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MEDIA RELEASE

FOR IMMEDIATE RELEASE

St. Catharines, ON (April 8, 2022) - The Niagara Association of REALTORS® is pleased that Housing Affordability was the centre piece of yesterday's Federal Budget.

We commend the Government's first-time home buyer's initiatives; the **First Home Savings Account**; enabling first-time home Buyers to save up to \$40,000 toward their down payment be withdrawn tax-free; the doubling of the **First-Time Home Buyers tax Credit** to \$10,000 on homes purchased on or after January 1, 2022; and the extension of the **First-Time Home Buyers Incentive** sharing the cost of buying a home with the government.

We applaud the **\$4 billion in incentives offered to municipalities to accelerate the approval and permitting process** with a goal to build 100,000 new units over the next five years and the creation of the **Multigenerational Home Renovation Tax Credit** to assist families to accommodate aging parents or family members with disabilities providing 15% of up to \$50,000 in renovation costs for a maximum refund of \$7,500 per project.

The two-year **Ban on Foreign Investment in Canadian Housing** is optically pleasing but in reality, will do little or nothing to ease the housing shortage or temper pricing. The staggering increases in the price of homes over the last two years cannot be blamed on Foreign Buyers.

During last year's election campaign, the government promised to introduce the **Home Buyer's Bill of Rights** "we will create a Home Buyer's Bill of Rights so that the process of buying a home is fair, open, and transparent."

The bill proposes to deter property flipping with the implementation of significant tax penalties on anyone who buys and sells the same home in under twelve months.

Of great concern is the government's intention to take away homeowner's choice and property rights by banning the traditional offer process. In an effort to keep prices low and increase transparency, the government wants to see the adoption of the open offer process similar to that which is currently used in Sweden, Australia, and New Zealand.

Sweden does not permit blind bidding yet has experienced even faster home price growth during the pandemic than Canada. In New Zealand, where open auctions for homes are common practice, the world has seen the fastest-growing home prices over the past 20 years. The experience in these markets and compelling academic evidence (Smart Prosperity Institute – Banning Blind Bidding) suggests that open bidding can lead to *higher*, not lower, prices in a hot real estate market.

“The commitment to ban the traditional offer process is a massive step back; it would unfairly target the financial nest egg of hundreds of thousands of families across the province and do very little to make housing more affordable,” says Tim Hudak, CEO of the Ontario Real Estate Association.

In its report to the provincial government, the Ontario Housing Affordability Task Force suggests that to solve Ontario's housing shortage, an additional 1.5 million homes will need to be built in the next ten years. But supply can only be improved if creative solutions fostered by forward thinking can triumph over negativity.

One of the most significant obstacles to increasing the housing supply is NIMBYism - *Not In My Backyard*. Neighbourhood pushback drags out the approval process, pushes up cost and discourages investment in housing – it also keeps out new residents.

The outcry of even a handful of constituents has been enough, in far too many cases, to persuade community leaders to vote against a development even while acknowledging its merit in private.

While building housing is very costly, opposing new development costs almost nothing. So strong is the opposition to development, some have created a new term for NIMBYism: BANANAs – *Build Absolutely Nothing Anywhere, Near Anything* and while anti-development voices can be loud, they don't represent the majority. Survey data from the Ontario Real Estate Association backs that up with almost 80% of respondents saying they are in favour of zoning in urban areas that would encourage more homes.

Ultimately, what drives up the price of housing is demand rising faster than supply. Only by ensuring an adequate supply of family-friendly, climate-friendly homes can Canada ensure that housing supply is available and attainable to all.

About The Niagara Association of REALTORS®: The Niagara Association of REALTORS® represents over 1,500 REALTORS® serving the communities of Fort Erie, Fonthill/Pelham, Lincoln, Niagara Falls, Niagara-on-the-lake, Port Colborne/Wainfleet, St Catharines, Thorold and Welland. Our mission is to empower REALTORS® to thrive. Our vision is to foster an environment where leadership and members provide influence and advocacy and enhance professionalism and business acumen.

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