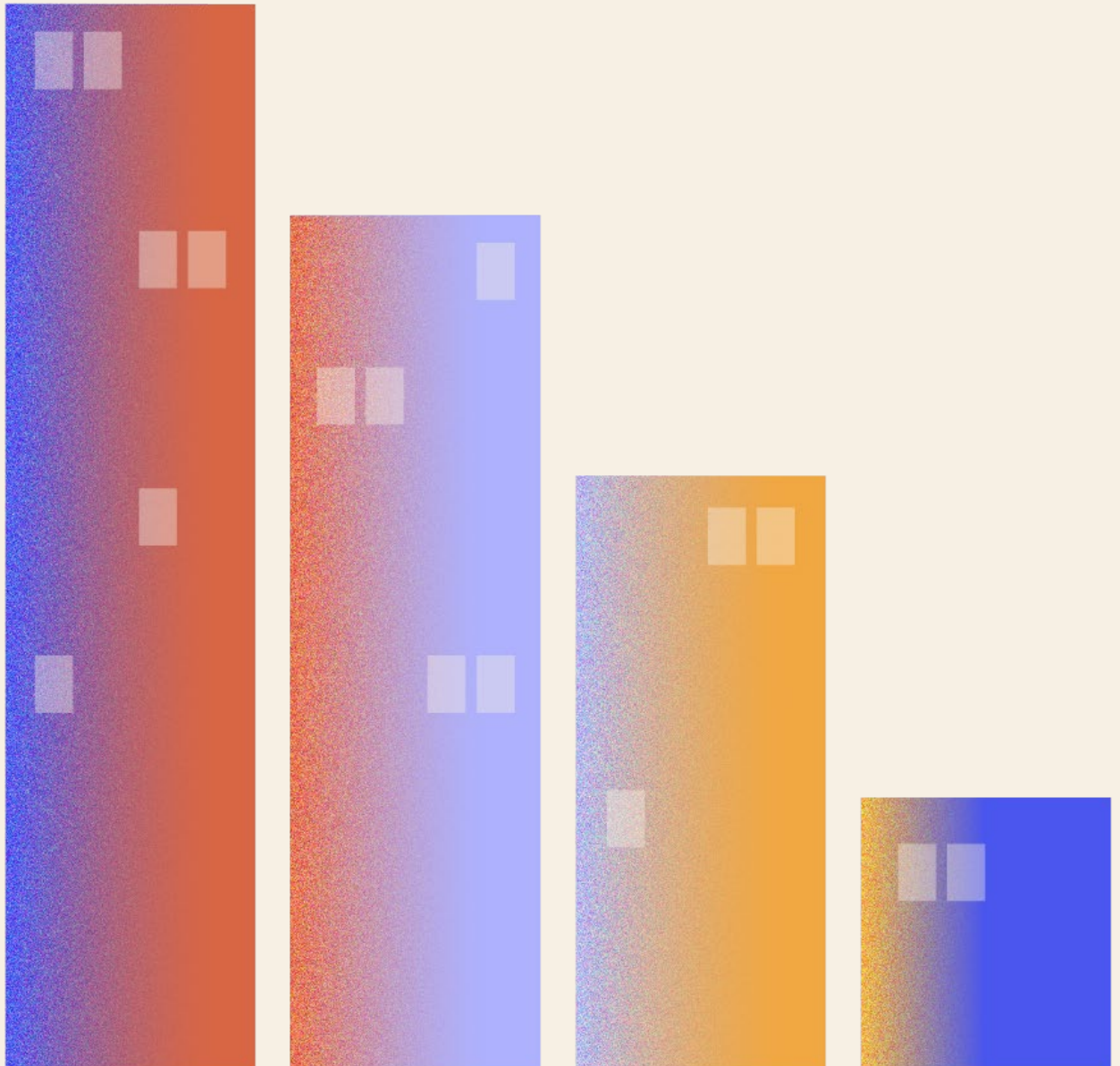


IMMIGRATION ISN'T THE PROBLEM:

A Smart Growth Agenda for Housing Affordability





Introduction

Canada has experienced rapid population growth in the past decade – the fastest in the G7 since 2001.¹ This growth has brought many benefits to Canada. But unfortunately, this took place without a long-term national framework for strategic population growth linking key policy areas such as immigration and housing. As a result, Canada's growing population has contributed to exacerbating a lack of long-term vision on housing, infrastructure and other key public services.

Public narratives in Canada, however, have largely placed the blame on immigration, rather than a failure to keep up in other areas. More than half of Canadians now say they believe too many immigrants are coming into the country, with housing affordability cited as a key reason.²

While immigration has played a minor role in rising housing costs in some regions, it is far from the whole picture. The very real costs of lost housing affordability deserve better explanations and real solutions.

Newcomers account for about 11% of recent home price increases. The other 89% is driven by things like cheap borrowing, low supply, and market speculation.

¹ World Bank (Sept 11, 2025) based on World Population Prospects, United Nations (UN), note: Derived from total population, publisher: UN Population Division; Statistical databases and publications from national statistical offices, National statistical offices, note: Derived from total population; Demographic Statistics, Eurostat (ESTAT), note: Derived from total population; Population and Vital Statistics Report (various years), United Nations (UN), note: Derived from total population, publisher: UN Statistical Division <https://data.worldbank.org/indicator/SP.POP.GROW?end=2024&locations=CA-OE-FR-DE-JP-IT-GB-US&start=2001&view=chart>

² Immigration, Refugees and Citizenship Canada (27 January 2025). *2024-25 IRCC Annual Tracking Survey Executive Summary*. https://publications.gc.ca/collections/collection_2025/ircc/Ci4-183-1-2025-1-eng.pdf. See also Keith Neuman (17 October 2024). "Canadian public opinion about immigration and refugees - Fall 2024." *EnviroNics Institute*. Retrieved from <https://www.enviroNicsinstitute.org/projects/project-details/canadian-public-opinion-about-immigration-and-refugees---fall-2024>.



Looking back over the last two decades, overall housing stock did keep up with and even *outpace* population growth up until 2023 – even as prices were surging.³ There are clearly other factors at play.

Recent research conducted jointly by Statistics Canada and Immigration, Refugees and Citizenship Canada found that increased immigration over the past five years is associated with an 11% rise in median home values and a similar increase in rents across municipalities.⁴ They found that the vast majority of the increase (the remaining 89%) is attributable to other factors, including historical low interest rates, speculative buying, changing buyer preferences, and temporary supply constraints.⁵

There is also significant regional variation. For example, from 2011 to 2016, Saskatchewan and Alberta saw notable increases in immigration levels but little change in housing values.⁶ Only Ontario and British Columbia have shown consistent, modest correlations between immigration and home prices and rents.

In short, while immigration is one factor in Canada's housing story, it is clearly not the primary cause of the affordability crisis. Regional differences and supply-side dynamics matter.⁷

Getting this right matters for getting the right policy solutions in place. A misdiagnosis is undermining our response to the housing affordability crisis and long-term immigration planning, both of which are key components of a smart growth framework.

**Immigration isn't to blame for Canada's housing crisis.
What's needed is a deeper understanding of how we got
here and a plan to fix it long-term.**

Starting in 2024, the federal government has responded to housing pressures by reducing immigration levels. In its 2025–2027 Immigration Levels Plan, it argued that lowering both permanent and temporary resident admissions would help improve housing affordability by reducing Canada's housing supply gap by roughly 670,000 units by the end of 2027.⁸ However, this type of narrow thinking in units per capita risks continuing to miss the real drivers of our housing crisis. If population growth didn't drive the majority of price escalation, population decline won't bring it back into balance.

If immigration levels reductions were all that were needed to bring Canada's housing market back on track, the solutions would be simple. Unfortunately, complex problems are rarely solved by simple solutions. What's needed is a smart population growth framework – one that aligns immigration, housing, and infrastructure policy with Canada's long-term needs.

This paper explores how, and why, a smart population growth framework should be implemented to improve housing affordability for all individuals who call Canada home.

3 C.D. Howe Institute (November 18, 2024). "Graph of the week: Canada's Housing Stock Falls Behind Population Growth." Retrieved from <https://cdhowe.org/publication/graph-week-canadas-housing-stock-falls-behind-population-growth/>

4 Feng Hou, Évamé Koumaglo and Haozhen Zhang (June 20, 2025). "Immigration and housing prices across municipalities in Canada." *Government of Canada*. Retrieved from <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/reports-statistics/research/immigration-housing-prices-municipalities-canada.html>.

5 Hou et al.

6 Hou et al.

7 Hou et al.

8 Immigration, Refugees and Citizenship Canada (October 24, 2024). *2025-2027 Immigration Levels Plan*. <https://www.canada.ca/en/immigration-refugees-citizenship/news/2024/10/20252027-immigration-levels-plan.html>.



Causes of Canada’s housing affordability crisis

Canada’s housing affordability crisis has been driven by a number of intersecting economic factors and policy choices. Population growth through immigration increases demand, it is not the sole factor putting strain on the housing and rental market.

The table below illustrates the unique constellation of supply and demand-side factors that have impacted Canada’s housing affordability over time.⁹

Supply-Side Factors	Demand-Side Factors
• Low purpose-built rental construction since 1970s • Low non-market housing construction since 1990s • Restrictive zoning and land use rules • More stringent building code requirements • Availability and cost of serviced land • Development fees, taxes and charges levied by governments • Speed of building permit and approval processes • Construction costs and labour availability in skilled trades • Cost of building materials • Cost of capital/financing	• Sustained periods of low mortgage costs • Smaller household sizes • Increased size of single family homes • Federal housing policies used to incentivize home ownership and increase demand (e.g. Home Buyer’s Plan, First Home Savings Account) • Rent controls and emerging short-term rental markets • Increased immigration and population growth • Inter and intra-provincial migration • Lifestyle changes due to COVID-19 pandemic (e.g. increased prevalence of remote work)

The lasting impact of the COVID-19 pandemic

In June 2025, the Canada Mortgage and Housing Corporation (CMHC) released a research publication noting that Canada’s major housing affordability challenges had been significantly exacerbated by the COVID-19 pandemic and the changing working and living patterns that resulted.¹⁰ As many Canadian workplaces embraced remote and hybrid work arrangements, many Canadians saw an opportunity to purchase larger homes in smaller centres to create dedicated home workspaces, avoid long commutes, and move closer to family.

9 Carolyn Whitzman (2024). *Home Truths: Fixing Canada’s Housing Crisis*. Vancouver: UBC Press; Government of Canada (2024). *Canada’s Housing Plan: Solving the Housing Crisis*. Retrieved from <https://housing-infrastructure.canada.ca/alt-format/pdf/housing-logement/housing-plan-logement-en.pdf>.

10 Canada Mortgage and Housing Corporation (June 2025). *Canada’s housing supply shortages: moving to a new framework*. Retrieved from <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-research/research-reports/accelerate-supply/canadas-housing-supply-shortages-a-new-framework>.



Three of the five regions that were most impacted by the COVID-19 pandemic in terms of increased average annual growth in housing costs were in Atlantic Canada house prices are illustrated in the table below. These regions saw large increases in interprovincial migration.¹¹

	House prices average annual growth			Rents average annual growth		
	2004 – 2019 (%)	2019 – 2024 (%)	% Change	2004 – 2019 (%)	2019 – 2024 (%)	% Change
New Brunswick	3.0%	14.3%	11.3%	2.7%	8.6%	5.9%
Nova Scotia	3.4%	14.4%	11%	3.0%	7.8%	4.8%
Quebec (outside Montreal)	4.6%	11.4%	6.8%	2.3%	7.2%	4.9%
Montreal	4.7%	10.2%	5.5%	2.5%	6.8%	4.3%
Prince Edward Island	4.7%	10.1%	5.4%	2.9%	5.0%	2.1%

Housing demand surged in part because Canadians increased their rate of household savings during the pandemic in record numbers due to lockdowns and travel restrictions, saving a collective \$350 billion between 2019 – 2021.¹² Coupled with very low interest rates, this level of excess savings added fuel to the fire by giving many Canadian households the financial leverage they needed in an increasingly competitive housing market. For those moving communities, they helped to transmit the housing affordability pressures across Canada by cashing in equity in more expensive markets and bringing that capital to smaller communities or new provinces.

These demand factors combined with other conditions to create a perfect storm for a surge in housing costs. Increasing Canada’s housing supply also became particularly challenging during the pandemic. Supply chain disruptions affected access to building materials, which rapidly increased in cost. For example, the cost of lumber increased by 175% in 2021 compared to 2020.¹³ Unfortunately, the cost of building materials remains a challenge post-pandemic, including through supply chain disruptions driven by U.S. tariffs.¹⁴

Immigration restrictions during the pandemic also exacerbated labour shortages in Canada’s construction industry. Between 2016-2023, employer demand for work permits in the construction industry increased by more than 4,000%, as vacancies in residential construction hit record highs.¹⁵ These are driven by long-term shortages; industry projections suggest that 22% of residential

11 Canada Mortgage and Housing Corporation (June 2025).

12 Felipe Alduino Alves and Sushant Acharya (21 February 2024). "How changes in the share of constrained households affect the effectiveness of monetary policy." *Bank of Canada*. Retrieved from <https://www.bankofcanada.ca/wp-content/uploads/2024/02/san2024-3.pdf>.

13 Natural Resources Canada (2021). "Five ways COVID-19 affected forests and the Canadian forest sector." Retrieved from https://natural-resources.canada.ca/sites/nrcan/files/forest/sof2021/Five_ways_COVID-19_affected_forests_EN_web_accessible.pdf.

14 Canadian Home Builders' Association (3 February 2025). "Impacts of Trump Tariffs on Canadian Residential Construction Sector." Retrieved from <https://www.chba.ca/2025/02/03/impacts-of-trump-tariffs-on-canadian-residential-construction-sector/>.

15 Ghada Alsharif (14 June 2025). "Canada is making it harder for immigrants to help build much-needed homes – despite the construction industry’s growing reliance on them." *Toronto Star*. Retrieved from https://www.thestar.com/news/canada/canada-is-making-it-harder-for-immigrants-to-help-build-much-needed-homes-despite-the/article_8a245a94-dd16-467d-9812-a5d74a87ce24.html.



construction workers in Canada will retire by 2033 and the residential construction workforce will need to increase by 83% to effectively address the housing supply gap.¹⁶

The pandemic period saw a major spike in labour costs for residential construction. In 2021, Canada saw a record 21.7% year-over-year increase in construction costs, driven by higher labour costs.¹⁷ This labour shortage had a three-pronged pressure on housing costs – driving up prices for homes that got built, increasing the backlogs of pending projects, and making some planned projects unviable at new costs. While these pressures have pulled back from record increases since the pandemic, the underlying labour shortages remain, even as the industry faces new headwinds.

Housing supply, which relies on numerous inputs and approvals, can take years to adjust to changing patterns in housing demand. Building a new structure alone may take 1 or 2 years, and if approvals to rezone land are required new home construction can be a multi-year process.¹⁸ Housing supply was already under strain pre-pandemic and could not keep pace with the sudden influx of demand in the housing market.¹⁹

Demographic changes and evolving housing needs

While the pandemic period led to rapid and distinct changes, longer-term demographic and housing trends have also influenced housing demand and supply in Canada. Some of these factors include:

Households are getting smaller.

At 29% of households, the share of Canadians living alone has continued to grow, creating demand for more homes, especially apartment or condominium units.²⁰ At the same time this likely *underestimates* demand; the Parliamentary Budget Officer estimates that 631,000 more households would have been formed if housing were more affordable.²¹ This is one of the factors contributing to a record number of adults living with parents – including 57% of 20 to 24 year olds and 28% of 25-29 year olds.²²

Canada's population is aging rapidly, and most prefer to stay in their own homes.

18.9% of Canadians are over the age of 65, and the proportion of Canadians over the age of 85 is expected to triple over the next 30 years.²³ While Canadian seniors are a diverse demographic, most (96%) have indicated that they intend to do everything possible to live at home and avoid moving into a long-term care facility.²⁴

16 BuildForce Canada (April 2024). *Residential Outlook 2024 – 2033: A construction industry employment estimation to address Canada's housing supply gap*. Retrieved from <https://www.buildforce.ca/en/press-release/increasing-the-supply-of-new-housing-units-will-require-significant-increases-in-canadas-residential-and-non-residential-construction-labour-forces/>.

17 Statistics Canada (February 2022). "Building construction price indexes, fourth quarter 2021" *The Daily*. <https://www150.statcan.gc.ca/n1/daily-quotidien/220204/dq220204c-eng.htm>

18 Canada Mortgage and Housing Corporation (June 2025).

19 Canada Mortgage and Housing Corporation (June 2025).

20 Statistics Canada (July 13, 2022). "Home Alone: More persons living solo than ever before, but roomies the fastest growing household type". *The Daily*. <https://www150.statcan.gc.ca/n1/daily-quotidien/220713/dq220713a-eng.htm>

21 Caroline Nicol and Zachary Vrhovsek (April 11, 2024). "Household Formation and the Housing Stock." *Office of the Parliamentary Budget Officer*. <https://www.pbo-dpb.ca/en/publications/RP-2425-001-S--household-formation-housing-stock--formation-menages-stock-logements>

22 Nora Galbraith and Nadine Laflamme (August 14, 2025). "Adulting together: Parents and adult children who co-reside." *Statistics Canada*. <https://www150.statcan.gc.ca/n1/pub/91f0015m/91f0015m2025002-eng.htm>

23 National Institute on Ageing (2022). *Ageing in the Right Place: Supporting Older Canadians to Live Where They Want*. Toronto, ON: National Institute on Ageing, Toronto Metropolitan University. <https://www.niageing.ca/airp>.

24 National Institute on Ageing (2022).



Canadian seniors today are healthier and more active than any prior generation. The baby boomer generation that currently own 41% of all homes in Canada are far more likely to be able to and to choose to remain in their homes for much longer rather than enter congregate living.²⁵ To meet these needs, Canada will need more homes per person and more flexible supports to allow people to thrive as they age in place.

Canadians are moving in search of housing affordability and reshaping markets in the process.

Migration within and across provinces increased during the pandemic and has remained elevated for certain parts of the country. Alberta continues to receive high inflows of people moving within Canada, largely from Ontario and British Columbia.²⁶ Data suggests that home prices are a major driver of regional outmigration from Toronto and Vancouver and are driving up prices in the receiving communities, especially for young families looking to enter the housing market.²⁷

What do we know about immigrant households and housing?

It is essential to understand the needs and choices of immigrant households when they arrive to Canada to assess how, and where, Canada's housing supply would be most impacted. The following data provides a snapshot of Canadian immigrants and their housing needs and choices.²⁸

- The majority of immigrants rent, rather than own, when they first arrive in Canada. Over time, immigrants transition to homeownership at rates comparable with the broader population.
- Immigrants tend to settle in larger urban centres, many of which face the greatest challenges regarding housing affordability in Canada.
- More immigrants face affordability challenges compared to the total Canadian population, especially recent arrivals and non-permanent residents.
- Immigrants are more likely to reside in multigenerational households and may require larger homes (and larger households) as a result.
- In recent years, many newcomers have arrived first as international students, often looking for purpose-built student housing or other more temporary options.

These data points are just intended to be a snapshot. Canadian immigrants are not a homogenous population, and their housing needs will differ significantly based on their occupation, household size, choice of location, whether they arrive as a permanent or temporary resident and which program facilitates their arrival.

25 Statistics Canada (September 21, 2022). "To buy or to rent: The housing market continues to be reshaped by several factors as Canadians search for an affordable place to call home." Retrieved from <https://www150.statcan.gc.ca/n1/daily-quotidien/220921/dq220921b-eng.htm>.

26 CBC (June 18, 2025). "Alberta population nearly hit 5 million in April, as people continue to flock to the province." <https://www.cbc.ca/news/canada/calgary/alberta-population-q1-2025-estimates-temporary-foreign-residents-decline-1.7564498>.

27 Canadian Mortgage Housing Corporation (March 2021). *Housing Market Insight: Canada*. <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/market-reports/housing-market-insight/2021/housing-market-insight-canada-68469-m03-en.pdf?rev=1d386c10-a697-4b0b-a508-f4270265f296>, at p. 9-12.

28 Zachary Thurston (November 22, 2023). *Housing Experiences in Canada: Renters who are in poverty, seniors and recent immigrants, 2021*. Ottawa: Statistics Canada. <https://www150.statcan.gc.ca/n1/pub/46-28-0001/2021001/article/00025-eng.htm>.



A smart growth approach to housing and immigration policy

In recent years, the Government of Canada has moved to explicitly factor in the capacity to settle, integrate and retain newcomers through settlement services, housing accessibility and affordability, public infrastructure and health care services as it sets its annual Immigration Levels Plan,²⁹ and engages with departments and agencies responsible for such areas.³⁰ Starting in 2024, the plans also began to include targets for temporary residents.

These are clearly welcome developments. Even if immigration is not a prominent driver in the increase in housing costs, recognizing the intersections will lead to better housing policy and better outcomes for immigrants.

The immigration levels plan is simply not the right policy tool to respond to housing policy.

But aligning housing and immigration is not as simple as setting the immigration targets at some formula of projected housing construction and demographic pressures. At best this would be ineffective, and at worst it would lead to new unintended consequences. The immigration levels plan is simply not the right policy tool to respond to housing policy:

- **The geography doesn't match.** While housing pressures are local, immigrants can move to anywhere in Canada. Even for provincially-selected newcomers, they can move anywhere in the province – or to a new province or territory after they arrive.
- **The timelines don't match.** The immigration levels plan primarily sets the plan for one year with projections for two further years. Creating new housing takes longer.
- **The jurisdiction doesn't match.** The federal government controls who comes into the country. The vast majority of housing is built by the private sector (with permitting done locally). The levels plan could at best aim to pair levels planning on estimates based on economic activity that's already in the past.

Instead, we need an overarching and longer-term **smart growth framework** that connects across policy areas. As Century Initiative's *2024 Key Insights Paper* highlighted, smart growth frameworks that have been adopted around the world from New Zealand and Australia to Japan to Scotland feature holistic targets and metrics, provide guiding principles, outline a set of clear pillars for concrete action, and support whole-of-government approaches to support alignment.³¹

29 Additionally, the federal government engages with provinces and territories (guided by the Joint Federal and Provincial Territorial Immigration Levels Consultation Framework), municipalities, key sector stakeholders (business, education, religious, multi-cultural, settlement), Indigenous organizations, and other departments/agencies. See Immigration, Refugees and Citizenship Canada (October 24, 2024). *Notice – Supplementary Information. For the 2025-2027 Immigration Levels Plan*. <https://www.canada.ca/en/immigration-refugees-citizenship/news/notices/supplementary-immigration-levels-2025-2027.html>.

30 These are: Infrastructure Canada, CMHC, ESD, ISED, Statistics Canada and PHAC. See: Immigration, Refugees and Citizenship Canada (Date last modified May 24, 2024). *IRCC, Deputy Minister, Transition Binder, 2024 – The Immigration Levels Plan*. <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/transparency/transition-binders/deputy-minister-2024/level.html>.

31 Century Initiative (October 2024). *Growing Smarter: The case for a national smart growth framework*. Retrieved from <https://www.centuryinitiative.ca/news/century-initiative-calls-for-national-smart-growth-framework-to-drive-canadas-future-prosperity>.



Laying the groundwork for smart growth

Affordable housing was a key issue in the 2025 federal election, with the Liberal Party of Canada making a number of major following commitments in their federal election platform, including:³²

- Creating a new entity called **Build Canada Homes**, which will build affordable housing by acting as a developer and project manager, providing debt and equity financing to Canadian prefabricated home builders and issuing bulk orders from manufacturers for home construction supplies such as mass timber and softwood lumber. Build Canada Homes was launched in mid-September 2025 with a \$13 billion capitalization.³³
- Cutting municipal development charges in half for multi-unit residential housing.
- Reintroducing a tax incentive called the Multiple Unit Rental Building cost allowance to stimulate the construction of rental housing across the country.
- Creating incentives for retrofitting and converting existing structures into affordable housing units.
- Continuing to invest in the Housing Accelerator Fund to reduce housing bureaucracy and zoning restrictions.

This is an important and ambitious agenda. To bring about a housing market that gives Canadians a range of options that meet their needs in the communities they want to live in, we will need a broader and longer-term agenda for abundant housing. That responsibility cannot be on the federal government alone – it will depend on leadership and action from all corners of the private sector, provinces, Indigenous governments, municipalities, and the community sector. Some building blocks of that agenda should include:

1. Develop an integrated smart growth framework
2. Focus on long-term housing supply
3. Improve Canadian housing-related data to inform policy and planning
4. Take a regional approach to inform housing affordability

³² Liberal Party of Canada (March 2025). "Mark Carney's Liberals unveil Canada's most ambitious housing plan since the Second World War." Retrieved from <https://liberal.ca/wp-content/uploads/sites/292/2025/03/Mark-Carneys-Liberals-unveil-Canadas-most-ambitious-housing-plan-since-the-Second-World-War.pdf>.

³³ Office of the Prime Minister of Canada (September 14, 2025). "Prime Minister Carney launches Build Canada Homes to supercharge homebuilding across the country." Retrieved from <https://www.pm.gc.ca/en/news/news-releases/2025/09/14/prime-minister-carney-launches-build-canada-homes>



1. Develop an integrated smart growth framework

A smart growth approach to growth means planning for the future, not just reacting to today’s challenges. When we align long-term goals for immigration, housing, infrastructure, and services, growth becomes a powerful opportunity – not a problem to manage.

A smart growth approach to population planning requires meaningful, sustained collaborations between federal, provincial, municipal and Indigenous partners, a “systems approach”³⁴ to policy design, development and evaluation and a long-term view beyond a single election cycle.

Century Initiative recommends an approach to smart growth that is rooted in six core principles. These principles together inform an ambitious and responsible approach to growth:

Principle	Overview
Economic resilience	Smart growth is key to building a strong, stable economy – one that creates good jobs and ensures more Canadians can benefit from long-term prosperity
Communities that work for everyone	Connected, livable communities with fair access to housing, services, and support are essential parts of smart growth and a healthy democracy.
Strategic immigration	Immigration should be a core part of Canada’s smart growth strategy, supporting economic development, renewing our population, and enriching our cultural fabric.
Regional development and partnerships	A smart growth plan must reflect the unique needs of different regions and involve provinces, territories, Indigenous nations and local communities as key partners.
Future-oriented and evidence-informed planning	Smart growth looks beyond short-term pressures, using data and foresight to guide bold investments that support future generations.
Global partnerships and national security	Smart growth also strengthens Canada’s ability to meet international commitments and respond to a fast-changing global security landscape.

One of the key challenges to adopting this whole of society approach is access to data across multiple jurisdictions (municipal, regional, provincial and federal) in a way that can effectively support decision-makers. To do this work well, policymakers will need to build federal, provincial and municipal data-sharing relationships across departments, ministries and policy areas and identify data sources that can complement traditional data sources such as the census.

34 James K. Stewart and Hugh O’Reilly (17 July 2024). “A systems approach would help prevent policy missteps.” Retrieved from <https://policyoptions.irpp.org/magazines/july-2024/systems-approach-policy-making/>.



Rural Ontario Institute Wellbeing Dashboard: an example of systems-level integrated data resources

The Rural Ontario Institute has created an online Wellbeing Dashboard to assemble systems-level wellbeing data that is relevant to rural communities in Ontario. The dashboard currently includes 66 wellbeing indicators for rural communities across Ontario, with an additional 30 indicators in development. Some examples of indicators include population density, labour force participation, households with 50/10 broadband service, core housing need, access to a health care provider, number of spaces in long-term care, educational levels and more.

While many datasets over-emphasize traditional socioeconomic indicators and data, the Wellbeing Dashboard is intended to address data gaps in other categories, such as health, environment and arts & culture. The Wellbeing Dashboard is designed to assist rural communities in establishing baselines, identifying issues and priorities for change and connecting communities who may be experiencing similar challenges and opportunities.

2. Focus on opportunities to build Canada's long-term housing supply.

Because homes take years to build, we need long-term thinking – 10 to 25 years more – to ensure Canada can meet the housing needs of a growing population.

The Government of Canada has historically heavily emphasized demand-side approaches to addressing housing affordability. While these investments may be less visible when they show up as “tax expenditures” rather than direct spending, these measures reflect arguably the biggest influence from the federal government on housing costs. But measures like the First Home Savings Account and the tax-free RRSP withdrawal Home Buyer’s Plan (recently increased from \$35,000 to \$60,000) don’t create more supply.³⁵ While these programs can assist first-time home buyers in accumulating the capital needed for a down payment, they do not address the factors that continue to drive up housing prices over the long-term. Worse, they can contribute to increased prices by inflating the purchasing power of first-time buyers desperately chasing limited stock.

The Housing Accelerator Fund is a federal allocation of \$4B to persuade municipalities to create better enabling conditions for market-based housing (e.g. ending exclusionary zoning, increasing access to municipal lands).³⁶ The new Build Canada Homes agency is planning to build 4,000 factory-built affordable mixed-income units in six communities, with capacity to scale to another 45,000 units.³⁷ These are important initiatives towards a long-term supply agenda, but they still leave a substantial gap. For example, there is a clear need to invest in more public or non-profit owned and operated social housing units, which have been subject to significant underinvestment since the 1990s.³⁸

35 Government of Canada (last modified 14 January 2025). “Buying a home.” <https://www.canada.ca/en/financial-consumer-agency/services/buying-home.html>.

36 Canada Mortgage and Housing Corporation (September 13, 2024). “Changing how we build homes - A year of the Housing Accelerator Fund.” <https://www.newswire.ca/news-releases/changing-how-we-build-homes-a-year-of-the-housing-accelerator-fund-874237002.html>.

37 Office of the Prime Minister of Canada (September 14, 2025). “Prime Minister Carney launches Build Canada Homes to supercharge homebuilding across the country.” Retrieved from <https://www.pm.gc.ca/en/news/news-releases/2025/09/14/prime-minister-carney-launches-build-canada-homes>

38 Whitzman (2024) at p. 31.



Even if the Housing Accelerator Fund is successful at developing its projection of 750,000 new permitted homes in the next decade, that increase to Canada's housing supply remains woefully inadequate. Many Canadian policy experts have arrived at similar conclusions regarding policy options to increase Canada's housing supply to support significant population growth, particularly over the long-term. These include:

- Investing in non-market affordable housing construction for low-income individuals³⁹;
- Incentivizing the use of pre-fabricated, modular housing to accelerate housing construction (something that features in the Build Canada Homes agenda)⁴⁰;
- Harmonizing development approvals processes across the country and creating pathways to expedite approvals (e.g. the City of Edmonton's automated approvals system)⁴¹;
- Creating immigration pathways for individuals with skills in the residential home construction industry to address disproportionately small numbers of Canadian immigrants working in the trade⁴²;
- Optimizing the tax environment to incentivize new home construction and purpose built rental housing (eliminating or postponing the application of sales tax on new home construction, reducing development charges and making development charges non-taxable)⁴³; and
- Eliminating burdensome requirements in building codes (e.g. additional stairwells) that are cost-prohibitive for new construction without jeopardizing public safety.

Many of these elements of a housing supply agenda feature in the priorities of current federal, provincial and local government. The challenge will be to ensure that this agenda sees sustained commitment and relentless improvement over the long-term, ensuring that pilots translate to evidence and to action at scale. Due to the long-term investments required for home construction, it is essential that federal policymakers focus on 10-25 year time horizons, if not longer, to ensure that Canada is structurally equipped to adapt to changing housing needs of the population over the long term.

3. Improve Canadian housing-related data to inform policy and planning.

Canada's ability to make progress on the issue of affordable housing is significantly constrained by data limitations.

It is difficult to obtain a timely snapshot using census data of how many Canadians need housing, what kind of housing they need and can afford, whether the existing housing supply meets those needs and what gaps remain. This is particularly true for individuals whose mother tongue is not English or French, such as immigrants, because they are chronically underreported in census data.⁴⁴

39 Whitzman (2024) at p. 103.

40 Whitzman (2024) at pp. 49-50.

41 Mike Moffatt (October 1, 2024). *Unlocking Canada's housing crisis: How the federal government can boost housing supply through smart, low-cost reforms*. Ottawa: Smart Prosperity Institute. <https://institute.smartprosperity.ca/unlocking-canada-s-housing-crisis>.

42 Julien Champagne et al. (December 7, 2023). *Assessing the effects of higher immigration on the Canadian economy and inflation*. Ottawa: Bank of Canada. <https://www.bankofcanada.ca/wp-content/uploads/2023/12/san2023-17.pdf>.

43 Moffatt (October 1, 2024).

44 Julien Bérard-Chagnon and Marie-Noëlle Parent (2021). *Coverage of the 2016 Census: Levels and trends*. Ottawa: Statistics Canada. <https://www150.statcan.gc.ca/n1/pub/91f0015m/91f0015m2020003-eng.htm>.



Similar concerns have been raised about undercounting of temporary residents, particularly for those who live in non-traditional housing arrangements (e.g. sub-tenancy or roommate households) and are less likely to be counted as being in the housing market⁴⁵ as well as the 300,000 – 600,000 undocumented migrants estimated to be in Canada.⁴⁶ Immigration, Refugees and Citizenship Canada may have a role to play in helping to fill these data gaps as they may have more frequent interactions with immigrants pre and post-arrival.

Further, while census data is the most useful Canadian data source to understand demographic change, it has temporal limitations. The next census will not be conducted until May 2026, with results released in stages over a two year period.⁴⁷ While other data sources are available in real-time (such as Statistics Canada’s real-time population clock⁴⁸), updated insights from census data will not be available until 2027 at the earliest to understand how Canadians are faring from a housing, income and employment perspective.

The federal government has made important investments in housing data and research that have significantly improved this picture, especially through the National Housing Strategy. For example, the Canadian Housing Survey is now a keystone of national housing conversations. However, there are also opportunities to work with non-traditional and third-party data sources to enrich the data picture. For example, housing starts data generally excludes communities with populations of less than 10,000 and rental market data often falls short of capturing a picture of the cost of units actually on the market (rather than the average of what people are paying today). Decision-makers at all levels should pursue opportunities to harmonize and integrate indicators collected and explore novel data sources such as private sector data and other strategies enabled by digital tools.

Nunavut Inuit Sustainable Housing Index: an example of housing data integration

The Association for Canada Studies and Metropolis Institute, in partnership with Nunavut Tunngavik Incorporated and Inuit organizations across Nunavut, has co-developed the Nunavut Inuit Sustainable Housing Index (NISHI), a multidimensional housing assessment tool to help inform Nunavut housing policy.

Housing in Nunavut is unique. Due to Nunavut’s harsh climate, housing construction is expensive, challenging and requires local expertise. There is significant demand for public/subsidized housing and overcrowding, vacant housing and housing in need of major repairs are significant concerns. The Nunavut 3000 Strategy committed to building 3,000 housing units by 2030⁴⁹, but developers need better information about local demographics and economic conditions to respond effectively to housing needs.

NISHI was developed to improve access to housing data in Nunavut, especially at the community level. NISHI provides a local planning tool for housing with community profiles that include housing, health, social and economic data. NISHI draws on multiple data sources, including Statistics Canada census data, the Canadian Housing Survey and local knowledge from elders and community members.

45 Max Stick, Feng Hou and Haozhen Zhang (December 19, 2024). *Municipal variations in the housing arrangements of international students*. <https://www150.statcan.gc.ca/n1/pub/36-28-0001/2024012/article/00003-eng.htm>.

46 Peter Zimonjic (August 31, 2023). “StatsCan to change how it counts non-permanent residents.” <https://www.cbc.ca/news/politics/statscan-to-revise-non-permanent-resident-numbers-1.6953169>.

47 Statistics Canada (last modified 7 July 2025). “The road to the 2026 Census.” <https://www12.statcan.gc.ca/census-re-censement/2026/road-enroute/index-eng.cfm>.

48 Statistics Canada (last modified 11 July 2025). “Canada’s population clock (real time model).” <https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2018005-eng.htm>.

49 Nunavut Housing Corporation (2025). “The Story of Igluliuqatigiingniq – Building Houses Together.” Retrieved from <https://www.nunavuthousing.ca/igluliuqatigiingniq>.

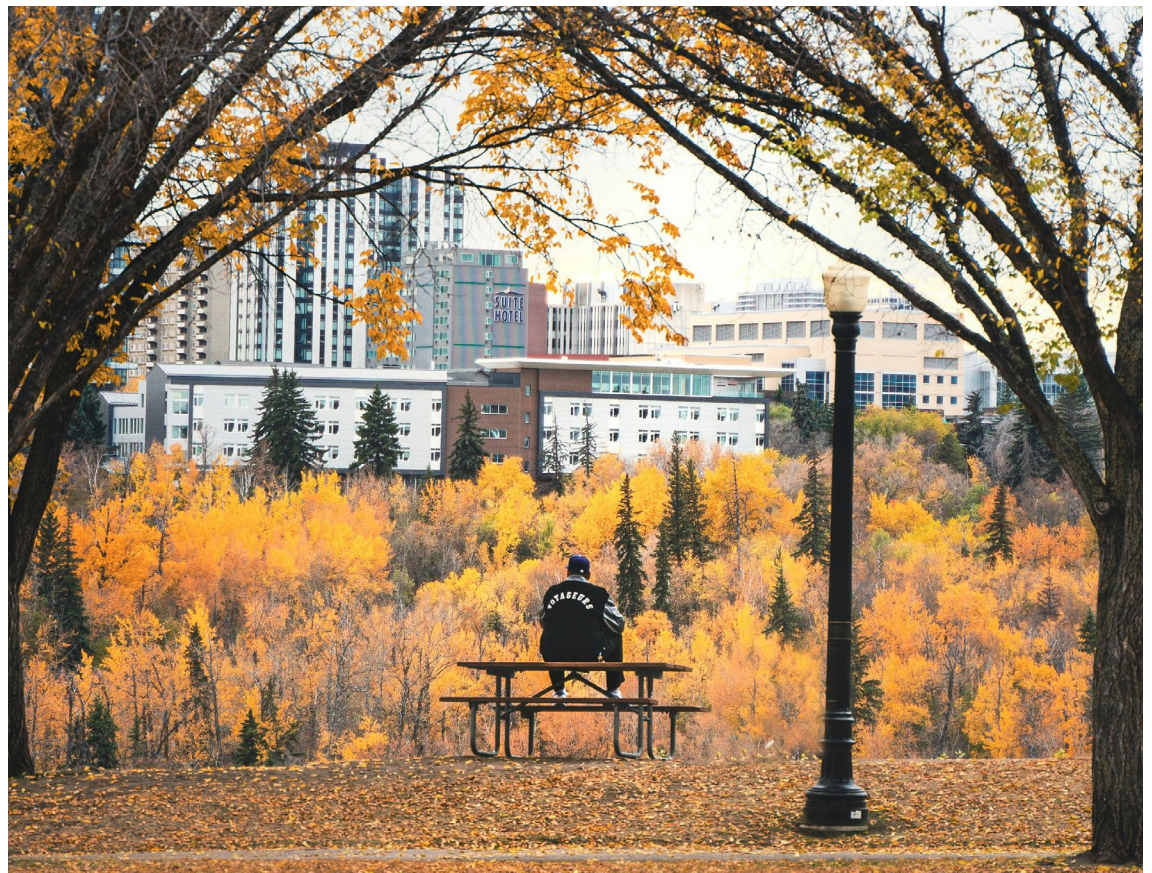
4. Take a regional approach to housing affordability

Canada needs a regional approach to housing. One that matches supply to local needs, accelerates zoning reform, and brings all levels of government to the table.

While housing affordability pressures are particularly intensified in Canada's largest cities (Toronto, Montreal and Vancouver), solutions to housing affordability are also needed in rural, suburban and smaller urban centres across Canada. Local approaches within a broader national strategy are needed to address unique trends or issues, such as significant influxes of international students in university and college towns, higher vacancy rates in rural communities, surges of homeless encampments in urban centres and the need for new housing infrastructure.

Harmonizing and accelerating zoning bylaw reform is one way federal and provincial policymakers can support local communities in increasing their housing supply. The Housing Accelerator Fund has been a key impetus for this, but the work must continue to address "laggard" municipalities who have been slow or reluctant to reform their zoning bylaws.⁵⁰ This will require a concerted effort for federal, provincial, municipal and Indigenous partners to work collaboratively with shared goals in mind.

As recently emphasized by the CMHC⁵¹ any anticipated efforts to improve housing affordability must model for increased population migration after prices fall and anticipate a potential increase in demand that may offset cost improvements that result from greater supply. This is especially the case in municipalities that remain relatively affordable but have done little to improve supply in the meantime.



50 Uday Rana, U. (October 28, 2023). "Can a zoning 'revolution' save Canada from a housing crisis?" *Global News*. <https://globalnews.ca/news/10051121/canada-housing-zoning-changes/>.

51 Canada Mortgage and Housing Corporation (June 2025).



Conclusion

Affordable housing is widely understood to be one of the most vexing and difficult policy challenges of our time. There is no quick fix or easy solution.

This paper puts forward the idea of a smart growth approach to population planning, which views housing and immigration policy as two parts of an interconnected system. Policymakers must consider both the short-term and long-term implications of their decisions and potential unintended consequences to do this work effectively. Expanded sources of data and evidence should be used to identify shared priorities, gaps and opportunities for collaborative partnerships across orders of government.

As recent policy debates on immigration and housing policy in Canada have demonstrated, the perspectives of everyday Canadians matter. It is up to them to share their priorities and concerns with elected officials to ensure that Canada remains on a trajectory towards long-term growth and prosperity.

ACKNOWLEDGEMENTS

Century Initiative gratefully acknowledges the following individuals for sharing their time and insights on this important topic:

Sandeep Agrawal

Professor, University of Alberta Department of Earth and Atmospheric Sciences and University of Alberta Institutional Co-Lead for *Bridging Divides*

John van Nostrand

Founding Principal, SvN Architects + Planners

Pamela Blais

Principal, Metropole Consultants

Carolyn Whitzman

Senior Housing Researcher,
University of Toronto School of Cities and author of
Home Truths: Fixing Canada's Housing Crisis

Paul Holley

Research Director, Association for Canadian Studies
& Metropolis Institute

Noah Zon

Co-founder and Principal, Springboard Policy

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Century Initiative is a national, non-partisan charity shaping a bigger, bolder Canada. Through leading research and convening, we champion data-driven solutions for responsible population growth, advocate for long-term planning, and drive bold policies that secure Canada's future.



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Canadian charitable number: BN 843519638 RR0001
