

# Shelter vs. Tax Shelter

A look at who benefits  
from tax measures in the  
housing sector



The Canadian  
Tax Observatory



# The Canadian Tax Observatory

Established in 2025, the Canadian Tax Observatory is an independent charitable organization devoted to helping people and policymakers understand the tax system. Through research, public education and collaboration, our goal is to advance a tax system that promotes economic growth, shared prosperity and tax fairness. The founding CEO is Heather Scoffield.

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## Executive Summary

Canadians complain about the state of the housing market almost as much as they complain about the weather. Worries about affordability are entrenched and longstanding.

If you're a prospective buyer, especially a young one, a house seems out of reach, unaffordable unless you scrimp and save for years, lean on your parents and brace for cramped living space.

If you're a prospective seller, especially these days, you're worried you won't get enough out of the sale to finance your retirement and lifestyle.

If you're a policymaker, you're searching for ways to help young buyers while also maintaining the value of homes for owners who make up the majority of your voting bloc. A policy paradox.

And if you're low-income, it's not just about the cost of real estate. It's the ability to get a roof over your head. The housing squeeze affects just about everyone, but the cascading impacts push many into homelessness.

We have done this to ourselves.

Over the years, Canadians have poured more and more of their savings into residential investment. Economy-wide, the allure of real estate has acted like a magnet, potentially pulling money away from other sectors, most notably business investment.

But this isn't just because we really like houses. It's partly because we, collectively and over decades, have designed a tax system that actively and increasingly tugs our economy in that direction.

The Canadian Tax Observatory, with the help of economists at the Centre for the Study of Living Standards, has attempted to measure some of the economic and fiscal impact of this systemic use of tax policy on housing. And we also focused on one particular program – the incredibly popular and fairly new federal First Home Savings Account (FHSA) – to get a detailed picture of how such tax policy works at the household level.

Who benefits from measures such as the FHSA and the rest of the \$17 billion in tax expenditures that support the housing sector every year?

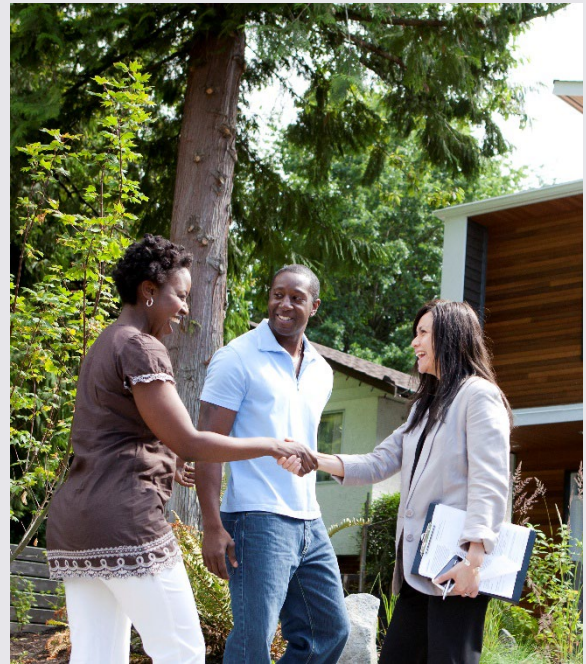
We demonstrate that for the FHSA, at least, it is disproportionately those who least need the support – high-income and wealthy households.

There's a cost, of course. It comes in the form of foregone revenue to the federal purse – money that could go towards any number of programs. It also comes in the form of exacerbating some of the more disturbing trends in our economy: intergenerational inequities and the gap between rich and poor. And in the end, by driving more demand for houses, such measures actually undermine their stated purpose, making housing less affordable over time.

So, here's another thing to worry about: the tax treatment of residential investment. The evidence suggests tax policy is responding to short-term political pressure to make home ownership affordable, but in fact, it can undermine long-term affordability within the housing system.

Not all housing tax measures are alike. Supply-expanding or income-targeted measures may help, but broad demand-side tax subsidies can be regressive and can worsen affordability in a supply-constrained market.

**In short, we have cobbled together a system of expensive tax breaks that tilt our economy in the wrong direction** – driving our collective savings disproportionately into residential investment, heavily favouring those who least need help and undermining affordability for those who need it most.



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In this report, we look at the big picture of where our savings and investments have settled over time. We zoom in to look at the suite of tax measures that were meant to make housing more affordable. We do a deep dive into all the data available to us so far on the FHSA. And we look at which demographics are benefiting from that generous program.

We conclude with some thoughts about why it matters, what the consequences are and questions to answer in further analysis. What we didn't do in this report was to assess tax measures that encourage investors to buy existing homes, such as the deductibility of rental income and taxing investor real estate appreciation at favorable rates – measures that -may well drive up the value of assets for wealthier Canadians. These were beyond the scope of this research but merit attention in future work.

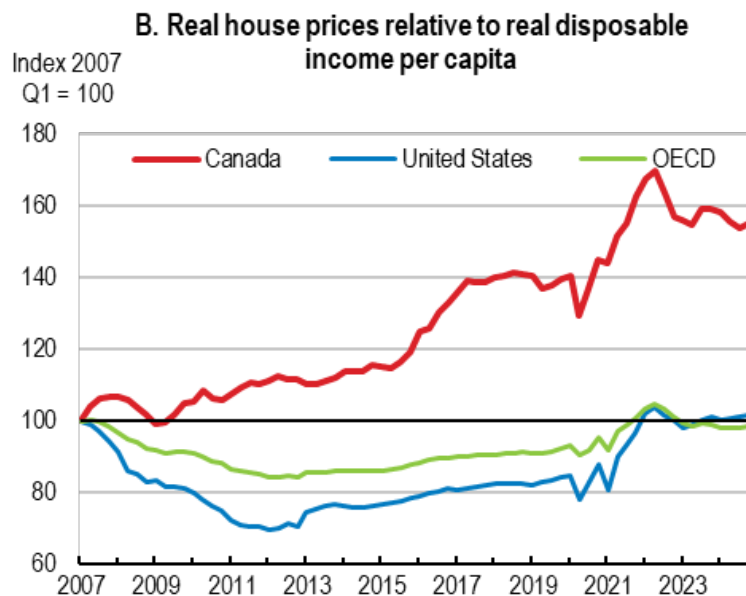
# Key Findings

## Exposure

Canada allocates a large and rising share of its total investment to housing; and low- and middle-income households are particularly exposed to market dynamics. The affordability problem for younger and lower-wealth households is especially acute. (Figure 1b)

### Figure 1: Canada has persistently high housing costs relative to other countries

Housing prices and price-to-income ratios in Canada have risen much more than comparable economies in recent decades



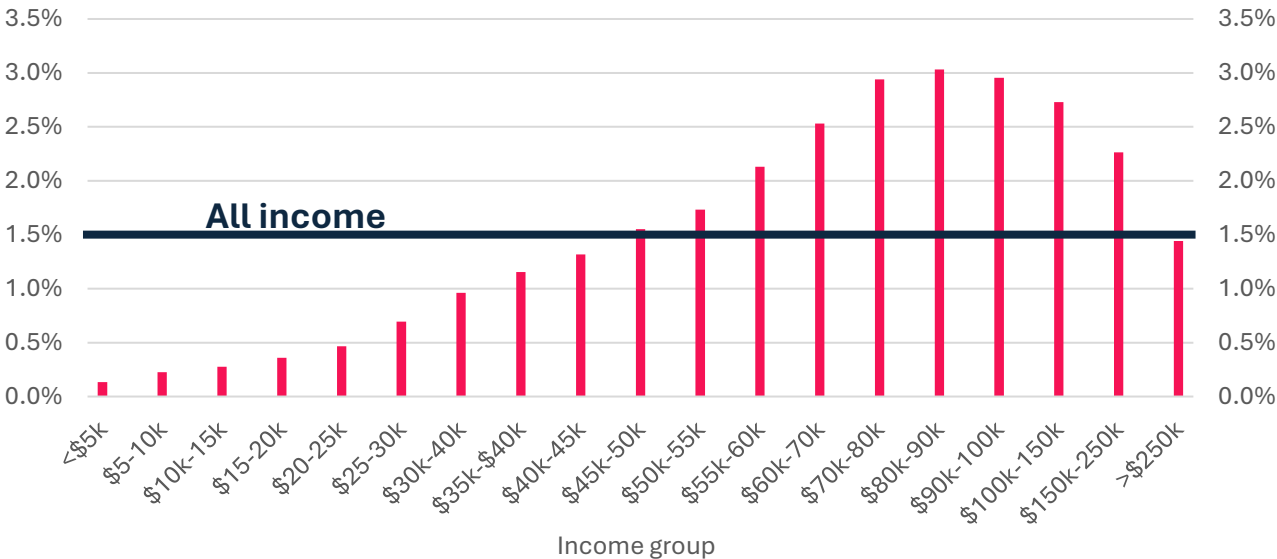
Source: OECD Economic Surveys: Canada 2025, [Chapter 2: Improving Housing Affordability](#)

## Bestowing favour

The First Home Savings Account is generous and popular, benefiting higher-income households and often funded by the so-called Bank of Mom and Dad. (Figure 2)

**Figure 2: FHSA use was higher than average for those with incomes of \$45k to \$250k annually**

Share of tax filers, by income group, claiming FHSA deduction; 2023



Source: Calculations from CRA, Individual Income Tax Return Statistics (2023 tax year)

**Fiscal cost**

**Federal housing tax expenditures amount to about \$17 billion in foregone revenue every year – a major and increasingly significant part of the federal tax system. (Figure 3)**

**Figure 3: The FHSA accounts for almost 10% of housing tax expenditures**

Estimated foregone personal income tax revenue, by fiscal year in millions of current dollars

	2027	Expenditures
Non-taxation of capital gains on principal residences	9,420	55.4%
Exemption from GST for certain residential rent	2,995	17.6%
Tax-Free First Home Savings Account	1,585	9.3%
Enhanced rebate for new residential rental property	1,205	7.1%
First-Time Home Buyers' GST Rebate	895	5.3%
Rebate for new residential rental property	345	2.0%
First-Time Home Buyers' Tax Credit	250	1.5%
Accelerated capital cost allowance for purpose-built rentals	230	1.4%
Rebate for new housing	70	0.4%
<b>Total housing tax relief</b>	<b>16,995</b>	<b>100.0%</b>

Source: Finance Canada, Tax Expenditures and Evaluations (2026)

## Introduction and background

On February 1, 2025, U.S. President Donald Trump unleashed an assault on the global trading system, setting off a chaotic chain of events that has rocked Canada's economy to the core.

We are still standing. We are also left questioning the longstanding economic policy assumptions we took for granted in a more stable world.

And yet, we have a longstanding affordability problem, most noticeably in the high cost of shelter, utilities and food. Rising prices for these essentials have regularly outpaced wage increases over the past few years, as we know.

We owe it to ourselves to be as robust internally as possible, and to be as efficient and impactful with every tax dollar we spend. Each program should deliver clear benefits and help make us productive, resilient and strong.



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Despite a long list of election promises, government announcements to confront these issues, polling shows consistently that affordability — especially for shelter — is at the top of the list of concerns among the Canadian public.

So much of our consumption is related to housing. Indeed, housing consumes us — to the benefit of some but not to all.

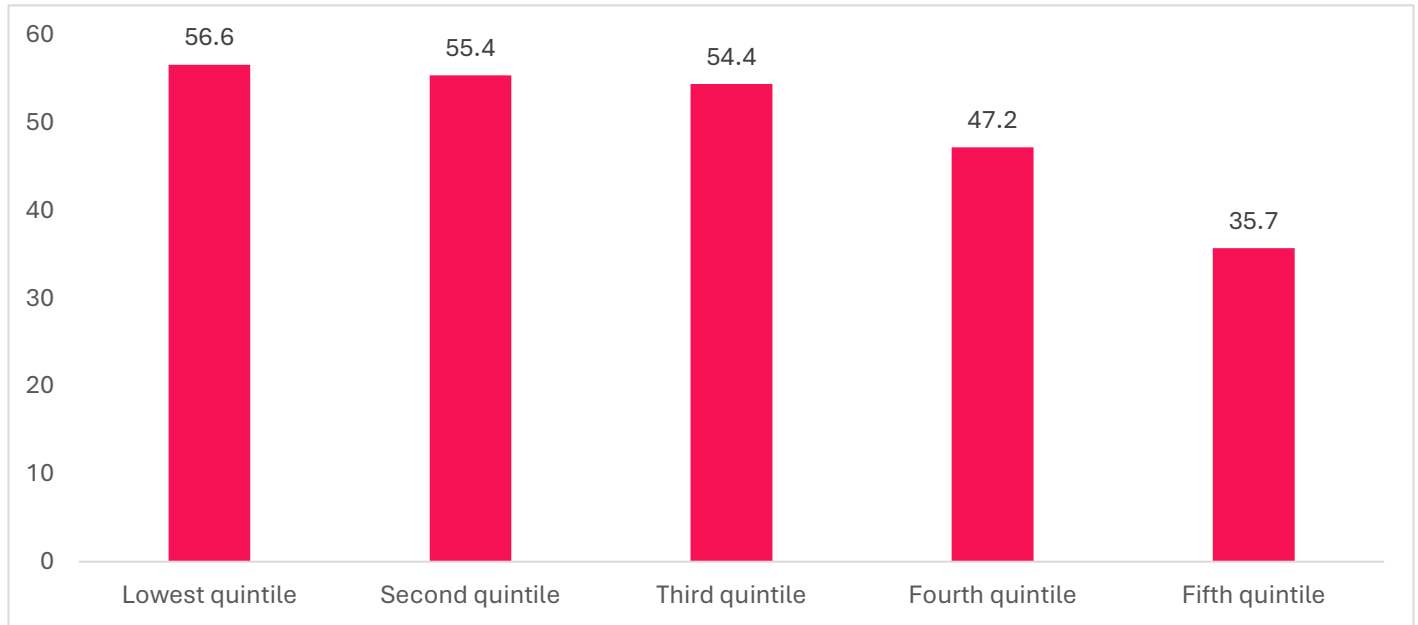
As a share of the Canadian economy, real estate as broadly defined (i.e., including owner-occupied dwellings, residential and commercial rentals and leasing, but not new home construction or renovations) makes up 13.2 per cent of gross domestic product.

Mortgages represent about 70 per cent of lending activity by Canadian banks, and half of their assets.

Real estate accounts for more than half of the assets owned by the least-wealthy 60 per cent of the population. What happens in the housing market affects every tranche of society. (Figure 4)

## Figure 4: Real estate accounts for the majority of total assets for lower- and middle-wealth Canadians

Real estate as a per cent of total assets, by the wealth distribution, Canada 2025Q2

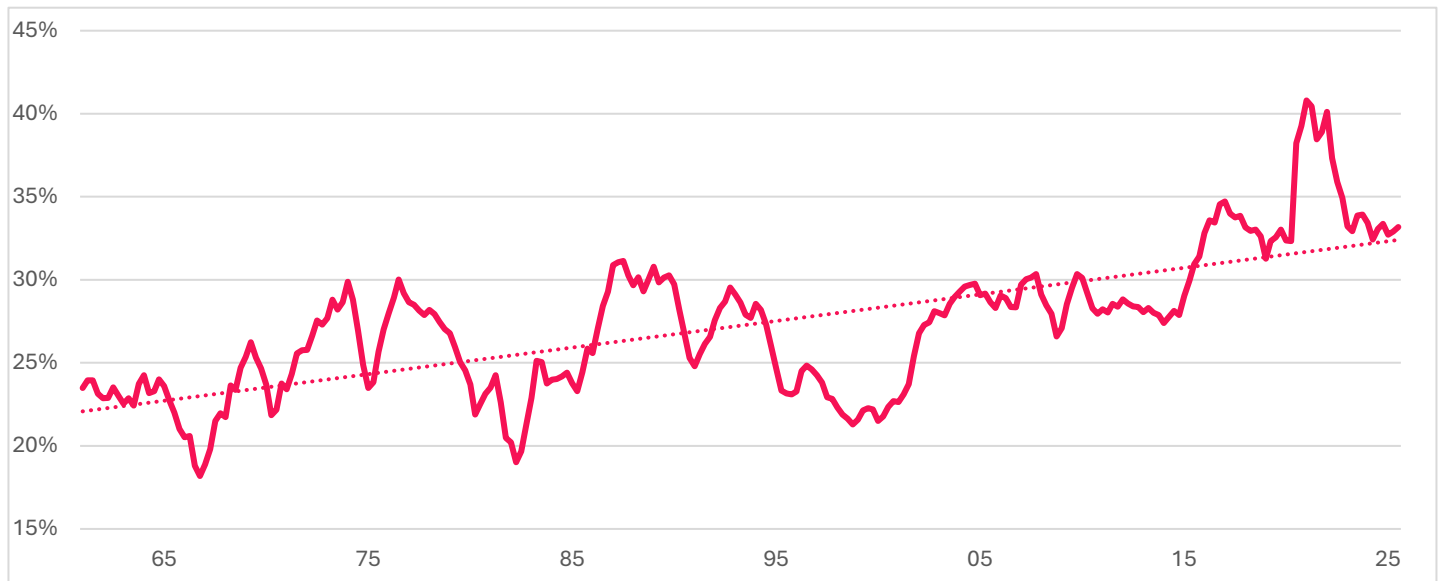


Source: Statistics Canada Table 36-10-0664-01

The overall effect of measure after measure has been to entice an ever-growing share of total investment in Canada into the residential sector (Figure 5), even as the share of investment in business machinery and equipment slides (Figure 6).

## Figure 5: Canada devotes a large and rising share of its total investment to housing

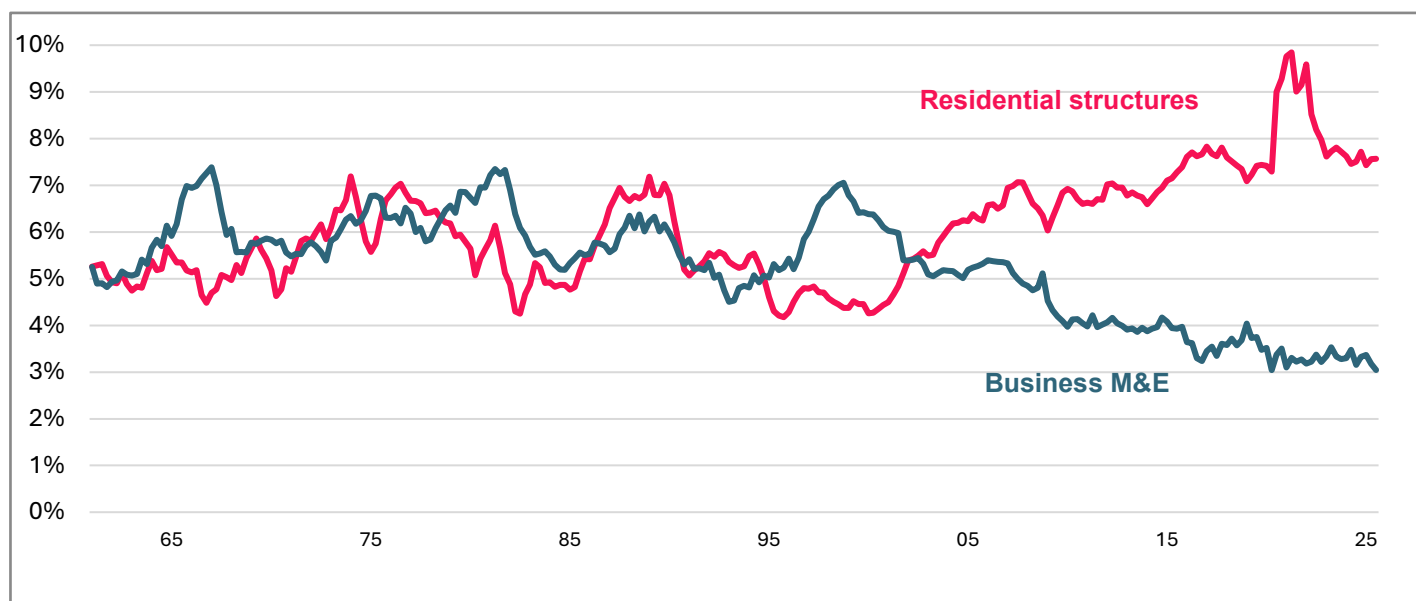
Residential investment as a share of Canada's total investment, 1961-2025



Source: Calculations using Statistics Canada Table [36-10-0104-01](#)

## Figure 6: Canada's strong housing investment may be the flip side of weak business investment

Key investment categories as a share of Canada's GDP, 1961-2025



Source: Calculations using Statistics Canada Table [36-10-0104-01](#)

In other words, the intricate and piecemeal system of taxation, tax expenditures, subsidies and incentives has heavily tilted our economy towards real estate, probably at the long-term expense of active investment in growth and productivity – at the very moment when we need it most.

Macroeconomics aside and turning to politics, the federal elections in 2015, 2019, 2021 and 2025 were stuffed full of promises by all parties to alleviate the housing affordability crisis.

Many of those promises turned into boutique tax measures, which in turn show up in the Finance Department's annual accounting of tax expenditures.

Our analysis of Finance's 2026 Tax Expenditure Report identifies nine specific, ongoing tax measures that target the housing market, making the sum of housing tax measures larger than federal tax incentives for health, charities or education, and in the realm of major, longstanding social policies.

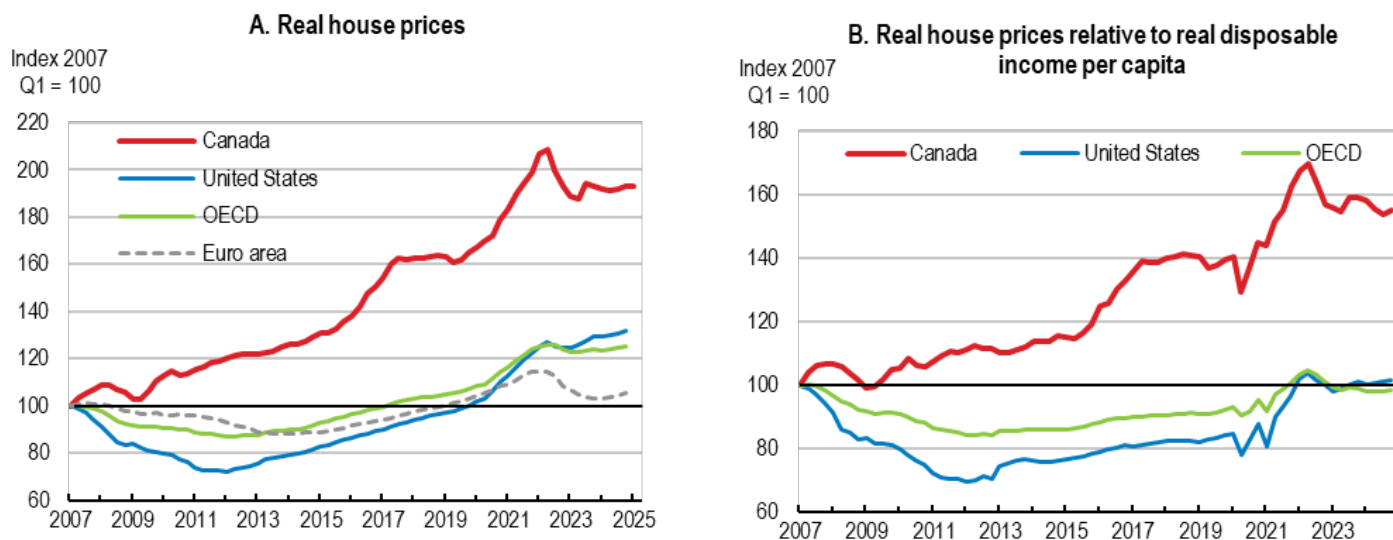
Not all those tax-expenditure ideas are created equal. While some may add capacity, expand the housing stock or target low-income families, others – like the FHSA – have unintended consequences. Other tax breaks, especially measures that favour investors, are worthy of further examination too but are beyond the scope of this paper.

It's important that we understand those consequences because home ownership and housing affordability are so central to Canada's economic strength, household stability and financial sturdiness. Distortions in Canada's housing market have economic and financial implications for equity, intergenerational fairness and the distribution of wealth and income.

Our housing costs are persistently higher than in the past, if we look at how much of our disposable income is eaten up by homes (Figure 1b). And compared to the rest of the world, the price of housing in Canada has gone up and up (until very recently) – an expensive obsession for the Canadian economy (Figure 1a).

### Figure 1: Canada has persistently high housing costs relative to other countries

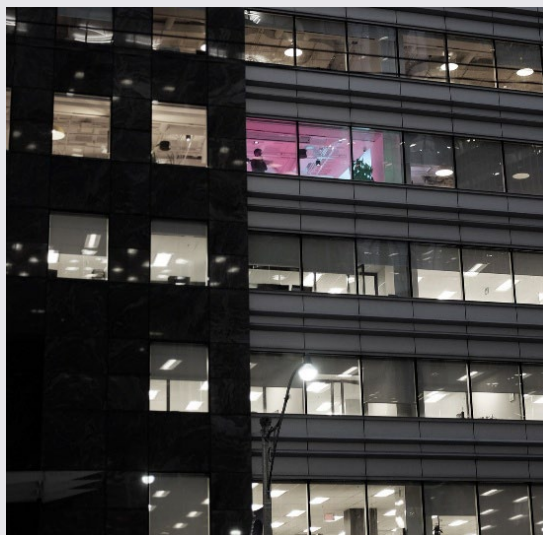
Housing prices and price-to-income ratios in Canada have risen much more than comparable economies in recent decades



Source: OECD Economic Surveys: Canada 2025, Chapter 2: Improving Housing Affordability

In other words, at a macroeconomic level, a household level and a fiscal level, housing ourselves is expensive in Canada. And we have set up an array of tax measures and policies that don't meet the challenges head-on. Rather, in some cases, we are making matters worse.

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## First Home Savings Accounts

And then came the 2021 election.

In the midst of the pandemic and the economic anxiety it brought, meeting the public's affordability concerns were central to every political party's fortunes – even if “affordability” was a vaguely defined term that was thrown around easily in the name of campaign announcements.

The Liberal Party first proposed the idea of a new tax-sheltered savings vehicle for downpayments during the 2021 election campaign. The aim, as stated, was to help Canadians under the age of 40 save for their first home.

The idea combined the most enticing features of an RRSP and a TFSA. It would be tax-free on the way in (like an RRSP) and tax-free on the way out (like a TFSA).

The following year, then-finance minister Chrystia Freeland rolled out the policy in her 2022 budget and launched the program in April 2023. By then, the age restriction was gone, and so was any stipulation that a buyer had to be a first timer. Instead, it was opened up to homebuyers of any age who had not owned a home for four years previously.

In other words, the tax incentives to save through an FHSA are so generous and broad as to rival other mainstream savings arrangements such as RRSPs or TFSAs.



*“Our government believes that everyone should have an affordable place to call home, and we are focused on building more homes and making housing more affordable across the country,” Freeland said at the time.*

*“For too many Canadians, saving for that first down payment seems impossible and out of reach. That is why we... are delivering on the new tax-free First Home Savings Account — a key part of our plan to put homeownership back within reach of Canadians and to help Canadians save for their first home.”*

The initiative was meant to support “generational fairness” and revive the fading dream of home ownership for young people, budget documents stated.

There are some constraints. Contributors need to withdraw their balances within 15 years to buy a house or transfer the money to a registered retirement savings plan. The transfer to an RRSP won't affect the contribution room but the amount would now be taxable upon withdrawal.

Contributions are limited to \$8,000 a year to a maximum of \$40,000 in total.

Our research shows that take-up of the program has been strong indeed.

More than one million Canadians signed up within a few months, stashing away billions, and the number has climbed steadily since (Box 1).

**Box 1: Canadians’ response to FHSA**

- By November 2024, approximately 1 million Canadians had opened a FHSA
- In 2023 tax claims, 1.5% of all returns filed claimed the FHSA deduction
- Early program data show uneven uptake and FHSA contributions rising with both income and age
- FHSA uptake also tends to rise with average home prices by province, as higher prices mean larger down payments are required.
- In 2023, 61.4% of contributors had an income greater than \$60,000, and 57.2% were aged 25 to 34
- This highlights higher-income younger individuals are the primary users of the FHSA

Source: FHSA statistics ([Canada Revenue Agency](#)). \*Finance Canada reports that, by November 2024, “nearly 1 million Canadians” had opened a FHSA.

The Department of Finance expects the size of the program to have tripled from 2023 to 2027, costing the federal treasury \$545 million in 2023 in foregone income tax revenue and an expected \$1.59 billion in 2027 (Figure 7).

**Figure 7: Federal fiscal costs**

Estimated foregone personal income tax revenue, by fiscal year, in current dollars

	2023	2024	2025	2026	2027
Tax-Free First Home Savings Account	\$545M	\$1.110B	\$1.250B	\$1.410B	\$1.585B

Source: Finance Canada, [Tax Expenditures and Evaluations \(2026\)](#)

In its 2025 Mortgage Consumer Survey, the Canada Mortgage and Housing Corp. found that 38 per cent of first-time home buyers used savings from FHSAs. (Box 2)

### **Box 2: First-time Homebuyers Downpayments**

- First-Time Homebuyers (FTHBs) took an average of 3.7 years to save for a downpayment
- For FTHBs, the sources for these downpayments were:
  - Gifts: Used by 41% of FTHB's
  - Non-RRSP Savings: Used by 39% of FTHB's
  - FHSA Savings: Used by 38% of FTHB's
- The average gift amount for FTHBs was \$74,570, with 22% of FTHBs reporting gifts/inheritance as their largest contributor for their downpayments
- Among the FTHBs who received a gift, over 20% said they otherwise would not have been able to purchase their home

But the take-up has been uneven. The people opening accounts and benefitting from the generous tax benefits are not the people who are having the most trouble affording their shelter.

Some observations:

### **Age**

While the discourse around the FHSA focuses on young people, in practice, the accounts are available to people between the ages of 18 and 71 years old as of December 31<sup>st</sup> of the year the account is opened.

The bulk of contributions (77 per cent) are registered to people under the age of 35 and they are collectively responsible for 75 per cent of the total value of contributions. (Figure 8)

## Figure 8: Average FHSA contributions also rise with age

FHSA contributions by age, 2023

	FHSA contributors	Total FHSA contributions	Median FHSA contributions	Average contributions
	Number	Thousands of dollars	Dollars	Dollars
<b>All tax filers</b>	484,320	2,886,650	8,000	5,960
<b>Less than 25 years old</b>	94,890	523,905	8,000	5,521
<b>25 to 34 years</b>	276,950	1,654,545	8,000	5,974
<b>35 to 44 years</b>	83,530	523,580	8,000	6,268
<b>45 to 54 years</b>	20,350	126,650	8,000	6,224
<b>55 to 64 years</b>	7,120	47,410	8,000	6,659

Source: Statistics Canada [RRSP, TFSA and FHSA Contributions, 2023](#)

But thousands of middle-age and near-retirement-age Canadians are also finding ways to qualify (including over 7,000 people aged 55 to 64 in the first year alone). The older the contributor, the bigger the average contribution.

### Assets:

The FHSA was touted to help first-time homebuyers, but in fact, contributors can qualify as long as they or their spouse haven't owned their principal residence in the past four years.

We don't know yet how many of the FHSA-holders have owned homes before.

But we do know that a critical mass of FHSA-holders are financed by their parents and we also know that adult children of homeowners are twice as likely to own a home than adult children of renters. (Box 3)

### Box 3: Family support for homebuyers

- Statistics Canada's 2023 *Survey of Financial Security* provides insight into the homebuying landscape
- In 2021, **Canadians born in the 1990s whose parents were homeowners were twice as likely to own a home** than Canadians whose parents were non-homeowners
- **37% of homeowners under age 35 received an inheritance or family support for the explicit purpose of purchasing a home**
- For families who rent, and whose primary earner was under 35, if they were to liquidate all available financial assets to buy a home, they would still need an additional median amount of \$80,000 to make a 20% downpayment
- Under the same circumstances, heads of household aged 35 – 44 would fall short of a 20% downpayment by a median amount of \$97,000

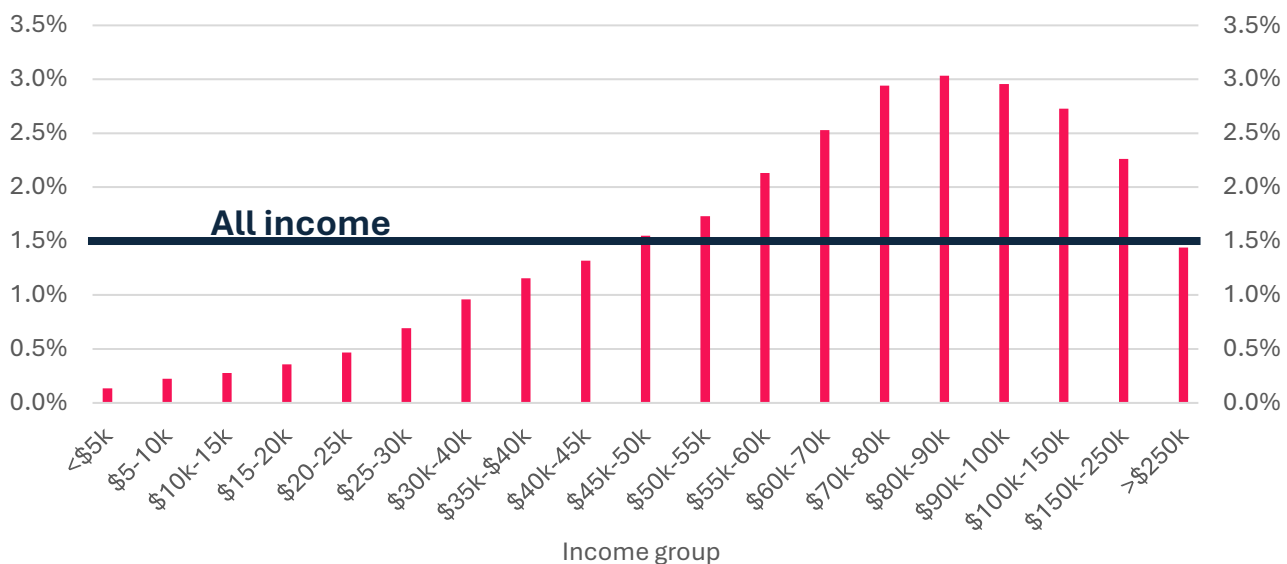
Source: Statistics Canada, 2025, Familial support in entering the Canadian housing market

## Affluence and the ability to save for a home

People in high income brackets were far, far more likely to claim FHSA deductions than those on the lower end of the income scale (Figure 2). The accounts were particularly popular among those making more than \$80,000 a year – people who are in the top 30 per cent of earners in 2023.

### Figure 2: FHSA use was higher than average for those with incomes of \$45k to \$250k

Share of tax filers claiming FHSA deduction, by income group, 2023



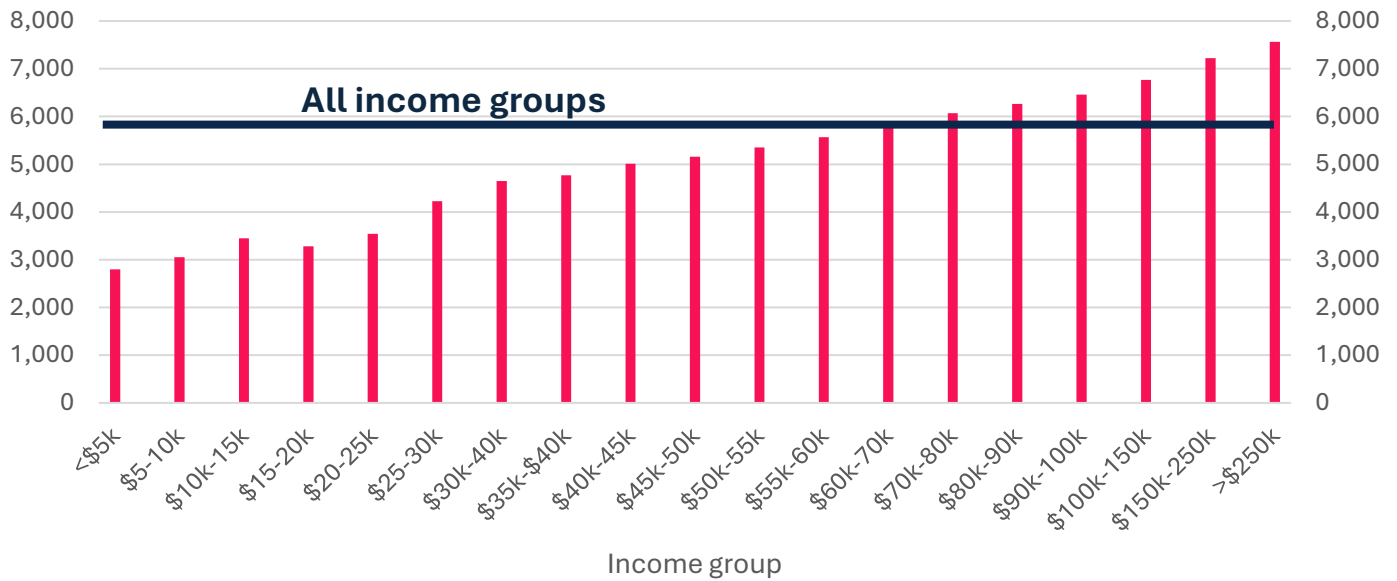
Source: Calculations from CRA, Individual Income Tax Return Statistics (2023 tax year)

Individuals making less than \$30,000 a year showed little inclination or ability to set up accounts and claim deductions. However, there are some very low-income earners who still managed to make contributions almost as large as their earnings, raising questions about where the contributions came from.

Of course, it follows that higher-income groups — who had more money to begin with — were able to contribute more to their plans, with the average contribution far higher among those making over \$250,000 a year. Most account-owners earning more than \$80,000 put in the maximum \$8,000 allowed in a year (Figure 9, Figure 10).

### Figure 9: Average FHSA contributions rose with incomes

Average value of FHSA deduction claimed, by income group, 2023



Source: Calculations from CRA, Individual Income Tax Return Statistics ([2023 tax year](#))

## Figure 10: Higher-income Canadians contribute more on average

FHSA contributions by income, 2023

	FHSA contributors	Total FHSA contributions	Median FHSA contributions	Average contributions
	Number	Thousands of dollars	Dollars	Dollars
<b>All tax filers</b>	484,320	2,886,650	8,000	5,960
<b>Less than \$20,000</b>	31,470	125,920	3,000	4,001
<b>\$20,000 to \$39,999</b>	61,150	287,170	5,380	4,696
<b>\$40,000 to \$59,999</b>	94,130	539,175	8,000	5,728
<b>\$60,000 to \$79,999</b>	105,490	630,200	8,000	5,974
<b>\$80,000 and over</b>	192,080	1,304,180	8,000	6,790

Source: Statistics Canada [RRSP, TFSA and FHSA Contributions, 2023](#)

And why wouldn't they? Even if they don't eventually use the savings to finance a home, account-holders can transfer the funds to their RRSPs without affecting the space in the retirement savings plan.

It's a no-lose savings vehicle for many people fortunate enough to have extra cash – whether it be high-income Canadians looking for a tax shelter or wealthier families who want to fund downpayments for their children tax free.

The median [individual pre-tax wage](#) in Canada in 2023 was \$45,400. More than two-thirds of people with FHSA accounts that year made over that amount. (While we do have some data on the size of FHSA contributions made by several different brackets of high-income earners, we have limited details on the sheer number of contributors in the highest income brackets as well as the amount of their total contributions.)

## Generations

There is no restriction on who or where the FHSA money comes from initially, nor is there a concerted attempt to track it.

But we do know a few things about how first-time homebuyers get their downpayments. Not surprisingly, it often comes from their parents – the so-called “Bank of Mom and Dad.”

In the CMHC survey data gathered in January 2025, researchers found that 41 per cent of first-time buyers received gifts to help finance their downpayments. The average size of the downpayment was \$74,570. More than 20 per cent of those first-time buyers said they would not have been able to purchase their home without that help.

The bigger impact from the “Bank of Mom and Dad,” however, comes through co-signing mortgages. In 2022, 13 per cent of first-time buyers had parental cosigning, up from four per cent in 2004, according to Bank of Canada research. Three-quarters of those first-timers could not have afforded their homes without co-signing.

Overall, parental support among well-off families means those buyers are getting younger even as housing prices have gone up.

**In other words, there is a massive generational transfer of wealth and home ownership happening across Canada, enhanced by the FHSA – which allows more affluent parents to shelter that money, transfer it to their children and perpetuate the cycle of privilege, compounding inequality.**

**Fiscal**

The fiscal impact is not insignificant. For the FHSA alone in 2025, the federal impact was \$1.25 billion, and the provinces of Ontario and Quebec, which mirror the federal incentives, saw another \$380 million in foregone revenue. This is a lower-bound estimate because data for the other provinces were not immediately available. (Figure 11)

**Figure 11: In addition to federal costs, the largest provinces estimate they will forego significant revenue due to the FHSA, which raises the total fiscal cost to over \$1.6 billion in 2025**

Estimated foregone personal income tax revenue, by fiscal year, in current dollars

	2023	2024	2025
Tax-free FHSA			
Federal	545M	1.10B	1.250B
Ontario		185M	240M
Quebec	101M	130M	140M
<b>Total published estimates</b>	<b>646M</b>	<b>1.425B</b>	<b>1.630B</b>

Note: There are a wide variety of tax preferences at the provincial level for housing, including first-time home buyers, and much more, which are not captured here. Sources: Finance Canada, Tax Expenditures and Evaluations (2026). Ontario 2025 Fall Statement | Taxation Transparency Report, 2025 and 2024. Quebec Dépenses fiscales - Édition 2024

The FHSA is just one of nine federal tax expenditures aimed at the housing market – measures that will add up to foregone tax revenue of \$17 billion in 2027, an amount that has been rising every year and is expected to grow further, even with a softening real estate market in major cities in Canada. (Figure 12)

**Figure 12: Estimated foregone personal income tax revenue, by fiscal year**

In millions of current dollars

	2023	2024	2025	2026	2027
Non-taxation of capital gains on principal residences	7,565	7,460	8,170	8,545	9,420
Exemption from GST for certain residential rent	2,440	2,590	2,770	2,910	2,995
<b>Tax-Free First Home Savings Account</b>	<b>545</b>	<b>1,110</b>	<b>1,250</b>	<b>1,410</b>	<b>1,585</b>
Enhanced rebate for new residential rental property		20	520	960	1,205
First-Time Home Buyers' GST Rebate			110	590	895
Rebate for new residential rental property	270	305	360	420	345
First-Time Home Buyers' Tax Credit	220	235	230	240	250
Accelerated capital cost allowance for purpose-built rental housing			11	84	230
Rebate for new housing	85	85	75	70	70
<b>Total housing tax relief</b>	<b>11,125</b>	<b>11,805</b>	<b>13,496</b>	<b>15,229</b>	<b>16,995</b>

Source: Finance Canada, [Tax Expenditures and Evaluations \(2026\)](#)

It's worth noting that the largest tax incentive to buy houses, of course, is the capital gains exemption on principal residences, which is projected to cost \$8.5 billion this year and \$9.4 billion next year.

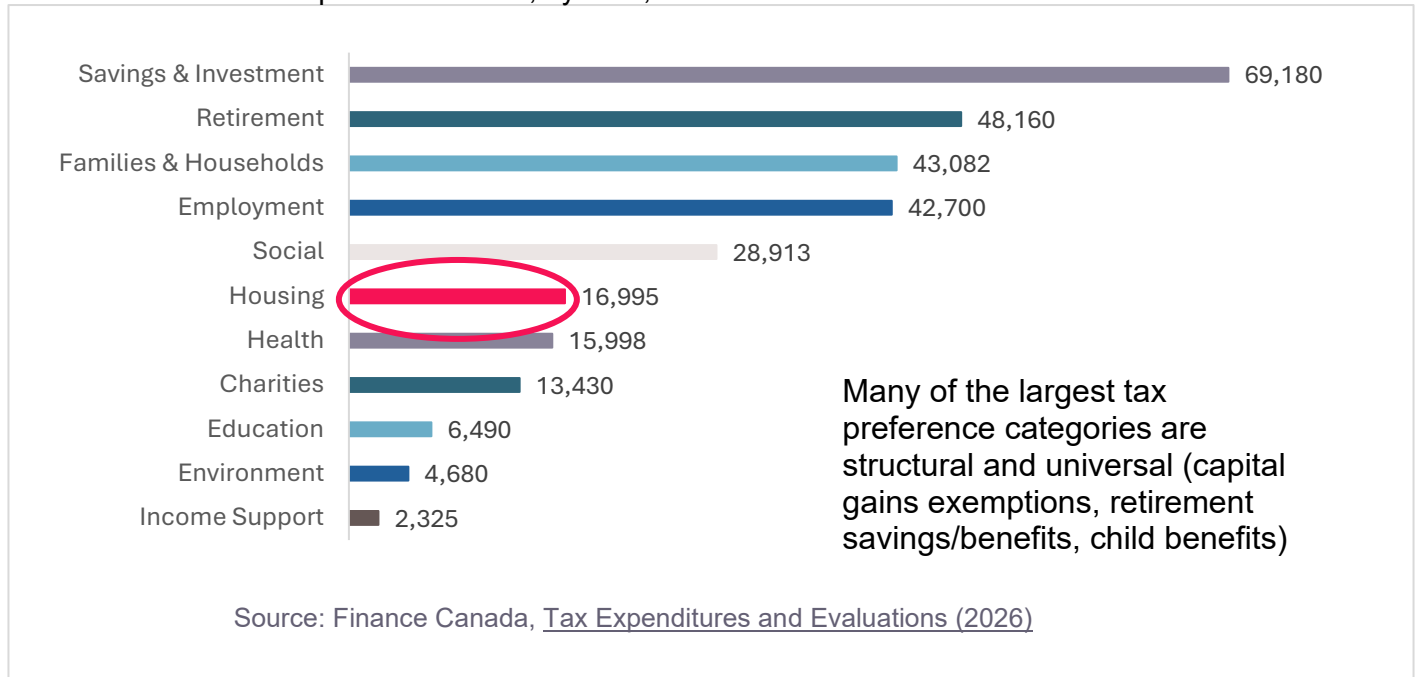
## The big picture

To put the FHSA and tax incentives for housing in a broader context, we analyzed the Department of Finance's Tax Expenditures and Evaluations report issued in February 2026, and we compared the tax expenditures for housing to 10 other stated categories of tax expenditures for households.

Our analysis shows that housing is a significant and expanding component of fiscal and tax policy, second only to renowned structural policies designed to give universal support for retirement, employment income and families. (Figure 13)

### Figure 13: Putting Canadian housing tax relief into context

Canadian federal tax expenditures 2027, by area, in millions of current dollars



Tax expenditures for housing are expected to cost the federal treasury almost \$17 billion in 2027 – about the same amount as preferential tax treatment for RRSPs (\$18.5 billion), and more than tax expenditures on health (\$16 billion).

However, unlike those large structural programs, the measures targeted at housing are scattered and not connected by a central vision or clearly articulated policy anchor beyond affordability.

Rather, some of the measures -- including the FHSA – incent wealthier Canadians towards residential investment, gradually distorting patterns in how the Canadian economy operates.

And while the savings accounts may help some individuals better buy a house more quickly, the macroeconomic effect likely works against affordability over time by boosting demand in the housing market.

That's because Canada's supply is constrained, especially in our major cities, and compared with other countries such as the United States, Sweden, Denmark and Portugal. And the more

constrained the supply of housing is, the more demand-side incentives will lead to increases in home prices.

What speeds up homebuying for some households in the short run seems poised to hurt affordability for others down the road.

## Conclusion and next steps

Canadians need to ask themselves a tough question: is the FHSA, with its popularity, extremely generous tax treatment and lenient qualifying requirements, worth the cost to the treasury, to wealth inequality, to generational fairness, to house prices and to affordability over the long run?

The FHSA program is young, and the data even younger. But we know from studying similar savings vehicles, like TFSAs and RRSPs, that such tax-free arrangements favour well-off, well-established Canadians. That pattern is already established with the FHSA.

Housing affordability may be an issue that worries many different demographics in Canadian society, but why has Canada built a generous tax shelter that is being used by those who are already in the best position to buy a home?

Tax incentives like the FHSA benefit wealthy families and higher income earners most, despite the goals expressed by politicians – helping younger middle-class households afford homes. They entrench the wealth inequality and disparity between generations that already bedevil our economy.

That's the last thing we need right now. Government and businesses alike are speaking out loudly to promote increased productivity, stability and business investment in Canada to better withstand the disruption of the global economy and our ties with the United States. But our tax policy pushes Canada's money towards passive investments than benefit the few.

It is not a good use of tax dollars to steer so much investment towards residential real estate. But even if governments conclude that it is a good use of tax expenditures, the reality is that this particular program is being used by wealthier families to shelter their riches and perpetuate intergenerational wealth transfers that drive inequality.

### **Two key recommendations and a big question for the federal government:**

- Do not increase the annual and total contribution limits of the FHSA to match inflation.
- Comprehensively examine all nine of the main federal tax incentives in play for the housing market to determine what is most helpful to those with lower incomes and what can genuinely help younger, middle-class households afford home ownership.
- A question: Is there a way to reform the FHSA so that it is more progressive, changing its parameters so its benefits don't go disproportionately to wealthy families and undermine affordability? If not, it's time to reconsider.