

September 24, 2020

The Honourable Mary Ng, P.C., M.P.  
Minister of Small Business, Export Promotion, and International Trade  
House of Commons  
Ottawa, Ontario K1A 0A6

The Honourable Chrystia Freeland, P.C., M.P.  
Deputy Prime Minister and Minister of Finance  
Global Affairs Canada  
Ottawa, Ontario K1A 0G2

**RE: Recommendations for supporting businesses with non-deferrable business expenses**

Dear Ministers:

On behalf of the Canadian Home Builders Association (CHBA), I would like to thank you and your government for your leadership during this crisis. We welcome the supports that have been put forward, revised and adapted as the crisis unfolded to support Canadians and Canadian businesses to address the impacts of COVID-19.

You prudently recognized the need for additional support to help commercial landlords and businesses pay their non-deferrable expenses—namely mortgages and rents—helping keep the lights on and allowing doors to open as various jurisdictions permitted. We were pleased much of our previous feedback on the initial announcement and program details were reflected in the design of the Canada Emergency Commercial Rent Assistance (CECRA) program, including defining rent as gross rent and opening the program to landlords that are mortgage-free and extending relief to their tenants. While CECRA has been extended through September, which was welcomed news to those of our members that are benefitting the program at the moment, we were even more pleased to hear that you are concurrently exploring further options to support small businesses as they face the ongoing challenges of the COVID-19 pandemic — including the challenges of fixed costs at a time when health concerns and precautions prevent many businesses from operating at full capacity.

Unfortunately, the design of CECRA was a challenge for many in our sector; it was landlord-centric, requiring the landlord to determine if the tenant has had an acceptable 70 percent drop and submit all the necessary information for each eligible tenant—which was an onerous process—and it also offered no protection from tenants acting in bad faith. On the flip side, where landlords were unable or unwilling to leverage the program, many small businesses missed out on critical support.

To that end, with both landlords and tenants comprising CHBA's 9,000 member companies, we would like to put forward some recommendations in the interest of ensuring a new or revised program is as broad and effective as possible, leveraging its potential to accelerate economic recovery and continue to serve as a bridge to a more certain economic landscape.

**Broaden access and align eligibility requirements and timelines with other federal relief programs.** Recent changes to the wage subsidy, including the sliding scale of support for those with various levels of revenue losses, and extension through until the end of 2020, ensures all those affected are continuing to face headwinds from COVID-19, are able to weather the storm and scale up activity by investing their and their operations as more of the economy reopens. **Aligning the thresholds and timelines of the programs could improve the effectiveness and compound the benefits, and perhaps create an ability to better verify the revenue loss for participating tenant businesses through a single mechanism.**

**Create mechanism to allow tenants to access rent support directly,** regardless of their landlord's participation, allowing them to access the federal and provincial assistance. This could be achieved through leveraging the application and verification process established already by other programs (i.e. CEWS) or through a parallel application portal for tenants that removed some of the application burden from landlords and allows them to apply independent from their landlord, if their landlord declines to make applications.

**Offer protection against bad faith tenants, by amending the no-eviction guaranty.** We recommend that there be allowance for evictions in cases such as extreme negligence, criminal behaviour, or other extreme situations to avoid abuse by bad actors, while still ensuring there are no evictions for non-payment of rent.

We trust you find the above recommendations helpful, and no doubt they may reinforce recommendations from others you are hearing from. We very much appreciate the responsiveness of the government to business and stakeholder feedback and iterative approach to relief and recovery programming.

Again, we thank you for all you are doing for Canadians through this difficult time and hope you find our recommendations of assistance.

If you have any questions, please ask your staff to contact Nicole Christy, Manager of Government Relations, at 613-230-3060 x 241 or [nicole.christy@chba.ca](mailto:nicole.christy@chba.ca).

Sincerely,



Kevin Lee, P.ENG., M.ARCH.  
CEO, CHBA