



Towards Housing Affordability in Vancouver

Eric Bond, Principal, Market Analysis

Canada



Housing in Metro Vancouver

New home construction
and our economy

43,000

new units currently under construction as of July 2018, continuing a record year

Home prices and
local incomes

8x

multiple between average
home price and average
family income in 2017

Housing affordability
challenges

43%

of renter households spent
**more than 30% of their
income** on shelter in 2016

EMERGENCY
SHELTER

TRANSITIONAL
HOUSING

SUPPORTIVE
HOUSING

COMMUNITY
HOUSING

AFFORDABLE
RENTAL AND HOME
OWNERSHIP

MARKET
HOUSING



Opportunity to consult the public and take action on housing

Big Questions



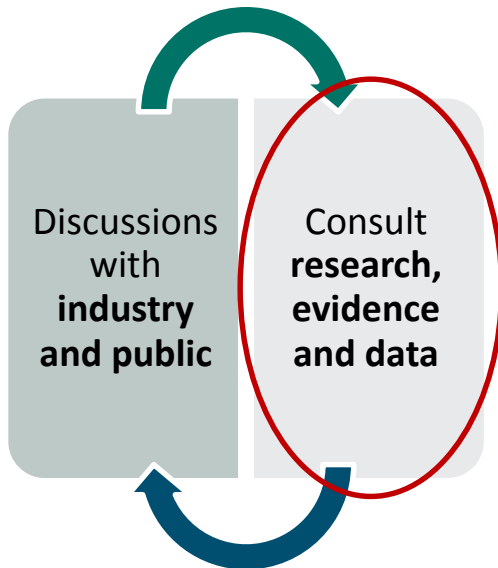
Engagement



Actions

Who is housing for?

Are we building the right type of housing?



New construction

Partnerships

Revised regulations

Policies to address both supply and demand

Research on creating new housing supply in Vancouver



Examining Escalating
House Prices in
Large Canadian
Metropolitan Centres

Canada

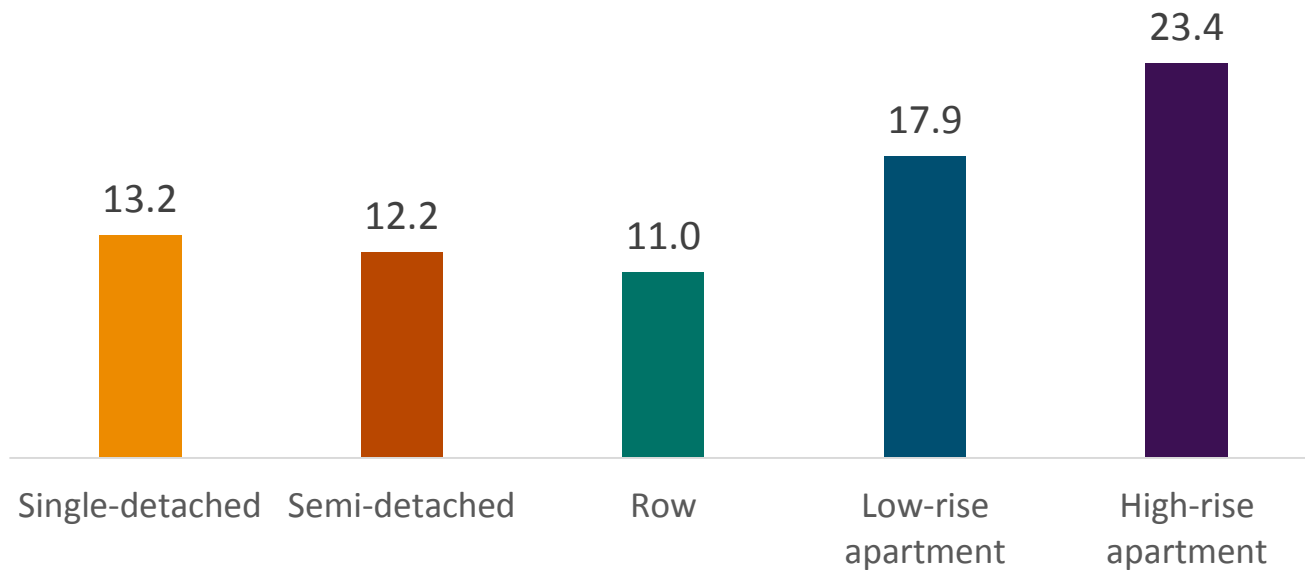


- The supply of new homes in Vancouver has, in the past, not been very responsive to changes in home prices or local economic conditions.
- Municipalities can influence this responsiveness: Who can build? What form/type? How long will it take? What other regulations apply?
- Improving affordability is not simply a matter of blindly issuing more permits; we need to make the system more responsive to economic changes.



Are we building the right thing? Construction times by type

Average construction time, Vancouver CMA, 2017
(months)



High-rise residential
construction costs
+7.1% over the
past 12 months

Are we building the right thing? A look at rental housing

Household formation

59%

of new households formed
between 2011-2016 were
renter households

New rental supply

30%

of housing units completed
between 2011-2016 were
new rental units*

* includes purpose-built, suite, laneway, and 25%
of condo units completed during the period

2017 rental market

< 1% vacancy rate[‡]
for 3rd year in a row

+ 6% average rent[‡]
increase over 2016

[‡] purpose-built rental market figures



Who is housing for? Data on non-resident ownership

Non-resident ownership share

All structures of all ages

Vancouver CMA = 4.6%

Vancouver = 7.1%

Surrey = 2.5%

Condos completed 2016-2017

Vancouver CMA = 14%

UEL = 18%

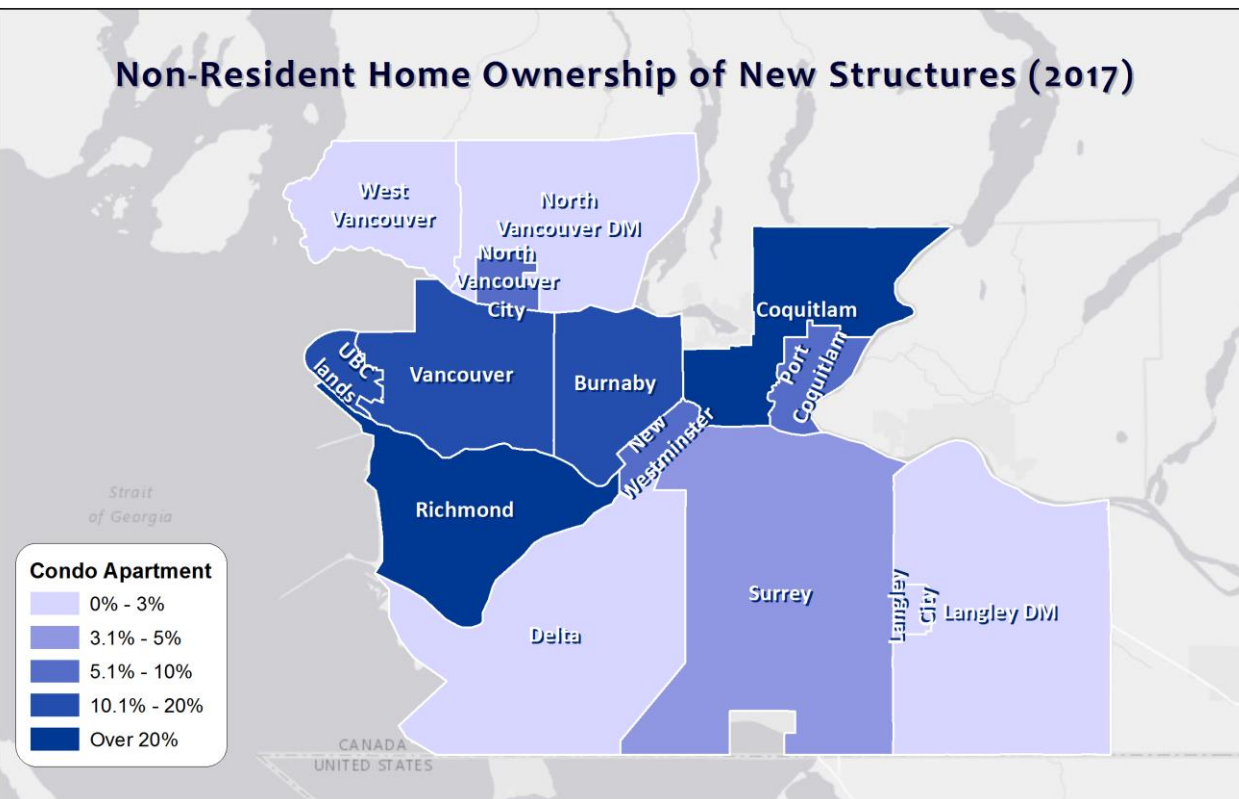
Vancouver = 15%

Burnaby = 15%

Richmond = 21%

Coquitlam = 22%

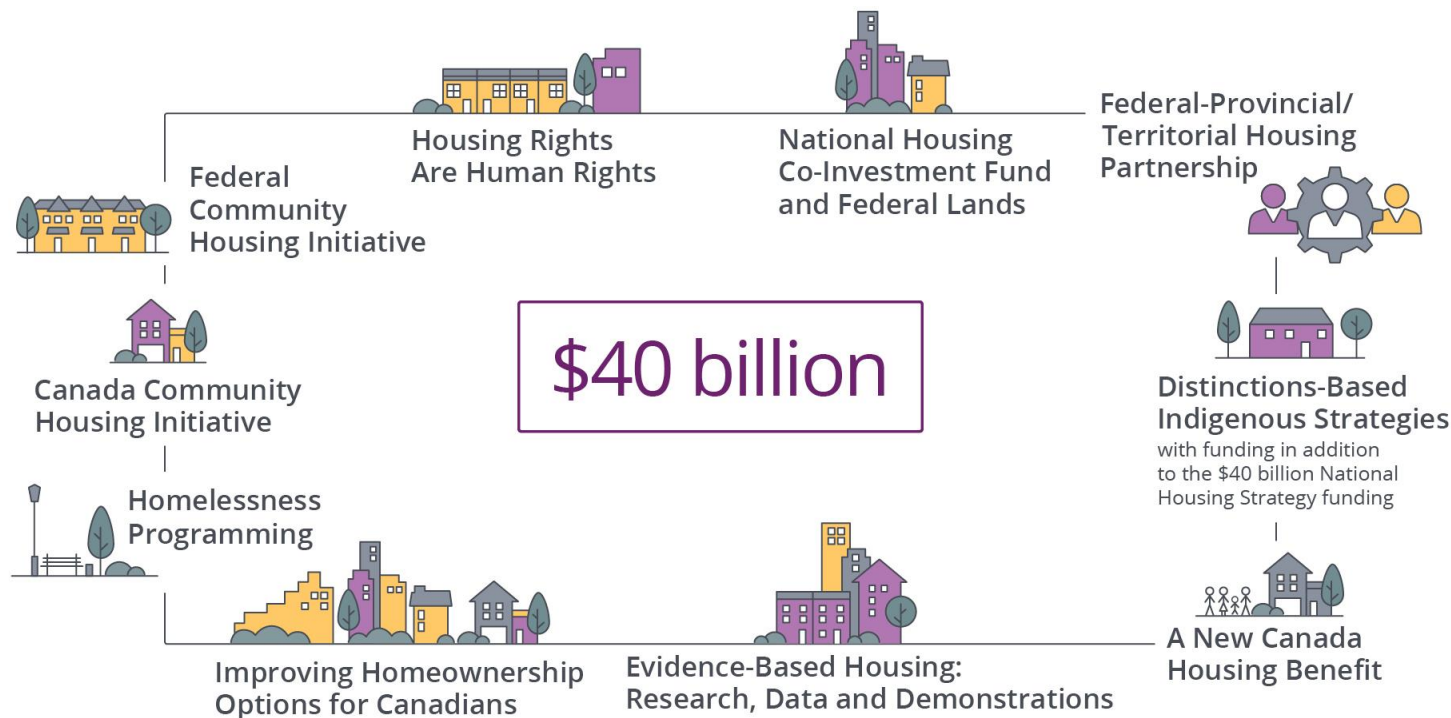
Non-Resident Home Ownership of New Structures (2017)



Towards housing affordability in Vancouver: questions to ask

- **Engagement with the industry:** How can we bring new housing to market at a lower price per square foot?
- **Efficient use of development fees and resources:** Can fee design maximize public benefit while still encouraging new supply? Can more resources be dedicated to processing developments in order to reduce uncertainty and expedite construction?
- **More housing options/innovations:** Can we improve the flexibility of our housing stock? (rentals, tiny houses, mixed density infill, etc.)
- **Input from the public:** Who is housing for? Are we building the right type of housing? Discussions to be guided with data and evidence.
- **Policy:** need to consider both demand and supply distortions in the market

Time to take action: Canada's National Housing Strategy



Thank You

Canada Mortgage and Housing Corporation

www.cmhc.ca

Eric Bond

Principal, Market Analysis (Vancouver)

ebond@cmhc.ca

