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## Behind the housing headlines of Budget 2019

Headlines that focused on the first-time home buyer provisions of last month's federal budget overshadowed a number of other initiatives of real significance to the housing affordability and availability issues gripping the North Shore.

The first-time home buyer initiative is an important and novel policy innovation aimed at making the dream of home ownership for young families a reality. However, given that the maximum value of qualifying homes covered is in the \$500,000 range, its application in North Vancouver is largely limited to a segment of the condominium market.

However, a deeper dive into the 10 pages of housing-related initiatives in the budget document reveals the depth of this government's commitment to be an active player in the housing file after a federal absence of several decades.

### Rental Availability

Case in point: North Vancouver desperately needs more secure rental housing.

Nearly half of all households in the City of North Vancouver are renters and 44% of them are spending more than a third of their income on rent and utilities – while 23% are spending more than half what they earn each month.

The apartment vacancy rate in the City is less than 1% - it's only slightly better in the District at 1.7%. The reason is obvious – too few new rental units have been built in recent decades.

In 2017, our government launched the Rental Construction Financing Initiative - a program that provides low-cost loans for the construction of new rental housing for modest and middle-income Canadians.

Budget 2019 proposes to provide an additional \$10 billion over nine years in financing through this program - an increase that will support 42,500 new units across Canada, particularly targeting areas of low rental supply like North Vancouver.

### Housing Supply

The issue of housing supply is complex. Finding effective solutions will require cooperation and collaboration between all levels of government.

Budget 2019 provides \$4 million to support the work of a joint Federal/ British Columbia Expert Panel that

will identify and evaluate measures to build on recent investments aimed at increasing the supply of housing in high-cost BC communities.

Municipalities on the North Shore and across Canada play an instrumental role in housing with many developing new innovative approaches to accelerate construction approvals.

To help municipalities grow housing supply and unlock new solutions, Budget 2019 proposes to provide \$300 million to launch a new Housing Supply Challenge. Municipalities will be invited to take part in a merit-based competition to propose new ways to break down barriers that limit the creation of new housing.

### Tax fairness in housing

In addition to dialing up housing supply, Budget 2019 includes a series of important measures to dial down harmful housing demand that is the result of tax evasion and money laundering. These activities push up the cost of housing, making home ownership less affordable.

These measures include \$50 million over five years to create four new dedicated real estate audit teams at the Canada Revenue Agency to monitor transactions in the real estate sector, focusing particularly on British Columbia and Ontario.

This package of initiatives will address a number of important issues – including ensuring that preferential capital gains treatment for principal residences are available only to those for whom such treatment is intended.

In addition, our government and the Government of BC have jointly established a working group to improve the monitoring of off-shore real estate purchases and examine issues related to tax fraud and money laundering in BC.

The housing measures announced in Budget 2019 build on our government's National Housing Strategy. First announced in 2017, it's a 10-year, \$40 billion plan that will build 100,000 new affordable housing units, repair 300,000 others, and reduce chronic homelessness by 50 per cent.

Every Canadian deserves a safe and affordable place to call home. Our government, and I personally, are committed to making that vision a reality.

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