

New housing minister cannot crack the code alone

We need all hands on deck to solve the housing crisis: a complex problem with competing jurisdictional interests.



Housing Minister Sean Fraser has the ministerial experience and understanding, as well as the mandate, to crack the code of both housing and labour shortages, writes Mark Kenney. *The Hill Times* photograph by Andrew Meade

OPINION | BY MARK KENNEY | August 31, 2023

Last week, Prime Minister Justin Trudeau and his cabinet were vexed with a reality facing all Canadians—an acute and historic housing affordability and supply crisis.

It is the culmination of a lack of collective will over the past 30 years, through the mandates of successive governments at all levels. The legacies of this era of inaction are many: more burdensome zoning laws, higher development costs, more aggressive and successful “not in my backyard” (NIMBY) interests, and fewer Canadians with access to housing that meets their needs and budgets.

There has been progress in overcoming our housing inertia. Provinces and municipalities have been cautiously adopting piecemeal pro-housing policies. Through the National Housing Strategy, the federal government is investing billions of dollars to help increase the supply of affordable housing.

Even so, the results have been small compared to the growing need. The Canada Mortgage and Housing Corporation (CMHC) estimates that Canada needs 5.8 million new homes by 2030 to restore affordability, but at current construction rates, our new housing stock is expected to increase by just 2.3 million units by 2030.

Canada is also facing a widespread labour shortage due to our aging population. The shortfall is hitting all economic sectors, including construction. We simply do not have enough skilled tradespeople to fill vacant homebuilding jobs. We need to grow our population to meet our workforce needs and our full economic potential.

New Minister of Housing, Infrastructure and Communities Sean Fraser has the ministerial experience and understanding, as well as the mandate, to crack the code of both of these fundamental national challenges.

As immigration minister, he designed federal plans that will see hundreds of thousands of newcomers welcomed each year for the foreseeable future. Smartly, he has also redesigned Canada’s express entry immigration system to favour skilled trades, with construction among them. That is good as far as it goes.

But in the context of the housing crisis, we’re only producing one new home for every four to five new Canadians. No one understands this need better than Minister Fraser.

As minister of housing and infrastructure, he will also have a holistic mandate to make sure that new housing is being built where it is needed, and where it can be connected with existing transit, health, and educational infrastructure. This is a welcome refinement of federal housing policy. It should be empowering for Minister Fraser if he chooses to meet the moment.

But a new federal minister cannot solve the housing crisis alone. It is too complex a problem with, too often, competing jurisdictional interests.

As the CMHC has said, we need all hands on deck. We need housing of all kinds—social housing and market housing, from single-family homes to multiplexes. With one in three Canadians renting their homes, we need many more purpose-built rental apartment buildings.

The good news for Minister Fraser? Canadians are with him. A recent Leger poll found that 95 per cent of Canadians agree that the rising cost of rental housing is a serious problem, and 79 per cent agree that the government must both incentivize and support new private sector rental housing and fund more social housing.

That is where our organization comes in: Canada's public apartment real estate investment trusts (REITs), also known as Canadian Rental Housing Providers for Affordable Housing, are the highest quality housing providers, with environment, social, and governance commitments and access to capital to maintain and improve properties.

Across the wider REIT sector, we have 230,000 new homes in our development pipeline. That's equivalent to a full year of Canadian housing production. Who is proposing to build more of the purpose-built, tenure-stable rental homes we need than the REITs?

The scale of the housing crisis will require trillions of dollars in capital—far more than the government can do on its own. And it needn't take on this challenge alone. With a stable and predictable regulatory environment, REITs can do more to deliver tenure-stable purpose-built rental housing at scale. When we're able to harness capital, we can invest to build more housing for all Canadians.

We are optimistic about the future of housing affordability in Canada. We have engaged with the government and housing stakeholders, learning and sharing innovative ideas to protect and create more affordable rental housing from coast to coast to coast. Many of those ideas have found their way into the recently launched National Housing Accord.

We are ready to work with Minister Fraser to harness his experience, passion, and urgency with our commitment to help crack the code on the housing crisis. Canadians are depending on us. Let's get this done together.

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