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# A Housing Primer for Election Candidates

During the federal election campaign, most party leaders are promising to build hundreds of thousands of homes.

On the positive side, finally there is recognition the primary source of unaffordable housing is lack of supply.

But there are major problems with candidates promising to build homes on a massive scale.

First, government-subsidized housing will not make market housing more affordable for millions of millennials starting families and new Canadians.

A study called *The Effect of New Market-Rate Housing Construction on the Low-Income Housing Market* by Evan Mast reveals housing affordability requires market solutions.

The availability of government resources for subsidized housing is nowhere near the scope of the challenge. Add the fact, Canada is deeply in debt from the pandemic.

The second problem is the federal government has no authority over the lack of efficient, municipal rezonings which is the major obstacle to supply in most cities.

Candidates can promise astronomical numbers of new housing, but every developer knows the real-world challenges. Otherwise, industry would build the needed supply.

There is a constitutional separation of powers in Canada requiring municipalities report to the provinces, not the federal government.

BC has a policy of municipal self-determination resulting in obstructive zoning bylaws.

For example, Oak Bay's duplexes are "legal non-conforming," meaning they don't conform to existing zoning bylaws. Plus, there are also no legal secondary suites, all choking supply and adding to the high price of housing and rentals.

Unless election candidates are promising to change Canada's constitution and override the BC government's authority, they are not going to build hundreds of thousands of homes without municipal consent.

That said, there have been credible election proposals falling within the federal government's jurisdiction.

These include deferring the capital gains tax on the sale of rental buildings when investing in new rental. Also, make federal funding dependent on rezoning for higher density, especially along transit routes.

VRBA has proposed these options in the past, as well as indexing the GST New Home Rebate to inflation.

Pursuing these and other realistic solutions will offer more housing affordability over the long-term.



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