Build and Benefit:

An Incentivized Plan for Addressing Canada's Housing Crisis

Online Appendix

Table OA-1. Regression of Housing Affordability on Housing Completions and Approval Delay Index

VARIABLES	Mortgage Pressure Index (Mortgage Payment-to-Income)	
	(1) OLS	(2) IV
Housing Completions	0.533***	5.505***
	(0.149)	(1.656)
Housing Completions (Squared)	-0.241***	-2.808**
	(0.080)	(1.159)
Approval Delay Index (2021=Fixed)	0.012***	0.013***
	(0.001)	(0.002)
ln(Pop)	-0.413***	-0.882***
	(0.025)	(0.093)
Pop Density (per km2)	-0.118	1.021**
	(0.116)	(0.443)
Unemployment Rate (%)	-0.035***	-0.003
	(0.012)	(0.020)
HH Size	-2.006***	-1.628***
	(0.228)	(0.609)
Work from Home-to-Pop (%)	-0.003	0.031***
	(0.005)	(0.011)
Bachelor Degrees-to-Pop (%)	0.019***	-0.074***
	(0.006)	(0.017)
Immigrants-to-Pop (%)	0.089***	0.083***
	(0.006)	(0.017)
NonPRs-to-Pop (%)	0.188***	0.234***
	(0.021)	(0.039)
Constant	Yes	Yes
Year-Quarter FE	Yes	Yes
# of CMA-Year-Quarters	561	307
Adj. R-squared	0.839	0.819

The table reports regression results for Mortgage Pressure Index on Housing Completions and Approval Delay Index, by CMAs, from Q1-2017 to Q1-2025. It corresponds to the full regression outputs shown in Panel A of Figure 1 in the main report. In column 2, we apply a two-staged instrumental variable model. The excluded instruments in the first stage are lagged building construction cost index return for metal, and lagged housing completions and squared housing completions. Variable definitions are provided in the main report. Robust standard errors are reported in parentheses. Statistical significance is indicated as follows: * p<0.1; ** p<0.05; *** p<0.01.

Table OA-2. Regression of Active Business Counts on Housing Affordability

VARIABLES	Business Counts-to-Population	
	(1)	(2)
Mortgage Pressure Index	-1.890***	-0.490**
	(0.419)	(0.187)
ln(Pop)	2.807**	-17.768***
	(0.964)	(3.418)
Pop Density (per km2)	-10.377***	-23.415**
	(1.530)	(8.453)
Unemployment Rate (%)	-0.100	-0.229***
	(0.138)	(0.058)
HH Size	19.555***	7.334**
	(3.597)	(2.834)
Work from Home-to-Pop (%)	0.244*	0.150**
	(0.120)	(0.063)
Bachelor Degrees-to-Pop (%)	0.339*	0.450***
	(0.160)	(0.110)
Immigrants-to-Pop (%)	0.062	0.038
	(0.053)	(0.035)
NonPRs-to-Pop (%)	-0.491**	0.146
	(0.213)	(0.087)
Constant	Yes	Yes
Year-Quarter FE	Yes	Yes
Province FE	Yes	–
CMA FE	–	Yes
# of CMA-Year-Quarters	495	495
Adj. R-squared	0.950	0.992

The table reports regression results for Active Business Counts on Mortgage Pressure Index, by CMAs, from Q1-2017 to Q1-2025. Variable definitions are provided in the main report. CMA-clustered robust standard errors are reported in parentheses. Statistical significance is indicated as follows: * p<0.1; ** p<0.05; *** p<0.01.

Table OA-3. Regression of Peripheral City Median Housing Price // on Anchor City Housing Affordability

VARIABLES	ln(Peripheral City Median Housing Price)		
	(1)	(2)	(3)
Anchor City Mortgage Price Index	0.352***	0.112**	0.100*
	(0.068)	(0.035)	(0.046)
Housing Completions	0.348***	0.057	0.061
	(0.065)	(0.070)	(0.051)
Housing Completions (Squared)	-0.124***	-0.015	-0.010
	(0.031)	(0.050)	(0.030)
ln(Pop)	-0.020	-0.543***	0.671
	(0.154)	(0.158)	(1.113)
Pop Density (per km2)	-0.211*	0.279	0.126
	(0.095)	(0.196)	(0.894)
Unemployment Rate (%)	-0.051*	-0.026	-0.068**
	(0.026)	(0.027)	(0.022)
HH Size	0.035	0.266	4.120***
	(0.197)	(0.171)	(1.037)
Work from Home-to-Pop (%)	-0.004	0.017**	0.010
	(0.008)	(0.007)	(0.006)
Bachelor Degrees-to-Pop (%)	-0.007	0.051**	-0.047
	(0.023)	(0.021)	(0.038)
Immigrants-to-Pop (%)	0.036***	-0.024	-0.061*
	(0.010)	(0.019)	(0.027)
NonPRs-to-Pop (%)	0.086**	0.027	-0.029
	(0.030)	(0.031)	(0.024)
Constant	Yes	Yes	Yes
Year-Quarter FE	Yes	Yes	Yes
Province FE	–	Yes	–
CMA FE	–	–	Yes
# of CMA-Year-Quarters	292	292	292
Adj. R-squared	0.908	0.945	0.955

The table reports regression results for the natural logarithm of Peripheral City Median Housing Price on Anchor City Mortgage Price Index, by CMAs, from Q1-2017 to Q1-2025. Variable definitions are provided in the main report. CMA-clustered robust standard errors are reported in parentheses. Statistical significance is indicated as follows: * p<0.1; ** p<0.05; *** p<0.01.