

Morgan, Melissa FIN:EX

From: Ram, Elisha (FIN) <elisha.ram@canada.ca>
Sent: Sunday, July 17, 2016 9:17 AM
To: Wood, Heather FIN:EX; 'allan.doheny@ontario.ca'; Brian.Lewis@ontario.ca; 'Robert.lowry@ontario.ca'; john.anania@ontario.ca; 'peter.wallace@toronto.ca'; patrice.impey@vancouver.ca; kathleen.llewellyn-thomas@vancouver.ca; alexandralai@bank-banque-canada.ca; brianpeterson@bank-banque-canada.ca; vlasios.melessanakis@osfi-bsif.gc.ca; matrembl@cmhc-schl.gc.ca; mlaurenc@cmhc-schl.gc.ca; kwright@cmhc-schl.gc.ca; Bugge, Brenda (STATCAN); Stewart, Rob (FIN); Jovanovic, Miodrag (FIN)
Cc: sadhu.johnston@vancouver.ca; Anderson, Leah (FIN); King, Phil (FIN); Leblanc, Pierre (FIN); Walsh, Mark (FIN); Leach, Cynthia (FIN); Calof, Dan (FIN); Creighton, Helen (FIN)
Subject: Federal-Provincial-Municipal Housing Working Group Meeting: Summary and Next Steps
Attachments: Housing Working Group - Taxation of Housing in Canada July 14 Final.pptx; July 14 Housing Working Group - HF presentation.pdf

Hello everyone,

On behalf of Rob Stewart and the Finance Canada team, I wanted to express our appreciation for having attended the first meeting of the federal-provincial-municipal housing working group this past Thursday. It was a very productive and collaborative discussion from our perspective, and I hope you found that the time and effort you invested to participate was worthwhile. I especially wish to thank our colleagues from the Bank of Canada, OSFI, CMHC and Statistics Canada for their informative presentations and input during the day, and everyone who travelled to Ottawa for the meeting. Attached for your information are the two Finance Canada presentations that were not circulated in advance, on housing finance policy (delivered by Rob Stewart) and the taxation of housing in Canada (delivered by Miodrag Jovanovic).

The following is a brief summary of the concluding roundtable discussion:

- There was broad comfort that the two key housing issues considered during the day, specifically financial stability and affordability, should continue to be the focus of the working group going forward.
 - There was interest among all jurisdictions to continue to collaborate and share information and analysis over the summer and fall to better understand the factors that are driving pressures and vulnerabilities in housing markets, especially in Vancouver and Toronto, as well as consider the policy levers that could potentially be used to address them. Identifying and addressing data gaps was seen as a particular priority. s.16
- s.16
- In terms of next steps, there was agreement that the working group will pursue the following three work streams through the summer:
 1. **Data and analysis:** review existing data sources that participating jurisdictions have access to, identify data gaps and ways to address them, and deepen understanding of the contribution of different drivers to housing market pressures (including the impact of foreign investment and speculative behavior).
 2. **Financial services regulatory regimes and risks:** share information on the evolving regulatory approaches used in participating jurisdictions to assess and contain financial market risks associated with housing, and consider best practices.
 3. **Housing supply considerations:** review factors that affect the supply of housing, including zoning, licensing, property tax and city planning considerations, and assess their potential impact on housing supply in different markets.

We are seeking your comments on this summary, in particular whether we have properly captured the priorities, areas for further work and timelines outlined above. In addition, we would ask that you identify specific officials from your organizations and/or other contacts within your jurisdiction who would be interested in participating in each of the three work streams. We envision that the individual streams would engage in work the next few weeks and feed their discussions back into the working group at a follow-up meeting or conference call in the latter part of August. For example, preliminary dates could be August 18, 19, 22 or 23, but we are flexible so please suggest other dates if these do not work for you.

s.16

We look forward to continued collaboration with all of you on these important policy issues.

Sincerely,

elisha

Elisha Ram

Director | Directeur

Capital Markets Division | Division des Marchés des Capitaux

Financial Sector Policy Branch | Direction générale des politiques du secteur financier

Finance Canada | Finances Canada

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Department of Finance
Canada

Ministère des Finances
Canada

Taxation of Housing in Canada

**Presentation to the Housing Working Group
July 14, 2016**

Finance Canada

Canada

Outline

- **General Concepts of Taxation**
- **Income Tax**
 - Income versus Capital Gain
 - Non-residents and Real Property
 - Principal Residence Exemption
- **GST/HST**
- **Tax Policy Considerations**
 - General considerations
 - Tax Instruments
 - Effectiveness
- **Administrative and Compliance Considerations**
- **Questions for Discussion**

General Concepts of Taxation

- **Persons subject to tax include individuals, corporations and trusts**
- **Persons can be resident or non-resident for tax purposes**
 - Residents are taxed in Canada on their world-wide income
 - Non-residents are taxed in Canada on their Canadian-source income
- **Gains realized from the sale of Canadian real property (e.g., homes, cottages, condos) is Canadian-source income**
 - Both residents and non-residents are liable for tax on disposition of such property
 - Gains taxed as capital gains or income depending on nature of transaction
 - Residents may be eligible for principal residence exemption
- **Residents and non-residents are generally taxed alike for GST/HST purposes**

Income versus Capital Gain

- **The amount of tax payable on a disposition of real property depends on whether the underlying property was held as a capital asset**
 - Gains from the disposition of capital assets give rise to capital gains
 - In other cases, the gain is considered income
- **50% of a capital gain is included in taxable income**
 - Effective top marginal federal tax rate of 16.5% (individuals)
- **Profits from the disposition of real property that are treated as income are fully included as taxable income**
 - Top marginal federal tax rate of 33% (individuals)

Income versus Capital Gain (cont...)

- **When will the gain on the disposition of real property be fully taxable as income?**
 - Individuals carrying on a business or engaging in an adventure or concern in the nature of trade are subject to ordinary income tax rates on their profits. A determination is made in this regard based on the degree of activity, with each situation considered in the light of its own particular facts.
 - Generally, gains realized by an individual in the business of speculating on real estate would be fully taxable.
 - Typical example is individual buying home, renovating and selling within short period of time; and doing it repeatedly.
 - In these situations, principal residence exemption cannot be used to shelter income, even if property was used as principal residence.

Non-residents and Real Property

- **The tax treatment of dispositions of real property discussed above applies equally to Canadian residents and non-residents**
- **In addition, a 25% withholding tax is imposed on the disposition of real property by non-residents**
 - This is an anti-avoidance measure that addresses the inherent difficulties in collecting tax from non-residents
- **A non-resident may file a T1 to claim a refund for part of the tax withheld, if applicable**
- **Canadian resident purchasers may be liable for a failure to withhold under certain circumstances, subject to a due diligence exception**

Principal Residence Exemption

- **Canadian resident individuals (including trusts) can use the principal residence exemption to shelter capital gains from tax on the disposition of a principal residence**
 - A taxpayer's principal residence is generally a housing unit that is ordinarily inhabited in the year by the taxpayer, the taxpayer's spouse or child (or in the case of a trust, by one or more of its beneficiaries)
- **Goals of the exemption:**
 - recognize that principal residences are generally purchased to provide shelter and not as an investment
 - provide flexibility in the housing and labour markets (allow families greater mobility)

Principal Residence Exemption (cont...)

- **The principal residence exemption is intended to only be available to a taxpayer for years during which the taxpayer is a resident of Canada**
 - Capital gains tax is intended to apply on the disposition of a principal residence owned by a non-resident taxpayer, even though a Canadian resident spouse or child of the taxpayer ordinarily occupies the residence
- **A trust resident in Canada may claim the exemption where it owns a home ordinarily occupied by a beneficiary of the trust**

GST/HST on Residential Real Property

- **New residential real property (for owner-occupancy or rental use) is subject to GST/HST**
 - A maximum rebate of 36% of the federal GST may be available for homes for which the purchase price or value is less than \$450,000
 - A similar GST rebate is available for new residential rental property
 - Of the provinces that are part of the HST, only Ontario provides a provincial housing rebate for new owner occupied housing and rental housing (no price or value thresholds but maximum rebate is \$24,000)
 - Builders may recover the GST/HST they pay on inputs used to make taxable supplies of residential real property
- **GST/HST generally does not apply to sales of used housing and residential rent**

General Tax Policy Considerations

- **Generally, federal tax policy initiatives should:**
 - Adhere to principles of good tax policy (fairness, neutrality, efficiency, simplicity)
 - Apply consistently across the country
 - Consider implications on the tax bases of provinces with which the federal government has Tax Collection Agreements or sales tax harmonization agreements
 - Consider Canada's commitments under international trade and investment agreements

Tax Policy Instruments

- **Tax policy instruments for housing may fall within federal or provincial domain, or both**
- **Transaction tax**
 - Based on value of transaction (e.g. land transfer tax, sales tax)
 - Provincial and federal
- **Income tax**
 - Based on net return generated by the property or from its disposition
 - Capital gains, business income, rental income
 - Federal and provincial (but TCA provinces to follow federal definition)
- **Property tax**
 - Annual tax on the holding of the property
 - Provincial

Tax Policy Effectiveness

- **In theory, higher taxes on housing should reduce demand for housing and put downward pressure on prices**
- **In practice, difficult to determine impact of tax changes on demand, price volatility and affordability**
 - In particular, when market forces and drivers not clearly identified
- **Federal tax is a blunt instrument to address local market issues**
- **Evidence suggests high tax rates generally needed to have meaningful effect on demand for housing**
 - Distortionary impact on prices and supply/demand beyond intent
 - Potentially important valuation effect on existing stock

Administrative and Compliance Considerations

- **Canada Revenue Agency (CRA) responsible for administration and enforcement of the tax rules**
- **The CRA uses tools, including risk assessment tools and analytics to identify and address non-compliance**
- **Some key areas of compliance risk in real estate identified by CRA**
 - Unreported GST/HST on sales of new or substantially-renovated property and ineligible GST/HST new housing rebate claims
 - Unreported income from property flipping
 - Unreported capital gains on the sales of property
- **The CRA will continue to evaluate non-compliance risks in the real estate sector, particularly in highly active markets**

Questions for Discussion

- **How do you see the role of taxation in helping to address issues of housing market overheating?**
- **In particular, how do you see the role of the federal tax system in addressing these issues?**



Housing Finance Policy

Presentation to the Housing Working Group
July 14, 2016

Housing Finance Policy Objectives

- **STABILITY** of the financial system, well-being of the housing sector and economy
- **ACCESS** to housing finance and adequate low-cost funding
- **COMPETITION** and **EFFICIENCY** in the provision of housing finance

From modest beginnings...

- Government role in housing finance initiated to increase supply of residential mortgage credit and support access for borrowers.

1935: Joint public-private lending

1946: CMHC created

1954: Mortgage insurance introduced

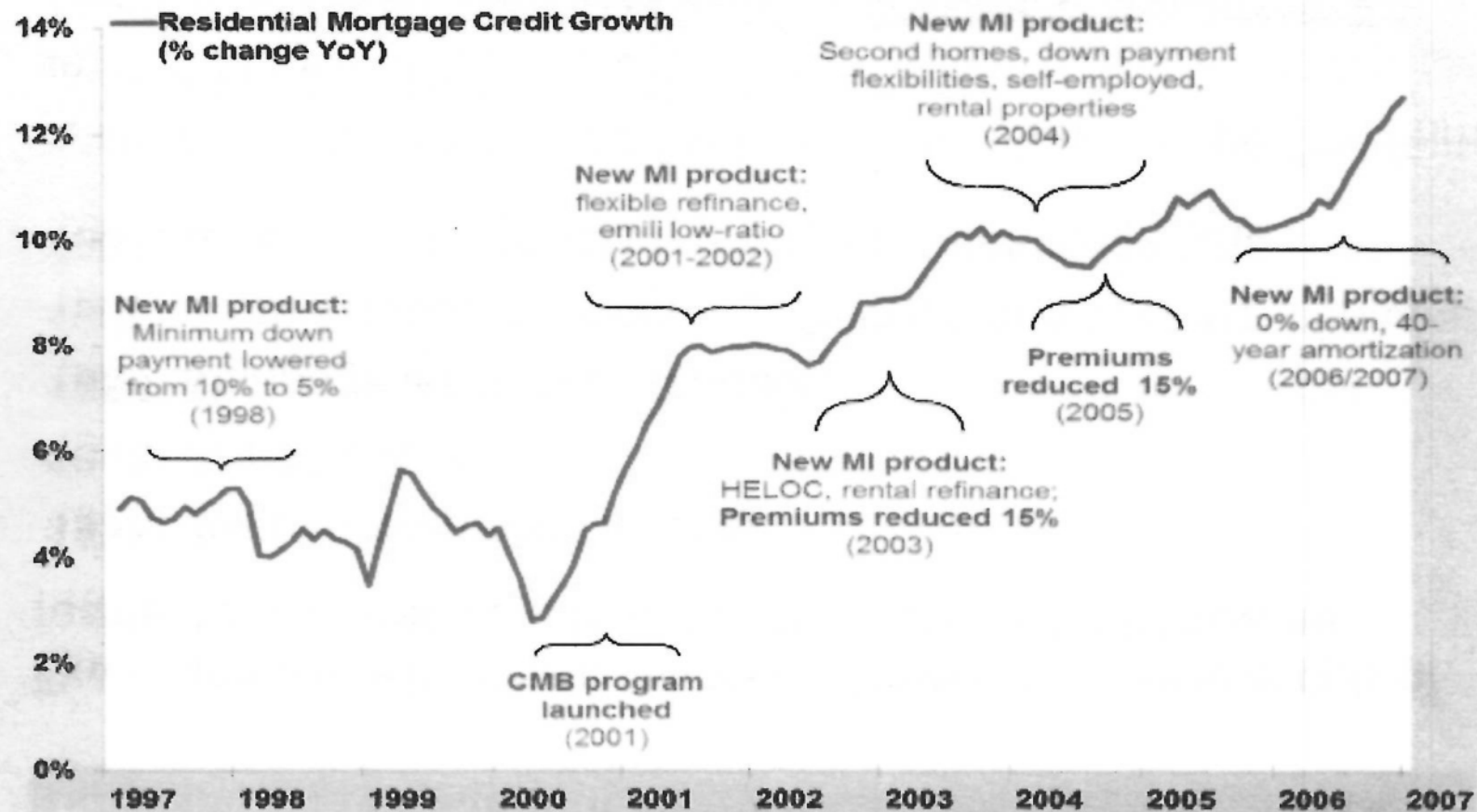
1967: *Bank Act* requires insurance for high loan-to-value mortgages

1991: Guarantee for private mortgage insurer obligations

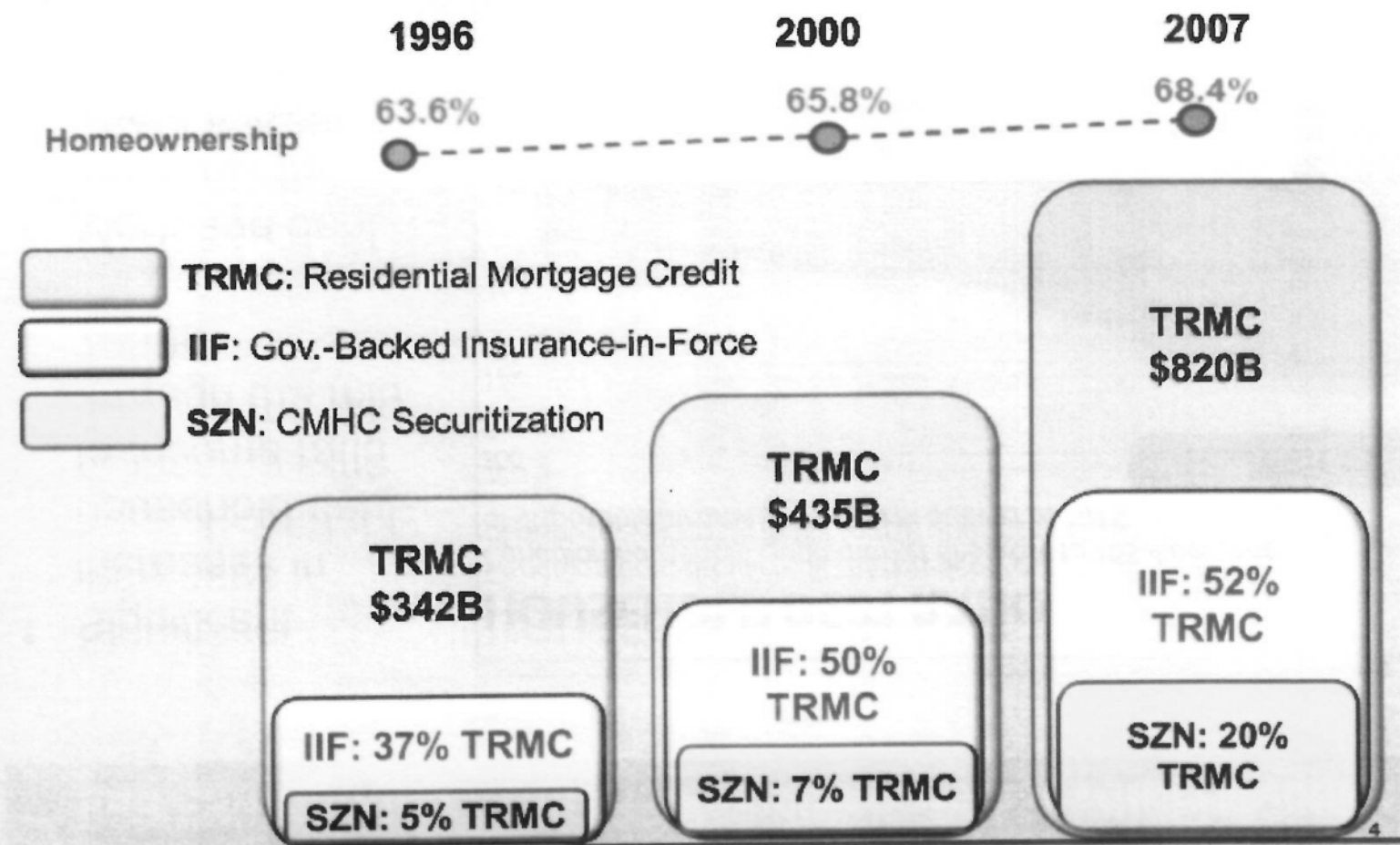
- Support access to mortgage funding to encourage competition from small lenders and reduce costs for borrowers.

1987: *National Housing Act* Mortgage-Backed Securities

...government support for housing finance steadily expanded...



Leading to a large government footprint in housing finance...

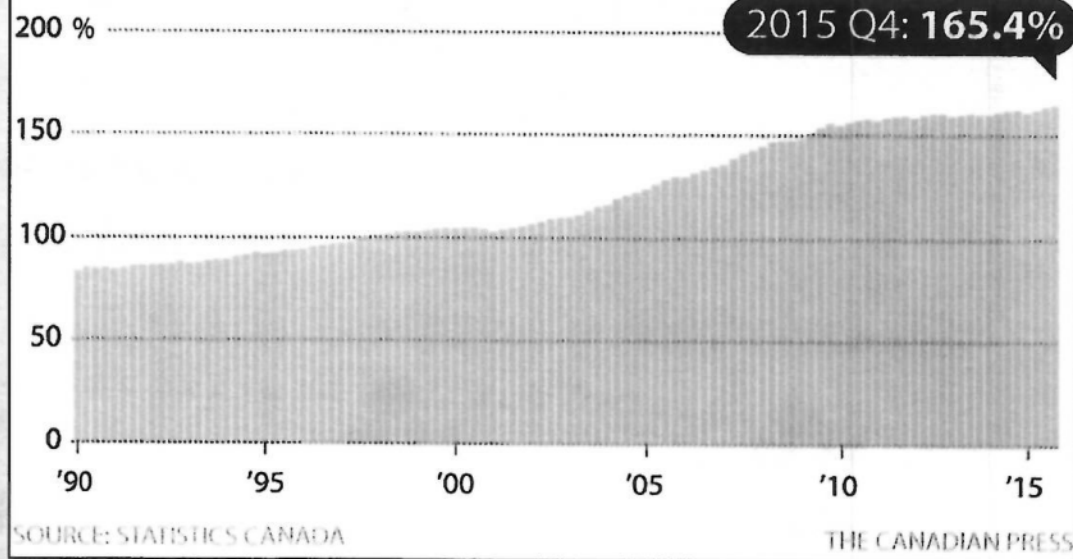


...and contributing to an increase in borrower vulnerabilities

- Significant increases in household debt-to-income ratio through the mid-2000s
- Mortgage debt accounts for about two-thirds of total debt

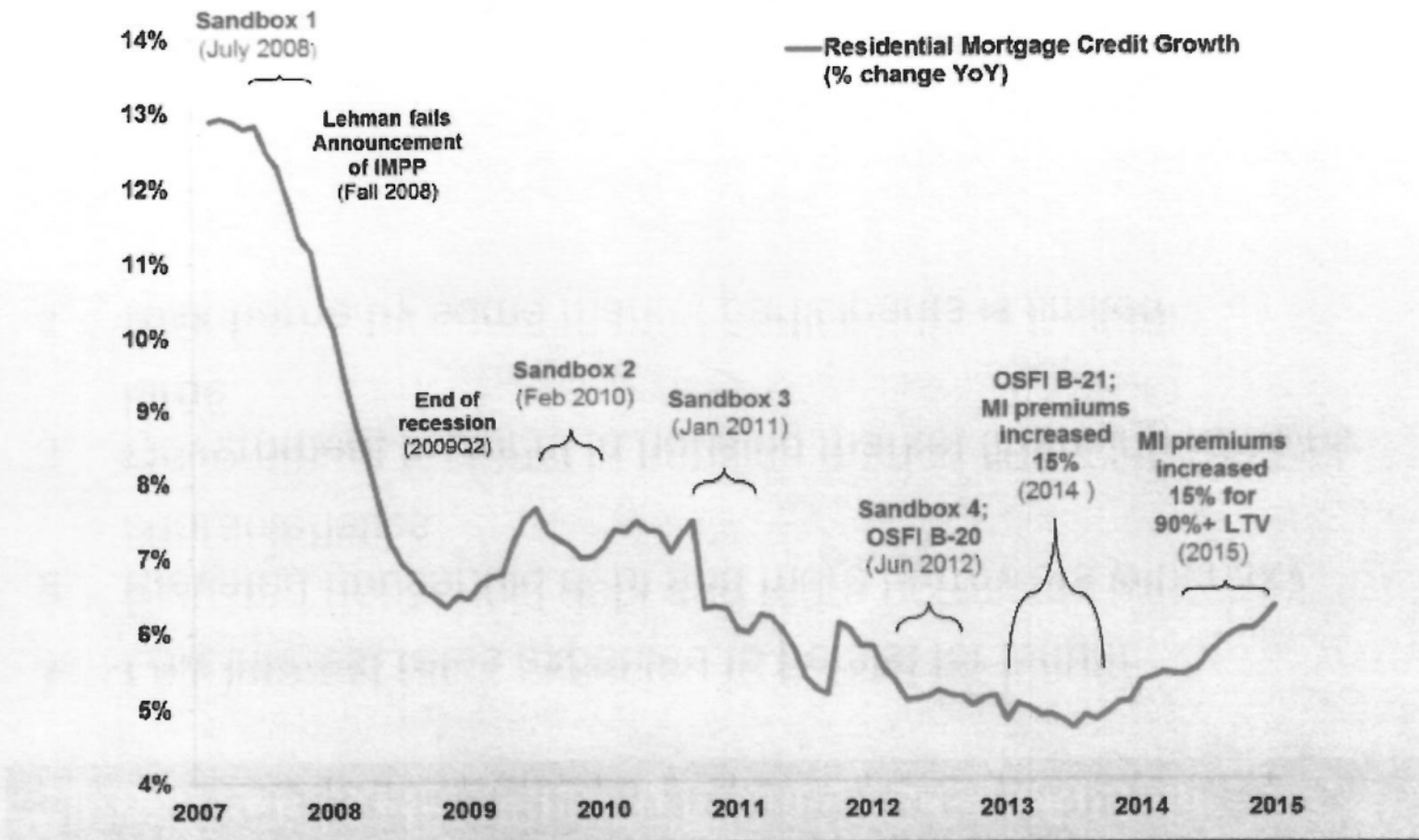
HOUSEHOLD DEBT RATIO

Canadian household credit market debt rose to 165.4 per cent of disposable income in the fourth quarter of 2015.



Government actions since 2008 intended to:

- 1) Recalibrate government role in housing finance
- 2) Support financial stability



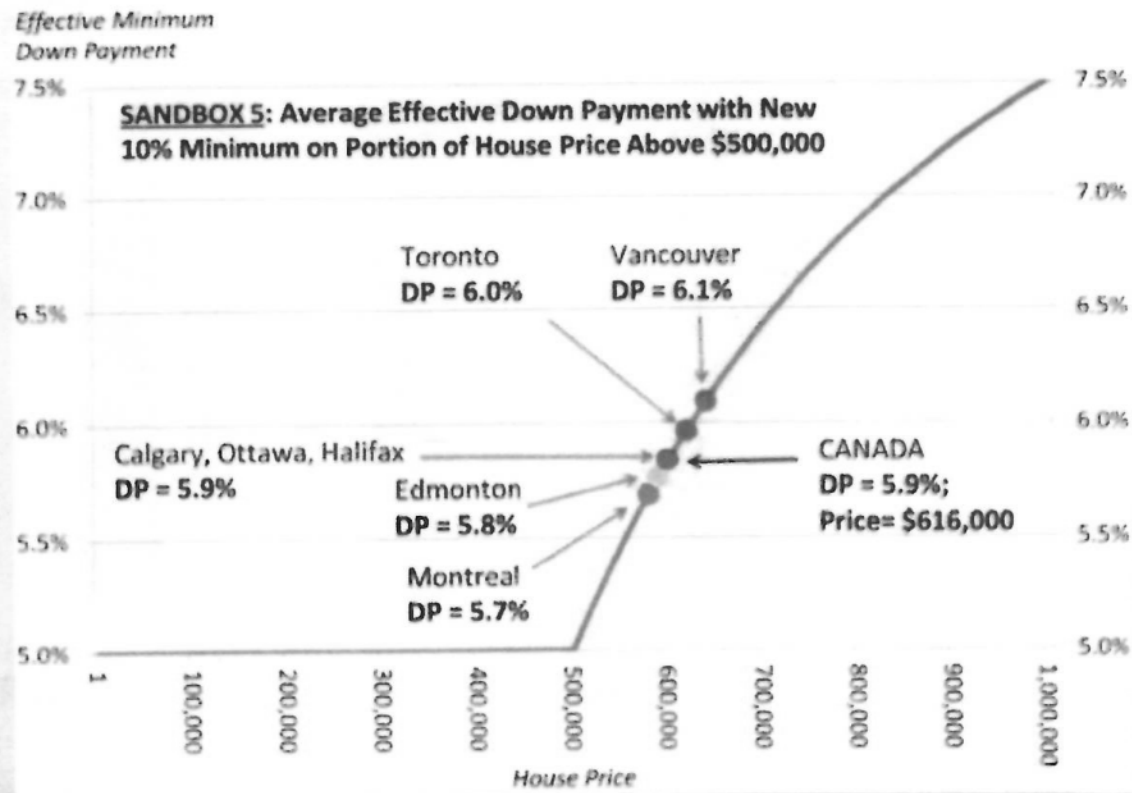
Current context for housing finance considerations

1. Low interest rates expected to persist for longer
2. Elevated household debt and more borrowers with risky characteristics
3. Government footprint in housing market financing remains large
4. Risk borne by some market participants is limited

Recent federal action to support long-term stability

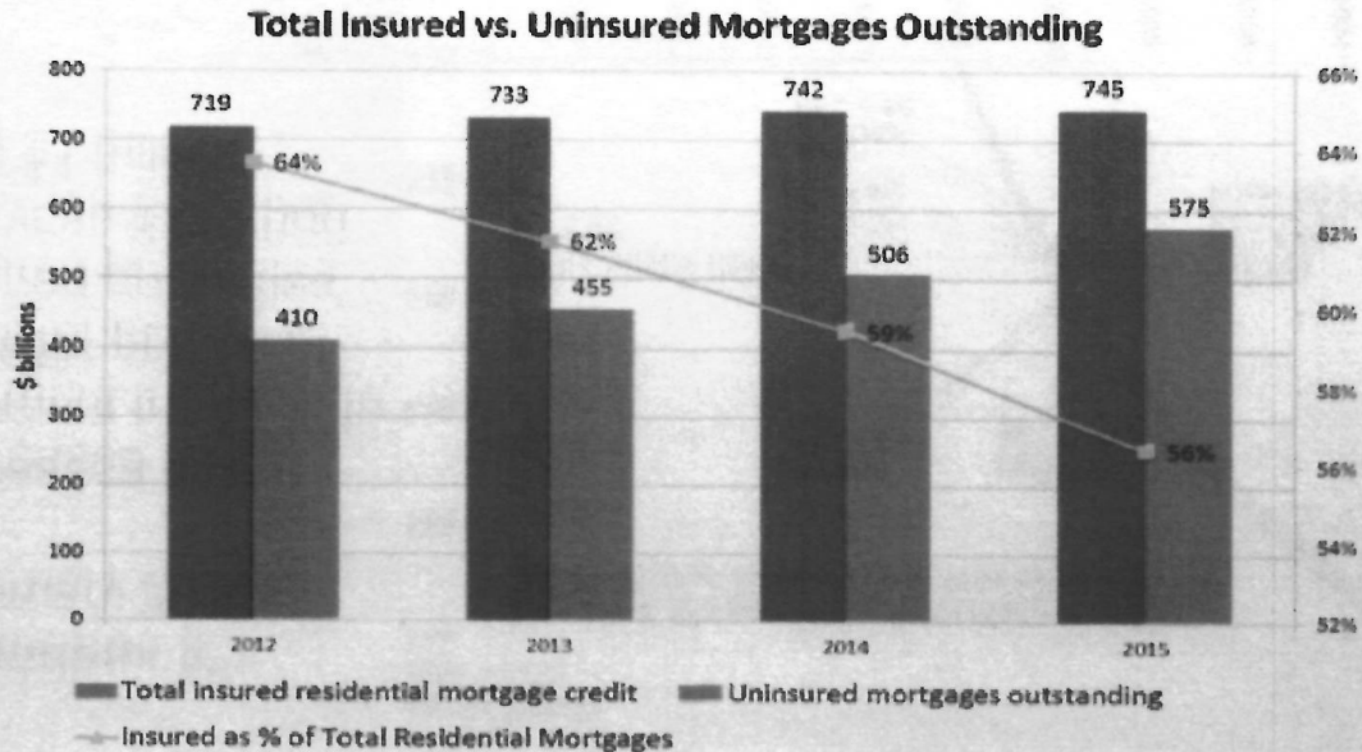
“Sandbox 5”: February 2016

Increased down payment from 5% to 10% for portion of insured properties between \$500,000 and \$1 million



Considerations going forward

1) the size of the insured space is decreasing as a share of the market;



Source: Publicly available data and DoF estimates

Page 027 to/à Page 029

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Housing Finance Policy

**Presentation to the Housing Working Group
July 14, 2016**

Morgan, Melissa FIN:EX

From: Johnston, Sadhu <Sadhu.Johnston@vancouver.ca>
Sent: Wednesday, July 13, 2016 3:33 PM
To: Ram, Elisha (FIN); Wood, Heather FIN:EX; 'allan.doheny@ontario.ca'; Brian.Lewis@ontario.ca; 'peter.wallace@toronto.ca'; Impey, Patrice; Llewellyn-Thomas, Kathleen; alexandralai@bank-banque-canada.ca; vlasios.melessanakis@osfi-bsif.gc.ca; 'mtremblay@cmhc-schl.gc.ca'; mlaurenc@cmhc-schl.gc.ca; Stewart, Rob (FIN); Anderson, Leah (FIN); Jovanovic, Miodrag (FIN)
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Subject: RE: Federal-Provincial-Municipal Housing Working Group Meeting: Final Agenda and Supporting Documents

Greetings-

Unfortunately I am unable to join the meeting tomorrow. I really want to thank you for inviting the City of Vancouver to participate in this very important discussion. You'll have Patrice Impey, our CFO and Kathleen Llewellyn-Thomas, the GM of Community Services, which oversees housing. So, Vancouver will be well represented. We really are facing a housing crisis in Vancouver and the Lower-mainland. We currently have an encampment, we had a protest at Council yesterday with a group attempting to disrupt council, a middle class struggling to remain housed in the City, and a business community really struggling to attract and retain employees due to costs of housing. So, we really welcome the opportunity to engage in these discussions and welcome a collaborative approach to addressing this issue. I look forward to hearing the outcome of the discussion and thank you for including us.

Thanks

Sadhu

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To: Heather.Wood@gov.bc.ca; 'allan.doheny@ontario.ca'; Brian.Lewis@ontario.ca; Johnston, Sadhu;

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Subject: Federal-Provincial-Municipal Housing Working Group Meeting: Final Agenda and Supporting Documents

Sent on behalf of Rob Stewart

Good evening everyone,

Attached please find the final agenda for tomorrow's meeting (no changes from the version circulated on July 8), as well as a number of presentations that we will be discussing. We ask that you not distribute these further.

Teleconferencing will also be available. The dial-in information is as follows:

s.15,s.17

As you arrive at 90 Elgin Street tomorrow, please check in at the Finance security desk to collect your identity badge, and you will be escorted to the second floor conference centre. Coffee will be available starting at 8:15am.

Looking forward to tomorrow,

Rob Stewart
Assistant Deputy Minister | Sous-ministre adjoint
Financial Sector Policy Branch | Direction de la politique du secteur financier
Department of Finance Canada | Ministère des Finances Canada
90 Elgin St., Ottawa, Canada K1A 0G5
Rob.Stewart@canada.ca New
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From: Ram, Elisha (FIN)

Sent: July-08-16 6:00 AM

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Subject: Invitation: Federal-Provincial-Municipal Housing Working Group Meeting on July 14

Importance: High

Sent on behalf of Rob Stewart

s.16

<< File: Housing Working Group July 14 Draft Agenda July 8.docx >> << File: Housing Working Group Terms of Reference.docx >>

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Subject: Federal-Provincial-Municipal Housing Working Group Meeting: Final Agenda and Supporting Documents
Attachments: Housing Working Group July 14 Final Agenda.docx; EFP Housing Working Group - First Meeting Final.pptx; July 2016 fed-prov presentation BoC.pdf; CMHC Deck_Final .pptx

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Subject: Invitation: Federal-Provincial-Municipal Housing Working Group Meeting on July 14

Importance: High

Sent on behalf of Rob Stewart

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<< File: Housing Working Group July 14 Draft Agenda July 8.docx >> << File: Housing Working Group Terms of Reference.docx >>

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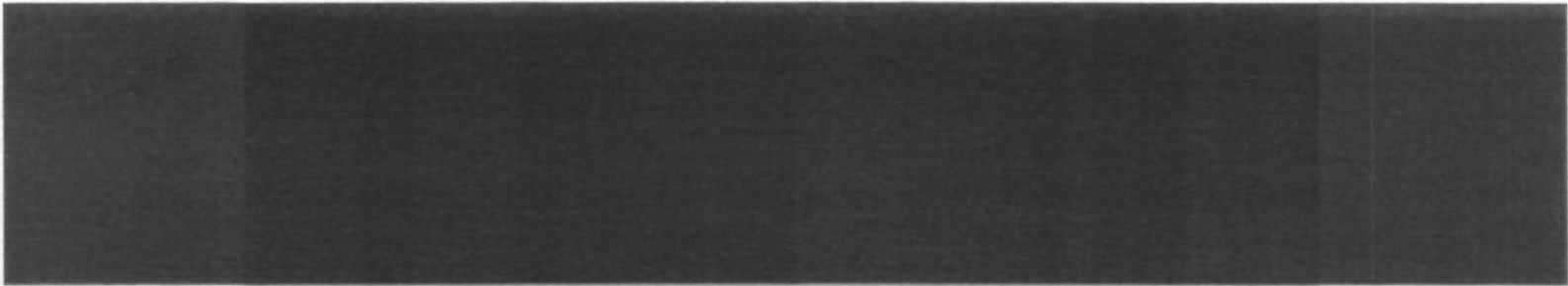
Federal-Provincial-Municipal Housing Working Group Meeting

July 14, 2016

Location: Ottawa, 90 Elgin Street, 2nd Floor Conference Centre

AGENDA

- | | |
|---------|---|
| 8:30AM | Coffee |
| 9:00AM | Introductions and roundtable (All)
<i>Context for the creation of the working group, mandate and objectives</i> |
| 9:30AM | Canadian housing trends; data availability and needs (Canada/Provinces/Cities) |
| 10:30AM | Break |
| 10:45AM | Prudential mortgage lending oversight/issues (OSFI/Provinces) |
| 11:15AM | Housing supply needs and constraints (Provinces/Cities) |
| 12:00PM | Update on federal affordable housing work (CMHC) |
| 12:30PM | Lunch |
| 1:00PM | Financial stability issues and measures (Finance Canada/Provinces) |
| 1:30PM | The taxation of housing in Canada (Finance Canada/Provinces/Cities) |
| 2:30PM | Roundtable Discussion
- <i>priority work streams and identification of participants</i>
- <i>timelines and reporting</i>
- <i>other issues</i> |
| 3:30 | Wrap up |



An Overview of the Canadian Housing Market Conditions

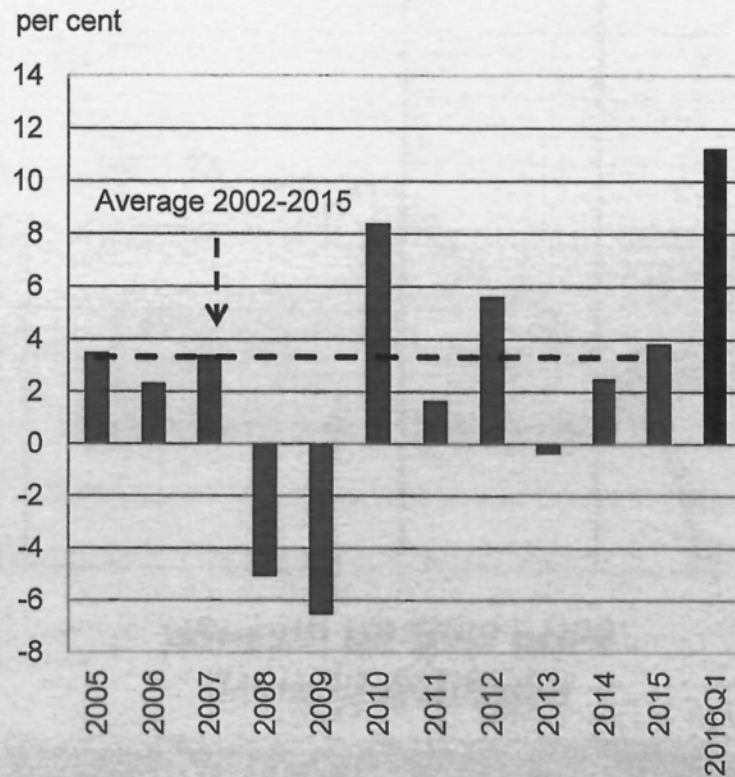
**Presentation to the Housing Working Group
July 14, 2016**

The Canadian housing market in context

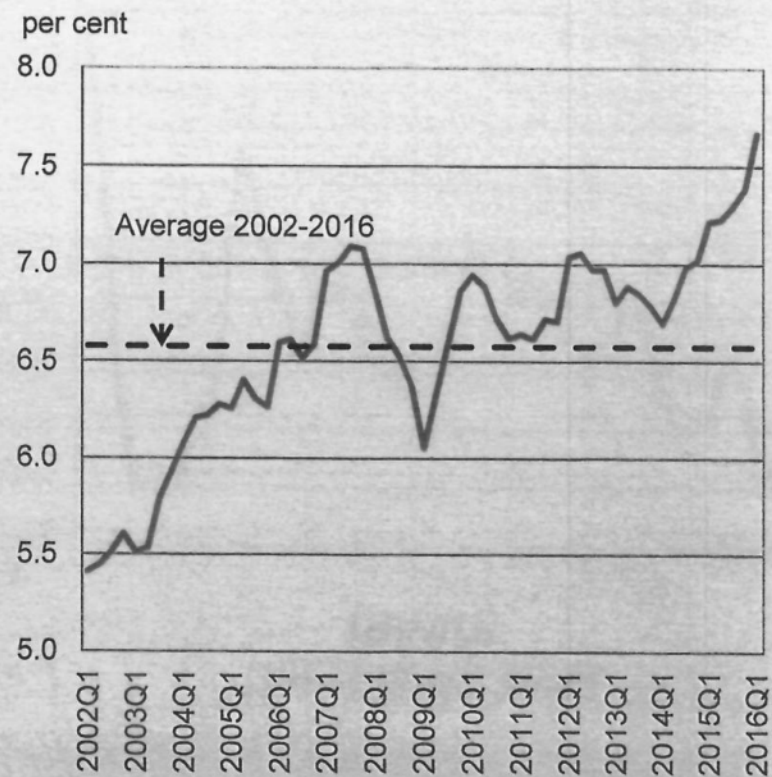
- **Residential investment represents about 8% of nominal GDP and 3.3% of employment.**
 - New housing construction = 3.3% of GDP
 - Renovation activity = 2.6% of GDP
 - Ownership transfer costs = 1.8% of GDP
 - **Nearly 10 million Canadians are homeowners (69% of households) and 60% have mortgages**
 - **In 2015, over 500,000 homes were re-sold and about 195,000 were newly built.**
 - 89% of these homes had mortgages.
 - 76% had a fixed interest rate with an average rate of 2.96%.
 - Three quarters had amortization periods of 25 years or less
 - **Average homeowner equity ratio is 71% (49% among homeowners who have mortgages)**
-

Residential Investment has been an important contributor to Canadian economic activity since the beginning of the recovery

Residential Investment Growth



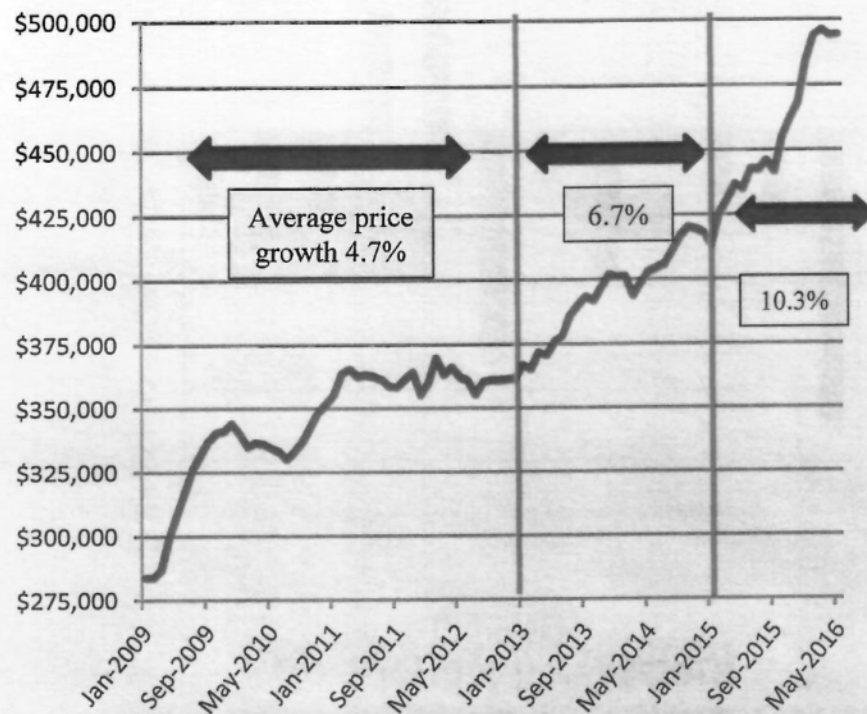
Share of Residential Investment in Nominal GDP



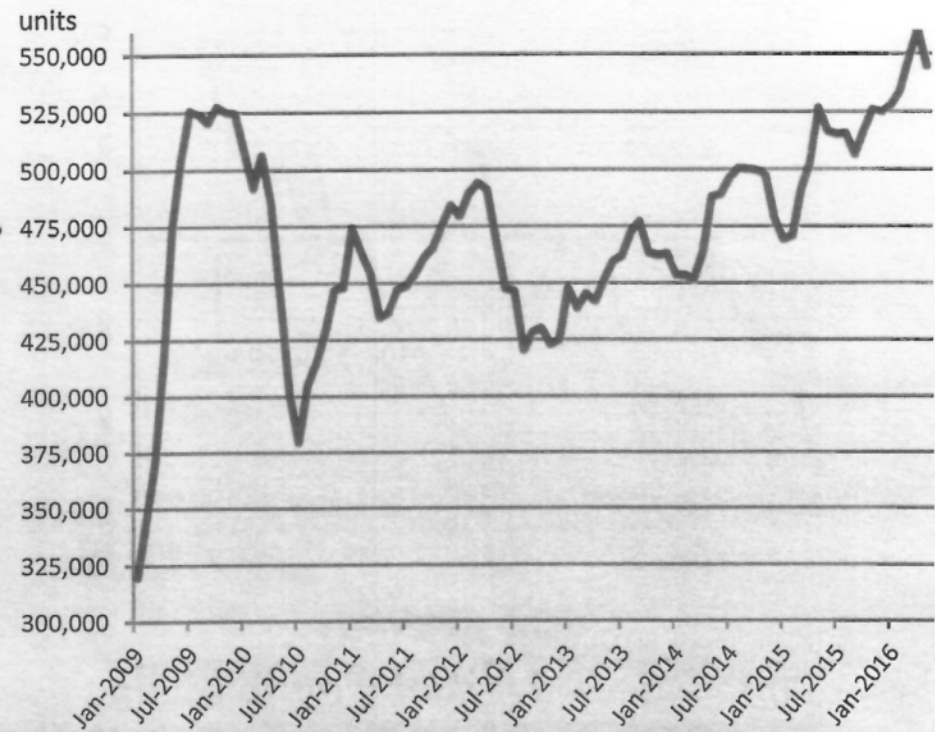
Sources: Statistics Canada, Department of Finance calculations. Last observation: 2016 Q1.

Canada's housing market continues to expand at an exceptionally strong pace with average prices growing by 12 per cent in 2015 and by a further 6 per cent so far in 2016

**Average Canadian
Housing Re-Sale Price**



**Housing Re-sales
(SAAR)**

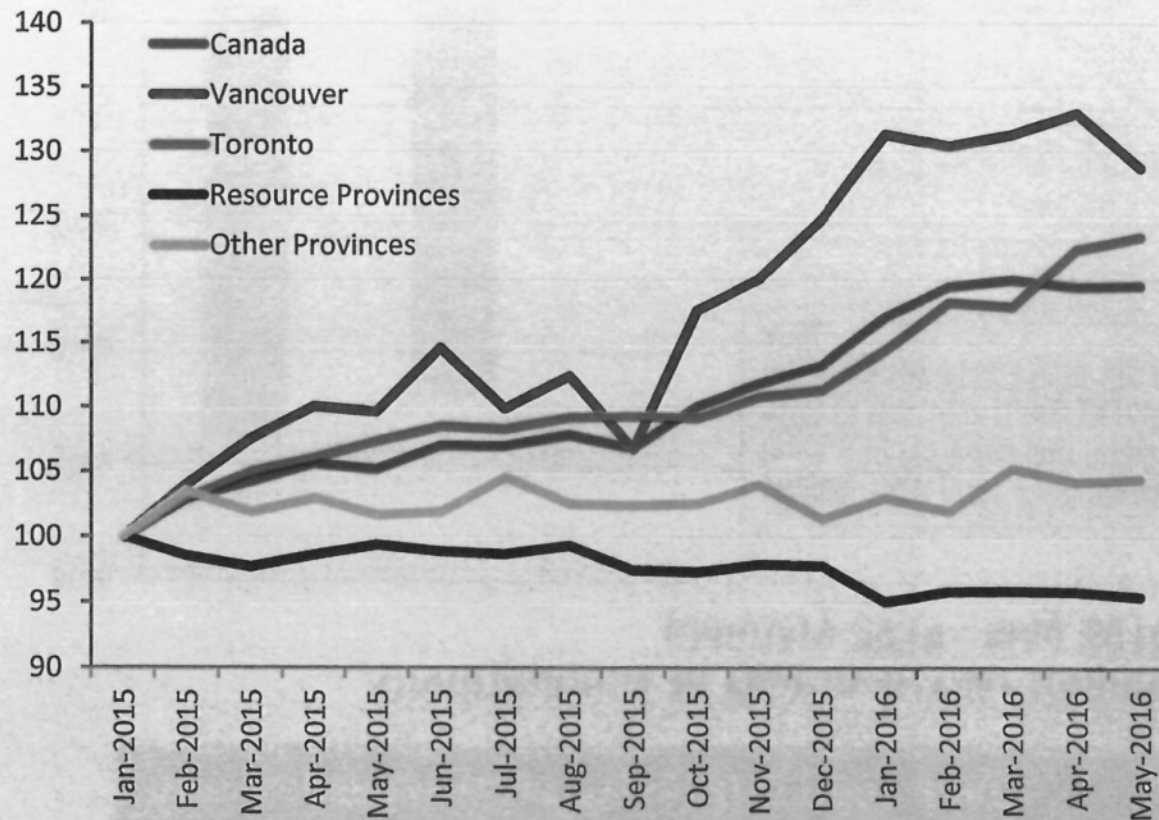


Sources: Haver Analytics, Canadian Real Estate Association, Department of Finance calculations. Last observation: May 2016.

Canada's housing markets can be split into four major categories

Average Canadian Re-Sale Price

Index, 100=Jan 2015

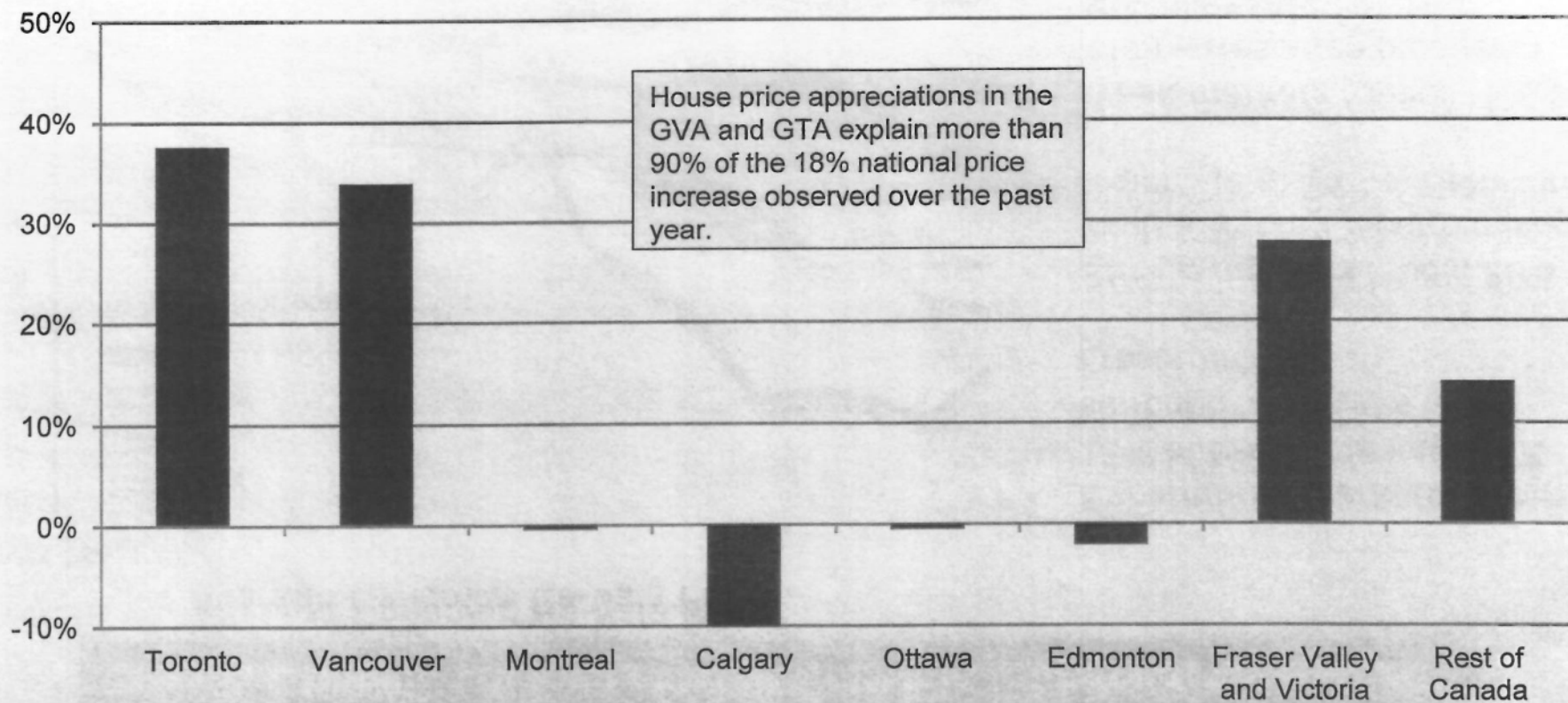


- **Exceptional markets** (about 15% of total) – Vancouver & surrounding regions (e.g. Fraser Valley)
- **Strong markets** (about 25% of total) – Toronto & surrounding regions (e.g. Barrie, Hamilton)
- **Weak markets** (about 15% of total) – Resource producing provinces (AB, SK, NL)
- **Moderate markets** (about 45% of total) – Most other regions

Sources: Haver Analytics, Canadian Real Estate Association MLS average sale prices, Department of Finance calculations. Last observation: May 2016.

Toronto and Vancouver area account for a majority of national house price growth over the past year

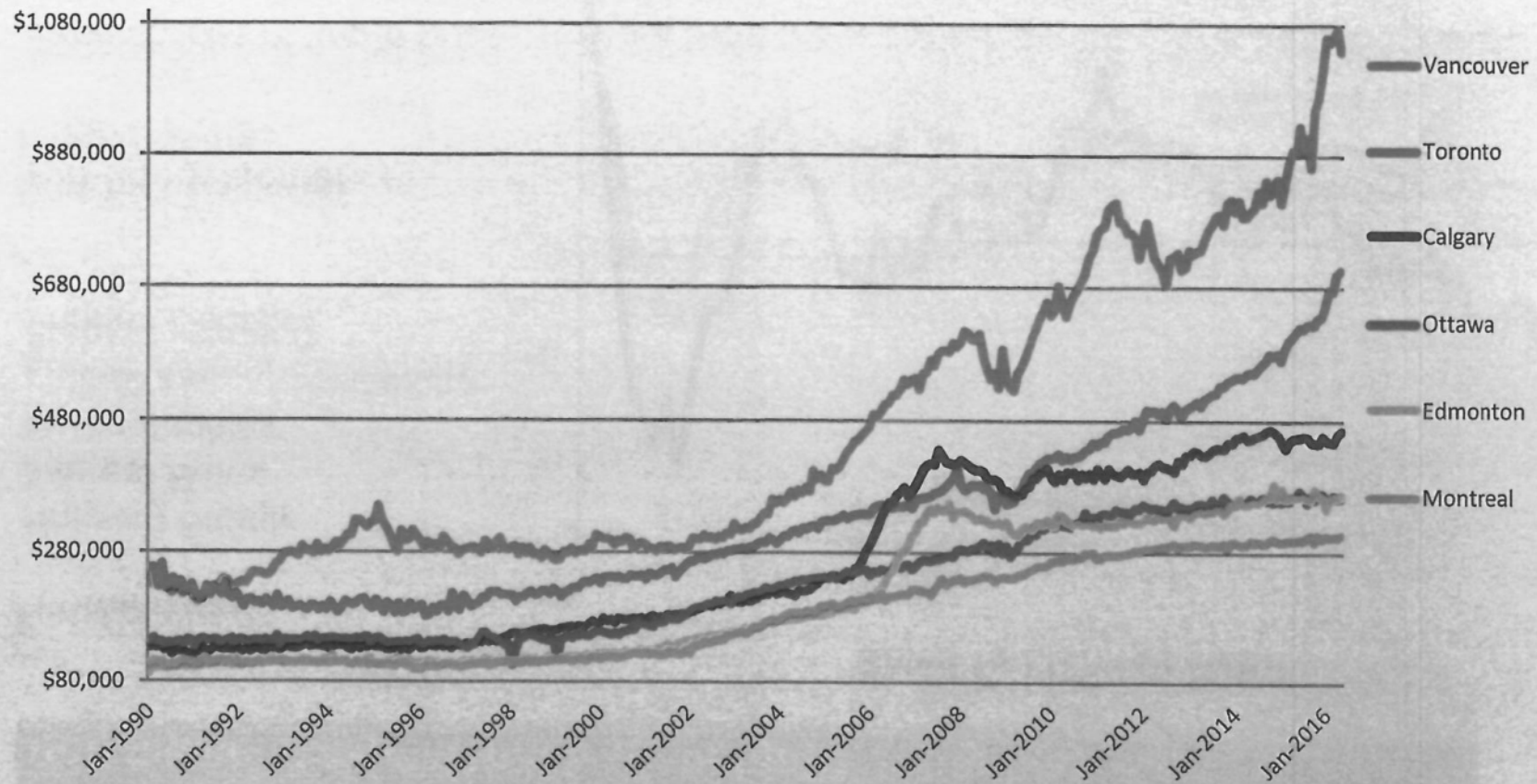
Contributions to Year-over-Year National Price Growth (January 2015 - May 2016)



Sources: Canadian Real Estate Association MLS average sale prices, Department of Finance calculations.

Stronger sales but also significantly higher prices explain Toronto and Vancouver's stronger contribution to the national average

Average Multiple Listing Service Home Price



Sources: Canadian Real Estate Association, Average Multiple Listing Service (MLS) Home Price (seasonally adjusted). Last observation: May 2016.

* The MLS Home Price data for Montreal are only available up to 2007. Data for Montreal from 2008 onwards is extrapolated based on province wide figures for Quebec, given that approximately 70% of Quebec's existing home sales take place in Montreal.

Housing markets are influenced by two primary drivers: economic fundamentals from both domestic and foreign sources, and non-fundamental expectations about future conditions

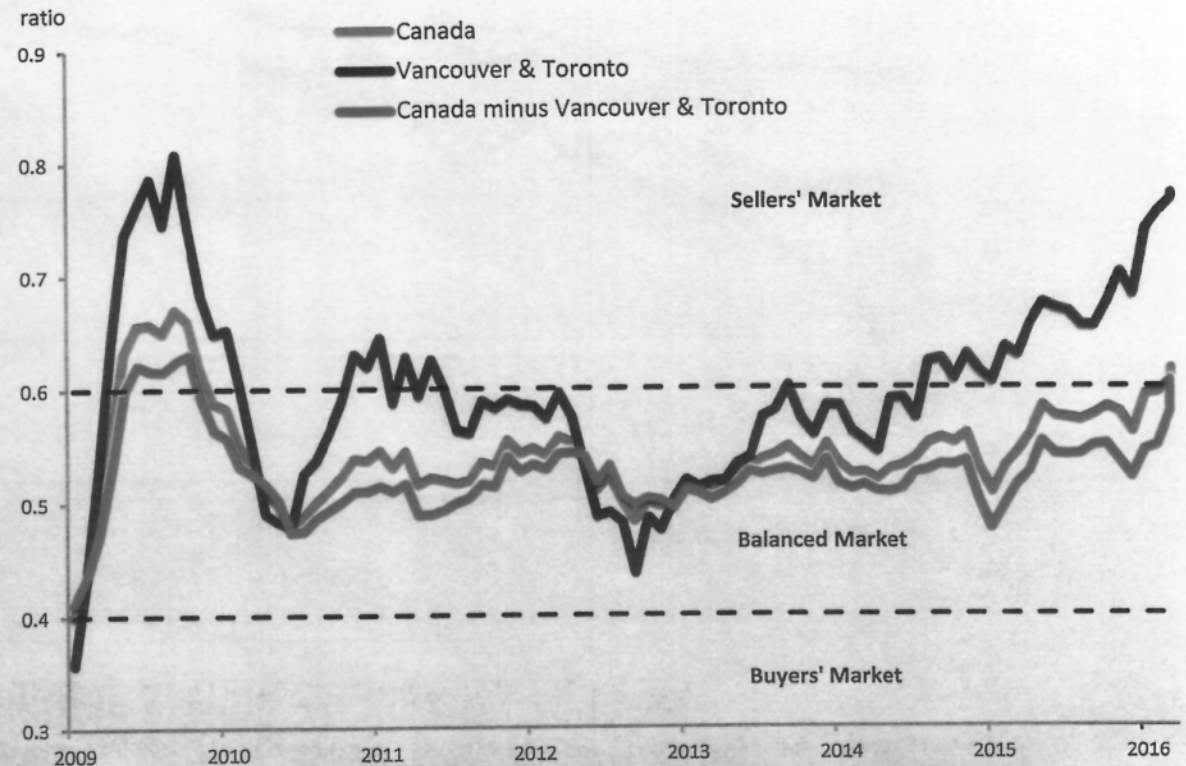
1. Fundamentals

- *Housing Supply*
- *Interest Rates*
- *Demographics*
- *Labour Market Conditions*
- *Foreign Demand*

2. Non-Fundamental Expectations

- *Expectations of future price gains*

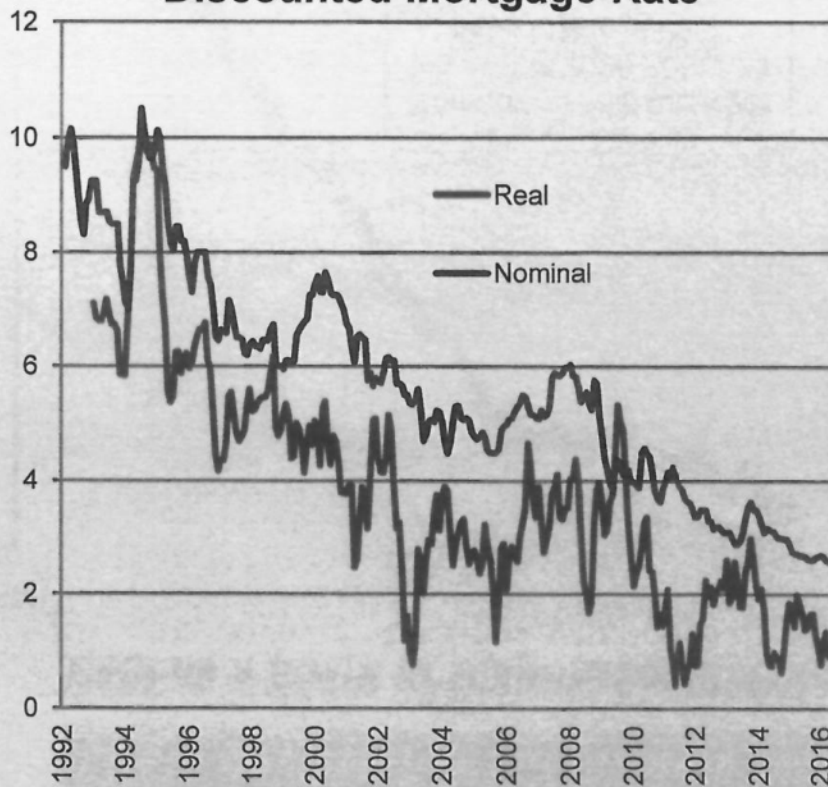
Sales-to-Listings Ratio



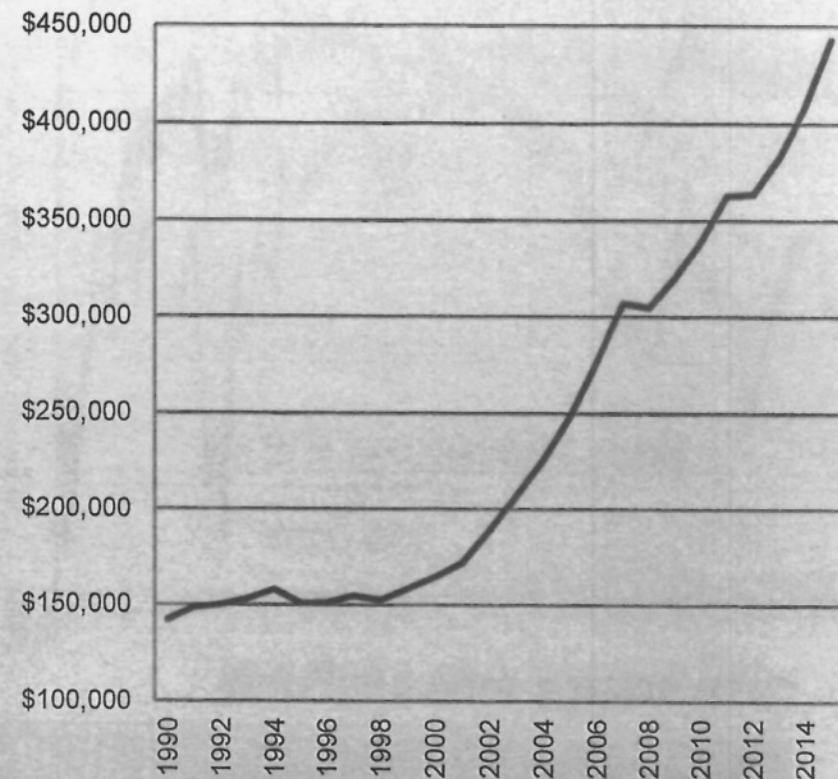
Sources: Canadian Real Estate Association, Department of Finance calculations. Last observation: May 2016.

Higher house prices have been offset by lower mortgage rates

Estimated Nominal and Real 5-Year Discounted Mortgage Rate



Average Canadian Re-Sale Price



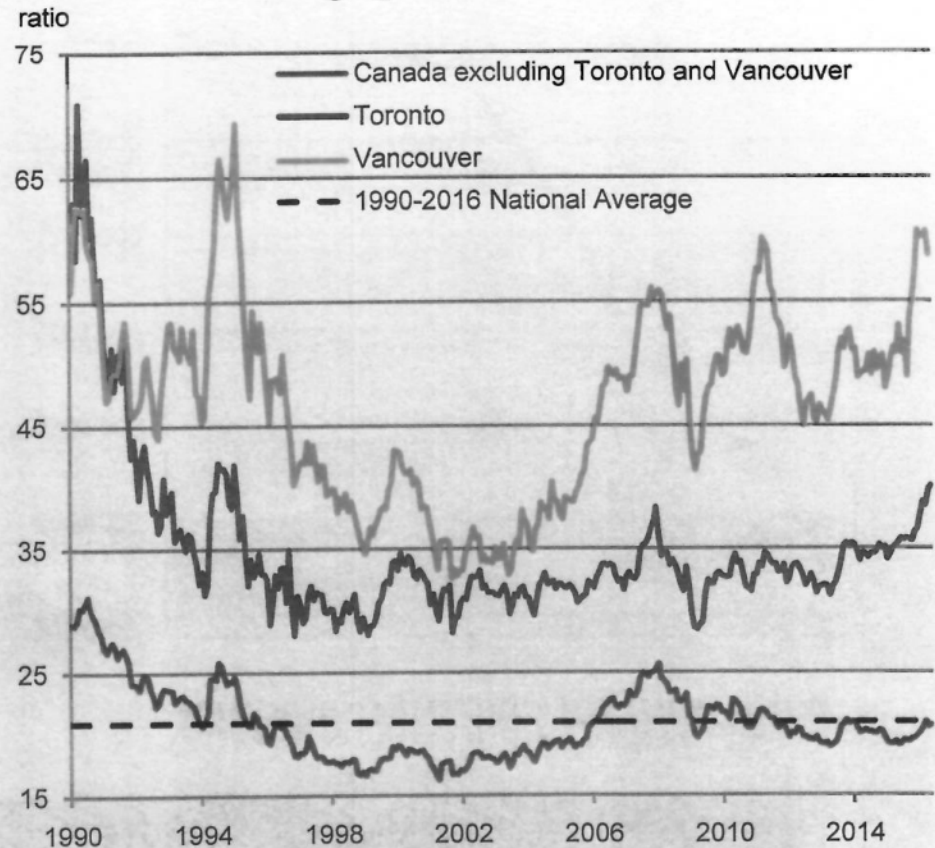
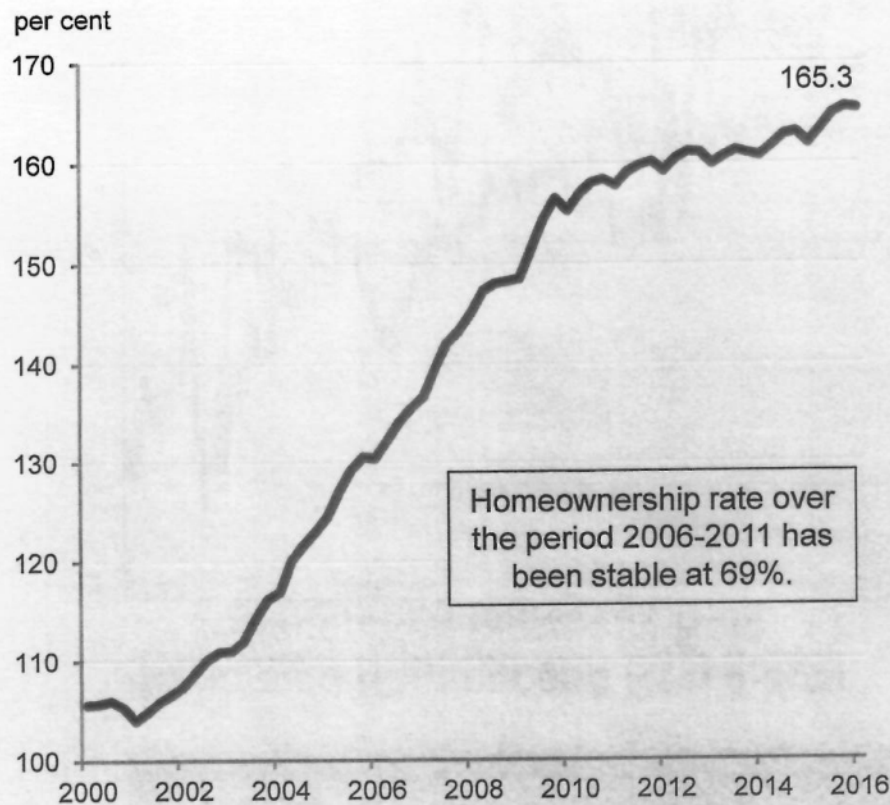
Note: The real estimated 5-year discounted mortgage rate is the nominal 5-year discounted mortgage rate deflated using year-over-year growth of total CPI.
Sources: ING, www.ratehub.ca, Statistics Canada, Department of Finance calculations.

Sources: Haver Analytics, Canadian Real Estate Association.

As a result, despite increasing household debt levels, debt service costs have remained broadly unchanged

Debt as a Share of Disposable Income

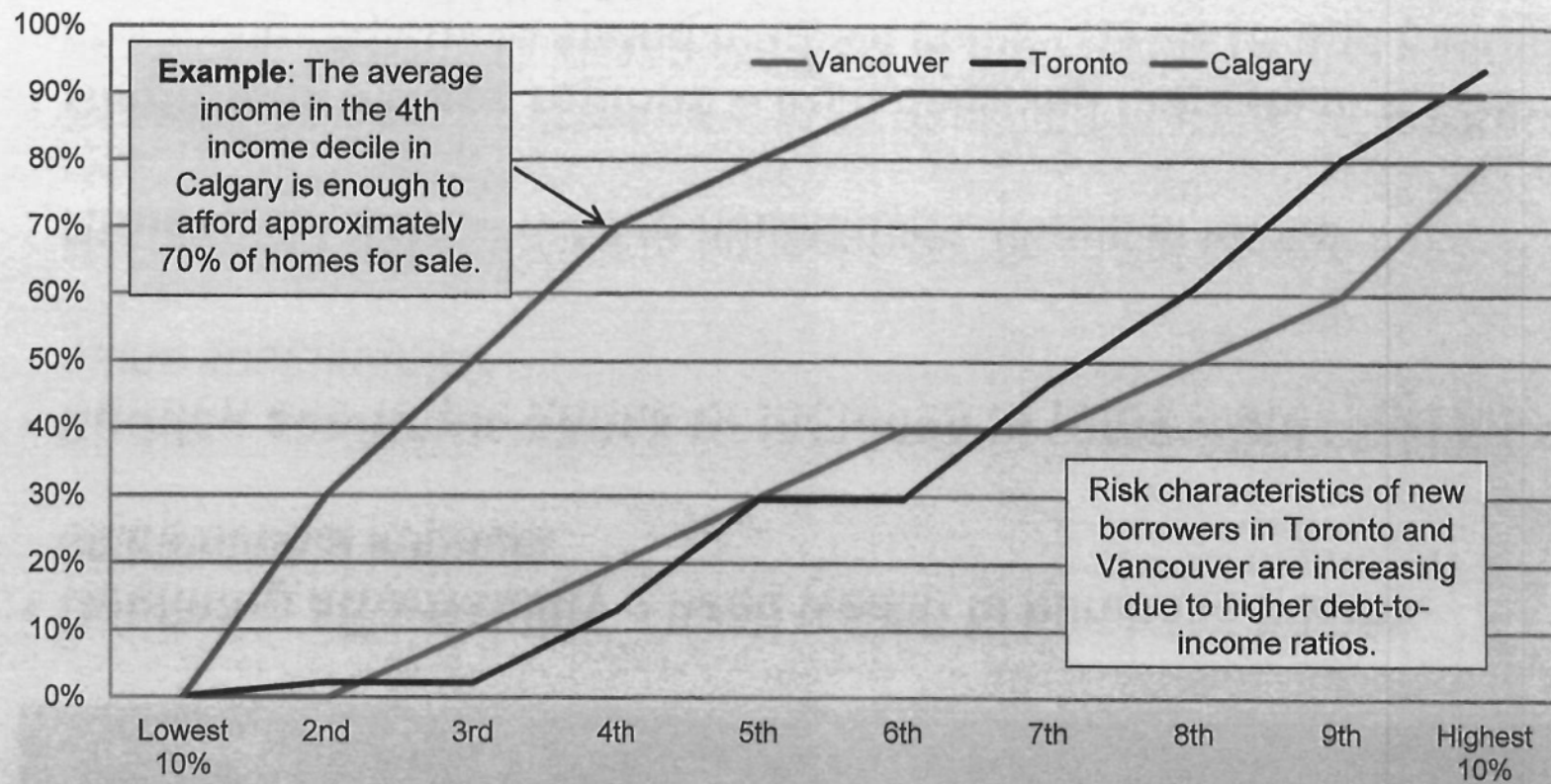
Mortgage Debt Service Ratio



Source: Statistics Canada., Census 2006 and 2011, National Income and Expenditure, and Survey of Household Spending. Ratehub. Finance internal calculations. Last observation: May 2016.

However, affordability varies across the price and income spectrum

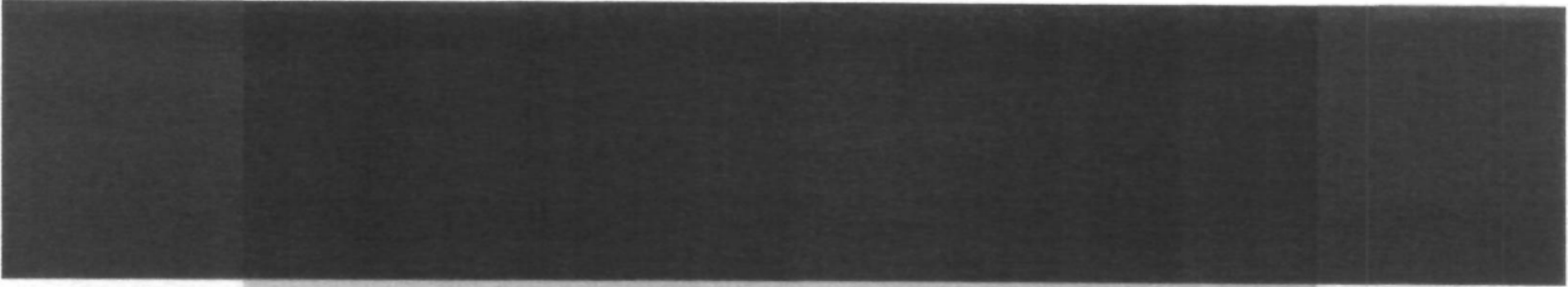
Approximate Share of the Housing Market that can be Afforded by Income Decile



Notes: Affordability defined as the spending at most 30% of income for each decile on mortgage payments, with 5-year discounted mortgage rates, 25 year amortization, and 5% downpayment.
Sources: Canadian Real Estate Association, Statistics Canada, Department of Finance calculations.

Concerns

- **Declining affordability** – need wealth to purchase homes, distributional impacts
 - **Sudden economic shock or increase in rates** – are rapid price gains sustainable?
 - **Household debt** – risks to households, financial sector
 - **Disparities across regions** – from declining markets in resource producing regions to strong markets in the GVA/GTA and moderate expansion in most regions
 - **Foreign homebuyers** – what is their role?
-



An Overview of the Canadian Housing Market Conditions

**Presentation to the Housing Working Group
July 14, 2016**

Page 050 to/à Page 067

Withheld pursuant to/removed as

s.16

Morgan, Melissa FIN:EX

From: Nicholson, Riley FIN:EX
Sent: Friday, July 8, 2016 2:45 PM
To: 'elisha.ram@canada.ca'
Cc: Wood, Heather FIN:EX
Subject: FW: Invitation: Federal-Provincial-Municipal Housing Working Group Meeting on July 14
Attachments: Housing Working Group July 14 Draft Agenda July 8.docx; Housing Working Group Terms of Reference.docx
Importance: High

Dear Elisha,

Please note that Heather Wood, Assistant Deputy Minister, Policy and Legislation Division, will attend for Athana Mentzelopoulos. Can you please add Heather.Wood@gov.bc.ca to the distribution list for this meeting.

Heather will be in touch with you directly regarding the agenda and terms of reference.

Thank you,

Riley

From: Ram, Elisha (FIN) [<mailto:elisha.ram@canada.ca>]

Sent: Friday, July 8, 2016 3:00 AM

To: Mentzelopoulos, Athana FIN:EX; allan.doheny@ontario.ca; sadhu.johnston@vancouver.ca; peter.wallace@toronto.ca; rmorrow@bank-banque-canada.ca; vlasios.melessanakis@osfi-bsif.gc.ca; mtremblay@cmhc-schl.gc.ca; mllaurence@cmhc-schl.gc.ca; Stewart, Rob (FIN); Anderson, Leah (FIN)

Cc: Robert.lowry@ontario.ca; alexandralai@bank-banque-canada.ca; kwright@cmhc-schl.gc.ca; Leswick, Nick (FIN); Marsland, Andrew (FIN); Jovanovic, Miodrag (FIN); King, Phil (FIN); Walsh, Mark (FIN); Ram, Elisha (FIN); Leach, Cynthia (FIN)

Subject: Invitation: Federal-Provincial-Municipal Housing Working Group Meeting on July 14

Importance: High

Sent on behalf of Rob Stewart

s.16

Rob Stewart

Assistant Deputy Minister | Sous-ministre adjoint

Financial Sector Policy Branch | Direction de la politique du secteur financier

Department of Finance Canada | Ministère des Finances Canada

90 Elgin St., Ottawa, Canada K1A 0G5

Rob.Stewart@canada.ca New

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Page 070

Withheld pursuant to/removed as

s.16;s.13

Morgan, Melissa FIN:EX

From: Mentzelopoulos, Athana FIN:EX
Sent: Friday, July 8, 2016 6:54 AM
To: Wood, Heather FIN:EX
Cc: MacLean, Shelley FIN:EX; Nicholson, Riley FIN:EX
Subject: FW: Invitation: Federal-Provincial-Municipal Housing Working Group Meeting on July 14
Attachments: Housing Working Group July 14 Draft Agenda July 8.docx; Housing Working Group Terms of Reference.docx
Importance: High

Apologies if duplicate. Riley, can you make sure the feds know that Heather will be the rep on this WG.

Thanks

athana

From: Ram, Elisha (FIN) [<mailto:elisha.ram@canada.ca>]
Sent: Friday, July 8, 2016 3:00 AM
To: Mentzelopoulos, Athana FIN:EX; allan.doheny@ontario.ca; sadhu.johnston@vancouver.ca; peter.wallace@toronto.ca; rmorrow@bank-banque-canada.ca; vlasios.melessanakis@osfi-bsif.gc.ca; mtremblay@cmhc-schl.gc.ca; milaurence@cmhc-schl.gc.ca; Stewart, Rob (FIN); Anderson, Leah (FIN)
Cc: Robert.lowry@ontario.ca; alexandralai@bank-banque-canada.ca; kwright@cmhc-schl.gc.ca; Leswick, Nick (FIN); Marsland, Andrew (FIN); Jovanovic, Miodrag (FIN); King, Phil (FIN); Walsh, Mark (FIN); Ram, Elisha (FIN); Leach, Cynthia (FIN)
Subject: Invitation: Federal-Provincial-Municipal Housing Working Group Meeting on July 14
Importance: High
Sent on behalf of Rob Stewart

s.16

Rob Stewart
Assistant Deputy Minister | Sous-ministre adjoint
Financial Sector Policy Branch | Direction de la politique du secteur financier
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Morgan, Melissa FIN:EX

From: Mentzelopoulos, Athana FIN:EX
Sent: Wednesday, July 6, 2016 1:15 PM
To: Wood, Heather FIN:EX
Subject: FW: Housing Working Group
Attachments: Housing Working Group Terms of Reference v3.docx

What I have received so far re: housing working group.

From: Stewart, Rob (FIN) [<mailto:rob.stewart@canada.ca>]
Sent: Thursday, June 30, 2016 1:39 PM
To: Mentzelopoulos, Athana FIN:EX; Scott.Thompson@ontario.ca
Cc: Rochon, Paul (FIN); Marsland, Andrew (FIN)
Subject: Housing Working Group

Hello Athana and Scott,

I'm following up on your correspondence with Paul to organize a meeting of the recently-announced housing working group. Attached is a draft Terms of Reference for the group. We would like to invite your officials, and those from the cities of Vancouver and Toronto, to a meeting at the Department of Finance in Ottawa, which we would propose be held on July 14, 2016. We would appreciate receiving from you a list of the provincial and municipal officials to whom we should extend an invitation. A more detailed proposed agenda for the session will be sent shortly. Thanks very much.

Best regards,

Rob

Rob Stewart

Assistant Deputy Minister | Sous-ministre adjoint
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Department of Finance Canada | Ministère des Finances Canada
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Morgan, Melissa FIN:EX

From: MacLean, Shelley FIN:EX
Sent: Wednesday, July 6, 2016 9:05 AM
To: Wood, Heather FIN:EX
Cc: Nicholson, Riley FIN:EX; Morgan, Melissa FIN:EX
Subject: FW: Housing Working Group
Attachments: Housing Working Group Terms of Reference v3.docx

Hi Heather. Athana was going to attend this meeting on July 14, but she's no longer available. She's asking if you could please attend? Thx

From: Stewart, Rob (FIN) [<mailto:rob.stewart@canada.ca>]
Sent: Thursday, June 30, 2016 1:39 PM
To: Mentzelopoulos, Athana FIN:EX; Scott.Thompson@ontario.ca
Cc: Rochon, Paul (FIN); Marsland, Andrew (FIN)
Subject: Housing Working Group

Hello Athana and Scott,

I'm following up on your correspondence with Paul to organize a meeting of the recently-announced housing working group. Attached is a draft Terms of Reference for the group. We would like to invite your officials, and those from the cities of Vancouver and Toronto, to a meeting at the Department of Finance in Ottawa, which we would propose be held on July 14, 2016. We would appreciate receiving from you a list of the provincial and municipal officials to whom we should extend an invitation. A more detailed proposed agenda for the session will be sent shortly. Thanks very much.

Best regards,

Rob

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From: Edwardson, Jamie GCPE:EX
Sent: Thursday, June 23, 2016 6:34 AM
To: Wood, Heather FIN:EX; Dawkins, Christina FIN:EX; Dillon, Brian FIN:EX
Subject: FW: federal working group on housing market

Feds announcement is now live – final text/link below. Have we decided who the BC rep will be?

<http://www.fin.gc.ca/n16/16-083-eng.asp>

Minister Morneau Announces Federal, Provincial and Municipal Working Group on Housing Market

June 23, 2016 – Toronto, Ontario – Department of Finance Canada

Ensuring the long-term financial security of Canadians is at the heart of the Government of Canada's plan to help the middle class and those working hard to join it. Canadians worried about their ability to buy their first home, or about the value of their most important investment, expect their governments to work together to address their concerns.

In a speech to the Economic Club of Canada, Finance Minister Bill Morneau today announced the creation of a working group of officials from the Government of Canada, the Province of Ontario, the Province of British Columbia, and the cities of Vancouver and Toronto—to study the current state of the Canadian housing market and provide policy recommendations. The working group, which will be constituted in the coming days, will meet throughout the summer months to review the broad range of factors that affect supply and demand for housing, the issue of affordability, and the stability of the housing market.

Minister Morneau added that the Government of Canada will continue to evaluate whether further steps can be taken to protect borrowers and lenders to help maintain a stable and secure housing market for Canadians.

Minister Morneau situated the Government's actions on housing and home ownership within the Government's overall commitment to supporting middle class Canadians in every stage of their lives, pointing to the middle class tax cut, the Canada Child Benefit and the historic agreement with Canada's Finance Ministers to make meaningful changes to the Canada Pension Plan as examples of real change.

 **Quote**

"It's important to understand that while the federal government has some levers it can pull, we don't have all of them. The issues surrounding home ownership are a shared responsibility, with provincial governments and municipalities having the ability to act locally. By collaborating even more closely with our provincial and municipal partners,

we will ensure a coordinated approach, and make use of the best available evidence to arrive at the right conclusions."

– *Bill Morneau, Minister of Finance*

Associated Links

- [Canada's Finance Ministers Agree to Strengthen Canada Pension Plan](#)
- [Government of Canada Takes Action to Maintain a Healthy, Competitive and Stable Housing Market](#)

Morgan, Melissa FIN:EX

From: Edwardson, Jamie GCPE:EX
Sent: Wednesday, June 22, 2016 4:25 PM
To: Wood, Heather FIN:EX
Subject: s.16
Attachments:

Importance: High

Federal NR and speaking points on tomorrow's housing announcement about the working group.
Let me know if you have any concerns.

From: Edwardson, Jamie GCPE:EX
Sent: Wednesday, June 22, 2016 4:18 PM
To: Mentzelopoulos, Athana FIN:EX; Chandler, Penelope E FIN:EX; Edwardson, Jamie GCPE:EX; Keirstead, Zoe FIN:EX; McLachlin, Jessica GCPE:EX; Menzies, Brian FIN:EX; Miniaci, Mario FIN:EX; Snider, Marty C FIN:EX
Subject: s.16
Importance: High

Flagging for you, currently with PMO for review.

From: Lauzon3, Daniel (FIN) [<mailto:daniel.lauzon3@canada.ca>]
Sent: Wednesday, June 22, 2016 4:07 PM
To: Edwardson, Jamie GCPE:EX; Ingram, Kelsey (MOF)
Subject: s.16
Importance: High

Jamie and Kelsey - heads up - as I think (hope) you know we are announcing a housing working group tomorrow morning that includes officials from BC, Ontario and the municipalities. Our bosses have been talking.

Please see our draft products attached - s.16
s.16

Sent from my BlackBerry 10 smartphone on the Rogers network.

Page 078 to/à Page 096

Withheld pursuant to/removed as

s.16

MacLean, Shelley FIN:EX

From: Ram, Elisha (FIN) <elisha.ram@canada.ca>
Sent: Friday, July 8, 2016 3:00 AM
To: Mentzelopoulos, Athana FIN:EX; allan.doheny@ontario.ca; sadhu.johnston@vancouver.ca; peter.wallace@toronto.ca; rmorrow@bank-banque-canada.ca; vlasios.melessanakis@osfi-bsif.gc.ca; mtremblay@cmhc-schl.gc.ca; mlaurence@cmhc-schl.gc.ca; Stewart, Rob (FIN); Anderson, Leah (FIN)
Cc: Robert.lowry@ontario.ca; alexandralai@bank-banque-canada.ca; kwright@cmhc-schl.gc.ca; Leswick, Nick (FIN); Marsland, Andrew (FIN); Jovanovic, Miodrag (FIN); King, Phil (FIN); Walsh, Mark (FIN); Ram, Elisha (FIN); Leach, Cynthia (FIN)
Subject: Invitation: Federal-Provincial-Municipal Housing Working Group Meeting on July 14
Attachments: Housing Working Group July 14 Draft Agenda July 8.docx; Housing Working Group Terms of Reference.docx

Importance: High

Sent on behalf of Rob Stewart
s.16

Rob Stewart
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Rob.Stewart@canada.ca New
Telephone | Téléphone 613-369-3878
Government of Canada | Gouvernement du Canada

MacLean, Shelley FIN:EX

From: Stewart, Rob (FIN) <rob.stewart@canada.ca>
Sent: Thursday, June 30, 2016 1:39 PM
To: Mentzelopoulos, Athana FIN:EX; Scott.Thompson@ontario.ca
Cc: Rochon, Paul (FIN); Marsland, Andrew (FIN)
Subject: Housing Working Group
Attachments: Housing Working Group Terms of Reference v3.docx

Hello Athana and Scott,

I'm following up on your correspondence with Paul to organize a meeting of the recently-announced housing working group. Attached is a draft Terms of Reference for the group. We would like to invite your officials, and those from the cities of Vancouver and Toronto, to a meeting at the Department of Finance in Ottawa, which we would propose be held on July 14, 2016. We would appreciate receiving from you a list of the provincial and municipal officials to whom we should extend an invitation. A more detailed proposed agenda for the session will be sent shortly. Thanks very much.

Best regards,

Rob

Rob Stewart

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MacLean, Shelley FIN:EX

From: Thompson, Scott (MOF) <Scott.Thompson@ontario.ca>
Sent: Thursday, June 30, 2016 2:07 PM
To: Stewart, Rob (FIN); Mentzelopoulos, Athana FIN:EX
Cc: Rochon, Paul (FIN); Marsland, Andrew (FIN); Doheny, Allan (MOF)
Subject: RE: Housing Working Group

Hi Rob – our rep for this work will be Allan Doheny, ADM of the Provincial Local Finance Division (copied here). I hope he's available for the meeting on the 14th; if not, we'll look at other options.

All the best

Scott

From: Stewart, Rob (FIN) [<mailto:rob.stewart@canada.ca>]
Sent: June-30-16 4:39 PM
To: Athana.Mentzelopoulos@gov.bc.ca; Thompson, Scott (MOF)
Cc: Rochon, Paul (FIN); Marsland, Andrew (FIN)
Subject: Housing Working Group

Hello Athana and Scott,

I'm following up on your correspondence with Paul to organize a meeting of the recently-announced housing working group. Attached is a draft Terms of Reference for the group. We would like to invite your officials, and those from the cities of Vancouver and Toronto, to a meeting at the Department of Finance in Ottawa, which we would propose be held on July 14, 2016. We would appreciate receiving from you a list of the provincial and municipal officials to whom we should extend an invitation. A more detailed proposed agenda for the session will be sent shortly. Thanks very much.

Best regards,

Rob

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MacLean, Shelley FIN:EX

From: Stewart, Rob (FIN) <rob.stewart@canada.ca>
Sent: Monday, July 4, 2016 3:36 PM
To: Mentzelopoulos, Athana FIN:EX
Cc: Nicholson, Riley FIN:EX
Subject: RE: Housing Working Group

Thanks, Athana. I will send out an agenda shortly – we just wanted to make sure people were available. In general, we were thinking of it as being an info-sharing session on data and tools, and then game planning on areas for attention (tax, financial stability, supply measures).

Rob

Rob Stewart

Assistant Deputy Minister | Sous-ministre adjoint

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From: Mentzelopoulos, Athana FIN:EX [<mailto:Athana.Mentzelopoulos@gov.bc.ca>]

Sent: July-04-16 6:19 PM

To: Stewart, Rob (FIN)

Cc: Nicholson, Riley FIN:EX

Subject: RE: Housing Working Group

Hello Rob – thanks for the invite. I will attend the first meeting but may delegate thereafter. As for the City of Vancouver, I recommend you connect with Sadhu Johnston, the City Manager. His email address is sadhu.johnston@vancouver.ca

Can you please advise what the agenda will be for the first meeting? I am trying to be as economical with my time as possible given other priorities.

Thanks

athana

From: Stewart, Rob (FIN) [<mailto:rob.stewart@canada.ca>]

Sent: Thursday, June 30, 2016 1:39 PM

To: Mentzelopoulos, Athana FIN:EX; Scott.Thompson@ontario.ca

Cc: Rochon, Paul (FIN); Marsland, Andrew (FIN)

Subject: Housing Working Group

Hello Athana and Scott,

I'm following up on your correspondence with Paul to organize a meeting of the recently-announced housing working group. Attached is a draft Terms of Reference for the group. We would like to invite your officials, and those from the cities of Vancouver and Toronto, to a meeting at the Department of Finance in Ottawa, which we would propose be held on July 14, 2016. We would appreciate receiving from you a list of the

provincial and municipal officials to whom we should extend an invitation. A more detailed proposed agenda for the session will be sent shortly. Thanks very much..

Best regards,

Rob

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