

August 6, 2020-08-07

Written Submission for the Pre-Budget Consultations in Advance of the 2021 Federal Budget

To: David Gagnon, Clerk of the Standing Committee on Finance E-mail: FINA@parl.gc.ca

Recommendation: that the Government provide at least \$500 million in stimulus funding to unlock billions of dollars in capital construction and other investments in shovel-ready heritage buildings across Canada. This funding would target the renewal, retrofitting and adaptive use of revenue-generating space, the creation of affordable housing and more; and would help nonprofits and charities renew cultural infrastructure and social purpose real estate.

As Architects committed to reimagining our existing buildings, we see this as a great opportunity.

Our 2021 Federal Budget recommendation will capitalize on shovel-ready heritage projects across Canada, create new green jobs, spur private investment and contribute to community resiliency over the long term.

Why? Because investments in heritage places are an ideal target for economic recovery and community infrastructure programs:

- Shovel-Ready Projects are across Canada in urban, rural, and Indigenous heritage places;
- Renovations of existing buildings create 21% more jobs than new construction, with less “leakage” out of the Canadian economy for foreign goods;
- Funding can leverage private sector investment and other financial instruments;
- Adaptive reuse and retrofits of existing buildings **reduce GHG emissions and demolition waste**, and capitalize on materials, energy, and sunk carbon already invested;
- Investments in their infrastructure will provide increased stability for the charitable, non-profit and tourism sectors; and
- Healthy and vibrant main streets and neighborhoods strengthen social cohesion and drive local economies.

There are existing buildings in our community that urgently need this stimulus funding. In the past five years, I can count dozens of buildings in Alberta that have been demolished because the funding for their preservation or refurbishment was lacking, Each building

demolished results in increased waste and carbon, and more importantly, stories and history lost in Canada.

How big is this opportunity?

The potential for stimulus investments targeting heritage buildings is vast: many billions of dollars in capital repair, energy retrofits and adaptive re-use could be generated

- There are some 437,000 pre-1960 commercial and industrial properties;
- 1,000,000 pre-1960 apartment units;
- 27,000 places of faith; as well as thousands of institutional buildings in private and public ownership.

Stimulus investments can:

- leverage at least 5 times more in private investment,
- create new green jobs; renew,
- adapt and retrofit existing infrastructure;
- produce new revenue-generating space;
- create new affordable housing units and more.

There are compelling precedents for these federal stimulus measures. In the United States, Federal Historic Preservation Tax Incentives have distinguished themselves as one of the nation's most successful and cost-effective community revitalization programs. Since its launch in 1976, it has leveraged \$102.64 billion in private investment (5 times the value of the federal tax credits provided), created over 130,000 jobs each year (construction, manufacturing, services, retail trade, etc), preserved 45,383 historic properties, and enabled 172,416 affordable housing units. A comparable Canadian federal incentive program for commercial heritage properties (2005-2008) provided 20% of eligible project costs with a maximum grant of \$1 million, and yielded impressive results: federal contributions of \$14.95 million leveraged \$143.4 million in construction costs, created 1,465 person years of employment, and gave derelict heritage buildings vibrant new community uses.

Directing federal stimulus to heritage places will reach beyond major cities and have immediate and measurable impacts on the economies of small town and rural Canada. Funding could flow without delay to projects large and small through existing mechanisms such as Regional Economic Development Agencies, the Cultural Spaces Canada Program and Parks Canada's National Cost-Sharing Program for Heritage Places.

