

Canadian
Home Builders'
Association



The Context for True Innovation in Canada's Home Ownership Models

Opening Remarks by

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National Housing Conference

Ottawa, Ontario

November 21, 2018



Home Building Industry's Perspective:

- Home ownership benefits Canadians both financially and socially.
- Home ownership builds stronger communities with more engaged citizens.
- Proven basis for forced savings that reduce future reliance on public expenditure for retirement benefits.
- Diminished affordability and mortgage rule changes = falling home ownership rates.
- Concentrated disadvantage in the Millennial cohort.
- This negatively impacts them, increases inequities within communities and undermines one of Canada's most powerful competitive advantages.



Home Building Industry's Perspective:

- Fewer first-time home buyers impacts rental market, retards cycle of rental-to-ownership for younger Canadians.
- Impacts lower-income Canadians for whom market rental is primary option.
- Two issues to be addressed: (1) Market-wide rules that exclude or reduce opportunities for new entrants; (2) Support for those just below the line to achieve affordability. Our priority right now is to resolve first issue!
- To address #2, need new, innovative models for home ownership. May also be second-best choice to reduce impacts of market-wide rules.
- Winning models should not rely on public subsidy or subsidy from other home buyers; must take into account risk management concerns of federal government.



Assessment of Innovative Alternatives:

- ***CHBA Study: Assessment of Alternative Measures to Promote Access to Homeownership***
- 37 different types of home ownership support, based on research and on consultations with providers across Canada:
 - Access to Registered Personal Funds
 - 7 Tax Credit/Refund Programs
 - 6 Grant Programs
 - 9 Down Payment (or Equity) Loan Initiatives
 - 6 Innovative Mortgage Arrangement Initiatives
 - 8 Low-cost Housing/Mortgage Assistance Programs



Our Industry is Exploring Viable Options

- Opportunities beyond traditional market housing mechanisms that don't rely on public subsidy.
- Redevelopment partnerships with social housing providers.
- Working with affordable home-ownership advocates and organizations.
- Targeting transit-oriented development.
- Targeting mixed-income, mixed-tenure solutions.
- Creative redevelopment (laneway housing, secondary suites, etc.)



Alexandra Park, Toronto



Success Metrics:

- **Right Supply:** Increase supply matched to potential first-time buyer demographics (missing middle), expand housing choice, create inclusive (mixed-income/mixed use) neighbourhoods. Development processes that dampen NIMBY.
- **Appropriate Financial Instruments:** Ownership models geared to the actual capacity of first-time buyers – achieve increased ownership without increased financial risk.
- **Sustainable models:** Favour approaches that don't rely on public subsidies, that don't increase cost of market-rate housing, and that can more rapidly respond to market demand.



What Our Industry is Doing Today:

- **Innovative “missing-middle” housing formats** rapidly and efficiently developed where permitted (and pushing for zoning accordingly).
- **Strong support for transit-oriented development**, already underway and worth \$ billions.
- **Co-investment** in turning single-purpose social housing communities into **mixed-income, mixed-tenure and mixed-use communities**, with over \$500 million private sector investments to date.
- **Supporting innovative home ownership models** with over \$1 billion worth of such developments already completed or underway in Toronto alone.

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