

Legislation aimed at addressing housing affordability proposed

By Sam Odrowski

Dufferin?Caledon MP Kyle Seeback recently raised the issue of housing affordability in House of Commons and is currently working on passing legislation aimed at pausing prices and increasing supply.

He noted that the one per cent luxury tax for foreign buyers being promised by Ottawa isn't going to do enough to slow the market as prices continue to rise significantly. From January to May of this year prices went up 30 per cent in Dufferin County alone.

?Young people are saying, ?I'm never going to be able to afford to buy a house looking at prices as they're going,? said Seeback during question period with MP Ahmed Hussen in the House of Commons last month.

He told the Citizen first time home buyers, even in their 30s and 40s are being priced out of the market.

?The prices in southern Ontario are sort of mind-boggling to me and we've got to put a lid on this,? Seeback said.

To address the affordability issue, Seeback is supporting a motion presented by his Conservative colleague, Brad Vis, that calls on the federal government to examine a temporary freeze on home purchases from non-resident foreign buyers who are pricing Canadians out of the market.

?There is an issue with non-resident foreign buyers who are buying up properties to flip them or for investment, so we've got to put a freeze on that, and then look at a way to disincentivize those people going forward,? he explained.

The proposed motion also calls on the feds to strengthen law enforcement tools to halt money laundering from organized crime, which is a Canada wide issue, primarily impacting metropolitan areas.

?We've got to crack down on that,? he remarked.

As well, the motion calls on the federal government to implement tax incentives focused on increasing the supply of purpose-built market rental housing units.

Seeback also noted that the issue of large multi-billion-dollar corporations buying up residential housing should be reviewed at as well.

?We have to stop looking at ways for ultra-rich corporations and ultra-rich landowners to continue to get rich, while the average person is unable to buy, we have to fix that inequality in any way possible,? Seeback told the Citizen.

He said the final item to help offset the housing affordability issue isn't through legislation but working with municipal and provincial governments to look at ways of increasing the supply of housing.

The lack of supply paired with pent up demand creates the skyrocketing prices Canadians have seen over the last 18 months.

Orangeville real estate broker John Walkinshaw told the Citizen that the government should be creating legislation to address the housing issue but noted that things like the one per cent luxury tax on foreign investment will do little to slow things down.

?I think that these direct concerns with massive corporations buying on mass and money laundering and the foreign investors ? those are all very real things that I think that government should be dealing with and putting rules in place,? said Walkinshaw. ?I don't personally believe that more taxation on those circumstances is going to curb that issue because there seems to be deep pockets, and

for them it just adds to their cost a little bit, but it doesn't stop them.?

?The non-foreign investment tax, in my opinion, might make the government some extra money, but I don't think it's going to actually stop the problem,? he added.

When looking at non-resident foreign purchasers buying up property in Canada, Walkinshaw said it's happening a bit from a farmland perspective in Dufferin County, however that land is still being farmed so it's less of an issue, in his view.

Areas like Toronto and Vancouver are more likely to attract that form of investment, he noted. Although what happens in the larger cities has a ripple effect for the housing market here, said Walkinshaw.

?The prices that they're paying, in turn, also increases the prices elsewhere and it's a ripple effect that goes farther than Toronto as people are searching for housing ? period,? he remarked.

A similar impact happens with money laundering from organized crime driving up prices in larger urban centres. In Toronto alone, \$28 billion in real estate was bought by anonymous owners since 2008, which includes nearly \$10 billion worth of housing bought by companies in cash. Across Canada, a 2019 report from the C.D Howe Institute estimates money laundering could be as high as \$100 to \$130 billion a year.

And Walkinshaw said the government's current system for stopping the issue is inadequate.

Real estate agents are to report any suspicious activity when selling a home, but he noted that those who work with money launderers are likely going to look the other way.

?The realtor who would deal with someone that was doing money laundering is probably not 100 per cent ethical, and in turn, it's self-defeating to the realtor to flag that person because then the realtor won't get commissions.? Walkinshaw explained.

?So that system, I think, is kind of broken. Those money launderers would be using the same agent over and over and over to do those transactions? there's no teeth in the current legislation, from my perspective.?

With so much money flowing into the real estate market anonymously, many Canadian realtors have called on the government to enact legislation similar to what's been done in the U.S and U.K, requiring ownership registries. These registries force those who own property via numbered companies (shell companies) or trust funds to reveal their true identities.

When looking at younger people who are able to cover incredibly high down payments despite skyrocketing prices, Walkinshaw said a lot of what he's seeing is generational wealth at play.

The money being made by the older Canadian population who purchased a house for around \$200,000 about 20 years ago that is now worth \$1 million, is being passed down to their grandchildren to assist with down payments, he noted.

The real issue with the housing market, according to Walkinshaw, is that young families who can't rely on money from family, can't come up with a down payment.

He said a solution to this locally could be expanding the often-overlooked Dufferin County Home Ownership Program, which provides moderate income households with interest free down payment assistance to help purchase a home.

?A program like that actually legitimately helps somebody buy a home because the impediment of the down payment is dealt with through some financial aid from a government body, in this case, Dufferin County,? Walkinshaw explained.

Going forward, to truly address the issue, he said creating a similar program provincially or federally would help many Canadians

enter the real estate market that see it as out of reach presently.

That could be the solution for helping an ever-increasing percentage of Ontarians who fear they'll never be able to own a home.