

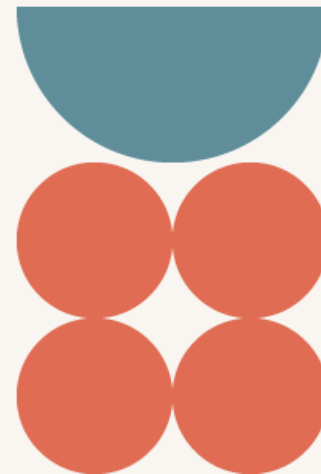
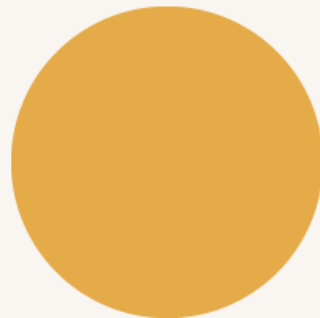
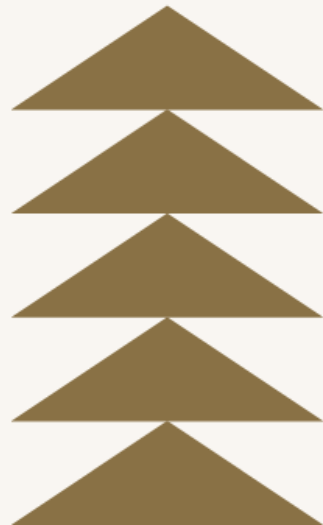
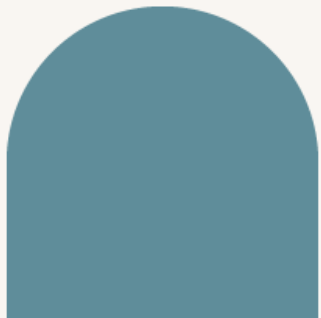
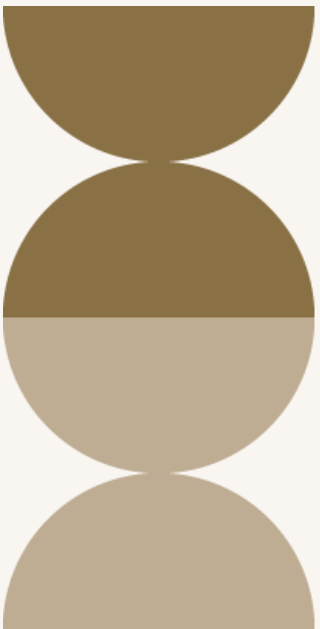


February 24, 2026

Sparking the Co-Living Rental Market

Research Insights

This project entitled "Sparking the Co-Living Market" received funding from the National Housing Strategy under the NHS Solutions Labs, however, the views expressed are the personal views of the author and CMHC accepts no responsibility for them.



Agenda

- Intro – lab, definitions, etc.
- What we did
- What we found:
 - High level takeaways slides
 - Secondary research – jurisdictions
 - Make – challenge context slide (3 areas)
 - Canadian Co-Living showcase
- Profile slides
- What's next
 - MVR Dimensions



Learning From Other Jurisdictions

How Co-Living Development Scaled in Europe, Australia, and Washington

What Functioning Co-Living Markets Look Like

Market overviews from Europe and Australia

The European Co-Living Market

- Housing prices up ~48% across Europe (2015-2023); demand for affordable alternatives grew alongside
- Co-living filled the gap: cheaper than studio or 1BR, with built-in social connection
- Operators often came from hospitality etc, not conventional property management
- Sector now specialized by demographic: students, young professionals, intergenerational, older adults
- Older adults: model has evolved toward micro-apartments with private baths, kitchenettes, and personal services

Lessons From Europe: Co-Living for Older Adults

It's all about serving renter needs: focus is on the experience not just about space.

- **Community:** Dedicated community managers are essential, not optional
- **Design:** More private space, private bathrooms, mobility considerations
- **Location:** Walkability to health services and daily amenities is critical
- **Services:** Beyond housekeeping: transportation and in-unit care provider access
- **Affordability:** Compare total cost of services, not just rent, and against institutional care alternatives

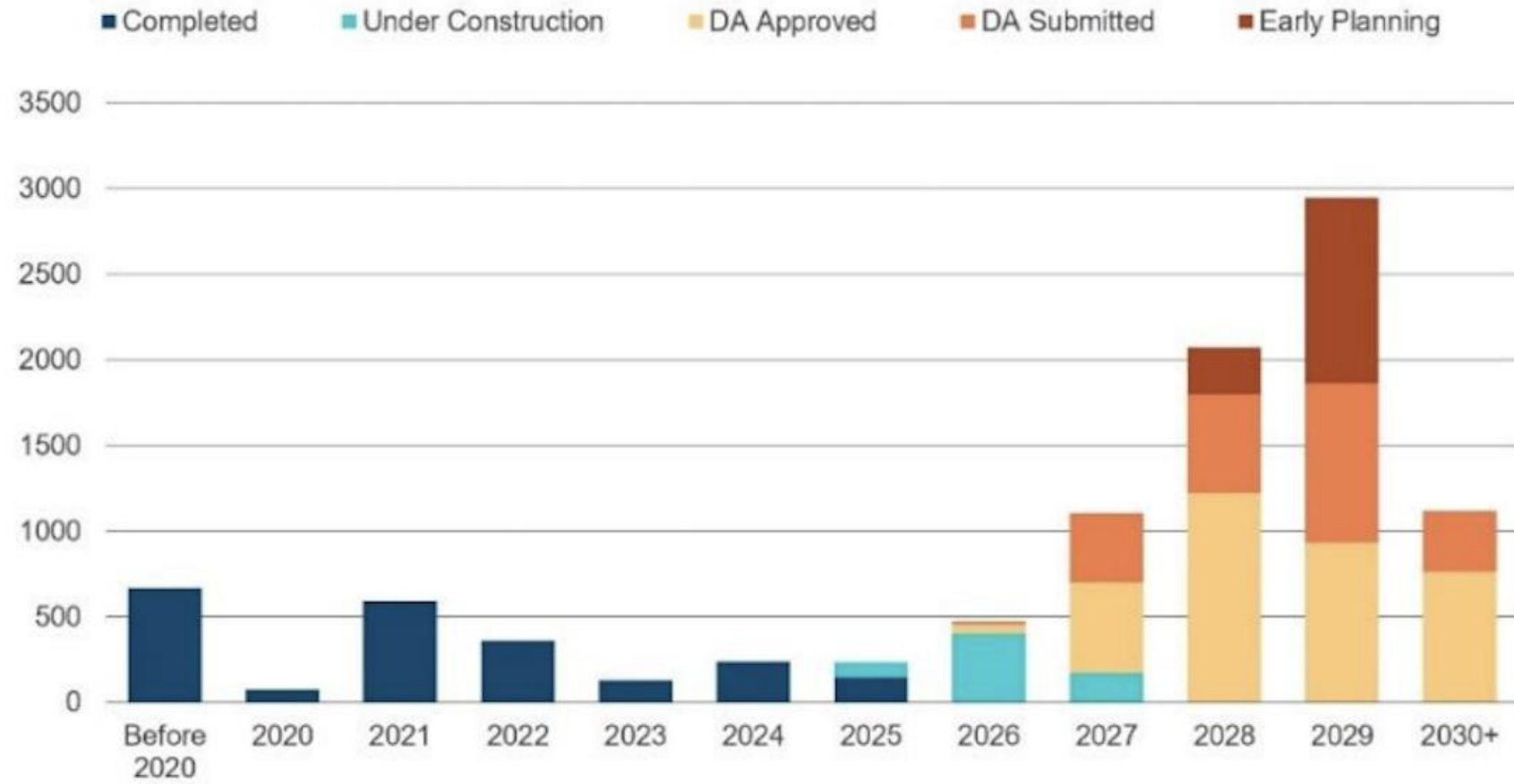
The Australian Co-Living Market

- **Started with student accommodation**
 - Then young professionals, digital nomads, seniors
- **Affordability is the primary driver:**
 - Co-living studio averages \$675/week vs. ~\$880/week for a comparable private apartment
- **Projects are scaling:**
 - Average size growing from 37 units (completed) to 130 units (in planning)



Australian Co-living pipeline

By development stage, units



Source: Knight Frank Research

Lessons From Australia: Co-Living for Older Adults

- **A clear planning pathway was critical to scaling quickly**
 - NSW (83% of projects) vs other states
- **Size matters:**
 - Early small projects proved demand and generated operational data.
 - Successive projects get bigger
- **Location is critical:**
 - Proximity to urban amenity = primary driver
 - For older adults: walkability to health services & daily needs = crucial

Enabling Policies: Removing the Barriers to Co-Living Development

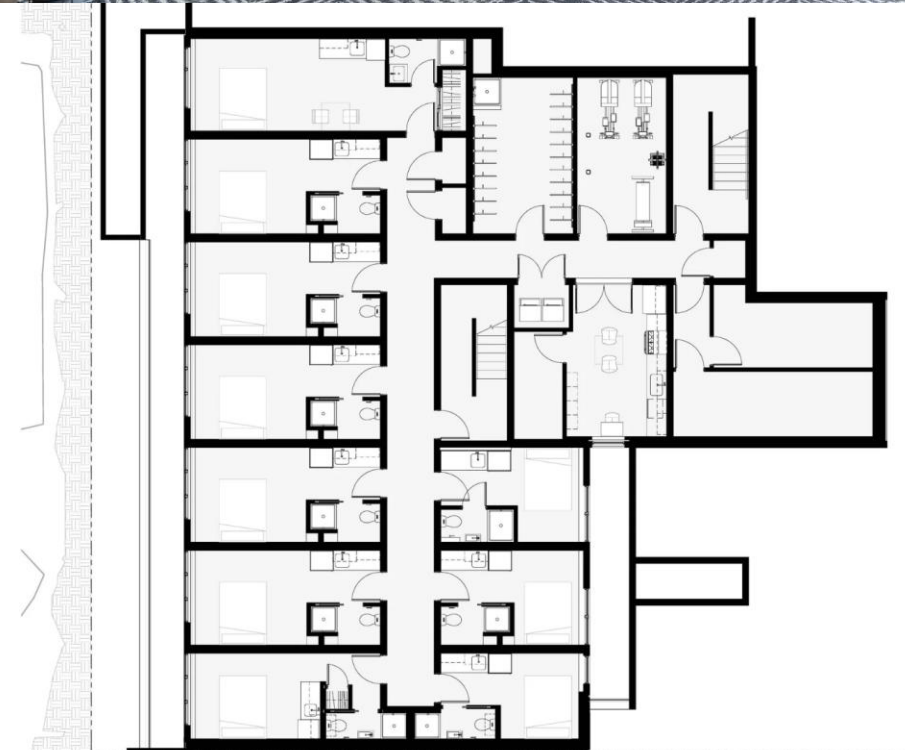
Three case studies on how regulation developed alongside market pressure

Washington, USA:

Reversing 70 years of zoning that made co-living illegal

Context

- Co-living was common in the 1950s, then zoning made it illegal or impractical to build
- 1.1M homes needed in 20 years, rents up 50% in a decade, 198,000+ facing housing instability
- Need solutions that don't depend on public subsidy
- Developers were already building co-living in Seattle



Washington, USA:

HB 1998: A state-level policy to override local zoning barriers

- First legal definition of co-living: independently rented, lockable sleeping units with shared kitchen facilities
- Must be permitted as-of-right wherever 6+ multifamily units are allowed in Urban Growth Areas
- Mechanism: plugged into the existing Growth Management Act, creating uniform standards statewide, no city-by-city negotiation
- Parking exemptions near transit reduce development costs and increase unit affordability

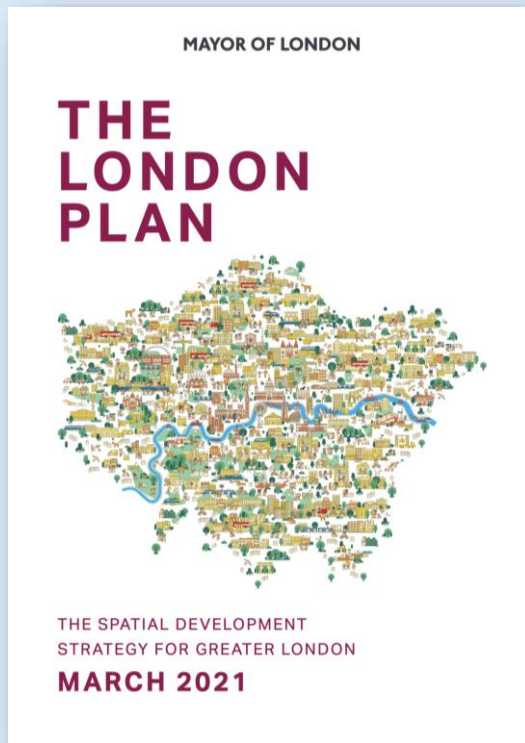
Washington, USA:

How HB 1998 was framed

- Removing barriers, not creating new requirements: "legalizing" what used to exist
- **“Legalizing inexpensive housing choices”** to address housing affordability crisis without public subsidy and enable public dollars to go further
- Another rung on the housing ladder: seniors, workforce, very low-income, single-person households
- "No difference between three people sharing an apartment and three people in co-living sleeping units“
- **Result: Overwhelming bipartisan support (97-0 House, 44-4 Senate)**

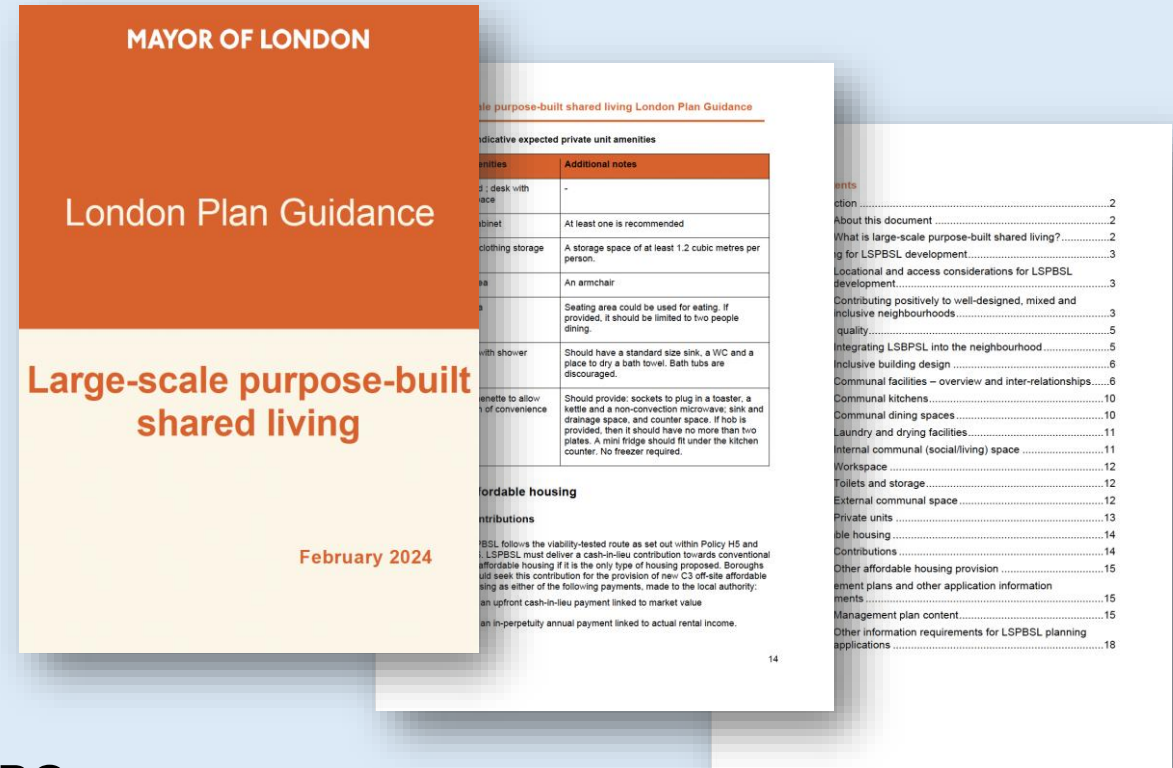
London, UK:

Not one, but **two** layers of co-living policy.



Policy H16

Formally defines co-living (LSPBSL) as a distinct housing typology for the first time in 2017, then finalized 2021

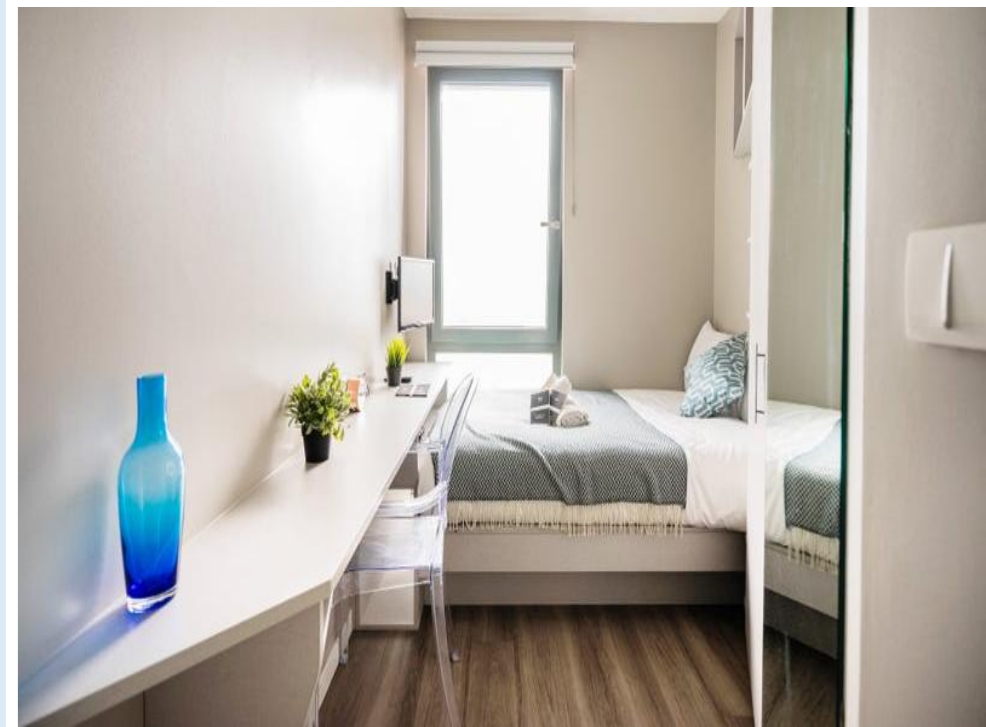


LPG

Supplements H16 by providing practical benchmarks: room sizes, communal space ratios, kitchen requirements, management plan obligations

London's co-living market exists because the city treated a developer's ask as a policy problem worth solving

- **2013:** The Collective approaches the Greater London Authority with an ask: create a pan-London framework for large-scale co-living
- **2016:** they pilot Old Oak, the UK's first co-living scheme of 546 units, fully let within five months, proving demand
- **2016:** Other developers followed, submitting applications ranging from 170 to 700 units
- **2017:** H16 introduced in draft London Plan explicitly "in response to developer interest"



Co-living was possible in London because shared living was already legal. The Collective just asked: how big can we go?

- English planning law already permitted large HMOs (6+ unrelated people sharing facilities) with no cap on scale
- Large HMOs carried sui generis classification, sitting outside standard residential use classes, meaning London Plan space standards for permanent housing did not automatically apply

NSW & Sydney

Planning Pathway Unlocked Scale

The New South Wales (NSW) Government officially integrated **co-living housing** into the state's planning system via the [State Environmental Planning Policy \(Housing\) 2021](#) (Housing SEPP). The government approaches co-living as a distinct, market-led rental product aimed at providing flexible, community-focused housing for young professionals, key workers, students and increasingly older adults.

While similar in form, the NSW Government distinguishes co-living from **boarding houses**:

- **Affordability:** Boarding houses must be used for affordable housing in perpetuity and managed by community housing providers. Co-living has **no affordability requirement** and is intended as a private-market product.
- **Incentives:** Boarding houses receive a higher **30% density bonus** compared to the 10% for co-living.

Jurisdictional Scan: **NSW & Sydney**

- **Definition:** Co-living is defined as a shared residential format providing private, ready-to-occupy rooms (minimum of 6) with access to communal indoor and outdoor social spaces.
- **Permissibility:** It is generally permitted in zones where residential flat buildings or shop-top housing are allowed, such as high-density residential and commercial zones.
- **Density Incentives:** To encourage supply, the government offers a **10% floor space ratio (FSR) bonus** for co-living developments.
- **Management Requirements:** Every co-living building must have a designated manager contactable 24/7 to oversee communal areas and implement a plan of management.

SPARKING THE CANADIAN MARKET IN CO-LIVING

What Works Panel: Overview for Panelists

Wednesday, April 22, 2026

9 AM ET / 3 PM CET

WHAT WORKS PANEL EVENT

Meet the Panelists



Ashley Perry

ACQUISITIONS DIRECTOR,
APACHE CAPITAL



Jack Renteria

FOUNDER, GENERATION
GLOBAL



Martin Kring

CEO, PLUSHUSENE

WHAT WORKS PANEL EVENT

Moderated By



The Honourable Carolyn Bennett, M.D., P.C.

CANADA'S AMBASSADOR TO DENMARK

Canadian Co-Living Showcase Townline, Victoria BC (launched)

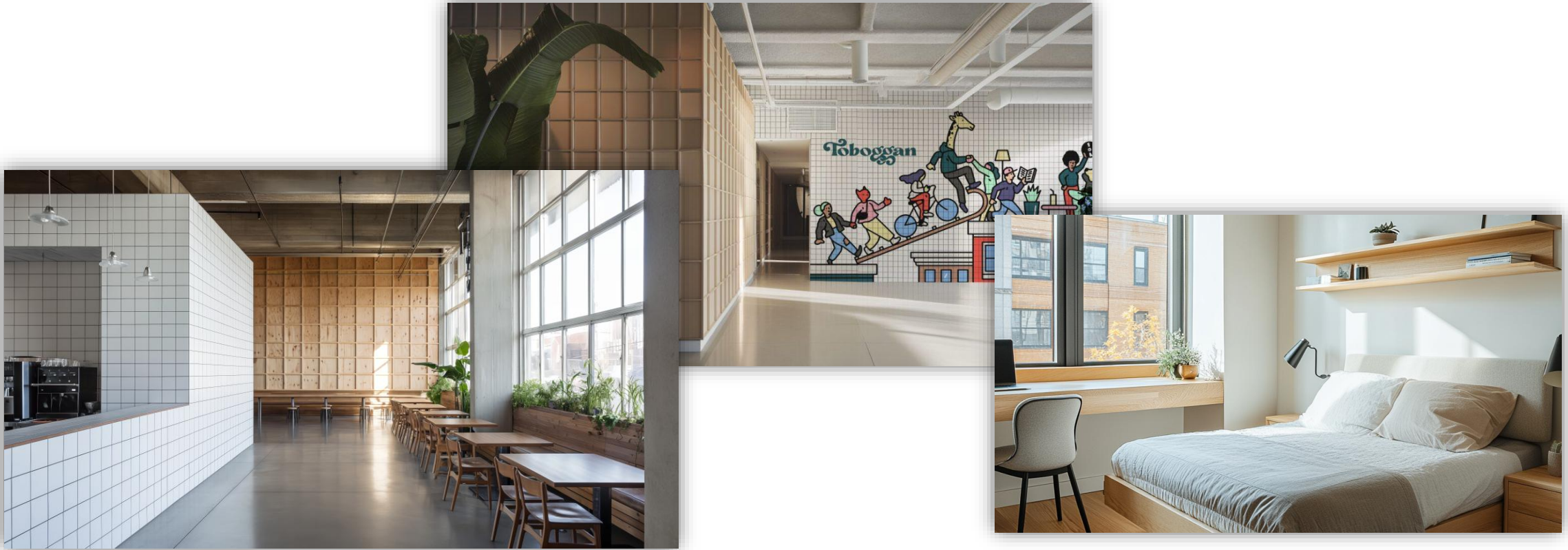
Canada's first large scale purpose built co-living development



Canadian Co-Living Showcase

Toboggan Flats, Ottawa Ontario (planning)

- Converting office buildings to co-living



Canadian Co-Living Showcase

Responsible Living, Squamish BC (scaling)

- Innovative small-scale co-living development (12-30 units each)
- Working within current zoning to save money and speed timelines



Canadian Co-Living Showcase

Abbeyfield House, Ottawa Ontario

- Non-profit seniors co-living
- 18 Locations across Canada with almost 200 residents
- Focused on independent living (not assisted care)
- Predominantly conversions of existing large houses



<https://abbeyfield.ca/ottawa/>

What We've Done: Research Channels

Secondary research on broad jurisdictions:

- Europe (have a long history),
- Australia (rapidly emerging sector)
- Washington (government mandated)
- UK (explosive growth)
- Interviews with successful operators in Europe and Canada





Co-living seems to be a Successful Typology When there is...

1. A Positive Planning Pathway – facilitated by governments
2. A Sustainable Business Model
 - Investment drives development
3. Thoughtful Design
4. A Building-Level Community Focus
 - Resident selection
 - Renter experience



1. Positive Planning Pathway

- All research points to the role of governments as facilitating or impeding the emergence
- Good practice suggests
 - Establishing co-living as its own typology
 - Eliminating zoning restrictions
 - Reducing time to permit development
 - Effecting common sense operating rules



2. A Sustainable Business Model

- Many different models exist for small scale operations, tailored to their tenants and local context
- Larger operators of multi-story structures tend to separate building assets from operations
 - A **PropCo constructs the building** as a “build for tenancy”, increasing the availability of capital at competitive rates and reducing insurance costs
 - An asset-light **OpCo handles operations**, where costs are annualized and offset by rents
 - Note: this puts a lot of risk on the OpCo – their costs are fixed (long term lease), but their revenue is variable and driven by renter interest – making it essential for the OpCo to know their market and organize their offering to attract and keep tenants



2. Investor Interest

- Investors are looking for a proven asset class with an attractive rate of return
- Co-living has gone through a proof period in each jurisdiction where it is sustainable
- Initially developers and operators have had difficulty financing projects and often do so at rates of interest above norms
- As the typology and the sector mature rates become more competitive and investor interest domestic and international increase



3. Building Design Needs to Be Right

- Much of the background of co-living comes from the purpose-built student accommodation (PBSA) sector where renters are less picky
- For older adults needs differ in terms of requirement for:
 - Larger private spaces
 - Activity spaces
 - Light assistance (housekeeping)
 - Different house rules
 - Storage space
 - Etc.
- Many successful operators did extensive sociological research to understand needs and requirements of their target demographics



4. Renter Experience Makes or Breaks the Operation

- The implicit agreement in co-living is that one gives up private space for shared space and community
- While potential residents are attracted by affordable rents it is the overall experience that drives the long term success and viability
- All successful operators underlined that their project was grounded in providing an experience that renters find compelling
- All successful operators signaled that a talented community organizer was present at each site who:
 - Onboarded new community members
 - Engaged members in activities that built the community
 - Promoted self organization
 - Resolved conflicts



4. Selection of Residents is Essential

- Co-living is not for everyone
- Older adults have been used to living autonomously for many years and have well established preferences
- In all successful operations there was a comprehensive screening process which involves:
 - An initial (often AI assisted) screen
 - A review by the community manager
 - (Sometimes) a vetting by existing renters

High Level Insights

- **Developers**

- Agnostic to built form (responsive to signals/market/risk), limited appetite to operate, opportunistic to incentives and emerging opportunities

- **Operators / Property Managers**

- Typically the driving force in co-living, opportunistic in project approach, entrepreneurial minded, largely absent from Canadian market

- **Regulators**

- Unfamiliar with co-living and/or stuck in old views (e.g. rooming houses), currently over-constraints the sector (generally not permissive of form, generally not incentivizing for creation), risk adverse and conservative when it comes to new forms / ideas outside existing legislative frameworks

- **Senior Renters**

- Significant (potential) interest, hard to convert, need to see and understand offerings/options

- **Investors / Lenders**

- Risk adverse due to lack of recognition as asset class and lack of proven Canadian models

Developer

Snapshot

- System Actor: Developer (Large-Scale)
- Portfolio: Mixed-use towers, purpose-built rental, condo developments
- Current Focus: Purpose-built rental becoming more attractive as condo market softens

Who Are They?

Jamie is a VP at a large builder/developer specializing in rental and condo towers. After decades navigating multiple market cycles, they've learned that survival means minimizing risk: sticking to known construction methods and design, using established financing structures, and delivering products with proven absorption rates. In today's market where construction costs can exceed sale prices and rezoning takes years with no guarantee of approval, their firm has become extremely risk-averse, walking away from anything that introduces uncertainty into already tight margins.

How invested are they?

Developers are generally risk averse and reluctant to enter into new markets or add new typologies to existing offerings without clear market signals and planning pathways

Developer

Role: Delivers housing projects within regulatory, cost, and schedule constraints

Core Motivation: Viable/sufficient returns, maintain baseline production, predictable approvals, and manageable risk

Primary Concerns / Risks: Uncertain returns, unclear approvals, risk of untested/unproven designs, reputational exposure

Constraints: Zoning, fire code, building code, permits, financing timelines, construction costs, perception of risk

Decision Triggers: Clear regulatory pathways (or workarounds), proven demand, standardized designs

Success Looks Like: A project that is approved, financed, easy to market, profitable, and repeatable

Operator / Property Manager

Snapshot

- System Actor: Independent Operator
- Portfolio: Full range of building types (is there an upper size limit?)
- Current Focus: Successfully create, operate, and scale co-living

Who Are They?

Bill is a former executive from a national retirement home company who partnered with a developer interested in seniors housing. They have realized that there are few options in the senior housing market and that there is a portion of older adults that want to downsize but are still active and want to preserve their autonomy. They have developed a building which includes a section of standalone apartments and a section of supportive living that provides a greater range of services should clients want or need them. They recognize that many seniors would prefer a unit in a cross-generational building and are looking to model their next venture on successful European experiences.

How invested are they?

They are a driving force in creating co-living projects and making them viable in the Canadian context

Operator / Property Manager

Role: Manages day-to-day operations, community, and resident experience

Core Motivation: Tenant experience, community building, stable occupancy, manageable operations, mission or margin alignment, business opportunities (entrepreneurial)

Primary Concerns / Risks: Regulators and investors that don't know/understand model (higher risk, higher costs, more exceptions and approvals, longer timelines, etc.), high turnover, ensuring the resourcing of management and community supports

Constraints: Institutional illegibility of model in Canada, limited ability to influence design and construction, thin margins, staffing capacity, regulatory uncertainty

Decision Triggers: Clear opportunities, regulatory support (or workarounds), developer-partnership confirmation, clear operating model, identified demand

Success Looks Like: Low churn, positive resident experience, sustainable operations enabled by design, regulations, and rules

Regulator / Government

Snapshot

- System Actor: Regulator / Government
- Portfolio: Full range of building types
- Current Focus: Creates/enforces housing rules to protect safety and public interest.

Who Are They?

Alex is a senior planner in a large municipal planning department responsible for interpreting zoning bylaws and advising on development applications. With years of experience navigating council direction, public scrutiny, and legal risk, they have learned that defensible decisions matter more than ambitious ones. They see their role as applying existing known frameworks fairly and consistently, particularly for any housing contexts perceived as politically sensitive; this means that in an environment where one controversial approval can trigger appeals, media attention, or policy backlash, Alex gravitates toward proposals that clearly fit within established categories and precedent. Anything that falls between definitions or requires discretionary interpretation introduces institutional risk, making them cautious about supporting unfamiliar housing models without strong evidence, clear policy alignment, and visible senior-level endorsement.

How invested are they?

They are not familiar with co-living (if they are, they are cautiously open to co-living's potential). Their investment in its success is contingent on it fitting clearly within policy frameworks, minimizing risk, and demonstrating defensible public value.

Regulator / Government

Role: Interprets and enforces existing housing rules to protect safety and public interest

Core Motivation: Avoid controversy or complications, avoid harm, ensure fairness, maintain legitimacy, demonstrate consistency, follow existing planning/regulatory frameworks

Primary Concerns / Risks: Precedent risk, political backlash, safety or equity failures

Constraints: Legislation, policy direction, public scrutiny

Decision Triggers: Clear evidence, precedents, policy alignment, senior leadership / political endorsement

Success Looks Like: A defensible decision that withstands scrutiny, where risks are understood and mitigated

Renters (Senior)

Snapshot

- System Actor: Renter
- Portfolio: What is available
- Current Focus: Individual choosing how and where to live

Who Are They?

Margaret is a 68-year-old widow who owns a four-bedroom home she has lived in for decades. She values her independence, but rising costs, maintenance upkeep, and the quiet weight of living alone are becoming harder to ignore. She has no interest in moving into a retirement residence, which she associates with high costs, loss of autonomy and premature dependency. She is open to alternatives that would reduce financial pressure and offer companionship and community connection, but only if they feel dignified, stable, and affordable to her, with ready access to the services she wants and needs.

How invested are they?

She is quietly interested in seeing co-living succeed if it offers a stable, affordable, and dignified alternative to living alone, but her support depends entirely on seeing clear available options.

Renters (Senior)

Role: Individuals choosing where and how to live

Core Motivation: Ageing in place (not institutional care), resisting loneliness/social isolation, affordability, access to services and supports, ability to remain engaged with community, dignity, independence and autonomy, stable housing

Primary Concerns / Risks: Loss of privacy, costs, 'downsizing anxiety', instability, social pressures and navigation, health condition management

Constraints: Income, lack of awareness of details of options, limited alternatives

Decision Triggers: Value proposition of offering matches personal needs / desires, housing and community that supports daily life

Investors / Lenders

Snapshot

- System Actor: Investor / Lender
- Portfolio: Full range of building types
- Current Focus: Preservation of capital and predictable returns on investments

Who Are They?

Jordan is a senior investment manager at a mid-sized institutional fund with a housing and real assets portfolio. Over years of navigating volatile markets and regulatory shifts, they have learned that preservation of capital and predictable returns outweigh chasing emerging trends. Their mandate requires disciplined underwriting and comparable asset benchmarks, especially in multi-residential projects. In a market strained by construction cost inflation and interest rate changes, they prioritize asset classes with established histories and reliable cash flow projections. Jordan views co-living projects through an underwriting and risk lens: without standardized valuation models, proven operational track records, and visible regulatory support, projects of this nature remain marginal – something to observe from a careful distance rather than scale aggressively, until such time as the diversification benefit is more clear.

How invested are they?

They largely see co-living as a concept to monitor from a distance until the benefits are more tangible and proven, and the returns more predictable and understood.

Investors / Lenders

Role: Provides capital for development or operations

Core Motivation: Risk-adjusted returns and capital preservation

Primary Concerns / Risks: Unproven asset class, making returns, operational failure

Constraints: Mandates, underwriting standards, portfolio fit, knowledge of product

Decision Triggers: Track record, volume and production/scale, proven examples with good returns, government signals

Success Looks Like: Investable projects that meet portfolio expectations and parameters

Co-Living Is Acceptable If: It becomes a known asset class with predictable returns



Canadian Context

Three Dimensions:

- Cultural and Social Norms
- Regulatory and Policy Frameworks
- Market, Financing and Investment Structures



Cultural and Social Norms

- Co-living remains culturally unfamiliar in Canada, creating hesitation, risk perception, and price expectations that make early adoption difficult
- Prevailing norms around privacy and the self-contained family unit make co-living a cultural departure rather than a straightforward housing option
- Social openness toward co-living varies widely across demographic groups and life stages, and this variation shapes how people imagine living with others
- Co-living risks being misinterpreted through existing cultural narratives about shared housing, which can create hesitation or misalignment among potential residents
- Shared living requires adjustments in daily routines, norms, and possessions that are unfamiliar to many people accustomed to private, self-contained homes
- Co-living lacks conceptual presence in Canada: without shared definitions or typologies, the model remains institutionally illegible



Regulatory and Policy Frameworks

- The housing system is shaped by path dependence, favouring the lowest-friction building forms and making it difficult for unfamiliar typologies like co-living to gain traction
- Canada's housing stock was built for larger households with stable family life courses and a clear transition from family home into institutional care
- Canada's decentralized housing system makes the co-living model difficult to scale nationally
- Legacy definitions of a "unit" act as a structural constraint on co-living, reflecting historical stigma around single room occupancies and boarding houses
- Local zoning frameworks create significant uncertainty for co-living because they vary widely and rarely include a clear category for shared living models
- Municipal incentive levers have successfully redirected development pipelines in the past



Market, Financing, and Investment Structures

- Canada's current cost environment makes it difficult to deliver any form of housing
- There is a structural market bias toward conventional housing forms, limiting the feasibility of co-living in many markets
- Economic conditions vary significantly across Canada, meaning the viability of co-living depends heavily on where it is built
- Construction economics favour traditional building patterns (BCH's emphasis on modern methods of construction may push this in a new direction)
- Financial viability is challenged as novel typologies are seen as higher risk by investors and lenders



Market, Financing, and Investment Structures

- Co-living sits outside the sector's established mental map of profitable products
- Demand for co-living is largely invisible to the sector
- The development of co-living typologies depends on actors who can articulate, validate, and operate the model
- Common space is excluded from government funding sources for affordable housing; operational funding is also considered separate
- Emerging markets operators frequently come from adjacent spaces such as for co-living for young professionals and digital nomads from the hospitality industry
- Co-living requires continuous social and operational management capacity that is not formally organized as such in Canada