CREA
THE CANADIAN REAL ESTATE ASSOCIATION

2025 REALTOR® Recommendations

The Canadian Real Estate Association (CREA) is one of Canada's largest single-industry associations. We proudly own Canada's No. 1 real estate platform, REALTOR.ca, and set high standards of professional conduct for REALTORS®, helping to champion Canadians' rights and interests through the REALTOR® Code.

Our membership includes more than 160,000 real estate brokers, agents, and salespeople working through 61 real estate boards and associations across the country. Not every real estate agent is a REALTOR®. Only REALTORS® are members of CREA.

From the introduction of the Home Buyers' Plan, the development of the Homebuyers Roadmap in partnership with the Financial Consumer Agency of Canada, to leading urgent dialogue about the need for housing policy that addresses supply, for 40 years, REALTORS® have advocated for policies to support the property buyers, sellers, and renters they represent in all corners of the country.

REALTORS® meet regularly with Parliamentarians—in Ottawa and in their constituencies—to discuss their local housing markets and policies that promote an affordable and accessible housing system. REALTORS® are experts on market conditions and consumer interests and are well positioned to contribute to discussions around housing policy. Above all, REALTORS® advocate for innovative solutions and policies to increase housing supply in Canada, address current housing challenges, and allow Canadians to have access to safe, stable, and affordable housing options.

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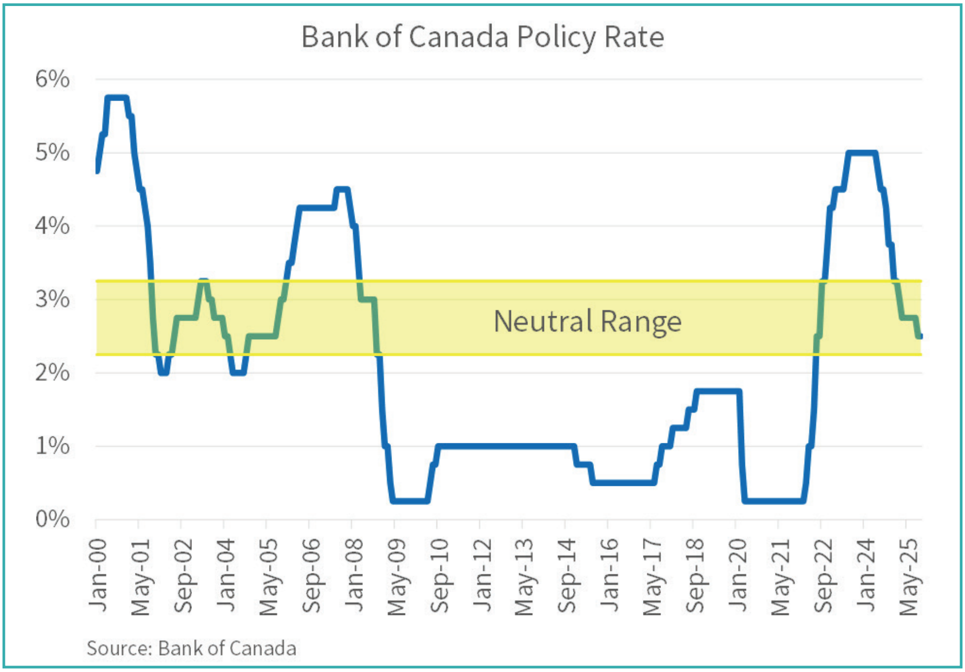
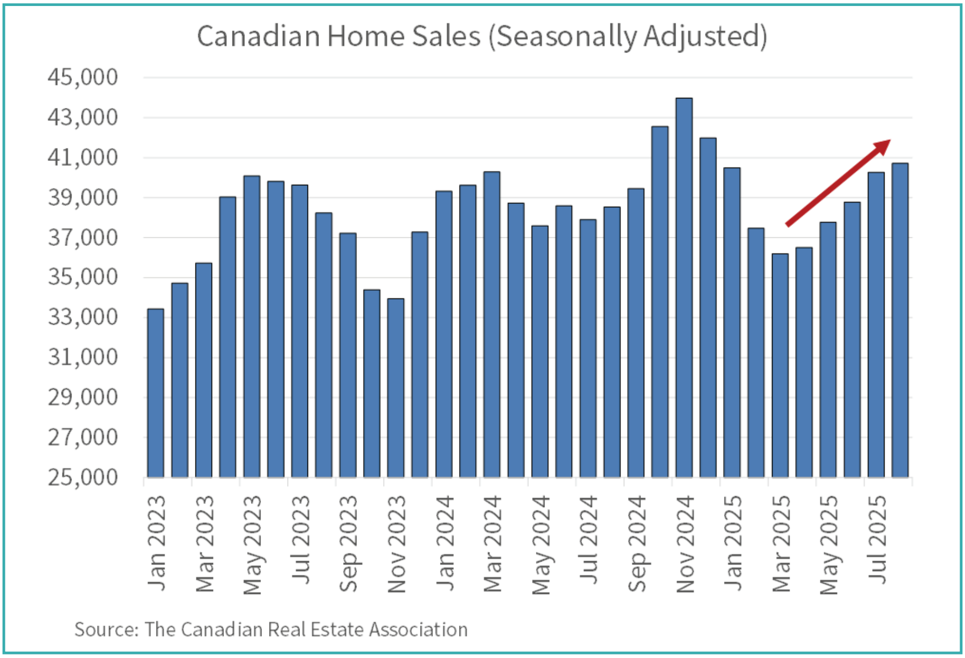
Economic Overview and Housing Market Landscape

The majority of Canadian housing markets have underperformed since 2022 due to high interest rates. Sales activity was forecast to turn a corner in 2025 with interest rates having returned to more normal levels or, at least what the Bank of Canada considers neutral, levels in advance of the spring market.

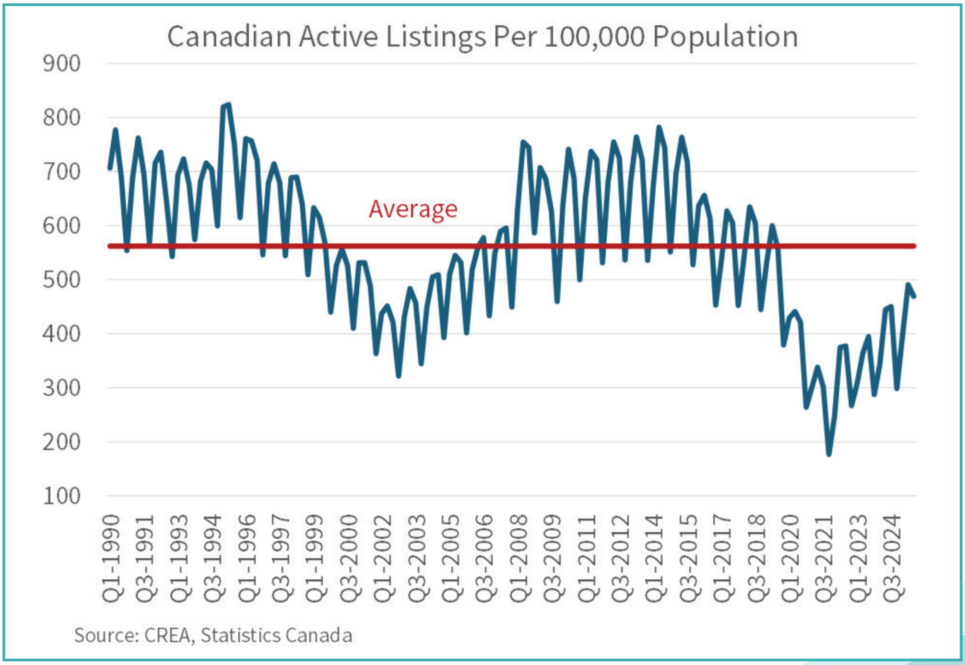


Uncertainty surrounding Canada-U.S. trade policy shocked many would-be buyers back to the sidelines in the first half of the year, and many still remain cautious.

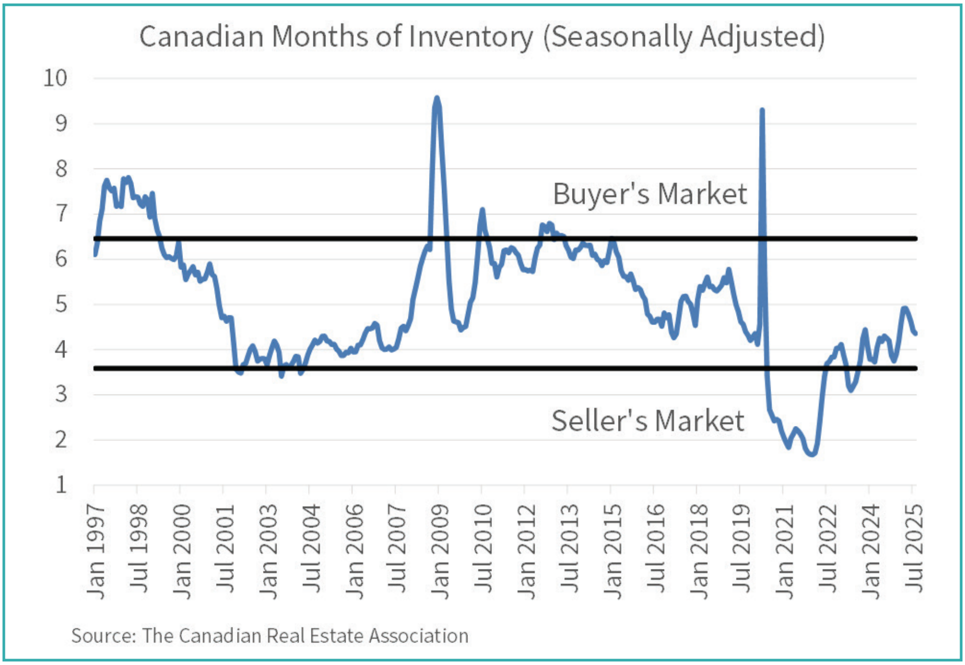
That said, home sales activity has been gradually improving since May, suggesting the expected return of buyers into the market was only delayed and dampened, but not derailed. The forecast continues to be for higher levels of activity going forward.



As sales activity has picked up steam, the overall number of active listings is once again being drawn down. On a population adjusted basis, supply is much lower than most of the last 35 years.



As pent-up demand from the last three years increasingly comes off the sidelines, the market could easily be back in borderline seller's market territory faster than many people might guess.



That said, this is likely to be a much milder version of what was seen in 2020 and 2021, due to elevated condo market inventory. Detached homes remain in high demand but supply is scarce, so remain out of reach from an affordability standpoint for many households.

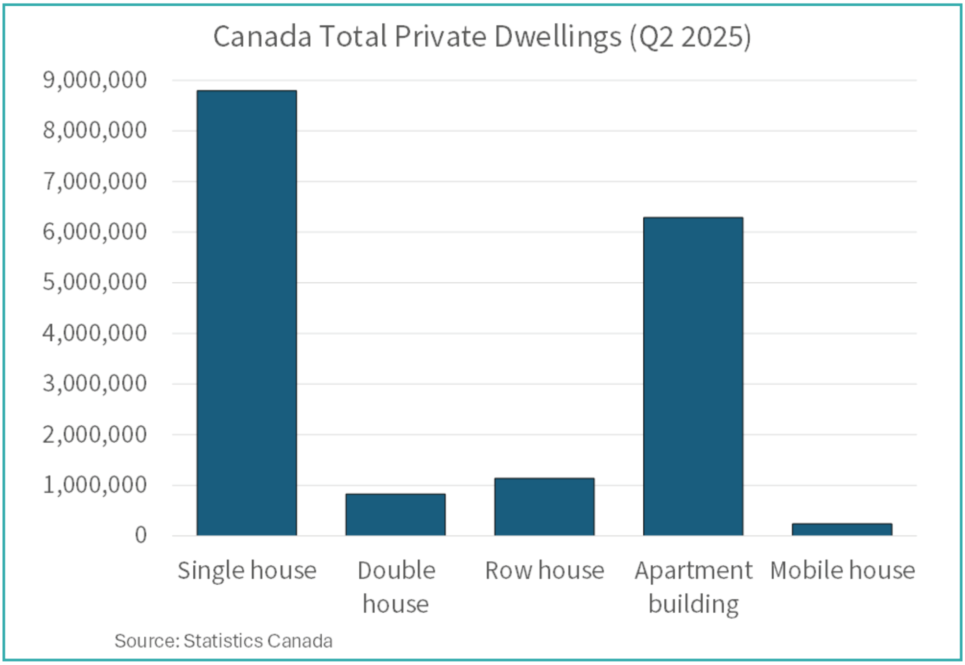
This should steer the conversation towards the question of what types and tenures of housing we need most, as opposed to unit counting.

Build Canada Homes (BCH) is arguably the most ambitious housing program in the country's history aimed at getting a lot more homes built a lot faster. At its launch on September 14, 2025, BCH opted to focus on critically needed non-market and community housing.

Home building is expected to increase mainly in the medium term, as BCH works to grow the factory-built and prefabricated construction industry. The goal is to scale it up enough so the country can build homes more quickly and nearly double overall housing construction.

As construction ramps up, the built form of our communities going forward should reflect what makes the most sense, so it will be important for policymakers to ask not just “how many?” but “what type?” Together, we must answer the question “what’s missing?”

As BCH points out, non-market and community housing is certainly an important missing piece of the puzzle in Canada. What about the market side?



Over the last 20 years, we have replaced the detached home as the dominant home type in new construction with small apartments, which is not always a suitable replacement for larger or growing households. More affordable and suitable replacements are modest family-sized units that occupy smaller parcels of land, such as semis, townhomes, and larger apartments.

Despite the term “missing middle” having been coined some 15 years ago, these home types still form a very small part of the overall housing stock in Canada, and young households are getting caught in between housing that’s too expensive and housing that’s too small.

BCH, by way of factory-built and prefabricated housing, has just set out to help fix housing in Canada by attempting to spark a massive building boom over the next decade, but the success of this project will be measured by the number of safely and adequately housed, not by the headline number of units built.

Introduction: A System in Need of Rebalancing

Canada's housing system is no longer meeting the needs of its people. We're building smaller, less family-friendly units, while the largest demographic cohorts—young Canadians and aging seniors—face growing barriers to finding suitable homes. The result is a system that removes choice rather than expands it.

REALTORS® see this firsthand. We understand the aspirations of Canadians across the country and recognize that restoring vibrancy and opportunity in the housing system means building homes that reflect real needs. Resolution of this crisis will require an all-hands-on deck approach in partnership with the private sector, community housing providers, real estate professionals, non-profits, and all levels of government.

It is essential to approach the solutions to the housing crisis from a systems lens—from supporting young Canadians who hope to own their own home one day to building diversified non-market housing, and investing in the policy solutions needed to end homelessness. It is in this spirit that we offer the following recommendations.

Recommendation No. 1: Leveraging all Federal Levers to Unlock Housing Supply

The federal government should accelerate the construction of missing middle housing by embedding measurable housing delivery expectations across all federal funding, policy, and regulatory levers—including but not limited to infrastructure programs, Canada Mortgage and Housing Corporation (CMHC), and federal transfers.

Canada's housing crisis remains a structural issue, not a cyclical one. Despite recent improvements in market activity, the supply of suitable homes remains critically low. Active listings have fallen back to below long-term population-adjusted averages, and most new construction is concentrated in small apartments that don't meet the needs of families.

This crisis demands a coordinated, systems-level response. The federal government holds a suite of powerful tools—not just funding, but influence over policy, regulation, and intergovernmental collaboration—that can be strategically aligned to drive measurable housing outcomes.

The federal government should embed housing delivery expectations across all relevant federal levers, including but not limited to:

- **Infrastructure funding agreements (e.g., transit, water, sewer):** Tie these to commitments for missing middle and family-sized housing near new infrastructure investments.
- **The Housing Accelerator Fund:** Ensure municipalities receiving support are held to clear, outcome-based targets for housing approvals and completions.
- **Federal transfers to provinces and territories:** Use these as a mechanism to encourage zoning modernization, faster permitting, and alignment with national housing goals.
- **CMHC programs and financing tools:** Prioritize projects that contribute to the missing middle and unlock underutilized land.
- **National housing strategies and bilateral agreements:** Embed key performance indicators (KPIs) and accountability frameworks to ensure long-term delivery.
- **Build Canada Homes (BCH):** Leverage BCH to directly fund and fast-track construction of attainable, family-oriented, missing middle housing.

This is not about imposing conditions, it's about creating alignment. By linking federal investments and programs to housing outcomes, the government can:

- Accelerate municipal approvals by tying funding to zoning modernization, reduced development charges, and permitting reforms.
- Maximize taxpayer value by connecting infrastructure investment to new housing.
- Foster intergovernmental coordination on national housing goals rather than siloed programs.

This approach doesn't add bureaucracy or new spending; it makes existing investments work smarter. It aligns departments, reduces duplication, and encourages cooperation among all levels of government. Embedding housing goals into every relevant federal tool would turn well-intentioned policies into real-world results that open doors for families, young buyers, and seniors alike.

Recommendation No. 2: A Balanced Approach for Build Canada Homes - Building the Missing Middle

Dedicate a modest share of Build Canada Homes (BCH) projects to market-based housing, especially townhomes, duplexes, and family-sized apartments. Use prefabricated construction to scale delivery.

We recognize and respect that the central mission of Build Canada Homes(BCH) must be to deliver deeply affordable, non-market housing for the most vulnerable in our society. We strongly support this focus. Addressing homelessness and ensuring low-income Canadians have safe, secure housing is essential to building a fair and inclusive Canada, and REALTORS® are committed to helping make this a success.

Solving the housing crisis requires addressing the full continuum of needs. That means ensuring Build Canada Homes also demonstrates that federal investments can unlock attainable, market-based housing for middle-class families who are increasingly shut out of ownership. We believe dedicating a modest share of BCH projects to market housing, particularly missing middle options like townhomes, duplexes, and family-sized apartments, will strengthen the program. This would provide a visible pathway for working families, reduce pressure on the rental market, and prove that federal leadership can deliver the types of homes Canadians aspire to live in.

Prefabricated and factory-built housing offers a particularly powerful solution here. By lowering costs, shortening construction timelines, and maintaining high-quality design, prefabrication can help BCH deliver this missing middle supply at scale. Embedding a market housing stream within a primarily non-market program will not dilute BCH's core mission—it will enhance it. A balanced approach will ensure BCH not only tackles the urgent needs of the most vulnerable, but also restores hope for the middle class, builds more resilient communities, and shows Canadians that the federal government can deliver across the entire housing system.

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