



Montreal affordable housing plan flop

CHEC-CCRL Newsletter, Sept. 2023

“When it was recently revealed that Montreal’s plan to boost affordable housing construction was what some called a “catastrophic” failure, University of Ottawa housing expert Carolyn Whitzman wasn’t surprised.

Mayor Valérie Plante's so-called 20-20-20 plan required major residential construction projects to include 20 per cent social housing, 20 per cent affordable housing, and 20 per cent family housing. If developers didn’t meet the requirements of the bylaw, they had to pay a financial penalty of money or land. Overwhelmingly, developers have opted to pay a fine instead of constructing affordable housing.

Social housing activists say the fine should have been higher because it's more profitable for developers to pay it than to build low-cost housing. Developers say all the plan does is raise the cost of construction.

Dr. Whitzman says the problem wasn’t poor implementation of the plan; it was having a poor plan to implement.

“I resist the whole framework of it rather than saying the policy has been a failure,” she said.

She said making developers fund affordable housing is unfair and distorts the market. What’s more, it relies on steady growth.

“Why should that come from developers who will certainly pass on the costs to new renters and buyers, thus driving up the cost? Why shouldn't it come from a more progressive tax source, whether that be income tax or property tax? So in other words, why shouldn't it be funded directly?”



She said government, preferably the federal government, should step up to build housing directly like it did after World War II to accommodate returning soldiers.

Whitzman said it would have made more sense for the city to buy a part of the site and develop non-market housing next to it, “instead of relying on private developers to do it as a kind of tax on the cost of building new housing.”

“It slows down new housing; it doesn't result in genuinely affordable housing. I think the limitations of that approach have been shown.”