

# HOUSING: MODULAR AND AFFORDABLE

**Canada's stale housing policies need renewal**  
p. 18

**Housing is reconciliation: why Canada must prioritize Indigenous housing**  
p. 20

**Affordable housing is slipping away. Here's how we get it back**  
p. 21

**Canada's housing crisis isn't just about building more—it's about getting governments to talk to each other**  
p. 22

**This one policy could allow Canada to dramatically reduce land costs for affordable housing**  
p. 24

**Building codes are undermining the promise of modular housing**  
p. 25



# HOUSING: MODULAR AND AFFORDABLE Policy Briefing

## Housing Minister Robertson 'well regarded' for municipal background, but needs a vision for housing, say sector experts

Canada is still nowhere near the level needed to make housing affordable for the middle class, and despite Robertson's municipal bonafides, the federal plan is still not well defined, say observers and critics.

BY JESSE CNOCKAERT

Housing Minister Gregor Robertson has a strong municipal background to draw upon in his current role, but sometimes struggles to communicate the message of a government that lacks clear targets in a housing plan, according to sector experts.

"I don't think [the federal government knows] what they're trying to accomplish on any of these programs, or any kind of big picture. There are no key performance indicators. There's no metrics, or anything like that," said Mike Moffatt, executive in residence at the Smart Prosperity Institute and an associate professor of economics and public policy at Western University's Ivey Business School. "At least in my view, [Robertson has] been put in the position where he's trying to articulate the vision of a government that lacks a vision, and a highly skilled communicator might be able to do that."

Nearly half, or 45 per cent, of Canadians have reported feeling very concerned about their ability to afford housing, according to data from Statistics Canada released on Nov. 19, 2024. The data also showed that concerns about housing affordability were more likely to be reported by young adults between ages 20 and 35 (59 per cent), than by older Canadians (38 per cent).

Although housing affordability improved in 2025, Canada is still nowhere near the level needed to make housing affordable for the middle class, Moffatt told *The Hill Times*.

To help address the housing crisis, the Liberal government has introduced measures including Build Canada Homes, a federal agency launched in September 2025 to help build and finance affordable housing at scale across Canada. In June, the Liberal government also introduced Bill C-4,



Housing Minister Gregor Robertson said the Liberal government 'is making generational investments that will build our economy and make our communities stronger,' in a Jan. 19 press release announcing funds that have resulted in 59,000 housing units in communities across Canada. *The Hill Times* photograph by Andrew Meade

the Making Life More Affordable for Canadians Act, which proposes amendments to the Excise Tax Act to introduce a new GST rebate program for first-time homebuyers purchasing newly built homes. That change could allow first-time homebuyers to receive up to \$50,000 in federal tax relief on a new home worth up to \$1-million, and a phased-out rebate for homes priced between \$1-million and \$1.5-million using a linear formula.

Moffatt said that he considers Robertson (Vancouver Fraser-view-South Burnaby, B.C.) to be a capable minister, who is well regarded in his current portfolio because of his background as a former mayor of Vancouver. However, Robertson has a "message problem" because the Liberal government's overall housing plan is vague, according to Moffatt.

"If you and I are talking five years from now and you asked me, 'Mike, was Build Canada Homes a success?' I wouldn't actually be able to answer that question ... because they haven't set out what they were trying to accomplish with it—like how many homes, [or] what level of affordability?" he said. "Beyond just this vague target of ... half a million housing starts at some point in the future, they haven't really articulated what they're trying to accomplish with all of this."

This past October, Robertson told the House Finance Committee that the average price of housing—not necessarily individual home values—must fall to restore affordability in Canada.

Moffatt said that the Liberal government needs to "get the general public on board" with a vision for housing, which it hasn't yet done.

Ray Sullivan, executive director of the Canadian Housing and

Renewal Association, told *The Hill Times* that he finds elected officials with municipal experience, such as Robertson, often have a better understanding of housing pressures across Canada.

"Municipal government is where the rubber literally hits the road. They see what's going on in their communities," he said.

Sullivan pointed out that Canada will soon reach the end of the National Housing Strategy, a \$115-billion plan launched in 2017 with a scope of 10 years.

"We've seen some of the indications of where the new Liberal government is headed. Build Canada Homes is a new approach around affordable supply, and it's rolling out really quickly. I have to give them a lot of kudos for that," said Sullivan. "There are ... more elements that were part of the national housing strategy that the government needs to now visit and figure out how this whole system fits together, and what extends beyond those sunset dates in just two years."

As the federal government contemplates a renewed housing strategy, Sullivan said his hope is for a plan that "takes more of a systems approach, and integrates all of these government initiatives at every price point" in the housing market.



Mike Moffatt, executive in residence at the Smart Prosperity Institute, says the federal housing minister has been 'put in the position where he's trying to articulate the vision of a government that lacks a vision.' *Handout photograph*



Ray Sullivan, executive director of the Canadian Housing and Renewal Association, says Build Canada Homes is 'rolling out really quickly,' and he gives the Liberal government 'a lot of kudos for that.' *Handout photograph*



Tim Richter, president and CEO of the Canadian Alliance to End Homelessness, says the next national housing strategy must 'address the whole housing system.' *Handout photograph*

"The biggest thing that was really missing in the first version of the national housing strategy was an urban, rural, and northern Indigenous housing strategy," he said.

The 2025 federal budget, released in November, included a recommitment to provide \$2.8-billion through to 2031 for the Urban, Rural, and Northern Indigenous Housing program.

Sullivan said that Indigenous people are still waiting to find out how that money will be deployed into communities.

"There are things missing. I know that they're on the government's radar, and hopefully they need to pull this all together into a refreshed national housing strategy," he said.

Build Canada Homes has prioritized six initial sites across Canada, including in Toronto, Ottawa, and Dartmouth, N.S., to deliver approximately 4,000 factory-built homes.

NDP MP Jenny Kwan (Vancouver East, B.C.), her party's housing critic, told *The Hill Times* that Build Canada Homes has no minimum requirements for affordability in its projects, and that only the six sites that the government has announced will achieve affordability.

"Without setting specific targets at Build Canada Homes, there is no guarantee of affordability in future projects. According to CMHC [the Canada Mortgage and Housing Corporation], to retain housing affordability at 2019 levels, 430,000 to 480,000 new housing units need to be built annually over the next decade," said Kwan in an emailed statement on Jan. 22. "CMHC will be cut by \$860-million per year according to the Parliamentary Budget Office. The government should commit to increasing Canada's share of non-market housing to a target of 20 per cent nationally to make truly affordable housing available to all. The Liberal and Conservative approach of relying on the private market has consistently failed to bring down costs. Build Canada Homes is no different."

Tim Richter, president and CEO of the Canadian Alliance to End Homelessness, told *The Hill Times* that federal data shows there's been "an explosion of homelessness" in Canada since 2018. He said that Robertson has been "handed one of the hottest files in government," but has been doing an "admirable job getting up to speed."

Robertson's real test will be in updating the national housing strategy, according to Richter.

"Housing is an interconnected system, and if any part of that system doesn't work or has a problem, the rest of the system feels it," he said. "For example, if people aren't able to move out of rental housing and into ownership, then you end up with high cost and low vacancy in your rental housing market. If you end up with high cost and low vacancy in your rental housing market, then people are forced to rely on a social housing or affordable housing system that just isn't there."

Richter said the federal government needs to think more about the housing outcomes it wants to achieve for Canadians.

"Do they want to reduce core housing need? Do they want to reduce homelessness? Do they want to make home ownership more affordable? And target those outcomes for individuals, and for Canadian households, we'll call them, instead of individuals," he said. "That's really important, because then, if you're clear about the outcomes you want to achieve, then you can

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# HOUSING: MODULAR AND AFFORDABLE Policy Briefing

## Housing Minister Robertson 'well regarded' for municipal background, but needs a vision for housing, say sector experts

Continued from page 16

build policy and program instruments around it."

The Senate Committee on Banking, Commerce, and the Economy released a report on Jan. 20 containing 12 recommendations to achieve key housing goals. These included that the federal government consider providing a 100-per-cent GST/Harmonized Sales Tax rebate on all new housing valued below \$1-million, with the rebate phased out for houses between \$1-million and \$1.5-million; and for the federal government to work with provinces, territories, and municipalities to reduce reliance on development charges and explore alternative municipal funding models.

Conservative MP Scott Aitchison (Parry Sound-Muskoka, Ont.), his party's housing critic, argued that the most significant factors driving the housing crisis in Canada are timelines and cost.

"The fundamental problem with housing in Canada today is that it takes too long to get the approval to build a house, develop a subdivision ... All those things take too long," he said. "The development approvals process at the local municipal level takes far too long in most municipalities, and on top of that, the cost and what we charge in taxes on new homes is exorbitant."

Aitchison said he isn't convinced that Robertson "understands the scope of the problem" in Canada when it comes to housing.

Appearing in the Oct. 3 episode of the *Herle Burlly* podcast hosted by David Herle, a partner at Rubicon Strategy, Robertson was asked about the possibility of removing the HST on all new homes, rather than just new homes purchased by first-time homebuyers.

Robertson responded that the argument against that step is it would be a "big, large,

sweeping change," and that the Finance Department is looking at all modelling for solutions around HST/GST that "first-time homebuyers piece is moving through right now."

Aitchison said Robertson's response shows "he doesn't get it," and talked about the need for bold action to address housing.

"The problem is so bad and [Robertson] doesn't realize it. The time for tinkering around the edges of policy and trying this and trying that—it certainly hasn't worked for the last 10 years, and the crisis has simply just gotten worse and worse and worse," he said. "Our [housing] starts are down lower than they ever been, and there's simply no way that their new federal agency, or any of their federal agencies, can build enough homes for Canadians to restore affordability."

*The Hill Times* reached out to Robertson to ask about housing and measures to address the housing crisis, including Build Canada Homes and Bill C-4, but did not receive a response by press time.

Kwan said she and Robertson "get along personally, but that's irrelevant to the housing crisis that Canadians face from coast to coast to coast."

"Build Canada Homes was supposed to signal a 'new era' of federal action. But the PBO shows it will produce only 26,000 units over five years—a 2.1 per cent bump in completions when we need transformative investment. The prime minister talks about doubling housing construction, but the PBO is clear: there is no roadmap, no strategy, no coherent plan to deliver it," she said in the email. "We need real federal leadership that takes a continuum-of-housing approach—sustained public investment, non-market housing at scale, and a commitment to treating housing as a human right, not a speculative asset."

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*The Hill Times*

## Canada's stale housing policies need renewal

It's time to bring Canada's housing policy out of the past so we can begin to address the urgent needs of today.

CSG Senator  
Clément Gignac

Opinion



It's 1991. Wayne Gretzky leads Team Canada to a sweep of the United States in the Canada Cup final. In the housing market, 95 per cent of new homes can be had for less than \$450,000.

Even better, houses below that price qualify for a partial GST rebate, which helps keep costs down for buyers and drives demand for more construction.

It's now 35 years later, and a lot has changed—but not the cut-off point for that tax rebate. Back in the 1990s, buyers of virtually all new homes in Ontario would have been eligible. These days, only new builds in the province's remote north might qualify.

This is just one reason why Canada finds itself in a housing crisis, according to a new report from the Senate Committee on Banking, Commerce, and the Economy. The report, *Out of Reach: Unlocking Canada's Housing Affordability Crisis*, also shows how municipalities have increasingly



Prime Minister Mark Carney. A recent Senate committee report makes 12 recommendations to get more homes built quickly, including updating the GST rebate threshold, writes Sen. Clément Gignac. *The Hill Times* photograph by Andrew Meade

turned to development charges for essential infrastructure and services, while the construction industry itself has been slow to adopt new technologies and less labour-intensive ways of building.

The report makes 12 recommendations to get more homes built quickly.

We note, for example, that the GST rebate threshold from the 1991 New Housing Rebate was supposed to be tied to inflation. This never happened, even as housing prices soared.

Witnesses agreed that expanding the tax rebate for new housing would spur new construction and reduce housing prices; the federal government has itself proposed a much more generous rebate threshold in Bill C-4, which is now in the Senate. That rebate, however, would apply only to first-time home buyers. Given that just 20 per cent of new-home purchases are made by first-time buyers, we recommend this credit be extended to all buyers of new homes.

We specifically recommend that the federal government consider a 100-per-cent GST/HST tax rebate on all new housing below \$1-million, with the rebate phased out for homes between \$1-million and \$1.5-million. The \$1-million threshold should be tied to inflation.

An outdated tax rebate is not the only obstacle to more plentiful and affordable housing. Municipalities have become increasingly dependent on development charges to fund emergency services and infrastructure such as roads, transit, water, and waste management.

The average development charge varies across the country, but is as high as \$200,000 on a single-family home in Toronto. Compounding the problem is the fact that these charges are embedded into the final price of a new home, meaning that the taxes incurred on those sales are effectively taxes on development charges—in essence, a tax on a tax.

This underscores that responsibility for resolving the housing crisis does not rest with the federal government alone. Municipal decision-making, as well as the extent to which provinces and territories are willing to fund municipal services, can improve the situation

or make it worse. This is why we recommend that the federal government work with the provinces/territories and municipalities to bring transparency to fees and eliminate "tax on tax" situations. The federal government should also provide infrastructure funding to municipalities on the condition that they made equivalent reductions in fees.

The federal government has already made some changes to Canada's housing policy, which our committee examined.

One of the primary objectives of the new

Build Canada Homes agency is the use of modular and factory-built housing to control costs, and to spur innovation in a construction sector that has become set in its ways.

Witnesses agreed that this approach to housing could well drive down construction costs and timelines. In Sweden, for example, nearly 80 per cent of homes have at least one component built offsite. Government subsidies there had created a baseline demand in the 1960s, but it is now a widely adopted private-sector solution. There is the potential for similar success in Canada.

It's time to bring Canada's housing policy out of the past so we can begin to address the urgent needs of today.

*Senator Clément Gignac is chair of the Senate Committee on Banking, Commerce, and the Economy; a former Quebec cabinet minister; and an economist. He represents Quebec (Kennebec) in the Senate, and is a member of the Canadian Senators Group.*

*The Hill Times*

## Canada housing starts info



*The Hill Times* photograph by Andrew Meade

- Nationally, the housing starts total for all areas in Canada in 2025 was 259,028, the fifth highest annual total on record and up 5.6 per cent compared to 2024 (245,367). Actual 2025 housing starts in centres with a population of 10,000 and more were up six per cent, with 241,171 units recorded, compared to 227,697 in 2024.
- Canada's six largest Census Metropolitan Areas saw a combined 3.9-per-cent year-over-year increase from 2024, driven by record annual starts in Calgary and Edmonton, a 58-per-cent year-over-year increase in annual starts in Montreal, and a 12-per-cent increase in Ottawa-Gatineau. These results made up for year-over-year decreases in Toronto (-31 per cent) and Vancouver (-3 per cent).
- The six-month trend in housing starts was flat (-0.1 per cent) in December (264,428 units). The trend measure is a six-month moving average of the seasonally adjusted annual rate (SAAR) of total housing starts for all areas in Canada.
- The total monthly SAAR of housing starts for all areas in Canada was up 11 per cent in December (282,439 units) compared to November (254,625 units).
- Actual housing starts increased 25 per cent year-over-year in centres with a population of 10,000 or greater, with 20,716 units recorded in December, compared to 16,531 units in December 2024. This marks the most actual housing starts for December on record, primarily driven by increases in Ontario, which had its highest monthly starts total of 2025.

—Information released on Jan. 16, 2026, by the Canada Mortgage and Housing Corporation



# We Have Run Out of Time to Build Slowly.

Canada is short millions of homes, not thousands, and the gap continues to widen. Homes are still built largely the same way they were generations ago – outdoors, trade by trade, exposed to weather delays and an aging workforce. Year after year, Canada learns it cannot schedule its way out of a framework that lacks capacity.

There's a growing recognition that building on site can't meet the scale of the challenge. The country's turn toward modular housing is a welcome step. Yet much of today's modular approach still stops at parts, not homes . . . like delivering an engine, tires, and seats to a driveway to build a car. What it lacks is system-level capacity. In panelized production systems, some efficiencies are gained. Floors, walls, and ceilings are produced in factories, but the home itself is still assembled on site. Labour availability, coordination, and weather continue to slow and hamper construction.

In mature manufacturing economies, like Europe, housing is increasingly treated as a production system, with emphasis shifting from managing job sites to designing repeatable, factory-based processes.

This is volumetric modular manufacturing. It's the turbo-charger that makes speed possible. It's how we solve the housing crisis.

Only at this level does building begin to keep up. Complete, factory-finished housing modules are built indoors. Instead of shipping parts, we can build and ship finished three-dimensional modules. By the time a home leaves the factory, up to 93 percent of the work is complete, including electrical, plumbing, insulation, kitchens, bathrooms, exterior cladding, interior finishes, windows and doors.

With most work completed indoors, a low-rise residential building can go from zero to occupancy in roughly 16 weeks. In a super-factory, one facility can produce 4,200 homes a year. When production is industrialized, output becomes predictable. When capacity exists, speed follows.

***Big problems need big solutions. Volumetric manufacturing is designed to meet the scale of Canada's housing challenge.***

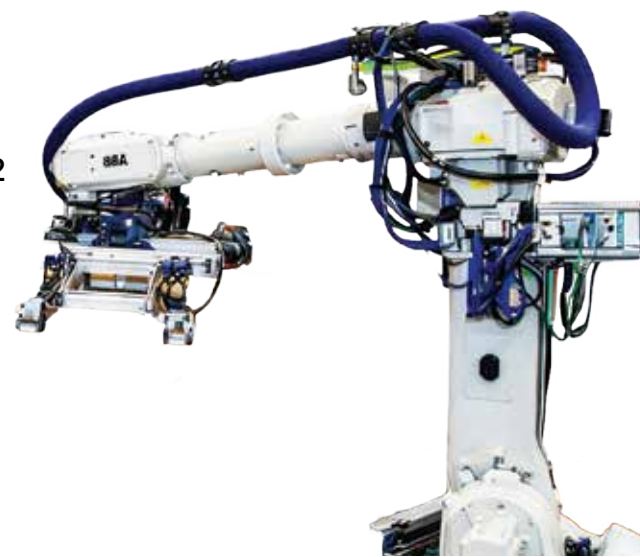
These systems can deliver homes up to 68 percent faster and 25 percent cheaper. And they reduce environmental impact. On-site emissions fall by about 92 percent, and material waste drops by as much as 96 percent. We can move from filling multiple construction dumpsters to very few bags.

Volumetric manufacturing reshapes the labour equation as well. Work shifts to reliable environments where tradespeople

build specialized expertise and construction capacity grows. Jobs move away from seasonal and uncertain work toward dependable, year-round employment. All of this also enables long-term workforce training and employment partnerships, including with Indigenous and remote communities.

A single advanced volumetric manufacturing super-factory can support approximately 650 skilled jobs and more than 5,000 indirect jobs across the supply chain.

The ambition is a network of advanced volumetric super-factories expanding manufacturing nationally, enabling faster and more affordable housing delivery across the country. If the goal is to build faster, cheaper, and greener, the constraint is no longer policy or intent. It is production capacity.



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# HOUSING: MODULAR AND AFFORDABLE Policy Briefing

## Housing is reconciliation: why Canada must prioritize Indigenous housing

Housing is deeply interconnected with health outcomes, community safety, and economic participation.

Margaret Pfoh

Opinion



Canada's housing crisis is no longer a looming threat; it is a lived reality for millions of people.

Nowhere is this felt more acutely than for Indigenous Peoples living both on and off reserve, where chronic underinvestment, systemic barriers, and policy fragmentation have resulted in unacceptable housing condition failures and widespread experiences of homelessness. If Canada is serious about reconciliation, sustainability, human rights, and community wellness, prioritizing

Indigenous housing must be central to its national response.

Across the country, Indigenous households are disproportionately affected by unaffordable rents, overcrowding, and homes in need of major maintenance. Nationally, approximately one in six Indigenous people live in housing requiring significant repairs, compared to one in 12 non-Indigenous households. For Indigenous Peoples living off reserve, the situation is compounded by limited access to culturally appropriate housing, gaps in income supports, and a lack of support for long-term, Indigenous-led housing strategies like Aboriginal Housing Management Association's (AHMA) evidence-based Urban, Rural, and Northern (URN) Indigenous Housing Strategy for British Columbia, which has been celebrated as a national baseline yet left unfunded for the last four years.

The causes of Canada's housing crisis are well documented: decades of underbuilding, rising construction costs, speculative investment, and the erosion of non-market housing. However, for Indigenous Peoples, these pressures are layered on top of colonization, displacement, and exclusion of Indigenous hous-

ing providers from mainstream funding systems. Off-reserve Indigenous housing lacks a dedicated, permanent federal funding stream, leaving Indigenous housing societies to compete within systems not designed to meet their communities' needs.

The 2023 federal budget set aside \$4-billion for URN Indigenous Housing, yet the majority of this funding has been held back, leaving many Indigenous people unhoused or stuck in inadequate housing conditions.

Housing is the basis of reconciliation. It is deeply interconnected with health outcomes, community safety, and economic participation. Indigenous women, girls, and gender-diverse people are at significantly higher risk of gender-based violence when safe, stable housing is unavailable.

Approximately 67 per cent of children and youth in the care of B.C.'s Ministry of Children and Family Development are Indigenous, and when these youth age out of care, they face heightened risks of homelessness without culturally grounded housing supports. This is why Indigenous housing must be understood not only as infrastructure, but as prevention.

AHMA's Indigenous Gender-Based Violence Housing Strategy, and AHMA's Indigenous Youth Housing Strategy recognize housing as foundational. Yet without dedicated capital and operating investments for Indigenous-led housing providers, these strategies cannot succeed. Housing is the platform upon which safety, healing, wellness, stability, and opportunity are built.

Addressing the housing crisis also requires innovation in how homes are built. Building climate-resilient and energy-efficient homes is essential for sustainable living, reducing emissions, and protecting residents' health and long-term affordability. Homes that are well-insulated, properly ventilated, and built to high energy-performance standards reduce energy poverty, improve indoor air quality, and offer greater comfort and safety in the face of extreme heat, wild-fire smoke, and severe weather. Modular and prefabricated housing present a promising opportunity to accelerate construction, control costs, and reduce environmental impact, particularly in urban and remote contexts where timelines and labour shortages are significant barriers. Indigenous housing providers have demonstrated a strong interest in modular approaches, particularly when combined with community employment, skills training, and local supply chains.

However, regulatory and financial barriers continue to slow progress. Inconsistent building codes, zoning restrictions, and municipal approval processes can delay modular projects by months

or years, even when those projects deliver high-performance, healthy energy homes.

Financing models often fail to account for the realities of non-profit Indigenous housing providers, who face higher borrowing costs and limited access to flexible capital. Without dedicated funding streams and policy alignment across federal, provincial, and municipal governments, the promise of climate-resilient and modular housing will remain underutilized.

For Indigenous Peoples, housing is more than shelter. It is a determinant of health, a tool for violence prevention, and a cornerstone of self-determination. Indigenous housing organizations have the expertise, community trust, and cultural knowledge to deliver solutions that work at the scale, scope, and speed required. What they need is sustained investment, policy coherence, and respect for Indigenous-led approaches.

Canada's housing crisis demands urgency, but it also demands equity. Prioritizing Indigenous housing is not a special interest; it is a national responsibility. Housing is reconciliation in action, and the time to act is now.

*Margaret Pfoh is chief executive officer of the AHMA. A proud member of the Tsimshian Nation from the Ginaxgiik tribe (people of the Hemlock), which carries the powerful Blackfish crest, Pfoh has dedicated more than 30 years to advocating for Indigenous rights and advancing housing solutions for Indigenous Peoples across Canada.*

*The Hill Times*

## A home is a human right: why inclusion must be built in

When the primary goal becomes building as many units as possible, as quickly as possible, the needs and rights of marginalized communities can be overlooked.

Janet Forbes & Ben Rowley

Opinion



Across Canada, housing has become one of the most urgent public policy issues of our time. Rising costs, limited supply, and increasing homelessness

have pushed governments to act quickly and creatively.

In response, the federal government has placed renewed focus on rapid housing initiatives, higher density builds, and innovative living arrangements designed to get homes built faster and people housed sooner. While this momentum is necessary it also carries risks. These risks disproportionately affect marginalized populations, including people with intellectual disabilities.

Speed and creativity in creating housing development are important but must be balanced with care and intention. When the primary goal becomes building as many units as possible, as quickly as possible, the needs and rights of marginalized communities can be overlooked.

For people with intellectual disabilities, this oversight can result in further isolation, segregation, and a return to institutional living under a different name.

When inclusion is not a guiding principle, planners may default to grouping people with

intellectual disabilities together in specific buildings, units, or developments. Without careful planning, segregation can creep back into the system. It can often appear easier or more efficient.

For decades, institutional settings were justified as practical solutions, yet they often stripped people of autonomy, dignity, and meaningful participation in community life. While large institutions may be gone, the mindset that supports them can resurface when housing is designed without true inclusion at its core.

People with intellectual disabilities need housing just like everyone else. But housing is more than a roof over one's head. It is about belonging, choice, safety, and community connection.

When people are placed in segregated or clustered housing, they are often separated from the broader community. This separation reinforces harmful, stigmatizing stereotypes and sustains the idea that people with intellectual disabilities do not belong in typical neighbourhoods. Inclu-

sive, scattered housing allows for people to be seen as neighbours, and more likely to be included in community life.

Inclusive housing takes more upfront planning. That is precisely why it is often overlooked during periods of urgency. Segregation can feel like the easier path because there is one service provider, one location, and one model. But easy does not mean right.

When we prioritize convenience over inclusion, we risk repeating past mistakes and upholding systems that push people further towards the margins instead of supporting them to thrive.

Organizations such as People First of Canada and Inclusion Canada have long advocated for the right of people with intellectual and developmental disabilities to live in the community. This means being supported to live in real homes, in ordinary neighbourhoods, with the same choices and opportunities as anyone else.

Living in the community is not a luxury. It is a fundamental human right. Housing policies

and developments must reflect this reality.

As Canada moves forward with ambitious housing plans, decision makers must ask critical questions early in the process. Who is this housing for? How will it promote inclusion? Are people with lived experience involved in the planning and design? Being deliberate at the beginning can prevent harm later on.

We absolutely need to build more homes. We need innovative approaches and creative solutions to address the housing crisis. But we can act fast without building segregation into the system.

People with intellectual disabilities deserve housing options that support independence, dignity, and full participation in community life.

Inclusive housing benefits all residents. With thoughtful planning, collaboration, and a firm commitment to inclusion, Canada can address its housing crisis while upholding the rights of all its citizens—especially those who have been left behind for far too long.

*Janet Forbes is with Inclusion Canada as co-chair, National Task Force on Deinstitutionalization.*

*Ben Rowley is with People First of Canada as co-chair, National Task Force on Deinstitutionalization.*

*The Hill Times*

# Policy Briefing HOUSING: MODULAR AND AFFORDABLE

## Affordable housing is slipping away. Here's how we get it back

We can meet housing challenges, but only if every order of government and other key stakeholders work together with purpose and urgency.

Rebecca Bligh

Opinion



Homeownership has long been part of the Canadian story, a symbol of stability and progress for many Canadians. Today, that story is changing.

On a weekday morning, a young couple in Ottawa runs the numbers at their kitchen table. Rent up again. Groceries up again.

At a time when Canadians are tightening their belts, the dream of a place to call their own seems to be slipping out of their grasp. Yet, housing is the foundation of affordability, and that foundation needs urgent reinforcement.

The lack of affordable housing options is felt first in our communities where municipalities see in real time how families and individuals are struggling to find a place to live.

That's why any real path to affordable housing starts locally.

A renewed National Housing Strategy with adequate local investment is needed to improve housing outcomes for all Canadians, writes Rebecca Bligh. *The Hill Times* photograph by Andrew Meade



### Housing is where the affordability crisis hits hardest

Canada needs millions of additional homes over the next decade. Homes that meet basic needs and are affordable to people at any income. Meeting this challenge means building faster and smarter with solutions that work: modular and prefabricated homes, more non-profit and co-op housing, and using public land.

Across the country, local governments are increasing zoning density, speeding up permits,

and unlocking public land to get homes built. Through the Housing Accelerator Fund and the Rapid Housing Initiative, municipalities have already proven they can deliver results quickly when the right tools and predictable funding are in place.

But municipalities can only go so far on their own.

To keep that momentum going, funding must move as fast as the projects themselves and match the scale of our ambitions. Build Canada Homes is a strong start but many other critical federal housing initiatives are out of funding or will be sunset-

ting soon. A renewed National Housing Strategy with adequate local investment is needed to improve housing outcomes for all Canadians.

### Housing pressures today will impact Canada's tomorrow

When these tools don't reach our communities, the consequences ripple far beyond municipal borders.

The cost of inaction is paid in delayed builds, inflation, slower economic growth, and a deeper

affordability crisis. It shows up in everyday life: rent climbs, homelessness rises, young people struggle to buy their first home, and workers are forced to live farther from their jobs. Food insecurity deepens, inequality grows, and confidence in Canada as a place where hard work leads to security begins to erode.

### It's time to restore housing affordability for everyone

Municipalities stand ready to deliver affordable homes, but doing so requires sustained collaboration and investments that match the scale of the challenge.

Housing is a system—and right now, that system is out of balance. It's not meeting the needs of many Canadians. By updating the country's national housing strategy to focus on real results for everyone—preventing and ending homelessness, supporting and growing non-profit and co-op housing, protecting the affordable homes we already have, making smart use of public land, and expanding modular and prefabricated building—Canada can build homes faster and make sure they stay affordable for the long term.

Municipalities are ready to scale up these solutions, but doing so requires a federal-municipal partnership that moves as quickly as the communities building the homes. We can meet housing challenges, but only if every order of government and other key stakeholders work together with purpose and urgency, with strong federal leadership.

Now is the moment to build together and restore the promise of an affordable home for Canadians in every community.

Rebecca Bligh is president of the Federation of Canadian Municipalities.

*The Hill Times*

## Nuancing our understanding of Canada's housing affordability crisis

Treating the housing crisis as singular supply issue risks missing both the problem and the solution.

Steve Pomeroy

Opinion



Canada's housing affordability crisis is often reduced to a single diagnosis: not enough supply. The implied cure is equally

simple: build far more homes. Yet this narrow framing obscures the complexity of what is actually happening across the housing system, and risks producing incomplete—and sometimes ineffective—policy responses.

New housing construction has increased meaningfully in recent years—up roughly 23 per cent since 2020 compared with the previous five-year period. At the same time, home prices have stalled or declined in many markets, and rents have softened in some cities, even without the massive expansion in construction often claimed to be essential. These developments suggest that supply alone does not explain either the problem or the emerging signs of relief.

The affordability crisis is better understood as a set of related but distinct failures affecting different groups in different ways. Economist Duncan MacLennan has described this as an “unholy trinity”: escalating homelessness and encampments, deep affordability challenges for low- and moderate-income renters, and shrinking access to homeownership for younger households. Each reflects different dynamics and requires tailored solutions.

### First: home price escalation

Rapidly rising home prices predate the pandemic. Strong employment growth, rising incomes, and a long decline in mortgage interest rates steadily

expanded households' purchasing power, pushing prices upward. While prices increasingly diverged from incomes, falling interest rates masked much of the impact on monthly payments.

The pandemic poured fuel on this fire. Reduced discretionary spending, higher savings, record-low mortgage rates, and a sudden desire for more space all boosted demand. Crucially, the constraint was not a lack of newly built homes, but a shortage of listings as existing owners stayed put. This imbalance triggered sharp price spikes. When the Bank of Canada reversed course and raised rates aggressively, affordability deteriorated further, locking many potential buyers out of the market.

### Second: mounting rental pressures despite record rental construction

High home prices and tighter mortgage rules meant more households remained renters—a trend underway well before COVID. Canada's homeownership rate fell from a peak of 69 per cent in 2016 to 66.5 per cent by 2021, and has likely declined further since. Had ownership remained at earlier levels, roughly 400,000 renter households would have transitioned into ownership, freeing up an equivalent number of rental units. They could not.

This pressure intensified with a dramatic post-pandemic surge in temporary immigration. In a short period, permits were issued to more than 900,000 temporary workers and international students, nearly all of whom required rental housing. This unmanaged influx drove vacancy rates sharply downward and enabled double-digit rent increases across the country.

Continued on page 24

# HOUSING: MODULAR AND AFFORDABLE Policy Briefing



Over the past few decades, Canada has become one of the most regulated places in the world to build housing, writes Adrian Schut. *Unsplash photograph by Josh Olalde*

## Canada's housing crisis isn't just about building more—it's about getting governments to talk to each other

Misalignment between federal, provincial, and municipal requirements causes delays that compound costs year after year.

Adrian Schut

Opinion



Canada has a construction productivity crisis, and it's quietly driving up the cost of housing—especially for the people who need it most. While attention often turns to robotics, modular housing, or other technological fixes, those tools can't solve a deeper problem: a regulatory system so fragmented that it actively works against efficient construction.

The good news is that this crisis is fixable. The bad news is that it requires something governments are notoriously bad at: co-ordination.

Over the past few decades, Canada has become one of the most regulated places in the world to build housing. For multi-unit residential projects, every level of government has a hand on the steering wheel. The federal government, largely through the Canada Mortgage and Housing Corporation (CMHC), insures or directly finances nearly 90 per cent of purpose-built rental starts.

Provinces develop building codes, and often lend to housing corporations. Municipalities interpret and enforce those codes on the ground.

In development, time is money. Building affordable housing today is like swimming across a river in a parka instead of a Speedo: the distance hasn't changed, but every movement is harder, and if you take too long, you sink. Governments should be handing out Speedos, not mandating parkas.

Misalignment between federal, provincial, and municipal requirements causes delays that compound costs year after year. As Canada's experienced construction workforce edges toward retirement, we can't afford this inefficiency. We need a shared objective.

When housing providers receive federal support—whether through loans, grants, or insurance—they're required to meet a long list of conditions. These include accessible units, higher energy efficiency, and affordability. The outcomes themselves aren't the problem. The problem is how many requirements there are, and how differently they're measured.

Because the federal government operates nationally, it references national standards like the National Building Code and CSA Group guidelines. But municipalities, which enforce provincial building codes during construction, don't have jurisdiction over the standards imposed by the federal government as part of financing. The result is regulatory overlap with no clear hierarchy.

A recent project in Eastern Ontario illustrates how absurd this can become. An accessible washroom was designed to meet the federal standard tied to funding—far more stringent than the

provincial code. The city, enforcing the provincial code, classified an emergency call button as a “control” and required it to be mounted about three feet off the floor. The CSA standard required it at one foot. After weeks of emails, site meetings, and negotiations, the solution was not better design or improved safety. It was two call buttons in the same bathroom—installed solely to satisfy competing standards from different levels of government.

These stacked, misaligned requirements add time and cost to projects that are already difficult to finance.

At the municipal level, inspectors interpret the building code and its intent. To ensure consistency, cities issue internal bulletins clarifying how certain elements of the code will be enforced. Many of these bulletins, remarkably, are not public. Designers and builders are expected to follow rules they may not even know exist.

Earlier this year, we encountered a municipality with a detailed internal bulletin governing the use of sliding doors in commercial spaces. It wasn't posted online. If you didn't know to ask for it, you'd design a building based on a reasonable reading of the code—only to learn later that there's an enforceable interpretation hidden behind the scenes. In our case, it nearly delayed occupancy of an entire building over the type of lock on an office door.

Provinces add another layer. In Ontario, Infrastructure Ontario is one of the largest lenders to municipalities and their housing corporations. Once involved, it often requires consent before any new debt is taken on—anywhere

in the organization's portfolio. We've seen approvals take more than a year, leaving viable housing projects in limbo even when no new provincial money is required.

There is some light at the federal level. Build Canada Homes has recognized that projects can only carry so many objectives and still succeed. Compared to CMHC, it has narrowed its focus to affordability, modern methods of construction, and speed. But there's a catch: Build Canada Homes aims to be a minority lender, meaning CMHC—still insuring roughly 90 per cent of purpose-built rental starts—remains central.

Right now, the objectives of CMHC and Build Canada Homes are complementary, but they don't align. That alignment is essential. If the two main federal housing agencies can agree on outcomes rather than competing checklists, it would be easier to bring provinces and municipalities along.

Canada doesn't need more housing policy. It needs better diplomacy between governments. Align on outcomes, simplify compliance, and let the sector do what it knows how to do: build homes. If governments can manage that, we might finally build our way out of this crisis.

*Adrian Schut is director of real estate development and construction at Cahdco, an Ottawa-based non-profit developer, where he leads more than a dozen affordable housing projects across Eastern Canada. As a trained carpenter, he brings a practical perspective to housing delivery. Schut is also a member of the Canadian Chamber's Housing Council.*

The Hill Times

## Build more homes—but don't lock Canada into higher emissions

The choices Canada makes now will shape both its housing market and its emissions profile for a generation.

Kate Koplovich



Opinion

As Canada races to fix its housing affordability crisis, one issue is consistently treated as an afterthought: how to close the housing supply gap without creating higher residential greenhouse gas emissions for decades to come.

With the Canada Mortgage and Housing Corporation (CMHC) and the Parliamentary Budget Office (PBO) estimating that between 290,000 and 480,000 new homes are needed each year to restore affordability, the choices Canada makes now will shape both its housing market and its emissions profile for a generation.

When Canadians think about emissions, attention usually turns to heavy industry and large emitters. Yet the residential sector remains a significant driver of Canada's emissions profile. In 2022, residential energy use accounted for 12 per cent of Canada's total final consumer energy use, trailing only the industrial and transportation sectors.

The problem becomes clearer when looking at how homes use energy. In Canada, 78 per cent of residential energy consumption is from space and water heating, with space heating accounting for 60 per cent. Gains in appliance and lighting efficiency have helped, but they are marginal compared to the energy required to heat homes in cold climates.

Natural gas remains the backbone of residential heating, supplying 54 per cent of space-heating and 70 per cent of water-heating energy. The emissions impact is even more lopsided: natural gas systems account for 80 per cent of all space-heating GHG emissions. Electricity, the other main source

Continued on page 23

# Policy Briefing HOUSING: MODULAR AND AFFORDABLE

## Build Canada Homes is poised to make a generational investment in non-market and public housing—but will it?

BCH's planned 4,000 units over six sites is a good start, but falls well short of what's needed.

Marc Lee

Opinion



Canada continues to face a housing affordability crisis that especially affects low- and moderate-income Canadians. The new federal Build Canada Homes (BCH) initiative is a non-profit model that has a lot of potential, but many unknowns persist—including the scale of the program.

Housing advocates have long called on federal and provincial governments to invest in the development of non-market housing, including co-ops and other public, social, and non-profit

housing. This type of housing was supported federally from the 1960s to the early 1990s, and often developed in partnership with the provinces and non-profit organizations.

This same model appeared to be what was promised when the federal government launched its National Housing Strategy (NHS) in 2017. Yet, eight years later, the NHS has largely failed to deliver a large-scale buildout of non-market housing.

The problem with for-profit—or market—housing is that it builds to whatever prices the market will bear, so it is unable to deliver the dedicated affordable housing needed by low- to middle-income households in Canada, or to eradicate homelessness.

In contrast, non-profit or non-market housing only needs to charge “break even” rents that cover the amortized, upfront costs of building—land, construction, financing, and development charges—and ongoing operations and maintenance.

As a non-profit model, BCH could lower these upfront

costs and therefore reduce the break-even rents that need to be charged. Using existing federal land is part of this equation, and BCH projects would face much lower financing costs.

As long as the total rental income from the development or portfolio is at break-even levels, then affordability can be locked in over the long term, with no further subsidies required. Additionally, the federal government can amortize upfront capital investments over longer periods of time—say 50 years—to further lower break-even rents on resulting projects.

A well-focused BCH can also align with the need to build a new generation of climate-friendly housing. To do this, BCH should focus on medium-density, multi-unit rental housing, with mostly wood-frame construction built to high energy-efficiency standards and using clean technologies like electric heat pumps.

BCH also plans a focus on using modular, or prefabricated, construction. Already, these techniques can lower construction costs by 20 per cent, compared to



Housing Minister Gregor Robertson, right. Build Canada Homes signals a move in the right direction, but is currently just a pilot program, writes Marc Lee. *The Hill Times* photograph by Andrew Meade

conventional construction, and reduce building times by half.

Federal investments that help create scale across Canada can further reduce costs. The feds have already published designs that can be replicated, and that could be pre-approved by local governments to speed up approvals for new projects.

Canada already has a lot of expertise in both green and modular construction, and this knowledge could be applied across BCH. The federal government can accelerate the industrial development side through investments in skills development, and by supporting the creation of domestic supply chains to meet this new housing demand.

Altogether, there need not be any cost penalty to building non-market housing in Canada that is affordable, innovative, and green.

The big question for now is whether BCH can be rolled out quickly for the many populations that really need it (including Indigenous communities, people with disabilities, and so forth), and at the scale needed.

Canada currently builds about 200,000 homes a year, and the federal government has talked about doubling that. The Canadian Centre for Policy Alternatives' Alternative Federal Budget has called for one million new non-market homes over a decade to address backlogs and to meet needs.

BCH's planned 4,000 units over six sites is thus a good start, but falls well short of what's needed. In addition, as the Parliamentary Budget Office noted in December, BCH only partially offsets other planned reductions in federal spending on housing over the next few years.

Overall, BCH signals a move in the right direction, but is currently just a pilot program. To meet the federal rhetoric on housing investment and really make a dent in affordability, BCH needs to be scaled up and focused on the key populations in need of good housing.

Marc Lee is a senior economist with the Canadian Centre for Policy Alternatives. He is based in Vancouver.

*The Hill Times*

## Build more homes—but don't lock Canada into higher emissions

Continued from page 22

of energy use in homes, represents only about 23 per cent—a reflection of Canada's low-emissions electricity grid profile.

These emissions are not evenly distributed across the country. Ontario and Alberta contribute 45 per cent and 22 per cent, respectively, of total national residential GHG emissions, excluding electricity. The former's emissions reflect its population size, while the latter's stem largely from heating systems still heavily dominated by natural gas.

Encouragingly, with the number of households increasing in Canada, total residential GHG emissions excluding electricity largely plateaued between 2015 and 2022, and emissions per household dropped 13 per cent in the same period. But reducing emissions intensity will not achieve Canada's net-zero goals.



Emissions reductions in our homes ultimately depend on Canadians and their ability to invest in upgrades, writes Kate Koplovich. *Unsplash photograph by Anju Ravindranath*

As Canada builds more homes, progress will be tested. Using conservative estimates of annual housing starts of 235,000—lower than CMHC and PBO suggest is needed to close the housing supply gap, but higher than

any sustained pace Canada has achieved—the country would reach roughly 18 million households by 2035. Continuing to reduce total emissions across that many homes is an unprecedented challenge.

New homes matter, but the real constraint is the “stickiness” of existing housing stock. Most Canadian homes in 2022 were built between 1984 and 1995, and nearly 10 per cent date from before 1946. New homes are vastly more efficient due to improved construction techniques and stricter building codes, and upcoming National Building Code changes requiring “net-zero energy ready” standards will help. But new builds still represent only a fraction of the housing stock. That means the real battle for emissions reductions will be won in the basements of existing homes, and retrofitting and changing the way Canadians live today is where the rubber will hit the road.

Although there is no one silver bullet, a basket of policies can help.

Emissions reductions in our homes ultimately depend on Canadians and their ability to invest in upgrades. Rebates should

prioritize heat pumps and dual-fuel systems that help households transition away from oil or wood, while removing energy-audit requirements that delay replacements when appliances fail.

Programs like the Canada Greener Homes Affordability Program should be rolled out in partnership with all provinces and expanded to serve a wider range of incomes, particularly given the mounting pressure inflation has placed on Canadian households.

And while electrification of heating systems sounds like an easy way to stop using natural gas, the reality is provincial electricity grids are already forecasting load growth from artificial intelligence and quantum compute power requirements. Continued investment in demand-side management and responsive pricing will be essential to balance electrification with other system demands.

As Canada undertakes the largest housing build-out in its history, the worst outcome would be solving one crisis by quietly worsening another.

Kate Koplovich is a senior policy analyst for energy with the C.D. Howe Institute.

*The Hill Times*

# HOUSING: MODULAR AND AFFORDABLE Policy Briefing

## This one policy could allow Canada to dramatically reduce land costs for affordable housing

An Affordable Housing Gifts program would remove barriers to companies and individuals looking to donate land to qualified Community Land Trusts.

Colin O'Leary & Acacia Pangilinan

Opinion



In 2026, housing affordability will remain the most difficult challenge facing federal and provincial policymakers. The problem is vast, the solutions expensive, and the responsibility dispersed to every level of government. While governments have rightly focused on bringing the cost of financing and construction down, little attention has been paid to the single largest cost input of any new housing development: land.

According to a report by the C.D. Howe Institute, land costs in Vancouver represent as much as 60 per cent of the total cost of



While residential land prices have seen a decline from their mid-pandemic highs, they remain the single biggest barrier to affordable housing across Canada, write Colin O'Leary and Acacia Pangilinan. *The Hill Times* photograph by Andrew Meade

a new single detached home. In Toronto, it is as high as 35 per cent. While residential land prices have seen a decline from their mid-pandemic highs, they remain the single biggest barrier to affordable housing across Canada.

Canada's growing number of Community Land Trusts (CLTs) could be a big part of the solution. CLTs are non-profit organizations that acquire land and buildings, and hold the land in trust for affordable housing. While people can purchase houses, duplexes, or apartments on CLT property, the land itself remains in ownership of the trust. The effect? Land costs are taken out of the equation, meaning that housing can be built for the cost of construction, at the same time the land is held in trust as a community asset, benefiting future generations and ensuring lasting affordability.

The problem? Our current tax rules make it difficult to donate parcels of land to CLTs. If someone wants to donate some unused or underused residential land to a CLT, they often face a severe tax penalty. The result? The land sits undeveloped because it is cheaper to simply do nothing than to give it away for the purpose of building affordable housing.

In the 1990s, Canada used tax policy to address a similar problem. People wanted to donate parcels of ecologically sensitive land so that they could be used for conservation and the creation of parks. The federal government recognized the utility of these donations and created a tax incentive called "the Ecological Gifts Program." Since 1995, more than 252,000 hectares of wildlife habitat have been donated through the program.

The program's rules contain strong anti-avoidance measures, ensuring that the program didn't become a new tax loophole for corporations or wealthy individuals. An Environment and Climate Change Canada analysis of the program says that it has delivered enormous public benefit at a negligible cost to the federal treasury.

The Ecological Gifts Program is a template for how to unlock affordable land for hundreds of thousands of new homes. Colin O'Leary has spent the past several years advocating for the creation of an Affordable Housing Gifts program that would remove barriers to companies and individuals looking to donate land to qualified CLTs for the purpose of affordable housing.

This is not a new idea. Similar sounding proposals, like Bill

C-240 in the previous Parliament, attempted to achieve a similar outcome. However, a lack of anti-avoidance safeguards in the bill meant that it faced significant questions about the total cost to federal taxpayers.

In contrast, a proposal currently being circulated around government would ensure that residential land donations be directed only to qualifying CLTs, and only be used for the purposes of affordable housing and supporting amenities. Thoughtful policy design would enable an enormous amount of land to be unlocked for new homes with a negligible or even positive impact on the fiscal framework.

If designed properly, this Affordable Housing Gift Program would be a game changer for Canadians priced out of the housing market. If implemented, 2026 could be the year Canada finally turns the corner on the housing crisis.

Colin O'Leary founded O'Leary and Associates to provide consultation to businesses, non-profits, public entities and social enterprises on financial, innovation and strategic management needs. He currently serves as second vice-president on the board of directors for the Kamloops & District Chamber of Commerce, and is the author of the Housing Gift Program policy.

Acacia Pangilinan is executive director of both the Kamloops & District Chamber of Commerce, and the Merritt & District Chamber of Commerce. Her work has been recognized provincially and nationally. In 2021, she was named to BC Business magazine's Top 30 Under 30, and in 2024, she was honoured as Executive of the Year by the Chamber of Commerce Executives of Canada in the Chambers with 500-999 member category.

*The Hill Times*

## Nuancing our understanding of Canada's housing affordability crisis

Continued from page 21

While it has stimulated historically high levels of rental construction—up roughly five-fold from pre-2020 levels—these new units typically rent at 40 to 70 per cent above average market rents, offering little relief to households already struggling.

### Third: the erosion of existing affordable rental stock

Rising demand collided with a regulatory system that protects sitting tenants but allows rents to reset to market levels upon turnover. With nearly one in five rental units turning over each year, vacancy decontrol allowed rents to rise rapidly, particularly in a market suddenly absorb-



Housing Minister Gregor Robertson tours a Caivan modular home construction site in Nepean, Ont., on Sept. 14, 2025. *The Hill Times* photograph by Andrew Meade

ing hundreds of thousands of new renters.

As a result, Canada has not only failed to add enough

affordable rentals; it has steadily lost much of its existing lower-rent stock. Moderate-rent units disappeared, leaving low-income

households with few options when forced to move. For many, the only remaining alternatives were shelters, vehicles, or tents.

### Fourth: rising homelessness and encampments

Homelessness is often framed primarily as a mental health or addiction issue. While those challenges remain real, a growing share of homelessness today is driven by simple economics: people cannot find housing they can afford. Without access to deeply affordable rental units, people cannot exit shelters, even when they are ready to do so. Many also require targeted supports to stabilize in housing.

Addressing these challenges through the private market alone

is unrealistic. Given land costs, construction expenses, and financing realities, the market cannot deliver housing affordable to households at the lowest end of the income spectrum. That gap can only be filled through sustained public investment and a stronger non-market housing sector.

Canada's housing crisis is real—but it is not singular. Treating it as such risks missing both the problem and the solution. A more nuanced diagnosis is not an academic exercise; it is the foundation for policies that actually work.

Steve Pomeroy is an Ottawa-based housing researcher and part-time lecturer at Carleton and McMaster universities, teaching housing policy. Widely recognized as one of the leading housing policy experts and thought leaders in Canada, Pomeroy has more than 40 years of experience in the housing sector, working at the municipal and federal government, in non-profit development, and since 1994 as a consultant and part-time academic.

*The Hill Times*

# Policy Briefing HOUSING: MODULAR AND AFFORDABLE

## Building codes are undermining the promise of modular housing

The residential construction sector can't use new technologies like modular housing while operating in a fragmented, constantly shifting regulatory environment.

Olha Sotska

Opinion



Hopeful Canadian homebuyers waiting for housing affordability to make a comeback will continue to have their optimism and stamina tested as the likelihood of closing Canada's housing gap further deteriorates. To restore affordability to pre-pandemic levels, we need to double the pace of housing starts and reach 430,000 to 480,000 per year,

which would completely buck the trend of consistent decline since September 2025.

The numbers are grim, which is why many in the residential construction sector are hedging their bets on the promise of innovative methods. From modular homes produced in factories and assembled on site to cutting-edge 3D printing, several new approaches have emerged to help build safe, affordable, and comfortable homes up to 30- to 50-per-cent faster than traditional construction times. The next step should be as obvious as scaling these approaches, and yet the path forward isn't that simple.

To build a modular house, a company must apply for a building permit from the municipality, a process requiring them to demonstrate that the project meets the technical requirements of the building code as well as other "applicable laws," such as a municipal bylaw. If their project does not meet these requirements, the permit is not granted and no shovels go in the ground.

It's even worse for a builder operating a single facility but aspiring to serve customers nationwide as they are forced to untangle a mess of different provincial, territorial, and municipal code interpretations. While the



A builder operating a single facility but aspiring to serve customers nationwide is forced to untangle a mess of different provincial, territorial, and municipal code interpretations, writes Olha Sotska. *Unsplash photograph by Declan Sun*

National Building Code of Canada and compliance standards provide a core trajectory, provinces and territories also enact their own building codes with unique requirements. A modular building unit approved in one province may face different criteria in another, requiring a redesign, re-testing, and additional documentation. Layer municipal

bylaws on top of provincial and territorial codes and the modular industry, as well as the wider residential construction industry, ends up navigating a maze of dozens of overlapping and sometimes contradictory regulations.

This approach to regulation creates uncertainty, slows down operations, increases costs, and limits product availability. Even minor discrepancies can put significant demands on time and investment. To make matters worse, as builders adjust their processes to suit whatever province and municipality they're in, another update to building codes may well be announced.

In Canada, National Model Codes operate in five-year update cycles. Yet, in practice, they are subject to a barrage of post-publication revisions and errata packages—both ways to make minor off-cycle adjustments to the code. Since 2005, Canada's building, fire, plumbing, and energy codes have undergone multiple editions and revisions. Rather than four scheduled updates over 20 years, there have been nine major revisions, including a staggering roughly 3,500 technical changes throughout almost 10,000 pages of code updates and revisions.

Provincial and territorial governments implement and modify

these model codes at their own pace, meaning one jurisdiction might adopt a new iteration while another is still operating under an older version. The volume, frequency, and scattered nature of these changes forces builders to constantly review their projects to ensure compliance.

This regulatory environment results in builders shouldering significant administrative burden; companies are preoccupied with tracking and responding to code changes rather than focusing on scaling production and delivering the housing Canadians desperately need. Business confidence also takes a hit as a lack of regulatory certainty means risk for industry stakeholders working with long planning and investment horizons, which in turn discourages investment. When capital pulls back, housing delivery slows.

Canada's residential construction sector can't solve the housing crisis with innovative new technologies like modular housing while operating in a fragmented, constantly shifting regulatory environment. It's time to stop the rule-changing roller-coaster and give builders the certainty they need. Consistent nationwide standards that follow a predictable, regular schedule for updates will allow the residential construction sector to innovate and scale with confidence, and finally build the affordable houses hopeful homebuyers are waiting for.

Olha Sotska is a policy adviser for the Canadian Chamber of Commerce.

The Hill Times

## Ottawa's \$13-billion housing gamble is missing a critical safeguard

An occupational therapy review of standardized modular templates could ensure that every unit built from those plans meets basic functional accessibility standards.

Irving Gold

Opinion



As shovels hit the ground on the first Build Canada Homes "Direct Build" sites, the government's \$13-billion bet on modular housing enters its riskiest phase: execution. The promise is speed—cutting construction timelines by

50 per cent. The problem is that we will rapidly replicate a critical failure of our existing housing stock: its devastating lack of accessibility. This isn't a minor oversight for the eight million Canadians living with a disability, and a rapidly aging population. It's a blueprint for future crises and a massive, deferred liability on the federal balance sheet.

The solution is not to slow down construction, but to build smarter from the start. This requires a new kind of expertise at the design table: occupational therapy. While architects ensure code compliance and engineers ensure structural integrity, occupational therapists provide clinical assessment of function. They are the only professionals trained to assess how a person's abilities interact with their environment. Will a parent using a wheelchair be able to safely bathe their child in this bathroom? Can a senior with arthritis open the kitchen cabinets? These are not aesthetic questions; they are questions of independence, health, and safety.

The consequences of inaccessible design are already painfully clear. According to the National

Institute on Ageing, an estimated 7,590 Canadians under the age of 65 were living in long-term care facilities in 2019—not due to medical necessity, but because they cannot find suitable, accessible housing. That number has almost certainly grown. This catastrophic policy failure costs the health-care system an estimated \$500-million annually in avoidable institutional care. And the pressure will only intensify. By 2030, nearly one in four Canadians will be over 65, and 40 per cent of seniors live with a disability. Building thousands of new units that cannot accommodate mobility aids, sensory differences, or the physical changes that come with aging doesn't solve a crisis—it mortgages our future, guaranteeing skyrocketing retrofit costs and preventable human suffering.

The evidence supports this approach. Research consistently shows that home modifications combined with an occupational therapy assessment reduce falls and improve participation in daily life—falls being the leading cause of injury-related hospitalization among seniors. Applying this

expertise at the design stage of large-scale housing is a logical next step, and one Canada has yet to take.

For the Build Canada Homes agency, this represents a powerful de-risking opportunity. Current building codes set minimum "visitability" standards, but as the Rick Hansen Foundation has noted, they fall far short of functional livability—they don't address whether someone can actually use a kitchen or bathroom safely across their lifespan. To date, the Direct Build program has emphasized speed and affordability, but its public materials contain no specific commitment to universal design. An occupational therapy review of the program's standardized modular templates—likely numbering fewer than a dozen—could ensure that every unit built from those plans meets basic functional accessibility standards. Research shows that incorporating accessible features during construction adds only one to three per cent to project costs, while retrofitting later costs 10 to 20 times more. This is not a burden; it is insurance.

The government's 2026 priority is clear: deliver the Direct Build program. The path to success is equally clear: treat universal design as essential for building resilience and preventing health problems, not as a bonus feature.

Here is the actionable step: before the next wave of modular contracts is finalized, the Build Canada Homes agency should mandate an occupational therapy design review for its core housing templates. This single intervention would transform these units from basic shelter into proactive health infrastructure, reducing future pressure on hospitals and long-term care homes.

The choice for Ottawa is not between speed and accessibility. It is between building with foresight or building with failure pre-installed. By leveraging occupational therapy as a clinical design safeguard, the government can ensure its historic housing investment builds a legacy of independence—not a future of costly retrofits and institutionalization.

Irving Gold is CEO of the Canadian Association of Occupational Therapy, which is celebrating its 100<sup>th</sup> anniversary in 2026. He has more than 25 years of leadership experience advancing health-care professions across Canada.

The Hill Times

# HOUSING: MODULAR AND AFFORDABLE Policy Briefing

## Tackling Canada's decades-long housing crisis will require more time, money, and strategic planning

It's time for a renewed national strategy that treats housing as essential infrastructure for health and well-being, and invests at scale in community housing.

Alexandra  
Doran &  
Yushu Zhu

Opinion



It's been more than seven years since the federal government launched its first 10-year, \$115-billion National Housing Strategy, grounded in a human rights-based approach to tackle Canada's decades-long housing crisis. Since then, supportive initiatives have been rolled out, including then-prime minister Justin Trudeau's Canada Housing Plan supported by the 2024 budget, and Prime Minister Mark Carney's Build Canada Homes (BCH) agency, supported by the 2025 budget. Together with provincial plans and programs, these efforts offer a mix of supply and demand-based interventions.

Federal funding and financing on the supply side include the Apartment Construction Loan Program to expand purpose-built rentals, the Affordable Housing Fund to support low-rent and deeply affordable housing, the now-closed Rapid Housing Initiative for supportive and transitional housing, and the Rental Protection Fund to preserve existing affordable housing stock through building acquisition. These programs supported the construction of nearly 280,000 housing units, though only 43 per cent have been completed. Budget 2025 committed \$7.3-billion in funding and financing under BCH to support the community housing sector. On the demand side, the Canada Housing Benefit (CHB) provides monthly rent supplements to eligible tenants, while first-time homebuyers receive GST relief on homes priced below \$1.5-million. Meanwhile, immigration targets were significantly reduced to slow population growth and ease housing demand.

These measures have helped soften the housing market, and relieve affordability pressure at the margins. For example, rental constructions are well above historical levels. Vacancy rates rose, while rent growth slowed, with declines in some regions. However, average rents across major urban centres continue to rise amid stagnant incomes and weaker labour market conditions. Homeownership affordability, particularly in the condo market, has showed modest improvement, but housing prices remain out of reach for many. Recent homebuyers have had to take on larger loans with a longer amortization period, despite lowered interest rates.

With the sunset of the National Housing Strategy, Canadians are left with uncertainties as renewal of commitments remain unclear, and federal spending on housing is set to decline 56 per cent from \$9.8-billion in 2025-26 to \$4.3-billion in 2028-29. While the 2025 budget renews commitments to supportive and transitional housing for people in acute need, programs that have supported moderate-income households, including the Federal Lands Initiative and Co-operative Housing Development Program, are set to expire. The Parliamentary Budget Office (PBO) estimated federal spending over the next five years would deliver approximately 13,000 new units for very low to low-income households, compared with just 3,200 units for moderate- and median-income households, and roughly 10,000 market-rate units. These numbers pale compared to the estimated 227,000-245,000 units Canada needs every year to close a significant housing gap by 2035. The outlook worsens as programs addressing homelessness and Indigenous housing are scheduled to expire between 2027 and 2029 as homelessness continues to rise. Compounding the problem, the CHB program, which has supported nearly 300,000 households, will expire in 2028 with no replacement announced. This will likely push many households back into core housing need, struggling to pay for private market housing as living costs climb, while stuck on long waitlists for subsidized housing.

These budget shifts reveal the continued treatment of social housing as a siloed and marginalized sector—one that is positioned as a temporary safety net for the "deserving poor," rather than a foundation for affordable, stable, and adequate housing for all. The PBO noted that meeting federal fiscal targets may require further funding cuts to social housing outside existing agreements. This will entrench scarcity rather than expand access, leaving broader housing and social vulnerabilities unaddressed. An equitable housing system requires a sizable and robust community housing sector that serves diverse populations and housing needs. It must also recognize housing as a social determinant of health that impacts not just physical and mental health, but economic and socio-cultural well-being.

The continued repair of Canada's unjust housing system requires more time, money, and strategic planning. It is now time for a renewed national strategy, one that treats housing as essential infrastructure for health and well-being, and invests at scale in community housing for a broad range of incomes and groups.

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## Are programs in search of a policy or a Canadian housing system?

Canada's housing crisis did not emerge overnight, and it will not be solved by any single initiative.

Jim Dunn, Duncan MacLennan  
& Steve  
Pomeroy

Opinion



In 1964, the Ontario Association of Housing Authorities delivered the withering critique that Canadian housing policy had become "production-oriented rather than distribution-oriented," and focused on counting units rather than delivering outcomes meeting social need. Building houses had become an end in itself, not a means to better housing outcomes.

Nearly 60 years later, the critique still lands with policy unduly focused on houses built rather than the improved social, economic, and environmental outcomes they deliver.

Housing debate remains dominated by the mantra "build more with faster approvals, to reach bigger targets." Canada's affordability crisis will not be solved by construction alone, but must also recognize the shifting demands, needs, and income distributions unfolding. Governments fail to address the deeper problem both because they are not guided by an understanding of how the housing system works, nor do they embrace governance arrangements to co-ordinate the actions of multiple spending siloes and levels of government with major housing system impacts.

Canadian Housing Evidence Collaborative (CHEC) research for Canada Mortgage and Housing Corporation, and for Housing, Infrastructure, and Communities Canada emphasizes that the housing market is a complex system that is core to critical social economic and environmental outcomes (e.g., labour, immigration, carbon emissions), yet we have no coherent national housing market strategy. Housing policy needs to be for all Canadians, albeit at a larger scale, and a better organized and financed non-profit sector remains to be developed.

The range of growing system dysfunctions including growing homelessness, ubiquitous rental housing pressures, and homeownership that is more difficult to attain and retain. These adverse outcomes spillover into lowered productivity in labour markets, distortions in the allocation of capital towards bricks and mortar and away from enterprise, and foster urban sprawl that frustrates progress to net-zero emissions. When "whole of government" policy ignores these program interdependencies, because they are not tied to clear policy goals and missions, it can produce disappointing—or perverse—results.

Policy systems failure is arguably most visible in local rental housing systems. Across Canada, governments emphasize new construction of affordable housing, including by non-profit providers. Yet the affordable rental stock is overwhelmingly private, older, and increasingly at risk of rent escalation, conversion, or demolition. New supply is simply not keeping pace with losses.

CHEC's work with the City of Hamilton in Ontario illustrates the point. As part of the Hamilton Sustainability and Investment Roadmap, CHEC analyzed housing challenges through a systems lens, focusing the "troublesome trinity": homelessness, unaffordable rental housing, and declining access to homeownership. These are not separate problems; they are dynamically linked.

We narrowed our analysis to the rental system because rising rents are both a direct driver of homelessness and a consequence of barriers to homeownership. What we found was stark. Between 2011 and 2021, for every one affordable unit built through a federal program in Hamilton, the city lost 23 private-market rental units renting for \$750 or less. No realistic level of new non-profit construction could offset that rate of loss.

Seen through a systems lens, the implication is clear: preserving existing affordable housing is just as important as building new units—and often far more cost-effective.

That insight led to a different policy mix. Instead of relying primarily on new construction, Hamilton's roadmap prioritizes acquisition programs that enable non-profit providers—with government support—to purchase existing rental buildings and keep rents affordable in perpetuity. It also meant several initiatives to help preserve existing intermediate-rent housing, including one of the few renovation bylaws in Canada, to mitigate against bad faith evictions disguised as renovations.

None of these tools is revolutionary on its own. What matters is how they fit together—aligned toward managing the housing stock as a system, rather than launching disconnected programs in response to political pressure.

Canada's housing crisis did not emerge overnight, and it will not be solved by any single initiative. But continuing to treat housing as predominantly a production problem, rather than a system performance problem, virtually guarantees failure. We have been warned before—most memorably in a 1973 report titled *Low Income Housing: Programs in Search of a Policy*.

If we are serious about affordability, the lesson is overdue. The key task for governments at all levels is not more programs, tax reforms, or de-regulation, although some may be helpful. It is to reframe their understanding of how the system functions, and to design the vision and collaborative governance that will best use resources to diminish the troublesome trinity and achieve positive housing outcomes for all Canadians.

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