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Posthaste: Canada's Housing Affordability 'Crisis' Spreads, But This City is Still a Bright Spot, Says CMHC; Not Just About Toronto and Vancouver Anymore

Gigi Suhanic – Feb 27, 2026



Housing affordability in Canada has worsened beyond Toronto and Vancouver, CMHC says. Photo by Shaughn Butts /Posmedia

Canada's affordable housing plight once centred on Toronto and Vancouver, but that's changed with the "crisis" having spread to Ottawa, Montreal and Halifax, says Canada Mortgage and Housing Corp. (CMHC).

"It's clear the crisis is no longer limited to Toronto and Vancouver," it said in a report released on Feb. 25.

Based on CMHC's new homeownership affordability index, affordability nosedived in Ottawa, Montreal and Halifax from 2020 to 2023.

The index runs from the first quarter of 1991 to the third quarter of 2025 and tracks housing affordability based on metrics such as the share of a region's median income that goes toward repaying the costs of owning a home, including mortgage, taxes, utilities and insurance, as well as the number of homes for sale in an area where that cost fits with the median income and how much discretionary income is available to accommodate a bigger housing budget.

Even in Calgary, where lower home prices have helped it become an interprovincial migration beacon, housing affordability has suffered.

Of the seven cities, affordability has only held up in Edmonton.

CMHC said the housing market experienced three major "waves" of affordability erosion: from 2001 to 2007, 2015 to 2020 and 2020 to 2023.

“These first two periods of erosion in homeownership affordability were driven solely by (Toronto and Vancouver),” CMHC said.

Homeownership was at its most affordable in the second quarter of 2001, but has suffered a “slow and prolonged erosion that started in the early 2000s” that has hit all the cities, the report said.

Affordability has slightly improved since bottoming out in 2023, but “we’re still far from going back to pre-COVID-19 levels,” Mathieu Laberge, chief economist and senior vice-president of housing insights at CMHC, said.

Kari Norman, a senior economist at Desjardins Group, said a “substantial” number of younger people remain stuck without housing of their own, citing the Parliamentary Budget Officer, which pegged the number of “suppressed households” in Canada at 631,000 based on the last census. She estimates that number is higher now due to the population growth of the past few years.

“Despite a shift in housing market conditions in 2025, measures of housing activity have not rebounded proportionately, particularly in Canada’s highest-priced markets,” she said in a note on Thursday. “One possible reason is that affordability is still too far out of reach, preventing many from moving out on their own.”

Rents have come down since surging to meet the demand from a flood of newcomers to Canada, but there’s an oversupply of pricier units compared with less expensive ones where the need is greater. Furthermore, elevated rents have likely blocked people from setting aside enough money to build up a down payment.

“As in the rental market, improving conditions in the ownership market didn’t guarantee an immediate or broad-based release of suppressed households,” Norman said.

But Laberge said there is a “light at the end of the tunnel” for affordability, but Canada still needs to fill in its housing market gaps, such as having more affordable townhouses and row houses.

“It’s a big piece of the puzzle, but affordable rental is as well,” he said.