

# Submission to the House of Commons Standing Committee on Finance

August 5, 2016



**National Housing Collaborative**  
**Collectif pancanadien pour le logement**



## Introduction

The National Housing Collaborative (NHC) is a non-governmental, cross-sectoral alliance of housing and other organizations committed to helping shape policies that can deliver better housing outcomes for all Canadians.

With the recent announcement of the development of a National Housing Strategy, the Government of Canada has recognized the urgent need for a national strategy on housing affordability, and the important role it can play in housing policy. The expiry of social housing agreements, limited production of new rental housing in many markets, and housing affordability issues for both renters and homeowners, particularly for those at the lower end of the income spectrum, all highlight the need for a deliberate strategy that is sensitive to various strengths and needs across the country.

A strategy on housing is also critical to our economic success: from the stability it provides to individual households, to the central place that housing plays in creating vibrant neighbourhoods, as well as the job creation and wealth that is generated from the construction and revitalization of housing of all types. The residential construction industry provides jobs to more than 1 million Canadians, generating over \$128B in economic activity and over \$41B in total government revenues each year.<sup>1</sup> Investment in housing reaps substantial social and economic returns.

Therefore we applaud the federal government for having made housing a priority in this early phase of its mandate and we urge that Budget 2017 reflect this focus on this important policy area.

The prospect of a renewed federal role in housing has been met with palpable enthusiasm across the country. Even prior to the government's announcement of a national housing strategy, communities in many markets, faced with rising home prices and rents, have been mobilizing to work toward solutions, recognizing housing affordability plays a fundamental role in poverty reduction, improving outcomes for individuals, and Canada's overall economic health.

As described below, the NHC is recommending this committee focus funding on four core areas of housing policy: improving affordability, incentivizing creation of new supply of purpose-built rental (both market and non-market), addressing the impact of the expiry of social housing operating agreements, and homelessness. We will bring substantive proposals forward to the National Housing Strategy about how the Government of Canada should address and fund housing in these areas by the end of the year, in line with federal consultation on this issue.

At this point, our message is that while the form and models for investment may evolve, it is critical that the federal government remain a robust and reliable funding partner of housing, starting by ensuring that support is available for those most in need, and continue its drive to support the improvement of housing affordability within the means at its disposal and in collaboration with other levels of government, industry, and the other players in the housing system.

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<sup>1</sup> Source: Will Dunning Inc. Economic Research for CHBA, based on 2015 Statistics Canada and CMHC data.

## The Work of the National Housing Collaborative

The NHC has established a number of problem statements and high-level outcomes and is currently focusing its efforts on three areas that will have implications for the federal budget: affordability, supply of rental housing, and the expiry of social housing operating agreements, in addition to policy development on homelessness. We note that individual members of the Collaborative are advancing perspectives around other issues.

### Affordability

*Problem statement:* There are Canadians who cannot access housing that is affordable to them, and that is suitable and adequate. The affordability of existing housing stock – both market and non-market – is at risk, whether because of upward market pressure on rents/prices, financial viability of non-market providers, and/or need for physical rehabilitation.

*Ultimate goal:* Canadians have access to housing that is affordable to them, which is suitable and adequate (understanding ‘suitable’ and ‘adequate’ housing to include options that are culturally-sensitive, labour market accessible and in a healthy community).

### Supply

*Problem statement:* There are a number of diverse supply shortages/pressure points in local housing markets related to: composition; distribution; form of tenure; and size or built form. The composition of the overall rental housing supply and other public infrastructure and services has shifted over time, with a steadily decreasing proportion of housing that is affordable, and that which starts out as affordable is not maintained for the long term.

*Ultimate goal:* There is a healthy housing market that provides Canadians with choice to meet a diversity of needs.

### Homelessness

*Problem statement:* Homelessness persists in Canada, despite having the know-how and resources to end and prevent homelessness.

*Ultimate goal:* Ensure that homelessness is rare, brief and one-time (while striving to understand the root causes of homelessness).

The NHC will be producing policy options papers on these issues over the coming weeks, which will inform our submission, in October, to the National Housing Strategy consultations. That submission will contain, among other things, concrete recommendations to the Government of Canada as to how it should best invest and reinvest in this critical sector, possibly including the quantum and timing of that investment.

Renewing a federal role in housing will not be easy. Housing affordability is the outcome of complex processes and systems that reflect day-to-day interactions between the public and private

sectors, and between differing tax and regulatory regimes across Canada. Each participant in Canada's housing markets is shaped by a range of demographic, economic, social and environmental factors. These factors often result in differing generational outlooks and expectations, from access to affordable rental housing to home ownership, which offers the opportunity to build equity and retirement savings for the future.

However, it is critical that the Government make housing a central consideration in Budget 2017. Investment in housing does not only have social benefits for individuals: it is a major economic driver. After manufacturing, residential construction is the second largest creator of jobs in the country. Home building, renovation and repair are vital parts of Canada's economy in every single community across the country. In addition to its concrete economic benefit, we can add the immeasurable impact on household stability that safe, affordable housing provides to Canadian individual families and what that means as anchor to labour market strength, population health, and community vitality.

The NHC submits that the Government must continue to make it a priority to commit to long-term investment in this area in Budget 2017 and beyond. Such investment will reap substantial and durable social and economic returns.

## **Conclusion**

Investments in both market and non-market housing provide significant return on investment for government. Stable, affordable, suitable housing can provide the foundation for individuals to reduce poverty and improve their lives. Further, housing itself constitutes lasting assets that generate social and economic dividends for generations of Canadians.

The NHC would welcome the opportunity to present before the committee at the appropriate time to provide further details of our submission, and address the impact, if any, on Budget 2017.

Respectfully submitted on behalf of the National Housing Collaborative.

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## **About the National Housing Collaborative**

The NHC is a cross-sectoral group that has come together to generate a limited number of transformative, durable and innovative policy solutions that support a strong, vibrant housing system and can be incorporated into the National Housing Strategy being crafted by the Government of Canada over the coming months.

The NHC comprises a number of Canada's leading national housing organizations and non-governmental funders who wish to support the collaborative development policy solutions to address Canada's housing challenges. In addition to those listed below, the NHC is also engaging a number of other stakeholders across the country in its discussions and deliberations, including representatives from municipal and provincial governments.

Partners:

- Co-operative Housing Federation of Canada
- Canadian Alliance to End Homelessness
- Housing Partnership Canada
- Canadian Home Builders' Association
- Canadian Housing and Renewal Association (including representatives from the Aboriginal Caucus)
- Canadian Federation of Apartment Associations
- Habitat for Humanity Canada
- United Way Centraide Canada
- United Way Toronto & York Region
- McConnell Foundation
- Maytree
- Evergreen
- Metcalf Foundation
- VanCity

Other contributing organizations which have lent expertise to our discussions through participation in the NHC's Research Working Group include:

- National Association of Friendship Centres
- Réseau québécois des osbl d'habitation

United Way serves as the secretariat for this initiative.