

We have a housing affordability crisis. People's Party policies will benefit younger Canadians, not just the Boomers

A PPC government has promised not to pander to special interest groups. Boomers have been pandered to by current and past Big Governments. No more.

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It is no secret the country is facing a housing affordability crisis

The fundamental causes of the crisis are a series of Big Government interventions in the free market.

Why does the Government secretly want high house prices? It is to pander to the Boomers by keeping asset prices high. There is no way either Liberals or Tories will alienate their largest voting base by implementing any policy that will impact the price of those voters' assets.

The supply of housing is decreased due to a host of over regulation by all levels of Government including environmental review processes, restrictions that remove land from being developed, and zoning regulations that keep the NIMBYs happy. The Boomers want to keep their suburban estates quiet and low density.

While supply is restricted, the demand for housing is stimulated by increasing numbers of immigrants who all need housing as well as external non-resident investments whether these are legitimate or highly suspicious activity such as 'students' buying multimillion dollar

mansions. Some symbolic band-aid solutions that are claimed to try to tax non-residents or vacant property are ineffective because the Government doesn't really want to see Boomer's house prices affected.

The biggest causes of hyperinflation in real estate are the fiscal and interest rate policies that make real and equity assets more attractive and less risky for investors such as Boomers with cash or who are already in the market. Uncontrolled Big Government spending and massive deficits create a risk for investors that drive investment to the safety of real estate. At the same time, the central Government holds interest rates low meaning there is little return on other forms of savings.

Central Governments have also transferred all the risk of mortgages from the banks to the taxpayer and created a huge moral hazard. They always bail out the Big Banks, encouraging uncontrolled mortgage financing. Since the easy and safe money for the banks is in mortgages, investment for expansion and innovation for business of all sizes dries up. Bank executives draw their huge bonuses no matter what happens. The CMHC is one of the most dangerous agencies in the country, expanding the insured mortgage program by a hundred billion dollars.

Other parties propose or implement certain policies such as stress tests or down payment requirements, but these are teacups of water splashed on the bonfire of house inflation they poured gasoline on. Despite their talk talk talk about social justice, Big Government hurts the young and the poor including racialized communities the most. The dream of rising up in society cannot be realized when the deck is stacked in favour of the 'haves'.

PPC policies are centred on the principle that most interventions in the market create a non-level playing field at their worst and have unintended consequences at their best. We will remove the Government 'finger on the scale' that advantages one demographic at the expense of another.