

From: **"Mochrie, Paul" <Paul.Mochrie@vancouver.ca>**

To: **"Direct to Mayor and Council - DL"**

Date: 12/4/2023 5:00:43 PM

Subject: Memo - Housing Vancouver Progress Report Dashboard - Q3 2023

Attachments: Memo to Mayor & Council - Memo - Housing Vancouver Progress Report Dashboard - Q3 2023.pdf
Housing Vancouver Progress Report Dashboard Q3. 2023.pdf

Dear Mayor and Council,

The attached memo from Doug Smith includes highlights and key observations on progress toward the Housing Vancouver Strategy supply targets as of Q3 2023. An infographic that summarizes Housing Vancouver target metrics is available in the attached "Housing Vancouver Progress Report Dashboard Q3. 2023".

If you have any questions or require further information, please contact Doug Smith (doug.smith@vancouver.ca) or Dan Garrison, Director of Housing Policy (dan.garrison@vancouver.ca)

Best,
Paul

Paul Mochrie (he/him)
City Manager
City of Vancouver
paul.mochrie@vancouver.ca



The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Snw̓x̓w̓ú7mesh (Squamish), and səlilwətaʔ (Tsleil-Waututh) Nations.

MEMORANDUM

December 1, 2023

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Armin Amrolia, Deputy City Manager
Karen Levitt, Deputy City Manager
Sandra Singh, Deputy City Manager
Katrina Leckovic, City Clerk
Maria Pontikis, Chief Communications Officer, CEC
Teresa Jong, Administration Services Manager, City Manager's Office
Mellisa Morphy, Director of Policy, Mayor's Office
Trevor Ford, Chief of Staff, Mayor's Office

FROM: Doug Smith
Acting General Manager, Planning, Urban Design and Sustainability

SUBJECT: Housing Vancouver Progress Report Dashboard - Q3 2023

RTS #: N/A

This memo includes highlights and key observations on progress toward the *Housing Vancouver* targets as of the end of Q3 2023. Further details are available in the attached Q3 2023 Housing Vancouver dashboard.

Progress Toward Targets – Background and Methodology

The *Housing Vancouver Strategy* includes targets for the amount and affordability of new housing needed along a continuum of housing types and tenures to maintain a diversity of incomes and households in the city over 10 years (2018-2027). Staff provide regular reports to Council on progress toward targets in order to monitor and respond to emerging trends.

The City's overall 10-year target for new housing is for 72,000 new units consisting of:

- 12,000 social, supportive and non-profit co-operative housing units
- 20,000 purpose-built rental housing units (4,000 units at below-market rents)
- 30,000 condominium units
- 10,000 ground-oriented units that include townhouses, coach houses, and laneways

In addition, 48% of the total new housing is targeted to be affordable to households with incomes below \$80,000/year; and 42% of the new housing should be suitable for families and contain 2 or more bedrooms.

Progress toward targets are reported in terms of *approvals* and *completions*.

- *Approvals* refer to the first City approval a project receives (i.e. Council approval at a public hearing for projects requiring rezoning, or Development Permit issuance for projects proceeding under existing zoning).
- *Completions* refer to projects that have been issued an Occupancy Permit. Completions are currently only reported for social, supportive, and purpose-built rental developments.

Data that inform housing targets related to housing demand, supply, and affordability can be found in the City of Vancouver Housing Needs Report at <https://vancouver.ca/files/cov/pds-housing-policy-housing-needs-report.pdf>.

Annual 2023 Progress toward Targets as of Q3 2023 (January 1, 2023– September 30, 2023)
- Approvals

As of September 30, 2023, Vancouver approved 6,349 new homes, meeting 88% of the Housing Vancouver annual total target of 7,200 homes. Staff anticipate that the City is on track to achieve this total target by the end of year with the addition of approvals in Q4. Broken down by housing type, *approvals* included:

Housing Type	Approved Homes (2022 up to Q3)	% of Annual Target (2022 up to Q3)
Social and Supportive Housing	1,057	88%
Purpose-Built Rental	3,560 (including 340 below-market rental units)	178%
Condominiums	1,292	43%
Laneway Homes	252	63%
Coach Homes	12	12%
Townhouses	176	35%
Total	6,349	88%

Social and supportive housing *approvals* include 810 units enabled through city land contribution under the Vancouver Affordable Housing Endowment Fund, 186 units as inclusionary housing under the West End Plan, and 61 senior housing units delivered by the Kopernick Foundation. The City is on track to meet its annual social and supportive housing target of 1,200 units with 1,057 social and supportive housing units approved as of Q3, plus an additional 268 units anticipated to reach approval in Q4 of 2023.

The City has exceeded its annual purpose-built rental target (2,000 units) by 78% and will exceed the 7 year cumulative target (14,000 units). An additional 1,288 purpose-built rental housing units are anticipated to reach approval in Q4 of 2023, bringing total purpose-built rental approvals to nearly 5,000 units.

Although purpose-built rental approvals have remained high in recent years, condo approvals declined in 2023 with 1,292 units approved compared to the annual target of 3,000 units.

Townhouse approvals have also declined in 2023 with 176 units approved compared to the annual target of 500 units. Fewer ownership projects proceeding to approval in 2023 compared to recent years can be attributed to Federal financing policies (e.g. higher interest and mortgage insurance rates), Provincial legislation (e.g. speculation tax), lower anticipated condo sales, and a shift toward market rental developments. Despite the significant decrease in ownership approvals, the City is anticipated to exceed overall approval targets due to strong purpose-built rental approvals. Staff will monitor this situation closely and analyze the drivers and short and long-term impacts as part of the Housing Vancouver Targets Refresh anticipated in Q2 of 2024.

2017-2023 Cumulative Progress toward Targets - Approvals

Between January 1, 2017 and September 30, 2023, the City of Vancouver has approved a total of 54,537 homes, achieving 76% of the overall target of 72,000 homes by 2027. This rate meant approving an average of approximately 7,800 homes per year.

Key characteristics of these new homes include:

- 31% affordable to household incomes below \$80,000, below the Housing Vancouver goal of 48% of units affordable to these incomes.
- 47% are purpose-built non-market and below-market, market rental homes, exceeding the Housing Vancouver secured rental goal of 44%.
- 47% are family-sized units (2 or 3 bedrooms), above the target of 42%.
 - 43% of apartment units had 2 or 3 bedrooms, above the High-density Housing for Families with Children Guidelines at 35%.
- 89% of net new homes are being delivered as apartments, 6% delivered as low-density infill (including laneway and coach houses), and 5% delivered as townhouses.

A breakdown of cumulative *approvals* by housing type is available in the attached dashboard.

2023 Social/Supportive and Purpose-Built Rental Housing Completions as of Q3

Social, supportive, and purpose-built rental housing *completions* from January 1, 2023 to September 30, 2023 totalled 473 units (127 social and supportive and 346 purpose-built rental housing units). An additional 121 purpose-built rental units and no additional social and supportive housing are anticipated to reach completion in Q4 of 2023.

Housing completions continue to lag behind strong approval numbers in recent years because of factors impacting development timelines related to funding capacity for social housing, financing rates, construction and supply costs, and availability of labour and trades. Staff note that approximately 7,350 social, supportive and rental homes are currently under construction, and so expect completion rates to increase over the next couple of years. However, a continued focus on ensuring approved projects move to construction start and reach completion is warranted.

Conclusion

A full version of the *Housing Vancouver Strategy (2018-2027)* and all Progress Reports to date are available at <https://vancouver.ca/people-programs/housing-vancouver-strategy.aspx>. Over the next year, staff will bring forward revised targets for Council consideration that address new Provincial legislative requirements. As revised targets are adopted, staff will also adapt our

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

A handwritten signature in black ink, appearing to read "Doug Smith". The signature is stylized and cursive.

Doug Smith
Acting General Manager, Planning, Urban Design and Sustainability

604.829-4308 | doug.smith@vancouver.ca

PROGRESS REPORT DASHBOARD 2023 Q3 UPDATE



Housing Vancouver Strategy

Adopted in 2017, *Housing Vancouver* is the City's strategy to address Vancouver's housing crisis, targeting **72,000 new homes** over 10 years (2018-2027). The Strategy seeks to enable the 'Right Supply' of housing for people who live and work in Vancouver, which includes housing options that are affordable to local incomes and a shift to more social, supportive, and rental housing. Tracking for the Housing Vancouver targets began in 2017. After 7 years, the City has approved 76% (54,537 units) of the overall target of 72,000 new homes.

Progress Toward Housing Vancouver Targets



Progress Toward 10-Year Approval Targets as of 2023 Q3

Category	Units Approved	Progress %	Target
Social & Supportive	9,078	76%	12,000
Purpose-Built Rental	16,542	83%	20,000
Condos	23,196	77%	30,000
Laneway Houses	3,126	78%	4,000
Town/Coach Houses	2,595	43%	6,000
Total Housing	54,537	76%	72,000

2023 Q3: Performance Against Annual Approval Targets

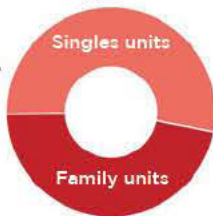
Category	Units Approved	Achievement %	Target
Social & Supportive	1,057	88%	1,200
Purpose-Built Rental	3,560	178%	2,000
Condos	1,292	43%	3,000
Laneway Houses	252	63%	400
Town/Coach Houses	188	31%	600
Total Housing	6,349	88%	7,200

*Of the total rental approvals from 2017 - Q3 2023, 1,463 units were approved as below-market rental housing achieving 36% of the 10-Year target of 4,000 units.

2017-2023 Q3: Diversity of Housing Options

Family Housing

Target: 42% of housing units approved to be family-sized, 2 or 3 bedrooms



Approvals to date: 47% of units approved

Housing Tenure

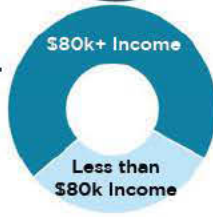
Target: 50% of units approved to be primary rental housing*



Approvals to date: 53% of units approved

Income Diversity

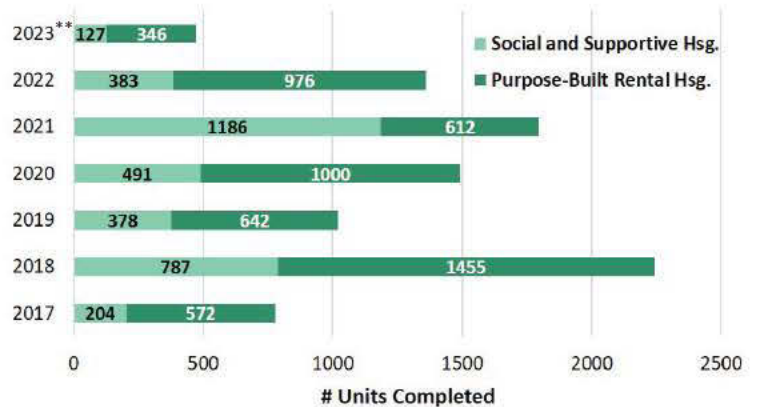
Target: 48% of housing units approved affordable to incomes less than \$80k/year



Approvals to date: 31% of units approved

*Primary rental includes non-market rental housing (social and supportive housing), purpose-built market rental housing, and laneway homes.

Rental Completions 2017-2023 Q3*



* Projects are determined to be complete when an occupancy permit is issued

**2023 will be a lower year for rental completions since 2017 based on economic cycles that impact development and completion timelines. Completion rates are expected to increase over the next couple years with approximately 7,350 social, supportive and rental homes are currently under construction.

For more information on Housing Vancouver Strategy updates: <https://vancouver.ca/housing>

Questions? contact 3-1-1 or housingpolicy@vancouver.ca

Data from January 1, 2017-September 30, 2023