

Housing Systems Under Strain: Canada and China in Comparative Perspective

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ABSTRACT

Housing affordability has emerged as a defining social and economic challenge across diverse national contexts. This paper compares housing systems in Canada and China to examine how structurally different governance, land, and market arrangements respond to similar pressures, including affordability constraints, demographic change, and growing housing insecurity. Drawing on insights from a bilateral Canada–China housing workshop, the analysis treats housing not as a standalone sector but as an integrated system shaped by finance, land policy, governance, and social expectations. In Canada, a predominantly market-led and fragmented system has struggled to deliver sufficient affordable housing amid rapid population growth, rising construction costs, and prolonged approval processes, contributing to worsening affordability, rental shortages, and homelessness. In contrast, China's state-coordinated land regime and capacity for large-scale intervention have enabled rapid housing production and historically high homeownership, but have also generated oversupply, financial risk, and new affordability challenges as market-driven development has matured. The paper highlights both shared dilemmas and fundamental structural differences, emphasizing the limits of policy transferability while identifying areas for mutual learning. It concludes that addressing contemporary housing crises requires sustained coordination, proactive supply strategies, and an understanding of housing as a long-term socio-economic system rather than a short-term market problem.

1. Introduction: Why Compare Canada and China on Housing?

Housing affordability has emerged as one of the most pressing social and economic challenges facing both advanced and emerging economies. While the political, economic, and cultural contexts of Canada and China differ profoundly, both countries are grappling with rising housing costs, growing inequality, and mounting pressure on governments to intervene in markets that no longer function as intended.

This paper grows out of a workshop held in July 2024 that brought together policymakers, planners, housing providers, and scholars from Canada and China to discuss housing supply, affordability, and homelessness. Rather than treating housing as a purely technical or financial issue, the discussions emphasized housing as a structural system—one shaped by governance arrangements, demographic change, land policy, and social expectations.

The value of comparing Canada and China lies not in identifying policies that can be transferred wholesale from one context to the other, but in clarifying how different systems respond to similar pressures. Canada has a liberal-market housing system characterized by fragmented governance and a strong reliance on private actors. China, by contrast, retains powerful tools of state coordination and land control, even as it operates a largely market-driven development sector.

Both systems are now under strain, albeit in different ways. Canada faces chronic undersupply, affordability challenges, rising homelessness, and declining access to homeownership. China faces oversupply in many cities, financial stress among developers, and a housing system that has become deeply entangled with local government finance and household wealth.

This paper proceeds in four parts. It first examines housing-related challenges in Canada, with particular attention to affordability, tenure, homelessness, and governance. It then turns to China, tracing the evolution of

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its housing system and recent efforts to stabilize markets and expand rental and affordable housing. The third section offers a comparative discussion of shared challenges and structural differences. The paper concludes with reflections on lessons, limits, and the value of continued dialogue.

2. Housing-Related Challenges in Canada

2.1 A Market-Led System Under Strain

Canada's housing system is overwhelmingly market-led. Developable urban land is largely privately owned, housing production is dominated by private developers, and governments intervene primarily through regulation, planning controls, and financial incentives rather than direct construction. For much of the postwar period, this model functioned reasonably well. Population growth was steady, land was readily available at the urban fringe, construction costs were manageable, and public investment in roads, utilities, and transit supported suburban expansion. Homeownership became the dominant tenure, reinforced by long-term mortgages and favourable tax treatment, including the exemption of capital gains on primary residences.

Over time, however, the system's capacity to respond to demand has weakened. Urban growth has accelerated,^[1] driven largely by immigration and the concentration of employment in major cities, while zoning restrictions, lengthy approval processes, labour shortages, and rising construction costs have constrained supply. Governments have been slow to recalibrate the balance between market delivery and public intervention, leaving housing production increasingly misaligned with demographic and economic realities. The result has been a persistent undersupply of affordable housing^[2], rising prices, and mounting pressure across the housing continuum.

2.2 Affordability and Chronic Undersupply

Housing affordability has deteriorated across virtually all major Canadian markets over the past two decades. What was once a localized problem affecting a handful of large metropolitan areas has become a national issue, extending to mid-sized cities and smaller urban centres. At its core, Canada's housing challenge is one of supply failing to keep pace with population growth, compounded by escalating costs.

Several factors contribute to rising housing costs. Urban land prices have increased sharply as developable sites become scarcer and competition intensifies, particularly in well-located areas near transit and employment. Labour shortages in the construction sector have driven up wages, while material costs have risen significantly, especially following the COVID-19 pandemic and subsequent global supply disruptions. Higher interest rates since 2022^[3] have increased borrowing costs for both developers and households, reducing project feasibility and purchasing power. Municipal development charges and fees^[4]—used to fund infrastructure and community amenities—add to costs, which are typically passed on to buyers and renters.

Approval timelines compound these pressures. Lengthy rezoning processes, multiple layers of review, and uncertainty around conditions of approval increase risk and

carrying costs, discouraging the production of lower-margin housing.^[5] In this environment, it is often more financially viable to build high-end units than modest, lower-cost housing, even when the latter is most urgently needed. As one workshop participant observed, there is no truly “affordable housing product” in Canada—only housing that is made affordable through subsidies, cross-subsidization, or regulatory intervention.

2.3 Pressure on the Rental Market

As homeownership has become increasingly unattainable, a growing share of Canadian households has turned to renting.^[6] This shift has increased pressure on the rental market, driving up rents even in cities that previously experienced relative stability. In theory, rising rents should stimulate new supply. In practice, however, the economics of rental housing construction make this difficult.

New purpose-built rental housing is expensive to deliver, and rents must be high to cover land, construction, financing, and operating costs. In many markets, the rents required for financial viability exceed what average households can afford.^[7] This creates a persistent mismatch: demand for rental housing is strong, but not at price points that the market can easily supply without public support.

The consequences are increasingly visible. A growing proportion of renter households fall into core housing need,^[8] defined as spending more than 30 percent of gross income on housing that is adequate and suitable. In 2022, roughly 22 percent of renter households nationwide met this definition, with significantly higher shares in major metropolitan areas.^[9] Waiting lists for social and subsidized housing stretch for years, while non-profit housing providers face the same cost pressures as private developers, limiting their ability to expand supply at scale.

2.4 Intensification, Renovation, and the Loss of Affordable Stock

In response to housing shortages and concerns about urban sprawl, Canadian cities have embraced intensification as a central planning strategy.^[10] Increasing density within existing urban areas is intended to make more efficient use of infrastructure, support transit investment, and reduce environmental impacts. While intensification is essential for long-term sustainability, it has also produced significant distributional effects.

Older, lower-scale rental buildings in established neighbourhoods—often referred to as “naturally occurring affordable housing” (NOAH)—are frequently targeted for redevelopment. When these buildings are demolished or extensively renovated, existing tenants are displaced, and replacement units are typically offered at much higher rents. This process, commonly described as ‘renoviction’ or ‘demoviction,’ has become a flashpoint in housing debates across the country.

Although intensification may increase the total number of housing units, it often reduces affordability in specific neighbourhoods, particularly those already well served by transit and amenities. Tenant protection policies and replacement housing requirements exist in some jurisdictions, but they vary widely in strength and

enforcement. As a result, intensification can improve aggregate supply while simultaneously worsening affordability for lower-income households and accelerating displacement.

2.5 Mismatch and Oversupply in the Condominium Market

Paradoxically, Canada's housing shortage coexists with oversupply in certain segments of the ownership market, particularly urban condominiums. In several major cities, inventories of unsold or unoccupied condominium units have grown, even as demand for affordable rental and family-oriented housing remains acute.^[11]

High construction costs, elevated condominium fees,^[12] and economic uncertainty have dampened buyer demand, particularly among first-time purchasers who are especially sensitive to risk. Investors, who previously absorbed a large share of new condominium supply, have become more cautious amid tighter mortgage rules and less favourable market conditions.^[13] In some cases, buyers have opted not to close on pre-construction purchases, leaving developers exposed.

This mismatch highlights a recurring problem in Canada's housing system: the type of housing produced does not always align with demand. While there is an acute shortage of affordable rental units and family-sized housing, much of the recent supply has targeted smaller, higher-income households or catered to investor demand. To some degree, following China's lead (see Section 3.5 below), the Government of Ontario recently announced a program to purchase and convert unsold condo units into rental housing. Rather than purchasing units itself, the province is investing \$300 million in a \$1.3 billion public-private fund. The overall target is 2200 units, about 25% of which will be directed to households priced out of market rents but not eligible for traditional subsidized housing, likely at rates comparable to Average Market Rent (AMR). Units will be managed by private or institutional landlords.^[14]

2.6 Declining Homeownership and the Middle Class

Homeownership has long been a cornerstone of Canada's middle class and a primary vehicle for household wealth accumulation. Real estate accounts for nearly half of total household wealth,^[15] and rising home values have benefited existing owners. However, as increases in housing prices have outpaced those of household incomes,^[16] first-time homebuyers are increasingly dependent on intergenerational wealth.

Many first-time buyers now rely on financial assistance from family members to assemble down payments or qualify for mortgages. Those without such support face prolonged periods of renting, high housing cost burdens, and limited opportunities to build assets. Over time, this dynamic risks entrenching wealth inequality and narrowing pathways to middle-class stability.

Governments have introduced measures to ease access to homeownership, including reduced down payment requirements, extended mortgage amortization periods, and tax-advantaged savings accounts.^[17] While these initiatives help some households at the margin, they do

little to address the underlying supply constraints that drive high prices in major markets. In some cases, they may even exacerbate affordability pressures by stimulating demand without expanding supply.

2.7 Homelessness and the Limits of Emergency Responses

Homelessness has reached crisis levels in many Canadian cities. Estimates suggest that more than 235,000 individuals experienced homelessness in 2024,^[18] with significant increases reported across multiple provinces. While homelessness has many causes, the shortage of affordable housing is a central factor.^[19] Rising rents and limited availability push vulnerable households into precarious situations, and once homeless, individuals face significant barriers to securing stable housing.

Indigenous peoples are disproportionately represented among those experiencing homelessness, reflecting the enduring impacts of colonial policies and systemic inequities.^[20] Homelessness is also heavily concentrated in urban areas, placing substantial pressure on municipal governments, which bear primary responsibility for shelters and emergency services.

Canada has formally adopted a Housing First approach,^[21] prioritizing permanent housing with supports over shelters and transitional accommodations. Evidence consistently shows that this approach is more humane and more cost-effective over time. In practice, however, municipalities struggle to fund both the housing itself and the wraparound services required to sustain tenancies. Community resistance to supportive housing in well-served neighbourhoods, i.e., those served by transit, health and counselling resources, grocery stores, etc., further complicates delivery.

As a result, resources remain heavily weighted toward short-term emergency responses rather than long-term solutions. Shelters are expensive to operate and often fail to address the structural drivers of homelessness, perpetuating a cycle of crisis management rather than durable housing outcomes.

2.7 Renewed Federal Investment in Housing

After a prolonged period of limited federal involvement in both housing policy and housing finance, the federal government has more recently re-entered the housing sector in a substantive way. Since the 1990s, responsibility for housing has largely been devolved to provinces and municipalities as part of a broader shift toward neoliberal governance, accompanied by a withdrawal of federal capital funding and financing tools. As a result, the production of social and other below-market-rate housing was especially constrained, relying on sporadic program funding and ad hoc subsidies, much of which flowed to smaller not-for-profit providers rather than supporting sustained, large-scale delivery.

The current Carney government has signaled a renewed federal role through the introduction of the Build Canada Homes initiative, which commits approximately \$13 billion to a suite of housing- and infrastructure-related programs.^[22] This initiative marks a significant policy shift, positioning the federal government once again as an active

participant in shaping housing supply and delivery mechanisms, as well as funding the infrastructure needed to support this housing.

3. Housing Systems and Challenges in China

3.1 Housing Before Market Reform: Collective Provision and Severe Constraint

To understand China's contemporary housing challenges, it is essential to begin with the legacy of the pre-reform period. From the founding of the People's Republic of China in 1949 until the mid-1990s, housing was not treated as a commodity but as a welfare good, distributed through workplaces, collectives, and municipalities.

In urban areas, most housing was constructed and managed by state-owned enterprises and government agencies and allocated to employees as a benefit of employment. Known as *danwei* housing, these units were typically small, modestly built, and closely tied to the work unit system. Housing allocation was based on household size, employment status, and seniority rather than income or market demand.

Municipal governments played a supplementary role, managing existing (pre-1949) urban housing stock and allocating units to households that lacked access through employers. In rural areas, housing was the responsibility of village collectives, which retained control over land and oversaw construction by individual households.

While this system ensured near-universal access to shelter, it suffered from chronic underinvestment. State resources were directed primarily toward industrial development rather than housing. As a result, living conditions were extremely constrained. It was common for families to share apartments, and the average living space in cities was often limited to four square metres per person.^[23]

Despite these limitations, housing conditions during this period represented an improvement over those that prevailed before 1949. Informal settlements and extreme overcrowding, which had characterized many Chinese cities in the early twentieth century,^[24] were largely eliminated. Importantly, homelessness in the contemporary sense was rare, as housing was tied directly to employment and collective membership.

This legacy matters because it shaped both expectations and institutional arrangements that continue to influence China's housing system today.

3.2 Reform and Commercialization: From Welfare to Wealth

China's housing system underwent a dramatic transformation beginning in the late 1970s and accelerating through the 1990s. As part of the broader program of economic reform and opening, housing provision was gradually commercialized, and homeownership was actively promoted.

Urban housing units were transferred or sold to occupants at heavily subsidized prices, typically through long-term leasehold arrangements.^[25] Units with private

kitchens and bathrooms were typically privatized first, while buildings with shared facilities were sometimes collectively owned by residents. These transfers effectively converted millions of households into homeowners at minimal cost.

At the same time, China introduced a system of land-use planning that enabled local governments to reclassify rural land as urban land and to lease it to developers for fixed terms—typically 70 years. Although land remained formally state-owned, these leases became the foundation of China's modern real estate market. In the absence of property taxes, land leases, paid in lump sums, became the primary source of revenue for municipalities, funding infrastructure such as roads, transit, and public facilities. In rapidly growing cities, this model supported large-scale urban expansion and redevelopment.

The results were profound. Homeownership rates rose from near zero to approximately 90 percent within three decades. The average living space per person increased more than tenfold, from roughly 4 square metres to over 40 square metres.^[26] Housing became the primary store of wealth for many households, closely tied to rising land values and urban growth.

Redevelopment of older *danwei* housing played a particularly important role. Low-density, well-located sites were cleared and rebuilt at much higher densities, often with compensation provided in the form of replacement units elsewhere. While disruptive, this process substantially increased overall housing supply and helped modernize the urban housing stock.

3.3 Anticipating Urban Growth: Building Ahead of Demand

One of the defining features of China's housing system has been its ability to stay ahead of the curve, i.e., to anticipate and accommodate urban growth. Unlike many countries where housing shortages emerge as cities grow, China has often operated on a "build it, and they will come" logic.

Several factors have supported this approach. China's rate of urbanization, while rapid, has historically lagged behind that of advanced economies. With approximately two-thirds of the population living in cities,^[27] significant potential for rural-to-urban migration remains. This has reduced the risk associated with large-scale urban housing construction.

The household registration system (*hukou*) has also played a role.^[28] By regulating access to public services and housing, cities have been able to manage the pace of immigration. While deeply controversial, this system has helped ensure that housing supply generally outpaced officially recognized demand.

As a result, China has largely avoided the formation of large informal settlements typical of many rapidly urbanizing countries. Although informal housing persists in specific contexts—most notably in urban villages (villages in the city, or VICs)^[29]—its overall share has declined significantly. The proportion of self-built dwellings fell from more than a quarter of the housing stock in 2000 to just over 10 percent by 2020.^[30]

3.4 *The Rise—and Limits—of the Market Housing Model*

By the early 2000s, China's housing system had become largely market-driven. Private and state-affiliated developers dominated the production of homes for sale, especially in major cities. Strong confidence in the market, combined with persistent demand, encouraged developers to take on substantial debt to finance expansion.^[31]

For years, rising prices and robust demand hid the risks inherent in this model. Housing was widely seen as a safe investment, and many households purchased multiple properties where allowed. Local governments, developers, and financial institutions became closely intertwined. Yet, this interdependence also created distortions and vulnerabilities within the system.

In 2020, regulators introduced the three red lines policy,^[32] which placed strict limits on developers' debt relative to assets, equity, and cash reserves. Highly leveraged firms—many of which had relied on aggressive borrowing to acquire land and fund rapid growth—suddenly found themselves cut off from new credit. Rather than adjusting gradually, developers were forced into rapid deleveraging, leaving many projects underfunded and incomplete.

China's presale model further amplified these risks. Unlike in Canada, where buyers typically pay modest deposits upfront, Chinese presales often require mortgages covering the full purchase price. If a developer fails to complete a project, buyers are exposed to significant financial loss. As confidence in the system faltered and housing prices continued to rise, demand slowed, compounding the challenges facing the market.^[33]

For decades after housing market reforms began in the late 1990s, China's housing system was overwhelmingly oriented toward homeownership, with the rental sector remaining underdeveloped and marginal due to policies and financing structures that favoured owner-purchase over purpose-built rental supply.^[34] As demand outpaced supply, rental affordability worsened in many cities, even while homeownership rates stayed high.

More recently, demographic change, slowing population growth, and economic uncertainty have exposed the limits of the market-driven model. In several cities, particularly smaller and lower-tier ones,^[35] housing supply has outpaced demand. Stalled projects mar skylines, unsold inventories have accumulated, and developer finances have come under severe strain.

3.5 *Responding to Oversupply and Financial Risk*

In response to these challenges, Chinese authorities have introduced a series of measures to stabilize the housing market and prevent systemic risk.

Restrictions on home purchases, which were introduced between 2010 and 2020 to curb speculation, have been relaxed or lifted in most cities. Down payment requirements for first-time buyers have been reduced to historically low levels, and interest rate floors on mortgages have been removed.

To address stalled projects and restore confidence, the central government has established financing coordination

mechanisms to ensure the completion of presold housing. In the first half of 2024 alone, hundreds of billions of yuan were extended to cities to support the delivery of unfinished projects.^[36]

Perhaps most notably, new programs allow local state-owned enterprises to purchase completed but unsold units from developers at cost, with refinancing support from the central bank. These units are then converted into affordable rental or housing for purchase.^[37]

These initiatives serve multiple objectives simultaneously: preventing developer bankruptcies, reducing excess inventory, stabilizing financial institutions, and expanding the supply of affordable housing. They also reflect a broader shift away from reliance on speculative demand toward a more managed housing system.

3.6 *Expanding Rental and Affordable Housing*

Recognizing the limitations of an ownership-focused model, China has increasingly turned its attention to rental and below-market housing.^[38] This shift is driven by multiple factors: affordability pressures, slowing urbanization, and the need to accommodate more mobile and diverse populations.

Municipal governments in China have been encouraged to acquire surplus housing inventory—including unsold and stalled projects—often through local state-owned enterprises, for conversion into social and affordable housing. At the same time, developers are being steered toward rental housing, supported by new financing mechanisms such as central bank relending facilities designed to fund acquisitions and expand the affordable rental sector.^[39]

China's approach to affordable housing is notably multi-pronged. Strategies include the redevelopment of urban villages, the upgrading of older residential communities, the expansion of market rental housing, and the construction of subsidized rental and ownership units.

Land policy plays a central role in China's housing system, with governments allocating land and repurposing existing assets to support housing provision: local authorities have supplied land at reduced cost for affordable and rental housing, converted idle land and industrial buildings for worker accommodation, and encouraged employer-provided housing such as dormitories, particularly in industrial zones where housing is integrated with workplaces.^[40]

3.7 *Ageing, Migration, and Floating Populations*

China's housing challenges are increasingly shaped by demographic change. An ageing population, combined with the legacy of the one-child policy, has prompted reforms to retirement age^[41] and investments in senior housing and neighbourhood-based care facilities.

At the same time, China continues to grapple with the issue of floating populations—individuals living outside their place of household registration. Roughly one-quarter of the population falls into this category,^[42] with the

majority residing in cities where they lack formal access to health care, schooling, and other social services.

Reforms to the hukou system have made it easier to change registration status, particularly in smaller cities. In some jurisdictions, registration is no longer required to access subsidized rental housing. Incentives have also been introduced to promote economic activity and job creation in lower-tier cities, encouraging migration within provinces rather than toward already strained megacities.^[43]

While surveillance and enforcement remain controversial aspects of China's approach, there is growing recognition that housing policy must play a central role in integrating mobile populations into urban life.

4 Key Observations, Outcomes and Conclusions

4.1 Comparing Canada and China: Structure, Scale, and Trade-Offs

Despite vast differences in political systems, land regimes, and scale, Canada and China face strikingly similar housing challenges. Both countries struggle with affordability, supply-and-demand misalignments, and the social consequences of housing insecurity.

At the same time, the structure of their housing systems differs fundamentally. In China, land is publicly owned, and the state plays a direct role in shaping supply, financing, and tenure. In Canada, developable urban land is largely privately owned, and governments rely on indirect tools to influence outcomes.

China's system allows for rapid, large-scale intervention. Land can be mobilized quickly, permitting processes can be streamlined, and state-owned enterprises can be directed to pursue public objectives. Canada's system, by contrast, is fragmented across levels of government and heavily influenced by local politics and market dynamics.

These differences shape not only what policies are possible, but also how quickly they can be implemented and at what scale.

4.2 Lessons, Limits, and Transferability

One clear lesson from the comparison is that housing supply responsiveness matters. China's ability to build ahead of demand has helped it avoid some of the chronic shortages seen in Canada. At the same time, China's experience also highlights the risks of overreliance on market demand and speculative investment.

Canada's emphasis on market delivery has produced flexibility and innovation, but has struggled to deliver affordability at scale. Long approval timelines and fragmented governance have weakened the system's ability to respond to rapid change.

Not all strategies are transferable. China's land regime and governance structure cannot be replicated in Canada. Similarly, Canada's reliance on private ownership and local autonomy would be difficult to implement in China.

However, both countries can learn from each other. Canada could benefit from clearer national targets, better coordination across governments, and a more proactive approach to land and permitting. China could draw lessons from Canada's experience with tenant protections, nonprofit housing providers, and community-based service delivery.

4.3 Conclusion: Housing as System, Not Sector

Housing is not simply a matter of supply and demand. It is a system that intersects with finance, land use, social policy, and governance. The experiences of Canada and China demonstrate that addressing housing challenges requires long-term commitment, cross-sector coordination, and a willingness to adapt.

Neither country has found a perfect solution. Both continue to experiment, adjust, and learn. Continued dialogue and comparative analysis offer valuable opportunities to deepen understanding and inform better policy.

Addendum: Workshop Panellists

(The following list acknowledges the individuals whose expertise informed the discussions on which this paper is based.)

- Dan Dixon – Vice President, Corporate Affairs, The Minto Group, Canada
- Benjamin Gianni – Associate Professor, Azrieli School of Architecture & Urbanism, Carleton University, Ottawa, Canada
- Meg McCallum – Executive Director, Alliance to End Homelessness, Ottawa, Canada
- Ling Meng – Planner & Urban Designer, Vancouver, Canada
- Bert Pereboom – Advisor, Housing Market Policy, Canada Mortgage & Housing Corporation, Canada
- Zhan Pu – Deputy Director, Policy Research Center, Ministry of Housing and Urban-Rural Development, China
- Joe Qian – Associate Professor, School of Planning, University of Waterloo, Canada
- Cliff Youdale – Chief Development Officer, Ottawa Community Housing Corporation, Ottawa, Canada
- Xiaofen Yu – Dean, Chinese Academy of Housing and Real Estate, Zhejiang University of Technology, Hangzhou, China
- Randolph Wang – Senior Planner, City of Ottawa

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Endnotes

- [1] While Canada’s rural population grew from approximately 5 million people in 1957 to 7 million in 2021, cities grew from 20 to roughly 31 million over the same period. While some of this growth is due to consolidation and amalgamation of smaller rural communities into larger municipalities, the bulk of growth comes through immigration. See https://www45.statcan.gc.ca/2009/cgco_2009_001-eng.htm (accessed March 31, 2026) and <https://data.worldbank.org/indicator/SP.URB.TL.IN.ZS?end=2024&locations=CA&start=1960> (accessed March 31, 2026) ↑
- [2] In Canada, housing is considered affordable if residents are not required to spend more than 30% of gross household income on housing-related expenses. In addition to affordability, Canadian Mortgage and Housing Corporation (CMHC) also takes adequacy and suitability into account when evaluating housing need. To be considered adequate, the dwelling must not be in need of major repairs (e.g., structural issues with walls, floors, ceilings, etc., or have defective plumbing or wiring), while suitability is assessed against the ratio of bedrooms to household size. Suitability does not take other important factors into account

such as the proximity of housing to transit, schools, employment opportunities, etc. ↑

- [3] Since early 2022, the Bank of Canada raised its policy interest rate from near-zero pandemic levels to approximately 4.25–5.00% by 2023–2024. See First Foundation. “Historical Overview of the Bank of Canada Policy Rate.” Accessed March 31, 2026. <https://www.firstfoundation.ca/mortgage/interest-rates/rate-trends-5-year-fixed-vs-bank-of-canada-policy-rate/> ↑
- [4] Municipal development charges and fees are one-time payments levied on new development to help municipalities cover the cost of growth. Charges, often levied at building permit stage, are intended to fund major infrastructure required by growth—e.g., roads, transit, water and wastewater systems, parks, and community facilities. Charges are levied as planning and application fees, parkland dedication or cash-in-lieu, building permit fees, and servicing or connection charges. The larger goal is to ensure that “growth pays for growth.” ↑
- [5] See Glaeser, Edward L., et al. “Does Discretion Delay Development?” *Journal of the American Planning Association*, 2022. <https://doi.org/10.1080/01944363.2022.2106291> and Grimes, Arthur, and Ian Mitchell. *Impacts of Planning Rules, Regulations, Uncertainty and Delay on Residential Property Development*. Motu Working Paper No. 15-02, 2015. ↑
- [6] Over the past decade, renter households in Canada have grown at more than twice the rate of owner households, contributing to a modest but notable decline in homeownership rates. See Statistics Canada. “To Buy or to Rent: The Housing Market Continues to Be Reshaped by Several Factors as Canadians Search for an Affordable Place to Call Home.” *The Daily*, September 21, 2022. <https://www150.statcan.gc.ca/n1/daily-quotidien/220921/dq220921b-eng.htm>. ↑
- [7] Canada Mortgage and Housing Corporation (CMHC), *Purpose-Built Rentals Facing Financial Feasibility Challenges: Archetypical Developments Yield Insufficient Returns in Selected Metropolitan Areas* (Ottawa: CMHC, 2021), <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/housing-research/research-reports/2022/purpose-built-rentals-facing-financial-feasibility-challenges-en.pdf> ↑
- [8] See definition of core housing need in note 2 above. ↑
- [9] In 2022, approximately 22.1% of renter households in Canada were in core housing need, far exceeding the share of owner households, reflecting persistent affordability challenges at conventional rent-to-income thresholds. See Canada Mortgage and Housing Corporation (CMHC), 2022 Canadian Housing Survey: Core

- Housing Need Highlights, adapted from the Canadian Housing Survey (Ottawa: CMHC, 2024), <https://www.cmhc-schl.gc.ca/observer/2024/2022-canadian-housing-survey?tagid=18620967-6dea-4f0d-a64d-6c3c9eafddfb> ↑
- [10] Intensification refers to the process of increasing the number of people, dwellings, or activities in an existing urban area to use land and infrastructure more efficiently. ↑
- [11] See “Canadian Developers Sit On Record Unsold Homes, Half in Toronto & Vancouver,” Better Dwelling (Canadian Press / CMHC data), Better Dwelling, March 2026, https://betterdwelling.com/canadian-developers-sit-on-record-unsold-homes-half-in-toronto-vancouver/#google_vignette ↑
- [12] Condominium fees (or condo fees) are regular payments made by unit owners to cover the shared costs of operating and maintaining a condominium building or community. These include maintenance of common areas (hallways, elevators, landscaping), building operations (cleaning, utilities for shared spaces), repairs and upkeep (roof, façade, mechanical systems), reserve fund contributions for major future repairs, and sometimes amenities (gyms, pools, security, concierge) and property taxes. ↑
- [13] See Liezel Once, “Canada’s Condo Reckoning Deepens, but Banks Avoid Worst Damage,” Canadian Mortgage Professional, February 11, 2026. The author notes that, because of higher interest rates and a weaker market, investors have “largely moved to the sidelines.” ↑
- [14] See “Ontario Supporting Conversion of 2,200 Condo Units Into Rental Apartments,” Ontario Newsroom, https://news.ontario.ca/en/release/1007211/ontario-supporting-conversion-of-2200-condo-units-into-rental-apartments?utm_source=chatgpt.com, accessed March 31, 2026 ↑
- [15] See Royal Bank of Canada (RBC), “Proof Point: Canadian Renters Face Higher Hurdles to Accumulating Wealth than Homeowners,” RBC Thought Leadership, 2024, which notes that “nearly half of the household wealth amassed over the past three decades” has been driven by residential real estate.“ ↑
- [16] See Organization for Economic Co-operation and Development (OECD), OECD Economic Surveys: Canada 2025 (Paris: OECD Publishing, 2025), which notes that “house prices and price-to-income ratios have risen strongly.” ↑
- [17] Canada introduced a First Home Savings Account (FSHA) program in 2022. Eligible contributions are generally tax-deductible, and when a qualifying withdrawal is made, the amount withdrawn, including any investment earnings, is not taxable. ↑
- [18] See Canadian Institute for Health Information (CIHI), “Hospital Data Sheds Light on Patients Experiencing Homelessness,” April 25, 2024, noting that “at least 235,000 people in Canada experience homelessness each year.” ↑
- [19] See Stephen Gaetz et al., “What Are the Causes of Homelessness?” Canadian Observatory on Homelessness (Homeless Hub), noting that “a critical shortage of housing that is affordable, safe and stable directly contributes to homelessness” and that the lack of affordable housing is “arguably the most impactful factor.” ↑
- [20] Employment and Social Development Canada, Indigenous Homelessness Research Summary (Government of Canada, 2024), noting that Indigenous people are significantly overrepresented among shelter users and face barriers including systemic racism and social disconnection; see also Jesse Thistle and Janet Smylie, “Pekiwewin (Coming Home): Advancing Good Relations with Indigenous People Experiencing Homelessness,” Canadian Medical Association Journal 192, no. 10 (2020), which links Indigenous homelessness to the ongoing impacts of colonial policies and disruptions to land, culture, and community. ↑
- [21] Housing First is an approach to addressing homelessness that originated in the United States in the 1990s, most notably through the work of Sam Tsemberis and Pathways to Housing in New York City. It prioritizes the immediate provision of permanent housing without preconditions such as sobriety or treatment compliance, combined with optional supportive services. The model aims to improve housing stability and well-being by treating housing as a basic human right rather than a reward for program participation. See Sam Tsemberis, *Housing First: The Pathways Model to End Homelessness for People with Mental Illness and Addiction* (Minneapolis: Hazelden, 2010); Stephen Gaetz, Sam Tsemberis, and Tim Aubry, *Housing First in Canada: Supporting Communities to End Homelessness* (Toronto: Canadian Observatory on Homelessness Press, 2013). ↑
- [22] These include \$2.8 billion for Indigenous housing and infrastructure, and increase in the limits (from \$60 to \$80 billion) for Canada Mortgage Bonds, elimination of Goods and Services Tax (GST) for first-time homebuyers on properties valued at less than \$1 million, and a \$51 billion Build Communities Strong Fund to support local infrastructure projects (e.g., hospitals, roads, bridges, and water systems). ↑
- [23] See Youqin Huang, “A Room of One’s Own: Housing Consumption and Residential Crowding in Transitional Urban China,” *Environment and Planning A* 35, no. 4 (2003): 591–614, which notes that prior to market reforms, per capita living space in Chinese cities was extremely limited, often around 3–4 m². ↑

- [24] See Alan Balfour, *Shanghai* (Chichester: Wiley-Academy, 2002), which documents widespread overcrowding, subdivided housing, and informal living conditions in early twentieth-century Chinese cities; see also Joseph W. Esherick, “Urban Housing Reform in China, 1900–1940,” *Modern China* 10, no. 4 (1984): 413–440. ↑
- [25] While housing was sold to residents at heavily discounted prices, urban land itself remained state-owned and was leased on long-term leases rather than sold outright — a system that reflected both socialist legacies and legal constraints on land ownership. See Youqin Huang, “From Welfare Allocation to Market Exchange: China’s Housing Reform and Tenure Change,” *Journal of Housing and the Built Environment* 30, no. 3 (2015): 335–352, which describes the subsidized sale of public housing to occupants under long-term leasehold use rights and explains that urban land has remained state-owned and attached to time-limited leasehold rights rather than freehold ownership. ↑
- [26] See Jie Shen and Youqin Huang, “Housing Reform and Housing Inequality in Urban China,” in *Introduction to SI: Homeownership and Housing Divide in China*, Housing Studies special issue, accessed via PubMed Central, which reports that homeownership climbed to around 90 percent in China over a 3-decade period, and that per-capita residential floor space increased from approximately 4 m² in the 1980s to about 40 m² by 2018. ↑
- [27] See *China: Share of Urban Population, by Year*, Statistco, showing China’s urbanization increasing from around 19.39% in 1980 to 66.16% in 2023 (based on National Bureau of Statistics data). ↑
- [28] The hukou system is China’s household registration system, the modern version of which was introduced in the 1950s. It classifies citizens by their place of origin and type of residence (urban or rural). It restricts access to social services such as housing, education, and healthcare to one’s registered locality, shaping patterns of internal migration and urbanization. See Kam Wing Chan, “The Chinese Hukou System at 50,” *Eurasian Geography and Economics* 50, no. 2 (2009): 197–221. ↑
- [29] Urban villages (城中村, chéngzhōngcūn) are former rural villages that have been engulfed by rapid urban expansion but remain socially, economically, and morphologically distinct from the surrounding city. Unlike surrounding urban land (state-owned), these areas often remain under village collective ownership, limiting formal redevelopment. ↑
- [30] **Table 1.1**, “Proportion of households living in different categories of housing in urban China,” in *Towards a Better-Functioning Private Rented Sector in Metropolitan China: The Case of Shenzhen* (Delft University of Technology thesis, 2025), which reports self-built housing shares of roughly 27% in 2000 and about 10% in 2020 based on decennial census data. ↑
- [31] See Youqin Huang and Michael Keith, *Housing China: Social and Economic Implications of the Property Boom* (New York: Routledge, 2016), which discusses how China’s welfare allocation system gave way to a market-oriented housing system in the late 1990s and early 2000s, characterized by commercial housing production by private and state developers; see also *Housing Reform, Life Course and Urban Housing Acquisition (1980-2010)*, which describes housing commercialization and the market’s expansion during this period. ↑
- [32] Sheng Songcheng, “Evolving Property Sector Needs More Proactive Policy Support.” *China Daily*, August 15, 2022. <https://www.chinadaily.com.cn/a/202208/15/WS62f9b445a310fd2b29e7234b.html> ↑
- [33] See Chen Bo, Wu Xiaomeng, and Qing Na, “In Depth: China Shifts Toward Completed Home Sales to Curb Risks,” *Caixin Global*, June 25, 2025, which notes that the decades-old presale system involved selling homes before completion, with funds often diverted and confidence eroded by stalled projects as demand fell. ↑
- [34] See Qianwen Li and Manuel B. Aalbers, “The Rise of China’s Private Rental Sector: Housing Policy Reforms through the Lens of Neoliberalism,” *Housing Studies* (2025), which documents how China’s private rental sector was historically marginalized and the housing market was dominated by owner-occupied commodity housing, reflecting policy biases favoring homeownership over institutionalized rental development. ↑
- [35] Chinese cities are classified into tiers based on population, economic development, and administrative status, with Tier 1 cities like Beijing and Shanghai being the largest and most developed, and lower tiers reflecting progressively smaller or less economically advanced cities. ↑
- [36] Xinhua, *276 Cities Have Established Urban Real Estate Financing Coordination Mechanisms, with Commercial Banks Approving More Than 200 Billion Yuan in Loans* (Beijing: Xinhua News Agency, March 1, 2024), reported that “as of February 28, 2024, 276 cities have established urban real estate financing coordination mechanisms ... and commercial banks have approved financing loans exceeding 200 billion yuan.” ↑
- [37] Xinhua, *Beijing Launches Funds to Buy Unsold Homes and Repurchase Idle Land to Rescue Property Market*, *South China Morning Post*, May 17, 2024, reporting that the central bank’s relending facility and related policies encourage

local SOEs to purchase unsold homes for affordable housing. ↑

[38] Reuters, “Key Features of China’s Affordable Housing Policy,” June 4, 2024, noting that China has introduced policies to expand government-subsidized rental housing, increase affordable housing supply, and rebalance the housing system away from an exclusive reliance on homeownership.

<https://www.reuters.com/world/china/key-features-chinas-affordable-housing-policy-2024-06-04/> ↑

[39] See Reuters, “China Central Bank Promotes Relending to Speed Up Sales of Housing Stock,” June 12, 2024, reporting that the People’s Bank of China established a 300 billion yuan relending facility to support local state-owned enterprises in purchasing unsold homes for affordable housing, <https://www.reuters.com/world/china/china-central-bank-promotes-relending-speed-up-sales-housing-stock-2024-06-12/> ; see also Bo Li, “Managing Overaccumulation: China’s New Affordable Rental Housing Strategy” (2024), which describes policies encouraging the conversion of commercial housing into rental and affordable housing and the use of financial tools to support this transition. ↑

[40] See World Bank, *Urban China: Toward Efficient, Inclusive, and Sustainable Urbanization* (Washington, DC: World Bank, 2014), which emphasizes the central role of land policy in housing provision and urban development; see also Wanqing Wei and Li Zhang, “The Influence of Enterprise Dormitories on the Urban Integration of Migrant Workers in China,” *Humanities and Social Sciences Communications* 11 (2024), which documents the widespread use of employer-provided dormitories and housing linked to industrial production. ↑

[41] See Reuters, “China’s Retirement Age Reforms Not Enough to Fix Pension Headache,” September 23, 2024, reporting that recent retirement age reforms are intended to address pressures from an aging population and shrinking workforce linked to past birth restrictions. <https://www.reuters.com/world/china/chinas-retirement-age-reforms-not-enough-fix-pension-headache-2024-09-23/> ↑

[42] See National Bureau of Statistics of China, cited in Ding Jinhong et al., “A New Paradigm of the Floating Population Analysis and the Estimation of Inter-Provincial Migration Sub-Flows in China,” *Acta Geographica Sinica* 79, no. 8 (2024), reporting that the floating population reached approximately 244 million (about 18 percent of the population), with broader estimates often approaching one-quarter when including longer-term migrants and those without full urban registration. ↑

[43] See Congressional-Executive Commission on China, *China’s Household Registration (Hukou) System: Sustained Reform Needed to Protect China’s Rural Migrants* (Washington, DC, 2005), noting the relaxation of hukou restrictions in small cities, <https://www.cecc.gov/sites/evosubsites/cecc.house.gov/files/CECC%20Special%20Topic%20Paper%20-%20China%27s%20Household%20Registration%20System%20-%20Sustained%20Reform%20Needed%20to%20Protect%20China%27s%20Rural%20Migrants%20-%2010.7.05.pdf>; and World Bank, “China’s Hukou Reform Remains a Major Challenge for Domestic Migrants in Cities,” 2021, describing ongoing reforms and policies aimed at managing migration and improving access to urban services, <https://blogs.worldbank.org/en/peoplemove/chinas-hukou-reform-remains-major-challenge-domestic-migrants-cities> . ↑