



Major party leaders urged to prioritize housing crisis

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Housing challenges across Canada remain urgent on the federal campaign trail. No city has been immune to the effects of a housing shortage over the past year—one that is expected to grow worse. Toronto, for instance, is on track to add one million people to its population by 2030.

The Residential Construction Council of Ontario (RESCON) is lighting a fire under the promises federal delegates are making with a recently released statement on the crisis.

“We have a dire shortage of housing across the country which threatens to derail our economic recovery if the problem is not addressed immediately,” says RESCON president Richard Lyall. “I am glad the issue is on the radar of party leaders, and that they are now paying attention to this critical issue.

“The ongoing supply crisis is crippling younger families. We cannot grow the economy or build back better if we can’t build according to our demographic needs. Excessive costs imposed on developers and systemic red tape that delays construction of new housing developments must be eliminated.”

On Tuesday, Prime Minister Justin Trudeau committed to a few measures if re-elected, including a “tax-free in, tax-free out” first home savings account, which would allow Canadians under 40 to save up to \$40,000 towards their [first home](#). Another promise is doubling the first-time home buyers tax credit from \$5,000 to \$10,000 to save on the closing costs.

Commitments to speed up supply include a \$4-billion investment in a housing accelerator fund to grow the annual housing supply in the country’s largest cities every year, creating a target of 100,000 new, middle-class homes by 2024-25. The Liberal government says it will build and repair affordable housing and convert office space—left vacant by the pandemic—into residential units.

Conservative party leader Erin O’Toole is pledging to build a million homes over the next three years, stop foreign money from pushing up home prices, and make it easier for first-time home buyers to get a mortgage.

NDP leader Jagmeet Singh is aiming to build more than 500,000 units of affordable housing and offer immediate relief to renters in need and ban large investors from driving up housing costs.

Whatever party triumphs will have to contend with some dire facts. As RESCON stated, Canada has the lowest number of housing units per 1,000 residents of any G7 country, according to a Scotiabank [report](#). This number has been declining since 2016.

In a healthy housing market, there would be about six months of housing supply, but that is not the case. Across Canada, there is about 2.8 months inventory, according to Statistics Canada. Meanwhile, The Toronto Region Board of Trade and WoodGreen Community Services [recently revealed](#) that the lack of affordable housing is costing the Greater Toronto Area up to nearly \$8 billion annually, or up to almost \$38 billion over a five-year period.

[Another report](#) from The Centre for Urban Research and Land Development at Ryerson University used a calculation from experts from the governments of Canada and B.C. and found an average of 79,300 units per year must be built from 2021 to 2031 in order to make homes more affordable. That's up from 50,400 units per year that was forecast by Hemson Consulting in 2020.

“Canada’s population is expected to grow by up to 50 per cent over the next five decades, which will result in even more pressure to provide housing,” says Lyall. “There is clearly more work to be done to speed up the development approvals process. Thankfully, the federal parties appear to be listening.

“This is a very serious issue that needs to be addressed. We need a housing summit so those who build housing can be heard and find out what government expects of us to balance supply with demand.”