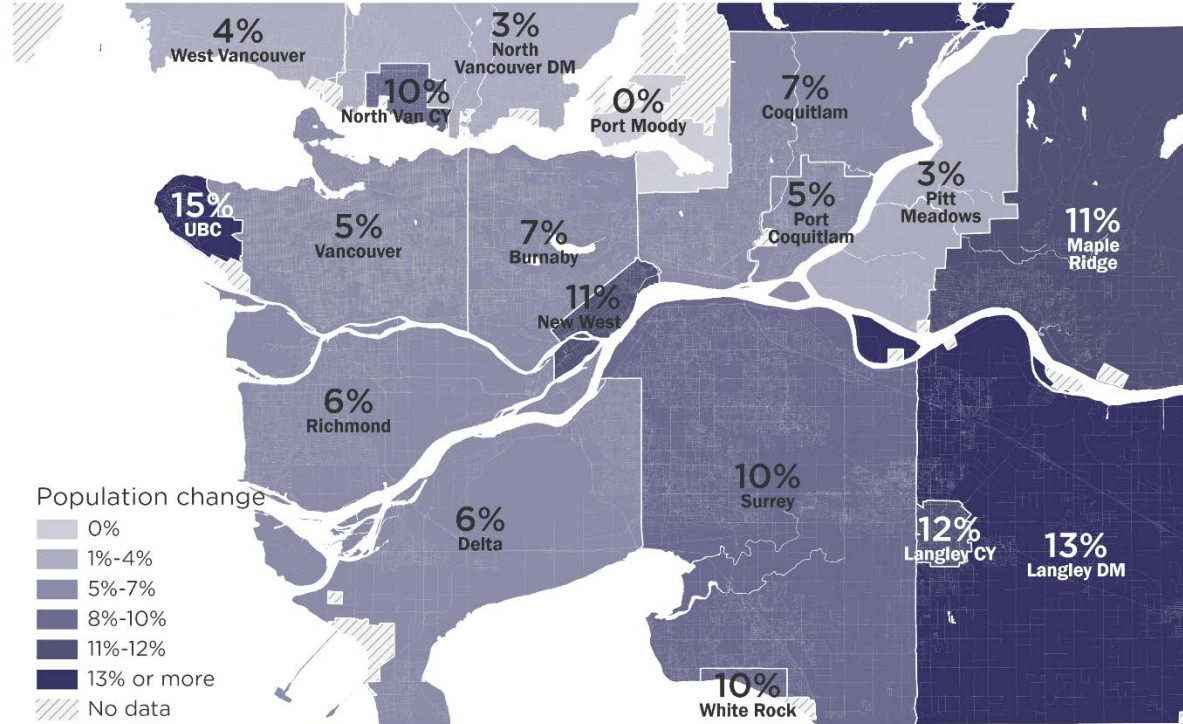


# Housing Annual Report 2021 and Needs Assessment

*Council Presentation*

# A Growing and Changing Region

% Change in Population for Metro Vancouver Municipalities, 2016 to 2021\*

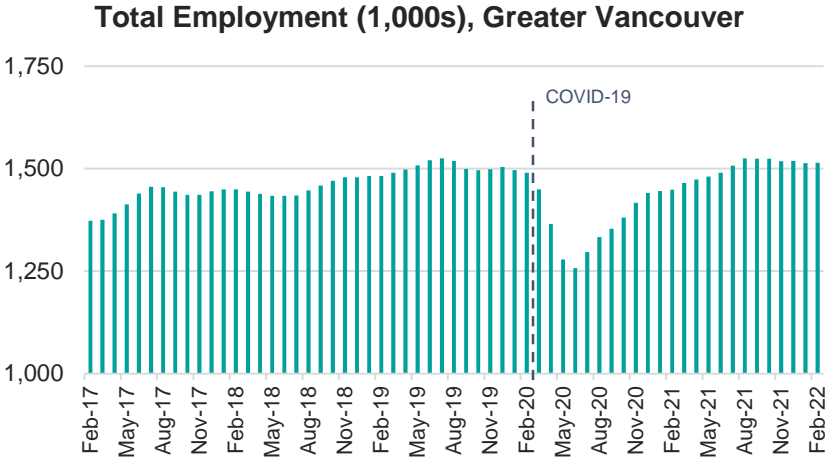


\*Data provided for census subdivisions with at least 5,000 people

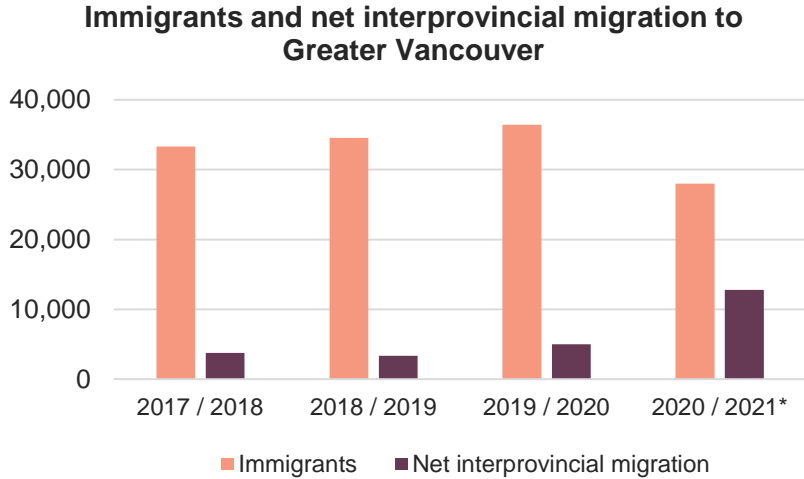
Source: Statistics Canada Census 2016 and 2021

# Drivers of growth: Economy and Migration

## More jobs today than pre-pandemic



## Increasing Migration to BC

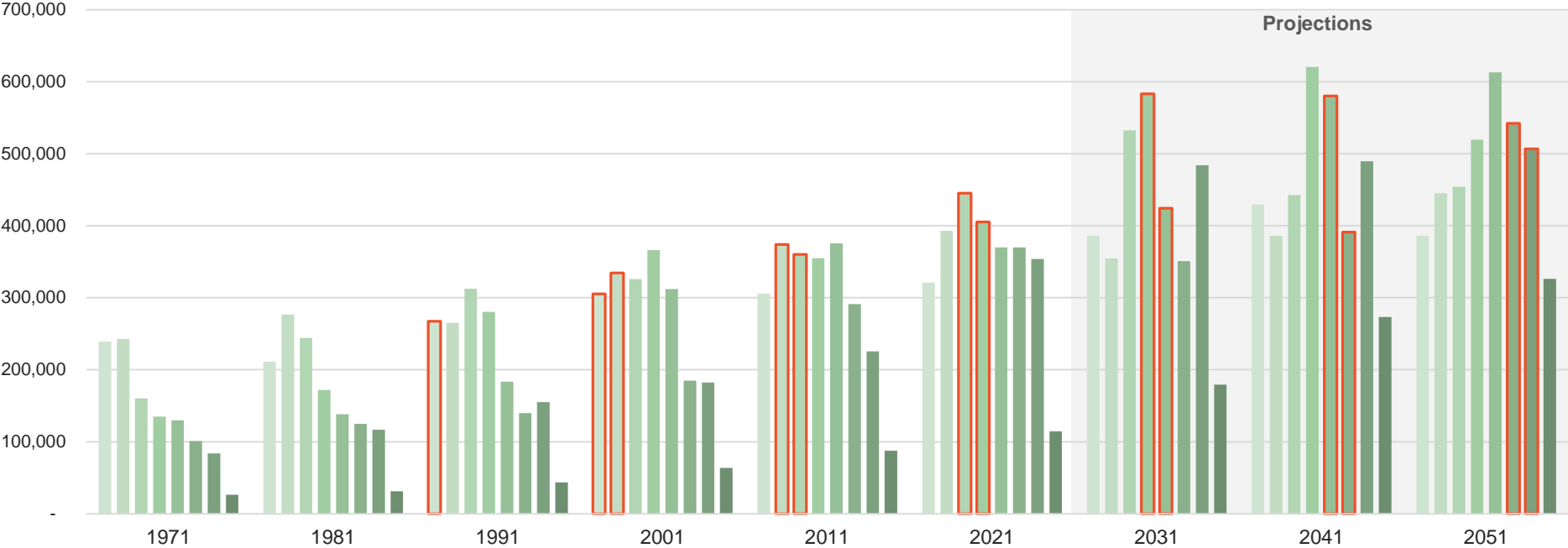


Source: Statistics Canada  
 \*2020/2021 Preliminary estimates

# Drivers of growth: Changing Demographics

Population by age groups in Metro Vancouver

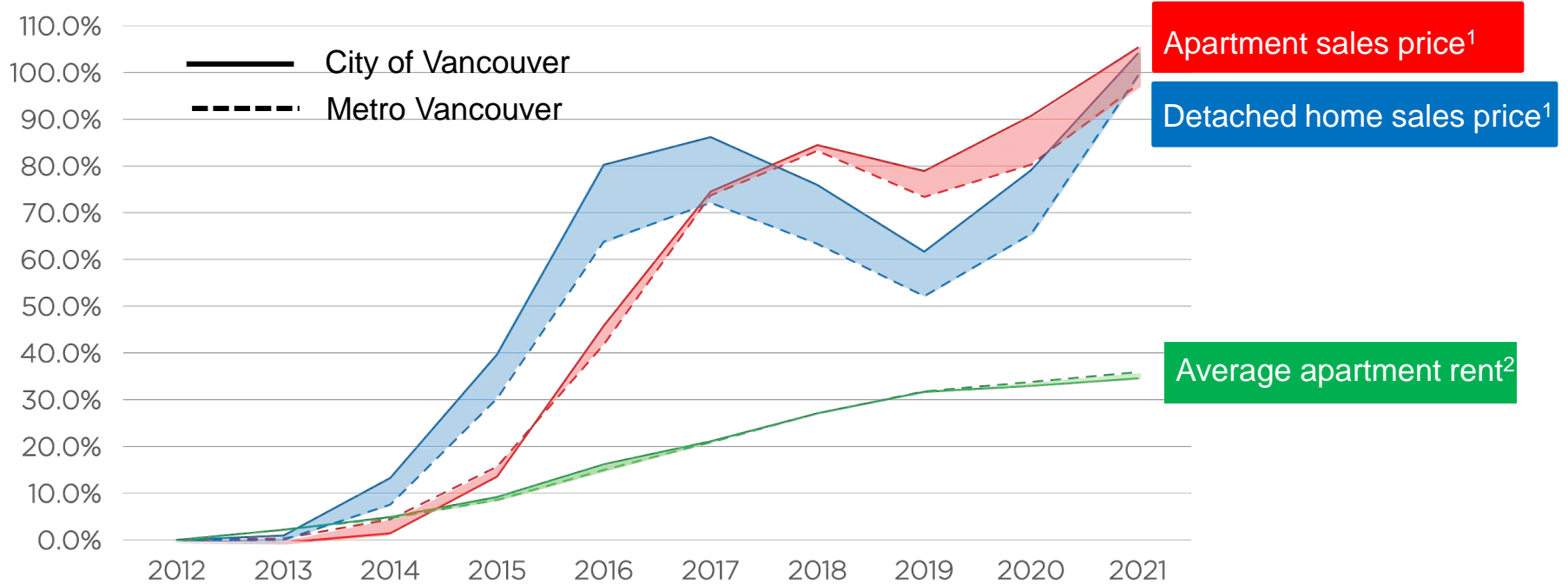
0..12 13..24 25..34 35..44 45..54 55..64 65..79 80+ Millennial generation (born 1981-1997)



Source: Statistics Canada annual population estimates, projection by rennie

# Demand for housing is driving increasing prices in the City + Region

Vancouver vs Region: % Change in housing costs over the last 10 years



**Sources:**

1. Benchmark prices from MLS Home Price Index. All data for Vancouver East and Metro Vancouver in October of each respective year.

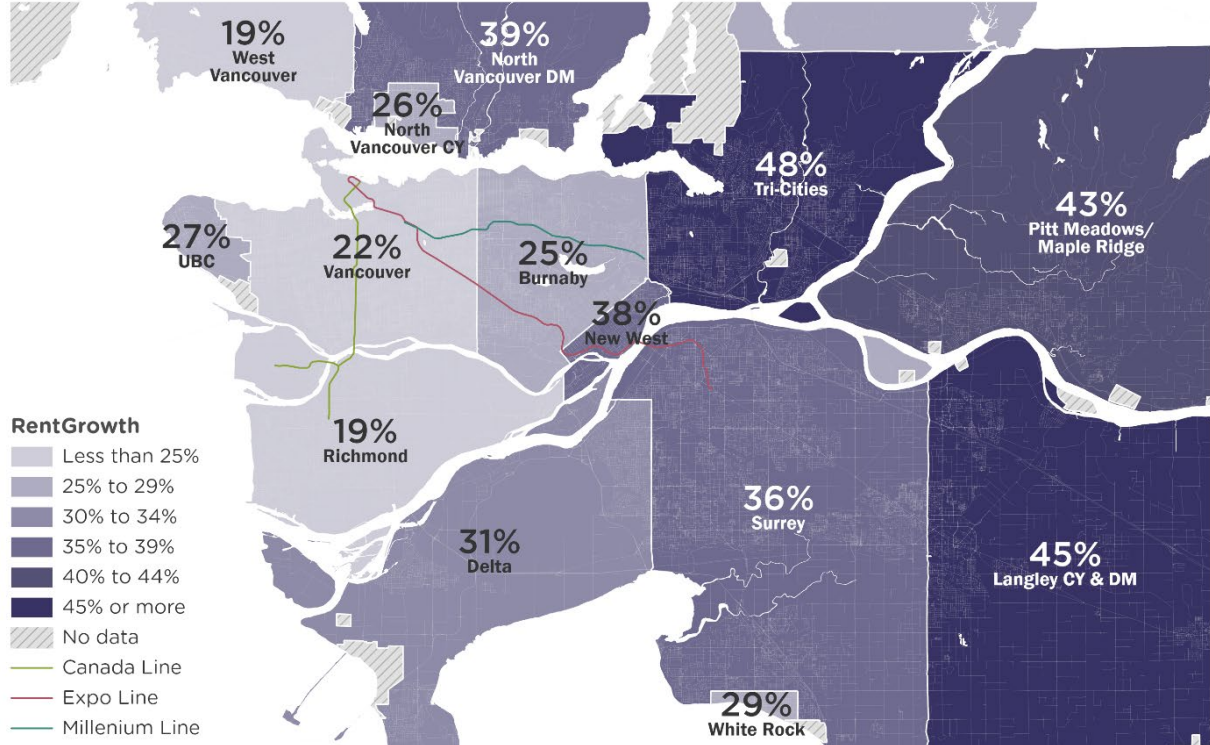
2. CMHC 2021 Rental Market Report.

# Pressure on housing in Vancouver and the Region

Rapidly rising prices + rents

1.2% rental vacancy rate in Metro Van

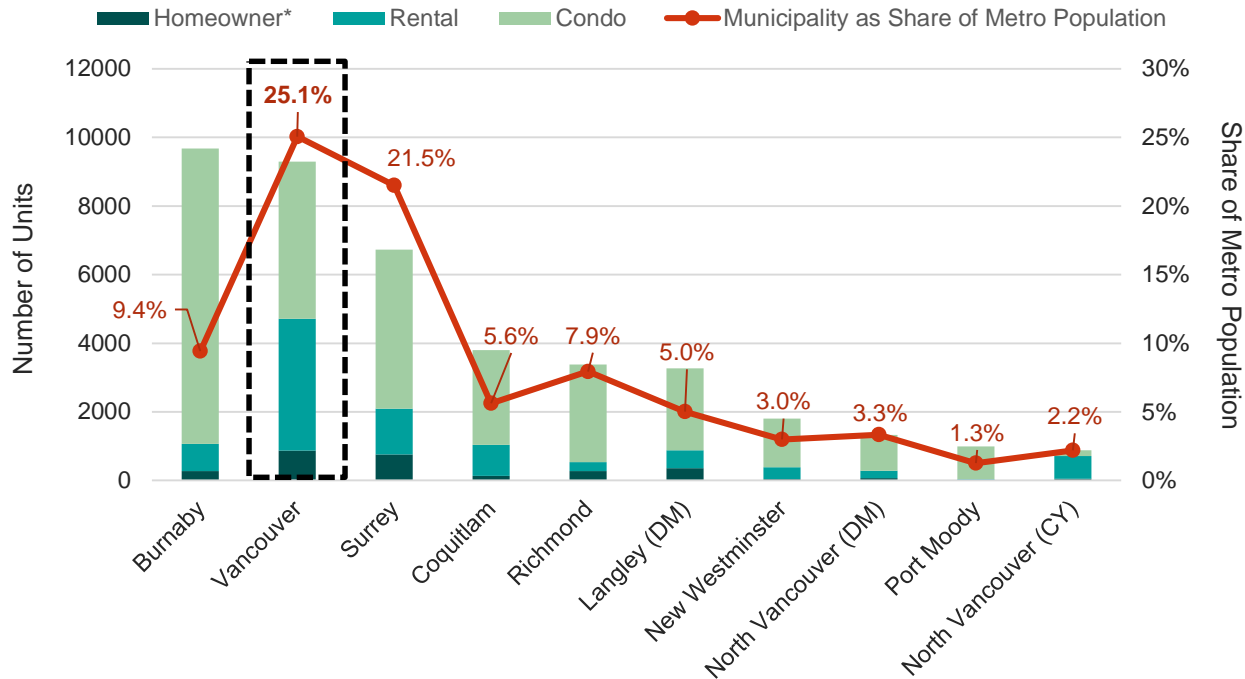
% Change in Average Rent for Metro Vancouver Municipalities, 2016 to 2021



Source: CMHC Rental Market Survey Table 1.1.2, 2016 and 2021

# Vancouver is a regional leader in creating new housing

Units Under Construction (Feb 2022) and Share of Regional Population (2021 Census)



- ~9000 homes are currently under construction in Vancouver
- 41% of homes under construction are rental
- Other municipalities are scaling up delivery relative to their share of the region's population

**...But there's still work to be done**

# Action toward housing across levels of government

## Housing Vancouver Strategy Priorities:

1. Shift toward rental and non-market housing
2. Protect and retain the existing rental stock
3. Support marginalized residents



## Action from government partners

- Metro Van municipalities are increasing supply + enabling more rental
- Metro 2050 regional growth strategy
- Homes for BC Plan, new Housing Needs Report requirement
- National Housing Strategy



# Today's Presentation

## Presentation outline

1. 2021 Annual Housing Progress Report
2. Housing Needs Report
3. Update on Housing Targets Re-refresh

## Highlights:

- Housing challenges **span across Vancouver, the region, and the Province**
- Vancouver's **Housing Needs Report** identifies significant and diverse housing needs in Vancouver among existing and future residents
- Significant progress in 2021 in **approving and completing rental and non-market housing**, challenges remain with affordability
- Work is underway to develop re-freshed housing targets; **finalized targets and updated Housing Needs Report to come in 2023**

# 2021 Annual Housing Progress Report

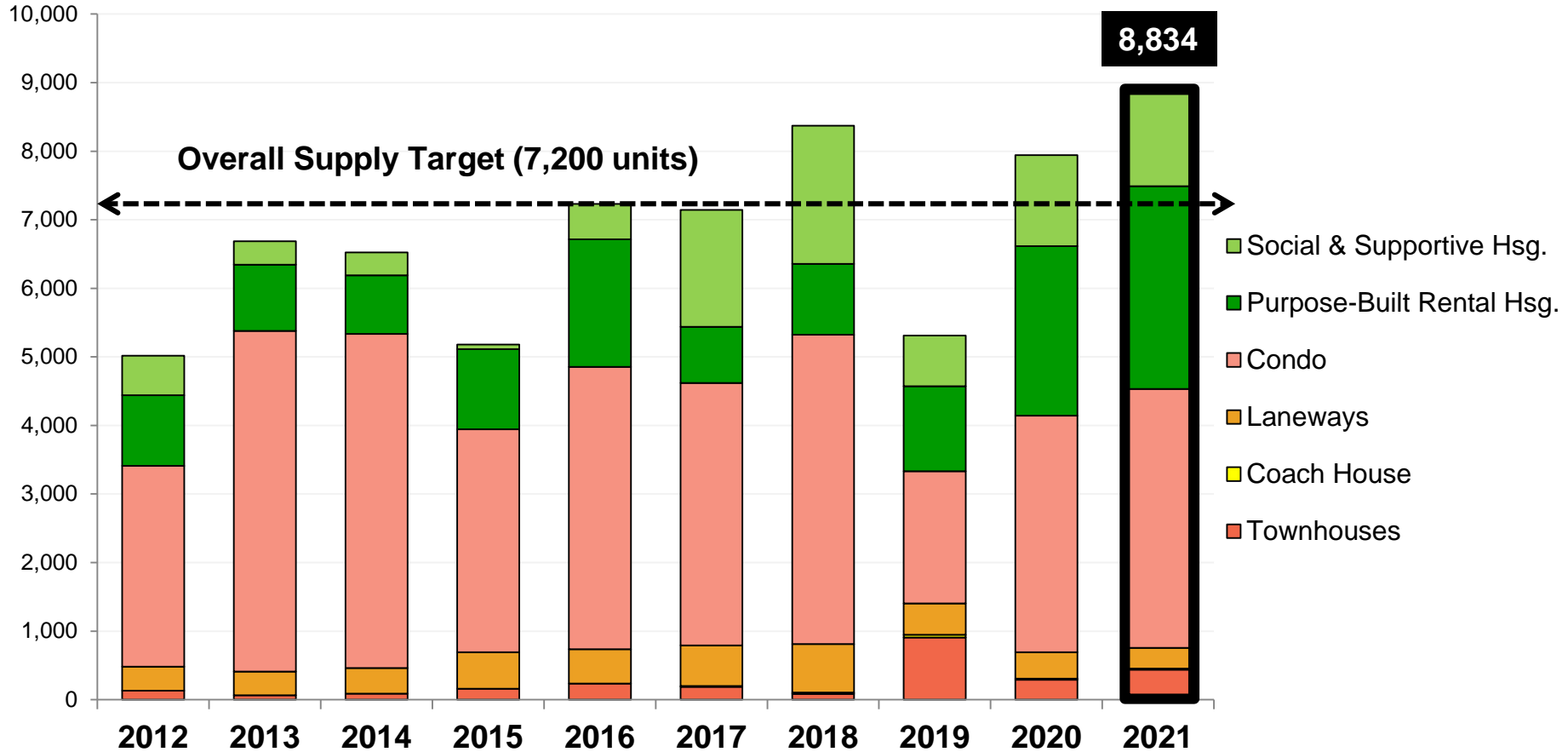
# HV Commitment to monitor and report back

## Housing Vancouver 10 Year Targets - *Highlights*

- ✓ 72,000 new housing units over 10 years
- ✓ 65% of new housing for renters including:
  - 20,000 purpose-built rental units
  - 12,000 social, co-op and supportive housing units
- ✓ 10,000 new ground-oriented units for families with children and downsizing seniors

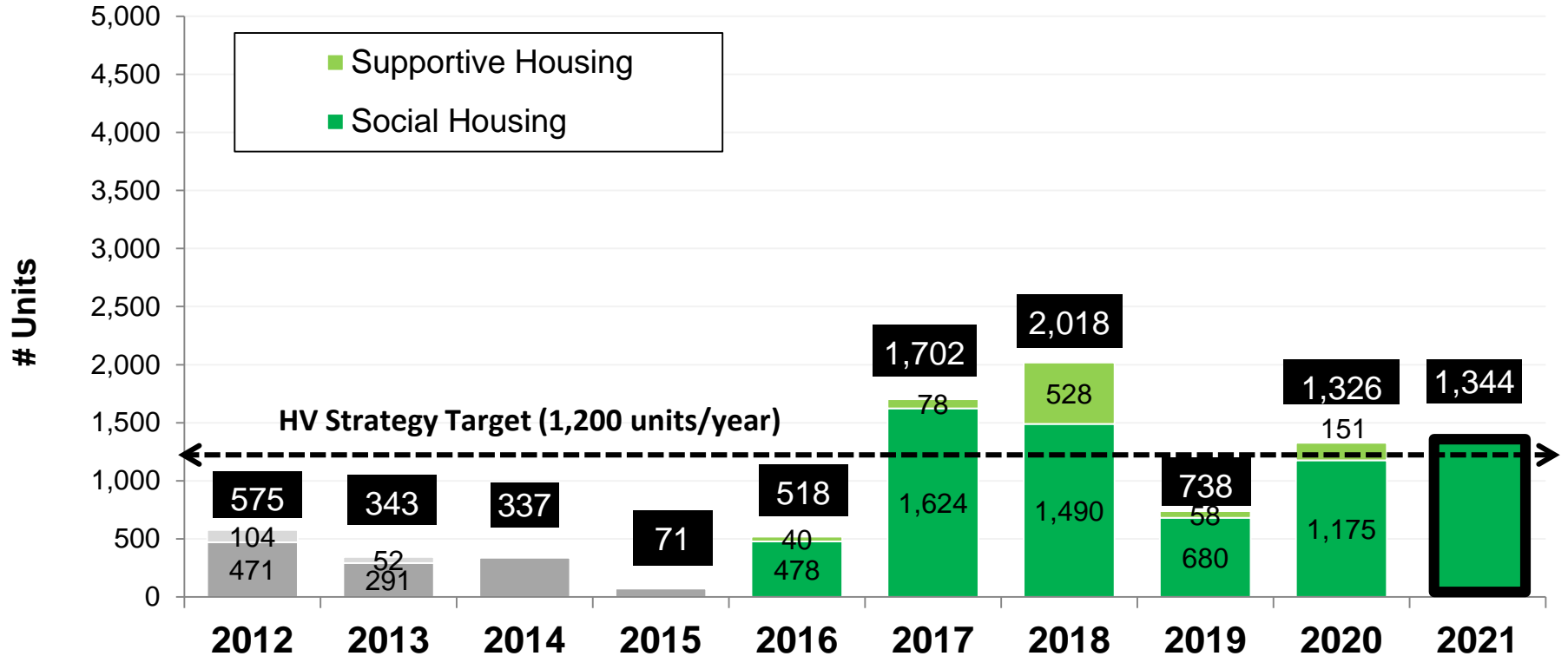


# Record housing approvals over the last 10 years



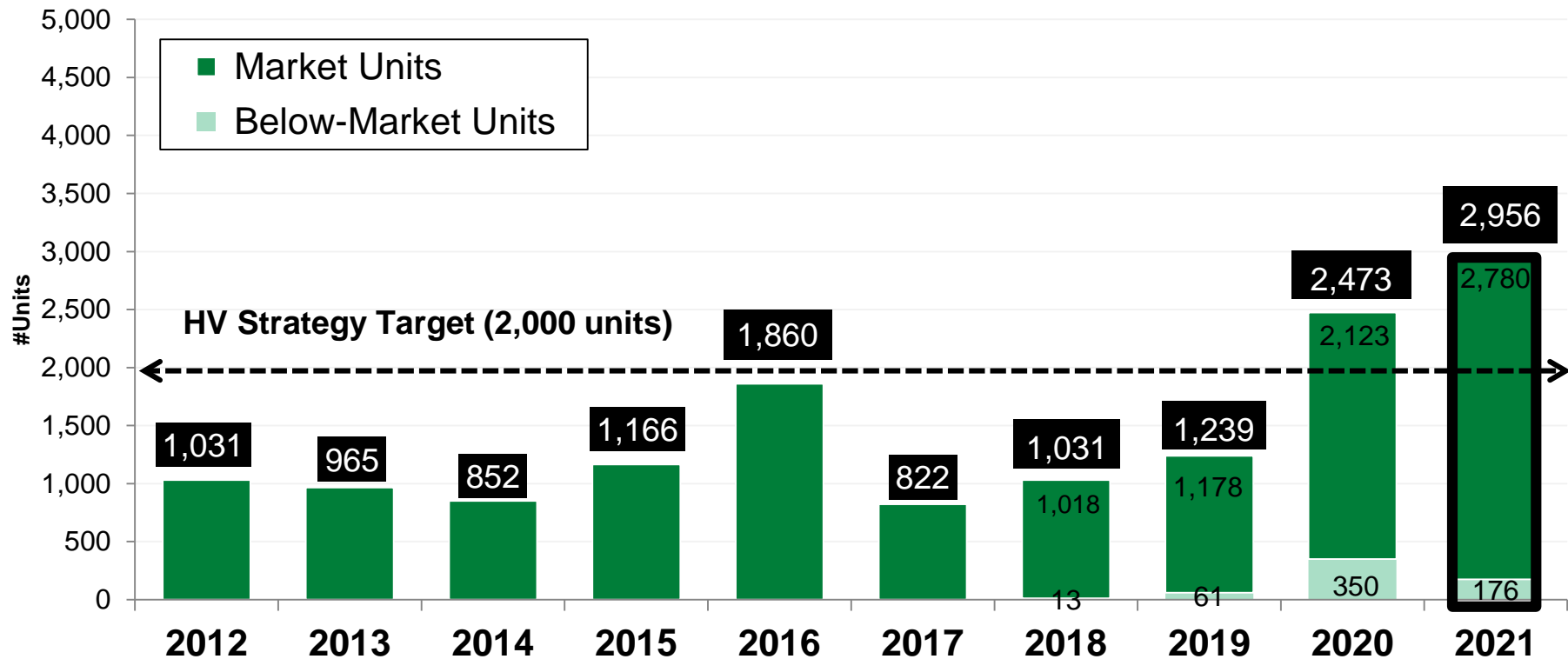
# Social/Supportive Housing: Significant increase in approvals compared to 2019

## Social and Supportive Housing Approvals by Year (2012-2021)



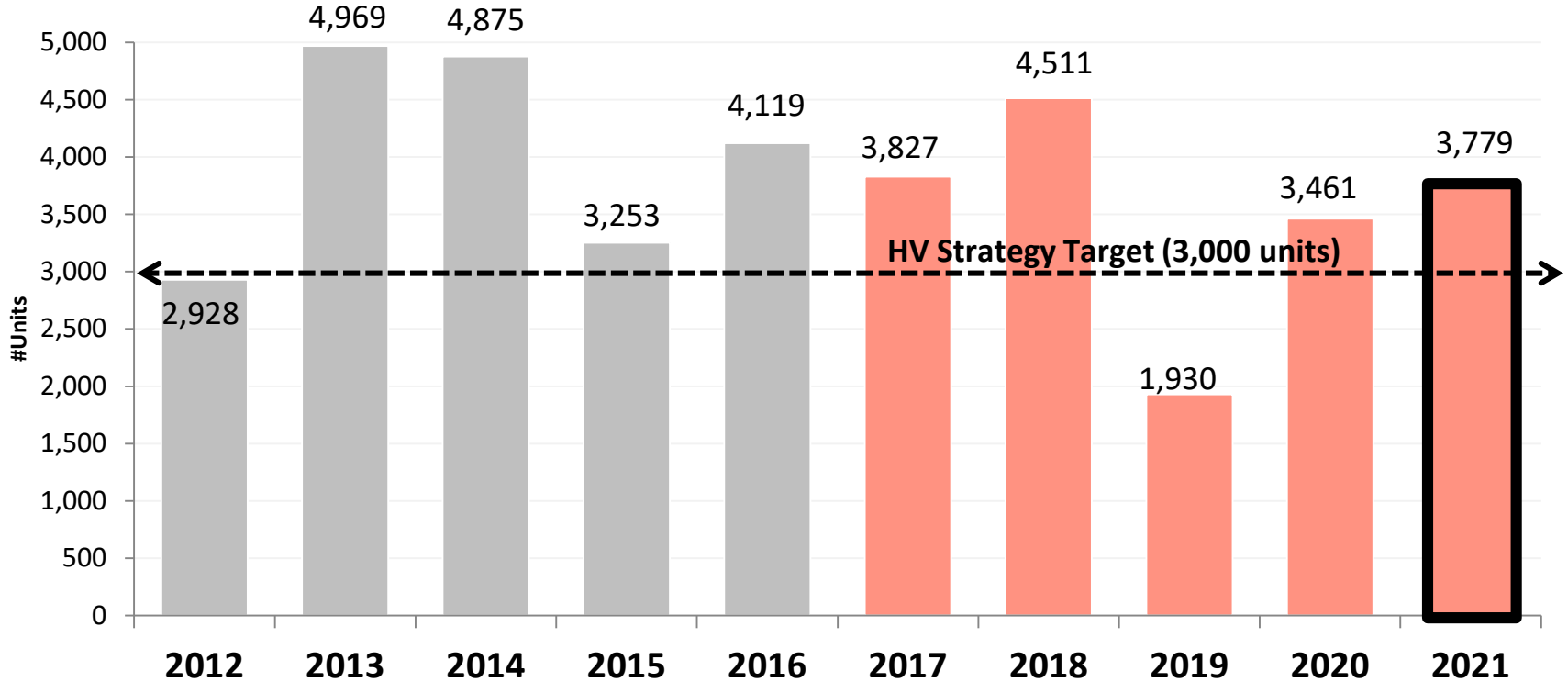
# Purpose-Built Market Rental: Second year of record approvals in recent decades

## Purpose-Built Rental Approvals By Year (2012-2021)



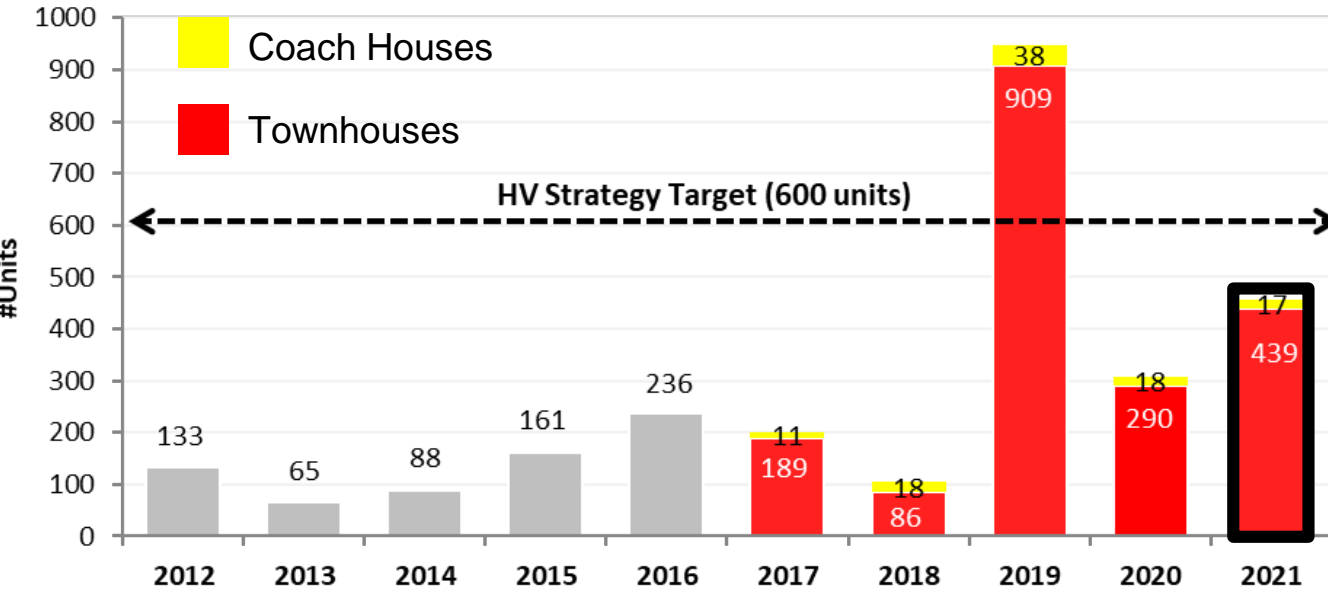
# Condominiums: Rebound in approvals since 2019

## Condo Approvals By Year (2012-2021)



# Townhouse and Coach Houses: Approvals just under annual target and above 10 year average

## Townhouse and Coach House Approvals By Year (2012-2021)



*Townhouses provide new ground-oriented home-ownership options for families and downsizing seniors.*

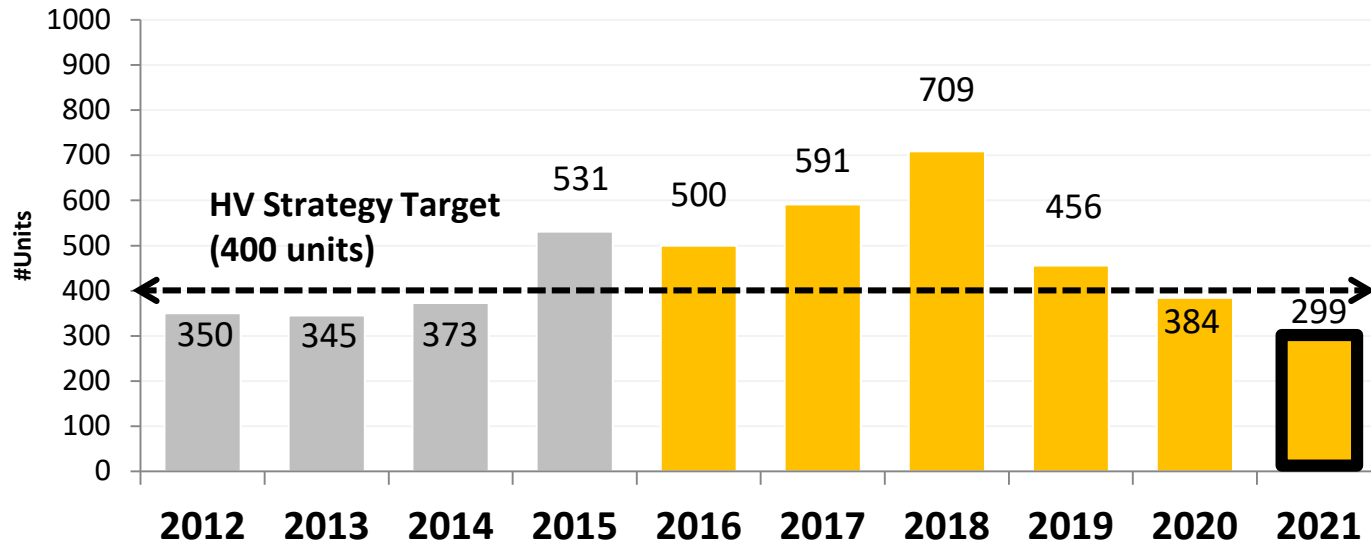


*Coach houses are a form of infill housing that can be strata-titled and are saleable separate from the main property*



# Laneway Houses: Approvals are down from recent years\*

Laneway Approvals by Year (2012-2021)



*Laneways are a form of infill housing that cannot be strata-titled*

*\*The pandemic closure of walk-in services greatly impacted the delivery of laneway housing permits; however through the creation of a stand-alone laneway housing approval stream, Staff in Development, Building & Licenses have reduced review time per application by 75%, from 16 weeks to 4 weeks.*

## 2021 Approved Housing for Diverse Communities



**1766 Frances St,**  
84 social housing units for indigenous individuals and families.



**516 W. 13<sup>th</sup> Ave,**  
135 social housing units for seniors, lone parents, and women



**8725 French St,**  
100 social housing units for seniors, families and people living with disabilities



**338 E. 2nd Ave,**  
95 market rental units as live/work artist studios

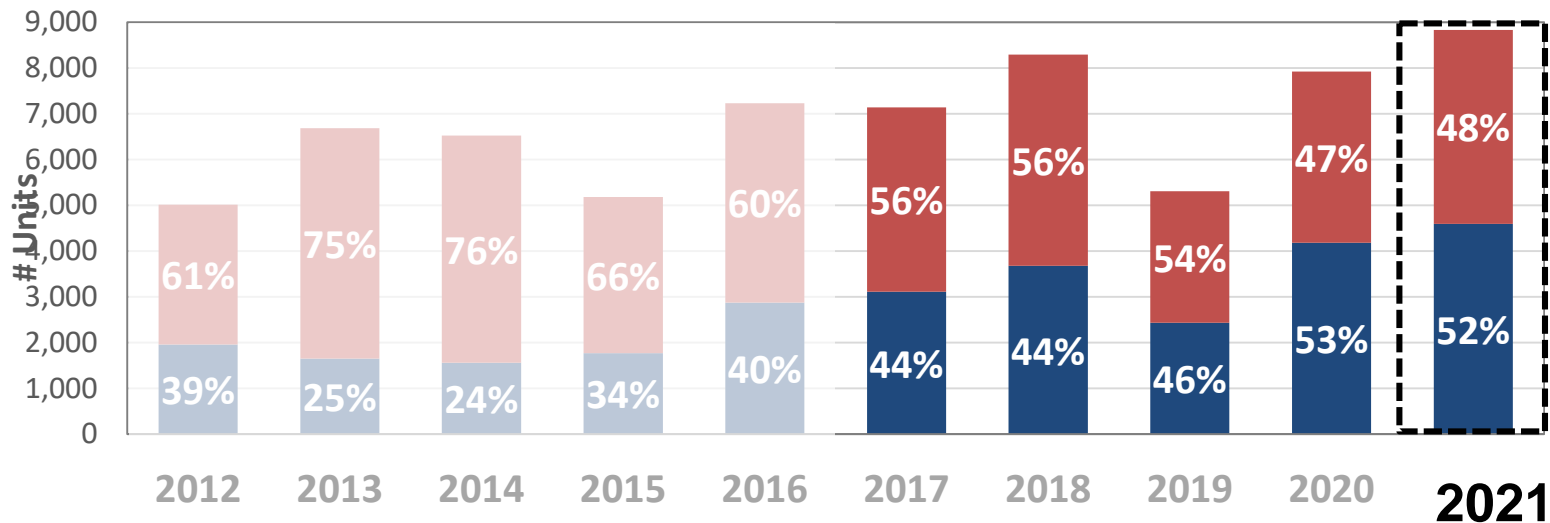


**322 E. 15<sup>th</sup> Ave,**  
49 stacked townhouses with ground-oriented family housing

# Progress toward Housing Vancouver 10-year goals

# Successfully making the Shift Towards Secured Rental over the last 5 Years: 2021 is the second year we've seen more rental units approved compared to ownership housing

- Ownership:** includes newly approved condominium and townhouse units
- Primary Rental:** includes social, supportive, purpose-built rental housing, and laneways

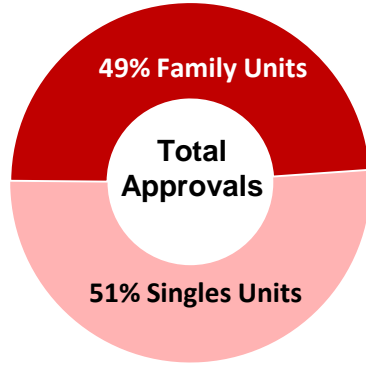


**Targets are a measure of approvals** – defined as project approvals at public hearing for developments requiring a rezoning, or development permit issuance for projects that do not require a rezoning.

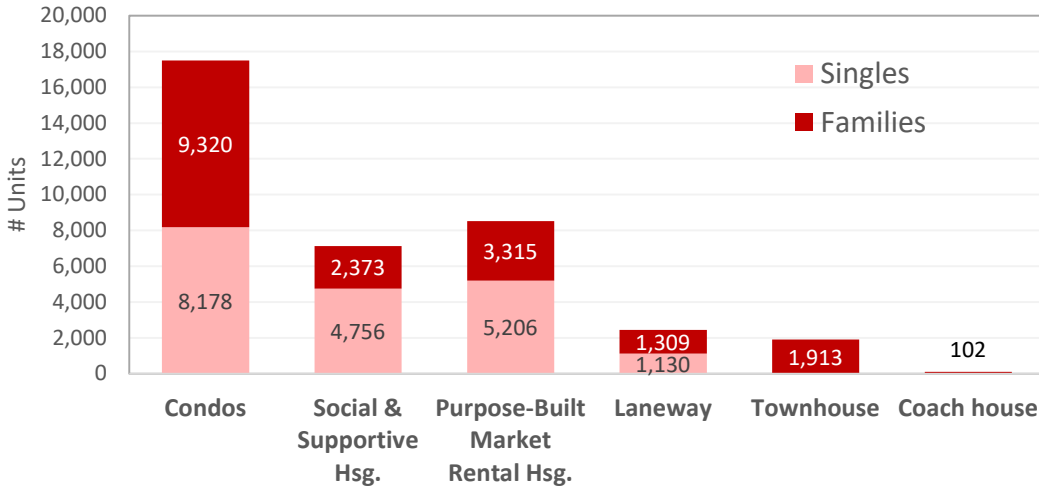
*\*Please see Progress Report Dashboard 2021 Q4 Update for an annual count of social, supportive, and purpose-built rental completions*

# Exceeding family housing target

**Housing Vancouver Goal:**  
42% of new approved units to be family-sized

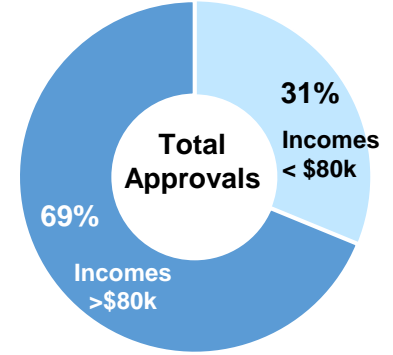


**% of 5-Year Family Unit Target Achieved by Housing Type**

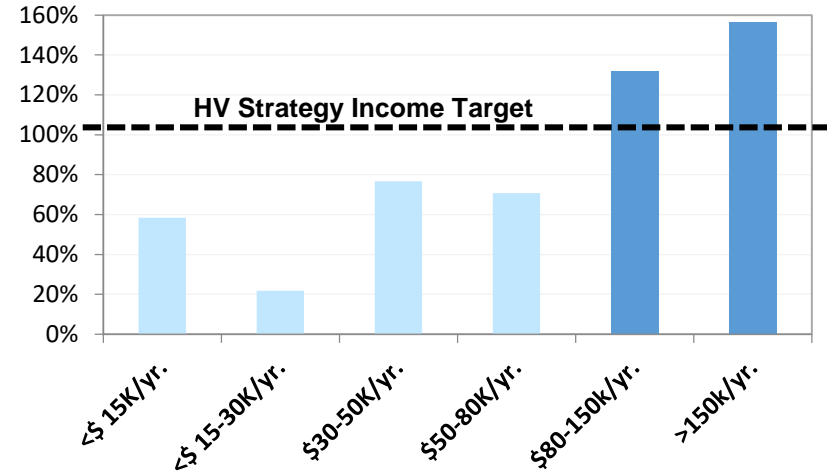


# Falling below targets to serve low-moderate incomes

**Housing Vancouver Goal:**  
48% of new homes for incomes <\$80k/year

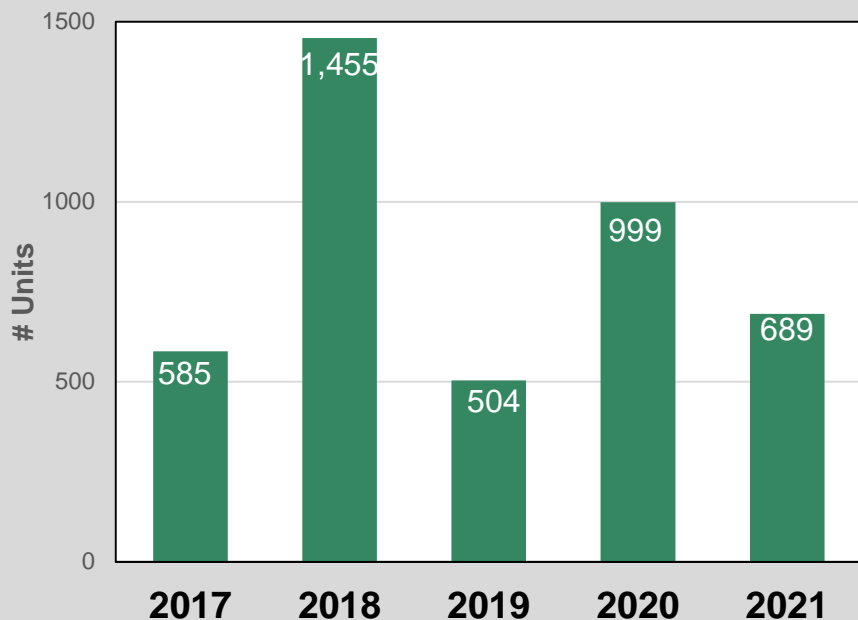


**% of 5-Year Unit Target by Income Diversity**



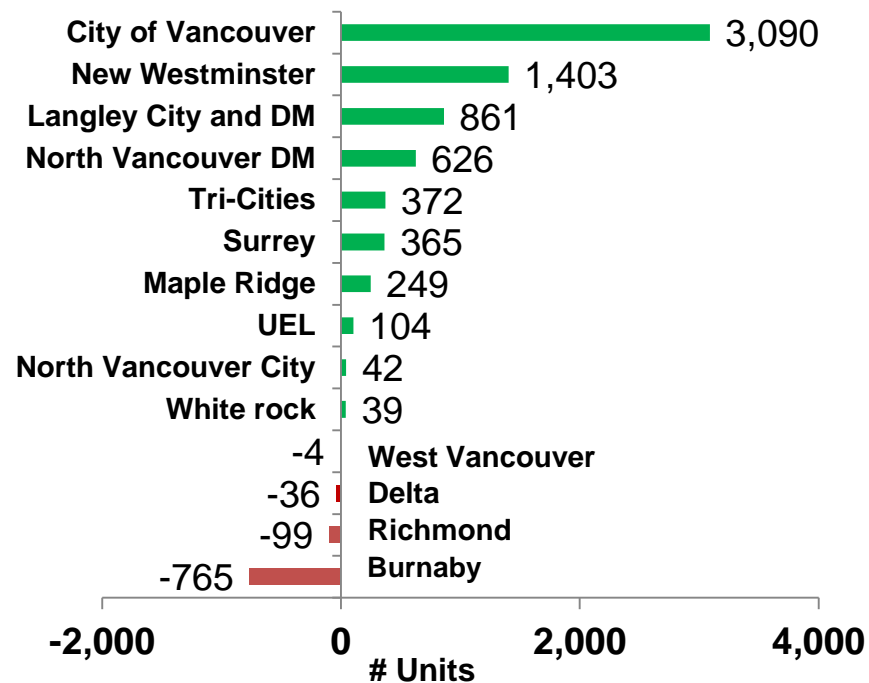
# Significant Gains in New Purpose-Built Rental Housing from Recent Completions Compared to the Rest of the Region

## Annual Purpose-Built Rental Completions in the City of Vancouver



Source: CoV Development Permit System

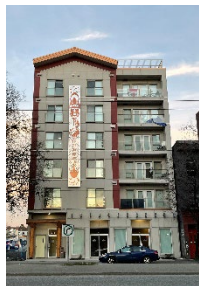
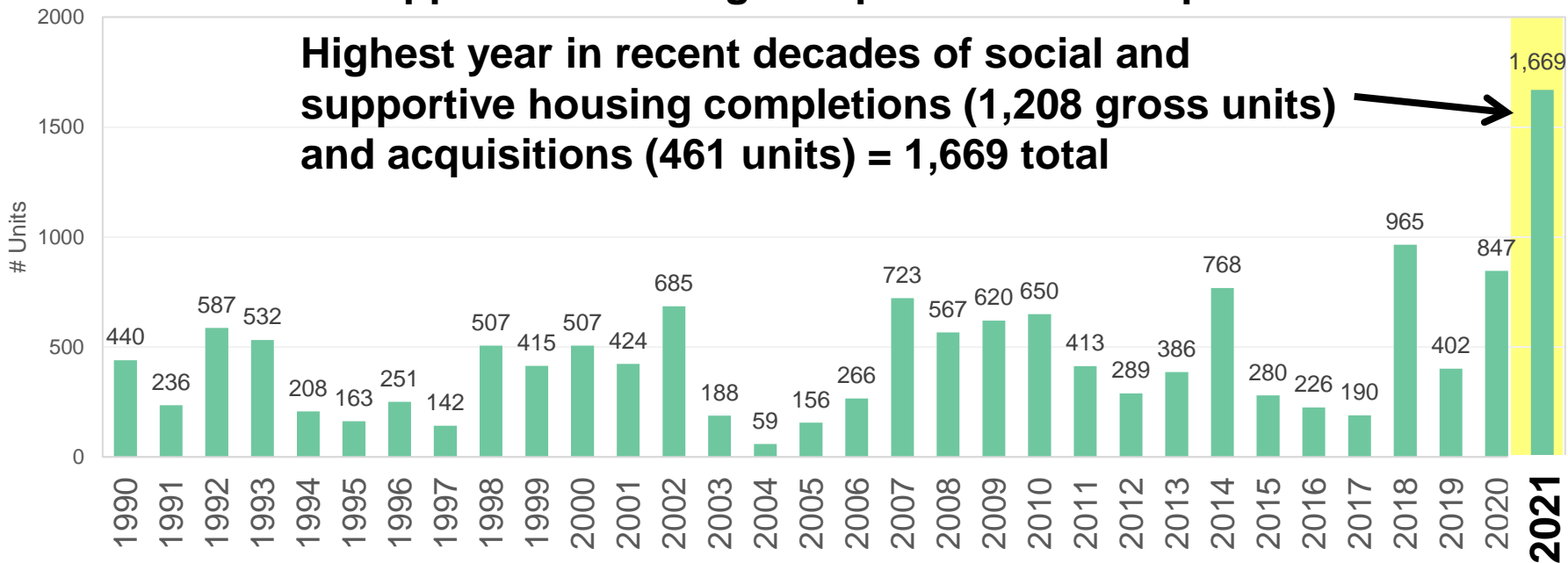
## Change in Purpose-built Rental Stock in the Region from 2017-2021



Source: CMHC Rental Market Survey

# Social and Supportive Housing Completions and Acquisitions

**Highest year in recent decades of social and supportive housing completions (1,208 gross units) and acquisitions (461 units) = 1,669 total**



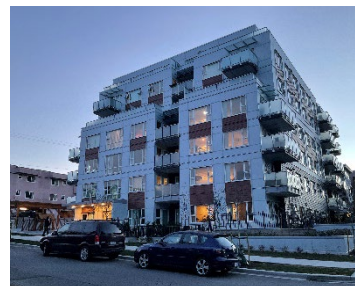
950 Main, Lu'ma



1847 Main, VAHA



124 Dunlevy, Roddan Lodge



870 E. 8th, Red Door Society



2221 Main, Catalyst

# Summary

- Significant gains in social and supportive housing
- Record year of social and supportive housing completions in several decades
- Record year for purpose-built rental approvals in several decades
- Highest year of total housing approvals in several decades (excluding single-family dwellings and duplexes)
- Senior government partnerships needed to deepen affordability





# Housing Need in Vancouver

# Provincial Housing Needs Reports

## New Housing Needs Report Requirement (2019):

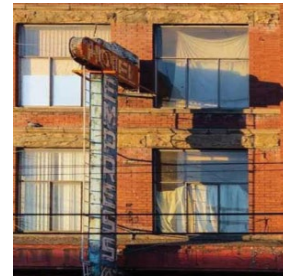
- Municipalities must link housing priorities to current and future housing needs
- Reports must be received by Councils every 5 years
- Reports must highlight and estimate current and anticipated needs + needs among specific communities



# Vancouver's Housing Needs Report

## Key findings

1. Significant un-met need and future demand for housing in Vancouver
2. Needs are diverse
3. Certain communities face disproportionate impacts
4. Housing needs are not housing targets

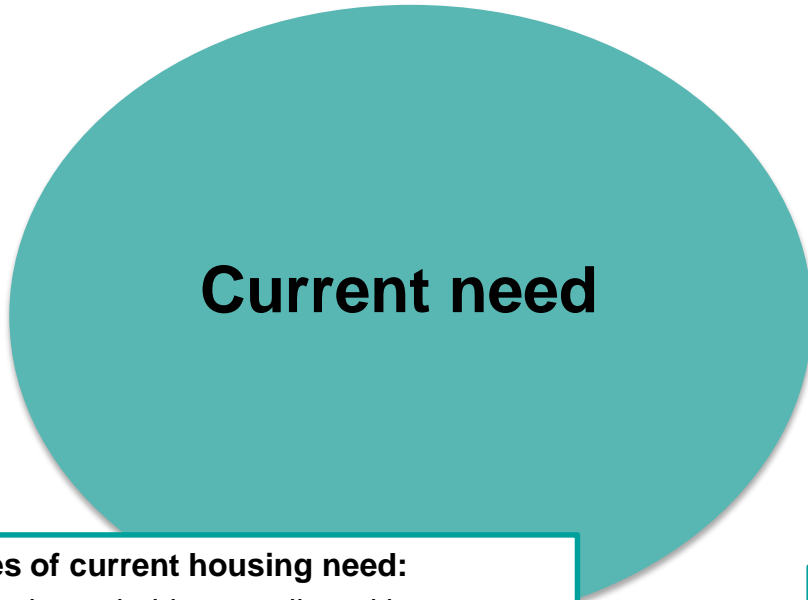


# Housing Needs Report Process

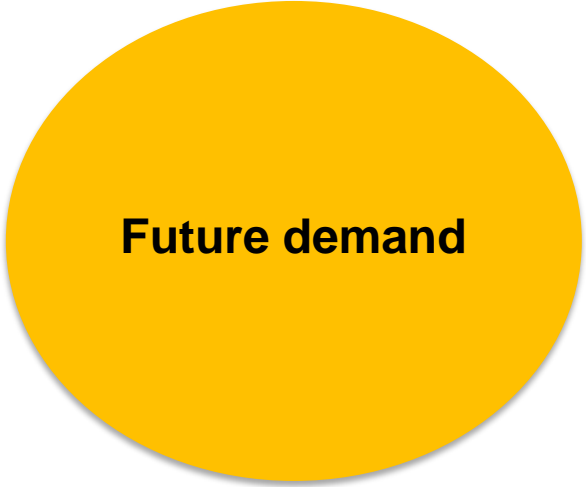


# What is housing need?

*The Province asks cities to consider two categories of housing need*



**Current need**



**Future demand**

- Examples of current housing need:**
- Existing households struggling with affordability or living in an inadequate home
  - People experiencing homelessness
  - Young adults living with parents; families leaving Vancouver; etc.

- Examples of future housing demand**
- Households coming for work, school, or lifestyle
  - Demographic changes e.g. millennials starting families, seniors down-sizing
  - Smaller households

# What we learned

We consulted academics + partners and heard many different opinions:

Focus on core housing need from the Census

Market signals (e.g. vacancy rates and prices) are the best indicators of need

Future housing demand should be benchmarked off past growth trends



Many other types of needs are not captured in the Census

Market signals can't tell us the number of homes needed

Future growth is not constrained by past trends; future and current needs are connected

**Agreement:** Significant housing needs in Vancouver; getting to an exact number of needs is very challenging

# How many households are in need?

**Estimated range of need in 10 years:  
86,000 – 136,000\***

## Current need

**~77,000 households** living in unaffordable, unsuitable or inadequate housing

**~2,000 residents** who are homeless and **~7,000 people** who are living in an SRO

## Future demand

**~50,000 new households** in 10 years from a growing and changing population

**~20,000 households** experiencing other unmet needs

*\*Overlaps with other categories*

### **\*Key Caveats on Housing Need Estimates:**

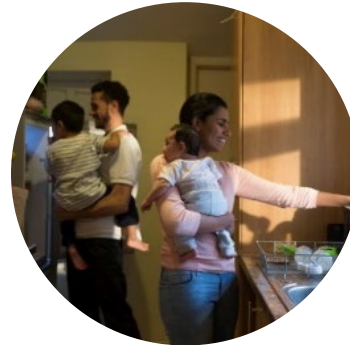
1. Projections are based on past trends – future may change
2. Current need estimates all involve assumptions; double-counting
3. Housing needs are not housing targets

# Diversity among households in need

## Housing need in Vancouver is diverse

- Incomes
- Families
- Age

*But some communities face disproportionate impacts*





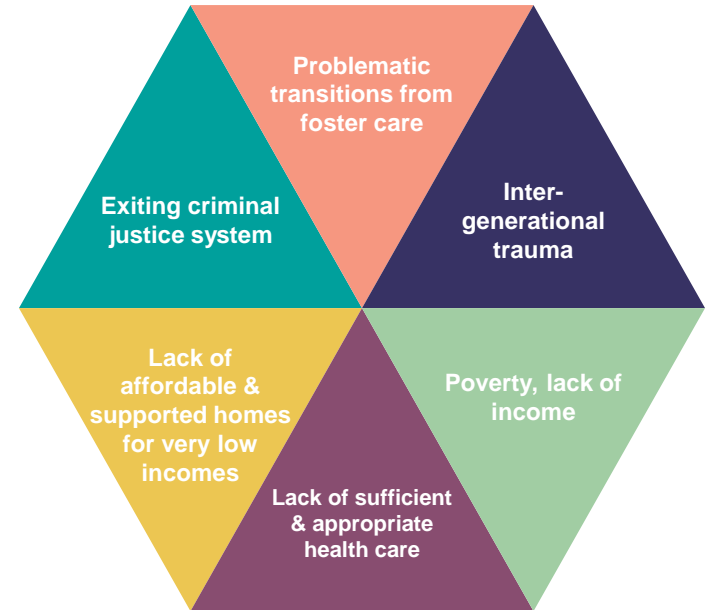
# Community Profiles

## Homelessness and SRO Residents

- ~7,000 residents living in SROs
- ~2,000 residents experiencing homelessness as of 2020
- Almost half (48%) experienced homelessness for the first time as youth
- Indigenous, Black, and 2S/LGBTQIA+ persons are over-represented in the homeless population



### Drivers of Homelessness

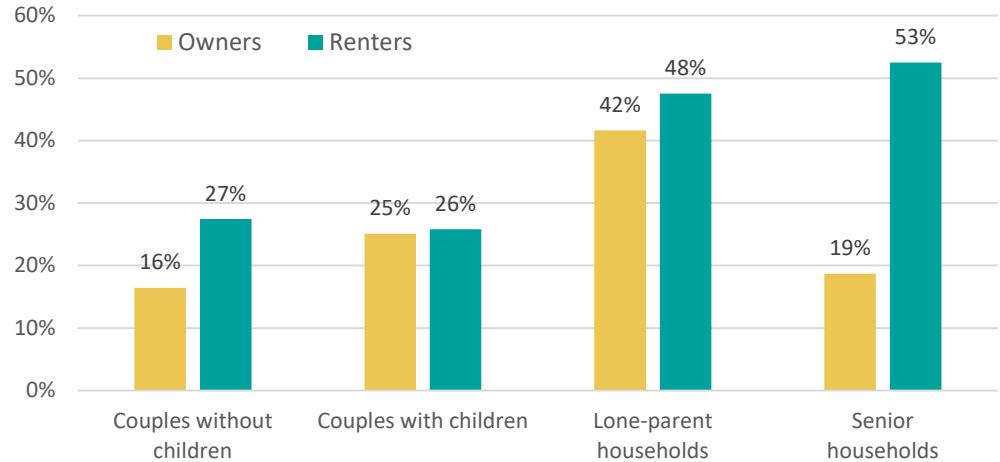


# Community Profiles

## Families and Seniors

- Almost half of lone-parent households experience housing unaffordability
- Over 14,000 couples and families left Vancouver to the region between 2011-2016
- Majority of senior renter households spend more than 30% of their income on shelter

% households spending 30% or more of income on shelter



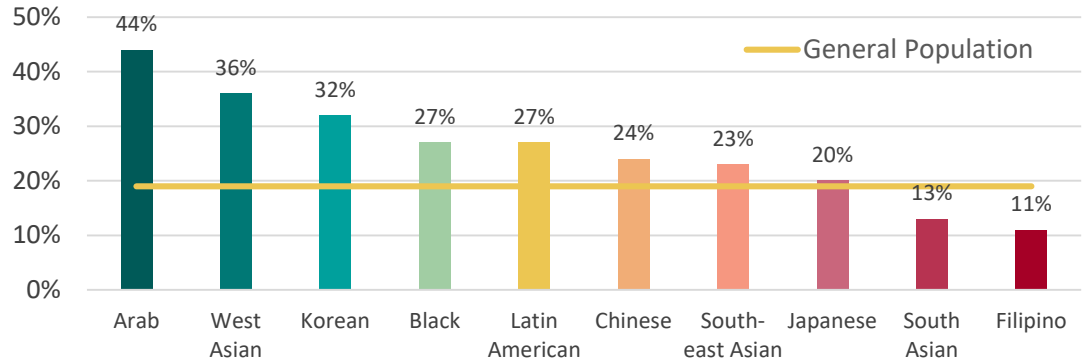
## Community Profiles

# Indigenous residents and Equity-Seeking Groups

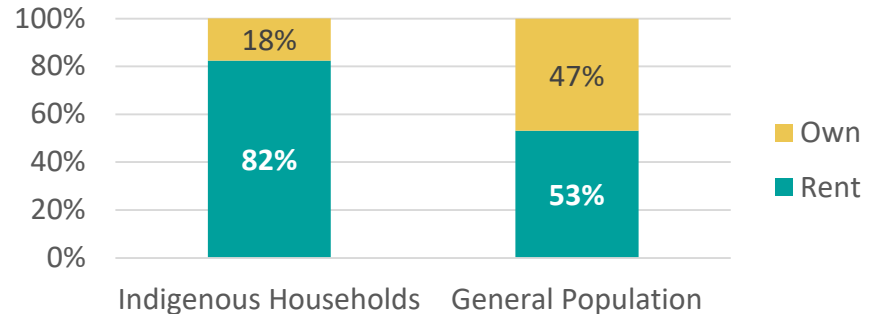
- Equity seeking groups are highly diverse in terms of incomes, dwelling types, and needs
- Indigenous households much more likely to be renters
- Almost half of all Indigenous households spend >30% income on shelter



Prevalence of low income by visible minority status, Van CY, 2016



Tenure of Indigenous households



# Housing Needs Report Highlights

- 1. Significant un-met needs in our housing system***
- 2. Needs are diverse across incomes, households and among both current and future residents***
- 3. Certain communities face disproportionate impacts***

## What our needs assessment doesn't tell us:

- Affordability requirements of all households in need
- Amount and type of supply required to meet needs
- Capacity of City, government partners, non-profit + private developers and the construction sector

# How do we turn housing need into targets?

# What are Housing Supply Targets?

**Housing targets are a tool to measure progress toward housing goals.**

**Many possible approaches to targets:**

- Aspirational or 'Reach' goals
- Benchmark against past performance
- Measure ourselves against peers
- And more!

## CONSIDERATIONS IN SETTING TARGETS

- How you set targets depends on your goals
- Targets should be measurable and over a realistic time horizon (i.e. 10 years)
- Aspirational or 'reach' goals may require action beyond what the City can do alone
- There are already 50K+ homes in the 10 year development pipeline
- ***Housing needs are not targets***

# Current 10-year housing targets – approved in 2017

- **72,000 new housing units** over 10 years
- **65% of new housing** for renters including:
  - › **20,000 purpose-built rental units**
  - › **12,000 social, co-op and supportive housing units**
- **10,000 new ground-oriented units** for families with children and downsizing seniors

## *Goal of Housing Vancouver Targets*

Diversify the type of housing being delivered in new supply, shift toward rental and non-market



# Why are we revising our targets?

## ***Council direction – new areas to explore***

**2019 Motion:** *“Report back with adjusted targets to match the “right supply” of housing proportionately to the income distribution of renter households.”*

***Set targets based on incomes of existing households in need***

**2020 Motion:** *“Provide transparent data [on past development and demographic trends] to serve as the basis of subsequent analysis, and then policy recalibration”*

***Adjust targets to reflect past development trends***

## ***Additional feedback – many opinions about our targets***

- Not doing enough to serve lower incomes
- Not going far enough on ground-oriented options
- Too prescriptive + inflexible to address demand in our system



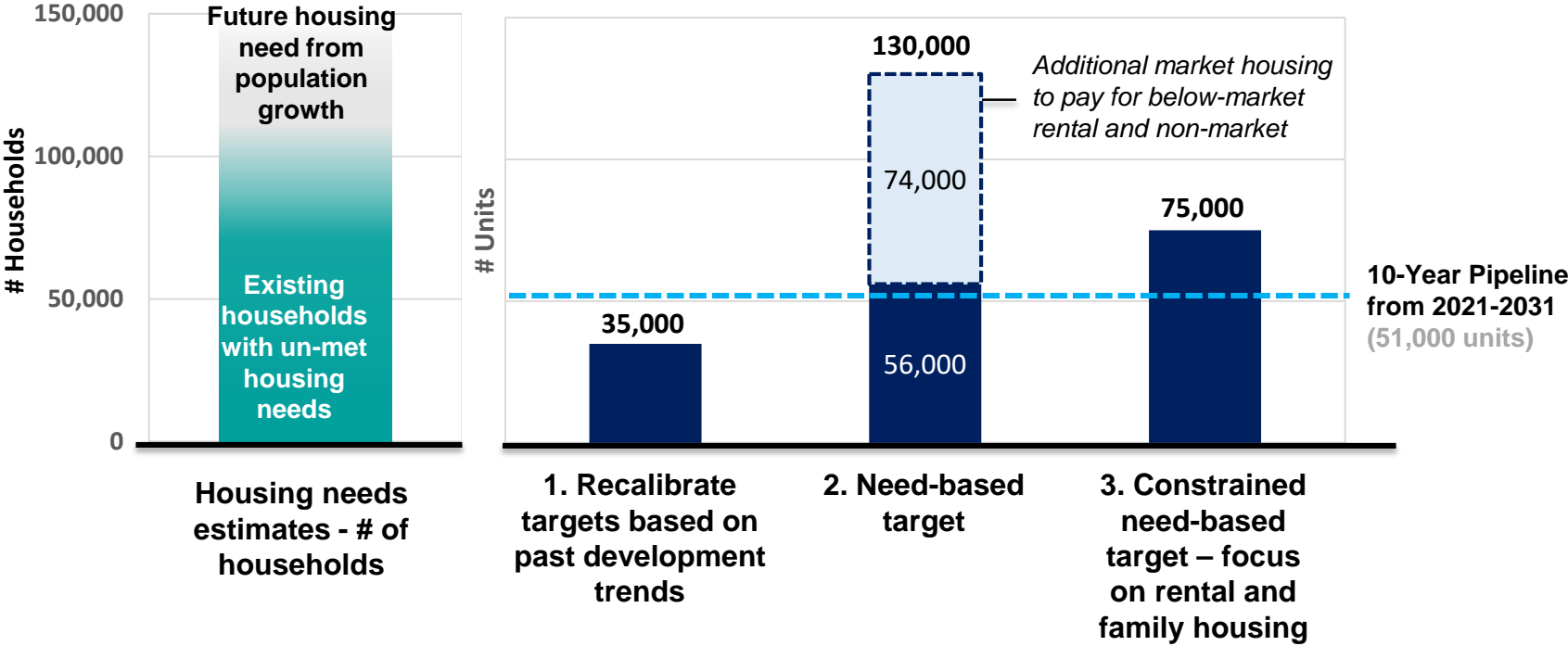


# Adjusting 10-Year Targets: Three Concepts to Test

1. **Targets based on past development trends** (2020 motion)
2. **Needs-based targets** (2019 motion)
3. **Constrained needs-based targets** – focus on social, rental, and ground oriented housing



# Summary of Concepts



# Initial Concept Evaluation + Next Steps

## **Concept 1: Targets based on past trends (~35,000 units)**

- Lower than current pipeline
- Risk of repeating past and present affordability challenges as majority of housing in this scenario are condos

## **Concept 2: Targets based on existing needs (~130,000 units)**

- Geared toward needs – affordability + volume
- Achieving unit target and affordability would likely exceed industry development capacity and federal/provincial funding capacity

## **Concept 3 Constrained needs-based targets (~75,000 units)**

- 'Reach' targets informed by needs and city/partner capacity
- More opportunities for families
- Meeting affordability needs of lowest incomes will require significant funding and partnerships

## *Next Steps*

- *Engage public, experts, and stakeholders on targets concepts*
- *Update concepts based on feedback and new Census data*
- *Report back to Council in 2023 with finalized targets*

# Conclusion + Next Steps

- Significant progress in 2021 in **approving and completing rental and non-market housing**; work to be done on affordability
- Vancouver's **Housing Needs Report** identifies significant and diverse housing needs;
- **3 targets concepts illustrate considerations and trade-offs** involved in creating housing targets

*Staff will engage and report back next year with updated needs + targets*



**Thank you**