Here's my submission, on behalf of Redbrick Properties Inc., to the Federal government's Build Canada Homes initiative. I welcome your comments. #housing #rentalhousing

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Dear Build Canada Homes Submission Engagement: via email: bchengagement-mobilisationmc@infc.gc.ca

Our company, Redbrick Properties Inc., is a family owned and operated multi-family rental housing company that manages our existing portfolio of purpose-built rental buildings in the Metro Vancouver area and develops (then operates for the long-term) new purpose-built rental buildings. Our website is here: www.redbrickproperties.ca

We strongly disagree with any level of government entering the business of housing development and management. Instead, the private sector, with our combined many decades of experience and expertise in rental housing ownership, management and development and our profit-seeking entrepreneurship (yes, profit seeking is extremely necessary and vital to a successful economy and housing sector), should be allowed, unfettered, to build and manage new housing, which can only happen successfully if government constraints and interventions on our business, which have accumulated over decades, are removed. The true cause of our housing crisis over the past four decades have been these many and ever-increasing government interventions in the housing industry.

Canada's housing history is littered with examples of failed attempts by governments to build and operate housing. These examples include the slums of the Toronto Community Housing Corporation and the many scandals of dilapidated buildings of BC Housing.

It is an urban myth that the private sector can not build affordable homes for our tenants. In our own portfolio of purpose-built apartment buildings which vary greatly in age and amenities from being built in the 1950s, 1960s, 1970s and recently in 2021 in Coquitlam, the first purpose-built rental building in Coquitlam in over 40 years. See: GlobalBC News: New market rental housing project breaks ground in Coquitlam. Our current project is expected to break ground in the District of North Vancouver in late 2026, North Shore News: Six-storey rental building approved for Lynn Valley town centre.

Illustrating the concept of "filtering" (from CMHC: <u>Understanding Filtering</u>: A <u>Long-Term Strategy to New Supply and Housing Affordability</u>), our various apartments serve the needs of renter households of every income level, from \$25/hr to those earning hundreds of thousands of dollars per year and from various professions and lines of work including first responders (nurses, police officers, balliffs, sheriffs), chefs, and others in the service industries, construction works building homes and other infrastructure, to workers in the technology industry, film industry and many others. The rental housing shortage crisis means there are not enough rental homes to meet demand. This shortage crisis has developed since the mid 1970s when the BC NDP government under Premier Dave Barret enacted rent controls for the first time in BC. Prior to the mid-1970s rent control legislation, BC had an abundance of purpose-built rental housing built under a relatively free market system of no rent control, very few restrictions on new construction, very quick permitting, no taxes on new housing and very little design or height restrictions. Downtown Vancouver's entire West End is a celebrated collection of thousands of units of purpose-built rental apartments in dozens of high-rise towers, all built prior to the mid 1970s BC NDP rent control act.

These West End rental buildings are so prized today that even politicians of the left want to "preserve" them as a bastion of "affordable purpose-built rental housing". This example also illustrates the concept of "filtering": yesterday's new and relatively expensive rental buildings are today's affordable rental housing.

It is noteworthy that BC's immediate neighbours (Washington State and Alberta) never had rent controls (Washington State actually bans rent controls) and, as a result, have always had an ample supply of rental housing with vacancy rates many times higher than in BC.

Subsequent to the BC NDP's Rent Control Act (1974), rental housing supply plunged and stayed depressed for the next four decades.



In addition to rent controls, over the next four decades many other government interventions were introduced such as:

- Direct taxes on new housing and new rental housing: onerous development costs charges (DCCs) and community amenity contributions (CACs) - is the direct result of the many government interventions hindering the private market rental housing developers and owner-operators.
- Onerous and nonsensical regulation on building design (including suite sizes, suite mix).
- Setback and stepback.
- Below-Mark Inclusionary Zoning (which is a municipal form of rent control stacked on top of provincial rent controls).

Increasingly lengthy and ever more complicated permit approvals.

The above list is far from exhaustive.

The solution is not more government intervention which, history has shown time and again, is ineffective and inefficient in building and managing housing.

To summarize, instead of undertaking a flawed policy of government attempting to build and operate hundreds of thousands of homes at a cost of trillions in taxpayer money thereby adding trillions of deficits to the already record high government debt, the private sector (which already produces 95% of the housing and rental housing in Canada) needs to be unfettered by:

- Removing onerous, unnecessary government regulations including: $\underline{\text{rent controls}} \text{ and }$ below-market Inclusionary Zoning, both of which need to be immediately prohibited,
- Slash or eliminate ever surging taxes and fees on new housing including: **DCCs and CACs**.
- Reduce and eliminate planning restrictions, design restrictions, suite mix mandates, minimum parking mandates and permitting delays.
- Permanently eliminate the nonsensical and costly GST on the "self-supply" (no sale of building) of new rental housing.

For more details on our suggestions to improve rental housing supply and housing affordability, please find our submission to the National Housing Council:

Redbrick Properties Submission to National Housing Council - Jan 31 2023.pdf

Sincerely, Aly Jiwan



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