



Investing in Future Growth and Housing Supply to Recover from COVID-19

Submission to the House of Commons Standing Committee on Industry, Science and Technology: *Canadian Response to the COVID-19 Pandemic*

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3D Printed Homes Corporation (3DPHC)

3DPHC is a Calgary-based startup poised to bring sweeping innovation to Canada's residential construction industry. By leveraging emerging technologies currently being used in Europe, Asia, and the Southern United States, 3DPHC will create homes using an industrial 3D printer.

Our company was founded with one goal in mind: helping all Canadians access an affordable home that suits their needs. Whether it's an affordable housing project or an individual family that wants to break into home ownership, 3DPHC wants to make it happen. But, not necessarily on a small scale. We are ready to address the housing needs across the country.

Utilizing an innovative, energy-efficient building material, 3DPHC will create housing supply quickly, affordably and sustainably without sacrificing quality. In comparison with traditional construction, our homes can be built two and in some circumstances three times faster. The cost savings are immense. A build will cost from 33 to 50 percent less.

COVID-19 has changed the way we work and live. As Canadians seek housing, make the decision to work from home, or change the way in which they care for their elderly relatives, 3DPHC is well-positioned to help families, workers, and business owners find sustainable, affordable, and Canadian-made solutions.

Transitioning from Emergency Response to Economic Recovery

The economic consequences of COVID-19 have had a severe impact on the Canadian economy. In April alone, Statistics Canada reported that unemployment in Canada had risen to 13 percent¹. The stark numbers are what the Conference Board of Canada believes could be as many as 2.8 million Canadians facing unemployment due to COVID-19².

To grapple with this crisis, parliamentarians and other government officials have delivered COVID-19 support programs for individuals and businesses with an extraordinary degree of speed. They are commendable. These programs have been key to helping many Canadians survive this crisis.

It is important for Canadians not only to survive, but to thrive. To do so, a shift in mindset from emergency response to economic recovery is crucial. As the Government's response to the COVID-19 pandemic changes to fulfill this new priority, additional measures must focus on investing in future growth and housing supply as key economic stimulus measures.

¹ Statistics Canada, "Labour Force Survey, April 2020." Available at: <https://www150.statcan.gc.ca/n1/daily-quotidien/200508/dq200508a-eng.htm>

² The Conference Board of Canada, "Canadian Overview." Available at: [https://www.conferenceboard.ca/\(X\(1\)S\(ysco4kps1dcylu3ly4k1gfpt\)\)/focus-areas/canadian-economics/provincial-outlook/canadian-overview?AspxAutoDetectCookieSupport=1](https://www.conferenceboard.ca/(X(1)S(ysco4kps1dcylu3ly4k1gfpt))/focus-areas/canadian-economics/provincial-outlook/canadian-overview?AspxAutoDetectCookieSupport=1)



1. Investing in Future Growth

Investing in startups means investing in innovation, job creation, and future growth. These are key to a strong, lasting economic recovery from COVID-19. A successful future demands that governments do more to help innovative small businesses scale up, create jobs and ensure the future growth and resilience of our economy.

Despite their importance to the Canadian economy, many Canadian startups are ineligible for the generous emergency response measures the Government of Canada has implemented to support individuals and businesses. In comparison, France has taken a unique, forward-thinking approach with startups. Recognizing that startups were projected to contribute 25 percent of France's new jobs in 2020, prior to COVID-19³, the French government created a €4 billion support program⁴ that provides grants and other funding that reflects the importance of startups to the French economy.

The Government of Canada can provide even more robust, merit-based support for startups that will accelerate innovation and create jobs as our economy recovers from COVID-19.

The Strategic Innovation Fund (SIF) was created to support innovation and attract talent to come to or remain in Canada. Small changes to SIF, rather than creating a new support program, will allow for money to get into the hands of innovative small businesses quicker, while still providing funding based on merit.

Currently, SIF has a minimum application threshold of \$10 million, with a matching contribution requirement of 100 percent. If an innovative startup with potential to scale up quickly and create hundreds of jobs is seeking \$10 million, they also have to provide \$10 million. This barrier is punishingly restrictive for many small businesses. Many will likely not require \$10 million: a lesser amount will allow them to scale up, create jobs, and ensure the future growth and resilience of our economy.

Recommendations on Investing in Future Growth

3DPHC recommends that the Government of Canada expand eligibility for the Strategic Innovation Fund to support innovation and create jobs by:

- 1. Decreasing the minimum application threshold from \$10 million to \$2 million.**
- 2. Reducing applicant companies' contribution requirement from 100 percent to 25 percent of funds provided by the Government of Canada.**
- 3. Allowing for a portion of applicant companies' contribution requirement to be an in-kind contribution.**

³ Sifted, "Why France is Bailing out its Start Ups." Available at: <https://sifted.eu/articles/france-startups-bailout/>

⁴ Sifted, "France Coronavirus Cash Support." Available at: <https://sifted.eu/articles/france-coronavirus-cash-support/>



2. Investing in Housing Supply

3DPHC was founded on the basis that all Canadians could have an affordable home that suits their needs. COVID-19 has provided an opportunity to help realize that goal, while providing the Canadian economy with much-needed stimulus.

Governments have begun making large scale investments in housing to help their economies recover from COVID-19. In Australia, the Commonwealth Government has created a program called HomeBuilder⁵, providing homeowners and first-time home buyers with a \$25,000 grant to renovate their home or build a new one. This program will provide significant stimulus and help more Australians have homes that suit their needs.

During Election 2019, Prime Minister Trudeau proudly campaigned on a green home renovation program to make homes more energy efficient and resilient to climate change⁶. The proposed program would offer homeowners and landlords an interest-free loan of \$40,000 to complete these renovations. A more robust green renovation program would better reflect the current needs of the Canadian economy while supporting its intended purposes of making housing both more energy efficient and resilient to climate change.

A combination of loans and forgivable contributions will provide program recipients with up-front funds at a time where money is tight for many Canadians. Adding a forgivable contribution portion will also increase uptake because recipients will receive more value for participating in the program. Requiring recipients to repay the loan within two years in order that a portion be forgiven would allow the government to recoup more funds more quickly while affording the option of reducing liquidity as Canada's economic outlook improves.

Further, the green renovation program could be made more potent by extending it to affordable housing providers. This would help ensure that all Canadians, including the most vulnerable among us, have a home that best satisfies their needs.

A potential consequence of the disproportionate amount of COVID-19-related deaths at long-term care facilities⁷ is that there may be a trend toward families moving elderly relatives into their family homes. Some may have the desire to protect their senior relatives by doing this, but may not have enough space. Allowing the green renovation program to cover energy efficient home additions, granny flats, or backyard suites would provide this needed space while protecting vulnerable Canadians from COVID-19.

⁵ The Treasury of the Australian Government, "HomeBuilder." Available at: <https://treasury.gov.au/coronavirus/homebuilder#:~:text=HomeBuilder,new percent20home percent20builds percent20and percent20renovations.>

⁶ The Liberal Party of Canada, "Forward: A Real Plan for the Middle Class." Available at: <https://2019.liberal.ca/wp-content/uploads/sites/292/2019/09/Forward-A-real-plan-for-the-middle-class.pdf>

⁷ Tonda McCharles, "82% of Canada's COVID-19 deaths have been in long-term care, new data reveals." *The Toronto Star* (May 7, 2020). Available at: <https://www.thestar.com/politics/federal/2020/05/07/82-of-canadas-covid-19-deaths-have-been-in-long-term-care.html>



Recommendation on Investing in Housing Supply

3DPHC recommends implementing a green renovation program to provide homeowners, landlords, and affordable housing providers with up to \$40,000 in zero-interest loans to complete green renovations to their property, allowing for a portion of the loan to be forgiven if the remainder is repaid within two years.