

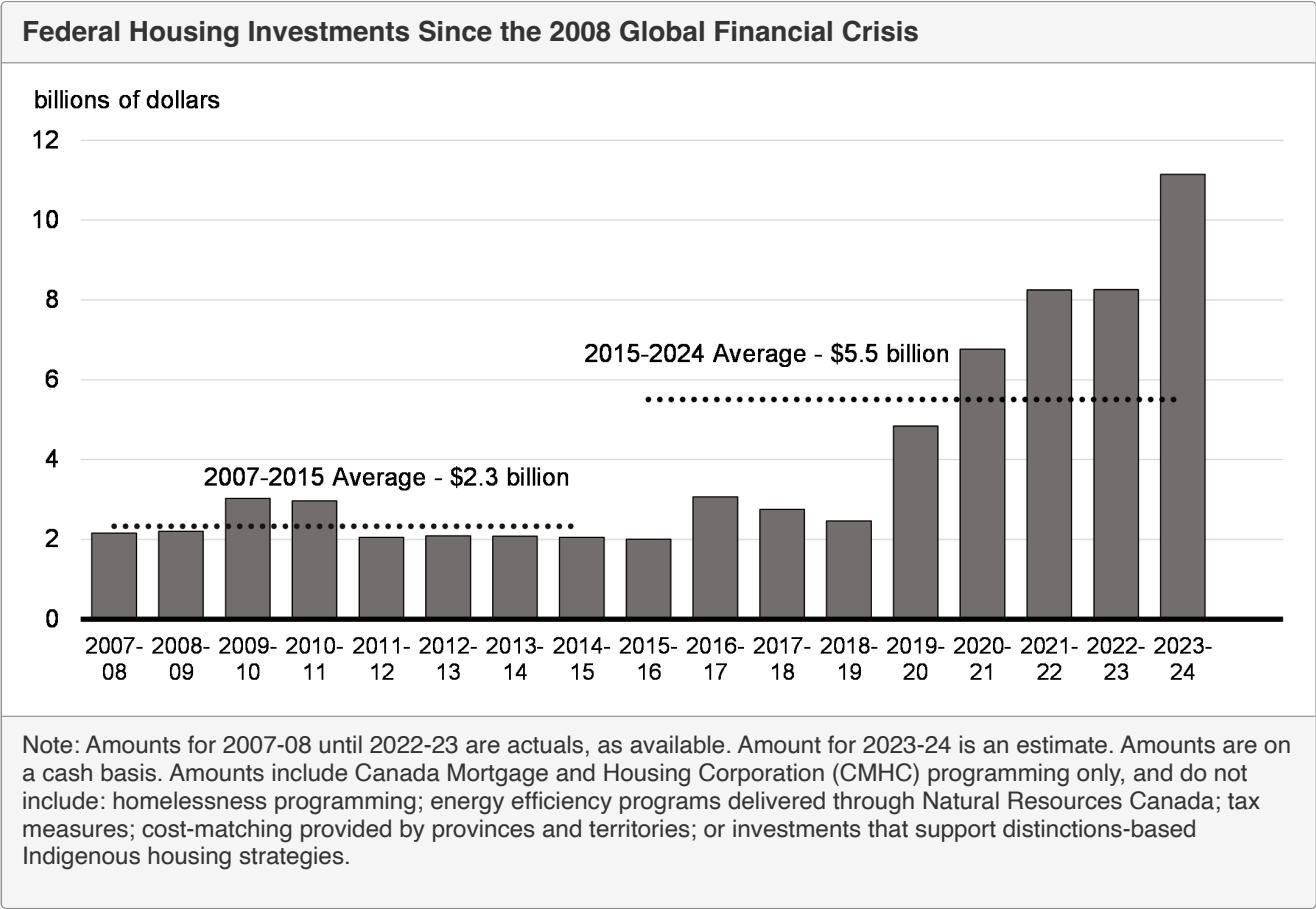
Canada’s Housing Action Plan

From: [Department of Finance Canada](#)

Background

Building the homes that Canada needs will require a great national effort—and it is an effort that the federal government is leading, bringing together provincial, territorial, and municipal governments, in partnership with home builders, financiers, community housing providers, post-secondary institutions, and Indigenous organizations and governments, to meet this great generational challenge.

Federal investments are already jumpstarting housing construction across the country. Both Toronto and Vancouver have seen record numbers of housing starts in 2023, supported by accelerated rental construction. This year, federal investment in housing is \$9 billion higher than it was in 2013-14. Since 2015, the average annual federal housing investment has more than doubled compared to the previous government.



In the *2023 Fall Economic Statement*, the federal government is introducing new measures to incentivize the construction of new rental housing, protect renters and homeowners, and make it easier for Canadians to get those first keys of their own.

Building More Homes, Faster

More Financing for Apartment Construction

The supply of rental housing in Canada needs to keep pace with our growing communities. To achieve this, builders need access to the low-cost financing which makes it possible to build more homes, faster. The federal government has already taken action to make the math work for builders, more needs to be done.

To build more rental apartments, faster, the *2023 Fall Economic Statement* announces an additional \$15 billion in new loan funding, starting in 2025-26, for the Apartment Construction Loan Program, formerly known as the Rental Construction Financing Initiative, for a total of more than \$40 billion in loan funding. This investment will support more than 30,000 additional new homes across Canada, bringing the program's total contribution to more than 101,000 new homes supported by 2031-32.

Building More Affordable Housing

Affordable and community housing play critical roles by providing the most vulnerable Canadians with a place to call home. Within its first six years, the Affordable Housing Fund, previously known as the National Housing Co-Investment Fund, has already committed funding to repair or renew nearly 129,000 homes, while supporting the construction of more than 31,500 new homes.

To build more affordable housing for the most vulnerable Canadians, the *2023 Fall Economic Statement* announces an additional \$1 billion over three years, starting in 2025-26, for the Affordable Housing Fund. This investment will support non-profit, co-op, and public housing providers to build more than 7,000 new homes by 2028.

Removing the GST From New Co-op Rental Housing

From students to families to seniors to newcomers, Canadians are finding it difficult to find the types of rental homes they need at prices they can afford. Rental supply must increase to ensure that renters can find an affordable place to call home. The federal government is creating the financial incentives to build more homes, faster, by [removing the Goods and Services Tax \(GST\) from new purpose-built rental housing projects](#), such as apartment buildings, student housing, and seniors' residences.

The *2023 Fall Economic Statement* announces that co-operative housing corporations that provide long-term rental accommodation would also be eligible for the removal of the GST on new rental housing, provided the other conditions have been met. The measure is not intended to apply to co-operative housing corporations where occupants have an ownership or equity interest.

Strengthening the Co-operative Housing Development Program

For generations, housing co-operatives have offered quality, affordable housing to Canadians. The federal government recognizes the value of co-ops, and in Budget 2022, made the largest investment in this space in more than 30 years. With the Fall Economic Statement, the government is going even further to build co-op housing across Canada.

The *2023 Fall Economic Statement* announces an investment of \$309.3 million in new funding for the Co-operative Housing Development Program, which was announced in Budget 2022. In collaboration with the Co-operative Housing Federation of Canada and other co-op housing partners, CMHC is working to launch the co-developed program in early 2024.

Repurposing More Federal Lands for Housing

The Government of Canada owns and manages the largest real estate portfolio in Canada—and some of that land can be used to build more homes. Through the Canada Lands Company—a Crown corporation which has supported the construction of over 10,300 new homes since 2016—more than 29,000 new homes are set to be built on surplus federal lands by 2029.

On November 7, 2023, [the federal government announced that six surplus federal properties will be developed into more than 2,800 new homes in Edmonton, Calgary, St. John's, and Ottawa](#). As work continues to identify further assets that can be repurposed for housing, the federal government intends to introduce further measures to speed up this process and to identify more opportunities to build more housing.

Accelerating How Communities Build Housing

In March 2023, the government launched the \$4 billion Housing Accelerator Fund to help cut red tape and fast-track the creation of at least 100,000 new homes across Canada. The Housing Accelerator Fund is already delivering results—and on its current trajectory, is expected to exceed 100,000 new homes.

With agreements already announced with nine cities—London, Vaughan, Hamilton, Brampton, Kitchener, Halifax, Kelowna, Calgary, and Moncton—the Housing Accelerator Fund has fast-tracked over 21,000 more homes in growing cities over the next three years alone, with many more agreements on the way.

On November 9, 2023, the federal government signed an agreement with the Province of Quebec for a joint contribution of \$1.8 billion. The federal government will continue working with Quebec to build on the bold reforms it has committed to in the new Housing Accelerator Fund bilateral agreement to make housing more affordable for Quebecers.

More Construction Workers to Build More Homes

Breaking Down Barriers to Internal Labour Mobility

Ensuring Canadian tradespeople, health care professionals, and early childhood educators can move between provinces is essential to building the homes and delivering the health care and affordable child care that Canadians need. However, too many people are currently held back by barriers to interprovincial labour mobility.

The *2023 Fall Economic Statement* announces that in the coming months, the federal government will advance the next phase of its work to remove the barriers to internal labour mobility, including by leveraging federal transfers, and other funding, to encourage provinces and territories to cut the red tape that impedes the movement of workers, particularly in construction, health care and child care, within Canada. This work will include:

- **Working with provinces and territories towards full interprovincial labour mobility** for construction and health care workers, and enhancing training to meet labour market needs;
- **Expanding on the success of the Red Seal Program** to improve the mobility of tradespeople and eliminate further barriers, such as duplicative credential recognition; and,
- **Ensuring provinces and territories welcome health care professionals from anywhere in Canada** by leveraging the nearly \$200 billion federal health care funding deal announced in February 2023.

This complements the federal government's ongoing work to strengthen public health care in Canada.

Prioritizing Construction Workers for Permanent Residency

To meet our country's home building demands, the federal government launched in May 2023 a new selection process under the Express Entry immigration system to prioritize permanent residency applicants with specific skills, work experience, education, or certifications, including in the construction sector.

Since May 2023, 1,500 workers with experience in the trades have been invited to call Canada home. Following extensive engagement with unions, the government has focused this year's application process on candidates with work experience including in carpentry, electrical, welding, plumbing, contracting, and other trades that can help build more homes, faster.

Supporting renters, buyers, and homeowners

Cracking Down on Non-Compliant Short-Term Rentals

Canada needs more long-term housing for Canadians to live in, and the federal government is taking action to crack down on non-compliant short-term rentals which are keeping homes for Canadians off the market. Some provinces, including Quebec and British Columbia, and municipalities such as Toronto, Montréal, and Vancouver, have already taken action to restrict the use of residential properties as dedicated short-term rentals, and the federal government is taking steps to support their work.

The *2023 Fall Economic Statement* announces that the federal government intends to deny income tax deductions for expenses incurred to earn short-term rental income, including interest expenses, in provinces and municipalities that have prohibited short-term rentals.

The *2023 Fall Economic Statement* also announces that the federal government intends to deny income tax deductions when short-term rental operators are not compliant with the applicable provincial or municipal licensing, permitting, or registration requirements.

These measures would apply to deny all expenses incurred on or after January 1, 2024.

In addition, the federal government is taking action to support municipalities that are cracking down on non-compliant short-term rentals. The *2023 Fall Economic Statement* proposes \$50 million over three years, starting in 2024-25, to support municipal enforcement of restrictions on short-term rentals. This will support municipalities with strict regulatory regimes that are having a significant and measurable impact in returning short-term rentals back to the long-term housing market.

To better understand the short-term rental landscape in Canada and inform future housing policy, the federal government will explore options to collect data on short-term rentals.

The New Canadian Mortgage Charter

Canadians work hard to be able to afford their home, but high interest rates are leaving too many people concerned about their increasing mortgage payments.

The *2023 Fall Economic Statement* announces the new Canadian Mortgage Charter, which builds on the government's existing guidance and expectations for how financial institutions are to work with Canadians to provide tailored relief and ensure payments are reasonable for borrowers.

These measures will support more Canadians through the temporary financial stress caused by elevated interest rates and help them stay in their homes. The federal government will continue to closely monitor financial institutions' implementation of and compliance with relief measures, including the Financial Consumer Agency of Canada's guideline.

The Canadian Mortgage Charter

Canadians can expect:

- Allowing temporary extensions of the amortization period for mortgage holders at risk;
- Waiving fees and costs that would have otherwise been charged for relief measures;
- Not requiring insured mortgage holders to requalify under the insured minimum qualifying rate when switching lenders at mortgage renewal;
- Contacting homeowners four to six months in advance of their mortgage renewal to inform them of their renewal options;
- Giving homeowners at risk the ability to make lump sum payments to avoid negative amortization or sell their principal residence without any prepayment penalties; and,
- Not charging interest on interest in the event that mortgage relief measures result in a temporary period of negative amortization.

Related product

- [2023 Fall Economic Statement](#)