

Renters are subsidizing homeowners, landlords say

date posted: September 14, 2010 | [Canadian Federation of Apartment Associations](#)

Government tax and spending policies "massively favour" homeowners over renters even though renters have half as much income, [says a new study](#).

It is a situation that has contributed to the deterioration of rental housing across Canada and has played a part in the collapse of the housing market in the United States, says real estate economist Frank Clayton, who wrote the report for the Canadian and Ontario landlord federations.

The largest government subsidies to homeowners come from the tax exemption on capital gains when they sell their principal residence and from the tax-free value homeowners receive by living in their house rather than renting it out and paying tax on the income, the study found. Other homeowner subsidies include the Home Renovation Tax Credit, GST rebates for new housing and property tax grants.

Nationally, the federal government provides an average of \$1,823 in tax breaks and subsidies for every homeowner household, versus \$308 per renter household, said the study, which used government data from 2008 and 2009. In Ontario, tax breaks and subsidies by federal, provincial and municipal governments amount to about \$2,629 per homeowner while private market renters receive just \$395. Meanwhile, the average homeowner household income in Ontario in 2008 was \$92,885. For renters it was just \$45,558, the study notes.

A [Toronto Star article](#) interviewed University of Toronto professor David Hulchanski who has been urging governments to address the inequity between homeowners and renters for more than 20 years. "Housing policy should be neutral," said Hulchanski, "people shouldn't be penalized for renting or for buying." To level the playing field he argues, Ottawa should introduce subsidy programs and tax measures to help build and upgrade private rental housing.

Posted on the [Winnipeg Rental Network](#)

