

PRAGMATISM AND POLITICAL EXPEDIENCY: HOUSING POLICY IN CANADA UNDER THE HARPER REGIME

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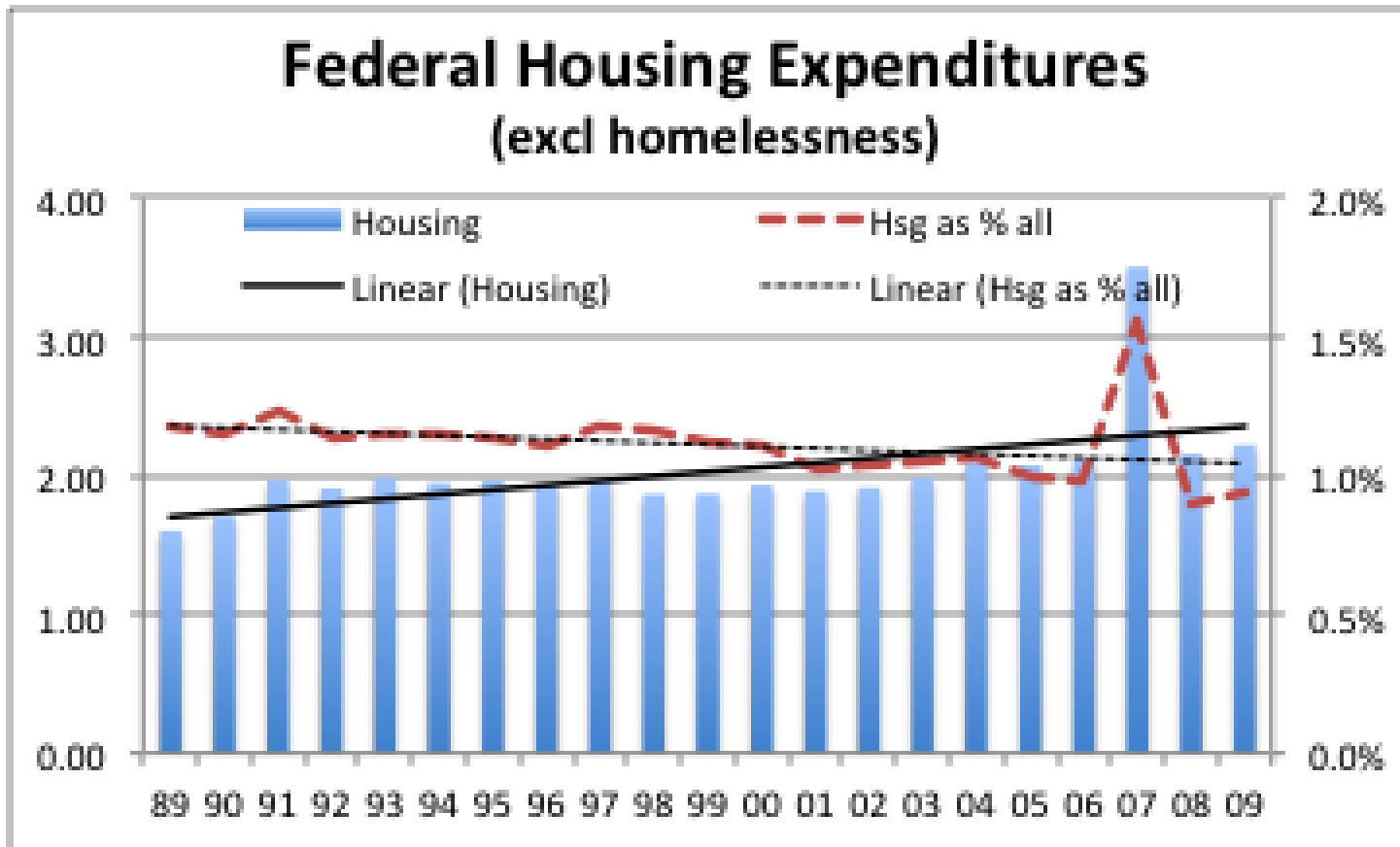
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This presentation is based on forthcoming Chapter that will appear in the 2013-2014 edition of *How Ottawa Spends* (McGill-Queen's University Press).

The chapter reviews the foundations of Canadian Housing Policy leading up to the Harper Years and explores how the Harper Government pursued housing and homeless Policy

Unprecedented level of federal spending

No government has ever spent more on housing” *Federal Housing Minister 2008*



Spending Initiatives

Year	National Homeless Initiative/Homeless Partnering Strategy	Affordable Housing and Renovation	Mortgage Insurance and Securitization	Economic Stimulus
Inherited (previous government)	NHI due to expire March 2006	Ongoing Phase 2 AHP	Ongoing insurance and securitization	n/a
2006	One-Year Renewal of NHI at \$135 million	Affordable Housing Trusts (total 1.4B) (\$800 B urban; \$300B North; \$300B Aboriginal); two year extension of RRAP	Reduced minimal downpayment to 0% and extended maximum amortization to 40 years; New initiative for s First Nations Market Housing Fund to finance mortgages on Reserve (\$300 million loan fund)	
2007	Homelessness Partnering Strategy replaces NHI and is funded for 2007-2009 (i.e. two years at \$134,8 million annually)	RRAP renewed for 2 years (to March 2009) to \$128million/yr	Revised loan-value threshold for insured mortgage loans from 75% to 80%	
2008	Consolidated Housing and Homeless budget of \$1.9 million includes \$135 million in annual funding (2009-14) for HPS (announcement only,)	Consolidated Housing and Homeless budget of \$1.9 million includes \$125 million in annual funding for AHI and \$128m for RRAP (2009-14) plus \$135m for HPS (announcement only,)	Revisions to regulations on insured loans: reintroduce minimum 5% downpayment and reduce max amortization to 35 years	Canada Economic Action Plan: Insured Mortgage Purchase Program and New Investments in Social Housing and Retrofit; and Municipal Infrastructure loans
2009	H &H Programs formalized in 2009 Federal Budget (commitments only for first 2 years)	H &H Programs formalized in 2009 Federal Budget (commitments only for first 2 years)		CEAP continues, IMPP extended and expanded. First Home Buyer Tax Credit and increase to RRSPHome Buyer Plan limit increased from \$20,000 to 25,000)
2010				CEAP continues, IMPP extended and expanded
2011	Remaining 3 years of Consolidated Housing and Homeless Programming confirmed (2011-14)	Remaining 3 years of Consolidated Housing and Homeless Programming confirmed (2011-14) at \$383m total per year - all 3 streams	Insured Loan Maximum amortization reduced to 30 years	
2012			Insured loans maximum amortization reduced to 25 years and maximum LTV on refinancing reduced from 85% to 80%	

Conclusions

- Highest level of spending, but policy driven?
- Largely situational – accidental happenstance
- Context (rather than ideology or campaign promises) appears to have driven federal housing policy in Canada
- Minimal expenditure – so don't rock the boat
- Managed downside political risk
- Political expediency, pragmatic and strategic
- But devoid of a clear housing agenda, but Federal spending has been key driver of PT actions