

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

Steve Pomeroy and Nick Falvo

Carleton University Centre for Urban  
Research and Education (CURE)

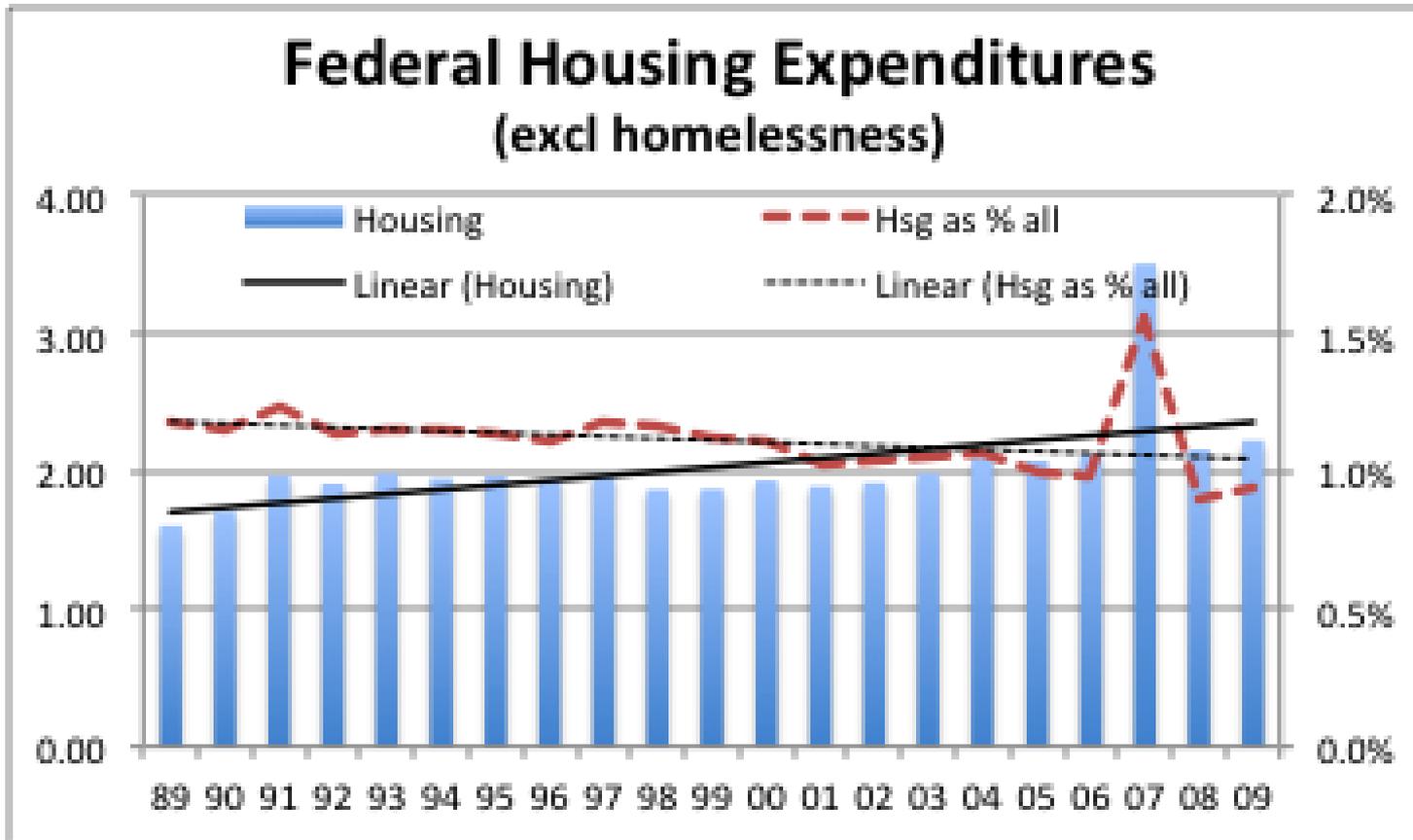
[spomeroy@rogers.com](mailto:spomeroy@rogers.com) 613-722-0110

# Introduction

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