



VANCOUVER
HOUSING
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A CITY
EVERYONE
CAN CALL
HOME

Vancouver Housing Initiative Update

March 8, 2016

Mukhtar Latif
Chief Housing Officer





Current Actions: March - May

- 20 sites, 3500 new homes, \$500m request from Federal Government
- Empty Homes Research
- Housing Report Card
- New Affordable Homeownership Program

VAHA - Creating New Supply

- 500 units in development over next 12 months
- New modular, temporary housing options
- Focus on optimizing City and partner land investment to deliver affordable housing

+8,600 units Secured Rental Approved since 2010

	Recently Completed	Under Construction	Approved but not yet Under Construction	Total
Secured Market Rental	1239	1925	1981	5145
Social Housing	176	870	637	1683
Supportive Housing	1634	101	109	1844
Total	3049	2896	2727	8672

Development status as of Dec. 31st 2015

A photograph of a man with glasses and a beard holding a baby. The man is looking off to the side, and the baby is looking towards the camera. The background is blurred, showing what appears to be a city street with buildings and a car.

Upcoming Actions: June-Dec

- Housing Strategy Refresh
- Homeless Count & Low-income Housing Survey Report Back
- New Family Housing Policy
- New Community Plans
- Rate of Change, Phase II Report Back
- SRO Initiative



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Empty Homes Research Study

Report to City Council March 8, 2016

Matt Bourke, Housing Planner
Bruce Townson, CEO, Ecotagious Inc.



Presentation Outline



Public Concerns About Housing Affordability and
Homes Being Left Empty

What Does Existing Research Tell Us?

Key Findings From CoV Study on Unoccupied Housing
Units in Vancouver

Next Steps

Why Are We Studying Empty Homes?



Public concern that empty homes in Vancouver could be impacting housing affordability and neighborhood vibrancy

Concern that many of these units could be rented out and take pressure off the existing rental stock



There are Many Possible Factors Driving Empty Homes



Investment

Probate

Development
Timing

In Sale or
Rental
Process

Hoteling

Snowbirds

Renovation

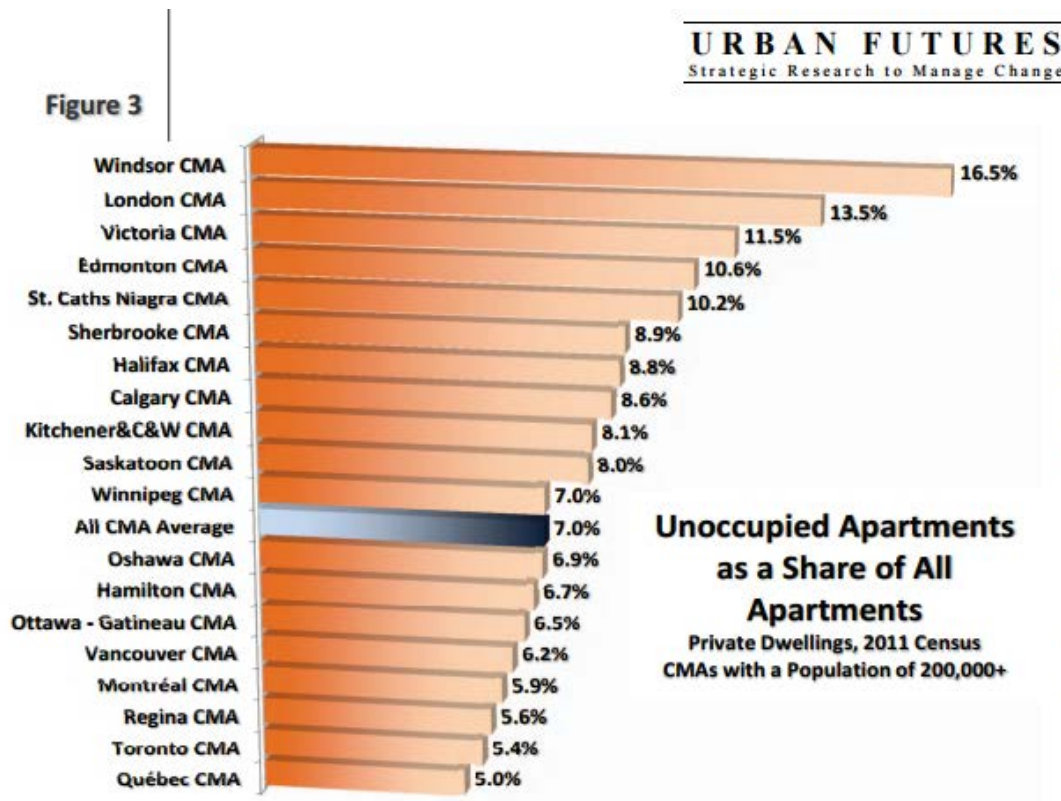
"Flipping"

What Does Existing Research Tell Us?



Urban Futures Institute 'Much Ado About Nothing' Study - 2013

- Used 2011 Census data to estimate the number of empty homes
- Found 6.7% of CoV apartment dwellings are unoccupied, compared to 7.0% average for all Canadian metros
- However, Census data only tells us about homes that are empty on Census day - no insight on duration or cause of vacancy

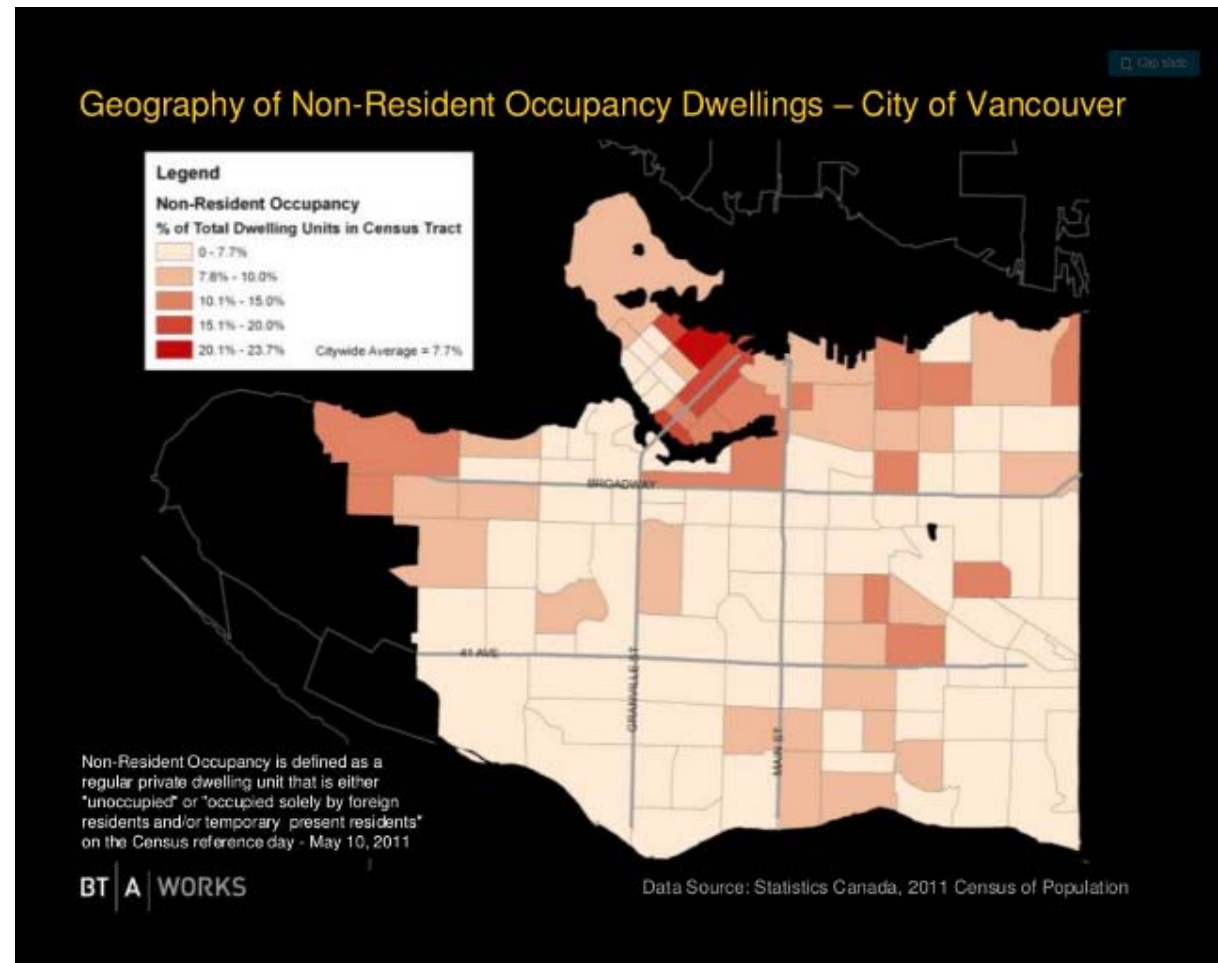


What Does Existing Research Tell Us?



Bing Thom Architects (Andy Yan):

- 2009 study of BC Hydro data usage in 13 downtown CoV buildings: 5-8% of condos in sample are 'dark'
- 2013 presentation on non-resident occupancy: Up to 22.5% of Coal Harbour condos either unoccupied or occupied by a temporary or foreign resident



BC Housing Study: Key Factors Affecting Home Prices in BC (Anticipated Completion: June 2016)



Research Questions

- What are the key factors affecting home prices in BC?
- What is the magnitude of foreign ownership of residential real estate in BC?
- What are the impacts of foreign homeownership on home prices in BC?
- What sources of data are needed to measure and monitor the extent and impacts of foreign ownership of residential real estate in BC?
- What are other jurisdictions experiencing with foreign ownership of residential real estate and how are they addressing this issue?

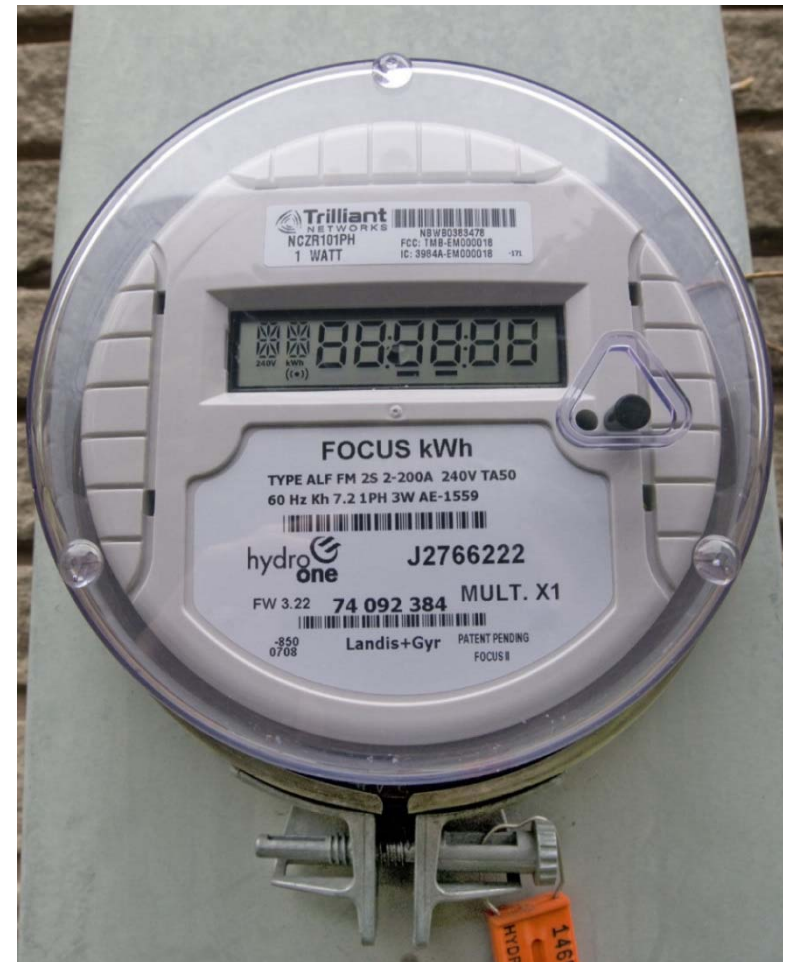
Possible Drivers Identified in RFP

- Limited supply of housing, particularly single family homes
- Constraints on supply of land
- Domestic and/or foreign investors
- Municipal development requirements
- Low interest rates

City/ Ecotagious study contributes to the literature by defining the scale of the empty homes issue



- Landmark study, representing the first attempt to measure household occupancy at this scale
- Study made possible through BC Hydro provision of electricity consumption data
- Data was anonymized to protect privacy



City/ Ecotagious study contributes to the literature by defining the scale of the empty homes issue



- Study provides comparisons across housing types, between Vancouver neighborhoods, and with Metro Vancouver
- Study focused on identifying the number of non-occupied homes NOT the reason why homes are left empty

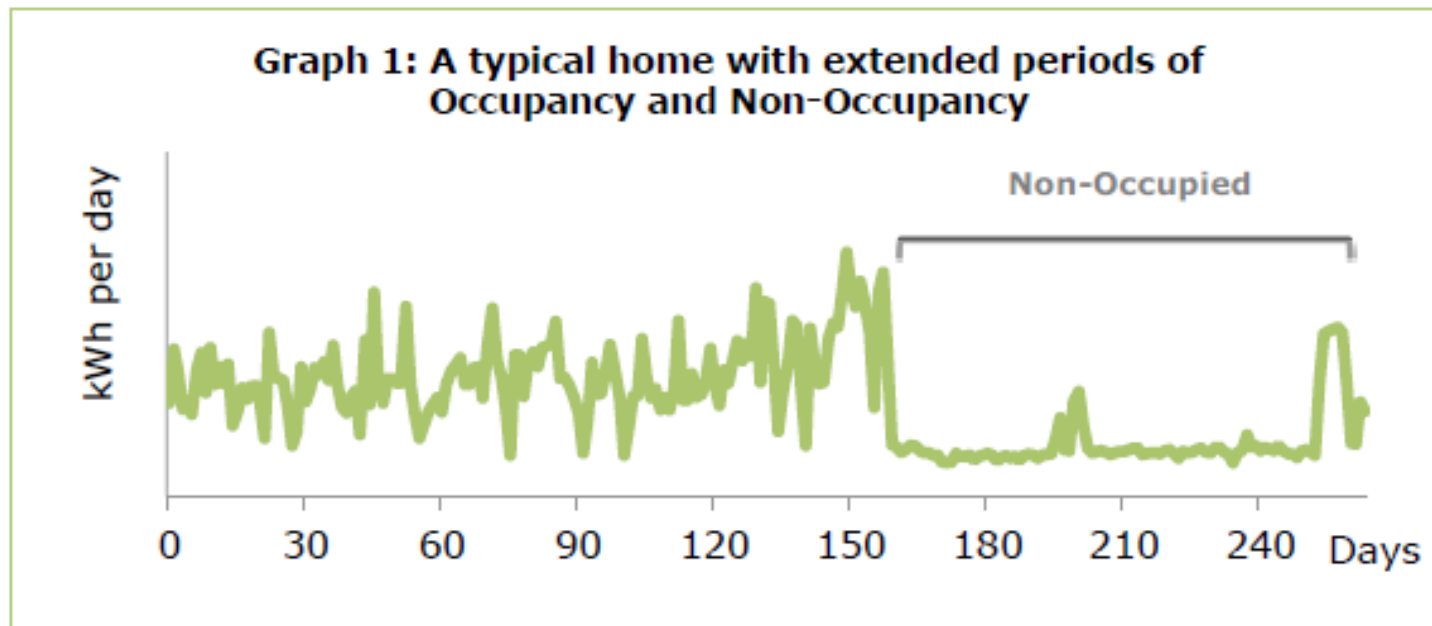


How We Approached the Study



How we defined non-occupancy:

- Homes were deemed empty (referred to in study as 'non-occupied') based on Hydro usage trends
- Non-occupied homes show less variability in usage over time:



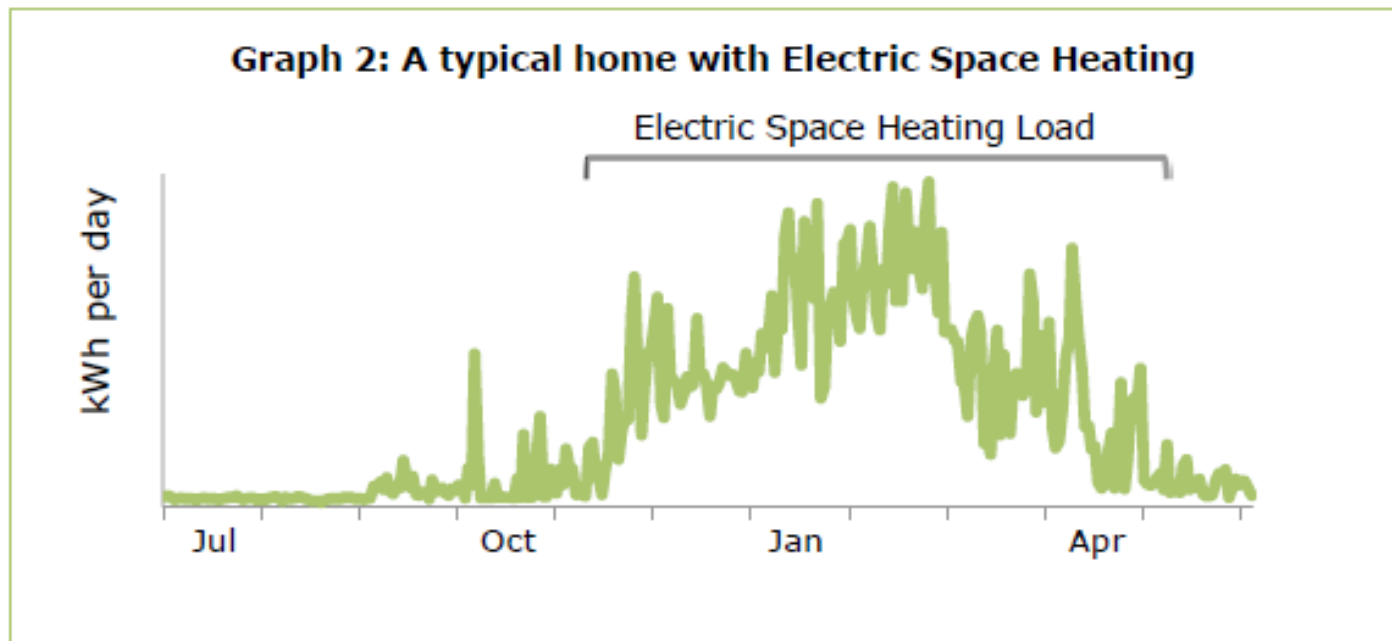
- A home was deemed non-occupied in a given month if it registered as non-occupied for 25 or more days in that month

How We Approached the Study



How We Determined Whether a Home was non-occupied for 12 months

- A home was categorized as non-occupied for 12 months if it registered as non-occupied for each of the 4 months during the non-heating season (August, September, and the following June and July)
- This is because electric heating can make empty homes 'look' occupied:



- Note: Inherent limitations in the data and analytics encourages more focus on non-occupancy trends over time than on absolute values at a given time

How We Approached the Study

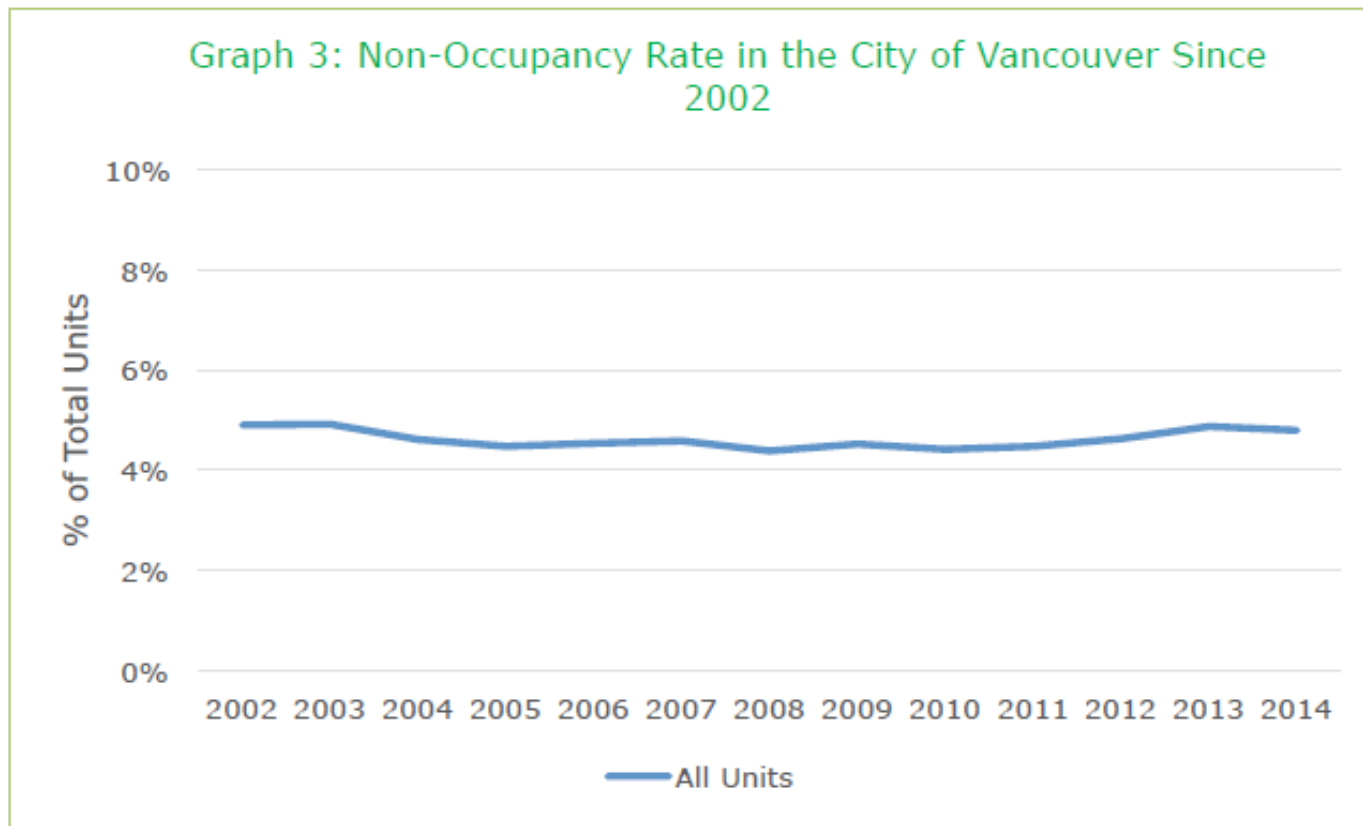


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- External Panel Reviewed the Methodology and Draft Results:
 - BC Hydro
 - CMHC
 - BC Housing
 - Metro Vancouver

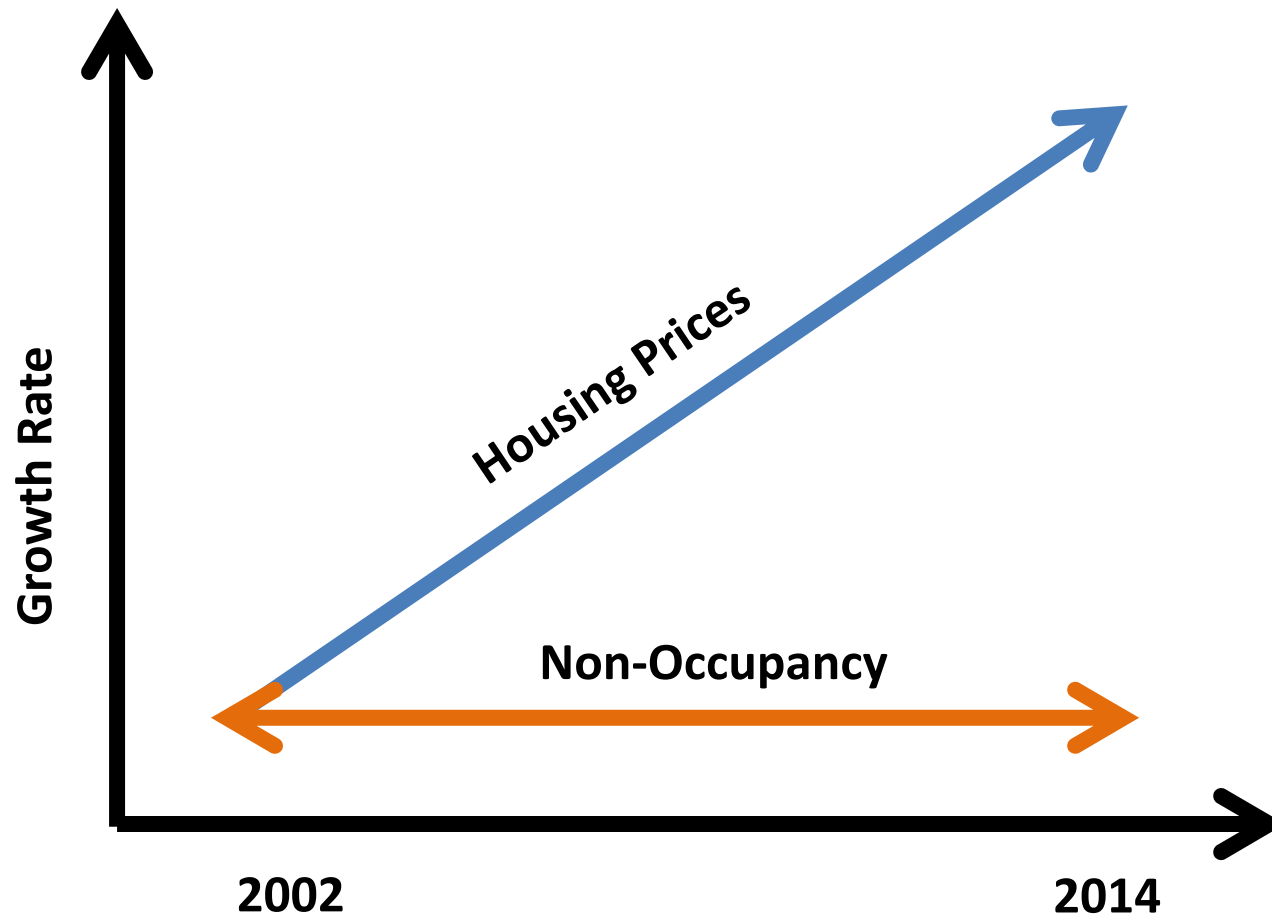
Key Finding #1: Trend in Non-Occupancy Rate has been Flat



- Residential non-occupancy rate of 4.8% in 2014



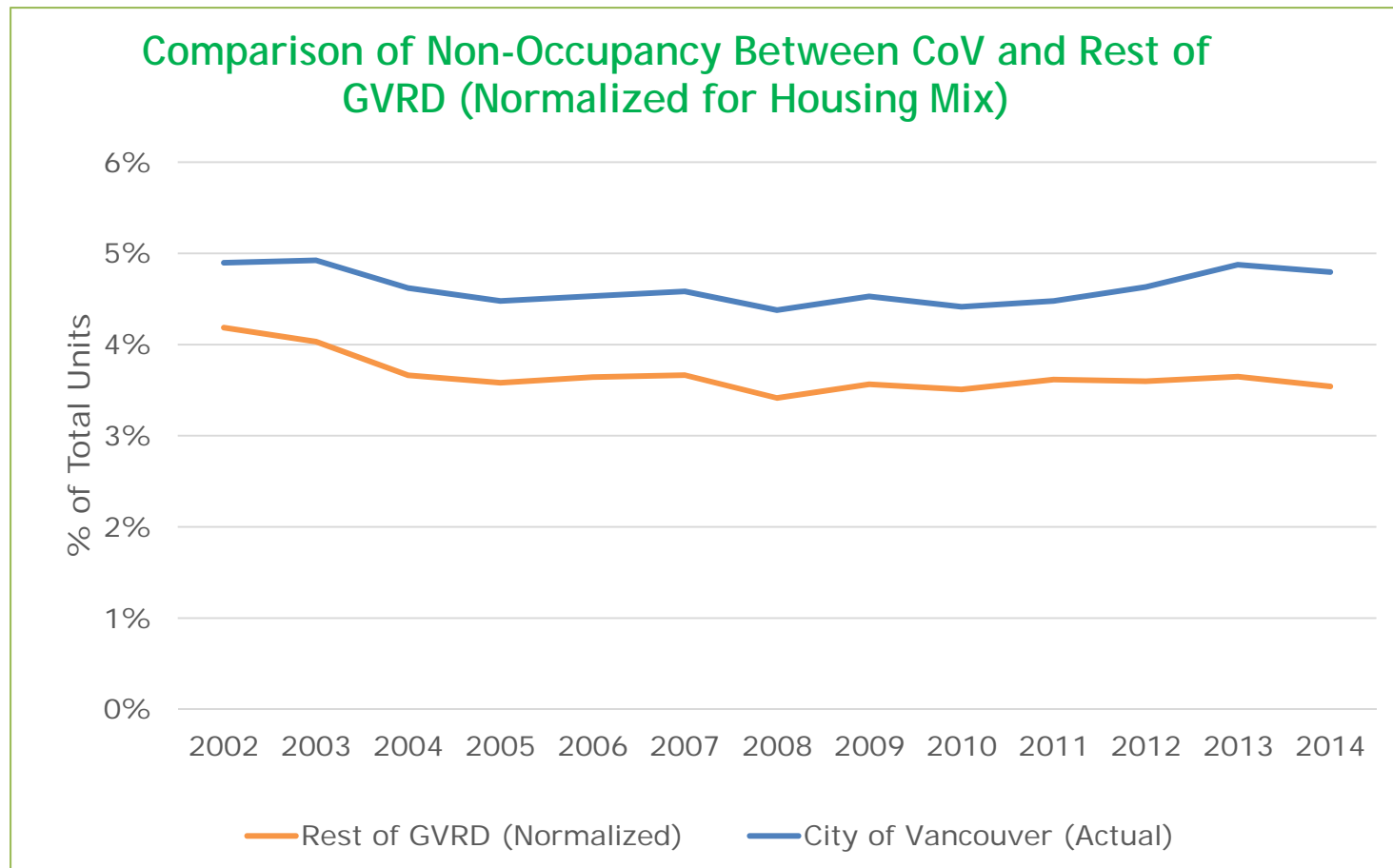
No Relationship Between Housing Price Growth and Non-Occupancy



Key Finding #2: Non-Occupancy Trend is in Line with Rest of Metro



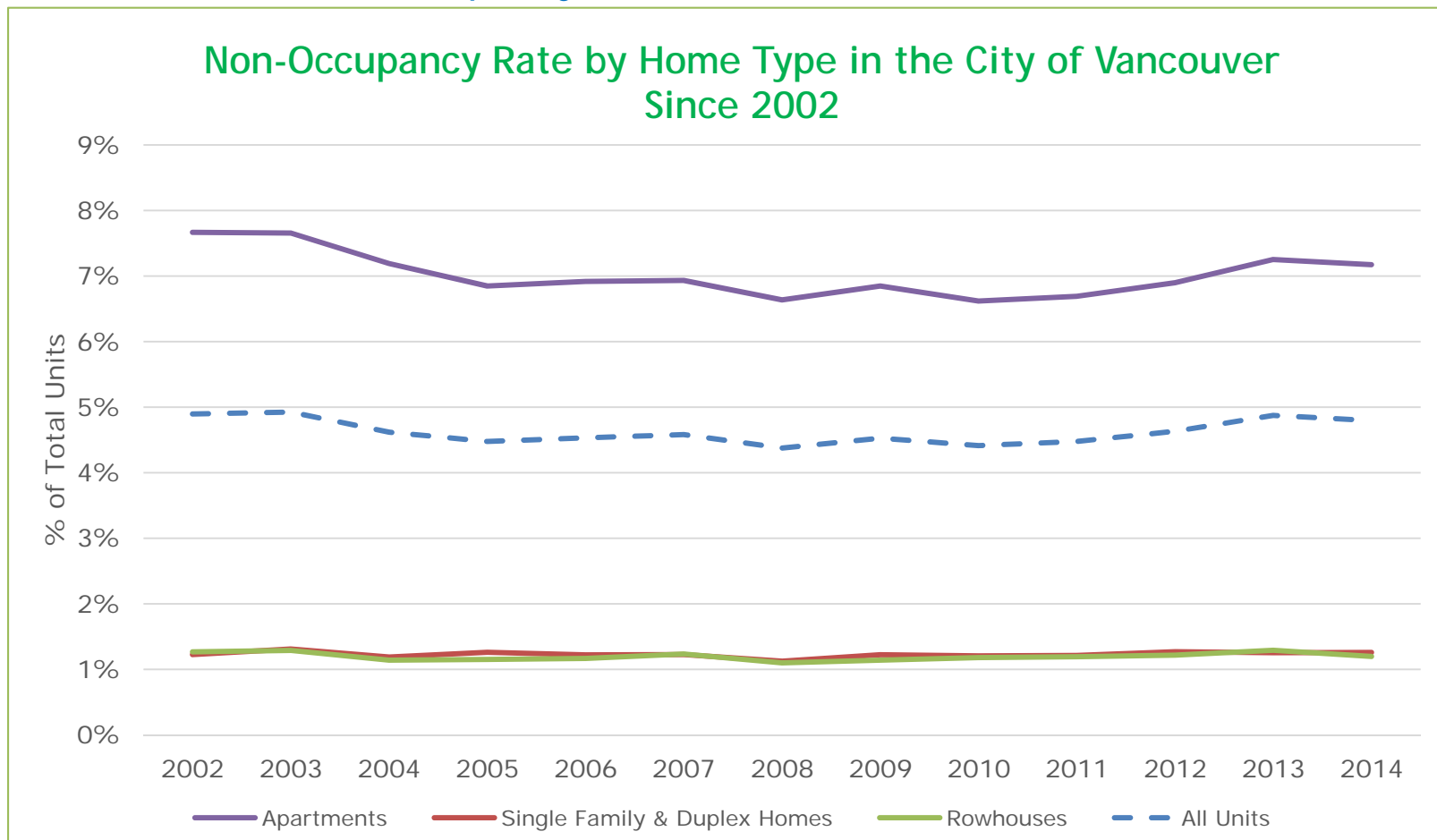
- Non-Occupancy in CoV is generally in line with Rest of Metro Vancouver
- We do see a long-standing 1-1.5% gap between CoV and Rest of Metro



Key Finding #3: Non-Occupancy is more likely in Condo Apartments



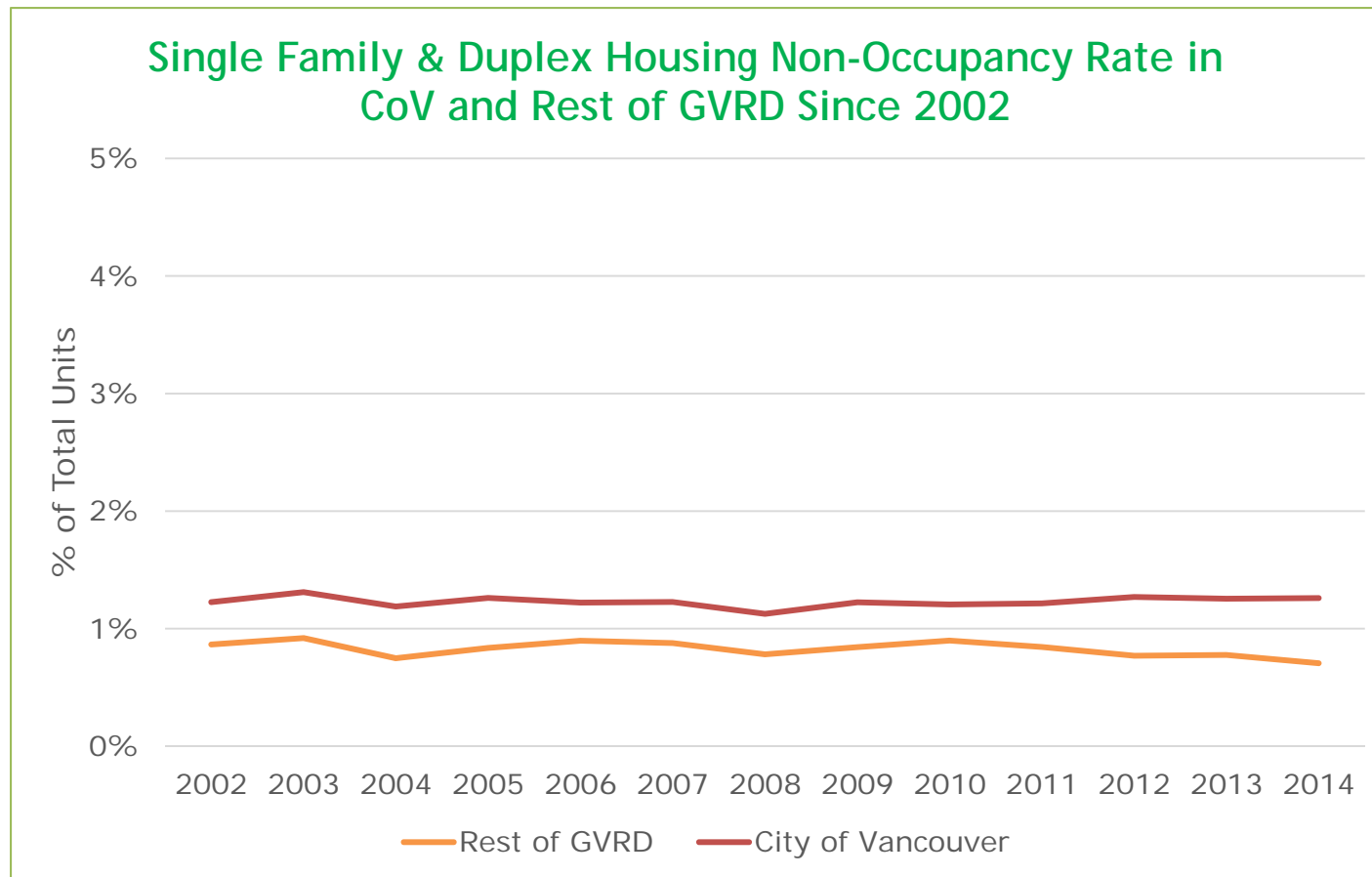
- Overall apartment stock has a non-occupancy rate of 7-8% (condos + P.B. rentals)
- Vacancy rate in purpose built rentals is nearly 0%
- Therefore, condo non-occupancy rate is estimated to be around 12.5% in 2014



Key Finding #4: No Change in Single Family Non-Occupancy



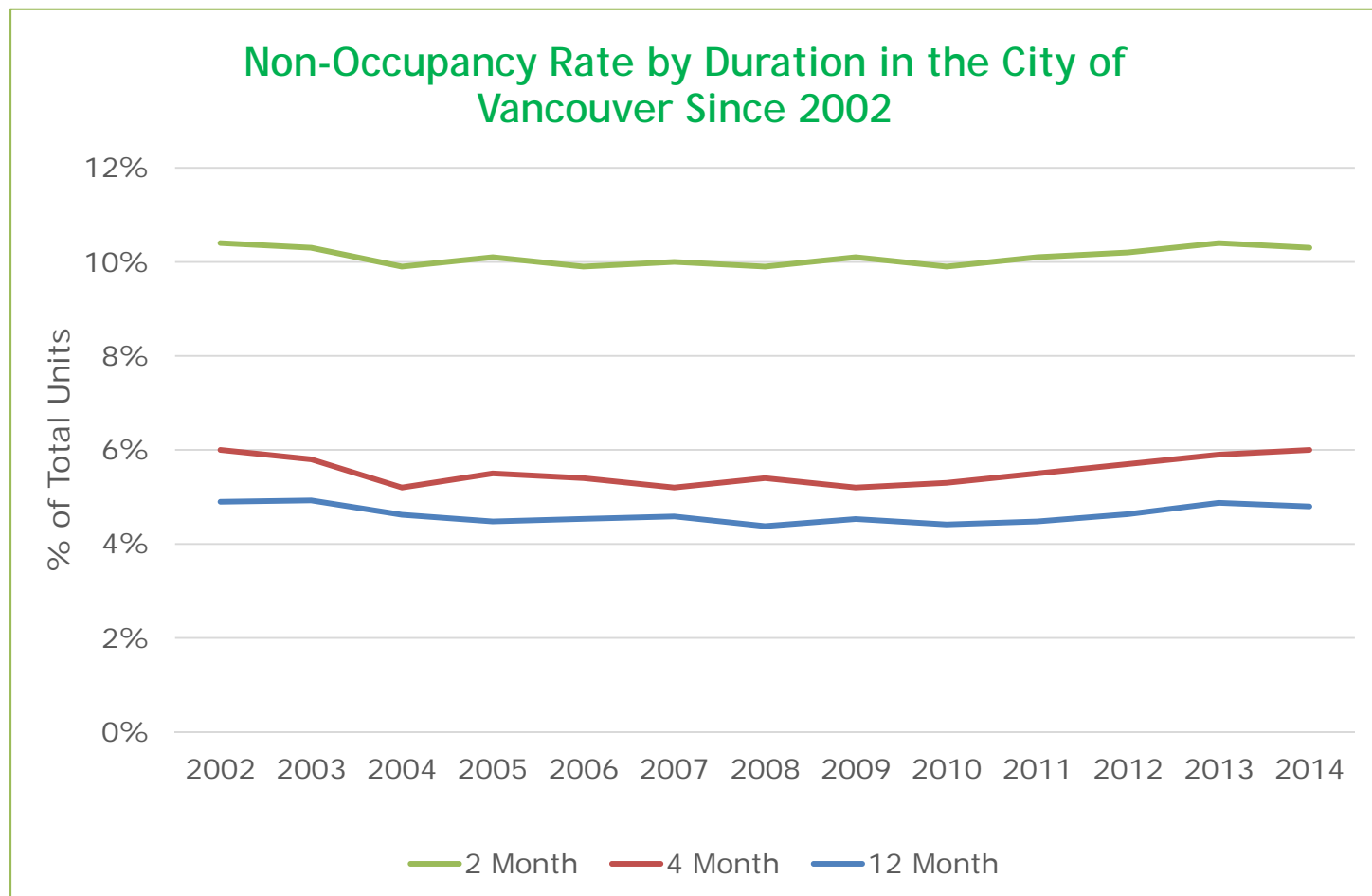
- Single family and duplexes show low and relatively stable non-occupancy (~1%) – in-line with the rest of Metro



Key Finding #5: Higher Rate of Short-Term Non-Occupancy



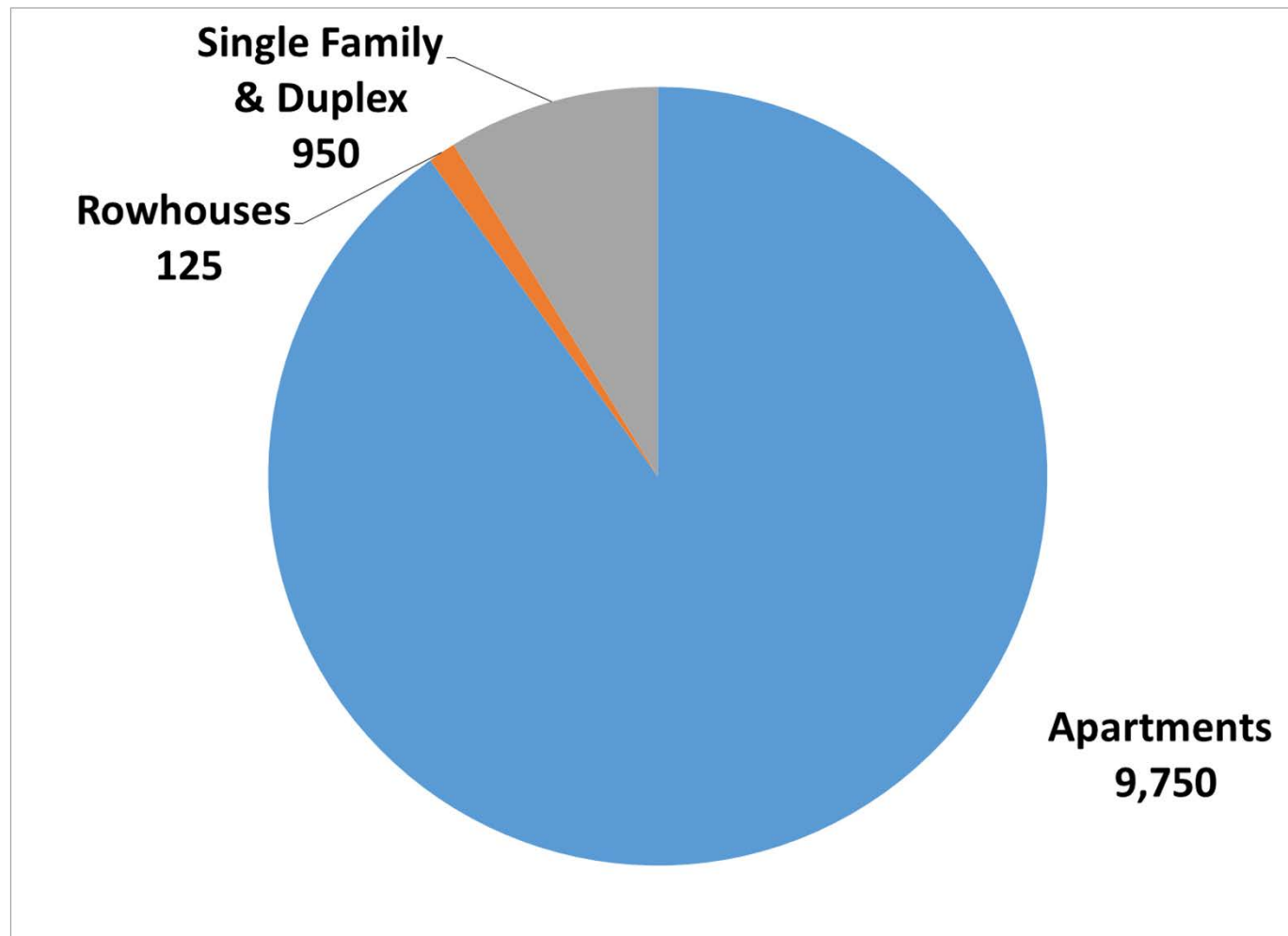
- % of units non-occupied for 2 months is twice as high as those unoccupied for 12 months



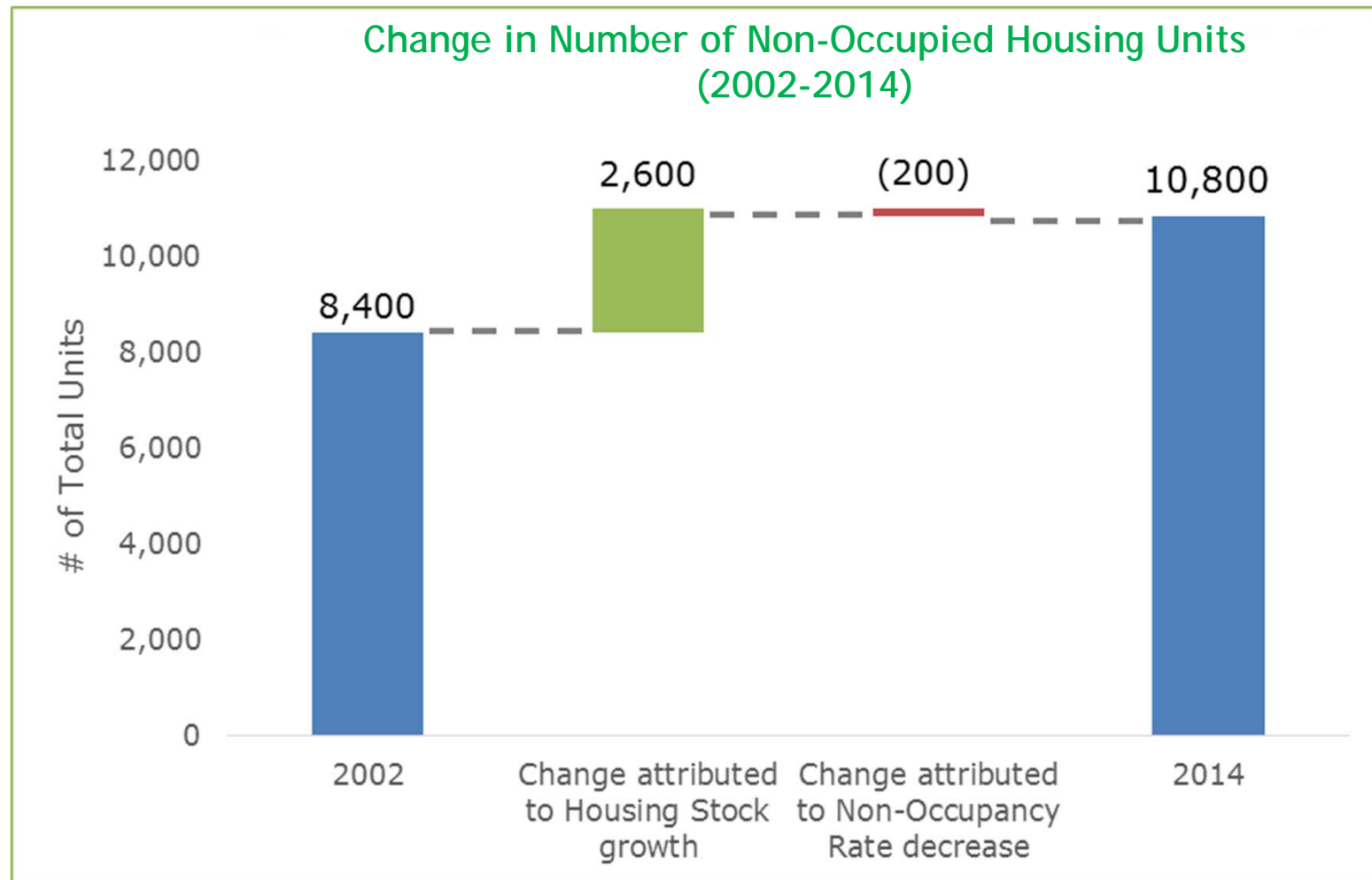
Key Finding #6: Study Analyzed 225,000 Homes and Identified Approx. 10,800 Empty Housing Units in the City



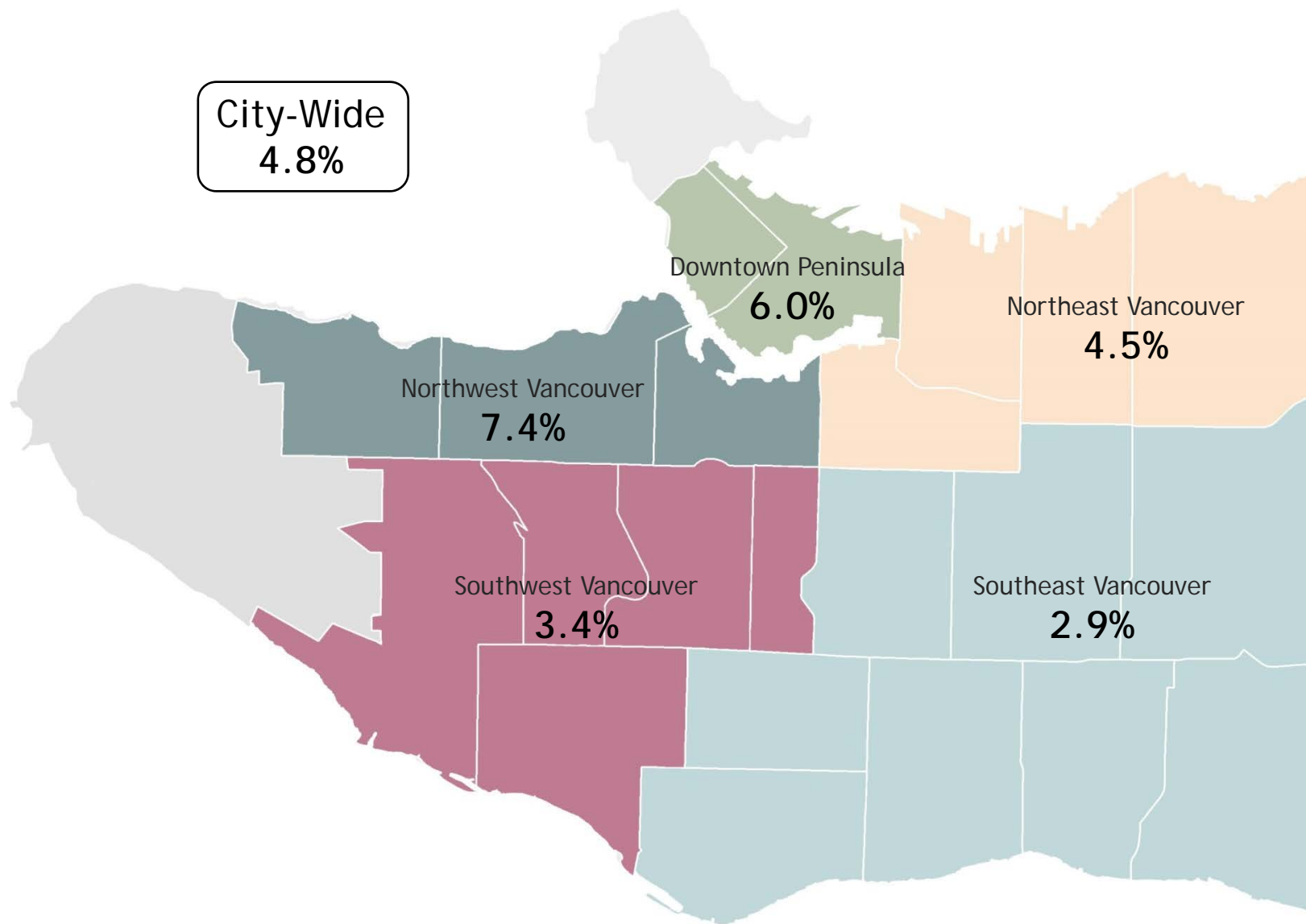
- 90% of identified empty homes were apartments



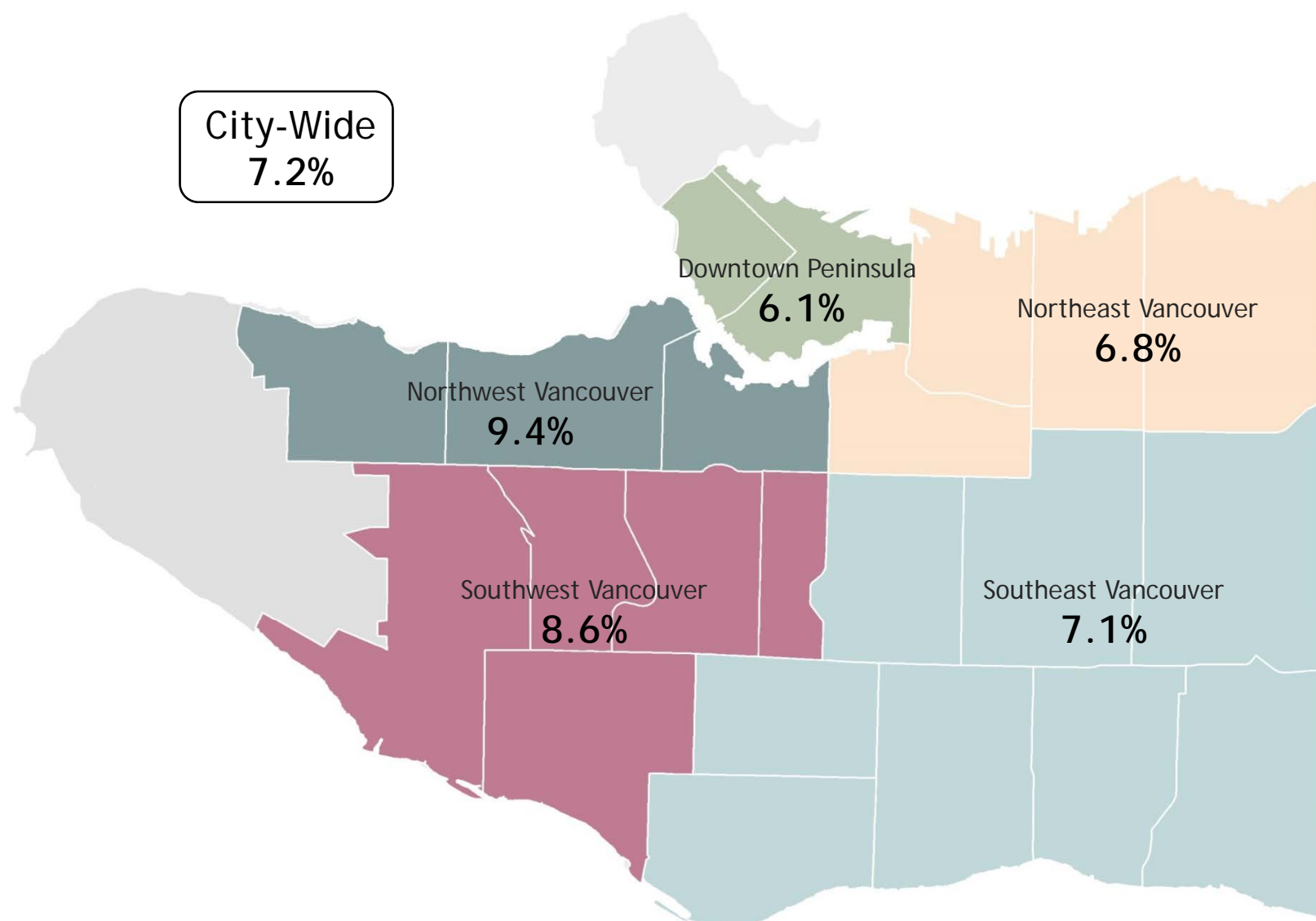
Key Finding #7: Growth in Number of Non-Occupied Units is Driven by Growth in the Housing Stock



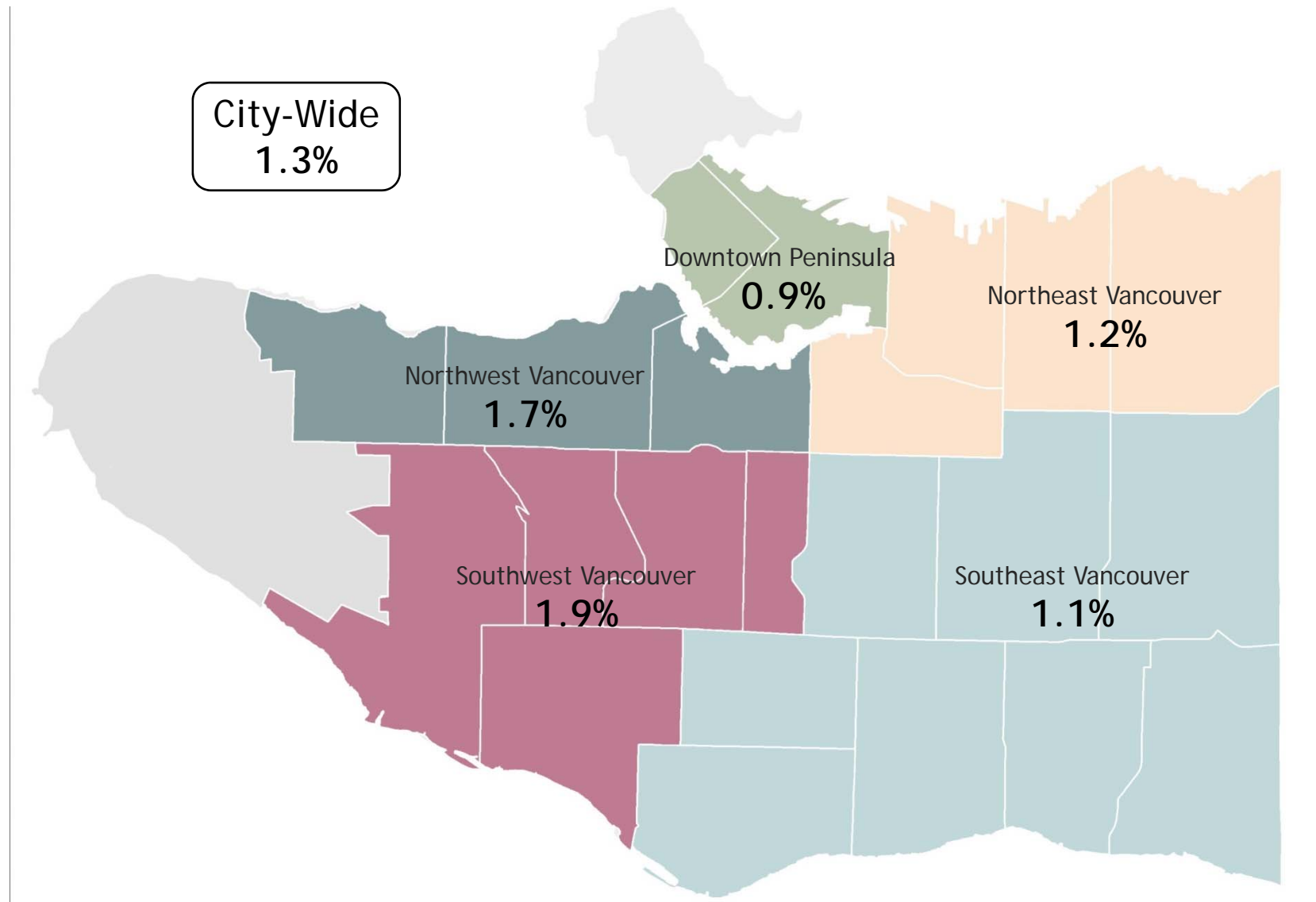
Non-Occupied Housing Units in the City - All Units



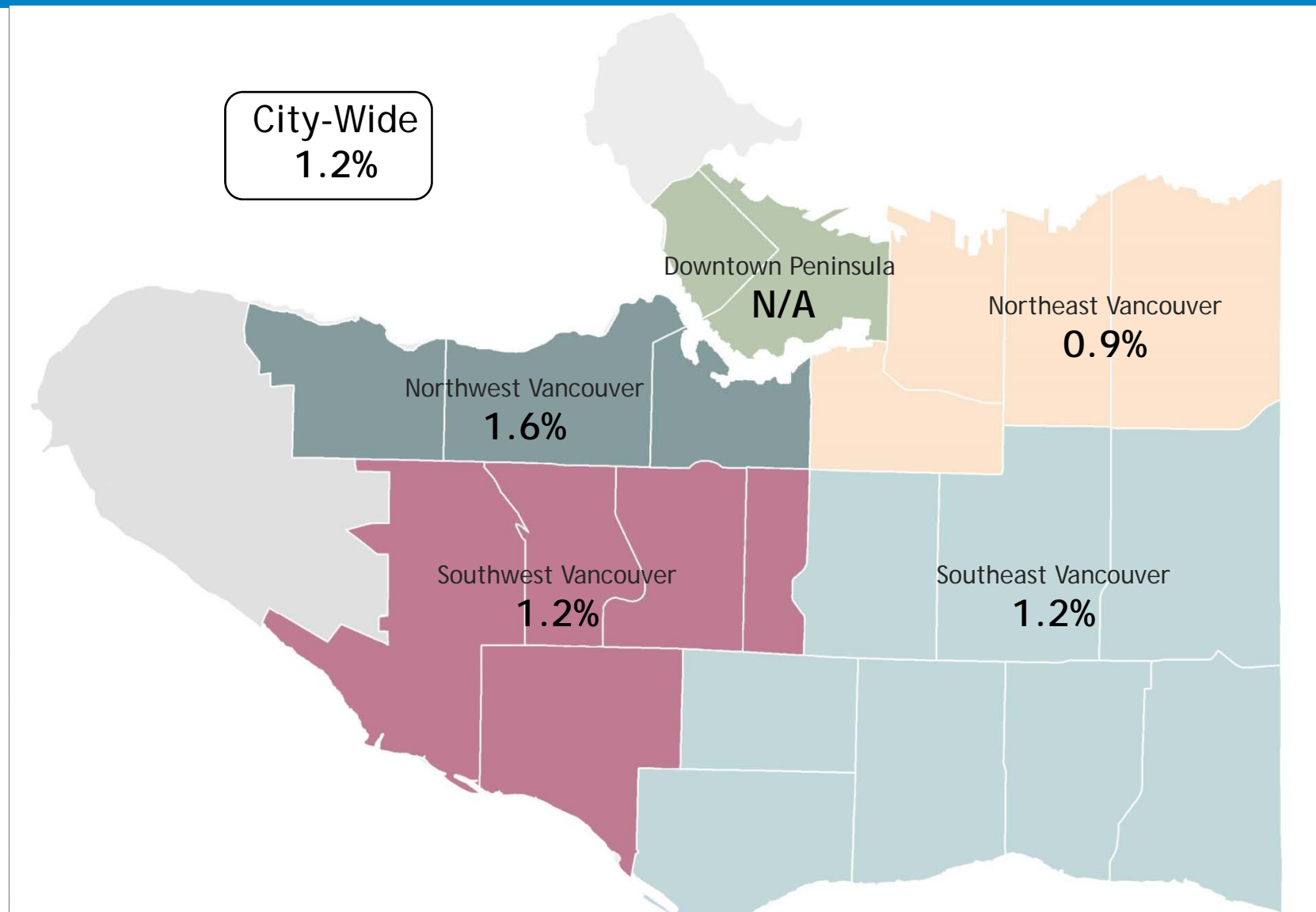
Non-Occupied Housing Units in the City - Apartment Units



Non-Occupied Housing Units in the City - Row house Units



Non-Occupied Housing Units in the City - Single Family and Duplex Units



The Big Picture: What Empty Homes Mean for Vancouverites

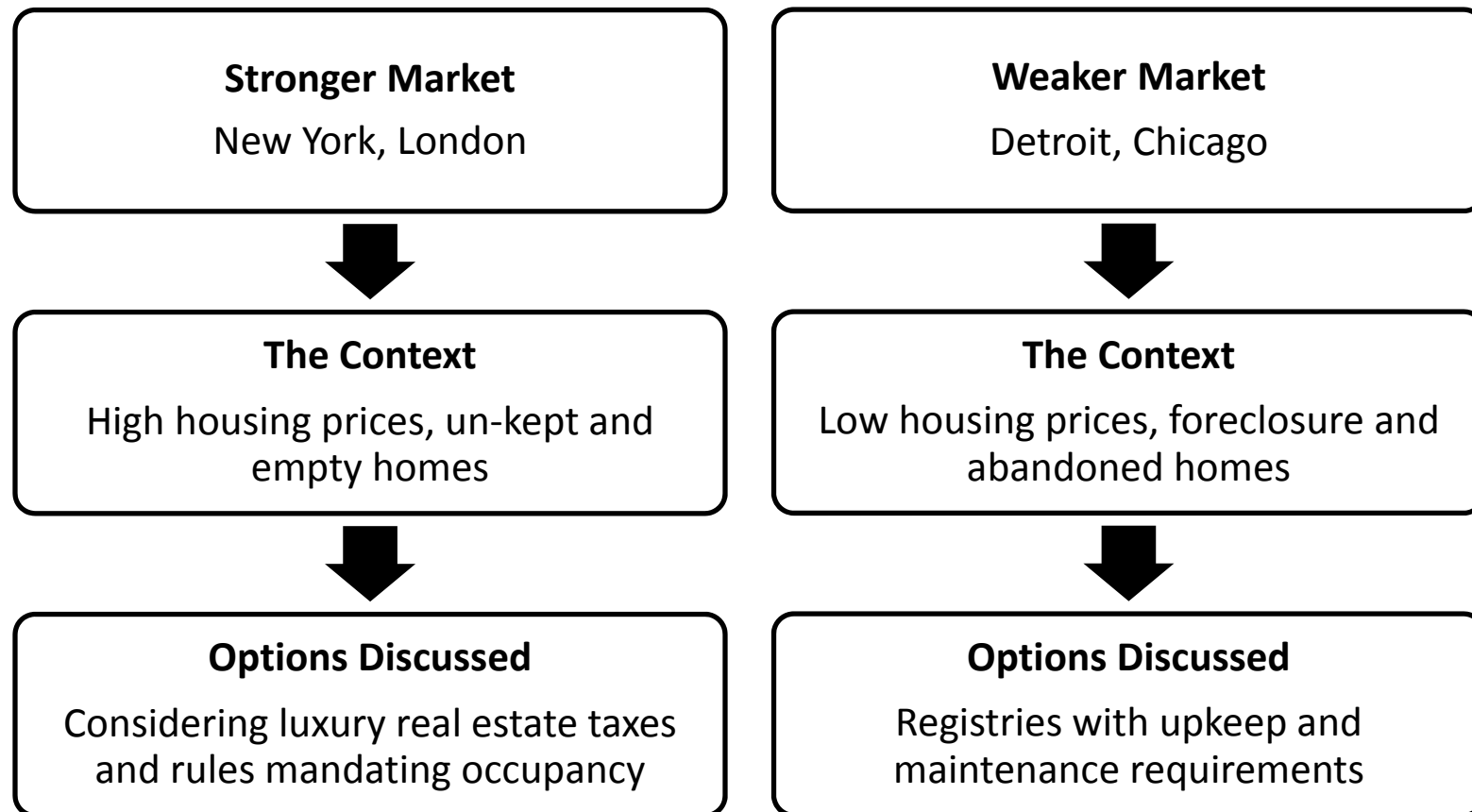


1. The rate of empty homes in Vancouver and the region is in line with other large cities in Canada but affordability issues are a bigger challenge in Vancouver
2. Although the rate is flat, the numbers are growing
3. Many of these units could be rented out, helping to reduce pressure on the existing rental market and housing affordability overall

What We Learned From Other Cities



Responses under discussion in other cities vary based on market context:



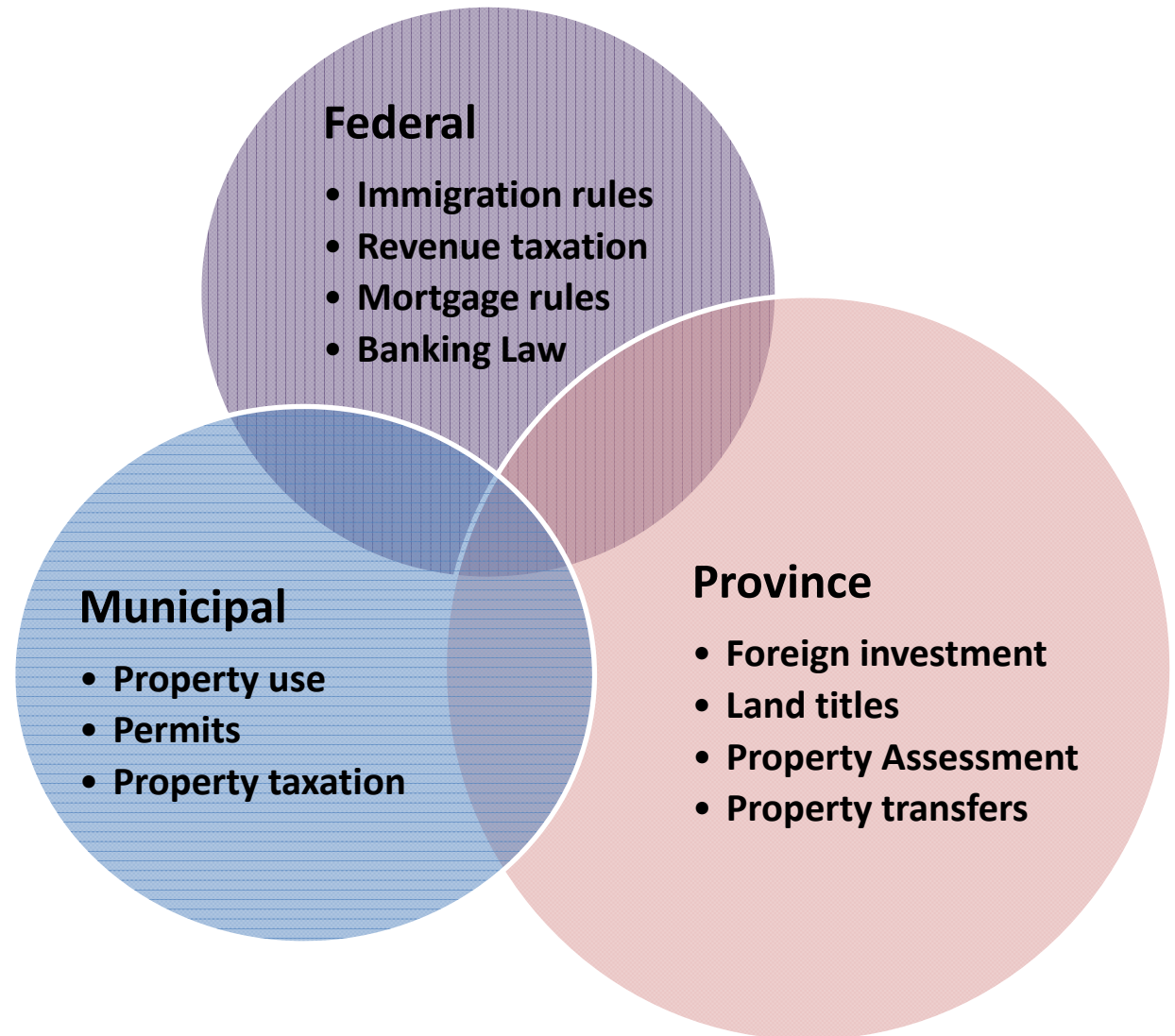
We Need Help from Senior Government



Municipalities have limited tools to respond to empty homes

Vancouver Charter does not allow City to mandate occupancy

Action needed from all levels of government



Actions to Reduce Number of Empty Homes



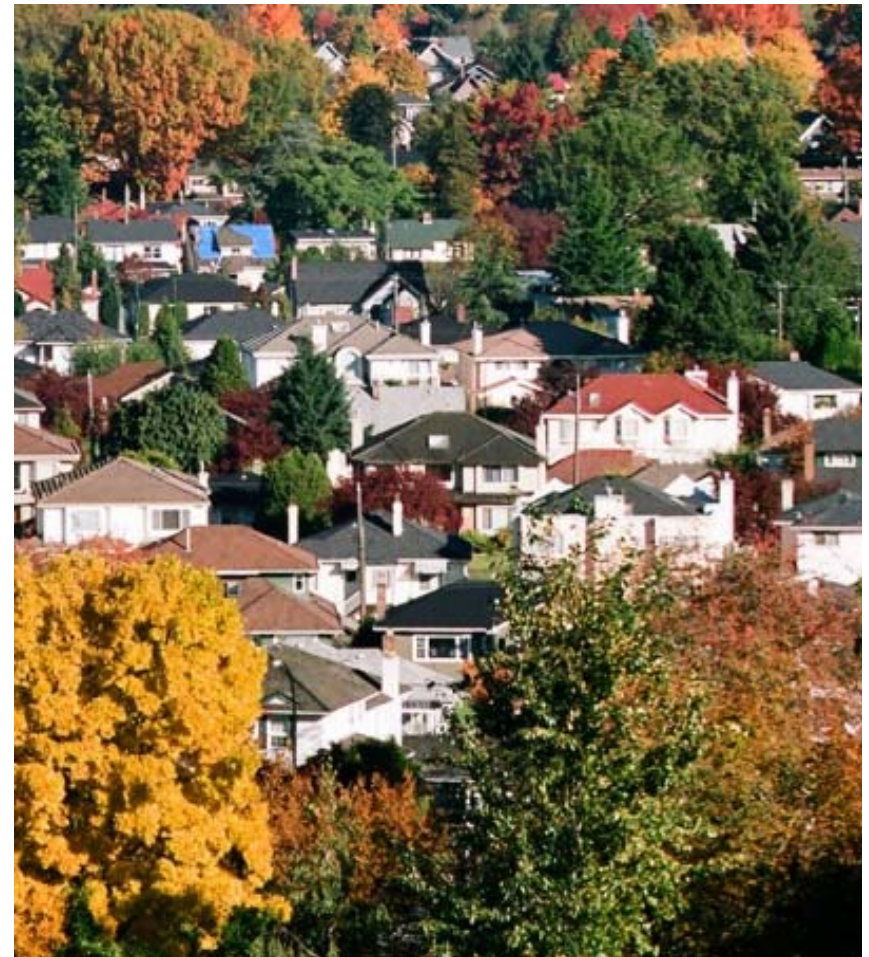
1. What We Can Do - immediate actions for the city
2. What We Can't Do - constraints
3. What We will Explore with our Partners - actions that government can take to understand why homes are being left empty and discourage supply of empty homes

Immediate Actions for the CoV



1. Continue to monitor empty homes and work with partners to improve our understanding of the housing market

- Repeat BC Hydro Study every 2 years
- Staff in Property Use and Inspections to continue to track complaints in single-family homes as part of inspections process for existing bylaws
- Participate in BC Housing study: *Key Factors Affecting Home Prices in BC*



Immediate Actions for the CoV



2. Increase housing supply that is most likely to be occupied:
 - Secured market rental housing and social housing
 - Family-sized apartments and townhouse units
3. Consult with partners on actions that can be taken to encourage owners to rent out empty homes
 - Taxation and other financial measures such as incentives
 - Access to information and assistance with bringing units into use

Reducing Empty Homes will Require Provincial Support



Can the City create a mandatory registry for empty homes?

1. By-Law to require registration of empty homes would require Provincial amendment to the Vancouver Charter:

↳ City can't collect personal information from 3rd parties except in cases of bylaw violation

↳ Vancouver Charter does not give City authority to regulate occupancy through a by-law

↳ Therefore, currently **no authority to require that owners register empty homes**

2. BC Hydro data is anonymous

- Allows for quantification of the issue
- Does not provide the basis for identifying specific units/ owners

Reducing Empty Homes will Require Provincial Support



Can the City raise property taxes on empty homes?

1. Administration of property assessments is a Provincial responsibility (BC Assessment)
2. Recent proposals involve information sharing between government agencies to ensure surtaxes are only levied on specific, targeted, properties

B.C. professors call for property surtax on vacant Vancouver housing

FRANCES BULA

VANCOUVER — Special to The Globe and Mail

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THE VANCOUVER SUN_{mobile}

HOME | OPINION | Issues & Ideas | STORY

Opinion: Attacking high house prices by making property tax progressive

Tuesday, January 12, 2016

By Rhys Kesselman, Special to The Sun

Reducing Empty Homes will Require Provincial Support



- Mayor's 2015 letter to Premier requested new tools to address housing affordability, empty homes, and speculation
 - Premier's response did not signal new tools
- 2016 Provincial Budget:
 - Increase land transfer tax for properties valued above \$2 million.
 - Reinstates collection of citizenship information of home buyers
 - No new tools to encourage owners to rent out empty homes
- Mayor's motion in Feb. 2016 referred to staff on new tools to affect affordability in support of a renewed request for Provincial support

Next Steps: Identifying and Evaluating Options



- New data quantifies the empty homes issue in the city and region
- New proposals for government action to reduce empty housing supply (e.g. UBC/ SFU proposal)
- Workshop on March 9th will bring together local experts to identify, and evaluate options for government action to address empty homes



Next Steps: Identifying and Evaluating Options



- Workshop will focus on specific measures to encourage owners to occupy or rent out empty homes
- Evaluate options for both senior & municipal government
- Criteria to evaluate options:
 - Potential to increase rental supply
 - Administrative feasibility (ability/ease of enforcement)
 - Financial and resourcing implications
 - Equity and fairness
 - Potential for unintended consequences
- Report back to City Council (Q2 2016)

Summary of Key Findings and Next Steps



1. The rate of homes being left empty in Vancouver and the region is in line with other large cities in Canada. But affordability challenges are greater in Vancouver.
2. Although the rate is flat, the numbers are growing
3. Condo apartments have a much higher chance of being empty compared to single family homes and row houses
4. Many of these units could be rented out, helping to reduce pressure on the existing rental market and housing affordability overall
5. Staff will convene a workshop with local experts on options for government action and report back to council



THANK YOU