

# RR-1(a)



## POLICY REPORT

Report Date: June 5, 2018  
Contact: Dan Garrison  
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Meeting Date: June 19, 2018

TO: Vancouver City Council

FROM: General Manager of Planning, Urban Design and Sustainability

SUBJECT: Affordable Housing Delivery and Financial Strategy and Annual Progress Report and Housing Vancouver Data Book

### **RECOMMENDATIONS**

- A. THAT Council approve the Affordable Housing Delivery and Financial Strategy (2018-2027), generally as outlined in Appendix A, to guide delivery of affordable housing across the spectrum of income needs, in line with Housing Vancouver targets.
- B. THAT, subject to Council approval of the Affordable Housing Delivery and Financial Strategy (2018-2027), staff be instructed to initiate tasks to implement the strategy as outlined in this report.
- C. THAT Council instruct staff to advance the consolidation of the City's non-market housing assets into a single portfolio in the form of the Affordable Housing Endowment Fund with a clear mandate to preserve and grow the City's non-market housing portfolio in a sustainable way, with a report back on the implementation strategy by September 2018.
- D. THAT Council instruct staff to pursue a multi-year partnership and investment plan with the Province of British Columbia and Canada Mortgage and Housing Corporation (CMHC) in order to progress the Housing Vancouver outcomes identified in this report.
- E. THAT Council receive for information the Housing Vancouver Annual Progress Report and Data Book 2018 generally as attached in Appendix B.
- F. THAT Council direct staff to report back by Spring of 2019 with recommendations for a new Social Purpose Real Estate Program, including amendments to the residential multi-family zoning districts (RM) to contain density bonus provisions to encourage social and co-op housing renewal and expansion, in order to

streamline delivery of affordable housing targeted to low- and middle-income households.

- G. THAT Council direct staff to report back by Spring 2019 with proposed amendments to the commercial zoning districts (C-2, C-2B, C-2C and C-2C1) for consideration by Council to include density bonus provisions for rental housing and the potential to use rental zoning provisions recently enabled by the Province in order to prioritize actions to meet Housing Vancouver 10 year targets for market rental housing.
- H. THAT Council amend the Affordable Housing Choices Interim Rezoning Policy, generally as outlined in Appendix C, to continue accepting rezoning enquiries beyond the 20 projects originally anticipated in the Policy as an interim measure to meet Housing Vancouver 10 year targets for market rental housing, until June 30, 2019. A full report on the results of the policy will be brought forward to Council in the Spring of 2019.
- I. THAT Council direct staff to engage with Metro Vancouver Aboriginal Executive Council (MVAEC) and other Indigenous partners, on further measures to reduce the number and proportion of Indigenous people experiencing homelessness.
- J. THAT Council direct staff to continue working with the newly established Federal, Provincial, Municipal SRO Working Group, with the aim of making significant progress within 6 months, and reporting back to Council in early 2019.
- K. THAT Council receive for information the Empty Homes Tax engagement summary report and approve the allocation of the initial \$8 million net revenue collected for the 2017 Empty Homes Tax year, generally as outlined in Appendix E, and direct staff to report back on funding decisions for the remainder of the revenue from 2017 as part of the 2019 Budget.
- L. THAT Council request that the Metro Vancouver (MV) Board reaffirm its continued acceptance of the City of Vancouver's Regional Context Statement Official Development Plan (RCS ODP) and that the MV Board be advised that the RCS ODP will be revised following implementation of key Housing Vancouver action items and in coordination with the MV update of the Regional Growth Strategy.

## **REPORT SUMMARY**

Approved in November 2017, the Housing Vancouver Strategy included 10 targets to deliver the right supply of housing to meet the needs of a broad range of incomes and household types. Housing Vancouver was accompanied by a 3 Year Action Plan (2018 – 2021) containing over 110 actions. This report presents an overview of two key deliverables of Housing Vancouver:

1. The Affordable Housing Delivery and Financial Strategy (2018-2027) (the Strategy) sets out the City's strategic approach to delivering on the revised targets contained in Housing Vancouver over the next 10 years. The Strategy aims to optimize the use of various City tools to deliver affordable housing across the spectrum of income needs, with a particular focus on achieving the 12,000 units of social and supportive housing (including co-operative housing) as these units are the most challenging to deliver, requiring the greatest level of subsidy and investment.

2. The first Housing Vancouver Annual Progress Report and Data Book 2018, which:

- Establishes benchmarks to measure how the city is performing against the new targets over the next 10 years; and
- Provides a summary of implementation actions already underway.

This report further provides recommendations to advance progress on Housing Vancouver objectives by identifying immediate actions to:

- Address the need for more purpose-built rental housing in-line with Housing Vancouver targets;
- Further mitigate the impact of Vancouver's housing crisis on those living in poverty, in unsafe and inadequate housing, or experiencing homelessness; and
- Allocate the initial Empty Homes tax net revenue to support specific affordable housing initiatives drawn from public consultation to determine funding priorities.

### ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

- Homeless Action Plan (2005)
- Supportive Housing Strategy (2007)
- Housing & Homelessness Strategy (2012-2021)
- Mayor's Taskforce on Housing Affordability (2012)
- Healthy City Strategy (2014)
- Housing Vancouver Strategy (2018-2027)

### ***CITY MANAGER'S/GENERAL MANAGER'S COMMENTS***

The City Manager recommends approval of the foregoing.

### ***REPORT***

#### ***Background/Context***

#### **State of Housing Affordability in Vancouver**

Vancouver is in the midst of a housing crisis, with serious impacts on residents and the city's health, diversity, and vibrancy. Housing price increases far outpaced growth in local incomes in the last 10 years, with benchmark residential composite prices in Vancouver Eastside increasing by 141% between 2006 and 2017 and 121% in Vancouver Westside, while median household income across the city increased by under 40% between 2005 and 2015.

Vancouver's property market continues to be highly active, with benchmark ownership housing prices increasing at a rate of 20% in Vancouver Eastside between 2016 and 2017. Rental vacancy rates in purpose-built rental housing remain extremely low (0.9% in 2017 city-wide) and rents continue to grow at a higher rate than the allowable maximum rate set by the Province.

Both the ownership and rental growth price trends are in part the result of strong economic conditions in the city and region, including a growing labor force and population. However, there is also evidence that speculative investment may be contributing to housing demand in the city. Based on property status declarations from the first year of the Empty Homes Tax as of April 23,

2018, approximately 8,500 properties were determined to be unoccupied or under-utilized in 2017.

Affordability is contributing to severe challenges for vulnerable residents. The city's population of unsheltered homeless residents increased by 22% (122 people) and the population of sheltered homeless residents decreased by 5% (79 people) between 2017 and 2018, with seniors, Indigenous people, and youth overrepresented among homeless residents compared to their share of the overall population.

There is also evidence of change in the income distribution in Vancouver that may suggest loss of renter households at the lower end of the income spectrum. The share of renter households earning below \$30,000/year fell from 34% in 2005 to 28% in 2015, while the share of renter households earning over \$80,000/year increased from 13% to 28% in the same period. While rising median incomes may account for some of this change, these trends indicate a risk to the long-term diversity and resilience of our City – reinforcing the need to meet the Housing Vancouver objective to ensure the “right supply” of housing that meets the needs of all incomes.

For more detailed information on the housing market, refer to the Housing Vancouver Annual Progress Report and Data Book 2018 in Appendix B.

### **Housing Vancouver Context**

Housing Vancouver is a 10-year strategy that aims to foster a diverse and vibrant city. The strategy is based on three core principles: create the “right supply” while addressing speculative demand; retain the existing rental stock; and ensure support for vulnerable residents. These principles are enacted through new targets for housing to meet the needs of Vancouverites of all incomes, and a 3-Year Action Plan, which includes over 110 actions.

An annual report will be presented to Council on progress toward the housing targets and Action Plan, as well as key housing indicators to assess the impact of Housing Vancouver over the next 10 years.

### **Progress Towards Housing Vancouver 10 Year Targets**

Housing Vancouver targets indicate the amount and affordability of new housing required in the next 10 years to ensure a diversity of incomes and household types in the city. These targets were set based on a number of factors, including building typology, incomes served, unit types (e.g. number of bedrooms), and household tenures to ensure new housing being delivered is the “right supply” that meets the needs of current and future Vancouver residents. Of the 72,000 new homes anticipated as part of the new targets, 50% are targeted to serve households earning less than \$80,000/year, two-thirds will be available for renters, and 40% will be family sized units.

**Figure 1. Housing Vancouver 10-Year Housing Targets (2018-2027)**

Building Type	Renters			Renters & Owners	Owners	Total	% of Total	
	<\$15k/yr.	<\$15-30k/yr.	\$30-50k/yr.	\$50-80k/yr.	\$80-150k/yr.			>\$150k/yr.
Apartment	5,200	1,600	2,000	3,000	200	12,000	17%	
			2,500	12,000	5,500	20,000	28%	
Infill				6,500	16,500	7,000	30,000	42%
				2,000	2,000		4,000	5%
Townhouse					300	700	1,000	1%
					1,700	3,300	5,000	7%
<b>Total</b>	<b>5,200</b>	<b>1,600</b>	<b>4,500</b>	<b>23,500</b>	<b>26,200</b>	<b>72,000</b>	<b>100%</b>	
% of Total	7%	2%	6%	33%	37%	15%	100%	

Supportive and Social Housing	Purpose-Built Rental	Condos	Laneways (Rental)	Coach Houses (Strata)	Townhouses
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For the purposes of reporting on progress toward housing targets, 2017 is a transition year between the previous Housing and Homelessness Strategy (2012 – 2021) targets and the Housing Vancouver targets, which were approved by Council at the end of November in 2017. Staff have developed a framework for tracking and reporting on progress toward the new 2018-2027 Housing Vancouver targets. The current report uses 2017 approvals as a benchmark for the new monitoring framework; however, data on certain housing types in the new Housing Vancouver targets (e.g. coach houses) for 2017 is unavailable for reporting in 2018. 2018 approvals data for these housing types will be available in the 2019 Annual Progress Report.

**Figure 2. Summary of 2017 housing approvals vs. previous and current targets**

Building Type	Housing Type	HV 10-Year Targets	HV Annual Targets	Previous Housing & Homelessness Strategy Annual Targets	Units Approved in 2017 Towards Targets	% Progress Compared to HV Annual Targets	% Progress Compared to Previous Annual Targets
Apartment	Social & Supportive	12,000	1,200	790	1,702	142%	215%
	Purpose-Built Rental	20,000	2,000	500	822	41%	164%
	Condos	30,000	3,000	-	3,827	128%	-
Infill	Laneways (Rental)	4,000	400	300	591	148%	197%
	Coach Houses	1,000	100	-	-	-	-
Townhouse	Townhouse	5,000	500	-	189	38%	-
<b>Total</b>		<b>72,000</b>	<b>7,200</b>		<b>7,131</b>	<b>99%</b>	<b>-</b>

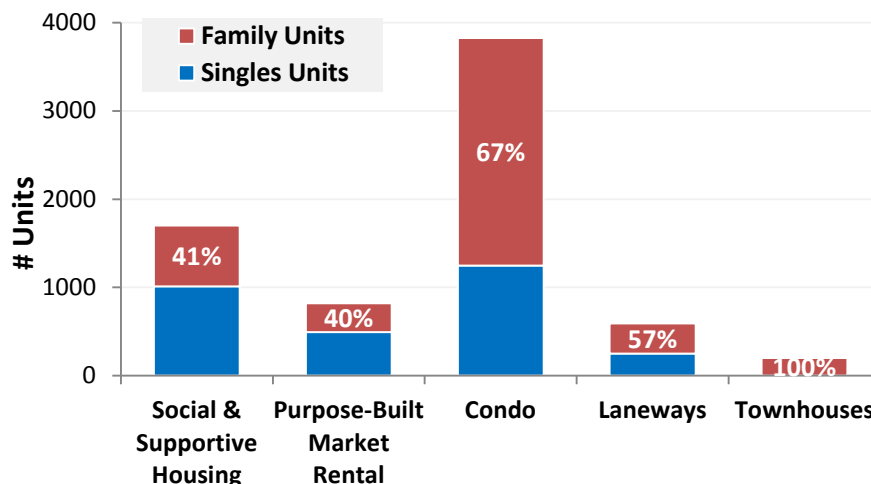
As of December 31, 2017, Vancouver approved a total of 7,141 housing/yr units. Key highlights include:

- Record year for social and supportive housing approvals (1,702 units) – 142% of the annualized target, exceeding both the previous Housing and Homelessness Strategy and new Housing Vancouver Targets.
- Steady level of approvals of purpose-built market rental (822 units) – this level of approvals exceeds the previous annualized Housing and Homelessness Strategy target

for purpose built rental, but represents 40% of the annualized new Housing Vancouver target, indicating that additional action is required to meet the City’s new targets of 2,000 units/year.

- Surpassing the new Housing Vancouver target for condominium approvals (3,827), at 128% of the new annualized target. While positive, this indicator also suggests more effort is required to meet the new target for townhouse forms (189 units approved, 38% of new target) and ensuring a continued shift toward the right supply to prioritize rental housing.
- Exceeding the new Housing Vancouver target for laneway houses with 591 units approved (148% of annualized target).
- Meeting the overall Housing Vancouver target for housing supply (7,141 units) – 99% cent of annualized target.
- On track to meeting the new Housing Vancouver target for rental tenure housing with an estimated 62% of homes available for renters, including purpose-built rental, rented condominiums, and laneway homes. Housing Vancouver sets a target of 65% of new housing for renters.
- Exceeding the new Housing Vancouver target of 40% of units suitable for families with children with 58% of new housing being family sized (2 or 3 bedrooms). While the absolute unit numbers are achieved, concerns remain about occupancy and affordability of these larger units.
- Approximately 38% of new units will serve households earning below \$80,000/year, but additional action is required to meet the new Housing Vancouver target of 50% of new housing serving households earning under \$80,000/year. In particular, there is a gap in new housing serving households with incomes under \$30,000/year.

**Figure 3. 2017 approvals, single vs. family units**



Full details on the 2017 progress toward targets are provided in Appendix B - Section 1 in the Housing Vancouver Annual Progress Report and Data Book 2018. 2017 was a record year for social and supportive housing approvals, due in part to the approval of Pearson Dogwood which enabled 540 units of social housing, to be delivered in future phases. Also of note, a significant number of units have been achieved through non-profit led

projects, as well as projects advancing social housing targets on city owned land. This is significantly higher than historic approval levels, which has averaged 591 units per year since 2009. Housing Vancouver sets an ambitious new target for social and supportive housing of 12,000 units over the next 10 years. Sustaining this number of approvals will require optimizing the City's current approach to enabling social and supportive housing, as well as sustained partnerships with senior governments, non-profit housing organizations, and other stakeholders, particularly to meet the target for housing for low-income households earning less than \$30,000/year. Refer to the "Affordable Housing Delivery and Financial Strategy" section in the Strategic Analysis section below for a full discussion and analysis.

Housing Vancouver also sets an ambitious target for purpose-built market rental housing of 20,000 units over the next 10 years. 2017 purpose-built rental approvals surpassed the target set in the previous Housing and Homeless Strategy but fell short of the new Housing Vancouver annualized target. Achieving the new target will require ongoing prioritization of purpose-built rental housing by the City and partners. Several recommendations are contained in this report to further facilitate the delivery of market rental housing and to fill the gap in the interim. Further action to prioritize purpose built rental housing and achieve the ten year target will include use of new tools such as the ability to zone for rental tenure as well as initiating new area plans. Refer to "Recommendations to Prioritize the Delivery of Purpose-built Market Rental Housing" in the Strategic Analysis section below for further discussion and analysis.

Housing Vancouver also prioritizes the protection of existing rental housing. There has been a net gain of approximately 2,600 rental units in areas covered by the Rental Housing Stock ODP over the last eight years, which has offset the losses in areas not covered by the Rental Housing Stock ODP by creating 400 new units when rezonings of C-2 to CD-1 areas via Rental 100 are taken into account. Staff will continue to monitor and track these measures in the Housing Vancouver Data Book.

## ***Strategic Analysis***

### **1. Affordable Housing Delivery & Financial Strategy**

When Council approved Housing Vancouver in November 2017, they directed staff to report back in Spring 2018 on an Affordable Housing Delivery and Financial Strategy (the Strategy) to maximize the delivery of affordable housing and achieve the Housing Vancouver 10 Year targets. It was noted that, while the strategy would address the entire continuum, the focus would be on the 12,000 units of social and supportive housing (including co-op housing) for lower income households, as these units required the greatest level of subsidy and investment from governments and community partners.

The proposed Strategy (Appendix A) includes a new consolidated delivery structure in the form of the proposed Affordable Housing Endowment Fund (the Fund), as well as five key approaches to shift our delivery mechanisms to achieve the 12,000 units of social and supportive housing. The Strategy and 3-Year Action Plan will work together to implement the Housing Vancouver 10 year plan and deliver on the associated unit targets.

### **Defining the Delivery and Financial Challenge**

Over the past decade, in the face of limited senior government investment and growing need, the City has significantly increased its investment in affordable housing. To illustrate this point, capital funding (not including in-kind housing units secured) for affordable housing increased

from \$18 million/year during the 2009 to 2011 Capital Plan to \$48 million/year during the 2015-2018 Capital Plan.

Alongside this capital investment, the City has innovated and implemented policies and programs to increase the supply of purpose-built market rental housing for moderate-income households. This includes provision of development incentives for the creation of 100% rental housing which has resulted in a tripling of secured market rental housing in the past five years, compared with the previous five year period (i.e. 350 units/year from 2008-2012 compared with 1,100 units/year from 2013 to 2017). More recently, the City has also launched the Moderate Income Rental Housing Pilot Program which seeks to incentivize below-market rental housing, with rents targeted to incomes in the \$30,000 to \$80,000/year range.

While this increased supply in rental housing has been welcome and has addressed the housing needs of many households earning between \$50,000 and \$150,000/year, the level of affordability that can be delivered in market rental homes continues to be a challenge for households in the lower-income bands. This includes families and individuals earning less than \$50,000/year, individuals who are currently homeless and those who are at risk of homelessness living in inadequate and unsafe conditions.

A core principle of the new Housing Vancouver strategy is ensuring adequate housing supply to sustain a diversity of incomes in the city. Housing Vancouver has nearly doubled the target for social and supportive housing units over the previous strategy. This increase is in response to a growing and urgent need, however a key challenge for the City is how to deliver this needed affordable housing given its limited financial capacity and competing priorities such as community facilities (e.g. childcare, cultural spaces, etc.) and the need to renew aging infrastructure and amenities.

Housing Vancouver sets a target of an additional 12,000 new units of social and supportive housing over the next 10 years. Social housing accommodates families, seniors, and singles who cannot afford market rental or ownership housing. Supportive housing provides homes for people who need supports in addition to safe, secure and affordable housing. Supportive housing is key to eliminating homelessness by helping people to stabilize their lives, enhance their independent living skills, and reconnect with their communities. Social and supportive housing typically requires higher levels of upfront investment and ongoing operating subsidies from senior governments and community partners in order to be viable for development. The City has three primary delivery streams for social and supportive housing:

1. City Land Contributions – the City provides land at below-market rates for the development of affordable housing in partnership with other funding partners.
2. Inclusionary Zoning – the City allows for additional density for projects which provide a certain percentage of new residential development as social housing.
3. Supporting Non-Profit Sector Projects – the City provides capital grants and expedited processing for affordable housing projects owned and operated by non-profit housing providers in addition to additional density where supportable by policy.

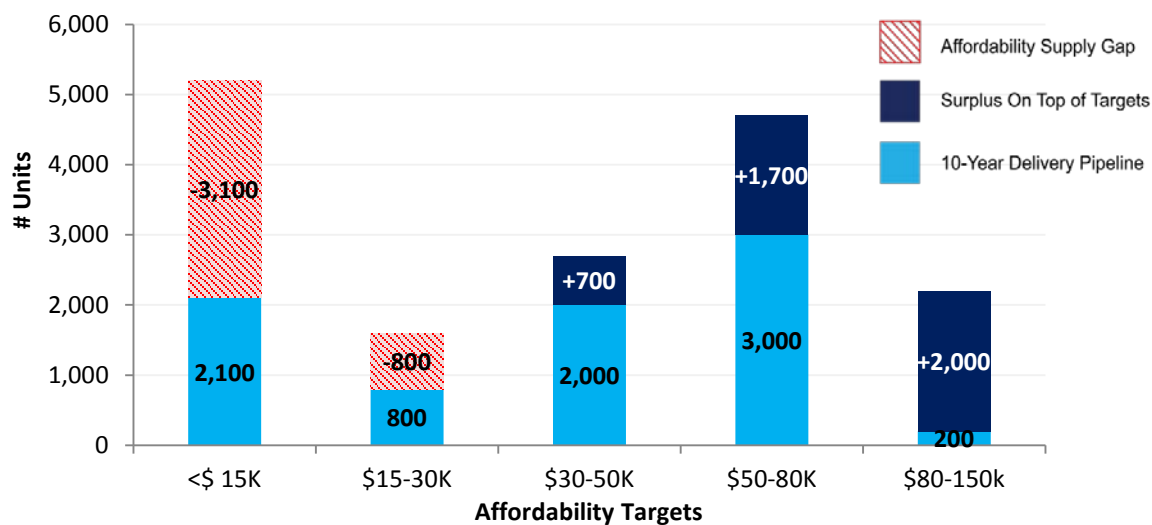
In order to assess the existing capacity to deliver the increased social and supportive housing targets through these delivery streams, a potential 10-year pipeline of projects across the three delivery streams was compiled and analyzed. The first step of the analysis tested the ability to accommodate and deliver 12,000 units through current land use policies and development regulations. The analysis demonstrated that through the development of City land, support for



non-profit sector projects and inclusionary policies contained in Community Plans and for Sustainable Large Developments, the capacity exists to deliver the required number of units.

The second step of the analysis applied a financial lens to the 12,000 units, looking at both the affordability levels (i.e. the rental rates charged for the completed units) and the financing and equity required to achieve those levels of affordability. These affordability levels rely on market rent revenues from within the buildings to create subsidies, rather than external government operating subsidies, to enable more deeply affordable units. The analysis found that applying current affordability requirements – in other words, the levels of affordability we have been achieving over the past decade – resulted in a persistent gap in delivery of units affordable to lower-income families and singles on income assistance.

**Figure 4. Estimated 10 year affordable housing pipeline forecast by income band under current affordability requirements**



### New Partnership Opportunities

In previous decades, when Federal and Provincial funding was available for the development of affordable housing, the City was an important partner, providing sites and contributing modest capital investments to make projects viable. As a result, there was a significant increase in the number of non-market, co-op and purpose-built rental housing delivered in Vancouver. This experience demonstrated the importance of alignment of all partners in the housing system in order to deliver housing for homeless and low- and moderate-income households.

The launch of a National Housing Strategy in November 2017 marked a significant change in policy after decades of advocacy to the Federal Government by housing and community groups and signaled a re-engagement for housing delivery at the national level. In February 2018, the Provincial government announced new directions for the delivery of affordable housing alongside new and increased funding commitments. These changes present an opportunity for the City to re-focus the use of its regulatory authority, policy, land use, and investment tools to best optimize delivery of housing for lower-income households in partnership with senior governments, the non-profit/co-op sector and private development sector going forward.

## **Our Strategic Direction for the Next 10 Years**

This 10-year Strategy lays out a clear direction for addressing the ambitious targets set out in Housing Vancouver to address an urgent and chronic housing crisis and take advantage of a favourable partnership context.

Through this Strategy, the City is refocusing its affordable housing policies, programs, investments and delivery mechanisms to optimize delivery of Housing Vancouver affordability and unit targets and to both align with new senior government funding programs and capitalize on partner contributions. Working together with these partners, the City will seek to meet the financial challenge identified above: to deliver housing at deeper levels of affordability for lower-income households and residents who are experiencing homelessness within the City's fiscal capacity. The new approach will focus on the provision of City land and modest capital grants to leverage strategic partnerships and funding contributions from senior governments and community partners. Concurrently, the City will continue to use municipal tools to protect existing affordable housing and enable the creation of rental and ownership options affordable to moderate income residents.

In order to facilitate this refocused effort, the Strategy further recommends the adoption of a new delivery model that will take advantage of the affordable housing land bank the City has built up over the past several decades, and the policy innovation and technical capacity that has been developed in recent years. Through the proposed creation of a new Affordable Housing Endowment Fund (the Fund), the City has the opportunity to consolidate all city-owned non-market housing assets into a single portfolio with a clear mandate to preserve and grow the City's affordable housing stock in a sustainable way to serve Vancouver citizens over the long-term.

### **The Future of Housing Delivery: Consolidating City Housing Assets into a new Affordable Housing Endowment Fund**

The City has developed a number of innovative responses to the housing crisis, including new policy approaches, regulatory incentives and requirements, and housing delivery streams. However, through the Housing Vancouver process, it became clear that these responses would benefit from a more consolidated and coordinated approach across City departments. Further, review of other jurisdictions, most notably the City of Vienna, revealed that strong alignment of goals, programs, and decision-making is a key element of successful housing models.

Within the City of Vancouver, the delivery of non-market housing and the management of non-market housing assets are distributed across a number of business units. The non-market assets – including land, buildings, and Air Space Parcels (social housing components within larger private developments) – are managed across three separate governance structures. These include the Capital Fund (CF), the Property Endowment Fund (PEF) and, to a lesser degree, the City of Vancouver Public Housing Corporation (VPHC). In the case of the CF and PEF, where the majority of the assets are held, affordable housing delivery is not the core mandate of these funds. The growth and preservation of affordable housing must be considered alongside other civic priorities for limited funding. As a result, while these funds have accumulated significant non-market housing assets, housing decisions have been made on a transactional or project-by-project basis. This approach has limited the City's ability to maximize affordability and social outcomes through potential economies of scale, portfolio optimization and clarity of purpose and decision-making.

To enable consolidation and optimization, this Strategy proposes the creation of a new Affordable Housing Endowment Fund (the Fund) into which all non-market housing assets will be transferred. The total assets to be transferred to this new Fund include over 200 non-market housing assets with an assessed value of approximately \$2 billion.

The Fund is intended to become the consolidated portfolio for the delivery of non-market housing in the City of Vancouver. In addition to holding existing non-market housing assets, the Fund will enable a portfolio approach to optimize the preservation of those assets balanced with the need to grow the non-market housing stock in the City. The Fund will benefit from dedicated land use policies and funding sources to acquire new assets to benefit Vancouver residents. These sources are expected to include:

- Revenue from development contributions (DCLs and CACs);
- Emerging sources of revenue, such as the Empty Homes Tax;
- Non-market housing assets secured through inclusionary housing requirements and rezoning; and
- Revenue generated through the assets held in the Fund, such as lease payments and surplus sharing from non-profit and co-operative housing associations.

Through the combination of existing assets and dedicated revenue streams identified above, the Fund will have the resources, capacity and focus required to support the growth and preservation of the City's affordable housing portfolio.

Should Council approve Recommendation C to advance consolidation of non-market assets into the new Fund, staff will report back by September 2018 on the implementation strategy to create the Fund. The report will include the draft mandate, governance structure, legal construct, property transfer policies and staffing and resource implications.

### **The Future of Housing Delivery: Enhanced Approaches to Social and Supportive Housing**

The Strategy identifies five key enhanced approaches for the delivery of the 12,000 units of social and supportive housing aligned with Housing Vancouver income bands over the next 10 years. These enhanced approaches would be more effective if brought together into the proposed Fund, where portfolio optimization and consolidated decision-making can be accomplished across delivery streams. Refer to Appendix A for the full Affordable Housing Delivery and Financial Strategy.

#### **1. Implement a Development Strategy that relies on deployment of an average of four city sites with a capacity for 500 to 600 units of social and supportive housing each year and engage senior levels of government in a multi-year partnership to advance the delivery of these units.**

- This “City Land” delivery stream is a critical element of the Strategy, comprising an anticipated 5,900 homes (including modular housing units), or 49% of the targeted 12,000 new social and supportive housing units. The provision of City Land has been identified through the Strategy as the most effective approach to partnering with senior government housing programs, and so is key to meeting the Housing Vancouver targets for lower-income households. The City will further work to expedite these projects through the municipal development process.

- Initial analysis of the equity gap requiring partner funding to deliver approximately 5,900 units at Housing Vancouver target affordability levels is approximately \$1.1 billion (2018\$) with the City land equity valued at approximately \$1.2 billion (2018\$) over 10 years. The City land will be made available from several sources:
    - Some sites have already been acquired by the City and are ready for deployment;
    - Some sites have been secured through development and will be available for deployment over the next 5-10 years; and
    - The City may also make strategic site acquisitions to augment City and/or partner housing projects during the next 10 years.
  - The City will pursue a multi-year partnership plan with the Province of BC (primarily through BC Housing) and the Government of Canada (primarily through CMHC) in order to clarify roles and responsibilities and mitigate the risk of uncertain financing for social housing projects.
- 2. Establish a Land Acquisition Strategy to prioritize securing new land for social housing projects to ensure sustainability of the delivery of housing options for lower-income residents and individuals who are experiencing homelessness, into the future.**
- Responding to the diverse housing needs of a changing population will continue to be a challenge into the future in light of sustained high land values and a limited land base. A key factor in ensuring sustainability of social housing delivery will be the provision of an adequate supply of publicly-owned land which can be provided for social housing projects.
  - The Land Acquisition Strategy, developed in concert with the proposed Affordable Housing Endowment Fund will establish an appropriate internal funding and decision-making framework and preferred acquisition characteristics. The acquisition strategy will rely on securing land through regulatory approvals processes, as well as strategic acquisitions to support key partnership projects.
- 3. Increase the inclusionary housing requirement for large development sites, prioritizing the provision of unencumbered dirt sites as a contribution to the Land Acquisition Strategy, while retaining flexibility to consider alternate policy options for complex sites.**
- Inclusionary housing policies for Sustainable Large Developments (sites over 2 acres) currently require a minimum of 20% of new residential floor space to be social housing, with significant flexibility in how that housing is delivered.
  - In response to direction in Housing Vancouver, the inclusionary housing requirements for Sustainable Large Developments will be increased to require that a minimum of 30% of residential floor area is set aside for affordable housing. The policy will include two components, including the current 20% social housing target and an additional 10% moderate income housing target.
  - The priority for achieving the minimum 20% social housing target will be for the transfer of unencumbered dirt sites to the City to accommodate a minimum 20% of the floor

space as social housing. This approach contributes to the Land Acquisition Strategy and enables senior government funding to assist with project delivery and to deepen affordability.

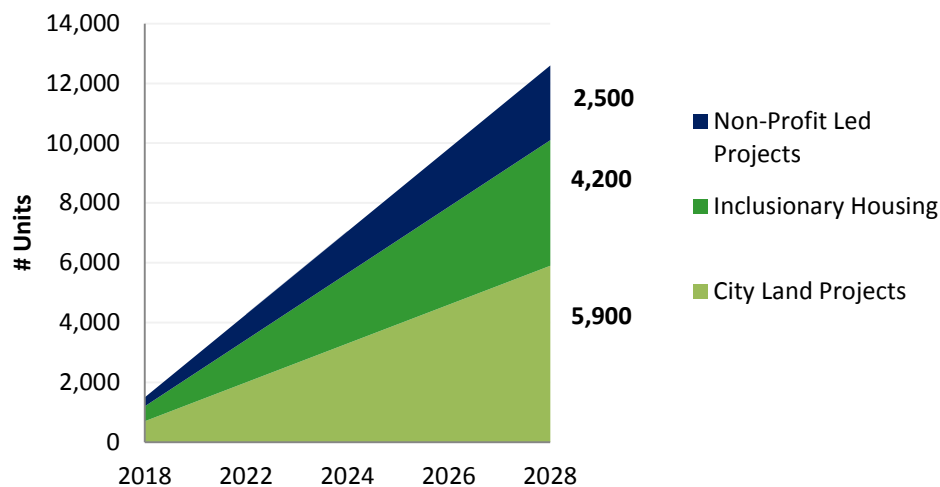
- The 10% moderate income housing target will require a minimum of 10% of residential floor space to be delivered as an alternative form of affordable housing targeted to household incomes between \$30,000 and \$80,000/year. This requirement is anticipated to be privately-owned rental housing with units secured at moderate income rental rates. Should previously requested legislative changes be made by the Province to enable consideration of affordable homeownership options (AHO), the City will revisit this policy to determine under what circumstances AHO would be considered.
- 4. Continue and clarify approach to inclusionary housing city-wide to balance on-site affordability levels with reinvestment of lease payments to preserve and grow the housing portfolio, including contributions to the Land Acquisition Strategy.**
- Recent Community Plans (e.g. West End and Cambie Corridor) make use of inclusionary zoning as a tool to deliver social housing alongside market residential development by requiring a certain percentage of the new development to be delivered turnkey to the City in exchange for additional density. This approach will continue in future Community Plans or other planning documents (e.g. Official Development Plans), contributing to Housing Vancouver targets throughout the city.
  - The City typically leases the social housing delivered through inclusionary housing policies to non-profit housing operators on a 60 year lease, with a pre-paid lease payment determined by the rent revenue at the targeted level of affordability. In the future, rent levels will reflect Housing Vancouver income targets for social housing, focusing on the \$30,000 to \$80,000 per year cohorts. Deeper levels of affordability will be achieved if funding is contributed from other partners. This approach will generate pre-paid leases, the revenue from which will be used to fund land acquisition in the Fund.
  - Inclusionary projects in the Downtown Eastside function differently than those in the rest of the City due to deep affordability requirements in the DTES Plan. As a result, pre-paid lease expectations are limited. In these cases, non-profit ownership of inclusionary social housing units will be considered to serve as a pilot to test how non-profit ownership can result in improved outcomes. This approach will further explore non-profit aspirations to contribute equity and build their asset base.
- 5. Create a new Social Purpose Real Estate Program that combines development incentives and capital grants for non-profit and co-op housing societies and faith-based organizations to deliver increased social and supportive housing outcomes.**
- The new Social Purpose Real Estate Program will include the following elements:
    - Housing Infrastructure Grant Program – Propose increasing capital grants to an average of \$30,000/unit to cover increasing construction costs. Greater grant amounts will be targeted to projects with deep affordability and those on city land to further leverage partner funding, with a shift away from a “first-come-first-served” approach.

- Incentive Program to develop new or redevelop existing non-profit sites – Develop a new program to provide incentives such as additional density, DCL waiver and parking relaxations for non-profit, co-op and faith-based organizations to develop new or redevelop existing affordable housing projects. Development of this program will be coordinated with ongoing work to enable redevelopment of Places of Worship with retention of existing community-serving uses.
- SHORT Program – Continue to implement the Social Housing or Rental Tenure Pilot Program to prioritize and expedite affordable housing projects through the development process. The intent being to learn lessons from the pilot for application to a future permanent program, and to inform regulatory and process changes needed to expedite priority projects.

### Anticipated Outcomes of the Affordable Housing Delivery and Financial Strategy

The directions outlined in the proposed Strategy are anticipated to deliver the 12,000 units of social and supportive housing set out in Housing Vancouver over the next 10 years at the affordability levels required to maintain income diversity in the City. These projections are based on existing known projects which could deliver social and supportive housing within the 10 year pipeline with exact delivery years subject to variations in development process and timeline as is the case with all development projects. Specific affordability mix within each project is also subject to change due to financial viability at the time the project is brought forward. However affordability levels will be guided by the new Housing Vancouver targets and as such each project will contribute to the targets for household incomes contained in Housing Vancouver.

**Figure 5. Anticipated 10 year delivery of social and supportive units by delivery program**



As progress is made towards the actions outlined in the Strategy, reporting on outcomes will be incorporated into the Housing Vancouver annual progress report. Beginning in the 2019 annual report, additional indicators will be incorporated to reflect the outcomes anticipated through the Strategy. This regular monitoring and reporting will provide the framework for future policy evaluation and priority setting to drive towards achieving Housing Vancouver targets. Further

discussion of the Housing Vancouver outcome indicators and an update on key actions currently underway is discussed below.

## **2. Housing Vancouver Annual Progress Report and Data Book 2018 – Outcome Indicators and Key Actions**

In order to track the overall progress of Housing Vancouver, a core set of indicators have been selected as key outcome measures. These outcome measures represent the core objectives of Housing Vancouver for ensuring a diverse, inclusive, and affordable city for Vancouver residents, and together will allow for a high-level assessment of the impact of City, senior government, and partner actions on housing affordability in Vancouver.

A list of the initial outcome measures and 2016-2017 baseline status data is included below in Figure 6. Staff will engage expert academic stakeholders on these and potential additional measures in order to seek input on the proposed outcome indicators and troubleshoot limitations with existing data, with updates to be reflected in subsequent Progress Reports and Data Books. It also is anticipated that reporting on progress towards Affordable Housing Delivery and Financial Strategy actions and outcomes will also be included in the next annual progress report (2019) pending council approval of the Strategy.

**Figure 6. Housing Vancouver Outcome Measures**

<b>Key Housing Vancouver Outcome Measures</b>		
<b><i>What do we want Vancouver to look like in 10 years?</i></b>	<b><i>What do we want to see in the next 5 years</i></b>	<b><i>Current Status / Trend (2016 - 2017)</i></b>
A healthy private market rental vacancy rate of 3%.	Annual increase in private market vacancy rate of at least 0.2%.	Increased 0.1% between 2016 and 2017, to 0.9% in 2017.
Stabilize ownership and rental price growth, targeting price growth in line with incomes.	Ownership housing price increases (east side condominium) in line with median incomes.  Private market rent increases in line with median incomes.	Vancouver East condominium benchmark price increased 19.5% between Oct. 2016-Oct. 2017, from \$350,400 to \$449,900. <sup>1</sup>  CMHC average private market rents increased 4.9% between Oct. 2016-Oct.2017, from \$1,324 to \$1,389. <sup>2</sup>  The average annual change in median household incomes in Vancouver from 2006-2015 was 3.29%; median household income in 2015 was \$43,388. <sup>3</sup>
Raise share of families with children to historic levels of 1/3 of all households.	Raise share of families with children in 2022 Census to 30-33% of all households with the goal of increasing the share of families with children in all neighbourhoods.	In 2016, 29% of Vancouver households had children.

<sup>1</sup> Benchmark East Side Condominium Prices - MLS Home Price Index, Real Estate Board of Greater Vancouver

<sup>2</sup> Private Apartment Average Rents, All Bedroom Types - CMHC Rental Market Survey

<sup>3</sup> Median Annual Household Income - Statistics Canada Taxfiler Data, City of Vancouver and UEL

Key Housing Vancouver Outcome Measures		
Increase housing options in low density areas to support more families, singles, and seniors.	Double the current annual rate of increase in dwelling units in areas that were zoned as RS or RT in 2017 to 2% from ~1% with equal distribution between geographic areas in the city (e.g. east vs. west side neighbourhoods).	2017 BC Assessment data indicates 91,481 dwelling units in RS and RT zoned areas in 2017. The recent annual change in dwelling units has been less than 1% of all dwellings. <sup>4</sup>
Replace 50% of the private SRO stock, while improving livability and security for renters in the remaining SRO stock.	Replace 25% (1,000 homes) in the private SRO stock with self-contained social housing renting at the shelter component of income assistance for singles.  Continue trend of incentivizing and approving liveability upgrades to 300 SRO rooms (an average of 60 rooms/year).	In 2017, 342 new social and supportive homes renting at the shelter component of income assistance for singles (\$375) were approved (Housing Vancouver SRO Tracker).  From 2015 to 2017, SRA permits and grants to 5 SRA designated buildings resulted in livability upgrades to 185 homes and secured 114 SRO homes at the shelter component of income assistance.
Prevent homelessness and create pathways toward housing stability.	Reduce total homelessness by 50%, while reducing the share of Indigenous people experiencing homelessness by 50% by 2022.	From 2016-2017, there was a slight decrease in street homelessness (<1%), and a 2% increase in street homelessness from 2017-2018.  The proportion of Indigenous people experiencing homelessness was 38% of the total homeless population in 2016, 39% in 2017 and 40% in 2018.
Advance our commitments as a City of Reconciliation to address short- and long term housing and wellness needs of urban Indigenous residents.	Support delivery of a minimum of 600-700 culturally-appropriate affordable homes by 2023.	38 homes approved in 2017 (950 Main Street and Pearson Dogwood lands).
Ensure diversity in the City by maintaining the 2016 Census share of low and moderate income renters.	Stabilize loss of households earning <\$30K; \$30-50K, \$50- 80K in 2022 Census.	Share of population earning <\$30K decreased from 38% to 31% (2010-2015) Share of population earning \$30-50K decreased from 21% to 18% (2010-2015).

As noted previously, 2017 is a baseline year for tracking Housing Vancouver progress toward targets. Each subsequent year will be measured against the initial 2017 baseline, in order to determine progress for each outcome measure since 2017 as well as the gap remaining to meet the 5- and 10-year goals set out in Figure 6.

The purpose of the Housing Vancouver outcome measures is to provide a high-level assessment of Vancouver’s changes related to affordability, diversity, and inclusion on an annual basis. As progress continues toward the 10-year Housing Vancouver targets and actions, the annual assessment of outcome measures will indicate areas of progress as well as areas where additional actions by the City, senior governments, and partners are required.

Ongoing assessment of these measures will acknowledge the factors beyond City and partner actions that can have a measurable impact on housing market and affordability indicators.

<sup>4</sup> Count of dwelling units from BC Assessment; includes laneway homes and secondary suites with a unique address



These include economic or population growth factors and changes in market indicators like interest and capitalization rates. These and additional indicators are tracked in the Housing Vancouver Data Book in Appendix B.

Key to achieving the outcome measures outlined in Figure 6 are the Housing Vancouver ‘output’ targets for housing affordable to local incomes and households, as well as actions in the Housing Vancouver 3-Year Action Plan. Progress toward the Housing Vancouver targets is summarized below, as well as key actions to date achieved toward the 3-year Action Plan. Additional detail is available in the Annual Progress Report in Appendix B.

**Figure 7: Housing Vancouver Output Indicators: Progress toward 10 year targets to shift towards the right supply**

<b>Housing Vancouver Output Measures</b>					
<b>Housing Types, and Income Mix</b>	<b>10 Year Goal</b>	<b>HV Annualized Targets</b>	<b>Current Status - Units Approved 2017<sup>5</sup></b>	<b>% Progress compared to HV Annual Targets</b>	<b>How are we doing? Red = far off target Yellow = Near Target Green = on target</b>
Social & Supportive	12,000	1,200	1,702	142%	Green
Purpose-Built Rental	20,000	2,000	822	41%	Red
Condos	30,000	3,000	3,827	128%	Green
Laneways (Rental)	4,000	400	591	148%	Green
Coach Houses	1,000	100	No data avail. in 2017	-	-
Townhouse	5,000	500	189	38%	Red
<b>Total</b>	<b>72,000</b>	<b>7,200</b>	<b>7,131</b>	<b>99%</b>	Yellow
<b>Income Mix</b>					
Family housing (2 and 3 bedroom units)	28,800	2,800	4,142	148%	Green
Incomes < \$30K	6,800	680	392	58%	Red
Incomes between \$30 to \$50K	4500	450	684	152%	Green
Incomes between \$50 to \$80K	23,500	2,350	1635	70%	Red

**Update on Actions to deliver on Housing Vancouver 10 Year Housing targets across the housing continuum (Highlights)**

Since the Housing Vancouver Strategy was adopted in 2017, staff have initiated a number of actions contained in the Housing Vancouver 3 Year Action Plan. The following are highlights of actions are already underway or completed.

- **Addressing speculative investment and housing demand**
  - Empty Homes Tax implemented for 2017 tax year, with consultation and initial recommendations on options for first year net revenue.
  - Short Term Rental regulations approved by Council effective April 19, 2018.

<sup>5</sup> Due to the lag time between approval and completion of units due to construction time and other factor, completion of units approved in 2017 may not occur for several years. Additional data on rental housing completions is available in the Housing Vancouver Data Book, section 2.2i

- New Development Contribution Expectation (DCE) proposed policy to curb speculation in the Broadway Corridor, and apply learnings to future planning initiatives.
- **Create the Right Supply & Protect Existing Affordable Housing**
  - Launch of the Moderate Income Rental Housing Pilot Program, with 20 sites invited to proceed to rezoning enquiry.
  - Updates to the Rental Housing Stock ODP to further protect purpose-built rental housing and encourage reinvestment in the existing rental stock.
  - Approval of the Cambie Corridor Plan, enabling 5,000 market rental units, 190 below-market units, 2,800 social housing units, and opportunities for multi-family units on single-family lots.
  - Amendments to commercial zoning districts to include density bonus provisions for rental housing.
  - Amendments to the Affordable Housing Choices Interim Rezoning Policy.
  - Amendments to Laneway Home Regulations to increase design flexibility, reduce costs, and processing times.
- **Work with Partners to Deliver Affordable Housing**
  - Affordable Housing Delivery and Financial Strategy to be considered by Council
  - VAHA RFP selection of Vancouver Community Land Trust Foundation (CLT) as development partner on seven City sites.
- **Indigenous Housing and Wellness**
  - Supporting Indigenous housing partner projects: Development and building permits issued for 950 Main St.; RFP issued for a new site; CLT commitment to work with an Indigenous housing agency to operate one site; continued engagement with Indigenous agencies and funding partners to advance other projects.
  - Approval of the Heather Lands Policy Statement, including 530 units of social housing and a commitment to incorporate Indigenous values and principles into the planning and design of the site.
- **Support for Renters and Homeless/Vulnerable Residents**
  - The approval of 6 temporary modular housing sites containing 300 temporary modular housing units in partnership with the Province, with a commitment to deliver 600 temporary modular housing units by the end of 2018.
  - Participation in the Provincial Rental Housing Task Force to advocate for enhanced RTA protection in the case of renovations.
- **Expediting and improving city processes for housing development**
  - SHORT pilot to expedite delivery of affordable housing underway - 300 units under construction, with 800 units targeted for 2018 and 900 for 2019.
  - Simplified and streamlined approach to rezoning/CAC negotiations on 100% rental projects.
  - 2 Year Regulatory Review Underway – various amendments to the Zoning and Development By-law and various guidelines and policies to simplify and update the regulations and streamline permit review processes.

Further to the actions above, this report proposes several immediate actions to urgently address the need for more rental housing in line with the Housing Vancouver targets for purpose-built rental housing. These actions are outlined below.

### **3. Recommendations to Prioritize the Delivery of Purpose-Built Market Rental Housing**

The new Housing Vancouver target for purpose built rental housing represents a significant increase over previous targets, from an annualized target of 500 units per year to 2,000 units per year. Achieving this target will require the development of enhanced rental incentives and ongoing prioritization of rental housing by the City and partners. Future action to prioritize purpose built rental housing will include the use of new tools such as the ability to zone for rental tenure, an authority recently granted to all BC municipalities by the Province of BC. New community planning initiatives, such as the Broadway Corridor initiative, will also prioritize the delivery of rental and social housing. In order to take steps towards meeting the new ambitious Housing Vancouver targets in the interim, staff propose a number of immediate actions:

- **Amend Commercial Zoning Districts (C-2, C-2B, C-2C, and C-2C1) to include density bonus provisions for rental housing**

The Rental 100 program contains rezoning policies that allow for a density bonus in C-2 zoning districts for an additional 2 storeys for 100% rental buildings. As of Quarter 1, 2018 there have been 11 rezonings in C-2 areas since 2009, resulting in 747 new units of rental housing. Generally, the development advice and process for rezoning applications in commercial areas (zoned C-2, C-2B, C-2C and C-2C1) have become standardized over the last several years. Providing the density bonus for rental within the district schedules under existing zoning will mean applicants will no longer have to undergo a rezoning process, which will reduce costs, and significantly expedite the process. In addition, there may be an opportunity to make these changes in conjunction with Passive House requirements to achieve Council priorities for both rental housing and the Greenest City Action Plan. This report recommends that staff begin work on these amendments and report back on proposed changes to the relevant zoning districts in early 2019.

In addition to these amendments, Staff will explore replacing rezoning policies that enable new rental with district schedules that include a density bonus provision in recently approved community plan areas (e.g. Grandview-Woodlands, Cambie Corridor, Joyce Station Area). Some of these zoning districts are protected by the Rental Housing Stock ODP which requires one-for-one replacement of existing rental for new developments. This work will have to carefully balance the goal of prioritizing market rental delivery with the need to manage the pace of change and ensure that impacts to renters are mitigated.

In both cases, staff intend to use the rental zoning provisions recently enabled by the Province, which allows the City to limit the form of tenure to residential rental tenure within a zone or part of a zone which permits multi-family residential, representing the first use of our new rental zoning authority in the Zoning and Development Bylaw.

- **Amend the Affordable Housing Choices Policy to continue accepting rezoning enquiries beyond the 20 projects originally anticipated in the Policy**

The Affordable Housing Choices Interim Rezoning Policy was approved in 2012 to facilitate innovative approaches to the delivery of affordable housing types to be tested for wider application. The policy allows for a maximum of 20 rezoning applications. A total of 637 units in 14 projects are approved (7) or in application (7). In addition, there have been 22 enquiries, of which 15 are actively being pursued under this policy. If these enquiries were submitted as rezoning applications, the limit of 20 applications would be exceeded. All but one of the enquiries is for purpose-built market rental projects. Staff have advised proponents that applications are received on a first come, first serve basis. This situation creates significant

uncertainty, and project proponents bear the risk that their project is not among the 20 applications. A full list of projects considered under this policy can be found in Appendix D of this report.

Through the rezoning review process, it has been identified that increasing building form options would help enable projects off arterial streets. Currently, the policy allows for ground oriented forms up to 3 ½ storeys (e.g. small houses/duplexes, traditional row houses, stacked townhouses and courtyard row houses) on sites within approximately 100 metres (i.e. 1 ½ blocks) off an arterial road. Staff have determined that allowing four storey apartments off arterials would improve project viability on some sites and may be better suited to meeting building code requirements while still considering neighbourhood context and fit. Analysis and policy development will be aligned with the Making Room program which is the subject of a separate report to Council.

To prioritize the delivery of market rental housing and to provide clarity to proponents, this report recommends several interim measures, including:

- Continuing to accept enquiries for market rental housing applications under the Affordable Housing Choices Interim Rezoning Policy until June 30, 2019; and
- Allowing four storey apartments to be considered on sites within approximately 100 metres (i.e. 1 ½ blocks) off an arterial street.

The full amendments to the policy are contained in Appendix C of this report.

In Spring 2019, staff will report back to Council with a full review of the Affordable Housing Choices Interim Rezoning Policy, Secured Market Rental Housing Policy “Rental 100,” and the Development Cost Levy waiver to encourage for-profit affordable housing. The intent of the review is to report on the results of these policies to date, recommend policy improvements, and to provide clarity on affordability requirements. Areas that will be explored include the distribution of projects city-wide, housing options considered, further clarity around form of development, and a fulsome analysis of the public feedback on approved projects since 2012.

In addition to the actions above, this report identifies some specific urgent actions that should be taken to further mitigate the impact of Vancouver’s housing crisis on those living in poverty, in unsafe and inadequate housing, or experiencing homelessness.

#### **4. Recommendations to further impact residents experiencing homelessness (with a focus on addressing the disproportionate number of Indigenous residents who experience homelessness) or living in SROs**

In order to better meet the new ambitious Housing Vancouver targets for SROs and Homelessness, staff propose additional actions, which are outlined below:

- **Engage with MVAEC and other Indigenous partners, including Musqueam, Squamish and Tsleil-Waututh Nations, on further measures to reduce the number and proportion of Indigenous people experiencing Homelessness**

In addition to advancing our commitments as a City of Reconciliation to address short- and long term housing and wellness needs of urban Indigenous residents, the on-going over-representation of Indigenous people experiencing homelessness requires more focused and urgent action on the City’s part. The proportion of Indigenous people experiencing homelessness was 38% of the total homeless population in 2016, 39% in 2017 and 40% in

2018. Staff have recommended a five-year goal to reduce the number and share of Indigenous homeless by 50%.

Recent delivery of Temporary Modular Homes with supports has been a vital step in addressing the needs of those who are homeless. In partnership with the Province, a number of these buildings will be focused on the needs of Indigenous residents through culturally-appropriate services and programming. Actions like this will be important in reversing the long-standing over-representation, but all levels of government and community partners need to intensify efforts. Working with Indigenous partners such as MVAEC will be critical to identifying and implementing effective and culturally appropriate responses. The City will convene further conversations with these partners in order to develop additional and meaningful actions.

- **Continue working with the newly established Federal, Provincial, Municipal SRO Working Group, with the aim of making significant progress within 6 months**

One of the outcomes from the SRO Task Force and the resulting SRO Revitalization Action Plan was acknowledgement that some private SROs needed government intervention in order to become liveable and remain affordable to renters living in poverty and on very-low incomes. Housing Vancouver therefore identifies conditions, loss of affordability, and lack of supports for renters as key concerns, with a priority action area being the need for stronger/coordinated government partnerships. Of the 7,200 SRO rooms, more than 50% are in the private sector, with the majority located in the Downtown Eastside.

The goal over 10 years is to replace 50% of private SROs with social housing and improve livability on the remaining rooms, focusing on the worst-maintained privately-owned buildings. Early discussions between the City, BC Housing, the Ministry of Housing and Municipal Affairs, and CMHC have explored several possibilities, including:

- Enhanced regulatory tools, enforcement powers, and legislative changes to strengthen municipal By-Law authority (i.e. Standards of Maintenance By-Law);
- Coordinated information collection and enforcement action; and
- Consideration of additional funding mechanisms (i.e. low-cost loans) to responsible private owners to support reinvestment in buildings.

Due to the urgency caused by the declining nature of this housing stock, the City will work towards some significant progress on these proposed areas of action within six months.

- **Enhance City capacity to address renter impacts of renovations and redevelopment**

The Housing Vancouver 3-Year Action Plan includes a commitment to dedicate staff to better administer, enforce, and monitor the City's Tenant Relocation and Protection Policy, improve internal coordination, and improve internal and community-based support for renters impacted by renovation and redevelopment (Action Plan, Chapter 8, Action 2E). This commitment includes the creation of a Renter Advocacy and Services Officer. The resources for this new position have been approved and recruitment is due to begin imminently. This new Renter Advocacy and Services officer will focus on meeting renter needs and maximizing external partnerships with existing renter serving organizations and advocacy groups.

Housing Vancouver also commits to improving access to information for renters and advocates seeking information about their buildings in order to report safety concerns and support official complaints, such as those filed with the Residential Tenancy Branch. As part of this work, the City is proposing new action to support renters and non-profit advocates seeking information through the City's file research request process such as permit applications, approved permits,

and internal and external correspondence (e.g. engineer's reports, letters of undertaking, memos, enforcement letters, inspection reports, etc.). The current fee for these requests is \$244.00 for the first 2 hours of staff time and then \$122.00 for each additional hour. Staff are bringing forward a bylaw amending the Miscellaneous Fees By-law to waive fees for file research requests submitted by a tenant or non-profit advocates who are representing a marginalized group or tenants to provide documents that are required to meet obligations of the Residential Tenancy Branch.

Additional priorities for supporting renters include updates to the City's Tenant Relocation and Protection Policy, to be brought forward in 2019 and further work with the province's Rental Housing Task Force on recommendations to strengthen the Residential Tenancy Act to address the issue of displacement of renters due to renovations and redevelopment. Additional work will include improvements to data available publicly through the City's online Rental Standards Database; and work with non-profit partners and advocates to strengthen and enhance community-based renter assistance and resources.

#### **4. Allocate Empty Homes Tax initial Net Revenue Collected toward Affordable Housing Initiatives**

The Empty Homes Tax came into effect in 2017, with a total of 183,911 declarations submitted, accounting for 98.85% of all residential property owners in Vancouver. As of April 23, 2018, just under 8,500 properties were determined to be unoccupied or under-utilized. The Empty Homes Tax is expected to generate approximately ~\$30 million in revenue. The total revenue collected will pay for the one-time implementation costs (\$7.5 million) and first-year (2018) operating costs (\$2.5 million). All remaining revenue will go towards affordable housing initiatives in Vancouver.

At this time, approximately \$18 million of revenue has been collected which yields approximately \$8 million in revenue that can be allocated to affordable housing initiatives in the next City budget.

#### **Empty Homes Tax Consultation**

Vancouver City Council instructed staff to embark on a public consultation effort to solicit input from Vancouver residents about how they would like to see the revenue from the Empty Homes Tax (EHT) used to support affordable housing in the city. Refer to Appendix E for further detail on the EHT consultation.

The City launched an online platform on April 26, 2018 and asked Vancouver residents to share their own ideas and like/comment on the ideas posted on the platform. The City also hosted an all-day IdeaJam event on May 17, 2018 with key Housing Vancouver and community stakeholders to generate additional ideas and achieve group consensus on a list of Top Ideas to present to Staff and Council. Vancouver residents responded with a broad set of ideas for using tax revenues; a summary of participation and feedback is provided below:

**Online Platform:** Approximately 131 ideas were generated by the public via the online platform. Participants engaged with the ideas proposed by their peers, providing over 5,000 likes/dislikes and more than 400 comments. The ideas with the most support included:

- Support for development of new and renewal of existing co-op housing
- Buying more land for affordable housing, including rental, social, and co-op housing
- Improvements to SRO housing and support for the most vulnerable residents

- Support for existing renters, including support for renters facing displacement or eviction, as well as innovative ideas to match renters with under-utilized space in existing housing

**IdeaJam workshop:** 30 housing stakeholders attended an all-day IdeaJam session to develop additional ideas for tax revenue and achieve group consensus on top ideas, with six final ideas presented in a ‘Dragons Den’ format to a panel of judges for feedback. The top two ideas with the most votes were:

- Support for Co-ops: Review existing co-op stock for revitalization/redevelopment opportunities; establish new partnerships and build new co-ops ; educate public about the value of co-ops
- Temporary Modular College: The Temporary Modular College would provide housing and peer-based mentorship programming for residents of temporary modular housing, with a goal to transition towards resident self-management after an initial period of management by an arms-length municipal organization

### Recommended Funding Opportunities for EHT Revenue

Staff have reviewed the top ideas for feasibility and generated a set of recommended funding opportunities for the current collected EHT revenue. These opportunities include:

Staff Funding Recommendation	Idea from Public Consultation	Allocation
<b>More affordable non-profit and co-op housing</b>	Acquire or provide land and resources for affordable non-profit and co-op housing	\$3,175,000
	More co-op housing – grants to update and improve existing co-ops and build new co-ops	\$1,000,000
<b>Improvements to low income housing</b>	Contribute to purchase buildings and/or provide assistance toward improved living conditions in private SRO housing	\$3,500,000
<b>Support for vulnerable renters</b>	Support for renters facing eviction; renter protections	\$100,000
	Funding for Vancouver Rent Bank	\$75,000
<b>Funding for skills training in peer support, affordable housing management, and asset training for residents of supportive housing</b>	Temporary Modular College to provide peer-based mentoring for residents of Temporary Modular Housing	\$100,000
<b>Matching empty/underutilized homes and rooms with renters looking for housing</b>	Explore shared housing models like senior/student housing arrangements	\$50,000
<b>TOTAL</b>		<b>\$8,000,000</b>

Additional detail on the consultation process for Empty Homes Tax revenue and allocation recommendations are available in Appendix E.

### 5. Recommendation to Defer Regional Context Statement Update

The British Columbia *Local Government Act* (Section 448) requires the City to review the City’s Regional Context Statement Official Development Plan (RCS ODP) every five years following the acceptance of RCS ODP by the Metro Vancouver (MV) Board (July 26, 2013). Council must advise the MV Board that they have reviewed it and submit any amendment to the RCS ODP

for acceptance and, if no amendment is proposed, submit the statement to the board for its continued acceptance.

In reviewing the RCS ODP, staff have identified several city-wide initiatives currently underway that will transform the City's housing, employment, and transportation landscape – including the actions in the Affordable Housing Delivery and Financial Strategy and associated recommendations to support Housing Vancouver implementation outlined in this report. At the regional level, MV staff are also conducting concurrent policy reviews in preparation for the next iteration of the Regional Growth Strategy with a targeted draft to be considered in late 2021. In view of these initiatives, City staff recommend no changes to be made to the RCS ODP at this time and to amend the RCS ODP following the adoption and implementation of these upcoming key plans in coordination with the MV update of the Regional Growth Strategy.

### *Public/Civic Agency Input*

The Housing Vancouver Public Consultation engaged with over 12,000 people in the city. During this engagement process, the development of an Affordable Housing Delivery and Financial Strategy (the Strategy) as a key implementation action was identified. Development of the Strategy was guided by the values and objectives developed through the Housing Vancouver public consultation process to inform policy development and to ensure sector alignment.

Specific to the development of this Strategy, staff consulted with a Non-Profit Housing Advisory Group and are engaged in ongoing discussions with Federal and Provincial partners. Discussions with senior government partners have been focused on the opportunity for a multi-year partnership agreement, and on urgent issues, such as the need to address the dire situation in SRO's, the Temporary Modular Housing initiative and issues related to the renewal of older co-operative and non-profit housing.

### **Housing Vancouver Consultation**

The initial phase of public consultation for Housing Vancouver ran from May to July 2017. A customized engagement process was created to enable as many citizens as possible to provide feedback in a variety of ways, including in-person dialogues and open houses to enable deep discussion on themes, criteria and policy/ plan or area specific concerns and opportunities, and online engagement to allow people to participate at their convenience. This process included: two talk Vancouver surveys, two large public events, City of Vancouver Advisory Committees, embedded and targeted consultation at eight open houses, and targeted consultation meetings.

Key findings from the process included:

- Vancouver residents are making trade-offs to stay in the City and that the current housing situation is leading to uncertainty about whether they can afford to stay. Affordability was a priority value for survey participants as well as participants at the Big Conversation workshop. Participants felt diversity was important and that the right mix of homes needs to be maintained to foster vibrant communities with strong connections between people and places. The top Housing Vancouver priority that was identified was to create more of the right type of housing.
- The Big Conversation reflected the findings of other engagement events with a high level of support around the draft principles: Diversity, Security, Affordability, and Connection. There was a strong appetite for innovation and boldness including testing innovative models and investing in more co-op housing. Affordability was a key concern with a high level of support for focusing on the right supply when delivering housing.



## **Affordable Housing Delivery and Financial Strategy - Non-Profit Advisory Group Survey and Workshop**

The Non-Profit Advisory Group was made up of 26 members representing a range of the non-profit housing sector, including advocacy and research, co-operative housing, and non-profit housing owners and operators. All of the organizations represented have been deeply involved in the development of Housing Vancouver, providing input and sharing their expertise.

The group's input was sought first via an online survey that ran from May 4 to May 14, 2018 and received 21 responses. Survey responses were then used to inform an in-person workshop with the same group to discuss draft policy directions and receive input on key considerations moving forward.

Key themes from the survey and workshop included:

1. Affordable Housing Projects on Non-Profit Land
  - Respondents cited a general feeling of strong alignment between their target client group(s) and the Housing Vancouver targets. Respondents were keen to see a robust, financially sustainable non-profit sector and saw this as a key component in building more secure affordable housing.
  - Respondents acknowledged that grants that the City currently provides to non-profits are helpful, but due to the extreme development costs in Vancouver they were insufficient to impact overall affordability and that streamlining development processes to reduce delays would go much further toward enabling project viability. Grants could also be increased to keep pace with rising development costs and maintain affordability.
2. Affordable Housing Projects on City Land
  - Respondents generally felt that this practice is effective, but in order to achieve projects with deep affordability, the City would have to offer land substantially below market, or not extract payment from the non-profit operator through a pre-paid lease.
  - It was expressed that with costs so high, even with a land contribution, it is difficult to build an affordable project, and therefore the City needs to be open to a mix of incomes and rental rates in projects and be less restrictive around the use of operating surpluses.
  - It was expressed that it is appropriate for senior levels of government to fund social and supportive housing projects for very-low income households as they have the resources to enable such projects.
3. Inclusionary Housing Projects
  - Air space parcel (ASP) ownership was cited as potentially challenging when the non-profit is not included in the negotiation of ASP terms and that it is more difficult to leverage airspace assets vs. stand-alone buildings. Non-profit operators should be included early in the process to draw on their design knowledge, influence air space parcel discussions and to achieve efficiencies.
  - It was stated that publicly-held land and assets need to stay in community hands rather than be sold now or in the future to the market.
  - Some non-profits are interested in becoming owners to build equity and would be interested in building criteria to facilitate this.

#### 4. Intergovernmental Alignment

- It was expressed that the City should focus on workforce rental housing and supporting the growth of a robust non-profit development sector by providing more direct ability for non-profits to build equity and leverage it for more affordable housing. The sector is also well-positioned to work as an advocate to other levels of government for financial support for affordable housing.

### ***Implications/Related Issues/Risk***

#### ***Financial***

The Housing Vancouver Strategy aims to change the future of housing in Vancouver – housing should be affordable and suitable to local incomes and a variety of households, including low- and moderate-income workers, families, seniors, while addressing the needs of our most vulnerable populations. The strategy's three-year action plan includes over 110 actions, including priorities to advance the transformation of low-density neighborhoods, increase rental protection and affordability, provide housing for homeless residents, and develop a 10-year affordable housing delivery and financial plan to support the development of 12,000 social, supportive, and co-op homes.

Providing social housing is primarily the responsibility of senior governments. In recent months, both Federal and Provincial governments have introduced funding programs for creating and sustaining affordable housing. In November 2017, the Federal Government announced the National Housing Strategy, which includes a number of funding programs to support creation of new housing and preservation of existing housing. In February 2018, the Provincial Government announced “A 30-Point Plan for Housing Affordability in British Columbia”, which includes a number of new tax measures to dampen speculative demand and generate new revenues to fund affordable housing. The City welcomes these new initiatives, since in the absence of senior government support, the City alone will not be able to sustain and grow the affordable housing portfolio over the long term.

The City is actively exploring strategic partnerships with other levels of government to deliver much-needed affordable housing through various means, including funding for capital and operating costs in new affordable housing; financing to support affordable housing construction; and legislative changes to enable new municipal housing and land use initiatives. Having a sustainable partnership and funding arrangement with senior governments would substantially enable new affordable housing supply as well as the much needed building repairs for all co-op and non-market housing on City land.

The City uses a variety of enabling tools to leverage affordable housing in partnership with senior governments and private and/or non-profit housing partners:

- *Contributions through Development* – As part of market residential and/or mixed use development, there may be opportunities to secure “turn-key” non-market housing to the City through voluntary community amenity contributions and/or inclusionary zoning policies. Non-profit housing partners can be selected to operate and maintain the housing projects at prescribed affordability over the lease term (usually 60 years).
- *City Land Contributions* – The City leverages long term land leases to housing partners at below market rent for 60 years or longer for the purpose of creating new affordable housing. Partners may be involved solely in operating non-market housing or may undertake the comprehensive development and long term operational responsibility, depending on the nature of the partnership with the City.

- *Capital Grants* – The City allocates grants to non-profit partners to enhance viability and affordability of their non-market housing projects, with additional funding available to encourage delivery of supportive housing and family-sized units.
- *Development Cost Levies (DCL's) Waivers/Exemptions* – Social housing projects are exempt from DCLs. Rental projects may qualify for DCL waiver if the development meets the various criteria for “for-profit affordable rental housing” under the applicable *DCL By-law*.
- *Property Tax Exemptions* – Supportive housing, if designated by the Province as a Class 3 property, is subject to special valuation rules that reduce the assessed value to a nominal amount and are effectively exempt from property taxes.

The following table shows the overall capital investment requirement, including land and construction, under the three delivery streams.

Program delivery stream	10 Yr. unit outcome	Estimated value (2018 - \$Ms)	Potential funding sources (\$Ms)				
			City contributions	Partner contributions		Project-level financing	Total funding sources
				Land Equity	Cash Equity		
City Land Deployment /Land Acquisition Program*	5,900	\$2,600	\$1,200	-	\$1,100	\$300	\$2,600
Social Purpose Real Estate Program**	2,500	\$1,200	\$50	\$570	\$480	\$100	\$1,200
Inclusionary Housing Program	4,200	\$1,200	\$1,200	-	-	-	\$1,200
<b>Total</b>	<b>12,600</b>	<b>\$5,000</b>	<b>\$2,450</b>	<b>\$570</b>	<b>\$1,580</b>	<b>\$400</b>	<b>\$5,000</b>

\* City Land Deployment/Land Acquisition Program unit outcome includes modular housing units. City contributions for this Program represents a market-oriented valuation estimate of the City-owned land, existing and anticipated, on which the 5,900 units will be located. New land will be secured as Community Amenity Contributions through rezonings, as well as through i.) existing purchase option agreements, and ii.) where necessary, purchases on the open market. The City's 'Draft 2019-2022 Capital Plan' (Capital Plan) includes \$75 million for the acquisition of new land. As the finalized Capital Plan is implemented, the \$75 million allocated will be adjusted, if required, in order to supplement the City-owned land portfolio. Partner cash equity contributions for this Program includes \$66 million in committed Provincial funding.

\*\* 'Land Equity' for the Social Purpose Real Estate Program represents a market-oriented valuation estimate of the Partner-owned land on which the 2,500 units will be located.

In total, achieving the Housing Vancouver 10-year target for social and supportive housing would require \$5 billion (2018\$) of investment over 10 years.

- The City will continue to make land available for affordable housing development in partnership with senior governments and community partners, at an estimated value of \$1.2 billion. This includes land the City has already acquired which is ready for deployment, land that the City will be securing from major development sites which will be available for deployment over the next 5 to 10 years, and land to be acquired through the strategic acquisition program. \$75 million has been set aside in the draft 2019-2022 Capital Plan for strategic site acquisitions. With this contribution, the City intends to leverage senior government partnerships and funding contributions at an estimated value of \$1.1 billion (plus \$300 million financing) to construct affordable housing on City land.
- The City will continue to secure turnkey social housing units through inclusionary zoning policies, at an estimated value of \$1.2 billion.

- The City will enhance the housing infrastructure grants within the Social Purposes Real Estates Program to target support for deeper affordability and ability to leverage senior government and partnership funding, at an estimated value of \$50 million. With this contribution, the City intends to enable our community partners to realize the development potential of their land (est. value \$570 million) and leverage additional senior government and partnership funding of \$480 million.

Consistent with Council policies, affordable housing delivery will focus on the Housing Vancouver income targets. Projects are expected to be self-sustaining over the long term where rents are set at levels that will cover mortgage payments (to repay some or all of the construction costs), operating costs and capital replacement; and do not require further operating subsidies, property tax exemptions, and/or financial guarantees from the City. To fully achieve the Housing Vancouver income targets and the necessary level of affordability, the City will need partnership funding such as Provincial rent supplements, BC Housing, CMHC, and/or non-profit and partner equity contributions.

## **CONCLUSION**

This report outlines a proposed Affordable Housing Delivery and Financial Strategy to shift the City's delivery mechanisms to align with partners and deliver on enhanced social and supportive housing targets to meet the needs of low-income residents and those experiencing or at risk of homelessness. The new Affordable Housing Endowment Fund represents a significant organizational shift to facilitate implementation of the five key enhanced approaches to delivery of social and supportive housing outlined in the Strategy. Together with the 3-Year Action Plan the Strategy works towards the enhanced targets outlined in Housing Vancouver across the continuum of housing need. The report further presents an overview of the Housing Vancouver Annual Progress Report and Data Book 2018 which establishes benchmarks to measure how the city is performing against the new targets over the next 10 years.

To further advance work towards Housing Vancouver targets, staff recommend a number of immediate actions to urgently address the need for more rental housing in line with the Housing Vancouver targets for purpose-built rental housing and to better meet the new ambitious Housing Vancouver targets for SROs and Homelessness. Staff also recommend allocating initial net revenue from the Empty Homes Tax to support affordable housing initiatives. Taken together these immediate actions and the Affordable Housing Delivery and Financial Strategy seek to address immediate short-term housing need while positioning the City to deliver on more long-term housing targets, in partnership with senior government, the development industry and the community-based housing sector.

\* \* \* \* \*



**HOUSING  
VANCOUVER**

# 10 Year Affordable Housing Delivery and Financial Strategy

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## 1.0 Introduction

Housing Vancouver (2017-2027) sets out revised targets for achieving the ‘right supply’ of housing encompassing building type, tenure, and level of affordability for the entire housing continuum. This continuum encompasses below-market rental and co-operative housing, secondary rental, purpose built rental and ownership options, with 72,000 new units of housing targeted over the next 10 years. The core objectives for setting these new targets is to retain the diversity of incomes in the city, shift the current housing production toward rental housing in order to meet the greatest need and to set ambitious targets for housing for very low-income households, which are achievable with coordinated action from the City and partners. The revised targets align with the mission of the City of Vancouver to create a great city of communities that cares about our people, our environment, and our opportunities to live, work and prosper.

Housing Vancouver further sets ambitious new targets for social and supportive housing, identifying the need for 12,000 new units of social and supportive housing over the next 10 years. This represents an increase of over 50% from Vancouver’s previous target of 7,900 social and supportive units over 10 years. In recent years, the City has significantly stepped up investment in the provision of units for very-low-income residents and those currently or at risk of homelessness and has seen progress made since 2010 with 4,640 units of social and supportive housing approved. However, the need remains significant and lessons from the past decade have demonstrated that meeting our new enhanced targets will require sustained partnerships and re-focused approaches to affordable housing delivery.

This Affordable Housing Delivery and Financial Strategy (the Strategy) sets out the City of Vancouver’s strategic approach to delivering on the revised targets contained in Housing Vancouver over the next 10 years. Focus is given to the challenge of delivering the 12,000 units of social and supportive housing (including co-operative housing) as these units require the greatest subsidy and investment.

## 2.0 Purpose of the Strategy

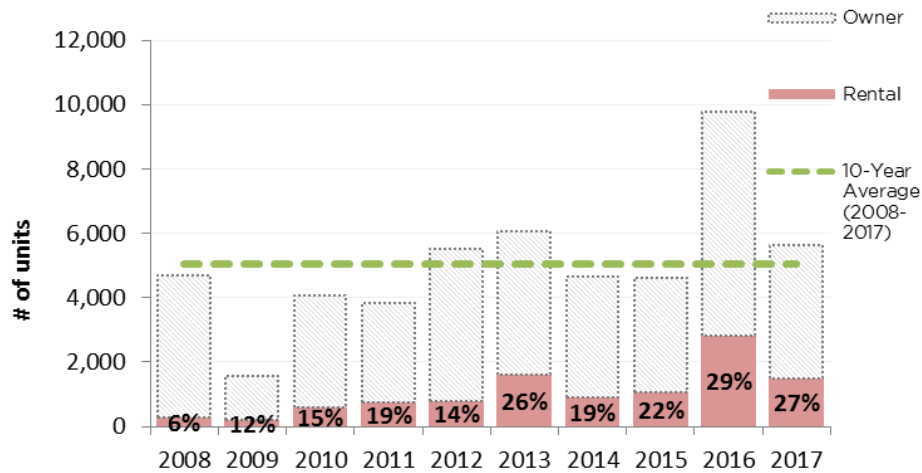
The purpose of the Strategy is to optimize the City’s contribution to affordable housing to achieve the revised Housing Vancouver targets and align our approaches with partners for the greatest impact in delivering units. The Strategy will inform our partners of the City’s strategic direction in delivering affordable housing over the next 10 years, clarifying future partnership opportunities. The Strategy proposes a new consolidated delivery structure in the form of a proposed Affordable Housing Endowment Fund (the Fund), supported by five key directions to shift our delivery mechanisms to achieve the 12,000 units of social and supportive housing (including co-op housing) over the next ten years.

### **Clarifying the Delivery and Financial Challenge and Policy Gap**

Over the past decade, the City, in the face of growing housing needs and a lack of a coordinated strategy between various levels of government, has significantly increased its investment in affordable housing. To illustrate this point, capital funding (not including in-kind housing units secured) for affordable housing increased from \$18 million/year during the 2009 to 2011 Capital Plan to \$48 million/year during the 2015-2018 Capital Plan. Alongside this capital investment, the City has innovated and implemented

policies and programs to increase the supply of secured market rental housing. This includes provision of development incentives for the creation of 100% rental housing which has resulted in the City tripling its delivery of secured market rental units in the last five years; from an average of 350 rental units per year from 2008 to 2012 to 1,100 rental units per year from 2013 to 2017. More recently, the City has launched the Moderate Income Rental Housing Pilot Program which seeks to incentivize below-market rental housing.

**Figure 1. Vancouver annual housing starts, 2008-2017**



An examination of the rental rates for projects built in Vancouver over the past decade show that the City has been successful in increasing housing options for renter households (both individuals and families) earning \$50,000 to \$150,000/year. While this increased supply in rental housing has been welcome and has addressed the needs of many middle income households, the level of affordability that can be delivered in market rental homes continues to be a challenge for households in the lower-income bands. This includes families and individuals earning less than \$50,000/year, individuals who are currently homeless and those who are at risk of homelessness living in inadequate and unsafe conditions.

This may be driving a loss of income diversity in Vancouver: change in income distribution shows the share of renter households earning below \$30,000/year fell from 34% in 2005 to 28% in 2015. In addition, the 2018 City of Vancouver Homeless Count found 2,181 people identified as homeless (a 2% increase over 2017). These trends indicate a potential risk to the long-term diversity and resilience of the City, reinforcing the need to meet Housing Vancouver targets for the right supply of housing. This right supply includes homes affordable to households earning below \$50,000/year, and those who are homeless or at risk of homelessness. These households will require social and supportive housing options and/or rent supplements.

**Figure 2. Detailed breakdown of Housing Vancouver social/supportive housing 10 year targets**

Housing Type	Units
Social housing	5,900
Supportive housing	4,100
Co-operative Housing	2,000
<b>Total</b>	<b>12,000</b>



Social housing accommodates families, seniors, and singles who cannot afford market rental or ownership housing. Supportive housing provides homes for people who need supports in addition to safe, secure and affordable housing. Supportive housing is key to eliminating homelessness by helping people to stabilize their lives, enhance their independent living skills, and reconnect with their communities.

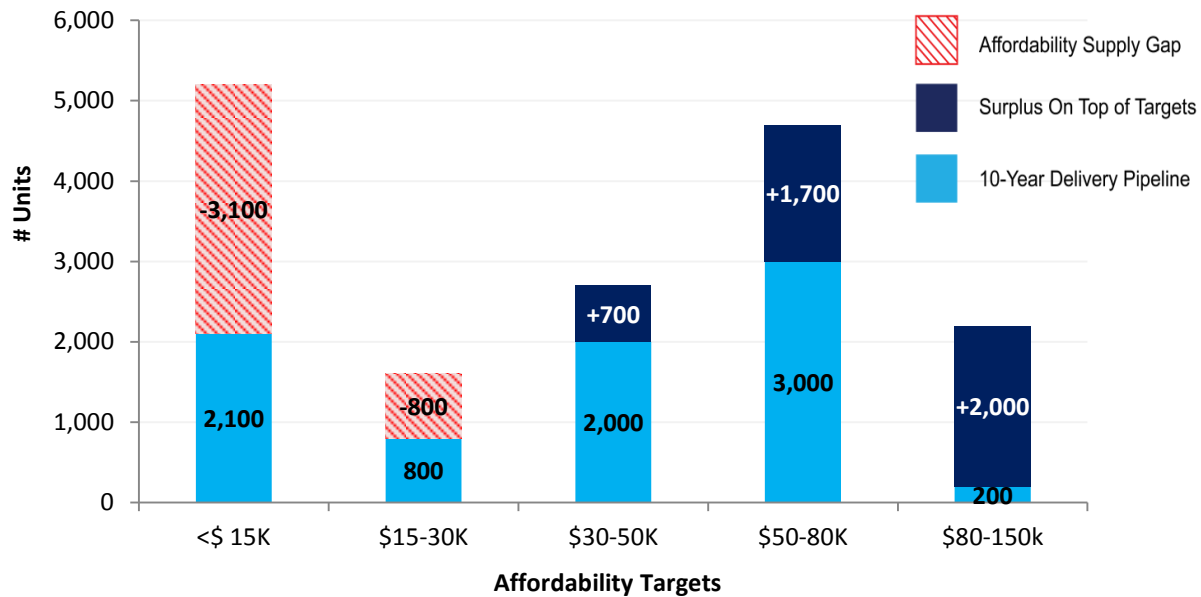
Social and supportive housing also requires additional investment and subsidies in order to be financially viable for development. The City has three primary delivery streams for social and supportive housing:

1. **City Land Contributions** – the City provides land at below-market rates for the development of affordable housing in partnership with other funding partners.
2. **Inclusionary Zoning** – the City allows for additional density for projects which provide a certain percentage of new residential development as social housing.
3. **Supporting Non-Profit Sector Projects** – the City provides capital grants and expedited processing for affordable housing projects owned and operated by non-profit housing providers in addition to additional density where supportable by policy.

In order to assess the existing capacity to deliver the increased social and supportive housing targets through these delivery streams, a potential 10-year pipeline of projects across the three delivery streams was compiled and analyzed. The first step of the analysis tested the ability to accommodate and deliver 12,000 units through current land use policies and development regulations. The analysis demonstrated that through the development of City land, support for non-profit sector projects and inclusionary policies contained in Community Plans and Sustainable Large Developments, the capacity exists to deliver the required number of units.

The second step of the analysis applied a financial lens to the 12,000 units, looking at both the affordability levels (i.e. the rental rates charged for the completed units) and the financing and equity required to achieve those levels of affordability. These affordability levels rely on market rent revenues from within the buildings to create subsidies, rather than external government operating subsidies, to enable more deeply affordable units. The analysis found that applying current affordability requirements – in other words, the levels of affordability we have been achieving over the past decade – resulted in a persistent gap in delivery of units affordable to lower-income families and singles on income assistance.

**Figure 3. Estimated 10 year affordable housing pipeline forecast by income band under current affordability requirements**



Conclusions drawn from this analysis are that if the City maintains its focused effort on social housing delivery, the new Housing Vancouver social housing supply targets should be achievable. However, achieving a shift towards the “right supply” – in this case the supply that is affordable to households with the lowest incomes – will require significant investment from partners, primarily senior governments. In light of this analysis, structuring the City’s delivery streams to maximize opportunities for investment from senior governments and other partners becomes imperative.

**Factors Limiting Delivery of Social and Supportive Housing Supply**

This Strategy sets out the approaches and financial models to increase and accelerate the delivery of a housing type which has been proven to be the most challenging to deliver. The challenges encompass both inherent complexities in delivering a specialized housing type and challenges specific to Vancouver’s housing market. These challenges highlight the need for additional subsidy and investment and include:

- Upfront equity required – To provide rental rates significantly below market from occupancy, social housing projects require significant upfront additional equity from partners on top of mortgage financing in order to enable construction.
- Long-term financial viability – The necessity of maintaining low rents impacts the revenue and future ability of projects to complete capital repairs which may require refinancing.
- Rising construction cost trends – Over the past three years, Vancouver construction costs have consistently increased, further adding to the cost of development and project viability challenges to deliver deeply affordable units.

- Coordination with social assistance programs – In high-priced markets such as Vancouver, individuals and families often require ongoing rent supplements and adequate shelter allowance as part of income assistance to enable them to access and maintain their housing.
- Economies of scale – To achieve operational efficiencies, a minimum number of social housing units (a minimum of approximately 25-30 units) are required which can be challenging to achieve on smaller and complex urban sites and on larger sites which often have competing social priorities. Encouraging a portfolio approach can mitigate the down-sides of smaller sites.

### **Housing Vancouver Objectives and Related Initiatives Supporting this Strategy**

The Housing Vancouver 10 year plan will be implemented through two key documents, this Strategy and the 3-Year Action Plan, which includes over 110 actions to achieve the following objectives:

- **Shift toward right supply** – The new 10 year targets drive a significant shift toward rental housing along with aggressive social and supportive housing targets and new targets for ground-oriented housing forms.
- **Action to address speculation** – Introduce new approaches to address the impact of speculative demand on land and housing prices, including actions for both the City and senior governments.
- **Protect existing affordable housing** – Preserve affordability and retain the existing stock of rental and non-market housing while balancing the need to renew and expand aging buildings.
- **Align city processes with housing targets** – Housing Vancouver includes commitments to align city policies, processes, and tools in order to ensure City is best positioned to enable new supply and achieve targets.
- **Increase supports and protections for renters and those who are experiencing homelessness** – Implement strategies to address affordability, security of tenure, determinants of poverty, and housing instability.
- **Renew commitment to partnerships for affordable housing** – Align with partners across all sectors, particularly non-profit, co-operative, and Indigenous partners, while working to build new partnerships.

Many streams of related and ongoing work inform this Strategy, with a number of actions currently underway as part of implementing the Housing Vancouver 3-Year Action Plan. This body of supporting work can be roughly divided into initiatives to directly deliver on the enhanced unit targets and supporting initiatives that act as preventative upstream measures to alleviate affordability pressures in the housing system.

**Figure 4. Related initiatives supporting the delivery of Housing Vancouver revised targets**

Delivering on enhanced unit targets	Upstream measures mitigating affordability pressures
<ul style="list-style-type: none"> <li>• Area Planning and Community Plans’ enabling policy to increase housing supply</li> <li>• Development incentives for secured rental and below-market rental housing</li> <li>• Pilot programs for affordable housing</li> <li>• Expediting and improving city processes for housing development</li> <li>• Capital Plan allocations for affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening protection and support for renters impacted by renovations or redevelopment</li> <li>• Retaining and renewing existing rental, co-operative and social housing</li> <li>• Measures to address speculative activity in future planning areas</li> <li>• Short-term rental regulations</li> </ul>

### 3.0 City of Vancouver Affordable Housing Programs

The City has made progress on delivering housing along the continuum through established policies and programs and is beginning to shift delivery towards Housing Vancouver targets through the implementation of a number of new initiatives. It is expected that these initiatives will work in tandem with this Strategy and the actions contained in the Housing Vancouver 3-Year Action Plan to deliver on the full spectrum of Housing Vancouver unit targets.

**Figure 5. Actions to deliver on Housing Vancouver 10 Year Housing targets across the full housing continuum**

Housing Type	Policy Target(s)	Key Actions	10 Year Trend/Risk Factors
Condominiums	30,000 new	- Area/Community Plans - Major Project Sites	Condo development remains strong; the City has approved an average of ~4,200 units/year since 2014.
Townhomes, Infill & Rental Laneway Homes	10,000 new	- Making Room (expanding ground-oriented, multi-family housing options) - Recent Community Plans - Laneway Housing Program - Character Home Incentives	Low density development remains strong with an average of ~1,000 units/year since 2014.
Secured Market Rental Housing	20,000 new 58,000 preserved	- Recent and future Community /Corridor Plans - Rental Incentive Program - Moderate Income Rental Housing Pilot Program - Measures to retain rental housing stock	Market rental housing anticipated to remain feasible with inflating construction costs given the increase in rental incomes. Delivery of rental can be negatively impacted by rising interest rates, cap rates and land prices.
Social & Supportive Housing	12,000 new 25,000 preserved	- Affordable Housing Delivery & Financial Strategy - Capital Plan Contributions - Vancouver Affordable Housing Agency (VAHA)	Housing delivery streams may be impacted by rising borrowing rates and land prices in the case of land acquisitions.

## 4.0 Strategic Context and Drivers of Decision-Making

The key drivers of decision-making that were considered and inform the strategic directions outlined in this document include:

- Increased housing targets and constrained financial capacity of the City of Vancouver
- Optimizing the municipal tool kit and associated roles
- Re-engagement of senior levels of government for housing delivery
- Commitment from non-profit and private sector partners in a favourable investment climate

### **Increased housing targets and constrained financial capacity of the City of Vancouver**

A core principle of the new Housing Vancouver Strategy, approved by Council in November 2017, is ensuring adequate housing supply to sustain a diversity of incomes in the City. Housing Vancouver has nearly doubled the target for social and supportive housing units over the City's previous housing strategy. This increase is in response to a growing urgent need, projected to be approximately 54,800 households over the next 10 years. At the same time, the City has been struggling to address housing need given its limited financial capacity and competing priorities, such as community facilities (community centres, childcare, cultural spaces, etc.) and the need for renewing aging infrastructure and amenities.

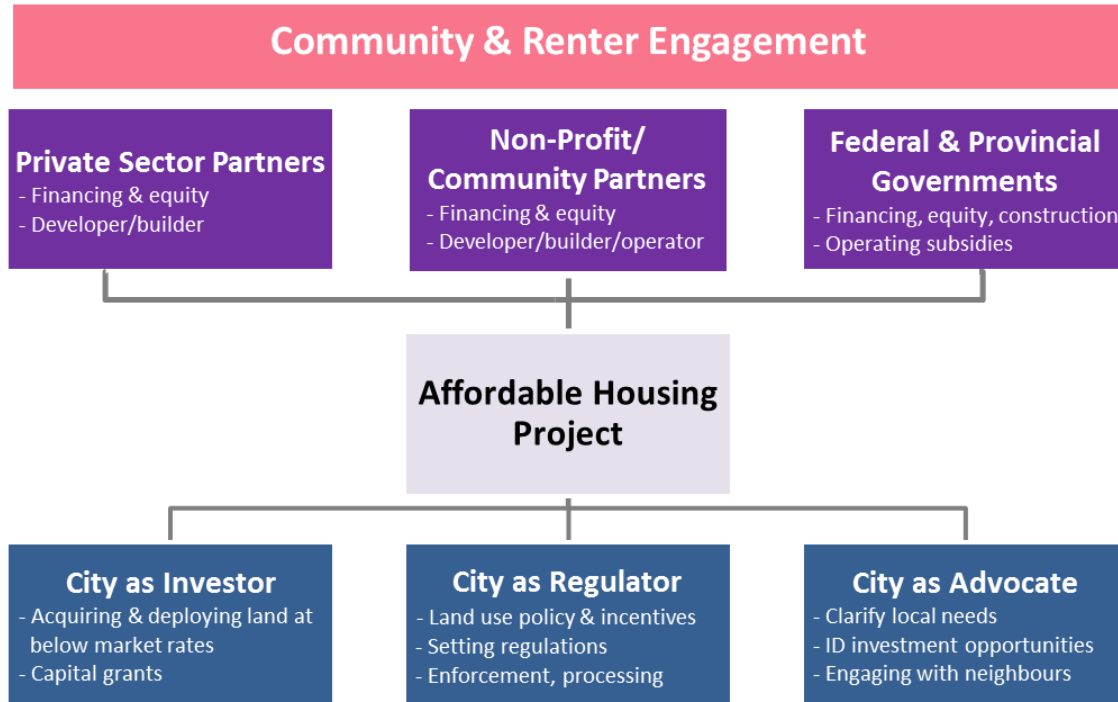
Over the past decade, the City has steadily increased its Capital Plan contribution for housing from \$18 million/year during the 2009 to 2011 Capital Plan, to \$30 million/year during the 2012 to 2014 Capital Plan and \$48 million/year during the 2015 to 2018 Capital Plan. Recently, Council approved a 4.24% property tax increase as part of the 2018 Capital and Operating Budget to balance the need to maintain and improve City services while making investments to meet future needs for a growing city. In developing this Strategy, it is recognized that the City is approaching a level of investment in affordable housing which requires trade-offs in service levels and capital investments for other critical infrastructure and amenities.

### **Optimizing the municipal tool kit and associated roles**

The City is prepared to capitalize on three primary roles in housing delivery: the City can act as an equity partner through the deployment of city land and capital grants for affordable housing projects; as an advocate to identify local needs and investment opportunities for senior government partnerships and funding; and as a regulator to create policy to enable new development and redevelopment and to streamline development processes.

Implicit in the delineation of these roles is the need for coordinated partnerships, both with senior levels of government and community-based and private sector partners. With partner participation, the City is better able to focus on the roles and tools it is best suited to deliver on: providing regulatory oversight and enabling policy for new affordable housing developments, advocating for local housing needs to senior levels of government and contributing publicly-owned land for affordable housing development.

Figure 6. City and partner roles to enable affordable housing projects

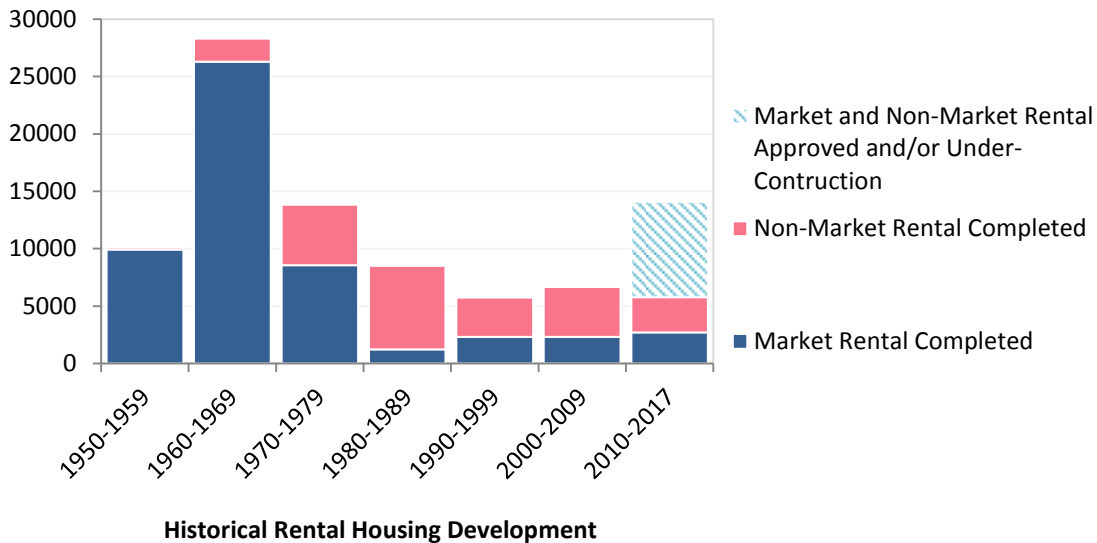


**Re-engagement of senior levels of government for housing delivery**

In previous decades, when Federal and Provincial government funding was available for the development of affordable housing, the City was an important partner by providing sites and contributing modest capital investment in projects to assist with viability. The result of this partnership was a significant increase in the number of non-market, co-op and purpose built rental housing delivered in Vancouver. This experience demonstrated the importance of senior government involvement in the development of housing for homeless, low- and moderate-income households.

The launch of a National Housing Strategy in November 2017 marked a significant change in policy after decades of advocacy to the Federal Government by housing groups and signaled a re-engagement for housing delivery at a national level. In February 2018, the BC Provincial government announced new directions for the delivery of affordable housing alongside new and increased funding commitments through a 30 Point Plan for Housing Affordability in BC. These changes present an opportunity for the City to re-focus the use of its regulatory authority, policy, land use, and investment tools to best optimize delivery of housing for lower-income households in partnership with senior governments, the non-profit/co-op sector and private development sector going forward.

**Figure 7. Historic Delivery of Affordable Housing in Vancouver**



**Commitment from non-profit and private sector partners in a favourable investment climate**

Vancouver’s non-profit housing and private development sectors have been engaged throughout the Housing Vancouver process, providing input that contributed to the final targets. The non-profit and co-op sectors have been advocates for meeting housing need in the city for decades and bring experience and significant assets to bear on the affordability crisis. The development industry has demonstrated willingness to work towards to Housing Vancouver targets, participating in the recent Moderate Income Rental Housing Pilot Program, which would see the development of new below-market rental units geared to moderate incomes between \$30,000 and \$80,000/year.

The City’s on-going support of these partners is important for delivering on the priorities and revised targets in Housing Vancouver, especially in light of a still favourable investment climate. Rising but still historically low interest rates and low apartment capitalization (cap) rates<sup>1</sup> currently make for a positive climate for delivery of below-market rental housing.

**5.0 Funding Sources and Tools for Affordable Housing**

The City enables development of new affordable housing through development cost levies (DCLs), community amenity contributions (CACs), and the provision of developable land at below market rent. The City uses its regulatory powers to create land use policy to enable development and density bonus provisions to assist with project viability. Of these tools, the provision of land comprises a significant City contribution to affordable housing projects; for example, the value of the seven sites deployed through the Vancouver Affordable Housing Agency (VAHA) in May 2018 is valued at approximately \$130 million.

The Federal and Provincial governments both have the mandate and resources to adequately fund social and supportive housing programs. Recent strategy and funding announcements from the Federal and

<sup>1</sup> Capitalization rates are a way of estimating the rate of return of an apartment building by investors, with the cap rate value calculated by dividing the net operating income divided by the cap rate).

Provincial governments have created new opportunities to capitalize on the City’s contribution of land for affordable housing and its regulatory role in creating enabling policy and expediting affordable housing projects through the development process.

**Figure 8. Funding sources to create social and supportive housing projects**

Development Input	Source
Developable land at below-market rate	City of Vancouver, Metro Vancouver, Provincial Government, Federal Government, Community Non-Profit Organizations, Indigenous Organizations
Density bonus provisions	City of Vancouver
Financing	Canada Mortgage and Housing Corporation (CMHC), BC Housing, Financial Institutions
Capital grants and investments	Patient Capital, BC Housing, CMHC, Charities/Foundations, City of Vancouver
Operating subsidies/rent supplements/shelter allowance	Provincial Government, Federal Government

**Federal Government: a new National Housing Strategy and new funding for affordable housing**

The Federal Government through CMHC provides insurance for mortgages and direct subsidies (capital grants, low-cost financing, forgivable loans etc.) for construction of new affordable housing projects and renewal of existing projects. Through the new National Housing Strategy a number of new initiatives and funding programs have been announced, including:

- **Co-Investment Fund** (launched May 2018) – Provides \$4.7 million in grants and \$8.65 billion in loans for both new construction and repairs to existing below-market and social housing projects.
- **Canada Community Housing Initiative** (endorsed by the Federal and Provincial governments in April 2018) – Provides \$4.3 billion (with Provincial cost matching) for renewal of existing social housing projects and the creation of ~50,000 new social housing units.
- **Provincial Territorial Priority Funding** – Provides \$1.1 billion (with Provincial cost matching) to address distinct housing priorities, including affordability, repair, and construction.
- **Canada Housing Benefit** – Provides \$2 billion (with Provincial cost matching) for a targeted cash benefit for low-income households in social housing, on wait lists, or in market rental.

**Provincial Government: a new 30-Point Plan and new funding streams for affordable housing**

The Provincial Government is responsible for funding income support programs, homeless support programs and services, as well as regulating and funding social housing. Recently, the Provincial Government has released a 30-point plan for housing affordability, outlining new investments and funding programs for affordable housing in British Columbia as a part of BC Budget 2018. These new initiatives include:

- **Social Housing** – \$445 million over 3 years to create 5,000 new mixed-income social housing units and increase rental affordability in 4,900 existing and planned social housing units.



- **Supportive Housing** – \$170 million for 2,500 supportive housing units and corresponding operating funds.
- **Temporary Modular Housing** – \$291 million over 2 years to build 2,000 temporary modular supportive housing units (including \$66 million capital funding committed for 600 units in Vancouver).
- **BC Housing Hub** – \$20 million over 3 years to expand the BC Housing Hub to increase the supply of affordable housing for middle income households (\$50,000 to \$100,000/year).

## 6.0 Economic Viability and Key Risk Factors for Delivering Affordable Housing

In developing this Strategy, an external consultant was contracted to test the economic viability of developing social housing, below-market rental housing, and market rental housing projects in light of potential macro-economic changes impacting the housing market. A number of variables were examined to determine the impact on the delivery of these units, including:

- Rental rates
- Land values
- Construction costs
- Interest rates
- Capitalization (cap) rates
- Strata sales prices

### Key findings and risk factors identified

#### Focus on rental is appropriate to meet future housing needs but urgency is required

There is an opportunity in today’s climate of low interest rates and cap rates for developers to realize profits on rental housing projects. However, the viability of even market rental is vulnerable to changes in construction costs and increases in interest and cap rates over the next 10 years. Focusing on delivering rental housing now will further diversify the housing stock into the future as buildings age, creating future affordability. Viability of rental projects could be further enhanced through implementation of GST waivers for rental housing at the national level.

#### Rents continuing to rise faster than incomes will negatively impact almost all income bands

Affordability for households in the Housing Vancouver income bands is vulnerable to rising rents. Continued rent escalation at 4% would result in creating housing cost burden for low-income singles (<\$50,000/year) to afford studio and one-bedroom units and low-income families (<\$80,000/year) to afford 2 and 3 bedroom units. Rising rents coupled with minimal income increases will have further knock-on effects as higher income households (\$150,000/year), currently assumed to be served by the ownership market, will likely move into rental putting further pressure on availability of units.

#### Significant increases in borrowing rates will negatively impact deeper affordability projects

Non-profit/co-op led projects and deeper affordability projects on city land are vulnerable to increases in borrowing rates over the next 10 years. This is because access to low-cost financing upfront during construction and upon project completion is essential to offset part of the upfront equity gap of projects seeking to provide deep affordability (and hence lower rental revenues) from day one. This demonstrates the importance of making low-cost predictable financing available for affordable projects such as the recently announced Federal Co-Investment Fund.

Provision of City land and increased density alone will not eliminate equity gap for social housing  
Even with the contribution of city-land at below-market rent, there is still a need for significant upfront equity and ongoing rent subsidies to ensure the project is viable over the long term. The upfront equity requirement will increase with rises in borrowing rates and construction costs.

### **Impacts on Strategic Direction for delivery of social and supportive housing**

Given the lack of control over macro-economic factors, the Strategy will need to incorporate flexibility and resiliency into its guiding principles to mitigate potential future risks. Housing Vancouver's intentional focus on driving a significant shift towards rental housing is appropriate to meet current and future housing needs, however an examination of economic risk factors highlights the need to act urgently to complete these projects.

In developing this Strategy it is acknowledged that delivery models should incorporate the ability to adjust rental rates over the long-term to mitigate against potential future increases in the cost of construction and/or financing. There will also be a need to be nimble and shift delivery emphasis between streams depending on changing market conditions.

The impact of changing market conditions (e.g. rising interest rates and rental rates), which increases costs to construct, on reaching Housing Vancouver unit targets will be delivery of fewer units affordable to individuals and households earning <\$30,000/year, including homeless individuals and those on income assistance/old age security. Therefore, it will be even more important to secure predictable partnerships with senior levels of government and the non-profit sector, to enhance the resilience of the affordable housing program in order to meet the unit targets over the long term.

## **7.0 Future Delivery of Affordable Housing in Vancouver**

Over the past decade, the City has been successful in adopting new policies, tools, and approaches to increase rental housing options affordable to middle income single and family households (\$50,000 to \$150,000/year). The City has been challenged in meeting the needs of lower income households, including individuals and families on income assistance and those currently or at risk of homelessness, given its limited financial capacity to deliver these types of units and the need to deliver other essential services to Vancouverites.

Through the Housing Vancouver process and experience delivering affordable housing projects, we have confirmed that alignment between all partners in the housing system is essential to fund and deliver housing options for incomes <\$50,000/year. There is currently a new opportunity for alignment between all levels of government with the re-engagement of the Provincial and Federal governments to dedicate significant investments for social and supportive housing, as well as affordable rental housing. This opportunity is augmented by willing non-profit and private sector partners that bring their expertise and resources to bear on addressing the housing crisis.

### **Our Strategic Direction for the next 10 Years**

This 10-year delivery and financial strategy lays out a clear direction for addressing the ambitious targets set out in Housing Vancouver to address an urgent and chronic housing crisis and take advantage of a favourable partnership context.

Through this Strategy, the City is refocusing its affordable housing policies, programs, investments and delivery mechanisms to optimize delivery of Housing Vancouver affordability and unit targets and to both align with new senior government funding programs and capitalize on partner contributions. Working together with these partners, the City will seek to meet the financial challenge identified above: to deliver housing at deeper levels of affordability for lower-income households and residents who are experiencing homelessness within the City's fiscal capacity. The new approach will focus on the provision of City land and modest capital grants to leverage strategic partnerships and funding contributions from senior governments and community partners. Concurrently, the City will continue to use municipal tools to protect existing affordable housing and enable the creation of rental and ownership options affordable to moderate income residents.

The City has recently taken on a more active role in monitoring both existing and new affordable housing projects to ensure affordability is maintained, and this will continue going forward. In 2015, the City established the Partner Agreements division in Arts, Culture, and Community Services to provide oversight and management of the City's contractual relationships with co-ops and non-profits operating housing on City Land, as well as to monitor new housing agreements and leases delivered through inclusionary housing policy and as a result of the development of City-owned land. This increased focus on oversight and management of contractual relationships to ensure desired outcomes are achieved will be a key element of implementing this Strategy.

In order to facilitate this refocused effort, this Strategy proposes a new delivery model that will take advantage of the affordable housing land bank the City has built over the past several decades, and the policy innovation and technical capacity that has been developed in recent years. Through the creation of a new Affordable Housing Endowment Fund (the Fund), the City will seize the opportunity to consolidate all City-owned non-market housing assets into a single portfolio with a clear mandate to preserve and grow the City's affordable housing stock in a sustainable way to serve Vancouver citizens over the long-term. This will be a foundation to move the City toward a sustainable state to continue to participate in the future delivery of housing affordable to lower-income residents.

### **Guiding Values and Principles for the Strategy**

This strategy is guided by the values articulated in Housing Vancouver:

- **Diversity** – Housing should respond to the diversity of people and households who call Vancouver home.
- **Security** – Housing is about 'homes first' and security of tenure, and is an important foundation for a sense of belonging in the city.
- **Affordability** – All residents should have access to housing options within their means that meet their needs.
- **Connection** – The right mix of homes supports resilient community, with strong connections between people, places and communities.
- **Equity** – Housing should promote equitable access to jobs, education, and other opportunities for economic prosperity for people of all ages, incomes and backgrounds.

The principles for this Strategy, guiding decision-making for policies and resources under each delivery program, include:

1. Prioritize delivery models that are best positioned to achieve deeper levels of affordability for lower-income households, individuals who are homeless, and those in need of housing supports through leveraging of government, non-profit/community-based, and private sector partnerships and funding.
2. Ensure flexibility and resiliency in housing delivery models to enable a greater number and type (i.e. size and location to meet needs of intended residents) of affordable housing units within the City's fiscal capacity, being mindful of the need for financial viability into the future.
3. Optimize the City's regulatory and oversight roles as well as municipal tools to prioritize affordable housing projects through the development process and ensure ongoing consistent application of policies, regulations and programs.
4. Be a strong advocate and partner in advancing growth and capacity of community, non-profit and co-op housing partners to address the specific client needs they specialize in and contribute to the resiliency of Vancouver's non-market housing sector.

### **Consolidating City Housing Assets into a new Affordable Housing Endowment Fund**

The City has developed a number of innovative responses to the housing crisis, including new policy approaches, regulatory incentives and requirements, and housing delivery streams. However, through the Housing Vancouver process, it became clear that these responses would benefit from a more consolidated and coordinated approach across City Departments. Further, review of other jurisdictions, most notably the City of Vienna, revealed that strong alignment of goals, programs, and decision-making is a key element of successful housing models.

Within the City of Vancouver, the delivery of non-market housing and the management of non-market housing assets are distributed across a number of business units. The non-market assets – including land, buildings, and Air Space Parcels (social housing components within larger private developments) – are managed across three separate governance structures. These include the Capital Fund (CF), the Property Endowment Fund (PEF) and, to a lesser degree, the City of Vancouver Public Housing Corporation (VPHC). In the case of the CF and PEF, where the majority of the assets are held, affordable housing delivery is not the core mandate of these funds: the growth and preservation of affordable housing must be considered alongside other civic priorities for limited funding. As a result, while these funds have accumulated significant non-market housing assets, housing decisions have been made on a transactional or project-by-project basis. This approach has limited the City's ability to maximize affordability and social outcomes through potential economies of scale, portfolio optimization, and clarity of purpose and decision-making.

To enable consolidation and optimization, this Strategy includes the creation of a new Affordable Housing Endowment Fund (the Fund) into which all non-market housing assets will be transferred. The total assets to be transferred to this new Fund include over 200 non-market housing assets with an assessed value of approximately \$2 billion.

The Fund is intended to become the consolidated portfolio for the delivery of non-market housing in the City of Vancouver. In addition to holding existing non-market housing assets, the Fund will enable a portfolio approach to optimize the preservation of those assets balanced with the need to grow the non-market housing stock in the City. The Fund will benefit from dedicated land use policies and funding sources to acquire new assets to benefit Vancouver residents. These sources are expected to include:

- Revenue from development contributions (DCLs and CACs);
- Emerging sources of revenue, such as the Empty Homes Tax;
- Non-market housing assets secured through inclusionary housing requirements and rezoning; and
- Revenue generated through the assets held in the Fund, such as lease payments and surplus sharing from non-profit and co-operative housing associations.

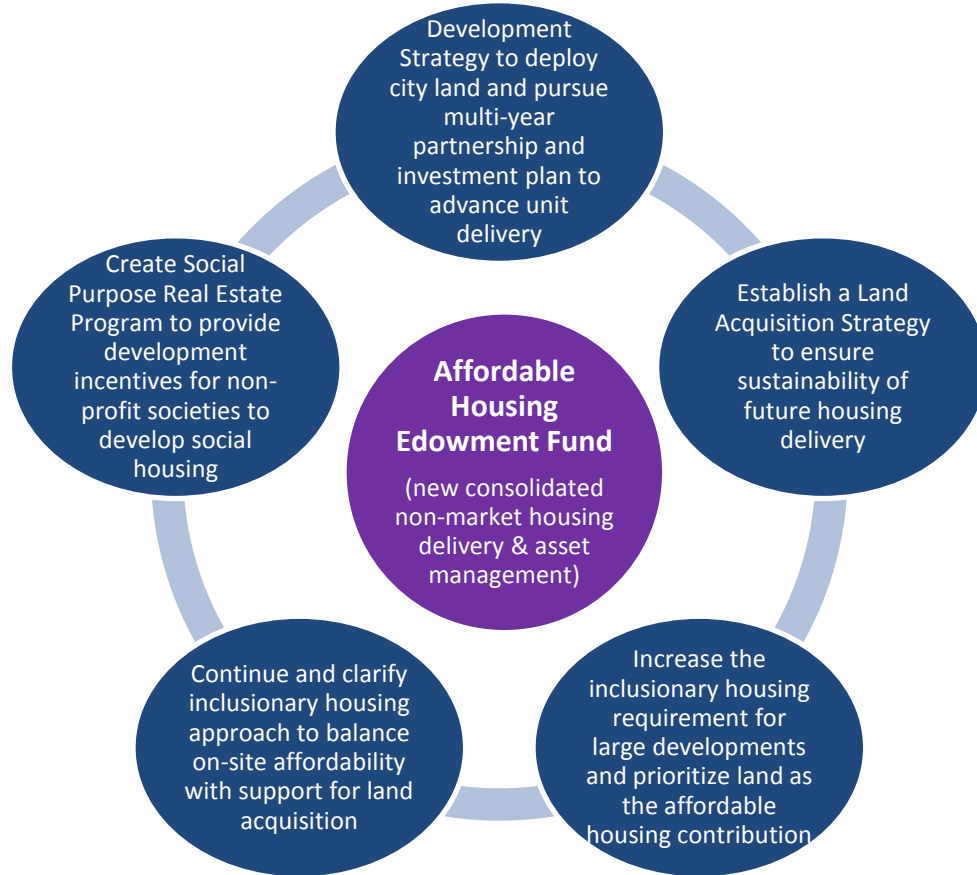
Through the combination of existing assets and dedicated revenue streams identified above, the Fund will have the resources, capacity and focus required to support the growth and preservation of the City's affordable housing portfolio. To create the Fund, staff will develop a governance structure, oversight function and performance measures to be reported on as part of ongoing monitoring of this Strategy.

### **Enhanced Approaches to Social and Supportive Housing Delivery**

This Strategy identifies five key enhanced approaches for the delivery of the 12,000 units of social and supportive housing aligned with Housing Vancouver target income bands over the next 10 years and facilitated through the new Affordable Housing Endowment Fund:

1. Implement a Development Strategy that relies on deployment of an average of four city sites with a capacity for 500 to 600 units of social and supportive housing each year and engage senior levels of government in a multi-year partnership and investment plan to advance the delivery of these units.
2. Establish a Land Acquisition Strategy to prioritize securing City land for new social housing to ensure sustainability of the delivery of housing options for lower-income residents and individuals who are experiencing homelessness, into the future.
3. Increase the inclusionary housing requirement for large development sites, prioritizing the provision of unencumbered dirt sites as a contribution to the Land Acquisition Strategy, while retaining flexibility to consider alternate policy options for complex sites.
4. Continue and clarify approach to inclusionary housing city-wide to balance on-site affordability levels with reinvestment of lease payments to preserve and grow the housing portfolio, including contributions to the Land Acquisition Strategy.
5. Create a new Social Purpose Real Estate Program that combines development incentives and capital grants for non-profit and co-op housing societies and faith-based organizations to deliver increased social and supportive housing outcomes.

**Figure 9. Key areas for change under Strategy to deliver 12,000 social/supportive housing units over 10 years**



- 1. Implement a Development Strategy that relies on deployment of an average of four city sites with a capacity for 500 to 600 units of social and supportive housing each year and engage senior levels of government in a multi-year partnership and investment plan to advance the delivery of these units.**

The provision of City land for social housing is a critical element of this Strategy, with 5,900 new homes (including modular housing) anticipated to be delivered through this stream over the next 10 years – approximately 49% of the 12,000 unit target. The City therefore has a significant role to play, and this delivery stream will be the most significant source of the 12,000 new social and supportive units.

Financing and equity requirements for housing projects are driven by development costs and the level of affordability required: deeper levels of affordability (i.e. lower rents) results in lower mortgage capacity to finance the initial construction costs. To achieve the deeper levels of affordability required by Housing Vancouver, a greater amount of upfront cash and/or patient equity from partners will be required on top of land equity contributed by the City.

Initial analysis of the equity gap requiring partner funding to deliver 5,900 at Housing Vancouver enhanced affordability levels is approximately \$1.1 billion over 10 years, and the land equity to be contributed by the City is valued at approximately \$1.2 billion.

**Figure 10. City land portfolio estimated deployment timeline over 10 years to achieve new Housing Vancouver unit and affordability targets\***

Metric Projections	Years 1-5	Years 6-10	Total
Number of sites anticipated to be deployed	35	20	55
Approx. number of units at Housing Vancouver affordability levels**	2,400	3,500	5,900
Land equity contribution (2018 - \$Ms)***	\$500	\$700	\$1,200
Anticipated partner investment required (2018 - \$Ms)	\$450	\$650	\$1,100

\* Timeline is subject to change, dependent on project complexity and unanticipated delays that may arise through the development process.

\*\* Unit total includes modular housing units and associated sites, and estimates of additional units that could potentially be delivered through the redevelopment of existing non-profit and co-op housing current on city-leased sites.

\*\*\* The City’s land equity contribution of \$1.2 billion represents a market-oriented valuation estimate of the City-owned land – existing and anticipated – on which the 5,900 units will be located. New land will be secured as Community Amenity Contributions through rezonings, as well as through: i.) existing purchase option agreements, and ii.) where necessary, purchases on the open market. The City’s Draft 2019-2022 Capital Plan (Capital Plan) includes \$75 million for the acquisition of new land. As the finalized Capital Plan is implemented, the \$75 million allocation will be adjusted, if required, to supplement the City-owned land portfolio.

The City’s land portfolio includes sites of varying sizes, locations, existing zoning, and level of readiness to proceed. Delays in the delivery of affordable housing projects are often attributed to the uncertainty inherent in securing upfront cash equity and financing that may come from a variety of sources, including government programs, private and philanthropic donations, non-profit equity, and financial institutions. Working toward a multi-year partnership and investment plan through engagement with senior levels of government will mitigate risks of uncertain funding and financing for projects by establishing a partnership for stable, predictable multi-year funding to enable projects to proceed in a timely manner.

Another key partnership opportunity for the deployment of City land for affordable housing is the 2016 MOU signed with the Metro Vancouver Aboriginal Executive Council (MVAEC) that formally established working relationships with 25 urban Indigenous agencies. The MOU outlines seven principles to guide development and delivery of services for the urban Indigenous population. This MOU and the emergence of the MST Development Corporation provide new opportunities to partner with both urban Indigenous agencies and local First Nations to support their vision for housing and wellness on their lands and/or for their communities.

As the City advances its equity framework to be developed through the work of the Healthy City Strategy and other social policy efforts (e.g. Women’s Equity Strategy, TGV2S Inclusion Strategy), additional housing population priorities may be reflected in City targets and projects.

- 2. Establish a Land Acquisition Strategy to prioritize securing City land for new social housing to ensure sustainability of the delivery of housing options for lower-income residents and individuals who are experiencing homelessness, into the future.**

Vancouver’s population is projected to grow to 740,000 by 2041, an addition of 108,514 over the 2016 population of 631,486.<sup>2</sup> Responding to the diverse needs of a changing population while maintaining the existing diversity in the city in the face of high land values and costs of living will continue to be a challenge. A key factor in ensuring the city meets future housing need will be the provision of an adequate supply of publicly-owned land that can be provided at below-market cost for affordable housing projects.

The current City land portfolio designated for affordable housing has been acquired through direct purchases and as part of social housing requirements for large development sites. Applying a needs-based methodology based on Housing Vancouver unit targets demonstrates that approximately four sites per year are required to meet the first 10 year targets. Going forward in developing a land acquisition strategy, this methodology will be used to establish acquisition goals for future housing delivery.

Consideration of partnerships and regional coordination will also be important when developing a land acquisition strategy as housing and labour markets are fundamentally regional in scope and linked to infrastructure and rapid transit investment. The Metro Vancouver Regional Affordable Housing Strategy and Regional Homelessness Strategy provide a foundation for regional collaboration on housing issues.

The Land Acquisition Strategy, developed in concert with the Affordable Housing Endowment Fund, will establish appropriate internal funding and decision-making mechanisms as well as preferred acquisition characteristics, ranking criteria for acquisitions that balance the use of public money to compete with market land prices and investors. It will rely on securing land through regulatory approvals processes, as well as strategic acquisitions to support key partnership projects.

Action items to develop this acquisition and development strategy will include:

Action	Detail
Establish preferred acquisition characteristics	<ul style="list-style-type: none"> <li>• Specific characteristics of desired sites that are appropriate for intended tenants (e.g. proximity to transit, amenities)</li> <li>• Consider opportunities for co-location with and adjacency to other needed social services/facilities</li> </ul>
Establish ranking criteria for acquisitions	<ul style="list-style-type: none"> <li>• Establish criteria to guide decision-making regarding land purchases</li> <li>• Ensure value for money by balancing the use of public money with the need to compete for land with market land prices and investors</li> <li>• Focus on strategic locations for sites, e.g. which can assist partner projects</li> </ul>
Identify sources of land	<ul style="list-style-type: none"> <li>• Coordinated with Non-Profit Lease Framework and future planning programs</li> <li>• Sources include direct purchase and inclusionary housing requirements</li> </ul>

<sup>2</sup> Census 2016, Statistics Canada and Metro Vancouver Regional Growth Strategy Projections 2006-2041.



<p>Identify sources of funding</p>	<ul style="list-style-type: none"> <li>• Long-term goal of sustainable City funding for land acquisitions recognizing the need for other funding sources as affordable housing projects themselves delivering affordability cannot be the primary vehicle for funding acquisitions</li> <li>• Focus on need to maintain existing project’s affordability, while realizing a return on land where appropriate to continue to invest in and grow the housing portfolio</li> <li>• Sources include CAC and DCL contributions, , new sources of revenue (e.g. pre-paid lease payments, surplus sharing, Empty Home Tax revenue)</li> </ul>
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**3. Increase the inclusionary housing requirement for large development sites, prioritizing the provision of unencumbered dirt sites as a contribution to the Land Acquisition Strategy, while retaining flexibility to consider alternate policy options for complex sites.**

The inclusionary housing policies for Sustainable Large Developments (sites over 2 acres) currently require an affordable housing contribution of 20% of residential floor space for affordable housing, with significant flexibility in how that affordable housing is delivered. In adopting Housing Vancouver, Council directed staff to do the following:

*Increase the City’s inclusionary housing policies through a review of the Sustainable Large Sites Policy for major project sites to better reflect Housing Vancouver targets, including the need for social housing and housing for ‘Missing Middle’ households, while providing flexibility in delivery to ensure financial viability and the delivery of other community amenities (Housing Vancouver 3-Year Action Plan, Action 3B, Expand and enhance the use of inclusionary housing policies).*

To respond to this direction, the inclusionary housing requirements for Sustainable Large Developments will be increased to require that a minimum of 30% of residential floor area is set aside for affordable housing. The policy will be structured to include two key components, including a minimum 20% social housing target and a 10% moderate income housing target, as detailed below:

20% social housing target

The minimum 20% policy will continue to prioritize the delivery of social housing for households with low and moderate incomes. In order to contribute to the overall Strategy, the priority for delivery of the minimum 20% social housing requirement is to secure the transfer of unencumbered dirt sites to the City to accommodate a minimum of 20% of the site’s residential floor space as social housing. This approach contributes to the City’s land acquisition strategy and enables senior government funding to assist with project delivery and to deepen affordability. The City may also contribute funding towards the construction of the housing on the lands, depending on the availability of funding through the Community Amenity Contribution or other sources and the ability to deliver the overall public benefits strategy for the development.

If it can be demonstrated that providing dirt sites is not possible due to project context, consideration will then be given to an alternative delivery option. An example of a context that would make it challenging to deliver dirt sites would be that a portion of the site is high density, mixed use development and separating out a largely residential land parcel is not possible. In cases such as these,

where securing land to accommodate the full 20% requirement is not possible, consideration will be given to delivery of all or a portion of the 20% floor space requirement as turn-key social housing, with ownership transferred to the City in the form of an Air Space Parcel.

10% moderate income housing target

In addition to the minimum 20% requirement, a further 10% of residential floor space will be required to be delivered as an alternative form of affordable housing, primarily targeted to households with moderate incomes. Housing Vancouver describes target incomes for moderate income rental housing as \$30,000 to \$80,000 /year. This requirement is anticipated to be delivered as privately-owned rental housing with units secured at moderate income rental rates. However, should the required legislative changes be made to enable consideration of affordable home ownerships (AHO) options, the City will revisit the affordable housing requirement criteria to determine under what circumstances AHO would be considered. Housing Vancouver generally identifies a gap in affordable ownership options for households with incomes between \$50,000 and \$150,000 per year, with the higher end of the income spectrum referencing larger units for families with children.

This new approach described above clarifies the City’s policy priorities and outlines a standard approach to affordable housing delivery on these sites. However, the diversity of sites, levels of complexity, existing uses and context, and diversity of site owners/proponents necessitates a degree of flexibility in the application of the policy. As such, the General Manager of Planning, Urban Design and Sustainability may recommend alternative approaches to Council when there is clear rationale in the context of the project and it has been determined that an alternate approach would contribute to the goals outlined in this Strategy.

This overall policy shift is aligned with the Strategy priority to ensure the continuing availability of City-owned land for future affordable housing developments and will be a source of land and/or a source of funding for a Land Acquisition Strategy. Securing land contributions in this way will open opportunities to secure funding beyond City sources, leverage partner funds to deepen affordability, and better meet Housing Vancouver income targets. In order to maintain a resilient approach, this prioritization will be subject to re-evaluation should the current senior government funding and investment program environment shift significantly

Actions to implement this policy shift include:

Action	Detail
Update the 20% affordable housing policy for Sustainable Large Developments	<ul style="list-style-type: none"> <li>Coordinated with ongoing work to update/revise the Rezoning Policy for Sustainable Large Developments</li> </ul>
Establish long-term asset management plan and legal mechanisms for monitoring and oversight for units secured through inclusionary zoning	<ul style="list-style-type: none"> <li>Coordinated with the creation of the VHT and the Non-Profit Lease Framework to determine appropriate City enforcement mechanisms for monitoring and oversight, including report requirements, income testing, and asset management plans</li> </ul>

#### **4. Continue and clarify approach to inclusionary housing city-wide to balance on-site affordability levels with reinvestment of lease payments to preserve and grow housing portfolio, including contributions to the Land Acquisition Strategy**

Recent community plans (e.g. Downtown Eastside, West End, and Cambie Corridor) make use of inclusionary housing policies and zoning as a tool to deliver needed social housing alongside new market residential development. Inclusionary policies require a certain percentage of the new development to be social housing, usually delivered turnkey to the City in an Air Space Parcel (ASP), in exchange for additional density. The social housing requirements under inclusionary zoning range from 20-30% of floor space with higher affordability requirements in place in the DTES.

The City's standard delivery model for inclusionary units includes the following steps:

1. The City secures the delivery of the social housing in an ASP as a condition of rezoning and/or development permit approval.
2. The City secures ownership of the ASP from the developer upon completion.
3. The City, guided by Council policy, determines the targeted level of affordability for each project.
4. The City selects a non-profit housing operator from a pre-qualified shortlist to operate the building and maintain the asset.
5. The ASP is managed by the non-profit operator on a long-term leasehold basis for a standard term of 60 years. The non-profit operator makes a pre-paid lease payment to the City in an amount that is determined based on the ability of the project to sustain a mortgage at the pre-determined level of affordability.

Under this delivery model, the City contributes the full cost, through the allocation of value created by increased density, of delivering these inclusionary units. The pre-paid lease approach is the most effective way to generate additional funding to invest in land acquisition in the Affordable Housing Endowment Fund or to deepen affordability on other sites. Going forward, the Fund will enable the City to take a portfolio approach for all inclusionary housing units acquired through inclusionary zoning, enabling a more coordinated and intentional approach to optimize this stream to deliver on Housing Vancouver targets.

This strategy proposes two key approaches to the use of inclusionary housing policies, reflecting the role of inclusionary housing units within a larger portfolio approach to delivering the social housing targets identified in Housing Vancouver.

1. In areas covered by the City's standard social housing definitions that anticipate mixed-income social housing projects (e.g. West End and Cambie Corridor), the City will continue to use the standard practice outlined above, balancing the depth of affordability with the need to generate funding that can be put toward the overall portfolio.
  - Inclusionary requirements will continue to be identified in Community Plans or other planning documents (e.g. Official Development Plans), currently ranging from a minimum of 20% to 30% of residential floor space.
  - Inclusionary housing units will be built to the City's specifications and transferred to the City in Air Space Parcels. These ASPs will be leased to pre-qualified non-profit housing operators wherever possible, with pre-paid leases determined in accordance with the targeted level of affordability.

- Unless otherwise specified in Community Plans or other planning documents, the targeted level of affordability will reflect the Housing Vancouver income targets for social housing, with a focus on households in the \$30,000 to \$50,000 and \$50,000 to \$80,000/year income ranges. However, more households with very low incomes will be served in these buildings when contributions are available from senior governments and community partners to support the deeper levels of affordability required to meet their needs. These contributions could be in the form of preferential mortgage rates and terms, low-cost patient equity, capital grants, or operating subsidies or rent supplements to subsidize lower rent revenue.
  
- 2. In the Downtown Eastside (DTES) areas where the City’s policies and regulations require deeper levels of affordability, the City will introduce an option for non-profit ownership of the ASPs secured through inclusionary housing policies and zoning. This option is already underway in the Downtown Eastside Oppenheimer District, and this policy shift will enable the City and partners to trial it in other areas of the DTES. The introduction of an ownership option for non-profit housing societies in the DTES will serve as a pilot to test how project viability can be improved while delivering significant affordability. This policy option will further work towards the Strategy principle of partnering to grow the capacity of the community/non-profit based housing sector. An ownership option may enable non-profit societies to better leverage their assets to enable new projects or deeper affordability across their own portfolios.
  - In the DTES Local Area Plan, and specifically in the Hastings (M-1) and Kiwassa (I-2) areas, continue to meet all LAP requirements for the inclusion of social housing, while introducing an option for non-profit ownership.
  - In the Hastings (M-1) area, where the requirement outlines a range of a minimum of 20% to 30% of units to be secured as social housing, the requirement to transfer a minimum of 20% of units turn-key to the City will be retained, but non-profit ownership will be considered where a minimum of 25% of units can be delivered as social housing. This approach serves to maintain the land value encumbrance of the 20% minimum requirement, limiting speculative land value increases in the area. It also reflects the potential for a modest equity investment by non-profit housing societies, which has the potential to increase the achievement of social housing within the target range of 20% to 30% set out in the Plan. The ability to consolidate site requirements is also currently considered and provides an additional flexibility that may assist in delivery of more units.
  - In the Kiwassa (I-2) area, where the inclusionary requirement is fixed at a minimum of 20%, non-profit ownership will be considered for projects, with a focus on those that significantly exceed the minimum level of affordability set out in the DTES Plan, or are made more viable through this flexibility.
  - The minimum affordability level will continue to reflect the targets in the Plan and requirements of City regulations for the area, with a minimum of one-third of the units affordable to households on Income Assistance or other forms of social assistance, one-third targeted to incomes below the HILs and one-third at the Low-End of Market.

- As these inclusionary requirements are part of the City’s regulatory approvals process, the City will exercise discretion through the rezoning process in determining the circumstances and requirements around third-party ownership of the social housing assets. A new framework for non-profit ownership of inclusionary assets will be developed, including affordability requirements, operating requirements, surplus allocation, a process for vetting qualifications of societies, and legal mechanisms to re-purchase and to secure and monitor affordability into the future, such as the City’s new legislative authority to zone for tenure.

Inclusionary policies and zoning are relatively new tools used in Vancouver: as of December 2017, 21 inclusionary housing projects have been approved under inclusionary policies and zoning totaling approximately 1,500 social housing units for low- and moderate-income families and individuals. Initial analysis of inclusionary projects delivered in relatively high value locations shows that these projects are not only financially viable but also have the potential to generate significant rental revenue, creating an opportunity to apply the revenue from these projects as a funding source for a Land Acquisition Strategy to enable more affordable housing projects for lower-income residents. Conversely, inclusionary projects in the DTES are already delivering a deeper level of affordability and lend themselves to testing direct ownership and management by the non-profit sector on a pilot basis. It is anticipated that the inclusionary housing program will continue to evolve as the City and its partners continues to learn through implementation.

Actions to implement these policy shifts include:

Action	Detail
Establish framework for Non-Profit ownership of social housing units	<ul style="list-style-type: none"> <li>• Framework to address terms under which ownership will occur, including affordability levels, operating requirements, surplus allocation, a process for vetting qualifications of societies, and legal mechanisms to purchase, and to secure and monitor affordability into the future.</li> </ul>
Establish long-term asset management plan and legal mechanisms for monitoring and oversight for units secured through inclusionary zoning	<ul style="list-style-type: none"> <li>• Coordinated with Non-Profit Lease Framework to determine appropriate City enforcement mechanisms for monitoring and oversight, including report requirements, income and asset testing, and asset management plans.</li> </ul>

**5. Create a new Social Purpose Real Estate Program that combines development incentives and capital grants for non-profit and co-op housing societies and faith-based organizations to deliver increased social and supportive housing outcomes.**

The City currently provides support for non-profit led affordable housing projects through provision of capital grants on a first-come-first-served basis and, more recently, through the Social Housing or Rental Tenure (SHORT) pilot program to expedite affordable housing projects through the development process. Current grants typically make up less than 5% of the total cost of a project and as such have a minimal impact on affordability over the long term. However, at an average cost to the City of \$15,000 to \$20,000 per unit, the grants are the most cost-effective way for the City to contribute to social housing projects.

The timing of the grants and ability to leverage partner funds also help to reduce the equity gap for affordable housing projects.

Going forward, the Strategy seeks to shift towards more pro-active and targeted support to non-profit led affordable projects. This will be achieved by combining City investments for non-profit affordable housing projects under a Social Purpose Real Estate Program. The Program will include the following elements:

- **Housing Infrastructure Grant (HIG) Program** – The grant amount set aside in the draft 2019-2022 Capital Plan represents a doubling of the average grant amount to \$30,000 per unit (depending on unit type). Through the further development of the HIG Program, the City will seek to more intentionally align grant allocations with the housing needs and targets identified in Housing Vancouver. For example, larger grants may be targeted to projects that achieve deeper affordability, particularly where City grants can leverage partner funding. Granting criteria will more specifically seek to align with goals to build capacity and scale in the community/non-profit based housing sector, ensuring grants are targeted to organizations with sustainable growth objectives. The City will also examine the timing for the allocation of City grants to determine when they can have the greatest impact on project viability and affordability.
- **Incentive Program to develop new or redevelop existing non-profit sites** – The City will develop a new program targeted to the non-profit sector that will be similar to the current Secured Market Rental Program, which provides clear incentives such as additional density, DCL waivers, and parking relaxations for projects where 100% of the residential floor space is rental housing. A key change will be a shift towards density bonusing through district schedules where appropriate in order to reduce the additional development time added by requiring rezoning. For example, staff are proposing a density bonus structure in the RM-4 district where 94 existing non-profit housing projects are located. This will enable these projects to be renewed without requiring a time-consuming and costly rezoning process. The development of this program will also be coordinated with ongoing work to enable faith-based organizations to redevelop Places of Worship to enable the delivery of affordable housing while ensuring retention of existing community-serving uses.

Non-profit, co-ops, and faith-based organizations have significant land assets and often have strong values alignment on affordable housing with the City. However, many of these organizations lack experience and understanding of development processes. Some non-profit housing societies are building their capacity in this area, bringing on in-house development staff, a move the City supports. For other societies, activating existing assets will require additional development support. Some of this support may come through BC Housing's newly launched Housing Hub, and through stronger coordination of the community-based housing sector through Housing Central. In developing this program, the City will work with partners to consider what further support is needed to enable more housing to be delivered in line with the Housing Vancouver Strategy.

- **Enhance the City's ability to prioritize non-profit housing projects, including continued support for the SHORT Program** – Consultation with the non-profit sector, the Provincial Government, and other partners has identified long review processes as adding significantly to the challenges and cost of delivering affordable housing projects. These partners identify better prioritization

and expediting of projects that address the goals of Housing Vancouver as a key role the City can play.

This Strategy identifies prioritized and expedited development approvals for social and rental housing projects as a core mandate for the City. While partnerships are required to fund and deliver the projects, the City is the only organization with jurisdiction of land use and development approvals within its boundaries. The City has taken dramatic steps in recent years to act on this responsibility, increasing permit fees to add development processing staff and launching the SHORT pilot program with a goal of cutting approval times in half for social housing projects. There is support for applying lessons from this pilot program to optimize a fast track for affordable housing projects which will be permanent in the future.

This work has significant operating budget implications for the City that will be addressed through the further development of the program and the 2019 Operating Budget. The City will also explore improved prioritization processes through the re-organization of the Planning, Urban Design and Sustainability Department, with the reformed Rezoning Centre representing an initial opportunity.

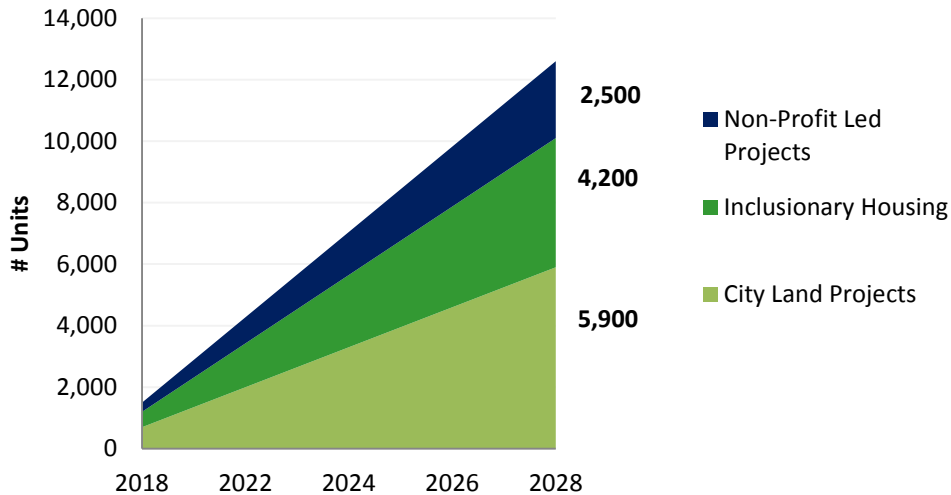
Actions to implement this policy shift include:

Action	Detail
Update Housing Infrastructure Grant criteria	<ul style="list-style-type: none"> <li>Criteria to be developed to inform decision-making for targeting greater grant amounts to projects which achieve Housing Vancouver goals</li> <li>Criteria to consider opportunities for building non-profit housing sector capacity and scale</li> </ul>
Establish Incentive Program to develop new or redevelop existing non-profit sites	<ul style="list-style-type: none"> <li>Coordinated with other city-wide density bonusing initiatives and Places of Worship study work program</li> </ul>
Evaluation of SHORT Program	<ul style="list-style-type: none"> <li>Complete one year pilot program and conduct comprehensive evaluation (including operating budget implications) to inform future action to prioritize affordable housing projects</li> </ul>

### Anticipated Outcomes from the Affordable Housing Delivery and Financial Strategy

The directions outlined in this Strategy are anticipated to deliver the 12,000 units of social and supportive housing set out in Housing Vancouver over the next 10 years at the affordability levels required to maintain income diversity in the City. These projections are based on existing known projects which could deliver social and supportive housing within the 10 year pipeline with exact delivery years subject to variations in development process and timeline as is the case with all development projects. Specific affordability mix within each project is also subject to change due to financial viability at the time the project is brought forward. However, affordability levels will be guided by the new Housing Vancouver targets and, as such, each project will contribute to the targets for household incomes contained in Housing Vancouver.

**Figure 12. Anticipated 10 year delivery of social and supportive units by delivery program**



**Figure 13. Projected 10-year unit outcomes in existing pipeline and preliminary contribution estimates**

Program delivery stream	10 Yr. unit outcome	Estimated value (2018 - \$Ms)	Potential funding sources (\$Ms)				
			City contributions	Partner contributions		Project-level financing	Total funding sources
				Land Equity	Cash Equity		
City Land Deployment /Land Acquisition Program*	5,900	\$2,600	\$1,200	-	\$1,100	\$300	\$2,600
Social Purpose Real Estate Program**	2,500	\$1,200	\$50	\$570	\$480	\$100	\$1,200
Inclusionary Housing Program	4,200	\$1,200	\$1,200	-	-	-	\$1,200
<b>Total</b>	<b>12,600</b>	<b>\$5,000</b>	<b>\$2,450</b>	<b>\$570</b>	<b>\$1,580</b>	<b>\$400</b>	<b>\$5,000</b>

\* City Land Deployment/Land Acquisition Program unit outcome includes modular housing units. City contributions for this Program represents a market-oriented valuation estimate of the City-owned land, existing and anticipated, on which the 5,900 units will be located. New land will be secured as Community Amenity Contributions through rezonings, as well as through i.) existing purchase option agreements, and ii.) where necessary, purchases on the open market. The City’s ‘Draft 2019-2022 Capital Plan’ (Capital Plan) includes \$75 million for the acquisition of new land. As the finalized Capital Plan is implemented, the \$75 million allocated will be adjusted, if required, in order to supplement the City-owned land portfolio. Partner cash equity contributions for this Program includes \$66 million in committed Provincial funding.

\*\* ‘Land Equity’ for the Social Purpose Real Estate Program represents a market-oriented valuation estimate of the Partner-owned land on which the 2,500 units will be located.



## 8.0 Monitoring and Reporting

Progress towards the actions and outcomes outlined in this Strategy will be integrated into the Housing Vancouver annual progress report. The progress report currently provides an update on progress towards Housing Vancouver unit targets and other key housing indicators. Beginning with the 2019 report, the existing report template will incorporate additional indicators to reflect the outcomes anticipated through this Strategy, including reporting on performance measures for the new Affordable Housing Endowment Fund. Monitoring and evaluation of progress towards each action will provide the framework for future policy evaluation and priority setting to deliver on Housing Vancouver targets and meet the needs of lower-income residents.

## Executive Summary

### Housing Vancouver Annual Progress Report 2018 and Data Book

#### Background

- Housing Vancouver is a 10-year housing strategy for the City of Vancouver to foster a diverse, vibrant community.
- The strategy is based on 3 core principles:
  - Create the Right Supply and address speculative demand;
  - Protect existing affordable housing for the future;
  - Ensure support for vulnerable residents
- Housing Vancouver includes a commitment to provide an annual Progress Report on progress toward the strategy's targets for new housing approvals and the 3-year Action Plan, as well as a Data Book with key housing market and affordability outcome measures.
- This executive summary provides an overview of housing market and affordability metrics from the Data Book; a summary of selected 10-year outcome measures; and highlights on progress to date toward the Housing Vancouver approval targets and 3-year Action Plan.

#### Housing Affordability Metrics in 2018

##### Growth and Housing Market Demand – Strong fundamentals driving an active market, but signs of speculative investment remain

- Vancouver's property market continues to be highly active, with a high level of property sales (over 10,000 sales in 2017<sup>1</sup>) and extremely low rental vacancy rates in purpose-built rental housing remain extremely low (0.9% in 2017 city-wide).
- Local demand continues to underpin real estate activity in Vancouver, driven by strong economic fundamentals in the city and region including rising GDP province-wide (up over

20% in real terms from 2007-2016); a growing labor force and population (over 53,000 additional residents and 40,000 workers since 2006); increasing average incomes among local residents (median household income of \$47k in 2005 and \$65k in 2015<sup>2</sup>); and Canada's lowest mortgage rates in 10 years in 2017 at 5-year rate of 3.7%.

- There are signs that speculative investment may be contributing to housing demand in the City. Housing prices far outpaced local incomes in the last 10 years, with benchmark MLS residential composite prices in Vancouver Eastside increasing by 141% between 2006 and 2017 and 121% in Vancouver Westside, while median Vancouver household incomes increased by under 40% between 2005 and 2015.

##### Housing Stock Growth: Increase in housing stock serving a broad continuum of incomes

- Housing supply continues to grow in the City of Vancouver, driven by increased starts and completions across all housing types (over 15,000 housing starts and 10,500 completions in 2016 and 2017 combined)<sup>3</sup>.
- The rise in housing starts is being facilitated by a rising volume of rezoning and development permit approvals and accelerated processing of affordable housing development applications.
- There is evidence that the existing rental apartment stock may not meet the needs of all Vancouver households, including families – in 2016 there were over 29,000 renter families with children in the city, but only just over 18,000 2- or 3-bedroom purpose-built rental units (market and non-market) in 2017.<sup>4</sup> There is also continued need for new housing affordable to the diversity of incomes in Vancouver.

##### Housing Affordability: Affordability continues to be a challenge for Vancouver households, and may be driving loss of income diversity

- Housing costs continue to rise across housing types: Private market rents increased by 4.9% between 2016 and 2017; Vancouver East benchmark condominium prices increased by 19.5% in the same period.

<sup>1</sup> MLS® Sales and Listings Facts and Real Estate Board of Greater Vancouver

<sup>2</sup> 2005 and 2015 Census, not adjusted for inflation

<sup>3</sup> CMHC Starts and Completions Survey

<sup>4</sup> CMHC Rental Market Report

- Affordability is contributing to severe housing challenges for vulnerable residents. The number of sheltered homeless residents decreased by 82 people and unsheltered homeless residents increased by 122 people between 2017 and 2018, with 40 percent of the homeless population in 2018 reporting an Indigenous identity.
- There is evidence of change in the income distribution in Vancouver that may suggest loss of renter households at the lower end of the income spectrum– the share of renter households earning below \$25,000/year fell from 38% in 2005 to 27% in 2016, while the share of renter households earning over \$100,000/year increased from 7% to 19% in the same period.<sup>5</sup>
- These trends indicate a potential risk to long-term diversity and resilience of our City, reinforcing the need to meet the *Housing Vancouver* objective to ensure the Right Supply of housing that meets the needs of all incomes.

**Measuring *Housing Vancouver* Progress: Outcome Measures**

- In order to track the overall progress of *Housing Vancouver*, a set of indicators have been selected as key outcome measures. These outcome measures will allow for a high-level assessment of the impact of City, senior government, and partner actions on the health of the housing market and housing affordability in Vancouver over the next ten years.
- The initial outcome measures are summarized in the following table, and may be refined in subsequent reports to reflect input from housing and academic stakeholders. A complete list is included in Section 5.2 of the *Housing Vancouver* Data Book
- *Housing Vancouver* key actions and targets for new housing are intended to impact these outcome measures, along with additional action from partners. Progress toward *Housing Vancouver* actions and targets will be summarized and reported upon annually in the Progress Report and Data Book.

<i>What do we want Vancouver to look like in 10 years?</i>	<i>What do we want to see in the next 5 years</i>
A healthy private market rental vacancy rate of 3%	Annual increase in private market vacancy rate of at least 0.2%
Stabilize ownership and rental price growth, targeting price growth in line with incomes	Ownership housing price (east side condominium) and private market rent increases in line with average median household income growth
Raise share of families with children to historic levels of 1/3 of all households	Increase share of families with children in 2022 Census to 30-33% of all households, with the goal of increasing the share of families with children in all neighborhoods
Double the current annual rate of increase in dwelling units in areas that were zoned as RS or RT in 2017 to 2% from -1%, with equal distribution between geographic areas in the city (e.g. east vs west side neighborhoods)	2017 BC Assessment data indicates 91,481 dwelling units in RS and RT zoned areas in 2017. The recent annual change in dwelling units has been less than 1% of all dwellings <sup>6</sup>
Replace 50% of the private SRO stock, while improving livability and security for renters in the remaining SRO stock.	Replace 25% (1,000 homes) in the private SRO stock with self-contained social housing renting at the shelter component of income assistance for singles. Continue trend of incentivizing and approving liveability upgrades to 300 SRO rooms (an average of 60 rooms per year)
Prevent homelessness and create pathways toward housing stability	Reduce total homelessness by 50%, while reducing the share of Indigenous people experiencing homelessness by 50% by 2022
Advance our commitments as a City of Reconciliation to address short- and long term housing and wellness needs of urban Indigenous residents	Support delivery of a minimum of 600-700 culturally-appropriate affordable homes by 2022
Ensure diversity in the City by maintaining the 2016 Census share of low and moderate income renters	Stabilize loss of households earning <\$30k; \$30-50k, \$50-80k in 2022 Census

<sup>5</sup> Census 2005 and 2015, not adjusted for inflation

<sup>6</sup> Count of dwelling units from BC Assessment; includes laneway homes and secondary suites with a unique address

### Progress Toward *Housing Vancouver* 10-Year Targets

The 10-year housing approval targets set out in *Housing Vancouver* are integral to the overall goal of ensuring that housing enabled in Vancouver over the next 10 years is the ‘right supply’ that supports a diversity of incomes and households in the city. Each year, Staff will report on whether the City is meeting the new targets, which prioritize the following objectives:




- 1) Shifting housing approvals toward rental housing aimed at a diversity of incomes
- 2) Meeting ambitious targets for housing for low-income households, in partnership with senior levels of government and housing providers
- 3) Delivering a diversity of housing for families, including apartments and ground-oriented housing forms

2017 was an interim year between the City’s previous Housing and Homelessness Strategy and the new *Housing Vancouver* strategy, as the City shifted its practices in anticipation of the new goals and strategies set out in *Housing Vancouver*. 2017 housing approvals will serve as a baseline for benchmarking the City’s progress against its new, higher targets.

Overall, a total of 7,131 housing units approved toward the *Housing Vancouver* targets by December 31<sup>st</sup>, 2017. Key highlights include:

- Over 2,700 new homes serving incomes under \$80,000 per year, making up nearly 40 percent of all approvals
- The highest level of non-market housing approvals since 2009, with 1,702 new social and supportive homes approved
- 4,427 new homes available for renters, making up just under two-thirds of all approvals – including 822 purpose built rental units and 591 rented laneway homes
- 2017 purpose-built rental approvals surpassed the target set in the previous Housing and Homelessness Strategy but fell short of the new Housing Vancouver annualized target. Achieving the new target will require ongoing prioritization of purpose-built rental housing by the City and partners
- 3,827 condominium units and 189 townhomes approved, surpassing the new annualized Housing Vancouver target for condos and demonstrating early progress meeting the new townhouse target

- 4,132 family-sized 2- or 3-bedroom units (57 percent of all approvals)

Building Type	Housing Type	HV 10-Year Targets	HV Annual Targets	Previous Housing & Homelessness Strategy Annual Targets	Units Approved in 2017 Towards Targets	% Progress Compared to HV Annual Targets	% Progress Compared to Previous Annual Targets
	Social & Supportive	12,000	1,200	790	1,702	142%	215%
	Purpose-Built Rental	20,000	2,000	500	822	41%	164%
	Condos	30,000	3,000	-	3,827	128%	-
	Laneways (Rental)	4,000	400	300	591	148%	197%
	Coach Houses	1,000	100	-	-	-	-
	Townhouse	5,000	500	-	189	38%	-
<b>Total</b>		<b>72,000</b>	<b>7,200</b>		<b>7,131</b>	<b>99%</b>	<b>-</b>

### Housing Vancouver Action Plan Update

- The *Housing Vancouver* Action Plan includes 110 actions to achieve the priorities set out in the 10-year *Housing Vancouver Strategy*. These actions are prioritized for 2018-2021, the first 3 years of the 10 Year Housing Strategy. The Housing Vancouver Progress Report will include an annual update on progress toward these actions.
- Key actions since the approval of Housing Vancouver in November 2017 are highlighted in Section 5, with a selection below:
  - Empty Homes Tax implemented for 2017 tax year
  - Short Term Rental regulations approved by Council
  - New Development Contribution Expectation (DCE) policy to curb speculation in the Broadway Corridor
  - Launch of the Moderate Income Rental Housing Pilot Program, with 20 sites invited to proceed to rezoning enquiry
  - Updates to the Rental Housing Stock ODP to further protect purpose-built rental housing and encourage reinvestment in the existing rental stock
  - Approval of the Cambie Corridor Plan, enabling 5,000 market rental units, 2,800 social housing units, and opportunities for multi-family units on single-family lots

- Amendments to the Affordable Housing Choices Interim Rezoning Policy
- Amendments to Laneway Home Regulations to increase design flexibility, reduce costs, and processing times.
- Development of an Affordable Housing Delivery and Financial Strategy and creation of Vancouver Affordable Housing Endowment Fund
- VAHA RFP selection of Community Land Trust (CLT) as development partner on seven City sites.
- Supporting Indigenous housing partner projects, including 950 Main St.; RFP issued for a new site; and CLT commitment to work with an Indigenous housing agency to operate one site
- The approval of 6 temporary modular housing sites containing 300 modular housing units in partnership with the Province, with a commitment to deliver 600 modular housing units by the end of 2018.
- Participation in the Provincial Rental Housing Task Force to advocate for enhanced renter protection in the case of renovations
- SHORT pilot to expedite delivery of affordable housing underway - 300 units under construction, with 800 units targeted for 2018 and 900 for 2019
- Simplified and streamlined approach to rezoning/CAC negotiations on 100% rental projects
- 3 Year Regulatory Review underway
- Action from the province and senior government on Housing Vancouver advocacy, including significant investment in new affordable housing, new rules on beneficial ownership and presales, changes to the Residential Tenancy Act to protect renters, and the authority to zone for rental tenure

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## Section 1: Housing Vancouver Targets

This chapter outlines the progress toward the targets set in *Housing Vancouver*. We will continue to assess progress annually for the duration of the *Housing Vancouver Strategy* from 2018-2027 to ensure we are on track to meet the Strategy's objectives.



## 1.1 Progress Toward Targets

This section will discuss the targets set in *Housing Vancouver* and how the City is positioned to meet these targets from 2018-2027.

The *Housing Vancouver* targets were set based on several core objectives:

- Retaining diversity of incomes in the city
- Setting ambitious targets for housing for very low-income households, which are achievable with coordinated action from the City and partners
- Shifting current housing production toward rental housing in order to meet the affordability needs of local incomes

The *Housing Vancouver* targets indicate the amount of new housing required in the next 10 years. These targets are measured against a range of building typologies, incomes served, unit sizes, and household tenures to indicate whether new housing is being delivered as the right supply. Of the 72,000 new homes projected as part of the new targets, nearly 50 percent will serve households earning less than \$80,000 per year, two-thirds will be available for renters, and 40 percent will be family-size units. Tracking progress towards the *Housing Vancouver* targets will include all housing approved in 2017.

For the purposes of reporting on progress toward housing targets, 2017 is a transition year between the previous *Housing and Homelessness Strategy (2012-2021)* targets and the *Housing Vancouver* targets, which were approved by Council at the end of November in 2017. Staff have developed a framework for tracking and reporting on progress toward the new 2018-2027 *Housing Vancouver* targets. The current report uses 2017 approvals as a benchmark for the new monitoring framework; however, data on certain housing types in the new *Housing Vancouver* targets (e.g. coach houses) for 2017 is unavailable for reporting in 2018. Housing approvals in 2018 for these housing types will be available in the 2019 Annual Progress Report.

Building Type	Renters					Total	% of Total
	<\$15k/yr.	<\$15-30k/yr.	\$30-50k/yr.	\$50-80k/yr.	>\$80-150k/yr.		
Apartment	5,200	1,600	2,000	3,000	200	12,000	17%
Infill			2,500	12,000	5,500	20,000	28%
Townhouse				6,500	16,500	30,000	42%
				2,000	2,000	4,000	5%
					300	700	1%
					1,700	3,300	7%
<b>Total</b>	<b>5,200</b>	<b>1,600</b>	<b>4,500</b>	<b>23,500</b>	<b>26,200</b>	<b>72,000</b>	<b>100%</b>
% of Total	7%	2%	6%	33%	37%	15%	100%

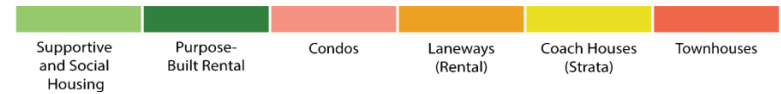





Figure 1.1.1. *Housing Vancouver* 10-year housing targets (2018-2027)

As of December 31, 2017, Vancouver approved a total of 7,141 housing units toward the *Housing Vancouver* targets. Key characteristics of these new homes include:

- Approximately 89% delivered as apartments, 8% delivered as low-density infill (excluding coach houses), and 3% delivered as townhouses
- Approximately 38% serve household incomes earning less than \$80,000
- Just under two-thirds of units (62%) will be available for renters
- Approximately 57% are family-sized units
- A total of 1,702 social and supportive housing units were approved in 2017, the single highest level of non-market housing approvals in a year since Staff began tracking approvals in 2009

		Renter				Renter & Owner	Owner	Total	
Housing Type		<\$ 15K/yr.	<\$ 15-30K/yr.	\$30-50K/yr.	\$50-80K/yr.	\$80-150k/yr.	>150k/yr.		
 Apartment	Supportive and Social	336	56	684	477	149		1,702	
	Purpose-Built Rental			0	493	329		822	
	Condos				412	1688	1,727	3,827	
	 Infill	Laneways (Rental)				253	338		591
		Coach Houses					-	-	-
	 Townhouse	Townhouse					62	127	189
<b>Total</b>		<b>336</b>	<b>56</b>	<b>684</b>	<b>1635</b>	<b>2566</b>	<b>1854</b>	<b>7,131</b>	
<b>% Total</b>		<b>4%</b>	<b>1%</b>	<b>10%</b>	<b>23%</b>	<b>36%</b>	<b>26%</b>	<b>100%</b>	
<b>Annual Target</b>		<b>520</b>	<b>160</b>	<b>450</b>	<b>2,350</b>	<b>2,620</b>	<b>1,100</b>	<b>7,200</b>	
<b>% of Annual Target</b>		<b>65%</b>	<b>35%</b>	<b>152%</b>	<b>70%</b>	<b>98%</b>	<b>169%</b>	<b>99%</b>	

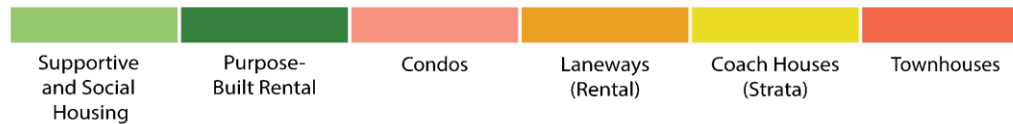


Figure 1.1.2. Total housing units approved in 2017

Figure 1.1.3 below shows the summary of progress made towards both the 10-year and annualized *Housing Vancouver* targets in 2017. Key progress includes achieving:

- 142% of the annualized target for social and supportive housing
- 41% of the annualized target for purpose-built rental
- 148% of the annualized target for laneway housing
- 38% of the annualized target for townhouses
- 10% of the total 10-year *Housing Vancouver* target




Building Type	Housing Type	HV 10-Year Targets	HV Annual Targets	Previous Housing & Homelessness Strategy Annual Targets	Units Approved in 2017 Towards Targets	% Progress Compared to HV Annual Targets	% Progress Compared to Previous Annual Targets
 Apartment	Social & Supportive	12,000	1,200	790	1,702	142%	215%
	Purpose-Built Rental	20,000	2,000	500	822	41%	164%
	Condos	30,000	3,000	-	3,827	128%	-
 Infill	Laneways (Rental)	4,000	400	300	591	148%	197%
	Coach Houses	1,000	100	-	-	-	-
 Townhouse	Townhouse	5,000	500	-	189	38%	-
Total		72,000	7,200		7,131	99%	-

Figure 1.1.3. Progress toward annualized and 10-year *Housing Vancouver* targets

### 1.1a. Social, Supportive, and Co-operative Housing

Over the last eight years the City approved a total of 3,535 social, supportive, and co-op units (Figure 1.1.4.). The previous *Housing and Homelessness Strategy (2012-2021)* set ambitious targets for housing growth through 2021, and City had reached approximately 60 percent of its social and supportive targets at the mid-way point. However, the escalating housing crisis required the City to review and re-set its approach, including its targets and approach to delivering social, supportive, and co-operative housing.

The new *Housing Vancouver* strategy set a new, higher target for social, supportive, and co-operative housing amounting to a total of 12,000 housing units to meet the needs of low-income residents (Table 1.1.1). Of the 12,000 units, 2,000 will be created in the form of co-ops and 4,100 will be social housing with supports. This target exceeds the previous social and supportive housing targets set in the *Homes and Homeless Strategy (2012-2021)* by 50 percent.

**Table 1.1.1. Breakdown of non-market and low-income housing targets**

Non-Market/Low Income Housing Type	Units
Social Housing	5,900
Supportive Housing	4,100
Co-operative Housing	2,000
<b>Total Homes</b>	<b>12,000</b>

#### Approvals

The City aims to achieve its goal of creating 12,000 new units of social, supportive, and co-operative housing in the next 10 years by setting an annual benchmark of 1,200 units in approvals. As of December 31, 2017, the City of Vancouver approved a total of 1,702 social and supportive homes. Since 2009, this was the single highest year of non-market housing approvals on record (Figure 1.1.4) These approvals have contributed to 14 percent of the City’s 10-year social and supportive housing target and surpassed the

annualized target by 42 percent (Figure 1.1.4). Of the total social and supportive housing units approved in 2017, 41 percent were family-sized units with 2- or 3-bedrooms (Figure 1.1.5).

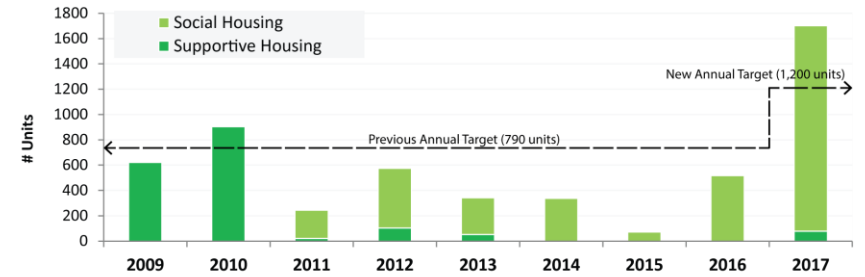


Figure 1.1.4. Social and supportive housing approvals by year (2009-2017).

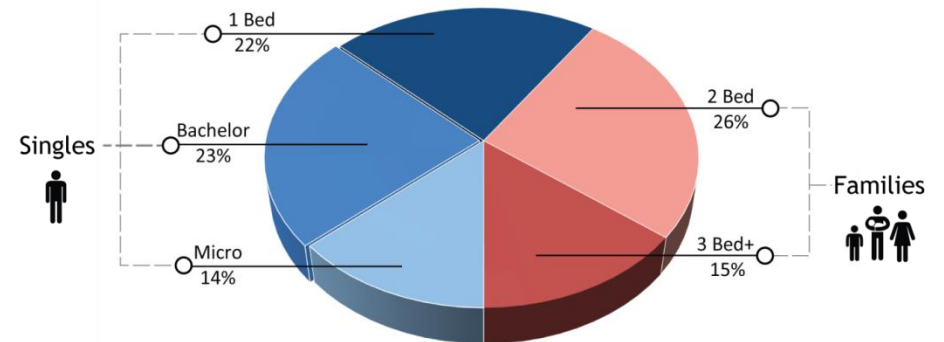


Figure 1.1.5. Social and supportive housing approvals by unit type

As of December 31, 2017, a total of 183 social housing units opened, including 1700 Kingsway (48 homes), 311 E. 6<sup>th</sup> Ave (14 homes), 1105 Seymour (81 homes), and 220 Terminal (40 temporary modular homes). A total of 877 social and supportive homes were under-construction. These homes that are under construction or opened are not counted towards *Housing Vancouver* 10-year targets since they were approved prior to 2017.

**Affordability**

*Housing Vancouver* targets aim to ensure that new homes appropriately match the diversity of household incomes in the City. Social and supportive housing provides a mix of rents at the following affordability levels, depending on partnership and funding opportunities and regulatory requirements:

- Shelter rates - affordable to incomes below \$15,000 for singles and \$15,000-30,000 for families
- Housing Income Limit (HILs) rates - affordable to incomes of \$30,000-50,000 for singles and \$30,000-50,000 families, which are current “Housing Income Limits” set by BC Housing
- Low-end of market rates – rents set to be affordable to incomes of \$50,000-80,000 for singles and \$80,000-150,000 for families


Building Type	Renters						Total
	Income Range	<\$ 15K/yr.	<\$ 15-30K/yr.	\$30-50K/yr.	\$50-80K/yr.	\$80-150k/yr.	
	Progress Towards Targets	336	56	684	477	149	1,702
	Annual Target	520	160	200	300	20	1,200
	Apartment						
	% Of Total	65%	35%	342%	159%	747%	

Figure 1.1.6. Progress towards social and supporting housing targets

Partnerships to Address Homelessness

The City of Vancouver’s 2017 Homeless Count found 2,138 residents facing homelessness in Vancouver, including 537 people on the street and 1,601 people in sheltered locations. These shelter locations include emergency shelters, detox centres, safe houses and hospitals, with no fixed address. People of Indigenous identity are vastly overrepresented in Vancouver’s homeless population. The 2017 count found that 39 percent of the city’s homeless population reported Indigenous identity compared to only 2.2 percent of the city’s general population. The Homeless Count is an annual point in time count in March, so we can report that in March 2018, 2,181 residents were found to be facing homelessness in Vancouver, including 659 people on the street and 1,522 people in sheltered locations. The 2018 count found that 40 percent of the city’s homeless population reported Indigenous identity.

The City has formed partnerships with the Province and private and non-profit partners to address homelessness through a variety of responses across Vancouver, including providing outreach services to secure housing and income and other supports for people who are homeless and at risk of homelessness; opening low-barrier temporary shelters; and opening warming centres in extremely cold weather.

As part of the *Housing Vancouver Strategy*, the City partnered to create housing with support services for people who are currently homeless and at risk of homelessness. In 2017, the City approved 78 temporary modular housing units as part of a partnership with the

Government of British Columbia to build a total of 600 units on underused or vacant sites across Vancouver. In addition, a supportive housing building at 730 East Hastings opened in 2017, providing 21 supportive homes and a programming space for single mothers and their dependent children. These homes provide secure, stable, and supportive housing to address the immediate needs of the growing homeless population and residents with the lowest incomes.

*Housing Vancouver* identifies the poor conditions in many Single Room Occupancy (SROs) hotels, loss of affordability, and lack of supports for renters as a key concern and priority action area, along with the need for stronger government partnerships to address this problem. The City has approximately 7,200 Single Room Occupancy (SRO) rooms in 159 buildings, primarily in the Downtown Eastside, and over half are privately owned. From 2015 to 2017, the percentage of the privately-owned SRO stock renting for \$375 fell from 17% to 15%.

The City aims to protect this housing for low-income renters and mitigate losses in the stock through the SRA By-Law and SRO renewal and replacement. In 2017, 342 new social and supportive homes renting at the shelter component of income assistance for singles (\$375) were approved. From 2015 to 2017, SRA permits and grants to 5 SRA designated buildings resulted in livability upgrades to 185 homes and secured 114 homes at the shelter component of income assistance.






					
Address	<b>1105 Seymour</b>	<b>1700 Kingsway</b>	<b>220 Terminal</b>	<b>720 - 730 East Hastings (VPL/Strathcona/YWCA)</b>	<b>311 E 6th Avenue</b>
Housing Type					
Units					

Figure 1.1.7. Non-market housing completions in 2017

**Social and Supportive Housing Approvals by Geographic Area and Delivery Mechanism**

The City enabled and approved a total of 1,702 units of social and supportive housing; this includes 1,624 units of social housing delivered through the use of City-owned land, non-profit and government partnerships, and inclusionary housing policies and community plans. This more than triples the number of units approved in 2016 and is well above the last 5 year average of 560 units. The Vancouver Affordable Housing Agency led 21% (336 units) and non-profit housing providers led 21% (343 units) of all the social housing units approved in 2017.

The redevelopment of the City-owned and operated Roddan Lodge accounted for 13 percent (213 units) of annual approvals. Social housing units created through inclusionary zoning requirements in policies, plans and major projects accounted for the remaining 45 percent (732 units) of annual approvals, of which 540 units came from the Pearson-Dogwood major project. Of all the social and supportive housing approved in 2017, 60 percent (965 units) came in recently completed community plan areas, such as the West End, Marpole, Cambie Corridor and the DTES.

**Table 1.1.2. Social and supportive housing approved in 2017 by local area**

Local area	% of units by local area	Address	Net units
Marpole	42%	500-650 W 57 <sup>th</sup> Ave (Pearson Dogwood)	540
		55-79 SW Marine Dr	53
		87-115 SW Marine Dr	48
		7430-7460 Heather Street*	78
Strathcona (DTES)	21%	124 Dunlevy Ave (Rodden Lodge)	213
		128 Powell St	20
		177 W Pender St	90
		946-950 Main St	26
West End	11%	1345 Davie St (Podium)	68
		969 Burrard St (First Baptist Church)	61
		1400 (1488) Robson St (Empire Landmark Hotel)	63
Mount Pleasant	10%	2221 Main St	145
		870 E 8 <sup>th</sup> Ave (Red Door Soc. Mi Casa)	29
Fairview	9%	1495 W 8 <sup>th</sup> Ave (Vancouver Masonic Centre)	149
Victoria-Fraserview	5%	2720 E 48 <sup>th</sup> Ave (Fairhaven)	87
Kerrisdale	2%	2200 & 2300 block W 45 <sup>th</sup> Ave (Ryerson Church)	32
<b>Total</b>			<b>1,702</b>

\*Temporary modular housing

Social Housing Approved in 2017			
Status	# Projects	# Units	
◆ Approved	15	1,624	

Supportive Housing Approved in 2017			
Status	# Projects	# Units	
◆ Approved	3	78	

Social Housing Approved 2009-2016			
Status	# Projects	# Units	
◆ Approved	11	647	
▲ Under Construction	12	805	
● Completed	15	459	

Supportive Housing Approved 2009-2016			
Status	# Projects	# Units	
◆ Approved	0	0	
▲ Under Construction	2	72	
● Completed	21	1,630	

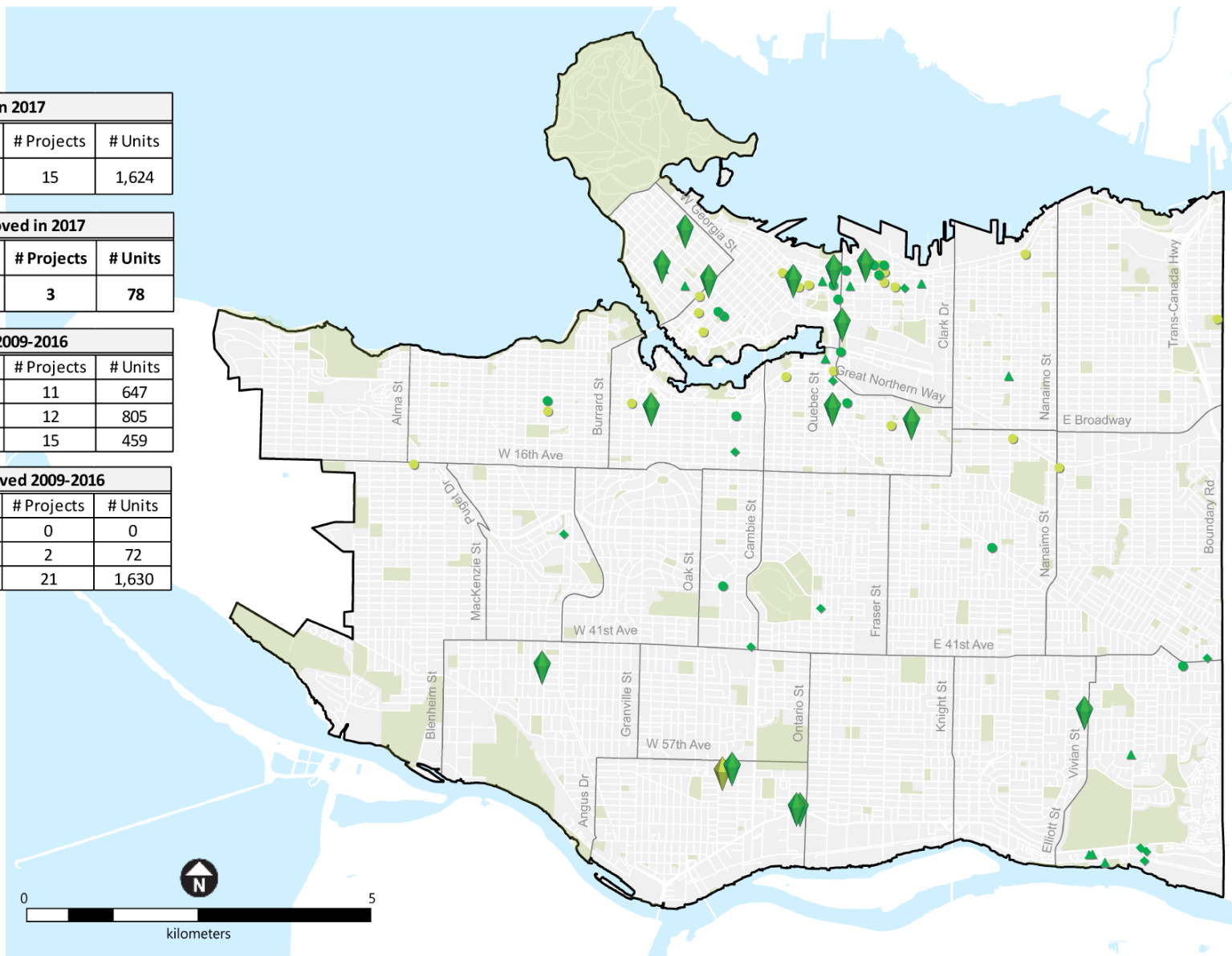


Figure 1.1.8. Social and supportive housing approvals, 2009-2017



### 1.1b. Purpose-Built Market Rental Housing

Over the last 8 years the City approved a total 7,391 purpose-built market rental units secured as rental housing for the life of the building, exceeding the 10-year market rental target of 5,000 units set in *the City's previous Housing and Homelessness Strategy (2012-2021)*.

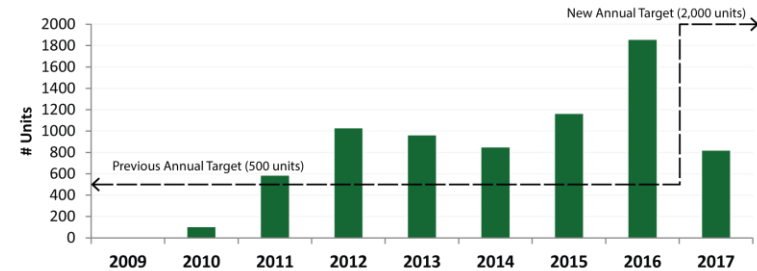
The new *Housing Vancouver* targets set a new, high bar for shifting new supply toward rental housing. Vancouver aims to approve 20,000 new purpose-built market rental units over the next 10 years – quadrupling the target set in the previous *Housing and Homelessness Strategy*. Of the 20,000 new rental homes targeted in the new strategy, 4,000 (20%) are targeted to be developer-owned below-market rental homes, with rents targeted to households with moderate incomes from \$30,000 to \$80,000 per year. To meet the objective of delivering below-market rental, the new Moderate Income Rental Housing Pilot Program was launched in late 2017. Under the pilot, 20 projects have been selected to submit full rezoning applications by July 1, 2019. In addition, the Cambie Corridor Planning Program, approved in May 2018, has provided the option to create moderate income rental housing at the Municipal Town Centre.

**Table 1.1.3. Breakdown of Housing Vancouver secured-market rental targets by housing type**

Unit type	Units
Purpose-built market rental	16,000
Developer-owned below-market rental	4,000
<b>Total secured market rental units</b>	<b>20,000</b>

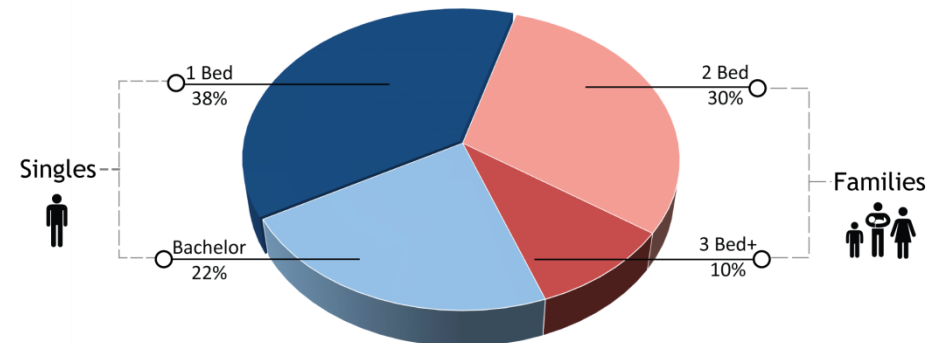
#### Approvals

In 2017, the City approved a total of 822 secured market rental housing apartment units, following a record year for purpose-built rental approvals in 2016, with 1,860 units approved – the highest number in 10 years (Figure 1.1.9). 2017 purpose-built rental approvals surpassed the target set in the previous *Housing and Homelessness Strategy* but fell short of the new *Housing Vancouver* annualized target. Achieving the new target will require ongoing prioritization of purpose-built rental housing by the City and partners.



**Figure 1.1.9.** Secured market rental housing approvals by year, 2009-2017

Of the 822 secured market rental housing units approved in 2017, 40 percent (329 units) were family units consisting of 2- or 3-bedrooms, exceeding the Family Room Housing Mix Policy requirement of 35 percent family units in secured market rental projects (Figure 1.1.10).



**Figure 1.1.10.** Purpose-built market rental housing approvals by unit type, 2017

As of December 31, 2017, a total of 537 units of secured market rental housing opened and 2,957 units were under construction. Units under construction or recently opened are not counted towards *Housing Vancouver* targets since they were approved prior to 2017.


Building Type	Renters						Total
	Income Range	<\$ 15K/yr.	<\$ 15-30K/yr.	\$30-50K/yr.	\$50-80K/yr.	\$80-150k/yr.	
	Progress Towards Targets	-	-	0	493	329	822
	Annual Target	-	-	250	1,200	550	2,000
	Apartment						
	% Of Total	-	-	0%	41%	60%	

Figure 1.1.11. Progress towards secured market rental housing targets

**Affordability**

Targets for new housing enabled under *Housing Vancouver* include embedded targets for affordability. For purpose-built market rental housing, progress toward affordability targets is determined using the following assumptions:

- For developer-owned below market housing, including housing delivered under the Moderate Income Rental Housing Pilot Program, affordability will be based on specified rent levels, which are set to be affordable to singles earning \$30,000-50,000, and families earning \$50,000-80,000<sup>7</sup>
- For purpose-built market rental housing, affordability is based on assumptions regarding rent levels in newly-constructed rental housing. Units for singles (studios and 1bds) are assumed to rent at levels affordable to singles earning \$50,000-80,000 per year, and units for families (2-bedroom and 3-bedroom) are assumed to be affordable to families earning \$80,000-150,000 per year.<sup>8</sup>

Using these assumptions, the 822 purpose built rental homes approved in 2017 are broken down into the affordability categories in Figure 1.1.11 based on whether they are studio/1-bedroom or 2- or 3-bedroom units.

<sup>7</sup> Income ranges assume 30% of gross household income spent on rent, based on the rents by unit type set by the [Moderate Income Rental Housing Pilot Program Bulletin](#).

<sup>8</sup> Income ranges assume 30% of gross household income spent on rent, based on the rents by unit set for new East Side rental projects in the [City of Vancouver Rental Incentive Guidelines](#)

**Purpose Built Rental Housing Approvals by Delivery Mechanism and Local Area**

Of the 822 purpose-built market rental units, 128 units were delivered under existing zoning and 694 rental units were approved through rezoning policies under Rental 100, the Interim Rezoning

Policy for Affordable Housing Choices, and recent community plans in Grandview-Woodland, Marpole, and the West End. The three local areas with the largest share of purpose-built rental approvals in 2017 were Renfrew-Collingwood (24%), Kensington-Cedar Cottage (19%), and the West End (16%) (Table 1.1.4).

**Table 1.1.4. Purpose-built market rental housing approved in 2017 by local area**

Local area	% of units by local area	Address	Net units
Renfrew-Collingwood	24%	2153-2199 Kingsway	101
		3868-3898 Rupert St	98
Kensington-Cedar Cottage	19%	3681 Victoria Dr	153
West End	16%	1500 Robson St	115
		1523 Davie St	20
Mount Pleasant	13%	1016 E 8 <sup>th</sup> Ave	3
		1715 Cook St	104
Oakridge	10%	6137 Cambie St	20
		496 W 48 <sup>th</sup> St	59
Kitsilano	6%	2075 W 12 <sup>th</sup> Ave	48
Marpole	5%	8615 Laurel St	39
Riley Park	6%	210-262 W King Edward Ave	52
Grandview-Woodland	1%	928 Commercial Dr	10
Total			822

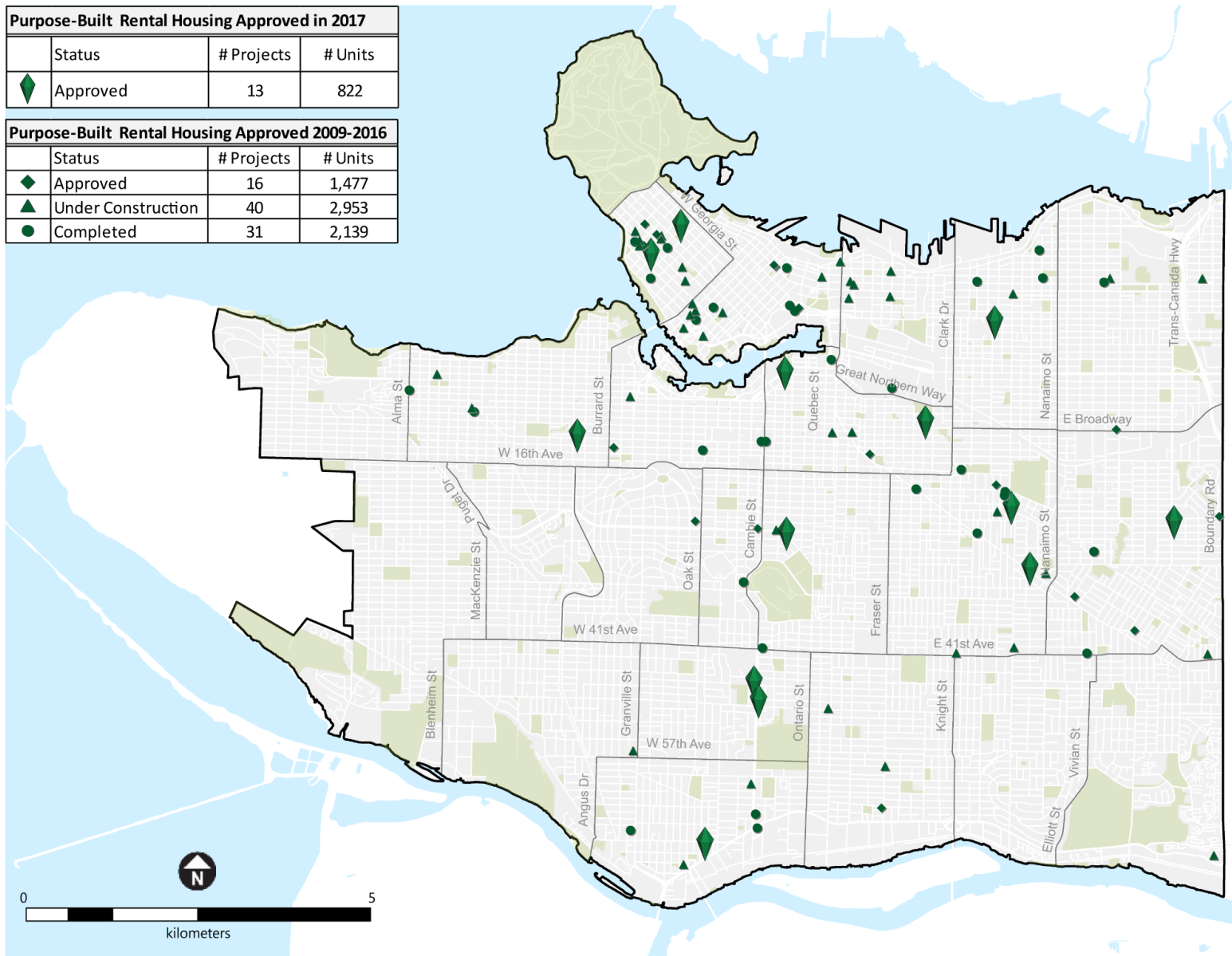


Figure 1.1.12. Secured market rental approvals, 2010-2017

### 1.1.c. Condominiums and Townhouses (Renter and Owner-Occupied)

The *Housing Vancouver Strategy* includes new ownership targets for condos and townhouses to provide options for new homebuyers, families, and downsizing seniors, among others. *Housing Vancouver* sets a target of 30,000 new condominium apartments and 5,000 townhouses over 10 years. The City anticipates that one-third of these new homes will be available for renters based on the share of rented condominium as per the CMHC Market Rental Report of secondary rental stock,

The *Housing Vancouver Strategy* has set a benchmark to approve an average of 3,000 condo units and 500 townhouse units per year. As of December 31, 2017, the City approved a total of 3,827 condominium apartments and 189 townhouse units. Of the total condo units approved in 2017, 67 percent were family units consisting of 2- and 3-bedrooms, which exceeded the Family Room Housing Mix Rezoning Policy requirement of 25 percent 2-bedroom units and 10 percent 3-bedroom units for residential strata housing rezoning projects. Of the total townhouse units approved, 100 per cent were family units consisting of 2- or 3- bedrooms.

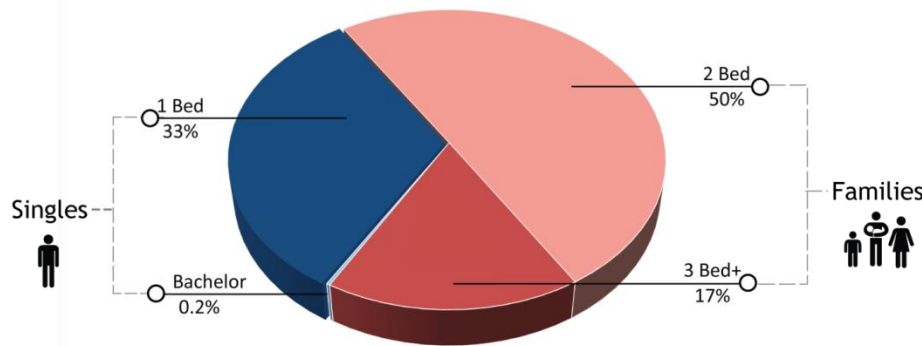


Figure 1.1.13. Condo approvals by unit type, 2017

### Affordability

Targets for new housing enabled under *Housing Vancouver* include embedded targets for affordability. Condominium and townhouse units approved towards *Housing Vancouver* targets are categorized into income ranges based on the assumption that the sales price for singles units (studio and 1-bedrooms) will be affordable to incomes ranging from \$80,000-150,000 and the benchmark sales price for family units (2- and 3-bedrooms) will be affordable to incomes over \$150,000.<sup>9</sup>

The 1/3 of condominium units that are assumed to be available for renters are categorized into income ranges based on the assumption that singles units (studios and 1-bedrooms) will charge average rents affordable to incomes ranging from \$50,000-80,000 and family units (2- and 3-bedrooms) will charge average rents affordable to incomes ranging from \$80,000-150,000. For the 1/3 of new townhouses that are assumed to be rented, units are categorized into income ranges based on the assumption that they will rent at levels affordable to incomes from \$80,000-150,000.<sup>10</sup>

Based on these assumptions, new condominium and townhouse approvals for 2017 are categorized by income levels in Figure 1.1.14.

<sup>9</sup> Income ranges assume 30% of gross household income paid on housing costs, based on the 2017 MLS benchmark sale price for condominiums and townhomes. Assumed prices may not capture the full cost of new housing. Staff will refine cost assumptions for future reports as additional data becomes available.

<sup>10</sup> Income ranges assume 30% of gross household income paid on rent, based on rents by unit type set for new Eastside rental projects in the [City of Vancouver Rental Incentive Guidelines](#). Assumed rents may not capture the full cost of rented condominiums and townhomes. Staff will refine cost assumptions for future reports as additional data becomes available.



Building Type		Renters		Renters		Renter & Owner	Owner	Total
		<\$ 15K/yr.	<\$ 15-30K/yr.	\$30-50K/yr.	\$50-80K/yr.	\$80-150k/yr.	>150k/yr.	
 Apartment	Income Range	<\$ 15K/yr.	<\$ 15-30K/yr.	\$30-50K/yr.	\$50-80K/yr.	\$80-150k/yr.	>150k/yr.	
	Progress Towards Targets	-	-	-	412	1,688	1,727	3,827
	Annual Target	-	-	-	650	1,650	700	3,000
	% Of Total		-	-	63%	102%	247%	
 Townhouse	Progress Towards Targets	-	-	-	-	62	127	189
	Annual Target	-	-	-	-	170	330	500
	% Of Total		-	-	-	36%	38%	

Figure 1.1.14. Progress towards condominium and townhouse targets

**Condominium and Townhouse Approvals by Delivery Mechanism and Local Area**

Table 1.1.6 shows the share of condominium and townhouse approvals by local area. Marpole had the largest share of condominium approvals in 2017 (61%) due to the significant volume of units approved on the Pearson Dogwood major project site. Renfrew-Collingwood had the largest share of townhouse approvals in 2017 (31%), enabled primarily through redevelopment projects under existing zoning.

Although, the number of townhouse units approved in 2017 is below the annualized townhouse target, the City anticipates a significant volume of townhouse units coming on stream through opportunities created by the *Cambie Corridor Phase 3 Plan*, which was approved in May 2018.

**Table. 1.1.6.** *Proportion of 2017 condo and townhouse approvals by local area*

Local area	% condo units by local area	% townhouse units by local area
Marpole	61%	13%
Killarney	9%	14%
West End	8%	-
Downtown	6%	-
Mount Pleasant	5%	1%
Riley Park	5%	10%
South Cambie	2%	10%
Oakridge	1%	2%
Fairview	1%	3%
Kerrisdale	0.7%	6%
Victoria-Fraserview	0.7%	-
Kensington-Cedar Cottage	0.6%	-
Sunset	0.2%	-
Grandview-Woodland	-	2%
Hastings-Sunrise	-	8%
Kitsilano	-	2%
Renfrew-Collingwood	-	31%

Housing Type	# Projects	# Condo Units	# Townhouse Units
◆ Condo Approvals in 2017	17	3,157	0
◆ Condo with Townhouse Approvals in 2017	10	670	60
◆ Townhouse Approvals in 2017	15	0	129
<b>Total</b>	<b>42</b>	<b>3,827</b>	<b>189</b>

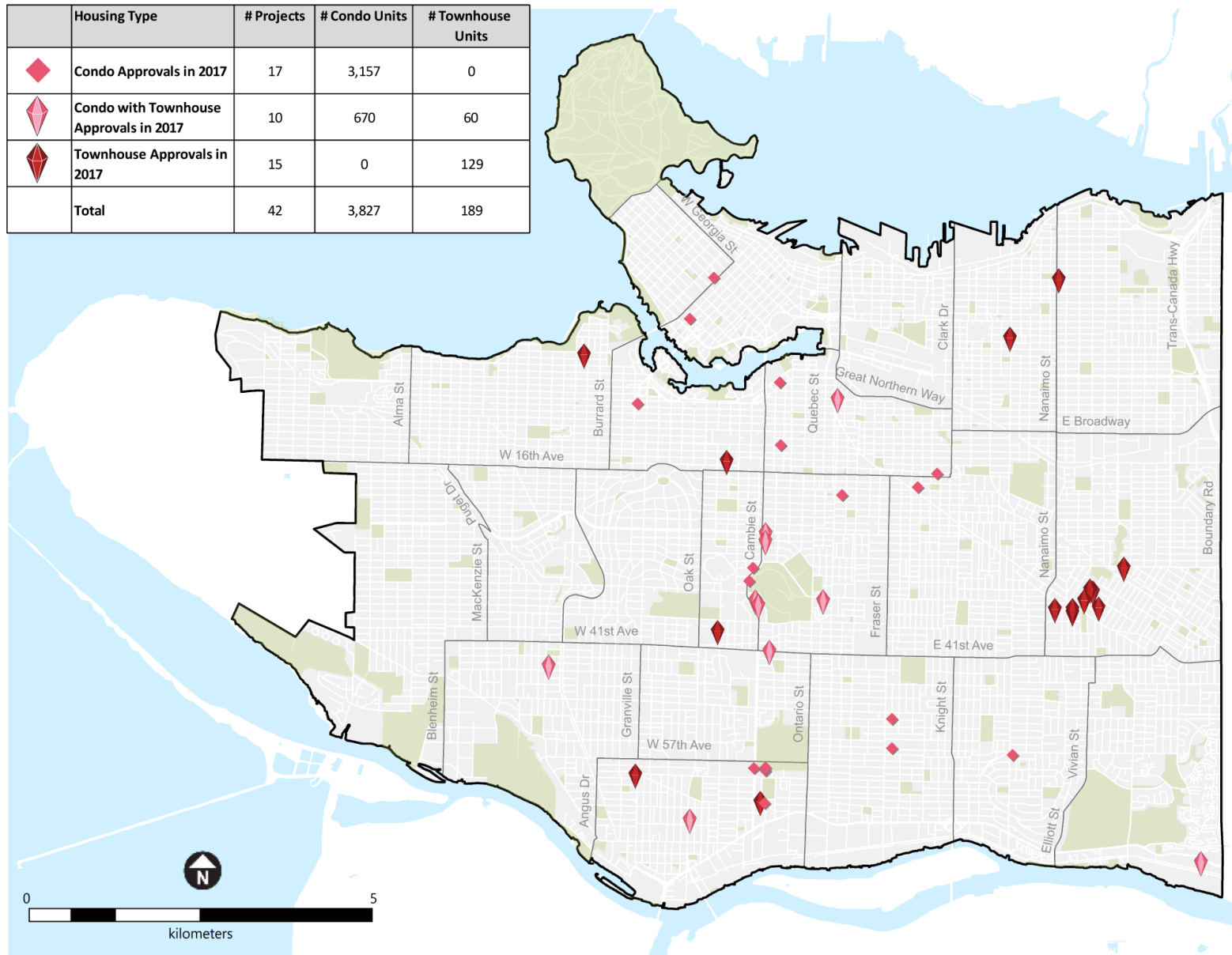


Figure 1.1.15. Condominium and townhouse approvals, 2017



### 1.1d. Infill Housing (Laneways and Coach Houses)

*Housing Vancouver* includes a target of 4,000 rented laneway homes and 1,000 stratified coach houses in order to provide more affordable ground-oriented rental and ownership housing opportunities for households in lower-density residential areas.

#### Approvals

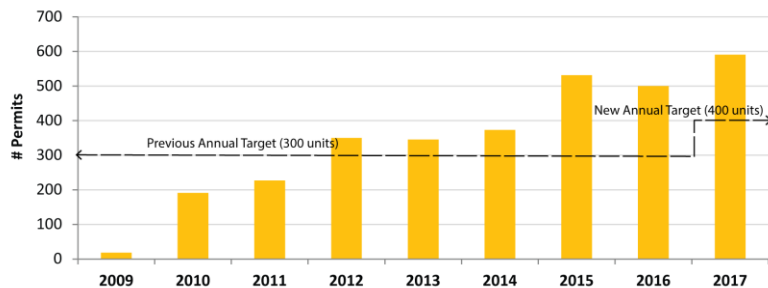
In 2017, Vancouver issued a total of 591 laneway permits, the highest level since creation of the program in 2009. From 2009-2017, a total of 3,126 permits were issued to construct new laneway homes with an annual average of 347 permits issued per year to create additional housing opportunities for renters

Laneway units approved in 2017 represent 15 percent of the *Housing Vancouver* 10-year target laneway housing target and surpass the annualized target by 48 percent (Figure 1.1.16). Of the total laneway housing permits issued in 2017, approximately 57 percent will be 2- or 3-bedroom homes for families.

New to the *Housing Vancouver Strategy* is a target for coach houses in order to encourage more affordable ownership options for ground-oriented dwellings in lower density residential neighbourhoods. Coach houses were not included in the previous *Housing and Homelessness Strategy* targets. Due to current tracking limitations, City staff cannot currently report on the level of coach house approvals in 2017. It is anticipated that 2018 coach house approvals will be available for reporting in 2019.

#### Affordability

Targets for new housing enabled under *Housing Vancouver* include embedded targets for affordability. Laneway housing created towards *Housing Vancouver* targets are categorized into income ranges based on the assumption that units sized for single-person households will charge average rents affordable to incomes ranging from \$50,000-80,000 and units sized for families will charge average rents affordable to incomes ranging from \$80,000-150,000.<sup>11</sup> As part of the efforts to track coach houses, staff will report back in the 2019 Annual Progress Report on the income ranges served by new coach houses counted toward *Housing Vancouver* Targets.



\*Note: Laneway permits are tracked according to permit issued only

Figure 1.1.16. Annual laneway housing permits issued, 2009-2017

<sup>11</sup> Income ranges assume 30% of gross household income paid on housing costs, based on rental rates reported from limited 2018 survey data collected as part of the laneway house review. This data compared closely with the average rents by unit for newly constructed rental projects built since 2005 type as reported in the 2017 CMHC Market Rental Report. Staff will refine cost assumptions for future reports as additional data becomes available.


		Renters					Total	
		Income Range	<\$ 15K/yr.	<\$ 15-30K/yr.	\$30-50K/yr.	\$50-80K/yr.		\$80-150k/yr.
Building Type		Progress Towards Targets	-	-	-	253	338	591
		Annual Target	-	-	-	200	200	400
		Apartment						
		% Of Total	-	-	-	127%	169%	

Figure 1.17. Progress towards laneway housing targets

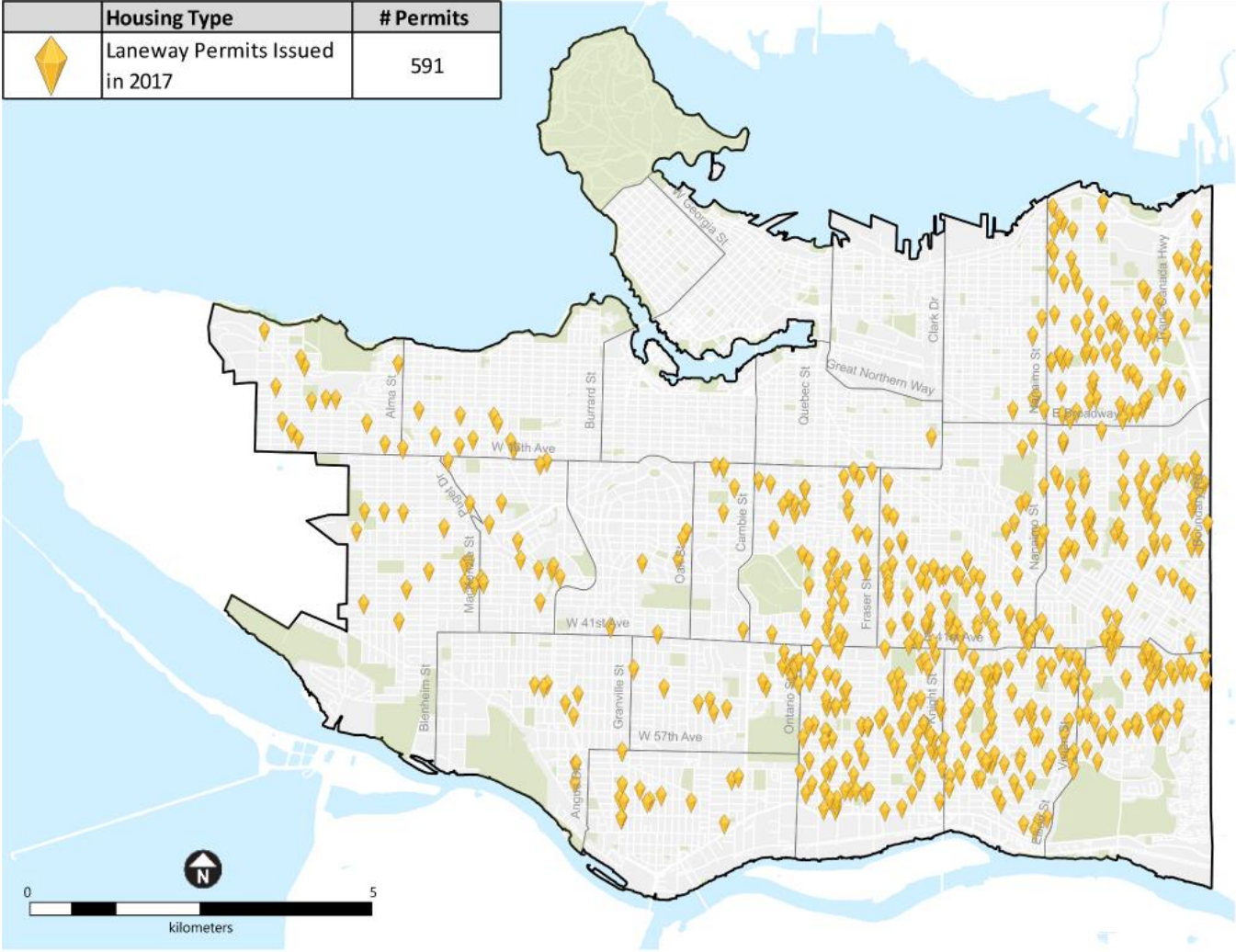


Figure 1.1.18. Progress towards laneway housing targets

### Laneway Housing Approvals by Local Area

In 2017, 78 percent of laneway permits were issued in east side local areas compared 22 percent of permits issued in west side local areas (Table 1.1.7). This is in keeping with historic trends – since laneway homes were first permitted in 2009, a significantly higher proportion of permits (68%) have been issued with addresses located in the east side compared to the west side. Sunset was the local area with the highest concentration of laneway permits in 2017, with 15 percent of all permits.

In 2013 Council approved amendments to the laneway house regulations and guidelines to respond to issues of neighbourliness, parking, livability and length of permitting process. Council also approved the expansion of the LWH program to all RS zones to equalize opportunity for LWH across all single family areas.

In late 2017, as an early *Housing Vancouver* implementation action, staff launched a review of the decade-old Laneway House Program to explore opportunities to support the delivery of more laneway houses and create opportunities to lower their costs by simplifying regulations, reducing processing timelines, and improving livability. This process also involved close collaboration with the Development, Buildings & Licensing Department to integrate work underway to improve the process and timing of permits in single and two-family zones.

*Table 1.1.7. Proportion of 2017 laneway permits issues by local area*

Local area	% permits by local area
Sunset	15%
Hastings-Sunrise	14%
Victoria-Fraserview	13%
Kensington-Cedar Cottage	12%
Renfrew-Collingwood	12%
Killarney	8%
Riley Park	7%
Oakridge	3%
Arbutus-Ridge	2%
Dunbar-Southlands	2%
Marpole	2%
West Point Grey	2%
Kitsilano	2%
Kerrisdale	2%
Shaughnessy	1%
Grandview-Woodland	1%
South Cambie	1%
Vancouver Eastside	78%
Vancouver Westside	22%

## **Section 2: Housing Stock Indicators**

This chapter will break down the housing stock within the City of Vancouver. We will cover non-market, rental, and ownership housing as well as development processing times.

## 2.1 Low-Income Housing

This section will discuss the stock of housing for low-income individuals and families. An overview of non-market housing types such as supportive housing, co-ops, and social housing will be provided, as well as low-income market housing such as single-room occupancy (SRO) hotels and rooming houses.

### 2.1a. Non-Market (Social & Supportive) Housing Stock

#### Background:

- An inventory of the social and supportive housing stock in Vancouver is tracked and monitored by the City of Vancouver on an annual basis. To search for details on specific projects by neighbourhood, building name, and housing provider please visit the online City of Vancouver Non-Market Inventory: [http://app.vancouver.ca/NonMarketHousing\\_Net/default.aspx](http://app.vancouver.ca/NonMarketHousing_Net/default.aspx).
- Social Housing is defined by the City of Vancouver Zoning and Development By-Law as rental housing in which at least 30 percent of the dwelling units are occupied by households with incomes below housing income limits, as set out in the current Housing Income Limits table published by BC Housing<sup>12</sup>; which is owned by a non-profit corporation, non-profit co-operative association, or by or on behalf of the City, the Province of British Columbia, or Canada; and which is secured by a housing agreement or other legal commitment.
- Non-market co-ops are also defined as social housing that is owned and managed by co-operative associations of the residents.
- Supportive housing is social housing with supports that help individuals maintain housing stability. The supports provided to tenants are flexible and can vary from building to building, and are provided by on-site staff or through outreach programs

#### Key Observations:

- The City of Vancouver operates 11 buildings with 816 social and supportive housing units.
- A total of 216 buildings with 10,909 social and supportive housing units (43% of the stock) are located on City-owned land.
- A total of 8,202 social and supportive housing units are targeted for seniors.
- A total of 4,880 social and supportive housing units are located in the Downtown Eastside.
- The Downtown Eastside is comprised of parts of two local areas: Downtown and Strathcona. The Downtown Eastside contains the largest proportion of the non-market housing stock with 19% of the total stock.

<sup>12</sup> More information on BC Housing HILs rates can be found at <https://www.bchousing.org/housing-assistance/rental-housing/subsidized-housing>.

Source: City of Vancouver Non-Market Rental Inventory 2017

**Table 2.1.1. Non-market housing by local area, 2016**

Local area	Social housing (non-co-op)	Social housing (co-op)	Supportive housing	Total non-market units	% of all non-market units	All housing*	Non-market as % of all housing
Downtown	2,692	597	2,153	5,442	21%	35,100	93%
- Downtown Eastside	3,582	649	649	4,880	19%	10,170	83%
Strathcona	2,629	390	1,409	4,428	17%	5,850	76%
Killarney	961	1,318	0	2,279	9%	10,665	39%
Grandview-Woodland	1,603	437	159	2,199	9%	15,030	38%
Mount Pleasant	821	316	385	1,522	6%	17,985	26%
Fairview	746	808	76	1,630	6%	19,510	28%
West End	1,418	177	61	1,656	6%	30,820	28%
Victoria-Fraserview	693	57	150	900	4%	10,170	15%
Hastings-Sunrise	840	212	0	1,052	4%	12,725	18%
Renfrew-Collingwood	668	410	39	1,117	4%	18,865	19%
Kensington Cedar-Cottage	547	138	82	767	3%	17,890	13%
Kitsilano	364	370	30	764	3%	22,955	13%
Marpole	275	364	0	639	2%	10,905	11%
Sunset	243	58	0	301	1.20%	11,595	5%
West Point Grey	237	35	0	272	1%	5,340	5%
Oakridge	181	0	0	181	0.70%	5,025	3%
Arbutus Ridge	150	0	0	150	0.60%	6,120	3%
South Cambie	75	42	0	117	0.50%	3,160	2%
Riley Park	131	7	0	138	0.50%	8,835	2%
Dunbar-Southlands	0	0	51	51	0.20%	6,970	1%
Kerrisdale	-	-	-	-	-	5,515	-
Shaughnessy	-	-	-	-	-	2,875	-
City-wide	15,274	5,736	4,595	25,605	100%	283,905	9%

\*All housing refers to occupied dwelling count in Vancouver as per the 2016 Census

\*\*Occupied dwellings includes count of private SROs collected from the City of Vancouver Survey of Single Room Accommodation & Non-Market Housing in the Downtown Core

\*\*\*2016 Census counted 283,916 total occupied dwellings in Vancouver

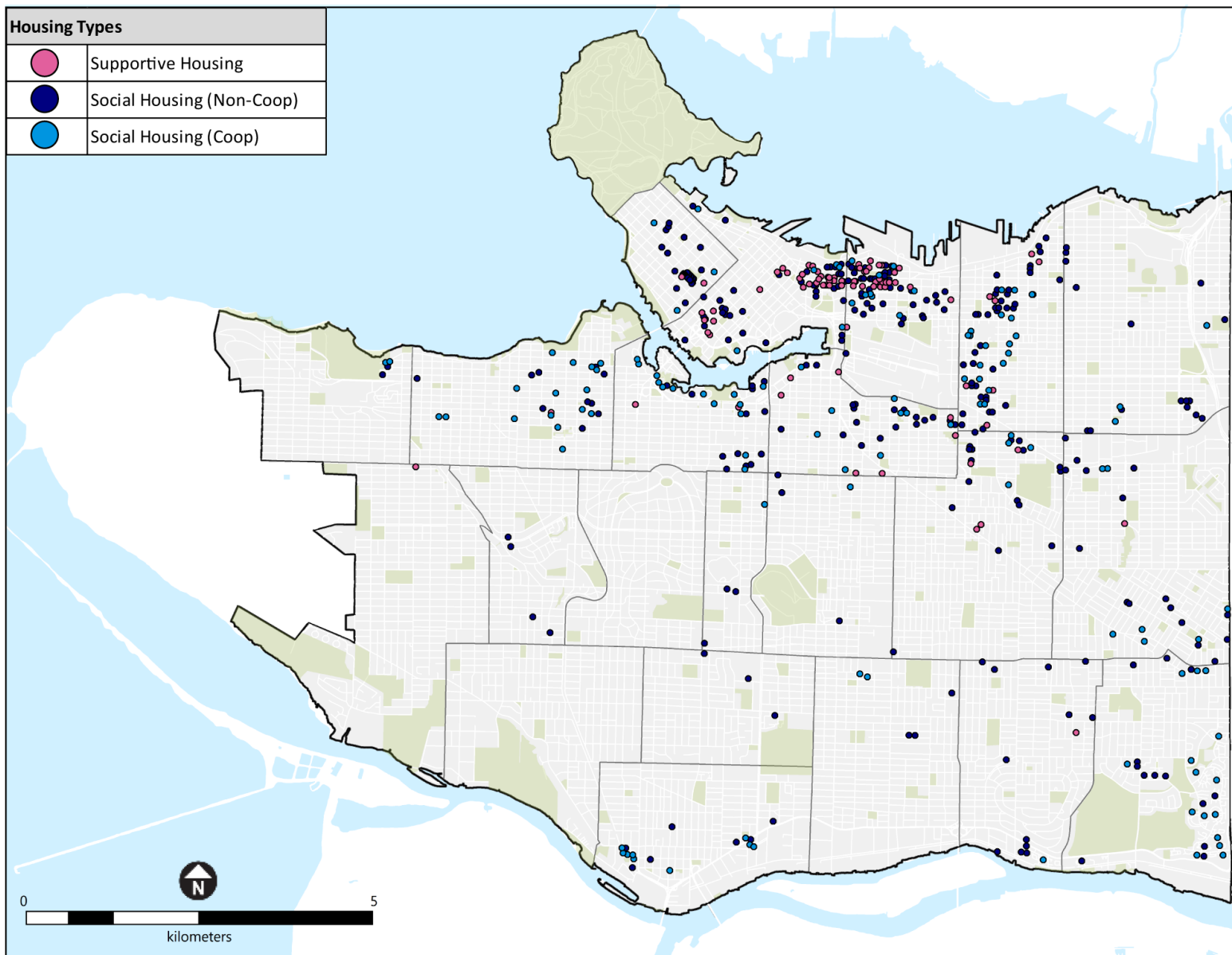


Figure 2.1.1. Overall non-market housing across Vancouver



## 2.1b. Indigenous Non-Market Housing Stock

### Background:

- An inventory of the social and supportive housing stock is tracked and monitored by the City of Vancouver on an annual basis. This inventory also tracks Indigenous non-market housing.
- Indigenous non-market housing is owned and operated by non-profit groups and targeted to Indigenous Peoples that include seniors, youth, women at risk, persons living with mental illness, and the homeless and homeless at risk populations.
- Lu'Ma Housing, Vancouver Native Housing Society, and Kiwassa Housing Society are the three largest Indigenous housing providers in the City of Vancouver.

### Key Observations:

- Grandview-Woodland holds 45% of the Indigenous housing stock in Vancouver. Grandview-Woodland is also the local area with the highest share of Indigenous residents in Vancouver.
- Approximately 5% of the total non-market housing stock in Vancouver is targeted to Indigenous peoples.

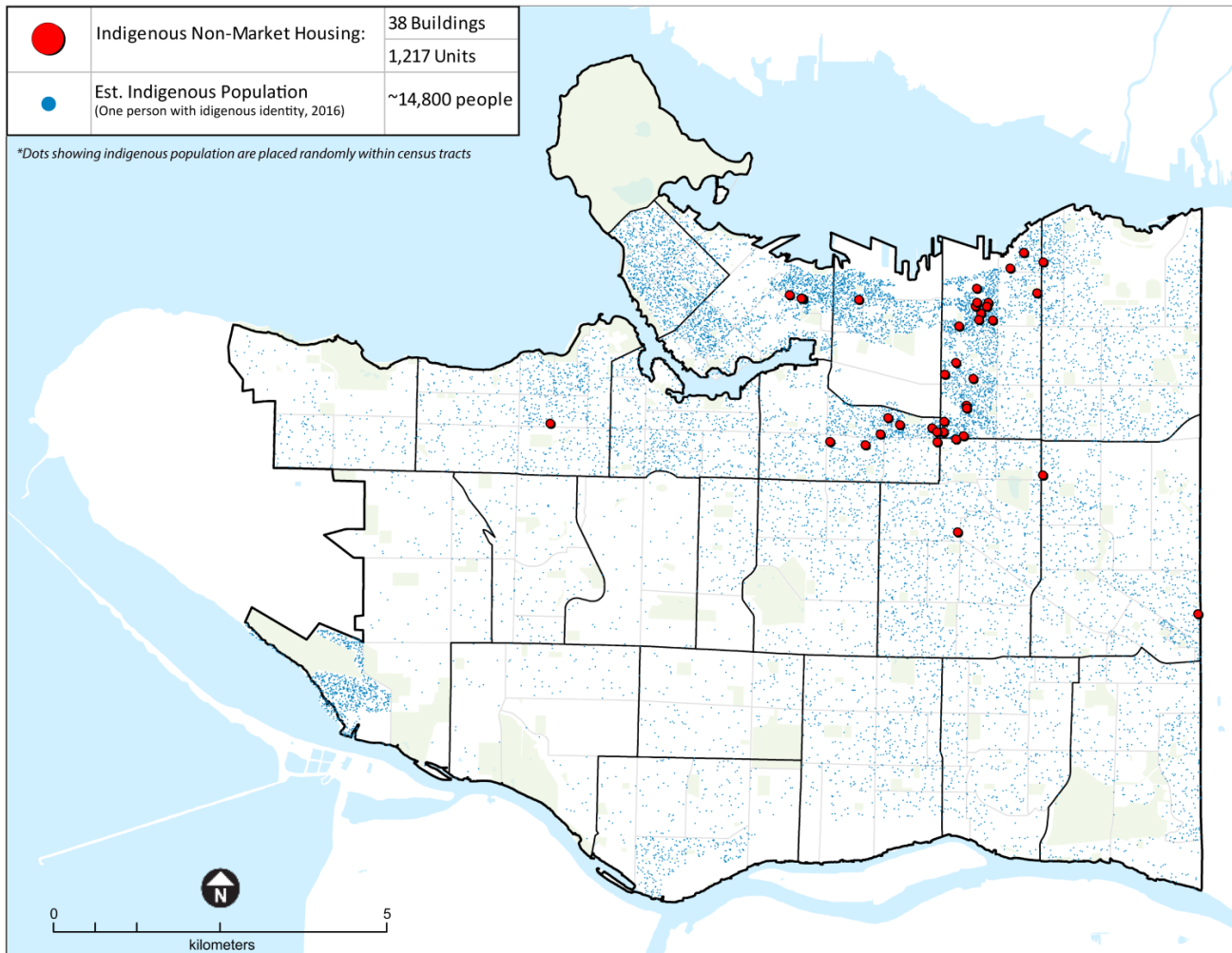


Figure 2.1.2. Indigenous non-market housing across Vancouver

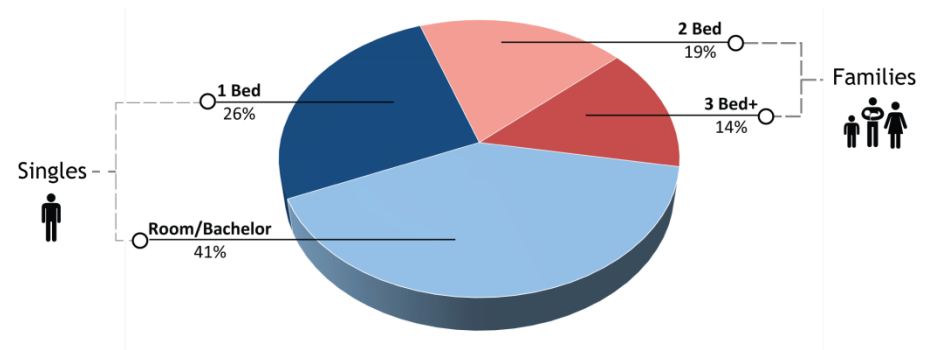
2.1c. Estimated Stock of Family Non-Market Housing

Background:

- The share of 2- and 3-bedroom units in the non-market housing stock was derived from the City of Vancouver’s Non-Market Inventory where the unit mix of every occupied project is recorded and updated on an annual basis.
- The City of Vancouver requires that 50% non-market housing units be family-sized units (20% to be 2-bedroom and 30% to be 3-bedroom units); however, this proportion can vary by project portfolio.

Key Observations:

- As of 2017, approximately 33% of the non-market stock comprise of family-sized units.
- Within the Downtown Eastside approximately 15% of the non-market housing stock is comprised of family-sized, as many of the non-market housing units in the Downtown Eastside were created by conversion of private single room occupancy (SRO) units to non-market housing.



N = 25,605 units

Figure 2.1.3. Estimated stock of non-market housing by bedroom count, 2017

## 2.1d. Change in Non-Market Housing Stock

### Background:

- The change in the non-market housing units opened and closed in Vancouver is tracked closely in the City of Vancouver's Non-Market Inventory and updated on an annual basis.
- In 1949, the Federal Government amended the National Housing ACT (NHA) to allow Federal-Provincial partnerships to develop and manage rental housing for people unable to afford housing provided by the private market.
- A significant amount of non-market housing that exists today was made possible by federal and provincial non-market funding programs that provided capital and/or operating subsidies for affordable housing.

### Key Observations:

- From 1960-1989, a total of 14,562 units were created in the City of Vancouver through renovations, conversions, and new construction projects.
- The gradual decline in non-market housing production in recent decades is reflected by the end of federal government funding for new projects in the 1990s.
- From 1990-2017, the City created a total of 10,850 non-market housing units, making up approximately 75% of the non-market housing created in the previous three decades.
- Currently 3,226 non-market housing units are currently under development (877 units under construction and 2,349 units approved but not yet under construction).
- Combined with 3,082 units of non-market housing already completed since 2010, this brings overall production of non-market housing back to the levels previously achieved in the 1970s.

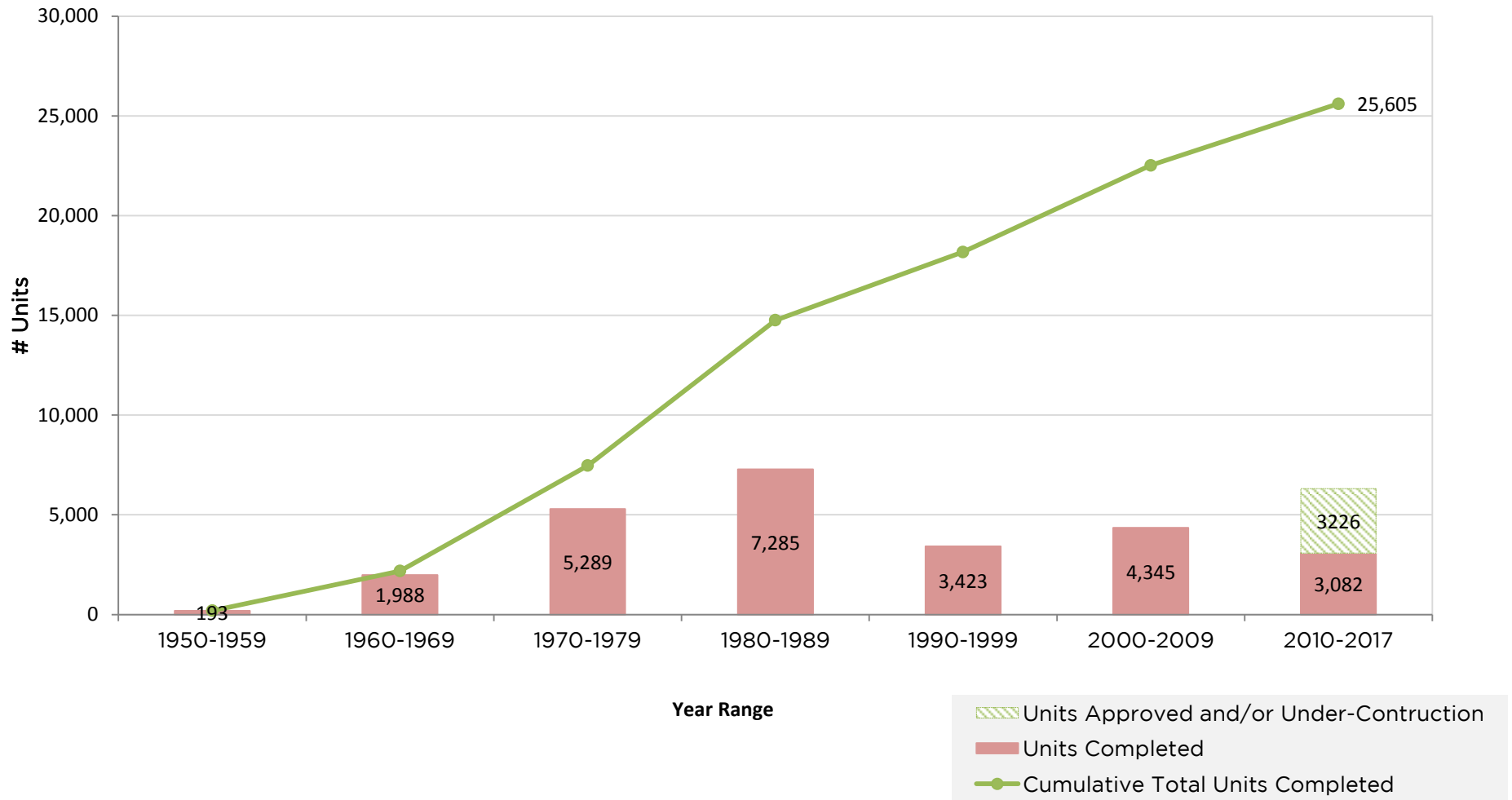


Figure 2.1.4. Change in non-market housing stock over time

2.1e. Stock of Housing for Low-Income Singles (SRO)

Background:

- The total housing stock refers to both private and non-market housing in the Downtown Core.
- The bi-annual Low Income Housing Survey collects information on the number of private Single Room Occupancy (SRO) units in Vancouver’s Downtown Core.
- Over 2 weeks in November 2017, owners of private SRO units were surveyed by phone about private SRO unit availability and rents in their building(s) as part of the Low Income Housing Survey.
- 96 of 104 buildings responded to the survey request.
- This analysis accounts for private SROs in three geographic sub areas (Downtown Eastside, Downtown South, Rest of Downtown Core), which are the areas that have the highest concentration of SRO units in Vancouver.
- SRO units are defined as both sleeping units and housekeeping units.
- The number of non-market units is derived from internal City tracking of non-market housing.
- A comprehensive map of the Downtown Core sub-areas can be seen in Figure 2.1.5.

Key Observations:

- 388 private SRO units were identified as closed due to renovations or other unspecific reasons between 2015 and 2017.
- 287 non market units were opened and occupied between 2015 and 2017 across the three study areas.
- The closure of the Balmoral Hotel and the Jubilee Rooms removed 245 tenanted units from the SRO stock in the Downtown Eastside.

**Table 2.1.2. Single room occupancy (SRO) unit and non-market housing stock in Downtown Core, 2017**

Sub-areas	Buildings			Units		
	Total	SROs	Non-market	Total	SROs	Non-market
Downtown Eastside	217	101	116	1,0911	3,668	7,217
Downtown South	23	5	18	1,723	353	1,370
Rest of Core	13	2	11	898	81	817
<b>Total</b>	<b>253</b>	<b>108</b>	<b>145</b>	<b>13,506</b>	<b>4,102</b>	<b>9,404</b>

\*Information on 8 open SRO buildings not included in 2017 Low Income Housing Survey analysis due to refusal of building managers to participate in survey.

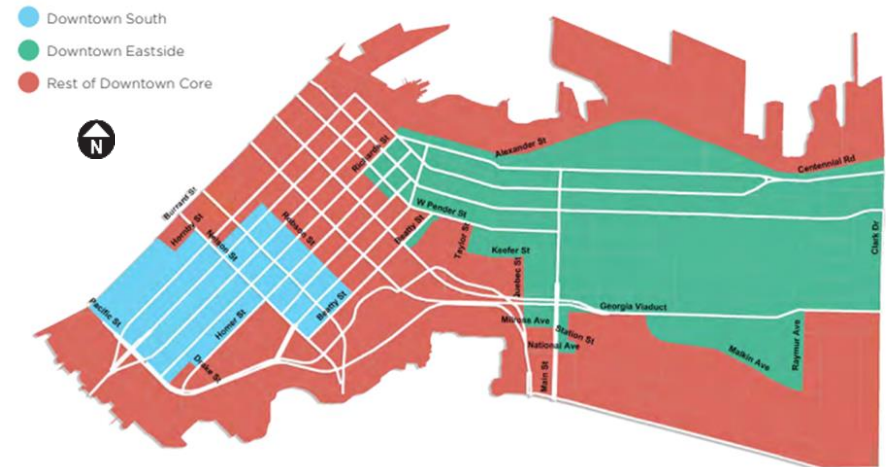


Figure 2.1.5. Map of Downtown Core sub-areas

### 2.1f. Change in Housing Stock for Low-Income Singles (SRO)

**Background:**

- The Low Income Housing Survey captures all sources of change to the SRO stock in the Downtown Core.
- Changes in the SRO stock can occur for a variety of reasons.
- Permanent changes to the SRO stock (redevelopment and conversions affecting the number of SRA units) require Council approval under the SRA Bylaw.
- The Low Income Housing Survey categorizes building closures into 9 categories ranging from buildings/units closed due to fire damage, renovations, or by-law infractions (i.e. in violation of building codes).
- The change in non-market singles stock comprising of non-profit operated studio and 1 bedroom units was tracked along-side the private SRO stock to represent the net increase of additional units in the Downtown core that serve low-income residents.
- The City aims to replace 50 per cent of remaining private SRO units with self-contained social housing in the next ten years, while improving livability and security for renters in the remaining SRO stock

**Key Observations:**

- Since 1994 the private SRO stock has decreased by almost half, from 7,830 units in 1994 to 4,102 in 2017.
- The most significant source of SRO loss has been conversion to non-market housing accounting for 38% of the losses from 1994-2017. Private SROs appear as a loss when converting to non-market housing; however, these rooms have come under non-profit operation and continue to serve house low-income residents.
- The overall change for private SROs and non-market housing for singles in the Downtown Core was a net positive gain of approximately 702 units, or an increase of 6% from 1994-2017.
- In theory, this change in units represents an increasing pool of some of the City’s most affordable housing options for low-income singles.

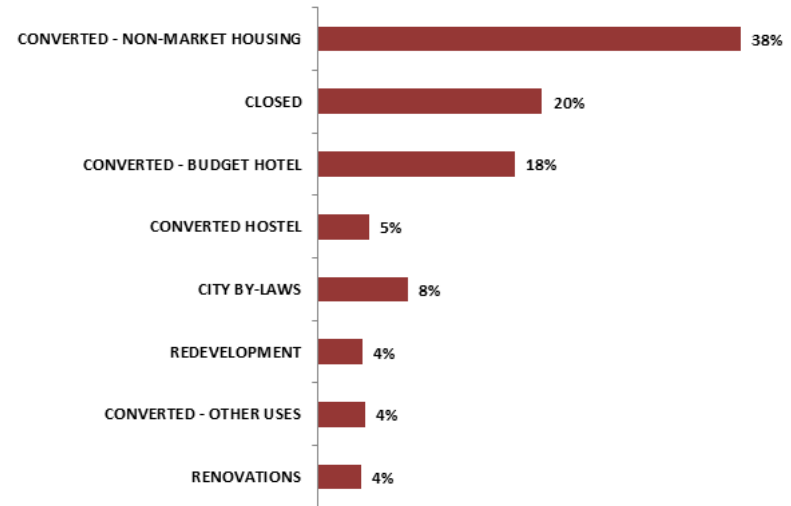


Figure 2.1.6. Net SRO losses, January 1994-December 2017

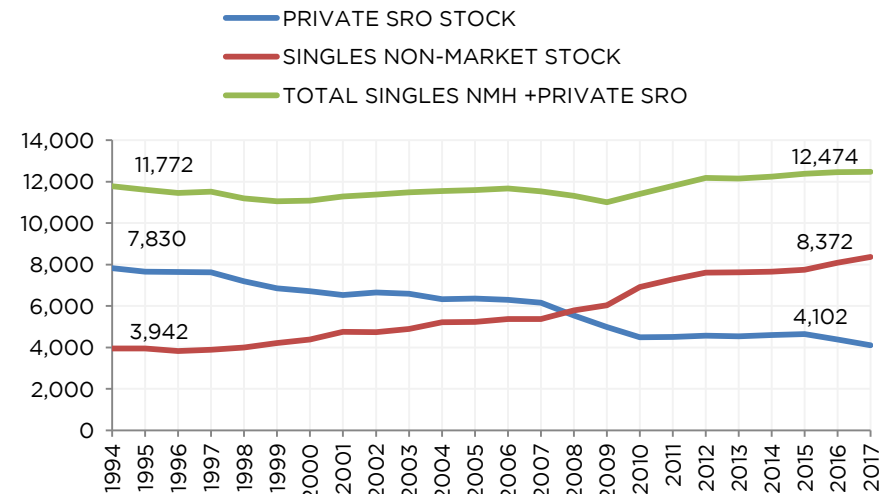


Figure 2.1.7. Change in SRO and singles non-market housing stock, 1994-2017

**Table 2.1.3.** Historical change in SRO and non-market housing stock, 1994-2017

	Private SRO annual change (# of units)	Private SRO stock (# of units)	Singles non-market housing annual change (# of units)	Singles non-market housing stock (# of units)	Total singles non-market housing and SRO stock (# of units)
1994	-171	7,830	0	3,942	11,772
1995	-20	7,659	-119	3,942	11,601
1996	-16	7,639	64	3,823	11,462
1997	-429	7,623	105	3,887	11,510
1998	-343	7,194	217	3,992	11,186
1999	-141	6,851	168	4,209	11,060
2000	-181	6,710	373	4,377	11,087
2001	118	6,529	-15	4,750	11,279
2002	-61	6,647	159	4,735	11,382
2003	-255	6,586	324	4,894	11,480
2004	28	6,331	21	5,218	11,549
2005	-55	6,359	135	5,239	11,598
2006	-142	6,304	0	5,374	11,678
2007	-628	6,162	407	5,374	11,536
2008	-554	5,534	250	5,781	11,315
2009	-485	4,980	879	6,031	11,011
2010	9	4,495	376	6,910	11,405
2011	56	4,504	331	7,286	11,790
2012	-26	4,560	5	7,617	12,177
2013	66	4,534	26	7,622	12,156
2014	62	4,600	94	7,648	12,248
2015	-265	4,644	343	7,742	12,386
2016	-277	4,379	287	8,085	12,464
2017	-	4,102	-	8,372	12,474



## 2.2 Market Rental Housing

This section discusses market rental housing stock throughout Vancouver. In this section, an overview of stock, housing type, building age, and vacancy rates will be provided.

### 2.2a. Estimated Total Market Rental Stock

#### Background:

- Market rental housing refers to non-subsidized properties rented to a tenant typically from a private individual or company.
- The total market rental housing stock comprises both primary and secondary rental:
  - Primary rental refers to buildings with the purpose to operate as rental housing in the long-term. This includes buildings with purpose-built rental units above commercial spaces, apartment structures, and multiple conversion dwellings.
  - Secondary rental refers to units rented on the private market that are not purpose-built and secured as rental. This includes housing options such as secondary suites, laneway houses, rented condominiums and rented houses.
- A secondary suite is defined as an additional unit within a principal residence; including basement suites in detached houses and lock-off suites in townhouses or apartments.
- The count of rented condominium units are estimated in the Condominium Owners Survey by CMHC and updated annually.
- The count of purpose-built rental apartments and row (town) houses are estimated in the Rental Market Survey by CMHC and updated annually.
- The counts of rented single-detached homes were estimated from the 2016 Census by Statistics Canada, which occurs every year.
- The count of laneway is based on laneway permits issued from 2009-2017.

- The number of secondary suites in the market rental stock is derived from BC Assessment property use data updated every 2 years. This estimate of secondary suites is likely an under-count. For more details see section 2.2e on secondary suites.

#### Key Observations:

- Overall, there are -128,650 market rental dwellings in the city.
- Primary rental housing makes up just under half (45%) of the total market rental stock with 57,500 units.
- Over half (~66%) of Vancouver market rental housing is in the form of apartment structures with the remainder of the rental stock being ground oriented dwellings.
- Of the total stock of rental apartments, approximately a third (33%) consists of rented condos.
- Secondary suites make up just under half (~47%) of the total secondary rental stock in Vancouver.



	Rented Condos	Purpose-Built Rental Apartments	Rented Row-Houses	Rented Single-Detached Home	Laneways	Secondary Suites	Total
Rental Type	Secondary	Primary	Primary	Secondary	Secondary	Secondary	
# Households	<b>28,100</b>	<b>57,200</b>	<b>300</b>	<b>6,400</b>	<b>3,300</b>	<b>33,350</b>	<b>~128,650</b>
% Market Rental Households	22%	44%	0.2%	5%	3%	26%	100%

Figure 2.2.1. Estimated market rental stock by housing type, 2016/2017

\* Market rental household counts excludes approximately 4,400 privately owned SROs and 25,600 non-market rental housing, and other rents ground-oriented housing types such as duplexes and demi-detached dwellings

\*\*The total number of secondary suites has been estimated to range from 30,125-33,350 households (low end based on BC Assessment data, high end based on Census data), where the high end was used to determine the share of the total market rental stock.

## 2.2b. Purpose-Built Rental Stock by Local Area

### Background:

- The City of Vancouver's Purpose-Built Rental Inventory is used to quantify and describe the location, age, number of units, and zoning of the purpose-built market rental stock in Vancouver and maintained by staff on an annual basis.
- The City of Vancouver's Purpose-Built Rental Inventory is a count of all primary rental building with 3-or-more units, excluding basement suites, rented strata, privately-owned SROs, laneways, and non-market rentals.
- The Rental Housing Stock ODP applies to certain RM, FM, and CD-1 Zoning Districts, and requires one for one replacement of existing rental housing in these areas. For more information on the City of Vancouver's Rental Housing Stock ODP, visit <http://vancouver.ca/your-government/official-development-plan-bylaws.aspx>.
- Rental buildings both within and outside Rental Housing Stock (RHS) Official Development Plan (ODP) zones are tracked in the Purpose-Built Rental Inventory.

### Key Observations:

- Purpose-built market rental makes up approximately 24% of all occupied dwellings in Vancouver.
- The City of Vancouver accounted for 53% of purpose-built apartment units in Metro Vancouver in 2017.
- The West End has the highest share (29%) of the total purpose-built market rental stock in Vancouver.
- The purpose-built market rental stock in the West End consists of approximately 66% of all occupied dwelling in the local area.
- 77% of rental housing units across all neighbourhoods are located within Rental Housing Stock ODP covered zones.

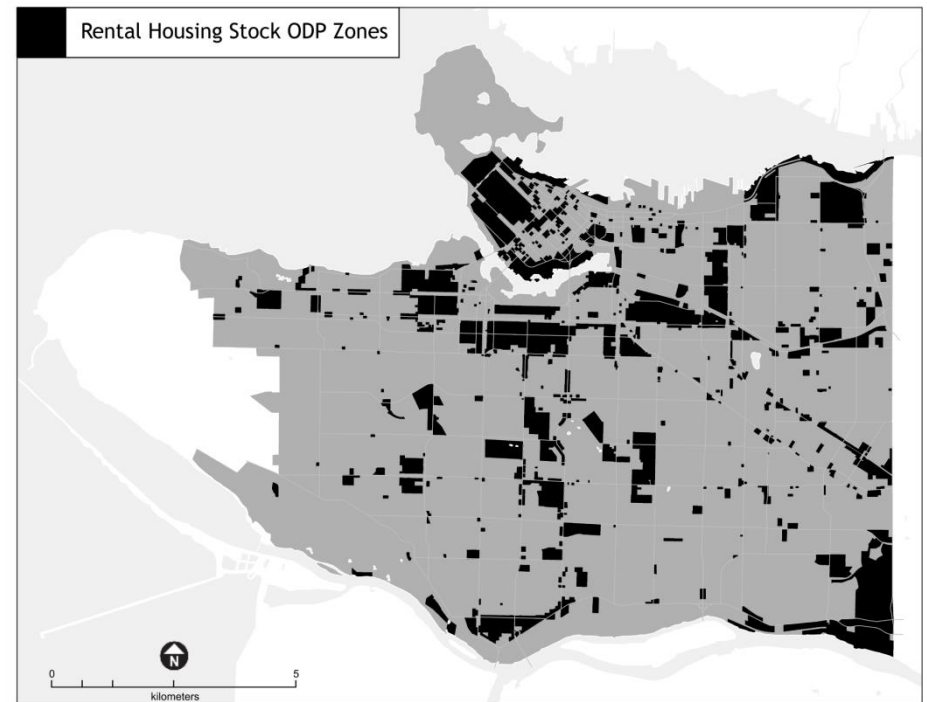


Figure 2.2.4. Rental housing stock ODP zones

**Table 2.2.1. Purpose-built rental stock by local area, 2017**

Local area	Inside RHS ODP zones		Outside RHS ODP zones		Total purpose-built rental units*		All housing**	Purpose-built market rental housing as % of all housing
	# Units	% total purpose-built rental units	# Units	% total purpose-built rental units	# Units	% total units		
Arbutus-Ridge	1,157	97%	40	3%	1,197	2%	6,120	20%
Downtown	1,859	66%	943	34%	2,802	4%	35,100	8%
Dunbar-Southlands	0	0%	56	100%	56	0.10%	6,970	1%
Fairview	6,459	91%	656	9%	7,115	10%	19,510	36%
Grandview-Woodland	3,909	67%	1,950	33%	5,859	8%	15,030	39%
Hastings-Sunrise	253	40%	375	60%	628	1%	12,725	5%
Kensington-Cedar Cottage	693	34%	1,345	66%	2,038	3%	17,890	11%
Kerrisdale	1,392	95%	74	5%	1,466	2%	5,515	27%
Killarney	512	99%	3	1%	515	1%	10,665	5%
Kitsilano	6,035	64%	3,409	36%	9,444	14%	22,955	41%
Marpole	4,263	98%	68	2%	4,331	6%	10,905	40%
Mount Pleasant	4,382	65%	2,316	35%	6,698	10%	17,985	37%
Oakridge	1,160	99%	7	1%	1,167	2%	5,025	23%
Renfrew-Collingwood	499	63%	289	37%	788	1%	18,865	4%
Riley Park	294	22%	1,057	78%	1,351	2%	8,835	15%
Shaughnessy	156	46%	184	54%	340	0%	2,875	12%
South Cambie	292	52%	267	48%	559	1%	3,160	18%
Strathcona	121	17%	576	83%	697	1%	5,850	12%
Sunset	473	54%	398	46%	871	1%	11,595	8%
Victoria-Fraserview	287	77%	87	23%	374	1%	10,170	4%
West End	18,714	93%	1,475	7%	20,189	29%	30,820	66%
West Point Grey	565	71%	226	29%	791	1%	5,340	15%
City-wide	53,475	77%	15,801	23%	69,276	100%	283,905	24%

\*Purpose-built rental units include multiple conversion dwellings resulting in more units than what is counted by CMHC

\*\*All Housing refers to occupied dwelling count in Vancouver as per the 2016 Census

\*\*\*2016 Census counted 283,916 total occupied dwellings in Vancouver

### 2.2c. Purpose-Built Rental Stock by Housing by Building Age

**Background:**

- The stock of purpose-built rental units in the Vancouver by building age is recorded in the City of Vancouver’s Purpose-built Rental Inventory and updated on an annual basis as new rental projects are completed.

**Key Observations:**

- A rapid expansion in the purpose-built rental housing supply took place between 1950-1969, with approximately 36,215 newly constructed rental units incentivized by federal taxation measures and provisions designed to stimulate investment in new residential rental development.
- Rental housing constructed between 1950-1979 accounts for over half (67%) of the purpose-built market rental supply existing today with most of the units located in Rental Housing Stock ODP zones.
- A significant portion of rental units built during this era are located in the West End, including many high-rise apartments. Low-rise rental projects are primarily dispersed amongst Fairview, Kitsilano, Marpole, Mount Pleasant, and Grandview-Woodlands.
- During period from 1970-1989, approximately 9,775 units were added to the purpose-built market rental stock
- The period from 1990-2009 saw a significant decline in the development of new purpose-built rental due to the elimination of senior government rental supply programs and the introduction of legislation enabling stratification and sale of apartment housing.
- Since then, the rate of rental production has been steadily increased as a result of rental incentive programs implemented by the City, such as Short Term Rental Incentive Program (STIR) and Rental 100, and through Community plans
- In the last 7 years, the City of Vancouver has completed 2,700 rental units with an additional 5,252 unit approved and/or under construction.

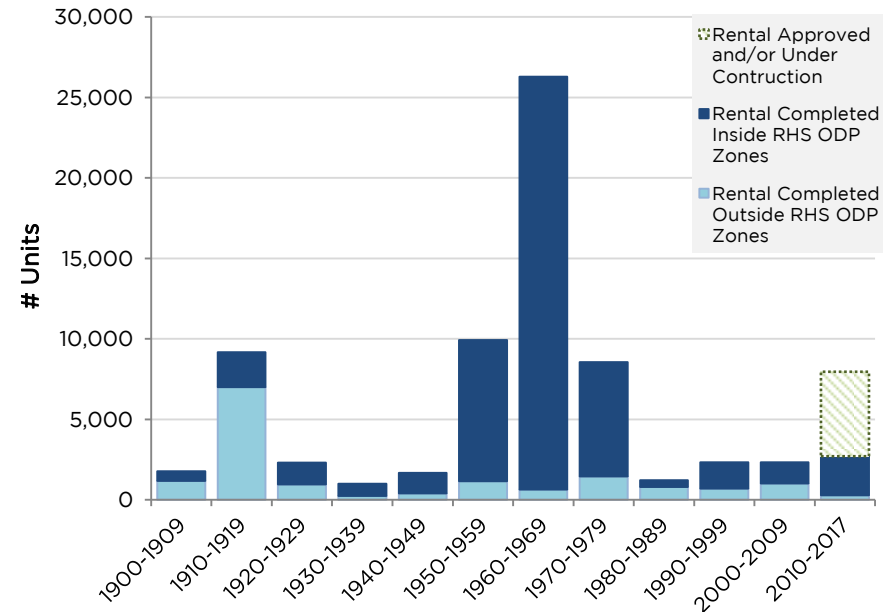


Figure 2.2.3. Stock of rental universe by building age

Legend	Year of Construction	% Purpose-Built Rental Universe
	Pre-1950	23%
	1950-1979	65%
	1980-2009	9%
	2010-2017	4%
	<b>Total</b>	<b>100%</b>

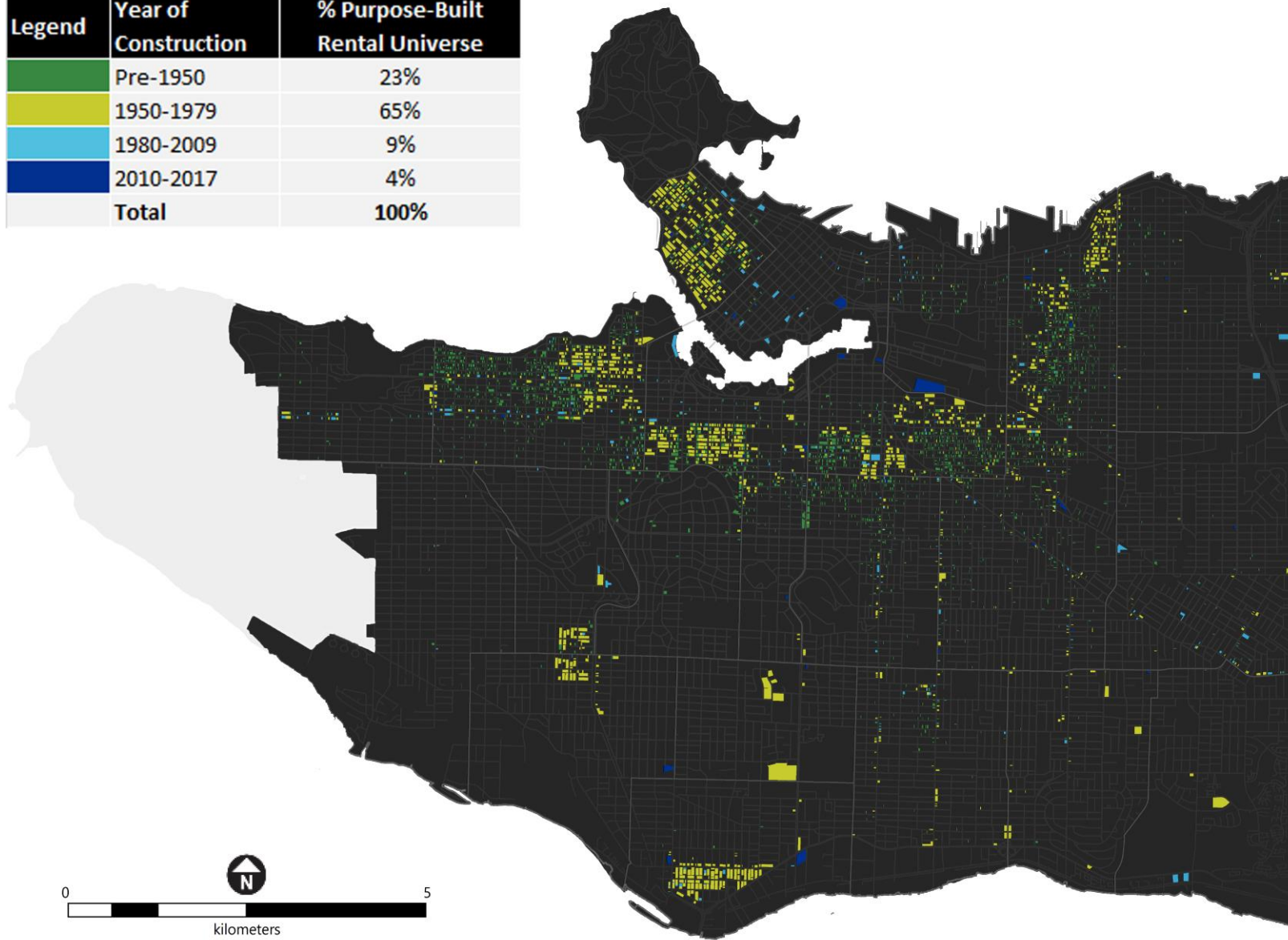


Figure 2.2.4. Stock of rental universe by building age

Source: City of Vancouver Purpose-Built Market Rental Inventory 2017

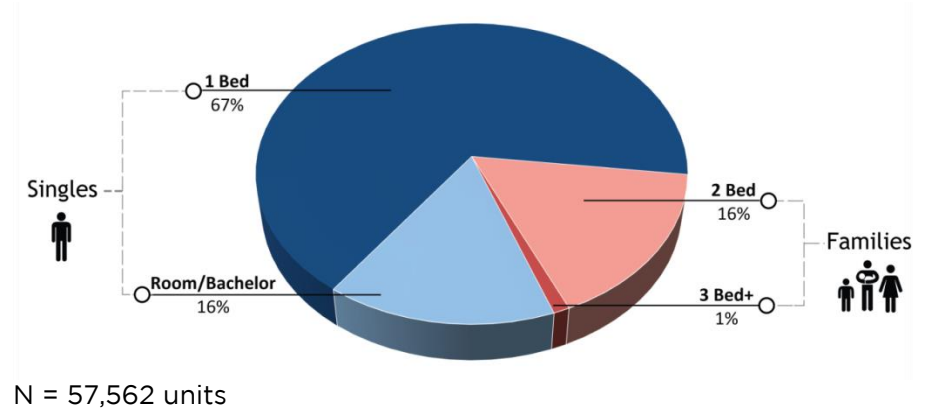
## 2.2d. Family Purpose-Built Market Rental Housing Stock

### Background:

- Since the 1990s, the City has required a minimum of 25% family units (two-or-more bedrooms) in new developments.
- The current City of Vancouver Family Room Housing Mix policy targets a minimum of 35 percent family units with two or more bedrooms in rezoning applications for secured market rental housing
- The estimated stock of family-sized market rental housing units is derived from the CMHC estimate of the purpose-built rental universe provided annually in the CMHC Rental Market Survey.

### Key Observations:

- Approximately 17% of the total purpose-built rental stock in Vancouver consists of family-sized units (16% are 2-bedroom and 1% are 3-bedroom units).
- The City's market rental tracking system shows that from 2010-2016, all new market rental developments provided approximately 26% family units with 3% of the units having 3-bedrooms. New rental projects approved from 2017-2018 are providing approximately 42% family-sized units with 10% of the units having 3-bedrooms.



**Figure 2.2.5.** Estimated stock of purpose-built market rental housing by bedroom count, 2017

### 2.2e. Secondary Suites

**Background:**

- Secondary suites involve the use of the basements or the ground floor of houses to provide additional accommodation, and can be created through conversion of existing homes or through new construction.
- Secondary suites provide affordable rental housing options in single-family residential areas, and provide an income source for owners that can facilitate home ownership
- There is limited data on the total number of secondary suites in the City, due to difficulties surrounding the identification, enforcement, and legalization of suites not registered for use. To address this issue, the City is currently reviewing the secondary suites program and permitting process to improve the uptake and registration of secondary suites. For more details, please see *Section 6*.
- The City has estimated the count of secondary suites using Census 2016 dwelling count of "Apartment, Duplex" units at the low end and BCAA secondary suites data at the high end of the range. The range in estimates is partly a function of differences in definitions and the time periods and areas being considered. The Census count of "Apartment, Duplex" units is divided by two to estimate the number of suites. Only "up/down" duplexes are included - two-unit buildings with the units side-by-side are classified as semi-detached dwellings.
- City staff began tracking the volume of permits to construct new suites or legalize unpermitted suites for use in 2009 when Council approved zoning changes to enable full-size basements and more livable basement suites in all single-family areas.

**Key Observations:**

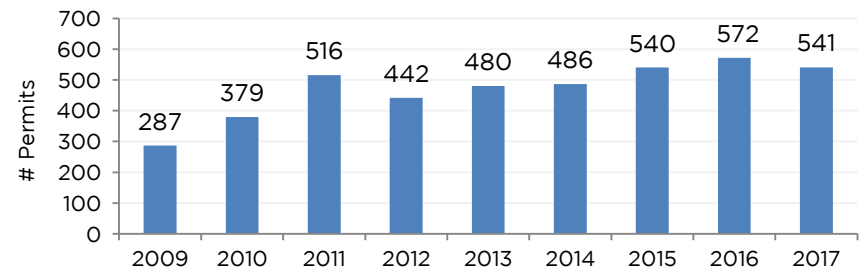
- As of 2016, City staff estimated a range between 30,125 and 33,350 secondary suites across Vancouver.
- From 2009-2017, a total of 4,237 permits were issued to create secondary suites with an annual average of 471 permits issued per year.

**Table 2.2.2. BC Assessment and census secondary suite counts in Vancouver from 2006-2016**

Year	*Census - apartment, duplex 50%	BC Assessment
2006	21,382	-
2008	-	27,986
2011	22,922	-
2012	-	-
2013	-	31,732
2014	-	-
2015	-	32,685
2016	30,124	33,354

*\*Starting in Census 2006, 'apartment or flat in a duplex' replaces 'apartment or flat in a detached duplex' and includes duplexes attached to other dwellings or buildings. This is a change from the 2001 Census where duplexes attached to other dwellings or buildings were classified as an 'apartment in a building that has fewer than five storeys.'*

*\*\*BCAA secondary suite counts are totaled based on the sum of all Actual Use code 032 across the City.*



*\*Note: Secondary suites permits are tracked according to permit issued only*

**Figure 2.2.6. Annual secondary suites permits issued from 2009-2017**



## 2.2f. Vacancy Rates (Single Room Occupancy)

### Background:

- The City of Vancouver's bi-annual Low Income Housing Survey questionnaire surveys private SRO owners on what units are presently vacant and able for rent in their building(s).
- Vacancy rates are not affected by closed rooms (rooms closed because of renovations, or other unspecified reasons).

### Key Observations:

- The overall vacancy rate of private SROs in the sub areas is estimated to be at 1% (as of December 2017).
- Two sub areas had a vacancy rate of zero (Victory Square, and the Downtown Core). The Downtown Eastside sub area had a vacancy rate of 2%.
- 70 of 4,128 SRO units surveyed were identified as vacant at the time of the survey.

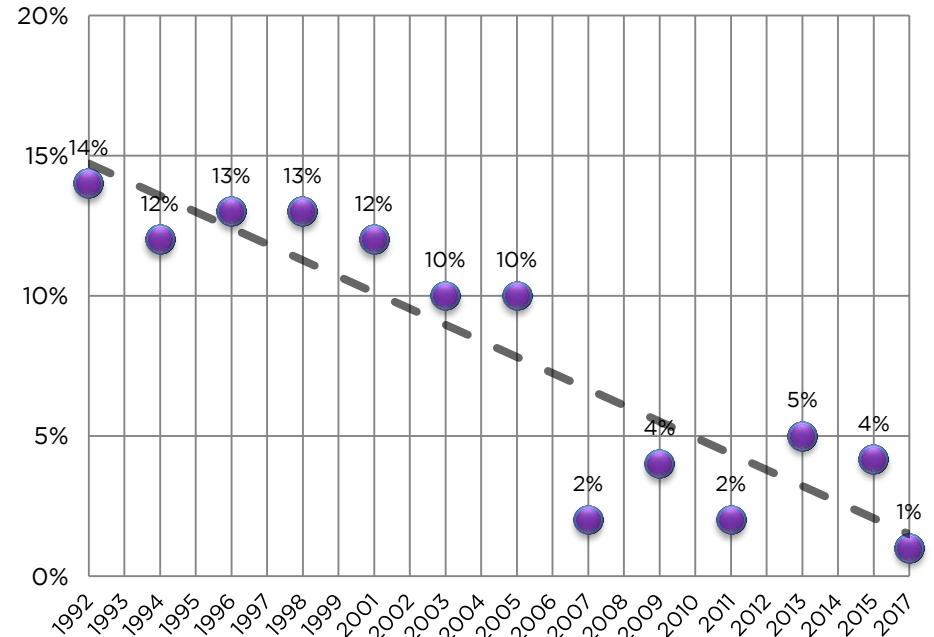


Figure 2.2.7. Indicative SRO vacancy rates, 1992-2017

## 2.2g. Vacancy Rates (Purpose-Built Market Rental)

### Background:

- The purpose-built apartment vacancy rate is a primary measure of how supply is responding to demand in the housing market. A residential vacancy rate of 3.0-5.0% is generally considered a balanced market.
- A unit is considered vacant if it is physically unoccupied and available for immediate rental at the time of the CMHC Rental Market Survey
- Vacancy rates across the region are reported annually in the CMHC Rental Market Survey. CMHC Rental Market Survey uses sample data and extrapolation techniques, so vacancy rates in this section are estimates.

### Key Observations:

- Vancouver has exhibited historically low vacancy rates in the last 30 years with an average of 0.9%, although the vacancy rate has increased by 0.4% since 2014.
- In 2017, the purpose-built apartment vacancy rate was 0.9% in Vancouver, which was equivalent to approximately 515 units. The vacancy rate for the rest of the region was also 0.9%, which was equivalent to 461 units.
- In 2017, the purpose-built apartment vacancy rate of 0.9% was higher than the rented condominium vacancy rate of 0.6% in the City of Vancouver.
- According to CMHC, in December 2017 nearly half of all the rental housing under construction in the region was located inside the City of Vancouver, including secondary suites and laneway homes. As a result of the new rental housing currently under construction, CMHC forecasts rental vacancy rates in the region will rise to 1.1% by 2019, an indicator of rising rental availability.
- In 2017, Westside/Kerrisdale was the CMHC-defined geography in Vancouver with the highest vacancy rate at 1.5%. East Hastings was the CMHC-defined geography with the lowest vacancy rate at 0.4%.
- Across Vancouver, the vacancy rate between 2010 and 2017 was far lower than the healthy vacancy rate. Within this period, the highest vacancy rate city-wide was 1.3% in 2010.

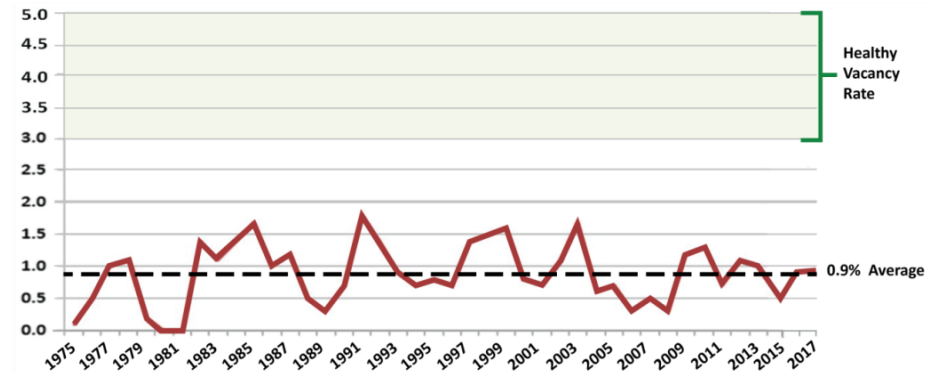


Figure 2.2.8. Historical vacancy rate of purpose-built rental market apartment units, 1975-2017

**Table 2.2.2. Vancouver market apartment rental vacancy rates (%) by bedroom type and CMHC geography, 2017**

CMHC geography	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom +	Total
West End/Stanley Park	0.7	1.2	0.2	7.7	1
English Bay	1.5	1.2	1.3	6.9	1.3
Downtown	1.3	1.3	1.4	-	1.3
South Granville/Oak	0.7	0.7	1.1	0	0.7
Kitsilano/Point Grey	0.5	0.7	1	0	0.7
Westside/Kerrisdale	2.2	1.1	2	3.5	1.5
Marpole	0.6	0.9	0.4	0	0.8
Mount Pleasant/Renfrew Heights	1.3	0.7	0.7	0	0.7
East Hastings	0.1	0.4	0.4	2.1	0.4
Southeast Vancouver	0	1	0.3	0	0.7
Vancouver City-wide	0.8	0.9	1	1.3	0.9

**Table 2.2.3.** Vancouver purpose-built apartment rental vacancy rates (%) by CMHC geography, 2010-2017

CMHC geography	2010	2011	2012	2013	2014	2015	2016	2017
West End/Stanley Park	0.8	0.3	0.8	0.8	0.5	0.5	0.6	1
English Bay	1	1.1	1	0.7	0.2	0.3	0.8	1.3
Downtown	1.3	0.4	1	1	0.3	0.6	0.5	1.3
South Granville/Oak	1.4	0.6	0.7	1.1	0.6	0.6	0.7	0.7
Kitsilano/Point Grey	0.8	0.6	1.3	0.8	0.3	0.6	1.2	0.7
Westside/Kerrisdale	1.9	1.3	1.5	1	1	1.6	2	1.5
Marpole	2.2	0.9	1.6	2.4	0.7	1	0.6	0.8
Mount Pleasant/Renfrew Heights	1	0.6	0.9	0.4	0.5	0.4	0.8	0.7
East Hastings	1.9	0.8	1.2	1.4	0.8	0.6	0.8	0.4
Southeast Vancouver	0.9	1.2	1.5	1.5	1.2	1	0.8	0.7
Vancouver City-wide	1.3	0.7	1.1	1	0.5	0.6	0.8	0.9

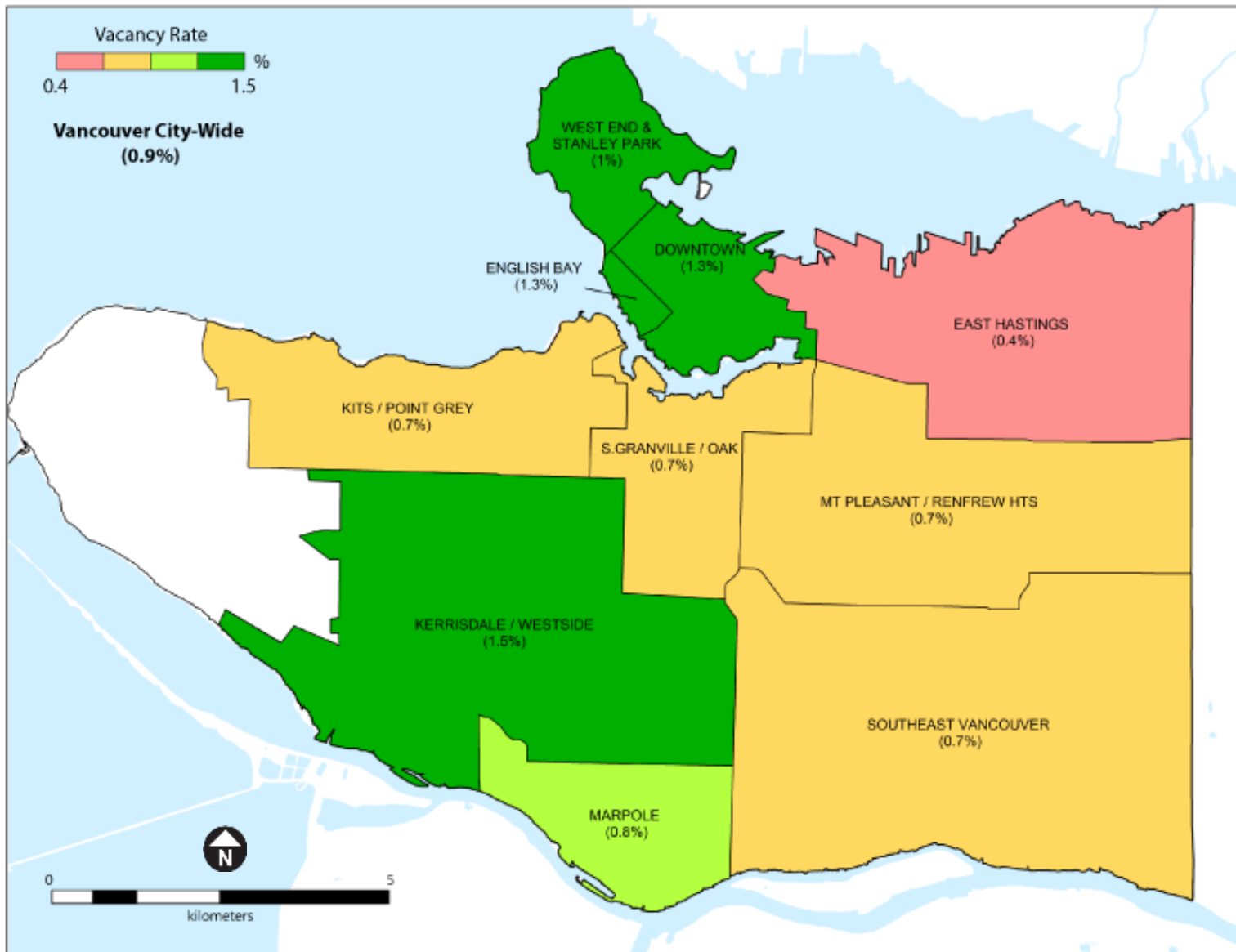


Figure 2.2.9. Vancouver vacancy rate by area defined as “market rental zones” by CMHC, 2017

### 2.2h. Rental Housing Starts

**Background:**

- Housing starts are a key market indicator for the rate and intended market of housing supply being built over a set period of time.
- The CMHC starts are counted in the CMHC Starts and Completion Survey as units confirmed to have reached above-grade in the construction process.
- Housing starts have held steady since the global recession in 2008 and surpassed the 10-year average in the last 2 years, indicating that construction activity remains very strong in Vancouver.
- Housing starts across the region are reported monthly on the CMHC Housing Market Information Portal (<https://www03.cmhc-schl.gc.ca/hmiportal#Profile/1/1/Canada>).

**Key Observations:**

- In recent years, Vancouver has seen an increasing proportion of rental starts with rental housing accounting for 25% of total housing starts from 2013-2017 compared to 13% from 2008-2012.
- In the last 10 years, 56% of rental housing starts in Metro Vancouver have been located in the City of Vancouver.

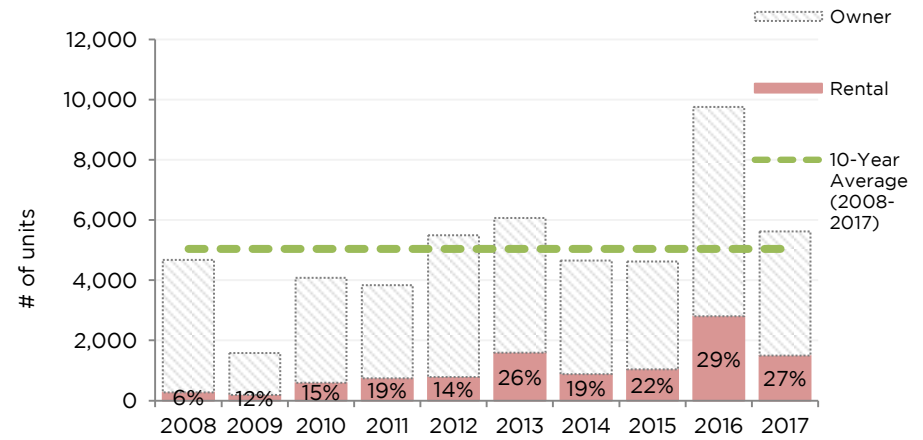


Figure 2.2.10. Vancouver annual housing starts, 2008-2017

**Table 2.2.4. Rental housing starts in Vancouver and the rest of the region, 2008-2017**

Year	City of Vancouver			Rest of Region		
	Rental	All housing	% Rental	Rental	All housing	% Rental
2008	269	4,670	6%	479	14,921	3%
2009	192	1,576	12%	255	6,758	4%
2010	594	4,075	15%	460	11,142	4%
2011	743	3,830	19%	1012	14,037	7%
2012	780	5,498	14%	497	13,529	4%
2013	1,594	6,071	26%	472	12,625	4%
2014	881	4,648	19%	811	14,534	6%
2015	1,038	4,616	22%	1,082	16,247	7%
2016	2,806	9,759	29%	2,017	18,155	11%
2017	1,492	5,617	27%	1,149	20,587	6%

\*Effective January 2013, single-detached houses with an attached accessory suite are recorded as one unit "Ownership, Single" and the accessory suite as one unit "Rental, Apt + Other". In 2012 and prior years, these structures were recorded as "Ownership, Freehold, Apt + Other" in Vancouver CMA.

## 2.2i. Rental Housing Completions

### Background:

- The CMHC completions are counted in the CMHC Starts and Completion Survey when a project has reached the stage at which all the proposed construction work on a dwelling unit has been performed, although under some circumstances a dwelling may be counted as completed where up to 10 percent of the proposed work remains to be done.
- Housing starts across the region are reported monthly on the CMHC Housing Market Information Portal (<https://www03.cmhc-schl.gc.ca/hmiportal#Profile/1/1/Canada>).

### Key Observations:

- Housing completions have picked up in 2013 and have remained steady since. This trend indicates that significant quantities of rental supply have been approved under new rental incentive programs, such as the Short Term Incentives for Rental (STIR) and Rental 100 program have gradually been opening in the last 5 years, assuming that projects completed in 4 years or less. In the last 10 years, 44% of the regional rental housing completions have been in the City of Vancouver.

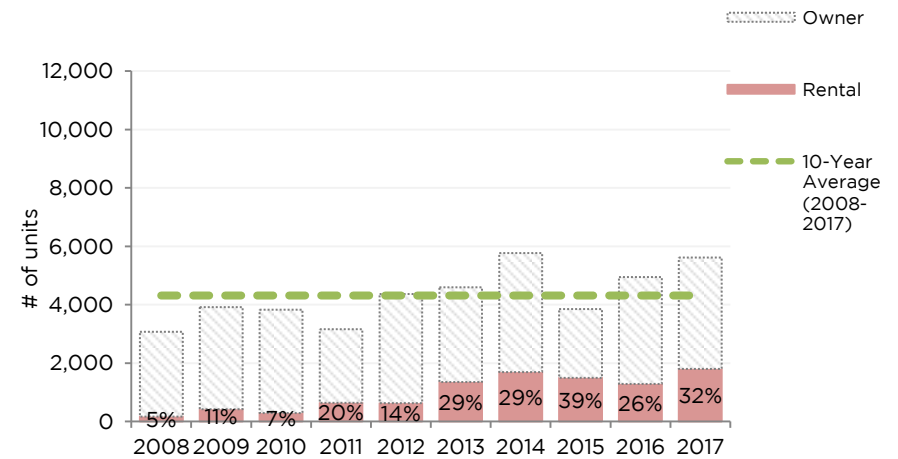


Figure 2.2.11. Vancouver annual housing completions, 2008-2017

Table 2.2.5. Rental housing completions in Vancouver and the rest of the region, 2008-2017

Year	City of Vancouver			Rest of Region		
	Rental	All housing	% Rental	Rental	All housing	% Rental
2008	166	3,072	5%	395	16,078	2%
2009	413	3,909	11%	549	12,879	4%
2010	287	3,827	7%	507	12,647	4%
2011	642	3,154	20%	442	9,765	5%
2012	624	4,369	14%	969	12,589	8%
2013	1,346	4,598	29%	1,763	13,794	13%
2014	1,693	5,772	29%	1,268	11,959	11%
2015	1,495	3,844	39%	1,887	13,502	14%
2016	1,284	4,947	26%	2,229	13,201	17%
2017	1,802	5,616	32%	2,998	16,190	19%

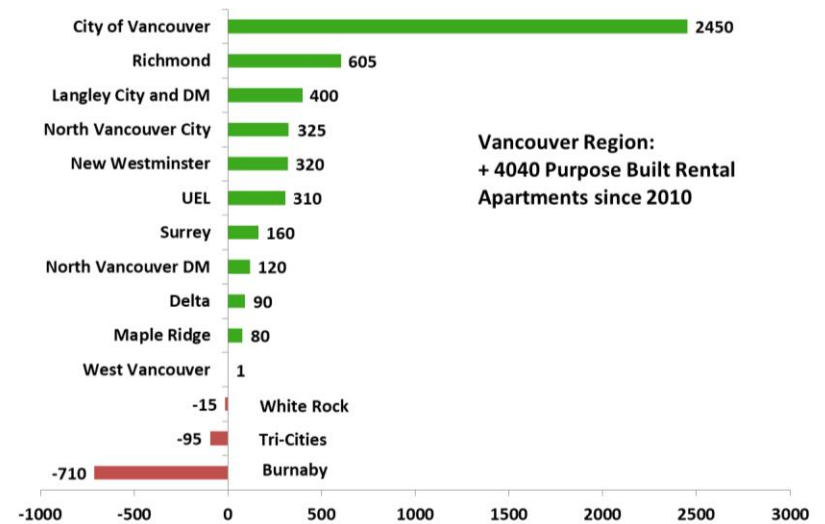
### 2.2j. Change of Rental Stock Over Time

**Background:**

- The change in the CMHC count of the purpose-built rental universe from 2010-2017 was used to estimate the net gains or loss in rental housing stock in municipalities across Metro Vancouver.
- The purpose-built rental universe is estimated in the Rental Market Survey by CMHC and updated on an annual basis.

**Key Observations:**

- Vancouver led the region with the highest net gain in purpose-built rental units due to both the effectiveness of the Rental Housing Stock ODP in protecting against major losses and the City’s various rental incentive programs that encouraged new rental construction.
- White Rock, Tri-Cities, and Burnaby have experienced a net loss of rental housing, which impacts the affordable rental supply region-wide
- Over the last 8 years, Vancouver has lost approximately 805 purpose-built rental units due to demolitions, renovations, and conversion; however, significant net gains from new rental construction (3,105 units) have resulted in a net increase of 2,300 rental units.



**Figure 2.2.10.** Change in apartment units in rental market universe, 2010-2017

**Table 2.2.6.** Net Change in purpose-built rental units across Vancouver by development type, 2009-2017

Development type	Losses	Gains
New construction	0	3,008
Conversion (+)	0	14
Renovation (+)	0	83
Demolished	-560	0
Renovation (-)	-25	0
Conversion (+)	-220	0
Total	-805	3,105
Net	2,300	

*\*Note that net changes shown in the table above are sourced from development activity tracked by the City of Vancouver, which vary slightly from the net change in apartment rental units reported by CMHC*



## 2.3 Ownership Housing

This section discusses ownership housing stock throughout Vancouver. In this section, an overview of stock, housing type, and strata starts/completions will be provided.

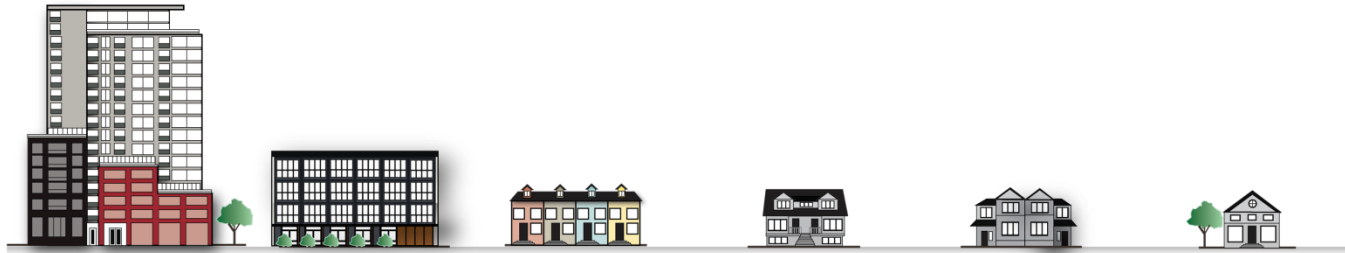
### 2.3a. Estimated Total Ownership Stock

#### Background:

- Ownership households by structure types were estimated in the 2016 Census by Statistics Canada, which is performed every five years.

#### Key Observations:

- In 2016, approximately 44% of ownership households resided in apartment buildings.
- One-family zoning (RS) districts take up approximately 65% of Vancouver developable landmass and house approximately 26% of all owner-occupied dwellings in Vancouver.
- Townhouses (row houses) make up approximately 4% all owner-occupied household in Vancouver.



	Apartment (5 Storeys or More)	Apartment (4 Storeys or Less)	Row house	Duplex	Semi-detached house	Single-detached house	Total
# Households	30,125	28,540	5,770	30,360	3,330	34,915	133,040
% Owner-Occupied Households	23%	21%	4%	23%	3%	26%	100%

\*Note: ownership dwelling counts exclude 125 dwellings counted as other structure types such as laneways, other attached houses, or movable dwellings.

Figure 2.3.1. Estimated ownership stock by housing type, 2016

### 2.3b. Ownership Housing Starts

#### Background:

- The CMHC ownership housing starts are counted in the CMHC Starts and Completion Survey as units confirmed to have reached above-grade in the construction process.
- Freehold ownership is defined by CMHC as a residence where the owner owns the dwelling and lot outright.
- Freehold ownership typically refers ground-oriented dwellings such as single detached homes, row houses, duplexes, and semi-detached homes.
- A condominium (including strata-titled condominiums) is defined by CMHC as an individual dwelling unit which is privately owned, but where the building and/or the land are collectively owned by all dwelling unit owners. A condominium is a form of ownership rather than a type of house.
- Condos typically refer to multi-family apartment structures.

#### Key Observations:

- Ownership housing starts peaked for the City of Vancouver in 2014 at 4,079 units.
- In the last 10 years the majority of housing starts in the City have been ownership units.

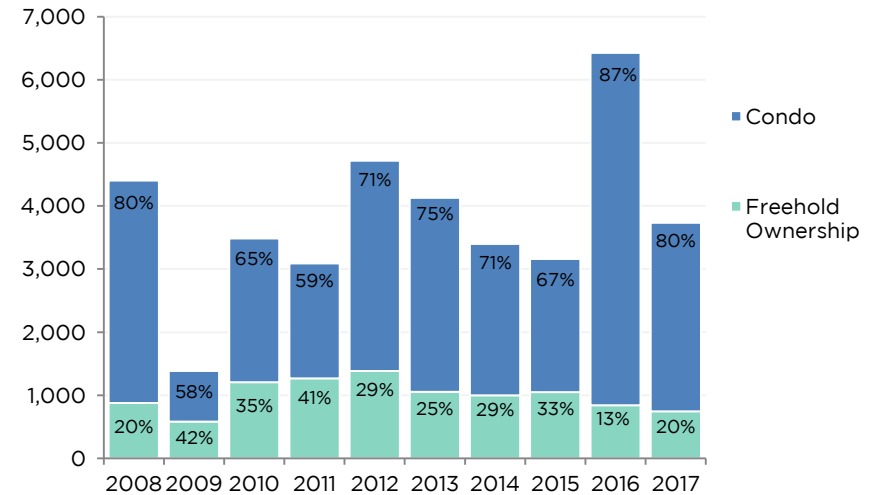


Figure 2.3.2. Strata vs. freehold ownership housing starts in Vancouver, 2008-2017

**Table 2.3.1.** Ownership housing starts in Vancouver and the rest of the region, 2008-2017

Year	City of Vancouver				Rest of Region			
	Freehold ownership	Condo	Total starts	% condo	Freehold ownership	Condo	Total starts	% condo
2008	875	3,526	4,401	80%	3,801	10,641	14,442	68%
2009	582	802	1,384	58%	3,145	3,358	6,503	21%
2010	1,207	2,274	3,481	65%	4,657	6,025	10,682	38%
2011	1,265	1,822	3,087	59%	4,571	8,454	13,025	54%
2012	1,383	3,335	4,718	71%	4,272	8,760	13,032	56%
2013	1,052	3,075	4,127	75%	2,788	8,632	11,420	55%
2014	1,000	2,396	3,396	71%	3,354	9,146	12,500	58%
2015	1,049	2,111	3,160	67%	3,405	10,488	13,893	67%
2016	842	5,582	6,424	87%	3,915	10,644	14,559	68%
2017	745	2,989	3,734	80%	3,821	14,058	17,879	90%

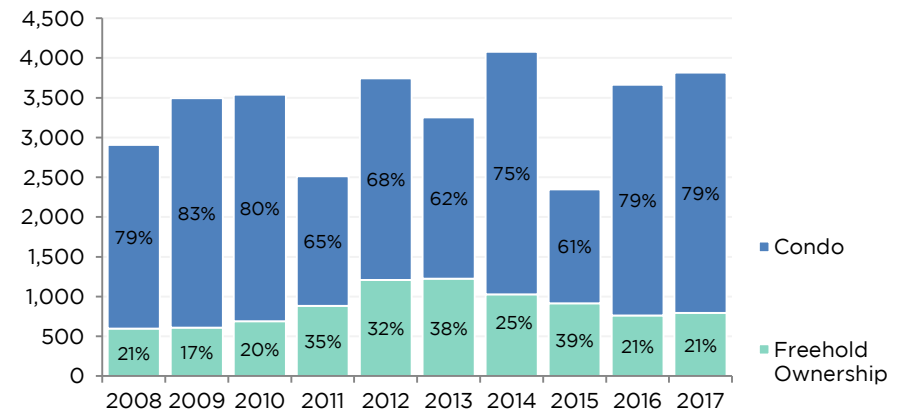
### 2.3c. Ownership Housing Completions

**Background:**

- The CMHC completions are counted in the CMHC Starts and Completion Survey when a project has reached the stage at which all the proposed construction work on a dwelling unit has been performed, although under some circumstances a dwelling may be counted as completed where up to 10 percent of the proposed work remains to be done.
- Housing starts across the region are reported monthly on the CMHC Housing Market Information Portal (<https://www03.cmhc-schl.gc.ca/hmiportal#Profile/1/1/Canada>).

**Key Observations:**

- In the last 10 years the majority of housing completions in the Vancouver have been ownership units.
- In the last 10 years, the majority of ownership completions have been condo compared to freehold ownership with 79% being condo and 21% freehold ownership completion in Vancouver.



**Figure 2.3.3.** Strata vs. freehold ownership housing completions in Vancouver, 2008-2017

**Table 2.3.2.** *Ownership housing completions in Vancouver and the rest of the region, 2008-2017*

Year	City of Vancouver				Rest of Region			
	Freehold ownership	Condo	Total completions	% <i>condo</i>	Freehold ownership	Condo	Total completions	% <i>condo</i>
2008	598	2,308	2,906	79%	3,736	11,947	15,683	76%
2009	611	2,885	3,496	83%	3,519	8,811	12,330	56%
2010	691	2,849	3,540	80%	4,273	7,867	12,140	50%
2011	884	1,628	2,512	65%	3,842	5,481	9,323	35%
2012	1,210	2,535	3,745	68%	4,632	6,988	11,620	45%
2013	1,225	2,027	3,252	62%	3,134	8,897	12,031	57%
2014	1,028	3,051	4,079	75%	3,061	7,630	10,691	49%
2015	917	1,432	2,349	61%	3,176	8,439	11,615	54%
2016	764	2,899	3,663	79%	3,350	7,622	10,972	49%
2017	796	3,018	3,814	79%	3,425	9,767	13,192	62%

### 2.3d. Change in Dwelling Units in Low-Density Areas

#### Background:

- *Housing Vancouver* includes a priority action to expand housing options in low-density areas, including areas of the city currently zoned for one- and two-family units (RS and RT)
- Staff have developed a key outcome measure to track the impact of policies aimed at increasing housing options and choice in low-density areas, including options to create new laneway and coach homes, row houses, townhomes, and higher-density forms. The outcome measure looks at areas that were zoned as RS or RT in 2017, and will track the change in dwelling units in those areas over the next 10 years. More information on *Housing Vancouver* outcome measures is available in Section 5.2.
- All data for dwelling unit counts comes from BC Assessment, and is categorized by the year the data became available. The year of collection is roughly the previous year from the data availability year.

#### Key Observations:

- Since 2016, the annual increase in the number of dwelling units in low-density areas has been less than 1% of overall dwelling units in these areas.
- Between 2016 and 2018, there has been an increase in over 1,300 dwelling units in low-density areas.
- From 2017-2018, the majority of additional dwelling units are attributable to the addition of laneway houses and/or secondary suites, which are allowed under existing zoning.

**Table 2.3.3.** Dwelling units in low-density areas (zones RS or RT as of 2017)

	2016	2017	2018	Total change (2016-2018)
# of dwelling units	90,839	91,481	92,198	
Dwelling unit increase		642	717	1,359
% change from prev. year		0.71%	0.78%	1.5% (3-year)

## 2.4 Development Processing

This section discusses the City's effort to process development and building permits, as well as rezoning applications and enquiries especially for affordable housing.



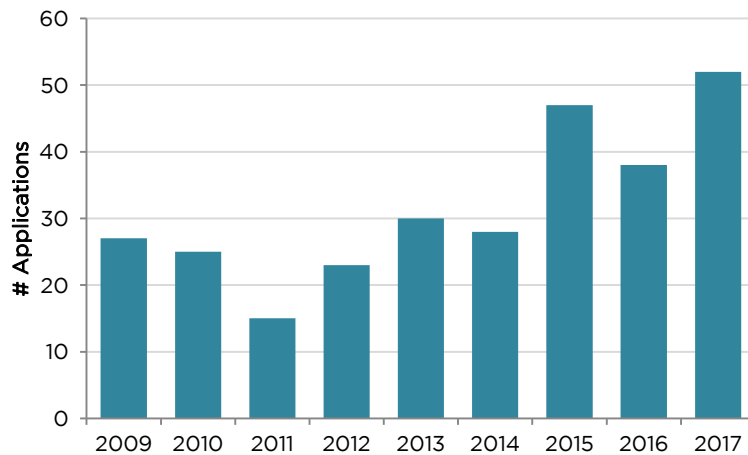
## 2.4a. Rezoning Applications for Residential Development

### Background:

- Rezoning applications are tracked by the City of Vancouver's Rezoning Centre and reported on a quarterly basis.

### Key Observations:

- Annual rezoning applications have increased substantially since 2014 to nearly double the historic average.
- New Community Plans are introducing more pre-zoned areas, but based on the stream of applications and new rezoning policies this volume is expected to continue and potentially increase.



**Figure 2.4.1.** Volume of rezoning applications for residential projects from 2009-2017\*

\*Note that rezoning applications are for new construction projects and exclude text amendments to existing CD-1 sites.

### 2.4b Development and Building Permit Volumes

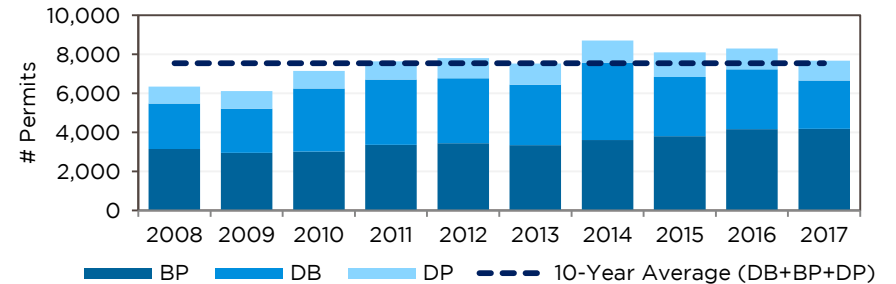
**Background:**

- Development and building permits are closely tracked from application to issuance date.
- Development permits (DP) give permission to use or develop property under the City’s zoning regulations.
- Building permits (BP) give permission to carry out development in accordance with the Vancouver Building By-Law either as approved by a development permit or where a development permit is not required, including to demolish, excavate or carry out new construction, alterations and renovations of existing buildings.
- Combined development-building permit (DB) typically involves simple construction or renovation projects related to tenant improvements, field reviews, laneway houses, and most new one-family and two family dwellings.
- Multi-family housing typically requires a DP and a BP
- Further statistics on building permits and combined development-building permits issued can be found here: <http://vancouver.ca/home-property-development/statistics-on-construction-activity.aspx>.

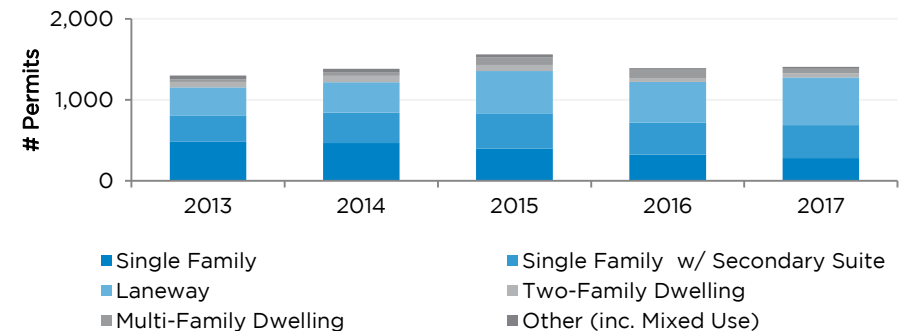
**Key Observations:**

- Building permit volumes for residential projects have grown in recent years, which peaked over the last 5 years in 2015 with 1,560 permits issued.
- 33% of all building permits were issued to construct laneways in the last 5 years, which was the largest share of total permits issued for residential projects with 2,350 permits
- Mixed-use residential projects made up 45% of new housing created from building permits issued in the last 5 years, which was the building type with the largest share of new housing with 14,466 dwelling units
- Overall permit application volumess dropped in quarter 4 of 2017 (compared to 2016). This may have been caused by the construction industry’s capacity to access labour, equipment, and materials after pressures resulting from the record number of housing starts in 2016 (See *Section 2.2h. Rental*

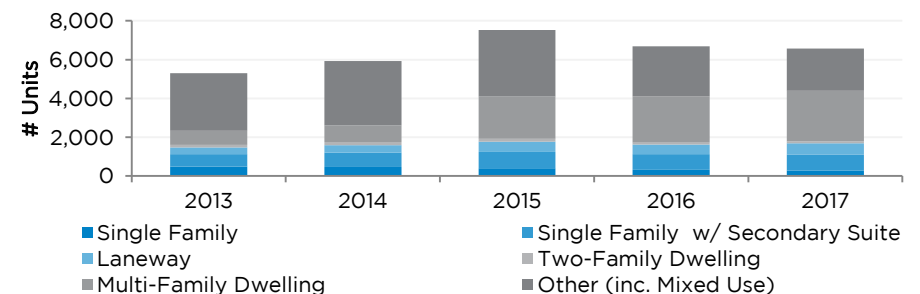
*Housing Starts*). Early indicators from 2018 show this may have been a short-term dip.



**Figure 2.4.2.** Development and building permit applications received, 2008-2017



**Figure 2.4.3.** Building Permit Volumes - Residential New Construction



**Figure 2.4.4.** New Dwelling Units Associated with Building Permit Volumes

### 2.4c. Housing Development Permit Processing Times

**Background:**

- Development and building permit processing times are closely tracked from application to issuance date by the City.
- Permit processing times are dependent on the complexity of the project and include City and customer time.
- Median processing times shown in Table 2.4.1 apply to new construction projects for residential use.
- The City implemented a new permitting system in late 2016. The data structures and reporting are evolving and housing metrics will improve over time.

**Key Observations:**

- For One & Two-Family Housing, permit times vary significantly based on complexity, whether the development is outright or conditional, and the experience of the homebuilder. On higher complexity/larger scale projects, a development permit is required before the project can receive their building permit. This would typically include multiple family dwellings (social & supportive housing, purpose-built rental, condos, townhouses), and conditional one- or two-family dwellings and infills of higher complexity.

*Table 2.4.1. Development and building permit median processing time for new build from intake to issuance*

Permit type	Median processing time*
One & two-family dwellings: combined development & building permit	35 weeks
Multi-family housing permits	34 weeks

*\*Permit times were tracked in the last 13 weeks up to May 10th*

## 2.4d. Expediting Affordable Housing: SHORT Pilot

### Background:

- The City launched the Social Housing or Rental Tenure Pilot (SHORT) in 2017 as a 2 year pilot with a goal to reduce permitting time by half for 20 affordable housing projects (~1,700 units).
- The City tracks the rezoning, development permit and building permit processing times of SHORT projects.
- Lessons learned from the pilot will be scaled to enable faster development of all multi-family affordable housing projects.

### Key Observations:

- Currently, more complex and pre-pilot projects are adding time to rezoning projects.
- Median development permit time for SHORT projects from application to issuance is approximately 12.9 weeks.

**Table 2.4.2. Median vs. target processing time for SHORT projects**

As of April 2018

	Target	Median SHORT actuals (to date)
Rezoning approvals	28 wks	35 wks
DP issuance	12 wks	12.9 wks
BP stage 1 issuance	6 wks	3.7 wks

*\*Stage 1 issuance would typically allow the applicant to commence site excavation while review of subsequent construction is in progress.*

## 2.4e. Enable Ground-Oriented Housing: ASAP Pilot

### Background:

- The City launched the Applicant Supported and Assisted Process (ASAP) pilot in May 2018 with the goal of streamlining the outright development permit process for experienced home designers and builders.
- The goal is to issue DP/BP and demolition permits in parallel and all within 6-8 weeks.
- The first phase of the ASAP pilot will include 20-30 projects.
- The pilot relies on the commitment of applicants to meet specific criteria and provide a single point of contact through the end to end process.
- Lessons and successes from the ASAP pilot will be scaled to the broader outright low density housing development process.

### Key Observations:

- Pre-application reviews are not typically required, but the ASAP pilot requires a 6-8 week pre-application period to resolve all design, landscape and infrastructure issues.
- The project launched prior to the publication of this data book, so actual times are not available and will be published in the next update to this data book.

	Current average times	ASAP target times
Pre-applications	Unknown*	6-8 wks
DP/BP/Demo	28 - 38 wks	6-8 wks

*\*The pre-applications process is not required for low density development and is currently not tracked in City systems.*

## **Section 3: Growth and Demand Indicators**

This chapter discusses the various drivers of demand in Vancouver's housing market. The overview of housing demand in Vancouver includes economic trends, employment, population growth, migration, and market forces.

### 3.1 Economic Indicators

This section discusses the various indicators of housing market growth in Vancouver. Here, we will provide an overview of Vancouver’s economic growth, population projections, migration trends, and employment.

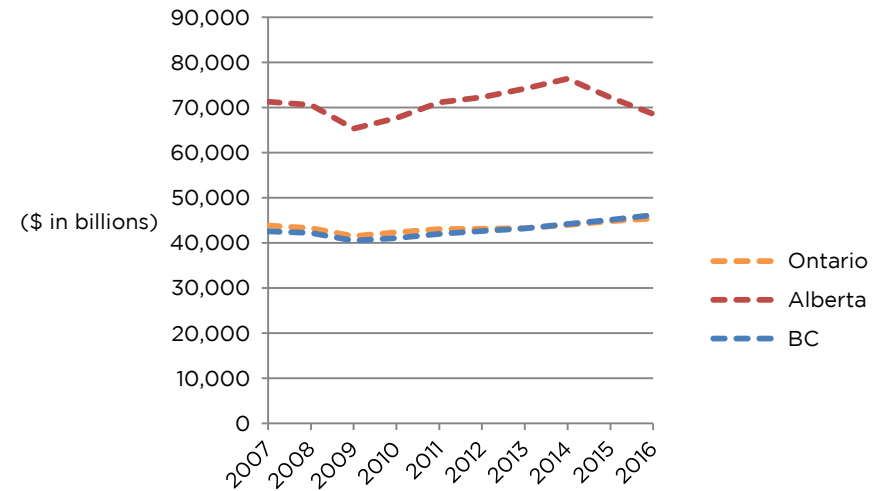
#### 3.1a. Gross Domestic Product (GDP)

**Background:**

- Data on Gross Domestic Product (GDP) was obtained from Statistics Canada.
- GDP per capita was calculated by dividing annual GDP at basic prices in chained 2007 dollars by the total provincial population estimate. Chained dollars is a method of adjusting for inflation. In this case, 2007 price levels are the base which all other prices are being adjusted to. Adjusting for inflation helps compare year-over-year changes to GDP.
- GDP is expressed at basic prices, which is defined as GDP at market prices, less taxes and subsidies. All dollar amounts are expressed in 2007 dollars, which means prices are adjusted for inflation to 2007 levels.

**Key Observations:**

- BC’s GDP per capita at basic prices has remained fairly stable between 2007 and 2016, consistently being between \$40,000 and \$47,000. In 2011, BC’s GDP per capita began to rise consistently into 2016.



**Figure 3.1.1.** Provincial GDP at basic prices, per capita, expressed in chained 2007 dollars, 2007-2016

### 3.1b. Inflation and Consumer Price Index (CPI)

#### Background:

- All data on inflation and CPI are from Statistics Canada and are for the Metro Vancouver region as a whole. CPI is based on 2002 prices, where 2002 prices = 100 CPI.
- Inflation is the rate at which the price of goods and services rises, which affects the overall purchasing power of currency.
- Consumer Price Index (CPI) is an indicator of changes in consumer prices. CPI is calculated by comparing, over time, the cost of a fixed basket of goods and services purchased by consumers.
- Shelter CPI is one of the most important components of overall CPI as it represents a large share of the profiled expenses.
- Shelter CPI only considers shelter cost changes independent of any changes in the characteristics of the dwelling unit. For rental units, shelter CPI accounts for changes in amenities and services offered to tenants, renovations, or new units being built. For owned homes, shelter CPI accounts for mortgage rates, replacement cost, property taxes, homeowner and mortgage insurance, maintenance and repairs, and other owned accommodation expenses.
- Inflation and CPI changes are relevant to incomes, housing costs, and affordability, as all of these measures are connected to inflation rates.

#### Key Observations:

- Both overall CPI and shelter CPI increased between 2007 and 2017.
- CPI for shelter was higher than overall CPI in Metro Vancouver in 2007.
- Over the past 10 years, overall CPI has increased at a higher rate than CPI for shelter and overall CPI has surpassed shelter CPI.
- CPI for shelter in terms of year-over-year percentage changes was more volatile than overall CPI between 2007 and 2017.

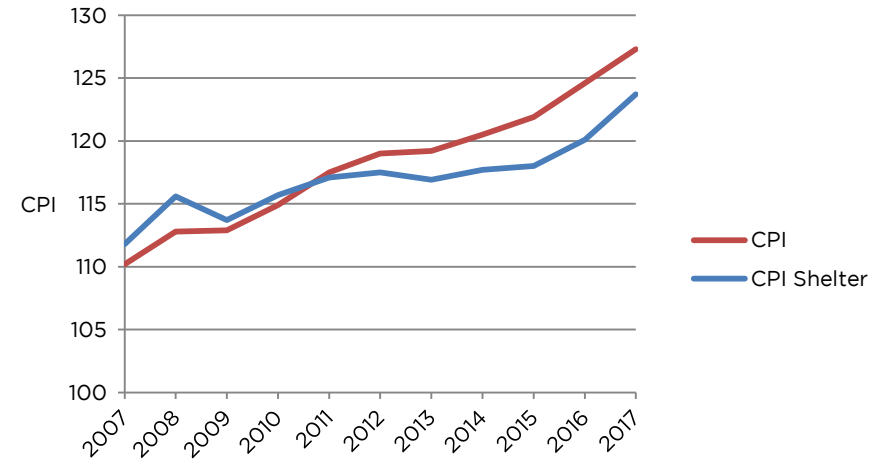


Figure 3.1.2. Metro Vancouver CPI, 2007-2017

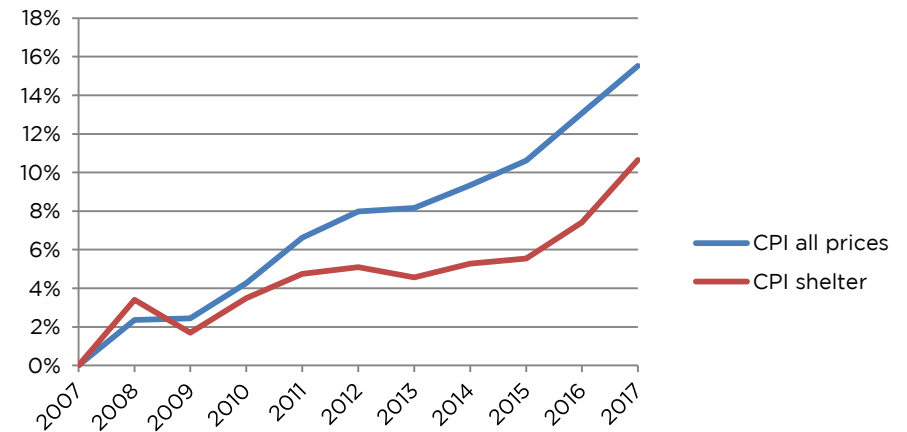


Figure 3.1.3. Metro Vancouver CPI percentage increase from 2007 levels, 2007-2017

\*CPI bases on 2002 prices, where 2002 prices = 100 CPI.



**Table 3.1.1. Metro Vancouver Consumer Price Index (CPI), 2007-2017**

Year	CPI all prices	% change for CPI all prices from prev. year	CPI shelter	% change for CPI shelter from prev. year
2007	110.2	-	111.8	-
2008	112.8	2.4%	115.6	3.4%
2009	112.9	0.1%	113.7	-1.6%
2010	114.9	1.8%	115.7	1.8%
2011	117.5	2.3%	117.1	1.2%
2012	119.0	1.3%	117.5	0.3%
2013	119.2	0.2%	116.9	-0.5%
2014	120.5	1.1%	117.7	0.7%
2015	121.9	1.2%	118.0	0.3%
2016	124.6	2.2%	120.1	1.8%
2017	127.3	2.2%	123.7	3.0%

\*CPI bases on 2002 prices, where 2002 prices = 100 CPI.

### 3.1c. Labour Force and Unemployment Rate

**Background:**

- All data for employment analysis comes from Statistics Canada 2006 and 2016 Census and 2011 National Household Survey.
- The unemployment rate is defined as the proportion of the labour force which is unemployed. The labour force is comprised of all residents ages 15 and over who are willing to work and either employed or seeking work. For example, retired residents who are not looking for work are not considered part of the labour force.

**Key Observations:**

- The Metro Vancouver regional labour force has grown consistently between 2006 and 2016. An increasing regional labour force affects population and the housing requirements throughout Metro Vancouver.
- The unemployment rate in Metro Vancouver was consistently lower than other major Canadian Census Metropolitan Areas (CMA), such as Toronto and Montreal CMAs. A low unemployment rate signals a strong regional economy and employment, which creates pressure on regional housing demand.

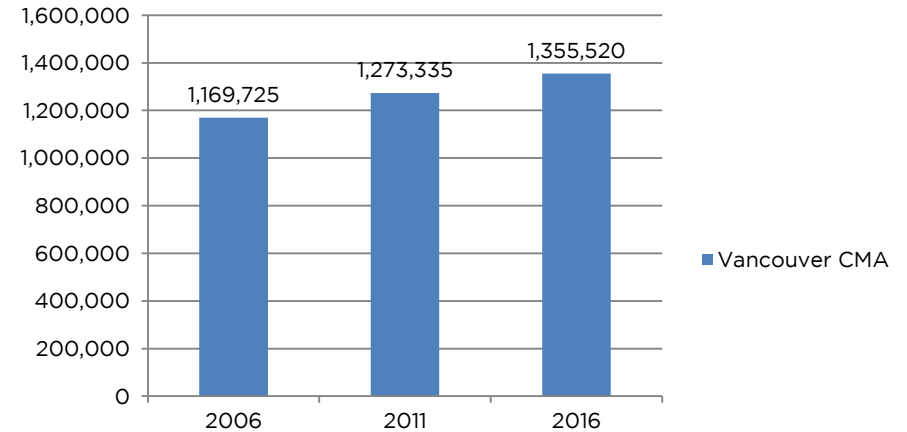


Figure 3.1.4. Metro Vancouver labour force, 2006-2016

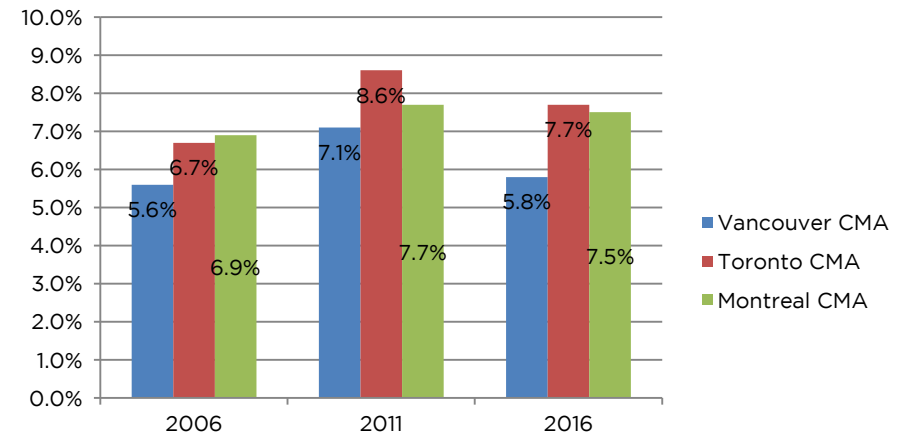


Figure 3.1.5. Unemployment rates for major Canadian Census Metropolitan Areas, 2006-2016

### 3.1d. Population

#### Background:

- All data for population is directly sourced from Statistics Canada. Population data is from the 2006, 2011, and 2016 Census programs. Population includes the number of people residing within the City of Vancouver during reporting.
- Metro Vancouver is working with municipalities to develop Long Range Growth Scenarios for population, housing and employment projections to guide regional and local growth management planning. The outcomes of the project will inform the next iteration of the Regional Growth Strategy and support future updates to other regional and local plans including the *Housing Vancouver Strategy*.

#### Key Observations:

- Between 2006 and 2016, population in the City of Vancouver grew substantially. Vancouver's population increased by over 50,000 residents over this 10-year period. The regional population for all of Metro Vancouver increased by nearly 350,000 residents in this same 10-year period.

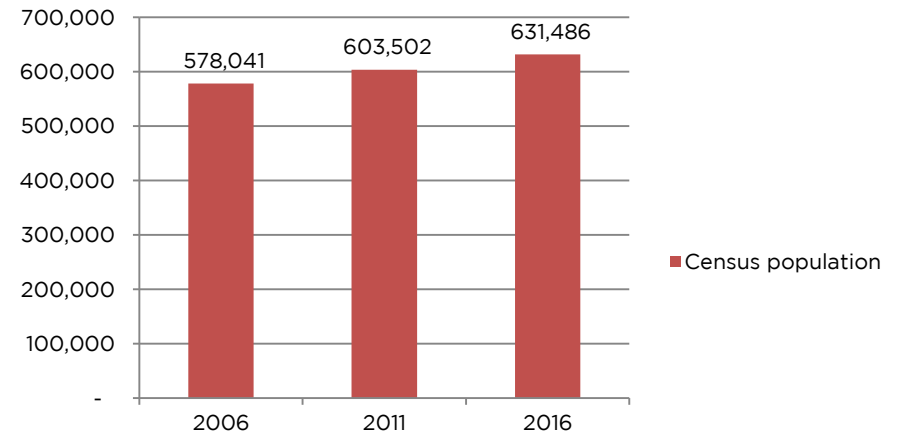


Figure 3.1.6. City of Vancouver census population, 2006-2016

### 3.2. Market/Ownership Demand

This section discusses home ownership demand. Here, an overview of lists/sales, mortgage rates, and investor demand will be provided.

#### 3.2a. Home Listings and Sales

##### Background:

- All data on home sales and listings is from MLS® Sales and Listings Facts for each respective year. A home listing is defined as the listing of a home for sale on the marketplace.
- Listings numbers are expressed as cumulative listings rather than active listings.

##### Key Observations:

- In both Vancouver West and East, 2015 saw the greatest number of overall home sales.
- 2017 had the largest difference between listings and sales throughout the period in both Vancouver West and East.
- In Vancouver West, there were consistently more listings and sales for apartment units, followed by detached homes, then attached homes (i.e. townhouses).
- In Vancouver East from 2012-2017, detached homes consistently had the most listings. In 2016 and 2017, apartment units had the most sales in Vancouver East.

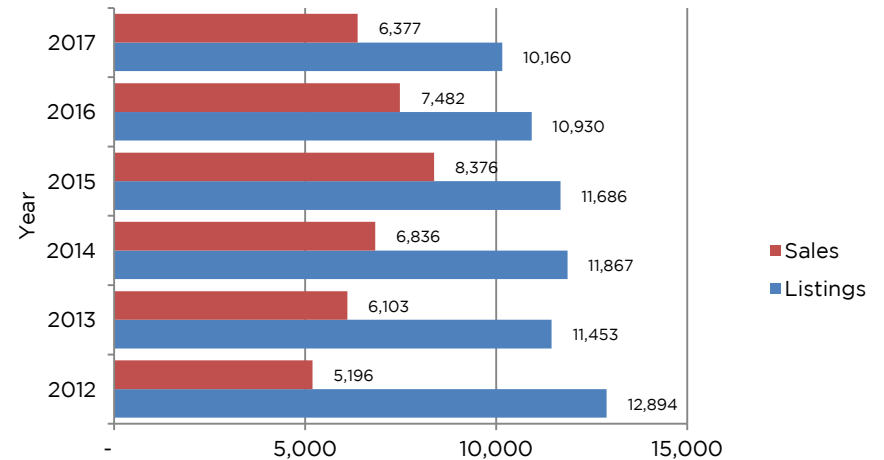


Figure 3.2.1. Vancouver West listings and sales, 2012-2017

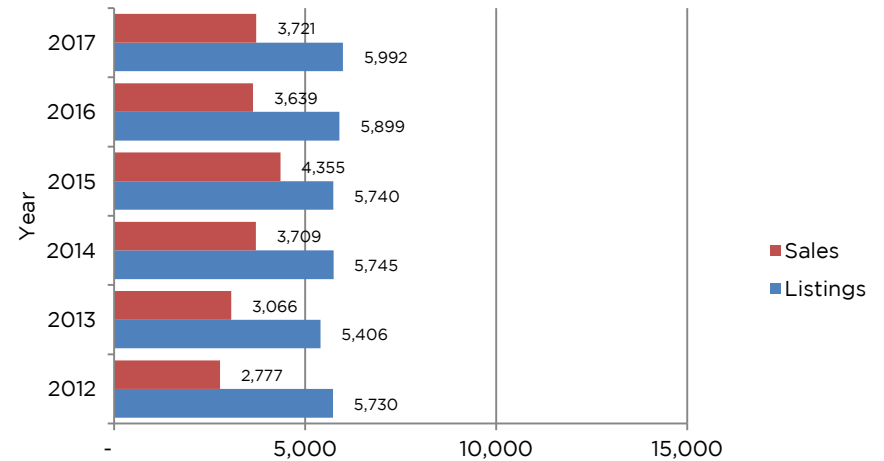


Figure 3.2.2. Vancouver East listings and sales, 2012-2017

\*Listings are cumulative listings for the entire calendar year, not total active listings

**Table 3.2.1. Listings and sales by housing type, 2012-2017**

Year	Vancouver West						Vancouver East					
	Detached home		Attached home		Apartment		Detached home		Attached home		Apartment	
	Listings	Sales	Listings	Sales	Listings	Sales	Listings	Sales	Listings	Sales	Listings	Sales
2012	3,598	1,243	1,322	536	7,974	3,417	2,736	1,267	756	362	2,238	1,148
2013	3,200	1,661	1,138	622	7,115	3,820	2,491	1,438	804	470	2,111	1,158
2014	3,258	1,783	1,171	658	7,438	4,395	2,474	1,753	756	507	2,515	1,449
2015	3,165	2,031	1,211	888	7,310	5,457	2,660	1,943	690	568	2,390	1,844
2016	3,073	1,591	1,007	710	6,850	5,181	3,147	1,494	655	441	2,097	1,704
2017	2,734	1,058	1,049	631	6,377	4,688	2,927	1,394	816	482	2,249	1,845

**Table 3.2.2. Median selling price by housing type, 2012-2017**

Year	Vancouver West						Vancouver East					
	Detached home	% change from prev. year	Attached home	% change from prev. year	Apartment	% change from prev. year	Detached home	% change from prev. year	Attached home	% change from prev. year	Apartment	% change from prev. year
2012	\$2,060,000	-	\$860,000	-	\$480,000	-	\$867,750	-	\$625,000	-	\$345,000	-
2013	\$2,177,500	6%	\$845,000	-2%	\$472,000	-2%	\$885,000	2%	\$622,000	0%	\$343,500	0%
2014	\$2,396,500	10%	\$967,500	14%	\$872,000	85%	\$657,250	-26%	\$490,000	-21%	\$343,750	0%
2015	\$2,838,000	18%	\$965,000	0%	\$536,000	-39%	\$1,220,000	86%	\$738,000	51%	\$380,900	11%
2016	\$3,500,000	23%	\$1,200,000	24%	\$646,500	21%	\$1,520,000	25%	\$890,000	21%	\$445,000	17%
2017	\$3,420,000	-2%	\$1,350,000	13%	\$758,500	17%	\$1,572,200	3%	\$1,020,500	15%	\$550,000	24%

\*Listings are cumulative listings for the entire calendar year, not total active listings

### 3.2b. Construction Costs

**Background:**

- Construction cost data is directly from Altus Group’s annual Canadian Cost Guide. The data for construction costs is founded on Altus Group’s proprietary database of project costs.
- For each year and building type, there are low-end and high-end construction cost estimates. This provides a range for construction costs as costs can vary due to a number of different factors. The construction cost estimates do not factor in inflation.

**Key Observations:**

- Over the past 3 years, Vancouver construction costs have consistently increased.
- The most significant construction cost increases have been for condo buildings, either 12 storeys and below or 13-39 storeys.

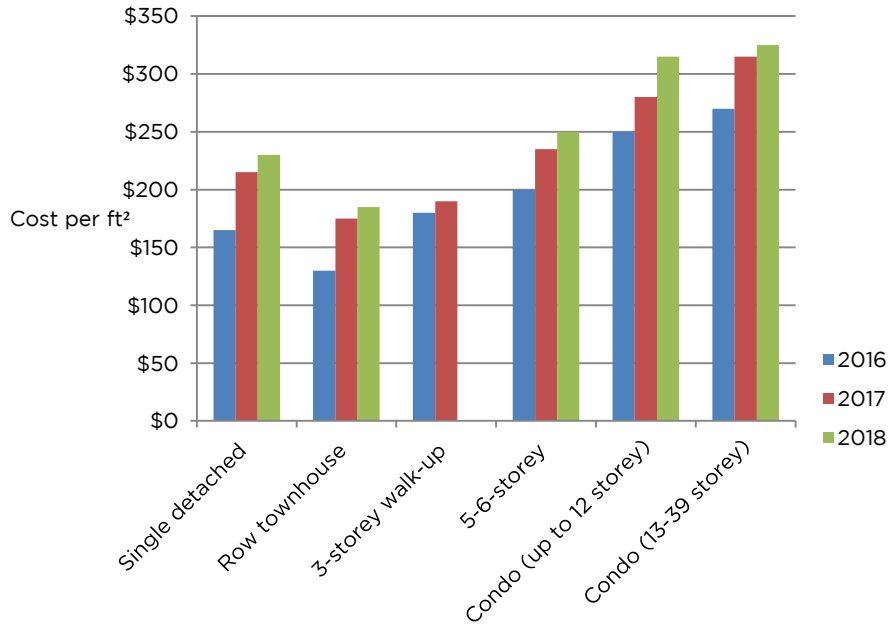
**Table 3.2.3. Vancouver construction cost per square foot by building type and year, 2016-2018**

		Single detached <sup>1</sup>	Row townhouse <sup>1</sup>	3-storey walk-up <sup>2</sup>	5-6-storey <sup>3</sup>	Condo (up to 12 storey)	Condo (13-39 storey)
2016	low	\$100	\$100	\$155	\$165	\$200	\$210
	high	\$165	\$130	\$180	\$200	\$250	\$270
2017	low	\$125	\$110	\$160	\$190	\$235	\$250
	high	\$215	\$175	\$190	\$235	\$280	\$315
2018	low	\$130	\$120	-	\$190	\$250	\$265
	high	\$230	\$185	-	\$250	\$315	\$325

<sup>1</sup>Unfinished basement

<sup>2</sup>Wood-frame with no elevator or underground parking

<sup>3</sup>Wood-frame with no underground parking

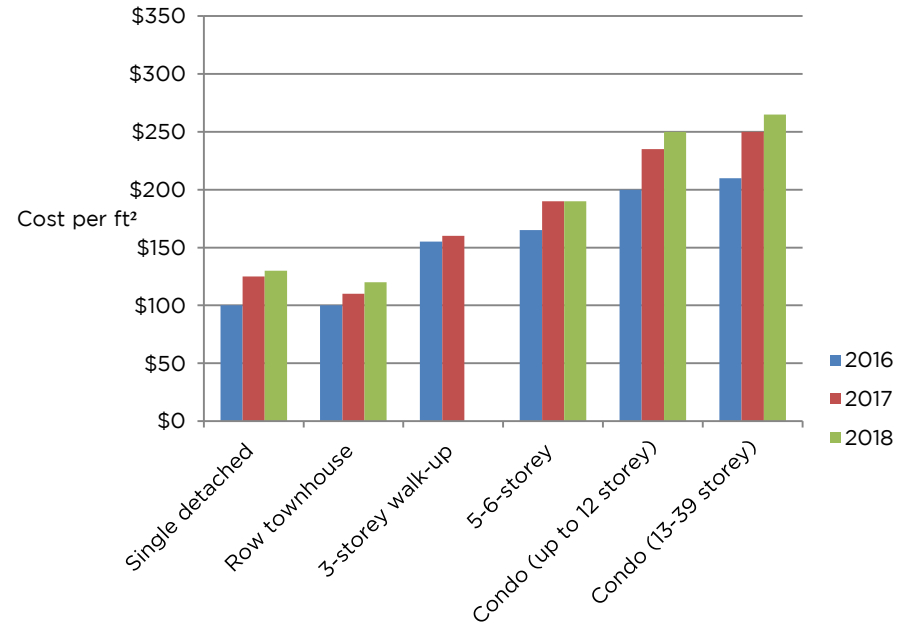


**Figure 3.2.3.** High-end Vancouver construction costs, 2016-2018

<sup>1</sup>Unfinished basement

<sup>2</sup>Wood-frame with no elevator or underground parking

<sup>3</sup>Wood-frame with no underground parking



**Figure 3.2.4.** Low-end Vancouver construction costs, 2016-2018

<sup>1</sup>Unfinished basement

<sup>2</sup>Wood-frame with no elevator or underground parking

<sup>3</sup>Wood-frame with no underground parking

### 3.2c. Capitalization Rates

#### Background:

- All data for capitalization rates (or cap rate) was obtained directly from Colliers International. Only data for multi-family low-rise and high-rise buildings were analyzed. Colliers provides a range for the capitalization rate for each quarter and residential building type. The cap rates at both the low end of the range and the high end of the range are discussed in this section.
- Colliers calculated cap rates for the entire Metro Vancouver region and data is not specific to the City of Vancouver.
- A capitalization rate or cap rate is defined as the net operating income of a real estate project divided by the current market value of the asset. Cap rates are one indicator used to help measure the potential return on a real estate investment. Generally, as cap rates fall, the price of real estate investments rise. Falling cap rates are an indication of rising real estate values.

#### Key Observations:

- Between 2013 and 2017, cap rates fell for both low-rise and high-rise multi-family buildings in Metro Vancouver.
- Cap rates have somewhat flattened since 2016.

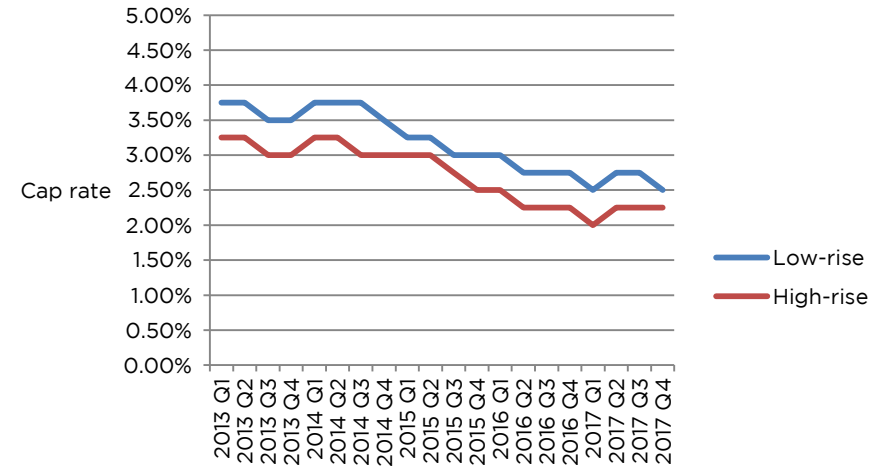


Figure 3.2.5. Regional cap rates (low end of range), 2013-2017

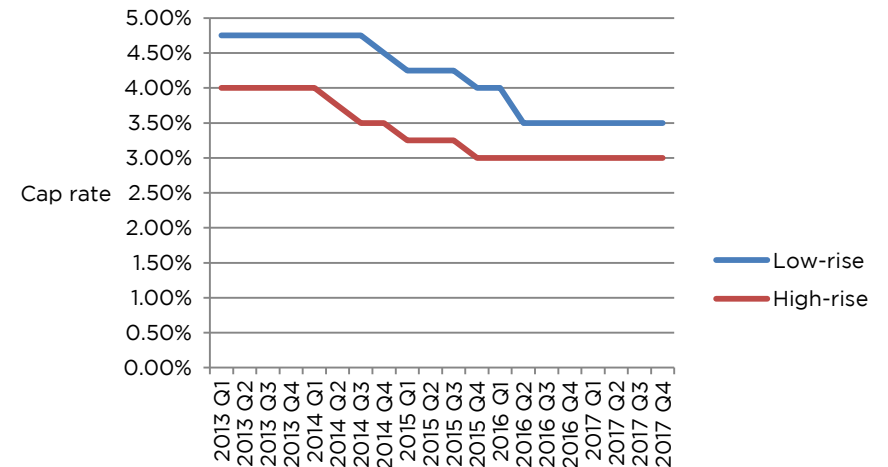


Figure 3.2.6. Regional cap rates (high end of range), 2013-2017

\*Only semi-annual reports were available for 2013. As a result, for 2013 data only, Q1 and Q2 use a common cap rate, as well as Q3 and Q4.



**Table 3.2.6. Metro Vancouver cap rates, 2013-2017**

	Low-rise		High-rise	
	Low-end	High-end	Low-end	High-end
2013 Q1	3.75%	4.75%	3.25%	4.00%
2013 Q2	3.75%	4.75%	3.25%	4.00%
2013 Q3	3.50%	4.75%	3.00%	4.00%
2013 Q4	3.50%	4.75%	3.00%	4.00%
2014 Q1	3.75%	4.75%	3.25%	4.00%
2014 Q2	3.75%	4.75%	3.25%	3.75%
2014 Q3	3.75%	4.75%	3.00%	3.50%
2014 Q4	3.50%	4.50%	3.00%	3.50%
2015 Q1	3.25%	4.25%	3.00%	3.25%
2015 Q2	3.25%	4.25%	3.00%	3.25%
2015 Q3	3.00%	4.25%	2.75%	3.25%
2015 Q4	3.00%	4.00%	2.50%	3.00%
2016 Q1	3.00%	4.00%	2.50%	3.00%
2016 Q2	2.75%	3.50%	2.25%	3.00%
2016 Q3	2.75%	3.50%	2.25%	3.00%
2016 Q4	2.75%	3.50%	2.25%	3.00%
2017 Q1	2.50%	3.50%	2.00%	3.00%
2017 Q2	2.75%	3.50%	2.25%	3.00%
2017 Q3	2.75%	3.50%	2.25%	3.00%
2017 Q4	2.50%	3.50%	2.25%	3.00%

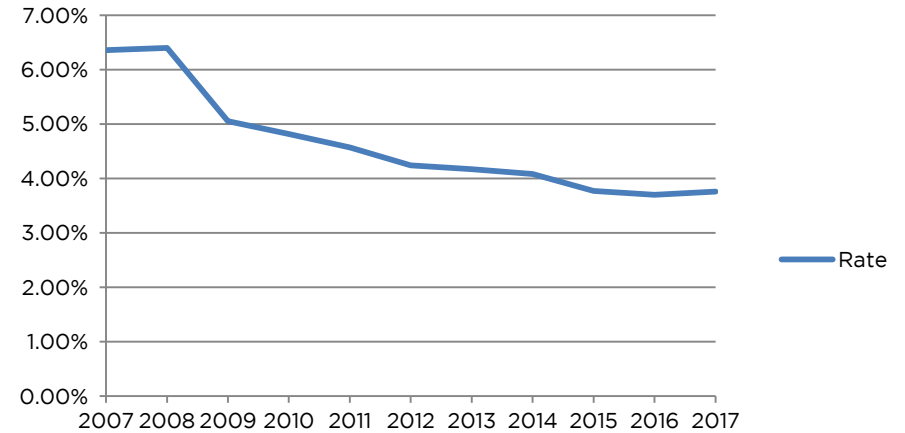
### 3.2d. Mortgage Rates

**Background:**

- Data on Canadian mortgage rates over time was obtained directly from the Bank of Canada. The mortgage rates shown in this section are the national average residential 5-year mortgage rates. The rate is an average rate for each calendar year.
- Mortgage rates are lending interest rates for property purchasers. Lower mortgage rates mean lower interest payments for the mortgager.

**Key Observations:**

- Average residential mortgage rates in Canada have been declining since 2008, except for a minor increase from 2013 to 2014.



**Figure 3.2.7.** Canada annual average residential 5-year mortgage rate, 2007-2017

Year	Rate
2007	6.36%
2008	6.40%
2009	5.05%
2010	4.82%
2011	4.57%
2012	4.24%
2013	4.17%
2014	4.08%
2015	3.77%
2016	3.70%
2017	3.76%

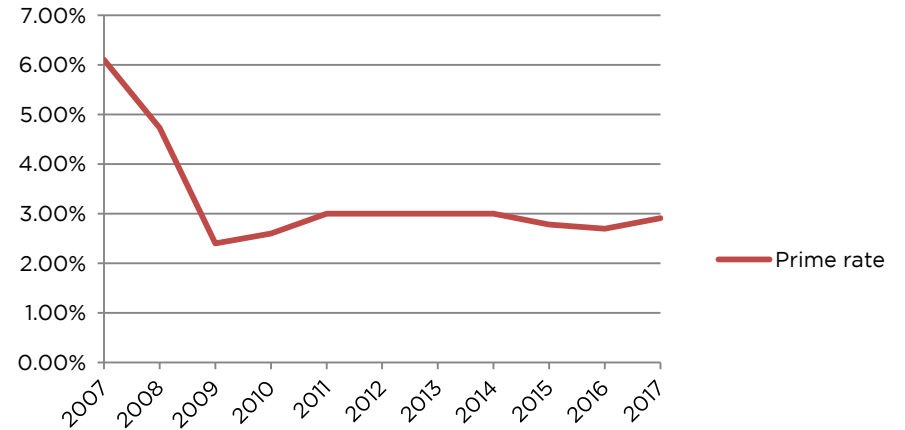
### 3.2e. Interest Rates

**Background:**

- Data on Canadian interest rates over time was obtained directly from the Bank of Canada. The interest rate shown in this section is the annual average prime business rate. The rate is an average rate for each calendar year.
- The prime business rate or prime rate is used to set interest rates on variable rate loans and mortgages. The prime rate is affected largely by the Bank of Canada’s ‘overnight’ rate, which is the target rate the Bank of Canada sets for financial institutions to lend one-day funds amongst themselves; however, each financial institution sets their own prime rate.

**Key Observations:**

- The average annual prime rate fell dramatically between 2007 and 2009 in Canada, with an average annual rate of 6.1% in 2007 and 2.4% in 2009.
- From 2011-2014, the average annual prime rate was consistent at 3.0%.
- In general, low interest rates make borrowing money less expensive, which affects housing development.



**Figure 3.2.8.** Canada annual average prime business rate, 2007-2017

Year	Rate
2007	6.10%
2008	4.73%
2009	2.40%
2010	2.60%
2011	3.00%
2012	3.00%
2013	3.00%
2014	3.00%
2015	2.78%
2016	2.70%
2017	2.91%

### 3.2f. Resident and Non-Resident Ownership

**Background:**

- Data for resident and non-resident ownership was obtained from Statistics Canada through the new Canadian Housing Statistics Program. To obtain resident and non-resident data, Statistics Canada uses various administrative sources such as land titles, property assessment data, census of population, tax, and Business Register data.
- Statistics Canada considers a residential property to be “owned by residents” when the majority of owners are individuals whose principal dwelling is in the economic territory of Canada, or entities engaged in economic activities from a location in the economic territory of Canada. Residential properties that do not meet these criteria are considered “owned by non-residents”.
- Given Statistics Canada’s definition of resident and non-resident owners, residential properties owned by individuals outside of Vancouver but within Canada would be considered “owned by residents”.

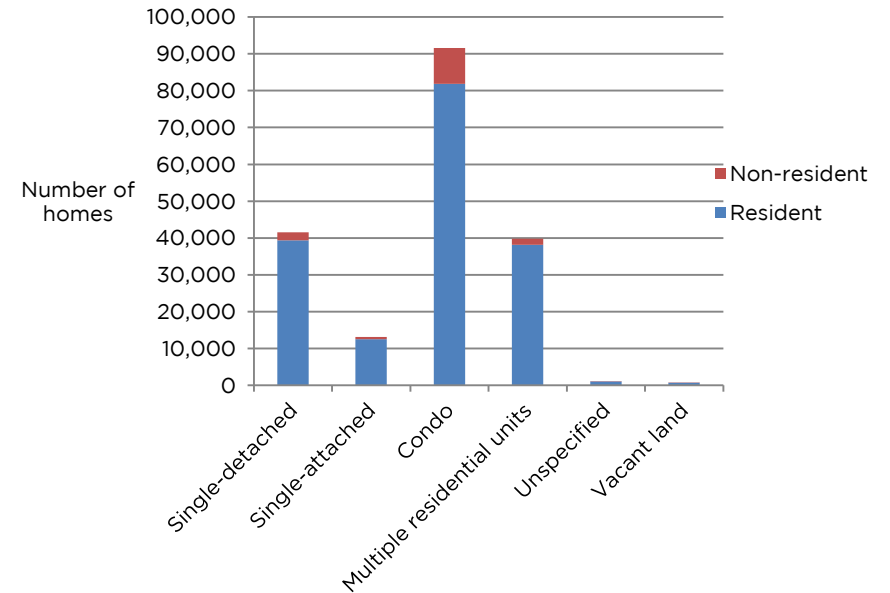


Figure 3.2.8. Property ownership by residency, 2017

**Key Observations:**

- In 2017, condominiums were the most prevalent housing type in Vancouver’s residential ownership market.
- The condominium stock had the highest proportion of non-resident ownership compared to all other housing types in the city.
- Vacant land had the lowest proportion of non-resident ownership compared to all other housing types in the city.

Housing Type	Resident	% of total	Non-resident	% of total
Single-detached	39,370	94.8%	2,176	5.2%
Single-attached	12,537	95.3%	620	4.7%
Condo	81,822	89.4%	9,746	10.6%
Multiple residential units	38,151	95.8%	1,690	4.2%
Unspecified	10,73	94.9%	58	5.1%
Vacant land*	698	97.2%	20	2.8%
Total	173,651	92.4%	14,310	7.6%

\*Vacant land refers to land on which there are currently no residential structures, but where one can be built. May also include land on which the residential structure has not yet been assessed yet.

### 3.2g. Property Transfers

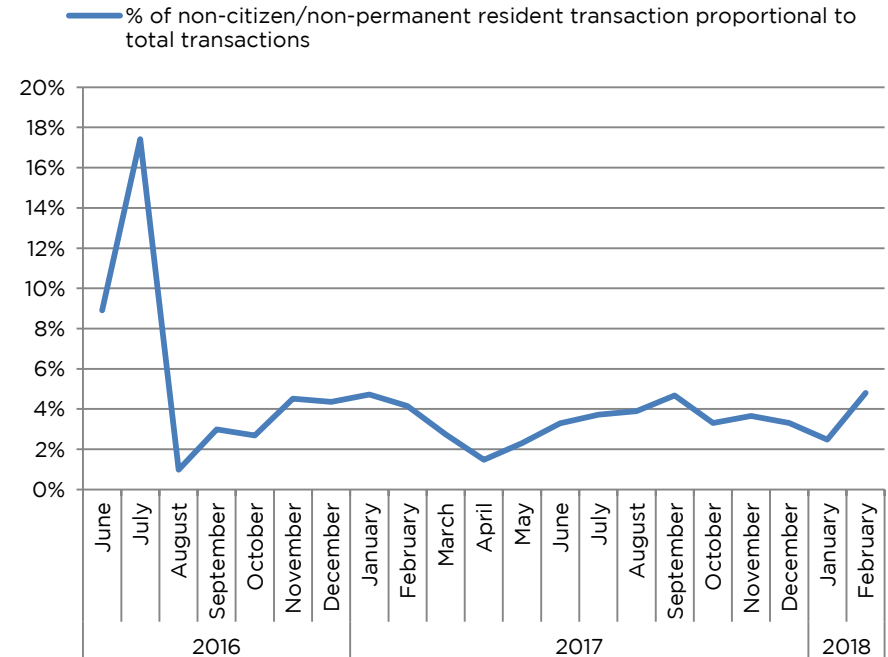
#### Background:

- Data on property transfers was obtained from the British Columbia Ministry of Finance. Information is based on property transfer tax records for the City of Vancouver dating back to June 2016 when data on non-Canadian citizen and non-permanent resident real estate purchases began to be collected.
- Property transfer taxes are paid upon transfer of any property in BC, with various exemptions. Property transfer tax data includes records of all property transactions.
- Property transfer tax data from the Province includes all market transactions, including residential, commercial, recreational, farm, and other property transactions. Up until 2018, the BC Ministry of Finance did not publicly separate non-citizen and non-permanent resident purchases by property type. As a result, in this report, transactions are not limited to residential properties and data includes transfers of all property types. The overwhelming majority of total transactions in Vancouver are residential sales.
- Effective August 2016, the BC government enacted legislation through amendment to the *Property Transfer Tax Act* that imposes an Additional Property Transfer Tax for Foreign Entities & Taxable Trustees. Prior to February 20, 2018, the tax rate for the Metro Vancouver Regional District was 15% of the fair market value of purchase. After February 20, 2018, the tax rate increased to 20% of the fair market value.
- Fair market value is the selling price for which the property was exchanged at.

#### Key Observations:

- Since the amendment to the *Property Transfer Tax Act* and inclusion of the Additional Property Transfer Tax for Foreign Entities, the level of non-citizen and non-permanent resident purchases significantly declined in both number of transactions and fair market value.

- In June and July of 2016, overall real estate market transactions were high in both transaction number and total fair market value compared to other months.



**Figure 3.2.9.** Percentage of non-citizen/non-permanent resident transactions proportional to total transactions in the City of Vancouver, 2016-2018

**Table 3.2.10.** Property transfers in Vancouver, including non-citizen/non-permanent resident transactions, 2016-2018

Month/year	Total market transactions	Non-Canadian citizen or permanent resident transactions	Non-Canadian citizen or permanent resident transactions in proportion to total transactions
JUN 16	2,190	195	9%
JUL 16	2,089	364	17%
AUG 16	1,516	15	1%
SEP 16	1,241	37	3%
OCT 16	966	26	3%
NOV 16	1,130	51	5%
DEC 16	850	37	4%
JAN 17	868	41	5%
FEB 17	916	38	4%
MAR 17	1,062	29	3%
APR 17	815	12	1%
MAY 17	1,346	31	2%
JUN 17	1,612	53	3%
JUL 17	1,400	52	4%
AUG 17	1,358	53	4%
SEP 17	941	44	5%
OCT 17	1,208	40	3%
NOV 17	1,203	44	4%
DEC 17	1,026	34	3%
JAN 18	1,051	26	2%
FEB 18	832	40	5%

**Table 3.2.11.** Fair market value of Vancouver property transfers, including non-citizen/non-permanent resident transactions, 2016-2018

Month/year	Fair market value of all transactions	Fair market value total non-Canadian citizen or permanent resident transactions	Non-Canadian citizen or permanent resident transactions fair market value in proportion to total fair market value
JUN 16	\$3,518,429,006	\$360,588,084	10%
JUL 16	\$2,872,267,410	\$654,263,617	23%
AUG 16	\$2,017,339,486	\$24,135,004	1%
SEP 16	\$1,898,619,410	\$140,337,540	7%
OCT 16	\$1,043,145,985	\$28,900,000	3%
NOV 16	\$1,543,836,175	\$82,880,247	5%
DEC 16	\$1,629,315,065	\$54,168,376	3%
JAN 17	\$1,157,559,506	\$55,679,800	5%
FEB 17	\$2,289,709,533	\$33,249,334	1%
MAR 17	\$1,485,984,807	\$155,774,721	10%
APR 17	\$1,155,647,414	\$19,451,000	2%
MAY 17	\$1,617,001,323	\$33,776,493	2%
JUN 17	\$2,239,714,962	\$98,326,909	4%
JUL 17	\$1,998,057,510	\$100,708,478	5%
AUG 17	\$1,847,056,973	\$97,057,773	5%
SEP 17	\$1,530,736,162	\$76,593,146	5%
OCT 17	\$1,845,240,140	\$56,123,100	3%
NOV 17	\$2,020,883,569	\$82,772,448	4%
DEC 17	\$1,783,717,436	\$65,412,711	4%
JAN 18	\$1,624,216,483	\$32,007,005	2%
FEB 18	\$1,162,780,560	\$45,524,508	4%

### 3.2h. Vacant Properties

#### Background:

- The Empty Homes Tax is a City of Vancouver tax on empty under-used residential properties, with the aim of bringing these properties back into the rental pool for the people who live and work in the City of Vancouver. The Empty Homes Tax is assessed on an annual basis, and is based on 1% of the assessed taxable value of the property.
- A rigorous system of auditing is currently underway, and the City is also reviewing disputed tax bills therefore the total and net revenue numbers are expected to change over the coming months. An update on declarations and revenue collection will be provided in the fall of 2018 when the audits are complete.
- Another source of data on vacant properties comes from 2016 Statistics Canada Census. Census data provides information on the property status on census day only (May 10, 2016). It does not provide insights into the length of time that the home had a particular status.
- Census data does not provide information about the number of homes that would be exempt from the EHT for reasons such as recent sale of the property or newly constructed homes with new residents on their way or any of the other exemptions included in the EHT by-law.

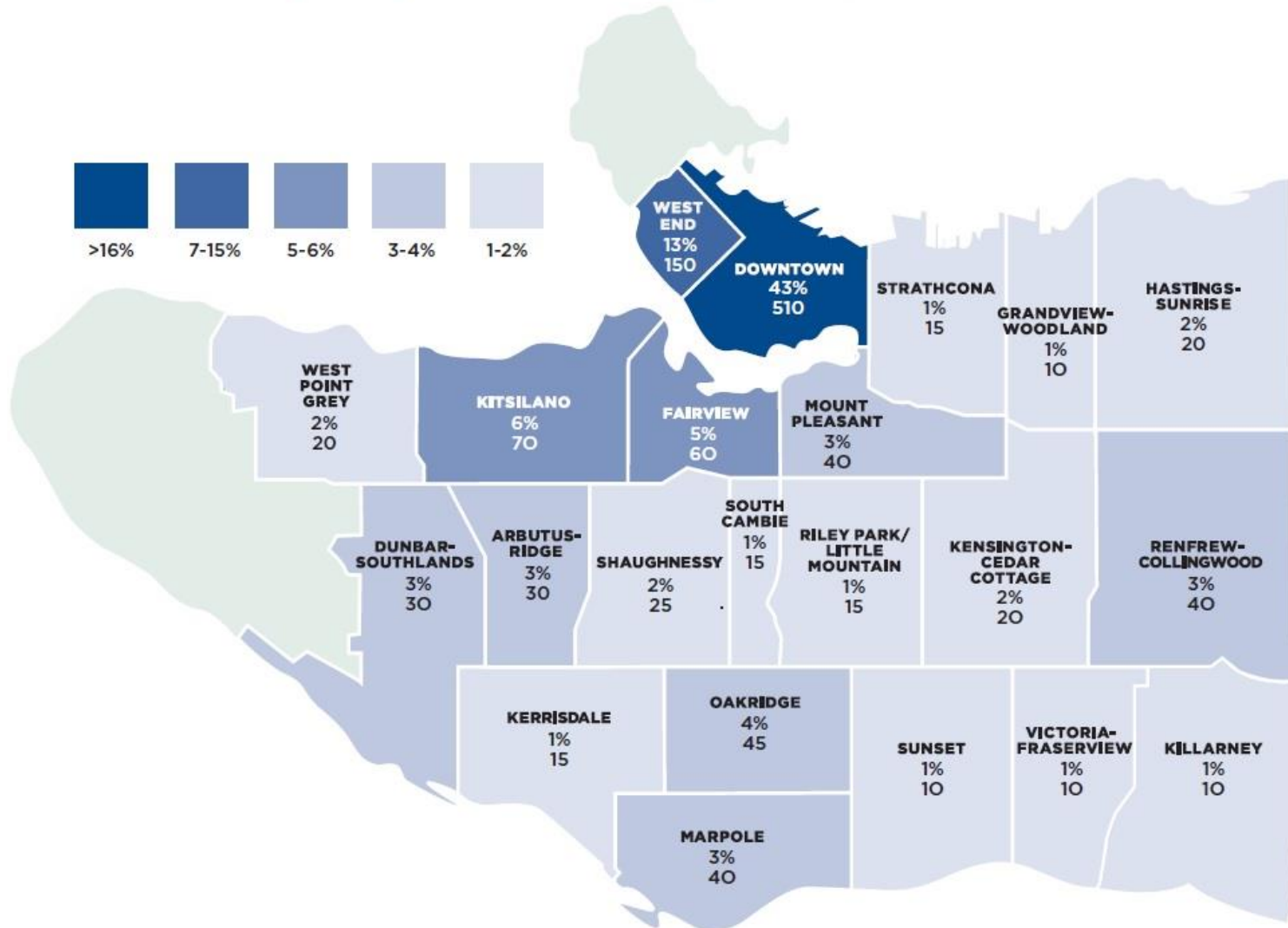
#### Key Observations:

- A total of 183,911 declarations were submitted for the 2017 tax year, the first year of the program, accounting for 98.85 percent of all residential property owners in Vancouver. As of April 23, 2018, just under 8,500 properties were determined to be unoccupied or under-utilized:
  - 1,200 were declared vacant by the owner
  - 2,100 people failed to declare, and their properties were deemed vacant and subject to the tax
  - 5,200 properties were declared exempt from the Empty Homes Tax

- Of the 5,200 properties declared exempt, the breakdown of type of exemption is:
  - 2,480 where the property title transferred during the year
  - 1,560 were under renovation or redevelopment
  - 560 due to strata restrictions on rentals
  - 600 other, including owner in care or death of owner, and occupied for more than 180 days for work in Vancouver
- On Census day, May 10, 2016, Statistics Canada identified 25,495 dwelling units in the City that were either unoccupied, or occupied by temporary and/or foreign residents. About 86% of these dwellings were unoccupied (21,820) and 14% were occupied by temporary and/or foreign residents (3,675).

## Properties Declared Vacant

(1,200 total – shown as percentage of total/number, by neighbourhood)





## **Section 4: Housing Affordability Indicators**

This chapter investigates housing affordability indicators. The previous sections discussed housing stock and growth and demand, which directly affect affordability. This section will focus on affordability in the context of the Vancouver housing market.

## 4.1 Housing Tenure

This section discusses the different housing tenures across the city. An overview of non-market, rental, and ownership housing by location and demographic groups will be provided.

### 4.1a. Share of Overall Population by Housing Tenure Type

#### Background:

- All data for household tenure comes from Statistics Canada 2006 and 2016 Census and 2011 National Household Survey. All data is for the City of Vancouver.
- Rental households are comprised of households where the property is not the primary residence of any owner, whether owned in part or in full. Subsidized rental tenure includes rent geared to income, social housing, public housing, government-assisted housing, non-profit housing, rent supplements, and housing allowances. Statistics Canada defines co-operative housing as rental housing.
- Owner households are defined by households where the property is the primary residence of one or more of the property owners, whether owned in part or in full. An owner household with a mortgage means that regular mortgage or loan payments are made for the dwelling.
- Subsidized rental housing was not reported for the 2006 Census program. As such, only the total rental tenure households are discussed for 2006.

#### Key Observations:

- Between 2006 and 2016, both the presence of rental and owner households went up in the City of Vancouver.
- For owner households between 2006 and 2016, the proportions of households with and without a mortgage were close to equal, with households with a mortgage being slightly more common throughout this period.
- Subsidized rental households in 2011 and 2016 were significantly less prevalent than non-subsidized households. This section does not speak to how many rental households

qualify or require subsidization, but only the amount of households who received subsidization.

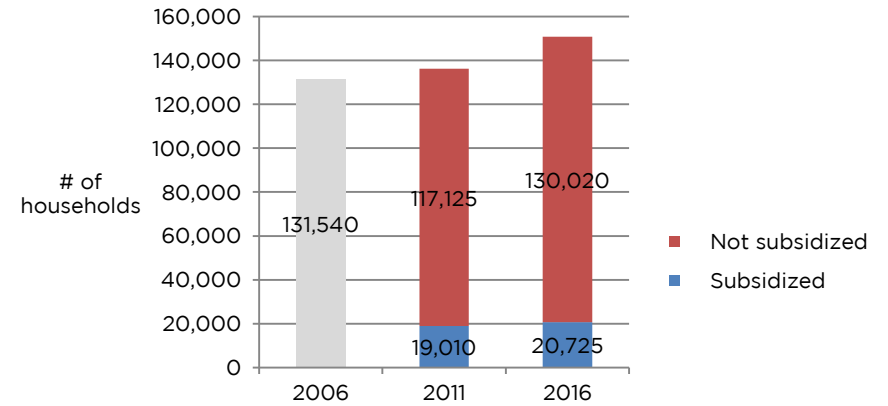


Figure 4.1.1. City of Vancouver rental tenure by subsidized and non-subsidized households, 2006-2016

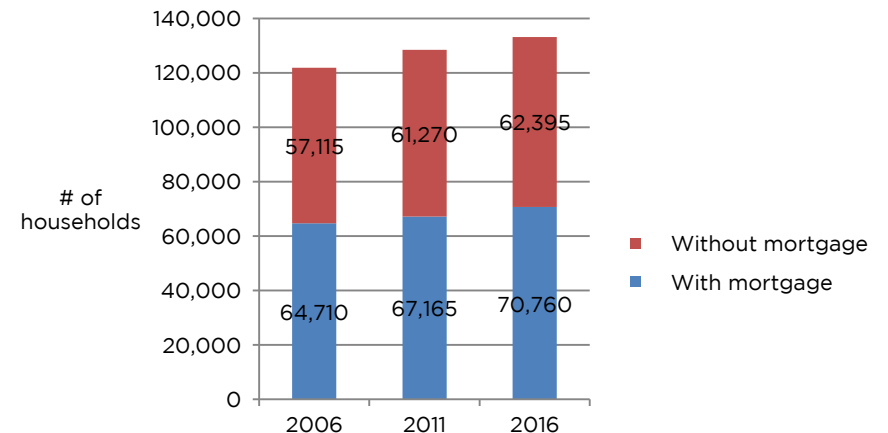


Figure 4.1.2. City of Vancouver ownership tenure by mortgage and non-mortgage households, 2006-2016

**Table 4.1.1.** City of Vancouver housing tenure by household, 2006-2016

Year	Total HHs	% change from prev. census	Owned	% change from prev. census	% of total HHs	Owned with mortgage	Owned without mortgage	Rented	% change from prev. census	% of total HHs	Subsidized rental	Non-subsidized rental
2006	253,360	-	121,825	-	48%	64,710	57,115	131,540	-	52%	-	-
2011	264,565	4.4%	128,430	5.4%	49%	67,165	61,270	136,130	3.5%	51%	19,010	117,125
2016	283,905	7.3%	133,160	3.7%	47%	70,760	62,395	150,745	10.7%	53%	20,725	130,020

### 4.1b. Tenure by Household Type (Families, Singles, Non-Census Families)

**Background:**

- All data for household tenure comes from Statistics Canada 2006 and 2016 Census and 2011 National Household Survey. All data is for the City of Vancouver.
- Family households are defined as households with a single family or multiple families in the same dwelling. A family is defined by Census as a couple and children (if any), or a lone parent of any marital status with at least one child living in the same dwelling.
- Non-family households are comprised of 2-or-more individuals defined as a non-census family living in the same household.

**Key Observations:**

- The overall share family and single households has remained relatively constant over the last three census periods, with family households making up over 50% of households.
- The share of families and singles by tenure has shifted over the last three Census periods...
- In 2016, 63% of family households were owner households with or without a mortgage
- In 2016, 80% of non-census family and 66% of single households were renter households
- In 2016, the highest share of subsidized renter households was found among single households
- The local areas with the highest proportion of family households in 2016 were Dunbar-Southlands, Shaughnessy, Victoria-Fraserview, Killarney, and Sunset.
- The local areas with the highest proportion of single households in 2016 were Strathcona, the West End, Fairview, and Downtown.
- The local areas with the highest proportion of non-family households in 2016 were the West End, Grandview-Woodland, Kitsilano, and Kensington-Cedar Cottage.

Figure 4.1.3. Family households by tenure, 2016

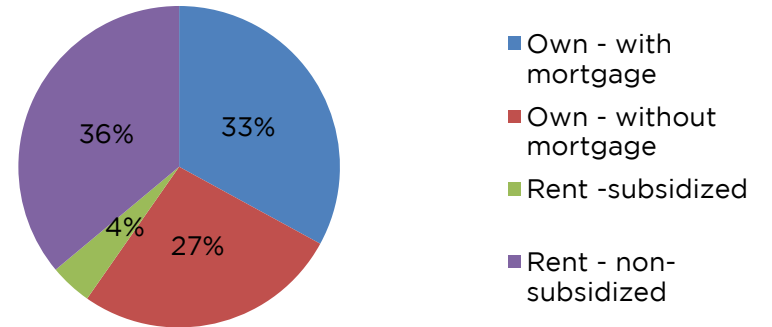


Figure 4.1.4. Singles households by tenure, 2016

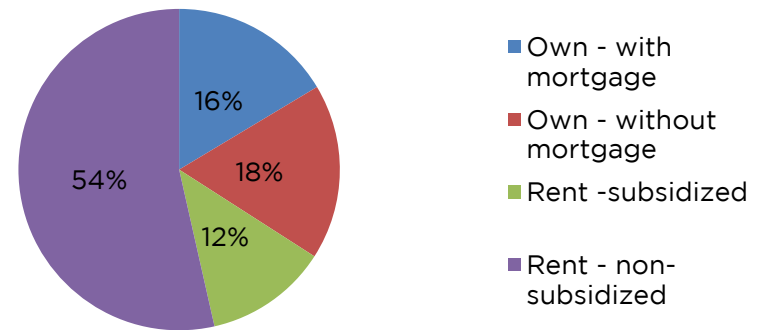
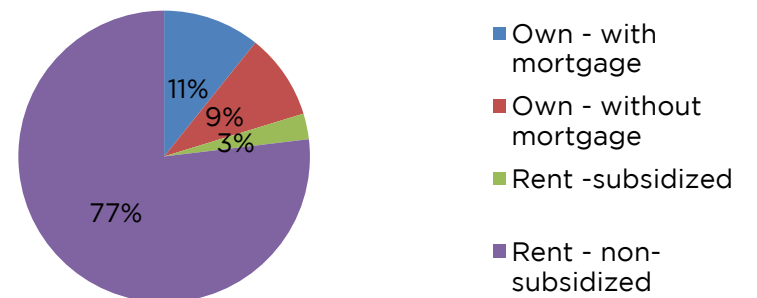


Figure 4.1.5. Non-census family households by tenure, 2016



**Table 4.1.2. Household type by local area, 2006-2016**

Local area	2006			2011			2016		
	Families	Singles	Non-census family households	Families	Singles	Non-census family households	Families	Singles	Non-census family households
West End	30%	59%	11%	30%	60%	11%	33%	59%	9%
Downtown	38%	54%	8%	42%	49%	9%	41%	51%	7%
Strathcona	32%	62%	5%	35%	57%	7%	33%	61%	5%
Grandview-Woodland	45%	45%	9%	44%	45%	11%	46%	45%	9%
Hastings-Sunrise	72%	23%	5%	70%	24%	6%	67%	26%	7%
West Point Grey	64%	31%	5%	64%	29%	6%	64%	28%	7%
Kitsilano	44%	47%	10%	43%	47%	11%	46%	45%	9%
Fairview	39%	54%	6%	40%	52%	8%	43%	51%	6%
Mount Pleasant	38%	51%	11%	39%	50%	11%	44%	47%	8%
Dunbar-Southlands	79%	17%	4%	79%	16%	4%	77%	18%	5%
Arbutus-Ridge	67%	30%	3%	69%	28%	3%	66%	30%	4%
Shaughnessy	76%	21%	2%	76%	21%	3%	75%	20%	5%
South Cambie	64%	29%	7%	63%	29%	8%	61%	31%	8%
Riley Park	66%	26%	8%	64%	26%	9%	65%	27%	8%
Kensington-Cedar Cottage	71%	23%	7%	68%	23%	9%	67%	24%	9%
Renfrew-Collingwood	72%	22%	6%	69%	23%	8%	67%	25%	8%
Kerrisdale	68%	28%	5%	69%	28%	4%	68%	29%	4%
Oakridge	71%	25%	3%	71%	26%	4%	68%	27%	5%
Sunset	77%	18%	5%	77%	18%	5%	73%	20%	8%
Victoria-Fraserview	75%	21%	4%	79%	17%	4%	75%	20%	5%
Killarney	75%	22%	4%	75%	22%	3%	73%	23%	3%
Marpole	60%	35%	5%	57%	37%	6%	55%	39%	6%
City-wide	54%	39%	7%	54%	38%	8%	54%	39%	7%

### 4.1c. Family Households with Children

#### Background:

- All data for household tenure comes from Statistics Canada 2006 and 2016 Census and 2011 National Household Survey. All data is for the City of Vancouver.
- A census family is defined as a couple living with children, if any, or a lone-parent living with one child or more in the same dwelling.
- Census families with children are defined as either couple family with one or more children living in the same dwelling or lone-parent with one or more children living in the same dwelling. Much of the analysis in this section focuses on census families with at least one child under 19 years of age; however, a census family with children can be children of any age.
- This analysis only shows one-family households. A one-family household means only one family living in a single dwelling unit. There may also be persons not in the census family living in the household, but there cannot be multiple census families living in the same household. A building structure can have multiple dwelling units (i.e. a detached home with a separate basement suite has multiple dwelling units).

#### Key Observations:

- Between 2006 and 2016, the proportion of family households with children in the City of Vancouver decreased from 31.5% in 2006 to 28.5% in 2016. In the same time period, the proportion of family households with at least one child under 19 decreased from 20.8% to 18.2%.
- In 2006, 2011, and 2016 there were far fewer renter households with children than owner households with children across the city for all families with children and families with at least one child under 19.
- In 2016, the local areas with the most overall family households with at least one child under 19 significantly vary from the local areas with the highest proportion of family households with at least one child under 19 in relation to total households, as shown by comparing Figure 4.1.6 and 4.1.7.

- In 2016, the local areas with the most total family households with at least one child under 19 were Kensington-Cedar Cottage, Renfrew-Collingwood, Kitsilano, Downtown, Sunset, Hastings-Sunrise, and Killarney.
- In 2016, the local areas with the highest proportion of total households being comprised of family households with at least one child under 19 were Dunbar-Southlands, Shaughnessy, and Arbutus Ridge.
- From 2006-2016, the City of Vancouver has seen a decrease in the number of total family households as well as family households with at least one child under 19. This is true for family households with children in all housing tenure types.

## Family households with children by local area (total #), 2016

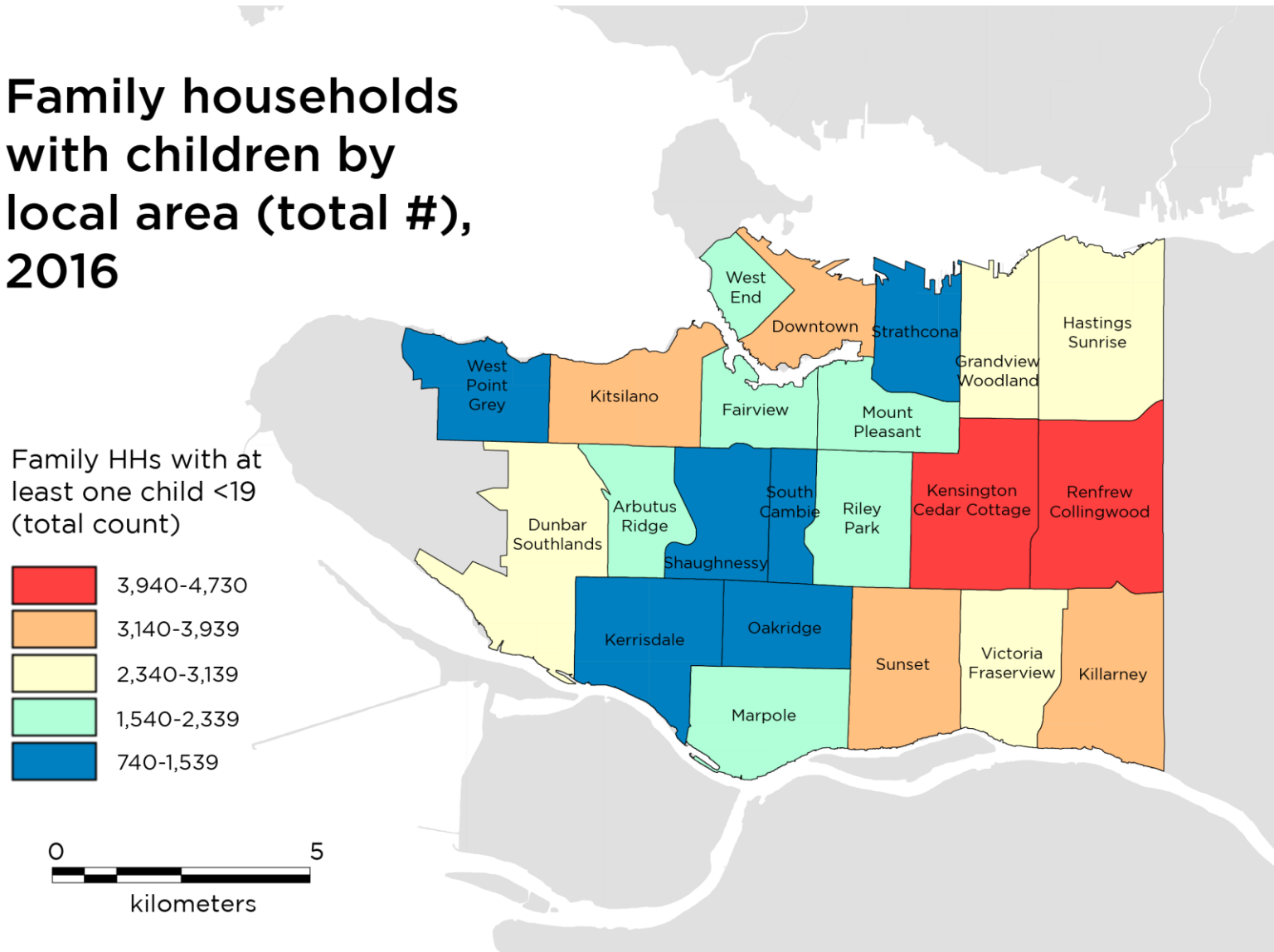


Figure 4.1.6. Number of family households with at least one child under 19 by local area, 2016

## Family households with children by local area (% of total households), 2016

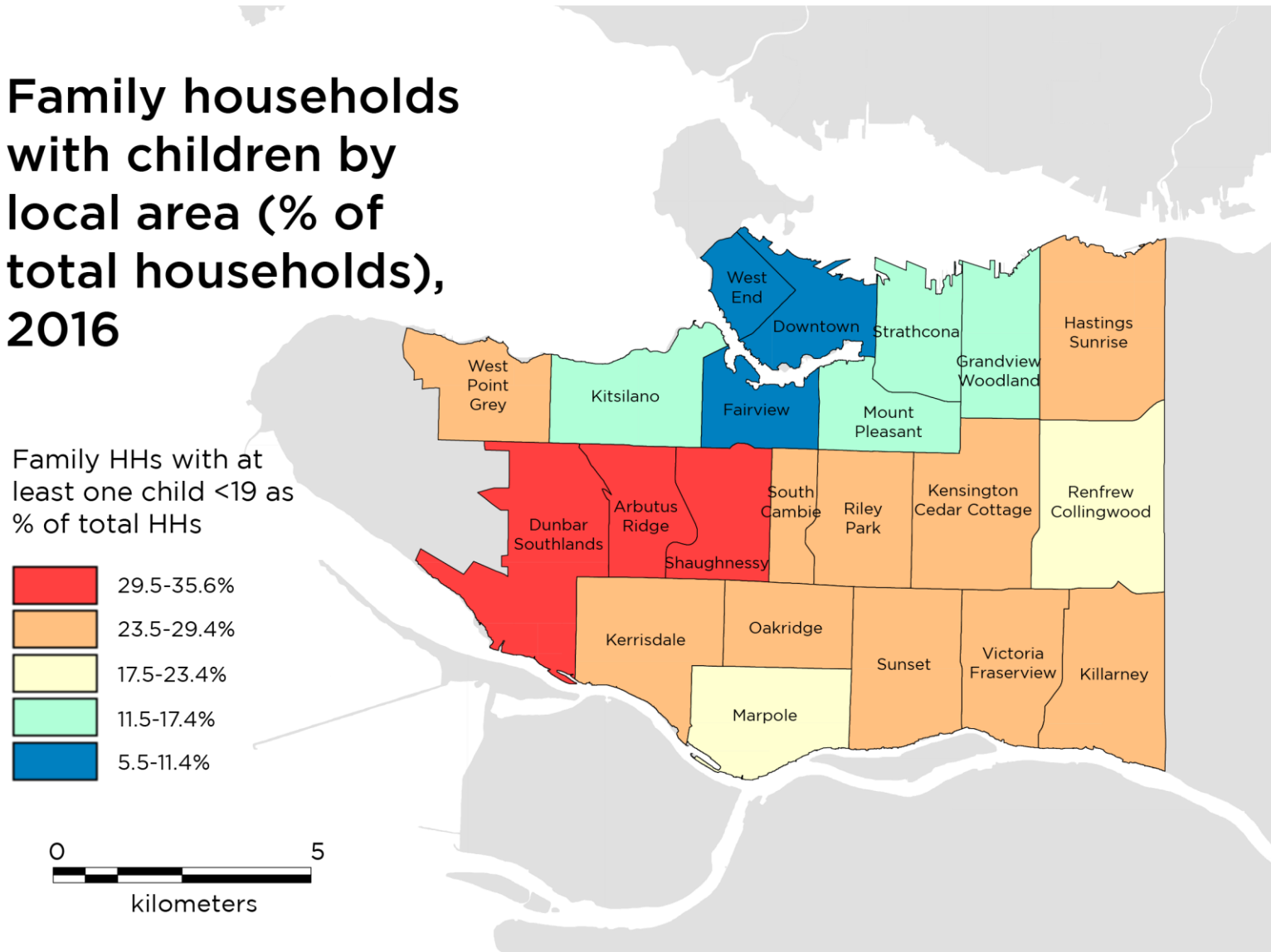


Figure 4.1.7. Family households with at least one child under 19 as percentage of total households by local area, 2016



**Table 4.1.3.** Family households with at least one child under 19 by local area and tenure, 2006-2016

Local area	2006				2011				2016			
	Family HHs with at least one child under 19			<i>Family HHs with at least one child under 19 as % of total HHs</i>	Family HHs with at least one child under 19			<i>Family HHs with at least one child under 19 as % of total HHs</i>	Family HHs with at least one child under 19			<i>Family HHs with at least one child under 19 as % of total HHs</i>
Renter	Owner	Total	Renter		Owner	Total	Renter		Owner	Total		
West End	1,425	415	1,845	6.4%	1,200	495	1,695	5.8%	1,320	390	1,705	5.5%
Downtown	1,165	1,220	2,385	9.5%	1,530	1,380	2,910	9.7%	1,670	1,655	3,330	9.5%
Strathcona	590	175	765	12.3%	600	110	710	13.3%	520	230	745	12.7%
Grandview-Woodland	1,450	1,130	2,580	18.0%	1,255	1,045	2,305	16.5%	1,080	1,280	2,360	15.7%
Hastings-Sunrise	1,220	2,105	3,330	28.6%	1,160	2,115	3,275	27.3%	1,185	1,915	3,105	24.4%
West Point Grey	440	1,060	1,495	27.8%	375	1,070	1,445	27.7%	355	1,015	1,385	25.9%
Kitsilano	1,290	1,835	3,125	14.1%	1,210	2,055	3,260	14.4%	1,560	1,850	3,405	14.8%
Fairview	975	790	1,755	10.1%	1,030	780	1,810	9.8%	1,065	1,135	2,200	11.3%
Mount Pleasant	1,145	675	1,815	14.2%	990	835	1,825	12.6%	1,050	1,265	2,315	12.9%
Dunbar-Southlands	425	2,225	2,645	38.1%	465	2,185	2,650	38.0%	500	1,975	2,480	35.6%
Arbutus Ridge	625	1,260	1,895	31.1%	555	1,465	2,020	33.5%	595	1,250	1,835	30.0%
Shaughnessy	130	845	975	32.1%	130	800	925	30.4%	195	685	880	30.6%
South Cambie	225	490	710	25.4%	195	580	775	25.7%	260	500	760	24.1%
Riley Park	830	1,450	2,280	27.3%	625	1,560	2,190	25.8%	660	1,655	2,315	26.2%
Kensington-Cedar Cottage	1,885	2,805	4,680	30.4%	1,765	2,760	4,515	27.1%	1,780	2,950	4,730	26.4%
Renfrew-Collingwood	1,690	3,305	4,995	29.7%	1,785	2,990	4,770	26.8%	1,810	2,495	4,310	22.8%
Kerrisdale	530	1,155	1,680	30.2%	415	1,175	1,590	28.2%	360	1,080	1,435	26.0%
Oakridge	560	765	1,325	28.6%	550	785	1,335	28.7%	475	765	1,240	24.7%
Sunset	1,645	1,985	3,625	33.2%	1,670	1,870	3,540	31.5%	1,710	1,595	3,305	28.5%
Victoria-Fraserview	1,045	1,910	2,955	31.1%	1,055	1,730	2,790	29.8%	1,120	1,405	2,530	24.9%
Killarney	1,350	1,725	3,070	31.8%	1,350	1,690	3,040	30.3%	1,435	1,710	3,140	29.4%
Marpole	1,395	1,330	2,720	27.7%	1,175	1,320	2,495	24.7%	1,040	1,145	2,180	20.0%
City-wide	22,020	30,640	52,670	20.8%	21,080	30,785	51,870	19.6%	21,730	29,970	51,695	18.2%

**Table 4.1.4. Families with children living in the City of Vancouver, 2006-2016**

	All tenure types				Owner households				Renter households			
	HHs with children	<i>Proportion of total HHs</i>	HHs with at least one child under 19	<i>Proportion of total HHs</i>	HHs with children	<i>Proportion of owner HHs</i>	HHs with at least one child under 19	<i>Proportion of owner HHs</i>	HHs with children	<i>Proportion of renter HHs</i>	HHs with at least one child under 19	<i>Proportion of renter HHs</i>
2006	79,690	<i>31.5%</i>	52,670	<i>20.8%</i>	51,340	<i>42.1%</i>	30,640	<i>25.2%</i>	28,350	<i>21.6%</i>	22,020	<i>16.7%</i>
2011	79,205	<i>29.9%</i>	51,870	<i>19.6%</i>	51,190	<i>39.9%</i>	30,785	<i>24.0%</i>	28,020	<i>20.6%</i>	21,080	<i>15.5%</i>
2016	81,045	<i>28.5%</i>	51,695	<i>18.2%</i>	51,835	<i>38.9%</i>	29,970	<i>22.5%</i>	29,205	<i>19.4%</i>	21,730	<i>14.4%</i>

#### 4.1d. Adult Under 35 Households by Local Area

##### Background:

- All data for age of Primary Household Maintainer (PHM) comes from Statistics Canada 2006 and 2016 Census and 2011 National Household Survey. All data is for the City of Vancouver.
- In this section, young adult was defined as those ages 34 or under.
- Primary Household Maintainer (PHM) is the person in the household who pays the rent/mortgage, taxes, utility bills, etc. for the household
- In the case of a household where two or more people are household maintainers, the first person listed is chosen as the primary household maintainer for census purposes.
- The age of the PHM does not provide any information on the other residents living in the household.
- This section discusses change over time in the number of households with young adults (34 and under) acting as PHM. However, there are various reasons that may be leading to these changes, including migration throughout the Metro Vancouver region. Due to limited data, the City of Vancouver was not able to include information on migration throughout the region in the 2018 report. Once available, this information may be included in future Housing Vancouver Annual Progress Reports.

##### Key Observations:

- In 2016, 53% of all Vancouver households were rental households.
- In 2016, 79% of all households with a PHM 34 years of age or younger were rental households.
- In 2016, the local areas in Vancouver with the highest proportion of total households with PHMs ages 34 and under were Mount Pleasant, Downtown, the West End, Kitsilano, and Fairview.
- In 2016, the local areas in Vancouver with the lowest proportion of total households with PHMs ages 34 and under were Arbutus Ridge, Dunbar-Southlands, Victoria-Fraserview, Killarney, Kerrisdale, and Shaughnessy.

## Adult under 35 households (% of total households) by local area, 2016

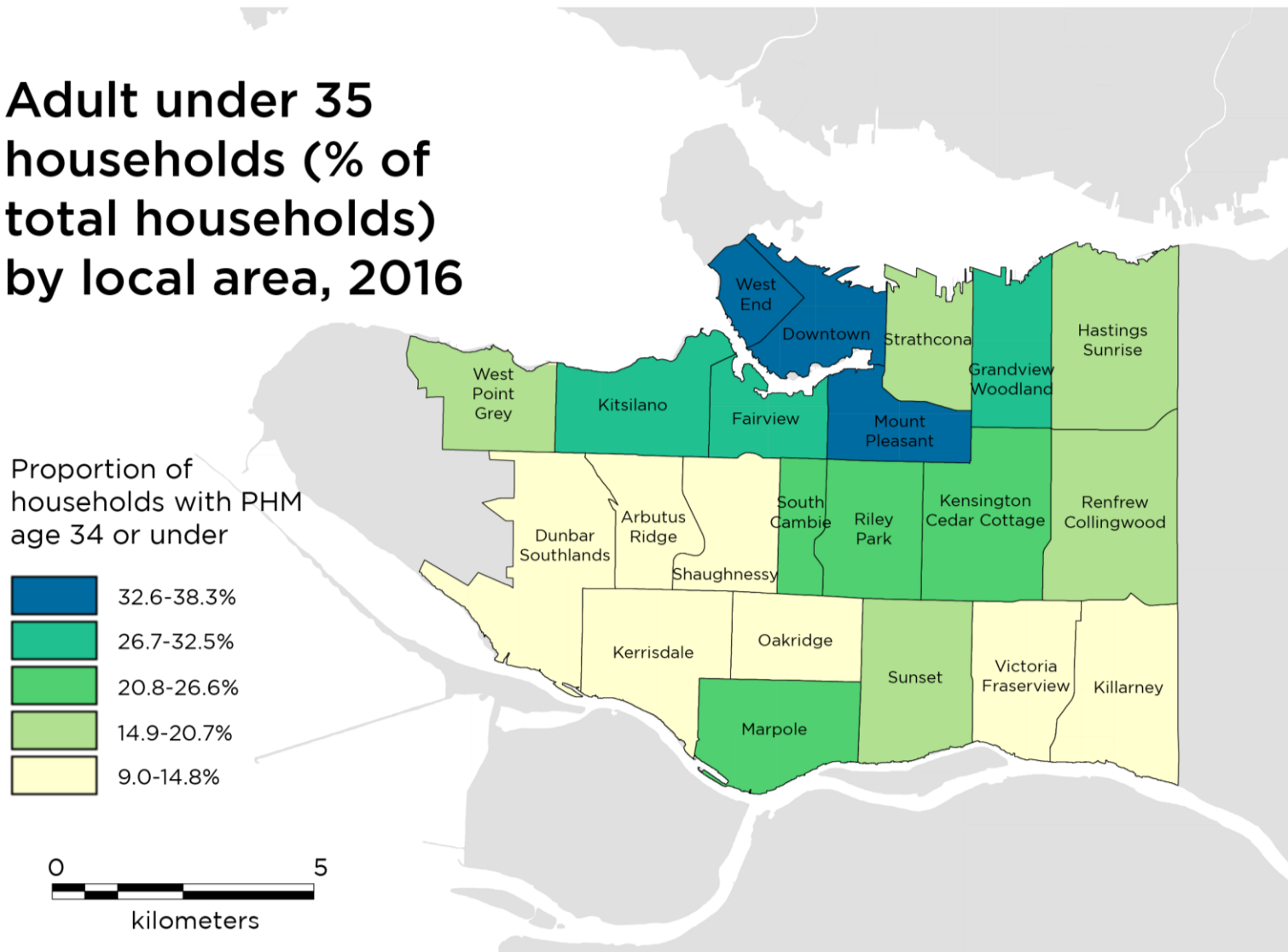


Figure 4.1.8. Young adult (age 34 or under) primary household maintainer (PHM) households by local area, 2016

**Table 4.1.5. Primary household maintainer (PHM) age 34 or under by local area, 2006-2016**

Local area	2006		2011		2016	
	HHs with PHM 34 or younger	<i>Proportion of HHs with PHM 34 or younger</i>	HHs with PHM 34 or younger	<i>Proportion of HHs with PHM 34 or younger</i>	HHs with PHM 34 or younger	<i>Proportion of HHs with PHM 34 or younger</i>
West End	10,505	36.3%	10,500	35.8%	10,860	35.2%
Downtown	9,065	36.2%	12,220	40.6%	12,975	37.0%
Strathcona	845	13.6%	645	12.1%	980	16.8%
Grandview-Woodland	3,975	27.8%	3,725	26.7%	4,055	27.0%
Hastings-Sunrise	1,850	15.9%	1,845	15.4%	2,140	16.8%
West Point Grey	775	14.4%	765	14.7%	865	16.2%
Kitsilano	7,575	34.3%	7,640	33.8%	7,130	31.1%
Fairview	5,595	32.2%	5,740	31.0%	6,030	30.9%
Mount Pleasant	4,420	34.6%	5,295	36.5%	6,875	38.2%
Dunbar-Southlands	805	11.6%	655	8.7%	760	10.9%
Arbutus Ridge	590	9.7%	500	8.3%	555	9.1%
Shaughnessy	270	8.9%	350	11.5%	345	12.0%
South Cambie	645	23.0%	645	21.4%	735	23.3%
Riley Park	1,690	20.2%	1,725	20.3%	1,900	21.5%
Kensington-Cedar Cottage	2,935	19.0%	3,390	20.3%	3,730	20.8%
Renfrew-Collingwood	3,185	18.9%	3,545	19.9%	3,885	20.6%
Kerrisdale	645	11.6%	635	11.3%	640	11.6%
Oakridge	390	8.4%	435	9.4%	675	13.4%
Sunset	1,925	17.7%	1,685	15.0%	1,985	17.1%
Victoria-Fraserview	1,090	11.5%	865	9.2%	1,120	11.0%
Killarney	1,285	13.3%	1,060	10.6%	1,210	11.3%
Marpole	2,030	20.7%	1,820	18.0%	2,345	21.5%
Vancouver	62,055	24.5%	65,615	24.8%	71,795	25.3%

## 4.1e. Rental Households by Local Area

### Background:

- All data for rental households comes from Statistics Canada 2006 and 2016 Census and 2011 National Household Survey. Rental households are comprised of households where the property is not the primary residence of any owner, whether owned in part or in full. Subsidized rental tenure includes rent geared to income, social housing, public housing, government-assisted housing, non-profit housing, rent supplements, and housing allowances. Statistics Canada defines co-operative housing as rental housing.
- Subsidized rental housing was not reported for the 2006 Census program.
- For an interactive map of the City of Vancouver's local areas, visit [http://vanmapp1.vancouver.ca/gmaps/covmap\\_data.htm?map=cov\\_localareas.kml&data=1](http://vanmapp1.vancouver.ca/gmaps/covmap_data.htm?map=cov_localareas.kml&data=1).

### Key Observations:

- In 2016, the local areas with the highest proportion of renter households were the West End, Strathcona, and Mount Pleasant.
- In 2016, the local areas with the highest count of renter households regardless of the geographic size or total number of households in the local area were the West End, Downtown, Kitsilano, Fairview, and Mount Pleasant.
- Between 2006 and 2016, local areas with the most significant overall increases in rental households were Downtown, Hastings-Sunrise, Fairview, Mount Pleasant, Kensington-Cedar Cottage, Renfrew-Collingwood, Sunset, and Marpole.
- In both 2011 and 2016, Strathcona had the highest proportion of subsidized rental households relative to total rental households, with 61% of rental households being subsidized in each of the census years.

## Renter households by local area, 2016

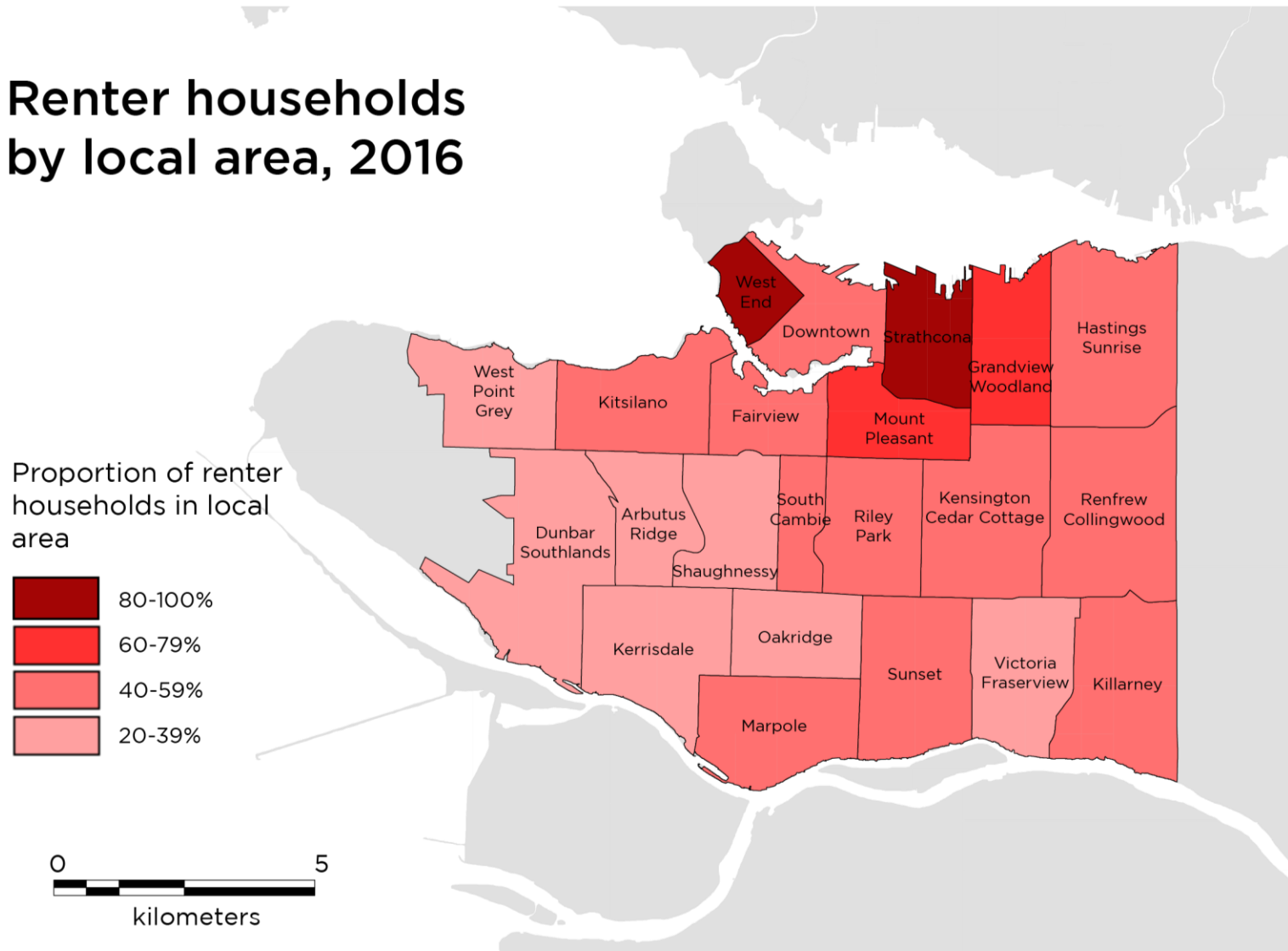


Figure 4.1.9. Renter households by local area, 2016

**Table 4.1.6.** Total rental households and subsidization by local area, 2006-2016

Local area	2006			2011			2016		
	Subsidized	Not subsidized	Total	Subsidized	Not subsidized	Total	Subsidized	Not subsidized	Total
West End	-	-	23,315	1,970	21,420	23,390	1,965	22,725	24,690
Downtown	-	-	14,445	2,655	13,835	16,495	3,810	16,260	20,075
Strathcona	-	-	5,350	2,730	1,750	4,475	2,900	1,830	4,730
Grandview-Woodland	-	-	9,485	1,885	7,180	9,060	2,140	7,440	9,580
Hastings-Sunrise	-	-	4,145	735	3,645	4,380	910	4,305	5,210
West Point Grey	-	-	1,915	275	1,540	1,810	275	1,740	2,015
Kitsilano	-	-	12,545	780	12,055	12,835	815	12,210	13,025
Fairview	-	-	10,365	1,110	9,665	10,780	1,090	10,250	11,340
Mount Pleasant	-	-	8,595	1,060	8,280	9,340	990	9,960	10,950
Dunbar-Southlands	-	-	1,240	30	1,265	1,300	60	1,440	1,500
Arbutus-Ridge	-	-	2,155	160	1,745	1,905	210	2,045	2,250
Shaughnessy	-	-	635	0	650	650	10	720	730
South Cambie	-	-	1,080	50	1,145	1,190	45	1,255	1,300
Riley Park	-	-	3,460	240	3,165	3,405	255	3,450	3,700
Kensington-Cedar Cottage	-	-	6,250	730	6,415	7,145	740	7,195	7,930
Renfrew-Collingwood	-	-	5,845	1,095	5,775	6,870	1,090	6,765	7,850
Kerrisdale	-	-	1,975	45	1,960	2,005	45	1,810	1,855
Oakridge	-	-	1,660	205	1,405	1,610	305	1,635	1,940
Sunset	-	-	4,455	405	4,285	4,685	455	4,955	5,405
Victoria-Fraserview	-	-	3,365	610	2,570	3,185	655	3,320	3,975
Killarney	-	-	3,640	1,410	2,515	3,925	1,260	3,025	4,285
Marpole	-	-	5,615	840	4,850	5,690	710	5,695	6,410
City-wide	-	-	131,540	19,010	117,125	136,130	20,720	130,025	150,745



#### 4.1f. Ownership Households by Local Area

##### Background:

- All data for owner households comes from Statistics Canada 2006 and 2016 Census and 2011 National Household Survey. Owner households are defined by households where the property is the primary residence of one or more of the property owners, whether owned in part or in full. An owner household with a mortgage means that regular mortgage or loan payments are made for the dwelling.
- For an interactive map of the City of Vancouver's local areas, visit [http://vanmapp1.vancouver.ca/gmaps/covmap\\_data.htm?map=cov\\_localareas.kml&data=1](http://vanmapp1.vancouver.ca/gmaps/covmap_data.htm?map=cov_localareas.kml&data=1).

##### Key Observations:

- In 2016, Shaughnessy, Dunbar Southlands, and Kerrisdale had the highest proportion of owner households without a mortgage relative to total owner households. Strathcona had the highest proportion of owner households with a mortgage relative to total owner households in the area.
- Between 2006 and 2016, the overall number of owner households as a share of all households increased most in Downtown and Mount Pleasant. In this time, Downtown gained 4,455 additional owner households and Mount Pleasant gained 2,845 additional owner households.
- Between 2006 and 2016, the overall number of owner households relative to total households has decreased in West Point Grey, Dunbar Southlands, Arbutus-Ridge, Shaughnessy, and Sunset.

# Proportion of owner households without mortgage by local area, 2016

Proportion of total owner households without a mortgage

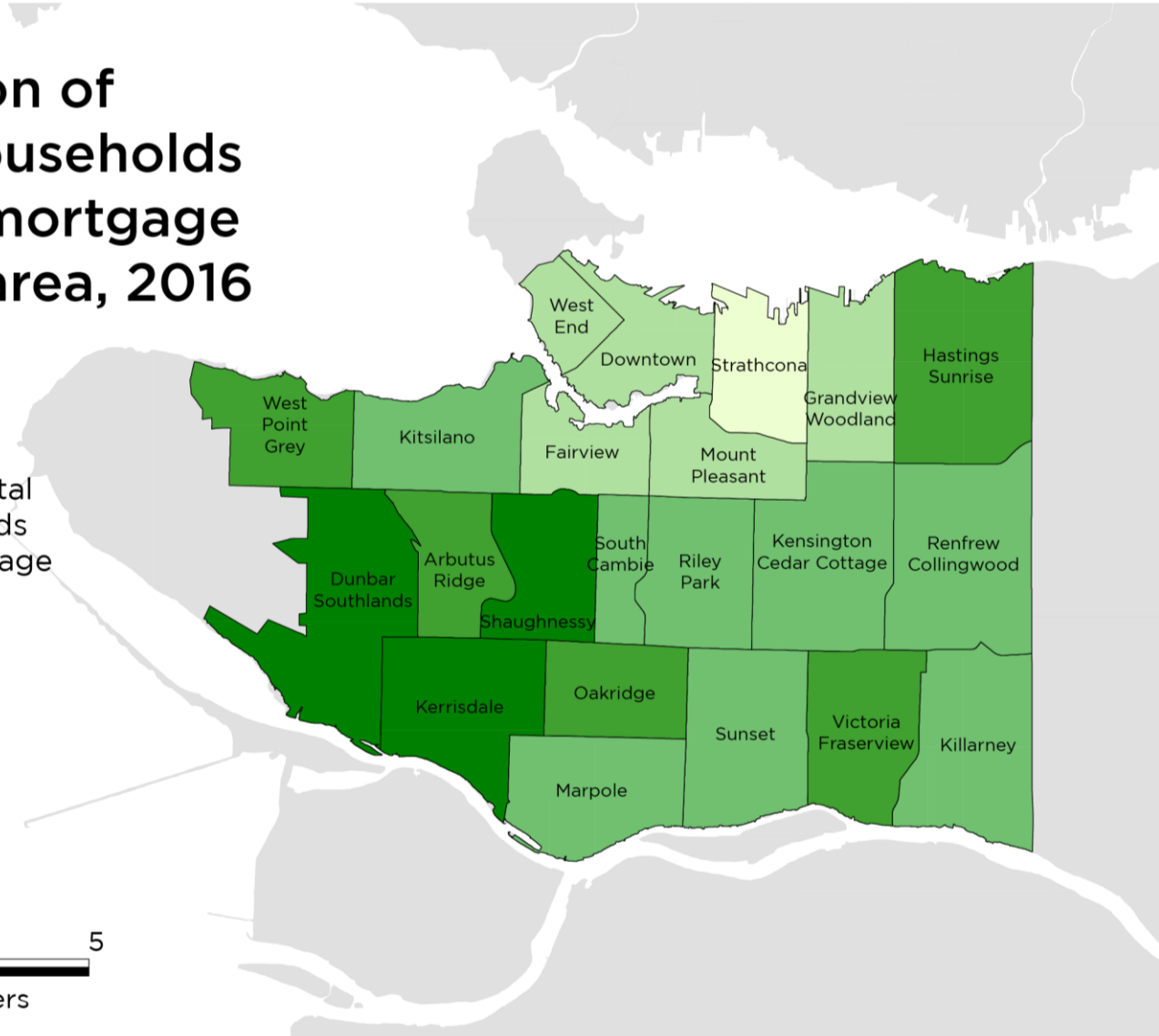
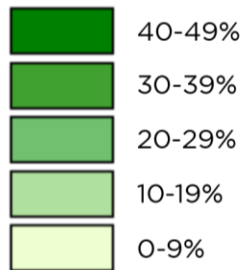


Figure 4.1.10. Proportion of total owner households without mortgage by local area, 2016

**Table 4.1.7.** Total owner households and presence of mortgage by local area, 2006-2016

Local area	2006			2011			2016		
	Mortgage	No mortgage	Total	Mortgage	No mortgage	Total	Mortgage	No mortgage	Total
West End	3,200	2,435	5,635	3,350	2,615	5,960	3,090	3,040	6,130
Downtown	7,620	2,955	10,575	9,805	3,800	13,610	9,995	5,035	15,030
Strathcona	525	335	860	535	330	860	755	370	1,120
Grandview-Woodland	3,175	1,660	4,835	3,090	1,820	4,915	3,445	2,005	5,455
Hastings-Sunrise	3,560	3,955	7,515	3,715	3,910	7,625	3,685	3,830	7,515
West Point Grey	1,440	2,025	3,465	1,160	2,245	3,400	1,285	2,040	3,325
Kitsilano	5,665	3,885	9,550	5,505	4,265	9,775	5,265	4,660	9,930
Fairview	4,305	2,725	7,030	4,635	3,095	7,730	4,430	3,740	8,170
Mount Pleasant	3,050	1,140	4,190	3,625	1,520	5,145	5,150	1,885	7,035
Dunbar-Southlands	2,430	3,280	5,710	2,175	3,505	5,675	2,310	3,165	5,475
Arbutus-Ridge	1,370	2,575	3,945	1,660	2,460	4,120	1,710	2,165	3,875
Shaughnessy	895	1,510	2,405	935	1,455	2,385	795	1,355	2,150
South Cambie	870	850	1,720	955	870	1,825	940	920	1,855
Riley Park	2,490	2,410	4,900	2,530	2,545	5,080	2,630	2,505	5,130
Kensington-Cedar Cottage	4,835	4,330	9,165	5,000	4,540	9,540	5,555	4,410	9,960
Renfrew-Collingwood	5,935	5,035	10,970	5,405	5,500	10,900	5,785	5,230	11,010
Kerrisdale	1,345	2,235	3,580	1,285	2,335	3,625	1,385	2,280	3,665
Oakridge	895	2,085	2,980	1,035	2,000	3,030	1,140	1,940	3,085
Sunset	3,285	3,165	6,450	3,345	3,205	6,560	3,160	3,025	6,185
Victoria-Fraserview	2,600	3,540	6,140	2,610	3,565	6,180	2,710	3,485	6,195
Killarney	3,310	2,700	6,010	2,900	3,205	6,100	3,430	2,950	6,375
Marpole	1,905	2,285	4,190	1,910	2,490	4,400	2,130	2,360	4,490
City-wide	64,710	57,115	121,825	67,160	61,275	128,430	70,760	62,400	133,160

## 4.2. Incomes

This section discusses income as it relates to housing affordability. An overview of different components of income across different demographics, households, and areas within Vancouver will be provided.

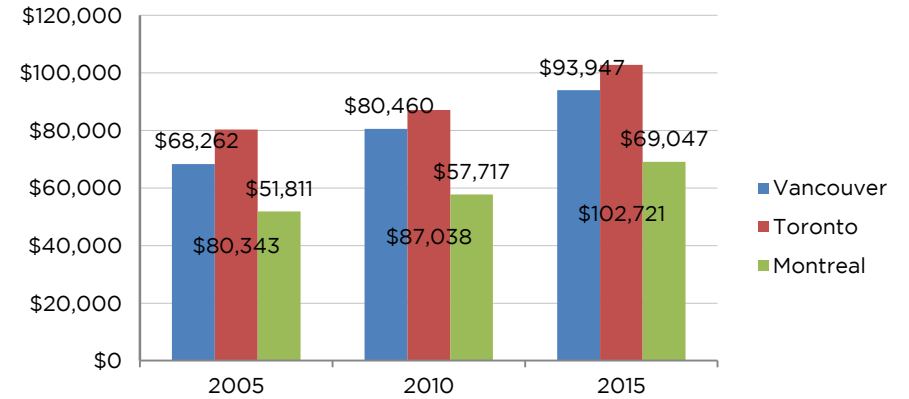
### 4.2a. Average and Median Household Incomes

#### Background:

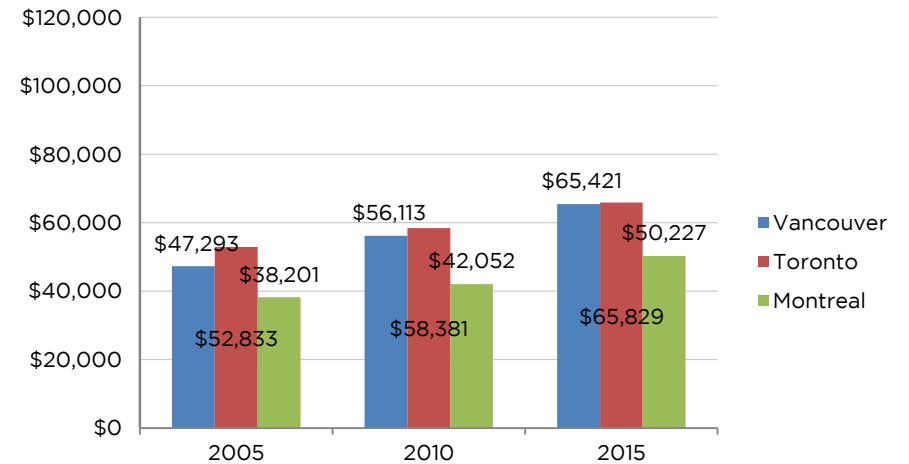
- All data for household income analysis comes from Statistics Canada 2006 and 2016 Census and 2011 National Household Survey.
- All data is at the municipal level for the City of Vancouver and other major Canadian cities.
- Median household income describes the annual income of a household in the middle of the distribution. Average household income represents the combined average household income of the population.
- Changes to household income do not account for inflation. For more information on inflation, please see *Section 3.1b. Inflation and CPI.*

#### Key Observations:

- Average household income in Vancouver is consistently lower than Toronto, but higher than Montreal.
- Median household income in 2015 was almost the same in Vancouver and Toronto.
- Incomes are influenced by inflation as discussed in *Section 3.1b* and overall inflation over this time frame should be considered in changes to median household income. Also, median household incomes differ depending on household composition and size, which is not discussed in this section.



**Figure 4.2.1.** Average annual household income.



**Figure 4.2.2.** Median annual household income.

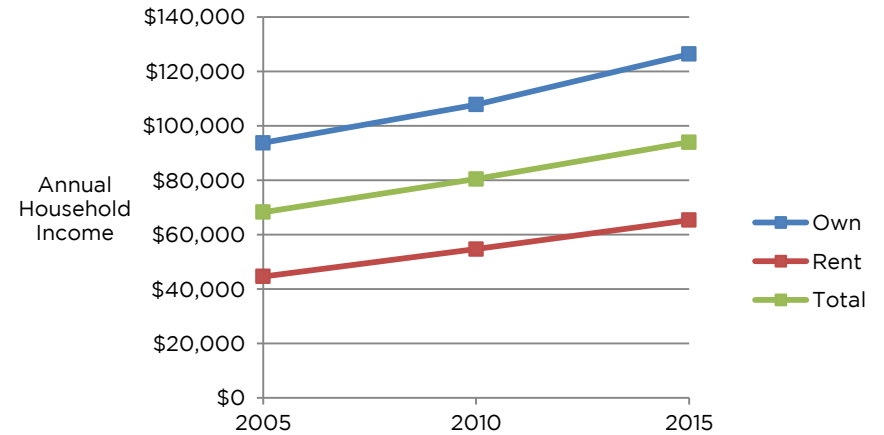
### 4.2b. Household Income by Housing Tenure

**Background:**

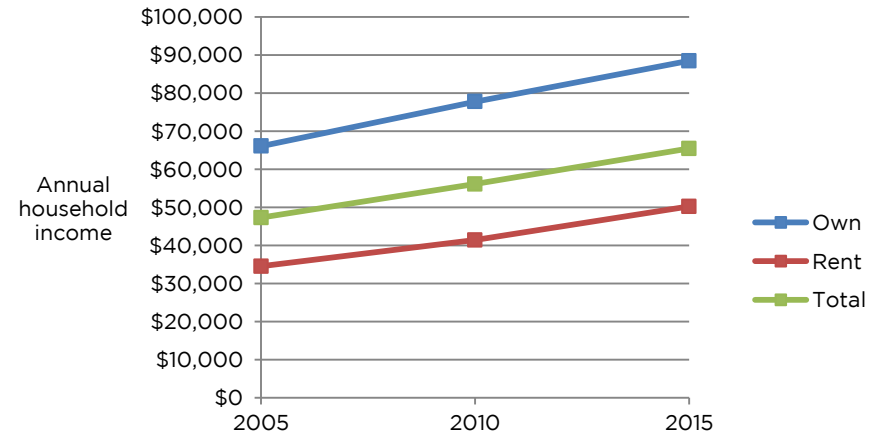
- All data for household income analysis comes from Statistics Canada 2006 and 2016 Census and 2011 National Household Survey.
- All data is at the municipal level for the City of Vancouver
- Median household income describes the annual income of a household in the middle of the distribution. Average household income represents the combined average household income of the population.
- Housing tenure type describes the financial living arrangement for a residential dwelling. Occupants of a dwelling may own their home (with or without a mortgage) or rent their home (with subsidized rent or non-subsidized rent).
- Changes to household income do not account for inflation. For more information on inflation, please see *Section 3.1b. Inflation and CPI.*

**Key Observations:**

- For both annual median household income and annual average household income, owners had consistently higher household incomes than renters at each census period from 2005-2015.
- The average and median annual household incomes for all housing tenures rose consistently between 2005 and 2015.
- The average annual household income for all tenure types was consistently higher than median household income, indicating a majority of the proportion of households in Vancouver earn below the average household income.
- Household incomes are influenced by inflation as discussed in *Section 3.1b* and overall inflation over this time frame should be considered in changes to median and average household income.



**Figure 4.2.3.** Average household income by tenure, 2005-2015



**Figure 4.2.4.** Median household income by tenure, 2005-2015

*Table 4.2.1. Household income by housing tenure, 2005-2015*

		Own - total	Own - without mortgage	Own - with mortgage	Rent - total	Rent - Non-subsidized	Rent - subsidized	Total
2005	Average household income	\$93,733	-	-	\$44,671	-	-	\$68,262
	Median household income	\$66,087	-	-	\$34,532	-	-	\$47,293
2010	Average household income	\$107,765	\$106,124	\$109,261	\$54,698	\$58,862	\$29,047	\$80,459
	Median household income	\$77,753	\$68,883	\$85,316	\$41,433	\$45,798	\$18,165	\$56,113
2015	Average household income	\$126,348	\$126,957	\$125,811	\$65,326	\$70,630	\$32,043	\$93,947
	Median household income	\$88,431	\$77,134	\$98,379	\$50,250	\$56,182	\$19,223	\$65,421

### 4.2c. Income Distribution for Renter Households

**Background:**

- Household income distribution describes the proportion of Vancouver’s households within each income bracket. This section focuses on rental households.
- Family households are defined as households with a single family or multiple families in the same dwelling. A family is defined by Census as a couple and children (if any), or a lone parent of any marital status with at least one child living in the same dwelling. Non-family households comprise all other household types. Incomes in this analysis are before-tax incomes.
- Changes to household income do not account for inflation. For more information on inflation, please see *Section 3.1b. Inflation and CPI*. Several factors may affect the household income distribution, including, but not limited to, inflation, increased real incomes, migration, and/or changes to household sizes over time.

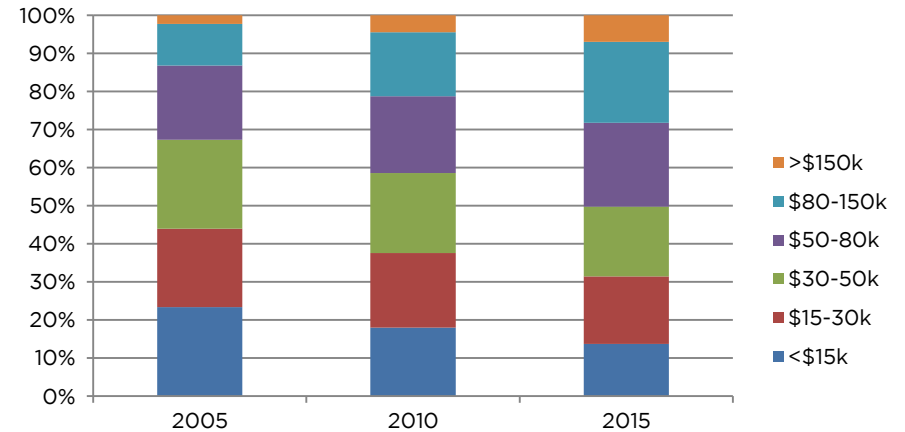


Figure 4.2.5. City of Vancouver renter household annual income distribution, 2005-2015

**Key Observations:**

- The proportion of renter households earning \$50,000 or more annually increased between 2005 and 2015. Each income bracket earning \$50,000/year or more saw an increase in its proportion of total rental households over the 10-year period.
- There was a reduction in renter households in lower income brackets in 2015 compared to 2010 and 2005 levels.
- For renter households, the income brackets with the greatest increase in share of population between 2005 and 2015 were households earning \$80,000-150,000 (10% share increase), \$150,000+ (5% share increase), and \$50,000-80,000 (3% share increase).

**Table 4.2.2. Vancouver rental household income distribution, 2005**

Household Income	Percentage of households, by household type			
	Family	Singles	Non-family*	Total
< \$15,000	11%	35%	17%	23%
\$15,000 - \$30,000	18%	23%	19%	21%
\$30,000 - \$50,000	23%	24%	24%	23%
\$50,000 - \$80,000	26%	13%	25%	19%
\$80,000 - \$150,000	18%	4%	14%	11%
\$150,000 +	4%	1%	1%	2%

**Table 4.2.3. Vancouver rental household income distribution, 2010**

Household income	Percentage of households, by household type			
	Family	Singles	Non-family*	Total
< \$15,000	9%	26%	17%	18%
\$15,000 - \$30,000	13%	27%	13%	20%
\$30,000 - \$50,000	19%	23%	20%	21%
\$50,000 - \$80,000	24%	16%	26%	20%
\$80,000 - \$150,000	27%	7%	20%	17%
\$150,000 +	8%	1%	4%	4%

**Table 4.2.4. Vancouver rental household income distribution, 2015**

Household income	Percentage of households, by household type			
	Family	Singles	Non-family*	Total
< \$15,000	5%	23%	9%	14%
\$15,000 - \$30,000	10%	25%	13%	18%
\$30,000 - \$50,000	16%	20%	20%	18%
\$50,000 - \$80,000	23%	20%	27%	22%
\$80,000 - \$150,000	33%	10%	25%	21%
\$150,000 +	13%	2%	6%	7%

\*Non-family households are comprised of 2 or more individuals defined as a non-census family living in the same household.



### 4.2d. Income Distribution for Owner Households

**Background:**

- Household income distribution describes the proportion of Vancouver’s households within each income bracket. This section focuses on owner households.
- Family households are defined as households with a single family. A family is defined by Census as a couple and children (if any), or a lone parent of any marital status with at least one child living in the same dwelling. Non-family households comprise all other household types. Incomes in this analysis are before-tax incomes.
- Changes to household income do not account for inflation. For more information on inflation, please see *Section 3.1b. Inflation and CPI*. Several factors may affect the household income distribution, including, but not limited to, inflation, increased real incomes, migration, and/or changes to household sizes over time.

**Key Observations:**

- The proportion of owner households earning \$80,000 or more annually increased between 2005 and 2015. Each income bracket earning \$80,000/year or more saw an increase in its proportion of total owner households over the 10-year period.
- Owner households in lower and middle income decreased in 2015 compared to 2010 and 2005 levels.
- Share of owner family households earning \$80,000/year or less declined consistently between 2005 and 2015.
- For owner households, the income bracket with the greatest increase in share of population between 2005 and 2015 was households earning \$150,000+ (12% share increase).

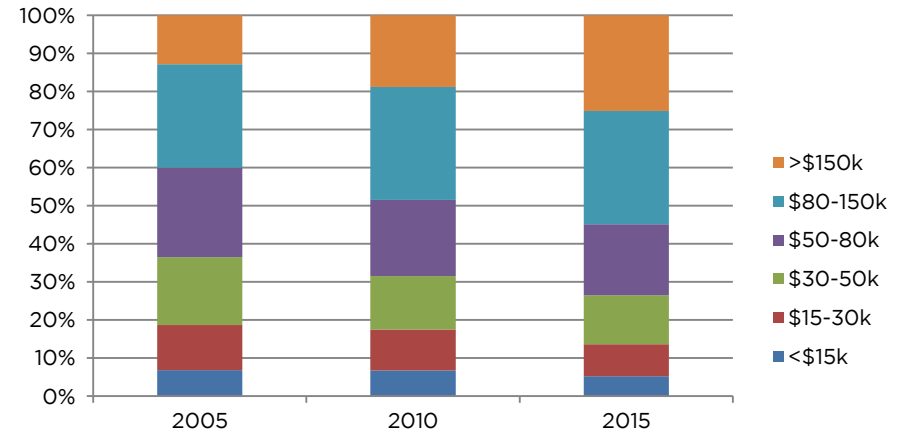


Figure 4.2.6. City of Vancouver owner household annual income distribution, 2005-2015

**Table 4.2.5. Vancouver owner household income distribution, 2005**

Household income	Percentage of households, by household type			
	Family	Singles	Non-family*	Total
< \$15,000	4%	15%	9%	7%
\$15,000 - \$30,000	9%	21%	11%	12%
\$30,000 - \$50,000	16%	24%	18%	18%
\$50,000 - \$80,000	23%	25%	26%	24%
\$80,000 - \$150,000	32%	12%	28%	27%
\$150,000 +	17%	3%	8%	13%

**Table 4.2.6. Vancouver owner household income distribution, 2010**

Household income	Percentage of households, by household type			
	Family	Singles	Non-family*	Total
< \$15,000	4%	13%	10%	7%
\$15,000 - \$30,000	7%	21%	10%	11%
\$30,000 - \$50,000	13%	19%	17%	14%
\$50,000 - \$80,000	18%	24%	24%	20%
\$80,000 - \$150,000	34%	18%	29%	30%
\$150,000 +	24%	5%	11%	19%

**Table 4.2.7. Vancouver owner household income distribution, 2015**

Household income	Percentage of households, by household type			
	Family	Singles	Non-family*	Total
< \$15,000	3%	11%	8%	5%
\$15,000 - \$30,000	5%	18%	7%	8%
\$30,000 - \$50,000	11%	19%	15%	13%
\$50,000 - \$80,000	16%	24%	24%	19%
\$80,000 - \$150,000	33%	21%	32%	30%
\$150,000 +	32%	7%	13%	25%

\*Non-family households are comprised of 2 or more individuals defined as a non-census family living in the same household.

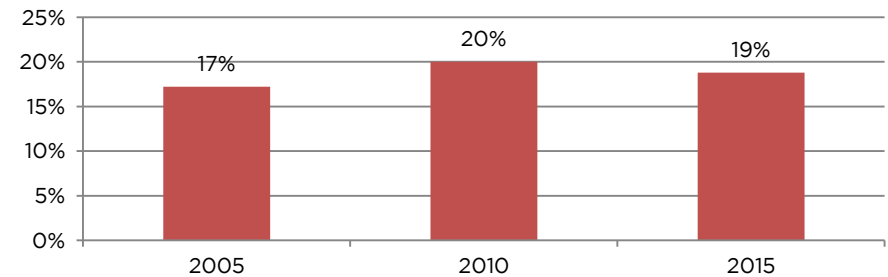
## 4.2e. Population Under the Low-Income Cut-Off After-Tax (LICO-AT)

### Background:

- The low-income cut-off is a measure from Statistics Canada. LICO is a threshold where a family is likely spending more on food, shelter, and clothing than the average family. Statistics Canada defined their approach in calculating LICO as an estimate of an income threshold at which families are expected to spend 20 percentage points more than the average family on food, shelter, and clothing. This measure attempts to provide insight on which portion of the population does not have suitable income for their needs. For more information on how LICO-AT is calculated, visit <https://www.statcan.gc.ca/pub/75f0002m/2012002/lico-sfr-eng.htm>.

### Key Observations:

- Over the past 10 years, Vancouver's percentage of the population within the low-income cut-off after-tax threshold has remained fairly constant, ranging between 20% and 17% of households.
- 2005 had the lowest proportion of Vancouver's population within the LICO-AT, at 17%.
- A lower proportion of Vancouver's population was in the LICO-AT in 2015 (19%) than in 2010 (20%).



**Figure 4.2.7.** Percentage of Vancouver population living in low-income cut-off after-tax households.

## 4.2f. Household Income by Local Area

### Background:

- All data for household income analysis comes from Statistics Canada 2006 and 2016 Census and 2011 National Household Survey. Incomes were analyzed geographically by each local area within Vancouver.
- Median household income describes the annual income of a household in the middle of the distribution. Average income represents the combined average household income for the population.

### Key Observations:

- In 2015, average household incomes were highest in some of Vancouver's Westside local areas, with annual household incomes of \$262,760 in Shaughnessy, \$178,415 in Dunbar-Southlands, \$161,576 in West Point Grey, and \$159,945 in Kerrisdale. In these local areas, average income was significantly higher than median income.
- Local areas with household median income below the City-wide median household income in 2015 include the West End, Strathcona, Grandview-Woodland, Renfrew-Collingwood, Oakridge, and Marpole.
- In 2015, Strathcona had the lowest household average (\$46,368) and median incomes (\$21,964).
- Throughout the past 10 years, Vancouver's overall household average and median incomes have both risen steadily.

**Table 4.2.8.** Household income by local area, 2005-2015

Local area	2005		2010		2015	
	Average income	Median income	Average income	Median income	Average income	Median income
West End	\$49,129	\$38,581	\$54,599	\$43,041	\$67,432	\$51,410
Downtown	\$65,580	\$44,218	\$85,490	\$60,387	\$96,632	\$66,583
Strathcona	\$27,452	\$15,558	\$35,904	\$20,866	\$46,368	\$21,964
Grandview-Woodland	\$43,943	\$35,342	\$57,864	\$43,038	\$72,585	\$55,141
Hastings-Sunrise	\$60,865	\$49,908	\$74,368	\$59,952	\$85,430	\$68,506
West Point Grey	\$121,201	\$77,079	\$147,605	\$84,448	\$161,576	\$84,951
Kitsilano	\$72,706	\$53,455	\$87,825	\$60,147	\$103,076	\$72,839
Fairview	\$67,215	\$52,458	\$80,073	\$61,431	\$93,652	\$69,337
Mount Pleasant	\$46,860	\$37,782	\$62,989	\$48,394	\$87,054	\$66,299
Dunbar-Southlands	\$134,406	\$89,216	\$163,089	\$107,374	\$178,415	\$106,762
Arbutus-Ridge	\$97,187	\$54,199	\$98,679	\$60,513	\$124,666	\$71,008
Shaughnessy	\$292,127	\$105,731	\$223,983	\$104,300	\$262,760	\$111,566
South Cambie	\$83,027	\$61,524	\$101,740	\$70,883	\$130,230	\$83,111
Riley Park	\$70,348	\$56,973	\$88,723	\$68,465	\$110,518	\$83,513
Kensington-Cedar Cottage	\$59,262	\$49,484	\$69,785	\$56,879	\$86,821	\$70,815
Renfrew-Collingwood	\$57,717	\$47,311	\$66,381	\$55,074	\$76,941	\$64,179
Kerrisdale	\$136,969	\$61,710	\$151,582	\$70,409	\$159,945	\$75,399
Oakridge	\$85,018	\$54,784	\$94,295	\$55,594	\$100,495	\$62,988
Sunset	\$59,855	\$51,312	\$74,451	\$60,773	\$85,835	\$68,855
Victoria-Fraserview	\$62,051	\$49,499	\$73,731	\$61,857	\$85,722	\$68,126
Killarney	\$63,963	\$53,112	\$72,389	\$59,711	\$86,302	\$71,559
Marpole	\$57,191	\$41,125	\$66,829	\$48,308	\$73,490	\$53,782
City-wide	\$68,262	\$47,293	\$80,460	\$56,113	\$93,947	\$65,421

4.2g. Incomes by Employment Sector

Background:

- All data on income by sector comes from Statistics Canada 2016 Census. Average and median employment incomes are for all of Metro Vancouver, showing employment income at the regional level. Employed labour force is shown at the municipal level only for the City of Vancouver.
- Employment income is defined as all income received as wages, salaries, and commissions from paid employment and net self-employment income from farm or non-farm unincorporated business and/or professional practice during the reference period.
- Employment income is expressed at the individual level, not for households or families.

Key Observations:

- Industries with high average and median incomes in Metro Vancouver include:
  - Mining, quarrying, and oil and gas extraction;
  - Management of companies and enterprises; and
  - Utilities
- Industries employing a large number of Vancouver residents include:
  - Professional, scientific, and technical services;
  - Health care and social assistance;
  - Accommodation and food services; and
  - Retail trade

Table 4.2.9. Employment income by industry, Metro Vancouver, 2015

Industry	Average income, Metro Vancouver	Median income, Metro Vancouver	Employed labour force (# of workers), CoV	% of employed labour force, CoV
Agriculture, forestry, fishing and hunting	\$30,694	\$17,032	1,605	0.5%
Mining, quarrying, and oil and gas extraction	\$119,097	\$84,668	1,255	0.4%
Utilities	\$94,633	\$88,509	1,430	0.4%
Construction	\$49,283	\$39,527	16,765	4.8%
Manufacturing	\$56,020	\$44,613	16,350	4.7%
Wholesale trade	\$61,602	\$46,770	11,415	3.3%
Retail trade	\$34,151	\$23,661	35,270	10.1%
Transportation and warehousing	\$55,979	\$48,399	12,750	3.6%
Information and cultural industries	\$64,120	\$53,664	19,685	5.6%
Finance and insurance	\$77,847	\$54,075	17,730	5.1%
Real estate and rental and leasing	\$57,984	\$37,405	10,965	3.1%
Professional, scientific and technical services	\$66,170	\$49,293	46,160	13.2%
Management of companies and enterprises	\$114,227	\$64,747	1,020	0.3%
Administrative and support, waste management and remediation services	\$34,215	\$25,709	14,575	4.2%
Educational services	\$47,448	\$41,041	30,505	8.7%
Health care and social assistance	\$50,775	\$42,443	37,985	10.8%
Arts, entertainment and recreation	\$31,141	\$19,257	10,205	2.9%
Accommodation and food services	\$22,162	\$16,036	35,535	10.1%
Other services (except public administration)	\$35,910	\$26,213	16,900	4.8%
Public administration	\$67,413	\$63,302	12,040	3.4%
All industries - Metro Vancouver	\$49,901	\$37,615		
All industries - BC	\$47,482	\$36,282		

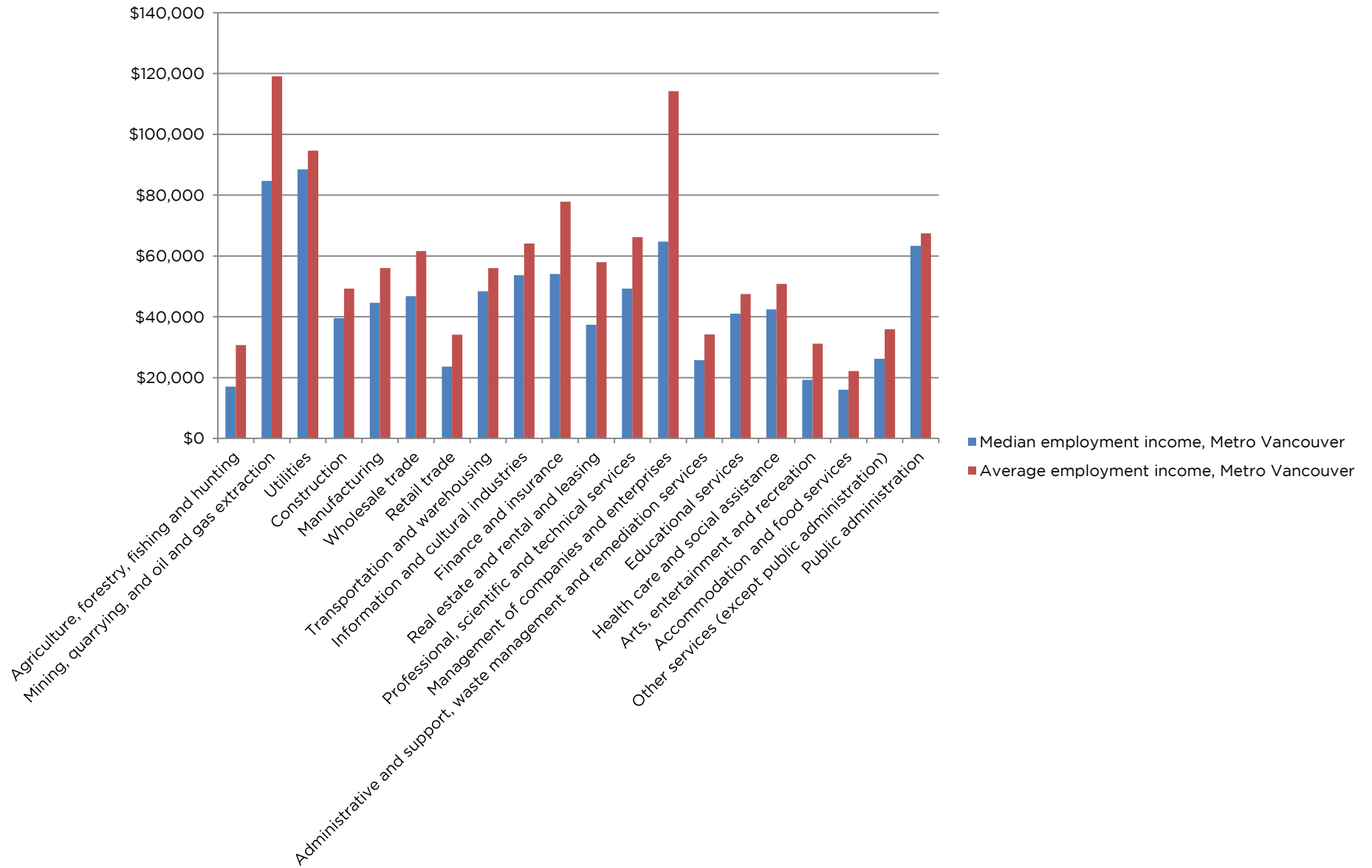


Figure 4.2.8. Employment income by industry, Metro Vancouver, 2015

## 4.3 Housing Costs

This section discusses the cost of housing in Vancouver. An overview of the housing income limits (HILs) for social housing and housing costs for single-room occupancy (SRO) hotels and rooming houses, market rental units, and home ownership will be provided.

### 4.3a Housing Income Limits (HILs) Changes

#### Background:

- Vancouver HILs information is sourced from BC Housing and is the maximum household income allowable to qualify for social housing. HILs represent the annual income required to pay the average market rent for an appropriately sized unit in the Vancouver private market. CMHC Rental Market Survey data is used to determine average rents. The size of unit required by a household is governed by federal/provincial occupancy standards. The HILs information shown in this section is specific to the City of Vancouver and HILs vary by municipality.
- HILs determine whether a household qualifies for subsidized housing or not, as only households with incomes under the HILs qualify.
- Percentage increase in income required to pay average market rent is based on previous year income.

#### Key Observations:

- For all years between 2012 and 2018, the HILs rate is significantly higher for a two-bedroom unit compared to a one-bedroom unit.
- There were significant increases in HILs rates across all unit types from 2015-2018.



**Table 4.3.1. BC Housing – City of Vancouver Housing Income Limits (HILs), 2012-2018**

Year	Studio	Annual % Change	1 Bedroom	Annual % Change	2 Bedroom	Annual % Change	3 Bedroom	Annual % Change	4 Bedroom +	Annual % Change
2012	\$33,500	-	\$37,000	-	\$45,500	-	\$55,000	-	\$57,000	-
2013	\$34,000	1.5%	\$38,000	2.7%	\$46,500	2.2%	\$55,500	0.9%	\$57,500	0.9%
2014	\$35,000	2.9%	\$39,500	3.9%	\$48,000	3.2%	\$56,000	0.9%	\$60,000	4.3%
2015	\$36,500	4.3%	\$40,000	1.3%	\$49,500	3.1%	\$56,000	0.0%	\$62,000	3.3%
2016	\$38,500	5.5%	\$42,500	6.3%	\$52,000	5.1%	\$64,500	15.2%	\$68,500	10.5%
2017	\$40,000	3.9%	\$45,000	5.9%	\$55,500	6.7%	\$66,500	3.1%	\$77,000	12.4%
2018	\$41,500	3.8%	\$48,000	6.7%	\$58,000	4.5%	\$68,000	2.3%	\$83,500	8.4%
Average annual change	\$1,333	3.6%	\$1,833	4.5%	\$2,083	4.1%	\$2,166	3.7%	\$4,416	6.6%

### 4.3b. Single Room Occupancy (SRO) Housing Costs

**Background:**

- All data on SRO rents comes from the City of Vancouver’s bi-annual Low Income Housing Survey. This includes housekeeping and sleeping units.
- Average rents were calculated based on weighted averages across all units and buildings surveyed.
- Rent distributions were analyzed across 3 separate categories (\$375, \$376-\$450, \$451+). These categories are used to understand affordability trends of units.

**Key Observations:**

- Rents in private SRO buildings have increased for each survey period from 1998-2017, continuing the trend observed since the inception of the survey.
- The overall availability of units renting at \$375 decreased in 2017, with only 15% of all private SRO units in the Downtown Core renting at \$375.
- In 2017, 60% of all private SRO units were renting at rates of more than \$451 a month.
- Private SRO units renting in the range of \$376-450 saw the largest decline in share of stock between 2015 and 2017, from 41% to 25%.
- There still remains a significant amount of private SRO stock renting at \$375 in the Downtown Eastside sub area.

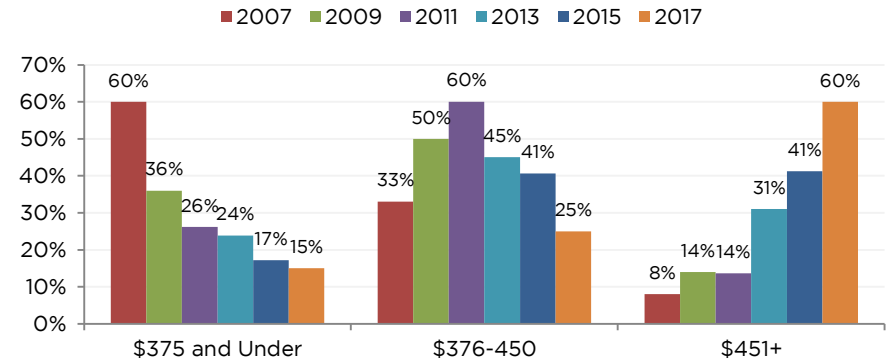


Figure 4.3.1. SRO rent distribution, Downtown Core, 2007-2017

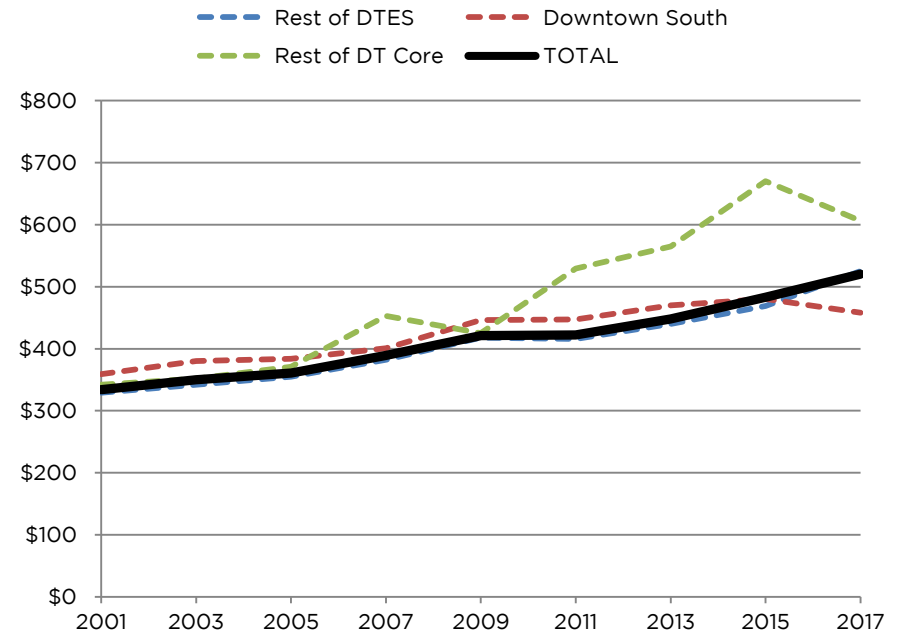


Figure 4.3.2. SRO rents by sub-area, 2001-2017

**Table 4.3.2.** *SRO rent by Downtown Core sub-area, 1998-2017*

Sub-area	1998	2001	2003	2005	2007	2009	2011	2013	2015	2017
Rest of DTES	\$329	\$329	\$342	\$355	\$382	\$418	\$416	\$440	\$469	\$525
Downtown South	\$352	\$359	\$380	\$384	\$401	\$446	\$447	\$470	\$480	\$458
Rest of DT Core	\$329	\$342	\$352	\$371	\$453	\$425	\$529	\$565	\$670	\$606
Total DT Core	\$332	\$334	\$350	\$361	\$389	\$421	\$422	\$448	\$483	\$520

### 4.3c. Market Rental Housing Costs

**Background:**

- Data for average rent increase was obtained from CMHC’s Rental Market Survey and Condominium Owners Survey for each respective year. Percentage increase is calculated based on previous year rent. The average rent increase is not limited to common dwelling units between surveys in multiple years.
- CMHC data for purpose-built rental market or primary rental market consists of rental apartment units and rental row house (townhouse) units.
- CMHC data for secondary rental market only includes condominiums.
- All information on CMHC market rents can be found on the CMHC Housing Market Information Portal (<https://www03.cmhc-schl.gc.ca/hmiportal#Profile/1/1/Canada>).

- Since 2015, average monthly rent for condominiums have been consistently higher than average monthly rent for primary rental units with the same number of bedrooms.
- Large variations year-over-year in condominium rents may be affected by a relatively low sample size for CMHC’s Condominium Owners Survey.

**Table 4.3.3. Unit turnover for City of Vancouver private apartments by bedroom type, 2016 and 2017**

Unit Type	2016	2017
Bachelor	18.10%	15.60%
1 Bedroom	15.70%	12.90%
2 Bedroom	13%	11.30%
3 Bedroom	-	5.20%
Total	15.60%	12.90%

**Key Observations:**

- Average rents for overall purpose-built rental units have increased consistently between 2007 and 2017.
- There was a notable increase in average rent for three or more bedroom units between 2007 and 2008, increasing by 20% from \$1,449 to \$1,743 per month.
- Average rent for purpose-built rental units increased significantly between 2015 and 2016 with a 7% rent increase for the total of all unit types.
- Allowable annual rent increases for existing rental tenures are set by the provincial government each year. These rates differ each year, but the annual BC maximum allowable rent increase has not been greater than 4.6% since 2004.
- CMHC has reported rent increases above the BC maximum allowable rent increase in recent years; this can be attributed to rents being re-set up to market upon turnover between tenants or after a unit is vacated due to renovation; new rental unit creation; or the use of fixed-term tenancies to circumvent rent control (no longer permissible as of late 2017).

**Table 4.3.3.** Average primary rental unit rates by unit type, Vancouver Westside, 2013-2017

Year	Studio	1 Bedroom	2 Bedroom	3+ Bedroom	All Bedroom Types
2013	\$888	\$1,088	\$1,597	\$2,244	\$1,186
2014	\$910	\$1,121	\$1,614	\$2,175	\$1,215
2015	\$967	\$1,149	\$1,687	\$2,421	\$1,258
2016	\$1,028	\$1,245	\$1,760	\$2,422	\$1,342
2017	\$1,058	\$1,307	\$1,895	\$2,560	\$1,419

**Table 4.3.4.** Average primary rental unit rates by unit type, Vancouver Eastside, 2013-2017

Year	Studio	1 Bedroom	2 Bedroom	3+ Bedroom	All Bedroom Types
2013	\$851	\$928	\$1,246	\$1,439	\$985
2014	\$880	\$963	\$1,289	\$1,462	\$1,019
2015	\$883	\$1,008	\$1,326	\$1,491	\$1,061
2016	\$984	\$1,072	\$1,403	\$1,534	\$1,129
2017	\$1,110	\$1,148	\$1,541	\$1,602	\$1,226

**Table 4.3.5.** Average primary rental unit rates by unit type, Vancouver Downtown Peninsula, 2013-2017

Year	Studio	1 Bedroom	2 Bedroom	3+ Bedroom	All Bedroom Types
2013	\$975	\$1,198	\$1,807	\$2,706	\$1,233
2014	\$1,006	\$1,240	\$1,864	\$2,713	\$1,273
2015	\$1,058	\$1,313	\$1,965	\$2,909	\$1,352
2016	\$1,131	\$1,424	\$2,185	\$3,135	\$1,465
2017	\$1,157	\$1,467	\$2,207	\$2,960	\$1,502

**Table 4.3.6.** Average monthly rent increase for primary rental units, 2007-2017

Year	Bedroom Type									
	Studio	Annual % change from prev. year	1 Bedroom	Annual % change from prev. year	2 Bedroom	Annual % change from prev. year	3 Bedroom +	Annual % change from prev. year	Total	Annual % change from prev. year
2007	\$760	-	\$902	-	\$1,289	-	\$1,449	-	\$947	-
2008	\$779	2.5%	\$936	3.8%	\$1,324	2.7%	\$1,743	20.3%	\$988	4.3%
2009	\$840	7.8%	\$990	5.8%	\$1,405	6.1%	\$1,750	0.4%	\$1,044	5.7%
2010	\$846	0.7%	\$1,013	2.3%	\$1,442	2.6%	\$1,802	3.0%	\$1,062	1.7%
2011	\$881	4.1%	\$1,045	3.2%	\$1,498	3.9%	\$1,846	2.4%	\$1,106	4.1%
2012	\$910	3.3%	\$1,067	2.1%	\$1,526	1.9%	\$1,912	3.6%	\$1,131	2.3%
2013	\$917	0.8%	\$1,090	2.2%	\$1,544	1.2%	\$1,921	0.5%	\$1,147	1.4%
2014	\$942	2.7%	\$1,124	3.1%	\$1,575	2.0%	\$1,916	-0.3%	\$1,178	2.7%
2015	\$982	4.2%	\$1,175	4.5%	\$1,647	4.6%	\$2,009	4.9%	\$1,236	4.9%
2016	\$1,061	8.0%	\$1,268	7.9%	\$1,763	7.0%	\$2,035	1.3%	\$1,327	7.4%
2017	\$1,108	4.4%	\$1,326	4.6%	\$1,865	5.8%	\$2,223	9.2%	\$1,392	4.9%
Total change	\$348	45.8%	\$424	47.0%	\$576	44.7%	\$774	53.4%	\$445	47.0%

**Table 4.3.7.** Average monthly rent increase for secondary rental condominiums, 2015-2017

Year	Bedroom Type									
	Studio	Annual % change from prev. year	1 Bedroom	Annual % change from prev. year	2 Bedroom	Annual % change from prev. year	3 Bedroom +	Annual % change from prev. year	Total	Annual % change from prev. year
2015	**	-	\$1,658	-	\$2,218	-	\$3,346	-	\$1,917	-
2016	**	-	\$1,625	-2.0%	\$2,256	1.7%	\$2,870	-14.2%	\$1,955	2.0%
2017	\$1,349	-	\$1,692	4.1%	\$2,385	5.7%	\$3,708	29.2%	\$2,086	6.7%

\*\*Data suppressed to protect confidentiality or data not statistically significant

### 4.3d. Benchmark Housing Prices

**Background:**

- Benchmark home prices are obtained from the MLS® Home Price Index. Benchmark prices were taken from the October report of each respective year. Benchmark prices are updated monthly.
- A “benchmark home” is a home with typical attributes and characteristics of the area it resides within. Benchmark prices are different from average or median prices. Residential composite benchmark prices are an index for all dwelling types. For a comprehensive explanation of the methodology in determining benchmark prices, visit [https://www.crea.ca/wp-content/uploads/2016/07/HPI\\_Methodology.pdf](https://www.crea.ca/wp-content/uploads/2016/07/HPI_Methodology.pdf).
- For more information on benchmark prices and Home Price Index, visit <https://www.rebgv.org/mls-home-price-index>.

**Key Observations:**

- Generally, benchmark prices in Vancouver have been rising consistently between 2006 and 2017.
- Benchmark prices are significantly lower in Vancouver East than in Vancouver West.
- Detached benchmark prices between Vancouver East and Vancouver West have the most significant price differentials of all the housing types. The 2017 detached benchmark price in Vancouver West was more than double the detached benchmark price in Vancouver East.
- Since 2016, the rate of increase for detached benchmark prices has been moderate, with only a 3% increase in Vancouver East and 2% increase in Vancouver West between 2016 and 2017. Increases in benchmark prices for apartments remains high, at 20% in Vancouver East and 17% in Vancouver West between 2016 and 2017.
- In the second half of 2017, detached benchmark prices across the City started to flatten, while apartment benchmark prices continued to rise.

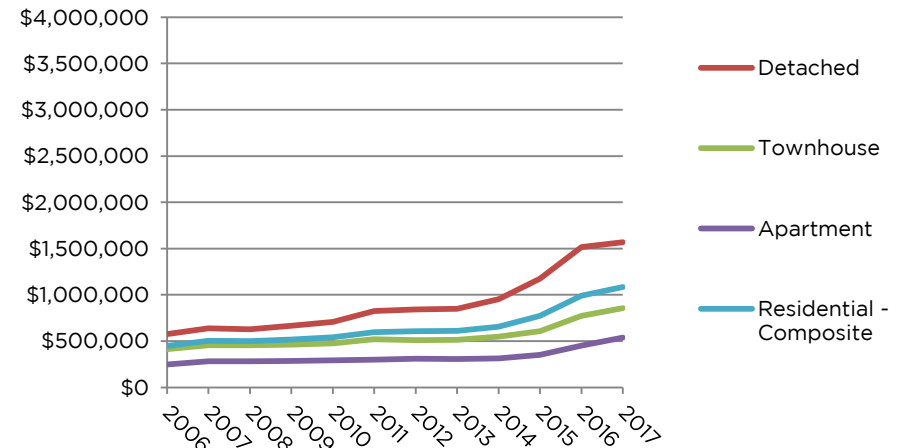


Figure 4.3.3. Vancouver East benchmark residential prices, 2006-2017

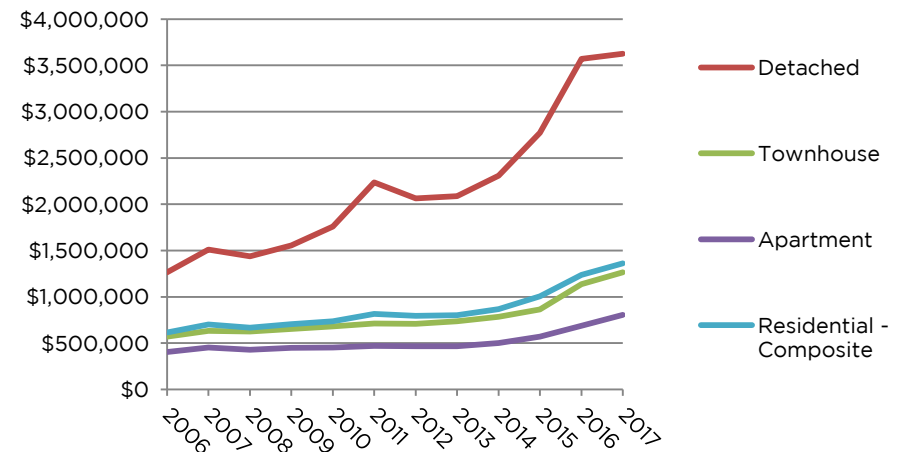


Figure 4.3.4. Vancouver West benchmark residential prices, 2006-2017

\*Benchmark prices are from the month of October for each respective year.

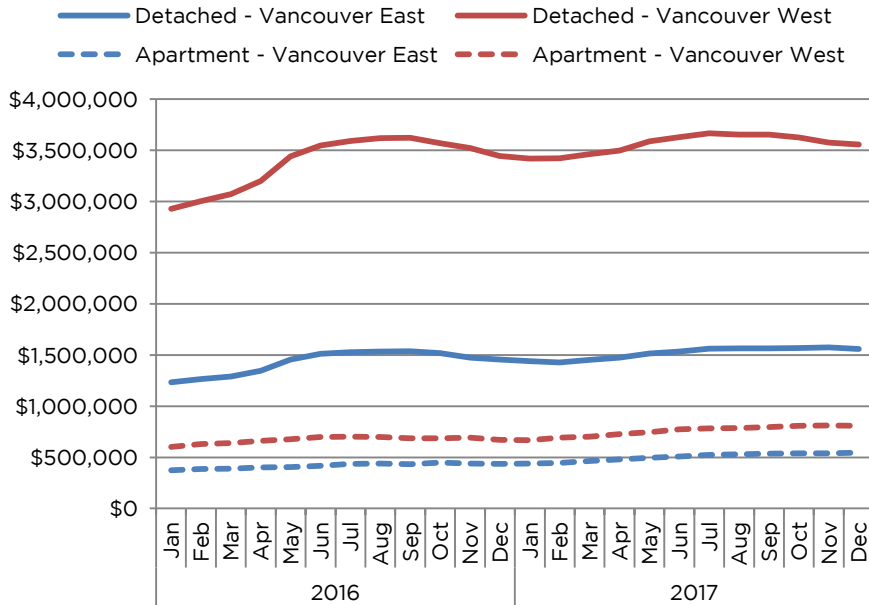


Figure 4.3.5. Benchmark prices by residential type, 2016 and 2017

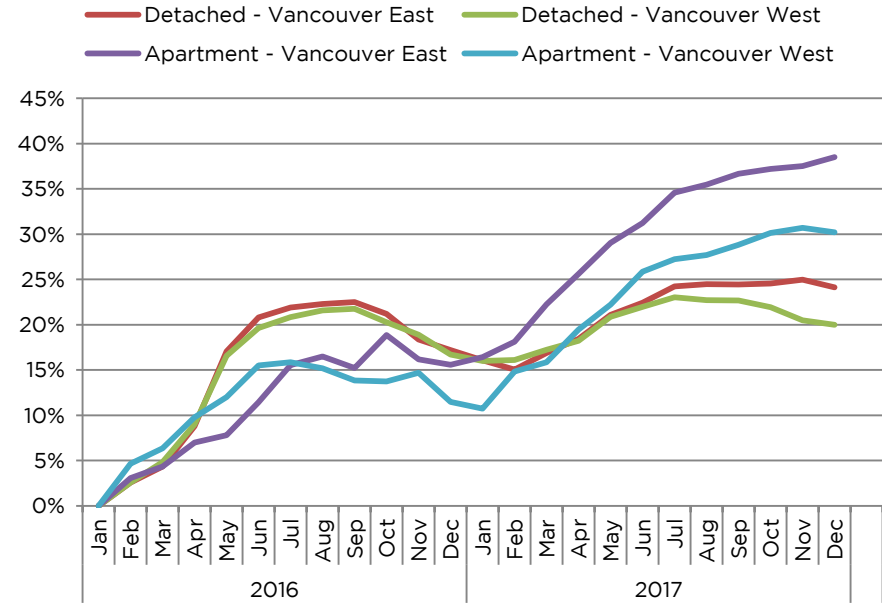


Figure 4.3.6. Percentage increase to benchmark prices from Jan. 2016 prices by residential type, 2016 and 2017



**Table 4.3.8. City of Vancouver benchmark home prices (in \$ thousands), 2007-2018**

Year	Detached				Townhouse				Apartment				Residential - Composite			
	Van East	Annual % change from prev. year	Van West	Annual % change from prev. year	Van East	Annual % change from prev. year	Van West	Annual % change from prev. year	Van East	Annual % change from prev. year	Van West	Annual % change from prev. year	Van East	Annual % change from prev. year	Van West	Annual % change from prev. year
2006	\$576.8	-	\$1,266.2	-	\$411.9	-	\$569.1	-	\$249.2	-	\$403.4	-	\$449.8	-	\$617.0	-
2007	\$638.8	11%	\$1,508.8	19%	\$455.5	11%	\$632.1	11%	\$282.6	13%	\$452.4	12%	\$503.0	12%	\$701.9	14%
2008	\$628.4	-2%	\$1,437.7	-5%	\$453.3	0%	\$626.2	-1%	\$281.1	-1%	\$427.8	-5%	\$498.9	-1%	\$667.3	-5%
2009	\$665.5	6%	\$1,555.5	8%	\$461.9	2%	\$652.0	4%	\$286.4	2%	\$449.0	5%	\$517.7	4%	\$705.2	6%
2010	\$708.9	7%	\$1,760.1	13%	\$476.8	3%	\$681.0	4%	\$292.9	2%	\$452.7	1%	\$540.3	4%	\$735.6	4%
2011	\$825.7	16%	\$2,235.4	27%	\$519.1	9%	\$712.7	5%	\$300.5	3%	\$468.4	3%	\$597.6	11%	\$816.6	11%
2012	\$841.5	2%	\$2,063.0	-8%	\$508.8	-2%	\$707.2	-1%	\$308.5	3%	\$468.1	0%	\$607.9	2%	\$794.4	-3%
2013	\$849.6	1%	\$2,088.3	1%	\$513.3	1%	\$737.1	4%	\$306.9	-1%	\$467.2	0%	\$609.6	0%	\$801.9	1%
2014	\$953.2	12%	\$2,308.4	11%	\$548.4	7%	\$785.6	7%	\$313.0	2%	\$501.1	7%	\$655.7	8%	\$868.8	8%
2015	\$1,175.4	23%	\$2,773.0	20%	\$606.9	11%	\$863.9	10%	\$350.4	12%	\$569.2	14%	\$772.8	18%	\$1,004.9	16%
2016	\$1,516.9	29%	\$3,569.8	29%	\$772.3	27%	\$1,138.3	32%	\$449.9	28%	\$687.0	21%	\$990.7	28%	\$1,238.2	23%
2017	\$1,566.7	3%	\$3,626.3	2%	\$855.2	11%	\$1,265.1	11%	\$538.5	20%	\$806.5	17%	\$1,083.9	9%	\$1,362.5	10%
Total change	\$989.9	172%	\$2,360.1	186%	\$443.3	108%	\$696.0	122%	\$289.3	116%	\$403.1	100%	\$634.1	141%	\$745.5	121%

\*Benchmark prices are from the month of October for each respective year.

**Table 4.3.9. City of Vancouver benchmark prices by month (in \$ thousands), 2016-2017**

		Detached				Apartment			
		Vancouver East	% change from prev. month	Vancouver West	% change from prev. month	Vancouver East	% change from prev. month	Vancouver West	% change from prev. month
2016	Jan	\$1,234,200	-	\$2,928,900	-	\$373,700	-	\$600,400	-
	Feb	\$1,265,800	2.6%	\$3,003,900	2.6%	\$385,200	3.1%	\$628,400	4.7%
	Mar	\$1,288,500	4.4%	\$3,072,100	4.8%	\$390,100	4.3%	\$638,900	6.3%
	Apr	\$1,345,500	8.8%	\$3,199,700	9.0%	\$400,400	7.0%	\$660,800	9.8%
	May	\$1,456,800	17.0%	\$3,442,200	16.6%	\$403,600	7.8%	\$675,600	12.0%
	Jun	\$1,511,500	20.8%	\$3,547,400	19.6%	\$418,300	11.4%	\$699,300	15.5%
	Jul	\$1,528,200	21.9%	\$3,591,200	20.9%	\$435,500	15.5%	\$701,700	15.9%
	Aug	\$1,533,700	22.3%	\$3,617,500	21.6%	\$439,700	16.5%	\$697,100	15.2%
	Sep	\$1,537,300	22.5%	\$3,623,400	21.7%	\$434,100	15.2%	\$687,600	13.8%
	Oct	\$1,516,900	21.2%	\$3,569,800	20.3%	\$449,900	18.9%	\$687,000	13.7%
	Nov	\$1,474,400	18.4%	\$3,521,100	18.9%	\$437,700	16.2%	\$693,400	14.7%
	Dec	\$1,456,800	17.2%	\$3,443,200	16.7%	\$435,200	15.6%	\$671,200	11.5%
2017	Jan	\$1,440,500	16.1%	\$3,419,800	16.0%	\$438,800	16.4%	\$666,300	10.7%
	Feb	\$1,425,600	15.0%	\$3,422,700	16.1%	\$446,200	18.1%	\$693,400	14.8%
	Mar	\$1,452,200	16.9%	\$3,461,700	17.2%	\$464,700	22.3%	\$700,500	15.8%
	Apr	\$1,474,400	18.4%	\$3,495,800	18.2%	\$480,300	25.6%	\$725,800	19.5%
	May	\$1,513,800	21.1%	\$3,588,300	20.9%	\$496,800	29.0%	\$745,800	22.2%
	Jun	\$1,534,100	22.4%	\$3,627,200	22.0%	\$507,700	31.2%	\$772,900	25.8%
	Jul	\$1,561,700	24.2%	\$3,666,200	23.0%	\$524,700	34.6%	\$783,700	27.2%
	Aug	\$1,565,300	24.5%	\$3,654,500	22.7%	\$529,400	35.5%	\$787,400	27.7%
	Sep	\$1,564,900	24.4%	\$3,653,500	22.7%	\$535,600	36.7%	\$796,100	28.8%
	Oct	\$1,566,700	24.6%	\$3,626,300	21.9%	\$538,500	37.2%	\$806,500	30.1%
	Nov	\$1,573,500	25.0%	\$3,573,700	20.5%	\$540,300	37.5%	\$811,200	30.7%
	Dec	\$1,559,900	24.1%	\$3,556,100	20.0%	\$545,600	38.5%	\$807,100	30.2%

### 4.3e. Estimated Median Monthly Mortgage Costs by Unit Type

#### Background:

- Based on MLS sales prices and BC Assessment property information, an approximation of monthly mortgage costs was calculated for different areas of Vancouver.
- The following methodology was employed to arrive at the estimated mortgage costs:
  - Median of all BC Assessment recent sales prices for each geographic area for each respective year by unit type
  - 10% home purchase down payment
  - 5% mortgage rate
  - 25-year amortization period
  - \$150-250 monthly strata fees
  - Property taxes aligned to the applicable property taxes in Vancouver for each respective year

#### Key Observations:

- The median monthly mortgage costs estimates are relevant in comparison to the average rental rates discussed in *Section 4.3c: Average Rents*.
- The estimated median mortgage costs are significantly more expensive than average rental costs for similar unit sizes, as shown on Table 4.3.1. For example, in 2017, a Downtown Peninsula 1 bedroom unit had an average rent of \$1,240 compared to an estimate median mortgage payment of \$3,690.

**Table 4.3.9. Estimated median monthly mortgage cost by bedroom type, 2011-2017**

Year	Geography	Studio	Annual % change from prev. year	1-bed	Annual % change from prev. year	2-bed	Annual % change from prev. year	3+ Bed	Annual % change from prev. year
2011	Downtown Penninsula	\$1,925	-	\$2,576	-	\$4,034	-	\$7,542	-
	Eastside	\$1,575	-	\$2,046	-	\$2,873	-	\$3,768	-
	Westside	\$1,830	-	\$2,352	-	\$3,853	-	\$6,533	-
2012	Downtown Penninsula	\$2,051	7%	\$2,220	-14%	\$3,396	-16%	\$7,116	-6%
	East Side	\$1,809	15%	\$1,926	-6%	\$2,553	-11%	\$3,464	-8%
	West Side	\$2,123	16%	\$2,320	-1%	\$3,674	-5%	\$7,379	13%
2013	Downtown Penninsula	\$2,227	9%	\$2,294	3%	\$3,502	3%	\$5,692	-20%
	East Side	\$1,639	-9%	\$1,955	2%	\$2,449	-4%	\$3,602	4%
	West Side	\$1,762	-17%	\$2,228	-4%	\$3,335	-9%	\$5,259	-29%
2014	Downtown Penninsula	\$2,255	1%	\$2,365	3%	\$3,685	5%	\$6,273	10%
	East Side	\$1,721	5%	\$1,868	-4%	\$2,691	10%	\$3,475	-4%
	West Side	\$1,868	6%	\$2,269	2%	\$3,364	1%	\$5,386	2%
2015	Downtown Penninsula	\$1,929	-14%	\$2,539	7%	\$4,092	11%	\$7,327	17%
	East Side	\$1,438	-16%	\$2,148	15%	\$2,936	9%	\$4,159	20%
	West Side	\$1,864	0%	\$2,442	8%	\$3,871	15%	\$6,232	16%
2016	Downtown Penninsula	\$2,338	21%	\$3,097	22%	\$4,879	19%	\$9,965	36%
	East Side	\$1,701	18%	\$2,388	11%	\$3,375	15%	\$5,093	22%
	West Side	\$2,088	12%	\$2,762	13%	\$4,494	16%	\$8,092	30%
2017	Downtown Penninsula	\$2,871	23%	\$3,690	19%	\$5,786	19%	\$10,165	2%
	East Side	\$2,278	34%	\$2,739	15%	\$3,817	13%	\$5,432	7%
	West Side	\$2,670	28%	\$3,333	21%	\$5,444	21%	\$8,328	3%

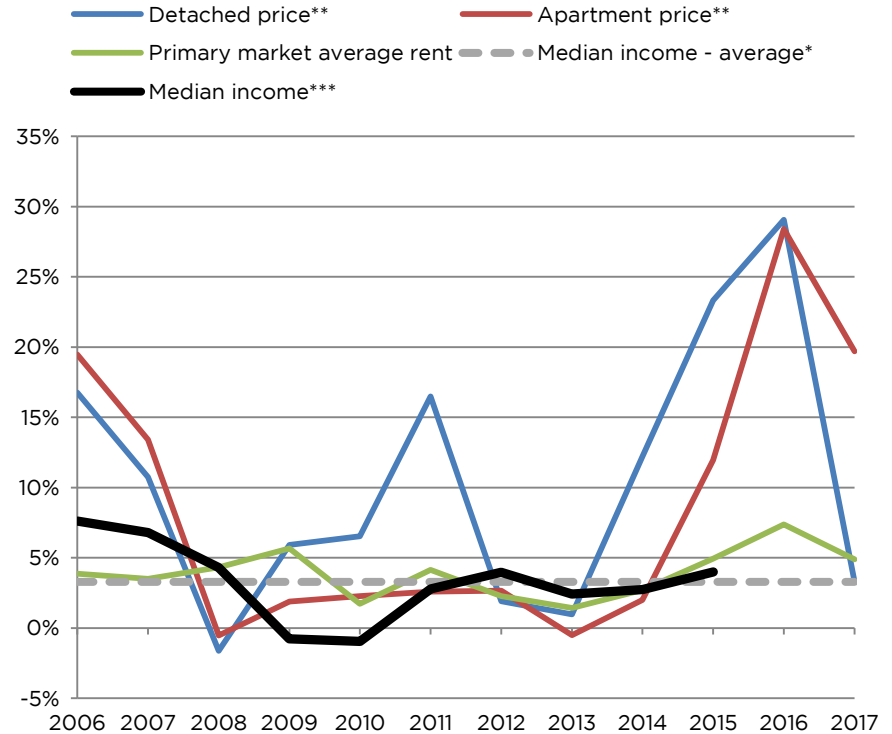
### 4.3f. Housing Cost Relative to Household Income Growth

**Background:**

- Data for home prices comes from the MLS® Home Price Index using Vancouver East benchmark prices. Data for the primary rental market average rent is sourced from CMHC. The primary rental market includes purpose-built rental apartments. Average rent data is for the City of Vancouver.
- Median household income data comes from Statistics Canada taxfiler records and is for the City of Vancouver and University Endowment Lands (UEL) combined. Due to 5-year census intervals, census data does not provide annual income information. For this reason, taxfiler data has been utilized. Methodology for obtaining census and taxfiler income data differs in several respects, one being a major difference in sample size. As such, census and taxfiler income data yields different results. Elsewhere in this report, census data is used when discussing incomes.
- Due to year-over-year variations in median household income, the average annual change is useful as it provides a more stable value to set targets to. In this section, the average annual median household income has been calculated using the annual percentage change in median household income between 2005 and 2015. When applying this average percentage change to future years beyond 2015, there is an assumption that the same average percentage change in median household income will apply.

**Key Observations:**

- From around 2014-2015 up until 2017, Vancouver East condominium benchmark prices increased substantially.
- Median household income has steadily increased from 2006 to 2015 at an average rate of 3.3%.
- Throughout the period, there have been certain years where benchmark prices increased at a significantly higher rate than median household incomes.



**Figure 4.3.7.** Annual percentage change in benchmark prices, average rent, and median household income from previous year, 2006-2017

\*Percentage change in median income is based on the average annual year-over-year percentage change from 2005-2015. Statistics Canada taxfiler data was used for this estimate, as it is available on an annual basis.

\*\* Benchmark prices refer to Vancouver East benchmark prices for the month of October of each respective year and do not represent the city as a whole.

\*\*\*Taxfiler median household income data is not currently available past 2015 from Statistics Canada.

**Table 4.3.10.** Annual percentage change in benchmark prices, average rents, and median household incomes

	Benchmark detached price*	Benchmark apartment price*	Primary market average rent	Median household income**
2006	16.8%	19.5%	3.9%	7.6%
2007	10.7%	13.4%	3.5%	6.8%
2008	-1.6%	-0.5%	4.3%	4.3%
2009	5.9%	1.9%	5.7%	-0.8%
2010	6.5%	2.3%	1.7%	-1.0%
2011	16.5%	2.6%	4.1%	2.8%
2012	1.9%	2.7%	2.3%	4.0%
2013	1.0%	-0.5%	1.4%	2.4%
2014	12.2%	2.0%	2.7%	2.7%
2015	23.3%	11.9%	4.9%	4.0%
2016	29.1%	28.4%	7.4%	-
2017	3.3%	19.7%	4.9%	-
Average	10.5%	8.6%	3.9%	3.3%

\* Benchmark prices refer to Vancouver East benchmark prices for the month of October of each respective year and do not represent the city as a whole.

\*\*Taxfiler median household income data is not currently available past 2015 from Statistics Canada.

## 4.4 Housing Need and Homelessness

This section discusses housing need and affordability challenges in Vancouver. An overview of homelessness, social housing wait times, high proportions of income spent on shelter, and core housing need will be provided.

### 4.4a. Homeless Count

#### Background:

- Homelessness data for Vancouver comes from both the City of Vancouver and Metro Vancouver. The City of Vancouver has conducted an annual homeless count in Vancouver since 2010, while Metro Vancouver has conducted a count across the region every three years since 2002.
- The count is a “point-in-time” count and offers a snapshot of homelessness over only a 24-hour period.
- Although counts do not give us a full picture of the extent of homelessness and are considered undercounts, the counts provide critical information on the number and characteristics of the homeless population and how this population has changed over time.
- For comprehensive information on the City of Vancouver Homeless Count and more, visit <http://vancouver.ca/people-programs/homeless-count.aspx>.

#### Key Observations:

- The 2018 City of Vancouver homeless count saw a 2% increase in homelessness in Vancouver since the 2017 count. The 2018 count found:
  - 2,181 residents facing homelessness in Vancouver
    - 659 street homeless
    - 1,522 sheltered homeless, including emergency shelters, detox centres, safe houses and hospitals, with no fixed address.
- People of Indigenous/Aboriginal identity continue to be vastly overrepresented in homelessness in Vancouver. The 2018 count found that 40% of the city’s homeless population

reported Indigenous identity compared to only 2.2% of the city’s general population.

- Homelessness is a regional issue. The 2017 Metro Vancouver count showed homelessness increased at a greater rate since 2014 in municipalities outside of Vancouver, even though Vancouver’s actual number was higher.
- Homelessness is also a growing issue provincially and nationally, with homeless counts now occurring across BC and the country.
- Homeless counts consistently report more men than women. However, women tend to be undercounted as they are often living in unsafe conditions where they are unlikely to be found.
- A higher proportion of Indigenous people who are homeless are on the street/unsheltered than in sheltered locations compared to non-Indigenous people who are homeless.
- Indigenous women are particularly overrepresented in homelessness.
- In 2017 and 2018, over half of homeless population counted reported two or more health issues.
- A greater proportion of youth homeless report mental health issues and/or LGBTQ2 identity.
- Government assistance and disability benefit are the most widely reported income sources amongst the homeless population. In 2017 and 2018, 23% and 19% of the homeless population reported employment as an income source, respectively.

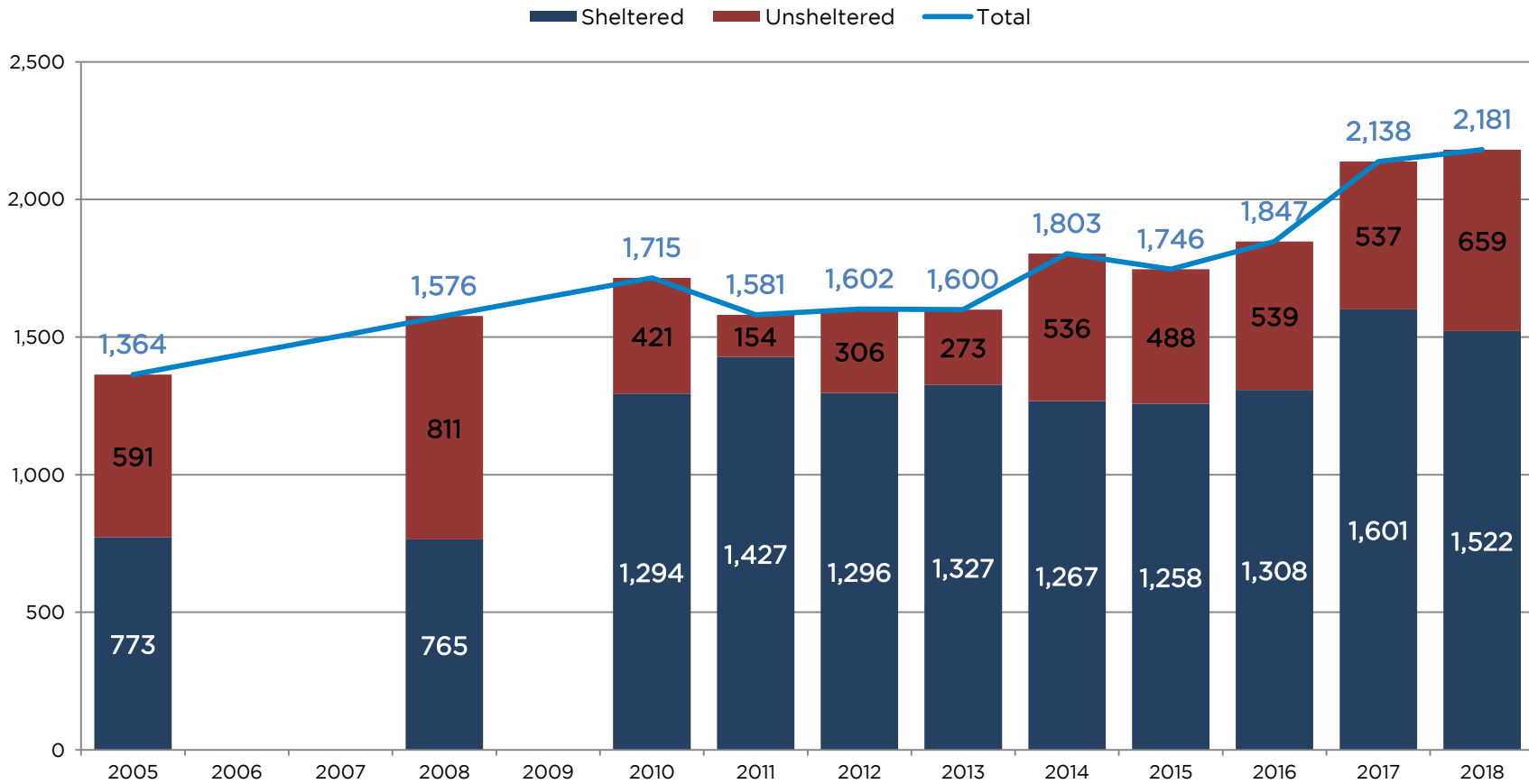


Figure 4.4.1. Vancouver Homelessness Trends



**Table 4.4.1. Homeless count demographic indicators, 2017-2018**

Homeless population demographic indicators	2017	2018
Proportion of total population who identify as men	76%	75%
Proportion total population who identify as women	22%	25%
Proportion of total population who identify as Indigenous/Aboriginal	39%	40%
Proportion of Indigenous population unsheltered/on the street	51%	51%
Proportion of non-Indigenous population who were unsheltered/on the street	37%	40%
Proportion of Indigenous population who identify as women	31%	32%
Proportion of women who identify as Indigenous	53%	53%
Proportion of total population who are youth under age 24 and under	10.5%	8%
Proportion of total population who are adults age 25-54	68%	70%
Proportion of total population who are seniors 55+	21%	21%
Proportion of total population with two or more health conditions	51%	54%
Proportion of total population who report mental health issue	44%	39%
Proportion of youth 24 and under who report mental health issue	57%	62%
Proportion of adults 25-54 who report mental health issue	46%	43%
Proportion of seniors 55+ who report mental health issue	31%	26%
Proportion of youth 24 and under who identify as LGBTQ2+	23%	28%
Proportion of adults 25-54 who identify as LGBTQ2+	11%	10%
Proportion of seniors 55+ who identify as LGBTQ2+	5%	5%
Proportion of total population who report welfare/income assistance as an income source	40%	38%
Proportion of total population who report disability benefit as an income source	29%	29%
Proportion of population who report employment (full-time or part-time) as an income source	23%	19%

**4.4b. BC Housing Social Housing Waitlist**

**Background:**

- The social housing waitlist is the number of applicants who qualify for social housing or housing assistance and are waiting for placement. This includes applications for social housing, rent supplements, and housing transfers.
- Waitlist information comes from BC Housing and encompasses programs managed by BC Housing.

**Key Observations:**

- In Vancouver, BC Housing’s social housing waitlist has been consistently growing since 2010, with the largest increase occurring between 2011 and 2012.
- Since 2010, Vancouver has consistently comprised approximately 40% of BC Housing’s social housing waitlist.
- The City of Vancouver’s proportion of the regional waitlist is significantly higher than its share of the regional population, as measured for the 2011 and 2016 Census periods

*Table 4.4.2. BC Housing social housing waitlist, 2010-2017*

Year	City of Vancouver waitlist	City of Vancouver proportion of regional waitlist	City of Vancouver proportion of regional population
2010	3,212	42%	27%
2011	3,209	41%	26%
2012	4,144	42%	26%
2013	4,254	42%	26%
2014	4,569	43%	26%
2015	4,617	43%	26%
2016	4,685	42%	26%
2017	4,789	39%	26%

#### 4.4c. Households Spending 30-99% of Income on Housing Costs

##### Background:

- This section discusses households in Vancouver which are spending 30-99% of their income on housing costs. A common benchmark for the appropriate portion of income to be spent on shelter is 30%. Data is from Statistics Canada 2016 Census, representing 2015 incomes and shelter costs.
- Measuring shelter-to-income-ratio of 30-99% excludes retirees, students, and other people who spend 100% or more of their income on shelter.

##### Key Observations:

- The highest proportion of households spending 30-99% of their income on housing costs is in Strathcona. Other local areas with high proportions of households spending 30-99% of their income on housing costs are the West End, Downtown, Grandview Woodland, Mount Pleasant, Arbutus-Ridge, Oakridge, and Marpole.
- Fewer owner-occupied households spend 30-99% of their income on housing costs than renter households. A higher proportion of households in subsidized rental units spend 30-99% of their income on housing costs in comparison to households in non-subsidized rental units.
- Local areas with high proportions of renters spending 30-99% of their income on housing costs include Strathcona, Oakridge, the West End, and Arbutus-Ridge.
- Local areas with high proportions of owners spending 30-99% of their income on housing costs include Downtown, Sunset, Renfrew-Collingwood, and Arbutus-Ridge.

**Table 4.4.3. Households spending 30-99% on housing costs, 2015**

Local area	Housing Tenure									
	Owned - Total	% of households in area	Rental - Total	% of households in area	Subsidized Rental	% of households in area	Non-Subsidized Rental	% of households in area	Total - All Tenure	% of households in area
West End	1,225	20%	9,350	38%	1,160	59%	8,190	36%	10,575	34%
Downtown	3,910	26%	7,170	36%	2,025	53%	5,145	32%	11,080	32%
Strathcona	240	21%	2,195	46%	1,500	52%	690	38%	2,430	42%
Grandview Woodland	1,045	19%	3,380	35%	1,140	53%	2,240	30%	4,425	29%
Hastings-Sunrise	1,435	19%	1,810	35%	540	59%	1,280	30%	3,250	26%
West Point Grey	650	20%	755	37%	175	64%	580	33%	1,405	26%
Kitsilano	1,770	18%	4,245	33%	430	53%	3,815	31%	6,015	26%
Fairview	1,500	18%	3,580	32%	490	45%	3,085	30%	5,080	26%
Mount Pleasant	1,530	22%	3,650	33%	515	52%	3,135	31%	5,180	29%
Dunbar-Southlands	885	16%	480	32%	30	50%	455	32%	1,365	20%
Arbutus-Ridge	915	24%	845	38%	135	64%	715	35%	1,760	29%
Shaughnessy	415	19%	220	30%	10	100%	205	28%	630	22%
South Cambie	400	22%	435	33%	20	44%	410	33%	840	27%
Riley Park	925	18%	1,190	32%	110	43%	1,080	31%	2,120	24%
Kensington-Cedar Cottage	2,145	22%	2,470	31%	325	44%	2,145	30%	4,615	26%
Renfrew-Collingwood	2,650	24%	2,485	32%	480	44%	2,000	30%	5,135	27%
Kerrisdale	780	21%	675	36%	30	67%	645	36%	1,455	26%
Oakridge	690	22%	805	41%	160	52%	650	40%	1,495	30%
Sunset	1,600	26%	1,600	30%	260	57%	1,340	27%	3,200	28%
Victoria-Fraserview	1,120	18%	1,265	32%	305	47%	960	29%	2,385	23%
Killarney	1,215	19%	1,210	28%	475	38%	730	24%	2,430	23%
Marpole	930	21%	2,260	35%	375	53%	1,885	33%	3,190	29%
Total	27,990	21%	52,065	35%	10,690	52%	41,370	32%	80,055	28%

### 4.4d Households in Core Housing Need

#### Background:

- A household is said to be in 'core housing need' if its housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards).
- Housing standards are defined as follow:
  - Adequate housing is reported by their residents as not requiring any major repairs.
  - Affordable housing has shelter costs equal to less than 30% of total before-tax household income.
  - Suitable housing has enough bedrooms for the size and composition of resident households according to National Occupancy Standard (NOS) requirements.
- Only private, non-farm, non-reserve and owner- or renter-households with incomes greater than zero and shelter-cost-to-income ratios less than 100% are assessed for 'core housing need.'
- Non-family households with at least one maintainer aged 15 to 29 attending school are considered not to be in 'core housing need' regardless of their housing circumstances. Attending school is considered a transitional phase, and low incomes earned by student households are viewed as being a temporary condition.
- The rate of core housing need is defined by the proportion of households in core housing need compared to all households.
- This section measures the rate of households in core need in major Canadian cities, including Vancouver.
- This section also shows by households earning \$80k/year or less and spending 50-99% of income on housing costs by local area and housing tenure. This is not the same as the defined core housing need. This measure shows households with even deeper challenges than those spending 30-99% of income on shelter, as discussed in the previous section. Measuring shelter-to-income-ratio of 50-99% excludes retirees, students, and other people who spend 100% or more of their income on shelter.

#### Key Observations:

- For context, during the 2016 Census period, the City of Vancouver had 283,915 total households.
- Between 2006 and 2016 the rate of core housing need in Vancouver declined consistently.
- Core housing need has been lower in Vancouver than it has been in Toronto, but higher than Montreal for the past three census periods.
- The highest proportion of households earning \$80k/year or less and spending 50-99% of income on housing are located in the West End, Downtown, Arbutus Ridge, Strathcona, Oakridge, Marpole, Kitsilano, Mount Pleasant, Kerrisdale, and Sunset.
- Non-subsidized rental households have the high proportion of households earning \$80k/year or less and spending 50-99% of income on shelter.

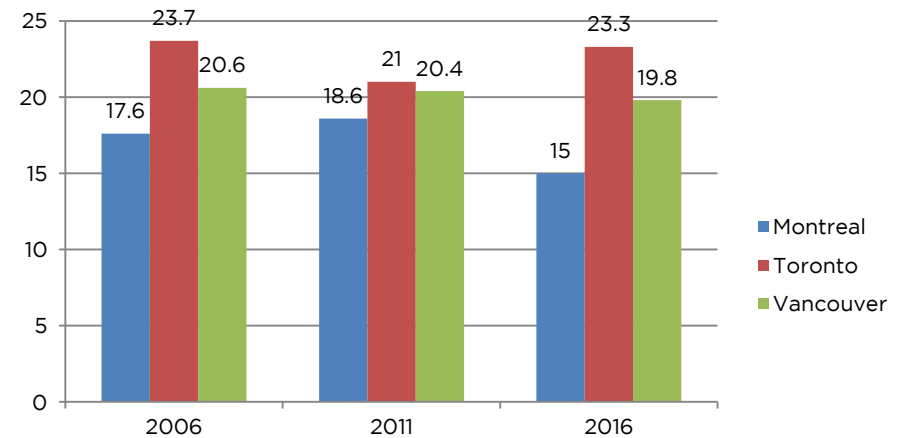


Figure 4.4.2. Rate of core housing need (%) for Canadian major cities, 2006-2016

**Table 4.4.4. Households earning \$80k/year or less and spending 50-99% of income on shelter, 2015**

Local area	Housing Tenure							
	Owned	% of Total HHs in Local Area	Subsidized Rental	% of Total HHs in Local Area	Non-Subsidized Rental	% of Total HHs in Local Area	Total	% of Total HHs in Local Area
West End	425	1%	440	1%	3,290	11%	4,145	13%
Downtown	1,425	4%	570	2%	2,245	6%	4,255	12%
Strathcona	45	1%	340	6%	275	5%	670	11%
Grandview Woodland	295	2%	365	2%	770	5%	1,420	9%
Hastings-Sunrise	395	3%	215	2%	530	4%	1,115	9%
West Point Grey	180	3%	10	0%	260	5%	465	9%
Kitsilano	570	2%	150	1%	1,485	6%	2,220	10%
Fairview	445	2%	150	1%	1,230	6%	1,845	9%
Mount Pleasant	455	3%	170	1%	1,130	6%	1,765	10%
Dunbar-Southlands	250	4%	-	0%	185	3%	440	6%
Arbutus-Ridge	375	6%	45	1%	300	5%	725	12%
Shaughnessy	160	6%	20	1%	85	3%	255	9%
South Cambie	85	3%	10	0%	140	4%	225	7%
Riley Park	245	3%	30	0%	350	4%	630	7%
Kensington-Cedar Cottage	645	4%	95	1%	665	4%	1,390	8%
Renfrew-Collingwood	850	5%	115	1%	770	4%	1,735	9%
Kerrisdale	230	4%	10	0%	300	5%	545	10%
Oakridge	185	4%	65	1%	280	6%	550	11%
Sunset	570	5%	80	1%	460	4%	1,105	10%
Victoria-Fraserview	310	3%	75	1%	330	3%	710	7%
Killarney	340	3%	105	1%	220	2%	655	6%
Marpole	345	3%	125	1%	715	7%	1,185	11%
Total	8,820	3%	3,200	1%	16,040	6%	28,045	10%

## Section 5: Tracking Our Progress

This section overviews the commitment of *Housing Vancouver* to monitor the impact of key housing initiatives on Vancouver's housing market, affordability, and communities.

## 5.1. Tracking Our Actions – Housing Vancouver Action Plan

This section discusses the actions being taken as set out in *Housing Vancouver*. We will provide an overview of what is currently being done and work to be done in the future.



<b>Housing Vancouver Priority Area</b>	<b>Key Actions To Date</b>
<p><i>Addressing speculative investment and housing demand</i></p> <p><i>Create the Right Supply</i></p> <p><i>Protect Existing Affordable Housing</i></p>	<ul style="list-style-type: none"> <li>- <i>Empty Homes Tax implemented for 2017 tax year, consultation initiated on options for first year revenue</i></li> <li>- <i>Short Term Rental regulations approved by Council effective April 19, 2018</i></li> <li>- <i>New Development Contribution Expectation (DCE) policy to curb speculation in the Broadway Corridor, and apply learnings to future planning initiatives.</i></li> <li>- <i>Moderate-Income Rental Housing Pilot Program - 20 sites invited to proceed with rezoning enquiry</i></li> <li>- <i>Updates to Rental Housing Stock ODP presented to (approved by) Council on June 5th, 2018</i></li> <li>- <i>Cambie Corridor Plan approved by Council on May 2nd, 2018, enabling 5,000 market rental units, 2,800 social housing units, and opportunities for multi-family units on single-family lots</i></li> <li>- <i>Work underway to amend to commercial zoning districts to include density bonus provisions for rental housing</i></li> <li>- <i>Amendments to the Affordable Housing Choice Interim Rezoning Policy</i></li> <li>- <i>False Creek South Vision Statement and Guiding Planning Principles approved on</i></li> <li>- <i>Broadway Corridor TOR presented to Council on June 19th , 2018</i></li> <li>- <i>Making Room Initiative TOR presented to Council on June 19th , 2018</i></li> <li>- <i>Family Guidelines Modernization public engagement underway</i></li> <li>- <i>Amendments to laneway home regulations to increase design flexibility, reduce costs, and processing times</i></li> <li>- <i>Policy Statements for Langara Gardens and Heather Lands approved by Council on May 15th, 2018</i></li> </ul>
<p><i>Work with Partners to Deliver Affordable Housing</i></p> <p><i>Indigenous Housing and Wellness</i></p> <p><i>Support for Renters and Vulnerable Residents</i></p>	<ul style="list-style-type: none"> <li>- <i>Affordable Housing Delivery and Financial Strategy presented to Council on June 19th, 2018</i></li> <li>- <i>VAHA RFP selection of Community Land Trust (CLT) as development partner on seven City sites</i></li> <li>- <i>Supporting Indigenous housing partner projects: Development and building permits issued for 950 Main St.; RFP issued for 1015 E Hastings; CLT commitment to work with an Indigenous housing agency to operate one site; continued engagement with Indigenous agencies and funding partners to advance other projects.</i></li> <li>- <i>Approval of the Heather Lands Policy Statement, which includes approximately 41,620 square metres (448,000 sq.ft.) of affordable housing in the concept plan, which yields about 530 units depending on the ultimate unit size and composition, and amount of residential floor area.</i></li> <li>- <i>Temporary Modular Housing: CoV and Province are more than halfway towards delivering 600 units of temporary modular housing in Vancouver, with approximately 400 homes in different stages of the application or development process.</i></li> <li>- <i>Participation in the BC Rental Housing Task Force to advocate for enhanced RTA protection in the case of renovations and additional protections for renters</i></li> <li>- <i>Increased access to building violation data for renters via improved online data and by-law amendments</i></li> <li>- <i>SRO Revitalization Strategy: Discussion with senior government initiated, along with engagement with advocacy and research organization to explore opportunities for alignment and partnership</i></li> </ul>
<p><i>Expediting and improving city</i></p>	<ul style="list-style-type: none"> <li>- <i>SHORT pilot to expedite delivery of affordable housing underway - 300 units under construction, with over 800 units targeted for 2018 and 900 for 2019.</i></li> </ul>

<p><i>processes for housing development</i></p>	<ul style="list-style-type: none"> <li>- <i>Simplified and streamlined approach to rezoning/CAC negotiations on 100% rental projects</i></li> <li>- <i>3-year regulatory review underway - various amendments to the Zoning and Development By-Law and various guidelines and policies to simplify and update the regulations and streamline permit review processes</i></li> <li>- <i>Announced reductions in permit wait times in April 2018</i></li> <li>- <i>Launched ASAP pilot program in May to prioritize one and two family and laneway homes through an accelerated permit approval process</i></li> </ul>
<p><i>Actions from Senior Government Partners</i></p>	<ul style="list-style-type: none"> <li>- <i>New funding for affordable housing from the Province and Federal government</i></li> <li>- <i>Legislation to enable Rental Only Zoning</i></li> <li>- <i>Changes to the Residential Tenancy Act to limit fixed-term tenancies and improve renter protections during renovations or redevelopment</i></li> <li>- <i>Participation in Rental Housing Task Force to increase protection to renters facing evictions due to renovation</i></li> </ul>

## 5.2. Measuring Our Impact – Housing Vancouver Outcome Measures

This section discusses a selection of outcome measures that will be tracked in subsequent reports, and used to gauge the impact of our policies and indicate areas where further work is needed.

- In order to track the overall progress of *Housing Vancouver*, a core set of indicators have been selected as key outcome measures. These outcome measures will allow for a high-level assessment of the impact of City, senior government, and partner actions on housing affordability in Vancouver over the next ten years.
- A list of the initial outcome measures and 2016-2017, mid-point targets, and baseline status data is included in Section 5.2 of the Housing Vancouver Data Book. These measures may be refined or additional measures added to the 2019 progress report to reflect input from academic stakeholders. Full measurement of progress against five and ten year goals will be reported on an annual basis starting in 2019.
- It also is anticipated that reporting on progress towards Affordable Housing Delivery and Financial Strategy actions and outcomes will also be included in the next annual progress report (2018) pending council approval of the Strategy.
- A list of the initial outcome measures is included below:

<i>What do we want Vancouver to look like in 10 years?</i>	<i>What do we want to see in the next 5 years</i>	<i>Current status/trend (2016 - 2017)</i>
<b>A healthy private market rental vacancy rate of 3%</b>	Annual increase in private market vacancy rate of at least 0.2%	Increased 0.1% between 2016 and 2017, to 0.9% in 2017
<b>Stabilize ownership and rental price growth, targeting price growth in line with incomes</b>	Ownership housing price increases (east side condominium) in line with median incomes  Private market rent increases in line with median incomes	Vancouver East condominium benchmark price increased 19.7% between Oct. 2016-Oct.2017, from \$449,900 to \$538,500 <sup>13</sup>  CMHC average private market rents increased 4.9% between Oct. 2016-Oct. 2017, from \$1,324 to \$1,389 <sup>14</sup>  The average annual change in median household incomes in Vancouver from 2005-2015 was 3.29%; median household income in 2015 was \$43,388 <sup>15</sup>
<b>Raise share of families with children to historic levels of 1/3 of all households</b>	Raise share of families with children in 2022 Census to 30-33% of all households, with the goal of increasing the share of families with children in all neighborhoods	In 2016, 28.5% of Vancouver households had children compared to 29.9% in 2011.

<sup>13</sup> Benchmark East Side Condominium Prices - MLS Home Price Index, Real Estate Board of Greater Vancouver

<sup>14</sup> Private Apartment Average Rents, All Bedroom Types - CMHC Rental Market Survey

<sup>15</sup> Median Annual Household Income - Statistics Canada Taxfiler Data, City of Vancouver and UEL (see *Section 4.3f* for more information on methodology)

<p><b>Increase housing options in low density areas to support more families, singles, and seniors</b></p>	<p>Double the current annual rate of increase in dwelling units in areas that were zoned as RS or RT in 2017 to 2% from -1%, with equal distribution between geographic areas in the city (e.g. east vs west side neighborhoods)</p>	<p>2017 BC Assessment data indicates 91,481 dwelling units in RS and RT zoned areas in 2017. The recent annual change in dwelling units has been less than 1% of all dwellings.<sup>16</sup></p>
<p><b>Replace 50% of the private SRO stock, while improving livability and security for Renters in the remaining SRO stock.</b></p>	<p>Replace 25% (1,000 homes) in the private SRO stock with self-contained social housing renting at the shelter component of income assistance for singles. Continue trend of incentivizing and approving liveability upgrades to 300 SRO rooms (an average of 60 rooms per year)</p>	<p>In 2017, 342 new social and supportive homes renting at the shelter component of income assistance for singles (\$375) were approved (<i>Housing Vancouver SRO Tracker</i>).</p> <p>From 2015 to 2017, SRA permits and grants to 5 SRA designated buildings resulted in livability upgrades to 185 homes and secured 114 SRO homes at the shelter component of income assistance.</p>
<p><b>Prevent homelessness and create pathways toward housing stability</b></p>	<p>End street homelessness, and reduce the share of Indigenous people experiencing homelessness from by 50% by 2022</p>	<p>From 2016-2017, there was a slight decrease in street homelessness (&lt;1%), and a 2% increase in street homelessness from 2017-2018.</p> <p>The proportion of Indigenous people experiencing homelessness was 38% of the total homeless population in 2016, 39% in 2017 and 40% in 2018.</p>
<p><b>Advance our commitments as a City of Reconciliation to address short- and long term housing and wellness needs of urban Indigenous residents</b></p>	<p>Support delivery of a minimum of 600-700 culturally-appropriate affordable homes by 2022</p>	<p>26 homes approved in 2017 (950 Main Street)</p>
<p><b>Ensure diversity in the City by maintaining the 2016 Census share of low and moderate income renters</b></p>	<p>Stabilize loss of households earning &lt;\$30K; \$30-50K, \$50- 80K in 2022 Census</p>	<p>Share of population earning &lt;\$30K decreased from 38% to 31% (2010-2015) Share of population earning \$30-50K decreased from 21% to 18% (2010-2015)</p>

<sup>16</sup> Count of dwelling units from BC Assessment; includes laneway homes and secondary suites with a unique address

## Section 6: Additional Data Collection

Over time, it is our intent to expand data collection efforts to help us measure and achieve our targets as set out in *Housing Vancouver*. This section discusses what some of the data gaps are and potential indicators to include in future progress reports.

## 6.1 Additional Data Collection for Future Reports

The 2018 Housing Vancouver Annual Progress Report and Data Book aims to provide a comprehensive resource on housing delivery, market, and affordability indicators. However, due to data collection and availability limitations, a number of indicators were not included in this year's report. Subsequent Housing Vancouver Progress Reports aim to include tracking and reporting on the following additional indicators:

- **Coach house approvals:** City staff are in the process of developing a system to track the annual number of coach house units delivered in Vancouver and will report back on *Housing Vancouver's* progress towards achieving its coach house target in the 2019 Annual Progress Report.
- **Family units in town homes:** City staff are in the process enhancing tracking of bedroom counts in town house developments, in order to confirm the share of family units in new town homes for subsequent Annual Progress Reports.
- **Impacts of renovations and redevelopment on renters:** Subsequent reports will include data on renters impacted by renovations and redevelopment covered by the CoV Tenant Relocation and Protection Policy
- **Legalization of secondary suites:** To encourage and simplify the legalization of secondary suites, the City is currently reviewing the existing Secondary Suite Program. Changes being explored include eliminating the need for a secondary suite special inspection in some situations and removing other perceived barrier to register suites. Through this initiative, the City will also identify future reporting enhancement opportunities
- **Migration:** As data becomes available, subsequent reports will investigate the trends in migration, including intra-regional migration to better understand where people are living in the region and the implications and impacts for housing in the City of Vancouver.
- **Short-term rental tracking:** The STR program launched in mid-April and over 900 people obtained licences within the first month of the program. Future reports will provide updates on both the licensing and enforcement statistics for STR's. The report will also aim to provide a summary on the stock of STR's in the Vancouver market over time.

## 6.2. Forthcoming Data from Province of BC/Statistics Canada/CMHC

Municipalities generally do not have the authority or capacity to monitor aspects of the broader housing market. This includes indicators that are increasingly relevant to municipal policy, including data related to volume and origin of investment in housing, information on down payments as a component of overall housing costs, declared income, residency, and housing wealth. Under *Housing Vancouver*, the City will continue to work with senior government partners to improve the data available on these and related indicators.

### Potential Data on Pre-sales and Beneficial Ownership from the Province of BC

The 30-Point Housing Plan announced by the Province of BC in early 2018 included commitments to develop a database on pre-sale condominium purchases, and establish a registry that will contain information about beneficial ownership of land in BC, administered by the Land Title Survey Authority. This information is expected to be publicly available, and may help to provide additional insight on origin of ownership in BC municipalities.

### National Housing Strategy – New Housing Data Commitments

CMHC's housing surveys currently provide extensive data on the housing market. Examples include the monthly housing starts and completions survey and annual surveys on the primary/purpose-built and secondary rental markets. Efforts under the National Housing Strategy will help fill knowledge and data gaps by collecting new housing data. The new housing surveys will gather information to better respond to the housing needs of vulnerable populations.

The Canadian Housing Statistics Program (CHSP) is being developed by Statistics Canada in co-operation with the CMHC. A repository of property-level housing administrative files will be created by linking property assessment, tax, census, credit, construction and other property and owner administrative files for every municipality in Canada. The resulting housing database will enable policy makers and researchers to investigate and compare data over time and between jurisdictions to better understand how

housing markets function and address housing/property questions relating to residency or citizenship, owner/household demographics, financing and other dimensions based on the data integrated in the CHSP framework.



## City of Vancouver *Planning - By-law Administration Bulletins*

Planning and Development Services, 453 W. 12th Ave Vancouver, BC V5Y 1V4 ☎ 604.873.7000

[planning@vancouver.ca](mailto:planning@vancouver.ca)

*Revisions proposed to Council – June 19, 2018:*

## **AFFORDABLE HOUSING CHOICES INTERIM REZONING POLICY**

*Authority - Director of Planning*

*Effective October 4, 2012*

*Amended December 2, 2013, April 20, 2016, and October 11, 2017, and X, 2018.*

On October 3, 2012, City Council approved the Affordable Housing Choices Interim Rezoning Policy aimed at encouraging innovation and enabling real examples of affordable housing types to be tested for potential wider application that will provide ongoing housing opportunities. Please see report to City Council at the following link: <http://former.vancouver.ca/cityclerk/ccclerk/20121002/documents/rr2.pdf>.

The policy allows for consideration of rezoning proposals which will be evaluated on criteria in the following categories: Affordability, Location, and Form of Development, and Council has provided guidance on each of these criteria. Council originally established a maximum of 20 rezoning applications to be considered under this interim policy.

On X, 2018, Council removed the maximum cap of 20 rezoning applications to be considered under this policy. Full enquiry submissions for rental housing projects will be processed until June 30, 2019. These changes are intended to be an interim measure to better meet the new Housing Vancouver targets for purpose-built rental housing – 20,000 units over the next 10 years (2018 – 2027). Staff will be undertaking a review of the Affordable Housing Choices Interim Rezoning Policy in conjunction with the Secured Market Rental Housing Policy “Rental 100”, with a report back to Council on the results of these policies, as well as recommendations for improvements in the Spring 2019.

The policy also includes a spacing requirement between projects, where no more than two projects can be considered within 10 blocks along an arterial street. As this spacing requirement was added by Council when the policy was approved in 2012, it does not appear in the report at the above web link.

### ***How to find out if a site is eligible for the Affordable Housing Choices Interim Rezoning Policy***

Locations where the Affordable Housing Choices Interim Rezoning Policy can be considered are provided in Section 2, below. To confirm the eligibility of a particular site, contact the Planning Info Line at 604-873-7038 or [planninginfo@vancouver.ca](mailto:planninginfo@vancouver.ca).



**Criteria Established For  
Interim Rezoning Policy for Affordable Housing Choices**

The intent of the Affordable Housing Choices Interim Rezoning Policy is to encourage innovation and enable real examples of ground-oriented and mid-rise affordable housing types to be tested for potential wider application that will provide ongoing housing opportunities. This policy will demonstrate the “transition zone” concept identified by the Task Force, where ground-oriented affordable housing types provide a transition between higher density arterial streets and single-family areas.

Rezoning applications will be considered when the following criteria regarding affordability and form of development are met:

**1. Affordability**

Projects must demonstrate an enhanced level of affordability beyond that provided through the delivery of a generally more affordable housing type alone. Applicants will be expected to demonstrate their ability to maximise the level of affordability in the project. Projects that would be considered must meet one of the following affordability criteria:

- where 100% of the residential floor space is rental housing;
- where units are sold for at least 20% below market value and include a secure mechanism for maintaining that level of affordability over time (e.g. resale covenant, 2nd mortgage, etc.);
- innovative housing models and forms of tenure such as co-housing, when they can demonstrate enhanced affordability as determined by the City;
- where a Community Land Trust model is employed to secure increasing affordability over time.

AND

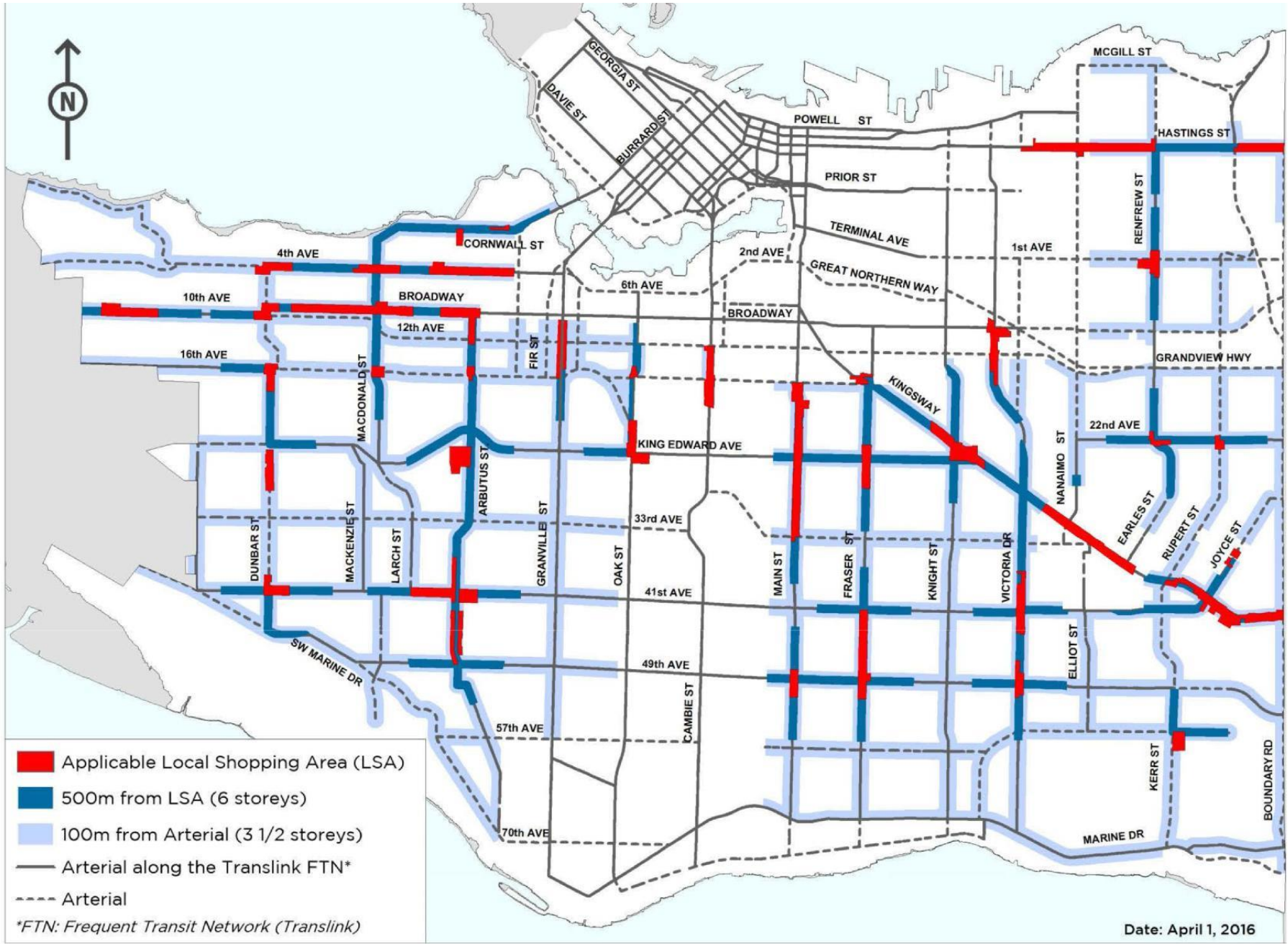
**2. Location and Form of Development**

Subject to urban design performance (including consideration of shadow analysis, view impacts, frontage length, building massing, setbacks, etc.) and demonstration of a degree of community support, sites that would be considered under this policy are:

	<b>Location</b>	<b>Form of Development</b>	<b>as shown</b>
<b>A.</b>	Sites fronting an arterial street that is on Translink’s Frequent Transit Network and within close proximity (i.e. a 5-minute walk or 500 metres) of a local shopping area (red areas on Map 1).	Mid-rise forms up to a maximum of 6 storeys	dark blue areas on Map 1
<b>B.</b>	Sites within approximately 100 metres (i.e. 1½ blocks) of an arterial street.	Ground-oriented forms up to 3½ storeys (which is generally sufficient height to include small house/duplexes, traditional row houses, stacked townhouses and courtyard row houses ) or four storey apartments	light blue areas on Map 1

This policy applies to all areas of the city except those that have recently adopted community plans or are currently undergoing community planning. It also does not apply to industrial areas or to zoning districts which already permit building heights greater than six storeys (except that projects already under consideration in these districts on April 20, 2016 will continue to be considered).

Map 1: Locations of sites that can be considered under the Affordable Housing Choices Interim Rezoning Policy



**Affordable Housing Choices Interim Rezoning Policy:  
Projects Summary**

<b>Projects approved / in application under the Affordable Housing Choices Interim Rezoning Policy (2012 – May 31, 2017)</b>						
<b>Address of project</b>	<b>Local Area</b>	<b>Number of units</b>	<b>Tenure / type of project (rental/co-housing, etc.)</b>	<b>Building typology (townhouse, mid-rise)*</b>	<b>Base district</b>	<b>Status (approved / in application)</b>
1. 1729-1735 E 33rd Ave	KCC	31	Co-housing	Mid-rise	RS-1	Approved
2. 3323-3367 E 4th Ave	Hastings-Sunrise	54	Seniors Life-Lease	Mid-rise	RT-2	Approved
3. 3120-3184 Knight St	KCC	51	Rental	Mid-rise	RT-2	Approved
4. 1037 W King Edward	FSD	36	Rental	Mid-rise	FSD	Approved
5. 3365 Commercial/1695-1775 E 18th	KCC	110	Rental	Mid-rise and Townhouse	RS-2	Approved
6. 3868 Rupert	RC	98	Rental	Mid-rise	C-1	Approved
7. 3281-3295 E 22nd Ave	RC	55	Rental	Mid-rise	C-1	Approved
8. 3560 Hull/2070-2090 E 20th Ave	KCC	68	Rental	Mid-rise and Townhouse	RS-1	Application
9. 2715 W 12th Ave	Kitsilano	15	Rental	Townhouse	RS-7	Application
10. 5809-5811 Main St	Sunset	12	Co-housing	Mid-rise	RT-2	Application
11. 2109 W 35th Ave	ARKS	12	Rental	Townhouse	RS-5	Application
12. 708-796 Renfrew St	Hastings-Sunrise	77	Rental	Mid-rise	RS-1	Application
13. 4575 Granville	ARKS	21	Rental	Townhouse	RS-5	Application
14. 3701-3743 W Broadway	WPG	94	Rental	Mid-rise	C-2/RS-1	On Hold
<b>Totals</b>	--	734**	--	--	--	--

\* Mid-rise is Option A under AHC, up to a maximum of 6 storeys. Townhouse is Option B under AHC, ground-oriented forms up to 3.5 storeys

\*\* There is a total of 637 units of market rental housing approved or in application

<b>Roll-up of total number of projects</b>	<b>Roll-up of number of units</b>	<b>Are they all rental?</b>	<b>Roll-up of typology</b>
<u>Total (26)</u> Active (15) Inactive (11)	<u>Total (1,017)</u> Active (683) Inactive (334)	One active pre-enquiry is a land trust proposal. Remainder are rental	Townhouse (8) Mid-rise (13) Undefined(5)

Updated: May 31, 2018/ZB

## **Projects approved / in application under the Affordable Housing Choices Interim Rezoning Policy (2012 – May 31, 2017)**

### **Summary**

- To date, the City has received 40 proposals under this policy:
  - 14 are in application or approved
  - 22 are rezoning enquiries, of which 15 are actively being pursued
- Most projects are located in Community Vision areas, which contain lower density zoning
- Approximately two-thirds of the proposals are located in the east side of Vancouver
- Clustering has occurred in several areas of the city, which has experienced a higher volume of proposals
- Community support for projects under AHC has been mixed. There has been opposition expressed around the change to the character of existing neighbourhoods, as well as support for additional rental accommodation

## **Empty Homes Tax Revenue Allocation – Summary of Engagement and Staff Recommendations**

### **Part I: Summary of Online Engagement**

### **Part II: Summary of In-Person Engagement ('IdeaJam')**

### **Part III: Staff Recommendations for Empty Homes Tax Revenue Allocation**

In April 2018, the City of Vancouver announced that Vancouver's Empty Homes Tax, the first of its kind in North America, is anticipated to generate an estimated \$30 million in revenue to the City, with the net revenue after costs to be invested into affordable housing initiatives.

Of the \$30 million estimated to be generated by the tax this year, approximately \$18 million has been collected to date. The total revenue collected will pay for the one-time implementation costs (\$7.5 million) and first-year (2018) operating costs (\$2.5 million). The remaining revenue will go towards affordable housing initiatives in Vancouver.

A rigorous system of auditing is currently underway, as well as a review of disputed tax bills; therefore, the total and net revenue numbers are expected to change over the coming months. An update on declarations and revenue collection will be provided in the fall of 2018 when the majority of the audits are complete.

Following the announcement of the anticipated revenue, Vancouver City Council instructed staff to embark on a public consultation effort to solicit input from Vancouver residents about how they would like to see the revenue from the Empty Homes Tax used to support affordable housing in the city, then review the ideas for feasibility and provide recommendations to Council for allocating initial revenue.

The City launched an online platform on April 26 and asked Vancouver residents to share their own ideas and like/comment on the ideas posted on the platform. The City also hosted a one-day 'IdeaJam' workshop on May 17th, which brought Vancouver housing stakeholders and members of the public together to develop and refine additional ideas.

The results of the online and in-person consultation are outlined in Part I and II of this Engagement Summary, followed by a summary of Staff recommendations in Part III.

## Part I: Summary of Online Engagement

On April 26<sup>th</sup>, 2018, the online public engagement platform ([www.vancouver.ca/eh-ideas](http://www.vancouver.ca/eh-ideas)) was launched to gather ideas and generate discussion from Vancouver residents on how to re-invest the net revenue from the Empty Homes Tax into affordable housing initiatives.

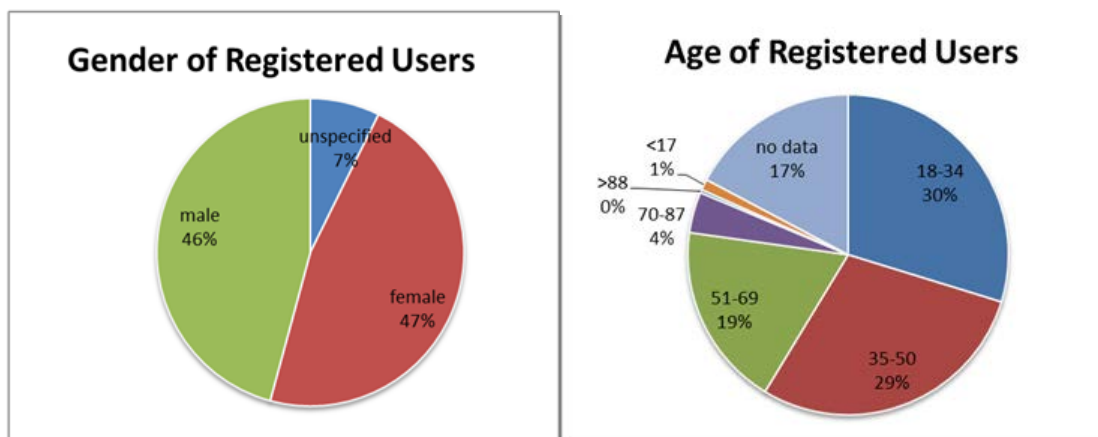
To kick off the engagement, staff seeded the platform with 7 ideas to serve as examples of initiatives that were feasible for implementation by the City and aligned with the current *Housing Vancouver* 10-year housing strategy. Members of the public were invited to comment, like, or dislike the ideas posted, and suggest with their own ideas on how to spend the funds generated from the Empty Homes Tax.

In order to foster dialogue and ensure the broadest possible participation, staff did not include limiting criteria for ideation as part of the online consultation process, such as requiring that ideas proposed were feasible for the City to implement or fell under City jurisdiction.<sup>1</sup> Staff lightly moderated comments and ideas, only removing content in rare instances when content was disrespectful, spam, completely out of scope and not related to affordable housing, or content that users flagged as inappropriate.

The three week online campaign, which ran from April 26<sup>th</sup> to May 17<sup>th</sup>, garnered over 130 public generated ideas, 5,160 likes and dislikes, 442 comments, for a total of almost 6,000 interactions. In total, there were 9,189 visitors and 626 registered users on the platform

The strategy that directed the most traffic to the platform was an email blast to over 15,000 people subscribed to the City's Talk Vancouver platform. Ongoing social media posts, including paid Facebook ads which featured a short video, and twitter posts highlighting interesting ideas submitted, kept a steady stream of returning and new visitors to the platform.

### Participant Demographics



<sup>1</sup> These types of criteria – such as whether ideas were feasible for the City to implement or cost-effective given the revenue pool - were considered to be more appropriate for an in-person, facilitated dialogue where City staff could be present and answer questions, and were included in the in-person IdeaJam dialogue described in the second part of this report.

## Top Ideas

Among the 130 ideas generated through the online consultation process, there were common themes as well as some duplication of ideas. Using the methodology of grouping similar ideas<sup>2</sup>, and ranking by the number of overall likes, the top ideas were:

**Table 1: Top Ideas from Online Consultation**

<b>Ideas</b>	<b># of likes</b>	<b>Downvotes</b>	<b>Net votes</b>
Support coops through grants to maintain and build new coops	349	50	299
House and provide supports for homeless	206	102	104
Support co-living arrangements such as senior student match, or co-living rentals	182	49	133
Support non-profits or coops in creating new affordable housing units	175	30	145
Provide land to build affordable housing	136	23	113
Create purpose built rentals	122	22	100
Contribute to purchase buildings and/or provide assistance toward improved living conditions for vulnerable residents in low-income housing	116	33	83
Support for vulnerable renters and advocacy for renters' rights	109	64	45
Enforce short term rental restrictions	97	34	63

The most popular ideas centered on initiatives that would create more rental housing at affordable rates. There was significant support for initiatives to buy land for affordable housing; support non-profits and co-ops in creating and operating new affordable housing; renewing existing co-ops and low-income SRO housing; supports for renters facing evictions; and, housing support for the city's homeless population. There were also several ideas relating to addressing broader issues around affordability in Vancouver and the region, such as speculation and foreign capital.

Several ideas and topics were subject to significant discourse among online users, with 442 comments submitted by 157 unique users. The topics that received the most discourse were:

- Addressing rental restrictions in strata that restrict homeowners from renting their units and expanding the rental stock
- Support for co-op housing and the experience of living in co-op housing
- Mitigating the negative impacts of speculative investment in Vancouver's housing market, with particular focus on the perception that foreign capital is having a negative impact on affordability
- Alternative housing forms such as tiny homes, shipping container homes, and live-aboards
- Discussion on how government defines affordability in private and non-market housing
- Support for rental rules that would limit rents to a specified share of net income

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<sup>2</sup> Ideas that were similar were grouped for the purpose of data analysis, for example, "fund a guaranteed minimum income for the homeless", "house the homeless", "eliminate homelessness", "mental health, addictions & rehab", "jobs for the homeless", and "house homeless folks and low income earners" were single ideas grouped as "House and provide supports for homeless".

- Discussion on the impact of short term rentals on the rental stock
- Advocacy for tenant rights and protection



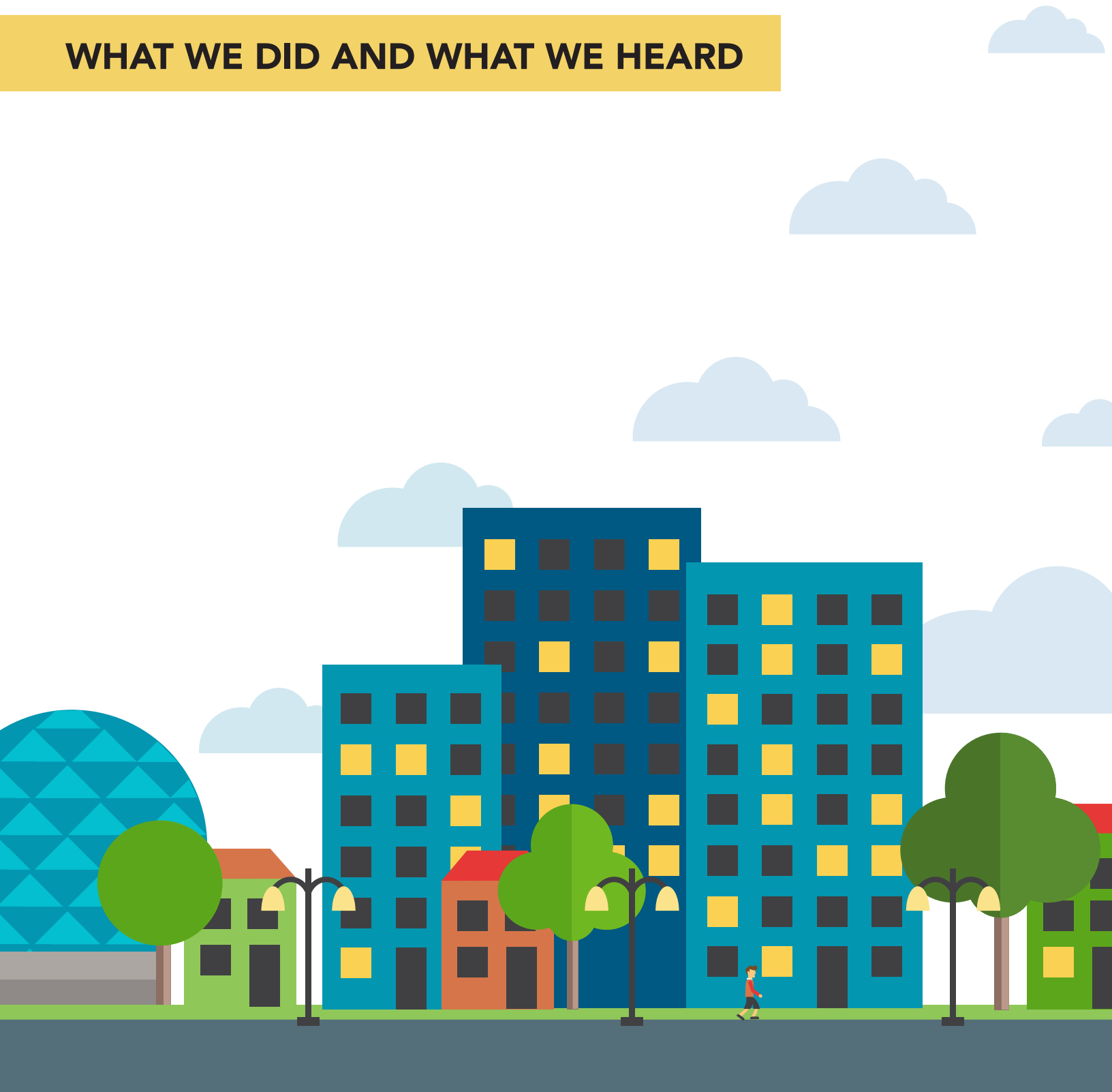
# EMPTY HOMES TAX

Prepared and Designed by  
 MODUS  
from insight to impact

## Summary Report for the Empty Homes Tax IdeaJam Event

*Held on May 17, 2018*

### WHAT WE DID AND WHAT WE HEARD



# INTRODUCTION AND BACKGROUND

The City of Vancouver is facing an unprecedented housing crisis with a severe shortage of affordable housing. The Empty Homes Tax is one of many actions the City is taking to increase the supply of rental homes and improve housing affordability in Vancouver. The program aims to return empty or under-used properties back into the rental pool for the people who live and work in Vancouver.

The City of Vancouver solicited public input on how to best invest net revenue from the Empty Homes tax into affordable housing initiatives. From April 26 to May 17, 2018, the City launched an online platform asking Vancouver residents to share their own ideas and like/comment on the ideas posted on the platform. The City also hosted an IdeaJam event on May 17th to generate new ideas.

On **APRIL 23<sup>rd</sup>**, the City of Vancouver announced that Vancouver's **Empty Homes Tax** will generate an estimated **\$30 million in revenue to the City**. The net revenue, after implementation and operating costs, are to be **invested into affordable housing initiatives**.

***This report summarizes the top ideas generated by attendees of the May 17 IdeaJam held at City Lab (511 W. Broadway) that will be shared with Council for their consideration on June 19th.***

## WHAT WE DID



The purpose of the *Empty Homes Tax IdeaJam* was to *generate new ideas* of how to invest the Empty Homes Tax revenue and progress existing ideas from the online platform. The ideas generated in the IdeaJam will be presented to Council for consideration on June 19th.

## INVITATIONS AND ATTENDEES:

The City of Vancouver invited a diverse group of residents, ranging from advocates to renters to developers and researchers. Email invitations were sent to participants from the "The Big Conversation – The Future of Housing in Vancouver", a roundtable dialogue on the Housing Vancouver Strategy that took place June 17, 2017. Email invitations were also sent to residents who actively participated on the Empty Homes Tax online platform. In total, 377 residents were invited.

**31**

**Participants generated as many BIG IDEAS as possible**

**12**

**TOP IDEAS submitted to City staff**

**06**

**BIG IDEAS selected for further implementation planning**

## EVENT FORMAT:

On May 17, 31 participants attended the IdeaJam. City staff from Housing Policy and Finance provided background on Vancouver's housing crisis, the Empty Homes Tax, and objectives and criteria for the IdeaJam. City staff were also on hand to provide technical support and answer participant questions throughout the day. Participants were first asked to individually generate as many "Big Ideas" on how might we reinvest the money collected from the Empty Homes Tax into more affordable housing. Participants then shared and discussed their ideas with each other, selecting their group's top two Big Ideas. Using three criteria (projects must define and address a clear housing need, should take into account feasibility of implementation, and be viable with the current pool of funding), City staff selected 6 Big Ideas for further discussion and planning. These 6 Big Ideas were fleshed out then presented to a Dragon's Den panel, composed of housing experts Jill Atkey (BC Non-Profit Housing Association), Abigail Bond (City of Vancouver Affordable

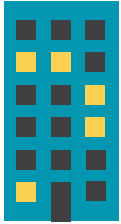
Housing) and Paul Kershaw (Generation Squeeze, UBC). The Dragons provided constructive feedback to the Big Ideas, identifying strengths and weaknesses and suggestions for further progression. Participants voted for their favourite ideas following the Dragon's Den presentations.

# WHAT WE HEARD

*The following are the top Big Ideas as voted by the participants.*

## SUPPORT FOR CO-OPS

(15 VOTES)



The City would increase funding for a wide range of actions to increase supply of co-op housing for all income levels.

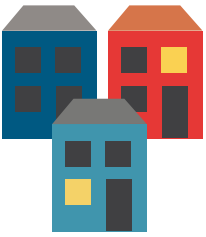
**Objective:** To increase the supply of co-op housing for all income levels; to streamline process to develop new stock; and to protect and retain existing co-op housing stock.

### Key actions include:

- Form a task force consisting of local, regional, provincial and federal government representatives to review existing stock and operating agreements in coordinated/comprehensive manner
- Develop toolkit for external partners
- Develop co-op development policy, and transparent/clear resource list for co-ops
- Redevelop under-utilized co-ops and City land and repair existing co-op housing stock
- Establish new partnerships and build new co-ops
- Educate public about the value of co-ops

### Comments from the Dragon's Den Panel:

- **Strengths**
  - \* Internal education for the City
  - \* Tackles middle space between renting and owning a home
  - \* Expansion of existing co-op sites
  - \* There is huge demand for co-ops but not enough supply
- **Challenges and Opportunities**
  - \* Challenges around aggregation and economies of scale to build more units
  - \* Use some of the funds to build political will – there is a need to dispel myths around co-ops



The Temporary Modular College would be a small, site-specific community comprised of modular housing units targeting the chronically homeless. The College is an alternative to the current temporary modular housing model as it not only provides housing but also focuses on peer-based mentorship programming with an emphasis on enhancing life skills of its residents. The life span of the College is intended to be 5-7 years and is intended for residents to “graduate” after having developed adequate life skills and means of economic self-sufficiency. The College is also intended to transition towards resident self-management after an initial period of management by an arms-length municipal organization

**Objective:** To end chronic homelessness by providing affordable housing and peer-supported environment to build life capacities.

**Key actions include:**

- Identifying and securing land for 8 pilot projects
- Designing communities (communities are to include shared communal and work spaces)
- Creating an arms-length municipal organization to help support the Colleges with peer programming and high-level operational oversight
- Early and often outreach and education to neighbourhoods where Colleges could be located.

**Comments from Dragon’s Den Panel:**

- **Strengths:**
  - \* The idea of temporary housing you can graduate out of
  - \* Focus on self-determination and education
  - \* The use of funds to invest in people through a peer leadership model, not only buildings
- **Challenges and Opportunities**
  - \* It will be important to have internal and external community involvement to meet the challenge of reaction from neighbours
  - \* There needs to be rental supply for people to graduate into
  - \* Some of these ideas could be adopted into existing projects



The Rent To Own Project would be a pilot program that allows middle to low income families to eventually own a home through paying rent that contributes towards a mortgage. Participants in the program will not need to pay a down payment, significantly reducing the initial financial barriers to owning a home.

**Objective:** To reduce financial barriers to homeownership, particularly for household with incomes under \$150,000.

**Key actions include:**

- Establish a knowledge committee to research and select appropriate Rent-to-Own models and identify participant criteria. This committee could consist of legal and financial experts, as well as developers and government representatives
- Identify land and secure financing
- Design buildings with community consultations
- Select participants; ensure diversity of participants
- Build the buildings
- Evaluate the program

**Comments from Dragon's Den Panel:**

- **Strengths**
  - \* The idea is innovative
  - \* Meets a well-understood demand and there is a willing market
  - \* Fills a gap between rental and ownership – much needed
  - \* Could be an opportunity for foreign investors to invest in this model
- **Challenges and Opportunities**
  - \* Worried about the risk and need to create new financing models
  - \* Is it possible for existing stock to feed into this model?



The “Innovate Infill Housing” Lab would research innovative policy solutions, building prototypes, and strategies to better utilize under-used lands with the goal of increasing affordable infill housing.

**Objectives:** To increase affordable housing availability through infill housing; to encourage home owners to build infill housing on their properties; and to build innovative infill typologies for less than \$150,000.

#### Key Actions include:

- Research and develop report on “The State of Infill”, industry report, case studies and lessons learned from current laneway program
- Identify challenges and opportunities regarding form, foundations, and servicing options
- Share and vet ideas with community education and engagement
- Text amendments to laneway program based on outreach findings
- Draft new design guidelines
- Create toolkit and guide for public for engagement and education

#### Comments from Dragon’s Den Panel:

- **Strengths**
  - \* Tackles issue of increasing density in large single-family home stock
  - \* Builds on past work, studies and successes
  - \* Emphasizes research, education and engagement
- **Challenges and Opportunities**
  - \* Does not necessarily create more affordable housing
  - \* Not bold enough to create density needed to meet current housing crisis



More "True" Social Housing is secured housing that is affordable for households earning under \$15,000 per year. This form of social housing does not have restrictive occupancy rules, provides accessible units for aging seniors and people of all abilities, and will transition towards tenant self-management of the building after an initial 5-year period under non-profit provider management. Empty Homes Tax revenues would optimally be used toward the construction of the building itself (assuming development can occur on existing city-owned land, with the city leasing land to developer) to eliminate mortgages so that rental income would be dedicated toward ongoing maintenance, hiring of an interim property manager, and training and capacity building of tenant leaders.

**Objective:** To fund the development of a multi-unit rental building (roughly 40 1- and 2-bedroom units) to provide secure housing for those earning less than \$15,000 per year without restrictive occupancy rules; and with intent for long-term (after initial 5-year period) tenant self-management of the building.

#### Key actions include:

- Meet with non-profit housing providers and the city to explore feasibility and solicit ideas and feedback.
- Initial non-profit development and management moving towards tenant self-management (identify non-profit partner and issue RFP for construction).
- Training and capacity-building of tenants in managing building.
- Resident managers (annually elected) reporting to board.

#### Comments from Dragon's Den Panel:

- Strengths:
  - \* Huge demand for this type of rental (1/4 of all renters have household income less than \$20,000)
  - \* Liked the idea of moving towards self-managed model
  - \* Opportunities for residents to be involved early on in the project, pre-development
  - \* Liked the use of city-owned land
- Challenges and Opportunities
  - \* 40 units is too small of an impact relative to the scale of the project
  - \* Could use tax income to build political will for larger effort
  - \* Needs sustained subsidy to operate long-term
  - \* Idea could potentially be implemented without a new build



The City-Finance Agency would provide loans to non-profits seeking to develop low-cost rental housing.

**Objective:** To lower overall project costs for non-profits, resulting in reduced rental rates.

#### Key Actions include:

- Scoping and acquiring additional funds from federal and/or provincial government or through partnerships from other municipalities in the region
- Establish an entity as a City-owned non-profit finance corporation
- Establish an administrator to oversee loan applications for non-profit developers to request financing in lieu of a bank
- Use the \$30 million towards seed \$ to provide upfront financing at a very low interest rate (lower than banks)
- Get additional funding to sustain projects

#### Comments from Dragon's Den panel:

- Strengths
  - \* Can meet current challenges in pre-development financing
- Challenges and Opportunities
  - \* Risk duplication with offerings from other levels of government





## OTHER BIG IDEAS

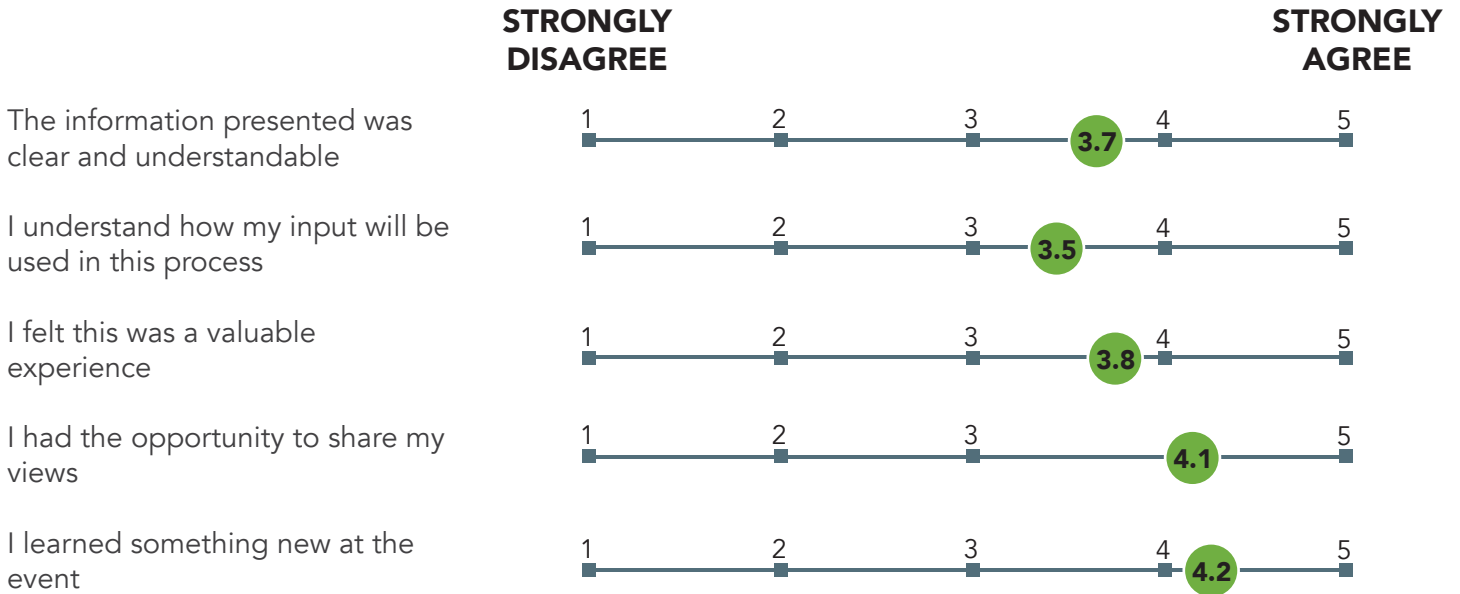
The following are other “Big Ideas” discussed during the IdeaJam but not prioritized for further development during the event:

- **CITY-ADMINISTERED RENTAL REGISTRY:** connects property owners/landlords and tenants through an online platform. City administration of the registry ensures renters that landlords are abiding to bylaws and that properties are offered at fair rents while ensuring landlords that renters are pre-screened for ability to pay and references, and also reducing effort to find good tenants
- **SUPPORTS FOR THE CREATION OF SECONDARY SUITES:** program ideas included providing grants for “house rich, cash poor” property owners needing support to build secondary suites, preparing streamlined rules and criteria, and creating renovation “packages” or pre-approved templates to reduce construction/renovation costs.
- **NEIGHBOURHOOD ADVISORY COMMITTEES:** functions as an advocate for neighbourhood-specific rental housing solutions to community housing needs and a liaison to policy-makers and developers to implement these solutions
- **ENABLE MORE RENTAL CO-HOUSING:** greater development of non-profit managed, mixed-income co-housing projects
- **DEVELOP UNDER-UTILIZED LAND:** purchase vacant lots and under-utilized lots to lease to community land trusts and other long-term nonprofit housing developers
- **MORE TARGETED SOCIAL HOUSING FOR LOW INCOME OLDER ADULTS:** housing that meets the economic, social and health needs of seniors on fixed incomes

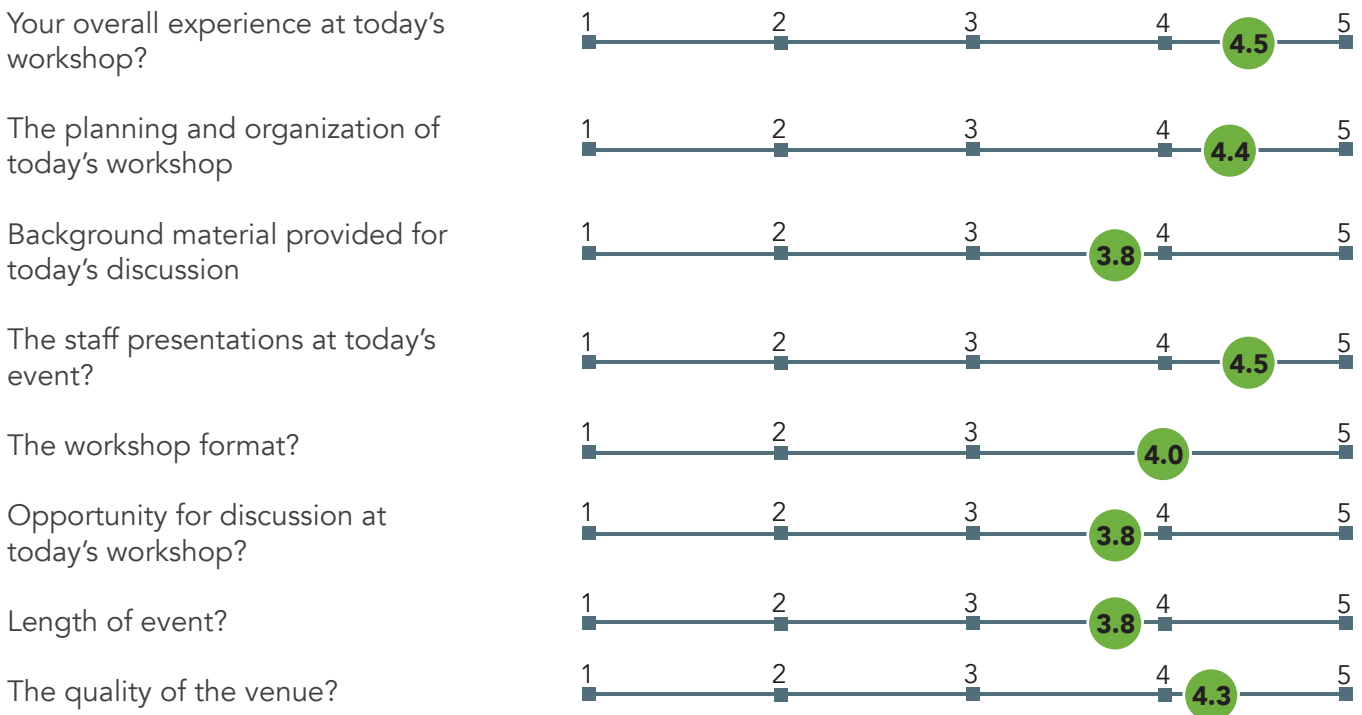
# APPENDIX 1 : FEEDBACK FORM SUMMARY

The following is a summary of the feedback received from the event. The bubbles in green indicate the average ratings from participant responses.

**Please indicate how much you agree or disagree with the following statements:**



**On a scale of one to five, how would you rate:**



### **What worked especially well?**

Participants enjoyed sharing and collaborating with people from diverse backgrounds. Participants felt the format and facilitators were engaging and helpful to keep the conversation moving forward.

### **What would you do differently to improve the event?**

Participants felt there could have been more time for discussion and Q&A, particularly after the beginning presentation. Others would have liked the event to have been held on the weekend as opposed to week day, during work hours.

**Did you have any points that you did not get to share? Please feel free to take a moment and jot them down here. Be sure to let us know what specific question or issues they are addressing.**

- Housing intervention testing: need to be affordable, available, and safe.
- Match targets to median income in Vancouver. (37% toward \$50-80K is too much, need more >\$50k)
- Future considerations for EHT (upcoming years).
- Rent to own and cooperatives.
- Yes! We were told we could only speak or comment on how to spend the \$ and not policy, when later we learned we might have been able to! I'd like to focus on the demand issue more.
- Some of the info present was biased and would have been helpful to have another voice.

**Were there any gaps in representation? People or groups we should consider reaching out to? If so, please list the here.**

- Indigenous groups
- ethnic groups
- new immigrants
- students
- homeowners
- landlords
- building management companies
- developers

### Part III: Staff Recommendations for EHT Revenue Allocation

To date, approximately \$18 million of revenue from the Empty Homes Tax has been collected, which yields approximately \$8 million in net revenue that can currently be allocated to affordable housing initiatives. Staff have reviewed the top ideas generated through the online and in-person public consultation and generated a set of recommended funding opportunities for the current collected EHT revenue.

#### *Recommendations for Allocating Initial EHT Revenue Allocation*

In order to facilitate prioritization by City staff, top ideas generated through the public engagement process were combined and sorted to create a list of unique ideas receiving top votes. Ideas which were outside the jurisdiction of the City were removed from the list.

The remaining ideas were then reviewed by staff and assessed based on the following criteria:

1. Level of support through the online and in-person public consultation
2. Alignment with existing key actions in the *Housing Vancouver* Strategy and 3-Year Action Plan
3. Feasibility for the City to implement with the current revenue stream

Staff also selected two new and innovative ideas for support – these were the top ‘new’ ideas emerging through the online consultation and in-person IdeaJam.

Staff then undertook analysis to determine the level of funding required and impact for the top ideas. The result is the list of recommendations in the following Table 2 for the allocation of the \$8 million in net revenues.

**Table 2: Staff Recommendations for Empty Homes Tax Revenue**

Top Ideas from Public – Aligned with Housing Vancouver Action Plan				
Staff Funding Recommendation	Idea from Public Consultation	Number of Votes/IdeaJam Ranking	Housing Vancouver Action Plan Item	Allocation
<b>More affordable co-op and non-profit housing</b>	Provide land and resources for affordable non-profit and co-op housing	309	Ch. 4, Key Strategies 1 + 2	\$3,175,000
	More co-op housing – grants to update and improve existing co-ops and build new co-ops	250 Top IdeaJam Idea	Ch. 4, Key Strategy 1; Ch. 7, Key Strategy 3	\$1,000,000
<b>Improvements to low income housing</b>	Contribute to purchase buildings and/or provide assistance toward improved living conditions in	207	Ch. 6, Key Strategy 4; Ch. 7, Key Strategy	\$3,500,000

	private SRO housing			
<b>Support for vulnerable renters</b>	Support for renters facing eviction	44	Ch. 8, Key Strategy 1	\$100,000
	Funding for Vancouver Rent Bank	33	Ch. 6, Key Strategy 1	\$75,000
<b>Top Ideas from Public – New Ideas</b>				
<b>Funding for skills training in peer support, affordable housing management, and asset training for residents of supportive housing</b>	‘Temporary Modular College’ – temporary modular housing with on-site peer-based mentorship programming		Top Idea from EHT IdeaJam	\$100,000
<b>Matching empty/underutilized homes and rooms with renters looking for housing</b>	Shared housing models like senior/student housing arrangements		Top idea from online consultation	\$50,000
<b>TOTAL:</b>				<b>\$8,000,000</b>

### Next Steps

- If the recommended allocations receive Council approval, the next step will be for Staff to undertake relevant procurement/granting processes in order to assign funding to the identified ideas
- Additional revenue will be allocated as part of the 2019 Budget process