

# HOUSING SHORTAGE

## THE PROBLEM:

The hotel sector is already a housing solutions partner, but does not qualify for housing programs.

## A PARTNER IN THE HOUSING CRISIS

HOTELS ARE A HOUSING SOLUTION PROVIDER FOR EMPLOYEES AND COMMUNITIES



**26%**

of hotels offer housing to employees



OF THOSE,  
**HALF**

are diverting up to 10% of their rooms for employee housing



**41%**

of hotels have converted guest rooms for refugee housing

## HOTEL OWNERS AS EXPERIENCED REAL-ESTATE DEVELOPERS



→ Mixed-use hotel and rental residential projects are a growing trend, adding thousands of units to Canada's housing market.

→ Progress is being slowed by high interest rates, development fees, material costs, and inflation.



CMHC mortgage insurance programs are restricted to projects with 70%+ floor space dedicated to residential, which excludes hotel and rental residential projects.

### Average Mixed-Use Breakdown

**60%**

Long-Term Rentals

**40%**

Hotel Rooms



### FORECAST

**Up to 50K**

New long-term rental housing units built over the next **ten years** in mixed-use hotel projects

*Based on HAC member consultations, forecast assumes access to CMHC mortgage insurance and GST rental building rebates, resulting in 10-20% of new hotel projects being mixed use.*



# HOUSING SHORTAGE



- Provide access to **CMHC mortgage insurance programs** for hoteliers that build mixed use hotel/rental residential housing projects
  - 100% access to mortgage insurance for projects with 50-70% rental residential
  - Proportional access for projects with less than 50% rental Residential
- Rental housing **GST-refund** eligibility for hotels that are building stand-alone staff accommodations
- Higher **Capital Cost Allowance** rate for staff housing, with the ability to use those losses to offset income in the main hotel property

