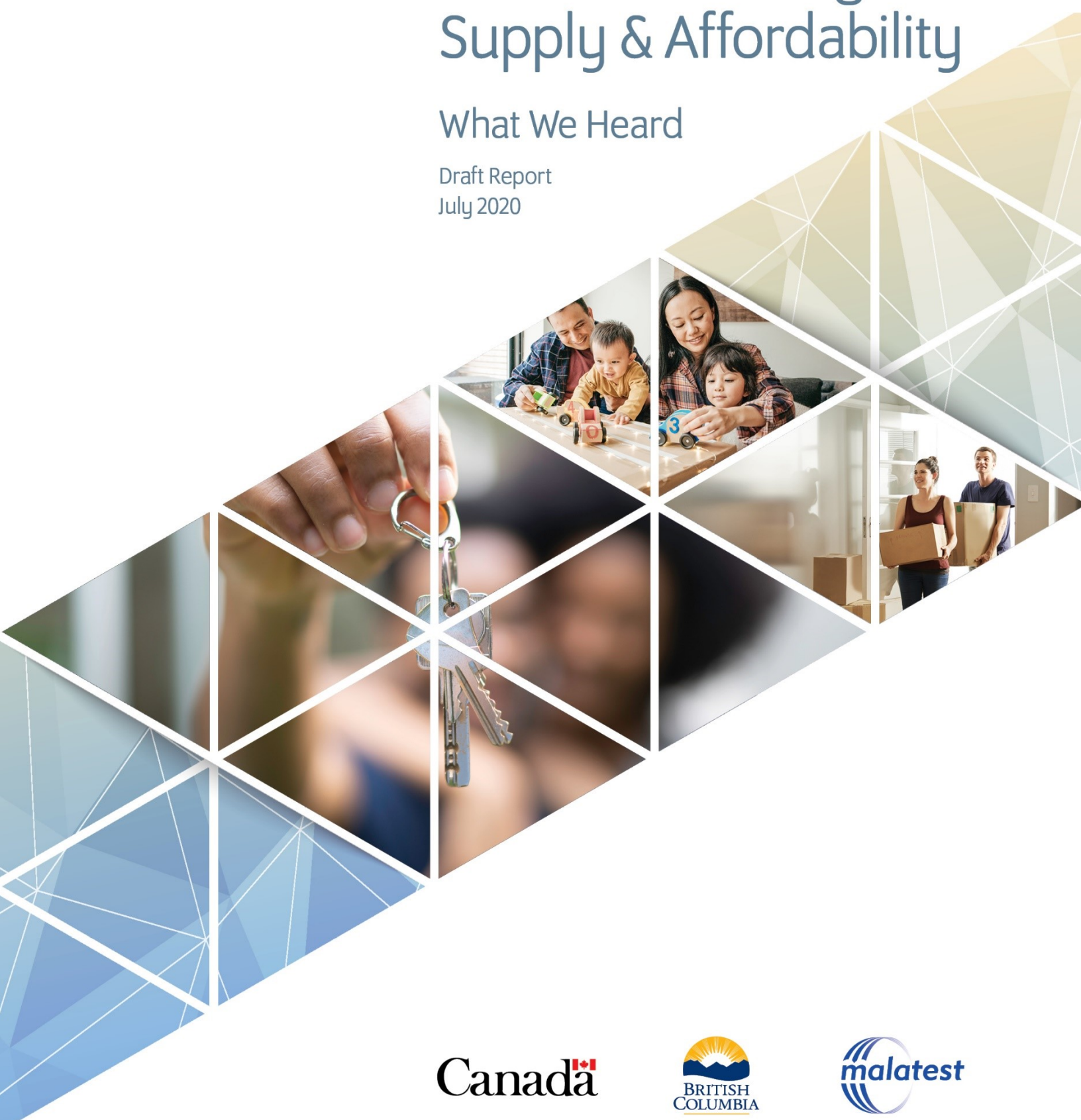


Expert Panel on the Future of Housing Supply & Affordability

What We Heard

Draft Report
July 2020





It should be noted that this report aims to reflect the essence of the ideas and perspectives that were raised in the online survey results, and does not attempt to include every comment received and does not intend to imply consensus on the part of all participants. It presents a summary of what was heard from participants: key themes, perceptions and suggestions.



This report provides insights from comments and feedback obtained from an online survey open to residents of the province and the rest of Canada. Highlighted in this document are the key themes/opinions voiced by participants who took part in this engagement. It should be noted that the report reflects only the opinions of those who participated in the survey research and should not be considered to be a statistically-representative picture of the views and opinions of all British Columbians. Furthermore, it should be noted that the study occurred over the period in which the Province was managing the COVID-19 pandemic, which likely resulted in a lower level of

participation in the online survey than would have occurred otherwise.

**Summarized in this report
are the findings
associated with the online
engagement survey open
from January 22
to June 26, 2020**

Background

Both the Government of Canada and the Province of British Columbia remain committed to implement housing initiatives designed to tackle the ongoing housing crisis. This includes more than \$55 billion associated with the Government of Canada's National Housing Strategy (NHS) and British Columbia's own investment of \$7 billion into the provincial housing sector. However, in order to ensure that housing needs in British Columbia can be adequately addressed, the governments of Canada and British Columbia created the *Expert Panel on the Future of Housing Supply and Affordability*.

The Expert Panel are leaders and specialists in a range of fields with relevant experience – who are consulting with stakeholders with the goal to increasing the supply of affordable housing in British Columbia.

The Expert Panel was struck in September 2019 to identify solutions to the challenge of providing affordable housing in British Columbia. It is well

recognized that British Columbia has one of the highest proportions of households in *core housing need*, which is defined as households that spend 30% or more of their income on housing. Based on the 2016 Census, almost one in six (14.9%) households in British Columbia were in core housing need – the second highest in Canada (only Ontario with 15.3% was higher).

The lack of affordable housing also becomes apparent when examining the rental market in the province. In 2019, the rental vacancy rate in British Columbia was 1.5% – by far the lowest in western/central Canada. Furthermore, the average rent for a two-bedroom apartment in Greater Vancouver was \$1,468/month – the highest in any major urban centre monitored by CMHC, and almost one-third higher than the national metropolitan average of \$1,113/month.



In order to develop appropriate policy recommendations, the Expert Panel began consultations with experts, academics, researchers, urban planners, urban economists, municipal housing policy makers and members of the public who were familiar with the housing challenges in British Columbia, as well as those who had experience/ understanding of similar housing markets in other jurisdictions. The Expert Panel is supported by a secretariat established by Canada Mortgage and Housing Corporation (CMHC).

To solicit feedback and advice as to how affordable housing can be best established in the Province, the Panel solicited feedback through several mechanisms. This included a series of community consultations that occurred in the province's three largest centers - Vancouver, Victoria, and Kelowna - from December 2019 to June 2020. In

addition, the Expert Panel launched an [online survey](#), through the Engage BC website, that was available to British Columbians/Canadians to provide input on possible actions that could be adopted to promote the provision of affordable housing. This engagement survey was open from January 22, 2020 to June 26, 2020. In addition, individuals/ organizations could submit more detailed information/insights to the Panel in the form of letters, emails and/ or brief five-page documents.

This report provides a high-level summary of the feedback provided through the online engagement survey and submission process. It should be emphasized the report reflects only the opinions of those who participated in the research and should not be considered to be a statistically-representative picture of the views and opinions of all British Columbians.

Approach

As part of the public engagement process, the Expert Panel launched an online survey and feedback portal on the government of British Columbia's engagement [website](#).

The screenshot shows the top portion of a survey page. At the top, there is a language selection dropdown set to 'English' and a 'Change the language' button. Below this is the title 'Expert Panel on the Future of Housing Supply and Affordability'. A paragraph of introductory text follows, explaining the purpose of the survey and the role of the Expert Panel. A status message indicates the survey is open until June 26, 2020 at 4pm PST. A yellow warning box contains a 'Please note' about browser compatibility and cookie settings. At the bottom, a blue box contains a 'Collection Notice' regarding data collection and a 'Please do not include any personally identifiable information' warning.

Language: English

Expert Panel on the Future of Housing Supply and Affordability

Having a safe and affordable place to call home is something every Canadian deserves. Yet finding affordable housing can be a challenge for many. The Governments of Canada and British Columbia continue to deliver on their commitment to make housing that is safe, suitable and well-maintained become more affordable and within reach for Canadians. On September 4, 2019, Minister Bill Morneau, Minister Carole James and Minister Selina Robinson announced the members of the Expert Panel on the Future of Housing Supply and Affordability. The panel will be chaired by Joy MacPhail. Ms. MacPhail is currently the Chair of the Insurance Corporation of British Columbia. The Expert Panel will examine housing trends for rental and homeownership, exploring options to allow British Columbians to have further access to housing that they need and can afford. The Expert Panel members are leaders and specialists in a range of fields with relevant expertise who will consult with stakeholders to identify and evaluate measures that could build on recent investments and initiatives to increase the supply of housing in British Columbia to meet demand. The panelists' consultations and analysis will be supported by the Government through a secretariat established by Canada Mortgage and Housing Corporation, led by Evan Siddall as Executive Secretary. The Expert Panel will complete their work and provide a report to the Ministers of Finance of British Columbia and Canada by the end of 2020.

The questionnaire is open until June 26, 2020 at 4pm (PST).

Please note: This online feedback form supports Internet Explorer 11 and all newer comparable browsers like Firefox, Chrome, Opera etc. with activated JavaScript. Your browser settings must have cookies enabled for the questionnaire to run properly and inactivity on the questionnaire for longer than one hour will result in the questionnaire timing out.

Collection Notice: Personal information is collected by the Ministry of Citizens' Services for the Ministry of Municipal Affairs and Housing under the authority of section 26(c) and 26(e) of the Freedom of Information and Protection of Privacy Act, for the purposes of informing the Expert Panel on the Future of Housing Supply and Affordability. If you have any questions about the collection, use and disclosure of your personal information, please contact: Director, Citizen Engagement, PO Box 9484, STN PROV GOVT Victoria BC, V8W 9W6, 250-208-3591 citizenengagement@gov.bc.ca.

Please do not include any personally identifiable information about yourself or others in your responses.

The survey enabled all British Columbians/Canadians to provide anonymous feedback on issues relating to housing supply and affordability. The two key issues that respondents were asked to comment on were:

- ② *What actions could be taken by government or others to increase the housing supply in your community?*
- ② *What are the three things that could be done to make housing more affordable in your region or community?*

Responses took the form of completions by an individual or completion by a representative from an organization (i.e., feedback was solicited from citizens and organizations). In addition, the online portal also invited citizens/organizations to submit more detailed information/insights to the Panel in the form of letters, emails and/or brief five-page documents.

Survey participants were also asked several demographic characteristics to allow for more in-depth analysis of the responses on the basis of region, age, gender, and association with defined equity groups. Individuals who responded on behalf of an organization were asked to identify the type of organization to which they belonged (private or public sector, real estate professional, other).

As the information provided was primarily qualitative, the comments were reviewed and thematically coded to enable comparison of responses and to define issues/strategies that were commonly cited. For each issue, individuals could provide multiple suggestions as to possible strategies and approaches.



Individual demographics included:

- ② Age
- ② Gender
- ② Tenure
- ② Region
- ② Equity Group



Organizational data was collected on:

- ② Type of organization
- ② Region

Survey Respondents

The online survey received 2,028 responses from citizens and 52 responses from individuals representing organizations. A total of 2,080 survey responses provides a good review of provincial perception about housing affordability. However, three notes should be made. First, with only 52 organizations providing input, caution should be used in interpreting differences between them and citizen

responses. Second, it should be noted that some responses came from outside the province. Third, it should be noted that the survey participation was likely affected by the COVID-19 pandemic, which likely resulted in fewer people completing the survey in the midst of this health crisis. Nevertheless, it is interesting to note the wide range in participation from citizens and organizations throughout British Columbia and elsewhere.

Citizen Responses

Figure 1: Citizen Survey Responses by Housing Tenure

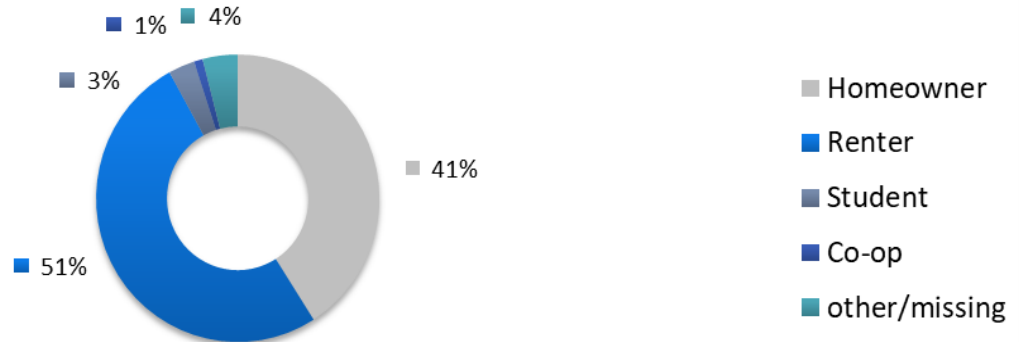


Figure 2: Citizen Survey Responses by Age of Respondent

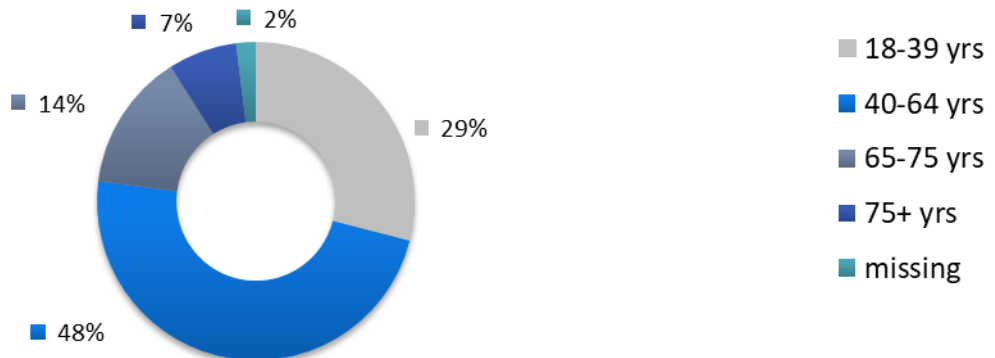


Figure 3: Citizen Survey Responses by Gender

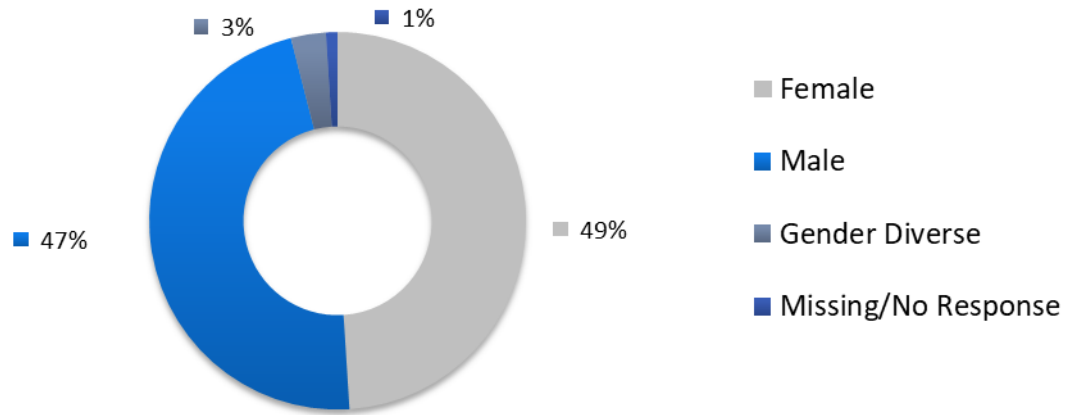
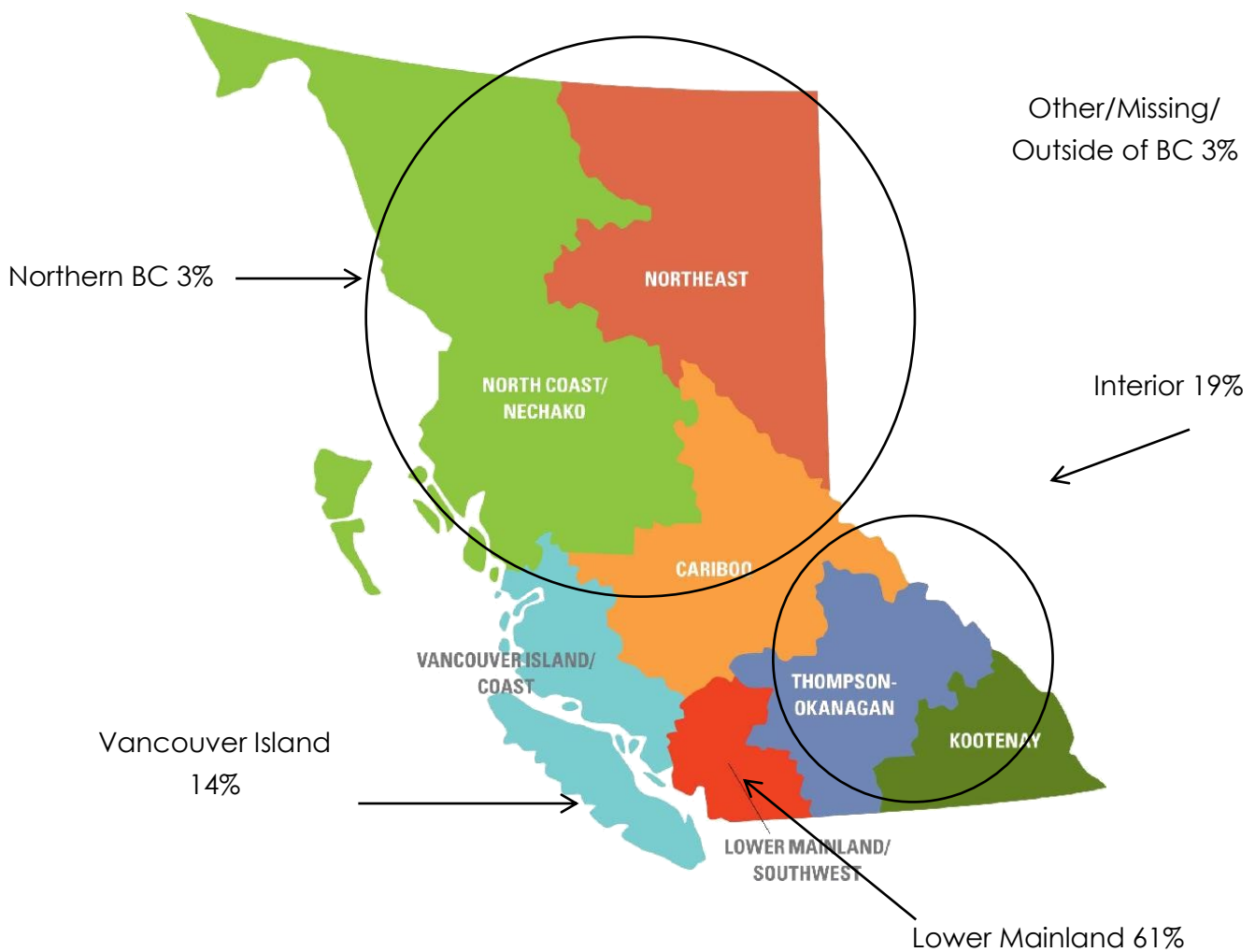


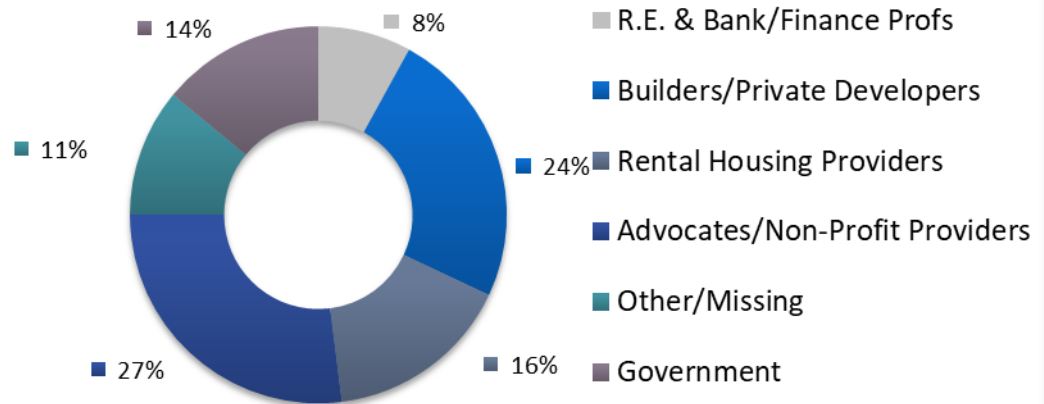
Figure 4: Survey Responses by Region



Organization Responses

As noted previously, respondents who indicated that they were responding on behalf of an organization were asked to indicate what type of organization they belonged to. As highlighted in Figure 5, there was a considerable range in the types of organizations that participated in the online survey.

Figure 5: Responses by Organization Type



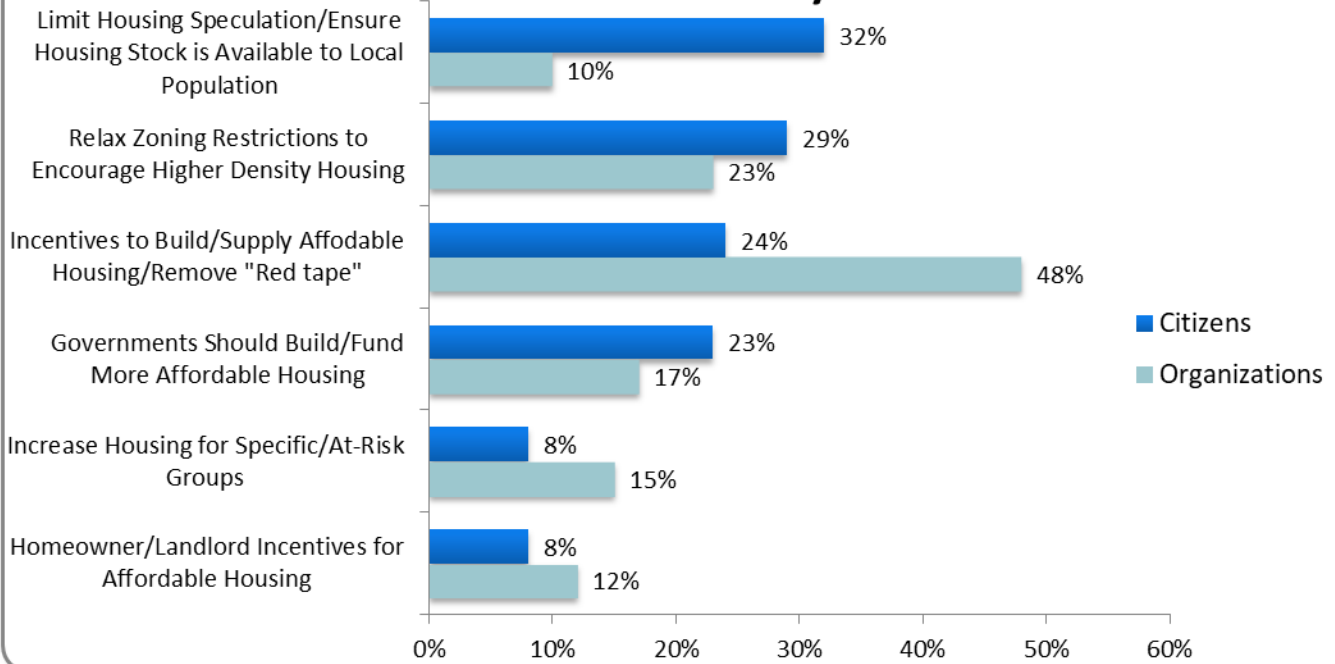
Findings: Housing Supply

As part of the online survey, respondents were asked to indicate what changes or directions could be taken by government or others to increase the housing supply in their community. Survey participants provided a range of insights as to actions that could be taken. In particular, there was a strong emphasis from organizations in terms of examining regulatory or policy changes to encourage affordability, whereas citizens were more likely to identify the need for governments to take a more proactive role in building affordable housing.

Participant Insights

- ✓ Limit housing speculation and ensure housing stock is available to the local population.
- ✓ Provide incentives or reduced "red tape" to build affordable housing.
- ✓ Relax zoning restrictions to allow higher density.
- ✓ Governments should actively build/fund affordable housing.

Figure 6: Suggestions Associated with Activities/Policies that Could Increase Housing Supply in Their Community



* Note: Totals will add up to more than 100% due to multiple responses.

Opinions varied across some of the different groups represented in the survey. Highlighted below are the key differences on the basis of tenure.

Renters	Home Owners
✓ Limit speculation and increase housing stock through taxes and regulation (42%)	✓ Change housing density regulations (29%)
✓ Change housing density regulations (28%)	✓ Implement incentives to build affordable housing (27%)
✓ Build/Fund more affordable housing (25%)	✓ Limit housing speculation/ensure housing stock is available to local population (20%)

A sample of comments illustrate the range of opinions held by survey respondents:

"Too much land is zoned as single-family, which is now the most expensive form of housing and unattainable by the majority. Multi-family zoning for not just coach homes or duplexes, but for townhomes and even 4-6 story apartments need to be permissible without requiring a rezoning and public hearing process."

Citizen / Homeowner

"Limit triple digit DCC (Development Cost Charges) increases, disallow double-dipping eg DCC's for parks and at the same time municipal demands for green space from the same development - should be one or the other, expedite development applications and building permits by implementing a deadline with penalties for the municipality."

Organization/Builders / Private Developers

"Invest in public rental housing. It should not be seen as a stop-gap measure for those in dire straits, a robust stock of public housing should be a significant part of the overall rental housing market and accessible to all renters."

Citizen / Renter

"Cut back on AirBnBs, ease restrictions (ie: pets), increase zoning density on transportation corridors, add basement suites, laneway homes."

Citizen / Renter

Findings: How to Make Housing Affordable in Communities

In addition to seeking input into how to increase the supply of housing, survey respondents were also asked to comment on how they could make housing more affordable in their community. Similar to the question around housing supply, respondents provided comments on a number of actions that could be taken.

Respondents provided a variety of insights into how affordable housing could be made available in their communities. There were also differences in opinion based on whether the respondent was a citizen or represented an organization. Organizations prefer reduced government costs (42%) and zoning for innovative housing (31%) to help with

affordability. Both citizens and organizations cited they prefer increasing the supply of affordable housing options (36% and 37% respectively), while citizens prefer limiting short-term rentals (39%) and providing more assistance to renters (22%).

Top Three Actions to Increase Housing Affordability:

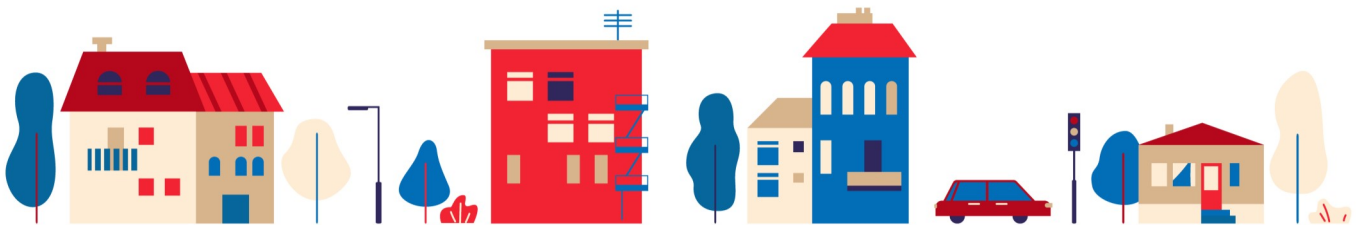
- ✓ Tax, limit and/or ban speculation and/or short-term rentals (38%)
- ✓ Supply affordable options like co-op, social or low-income housing (36%)
- ✓ Provide more assistance to renters (22%)

Citizens	Organizations
1st Tax or limit short-term rentals and speculation (39%)	1st Reduce government imposed charges/provide incentives to build affordable housing (42%)
2nd Supply affordable housing options (e.g. Co-Op, Social Housing, Low-Income Housing) (36%)	2nd Supply affordable options (co-ops, social, low-income housing) (37%)
3rd Provide more assistance to renters (22%)	3rd Zoning for “innovative” low cost housing (31%)

Analysis of citizen responses on the basis of tenure suggest that homeowners and renters share some similar ideas to make housing more affordable, such as increasing the supply and availability of diverse, unique and affordable housing options. However, renters are particularly concerned with the impact of speculation and short term rentals in terms of reducing the affordability of housing in their community, whereas homeowners would like government to reduce the charges it imposes, and provide incentives to build affordable housing.

Top three actions to improve housing affordability by tenure:

Renters	Home Owners
1st Tax/limit/ban speculation or use of short-term rentals (48%)	1st Supply affordable options (co-ops, social, low-income housing) (32%)
2nd Supply affordable/options/co-ops, social, low-income housing (39%)	2nd Tax/Limit/ban speculation or use of short-term rentals (27%)
3rd Provide more assistance to renters (31%)	3rd Reduce government imposed charges/provide incentives to build affordable housing (26%)



Survey participants provided a range of suggestions as to how affordable housing could be best supported in their community:

"Build, build and build some more. | Reduce the costs to build where ever possible, including streamlining the process, shortening timelines and look for opportunities to house labour that we so desperately need to complete these projects."

Citizen / Homeowner

"1) Outside of land valuation the Second highest cost factor to home ownership is taxation. | A) Reduce or eliminate GST/PST on building products. | B) Eliminate Land transfer tax. | 2) Eliminate the Provincial Step Code, follow and maintain the National Building Code of Canada. | 3) Provide Local zoning that increases density."

Organization/ builders / Private Developers

"1. Build more purpose built rental units | 2. ReZone single family neighbourhoods to allow for more density | 3. Freeze rent increases until the housing crisis is solved."

Citizen / Renter

"1. Stop rental platforms like Air BnB from usurping rental supply. Ban them. More rentals will become available."

Citizen / Renter

Online Submissions

In addition to the online survey, individuals or organizations could submit more detailed responses to address issues related to housing supply and/or housing affordability in the form of a detailed submission. As part of the online engagement, 20 submissions were received. The themes drawn from the comments largely echoed many of the main findings identified through the online engagement. Submissions tended to identify a particular problem, provide a strategy to address it and then indicated detailed and specific actions to support the strategy. For example, some submissions suggested very specific changes to building codes, legislation and procedures. The following provides a high-level summary of the problems and strategies, as well as some of the broader solutions.

Improve Working with Government

- ② Create a provincial standards framework using a provincial IT infrastructure for implementation to save costs
- ② Avoid adding-on new fees/taxes to existing projects including the speculation tax. This creates unpredictability for developers
- ② Use the rental tribunals to stop renovations and demovictions, and set up a provincial tracking system of such actions
- ② Fast-tracking development applications to stimulate growth after COVID-19
- ② Create better alignment between public and private resources addressing land speculation
- ② Reduce the time and cost to secure development
- ② Improve the public hearing process for new development
- ② Fast-track rental housing projects

More Government Leadership and Action

- ② Reform the Residential Tenancy Branch to ensure fair dispute resolution for landlords and tenants
- ② Create reasonable timelines to evict tenants
- ② Remove taxes like the GST on new homes
- ② Transfer authority over redevelopment to the provincial government to avoid local interests being put ahead of provincial ones
- ② Provide bonuses for municipalities that reach rental and/or low-cost housing targets

More Government Leadership and Action (continued)

- ② Align transport and development so the maximum number of British Columbia residents can take advantage of government developments throughout their areas and provinces
- ② Create a planning committee to advance and encourage development of innovative housing solutions
- ② Recognize that regulation of rental rates does not help the supply of rental units
- ② Have government assist with financing of conversions from rentals to co-ops

Use of Government Lands

- ② Avoid selling-off provincial lands
- ② Work with owners of community lands and non-profits to address rental and housing shortages and affordability and help them develop their lands; for example, having school boards develop housing on their lands for families and employees
- ② Build capacity of non-profits that own land to create and manage housing

Reduce the Profit Motive in Real Estate Development and Transactions

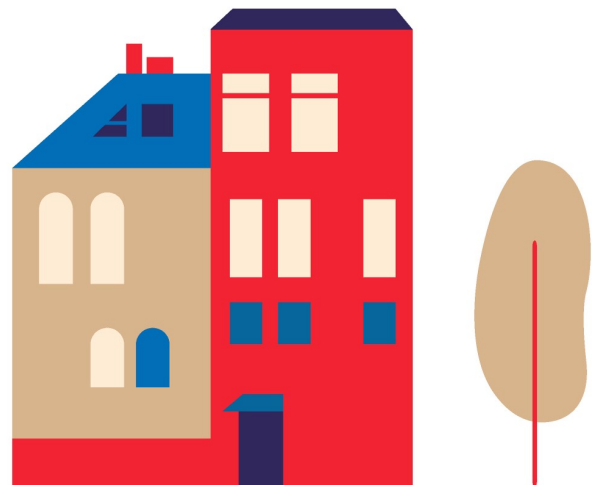
- ② Align capital returns expectations with local housing needs
- ② Discourage housing as investment and encourage non-profit development
- ② Eliminate the financial rewards for landlords who evict tenants
- ② Plan for a housing downturn with a government committee, either one that helps increase affordability, or one that occurs naturally

Increase Affordable Rental Housing

- ② Provide incentives and support to preserve and renovate existing rental stock
- ② Develop new rental housing
- ② Limit demand on rental housing by creating more affordable ownership solutions
- ② Any redevelopment of rental stock into owner occupied should require replacement of rental units
- ② Create rental-only zoning
- ② Set proportion of new development at “market rental” prices and others at “below-market rental” prices

Improve Housing Supply and Affordability

- ② Involve more professionals in the housing process, either to help with project valuation, or by delegating some of the municipal inspection issues to regulated professionals (i.e. architects and engineers), thus reducing government costs attached to housing
- ② Reign in increasing construction costs and ensure a ready supply of tradespeople to address attrition due to upcoming retirement
- ② Foster and encourage innovative housing options to reduce costs such as using modular housing and landscape architecture to meet needs
- ② Increase capacity of areas by: 1) Permitting accessory dwelling units in single detached neighbourhoods; 2) Building laneway homes that are environmentally friendly; 3) Making new single and semi-detached homes secondary-suite ready; 4) Adjust homeowner subsidies to incentivize increased occupancy
- ② Support property owners, buyers and tenants by reducing taxes, relaxing CMHC underwriting process and implementing new stress tests
- ② Address the high cost of strata insurance by enforcing the Strata Property Act and providing training for strata councils
- ② Encourage equity financing from redevelopment of government lands (i.e. let government continue to own the land) and from impact investors. Debt financing can be long term and flexible
- ② Supply bonus density for affordable housing
- ② Focus on rowhomes, stacked townhomes, in walkable communities close to transit



Summary of Findings

Feedback from the online survey and portal suggests that there is no single option or initiative that could provide a quick solution to the housing crisis in British Columbia. Furthermore, there appears to be differences in proposed approaches between citizens and organizations. However, there is some consensus for proposed solutions between homeowners and renters. Some common themes emerging from the engagement include:

- Ⓜ A significant proportion of respondents see an active role of government to address the housing crisis. In particular, there was a desire for governments to be actively funding/promoting the construction of low cost affordable and innovative housing. While there is certainly a role for the private sector, there was a strong desire to see government take leadership in terms of affordable housing supply.

“Government needs to be back in the business of building low cost housing – the private sector cannot meet the demand.”

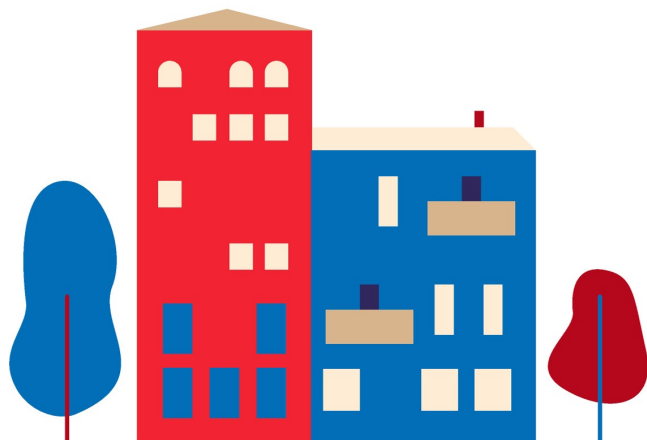
- Ⓜ An affordable housing strategy needs to address the “bottlenecks” that are currently constraining the provision of affordable housing. At the local level, organizations and citizens alike question zoning

restrictions that limit the development of high density housing, and organizational respondents were particularly critical of the considerable costs imposed by governments at all levels in terms of building affordable housing.

“How can we build “affordable” housing when we pay for excessive DCC’s, GST/HST and other taxes? – if you want affordable housing, lower the taxes on such housing.”

- Ⓜ There is support to examine short term rentals and the impact on the British Columbia housing market. It was also felt that more could be done to reduce the numbers of “empty” houses/units in the Province in terms of regulations and/or taxation.

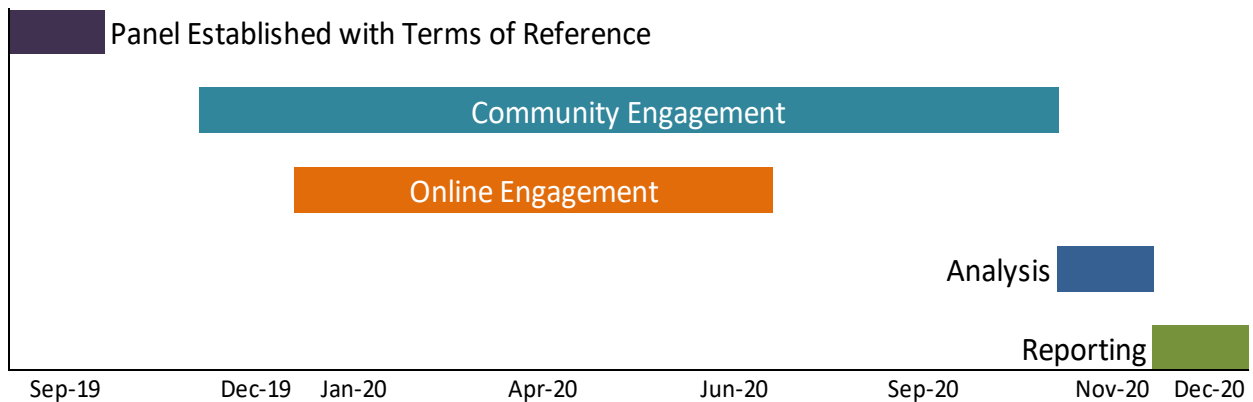
“Does anyone know how many units sit empty as Air BnB units – these should be limited to help address our desperate need for housing.”



Next Steps

It should be emphasized that this report summarizes only the information provided via the online survey and email submissions and does not reflect the community consultations undertaken by the Expert Panel. In this context, the information presented in this report will be only one of the many engagement inputs that will be used by the Expert Panel in the development of their recommendations to government (Federal, Provincial, and Municipal), regarding housing supply and affordability issues in British Columbia.

As highlighted below, this online engagement is only one step in the process of developing a comprehensive housing strategy with the goal of having the Panel report back to the Ministers of Finance (Canada and British Columbia) by the end of 2020.





Canada 

