National Post - November 13 2025

The federal budget's housing math doesn't add up

By Special to National Post
Published Nov 13, 2025

When the federal government released its 2025 Budget on November 4, one line on page 44 immediately stood out: *"Home sales have risen in five of the past six months."* For those of us in Canada's housing industry, we found ourselves scratching our heads when we read this line, wondering how such a conclusion could have been reached. Because while it may sound encouraging, it does not reflect the reality unfolding in major urban centres across the country.

Third-party agencies have been tracking sales data for builders and to inform the public for decades. The latest numbers tell a very different story and show a severe downward trend. Year-to-date new home sales have declined sharply across Canada's largest municipalities compared to the 10-year average. Single-family and condominium apartment sales are both down 82 per cent in the Greater Toronto Area, 81 per cent in the Greater Golden Horseshoe, 67 per cent in Vancouver, 40 per cent in Calgary, and 33 per cent in Edmonton. In Montreal, condominium apartment sales have fallen by 75 per cent. That is not a sign of recovery, it's a sign of a severe downturn – one that started in the GTA over two years ago and has now spread to all housing types in all major Canadian markets.

The discrepancy points to a deeper issue: it seems the federal budget may be drawing on a data set where the "home sales" it refers to are total sales (including resale homes) rather than new home sales. That might explain why the numbers appear more positive. But this is puzzling for a budget from a government that has promised to deliver 500,000 new homes annually. You simply cannot track progress toward that goal using data from existing homes that have already been built, 10, 20, 50 or more years ago. If the aim is to spur new construction, to add supply for a growing population and support the jobs the sector provides surely the focus must be on net new construction?

Page 44 of the budget also goes on to say that "forward-looking indicators point to broadly balanced market conditions at the national level." But that, too, raises questions. New home sales today are the foundation for housing starts tomorrow. When those sales fall, future construction (or starts) follows suit but at a period 1.5 to 3 years later or more. Put another way, starts are a measure of sales that occurred in the past, and as such are looking backward. These declines represent an industry-wide slowdown that threatens to deepen the supply gap for years to come, as every project delayed today translates into fewer homes being started and completed in the future.

This statistical interpretation has real-world consequences. When the federal government assures Canadians that the market is "broadly balanced," it sends the impression that there's no crisis to confront – and therefore no urgency to act. Yet the companies building homes see a very different reality: evaporating sales, projects on hold, layoffs underway and financing drying up. Every indicator from the new home market points to a deepening crisis, not stability.

If the six markets of the GTA, Greater Golden Horseshoe, Vancouver, Calgary, Edmonton, and Montreal (which together represent roughly more than half of all Canada's new housing starts), are in decline, then it's difficult to see how the national picture can possibly be "balanced." The only way to reach that conclusion is by combining resale data that masks what is really happening in new construction.

BILD and the Large Urban Centre Alliance have warned for months that new home sales have fallen to crisis levels. Not only will new homes for middle class Canadians not get built, but a hundred thousand jobs in the housing and construction sector are at risk. This budget misreads the condition of the market, which not only undermines trust, but delays action at a time when the industry is asking for urgent, practical measures – such as extending the GST/HST exemption to all new home buyers, not just a narrow band of first-timers, following through on the promised 50 per cent reduction to municipal development charges, and honouring the commitment to bring forward a Multi-Unit Residential Building tax incentive program.

The federal government has set an ambitious goal of building 500,000 more homes annually within the next 10 years. Let's make sure we use the right data to measure success. Put simply, if you want to know if the Leafs are winning, you don't watch the Raptors game. In order to ensure we have the right policies to support new home construction, we should be following new home sales, and new home starts, not a broader measure that masks what's really going on.