

TRREB ENCOURAGED BY FEDERAL BUDGET ACTIONS TO INCREASE SUPPLY OF HOUSING

TORONTO, ON, April 7, 2022 – The Toronto Regional Real Estate Board (TRREB) is applauding the federal government for making housing affordability a priority of the [2022 Federal Budget](#) but is questioning the need and effectiveness of some of the announced actions. Specifically, TRREB is encouraged that the budget includes initiatives intended to increase the supply of homes for sale and rent but believes that other policies intended to artificially suppress demand will not have the intended effect.

“TRREB is encouraged that governments at all levels continue to make housing affordability a priority, but it is critically important that governments take actions that will have meaningful impacts. All levels of government should be implementing evidence-based initiatives that address the real cause of affordability challenges, which is an inadequate supply of homes for sale or rent,” said TRREB President Kevin Crigger.

“With this in mind, TRREB is pleased to see that the federal budget includes funds to help municipalities modernize their zoning, planning and building approval processes, so that new ownership homes can be brought to the market quicker. The federal government has the levers to push municipalities into modernizing their exclusionary zoning policies, and should use that leverage. The funding committed for the construction of affordable housing units and for co-op housing will also help in this regard,” continued Crigger.

While TRREB is encouraged by budget actions intended to increase housing supply, it is raising concerns about the effectiveness of policies intended to suppress demand.

“Government initiatives intended to artificially suppress demand are aiming at the wrong target. Past demand-focused government actions have clearly not had the desired effect. Unfortunately, the federal government appears poised to repeat the same mistake by focusing on banning foreign buyers who continue to be a small slice of the overall market. It is important that governments do the right thing by implementing proven evidence-based measures that deal with the real problems, and not be distracted by what is popular. There is also a potential unintended consequence that this move could dissuade immigration to Canada. The population of the Greater Golden Horseshoe doesn’t grow, on net, without immigration. Population growth is required to sustain continued economic growth,” added Crigger.

TRREB research indicates that foreign buyers do not account for a significant portion of market activity – they typically make up less than five per cent of all home buyers. Governments at all levels should think big and that attention should instead be focused on decisive action to improve much needed supply in a significant way rather than on policies that could suggest that Canada is not open for business or not as amenable to immigration.

“The challenge facing our housing market is an imbalance between domestic demand and the supply of homes for sale and rent, not an imbalance between domestic and foreign buyers. The GTA continues to experience rapid population growth, and we need adequate housing supply and choice to meet the

housing needs of these people,” said TRREB Chief Executive Officer John DiMichele.

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