



Norm Verbrugge  
President, VRBA

# Another Government Solution to a Problem of Government

Housing Minister David Eby recently announced a proposal for government to build housing for the middle class.

He said, “Building public housing on public land for middle-class families was never something government needed to do when I was growing up — generally, the private sector looked after it.”

The private could still look after it, if municipal councils stopped obstructing rezonings, would improve permit efficiency, and end the practice of using housing as a cash machine.

The myth promoted by politicians that the private sector has failed to provide housing supply and affordability ignores the reality that government is the source of the problem.

Government already controls housing.

Municipalities, provincial and federal governments tell builders where and what to build (zoning); when to build (permit approvals); how to build (building code); and how much revenue they require from the project (GST, PTT, DCC’s, permit fees, amenity contributions).

A CMHC study found that up to 20% of housing’s direct costs are government fees and taxes. This does not include unnecessary, high land costs from municipalities obstructing density.

A study by economist Evan Mast

revealed housing is a migration chain where more supply at all price points creates more housing for low-income earners. The province can enable the migration chain by overriding obstructive municipal councils.

Instead, they are promising to spend billions of taxpayers’ funds to build housing that the private sector could provide.

There are three major problems with Eby’s proposal:

- The BC government still needs municipal approvals to rezone land or override council’s authority. Why not provincially approve rezonings now (as Nova Scotia is doing), let builders build, and save billions of taxpayers’ funds?
- The Mast study reveals building government housing will not solve the affordability problem. The resources available are nowhere near the scope of the challenge.
- This is another government solution to a problem created by government. Their “solutions” always seem to involve eroding the public’s right to private property and private enterprise, such as the recently expanded Speculation Tax.

There is no reason to believe the BC government’s proposal to build middle-class housing is a solution to the highest housing prices in Canada created by their policies.



VICTORIA  
RESIDENTIAL BUILDERS  
ASSOCIATION

Visit us at [vrba.ca](http://vrba.ca) and  
[careawards.ca](http://careawards.ca)

Follow us on  
Facebook and Twitter