

HOUSING ACCELERATION BLUEPRINT:

A Five-Year Action Plan To Build
3.5 Million Homes in Canada

MAY 2025



EXECUTIVE SUMMARY

A top 15 Under 5 Housing Acceleration Blueprint

Canada is facing a historic housing affordability crisis, with millions of Canadians struggling to secure attainable housing. The combination of high land costs, development charges, slow approval timelines, and construction inflation has made delivering new housing increasingly difficult.

In response, **The Housing Acceleration Blueprint: Top 15 Under 5** presents a comprehensive, data-driven and action-oriented framework to build 3.5 million homes in Canada by 2031. This **Blueprint** is grounded in current market conditions, supported by financial proformas, and offers a practical roadmap focused on supply, speed, and funding.

The primary goal for this Blueprint is to set a bold but necessary national target: to deliver 3.5 million new homes by 2031. Based on CMHC estimates and Canada's growing population, this target is needed to restore attainability and reduce pressure across the housing spectrum.



The Top 15 Under 5 introduces 15 transformative strategies organized into three key pillars:

1. Supply – Unlock More Land and Development Opportunities

- Develop a national housing strategy
- Greenfield Housing Activation: Allocate 0.197% of urban Census Metropolitan Area (CMA) land to deliver 1 million new homes
- Shopping Centre Conversions: Retrofit and redevelop underutilized commercial lands for mixed-use housing
- Public Land Disposition: Release 10% of all surplus municipal, provincial, and federal land for housing
- Upzoning Transit Corridors: Eliminate height limits and increase as-of-right zoning at all major transit station areas
- Modular and Off-site Construction: Encourage scalable, prefabricated solutions to accelerate timelines

2. Speed – Approvals, Process Reform and Streamlining

- Standardize As-of-Right Zoning for missing middle housing
- Streamline Site Plan Approvals for affordable and modular projects
- Pre-zoned Housing Sites: Create an inventory of pre-approved high-priority development sites

3. Funding – Incentives, Tax Tools, and Financial Reform

- Development Charge Reform: Propose 50-50 cost-sharing or deferrals to reduce project burden
- Parkland Moratorium and POPS Recognition: Reduce fees where park space already exists; exempt parkland fees with POPS (privately owned public spaces) contribution
- Property Tax Relief: Offer targeted exemptions for affordable and purpose-built rental housing
- 1031-style Investment Incentive: Support reinvestment of housing proceeds into new supply
- Extend Rapid Housing Initiative to 2031 with full funding and more flexible criteria
- CMHC Program Expansion: Lower unit minimums and streamline criteria for AHF and ACLP programs

This Blueprint Is different than other policy reports, it is:

- Proforma-backed: Includes real-world development feasibility models
- CMA-scaled: Targets are distributed by region and population growth
- Implementation-ready: Tools are immediately usable by governments, non-profits, and the private sector
- Balanced: Combines non-market, market, and hybrid approaches

The current economic context with economic uncertainty, volatile interest rates, and slowing GDP growth, housing construction is a strategic counter-cyclical investment. It stimulates employment, supports local industries, and meets critical social needs. Housing must be elevated as an economic priority during a time of economic Gross Domestic Product downturn.

This document is intended for municipal, provincial, and federal leaders, as well as private sector and nonprofit stakeholders. Policymakers are encouraged to align local strategies with these 15 bold and actionable solutions.

The Housing Acceleration Blueprint provides a roadmap to restore housing attainability in Canada. It is bold, achievable, and grounded in best practices and evidence. With collaboration and immediate action, this plan can help ensure a new era of housing opportunity for Canadians. On behalf of all the collaborators, thank you for your time in advancing this Blueprint.

Yours Truly,



A handwritten signature in black ink that reads "Ryan Mounsey".

Urban Insights Inc.
Ryan O. Mounsey CEO.BES.MUDS.MCIP.RPP
Waterloo Ontario Canada

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SECTION 1

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“This Blueprint is the kind of bold, coordinated leadership we’ve been calling for. We need all levels of government pulling in the same direction. This plan is a critical step toward unlocking the scale and speed of housing Canadians urgently need.”

— **Brian Prudham,**
Partner Momentum Developments.

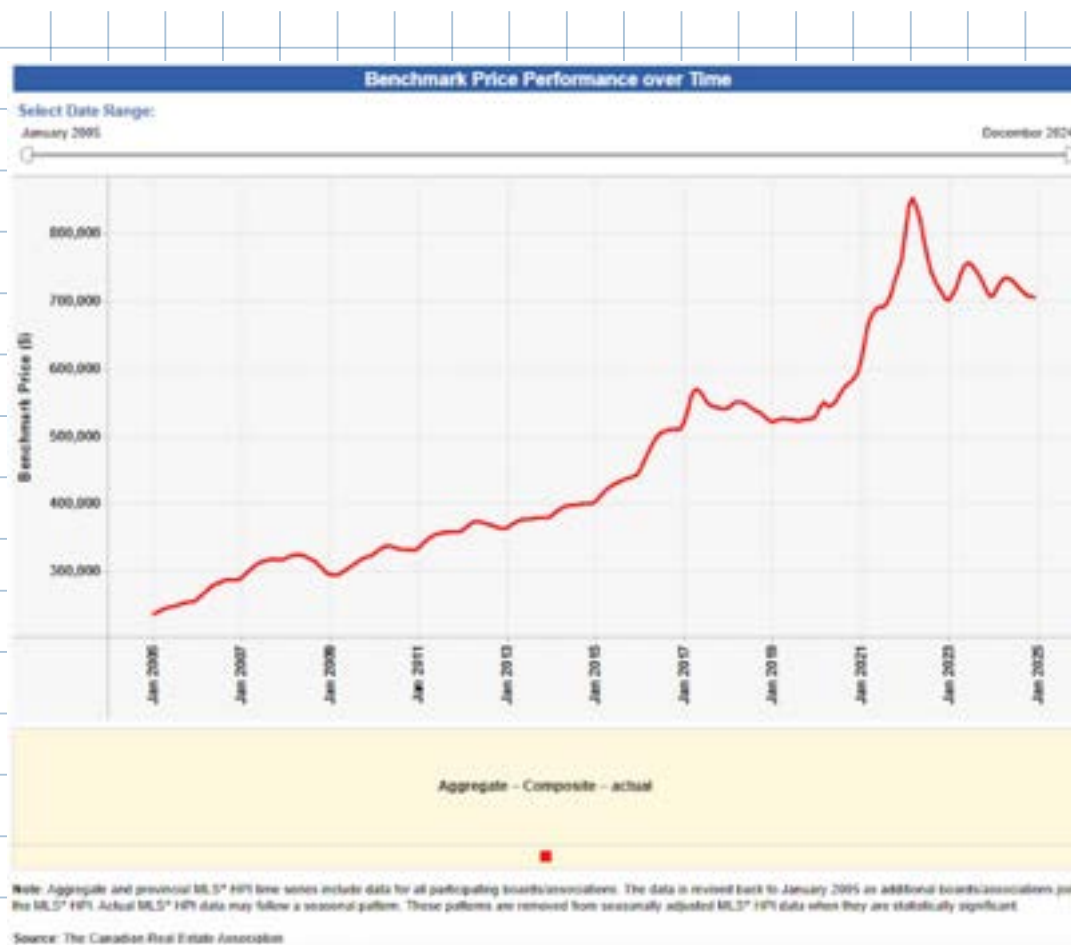
1.0 PREAMBLE

It's About Housing

In 1992, political strategist James Carville famously declared, 'It's the economy, stupid,' encapsulating the foremost concern of that era. Today, in 2025, the focus has shifted; the economy has been overshadowed by a new challenge: housing.

The housing crisis affects all Canadians regardless of socio-economic status or geography; it's housing, and its imperative all city-builders (developers, builders, non-profits, politicians, planners and all those involved in housing and interconnected government activities) address it. The Housing Acceleration Blueprint with the New Housing Spectrum, provides a unique approach to addressing Canada's housing crisis based on a market and non-market housing approach.

Chart 1: Canadian House Prices² Since 2005 (A 20-year timeline)



The Organisation for Economic Co-operation and Development (OECD) has released that real house prices have increased by over 40% over the past decade³, on average across the membership nations, accelerating sharply at the onset of the COVID-19 pandemic. While prices have declined slightly since their peak in 2022, they remain at well above pre-pandemic level⁴.

The evidence is increasingly clear—while a growing number of solutions are being introduced to tackle Canada’s housing crisis, they remain insufficient. These measures contribute to reducing housing costs, yet they fall short of what is needed to achieve the ambitious goal of delivering 3.5 million new homes by 2031. An all hands-on-deck approach will be required to build the scale of housing needed to restore affordability by 2031 and beyond recognizing that this will be heavily influenced by immigration targets.

The Housing Acceleration Blueprint introduces 15 top strategies to deliver 3.5 million homes by 2031. These strategies will require bold action, and involve all levels of government, to unlock and coordinate market and non-market housing providers to build this scale of housing. To set the stage, the following 15 strategies are focused on three key pillars: supply, speed and funding.





Supply

1. Develop a national housing strategy
2. Expand new greenfield (complete) communities
3. Use 10% of public surplus lands for housing immediately
4. Fast track and convert shopping centres into mixed-use development
5. Apply as-of-right (greater) density to transit supportive locations nationally
6. As-of-right Missing Middle Housing across Canada



Speed

7. Ramp up off-site construction across Canada
8. Streamline and standardize local planning

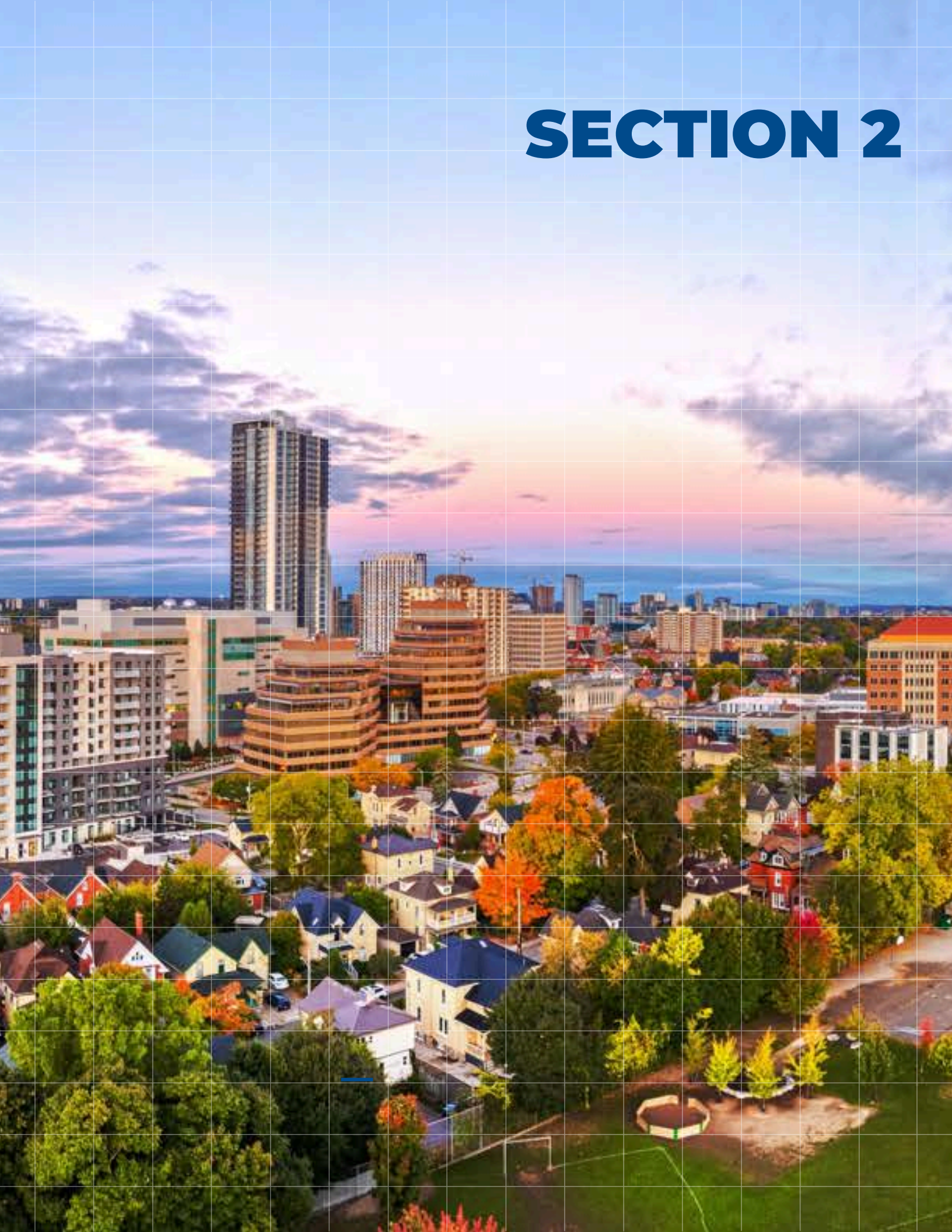


Funding

9. Extend the Rapid Housing (non-market) Initiative (RHI) to 2031
10. Increase Provincial housing incentives (non-market funding)
11. Phased in Inclusionary Zoning
12. Nation wide Office-To-Residential housing program
13. Minimum post-secondary housing program
14. Expand CMHC funding and programs
15. Stronger municipal financial incentives

The housing Blueprint arrives at exactly the right moment. The 2025 federal election showcased that housing is akin to concerns of national infrastructure, and further, it should not be siloed as a local land use issue. The housing Blueprint provides the direction, tools (a playbook) and language to drive the next wave of housing reform in Canada for all levels of government. Let this be the starting point for delivery.

SECTION 2



2.0 CANADA'S HOUSING CRISIS

The Need for 3.5M More Homes

From a city-building perspective, a housing crisis is:

A situation where the availability of attainable housing is significantly outstripped by demand, leading to widespread economic and social challenges.

As a leading housing authority, Canada's Mortgage and Housing Corporation (CMHC) has determined that there is a "3.5 million home gap⁵ by 2030 in order to achieve affordability". This economic position then asks: How can Canada deliver this monumental scale of housing? The Housing Acceleration Blueprint addresses this question.

Today, everyone in Canada is impacted by a housing crisis with the greatest intensity experienced in our fastest growing Census Metropolitan areas (CMA) and by our lowest household income earners and our most vulnerable. In evaluating the expansive reasons for Canada's housing crisis, the following three issues rise to the top:

1 Insufficient and Uneven Housing Supply:

There is a significant shortage of available housing units, especially in major urban centers but the nature and scale of this shortage vary across region and community types. As one indicator, refer to the RLB crane index⁶.

IMPACT

The limited supply fails to meet the growing demand, leading to increased competition for homes and driving up prices. Affordability pressures are not uniform; a comprehensive housing response must account for local market context, demographic needs and serviceable land availability.

2 Housing Affordability and Rising Prices:

Housing prices in Canada have risen in recent years, significantly outpacing wage growth and general inflation. A key contributor to this affordability crisis is the escalating cost of government-imposed fees associated with new home construction. Over the past two decades, these fees have increased substantially, rising from approximately 10% of the total cost of an average home to 25%, and in some cases, as high as 36% ^{7 8}. This surge in development-related costs, combined with rising interest rates, construction expenses, and broader inflationary pressures, has significantly impacted housing affordability. As a result, the financial viability of new housing projects has diminished, limiting supply and exacerbating the affordability crisis. These rising costs create substantial barriers for developers, homebuyers, and renters, ultimately constraining the ability of the housing market to meet growing demand.

IMPACT

Many Canadians are finding it increasingly difficult to afford homeownership or rental units resulting in affordability challenges across the country particularly for new housing projects.

3 Population Growth and Increased Demand:

High levels of immigration, urbanization, demographic and employment shifts have boosted the demand for housing.

IMPACT

The growing population adds pressure to the already limited housing stock, exacerbating the supply-demand imbalance. This is a natural process and will continue to be strained given the lack of new housing starts that have dropped following the pandemic.

2.1 A PARADOX

Greater Demand Does Not Mean Greater Supply

Communities experiencing the fastest population gains are (generally) facing the lowest vacancy rates and the sharpest increases in housing prices. As more people migrate to these centers, attracted by economic opportunities, cultural amenities, and educational institutions, the demand for housing intensifies. However, when the housing supply fails to keep pace with this growth, an imbalance occurs. The limited availability of housing units leads to increased competition, providing upward pressure on both rental rates and property prices, and making housing less affordable for a significant portion of the population.

Table 1: Residential Vacancy Rate Snapshot (October 2023 & 2024, CMHC, %)

CMA	Avg. Vacancy	Bachelor	1bdr	2bdrm	3bdrm
Canada	2.0/2.2	1.6/2.7	1.5/2.4	1.4/1.9	1.3/2.1
British Columbia	1.2/1.9	1.5/2.2	1.1/1.8	1.4/2.1	1.5/1.9
Ontario	1.7/2.7	1.8/3.8	1.9/3.0	1.7/2.5	1.4/1.5
Calgary	1.4/4.6	0.7/4.5	1.6/4.7	1.3/4.8	1.0/2.7
Edmonton	2.3/3.0	3.9/3.2	3.0/3.4	1.9/2.8	1.4/2.3
KCW	2.1/3.5	2.9/**	2.4/4.1	2.0/3.3	1.7/2.4
Kelowna	1.3/3.6	0.2/**	1.0/3.4	1.6/3.4	*/4.2
London	1.7/2.8	1.3/5.7	1.6/2.8	1.9/2.9	1.3/1.8
Moncton	1.2/1.5	*/4.3	2.0/0.9	0.8/1.6	*/**
Halifax	1.0/2.1	1.3/1.5	1.3/2.5	0.9/1.9	0.7/1.5
Saskatoon	2.0/2.1	2.3/1.8	2.7/2.4	1.6/2.0	1.4/1.7
Toronto	1.4/2.5	1.7/4.4	1.7/3.0	1.2/1.9	1.2/1.2
Windsor	2.1/3.2	2.4/**	1.8/2.5	2.4/4.0	1.4/**
Winnipeg	1.8/1.7	2.7/1.4	1.8/1.8	1.7/1.6	1.8/1.4

***** Data suppressed to protect confidentiality or data not statistically available.***

In cities with post-secondary institutions, this pressure is further amplified. Students entering the housing market often compete directly with residents for the same apartments and houses, as there is typically insufficient purpose-built student accommodation. Landlords may prefer renting to students who are willing to pay higher rents for shorter lease terms, especially in areas close to campuses. At the same time, mid-income earners, who might previously have been able to afford better housing options, find themselves priced out due to rising costs and begin seeking housing in more affordable segments. This shift forces lower-income individuals and families into precarious positions, as they face increased rents, potential eviction, or even homelessness due to the intensified competition for affordable housing.



Without an increase in housing supply, and more affordable options (market, non-market, condo and rental), this situation creates a race to the bottom in housing attainability.

Greater understanding of demographic changes (including housing demand linked to life cycle needs) and affordability is required; as Canada experiences an aging population, student growth, family formation, and first time homebuyer trends all require diversified housing types in suitable locations. Each market will have its own housing pressures and will vary by geography. In proposing new housing, these factors should be considered.

To prevent a downward spiral, it is crucial to implement strategies that increase the housing supply, particularly in high-growth communities. Accelerating housing development, reforming policies (and processes) to facilitate quicker and more cost-effective construction and investing in infrastructure can help address the shortage. Promoting affordable housing initiatives (with support services to those at risk) can mitigate the immediate pressures on the housing market. By proactively addressing these challenges, cities can prevent the deterioration of housing conditions and create inclusive environments where all residents have access to safe and attainable housing.

2.2 RISING HOUSING COSTS

An increasing number of households are being compelled to allocate a disproportionate share of their income to housing costs exceeding 30%⁹ of their household income, leaving limited resources for essential needs such as food, healthcare, and education. The housing crisis exacerbates existing social and economic inequalities, disproportionately affecting vulnerable populations such as the elderly, single-parent families, and recent immigrants.

The average cost of a single-detached home has more than tripled since 2005 (Chart 1). With the average cost of a single detached home in Canada now at \$696,166¹⁰ (October 2024 sourced from CREA) the housing market faces significant challenges, particularly for prospective buyers and new entrants.

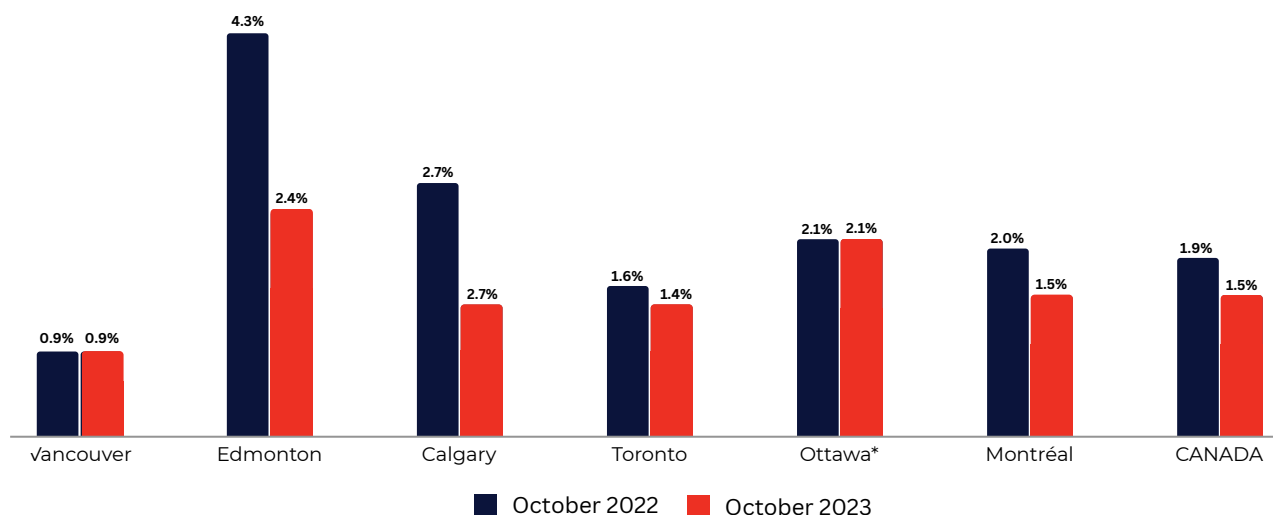
Of importance, the rise in development charges over the past two decades has significantly increased the cost of housing, making new home construction less affordable for buyers and renters. These fees, which municipalities levy to fund infrastructure and services such as roads, water, and transit, have surged from approximately 10% of a home's total cost to as high as 25-36% in some regions. As these costs are passed down to consumers (the end user), they inflate home prices, reduce housing affordability, and discourage private-sector investment in new developments. Higher development charges also make purpose-built rental and attainable housing projects less viable, exacerbating supply shortages. To improve attainability, reducing or restructuring development fees, particularly for attainable and rental housing, is essential to lowering costs and accelerating housing supply. This is a systemic issue that requires alternative funding solutions.



Interest rates play a key role in housing costs. Higher interest rates compound the affordability crisis, makes mortgages more expensive and further out of reach for many. This combination of rising fees, construction costs and borrowing costs, are pushing potential buyers out of the market leading to decreased attainability and a reduction in home sales.

The rental market is also strained with vacancy rates at or near historic lows in many cities, leading to escalating rents that outstrip wage increases. At a national level, Canada's purpose-built rental vacancy rate is 1.5% and drops to 0.9% for the condominium apartment market (January 2024 by CMHC¹¹).

Vacancy rates (%) declined in most of Canada's large rental markets



*Change in 2023 vacancy rate is not statistically significant. This means that the change from 2022 to 2023 isn't statistically different than zero (0).

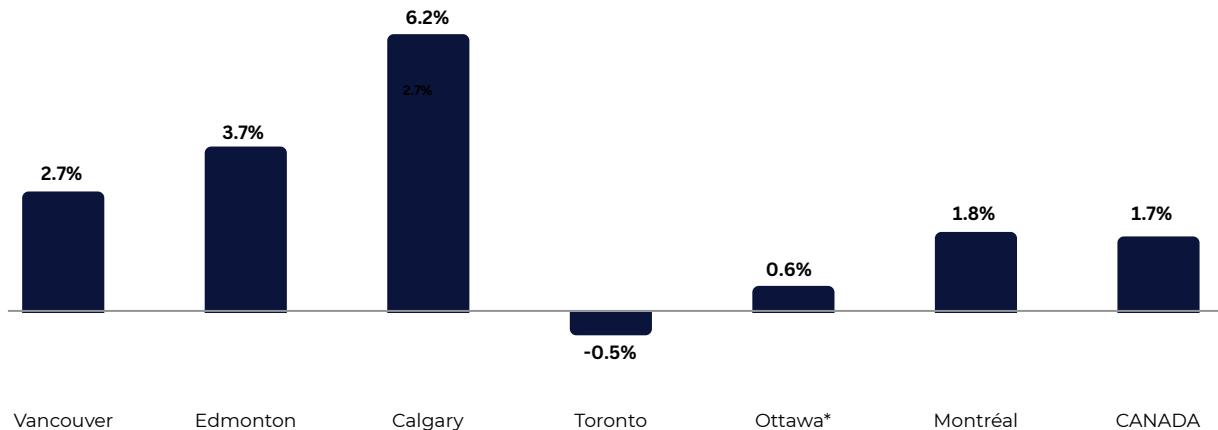
"CANADA" includes all centres with at least 10,000 inhabitants.

Data Source: CMHC; Vacancy rate for privately initiated purpose-built rental apartments (3+ units)



The housing crisis is marked by a significant shortfall in housing construction, particularly in major urban centers, where population growth driven by immigration and economic opportunities continues to support demand. These factors, combined with rising interest rates and the limited availability of affordable housing options, paint a picture of a country grappling with deep-rooted housing challenges that affect millions of people across diverse income brackets and regions.

Supply grew in most markets, but not enough to prevent tightening



Change in the survey universe of privately initiated purpose-built rental apartment universe between October 2022 and October 2023.

Note: Revisions to the Rental Market Survey (RMS) universe may lead to the removal of some dwellings and impact the overall change in the universe.

See the Methodological Appendix at page 119 for more details.

Data Source: CMHC

In review, the top reasons for increasing housing prices can be tied to:

- Increasing land prices
- Increasing construction costs
- Inflation
- Increasing levies and charges (e.g. Development Charges)
- High, and sometimes, unpredictable carrying costs
- High demand



The current outlook indicates a softening housing market, with many Canadians facing barriers to homeownership and mobility, while existing homeowners grapple with rising mortgage costs. At the same time, condo developers are pausing projects due to sluggish sales, but with carrying costs accumulating, indefinite delays are not sustainable.



As affordability continues to erode, and with an aging population with less disposable incomes, the market may see increased demand for alternative housing solutions, such as rental units, smaller homes and creative home ownership and land development models such as a community land trust, cooperative housing and shared equity arrangements.

What was once a manageable aspiration for many has now evolved into a pressing crisis, with soaring rents and home prices pushing people to the brink. The lived experience for low to moderate household incomes is even more extreme. As Canada continues to grow, the strain on housing availability intensifies, highlighting an urgent need for innovative solutions to ensure that housing remains accessible and attainable for all Canadians.



2.3 THE END USER

In a country with fast growing cities (and towns), and generally with strong job growth, there is a need to build more housing. A basic tenant of the new Housing Acceleration Blueprint is that all costs are passed down to the 'end user' (the future owner or tenant). These costs include and start with land cost, followed by municipal fees, construction costs, lending costs, profit, taxes, and lastly, time.

Cost of housing = land + government fees + construction + lending + profit + taxes + time

This sequence of costs (and time) is what generate, and result in, the creation of new housing at a predetermined rate. If one, several, or all of these variables rise, so does the cost of housing. In all cases, there must also be a fixed return on profit which varies for market and non-market housing projects. If the market cannot bear the cost of new housing, it simply will not be built.



2.4 FOCUS ON THE CMAs

(Census Metropolitan Areas)

The Top 15 Strategies to address Canada's housing crisis applies to 41 CMAs as these are the primary growth communities across Canada and have the greatest levels of service to support growth. CMAs can be easily monitored over time, compared and analyzed. In terms of growth, a few stats to consider are outlined below and further in Tables 2-4:

- On June 16th, 2023, Canada reached 40 million people, and with a growth rate of 2.7%, Canada will double its population in 26 years
- In 2021, nearly 3 in 4 Canadians (73.7%) live in one of Canada's large urban centres
- 45% of all Canadians live in a mid-size city ranging between 50k – 500k

Table 2: Canadian Population and Forecasts

2021	2024 Q1	April 1, 2024	2041	2051	2021
36,991,981	40,769,890	41,012,563 ¹²	47,700,000 ¹³	51,000,000	36,991,981

Table 2: Canadian Population and Forecasts^{14 15 16}

Year	2021 ^{17 18}	2022	2023	2024	2025
Target	401,000	437,180	465,000	485,000	500,000
Actual ¹⁹	405,303 ²⁰	437,600	471,150	TBD	TBD

Table 4: Updated Canadian Immigration Targets²¹

Year	2025	2026	2027
Target	395,000	380,000	365,000



Canada's population growth is changing, and almost all growth will be created through national immigration targets with many of these residents making home in a CMA.

As shown in Table 2, the 2023 immigration target is 465,000 and two-thirds of recent immigrants are of core working age²². The immigration target peaks to 500,000 immigrants in 2025 which is double the average annual immigration between 2001-2014. By 2032, immigration is projected to account for 100% of Canada's population growth²³.

In October 2024, the Canadian federal government announced a reduction in its immigration targets, adjusting the planned intake of new permanent residents to 395,000 in 2025, 380,000 in 2026, and 365,000 in 2027. The updated Immigrations Level Plan is designed to pause population growth in the short term to achieve better-managed sustainable growth in the long-term. A scaled-back immigration target will temper population growth rates, potentially impacting labour market vitality, economic expansion and population growth forecasts in rapidly evolving areas. Post-secondary institutions, traditionally bolstered by a steady flow of international students, are facing challenges in sustaining enrollment levels and the related economic benefits these students bring to local communities. There are impacts to housing demand with the roll back of immigration targets.

The full scope of the revised Immigration Level Plan's impact will become clearer with time, as data reveals its longer-term effects on workforce development and housing market health.

2.5 FOCUS ON 3-5% RENTAL VACANCY



As one part of the market housing spectrum, a balanced rental housing market is typically defined by a vacancy rate of around 3-5%²⁴. Achieving this balance requires new construction to boost the residential vacancy rate. To meet this goal, efforts should focus on advancing purpose-built rental housing (and condominium rental housing), ensuring the market remains stable and aligned with this standard. The below table summarizes how different vacancy rates impact the housing market and attainability:

Table 5: Vacancy Rate Profile

0-2%	Low	Indicates a housing crisis or stressed market. Demand significantly exceeds supply, leading to rapidly increasing rents and reduced affordability.
3-5%	Moderate	Represents a balanced or healthy market; there is enough supply to meet demand leading to stable rents and improved attainability and avoids a negative rental income rate.
>5%	High	Suggests a potential oversupply (often linked with high unemployment). Rents might decrease or stability improving attainability; however, excessive high vacancy rates can signal economic issues or declining demand (population contraction). The rental rate becomes increasingly unviable.



The above graph illustrates the relationship between rental apartment vacancy rates and housing market conditions. It shows a range from a "Housing Crisis" with extremely low vacancy rates (near 0%) to an "Oversupply" situation at high vacancy rates (around 10%). A "Healthy Market" is typically associated with vacancy rates around 3% - 5%, indicating a balanced supply and demand. This visualization helps in understanding how different vacancy rates can signal varying conditions in the housing market.



2.6 BUILD 3.5 MILLION HOMES BY 2030

(within 5 years)

From a national perspective, CMHC has projected that building 3.5 million new homes by 2030²⁵ is essential to restoring housing affordability across Canada. This target is based on comprehensive modeling that considers the gap between current housing supply and the growing demand driven by population growth, urbanization, and rising immigration. By significantly increasing the housing stock, this ambitious goal aims to alleviate upward pressure on home prices and rental costs, ensuring that housing becomes accessible to a broader range of income levels. Achieving this target would not only stabilize the housing market but also provides opportunity to create more equitable opportunities for Canadians to secure safe, attainable housing, addressing a core component of the country's housing crisis.

The primary focus of the new Housing Acceleration Blueprint with its enabling Housing Spectrum is to facilitate 3.5 million new homes by 2030 through 15 strategies within five years. The Blueprint is focused on all types of housing recognizing that housing diversity represents opportunity; a home is an investment in people, in communities and the future of Canada.



HOUSING ACCELERATION BLUEPRINT FOR CANADA



Macro-National Strategy



As-of-
Right
Housing



Government
Land



Office-to-
Residential
Conversions



Evolve Tax
Incentives

Government Fees



SECTION 3

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**“When we build more housing,
we build more opportunity.
Every home is an investment in
people, in communities, and in
the future of Canada.”**

— **Ryan O. Mounsey,**
CEO Urban Insights Inc.

3.0 SOLVING THE HOUSING CRISIS

The Top 15 Under 5

**Housing affordability remains near its worst levels in decades.
(RBC, Robert Hogue, March 31 2025, Housing Affordability: Improving affordability
in Canada takes a backseat²⁶)**

Canada's population is over 40 million people and will be at 50 million by 2050 or sooner. There is urgency to address the supply-demand imbalance and to develop an actionable Blueprint on how to build more homes recognizing immigration levels will be responsible to deliver this growth.

There have been many policy, research, academic, professional and advocacy papers on how to fix housing. In reviewing this content, including the Ontario Affordable Housing Action Plan, as well as key economic studies and trends from CMHC and leading construction groups, a collaborative project team within Urban Insights Inc. have prepared this call to action to address the national housing crisis by leveraging best practices, ideas and innovations available to reach 3.5 million homes.

The Top 15 Under 5 represents the 15 most effective and transformative housing strategies to be implemented over the next five years to support the construction of 3.5 million new homes, as modeled by CMHC to restore housing attainability. To drive the development of these homes, the Top 15 Under 5 is structured into three key pillars:



SUPPLY



SPEED



FUNDING

Combined, the strategies (and actions) within these funnels, have the potential to meet (and exceed) the 3.5 million home housing target, as well as to accelerate housing construction during a time of great housing need.

As a principle, the Top 15 under 5 is a housing market framework driven by the private sector (market housing options) and is enhanced and complemented by the non-market housing sector driven mostly by non-profits, co-operatives, the public sector, and as an emerging area, public-private partnerships shown below (a new housing spectrum, refer to Appendix 1).



The Top 15 under 5 Housing Acceleration Blueprint focuses on the following key principles:



Supply

1. Develop a national housing strategy
2. Expand new greenfield (complete) communities
3. Use 10% of public surplus lands for housing immediately
4. Fast track and convert shopping centres into mixed-use development
5. Apply as-of-right (greater) density to transit supportive locations nationally
6. As-of-right Missing Middle Housing across Canada



Speed

7. Ramp up off-site construction across Canada
8. Streamline and standardize local planning



Funding

9. Extend the Rapid Housing (non-market) Initiative (RHI) to 2031
10. Increase Provincial housing incentives (non-market funding)
11. Phased in Inclusionary Zoning
12. Nation wide Office-To-Residential housing program
13. Minimum post-secondary housing program
14. Expand CMHC funding and programs
15. Stronger municipal financial incentives

1 A National Housing Strategy



A coordinated, national housing strategy is essential; an "all-hands-on-deck" approach that brings together federal, provincial, and municipal governments to accelerate housing supply. A comprehensive review and strategic national framework is needed to address the ongoing and future demand surge, ensuring sustained, scalable housing development for the next generation.

1a. A National Housing Target: To achieve the ambitious goal of building 3.5 million new homes by 2030, Canada must establish a comprehensive national housing target framework for all Census Metropolitan Areas (CMAs). This system would mirror the proven Housing Tracker Programs in Ontario and British Columbia, which provide clear, measurable goals and progress monitoring. Ontario's target of 1.5 million homes by 2030 exemplifies the scale of commitment needed, setting a benchmark for other provinces to follow.

A national tracker would bring clarity and accountability by assigning specific housing targets to the CMAs across Canada, tailored to local needs and growth potential. While recognizing that housing delivery is a provincially driven system, this approach would require all provinces to align with a unified vision to meet Canada's housing demand. By fostering collaboration across jurisdictions and leveraging provincial expertise, the tracker would ensure a coordinated and transparent effort to address the housing crisis, building momentum for a nationwide housing solution.

1b. Upzone. Upzone. Upzone: Provide a national mandate to upzone properties to allow for more missing middle housing, greater intensification along transit routes, major transit station areas, urban growth centres, and within existing neighbourhoods (missing middle). Upzoning is one of the most impactful strategies to quickly add more housing across the country, as it maximizes the use of available land, reduces the need for zoning bylaw amendments, and supports sustainable community growth by aligning new development with existing infrastructure.

1c. No Height Limits for Transit Oriented Areas – a national zoning reset: To address Canada’s housing crisis, eliminating height limits in all Major Transit Station Areas (MTSAs) is a transformative solution that aligns housing development with public transit investment. By removing height restrictions, municipalities can significantly increase housing density near transit hubs, maximizing unit yield where demand is highest. This policy would ensure that communities benefit from efficient, transit-connected housing while reducing reliance on cars and fostering sustainable urban growth. As a national directive, it would standardize planning practices, simplify approval processes, and attract public-private partnerships to deliver this targeted housing solution.



While zoning authority is constitutionally delegated to provinces, the federal government holds powerful influence through its spending power, housing programs, and infrastructure investments. A National Zoning Reset would not override provincial legislation, but rather function as a voluntary, incentive-based framework—encouraging provinces and municipalities to align minimum zoning standards in key urban and transit-connected areas. Specifically, the federal government can condition access to programs like the Housing Accelerator Fund, Canada Infrastructure Bank, and CMHC financing tools on municipal adoption of as-of-right zoning within MTSAs. These areas—typically within 500 to 800 metres of rapid transit—represent the most efficient and sustainable locations for medium- to high-density housing. A national policy framework could standardize baseline permissions (e.g., 6+ storeys, no parking minimums), enabling thousands of units to be fast-tracked without years of site-specific rezoning. This approach balances federal leadership with provincial autonomy, while leveraging existing public investments in transit. As part of a broader national housing strategy, a zoning reset around MTSAs would serve as a foundational tool to rapidly scale housing supply in the right locations—near jobs, services, and infrastructure—and create a consistent, equitable approach to intensification across Canada’s largest housing markets.

This bold move would accelerate housing supply while creating vibrant, walkable communities centered around transit. It would unlock the full value of provincial and federal investments in transit infrastructure, supporting economic growth and equitable access to affordable housing. By streamlining zoning regulations and prioritizing high-density developments, Canada can address its housing needs with speed, precision and supply.



2 New Greenfield Communities



Target: 1,000,000 New Homes

Given Canada's large and vast land supply (9,984,670 sq.km / 3,855,100 sq.m. the second largest country in the world), a disruptive action is recommended to develop 0.2% of the land area to all CMAs as greenfield land areas based on 50 units per hectare density; this bold action will ensure a balanced supply of housing is provided during the next decade recognizing that the majority of new housing will be within the urban boundary. As a mandate, greater greenfield development will be required over the next decade and can be established through a streamlined Provincial – Municipal order mandate and through Memorandum of Understandings (MOUs).

2a. Deliver 1M new homes through a national mandate by increasing the urban area boundaries in all CMAs by 0.197% for new greenfield density that exceeds at least 50 people per hectare density as outlined in Appendix 2. The Province and municipalities will need to enable this mandate through ministerial powers on the preferred locations based on best available servicing availability (with a funding strategy) and implemented through MOUs.

2b. Area municipalities to identify preferred growth areas to direct greenfield development within 1 year of passing new national policy.

2c. Provincial governments to apply ministerial orders to advance new greenfield development in CMAs which account for a 0.197% of CMA land area.



3 10% Surplus Government Land



Target: 500,000 New Homes

All levels of government collectively own a substantial portfolio of land, including roads, park space, institutional and civic facilities, and a growing inventory of surplus or underutilized properties. As part of a coordinated, cross-government housing strategy, each level—municipal, provincial, and federal—should identify and designate at least 10% of publicly owned lands within CMAs to be prioritized for residential use.

These sites should be pre-zoned or granted as-of-right permissions for housing, with an emphasis on mixed-income, missing middle, and affordable housing typologies. This approach not only activates public assets to meet urgent housing demand, but also leverages existing infrastructure, supports transit-oriented development, and reduces upfront land acquisition barriers for non-profit, private, and modular builders.

The following key strategies are recommended to unlock the housing potential of public lands:

3a. As a target, to deliver 500,000 units on government land through flexible Request For Expression of Interests (RFEIs). Ensure the procurement process has defined criteria with at least 30% units as some type of affordable housing.

3b. To introduce a policy to exclude or exempt all development charge fees (local and upper tier regional or county fees) for affordable and attainable units.

3c. To advance planning approvals, including Ministerial Zoning Orders, to expedite approvals for open bid housing proposals to rezone publicly owned land(s).

3d. Track and record all new housing units on government lands through an annual report. Add this supply to the provincial and national housing tracker dashboards.

4 Shopping Centre Redevelopment



Proportionately, the redevelopment (a natural evolution) of underperforming shopping centers and plazas represents a timely and strategic opportunity to add significant new housing supply to Canada’s urban and suburban communities. Although these sites account for less than 2.4% of a community’s land area, they are typically located in highly advantageous locations along major transit routes, benefiting from existing infrastructure and connectivity. Additionally, these properties are often situated within neighbourhood or community nodes, making them ideal candidates for mixed-use redevelopment that integrates residential, commercial, and public spaces.

Table: Land Use Shares of Major Urban Functions²⁷

Urban Function	Percentage of Total Area (%)
Residential	51.2%
Commercial	2.4%
Industrial	8.2%
Institutional	7.8%
Transportation/Utilities	4.3%
Streets	20.6%
Total Urban Uses	100%

With the decline of traditional retail, shopping center sites—ranging from 3 to 75 acres—offer vast redevelopment potential. These properties provide the scale necessary to support high-density housing while also accommodating complementary uses, such as retail, offices, and community amenities, creating vibrant and sustainable urban hubs.

If every community were to redevelop or intensify even one-third of its existing commercial inventory, it could unlock immense housing supply. These sites are especially valuable because they have excellent site services (infrastructure) and transit access. By converting these properties into thriving, transit-oriented neighbourhoods, municipalities can address housing shortages while revitalizing declining commercial areas and supporting local economic growth. Key actions to convert shopping centres include:

4a. To begin city-initiated official plan and zoning bylaw applications to permit as-of-right residential and mixed-use development on all commercial plazas and shopping centres.

4b. At the local level, redesignate and permit at least 5 Floor Space Ratio (FSR) for all under performing shopping centres on arterial roads and 4 FSR for underperforming shopping centre and plazas located on local streets.



5 As-of-Right High-Density Transit Oriented Development



Target: 300,000 New Homes

High density residential intensification provides opportunity for high volume construction by leveraging transit. The benefit is that lower parking ratios directly reduce construction costs. Major transit hubs, such as Major Transit Station Areas, provide ideal locations for maximum density development as they support local businesses (often concentrated in downtown urban growth centres and strategic transit intersections and corridor), have direct access to employment via transit, and are typically planned for high density development. The following actions are provided to establish greater predictability and certainty for investment within these defined locations:

5a. At a provincial level, pass legislation that eliminates minimum parking standards in all MTSAs and Urban Growth Centres.

5b. At a provincial level, pass legislation that eliminates maximum height permissions within all MTSAs and Urban Growth Centres.

5c. At a provincial level, pass legislation that mandates >25% more height and density along major transit routes (primary and secondary corridors) than what currently exists today.



6 As-of-Right Missing Middle Housing



Target: 200,000 New Homes

To expand housing options nationwide, municipalities should enable as-of-right missing middle housing, especially where existing infrastructure and lower construction costs improve feasibility. Renovating existing homes, adding accessory dwelling units (ADUs), and building triplexes, fourplexes, townhouses, and small walk-up apartments offer efficient ways to increase supply within established areas. A national strategy is needed to create consistency across CMAs, similar to the provincial approaches in Ontario and BC. This solution can unlock the vast potential of 'yellow belt' zones. Key actions to promote as-of-right missing middle housing include:

6a. To deliver 200,000 ADUs by 2031 with national building codes to simplify duplex dwelling construction, a national requirement to allow up to 4 units per residential property, and to exempt Development Charges for any ADU.

6b. Upzone properties within 100 metre of major roads for 10 units as-of-right.

6c. Permit as-of-right units (10 units or less) exempt from Site Plan Control including development permit system(s). The goal is to go straight to building permit process.

The land use assumption includes:



7 Ramp Up Off-Site (Modular) Construction



Target: 500,000 New Homes

In recent years, there has been significant growth and advancement in the modular construction industry. Modular construction allows for rapid deployment of housing units by assembling prefabricated modules off-site, which significantly reduces construction time and minimizes disruptions in both urban and suburban settings. This method is particularly advantageous in regions facing urgent housing shortages, as it can quickly increase the supply of homes without the prolonged timelines associated with traditional construction methods. Additionally, modular housing is cost-effective because it leverages economies of scale and reduces waste through precise manufacturing processes. The pre-fabrication process reduces overall construction costs and accelerates the delivery of new housing across Canada.

Modular construction also supports sustainability and resilience, as it often utilizes eco-friendly materials (including low carbon concrete) and energy-efficient designs, contributing to Canada's broader environmental goals while reducing long-term operational costs for homeowners. By fostering public-private partnerships and offering financial incentives, such as tax credits and grants, governments can encourage the adoption of modular housing across various income levels, including low- and moderate-income families promoting inclusivity and affordability. Key actions to scale modular housing include:

7a. As a national best practice, to build 500,000 prefabricated construction units.

7b. For local municipalities, review and approval of conceptual massing through site plan control and to exclude technical review of architectural features, colours and materials to expedite the planning approval process and reduce uncertainty through the building permit process. This will fast track development approvals exponentially.



8 Streamline and Standardize Local Planning



Government plays a key role in the housing supply through its approval processes. Streamlined approvals are essential for delivering attainable housing in Canada because they reduce the time and cost associated with the development process, allowing more housing units to be built faster and at lower costs. The current regulatory landscape often involves lengthy and complex approval processes, which can significantly delay projects and increase expenses for developers. These delays and additional costs are typically passed on to renters and homebuyers, making housing less attainable.

By implementing streamlined approval processes, including faster permitting, clearer regulations, and reducing bureaucratic hurdles, local governments can directly influence the speed and feasibility of attainable housing projects. This not only helps to meet the urgent demand for housing but also encourages more developers to invest in affordable housing, knowing they will face fewer obstacles.

Local governments play a critical role in delivering affordable and attainable housing. They are responsible for setting zoning policies, issuing building permits, and providing incentives for developers who commit to building affordable and attainable housing. Local governments have the ability to leverage their regulatory power to prioritize affordable housing projects, implement inclusionary zoning policies, and provide tax incentives or land for development. Local governments can also work closely with developers, non-profit organizations, and community groups to ensure that new housing developments meet the needs of their communities and contribute to long-term affordability. By actively supporting and facilitating the development of affordable and more attainable housing, local governments can help address the housing crisis and ensure that all residents have access to safe, stable, and affordable homes. Key strategies to improve the approval process are highlighted below.



Key strategies to improve the approval process:

- Pre-consultation: As a front-loading improvement, to make the Pre-consultation meeting process a maximum 20-day timeline to identify the required technical study requirements, as well as, to provide preliminary development comments to facilitate the application.
- Municipalities are encouraged to advance flexible planning policies with enabling zoning regulations that permit a broad range of housing with reduced parking standards and amenity space requirements.
- Zoning is everything. Leave it to local municipalities to find tools to enable and promote flexible housing options. Flexible zoning will be critical to avoid zone changes, minor variances and unnecessary approvals to promote housing goals.
- Site Plan: Ensure site plan control is focused on building massing and conceptual design. Ensure site plan does not provide direction on building materials, colours and features. Any project with 10 units or less should be exempt from this process.
- Agency (Provincial and Hydro) Review Times: Establish maximum review time of 30 days for comments.



9 Extend Rapid Housing Initiative (RHI)



Target: 300,000 New Homes

Providing housing for the most disadvantaged has a significant impact on the housing market, mental health services and the larger health care system. As a federally funded program administered through CMHC, the recent success from the RHI has resulted in significant expansion of transitional housing across Canada. This program has had a direct impact on adding new non-market housing in communities which are the most difficult to deliver often involving dedicated non-profits and social organizations to operate. The RHI is a success, and, has opportunity to become a permanent program providing opportunity for the most needed housing. With some refinements, the RHI Program can be an anchor to the federal housing program to build 3.5M homes. Key methods to extend the RHI are highlighted below.

9a. Make RHI an annual program to 2031.

9b. Deliver 300,000 RHI Units by 2031 (50,000 units per year).

9c. Allow 18 months construction criteria vs. 12 month.

9d. Give six months notice when RHI program will be launched to provide sufficient time to prepare applications.



10 Increase Provincial Housing Incentives (Funding)



Target: 25,000 New Homes

Provincial governments have a direct role in affordable housing primarily through funding programs. As a direct impact, the Provinces can increase funding for affordable housing programs such as OPHI (the Ontario Priorities Housing Initiative) and CIHA (Community Infrastructure and Housing Accelerator). This funding strategy will be a primary and direct path to support non-profit housing opportunities which have a mandate for supportive and low-income housing, leaving room for the private sector to focus on more attainable housing. Provincial funding also contributes to community housing and will assist housing providers to reach their housing goals more effectively. This funding is often used and leveraged by Housing Service Providers (County, Regional governments) and greater funding could assist in delivering more local housing projects through local request for proposal (RFP) initiatives. Key strategies to increase provincial housing opportunities are outlined below.

10a. To maintain and expand Provincial housing programs to 2031.

10b. To increase Provincial housing program funding by 50%.

10c. To deliver 25,000 new homes through Provincial program by 2031.



11 Phased In Inclusionary Zoning (IZ)



Target: 50,000 New Homes

Ontario has a fair approach to inclusionary zoning. After extensive consultation, the Province has established a maximum IZ cap for development in transit areas to be based on technical market studies for a maximum 5% units to be affordable based on 80% Average Market Rent (AMR) to be rolled out over a five-year time period (incremental increases from 1% to 5%) subject to municipal studies and enabling bylaws. If this is a path, this solution should be consistent for all MTSA's across Canada on a gradual, phased-in basis with at least a two-year moratorium prior to a bylaw being in effect. A phased, and more effective IZ rollout strategy is outlined below.

11a. To deliver 50,000 IZ units by 2031 (or beyond).

11b. To introduce a base line IZ requirement and to scale this up over a five-year term (1-2 basis point per year) after the two-year moratorium period expires.

11c. To apply a maximum cap of 5% of total units as IZ affordable units.

11d. To exempt all affordable units from development charges and parkland fees.

11e. To ensure IZ units remain affordable for at least 20 years.

11f. As an incentive, to increase height / density by at least 20% to compensate for the affordable units (unless exempt from height permissions).



12 Nation Wide O-T-R Conversion Program



Target: 50,000 New Homes

In parallel with the housing crisis, Canada is also facing a growing office space crisis, accelerated by the shift to remote and hybrid work following the COVID-19 pandemic. To address both challenges simultaneously, this Blueprint recommends the creation of a nationwide Office-to-Residential (O-T-R) Conversion Program.

This program would establish a federal incentive and regulatory framework to support the conversion of underutilized Class B and C office buildings into residential uses. It would prioritize adaptive reuse of obsolete commercial buildings, removing non-viable office inventory and turning it into new housing supply, particularly in mid-sized cities and regional cores where downtown revitalization is essential.

Research and real-world applications suggest that 20% to 30% of older Class B and C office stock is viable for conversion, based on structural characteristics, location, and market conditions. While not a silver bullet, every conversion contributes to the national housing supply. This strategy also has the added benefit of reducing office vacancy rates, boosting downtown vibrancy, and bringing more residents closer to existing infrastructure, amenities, and services.

The Blueprint recommends that municipalities replicate successful programs such as those implemented by the City of Calgary and the City of London, both of which provide direct funding and streamlined approvals for conversion projects.

Over time, it is estimated that 2 to 10 conversion projects per mid- to large-sized market (excluding Canada's largest CMAs) could be achieved, delivering 40 to 50 units per project—translating to 80–500 new units per mid-sized market and up to 5,000 new units in larger cities. A national O-T-R conversion framework would support these outcomes through coordination, incentives, and enabling policies.

A proposed national Office-to-Residential Conversion Program is outlined below.

12a. To deliver 50,000 OTR housing units.

12b. To establish a national fund based on ±\$50,000 cash contribution per unit to convert Class B and C office buildings with no Development Charges, no parkland fees, and no planning application fees.

13 Post-Secondary Housing Program



Target: 25,000 New Homes

Providing dedicated housing for post-secondary students is important to the local community and housing market. Students bring vibrancy to communities, support local businesses, and create a steady demand for student housing which can stabilize the local housing market with consistent rental income for property owners and investors. The presence of students also drives the development of new housing projects, including high-density residential buildings, which increases the overall housing supply in the community. This will help alleviate housing shortages and potentially lower rental prices by diversifying the types of available housing. Having a strong student population can enhance the reputation of local post-secondary institutions, attracting more students and fostering an environment of academic excellence and innovation. This, in turn, can encourage partnerships between universities and local businesses, leading to economic development and job creation. Providing student housing is a key component of a thriving local community and a resilient housing market, contributing to economic, social, and infrastructural development.

A key barrier to student housing expansion is municipal servicing constraints, where lengthy approval timelines and excessive site servicing costs make projects financially unviable. To accelerate student housing development, the federal and provincial governments should directly invest in ‘trunk’ (sanitary and storm) infrastructure for post-secondary lands, eliminating the need for private developers or institutions to front-end these costs. This would lower the financial burden on new student housing developments, making them faster and more affordable to build. Additionally, allowing multiple utility service lines on the same municipal address would make modular and infill housing more viable, particularly on large, government-owned campuses with underutilized land.

To further incentivize private sector participation, post-secondary housing built on institutional lands but privately owned should be exempt from site plan approvals, property taxes, zoning restrictions, and development charges (DCs)—expanding the existing exemption currently available only to university-owned housing. This policy should also extend to off-campus private-sector partnerships where institutions develop housing under long-term head leases, ensuring that affordable, purpose-built student housing can be developed at scale. More students living in dedicated student housing would relieve pressure on low-density rental markets improving community balance.

Finally, a national policy guaranteeing first-year students access to residence must be paired with significant government investment in post-secondary housing, including direct funding, no-interest loans, and infrastructure grants. Without financial support, this policy goal remains unattainable at the scale required to meet growing student demand. By implementing these key infrastructure investments and policy reforms, governments can rapidly expand student housing supply, support affordability, and create better-balanced housing markets in education hubs across Canada. Key strategies to support greater supply of student housing are outlined below.

13a. Create a national housing policy that will guarantee first year residency to students.

13.b. Permit collaboration and partnerships with private sector. The Private sector should be able to construct housing off-campus sites executed through long-term lease agreement at least 30 years in duration.

13c. Exempt post-secondary housing on post-secondary land from site plan approval process.

13d. Establish provincial funding (no interest) loans for post secondary housing including projects with private sector with long term lease heads.



14 Expand CMHC Funding



Target: 50,000 New Homes

CMHC is a major player in housing affordability and financing in Canada, particularly in supporting the development of purpose-built rentals. CMHC provides mortgage insurance, financing solutions, and various programs aimed at encouraging the construction and preservation of affordable rental housing, thereby playing a crucial role in addressing the country's housing needs.

14.a. Increase the funding allocation and streamline the application process for ACLP (Apartment Construction Loan Program, formerly the RCFi Program) to make it easier for developers to access financing, particularly in high-demand urban areas. CMHC could also expand eligibility to include smaller developers or community-based organizations to diversify the range of projects.

14.b. To accelerate Missing Middle Housing, CMHC should lower the minimum financing threshold from 6 units to 3 units, enabling triplexes and fourplexes to qualify for funding. This change would expand access to financing for small-scale developers and homeowners, align with municipal zoning reforms, and support gentle density through infill development. By reducing barriers to entry, CMHC can help unlock new rental supply, increase affordability, and accelerate diverse housing options in urban and suburban areas.

14.c. To expand the Affordable Housing Fund (AHF, formerly Co-Investment Fund) with increased funding allocations offering a higher per-unit financing could make more projects financially more viable. Expanding the eligibility to include student housing, smaller scale developers and community land trusts, would enable more localized and community driven solutions.



15 Municipal Financial Incentives



Target: 50,000 New Homes

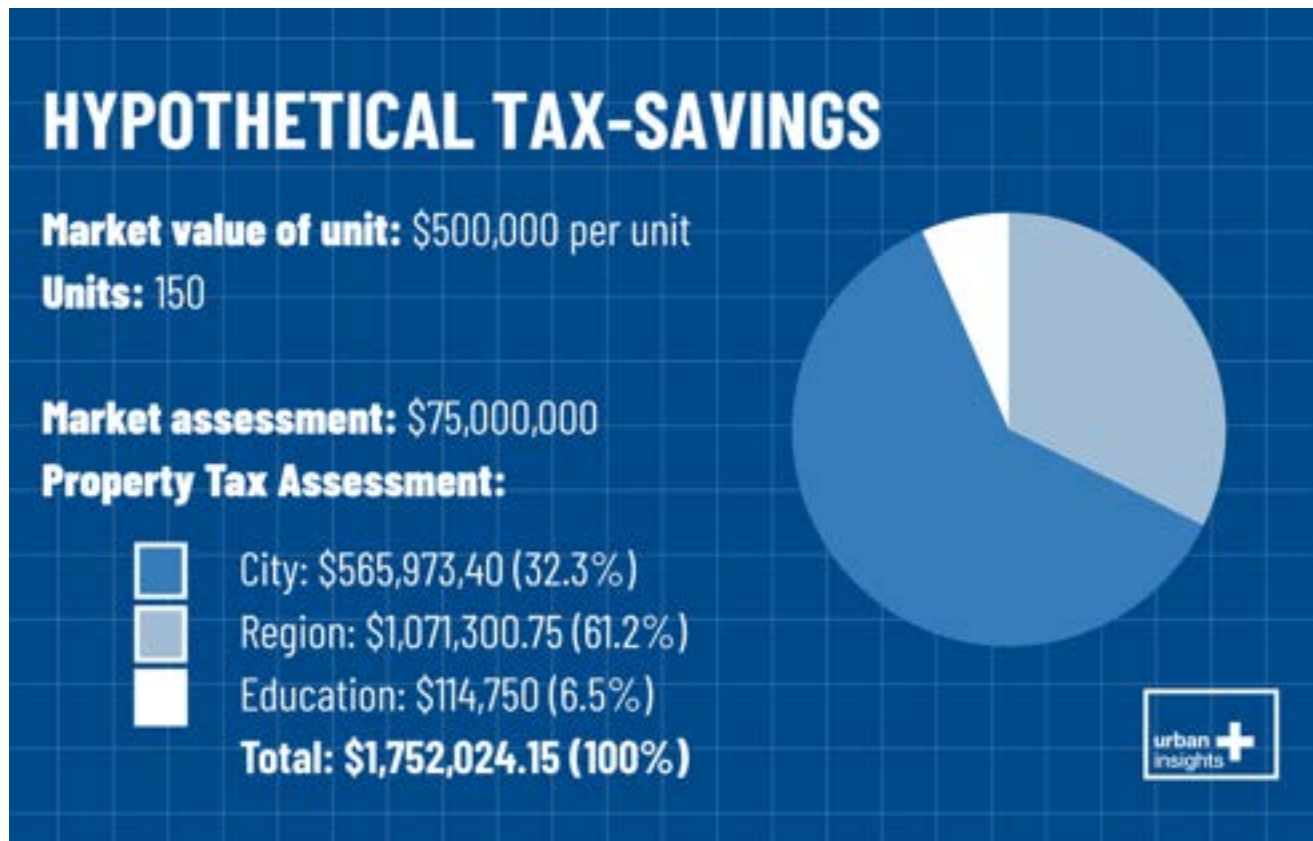
Municipal governments are central to solving Canada's housing crisis. As the gatekeepers of land use approvals, zoning permissions, servicing capacity, and infrastructure investment, municipalities are critical actors in the housing supply chain. Their decisions—on timelines, fees, and policies—directly shape the viability, cost, and pace of new housing development.

Time and cost are the two most influential variables in delivering housing. Delays in approvals, layered consultations, and outdated zoning frameworks add considerable risk and expense to projects—costs that are ultimately passed on to buyers and renters. Likewise, municipal development charges, parkland dedications, and other growth-related fees significantly impact affordability, particularly for purpose-built rental and affordable housing providers.

Recognizing the urgency of this crisis, municipalities have a range of high-impact levers they can activate to reduce barriers, streamline delivery, and promote a greater diversity of housing types. Key financial strategies related to property tax waivers, development charge relief, parkland cash-in-lieu relief are highlighted below.



15a. Property Tax Waivers: Property tax exemptions are a powerful tool in expanding the supply of affordable housing, reducing financial barriers for developers and non-profit organizations, and ensuring long-term affordability in the rental market. By eliminating or significantly reducing property taxes on affordable housing projects, municipalities can lower operating costs, making it financially viable for developers to build and maintain more rental units at below-market rates. This incentive not only encourages private-sector investment in affordable housing but also strengthens the role of non-profit housing providers, allowing them to reinvest savings into additional housing projects or tenant support services. By integrating property tax exemptions into a comprehensive housing strategy, governments can accelerate the delivery of affordable units, stabilize rental markets, and create more inclusive communities where low- and middle-income households have access to safe and stable housing. The hypothetical tax savings for an affordable project are highlighted below²⁸:



From a macro-level perspective, there is a strategic opportunity to modernize property tax frameworks by introducing targeted property tax freezes and rebalancing tax rates across asset classes. This approach would foster a more equitable and responsive tax base, better aligned with current market dynamics and housing affordability objectives.

15b. Development Charges Relief: Development Charges are a major cost burden that directly impacts housing affordability. These fees are identified as a tax on development, and there are several strategies to reduce the burden of this tax on housing affordability. Three solutions could include:

15.b.1. introduce a 50-50 cost sharing agreement between developers and the broader tax base (either property taxes or infrastructure grants from the Province – Federal Government). This shared approach of matching infrastructure costs reduces upfront costs for new housing development making projects financially more viable, encourages more housing supply without shifting the full burden onto the developer and end user, and avoids major market distortions. This ratio can be scaled to provide deeper discounts for affordable units with the ratio increasing for tax base funding by providing affordable units.

15.b.2. Targeted Development Charge Exemptions or Reductions: Municipalities can encourage affordable, rental, and transit-oriented development by offering full or partial DC waivers for projects that meet key housing objectives. For example, DC exemptions for purpose-built rentals, modular construction, or high-density developments near transit can dramatically lower upfront costs, allowing more projects to proceed. A graduated fee structure based on affordability levels, unit sizes, or sustainability features could further optimize cost savings while maintaining infrastructure funding for market-rate developments.

15.b.3. Post-Occupancy Payment Deferrals (pay later): Instead of charging DCs upfront, municipalities could introduce a deferred payment structure where development charges are paid gradually over 1-10-20 years using a portion of property tax revenue from the new housing. This would eliminate a major financial barrier for developers while ensuring municipalities still recover infrastructure costs over time. By tying payments directly to long-term tax revenue growth, this strategy would make housing more affordable.



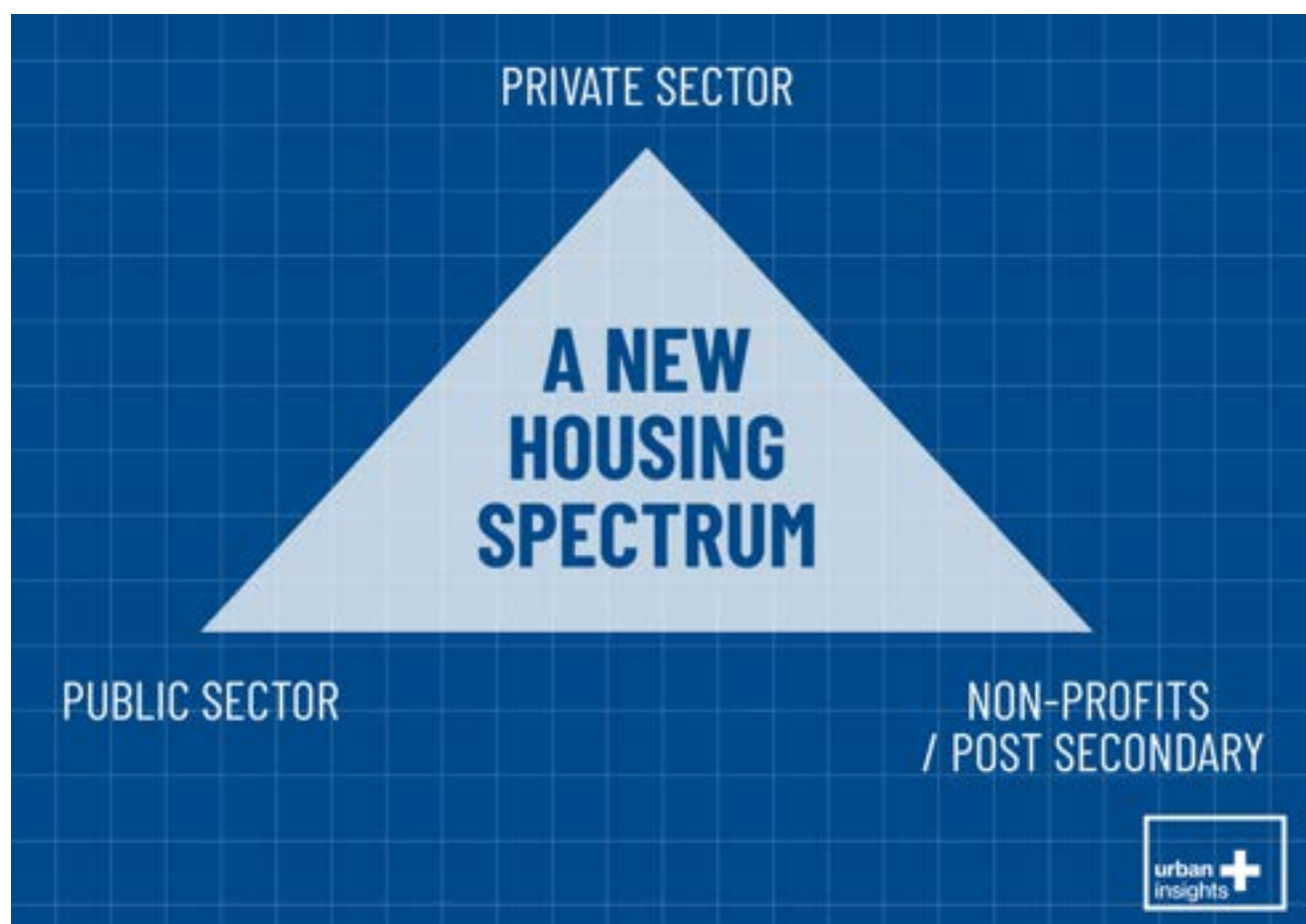
15c. Parkland Cash-In-Lieu Moratorium: A fundamental principle of responsible development is that growth should pay for growth, including parkland contributions to support higher-density communities, as outlined in the Ontario Planning Act. However, parkland dedication fees—particularly cash-in-lieu contributions, capped at a maximum 4% of land value under current legislation—often become a contentious cost burden, especially for infill and redevelopment projects. These fees are typically passed on to end-users, undermining housing affordability and project viability. To address this challenge and promote more affordable and attainable housing, municipalities should implement a temporary parkland contribution moratorium for a period of 3 to 5 years on infill and high-density redevelopment sites, especially those located near existing park infrastructure. By reducing these upfront costs, municipalities can lower the financial barriers to development, ensuring that housing projects remain viable and that affordability gains are realized by future residents. Further, all ADUs should be exempt from parkland fees.



Additionally, municipalities should leverage innovative tools such as Privately Owned Publicly Accessible Spaces (POPS). POPS provide high-quality public spaces without the direct costs associated with traditional parkland acquisition. Under this proposed intervention, any development that includes a POPS component should be automatically exempt from the cash-in-lieu requirement, recognizing the public benefit these spaces provide. This targeted policy adjustment aligns with broader municipal incentives aimed at reducing development costs, simplifying a complex process, and accelerating the delivery of more affordable housing. By prioritizing affordability in the short term while still maintaining access to public spaces through innovative urban design, municipalities can play a decisive role in addressing Canada's housing crisis and ensuring that growth remains sustainable, equitable, and accessible for all.

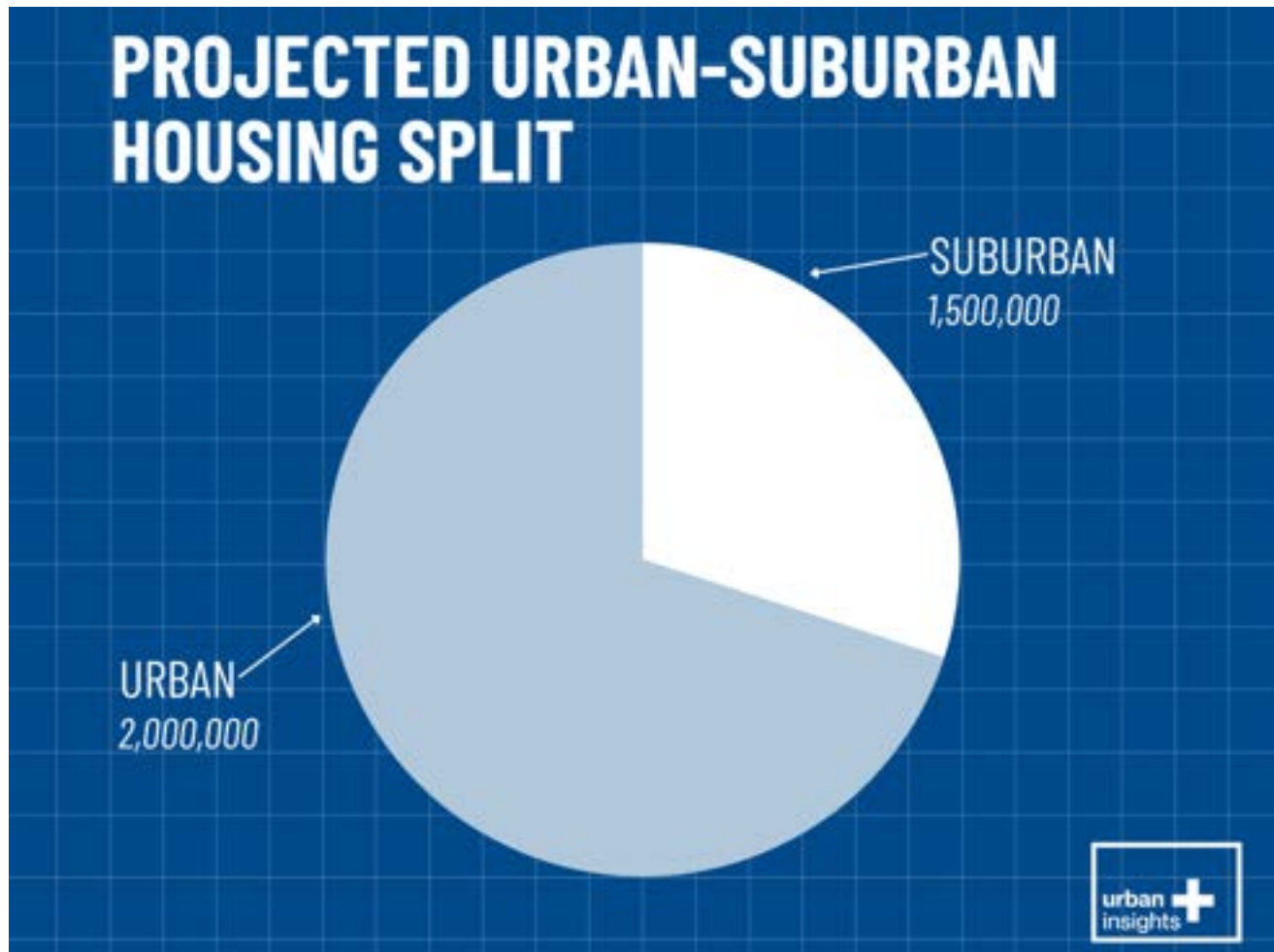
Partnerships

As a final parting thought, there also needs to be a stronger partnership between market builders, non-market housing providers and public sector triangle. Public-private and non-profit partnerships are crucial for addressing the housing crisis, as they leverage the strengths of each sector to deliver more affordable, diverse, and sustainable housing options. These collaborations enable resource pooling, expertise, and innovative approaches, making it possible to achieve housing goals that might be unattainable for any one sector alone. By working together, these sectors can share risks, reduce costs, and accelerate the development process, making housing projects more viable and sustainable. This recommendation is essential to the new "Housing Spectrum" because it amplifies the impact of individual contributions, and also, fosters innovation and inclusivity in housing development. Together, this partnership triangle can help overcome barriers to housing affordability and availability by creating a supportive ecosystem that addresses various aspects of the crisis, from financing and land use to community engagement and long-term management.

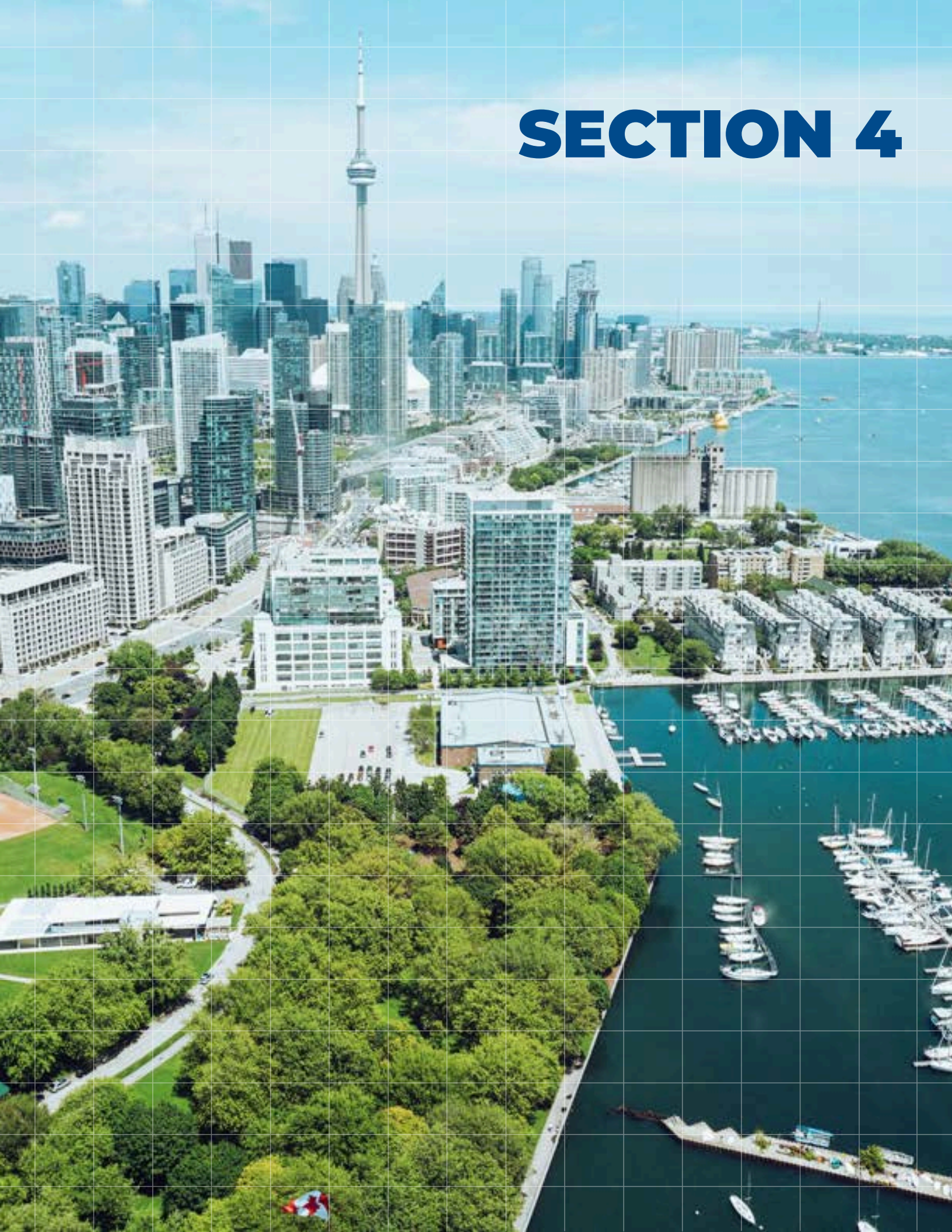


These Top 15 under 5 Actions will have a profound impact to add more housing across Canada. A new approach (continuum) is required to better deliver a broad range of new housing supply to Canadian communities with CMHC as a major financial player. Based on the Top 15 under 5, the following housing platform is recommended to deliver 3.5M new homes by 2031:

- 1,000,000 homes through new mixed housing greenfield development
- 500,000 new homes through government owned land
- 500,000 new homes through shopping centre conversions
- 500,000 homes through off-site (prefabrication) construction
- 300,000 new homes through extended RHI housing program
- 300,000 new homes through increased transit supportive development
- 200,000 through new missing-middle housing
- 50,000 through updated CMHC funding reforms
- 50,000 new homes through OTR Conversion Programs
- 50,000 new inclusionary zoning units across Canada
- 25,000 new homes by increasing Provincial funding
- 25,000 new post-secondary housing units
- 3,500,000 new homes by 2031



SECTION 4



4.0 THE MATH DOES NOT LIE

If the goal is to build more affordable / attainable housing, the financial feasibility of any project can be tested through a development proforma, which evaluates key variables based on real market conditions. Simply put, if the cost of housing becomes too high, a project will not be viable, meaning it will neither be financed nor built. A critical factor in addressing rising costs is density—as construction, land, and financing costs increase, the only viable solution is to add more units to generate sufficient revenue to meet return-on-investment (ROI) thresholds. Assuming a 12.5% ROI benchmark to make a project viable, higher density becomes essential to offset rising expenses, maintain financial feasibility, and deliver attainable housing at scale. Without policies that support higher-density development, streamlined approvals, and cost-reducing incentives, the economics of housing production remain challenging, directly impacting affordability and supply

Proforma Assumptions (will vary from site to site):

- Site area: 0.5 acres (0.2 hectares)
- Land value: \$3,500,000 (based on \$7,000,000 per acre)
- Units: 150 (14-15 storeys, 210 bedrooms)
- Construction cost: \$375 per sq.ft. (\$295-385 per sq.ft., 2025 Altus Construction Guide)
- Building area: 108,750 sq.ft. (725 sq.ft. per unit gross density)
- Estimated building construction cost: \$40,828,125 (108,750 sq.ft. x \$375)
- Average parking space: \$5,400,000 (\$60,000 per space)
- Parking spaces: 90 (based on 0.6 parking space per unit)
- Total construction (building) cost: \$46,228,125
- Consulting and building permit plan and fee costs (4% of construction): \$1,849,125
- Development charge fee: \$6,000,000 (\$40,000 per unit)
- Parkland fee and Community benefits fee: \$140,000 (4% land value)
- Loan to value ratio: 70%-30% (may vary and more challenging if a 60-40% LTV ratio)
- Developer upfront financing (30%): \$13,868,437.50 (30% developer cash on hand)
- Financial lending requirement (70%): \$32,359,687.50 (70% for bank financing)
- Construction duration: 20 months
- Financing cost: \$3,667,431.25 (based on 6.8% financing - subject to change)
- Rental income (after 20 months): \$1,812.50 (\$2.50 psf x 725 square feet average)
- Total rental income: \$271,875 per month / \$3,262,500 per year
- CAP Rate Target: 5%

Category Amount (\$)

- Site Area: 0.2 hectares (0.5 acres)
- Land acquisition cost: \$3,500,000 (based on \$7,000,000 per acre)
- Units: 150 units (210 beds based on 60-40 split in a 14-15 storey building)
- Building Area: 108,750 sq.ft. (based on 725 sq.ft. per unit gross density)
- Estimated Construction Cost: \$40,828,125 (375 \$ sq.ft., 2025 Alus Guide mid range)
- Parking Spaces: 90 (based on 0.6 per unit)
- Parking Space Cost: \$5,400,000 (based on \$60,000 per space)
- Total Construction (building) Cost: \$46,228,125
- Consulting and Building Plan Costs: \$1,849,125
- Development Charge Fee: \$6,000,000 (based on average \$40,000 per unit)
- Parkland and Community Benefit Fee: \$140,000 (based on 4% land value)
- Loan-to-value ratio (based on 70% bank - 30% developer split):
 - Developer: \$13,868,437.50 (developer cash in hand)
 - Financial institution: \$32,359,687.50 (70% financed)
- Construction loan: 20 months
- Financing cost: \$3,667,431.25 (based on 6.8% financing, subject to change)
- Rental Income (after 20 months):
 - \$1,812.50 per unit (based on \$2.50 per sq.ft. rent rate)
 - \$271,875 per month (150 units)
 - \$3,262,500 per year (12 months)
- CAP rate target: 5%

Category Amount

- Land acquisition cost: \$3,500,000
- Total construction cost: \$46,228,125
- Total development charge fee: \$6,000,000
- Parkland fee: \$140,000
- Consulting fees: \$1,849,125
- Total Project Cost: 61,384,681.25
- Annual rental income: \$3,262,500
- Annual operating expenses (property tax): \$2,146,275
- Net operating income (NOI): \$1,116,225
- Property valuation based on Cap Rate: \$22,324,500
- Project Profit-Loss: -39,060,181.25
- Return on investment (ROI): -63.63%

This proforma analysis highlights the significant financial challenges of developing new housing under current market conditions, reinforcing the urgent need for policy interventions and cost reductions to support more attainable housing. With total project costs exceeding \$61 million and expected property valuation falling short at \$39 million, the negative return on investment (-64%) makes the project financially unviable without substantial changes.

High construction costs, financing rates, development fees, and property taxes all contribute to the project's inability to generate sustainable returns based on a 5% CAP rate. This proforma underscores the need for strategic housing solutions, including reducing municipal fees, streamlining approvals, incentivizing density, providing tax relief, or increasing financial support for rental housing development. Without meaningful interventions, such economic conditions will continue to discourage new housing construction, exacerbating the affordability crisis rather than alleviating it.



SECTION 5

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"Missing middle housing presents a significant opportunity for small-scale developers and building contractors. For Spurline Developments, it has been a natural transition from designing and building/renovating contemporary single-family homes, now to medium-density typologies. This extension leverages existing skills and supply networks available to us, and often creates new business relationships. The resulting benefits extend far beyond what we image, positively impacting the entire community."

— **Ben Eby,**
Spurline Developments

5.0 UNEXPLORED OPTIONS

There are specific options not explored in The Top 15 under 5 highlighted below:

Canadian 1031 Exchange (leveraging tax incentives): In the United States, the 1031 Exchange allows real estate investors to defer capital gains taxes when they reinvest proceeds from the sale of a property into a new development. This tax mechanism keeps capital in circulation, encouraging reinvestment and accelerating the growth of the housing stock. Currently, Canada lacks a comparable system, but there is significant potential to introduce a similar tax-deferral tool such as a Development Reinvestment Credit. This credit would allow developers or property owners to defer capital gains taxes when proceeds from the sale of an existing asset are reinvested into the construction of new housing or mixed-use developments. This type of policy would unlock capital tied up in underutilized or aging properties, and redirect it toward productive housing supply, particularly in urban infill locations. By encouraging the strategic turnover of real estate assets, the Development Reinvestment Credit would expand the housing supply as well as maintain long-term government tax revenue through deferred, not forgiven, liabilities.

Vacant Home Tax (VHT)

Several municipalities across Canada, particularly in large urban centers, have introduced VHTs to address housing supply concerns. These taxes target homes unoccupied for more than six months, aiming to encourage owners to rent or sell them to boost availability. However, evidence shows limited effectiveness, as vacant properties typically represent only about 1% of total housing stock, offering minimal impact on overall affordability. Additionally, administrative costs—including monitoring and enforcement—often exceed revenue generated, making VHTs a high-cost, low-impact measure. In some cases, sustaining the program requires further fee increases, diverting resources from more impactful strategies. The primary goal of any housing strategy should be to increase attainable housing supply by streamlining approvals, incentivizing construction, and ensuring rental market stability. A VHT does not directly support these objectives, as it neither creates new housing nor reduces development costs. Given its limited supply impact, operational inefficiencies, and financial drawbacks, a Vacant Home Tax is not recommended as a top-tier solution. Policies that accelerate construction, reduce development barriers, and expand rental options should take priority for meaningful progress.

Short Term Rentals (STRs)

Units rented for less than 30 days—are common across Canada, serving tourism, temporary housing, and alternative lodging needs. While often criticized for affecting housing supply, STRs represent a small share of the market, with minimal impact on rents or long-term availability. Like Vacant Home Taxes (VHTs), eliminating STRs would not meaningfully boost attainable housing supply. In most cities, STRs make up a negligible proportion of units, and there is no strong evidence that restricting them would lower costs or free up housing. As an unintended consequence, restrictions could negatively impact local economies, especially where tourism depends on STR options. A national housing strategy should instead focus on boosting supply through faster approvals, incentivizing purpose-built rentals, and supporting development viability. Since STR limits neither produce new units nor reduce construction barriers, they are not recommended as a core housing solution.



National Land Value Capture (LVC)

A LVC aims to tax the increase in land value resulting from public infrastructure investments, rezoning, or economic growth, with the intent of reinvesting the revenue into housing or public projects. One challenge with LVC is that it adds costs to land transactions, typically passed down to developers and buyers, resulting in reduced project feasibility and higher housing prices. Instead of boosting supply, this form of taxation may deter residential development, especially in high-growth areas where affordability is already strained or during a period of rent decline. However, no proven, scalable model currently exists in Canada demonstrating that LVC can generate meaningful housing supply without causing unintended economic consequences. As a complication, the LVC introduces regulatory complexity and administrative costs, potentially slowing approvals and deterring private-sector participation. A LVC tax is not recommended as a primary housing strategy due to its potential to increase development costs, discourage investment, and potential conflict with affordability goals.

The 2025 Liberal Housing Plan

Since finalizing this Blueprint, new federal housing proposals have emerged, including the Liberal Party’s “Build Canada Homes” plan and tax reforms to support rental construction. Central to this is the proposed Build Canada Homes (BCH), a federal crown corporation aimed at scaling housing on public lands, accelerating modular construction, and providing up to \$36 billion in low-cost financing for affordable housing. Other proposals include halving municipal development charges, reinstating the MURB tax incentive, streamlining permits, and fast-tracking approvals through standardized designs and code reform.

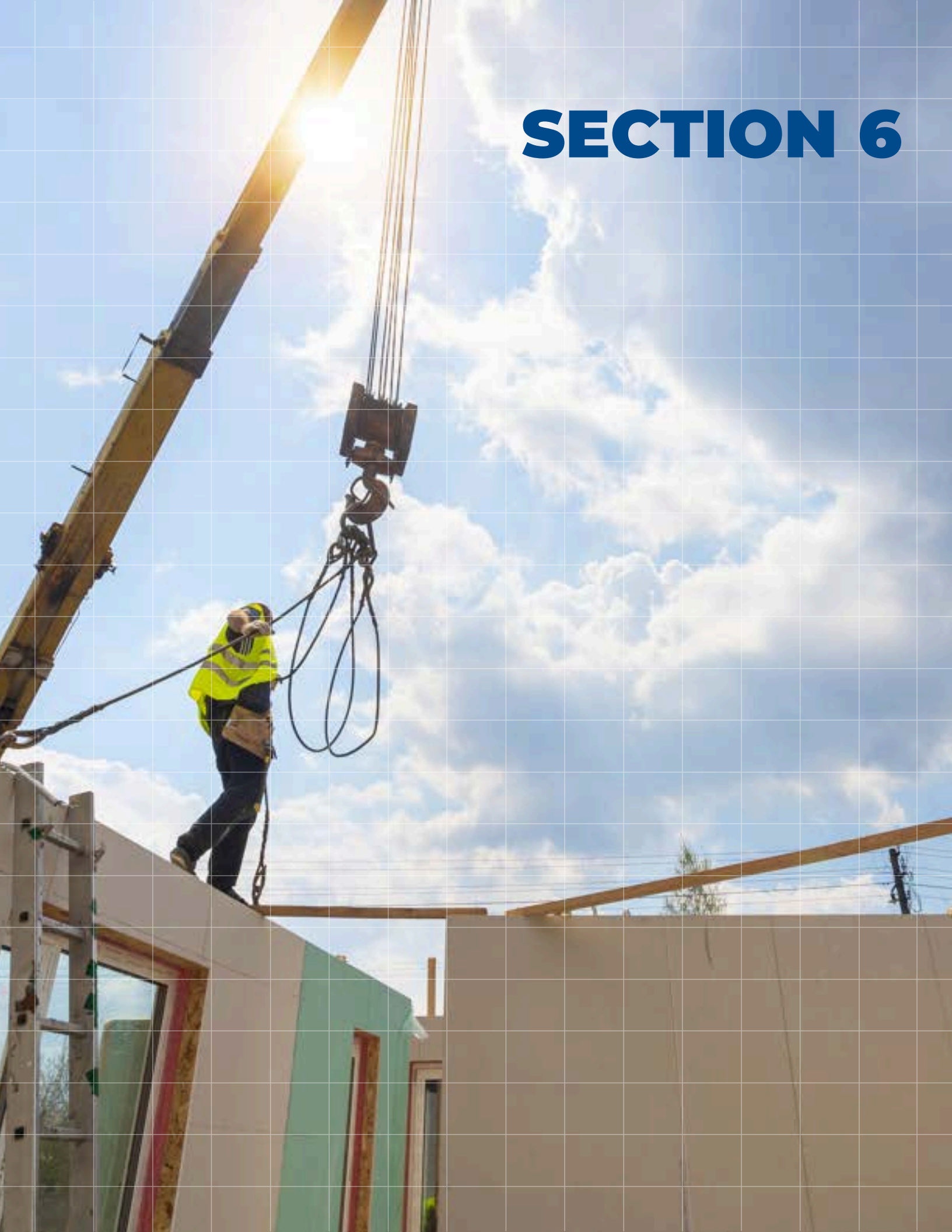


The 2025 Conservative Housing Plan

As part of the election year, the Conservative Party has launched “Building Homes, Not Bureaucracy,” focuses on accelerating supply by tying federal infrastructure funding to municipal housing performance. Cities that increase completions by at least 15% annually receive bonuses, while those that fall short face funding penalties. The plan includes covering up to 50% of municipal development charge reductions (up to \$25,000 per unit), eliminating GST on new homes under \$1.3 million, and repurposing 15% of surplus federal buildings for housing.

While a number of these ideas align with themes in this Blueprint, they are not incorporated due to their pre-election timing and evolving details.

SECTION 6



6.0 CASE STUDIES

The purpose of a case study is to examine and demonstrate specific concepts, challenges, or solutions in housing by drawing insights from real-world examples. Five illustrative case studies are provided below which shed light on key concepts provided in The Top 15 under 5 Housing Spectrum.

1 City of Waterloo surplus land RFP



2 Transformation of industrial land into innovative affordable housing



3 A 2023 missing middle housing (a triplex proforma)



4 A modular pre-fabrication housing solution



5 Your community



6.1 CITY OF WATERLOO SURPLUS LAND DISPOSITION

The purpose of a case study is to examine and demonstrate specific concepts, challenges, or solutions in housing by drawing insights from real-world examples. Five illustrative case studies are provided below which shed light on key concepts provided in The Top 15 under 5 Housing Spectrum.

As a general principle, government(s) own a lot of land in a city – this includes recreation centres, libraries, city halls and administrative offices, parks, and roads. Many governments also own underutilized, vacant and in some cases, surplus lands that could be used for housing.

As a national example, the City of Waterloo launched a public request for proposal(RFP) to attract public-private investment to build at least 700 affordable homes on 25 acres of city owned industrial land. To advance the RFP, the City took a rare action to request a Ministerial Zoning Order (MZO) to rezone the lands from employment to residential to facilitate this affordable housing opportunity. A RFP was issued in 2024 and the City selected Habitat For Humanity, as the consortium lead (with Build Now plus seven non-profit members), as the preferred submission on December 2nd 2024.



Recognizing that the development master plan will be subject to further refinement, the RFP requires at least 50 residential units to be built by 2025, as required by the national Housing Accelerator Fund (HAF).

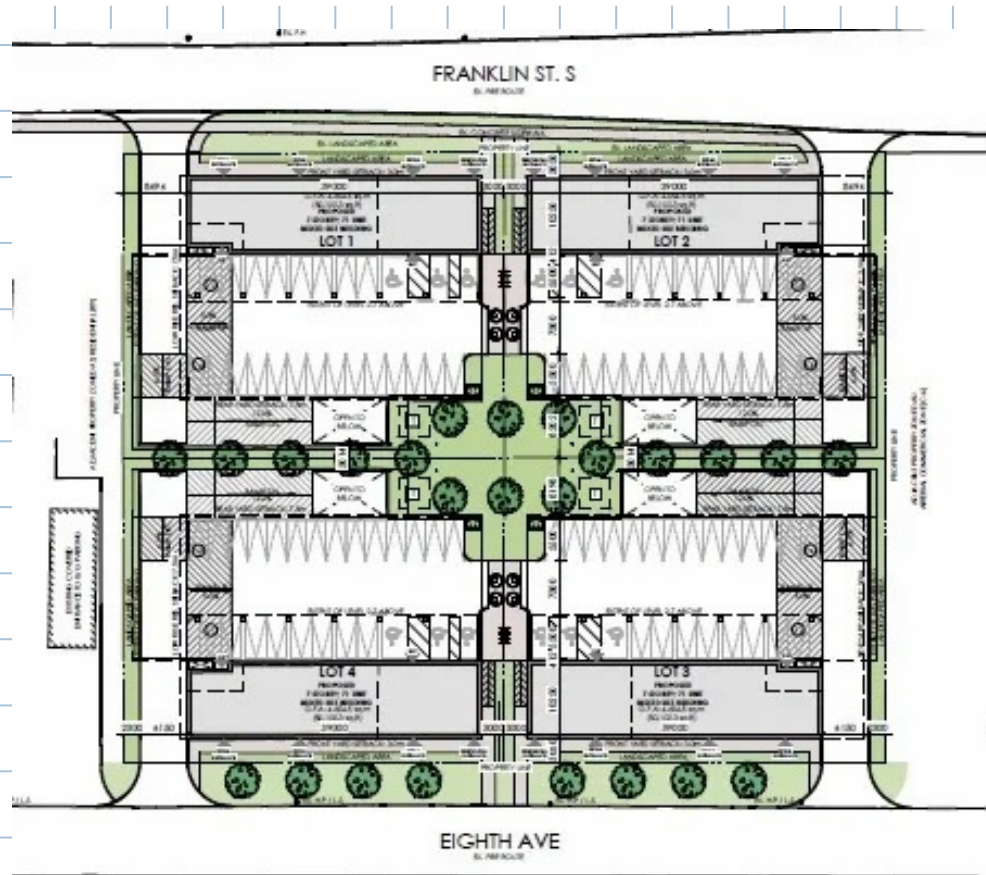
The selected master plan calls for 1,010 residential units. Through partnerships, this Accelerator Housing project could be a model for others. This project is currently underway.



Source: City of Waterloo

6.2 PILOT AT 55 FRANKLIN (THE FRANKLIN FLATS)

55 Franklin is a pilot (case) study on transforming a former Dare Foods warehousing into a leading affordable housing development involving four six-storey 60-unit side by side hybrid buildings. In terms of affordability, half of the 240 units will be market housing and the remaining balance below market.



A distinctive aspect of 55 Franklin is its approach to construction methodologies. Each building is designed using different construction techniques to evaluate their efficiency and sustainability in delivering quality affordable housing. The first building, completed and occupied in July 2023, features a hybrid structure utilizing conventional light-wood framing for walls and Cross-Laminated Timber (CLT) for floor and roof slabs. This choice of materials significantly accelerated construction, with each CLT floor (approximately 7,700 square feet) being installed in a single day, reducing the overall schedule by eight weeks.

The second building under construction March 2025, builds upon the success of the first by incorporating recent code updates that permit the use of mass timber for elevator and stair shafts. This modification is expected to save an additional eight days per floor in construction time. The third and fourth buildings are slated to commence in 2025, each exploring alternative construction methods to determine the most effective approach for future affordable housing projects.



Sustainability is a core focus of the 55 Franklin development. The project includes features such as photovoltaic solar panels, rainwater collection systems for greywater use, and high-performance building envelopes. These elements aim to reduce the environmental footprint of the buildings while promoting energy efficiency and resource conservation.

In December 2022, the project received a significant boost when the Region of Waterloo allocated \$1.96 million to 55 Franklin GP Inc., the private sector housing provider responsible for the development. This funding is designated to support the creation of 30 new affordable housing units within the complex, underscoring the community's commitment to addressing housing affordability.

6.3 MISSING MIDDLE HOUSING, A TRIPLEX PROFORMA

In recent years, missing middle housing has been taking off in many communities across Ontario. This is due to sweeping legislation that would allow 3-residential units as-of-right (accessory dwelling units called ADUs) with opportunity for four units pending local Council support. The rise of the missing middle housing boom has had growing pains illustrated in a first-generation triplex at 63 Union Street in Waterloo. The owner acquired this property as a redevelopment site with the goal of four units however, the zoning bylaw only permitted three units involving minor variance for parking bylaw relief. The development application predated Bill 185 which now exempts parking (no minimum parking standard) for sites located in designated MTSAs. The following proforma shows actual approval, general construction costs and optional fourth unit which is being added. This example highlights the importance of parking reduction, development charge fees, unit yield, and timing. A 50% reduction in DC tax rate is factored in as well showcasing how upfront fees impact the construction cost, and ultimately, the lease rate and ROI.



Sample Proforma (based on 100% efficiency)*

	Option 1 (with DC)	Option 2 (w 50% DC)	w 4 units
Land Cost	\$500-600,000	\$500-600,000	\$500-\$600k
Land Transfer (2%)	\$8-\$10,000	\$8-\$10,000	\$8-\$10,000
Construction Cost	\$225-\$300 psf	\$225-\$300 psf	\$225-\$300 psf
Lending Cost	6-10% (1 year)	6-10% (1 year)	6-10% (1 year)
Tarion	NA	NA	NA
Fees & Costs:			
Demolition	\$20-25,000	\$20-25,000	\$20-25,000
Site Plan	NA	NA	NA
CofA Application, BP & Costs**	\$30-40,000	\$30-40,000	\$30-40,000
Development Charge Fee	\$120,000***	\$60,000	\$80,000
Parkland	\$15-\$20,000	0	0
Total Fees	\$185k-\$225k	\$110k-125k	\$100k-105k
Total Cost			
Unit 1 Rental Rate (no parking)	\$1,500-\$2,000	\$1,500-\$2,000	\$1,500-\$2,000
Unit 2 Rental Rate (parking)	\$2,000-\$2,500	\$2,000-\$2,500	\$2,000-\$2,500
Unit 3 Rental Rate (parking)	\$2,000-\$2,500	\$2,000-\$2,500	\$2,000-\$2,500
Unit 4 Rental Rate (future)	-	-	\$1,000-\$1,200
Profit Target	5%-7%	5%-7%	5%-7%
Monthly Revenue	\$5,500-\$7,000	\$5,500-\$7,000	\$6,500-\$8,200
Annual Revenue	\$66k-\$84k	\$66k-\$84k	\$78-\$98.4k
Insurance with property tax (15-20%), vacancy of revenue	±\$20,000	±\$20,000	±\$20,000
Tax impact on rent	±10%	±10%	±10%
CAP Rate	±3.2	±3.3	±4.01
ROI (Return on Investment)	±3.2%	±3.3%	±4.01%

*subject to change – actual pricing. **includes consulting fees. ***actual DC paid.

6.4 MODULAR (OFF-SITE) CONSTRUCTION



Modular housing presents a transformative opportunity to accelerate the delivery of affordable and attainable housing across Canada. This type of housing significantly reduces construction timelines—cutting build time by 50-70% compared to conventional methods—while maintaining high quality and cost efficiency.

The ability to manufacture housing units off-site in a controlled environment minimizes waste, enhances precision, and reduces disruptions caused by weather delays. This speed and efficiency directly contribute to the rapid deployment of purpose-built rental housing, addressing Canada's growing housing shortage. Additionally, modular housing supports sustainability goals, with near zero-waste construction, high energy efficiency, and the potential for net-zero readiness.

The flexibility of modular design allows for adaptable unit configurations, making it a scalable solution for mixed-income communities. With support from CMHC funding, municipal incentives, and innovative financing models, modular construction is emerging as a solution to delivering high-quality, affordable homes at scale and speed, ensuring housing remains within reach for Canadians in need.

Over time, and through innovation, new prefabrication methods will come to market. Emerging methods such as pre-fabrication cast in place forms, automated modular wall systems and coordinated design and manufacturing processes and milestones, will accelerate home construction.



6.5 YOUR COMMUNITY

Your Community, Your Housing Solutions

Every community has its own unique character, challenges, and opportunities when it comes to housing. There is no one-size-fits-all approach to addressing housing; what works in one city may not be the right fit for another. That is why housing solutions must be as diverse as the communities they serve. Whether through modular construction, mixed-income developments, adaptive reuse of buildings, or transit-oriented intensification, each region has the chance to shape its own vision for attainable housing.

The key is collaboration—governments, developers, non-profits, and community leaders must work together to identify local needs and implement scalable, sustainable, and community-driven solutions.



Artist rendering of four fourplex units in St. Jacobs (by Spurline Developments Inc.)

Emerging Opportunities for Innovation in Housing

As the demand for affordable and more attainable housing continues to rise, communities have an unprecedented opportunity to embrace new and innovative housing models and processes to expedite approvals. From co-housing developments that encourage shared living to micro-units that maximize urban space and repurposing underutilized commercial sites to integrating modular and prefabricated homes innovations, the potential for new housing solutions will emerge. However, for these ideas to succeed, more tools and policies are needed—streamlined approvals, financial incentives, and flexible zoning must evolve to keep pace with innovation and manage the rising cost of housing and to support innovative housing forms. This is not a challenge for one level of government or one sector alone; it is a shared opportunity to rethink how we build communities for a future for all.

By bringing together best practices, pilot projects, and real-world success stories, this is an open invitation for cities, developers, politicians and community groups to share their own groundbreaking approaches—because the best ideas often come from those who live and work in the very places we seek to improve.



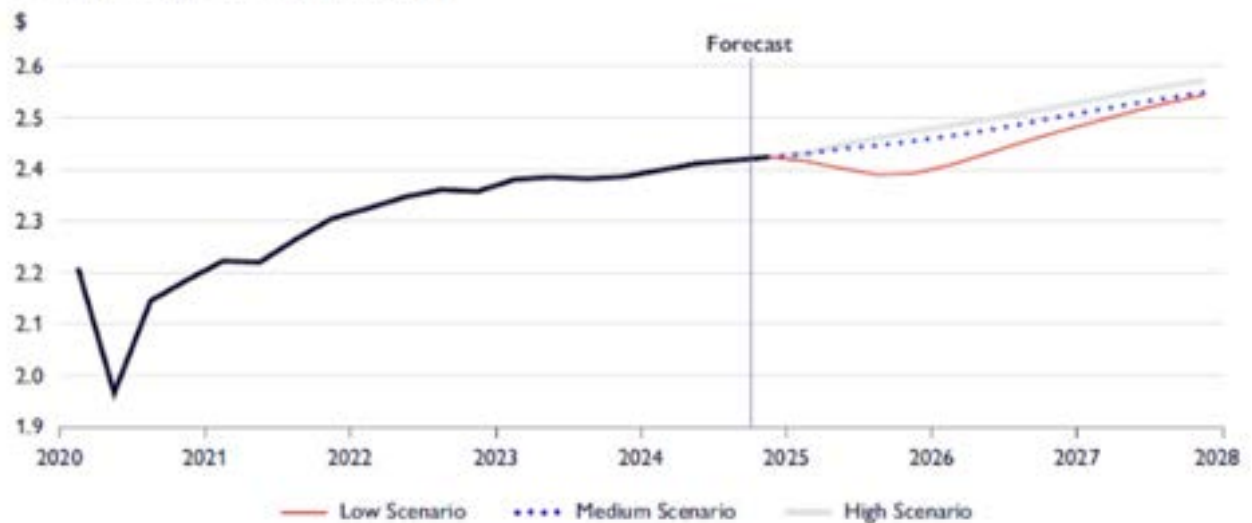
Artist rendering of semi-detached unit with three ADUs in Kitchener (by Trevex Developments)

Economic Impact

Housing supply is an economic engine and drives GDP growth; for every 100,000 new homes in Canada would add billions annually to the economy. This includes direct construction activity, as well as secondary impacts across manufacturing, transportation, engineering, finance, legal services, retail, and technology.

Each new home built in Canada generates between \$400,000 and \$600,000 in total economic output, depending on location, unit type, and density. Therefore, accelerating the construction of 100,000 new homes annually could add \$40 to \$60 billion in direct and indirect GDP contributions. When scaled to the federal housing goal of 3.5 million homes by 2031, the resulting economic impact would represent one of the largest infrastructure-driven GDP multipliers in Canadian history.

Figure 1: Canadian economy faces significant uncertainty
Canada Real GDP Forecast (trillion \$CAD)



Source: CMHC

The forecasts included in this document are based on information available as of January 14, 2025.

In 2025, Canada is navigating a period of growing economic uncertainty. Global tensions have escalated, trade tariffs are increasingly being used as economic leverage, and domestic GDP growth is showing signs of slowing. In this environment, one of the most immediate and impactful economic solutions is to stimulate building activity—particularly in housing. Residential construction delivers broad-based economic benefits, including direct job creation across skilled trades, manufacturing, and professional services, while also generating multiplier effects across local economies.

As part of a national strategy, housing should be elevated as a core economic development priority, not only to address the affordability crisis but also to stabilize economic output and counteract weakening demand in other sectors. This requires a shift in policy focus: reducing regulatory and financial barriers to construction, accelerating approvals, and offering targeted incentives to make housing projects viable in the current market. Investing in housing isn't just a social good—it is a powerful counter-cyclical economic tool that delivers both immediate and long-term returns.



SECTION 7



7.0 ACKNOWLEDGEMENTS

The Blueprint and "New Housing Spectrum" is a comprehensive, private-sector-led housing platform developed to address Canada's national housing crisis. This initiative would not have been possible without the invaluable contributions of numerous partners, stakeholders and collaborators who have dedicated their expertise, resources, and time to advancing innovative housing solutions. We extend our deepest gratitude to the private sector developers, investors, modular construction firms and individuals whose pioneering approaches and commitment to pressing for more housing options that have shaped this strategy.

We also acknowledge the critical role of governmental agencies at all levels, from federal, provincial and municipal, whose policies, support, and collaborative spirit have enabled a more integrated approach to housing development. Special thanks go to the community organizations and non-profits that work tirelessly on the ground to meet the housing needs of vulnerable populations, providing insights that have guided our focus on inclusive and equitable solutions. Additionally, we recognize the contributions of academic researchers, policy analysts, and industry thought leaders who have provided rigorous analyses and forward-thinking perspectives, helping to ensure that "A New Housing Spectrum" is grounded in evidence and principle-based practices, aligned with broader socio-economic goals. This document is a testament to what can be achieved when diverse sectors come together with a shared vision for a more inclusive and sustainable future for all Canadians. On an individual basis, a special thanks goes out to David Cambria, Anneliese Denstedt, Melissa Durrell, Ben Eby, Brad McGill from Cushman & Wakefield Waterloo Region, Larry Kotseff, Marko Micic, Jennifer Michi, Brian Prudham, Dr. Mark Seasons PhD.FCIP.RPP.

On behalf of the project team, we wish to thank the following companies and organizations who have contributed to these solutions and content.

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PCL
Skarb Inc.
Spurline Developments Inc.
The Urban Insights Inc. Team



SECTION 8



8.0 CONCLUSION

A CALL FOR ACTION FOR CANADA'S HOUSING FUTURE

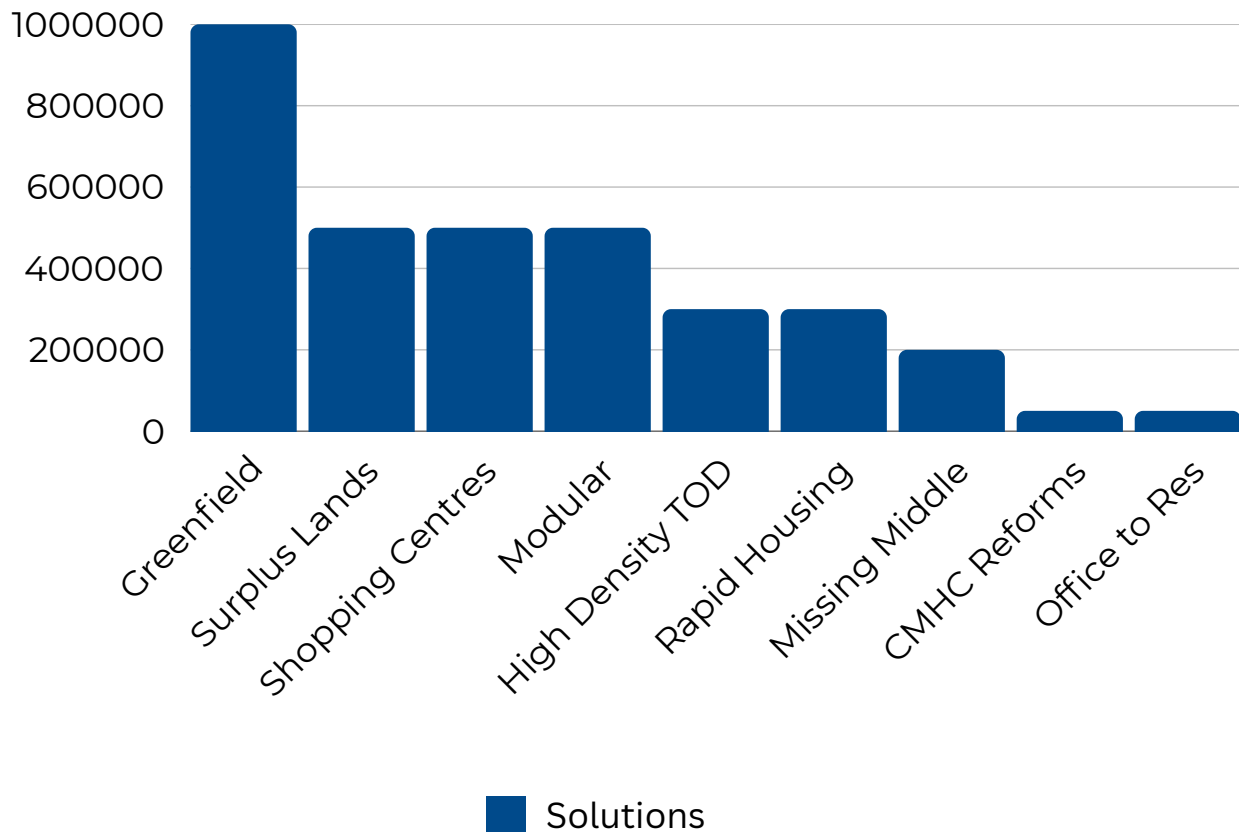
Canada's housing system is a critical inflection point – the shortage of affordable and attainable homes is now one of the most pressing economic and social challenges of our time. The Housing Acceleration Blueprint is more than a report – it is a comprehensive, technically based, and politically aware action plan designed to help Canada build 3.5 million new homes by 2031 or as soon as capacity allows. This housing target is not perfection, but rather, it is acceleration, reform and momentum.

In its simplest form, housing shortages drive up costs. The Housing Acceleration Blueprint with the New Housing Spectrum presents a bold, data-driven, and actionable framework to tackle Canada's housing crisis head-on. This framework prioritizes speed, supply, and funding—the three key pillars necessary to restore affordability, increase housing stock, and streamline approvals across the country. Unlike other reports that may focus on theoretical policy discussions, this business case is designed for action—providing clear, implementable solutions to drive real change.

What makes this strategy unique is its multi-sector approach, leveraging private-sector expertise, non-profit leadership, and government collaboration to unlock high-impact, scalable housing solutions through improved partnerships, funding and economic analysis (proformas where time is money). The Top 15 Under 5 include transformational zoning reforms, transit-oriented development, repurposing underutilized commercial spaces, expanding modular construction, and unlocking government land—all of which directly contribute to accelerating housing supply and likely greater purpose-built housing across Canada. The focus on rental market stability, including extending the Rapid Housing Initiative, integrating inclusionary zoning, and introducing property tax exemptions, further ensures that housing affordability remains sustainable in the long term.

However, as demonstrated in the development proforma, the math does not lie—under current conditions, with rising ‘taxes’ on development, housing development is not financially viable. High construction costs, increasing municipal fees, rising interest rates, and property taxes make housing unaffordable before it’s even built. Without urgent interventions, housing supply will continue to lag, prices will remain out of reach, and affordability will worsen. This report proves that new solutions are needed solutions that reduce costs, fast-track approvals, and remove unnecessary financial barriers. To make more affordable housing, everything and the kitchen sink must be added.

The path forward requires commitment, coordination, and decisive action at all levels of government. Cities must prioritize as-of-right zoning for missing middle housing, provinces must standardize gradual inclusionary zoning targets, eliminate height restrictions in transit hubs, and the federal government must expand financing and tax incentives to encourage rapid housing construction. With a national population projected to reach 50 million by 2050, the time to act boldly, and swiftly, is now.



Housing demand is closely linked to life cycle needs. Canada's aging population, immigration, student growth, and family formation trends all require diversified housing types in suitable locations. The Blueprint will benefit from a broader demographic lens, recognizing seniors, students, and multi-generational households within housing typologies.

This is not just a housing policy—it is a business case for Canada's future. Housing is the foundation of economic growth, social equity, and urban resilience. The New Housing Spectrum provides the roadmap—but leadership and urgency are required to execute it. The next five years are critical, and Canada must rise to the challenge to ensure housing is attainable for all.

As a final note, while the Blueprint focuses on CMAs and urban growth zones, housing affordability and supply issues also exist in rural, remote, and non-metro areas. Solutions such as modular housing, surplus land activation, and targeted servicing grants could be adapted to meet these local needs. A tailored approach is essential to ensure national relevance.



SECTION 9



9.0 ABOUT THE AUTHOR

Ryan O. Mounsey. CEO Urban Insights Inc. BES.MUDS.MCIP.RPP



Ryan is a passionate city builder who has over 25 years' experience as an urban planner working on a diverse range of transformative city-building projects in Waterloo Region and beyond. Ryan began his career working in consulting working in 33 municipalities, and following this, has had the opportunity to work in three municipalities within Waterloo Region, one of the fastest growing communities in Canada, located along the Toronto-Waterloo Corridor. Over the years, Ryan has sharpened his expertise in the site plan process, placemaking (urban design) and economic investment.

Ryan has a unique view on municipal city building practices, which is enhanced by his past activity with the Ontario Professional Planners Institute (OPPI) and ongoing conference panels & international forums. Ryan has an undergraduate degree in urban planning from the University of Waterloo, master's degree in urban design from the University of Toronto, and over the years, has contributed to Ontario Planning Journals and other forums. He has guest lectured at University of Waterloo, Wilfrid Laurier University, Conestoga College and York University and is passionate about the city-building process and high-quality placemaking. In his spare time, Ryan is writing a book on city building.

10.0 ABOUT THIS BLUEPRINT

This Top 15 Under 5 Housing Acceleration Blueprint: Building 3.5 Million Homes by 2031 has been developed as a comprehensive, high-level call to action to explore transformative solutions to Canada's housing crisis. It presents 15 actionable strategies grounded in best practices, innovative approaches, and insights gathered through stakeholder consultations, aiming to increase housing supply across various income levels nationwide.

The primary objective of the Blueprint is to establish strategic pathways and aspirational targets that can inform policy discussions, regulatory reforms, and incentive frameworks at all levels of government. The proposed solutions are supported by foundational principles, and where applicable, technical information and key assumptions where available. It is important to note that these assumptions are high-level and indicative; they remain subject to change and further refinement as new data and market conditions evolve.

In terms of context, it must be emphasized that one size does not fit all; context always matter. In new programs, eligibility criteria, policy and program design and delivery will need to allow for more refinement, modification and monitoring to be effective. In closing, this Blueprint is intended to stimulate dialogue and guide future action in addressing Canada's housing challenges. All information presented herein is provided on a best-efforts basis and is subject to standard disclaimers, including E&OE (Errors and Omissions Excepted).

APPENDIX 1: THE HOUSING SPECTRUM

The Top 15 Under 5 was created based on three underlying principles outlined below.

Leverage Existing Opportunities and Capture Low Hanging Fruit

The Top 15 under 5 leverages existing assets that generate and leverage a broad range of housing. A strategic target of greenfield land is identified to ensure a greater supply of low-density housing is provided at the right locations to support sustainable and talent attraction growth. Another strategy is to increase the amount of infill housing in existing neighbourhoods without the need to expand the existing urban boundaries. This *dual approach* provides the greatest ability to add more low-rise housing across Canada recognizing that a significant supply of new housing will be high density achieved through more flexible planning rules in existing (or planned) Transit Supportive Areas, on government land.

There are also successful programs that can be extended to 2031 such as the RHI – these programs would have meaningful impact on the housing spectrum.

KIS – Keep It Simple

The art of delivering a generational housing plan will be dependent on simplicity. Extensive, time-consuming processes contribute to the delay of housing. The Top 15 under 5 identifies best practices to advance and facilitate housing. Specific tools are recommended to advance housing through established processes with consistency. There are many other strategies and tools to advance more affordable and attainable housing. All ideas and tools are helpful. The Housing Spectrum is focused on big picture, simple processes.

A New Housing Spectrum / Continuum

The Top 15 under 5 presents an innovative approach to deliver 3.5M homes in Canada 2031. These recommendations help advance a new paradigm (perspective) on the housing continuum organized by market and non-market housing options. Only through the combined public-private sectorial mandate, can 3.5M new homes be built. The recommendations involve steady and consistent funding for non-market housing (such as the Rapid Housing Initiative), and, often involves CMHC financing for purpose-built rental housing. The private sector is also a leading team member who can build high – volume high-density housing projects, missing middle housing and new greenfield communities that will increase housing supply across the board.



Synopsis

The main elements of the new Housing Spectrum are:

- A new market non-market housing model.
- A tiered housing model based on non-market and market housing sectors.
- A tiered housing model that moves from transitional, affordable, attainable and market housing within the non-market and market sectors.
- A market-based model based on industry and CMHC defined incomes.
- Illustrative housing types that support market and non-market housing.

The "A New Housing Spectrum" report presents a groundbreaking and comprehensive strategy to tackle Canada's escalating housing crisis with an ambitious yet actionable framework designed to deliver 3.5 million homes by 2031. What makes this report particularly special is its integration of innovative approaches and a broad spectrum of housing solutions, tailored to address both immediate and mid-term needs across the country.

APPENDIX 2: CMA LAND AREA FOR 1M HOMES (APPROX.)

CMA	Province	Land Area (ha)	0.197 ha	Houses Created
Vancouver	BC	288,268	567.9	28,395
Victoria	BC	69,615	137.12	6,856
Abbotsford-Mission	BC	60,621	119.42	5,971
Kelowna	BC	290,486	572.26	28,613
Kamloops	BC	571,741	1,126.33	56,316
Nanaimo	BC	203,832	401.55	20,077
Chilliwack	AB	161,635	318.42	15,921
Calgary	AB	510,755	1,006.79	50,340
Edmonton	AB	942,673	1,857.06	92,853
Lethbridge	AB	306,708	604.22	30,211
Red Deer	AB	311,151	613.5	30,675
Saskatoon	SK	521,456	1,027.27	51,364
Regina	SK	340,845	671.47	33,573

Winnipeg	MB	530,309	1,045.71	52,285
Thunder Bay	ON	255,687	504.71	25,235
Greater Sudbury	ON	322,615	637.76	31,888
Barrie	ON	201,485	398.92	19,946
Belleville-Quinte West	ON	228,348	452.04	22,602
Brantford	ON	107,459	212.73	10,637
Guelph	ON	71,455	141.49	7,074
KCW	ON	102,957	204.82	10,241
Hamilton	ON	137,232	273.35	13,667
St. Catharine	ON	139,903	278.84	13,942
Toronto	ON	590,363	1,163.01	58,150
Oshawa	ON	90,328	177.91	8,895
Peterborough	ON	150,843	297.16	14,858
Kingston	ON	193,845	381.88	19,094
London	ON	266,561	525.14	26,257
Winsor	ON	102,231	201.32	10,066

Ottawa-Gatineau	ON/QC	676,752	1,334.21	66,711
Quebec City	QC	335,173	660.3	33,015
Sherbrooke	QC	144,877	285.43	14,272
Trois-Rivieres	QC	200,111	394.22	19,711
Saguenay	QC	302,596	596.12	29,806
Drummondville	QC	80,389	158.38	7,919
Saint John	NB	336,295	661.5	33,075
Moncton	NB	261,219	513.2	25,660
Fredericton	NB	471,559	927.98	46,399
Halifax	NS	549,035	1,080.6	54,030
St.John's	NL	80,465	158.39	7,919

APPENDIX 3: DEFINITIONS AND REFERENCES

1031 Exchange: The 1031 Exchange is a tax deferral mechanism used in the United States that allows real estate investors to defer paying capital gains taxes when they sell a property, provided the proceeds are reinvested into a similar “like-kind” property within a specific time frame. Named after Section 1031 of the U.S. Internal Revenue Code, this tool encourages continued investment in real estate by enabling property owners to roll over profits from one income-producing property to another without immediate tax liability.

ADU (Accessory Dwelling Unit): An ADU refers to a secondary residential unit that is either located within the same lot as a primary residence or part of the main structure, such as a basement apartment, or in a separate building, like a garden suite (tiny home) or coach house. These units are self-contained with their own kitchen, bathroom, and living areas, providing an independent housing option. The Ontario government has broadened the definition to include up to three or four residential units on a single property under recent legislative changes aimed at addressing the housing crisis. This means that a property can now legally accommodate multiple ADUs.

The concept of ADUs has existed for some time, but the expansion to allow up to three or four units is relatively new, introduced as part of Ontario's push to increase housing supply and affordability. By enabling more flexible use of existing residential properties, this policy promotes "missing middle" housing, offering additional rental options in established neighbourhoods without requiring large-scale redevelopment. This new approach represents a shift in urban planning, prioritizing densification within existing urban areas to meet growing housing demands.

AMR (Average Market Rent): Average Market Rent (AMR) refers to the average monthly rent charged for rental units in a specific geographic area, as determined through market surveys—most commonly those conducted by Canada Mortgage and Housing Corporation (CMHC). AMR serves as a benchmark for affordability programs, where affordable housing is often defined as rent set at or below a percentage (typically 80%) of AMR. It reflects prevailing rents across the private rental market, but may not accurately capture deeply affordable or subsidized housing needs, particularly in high-cost urban areas.

Attainable Housing: Attainable housing refers to housing that is reasonably accessible to households earning moderate, middle, or even slightly above-median incomes—without requiring them to spend more than 30–40% of their gross income on housing costs (including rent or mortgage, taxes, and utilities). It's typically targeted at essential workers, young professionals, families, and newcomers who do not qualify for subsidized housing but struggle to enter or stay in the housing market due to rising prices.

In contrast, affordable housing is more narrowly defined and often refers to government-supported or income-restricted housing, typically aimed at low- to very-low-income households. The official standard in Canada is that housing is affordable if it costs less than 30% of gross household income. Attainable housing can include affordable housing, but it is a broader category. Attainable housing spans the middle of the housing spectrum, filling the growing gap between social housing and high-cost market units. It includes a wide range of built forms and tenures—such as rental apartments, missing middle housing, and entry-level ownership—that are affordable without deep government subsidy.

CAP (Capitalization) Rate: In real estate, the capitalization rate (cap rate) is a key metric used to evaluate the potential return on investment (ROI) of an income-producing property. Expressed as a percentage, the cap rate represents the relationship between a property's net operating income (NOI) and its current market value or purchase price. It is calculated using the formula:

$$\text{Cap Rate} = \frac{\text{Net Operating Income (NOI)}}{\text{Property Value or Purchase Price}} \times 100$$

The cap rate helps investors assess the risk and profitability of a real estate investment. For example, if a property generates \$100,000 in annual NOI and is valued at \$1,000,000, the cap rate would be 10%. A higher cap rate generally indicates higher risk and potentially greater returns, often seen in emerging markets or properties requiring substantial management. Conversely, a lower cap rate signifies a lower-risk investment, typically found in stable markets with high demand, such as urban centers.

Cap rates are influenced by several factors, including location, property type, market conditions, tenant quality, and interest rates. In practical terms, the cap rate provides a snapshot of a property's yield, allowing investors to compare opportunities across different markets and asset classes without considering financing methods. It also serves as a critical tool for valuing properties, determining what a buyer should pay based on the income the property generates.

However, because it doesn't account for factors like debt service, future income growth, or capital expenditures, the cap rate should be used in conjunction with other financial metrics when making investment decisions.

CMHC: Canada's Mortgage and Housing Corporation (CMHC) is Canada's national housing agency, established in 1946 as a Crown corporation to address the country's post-war housing shortage. Originally tasked with helping veterans and their families secure affordable housing, CMHC has since evolved into a pivotal organization driving housing policy, research, and development across Canada. CMHC's mandate includes fostering the stability and efficiency of Canada's housing market, promoting access to affordable housing, and contributing to the financial well-being of Canadians. The agency provides mortgage loan insurance, financing, and securitization to support both homeowners and the housing industry. It also plays a critical role in developing and administering government housing programs, conducting housing research, and advising on policies to address challenges such as affordability and supply shortages. Through its efforts, CMHC aims to ensure that by 2030, every Canadian has a home they can afford and meets their needs.

CMA: Census Metropolitan Area. In Canada, a Census Metropolitan Area (CMA) is defined as a geographic region with a core population of at least 100,000, of which at least 50,000 reside in the core urban area. CMAs are established by Statistics Canada to analyze and report on economic, demographic, and social trends in large urban centers and their surrounding areas. They encompass the main urban core as well as adjacent municipalities that are highly integrated with the core through commuting patterns. As of the most recent data, there are 41 CMAs across Canada, representing the country's largest urban centers, such as Toronto, Vancouver, and Montreal, as well as smaller urban regions like Kitchener-Waterloo-Cambridge, Kelowna, Thunder Bay, and Moncton. CMAs play a critical role in planning and policymaking, particularly in areas like housing, infrastructure, and transportation, as they account for the majority of Canada's population and economic activity.

Community Land Trust (CLT): A Community Land Trust (CLT) is a non-profit, community-based organization that acquires and holds land for the long-term benefit of the public. The land is typically used to provide permanently affordable housing, with the trust retaining ownership of the land while allowing individuals or organizations to lease the land for homes, rentals, or community uses. This model separates land ownership from building ownership, helping to preserve affordability, prevent displacement, and ensure community stewardship over local development.

The Parkdale Neighbourhood Land Trust (PNLT) is a community-led organization based in Toronto's Parkdale neighbourhood, formally established in 2014.

Its mission is to acquire and steward land in perpetuity to ensure community control, prevent displacement, and support long-term affordable housing and social infrastructure. PNLT emerged in response to growing gentrification pressures and rapid rent increases in Parkdale, a historically diverse, low-income community. Through partnerships with non-profit housing providers and local organizations, PNLT acquires properties—such as multi-residential buildings and community spaces—and removes them from the speculative real estate market. It is considered one of the most active and successful community land trusts in Canada, serving as a model for preserving affordability, supporting anti-displacement efforts, and enabling community ownership in urban areas.

Cooperative Housing: Co-operative housing is a non-profit form of housing where residents are members of a housing co-operative and collectively own and manage the property. Members do not own their individual units but have secure tenure and a say in decision-making through a democratic governance model. Monthly housing charges are typically set to cover operating costs, making co-ops a more stable and affordable option, especially for low- to moderate-income households.

Development Charge Fee (an emerging tax): A Development Charge (DC) is a fee imposed by municipalities through legislation on new residential, commercial, and industrial developments to fund the infrastructure and services needed to support population growth and urban expansion. These charges, paid at building permit stage, are intended to ensure that growth pays for growth, covering the costs of essential services such as roads, water and sewer systems, parks, transit, emergency services, and community facilities without shifting the financial burden to existing taxpayers.

However, as development charges have risen significantly, they now represent a substantial portion of project costs, often accounting for 20-36% of the total price of new homes. While DCs are designed to recover the costs of new infrastructure linked to growth, the increasing fees have become a barrier to housing affordability by raising the price of new units and reducing project viability. This evolving landscape has led to growing concerns that development charges function more like a tax, adding upfront costs that ultimately get passed on to homebuyers and renters. Balancing the need for infrastructure funding with the goal of affordable housing supply is essential to ensure that DCs support growth without undermining housing affordability.

Floor Space Ratio (FSR): Floor Space Ratio (FSR), also known as Floor Area Ratio (FAR), is a planning and zoning tool used to regulate the intensity of land use on a property. It represents the ratio between the total floor area of all buildings on a site and the total area of the land parcel (usually net land area after the road widening(s) have been dedicated. For example, an FSR of 2.0 means the total floor area of all structures on the lot can be up to two times the size of the lot itself. FSR is commonly used by municipalities to manage building mass, density, and land use compatibility, and is especially important in guiding the scale of development in urban areas. Higher FSR values typically allow for more intensive or taller development, while lower values support lower-density, smaller-scale uses. However, as the lot size decreases there the FSR will increase for the same building located on a larger lot.

Greenfield Communities: Greenfield communities are new residential developments built on previously undeveloped land—typically located on the outer edges of urban areas. Greenfield development involves expanding the urban footprint to accommodate new housing, infrastructure, and amenities.

Greenfield communities provide a scalable way to deliver large volumes of housing, especially when designed as complete, transit-connected, and climate-resilient neighbourhoods.

Gross Domestic Product (GDP): Gross Domestic Product (GDP) is the total value of all goods and services produced within a country over a specific period, usually measured quarterly or annually. It's one of the most important indicators of a country's economic health and growth. When GDP is rising, it typically means the economy is growing: businesses are producing more, people are working, and incomes are increasing. When GDP slows down or declines, it can signal economic challenges, such as reduced investment, higher unemployment, or lower consumer spending. In the context of housing, construction activity contributes directly to GDP by generating jobs, boosting investment, and stimulating local industries.

Housing Crisis: A situation where the availability of attainable housing is significantly outstripped by demand, leading to widespread economic and social challenges.

Inflation: Inflation, as it relates to housing, refers to the sustained increase in the cost of housing-related expenses, including home prices, rental rates, construction materials, labor, and financing costs over time. In the housing market, inflation can be driven by factors such as rising demand, limited supply, higher land costs, increased development charges, and monetary policy changes affecting interest rates. When inflation is high, the cost of borrowing also increases, as central banks raise interest rates to curb spending, making mortgages and construction financing

more expensive. This, in turn, reduces housing affordability by limiting purchasing power and increasing carrying costs for both buyers and renters. Additionally, inflationary pressures on building materials and labor further raise the cost of new housing development, exacerbating supply shortages and affordability challenges in the market.

Inclusionary (IZ) Zoning: Inclusionary Zoning (IZ) is a land-use planning tool that requires or incentivizes developers to include a certain percentage of affordable housing units within new residential developments. It is designed to increase the supply of affordable housing in high-demand areas, particularly near transit, job hubs, and urban centers.

From a theoretical economic perspective, Inclusionary Zoning (IZ) is designed to capture a portion of land value appreciation generated by zoning permissions and development approvals, then redirect that value into the creation of affordable housing units. In a market-driven environment, land prices are largely determined by the expected future revenue from development—when a municipality upzones or allows higher densities, land values typically increase. IZ seeks to intercept a portion of this uplift by requiring developers to allocate a percentage of units as affordable housing.

In theory, IZ should work by adjusting land prices downward to reflect the affordability requirement. Since developers factor in all project costs, including land acquisition, construction, and financing, a mandated affordability component should result in lower bids for land. If properly implemented, landowners, rather than developers or homebuyers, would absorb the cost of IZ by selling at a reduced price, aligning land values with the new market conditions. This "cost shift" is expected to occur gradually, as sellers adjust expectations based on IZ requirements embedded into zoning policies.

The effectiveness of this mechanism depends on market flexibility and policy design. If land markets are constrained, due to land scarcity, speculative holding, or rigid seller expectations, IZ may not lead to meaningful reductions in land prices, potentially making projects financially unviable. To counterbalance this, cities often introduce density bonuses, tax incentives, or fee reductions to maintain development feasibility while still extracting affordability contributions. Ultimately, IZ is intended to harness land value uplift from urban growth and planning policy to create long-term affordability without direct government subsidies.

Intensification: Intensification means adding more housing units within existing urban areas—using land more efficiently by building on underused sites like vacant lots, parking areas, older low-density properties, or within existing neighbourhoods. Intensification focuses on building up or filling in, often near transit, jobs, schools, and services.

It includes housing types like duplexes, townhomes, low-rise apartments, mid-rises, laneway suites, and mixed-use buildings.

Loan-To-Value (LTV) Ratio: The Loan-to-Value Ratio (LTV) is a key financial metric used in development financing to measure the proportion of a project's total value that a lender is willing to finance through debt. It is calculated by dividing the loan amount by the appraised or projected value of the development, typically at completion or stabilization. For example, an LTV of 70% means the lender will finance up to 70% of the project's value, while the developer (owner) must contribute the remaining 30% as equity.

LTV is a critical component of real estate proformas, as it defines the risk tolerance of the financial institution and directly impacts project feasibility. A higher LTV reduces the developer's equity requirement but increases the lender's risk exposure—often leading to stricter underwriting or higher interest rates. Conversely, a lower LTV requires more developer capital but may result in more favourable loan terms.

In current market conditions—with rising construction costs, interest rates, and project delays—access to 60–75% LTV financing has become more difficult, often pushing developers to secure additional equity or alternative financing sources. Understanding and optimizing LTV is essential to structuring viable and financeable housing projects.

Market and Non-Market Housing: In the context of Canadian housing policy, market housing refers to homes that are bought, sold, or rented at prices determined by supply and demand in the open market, typically developed and financed by the private sector. This includes ownership units (e.g., condos, single-detached homes) and rental housing that are priced based on prevailing market conditions. In contrast, non-market housing refers to units that are subsidized or offered below market rates, often supported by government funding, non-profit agencies, co-operatives, or community land trusts. This can include supportive housing, deeply affordable rentals, transitional housing, and student housing.

The New Housing Spectrum, as presented in this Blueprint, integrates both market and non-market approaches to illustrate the full continuum of housing needs in

Canada. This includes innovative hybrid models such as public-private partnerships and shared equity housing. A balanced housing ecosystem must provide options across this entire spectrum to accommodate varying income levels, life stages, and community needs.

The housing crisis cannot be solved by any one segment of the spectrum alone. Instead, solutions must target both ends of the affordability scale—providing deeply affordable units for those in greatest need, while also supporting a strong and viable private development sector to deliver rental and ownership housing at scale. The inclusion of all types of housing is essential to creating resilient, inclusive, and sustainable communities across Canada.

Ministerial Zoning Orders (MZOs): Ministerial Zoning Order (MZO) is a land-use planning tool that allows the Minister of Municipal Affairs and Housing to override local zoning bylaws and directly zone land for specific uses without going through the typical municipal approval process. In Ontario, this authority is granted under Section 47 of the Planning Act. MZOs are typically used to expedite developments that align with provincial priorities, such as affordable housing, long-term care facilities, transit-oriented developments, and economic growth projects. By bypassing local council approvals and public consultations, MZOs can significantly reduce development timelines, enabling faster delivery of critical infrastructure and housing.

A Ministerial Zoning Order (MZO) is a planning tool specific to the Province of Ontario, authorized under Section 47 of the Ontario Planning Act. It grants the Minister of Municipal Affairs and Housing the power to override municipal zoning regulations and directly zone land for particular uses without undergoing the typical local approval processes or public consultations. MZOs are primarily used to fast-track developments that support provincial priorities, such as affordable housing, transit-oriented developments, and healthcare facilities.

While the term MZO is unique to Ontario, other Canadian provinces have similar mechanisms that allow their respective governments to override municipal planning decisions in specific circumstances:

- In British Columbia, the Lieutenant Governor in Council can issue orders-in-council under the Local Government Act or the Vancouver Charter, allowing the province to impose zoning or land-use decisions, particularly for projects deemed in the public interest, such as major infrastructure or housing developments.

- In Alberta, under the Municipal Government Act, the Minister of Municipal Affairs can intervene in local planning decisions, particularly for projects related to provincial infrastructure, energy corridors, or environmental protection, though this power is typically exercised with consultation.
- In Quebec, the Minister of Municipal Affairs and Housing can use ministerial orders under the Act Respecting Land Use Planning and Development to override municipal zoning bylaws for projects related to public safety, environmental protection, or large-scale provincial priorities.
- In Manitoba, the Minister of Municipal Relations can intervene in local planning matters under the *Planning Act*, particularly when projects are of provincial significance or when municipalities fail to comply with provincial land-use policies.

While these powers across provinces serve similar purposes—primarily to advance strategic provincial initiatives—their use and frequency differ based on provincial governance structures, political priorities, and planning frameworks.

Missing Middle Housing: Missing Middle Housing refers to a range of low- to medium-density housing types that fill the gap between single-detached homes and high-rise apartment buildings. It includes diverse, multi-unit housing forms such as duplexes, triplexes, fourplexes, townhomes, multiplexes, courtyard housing, and low-rise apartments (typically up to six stories).

From a housing spectrum perspective, Missing Middle Housing serves as the bridge between low-density single-family homes and high-density towers, offering more attainable, walkable, and community-oriented living options. This type of housing is critical for affordability and gentle density, as it enables cities to maximize land use while maintaining neighborhood character and livability.

Historically, zoning regulations have limited the supply of Missing Middle Housing, leading to an oversupply of single-detached homes and high-rises while neglecting small-scale, multi-unit development. Expanding Missing Middle Housing options is essential for creating diverse housing choices, supporting family-friendly urban living, and increasing affordability in established neighbourhoods.

Modular (pre-fabrication) Housing: Modular housing, also referred to as pre-fabricated or off-site construction, is a building method where major structural components—such as walls, floors, and entire units—are manufactured in a controlled factory environment and then transported to the final site for assembly. This approach allows for greater quality control, reduced material waste, and significantly shorter construction timelines compared to traditional on-site building.

Modular housing includes a range of typologies, from single-family homes and townhouses to multi-storey mid-rise and supportive housing projects. It can incorporate volumetric modules, panelized systems, or hybrid approaches, depending on project scale, design, and regulatory environment.

Modular housing is increasingly viewed as a critical solution to accelerating supply, especially for affordable and purpose-built rental developments, emergency housing, and projects on public or institutional lands. Its scalability and cost-efficiency make it a complementary component of a diversified national housing strategy.

MTSA: A Major Transit Station Area (MTSA) in Ontario is a defined zone surrounding a major public transit hub, such as a subway, light rail, bus rapid transit station, or GO Transit station. These areas are typically located within a 500- to 800-meter radius (a 10-minute walking distance) of the transit station and are designated to support higher-density, mixed-use development that maximizes the use of existing and planned transit infrastructure. MTSA's are identified in municipal Official Plans and are integral to Ontario's planning policies, particularly under the Growth Plan for the Greater Golden Horseshoe and other regional transit strategies.

MTSA's are critically important because they promote transit-oriented development (TOD), which integrates housing, jobs, services, and amenities within a walkable area around transit stations. This approach reduces reliance on cars, increases transit ridership, and supports more sustainable urban growth by concentrating development in areas with existing infrastructure. From a planning perspective, MTSA's help municipalities accommodate population and employment growth efficiently while minimizing urban sprawl. They also create vibrant, mixed-use neighborhoods that enhance access to affordable housing and economic opportunities, aligning with provincial goals for intensification, sustainability, and climate change mitigation. By leveraging the synergy between transit and land use, MTSA's play a vital role in building connected, livable communities.

MURB (Multiple Unit Residential Building): MURB refers to a federal tax incentive program introduced in the late 1970s and early 1980s to encourage the construction of rental housing during a time of national shortage. The original MURB program allowed investors to claim tax deductions for capital cost allowances (depreciation) and operating losses, which could be applied against their personal taxable income, reducing their overall tax burden. This tax structure made it more attractive for individual investors and small developers to finance new rental construction.

While the original MURB program was phased out, there is growing momentum to reintroduce a modernized MURB incentive that could support today's rental housing market by making it more financially viable to build and hold purpose-built rentals. A renewed MURB program would align with federal housing goals by reducing private risk and unlocking new supply, particularly for middle-income and attainable rental housing.

OPHI (Ontario Priorities Housing Initiative): The Ontario Priorities Housing Initiative (OPHI) is a provincially administered, cost-shared housing program delivered under the Canada-Ontario Bilateral Agreement as part of the National Housing Strategy. It provides funding to municipal service managers and Indigenous housing providers to address local housing needs through new affordable rental construction, homeownership assistance, repairs and renovations, and housing-related support services. OPHI is designed to offer flexible, locally tailored solutions to improve housing affordability and stability for low- and moderate-income households across Ontario.

Parkland Dedication and Cash-in-lieu Fee (a parkland tax): Parkland dedication is a planning requirement in Ontario and many other jurisdictions that mandates land developers to provide parkland as part of the land development approval process. Its purpose is to ensure that sufficient public recreational space is available to meet the needs of growing communities, supporting livability, environmental sustainability, and public health as urban areas expand.

Under the Ontario *Planning Act*, municipalities can require developers to dedicate a portion of land for park purposes when subdividing land or seeking site plan approval. The standard dedication rate for residential developments is typically up to 5% of the land area for low-density developments or 1 hectare per 300 units for higher-density projects.

When it is impractical to provide physical parkland—such as in high-density urban areas or infill redevelopment sites—municipalities may accept "cash-in-lieu" of parkland dedication. In this case, developers pay a monetary equivalent based on the land's value (capped at 4% of land value under current Ontario legislation for high-density developments). The municipality then uses these funds to acquire new parkland, upgrade existing parks, or support public open space initiatives elsewhere in the community.

In the land development approval process, parkland dedication and cash-in-lieu requirements are typically addressed during site plan approval, subdivision approvals, or rezoning applications.

While these policies are critical for maintaining adequate park space, they also represent significant upfront costs for developers. In some cases, particularly for infill and affordable housing projects, these costs can impact project viability and increase housing prices, as the charges are often passed down to end users.

To balance affordability goals with the need for public spaces, innovative approaches like Privately Owned Publicly Accessible Spaces (POPS) and temporary parkland contribution moratoriums are being considered by municipalities. These strategies can help reduce upfront costs while still providing access to recreational spaces in urban environments.

Privately Owned Public Spaces (POPS). POPS, or Privately Owned Public Spaces, are areas that are privately owned and maintained, but are legally required to be open and accessible to the public. From a planning perspective, POPS are often negotiated through the development approval process—particularly in dense urban environments—as a way to provide public open space on private land. These spaces can include plazas, courtyards, walkways, parkettes, or seating areas, and are typically located adjacent to or within larger developments. POPS are used by municipalities to increase access to public space in areas where traditional publicly owned parks may be limited, while still allowing the land to remain under private ownership and management. Proper design, signage, and accessibility are essential to ensure POPS function as welcoming, inclusive spaces for public use.

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RHI (Rapid Housing Initiative): The RHI is a federal program launched by the Government of Canada, administered through the CMHC to address urgent housing needs for vulnerable populations. Introduced in 2020 as part of Canada’s National Housing Strategy, the RHI aims to create new permanent housing units quickly, with a focus on supporting people experiencing homelessness, at risk of homelessness, or living in precarious situations

The initiative is funded through federal government allocations, with significant investments made during its initial phases, including \$1 billion in the first round and an additional \$1.5 billion in subsequent rounds. By leveraging modular construction, repurposing existing buildings, and streamlining approval processes, the RHI has successfully delivered over 10,000 affordable housing units across Canada to date. These units are spread across urban, rural, and Indigenous communities, addressing critical gaps in housing supply and offering a pathway to stability for some of Canada's most vulnerable populations.

Transit Oriented Development (TOD): Transit-Oriented Development (TOD) is a planning and urban design strategy that promotes higher-density, mixed-use development within walking distance of public transit stations. The goal is to create compact, connected, and walkable communities that reduce car dependence, support public transit use, and promote sustainable urban growth. The concept was popularized in the early 1990s by urban designer Peter Calthorpe, who advocated for TOD as a response to suburban sprawl, linking land use and transportation to support livable, inclusive cities. TOD typically includes a mix of housing, jobs, shops, and services within a 400 to 800 metre radius of major transit stops—such as light rail, bus rapid transit, or commuter rail. Today, TOD is widely used as a tool to increase housing supply, lower emissions, and create vibrant, accessible neighbourhoods around public infrastructure investments.

Triplex. A triplex housing unit is a residential building divided into three separate and self-contained units, typically under one roof. Each unit functions as a complete home, with its own kitchen, bathroom, living space, and entrance, though entrances may sometimes be shared depending on the design. Triplexes can be arranged vertically, with one unit on each floor, or horizontally, with two side-by-side units.

Under recent provincial planning reforms, a triplex is now classified as a single-detached dwelling with two accessory dwelling units (ADUs), representing a key form of missing middle housing.

Vacancy Rate.: The apartment vacancy rate is the percentage of all available rental apartments in a specific area that are unoccupied and ready for tenants at a given time. It helps measure the supply and demand balance in the rental housing market. The Canada Mortgage and Housing Corporation (CMHC) calculates purpose-built residential vacancy rates through its annual Rental Market Survey, conducted during the first two weeks of October. This survey targets privately initiated rental structures with at least three units that have been on the market for a minimum of three months, excluding social and affordable housing units. Data is collected via telephone interviews and site visits, gathering information from property owners, managers, or building superintendents.

A unit is considered vacant if it is physically unoccupied and available for immediate rental at the time of the survey, meaning no new lease has been signed and the unit isn't undergoing major renovations. The vacancy rate is then calculated by dividing the number of vacant units by the total number of rental units surveyed, providing insights into rental market trends across Canada.

ENDNOTE

1. Refer to definitions section for the 1031 Exchange program (a US tax deferral system).
2. <https://www.crea.ca/housing-market-stats/mls-home-price-index/hpi-tool/>
3. <https://www.oecd.org/en/topics/sub-issues/affordable-housing.html#:~:text=Real%20house%20prices%20have%20increased,are%20considerable%20cross-country%20differences.>
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7. <https://storeys.com/ontario-taxation-fees-immediate-reform/#:~:text=The%20tax%20burden%20on%20a,Canadian%20Centre%20for%20Economic%20Analysis.>
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