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Chair: Robert Morrissey



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• (1545)

[English]

The Chair (Robert Morrissey (Egmont, Lib.)): Good afternoon, committee members.

The clerk has advised me that we have a quorum and we have respected the time allocation to get from the chamber to committee following the last vote.

With that, I welcome you to meeting number 37 of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

The committee is meeting on main estimates 2026-27 for the first hour, pursuant to the motion adopted on Thursday, April 23, 2026, and on housing starts in relation to federal programs for the second hour, pursuant to the motion adopted on Thursday, February 5, 2026.

The meeting is taking place in a hybrid format, meaning that there could be witnesses or members appearing virtually.

If you are appearing virtually, you have the option—as do those in the room—of participating in the official language of your choice. If you're in the room, please make sure you select the channel on the headset that gives you the language in which you wish to participate. As well, please silence your devices before we begin, and please refrain from tapping the microphone boom, for the benefit of the interpreters. If you are appearing virtually, click on the globe icon at the bottom of the Surface and choose the official language of your choice.

If there is an interruption in interpretation services, please get my attention. We'll suspend while it is being corrected.

Before I welcome our first witnesses, I have one item to deal with. I need agreement to adopt a budget of \$500 for the meeting on BDM that took place on Thursday, May 7. That was on the software technology. Do we have agreement for the \$500?

Some hon. members: Agreed.

The Chair: I am seeing consensus, Mr. Clerk.

Pursuant to Standing Order 81(4), I will now call vote 1 under the Canada Mortgage and Housing Corporation.

I would like to welcome our witness, the Honourable Gregor Robertson, Minister of Housing and Infrastructure. With him, from the Department of Housing, Infrastructure and Communities, we have Paul Halucha, deputy minister, and Michelle Baron, assistant

deputy minister and chief financial officer, corporate management sector.

Minister, you have five minutes for an opening statement if you choose. Do you have an opening statement?

• (1550)

Hon. Gregor Robertson (Minister of Housing and Infrastructure): Thank you, Mr. Chair and committee members, for the invitation to speak here today about the 2026-27 main estimates for the Housing, Infrastructure and Communities Canada portfolio.

I am happy to be here to provide an overview and to cover the progress we've been making in building complete, connected and resilient communities. That is our mission.

I'm joined today, as the chair mentioned, by Paul Halucha, our deputy minister, and Michelle Baron, our assistant deputy minister and CFO.

I'll dive right in to talking about HICC, Housing, Infrastructure and Communities Canada, its partners and how we work closely together to invest in the critical infrastructure that makes a real difference in communities big and small. Together, we take action to build stronger communities, with good neighbourhoods and the homes that people can afford.

[Translation]

For the 2026-27 main estimates, HICC is seeking just over \$17 billion in funding, representing a net increase of \$9,076 compared to the previous year's main estimates. This increase for 2026-27 is primarily influenced by the continued delivery of the investing in Canada infrastructure program and the Canada public transit fund. These two programs are providing long-term, stable federal investments that build connected communities, support economic growth and create good jobs.

[English]

While the Canada public transit fund, CPTF, and the investing in Canada infrastructure program, ICIP, continue to advance, it's also important that we look ahead and highlight the progress we are making to support community infrastructure, invest in major projects and improve housing affordability. Through the new \$51-billion build communities strong fund, the department is making generational investments that will modernize Canada's infrastructure and will unlock housing supply and support economic growth. This includes funding for housing-enabling infrastructure, health infrastructure and infrastructure at colleges and universities.

We are moving quickly. In March, we announced the Canada-Ontario partnership to build, which will reduce development charges and increase housing affordability. Just last week, I announced a comprehensive agreement to deliver approximately—

The Chair: We do not have video. I must suspend while this is being corrected.

We're suspended.

• (1550)

(Pause)

• (1555)

The Chair: Thank you, committee members. The technical issue has been resolved.

Minister, you had the floor. You were partway through your opening comments. I go back to you.

Hon. Gregor Robertson: Thanks, Mr. Chair.

I'll dive back in and recount an announcement, made last week with Yukon, that will deliver approximately \$350 million in housing and infrastructure investments under the build communities strong fund and with Build Canada Homes, in partnership with the Yukon territorial government. We're making good progress, but there's certainly lots more to come.

HICC is also taking a leadership role to support the most vulnerable Canadians through Reaching Home, the veteran homelessness program and the unsheltered homelessness and encampments initiative. Our government is providing targeted funding to support the reduction and prevention of homelessness.

In September 2025, Build Canada Homes was created to build more homes across our country and to build more affordable homes faster. Since its launch, Build Canada Homes has moved quickly to get housing projects off the ground. It has already advanced six direct-build projects in Dartmouth, Longueuil, Ottawa, Toronto, Winnipeg and Edmonton, with commitments to get shovels in the ground this year. In addition, there are now six major partnerships already secured with provincial and community partners. We're just getting rolling. There's a lot more to come.

CMHC and the Canada Infrastructure Bank are important partners that will continue to play a vital role in building Canada strong. Looking forward, CMHC will focus on its core role as Canada's primary market-oriented housing finance institution, emphasizing its responsibilities for mortgage loan insurance, securitization and rental construction financing to support housing supply.

There's been big uptake of the apartment construction loan program, which is building record levels of rental housing across the country.

• (1600)

[Translation]

The Canada Infrastructure Bank will continue to play a central role in advancing our infrastructure agenda as it accelerates investments in high-impact projects that align with national priorities. The main estimates before you today will support the housing, infrastructure and communities portfolio in delivering on our ambitious commitments to Canadians—commitments that help grow our economy, and support Canadian workers, jobs and industries.

[English]

All members of this committee know that, in this critical moment in our country's history, now is the time to invest in ourselves, to strengthen ourselves and to build ourselves up. We are taking action to increase housing affordability and to build generational infrastructure and strong communities today and into the future.

Thank you, and I look forward to answering any questions you may have.

The Chair: Thank you, Minister.

For members' clarification, we will still have our full one hour with the minister on this.

We'll begin with Mr. Aitchison for six minutes.

Mr. Aitchison, go ahead.

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

Thanks for being here, Minister. I appreciate your time.

The first thing I want to ask about is this: We've talked a bit before, in past appearances at the committee and certainly in the House of Commons, about the creation of Build Canada Homes—the fourth federal housing agency and the third Crown corporation.

Can you tell us how much has been spent to date on establishing the new bureaucracy around Build Canada Homes?

Hon. Gregor Robertson: Through the chair, the allocation to Build Canada Homes in budget 2025 was \$13 billion, and a small fraction of that has been invested in the start-up and administration of Build Canada Homes.

Scott Aitchison: That's specifically what I'm asking, though. How much of that \$13 billion has been spent creating the new thing?

Hon. Gregor Robertson: I don't have it at hand. I could ask my deputy minister if he has those figures.

Paul Halucha (Deputy Minister, Department of Housing, Infrastructure and Communities): I'm glad to do it.

During the first year, which was a start-up year, the expenditures were around \$6 million or \$7 million, and they were absorbed through the department. For operating next year, \$44 million has been approved.

Scott Aitchison: Can you tell me, Minister or Mr. Halucha, how much has been spent so far to restructure the Canada Lands Company? I understand that the development arm of Canada Lands is now going to be under the responsibility of Build Canada Homes, and Canada Lands will focus on operating only tourism infrastructure again.

I'm sure there's been some expenditure related to that too. Has there been...?

Paul Halucha: At this point, there is work ongoing, so we don't have a final number on that. There is a contract we went to in the department in order to provide contracting services overall for Build Canada Homes. I think it was about \$3 million or \$4 million. That was the upper end. They have to build all the elements of a Crown corporation. Inside of CLC, they haven't moved yet. They're in the process of moving, so there would be due diligence costs at this point. I could get back to you on that.

Scott Aitchison: Maybe what I need is some clarification. The new Crown corporation, Build Canada Homes, will be taking over part of the other Crown corporation's responsibilities. Is that what's happening?

Hon. Gregor Robertson: Yes, that's correct.

Scott Aitchison: Okay.

Were any costs incurred from removing certain programs delivered by the first Crown corporation, Canada Mortgage and Housing Corporation, and moving programs from there over to Build Canada Homes? Have there been any costs related to that?

Hon. Gregor Robertson: As the deputy minister mentioned, there have been some smaller administrative costs with respect to restructuring, but the whole purpose is around efficiency. Build Canada Homes is the agency for affordable housing in Canada. The affordable housing activity, the housing activity in Canada Lands Company and the affordable housing activity in CMHC are all being consolidated in one agency that can focus and specialize in these; therefore, the responsibilities of CMHC and CLC are reduced.

Scott Aitchison: That's great. I want to move on now. You've covered it. Thank you.

Thank you, Mr. Halucha, for helping with it.

My next question is for you directly, Minister. It's pretty simple. What changed your mind on HST and on removing the GST on all new homes under \$1 million?

• (1605)

Hon. Gregor Robertson: Well, there are a few factors in terms of giving a GST break. The market challenges in Toronto and Vancouver have been very significant, with pre-sales evaporating and many of the builders having real challenges—their equity stuck in projects and homes that were not selling. The market is clearly af-

ected by global uncertainty right now. People are choosing, particularly in those markets, not to buy homes, and new homes in particular.

We started with the first-time homebuyer break on GST. That didn't move the needle enough to make a difference with the supply that was sitting on the market in Vancouver and Toronto in particular. At that point, we went to the next level of offering a time-limited reduction in GST. In Ontario's case, they offered their provincial sales tax, so the HST is reduced across the board.

Scott Aitchison: Okay. That's great. Thank you. That's for Ontario specifically. I guess the government hasn't actually cut the GST. They're giving Ontario the money to somehow rebate it. We still don't know how that will work. I've asked the Ontario government, and they don't know. I guess the CRA will administer this or something. I don't know how that works.

I guess that begs the next question. Since you've raised it, and I asked you when you were last here about British Columbia, the GST will be rebated on all new homes under \$1 million in Ontario for a year. Will you be doing the exact same thing with British Columbia—where, as you mentioned, they have the same challenges as the GTA in Ontario?

Hon. Gregor Robertson: Before Parliament is a housing supply act that is offering funding to all provinces to apply toward increasing housing supply. Some provinces will choose different routes to use that funding. Ontario is choosing to go forward with that HST reduction. We are working with the Province of B.C. right now on a number of fronts, including reducing the development charges as part of the infrastructure funding with the build communities strong fund. They have access to housing supply funding as well. It is hoped that there will be a reduction in taxes for homebuyers in B.C. as well.

The Chair: Thank you, Mr. Aitchison.

[*Translation*]

We now go to Mr. Joseph for six minutes.

Natilien Joseph (Longueuil—Saint-Hubert, Lib.): Thank you, Mr. Chair.

I'd like to tip my hat to the minister for honouring us with this visit today. We realize how much he has on his plate. When it comes to tackling homelessness, he is giving his all and then some. We can see that.

Thank you very much, Minister.

Before I ask my question, I want to say that everyone at the table understands that homelessness is an issue that mustn't be taken lightly. You illustrated that. No province can turn things around on its own. Neither the federal government nor municipalities can do it alone either.

How do we strengthen our co-operation with Quebec, in particular, to permanently reduce homelessness?

We can talk about the other provinces as well. It's clear that Quebec has shown itself to be very flexible when working with the federal government. That's why I mentioned Quebec in the first place.

Hon. Gregor Robertson: Thank you for your question. I'm going to answer in English.

[English]

First and foremost, we have dedicated \$1 billion of the \$13 billion in budget 2025 for Build Canada Homes to supportive and transitional housing. That is the most tried and tested approach to tackling homelessness. We have a couple of thousand homes now in development with Build Canada Homes that will be supportive and transitional housing. We have an agreement on that front already between the Province of Quebec and Build Canada Homes to build hundreds of supportive and transitional homes in Quebec. I expect many more are coming, particularly focused in Montreal and Quebec City, where the mayors have been very vocal about the challenge and the need to invest in supportive and transitional housing.

We have Reaching Home. That is the overall program in the national housing strategy that delivers support for people who are homeless or at risk of homelessness. Nearly 112,000 Canadians have found stable housing through Reaching Home in the last few years. Prevention services have supported over 200,000 Canadians, and we need to keep that work going. Reaching Home is coming to the conclusion of its work in 2028. We are going into an engagement this summer to talk about how we continue with Reaching Home.

The unsheltered homelessness and encampments initiative was funded for an additional year, so it won't expire at the end of March. We've continued that, and we're working with the Government of Quebec to make sure that it will continue for two years with their partnership.

We're looking at really scaling up the work, because homelessness has gotten worse. It continues to be a real challenge right across the country. We need to continue scaling up our work, investing in the housing that solves the challenge and making sure that the provinces are doing their part in funding the health supports and wraparound supports with supportive housing that are essential to enable people to be stable.

We need to make sure that the cities are doing their part too. All of the partners need to come to the table, and we certainly know we have a big responsibility with that.

• (1610)

[Translation]

Natilien Joseph: Thank you, Minister. I'm going to continue in the same vein.

We know that many communities are already seeing the effects of federal investments in housing and community supports. Can you give us concrete examples of the positive effects communities have seen thus far?

Hon. Gregor Robertson: Thank you for your question.

[English]

We are seeing homelessness counts continue to go up in some communities. We're also seeing some levelling off, finally, after many years of growth in the point-in-time counts. We are seeing that the growth is reduced, but it continues to be an unacceptable problem that we have to solve.

There's a lot of data being gathered with point-in-time counts, and there's a fantastic complement of people working to solve homelessness across Canada right now. Many volunteers are working on this. That's why all levels of government need to double down on investing in and supporting the community of people who are looking into homelessness.

The Reaching Home program is essential to our work going forward in making sure that we're doing our part as the Government of Canada. Again, I'll speak to the importance of supportive and transitional housing. We need to make sure that we're building the homes that actually solve homelessness. Until we build a supply of housing that works for people who are at risk of living rough or are living rough, we won't have anywhere for them to go outside of shelters.

It's important to have the whole continuum but, in particular, to invest in long-term solutions.

[Translation]

Natilien Joseph: I have 20 seconds left, so you can have it to prepare for the next question. I think you've been clear with us. Everyone is aware that—

The Chair: Thank you, Mr. Joseph.

Now it's over to Ms. Larouche for six minutes.

Andréanne Larouche (Shefford, BQ): Thank you, Mr. Chair.

Minister, I want to start by thanking you for being with us today to discuss this very important issue.

Social housing and homelessness issues are having a direct impact on the riding of Shefford, specifically the city of Granby. I just spent two weeks in my riding, and not a day went by when someone didn't bring up affordable social and community housing to me.

Before I get to my questions, I want to follow up on the last time you were here. You talked about a federal program to improve the lives of people experiencing homelessness, called Reaching Home. In my neck of the woods, we have organizations that are doing some incredible work, such as Impact de rue Haute-Yamaska, Le Passant, Auberge sous mon toit and Partage Notre-Dame. The problem, though, is that Granby still isn't a designated community, which means the homelessness funding goes to Sherbrooke. The mayor has asked that Granby be identified as a designated community, because right now, the city isn't able to get its share of homelessness funding.

Communities on the south shore are dealing with these issues as well. My riding goes all the way to Rouville. Just a few minutes before this meeting started, I got a letter from the Corporation de développement communautaire Haut-Richelieu—Rouville telling me that the organizations that support people experiencing homelessness need recurrent funding. They include Maison Oxygène Haut-Richelieu, Passe-moi la puck and POSA Source des Monts. The system isn't working. The Haut-Richelieu region and Rouville are also feeling the effects of rising homelessness.

Minister, the program is appreciated, but clearly, you need to open it up to new designated communities.

• (1615)

Hon. Gregor Robertson: Thank you for your question.

[English]

With renewal of Reaching Home, it will be important for organizations to see that longer-term commitment. The challenge we have right now is that the national housing strategy is in its final stage. Reaching Home is part of that, and there is concern from some organizations about what happens going forward. As long as I'm minister, I want to see that investment continue and increase in order to tackle homelessness. The problem continues to be very challenging across the country.

We'd be interested in hearing from your communities to know exactly what support is needed to make more progress. I'd be happy to hear from you on the organizations, specifically, and the communities that need the support. That's something we can continue to work on together.

It has to be tackled on the ground in every community. I certainly know that from my background as a mayor. The support needs to come from a federal level. However, with regard to how best to solve it on the ground within communities, we need that local knowledge and leadership as well. I look forward to hearing from you on how we can best work with your communities.

[Translation]

Andréanne Larouche: Community groups and the mayor have sounded the alarm. They need much more predictable and recurrent funding. Mostly, they need help to make it.

I'm going to turn to housing now. Despite the more than \$6.1 billion going to the Canada Mortgage and Housing Corporation, or CMHC, in 2026-27, Quebecers are still struggling to find housing. How many truly affordable housing units are there? That is something many groups involved in the construction of social and community housing have criticized. In Quebec, we don't subscribe to the concept of affordable housing, because it can mean anything and everything.

How many social and community housing units did federal programs help get built in Quebec, and how many will be built in the next 12 months?

Hon. Gregor Robertson: Thank you for your question.

[English]

There are several different streams here. Build Canada Homes is the new affordable housing agency. We do have an agreement with

Quebec right now, through Build Canada Homes, that will soon be followed by a second phase. I'm anticipating that there will be several thousand affordable homes delivered through Build Canada Homes in the deeply affordable category. For supportive and transitional housing, we have about 500 of those homes coming initially, in the short term. I expect several thousand more homes to be delivered in Quebec as affordable housing through Build Canada Homes as well. Those won't be completed this year, but those are in the works now, in partnership with Quebec. We always work with Quebec, as Quebec is the lead. We make the funding available, and Quebec can direct the funding to the organizations.

[Translation]

Andréanne Larouche: I hope that everything will materialize and that the Société d'habitation du Québec and the Government of Quebec will have the final say. In many of Quebec's regions, rents have skyrocketed, outpacing incomes.

How does the government explain its ever-increasing spending when affordability keeps getting worse? Let me tell you, not a day went by last week when it didn't get worse. This is my second turn. What do you have to say about that?

[English]

Hon. Gregor Robertson: We are seeing average rents declining across the country, which comes as a big relief after many years of rents escalating—decades, in fact. In the last two years, we've seen average rents decline across Canada. They are still too high, so building that affordable rental supply is critical right now.

I didn't mention in my last response that the CMHC is also funding an apartment construction loan program for rental housing. I anticipate with Quebec that there will be thousands of rental homes financed through the CMHC in the period ahead.

The combination of non-market, deeply affordable housing from Build Canada Homes—that's all rental housing—and the rental housing through the CMHC is a big boost in new supply to help keep driving those rents down. We have to continue increasing the supply to make sure that the rents continue to go down.

• (1620)

[Translation]

The Chair: Thank you, Ms. Larouche.

[English]

Mr. Reynolds, you have five minutes.

Colin Reynolds (Elmwood—Transcona, CPC): Thank you, Mr. Chair.

Thank you, Minister, for coming today. I know you're a pretty busy guy, so I appreciate your taking the time. I want to ask a couple of questions about Build Canada Homes.

Do you know how many projects have been submitted to Build Canada Homes? We're looking for a high-level number. Is it 100? Is it 1,000? Is it 10,000?

I'm curious what the buy-in is from the private sector and municipalities.

Hon. Gregor Robertson: We're seeing enormous interest in Build Canada Homes from the private sector and community builders. I mentioned that we have six agreements with provinces, territories and the City of Ottawa to build thousands of homes.

We're at well over 10,000 homes that have been announced and are in the process of being built.

Colin Reynolds: Do you know how many proposal submissions there were from builders or whatnot to Build Canada Homes? Do you know what that number is?

Hon. Gregor Robertson: The last update I had, earlier this month, was that over 1,000 submissions have come in to Build Canada Homes. They are in the process of working through those, getting back to project proponents and working with them to figure out the details and how financing can help get those projects built. There's huge interest. There's a lot more interest than there is capital that's available in budget 2025.

Colin Reynolds: Thank you. I don't want to eat up too much of my time.

Do you know how many have been approved?

Hon. Gregor Robertson: As I said, over 10,000 have been approved. I think over 12,000 approved was my last update, some days ago.

We're climbing up that approval ladder very quickly now. About half the provinces and territories are part of the initial phases of approvals.

Colin Reynolds: Does Build Canada Homes have a mandate for a particular approval time? Yes or no, from submission to a final answer, is there a mandated approval time?

Hon. Gregor Robertson: There's no hard and fast time, but the whole purpose is to have certainty for builders as soon as possible. There is now a real push to make sure that there's direct communication with all the proponents that have brought proposals forward to give them an initial sense of what else is needed or what's missing from their package.

To be fair, this is a new model, having proposals coming forward to Build Canada Homes. Some do not have modern methods of construction involved. Some do not have enough affordability built into them or they're not shovel-ready. Those are three factors that Build Canada Homes is very focused on: getting building as soon as possible, more affordably and with modern methods of construction.

There's a back-and-forth between Build Canada Homes and proponents that's really accelerating right now as the organization builds up.

Colin Reynolds: My background is in 20 years of construction. You mentioned modern methods of construction. What is Build Canada Homes looking for in a modern method of construction?

Hon. Gregor Robertson: I appreciate the question. There's a wide range of modern methods. Build Canada Homes is not being prescriptive about that. There's a full range, from entire modular homes—volumetric modular that is manufactured in a factory—

right to panel construction. Panel construction makes up the majority of modern methods right now. Those are wall panels and floor panels manufactured in a factory, flat-packed on a truck, shipped to site and assembled with a crane. I would say that is the predominant model of modern methods.

There are also kitchen and bath pods that are completed in a factory and then dropped, with a crane, into a building or a home. Many different components can be manufactured off-site and more rapidly assembled on-site to make the build more efficient—

• (1625)

Colin Reynolds: Being in construction, I know that the industry itself is always looking for ways to build faster and more efficiently. To be honest, if we aren't doing it already, it's probably not faster or more efficient. General contractors are always looking to do that. If they can build something cheaper and faster, they will be awarded the contract. I find these modern build methods interesting, because I know that the construction industry would be doing it itself, all on its own, if it were practical and reasonable. I would hate to see Build Canada Homes supporting something that isn't practical or reasonable.

Hon. Gregor Robertson: I agree with you there.

Colin Reynolds: What is Build Canada Homes using to measure its effectiveness with taxpayer dollars? Is Build Canada Homes looking for quantifiable results, such as x number of homes built for a certain dollar or price per unit? How is Build Canada Homes spending taxpayer dollars responsibly?

Hon. Gregor Robertson: Thanks for the question.

We've embarked on deploying the capital allocated in budget 2025, the \$13 billion, as effectively and productively as humanly possible. Without knowing exactly what industry would bring forward, what the private sector would bring forward, and what the provinces and cities—

Colin Reynolds: How is it being measured?

The Chair: Give a short answer, please.

Hon. Gregor Robertson: We're measuring as we go. Over this first year, we'll have a really good sense of how much it's costing per square foot and per unit of housing. We'll have a better sense of how much capital we've leveraged from the private sector. From that point, we can start setting targets for what our expectations are, going forward, based on the investment we're seeing from other levels of government and the private sector.

The Chair: Thank you, Mr. Reynolds.

[Translation]

We now go to Mr. Villeneuve for five minutes.

Louis Villeneuve (Brome—Missisquoi, Lib.): Thank you, Mr. Chair.

Good afternoon, Minister. Thank you for being here today.

First, I want to thank you for being open and understanding when it comes to the issue of homelessness and the appeals of community organizations.

I represent the riding of Brome—Missisquoi, next to my fellow member Ms. Larouche's riding. My riding is also experiencing challenges. I'd be happy to have you come for a visit anytime and meet the people there. You are always welcome.

I was the mayor of Bromont for eight years. It's a bit smaller than Vancouver. As mayors, we dealt with the same challenges, I'm sure, no matter the size of our cities. As we know, in Quebec City, chapter M-30 of the Act respecting the Ministère du Conseil exécutif means that federal money usually has to go through Quebec City. Many mayors, including myself, had to cope with that, and in many cases, we had to delay, scrap, or pay more for, projects.

We just spent two weeks in our ridings, and the Union des municipalités du Québec invited me to attend its annual meeting. We talked a lot about the infrastructure deficit.

The build communities strong fund is a very important initiative, so can you give us an update on those negotiations with Quebec?

Hon. Gregor Robertson: Thank you for your question.

[*English*]

For infrastructure, there are two pieces of news.

We were able to achieve a memorandum of understanding with the Government of Quebec to guide our collaboration on housing and infrastructure. We have a collaboration table with the two governments working together to fund affordable housing projects and making sure we're aligned with our priorities. There is good coordination among the government, the local governments and all the community partners. Infrastructure and housing run together, as you know. As a former mayor, I know you don't build the housing without the infrastructure. Recognizing that we needed to speed up on the infrastructure side, we announced the signing of the agreement for the Canada housing infrastructure fund—\$1 billion that the federal government will invest in Quebec to modernize and build essential housing infrastructure to scale up the work on housing projects. That's the housing infrastructure fund.

The next generation is the build communities strong fund. We are in very good negotiations with Quebec right now and hoping to share good news very soon. That will lay the groundwork for more infrastructure funding connected to housing. At the same time, we're doing housing and infrastructure agreements and looking forward to the extension of these new agreements with the build communities strong fund and Build Canada Homes.

• (1630)

[*Translation*]

Louis Villeneuve: Thank you, Minister.

I have about a minute and 40 seconds left, so I'll try to be quick.

We've talked about this. Housing affordability is a concern for everyone on the committee. We've seen rents move in a positive di-

rection in recent months, and the apartment construction loan program is a big reason why.

Can you talk about the progress we're making and how the measures in the 2026 spring economic update will create more opportunities?

You have a minute and 15 seconds to answer.

Hon. Gregor Robertson: Thank you for your question.

[*English*]

The apartment construction loan program is through CMHC, the Canada Mortgage and Housing Corporation. It is a loan program for rental housing, specifically. It's very successful across the country, with, effectively, tens of billions of dollars invested in rental housing. As you said, it's been helpful in driving average rents down—having all this new rental housing built. We did not build enough rental housing for a generation or more.

I can get you an update on the stats.

I don't know, Paul, if you have any updated stats on what the ACLP is delivering right now in Quebec.

We can follow up with that information so you can know this specifically for your riding and province.

Louis Villeneuve: Thank you.

[*Translation*]

The Chair: You have 15 seconds left.

Louis Villeneuve: I'm done. Thank you.

The Chair: We now go to Ms. Larouche for two and a half minutes.

Andréanne Larouche: Thank you, Mr. Chair.

Minister, community groups are stretched to the limit, but on top of that, the mayors of some small municipalities are wondering whether they'll see their share of the Build Canada Homes funding.

As we know, Quebec has its own housing tools, so why does Ottawa keep creating programs and imposing its own criteria, instead of transferring more money to Quebec in a manner that's predictable? From Racine to Sainte-Cécile-de-Milton, people have raised concerns, because they worry they won't get their share of program funding.

I have another question, so I'd appreciate it if you could keep your answer to 30 seconds, if possible.

Hon. Gregor Robertson: Thank you for your question.

[English]

We now have agreements in place with Quebec, as I just mentioned, on housing infrastructure funding that flows through Quebec and with Build Canada Homes. In both cases, we work collaboratively with Quebec. The funding is transferred very directly.

Basically, the collaboration table works together to decide on the projects to invest in. We, as the federal government, can bring forward our suggestions based on what we hear from mayors and local governments. It's the same thing with Quebec. They bring forward projects based on what they're hearing from local governments.

[Translation]

Andréanne Larouche: During the constituency weeks, I also met with seniors' groups who told me that seniors too are struggling to find housing right now. They said homelessness is on the rise among seniors. Young people are also struggling to find housing and buy their first home. In short, several generations are affected.

In the 2026-27 main estimates, financing for housing has gone up, but assistance for housing needs has gone down. Why did you reduce support that goes directly to those most vulnerable?

My last question is this: What percentage of federal housing investments is actually going to community and non-profit housing versus the private market?

Hon. Gregor Robertson: Thank you for your question.

[English]

We have a huge focus on community housing through Build Canada Homes. Right now, I think, the majority of the proposals coming through to Build Canada Homes are from community builders. There's been an enormous increase in the capacity of community builders across the country.

We are certainly seeing that in Quebec. When I was in Quebec a few weeks ago, announcing projects from the agreement with Quebec, several of those projects locally were going to be delivered by community builders. Several were also targeted for vulnerable populations and seniors.

It is definitely at the core of the work that Build Canada Homes is doing. There's alignment between Canada and Quebec on making sure that we focus on that deeper affordability and the most vulnerable people we can support with housing projects. In many cases, these projects have been delayed. Maybe in the past there was too much risk, but Build Canada Homes is focusing on delivering those.

• (1635)

[Translation]

The Chair: Thank you, Ms. Larouche.

[English]

We'll go to Mr. Gunn for five minutes.

Aaron Gunn (North Island—Powell River, CPC): Thank you, Chair.

Minister, do you believe that the right to private property is a fundamental human right?

Hon. Gregor Robertson: Through the chair, first and foremost, I do believe that housing is a human right, and here in Canada, private property has been protected for generations. This topic has come up a lot in recent months.

Aaron Gunn: It has, especially in British Columbia, as I'm sure you know.

Do you believe that aboriginal title should and can exist on top of or in conjunction with the existing fee simple title of individual homeowners?

Hon. Gregor Robertson: I think we've seen no challenge to private property as a result of aboriginal rights and title to date, and there's been a lot of fearmongering lately that is saying there is a problem—

Aaron Gunn: Minister, do you believe that aboriginal title should and can exist in conjunction with the fee simple title of individual homeowners?

Hon. Gregor Robertson: They have coexisted to date here in Canada without issue in recent generations.

Aaron Gunn: They have coexisted, aboriginal title and...so on what basis are you appealing the Cowichan decision, then?

Hon. Gregor Robertson: Through the chair, I am not appealing the Cowichan decision personally. The Government of Canada is appealing, alongside the Province of B.C., the City of Richmond and several first nations—

Aaron Gunn: Was that not part of—

Hon. Gregor Robertson: —because of the decision that was made.

Aaron Gunn: Was part of the decision that led to the appeal not the fact that the judge ruled that aboriginal title is existing in conjunction with fee simple title on the private property of homeowners?

Hon. Gregor Robertson: Through the chair, to be very clear, I'm here to talk about the budget estimates for the housing, infrastructure and communities department—

Aaron Gunn: It's a simple question, Minister. I'm trying to get—

Hon. Gregor Robertson: —and you're talking about a legal question, which should be addressed to the Minister of Justice, first and foremost, as Canada's authority on this.

[Translation]

Natilien Joseph: I have a point of order, Mr. Chair. The member's comments are off topic.

[English]

The Chair: Thank you.

Mr. Gunn, there is a subject matter before the committee. I give quite a bit of latitude, but could we stick to the main estimates?

Aaron Gunn: You have “build more Canadian homes” on your laptop, Minister. Do you acknowledge that the Cowichan decision has created uncertainty for homeowners in B.C.?

Hon. Gregor Robertson: Through the chair, I think the uncertainty is being whipped up by some of the members around this committee table and their party—

Aaron Gunn: Do you believe it's unjustified uncertainty?

Hon. Gregor Robertson: I think it is unjustified, given that there has been no conflict to date with respect to private property created by agreements with indigenous nations.

Aaron Gunn: Why are you appealing the Cowichan decision if it's not a big deal?

Hon. Gregor Robertson: Again, through the chair, I am not appealing the Cowichan decision—

Aaron Gunn: Why is your government appealing the Cowichan decision?

Hon. Gregor Robertson: The Government of Canada is appealing. You can ask the Minister of Justice if you want the rationale. It is well documented in the courts.

Aaron Gunn: Okay. That's fine. You believe that on the appeal, it doesn't really matter whether we win or lose, as far as it concerns individual homeowners. You believe there's no threat to their private property, to their title, irrespective of what happens on the appeal.

Hon. Gregor Robertson: Through the chair, we're here to talk about budget estimates for my Department of Housing and Infrastructure—

Aaron Gunn: We're talking about housing.

Hon. Gregor Robertson: —and I think what is beneficial for all Canadians is clarity on the decision that was made by the B.C. Supreme Court. That is what is being sought in terms of the appeal—

Aaron Gunn: Okay. You're just looking for clarity, then.

Hon. Gregor Robertson: —rather than misinformation and fearmongering, which is very—

Aaron Gunn: I asked you for clarity on whether you believed that aboriginal title should coexist with fee simple title. It would be nice to get clarity from you, Minister, about your government's position on that. I understood that this was the reason you were appealing the Cowichan ruling. On the one hand, you stand up and make—

• (1640)

Marilyn Gladu (Sarnia—Lambton—Bkejwanong, Lib.): I have a point of order.

The Chair: Please state your point of order.

Marilyn Gladu: Chair, the minister has been clear that he is not appealing and that the Government of Canada is appealing.

Thank you.

The Chair: Thank you. That's correct.

Go ahead, Mr. Gunn.

Aaron Gunn: We asked for clarity. I would love some clarity myself.

Is there a particular reason that, in subsequent agreements with first nations, including the Musqueam agreement in Vancouver, you did not enshrine explicit protections for private property owners?

Hon. Gregor Robertson: It's my understanding that the Musqueam agreement has nothing to do with rights and title, and it certainly has nothing to do with housing and infrastructure.

Aaron Gunn: There is certainly nothing in there about private property. That was the point I was making.

Minister, there's a bit of confusion about the reason your government is appealing the decision, of course. Do you acknowledge that, if you create uncertainty around private property and fee simple title, you can undermine the property value of individual homeowners?

Hon. Gregor Robertson: As stated by the Minister of Justice, the reason the Government of Canada is appealing is to get clarity with respect to the B.C. Supreme Court ruling. The government disagrees with the ruling.

I will say that many of us disagree with the uncertainty being whipped up by the member and some of his colleagues, who are trying to turn this into a very difficult situation, when we need clarity from the courts.

The Chair: Thank you. That concludes the time.

Ms. Harrison, you have five minutes.

Emma Harrison (Peterborough, Lib.): Thank you, Minister, for being here. I commend your patience in these situations.

I'm new to this committee, and this is my first opportunity to ask questions. I am delighted to do so because this is a topic I hear about consistently from my constituents in the riding of Peterborough. They cheer our government's commitment to addressing homelessness and getting our fellow citizens a safe place to call home.

Could you elaborate on the work our government is doing to address this issue?

Hon. Gregor Robertson: Which issue? On homelessness specifically, Reaching Home is our primary activity around tackling and preventing homelessness. Reaching Home has a number of different elements.

The unsheltered homelessness and encampments initiative is a component that has been renewed for this year. It is focused on solutions related to encampments and getting people into shelters and housing.

Reaching Home has a number of prevention-related supports, and 200,000 people have been supported by Reaching Home so that they don't become homeless. This program has housed 110,000-plus people. This works through organizations at the community level. It works with the provinces, territories and cities in an integrated way.

Ultimately, community organizations are delivering support for those trying to find housing or those needing support on the street, literally. Outreach workers are supported by this, in many cases, in different communities.

The solution side—and I spoke to this earlier—is about supportive and transitional housing. We have an initial \$1 billion at Build Canada Homes. As part of this work, we have several thousand homes being built in communities across the country, and we want to see many more.

We are relying on the provinces to step up with the health funding and the wraparound supports needed to stabilize people in supportive and transitional housing. This is a piece we do in partnership with the provinces. We're pushing hard for more of those partnerships to get more housing built as soon as possible and to get people living in it.

Emma Harrison: You mentioned that the Reaching Home program will be ending in 2028, or it will be continuing in a different iteration, with engagement this summer. Could you elaborate on what the engagement will entail for the national housing strategy?

Hon. Gregor Robertson: As the national housing strategy approaches its closure, we're talking about its renewal this summer. We want to be ahead of the curve to make sure everyone working on delivering housing solutions and supporting work on homelessness... We want to make sure we send a signal early about how these programs are continuing and how they're scaling up, wherever we are able to do that.

We will be meeting with all partners involved—basically, the levels of government and the community organizations working on the ground—to deliver that support. This is for Reaching Home in particular, but it is also for the other programs that are part of the national housing strategy. We want to make sure we're learning from the past decade, almost, of work. We're making the best decisions going forward and taking into account the current challenges in the housing market. Things have changed over the years.

At the centre of this, now, we have Build Canada Homes as an agency dedicated to affordable housing and working with community builders and the private sector to build affordable housing. The other components of the national housing strategy can wrap around that to make sure we have a comprehensive approach to making housing more affordable.

• (1645)

Emma Harrison: The Canada Infrastructure Bank has been helping support green energy projects across the country.

Could you highlight some of that work and how important it is for our government to be a partner in attracting these investments?

Hon. Gregor Robertson: Thank you for the question.

The Canada Infrastructure Bank has clean power as one of its key elements for investment. There are now 27 clean power projects that have been funded by the Canada Infrastructure Bank out of 108 projects total. Over \$18 billion has been invested by the Canada Infrastructure Bank. The total capital value of those projects is almost \$55 billion. They have attracted significant private and institutional capital. Over \$25 billion in private and institutional capital has been leveraged by that public investment, which is paid back.

The Canada Infrastructure Bank is delivering many projects. Most of those are still under construction. About 10% are now complete, after the past few years of financing and construction, but we're seeing projects start to be completed. Many more are coming, as the transition to clean electricity, in particular, is booming.

The Chair: Thank you, Ms. Harrison.

Minister, I rarely use my prerogative as chair, but I have a question.

I ask if you could elaborate on this: You referenced “unsheltered homelessness and encampments”. I just began the process of working with a community group in the largest community in my riding on this very issue. The province has been co-operating as well.

What opportunity would we have there?

Hon. Gregor Robertson: The unsheltered homelessness and encampments initiative was a two-year program that ended in March. The government has now extended it for another year, so there is more funding available to the groups doing the work on the ground. We've seen really good results from the work done by those groups, bringing stability and helping people find housing.

As I mentioned, we have to continue to build the housing that works for people coming off the street or out of encampments. Shelters are not always the best solution, so transitional and supportive housing is a key investment. There is more funding available for the year ahead, through the UHEI.

The Chair: Okay.

Hon. Gregor Robertson: You can follow up with me for more info.

The Chair: Thank you, Minister. It piqued my attention when you referenced it.

This concludes the rounds of questions.

Before we move on, I need to put the following question to the committee.

Shall vote 1, under the Canada Mortgage and Housing Corporation, less the amount of \$1,532,929,841.75 granted in the interim supply, carry?

CANADA MORTGAGE AND HOUSING CORPORATION

Vote 1—Reimbursement under the provisions of the National Housing Act and the Canada Mortgage and Housing Corporation Act.....\$6,128,083,371

(Vote 1 agreed to on division)

The Chair: Shall I report these votes on the main estimates to the House, less the amount voted in interim supply, or would members rather wait until after Thursday's meeting?

Some hon. members: Report them to the House.

The Chair: Okay.

Thank you to the minister and officials for appearing.

We'll suspend while we transition to the next hour.

• (1650) _____ (Pause) _____

• (1655)

The Chair: I call the meeting back to order.

For those newly joining us, I will review a couple of points.

You have the option to participate in this meeting in the official language of your choice. For those in the room, please select a channel on the headset to get the language in which you will participate. For those appearing virtually, please click on the globe icon at the bottom of your Surface and choose the official language you wish to participate in. If there's an issue with the interpretation, please get my attention. We'll suspend while it's being corrected.

The witnesses appearing virtually have been sound tested in both languages and cleared to participate.

Please direct all questions through me, the chair.

I would like to welcome our three witnesses for this panel.

From the Real Property Association of Canada, appearing in person, we have Michael Brooks, chief executive officer. From the Toronto Community Housing Corporation, we have Sean Baird, president and chief executive officer. From Wesgroup Properties, we have Brad Jones, chief development officer. The latter two are appearing virtually.

Each witness has up to five minutes for their opening statement.

We will begin with Mr. Brooks, who is in the room. You have five minutes.

Michael Brooks (Chief Executive Officer, Real Property Association of Canada): Thank you.

REALPAC: Who are we? We're a 55-year-old trade association representing institutional real estate owners, almost every pension fund in Canada, every major TSX-listed real estate REIT and real estate operating company, all the banks and all the lifecos through the lending group. Just call it institutional real estate, generally income-producing real estate, and all asset classes, including multi-family. Our members would own probably a quarter of a million residential units, coast to coast, as long-term holders and investors.

Today you're focused on housing starts in relation to federal housing programs. I want to take a moment for definitions and on what the forward-looking definition ought to be as opposed to housing starts. For those of you who were here when Mr. Moffat spoke, I think he went through a technical definition of what a housing start is. What I would say about housing starts generally is that they're a trailing indicator of economic activity. A housing start represents a decision made two, four or five years ago based on a budget that the developer hoped would come to fruition. When you think about purpose-built rental, how could that be a risky proposition? It's risky because the costs change between the time you commit to the project and the time it's available for rent-up to an end-user.

Headline starts can look healthier than the future pipeline. If you really wanted to have a forward-looking indicator, you would look at sales of new for-sale housing and you would look at commitments to build purpose-built rental, probably through CMHC loan programs. If you look at that data now—I would commend a more recent BMO economics report on this—there are so many purpose-built rental projects under way that we arguably have a bit of an oversupply. We will have a bigger oversupply if we keep the current immigration levels in the years to follow. BMO says there are 180,000 units coming with purpose-built rental projects under construction in this country.

Urbanation says that the vacancy rate in Toronto, the GTHA, is around 5%. The availability rate is around 8%. Economists think the equilibrium rate for purpose-built rental is between 3% and 5%. That's the number at which both sides have choice. We'll have rental units that are vacant, and we'll have perhaps even more aggressive pricing, usually in terms of rent-free periods, as the owners of these apartment buildings hunt for new tenants for these buildings. While the spring economic update announced some increased funding for purpose-built rental loan programs, I'm speculating that some of it might go unused because the demand will wane.

I'm already reading a headline from Nova Scotia that Killam properties says they're not building any more projects. Why? It's because the economics don't work. If you have rents falling, there are rent-free periods that you have to give and the project economics don't then make sense, particularly given the risks, why would you proceed? That's the rental market situation I think we're coming to.

What's happened in our industry is a bit of an immigration whip-saw. Three years ago, we had somewhere between 1.3 million and two million immigrants. That includes temporary foreign workers and students. I've seen both numbers. It's somewhere in between. Rent spiked, as we all know. We had some projections of how much new supply we would need in both for-sale housing and for-rent housing at that time, but again, quoting a more recent BMO economics report, we are now into a net-negative immigration scenario in this country.

How can we be net negative? Well, it's because the international students have to leave and we've cut back on temporary foreign workers. It's easy to see, when you have net-negative immigration, where the renters are.

- (1700)

They're not here, and that's why you're seeing a lot more rent-free periods. We need immigration to be part of the discussion on housing, and it has to be normalized.

Finally, I would talk about demand-side stimulus, the GST rebates. They're very useful, but it's too early to say whether they'll be successful, particularly given that the extra GST rebate ends in March.

I look forward to your questions.

The Chair: Thank you, Mr. Brooks. You'll be able to expand on some of your points in the question round.

We'll now go to Mr. Baird for five minutes.

Sean Baird (President and Chief Executive Officer, Toronto Community Housing Corporation): Thank you, Chair and members of this committee, for the invitation to appear.

My name is Sean Baird. I'm the president and CEO of Toronto Community Housing Corporation.

TCHC is Canada's largest public housing provider and one of the country's most significant public builders of deeply affordable housing. TCHC is home to more than 100,000 people living in 60,000 homes throughout Toronto.

Our portfolio is a \$20-billion public asset that was built over decades with federal and municipal investment, and it represents a major portion of Canada's deeply affordable housing supply.

Since 2019, TCHC has accessed nearly \$100 million in federal funding through CMHC's affordable housing fund, and we have built more than 10,000 homes in recent history.

We are not only a housing provider; we're a fully integrated solution to the housing crisis, with the ability to repair, manage and build affordable housing at scales unmatched in Canada. That capacity matters, because the issue before us is not only how much housing Canada can build but also whether we can maintain and preserve what we already have.

I want to acknowledge the framing of this study. Housing starts in relation to federal programs is the right question, but if we focus only on housing starts, we risk missing the most urgent housing crisis in the country today: the loss of deeply affordable housing that already exists.

At Toronto Community Housing Corporation, without renewed investment, our capital repair backlog is projected to reach \$4.7 billion by 2034. The share of our units that are in critical condition would rise from 4% to 54% over the next decade, leading to 30,000 homes in disrepair. Even a historic surge in new housing construction starts would struggle to replace that loss.

We have solved this problem once before. In 2019, the federal government committed \$1.34 billion in funding under the national housing strategy, and together we reset the life cycle of thousands of homes to newbuild levels. This history is true for most other affordable housing providers across Canada as well.

Prevention is far more cost-effective than rebuilding, and every unit we lose is one we will struggle to replace in the future. At today's cost, replacing a deeply affordable unit requires significant upfront public capital and generates no capacity to service debt.

This brings me to my second point: Deeply affordable housing cannot be financed exclusively through loans.

This is not primarily about interest rates; it's about economics. A household that is paying rent geared to income at 30% of a modest income simply does not generate the returns required to repay a housing loan. Even highly favourable financing cannot bridge that gap.

Federal loan-based programs are effective for market housing and moderate-income housing, but they do not produce housing for the lowest-income Canadians at a rent-geared-to-income level. Only capital grants and direct contributions can do that, and we welcome the focus of Build Canada Homes on deeply affordable housing supply.

We see this in practice all the time. Even on publicly owned land and with municipal support and preferential financing, deeply affordable housing projects still require substantial upfront government investment. Without it, they simply cannot proceed.

This matters at a system level. Canada's social housing stock represents approximately 3% to 4% of total housing in the country. In other OECD countries, the average is closer to 7%, so we're just over half of that average. We're not close to that, and we're not currently on track to close that gap.

My recommendations are relatively straightforward.

First, renew and expand federal capital funding for the repair and preservation of existing public housing, with a clear commitment well beyond 2027.

Second, establish a dedicated deeply affordable housing stream within federal programs, structured explicitly as capital grants, not just loans.

Third, measure success not only by housing starts but also by units preserved, by depth of affordability and by the number of Canadians paying no more than 30% of their income for housing. Show the full measure of the positive impact we can have on Canadians.

When deeply affordable housing is lost, pressures increase across health care, shelters and social services. Labour mobility declines and employers struggle to find workers. Public costs rise, often far beyond what would have been the cost to provide the housing in the first place.

Housing starts matter, but so does maintaining the housing that we have. Together we can preserve those homes, protect those households and avoid much larger social and economic costs in the future.

Thank you. I look forward to your questions.

• (1705)

The Chair: Thank you, Mr. Baird.

We'll now go to Mr. Jones for five minutes.

Brad Jones (Chief Development Officer, Wesgroup Properties): Thank you, Mr. Chair and members of the committee, for the opportunity to appear today.

My name is Brad Jones, and I'm the chief development officer at Wesgroup Properties, which is located in Vancouver, British Columbia.

Wesgroup is one of Canada's largest privately held real estate organizations and has delivered over 10,000 homes, along with commercial space, across metro Vancouver.

I'd like to speak about a nuanced issue that has become increasingly important in Canada's housing response: the timing of how housing starts are measured and how it impacts policy decisions on housing.

When housing start data, as currently defined, is used as real-time data, it leads to misinformed policy action or inaction. The CMHC considers low-rise construction to have started when the foundation has been poured, such as for a single-family home or a townhouse project. For larger apartment projects with underground parking, it is not recorded until the concrete structure reaches grade. In modern urban apartment construction, that can occur 12 to 24 months after construction activity has begun.

On a real project we've been working on at Wesgroup, sales took place in 2022. Excavation took place in 2023, and the concrete foundation at the bottom of the excavation began in 2024. However, it wasn't until January 2025, when the structure reached grade, that it showed up as a housing start in CMHC data. In practical terms, that activity had been under way for over 18 months before it counted as a housing start.

As our housing supply in Canada has shifted towards urban high-rise construction, the issues become more noticeable in large region statistics. The concern is that delaying this reporting moves construction activity from prior years into today's numbers, creating a misleading picture of current market conditions. These housing start statistics have been used widely by government, economists and the media to assess the health of the housing market and broader economic activity. Whether or not this is the intent of the statistic, this is how it's being used, and it needs to be addressed in the way that it's being used.

Federal housing targets are evaluated using these figures. Ministers have cited them publicly. Economists use them as signals of strength. Provincial and municipal governments rely on these statistics when assessing housing policy change. If apartment projects are only recorded 12 to 24 months after construction begins, policymakers are responding to outdated conditions.

In metro Vancouver, after adjusting for the differences in private sector tracking methodologies, our findings show that CMHC housing starts in 2025 exceeded actual market activity by more than 5,000 units, which is roughly 24%. I'll put that into perspective. British Columbia recorded 44,000 housing starts in 2025. This issue alone in metro Vancouver represents 12% of housing starts in B.C. This is a significant data gap and leads to many local government officials delaying action—stating we have not seen a decline in housing starts—when considering adjusting policy.

There are broader implications as well. The mistimed data means that \$2 billion in economic activity in metro Vancouver and roughly 10,000 jobs are linked to those housing starts, which actually occurred in 2023 and 2024. This is not an accusation that CMHC is reporting inaccurate data intentionally. The issue is methodological timing. It is a combination of the increasing use of the data to measure the real-time health of the housing market and the methodology's no longer reflecting how large urban construction projects occur in Canada's large cities. This should be reviewed and modernized to determine that housing starts actually start at building permit issuance or excavation start to better align with the real economic activity taking place. We cannot effectively manage a housing crisis using data that reflects where the market was 12 to 24 months ago rather than where it stands today.

Thank you very much.

• (1710)

The Chair: Thank you, Mr. Jones.

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

Scott Aitchison: Thank you, Mr. Chair.

Thank you to all the witnesses who are appearing today. It's great to hear from you all.

I'd like to focus initially on the comments of Mr. Brooks.

Mr. Brooks, you were talking about the number of rental units that have been constructed in Canada and how that number went up significantly. However, at the same time, the government made changes to immigration, so that has affected demand, which means that—I'm assuming—the rate for the rental of these units is starting to come down a bit. Is that fair?

Michael Brooks: That is fair.

Scott Aitchison: Okay.

You also indicated, though, that as a result, the math doesn't work on new projects anymore, and a number of institutional builders of rentals have decided not to build because the math simply doesn't work. A lot of inputs go into constructing purpose-built rentals. What are the key inputs that are still too expensive to make the math work?

Michael Brooks: Let's start with the development charge issue, which we've all brought up over the past several years.

It's heartening to see some efforts to reduce the development charges in Ontario. I think the builders in Ontario are waiting to see exactly what that will look like and how it's going to be implemented. In some ways, it may be freezing current development as people

wait to see what the deal is. The City of Toronto and the 905 municipalities have the highest development charges in Canada. That would be one area.

Construction costs have definitely come down a little, according to some general contractors we've talked to and some of our members. Some of our members are going to proceed anyway, even though the returns are fairly skinny on certain projects.

Those would be two key areas to focus on.

There's also the risk piece. What's the risk that immigration stays low for a longer period of time and more people leave the country, such as temporary foreign workers and students? There's your demand. When do we get to an equilibrium on demand, in which you can count on people being interested in renting an apartment?

• (1715)

Scott Aitchison: This may be an incredibly unfair question, but how many rentals would we require in a healthy housing continuum if in fact we believe that rentals are often a stepping stone to home ownership one day?

Michael Brooks: Enough rentals so that the vacancy rate is between 3% and 5% would tell you that there's a balance between supply and demand. That's an average, of course, and every market will have a different dynamic. To me, that's the goal.

Now, if we ramp up immigration again, we're going to have to either drastically increase supply or hope that the supply that's coming on will soak up the increased immigration.

Scott Aitchison: It's safe to say, then, that we need demand, but we need to manage it responsibly so that we can absorb—

Michael Brooks: What's coming....

Scott Aitchison: —the demand.

You spoke specifically about development charges and some of the other measures that certainly the provincial government in Ontario is taking to reduce the government burden in costs on the construction of new homes. I'm assuming that it's just as it is for somebody who's about to buy a home, a new home, for example. Some measure of confidence in the market is required for that new home-buyer. I would assume that a significant measure of confidence is required for a builder to spend the tens of millions of dollars to build a purpose-built rental.

Is there a disconnect right now between government announcements and action and the reality of the things that are happening?

There have been announcements about cutting the GST on new homes. There's been an announcement about cutting development charges in half. We still don't know how that will happen. For the GST, they say it will be retroactive back to April 1, but there seems to be some uncertainty amongst the people who are looking at buying new homes about how that will happen, and they're not prepared to take that risk. That uncertainty exists in the homes for sale market. Is it impacting the rental construction business as well?

Michael Brooks: Yes, it is for sure. The boardrooms of our member companies are focused on the budget for a new project and what the risk factors are.

We've talked about the GST. That will apply to new homes. We've talked about development charges, which will apply to rental properties, and what they look like, as well as the interest rates. Will interest rates be going back up? What's my CMHC loan going to cost me a year or two from now?

What's the cost of equity? When I go out to find some investors, what's the return they want opposite alternatives in Canada and other asset classes? Retail is looking pretty good right now. Will they be taking their money to the U.S. or elsewhere in the world? The relative cost of equity is also a relevant issue. There's oil shock: What's that going to do to my supply chain?

There are a number of risk issues that they're taking into account.

Scott Aitchison: I'll ask this quickly, because I'm literally out of time.

Such a thing as cutting or rebating the GST on new homes—I realize that's different from rentals—for only one year strikes me as.... The government describes this as a way to kick-start things, but it takes longer than a year to build a lot of these things.

If taxes are too high, they're too high, are they not?

Michael Brooks: We have the new home program going until, I believe, the end of March 2030 for first-time homebuyers. We have the supplemental GST piece that applies to all new homes; it goes until, I believe, March 7, 2027. That's a really short one. It's one year. Is that going to stimulate the market, or has it been counteracted by the prospect of higher interest rates? I don't know the answer. It's too early to tell, frankly.

What I would love to see is a much longer timeline on the additional GST cut, if the government can afford it. I've asked the minister.

Why don't I cut my answer really short? I asked, "How about a 50% off deal?" Right now, if there are no housing sales, you're getting zero, but if you have a 50% off sale, would that stimulate the buyers and the supply?

• (1720)

Scott Aitchison: Thank you.

The Chair: Thank you.

[*Translation*]

We now go to Ms. Desrochers for six minutes.

Caroline Desrochers (Trois-Rivières, Lib.): Thank you, Mr. Chair.

Thank you to the witnesses for being with us today.

[*English*]

I can move to English.

It's very interesting. We're doing a housing starts study, yet all three of you are telling us today that the measure of housing starts is not serving us well in terms of designing policies. I'd love to hear a bit more on that.

Before we do that, it's definitely timely that we're here, because we are about to begin our consultations on renewing our national housing strategy. Mr. Brooks referred to some of the programs that were part of that, which were very effective in increasing the housing stock across Canada.

Before we get to my question on housing starts and what would be a better indicator or how we could look at this better when we're looking at the national housing strategy, I'd say that the goal of Build Canada Homes is to build more affordable housing. Right now, the affordable housing stock in Canada is 4%. I take your point about immigration levels. Will demand meet supply right now? In many municipalities, including in my own riding, the vacancy rate is about 1.2% or 1.3%. It was 0.8% about two years ago. Some of the investments we've made have really helped with that.

We want to double the amount of affordable housing. We think it's important that people have a place they can afford and that fits their needs. We don't think about it as a government handout. It's important that we do that. There will be many options, not just that option.

I have two questions. For the sake of time, I'll ask my two questions and all three of you can have a go at them.

If we're not doing housing starts correctly—and I take your point that we're building more and more high-rises—what would be a better way of capturing what's happening in the market?

The second piece is on the incentives. Sure, we can continue to increase our transfers to the provinces, but if they're not meeting us and reducing the obstacles to building faster and more efficiently, then we're just going to keep transferring.

I'd like to hear from all three of you on these, if time permits.

Maybe we can start in the room with Mr. Brooks.

Michael Brooks: As I've said, a better indicator for policy choices would be sales. They are much more current, as Brad mentioned on the virtual call, as well as relevant to what's happening in the market today; they do not focus on three years ago. When sales fall off a cliff as they did in the GTHA 12 to 18 months ago, we would know that. We would be able to say, "Hang on a second. Maybe we should jump to both GST rebates—as opposed to doing one, waiting for the screaming to subside and then doing the second one."

I lost track at 30 receiverships in condo projects across Canada. There are probably 40 or 50, and there are a lot more we haven't heard about. A lot of labour has left. One of my major general contractors, whose name you would all know in Canada, said we used to be eighty-twenty, with 80% private sector business and 20% public sector business. Now we're ninety-ten. Ninety is public sector business, hospitals and that kind of stuff. It goes to show you how much construction activity has dropped and how much is left.

The second point is the incentives piece. When we did the national housing accord with Smart Prosperity and CAEH in 2023, we focused on the entire continuum.

I'm a big supporter of the need for government engagement in affordable housing. We need Reaching Home. We need a lot more money. We need to understand that there are trade-offs here. We have a deficit, and you have to decide where the next dollar is going. There are so many needed things, but we definitely need to spend more money on affordable housing. My colleague at TCHC has made really good points about how it has to be equity. It has to be unconditional funding.

• (1725)

Caroline Desrochers: Thank you.

Perhaps, Mr. Jones, we can start with you. We have about a minute left between the two of you.

Brad Jones: Thank you.

To build on what Mr. Brooks said about housing starts, it's probably tracking a number of measures. It's tracking sales. As he mentioned, it would have been quite visible over a year ago that sales and pre-sales of new housing are off 90-plus per cent in Toronto and Vancouver. Then it's tracking excavation start, the actual start of construction activity, as well. Would you see projects get cancelled or fall off the stats? Yes, maybe you would, but that's an important data indicator as well.

On incentives, the active conversation about GST right now is really important for new housing. I would suggest that while federal intervention in rental housing had incredible impacts, with the share of rental housing construction as a percentage of all new homes the highest it's been in probably the lifetimes of most people participating in this meeting, we lost track of for-sale and ownership housing. The GST thresholds have not been updated since 1991, and the price of homes sure has changed a lot since 1991.

Moving on to infrastructure, which has been a focus of this government, municipal taxes were never designed to handle this type of growth pressure on key urban centres. The metro Vancouver region and the GTA attract roughly 40% of the immigration into Canada on an annual basis at a minimum. Their tax structures were never designed to respond to that type of infrastructure demand, so they're using the tools they have, such as putting it on the back of new housing.

[*Translation*]

The Chair: Thank you, Ms. Desrochers.

Now it's over to Ms. Larouche for six minutes.

Andréanne Larouche: Thank you, Mr. Chair.

Thank you to the witnesses, Mr. Brooks, Mr. Jones and Mr. Baird, for being with us today for this important study on housing starts.

It was a prominent theme during my two constituency weeks, when I was out in the community.

It all started two weeks ago today with the screening of the documentary *Les héros, les zéros... et les incognitos: Vieillir dans l'ombre*, put on by the Association québécoise de défense des droits des personnes retraitées et préretraitées de Granby. At its core, the documentary is about ageism against seniors, but the Granby seniors' rights group actually talked a lot about its desire to stop the modification of housing.

After that, I went to a meeting in Valcourt, where the housing challenges of seniors sparked just as much discussion. Concerns were even raised about a housing co-op, where people pay just 75% of the regular rent. For the first time in recent weeks and months, people weren't able to pay their rent on time. Seniors can no longer afford the rent in a housing co-op for seniors.

I also heard about a young woman looking for a place to live with her mother. Both of them have health issues. They can't find a place to live, so they're currently staying with an uncle in substandard housing conditions, which neither you nor I would want to live in.

Housing is a matter of human dignity. That's the overarching theme of the two break weeks I've just spent in my constituency.

I'll start with you, Mr. Jones.

What citizens in many cities are saying is that they feel most new housing projects are to build high-end housing. How do we make sure that public funding also helps middle-class and more vulnerable people?

• (1730)

[English]

Brad Jones: Thank you for your question.

To clarify, are you speaking about government-funded housing in particular or the market more broadly?

[Translation]

Andréanne Larouche: On the whole, what can we do to address the feeling people have that most new housing projects are to build high-end housing? I hear that a lot when I'm out in the community.

From your organization's standpoint, what can we do to address that feeling people have, which is more than just a feeling? We want to make sure that public money is also being used to meet the housing needs of those in the middle class.

[English]

Brad Jones: Thank you for clarifying.

I believe it's a combination of factors.

The first one is this: Compare it with housing that was built, let's say, in the 1970s, 1980s or before—which, in most large cities, is predominantly the affordable stock. The code under which we build today is so different now. Municipal policies often have requirements for indoor and outdoor amenity space, as well as sustainability requirements. We're building far more expensive buildings than those built at that time, suited to today's conditions.

Part of it, as well, is that, for these projects to achieve targeted returns in order to attract capital or equity investment, they need to be viable and cover the costs of building that housing. You end up in a place in which—I'm speaking predominantly about large urban centres in Canada—you have a rental rate of, say, five dollars a square foot, which is quite high for the average middle-class family. Those renters are probably also able to get into the condo market. The difference between renting and being in the condo market is just the down payment.

There is also an escalation of quality expectations in urban housing, because you are sacrificing. You have a bit less space, so you're looking for a more highly amenitized lifestyle in these buildings.

[Translation]

Andréanne Larouche: I'm going to ask you to keep your answer brief, because I have questions for other witnesses.

The Bloc Québécois has called for more support for community and co-op housing. In your view, how can that type of housing complement the housing available through the private sector?

Please keep your answer to 30 seconds. I'd like to keep the last minute for more questions.

[English]

Brad Jones: The private sector builds 95% of all housing in Canada. If you look at the stats on the ACLP or MLI, for example, that is the private sector collaborating with public investment to deliver rental housing in this country on a scale that it hasn't been delivered on in decades. Paired with that, it delivers housing at high levels of sustainability, as required by the program.

It is leveraging private capital and risk-taking to deliver affordable and below-market housing.

[Translation]

Andréanne Larouche: Thank you very much.

Mr. Baird, I'm going to ask you a quick question, and I'd like you to answer in 30 seconds.

Since the cost of living began to rise, what have you seen in terms of how homelessness, evictions and housing insecurity are affecting the demand for housing?

[English]

Sean Baird: Daily at the TCHC we see both of those issues affecting tenants within our communities. The cost of living crisis is also affecting many people within our communities. If you want to have an impact on moderate-income and low-income Canadians, it's doubly important that government is properly incenting folks to build in ways that support rent geared to income and homes that are attainable by low-income earners within Canada.

You mentioned seniors. Almost 40% of our tenants are seniors, and over 40% are living with a disability. Those are folks who struggle to find opportunities within market-based housing, which underscores the importance of continued investment in social and community housing.

• (1735)

[Translation]

The Chair: Thank you, Ms. Larouche.

[English]

Mr. Reynolds, you have five minutes.

Colin Reynolds: Thank you, Mr. Chair.

Thank you, witnesses, for coming here today. I really appreciate your taking the time.

My first question is for Mr. Jones.

There's a lot of discussion about an undersupply of homes, but then we also have a lot of witnesses saying that we now have an oversupply of homes. Do we have an oversupply or an undersupply? I'm looking for your opinion on that.

Brad Jones: That is a great question. Unfortunately, the answer is both. What we're seeing right now is the reaction to record-breaking immigration levels for a period of time, nearly shutting that off completely and then, as another speaker said, moving to potentially negative population growth. What we're seeing right now is that, in the short term, we have an oversupply of homes in certain areas, in certain urban regions, as a result of that massive immigration drive and then targeted programs to deliver rental housing.

Over the longer period of time, I'm quite concerned about an undersupply of homes when we see the condo market being down 90-plus per cent in new home sales and projecting British Columbia going from 44,000 housing starts to maybe 20,000 or 25,000 housing starts. We cannot catch up and redeliver that baseline level of housing in future years.

Colin Reynolds: Thank you.

You were talking about measuring housing starts. Currently, the CMHC considers a start at the point of getting above grade.

I've personally seen projects get to the point at which a hole has been dug and a foundation has been started, but then funding collapses, the contractors run out of money or the client runs out of money. What, in your opinion, would be an accurate measure for housing starts? When it's coming up out of the ground, it's well under way, but that's not an accurate measure. In your opinion, what would be a good way to measure starts?

Brad Jones: I believe we need to go from one tool to a few different tools. To me, it would be a combination of things. Number one would be tracking pre-sales of new apartment projects, and number two would be tracking rental projects. If CMHC is 80-plus per cent of the new rental financing market, that's a great place to track those stats of what's intended to move forward. Then it would be tracking excavations—what is getting into the ground—and then, I would say, tracking completion. You would end up seeing those projects that stop fall off, but that's a valuable part of the data. If there's a project that stops halfway through, something was fundamentally wrong with those economics.

Colin Reynolds: In one of your answers, you talked about building codes. I've been a construction electrician for 20 years, and I've worked on many projects, including high-rise and residential construction.

Are changes to building codes adding significant cost for the end-users and purchasers of residential homes?

Brad Jones: Yes, the changes to building codes are significant as they move from the national building code into the provincial codes and then, in a few examples across the country, into municipal building codes as well. We looked at the last 10 years of building code updates, and it's hard to track, but we think that there have been over 2,000 individual changes in building codes when you filter through all the local sustainability codes built into that. I want to clarify that these are not core life-safety changes. These are predominantly social policies that have made their way into building codes.

With this cycle of building code updates every few years, it's been rare in the last decade at our organization that we've actually built two buildings under the same set of codes. When we talk about modernizing housing construction, it's really hard to get into a manufacturing mindset when the codes change every project cycle.

Colin Reynolds: In your opinion, are buildings being overbuilt right now?

Brad Jones: I believe so, yes, in just about every facet of the code.

• (1740)

Colin Reynolds: Has the building code contributed to significant pricing, essentially pricing middle-class families out of purchasing homes?

Brad Jones: It is a major component. The cost increase is driven by baseline code increases, and factoring in sustainability increases, yes it has. When you get to the upper ends of sustainability targets, we're no longer even supporting Canadian businesses. We're importing construction materials, predominantly from Europe, to build Canadian homes.

Colin Reynolds: That's interesting.

The Chair: Thank you, Mr. Reynolds.

Colin Reynolds: Thank you.

The Chair: That was a very interesting line of questioning.

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

Gurbux Saini (Fleetwood—Port Kells, Lib.): Thank you to the witnesses.

CIBC economists in 2026 say that the price of housing is too high for buyers but too low for the construction industry to make any profit.

What can the federal government do to balance this, Mr. Brooks?

Michael Brooks: I know that article, and I know the economist who said that. I think it was a bit tongue-in-cheek.

There are segments of the population that can't afford the rents that are on offer and can't afford the housing that's on offer, but not enough.... There are projects still proceeding in this country, and some are for rental projects in certain markets in which the fundamentals are strong.

Mr. Jones and I certainly focus on the larger metropolitan markets, in which it's a bit of a challenge. I think the expression was a bit tongue-in-cheek, and I will leave it at that.

Gurbux Saini: Thank you.

Mr. Jones, I live in Surrey, and I hear a lot of people talking about the foreign buyer tax being removed, the stress test being removed, and longer amortization.

Can you give your viewpoint on those three issues? What impact would there be if government removed those three barriers?

Brad Jones: Thank you for the question.

Regarding the foreign buyers tax, that is an overly punitive policy measure. What we should be looking at, if we're interested in that type of a control, is what is often referred to as the Australia model. Australia has implemented a policy in which foreign purchasers can participate in buying new housing but not housing already existing in the market, so that they're helping stimulate the construction of that new housing.

This is not asking for rampant foreign speculation to participate in the market, but there are professionals, even in our office, who have moved here from another country to work—to try to build housing in Canada—and who cannot purchase housing in Canada or cannot do so without paying a supplementary tax on it. I think that's strictly uncompetitive for attracting talent to our country.

Moving on to the stress test, it could be phased in and out based on what market interest rates are doing. Other countries have done this as well. It was a very different environment when the stress test was put in place from the environment we're in today or 12 months ago. Having a flexible stress test that doesn't make people qualify at 7%, 8%, 9% interest rates would be quite a smart policy. It's something that other countries have done with their stress tests so that when interest rates rise, you're not shutting the market off entirely.

On amortization, that's something for buyers and banks to work out. We have a banking sector that has been the envy of the world for its ability to protect against downside risk. Rather than having a one-size-fits-all approach, it would be prudent to open up flexibility for the banks, who are really the ones underwriting these clients, underwriting these projects, to make more informed decisions on those key things. The housing market challenges in Canada vary greatly across the country. There may be more acute issues in your riding of Surrey than in other parts of the country.

• (1745)

Gurbux Saini: Thank you.

Housing starts play a major role in the economy because they create high-paying jobs. They also create a lot of revenue for the government in taxes. What can we do to make sure that the economy stays strong and we still have those factors in play?

I'll ask Mr. Baird his opinion on that.

Sean Baird: It's really important to look at the broader impacts economically across the entire sector. It's true that housing starts drive significant efforts in construction, economic returns and taxation, but it's also true that having housing stability for the vast majority of Canadians drives significant improvements economically for the entire nation.

There's good research being done right now that's going to show how continuing to invest in affordable housing for all Canadians will result in lower costs in health care and in our justice system. There are knock-on effects that affect the economy much more broadly. Labour mobility is an example as well. These are all areas that, traditionally, have been somewhat ignored when you look at government-based investments in non-market housing, but they're very real and they're very measurable.

It's true that both matter. We can make investments in non-market housing and market housing. We can generate economic activity through that construction work. We can also provide for more housing stability that leads to better economic outcomes for all Canadians.

The Chair: Thank you, Mr. Saini.

[*Translation*]

Ms. Larouche, you may go ahead for two and a half minutes.

Andréanne Larouche: Thank you, Mr. Chair.

Again, I want to thank the witnesses for contributing to this very enlightening study.

The Larouches were masons. The Poiriers, on my mother's side, are carpenters. Many of my family members currently work in construction, so that's often the topic of conversation when we get together for family dinners on Sundays.

I'm going to turn to you, Mr. Brooks, because the real estate sector often calls for more financial incentives and less regulation. However, despite existing federal programs, housing is still unaffordable for many in Quebec.

How do you explain that gap between investments and real results?

[English]

Michael Brooks: That's a very difficult question to answer with respect to Quebec alone. Housing is very expensive for Quebecers. It's interesting that when we looked at the research from the CMHC on development charges, in Montreal and, in fact, in many Quebec municipalities, they were very low relative to British Columbia and Ontario, so that's not a condition that I would point to as a cause of high house prices in Quebec.

We have many construction companies and developers from Quebec as part of our membership that invest in Quebec regularly. I don't know why it's that way in Quebec, unless it has to do with the income side of things.

[Translation]

Andréanne Larouche: Perhaps it has to do with the fact that some seniors don't have enough income.

Mr. Jones brought up the Australian model, but many municipalities and community groups have said that real estate speculation is contributing to higher prices.

Quickly, in 30 seconds, can you tell me what role the federal government should play in limiting that market pressure?

[English]

Michael Brooks: I don't think anybody is speculating now. It's risky. When you buy an asset now with the expectation that it will be worth more three or four years from now...that's a gamble I would not be taking. It was perhaps a gamble that some condo investors took in 2020, 2021 and 2022, but it has been a disaster for many of those investors that bought new condos at \$1,400 per square foot or \$1,200 per square foot and now find they're worth \$800 or \$600 per square foot.

I don't think there are many speculators in the market anymore.

[Translation]

The Chair: Thank you, Ms. Larouche.

• (1750)

[English]

We have Madame Falk for five minutes.

Rosemarie Falk (Battlefords—Lloydminster—Meadow Lake, CPC): Thank you very much, Mr. Chair.

I'd like to thank each of the witnesses for coming and sharing their knowledge and experience on this.

Mr. Jones, I'd like to follow up on something you said in one of your responses to MP Reynolds about building code changes. It was disturbing to hear that, due to these building code changes, there is an impact on importing building materials from Europe. Can you expand on that?

Brad Jones: Sure. It's predominantly related to ever-increasing sustainability targets. There is a nuance in that I am in Vancouver, where we're generally at the upper end of that spectrum of adopting sustainability-focused building codes. However, at the upper end of those code requirements, we are getting into window and door systems and cladding systems that are being imported. They're pre-

dominantly Belgian and German window systems that are super high performing.

I think an unintended consequence of our code has been that we have moved away from more "conventional" materials used to build homes across North America and have moved into highly specialized assemblies and systems that are not manufactured in Canada or the U.S. They are being imported, in many cases, from across the world.

Rosemarie Falk: Can you speak to the efficiency or the effectiveness of these products? Is there a long-term advantage to having these as opposed to something made in Canada, or even in North America?

Brad Jones: Yes, at a high level, it would be higher performing. The payback period on each of these would be quite specific. However, depending on what it is, we have seen that the payback period on these really high-performing buildings, from a sustainability perspective, can be in the 10-plus-year range in energy savings to pay off that capital.

Rosemarie Falk: Wow. Do you think these products could be produced in Canada or the United States—in North America? Why are they specific to Europe?

Brad Jones: It's the result of how policy was developed. I'm not a policy-maker, but my observation is that there's been a pattern of many going to European countries, particularly Scandinavian countries, and liking what they see there, from a sustainability and code perspective. They then build policies around that and target that type of product. Since it's been in those markets—and it's being produced for those markets—I think that, in some cases, the local suppliers are catching up. I would say, in our market, they are to an extent.

These are, in extreme cases, very highly specialized assemblies with quite small markets. When you have an area such as the Lower Mainland of B.C., with very specific code requirements above anywhere else in the country, it's a really small part of the construction supply market on a national scale and then even further on a North American and global scale. There isn't the capacity for the manufacturing industry to make products specifically for small subsets of the Canadian housing market.

That would be my slightly informed response.

Rosemarie Falk: I think you said that these building codes are sometimes changing with every building cycle. Is that correct?

Brad Jones: I believe the national building code changes on a five-year cycle, and then the provincial codes follow that. We have a nuance in British Columbia, in which there's a provincial energy step code by which every municipality gets to choose which step they adopt and when they adopt it. Just for our business that focuses on the Lower Mainland, there are 21 different versions of that stack of codes to build housing today. You can imagine the inefficiency this creates.

As I said, we've done the work. We have looked at buildings that we built over the last 10 years. Twice, we have built buildings under the same set of codes.

Rosemarie Falk: Wow, that's crazy. It sounds like additional red tape, inconsistency and unpredictability, as well, because it's harder to predict what you need to do if things are changing so quickly.

• (1755)

Brad Jones: It's changing so quickly that, in project one, you've installed the new energy-efficient heat pumps, ventilators and all the different things the code requires, but before you've finished that project and tested out all those systems, they've been banned by the next code. You're installing something new before you know how the last thing performed. That's how quickly it's changing.

Rosemarie Falk: Thank you.

The Chair: Thank you, Ms. Falk.

To conclude, we have Madame Gladu for five minutes.

Marilyn Gladu: Thank you, Chair.

Thank you to the witnesses for being here.

I'm going to start with Mr. Baird. Most people, when they talk about affordable housing, say that it's something Canadians can afford with less than 30% of their income. I'm interested in your definition of "deeply affordable housing". Is it free? Is it geared to income? Is it size-based? How do you define that?

Sean Baird: Thank you for the question.

No, it's certainly not free. We operate largely on a rent-geared-to-income basis.

You could debate whether we have a housing affordability issue in this country or an income issue in this country, but the reality is that 30% of someone's income is what we consider to be an affordable range. However, remember that we're serving the lowest-income earners in the country, so when I say 30% of income, I'm talking about \$400 to \$500 per month. This is the average rent we receive.

Historically, we always focused on providing housing to what we consider to be the lowest 20% of income earners in the city. That's true, I think, for most affordable housing providers across the country. Today, however, it's actually the bottom 40% to 50% of income earners who would theoretically qualify for subsidized housing such as we offer. Obviously, there's nowhere near enough supply to do that; it just doesn't meet the needs in the same way that it did historically.

Marilyn Gladu: That's excellent. Thank you.

The next thing I want to do is recap what I think I heard about KPIs. I think I heard that housing starts aren't the whole story and that there are things we should add to that. We should be looking at the sales. We might also even be looking at pre-sales, the number of forced sales, the number of preserved houses and the number of Canadians who can afford the house—with less than 30% of their income.

Did I miss anything in that cornucopia of KPIs?

Michael Brooks: You picked the for-sale housing ones. On the rental side of things, you might also pick CMHC loans. That's a leading indicator of what's getting built because it's almost the first thing you apply for—an ACLP construction loan. That would be before the start, so add that to your list.

Marilyn Gladu: Excellent.

Is there anything from Mr. Baird or Mr. Jones?

Sean Baird: From an ultimate outcome perspective, what we want is affordability, so we need to find a way to properly track it. There's a wide variety of ways to lead towards that.

Brad gave a number of different measures of activity in the pipeline that I think would be excellent for tracking volume. Supply will lead to improvements overall, but we need to differentiate that according to different income classes as well, to make sure that we're meeting the affordability targets at a variety of different levels.

Marilyn Gladu: Excellent.

Brad Jones: I would emphasize tracking completions as well. Combined, what we've suggested is tracking housing like a system, rather than the singular point of housing starts dictating the health of the market. If you factor all of those things in, you have quite a good sense, over a period of time, of what went into the system, what came out of it and what the outcomes were.

Marilyn Gladu: Very good.

For my last question, I want to focus on something my colleague referenced, because in Sarnia—Lambton—Bkejwanong, we have a very low vacancy rate. There's hardly any affordable housing to be had. We have huge aspirations. We also have a huge backlog of affordable homes that need to be upgraded and maintained. Do we have any data that shows, across the country, where we have the oversupply and where we have the undersupply?

Let's start with Mr. Brooks.

Michael Brooks: I have CMHC data on that. I think they do keep that data now—this is Mr. Laberge—by municipality. I've started to track that data because I think it's the best data I've seen from a reputable agency that's reliable and that's coast to coast.

• (1800)

Marilyn Gladu: Can you submit that to the clerk for us?

Michael Brooks: Yes.

Marilyn Gladu: That's wonderful.

Mr. Baird or Mr. Jones...?

Sean Baird: I would add that while market vacancy rates may be on the rise, especially in urban centres with the oversupply of condominiums, community housing vacancy rates remain well below 2%. At Toronto Community Housing, our rate is at about 1.5% right now. I know that my colleagues at other community housing providers across the country have similar levels.

I would like committee members to understand that the accessibility of those vacant units is quite different depending upon which income earners you're looking at and whether you're looking at market or non-market housing.

Marilyn Gladu: Thank you. I think I'm out of time.

Thanks to the witnesses.

The Chair: Thank you, Ms. Gladu.

That concludes the questions. I want to remind committee members that tomorrow I'm tabling the youth employment report in the House. We also have the news conference, as requested by the committee. You have all the details on that.

As well, our next meeting is on Thursday, when we begin the homelessness study and continue with one hour on the main estimates.

With that, is it the will of the committee to adjourn?

Some hon. members: Agreed.

The Chair: We are adjourned.

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