INTERNATIONAL JOURNAL OF RESEARCH AND INNOVATION IN SOCIAL SCIENCE (IJRISS)
ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue VI June 2026

Beyond Affordability: A Critical Policy Synthesis of Housing and Intergenerational Inequality in Canada

Seyyedamir Mousavi

Department of Economics, Carleton University, Ottawa, Canada

DOI: https://doi.org/10.47772/IJRISS.2026.100600752

Received: 10 June 2026; Accepted: 15 June 2026; Published: 06 July 2026

ABSTRACT

This paper examines how housing-market dynamics in Canada contribute to the reproduction of income and wealth inequality across generations. Rather than treating housing markets as neutral economic mechanisms, the study argues that housing functions as an institutional structure that shapes access to wealth, retirement security, and economic opportunity. Drawing on national evidence from 1990–2022 and comparative OECD literature, this paper presents a critical policy synthesis of existing empirical studies, government statistics, and policy reports examining the relationship between housing prices, income inequality, taxation, and demographic ageing within the broader context of Canadian public policy.

The analysis demonstrates that moderate increases in housing prices may temporarily reduce measured income inequality by increasing household wealth among middle-income homeowners. However, sustained housing appreciation produces unequal long-term effects by concentrating wealth among older property-owning households while reducing affordability for younger generations and new market entrants. These dynamics intensify intergenerational inequality and challenge the assumption that economic growth and housing expansion naturally produce equitable outcomes.

The paper further explores how fiscal policy, labor-market transformations, pension systems, and housing supply interact with demographic ageing to shape distributive outcomes. Comparative evidence from OECD countries highlights the importance of taxation, social housing, and redistributive policies in moderating the unequal effects of housing-market expansion. The findings suggest that policies prioritizing housing primarily as a financial asset reinforce wealth concentration and weaken intergenerational mobility over time.

The study concludes that housing inequality cannot be addressed solely through market-based affordability measures. Instead, coordinated reforms involving taxation, non-market housing expansion, and pension sustainability are necessary to reduce structural inequality and improve intergenerational equity. By integrating economic, demographic, and policy perspectives, this paper contributes to broader debates on housing, inequality, and inclusive social development in Canada.

Keywords: Housing, Inequality, Wealth, Taxation, Ageing

INTRODUCTION

Income inequality in Canada has become a defining policy challenge of the twenty-first century, reflecting structural changes in the economy, labour market, and housing system. Over the past three decades, Canada has experienced sustained economic growth accompanied by sharp increases in housing prices and household indebtedness, alongside uneven wage gains across generations. The intersection of these trends has transformed housing from a social necessity into one of the country's most powerful drivers of wealth accumulation and intergenerational inequality. As the population ages and wealth becomes increasingly concentrated among homeowners, the housing market now functions as both an economic stabilizer and a mechanism of exclusion.

Since the early 1990s, real housing prices in Canada have increased sharply, while homeownership rates among younger adults have declined steadily over the past two decades (Statistics Canada, 2022). Meanwhile, housing wealth among senior households—many of whom have fully paid-off mortgages—has grown substantially and now forms a major share of retirement portfolios. This unequal distribution of housing wealth not only reproduces class divisions but also amplifies intergenerational gaps in life-course opportunities, savings, and retirement security. For younger Canadians, particularly renters and recent migrants, access to homeownership has become increasingly difficult, contributing to growing wealth stratification over time.

Empirical evidence from recent Canadian studies, including Mousavi (2025), suggests that rising housing prices can temporarily reduce income inequality by expanding household wealth among middle-income homeowners. Yet this short-run equalization effect masks long-term divergence. Across generations, housing price appreciation disproportionately benefits older asset-rich households while reducing affordability for younger households and new entrants to the housing market. These patterns challenge the traditional Kuznets framework that equates growth with eventual equality and call for policies that balance economic efficiency with intergenerational fairness.

This paper builds on Mousavi's (2025) quantitative findings to argue that Canadian housing policy is shaped by a market-centered understanding of housing that obscures its role in reproducing intergenerational inequality. Drawing on Canadian and international evidence, the paper challenges the assumption that housing markets operate as neutral mechanisms of wealth distribution, showing instead that they function as institutional structures that both enable and restrict access to economic security. Rather than treating housing solely as a driver of affordability pressures, the analysis demonstrates that current policy frameworks actively reinforce unequal access to housing wealth, particularly across generations in an ageing economy.

METHODS

This study employs a qualitative policy-synthesis approach to examine the relationship between housing-market dynamics and intergenerational inequality in Canada. Rather than generating original empirical data, the paper synthesizes existing evidence from peer-reviewed academic literature, government publications, OECD reports, and policy documents published between 1990 and 2025. Sources were selected based on their relevance to housing affordability, income and wealth inequality, taxation, demographic ageing, and intergenerational wealth transfer. Particular attention was given to Canadian studies while incorporating comparative evidence from OECD countries to contextualize policy developments and institutional differences. The analysis focuses on identifying recurring patterns, policy mechanisms, and theoretical explanations linking housing markets to inequality outcomes. Through this synthesis, the paper aims to integrate diverse strands of evidence into a coherent framework for understanding housing as a distributive institution rather than a neutral market mechanism.

Synthesis Of Empirical Evidence

This section synthesizes findings from empirical studies and comparative research to interpret how housing-market dynamics influence income inequality and policy outcomes. Understanding these dynamics requires linking macroeconomic evidence with demographic and generational perspectives. In high-income economies such as Canada—where population ageing, wealth concentration, and intergenerational transfers are accelerating—housing functions simultaneously as a consumption good, an investment asset, and an informal pension mechanism. These perspectives help explain how housing-market dynamics shape income inequality across generations.

Housing Prices and Inequality: Empirical Relationships

Recent Canadian evidence indicates that rising housing prices have been associated with a short-run reduction in income inequality, contradicting the widespread assumption that housing inflation necessarily widens socio-economic gaps (Mousavi, 2025). The national study of 1990–2022 found a statistically significant negative relationship between average housing prices and the Gini coefficient, controlling for unemployment. This suggests that, in the short term, increases in property values can equalize wealth by raising household net worth among middle-income homeowners. However, the same process can worsen long-term affordability and create intergenerational barriers to homeownership.

Cross-national research offers a mixed picture. A long-run panel of 17 OECD countries (1870–2015) found that higher income inequality depresses real house prices, indicating reverse causality: inequality can reduce housing demand among lower-income groups (Hailemariam et al., 2021). In the United States, metropolitan-level studies show that inequality negatively affects housing prices, possibly because of constrained effective demand in the lower deciles (Määttänen & Terviö, 2010). Conversely, analyses of OECD data from 1975–2010 identify a positive long-run correlation—rising inequality has contributed to house-price growth through the accumulation of capital among high-income households (Goda et al., 2016).

The diversity of these results underscores the context-specific nature of the relationship. In Canada, high rates of mortgage access and public mortgage insurance may have initially allowed middle-class households to benefit from capital appreciation, whereas in economies with stricter credit constraints, house-price inflation magnifies inequality. Fuller et al. (2020) further demonstrate that political institutions and welfare regimes mediate the link: in countries with stronger redistribution, housing booms raise aggregate wealth without proportionally increasing inequality.

GDP Growth and Inequality: Revisiting the Kuznets Hypothesis

The classical Kuznets Curve posits an inverted-U relationship between development and inequality, with disparities rising in early industrialization and declining once economies mature. Contemporary evidence increasingly disputes its universal validity. In Canada, GDP growth has exhibited little measurable effect on income distribution, contradicting the assumption that growth alone will eventually reduce inequality (Mousavi, 2025). Panel studies covering fifty countries from 2000–2018 confirm that economic growth often increases inequality, particularly when unaccompanied by redistributive fiscal policy (Alamanda, 2021).

Chang et al. (2018) find that the Kuznets pattern has flattened over time, while Pattnaik et al. (2025) identify “anti-Kuznets” or S-shaped curves in recent data, where inequality declines at low-income levels but rises again in advanced economies. This resurgence at high-income stages is partly attributable to asset-price inflation and capital accumulation in sectors such as real estate. For ageing societies, this suggests that sustained GDP growth—if driven by asset appreciation rather than productivity—can exacerbate intergenerational inequality by enriching older cohorts holding property assets.

Empirical work also indicates that inequality can, in turn, hinder growth. Iyigun and Owen (2004) show that greater inequality increases volatility in consumption and output, while Brueckner and Lederman (2018) find that high initial inequality suppresses transitional growth. Hence, the assumption that growth automatically generates equitable outcomes is empirically untenable.

Non-Linear and Quadratic Effects in Housing Markets

The relationship between housing and inequality often exhibits non-linear characteristics. Studies in South Africa reveal asymmetric elasticity: a 1 percent increase in household income raises housing prices by 1.08 percent, but a 1 percent income decline triggers a 4.35 percent price drop (Tita & Opperman, 2022). This asymmetry implies that downturns disproportionately erode the wealth of low-income homeowners, widening inequality during recessions. In OECD countries, Ünalan et al. (2025) identify a quadratic relationship—rising housing prices reduce inequality up to a threshold, beyond which further increases amplify disparities. Similarly, Watson (2006) detects a U-shaped link between metropolitan growth and neighborhood income segregation, while Zhao et al. (2021) describe “bifactor-enhanced” interactions driving spatial inequality in China’s housing market.

Taken together, these studies demonstrate that housing markets can move from equalizing to divisive depending on economic maturity, institutional safeguards, and affordability thresholds. For Canada, this implies that policy timing matters: modest housing appreciation can support middle-class stability, but unchecked speculation and limited supply eventually erode inclusivity.

Labor Market Dynamics and Inequality Moderation

Unemployment and labor precarity are critical moderators of inequality trends. Empirical analyses show that unemployment strongly correlates with rising inequality in both developing and advanced economies (Nguyen, 2022; Karountzos et al., 2024). During crises, job losses at the lower end of the wage distribution deepen disparities even when social transfers increase. Martínez et al. (2001) identify unemployment as one of the most robust determinants of inequality among OECD members.

However, institutional context can attenuate this effect. Hope and Martelli (2019) find that coordinated wage bargaining, high union density, and employment-protection legislation reduce inequality in advanced democracies, even as economies transition toward knowledge-intensive sectors. Checchi and García-Peñalosa (2008) emphasize that strong labor institutions may marginally increase unemployment but substantially decrease inequality, implying a trade-off policymakers must navigate. In Canada, where union coverage has declined and gig employment expanded, labor-market polarization interacts with housing dynamics: insecure workers face both income instability and barriers to homeownership, amplifying lifetime wealth gaps.

Structural Drivers: Fiscal Redistribution, Education, and Digitalization

Structural variables condition how macroeconomic and housing trends translate into inequality. Fiscal redistribution remains the most potent equalizer. Araar (2008) demonstrates that Canada's tax-benefit system reduces inequality and polarization, sustaining a broad middle class. Cross-country evidence confirms that fiscal policy cuts the Gini coefficient by roughly 22 percent on average across OECD states (Musibau et al., 2024).

Education and digitalization, often presumed equalizing, have ambivalent effects. Makhlouf and Lalley (2023) show that educational expansion initially widens wage dispersion by shifting labor toward high-skill service sectors, while Yılmaz and Sefil-Tansever (2019) highlight that technology-driven digitalization increases returns to skills, reinforcing income stratification unless counterbalanced by retraining and progressive taxation. For ageing economies, these dynamics are crucial: if younger cohorts face education-related debt and precarious employment while older cohorts benefit from capital gains, intergenerational inequality will intensify regardless of aggregate growth.

Conceptual Models: Housing as Equalizer and Amplifier

Housing occupies a dual role in the political economy of inequality. Several conceptual models illuminate its contradictory functions.

(a) Housing as an equalizer:

In stock-flow consistent frameworks, housing assets enable middle-income households to accumulate wealth and buffer income shocks (Szymborska, 2021). Homeownership thus operates as a form of "private welfare," substituting for limited public pensions. In post-socialist systems, within-family housing transfers have mitigated inequality by allowing young families to access homeownership despite credit constraints (Lux & Sunega, 2023). Empirically, this aligns with Canadian findings that moderate house-price growth can compress inequality temporarily (Mousavi, 2025).

(b) Housing as an amplifier:

Over the long term, concentration of housing equity, tenure inequality, and spatially uneven price appreciation amplify wealth gaps. Arundel (2017) documents how inter- and intra-generational divergences in housing wealth, combined with private landlordism, have entrenched class divides across OECD countries. Christophers (2019) adds that policy regimes privileging ownership over rental tenure generate structural inequality between asset-holders and tenants. Maclennan and Miao (2017) argue that housing's contribution to the rising capital-income ratio mirrors Piketty's analysis of wealth accumulation, reducing productivity and social mobility. Burbidge (2000) further notes that housing capital inflates measured inequality by concentrating non-labor income among property owners.

These models converge on a key insight: housing's distributive effect depends on institutional design. Without progressive taxation, rental regulation, and non-market supply, the equalizing benefits of homeownership erode and become generationally exclusive.

Integrating Demographic and Policy Dimensions

For ageing societies, the interaction between housing markets and inequality must be analyzed through a life-course lens. Younger cohorts face delayed entry into ownership, higher debt burdens, and lower real wages, while older cohorts hold appreciating, mortgage-free assets that substitute for pensions. Fiscal sustainability therefore hinges on reconciling these divergent positions. If housing continues to serve as the de facto retirement system for wealthier homeowners, public pension adequacy for renters and low-asset seniors will remain a structural challenge. Policies that redistribute housing wealth—through targeted taxation, shared-equity schemes, and expanded social housing—are not only socially just but fiscally prudent, reducing future dependency expenditures.

For policymakers, these insights emphasize that housing markets are not neutral economic mechanisms but socially embedded systems influencing intergenerational justice. Aligning housing and fiscal policy with demographic realities is thus essential for achieving equitable and sustainable ageing in Canada.

POLICY DISCUSSION

These findings highlight that housing-market dynamics are shaped not only by economic forces but also by policy choices that influence housing supply, taxation, and social protection systems. These dynamics have become central to debates about intergenerational equity and fiscal sustainability in ageing societies such as Canada. Rising housing prices, stagnant real wages, and the concentration of property wealth among older cohorts have reshaped Canada's economic landscape. While homeownership has historically functioned as a key mechanism of middle-class stability, its unequal distribution now reinforces generational and income divides. This section examines the policy implications of these shifts, drawing on Canadian and OECD evidence regarding taxation, housing, and redistribution.

Taxation and Redistributive Policies

Progressive tax reform remains one of the most effective levers for reducing post-tax inequality across OECD economies (OECD, 2024). In Canada, progressive income taxation directly reduces income disparities by increasing marginal rates for high earners, while targeted income supports for lower-income households enhance redistribution (Policy Options, 2024). Adjusting the capital gains inclusion rate and curbing preferential tax treatment of investment income would further align tax burdens with ability to pay (OECD, 2024).

Wealth taxation has re-emerged as a global policy instrument. Countries such as Bolivia and Argentina have introduced temporary or permanent net-wealth taxes targeting ultra-rich households, demonstrating the potential of such measures to mitigate wealth concentration (UN DESA, 2023). Recent analyses suggest that a modest wealth tax on high-net-worth households could significantly enhance fiscal capacity for social and housing investments, particularly in countries with rising wealth concentration (Saez & Zucman, 2016). Moreover, re-targeting existing benefits—such as childcare credits or housing subsidies—toward low- and middle-income families would increase policy efficiency while advancing equity (Policy Options, 2024).

Housing Policy and Intergenerational Equity

Housing affordability and wealth distribution are deeply intertwined. Expanding affordable and community-led housing supply may help reduce barriers for marginalized populations and improve long-term equity outcomes. Canada's Reaching Home program, for instance, has helped more than 125,000 individuals avoid chronic homelessness, underscoring the potential of sustained federal intervention (Housing, Infrastructure and Communities Canada, 2024). Yet, uneven regional implementation and limited coordination across federal, provincial, and municipal levels have constrained progress (Leone & Carroll, 2010).

Property taxation is another key mechanism for intergenerational redistribution. Empirical evidence from multiple OECD countries shows that increasing property tax rates on high-value homes can reduce wealth concentration over time, as revenue is reinvested in education, infrastructure, and social programs (Onaran et al., 2023). By contrast, Canada's principal-residence exemption—which allows capital gains on primary homes to remain largely untaxed—may reinforce intergenerational wealth inequality by enabling the transfer of substantial housing assets across generations.

The fiscal significance of the principal-residence exemption (PRE) extends beyond its effects on individual households. Under current federal policy, capital gains realized on the sale of a principal residence remain exempt from taxation, reflecting the continued importance of homeownership within Canada's tax framework (Department of Finance Canada, 2025). Potential reform options include imposing a lifetime exemption cap, partially taxing gains above a specified threshold, or phasing out preferential treatment for very high-value properties. However, such reforms face considerable political challenges because homeownership remains widespread and housing wealth constitutes a major component of middle-class financial security. Consequently, any reform would need to balance concerns about intergenerational equity with protections for middle-income homeowners.

Similarly, capital-gains exemptions and intergenerational wealth-transfer mechanisms may reinforce wealth concentration among higher-income households. Balancing these mechanisms with inheritance or estate-tax reforms would enhance vertical equity and create fiscal space for inclusive housing initiatives.

Comparative Insights from Nordic and European Models

International experience offers valuable guidance for Canada. Nordic housing systems demonstrate how coordinated, rights-based frameworks can achieve affordability and equality simultaneously (Leviten-Reid et al., 2025). In Finland and Sweden, robust social and cooperative housing sectors provide non-market rental options for broad segments of the population, reducing speculative pressures and fostering social integration (Leviten-Reid et al., 2025). These models treat housing as a public good rather than a speculative asset. Finland’s transformation of emergency shelters into long-term housing under its Housing First model nearly eliminated chronic homelessness (Brown et al., 2016).

Legal recognition of housing as a human right, as implemented in Finland and Scotland, also strengthens accountability and political will. Such recognition could guide Canada’s federal housing strategy, ensuring enforceable targets and transparent evaluation. Furthermore, Nordic countries combine tenant protections with strict regulation of financial institutions to limit speculative investment by pension funds—an area of growing concern for Canada’s ageing population (Canadian Union of Public Employees [CUPE], 2023). These policies reveal that equitable housing outcomes depend on integrating fiscal, social, and legal instruments within a coherent intergovernmental framework.

Housing, Ageing, and Fiscal Sustainability

In ageing societies, housing wealth functions both as a source of retirement security and as a potential driver of inequality. In Canada, inadequate public pensions push many older adults to rely on home equity to finance retirement, effectively transforming housing into a private pension asset (Canadian Union of Public Employees [CUPE], 2023). Evidence from Statistics Canada indicates that housing equity represents a substantial share of wealth among older households (Statistics Canada, 2024). Senior homeowners generally possess higher net worth than non-homeowners, with principal residences representing an important component of household wealth (Statistics Canada, 2024). As a result, housing increasingly functions as an informal retirement resource through downsizing, home-equity borrowing, or intergenerational transfers.

At the same time, reliance on housing wealth creates policy tensions. Measures designed to reduce housing wealth concentration may advance intergenerational equity but can also affect retirement security among older adults who depend on home equity to supplement income, finance care needs, or maintain living standards. These competing objectives illustrate the need for housing and pension policies that are coordinated rather than developed in isolation.

Consequently, many older homeowners may be reluctant to support policy reforms that could lower housing prices or broaden access to homeownership. At the same time, rising housing costs increase poverty risks among seniors who rent or lack property assets (Housing, Infrastructure and Communities Canada, 2024).

The fiscal implications are significant. As public pension expenditures rise, inequalities in housing wealth can exacerbate fiscal pressure by increasing demand for income supports and healthcare among low-asset seniors. Policymakers must therefore balance homeownership incentives with mechanisms that protect non-owners—such as rent supplements, age-friendly social housing, and expanded public pensions. Limiting speculative property purchases by institutional investors could also prevent the crowding-out of younger and lower-income buyers (Seymour et al., 2025).

Intergenerational fairness must guide these reforms. Evidence from Europe shows that inheritance and substantial gifts account for up to 40 percent of wealth inequality (Tiefensee & Westermeier, 2016). With Canada's ageing homeowner population, similar patterns are likely to intensify. Reforming tax treatment of intergenerational transfers—particularly capital gains exemptions and housing bequests—would support a more equitable intergenerational wealth distribution while stabilizing fiscal systems over the long term (Kaplow, 2000).

Federal–Provincial Coordination and Institutional Design

Effective policy action requires robust coordination among federal, provincial, and municipal governments. Historically, Canada's post-war housing success (1945–1990s) relied on cooperative federalism, where federal leadership ensured stable funding and consistent policy direction (Leone & Carroll, 2010). The devolution of housing responsibilities in the mid-1990s fragmented governance and weakened national oversight (Forchuk et al., 2007). Today, restoring intergovernmental collaboration—particularly between housing, taxation, and social policy portfolios—is essential to address cross-sectoral challenges such as mental health, affordability, and ageing.

Investing in social and cooperative housing not only mitigates inequality but also generates long-term fiscal dividends. Studies highlight that public housing programs, when well managed, reduce future expenditures on health and income support (Jacobs and Pawson, 2015). Embedding these programs within a broader redistributive framework would align with the Journal of the Economics of Ageing's emphasis on sustainable demographic and fiscal policy.

Policy Directions

Drawing together the preceding analysis, five strategic policy priorities emerge:

1. **Reform wealth and inheritance taxation** to curb intergenerational concentration of housing assets.

2. **Expand non-market housing supply** through federal–provincial partnerships and cooperative models.

3. **Recognize housing as a human right** to institutionalize accountability for affordability and access.

4. **Strengthen public pensions** and limit financialization of housing by pension funds.

5. **Enhance intergovernmental coordination** to integrate housing, health, and fiscal policy in response to population ageing.

By advancing these measures, Canada can address both the immediate and structural dimensions of inequality while aligning economic and demographic policy toward intergenerational equity. Taken together, these findings suggest that addressing housing-driven inequality requires coordinated policy responses across housing supply, taxation, and retirement systems.

Limitations and Future Research

This study has several limitations that should be acknowledged. First, the paper does not generate original empirical data or conduct new econometric analysis. Instead, it adopts a policy-synthesis approach that integrates findings from existing academic literature, government reports, and comparative international evidence. While

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue VI June 2026

this approach enables a broad examination of housing, inequality, and demographic ageing, it limits the ability to establish causal relationships or assess the magnitude of specific policy effects within the Canadian context.

Second, the analysis treats Canada largely as a single policy and housing system. Important regional differences in housing affordability, taxation, demographic composition, and housing supply exist across provinces and municipalities. Future research should examine how housing-market dynamics and intergenerational inequality vary across different Canadian regions, particularly in rapidly growing metropolitan areas compared with smaller urban and rural communities.

Third, the paper does not specifically examine Indigenous housing conditions and experiences. Housing challenges faced by First Nations, Inuit, and Métis communities often differ substantially from those affecting the broader Canadian population and are shaped by distinct historical, legal, and socioeconomic factors. Future studies should explore how housing inequality intersects with Indigenous rights, self-determination, and access to adequate housing.

Fourth, while the discussion considers homeownership, wealth accumulation, and intergenerational transfers in considerable detail, less attention is devoted to rental markets and the experiences of long-term renters. Given declining homeownership rates among younger Canadians and rising rental costs in many urban centres, further research is needed to investigate how rental-market dynamics contribute to wealth inequality and economic insecurity across the life course.

Finally, future research should move beyond broad policy discussions and evaluate the potential effects of specific policy interventions. Comparative analyses of wealth taxation, principal-residence exemption reforms, social and cooperative housing expansion, shared-equity programs, pension reforms, and measures addressing housing financialization would provide valuable evidence for policymakers. Such research could strengthen understanding of how housing, taxation, and retirement systems can be better aligned to promote intergenerational equity and long-term fiscal sustainability in ageing societies.

CONCLUSION AND POLICY IMPLICATIONS

This analysis shows that housing-market dynamics are a central mechanism shaping income and wealth inequality in Canada. Building on Mousavi's (2025) national study, the discussion reveals that while moderate increases in housing prices can temporarily reduce measured income inequality, the long-term effects reinforce structural and intergenerational divides. Rising property values accumulate disproportionately among older, asset-owning households, while younger cohorts face declining homeownership rates, stagnant real wages, and growing debt burdens. As a result, housing operates as both an economic stabilizer and a transmission channel for inequality across generations.

Policy responses must therefore address the dual challenge of demographic ageing and asset concentration. First, redistributive taxation—particularly reforms to capital-gains exemptions, inheritance treatment, and wealth taxes—can mitigate the unequal transfer of housing wealth. Second, expanding cooperative and social housing supply would improve affordability for younger and lower-income groups while supporting community stability. Third, integrating housing with retirement and pension policy is essential. Reducing reliance on home equity as a de facto pension instrument will strengthen fiscal sustainability and reduce vulnerability among non-owning seniors.

Recognizing housing as both an economic asset and a social necessity is essential for designing policies that promote inclusive growth. Without coordinated housing, fiscal, and social policies, rising property values risk deepening wealth inequality and limiting economic mobility for future generations. Addressing these challenges requires policy frameworks that balance housing affordability, wealth accumulation, and intergenerational equity.

REFERENCES

1. Alamanda, A. (2021). The effect of economic growth on income inequality: Panel data analysis from fifty countries. Info Artha, 5, 1–15. https://doi.org/10.31092/JIA.V5I1.1176

2. Araar, A. (2008). Social classes, inequality and redistributive policies in Canada. New Institutional Economics. https://doi.org/10.2139/ssrn.1263501
3. Arundel, R. (2017). Equity inequity: Housing wealth inequality, inter- and intra-generational divergences, and the rise of private landlordism. Housing, Theory and Society, 34, 176–200. https://doi.org/10.1080/14036096.2017.1284154
4. Brown, M. M., Jason, L. A., Malone, D. K., Srebnik, D., & Sylla, L. (2016). Housing first as an effective model for community stabilization among vulnerable individuals with chronic and nonchronic homelessness histories. Journal of Community Psychology, 44(3), 384–390. https://doi.org/10.1002/jcop.21763
5. Brueckner, M., & Lederman, D. (2018). Inequality and economic growth: The role of initial income. Journal of Economic Growth, 23, 341–366. https://doi.org/10.1007/s10887-018-9156-4
6. Burbidge, A. (2000). Capital gains, homeownership and economic inequality. Housing Studies, 15(2), 259–280. https://doi.org/10.1080/02673030082388
7. Canadian Union of Public Employees. (2023, October 16). Retirement security is key to solving housing crisis. CUPE. https://cupe.ca/retirement-security-key-solving-housing-crisis
8. Chang, S., Gupta, R., & Miller, S. M. (2018). Causality between per capita real GDP and income inequality in the U.S.: Evidence from a wavelet analysis. Social Indicators Research, 135(1), 269–289. https://doi.org/10.1007/s11205-016-1485-0
9. Checchi, D., & García-Peñalosa, C. (2008). Labour market institutions and income inequality. Economic Policy, 23, 601–649. https://doi.org/10.1111/j.1468-0327.2008.00209.x
10. Christophers, B. (2019). A tale of two inequalities: Housing-wealth inequality and tenure inequality. Environment and Planning A, 53, 573–594. https://doi.org/10.1177/0308518X19876946
11. Department of Finance Canada. (2025, January 31). Government of Canada announces deferral in implementation of change to capital gains inclusion rate. Government of Canada. https://www.canada.ca/en/department-finance/news/2025/01/government-of-canada-announces-deferral-in-implementation-of-change-to-capital-gains-inclusion-rate.html
12. Forchuk, C., Joplin, L., Schofield, R., Csiernik, R., Gorlick, C., & Turner, K. (2007). Housing, income support and mental health: Points of disconnection. Health Research Policy and Systems, 5(1), 14. https://doi.org/10.1186/1478-4505-5-14
13. Fuller, G. W., Johnston, A., & Regan, A. (2020). Housing prices and wealth inequality in Western Europe. West European Politics, 43(2), 297–320. https://doi.org/10.1080/01402382.2018.1561054
14. Goda, T., Stewart, C., & Torres, A. (2016). Absolute income inequality and rising house prices. SSRN Electronic Journal. Advance online publication. https://doi.org/10.2139/ssrn.2886481
15. Hailemariam, A., Awaworyi Churchill, S., Smyth, R., & Baako, K. T. (2021). Income inequality and housing prices in the very long-run. Southern Economic Journal, 88(1), 295–321. https://doi.org/10.1002/soej.12520
16. Housing, Infrastructure and Communities Canada. (2024, May 3). Solving the housing crisis: Canada's housing plan. Government of Canada. https://housing-infrastructure.canada.ca/housing-logement/housing-plan-report-rapport-plan-logement-eng.html
17. Hope, D., & Martelli, A. (2019). The transition to the knowledge economy, labour-market institutions, and income inequality in advanced democracies. World Politics, 71, 236–288. https://doi.org/10.1017/S0043887118000333
18. Iyigun, M. F., & Owen, A. L. (2004). Income inequality, financial development, and macroeconomic fluctuations. Economic Journal, 114, 111–132. https://doi.org/10.1111/j.1468-0297.2004.00212.x
19. Jacobs, K., & Pawson, H. (2015). Introduction to the special edition: The politics of housing policy. Housing Studies, 30(5), 651–655. https://doi.org/10.1080/02673037.2015.1082273
20. Karountzos, P., Giannakopoulos, N. T., Sakas, D. P., Efthalitsidou, K. I., & Migkos, S. P. (2024). Gini's odyssey in Greece: Econometric analysis of income inequality, GDP, and unemployment through economic phases (pre-crisis, crisis, memoranda, and post-memoranda). International Journal of Financial Studies, 12(4), 129. https://doi.org/10.3390/ijfs12040129
21. Kaplow, L. (2000, June). A framework for assessing estate and gift taxation. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.237149
22. Leone, R., & Carroll, B. (2010). Decentralisation and devolution in Canadian social housing policy. Environment and Planning C, 28, 389–404. https://doi.org/10.1068/c09153

23. Leviten-Reid, C., Digou, M., & Kennelly, J. (2025). Housing as a human right, rent supplements and the new Canada Housing Benefit. Housing Studies, 40(3), 565–588. https://doi.org/10.1080/02673037.2024.2307595
24. Lux, M., & Sunega, P. (2023). Housing wealth inequality, intergenerational transfers and young households in the super-homeownership system. International Journal of Housing Policy, 25, 349–371. https://doi.org/10.1080/19491247.2023.2269618
25. Maclennan, D., & Miao, J. (2017). Housing and capital in the 21st century. Housing, Theory and Society, 34(2), 127–145. https://doi.org/10.1080/14036096.2017.1293378
26. Makhlouf, Y., & Lalley, C. (2023). Education expansion, income inequality and structural transformation: Evidence from OECD countries. Social Indicators Research, 169, 255–281. https://doi.org/10.1007/s11205-023-03161-2
27. Määttänen, N., & Terviö, M. (2010). Income distribution and housing prices: An assignment-model approach. Microeconomics: Intertemporal Choice and Growth eJournal. https://doi.org/10.2139/ssrn.1805734
28. Martínez, R., Ayala, L., & Ruiz-Huerta, J. (2001). The impact of unemployment on inequality and poverty in OECD countries. Economics of Transition, 9(2), 417–447. https://doi.org/10.1111/1468-0351.00082
29. Mousavi, S. (2025). The impact of housing prices and GDP growth on income inequality in Canada (1990–2022). Socioeconomic Analytics. https://doi.org/10.29327/2565368.3.1-5
30. Musibau, H. O., Zakari, A., & Taghizadeh-Hesary, F. (2024). Exploring the fiscal policy–income inequality relationship with Bayesian model averaging analysis. Economic Change and Restructuring, 57, 21. https://doi.org/10.1007/s10644-024-09577-1
31. Nguyen, V. (2022). Does digitalization widen income inequality? South East European Journal of Economics and Business, 17, 154–171. https://doi.org/10.2478/jeb-2022-0021
32. OECD. (2024). Taxation and inequality report. https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/07/taxation-and-inequality_b7cf450c/8dbf9a62-en.pdf
33. Onaran, Ö., Oyvat, C., & Fotopoulou, E. (2023). Can wealth taxation fund public investment in a caring and sustainable economy? The case of the UK. Cambridge Journal of Economics, 47(4), 703–724. https://doi.org/10.1093/cje/bead026
34. Pattnaik, S., Rizinski, M., & Pinsky, E. (2025). Rethinking inequality: The complex dynamics beyond the Kuznets curve. Data, 10(6), 88. https://doi.org/10.3390/data10060088
35. Policy Options. (2024, July). Income and wealth inequality. https://policyoptions.irpp.org/2024/07/income-wealth-inequality/
36. Saez, E., & Zucman, G. (2016). Wealth inequality in the United States since 1913: Evidence from capitalized income tax data. The Quarterly Journal of Economics, 131(2), 519–578. https://doi.org/10.1093/qje/qjw004
37. Seymour, E., Shelton, T., Sherman, S. A., & Akers, J. (2025). The metropolitan and neighborhood geographies of REIT- and private equity–owned single-family rentals. Journal of Urban Affairs, 47(6), 1998–2022. https://doi.org/10.1080/07352166.2023.2276766
38. Statistics Canada. (2022, September 21). Younger Canadians less likely to own their homes. The Daily. https://www150.statcan.gc.ca/n1/daily-quotidien/220921/dq220921b-eng.htm
39. Statistics Canada. (2024, October 29). Survey of Financial Security, 2023. The Daily. Government of Canada. https://www150.statcan.gc.ca/n1/daily-quotidien/241029/dq241029a-eng.htm
40. Szymborska, H. (2021). Rethinking inequality in the 21st century: Household balance sheet composition in financialized economies. Journal of Post Keynesian Economics, 45, 24–72. https://doi.org/10.1080/01603477.2021.1969951
41. Tiefensee, A., & Westermeier, C. (2016). Intergenerational transfers and wealth in the euro area: The relevance of inheritances and gifts in absolute and relative terms (DIW Berlin Discussion Paper No. 1556). Deutsches Institut für Wirtschaftsforschung (DIW Berlin). https://www.diw.de/documents/publikationen/73/diw_01.c.528526.de/dp1556.pdf
42. Tita, A. F., & Opperman, P. (2022). Understanding the behaviour of house prices and household income per capita in South Africa: Application of the asymmetric autoregressive distributed lag model. International Journal of Housing Markets and Analysis, 15(3), 632–652. https://doi.org/10.1108/IJHMA-02-2021-0018

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue VI June 2026

43. UN DESA. (2023). Net wealth taxes: How they can help fight inequality (UN DESA Policy Brief No. 168). https://desapublications.un.org/policy-briefs/un-desa-policy-brief-no-168-net-wealth-taxes-how-they-can-help-fight-inequality-and
44. Ünalan, G., Çamalan, Ö., & Yılmaz, H. H. (2025). The impact of increases in housing prices on income inequality: A perspective on sustainable urban development. Sustainability, 17(9), 4024. https://doi.org/10.3390/su17094024
45. Watson, T. (2006). Metropolitan growth, inequality, and neighbourhood segregation by income. Brookings-Wharton Papers on Urban Affairs 2006, 1–52. https://doi.org/10.1353/URB.2006.0029
46. Yılmaz, E., & Sefil-Tansever, S. (2019). Income distribution and redistribution. Journal of Economic Issues, 53, 1103–1125. https://doi.org/10.1080/00213624.2019.1675449
47. Zhao, S., Zhao, K., & Zhang, P. (2021). Spatial inequality in China's housing market and the driving mechanism. Land, 10(8), 841. https://doi.org/10.3390/land10080841