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Six highlights from the fall economic statement as Canadians struggle with affordability issues

MARIE WOOLF || NOVEMBER 21, 2023



Deputy Prime Minister and Minister of Finance Chrystia Freeland makes her way to a cabinet meeting on Parliament Hill, on Nov. 21 in Ottawa. ADRIAN WYLD/THE CANADIAN PRESS

The federal government unveiled its 2023 fall economic statement on Tuesday, with promises of new spending to help build affordable homes, support renters and clamp down on Airbnbs.

Here are some of the highlights.

Incentives to build rental and affordable housing

The federal government will spend an additional \$1-billion to build affordable homes. The extra money, spread over three years, will support co-op housing and non-profit and public housing providers. The government says this will help fund 7,000 new homes by 2028.

An extra \$15-billion in low-cost loans for building rental apartments will support the construction of an additional 30,000 homes, the government says. This brings to \$40-billion the amount of loan funding available under the government's Apartment Construction Loan Program.

An extra \$309.3-million will bolster a program set up last year to support the development of co-op housing, which provides people – including families on low incomes – with affordable homes. The funding is on top of \$190-million announced in the 2022 budget.

Co-op housing corporations that provide long-term rental accommodation would also be eligible for the removal of GST on new rental housing.

Clampdown on Airbnbs

To free up more rental properties, the government will deny income tax deductions for Airbnbs and other short-term rentals in provinces and towns that have prohibited this type of leasing.

People renting out their properties for vacations and business visits in these locations will no longer be able to deduct interest on mortgages – and other expenses incurred on those properties – from their tax bills, starting next year.

The government is also earmarking \$50-million over three years to support municipal enforcement of restrictions on short-term rentals.

Help for mortgage holders

A Canadian mortgage charter announced in the fall economic statement would support people at risk of losing their homes because of high interest rates. It would impose on banks and other mortgage lenders an expectation that they would help people struggling with the high cost of repayments.

The charter is largely a summary of existing rules. It is aimed at reminding consumers of their rights when renegotiating mortgages in periods of higher interest rates.

Under the charter, mortgage holders at risk of losing their homes could be allowed temporary extensions of the lengths of their mortgages.

Fees and costs attached to mortgage relief measures would be waived. And homeowners at risk would be allowed to make lump-sum payments, and sell their principal residences without any prepayment penalties.

The government said it would monitor mortgage lenders' compliance with the relief measures.

New deficit targets

The federal government is pledging to keep the size of future federal deficits at no more than 1 per cent of GDP, starting in 2026-27. That works out to about \$32-billion. It also says this year's deficit will not be higher than \$40.1-billion, which is what had been projected in the March budget. While the new targets fall short of the Official Opposition's calls to erase the deficit entirely, they are a response to calls for Ottawa to set a clearer guideline – or fiscal anchor – as to the direction of federal finances in an era of higher borrowing costs. The government says it remains committed to its existing fiscal anchor, which is to keep the debt-to-GDP ratio on a declining path.

Help for consumers

A series of measures to support consumers, and cut everyday costs, includes an amendment to the Competition Act intended to stop manufacturers from refusing “in an anti-competitive manner” to repair devices. Ottawa says Canadians are frustrated by having to throw out household items, such as washing machines and lawnmowers, because they can't find proper repairs.

The Canadian Radio-television and Telecommunications Commission will investigate international mobile phone roaming charges, and will present “next steps” next year.

As part of a crackdown on junk fees, airlines will no longer be able to charge parents or guardians extra to have their children under the age of 14 sit next to them on planes. The government plans to work with the Canadian Transportation Agency to amend the Air Passenger Protection Regulations.

The government has also asked the Financial Consumer Agency of Canada to work with banks to improve low and no-cost bank accounts, including by providing online bill payments and additional debit transactions with no extra fees.

Cheaper psychotherapy and counselling

The government is making it cheaper for Canadians to access psychological help by scrapping GST and HST on the cost of psychotherapy and counselling.

Ottawa's fall economic statement says therapy and counselling play an important role in the lives of millions of Canadians, but that such help can prove too expensive.