



CFAA ADDRESSES KEY HOUSING POLICY ISSUES

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## **Challenges facing residential landlords and tenants**

**-- what rental housing providers need from the federal government.**

### **Rebalance Canadian Housing Policy**

Canada's system of taxation and programs gives an average benefit of \$1,823 per year to homeowners compared to only \$308 per year to renters in the private market, even though renters have on average only half the income of homeowners. Growing evidence suggests that housing policies which artificially favour homeowners result in reduced labour mobility and higher unemployment.

- Rebalance Canada's housing policies which now unduly favour owners over renters.

### **Fix Unfair Taxation of Rental Housing**

Since rental housing is a very competitive business, income and capital gains taxes on rental properties are ultimately paid by renters through their rents. The taxes charged should be reduced on the basis of fairness to renters, and to increase rental affordability and rental supply.

- Allow tax deferral on the sale and reinvestment in rental property.
- Reduce the rate of inclusion of capital gains on rental housing to adjust for inflation.
- Treat rental housing income as active business income.

### **Increase Fairness of Income-Assistance Programs**

Most low-income Canadians rent their homes. And most people on social assistance rent in the private market and receive much less housing assistance than the lucky few who receive a deep subsidy.

- Reform the OAS/GIS system to compensate tenants for the imputed income received tax-free by owner-occupiers. (Raising the GIS is some advantage in that regard.)
- Direct federal money into housing allowances (or housing benefits) paid to low-income tenants rather than into new social housing construction.

### **Reinstate Energy Conservation Programs**

High and rising energy costs negatively affect housing affordability. On average, rental buildings are older than owner-occupied dwellings, and thus rental buildings are more negatively affected.

- Reinstate the Eco-Energy program for low-rise buildings with fair subsidies for multi-unit buildings.
- Reinstate the Eco-Energy program for high-rise buildings.

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*CFAA represents the owners and managers of close to one million residential rental suites in Canada, through 17 associations across Canada. CFAA is the sole national voice for Canada's \$40 billion for-profit rental housing industry, which provides homes for more than seven million Canadians.*