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Chair: Mr. Robert Morrissey

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• (0815)
[English]

The Chair (Mr. Robert Morrissey (Egmont, Lib.)): Good morning, everyone.

The clerk has advised me that we have a quorum.

Those appearing virtually have been sound tested except for one witness who we still haven't been able to contact.

With that, I will call to order meeting number 118 of the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

Before we begin, I will remind all those participating in the room to ensure that, when you are not using your earpiece, you put it face down on the assigned location. Please try to avoid touching the microphone boom while it is live in order to prevent any hearing damage to our interpreters, whom we need to conduct the meeting.

Our committee meeting today is taking place again in a hybrid format pursuant to House of Commons orders. Members are appearing in the room and virtually.

I will remind you all that you have the option to speak in the official language of your choice. In the room, interpretation is available through the microphone and the earpiece. You can select the official language of your choice. For those appearing virtually, you can click on the globe icon at the bottom of your screen and choose the official language of your choice.

If at any time during the meeting there is a loss of translation, please get my attention by using the “raise hand” icon if you're appearing virtually. For those in the room, simply raise your hand to get my attention. We will suspend while it is being corrected.

I will remind you all to please direct all questions and comments through me, the chair. Wait until I recognize you by name as we proceed.

We will begin with the first round. As I indicated, we are still missing one witness, but we will proceed. We will connect with that witness when we can.

Appearing virtually are Tony Irwin, interim president, Canadian Federation of Apartment Associations, and Parisa Mahboubi, senior policy analyst, C.D. Howe Institute.

Our third witness, who we still have not connected with, is Carlyn Hughes, director, Royal Canadian Legion.

We'll begin with Mr. Irwin.

Mr. Irwin, you have five minutes for your opening statement, please.

Mr. Tony Irwin (Interim President, Canadian Federation of Apartment Associations): Good morning, Mr. Chair.

I am pleased to have the opportunity to address the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities as you continue your study on federal housing investments. My name is Tony Irwin, and I'm the interim president of the Canadian Federation of Apartment Associations.

The CFAA has been a leading voice of the rental housing industry in Canada for nearly 30 years. We represent owners and managers of almost a million residential rental homes through both direct members and 13 member associations across Canada.

Purpose-built rental housing plays a critical role in Canada's housing continuum, with more than 10 million Canadians living in private-market rental homes. The CFAA supports the right to adequate housing in Canada, and we believe in the importance of housing assistance that upholds the right to choose and move freely. We all know that the CMHC estimates that we will need an additional 3.5 million homes by 2030, and at least 30% of that will need to be purpose-built rental housing.

From the early 1960s to the early 1980s, Canada's rental housing industry built hundreds of thousands of rental homes during a time when the economics made sense, aided by government support. For several decades that followed, the climate to build rental housing was decidedly unfavourable, which that meant very little purpose-built rental housing was built. As a result, the vast majority of our remaining rental housing stock was built before 1980 and is in need of extensive modernizations that require significant capital investment.

On the new-construction side, lengthy approvals, inadequate zoning, skyrocketing increases in government fees and charges, and construction costs also severely impair rental project viability. Reducing the cost to build rental housing in Canada is an urgent priority. The operating environment for purpose-built rental housing has never been as challenging as it is today. Rising interest rates and inflationary pressures, including double-digit increases in insurance, property taxes, utilities and maintenance costs far exceed what rental housing providers are able to recoup in rents, causing many smaller operators to sell their rental properties and leave the business at a time when we need them most.

We support strong resident protections, but we are concerned that some provisions in the proposed renters' bill of rights will add another cost and administrative burden on top of everything else I have just mentioned. The HUMA committee report from October 2023 recommended “tax measures to incentivize private sector and non-profit investment in the construction of affordable rental housing”, the development of “an acquisition fund [for] non-profit and cooperative housing organizations”, increased capital funding for non-profit and public housing providers and an assessment of “the current suite of federal benefits supporting low-income renters to ensure they have the income supports they need, including through the Canada Housing Benefit”. We support these recommendations.

The announcement by the federal government to eliminate the GST for new purpose-built rental construction is a positive step. Provinces that charge a provincial tax need to follow suit. Increased funding to the apartment construction loan program and the expanded capital cost allowance for purpose-built rental housing are also steps in the right direction.

The CFAA has expressed concerns regarding the proposed increase to the capital gains inclusion rate, and we would encourage a deferral on the condition that any gains are reinvested in rental housing.

The current housing affordability challenge in both rental and ownership is fundamentally a supply problem. The solution is to build enough housing, including purpose-built rentals, to keep up with demand. Canada is in desperate need of decisive leadership from our elected representatives who recognize that housing is not a partisan issue. Housing is a human issue.

We have before us many policy proposals that have the potential to make a meaningful contribution to our housing supply gap. However, if we are to have any chance of success, we need to act quickly and with a sense of urgency. We need to say yes to more housing, including purpose-built rental housing, and push back on those who say no. There will always be more time to debate and study, but the time to act is now. Future generations are counting on us, and for the sakes of my five kids, I don't want to let them down.

Thank you for your time, and I look forward to your questions.

• (0820)

The Chair: Thank you, Mr. Irwin.

We'll now move to Ms. Mahboubi for five minutes.

Dr. Parisa Mahboubi (Senior Policy Analyst, C.D. Howe Institute): Thank you.

Good morning, Mr. Chairman and honourable committee members. I'm very pleased to have this opportunity to speak with you today.

Canada faces significant challenges in providing adequate and affordable housing for its residents. The C.D. Howe Institute's research has identified that spikes in housing prices are mainly due to the lack of housing supply, largely driven by municipal governments slowing down approvals. Rapid population growth fuelled by immigration has also led to a greater imbalance between supply and demand, particularly in regions where immigrants are more likely to settle, such as Ontario.

The federal government has implemented various initiatives to address the shortages of affordable housing over time. However, federal efforts have often focused on influencing demand, while the core issue remains the insufficient housing supply. Although housing is mainly a provincial responsibility, there is a proper role for the federal government to address the urgent need for increasing the housing stock. Federal investments are crucial to support the construction of various housing types and units. However, evidence suggests that, before 2020, federal investments were insufficient and needed better allocation, considering provincial variations in the number of people in need and the cost of building new residential units.

For example, the federal government introduced the investment in affordable housing initiative in 2011, committing \$1.4 billion over three years. This program, which was cost-shared with provinces and territories, continued until 2019, with additional extensions and funding increases in subsequent years, reaching more than \$1.9 billion over eight years. Between 2011 and 2019, this initiative addressed the housing needs of more than 400,000 households.

However, provincial allocations show that, although Ontario—the most populated province—received about 34% of the funding, only 8% of households were in this province, likely due to the high cost of addressing housing needs. Conversely, about 66% of the households were in Quebec, which received 24% of the funding allocation. According to Statistics Canada's Canadian housing survey, more than 1.5 million households had core housing needs in 2018, of which about 45% resided in Ontario compared with 16% in Quebec. These statistics show the significant funding gap and allocation misalignments with provincial needs.

Furthermore, the C.D. Howe Institute's research highlights that the federal government should focus on areas it controls, such as taxes and immigration. For example, exempting rental construction from GST was a good start, but more is needed. Updating GST thresholds for homes and doubling GST rebates to match inflation are additional steps. Ottawa should also consider tax tools, such as creating a rental housing investment tax credit.

However, the main challenge is municipal delays. Federal grants should be tied to housing-growth targets set with provinces, encouraging cities to streamline permit processes. Federal involvement should focus on outcomes, not micromanaging, in order to prevent delays and ensure that adequate housing supply increases nationwide.

When examining unaffordability, it is essential to consider debt-servicing ratios, which represent the percentage of disposable income allocated towards mortgages. While house prices relative to incomes have risen significantly over the last 35 years, the increase in mortgage debt servicing has been less pronounced. It increased from 6.5% in the first quarter of 1990 to 8.2% in the fourth quarter of 2023, much of it occurring postpandemic. Interestingly, non-mortgage debt servicing has remained flat postpandemic. Consequently, total debt servicing currently stands at only its COVID peak, despite record interest rate hikes.

These statistics emphasize that the real issue of affordability doesn't solely revolve around monthly mortgage payments. It also centres on the upfront cost of accumulating a down payment. Low interest rates led to soaring house prices, making it increasingly difficult for potential homebuyers to save up for more substantial down payments.

• (0825)

Unfortunately, Statistics Canada does not provide debt servicing breakdowns by city or province, which means missing out on valuable insights into specific market variations. This significant oversight demands attention.

In conclusion, I just think the housing crisis requires a coordinated effort between federal, provincial and municipal governments to create effective policies and investments that align with regional needs and streamline housing development processes.

Thank you.

The Chair: Thank you, Ms. Mahboubi.

I apologize to witnesses and committee members. We'll need to suspend for a moment. Our third witness is online, but we have to do a sound test.

Thank you, Ms. Hughes.

We're back in committee session.

Ms. Hughes, the two witnesses who are joining you today have already given their opening statements. You have five minutes to give your opening statement.

• (0830)

Ms. Carolyn Hughes (Director, Veterans Services, Royal Canadian Legion): Thank you.

Honourable chairman and members of the parliamentary standing committee, on behalf of our dominion president, Comrade Bruce Julian, and our more than 250,000 members, thank you for inviting the Royal Canadian Legion to address you today.

I am the director of veterans services at our national headquarters, and I'm also a veteran. I speak to you today specifically in regard to veterans and the homelessness crisis, as well as our still-serving members who are finding it increasingly difficult to find and pay for housing.

For a bit of context, the Legion has been helping veterans since 1926. We have over 1,300 branches, each with volunteer service officers, who are our boots on the ground. We also have 35 professional command service officers and assistant service officers, who assist veterans every day with disability applications to VAC, appeals to the Veterans Review and Appeal Board, access to other VAC benefits and programs, and financial assistance through our poppy fund.

When I mention veterans today, it includes those still serving in the military and the RCMP, those who have retired and their families.

Military service is not just a job. It's a unique profession in which one can be called upon to put their life in danger to serve and protect Canada and our international interests. Reflecting today on the 80th anniversary of D-Day, we remember those who liberated France and other European countries and who made the ultimate sacrifice by giving their lives. We owe those who serve and those who have served in Canada and on missions around the world the utmost respect and gratitude by insuring their well-being.

Across the country there is a shortage in the supply of affordable homes to rent or purchase. Mortgage rates have escalated in recent years, causing a great strain on all Canadians and making it impossible for some, whether in uniform or not, to find adequate shelter for their families.

First, military members and their families are required to move to various locations across Canada as a result of career progression, to fulfill positions that are vacant because of retirements or for various other reasons. We hear often about how some members are experiencing great difficulty in finding adequate housing due to the lack of affordable housing.

Military housing, called private married quarters, or PMQs, may be provided for service members and their families. They consist of apartments, townhouses, duplexes or detached homes, but there are a limited number of them. They are convenient and economical for military members, who move frequently, especially those with lower pay in the junior ranks. When a member releases, though, they must leave the PMQ and seek housing of their own.

Second, many leave service with mental or physical health conditions, some with severe and complex disabilities. Some disabilities may not be fully recognized while a member is still in uniform, and that can cause problems later on. It can create greater instability, and many experience housing and financial difficulties given the state of the economy and the high cost of housing, food, fuel, etc.

Service officers help veterans across the country every day, quite a few of whom are homeless or at risk of homelessness. Our national “Leave the Streets Behind” initiative and our partnership with the military veterans wellness program are spreading across the country. It involves every level of the Legion, various law enforcement agencies and shelters. As we expand we continue to find homeless veterans in every area of the country. There is no accurate number for how many there are in Canada. Some couch surf at family's or friends' houses or sleep in their cars.

The Legion provides a connection to Veterans Affairs Canada and much financial support when a veteran is identified. This can include first and last months' rent, apartment kits with the essentials and connections to services.

Last, even when housing is secured, we are receiving an increase in the number of requests for poppy trust fund assistance for veterans. With the generous donations from across the country and abroad during the weeks leading up to Remembrance Day, we provide grants for food, heating, clothing, prescription medication, medical appliances and equipment, essential home repairs and emergency shelter or assistance all year long. These are meant to help veterans in distress to get back on their feet, but they cannot be used for ongoing support. There must be a sustainable long-term solution.

We don't have all the answers to solve the problem of homelessness or the lack of affordable housing, but we do advocate that it is important that all Canadians have access to affordable housing. For those most at risk with mental and physical disabilities, this is essential, and it does save lives. It takes co-operation and collaboration from all levels of government, and the time for action is now.

Chairman, we thank you for the opportunity to make this presentation, and I await your questions.

The Chair: Thank you, Ms. Hughes.

We will now begin with the first round of questions, beginning with Mr. Aitchison for six minutes.

Mr. Aitchison, you have the floor for six minutes.

● (0835)

Mr. Scott Aitchison (Parry Sound—Muskoka, CPC): Thanks, Mr. Chair.

Thank you to all the witnesses who have presented this morning. I'm going to start with Mr. Irwin.

Mr. Irwin, you indicated that one of the lines you used was that the housing crisis today is fundamentally a supply problem. Is that correct?

Mr. Tony Irwin: That's correct.

Mr. Scott Aitchison: Is part of the reason we have a supply problem because of the cost of building?

Mr. Tony Irwin: There's no question about it. Costs have become quite unmanageable for the industry to be able to build the rental housing that is needed.

Mr. Scott Aitchison: Those costs are related to not just the cost of building.

Can you speak a little bit about what those costs are and what rental landlords are facing?

Mr. Tony Irwin: On the cost to build, we've talked about government fees and charges, which can be as much as 30% of the cost of an apartment. For context, the cost to build a single apartment unit in Toronto right now could be as much as \$900,000. It could be \$600,000 to do that in Ottawa. That's a significant amount. Of that, 30% on average would be government fees and charges.

There are all the inflationary pressures that we know. Obviously yesterday's announcement from the Bank of Canada is welcome. We'll need to see more than one reduction for it to have a meaningful difference in terms of reducing overall costs. Construction costs have skyrocketed. That certainly started happening through the pandemic. While there's been some relief there, we still experience that today.

Because of the cost of land, we talk a lot about ways we can utilize existing sites to build more towers on them if the land is already owned. That's a huge cost that can be taken away. That is still difficult to do when you have to wait four or five years to get approval.

There are a number of issues, but certainly there are a lot of cost pressures that make the environment very challenging.

Mr. Scott Aitchison: I want to go back to a point you've just made. On a \$900,000 unit to be constructed, say in Toronto for example, you're suggesting that up to \$270,000 of that cost is related to government fees and charges.

Mr. Tony Irwin: That's correct.

Mr. Scott Aitchison: How much do you have to charge in rent to make the numbers work on a rental unit that costs \$900,000 to build?

Mr. Tony Irwin: What that says is that to build rental housing in Toronto under that sort of pro forma, you are looking at very high rents. Unless there's a way to bring that down, if it involves a partnership where maybe you're getting land for free, for example, or property tax abatement for 20 years or other sorts of incentives, you're going to be charging rents that are not going to be affordable. I would be the first to admit that.

It's because the numbers are what they are. It makes it very difficult unless there are other commitment supports and partnerships between various groups to bring rents down.

Mr. Scott Aitchison: Of the millions of housing units the CMHC says we need to build over the next 10 years, how many need to be purpose-built rentals in your estimation?

Mr. Tony Irwin: We need over a million.

Mr. Scott Aitchison: Over a million units...?

Mr. Tony Irwin: Yes, if the number from CMHC is 3.5 million, 30% of that needs to be rental, because the percentage of Canadians who rent is about that number. We can do the math on 3.5 million to get to your 30%. You're talking about over a million rental units.

Mr. Scott Aitchison: Do you think it's even remotely possible to get to that number unless we get the cost of building these units down?

Mr. Tony Irwin: We do not.

Mr. Scott Aitchison: Do you think it makes sense for the federal government to send money to cities that are increasing the costs to build?

Mr. Tony Irwin: I think that's a difficult situation, no doubt. I think we need to really have an honest conversation about growth, paying for growth, what that means and how development charges are structured. When we're telling you how it's impacting our ability to build, clearly something's not working. We really have to tackle this in a grown-up way to say that there must be a better way forward to address this.

We understand that there's an obligation for developers to pay for certain things around growth, and we don't argue with that. However, when you see the costs rising by several hundred per cent in places like Toronto, Mississauga and elsewhere, something isn't working. There needs to be a better approach to how we can address these costs, who pays for them and how they're paid for, so that we can get shovels in the ground and start building the rental housing that so many Canadians desperately need.

● (0840)

Mr. Scott Aitchison: Thank you for that. I'd like to move to Ms. Mahboubi now.

In terms of the costs to build in this country, what are the biggest factors affecting the cost of building housing in Canada?

Dr. Parisa Mahboubi: I'm not a housing expert, but based on the research that I've done and looking at the research that the C.D. Howe Institute provided in its publications in terms of housing costs, one major part is the development charges that contribute to the cost of land. Something I want to highlight is that there are significant variations from one region to another and also from one province to another. It's something that we need to take into consideration, as I also highlighted in my remarks.

In terms of the cost, there are several factors that could contribute to the housing costs. The cost of land in terms of development charges seems to be a significant one that passes to homebuyers, and also the cost of, for example, labour. However, in regard to labour, we don't see significant increases in terms of the wages when it comes to the construction industry and those workers. We experience significant job vacancies and people are talking about the labour shortages, but we don't see significant increases in terms of the wages, ensuring that there's a shortage there.

The Chair: Thank you, Mr. Aitchison.

We'll now go to Mr. Long for six minutes. He may be sharing his time with Mr. Fragiskatos.

Mr. Long.

Mr. Wayne Long (Saint John—Rothesay, Lib.): Indeed, I am, Chair. Good morning to you.

Good morning to my colleagues.

Thank you very much to our witnesses for your testimony. It's very much appreciated.

I have just a few comments before I ask Mr. Irwin a couple of questions.

We came forth in 2017 with the national housing strategy, and I think we recognized that the federal government needed to take a larger role in the building and development of apartments, houses and what have you. We all recognize that it's provincial jurisdiction, but the federal government has a role to play.

Whether it's through programs like the coinvestment program, the rapid housing initiative, the housing accelerator fund or other initiatives, we are taking a leadership role. I know certainly in my riding of Saint John—Rothesay, my communities appreciate the funding that has come from the federal government.

I actually want to also mention that the Conservative Party voted against all of those gestures. I know the role of the loyal opposition is to oppose programs, and that's fair. However, I think it's also incumbent on them to come up with solutions as opposed to just criticize. To this date, I have yet to hear anything constructive to address the problem.

Mr. Irwin, I want to talk to you about my province of New Brunswick. There's an article that came out here a few weeks ago, and I'll just read it. It says, "Housing starts in New Brunswick lagging further behind Maritime neighbours in early 2024". They did a comparison to Nova Scotia and Prince Edward Island, and our housing starts are far behind.

I would very readily say that Premier Higgs has been derelict in the responsibility of taking a leadership role in housing here. Obviously, he doesn't feel that the removal of the GST tax has any impact, and he didn't match that like Nova Scotia and Prince Edward Island did.

Mr. Irwin, how important was the move that we made to spur apartment builds? What are your comments on whether the premier made the right decision by not joining us on that?

Thank you and good morning.

Mr. Tony Irwin: Good morning, sir. Thank you for your comment and your question.

I'll just start by saying that I would encourage Premier Higgs to follow suit. As I said in my remarks, I would encourage any province that has not done so, to do so.

In terms of that initiative or that measure, yes, we think it's positive. Unfortunately, it came at a time when, as we know, interest rates were quite a bit higher. In some ways that mitigated the benefit of it, but we're all hoping that interest rates are going to start to come down and we're going to be able to see all of these measures work harmoniously and really start to see results.

It came at a time when we were dealing with other economic pressures that were not favourable to us, which none of us could really control, but we're really hoping that we'll be able to move forward from that and start to see the benefit from things like GST and PST.

I would simply say that we should all be supporting any initiatives that we think can be helpful. I've said that before and I'll say it again. Why wouldn't we want to be supporting things like that if it can result in getting more housing built? Frankly, we don't have the luxury not to support something like that at this time.

• (0845)

Mr. Wayne Long: Thank you very much.

It's over to MP Fragiskatos.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you, Chair.

Thank you, witnesses.

To Mr. Irwin, Parliament recently saw, sir, a proposal that, in terms of apartments, would take away the waiver from market builds. Obviously, I take from your comments that you would be opposed to that.

What would be the effect of that, particularly in the context of what you've raised here—high costs and high interest rates?

Mr. Tony Irwin: Thank you for your question.

I think it would make it certainly less effective if that were to be done, so we would encourage anyone considering that to not do that.

Mr. Peter Fragiskatos: I also ask you about a measure in the federal government's housing plan—which received, I think, comparatively less attention—and that's the change on accelerated capital cost going from 4%, in terms of writeoff, to 10%. What do you expect that will do?

I mean, obviously that will help, but I'd love to hear your commentary on exactly how and what you've heard from members so far on it.

Mr. Tony Irwin: Admittedly, I'm not a housing economist, but I certainly speak to members every day about all these different actions, and I will say that you heard it before from others. There's no one thing that really will move the needle, but when you look at them together—both our GST and capital cost allowance, and a more positive interest rate environment and inflationary pressures

that, hopefully, will be reduced—we certainly think that all of these things are going to help projects go from red light or yellow light to green light. That's what we need to happen.

As I said in my remarks, the increase in the capital gains inclusion rate seems a bit at cross purposes to some of the other things that we're talking about, but I do think that, when you put the positive measures together, they will definitely help get projects over the starting line so we can actually get residential housing built.

Mr. Peter Fragiskatos: Finally, sir—and we can talk about various examples, as the housing plan is quite a fulsome plan—with respect to the GST waiver and changes around accelerated capital cost, would you say that any party that's serious about dealing with the housing crisis will get behind measures like that, yes or no?

Mr. Tony Irwin: I would say yes.

The Chair: Thank you, Mr. Fragiskatos.

[*Translation*]

Ms. Chabot, you now have the floor for six minutes.

Ms. Louise Chabot (Thérèse-De Blainville, BQ): Thank you, Mr. Chair.

I want to thank all the witnesses for joining us.

Our housing study is important. This isn't our committee's first study on the topic.

We need to get away from the wording of the motion. It's highly partisan, unfortunately. The wording seeks to find out who did better; which party, the Conservatives or Liberals, has disinvested in housing since 2006; and what the effects of this disinvestment have been. Everyone knows the consequences. We also know about the failure of the national housing strategy. That said, we can't lump all the programs together.

The objective of the strategy was to build and develop an affordable housing stock. Clearly, we're going through a crisis and the strategy has failed to offset the effects of disinvestment. At least, that's our view.

Mr. Irwin, according to the Canada Mortgage and Housing Corporation's statistics, 3.5 million housing units must be built by 2030. You also said this. This is a staggering number. How can this be achieved?

You think that eliminating the goods and services tax would be a good measure. How will this help lower a tenant's rent? How will this affect affordability over the long term?

• (0850)

[*English*]

Mr. Tony Irwin: Thank you for your question.

I think the biggest thing that things like the GST and capital cost allowance will do will be to make rental housing projects economically viable. That is what will be achieved first and foremost. Right now, we need to get housing built, including purpose-built rental housing. It is, in our estimation, the most affordable housing option for Canadians, and we need to get on with building. Initiatives that help to make these projects pencil and make them economically feasible are a huge benefit to Canadians who need housing.

Getting more rental housing units online and building them in communities all across Canada.... There's always a conversation around large cities and, yes, we do build in large cities, of course, but all across Canada we have members who build different housing types with different rents that meet different needs, and we need to get more of them built. We need to get more building happening. These types of initiatives will help make projects a reality, and that is a benefit to millions of Canadians.

[Translation]

Ms. Louise Chabot: What's your definition of affordability?

[English]

Mr. Tony Irwin: With respect to affordability, the more supply we have, the better. That will certainly have a corresponding impact on rents. We know that right now vacancy rates across Canada are extremely low. There's far more demand than there is supply. If we get more supply going.... Again, that is not all just at one end of the spectrum, but if we can make numbers work to build rental housing at different rents, that will have impacts on affordability.

It is about getting more supply built and being able to do it in a way that meets different needs and budgets, and that's how it will impact affordability. We will be able to provide rental housing that does—

[Translation]

Ms. Louise Chabot: Mr. Irwin, sorry to interrupt you, but I have only six minutes.

Thank you. You answered my question. Housing is a right. Affordability should be measured by the percentage of an individual's income spent on housing.

Ms. Hughes, from the Royal Canadian Legion, thank you for your remarks. I hope that you have a good 80th anniversary. I greatly respect your commitment. I want to talk about support programs for homeless veterans. The government has announced funding over three years, starting in 2024, administered by Infrastructure Canada in collaboration with Veterans Affairs Canada, to launch a new support program for homeless veterans. Does this type of budget have a positive impact, or does it fall short?

[English]

Ms. Carolyn Hughes: I believe it's too early to see any impact on it yet. Our program basically is to get them established with VAC, to get them some financial support coming in, and then, in a lot of cases, we help to find them an apartment. Once we can get them off the street, we usually will furnish an apartment for them. We'll get them bedding and dishes and get them started. The impact...? It's wait and see.

I haven't seen any change yet in the numbers coming to us, because we're also expanding across the country. As we expand, we're finding more. The difficulty is those veterans who don't go to shelters. They're not on the street; they're living in friends' basements or in their cars. We're finding that women are not comfortable going to shelters, especially when they have children, and they will go to a friend's house. They will stay there for a while and then maybe go to another friend's house or a family member's house, or we've found some who are living in their car with their children.

As for an impact, I have not seen anything yet, but my fingers are crossed that it will make a difference.

• (0855)

[Translation]

The Chair: Thank you, Ms. Chabot.

Mr. Boulerice, welcome again to the committee. You have the floor for six minutes.

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Thank you, Mr. Chair.

I want to thank all the witnesses for joining us this morning.

Mr. Irwin, you submitted a brief to this committee on the financialization of the real estate market. You argued that no single player in the market has the power to raise rents above the rules of supply and demand. We agree that this is a highly neoliberal view.

Last April, CBC reported that, in Ontario, a mere 20 companies were responsible for over half the requests for an exemption from the province's guidelines for limiting rent increases. Moreover, most landlords own small properties. For a number of people, this showed that a major concentration of the real estate market is taking place. A single company, Starlight Investments—one of the largest housing stock owners in Ontario—accounts for 10% of all requests for rent increases above the allowable limits. These investment funds and the large corporations that you represent submitted over half of all the requests for rent increases above the allowable limits in Ontario. These requests must usually be justified by dramatic increases in municipal taxes or urgent repair and renovation needs.

Do you think that these requests for rent increases above their province's allowable limits are made in good faith? Do they show a lack of investment in maintaining the quality of these units, which then require a considerable rent increase that significantly affects tenants? Don't your members sometimes fail to maintain and renovate their apartments in order to make the most profit as quickly as possible? They then urgently say that they must ask for a rent increase above the allowable limits. Otherwise, they can't rent out their apartments. What's your take on this? I think that these figures are alarming.

[English]

Mr. Tony Irwin: Thank you for your question. There is a lot to unpack there.

What I would say first off is that the majority of renters in Ontario live in rent-controlled units, so their rent increases are governed, of course, by the annual rent guideline increase, which for the last few years has been subject to a cap brought in by the previous government of 2.5%, far below all the cost increases that rental housing providers have been facing.

When you look at Ontario, certainly a significant percentage of the market is smaller landlords who are renting out basements, single-family homes, and that's a big part of the industry.

However, what you're talking about I think relates to what is part of the rent control system in Ontario, and that is a provision that allows for rental housing providers to apply for above-guideline increases in cases where there are significant capital investments required in older buildings. As I said, the vast majority of our rental stock is quite old, and it is at a point in time now where it needs significant capital investment to bring buildings up to today's standards in all kinds of ways. Their carbon footprint needs to be improved. All kinds of major work is needed that cannot be paid for through the rent control system that we have. There is simply not the opportunity to be able to get the rent that is necessary to pay—

[Translation]

Mr. Alexandre Boulerice: Mr. Irwin, sorry to interrupt you, but I have only two minutes left.

I'm really taken aback by the figures from Ontario. Over half the requests for excessive rent increases come from investment funds or the large corporations that you represent.

I represent people from Rosemont—La Petite-Patrie, in Montreal. Most people have duplexes or triplexes. They have tenants above them. They take proper care of their apartments, because they want to provide good service to their tenants. I can see that, when a large numbered company—in a sense an immaterial one—is the landlord, it's only for speculation purposes. I see examples of this on Papineau Avenue, Rosemont Boulevard or Saint-Zotique Street, where large apartment buildings are neither maintained nor renovated.

To make a profit with real estate and housing, should the investor or tenant be responsible for the investment? I find that, when large investment companies are the landlords, negligence occurs. The tenant then takes on the risk and ends up enduring excessive rent increases so that the landlord can pay for renovations that should have been done 10 or 20 years ago. What are your thoughts, Mr. Irwin?

• (0900)

[English]

Mr. Tony Irwin: I'm trying to understand the question. I guess what I would say is that we have an aging rental stock and we have members who take their buildings and their residents very seriously. Many offer all kinds of resident support programs, but these are buildings that are very old. They require significant capital investments to upgrade them and modernize them. In some cases, again,

that must be approved by the landlord and tenant board. In the case of Ontario, there's an opportunity to apply to receive some increase in rent. It doesn't cover the whole cost, and nor should it, but there's an opportunity to recover some part of that improvement through an additional rent increase. It's something that is taken very seriously by our members.

We do have an aging rental stock. It does need to be maintained so that we can go on and live in our rental housing system for the next 50 years and beyond. We are at a point in time now when we do have to talk about how we upgrade and modernize these buildings and, given the systems we have in place, about the best way to go about paying for that. It is a difficult conversation in some cases, but it has to happen.

[Translation]

The Chair: Thank you, Mr. Boulerice.

[English]

Ms. Ferreri, you have five minutes.

Ms. Michelle Ferreri (Peterborough—Kawartha, CPC): Thank you, Mr. Chair.

Thank you to our witnesses here today at HUMA as we continue our study on housing.

In particular, I'd like to take a moment to thank Ms. Hughes from the Royal Canadian Legion.

It's great to have you here on D-Day. We thank you very much for your service. You're an incredible human. I think all of us around this table have a lot to be grateful for today, on D-Day. Thank you for that.

Ms. Hughes, I'd like to jump into this, because I think it's pretty shocking that you have veterans and Canadian Forces military personnel who can't afford housing. I'd like you to expand on this.

Recently I visited Gagetown and the Oromocto food bank. Gagetown, as you know, is one of the largest military training facilities in Canada. They serve 450 people a month at the food bank. Behind Jane, the woman who runs the food bank, there was a big map of Gagetown. For some reason I said, "But you don't serve anyone from Gagetown." She said, "Yes, Michelle—up to 50 families a month."

You have the lowest recruitment you've had, I think, in history right now in the Canadian Forces, and, she said, then you have the carbon tax on all of these houses where these military families are living, and they can't afford the heat and they can't afford the rent.

What do you want to say about the current state of that for military families?

Ms. Carolyn Hughes: It's not just the cost of housing. It's the cost of food. It's the cost of fuel. If they have a home and they're paying a mortgage, they may have had significant increases in their mortgage over the last few years and need assistance from other avenues, such as food banks. Veterans are not unique in this situation. I feel that, when anybody has a decent job, they shouldn't have to go to food banks. If they're able to work, be employed and have, as I said, a decent income, there's no reason that anybody in Canada should be going to food banks.

I've seen myself that the cost of food has gone up at least double, I believe, for a lot of things. You hear on the news that it's 20%, but we see that the cost of peanut butter has more than doubled in the last couple of years. The cost of fuel, with the new carbon tax, is not attainable for most people. Unique situations are calling for food banks. We're assisting. If something out of the ordinary happens and a car repair is needed and they can't afford it, we can step in and help with that. As I mentioned in my testimony, though, it's not an ongoing solution. We can't provide so much every month to help veterans or still-serving members. I think it's an economy-wide problem.

• (0905)

Ms. Michelle Ferreri: Have you ever seen it this bad, Ms. Hughes?

Ms. Carolyn Hughes: I'm seeing an increase in those coming forward for assistance, both still-serving and veterans. Some of our older veterans are also on fixed incomes. They're living hand to mouth every month on their pensions.

It has gotten worse.

Ms. Michelle Ferreri: It's just so decimating to morale.

We had a motion put forward by one of the Conservative MPs that read:

Given that...rent for Canadian military personnel [living on bases is increasing] this April, and at a time when the military is struggling to recruit and retain personnel, the committee report to the House, that the government immediately cancel all plans to increase rent on military accommodations used by the Department of National Defence....

The Liberals voted against that motion. I assumed that would be something.... You would not expect anybody to vote against that.

Ms. Carolyn Hughes: We're apolitical.

I would call for any government to set in motion some measures that are going to help.

Ms. Michelle Ferreri: I appreciate that.

I want to thank you, Ms. Hughes, and all of our witnesses.

I'll do this as quickly as possible. I'd like to put a motion on verbal notice. It ties in quite relevantly to the testimony we just heard.

This is the motion I'm moving:

Given that a recent report from Food Banks Canada indicates that:

- a. "Canada has reached a critical turning point as poverty and food insecurity worsen in every corner of the country";
- b. Nearly half of Canadians feel financially worse-off compared to last year;
- c. 1 in 4 Canadians is experiencing food insecurity; and

d. 33.3% of Canadians are experiencing an inadequate standard of living, while 23.7% of Canadians are experiencing a severely inadequate standard of living; and

that Food Banks Canada has graded the federal government's commitment to addressing this crisis as a "D", the committee recognize and report to the House that Canada is facing a rapidly worsening affordability and food insecurity crisis; and, pursuant to Standing Order, 108(1)(a), the committee invite the Minister of Environment and Climate Change and officials, as well as representatives from Food Banks Canada, to appear before the committee to testify in relation to these findings as soon as possible, for no less than two hours each, and that the committee find additional resources if necessary to facilitate this meeting.

This was sent in on May 30 and I'm moving it now.

Thank you, Chair.

The Chair: Thank you.

So we're clear, it was stated verbally, but the motion is in order to be moved today.

Ms. Michelle Ferreri: Thank you.

The Chair: Ms. Ferreri moved the motion. It is in order. The motion must be dealt with before we return to the witnesses.

Mr. Fragiskatos, go ahead on the motion.

Mr. Peter Fragiskatos: Can I request a suspension for a couple of minutes, if it's possible?

The Chair: Sure. We'll suspend for two minutes.

Witnesses, please stay online. We'll have a two-minute suspension. Then we'll come back to you.

We're suspended.

• (0905)

(Pause)

• (0910)

The Chair: The committee is back in session.

We currently have a motion on the floor by Ms. Ferreri. It is now open for discussion and debate.

Mr. Fragiskatos, go ahead on the motion.

Mr. Peter Fragiskatos: I move to vote, Mr. Chair.

The Chair: We have a motion to go to a vote.

Is there further debate?

Mr. Boulerice, go ahead on the motion.

[Translation]

Mr. Alexandre Boulerice: Thank you, Mr. Chair.

I just want to tell the committee members and the people keeping up with our work that I have a number of questions for the Minister of the Environment on many topics. These topics include the climate crisis, Canada's greenhouse gas emissions record, the Trans Mountain pipeline cost and his decision on the Bay du Nord development project.

However, I don't think that the Minister of the Environment needs to come here to talk about food insecurity or increased food bank use by people in Quebec and Canada. I find this motion rather odd. I've been here in Parliament for quite a while now. I think that we're stretching the boundaries.

[English]

The Chair: Thank you.

Ms. Ferreri.

Ms. Michelle Ferreri: Thank you to my NDP colleague for his comments.

He said he finds it strange that we would want to question the Minister of Environment and Climate Change about the carbon tax and the increased use of food banks. I think that is quite strange because, quite frankly, the farmers are the ones who grow the food. If you're going to talk about climate change and the environment, why wouldn't you bring in the people who are the environmental stewards of this land and the farmers—the people who are actually growing our food? What restrictions are on them? How are they best doing it? What practices do they have in place?

If he wants to question him, I think this is a great opportunity. Is there an amendment he could offer? There is something here, I think, for the NDP. For somebody who obviously cares about food prices—it has been their opposition motion put forward in the House—why wouldn't he support something like this?

I will also say, on the record, Mr. Chair, that I cosponsored the event where they released this food bank report card. Not one NDP member was there. This is the worst report card we've ever had from Food Banks Canada. Why wouldn't we want to study this and ask the minister further questions, so that we can help repair it?

The Chair: Seeing no further discussion on the motion of Ms. Ferreri, we'll have a recorded vote.

(Motion negatived: nays 7; yeas 4)

The Chair: We'll return to the agenda with Mr. Coteau for five minutes.

Given that we're over, I want to conclude the second round as scheduled. I will ask people to respect the timelines.

Mr. Michael Coteau (Don Valley East, Lib.): Thank you very much.

Thank you to our witnesses today for joining us to study a very important issue for Canadians.

I want to start with the director of veterans services for the Royal Canadian Legion.

Ms. Hughes, thank you for being here.

You did say that the issue facing veterans and people within the armed forces is not unique. It's an issue that's felt by many people across this country. In many ways, this comes down to affordability. Affordability is an important issue for Canadians. I just had a town hall on the issue.

One of the ways to mitigate the challenges that occur when someone is taking on these challenges is to put in programs and services but also to look at increasing wages to help fight against some of those challenges. Just for the record, there was a piece in the budget last year, in 2023, to increase the pay of people within the Canadian military, and the Conservatives voted against increasing pay for people within the military services. I think that's a perfect example of a solution to help people take on those challenges.

In addition to that, during my town hall, we talked about new national programs like the child nutrition programs, the pharmacare program, child care, the tax benefit and the dental program. These are national programs designed to help Canadians overall.

Ms. Hughes, are these types of programs welcomed by the membership within your organization and the families you're speaking on behalf of, as well Canadians in general?

• (0915)

Ms. Carolyn Hughes: With veterans and still-serving members, most of them are eligible to continue their public service health care plan, which they start during the military. Many have coverage through that. Not everybody does, but many do. There are problems with it when a spouse marries over 60, but I'll leave that aside for now.

In terms of the question about whether they're favourable to it, every little bit is going to help, definitely. Could it come out faster for some? Yes. With veterans, when they have disabilities, if it's agreed that it was caused by their service, they're covered for health care benefits through Veterans Affairs Canada. For example, if somebody hurt their back during service, any treatment they need for their back over the rest of their life will be covered.

It doesn't affect service-related disabilities, but for other things like eyeglasses, dental, things like that, it will help those who are not in receipt of the public service health care plan or the dental plan that we have.

Mr. Michael Coteau: Would you agree that these types of programs, which the Conservatives have continually voted against, will benefit Canadians overall and help take on those challenges of affordability?

Ms. Carolyn Hughes: I will not get into partisan debate, but yes, any benefit will help Canadians.

Mr. Michael Coteau: Prior to the national housing strategy being put forward, what was the relationship like with government for the not-for-profit sector within the housing world? Do you have any reflections on that relationship?

Ms. Carolyn Hughes: No, my specialty here is dealing with the immediate needs that veterans have. As far as relationships with government go, it's mostly with Veterans Affairs Canada.

Mr. Michael Coteau: Thank you very much.

Again, thank you for the work you do to support veterans. It's important work, and I personally appreciate the work you're doing.

Mr. Irwin, I have a quick question.

The removal of GST is something that hasn't been taken up by the Province of Ontario. They haven't matched that initiative. How important is it to apartment builders in Ontario when it comes to the removal of GST from construction?

Mr. Tony Irwin: Thank you very much for the question.

It is important. It is our impression that the Ontario government has indicated they intend to follow suit, and we very much encourage them to do so as quickly as possible.

The Chair: Thank you, Mr. Coteau. Your five minutes are up.

[*Translation*]

Ms. Chabot, you have the floor for two and a half minutes.

Ms. Louise Chabot: Thank you, Mr. Chair.

Ms. Mahboudi, the C.D. Howe Institute is no stranger to this committee, particularly when it comes to housing issues. You expressed strong criticism of the national housing strategy, citing its poor track record in making affordable housing more available. You also commented on the recent federal budget, but not necessarily on the new housing measures announced. Do you think that these new measures will make a difference this time?

● (0920)

[*English*]

Dr. Parisa Mahboubi: Thank you for the question.

There is no doubt that we are in a situation where any initiative, any policy, that can encourage building more residential units and increase the supply of housing would be helpful. There is no doubt that, because of the pressure we are seeing in the housing market and the lack of enough supply of housing, it forced the federal government to step in and start significant programs and introduce a large number of initiatives. They are all positive steps that needed to be taken.

Something I want to highlight is that there is a role for the federal government, but at the end of the day, we need collaboration among all levels of government, because when it comes to housing

and housing supply, it's mainly in the hands of the cities and provinces. To be able to move the needle and see some results.... We need quick results.

For example, given that we are facing high immigration, that means we need a housing supply more immediately. It's not like giving birth to individuals where it takes years for them to grow up before they need housing. We need an immediate response in terms of the housing market. To be able to do that—

[*Translation*]

Ms. Louise Chabot: Sorry to interrupt, but I don't have much time. I would like to ask you another question.

We all understand the principle of supply and demand. However, the current housing crisis is placing pressure on social housing, non-market housing and affordable housing. There isn't enough investment to meet the high demand for these types of housing units.

What are your thoughts on this? You can send us your written response later.

The Chair: Thank you, Ms. Chabot.

[*English*]

I would ask the witness to provide a written response to that question, if you choose.

To conclude, next is Monsieur Boulerville for two and a half minutes.

[*Translation*]

Mr. Alexandre Boulerville: Thank you, Mr. Chair.

Ms. Hughes, I'm also honoured to speak to you today on the anniversary of the Normandy landings, which were so significant for veterans. I want to thank the members of your organization who took part in this historic feat.

Housing insecurity for veterans is also a gender issue that affects women somewhat disproportionately. In your opinion, what are the immediate housing needs of your members, particularly women?

[*English*]

Ms. Carolyn Hughes: There needs to be more supply. I agree with the other panellists on that.

A lot of the problems we see in regard to women specifically are that they're leaving an abusive relationship. They have to leave very quickly and they don't have supports in place.

In regard to veterans overall, with homelessness.... I apologize if I go off track a bit, because I am very passionate about veterans. We see a lot with addictions. We see a lot who have fallen through the cracks over the years. My grandfather was one. He came back from World War II, was an alcoholic and ended up on the streets.

I am very passionate about homeless veterans. It changes lives to have these supports out there. When we can get a veteran off the street, whether it's a woman or a man, if there are addictions, it's housing first and then we deal with the addictions, get them back on their feet and help them get employment. Housing has to come first. They have to have a safe environment to move forward.

I hope I have answered your question, as much as I can. I'm very passionate about this topic of veteran homelessness and veterans in general. I am happy to answer any questions at any time.

• (0925)

[Translation]

Mr. Alexandre Boulerice: Thank you, Ms. Hughes. Studies and consultations aren't enough. We also need to create action plans with concrete measures to provide housing for veterans. I agree with you on that.

Unfortunately, I've run out of time. Thank you.

The Chair: Thank you, Mr. Boulerice.

[English]

This concludes the first hour of witnesses.

On behalf of the committee, I want to thank the three witnesses for appearing and providing testimony on this important study.

With that, we'll suspend for two minutes while we bring in the next panel. Thank you.

• (0925)

(Pause)

• (0925)

The Chair: Committee members, the committee is back in session for the second group of panellists.

I would like to welcome, appearing in person in the room, Jim Facette, executive director of the Canadian Roofing Contractors Association. From the Réseau québécois des OSBL d'habitation, we have André Castonguay, executive director. From Victoria Park Community Homes, we have Lori-Anne Gagne, chief executive officer. These last two witnesses are appearing virtually.

We'll begin with you, Mr. Facette, with five minutes for your opening statement, please.

Mr. Jim Facette (Executive Director, Canadian Roofing Contractors Association): Good morning, Mr. Chair.

[Translation]

Thank you, Mr. Chair.

Thank you for giving me the opportunity today to discuss a key issue for our country, especially this week.

[English]

I emphasize this week because, for the Canadian Roofing Contractors Association and our 400 member companies across Canada, we are celebrating roofing in Canada. June 2 to 7 is "National Roofing Week". By using social media platforms, we bring public attention to the role our industry and the people in it play in society.

The Canadian Roofing Contractors Association represents over 400 Canadian industrial, commercial and institutional roofing contracting companies and needed suppliers. Some of our members do both non-residential and residential roofing. In fact, many started in residential and moved over to non-residential. Companies vary in size, from as many as 6,000 employees across North America to as few as 12. Most contracting companies would likely be classified as small to medium-sized enterprises.

What follows are our thoughts on the current state of housing affordability and related challenges. On the surface, affordable housing and industrial, commercial and institutional roofing companies may have little in common. Beneath the surface is the reality that CRCA member companies are likely the ones not only re-roofing existing multi-unit buildings and their respective building envelopes, but CRCA member companies also do new builds. New housing investments of any nature create communities. Communities need infrastructure services, be they schools, hospitals, recreational complexes or shopping facilities. CRCA members will be called upon to meet the demand.

Government investment into housing will have a positive impact for many CRCA members. That said, there is a related challenge. In the roofing and building envelope industries there is an acute need for people in all facets of the business. We need skilled and unskilled labour. We need superintendents, project managers, estimators and so on. This is why, over the past year, the CRCA has lobbied for changes to the immigration system, changes that would treat the roofing trade equal to that of someone with a Ph.D. in the humanities.

No matter the technology, innovation or enhancement of other types, we still need people to build and manage the construction of buildings. On May 13 we announced a first in construction: a partnership that makes use of the Immigration, Refugees and Citizenship Canada's economic mobility pathways pilot program. We teamed up with Talent Beyond Boundaries, a non-government organization, to bring economically displaced workers into Canada as permanent residents. Already there are a dozen CRCA member companies that have begun the process with Talent Beyond Boundaries, and we expect that number to increase. Over the next two weeks, in fact, we're hosting a series of webinars for our members on said initiative.

The impact of federal investments into housing will have an impact on non-residential construction. However, we cannot lose focus on the need for workers. CRCA member companies have the business capacity to meet increasing demand. We need the people to build.

What can governments do, you may ask? To be honest, it's something we can all do, and I stated this in my closing remarks during an online meeting with the Minister of Immigration last fall. We can all encourage our children and grandchildren—or anyone else for that matter—to pursue a career in a trade.

We are all touched in some way by the current housing situation in Canada. The CRCA does not see a one-size-fits-all solution going forward, and the housing crisis will not be resolved overnight. It's going to take time. As I stated earlier, the connection between the federal government, housing investment and non-residential roofing companies may not be an obvious one. Our members want to see governments and industry work together to build the communities Canadians want to live and thrive in.

• (0930)

The Chair: Thank you, Mr. Facette.

[*Translation*]

Mr. Castonguay, you have the floor for five minutes.

[*English*]

Mr. André Castonguay (Executive director, Réseau québécois des OSBL d'habitation): Thank you very much, Mr. Chair.

Thank you very much, committee members.

[*Translation*]

The Réseau québécois des organismes sans but lucratif d'habitation brings together, supports and represents community organizations that provide housing for low-income or modest-income households or for people with special housing needs. By working to ensure the recognition, development and sustainability of these organizations, our network helps to improve housing conditions for thousands of Quebecers.

In Quebec, over 55,000 housing units managed by non-profit organizations are administered by 1,250 organizations grouped into eight regional federations, all affiliated with the Réseau. Over 10,000 people volunteer in our network, which also draws on the commitment of 8,000 paid employees. Overall, the property value of non-profit housing organizations is around \$6 billion.

In the context and preparation of this presentation, we took into account the committee's areas of interest. These areas are human resources, skills development, social development and the status of persons with disabilities. In addition, our presentation is part of a study on federal investments in housing. Lastly, we took into consideration the fact that the Réseau is being called on for its expertise on the strengths and challenges of developing, operating and maintaining rental housing provided by non-profit organizations in Quebec. The Réseau has brought these rental units together through its close ties to these organizations and after years of advocacy and collaboration with both administrative and governmental state entities.

With this in mind, our approach is as follows. We can see that, right off the bat, the study points to the lack of federal investment in rental housing development in recent years and decades. Thank you for raising this issue. First, we need to talk about the federal government's commitment in the 20th century and withdrawal in the early 21st century; the subsequent and modest commitment of provincial governments; Quebec's noticeable but unfortunately insufficient investment in developing social and community housing compared to the other provinces; and the unforeseen maze, in this first quarter century, affecting every facet of the Canadian housing system. For our sector, this is a matter of course.

Canada's—and Quebec's as well, to a certain extent—long-standing government culture around housing investment has proved incapable of preventing the current crisis. As is the case today, it has often failed to meet current needs. The lack of quantitative investment has often been criticized, and rightly so. However, we now understand that the lack of qualitative investment has also been an underestimated contributing factor to the current crisis.

We can see how the imbalance between supply and demand for rental housing has played a role in triggering the current crisis. That much is clear. However, we strongly believe that, when this factor or focus is singled out, it paints an inaccurate picture of a highly complex crisis. This incomplete picture affects both the methods and the time frame for emerging from the crisis. The truncated view of the issue means that the resulting solutions lack teeth, and the process drags on.

We gather from the issues raised by the study that it focuses specifically on the supply of rental housing, but also on the type of tenure. As a result, our opinion contains some comments on the quantitative supply of housing. However, it focuses more on the investment objectives and methods.

As we heard earlier, the Canada Mortgage and Housing Corporation announced in 2023 that, to achieve a balanced rental market in Canada, over 3.5 million housing units must be built by 2030. For Quebec, this would mean an order for 680,000 units within this time frame. Moreover, some financial institutions have added to this figure with their studies.

Regardless of the number of housing units required—

● (0935)

[English]

The Chair: Monsieur Castonguay, could you slow down your speaking, please? The interpreters are having trouble interpreting.

Mr. André Castonguay: Yes. I'm sorry.

[Translation]

Regardless of the number of housing units needed to achieve this balance, we believe that the key decision-makers at different levels of government should focus specifically on social and community housing. Like the for-profit rental market, non-speculative housing must also help achieve this ideal balance.

As we'll discuss in the next point, and based on the experience of certain societies over the past 100 years, we believe that social and community housing should account for at least 20% of the total rental market. In Quebec, this figure is currently around 10%. In fact, for the first time in years, we're seeing a downward trend, while the need for non-speculative housing continues to grow.

Obviously, the targets set by the Canada Mortgage and Housing Corporation won't be met by 2030. We must be realistic. It's a matter of both money and resources. We have a long way to go, but we're also optimistic. In 2017, we all applauded the federal government's firm commitment to start investing in housing again through the national housing strategy. It was a welcome announcement for community real estate developers. Meanwhile, Quebec settled for creating only about one thousand social and community housing units each year through the AccèsLogis Québec program. This program was hampered by an increase in standards and a decrease in provincial investment.

However, after seven years, despite the success of some initiatives of the strategy—which focused on the still vague concept of affordable housing—we must acknowledge that, without a national housing policy that ideally ties in with provincial initiatives, the issue of access to housing priced according to household income and needs remains unresolved. The situation has actually become much worse.

● (0940)

The Chair: Thank you, Mr. Castonguay.

[English]

Your time is up.

Mr. André Castonguay: Thank you.

The Chair: Ms. Gagne, you have five minutes or less, please.

Ms. Lori-Anne Gagne (Chief Executive Officer, Victoria Park Community Homes): Thank you, Mr. Chair.

Good morning, distinguished committee members. Thank you so much for inviting me to speak to you today about affordable housing as part of your study on the federal housing investments.

I feel the need to say that I don't see myself as an expert. I can only share with you my 40 years of on-the-ground experience in the affordable housing space, where I've been fortunate enough to participate through many angles: as a developer focusing on indigenous housing; as the owner of a property management company; as a team lead for the Agency for Co-operative Housing; and now, finishing my career, by leading Victoria Park Community Homes, which is one of the oldest and largest private non-profit housing providers in Ontario.

Affordable housing has been my life's work, and I am extremely passionate about it. "Those that fail to learn from history are [doomed] to repeat it," said Winston Churchill, a much smarter person than I am. I would like to start with a quick look at our affordable housing history in Ontario, which is the lens that I look at housing through, and what lessons were learned, because they need to be applied today.

In the 1960s and 1970s, we built large-scale projects that were 100% rent-geared-to-income. We created, in essence, mini-ghettos of poverty. Our lesson learned during that period was that this model is extremely challenging and not financially sustainable.

In the late 1970s, the federal government introduced its first full social housing program. It ended in 1985 but yielded over 52,000 units. In 1986, the focus shifted to provincial programs and, by 1992, 37,884 units had been built under the provincial program, using the lessons learned from that earlier experience. Instead of large-scale 100% rent-geared-to-income, during this time we created smaller, mixed-income, community-sponsored affordable housing developments. However, we developed a new lesson learned, with no scale or capacity, there are great inefficiencies and millions of dollars being wasted—I like to use the example of audit costs—under this model.

In the mid-1990s, the province abruptly stopped all programs, and for the next number of years no new affordable housing was built, causing us to fall substantially behind the need. In 2001, the province devolved housing to municipalities, a unique model that has created additional inefficiencies.

Meanwhile, the federal government continued to fund housing through various programs, such as the affordable housing program, SHAIIP, SHRRP and SHIP. There were many initiatives. In 2017, as you well know, the federal government launched its national housing strategy, and we in the affordable housing sector celebrated.

However, the need is greater than ever before and, as the previous speaker said, we are not on track to meet the goals of ending homelessness by 2030.

How can we incorporate the lessons learned and move towards achieving the goals of the national housing strategy? My recommendations for the committee to consider are numerous, and I could have had pages but I appreciate summarizing.

Continue to invest. We must continue to invest in affordable housing development as our percentage of the overall rental market is pathetically low, around the 3% mark, compared to other G20 countries.

Recognize affordable housing as an economic positive. The investment you make in affordable housing is great for the country overall from an economic perspective, as it has a substantial impact on productivity, and I refer you to the Canadian Housing and Renewal Association's economic study.

Stop the losses. Affordable—let this sink in—affordable housing is being lost 11 times faster than it's being built, for a number of reasons, but one of those reasons is the sale and loss of former federal housing developments. In Hamilton specifically, where our head office is, since 2011 that area has lost 23 affordable units for every one unit developed. These are staggering statistics.

I recognize that the federal government has implemented acquisition funding, which will greatly assist some non-profits, co-ops and supportive housing providers in the purchase of these buildings being sold as a preservation tactic.

- (0945)

Reconsider mixing. Over the past 10 years, all funding programs have integrated supportive housing into affordable housing, and it's not working as well as intended. This will be a lesson learned, quoted into the future.

Please be cautious about subsidizing private developers. They are generally not committed to affordable housing in the long term. This investment by government is short-sighted.

Incentivize and reward amalgamations and mergers being done for efficiency, scale and capacity.

Please simplify the rules for GST rebates for affordable housing providers. Under the new funding formula or funding mechanisms, we non-profits will lose our eligibility for GST—

The Chair: Could you wrap up your comments, please?

Ms. Lori-Anne Gagne: Absolutely.

On a final note, I'll say that, in the past year, we've definitely seen a change in the government's behaviour. Significant funding has started to flow, and it will significantly help us preserve housing going forward.

Thank you so much for your time and attention.

The Chair: Thank you.

Mr. Aitchison, you have six minutes.

Mr. Scott Aitchison: Thank you, Mr. Chair. I appreciate the time.

Thank you to all the witnesses.

I'd actually like to start with Ms. Gagne from Victoria Park Community Homes.

Ms. Gagne, you spoke a bit about the loss of units, which is significant. Can you speak to the age of our housing stock, particularly rental housing stock in Ontario, for example, where you work?

Ms. Lori-Anne Gagne: From our own experience, many of our buildings are 50 years old or 30 years old. When purchased, they can be up to 70 years old.

Mr. Scott Aitchison: In the financial model of Victoria Park Community Homes, how do you maintain those buildings or even improve those buildings to, say, reduce the carbon footprint of those buildings, since they were often built in the 1970s?

Ms. Lori-Anne Gagne: It's a multipronged approach. We, at Victoria Park, are very fortunate to have that mixed-income community and to have scale, so we have a lot of properties with a lot of value. We do leverage them. We take out mortgages to help catch up on capital repairs.

I must also say that the federal government has made a significant contribution to Victoria Park. At the end of last year, we received \$20 million, provided we match it with \$30 million, so that will be a \$50-million investment to repair and restore 2,000 units. That preserves them for decades to come.

Mr. Scott Aitchison: Does Victoria Park build new units, or are you simply maintaining the stock that you have and not building new?

Ms. Lori-Anne Gagne: Oh, no, we are building new as much as we can. In fact—cross your fingers—within two weeks, we expect to be pressing the go button on a 260-unit affordable housing development in Hamilton.

Mr. Scott Aitchison: Can I ask how long the approvals process has taken to get that project hopefully started in the next short while?

Ms. Lori-Anne Gagne: I hope shovels are in the ground by the end of this year, but it has been an incredibly long process. I will say that we are going on six years now.

Mr. Scott Aitchison: I'm sorry. Can you repeat that? It's been six years for how many units?

Ms. Lori-Anne Gagne: We started this project six years ago, at the end of 2018. If my math is correct, that's six years. Yes. There was a two-year delay because of a withdrawal of CMHC funding.

Mr. Scott Aitchison: What are the costs of that six-year delay?

Ms. Lori-Anne Gagne: They are pretty substantial. We, as a non-profit, have already invested \$7.5 million in this development. That includes the site plan applications, the rezoning and the demolition of a school that was on the site. We have \$7.5 million invested in this project, and we still don't quite have the green light. Within two weeks....

• (0950)

Mr. Scott Aitchison: I'm sorry. You hope it starts by the end of the year because you still don't quite have the final approval to start—after six years.

Ms. Lori-Anne Gagne: That is correct.

Mr. Scott Aitchison: That's staggering. That's at least \$7 million to the bottom line of the project. What does that mean in terms of the rents and the units? Will there be market rentals in this building as well?

Ms. Lori-Anne Gagne: We are hoping for affordable market units, trying to get all of the rents at 125% average market rent, with a large portion, 40%, at below 70% of the average market rent.

Victoria Park is not in the market housing business, and our board is very committed to ensuring that all of the rents are affordable, but it does mean our non-profit has to invest \$22 million. As I said, we've already done \$7 million and we have another \$15 million to go to be able to achieve that affordability level.

Mr. Scott Aitchison: How many more affordable to deeply affordable units are needed in Ontario in the area that you work in?

Ms. Lori-Anne Gagne: I don't know all across Ontario, tens of thousands, but I can say that in Hamilton the waiting list is almost 7,000 households.

Mr. Scott Aitchison: Clearly, local government delays are making it more expensive to deliver those.

Ms. Lori-Anne Gagne: I don't know about local government delays, but absolutely there are delays. It's a long process. It's a very long process.

Mr. Scott Aitchison: What are the delays? If it's not the local approvals process, which is local government, what are the delays? You did mention the CMHC, I guess, offering funding and then changing its mind. What are the delays?

Ms. Lori-Anne Gagne: That was the largest delay—the fact that they were at the table for \$75,000 a door and literally over a week, it was clawed back and we were told the fund was out of money and it's now \$25,000 a door, which made it not feasible.

A couple of years of political advocacy and work on the project and CMHC is back to the table for \$75,000 a door, so we are proceeding again.

There are certainly delays in the process, and I appreciate some initiatives that have been taken to speed it up. I understand CMHC

is now aiming for a 60-day underwriting time frame as opposed to what was previously six months. That's a very positive movement.

We do a lot of work directly with the City of Hamilton trying to expedite and make more efficient the municipal approval processes.

Mr. Scott Aitchison: Thanks very much.

The Chair: Next is Mr. Collins for six minutes.

Mr. Chad Collins (Hamilton East—Stoney Creek, Lib.): Thanks, Mr. Chair.

Thanks to the witnesses for their attendance today. I appreciate everyone's attendance this morning. I'll start with Ms. Gagne.

Ms. Gagne, this study is focusing, as you well know, on the history of affordable housing investments or housing investments in general. Much of the discussion to date has focused on the supply issue. I want to get to the whole issue of renovation and repairs.

As the former president of CityHousing Hamilton, I often talked to our tenants and my council members and the community about the deplorable conditions of our affordable housing stock, not just in Hamilton but across the country, and that's as a result of the lack of investments that we have witnessed over a period of decades. I often said that most of the 7,000 units that we managed couldn't pass a property standards inspection.

I remember just prior to the pandemic a situation during a deep freeze in the winter months involving 95 Hess, a building downtown that I think you know. It's an 18-storey building that we managed. The power went out, and the pipes froze. When the power was restored, the pipes burst. We had one working elevator. I think it was the poster child for what a lack of investment has done to the affordable housing stock over a period of decades. I received a frantic call from staff saying, "The media are calling. They'd like to come in and take a look." I said, "Open the doors. The more media, the better."

I think it highlights the situation that municipalities and non-profits are in. We've been kind of left to our own devices, and this is the result of what happens when that occurs.

I'm hoping that you can focus on renovation and repairs and the age of your stock, which you referenced in your opening, and talk about maybe some of the current programs that are helping you and your organization turn that narrative around.

• (0955)

Ms. Lori-Anne Gagne: Thank you, MP Collins.

We have been very fortunate, and the recent investments have helped more than I can say. I did mention that, at the end of last year, we received \$20 million as part of the federal government's coinvestment repair and renewal stream that will assist 2,000 units.

We are also in negotiations for CGAH funding, Canada greener affordable housing funding, to the tune of another \$20 million to \$25 million, provided we put in our portion. That will assist the remaining 1,500 units of Victoria Park's portfolio.

What does that do? It regenerates our stock, makes it more energy efficient and makes it more comfortable for our residents. Most importantly, you are preserving this stock for decades to come with an affordable housing provider that will keep the rents affordable in perpetuity.

Mr. Chad Collins: Thanks.

I'll follow up that question with this. Up until the release of the national housing strategy, municipal governments and non-profits were basically on their own.

In cities like Hamilton, when the national housing strategy was released, we pursued the same coinvestment funding to repair our 7,000 units. It's not just large municipalities that are facing this issue. The City of Peterborough just a couple of weeks ago had a report in front of their staff. They required \$122 million over the next 20 years. Their staff went to their council and said that the only place they're going to find these resources is at the federal level, through the national housing strategy. They emphasized in a report to their council that, again, decades of underfunding have led them to a point where they can no longer afford to pay for these things on the local tax base.

Your organization was left to its own devices for a period of time. How did you manage through those years? Were there any federal supports that you might have accessed between the years of the early 1990s and today?

Ms. Lori-Anne Gagne: Not from the early 1990s. You are absolutely correct that it has been decades in the making of underfunding for the capital repair reserves. In fact, there was a moratorium put on them for a few years, where we were not allowed to contribute anything towards our replacement reserve or capital repair needs. "Backlog" was a word that was used very frequently—the backlog of housing.

I did mention that Victoria Park was very fortunate. As our federal stock, our oldest stock, came out of their mortgages, we were able to refinance them, repair that building and take any excess funds and put over.

During the period you mentioned, MP Collins, there were various initiatives such as—they all have funny acronyms—SHAIP, SHRRP and SHIP. These were smaller programs that were rolled out to help with energy efficiencies and upgrades of buildings, and I can tell you that we tried to capitalize on all of them—much needed.

Mr. Chad Collins: My last question, Lori-Anne, is related to the wait-list that we have. You referenced Hamilton's wait-list. It is growing. The City of Toronto's is over 80,000. I talked about Vancouver at our last meeting, and they're at 18,000.

Many of the programs that we have are there to incentivize new supply. You have a number of projects that are in the works. Can you talk about how valuable those programs are as it relates to providing new supply? Also, what else—I guess from a financial perspective—needs to be done in that regard?

Ms. Lori-Anne Gagne: Thank you.

Yes, the funding will help. We do need new supply. Previous speakers have spoken about that. We need more housing, but we need more affordable housing, so a firm commitment of the funding that we can rely on, that we can do pro forma and not have to change over a six-year period, would be most helpful.

I do want to applaud one of the most recent initiatives: the rental protection funding that is coming out. That can be used for acquisitions, because building new is very expensive. However, if we can use that funding to purchase existing buildings and convert them to affordables or retain their affordable rents, that will help to increase the supply as well—not the overall supply of rentals but of affordable rentals.

The Chair: Thank you, Mr. Collins.

[*Translation*]

Ms. Chabot, you have the floor for six minutes.

• (1000)

Ms. Louise Chabot: Thank you, Mr. Chair.

I want to thank all the witnesses again.

Mr. Castonguay, welcome again. Thank you for accepting our invitation. Your organization is no stranger to speaking to this committee about the vital and thorny issue of housing, although you personally are doing so for the first time.

First, I want to acknowledge your valuable work in our Quebec communities. I've seen it in my own community. I know that your work is vital.

I think that I'll let you finish your remarks. When you stopped earlier, you were talking about social and community housing needs in Quebec. I find that the social and community housing issue is largely absent from our studies. We talk about affordable housing, but we often overlook social housing and the development of non-profit housing. I'll let you finish your remarks and make further comments on this issue, if you wish to do so.

Mr. André Castonguay: Thank you, Ms. Chabot. I greatly appreciate it.

I was talking about a national policy. A valuable strategy was implemented, offering a wide range of tools and programs. However, to be truly effective, we also need a national housing policy. That's what we're telling the Quebec government. We've been waiting years for an action plan, but it hasn't been introduced yet. However, even before this action plan, we need a policy. Above all, the right to housing must be recognized. Once this right has been recognized, we'll need a national policy to clearly define all the actions and properly develop social and community housing.

In Quebec, the players involved in social and community housing in general are now looking at new ways to fund the construction of social and community housing and to ensure the long-term viability of the current stock. We conducted studies in certain European countries that have successfully allocated 20% of their rental stock to social and community housing. We wanted to find out how these countries had managed in recent decades, or even in the past century, to provide enough housing to meet their residents' urgent needs.

Remember, housing is the foundation of well-being. If you don't have a home, or if it isn't adapted to your needs, you certainly won't be as productive or active as possible. Having a home also empowers people. We're looking at different ways of doing things.

We're told that 3.5 million housing units must be built in Canada, and 680,000 in Quebec. For social and community housing to play a real part in balancing the rental market, we need to double the capacity of the housing stock. Right now, the stock comprises roughly 160,000 units, all types of tenure combined. However, we believe that an additional 173,000 units are needed to meet demand. This would bring us closer to 20% of the rental market. This would significantly help maintain the housing balance and regulate the average rent of affordable housing for people who are somewhat better off.

Ms. Louise Chabot: That's very interesting. I think we have to stop ignoring the needs and contributions of the community network to social housing. Just look around and it's clear.

Since I have two minutes left, I'll ask you one last question. You applauded the investments in the last budget, which, to be clear, will not flow until 2025. However, the Auditor General sharply criticized the reaching home program. As we know, homelessness can also be traced back to the housing crisis. If Canada wants to achieve its goal of reducing homelessness by 50%, it will have to invest an additional \$3.5 billion per year. At the moment, it is barely investing \$500 million. What's your opinion on that?

• (1005)

Mr. André Castonguay: A long-term vision for community social housing development is a must if it is to reach the acceptable percentage of 20%, but we need to take rapid action on homelessness if we want to solve the problem. I don't think \$500 million is enough, especially considering that we should actually be investing \$3.5 billion in the short term. Frankly, there's a long way to go.

The government should also come up with mechanisms for housing and regulate renovations, so as to prevent as many people as possible from ending up on the street, unable to find housing they can afford. This is an issue that needs to be tackled on a number of fronts.

Clearly, if we want to fight homelessness, we will have to take action quickly, because the problem is getting worse. Homelessness is on the rise in small towns in Quebec, and I imagine the same is true across Canada, so we need to act quickly on this.

The Chair: Thank you, Ms. Chabot.

Ms. Louise Chabot: Thank you.

The Chair: Mr. Boulerice, you have the floor for six minutes.

Mr. Alexandre Boulerice: Thank you very much, Mr. Chair.

Mr. Castonguay, I'd really like to talk more about the importance of the Réseau québécois des OSBL d'habitation.

According to various figures, under Stephen Harper's Conservative government, we lost 800,000 so-called affordable housing units in Canada. We have lost another 370,000 since the Liberals took over. For every affordable housing unit we build, we're losing 10 or 11 right now, so, despite the massive investments being made, we're going deeper into the hole.

We need to build more truly affordable social, community and co-operative housing, but how do we make sure we don't lose housing along the way? How do we get out of this bottomless hole and hang onto housing that fits people's needs and their budgets over the long term?

Mr. André Castonguay: In Quebec, when we fund a project, we say that we're building it to last 100 years. Unfortunately, that isn't necessarily what happens, and there are lots of other factors that result in the loss of so-called affordable housing units. One active solution that I think sounds great was implemented in British Columbia. It's the new acquisition fund that the federal government just announced. That's a first step worth considering.

In terms of the longevity of the housing stock, one of the main problems is that, when an organization obtains funding through a government program, it doesn't have access to its capital. I believe that's also the case for organizations that were created not so long ago. No private developer would accept that if they're building rental housing in a lucrative market. That can get some organizations in trouble five or 10 years down the line if there are problems with the construction or the structure of the buildings. I've seen that and experienced it first hand. I haven't always worked at the national level; I've also worked in our regional network. This problem can make it difficult for organizations to remain sustainable, to stay afloat. Sometimes we have to work with the Société d'habitation du Québec to save organizations that should have been viable on their own, and that's hard.

The next issue is the aging housing stock and older organizations that were created under previous programs. It can be hard for them to get funding to renovate their buildings. This is another problem that has a number of causes. Every time we lose a unit, we have to build two new ones if we really want to maintain our housing stock.

Mr. Alexandre Boulerice: Thank you, Mr. Castonguay.

I'm also pleased with the new acquisition fund that was announced in the federal budget. We've been pushing for this for a long time, and we'll push for it to be more front and centre.

By way of comparison, it's as if the federal government put up the money for new public transit projects but contributed nothing to cover operating costs in subsequent years. Those costs would have to be borne by transit authorities. It's a bit like ponying up enough money to break ground and cut a ribbon, but contributing nothing to pay for challenges, renovations and maintenance five or 10 years down the line.

Rosemont—La Petite-Patrie has several housing co-ops, and people have a lot of trouble financing the work that has to be done 20 years later on the roof or the foundation, or for unforeseen things, so as to keep their co-op in good shape and maintain the tenants' quality of life. There's nothing left and there's no one left.

Do you think the federal government should invest more in ensuring the viability of non-market community, co-op and other types of housing?

• (1010)

Mr. André Castonguay: Yes, we absolutely have to work on that and think about other ways to make those investments. We held a major event in Quebec City just last week to discuss ways to reach the 20% target, which also means keeping our housing stock intact.

Ad hoc investments are fine, but good coordination between the various levels of government would be even better. That alone would greatly improve the situation. The Quebec City-Ottawa relationship isn't always easy. We need to look at the issue differently. How about setting up a permanent fund managed by the community, by organizations representing the three housing types and everyone involved in developing and operating non-profit organizations? That's a solution we could adopt, along with different funding mechanisms that are available in other countries, but not here—

Mr. Alexandre Boulerice: Mr. Castonguay, I'm sorry to interrupt you, but I'm almost out of time.

We've been talking about so-called “affordable” housing. How would you define truly affordable housing?

Mr. André Castonguay: Affordable housing depends on the income of the person paying the rent. It's as simple as that. The word can mean a lot of things, but it boils down to what a person is able to pay. Roughly speaking, it would be about 30% of their gross income.

The Chair: Thank you, Mr. Castonguay.

Thank you, Mr. Boulerice.

[English]

We will be pushing our time. We started at 8:16.

I've decided that, if the committee agrees, we'll have one final round of questions with two minutes for each party, beginning with Mrs. Gray.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you, Mr. Chair.

With my limited time, I'll just run through some questions quickly here.

Mr. Facette of the Canadian Roofing Contractors Association, you talked about labour shortages today. How many workers in the roofing industry would you estimate we are short in Canada?

Mr. Jim Facette: It's thousands, to be honest with you. It's not just what we need today. It's the ability of our member companies to grow. It's those lost opportunities. For example, we have our immediate past chair out of Saskatoon. He owns a company, and he has about 100 or so people. What's stopping him from growing is not being able to find people.

It's not just the numbers in terms of the gaps we have now. It's the lost opportunities going forward.

Mrs. Tracy Gray: Thank you.

We know that inflation is the highest it has been in 40 years. The Canadian dollar has been consistently low during the nine years of this government, beginning in 2015. Any supplies imported from the U.S.—and there are many in the roofing industry—cost more.

As well, a Statistics Canada roofing industry report in 2023 said, “Costs are through the roof”. Would you agree that costs are through the roof?

Mr. Jim Facette: Yes, costs have gone through the roof, including those for insurance and for every material they buy. It's gotten much more expensive now than it was, say, even four years ago.

Mrs. Tracy Gray: Also, have you seen any of the following: extension of construction timelines, projects being put on hold or cancelled, or housing starts decreasing?

Mr. Jim Facette: The short answer is yes.

Mrs. Tracy Gray: Do you believe that part of the reason for housing starts being down is the still-high interest rates and the high debt-servicing costs?

Mr. Jim Facette: Yes. It's not just on housing. There are also the interest rates on commercial development. The money's just not what it was four years ago.

Mrs. Tracy Gray: The Liberal ministers in their 2024 budget state that they will build 3.87 million homes by 2031. We're at about 550,000 homes per year.

Mr. Facette, given what you've said today in outlining increasing labour shortages, costs through the roof, housing starts down and debt servicing still high, are the numbers for the new homes Canadians are being promised by the Liberal government's housing plan realistic?

• (1015)

Mr. Jim Facette: They're certainly ambitious. At this time we don't see them being attainable.

Mrs. Tracy Gray: Thank you.

The Chair: That was a most efficient use of your time, with good questions.

Mr. Van Bynen, go ahead, for two minutes.

Mr. Tony Van Bynen (Newmarket—Aurora, Lib.): Thank you, Mr. Chair.

I appreciate the witnesses' contributions to the discussion this morning.

My questions will be for Ms. Gagne.

First of all, I truly appreciate your enthusiasm, energy and commitment to affordable housing. I'm not sure whether you're aware, but this committee did a study on the impact of financialization of housing. We heard that we are losing affordable housing 11 times faster than we are building it.

One of the concerns is the financialization of housing. One of the recommendations was on design and tax treatment options to ensure that REITs create new affordable housing.

My concern is how much we are losing to REITs. What would you suggest we should do to make sure that's committed to new housing as opposed to being used to purchase up existing stock and gentrifying?

Ms. Lori-Anne Gagne: Thank you for the question.

I don't know the overall statistics on how many are being lost to REITs. That is certainly one of the reasons we are losing affordability. There are cash-for-keys and renovation schemes, so that you can move residents out and then increase the rents. Protections against those things would certainly be welcome.

I did mention the acquisition funding. As Mr. Castonguay mentioned, it's new and it will be something we explore as a preservation tactic. We have to stop the bleed. We have to stop losing more than we're developing.

Mr. Tony Van Bynen: What incentives are....

In 10 seconds, I'm done.

The Chair: Wrap it up, Mr. Van Bynen. Go ahead.

Mr. Tony Van Bynen: What targeted incentives or policy changes would encourage an increase in investment in purpose-built rentals, from your perspective?

Ms. Lori-Anne Gagne: GST protections, fixed funding and streamlining approval processes at the municipal level would allow

us to go forward with some certainty. They are all things that can help us deliver more affordable housing faster.

The Chair: Thank you, Mr. Van Bynen.

[*Translation*]

Ms. Chabot, you have the floor for two minutes.

Ms. Louise Chabot: Mr. Castonguay, as you know, one of my Bloc Québécois colleagues did a major tour of Quebec specifically to study the housing crisis. The Bloc Québécois has put forward a few solutions to this crisis. We want to open up federal lands. We want more land and buildings in the federal lands program, and we want those buildings to be used for social and community housing. What are your thoughts on that type of solution?

Mr. André Castonguay: Absolutely, it's public land. I think that, if communities want to get involved in building social and community housing to meet their members' needs, most of that land should be reserved for those types of housing. That would go a long way toward reaching the 20% target for social and community housing.

By the way, I'm a member of the Canadian Housing and Renewal Association board of directors. The 20% target for social and community housing has been discussed with stakeholders in the other provinces, and the idea is starting to gain traction. We really need a pan-Canadian conversation about it. That input is critical to achieving the target.

Ms. Louise Chabot: My next question may be similar to the previous one.

We need new housing units. We have a housing stock. There have been federal programs for low-income housing, or low-cost housing, and there are renovation cost per unit thresholds. Would that be a solution to increasing the number of housing units? Should the threshold for these costs then be indexed? I'm asking because it seems to me that there are housing units that could be used but aren't being supported.

Mr. André Castonguay: In Quebec, I know that there was about \$2 billion for low-income housing. I think it's a critical need. Low-income housing meets specific needs.

When costs aren't indexed to the cost of living, you end up with a shortfall. It's like Ms. Gagne's project, which took seven years. Housing units can be lost because of the cost of living. The same goes for renovations, so we absolutely have to index these amounts, and reach—

• (1020)

The Chair: That's it. Thank you, Ms. Chabot.

Mr. Boulerice, you have the floor for two minutes.

Mr. Alexandre Boulerice: Thank you, Mr. Chair.

Ms. Gagne, people say that the current housing crisis is down to a lack of supply, so what we need to do is build housing of all kinds. Should it really be any kind of housing? If not, what kind of housing do people really need?

[English]

Ms. Lori-Anne Gagne: Thank you.

Affordable housing is what they need. There is a place, of course, for additional market units, where people can move on and free up some existing stock, but we have a shortage of supply and a severe shortage of affordability. We don't need to build hundreds and hundreds of 6,000-square-foot homes that people cannot afford now. We need rents that are affordable. For the last five years, Victoria Park has paid not just minimum wage but a living wage for our lowest positions, yet we have had more of our staff apply and are now on waiting lists to try to get affordable housing.

This is for our workers. It's for the immigrants we need to bring in and for the roofers we need. We need affordable housing stock.

[Translation]

Mr. Alexandre Boulerice: Thank you, Ms. Gagne.

Mr. Castonguay talked about a non-market housing target of 20%. Do you agree with that 20% target?

[English]

Ms. Lori-Anne Gagne: As I said, we are at 3% right now. Yes, I would share that goal. We should be up between 15% and 20%.

[Translation]

Mr. Alexandre Boulerice: Thank you very much.

[English]

The Chair: Thank you.

Thank you, Mr. Boulerice.

Committee members, I have an update. We have reached out to Starlight Investments. I do have some options, but until we get a confirmation from Starlight, I cannot confirm anything. I will update you as soon as I can.

With that, I want to thank the witnesses for appearing today and giving testimony on this important study.

We have reached the end of our time. With that, is it the will of the committee to adjourn?

Some hon. member: Agreed.

The Chair: The committee is adjourned.

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