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News Release

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Federal Conservative leadership candidates offer little for Canada's housing crisis

A few days before the Conservative Party of Canada will elect its new leader, hundreds of thousands of people in Canada are experiencing the misery of being without housing, and millions more are in inadequate housing (unaffordable, unsafe, inappropriate). None of the five candidates seeking to be the next leader of the Conservative Party of Canada appear to have plans for any effective action on the issue.

Policies about housing are buried deep in their platforms and lack any evidence they are aware there is a national housing strategy and a legislated commitment to the right to adequate housing for every person currently in place.

With a few exceptions, the five candidates offer nothing more than vague comments, mostly shifting the responsibility for action on housing to municipalities and addressing only issues of market housing. They focus on supply, and not affordability in their policies.

"Unless the new Conservative leader does a much better job of housing policy before the next election, this is not a political party that those struggling for decent housing can look to for results," notes Edmonton Coalition on Housing and Homelessness president Nadine Chalifoux.

"A proud Canadian record for decades in the late 20th century of committing funds to build non-market housing does not seem to be on the radar for any of the people seeking to lead this party. And they do not have any message for those in the most desperate circumstances, without any housing of their own at all."

Chalifoux notes there has been modest progress federally in the past few years, in funding and measures such as the creation of the National Housing Advocate, but that the reality has fallen short of the vision of the National Housing Strategy introduced in 2017. "Looking at the thin soup offered by any of the Conservative candidates for leader, I see little prospect of things being better with them in government. We need a massive financial investment in housing for those who cannot afford the market. Anything less is a prescription for more homelessness and more families in precarious circumstances," she says.

Pierre Poilievre threatens to withhold federal funds from municipalities that do not increase housing supply (but exempting those with populations under 500 000 from this threat). He calls municipalities "gatekeepers" with expensive development costs that limit building more housing. He promises to sell 15 per cent of federal properties in Canada, with requirements they be developed as affordable housing and he will tie federal transportation grants for municipalities to developing high-density housing along transit routes.

Jean Charest also promises action to increase density in areas around transit development and to look at use of federal land for housing. He talks of allowing federal HST payments to be spread across five years for new homes and allowing rental property owners to defer capital gains if they reinvest profits in more rental housing. He also commits to an Indigenous housing strategy, something promised by the current Liberal government for several years without results.

Scott Aitchison calls his few policies on housing a "Yes in my backyard" approach but offers little besides a call to end municipal exclusionary zoning bylaws. He says he will build more social housing but offers no details. Leslyn Lewis also focuses on municipal zoning rules and promises to work with provinces to have crown land provided to developers at no cost for building homes. Roman Baber commits to divest of all federal land and buildings where there is no environmental issue, but does not indicate how this would be tied to increasing housing supply. He would double the RRSP First Time Homebuyer exemption to \$70 000.

Scott Aitchison: <https://votescott.ca/>

Roman Baber: <https://www.joinroman.ca/>

Jean Charest: <https://www.jeancharest.ca/>

Leslyn Lewis: <https://leslynlewis.ca/>

Pierre Poilievre: <https://www.pierre4pm.ca/>

Note: Text in italic type is taken directly from candidate websites.

Pierre Poilievre

Poilievre Will Fire Gatekeepers And Build Homes

"I will require severely unaffordable big cities like Toronto and Vancouver to increase home building by 15% or lose some of their federal infrastructure funds," said Poilievre. This penalty will not apply in any municipalities with a population of less than 500,000 people. "I will create a building bonus that pays municipalities \$10,000 dollars for every extra home built, and I will require cities to pre-approve permits for high density housing and employment at the future stations of all federal funded major transit projects."

The Problem:

Nine in ten aspiring homeowners say they are shut out of the market. In 2015, the average home cost \$434,000. Seven years later the price has doubled to \$874,100, with prices increasing 52% in the last two years alone.

"With so much land and so few people, housing should be cheap in Canada", said Poilievre. "Yet our housing bubble is the second worst in the world." According to Demographia, Vancouver and Toronto are the world's 3rd and 10th most unaffordable markets - worse than New York, Singapore and London, England—places with more money and people and less land. This is a made-in-Canada problem.

What is causing it? Half the problem is artificial demand from the federal government creating \$400 billion in new cash in the last two years and pumping it into the financial and mortgage system. Investors have borrowed the money, bought up homes and bid up prices.

The other half is lack of supply: "Canada has the fewest homes per capita in the G7, even though we have the most land with the fewest people. Why? Government gatekeepers are blocking supply" said Poilievre.

The CD Howe Institute calculates "Vancouver's housing regulation costs are by far the largest in Canada, resulting in an extra cost of \$644,000 for the average new house. Elsewhere in Canada – Vancouver, Abbotsford, Victoria, Kelowna, Regina, Calgary, Toronto and Ottawa-Gatineau – homebuyers paid an average \$230,000 extra on a new house because of limits on supply."

In fact, right here in Toronto, the City Government just released a report for public consultation on their development charges, which proposes increasing them by 49% in one year. That is on top of Toronto area municipalities already collecting \$5 billion more in taxes on new housing than they spend on infrastructure for new homes—costs that are all passed on to homebuyers.

The only solution politicians have offered so far is more government spending. Big city mayors demanded and received vast increases in federal housing dollars. The Federal government brags it has spent \$40 billion more on affordable housing—after which house prices actually doubled. The recent federal budget promised yet another \$10 billion—money that will go to the same municipal government gatekeepers who have caused housing inflation in the first place.

The government claims the money will incentivize faster permitting and supply; however, it offers to give municipal governments the money upfront with no guarantee of results. It funds process and bureaucracy without tying the

number of dollars to the number of completed homes. "It is more money for nothing to the same big city politicians who caused today's bubble" said Poilievre. "Rewarding bad behavior will only cause more of it."

The Poilievre Plan: Fire Gatekeepers. Build Homes.

"The federal government must reward more building and punish gatekeeping," said Poilievre. "Only carrots and sticks will get results."

"Big city politicians care about one thing: money. They like to spend other people's money—particularly when other levels of government collect it."

"A Poilievre Government will make clear to big city politicians that they will not get what they want until the people get what they need: homes built."

That means no more funding good intentions, bureaucratic procedures or promises of future actions. Instead, money will come after results are completed. A Poilievre government will:

1. Require municipal governments of "severely unaffordable" big cities to increase homebuilding by 15% annually or have a portion of their federal funding withheld (municipalities with less than 500,000 people will be completely exempt) and bring in penalties for big city governments—those with over a half-million people—for egregious cases of NIMBYism and gatekeeping
2. Grant municipalities \$10,000 per home on all growth in their home building, paid out only after the units are built and occupied.
3. Require municipalities seeking federal funds for major transit projects to pre-approve building permits for high-density housing and employment on all available land around stations.
4. Sell off 15% of the federal government's 37,000 buildings with covenants requiring they become affordable housing.
5. Prevent the federal government from creating cash to fund government deficits. That will end the inflationary bubbles that the central bank has helped to create in the housing market.

Scott Aitchison

1. We will end exclusionary zoning in big cities — we'll work with cities to set clear rules for building new housing and tie funding to results.
2. We will get shovels in the ground faster and expand our skilled trades
3. We will invest in affordable and social housing because EVERY Canadian deserves a safe bed to sleep in.
4. We will crack down on money laundering — Canada's housing market must NOT be a safe haven for the world's criminals!

Jean Charest

Highlights of Charest's robust Building the Canadian Dream plan:

- Increasing housing supply by:
 - Tying infrastructure funding to significant densification near new transit built with federal funds
 - Matching federal affordable housing grants to municipalities streamlining and speeding up their permitting process including firm approval timelines
 - Funding e-permitting software solutions and staff training to digitize the planning process, allowing municipalities to further shorten planning timelines
 - Reviving the Multi-Unit Rental Building (MURB) tax incentive program for all new multi-residential rental developments to encourage massive new investments in affordable rental housing
 - Allowing investors to defer capital gains if profits from rental housing are invested in further rental housing

- *Allowing the federal portion of the HST on new housing to be spread over 5 years*
- *Tasking the Minister of Housing with a full review of the Federal Government's 37,000 properties and making surplus land available for affordable housing development*
- *Making the home office tax credit permanent and increasing it to a maximum of \$5,000.*
- *Boosting the skilled construction workers' labour market by creating new immigration pathways and eliminating payroll taxes on any new apprentices in construction fields.*
- *Enacting a "For Indigenous, By Indigenous" housing strategy led by Indigenous leaders.*
- *Ensuring that mortgage qualifications and stress tests do not unfairly discriminate against small business owners, gig workers, and self-employed Canadians.*

Leslyn Lewis

The average price of a home in Canada has risen almost 30% since last year! That's also double the average home price from when Trudeau took power in 2015.

The sad reality is there aren't enough houses today, and we aren't building them quickly enough to meet demand tomorrow.

To tackle this crisis, we need collaborative action and creative thinking. As Prime Minister, I will:

Let Builders Build. Onerous zoning rules are a big part of the problem. Federal transfer payments will be used to incentivize municipalities to make needed changes so developers can build more houses quicker.

Bring in More Builders. Developers would love to build more, but they need more workers. I will work with provinces to expand skilled trades training, and expand immigration opportunities for skilled workers from other countries.

Open up New Land. Canada is the second largest country in the world yet development is painstakingly focused in a few major cities like Toronto and Vancouver. We need to start looking beyond these developed areas by working with provinces to offer crown land to developers free of charge provided they commit to building homes and commercial space.

Roman Baber

Roman will not give up on the Canadian dream of homeownership.

A Roman Baber Government will help first time homebuyers by doubling the First Time Home Buyer RRSP exemption from \$35,000 to \$70,000. A Roman Baber government will also divest itself of all federal buildings and lands that are not protected or environmentally sensitive. It will invest in transit and highways to encourage the creation of new and affordable communities.