

CREA  ACI

Restoring the Pathway to Homeownership

May 2026 • Pre-Budget Consultation



REALTOR® RECOMMENDATIONS

A NATIONAL STRATEGY FOR A NATIONAL CHALLENGE

Canada needs a mandate for the moment: collaborative intention is how we get there

- **Partner with provinces and territories on a National Housing Strategy 2.0** that prioritizes housing choice across the full continuum, from rebuilding the pathway to homeownership for generations of Canadians to ending homelessness across the country.
- **Establish clearly defined, outcome-driven mandates for both Build Canada Homes (BCH) and the Canada Mortgage and Housing Corporation (CMHC)**, aligning supply targets and housing typology so both agencies are working toward the same national housing goals, without duplicating efforts or leaving gaps in the continuum.

A MANDATE FOR THE MOMENT

CMHC reinvented itself in 1954, 1960 and 1999. Canada's missing middle is the next call.

- **Expand CMHC's role as a housing driver by offering a preferential insurance tier (i.e. higher LTV, lower premiums, longer terms)** for municipalities that meet upzoning and density requirements, with priority weighting for all "missing middle" supply.

A SMARTER TOOLKIT FOR A STRONGER MARKET

The right tools exist – Canada needs to aim them at the right problem.

- **Establish a fourth Mortgage Loan Insurance (MLI) Select category for middle supply (building on the government's proposed expansion inclusive of three to four unit properties) that awards points for family-sized unit composition and Housing Accelerator Fund (HAF) aligned site context;** and that revisits borrower eligibility thresholds to ensure the program reaches the individual property owners and small builders this typology depends on.
- **Pilot a Canadian Progressive Homeownership (PHO) program — a new pathway to ownership for entry-level and lower-income households through rent-to-own and shared equity arrangements,** modelled on programs in comparable jurisdictions (i.e. New Zealand and the UK), and incentivized through MLI Select points for projects committing at least 20% of units to progressive ownership tenure.

A MEASURE OF WHAT MATTERS

Good data leads to good policy. Canada can't afford to navigate the next housing decade without it.

- **Build on the government's commitment to modernizing how housing data is collected, tracked, and shared by ensuring Census 2026 housing data is prioritized in the first wave of 2027 releases** — giving policymakers, researchers, advocates, non-profits, urban planners, and real estate professionals the baseline they need to evaluate what's working and pivot accordingly.



8 IN 10 YOUNG CANADIANS (18 – 44) WANT TO OWN A HOME.

For nearly two-thirds of non-homeowners, and 81% of Canadians under 44, a solution to the housing crisis must include ensuring a viable pathway to homeownership. But despite these staggeringly high numbers, Canada's homeownership rate has fallen steadily since 2011, with the steepest decline landing squarely among the generation that wants it the most. They are also Canada's largest demographic cohort. **So why aren't they buying?**

A recent Statistics Canada report shows the rate of ownership for those aged 25–39 has fallen to just 49.9% – a relative decline of nearly 11% since baby boomers were the same age. These Canadians should be entering the ownership market – but aren't. Canada can still course correct: restoring the pathway to attainable homeownership, breaking market gridlock that has stalled a generation, and rebuilding a housing system that can meet the needs of all Canadians, during all of life's phases.

The Canadian Real Estate Association (CREA) represents Canada's 155,000 REALTORS® and the buyers, sellers, renters, and owners they work with in every community nationwide. Our members see the housing market through the eyes of their clients, and the message CREA has been hearing is consistent and clear: Canadians are not giving up on

ownership. Nearly half of first-time buyers will purchase a smaller home just to enter the market¹. **What they need is a market with attainable options that can meet them there.**

REALTORS® believe that Canada has the institutions, the tools, and the moment... but what is missing is the mandate, and a new *National Housing Strategy 2.0* to help deliver it.

THE PROBLEM: WE ARE NOT BUILDING THE RIGHT TYPE OF SUPPLY

Canada's housing crisis is not simply a shortage of supply – it's a shortage of the kind of supply Canadians need. For years, federal policy has treated affordability as a math equation, looking to add more units (any units), without sufficient regard for whether those units reflect how Canadians actually live (at every stage of life), what services and supports they need nearby, and at what price point.

The result is a market increasingly dominated by two extremes: luxury skyscrapers and 'affordable' micro-unit condominiums at one end, purpose-built rental apartments and deeply affordable social

¹ Abacus Data, [Housing the Goal](#), October 2025.



housing at the other. While CREA supports all types of supply in a healthy market, what has been crowded out is Canada’s middle stock – the townhomes, duplexes, triplexes, and small multiplexes that have historically served as the primary pathway to attainable homeownership for working Canadians. Canada leapfrogged from building low-density family housing to high-density apartments, leaving young families to compete over the market gap ever since. Seven in 10 Canadians agree we must build a broader variety of homes to meet future needs. Six in 10 say there are not enough homes being built that meet their size and layout needs.¹ The market is not yet delivering what Canadians want, and federal policy is not yet targeted to adequately help close this gap.

For the past several mandates, REALTORS® have watched and cheered as the federal government stepped up on housing in ways not seen in a generation: historic dollars committed through the National Housing Strategy, density incentivized through the HAF, and a pipeline of purpose-built rental supply. CREA is proud to have advocated alongside that progress. However, there will be no lasting solution to Canada’s housing crisis until the entire continuum is served — and there are signals suggesting homeownership is quietly slipping off the federal agenda:

◆ The First-Time Home Buyer Incentive, the only program with an explicit ownership mandate, was cancelled in 2024.

- ◆ Under Budget 2025, overall federal housing funding is declining 56%, from \$9.8 billion in 2025–26 to \$4.3 billion in 2028–29.³
- ◆ While BCH represents an important and welcome addition to the federal housing architecture, its existing mandate leaves attainable ownership and middle supply largely unaddressed.

This is not a criticism of the notable progress made on rental and deeply affordable supply; that progress is critical, real, and necessary. It is an observation that a strategy which funds some parts of the continuum and ignores others will always leave Canadians behind. From the sharp rise in homelessness – which has doubled since 2018, with unsheltered homelessness up 300% – to the persistent housing inequities facing Indigenous communities, to the steady erosion of homeownership rates among younger households, the consequences of a fragmented approach to housing are becoming impossible to ignore.

Closing this gap requires more than new policy – it requires better evidence. In 2021, housing was fifth of seven planned census releases, arriving nearly 18 months after census day. **Prioritizing Census 2026 housing data in the first wave of 2027 releases** would give policymakers, researchers, and communities the baseline they need to evaluate what’s working (or what isn’t), course correcting in real time.

² Statistics Canada, [Millennials in the housing market](#), May 2026.

³ Parliamentary Budget Officer, [Outlook for Housing](#), December 2025.



THE OPPORTUNITY HORIZON

Canada does not need to build new institutions from scratch. CMHC has served as one of this country's most consequential public agencies for nearly a century — it celebrates its 80th year in 2026 — an organization with a proven track record of bold reinvention when housing conditions demanded it:

- ◆ 1954: introduced mortgage insurance.
- ◆ 1960: expanded access to homeownership financing.
- ◆ 1999: modernized its mandate for a changing market.

Canada's missing middle is the next call. And on May 7, 2026 CMHC demonstrated it's still capable of answering: the new CMHC Prefab Plus will bring factory-built and modular homes into the insured financing fold for the first time; proof that the institution can move boldly and quickly when given clear direction. CREA's recommendation is not for a new institution; it is for a redirected one – with the same ambition, but aimed at attainable ownership. That includes **expanding CMHC's role as a housing driver by offering a preferential insurance tier for municipalities that meet zoning and density requirements**, ensuring that the zoning reform investments made through the HAF translate directly into financing advantages for the communities that have embraced progressive zoning reform. Where Prefab Plus removes a construction barrier, a preferential municipal insurance tier removes a financing one – together, they are the supply-side combination that could

finally make middle housing viable at the speed and scale Canada needs.

CREA also acknowledges the progress reflected in the recent Spring Economic Update. Through our provincial associations we are encouraging other provinces to approach the federal government with similarly ambitious partnership proposals as Ontario's soon-to-be-available HST/GST relief measures. As small business owners, REALTORS® recognize that the current economic environment, marked by global uncertainty and household financial pressure, constrains the scope for broad demand-side stimulus. That is precisely why CREA's 2026 pre-budget submission focuses on supply-type reform and financing structure innovation – we believe these are the right levers, right now, to help advance middle housing supply for a generation.

A MIDDLE OWNERSHIP ECOSYSTEM

REALTORS® envision a housing ecosystem that works across the full lifecycle, from new purpose-built rental supply to the conversion of older middle rental stock into owned units, paired with progressive ownership pathways that meet Canadians where they are financially. This is not a call to redirect investment away from the deeply affordable, supportive, and rental housing that so many Canadians depend on – that supply is essential, and CREA has consistently supported its expansion. It's a call to ensure that attainable homeownership is given the same deliberate attention, so that the full continuum is served and no Canadian is left without a viable path forward, whatever their circumstances.



Canada holds a significant and underutilized asset in its existing stock of stacked duplexes, triplexes, and fourplexes — properties that function as de facto rental buildings but sit outside any truly accessible ownership financing framework. The federal government's recent moves to extend mortgage insurance financing flexibility to properties under five units opens meaningful opportunity for further innovation. CREA looks forward to contributing recommendations on ownership financing structures — including potential mortgage lending reform, taxation impacts, and land value economics — as that work develops this year.

A fourth MLI Select scoring category for Middle Supply would convert that opening into outcome-driven, nationwide action. By awarding points for family-sized unit composition and HAF-aligned site context in three-to-eight-unit buildings, the category transforms zoning permissions municipalities have already granted into a direct financing incentive for the builders who would act on them. No new legislation is required; just a program update. A dedicated ownership-tenure stream for middle supply within the program framework is a natural next step.

A Progressive Homeownership program pilot, backstopped by CMHC under new NHS 2.0 bilateral agreements, could help bridge the gap. Tenants would hold first right of refusal at independently appraised market value, supported by shared equity arrangements. Provinces seeking to accelerate conversions could layer additional incentives, creating a genuinely collaborative federal-provincial model.

THE PATH FORWARD

A renewed National Housing Strategy 2.0, developed in partnership with provinces and territories, is the vehicle through which these recommendations can be advanced coherently, and sustained beyond a single budget cycle. Without one, we risk permanently shutting the door on ownership for generations of Canadians.

Further, as **Build Canada Homes joins CMHC as a housing-focused crown corporation, clearly defined, outcome driven mandates for both entities are essential,** as is structural collaboration to ensure consistency and reduce redundancies.

REALTORS® know the dream of homeownership has not died – but for generations of Canadians, the pathway to get there is broken. Restoring it will require a renewed national commitment to building, and financing, the right kind of homes for all phases and stages of life.

Canada has the institutions. Canada has the resources. Canada has the tools.

This is the moment.



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