

Ottawa doing ‘deep dive’ on housing markets: Morneau

By David Parkinson

June 8, 2016 – *The Globe and Mail*

Finance Minister Bill Morneau won't put a timetable on when the federal government might be prepared to take further action to cool the country's housing sector, even as concerns escalate about runaway prices in the key Vancouver and Toronto markets.

“We're making sure that we have a deep dive into the information to ensure that any considerations we have for change are evidence-based,” he said to reporters following an address to the Economist magazine's Canada Summit in Toronto.

“Our ongoing goal is to ensure we understand the market in all of its complexity; that we consider all the evidence to determine what measures are necessary on an ongoing basis to ensure that Canadians have the ability to buy homes.

“When and if we have something to say, we'll say it.”

Mr. Morneau made his comments shortly after another set of economic reports pointed to moderating but still relatively strong levels of home building in this country. May housing starts came in at a seasonally adjusted annual rate of 188,570 units, down only slightly from 191,388 in April. Meanwhile, the value of municipal building permits dipped fell 0.3 per cent to \$6.9-billion in April. Residential permits fell 1.8 per cent to \$4.3-billion.

“We intend to keep on continuing to look at what the drivers are,” he said. “There are underlying impacts around population demographics, there are impacts around the labour market, there are impacts around supply, and we're also looking at the impacts of foreign investors. All of these are part of our consideration as we look at the market.”

He declined to say when the government might be ready to reveal more detailed data on the role of foreign buyers on the surging prices in markets such as Vancouver and Toronto, nor would he say if this would be a focus of any possible policy actions by the government. Foreign buying, particularly by Chinese speculators, has become a growing focus of attention among those concerned about soaring Vancouver and Toronto prices.

“I can tell that we're looking closely at all sources of information right now,” he said. He said that in addition to the funds the recent federal budget earmarked for Statistics Canada to gather deeper statistical data on foreign ownership, the government is gathering data from Canada Mortgage and Housing Corp. as well as analysis from the Bank of Canada and the Finance department's own in-house research.

“That is an important part of our considerations on how to best manage the market,” he said.