



Government Relations Issues Update

Affordable Housing

TREB Key Message

Home-ownership is the preferred choice for most people and carrying costs can be as affordable as rental housing. Government policies and incentive programs should recognize the important role that ownership-housing can play in providing affordable housing stock and relieving pressure on existing rental stock.

Background

The Greater Toronto Area is one of the most expensive places to live in the country. The severe lack of affordable housing is most evident in rental vacancy rates, which was unsustainably low in the GTA until 2002, when it began to rise. CMHC considers anything below 2.5% to be an unbalanced rental market. Between 1997 and 2002, the GTA's vacancy rate was below 1%. In 2002, the GTA's vacancy rate rose to 2.5%, its highest level in 30 years. The current 2009 vacancy rate for the GTA is 2.4%.

Recent healthy vacancy rates have been largely attributed to low lending costs, which have made it easier for renters to become homeowners. A recent study conducted by Will Dunning Inc. for the Building Industry and Land Development Association (BILD) showed that families and individuals in the GTA are making a pronounced move to home ownership.

TREB has pointed out this trend to various levels of government, including the City of Toronto, York Region, and the Province. In written submissions and deputations regarding Toronto's new Official Plan and Affordable Housing Strategy, **TREB** has called on the City to recognize that home-ownership can present an affordable option for many people.

Furthermore, making home-ownership affordable encourages renters to become owners, which frees up existing rental stock, and puts downward pressure on rents. For these reasons, **TREB** told the City that the Official Plan should include policies to encourage the creation of affordable ownership housing, in addition to affordable rental housing. As a result, under the current Official Plan, ownership housing is eligible as affordable housing.

With the Region of York currently developing a new Official Plan, **TREB** has a similar opportunity to articulate its views on this issue.

Most recently, **TREB** has provided input during the City's consultations on a new Affordable Housing Strategy. As a direct result of **TREB**'s input and lobbying, the City's Affordable Housing Strategy includes specific targets for affordable home ownership, and directly includes input provided by **TREB**.

At the provincial level, **TREB** recently participated in a coalition of housing industry organizations to make a joint submission to the provincial government on affordable housing.

TREB has also actively participated in Canadian Real Estate Association and the Ontario Real Estate Association initiatives to lobby the federal and provincial governments to implement policies and tax incentives that would encourage the creation of new affordable housing.