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Date: 11/28/2017 4:40:58 PM
Subject: Memo - CMHC Rental Market Report – Fall 2017 Release
Attachments: PDS - Memo to MC - CMHC Rental Market Report Fall 2017 Release - 28-11-2017.pdf

Greetings Mayor and Council,

Please see the attached memo from Gil Kelley on the CMHC Rental Market Report – Fall 2017 Release. A short summary is as follows:

- The Memo provides the highlights of the Canada Mortgage and Housing Corporation (CMHC) Rental Market Report – Fall 2017 Release
- Rental vacancy rates increased slightly between 2016 and 2017
- Vancouver is adding significantly more purpose built rental housing supply than other municipalities

If you have any questions or require further information, please contact Dan Garrison, Assistant Director of Housing Policy, at 604-673-8435 or dan.garrison@vancouver.ca.

Best,
Sadhu

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VanRIMS No.: 01-9000-20

MEMORANDUM

November 28, 2017

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Janice MacKenzie, City Clerk
Lynda Graves, Manager, Administration Services, City Manager's Office
Rena Kendall-Craden, Director, Communications
Kevin Quinlan, Chief of Staff, Mayor's Office
Naveen Girn, Director of Community Relations, Mayor's Office
Patrice Impey, General Manager, Finance, Risk & Supply Chain Management
Dan Garrison, Assistant Director of Housing Policy, PDS

FROM: Gil Kelley, General Manager, Planning, Urban Design & Sustainability

SUBJECT: CMHC Rental Market Report - Fall 2017 Release

Dear Mayor and Council,

Below are the highlights of the Canada Mortgage and Housing Corporation (CMHC) Rental Market Report - Fall 2017 Release. The CMHC collects data on the primary and secondary rental market annually in the fall of each year. The trends and indicators in the report provide policy makers with key insights into the state of the rental housing market in Vancouver. Key indicators in the report include:

- Vacancy rates and change over time (Vancouver and Region)
- Average rents and change over time (Vancouver and Region)
- Number of purpose built rental units and change over time (Vancouver and Region)
- % of condominiums in the rental pool and change over time (Vancouver and Region)

There are many interrelated drivers of rental housing supply and demand that impact the indicators in the CMHC report such as:

- Purpose built rental housing completions
- Condominium completions and the percentage of condominium homes that are rented on the secondary market

- Demand side drivers such as population and job growth
- Policy interventions to encourage condominium owners to rent out their homes such as the Empty Homes Tax and regulation of Short Term Rentals

Given the complexity of the drivers of supply and demand, it is not possible to identify the extent to which a particular driver impacts the indicators in the CMHC report. However, examination of trends over time does provide Council with insights into the state of the rental housing market and provides context for setting policy going forward.

Key Indicators

Key Indicator #1: Vacancy Rates

Vacancy rates in purpose built rental apartments in the City and region increased slightly between 2016 and 2017.

Table 1: Vacancy Rates in Purpose Built Rental Apartments

	2013	2014	2015	2016	2017	Change 2016-2017
City of Vancouver	1.0%	0.5%	0.6%	0.8%	0.9%	+0.1%
Metro Vancouver Region	1.7%	1.0%	0.8%	0.7%	0.9%	+0.2%

Vacancy rates in the rented condominium stock in the City and region have also increased slightly between 2016 and 2017.

Table 2: Vacancy Rates in Rented Condominiums

	2013	2014	2015	2016	2017	Change 2016-2017
City of Vancouver	**	0.5%	0.8%	0.4%	0.6%	+0.2%
Metro Vancouver Region	1.1%	0.7%	0.9%	0.3%	0.6%	+0.3%

Cells marked as ** are suppressed to protect confidentiality or are not statistically valid

Key Indicator #2: Average Rents

Between 2016 and 2017, average rents in purpose built rentals in the City increased by 4.9% in the City compared to 6% in the Region overall.

Table 3: Average Rents in Purpose Built Rental Apartments

	2013	2014	2015	2016	2017	Change 2016-2017
City of Vancouver	\$1,144	\$1,176	\$1,233	\$1,324	\$1,389	+4.9%
Metro Vancouver Region	\$1,067	\$1,099	\$1,144	\$1,223	\$1,297	+6.0%

Average rents in rented condominiums in the City and Region increased by 6.7% and 8.1% respectively between 2016 and 2017.

Table 4: Average Rents in Rented Condominiums

	2013	2014	2015	2016	2017	Change 2016-2017
City of Vancouver	\$1,771	\$1,865	\$1,917	\$1,955	\$2,086	+6.7%
Metro Vancouver Region	\$1,521	\$1,540	\$1,576	\$1,625	\$1,758	+8.1%

Key Indicator #3: Number of Purpose Built Rental Units

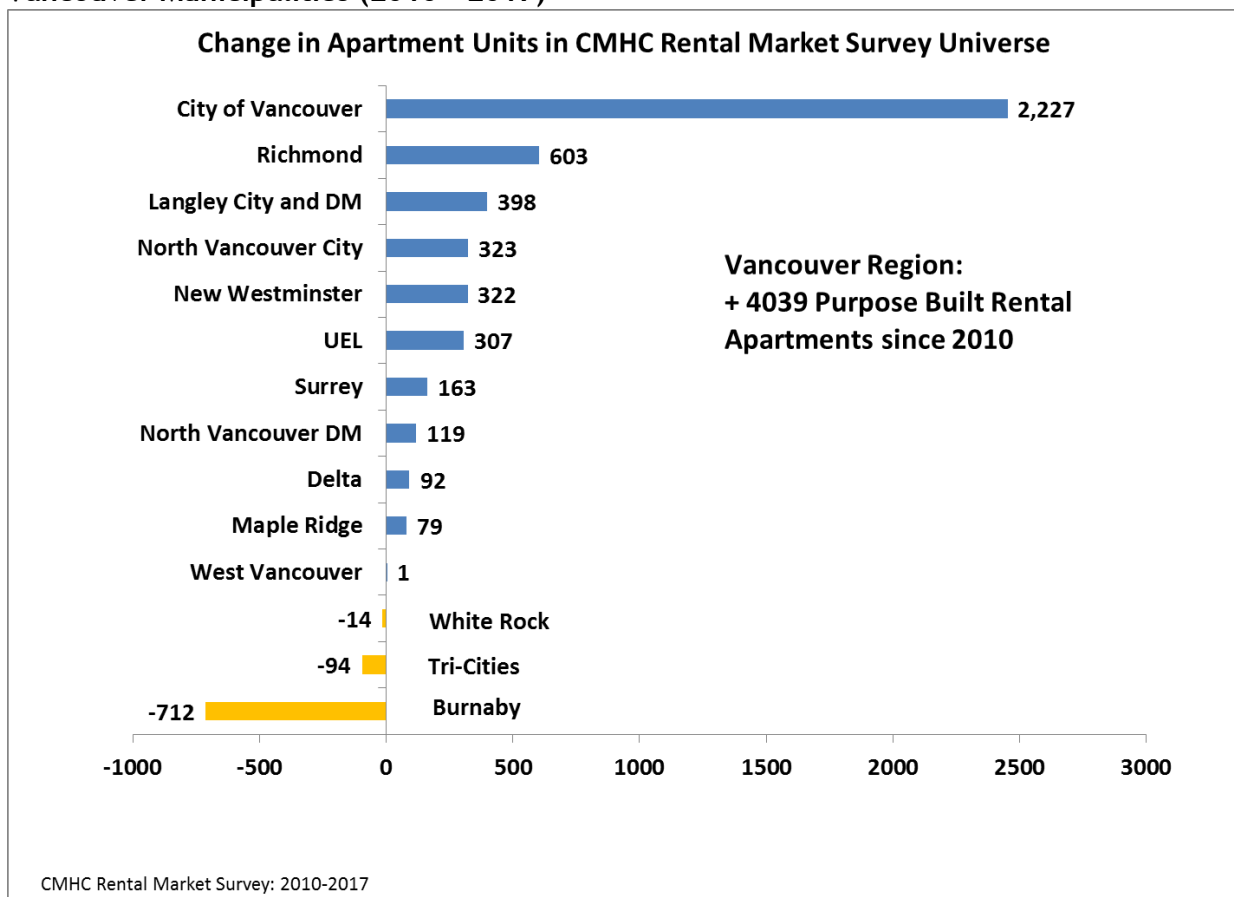
The total number of rental units in purpose built rental buildings in the City and Region increased by 225 and 629 units respectively between 2016 and 2017.

Table 5: Number of Rental Units in Purpose Built Rental Apartments

	2013	2014	2015	2016	2017	Change 2016-2017
City of Vancouver	55,611	55,848	56,190	57,018	57,243	+ 225
Metro Vancouver Region	105,547	106,111	106,945	107,867	108,496	+ 629

In terms of the region overall, Vancouver is adding significantly more purpose built rental housing supply than other municipalities. Some municipalities are reducing the stock of purpose built rentals in their city.

Graph #1: Change in Total Number of Purpose Built Rental Housing Units in Greater Vancouver Municipalities (2010 - 2017)



Key Indicator #4: % of Condominium Units in the Rental Pool

The % of condominium units in the City and Region have held steady at around 32% in the City and 25% in the region overall.

Table 6: % of Condominium Units in the Rental Pool

	2013	2014	2015	2016	2017	Change 2016-2017
City of Vancouver	33.1%	32.0%	33.5%	32.2%	32.2%	--
Metro Vancouver Region	26.3%	25.5%	26.9%	25.4%	25.8%	+0.4%

If you have any questions or require further information, please contact me or Dan Garrison, Assistant Director of Housing Policy, at 604-673-8435 or dan.garrison@vancouver.ca.

Regards,



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GK/mb