

HOUSING CIRCULATION

We Don't Have a Housing Shortage. We Have a Circulation Failure.

A populist-form editorial on housing, circulation, and national stability

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A direct case for restoring housing circulation before scarcity politics becomes national decline.

Canada's housing crisis is almost always described as a problem of scarcity. We are told there isn't enough land, enough material, enough capital, or enough time. This framing is comforting because it suggests inevitability—because it implies that no one is responsible. It is also wrong.

Canada is not land-scarce, material-scarce, labor-scarce, or technologically incapable. A house is not a rare mineral. It is wood, steel, concrete, glass, and human labor assembled with intent. We possess the knowledge, the trades, the logistics, and the productive capacity to build dignified housing at scale—and to do so faster and more efficiently than at any point in human history. The fact that housing remains increasingly unaffordable despite this capacity tells us something critical: the crisis is not about building homes. It is about how the system governing housing has been designed.

Housing performs two roles at once. It is shelter—a basic human necessity—and it is an asset—something people invest in. These roles can coexist only if carefully balanced. When that balance breaks, shelter becomes secondary to financial extraction. That is the point we have reached. Housing prices today are not primarily determined by construction cost, material inputs, or local productivity. They are determined by one variable: how much pressure households can absorb without breaking. That is not market efficiency. It is pressure optimization.

A housing crisis does not begin when prices rise. It begins when choice disappears.

For generations, the implicit promise of modern life was stability: work, build a life, form a household, and gain security through ownership or long-term housing you could plan around. That promise is collapsing. Today, people are increasingly told that their expectations are the problem. If you cannot afford a home, lower your standards. If you cannot raise a family, live smaller. If you cannot build equity, rent indefinitely. Tiny homes, micro-units, permanent renting, and state-managed housing are no longer framed as voluntary options; they are presented as solutions.

Tiny homes are not inherently bad. Some people freely choose them. But when downsizing becomes mandatory for millions, it stops being a lifestyle choice and becomes a system failure disguised as realism. Healthy societies expand possibility. They do not normalize contraction and call it progress.

Housing is not optional. You can delay buying a car. You can skip a vacation. You cannot opt out of shelter. That single fact changes the moral and economic rules. When a market sells something people cannot refuse, and prices are set not by cost or quality but by the maximum tolerable burden, that market is no longer free. It becomes a forced market. Forced markets do not reward innovation or value creation. They reward leverage, scale, and timing. They reward whoever can endure losses the longest while extracting from everyone else. This is not capitalism functioning well. It is capitalism without guardrails.

At the center of the crisis sits what can only be described as an exponential fantasy: the belief that housing—a non-productive asset—can increase in price forever, faster than wages, faster than productivity, faster than the economy itself. A house does not become more productive because wages stagnate. It does not double in value because the next buyer is desperate. Yet every cycle requires higher leverage, longer amortizations, and greater systemic risk. Each generation must stretch further simply to participate. This is not wealth creation. It is debt escalation. And debt escalation does not end gracefully.

The most damaging consequence of this system is not inefficiency. It is intergenerational harm. One generation is rewarded for extracting maximum terminal value while the cost is transferred forward. Parents sell at peak prices. Children take on crushing debt. Foreign capital acquires assets with no civic obligation. Each transaction appears rational in isolation. Together, they hollow out the future. A society cannot remain stable when one generation improves its position by narrowing the freedom of the next. That is not prosperity. It is liquidation.

Historically, systems that pushed people too far corrected themselves through reform, organized pressure, political backlash, or unrest. Those pressures are weaker now. Work is fragmented. Communities are atomized. Debt discourages risk. Surveillance encourages caution. The absence of revolt does not signal consent; it signals containment. This allows extraction to continue quietly and efficiently up to the maximum people can tolerate without breaking. Waiting for the market to fix itself under these conditions is no longer realistic.

The missing variable in housing policy is circulation.

Housing fails when it stops circulating—when ownership concentrates, when homes stop changing hands, when rent stops reflecting quality, and when capital prefers extraction to building. You cannot fix this by simply adding supply to a system designed to hoard. Without guardrails, supply feeds concentration. The problem is not malice. It is structural inevitability. You fix this by restoring circulation. That is the purpose of the Housing Circulation Principle.

But it is not enough to have a long-term correction if the short-term pain remains punishing. A serious proposal must do both: relieve immediate pressure in the supply pipeline and fix the structural design flaw that turns every gain into another wave of extraction. In other words, we need a sharp, accountable supply shock now—and a permanent circulation framework so the shock doesn't get swallowed by speculation.

That immediate package is not mystical. It is managerial.

For a limited window, governments can declare a red tape holiday: not a collapse of safety or building standards, but a ruthless trimming of non-essential process costs, with permit timelines measured in weeks rather than years. Delay is a hidden tax—an invisible carrying cost that inflates final price without adding one inch of living space. If housing is a national emergency, timelines must reflect emergency.

In the same window, we can implement tax-free building—with guardrails. Remove sales tax on new construction and materially reduce taxes on domestic building products tied to housing. This is a direct incentive to build, but it must be honest: any supplier or developer benefiting from the tax holiday must agree to open-book transparency for audit, so the savings are passed through into lower build cost and lower sale price rather than absorbed as margin. If the public is going to subsidize supply acceleration, the public must receive the benefit in the final price.

And we can unlock bank financing for land. Approved, underdeveloped property should not remain trapped in a financing limbo where builders can't obtain reasonable mortgages to turn shovel-ready land into housing. If land is zoned and approved for development, it should be financeable as development, not treated like speculative dead weight. This alone could free up massive build capacity that currently exists on paper but not in practice.

These are not ideological demands. They are competence demands. They are the type of short, sharp correction a serious state can implement to relieve pressure without distorting the market permanently. But supply acceleration alone is not the cure, because the disease is not simply “not enough roofs.” The disease is that we built a machine that converts necessity into a yield stream and then calls it a market.

So now the structural fix—the Housing Circulation Principle.

Low-density housing—single-family homes and small residential buildings—is uniquely vulnerable to hoarding. It is the primary entry point for ownership, the backbone of stable neighborhoods, and the foundation of family formation and long-term community investment. When corporations and mega-landlords acquire this stock, they do not create value. They capture scarcity. Prices rise not because homes improved, but because access narrowed.

The corrective rule is straightforward: low-density housing is for citizens, not corporations. This is not a ban on investment. It is a redirection of capital. Large investors remain free to participate in high-density housing, purpose-built rentals, commercial property, and residential development for sale. In other words, build housing rather than hoard it. Individual ownership is also capped per region at a reasonable number—enough to invest, not enough to dominate. Homes begin to move again. Entry points reopen. Communities stabilize.

The second guardrail addresses rent. Rent must stop being set by desperation. Under the Housing Circulation Principle, rent is anchored to two realities: what people actually earn in the region, and what the home objectively provides. Ordinary housing targets roughly fifteen percent of income. Exceptional housing can rise toward thirty-three percent—the widely accepted financial safety threshold. Higher rent must be earned through better quality—more space, better efficiency, better maintenance, better location—not through wage stagnation or artificial scarcity. Charging above the ceiling is not criminalized. It is progressively taxed, making over-extraction

economically unattractive without freezing the market. Profit remains. Investment remains. What disappears is the incentive to exploit necessity.

The economic payoff of this design is substantial. When housing consumes forty to sixty percent of income, the economy suffocates. When housing falls closer to fifteen to twenty-five percent, the economy breathes. The money freed does not vanish. It circulates through local businesses, funds savings and entrepreneurship, reduces strain on public services, and restores mobility. This is not redistribution. It is decompression—the removal of an artificial choke point.

And there is a deeper payoff: it makes growth decentralized again. When ordinary households have surplus, they invest in skills, tools, side businesses, storefronts, equipment, and local services. Risk tolerance returns. Savings returns. Local demand thickens. That surplus becomes the seedbed of entrepreneurship. It is not merely that wages rise and therefore rent can rise; it's that surplus exists at all, and surplus is what makes a middle-class economy behave like an engine rather than a treadmill.

The most powerful long-term effect is incentive alignment. Because rent potential is tied to regional income, landlords and long-term investors benefit from the same thing tenants do: higher wages, stronger businesses, and more productive regions. Rents rise only when prosperity is real. That is capitalism aligned with society instead of feeding on it.

Family formation is the clearest diagnostic of all. Across the developed world, birthrates are collapsing. This is often blamed on culture, selfishness, or changing values. The reality is simpler: people are not rejecting family. They are rejecting instability. You cannot raise children in a housing system that treats you as temporary. Households require privacy, permanence, and room to grow. When housing becomes smaller, shared, transient, and insecure, family formation collapses. This is not ideological. It is biological and economic.

And here we need to say plainly what older generations were taught to say plainly. One of the most common arguments against communism in the twentieth century was not “theory.” It was quality of life. It was the image—familiar, repeated, and accurate enough to stick—of strangers forced into shared accommodation because the system could not or would not provide domestic autonomy. Multiple families in one flat. Multiple adults in one unit. Shared kitchens. Shared bathrooms. No genuine choice of where you lived, who lived beside you, or what kind of life you could build. Housing allocated, not chosen. Ownership impossible. Mobility constrained.

Those conditions were criticized not because people were spoiled, but because a life without household autonomy is a life without dignity. It shrinks the human being. It shrinks the family. It shrinks the future. It is therefore not a small thing, and not a joke, that modern housing discourse increasingly treats similar outcomes—micro-units, enforced downsizing, permanent shared living, state-directed housing allocation—as inevitable endpoints rather than emergency stopgaps. The packaging is different. The logic is familiar. If we once recognized these conditions as unacceptable, we should not rebrand them as progress now simply because we are embarrassed to confront the system that produced them.

Feudalism failed for the same reason. Land was enclosed. Surplus flowed upward. Families lived at the mercy of landlords they could not escape. Capitalism—at its origin—was not a hymn to unlimited accumulation. It was a revolt against inherited enclosure and compelled extraction.

Adam Smith is often invoked to justify laissez-faire outcomes, but Smith warned repeatedly about monopoly, collusion, and rent-seeking. John Locke defended property as connected to labor and use, bounded by the requirement that enough and as good be left for others. The moral premise was never “whoever can enclose necessity first may extract forever.” The moral premise was that property and markets remain legitimate only when choice remains real.

There is an old saying often used to justify land speculation: “God’s not making any more land.” The conclusion usually drawn is that hoarding is inevitable. But the argument cuts the other way. If land is finite, then it is essential. And finite essentials require stewardship, not enclosure. Capital may invest in land, develop land, and profit from land—but it should not outrank the citizens whose lives are bound to it. Citizens must have first claim. Investment must follow contribution. A country is not a stock portfolio. It is a place where people are born, build, raise families, and die. When access to land and shelter is governed primarily by who can hold assets the longest rather than who must live there, the social contract erodes.

This is not anti-market. It is pro-nation.

We already accept this logic elsewhere. Water, airspace, minerals, infrastructure—these are governed by public legitimacy before private profit. Housing is no different. We have simply pretended otherwise because housing extraction has been profitable for the few and politically complicated for everyone else.

There is also a quiet winner in the current system: banks. Every time housing prices outrun wages, the gap is bridged with debt. Larger mortgages against the same shelter. Longer amortizations. Higher systemic exposure. The house does not improve—the obligation does. In 2008, financial institutions crashed the economy through willful negligence and were bailed out by taxpayers. Bonuses resumed. Accountability vanished. Unlike a citizen or small business owner, the system’s largest risk-takers were protected from consequences. The lesson absorbed was clear: leverage housing, and the public will absorb the risk.

And beneath the banking layer sits an older civilizational lesson we never finished learning. Societies have long recognized—imperfectly, sometimes violently—that extracting unlimited profit from necessity through debt destabilizes nations. Historically, many people sensed the danger but lacked the institutional clarity to correct it cleanly. When a society cannot separate the structural problem from scapegoating, it produces hysteria and bloodshed. We do not need to repeat those failures to recognize the underlying truth: the danger was never money itself; it was unchecked extraction from necessity through debt. Today, that extraction is professionalized. The violence is not physical; it is intergenerational. Debt replaces chains. Amortization replaces bondage. Instead of riots, we get delayed families, declining birthrates, hollowed communities, and a generation permanently servicing obligations incurred simply to exist.

The Housing Circulation Principle does not abolish finance. It civilizes its relationship to necessity.

We are also entering the early phase of a non-scarcity economy. Automation, advanced manufacturing, logistics, and AI have radically reduced the real cost of production. We can build

faster and cheaper than ever. When necessities become harder to access in an age of abundance, the problem is not scarcity. It is rule failure. When the marginal cost of producing shelter falls, but the price rises anyway, what you are seeing is not value creation—it is capture. The Housing Circulation Principle updates capitalism to match modern productivity, ensuring efficiency gains flow outward rather than being absorbed into asset inflation.

Every major expansion of freedom and stability required disruption of entrenched power. The abolition of feudalism. The breakup of monopolies. Anti-trust law. Civil rights. Each was framed as dangerous in its time. In hindsight, the correction was obvious. Necessary disruption is not extremism; it is progress. The only question is whether we manage disruption deliberately—with rules, proportionality, and foresight—or whether we wait until correction arrives through crisis.

This is not ideology. It is statecraft.

Housing that circulates builds nations. Housing that stagnates fractures them. We can continue shrinking expectations until people fit a broken system, or we can restore circulation, proportionality, and choice—and allow abundance to behave like abundance.

Abundance mismanaged is not scarcity.

It is failure.