



# A PLACE TO CALL HOME

## OUR PLAN FOR HOMES YOU CAN AFFORD

### Homes Ontario

October 2023

**Marit Stiles and the Ontario NDP are proposing a massive expansion of new homes for Ontario by getting the government back in the business of building housing.**

We must think big to get out of this housing crisis – but Doug Ford and his Conservatives aren't getting the job done. Their backroom deals and rampant land speculation are setting Ontario back. Housing starts are going down – they need to be going up.

We're calling for a new approach, where public land and resources are unlocked for the creation of new homes that people can actually afford.

Everyone in Ontario has the right to safe and affordable housing, to live in the community they want to live in.

We'll work with municipal partners, the federal government, tradespeople, First Nations, private developers and non-profit or co-op housing providers, to build the homes people desperately need.

### **Ontario NDP proposes massive expansion of nonmarket housing**

The Ontario NDP is calling for a massive expansion of nonmarket housing, aiming to at least double the current proportion of nonmarket housing, with the eventual goal of to ensure 30% of all new housing production is nonmarket.

The NDP is proposing a new public agency – Homes Ontario – with a mission of financing, acquiring, rehabilitating, and developing nonmarket housing, in partnership with nonmarket housing providers (including public, nonprofit and co-op).

Homes Ontario would leverage provincial funding, land, and policy tools — working in collaboration with the federal and municipal governments — to ensure an adequate supply of nonmarket homes that are affordable and meet the needs of households of

all incomes, ages, family sizes, abilities and cultures.

## What is nonmarket housing?

Nonmarket housing is rental or ownership housing that is provided based on need, not maximizing profit. This includes housing for affordable for low or moderate income households, or other households whose housing needs cannot be met by the for-profit, private market.

Examples include public, nonprofit and co-op housing. Nonmarket housing may or may not require public subsidies.

## Why Ontario needs nonmarket housing

Housing is a human right.

To ensure an adequate supply of housing, Ontario must build at least 1.5 million new market and nonmarket homes over a decade.

To achieve this target, Ontario must more than double the rate of new home construction achieved over the last ten years.<sup>1</sup> But instead of increasing, annual housing starts are projected to *fall* in Ontario.<sup>2</sup> Government policies that have focused solely on market incentives to drive housing supply aren't getting the job done.

The for-profit private sector alone will not, and cannot, deliver enough housing for everyone who needs a home. There is little to no profit in building homes that are affordable for low-income people, or other households whose needs are not being met by the current housing market, including people with disabilities, students, seniors and Indigenous families. If access to a home in Ontario depends entirely on someone making a profit, then many people simply will not get a home that meets their needs. We need nonmarket housing too — including public, non-profit and co-op — that is permanently affordable and accessible.<sup>3</sup>

The provincial and federal governments used to play a strong role in the financing and delivery of nonmarket housing. But starting in the 1990s, the federal government and then the Ontario government abandoned these responsibilities, focusing solely on market-oriented housing policies and downloading social housing to municipalities

---

<sup>1</sup> "[Working Together to Build 1.5 Million Homes](#)" (Smart Prosperity Institute, August 2023)

<sup>2</sup> According to the 2023-24 budget, annual housing starts are projected to fall from 96,100 in 2022 to 80,300 in 2023 and 79,300 in 2024.

<sup>3</sup> "[Prioritizing people over profit is the way forward on the housing crisis](#)" (Marie-Josée Houle, Canada's Federal Housing Advocate, September ,7 2023)

without adequate funding to pay for it.<sup>4,5</sup> This set the stage for the worsening housing and homelessness crisis.

It is time for the government to resume its historic role, and increase its investments to ensure an adequate supply of nonmarket housing:

- According to Statistics Canada, nearly 40% of Ontario households spend more than 30% of their income on housing, and 15% of Ontario households spend more than 50%.<sup>6</sup> A Scotiabank report<sup>7</sup> found that households in Ontario's first income quintile would need an additional \$1,000/month to afford a two-bedroom rental apartment in the current market, and households in the second quintile would need an additional \$600/month.
- As a "modest start" towards addressing core housing need, experts say Canada needs to double the current proportion of social housing (ie: subsidized rental units) just to reach the OECD average.<sup>8</sup> This would mean adding 655,000 social housing units across Canada, increasing social housing supply from 3.5% to 7% of all units.
- However, many experts say we need to aim higher. University of Ottawa adjunct professor Carolyn Whitman says as much as 30% of all new homes should non-market in the next 10 years.<sup>9</sup> Marie-Josée Houle, Canada's Federal Housing Advocate, says 4.2 million homes should be nonmarket, representing 20% of Canada's total supply.<sup>10</sup>
- This will require new public funding and resources — prioritizing households most in need — and a sustained government commitment to building back the capacity of the non-market housing sector after decades of government neglect.
- Governments right away can help by providing access to land, low-cost financing, regulatory changes and accelerated permits that can reduce the costs of building non-market housing. Going forward, the government can take a more active role like it did in previous decades, with more involvement in planning and design, developing skills, securing supply chains.
- While the most immediate beneficiaries of an expansion non-market housing would be people in core housing need, a strong non-market presence would benefit all renters by moderating and stabilizing the private rental market. Even

---

<sup>4</sup> Carolyn Whitman, "[Housing is federal responsibility, despite what the PM says](#)" (August 12, 2023)

<sup>5</sup> "[The federal government used to build social housing. Then it stopped. How is that going?](#)" (CBC, August 28, 2023)

<sup>6</sup> [Canadian Rental Housing Index](#)

<sup>7</sup> [Canadian Housing Affordability Hurts](#) (Rebekah Young, Scotiabank, January 18, 2023)

<sup>8</sup> "[Canada needs ambitious, urgent strategy for social housing: Scotiabank report](#)" (January 18, 2023)

<sup>9</sup> "[Can the federal government provide 'a place to call home' for all Canadians?](#)" (October 2, 2019)

<sup>10</sup> Houle

unsubsidized non-market housing that simply charges break-even rents would be beneficial by offering moderate-income renters access to housing options not subject to the profit-seeking and speculative forces of the private market, and such housing would become more affordable to lower-income households over time.<sup>11</sup><sup>12</sup> Vienna offers a good example of what is possible for the nonmarket housing sector.

- As we build and grow, we must protect tenants from displacement from their homes and neighbourhoods. We need to protect the existing supply of affordable rental housing, as well as irreplaceable farmland and natural heritage. We can and must build within existing urban boundaries, as the Housing Affordability Task Force recommended.

## Provincial actions

Housing is a primary responsibility for all levels of government, and the provincial, federal and municipal governments all have a role to play in order to build up the capacity of the nonmarket housing sector.

Here's what Marit Stiles and the Ontario NDP's Homes Ontario will do to build nonmarket housing:

- Homes Ontario will establish, in collaboration with the CMHC, a \$15 billion revolving fund to finance the construction of new nonmarket rental homes, to be operated by public, nonprofit and co-op housing providers. As the homes are completed, capital costs will be recovered from rental income, which would be reinvested to finance more new homes.
- In partnership with the federal government under an enhanced National Housing Strategy, Homes Ontario will provide capital subsidies and public land for nonmarket housing intended to be deeply affordable (e.g.: charging rents affordable for low-income households). This will require an additional \$1 billion per year in provincial funding, to be matched by the federal government — effectively tripling the current budget of the provincial Housing Program.
- Homes Ontario, in collaboration with the CMHC, will finance the acquisition of existing privately-owned rental housing, to be operated by public, non-profit and co-op housing providers. This will permanently protect these homes from speculation, preserving affordability and security of tenure for tenants. Acquisition costs will be recovered from rental income.
- Homes Ontario will fund the rehabilitation of aging affordable housing, in partnership with the federal and municipal governments.
- Homes Ontario's role will include the acquisition and provision of land for new nonmarket housing.

---

<sup>11</sup> Alex Hemingway, "[How a massive expansion of public rental homes can pay for itself](#)" (April 30, 2022)

<sup>12</sup> "[The Non-capitalist Solution to the Housing Crisis](#)" (About Here, November 1, 2022)

- Homes Ontario will offer public buildings or land for free or at a discount to nonmarket housing providers and land trusts that commit to permanent affordability.
- Homes Ontario will work with municipalities, nonmarket housing providers and developers to implement effective Inclusionary Zoning bylaws, which require that development projects include a specified percentage of affordable housing. This will ensure that all growing neighbourhoods can continue to be home for people of all incomes.
- Homes Ontario will work with nonmarket housing providers and municipalities to make the development of new nonmarket housing as inexpensive, efficient and frictionless as possible. This includes fast and easy permit approvals for housing developments with straightforward designs and well-understood Impacts.
- Homes Ontario will support a "nonmarket housing ecosystem" committed to a sustained expansion of the nonmarket housing sector. This includes support for capacity building, providing nonmarket housing providers with free access to pre-approved high-quality designs, and facilitating access to verified reliable contractors and suppliers.
- Homes Ontario will work with Indigenous communities, the federal government and Indigenous-led housing providers to support a "For Indigenous, By Indigenous" housing strategy, as proposed by the Canadian Housing and Renewal Association's Indigenous Caucus. This means 22,000 new safe, affordable and culturally-appropriate urban and rural homes, with supports where needed.