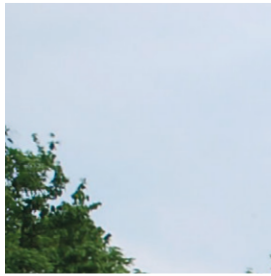
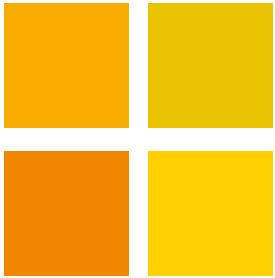
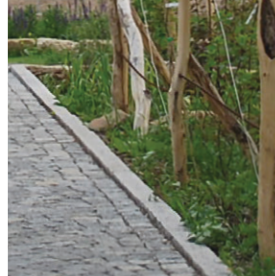
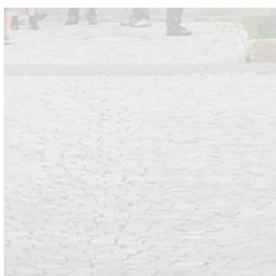
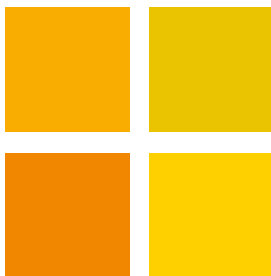


OPENING DOORS



SOLVING THE
HOUSING CRISIS
SUSTAINABLY



VIVRE EN VILLE

INDEX

SUMMARY

SOLVING THE CRISIS FOR GOOD

The housing crisis has not always existed—which means that **it can be solved**. But like the many other crises we're currently facing, it will not go away on its own. We need a game plan. We need clearly defined objectives and the resources to achieve them. And we urgently need **suitable housing, in suitable places, for everyone**.

We already know what we need to do to develop vibrant, viable, and sustainable communities that balance human needs with ecosystem capacity. The challenge is less a matter of resources than **a matter of setting our priorities**. We must ask ourselves: What kind of world do we want to live in?

A great deal of work lies ahead. But before we spring into action, we need to set a clear course and overcome the obstacles that lie between us and a sustainable, affordable future. This starts with *OPENING DOORS*.

To that end, we at Vivre en Ville propose the following roadmap:

1 Advocate for housing renewal as a collective project (p. 6)

2 Establish consensus on the underlying mechanisms of the housing crisis and its consequences (p. 10)

What you need to know about housing affordability

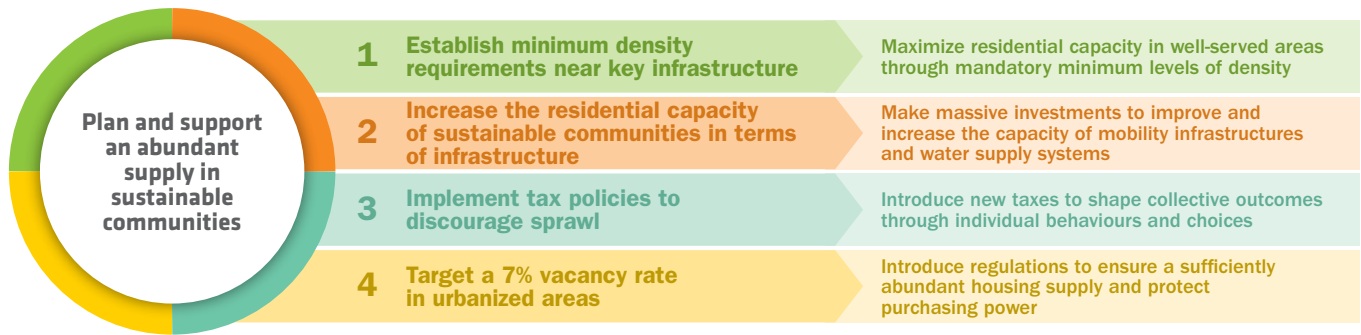
What you need to know about housing sustainability

3 Identify four major courses of action ("doors" we will have to open) to solve the crisis sustainably (p. 21)

Doors and key solutions



OVERVIEW OF OUR FOUR DOORS TO ACTION AND KEY SOLUTIONS



FOREWORD

SETTING THE RECORD STRAIGHT

The first edition of *PORTES OUVERTES: Pour une sortie de crise durable en habitation* was published in August 2022, after two years of research and experimentation with the PORTES Solutions Lab. Published in French only, it was intended to serve as the foundation for Vivre en Ville's housing advocacy. As such, it aimed to define the current state of affairs, offer a new vocabulary, and map a sustainable path out of the crisis—thereby opening new doors onto a different world. In 2025 as in 2022, a **better world** is not just possible but urgently needed.

A project of this magnitude naturally had to begin with a review, including **definitions, diagnoses, and real-world examples**. It was no small feat, yet the outcome can be more or less succinctly summarized: The fundamental, underlying problems in housing are not what we thought they were and moreover, they are worse than we imagined. By emphasizing that the housing crisis is more than a shortage of affordable housing, we make it clear that **this problem affects everyone**, be that occasionally or systematically, wherever they live in the country.

We offered this review at a time when society was going through one upheaval after another—economically, politically, and environmentally—and have to admit that **setting the record straight on housing is an exhausting process**. Drawing people's attention to widespread dysfunction, pointing out failures, and acknowledging deprivation, suffering, and grief is at once necessary and dismaying. The housing crisis is an all-encompassing and overwhelming issue. While the need for clarity, rigour, and ambition remains just as pressing, we also now recognize that we cannot move forward at the necessary pace if the scale of the challenge sucks the spark out of our communities, leaving them demoralized, overwhelmed, or disinterested.

This second edition of *OPENING DOORS* is therefore an opportunity to set our own record straight. In addition to updating the document with new examples, references, and ideas to keep it relevant, we also here aim to **extend a hand** rather than raise a fist. The growing consensus on the true nature of the crisis gives us the opportunity to open our own doors to new partners and their perspectives, and to work together to **build our shared future**. We no longer have to search the horizon to find a way forward. A better world is not only possible—**it's already on our doorstep**.

Drafting and Research

Laura Deronne, Advisor – Housing Policy
Adam Mongrain, Director – Housing Policy
Ines Zerrouki, Advisor – Housing Policy

Research Assistance

Stéphanie Lopez, Coordinator – Sustainable Buildings and Real Estate
Élise Ménard, Advisor – Energy and Sustainable Buildings

Executive Team

Samuel Pagé-Plouffe, Director – Public and Government Affairs
David Paradis, Director – Research, Training, and Guidance
Jeanne Robin, Senior Director
Christian Savard, Executive Director

Illustrations

Alexandre Drouin, Advisor – Urban Design and Urban Planning
Brigitte Lavallée, Coordinator – Urban Design
Joëlle Naud, Advisor – Urban Design and Urban Planning

Graphic Design

CORSAIRE Design | Communication | Web

English Translation

Bronwyn Haslam
Emily Wilson

Recommended bibliographic entry

VIVRE EN VILLE (2025). *Opening Doors: Sustainably Solving the Housing Crisis*, (L'Index), 64 pp. [Vivreenville.org]

Reproduction for private study or research purposes is authorized under section 29 of the Copyright Act. Any other use must be authorized by Vivre en Ville, which holds the exclusive intellectual property rights to this document. This authorization may be obtained by submitting a request via email to info@vivreenville.org.

The data and information contained in the document may be cited, provided that the source is referenced.

ISBN: 978-2-923263-88-5 (Print)
(Original edition: ISBN: 978-2-923263-84-7,
2^e éd., Vivre en Ville, Québec)
ISBN: 978-2-923263-87-8 (PDF)
(Original edition: ISBN: 978-2-923263-83-0,
2^e éd., Vivre en Ville, Québec)

Legal deposit – Bibliothèque et Archives nationales du Québec, 2025
Legal Deposit – Library and Archives Canada, 2025

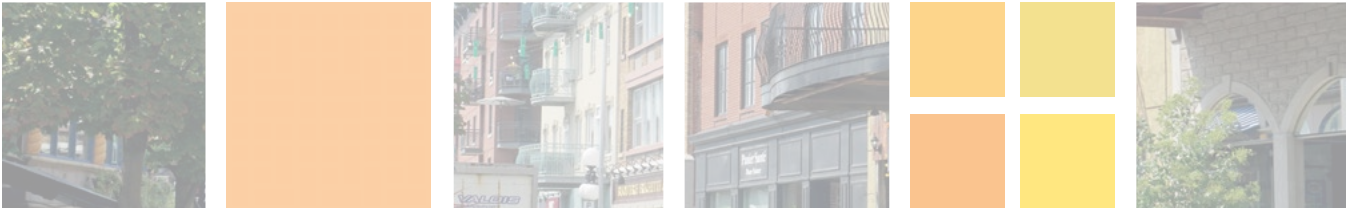
©Vivre en Ville (2025)
www.vivreenville.org

Cover photo: Vivre en Ville
Photo credits: Vivre en Ville (unless otherwise indicated)



TABLE OF CONTENTS

- SUMMARY** 2
- OVERVIEW OF OUR FOUR DOORS TO ACTION AND KEY SOLUTIONS** 3
- FOREWORD** 4
- REFUSING WHAT WE'VE BEEN HANDED DOWN** 6
- WHAT WE OWE TO EACH OTHER** 8
- WHAT YOU NEED TO KNOW ABOUT HOUSING AFFORDABILITY** 10
 - Insight 1: Housing makes a consumer of us all 11
 - Insight 2: The cost of housing is the sum of two values 12
 - Insight 3: Skyrocketing prices are a matter of location 14
 - Insight 4: The marginal buyer sets the price for everyone 16
 - Insight 5: Rising prices are discouraging construction 18
 - Insight 6: The crisis is costing everyone 20
 - Summary: What does sustainable affordability look like? 22
- WHAT YOU NEED TO KNOW ABOUT HOUSING SUSTAINABILITY** 23
 - Insight 1: Our safety depends on protecting the environment 23
 - Insight 2: Sustainable development protects humans, not the planet 25
 - Insight 3: A sustainable housing system avoids deficits 26
 - Insight 4: Sustainability also means efficiency and frugality 26
 - Insight 5: Energy is everything 28
 - Insight 6: Maintaining the status quo costs more than change 29
 - Summary: What does affordable sustainability look like? 30
- UNLOCKING THE FOUR DOORS TO SUSTAINABLE AFFORDABILITY** 31
 - THE FIRST DOOR: PLAN AND SUPPORT AN ABUNDANT SUPPLY IN SUSTAINABLE COMMUNITIES** 32
 - THE SECOND DOOR: MAKE IT MORE PROFITABLE TO BUILD THAN TO OWN** 39
 - THE THIRD DOOR: FLOOD THE MARKET WITH NON-PROFIT UNITS** 47
 - THE FOURTH DOOR: SUPERCHARGE THE PRODUCTIVITY OF THE CONSTRUCTION SECTOR** 53
- ON THE OTHER SIDE OF THESE DOORS** 60
- BIBLIOGRAPHY** 61



REFUSING WHAT WE'VE BEEN HANDLED DOWN

At the time of publication, the year is 2025. After endless debate, Québec has finally become aware that **we lack the adequate tools and vocabulary** to express our frustrations about the land use decisions affecting the places where we live. Imagine suffering from a disease that, while its symptoms are well-known, remains nameless. The pains caused by our shared affliction are many: long and exhausting commutes, the closure of local shops and services, and dashed hopes of ever being able to afford so much as a small condo... and no indication of when we might hope to recover.

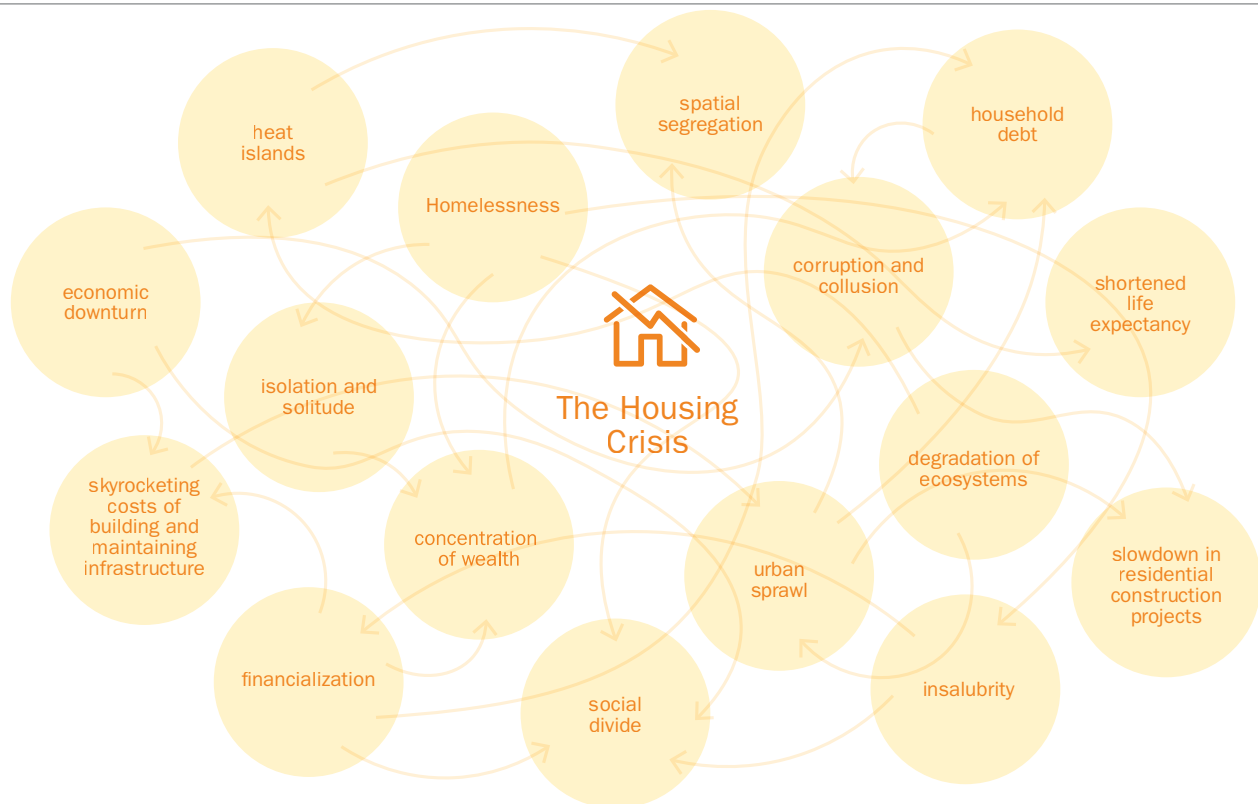
In French, this has led us to opt for the term *crise de l'habitation* over the more common *crise du logement*, highlighting that this crisis is about more than the affordability of accommodation (*logement*), but fundamentally an issue of how and where we live (*habiter*) and at what cost. The right words are necessary to provide an accurate diagnosis. An accurate diagnosis is necessary to provide proper care. And it's only with proper care that we can restore the health, dignity, and freedom that this crisis has taken from us.

WHICH HOUSING CRISIS?

The term “housing crisis” has been with us for decades. Yet the speed and scale of urban and ecological transformations over the past century mean that the nature of the crisis has also fundamentally changed. In truth, terms like “housing crisis,” “real estate bubble,” or “housing shortage” now fail to capture the scale of the challenges we’re facing. Our vocabulary has not kept pace with the magnitude or complexity of the matter, exemplified by the many alarm bells ringing out at once: **the costs of occupied housing units and their living conditions, the location of new developments, commute-related energy consumption, and the proportion of the population who are without housing altogether.**

If we limit our understanding of the crisis to just those households struggling to pay rent, or to academic abstractions about supply and demand, we fail to understand the extent to which the symptoms of this crisis are multiple, complex, and intertwined. **What is at stake is nothing less than the human habitat itself: this crisis is affecting everyone**, and it’s becoming increasingly difficult to distinguish its causes from its effects.

THE FULL EXTENT OF THE HOUSING CRISIS



Source: Vivre en Ville.

Alarm bells are ringing on all sides, making it increasingly difficult to distinguish the causes of the crisis from its effects



THE BLAME GAME

When something has gone wrong, **it's only natural to ask who's responsible**. Once we've established causal links between events and circumstances, we begin to pinpoint the changes that triggered them—and attribute motives to the people behind them. We are especially keen on doing this when these changes are for the worse—and few examples are as glaring as the housing crisis, with its headline-making skyrocketing prices, erosion of public confidence, and **heartbreaking stories of families steamrolled by the market**.

In this context, it's no surprise that we've seen a flurry of explanations for what caused the crisis, with **a focus on who's to blame**. But we have to face the facts: such a complex, multifactorial, and entrenched crisis can't be the work of a single person, group, or public policy. **No one has that much power**.

The search for a culprit only fragments our understanding and prevents us from reaching an honest, appropriate diagnosis. The truth is that this crisis is the **logical and predictable consequence** of public policies that have been in place for decades, upheld by successive governments at all levels. **This crisis is no accident**. Nor is it the sinister handiwork of an evildoer. It is a **self-inflicted** wound, the outcome of policies we as a society voted for. And so we must ask, to what end?

THE RUNAWAY SUCCESS OF OUR OUTDATED HOUSING POLICIES

The simplest and most convincing explanation is this: **these were the intended outcomes of our housing policies** at the time of their implementation. We didn't set out to create the social, economic, and environmental fallout we're faced with today, but we did want to turn our **homes into retirement funds**. We wanted solo car travel to be easy, with plenty of free parking. We wanted to freeze development to preserve our neighbourhoods. We wanted **ever larger and more secluded homes**.

And by these standards, our housing policies didn't just work, they achieved an almost unprecedented success. It is precisely their achievements, and not their failure, that have led us here. What these policies let us build may be monumental, but it is **not a solid foundation for our future**. Their outcomes are in fact holding us back, at a time when we must move quickly to **secure our freedom, security, and dignity for the coming decades**. In this crisis, we are the victims of our own success.

Now that we're suffering the consequences, many of us are of course looking for someone to blame. This is a waste of valuable time. Who has benefitted the most from the housing crisis? Our simple answer is **the past**. All that worked so well for so long no longer serves us. We have reached a tipping point.



WHAT WE OWE TO EACH OTHER

This call to action is not an appeal to scrap everything and start all over from scratch. We can salvage, reappropriate, and dream up new uses for many wonderful things. However, we need a coherent plan that brings people together if we are to effectively transition from the past to a better future. **Only by truly inspiring people can we come together and honour what we owe to each other.**

To begin sketching out that future, we first need to understand the forces that govern affordability and sustainability, both of which are crucial to high-quality, thriving living environments that foster well-being. This is no small task. Design alone does not create a livable, lively neighbourhood. Likewise, it takes more than new streets and buildings to create a place where everyone can, and will want to, live. This is because **care for the common good** is the difference between a stack of bricks and a community. If this idea feels uncomfortable, abstract, or daunting, that's because it is. And that's exactly why it matters so much.

FINDING COMMON GROUND

When people debate speculation, they're really wondering **how they can benefit from neighbourhood improvements**. When they debate increased property values, they're wondering **what it costs to ensure peace of mind for retirees**. When they debate "not in my backyard" attitudes, they're wondering **what communities should look like**. And when they debate immigration, they're wondering **who should get to live where**.

These debates all seek **to define and set standards for the common good**. This pursuit is not reserved to philosophers; it's also **in the hands of every person at the negotiating table**, whether they're an economist, urban planner, engineer, or elected official. It's at the core of our codes of ethics and the oaths taken upon assuming office. When we draft public policies or launch a project, we do so to build the world we want to live in.

It's important to bear in mind that we are not only the architects of such actions, but we too live with the outcomes and stand to benefit from them. Land use planning is a creative exercise: we envision and design environments in which we see ourselves—and which **inevitably reflect our own values and sensibilities**. It simply comes with the territory.

But in times of change, that's not enough. It's obvious that not everyone is involved in such planning efforts. Any attempt to define what we collectively owe ourselves is compromised when those with a seat at the table do not reflect the true diversity of our communities. **Many people are all too often systemically excluded from spaces where collective narratives are shaped**, whether because of their income, education, origins, or identity. As it falls to us to consider their lived realities and hopes for their communities, **we must make sure they have a voice in defining our shared future**. When we exclude diverse perspectives and experiences from spaces of common meaning-making, we impoverish the very ground from which our collective life grows. Our world—and our future—is made richer by our diversity.

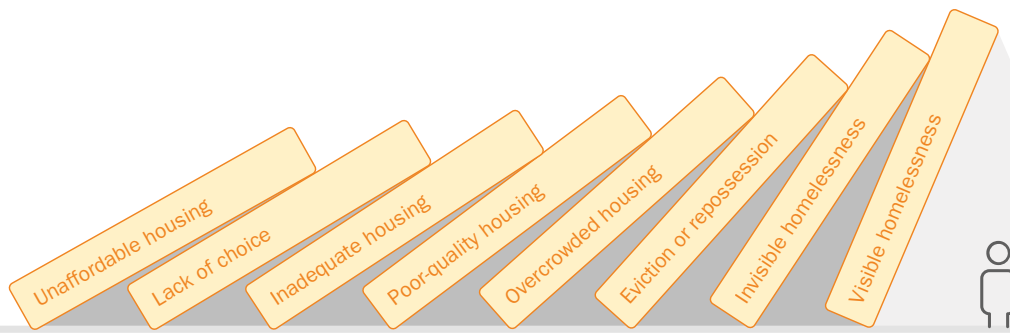
There are concrete ways of deepening our understanding of the people we live alongside. The objectives of urban projects must be accessibly and clearly communicated, requiring that we adapt our practices and culture. But in opening our doors to others, we will be diversifying our sources of information, valuing the experiential knowledge of residents, and strengthening ties with marginalized groups, including community organizations. We need to be sure that our vision is genuinely shared to foster collective commitment to it, so that we can all move forwards together.

YOU ARE YOUR NEIGHBOURS' NEIGHBOUR

Whether through speculation, evictions, or excessive rent increases, the impacts of the crisis aren't only being felt by the households forced to move. The very threat of losing one's home **separates people from their communities** and **erodes their sense of belonging**, leaving them with deep feelings of abandonment (Wachsmuth, 2024). The crisis is the product of a system—one that we can choose to uphold or work to change. But without an inclusive vision that acknowledges and affirms everyone's humanity, we will all keep losing. After all, we are all somebody's neighbour.



THE DOMINO EFFECT OF THE CRISIS



Source: Vivre en Ville.

Making the housing market truly serve the population is not just a matter of ethics; it is also a matter of survival. When the crisis takes one person down, the market pressures shift to the next person over—and then, the next. No one is completely safe.

HOMELESSNESS IS A POLICY CHOICE

According to the most recent count, conducted in 2022, the number of unhoused people in Québec increased 50% since 2018, pointing to an **unprecedented worsening of the situation** (Québec, MSSS, 2022). The usual criticisms pertain: these numbers underestimate the true scope of the issue, offer only an incomplete snapshot, and their collection intrudes on the private lives of those affected. But the report also speaks to an uncomfortable truth: the count focuses solely on the visibly unhoused because their presence upsets much of the housed population. Of all the forms of inadequate housing, visible homelessness seems to be the only one **that bothers us**.

Observers have pointed to a growing breakdown in social coexistence in our cities and towns. Can we truly say that everyone has equal access to public space? Does it make any sense to speak of “coexisting” with people experiencing homelessness when we criminalize and displace them? **Should those we’re harming really be tasked with proving their humanity?**

Philosopher Jeremy Waldron has argued that **homelessness is a fundamental barrier to freedom**: a person must have a safe, adequate place to live to fully exercise their freedom and do as they please (1992). Our language around this state of deprivation has changed in recent years.

In Québec, however, the most common term is *itinérance*, which translates literally to roaming or traveling. This is quite a departure from the terms used in other French-speaking countries (in France, *sans-abrisme* and *sans domicile fixe*, meaning “without shelter” or “no fixed address”). In suggesting movement from one place to another, it almost implies that being unhoused is a choice—and **fails to convey a lack of power and the experience of exclusion**.

Until now, we as a society have focused our priorities on private property, thereby increasing property values and creating inequitable neighbourhoods. **In so doing, we have dehumanized unhoused people and ignored the cause of inadequate housing**. Dismantling encampments will not put a roof over anyone’s head. Housing everyone begins with acknowledging the freedom and dignity of our neighbours, with whom we share our cities and towns.



WHAT YOU NEED TO KNOW ABOUT HOUSING AFFORDABILITY



What's the point of talking about my 'consumer preferences' when I only buy what I can afford?

While we discuss affordability at length, you'll rarely see the term "affordable housing" in this document. This is not an oversight. We have chosen not to use the term because **affordability isn't an inherent or consistent feature of a dwelling**. A unit cannot be said to be affordable or unaffordable in absolute terms, as affordability is always a function of both the cost of a unit and the means of the household wanting to live there. Yet not all households want to live in one specific place, and those that do have differing means. Worse still, the cost of housing and our means to pay for it are moving in diverging directions.

"AFFORDABLE HOUSING" IS AN ELASTIC TERM



Source: Vivre en Ville.

If we define the affordability threshold at 30% of a household's income, we quickly see that affordability is not merely a characteristic of the unit itself.



When we clear up these ambiguities, we see that there is **just one feature specific to a housing unit that relates to its affordability: its cost**. To meaningfully address affordability, we must first grasp the fundamental mechanics of the residential market, including how prices are set for various housing goods and services. Only then can we identify, evaluate, and implement solutions grounded in the actual problems we face. Because affordability issues are very often misrepresented and misunderstood, this analysis requires rigour and care.

To move beyond the limitations of today's narrow discourse, we will now present a series of original, fact-based insights. They're intended to provide you with **what you need to know about housing affordability** and to guide us all in planning and developing a sustainable solution to the crisis.

INSIGHT

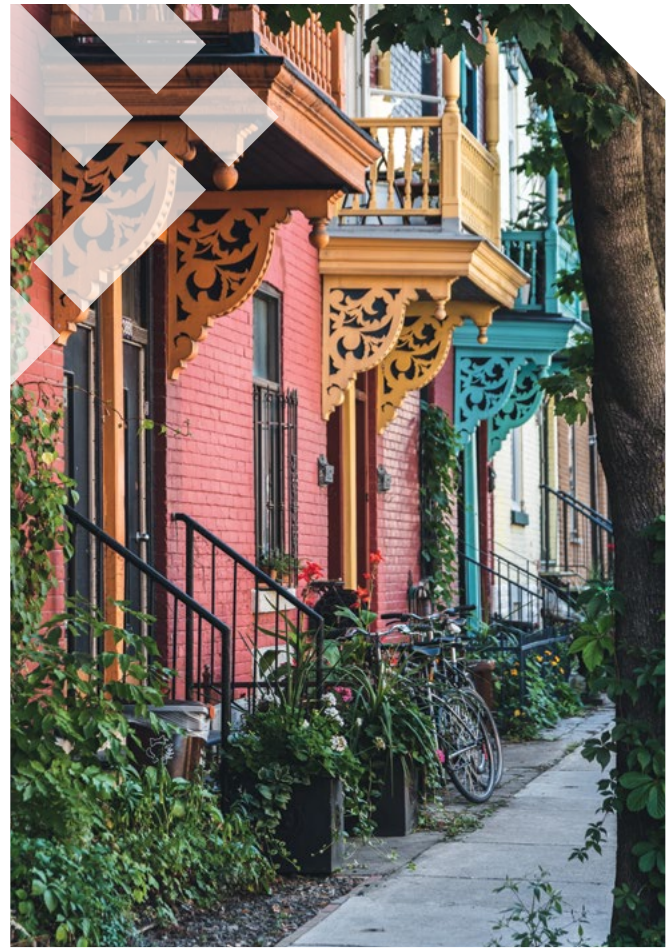
1

HOUSING MAKES A CONSUMER OF US ALL

If there's one thing that everyone who lives in Québec has in common, it's that they live in Québec. Since we all need somewhere to live, it makes sense that we start by gaining insight into how individuals and households meet this basic need. What does housing oneself really involve?

The most useful way to understand housing is as a form of consumption. This perspective helps clarify how the real estate market works by acknowledging a simple truth: **living somewhere is never free of cost**. Various activities involving labour and money are **required to make the land habitable**, including **building and insuring housing and supplying homes with heat, water, and electricity**. While these costs can be absorbed in various ways and by various actors, the fact of the matter remains: to be housed is to be a consumer.

Renting makes this basic dynamic easy to understand. Rent is the price paid for access to livable housing, which means that it covers the labour and materials needed to maintain and supply that unit. **In this sense, rent is payment for a service, rather than a good**. Like payments for services such as a cab ride or a check-up at the dentist's, renting is paying to receive a service, without acquiring property or goods through the transaction.



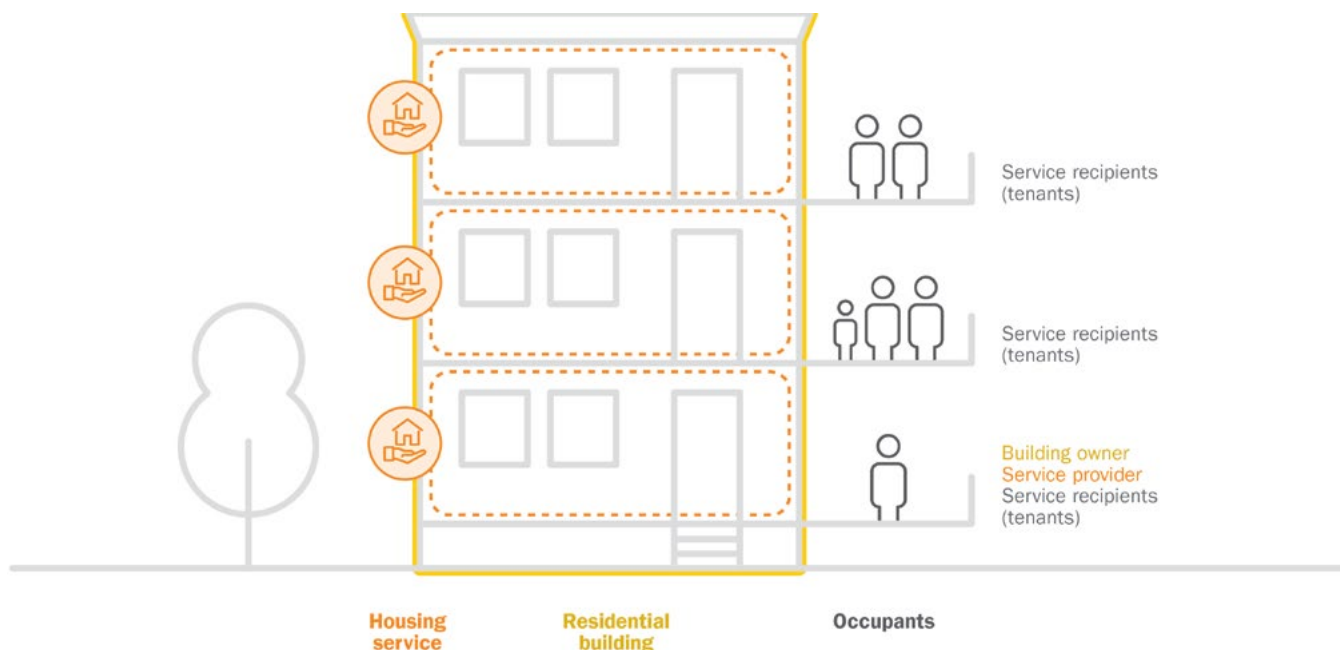
But if tenants consume a service, what about owner-occupiers (homeowners who live in a building they own)? Their mortgage payments don't pay for making their home habitable, so are they consumers in the same way as renters?

Owner-occupiers actually engage in two distinct economic activities: they provide a service and consume that service (Soumare, 2017). After all, merely occupying a space doesn't make it habitable. The building must be maintained, mortgage and taxes paid, emergency repairs handled, and so on. The work involved in keeping a dwelling habitable is a service that an owner-occupier both provides and consumes, much like a taxi driver using the same car for personal and business purposes.

Such "self-provided services" have real economic value. If a landlord were to perform them for someone else, they'd charge rent. By the same token, by living in their own home, an owner-occupier forgoes the rental income they could otherwise collect. This simple fact shows how every housed person is a consumer of housing services.



EVERY HOUSED PERSON CONSUMES A SERVICE



Source: Vivre en Ville.

Whether they pay rent or collect it, every household is a consumer of a service.

INSIGHT

2

THE COST OF HOUSING IS THE SUM OF TWO VALUES

Understanding that rent is payment for a service doesn't explain how its price is determined. With the surging costs of housing in recent years, this question is more relevant than ever. Are homes twice as expensive today because the quality of the service they provide has doubled? Clearly not.

Let's begin by acknowledging that, in housing, service quality is not always equal. It varies based on the specific features of a unit—living area square footage, number of bedrooms, materials and finishings, hookups for appliances—as well as the level of maintenance and upkeep. Poorly maintained units offer a lower quality of service and so generally cost less than similar, well-kept units.

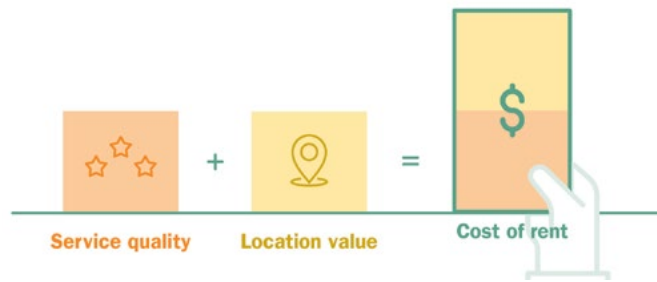
But if prices were determined solely by these two factors—the unit's features and maintenance—similar quality housing would rent for similar prices all across Québec. We know that there's another major determining factor: location. Beyond layout, the inclusion of amenities like heating, and other factors influencing the quality of life a unit affords, where a home is has a major impact on price. Identical homes could hypothetically be rented out for \$3,000, \$2,000, or \$1,000 per month depending on whether they're in Montréal, Sherbrooke, or Havre-Saint-Pierre.

DIFFERENT AND POTENTIALLY DIVERGENT VALUES

This doesn't mean that a \$2,000 rent breaks down evenly into \$1,000 for service quality and \$1,000 for location. The values of each of these two components are determined by different mechanisms, and **they are not weighted equally.**



THE COST OF RENT

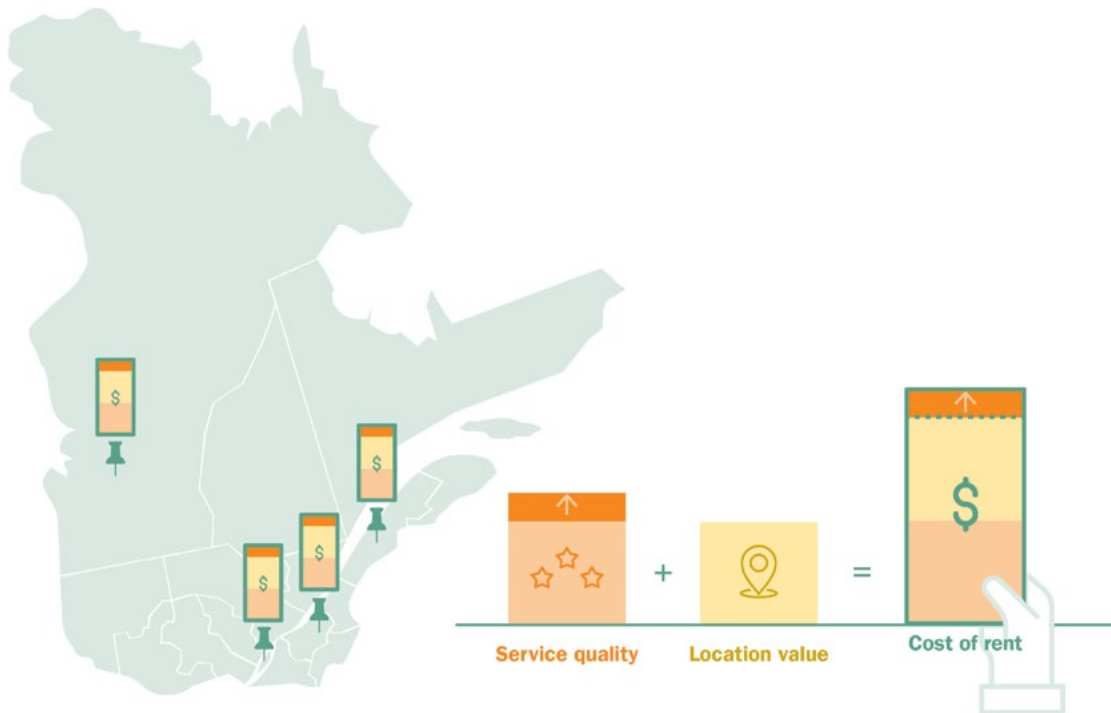


Source: Vivre en Ville.

Rental prices are determined by the value of a given unit's service quality and the value of its location. Yet, these two values are determined by distinct market forces, each following its own trends.

Of the two, service quality is the easier to grasp. The portion of the price attributable to certain features, like high-quality finishings or whether appliances are included, generally correspond to the effort or expense the consumer would incur to obtain similar services on their own. For instance, rent for a heated unit generally corresponds to rent for an unheated unit, adjusted for the cost of heating. This relationship between quality and price is largely the same everywhere.

SERVICE QUALITY



Source: Vivre en Ville.

When the quality of the service delivered in a unit is improved, its rent increases. As the investment in time and money necessary to improve the quality of a unit are roughly the same across the province, comparable improvements lead to similar rent increases.



LOCATION IS INHERENTLY RELATIVE

The value placed on a given location is more difficult to grasp, primarily because it is necessarily **relative, as it is established by comparison**. If we hypothetically value a location at \$1,000, it's not the earth, clay, and rock beneath the building that add \$1,000 to the rent, but the **building's position relative to all other buildings in an area**.

Two key factors are used to compare locations and determine their relative values. First, employment opportunities in an area have a direct impact on the value of homes. If a real estate complex is situated near a high-paying industry, the higher available salaries will naturally carry over to property values in the vicinity. As one example, we might consider how the **sudden surge in remote work has helped equalize property values across Québec**, in enabling higher-income households to settle in areas where historically the local job market could not support high housing prices.

Second, the characteristics of the location itself affect a building's relative value. In choosing a home, households may weigh plot size against transportation costs in deciding what a place is worth to them, or place great value on the neighbourhood's features, such as natural and historic amenities or access to quality public infrastructure (Aissaoui et al., 2015).

INSIGHT

3

SKYROCKETING PRICES ARE A MATTER OF LOCATION

The equation combining the value of the service rendered and the value of the location largely explains how housing prices are set. **But it does not alone explain why Québec households are paying ever-greater sums for aging real estate.**

With each passing day, our housing stock wears down a little further: the flooring gets more scuffed, the roofing inches closer to needing replacement, a spilled glass of wine leaves a permanent stain on the wall. In short, the overall quality of our homes is declining, not improving, so the surging prices aren't driven by increasing housing quality. All signs instead point to a **boom in the value of location**.

THE VALUE OF THE UNIQUE

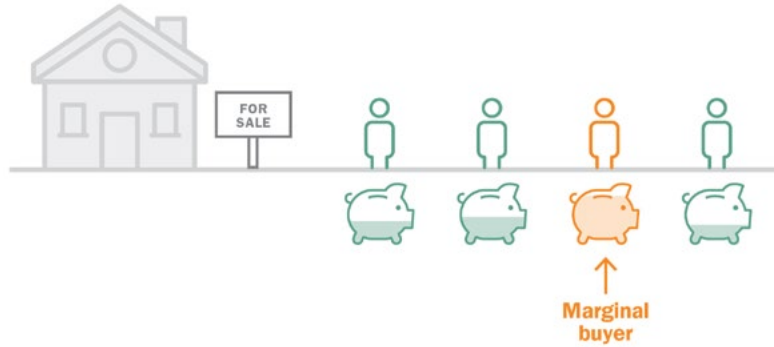
It all comes down to a simple fact: locations are inherently unique. Even within the same multi-unit residential building, each unit has a relative value based on its position and orientation. This makes location values particularly volatile; they're constantly shifting in relation to each other. **As location is unique to a unit, and as its value is neither fixed nor inherent, the final value of a given location is essentially determined through a bidding process: a highly dynamic, ongoing adjustment between the means and expectations of various buyers and sellers.**

In practice, this dynamic process unfolds in counterintuitive ways. Unlike the portion of the price tied to service quality, the share attributable to location is **entirely independent of any contribution from the landlord or owner**. The seller doesn't set the final price—the **buyer does!** For instance, someone selling their house will probably try to sell it for as much as they can, but if no one bites at their asking price, it means that households aren't willing to pay that amount for that location. As the seller progressively lowers their asking price, they will eventually reach a threshold amount that one household is willing to pay to live in that place. **That household—the one prepared to pay the most to live in a specific location—is known as the marginal buyer.**

These are normal housing market dynamics. There is always a marginal buyer: even when the asking price for a unit is low, it can still only be bought by one household, who in doing so sets the value of the unit. But what happens when several households are competing for the same dwelling?



THE MARGINAL BUYER

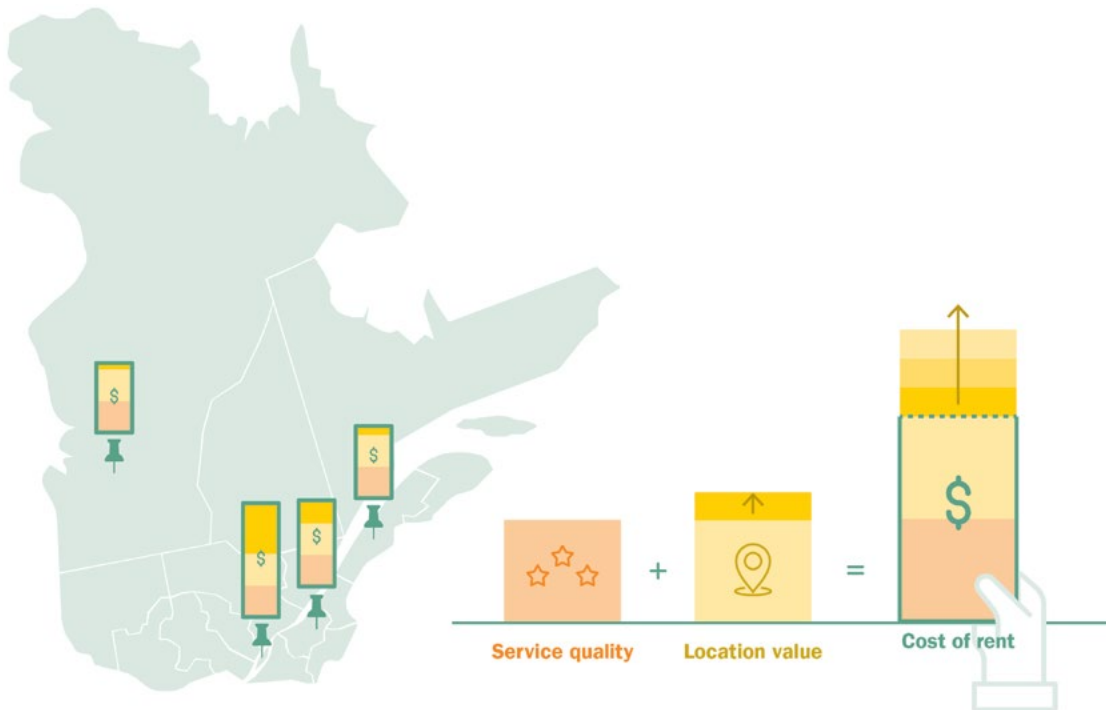


Source: Vivre en Ville.

When a given good or service has no fixed value—as is the case for most used goods—the market value tends to be set by the highest bidder at the time of sale. This is true even when there is only one prospective buyer, because theirs is the only offer the seller can accept.

When several households are competing for the same unit, bidding quickly turns into overbidding. **And it's precisely through overbidding that the market value of a deteriorating home can soar.** Overbidding is driven less by the type of unit sought and more by its coveted location. This is the main driver behind the growing gap between the quality of our housing stock and the increasing prices households are paying.

LOCATION VALUES



Source: Vivre en Ville.

When bidding wars lead to higher prices in a given location, the proportion of the rent or sale price tied to service quality shrinks commensurately. And since the value of the location is set by marginal buyers, it has no upper limit. The location is worth whatever the highest bidder is willing to pay.

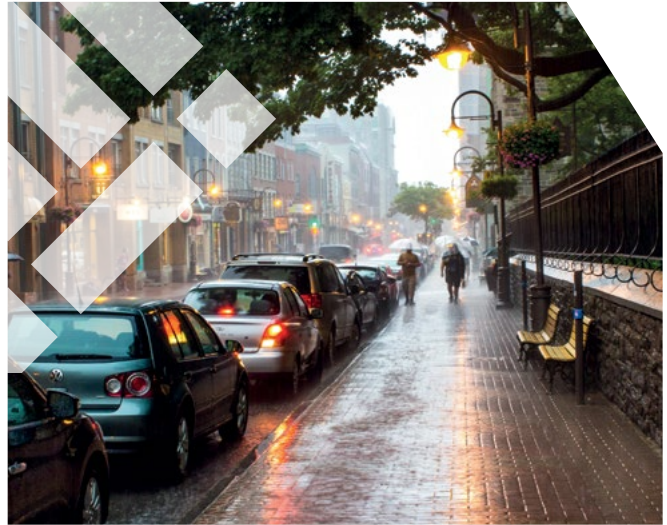


INSIGHT

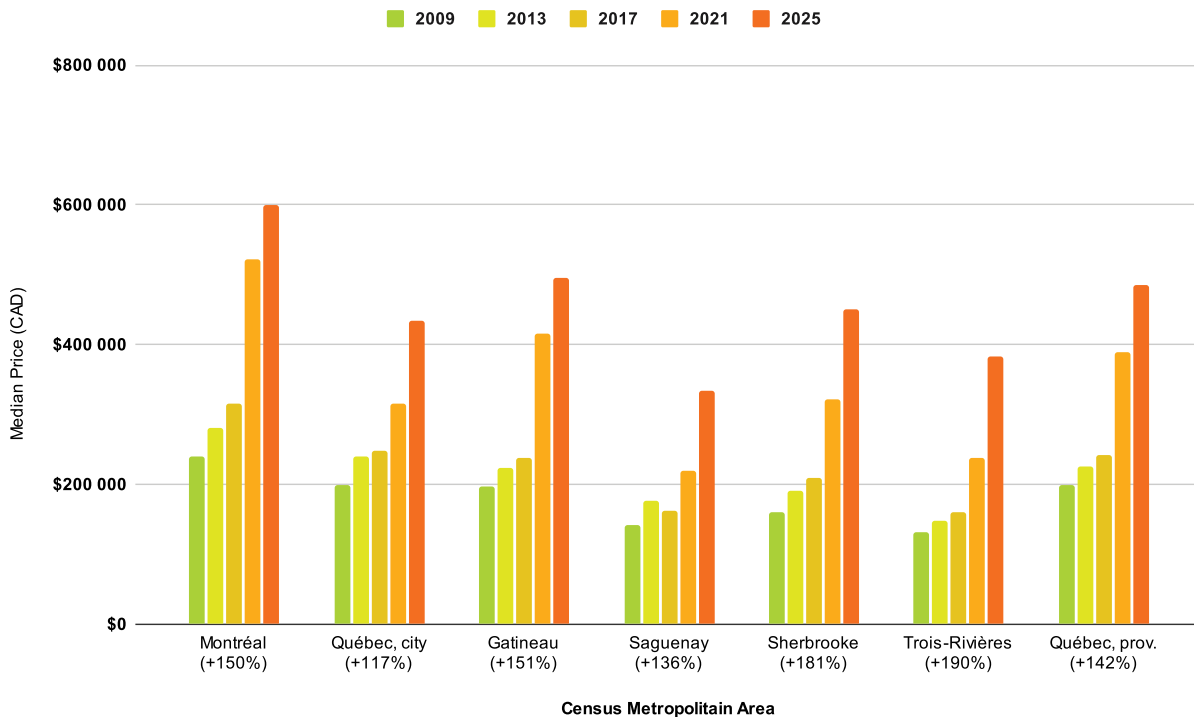
4

THE MARGINAL BUYER SETS THE PRICE FOR EVERYONE

If the marginal buyer sets the price of a home in offering an amount that the seller accepts, that still doesn't explain why prices for *all* homes have soared. After all, not every home has changed hands in the past 15 years. So how have prices risen across the board?



PRICE OF SINGLE-FAMILY HOMES IN QUÉBEC



Source: APCIQ, 2009–2025.

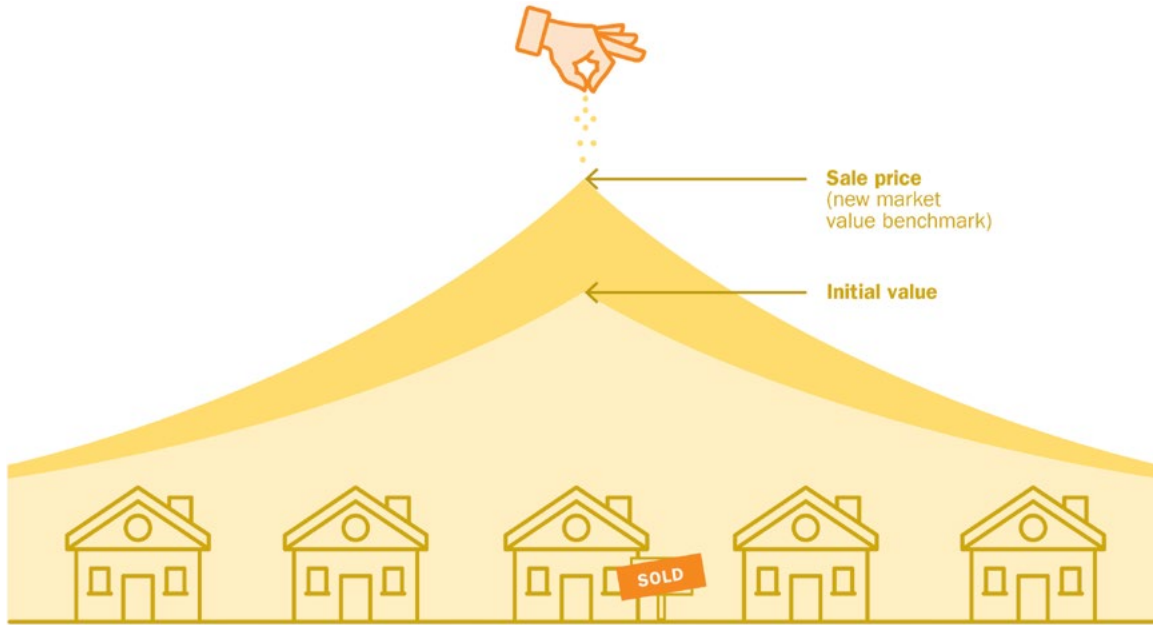
Between 2009 and 2023, home values more than doubled in Québec. Yet of course not every home was put on the market during this period, and the locations of the homes sold don't necessarily share the same features.

The explanation is relatively straightforward: **overbidding is contagious. When overbidding drives up the price of a single unit, it raises the value of neighbouring units too**—because nearby locations share many characteristics. **A high sale price in one spot recalibrates expectations for the surrounding area.**

In other words, the price paid for one home doesn't affect just that home: it reshapes the value of the broader housing stock. And the fiercer the overbidding in a location, the further afield the market feels the effects. **It's like pouring salt:** the more you pour in one spot, the higher the pile grows and the further the base spreads.



THE POURING SALT EFFECT

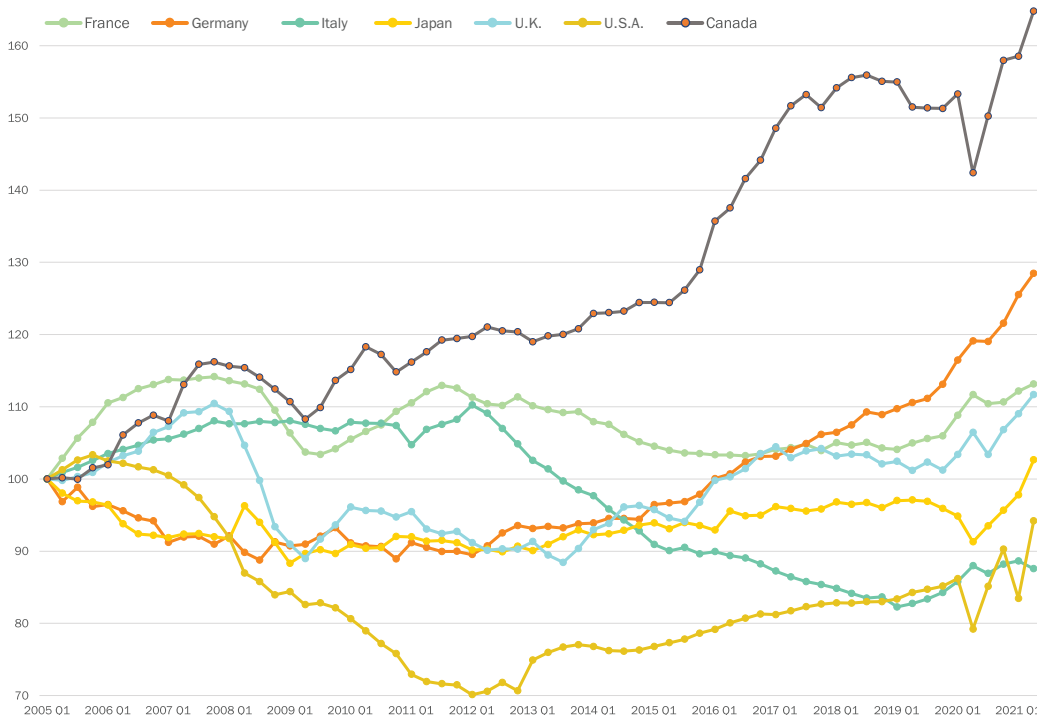


Source: Vivre en Ville.

As the market value of a given unit increases, its increased location value pushes up the market value of nearby units. The greater the value of a single given unit, the greater its ripple effect—impacting a wider radius and a greater number of housing units.

It's not a general increase in population-wide wealth that has led to a general increase in housing prices. Because a single transaction in one location is all it takes to raise the market value for all homes in the area, housing prices across Québec are increasingly being determined by the purchasing power of marginal buyers. In other words, **only those households that can afford to buy a home are setting the prices for everyone else**. This is how home prices have become increasingly decoupled from household incomes—to the point where Canada's house price-to-income ratio now ranks among the worst in the world.

THE INDEXED VALUE OF THE HOUSE PRICE-TO-INCOME-RATIO FOR G7 COUNTRIES



The detachment of home prices from incomes precedes the pandemic. The decline in purchasing power has been especially steep since 2009.

Source: Better Dwelling, 2021.



WHO ARE THESE MARGINAL BUYERS?

Given the widespread decline in purchasing power relative to real estate prices, it would be fair to ask: Why do we allow marginal buyers to exert such a staggering influence on the market, creating a situation where almost no one can imagine buying a home one day? But marginal buyers are not a monolithic group—nor do they necessarily have particularly high incomes!

How is that possible? For one, **households, not individuals, pay for housing**. As a result, the purchasing power necessary to become a marginal buyer is **not solely a function of average income** (Von Bergmann and Lauster, 2023). To take a classic example, four students earning

minimum wage are likely to be in a better position to rent a large four-bedroom unit than an average-income household made up of two parents and three children.

More decisive still is liquidity. In many cases, it's **the wealth accumulated by being a homeowner** that enables a household to buy again. For households that purchased a property several years ago, rising real estate prices translate to significant capital gains at the time of sale. This is how households with a combined total income of \$60,000 can afford to purchase homes valued at \$1 million.

INSIGHT

5

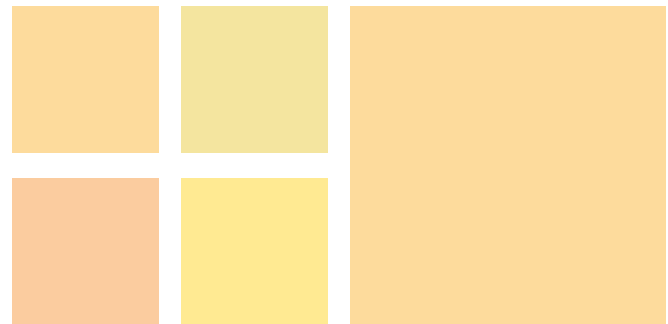
RISING PRICES ARE DISCOURAGING CONSTRUCTION

Conventional market logic dictates that rising real estate prices should lead to a surge in new construction. But this theory is clearly flawed: despite soaring prices in recent years, new housing units are being built at a snail's pace. Why is that?

NEW HOUSING UNITS COMPLETED PER 1,000 INHABITANTS FOR QUÉBEC, BRITISH COLUMBIA, AND ONTARIO 1971-2021



Source: Canada. StatCan, 2023.



The unique characteristics of real estate markets are key to explaining this discrepancy. In most industries, a surge in demand—and concomitant rising prices—serve as a signal to producers of goods or services to ramp up supply. But in housing, increased demand can lead to bidding wars over a location, rather than a good or service. **This distinction is crucial, because landowners are not necessarily developers.** In most cases, they lack both the means and the expertise required to increase the quantity or quality of housing services available to consumers. As a result, developers must first acquire land to develop new units.

Between 1996 and 2021, Canada's real estate markets—despite explosive price growth—consistently underperformed in delivering new units compared to 1971–1995.



A VICIOUS CIRCLE

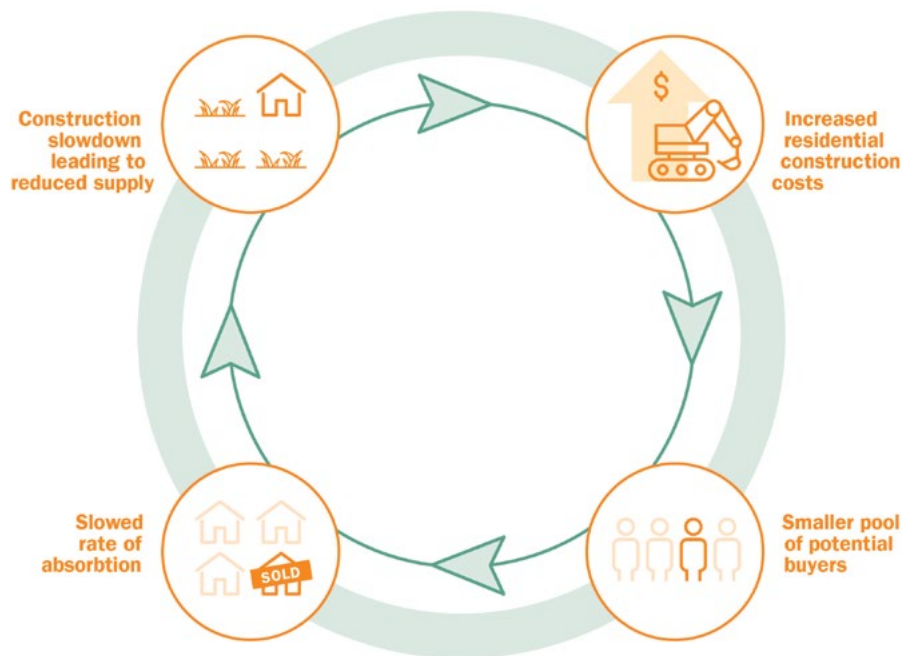
A vicious circle forms: as bidding wars drive up the value of not just a particular plot but also of comparable, neighbouring plots, **the cost of building new housing becomes roughly equivalent to the average price of existing homes in the area.** For example, if the houses in a given area sell for \$1 million on average, neighbouring land with similar zoning—allowing for the construction of similar homes—will also sell for around \$1 million, minus the costs of construction. The monetary value of the land is not inherent but entirely determined by market conditions, and so land prices are highly volatile and responsive. In practical terms, a “positive” feedback loop fuels this vicious circle: **the more expensive the existing homes in an area, the more expensive it will be to build new housing there.**

High construction costs alone do not halt construction activity. After all, the number of housing starts has not dropped to zero, despite skyrocketing costs. But the little housing that does get built increasingly reflects the preferences of those wealthy enough to absorb the costs of construction rather than the needs of the broader population.

Functionally speaking, the households interested in a given unit make up a pool of potential buyers. The size of this pool is directly proportional to the cost of new housing units: there may be a handful of potential buyers for condos listed at \$500,000, but there will be many more prospective buyers when homes are listed at \$250,000. As a result, as construction costs increase, sales forecasts shrink and construction slows down. **No developer wants to build a unit that they won’t be able to sell.**

In short, what drives the pace of construction is not profit per unit but the certainty of sales. Rising housing prices in Québec therefore cause a slowdown in new construction, as the pool of potential buyers shrinks to only the wealthiest households. **In turn, the slowdown in construction further reduces the supply of existing homes with respect to demand, further driving up property values and triggering another loop through the vicious circle.**

THE VICIOUS CIRCLE OF RISING RESIDENTIAL CONSTRUCTION PRICES



Source: Vivre en Ville.

Rather than triggering a construction boom, the escalating prices of existing housing are inflating construction costs, fueling a cycle that directly slows the rate of housing starts.



INSIGHT

6

THE CRISIS IS COSTING EVERYONE

The ultimate paradox of the crisis is this: despite the immense wealth generated by surging property values, we are worse off for housing than we have been for a long time. Housing is a necessity. Since we're all obliged to consume housing services, and prices are growing ever more detached from household incomes, **we are collectively growing poorer.**

Not everyone is feeling the repercussions of this impoverishment—yet. You may be living comfortably and not overpaying if you've paid off your mortgage or have been living in the same apartment for years, without rent increases beyond those recommended by the Tribunal administratif du logement (TAL, Québec's housing tribunal). **Yet a shadow is always looming on the horizon: What happens when you need to move?**

It's no coincidence that Quebecers are relocating less and less. Moving has become a raw deal for nearly everyone: it almost universally means receiving less value for your money. Even if you've just sold your home at an exorbitant price, the cost of a new place is just as outrageous. **Being well-off simply makes you one more marginal buyer.** Today's highly competitive market and limited supply means buyers must spend a fortune for homes that would have been built and sold for a fraction of the cost just a decade ago.

That said, homeownership still provides indisputable advantages. **Households that can't rely on appreciating property values to offset their housing costs bear the full brunt of the widening gap between incomes and the cost of housing.** For tenant households, the situation is particularly dire: in addition to the sharp decline in quality of housing services relative to price, the surging value of their current units leaves them increasingly vulnerable to evictions, repossessions, or steep rent hikes that many struggle to contest.

NUMBER OF PEOPLE AND PERCENT OF THE POPULATION WHO HAVE MOVED, QUÉBEC, 2002-2023

YEAR	NUMBER OF PEOPLE	% OF POPULATION
2001-2002	944,600	12.9
2002-2003	903,900	12.3
2003-2004	954,800	12.9
2004-2005	913,400	12.2
2005-2006	958,300	12.7
2006-2007	900,900	11.9
2007-2008	888,400	11.6
2008-2009	902,100	11.7
2009-2010	925,100	12.0
2010-2011	905,100	11.6
2011-2012	913,900	11.6
2012-2013	864,500	10.9
2013-2014	860,400	10.8
2014-2015	862,600	10.8
2015-2016	870,000	10.8
2016-2017	894,700	11.0
2017-2018	860,100	10.6
2018-2019	841,000	10.3
2019-2020	782,100	9.5
2020-2021	869,900	10.5
2021-2022	762,100	9.2
2022-2023	665,000	7.9
2023-2024	669,900	7.9

Source: Cortellino, F. based on data from the Institut de la Statistique du Québec, 2025.

There has been a sharp decrease in the number of people who move per year. While Québec's population has grown significantly over the past two decades, almost 200,000 fewer people changed their address in 2023 than in 2002.



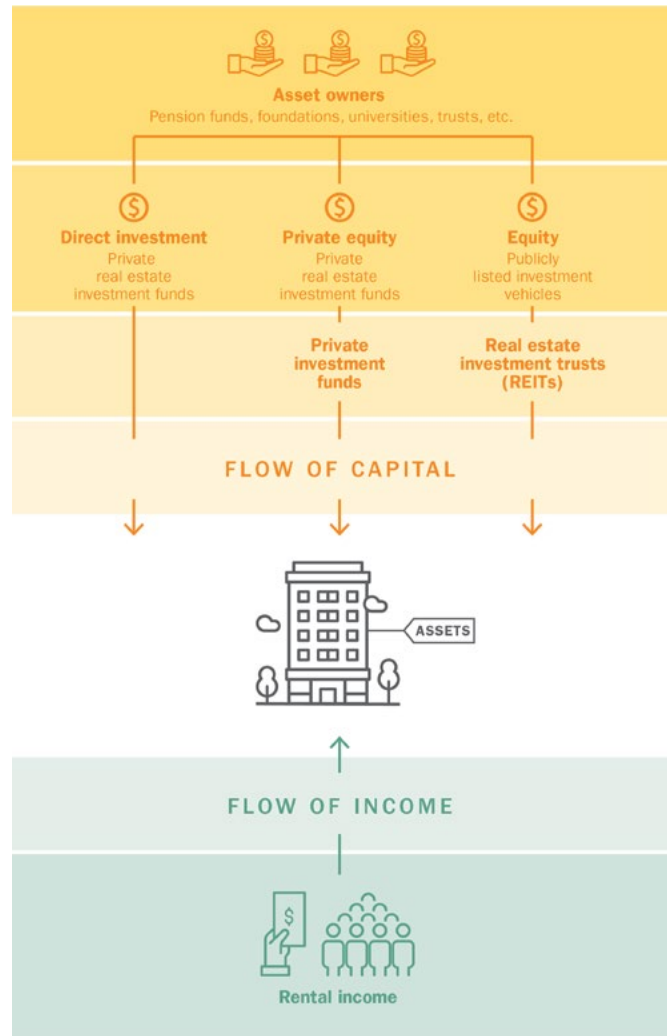
THE GREAT DISPOSSESSION

Housing prices are climbing so high that soon only a small fraction of households will realistically be able to consider homeownership. This increasingly exclusionary market is **driving dispossession**. When the ability to access land becomes contingent on financial means, it becomes out of reach for many. And so, we must ask: Who will have the means to acquire it, and at what price will they sell it back to us?

Housing is fast becoming a wealth-extraction machine, with rent siphoning ever-larger sums from the pockets of Quebecers. There is no shame in renting. But when renting becomes the only option for everyone, it signals a greater problem: we as a society are no longer able to provide housing for ourselves. As housing oneself is a consumer transaction, **it's crucial that we retain the ability to choose the service we're consuming: namely, where and how we live**. Without this choice, and without the ability to demand better, we lose our freedom, dignity, and capacity to fulfill our potential. This is the true cost of the housing crisis. And sooner or later—if not already—everyone will be forced to pay the price.



THE VALUE OF REAL ESTATE ASSETS



Source: Vivre en Ville, based on SHARE, 2021

The value of real estate assets is tied to their operating income: namely, the revenues they can generate through rent. As rents soar, the value of existing real estate assets astronomically increases and new construction slows. This ultimately creates a situation where no one can afford to acquire real estate, and must consume the limited housing services available as tenants rather than providing these services to themselves.



SUMMARY: WHAT DOES SUSTAINABLE AFFORDABILITY LOOK LIKE?

When we combine all these insights, we can grasp not just the shape but the inner workings of the crisis. Housing oneself means consuming a service whose market value is largely determined by competition between buyers. As a growing number of households vie for a shrinking supply of units, a vicious circle forms and repeats—until almost everyone is stuck in overpriced housing they can't afford to leave. To break the cycle, **we need to envision an alternative: a housing system that truly serves everyone, and their freedom and dignity.**

As rising prices are at the root of the crisis, lowering them is the obvious solution. But since everyone needs housing, we will have to do more than cap certain prices or set a rent ceiling for a portion of the housing stock. After all, low prices attract more buyers, leading to more competition.

Real, lasting affordability can only be achieved on a far broader scale. Affordability isn't an issue of individual units; **it is a characteristic of the market as a whole. Affordability means everyone, whatever their income, can house themselves with dignity and exercise choice in where they live.** In concrete terms, the housing market grows more affordable when purchasing power outpaces the cost of housing services. And it's achieved only when every household, regardless of income, can easily find adequate housing for their needs in a given place. **Affordability is only sustainable when it serves everyone.**

WHAT SHOULD WE DO IN THE MEANTIME?

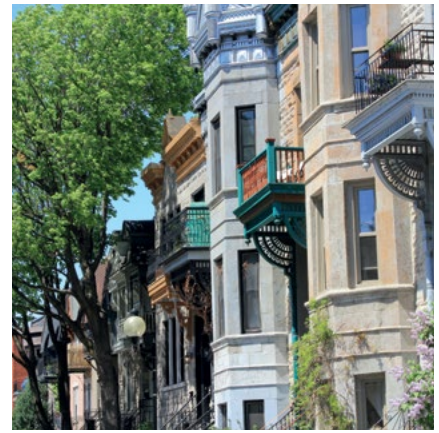
It will take transformative measures to reshape prices across the entire housing market and create universal affordability. In the meantime, the crisis is hitting the least wealthy the hardest.

We must not hold back on taking other actions pending structural change. **It is imperative that we subsidize community and social housing to protect the most vulnerable from extreme hardship and becoming unhoused.** But it would be a mistake to attempt to solve our problems by providing low-cost units to only some households—which would be akin to providing a select few with a life raft and leaving everyone else on a sinking ship. This is true for at least two reasons. First, people with limited means deserve to choose where and how

they want to live; restricting their options to subsidized housing deprives them of this freedom. Second, the need for affordability extends beyond the most vulnerable. Housing is a necessity and a mandatory expense: no one wants to overpay for it. Given that fact, there is no way to determine who deserves a deal, and so we propose we stop trying. **The need is effectively infinite, and so the solution must not be to ration it out but to universally extend it.**



WHAT YOU NEED TO KNOW ABOUT HOUSING SUSTAINABILITY



Our climate policies are also housing policies. We want to protect the climate so that we can live in safety.

Who doesn't like sustainable things?

It's generally taken as a good sign when you pick up a product in a store and notice that it's labeled sustainable in some way. Whatever the real value of phrases such as "made from recycled materials," "locally designed," or "carbon neutral," many goods and services use sustainability as a selling point and indicator of quality. It wouldn't be so common if it didn't work, which suggests that a **good portion of the population values sustainability.**

But despite our affection for things touted as sustainable, we seem to overlook sustainability in one essential aspect of our lives: the buildings we live in, and more broadly, the neighbourhoods they make up. How can we extend our pursuit of sustainability to the places we inhabit?

The challenge is to go beyond the obvious and **consider both "life cycles" and various regional scales.** One might assume wood to be more environmentally friendly than cement, but is a wood-frame house necessarily more sustainable than a concrete building? Sustainability can't be reduced to a single factor, building, or piece of land. **It is a systemic characteristic:** when a system's components and dynamics are adaptable, able to withstand blows, and built to last, we understand it to be sustainable.

We have everything to gain by expanding our understanding of sustainability, especially if we want to meet the social and environmental challenges ahead. To go beyond the conventional understanding of the issue, we offer a series of original, fact-based insights. They're intended to provide you with **what you need to know about housing sustainability** and to guide us all in making concrete, sustainable progress towards solving the crisis.

INSIGHT

1

OUR SAFETY DEPENDS ON PROTECTING THE ENVIRONMENT

To meaningfully address sustainability, we must first recognize that it's above all a question of scale. Every object, no matter how sustainable, depends on the stability of its environment. Evidence abounds: in recent years, extreme climate events have shown that the **purported sustainability of components of our built environment does not shield them from catastrophic failures or breakdowns. When a flood comes, it doesn't discriminate:** energy-efficient houses, electric vehicles, and organic vegetables are washed away just like their less eco-responsible counterparts.

Protecting the environment is the cornerstone of any safe neighbourhood. There's no point in transforming the housing system if we don't ensure that our ecosystems are resilient and our climate as stable as possible.



LOSING GROUND

The threats of climate change are not limited to a global scale. Climate change is already wreaking havoc on our local environments and neighbourhoods, and we are steadily losing ground.

The danger is immediate. According to the Insurance Bureau of Canada, insured weather-related losses reached an all-time high of \$8.55 billion in 2024, surpassing the previous record by more than \$2 billion. What's more, the past three consecutive years (2022–2024) all rank among the top five costliest years for damage caused by severe weather events (IBC, 2025). Without major efforts to adapt our built environments and to restructure our activities in pursuit of sustainability, we will find ourselves standing before an unfathomable and ever-growing pit.

COSTLIEST YEARS IN TERMS OF INSURED SEVERE-WEATHER LOSSES (IN 2023 DOLLARS)

RANK	YEAR	LOSS (\$ BILLIONS)	NOTABLE SEVERE WEATHER EVENTS
1	2024	8,55	Calgary hailstorm, Jasper wildfire, remnants of Hurricane Debby, Greater Toronto Area (GTA) floods
2	2016	6,20	Fort McMurray, Alberta, fire
3	2013	4,03	Alberta floods, Greater Toronto Area (GTA) floods, GTA ice storm
4	2022	3,61	Multiple events
5	2023	3,61	Nova Scotia floods, Okanagan and Shuswap, BC, area wildfires
6	1998	2,94	Quebec ice storm
7	2021	2,56	Calgary hailstorm, British Columbia floods
8	2020	2,52	Fort McMurray flood, Calgary hailstorm
9	2018	2,49	Multiple events: Ontario and Quebec rainstorms and windstorms
10	2011	2,05	Slave Lake, Alberta, fire and windstorm

Source: IBC 2025.



INSIGHT

2

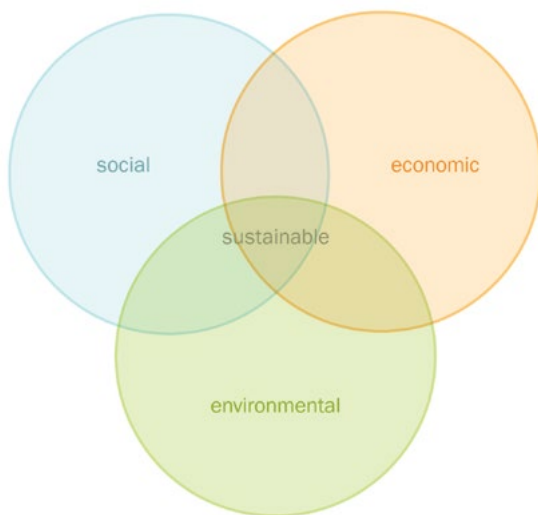
SUSTAINABLE DEVELOPMENT PROTECTS HUMANS, NOT THE PLANET

But does protection alone make a living environment sustainable? Clearly not. As a society, the point of adopting sustainability policies is inevitably to ensure that we can sustain, and even expand, our current activities. If the point were to free the planet entirely from the burden of humankind, these policies would advocate ending human society altogether. **It logically follows that we must consider both the environment and humankind when reflecting on sustainability.**

This is nothing new. The historical definition of sustainable development is based on taking into account the needs and limitations of complementary spheres. For our purposes here, it offers a good starting point.

Let's briefly take a closer look at conceptions of sustainability before returning to housing. The historical model of sustainable development clearly shows that **sustainability exists in the overlap between three essential spheres of human societies.** No one sphere alone can support the development of a sustainable living environment.

THE HISTORICAL MODEL OF SUSTAINABLE DEVELOPMENT



Source: Vivre en Ville, based on Purvis et al., 2018.

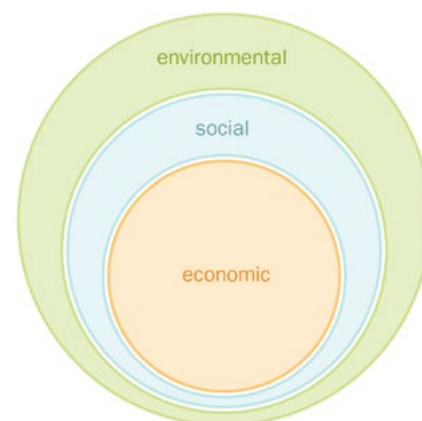
Sustainable development is achieved at the intersection of the environmental, social, and economic spheres.



Sustainable living environments are characterized by social and economic systems that, together with a healthy environment, support meaningful human activity and its potential. **They allow the people living in them to exercise their freedom and preserve their dignity in a way that respects the limitations of ecosystems.**

Over time, changes were made to this sustainable development model to give greater weight to environmental limitations. After all, our capacity to form viable societies is shaped by the limitations of our environment. More recent models highlight that **it is a healthy environment that enables a society to conduct economic activities,** and not the other way around.

THE CURRENT MODEL OF SUSTAINABLE DEVELOPMENT



Source: Vivre en Ville, based on Future Fit Foundation, 2019.

The current model nests the three spheres of sustainability. By structuring the spheres hierarchically, this model acknowledges that social and economic activities are subject to their environment. Efforts to improve our economy and our society are therefore efforts to recontextualize them within the ecosystems on which they depend.



INSIGHT

3

A SUSTAINABLE HOUSING SYSTEM AVOIDS DEFICITS

It is virtually impossible to maintain a system that has structural deficits without first addressing them. Otherwise, any efforts invested will be lost, seeping out through these cracks in the foundation and structure. If we are to improve our environment, our society, and our economy, we must first stop squandering them!

Our housing system is riddled with cracks through which essential resources leak out.

THE DEFICITS OF OUR HOUSING SYSTEM GO BEYOND THE FINANCIAL

Reducing our living environments to dollars, measurements, and calculations is clearly an imperfect exercise: they are not equivalencies that can be placed on the same scale. But the fact remains that these metrics are essential for grasping where we stand, where we're losing ground, and the shortfalls we have to make up for. **We cannot improve that which we do not measure.** It's time to take stock of our environmental, economic, and social deficits.

ENVIRONMENTAL DEFICITS

If our ways of life guzzle up non-renewable natural resources, then it logically follows that we'll eventually run out of them. As the environment is the foundation of any society, its limitations are the most absolute of all. **Any decline in our ecosystems threatens the long-term viability of our living environments.**

ECONOMIC DEFICITS

Our housing system and communities can't be sustainable if the cost of maintaining them exceeds the wealth they generate. Balances, however, must be assessed on a supralocal scale, as some land use patterns mean certain places experience chronic deficits—for instance,

small, remote communities, due to the costs of the road infrastructure serving them. **The sustainability of a given society is not defined by the self-sufficiency of each of its components but through solidarity and resource-sharing.**

SOCIAL DEFICITS

It's not a "living" environment if there's no life there. If the place where you live doesn't foster and sustain human activities like culture and employment, then **it suffers from a social deficit.** If these activities aren't accessible to everyone, then that deficit deepens. **The sustainability of a living environment depends on the meaning that its residents create and share.**

INSIGHT

4

SUSTAINABILITY ALSO MEANS EFFICIENCY AND FRUGALITY



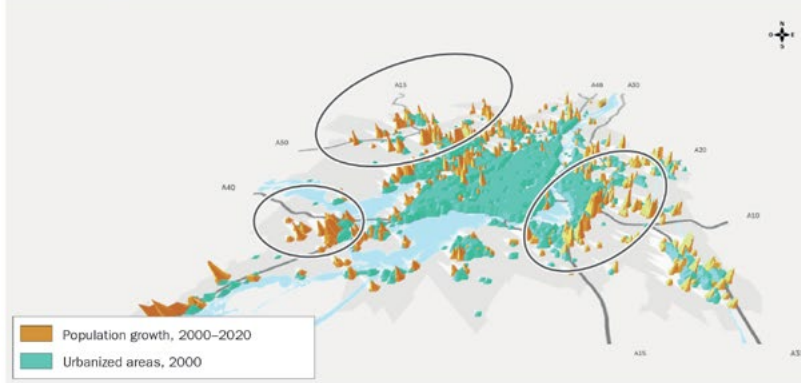
The land we live on is our shared home, and it is finite. We need land for our dwellings and to grow and produce our food. Not preserving the functionality of our ecosystems would mean rushing headlong into disaster. Yet our consumption of space costs us dearly in many other ways.

Nothing costs a society so much as urban sprawl. While many are aware of the problem, we often fail to grasp the extent to which **sprawl is a deficit-generating machine.** If we simply try to keep the ship afloat—adopting superficially green measures, attempting to make every car on the road an electric vehicle—we fail to address the root problem.



POPULATION GROWTH AND HOUSEHOLD TRANSPORTATION EMISSIONS IN MONTRÉAL (2000–2020)

Population growth



Household emissions



Sources: Shiab and Bouchard, 2022; Vivre en Ville, based on M. Hatzopoulou in Québec. ASSSM, 2014.

Much of Québec's population growth is taking place in areas where habitation necessarily comes at a deficit.

Urban sprawl is driven by a combination of urban, cultural, and economic factors. Individual households can't be expected to dismantle a system that has been in place for decades—nor can we hold them responsible for these failures. We must nevertheless acknowledge that **we as a society are creating residential capacity in places where the mere fact of living there generates social, economic, and environmental deficits.**

It follows that **the path to sustainability necessarily involves exercising restraint in our land use—both using less and using it more efficiently.** To achieve this, planning efforts must pursue two complementary goals: developing a new and sustainable built environment and improving the one we've inherited.

A DUAL OBLIGATION: NEW, IMPROVED CONSTRUCTION AND RENOVATION

A familiar debate frequently comes up in discussions of sustainable real estate: should we prioritize high-quality new construction or redevelop and renovate existing buildings? This quandary tends to trap us in a false dilemma rather than help us make better decisions. We of course must do both. That said, while there are lessons and synergies common to the two approaches, **new construction and the renovation of aging built environments come with different challenges**, so we will address them separately here.

New construction holds a promising future. It's easier to build sustainably when starting from scratch: **while existing structures are generally burdened with constraints, new construction allows us to aim for excellence across the board in terms of location, environmental performance, climate resilience, and more.** Moreover, contrary to popular belief, sustainability and affordability are not incompatible. For instance, the adoption of the Toronto Green Standard has not led to a slowdown in housing starts in the city (Wiseman, 2024). Furthermore, a British Columbian study compared the construction costs of high-performance buildings to average construction costs and their results are

unequivocal: there is no clear correlation between cost and energy efficiency (BC Housing, 2024). Such efforts to build sustainably are essential. After all, today's new buildings are tomorrow's aging stock: **correcting mistakes later will be far more time-consuming and costly than avoiding them from the outset.**

Fixing the mistakes of the past, however, remains the bulk of work required to maintain our existing housing stock, which is already showing deficits. Even then, it must be said that recognizing a shortfall doesn't necessarily make the next steps obvious, because **each building comes with its own unique needs and often unpredictable constraints—a surprise package of challenges, of sorts.** But addressing them will enrich us, regardless of the price tag attached: compared to new construction, even major upgrades consume less fossil fuels, use fewer new materials, and produce less waste (Écobâtiment, 2024). Through deep energy retrofitting, making upgrades to increase climate resilience, and redeveloping underused buildings, it's possible to both fill in the cracks in our existing structures and reimagine our living environments, while revitalizing structures that were once integral to our cities and towns.



INSIGHT

5

ENERGY IS EVERYTHING

If exercising restraint in our land use holds so much promise, it's because it directly addresses one of the main factors compromising the health of our environment, society, and economy: our ever-increasing energy consumption, be the source fossil fuels or renewables.

All the activities that allow us to live and to thrive consume energy in one way or another. It takes energy to grow the food we eat, to heat and light our homes, to get us to work or to a restaurant, to manufacture and transport cement, and then to use it to build roads and buildings. The development of our modern societies has been driven by 200 years of fossil fuel exploitation. And we remain highly dependent on these fuels, **even in Québec: half of the energy we consume in the province comes from fossil fuels, mainly imported from elsewhere in North America** (HEC Montréal, 2025). The future of our society depends on energy sources that can support our activities without generating structural deficits.

If the way we produce, transport, and consume energy contributes to the destruction of the environment, while being insufficient to meet the demand of our social and economic activities, there are likely two underlying reasons. It's true that the use of non-renewable and greenhouse gas-emitting energy directly harms our environment, and that they must be replaced by cleaner energy sources. But it is equally true that, in the grand scheme of things, **we simply consume too much energy**. If we don't address our overall energy expenditure, producing renewable energy will not be enough to replace fossil fuels, nor to close the other holes in our system.

To be clear: in calling for us as a society to reduce our energy demand, we're not calling for decreasing our production of goods or services, leisure time, or overall quality of life. **The most glaring issue is not the scale of human activities that require energy but how much of the energy ends up wasted or used inefficiently.**

THROWING OUR ENERGY OUT THE WINDOW

Heating is a necessity in a place where winter temperatures can, without exaggeration, kill a person. But poor insulation and inefficient electrical baseboards are major issues in Québec.

Our current situation stems from riches we once took for granted. Québec produces an enormous amount of renewable energy, which is sold to residential customers for less than what Hydro-Québec establishes as its cost of production. As our electricity was plentiful, we generally weren't looking to reduce our consumption, assuming we'd never run out of it. Then, in 2021, Hydro-Québec announced that the days of electricity surpluses were over. In its *Action Plan 2035*, the public utility cited the need to add 60 terawatt-hours of electricity by 2035. Yet, with relatively simple insulation and sealing upgrades, **we could save 11 to 15 terawatt-hours in the residential sector alone**—nearly double the annual output of the Romaine hydroelectric complex (APCHQ, 2023). That's how much energy we're literally throwing out the window!

Optimal land use is closely linked to optimal energy use. When destinations are close to each other, we spend less energy travelling between them. When homes are flush with each other, we don't have to heat two exterior walls. When buildings are compact and well laid out, you can do more with fewer material resources, using less energy. **Being frugal in our land use curbs our squandering of energy, in addition to strengthening our social and economic fabric.**



INSIGHT

6

MAINTAINING THE STATUS QUO COSTS MORE THAN CHANGE

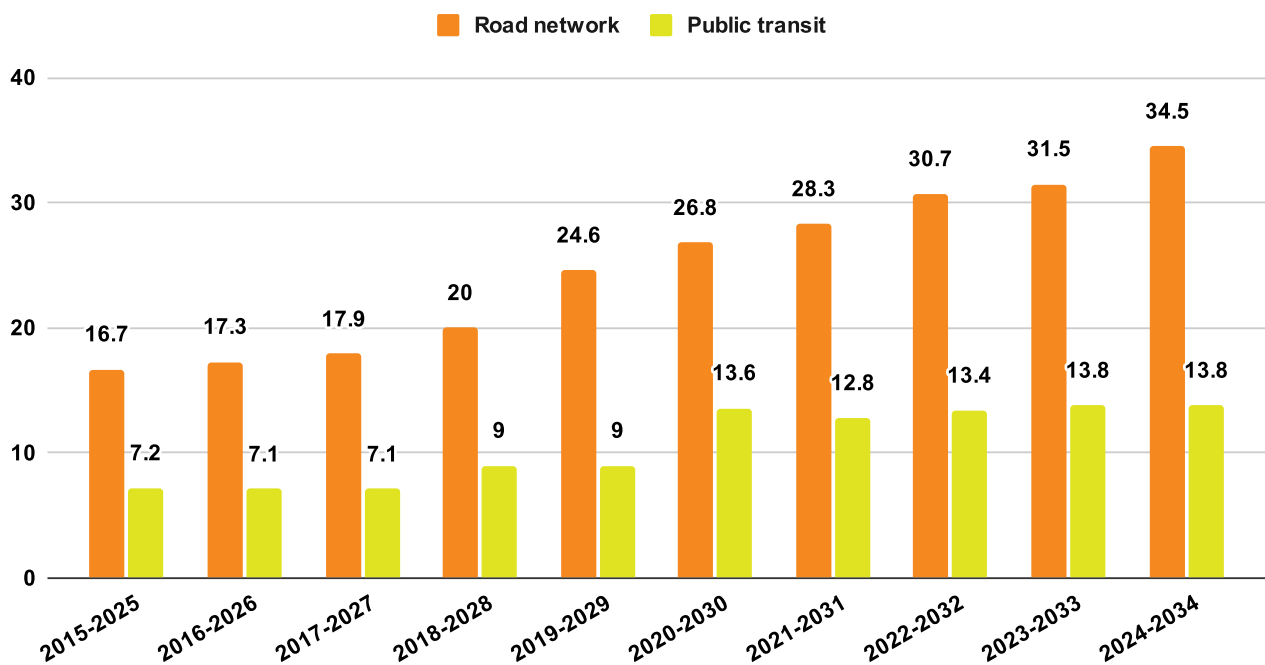


All these insights paint a stark portrait of our current, difficult predicament—but they also show that we have the power to change it. We are incredibly lucky to live in a world where change is still possible. If the path we're on is leading us to a dead end, we don't have to keep going. **Nothing forces us to see our failures through to their bitter end.** But changing course means making the necessary investments—in time, money, energy, discipline, and solidarity—to shift our systems out of their inherited inertia.

The idea of making investments at a time when we need to be tackling our deficits may seem counterintuitive. Isn't a lack of financial resources part of what makes our sustainability challenges so daunting? But we must recall that **we are currently spending astronomical sums just to maintain the status quo.** Closing our shortfalls is not a matter of magical thinking or printing imaginary money, we simply need to take a new approach in our collective and individual choices. **We're not lost—we need only to switch tracks.**

THE BOTTOMLESS PIT OF ROAD INFRASTRUCTURE SPENDING

Investments provided for under the Québec Infrastructure Plan (\$ billions)



Source: Québec. Secrétariat du trésor, 2024.

Under constant strain from climate change and the ever-growing number of cars on the road, Québec's road infrastructure is guzzling up staggering amounts of material and financial resources. Just maintaining our existing infrastructure is costing us a fortune.



SUMMARY: WHAT DOES AFFORDABLE SUSTAINABILITY LOOK LIKE?

These insights enable us to draw up a roadmap out of the crisis. As all human activity depends on protecting our environment, it is imperative that we fully grasp the scale of the challenges we face and take a systemic approach in addressing them. Many complementary measures can help create and maintain a sustainable housing system. By focusing our attention on our system's structural deficits, we can begin to see the contours of a sustainable, livable alternative.

The system we envision for the future **makes optimal use of the land by exercising restraint**, and in so doing preserves essential ecosystems, reduces our exposure to the risks of natural disasters and climate change, curbs our energy demands, makes our infrastructure cost-effective, minimizes disturbances, and improves human health. It incorporates passive design strategies to reduce energy consumption,

applies life cycle analysis in selecting materials and construction methods, and opts for management systems that make efficient use of resources. Its buildings provide residents with comfortable, safe, and quality **living environments that foster social connection and solidarity**.

The scale of these transformations may feel overwhelming. But we can only carve out a path toward a truly sustainable housing system if we collectively choose to change course. We must not make the mistake of believing that these investments are too expensive when in fact, **we can't afford not to act**. The cost of maintaining the status quo far exceeds the sums needed to establish a truly sustainable system. **Only sustainability is affordable.**



UNLOCKING THE **FOUR DOORS** TO SUSTAINABLE AFFORDABILITY

The twin crises of affordability and sustainability are ingrained, systemic, and inherently complex. **But they are not unsolvable.** And they are not inevitable. The title *OPENING DOORS* reflects the idea that a sustainable housing future is within reach—but only if we rise to the challenges before us. It also nods to “open door” policies: we welcome the input and ideas of *everyone* in our communities. Together we can best explore the realm of possibilities beyond these currently closed doors.

If we peer over the fence, we can see that **there are ways out of this crisis.** We can see price trends where household purchasing power is keeping pace with property prices. There are lots of places in the world **where prices are not soaring**, where construction in sustainable communities is both feasible and accessible, and where speculation isn’t pushing households to live further away from jobs and essential services. These places can serve as a practical source of inspiration to guide our efforts toward **a more affordable housing future.**

We can see the finish line on the horizon. With better walkability, cheaper rents, real options for residential mobility, and a growing economy, our time could be freed up for leisure, rest, and education. Our energy could be channelled into entrepreneurship, the arts, and volunteering. Our money could be used to support local shops, local food networks, and cultural activities.



Unexplored potential awaits on the other side of these doors. **Who would we be if we had more time and more money?** How would we look after our children, the elderly, our neighbours, and our friends if we weren’t fighting to survive? What would we build if we had the means to fulfill our ambitions?

We don’t have to answer these questions with our own hypotheticals—we can answer with our actions. **We have the power to become the people we want to be.**

THE FIRST DOOR: PLAN AND SUPPORT AN ABUNDANT SUPPLY IN SUSTAINABLE COMMUNITIES

Scarcity is at the shared root of our affordability and sustainability problems. Insufficient housing stock forces households to compete to live in quality living environments, effectively **tying all property values and rents to the purchasing power of the wealthiest.** In turn, inadequate investment and limited coordinated collective action on sustainability **expose the entire population to the environmental, social, and economic risks** of climate change.

Households often struggle to access well-planned communities simply because **there aren't enough homes in those areas.** It's a simple truth that can't be overstated: you can't live under a roof that doesn't exist. This means that if we are to house the entire population in suitable communities, **we need to plan for and sustain an abundant housing supply within these communities.**



THE RESIDENTIAL CAPACITY OF COMMUNITIES

In sum, we have to build the spaces we need. Like any major undertaking, this will call for significant efforts. However, while some of the more complex challenges we're facing lack clear solutions, the answer here is plain. We can address the overwhelming trends of scarcity and inadequacy by **choosing to transform housing to make it accessible to all.**

That said, even if we stood poised with our shovels and hammers at this very moment, there would still be two major obstacles to breaking ground: **inadequate infrastructure and regulatory constraints.** If we can't supply a home with water and energy, we can't make it habitable; if we can't build a home because zoning bylaws prohibit it, no one will ever live there. In a way, the regulatory environment and infrastructure quality form the soil in which we must **sow the future of our communities.** Together, these two limitations set the **residential capacity** of our communities.

Despite the enormity of the task, we have good reason to be optimistic: **we know what needs to be done.**



PAYING OUR INFRASTRUCTURE DEBT

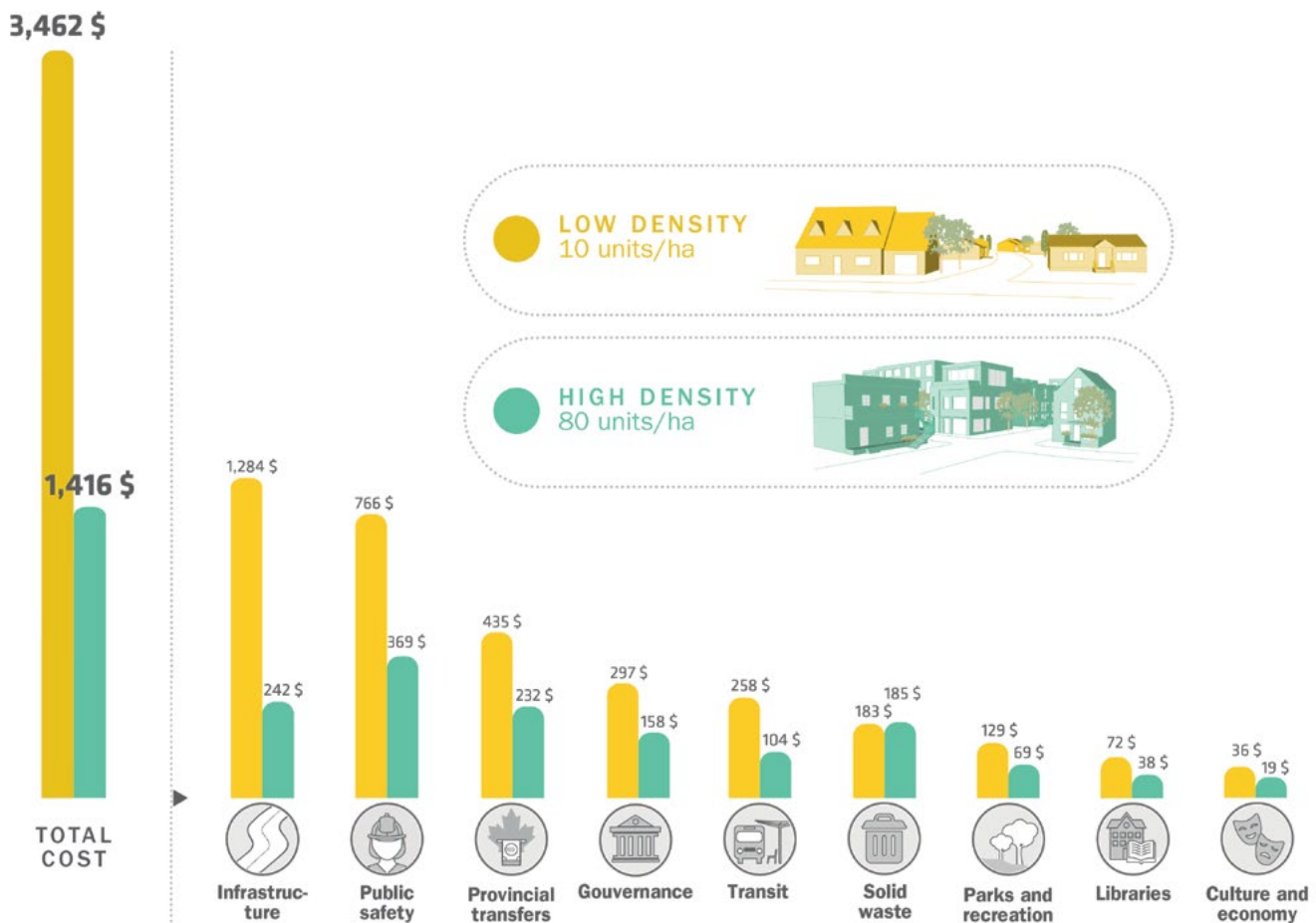
The infrastructure that makes our municipalities livable is too frequently stretched to its breaking point. Beyond requiring maintenance, it is already at capacity when it comes to installing new service lines or accommodating more users. Upgrading this infrastructure and enabling new construction comes with a staggering price tag: **tens, if not hundreds, of billions.** Even the most proactive municipalities simply do not have the financial capacity to take this on alone.

Funding therefore needs to come from higher levels of government. Yet, this capital is not readily available from either Ottawa or Québec City. **The only realistic source of this capital is debt.** But rather than seeing this expense as an unfortunate liability, we propose reframing it as a strategic exchange: **replacing our growing infrastructure debt with a financial one.**

Not all debt is equally costly or difficult to repay. Our deficits in green spaces, drinking water supply systems, roads, rail infrastructure, and electrical and communication lines are already costing us our health, our dignity, and our freedom. We need to acknowledge that material debts and financial debts are not equivalent. **Finding the funds to pay off our investments in our future is easier than building our future on crumbling foundations.**

The interest we're currently paying on our infrastructure debt far exceeds the interest we would pay to support an abundant supply in sustainable communities. Despite understandable concerns about public debt, **it is necessary to solve the crisis.**

MAXIMIZING THE VALUE OF INFRASTRUCTURE INVESTMENTS



This example is based on the premise that services are distributed evenly across the region and offer equal levels of quality. The amounts are taken from an analysis produced in 2013.

Source: Vivre en Ville, based on data from the Smart Prosperity Institute, 2013.

As reported by the Smart Prosperity Institute, the apparent affordability of homes built in sprawling developments conceals their true costs, which are paid for through a multitude of direct and indirect government subsidies.

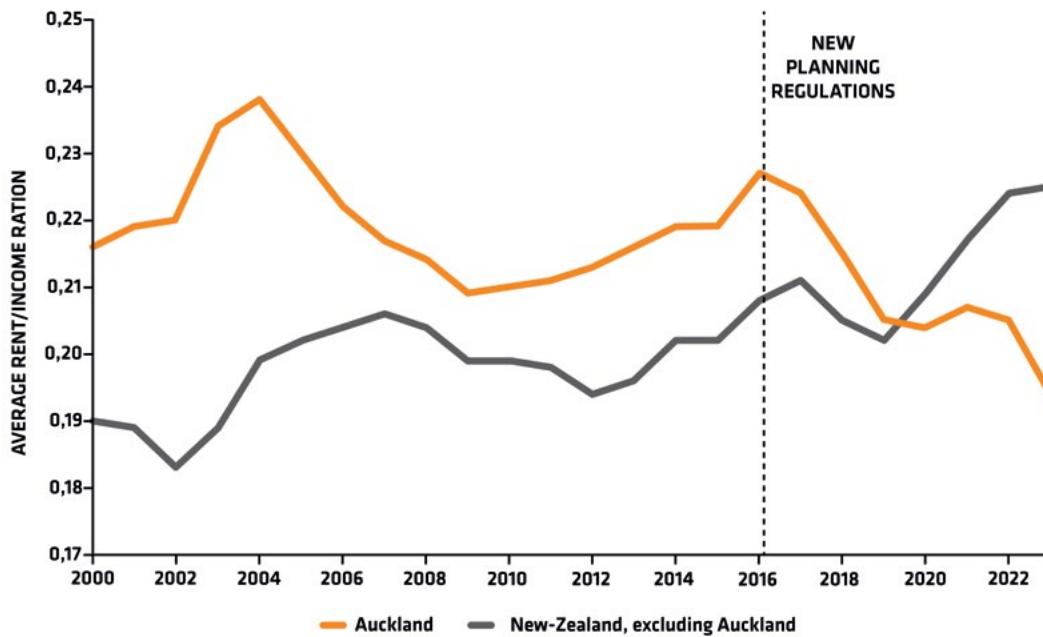


MAKING SPACE FOR CHOICE

Once the infrastructure is in place, **the physical capacity of our communities expands.** Utility connections and the built environment are what make a place habitable. That said, even when construction is physically feasible, it's not always legally permitted. If infrastructure is the foundation of our housing stock, regulations and bylaws are the ceiling. Regardless of how much funding is available for a site or what utilities are available, it's **bylaws that determine whether we can build there.** The population is stuck beneath a regulatory ceiling that is far too low. **Québec's residents are bending over backwards to live wherever they can, not where they want to.**

It doesn't have to be this way. Laws and regulations are not constraints set in stone; they are **tools.** These tools are currently maintaining a critical housing shortage by keeping residential capacity well below the real potential of our communities. That said, regulations are always designed to serve a purpose—they are **a means to an end.** It is essential to recognize that all this **can change.** We wrote these laws and regulations, and we can **rethink them, rewrite them, and transform them to raise the ceiling of what is possible** in sustainable communities. We don't have to accept the regulatory legacy we've inherited.

THE EFFECT OF NEW ZONING REGULATIONS ON RENTS IN AUCKLAND



Source: Maltman, 2024, based on data from the New Zealand Government, 2023.

Following the adoption of new planning regulations explicitly favouring higher densities and lower minimum floor areas, the City of Auckland has seen an unprecedented surge in new housing starts, coupled with a marked reduction in median rents. Interestingly, these same trends have not been observed in the rest of New Zealand, meaning they are probably a direct result of these regulatory changes.



PLANNING FOR AFFORDABILITY AND SUSTAINABILITY

These joint efforts will make it possible for us to live in Québec with dignity as soon as possible. But how can we ensure we don't fall back into a housing deficit over the long term? Are we truly safe from repeating the mistakes that brought us to this point?

More than anything else, we need to raise the bar. **Sticking to the bare minimum keeps us in a precarious balancing act, in which we can all too easily lose our footing.** It's time to plan measures that go beyond our immediate needs and that allow us to support **communities resilient to demographic,**

economic, environmental, and social shocks. Planning for affordability and sustainability means creating more places to live than there are people, in a way that uses less land and energy than our most stringent current standards. **The answer to scarcity is not sufficiency—it's abundance.** We need to give ourselves the space required to make this vision a reality.

FINDING THE RIGHT ANSWERS

OPENING DOORS contains much of what we need to know and do to lead Québec out of the crisis, but we must emphasize that this document alone is enough. Setting up task forces and commissions of inquiry is a tried and tested method for finding the right answers.

For example, in the middle of the last century, the displacement of rural populations toward industrial and urban centres worsened existing problems, such as unhealthy living conditions, overcrowding, and housing shortages. This led to the creation of the *Commission d'enquête provinciale sur le problème du logement* [the Provincial Commission of Inquiry into the Housing Problem] in 1949, now known as the Commission Gingras. Its mandate was to provide an overview of the housing situation in Québec, survey the needs of municipalities, set out the measures required to solve the problem (most notably examining accelerated construction), facilitate access to housing for families with modest incomes, eliminate slums, and propose a model of governance and collaboration for housing sector stakeholders. The report, published in 1952, explored ways of facilitating access to building materials and encouraging the development of community housing.

More recently, the Ontario government set up the Housing Affordability Task Force. Made up of Ontario industry leaders and housing experts, the task force studied the causes and effects of the crisis and produced 74 recommendations. These include reviewing the legislative framework for land use planning, permitting modular construction strategies, and producing more quantitative housing data. These proposals have been received by the government and are now in various stages of implementation, with a publicly available progress tracker online. Given the scale of the work ahead of us, comparable efforts should begin in Québec as promptly as possible.



KEY SOLUTIONS FOR PLANNING AND SUPPORTING AN ABUNDANT SUPPLY IN SUSTAINABLE COMMUNITIES



1

ESTABLISH MINIMUM DENSITIES NEAR ESSENTIAL INFRASTRUCTURE

Public transit is critical infrastructure for optimizing energy, resources, and space. Maximizing residential capacity in well-served areas is key to making this mobility option accessible to as many people as possible. Ensuring minimum levels of density within a given radius of essential infrastructure will help open these doors. People should be able to live car-free if they choose to.

MINIMUM DENSITIES IN TOD AREAS IN BRITISH COLUMBIA

To ensure that public transit services are used and economically viable, British Columbia has imposed a number of rules and requirements on its municipalities applicable to designated Transit-Oriented Development (TOD) Areas.

In addition to reducing or eliminating parking space minimums, municipalities must permit building types, densities, and heights that meet provincial design standards within TOD Areas. TOD Areas are separated into tiers, with higher or lower density requirements based on the capacity of certain infrastructure or facilities, like train stations and bus terminals. For example, municipalities cannot set the minimum allowable height at less than 12 storeys, or the floor area ratio at less than 4.0, within 200 to 400 metres of a transit station.

2

INCREASE THE RESIDENTIAL CAPACITY OF SUSTAINABLE TOWNS AND CITIES IN TERMS OF INFRASTRUCTURE

Infrastructure is the only real limitation to a region's residential capacity. To create and maintain a residential capacity that meets the population's need for affordability and our communities' needs in terms of sustainability, a colossal effort is required to develop roads, piping and wiring, and public facilities. While the price tag may seem prohibitive, we have to remember that it will be easier to find the money to pay for these investments than it will be to live without water and electricity. We need to roll up our sleeves and get to work.

FRANCE'S SOCIÉTÉ DES GRANDS PROJETS

The French government established the Société des Grands Projets as part of the Grand Paris Express, the largest public transport project in the country's history. What makes this public body so innovative is its autonomy: it can plan a 20-year budget and manage its own cash flow without relying on subsidies from the French government. Its independence gives it both a clear mission and substantial resources.

Although the first project is in the Paris region, the Société des Grands Projets is set to operate throughout France. The expertise and experience it will bring to complex, structuring projects could serve as a model for addressing the challenges we face.



3

IMPLEMENT TAX POLICIES TO DISCOURAGE SPRAWL

Without banning certain individual behaviours or choices outright, we can shape collective outcomes by fully leveraging tax tools. We must start by assigning a fair price to practices that generate collective deficits. Introducing new taxes that put more of the financial responsibility for costly choices on users is an effective way to do this. These taxes can take various forms but should be designed and implemented to serve a common purpose: to discourage sprawl and encourage construction in locations that make sense. Now is the time for discerning and bold action.

NEW YORK CITY'S CONGESTION PRICING

Since January 5, 2025, an automatic road congestion charge has been in effect in designated zones in and around New York City. In concrete terms, any vehicle captured by the City's many cameras in these areas is billed about \$9 USD per day. The fee varies depending on the type of vehicle and time of day.

This program clearly and deliberately discourages solo car use. It's a fiscal tool that dissuades environmentally harmful behaviour, without banning it outright. Measures like these can significantly influence real estate markets, as they directly affect how households value features that are either costly or beneficial to the community as a whole—like parking spaces or proximity to bus stops.

4

TARGET A 7% VACANCY RATE IN URBANIZED AREAS

To ensure fair access to complete communities—and the dignity of being able to choose where to live—there needs to be more housing units than households. A 7% vacancy rate is a clear benchmark for identifying a truly abundant supply that safeguards consumer purchasing power. To make this target attainable, the regulations that set residential capacities must be scaled up. We need to create the space we need.

TOKYO'S URBAN PLANNING CODE

Instead of tightly controlling urban form, Japan's regulatory framework allows for spontaneous growth and mixed-use development. This flexibility is enabled, in part, by land use planning at the supramunicipal level by the country's prefectures, whose authority comes from the national government rather than local municipalities. This means that cities do not determine their own residential capacity.

While there are still regulations on land use and building size, Japan operates with just 12 zoning categories. Zoning uses a layering model: all uses permitted in more restrictive zones also apply in more permissive ones. These rules actively support dynamic development that can adapt to urban change.



THE SECOND DOOR: MAKE IT MORE PROFITABLE TO BUILD THAN TO OWN

How have we let the situation deteriorate to this point? **Because the housing crisis pays.** In many ways, rising real estate prices are seen as a sign of progress. This has helped create a system where **owning real estate is rewarded—often at the expense of building or renovating it.**

This isn't the result of deliberate efforts to undermine affordability. Rather, it's the logical and predictable outcome of a system designed to favour the appreciation of real estate assets. After all, if **our goal is to grow our GDP**, higher rents and mortgages have a positive impact. If our goal is to increase **household wealth without increasing**



wages, rising property values can help. If **we rely on home equity for securing our retirement**, inflated housing markets can be beneficial. Meanwhile, the housing crisis is spiralling out of control, with the insidious effect of impoverishing our communities. **Our prized homes have become no more than gilded cages around our future.**

The main issue is that **productive work in real estate is directly penalized by the wealth-extracting machine** that property has become. It may seem paradoxical: how can real estate be both a driver of economic growth and a barrier to housing productivity? The answer is simple: **the less we build or renovate, the more profitable property ownership becomes.**

HOMEOWNERSHIP AS A MONEY-MAKING MACHINE

It can be a challenge to grasp just how lucrative homeownership really is. To give you an idea of scale: in 2014, there were at least 1,418,000 owner-occupied single-family homes in Québec, the median price of these homes being \$222,500. Ten years later, these same homes were selling for a median price of \$460,000, an appreciation of more than 100%. That's a lot per individual home, but if we go a step further and calculate the implied wealth created by this increase in home values, we arrive at the mind-boggling figure of \$336,775,000,000. That's \$336 billion just sitting in our homes.

While it's true that stock market investments could have been even more profitable over the same period, two very important distinctions must be made between real estate and stock market investments. First, to invest over \$200,000 in the stock market in 2014, you needed to already have that kind of cash, or an asset you could offer as collateral to borrow such a sum. In other words, to have benefited from the strength of the stock market over the last decade, you generally needed to have wealth to begin with. By contrast, to buy a house in 2014,

all you had to do was take out a loan. There are a number of systems that specifically protect and improve access to credit for home buyers. The most effective of these is undoubtedly mortgage insurance, which guarantees that financial institutions will be repaid, even in the event of default. No such system exists to facilitate borrowing money for stock market investments.

Second, the tax exemption on capital gains from selling a principal residence is a major differentiating factor. Simply put, selling your home is the least taxed way to accumulate wealth, making it an especially lucrative means of building your savings. These tax measures make homes both the assets for which it is easiest to borrow money and on which you pay back the least for public services. It's no accident that many households see homeownership as a money-making machine.



PUTTING REAL ESTATE TO WORK FOR THE PEOPLE

The unbridled appreciation of the housing stock is not a locomotive driving us toward a green future; rather, it's **an avalanche crushing affordability and sustainability** and flattening culture, leisure, entrepreneurship, and civic engagement—all activities that necessarily depend on people being adequately housed and having free time. It's time to build a dam. We must stop prioritizing property value gains at the expense of the construction and renovation of **a housing stock that could truly serve the population, not the GDP.**

Stopping an avalanche is no small feat. **We will need to build strong, solid foundations** for a deflecting wall that can **shield us as we work on building our future.** While the necessary transformations may seem like a financial risk, money won't protect us from the impending avalanche—building and renovating will.

And societally, **we will be richer by guaranteeing housing freedom than by continuing to sacrifice all our savings just to pay for a place to live.**

THE REQUIRED WORK

Monumental efforts are required to solve the crisis for good, with key priorities including the construction of hundreds of thousands of new homes, the renovation and rehabilitation of millions of aging buildings, the redevelopment and upgrading of large disused housing estates, and the in-depth reorganization of public spaces and town and village centres. We will need to establish one basic condition for all these efforts: **the money invested in real estate needs to increase the quality or quantity of our housing stock.**

While this may seem like an obvious condition that most would support, it represents a clear break from one of the most glaring flaws in our real estate system: **the opportunity to make money... by doing nothing.** As long as it's possible to grow a real estate investment simply by owning it, **the capital we'll need to fund construction and renovation will go toward maintaining the status quo**—buying overpriced, rundown homes or acquiring income properties and relying on housing scarcity to make them profitable. We can't let owning property alone be revenue-generating, as if houses could do our work for us: the only way to make money in real estate should be through useful work.



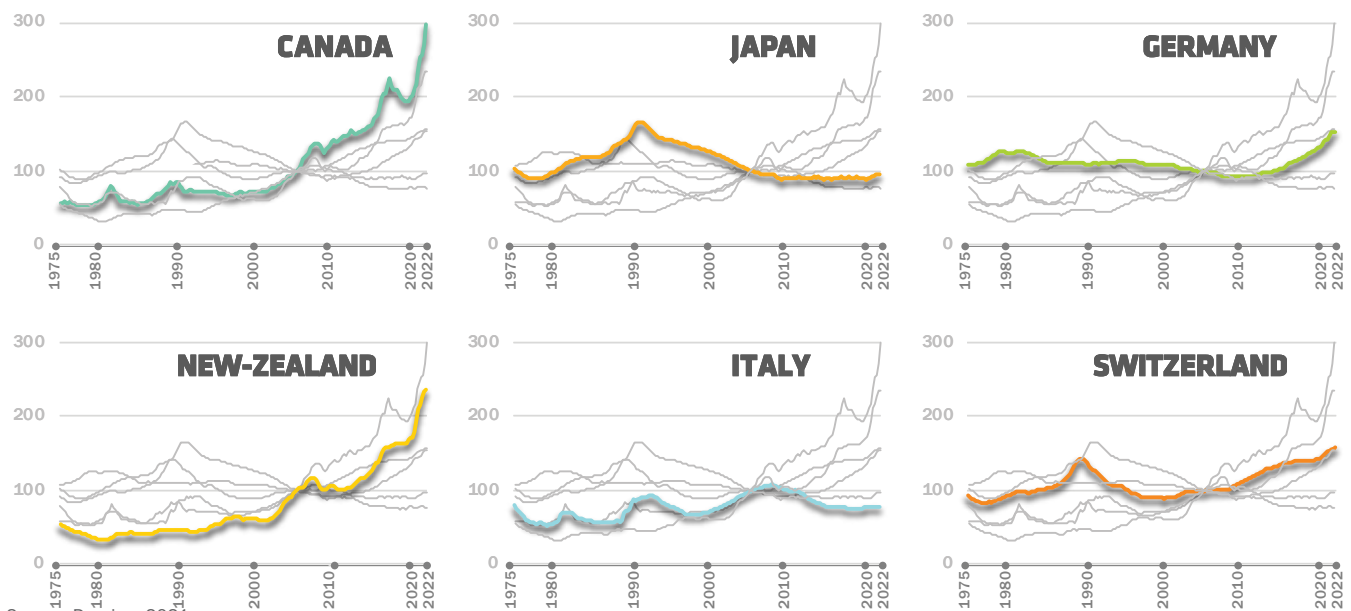
FERTILIZER FOR BUILDINGS TO FLOURISH

The current state of affairs not only rewards property ownership, **but it also penalizes the very initiatives that we should be encouraging.** First, the tax measures governing the marketing of new units tend to **inflate the cost to consumers**, which in turn reduces the rate of delivery. Second, measures supporting renovation are either inadequate or insufficient, and are **often cancelled out by prompting higher municipal taxes.**

Virtually all of these constraints and inconsistencies are tax-related, thus highlighting a clear target for change. **Our tax framework is a tool, not an end in itself.** We in fact have everything we need to turn our counterproductive measures into the fertilizer that makes buildings grow—and flourish.

It's not hard to identify the behaviours we want to encourage and to support them with a tax framework that rewards them. This solution is made all the more obvious thanks to **successful examples** both at home and abroad. It's time to move forward.

REAL HOUSE PRICE INDEX (2005=100)



The fact that some territories are not subject to the same inflationary shocks is encouraging: it tells us it doesn't have to be like this here.

UPROOTING THE WEEDS

If we must swap our sticks for carrots to reward useful work, **we must also swap our carrots for sticks to put a stop to all forms of speculation.** Our legal and fiscal frameworks currently allow a range of behaviours that undermine our efforts toward affordability and sustainability, such as illegal hotels, noncompliance with regulations around rent increases, and blind bidding, which drives up sale prices. The real scandal is that such behaviours are legal at all.

We have absolutely nothing to lose by putting an end to these practices. Far from contributing to the prosperity of Québec households, speculative activities add no value to society. No matter how good a deal soaring house values may seem, they ultimately represent money we're stealing from ourselves. **We need to pull out these weeds now** so we can cultivate a healthy future where everyone has space to flourish.



DO PRICE-STABILIZING MEASURES REALLY HARM NEW CONSTRUCTION?

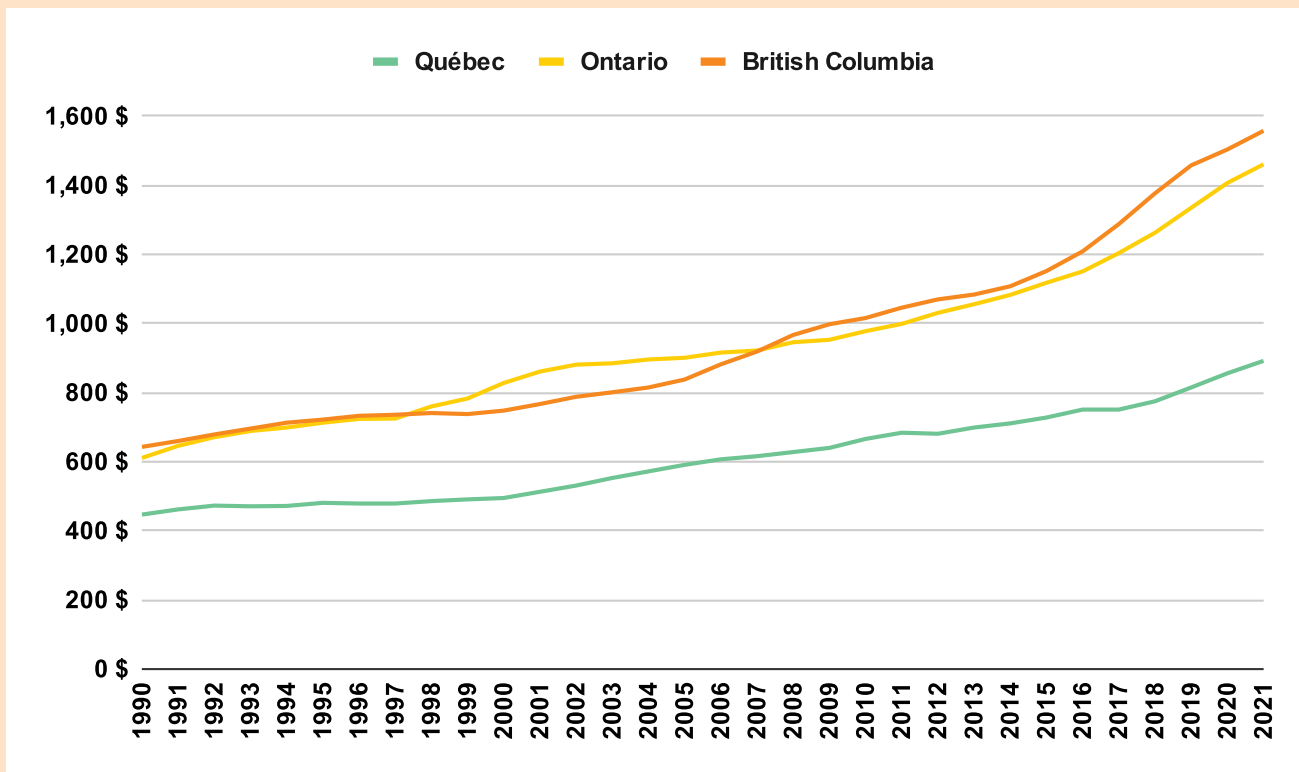
Proposals to put a stop to speculative practices, such as rent gouging, renovations, and setting up illegal hotels, often come up against the same argument: that capping profit potential will harm supply.

In other words, if there's less money to be made, there will be less incentive for activities serving the needs of the population, like new construction. While this idea may sound convincing at first, we know that the reality is more complex, and that simple answers to complicated questions rarely hold up. The good news is that we don't have to debate

these ideas in theory alone. Thanks to significant differences in the rental markets in Ontario, British Columbia, and Québec, we can observe the real effects of measures like rent stabilization on the pace of housing starts.

First, rents in Québec have been consistently lower than those in Ontario and British Columbia over the past 30 years.

AVERAGE RENT, TWO-BEDROOM UNIT; QUÉBEC, ONTARIO, AND BRITISH COLUMBIA, 1990-2021



Source: Canada. CMHC, 2023.

A simple supply and demand model should predict that more rental units will be built in Ontario and British Columbia, since average rents are higher there than in Québec.

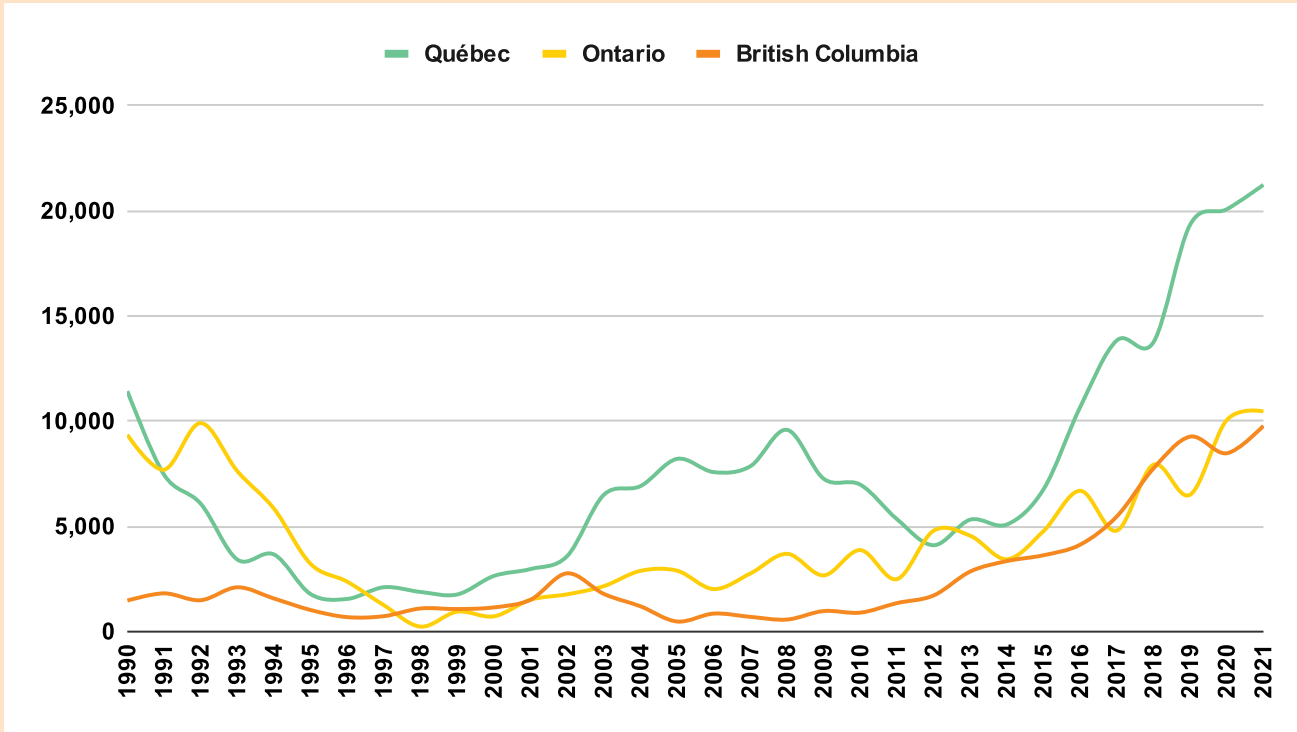
These price curves can be attributed to a combination of factors: Québec has comparatively lower household incomes, has shown periods of relatively high vacancy rates, and, importantly, has much stronger rent stabilization measures compared to other Canadian markets.

If the conventional argument that rent stabilization hampers new construction were true, Québec's rental market should lag behind those of Ontario and British Columbia. After all, Québec not only has lower average rents, but also regulates increases through the Civil Code.



Reality tells a different story. In practice, Québec is building about as many residential units per 1,000 inhabitants as Ontario and British Columbia—and even stands out for its higher number of rental units.

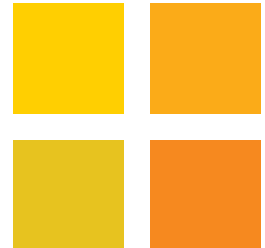
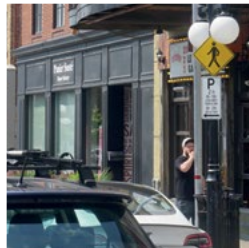
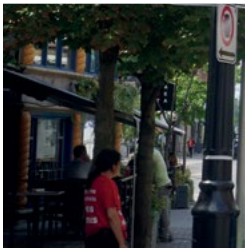
UNITS DELIVERED ON THE PRIMARY RENTAL MARKET (APARTMENTS); QUÉBEC, ONTARIO, AND BRITISH COLUMBIA; 1990-2021



Source: Canada. StatCan., 2023.

Despite a similar delivery rate per 1,000 inhabitants, Québec is putting far more rental units on the market than Ontario. This means that the rental portion of the housing stock is growing faster in Québec. It's worth noting that higher rents in Ontario and British Columbia seem to have only a negligible effect on the rate of unit delivery.

In concrete terms, **Québec has delivered more rental units every year since 1997**, at times more than doubling the combined output of Ontario and British Columbia. This data tells us that **the conventional logic is wrong**. It's time to let go of old assumptions and face the facts.



KEY SOLUTIONS TO MAKE IT MORE PROFITABLE TO BUILD THAN TO OWN



5

LAUNCH A HISTORIC, PUBLIC DEEP ENERGY RETROFIT INITIATIVE

Our communities need to reduce their energy consumption, our professionals need work, and our homes need love. We have a historic opportunity to launch a major public energy retrofitting initiative to address our economic and environmental deficits head-on and recover wasted energy.

While it's true that a number of programs are already subsidizing certain work, we're calling for a collective effort on par with the construction of new hydroelectric dams. Let's take charge of our energy future while improving service quality.

QUÉBEC'S ÉCONOLOGIS PROGRAM

Of all the energy transition measures implemented by the Government of Québec, very few offer a better model than Éconologis, a relatively modest program with untapped potential. While the program is fairly limited in its scope, two features clearly set it apart: the provision of free services, and the ability to schedule work on a group of units.

Its free insulation services are nothing short of revolutionary. Rather than involving complex systems for expenses, subsidies, and reimbursement, the government directly pays the professionals who carry out the work. What's more, the option to schedule services for a group of units, as municipal housing offices do, means that upgrades can be coordinated quickly and efficiently. The most effective way to support major retrofitting work is through this type of program.

6

SET UP TAX INCENTIVES TO INCREASE THE QUALITY AND QUANTITY OF HOUSING

In addition to funding public services, taxes are an invaluable tool for encouraging certain economic activities and discouraging others. A property tax system that reflects these objectives would reward construction and renovation work that helps promote the freedom and housing dignity of all households, while conversely tackling increasing property values when they fail to contribute to the improvement of public services. We can choose to help those who are tangibly contributing to society.

PROPERTY VALUES AND GEORGIST TAXATION

In *Progress and Poverty* (1879), Henry George advocated an idea as radical as it was visionary. He identified three sources of wealth: wages from labour, interest generated by capital, and rent from land ownership. While labour and capital can produce useful wealth for the community, land rents produce no value at all: they privatize the wealth generated by collective labour. George therefore proposed that land values be entirely taxed, so that the value of their economic activity could be redistributed to the workers and entrepreneurs who generate it.

While we can't transfer all aspects of 150-year-old ideas to our current reality, they can still be a valuable source of inspiration. When the value of a location skyrockets without any corresponding improvement to services, this increase in property value could be taxed. Conversely, tax penalties should not apply when the quality and quantity of available services genuinely improves. In practical terms, taxing land more and buildings less helps to balance these forces.



7

ESTABLISH AND ACTIVELY ENFORCE STRICT RENT STABILIZATION MEASURES

Once construction costs have been repaid, rent from a building serves only to pay for its maintenance and operation—and to generate income for its manager. When rents are tied to the value of location rather than the value of the services provided, prices soar and purchasing power shrinks. It's time to recognize what we stand to gain by reducing the influence of marginal buyers on the market, and to adopt a framework that rewards construction rather than real estate ownership.

THE VIVRE EN VILLE RENTAL REGISTRY

Tenants' rights groups in Québec have long called for a mandatory public rental registry. This registry would address a major gap in the enforcement of the laws governing transactions between landlords and tenants: the lack of reliable, publicly accessible information that allows both parties to negotiate in good faith. In response, Vivre en Ville set up a rental registry for Québec and Ontario that meets government standards for privacy protection and cybersecurity.

The registry's effectiveness has already been demonstrated: in several documented cases, it has made it possible for tenants to identify and challenge excessive rent increases. Although these results were achieved using anonymously submitted data, formal government adoption of the registry would be a logical step toward a housing market that truly serves consumers.

8

REPLACE ILLEGAL HOTELS WITH SUSTAINABLE OPTIONS FOR TOURISTS

While we should be pleased that tourists want to visit Québec, we should also be concerned if they are doing so at the expense of residents' living conditions. As long as illegal Airbnb-style rentals allow landlords to avoid rent stabilization and generate high profits, the tourism sector will remain at odds with a housing market that meets the needs of local people. To address this issue, we need to replace illegal tourist accommodations with a sustainable tourism model that is well integrated into its environment, with the construction of new hotels and other accommodation models suited to local realities.

NEW YORK CITY'S BAN ON SHORT-TERM RENTALS

In New York City, short-term rentals have been regulated since the adoption of Local Law 18 in January 2022. This law requires every rental unit to be registered with the municipality and prohibits tourism service platforms like Airbnb from listing unregistered units. The law also mandates that the host be physically present for the entire duration of any stay, which is limited to 30 days and a maximum of two guests. Additionally, to prevent the subdivision of apartments, tourists must be accommodated in a room without locks on internal doors.

This strategy has demonstrated that protecting the rights of New York residents and managing the negative impacts of tourism are clear priorities for the city's government. Today, the effects of converting long-term rental stock are well known: the Barcelona Institute of Economics has shown that rental prices can increase by 7% and purchase prices by 19% in neighbourhoods where Airbnb is particularly active (Garcia-López et al., 2019).



THE THIRD DOOR

FLOOD THE MARKET WITH NON-PROFIT UNITS

The housing crisis is receiving more attention than ever because it's beginning to have noticeable impacts on populations that are usually spared, including middle-class households, condo owners, and retirees. While the fact that more people are rallying around the cause as a result is a welcome development, it's important to remember that **the least well-off groups in our society have been bearing the brunt of the crisis for much longer.**

This reality needs to shape our choices for the future. While it's easier to organize a movement when a crisis affects a broader segment of the population, we must approach the changes ahead with an inclusive perspective—anything less would be impractical and counterproductive. **All real exit plans have one thing in common: no one gets left behind.**

WE CAN CHOOSE TO HOUSE EVERYONE

Consciously choosing an exit strategy that includes everyone does not call for any fundamental changes to land use planning. **Housing—the planning and development of livable spaces—is always a matter of choice.** Whenever we shape the land through planning, we determine who can live where and under what conditions.

This accumulated experience gives us a solid foundation for making better choices. Housing the entire population in sustainable communities is not only on the table, it's the only path that truly aligns with our vision of affordability, **where every household—regardless of income—can live with dignity and freedom in the most thoughtfully planned areas of our province.**



SMART INVESTMENTS FOR CRITICAL NEEDS

The continued development of social and subsidized housing—low-rental housing (called “low-income housing” outside Québec), cooperatives, and other forms of community housing—is a **practical way of putting a decent roof over everyone's heads.** And its effects go far beyond an ethical imperative: **it is a powerful lever for both affordability and sustainability.** First, when fewer people are inadequately housed, there is less demand for last-resort services. As in so many cases, prevention costs far less than the cure. **The hardship we allow less fortunate households to endure ultimately wastes time, money, and collective energy.** But this isn't just a question of getting out of the red: lower-cost housing supports the local economy and culture, while encouraging social and political engagement. The overall health of Québec—social, economic, civic, and cultural—depends on the health of its people, especially our most vulnerable neighbours.

RETURN ON INVESTMENT IN SOCIAL HOUSING

According to a 2023 study, investing in social housing helps reduce the poverty rate and improves well-being (ROHQ, 2023). From an economic perspective, it has been estimated that the construction of 12,500 social housing units would increase Québec's GDP by between \$148 and \$230 million and household income by between \$844 million and \$1.6 billion (ROHQ, 2023). When we factor in the spillover economic benefits, every dollar invested in social housing effectively costs just 66 cents (ROHQ, 2023).



We shouldn't pass up a deal this good—**there should not be an upper limit on investment in social housing.** Rather than setting an arbitrary investment target, we should aim to invest as much as possible. We'll know we've hit our target when every waiting list for social and community housing has been cleared.

NON-PROFIT HOUSING AS A DRIVER OF CHANGE

Alongside efforts in social and community housing, a golden opportunity is emerging for the broader social economy: **non-profit housing is poised to play a transformative role in shaping the overall housing market.** Why? Because the development of our communities is tied to the ups and downs of economic cycles. We don't build according to need but according to what the market can bear. **While it's true that better working conditions would encourage more activity in the construction sector,** we shouldn't fool

ourselves into thinking that the goal of for-profit developers is to provide housing. **Their mission is fundamentally to generate profit.** And yet, we have to acknowledge that the surging prices that triggered the crisis haven't translated to a boom in construction, landscaping, or renovation.

As a matter of fact, we're faced with a stagnant market. **There simply isn't that much money to be made in new construction.** The widening gap between new home prices and household purchasing power has shrunk the pool of buyers to a handful of people in a market of millions. As such, every passing day takes us a little further away from our end goal of **an abundant and adequate housing stock that serves the population.**

We don't propose to sit back and wait for the market to magically rebalance the interests of buyers and sellers. We can cut through the gridlock and speed up our exit from this crisis **by flooding the market with non-profit units.** By doing so, we'll be taking a consistent and effective route toward a lasting solution.

TYPES OF ORGANIZATIONS OFFERING NON-SPECULATIVE HOUSING



Source: Vivre en Ville.

Specific tenures within the non-profit housing sector share one core characteristic: rents are not determined by speculative logic. In practical terms, this means that rents aren't driven by bidding wars, and housing providers don't operate the units with the goal of maximizing revenue. That's why the term non-profit housing is the most accurate and consistent way to describe all forms of tenure in this category, whether subsidized or not.



This shortcut out of the crisis hinges on a key distinction between conventional private housing and non-profit housing: **the mission of non-profit developers is genuinely to build homes.** Since they don't need to turn a profit beyond covering the costs of development and construction, **they begin building as soon as financing is in place.** And since there's no profit margin to factor in, the units enter the market at a slightly lower price than their conventional for-profit counterparts. This lower cost doesn't necessarily make them affordable for low-income households, but it does help **increase the pool of buyers for new construction, and in turn boost the sector as a whole.** There will virtually always be a need for more affordable housing.



NOTHING TO LOSE, EVERYTHING TO GAIN

What makes non-profit housing so compelling is that **it requires very little sacrifice.** Construction workers are paid the same wages as for for-profit homes, the lumber and bricks cost the same, and the architects are the same professionals who design all other residential buildings. The homes are built in the same neighbourhoods, and their future residents are ordinary people, same as everyone else. The only real difference? We'd no longer rely on rising prices to drive construction.

What do we have to lose, especially now? **There's every reason to make a deliberate choice to support the growth of non-profit projects and jolt the market out of stagnation.** By equipping ourselves with practical tools to launch these initiatives, we give ourselves a real chance to **reverse the harmful trend of housing scarcity and shortage.** We need to give ourselves the resources to create a housing stock whose sole purpose is to house people.

INVESTING IN HOUSING HELPS PEOPLE

The foundation of a prosperous and expansive not-for-profit sector lies, first and foremost, in **housing construction subsidies.** Given the high costs of land and development, new low-rent housing projects aren't viable in the short term, even when no profit is being made by the providing organization.

All the measures governments can offer to reduce the **costs of construction, acquisition, or renovation** are crucial, including subsidies, land donations, loan guarantees, density bonusing, and community financing. Our financial, legal, fiscal, and institutional systems must align to prioritize the sector investing in a sustainable solution to the crisis.

However, the push to reduce costs and support project viability does not change the fact that 40% of Canadians today cannot afford to house themselves at conventional market rates (HART, 2024). While housing construction subsidies helps structure a sector that can gradually stabilize the housing market, **direct aid for individuals and support for the community remain essential** if we are to fairly distribute the benefits of our communities' transformation.



KEY SOLUTIONS TO FLOOD THE MARKET WITH NON-PROFIT UNITS



9

ESTABLISH A DIFFERENTIATED TAX FRAMEWORK FOR MUNICIPALITIES AND HOUSING NON-PROFITS

The acquisition of land and buildings by non-profit organizations is an invaluable driver for expanding the supply of all types of non-profit housing. However, the prices for such acquisitions are largely determined by marginal buyers, who often plan to pass the cost along through inflated rents. Real estate prices are decidedly not set with the goal of delivering high-quality services at the lowest possible cost. This is where a well-thought-out differentiated tax framework can make a real difference; it can lower acquisition costs while also providing incentives for owners who choose to sell their properties to non-profits.

THE BARGAIN SALES SYSTEM IN THE UNITED STATES

In the United States, the *bargain sales* system incentivizes landowners to sell to charitable organizations at below market value. This arrangement benefits both parties. For sellers, the difference between the sale price and the market value is considered a charitable donation, granting them tax benefits on that portion of the sale. For purchasing charitable organizations, it offers a low-cost way to acquire property, thereby supporting their missions.

Adopting a similar system in Québec could provide significant support for projects through municipalities' pre-emptive rights. Instead of selling to the highest bidder, landowners and building owners could choose to sell to their municipal government at a lower price, while still turning a greater overall profit thanks to the differentiated tax treatment. Everybody wins.

10

ENSURE A REGULATORY COMPETITIVE ADVANTAGE FOR NON-PROFIT HOUSING PROJECTS

In order to build and manage their properties, the non-profit sector has to compete with the resources of the private sector. While subsidies help level the playing field and support the non-profit sector in growing its market share, even more effective would be a regulatory framework that explicitly promotes the interests of social, community, and non-profit developers. When land use rules favour the development of a non-profit project over a conventional one, they act as direct, no-cost incentives that will help increase the number of housing starts. We need to make this essential work easier.

DIFFERENTIATED ZONING AS RECOMMENDED BY THE LABORATOIRE POUR L'ABORDABILITÉ DU BÂTI

Of all the regulations that shape real estate development, few are as influential as zoning bylaws. That's why the Laboratoire pour l'abordabilité du bâti (LAB), a Québec think tank promoting housing affordability, recommends that the province's municipalities adopt differentiated zoning regulations. This isn't an unusual tool—any city or town in Québec has the authority to implement this kind of bylaw.

The LAB recommends a simple yet comprehensive zoning framework. To ensure that the non-profit housing sector has ample, concrete opportunities, differentiated zoning must include three key elements. First, it should apply to a significant portion of the region to prevent bidding wars. Second, it should offer a significantly more flexible alternative to conventional zoning. Third, it should aim to relieve builders from onerous or unrealistic affordability targets, wherever possible.



11

FUND AND BUILD TENS OF THOUSANDS OF SOCIAL HOUSING UNITS

We can't solve the housing crisis without meeting our social housing needs. While not inherently priced to be affordable for everyone, social housing helps fight bidding wars and keep the private market in check by offering a public alternative. To restore balance to the housing stock in favour of affordability, there must be enough social housing units available for anyone who wants to live in one. Together, we can clear the waiting lists.

FRANCE'S APPROACH TO SOCIAL HOUSING

In 2000, when Greater Paris was grappling with serious challenges around solidarity, democracy, and the segregation of low-income residents in suburban developments, France adopted the *Loi Solidarité et renouvellement urbain* (Solidarity and Urban Renewal Act [SRU]). The government required that municipalities meet a minimum threshold of social housing or they would face fines. In collaboration with social housing providers and the private sector, municipalities had to ensure that at least 20% (now 25%) of their housing stock consisted of social housing.

By 2017, the impacts of the SRU were apparent: notably, the Paris region now has a much more balanced distribution of social housing. This is a compelling example of how legislation and investment can advance territorial equity and improve access to housing.

12

FREE THE PUBLIC SECTOR FROM RENT CEILINGS

Flooding the market with non-profit housing can't depend solely on having enough subsidies to make every project with a built-in deficit financially viable. While we must continue to fund social and community housing, which is essential for providing dignified homes to low-income households, our efforts to support the sector also need to include measures that make it easier to build unsubsidized projects. These unsubsidized units would not be subject to the rent ceilings imposed by existing funding programs, yet their rents would still effectively be controlled, ultimately moving the market away from pricing driven by bidding wars. We can't afford not to take this kind of comprehensive approach.

PUBLIC HOUSING PRODUCTION IN SINGAPORE

In 2020, 78.7% of Singapore's population lived in public housing units built, maintained, and managed by the government. That's 3,554,000 people—more than twice the population of Montréal! How is that even possible?

Since 1960, Singapore's Housing and Development Board (HDB), the government's housing authority, has directly built millions of units with the goal of providing decent housing for the entire population. These units are considered public housing because they're operated by a government agency. They are not, however, subsidized to reduce their cost when they enter the market. They are non-profit housing in the truest sense: units built and sold at cost, with all resident households paying the full cost of the rent.



THE FOURTH DOOR: SUPERCHARGE THE PRODUCTIVITY OF THE CONSTRUCTION SECTOR

Even when we agree on the need to increase residential capacity in the right places, even when we acknowledge that real estate must stop being used for personal savings, even when we stress that public actors need to create and support an abundant supply of social and community

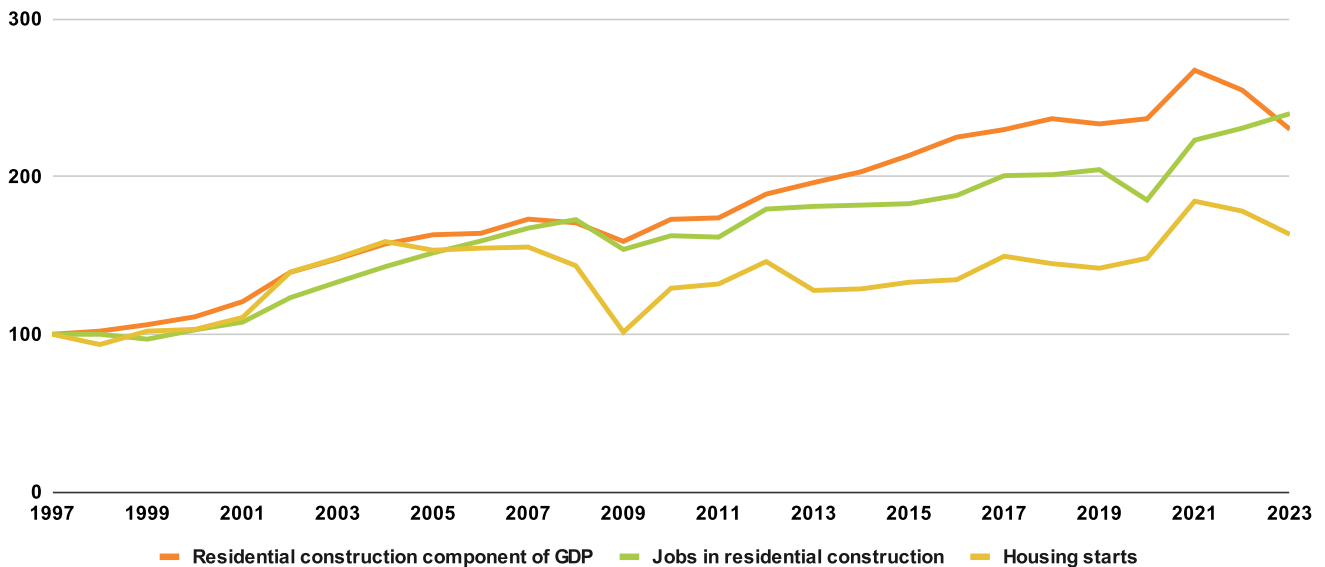
housing, and even when we put our faith in a future driven by the non-profit sector, **one door remains firmly closed and double-locked: the sector's capacity to meet our housing needs within our time and budget constraints.** No matter how much money we make available to take on the housing challenges ahead, if it's only dedicated to initial funding, it won't be sufficient. **We have no choice but to get the costs of residential real estate development under control.**

This doesn't mean squeezing the real estate development sector dry. The difficulty of delivering quality housing at low cost isn't due to laziness or incompetence—it's unrealistic to expect workers to perform miracles with limited resources. We need to turn our attention to what resources they're being given: what can we put in place to make sure the money invested in housing delivers maximum results?

We need to start by admitting that right now, we're using a lot to do very little. When it comes to livable square footage built per dollar spent, the numbers have never been worse.

This slowdown is obviously a challenge we must overcome if we are to solve the crisis for good. But is that even possible? Aren't these soaring costs just a natural consequence of the inflation shock that has hit the entire world since the pandemic?

HOUSING STARTS IN CANADA HAVE NOT KEPT PACE WITH THE GROWTH IN RESOURCE ALLOCATION (1997=100)



Source: Laberge, 2024.

A gap has emerged between the steady increase in resources allocated to construction and the stagnation of housing starts across the country. If we're using more resources today to build the same unit as in 2003, then that unit will inevitably be more expensive to develop and consequently end up with a higher price on the market.

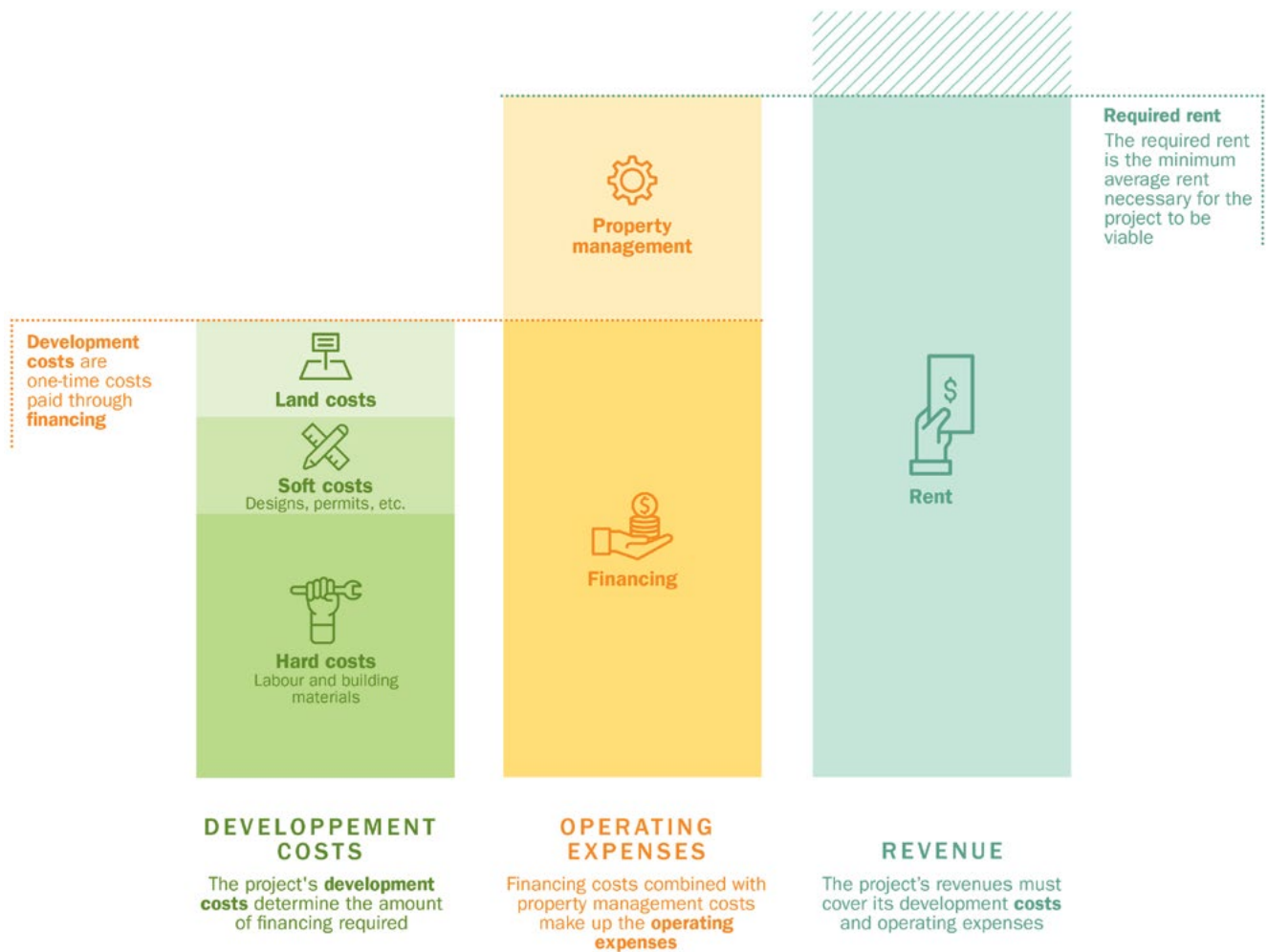


REDUCING DEVELOPMENT COSTS

It goes without saying that if homes are expensive to build, they'll be expensive to live in. Lowering input costs is essential to boosting the sector's productivity. Multiple strategies need to be prioritized simultaneously, including reducing land costs, soft costs (design, approvals, permits), and hard costs (labour and building materials).

Not only would these efforts reduce the funding needed for conventional projects, they would also open the door to improving and enhancing our built environment. It's easy to imagine that we could demand much more in terms of our housing stock's quality, accessibility, and flexibility if we had the means to maximize the value of every dollar invested in construction.

SIMPLIFIED OVERVIEW OF REAL ESTATE CONSTRUCTION COSTS



Source: National Multifamily Housing Council, 2021, adapted by Vivre en Ville, 2022.

The minimum rent for a unit must cover all development costs and operating expenses for the project to be feasible. Any income beyond that is the developer's profit. Developers expect to make a profit of 7%–15%; the financial institutions that lend the capital for construction also require proof that a project will be profitable before releasing the funds.



BUILDING EFFICIENTLY MEANS BUILDING FOR THE LONG TERM

Beyond the need for more efficient construction, reducing costs presents an opportunity to do things right the first time. As a priority, these savings must be reinvested in creating a built environment that can adapt to the changing needs of the population. We mustn't forget that most individuals will experience a loss of autonomy at some point in their lives—it's not a matter of *if*, but *when*. **In Québec in 2023, 135,930 people living with disabilities were confined to their homes**, unable to leave independently due to their housing not meeting their accessibility needs (OPHQ, 2023).

As always, an ounce of prevention is worth a pound of cure. Investing in the accessibility of our buildings significantly reduces both private and public spending. For example, retrofitting a home for accessibility after it has been built **costs eight times more** on average than including accessibility features at the initial design stage (CMHC, 2019). Moreover, the lack of adaptable and

universally accessible housing has major economic and social consequences. For instance, falls among Canadian seniors in 2018 resulted in **\$5.6 billion CAD in direct costs**—more than double the amount associated with falls among adults aged 25 to 64 (PHAC, 2022). Insisting on a housing stock that remains functional over a lifetime is not some sort of indulgent whim—it's a financially sound decision.

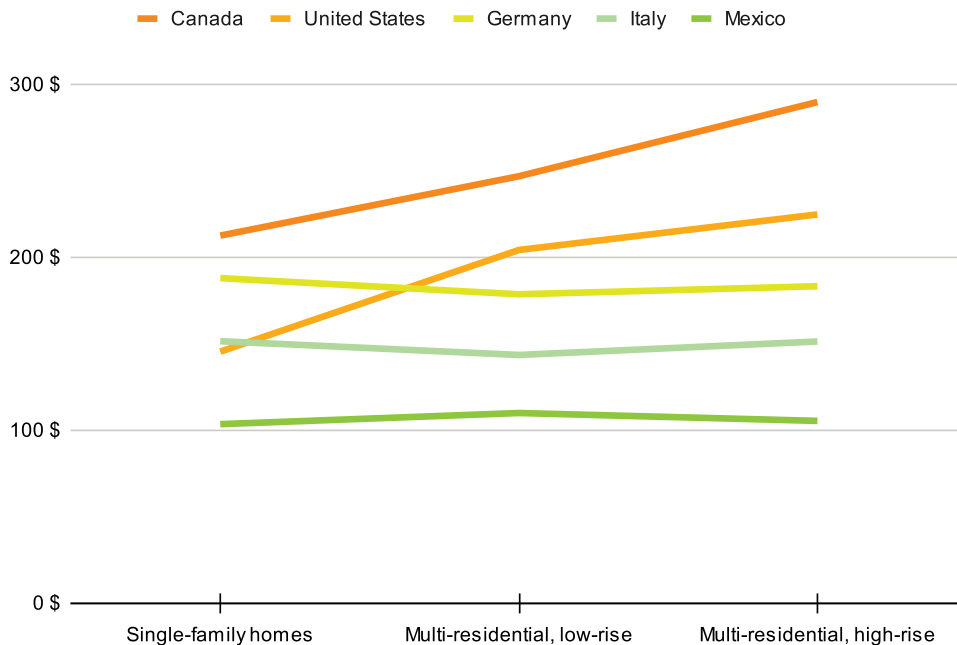
By increasing the proportion of adaptable and universally accessible homes, we not only respond to our demographic reality, but can anticipate growing demand and proactively address these needs. **This approach optimizes costs, improves the livability of spaces for everyone, and ensures equitable access to housing.**

FIXING OUR BUILDING CODES

In terms of the housing crisis, Canada is a global outlier—especially when we compare ourselves to countries in Europe and Asia. When we look at the data, only one other country is facing such sharply rising costs: the United States.

NORTH AMERICA'S COST ISSUES

Cost of construction by square foot in USD, 2024



Source: Smith, 2024.

Research conducted by the Center for Building Innovation has highlighted the significant costs induced by building codes based on International Code Council (ICC) standards, compared to other standards, such as the International Organization for Standardization (ISO). ICC-based codes are rarely used anywhere else in the world.



In both Canada and the U.S., the cost per square foot of livable space increases when we build denser forms of housing. We're seeing a kind of **reverse economy of scale**, where the most efficient building forms in terms of affordability and sustainability are actually the most expensive to build. This similarity sheds light on the culprit: When it comes to construction, what do Canada and the United States have in common? Our building codes, which set the minimum standards in building design, are based on standards that are rarely used anywhere else in the world.

But this isn't a fatal flaw. In fact, the very data that reveals how far behind we are makes another thing clear: we don't need to reinvent the wheel. **Highly effective, cost-efficient codes have already been written.** What lies ahead isn't a creative challenge—it's a practical one. We need to learn from the best and join the world's forerunners in their approach to building design.

LEARNING TO LEARN

Adopting the best practices from across the globe will help us make tremendous progress in terms of our productivity. Since we're importing solutions anyways, we should take this opportunity to bring in something that will prove even more key to transforming the sector: **a culture of continuous improvement.** Such habits are a common factor between regions where investments lead to exemplary, economical, and sustainable projects.

The notion of "continuous improvement" may sound like a cliché, but it's in fact one of the reasons why we're performing so poorly compared to several other countries. Other places don't owe their exemplary productivity to their workers' skills, the use of cutting-edge technology, or some kind of magic. Everywhere we look, **we find a common denominator: a commitment to constantly improving methods and processes, at both the governance and cultural levels.**

The task before us is therefore not just to copy the methods of the best in class, but to adopt the behaviours that make them best in class. To this end, our planning and reporting exercises must go beyond accounting imperatives and become real laboratories that allow us to identify and implement new practices that let us do more with less. **It's time we learn how important it is to never stop learning.**

CULTIVATING SUCCESS

More than just a path out of the crisis, renewing our governance and culture will equip us to close a gap that threatens the sector's sustainability: the loss of expertise caused by the industry's slowdown.

Even if we improve our methods, construction and renovation will remain complex activities that require technical skills and proven hands-on experience. Yet this expertise is at risk of fading if the most experienced workers leave the sector due to a lack of stable, reliable work. **By giving ourselves the means to boost the output of investments in construction, we also help keep everyone in the sector actively working,** cultivating the expertise of seasoned professionals while creating the right conditions for the next generation to learn and grow. Every stone laid can serve as the foundation for the next stone, if **we start nurturing success.**

This virtuous circle extends beyond working conditions on construction sites. By maximizing the productivity of investments in construction and renovation, we also generate a steady demand for materials, prefabricated components, and expert services essential to building sustainable communities. **This renewed demand will have a structuring effect on all supply chains involved** and could spark growth in sectors that produce the components we'll rely on to build our way out of the housing crisis and to recovery.



KEY SOLUTIONS TO SUPERCHARGE THE PRODUCTIVITY OF THE CONSTRUCTION SECTOR



13

REWRITE OUR CODES TO ALIGN WITH ISO STANDARDS

The codes regulating how our buildings are designed and built are not set in stone. Nothing is functionally preventing us from changing them, especially when we see building codes from around the world that allow for more resilient, more efficient, and more beautiful homes. The guides and standards published by the ISO are a central part of Europe's productivity in construction. We literally need to rewrite the rules to fix our code problem.

SWISS STANDARDS FOR EXITS AND ELEVATORS

Switzerland, with a population roughly the same as Québec's, has more elevators in operation than all of Canada combined. How do they manage that? It's of course a matter of cost: their code allows them to build and operate elevators at a fraction of the cost we pay for ours.

This efficiency goes hand-in-hand with another feature of their code: the ability to construct medium-density buildings with only one staircase. Together, these features provide residents with well-designed, comfortable buildings that are more compact to make more efficient use of land—and less expensive to build in terms of materials and labour. Québec will need to adopt similar standards to achieve the same results, just as British Columbia did in 2024 when it updated its building code to allow single-exit buildings of up to six storeys.

14

DIGITIZE TO STANDARDIZE THE RESIDENTIAL DEVELOPMENT PROCESS

Rather than starting each residential project from scratch, the transferable experience gained from previous projects should benefit others, no matter where they are in Québec. For this to be possible, there needs to be a common framework for project design and development. It's time to digitize urban planning regulations using Building Information Modeling (BIM) standards, which allow for the automated validation of architectural plans and the consolidation of builders' expertise. These tools have already existed a long time—let's start using them.

SINGAPORE'S CORENET SYSTEM

An online platform launched in 2001, Singapore's Construction & Real Estate Network (CORENET) is used to process all real estate development applications. Much more than just an online permit application portal, CORENET is the central hub connecting government services, public agencies, and the entire professional chain involved in construction and renovation, from architects to labourers.

The CORENET system has been compatible with BIM functionalities for over a decade. It has impressive benefits: by submitting architectural plans embedded with standardized metadata, developers can have their project's compliance with current regulations automatically validated. Developers only have to wait a few hours between submitting plans and receiving approval, advancing to the next steps in construction just as quickly. It's worth mentioning that these same steps can take months in Québec.



15

SUPPORT INDUSTRY CONSOLIDATION WITH A VOLUME STRATEGY

One of the residential construction industry's most notable pitfalls is fragmentation. In Québec, nearly 70% of companies reportedly have no more than five employees, limiting potential for economies of scale and of liquidity. To reap the rewards of scaling up without increasing the risks of collusion or monopoly, there must be two essential conditions in place: a legal framework for sector consolidation, and a strategy of volume that invites everyone to contribute. We can fill up the order books.

THE MERGER OF QUÉBEC'S MUNICIPAL HOUSING BUREAUS

Faced with the disparities between large and small housing bureaus, the Government of Québec, under pressure from federations, has encouraged the formation of groupings to improve the management of social housing. According to the Société d'habitation du Québec (the Québec Housing Corporation), bureaus managing more than 500 housing units are better equipped to meet the challenges of improving the social housing stock and the services available to tenants and housing applicants.

The results speak for themselves: while participation in these groupings is voluntary, the number of housing bureaus dropped from 537 in 2017 to 149 in 2023. Service quality is steadily improving, the housing bureaus are strengthening their capacities and can hire full-time staff, and citizens are benefiting from better-managed social housing that responds more effectively to their needs. Relying on an efficient network of better-structured organizations is a crucial step toward supporting the long-term sustainability of the social housing stock.

16

INVEST IN LOCAL AND SUSTAINABLE SUPPLY CHAINS

Regardless of the processes and frameworks in place, the sector's productivity relies on abundant materials and labour. Rather than being subject to the ups and downs of international production, we need to invest in local supply chains to provide sites both large and small with environmentally friendly, high-performance materials. Training skilled workers is also a sound investment for the local economy that will help renew the industry.

LOCALLY PRODUCED CROSS-LAMINATED TIMBER

After decades of concrete and steel dominating the industry, one material is making a comeback in large-scale building construction: wood. This resurgence comes from a European innovation in building materials—cross-laminated timber (CLT). CLT is fire-resistant and easily weatherproofed, and offers strong structural performance.

It's an appealing alternative to traditional materials for obvious reasons, including that CLT is made from renewable raw materials, has low weight per cubic metre, and has potential for prefabrication, to name just a few. The National Building Code now permits the use of CLT in buildings up to 18 storeys, under specific conditions. Given Québec's vast, productive forests, it makes perfect sense to prioritize the growth and sustainability of this industry, so we can supply our construction projects through short, local supply chains.



ON THE OTHER SIDE OF THESE DOORS

The best writing on housing isn't really about the housing itself.

It's about the freedom to choose where and how we live, to belong to a community, and to pursue the lives we dream of for ourselves. It inspires agency, hope, and ambition. It's also about our relationships with our environment and with one another; it brings to light what we haven't always had, and what we might still gain. What these discussions share is the understanding that housing and real estate are different concepts. They recognize that beyond wood and brick, what's truly at the heart of our debates on housing is the space we allow ourselves, the space we claim, and the space we wish to inhabit.

What drives us in striving to solve the housing crisis is not concern for the health of the housing stock, it's the dream of a fairer and more equitable system. **The real goal is to create conditions for everyone to thrive, flourish, and pursue happiness.** It's in our pursuit for dignity and freedom that we'll find the courage to reject the crisis we've been handed down and **at last demand what we are all owed.**

By way of conclusion, we want to emphasize that opening these doors is both a collective effort and an individual one. As citizens, voters, colleagues, and even as neighbours, we are agents of change: our task is to decide where we can personally make a difference. The doors that open onto sustainable affordability are held closed by a number of locks: governance challenges, technology gaps, outdated regulations, economic constraints, and a lack of solidarity.

But each and every one of us holds a key.

We need to start opening these doors—one person at a time, until we're all holding them open together—and meet each other on the other side.





BIBLIOGRAPHY

ACQ [Association de la construction du Québec] (2023). «Modernisation du secteur de la construction: gagner en productivité au bénéfice des Québécois». *Newswire*. [https://www.newswire.ca/fr/news-releases/modernisation-du-secteur-de-la-construction-gagner-en-productivite-au-benefice-des-quebecois-822305352.html].

APCHQ [Association des professionnels de la construction et de l'habitation du Québec] (2023). Mémoire dans le cadre de la consultation sur l'encadrement et le développement des énergies propres au Québec. [https://media.apchq.com/download/9f37377b97afe3bdc68885e85339216923301577.pdf]

APCIQ [Association professionnelle des courtiers immobiliers du Québec]. (s.d.). Archives Barometer – Residential Market – Province. APCIQ. Consulted on [https://apciq.ca/archives-barometres-province/]

AGRTQ [Association des groupes de ressources techniques du Québec] (2022). Budget provincial 2022-2023: aucune réponse à la crise du logement. [https://agrtq.qc.ca/2022/03/23/budget-provincial-2022-2023-aucune-reponse-a-crise-logement/]

Aissaoui, H., Bouzouina, L., & Bonnel, P. (2015). Choix de localisation résidentielle, entre contraintes du marché et préférences individuelles: application à l'aire urbaine de Lyon (1999). *Revue D'Économie Régionale & Urbaine*, Octobre(4), 629-656. [https://doi.org/10.3917/reru.154.0629]

AMT [Agence métropolitaine de transport] (2013). Enquête origine destination 2013. [https://www.artm.quebec/eod/2013/]

AppEco (2023). «Productivité dans le secteur de la construction et impact d'accroître la polyvalence des métiers». *Association de la construction du Québec*. [https://www.acq.org/wp-content/uploads/2023/09/nouvelle-2023-prov-communique-productivite-dans-le-secteur-de-la-construction-et-impact-daccroitre-la-polyvalence-des-metiers-final.pdf].

Association for Research and Education (2021). Investors for Affordable Cities. Responsible investment and affordable rental housing in Canada. [https://share.ca/wp-content/uploads/2021/10/SHARE-InvestorsForAffordableCities-2021.pdf]

BC Housing (2024). Does High Performance Construction Cost More?. *Building Innovation Case Studies*. [https://www.bchousing.org/sites/default/files/media/documents/Building-Innovation-Case-Study-Nov-2024.pdf]

Beacksted, D., Brown, W., M., Guo, Y., Newbold, K., B. (2010). Cities and Growth: Earnings Levels Across Urban and Rural Areas: The Role of Human Capital. *Statistics Canada, The Canadian Economy in Transition Series*, n° 20.

Better Dwelling (2021). Canada Has The Biggest Gap Between Real Estate Prices and Incomes In The G7. [https://betterdwelling.com/canada-has-the-biggest-gap-between-real-estate-prices-and-incomes-in-the-g7/]

Better Dwelling (2022). Canadian Real Estate Was Responsible For Nearly Half of GDP Growth Last Quarter. [https://betterdwelling.com/canadian-real-estate-was-responsible-for-nearly-half-of-gdp-growth-last-quarter/]

Canada (2018). Stratégie nationale sur le logement – Glossaire des termes courants. [https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/files/pdf/glossary/nhs-glossary-fr.pdf]

Canada. CMHC [Canada Mortgage and Housing Corporation] (s. d.). Starts and Completions Survey, Market Absorption Survey. [https://www03.cmhc-schl.gc.ca/hmip-pimh/fr#Profile/1/1/Canada]

Canada. CMHC [Canada Mortgage and Housing Corporation] (2018). About Affordable Housing in Canada. [https://www.cmhc-schl.gc.ca/fr/professionnels/innovation-et-leadership-dans-le-secteur/expertise-de-lindustrie/logements-abordables/-a-propos-du-logement-abordable/-a-propos-du-logement-abordable-au-canada]

Canada. CMHC [Canada Mortgage and Housing Corporation] (2019). Coûts des caractéristiques d'adaptabilité et d'accessibilité dans les habitations modestes existantes. [https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/sf/project/archive/research_4/cost_of_accessibility_features_fr.pdf]

Canada. CMHC [Canada Mortgage and Housing Corporation] (2022). Le marché sous la loupe. Offre et demande de logements au Québec par rapport à la taille du parc immobilier. [https://www.cmhc-schl.gc.ca/-/media/sites/cmhc/professional/housing-markets-data-and-research/market-reports/housing-market-insight/2022/housing-market-insight-quebec-prov-m01-fr.ashx]

Canada. CMHC [Canada Mortgage and Housing Corporation] (2022). Perspectives du marché de l'habitation. [https://www.cmhc-schl.gc.ca/-/media/sites/cmhc/professional/housing-markets-data-and-research/market-reports/housing-market-outlook/2022/housing-market-outlook-spring-2022-fr.ashx]

Canada. CMHC [Canada Mortgage and Housing Corporation] (2023). Rental Market Survey. [https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables]

Canada. CMHC [Canada Mortgage and Housing Corporation] (2024). «Rapport sur l'offre de logements – Printemps 2024». [https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/market-reports/housing-supply-report/housing-supply-report-2024-spring-fr.pdf]

Canada. CMHC [Canada Mortgage and Housing Corporation] (2024). Increasing productivity to address Canada's housing crisis: Where are the gains? [https://www.cmhc-schl.gc.ca/observateur-du-logement/2024/augmenter-productivite-repondre-crise-logement-canada-ou-gains]

Canada. PHAC [Public Health Agency of Canada] (2022). Rapport de surveillance sur les chutes chez les aînés au Canada. [https://www.canada.ca/content/dam/hc-sc/documents/research/surveillance/senior-falls-%20in-Canada-fr-07.pdf]



Canada. Statistics Canada (2023). Table 34-10-0135-01. Canada Mortgage and Housing Corporation, housing starts, under construction and completions, all areas, quarterly. DOI: [https://doi.org/10.25318/3410013501-fra]

Durning, A. (2021). Yes, Other Countries do Housing Better, Case 2: Germany. Sightline Institute. [https://www.sightline.org/2021/05/27/yes-other-countries-do-housing-better-case-2-germany/]

Écobâtiment (2024). Valoriser les bâtiments existants : Un levier pour le développement durable. Septentrion. [https://www.septentrion.qc.ca/catalogue/valoriser-les-batiments-existants]

Eliason (2021). Unlocking livable, resilient, decarbonized housing with Point Access Blocks [https://www.larchlab.com/wp-content/uploads/2022/01/Eliason_CoV-Point-Access-Blocks-report_v1.2.pdf]

Feng, Q., Gauthier, P. (2021). Untangling Urban Sprawl and Climate Change: a Review of the Literature on Physic Planning and transportation Drivers. Atmosphere. 12(5), 547. DOI: [https://doi.org/10.3390/atmos12050547]

FRAPRU [Front d'action populaire en réaménagement urbain] (2021). Le FRAPRU lance une opération de visibilité: la crise du logement doit être une priorité budgétaire. [https://www.frapru.qc.ca/attentesbudgetquebec2021/]

FRAPRU [Front d'action populaire en réaménagement urbain] (2022). Budget Girard - Le FRAPRU dénonce l'abandon du logement social en pleine crise du logement. [https://www.frapru.qc.ca/budget-girard-le-frapru-denonce-labandon-du-logement-social-en-pleine-crise-du-logement/]

Future Fit Foundation (2019). Future-Fit Business Benchmark: Methodology Guide. [https://futurefitbusiness.org/wp-content/uploads/2019/08/FFBB-Methodology-Guide-R2.1.4.pdf]

Garcia-Lopez, M-A., Jfre-Monseny, J., Martinez, M., Segu, M. (2019). Do Short-Term Rent Platforms Affect Housing Markets? Evidence from Airbnb in Barcelona. Institut d'Economia de Barcelona. [https://mpra.ub.uni-muenchen.de/96131/1/MPRA_paper_96131.pdf?fbclid=IwAR07wVokeYfUI8eJwmYCLiYeXK3T12xPTMC3oX3_9W4Inp1odN_Lb0IxCIA]

George, H. (2024). Progress and poverty. dans The Development of the National Economy. Vol 1. pp. 423-470. Routledge.

Goodman, L., Seidman, E., Zhu, J. (2020). To Understand a City's Pace of Gentrification, Look at Its Housing Supply. The Urban Institute. [https://www.urban.org/urban-wire/understand-citys-pace-gentrification-look-its-housing-supply]

Guérin, S. (2022). Le prix des logements augmentent, l'itinérance aussi. Radio-Canada. [https://ici.radio-canada.ca/nouvelle/1862205/itinérance-bas-saint-laurent-2022-logement-penurie-sans-abri-maisons-hebergement-rimouski]

HART [Housing Needs Assessment Tools] (2024). Hart Housing Need Assessment Tool: Methodology Guide. Université de Colombie-Britannique. [https://hart.ubc.ca/wp-content/uploads/2024/03/HNA-Methodology.pdf]

HEC Montréal (2025). État de l'énergie au Québec. Chaire de gestion du secteur de l'énergie HEC Montréal. [https://energie.hec.ca/wp-content/uploads/2025/03/EEQ2025_WEB.pdf]

House Hunt Victoria. (2021). The Greedy Developers. [https://househuntvictoria.ca/2021/07/19/the-greedy-developers/]

IBC [Insurance Bureau of Canada] (2025). 2024 shatters record for costliest year for severe weather-related losses in Canadian history at \$8.5 billion. [https://fr.abc.ca/news-insights/news/2024-shatters-record-for-costliest-year-for-severe-weather-related-losses-in-canadian-history-at-8-5-billion]

Laberge, M. (2024). What is Canada's potential capacity for housing construction??. Canada Mortgage and Housing Corporation. [https://www.cmhc-schl.gc.ca/observateur-du-logement/2024/quelle-est-capacite-potentielle-construction-logements-canada]

Lehner, J. (2021). Who Benefits from the Housing Market? Oregon Office of Economic Analysis.

OECD [Organisation for Economic Co-operation and Development] (2022). Prévision du PIB réel (indicateur). DOI: 10.1787/c2ed0d5a-fr

Maltman, Matthew (2024). "Auckland", One Final Effort. [https://onefinaleffort.com/auckland]

National Multifamily Housing Council (2021). Cost Drivers: The housing affordability toolkit. [https://housingtoolkit.nmhc.org/wp-content/uploads/2019/04/C_NMHC_PDF-Sections_Cost-Drivers_PG-18-TO-35.pdf]

Nouvelle-Zélande. Gouvernement (2023). Rental bond data, January 1993 to February 2023. Tenancy Services Rental Bond Date. [https://www.tenancy.govt.nz/about-tenancy-services/data-and-statistics/rental-bond-data/] (consulté en avril 2023).

Organisation de coopération et de développement économique (2022). Population (indicateur). DOI: 10.1787/d434f82b-en Shareolder

Petitclerc, A. (2024). La philosophie politique pour un droit au logement. Lampadaire. [https://lampadaire.ca/articles/02-logement.html]

Purvis, B., Mao, Y., et Robinson, D. (2018). "Three pillars of sustainability: in search of conceptual origins". Sustainability Science, vol. 14(3), pp. 681-695. [https://doi.org/10.1007/s11625-018-0627-5]

Québec. ASSSM [Agence de la santé et des services sociaux de Montréal] (2014). Le schéma d'aménagement et de développement de l'agglomération de Montréal: un outil pour promouvoir la santé des Montréalais, présentation du mémoire présenté dans le cadre de la consultation sur le schéma d'aménagement de de développement de l'agglomération de Montréal [PDF] 29 p.

Québec. MSSS [Ministère de la Santé et des Services sociaux] (2022). Rapport de dénombrement 2022. [https://publications.msss.gouv.qc.ca/msss/fichiers/2023/23-846-05W.pdf]

Québec. OPHQ [Office des personnes handicapées du Québec] (2023). Améliorer les conditions de vie des personnes handicapées: Portrait et bilan des actions gouvernementales dans le cadre de la politique À part entière. [https://cdn-contenu.quebec.ca/cdn-contenu/adm/org/ophq/Administration/Politique-a-part-entiere/RAP_evaluation-conditions-vie.pdf]

Québec. Secrétariat du trésor (2024). Plan québécois des infrastructures 2024 - 2034. [https://www.tresor.gouv.qc.ca/fileadmin/PDF/budget_depenses/24-25/6_Plan_quebecois_infrastructures.pdf]

Québec. SHQ [Société d'habitation du Québec] (2013). Supplément. Étude sur les impacts sociaux des activités de la Société d'habitation du Québec. [https://numerique.banq.qc.ca/patrimoine/details/52327/2422118]



- ROHQ [Regroupement des offices d'habitation du Québec] (2023). Les impacts économiques et sociaux des investissements en logement social : Rapport AVISÉO CONSEIL. [https://rohq.qc.ca/wp-content/uploads/2023/09/ROHQ-Mai-2023_Synthese_Impact_Aviseo.pdf]
- SHARE [Shareolder Association for Research and Education] (2021). Investors for Affordable Cities. Responsible investment and affordable rental housing in Canada. [https://share.ca/wp-content/uploads/2021/10/SHARE-InvestorsForAffordableCities-2021.pdf]
- Sharpe, Andrew (2001). «Tendances de la productivité dans le secteur de la construction au Canada : le décalage des progrès techniques». [https://www.csls.ca/ipm/3/sharpe-f.pdf]
- Shiab, N., Bouhard, I. (2022). On a utilisé une intelligence artificielle pour mesurer l'étalement urbain au Canada. Radio-Canada. [https://ici.radio-canada.ca/info/2022/03/etalement-urbain-densite-population-villes-transport-commun-changements-climatiques/]
- Smart Prosperity Institute (2013). The Cost of Sprawl – a Comparison. [https://institute.smartprosperity.ca/content/cost-sprawl-comparison]
- Smith, S. (2024). Coûts de construction. [Article non-publié]. Center for Building in North America.
- Somerville, C.T. (1999). Residential Construction Costs and the Supply of New Housing: Endogeneity and Bias in Construction Cost Indexes. *The Journal of Real Estate Finance and Economics*. 18(43), 62. DOI: [https://doi.org/10.1023/A:1007785312398]
- Soumare, A. (2017). Le logement dans l'IPC canadien: Un aperçu. Statistiques Canada. [https://www150.statcan.gc.ca/n1/pub/62f0014m/62f0014m2017001-fra.htm]
- St-Denis, J. (2022). Why Can't We Build Like It's the 1970s? The Yee. [https://theyee.ca/Analysis/2022/04/22/Why-Cant-We-Build-Like-1970s/]
- The Economist (2017). The construction industry's productivity problem. [https://www.economist.com/leaders/2017/08/17/the-construction-industrys-productivity-problem]
- The Second Egress (s.d.). [https://secondegress.ca/Jurisdictions]
- Thériault, J-F. (2021, 25 février). Ces HLM qui vivent sur «du temps emprunté». Radio-Canada. [https://ici.radio-canada.ca/nouvelle/1773260/logements-sociaux-hlm-mauvais-etat-investissement-federal]
- UMQ [Union des municipalités du Québec] (2018). Économie numérique et changements démographiques. Quel avenir pour l'impôt foncier? [https://umq.qc.ca/wp-content/uploads/2018/05/sommaire-etude-aviseo-umq-2018-impot-foncier-et-economie-numerique-1.pdf]
- Vivre en Ville (2013). Collectivité viable. [https://carrefour.vivreenville.org/publication/collectivite-viable]
- Vivre en Ville (2020). Construire avec le climat. [https://carrefour.vivreenville.org/publication/construire-avec-le-climat]
- Von Bergmann, J., & Lauster, N. (2023). "Housing Outcomes", Mountain Doodles. [https://doodles.mountainmath.ca/posts/2023-08-17-housing-outcomes/#citation]
- Wachsmuth, D. (2024 – 30 mai) What landlords know and the rest of us don't. [Présentation]. Balanced Supply of Housing Spring Workshop, Toronto, Canada.
- Waldron, J. (1991) Homelessness and the issue of freedom. [https://www.researchgate.net/publication/246383002_Homelessness_And_The_Issue_of_Freedom]
- Wiseman, E. (2024). Getting the facts straight on green development standards. [https://taf.ca/getting-the-facts-straight-on-green-development-standards/]
- Zillow Group. (2020). Priced Out. Rising Rent and Homelessness Across America. [https://wp-tid.zillowstatic.com/3/Homelessness_AlexCasey_WP-aebb20.pdf]



INDEX

OPENING DOORS

The housing crisis has not always existed—which means it can be solved. But like the many other crises we're currently facing, it will not go away on its own. We need a game plan. We need clearly defined objectives and the resources to achieve them. We urgently need suitable housing in suitable places, for everyone.

We already know what we need to do to create a vibrant, viable, and sustainable province that balances human needs with ecosystem capacity.

The challenge is less a matter of resources than a matter of setting our priorities. We must ask ourselves: What kind of world do we want to live in?

A great deal of work lies ahead. But before we spring into action, we need to set a clear course and overcome the obstacles that lie between us and a sustainable, affordable future. This starts with OPENING DOORS.

To that end, we at Vivre en Ville propose the following roadmap:

1. Advocate for housing renewal as a collective project

2. Establish consensus on the underlying mechanisms of the housing crisis and its consequences

What you need to know about housing affordability

What you need to know about housing sustainability

3. Identify the four major courses of action ("doors" we will have to open) to solve the crisis sustainably

Doors and key solutions

THE INDEX COLLECTION

There are a number of barriers to building viable communities in Québec: legislation, budgetary frameworks, and poor governance, to name only a few. Vivre en Ville's Index series analyzes the policies and practices that need to be adopted to improve the construction of our buildings, our streets, our neighbourhoods, and our greater metropolitan areas. We encourage you to share the titles in our Index series as widely as possible.

ABOUT VIVRE EN VILLE

Vivre en Ville is paving the way for the necessary transformations of the territory and our communities.

Our approach focuses on frugality and efficiency in land use, spatial proximity, and strengthening solidarity to support the fulfillment of all, cultivate vibrant communities, protect the health of ecosystems, and weather crises.

For over 30 years, Vivre en Ville has put boldness, thoroughness, and collaboration to work for the common good. By combining diverse and complementary expertise in planning, mobility, food systems, housing, and greening, our team develops strategies tailored to each context and deployed at every scale.

Vivre en Ville is a non-profit recognized for its contributions to public debate as well as its extensive publications and its training, outreach, and advisory services throughout Québec.



VIVRE EN VILLE