

Canada's Housing Affordability Crisis Escalates

Canada grapples with a severe housing crisis, skyrocketing home prices, and challenges in construction, demanding immediate solutions

MISSISSAUGA, ONTARIO, CANADA, July 28, 2023 /EINPresswire.com/ -- The housing crisis in Canada has reached a boiling point, with a significant shortage of affordable housing options affecting a large section of the population. The cost of housing has escalated to high levels beyond what individuals and families can generally afford. This makes it extremely challenging for aspiring homeowners to step foot in the real estate market.

Rank	Municipality	Rank by Category			Total Score
		Approval Timelines fastest to lowest	Government Charges lowest to highest	Planning Features most to least	
1	Edmonton	6	6	1	4.5
2	Charlottetown	1	1	19	6.4
3	Calgary	5	10	6	6.8
4	London	8	9	3	6.8
5	Regina	3	7	13	7.2
6	Winnipeg	4	5	15	7.6
7	Saskatoon	2	11	12	7.7
8	Halifax	16	4	5	9.1
9	St. John's	7	3	20	9.7
10	Ottawa	9	12	10	10.2
11	Moncton	10	2	21	10.9
12	Vancouver	10	17	8	11.5
13	Surrey	11	15	9	11.6
14	Oakville	13	18	4	11.8
15	Hamilton	18	13	7	13.2
16	Brampton	12	19	11	13.8
17	Burnaby	17	8	16	14.0
18	Toronto	20	21	2	14.9
19	Pickering	14	16	17	15.5
20	Bradford West Gwillimbury	15	14	18	15.6
21	Markham	19	20	14	17.8
Weighting by Category		40%	30%	30%	

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The [Canada Mortgage and Housing Corporation](#) released a report in 2022 stating that an additional 3.5 million housing units must be constructed by 2023 to ensure affordable housing for all Canadians. However, the government's efforts have fallen short, with only 219,942 new constructions completed last year out of the targeted 350,000 homes.

Several factors, such as population growth, ever-increasing home prices, and migration, drive the pressing need for more homes in Canada. The population growth of the country has been substantial, with a record-breaking 1,050,110 people added in January 2023. This has brought the average population of the country to 39,566,248. Also, the average age of Canadians is showing an upward trend, leading to a higher demand for senior housing. As this demographic shift persists, Canada must adapt to the challenges and opportunities presented by a larger and older population, including the pressing housing crisis.

The relentless increase in prices of homes for sale has also created formidable obstacles for potential homeowners. As of May 2023, the average home prices have soared to \$729,000, marking a significant 3.2% year-over-year increase. In Ontario, the average home price has escalated to \$940,000, showing a 6% rise from 2022. Over the past five years, the home price in Canada has surged by over 50%, reaching astronomical levels in cities like Toronto and

Vancouver. In these Canadian cities, the average home prices have surpassed the \$1 million mark.

Canada's housing affordability crisis has been bolstered by the significant impact of immigration on the country's population growth. The Government of Canada has predicted that by the year 2036, immigrants could potentially make up an impressive 30% of the country's total population.

In a recent statement, Mr. Robin Cherian, CEO of [The Canadian Home](#), states, "We have been hearing this a lot, the demand is not able to keep up with supply in the housing industry, which is true, but getting a new construction is not as easy as it looks. There is a lot that needs to be managed, starting from restrictive zoning laws, limited land availability, rising construction cost, labour shortages and increasing mortgage costs. Addressing these challenges will require streamlining processes and high investment in infrastructure. The government is working on tackling the issues; it will take some time."

One of the key impediments to new construction in Canada is the restrictive zoning regulations. The complexity and stringency of zoning rules create excessively intricate procedures that deter builders from pursuing new construction. The zoning rules vary across communities; for instance, the city of Mississauga has over 59 zoning variations. There are 13 sections and approximately 100 zone-specific requirements, pushing builders away from venturing into these regions.

Furthermore, labour shortages also pose a significant challenge to achieving the ambitious goal of constructing 1.5 million homes over the next decade. Rising construction costs are also another major concern. Materials such as lumber have witnessed an astonishing 500% increase in prices over the past two years.

The approval process for developers and urban planners in Ontario is also a subject of concern. Multiple evaluations and compliance with planning regulations across various government departments prolong the process of acquiring permissions.

In response to the escalating crisis, Prime Minister Justin Trudeau announced on May 25 an infrastructure plan that would promote the construction of affordable homes. The plan intends to address the pressing issue of the affordable housing crisis across Canada. The city of Toronto has also taken a step towards diversifying housing options by passing a new policy that allows mid-rise residential buildings in low-density areas.

As the housing crisis continues to loom over Canada, proactive measures and collaborative efforts are paramount to finding sustainable solutions. It has become more than essential to create an environment that supports new construction, addresses the shortage of affordable housing, and ensures a brighter future for Canadians.

About The Canadian Home

The Canadian Home Realty Inc. is a leading real estate platform designed to simplify the property buying and selling journey for Canadians. With a user-friendly interface and advanced features, it empowers users to effortlessly navigate the process of buying, selling, or renting properties. With a commitment to delivering a delightful digital experience, The Canadian Home is redefining the real estate landscape in Canada.

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