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Bill 109: More Homes for Everyone Act, 2022

Policy Response by REALPAC
April 8, 2022

The Real Property Association of Canada ("REALPAC") is Canada's senior industry association for owners and managers of investment real estate. Our 130+ institutional members include publicly traded real estate companies, real estate investment trusts ("REITs"), private companies, pension funds, fund managers, banks, and life insurance companies, with cumulative real estate assets under management of around $1 trillion CAD. The association is further supported by large owner/occupiers and pension fund advisors as well as individually selected investment dealers and real estate brokerages.

I would like to start by applauding the government and Minister Clark's leadership and decision-making throughout some of the most challenging years for Ontario. REALPAC commends the work of the Ontario Housing Affordability Taskforce and would like to reiterate its strong support for the Report and encourages the provincial government to enact all of its recommendations. While the More Homes for Everyone Plan is a good start in addressing some of the housing and development challenges we are experiencing, more targeted policy changes outlined in the Report are required to take the steps necessary to start to address the severe shortage of homes in the province.

For further context on the demand side pressures facing Ontario, I have included an excerpt from a draft op-ed we are working on:

> *Canada announced on February 14th its plans to welcome 431,645 immigrants in 2022 and is targeting 447,055 in 2023[1]. That was before Russia invaded Ukraine. As of March 31st, Canada had over 90,000 applications from displaced Ukrainians, of which 14,500 have been approved. Of those, 3400 have already arrived by land, and another 8,300 by air, according to the Ukrainian Canadian Congress. Apparently, most arriving by air land at Toronto Pearson airport. With 4 million people already having fled Ukraine, how many of them will want to come to Canada to resettle? Even at 5%, that's 200,000 people. In addition to Afghan and Syrian refugees.*
>
> *With a national vacancy rate of only 3.1% in 2021[2], Canadians will ask: how and where are we going to house likely more than 500,000 new entrants or 1.5% of our total population per year? Most will rent in the primary market (purpose-built apartment buildings) and the secondary markets (duplexes, basement apartments, etc.), largely in bigger cities, IF they can find a unit. New Ukrainian immigrants will likely want to locate where existing Ukrainian communities exist. To accommodate them, we need more supply of housing generally, and purpose-built rental apartments specifically, including affordable units.*

[1] https://www.canada.ca/en/immigration-refugees-citizenship/news/2022/02/new-immigration-plan-to-fill-labour-market-shortages-and-grow-canadas-economy.html
[2] CMHC Rental Market Report

As I noted in our submission on the Housing Affordability Taskforce Report, REALPAC is also focused on slow development processes. That impacts both the development of income-producing housing as well as for-sale housing. We believe in purpose built rental as a solution to the affordability issues affecting many Ontarians, and now, incoming Ukrainians, Afghans and other immigrants.

REALPAC supports the changes of refunded fees if timelines on applications are not processed within the listed timelines on site plan control, and zoning by-law amendments.

We commend the requirement for public reports of municipal development charges and community benefits charges, enhancing standardization, disclosure and transparency.

Increased data collection and a provincial standard will also help to identify the gap between demand and supply and help determine how to support those seeking affordable housing and rentals.

Streamlining modular multi-unit building approvals is another great step along with the other changes to the Building Code Act, including allowing 12-storey mass timber buildings.

As you know however, left to their own devices, municipalities will not decide after a four-year period that they are suddenly ready to tackle the obstacles of NIMBY and single-family zoning.

Still to be considered are:

i. Providing provincial and federal loan guarantees for purpose-built rental, affordable rental and affordable ownership projects.
ii. Property taxes on purpose built rental to be aligned with those of condominiums or other housing. Property taxes for purpose built rental are 2.5 times higher for purpose-built rentals than any other housing. There are lots of people looking to rent for long periods of time. Home ownership is not a goal or feasible for many in Ontario, and this needs to be better accommodated through targeted policies.
iii. Discounts on development charges and a waiver of community benefits charges for developments of affordable housing.
iv. Encouraged bonus height and density for those providing affordable housing as opposed to mandatory and punitive inclusionary zoning that lack incentives like in the City of Toronto.
v. Mandate up zoning to realistic levels along main streets and near transit stations so that building permits can be applied for “as of right”.
vi. Require the federal government to waive HST on the completion of construction of purpose built rental, where containing affordable units. This promise was contained in Bill Morneau’s mandate letter in the prior federal Liberal administration.
vii. Further efforts to deal with NIMBYs.

By prolonging the implementation of the policies outlined in the Housing Affordability Taskforce Report, we risk exacerbating the existing housing crisis, while those from war-torn countries continue to arrive at Pearson airport.

Once again, I thank Minister Clark and the government for the forward-thinking policies they have implemented to date to spur more supply. Bill 109 provides an important opportunity for the Province to tackle significant affordability issues and support the economy. REALPAC appreciates the opportunity to provide our feedback on this important issue and is keen to continue work with the Ministry on these issues.

Please do not hesitate to contact us with any questions or concerns with this submission at the coordinates below.

Respectfully submitted,

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