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REALTORS® From Across Canada Urge Governments to Reduce Costs and Remove Barriers to Home Ownership

September 12, 2019 – HALIFAX, NS - REALTOR® associations from Canada's largest real estate markets are calling on all levels of government to take meaningful action to make home ownership more accessible to people across the country.

With a federal election on October 21, the Toronto, Calgary and Vancouver real estate boards, together with the Quebec Professional Association of Real Estate Brokers, the REALTORS® Association of Edmonton and the Nova Scotia Association of REALTORS® are urging the federal political parties to commit to policies that will help remove barriers and reduce the cost of home ownership.

These organizations are asking the federal political parties to adopt the following housing affordability recommendations:

- Revise the Office of the Superintendent of Financial Institutions' (OSFI) mortgage stress test to take into account its impact on different real estate markets across the country. The federal government should view the stress test as a flexible policy and adjust it based on changing economic trends and interest rates.
- Replace the \$750 First-Time Home Buyers Tax Credit with a \$2,500 non-refundable tax credit for first-time home buyers.
- Reintroduce 30-year mortgage amortizations.
- Consider regional differences when implementing nation-wide measures that affect home buyers.

With housing affordability and supply a top-of-mind issue for Canadians, REALTORS® across the country want to work with federal, provincial and municipal governments to increase home ownership in Canada. There is too much regulation, at all levels of government, focused on curbing demand and providing "one-size-fits-all" solutions that do not take local market conditions into account.

"With increasing pent-up demand and accelerated price growth, recent policies focused on demand such as the mortgage stress test have made home ownership less attainable. Affordability pressures need to be addressed by restoring a 30-year allowable amortization period on mortgages," said Michael Collins, President of the **Toronto Real Estate Board (TREB)**. "We need concrete results in the Greater Toronto Area to address the lack of supply by reducing red tape for building, relaxing zoning to expand mid-density (e.g., townhomes) housing, facilitating more transit-oriented development, accelerating infrastructure improvements and lightening the taxation burden facing home buyers. The Ontario government and the City of Toronto are working on solutions to bring more supply on-line, but specific milestones should be set," added John DiMichele, Chief Executive Officer of **TREB**.

“We believe in responsible lending and regulation, but there’s a balance. The stress test is causing more harm to hopeful home buyers than it needs to. It’s hurting affordability and stifling people’s ability to meet their housing needs,” Ashley Smith, President of the **Real Estate Board of Greater Vancouver** said.

“No two real estate markets are the same. The one-size-fits-all housing policies, like the mortgage stress test, are simply not solutions that will work across our diverse country. In Nova Scotia, transactions through the NSAR MLS® System generated an estimated \$513 million in spin-off spending last year. This economic impact is recognized by all levels of government, who we encourage to continue working with REALTORS® to ensure that policies encourage growth in our market and make home ownership more affordable and accessible,” said Matt Honsberger, President, **Nova Scotia Association of REALTORS®**.

"Quebec's home ownership rate continues to lag, according to the 2016 Census, as it stands at 61 per cent in Quebec compared to more than 70 per cent in Canada's other provinces," said Julie Saucier, President and Chief Executive Officer of the **Quebec Professional Association of Real Estate Brokers (QPAREB)**. "We believe that there needs to be better support offered to buyers of residential properties, particularly first-time buyers. We also support the implementation and maintenance of home renovation tax credit programs to encourage the purchase of properties requiring upgrades, a refund of transfer duties for first-time buyers, and the introduction of mortgage rules that are adapted to regional and provincial differences," she added.

“The time has come for Canada to have a clearly articulated housing strategy that brings all government agencies onto the same page. We are supportive of initiatives that facilitate Canadians in achieving their dream of home ownership. Leadership in government is needed to bring an end to adhoc policy changes that makes tough economic conditions harder in some markets or introduce measures too late,” said Alan Tennant, Chief Executive Officer, **Calgary Real Estate Board**.

“Home ownership is a key component of the national economic fabric and its role in creating economic diversity cannot be overlooked. To help Canadians, the real estate market must have liquidity, but the federal government’s anti-homeownership policies have made it difficult for millennials to purchase their first home, difficult for families to upsize or downsize as their needs change and difficult for seniors to exit the market. For example, the mortgage stress test, implemented as national policy with total disregard for regional differences, has had a significant downward impact on the price point at which buyers can qualify and purchase. This has lowered prices and stolen equity from homeowners. Home equity is a substantial asset for many Canadians, and this equity will not be easily or quickly rebuilt,” said Michael Brodrick, Chair, **REALTORS® Association of Edmonton**.

Quick facts:

- The combined real estate boards and associations represent 92,000 REALTORS® across the country, 70 per cent of REALTORS® across Canada.
- Between 2014 and 2016, on average, there were 504,538 home sales processed annually through Canadian MLS® Systems.
- Ancillary (spin-off) spending for these transactions is estimated to total over \$31 billion per year across Canada – a significant contribution to the Canadian economy.
- The First Time Home Buyers Tax Credit is a \$750 non-refundable tax credit for first time home buyers.

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