

July 10th, 2024

The Honourable Ravi Kahlon
Minister of Housing
Parliament Buildings
Victoria, BC V8V 1X4

RE: New Tenancy Notice Periods Impact Mortgage Approvals

Dear Minister Kahlon,

As the President of the Canadian Mortgage Brokers Association of British Columbia (CMBA-BC), I am compelled to address the profound implications of the recent amendments to the Residential Tenancies Act (RTA) on behalf of our organization, its members, and the citizens of British Columbia.

For over three decades, CMBA-BC has upheld rigorous ethical standards while striving to cultivate optimal market conditions that benefit all British Columbians. Our primary goal is to secure long-term housing solutions for British Columbians by alleviating barriers that impede housing supply and access.

We firmly believe that the amendments to the RTA will exacerbate the housing shortage in our province by discouraging investment and hindering entry into the market for first-time homebuyers. Specifically, extending the notice period required to terminate tenancies will reduce incentives for property owners to make their units available for long-term occupancy. This restriction not only limits housing options but also poses challenges for financial institutions that play a crucial role in facilitating homeownership for British Columbians.

In practical terms, most lenders allow for a 90-120-day rate hold period when approving mortgages for real estate purchasers. Adding a four-month notice period to terminate tenancies complicates the mortgage approval process, potentially leading to funding denials or increased costs for purchasers. These changes will impact first-time home buyers the most as these are the most typical buyers of previous rental properties. Given the current housing market dynamics, these amendments will further impede access to long-term housing for everyday British Columbians.

While we appreciate your commitment to addressing housing challenges in our province, we are concerned that the recent amendments to the RTA may inadvertently exacerbate these issues rather than alleviate them. We look forward to collaborating with you and your office to explore solutions that foster better outcomes for the individuals and families we serve.

Best Regards,

Rebecca Casey
President, Canadian Mortgage Brokers Association of British Columbia (CMBA-BC)