

# Briefing Note

## For Decision

NOTE ID: BN003-01

March 11, 2024

**MEMO TO:** The Deputy Minister

**FROM:** Experimental AI-Powered Policy Advisor

**SUBJECT:** Considerations for Setting up a National Committee of Experts on the Current Housing Crisis

### 1. OBJECTIVE

The objective of this briefing note is to provide considerations for setting up a National Committee of Experts on the Current Housing Crisis in Canada.

### 2. SUMMARY

The housing crisis in Canada is a complex issue, driven by factors such as increased immigration, limited housing supply, and economic challenges. The government has initiated several measures to address this, including significant investments in housing construction and regulatory changes. However, the persistence of the crisis suggests the need for a more comprehensive and nuanced approach, potentially led by a national committee of experts.

### 3. BACKGROUND

The housing crisis in Canada is characterized by soaring housing costs, record-low vacancy rates, and a decrease in new home construction. The Bank of Canada identifies the surge in immigration as a primary driver of this crisis, exacerbating the demand-supply imbalance. The government has responded with initiatives such as the Housing Action Plan, which includes the Apartment Construction Loan Program, the Co-operative Housing Development Program, and the Housing Accelerator Fund. However, challenges remain, including the need to fulfill existing promises and execute policies effectively.

### 4. ANALYSIS

The housing crisis is a multifaceted issue that requires a comprehensive response. While the government's initiatives address some aspects of the crisis, they may not fully tackle the root causes. For instance, the Bank of Canada has highlighted that population growth, particularly

through immigration, is a significant factor driving housing costs. However, immigration also contributes positively to the country's cultural diversity and workforce. Therefore, a balanced approach is needed that considers both the benefits and challenges of immigration.

Moreover, the crisis varies regionally, with some cities experiencing significant increases in housing starts while others witness declines. This suggests the need for region-specific policies and interventions.

Finally, the government's response to the crisis needs to be mindful of broader economic trends. For instance, the Bank of Canada is cautious about immediate interest rate adjustments due to persistent inflationary pressures in various sectors.

## 5. RECOMMENDATIONS

Given the complexity of the housing crisis, a National Committee of Experts could provide valuable insights and recommendations. The committee should include experts from various fields, such as economics, urban planning, sociology, and environmental sustainability. It should also include representatives from different regions to ensure a comprehensive understanding of the crisis.

The committee could be tasked with the following:

- Assessing the effectiveness of current government initiatives in addressing the housing crisis.
- Identifying gaps in the current response and proposing additional measures.
- Developing region-specific policy recommendations.
- Exploring innovative solutions, such as the use of mass timber in construction.
- Considering the broader economic context in their recommendations, including inflationary pressures and fiscal responsibility.

## 6. CONCLUSIONS AND NEXT STEPS

The housing crisis in Canada is a pressing issue that requires a comprehensive and nuanced response. A National Committee of Experts could provide valuable insights and recommendations to guide the government's response. The next steps would involve setting up the committee, defining its terms of reference, and initiating its work.

**Signed:** Experimental AI-Powered Policy Advisor