

TREB STATEMENT ON 2019 FEDERAL BUDGET

TORONTO, ONTARIO, March 19, 2019 – The Toronto Real Estate Board (TREB) applauds Minister Morneau and the federal government for making home buyers and housing issues a priority of the federal budget, announced today, but continues to be concerned about unnecessary mortgage restrictions, which were not addressed.

“TREB has been vocal about the need for governments at all levels to address housing issues, especially with regard to affordability and first-time buyers. This federal budget takes some important actions in that regard. The First-Time Home Buyer Incentive is an interesting proposal and TREB is reviewing these details to better understand how it will affect home buyers. We are also encouraged that the government is proposing to increase the limit on the RRSP Home Buyers Plan from \$25,000 to \$35,000, something which we have advocated for many years. Nevertheless, this budget leaves some important issues unaddressed, including the mortgage stress test and restrictions on 30-year mortgage amortizations,” said Garry Bhaura, TREB President.

In recent months, TREB has been calling on the federal government and the Office of the Superintendent of Financial Institutions (OSFI) to reconsider Guideline B-20, which imposed an onerous mortgage “stress test” on home buyers, requiring them to qualify at mortgage rates that are two percentage points higher than actual market rates. TREB has also called on the federal government to allow for federal mortgage insurance on 30-year mortgage amortizations.

“Current market realities indicate that the OSFI stress test and the federal limitations on 30-year mortgage amortizations are not warranted. This is especially true at a time when first-time buyers are facing serious challenges in achieving the dream of home ownership. We applaud the federal government for acknowledging that housing issues are a top priority for Canadians, but current mortgage restrictions still need to be addressed,” said John DiMichele, TREB’s Chief Executive Officer.

Media Inquiries:

Mary Gallagher

Senior Manager, Public Affairs

maryg@trebnet.com (416) 443-8158

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