



# A Blueprint to Restore Homeownership for Young Canadians

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Mike Moffatt | January 27, 2026

## Key Points

- **Homeownership is in substantial decline for young Canadians:** Between 2011 and 2021, homeownership among 30–34-year-olds fell from 60% to 52%, and the decline is steepest in younger cohorts.
- **However, young Canadians still want to own, but their confidence is collapsing:** While 86% of non-homeowners under 30 aspire to buy someday, only 51% respectively, feel confident they'll ever get there.
- **Ownership supply is failing to keep up with population growth:** A combination of rapid population growth, lacklustre construction of family-sized ownership homes, and investors buying up family-sized homes has created a shortage.
- **The federal government needs to adopt four goals:** They should seek to scale up housing construction across the continuum, create ownership opportunities for renters, right-size housing for existing families and for seniors, and shift investor activity from buying existing homes to building new purpose-built rentals.
- **Ten actionable federal recommendations anchor the blueprint:** These recommendations include a national housing secretariat; annual start targets by unit size and tenure; an ACLP stream for 2–4 unit “missing middle” builds; direct-to-buyer development charge billing and HST/GST reforms to remove “tax-on-tax”; down-payment assistance plus inflation-indexing HBP/FHSA limits; a time-limited expanded GST/HST new housing rebate; a seniors housing strategy; and a MURB-style tax provision paired with incentives to sell investor-held homes back to families and reinvest in new rental construction.

# Ten Recommendations to Restore Homeownership for Young Canadians

**Recommendation 1:** To ensure housing is attainable for all Canadians, establish a permanent mechanism to collaborate and coordinate housing policy and development, such as a national housing secretariat.

**Recommendation 2:** To ensure new home construction keeps pace with population growth, the federal government should introduce annual housing start targets that are broken down into unit size and ownership type, make these available to provinces and municipalities to aid with planning, and update these targets in response to changes in immigration targets and other policies that impact population growth. These housing start targets should also be used to ensure that Build Canada Homes creates homes that meet the diverse needs of Canadian families, including a range of unit sizes and both rental and ownership options.

**Recommendation 3:** To increase the supply of missing middle housing, create an application stream in the CMHC's Apartment Construction Loan Program (ACLP) for smaller builders who wish to build 2-4 unit buildings or require loans less than \$1 million in size.

**Recommendation 4:** Substantially lower the price of new homes for Canadian families by removing tens of thousands of dollars of interest costs, junk fees, and tax-on-tax from the cost of new homes by implementing a transparent direct-to-buyer development charge (DC) billing model that exempts DCs from HST.

**Recommendation 5:** To ensure that young Canadians can purchase their first home, introduce a federal downpayment assistance program for first-time homebuyers.

**Recommendation 6:** To ensure that young Canadians can save enough for a down payment for their first home, the federal government should index the Home Buyers' Plan and First Home Savings Account contribution limits and lifetime contribution limits to inflation.

**Recommendation 7:** Substantially lower the price of new homes for Canadian families through a temporary three-year expansion of the existing GST/HST New Housing Rebate to provide a rebate of 100% of the GST on new homes valued up to \$1 million, and a partial rebate for homes between \$1 million and \$1.5 million, but otherwise keeping the existing rebate criteria in place.

**Recommendation 8:** To help seniors downsize and unlock family-sized homes for the next generation of Canadian families, develop a federal housing strategy for seniors to build desirable housing options and diverse typologies that enable aging seniors to remain in their communities.

**Recommendation 9:** To build much-needed missing-middle rental housing, and to channel investor dollars towards new construction and away from competing with families and buying up single-family homes, launch consultations on the proposed Multi-Unit Rental Building (MURB) tax provision this spring, with the goal of ensuring that rental projects that begin construction on or after January 1, 2027, are eligible for the tax provision.

**Recommendation 10:** To get single-family homes out of the hands of investors and back into the hands of families, create a time-limited incentive for investors who currently own non-purpose-built rental properties who sell the units to non-investors and reinvest the proceeds into a project eligible for the MURB tax provision.

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## Rebuilding the pathway to homeownership

Young Canadians are increasingly seeing homeownership as out of reach. While 86% of non-homeowners under 30 and 75% of non-homeowners between 30 and 44 still aspire to own a home one day, only 51% and 47%, respectively, are very or somewhat confident they will achieve this goal. The combination of higher interest rates, stagnant wages, and a two-decade-long increase in price-to-income ratios has made it increasingly difficult for them to qualify for a mortgage. Their ambition has turned into uncertainty, and for many, that uncertainty is turning into defeat. The issue is not willingness to buy, but rather whether they can afford to enter the market at all.

Despite softening rental market conditions in 2025, affordable units remain high in demand, and the average rent for 2-bedroom units climbed 5.1% year-over-year. High monthly rents make it more challenging for renters to save up for a down payment, and today's increasingly high cost of owning a home requires buyers to save increasingly larger down payments. Over the past two decades, as home prices have risen, young people have experienced the phenomenon of "the more I save, the further behind I fall", as required down payments have grown faster than their savings. Ironically, in many cases, their monthly rent is as high, if not higher, than their monthly mortgage payments would be, but the inability to save for a down payment makes the transition from renting to owning a home nearly impossible.

While policies that directly assist first-time buyers are necessary, **governments need to adopt a more comprehensive approach to the problem and recognize that housing is a complex system.** For example, policies that increase rental supply can reduce rents, making it easier for existing renters to save for a down payment on a first home and freeing up a unit for another tenant. Policies that enable seniors to downsize and growing families to upsize can help right-size the market, freeing up units for the next generation of homebuyers.

**The decline in homeownership has been particularly acute for younger Canadians; from 2011 to 2021, homeownership rates among 30-to-34-year-olds plunged 7 percentage points, from almost 60% to just over 52%.**

To rebuild Canada's pathway to homeownership, we must understand the factors that have priced young Canadians out of buying their first home. The pathway to homeownership as we know it was created by Canadians, for Canadians, with the creation of the CMHC in 1946 to finance new home construction, expand access to mortgages, and help the country rebuild following a wartime shortage of homes. Today, many factors are at play, with the following four identified as being particularly important:

- Housing starts have not kept up with population growth.
- There has been a shift towards building fewer family-sized homes.
- There has been a reduction in housing starts intended for the ownership market. In particular, entry-level and 'missing-middle' housing is in short supply.
- Investors have purchased a large number of homes intended for owner-occupancy to meet the surging demand for rentals.

The federal government must address these problems while respecting the division of powers, working within its fiscal constraints, meeting its lofty supply goals, and avoiding overstimulating demand for existing homes, thereby allowing price-to-income ratios to return to more attainable

levels. While these proposed reforms help address the pressures that have priced out a generation of would-be homeowners, more must be done if we are to reopen and restore the pathway to ownership for future generations of Canadians.

Over the past decade, the federal government has enacted several reforms, including the National Housing Strategy and changes to mortgage amortization, and has promised further changes, such as the still-anticipated Multiple Unit Residential Building (MURB) tax provision and the creation of Build Canada Homes. While these proposed reforms will move Canada closer to restoring the dream of homeownership, more needs to be done to achieve this goal.

Canada needs a blueprint to restore a pathway to homeownership, not just for young Canadians, but one that creates opportunity for middle-class families and seniors who are stuck in a system with nowhere to move. To succeed, the blueprint must be practical, grounded in federal realities, and focused on four clear, measurable goals:

1. **Build homes for real families:** Scale up construction across the housing continuum to increase the attainable supply of both rental and ownership housing options that meet the needs of families of all shapes and sizes.
2. **Rebuild the pathway to home ownership:** Make it easier for renters to become first-time buyers by simplifying the process of saving for a down payment and by creating programs that enable renters to transition into ownership options without increasing their monthly housing expenses.
3. **Right-size housing for existing families:** Make it easier for existing homeowners, particularly young families and seniors, to transition into "right-sized" housing, thereby unlocking existing homes for first-time buyers.
4. **Shift the market from portfolios to families:** Reverse the trend of family-sized homes being purchased by investors by shifting investment activity into building new purpose-built rental housing.

It will take a suite of federal policies to meet these objectives, with provincial and municipal governments also playing key roles in execution, zoning reform, and unlocking supply on the ground. This will require a coordinated, sustained effort at all levels of government to build public understanding and ensure that supply meets Canadians' needs. With that in mind, the next step is implementing straightforward, actionable change that will restore the pathway to homeownership for Canadians. We recommend the following ten actions:

**Recommendation 1:** To ensure housing is attainable for all Canadians, establish a permanent mechanism to collaborate and coordinate housing policy and development, such as a national housing secretariat.

**Recommendation 2:** To ensure new home construction keeps pace with population growth, the federal government should introduce annual housing start targets that are broken down into unit size and ownership type, make these available to provinces and municipalities to aid with planning, and update these targets in response to changes in immigration targets and other policies that impact population growth. These housing start targets should also be used to ensure that Build Canada Homes creates homes that meet the diverse needs of Canadian families, including a range of unit sizes and both rental and ownership options.

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These reforms, along with other initiatives implemented or introduced by all three levels of government, can help reverse the decline in homeownership rates since 2011 and restore a pathway to homeownership. Governments must ensure home prices return to attainable levels while enabling income growth for Canadian families.

## Young Canadian families strongly desire homeownership

Recently, the Canadian Real Estate Association partnered with Abacus Data to explore sentiments toward the state of housing across Canada. The poll found that Canadians' aspiration to own a home remains, but they understandably believe purchasing a home that meets their needs is out of reach. Young Canadians are increasingly losing faith that ownership is still within reach. The poll found that:

- **Homeownership remains a deeply held goal:** 65% of non-homeowners still wish to buy someday, increasing drastically to 86% for Gen Z (18-29) and 75% for Millennials (30-44) non-owners dreaming of becoming owners.

- **Optimism is split:** 41% feel optimistic about the possibility of buying a home in their desired community, while 34% are pessimistic or have given up hope altogether.
- **Concern about housing is high:** A whopping 87% of Canadians are concerned (46%) or very concerned (41%) about the state of housing in Canada today, increasing to 93% among both Gen Z and Millennial respondents.

Despite a strong desire among Canadians to own their home, there isn't enough supply available that meets their needs at a price they can afford. In particular, there is a lack of entry-level and 'missing-middle' homes appropriate for families with children, as market and regulatory conditions have favoured sprawling detached builds, micro-condos, rentals, co-ops, and non-market units, while ownership options continue to dwindle. The poll finds that:

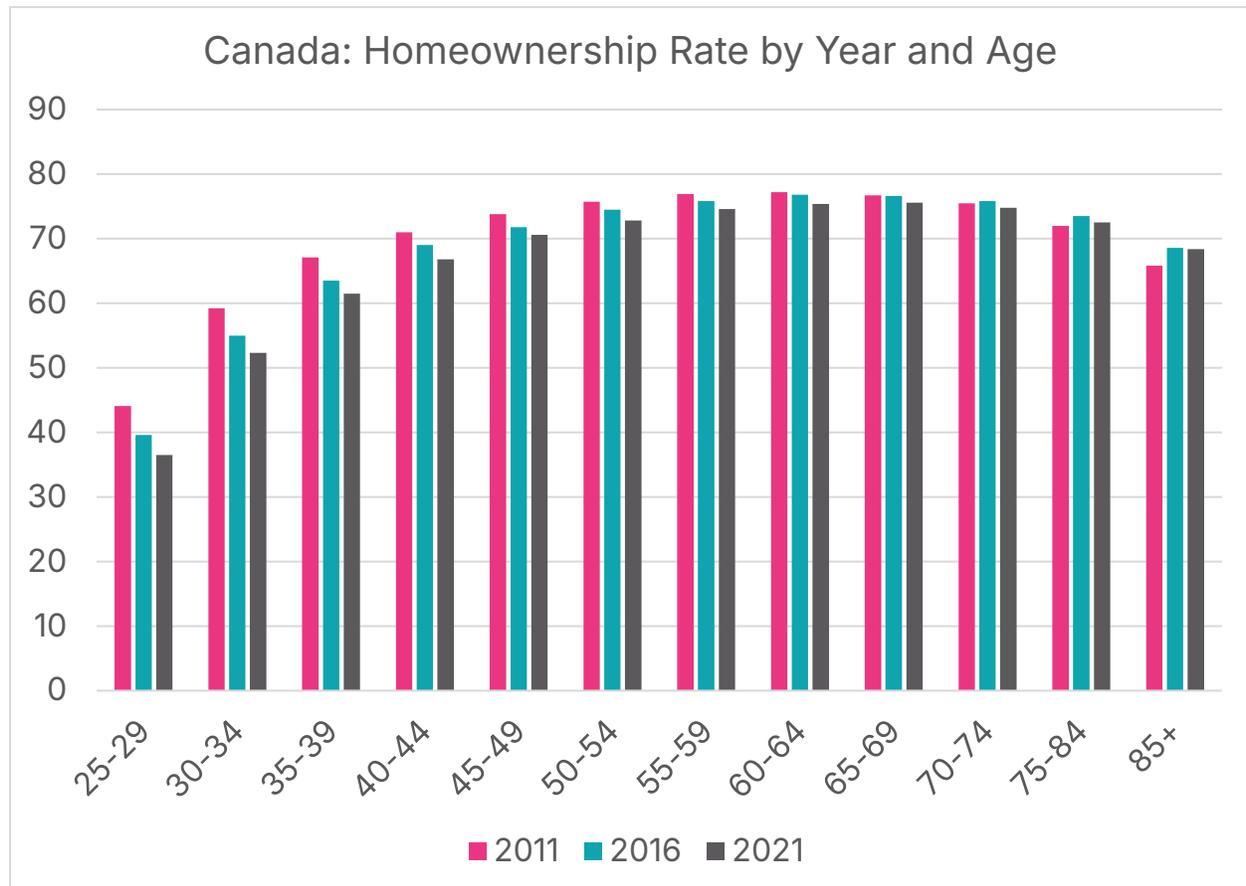
- **The missing middle is still missing:** 51% of respondents say municipal zoning rules are "holding back" this kind of supply, with 54% believing developers need incentives to build 2-3 bedroom units that families can afford.
- **Construction doesn't match needs:** 51% say the homes being built today do not reflect the way Canadians live, and 61% say there are not enough homes being built that meet size and layout needs, leading to a shortage of family-sized units.
- **Priorities are out of sync:** Roughly 1 in 5 cite "too little focus on the types of housing Canadians actually need" as a top three driver of the housing crisis, with over 7 in 10 saying Canada must build a wider mix of housing to meet future needs, or younger generations will never own a home.
- **Without action, Canadians say the future looks bleak.** The lack of attainable middle housing starts means a tighter path to ownership, widening the gap between what people hope for and what's actually being built.
- **Unaffordability is reshaping communities:** 69% say the crisis is changing who can afford to live in their communities, with nearly half of young Canadians reporting they have considered leaving their current city or province due to the cost of housing.
- **The system isn't delivering:** 64% fear current policies will leave middle-income Canadians behind, with 72% saying the crisis will not improve without a government shift.
- **Hope is slipping away:** despite a high desire to own a home, just 4 in 10 Canadians believe the dream of ownership is still alive, with the rest see a system that won't serve future generations unless something changes.

Taken together, Canadians are sending a clear message that they aren't giving up on homeownership, and neither should the government. Canadians still believe homeownership is important, and the vast majority of young people who do not own a home would like to own a home someday. However, Canadians are skeptical that homeownership remains a realistic option for the middle class and believe that governments have gotten the fundamentals wrong, failing to provide the right housing mix with the right incentives. It is easy to understand their pessimism, given the decline in homeownership among young Canadians since 2011.

## Canada's homeownership rates have been in decline since 2011

The concerns that many young people have about ever owning a home are rooted in reality. The homeownership rate, particularly among young Canadians, has been in steady decline since 2011. Statistics Canada reports that the homeownership rate for 25-29-year-old Canadians fell from 44.1% in 2011 to 36.5% in 2021; Census 2026 will likely reveal another substantial drop for young and middle-aged Canadians.

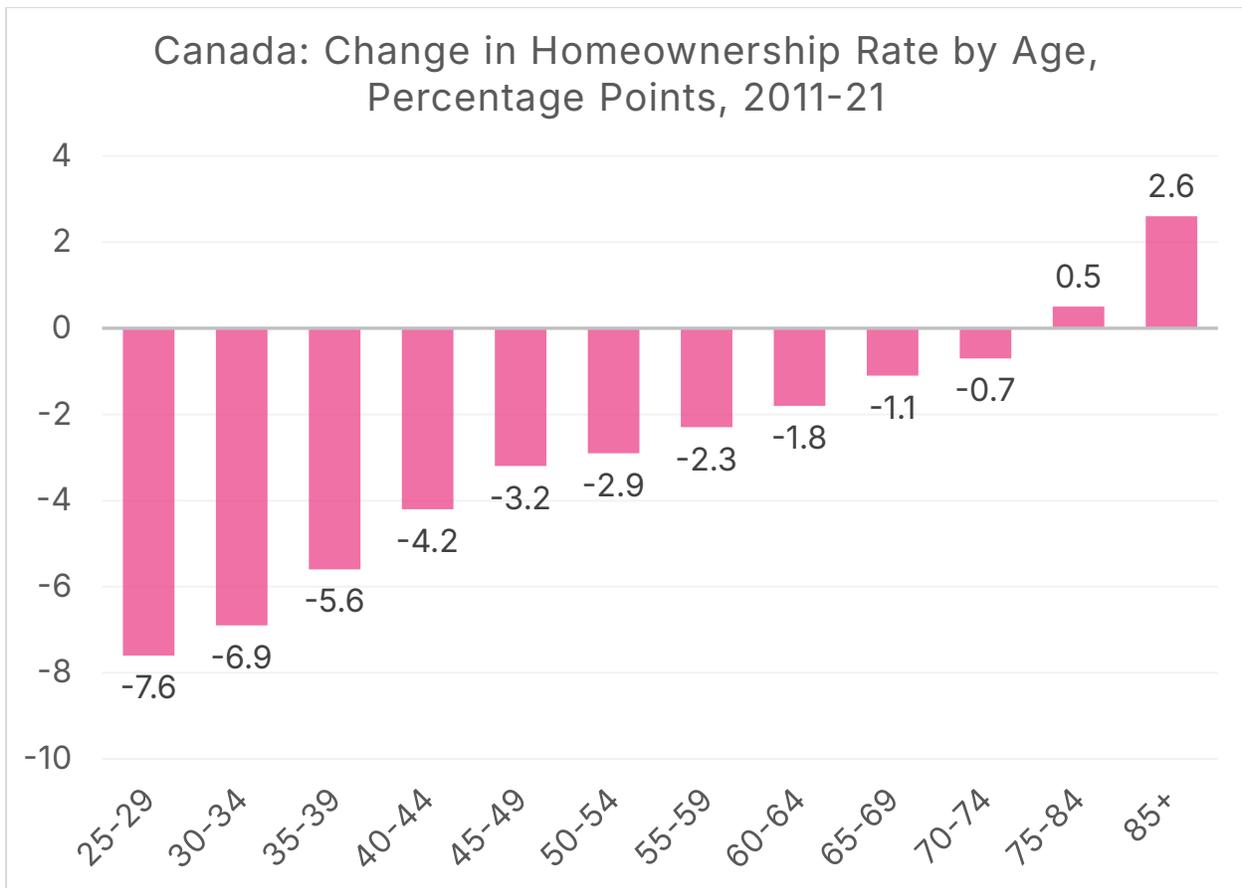
Figure 1: Homeownership rates by year and age for Canada



Data source: [Statistics Canada Daily Report](#). Chart source: MMI

Excluding individuals aged 74 and older, homeownership rates have declined across all age groups in Canada. The younger the group, the larger the decline. The 2025 Abacus poll found that 86% of Canadians aged 18 to 29 aspire to own a home at some point in their lives. This drop in homeownership rates is largely due to young people being priced out of housing, rather than a shift in young Canadians' preferences towards renting.

Figure 2: Change in homeownership rates between 2011 and 2021 by age



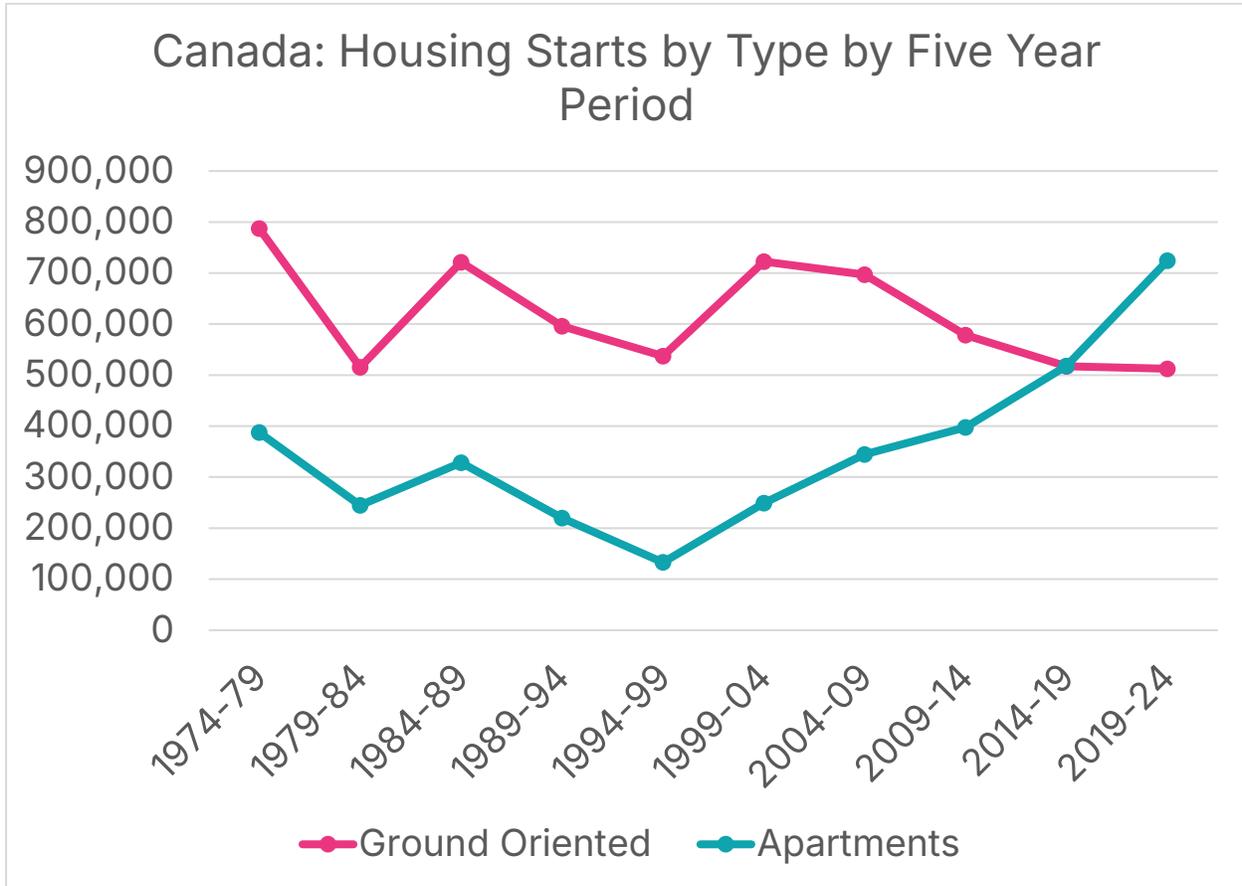
Data source: [Statistics Canada Daily Report](#). Chart source: MMI

To solve this problem, we must understand it. Several factors are at play, including homebuilding, particularly ground-oriented homebuilding, which is not keeping up with population growth. This lack of ground-oriented homebuilding is accompanied by declines in owner-oriented housing starts, as well as investors buying existing homes and converting them into rentals or using them for other purposes.

## Housing starts have not kept up with population growth

Governments across Canada have implemented many policy and regulatory reforms in recent years to accelerate homebuilding, with some success. Over the past five years, Canada has experienced more than 1.2 million housing starts, a level not seen since the 1970s. There has been a significant shift in the types of homes built, as apartment-unit construction (both purpose-built rental units and condos) is now five times higher than it was in the late 1990s. This increase in construction has been somewhat offset by a reduction in the number of ground-oriented homes (single-detached, semi-detached, and townhouses), which has been in steady decline since the start of the century.

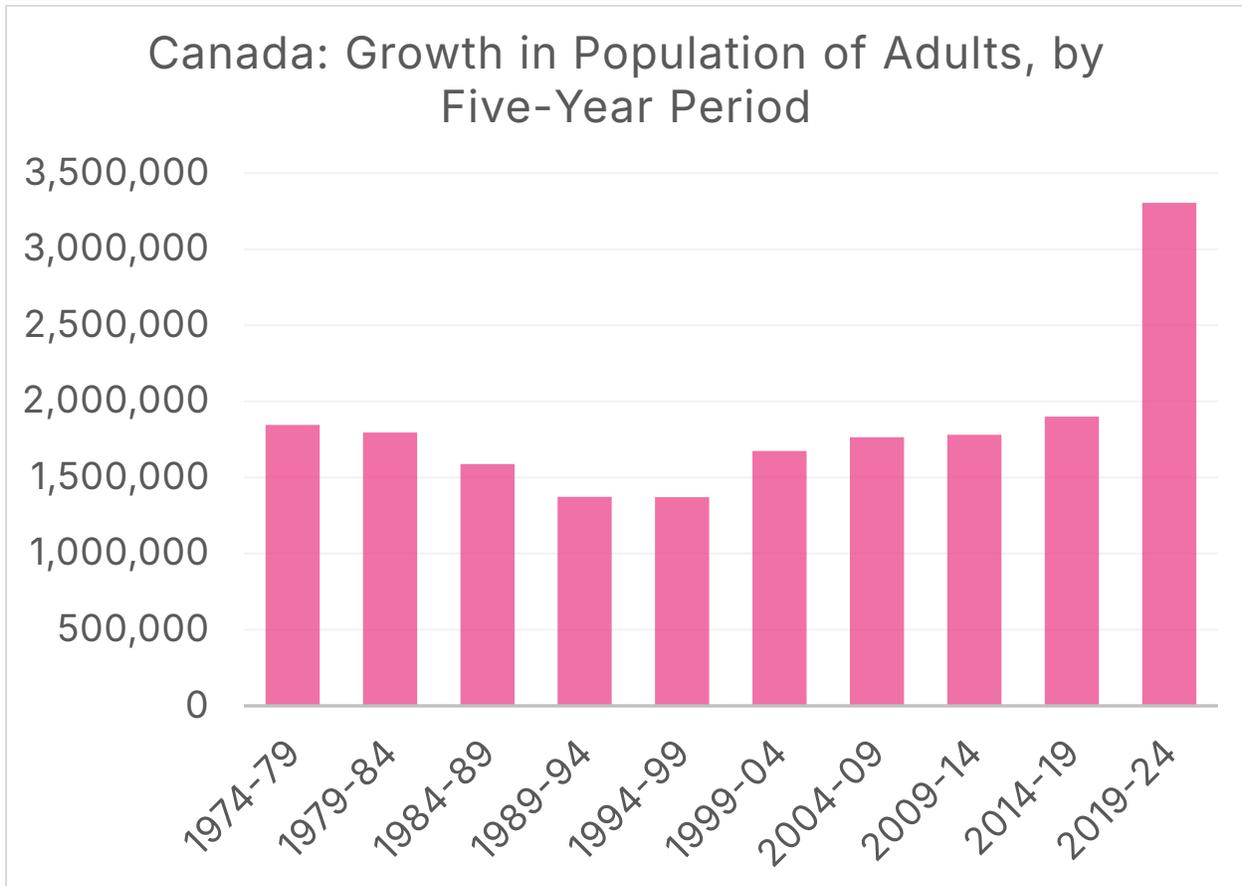
Figure 3: Housing starts by type and five-year period, Canada



Data source: Statistics Canada Table [34-10-0126-01](#). Chart source: MMI

The growth in Canada's adult population has also increased since the late 1990s, thanks to the "echo boom" generation of children born in the late 1980s and early 1990s reaching adulthood, along with changes to immigration and non-permanent residency programs.

Figure 4: Growth in Canada's population of 18+ year olds, by five-year period



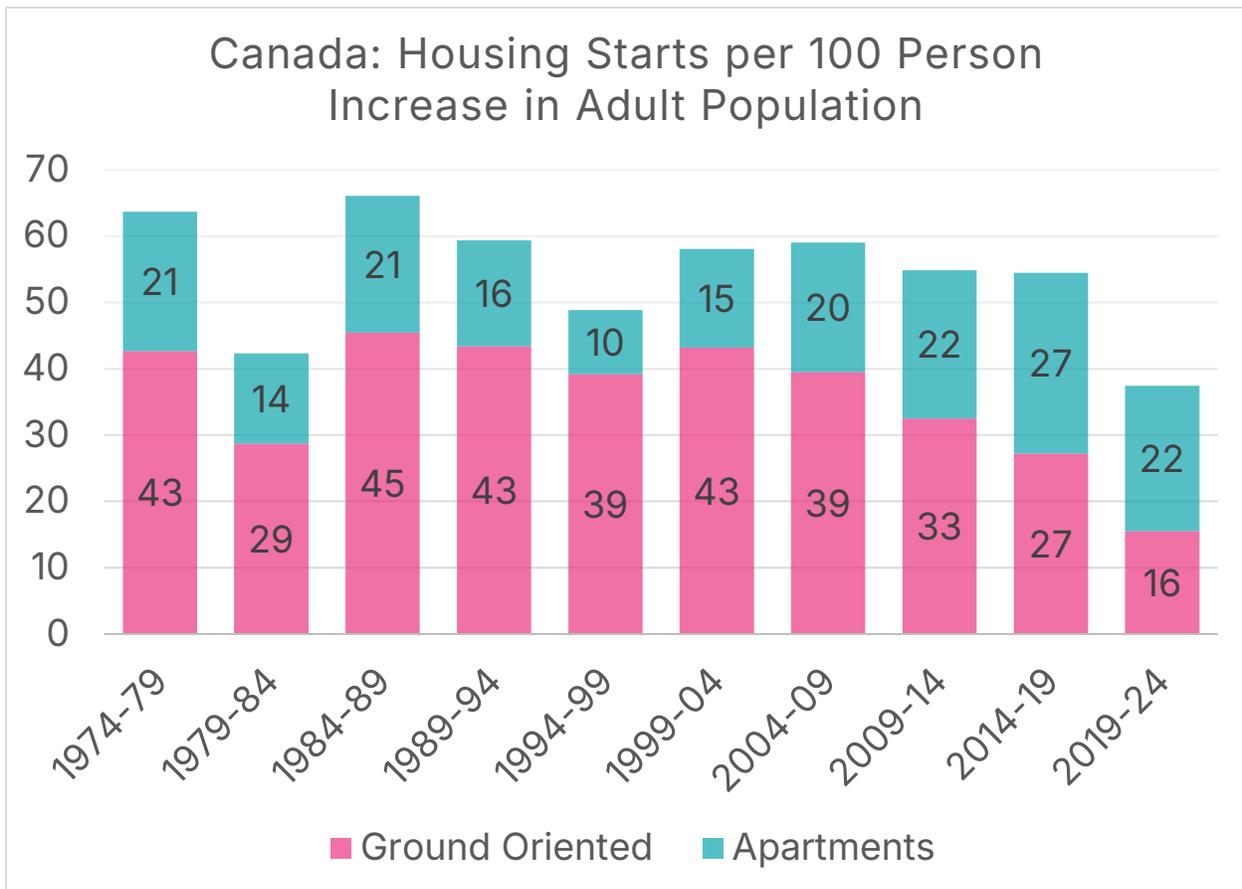
Data source: Statistics Canada Table [17-10-0005-01](#). Chart source: MMI

Relative to population growth, the number of new home starts per 100 people has been in decline since the end of the financial crisis. Between 2004-09 and 2014-19, ground-oriented housing starts per 100 new adults fell from 39 to 27, a 12-unit drop. This drop was partially offset by a 7-unit increase per 100 new adults in apartment starts.

Although apartment starts continued to rise after 2019, there was a substantial drop in both ground-oriented and apartment starts per 100 new adults, as population growth substantially outpaced home construction.

It is important to note that these figures are Canada-wide, and experiences in individual communities can differ. Some towns and cities have not experienced a decline in homebuilding relative to population growth, either because their population growth has been muted or because they have been able to scale up housing construction as their populations have grown. Conversely, other communities have experienced an even sharper drop-off in housing starts relative to population growth than shown in Figure 5.

**Figure 5: Housing starts per 100 person increase in the population of 18+ year olds, by five-year period, Canada**



**Data sources: Statistics Canada Table [17-10-0005-01](#), [34-10-0126-01](#). Chart source: MMI**

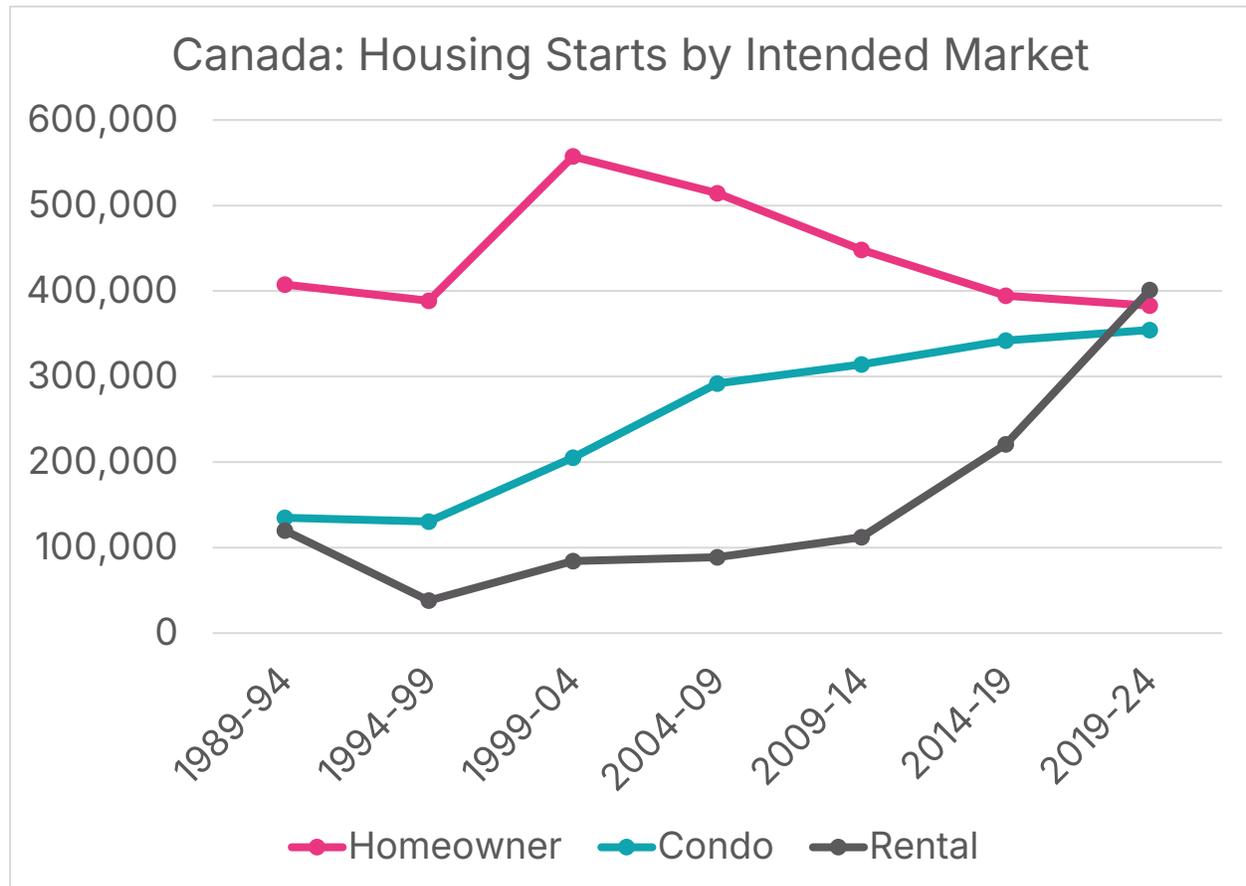
There have not only been shifts in the types of homes being built in Canada, but also changes in their intended use over the last twenty-five years, with a shift towards rental and condominiums and away from freehold ownership.

### Owner-occupied housing starts have not kept pace

Canada underbuilt rental housing during the 1980s and 1990s, resulting in significant shortages nationwide. Over the last decade, the country has experienced a rental building renaissance, driven by policy reforms such as the introduction of the Apartment Loan Construction Program and the Mortgage Loan Insurance Selection initiative, as well as tax reforms that removed the GST from purpose-built rental properties. These reforms have increased the financial viability of building rental housing. These programs have been a near-unqualified success, and rental housing starts have exceeded expectations.

Unfortunately, the freehold and condo markets have not experienced the same level of new supply growth. Freehold ownership housing starts have been in steady decline since the beginning of the century. Condos, on the other hand, experienced robust growth in the late 1990s through the mid-2010s. The impact of this shift on the availability of owner-occupied housing can be overstated, as many of these units are "shadow rentals" - condos that were purchased by investors and rented out, never having entered the rental market.

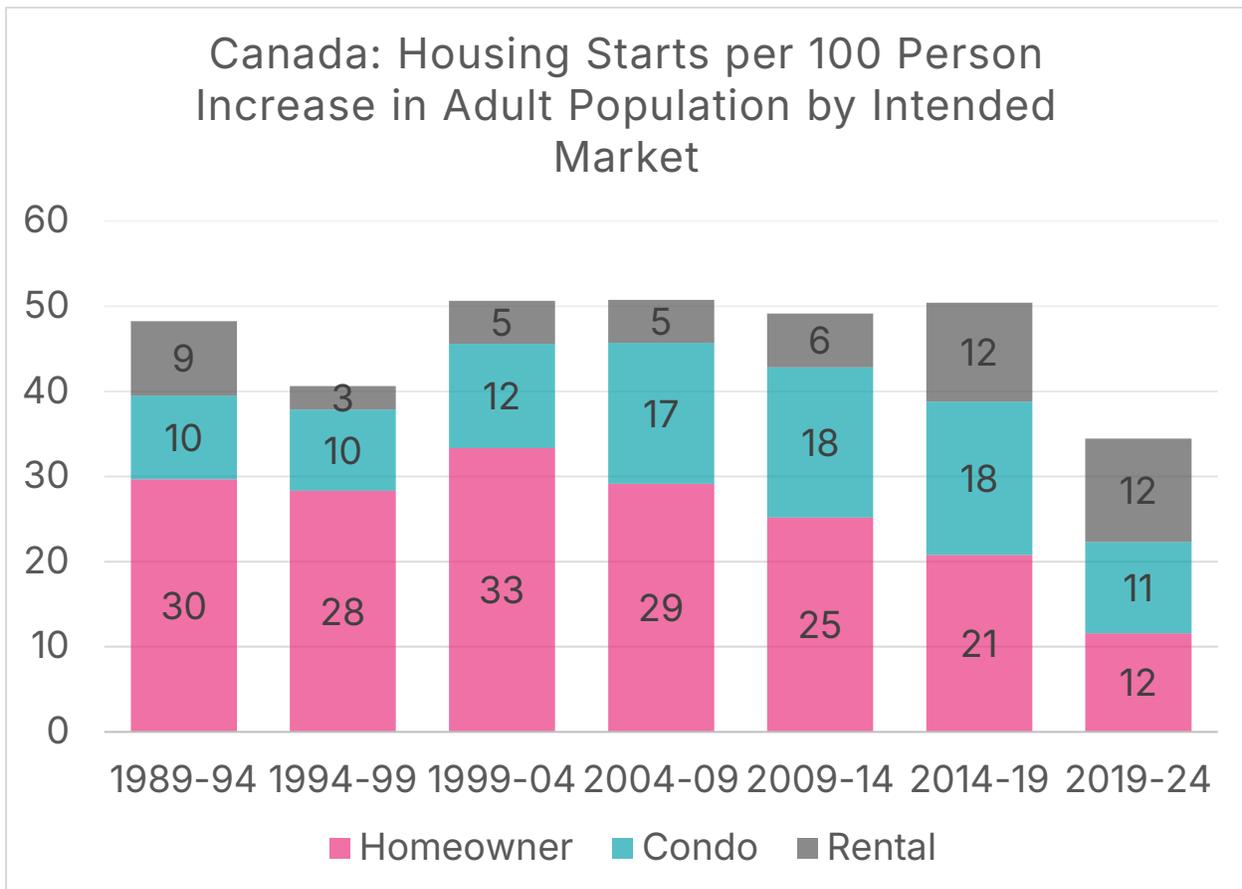
**Figure 6: Housing starts by intended market by five-year period, Canada**



Data source: [CMHC](#). Chart source: [MMI](#).

From the beginning of the 21<sup>st</sup> century to the start of the pandemic, there was significant growth in the number of new condo units and purpose-built rental units relative to population growth, though the number of freehold ownership housing starts per 100 new persons fell by 40%. Remarkably, rental housing starts kept pace with population growth over the last five years, whereas condo starts and freehold ownership starts per 100 new adults fell dramatically.

**Figure 7: Housing starts by intended market per 100-person increase in the population of 18+ year olds by five-year period, Canada**



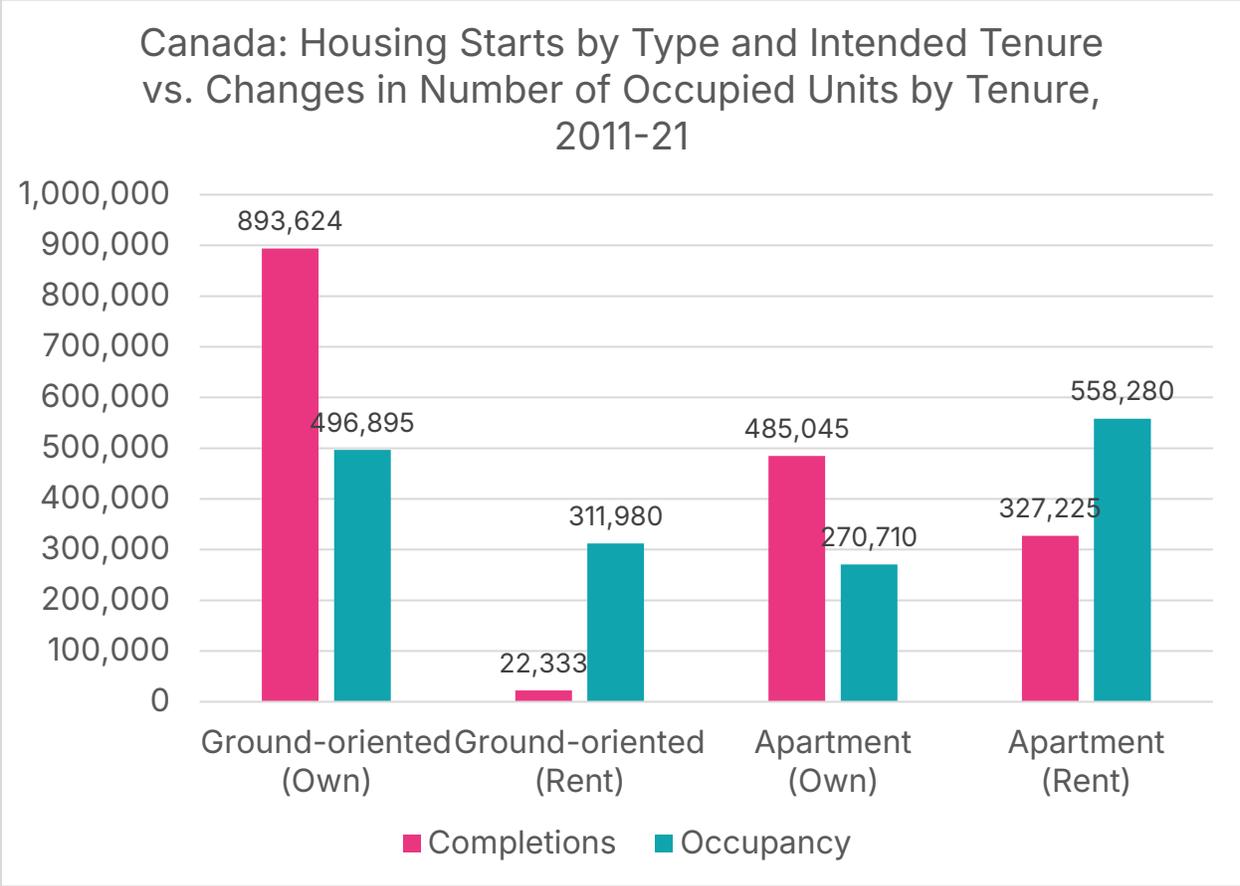
**Data sources: Statistics Canada Table [17-10-0005-01](#), [CMHC](#). Chart source: MMI**

While the drop in both freehold ownership and condo housing starts per 100 new adults is problematic, it understates the scarcity of housing options for first-time homebuyers. A significant portion of the housing stock, both existing homes and new builds, has been purchased by investors in recent years and converted into rental housing. It is critical, however, to remember that these numbers represent national averages, and experiences will differ from community to community.

# And ownership stock is being bought by investors and is being converted to rental

Housing starts by intended market can only tell us so much, as many new and existing owner-occupied homes are bought by investors who rent them out or use them for other purposes. The effect of investor activity can be measured in several ways, including by current home use. During each census, family members are asked if they own or rent the home where they currently reside. By comparing their answers to housing completions over the same period, we can determine the extent to which homes intended for owner occupation shifted to other purposes. Between 2011 and 2021, there were approximately 400,000 more ground-oriented and 200,000 more apartment completions intended for the ownership market than there were increases in the number of those homes occupied by owners. A nearly identical amount offset this loss of owner-occupied units through increases in rented homes, exceeding housing completions. Note that this data does not incorporate home demolitions, nor does it incorporate conversions of single-family homes into apartments.

**Figure 8: Housing starts by intended market per 100-person increase in the population of 18+ year olds by five-year period, Canada**



Data sources: [CMHC](#), [Census 2011](#), [Census 2021](#). Chart source: MMI. This chart compares the total number of housing starts over these ten years with the change in the total number of occupied homes, by type of home and tenure. It does not imply that investors bought the newly built homes and rented them out, but rather that the total number of ground-oriented homes bought by investors and rented out in this period increased by roughly 300,000 units.

Over the past decade or two, young families that wished to purchase a home, particularly a home large enough in which to raise a family with children, have had the deck stacked against them, because:

- Housing starts have not kept up with population growth.
- There has been a shift towards building fewer family-sized homes.
- There has been a reduction in housing starts intended for the ownership market.
- Investors have purchased a large number of homes intended for owner-occupancy to meet the surging demand for rentals.

Each of these issues can be addressed by governments working together and crafting effective public policy. Given that these issues are occurring across Canada, the federal government must play a key coordinating role, enacting reforms within its jurisdiction and collaborating with provincial and municipal governments in areas outside its jurisdiction.

## Considerations and constraints for the federal government

The federal government's ability to enact reforms is limited not only by jurisdiction but also by other constraints, most notably the limited funds available for new housing initiatives.

### Working within the federal government's fiscal constraints

Federal dollars have become increasingly scarce due to priorities such as scaling up the Canadian military. The government has embarked on an ambitious agenda to reduce program spending. Given that the federal government has already allocated funds to new housing initiatives, such as Build Canada Homes, reducing development charges, and lowering the GST for first-time home buyers, there is minimal fiscal space for additional new housing initiatives. Additional federal housing initiatives must have a minimal fiscal cost, or ideally, generate more in additional tax revenue than they incur.

While the cost of action is real, so is the cost of inaction. A recent report by the Missing Middle Initiative finds that if the Greater Toronto Area's housing construction slump continues, the combined cost to all three orders of government will be \$6 billion a year in lost tax revenue, along with 41,000 jobs in the GTA alone. Policies that can help jump-start housing construction, particularly in Toronto and Vancouver's struggling markets, can generate billions of dollars in much-needed tax revenue for governments.

Figure 9: Estimated annual reduction in tax revenue from a GTA housing crash

Tax Source	Lost Annual Revenue
Income Taxes (Fed + Prov)	\$1,478,320,000
Corporate Taxes (Fed + Prov)	\$461,193,000
Sales Taxes (Fed + Prov)	\$1,965,064,000
DCs and Fees (Municipal)	\$2,238,118,000
Transfer Taxes (Prov + Municipal)	\$332,962,000
<b>Total Taxes</b>	<b>\$6,475,657,000</b>

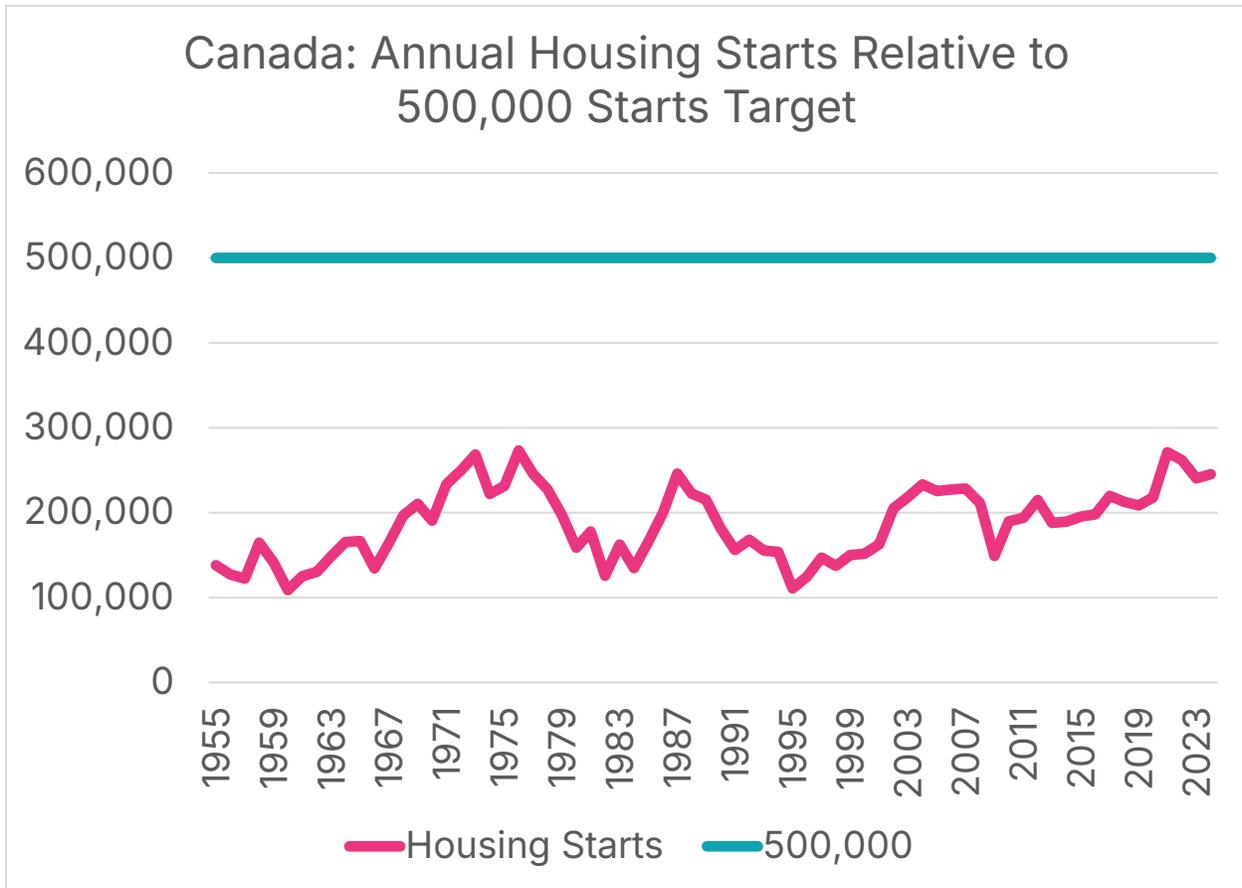
Chart source: Missing Middle Initiative

The federal government should recognize that accelerating homebuilding will increase much-needed tax revenue and take a holistic approach to potential reforms. Recognizing that while some pro-supply reforms will have a direct fiscal impact, they can partially or completely pay for themselves through net new tax revenue.

### Meeting the federal government's lofty supply goals

The federal government has set a highly ambitious target to double Canada's annual housing starts to nearly 500,000. To put this number in perspective, Canada has never had more than 300,000 housing starts in any single year.

Figure 10: Actual annual housing starts relative to the 500,000 starts target



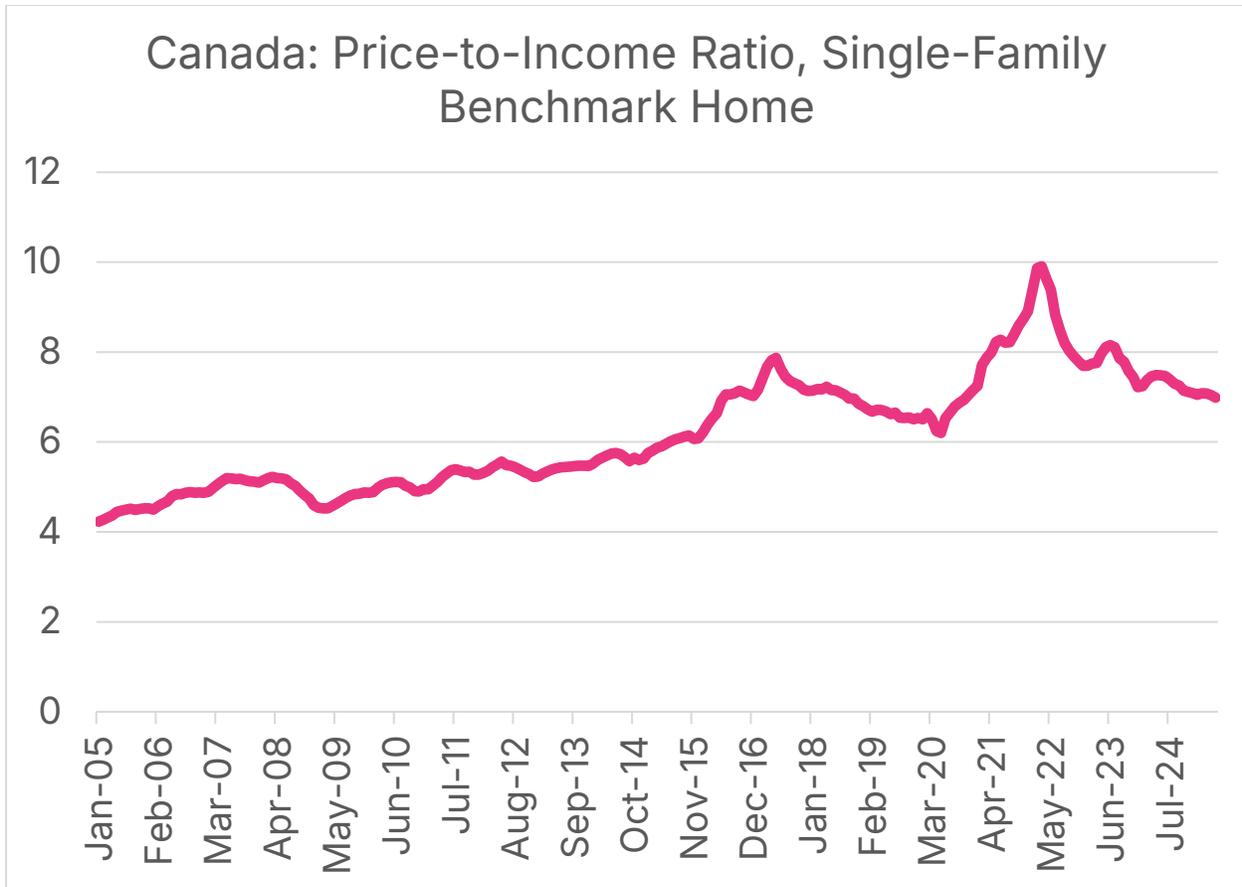
Data source: Statistics Canada Table [34-10-0126-01](#). Chart source: MMI

The challenge here should not be understated, as the federal government is simultaneously trying to double the size of one of Canada's largest industries while embarking on an era of spending restraint. Navigating this tension will require exceptionally creative policymaking, coordination among all three orders of government, and ensuring that every housing-related dollar is spent as efficiently as possible.

## Ensuring policy reforms do not stimulate demand for existing homes

It is no coincidence that homeownership rates have fallen since 2011, as home prices have risen faster than incomes. While price-to-income ratios have fallen since pandemic-era peaks, they remain well above 21st-century averages, coinciding with mortgage rates that are also above those of the past twenty-five years.

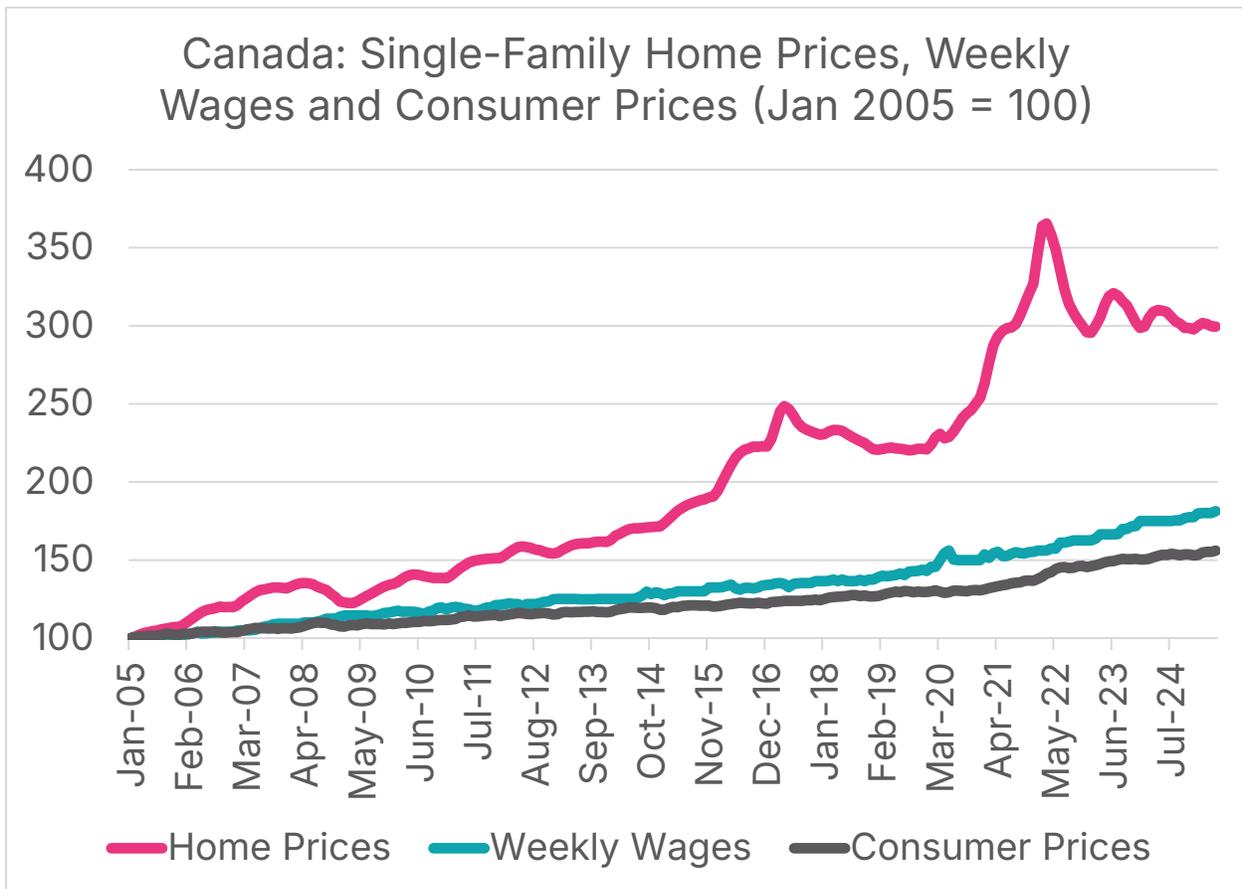
**Figure 11: Price-to-income ratio for a middle-class family purchasing a single-family home at the Canadian benchmark price**



**Data sources:** [CREA](#), [Statistics Canada Table 14-10-0063-01](#). **Chart source:** MMI

Restoring affordability will require incomes to rise faster than home prices. While weekly wages have grown somewhat faster than consumer prices over the past 20 years, home prices have substantially outpaced both.

Figure 12: Growth in single-family home prices, weekly wages for 25-54 year old full-time workers, and consumer prices, relative to January 2005.



Data sources: [CREA](#), [Statistics Canada Tables 14-10-0063-01](#), [18-10-0004-01](#). Chart source: MMI

Governments must ensure that any housing reforms do not increase the demand for pre-existing homes, which would send home prices even higher. Policies must be tailored to increase the viability of new home construction. Lowering taxes that only apply to new homes, such as development charges and the HST, is the most straightforward way to do so, though governments must also operate within fiscal constraints. Operating within these constraints will require a high level of creativity, along with the design of policies that differentiate between new and existing homes.

## A blueprint for restoring a pathway to homeownership

Housing is a system, and the demand (or supply) for one form of housing impacts all others. As such, simply designing new policies directly targeted at first-time homebuyers is not enough to restore a pathway to homeownership. Governments must find ways to strengthen the entire housing system.

In particular, the federal government needs a blueprint to help restore a pathway to homeownership. This blueprint must both recognize the causes of the decline in homeownership rates and acknowledge the policy reforms that have already been implemented, as well as those pending, while working within the very real constraints faced by the federal government. This blueprint should be based on the following four goals:

### Four goals for a blueprint to restore a pathway to homeownership

1. **Build homes for real families:** Scale up construction across the housing continuum to increase the attainable supply of both rental and ownership housing options that meet the needs of families of all shapes and sizes.
2. **Rebuild the pathway to home ownership:** Make it easier for renters to become first-time buyers by simplifying the process of saving for a down payment and by creating programs that enable renters to transition into ownership options without increasing their monthly housing expenses.
3. **Right-size housing for existing families:** Make it easier for existing homeowners, particularly young families and seniors, to transition into "right-sized" housing, thereby unlocking existing homes for first-time buyers.
4. **Shift the market from portfolios to families:** Reverse the trend of family-sized homes being purchased by investors by shifting investment activity into building new purpose-built rental housing.

These goals can then serve as the basis for informing a series of policy reforms. We provide recommendations for each goal.

## New supply: Scale up construction across the housing continuum

By setting a goal to "double the pace of construction to almost 500,000 new homes a year", the federal government recognizes that more housing supply is needed. But when it comes to homes, one size does not fit all. We need a diverse range of housing options, including both rental and ownership, in every community across the country. We need more homes suitable for raising families with children, as well as more options for seniors who wish to downsize.

There is no one single issue preventing Canada from achieving this goal, nor is there one single barrier that stands in our way. The 2023 [National Housing Accord](#) identified six core challenges to scaling up Canada's housing sector, with the first five being particularly relevant to building market-rate ownership housing:

1. **Coordination:** No one actor in the system can ensure that housing completions keep pace with population growth. All levels of government, the higher education sector, builders, developers

and the non-profit sector all play vital roles. This requires actors in the system to share data, coordinate their actions and keep each other accountable.

2. **Ability:** Building homes requires sufficient labour, materials, equipment, land and capital. Lacking enough plumbers, bathtubs, or money to pay for them will prevent the necessary number of homes from being built.
3. **Viability:** Or, as developers ask, "Will it pencil?" For-profit builders and developers will not build unless it makes economic sense for them to do so. Revenue from building homes must sufficiently exceed the costs, which is particularly challenging when we also need homes to be affordable to families across the income spectrum.
4. **Productivity:** There may be some inputs to homebuilding where we cannot double or triple them in such a short time. Homebuilding needs to be more productive and innovative. By being more productive and innovative, we can build more housing with fewer inputs, increasing the ability and viability of building homes.
5. **Permission:** The regulatory environment needs to allow housing to be built with minimal delays, while ensuring it is produced safely, protects the environment, and creates great communities for all ages.

With these challenges in mind, the federal government should design and implement a set of policies to meet the following policy goal:

**The federal government, working in coordination with provincial and municipal governments, must address all the barriers to creating new homes across the housing continuum.**

## New supply – policy recommendations

The federal government, as soon as possible, should implement the following recommendations:

*Recommendation 1: To ensure housing is attainable for all Canadians, establish a permanent mechanism to collaborate and coordinate housing policy and development, such as a national housing secretariat.*

As the National Housing Accord makes clear, no one order of government can ensure that housing completions keep pace with population growth. Although the issue of declining homeownership affects all of Canada, most policy tools to address the problem are within the jurisdiction of provincial and municipal governments, rather than the federal government. The federal government, however, must play a vital role by using the tools within its jurisdiction and providing much-needed infrastructure funding to provinces and municipalities.

A National Housing Secretariat was one of the core recommendations of the Canadian Real Estate Association's [2024 REALTOR Recommendations](#) report, and the need has only grown since then.

*Recommendation 2: To ensure new home construction keeps pace with population growth, the federal government should introduce annual housing start targets that are broken down into unit size and ownership type, make these available to provinces and municipalities to aid with planning, and update these targets in response to changes in immigration targets and other policies that impact population growth. These housing start targets should also be used to ensure that Build Canada Homes creates homes that meet the diverse needs of Canadian families, including a range of unit sizes and both rental and ownership options.*

When it comes to housing, "a unit is not a unit". Different families have different needs. The federal government should establish more detailed housing targets, categorizing them by year, geography, housing type, cost, and intended market. Through such targets, governments can better monitor where housing supply is keeping pace with demand and identify areas that may require further policy reforms.

The federal government has several pre-existing tools available to aid in these calculations, including the [Housing Assessment Resource Tools](#) (HART) project, the [RoCA 3.0 Benchmark](#), and the [Montréal Method](#). In particular, the chosen methodology should be able to provide targets differentiated by unit type/size, as well as separate targets for ownership and rental housing, which is possible using most standard methods, including RoCA 3.0.

For example, the report [Families on the Move](#) uses the RoCA 3.0 method to show that, across Ontario in 2021, the province had a shortage of 500,000 homes, with the majority of the shortage occurring within the ground-oriented ownership housing category.

Because housing needs are highly sensitive to immigration targets and population growth, these housing start targets should be revised immediately whenever the federal government announces new immigration targets or Statistics Canada issues revised [population projections](#).

These housing start targets should be used for several purposes, including the federal government's Build Canada Homes (BCH) initiative. BCH performs a variety of functions, including acting as a developer to build housing at scale and accelerating the growth of prefabricated and factory-built housing approaches.

As the government grows BCH, it should ensure that BCH builds homes that meet the diverse needs of Canadian families, including a robust mix of unit sizes and both rental and ownership options. We would encourage the government to emphasize the creation of mixed-use projects that combine affordable, deeply affordable, and market-rate housing, along with a range of rental and ownership options. To create complete communities, retail or other amenities should also be considered where appropriate.

There are seven principles that the federal government should keep in mind as it scales up the Build Canada Homes program:

1. **Housing is a system:** As BCH defines its mandate and operations, it must explicitly recognize and plan for the complexity and interconnected nature of Canada's housing system. Changes to one part of the housing continuum inevitably affect the whole. A balanced mandate should reflect the full housing continuum, ensuring new supply meets urgent affordability needs without excluding opportunities for ownership.
2. **Performance must be tracked and measured:** The federal government should adopt a multi-dimensional framework for measuring success under the Build Canada Homes initiative. While the number of housing units created is a critical metric, it is insufficient on its own to reflect the program's impact on Canada's housing crisis. Success must be measured by human-focused outcomes such as affordability, suitability, and inclusivity.
3. **Mixed-tenure communities are vital:** Build Canada Homes should explicitly support the development of inclusive, mixed-tenure communities that reflect the full spectrum of housing needs. While prioritizing deeply affordable and supportive housing is essential, affordable homeownership must also be part of the solution. Mixed-tenure communities, where rental, supportive, and ownership units coexist, offer key benefits such as social cohesion, destigmatization, investment appeal, and pathways to stability.
4. **The need to accelerate innovation in housing technologies:** BCH can leverage off-site construction technologies, such as prefabricated housing, to accelerate housing production, lower costs, and improve quality. Realizing this promise requires deliberate government action to ensure that the sector matures into a resilient, widely accepted part of our housing system rather than a temporary response to urgent supply gaps. To unlock its full potential, prefabrication must become integral to Canada's entire housing system, contributing to affordability, the missing middle, and high-demand urban development. But, if prefabricated housing is framed primarily as a solution for affordable housing, it risks being (further) stigmatized, a perception that could undermine public trust and limit adoption. Prefabrication must be deliberately positioned as a high-quality, modern, and mainstream housing option. Government leadership is essential to strike this balance. By pairing strategic investment with industry partnerships, clear design guidelines, and public education, Canada can establish a robust prefabrication industry that strengthens housing development across the housing continuum.
5. **Portfolio-based housing projects bring scale:** Build Canada Homes should explicitly support portfolio-based housing proposals as a mechanism to deliver scalable, inclusive, and financially viable housing developments. This approach enables developers and community housing providers to bundle multiple projects across geographies, tenures, and phases under a unified framework, accelerating delivery and reducing costs. Portfolio models allow for mixed-income and mixed-tenure communities, where deeply affordable rental units can coexist with market-rate housing and a modest proportion of homes designated for ownership.

6. **The need to eliminate homelessness:** The federal government should include supportive housing within the Build Canada Homes initiative and adopt the Canadian Alliance to End Homelessness (CAEH) recommendation to deliver 50,000 new supportive housing units. To maximize the impact of federal capital investments, the Government of Canada should collaborate with provinces and territories to secure long-term funding for essential operating and support services, including health, mental health, and case management. Without coordinated federal-provincial-territorial collaboration, supportive housing risks falling short of its intended outcomes and failing the communities that need it most.
7. **BCH should not crowd out existing initiatives:** Canada must maintain momentum on urgently needed community housing. A significant number of projects are already in the pre-development phase, progressing toward shovel-readiness. These initiatives cannot easily adapt to sudden changes in design standards, construction techniques, or material requirements. Any shift toward Modern Methods of Construction or mandated materials should be introduced gradually, with a clear and predictable implementation timeline.

*Recommendation 3: To increase the supply of missing middle housing, create an application stream in the CMHC's Apartment Construction Loan Program (ACLP) for smaller builders who wish to build 2-4 unit buildings.*

The CMHC's Apartment Construction Loan Program has been instrumental in accelerating the construction of purpose-built rental apartment buildings in Canada. The program provides low-interest-rate loans to eligible borrowers during construction and stabilization for a variety of rental housing types, including student housing and senior housing.

The program currently provides funding only for buildings with 5 or more units and requires a minimum loan size of \$1 million. These two requirements limit the number and type of missing middle homes that can be built.

To address these limitations, the CMHC should create a specific application team for smaller-scale builds, which would include:

- Reducing the minimum to 2 units.
- Lowering, or eliminating, the \$1 million loan threshold.
- Introducing a simplified underwriting process for buildings with fewer than 5 units.
- Fast-tracking the approvals of projects that utilize designs from the CMHC housing catalogue.

These changes would help create more family-sized missing-middle homes.

*Recommendation 4: Substantially lower the price of new homes for Canadian families by removing tens of thousands of dollars of interest costs, junk fees, and tax-on-tax from the cost of new homes by implementing a transparent direct-to-buyer development charge (DC) billing model that exempts DCs from HST.*

Typically, in Canada, developers are required to pay for development cost charges and related fees when they obtain their building permit. They carry these fees on their construction loans, which increases the amount of capital required for the project and requires them to pay interest during the construction period, adding thousands of dollars to the cost of a home. The developer then incorporates the development charge and interest costs into the home's price. The buyer of

the home then has to pay GST (and, depending on the province, provincial sales taxes) on the embedded development charges and interest costs, creating a tax-on-tax.

These expenses can be avoided if development charges (and related fees) were treated like other new housing purchase-related taxes and paid as a separate line item on a purchase agreement. Charging at closing would save buyers thousands of dollars in interest costs, and charging as a separate line item would allow governments to exempt development charges from GST, eliminating the development charge tax-on-tax. As detailed in the report [How a Direct-to-Buyer Development Charge System Can Save Homebuyers \\$68,000](#), switching to this model saves new homebuyers tens of thousands of dollars.

A direct-to-buyer development charge system has the following features:

- **Transparency:** Instead of being buried in the final price, development charges are shown as a separate line item on a purchase agreement, making them visible to the homebuyer and ensuring they know exactly how much they are paying in development charges.
- **Price Inclusion:** The price of the home would include the visible development charges so that the buyer can incorporate them into their mortgage. They would not be treated as a closing cost, and the development charge rate would be "locked in" at the time of the purchase agreement, protecting the buyer from future development charge increases.
- **Tax Exemption:** Since development charges are now listed as a separate line item rather than being included in the final price, governments can make this line item tax-exempt. Currently, embedded development charges are subject to GST, PST, and land transfer taxes, resulting in a tax-on-taxes scenario. Eliminating this tax-on-tax saves can save buyers tens of thousands of dollars.
- **Savings through cutting out the intermediaries:** Under the current system, development charges are carried on the construction loan for a project, which racks up thousands of dollars in interest expenses, which is great for lenders, less so for homebuyers. The developer then passes along the development charges, the interest expenses, plus a profit margin on both, to the end homebuyer. By cutting out the intermediaries, homebuyers can achieve substantial savings.

The savings from this model come from five sources:

- **Interest costs:** Since development charges are paid at closing in this model, rather than upon obtaining the building permit, they do not require financing through construction loans, resulting in thousands of dollars in interest cost savings.
- **Developer margins:** Under this model, development charges are treated as taxes and not rolled into construction costs, preventing developers from adding a profit margin to these costs.
- **Federal GST:** Under this model, development charges are made tax-exempt, so GST would not be applied to them. The total GST payable per home is reduced, as the tax-on-tax is now eliminated. GST should not apply to development charges; it is one thing to ask new homeowners to contribute, through development charges, to the construction of a new library or playground. It is a different matter entirely to charge them GST for their contributions.

- **Provincial PST:** For provinces that assess PST on new homes, such as those that have adopted the HST system, the tax-on-tax would be eliminated, as it was with the federal GST.
- **Land Transfer Taxes:** For provinces with land transfer taxes, or property transfer taxes, such as Ontario and British Columbia, development charges would now be exempt from LTT. This change would also apply to the City of Toronto, which also assesses a land transfer tax.

From the buyer's perspective, the revised system appears indistinguishable from the current one, with development charges factored into the final purchase price and included in the mortgage rather than treated as a closing cost. The report, Legislation, Loans, and Lock-Ins: The Mechanics of Direct-to-Buyer DCs, provides additional detail on the model, how it reduces costs for homebuyers, and increases transparency for both buyers and sellers.

While the federal government cannot directly implement a closing line-item development charge model, it could require it as part of signing on to infrastructure funding programs or future iterations of the Housing Accelerator Fund. They could also encourage provinces to make this change by committing to exempting line-item development charges from the GST.

## First-time homebuyers: Restoring a pathway to homeownership

Younger Canadians are increasingly being locked out of home ownership. Both home prices and rents have risen faster than inflation and wages over the last two decades, making it doubly challenging to save up for a down payment. Higher home prices require this group to accumulate more savings, and higher rents leave fewer dollars at the end of the month to save for a down payment. Ironically, rents can be so high that some renters would see their monthly expenses fall if they could move into a home they owned, but they cannot do so because they cannot meet the minimum down payment requirements.

For this group, their three big challenges are:

1. **Down payments:** Accumulating enough savings to meet the minimum down payment requirements.
2. **High prices:** High rents and home prices make it nearly impossible to save up for a down payment without assistance from family and friends.
3. **Lack of suitable supply:** This is often a smaller issue for this group than for other groups, as many first-time homebuyers are individuals or couples without children, and would be happy with smaller homes, which are often in higher supply than larger homes with three or more bedrooms.

With these challenges in mind, the federal government should design and implement a set of policies to meet the following policy goal:

**Create a pathway to homeownership by reducing barriers that make it challenging to save for a down payment and those that prevent renters from buying a home with mortgage payments at or below their current rent.**

## First-time homebuyers – policy recommendations

The federal government, as soon as possible, should implement the following recommendations:

*Recommendation 5: To ensure that young Canadians can purchase their first home, introduce a federal downpayment assistance program for first-time homebuyers.*

If a first-time homebuyer has consistently made rent payments, a lack of a sufficiently large down payment should not be a barrier to moving into an ownership-based home where the mortgage payments are the same size, or lower, than the rent payments they are currently making.

One potential downside to downpayment assistance programs is that they could spur additional demand for existing homes. If the government wished, one option would be to require their use only for the purchase of newly built and pre-construction homes. Limiting their use can also serve as a pilot to determine their effectiveness and assess whether they should be expanded to incorporate all homes.

There are two different models that the federal government could use for a downpayment assistance program:

1. **Low-interest loans:** Some provinces, such as Prince Edward Island and New Brunswick, currently offer programs that provide low- or no-interest ten-year loans of up to 5% of the home's cost to qualifying first-time homebuyers, helping to meet downpayment requirements. The federal government could introduce a similar program for existing, qualifying first-time buyers who wish to move into a newly built home.
2. **Reducing down-payment requirements for qualifying first-time homebuyers purchasing new homes.** The federal government could also lower downpayment requirements for qualifying buyers of new homes. For example, minimum downpayment requirements could be halved for first-time buyers of new homes who meet minimum income standards or have a strong track record of making rent payments.

The first option requires the federal government to allocate capital to the program, which can be designed to be revenue-neutral or even revenue-positive, depending on the interest rate the government chooses. The second program imposes no capital requirements on the government. While it would incur a small administrative expense, it would be more than offset by tax revenues from increased construction, resulting in net revenue for the federal government.

While the second option is, on paper, less complex, it does require the federal government to coordinate with both the CMHC and OSFI (the Office of the Superintendent of Financial Institutions) to make such changes feasible.

*Recommendation 6: To ensure that young Canadians can save enough for a down payment for their first home, the federal government should index the Home Buyers' Plan and First Home Savings Account contribution limits and lifetime contribution limits to inflation.*

These programs, although helpful, can lose their effectiveness over time as home prices rise, and maximum savings levels often prove inadequate to finance downpayments. To create certainty for the users of these programs, their annual and lifetime contribution limits should be indexed to inflation.

## Helping existing homeowners right-size into more suitable housing

One effective way to support first-time homebuyers and young families is by facilitating the transition of existing homeowners into newly built housing, thereby freeing up existing homes for future generations.

For existing homeowners looking to switch homes, the challenges they face differ somewhat from those of first-time homebuyers. Often, their existing homes provide more than enough equity to meet existing down payment requirements. Instead, the biggest challenges faced by non-first-time buyers are finding a suitable, affordable home that meets their needs, along with the costs of selling one home and buying another. Their three biggest challenges are as follows:

- 1. High prices:** With the existing equity they have in their homes, these groups can typically meet the minimum down payment requirements. However, these groups, particularly families with young children, are seeking homes with multiple bedrooms and proximity to child-friendly amenities. Due to the high price of homes, current interest rates, and the mortgage stress test, many families struggle to afford or qualify for a mortgage that meets their needs.
- 2. Lack of suitable supply:** Younger families with children often require homes with three or more bedrooms. The construction of homes of this size has been in decline over the past twenty years, and investors have increasingly purchased pre-existing homes of this size. Seniors and other families who wish to downsize often prefer to stay in their existing neighbourhoods, but there is a shortage of nearby units that meet their needs.
- 3. Transaction taxes and costs:** Although these groups, particularly older downsizers, often have sufficient equity to switch homes, the loss of equity through transaction taxes, such as land transfer taxes, acts as a disincentive to do so.

With these challenges in mind, the federal government should design and implement a set of policies to meet the following policy goal:

**Reduce or eliminate the barriers that prevent existing homebuyers from "right-sizing" into a newly built home, including young families with children who may need a larger home and seniors who wish to downsize.**

### Right-sizing homebuyers – policy recommendations

The federal government, as soon as possible, should implement the following recommendations:

*Recommendation 7: Substantially lower the price of new homes for Canadian families through a temporary three-year expansion of the existing GST/HST New Housing Rebate to provide a rebate of 100% of the GST on new homes valued up to \$1 million, and a partial rebate for homes between \$1 million and \$1.5 million, but otherwise keeping the existing rebate criteria in place.*

Homes priced over \$450,000 are currently ineligible for a GST/HST new housing rebate, as the rebate's thresholds have not been updated since 1991, despite a promise to update them for inflation every two years. In 1991, the average price of a home in the GTA was \$235,000; by 2024, the average price had risen to \$1.12 million, almost five times higher, but the rebate thresholds remain unchanged. In large portions of the country, the rebate is effectively nonexistent, as there

are no new homes priced under \$450,000. CRA data shows that in 2023, fewer than 2,000 new homes in Ontario qualified for the rebate due to the high cost of new housing.

The federal government has introduced a First-Time Home Buyers' GST Rebate, which provides a 100% GST rebate on new homes priced under \$1,000,000 and a partial rebate for homes priced between \$1,000,000 and \$1,500,000. This measure will save buyers tens of thousands of dollars on newly built homes. The Parliamentary Budget Office estimates the annual cost of this program to be between \$300 million and \$400 million.

The federal government should adjust the thresholds of the existing GST/HST New Housing Rebate over three years to match those in the First-Time Home Buyers' GST Rebate. By retaining the existing criteria of the New Housing Rebate, including the primary residence requirement, the benefit can be ensured to go to families rather than investors. This initiative will stimulate new housing construction by lowering the price of a new home by up to 5%, while also freeing up homes for existing families. If this initiative were matched by provincial governments, such as Ontario's, those savings would be over 10%.

In most cases, the GST/HST New Housing Rebate, which is only available to those purchasing a home as a primary residence under the existing criteria, frees up existing homes as homebuyers move out of their old homes and into their new ones. From seniors downsizing to a young couple moving out of a condo and into a larger home, the purchase of a new home and the sale of the existing one frees up ownership-based housing for the next generation. However, in some cases, new homebuyers will retain their existing residence and use it for another secondary purpose, such as renting, which does not increase the stock of owner-occupied housing. The federal government will likely want to monitor this and consider adjusting the rebate criteria to require the new home to be both a primary and sole residence. Additionally, incentives to invest in newly constructed rental housing, as recommended in Recommendation 9, should also help reduce the phenomenon of investors holding onto ownership-based housing and renting it out.

By making the program time-limited, the federal government can limit the program's total lifetime cost, let it expire if it is not achieving the intended result, and encourage swift action to help the flagging new housing markets in the Greater Toronto (GTA) and Greater Vancouver (GVA) areas. Since the GST only applies to new housing, this rebate will not stimulate demand for existing housing.

The expanded rebate would have a gross fiscal cost to the federal government of up to \$1.6 billion per year. While not an insignificant sum, this cost will be partially offset by taxes generated from increased construction, particularly in the GTA and GVA.

*Recommendation 8: To help seniors downsize and unlock family-sized homes for the next generation of Canadian families, develop a federal housing strategy for seniors to build desirable housing options and diverse typologies that enable aging seniors to remain in their communities.*

Many seniors wish to downsize their homes and move into smaller housing that better suits their needs. However, many also wish to stay in their current neighbourhoods to remain close to friends, family, healthcare providers, and community organizations. A lack of suitable housing options, combined with the costs of moving, including land transfer taxes, can deter downsizing. These constraints not only cause seniors to be "involuntarily overhoused" but also prevent these homes from being enjoyed by the next generation of families with children.

Some governments in Canada are also encouraging seniors to create secondary suites and accessory dwelling units to increase housing options and gentler density in existing neighbourhoods. In creating these programs and incentives, however, governments must ensure that the initiatives and the rental revenue they generate do not result in significant clawbacks of supports received by a participating senior, such as Old Age Security and the Guaranteed Income Supplement.

No single order of government can solve these issues on its own. The federal government, in conjunction with provincial and municipal governments, must develop a strategy to create housing options that are suitable for the growing senior population.

## Unlocking existing homes owned by investors and shifting investment activity

Over the past two decades, small-scale investors have purchased a substantial number of existing homes and new homes intended for the ownership market and rented them out. While this certainly helped address rental shortages caused by decades of underinvestment in rental housing and rapid population growth, it came at the cost of a reduced supply of ownership-based housing.

Mom-and-pop investors and landlords can play a vital role in addressing Canada's ongoing rental housing shortage. Policies that shift incentives away from buying existing housing and instead towards investing in new, purpose-built rental properties can both address the rental shortage and ensure that families are not competing with investors for family housing.

To shift investor activity away from buying existing units and towards investing in purpose-built rental, three big challenges are:

1. **Barriers to building mid-rise rental:** While Canada is experiencing a rental-housing construction renaissance, the majority of new rental housing is in high-rise buildings, which have construction costs that are far beyond the reach of small-scale investors. As such, the only opportunity for smaller-scale investors to invest in rental housing was to either buy existing housing and rent it out or buy shares in a REIT. If regulatory restrictions preventing the construction of missing middle housing were lifted, we could create additional rental options and enable smaller-scale investors to invest directly in rental property construction.
2. **Existing financial incentives:** Even where investing in smaller-scale apartment construction is possible, approval delays and fees create additional risk and costs, making buying existing housing more attractive. However, if building new housing were tax-advantaged over buying existing homes, smaller-scale investors would be more likely to build rather than buy.
3. **Capital locked into existing units:** Small-scale rental investors currently have substantial capital tied up in existing homes. Incentivizing them to sell those homes to families who will use them as primary residences would not only help restore a pathway to homeownership but also unlock capital for the construction of new homes.

With these challenges in mind, the federal government should design and implement a set of policies to meet the following policy goal:

**Reform financial incentives to encourage small-scale investors to build new purpose-built rental properties instead of buying existing homes and renting them out. Encourage investors to sell their existing single-family homes back to families and reinvest that capital into homebuilding.**

## Unlocking existing homes – policy recommendations

The federal government, as soon as possible, should implement the following recommendations:

*Recommendation 9: To build much-needed missing-middle rental housing, and to channel investor dollars towards new construction and away from competing with families and buying up single-family homes, launch consultations on the proposed Multi-Unit Rental Building (MURB) tax provision this spring, with the goal of ensuring that rental projects that begin construction on or after January 1, 2027, are eligible for the programs.*

The federal government has committed to reinstating the 1970s-era Multi-Unit Rental Building (MURB) tax provision, a highly successful program that enabled smaller-scale investors to finance the construction of hundreds of thousands of new rental units. However, the federal government has yet to fulfill this promise. We would recommend they follow through on this commitment.

While the MURB tax provision only creates rental housing, not ownership housing, it will divert investor capital away from buying existing homes and renting them out and towards the construction of new rental properties.

*Recommendation 10: To get single-family homes out of the hands of investors and back into the hands of families, create a time-limited incentive for investors who currently own non-purpose-built rental properties who sell the units to non-investors and reinvest the proceeds into a project eligible for the MURB tax provision.*

While diverting investor activity away from buying existing homes and towards building new rental housing is important, it does not put existing homes back into the hands of families. The federal government can address this issue by creating a time-limited incentive for investors to sell their existing homes back to families who will use them as primary residences, provided that they reinvest the proceeds into the construction of a MURB-eligible project. An incentive could include a temporary reduction in capital gains taxes on such sales. Such an incentive would simultaneously stimulate the development of new rental housing and provide a pathway to homeownership for families.

## The federal government can restore a pathway to home ownership for young, middle-class Canadians

Young Canadians have been increasingly locked out of homeownership due to a combination of low supply relative to population growth, rising prices, high rents, stagnant income growth, and competition with investors for homes. Incentive programs for first-time homebuyers are helpful, but they are not enough to restore a path to homeownership. Governments must recognize that housing is a system, and that restoring a pathway to homeownership requires a plan based on four objectives:

1. **Build homes for real families:** Scale up construction across the housing continuum to increase the attainable supply of both rental and ownership housing options that meet the needs of families of all shapes and sizes.
2. **Rebuild the pathway to home ownership:** Make it easier for renters to become first-time buyers by simplifying the process of saving for a down payment and by creating programs that enable renters to transition into ownership options without increasing their monthly housing expenses.
3. **Right-size housing for existing families:** Make it easier for existing homeowners, particularly young families and seniors, to transition into "right-sized" housing, thereby unlocking existing homes for first-time buyers.
4. **Shift the market from portfolios to families:** Reverse the trend of family-sized homes being purchased by investors by shifting investment activity into building new purpose-built rental housing.

Restoring a pathway to homeownership won't be easy, particularly with the other constraints facing the federal government. And no single policy will fix the crisis. However, a well-designed set of policies, including the ten recommendations in this report, will move Canada much closer to the goal of restoring a path to homeownership for young Canadians.

**Missing Middle Initiative's North Star:** A Canada where every middle-class individual or family, in every city, has a high-quality of life and access to both market-rate rental and market-rate ownership housing options that are affordable, adequate, suitable, resilient, and climate-friendly.

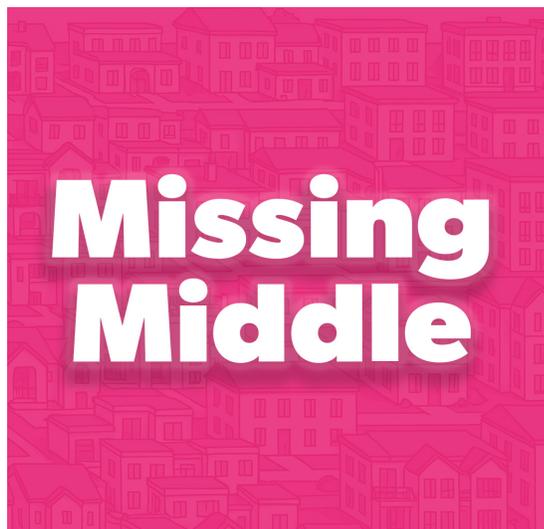
This report was written by Mike Moffatt.

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### Our Podcast



### Our Website

