

Canada/China Housing Workshop

June 7, 2024 - University of Ottawa, Ottawa, ON

News Brief

On June 7, the University of Ottawa hosted the Canada-China Housing Workshop, an event aimed at fostering dialogue and exchange between Canada and China on housing-related issues. The workshop, which aimed at identifying best practices and facilitating a meaningful exchange of ideas and experiences on critical housing challenges between the two countries was held at the Faculty of Social Sciences building from 8:30 AM to 5:00 PM and attracted diverse experts and attendees. The event was structured into one opening session and four moderated panel discussions, covering a wide range of topics from historical and contemporary housing contexts to strategies for addressing current challenges.

Opening Remarks: A Call for Collaboration

The event began with a warm welcome from Professor Benjamin Gianni, an Associate Professor at the Azrieli School of Architecture and Urbanism at Carleton University. Professor Gianni expressed gratitude for the beautiful day and the well-lit room.



"We are very fortunate to be in a beautiful room with lots of natural light," he remarked, setting a positive tone for the day. He also emphasized the importance of acknowledging the traditional territory, stating, "*The University of Ottawa, as does much of Ottawa, sits on unceded territory of the Algonquin and Anishinaabe peoples.*"

He highlighted the unique opportunity the workshop presented, bringing together experts from Canada and China to share knowledge and perspectives on housing. "*We are attempting to compare apples to oranges and decide if there are actually more apples than oranges and where we can find opportunities for collaboration and continued dialogue,*" he explained. His introductory remarks were followed by



a brief opening speech from Senator Yuen Pau Woo from the Parliament of Canada.



Senator Yuen Pau Woo: Advocating for Substantive Dialogue

In his brief speech, Senator Yuen Pau Woo underscored the significance of the event and the broader implications of Canada-China collaboration. Drawing on an analogy of comparing apples and oranges, Senator Woo noted that despite their differences, both fruits have much in common. In his words, *"While it may seem, we are comparing apples and oranges, apples and oranges are fruits after all, and there is something in common. And I have on occasion had juices made of apples and oranges, and it tastes very good."* Senator Woo stressed the need for Canada to recognize China's role in urban planning, construction technology, and the global real estate market. *"It would be short-sighted ...not to think about how China plays in the world of urban planning and the economic impact of China's real estate industry, not just in China, but in the world,"* he asserted. He concluded with a call for a continuous dialogue, particularly in times when such exchanges are often discouraged. *"Dialogue is seen as taboo. Dialogue is seen as detrimental to our interests. Nobody in this room believes that to be the case. We need to prove that it isn't the case by making a good faith effort to listen to each other and find ways to work together,"* he urged.

Minister Yong Zhao: Promoting Exchange and Cooperation

Minister Yong Zhao from the Chinese Embassy in Canada followed Senator Woo's remarks with a speech that celebrated the workshop as a landmark event in China-Canada relations.



"Minister Zhao expressed heartfelt gratitude to all attendees and highlighted the significance of the workshop as the first specialized housing workshop jointly held by the two countries.

This workshop is not only an important platform for in-depth exchanges but also an excellent opportunity for both countries to jointly explore solutions to housing problems, share experiences, and learn from each other," Minister Zhao said.

He outlined China's recent efforts to address housing challenges, including the construction of affordable housing and the renovation of old urban communities. He also praised Canada's achievements in housing policy and urban planning, particularly in affordable housing, green buildings, and community governance. *"A healthy and stable China-Canada relationship is in the fundamental interests of both sides and will inject more stability and positive energy into world peace and development,"* Minister Zhao concluded, expressing hope that the workshop would further strengthen academic exchanges and practical cooperation between the two nations.

Professor Huhua Cao: A Milestone in Housing Dialogue



On his part, Professor Huhua Cao, a Professor of Geography at the University of Ottawa and President of ICCASU speech highlighted the workshop's significance in addressing housing issues. He emphasized the growing recognition of housing as a critical area needing attention and resources by both the Canadian and Chinese governments.

"This workshop is a significant milestone in our ongoing efforts to address the critical issues surrounding housing in both Canada and China. It is a unique opportunity for experts, policymakers, and stakeholders from both nations to come together, share insights, and collaborate on innovative solutions," Professor Cao stated. He extended deep gratitude to Senator Woo, the Chinese Embassy, and all the organizers, panelists, and volunteers who made the event possible. *"Your presence has added immense value to this workshop,"* he said, acknowledging the dedication and hard work of everyone involved.

Professor Anne Bordeleau: Setting the Tone for the Day

Professor Anne Bordeleau, Director of the Azrieli School of Architecture and Urbanism at Carleton University concluded the opening remarks session with a heartfelt welcome to all participants. She reflected on the importance of understanding the forces driving housing changes and the role of architects, planners, and policymakers in shaping these changes.

"Today's set to further look into not just what changes happen but also how change happens," Professor Bordeleau remarked. She expressed hope that the day's discussions would be thought-provoking and inspire positive change in the housing sector.



The opening remarks set the scene for the rest of the workshop, which consisted of four Panel Discussions.

Panel Discussions: Expert Insights and Engaging Dialogue

In the **first session**, titled "Comparative Context – Historical & Contemporary", Professor Benjamin Gianni traced the evolution of the housing market in Canada and China. In his presentation, he noted that in Canada, housing provision has historically been driven by the market with direct government involvement at different times, particularly in the 1940-1980s, when the government stepped in to construct war worker housing and social housing in response to market failures. He explained that to develop housing in Canada – whether as a for-profit or not-for-profit developer, three things are required: land, money (equity and financing) and expertise (experience, professional expertise) and appetite for and ability to manage risk. In the case of China, he identified four eras of housing provision: the period before 1842, between 1842-1949-the “Treaty Port Era”, 1949 –1979, and from 1980s-1998, and summarized key housing developments in each era.

On the current housing market, Professor Gianni explained that four forms of housing markets exist today in Canada: Market Housing, Attainable Housing, Below Market Rate Housing (BMR) and Shelters, adding that a significant portion of BMR’s currently needs life-cycle reinvestment. In a presentation titled “Housing and Real Estate Development in China”, Dr. Zhan Pu from the Chinese Policy Research Center of the Ministry of Housing and Urban-Rural Development of China focused on the evolution of China's housing supply after 1998 and identified the major players in the sector, namely, the central government, local governments, property developers, homebuyers and financial institutions.



The **second session**, "Housing-Related Challenges" touched on issues of housing supply, affordability, homelessness, and the impact of falling ownership rates. Prof. Zhu Qian of the School of Planning at the University of Waterloo's presentation centered on migration-related housing challenges in China. He observed that with over 60% of Chinese living in urban centers, housing affordability remains a key challenge, particularly for young people in large cities such as Beijing, Shanghai and Shenzhen. He asserted that China is currently experiencing a phenomenon of "reverse migration" due to high housing prices in urban areas and better rural internet connectivity, which allow young people to use ecommerce platforms from rural areas to trade their farm produce. Similarly, in answering the question of whether there is homelessness in China, Prof Xiaofen Yu of Zhejiang University of Technology noted that while there is no real homelessness in China, urban residents with "floating" status face severe housing difficulties in China including living in overcrowded "urban villages" with unsanitary conditions.

In Canada, Dan Dixon, Vice-President, Corporate Affairs at Minto Group explained that the key challenge in the housing sector is low housing supply which subsequently drives prices high. Bert Pereboom of Canada Mortgage and Housing Corporation (CMHC) added that the recent rise in interest rates and inflation, high development charges, local restrictions on building codes, density and zoning modifications together drive land costs and affect development times. He agreed with Dan Dixon that these factors affect affordability not only for home buyers but also for renters.

Commenting on homelessness in North America, Mr Cliff Youdale of Ottawa Community Housing Corporation analyzed that, there are two screens to the phenomenon: economic homelessness and homelessness associated with social issues such as mental health issues and addictions, and deinstitutionalization. He linked economic homelessness to the systematic issues of low housing supply in Canada.



After a networking lunch, the **third session**, on "Strategies to Address Challenges," explored current and innovative approaches and policy measures being implemented in both countries. Prof Xiaofen Yu started the session by answering the question "What strategies has China applied in the past to address housing-related challenges?" She outlined China's strategies in recent past which included: the promotion and the development of market-oriented commercial housing which began in 1999, and the enhancement of housing security through multiple modes of subsidized rental housing. In particular, she emphasized the provision of low-rent and economically affordable housing, shantytown renovation, and resettlement housing which has improved housing conditions for approximately 27% of the urban population nationwide and stands as the world's largest affordable housing system. Despite this success, Prof Yu notes that a key lesson has been the government's failure to provide timely housing assistance to floating population, a gap that still exist today, which current affordable housing schemes are trying to eliminate.

Dr. Zhan PU added that in response to the ongoing real estate market adjustment on May 17th this year, the Chinese government has abolished the interest rate floor on loans and lowered down payments on 1st house to 15%, the lowest since 1998. She added that in general, current real estate policies in China are geared towards ensuring the delivery of presold housing projects, acquisition of commercial housing inventory by city governments, and disposal and revitalization of idle lands.

In Canada, Mr Pereboom of CMHC traced that significant support to provide housing for all Canadians started in 1954 with the federal government's introduction of mortgage-backed insurance which has gradually evolved and aided in the reduction of down payment for homes to the current rate of 5%. In addition, he assessed that the exemption of housing property resale from capital gain taxes introduced in the 1970s has made housing an attractive investment vehicle in Canada—which in his view partly contributes to the increasing demand.

He adds that Canada's National Affordable Housing Strategy pledges to invest in several affordable housing programs (primarily rental housing) with notable programs such as the 1st Home Savings Account, a tax-free account that allows individuals to put \$8000 per year into an investment fund to aid them to achieve a down payment. Other specific initiatives include the removal of Goods or Harmonized Sales Tax on building materials and the Housing Accelerator Fund which aims to support municipalities to quicken their housing developments. Touching on strategies being employed to address homelessness in Canada, Meg McCallum, Executive Director of Alliance to End Homelessness in Ottawa mentioned that in 2019 Canada launched a homelessness strategy called "Reaching Home" aimed at reducing chronic homelessness by 50% for priority populations such as Indigenous populations, people who live in Territories and Metis.

The **final session** on "Reflection" provided an opportunity for panelists and attendees to reflect on the day's discussions, identify commonalities and differences between the two countries, and explore opportunities for further exchange.

Prof Gianni began the session commenting on the differences between the two countries. He emphasized that the apparent difference is scale, adding that "*China seems to have somehow managed to grow and add to a huge amount of density and infrastructure, and accommodate huge amounts of urbanization, and still somehow, do it right.*" On similarities, he reiterated that though governments in both countries have various ongoing policies, housing affordability remains a key challenge in major cities.

For Prof Yu, both Canada and China are facing the same challenge of providing affordable housing to middle-income households. Mr. Randolph Wang, a Senior Planner at the City of Ottawa who co-moderated the sessions added that whilst both countries seem to have similar philosophical approaches to tackling the housing challenge: either through government's direct involvement or provision of subsidies to private developers, homebuyers or renters, the details are significantly different due to differences in socio-political organizations of the two nations.

Reflecting on housing policies in the two countries, Dr. Zhan Pu compared the two countries' responses to the surging housing demand and asserted that, while China had a relatively good response to supply shortages, the same cannot be said of Canada. She added that this is mainly because in China there are no issues with permits, as all land is owned by the government. When land is handed over to developers, it goes along with permits, which forces developers to build swiftly as they have a 2-year limit to complete constructions of new units.

Cliff Youdale added that it would be interesting to see a comparison of true cost in both countries and expectations of consumers' access to amenities, asserting that Canadians have a historical mindset of access to larger units and more amenity spaces. In his view, for Canada to overcome its current housing challenges, there would be a need for a long-term and consistent commitment at the program level beyond single projects by the government and key players.

Dan Dixon agreed and commented that the existence of both market housing and social housing means that, there would always be the need to provide some forms of subsidies and incentives to cater to different sections of society, adding that currently it appears the Chinese government is more committed to its program. In response, Prof Gianni wondered if that commitment is due to the Chinese government's prioritization of social harmony. Prof Yu responded that the Chinese government considers housing as a key pillar to social welfare and community stability.

Reflecting on the discussions, Ling Meng, a Planner and Urban Designer from Vancouver concluded the session by noting that cities and governments in both countries may need to take an entrepreneurial approach and question their traditional approach to solving housing challenges, a perspective shared by Randolph Wang.

Maintaining an Ongoing Dialogue

Further insights from the workshop will be compiled into a comprehensive report, which will be shared with stakeholders and policymakers in both countries to continue the dialogue and knowledge sharing for the development of effective housing policies and strategies for China and Canada.

WORKSHOP HIGHLIGHTS



From left: Ling Meng, Architect and Planner from Vancouver; Minister Yong Zhao, Chinese Embassy in Canada; The Honourable Yuen Pau Woo, Senator, Parliament of Canada; Professor Xiaofen Yu, Dean, Chinese Academy of Housing and Real Estate, Zhejiang University of Technology, Dr Zhan Pu, Ministry of Housing and Urban-Rural Development, China, Professor Huhua Cao, ICCCASU President and Professor at University of Ottawa, and Professor Yanjiang Zhang, Zhejiang University of Technology.



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