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An Affordable Place to Call Home

Every Canadian deserves a safe and affordable place to call home.

Yet for too many hard-working Canadians, especially for young people, it feels like an impossibility. There aren't enough houses for people to buy, or apartments for people to rent. That makes finding a good place to live too expensive—beyond what many people can afford.

The measures in Budget 2019 plan to increase the supply of housing, because it is the most effective way to address affordability in the long run. Also, Budget 2019 proposes to crack down on the people who break the rules—who evade taxes or use real estate for money laundering—making housing less affordable for the people who need it.

And to help more middle class families find an affordable home today, Budget 2019 is offering new, targeted support for first-time home buyers, and taking steps to address lack of housing supply and make the housing market more fair.

Improving Affordability Today: Support for First-Time Home Buyers

To help make homeownership more affordable for first-time home buyers, Budget 2019 introduces the **First-Time Home Buyer Incentive**.

- The Incentive would allow eligible first-time home buyers who have the minimum down payment for an insured mortgage to apply to finance a portion of their home purchase through a shared equity mortgage with Canada Mortgage and Housing Corporation (CMHC).
- It is expected that approximately 100,000 first-time home buyers would be able to benefit from the Incentive over the next three years.
- Since no ongoing payments would be required with the Incentive, Canadian families would have lower monthly mortgage payments. For example, if a borrower purchases a new \$400,000 home with a 5 per cent down payment and a 10 per cent CMHC shared equity mortgage (\$40,000), the borrower's total mortgage size would be reduced from \$380,000 to \$340,000, reducing the borrower's monthly mortgage costs by as much as \$228 per month. Terms and conditions for the First-Time Home Buyer Incentive would be released by CMHC.
- CMHC would offer qualified first-time home buyers a 10 per cent shared equity mortgage for a newly constructed home or a 5 per cent shared equity mortgage for an existing home. This larger shared equity mortgage for newly constructed homes could help encourage the home construction needed to address some of the housing supply shortages in Canada, particularly in our largest cities.



- The First-Time Home Buyer Incentive would include eligibility criteria to ensure that the program helps those with legitimate needs while ensuring that participants are able to afford the homes they purchase. The Incentive would be available to first-time home buyers with household incomes under \$120,000 per year. At the same time, participants' insured mortgage and the Incentive amount cannot be greater than four times the participants' annual household incomes.

Budget 2019 also proposes to increase the Home Buyers' Plan withdrawal limit from \$25,000 to \$35,000, providing first-time home buyers with greater access to their Registered Retirement Savings Plan savings to buy a home.

Working Together: Increasing Housing Supply Through Partnerships and Targeted Investments

In some of Canada's largest cities, many lower income and middle class Canadians are struggling to find, maintain and afford a good place to live. Where housing supply is limited and new housing construction is not keeping up with demand, the cost to purchase or rent housing has risen to the point of unaffordability for many families. Increasing housing supply will help ensure that housing prices grow at a more moderate pace, keeping homeownership or renting more affordable for more Canadians and keeping markets accessible for future generations.

To help more Canadians find a good, affordable place to live, Budget 2019 proposes to:

- Help build 42,500 new housing units across Canada, with a particular focus in areas of low rental supply, through an expanded Rental Construction Financing Initiative. Budget 2019 makes available an additional \$10 billion in financing over nine years, extending the program until 2027–28.
- Invite communities and other groups to propose initiatives that break down barriers limiting new housing. This new Housing Supply Challenge will run through the Impact Canada Initiative, with funding of \$300 million.
- Get the best advice to increase housing supply that meets Canadians' needs by supporting the recently announced Expert Panel on the Future of Housing Supply and Affordability, jointly established by the Government and the Province of British Columbia. CMHC will invest \$4 million over two years to support the Panel's work, and \$5 million over two years for state-of-the-art housing supply modelling and related data collection.

Increasing Fairness: Strengthening Rules and Compliance in Canada's Housing Market

Buying a home is often the single largest investment Canadian families will make in their lifetime. To protect this investment and help keep the real estate market accessible and fair, Budget 2019 includes measures to tackle tax non-compliance and money laundering in the housing market. These include:

- Creating four new dedicated real estate audit teams at the Canada Revenue Agency to monitor transactions in the real estate sector. These teams will focus on high-risk areas, notably in British Columbia and Ontario.
- Strengthening the enforcement framework by improving monitoring of private sector partners and collaborating with government leads in order to deter financial crime in real estate, including mortgage fraud and money laundering.
- Exploring opportunities to improve data sharing on real estate purchases between the federal government and British Columbia to inform enforcement efforts on tax compliance and anti-money laundering. As part of this initiative, the Government will provide up to \$1 million to Statistics Canada starting in 2019–20 to conduct a comprehensive federal data needs assessment to further streamline data sharing and monitoring of purchases of Canadian real estate.

Delivering on Canada's First National Housing Strategy

In 2017, the Government launched the country's first-ever National Housing Strategy—a \$40 billion, 10-year plan to help Canadians access housing that meets their needs and that they can afford.

Since announcing the Strategy:

- The National Housing Co-Investment Fund has been launched, which is expected to help build 60,000 new units and repair or renew 240,000 existing units of affordable and community housing.
- Seven provinces and territories have signed bilateral housing agreements under the new multilateral Housing Partnership Framework. These agreements will see more than \$7.7 billion in new federal funding flow to provinces and territories over the next decade, to support the stock of community housing and address regional priorities.