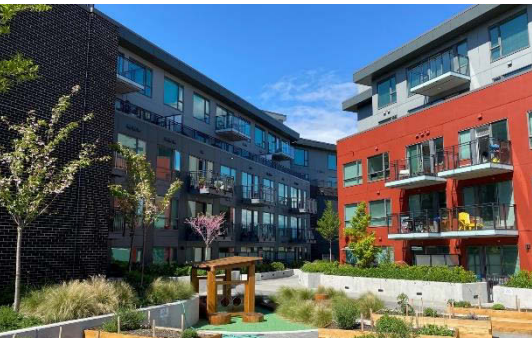




VANCOUVER HOUSING NEEDS REPORT

EXECUTIVE SUMMARY

April 2022



Executive Summary

In response to increasing concerns about housing costs and their impacts on residents across British Columbia, the BC Provincial government introduced a new Housing Needs Report requirement for all BC municipalities, taking effect in 2019. After the first report is received, municipal councils must receive a report at least once every 5 years including data and analysis on current and anticipated housing needs.

This document is a Housing Needs Report for the City of Vancouver, which includes data and analysis on the housing situation of Vancouver residents and an accounting of current and future housing need, based in large part on 2016 Census data. A revised Housing Needs Report will be brought forward to Council in 2023 with updated data from the 2021 Census, which is being released by Statistics Canada over the course of 2022.

Key Findings

Vancouver's Housing Needs Report includes in-depth data and analysis of the housing characteristics and needs of Vancouver residents, informed by extensive engagement with local housing experts and senior government partners. The report identifies the following key findings:

1. **There is significant housing need in Vancouver**, including unmet needs among existing residents, as well as anticipated demand from future residents and a changing population. Following Provincial guidance, estimates of housing need in Vancouver's report are presented in terms of the number of current and future households, identifying approximately 86,000 existing households in need, and future housing demand from approximately 50,000 anticipated households over the next ten years. Substantial housing need in Vancouver is also demonstrated through market indicators like low rental vacancy rates, rising rents and home prices, and waitlists for non-market housing.
2. **Housing need spans across Vancouver and the region**, with all regional municipalities feeling the pressures associated with increasing demand and a constrained housing stock. Migration from within and outside Canada and job growth are key drivers of housing demand in Vancouver and the region, as are demographic changes including smaller household sizes, millennial household and family formation, and an aging population.
3. **Housing needs in Vancouver are diverse**, with needs identified across the full range of household types, incomes, and occupations. Housing affordability pressures impact many households, but fall disproportionately on households earning lower incomes and equity-denied groups. Rising prices and rents and limited availability mean these households face a higher risk of displacement and housing insecurity or homelessness.
4. **Housing needs are not housing targets**. Vancouver's Housing Needs Report does not identify housing targets for the specific number or type of new homes that the City should target in ten years to meet needs. However, a decades-long shortfall in rental and non-market housing construction and limited ground-oriented 'Missing Middle' options in Vancouver suggest the need for significant scaling up of these housing types, both to accommodate needs of a growing population and to address an achievable portion of the backlog of existing needs. Concurrent work on refreshing the existing

Housing Vancouver targets will consider housing needs identified in this report along with other key factors including City and partner capacity and available funding to determine the amount and type of new supply the City will target over ten years.

Report highlights

Part 1: Vancouver Housing Profiles

Part 1 of Vancouver's Housing Needs Report provides detailed data and analysis of the housing characteristics of Vancouver households, including incomes, composition, age, occupations, and migration status. Where possible, comparisons to the broader Metro Vancouver region are integrated into the analysis. Analysis in Part 1 suggests that Vancouverites require a diverse range of housing options to meet the breadth and diversity of household needs in the city.

Key Findings:

- Vancouver makes up 25% of the region's population and 29% of the region's dwellings, and is home to over 660,000 people as of the 2021 Census. Vancouver is growing, with a population growth rate of nearly 5% between 2016 and 2021, adding close to 31,000 net new residents.
- Vancouver's economy is also growing, with significant job growth forecast in the next ten years across sectors. A growing economy is supporting income growth overall, with median couple incomes growing nearly 40% between 2011 and 2019 (the most recent year with available data), and median single incomes growing by 26% in the same period. However, even with incomes rising overall, almost 23% of Vancouver households fell below the Census low-income measure, earning less than half of the median Canadian adjusted after-tax income.
- Vancouver and the region are experiencing significant housing price growth across all types and tenures. The benchmark price for detached homes for East Vancouver has increased by over 100% since 2010; across the region, detached home prices increased by over 95% in the same period. While data on wealth is limited, existing analysis suggests that access to inter-generational wealth continues to play an important role in helping local households access ownership housing. Rents in Vancouver increased by over 45% between 2011 and 2021, and over 50% across the region. Vacancy rates in Vancouver and the region have remained extremely low near 1%, with the exception of 2020 during the COVID-19 pandemic. At least 2,000 people were experiencing homelessness in March 2020, and almost 7,000 residents were living in SROs as of 2019.
- Vancouver's population is changing. Vancouver is a major destination for migration from within and outside Canada, with almost 60,000 households moving to the city between Census 2011 and 2016. The vast majority of recent migrants are renters, who tend to be younger and earn lower incomes than existing residents. In the same period, almost 20,000 households left Vancouver to live elsewhere in Metro Vancouver; these households tended to be higher-income working-age couples with or without children, looking for ownership opportunities. Vancouver is also experiencing the same demographic shifts taking place across Canada, including an aging population and a growing cohort of family-age millennials.

- Vancouver is a leader in the region in terms of housing delivery, particularly when it comes to delivering new rental housing. However, both Vancouver and the region are still making up for a decades-long shortfall in rental and non-market housing delivery.

Part 2: Community Profiles

Part 2 of Vancouver's Housing Needs Report explores housing information specific to communities disproportionately impacted by housing insecurity. These include Indigenous people, low-income households, lone parents, persons with activity limitations, racialized individuals, seniors, at-risk youth. While the challenges created by a tightening housing market are being felt across the city, certain demographic groups are being impacted more than others, reflecting the need for tailored approaches to address needs.

Key Findings:

- Equity-denied groups including Indigenous and racialized households, renting seniors, lone-parent households, and people with accessibility needs are disproportionately represented among low-income households facing housing insecurity.
- Access to ownership opportunities varies significantly among communities. Seniors in Vancouver have a high rate of homeownership relative to the general population, as do white households. We also observe high homeownership rates among persons of Chinese and South Asian identities, compared to a higher share of renters among Arab, Latin-American and Black people. Low-income households are disproportionately likely to be renters.
- Indigenous households face unique housing challenges rooted in the legacy of colonialism. Indigenous households are disproportionately renters, and almost half of Indigenous households spend 30% or more of their income on shelter. These needs are reflected in work by local First Nations and groups like the Aboriginal Housing Management Association (AHMA) to advocate for partnerships to deliver secure, affordable housing for Indigenous people in Vancouver and the region.
- Homelessness and housing insecurity remain significant issues in Vancouver, impacting a diverse population group. People who are Indigenous and Black continue to be overrepresented among those experiencing homelessness, as are members of the 2S/LGBTQIA+ community. Many experience homelessness for the first time at a young age, making homelessness an important youth housing issue.

Part 3: Current housing need and future housing demand in Vancouver

Part 3 of Vancouver's Housing Needs Report responds to Provincial requirements to identify and estimate current and anticipated housing need in Vancouver. This part of the report outlines the key indicators that make up the City's estimates, outlines data sources used, and highlights potential limitations.

Analysis in part 3 identifies diverse sources of existing need, including existing residents in unaffordable, unsuitable, or inadequate housing; and residents who are experiencing homelessness or living in a Single-Room Occupancy hotel (SRO). The report also explores key

drivers of future housing demand including population growth from jobs and migration, and population changes due to demographic trends and shrinking households. Finally, the report identifies and estimates unmet needs not accounted for in Census data or projections. Estimates from these various sources suggest a significant overall level of current need and future demand.

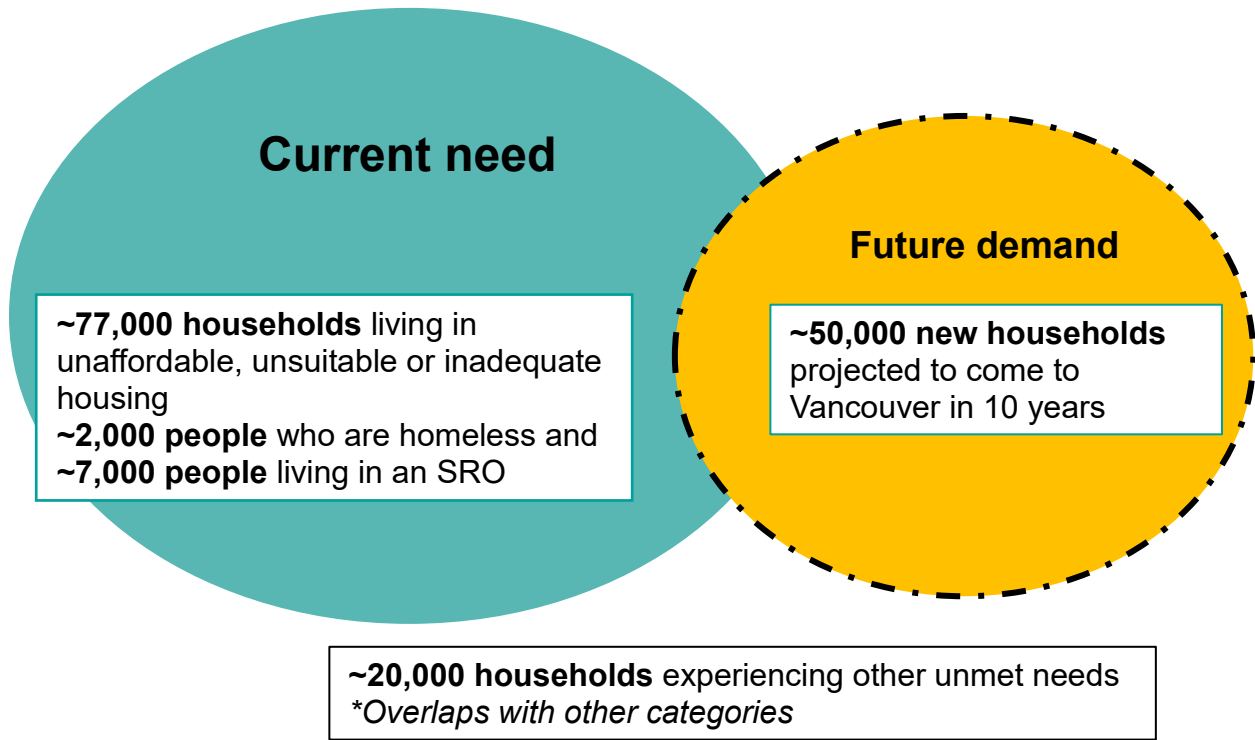
Housing Needs vs. Housing Targets: Estimates of housing need in this report should not be interpreted as targets for the amount or type of housing to address needs. Housing needs are important for informing housing targets; however, targets are also determined by other important factors such as City and partner development capacity, senior government funding available, and trade-offs with other Council and City priorities.

Key Findings

- *Current housing need from existing households:* Approximately 77,000 households in Vancouver are experiencing housing need due to unaffordable, unsuitable, or inadequate housing, as reported in 2016 Census data, plus approximately 2,000 individuals experiencing homelessness and 7,000 people living in Single-Room Occupancy (SRO) hotels.
- *Anticipated future housing demand from a growing and changing population¹:* The Housing Needs Report includes a projection of approximately 50,000 additional households (~85,000 people) in Vancouver over the next ten years, representing future housing demand. This projection is based on the City's ten-year development forecast of anticipated completions and recent household formation trends from Census data. The actual level of population growth in Vancouver will depend on factors including economic and job growth, housing market forces, migration to Vancouver from within and outside Canada, and changes in dwelling growth not accounted for in the development forecast.
- *Other sources of unmet need:* Vancouver's assessment of current housing need also considers other sources of unmet housing need not directly accounted for in Census data or projections, such as changing household formation or households leaving the city, as well as indicators of a constrained housing system like persistently low rental vacancy rates and rising rents and prices. These other sources of housing need are challenging to quantify and involve potential double counting with other categories of need; an initial estimate suggests approximately 20,000 homes are required to address these additional unmet needs.

¹ Provincial legislation asks municipalities to report the “number of housing units to meet current housing needs and anticipated needs for at least the next five years.” For the purposes of this Housing Needs Report, Staff have used the terminology of “future housing demand” in place of “anticipated housing need,” noting that future demand more clearly captures the difference between existing households experiencing need vs. demand from new households.

FIGURE 1 - ILLUSTRATION OF CURRENT NEED AND FUTURE DEMAND ESTIMATES FOR VANCOUVER (2022-2032)



- *Caveats and Data Limitations:* Analysis in Part 3 emphasizes that housing need and demand numbers should be interpreted as estimates based on available data. They are not comprehensive and involve limitations and risk of double counting. Estimates are instead intended to represent the order of magnitude and basic characteristics of households experiencing need for affordable, suitable, and adequate housing now and in the future.

Conclusion

This Housing Needs Report provides data on housing needs in Vancouver, using the most recent available data. Staff plan to bring back an updated Housing Needs Report in 2023, following the release of all 2021 Census data. This needs assessment will also be used as a basis for consultation and engagement with stakeholders, experts, and the community over the coming months. Consultation will focus on learning whether the lessons of this report resonate with Vancouver residents; and specifically how to reflect the needs of equity-denied communities in Vancouver, whose experiences are often under-reported or absent in conventional data sources.