Canada

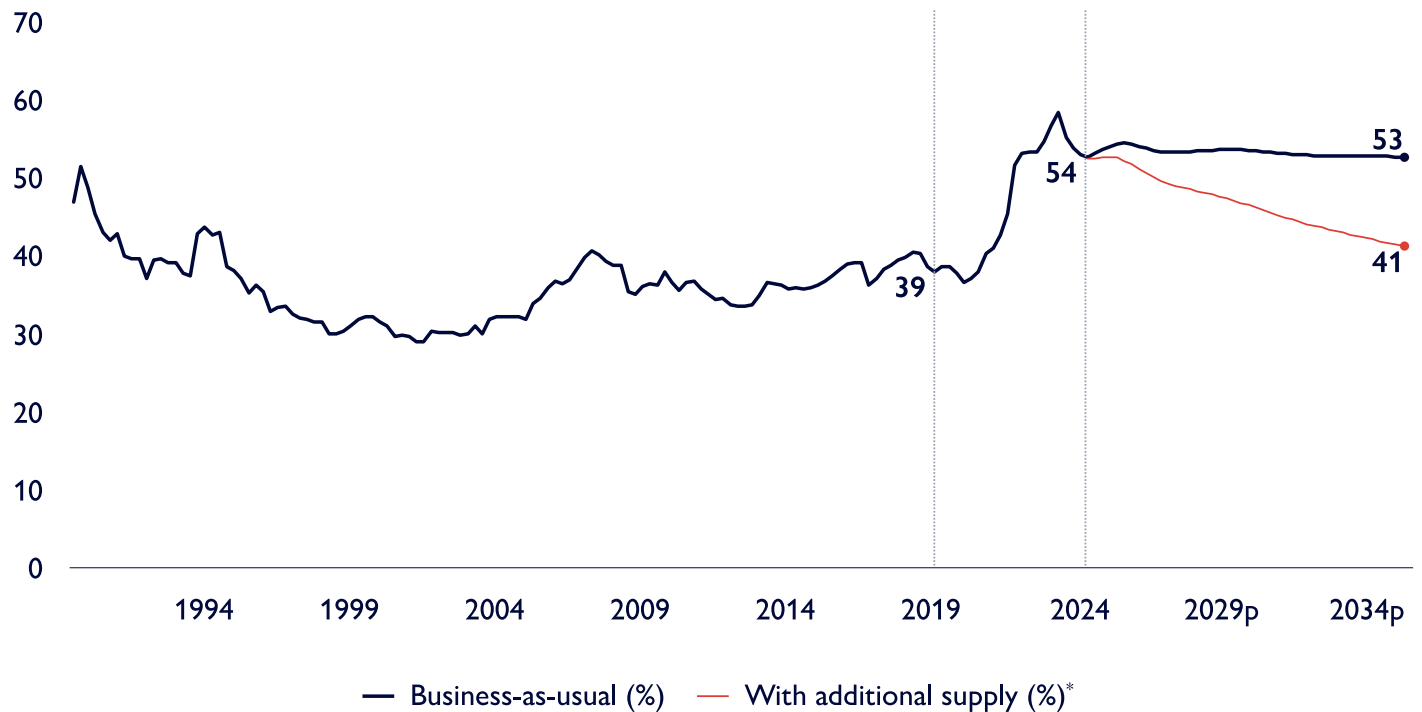**Source:** CMHC calculations.

Note: Average house price-to-average gross household income ratio, with an adjustment factor to account for interest rates (5-year fixed discounted mortgage rate) and monthly homeowner expenses (estimations of property taxes, utilities, maintenance and insurance).

* The target for the model is that, by 2035, the adjusted housing price metric should be no higher than 30% of gross household income where this is still realistic, or no higher than its 2019 level in the most expensive regions.

See **Figure 3** for additional markets

Explore Canada's housing affordability challenge and the need for more homes by 2035

CMHC has been assessing how much housing is needed to restore affordability. We now estimate that housing starts must nearly double to around 430,000 to 480,000 units per year until 2035 to meet projected demand. This will require action by everyone to change how we build homes.

CMHC has emphasized that increasing housing supply is the key to restoring affordability. We now provide new results where we quantify how much housing supply is required to restore affordability over the next decade to levels last seen prior to the pandemic.

Our previous analyses highlighted the scale of the challenge. We continue to refine our work and make it more relevant for decision making.