

A P P L I E D P O L I C Y B R I E F

Canada Doesn't Have a Housing Ambition Problem.

It Has a Delivery Problem.

Closing the Gap Between Policy Intent, Policy Design, and Delivery Systems

With a Focus on Ontario

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Canada's Housing Delivery Gap: Numbers to Keep Policymakers Up at Night



Canada doesn't have a **housing ambition** problem.
It has a **delivery** problem.

Sources: CMHC (2025), PBO (2025), BuildForce Canada (2025), Altus Group (2025), Open Council / Building Fund Tracker

Executive Summary

Canada is not short on ambition in housing policy. Over the past decade, federal, provincial, and municipal governments have produced strategies, committed billions of dollars, and set ambitious housing targets. Yet housing delivery continues to fall dramatically short of what is needed. This brief argues that **Canada's housing crisis is fundamentally a delivery problem, rooted not in a lack of policy intent, but in gaps in policy design and the execution systems required to translate intent into outcomes.** The mechanisms intended to convert funding into finished homes, approval processes, procurement frameworks, risk allocation structures, and intergovernmental coordination consistently underperform, creating systemic friction that inflates costs, extends timelines, and undermines affordability.

The numbers are stark. CMHC estimates that restoring housing affordability to pre-pandemic levels will require between 430,000 and 480,000 new units annually over the next decade, roughly double the current construction pace.¹ The Parliamentary Budget Officer projects a total need of 3.2 million units by 2035, requiring sustained annual completions of 290,000. This pace would mean outperforming Canada's 2024 record of 276,000 completions for eleven consecutive years.² Meanwhile, productivity in residential construction has declined since the pandemic, with lost productivity adding an estimated \$6 to \$8 billion to housing construction costs between 2019 and 2024.³

This brief diagnoses where delivery breaks down, drawing on recent federal and provincial data, international benchmarks from Singapore and Vienna, and applied experience across housing, infrastructure, and public-sector delivery. It concludes with six implementable recommendations for Ontario and Canada to move from policy intent to housing outcomes.

<p>430–480K Annual Units Needed <i>CMHC, 2025</i></p>	<p>~245K Current Annual Pace <i>PBO/CMHC Baseline</i></p>	<p>245,100 Workers Retiring (10yr) <i>BuildForce Canada</i></p>
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1. The Delivery Gap: Defining the Problem

Everyone agrees housing affordability is a crisis. What remains contested is *why*. Is Canada's housing failure primarily due to an absence of policy, or a failure to convert policy into outcomes?

¹Canada Mortgage and Housing Corporation (CMHC), "Canada's Housing Supply Shortages: Moving to a New Framework," June 2025.

²Parliamentary Budget Officer (PBO), "Household Formation and the Housing Stock: Estimating the Housing Gap in 2035," August 2025.

³CMHC, "Framework for Change: Productivity in Housing Construction," 2025. The Centre for the Study of Living Standards estimates lost productivity from 2019 to 2024 added \$6 to \$8 billion to housing construction costs.

The evidence strongly supports the latter. As of December 2025, Canada's National Housing Strategy has committed \$76.13 billion in funding.⁴ Budget 2025 introduced Build Canada Homes, described as the most ambitious housing plan since the Second World War, backed by \$13 billion over five years and designed to consolidate fragmented delivery under a single federal agency.⁵ The \$55 billion Apartment Construction Loan Program alone has committed \$24.9 billion in low-cost loans as of June 2025 to support over 63,500 rental homes, with a target of 131,000 new units by 2031–32.⁶ Ontario has passed multiple legislative packages aimed at streamlining approvals, including Bill 17 and Bill 60 in 2025, which expand as-of-right zoning permissions, reduce regulatory delays, and aim to get shovels in the ground faster.⁷

Policy intent is not absent. Yet the OECD's 2025 Canada survey observed that household formation has consistently outstripped housing completions in recent years, widening the supply gap and driving up prices.⁸ Ontario's ambitious target of 1.5 million new homes by 2031 is now widely acknowledged to be off track. In 2024, only 74,600 housing starts materialized against a forecast of 87,900, and only 11 of 50 municipalities met their Building Faster Fund targets.⁹

The problem, then, is not a shortage of plans or ambition. It is the persistent gap between **policy intent** and **policy design for delivery**, as well as the institutional systems, approval structures, procurement frameworks, and coordination mechanisms that translate commitments into homes people can live in. Zoning rules, approval processes, and procurement structures *are* policies. But they are policy design choices that currently constrain, rather than enable, delivery.

⁴Housing, Infrastructure and Communities Canada (HICC), Canada's National Housing Strategy. Since 2018, the NHS has committed \$76.13 billion in funding as of December 31, 2025. See: housing-infrastructure.canada.ca/housing-logement/ptch-csd/index-eng.html.

⁵Department of Finance Canada, Budget 2025. Build Canada Homes is backed by \$13 billion over five years, consolidating programs under a single federal delivery agency.

⁶CMHC, News Release, 2025. The \$55 billion Apartment Construction Loan Program (ACLP) is providing low-cost financing to support more than 131,000 new rental homes across Canada by 2031–32. As of June 2025, CMHC has committed \$24.9 billion in loans to support over 63,500 rental homes. See: cmhc-schl.gc.ca/media-newsroom/news-releases/2025/canada-invests-new-rental-housing-units-toronto.

⁷Recent Ontario reforms, including Bill 17, Protect Ontario by Building Faster and Smarter Act, 2025 (ola.org/en/legislative-business/bills/parliament-44/session-1/bill-17) and Bill 60, Fighting Delays, Building Faster Act, 2025 (ola.org/en/legislative-business/bills/parliament-44/session-1/bill-60), aim to streamline planning approvals, expand as-of-right zoning permissions, and reduce regulatory delays. See also Aird & Berlis LLP, "Bill 60: Faster But Not Smarter?" December 2025.

⁸OECD Economic Surveys: Canada 2025, Chapter on Improving Housing Affordability.

⁹CBC News, "Ontario housing construction budget: Doug Ford," May 2025 (cbc.ca/news/canada/toronto/ontario-housing-construction-budget-doug-ford-1.7536883). In 2024, only 11 of 50 Ontario municipalities met their Building Faster Fund targets; actual housing starts were 74,600 against a forecast of 87,900.

POLICY INFRASTRUCTURE ANALYSIS

If housing is a delivery problem,
where exactly does it break down?



Technology can accelerate construction. *Governance design determines affordability.*

Housing Delivery as a Friction Pipeline — Where Breakdowns Accumulate

2. Where Delivery Breaks Down: Four Friction Points

From experience across infrastructure and public programs, delivery strain concentrates in four interconnected areas. Importantly, several of these, approval sequencing, risk allocation, and procurement design, are themselves policy design choices. The distinction this brief draws is not between “policy” and “delivery” as separate domains, but between **policy intent** (what governments commit to) and **policy design for execution** (whether the systems governments create actually enable delivery at scale). These four friction points are not isolated failures; they compound, and their interactions produce the systemic underperformance Canada is experiencing.

2.1 Approval Sequencing and Regulatory Complexity

Even when funding exists, multi-layered approvals across municipal, provincial, and federal systems extend timelines far beyond what construction economics can absorb. A housing project in Ontario may require planning approvals, zoning amendments, site plan approval, environmental assessments, heritage reviews, and building permits, each governed by different legislation, timelines, and appeal mechanisms. Time compounds cost: every month of delay adds carrying costs, increases exposure to interest rate fluctuations, and raises the risk that a project becomes financially unviable.

Ontario has recognized this challenge. The province has committed up to \$350 million through programs such as the Municipal Modernization Program and Audit and Accountability Fund to support municipalities in improving systems, processes, and service delivery. Bill 60 (Fighting Delays, Building Faster Act, 2025) introduced as-of-right variances to allow certain projects to proceed directly to building permits without Committee of Adjustment hearings.¹⁰ The province

¹⁰Government of Ontario, “Ontario and Municipalities Working Together to Strengthen Communities,” 2025 (news.ontario.ca/en/release/1000753). Ontario has committed up to \$350 million through programs such as the

has also created “use it or lose it” provisions allowing municipalities to reallocate water and sewer capacity from stalled developments. These are welcome interventions, but a fundamental tension persists: Ontario has at least six major pieces of housing-related legislation passed or tabled in the last three years, each adding new provisions atop existing regulatory layers. Faster does not always mean simpler, and regulatory accumulation itself becomes a source of friction.

The OECD's 2025 survey recommended that Canada strengthen policies to allow higher-density housing and expedite permitting, noting that municipal-level zoning restrictions, development charges, and permitting delays remain significant barriers to supply.¹¹ Cities like Edmonton and Vancouver have moved toward zoning simplification, but most Ontario municipalities have not yet achieved comparable streamlining.

2.2 Risk Allocation and Procurement Design

If risk is poorly allocated in housing development agreements, partners price uncertainty conservatively. This inflates costs before a shovel hits the ground. The way Canada structures its housing programs, with federal funding flowing through provincial agreements to municipal delivery, often with layered conditions and reporting requirements, creates multiple points where risk concentrations and administrative burden slow delivery.

The Housing Accelerator Fund illustrates the tension. Designed to incentivize municipalities to remove barriers, it required communities to develop detailed Action Plans and submit annual progress reports. Top-performing communities were eligible for bonus funding of up to 10 percent of their original agreements.¹² While the program's intent was sound, conditioning federal funds on local action, the compliance architecture itself became a delivery burden for many smaller municipalities lacking dedicated planning staff.

Budget 2025's Build Canada Homes initiative acknowledges this problem by creating a single federal agency to coordinate housing delivery and financing, consolidating fragmented programs.¹³ This structural shift toward consolidated delivery is a critical step. However, its success will depend on whether risk and accountability are allocated to the parties best positioned to manage them, a principle well established in infrastructure procurement but underapplied in housing delivery.

2.3 Institutional and Workforce Capacity

Ambitious targets do not automatically create delivery capacity. Canada's construction workforce faces a structural crisis: BuildForce Canada projects that 245,100 workers will retire from the

Municipal Modernization Program and Audit and Accountability Fund to support municipalities in improving systems, processes, and service delivery. See also Aird & Berlis LLP, “Bill 60: Faster But Not Smarter?” December 2025.

¹¹OECD Economic Surveys: Canada 2025. The OECD recommended that Canada strengthen policies to allow higher-density housing and expedite the permitting process.

¹²HICC, Departmental Results Report 2024–25. Top-performing Housing Accelerator Fund communities were eligible for bonus funding of up to 10 percent of their original agreements.

¹³Department of Finance Canada, Budget 2025. Build Canada Homes creates a single federal agency to coordinate housing delivery and financing.

sector over the next decade, representing roughly 20 percent of the current workforce.¹⁴ Ontario faces particularly acute pressure: by 2034, as many as 90,300 workers are projected to retire from the province's construction industry. When combined with the additional demand of 63,800 workers, Ontario faces hiring requirements of 154,100 workers by 2034, with a potential shortfall of nearly 52,000 even after expected recruitment of 102,200 new entrants under age 30.¹⁵ Meanwhile, the pipeline of younger workers is thinning sharply. Between 2016 and 2021, the number of tradespeople aged 15 to 24 dropped by over 31,000, a 12 percent decrease, while the number of tradespeople aged 65 and over still working increased by 111.8 percent. As of 2021, more than one in five Red Seal workers were aged 55 or older.¹⁶

This is not merely a numbers problem. The skilled labour being lost to retirement is being replaced by workers with less training and experience, and productivity is declining as a result. Altus Group research found that high-rise development projects in Toronto and Vancouver now take 25 to 30 percent longer to build than a decade ago, driven primarily by labour productivity losses.¹⁷ CMHC's productivity research confirms that the industry's productivity growth, which was relatively strong before the pandemic, has subsequently collapsed, with the number of jobs and total hours worked growing faster than output.¹⁸

Municipal institutional capacity is equally constrained. Many Ontario municipalities lack sufficient planning staff to process the volume of applications required by provincial housing targets. The province's Streamline Development Approval Fund made over \$45 million available to the 39 largest municipalities for e-permitting systems, additional staffing, and process improvements¹⁹. But smaller municipalities, where much of Ontario's growth is now being directed, often cannot access or absorb this support at scale.

2.4 Timeline Misalignment Across Governments

Construction, financing, and political cycles rarely move at the same pace. A housing development that secures municipal approval in one political term may find provincial funding conditions changed by the next. Federal programs designed within five-year budget windows

¹⁴BuildForce Canada, "Canada Construction and Maintenance Looking Forward: Highlights 2025–2034," 2025. The industry projects 245,100 retirements over the next decade, roughly 20 percent of the current workforce.

¹⁵BuildForce Canada, "Employment Demands in Ontario Are Elevated to 2034," 2025 (buildforce.ca). By 2034, as many as 90,300 Ontario workers are projected to exit the industry due to retirement. Combined with additional demand of 63,800 workers, the province faces hiring requirements of 154,100 workers, with a potential shortfall of nearly 52,000 even after expected recruitment of 102,200 new entrants under age 30.

¹⁶Canadian Apprenticeship Forum, 2023 National Apprenticeship Survey / Census Analysis (caf-fca.org). Between 2016 and 2021, the number of tradespeople aged 15–24 dropped by over 31,000, a 12 percent decrease. Meanwhile, the number of tradespeople aged 65 and over who are still working increased by 111.8 percent over the same period. As of 2021, more than 1 in 5 Red Seal workers were aged 55 or older.

¹⁷Altus Group, "How Will Lost Construction Jobs Impact Canada's Housing Affordability?" 2025. High-rise projects in Toronto and Vancouver now take 25 to 30 percent longer to build compared to a decade ago.

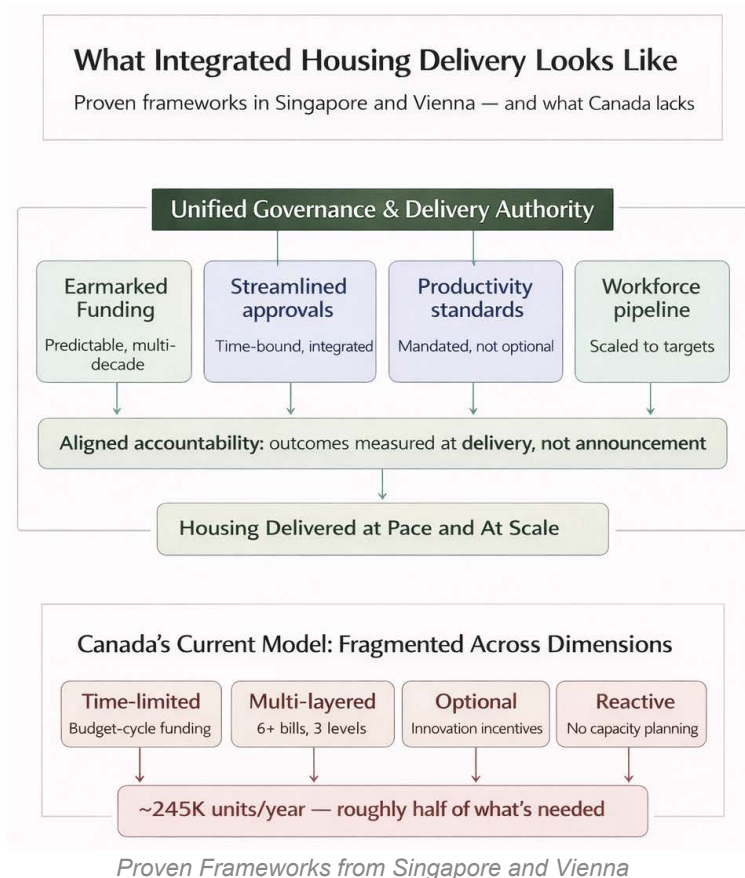
¹⁸CMHC, "Framework for Change: Productivity in Housing Construction," 2025. Productivity growth in the industry collapsed post-pandemic, with jobs and hours worked growing faster than output.

¹⁹Government of Ontario, "Ontario Municipal Summit Seeks Solutions to Build More Homes," 2025 (news.ontario.ca/en/release/1001442). The Streamline Development Approval Fund made over \$45 million available to Ontario's 39 largest municipalities.

must accommodate construction pipelines that can span 7 to 10 years from conception to occupancy.

The Building Faster Fund exemplifies this misalignment. The \$1.2 billion program rewards municipalities that reach 80 percent of their annual housing start targets, but municipalities have argued that housing starts are driven primarily by developers and market conditions, not municipal approval decisions. Ontario's Big City Mayors have requested that the province count municipal approvals issued rather than housing starts, since the former are under direct municipal control while the latter depend on developer financing, interest rates, and labour availability.²⁰ This accountability mismatch, where municipalities bear the performance risk for outcomes they do not fully control, weakens the incentive structure.

The Federal Housing Advocate's 2024–25 Annual Report called for embedding intersectional analysis and establishing non-market housing at 20 percent of rental stock, with a near-term benchmark of 7 percent.²¹ These goals, while critical from a rights-based perspective, require sustained multi-decade commitment that transcends individual budget cycles. Yet, Canada's housing governance remains structured around short-term funding envelopes and electoral timelines.



²⁰Ontario Big City Mayors, "Ontario Mayors Say Provincial Housing Fund Rules Unfairly Penalize Them," 2024 (ontariobigcitymayors.ca). Municipalities have argued that housing starts are driven primarily by developers and market conditions, not municipal approval decisions.

²¹Federal Housing Advocate's 2024–2025 Annual Report, Canadian Human Rights Commission, June 2025.

3. International Benchmarks: What Effective Delivery Looks Like

Two jurisdictions offer instructive contrasts to Canada's fragmented delivery model: Singapore and Vienna. Both have achieved sustained, large-scale housing delivery not through superior policy ambition but through **integrated delivery infrastructure** that connects funding, construction capacity, and governance under coherent institutional arrangements.

3.1 Singapore: Centralized Delivery with Industrialized Construction

Singapore's Housing and Development Board (HDB), established in 1960, plans and builds public housing. Roughly 80 percent of Singapore's population lives in HDB flats, and approximately 90 percent of these residents own their units.²² The system's success rests on three pillars: centralized land acquisition and planning, integrated delivery through a single public agency, and mandatory adoption of productivity-enhancing construction technology.

Singapore's mandate for Prefabricated Prefinished Volumetric Construction (PPVC) in public housing is particularly relevant. By requiring that up to 80 percent of each module be constructed offsite, the PPVC framework has achieved reductions of up to 40 percent in human resources and time.²³ Singapore's digital rule-checking platform has positioned it as a global benchmark for integrated policy and technology adoption in construction. The result is a delivery system where policy intent and construction capacity are structurally aligned.

Lesson for Canada: Canada does not need to replicate Singapore's centralized governance model, but it urgently needs to adopt Singapore's principle of *mandatory technology standards that make productivity improvement a condition of public housing programs*. CMHC's \$500 million allocation within the Apartment Construction Loan Program for projects using innovative construction techniques is a step in this direction, but it remains optional rather than mandated.

3.2 Vienna: Long-Term Institutional Commitment to Social Housing

Vienna's social housing sector encompasses over 220,000 municipally owned apartments and an additional 200,000 cooperative units, together housing approximately 60 percent of the city's 2 million residents. Renters in Austria spend, on average, just 21 percent of their household income on rent.²⁴ Critically, Austrian housing subsidies are overwhelmingly object-side

²²Singapore Housing and Development Board (HDB); Singapore Building and Construction Authority (BCA), PPVC framework, 2024. Approximately 80 percent of Singapore's population lives in HDB flats.

²³BCA, PPVC framework, 2024; ADBI Policy Brief No. 2024-25. PPVC mandates have achieved up to 40 percent improvements in manpower and time savings.

²⁴City of Vienna, Social Housing website (socialhousing.wien). Vienna's social housing sector encompasses over 220,000 municipally owned apartments and an additional 200,000+ cooperative units, housing approximately 60 percent of the city's 2 million residents. Housing construction is funded by a 1 percent wage tax (shared equally between employers and employees), generating approximately €250 million annually for Vienna, with total city spending of approximately €530 million per year on housing construction. In 2024, Vienna launched its "Housing Offensive 2024+," committing to 22,200 new subsidized apartments with a total budget of €2.8 billion, supported by €1.1 billion in public subsidies.

(supporting construction) rather than demand-side (supporting individual tenants), which means public investment directly creates physical housing stock rather than subsidizing rents in a constrained private market.

The Viennese model works because it is sustained over decades, not budget cycles. Housing construction is funded by a dedicated 1 percent wage tax (shared equally between employers and employees), which generates approximately €250 million annually for Vienna alone. In total, the city spends approximately €530 million per year on housing construction. This predictable, earmarked revenue stream allows planning horizons that match construction timelines, precisely the temporal alignment that Canada's current program architecture lacks.

Vienna continues to invest at scale. In 2024, the city launched its "Housing Offensive 2024+," committing to 22,200 new subsidized apartments for over 45,000 residents, with a total budget of €2.8 billion supported by €1.1 billion in public housing subsidies. Social housing construction in the city averages approximately 7,000 units per year, a per-capita delivery rate that far exceeds that of any comparable Canadian city.

Lesson for Canada: Canada should consider shifting toward object-side subsidies and establishing dedicated, long-term housing revenue streams, whether through earmarked taxes, dedicated infrastructure levies, or permanent federal transfer mechanisms, to replace the current reliance on time-limited program announcements.

4. From Policy Intent to Implementable Outcomes: Six Recommendations

The following recommendations target the specific delivery friction points identified in this brief. They are designed to be actionable within existing institutional frameworks while creating conditions for longer-term structural reform.

Recommendation 1: Establish a Provincial Housing Delivery Unit

Ontario should create a dedicated Housing Delivery Unit within government, modelled on infrastructure delivery units used in the UK, Australia, and Nigeria, with a mandate to monitor, troubleshoot, and unblock the pipeline from approval to occupancy. This unit would have the authority to intervene where specific projects or municipalities face persistent delivery bottlenecks, using real-time data dashboards to track approvals, permits, starts, and completions across all 50 target municipalities.

Recommendation 2: Mandate Productivity Standards for Publicly Funded Housing

Drawing on Singapore's PPVC framework, all publicly funded housing programs, including those financed through CMHC's Apartment Construction Loan Program and Build Canada Homes, should progressively require the demonstrated use of productivity-enhancing construction methods, including modular construction, prefabrication, and digital project delivery tools.

CMHC's existing \$500 million innovation allocation should transition from an optional incentive to a graduated requirement, beginning with projects above a threshold size.

Recommendation 3: Consolidate and Simplify Approval Pathways

Ontario's legislative interventions, Bills 23, 97, 134, 185, 17, and 60 since 2022, have addressed individual approval barriers but have cumulatively increased regulatory complexity. The province should commission a comprehensive regulatory mapping exercise and develop a single integrated approval pathway for housing projects that meet defined affordability or density criteria, reducing the current multi-track system to a streamlined, time-bound process.

Recommendation 4: Align Accountability with Control

The Building Faster Fund's accountability framework should be reformed to measure what municipalities directly control, approvals issued and time-to-permit, rather than housing starts, which are driven by developer decisions and market conditions. This would create meaningful incentives for municipal process improvement while fairly reflecting the shared nature of housing delivery responsibility.

Recommendation 5: Create a Construction Workforce Pipeline Strategy

Canada requires a comprehensive construction workforce strategy that addresses both the retirement wave and the productivity decline simultaneously. This should include: accelerated credential recognition for internationally trained tradespeople, with the 2025 Express Entry category-based draws for construction trades expanded and made permanent; scaled investment in modular and prefabricated construction training, which requires different skill profiles than traditional site-built construction; and a national data system tracking workforce capacity against housing targets by region, allowing proactive rather than reactive workforce planning.

Recommendation 6: Establish Long-Term, Earmarked Housing Revenue

Following Vienna's model of predictable, sustained housing funding, Canada and Ontario should explore dedicated housing revenue mechanisms, such as an earmarked portion of land transfer tax revenue or a dedicated federal housing infrastructure levy, that provide multi-decade funding certainty. This would allow Build Canada Homes and its provincial counterparts to plan on construction timelines rather than budget cycles, reducing the temporal misalignment that currently fragments delivery.

5. Conclusion: Governance Design Determines Affordability

Technology can accelerate construction. But governance design determines whether speed translates into affordability.

Canada's housing crisis will not be solved by announcing more funding, publishing more strategies, or setting more targets. The country has done all of these things extensively. What it has not yet done is design policies for execution and build the delivery infrastructure, institutional

systems, workforce pipelines, approval pathways, and accountability mechanisms required to convert those commitments into homes.

The evidence is clear: restoring even pre-pandemic affordability levels requires doubling the pace of construction for the next decade.²⁵ This is an industrial challenge as much as a policy one. It demands the kind of sustained, systems-level reform that Singapore and Vienna have demonstrated is achievable, but only when governments commit to building delivery capacity with the same urgency they bring to announcing new programs.

Ontario, with its 1.5 million home target and its role as the province with the most significant housing supply gap, is the natural test case for these reforms. The question is no longer whether Canada has the right policies. It is whether Canada can build the machinery to make them work.

²⁵CMHC, "Canada's Housing Supply Shortages: Moving to a New Framework," June 2025. Restoring pre-pandemic affordability requires 430,000–480,000 units annually by 2035.

About the Author

Shem Ayegba, PhD, PMP, CP3P, is a project management and housing policy professional based in Ontario, Canada. His doctoral research at the Hong Kong University of Science and Technology investigated why public–private partnerships for affordable housing fail despite known success factors, and his master's research at the same institution optimized prefabricated panel systems for affordable housing delivery using BIM and MILP. He holds certifications in project management (PMP), public–private partnership (CP3P), and ESG Investing (CFA Institute). He has almost a decade of experience spanning construction project management, real estate portfolio management, infrastructure delivery, and government advisory roles across Canada, Nigeria, and Hong Kong.

This policy brief draws on applied experience across housing, infrastructure, and public-sector delivery to bridge the gap between academic housing policy analysis and practical implementation challenges.

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