

**Annual Public Meeting 2022**

# Questions From Public



## Question 1

**How is CMHC supporting the mandate of the housing advocate—especially with monitoring?**

The Office of the Federal Housing Advocate is an independent advocate housed within the Canadian Human Rights Commission, which helps promote and protect the right to housing in Canada. Marie-Josée Houle was appointed as Federal Housing Advocate in February 2022.

The Advocate will identify and provide advice to Government and other decision makers on corrective actions the Government could take in Canada's housing laws, federal housing policy or federal housing programs, and in advancing the progressive right to adequate housing in Canada.

Among her duties, the Advocate will review systemic housing issues facing individuals and households who are vulnerable and provide an annual report to the Minister responsible for housing with recommended measures. The report will be tabled in Parliament.

## Question 2

**How to begin the process of obtaining a land trust for my community?**

Land trusts are not part of CMHC's purview. Here are some online resources that can help with taking the right steps in creating a community land trust:

**[About – Canadian Network Community Land Trust](#)**

**[Start a Land Trust – OLTA](#)**

**[How to Form a Land Trust – The Land Trust Alliance \(ltabc.ca\)](#)**

**[STARTING A CLT – PARKDALE NEIGHBOURHOOD LAND TRUST \(pnlt.ca\)](#)**

**[Community Land Trust \(cltrust.ca\)](#)**

## Question 3

**I'm homeless with my husband, and our 14 year old daughter. We also have a 11 year old Carrin terrier, he is blind in one eye. So I would say I'm requesting to see if CMHC can assist in finding us a home.**

We are sorry to hear about your current situation. While CMHC doesn't rent out affordable housing, we work with cities and non-profits across Canada to create housing for people who are experiencing homelessness.

BC Housing has an emergency shelter program that can help you find immediate temporary housing. You can call 1-800-257-7756 and they will be able to help you.

## Question 4

**It's hard to understand how it took decades for gov't (s) and the media to notice that we were on our way, and now, deep into a housing crisis. Yet all 10 gov'ts over 40 years set it up, indeed, set us up when they stopped the housing program of 20k units a year in the 1970s-1980s and stopped all funding in 1993 while the population grew by about 15 million and to the shame of all of us, the homeless ballooned to about 250,000 and millions of Canadians can't find a place to live. And no one noticed?**

CMHC has been conducting multiple analysis to understand reasons for escalating house prices in housing markets in Canada for a few decades. Demand for housing grew with higher incomes and population growth, and structural declines in interest rates. Unfortunately, supply growth was weak in responding to this demand growth in some of Canada's large urban areas, resulting in the loss of affordability.

Furthermore, chronic underfunding in government subsidized affordable housing programs over many generations has left Canada with a large gap in affordable housing supply that has been further exacerbated over the past few years by the COVID-19 pandemic.

Since 2015, the federal government is re-engaging in affordable housing through the National Housing Strategy (NHS), a 10-year, \$72+ billion plan that will give more Canadians a place to call home. However, the NHS was developed prior to the pandemic.

Today, Budget 2022 proposes a series of investments to reflect post-pandemic realities and challenges to build more houses, help people save for their first home, and curb speculation and unfair practices that drive up house prices.

For example,

- Putting Canada on the path to double housing construction over the next decade
- Expanding co-op housing in Canada by an estimated additional 6,000 units
- Proposing \$150 million in the next two years to support affordable housing and related infrastructure in the North
- Helping Canadians buy their first home
- Curbing unfair practices that drive up the price of housing
- Protecting home buyers by developing and implementing a Home Buyers' Bill of Rights and bring forward a national plan to end blind bidding.

More details of those measures will be available in the next few weeks and months.

## Question 5

**How can I find an affordable home?**

Finding an affordable home is very difficult right now. We believe that supply is simply not keeping up with demand, which has a direct impact on housing prices.

The Government of Canada, through CMHC, works with its provincial and territorial partners by providing funding to reduce the number of Canadians in need by improving access to affordable, sound and suitable housing under the **Investment in Affordable Housing (IAH)**. Provinces and territories also deliver affordable housing programs that are not funded under the IAH.

Visit the [affordable housing programs web page](#) for program information and links to affordable housing agencies in each province and territory.

## Question 6

**I am delighted to see financial supports for increased housing in Canada. The 20+ year gap of keeping up with demand is challenging. Please comment on the following:**

### **CMCH commitment to Co-op housing as criteria for funding in municipalities in Canada**

- We were pleased to see Budget 2022 allocate more investments towards co-op housing. We know that Co-ops offer quality, affordable housing to Canadians, while empowering their members through inclusion, personal development, and security of tenure through their community-oriented model of housing.
- Budget 2022 proposes to reallocate \$500 million of funding on a cash basis from the National Housing Co-Investment Fund to launch a new Co-operative Housing Development Program aimed at expanding co-op housing in Canada.
- This new program will be co-designed with the Co-operative Housing Federation of Canada and the co-operative housing sector.
- Budget 2022 also proposes an additional \$1 billion in loans to be reallocated from the Rental Construction Financing initiative to support co-op housing projects.
- With the largest investment in building new co-op housing for more than 30 years, an estimated 6,000 units will be constructed.

### **Non Profit and Church land partnerships to get more creative on long-term affordable housing**

- We can't reach our aspiration alone; we need to engage all participants. We will continue to strengthen existing relationships and build new ones with an objective to drive our outcomes.
- We are seeking bold new approaches backed by innovative solutions – an “all of Canada” approach anchored in new, even non-traditional, partnerships.
- We are engaging with many organizations across the country, including public and private housing participants, to seek bold and new approaches backed by innovative solutions to create new affordable housing.

### **Tiny House movement – funding and criteria?**

- Through the National Housing Strategy's Rapid Housing Initiative we have been able to help address housing challenges for people in severe housing need. Many of the Rapid Housing Initiatives funded projects have been through the form of tiny homes, or modular housing. The NHS has variety of programs to support all types of affordable housing – whether it's a tall rental building or a new development of tiny homes.

## Question 7

**Will maximum home purchase prices under the First-Time Home Buyer Incentive program be increased? They are currently 4 times your salary, which is low for a single person in today's market.**

The First-Time Home Buyer Incentive helps people across Canada purchase their first home in a financially responsible and affordable way.

The incentive program caps total borrowing at a combined mortgage and incentive amount of no more than four times the total qualifying income. However, this amount is 4.5 times in the Toronto, Vancouver, or Victoria Census Metropolitan Areas.

CMHC continues to work with the Department of Finance to review its programs and make adjustments as needed.

## Question 8

**Please address the rapid controllable rising costs of mortgage, condo and property tax payments are forcing landlords who are mostly retired seniors to suffer from mandatory rent control income to struggle to pay those monthly obligations.**

Unfortunately, CMHC has no authority in those matters.

While Canada's economic performance is better than many of its partners, the Government of Canada is committed to tackling the rising cost of living. Budget 2022 takes significant

steps that will build more homes and make housing more affordable across the country.

This includes the Canada Housing Benefit which was co-developed with provinces and territories and launched in 2020 with joint funding of \$4 billion over eight years to provide direct financial support to Canadians who are experiencing housing need.

To further support those struggling with housing costs, Budget 2022 proposes to provide \$475 million in 2022-23 to provide a one-time \$500 payment to those facing housing affordability challenges.

The specifics and delivery method will be announced at a later date.

## Question 9

**Please advise seniors in their financial situations when the government benefits are not catching up with high living costs. Is Reverse Mortgage the best option for seniors to take the only available money resources from their home equities for solutions?**

Because everyone's situation is different, we can't provide advice on this type of financial decision. Individuals may wish to contact a financial advisor to determine what steps are right for them.

To help Canadians who need financial support for their housing, the federal government has partnered with the provinces, through the National Housing Strategy, to deliver the Canada Housing Benefit, which goes directly to qualifying individuals to assist in housing costs. For more information about obtaining this benefit and other resources, please contact your municipal or provincial/territorial government or housing agency.

Municipalities are also directly involved in housing. As such, individuals may wish to contact their municipality for more information on the housing support available to seniors in their area.

## Question 10

**Why does CMHC include REALTOR commissions in Appraised Value of homes?**

This is false. CMHC does not consider realtor commissions when determining the lending value of the home for mortgage loan insurance purposes.

Among other factors, CMHC's decision to insure a loan is based on the lending value which is the lower of the market value or the purchase price/cost of construction. CMHC determines the lending value for mortgage loan insurance purposes. In determining the lending value, various factors are considered including but not limited to the physical characteristics of the property such as size, location, age etc.

**Why does CMHC finance REALTOR commission in CMHC approved financing?**

CMHC's decision to insure a loan is based on the lending value which is the lower of the market value or the purchase price/cost of construction. CMHC will consider the purchase price as stated on the agreement of purchase and sale. Real estate commission that is negotiated outside of the agreement of purchase and sale is not eligible for CMHC-insured financing.

**Has CMHC been financing and insuring 95% LTV mortgages where Buyer Cash Back inducements are buried in the paper trail that CMHC never has access to?**

Federal government regulations set out by OSFI B-20 and OSFI B-21 prevents any incentive and rebate payments (i.e. cash back) to be considered as part of the down payment.

**Can CMHC supply data and methodology that is used to prove house prices have changed in any month the last 42 years?**

As it relates to home prices (homeownership):

We have been collecting prices for **new** single and semis in centres 50K+ since 1990 (Starts & Completions Survey / Market Absorption Survey). This information is available on **CMHC's Housing Market Information Portal**.

We also started to collect prices for **new** condos in 17 specific CMAs in 2017-18. The **Market Absorption Statistics** may be used to check the prices for **new** condos in 17 specific CMAs

Upon clicking the link, there are a few steps to follow:

1. User selects an **Edition** (Month and Year) and then click the **Download** button
2. On the Excel sheet downloaded, check these 2 tabs: **Table | 11-1** and **Table | 11-2**

**Important Note:** There are no table or publication specifically for Condo; we mainly have Homeowner and Condo. Additionally, our MASS data usually focuses on Single and Semi-detached dwelling types. There is some Apartment and Row information, but it is quite limited and belongs to Homeowner and Condo intended markets. That said, we may be able to get Condo specific data (such as average price) when we receive custom data request through our dedicated mailbox: [HMIInformationMH@cmhc-schl.gc.ca](mailto:HMIInformationMH@cmhc-schl.gc.ca).

You may also find the **Methodology Page** for the Starts and Completions and Market Absorption surveys useful.

For house prices reflecting month-over-month statistics, we use the following data sources in our analysis\*:

- MLS® Residential Average Prices (Source: **Canadian Real Estate Association**) – CMHC acquisition of data covering 1980 to present
- MLS® Home Price Index (Source: **Canadian Real Estate Association; Methodology; Market Coverage**) – First published 2012 to present
- Teranet-National Bank Price Index (Sources: **Teranet, National Bank of Canada; Methodology**)

\*We currently make use of these indicators for various analysis and outputs and generally conclude regular residential house price growth for the ownership market over periods of time. These periods depend on a) data collection from the source agency; b) acquisition and partnership between the source party and CMHC. The final source not listed above but validates these are data from different Statistics Canada programs such as the Canadian Housing Survey and the Census of Populations. Both provide survey data from housing consumers on costs related to prices (e.g., mortgage and rent data).

Average rents are collected through CMHC's **Rental Market Report** and **Rental Market Survey**. Historical rent data can also be found on the **Housing Market Information Portal**.

**Why does CMHC actively promote using real estate agents and implying credibility to CREA STATS when CREA is just a simple trade association protecting its members' incomes with a membership that commonly sees the Median Member failing to sell a single home in a calendar year.**

CMHC does not promote itself with real estate agents. CREA statistics are based on their own data and analysis. CMHC offers independent housing analysis based on a wide array of data, all of which is available on our website.