

CMB Program will strengthen housing inventory in Canada: Javier Reyes de la Campa

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EINPresswire.com/ -- In response to the growing demand for affordable housing, the federal government of Canada has announced a significant expansion of the [Home Mortgage Bond \(CMB\) Program](#). [Javier Reyes de la Campa](#) highlights that the limit of the CMB program has risen considerably, going from \$40 billion to a maximum of \$60 billion.



In response to the growing demand for affordable housing, the federal government of Canada has announced a significant expansion of the Home Mortgage Bond (CMB) Program.

The primary objective of this measure is to facilitate low-cost financing for the construction of multifamily housing for rental, with the expectation of significantly strengthening the panorama of rental housing in the country.

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Javier Reyes de la Campa

According to the financial analyst, the fundamental intention of this measure is to encourage the construction of multifamily rental properties, offering developers access to affordable financing.

The government anticipates that this expansion could introduce approximately 30,000 additional rental units annually to Canada's housing market.

Emphasizing the need for systemic change, the Housing Minister suggests that this policy modification will catalyze previously dormant construction projects.

The head of the Canadian Home Builders Association maintains that increased funding through the CMB program would provide essential financial support for purpose-built rental projects.

Canada Mortgage Bonds, issued by the Canada Mortgage and Housing Corporation (CMHC), play a crucial role. The proceeds from these bonds facilitate the purchase of mortgage insurance from private lenders, allowing them to offer more favorable rates to developers involved in rental housing projects.

Highlighting the importance of this measure, Reyes de la Campa states that "the construction of more purpose-built rental units will come with the need for mortgage insurance for these rental properties, and CMHC is the only provider of that."

Despite the optimistic outlook, experts warn that tangible results may take several years. The analyst explains that new construction generally spans around three years, with an additional one or two years needed for required approvals, depending on municipal regulations.

"In some cases, townhouse projects could move faster, but no matter how fast-tracked they are at City Hall, it takes 12 to 18 months to put shovels in the ground," Javier Reyes de la Campa reveals.

He remains optimistic about the program's long-term impact, assuring that "at the end of five years, the government will have lots of new purpose-built rental properties for people to rent at reasonable prices."

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