

Intelligence MEMOS



From: Lisa Raitt
To: Housing Watchers
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Re: CANADA'S HOUSING CRISIS IS A TEST FOR POLICYMAKERS

Canada's housing crisis isn't just about soaring prices and shrinking supply – it's a test of our country's ability to adapt and innovate.

Families are paying more than 40 percent of their budgets on shelter-related costs like rent, transportation, property taxes, and utilities. Yet, instead of seeing solutions, they see red-tape and taxes contributing to high homebuilding costs. But what if this crisis could be transformed into a turning point? What if solving housing affordability also helped us fight climate change and build more resilient neighbourhoods?

At the C.D. Howe Institute's recent [housing policy conference](#), I presented a roadmap that challenges the notion that affordability and sustainability must come at each other's expense. Drawing on my work with Canada's [Task Force for Housing & Climate](#) and the recent [Four Pathways to Housing Affordability](#) report, it's time for a bold reimagining of how, where, and what we build. Achieving these goals requires aligning policies across governments to break through the barriers that have stalled progress for decades.

I won't sugarcoat it: The challenge is daunting. Canada needs 5.8 million homes by 2030 to restore housing affordability, but that level of construction risks adding 100 megatonnes of carbon emissions – blowing our environmental targets.

Some argue that affordability must come at the expense of sustainability, but this is a false choice when policies are carefully designed.

Smarter zoning laws, streamlined building regulations, and cost-reducing innovations like modular construction and mass timber can help deliver homes that are affordable, resilient, and low-carbon. Building near transit hubs and not putting homes in places prone to fires or flooding ensure they are protected from extreme weather.

Where we build matters as much as how we build. Families living far from jobs and services spend thousands more each year on transportation costs, while sprawling developments force municipalities to spend more on roads, sewers, and other infrastructure.

These inefficiencies are a drain on household budgets and municipal finances. By prioritizing walkable, location-efficient neighbourhoods, we can reduce transportation costs, lower property taxes, and cut emissions – all without sacrificing livability.

Critics often dismiss these ideas as impractical, but examples across Canada and beyond prove otherwise. Cities like Vancouver and Saskatoon are eliminating parking minimums, freeing up land and resources for housing construction. Modular housing, once stigmatized as low-quality, is now embraced internationally for its speed and efficiency. British Columbia recently updated its building code to allow more efficient single-egress designs – a change that other provinces should follow. These are the kinds of scalable innovations that can transform housing affordability.

Yet progress requires overcoming entrenched resistance. Local governments often prioritize preserving neighbourhood “character” over addressing housing shortages, while outdated regulations stifle innovation.

There are tangible steps to break through these barriers, but implementation demands political will. It also requires policymakers to challenge outdated assumptions, like the myth that denser housing inherently means less livable communities.

Canada's housing crisis isn't just a policy problem – it's a business opportunity. By leveraging green building technologies and fostering transit-oriented developments, we can create jobs, attract investment, and position Canada as a global leader in sustainable urban design. The cost of inaction, however, is staggering: Rising family expenses, growing inequality, and missed climate targets.

Policymakers have a choice: Cling to outdated approaches that exacerbate the crisis or embrace a transformative vision. Canada stands at a crossroads, and the path we choose will define our economic and environmental legacy.

Lisa Raitt is Vice-Chair of Global Investment Banking at CIBC Capital Markets and was a speaker at the C.D. Howe Institute's recent Conference on Housing Policy.

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