. While “81% of the rent revenue was redirected back into the portfolio,”<sup>8</sup> major financial investment is required to support the

---

<sup>2</sup> CBC News, ‘Federal Budget 2022: Here Are the Highlights’, *CBC News*, 9 April 2022, <https://www.cbc.ca/news/politics/budget-2022-highlights-1.6412196>.

<sup>3</sup> Department of National Defence, ‘Canadian Forces Housing Agency Annual Report 2019-2020’, 2020, 26.

<sup>4</sup> Lee Berthiaume, ‘Military Members Feeling Bite of Skyrocketing Housing, Living Costs: Defence Chief’, *News*, 14 April 2022, <https://www.thestar.com/politics/2022/04/14/top-commander-warns-canadian-military-stretched-thin-amid-growing-threats.html>.

<sup>5</sup> The Canadian Press, ‘More than 4K Canadian Forces Members, Families Still Waiting for Military Housing’, 3 October 2022, <https://globalnews.ca/news/9172380/canadian-forces-military-housing-crunch/>.

<sup>6</sup> Department of Defense, ‘Housing, Military Life’, Department of Defense, Housing, Military Life, accessed 26 February 2023, <https://www.todaysmilitary.com/military-life/housing#:~:>

text=Generally%20military%20housing%20is%20provided,housing%20that%20fits%20their%20needs.

<sup>7</sup> Department of National Defence, ‘Canadian Forces Housing Agency Annual Report 2019-2020’, 4.

<sup>8</sup> Department of National Defence, 9.

construction of new homes and recapitalization of existing facilities. Concurrent with the investment in funding, the GoC needs to invest in the people to support growth in RHU construction and maintenance. In 2020, CFHA identified that its organization consisted of 293 employees. A small number of 293 employees to run housing in 27 locations across the country for over 12000 units covering areas such as project management, technical services, customer services, finance management and administration. CFHA is an organization comprised of veterans, military spouses, students and industry experts whom all work exceptionally hard to deliver the national mandate for military housing.<sup>9</sup> However, a small hard-working core team is insufficient if we are to grow our number of RHUs by 50% (6000 units). The GoC should be growing the personnel support function and investing in the people required to maintain the longevity and protect its infrastructure and fiscal investments. A holistic investment approach is required to solve the issue of affordable housing by investing in the construction of new military housing, financing the renovation and care of existing housing and increasing the number of personnel required to support these investments. Affordability and availability are key cruxes of the issue facing CAF members as they set out to find housing in their new locations. Investment in military housing will help members unable to compete in markets that are no longer affordable which drives the lack of available homes.

## **TO MOVE OR NOT TO MOVE? THAT IS THE POLICY QUESTION.**

5. Compounding the issue of affordability and lack of housing availability is the fact that military members and their families move more frequently than the average Canadian. “Approximately one-quarter of all Regular Forces personnel [were] required to relocate to a new location each year due to a posting”<sup>10</sup> in 2018. Of the approximately 64,000 Regular Force personnel, that equated to roughly 16,000 moves in that year. Frequent geographic relocations have been identified as a “major military lifestyle challenge”<sup>11</sup> military families face. Civilian spouses of military members struggle to find employment in new geographic locations, which can impact a military family’s financial stability, further adding to the difficulties of relocation. Specifically, female civilian military spouses “are significantly more likely to be unemployed.”<sup>12</sup> Studies have shown that “relocation negatively impacts the financial situation of about half of the families who must move due to a posting.”<sup>13</sup> Taking a family struggling financially and forcing them to move, often to areas of greater real estate cost, adds a burden to the decisions they must make fiscally.

6. Canada’s defence policy, Strong Secure Engaged, released in 2017, highlighted the “burden of frequent relocation”<sup>14</sup> on military families. However, the purpose of frequent moves for career progression remains mired in mystery. Members are often told that a location change

---

<sup>9</sup> Department of National Defence, 8.

<sup>10</sup> Lynda Manser, ‘The State of Military Families in Canada: A Scoping Review’, *Journal of Military, Veteran and Family Health* 6, no. 2 (1 August 2020): 120–28, <https://doi.org/10.3138/jmvfh-2019-0001>.

<sup>11</sup> Lynda Manser and Laurie Ogilvie, ‘Supporting Resilience in Military Families – from Research to Practice’, *Military Behavioral Health* 10, no. 2 (3 April 2022): 74–78, <https://doi.org/10.1080/21635781.2022.2098882>.

<sup>12</sup> Zhigang Wang and Leigh E. Pullman, ‘Impact of Military Lifestyle on Employment Status and Income Among Female Civilian Spouses of Canadian Armed Forces Members’, *Journal of Military, Veteran and Family Health* 5, no. S1 (26 February 2019): 54–62, <https://doi.org/10.3138/jmvfh.5.s1.2018-0026>.

<sup>13</sup> Wang and Pullman.

<sup>14</sup> Department of National Defence, ‘Strong Secure Engaged, Canada’s Defence Policy’, 2017, 105.

is required to progress in their careers or to fulfill organizational requirements. A 2019 CAF Retentions Survey identified that 14.7 % of members were dissatisfied with posting decisions.<sup>15</sup> These dissatisfiers include loss of spousal employment, moving to a higher-priced market or loss of finances due to the sale of a primary residence. The question remains, do CAF members need to move frequently to progress in their careers? According to the CDS and the Deputy Minister (DM), the leaders of our department - maybe not. The CAF Reconstitution Directive was released in October of 2022 and explicitly directs leaders to review “postings and remote work to [reduce] cost moves, less those that are essential.”<sup>16</sup> Our institutions’ senior-most leaders acknowledge that flexibility in employment arrangements is “required to consider more complex family dynamics.”<sup>17</sup> By reducing the number of moves a military family is exposed to, the institution will reduce the financial risk the family is exposed to by limiting real estate fiscal loss and potential second-earner employment loss, which contribute to the overall financial stability of a military family.

7. The Department of National Defence (DND) Defence Administrative Orders Directives (DAOD) set out the corporate administrative direction for DND and the CAF. DAOD 5024-0, enacted in April of 2007, outlines the department’s direction on living accommodations. The policy begins by providing context and an overarching policy statement. It underscores that service in the CAF brings with it inherent “unique circumstances”<sup>18</sup> and the expectation that “members are expected to readily change their place of residence to meet the demands of the CAF.”<sup>19</sup> It goes on to identify that the policy does not provide “an entitlement or benefit to CAF members but rather ensures equitable access by CAF members and their families to suitable living accommodation.”<sup>20</sup> This is no longer the context that members face in 2023, and the policy needs to be updated to reflect the inequitable nature of being required to move more frequently in a more volatile economic situation. In the policy statement, the DAOD outlines that the DND and the CAF will intervene “only if the private sector marketplace cannot meet the needs of CAF members,”<sup>21</sup> that time has come. However, intervention is not occurring as the final policy point of “ensuring affordability through compensation”<sup>22</sup> is falling short in today’s real estate market reality.

## **THE TRUE COST OF COMPENSATION**

8. Flexible work arrangements aside, an aspect of military life does involve being required to eventually move to various locations. Even if this can be done at a reduced tempo, the nature of CAF employment does deem it necessary in certain cases. The CAF does not provide

---

<sup>15</sup> Department of National Defence, ‘Canadian Armed Forces Retention Strategy’, 2022, 69, <https://www.canada.ca/content/dam/dnd-mdn/documents/reports/caf-retention-strategy/caf-retention-strategy-en-2022.pdf>.

<sup>16</sup> Department of National Defence, ‘CDS/DM Directive for CAF Reconstitution’ (2022), <https://www.canada.ca/en/department-national-defence/corporate/policies-standards/dm-cds-directives/cds-dm-directive-caf-reconstitution.html>.

<sup>17</sup> Department of National Defence.

<sup>18</sup> Department of National Defence, ‘DAOD 5024-0, DND Living Accommodation’ (2007).

<sup>19</sup> Department of National Defence.

<sup>20</sup> Department of National Defence.

<sup>21</sup> Department of National Defence.

<sup>22</sup> Department of National Defence.

adequate compensation for those moving to more aggressive real estate markets. Coupled with the potential loss of funds from depressed real estate markets, CAF members face large fluctuations in pricing for home sales and purchase prices. In two years, from January 2020 to January 2022, the average house price in Canada increased by 32%; just a year later, that average had fallen 18.3% by January 2023.<sup>23</sup> Another way to represent this numerically is to look at the average house price of a home in Canada. In 2020, this value was \$567,332; by 2022, this had increased to \$703, 875 by 2023, it had dropped to \$662,103.<sup>24</sup> This volatility does not affect the average Canadian the same way it affects a military member, as most Canadians can choose to remain in the home they are in and not move.

9. The current compensation for CAF members facing real estate loss is insufficient. The Home Equity Assistance (HEA) provided to CAF members is currently only a maximum reimbursement of \$30,000 and is only available for loss of funds upon the sale of a primary residence,<sup>25</sup> not for members purchasing a home in a higher real estate market. The HEA also stipulates that a member is only entitled to the benefit if their “sale price is lower than the purchase price.”<sup>26</sup> Using the previously provided statistics of average Canadian house price, if a member was posted in 2023 but purchased their home between 2021 to 2023, they could potentially be looking at a loss anywhere between approximately \$26,000 to \$42,000. In this example, if the loss is higher, members could pay upwards of \$12,000 out of pocket to move their families. CAF members have documented losing large sums of money without reimbursement. Maj. Brauer, “who sold his home at a loss of \$88,000”<sup>27</sup> in 2015 or MWO Neil Dodsworth, “who lost more than \$72,000”<sup>28</sup> in 2014. Some may argue that if the GoC increases compensation, allowances and pay, this will further drive local markets up in price. However, perhaps there are creative ways to incentivize rentals and sales in a local market specifically for military members by working with provincial or municipal authorities. For example, if a landlord rents or sells to a military member, perhaps introducing a tax rebate to incentivize this transaction would increase priority for military members.

10. Military member moves are not solely a CAF reality; militaries worldwide have different methods to compensate their members for moving. In the US military, members are paid a Basic Housing Allowance (BAH) in addition to their base salary tied to the cost of living in the specific location members are posted to and consider pay grade and dependents.<sup>29</sup> Using their online

---

<sup>23</sup> Statista.com, ‘Average House Price in Canada from 2018 to 2022, with a Forecast Until 2024 (in Canadian Dollars)’, accessed 26 February 2023, <https://www.statista.com/statistics/604228/median-house-prices-canada/>.

<sup>24</sup> Statista.com.

<sup>25</sup> Department of National Defence, ‘Compensation Benefit Instructions - Relocation Benefits’, 208.97 - Home Equity Assistance (2021), <https://www.canada.ca/en/department-national-defence/corporate/policies-standards/compensation-benefits-instructions/chapter-208-relocation-benefits.html#sec-208-97>.

<sup>26</sup> Department of National Defence.

<sup>27</sup> The Canadian Press, ‘Canadian Military Member Loses Bid to Recover Losses Linked to Home Sale’, *CBC News*, 8 May 2015, <https://www.cbc.ca/news/canada/nova-scotia/canadian-military-member-loses-bid-to-recover-losses-linked-to-home-sale-1.3067036>.

<sup>28</sup> Richard Cuthbertson, ‘Soldier Neil Dodsworth Launches Class Action Over Home Sale Losses’, *CBC News*, 30 September 2014, <https://www.cbc.ca/news/canada/nova-scotia/soldier-neil-dodsworth-launches-class-action-over-home-sale-losses-1.2781617>.

<sup>29</sup> Department of Defense, ‘Salary and Compensation’, Government, *Compensation Estimator* (blog), accessed 26 February 2023, <https://www.todaysmilitary.com/careers-benefits/salary-compensation>.

compensation calculator, a US service member with a university or college degree with dependants and 15 years of service can expect an approximate base salary of \$101,451 with an additional housing allowance of \$45,925 (depending on location) for a total compensation of \$147,376 USD.<sup>30</sup> When compared to a CAF member of the same status, the CAF pays a base salary of \$117,540 CAD, with no additional housing allowance, for example, if the member is moving to Ottawa. In the case of US military personnel, the tax-free BAH supplementing their salary helps cover the majority of the cost of housing (rent, utilities etc.) for those who choose to live off base. For those who choose to live on base, the US military completely covers the cost of housing.<sup>31</sup> Compared with our closest ally, there is more that the GoC can do to support CAF members and their families with the cost of housing through financial compensation.

## **CONCLUSION: A MULTI-PRONGED APPROACH TO SOLVING HOUSING ISSUES**

12. Cost of living issues are impacting everyone worldwide; however, due to the unique nature of their profession, members of the CAF and their families are feeling the impacts of this crisis more acutely than the average Canadian. As CAF members are ordered to move around the country, more and more members cannot afford housing in the locations they are being sent to. The CAF has identified the cost of living as a main challenge and priority for its continued success; however, there is no panacea for this complex societal issue. Using a holistic approach, the GoC and the CAF stand to improve the situation for CAF members by changing policy and investing strategically in three key areas.

## **RECOMMENDATION**

13. The first area for improvement recommended is the realm of military housing. By investing in infrastructure development, increasing the budget for operating and maintenance costs and hiring more personnel to help manage a larger portfolio of military housing, the GoC can provide more CAF members with housing solutions in difficult markets. In addition to investing in military housing, the CAF needs to drill into the policy of the posting cycle, cutting unnecessary moves for members who may be gainfully employed or challenged in another position in the same geographic location or by exploring remote or flexible working arrangements. By reducing the number of moves, the CAF stands to reduce the burden of changing real estate markets frequently and impact the employment of other income earners in a family. Finally, the GoC needs to overhaul CAF member financial compensation to account for the changes in the cost of living that our country is facing. The CAF is well aware of the recruiting and retention challenges facing the talent it hopes to attract and retain. By implementing real comprehensive change in our approach to supporting military members and families with their housing challenges, we stand to improve member satisfaction and the overall strength of our armed forces.

---

<sup>30</sup> Department of Defense.

<sup>31</sup> Department of Defense, 'Housing', 1 June 2022, <https://www.goarmy.com/army-life/housing.html>.

## Bibliography

Berthiaume, Lee. 'Military Members Feeling Bite of Skyrocketing Housing, Living Costs: Defence Chief'. News, 14 April 2022. <https://www.thestar.com/politics/2022/04/14/top-commander-warns-canadian-military-stretched-thin-amid-growing-threats.html>.

CBC News. 'Federal Budget 2022: Here Are the Highlights'. *CBC News*. 9 April 2022. <https://www.cbc.ca/news/politics/budget-2022-highlights-1.6412196>.

Department of Defense. 'Housing', 1 June 2022. <https://www.goarmy.com/army-life/housing.html>.

'Housing, Military Life'. Department of Defense. Housing, Military Life. Accessed 26 February 2023. <https://www.todaymilitary.com/military-life/housing#:~:text=Generally%2C%20military%20housing%20is%20provided,housing%20that%20fits%20their%20needs>.

'Salary and Compensation'. Government. *Compensation Estimator* (blog). Accessed 26 February 2023. <https://www.todaymilitary.com/careers-benefits/salary-compensation>.

Department of National Defence. 'Canadian Armed Forces Retention Strategy', 2022. <https://www.canada.ca/content/dam/dnd-mdn/documents/reports/caf-retention-strategy/caf-retention-strategy-en-2022.pdf>.

'Canadian Forces Housing Agency Annual Report 2019-2020', 2020.

CDS/DM Directive for CAF Reconstitution (2022). <https://www.canada.ca/en/departement-national-defence/corporate/policies-standards/dm-cds-directives/cds-dm-directive-caf-reconstitution.html>.

Compensation Benefit Instructions - Relocation Benefits, § 208.97 - Home Equity Assistance (2021). <https://www.canada.ca/en/departement-national-defence/corporate/policies-standards/compensation-benefits-instructions/chapter-208-relocation-benefits.html#sec-208-97>.

DAOD 5024-0, DND Living Accommodation (2007).

'Strong Secure Engaged, Canada's Defence Policy', 2017.

International Monetary Fund. 'World Economic Outlook Update, Inflation Peaking Amid Low Growth', January 2023.

Manser, Lynda. 'The State of Military Families in Canada: A Scoping Review'. *Journal of Military, Veteran and Family Health* 6, no. 2 (1 August 2020): 120–28. <https://doi.org/10.3138/jmvfh-2019-0001>.

Manser, Lynda, and Laurie Ogilvie. 'Supporting Resilience in Military Families – from Research to Practice'. *Military Behavioral Health* 10, no. 2 (3 April 2022): 74–78. <https://doi.org/10.1080/21635781.2022.2098882>.

Richard Cuthbertson. 'Soldier Neil Dodsworth Launches Class Action Over Home Sale Losses'. *CBC News*, 30 September 2014. <https://www.cbc.ca/news/canada/nova-scotia/soldier-neil-dodsworth-launches-class-action-over-home-sale-losses-1.2781617>.

Statista.com. 'Average House Price in Canada from 2018 to 2022, with a Forecast Until 2024 (in Canadian Dollars)'. Accessed 26 February 2023. <https://www.statista.com/statistics/604228/median-house-prices-canada/>.

The Canadian Press. 'Canadian Military Member Loses Bid to Recover Losses Linked to Home Sale'. *CBC News*, 8 May 2015. <https://www.cbc.ca/news/canada/nova-scotia/canadian-military-member-loses-bid-to-recover-losses-linked-to-home-sale-1.3067036>.

'More than 4K Canadian Forces Members, Families Still Waiting for Military Housing', 3 October 2022. <https://globalnews.ca/news/9172380/canadian-forces-military-housing-crunch/>.

Wang, Zhigang, and Lesleigh E. Pullman. 'Impact of Military Lifestyle on Employment Status and Income Among Female Civilian Spouses of Canadian Armed Forces Members'. *Journal of Military, Veteran and Family Health* 5, no. S1 (26 February 2019): 54–62. <https://doi.org/10.3138/jmvfh.5.s1.2018-0026>.