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Canadian Housing Affordability: Examining Fundamental Factors Affecting Households

This paper will examine the relationship between Canadian housing affordability and fundamental factors affecting the financial stability of households. Moreover, the study hopes to shed light on the Canadian housing situation following the COVID-19 pandemic. Data ranging from 2003Q1 to 2021Q4 is utilized to execute a multiple regression analysis using EViews Software. The study concludes that Canadian housing is less affordable when there is an increase in the following factors: (1) household indebtedness, (2) monetary policy rate, (3) house prices, and (4) the presence of the COVID-19 pandemic. More importantly, when considering the explanatory variables selected, the study finds that increased household indebtedness most significantly correlates with a fall in Canadian housing affordability. As a result, to improve housing affordability levels in Canada, policymakers and households should aim to reduce the total amount of debt households maintain.

Date: Wednesday, August 17, 2022

Time: 10:00 am

Room: Zoom