



HOUSING AFFORDABILITY: A NATIONAL CHALLENGE

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BACKGROUND



OBJECTIVES



OPTIONS



IMPLEMENTATION



CONCLUSION

AGENDA



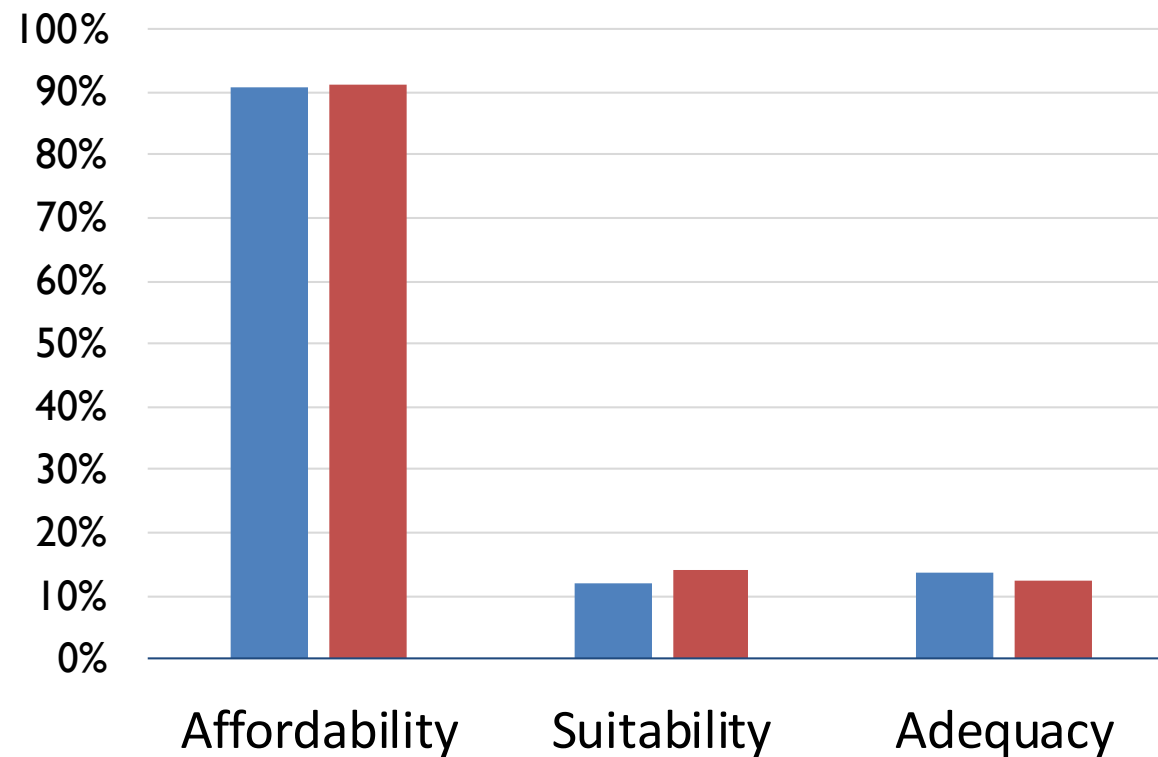
THE PROBLEM

Changing market pressures render the National Housing Strategy (NHS) unable to meet its target of raising 530,000 Canadian households out of core housing need in the next decade



CORE NEED BY TYPE OF PROBLEM, 2016

■ Canada ■ Ontario



Source: 2016 CMHC HiCO Database

1.7 Million Canadian Households are in Core Housing Need

- The NHS addresses one third (530,000) of the 1.7 million in core housing need
- Without action Canadians will experience limited prosperity, and debt will continue to rise
- Action will promote well-being and increase accessibility to housing that meets the needs of all Canadians



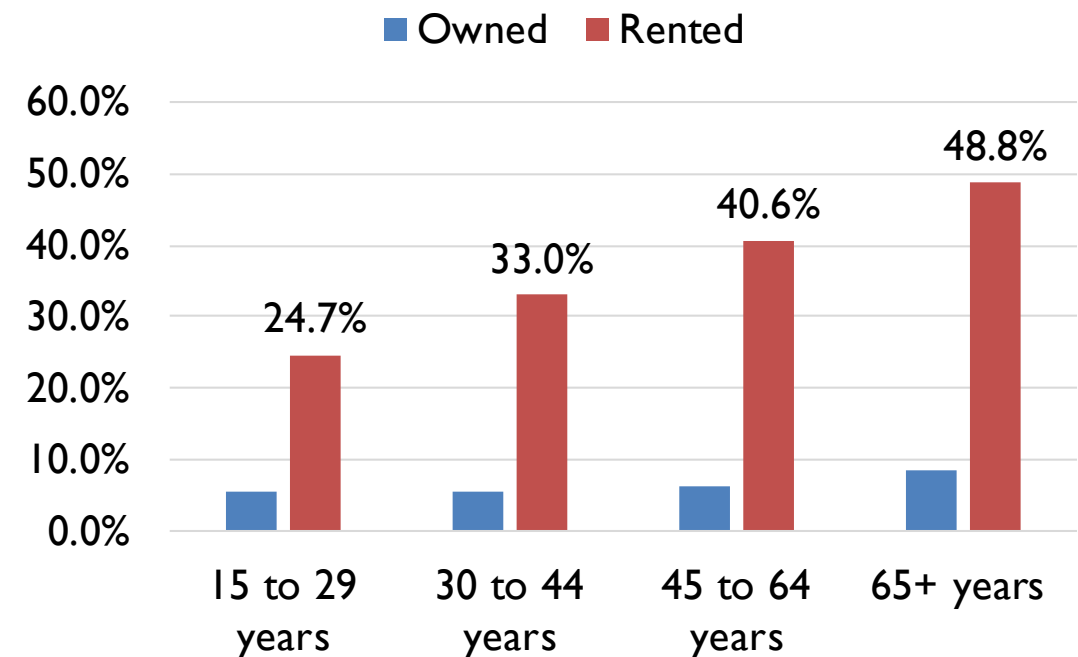
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CANADIANS: RIPE FOR RENTING

- Increased cost of living and household debt
- Increase in immigration
- Aging population (9.5M seniors by 2030)
- Population shift to metropolitan areas
- 40% of Millennials in the Gig Economy
- Young adults living at home longer
- Large share of renter households
- Europe following similar trends

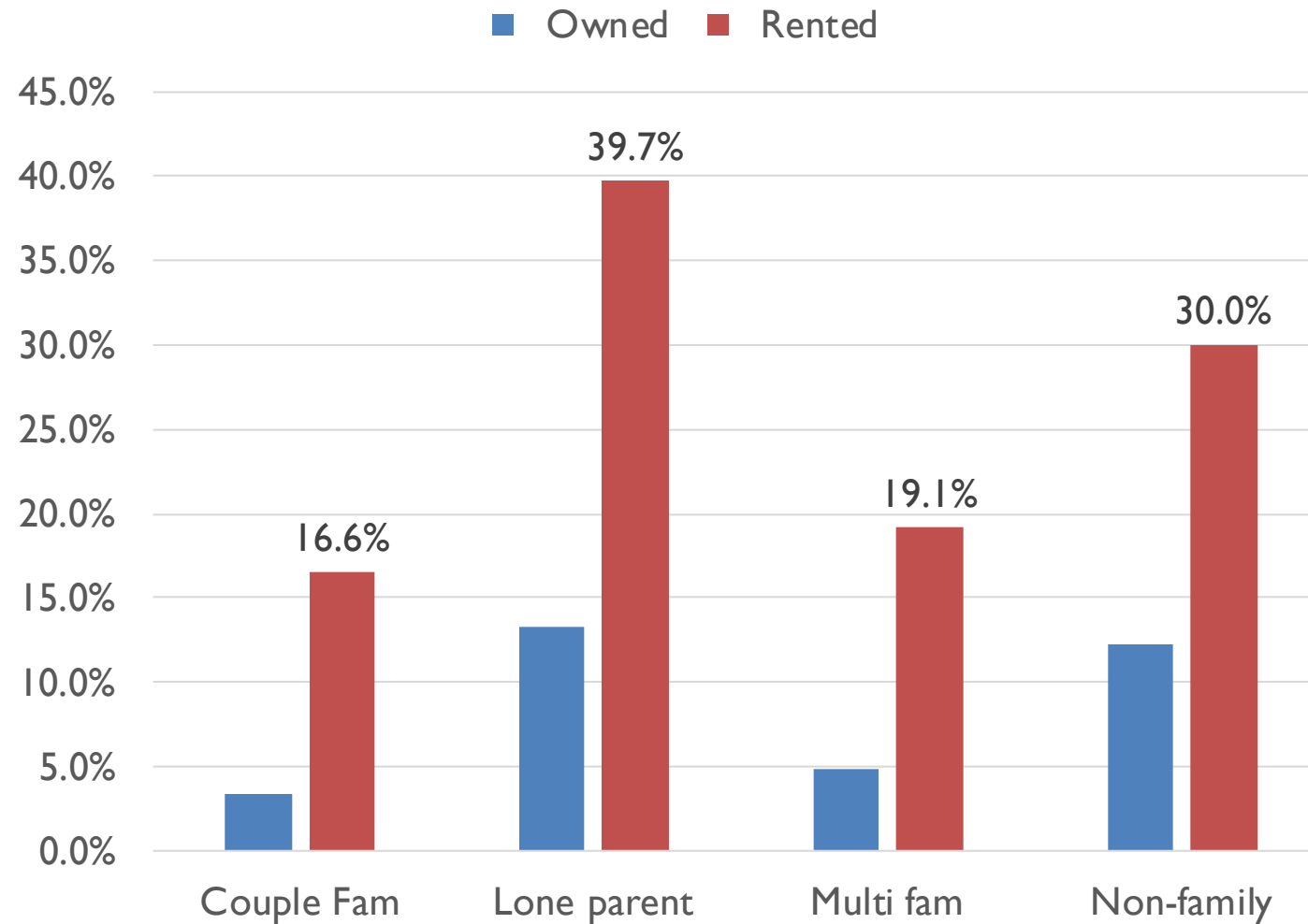
INCIDENCE OF CORE NEED BY AGE - CANADA 2016



HITTING THE TARGET

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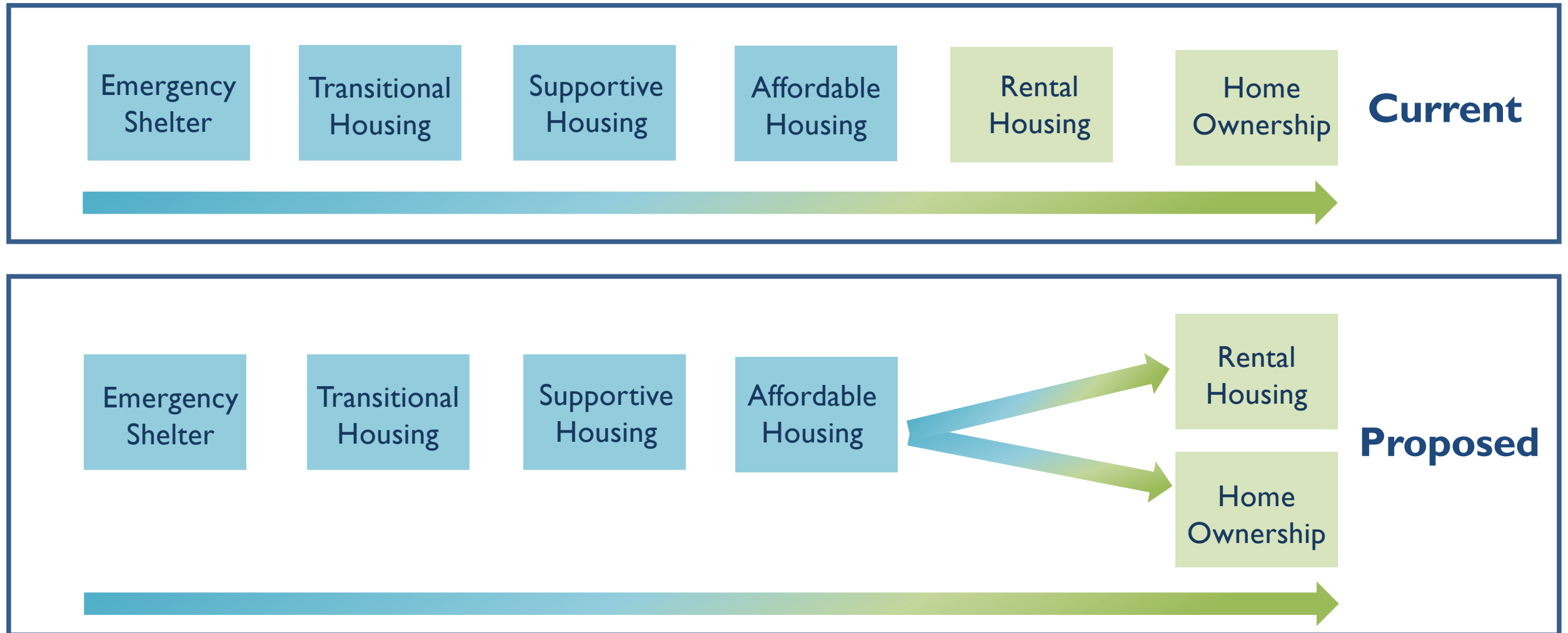
INCIDENCE BY HOUSEHOLD TYPE - CANADA, 2016



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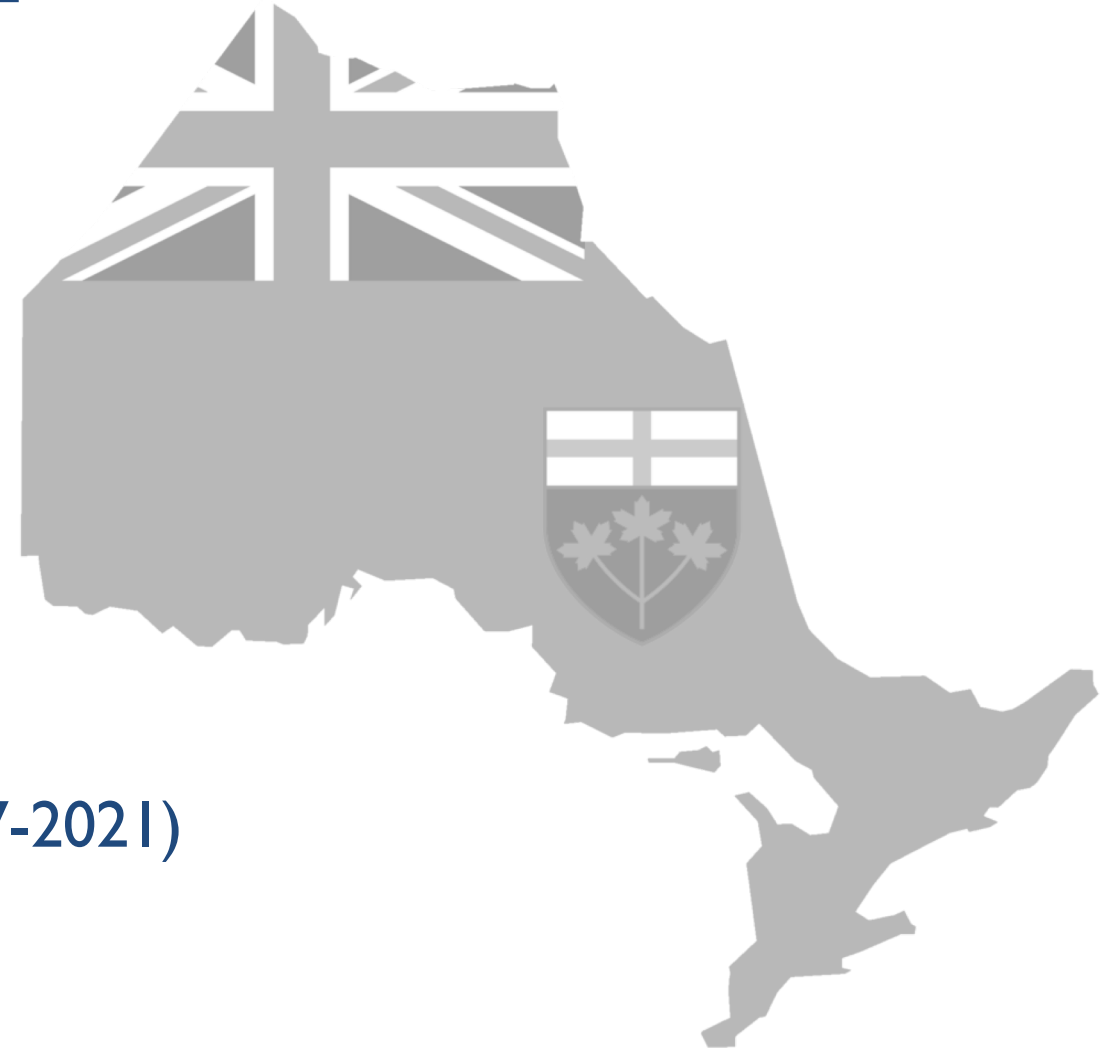
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THE HOUSING CONTINUUM

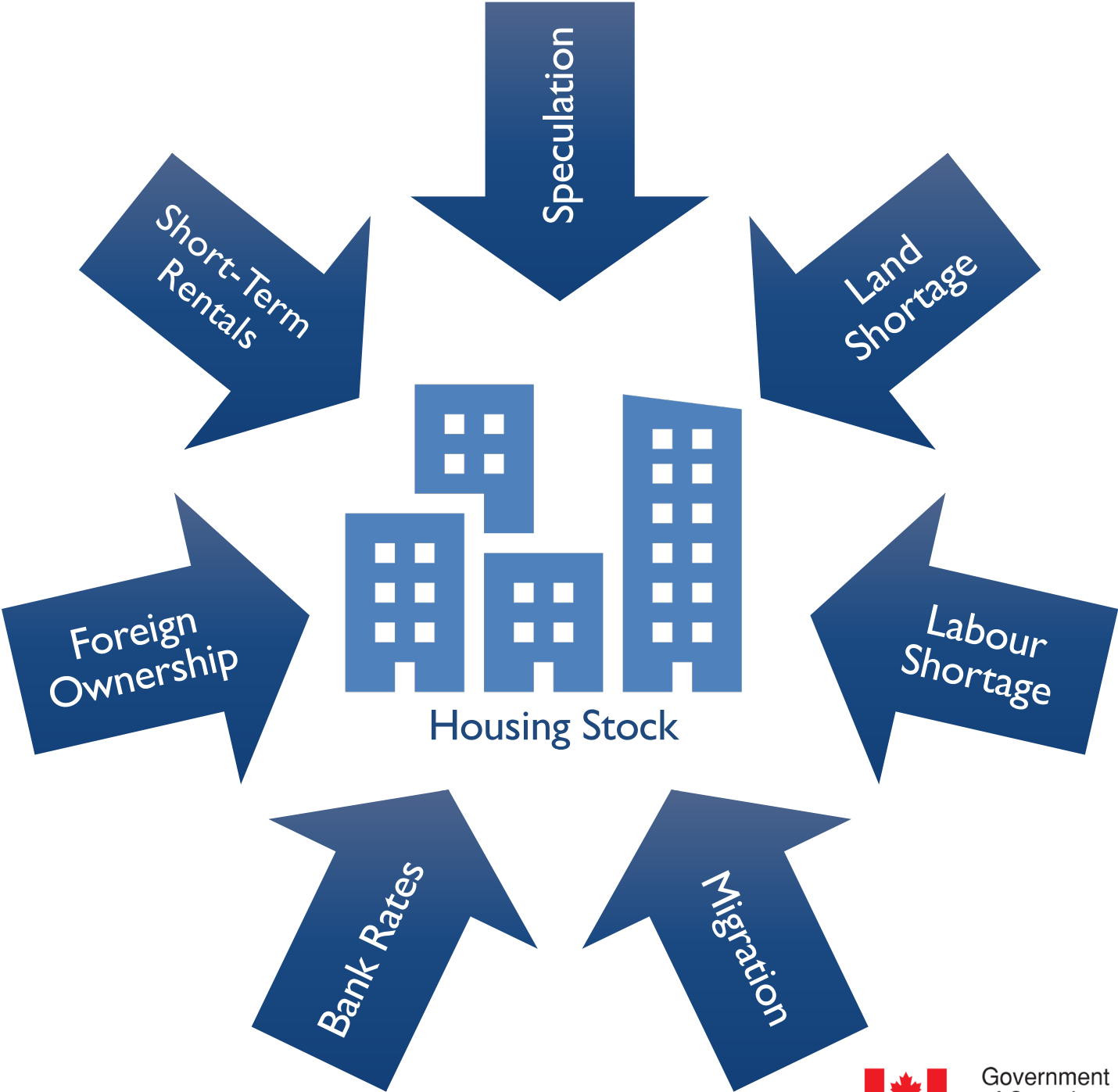


ONTARIO CONTEXT

- 769,000 in core housing need
- 1.6M Ontario households rent
- Major city renting totals:
 - Toronto: 524,640
 - Ottawa: 128,095
- Increasing population (+713,000 from 2017-2021)
- "Renoviction" (+294% in Ontario)



HOUSING MARKET PRESSURES



FEDERAL CONSTRAINTS

Jurisdictional Constraints

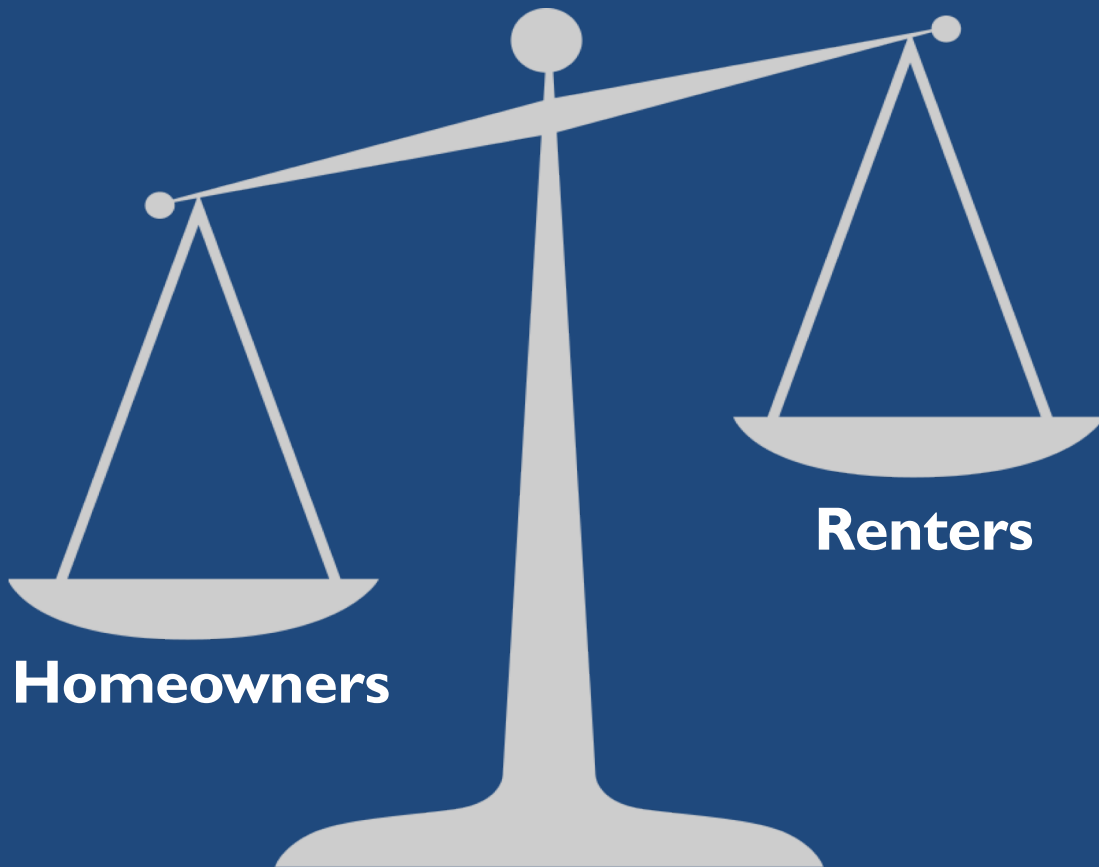
Many Stakeholders

Perception of Renting

Limited Levers



NHS FOCUS



II

- 1.7M in Core Housing Need:
1M Renters : 700K Homeowners
- NHS Programs:
Initiatives are 80% Supply Side, 20% Homelessness
- Even Non-NHS Programs Benefit Homeowners:
Six owner programs, but no renter programs
- Renters in Core Housing Need are left out of the NHS and the broader housing system



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POLICY OBJECTIVES



REDUCE NUMBER
OF PEOPLE IN
CORE HOUSING
NEED



INCREASE
ACCOMMODATION
SUPPLY



PROVIDE
INCENTIVES FOR
RENTAL TENURE



SHORT-TERM
TANGIBLE
OUTCOMES



POLICY OPTIONS

1

Public Housing
Program

2

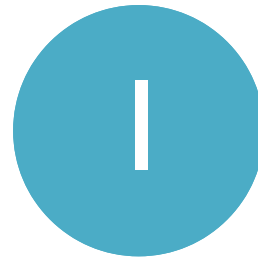
Partnerships

3

Lifelong Rental
Tenure



Assessment Factors	
Reduces Core Housing Need	✓
Increases Supply	✓
Provides Rental Incentives	✗
Short-Term Outcomes	✗



Public Housing Program

- Creation of Rental Units
- Expand CMHC's mandate to include increasing the supply of accommodation
- Wartime Housing Limited created 50,000 homes



Assessment Factors	
Reduces Core Housing Need	✓
Increases Supply	✓
Provides Rental Incentives	✗
Short-Term Outcomes	✗



Partnerships

- Increase funding to the Rental Construction Housing Initiative
- Diversify the housing stock
- Establish new partnerships with developers
- Build relationships with non-profit groups
- Partner with Provinces and Municipalities



Assessment Factors	
Reduces Core Housing Need	✓
Increases Supply	✓
Provides Rental Incentives	✓
Short-Term Outcomes	✓

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Lifelong Rental Tenure

- Federal Renter's Benefit
- Increase contribution limits to TFSA and RRSP for renters
- Speculation Tax
- National Vacancy Tax and Landlord Benefit
- Allow the NHS to take effect



POLICY ASSESSMENT

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Policy Option	1. Public Housing Program	2. Partnerships	3. Lifelong Rental Tenure
Reduces Core Housing Need	✓	✓	✓
Increases Supply	✓	✓	✓
Provides Rental Incentives	✗	✗	✓
Short-Term Outcomes	✗	✗	✓



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POLICY IMPLEMENTATION

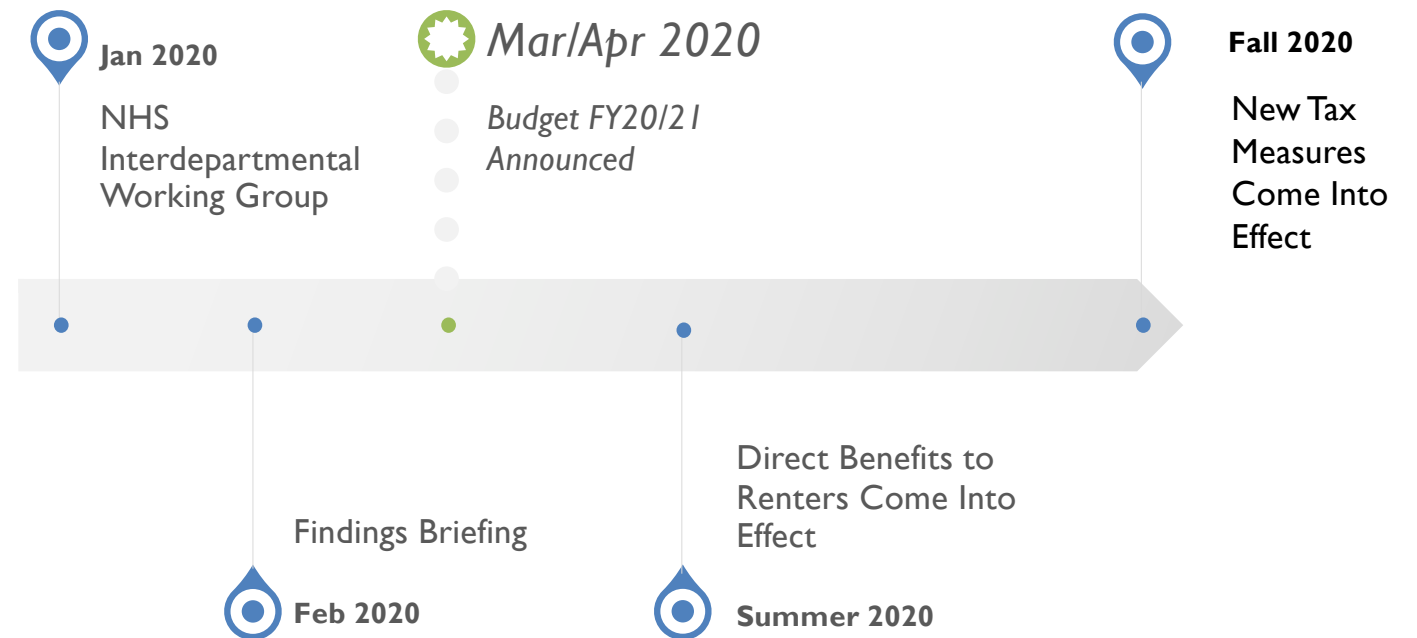
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Direct Benefits to
Renters

New Tax Measures

National Housing Strategy Initiatives



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POLICY IMPLEMENTATION

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Direct Benefits to
Renters

New Tax Measures

National Housing Strategy Initiatives

Federal Renter's Benefit

- Refundable income tax credit
- Provide \$3000/year to rental households in core housing

Increased Contribution Limits

- Increase contribution limits to TFSA and RRSP for renters:
 - TFSA: 20% bonus as a renter
 - RRSP: Increase to 25% of income



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POLICY IMPLEMENTATION

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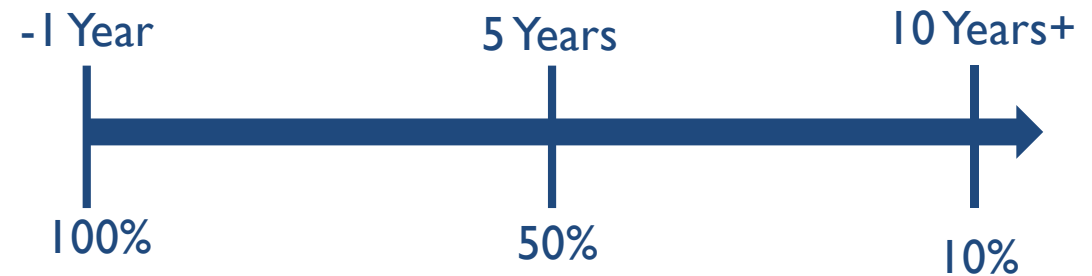
Direct Benefits to
Renters

New Tax Measures

National Housing Strategy Initiatives

Speculation Tax on Capital Gains

Percentage of Capital Gains subject to tax:



National Vacancy Tax

5% on Foreign-owned properties

1% on Domestic-owned investment properties

Landlord Benefit

5% reduction on capital gains subject to tax for small business landlords



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POLICY IMPLEMENTATION



Direct Benefits to Renters

New Tax Measures

National Housing Strategy Initiatives

Program	Yearly Cost	Implementation Timeline
Renters' Benefit	-\$3B	FY 2020-21
TFSA	-\$6M	
RRSP	-\$53M	
Speculation Tax	+/-	
Vacancy Tax	+\$200M	
Landlord Benefit	-	



COMMUNICATION PLAN

Audience	Canadians	Provinces	Municipalities
Key Message	The government is here for renters	Adapt to the mobile economy	Grow communities and promote innovation
Medium	Minister of Middle-Class Prosperity	Bilateral communications	Federation of Canadian Municipalities



SUMMARY



**Short-Term Tangible
Outcomes**



**Increase Accommodation
Supply**



**Provide Incentives for
Rental Tenure**



Reduce Core Housing Need





**THE HOME
YOU NEED
FOR THE
LIFE YOU
WANT**



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APPENDIX A: COMMUNICATION

AIM:

This communication plan is meant to provide clear direction and guidance for the dissemination of information regarding the proposed additions to the National Housing Strategy (NHS) to both internal and external stakeholders.

OBJECTIVE:

Communication objectives have been developed in support of the Augmented NHS (A/NHS) as one of the means to support recommendation implementation. Communication objectives will be accomplished through words, images, and actions. Due to the positive impact that the A/NHS will have on Canadians in core housing need, this communication plan must be placed at the heart of project planning and implementation activities to ensure that those who may benefit are aware of available programs and able to access them.

- A. Educate** Canadians on the NHS and programs that support renters and individuals looking to find housing to escape core housing need
- B. Motivate** Canadians to save for the future as lifelong renters, and move with the mobile economy
- C. Inspire** builders and municipalities to densify and intensify city accommodations to better allocate our present resources and promote sustainability



APPENDIX A: COMMUNICATION

CORE MESSAGE:

Due to changing housing market pressures, augmentation to the NHS is required. The augmentations are being implemented in order to help those in the 'middle', that is those who neither require affordable housing, nor can easily afford market housing. The A/NHS will address this gap.

THEMES:

The following themes will be used throughout communication planning and execution for the A/NHS. Flexibility as to how, when, and by whom they will be used will be determined by the CMHC senior communications advisor.

- A. The government is here for renters** - most Canadians who are in core housing need are renters; the government will help lift them out of this need and support their lives as renters
- B. Lifelong renting suits the mobile economy** - rent helps Canadians explore a range of job opportunities, without being tied to one location; they can move to available jobs and enjoy the flexibility and autonomy of gig work
- C. More rental means more sustainability** - to maximize city spaces for rent, fewer workers in Canadian CMA's downtown cores will commute to the office, reducing emissions overall
- D. Rent to reduce Canadians' debt** - lifelong rent alleviates the stress of being 'house poor' and helps Canadians save for the future



APPENDIX A: COMMUNICATION

FOCUS TOPICS:

The following topics are meant to support the attainment of communication objectives in the overall management of communication efforts, whether deliberate or in response to an issue or events:

- A. Greenbelt development:** greenbelts are meant to contain urban sprawl and encourage densification, and so any reduction of greenbelt would be counter to these principles
- B. Minister for Middle Class Prosperity:** according to the minister's mandate, the minister must further integrate herself with FIN and ESDC to measure the impact of the economic agenda on the middle class, with a focus on housing programs
- C. Federation of Canadian Municipalities:** the federation already celebrates municipalities' efforts to make cities greener through its Sustainable Community Awards. The program inspires other cities to pick up on the momentum of other cities' innovations. It can equally celebrate Densified Community Awards to recognize cities which strive to create affordable rental living spaces, in keeping with the themes of the proposed augmentation of the NHS

