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# Real estate developer pitches affordable-housing plan for Toronto, Vancouver

*Beginning in April, 2018, several initiatives will be launched as part of the National Housing Strategy. More information on those initiatives will be available soon.*

AUDREY-ANNE COULOMBE  
CMHC SPOKESWOMAN

The federal government is looking at a real estate developer's proposal to build 50,000 units of affordable housing primarily in Toronto and Vancouver — a plan valued at as much as \$14-billion that could become a big part of Ottawa's national housing strategy.



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**A real estate developer has proposed Ottawa build 50,000 units of affordable housing primarily in Toronto and Vancouver.**

According to a proposal submitted to Ottawa, the project would be led by the Creative Housing Society, an independent non-profit group to be based in Toronto. Creative Housing was established last fall by Ian Gillespie, a prominent Vancouver real estate developer whose firm, Westbank, is active in Toronto and Vancouver.

The founding partners of Creative Housing, according to the proposal, would be Westbank, Canadian Mortgage and Housing Corp. (CMHC), Allied Properties REIT and an investor such as a pension fund. The project would be

open to other investors. The plan is to leverage public money with private-sector investments.

CMHC on Tuesday said Creative Housing is one of several organizations that the Crown corporation is consulting. CMHC wants "innovative" ideas and collaborations, it said, but it did not comment on the status of the proposals. Westbank declined comment.

Creative Housing, if it proceeds, would be a part of the national housing strategy announced by Prime Minister Justin Trudeau last November. At the time, plans were vague, but it was billed as a \$40-billion investment over a decade.

In the federal budget two weeks ago, Ottawa allocated \$1.35-billion of new money to CMHC for "building more rental housing for Canadian families." The first chunk of money is \$447million for the 2018-19 fiscal year, which begins April 1.

"Beginning in April, 2018, several initiatives will be launched as part of the National Housing Strategy," CMHC spokeswoman Audrey-Anne Coulombe said in an e-mail on Tuesday. "More information on those initiatives will be available soon."

A primary focus for affordable housing is Toronto and Vancouver, where real estate has become extremely expensive for the average person. Creative Housing's goal is to build 50,000 units, mostly rental. They would be designed for median-income households, workers such as teachers and bus drivers.

The median household income in Vancouver and Toronto is a little less than \$80,000 a year, according to Statistics Canada.

In the Creative Housing proposal, CMHC would be the primary lender. Institutional investors in the private sector, such as pension funds and insurers, would provide most of the equity capital. Westbank and Allied would also contribute some equity. Land owned by cities, provinces and the federal government would be used as building sites.

Adam Vaughan, a Liberal MP in Toronto who is parliamentary secretary for housing and urban affairs, said the challenge to build affordable housing is complex and will require a variety of partnerships. Creative Housing is one idea, but it is not yet a formal application, Mr. Vaughan said, as Ottawa has asked for more information.

"It's a very ambitious program, but it's a little short on details," he said.

Jennifer Keesmaat is expected to be in a leadership role at Creative Housing. Ms. Keesmaat was chief planner for the City of Toronto from 2012 through 2017. She could not be reached for comment on Tuesday.

Before the February budget, Finance Minister Bill Morneau suggested a plan was in the works. On Twitter in late January, he posted a picture with Ms. Keesmaat and thanked her for meeting to discuss "creative housing."

"Canada is back on the housing file," Mr. Morneau tweeted.

On Tuesday, questions to Mr. Morneau were passed on to CMHC.

Ms. Keesmaat has also spoken out on affordable housing recently.

"Vancouver and Toronto need affordable rental housing - and lots of it quickly," Ms. Keesmaat wrote on Twitter last week. She said "something exciting" was coming soon.

In any plan, CMHC will play a key role. Its rental construction financing initiative was launched a year ago, to provide \$2.5-billion in low-cost loans to support the construction of new rental housing. In the February budget, the government boosted CMHC's lending capacity for rental construction by 50 per cent to \$3.75billion over the next three years.

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