



CHBA 2019 FEDERAL ELECTION PLATFORM

Leading up to the October 2019 federal election, the **Canadian Home Builders' Association (CHBA)**, the voice of the residential construction industry in Canada, is **calling on all federal parties to include CHBA's recommendations for improving housing affordability in their respective platforms.**

Help Canadians #UnlocktheDoor to Homeownership.

What will you and your party do to unlock the door to homeownership for Canadians?

Right now, some 150,000 well-qualified, well-employed individuals and families have been squeezed out of the market each year by mortgage rules that need to be adjusted to meet current conditions and the needs of the next generation of Canadians.

CHBA'S RECOMMENDATION: Reintroduce 30-year amortizations for insured mortgages taken on by well-qualified first-time homebuyers.

Background: Reintroducing 30-year insured mortgages for well-qualified first-time homebuyers will address the growing inequities in mortgage access and will deliver benefits to younger Canadians and Canada as a whole, without causing undue risk in the housing market. Younger Canadians are the lowest risk group of buyers as they have the lowest rate of mortgage arrears of any cohort and the longest timeframe to pay off their mortgages. Their incomes also rise the fastest, making mortgage payments increasingly affordable over time. And first-time buyers seeking entry-level homes do not cause excessive house price escalation in any regional market.

CHBA'S RECOMMENDATION: Work with Office of the Superintendent of Financial Institutions (OSFI) to adjust the stress test to better align it with current market conditions by making it a declining rate stress test based on the mortgage term.

Background: Adjusting the mortgage stress test by replacing the current universal 2 percent with a declining rate stress test based on the mortgage term makes sense. The longer your mortgage term, the lower the stress test percentage. Adding flexibility to the stress test will improve housing affordability while allowing Canadians to make responsible choices, especially first-time buyers who just need to get their foot in the door of homeownership. Again, given the current economic challenges and the current state of the housing market, this is a measure that can be implemented without causing undue risk in the marketplace.

CHBA'S RECOMMENDATION: Use federal policies and programs to help increase market-rate housing supply, including leveraging transit investments and land write-downs to support affordable, market rate, mixed used communities and working cooperatively with other orders of government.

Background: The next government has a unique opportunity to ensure that it plays a lead role in encouraging more housing supply, especially in Canada's largest urban centres where supply is so short. Ensuring infrastructure funds are tied to plans that will lead the way to proper density around transit nodes to promote affordability and get more people across Canada into the homes they want to live in, whether it be market rental housing or market homeownership housing. Supporting the fight against NIMBYism, providing analysis to expose excessive development taxes, and other measures to accelerate increased supply are all needed.

Support smart action to improve energy efficiency for new and existing homes to help combat climate change – without damaging affordability.

What will you and your party do to fight climate change through energy efficiency in housing without increasing the cost of homeownership?

CHBA'S RECOMMENDATION: Enshrine affordability as a core objective of the National Building Code, particularly as it relates to GHG mitigation and climate change adaptation, and invest more in R&D for innovative solutions.

Background: Younger Canadians, new Canadians and young families want to fight climate change but are also working hard to achieve home ownership—they must not be locked out of the market as a result of accelerated changes to building codes that are not cost effective. The 'affordability gap' that currently exists with respect to higher energy performance housing, like Net Zero Ready, must be closed before code changes are made. CHBA is leading the way with innovation and a voluntary program for homeowners that want to invest in their homes by making the Net Zero; but R&D and innovation are needed before higher levels of energy efficiency are affordable for all, and regulating before that will simply make housing less affordable.

CHBA'S RECOMMENDATION: Expand support and implementation of Natural Resources Canada's EnerGuide Rating System for houses.

Background: Having the EnerGuide label on all houses at the time of resale has the potential to dramatically raise the energy literacy of Canadians, helping home valuations truly reflect energy efficiency and further encouraging Canadians to make energy efficiency and retrofit investments on an accelerated pace in ways they can afford. The Government of Canada's EnerGuide Rating System for Houses should be expanded and promoted as the backbone of all housing incentives, tax credits, and other energy efficiency initiatives by governments, utilities and other organizations.

CHBA'S RECOMMENDATION: Support and invest in a permanent renovation tax credit, using the EnerGuide Rating System, to address emissions in the existing housing market.

Background: A permanent modest energy retrofit tax credit, based on the use of EnerGuide Rating System (ERS), would help Canadians improve the energy efficiency of their homes, benefitting themselves, the economy, and national competitiveness. By fighting the underground economy and bringing cash deals above board, it also has the capacity to have increased tax revenues essentially pay for the tax credits.

CHBA's 9,000 member companies from coast to coast are looking for the next government to work to address these challenges, and other related housing issues that are equally important to the industry and all Canadians. Polls show these issues are hugely important to voters, and for good reason.

Visit affordability.ca for more information on CHBA's recommendations.

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