

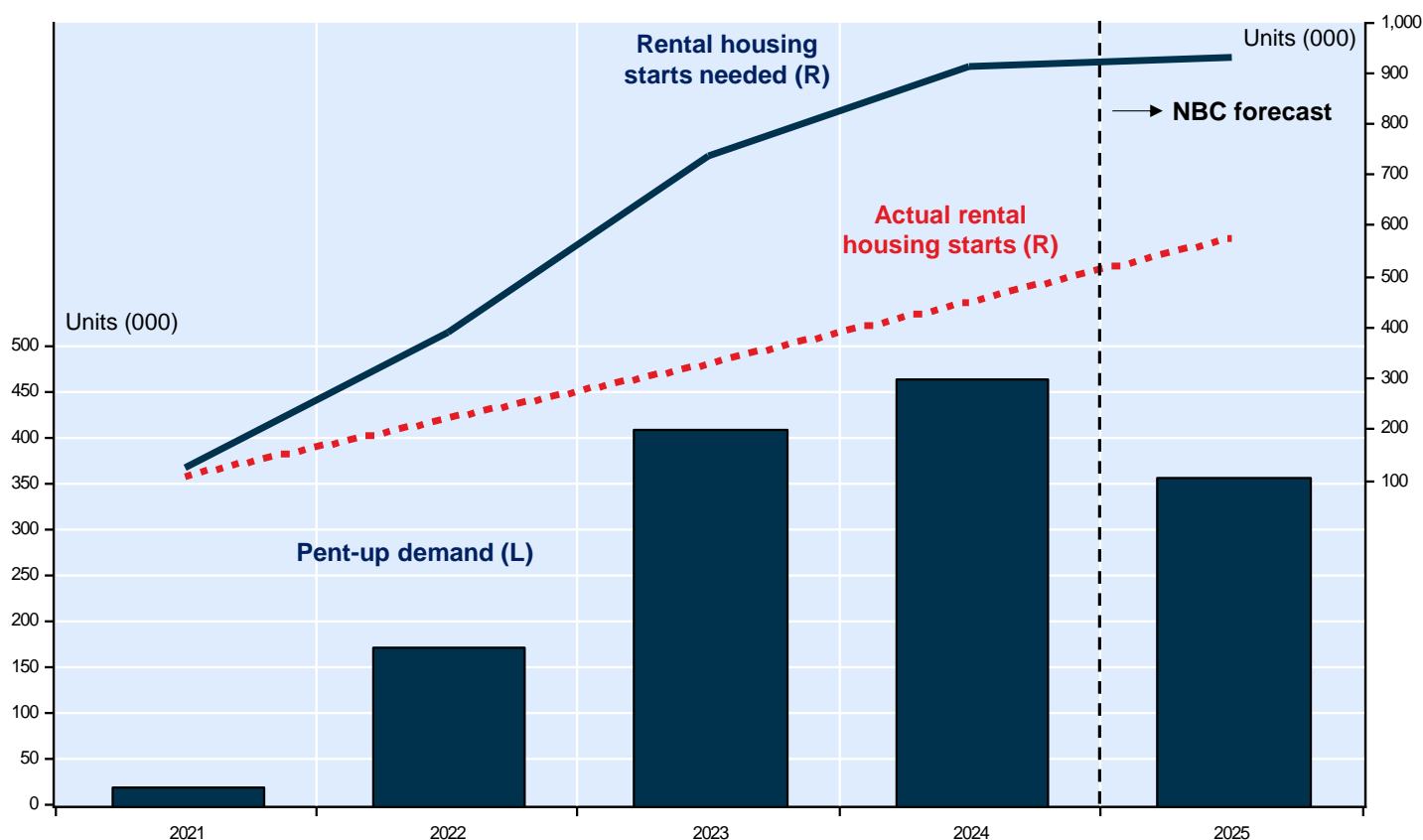
Canada Watch

By Daren King

Statistics Canada recently published a [study](#) on the housing needs and use of immigrants and temporary residents, based on data from the 2021 census. Since then, population growth has been staggering, and intense pressure on rental prices confirms that housing supply has not been able to keep pace with population growth. Using the results of this study, we were able to estimate rental housing needs since 2021 based on population growth and compare them with housing construction during this period. As today's *hot chart* shows, after a year of equilibrium in 2021, new construction in the following three years fell well short of the rental housing needs generated by population growth. According to our calculations, because of this episode, there was a shortage of more than 450,000 rental units in the country at the end of 2024 to fully meet pent-up demand. These figures illustrate the scale of the imbalance we have experienced in the housing market in recent years. Fortunately, faced with a supply problem that will certainly take years to resolve, the federal government has decided to tackle demand by drastically changing its immigration policy from 2025 to 2027. Combined with a pace of construction that is expected to continue throughout the year, we estimate that the catch-up will begin as early as 2025.

Canada: Rental housing deficit exceeds 450K units

Pent-up demand in rental housing since 2021 based on population growth needs and actual housing starts



NBC Economics and Strategy (data via Statistics Canada, CMHC & NBC)



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