

2020 Annual Progress Report and Data Book

June 2020

Update to Council

Outline

1. Background and Context
2. Overall Progress Toward Housing Vancouver 10-year Targets
3. 2019 Progress Toward Housing Vancouver Annual Targets
4. 2019 approved developments with Tenant Relocation Plans
5. Key 2019 Policy Actions



Housing Vancouver Background and Context

In the face of a deepening housing crisis, the City's 10-Year Housing Vancouver Strategy provides a renewed vision and explicit policy directions, strategy and actions.




The strategy is founded on the following:

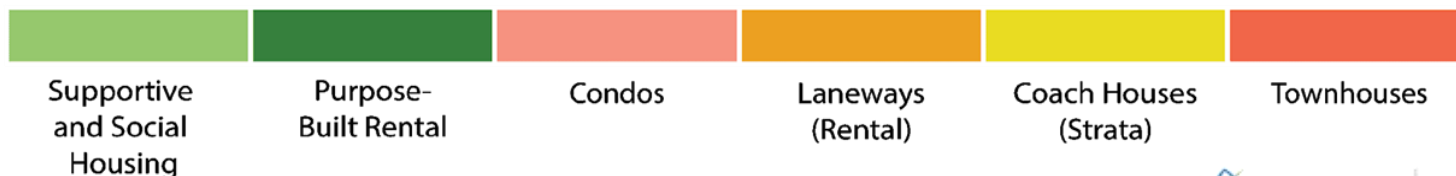
- 1. Create the 'Right Supply' of housing**
- 2. Protect and retain the existing rental stock**
- 3. Support vulnerable residents**



Housing Vancouver Targets: 72,000 New Homes

Shift new housing toward the 'Right Supply' to address a diversity of incomes and building forms

	Renters				Renters & Owners	Owners	Total	% of Total
	<\$15k/yr.	<\$15-30k/yr.	\$30-50k/yr.	\$50-80k/yr.	\$80-150k/yr.	>\$150k/yr.		
 Apartment	5,200	1,600	2,000	3,000	200		12,000	17%
			2,500	12,000	5,500		20,000	28%
				6,500	16,500	7,000	30,000	42%
 Infill				2,000	2,000		4,000	5%
					300	700	1,000	1%
 Townhouse					1,700	3,300	5,000	7%
Total	5,200	1,600	4,500	23,500	26,200	11,000	72,000	100%
% of Total	7%	2%	6%	33%	37%	15%	100%	



Ensuring the Right Supply: Housing Vancouver 10-year targets for tenure, families, and incomes

- **72,000 housing units over the next 10 years** to shift to the “right supply” - including 12,000 social and supportive housing units and 20,000 purpose-built rental units
- Prioritize rental to meet the greatest need - **$\frac{2}{3}$ of all new homes will be rental, with $\frac{1}{2}$ as purpose-built secured rental**
- Retain diversity of incomes in the city - **nearly 50% of new homes will serve households earning <\$80k/yr**, including 5200 homes affordable to <\$15k/yr
- Emphasis on family housing - **40% of new homes will be suitable for families**
- **Creating diverse ground-oriented forms**, including townhouses, laneways, and coach houses
- **Advance commitments as a City of Reconciliation** to address short- and long-term housing and wellness needs of urban Indigenous residents

Housing Vancouver Monitoring & Reporting

Implementation requires collaborative action across city departments in partnership with other levels of government, non-profit and community partners and private industry.

What is included in this year's shortened Annual Report:

- Overall progress towards 10-year targets
- Progress toward 2019 annual targets
- Data on 2019 approved developments with Tenant Relocation Plans
- Update on key 2019 policy actions

*An abbreviated version of the 2020 Housing Vancouver Data Book will be published online later this year



Progress toward Housing Vancouver 10-year targets

How are we doing after 3 years (2017-2019) since Housing Vancouver was approved?

Achievements and areas to improve after 3 years

Achievements

- We are shifting approvals towards rental tenure - over 60% of units approved from 2017-2019 are primary or anticipated secondary rental (ie. rented condos)
- Continued strong performance on approvals for family units, with over half of new units approved from 2017-2019 having 2 or more bedrooms

Areas of Improvement

- Falling short on affordability to low- and moderate- incomes, with only 34% of new homes affordable to incomes under <\$80K.
- Underperforming on secured rental housing compared to target - only 36% of approved units are secured rental

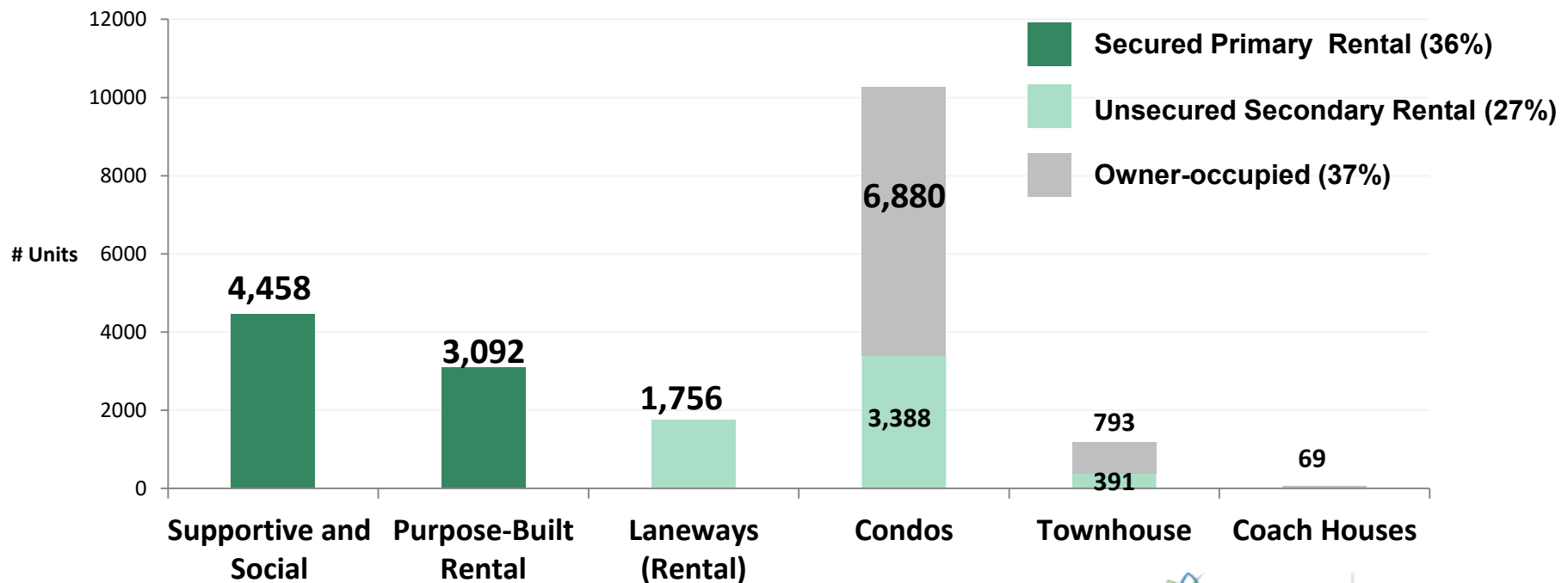
Falling short on secured rental: 36% of approved units from 2017-2019 are secured rental units



"I just want to live somewhere I feel like I'm not going to be evicted at any moment"

Housing Vancouver target: 44% of new units should be secured rental housing

Approvals By Housing Type after 3 years

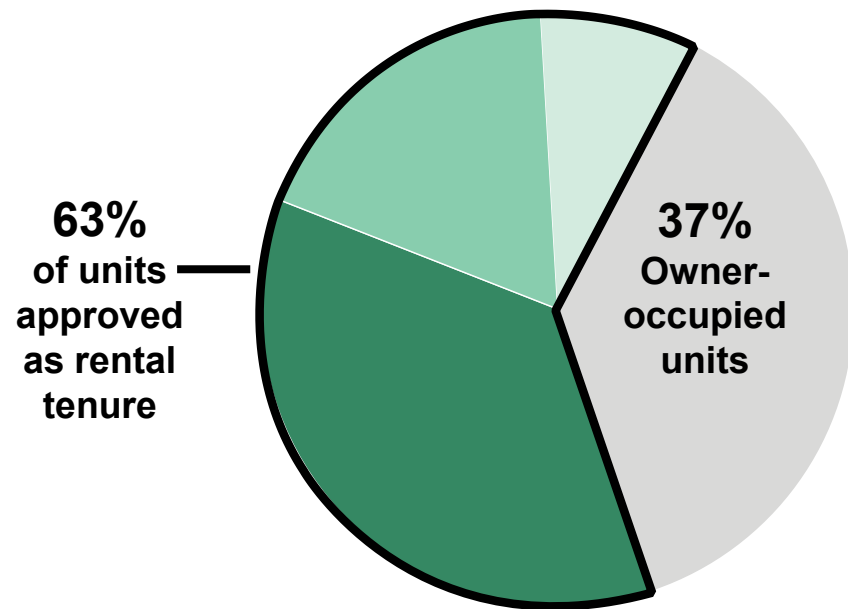


*Assume approximately 1/3 of newly approved condominium and townhouse units are rented

Progress on shift toward rental tenure: 63% of approved units from 2017-2019 are primary or anticipated secondary rental

Housing Vancouver target:

66% of units approved will be rental housing



Approved units counted toward rental tenure target include:

- Purpose-built market and below market rental
- Social and supportive housing
- Laneway housing
- Anticipated rented condominiums and townhomes*

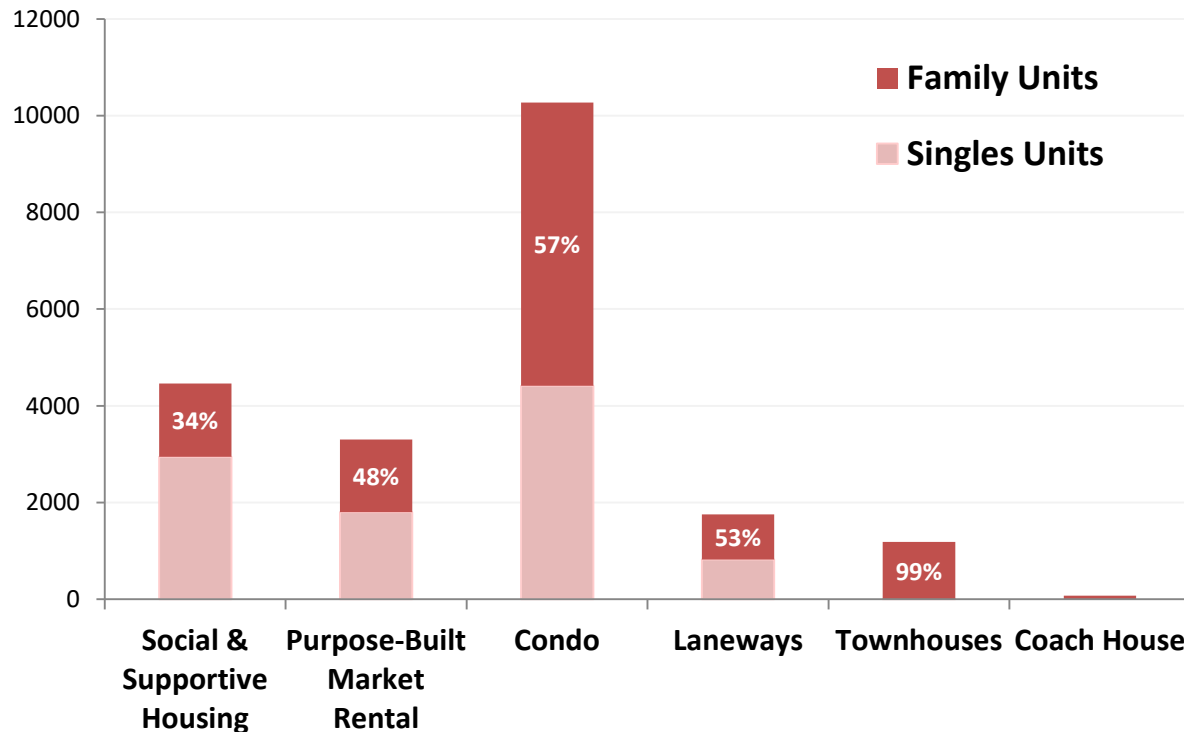
**Assume approximately 1/3 of newly approved condominium and townhouse units are rented*

- Purpose-built market, below-market rental, social, and supportive housing (36%)
- Anticipated rented condominiums and townhomes (18%)
- Laneway housing (8%)

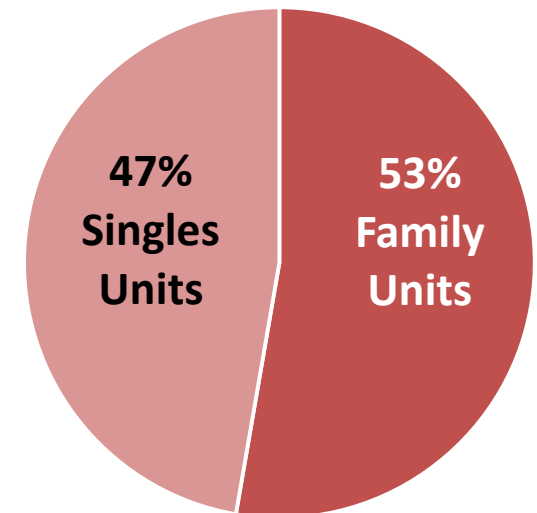
Ahead of target on family housing: 53% of approved units from 2017-2019 have 2+ bedrooms

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

% of 3-Year Family Unit Target Achieved by Housing Type



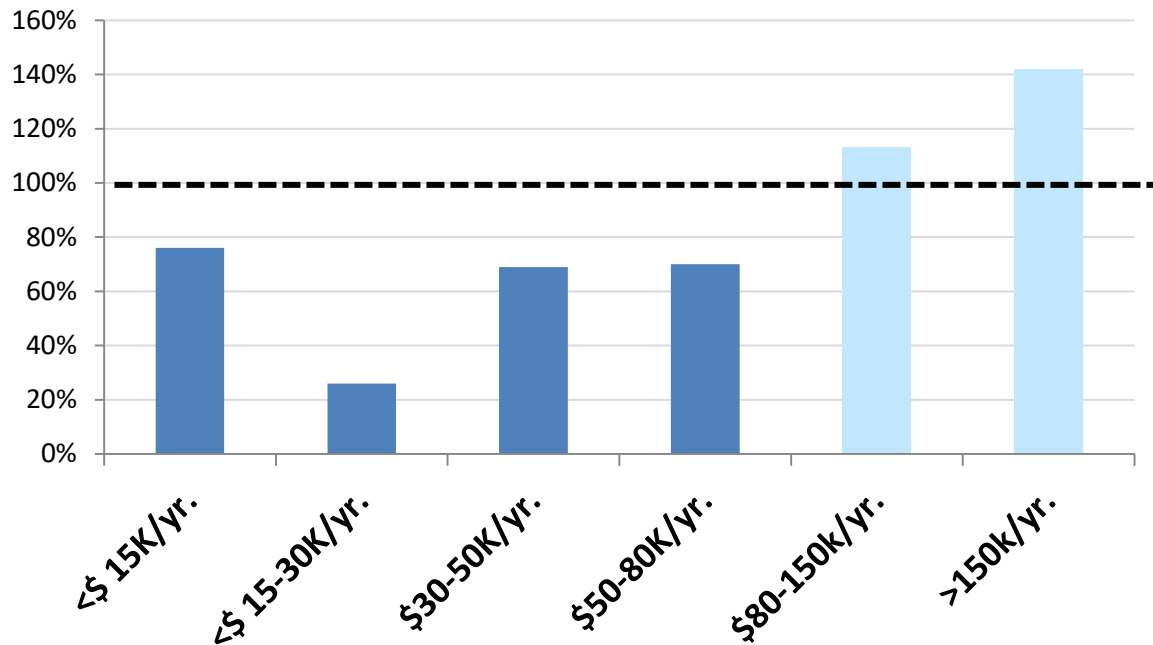
Singles & Family Units % of overall approvals



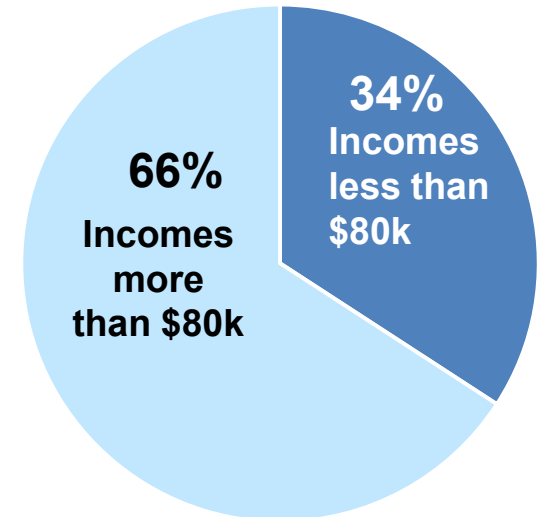
Behind target on affordability: Only 34% of approved homes from 2017-2019 are affordable to <\$80K

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

% of 3-Year Unit Targets by Income Diversity



Income Diversity in
approved units



2019 Progress Toward Housing Vancouver Annual Targets

*How did we do on Housing Vancouver
targets in 2019?*

Achievements and Areas to Improve in 2019

Achievements

- First approvals of below-market rental units via the Moderate Income Rental Housing Pilot Program
- Record-setting year for townhouse approvals, supported by new streamlined rezoning and pre-zoning processes in community plans
- Progress toward laneway targets and first year of data on coach house permit approvals

Areas of Improvement

- Purpose built market rental approvals continue to fall behind annual target
- Lower social and supportive housing approvals compared to previous two years. However, three year average is still ahead of target.
 - Affordability still remains a challenge for lower incomes (<\$50k/yr.)
- Lower rental and social housing approvals contributed to total approvals falling significantly below overall supply targets.

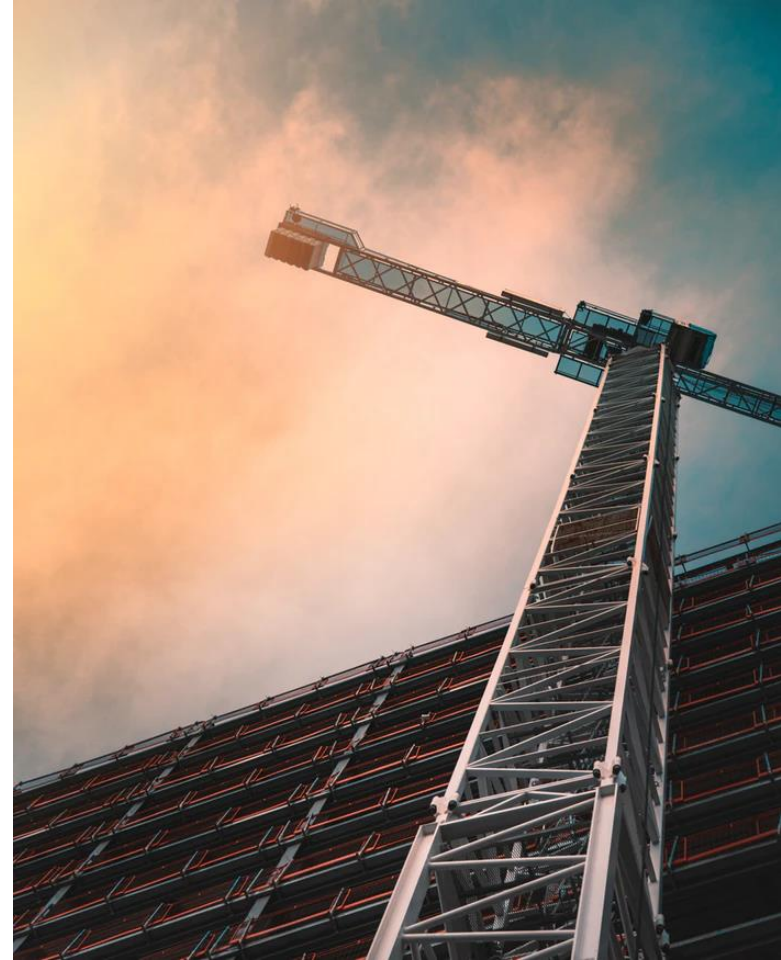
Housing Market Conditions in 2019

We continued to hear about challenges to the viability of market and non-market rental construction

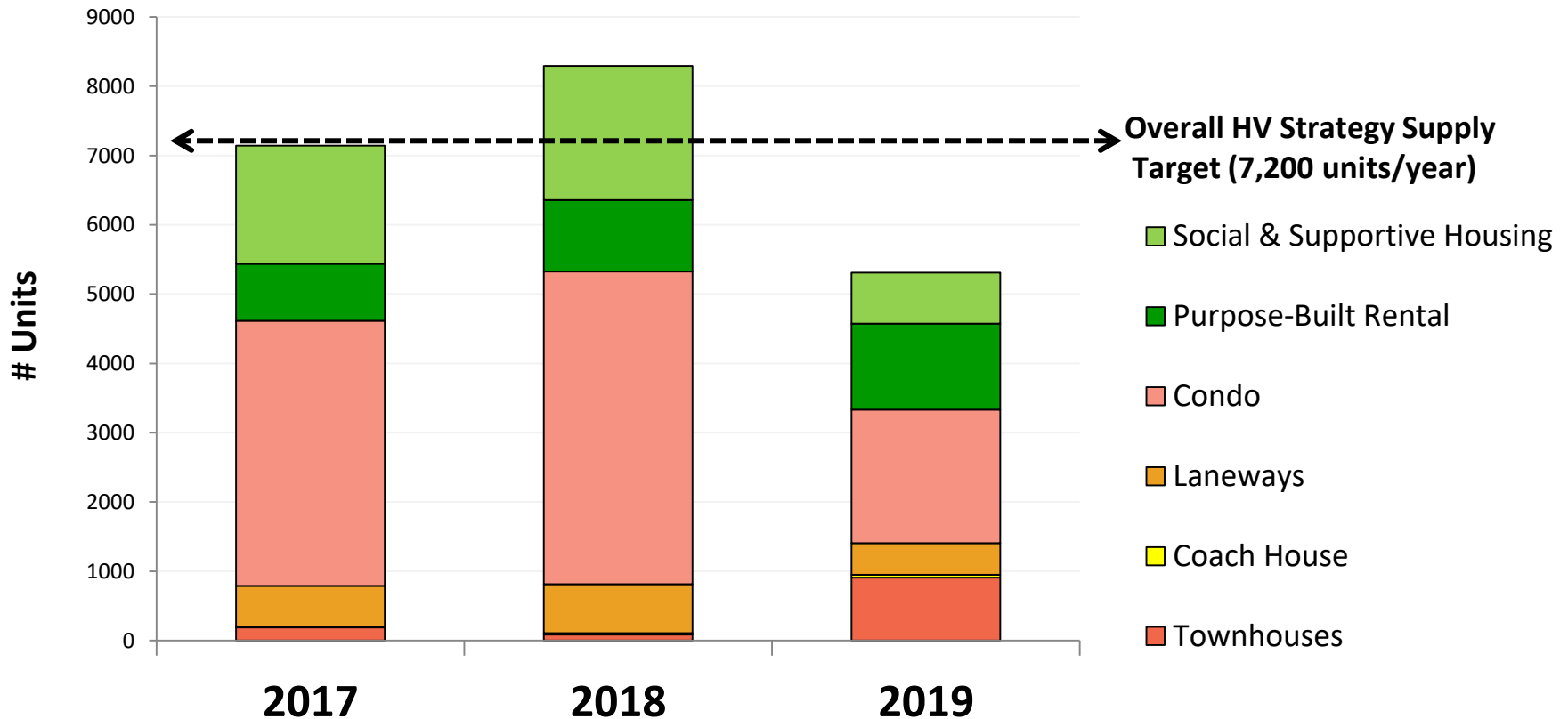
- Cost of land remains high
- Increase in construction costs over the last 3 years
- Increasingly challenging climate for financing rental projects

Uncertain market for condominium pre-sales, driven in part by new City and Provincial demand measures

Senior government affordable housing partnerships are in progress, but additional partner funding is still needed to deliver affordability for lowest incomes

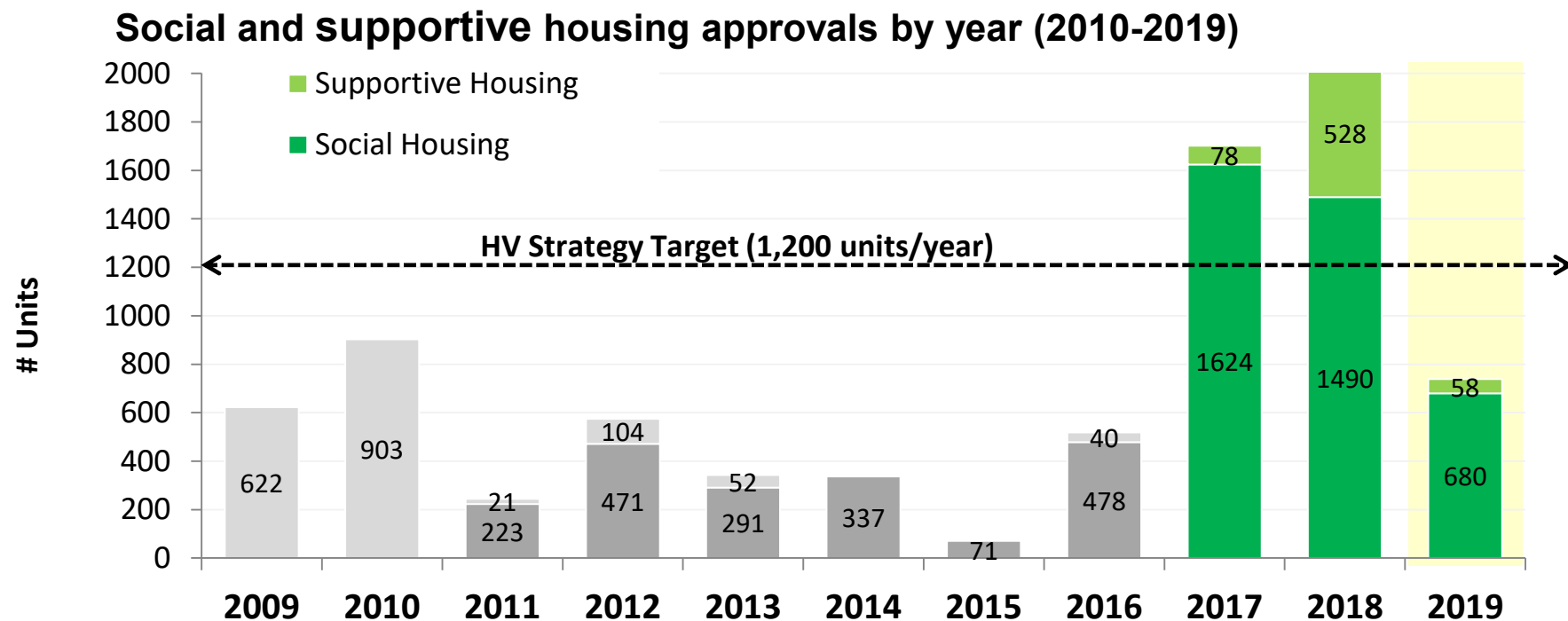


Overall supply target: 2019 did not meet supply target compared to previous 2 years



Drop in the volume of overall housing approvals in 2019 attributed to the decline in condo approvals without commensurate increase in rental and social housing approvals

Social/Supportive Housing: 2019 approvals are lower than previous two years



- Higher volumes of social housing are often delivered in 'waves' due to implementation of major projects – no major projects approved in 2019
- In 2019, 180 units were approved at shelter rate (affordable to incomes <\$15K/yr.) in 2019, including 58 units of temporary modular housing – annual target is 520 units
- Since 2017, 242 units have been approved in Indigenous society owned or operated affordable housing projects (including 98 temporary modular units opened in 2019) – target is 600-700 homes by 2022.

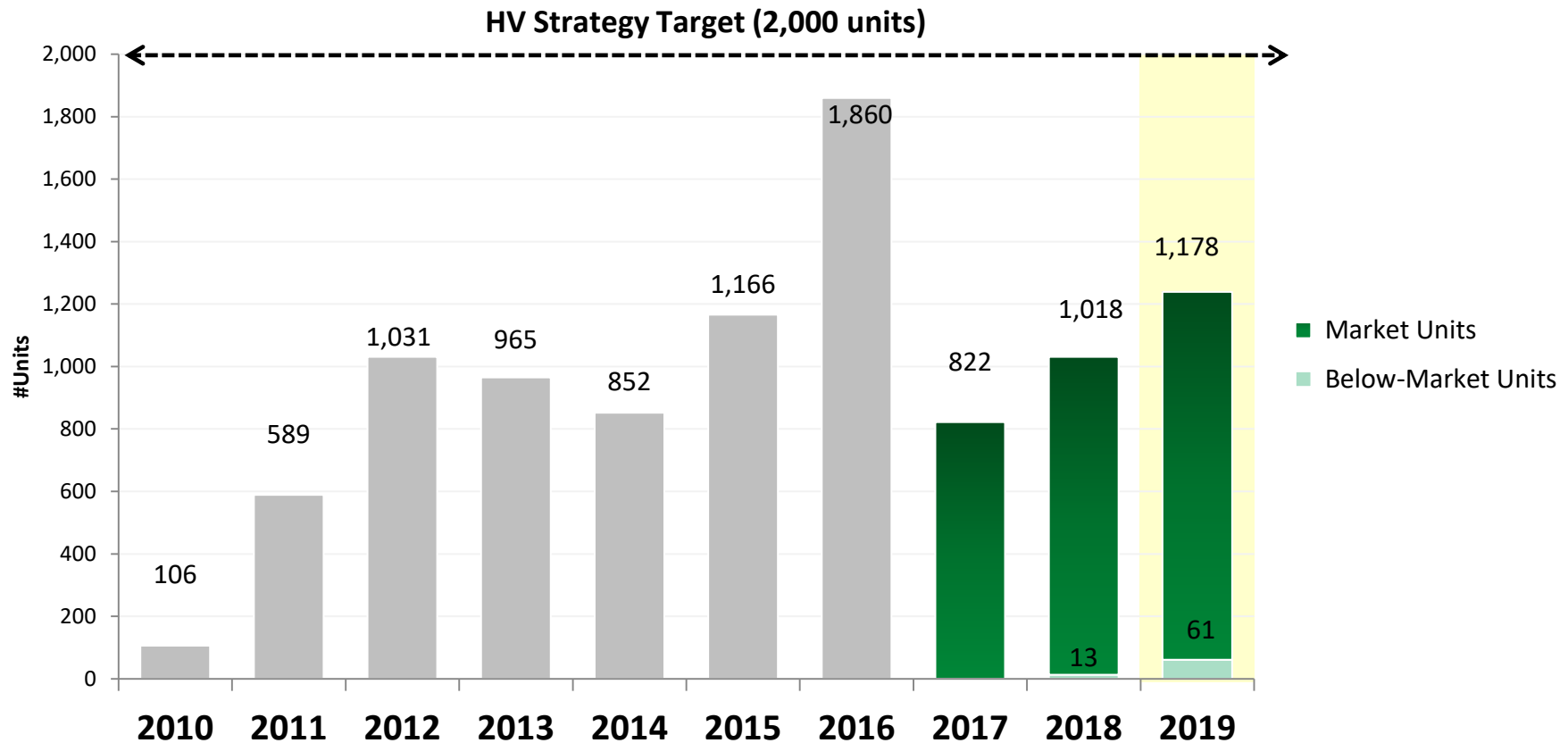
Social/Supportive Housing: After 3 years, still on track toward 10-year target

	Social & Supportive
Progress Toward 10-Year Approval Targets	4,458 units approved 37% progress Target: 12,000 units
2019: Performance Against Annual Approval Targets	738 units approved 62% achieved Target: 1,200 units



- High approvals in 2017 and 2018 were driven by temporary modular housing and major projects
- Work is underway to expand pipeline of social/supportive units

Purpose-Built Market Rental: Approvals are up 21% from 2018, but still only at 62% of annual target



Purpose-Built Market Rental: After 3 years, work is still needed to deliver on 10-year market rental targets

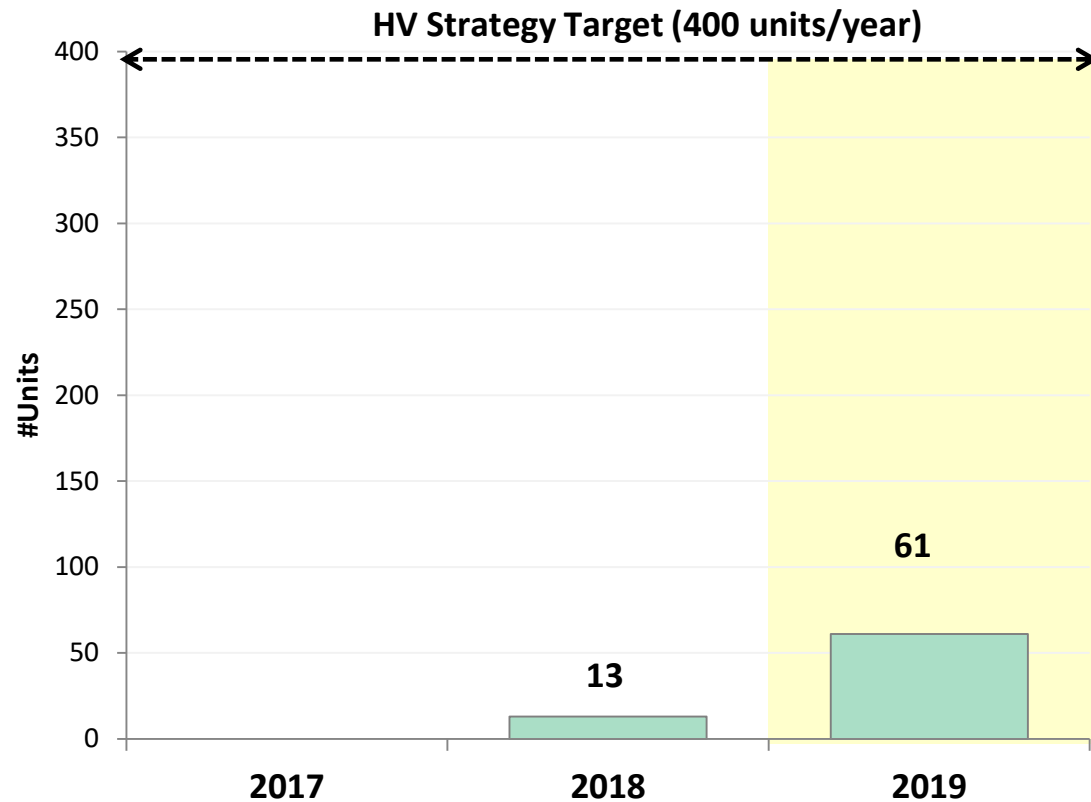
	Purpose-Built Rental
Progress Toward 10-Year Approval Targets	<div>3,092 units approved</div> <div><div></div>15% progress</div> <div>Target: 20,000 units</div>
2019: Performance Against Annual Approval Targets	<div>1,239 units approved</div> <div><div></div>62% achieved</div> <div>Target: 2,000 units</div>



Policy approved in 2019 to accelerate and increase rental approvals:

- *New* Secured Rental Policy + Rental Incentive Review
- Below-market Rental Rezoning Policy
- Amendments to MIHRPP policy

Below- Market Rental: Work is still needed to meet target for below-market rental affordable to \$30-\$80k



*1800 Main St rendering
(13 below-market rental units)*

Below-Market Rental: First three projects approved under Moderate Income Rental Housing Pilot Program (MIHRPP)

MIRHPP Projects Approved in 2019



2603-2655 Renfrew
66 market rental units
~16 moderate-income units



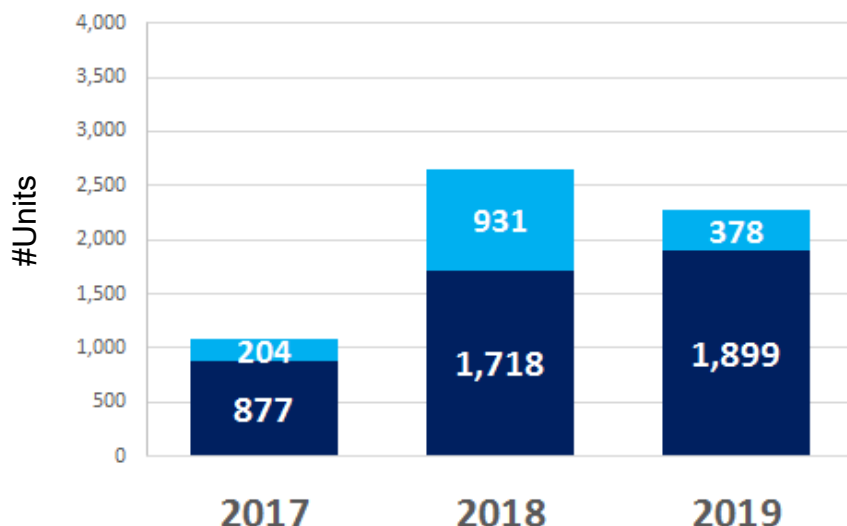
2543-2581 Renfrew
68 market rental units
~19 moderate-income units



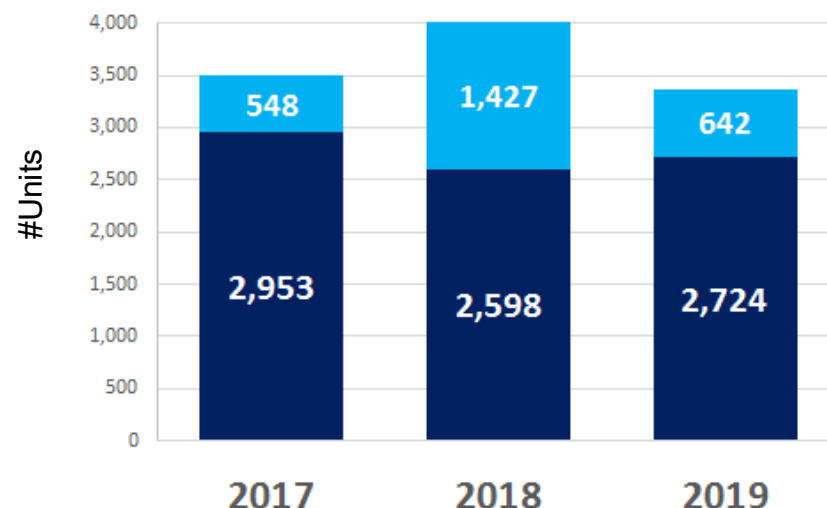
1805 Larch
50 market rental units
~13 moderate-income units

High number of purpose built rental, social and supportive housing units under construction or complete

Social and Supportive Housing



Purpose-Built Market Rental Housing



Under-Construction

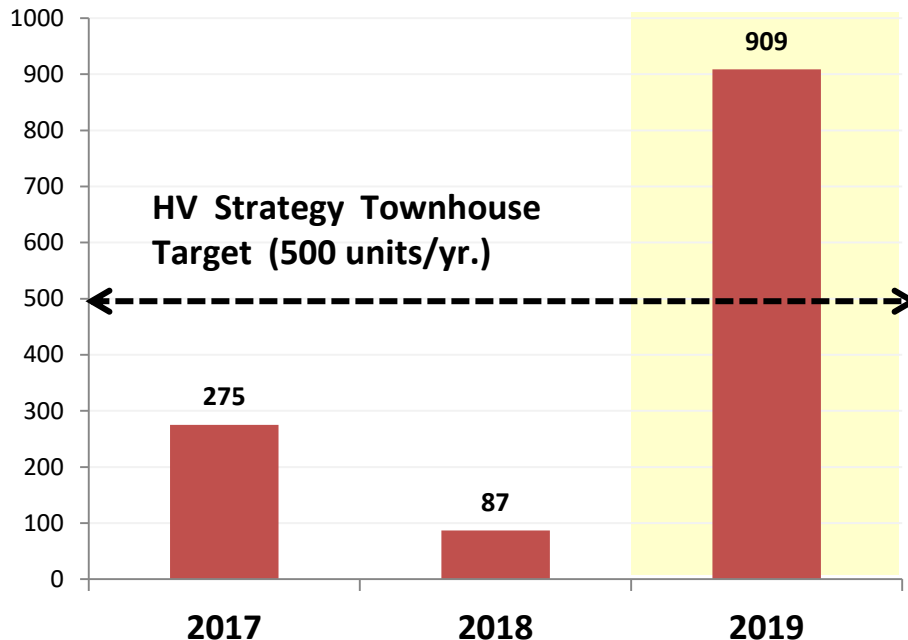
Approximately 3,500 rental, social and supportive housing units under-construction since 2018 are anticipated to complete over the next 2 years

Completions

**Note that annual units under-construction include projects that remained under-construction from previous years*

Townhouses: Record level of approvals in 2019, driven by streamlined rezoning/pre-zoning processes

Townhouse Approvals By Year Since 2017

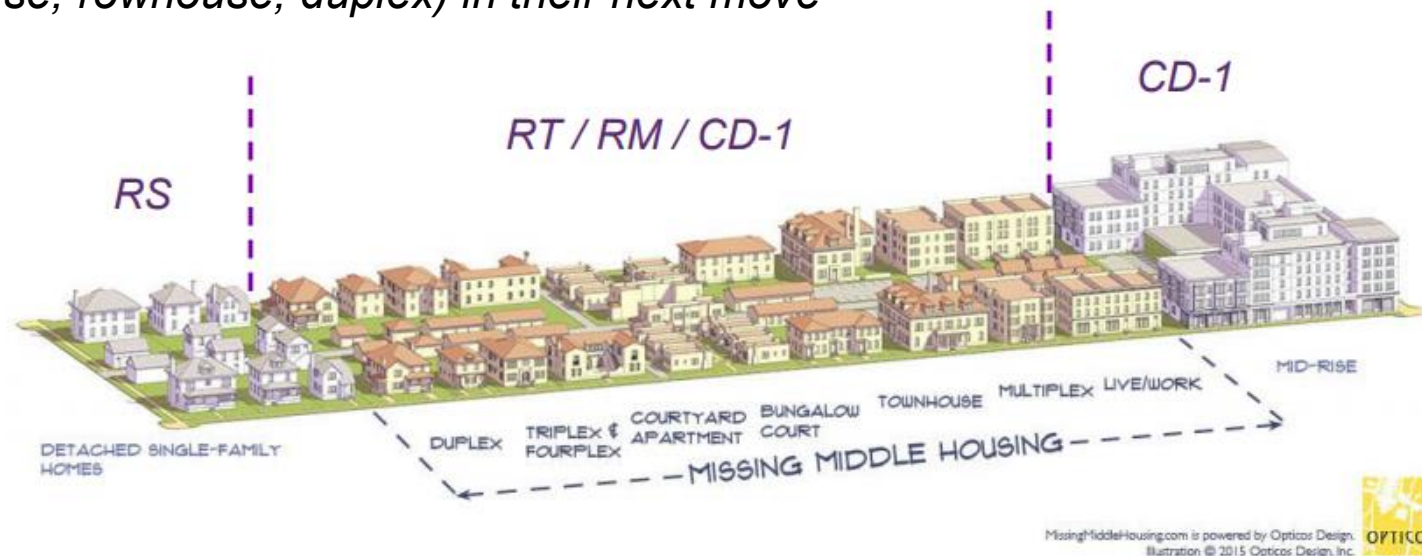


Townhouses provide new ground-oriented home-ownership options for families and downsizing seniors.

- ~800 units delivered in Cambie Corridor via new simplified rezoning process in new community plan
- Additional ~100 units delivered via prezoning process in Norquay Village community plan
- 2019 approvals exceed annual Housing Vancouver target by 86%

What we Heard: Residents Prefer “Missing Middle Housing”

Housing Vancouver Engagement in 2017 (+10,000 participants) found that both renters and owners in Vancouver are looking for “missing middle” forms of housing (e.g. townhouse, rowhouse, duplex) in their next move

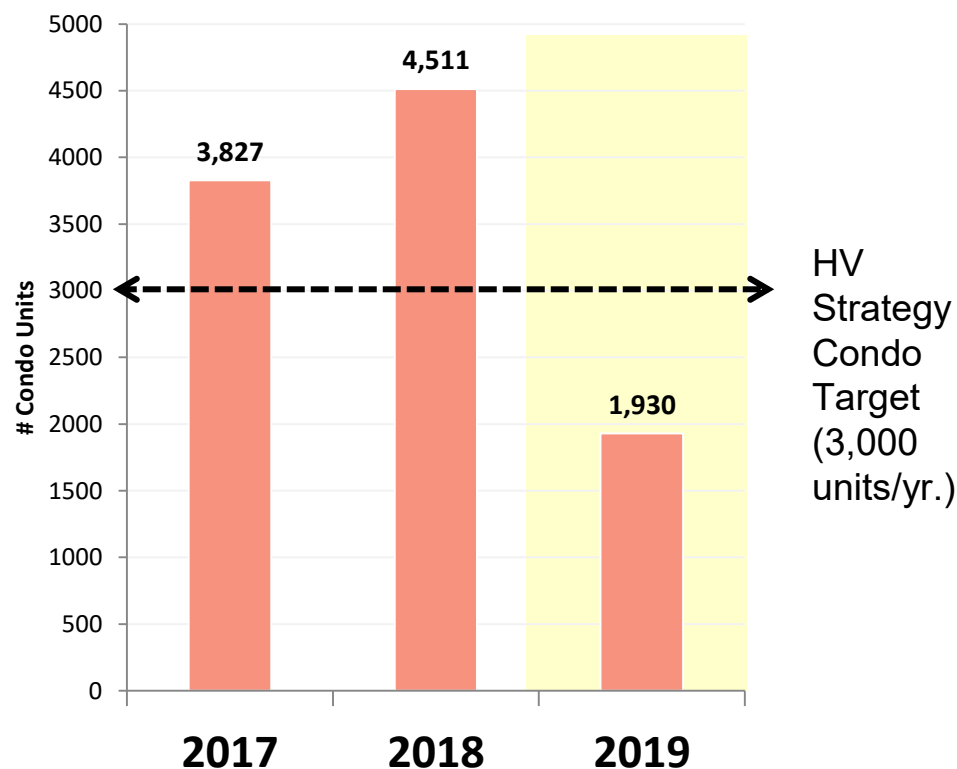


- In 2016, townhouses only made up ~3% of all housing in Vancouver (9,800 units)
- ~900 townhouse units approved in 2019 will grow the entire townhouse stock by almost 10% in Vancouver

Condominiums: 2019 approvals are down, but three-year average continues to exceed annual target

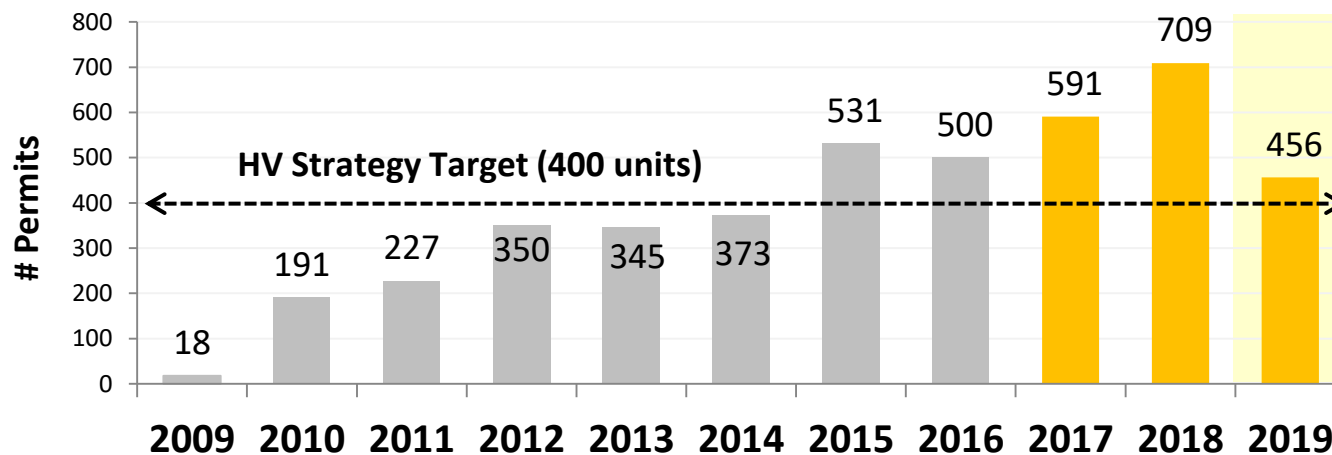
- Condominium approvals 2019 were <50% of 2018 levels
- 3 year average of 3,400 homes/year continues to exceed the annual HV target.
- Lower approval volume may be due to uncertainty in the pre-sale market

Condo Approvals By Year Since 2017



Laneway Houses: Continue to exceed annual laneway targets

Laneway Approvals by Year (2009-2019)

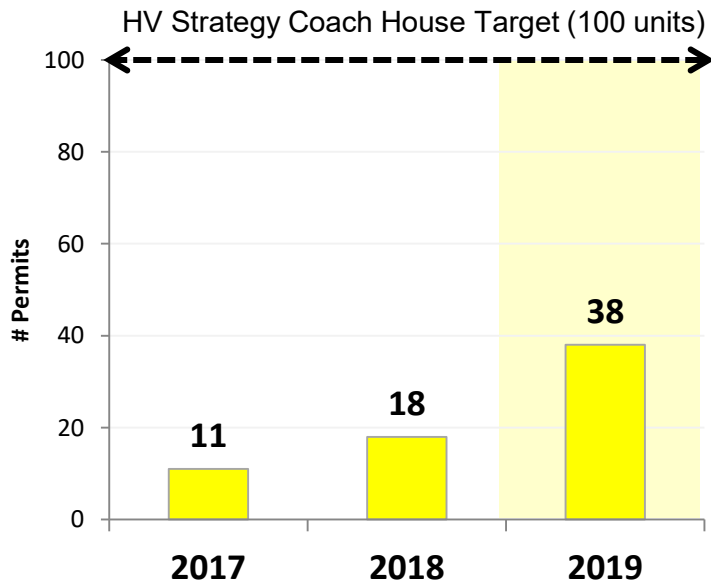


Laneways are a form of infill housing that cannot be strata-titled

- 456 laneway house permits issued in 2019, 14% above target
- Total of 4,291 laneway house permits issued since program was launched in 2009 (average of 390/year)

Coach Houses: First year of data on coach houses

Coach House Approvals by Year



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

- 40 coach house permits issued in 2019 - first year of data collection.
- Majority of new coach homes were enabled through the Character Home Retention Incentives program

2019 Approved Developments with Tenant Relocation Plans



- On June 11, 2019 Council approved amendments to the Tenant Relocation and Protection Policy, with increased compensation, support, and notification requirements as well as expanded coverage to some existing secondary rental homes
- The previous 2015 Tenant Relocation and Protection Policy continues to apply to development applications in place before the new policy came into effect*



*2019 policy applies to rezoning applications at or before public hearing stage as of June 11, 2019, and development permit applications as of June 11 2019. Coverage of secondary rental units under a development permit application began in September 2019.

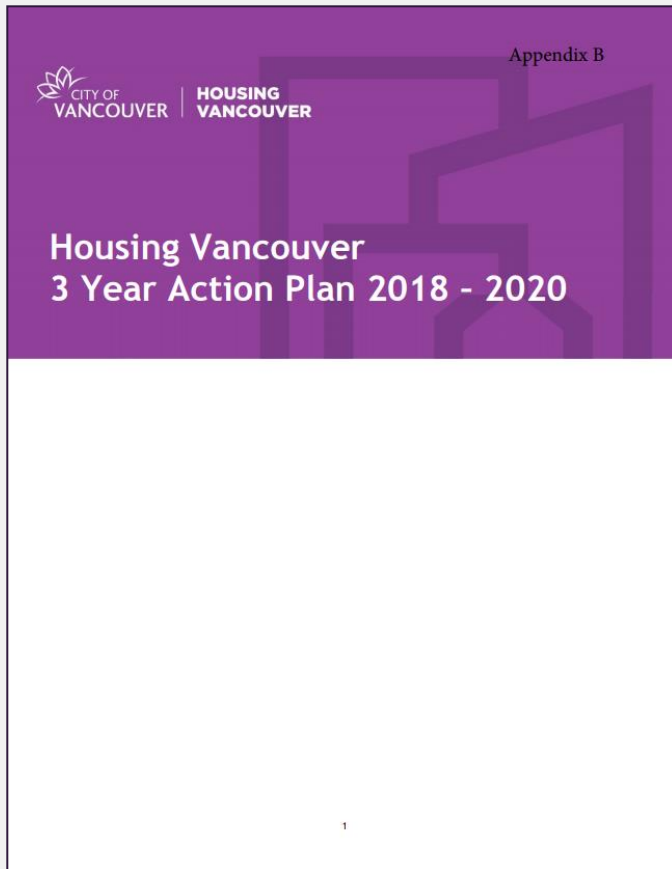
2019 Approved Developments with Tenant Relocation Plans

In 2019, there were 24 approved developments with Tenant Relocation Plans, impacting 159 eligible tenancies

		# of Developments	# of Eligible Tenancies*
Total 2019 Approved Developments with a Tenant Relocation Plan (TRP)		24	159
Approved Developments with a TRP under previous 2015 Policy (primary rental only)		9	114
Approved Developments with a TRP under new 2019 Policy		15	45
	<i>Primary Rental Projects under 2019 Policy</i>	1	36
	<i>Secondary Rental Projects under 2019 Policy</i>	14	9

* Tenancies are generally considered eligible if tenants have been living in the building for one year or more at the time of application. The amended TRP Policy exempts secondary rental tenancies entered into after the purchase of the property that are of a length of two years or less as of the date of the rezoning application, as well as former owners renting back their home.

Housing Vancouver Action Plan






Select Key Actions in 2019:

- Allocation of Empty Homes Tax revenue to:
 - Launch \$25M Community Housing Incentive Program grants
 - Purchase of Ross House in DTES for LGBTQ+ housing needs
- Approved expropriation of Regent and Balmoral hotels in the DTES
- Implementation of SHORT Pilot Program to expedite approvals of social housing
- Completion of Rental Incentive Review + new Secured Rental Policy
- New Renter Advocacy and Services Team
- Updated Tenant Relocation and Protection Policy and work with Province to address renovictions
- Launch Vancouver Plan and Broadway Plan
- Implementation of new duplex option in RS zones

Summary

Progress Toward 10-year and Annual Targets

Building Type	Housing Type	HV 10-Year Targets	Units Approved Towards HV 10 Year Targets, since 2017	% Progress Towards HV 10 Year Targets	HV Annual Targets	Units Approved in 2019	% Progress Towards HV Annual Targets
 Apartment	Social & Supportive	12,000	4,458	37%	1,200	738	62%
	Purpose-Built Rental	20,000	3,092	15%	2,000	1,239	62%
	Condos	30,000	10,268	34%	3,000	1,930	64%
 Infill	Laneways (Rental)	4,000	1,756	44%	400	456	114%
	Coach Houses	1,000	67	7%	100	38	38%
 Townhouse	Townhouse	5,000	1,184	24%	500	909	182%
Total:		72,000	20,825	29%	7,200	5,310	74%

2019 Progress:

- Ahead of annual targets for townhouses and laneways; behind on purpose-built rental, social and supportive housing, and condos
- First year of tracking approved developments with Tenant Relocation Plans

Overall Progress:

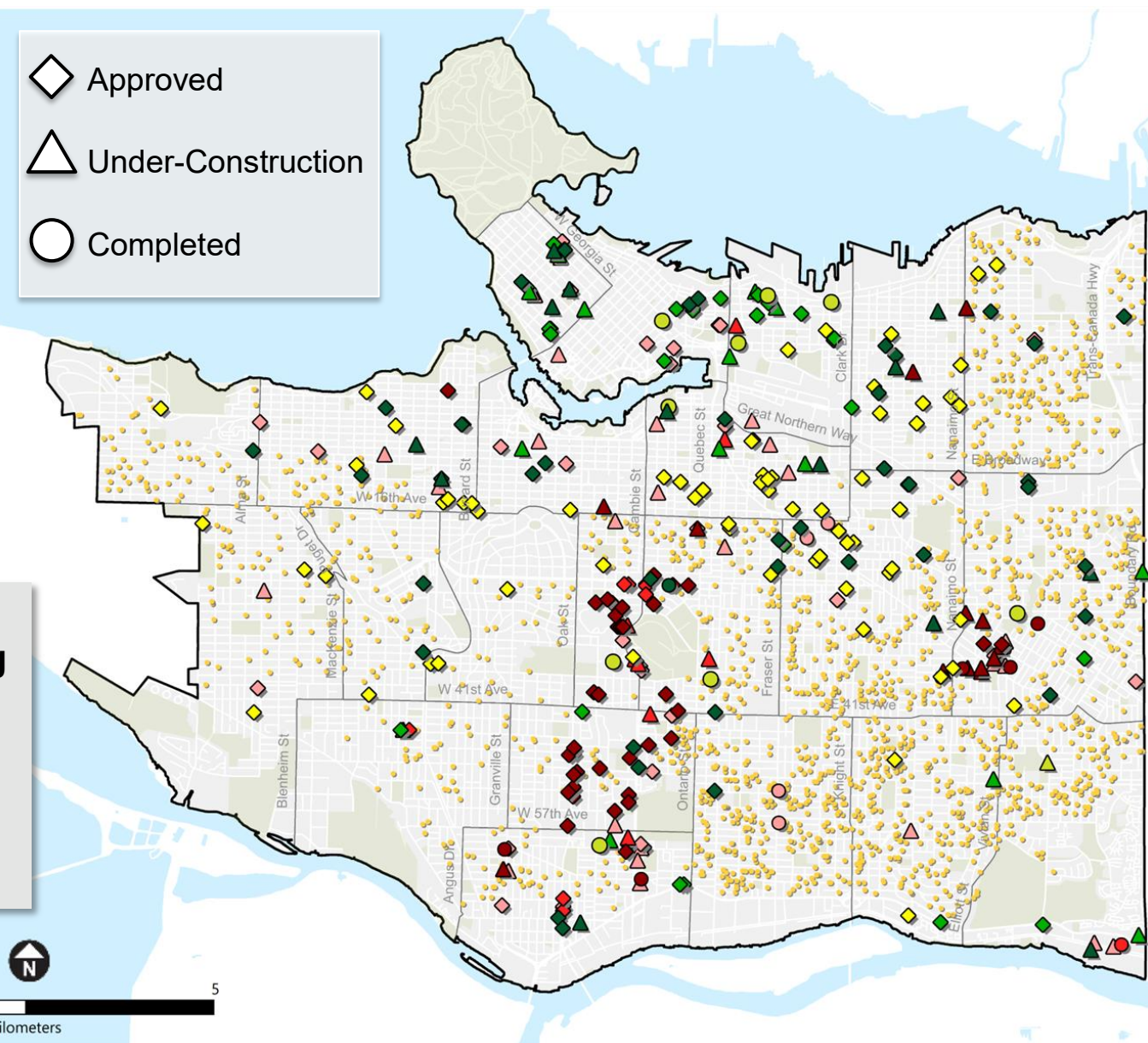
- On track toward 10-year targets for social and supportive housing, condominiums, and laneways; behind on purpose-built rental and townhouses

Map of Housing Approved from 2017-2019 by Housing Type

Legend	Housing Type
	Supportive Housing
	Social Housing
	Purpose-Built Rental Housing
	Condos W/O Townhouses
	Mix Condos and Townhouses
	Townhouses W/O Condos
	Laneways (Rental)
	Coach Houses

- ◇ Approved
- △ Under-Construction
- Completed

Over the last 3 years the majority of housing has been approved in growth areas such as Cambie Corridor enabled by community plans



Summary

In the first 3 years of Housing Vancouver (2017-2019):

- Exceeding targets for family housing
- Making progress toward targets for rental tenure, but work needed on secured rental housing delivery
- Work needed to deliver new housing affordable to low and moderate incomes below \$80K

In 2019:

- Modest progress toward social and supportive housing
- Behind target for purpose built market and below-market rental
- Record level of townhouse approvals driven by streamlined rezoning and pre-zoning processes

