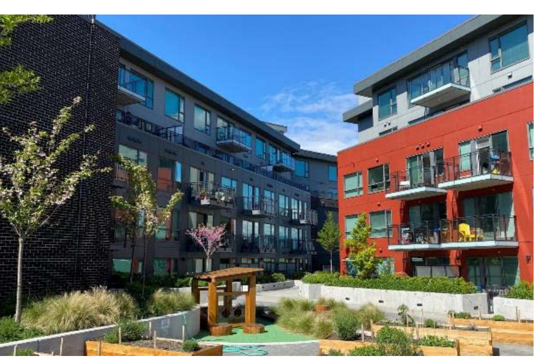
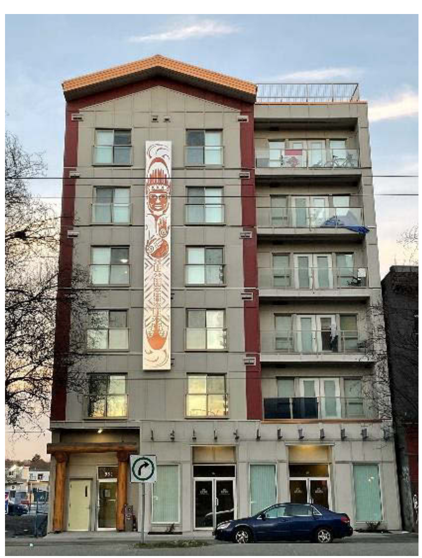
CITY OF VANCOUVER HOUSING NEEDS REPORT

April 2022





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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

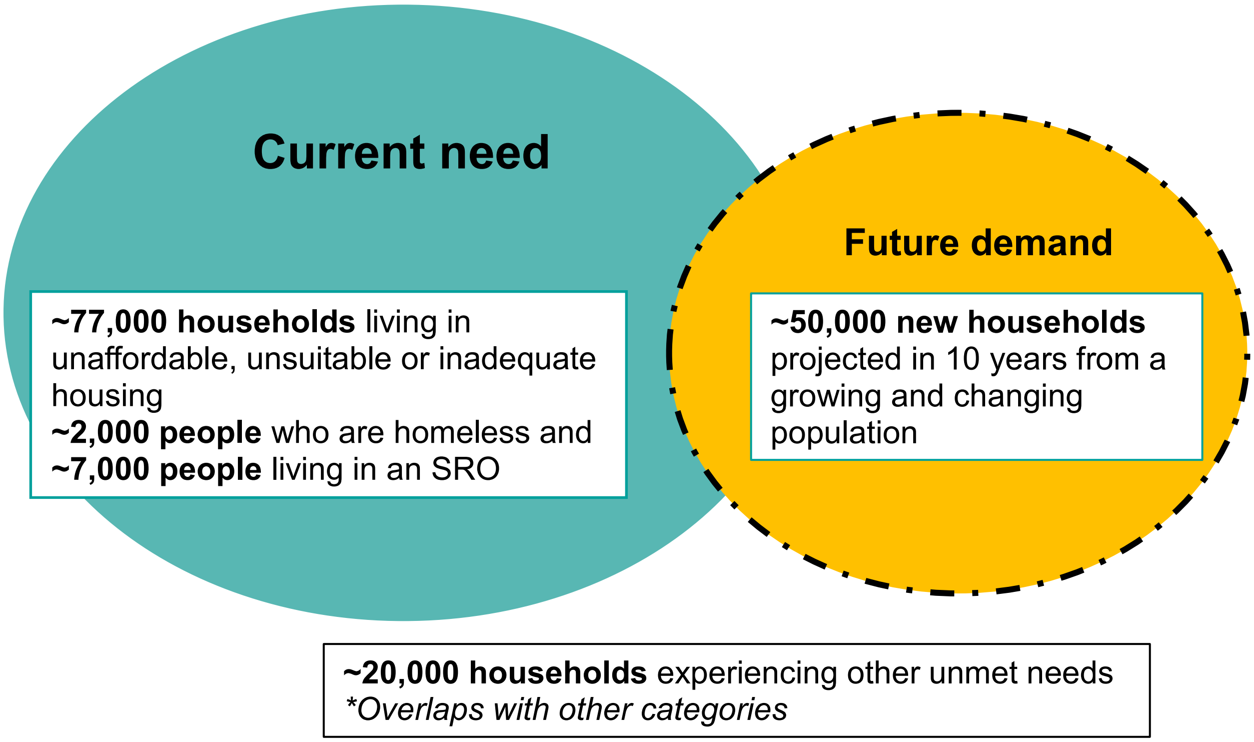
- *Current housing need from existing households:* Approximately 77,000 households in Vancouver are experiencing housing need due to unaffordable, unsuitable, or inadequate housing, as reported in 2016 Census data, plus approximately 2,000 individuals experiencing homelessness and 7,000 people living in Single-Room Occupancy (SRO) hotels.

- *Anticipated future housing demand from a growing and changing population*[1]: 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.

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Introduction

Vancouver is the economic centre of the Metro Vancouver region, one of Canada's fastest-growing regions due to its natural setting, amenities, and access to jobs and leading post-secondary education institutions.

Vancouver is also known for its high and escalating home prices. From 2011 to 2021, the benchmark price of a single detached home increased by nearly 110% (MLS HPI®, Vancouver East).[2] As well, average rents in purpose-built rental increased by 46% over the same period (CMHC). Rising home prices and rents are a significant concern to many Vancouverites, who see affordability as a barrier to maintaining secure housing and staying in the city long-term.

People from equity-denied communities – including residents who are Indigenous and Black; seniors; lone-parent households; and 2S/LGBTQIA+ – experience intersecting challenges and report being at especially high risk of being priced out of Vancouver, and are overrepresented among Vancouverites experiencing housing insecurity or homelessness.

Overview and document structure

This Housing Needs Assessment is intended as a companion to the Housing Vancouver Data Book, which contains data and analysis on Vancouver's housing stock, market trends, and housing demand. Building on the Housing Vancouver Data Book, Vancouver's Housing Needs Report contains data and analysis in three parts.

- Part 1 provides an overview of the housing situation of Vancouver residents across the spectrum of incomes, household types, ages, and migration status, drawing primarily on Census data. The analysis includes information on tenure and household characteristics; locations and structure types; and affordability over time. Part 1 also includes an overview of housing delivery trends in Vancouver. This data is intended to build on analysis in the 2019 Housing Vancouver Data Book, and includes references to the Data Book for further reading.

- Part 2 details profiles of need among specific communities and equity-denied groups in Vancouver – aiming to address some of the gaps in knowledge insufficiently captured in conventional data sources.

- Part 3 identifies and estimates existing housing need and future housing demand in Vancouver, as required by the Province. This section also addresses other sources of housing need not captured in Vancouver's estimates, like low vacancy rates and families leaving Vancouver, as well as key drivers of future housing demand, including job growth, immigration targets, and demographic changes. Part 3 also includes statements of housing need required by the Province to highlight needs for specific types of housing or key communities.

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[2] Benchmark price established by MLS Housing Price Index® and reported monthly by the Real Estate Board of Greater Vancouver

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Process – Current and future

Provincial Housing Needs Report legislation requires local governments to collect data, analyze trends and present reports that describe current and anticipated housing needs in B.C. communities at least once every five years. Appendix A of this needs report includes Vancouver's completed Housing Needs Summary Form, as required in the legislation. Required collected data has been prepared for the City of Vancouver by Metro Vancouver Staff, supplemented by City Staff with additional data, and is available in a separate document on the City of Vancouver website.[3]

This Housing Needs Report is intended to satisfy the first Provincial Housing Needs Report deadline in April 2022 and meets all requirements in the Vancouver Charter and its regulations. Vancouver City staff plan to deliver an updated Housing Needs Report in 2023, following the release throughout 2022 of updated census data from the 2021 Census.

This needs assessment will also be used as a basis for consultation and engagement with stakeholders, experts, and the community over 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.

Connecting needs to action

Identifying housing need is an important step, but not an end in itself. The Housing Vancouver Strategy commits Vancouver to several key actions aimed at addressing needs across the spectrum of incomes. These actions include increasing the supply of priority housing types like rental, non-market, and ground-oriented 'Missing Middle' housing; ensuring homes in Vancouver are used as secure homes for current and future residents; protecting the existing affordable rental stock and scaling up the non-market housing sector; supporting Indigenous housing and wellness; and providing the necessary supports to people experiencing or at risk of homelessness. Further detail on Vancouver's actions on housing is available in the Housing Vancouver Strategy.[4]

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3 https://vancouver.ca/people-programs/provincial-housing-needs-report.aspx
4 https://council.vancouver.ca/20171128/documents/rr1appendixa.pdf

Part 1 | Vancouver Household Profiles

Vancouver is home to a diverse population, with people of all incomes, ages, backgrounds, and household types. A first step to understanding the housing needs of Vancouver's diverse households is examining the housing characteristics of Vancouver's population.

This section should be read as a companion to the 2019 Housing Vancouver Data Book. The 2019 Data Book includes data on Vancouver's housing stock (pp. 39-81), housing growth and demand (pp. 83-105), and household characteristics and affordability (pp. 107-163).

Section Overview

This section provides information about the characteristics of Vancouver households, their housing situation, and the broader housing affordability context in Vancouver. It first profiles the composition, age, incomes and occupations of households living in Vancouver, as well as their housing tenure and the type of buildings they occupy. Next is an overview of migration trends into and out of Vancouver in recent years, focusing on the characteristics of new arrivals and people leaving the city. Finally, the section ends with an overview of the characteristics of low-income residents and people facing housing insecurity, as well as data on housing delivery in Vancouver in recent years.

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 five% between 2016 and 2021, adding close to 31,000 net new residents.
- Vancouver's economy is growing, with significant job growth forecasted 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. Benchmark detached home prices for Vancouver East have 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. On the rental side, 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 2,100 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 key destination for migration to the region 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, and 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 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.

Data sources and limitations

This section provides an overview of the housing situation of Vancouverites, largely from census data. Additional data is sourced from municipal records, Canada Mortgage and Housing Corporation (CMHC), Real Estate Board of Greater Vancouver (REBGV), Province of British Columbia, BC Housing, Metro Vancouver, Statistics Canada's Canadian Housing Statistics Program, Taxfiler tables (T1FF) etc. Data presented in this report may thus be valid for different reference dates: most of the latest census data will be as of May 2016, except for a few population figures available for the 2021 Census.[5] CMHC's rental market report provides data as of October 2021. REBGV's housing market indicators are updated monthly, while family income data from Taxfiler statistics are available as of 2019 (custom dataset provided by Community Data Program).

Most data presented in this section is provided at the level of dwellings or households, as the main variables regarding dwelling units are tied to households rather than individual persons. Variables including age, ethnicity, and migration status are linked to the primary household maintainer (PHM).[6]

While Statistics Canada provides data on incomes via taxfiler tables up to 2019, most of the income data used in this report comes from Census 2016 in order to relate to other household variables from the census. Data sources on wealth, a key dimension for ownership and affordability analysis, are very limited.

In this report, "tenure" refers to the type of arrangement through which a person or household has the right to occupy a dwelling unit. The most common types of housing tenure in Vancouver are rental and owner-occupancy. For census data, Statistics Canada considers a household to own their dwelling if at least one member is the official property owner, regardless of the presence of a mortgage. Households that rented their dwellings include households in subsidized housing or receiving rent supplements. Other forms of private tenure not specified in census data such as co-operatives are considered in the renting category.

[5] The remainder of the Census 2021 results will be released progressively throughout 2022 and custom datasets in 2023.

[6] Statistics Canada defines the Primary Household Maintainer as the "first person in the household identified as someone who pays the rent or the mortgage, or the taxes, or the electricity bill, and so on, for the dwelling. In the case of a household where two or more people are listed as household maintainers, the first person listed is chosen as the primary household maintainer." For more information: https://www12.statcan.gc.ca/census-recensement/2016/ref/dict/households-menage020-eng.cfm

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In this report, the Census Metropolitan Area (CMA) of Vancouver is referred to as “Metro Vancouver” or “the region” for clarity, and the City of Vancouver (Census Subdivision, CSD) as simply “Vancouver” or “the city”.

1. Population Profile

As of Census 2021, Vancouver was home to 662,248 residents, up from 631,486 in Census 2016. Vancouver also counted 305,336 private dwellings occupied by usual residents, up from 283,915 in 2016. Below are high-level population statistics for Vancouver and the region from Census 2021 and 2016:

TABLE 1 - POPULATION PROFILE KEY STATISTICS

2021 Population	662,248 (+14.6% since 2006)
2021 Private dwellings occupied by usual residents (proxy for households)	305,336 (+20.5% since 2006)
2016 Average Household Size	2.18 (2.25 in 2006)
2016 Median Age	39.9 (Vancouver)
	40.9 (Metro Vancouver)
2016 Share of Seniors (65+)	15.5% (Vancouver)
	15.7% (Metro Vancouver)
2021 Vancouver Population as Share of Region	25%
2016 Vancouver Households as Share of Region	29.5%
2016 Vancouver Employment as Share of Region	33%

Source: Census 2016, Census 2021

For more details, please refer to additional data collected as part of the provincial requirement.

2. Owner and Renter Households

The share of households renting in Vancouver has grown in recent census periods and represented more than half of the total households (53%) as of Census 2016:150,745 households in Vancouver were renting and 133,160 households owned their homes.

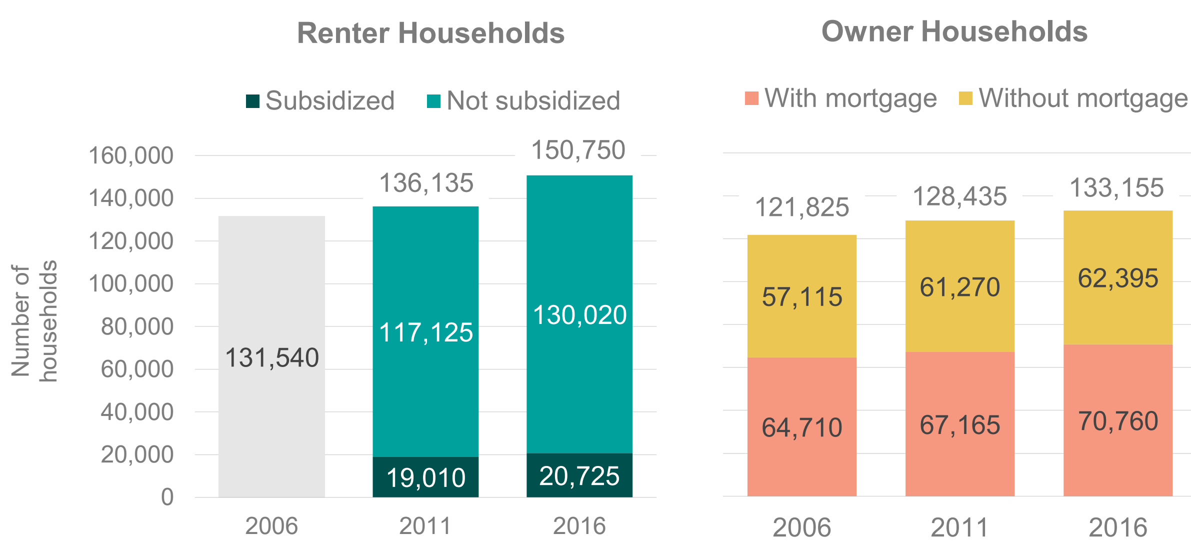
Most renter households in Vancouver lived in non-subsidized housing, with only about 14% of renters living in subsidized rental units. Just over half (53%) of Vancouver homeowners had a mortgage on their property, with the remaining 47% living without a mortgage.

Conversely, the number of persons in households who owned their homes is greater (55%) than in renter households (45%). This is because owner households were composed of an average of 2.54 persons (including children), while renter households have an average size of 1.86 persons.

Co-operatives are included with rented dwellings in census data, making it difficult to isolate statistics for households living in co-ops specifically. However, based on the City of Vancouver non-market housing inventory, 129 co-ops across the city are home to approximately 6,300 dwelling units as of December 2021.

Limited data is available on other types of housing tenure, such as co-housing, collective dwellings, etc.

FIGURE 2 – HOUSING TENURE OF HOUSEHOLDS, VANCOUVER



Source: Census 2006, Census 2011, Census 2016

For more details, please refer to the 2019 Housing Vancouver Databook[7] (p. 108).

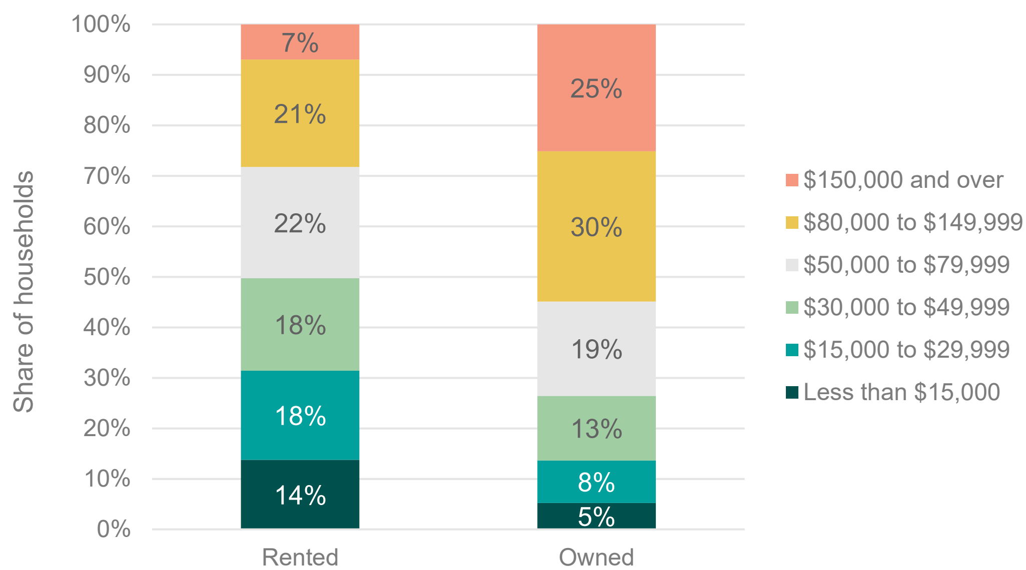
On average across household and family types, owner households tend to earn higher total incomes than renters: In 2016, the median household income was $88,431 for owners compared to $50,250 for renter households. However, in both categories, incomes of all levels can be found, from extremely low (under $15,000 a year) to very high (over $250,000 a year).

The distribution of household incomes by tenure as of Census 2016 confirms that owner households tended to have higher incomes, with more than half (55%) earning $80,000 and over annually, compared to 28% for renter households. On the other end of the spectrum, 32%

7 https://vancouver.ca/files/cov/2019-housing-vancouver-annual-progress-report-and-data-book.pdf

of renter households earned less than $30,000, compared to 14% of owner households. Limited data on wealth among current households prevents analysis of the impact on generational wealth on housing affordability.

FIGURE 3 - INCOME DISTRIBUTION OF HOUSEHOLDS, VANCOUVER



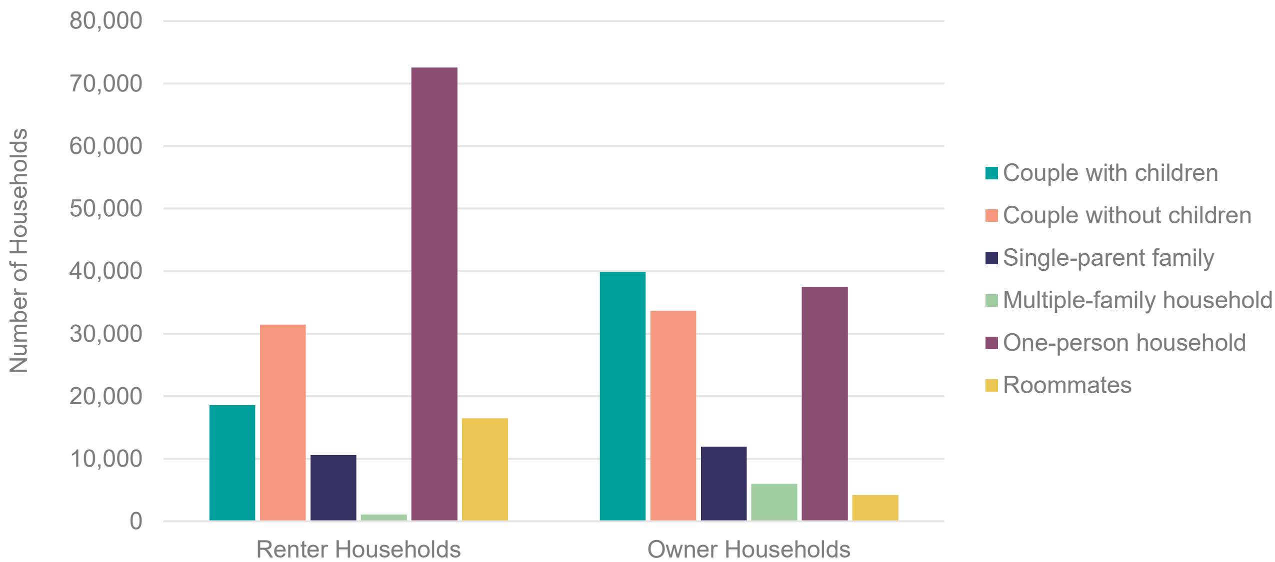
Source: Census 2016

3. Household Composition

a. Household types

One of the main factors to explain the income differences between owners and renters is variation in household composition. Census data shows that owner households are much more likely to be couples, often with a dual income, with or without children. A much greater proportion of renter households are singles, followed by couples with no children. Differences in household composition have a great impact on income level, purchasing power, and affordability.

FIGURE 4 - HOUSEHOLD TYPES[8] BY TENURE, VANCOUVER



Source: Census 2016

TABLE 2 – MEDIAN HOUSEHOLD INCOME BY HOUSEHOLD TYPE, VANCOUVER

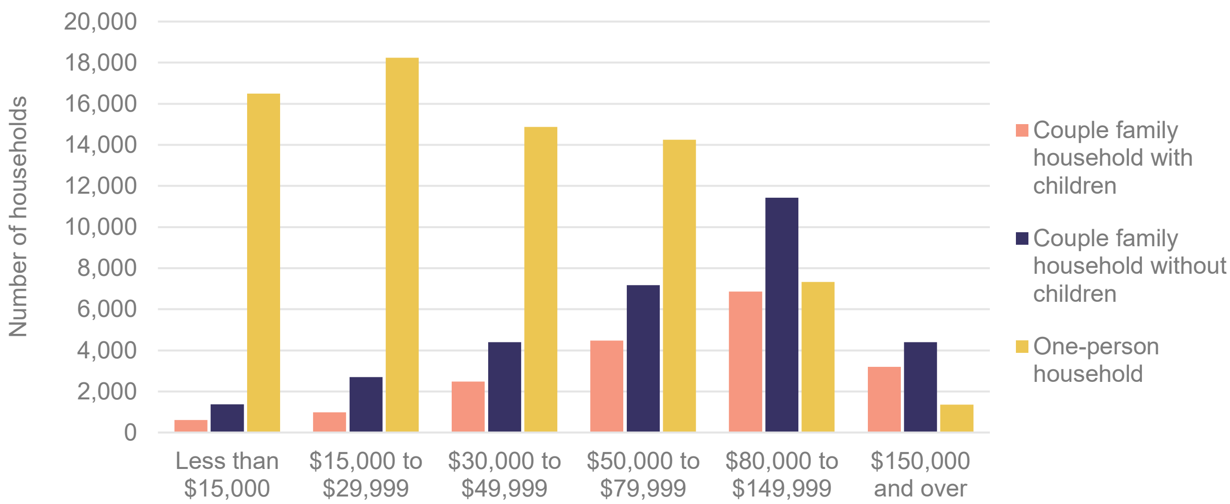
	Renter	Owner
Couples	$80,359	$107,486
Couples with Children	$85,317	$126,898
Lone-parent families	$44,318	$65,588
Multiple-family households	$104,620	$133,392
Single person	$31,907	$52,519
Roommates	$58,821	$73,966
Total	**$50,250**	**$88,431**

Source: Census 2016, Custom cross tabulation for the City of Vancouver

In both tenure categories, household income distributions suggest the impact of having a dual versus a single income on overall household incomes. Fifty-two percent (52%) of renting couple households and 69% of owner couple households earned over $80,000 a year. Single-income households like lone parents and single persons typically have lower incomes, particularly if they are renters. Over 80% of both lone-parents and lone-persons without children made less than $80,000.

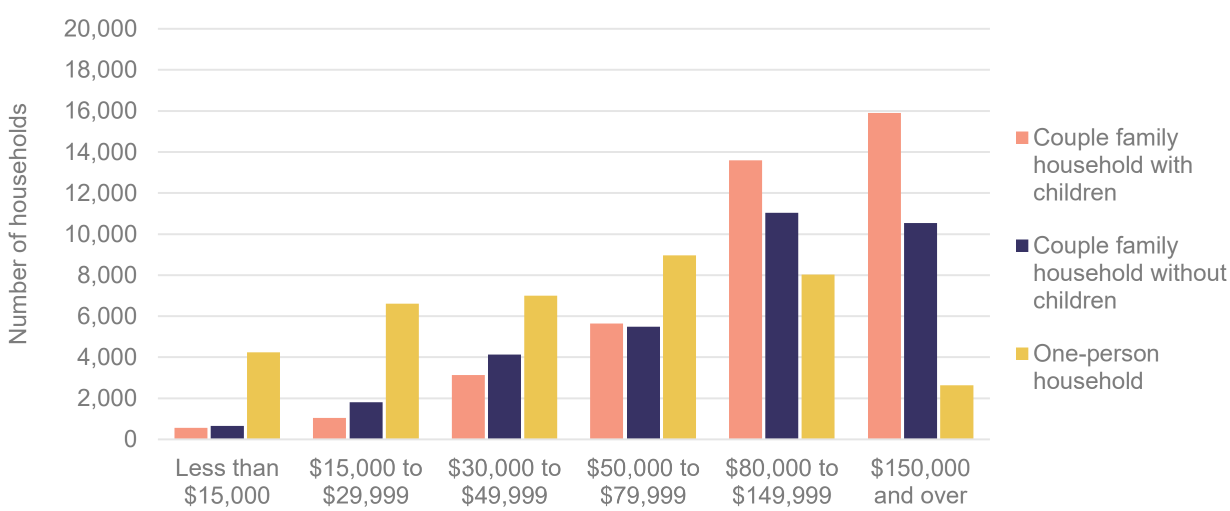
[8] The “roommates” category refers to adults living together who are not part of a census family. A census family is defined by Statistics Canada as “a married couple and the children, if any, of either and/or both spouses; a couple living common law and the children, if any, of either and/or both partners; or a lone parent of any marital status with at least one child living in the same dwelling and that child or those children.”

FIGURE 5 - INCOME DISTRIBUTION OF RENTER HOUSEHOLDS BY HOUSEHOLD TYPE, VANCOUVER



Source: Census 2016, Custom cross tabulation for the City of Vancouver

FIGURE 6 - INCOME DISTRIBUTION OF OWNER HOUSEHOLDS BY HOUSEHOLD TYPE, VANCOUVER



Source: Census 2016, Custom cross tabulation for the City of Vancouver

Single persons made up a much higher proportion of renter households than owner households, representing 48% and 28% of households respectively. Among single renters, 68% earned less than $50,000, compared to 48% for single owners. The high representation of singles among renters is a key contributor to the relatively low average income of renters compared to owners across all households. For this reason, it is important to include analysis by household type in income and affordability analyses.

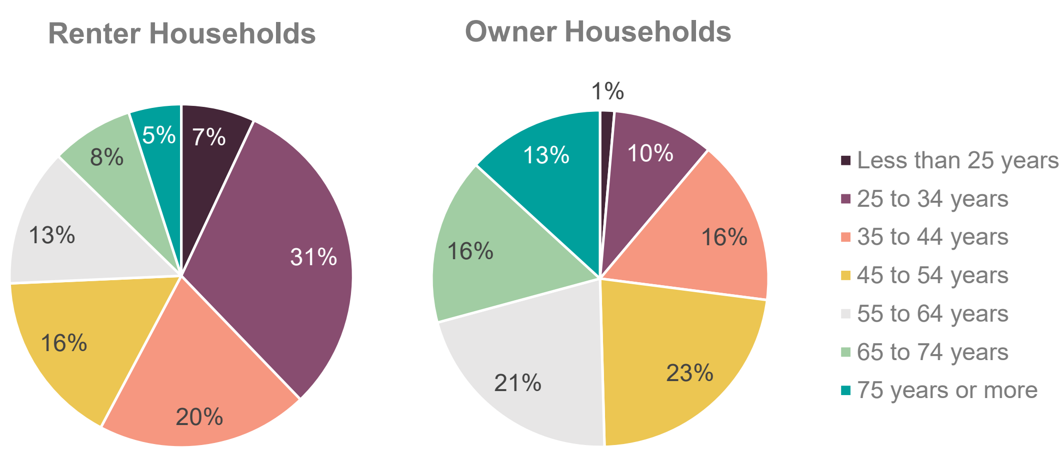
b. Age groups

Another factor of difference between tenures is age and stage in the life cycle of households. Here we look at age of the Primary Household Maintainer (PHM). Overall, renter households tend to be younger than owner households, likely because younger people are more likely to be students or early on in their careers, without sufficient income or savings to support homeownership.

The following points look at how age and tenure vary across household types, looking at singles, couples, families, and roommates:

- Among single-person households, renters tended to be younger, with 34% of renting singles under 35 years old and 19% over 65. Conversely, single owners were more likely to be seniors: 17% of single owners are under 35 and 36% are over 65 years old.
- Among couples without children, owner households were likely to be older: 43% of owner couples without children were over 65 years old in 2016 and 13% under 35. Almost half (52%) of the couples who rent were under 35 years old and 11% over 65.
- Among couple families with children, the largest age groups for owners is the 45-54 years old (35%) and for renters, the 35-44 years old (38%).
- Among households comprised of two or more persons who were not a census family (i.e. roommates), the vast majority of renter households were concentrated in younger age groups 15 to 34 years old. Note that 11% of renter households were made up of 2+ persons not in a Census family, compared to 3% of owner households.

FIGURE 7 - AGE DISTRIBUTION OF PRIMARY HOUSEHOLD MAINTAINERS BY TENURE, VANCOUVER



Source: Census 2016, Census 2016, Custom cross tabulation for the City of Vancouver

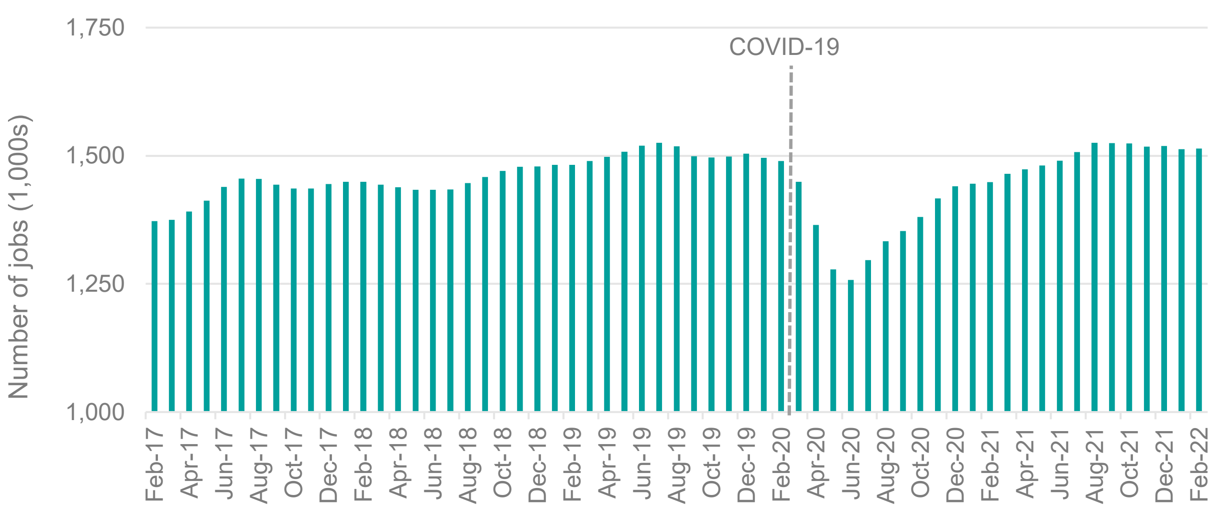
The relationship between age, higher incomes, and housing tenure is further supported by the income distribution of owner and renter households by age group. Most renter households across all age group earned less than $80,000 a year, from 62% of 35-44 year-olds to 88% of

65+ and 90% of 15-24 year-olds. There is greater income diversity among owners, with higher proportions of middle and high incomes in working-age groups 35 to 54 years old and senior age groups (65+).

4. Employment and Economic Sectors

The Labour Force Survey released monthly by Statistics Canada provides regular data on the labour market at regional level. In February 2022, the unemployment rate in Metro Vancouver was 5.2%, down from 7.8% in February 2021, a sign of economic recovery in the wake of COVID-19. For reference, unemployment was 4.3% in February 2020 just before the pandemic. The overall labour participation rate (share of population 15 years and older participating in the labour force) has recovered to pre-COVID levels, at 67.2% in February 2022. Today, Metro Vancouver counts more jobs than it did prior to the pandemic.

FIGURE 8 - TOTAL EMPLOYMENT, METRO VANCOUVER



Source: Statistics Canada, Labour Market Survey, February 2022

Vancouver and the region are experiencing significant economic growth and diversification. From being a primarily resource-based economy in the mid-20th century, Vancouver has shifted to a largely professional, knowledge and service-based economy, with professional, technical and scientific services (includes a large portion of the tech sector) as well as retail trade representing the fastest-growing sectors (+11,000 and +8,300 jobs respectively between 2006 and 2016).[9] Overall, the city is expecting to add up to 121,000 jobs by 2031 (compared to 2016), according to a study by Hemson commissioned by the City of Vancouver.

There is significant variation in incomes within industries. For example, the regional median income for professional, scientific and technical services is $52,130; however, this sector

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[9] Further data on Vancouver's largest and fastest growing industries is available here: https://vancouver.ca/files/cov/1-1-economic-structure-employment-characteristics-of-vancouver.pdf

includes positions in management or technical services, as well as entry-level or casual positions in administration or sales. It also includes a large portion of tech workers, who earn much higher salaries than the overall average.

Vancouver continues to be a preferred location for employers to locate within the region, with approximately 65% of regional office space currently under construction located in the city (Source: Colliers Office Market Report, 2021). However, in a survey from the Employment Land and Economy Review (ELER), business owners identified housing unaffordability in Vancouver as one of the biggest obstacles for economic development. Businesses face challenges attracting and retaining workers as they cannot find or afford housing or childcare close to work. We therefore observe a high number of job vacancies, despite a falling unemployment rate. Among other things, this might further indicate that housing affordability can have a major influence on where people choose to locate.

5. Mobility and Migration

Statistics Canada defines mobility as the status of a person on Census day in relation to their place of residence on the same date one or five years earlier. Migration refers to a person's move from one city or town to another. Here we analyze the five-year mobility and migration of households through the status of primary household maintainers between 2011 and 2016.

In 2016, almost half of Vancouver households had moved at least once in the five years prior to Census. Among these mover households, 56% moved within Vancouver ("internal movers"), 27% moved from another municipality in Canada ("internal migrants") and another 17% from abroad ("external migrants").

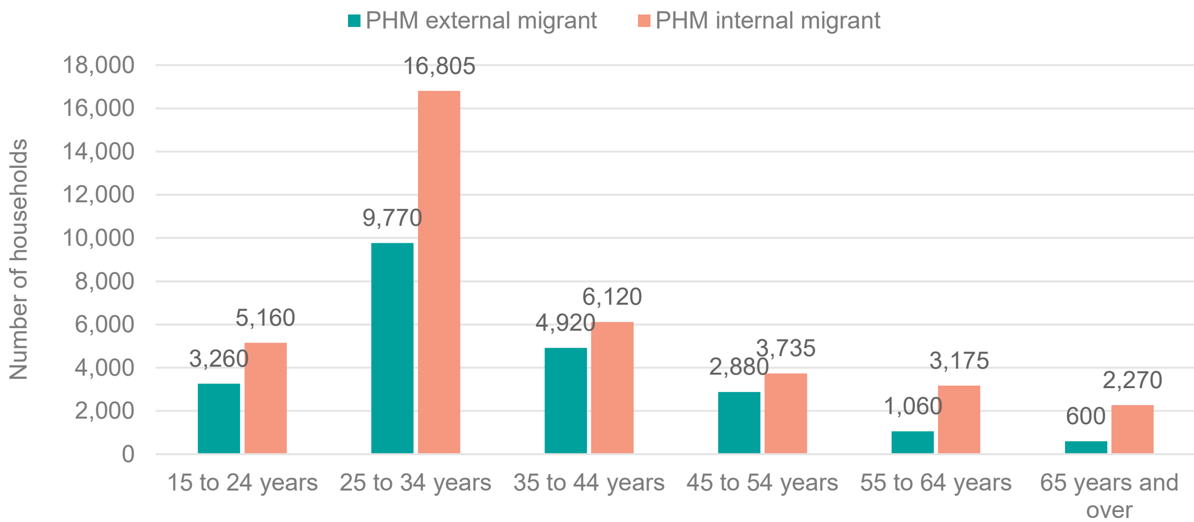
a. Migrants moving to Vancouver

Generally, inter-provincial migrants tend to spread throughout BC but international migrants tend to move to large urban centres like Metro Vancouver, where jobs, services and community supports are located. Forty percent (40%) of new households who moved to Metro Vancouver settled in the City of Vancouver, and approximately 60,000 households moved to the city from within or outside of the region.

The vast majority of all internal and external migrants to Vancouver rented their dwellings (78%). Migrants to Vancouver tended to earn lower incomes compared to all Vancouver households, with 67% of them under $80,000 per year (compared to 39% for overall Vancouver households). One factor for this is that migrants to Vancouver tended to be younger, with 77% under 45 years old, likely including students living in private dwellings. Forty-five percent (45%) of migrants were couples and families, 41% were single persons and 14% were roommates (two or more people who are not part of a family by census definition). Most migrants moved into dwellings located in apartments in multi-unit structures, and 88% lived in dwellings built prior to 2011.

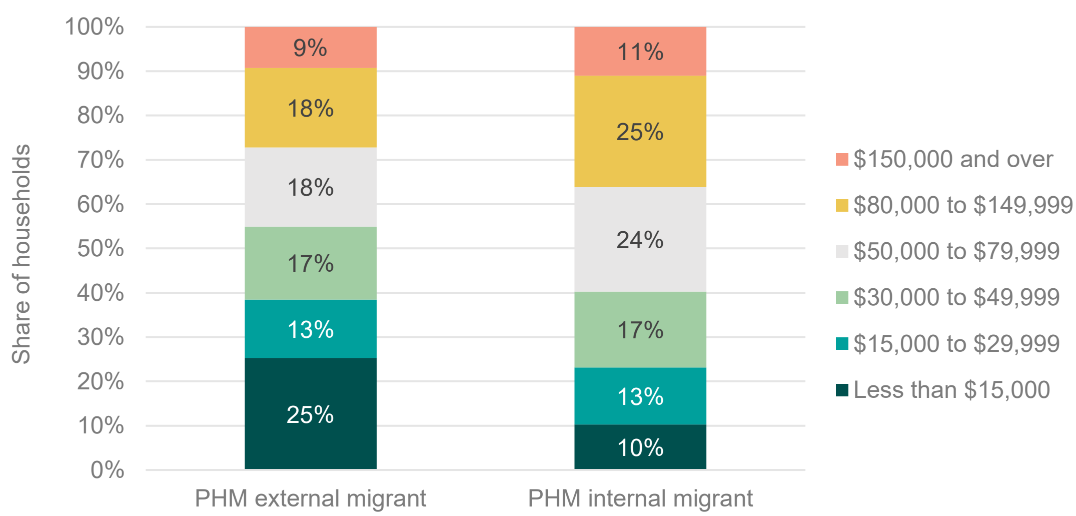
CITY OF VANCOUVER

FIGURE 9 - AGE OF PRIMARY HOUSEHOLD MAINTAINERS WHO MIGRATED TO VANCOUVER BETWEEN 2011 AND 2016



Source: Census 2016, Custom cross tabulation for the City of Vancouver

FIGURE 10 - INCOME DISTRIBUTION OF HOUSEHOLDS WHOSE PRIMARY HOUSEHOLD MAINTAINERS MOVED TO VANCOUVER BETWEEN 2011 AND 2016

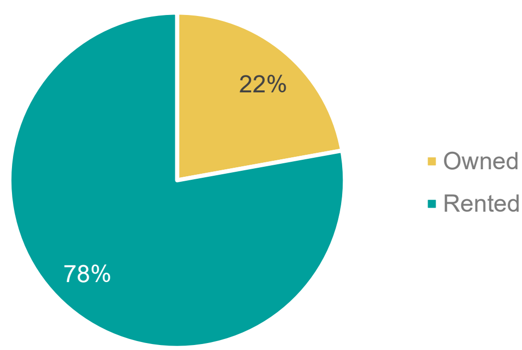


Source: Census 2016, Custom cross tabulation for the City of Vancouver

Among external migrants coming from outside Canada, 37% of those coming to the Metro Vancouver region settled in Vancouver. A third of households whose primary maintainer was an external migrant in 2016 were single persons, while couples with children accounted for 21% and couples without children for 24%. Correspondingly, the majority of external migrants were younger with the largest age groups being 25-34 years old (43%), likely international students and young workers. Ninety-one percent (91%) of this age group rented their dwellings. Owner households were more distributed among working-age groups, with the 45-54 year-olds making up the largest share (28%).

Overall, the median income for external migrants was $43,363, lower than for internal migrants and for all Vancouver households ($65,421). For both owners and renters, 73% of external migrant households earned under $80,000, which was a higher share than for all Vancouver households (59%). A higher share of external migrant owners earned incomes above $150,000 (15%) compared to renters (8%).

FIGURE 11 - TENURE OF HOUSEHOLDS WHOSE PRIMARY HOUSEHOLD MAINTAINERS MIGRATED TO VANCOUVER FROM ABROAD BETWEEN 2011 AND 2016



Source: Census 2016, Custom cross tabulation for the City of Vancouver

TABLE 3 - MEDIAN HOUSEHOLD INCOME BY MOBILITY STATUS OF PRIMARY HOUSEHOLD MAINTAINERS BETWEEN 2011 AND 2016 AND SELECT HOUSEHOLD TYPE

	Couple with children	Single person
Non-mover	$120,456	$37,468
Non-migrant (moved within Vancouver)	$111,696	$40,748
External migrant	$65,387	$24,029
Migrant from within Metro Vancouver	$108,304	$45,945
Migrant from outside Metro Vancouver	$112,333	$41,038
Total	**$111,447**	**$38,646**

Source: Census 2016, Custom cross tabulation for the City of Vancouver

b. Households moving within Vancouver

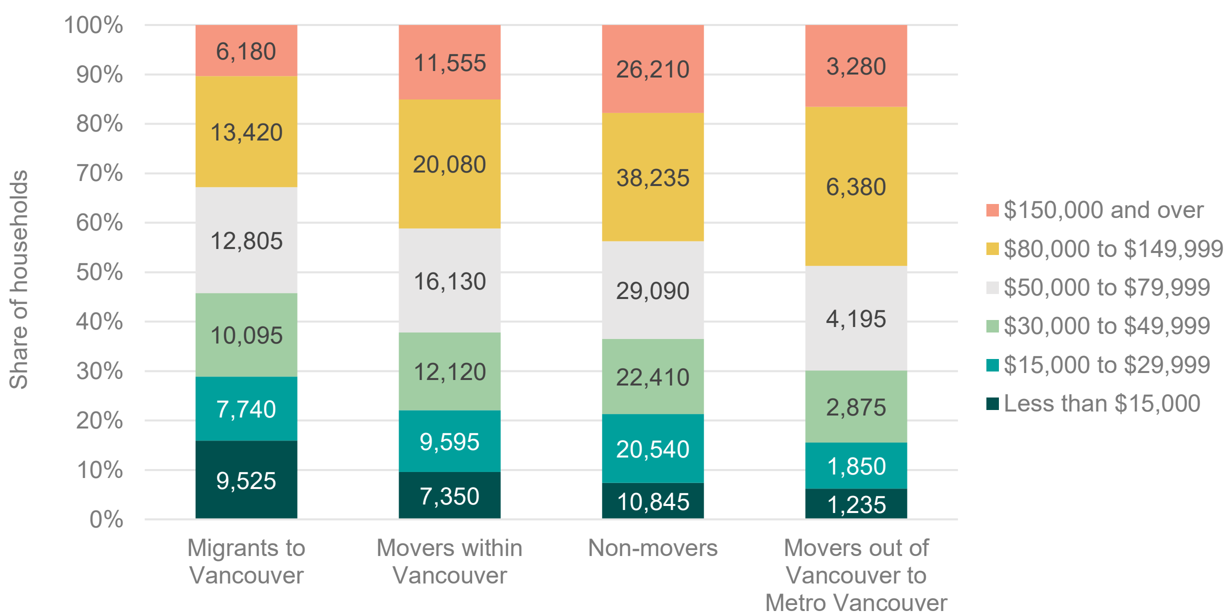
Between 2011 and 2016, nearly 77,000 households residing in Vancouver moved at least once to another dwelling within Vancouver. As was the case for migrant households, a majority of mover households were renters (66%) and primary household maintainers tended to be under 45 years old (62%). The household composition of internal movers was roughly equally distributed between singles and roommates (48%), and couples and families (52%).

Internal movers within Vancouver tended to earn slightly higher incomes than newcomers to Vancouver, with 59% earning under $80,000 (67% for migrant households), and 15% earning over $150,000 (10% for migrant households). Among movers within Vancouver, 15% lived in a dwelling that was recently built between 2011 and 2016, compared to 12% of migrants to Vancouver. More information on movers into newly constructed housing is in the sidebar, *"Who lives in new housing?"*

c. Households Leaving Vancouver

Between 2011 and 2016, approximately 40,000 households moved out of Vancouver to live in another part of Canada. Half of these households moved to another municipality within Metro Vancouver (19,815 households). These households tended to be of working age (76% between 25 and 54 years old) and were couples with or without children (70%). Fifty-one percent (51%) of households who left Vancouver to the rest of the region earned under $80,000, with single-person households and renter households particularly represented in that income range. As well, 64% of households who moved to another part of Metro Vancouver owned their new dwellings in 2016. From this, we can surmise that these families are moving to places where they can afford to purchase suitable housing to meet their needs as well as find security of tenure. Personal preferences may also play a role in choosing to locate further from the urban core.

FIGURE 12 - INCOME DISTRIBUTION OF HOUSEHOLDS BY MOBILITY STATUS OF PRIMARY HOUSEHOLD MAINTAINERS BETWEEN 2011 AND 2016



Source: Census 2016, Custom cross tabulation for the City of Vancouver

SIDEBAR: WHO LIVES IN NEW HOUSING

A common misconception is that newly constructed housing does not serve existing residents. New housing tends to command higher rents and prices compared to existing housing, and a common concern is that these prices are out of reach for local incomes.

However, Census data reveals that newly constructed housing in fact largely serves existing residents. In 2016, 21,655 Vancouver households lived in housing built in the previous five years. Of these households, 14,220 households (66%) were existing residents who were already living in Vancouver in 2011; the remaining 35% were new migrants to Vancouver (21% having moved from another municipality in Canada and 14% having moved from abroad).

Households moving into new housing tended to earn slightly higher incomes than the overall population, with an overall median household income of $69,991 compared to the city average of $65,421. Looking at the tenure and composition of households moving into newly-constructed housing, 46% of households rented their new dwellings and 54% owned them; and 25% were families with children (compared to 20% in older housing).

This data suggests a more nuanced role of newly constructed housing within Vancouver's housing system. When existing higher-income residents move to newly constructed housing, they free up existing and often more affordable dwelling units in the rest of the housing stock, making them available for other households moving within the city or from elsewhere. This process is sometimes referred to as 'filtering' or vacancy chains.

6. Dwelling Type and Location

Census data allows us to look at the type of dwelling Vancouverites live in, as well as the location of their homes.

In 2016, the vast majority (77%) of renter households lived in apartments in multi-unit structures[10] compared to 44% of owner households. Approximately one-quarter (26%) of owner households in Vancouver lived in a single detached house, compared to 4% of renter households. Looking at ground-oriented forms of housing more generally (including semi-detached houses, row houses, and Census duplexes), 56% of owner households fall into that category compared to 23% of renter households.[11]

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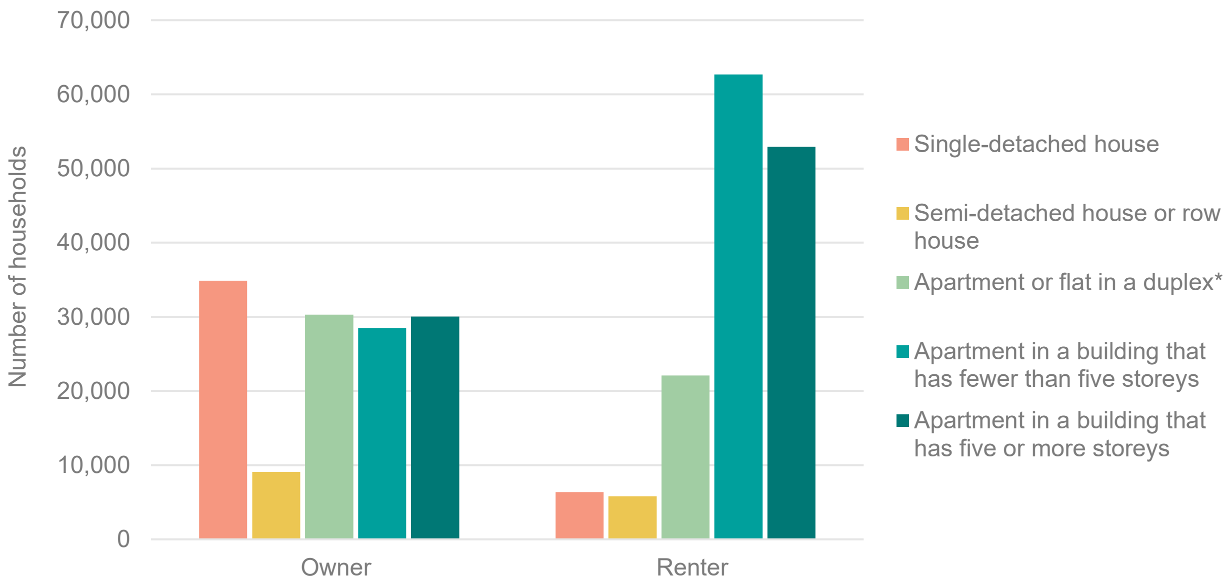
[10] Combination of two census categories: "Apartments in a building that has five or more storeys" and "Apartments in a building that has fewer than five storeys". More information on definitions of structure types used in the census can be found here: https://www12.statcan.gc.ca/census-recensement/2016/ref/guides/001/98-500-x2016001-eng.cfm

[11] Note that in the census, 'duplex' refers to two units arranged vertically – which in Vancouver typically refers to a single detached home with a basement suite. A typical Vancouver duplex would fall into the "Semi-detached house" category, while a multi-plex, multiple conversion dwelling or multiple-suited home with more than two dwellings would be considered an apartment within a building of less than five storeys.

The same predominance of ground-oriented housing for owner households and apartments in multi-unit structures for renters can be observed across all income ranges, including among higher incomes. Sixty-nine percent (69%) of owner households who earned over $150,000 lived in ground-oriented housing, compared to 32% for renter households in that income band.

FIGURE 13 - DWELLING TYPE BY TENURE, VANCOUVER



**One of two dwellings located one above the other, per Statistics Canada. Source: Census 2016*

The majority of renters live in apartment areas, such as those near Downtown, the Broadway Corridor and East Vancouver. Owners are more concentrated in the West and South sides, reflecting the distribution of ground-oriented and apartment types of housing across the city.

For more details and maps, please refer to the 2019 Housing Vancouver Databook (p. 119-124).

Families with children generally tended to be located in areas with more ground-oriented housing forms on the East side of the city, although they represented a higher proportion of the local population on the West side. They were also present in similar numbers in Downtown and Kitsilano, as in the Sunset and Killarney local areas. Single persons represented a vast majority of households in central areas including Downtown and the West End, Mount Pleasant, Fairview and Kitsilano.

For more details and maps, please refer to the 2019 Housing Vancouver Databook (p. 112-115).

7. Low income households and households at risk of or experiencing homelessness

Even as median household incomes have increased over time in Vancouver, many residents have very low incomes relative to major expenses like housing, and face intersecting barriers and challenges. With rising housing costs, many of these households are experiencing a heightened risk of housing insecurity and may be at risk of or experiencing homelessness.

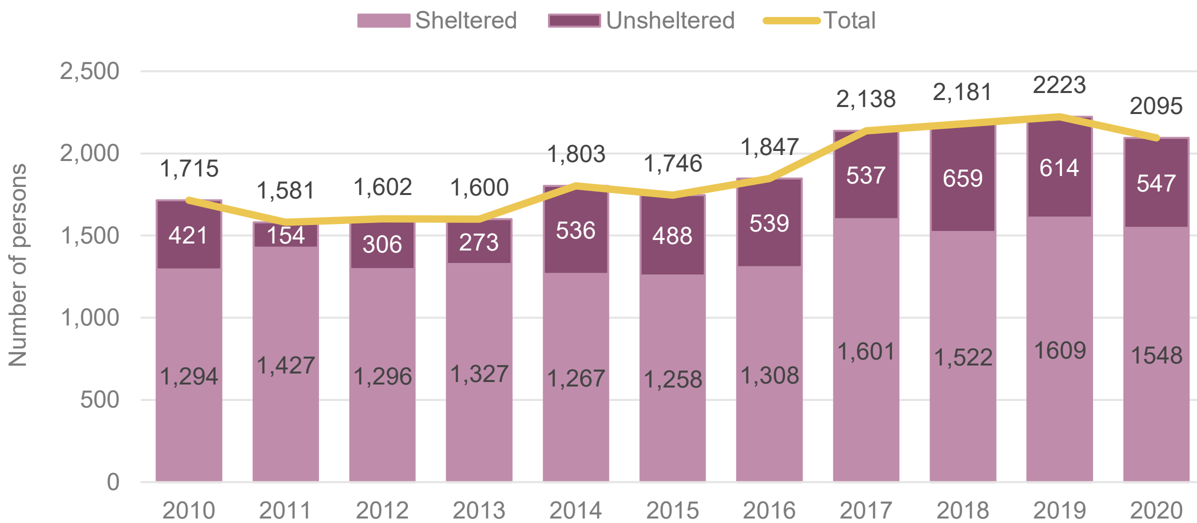
a. Households experiencing homelessness

The latest homeless count showed that at least 2,095 people were experiencing homelessness in Vancouver in March 2020.[12] This number decreased between 2017 and 2020 (-2%) but was 32% higher than 10 years prior. Individuals experiencing homelessness in Vancouver represented 58% of all individuals experiencing homelessness in the Metro Vancouver homeless count. For comparison, Vancouver represents approximately 25% of Metro Vancouver's overall population. The data showed that in Metro Vancouver, the total number of people experiencing homelessness in 2020 was consistent with 2017 (+1%), after increasing by 30% between 2014 and 2017.

Point-in-Time (PiT) counts have been conducted in Metro Vancouver every three years since 2002 and annually in the City of Vancouver since 2010.[13] Homeless counts provide a 24-hour point in time snapshot of the minimum number of people experiencing homelessness in Vancouver. Due to the nature of the methodology, some people may be less likely to be included in the count such as women, youth, and those experiencing hidden homelessness. While it is recognized that the PiT Count is an undercount, decision-makers, funders and community agencies have relied on count data to understand trends in homelessness.

[12] People who did not have a place of their own where they could expect to stay for more than 30 days and did not pay rent.
[13] The City of Vancouver did not conduct a PiT count in 2021 or 2022 due to the COVID-19 pandemic.

FIGURE 14 - VANCOUVER HOMELESSNESS TRENDS, 2010-2020



Source: City of Vancouver annual homeless counts

Residents currently without a home, staying temporarily with friends or family, fleeing violence and/or at high risk of losing their homes, need to be able to access emergency services such as shelters, transition houses, or transitional housing. In 2021, there were 31 year-round shelters operating in Vancouver with over 1,350 spaces available. Additionally, during the winter months there were additional sites open through temporary winter shelters,[14] Extreme Weather Response (EWR) shelters,[15] and Warming Centres.[16]

b. Households living in Single Room Occupancy (SRO) Housing

SROs play an important role in Vancouver's low-income housing stock and act as housing of last resort before homelessness for many of the poorest residents. SRO buildings are typically over 100 years-old and contain small, 10' x 10' rooms with shared bathrooms and kitchen facilities. The mix of residents in buildings also varies depending on income levels, social and health support needs, but SROs predominantly house Vancouver's (and B.C.'s) lowest-income and most marginalized residents. The long-term policy is to replace this outdated housing typology with studio apartments or self-contained (includes a kitchen and bathroom) social housing. Based on the most recent Low-Income Housing Survey, there are nearly 7,000 residents currently living in approximately 157 SRO buildings in the Downtown Eastside (DTES) and Downtown South.

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[14] Temporary winter response shelters are in addition to the permanent and temporary shelter beds that operate 365 days a year. Temporary winter shelters open every night between November 1st and March 31st.
[15] EWR shelters provide time-limited, weather responsive (activated during periods of excessive rain or wind and/or zero or feels like zero degrees Celsius), temporary shelter during extreme weather conditions.
[16] Warming Centres are activated when the temp reaches -5 degrees Celsius (or feels like -5). Warming centres may be in community spaces, drop in centres, or other available locations. These are *not* shelters, as there are no beds or mats, but are activated by the City. Warming Centres provide a place for individuals who may not traditionally access shelter space to go inside when weather outside is extreme.

c. Low-Income Households

The 2016 Census reports 65,860 households falling below the Low-Income Measure-After Tax threshold (LIM-AT), a measure of low-income status based on 50% of median income for individuals after adjusting for household size[17]. Households falling below LIM-AT represented 23% of overall households in the city, and included 57% single person households. This was slightly higher than the 20% incidence of households below LIM-AT for the region as a whole. Vancouver accounted for 34% of regional low-income status households, compared to 30% of overall households. For both Vancouver and the region, the prevalence of low-income households decreased between 2011 and 2016.

Looking at population rather than households, 116,000 individuals in Vancouver fell below the LIM-AT standard in 2016. Indigenous people, young people aged 18 to 24, immigrants and racialized individuals were particularly at risk, with rates higher than average. The regional average low-income rate was also lower (16.5% of the regional population) than Vancouver's (18.8% of the city's population).

d. Households in Subsidized Housing

For the first time, the 2016 Census asked Canadian renters to report whether their housing was subsidized. This measure should be interpreted with caution, as it does not distinguish between households receiving a rent subsidy in a market unit vs. a household living in a non-market home. The measure also does not distinguish between subsidized rental and other forms of subsidized housing such as co-ops. Some non-profit housing providers also sometimes rent at low-end of market prices where units are not technically subsidized, or tenants in non-profit housing may not be aware that their unit is subsidized.

In 2016, 20,725 households reported living in subsidized rental dwellings, representing 46% of households living in subsidized rental in the region as a whole (45,500). In Vancouver, 70% of households in subsidized housing earned less than $30,000 a year with another 13% earning between $30,000 and $50,000. Renters living in subsidized housing tended to be single persons (66%); a further 13% were lone-parent households and 10% were couples with children. The overwhelming majority of subsidized renters lived in apartment in multi-unit structures, with only 13% reporting living in ground-oriented housing[18]. At the level of the region, families with children accounted for a larger share of subsidized renters (30% lone parents and couple families combined). The region also reports an overall higher share of subsidized renter households living in ground-oriented housing, at 25%.

[17] Full definition available on Statistics Canada's website: https://www12.statcan.gc.ca/census-recensement/2016/ref/dict/fam021-eng.cfm

[18] Includes the following census categories: semi-detached house, apartment or flat in duplex, row house and single detached house

e. Households Receiving Rent Assistance and on the BC Housing Registry[19]

In March 2021, the Province supported 832 Vancouver-based families with children with rent assistance through the Rental Assistance Program (RAP; 10% of the provincial total) and 3,457 Vancouver-based seniors through the Shelter Aid For Elderly Renters (SAFER; 14% of the provincial total). For reference, Vancouver represents 13.2% of the provincial population as of Census 2021.

The number of seniors supported with SAFER has increased steadily since 2011 while the number of families supported through the RAP has declined since 2016, both in Vancouver and overall in the Province, due to the rising cost of living relative to RAP rates. The Provincial Homelessness Prevention Program (HPP) also provides rent supplements to support people who are homeless via partner outreach teams, including the City of Vancouver's team (724 individuals received this supplement in 2021).

The Province, through BC Housing, also had 4,756 Vancouver residents on its Social Housing Registry as of June 2021. This represented a third of the regional list, when Vancouver accounted for about 25% of the region's population. Among Vancouver applicants, 82% earned less than $30,000 per year. There were also 3,728 Vancouver residents on the BC Housing Supportive Housing Registry as of December 2021.

TABLE 4 - BC HOUSING SOCIAL HOUSING REGISTRY, VANCOUVER

	2013	2014	2015	2016	2017	2018	2019	2020	2021
City of Vancouver	**3,879**	**3,984**	**3,897**	**4,152**	**4,008**	**4,433**	**4,378**	**4,273**	**4,756**
Family Households	871	829	822	900	885	977	987	941	1,071
Single Person Households	353	408	389	426	391	565	491	479	588
Seniors	1,405	1,491	1,501	1,608	1,607	1,729	1,825	1,858	1,998
Persons with Disabilities	1,097	1,092	1,015	1,065	993	1,007	917	848	908
Wheelchair Accessible Unit	153	164	170	153	132	155	155	147	191

Source: BC Housing (July 2013, June 2014- 2017, July 2018-2019, June 2020-2021)

For more details on homelessness trends and residents in SRO, please refer to the 2019 Housing Vancouver Databook (p. 154-163).

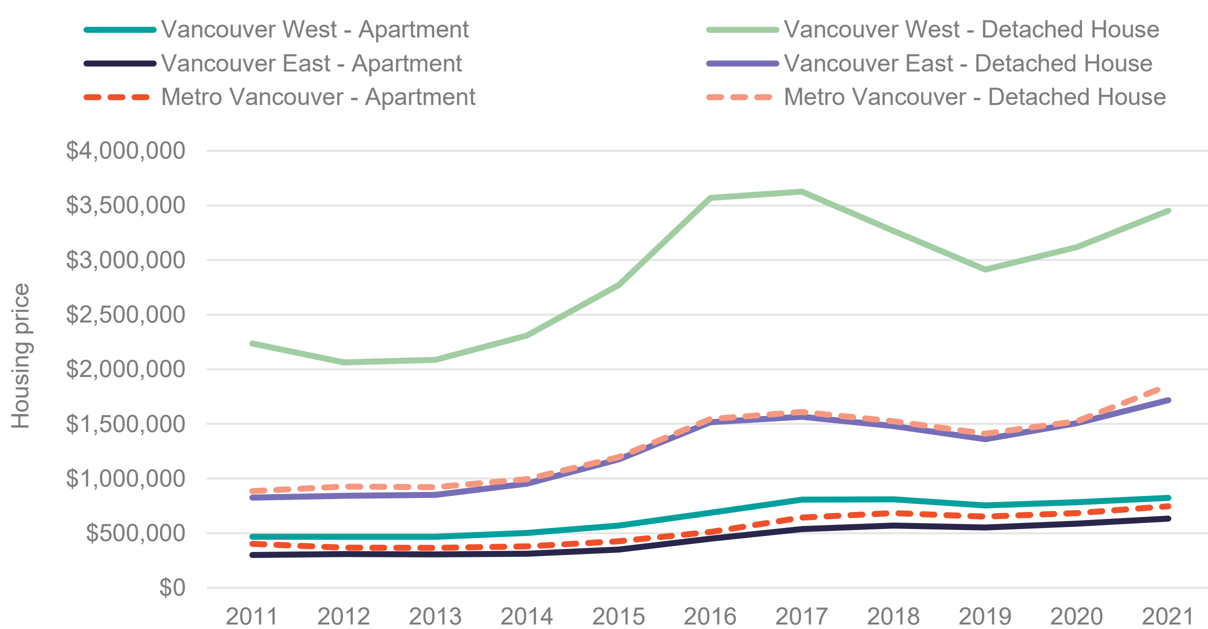
[19] BC Housing's Housing Registry is a membership-based database used to manage applications for social housing. Housing providers may choose to use it or to use their own application system. For this reason, the actual number of households in need of social housing may far exceed what is reported on the Housing Registry.

8. Housing Prices and Affordability

a. Housing Price Trends

Vancouver has experienced a significant escalation in home price and rents over the past ten years. The Real Estate Board of Greater Vancouver (REBGV) benchmark price[20] for detached houses in Vancouver East[21] was almost 110% higher in October 2021 than it was ten years prior. Apartment condominium prices more than doubled as well in Vancouver East between October 2011 and 2021. This trend occurred all across Metro Vancouver where the benchmark price grew by 97% for apartments and by 95% for detached houses in the same period[22]. As of October 2021, the benchmark price for a detached house in Vancouver East was $1,717,400 and up to $3,450,000 in Vancouver West.

FIGURE 15 – MLSLINK HPI® BENCHMARK PRICES, VANCOUVER



Source: Real Estate Board of Greater Vancouver

In the rental market, rent increases for all units accelerated starting in 2016, with an overall growth of 46% between 2011 and 2021 in the City of Vancouver, and close to 50% for Metro Vancouver. Rents in recently vacated rental units increased even more, growing by 65%

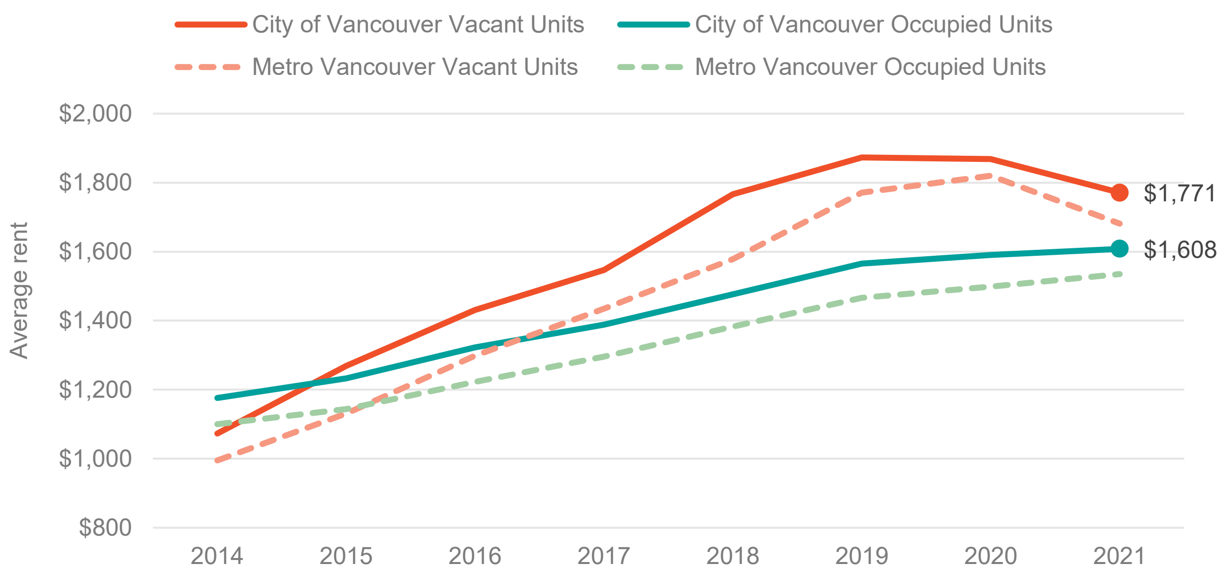
[20] The REBGV uses an indicator called MLSLink Housing Price Index® which measures benchmark or typical home prices. For full methodology please see: https://www.rebgv.org/content/rebgv-org/news-archive/mls-home-price-index-explained.html

[21] For the city of Vancouver, REBGV reports market trends for two sectors, dividing the city between “Vancouver East” and “Vancouver West” (not to be mistaken for the district of West Vancouver).

[22] Note that these figures only reflect the rate of increase in benchmark prices, and do not speak to the purchasing power of local households due to falling interest rates and/or access to existing home equity or wealth to afford a down payment.

between 2014 and 2021[23] in the city and by 69% in Metro Vancouver. The higher rate of increase for vacated units reflects rents being reset to higher market rates at turnover. As of October 2021, the average rent across all units was $1,609 in Vancouver and $1,537 for Metro Vancouver, with significant differences between unit types, neighbourhoods or occupancy.

FIGURE 16 - AVERAGE RENT OF VACANT AND OCCUPIED UNITS



Source: 2021 Rental Market Survey, CMHC

For more details, please refer to the 2019 Housing Vancouver Databook (p. 144-152).

b. Income trends

Compared to the rate of increase of home prices over the past ten years, the median income across all households has increased at a slower rate. However, significant differences are observed in income trends based on household composition. The median after-tax incomes for couple families grew by 39% between 2011 and 2019[24], settling at $87,370. Dual-income families may be able to access a greater range of housing options, including rental and entry-level condo homeownership. For single persons, the median after-tax income increased by 26% in the same period, settling at $29,160. This rate of increase has been slower than the growth rate of apartment rental or ownership prices. Limited data on wealth among current households prevents in-depth analysis of the impact on wealth on housing affordability. However, recent analysis from CIBC suggests that inter-generational wealth transfers are having an impact on households' ability to access ownership housing in Vancouver and across Canada.[25]

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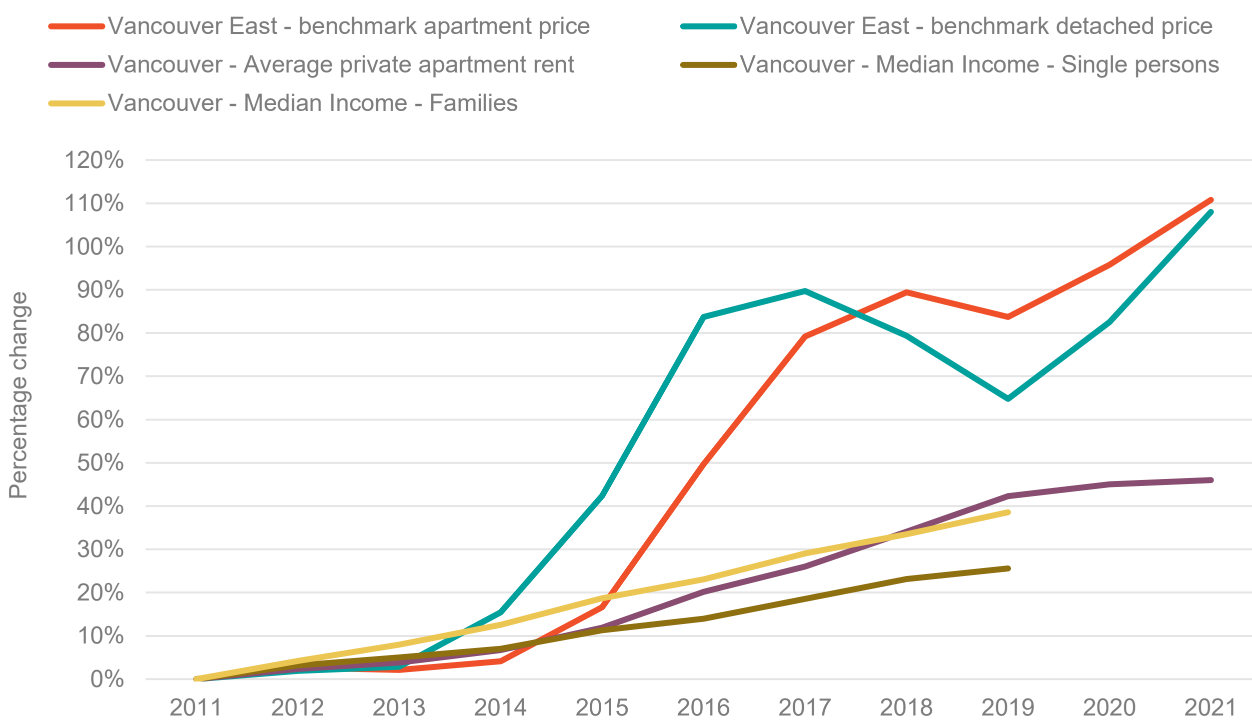
[23] Data prior to 2014 was not available
[24] T1FF income data, 2019
[25] CIBC In Focus: Gifting for a Downpayment https://economics.cibccm.com/cds?id=9dc124d8-9764-4c1d-83b4-9e89a5d568b8&flag=E

Recent data indicate that a much smaller proportion of the purpose-built rental stock is affordable to lower incomes in Vancouver. As of October 2021, only 17% of the purpose-built market rental stock was affordable to the bottom 40% of the renter household income distribution in Vancouver (23% across the Metro Vancouver area)[26].

FIGURE 17 - PERCENT CHANGE IN HOUSING PRICE AND INCOME



Source: Real Estate Board of Greater Vancouver; 2021 Rental Market Survey, CMHC; 2019 T1FF family income custom tabulation for the Community Data Program

TABLE 5 - SHARE OF RENTAL MARKET AFFORDABLE TO RENTER HOUSEHOLD INCOME QUINTILES

Quintile	Income Range	Metro Vancouver	City of Vancouver
Q1	< $25,000	0.1%	< 0.1%
Q2	$25,000 - $48,000	23%	17%
Q3	$48,000 - $75,000	82%	78%
Q4	$75,000 - $109,000	97%	97%
Q5	> $109,000	100%	100%

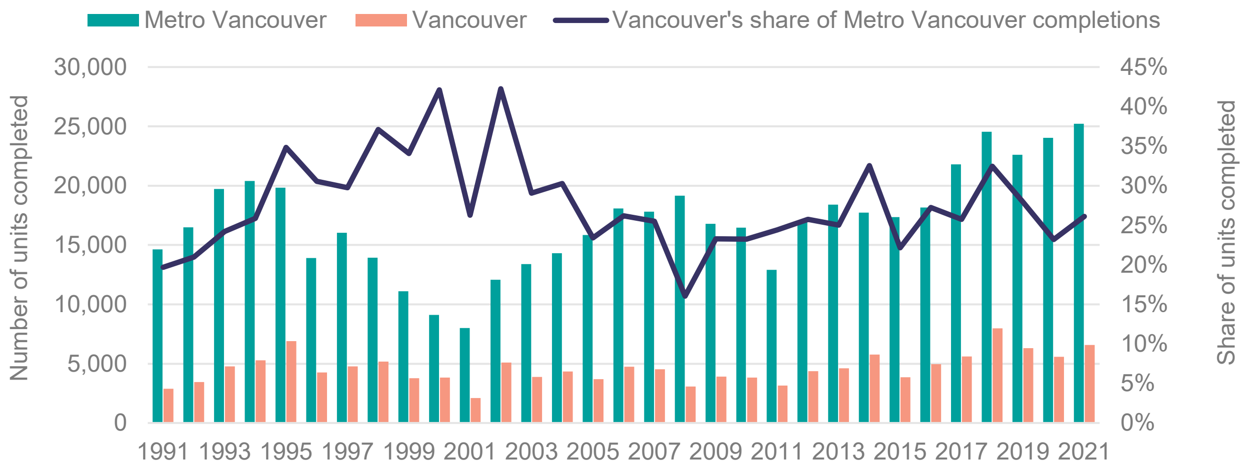
Source: 2021 Rental Market Survey, CMHC

[26] With rents at 30% of income – CMHC Rental Market Survey, October 2021

9. Housing Delivery

Vancouver is a regional leader in new housing construction. For each decade since 1990, Vancouver has accounted for approximately 30% of the region's housing completions. For comparison, Vancouver's share of the region's population has ranged from 30% in the 1991 Census to 25% in the 2021 Census.

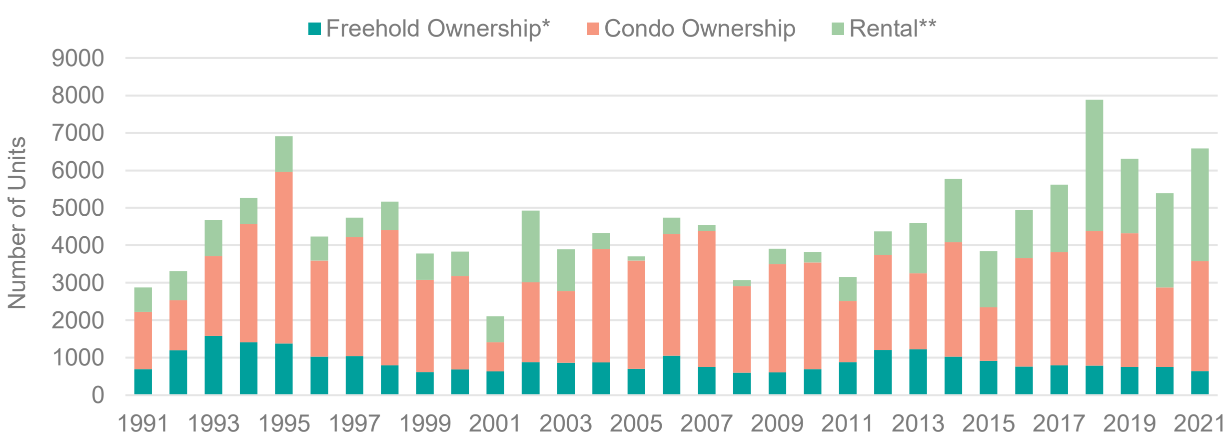
FIGURE 18 - ANNUAL HOUSING COMPLETIONS



Source: CMHC

Vancouver's housing stock has grown over time, with variation in the type, tenure, and form of new housing. For most of the 1990s and early 2000s, new housing was mostly ground oriented ownership and condominium housing, with rental construction remaining relatively low until the mid-2010s.[27]

FIGURE 19 - ANNUAL HOUSING COMPLETIONS, VANCOUVER



**Freehold ownership would include mostly single detached houses, semi-detached houses and other dwellings where the owners own both unit and lot outright.*
***Since 2013, CMHC records accessory suites in single- detached homes as rental apartment units. Source: CMHC*

[27] See below for definitions of Dwelling Types and Intended Markets categories, as reported by CMHC: https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TableMapChart/ScsMasMethodology.

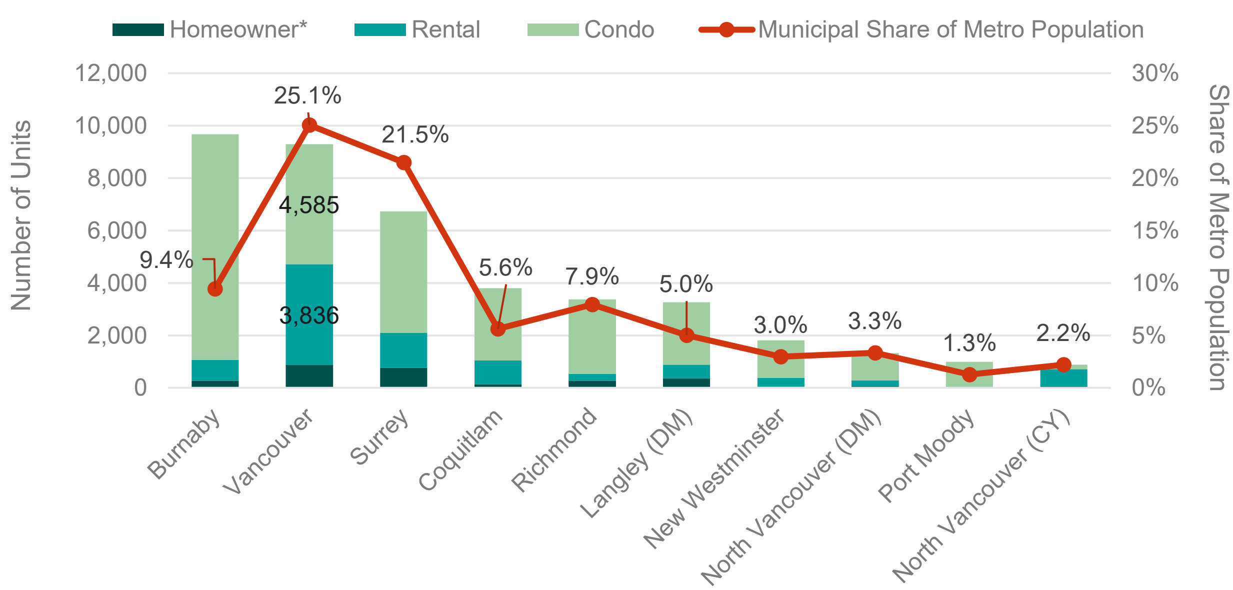
Notably, since the 1970s the overwhelming majority of completions in Vancouver and the region have been condominium and freehold ownership housing rather than purpose-built rental. Over 80% of Vancouver's purpose-built rental housing was built prior to 1980. Low levels of purpose-built rental construction in subsequent decades is attributed to the introduction of the BC Strata Title Act in 1966 and the end of federal tax incentive programs that encouraged investment in rental housing. However, purpose-built rental construction has begun to rebound in the past decade, supported by new City rental incentive programs.

FIGURE 20 –RENTAL HOUSING STOCK BY PERIOD OF CONSTRUCTION, VANCOUVER

**Up to Q4 2021. Source: City of Vancouver*

Vancouver has been increasing housing approvals and construction starts over the past decade, in particular for rental housing. As of February 2022, over 9,000 units are under construction in Vancouver, representing 20% of the regional total. Out these homes, 41% will be rental.

FIGURE 21 - UNITS UNDER CONSTRUCTION AND SHARE OF REGIONAL POPULATION



**Homeowner refers to freehold ownership as per CMHC. Source: CMHC Starts and Completions Survey, February 2022; Census 2021*

Part 2 | Community Profiles

This section provides 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, and at-risk youths. While the challenges created by a tightening housing market are being felt across the city, certain demographic groups are impacted more than others, reflecting the need for tailored approaches to Vancouver's housing crisis.

Chapter Overview

This chapter opens with a brief overview of data sources and limitations. It then presents trends related to housing tenure, income and dwelling type for selected communities. Section 4 introduces data on three commonly used housing indicators: suitability, adequacy and affordability. Finally, in sections 5 and 6 respectively, the chapter puts the spotlight on the two groups: Indigenous households and youth experiencing or at risk of homelessness.

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, with high homeownership among seniors, and persons of Chinese and South Asian identity, compared to a higher share of renters among Arab, Latin-American and Black people. Low-income households are more likely to be renters than overall households.
- Indigenous households are more likely to be renters than owners, 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.

Data sources and limitations

The data presented in this section are provided at the household level and drawn from the 2016 Census, unless otherwise stated. Census data benefit from a trusted and robust methodology, broad coverage, and ease of comparability, making the analysis of different geographies and time periods straightforward. However, the data presented here also involve limitations.

First, the census is known to undercount those most precariously housed, including individuals and families experiencing homelessness, those lacking a usual place of residence and individuals living in informal or collective housing arrangements. Second, disaggregated demographic data are seldom readily available, and when available tends to be limited. For instance, while census tables provide labour-force data on racialized individuals (Black, South Asian, Arabs, etc.), housing-related data for such subgroups are sparse. Similarly, we lack target group profile (TGP) data for 2S/LGBTQIA+ communities. Third, income data must be interpreted with caution as they often contain hidden complexities. For instance, some of the income data presented in this section do not differentiate between different household sizes and types (i.e. presence of roommates, share of lone-person households, etc.). As well, using low-income status as a proxy for socio-economic status can be difficult in areas containing large populations of university students or retired people. Due to limitations with the data, the results are best understood in conjunction with other sources of information such as Statistics Canada's Index of Multiple Deprivation, the City of Vancouver Social Indicators Profile 2020, and data from local community organizations.[28]

1. Housing Tenure

Housing tenure varies significantly across different communities, with income status being a strong determinant of a household's tenure arrangement. Low-income households were overwhelmingly renters (70%), relative to 53% for the general population. Similarly, a majority (54%) of households with activity limitations were also renters.

In contrast, visible minorities as a whole had higher ownership rates than the city average (57% vs. 47%), largely accounted for by Chinese and South Asian households entering the housing market. Studies have shown that home ownership is an important milestone for immigrants in the path toward economic integration, and that investment in housing is an important retirement asset for immigrants given their lower coverage by registered pension plans than Canadian-born counterparts (Gellatly and Morissette, 2019[29]).

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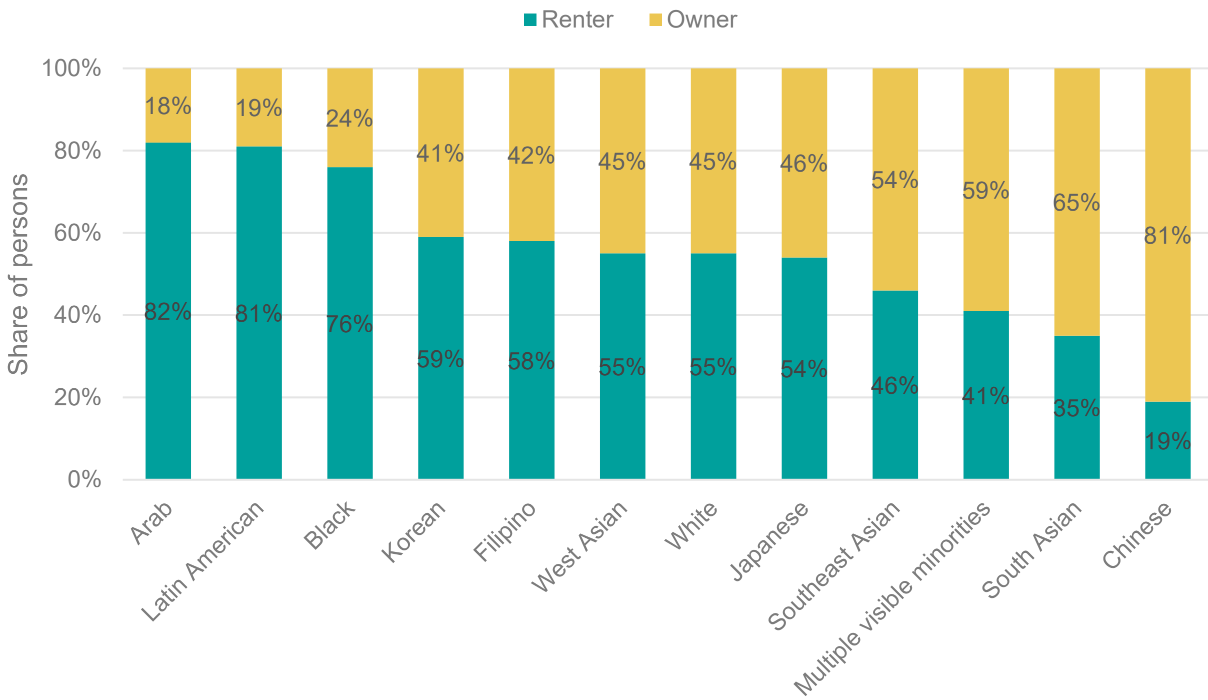
[28] Note: Unless otherwise stated, all the labels in this section are drawn from household-level Target Group Profiles provided by the Community Data Program (CDP), a national initiative that provides cross tabulations of census statistics to Canadian public and non-profit organizations. The labels used in this section are:

- "Indigenous": refers to households where at least one person has Aboriginal identity as defined by 2016 census methodology.
- "Senior": refers to households where the primary household maintainer or spouse is 65 years old or older.
- "Racialized individual": refers to households where at least one person in the household belongs to a visible minority group as defined in the *Employment Equity Act,* which defines visible minorities as "persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour." In Vancouver, the most prevalent populations of racialized individuals include: South Asian, Chinese, Black, Filipino, Latin American, Arab, Southeast Asian, West Asian, Korean and Japanese.
- "Activity Limitations": refers to households with at least one person with activity difficulties. This target group dimension contains persons who indicated via the Disability Screening Questions on the 2016 Census that they experienced activity difficulties with the following frequencies: "Always".
- "Low Income": refers to households with incomes below the Low-Income Measure (LIM) After Tax (AT).
- "Lone Parent": refers to households where the primary household maintainer is a lone parent with a child under the age of 25. As stated earlier, census categories for 2S/LGBTQIA+ communities are not available.
- There is also a lack of disaggregated data for racialized populations which obscures the experiences of Black people and other racialized groups.

[29] https://www150.statcan.gc.ca/n1/pub/11-626-x/11-626-x2019001-eng.htm

Despite overall high ownership rates, housing tenure for visible minorities varies significantly within different groups. Low homeownership rates among Arab, Latin American and Black people partly reflects the impacts – past and present – of racism and discrimination, but also of immigrant admission categories. Much of the recent intake of government-sponsored refugees has come from Middle Eastern countries, particularly Syria and Iraq. Similarly, young Latin-American workers make up a significant segment of BC's temporary foreign workforce.

FIGURE 22 - TENURE AMONG RACIALIZED COMMUNITIES, VANCOUVER [30]

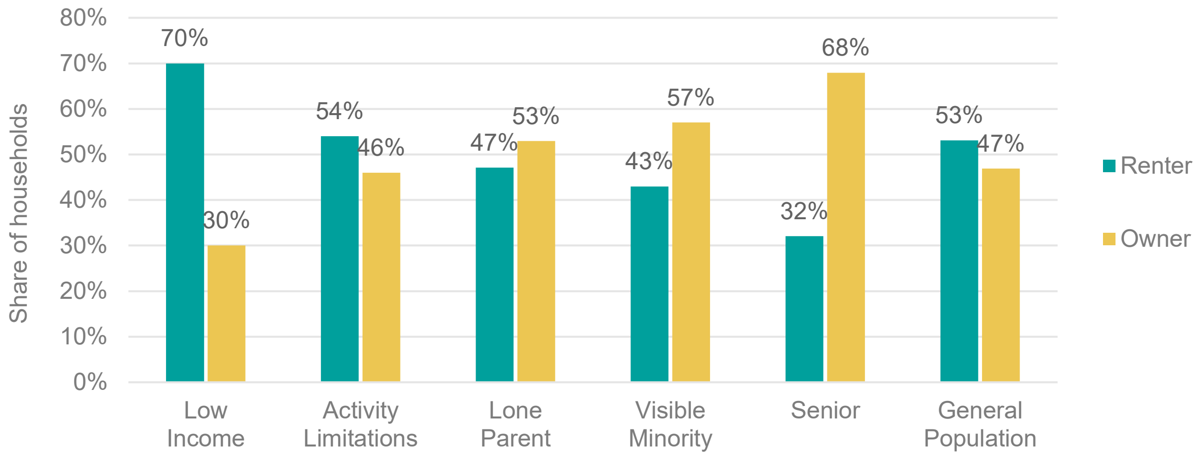


Source: Census 2016, Custom cross tabulation for the City of Vancouver

Further up the income spectrum were senior households who had a significantly greater representation as owners relative to the rest of the city (68% vs. 47%). This dynamic is partly explained by higher lifetime earnings, and the prospects of stable retirement income.[31] This is not to say that senior households do not experience housing insecurity. In 2016, a significant share of senior renter households spent more than 30% of their income on shelter, and about 25% of senior-led households were in low-income status.

[30] Data shown for 'individuals' not 'households'
[31] https://www150.statcan.gc.ca/n1/en/pub/11f0019m/11f0019m2010325-eng.pdf?st=-0VKdjNc

FIGURE 23 - TENURE FOR SELECTED HOUSEHOLDS, VANCOUVER



Source: 2016 Census, household & family target group profiles

2. Incomes

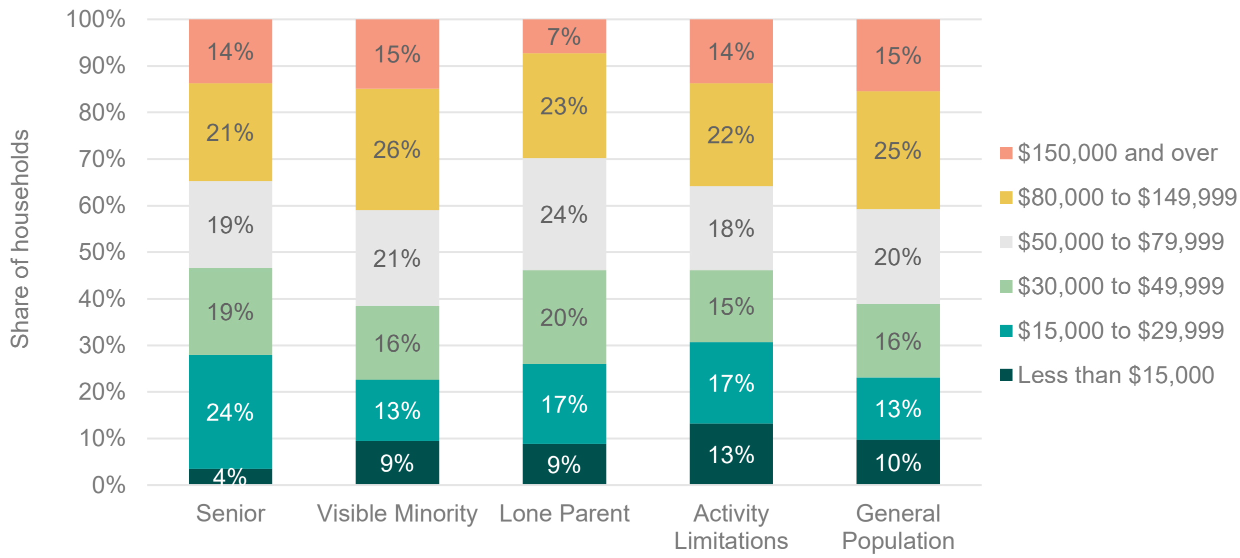
While incomes of all levels can be found across different communities, some differences exist between seniors, racialized individuals, lone parents, and those with activity limitations. For instance, seniors were overrepresented in the $15,000 to $29,999 bracket relative to the general population, likely as a result of income received through government transfers. Likely for this same reason, seniors were also underrepresented in the category of households earning less than $15,000 a year.

Similarly, a greater share of lone-parent households and those with activity limitations earned less than $50,000, compared to the rest of the city (46% and 45% vs. 39% respectively).

As seen in the data on tenure, racialized individuals overall had higher average incomes than the general population. In this case, the income distribution matched that of the average Vancouver household, with roughly 40% earning over $80,000 annually. Again, significant variation is expected within this group, so caution should be taken when interpreting group-wide results. For instance, the low-income rate for racialized individuals hovered just above the city average (22% vs. 19%). But disaggregated data showed considerable variance within this category, with Arab, West Asian and Korean people having significantly higher rates of low-income than the general population (44%, 36% and 32% respectively relative to 19% for the city as a whole).

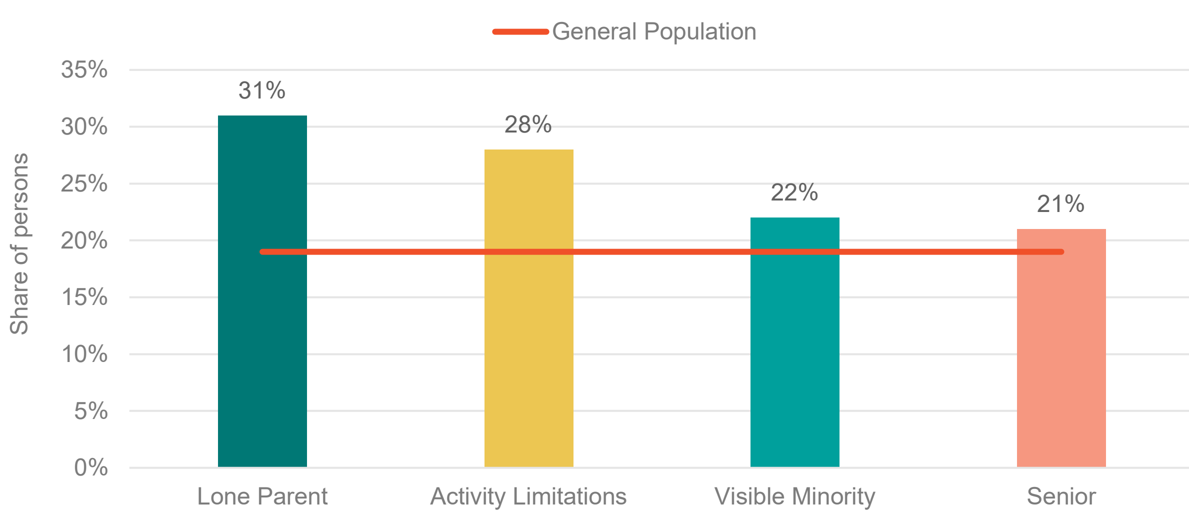
Lone-parents and persons with activity limitations were also found to have high low-income rates, with 31% and 28% respectively. For seniors, the prevalence of low-income was lower than for other groups, though still significant at 21%.

FIGURE 24 - INCOME DISTRIBUTION FOR SELECTED HOUSEHOLDS, VANCOUVER



Source: 2016 Census, household & family target group profiles; Custom cross tabulation for the City of Vancouver

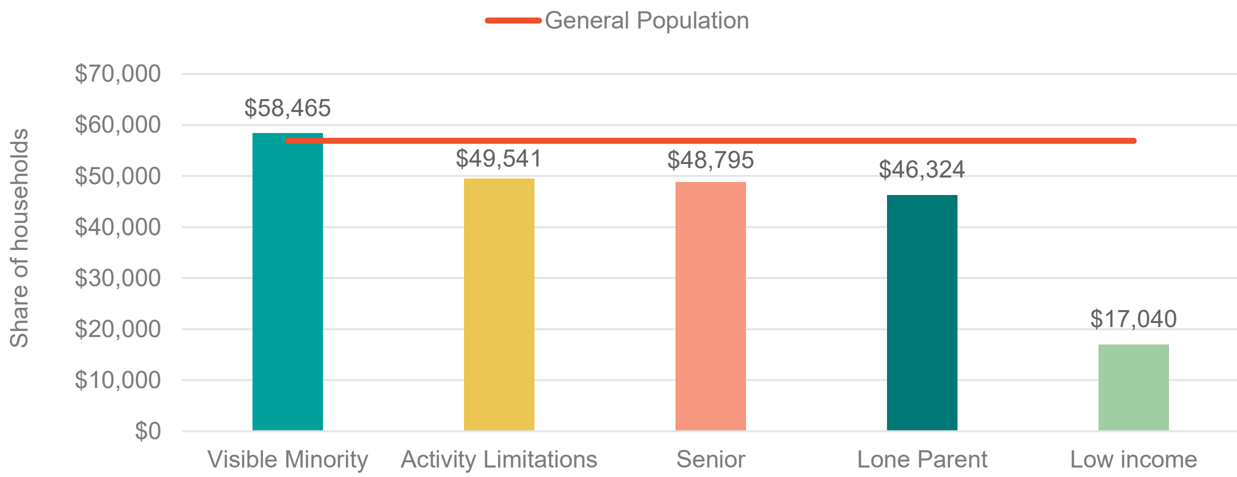
FIGURE 25 - PREVALENCE OF LOW INCOME FOR SELECTED GROUPS, VANCOUVER[32]



Source: 2016 Census, individual target group profiles

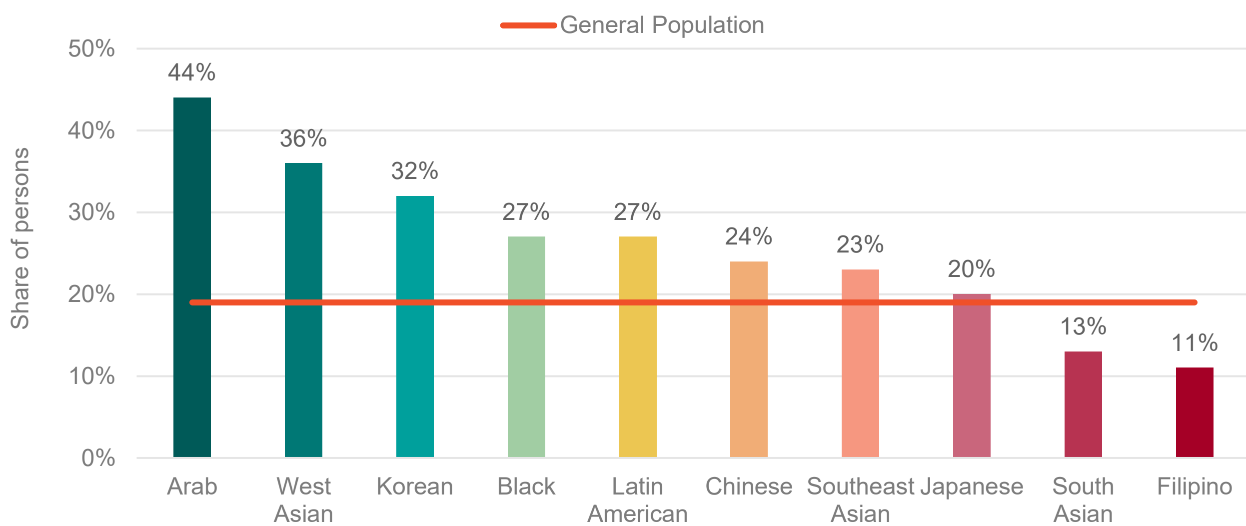
32 Low income is defined by the "low-income measure, after tax" also known as "LIM-AT"

FIGURE 26 – MEDIAN AFTER-TAX INCOME OF HOUSEHOLDS, VANCOUVER



Source: 2016 Census, household & family target group profiles

FIGURE 27 – PREVALENCE OF LOW INCOME AMONG RACIALIZED COMMUNITIES, VANCOUVER[33]



Source: 2016 Census, individual target group profiles

[33] Prevalence of low-income (LIM-AT) for selected racialized individuals. The labels here are the same as those used in the 2016 Census.
West Asian refers to Afghan, Armenian, Turkish, Kurdish, Uzbeki, Iranian, etc.
Southeast Asian refers to Vietnamese, Cambodian, Laotian, Thai, etc.
South Asian refers to East Indian, Pakistani, Sri Lankan, etc.

3. Dwelling Type

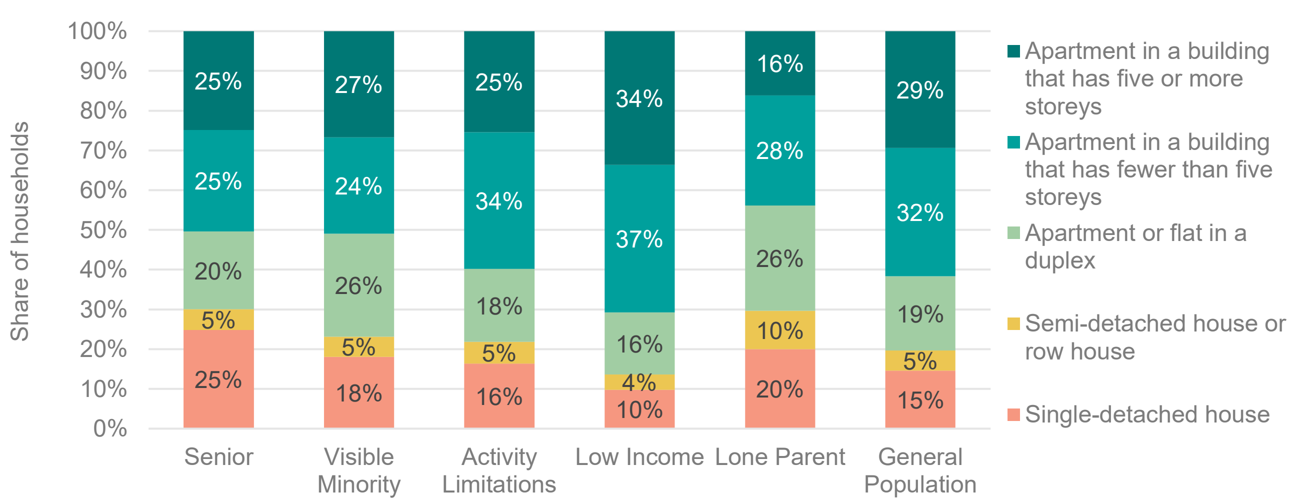
Households from equity-denied communities are found to occupy a wide variety of dwelling types from single detached homes to high-rise apartment buildings. Nonetheless, important patterns emerge from one community to another.

For instance, in 2016, the vast majority (71%) of low-income households lived in apartments in multi-unit structures, with 37% occupying buildings with fewer than five storeys (such as 3 storey walk-ups), and another 34% in buildings with five storeys or more (such as concrete rental towers). Relative to other Vancouverites, low-income households were significantly less likely to live in single detached houses or duplexes (two dwellings one above the other, per Census definition). A similar pattern was observed for households with persons who have activity limitations, with roughly 31,000 (or 59%) of these households living in apartments in multi-unit structures.

While seniors and racialized individuals overall were underrepresented in the city's apartment stock, a significant share of senior households and racialized households still lived in apartments in multi-unit structures, 50% and 51% respectively. Lone-parent households were more likely to be living in lower-density housing, including single detached houses, but especially apartments in duplexes (per census definition; includes secondary suites). Like lone-parent households, a higher share of racialized people live in secondary suites compared to the general population.

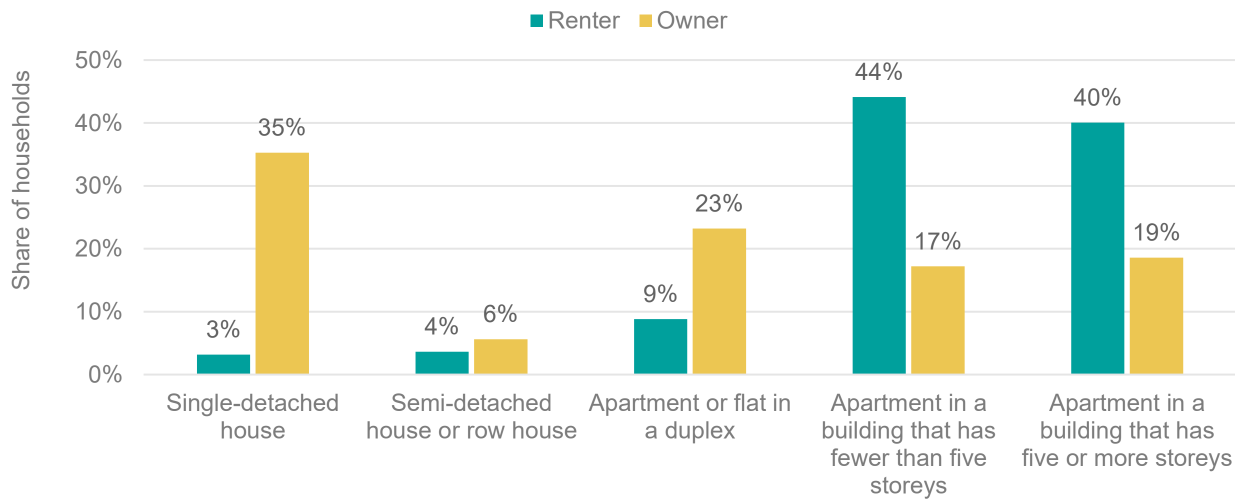
Finally, seniors were significantly more likely to be living in single detached houses than the general population (25% vs. 15% respectively), a dynamic explained by various socio-economic and demographic factors. Having said this, generalizations should be made with caution as important differences exist within each group. For instance, while seniors as a whole were overrepresented in single detached houses, senior *renter* households were overwhelmingly concentrated in apartments, 44% in buildings with fewer storeys, and another 40% in buildings with five storeys or more. Only 3% of senior renter households lived in single detached houses, compared to 35% for senior households who were owners.

FIGURE 28 – DWELLING TYPE FOR SELECTED HOUSEHOLDS, VANCOUVER



Source: 2016 Census, household & family target group profiles; Custom cross tabulation for the City of Vancouver

FIGURE 29 – SENIOR-LED HOUSEHOLDS* BY TENURE AND DWELLING TYPE, VANCOUVER



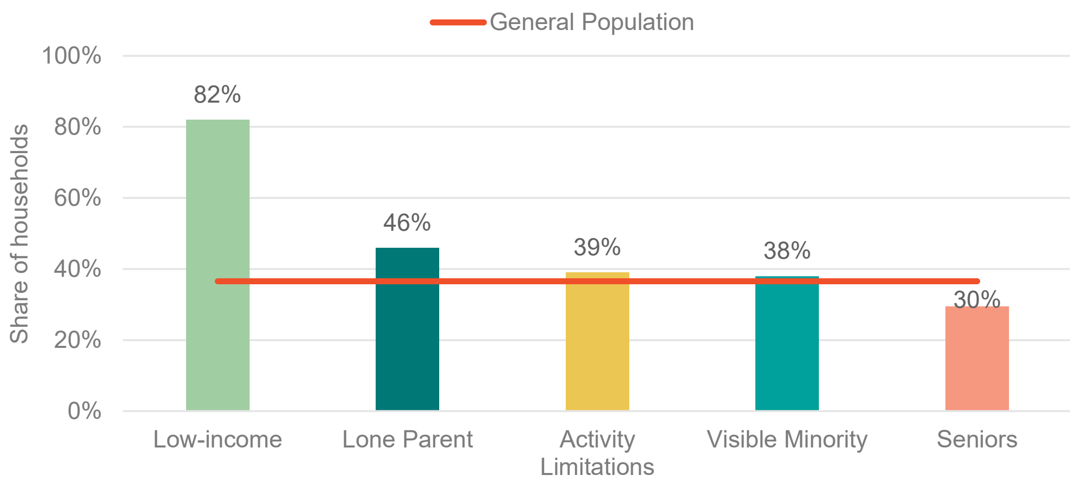
Age of primary household maintainer is 65 years or older. Source: 2016 Census.

4. Housing Standards

Housing stress is commonly measured around three key indicators: suitability, adequacy and affordability. Suitable housing has enough bedrooms for the size and composition of resident households according to the National Occupancy Standard definition. Adequate housing is reported by residents as not requiring any major repairs. Lastly, affordable housing has shelter costs equal to less than 30% of total before-tax household income. Not surprisingly, affordability is a major housing challenge for many Vancouver residents, with 37% of all households paying 30% or more of income on shelter in 2016. For some groups, this is even more of a challenge. Affordable housing was out of reach for the vast majority of low-income households, 82% of whom spent 30% or more of their income on shelter. Roughly 45% of lone-parent households and almost 40% of households with activity limitations also lacked access to affordable housing options, a trend also observed among visible minorities.

As a group, seniors tended to fare better that the city average household, but the percentage of senior households spending 30% or more of income on shelter was still significant. More notable among the senior population was the discrepancy between renters and owners. Over 50% of senior renter households lacked affordable housing, compared to 20% of senior households who owned their own house. A similar difference was observed among households with activity limitations.

FIGURE 30 - SHARE OF HOUSEHOLDS SPENDING 30% OR MORE OF INCOME ON SHELTER BY HOUSEHOLD TYPE, VANCOUVER



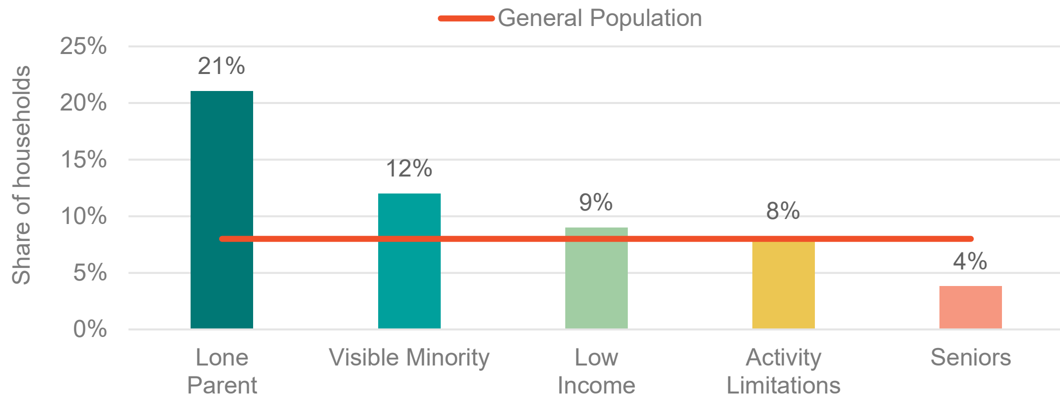
Source: 2016 Census, household & family target group profiles; Custom cross tabulation for the City of Vancouver

Though not as common, housing adequacy and suitability still impacted roughly 20,000 households in Vancouver in 2016, many of whom belonged to communities disproportionately impacted by housing insecurity. For instance, 21% of lone-parent households lived in dwellings that lacked enough bedrooms for the size and makeup of the resident household as established by NOS requirements.

This gap is likely a reflection of a lack of affordable housing options, which make it difficult for single-earner households to secure housing large enough for their residents. Additionally, seniors – as a group – tended to fall at the end of this spectrum, with only 4% of senior-led households living in unsuitable housing circumstances. As seen in previous sections, group-wide statistics on the senior population can hide important barriers impacting renter households, who were – unlike their owner counterparts – much less likely to be living in single detached houses and thus be over-housed.

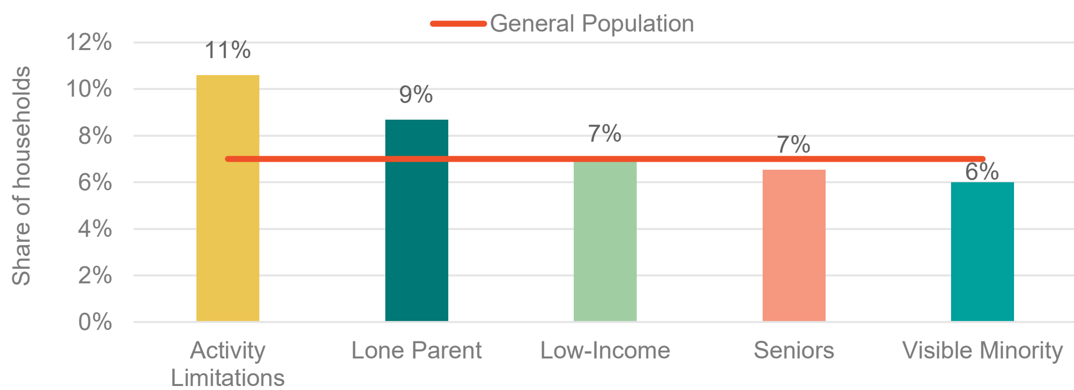
As with housing suitability, only a minority of households lived in dwellings in need of major repairs. Again lone-parent households tended to be more impacted than the average household in Vancouver (9% vs. 7%), and households with activity limitations even more so (11%).

FIGURE 31 - UNSUITABLE HOUSING BY HOUSEHOLD TYPE, VANCOUVER



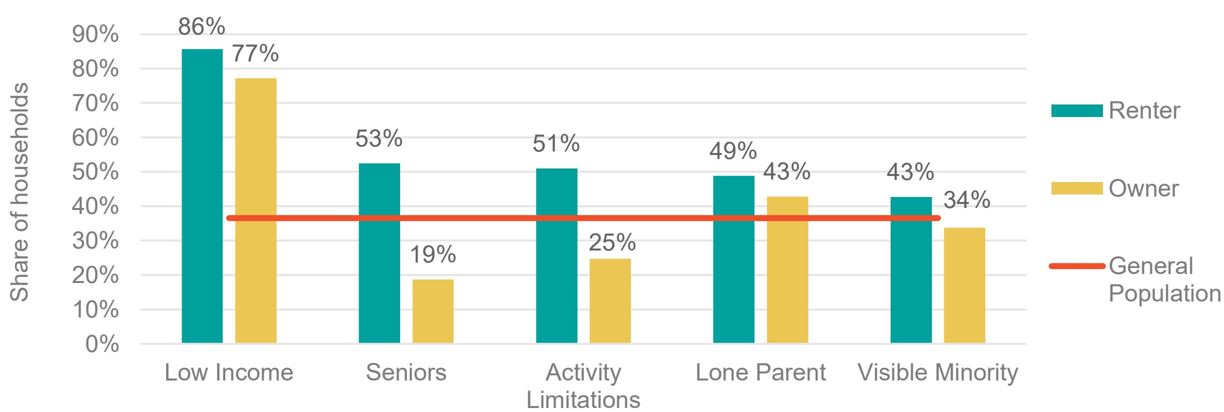
Source: 2016 Census, household & family target group profiles; Custom cross tabulation for the City of Vancouver

FIGURE 32 - HOUSING IN NEED OF MAJOR REPAIRS BY HOUSEHOLD TYPE, VANCOUVER



Source: 2016 Census, household & family target group profiles; Custom cross tabulation for the City of Vancouver

FIGURE 33 – SPENDING 30% OR MORE OF INCOME ON SHELTER BY TENURE, VANCOUVER



Source: 2016 Census, household & family target group profiles; Custom cross tabulation for the City of Vancouver

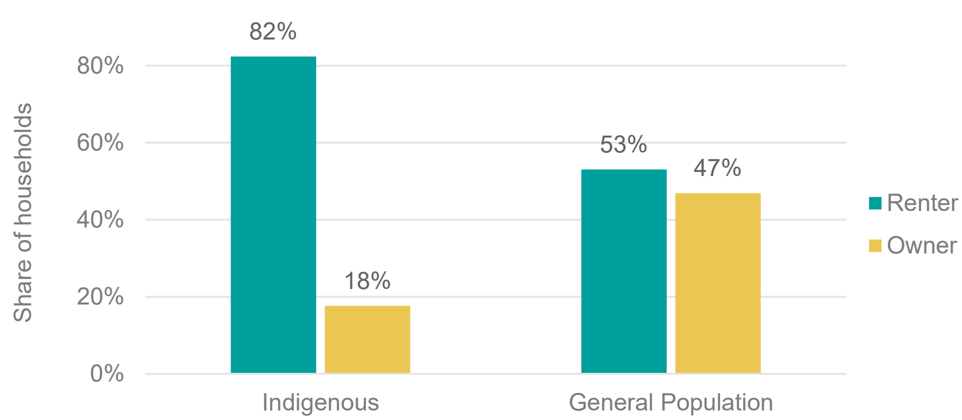
5. Indigenous Population

According to the 2016 census, there were 9,765 households in Vancouver with at least one member who identified as Indigenous, though there are known shortfalls in the census data. Census counts are based on the concept of "usual place of residence", meaning that people living in temporary or informal settings are missed, as are those experiencing homelessness. Indigenous individuals are vastly over represented in the homeless population, which may result in them being excluded from census data. This suggests that the number of Indigenous households is higher than the census reports.

Among households with at least one Indigenous person, 82% were renters, compared to 53% for the general population. Low home-ownership rates among Indigenous households is directly attributed to past and ongoing policies of dispossession, intergenerational trauma and the residential school system. For many Canadians, home equity has been a key generator of intergenerational wealth, allowing families to fund college education, help younger generations get into the housing market, and support a comfortable retirement. Low homeownership rates among Indigenous people have only served to deepen existing economic inequity and are a sign of past and present impacts of settler colonialism.

Despite these deficits, there have been significant efforts within the Indigenous community to strengthen community capacity. The Aboriginal Housing Management Association (AHMA), which represents Indigenous housing providers in B.C. has released its own strategy for Indigenous housing renewal and expansion: the "British Columbia Urban, Rural and Northern Indigenous Housing Strategy". The ten-year strategy developed for and by Indigenous people, seeks to improve the housing conditions of Indigenous people while also building local community capacity to improve socio-economic and health outcomes.

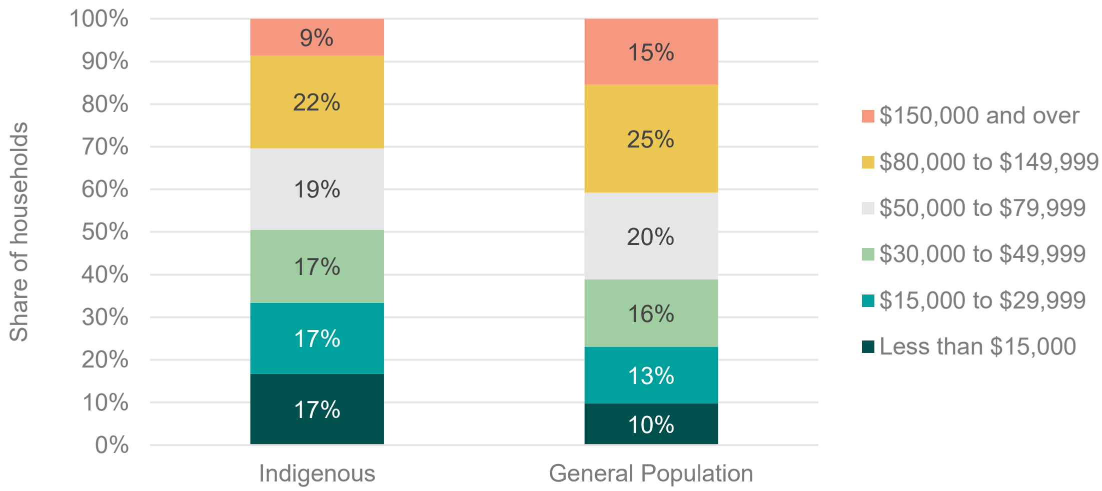
FIGURE 34 - TENURE OF INDIGENOUS HOUSEHOLDS, VANCOUVER



Source: 2016 Census, household & family target group profiles

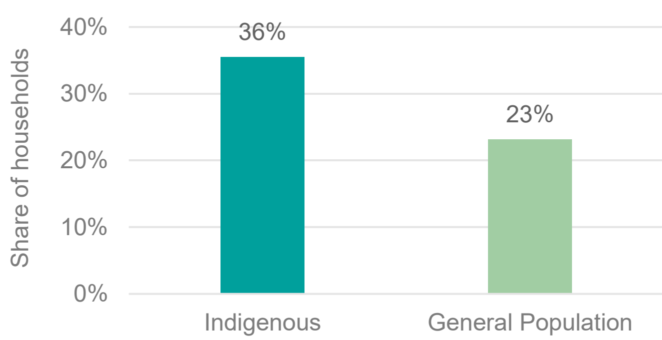
In 2016, Indigenous households tended to be overrepresented in lower-income brackets, with 34% earning less than $30,000 annually, relative to 23% of Vancouver households. With a higher prevalence of low incomes compared to the general population (35% vs. 19%), Indigenous households have been further impacted by rising rents and an overall lack of affordable housing options in Vancouver.

FIGURE 35 - INCOME DISTRIBUTION OF INDIGENOUS HOUSEHOLDS, VANCOUVER



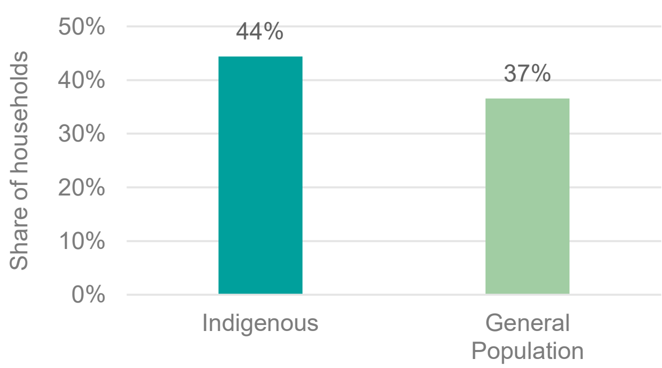
Source: 2016 Census, household & family target group profiles

FIGURE 36 - PREVALENCE OF LOW INCOME, INDIGENOUS HOUSEHOLDS, VANCOUVER



Source: 2016 Census, household & family target group profiles

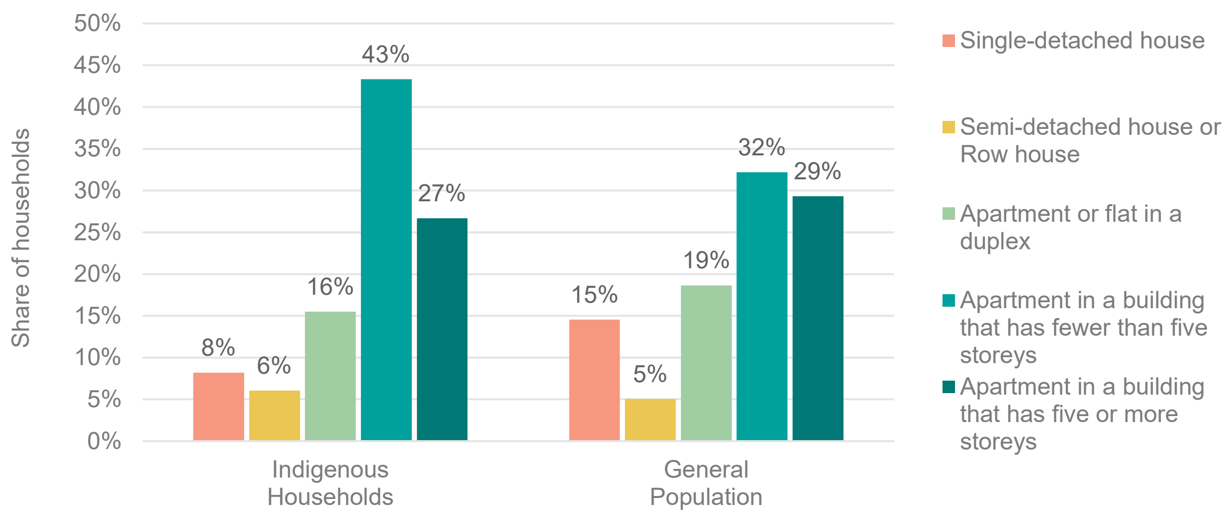
FIGURE 37 - SPENDING 30% OR MORE OF INCOME ON SHELTER, INDIGENOUS HOUSEHOLDS, VANCOUVER



Source: 2016 Census, household & family target group profiles

Relative to their share of the overall population, Indigenous households were more likely to live in apartments in buildings with fewer than five storeys – likely older rental walk-ups (43% vs. 32% for the city as a whole). They were also significantly less likely to be living in single detached houses than the general population (15% vs. 8%).

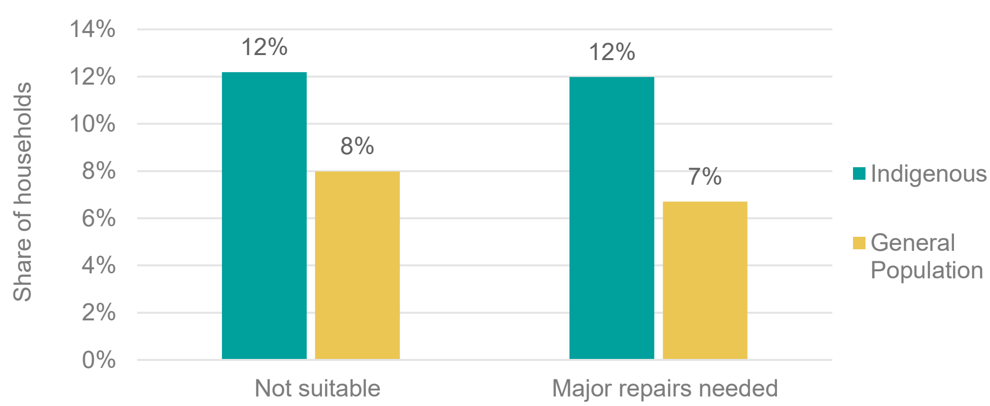
FIGURE 38 - DWELLING TYPE OF INDIGENOUS HOUSEHOLDS, VANCOUVER



Source: 2016 Census, household & family target group profiles

Lastly, Indigenous households experienced poorer housing standards, as reflected in their over-representation in unsuitable and inadequate dwellings.

FIGURE 39 - DWELLING SUITABILITY & MAJOR REPAIRS STATUS, INDIGENOUS HOUSEHOLDS, VANCOUVER



Source: 2016 Census, household & family target group profiles

6. Youth Homelessness

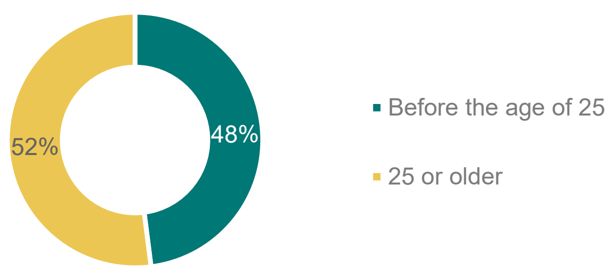
Population estimates for youth experiencing (or at risk of) homelessness vary depending on the methodology. Nonetheless, experts agree that official statistics only capture a segment of the overall homeless population. The 2020 Metro Vancouver Homeless Count found 104 youth in Vancouver (where youth is defined as a person under the age of 25 who was not accompanied by a parent during the count). In the 2016 census, 12,185 children (ages 5 to 17) were found to be living in low-income households in Vancouver[34], so the number of youth experiencing housing insecurity is likely higher than captured by homeless count methodologies.

TABLE 6 - PROFILE OF THE HOMELESS POPULATION, VANCOUVER

Gender Identity	Youth	All
Man	68%	76%
Woman	29%	21%
Another Gender Identity	3%	3%
Health Conditions[35]		
Physical disability	13%	35%
Mental health issue	58%	45%
Ministry Care as Child or Youth[36]		
Currently/previously in care	46%	36%

Source: 2020 Metro Vancouver Homeless Count

FIGURE 40 - FIRST EXPERIENCE OF HOMELESSNESS, VANCOUVER



Source: 2020 Metro Vancouver Homeless Count

Across all age groups, 48% of respondents experienced homelessness for the first time before the age of 25. Such findings show the need to consider the impacts of housing insecurity on youth and families, especially when compounded by intersecting markers of identity: socio-economic status, racial identity, (dis)ability status, sexual orientation, etc. Studies have shown

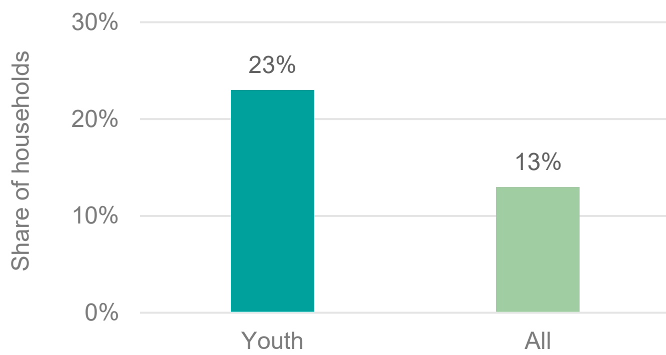
[34] Census 2016, Low-Income Measure After Tax

[35] The number of responses, which makes up the denominator for analysis, is based on the number of respondents who provided at minimum one valid response (yes/no) to one of the five health related questions.

[36] Ministry care includes in foster care, in a youth group home, or on an Independent Living Agreement. The question and responses do not include individuals who attended a Residential School.

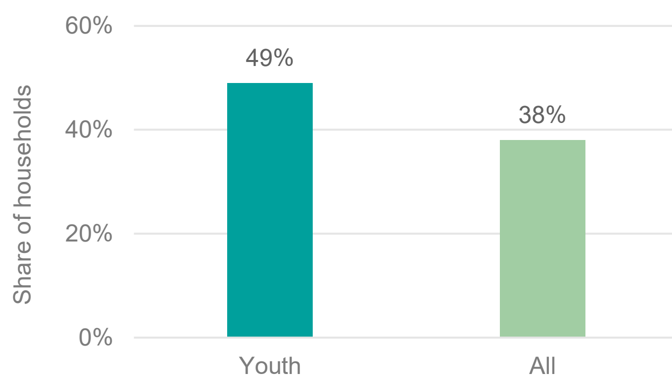
that barriers to equity are strongest with the overlap of systemic disadvantage. The overrepresentation of both Indigenous and 2S/LGBTQIA+ youth in the homeless population is a case in point, one that speaks not only to ongoing discrimination, but also to the urgent need for housing options capable of meeting the needs of a diverse population. For youth experiencing or at risk of homelessness in Vancouver, there are different approaches to providing shelter and support. Youth servicing organizations provide over 80 shelter beds. Additionally, there are over 50 transitional housing spaces designated for youth and an additional 150+ units of supportive housing.

FIGURE 41 - INDIVIDUALS EXPERIENCING HOMELESSNESS WHO IDENTIFY AS 2S/LGBTQIA+, VANCOUVER



Source: 2020 Metro Vancouver Homeless Count

FIGURE 42 - INDIVIDUALS EXPERIENCING HOMELESSNESS WHO IDENTIFY AS INDIGENOUS, VANCOUVER



Source: 2020 Metro Vancouver Homeless Count

Part 3 | Existing Housing Need and Future Housing Demand in Vancouver

In response to increasing housing pressures in municipalities across BC, the Province's Housing Needs Report legislation requires municipalities to develop concrete estimates of current and anticipated housing need.[37]

In drafting this Housing Needs Report, Vancouver engaged local academic experts and senior government partners in dialogue about how to identify and estimate housing need in the city. Experts and partners agreed that there is substantial housing need in Vancouver from a variety of sources, including a backlog of existing unmet needs, as well as future demand from a growing and changing population.

Experts also cautioned about challenges involved in estimating the number of current households in need or future housing demand, and had a variety of opinions about approaches to developing estimates.[38] Vancouver's approach to estimating current housing need and future housing demand in this report reflects the advice received from experts to date, and Staff will continue to refine this framework through ongoing expert and community engagement.

Section Overview

This section provides analysis and data supporting Vancouver's estimates of current and anticipated housing need as required by the Province:

- Current housing need: Renter households paying between 30% and less than 100% of income on housing; Renter and owner households below the Census suitability standard; Renter households below the Census adequacy standard; Existing homelessness and replacement of SROs
- Future housing demand: Population and household projections based on the City's current ten-year development forecast
- Other sources of existing need and drivers of future demand
- Summary of housing need for key housing types and populations as required by the Province

***Note**: Estimates of current need and future demand are not housing targets. While housing needs are important for informing housing targets, targets are based on strategic housing goals and determined by other factors such as City and partner development capacity, senior government funding, and potential trade-offs with other Council priorities.*

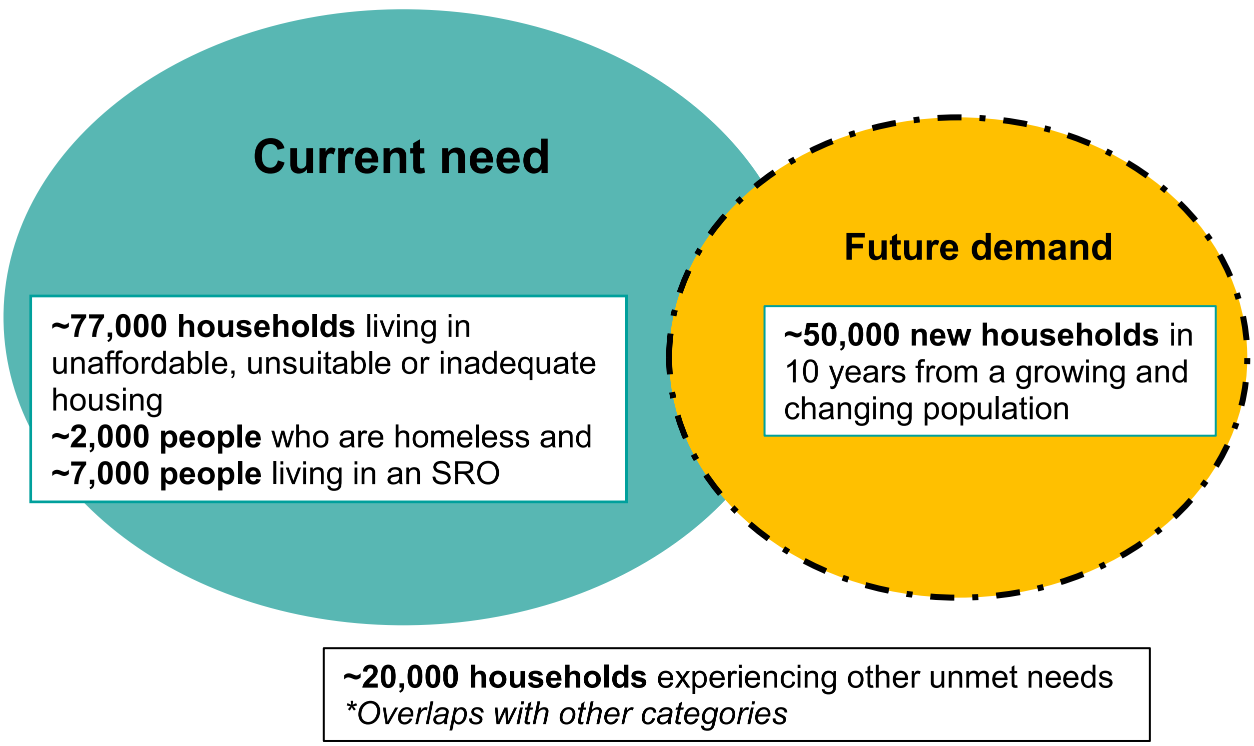
[37] Provincial legislation asks municipalities to report the "number of housing units to meet current housing needs and anticipated needs for at least the next five years." For the purposes of this Housing Needs Report, Staff have used the terminology of "future housing demand" in place of "anticipated housing need," noting that future demand more clearly captures the difference between people experiencing need vs. demand from new households who will be seeking homes in Vancouver.

[38] Additional information on expert consultation findings are available in a supporting consultation summary available at https://vancouver.ca/people-programs/provincial-housing-needs-report.aspx

Key Findings

- *Current housing need:* Vancouver's Housing Needs Report finds approximately 77,000 households in Vancouver 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 hotels.

- *Future housing demand*: The Housing Needs Report also 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.[39] The actual level of population growth in Vancouver will depend on factors including economic and job growth, demographic changes within the existing population, 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 and drivers of future demand:* Vancouver's Housing Needs Report also considers other sources of unmet housing need not accounted for in Census data or projections, such as changing household formation and families leaving the city, as well as indicators like persistently low rental vacancy rates and rising prices. These other sources of housing need are challenging to quantify and involve potential double

[39] For information on the methodology used for these projections, please see Appendix C

counting with other categories of need; an initial accounting suggests upwards of 20,000 homes are required to address these unmet needs. This section also looks at other key drivers of future housing demand, including shrinking households, demographic changes, movement within and outside Vancouver, and investment demand.

- *Limitations involved in estimating housing needs:* Accounting for current and future housing need is important for informing planning, land use, and funding decisions related to housing. However, getting to a concrete number of households in need involves several challenges, including data limitations, double counting, and issues with projections. Further discussion on data limitations is available in Appendix C, Technical Briefing Note on Unmet Needs.

1. Understanding existing housing need

Provincial Housing Needs Report requirements ask municipalities to estimate existing housing need among current residents. Vancouver's estimate considers several indicators of households experiencing need, using data from the Census as well as City data on homelessness and low-income housing. Other sources of existing unmet need not captured in this estimate are detailed further in 3a, later in this section. Overall, Vancouver's analysis suggests that there is substantial existing unmet housing need among Vancouver residents.

a. Categories of existing housing need

While there is no single method to assess the number of existing Vancouver households facing housing need, Census data provide important metrics that can assist in identifying a baseline estimate of existing need for key population groups, especially when supplemented with City data sources, including the Point-in-Time homeless Count and Low-Income Housing Survey looking at SROs and their residents. This report considers four metrics in particular, detailed below: renter households over-paying on rent, owner and renter households falling below the suitability standard, renter households falling below the adequacy standard, and people experiencing homelessness and those living in SROs.[40]

Renter households paying between 30% and less than 100% of their income on housing

The census affordability standard looks at the number of households spending over 30% of their gross income on rent. Reporting on this metric typically excludes households paying 100% or more of their income on rent, since these households tend to be students or other households receiving supplementary income beyond earnings. The 30% benchmark is a guideline, not a

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[40] Another metric to quantify these housing needs is Core Housing Need. Core Housing Need also considers households falling below one or more of the census affordability, suitability and adequacy standards. However, it is more restrictive as it considers only households who could not afford alternative market-rate housing as determined by Statistics Canada. In Vancouver, 51,405 households are considered to be in Core Housing Need, including 21,855 are in Extreme Core Housing Need (paying over 50% of their income on housing), all tenures combined.

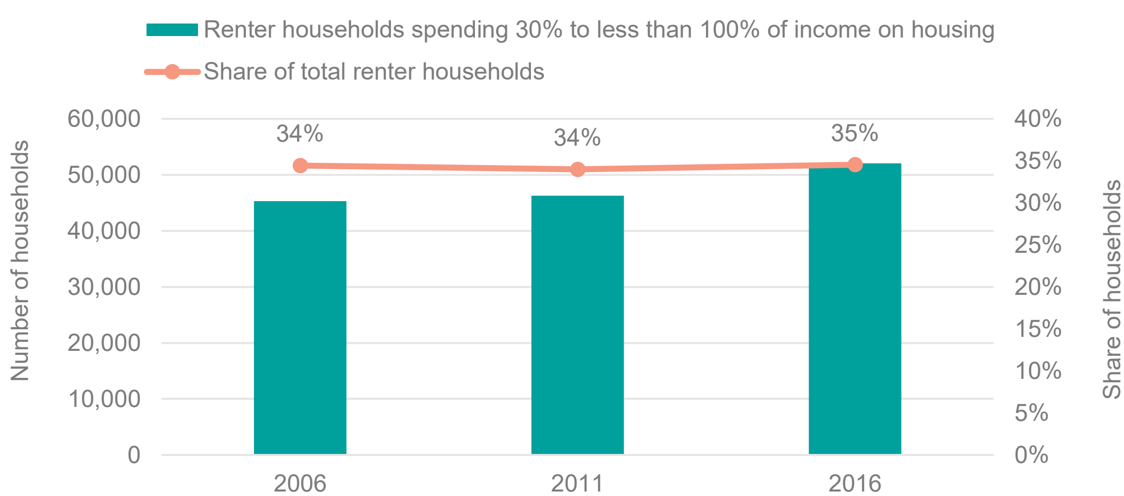
rule – for example, households earning higher incomes may be able to sustain housing costs higher than 30%; conversely, lower-income households may face affordability challenges even when their housing costs are less than 30% of their income.

Vancouver's estimate of current housing need includes renter households overpaying on rent, and does not include owners. This reflects the specific risk of eviction and housing insecurity facing renters who cannot afford their housing costs compared to owners. In 2016, 52,000 households were spending between 30% and 99% of their income on rent, with 96% of these households earning less than $80,000.[41] This figure includes 10,700 renters reporting that they live in subsidized housing.

Specific housing needs may vary within these households based on age, household type, and income. Among households counted in this category, 29% are couple families with and without children, 59% single persons and 12% adults living together e.g. as roommates. Among couples and families, 69% earned less than $50,000. Among single person and roommate households, 88% earned less than $50,000.

Taking a historic perspective, we see that the incidence of renters overpaying on rent is a persistent phenomenon in Vancouver, with the share of renter households spending over 30% of their income on housing staying relatively stable over the past three census counts.

FIGURE 43 – RENTER HOUSEHOLDS SPENDING OVER 30% AND LESS THAN 100% OF INCOME ON HOUSING, VANCOUVER



Source: Census 2006, NHS 2011, Census 2016

To learn more about trends in renter households paying 30% to less than 100% of income on housing, see section 4.4e of the 2019 Housing Vancouver Databook (p. 160).

[41] This group also includes renter households who fall below the suitability standard or the adequacy standard, in addition to overpaying on housing costs.

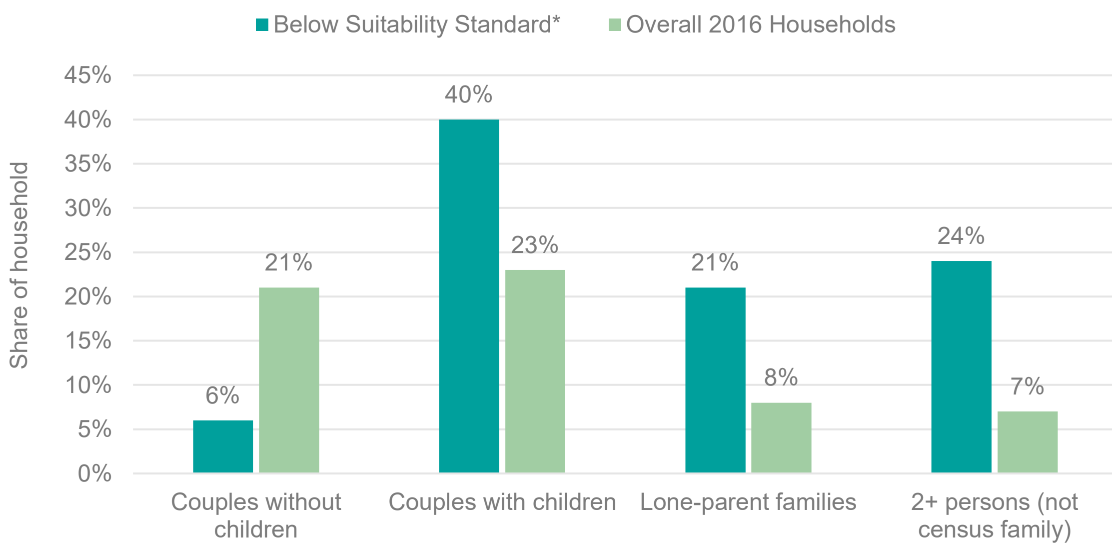
Renter and owner households below the Census suitability standard

Housing suitability in the Census refers to whether a private household is living in suitable accommodations according to the National Occupancy Standards[42]; that is, whether the dwelling has enough bedrooms for the size and composition of the household.

Vancouver's estimate of current housing need includes owner and renter households falling below the Census housing suitability standard. Here we exclude households paying over 30% of their income on housing costs, as these households were already accounted for in the previous category (mostly among lower-income brackets). The intent is to capture households who might be choosing homes with fewer bedrooms than they need in order to meet their affordability needs and remain in Vancouver.

Approximately 18,000 households fell below the suitability standard in the 2016 Census, without additional affordability issues. The majority (63%) earned an annual household income of $50,000 to $150,000. Renters are more likely to be impacted (63%) as well as apartment dwellers (89%). Families with children are also particularly impacted by overcrowding (61%), as well as adults living together who are not a census family (24%).[43]

FIGURE 44 – SHARES OF SELECT HOUSEHOLD TYPES AMONG HOUSEHOLDS BELOW SUITABILITY STANDARD AND TOTAL HOUSEHOLDS, VANCOUVER



**Excluding households double counting in 'Paying 30% to less than 100% of income on housing' category.*
Source: Census 2016

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[42] https://www23.statcan.gc.ca/imdb/p3Var.pl?Function=DEC&Id=100731

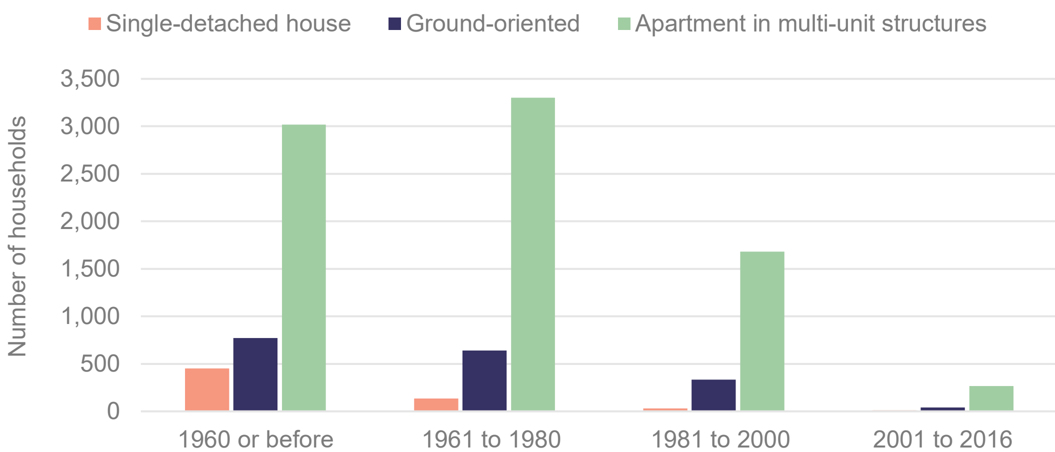
[43] The income distribution of this group tends towards middle incomes due to the exclusion of households who were already included in the category of renter households overpaying on housing costs, most of which fall in lower-income brackets. Without correcting this double counting, 22,660 households would fall below the suitability standard, of which 70% rented their homes; 27% were adults living together, not part of a census family; and 54% earned between $50,000 and $150,000.

Renter households below the census adequacy standard

Adequate housing is reported by residents as not requiring any major repairs. Vancouver's estimate of current housing need includes renter households falling below the adequacy standard as determined by the census. The intent is to capture renter households who might be living in inadequate housing in order to meet their affordability needs and remain in Vancouver.

A total of 6,700 renter households fell below the adequacy standard in the 2016 Census, without reporting additional affordability issues. The majority of these households earned an annual household income between $50,000 and $150,000 (62%) and lived in apartments (87%). Household types were varied with 37% being single persons, 40% being couples with or without children, 9% being lone-parent families, and 13% being adults living together not part of a census family.[44] 40% lived in dwellings built before 1961 and another 38% in dwellings built between 1961 and 1980.[45]

FIGURE 45 - RENTER HOUSEHOLDS IN HOUSING FALLING BELOW ADEQUACY STANDARD BY TYPE OF DWELLING AND PERIOD OF CONSTRUCTION, VANCOUVER



Source: Census 2016

Existing Homelessness and Replacement of SROs

In addition to existing households falling below census affordability, suitability, and adequacy standards, Vancouver's estimate of current housing need considers households living in SROs and residents experiencing homelessness as part of existing need. Based on the most recent data from the Low-Income Housing Survey (2019) and the Homeless Count (2020), there are approximately 7,000 tenants living in 6,681 SROs in need of replacement, as well as at least 2,000 residents experiencing homelessness.

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[44] This group's household composition is somewhat skewed due to the exclusion of households who were already included in the category of renter households overpaying on housing costs. Without correcting this double counting, 10,755 households would fall below the adequacy standard, of which 13% were couples with children; 17% were couples without children; and 46% were single persons.

[45] Period of construction statistics are based on all households reporting falling below the adequacy standard, not considering double counting, due to data availability.

b. Homes required to meet current housing needs

The Province's Housing Needs Report legislation requires municipalities to provide an estimate of number of homes currently required to meet current housing needs, broken down by unit type (studio / 1-bedroom / 2-bedroom / 3+-bedroom).

For this report, we estimate the potential requirement for new dwelling units to meet current needs based on the following assumptions:

- An estimate of 86,000 units based on current households in need, including 77,000 households falling below the census affordability, suitability, and adequacy standards (the sum of the numbers identified in 1a-1c above), plus approximately 2,000 people who are experiencing homelessness and approximately 7,000 people living in SROs.
- For unit types, Staff assumed all individuals in SROs and experiencing homelessness require a self-contained studio or one-bedroom unit, and applied bedroom types to the other categories of unmet need identified in 1a-1c based on the 2016 distribution of household types (singles / couples / families with children).[46]

TABLE 7 – ESTIMATED UNITS REQUIRED TO MEET CURRENT HOUSING NEED

Potential units required for all households in housing need	
0/1 bedroom	56,500 (62%)
2 bedrooms	15,900 (21%)
3+ bedrooms	13,600 (18%)
Total	**86,000**

**Total units may vary due to rounding*

While Vancouver's Housing Needs Report uses the number of households to fulfill the Province's requirement for an estimate of current units needed, it is important to note that the number of units actually required to address needs may not be the same as the estimated number of current households in need. One reason for this is that some households in need may be served through actions other than a newly-built home. For instance, a household over-paying on rent but otherwise satisfied with their dwelling could be assisted through rent support; similarly a household in unsuitable housing could be assisted by finding a more suitable home in the existing stock rather than a new home. Some units may also be freed up in the existing stock as existing households move to new housing that is affordable to them. These are considerations to explore further in future Housing Needs Reports.

[46] For the purpose of this assessment, we assume the following:
- Single persons and couples without children (62% of all 2016 households) would require studios or one-bedroom units
- Couples or lone parents with one child, multiple-family households with no children, and two-person non-family households (21% of all 2016 households) would require two-bedroom units
- Couples or lone parents with two or more children, multiple-family households with children, and three-or-more-person non-family households (18% of all 2016 households) would require units with three or more bedrooms.

2. Future Housing Demand

In addition to existing need, Provincial Housing Needs Report requirements ask municipalities to estimate anticipated housing need, which this report refers to as future housing demand. The following section outlines Vancouver's approach to estimating future housing demand as per the Province's requirement.

Vancouver is the economic centre of a growing region and is a key destination for internal and external migration. Vancouver and the region's population are also experiencing demographic shifts occurring across Canada that are resulting in changes to the composition and number of households, such as an aging population, millennials starting families, and smaller household sizes.

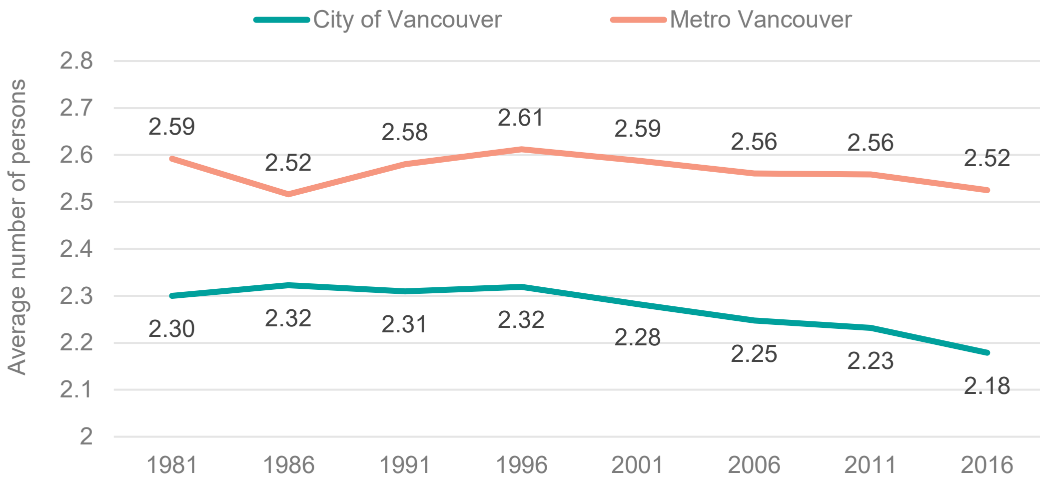
A growing and changing population has significant implications for future housing demand. Population growth from migration and changes in household composition create demand for homes, which must be absorbed by our housing system either in the existing stock or via new supply. Failure to accommodate demand from a growing population could contribute to ongoing affordability challenges and contribute to our housing system supporting only the wealthiest and highest income residents – existing and future.

a. Drivers of population and household growth

Population growth can be broken down into several discrete components – births, deaths, domestic migration, and international immigration. Of these factors, migration has historically been the most significant contributor to growth over time in Vancouver and the region, with new residents arriving to access employment in the city's diverse and growing economy, internationally recognized post-secondary institutions, and access to natural amenities. Looking at historic migration patterns, Vancouver has typically experienced a net inflow of residents aged 34 and under, and a net outflow of residents aged 35 to 44 (though the rate of inflow and outflow of these groups has changed over time). Additional detail on drivers of growth in Vancouver can be found in Section 3b below, 'Other drivers of future demand.'

Population growth lands in cities in the form of households. As previously discussed in Part 1, Vancouver is home to a diverse range of households, including singles, couples, families with children, roommates, and multi-generational households. Households in Vancouver are typically smaller than the regional average – due at least in part to the city's relatively high share of apartment housing, inflow of younger households, and an aging population. Households in Vancouver and the region are also getting smaller over time, in line with national trends.

FIGURE 46 - AVERAGE PRIVATE HOUSEHOLD SIZE



Source: Census 1981, 1986, 1991, 1996, 2001, 2006, 2011, 2016

One outcome of falling household sizes is that the number of households is growing at a faster rate than the overall population. For example, between 2006 and 2021, Vancouver's population increased by 14.6%, and households by 20.5% (using private dwellings occupied by usual residents as proxy for households). This also means that a higher rate of dwelling growth is required to accommodate population growth.

Vancouver is also experiencing demographic shifts taking place across Canada, including an aging population and household formation among the millennial cohort. Further discussion of these trends can be found in 3b of this section.

b. Population and Household Projections

Population and household projections can help inform our understanding of the level of housing demand coming from a growing and changing population. The City asked Andrew Ramlo, Director of rennie Intelligence, to develop five- and ten-year population projections based on recent household formation trends and the City's development forecast of projects likely to be completed in the next ten years. [47]

These projections show that the City of Vancouver could grow by approximately 50,000 people over the five years between 2022 and 2027 (30,000 households) representing an 8.6% growth in total population. Over ten years to 2032, 85,000 people (50,000 households) are projected. Growth over the next decade is therefore expected to be in the range of 12%, or 1.2% per annum. In this scenario, Vancouver would be home to 784,700 people in 2032, and hold its current share of the overall Metro Vancouver population at 24%.[48]

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[47] For information on the methodology used for these projections, please see Appendix C

[48] For reference, Metro Vancouver's baseline scenario projects that Vancouver will grow to 774,600 residents by 2032 and will count 346,250 dwelling units occupied by usual residents (proxy for households).

However, population projections must be used with caution. The "Opening Doors" Report from the Canada-BC Expert Panel on the Future of Housing Supply and Affordability finds that low rental vacancy rates and rapid rent and housing price growth are indicative of very high demand for housing in Vancouver and the region relative to the current available stock of housing.[49] In this context, the Expert Panel report suggests that the level of population growth in the city and region is potentially an outcome of the amount of new housing created. Until Vancouver is experiencing a healthy rental vacancy rate and/or stable prices, it is likely that land use decisions will continue to be a key constraint on population growth.

Projections must also be interpreted with an understanding that they are the output of models that are based on assumptions and data shaped by past trends. Actual future population growth will be shaped by factors that may not be captured in a model - such as changing immigration targets at the national level, economic and market forces, and local policies and land use decisions. For these same reasons, it is impossible to know for certain the household characteristics (incomes, household types, occupations) of new residents coming to Vancouver, though past migration trends such as those in Section 1 of this report can tell us the characteristics of new households in past census counts, and could point to potential future directions.

c. Number of units required to accommodate future demand

In addition to the estimate of units required to address current housing need discussed above, the Province requires municipalities to provide an estimate of the number and type of units required to meet housing needs in five years.

To meet this requirement, Vancouver uses the household growth projections for the next five and ten years provided by Andrew Ramlo, as discussed above and in Appendix C of this Report. These projections will be updated for subsequent housing needs reports.

To derive the number of units required by unit type, Vancouver applied the share of each unit type (number of bedrooms) based on the distribution of household types from the 2016 Census.[50] This provides an estimate of the number and type of units needed to accommodate projected household growth from 2022 to 2027 and to 2032. Note that this estimate may not align with the actual unit mix provided in new developments.

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[49] Final Report of the Canada-BC Expert Panel on the Future of Housing Supply and Affordability https://engage.gov.bc.ca/app/uploads/sites/121/2021/06/Opening-Doors_BC-Expert-Panel_Final-Report_Jun16.pdf

[50] For the purpose of this assessment, we assume the following:

- Single persons and couples without children (62% of all 2016 households) would require studios or one-bedroom units,
- Couples or lone parents with one child, multiple-family households with no children, and two-person non-family households (21% of all 2016 households) would require two-bedroom units,
- Couples or lone parents with two or more children, multiple-family households with children, and three-or-more-person non-family households (18% of all 2016 households) would require units with three or more bedrooms.

TABLE 8 - ESTIMATED NUMBER OF UNITS REQUIRED TO MEET FUTURE HOUSING DEMAND

Estimate of additional units required to meet housing demand of net new households in the next 5 and 10 years		
	2022-2027	**2022-2032**
0/1 bedroom	19,000	31,000
2 bedrooms	6,000	10,000
3+ bedrooms	5,000	9,000
Total*	**30,000**	**50,000**

**Total units may vary due to rounding*

3. Other sources of unmet need and drivers of future housing demand

In addition to the indicators of existing need and future demand summarized above, several additional factors are important to consider in a discussion of housing need in Vancouver. The sections below summarize additional estimates of existing unmet need in Vancouver, as well as important drivers of future housing demand.

a. Other sources of existing unmet need

While population projections estimate the number of people expected to come to Vancouver in the future, and existing need estimates look at households currently in need, additional elements can be considered to capture other sources of existing unmet need. These include for instance households leaving Vancouver or shut out from the city due to affordability challenges, young people unable to form households, social housing waitlists, and loss of existing affordability.

In addition to census and City data on existing unmet need discussed in Section1, the City has worked with Andrew Ramlo (rennie Intelligence) to identify and develop estimates of other sources of unmet need. Based on these estimates, **the City has identified a need for at least 20,000 homes to address these other unmet needs**.[51] Additional detail on the methodology behind this estimate and data limitations is available in Appendix C.

Low rental vacancy, rising rents, and increasing home prices

Following Provincial requirements, Vancouver's Housing Needs Report expresses housing need and demand in terms of the number of households in need or units required to meet current need and future demand. However, academic experts noted limitations to this household-based

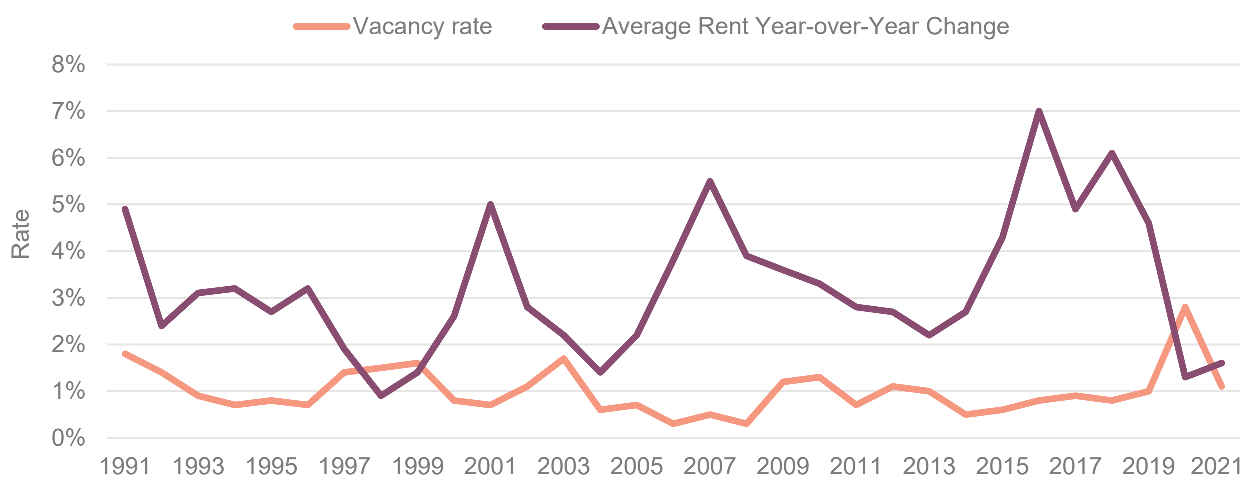
[51] Note that these estimates involve data limitations and potential double counting with other categories of needs. Data limitations also mean it is not possible to identify specific household characteristics for these categories of unmet need such as incomes and household types.

approach to estimating need, and encouraged the City to also consider vacancy rates, rents, and home prices as key indicators of housing need and a constrained housing system.

Since at least the 1990s, available data suggest that Vancouver's rental market has had extremely low rental vacancy rates. CMHC reports vacancy rates below 2% in Vancouver since 1990, and at or below 1% in the past decade since 2010 (with the exception of 2020 during COVID-19). For comparison, healthy rental markets are often characterized by a vacancy rate between 3 and 5%.

Low vacancy rates are a sign of unmet demand for rental housing, reflected as well in rising rents. As discussed previously in Part 1 of this report, Vancouver has seen a 46% increase in average market rents for private rental apartments from 2011 to 2021. Increasing rental vacancy, i.e. through increased rental supply, helps to moderate rent growth. Figure 47 shows trends in rents and vacancy rates in Vancouver since 1991. While rents have increased in Vancouver every year, the rate of increase has been lower during periods when the vacancy rate was higher.

FIGURE 47 - ANNUAL AVERAGE RENT INCREASE COMPARED TO VACANCY RATE, VANCOUVER



**In 2021, the Province cancelled all rent increases for tenanted units to support renters during the COVID-19 pandemic.*
Source: 2021 Rental Market Survey, CMHC

Rising home prices are another indicator of unmet demand for housing relative to available supply, in this case ownership housing. As discussed in Part 1 of this report, benchmark home prices more than doubled in Vancouver East between October 2011 and October 2021 (+108% for detached houses and +111% for apartments).[52] This trend is also observed in the rest of the region, with benchmark prices growing by 95% in ten years for detached houses and 97% for condos.

Families leaving the city

Over the past several census periods, Vancouver has seen many families move out of the city. Between 2011 and 2016, almost 20,000 households moved from Vancouver to other parts of

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[52] The REBGV reports on the West side ("Vancouver West") and East side of Vancouver ("Vancouver East") separately. The City typically uses Vancouver East home prices in official reporting.

Metro Vancouver, 70% of which were couples, the majority of whom were couple families with children. Among these out-mover families, 72% owned their dwellings in 2016, suggesting moves may be related to unaffordability or unavailability of desired ownership options within Vancouver. Many out-movers earned higher incomes than the overall Vancouver average, with 40% of families leaving the city earning between $80,000 and $150,000, and 23% earning over $150,000 in total before-tax income.

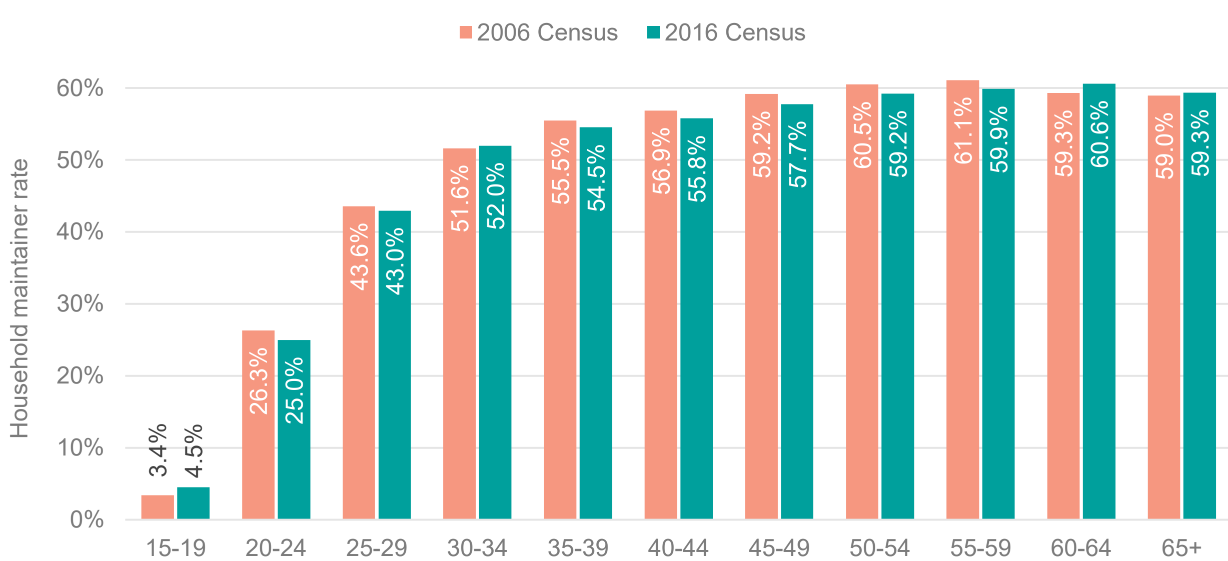
Vancouver also experienced a loss of income diversity as the share of households earning less than $50,000 has been steadily declining compared to higher-incomes (from 67% in 2006 to 50% in 2016). This may partially be explained by inflation and overall incomes growing, but may also be indicative of lower-income households being priced out of the city while higher-incomes are able to stay in or move to Vancouver.

Delayed household formation

Since the mid 1980's, Household formation rates have generally fallen as subsequent generations have entered the household formation stages of the lifecycle. Nationally, the proportion of young adults aged 20-24 living at home increased from 40% in 1981 to more than 60% in 2016. Further, by 2016 more than a quarter of 25-29 year olds in Canada were still in, or had moved back to, the parental home (up from only 10% in 1981).

The most recent data on household formation and occupancy for Vancouver show a general decline in the proportion of the population under the age of 45 to maintain households. More specifically, primary household maintainer rates[53] for the 20 to 24 population in the city declined from 26.3% in 2006 to 25.0% in 2016. Similarly, the 25 to 29 population saw their rates fall from 43.6% to 43.0% by 2016 and the 35 to 39 group from 56.3% in 1996 to 54.5% in 2016.

FIGURE 48 - AGE-SPECIFIC PRIMARY HOUSEHOLD MAINTAINER RATES, VANCOUVER



[53] The primary household maintainer rate shows the proportion of individuals within an age group who head a household (indicating on the census form that they are primarily responsible for the finances of the household; or first name on the form if there are several maintainers). It is an indication of household formation patterns.

Source: 2006 Census, 2016 Census

While falling household formation among younger households is a national trend, it could be partly explained by housing unaffordability in high cost cities like Vancouver, especially during university or at the beginning of their careers when incomes are lower. It is important to note that other factors may also contribute to these shifts in household formation patterns, such as young adults remaining in the parental home or living with other non-related individuals by choice rather than necessity, as well as different or changing cultural norms.

Jobs, employment, and commuting

Another potential indicator of unmet housing need in the city can be seen in the relationship between where people live and work. Forty percent of Vancouver jobs are held by commuters from outside the city. Given the magnitude of in-commuting to the city, reducing the in-commuting rate slightly through allowing more people to work and live in the city would represent a significant number of people and households: every 1% reduction in in-commuting achieved through accommodating workers within the city represents a shift of 1,500 workers, or 750-1,000 households, into the city.

Another jobs-based approach to considering the scale of potential unmet housing need would be to consider the number of job vacancies that exist within the city. While no city-level data are available for job vacancies, the most recent regional data from Statistics Canada show that the Lower Mainland Southwest economic region had a total job vacancy rate of 6.0% in Q4 of 2021, or 94,095 unmet job openings. With the City of Vancouver having roughly a third of jobs at a usual place of work in the Southwest Economic Region (31%), this would potentially translate into 29,100 job vacancies in the city as of Q4 2021. Using the city's most recent rate of people living and working in Vancouver (55% as of 2016), filling this scale of unmet jobs via additional homes in Vancouver could translate into almost 16,000 new jobs and represent between 8,000-10,000 homes within the city.

Social and Supportive Housing waitlists

Social housing waitlists are an additional indicator of un-met housing need among current households. In the City of Vancouver in June 2021, 4,756 people were registered on BC Housing's Social Housing Registry. In December 2021, the provincial Supportive Housing Registry counted 3,728 applicants. These lists are known to be under-estimating the actual need as not all non-market housing providers use the BC Housing registries.

In addition, many residents looking for non-market housing may not be aware of those housing waitlists, may face systemic and personal barriers to getting registered, or may have been discouraged by the length of existing waitlists. Households with children that are struggling with housing insecurity may be reluctant to register due to the risks of government intervention and family breakdown. Additionally, residents experiencing homelessness, living in inadequate housing or whose work is stigmatized (e.g. sex work) may be resistant to living in social or supportive housing due to the perceived or experienced level of oversight or loss of personal autonomy.

Loss of existing affordable rental

Rising rents in older rental are another sign of housing demand and constrained supply. In a healthy rental market, rents in older rental buildings are expected to increase more slowly than in new rental. However, in Vancouver, rents in older rental buildings have increased rapidly. For example, rents in buildings constructed between 1960-1979 increased by 42% between 2011 and 2021. This results in a loss of an important source of affordability for low and moderate-income residents.

Low vacancy and rising rents have also put pressure on Vancouver's existing aging rental apartment stock to redevelop. Vancouver has long-standing policies in place requiring one for one rental replacement in most apartment areas. These rental replacement policies have encouraged a net gain of rental overall in these areas; however, Vancouver continues to experience loss of purpose-built rental in areas not covered by these requirements, such as RT zones.

b. Other drivers of future housing demand

A variety of factors are behind population growth and change in Vancouver and their relationship to future housing demand. This section outlines several key drivers of future housing demand identified in dialogue with experts and stakeholders.

Vancouver's population is aging

The share of population over 65 in Vancouver has climbed from 13.1% in 2006 to 15.5% in 2016. If this trend continues, 16.3% of Vancouver's population in 2032 (approx. 128,000 people) will be over the age of 65. Data on the housing situation of seniors in Vancouver are available in Part 2, Community Profiles.

Consultation with seniors about their housing needs has indicated that many senior households are interested in down-sizing and/or finding more accessible housing as they age, but are concerned that appropriate housing is not available in their current communities. Health, secure housing, pension levels and family supports play important roles in housing need as well, with the possibility to age in place, the need for social and financial supports or the need to move to assisted living facilities. Renting seniors on fixed incomes report concerns about rising rents and the risk of housing insecurity or homelessness if they are displaced from their homes.

Millennials are forming households and starting families

Population estimates from Statistics Canada and BC Stats suggest that between 2016 and 2021, the number of households aged 25 to 34 and aged 35 to 39 grew much faster than overall households in BC. This trend represents a demographic 'bulge' similar to the period of high household formation among the post-war boom generation in the late 1970s and early 1980s. Household formation among these age groups is an emerging source of housing demand in BC and across Canada, and can look like younger millennials moving out of their parents' home into their first rental home, or older millennials starting families and purchasing their first home.

Vancouver is adding jobs

As previously noted earlier in this report, Vancouver and the region are experiencing significant economic growth and diversification. The City contracted with Hemson to develop an employment forecast for Vancouver for the next 30 years. This forecast (updated in September 2020 to account for COVID-19 impact and then again in March 2022) anticipates an additional

121,000 jobs in Vancouver by 2031, compared to 2016. Most of this growth is anticipated to consist of jobs located in major office space and population-serving industries such as commercial services and health care.

The federal government is planning for increased immigration in coming years

The federal government has increased Canada's overall immigration targets each year since 2016. Immigration targets set out the overall number of permanent residents to be admitted annually and by immigration category. The latest plan anticipates over 1.3 million new permanent residents between 2022 and 2024. For reference, 1.8 million people were admitted as permanent resident of Canada between 2016 and 2021[54]. Most of these new immigrants come through economic categories, bringing a range of skills, occupations and income levels; others come from family sponsorship or humanitarian categories. Past data from Immigration, Refugee and Citizenship Canada (IRCC) and Statistics Canada have shown that the vast majority of immigrants tend to settle in large urban centres like Vancouver where jobs, services and community supports are located.

Many people move within Vancouver

As households grow and change, their economic circumstances and/or housing preferences may also change, leading them to move to a new dwelling. While there are only limited data looking at the reasons why households move, recent data provide a picture of the number and reasons for moving in recent years.

In the City of Vancouver, 136,000 households moved at least once between 2011 and 2016. Seventy-one percent (71%) of them were renters. Consultation with renters suggests that higher rates of moving among renters is potentially related to lower security of tenure in rental housing and greater frequency of household or economic circumstances among younger renters, and overall higher barriers to moving among owners.

The 2018 Canadian Housing Survey (CHS), part of Statistics Canada's new Canadian Housing Statistics Program, asked a sample of Canadians about their reasons for moving in the 5 years prior to the survey. These data are only available at the regional level for Vancouver, but provide important insights on movers. Overall, the main reason cited among Metro Vancouver residents for moving was to upgrade to a larger or better quality dwelling. Other reasons cited for moving varied based on tenure. Among current owners, 30% reported that they moved in order to own a home, and a further 19% moved in order to live in a better neighbourhood. Among current renter households, 21% moved in order to live in a better neighbourhood, and 16% stated that they were forced to move, i.e. because of an eviction – at the time, this was the highest rate of forced moves of any Canadian region.[55]

Vancouver is an attractive location for investment in housing

In consultation for this housing needs report, several expert stakeholders suggested that demand for housing as an investment ought to be considered in reporting on housing demand. The many drivers of demand discussed above, combined with evidence of a constrained

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[54] A portion of these new immigrants were already living in Canada as temporary residents. Temporary residents are not included in these overall immigration plans.
[55] For more information on evictions in Canada: https://housingresearch.ubc.ca/understanding-evictions-canada

housing supply, have created an environment where real estate in Vancouver is seen as a safe and profitable investment asset by a wide variety of potential investors, including corporate investors, pension funds, REITs, and individuals. According to recent Statistics Canada reporting, 19.3% of individual property owners who reside in Vancouver owned more than one property.[56]

Investment demand in housing is a complex topic that is generally beyond the scope of this Housing Needs Report. Municipalities also have limited tools available to address demand for housing, relative to other levels of government. Vancouver has taken action to ensure that housing is serving as long-term homes, including the Empty Homes Tax and regulations on short-term rentals. Supporting a balanced supply of housing is a key way that municipalities can help to ensure that investment in housing is supporting adequate and secure housing for households, rather than pricing households out of cities.

4. Statements of housing need for key populations required by the Province

In addition to estimates of current and future housing need, the Provincial Housing Needs Report requirement asks municipalities to include statements of need for key populations and housing types. Vancouver's statements of need are included below and in the attached summary form in Appendix A.

HOUSING FOR FAMILIES

Families with children and multiple-family households represented 31% of households in Vancouver in 2016, down from 32.8% in 2011. They also accounted for a significant part of households who moved out of Vancouver to another municipality in Metro Vancouver between 2011 and 2016, which may suggest existing and future need for more affordable options for families, including rental and ownership options with more bedrooms. Seventeen percent (17%) of family households reported overcrowding in 2016 and only 1.2% of the purpose-built market rental stock offers 3 or more bedrooms (in CMHC's 2021 Rental Market Survey universe). Families can have diverse housing needs depending on number of children or income levels: lone-parent households or families in core housing need are particularly vulnerable to high housing costs.

[56] For more information on multiple-property ownership in Canada: https://www150.statcan.gc.ca/n1/pub/46-28-0001/2019001/article/00001-eng.htm

AFFORDABLE HOUSING

Rising ownership costs and rents signal the need for a greater supply of more affordable non-market and co-op housing. CMHC reports that in 2021, only 17% of Vancouver's purpose-built rental stock is available to the bottom 40% of the household income distribution. Additionally, 23% of Vancouver households fell below the LIM-AT threshold. BC Housing also reports 4,756 people on its social housing waitlist as of June 2021, including close to 2,000 seniors and 1,000 families (a number of non-profit housing providers also maintain their own separate wait lists). Forty percent of the existing non-market housing stock was built in the 1970s and 1980s, now in need of renewal or deep retrofit. Non-profit housing providers have also underlined this need through various consultation processes with the City. Partnerships with senior levels of government are necessary to deliver additional non-market housing and deepen affordability.

MARKET RENTAL HOUSING

With most new Vancouverites renting their homes and ownership costs out of reach for many residents, over half of all households in Vancouver rented their homes as of the last census in 2016. This represented 150,750 households, most living in market rental housing. Low vacancy rates in both primary and secondary markets are signs of the strong demand for market rental housing and pressure on the existing stock. Data on the relationship between rents and vacancy rates indicate that higher rental vacancy is associated with slower rent increases. Seventy-four percent of the purpose-built rental market stock was built before 1980 and is now reaching the end of its natural life or in need of major repairs; almost no new rental was added from 1980 to the late 2010s in Vancouver.

INDIGENOUS HOUSING

Households with at least one person identifying as Indigenous represent 3.4% of Vancouver households. Indigenous households are overrepresented among renters, low-income households, categories of existing housing need (suitability, adequacy and shelter-cost-to-income ratio of over 30%) and residents experiencing homelessness. Indigenous households also need housing and related social or supportive services that are culturally appropriate and considerate of Canada's reconciliation efforts. The Aboriginal Housing Management Association "BC Urban, Rural and Northern Indigenous Housing Strategy" published in January 2022 provides an assessment and details on the specific housing needs of Indigenous people, and outlines a roadmap to meet these needs. Continued collaboration between the City, the Musqueam, Squamish and Tsleil-Waututh Nations, AHMA and other Indigenous housing organizations will be required to understand and address this specific housing need.

HOUSING FOR SENIORS

Seniors represented 15.5% of the population of Vancouver in 2016, a share that has grown larger with each census and is forecast to keep growing, as more of the baby-boomer generation reaches retirement age. Seniors have a diverse range of housing needs, with many looking to age in place in their existing homes or communities, others looking for assisted living or other similar housing options with a range of supports. Seniors in rental housing, with low-incomes or in disproportionately impacted communities, may need different types of housing or housing-related supports as well, such as social housing, rent assistance or wheel-chair accessible units. In June 2021, BC Housing counted 1,998 seniors on its social housing waitlist and in March 2021 provided 3,457 Shelter Aid For Elderly Renters (SAFER) monthly payments. Housing needs for seniors will be addressed specifically as part of an upcoming Seniors Housing Strategy.

EMERGENCY SHELTERS FOR PEOPLE EXPERIENCING HOMELESSNESS

Vancouver residents experiencing homelessness as identified in annual Point-in-Time counts has grown by 22% between 2010 and 2020, a much faster rate of growth than general population (+10% between 2011 and 2021). Point-in-Time counts are also known to be undercounts. Over the same period, the number of emergency and temporary shelter beds to meet the needs of individuals experiencing unsheltered homelessness has grown. Shelters serve as an important emergency response function to prevent people from falling into unsheltered homelessness. The replacement of our existing temporary shelters with permanent, purpose-built shelters is important as an interim measure while housing is being built to ensure we can continue to meet the need of the most marginalized residents.

LOW-INCOME SOCIAL & SUPPORTIVE HOUSING

The compounding effects of trauma, mental health, racism, and an ongoing crisis of toxic drug supply add significant challenges for many Vancouver residents experiencing or at risk of homelessness. Access to safe, secure and affordable housing with necessary supports is critical to one's health and well-being.

In addition to the need for housing for individuals in shelters and on the street (~2,000) there are currently almost 7,000 SRO rooms in Vancouver in need of replacement. Staff are actively engaged with the Governments of Canada and British Columbia, including the Ministry of Housing and BC Housing, on a high-level Memorandum of Understanding for an SRO Investment Strategy to align government and community partners to work towards replacing SROs with self-contained shelter rate social and supportive housing.

As of Q4 2021, Vancouver counted over 5,500 permanent supportive units, 43% of which were built over 40 years ago, suggesting a need for re-investment in the existing stock in the near future. Additional supportive units are also required to provide secure housing for residents facing homelessness or housing insecurity, existing SRO residents and those currently living in over 700 temporary modular housing units. Partnerships with senior governments and non-profits are required to fund and operate supportive housing.

The demonstrated benefits of supportive housing

SPECIAL NEEDS HOUSING

Another form of supportive housing, special needs housing addresses the specific requirements for households with disabled persons, persons with cognitive impairment or health conditions impacting their ability to perform daily tasks. These households can have a variety of housing needs, ranging from an adapted or wheelchair accessible unit layout, to ongoing social and/or medical supports. Households where persons are unable to work and receiving Disability Assistance would also need homes affordable to their means. In January 2022, the Province was administering over 114,000 cases for disability assistance across BC (Source: Province of BC, Employment and Assistance Program open data). Special needs housing may also accommodate seniors or people with socio-psychological challenges as referenced in seniors and supportive housing categories. Vancouver currently requires at least 5% accessible units in new City-owned social housing.

Conclusion and Next Steps

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 underreported or absent in conventional data sources.

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Appendix A | Housing Needs Report Summary Form

Housing Needs Reports – Summary Form

MUNICIPALITY/ELECTORAL AREA/LOCAL TRUST AREA: Vancouver

REGIONAL DISTRICT: Metro Vancouver

DATE OF REPORT COMPLETION: April 2022 **(MONTH/YYYY)**

PART 1: KEY INDICATORS & INFORMATION

Instructions: please complete the fields below with the most recent data, as available.

LOCATION

Neighbouring municipalities and electoral areas:

Burnaby, Richmond, University Endowment Lands, North Vancouver, West Vancouver

Neighbouring First Nations:

Musqueam, Squamish, Tsleil-Waututh

POPULATION

Population: 662,248 (Census 2021)		**Change since** 2006 **:**	+14.6 **%**
Projected **population in 5 years:** 752,942 (2027)		**Projected change:**	(2022-2027) +7.7 **%**
Number of households: 305336 (Census2021 occ.dwellings)		**Change since** 2006 **:**	+20.5 **%**
Projected **number of households in 5 years:** 358,101 (2027)		**Projected change:**	(2022-27) +10.1 **%**
Average household size: 2.18 (2016)			
Projected **average household size in 5 years:** 2.06 (2027)			
Median age (local): 39.9 (2016)	**Median age (RD):** 40.9 (2016)	**Median age (BC):** 42.3 (2016)	
Projected median age in 5 years: 38.5 (2027)			
Seniors 65+ (local): (2016) 15.5 **%**	**Seniors 65+ (RD):** (2016) 15.7 **%**	**Seniors 65+ (BC):**	(2016) 18.3 **%**
Projected **seniors 65+ in 5 years:**			(2027) 16.0 **%**
Owner households: (2016) 46.9 **%**		**Renter households:**	(2016) 53.1 **%**
Renter households in subsidized housing:			(of all households, 2016) 7.3 **%**

INCOME

Median household income	**Local**	**Regional District**	**BC**
All households (2016)	$ 65,423	$ 72,585	$ 69,979
Renter households	$ 50,251	$ 48,959	$ 45,848
Owner households	$ 88,427	$ 90,278	$ 84,333

1

ECONOMY		
	Participation rate: (Feb 2022 Regional District) 67.4 **%**	**Unemployment rate:** (Feb 2022 Regional District) 5.2 **%**
	Major local industries: Professional, scientific & technical services - Health care & social assistance - Accommodation & food services - Retail trade - Finance & Insurance	

HOUSING		
	Median assessed housing values: $ 1.6M average (2022)	**Median housing sale price: $** 1.39M average (2022)
	Median monthly rent: $ 1,545 (2021)	**Rental vacancy rate:** (2021) 1.1 **%**
	Housing units - total: 305,336 (2021)	**Housing units – subsidized:** 20,720 (2016)
	Annual registered new homes - total: 8,025 (2021)	**Annual registered new homes - rental:** 3,380 (2021)
	Households below *affordability* standards (spending 30%+ of income on shelter):	(2016) 36.6 **%**
	Households below *adequacy* standards (in dwellings requiring major repairs):	(2016) 6.7 **%**
	Households below *suitability* standards (in overcrowded dwellings):	(2016) 8.0 **%**

Briefly summarize the following:

1. **Housing policies in local official community plans and regional growth strategies (if applicable):**

   Housing policies are in recent local community plans like the West End Community Plan, Downtown Eastside Plan, Cambie Corridor Plan; various Official Development Plans (ODPs); and other city-wide policies including: inclusionary housing requirements, density bonuses and rezoning policies for social and rental housing, and protection of existing rental and tenants. Goal 4 of the Metro Vancouver RGS includes housing policies and goals for all municipalities.

2. **Any community consultation undertaken during development of the housing needs report:**

   Consultation as part of recent/concurrent work programs to confirm the themes and findings in the needs report: (i) Broad diversity of housing need in Vancouver among existing and future residents; (ii) Specific characteristics and needs of equity-denied and low-income households, and displacement as a signal of unmet housing need; (iii) Variety of drivers of housing demand from a growing and changing population. More fulsome community engagement to follow in Fall-Winter 2022-2023, to be reported back in an updated Housing Needs Report in 2023.

3. **Any consultation undertaken with persons, organizations and authorities (e.g. local governments, health authorities, and the provincial and federal governments and their agencies).**

   Extensive stakeholder engagement conducted in two phases: (i) Staff engaged experts through three virtual workshops between May and July 2021, with demographers, academics, economists, housing policy experts and private and non-profit housing developers (22 participants); (ii) 10 small group dialogues were conducted between December 2021 and February 2022, with some of the same experts as phase 1 and additional stakeholders (12 participants). Overall, 18 organizations participated. See Consultation Summary Report for more details.

4. **Any consultation undertaken with First Nations:**

   Recognizing the responsibility to implement tangible actions and commit to reconciliation, engagement with the Indigenous community on housing needs is a priority for Vancouver's Housing Needs Report process. Staff plans to undertake more fulsome engagement regarding housing needs with First Nations and urban Indigenous communities in fall-winter 2022-2023. A report-back on this engagement will be included in Vancouver's updated Housing Needs Report in 2023. See Consultation Summary Report for more details.

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PART 2: KEY FINDINGS

Table 1: Estimated number of units needed, by type (# of bedrooms)

	Currently	Anticipated (5 years)
0 bedrooms (bachelor)	-	-
1 bedroom	56,500 (0 & 1 BR)	19,000 (0 & 1 BR)
2 bedrooms	15,900	6,000
3+ bedrooms	13,600	5,000
Total	86,000	30,000

Comments:

Based on estimated number of existing households whose housing needs are currently un-met (Renters with 30% to less than 100% STIR, all households below suitability standard, renters below adequacy standard, people in homelessness and SROs) + 2022-2027 household projection as provided by consultant. Unit breakdown derived from 2016 household composition and assumptions of unit size required by households. See report for more details

Table 2: Households in Core Housing Need

	2006		2011		2016	
	#	%	#	%	#	%
All households in planning area		100		100		100
Of which are in core housing need	47585	19	48645	18	51405	18
Of which are owner households	12420	26	13575	28	13425	26
Of which are renter households	35160	74	35070	72	37980	74

Comments:

Total households: 2006 = 253,385 / 2011 = 264,575 / 2016 = 283,915
Over-representation of certain communities among CHN compared to overall population (Indigenous households, persons with activity limitations, recent immigrants, some visible minority households etc.)
See report for more details

Table 3: Households in *Extreme* Core Housing Need

	2006		2011		2016	
	#	%	#	%	#	%
All households in planning area		100		100		100
Of which are in extreme core housing need	20120	8	21305	8	21855	8
Of which are owner households	5900	29	6545	30	6145	28
Of which are renter households	14220	71	14760	70	15705	72

Comments:

Total households: 2006 = 253,385 / 2011 = 264,575 / 2016 = 283,915
See report for more details

Briefly summarize current and anticipated needs for each of the following:

1. **Affordable housing:**

   With ownership costs out of reach and market rental rates increasing, the need for a greater supply of more affordable, non-market and co-op housing has grown over time. Non-profit housing providers have also underlined the need for stock renewal through various consultation processes with the City.

2. **Rental housing:**

   Overall share of renters is growing as majority of newcomers and new households rent; ownership prices out of reach of middle incomes; families and low-income households leaving the City; low rental vacancy rates for decades; all point to strong demand and pressure on existing rental stock, which is also aging and in need of reinvestment

3. **Special needs housing:**

   Households with disabled persons, persons with cognitive impairment or health conditions impacting their ability to perform daily tasks, may have a variety of housing needs: adapted or wheelchair accessible unit layout, ongoing social and/or medical supports etc. May also accommodate seniors and persons with socio-psychological challenges.

4. **Housing for seniors:**

   15.5% of the population of Vancouver in 2016, projected to be maintained in next 10 years. Diverse housing needs: housing to age in place, assisted living housing, accessible housing, housing with services or specific supports (rent support, culturally-appropriate settings etc.). Will be addressed in dedicated Seniors Housing Strategy to come.

5. **Housing for families:**

   Families account for almost a third of all households, a share that is declining as some families choose to leave the city. 17% of families report overcrowding in 2016 and only 1.2% of market rental stock has 3+ bedrooms. Housing needs depend on number of children and income levels (single parents, families in CHN vulnerable to high costs etc.).

6. **Shelters for people experiencing homelessness and housing for people at risk of homelessness:**

   Population experiencing homelessness has grown faster than overall population (while still under-counted). More shelters are needed as emergency response, especially purpose-built permanent shelters to provide alternative to unsheltered homelessness while more social & supportive housing is being built.

7. **Any other population groups with specific housing needs identified in the report:**

   Single-Room Occupancy units will be replaced one for one by social or supportive independent studio units (6,681 units). Indigenous housing is needed to provide culturally-appropriate housing and address intersecting challenges facing Indigenous households. Youth housing is needed to continue supporting teenagers aging out of care.

Were there any other key issues identified through the process of developing your housing needs report?

The Housing Needs Report identifies additional issues related to housing needs. Please see report for more information.

Appendix B | Other Approaches to Assessing Housing Need

British Columbia Municipalities & Provincial Requirement

As of 2019, municipalities in B.C. are required to produce a Housing Needs Report following guidelines from the Province, as well as fill in a standardised form. The first Housing Needs Reports must be received by Councils by April 2022; subsequent needs reports are due every five years. These documents aim at helping communities to have a better understanding of current and future housing need by identifying supply gaps, vulnerable households or factors of population growth, and better tailor public policies and strategies.

Reports are required to contain elements such as:

- Collected information to provide context and inform the needs assessment: demographics, economy, state of the housing stock etc.
- Key areas of local need: affordable housing, rental housing, special needs housing, seniors housing, family housing, shelters and housing for people at risk of homelessness
- Number of housing units required to meet current and anticipated housing needs for at least five years, by number of bedrooms
- Number and percentage of households in core housing need and extreme core housing need
- Standardized form summarising the content of the report

BC municipalities have used a variety of methodologies to satisfy the provincial requirement as well as going further in their analysis. For example, the City of Victoria developed a method to approach 'latent demand' by quantifying certain demographic and housing market indicators such as maintainership, suitability, rental vacancy rate or job vacancies compared to a previous period or ideal benchmark.

UBC Housing Research Collaborative – Housing Assessment Resource Tool

The Housing Assessment Research Tool is a project led by UBC's Housing Research Collaborative and funded by the CMHC Supply Challenge. The project aims to create a standardized approach to estimate housing need, using Census data which is widely available and accessible to Canadian municipalities. The HART method looks at the need for suitable, affordable, and adequate housing among households across the income spectrum and household types. The methodology includes breaking down households by income bands as a percentage of Area Median Income (AMI) as well as by household type and corresponding affordable rent levels; determining the number of households in core housing need and priority populations; the level loss of affordable housing over past ten years; and projected population growth over the next ten years. The final needs number adds the existing housing need (core housing need), past trend in affordable housing (loss/gain projected forward), and future housing need (population growth), all broken down by rent level and unit type.

United Kingdom National Planning Policy Framework

The United Kingdom's National Planning Policy Framework provides local authorities with a standard method for assessing local housing need, based on projected household growth while accounting for historic undersupply. The Framework sets household growth projections as an annual average baseline for the next ten years. An affordability ratio is then calculated and applied to adjust baseline growth projections based on the affordability of local home prices relative to incomes. The adjustment is intended to account for housing demand pushing prices beyond incomes as well as for constraints to household formation due to undersupply of housing. Further adjustments are made to projections in cities and urban centres, which see an uplift of 35% applied to the adjusted baseline number to reflect growing demand for housing in major cities. The final housing needs assessment is meant as a minimum number of units to be planned for over ten years, in addition to the existing stock. Finally, policies are further informed on the need for affordable housing by analysing homelessness, households in extreme need, overcrowding and unsuitable dwellings, or more generally households who can't afford appropriate housing in their preferred form of tenure.

City of Los Angeles Housing Element

As part of the Housing Element of its General Plan, and to respond to its state-mandated Regional Housing Needs Assessment, the City of Los Angeles proceeded to a comprehensive analysis of the city's housing conditions and needs. The analysis looks into demographic statistics like population and household numbers, composition, age, location, employment, incomes, ethnicity, socio-economic background and housing issues. Another aspect studied is the existing housing stock, its characteristics and trends in the market such as loss of low-cost housing. A supplemental Assessment of Fair Housing looks specifically into the need for affordable and suitable housing for low-income households, vulnerable populations and households experiencing societal factors compounding their housing struggles (racialization, segregation, displacement, disabilities etc.). All of these elements and trends aim at identifying the specific and special housing needs for the variety of households across the city now and in the future.

These approaches, as well as others, have informed City staff's work towards Vancouver's housing needs assessment. Staff will continue to explore other methods and consult with experts and the public as we move towards an updated housing needs assessment in 2023.

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Appendix C | Unmet Need in Vancouver Technical Brief

City of Vancouver Housing Needs Assessment: Consultant Technical Memo

As part of the City of Vancouver's Housing Needs Report, the City of Vancouver worked with Andrew Ramlo, demographer and Vice President Advisory of rennie, to develop a framework to identify and attempt to quantify various sources of unmet housing need in Vancouver. The following memo describes the methodology and technical details of this framework.

What does this mean for the Housing Needs Report?

The City's Housing Needs Report has identified three key categories of housing need in Vancouver:

1. Existing need from residents in unaffordable, unsuitable, or inadequate housing as identified by the Census or City data on homelessness and SROs;
2. Demand from a growing and changing population; and,
3. Other sources of existing unmet needs not covered by the Census or data on SROs and homelessness.

The City asked Andrew Ramlo to examine the components of existing need and other sources of unmet needs. The second category, demand from a growing and changing population, is based on separate estimates provided by rennie which are based on the City's ten-year development forecast. Further details on this are available in the appendix to this memo.

Based on consideration of a variety of indicators, estimates of the number of households experiencing unmet housing needs in the City of Vancouver range from:

- *approximately 86,000 existing households experiencing need because they are living in unaffordable, unsuitable or inadequate housing (based on 2016 Census data), or who are experiencing homelessness or living in an SRO*
- *approximately 20,000 homes to address needs from households experiencing other unmet needs not covered by the Census including:*
    - *achieving the national rental vacancy rate of 3.1%: +3,900 vacant rental homes;*
    - *addressing declining household formation rates among younger households: +4,000 homes;*
    - *reducing the number of households commuting in to Vancouver for work: +1,000 homes for each 1% reduction in the number of households commuting into the city;*
    - *accommodating more couples with children who left the city for the rest of the region: +7,000 homes; and,*
    - *reducing the number of people on BC Housing's Housing Registry: +4,756 homes (as of July 2021).*

As noted in the brief, many of these estimates are built on a set of assumptions and involve several caveats. More information is available in the technical brief below.

MEMORANDUM

TO: City of Vancouver Staff

FROM: Andrew Ramlo

rennie

SUBJECT: Vancouver Housing Needs Assessment, Unmet Needs Technical Brief

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Purpose/Scope

The purpose of this brief is to provide background and context on 'unmet housing need' for the purposes of the City of Vancouver's Housing Needs Assessment.

The scope includes an overview of approaches to estimating aspects of unmet need and provide a range of estimates for the City of Vancouver using select indicators.

Background/Context

Before outlining approaches to quantify unmet housing need, it is important to define what is meant by unmet housing need.

Within the context of accommodating a growing and changing population, it has become apparent in many jurisdictions that the supply of housing has not kept pace with demand. At one end of the housing spectrum, an insufficient amount of housing supply relative to demand within our housing system is demonstrated directly in tight resale markets, low and falling rental vacancy rates, and the rising costs of both ownership and rental housing.

At the other end of the housing spectrum, a growing prominence of people experiencing homelessness, shelter use, and growing waitlists for subsidized and social housing are also evidence of unmet need within this segment of our housing system.

Within this spectrum, we have generally defined unmet housing need as ranging from those with no secure housing, to those in housing, but in situations where their housing might be unsuitable or unaffordable, and as a result does not meet the household's current need.

In addition to forward looking statements of future housing need to accommodate growing and changing populations, formal Housing Needs Reports also need to include consideration of these aspects of existing unmet need, if not as direct indicators of the shortfall within the current housing system, then at least as indirect indicators for future housing policy directions as a means to balance issues of housing availability and affordability.

Estimating unmet demand in our housing system

The City of Vancouver asked for support from rennie in both conceptualizing unmet housing need for the City's Housing Needs Assessment, and identifying a potential range of data and estimates that could guide housing targets and planning decisions.

With this as background, it is important to recognize that while unmet housing need may be rather easy to identify as a concept, such as that outlined above, it is a much more difficult concept to quantify into one metric.

As a simple example, housing availability or affordability issues in one city-region may push people out to other city-regions; without surveying all residents external to the region they were pushed out of, levels of unmet need for a particular city-region are challenging to determine.

With that said, Scotiabank recently released a report that compared the amount of housing we have nationally relative to other G7 countries. The study found that when compared to the size of our population, Canada had the lowest number of housing units per 1,000 residents of any G7 country. The study provided an indication of the degree of undersupply relative to need nationally: moving Canada's ratio up to our G7 counterparts would require an additional 1.8 million units nationally given the size of Canada's current population. With an occupied housing stock of 14 million homes in 2016, this represents roughly a 13% undersupply in Canada's housing system.

As outlined above, while challenges of quantifying unmet housing need at a regional or city-wide level exist, a handful of indicators can be used to **directly** identify unmet need for the City, such as through homelessness counts, waitlists for social/co-op housing, or data on Census Housing Standards.

Other aspects, however, can only be considered **indirectly**, such as changing patterns of household formation or shifting commuting patterns. These elements can only be considered indirectly, as some of these changes may be the consequence of previously listed aspects of the housing system. Finally, other indicators, such as levels of rental vacancy, can also be considered in the context of the health and resiliency of the broader housing system.

Select indicators of unmet need

While this research focused on the direct aspects of unmet need, ranging from those without housing to residents in unaffordable, unsuitable, or inadequate housing, other aspects of potential unmet need have also been included. These include the rental vacancy rate, changing patterns of household formation, the location of jobs and homes, and housing prices. Each aspect has been defined and quantified below.

1. Existing unmet needs from households falling below Census housing standards and households who are homeless or living in SRO units.

- Homelessness and SROs:
    - Vancouver's 2020 homeless count identified **over 2,000** individuals as homeless in March of 2020
    - A survey of low-income, single room occupancy (SRO) housing shows almost **7,000 individuals** in private or non-market SRO units in the city.
- Census Housing Standards
    - Statistics Canada data on households falling below Census housing standards from the 2016 Census show approximately **77,000 households** in need of housing, including:
        - 52,000 households paying 30% to less than 100% of their income on rent

- 18,000 renter and owner households falling below the Census housing suitability standard according to the National Occupancy Standards
- 6,700 renter households falling below the Census adequacy standard. *Note that households falling below the suitability or adequacy standard who also overpay on housing are already accounted for as households paying 30% to less than 100% of income on housing costs.

- It is important to note here that while these estimates based on Census Housing Standards may be a direct indicator of unmet need; these numbers would not transfer directly into estimates of new housing as moving some residents in unsuitable housing into suitable homes would also make some vacated homes available for other (smaller) households to move into. Further to this, not all of these households may need to move to new housing, but may require other aspects of support such as income or rent assistance.

2. Other sources of unmet needs not covered by the Census

- Another aspect of unmet housing need can be considered through the scale of **social housing waitlists** within the city.
  - BC Housing's Social Housing Registry shows that in March 2021 there **were 4,730 individuals** awaiting social housing within the city.
  - While the number of individuals on the registry in the city has grown significantly over the past decade, a 41% increase from 3,356 people in 2011, it almost doubled from 4,950 in 2011 to 9,800 by 2021 throughout the rest of the region.

    It is important to note that this represents only one waitlist and there are many other organizations within the city and region with waitlists of people in need of social housing.
- Unmet need in the City's rental market is often cited through **vacancy rates** that fall well below national levels. A greater number of vacant rental units in the city would increase the choice of available units for prospective tenants and potentially reduce upward pressure on rents.
  - Rental vacancy rate data from CMHC show that in 2021 overall vacancy in the city in purpose built rental buildings was 1.1%. With an estimated 167,800 renter households in the city in 2021, the total rental housing stock in Vancouver would be in the order of 169,700 units.
  - A national vacancy rate of 3.1% gives some direction to potential unmet need in the City's rental sector: in order for Vancouver to achieve the national vacancy rate of 3.1%, **an additional 3,900 vacant rental homes** would need to be added to the existing rental stock. Within the context of low rental availability putting upward pressure on rental rates, the objective of expanding vacant rental units in would be to increase the choice of available units within Vancouver for prospective tenants, with the hope of moderating increasing rental rates.

    It is important to note that in the current context of high demand for rental in Vancouver and throughout the region, it is likely that more than 3,900 rental homes would be required to achieve and maintain a 3.1% vacancy rate over a period of time in Vancouver.

- Since the Post War boom entered the housing market in the mid 80's, **household formation rates** have generally fallen as subsequent generations have entered the household formation stages of the lifecycle. Nationally we have seen the proportion of children aged 20-24 living at home increase from 40% in 1981 to more than 60% in 2016. Further, by 2016 more than a quarter of 25-29 year-olds in Canada were still in, or had moved back to, the parental home (up from only 10% in 1981). Housing availability and affordability are often considered to be one driver to shifts in household formation rates.
    - The most recent data on household formation and occupancy in Vancouver show a general decline in the proportion of the population under the age of 45 to maintain households. More specifically, primary household maintainer rates (a primary household maintainer is the person who indicates on a Census form they are primarily responsible for the finances of that household) for the 20 to 24 population in the Vancouver declined from 26.3% in 2006 to 25.0% in 2016. Similarly, the 25 to 29 population saw their rates fall from 43.6% to 43.0% by 2016 and the 35 to 39 group from 56.3% in 1996 to 54.5%.
    - The historical pattern of declining primary household maintainer rates in the city (and nationally) can be taken as an indicator of unmet housing need, as a greater proportion of individuals within these age groups choose not to form households of their own, either remaining in the parental home, or living in multiple-individual households.
    - If historical peaks in age-specific primary household maintainer rates were maintained for the under 50 population in the city (or those who would have entered the housing market over the past two decades), unmet housing need from the Vancouver's 2016 population under the age of 50 **would be in the order of 4,000 homes.**

      It is important to note that other factors may also contribute to these shifts in household formation patterns. Children remaining in the parental home or living with other non-related individuals for longer periods of time may simply be driven by choice rather than necessity. Further to this, cultural changes may also be contributing to the shifts. And finally, it is not possible to survey all individuals under 50 who may have moved but may have wanted to remain and maintain a household of their own in the city.
- Another potential indicator of unmet housing need in the city can be seen in the relationship between **where people live and work**. As with the other dimensions, there are no datasets that outline the qualitative reasons for why people choose to live outside of the City of Vancouver but work within it, but we are able to quantify the magnitude of in-commuting to the city from other parts of the Metro region.
    - Of the 345,815 jobs in the City of Vancouver at a usual place of work outside of the home in 2016, 187,355 people managed to work and live within the city. In addition to those who live and work in the city, 152,095 people commuted into the City from other Metro Vancouver municipalities. Given the magnitude of in-commuting to the City, reducing the in-commuting rate slightly through allowing more people to work and live in the city would represent a significant number of people and households: **every 1% reduction in in-commuting** achieved through accommodating workers within the City represents a shift of **1,500 workers, or 750-1,000 households, into the city**.

- Another jobs-based approach to considering the scale of potential unmet housing need would be to consider the number of job vacancies that exits within the city. While no city-level data are available for job vacancies, the most recent regional data show that the Lower Mainland Southwest economic region had a total job vacancy rate of 6.0% in Q4 of 2021, or 94,095 unmet job openings. With the City of Vancouver having roughly a third of jobs at a usual place of work in the Southwest Economic Region in 2016 (31%), this would potentially translate into 29,100 job vacancies in the City at the end of 2021. At the city's most recent (2016) rate of live and work in the municipality (55%), filling this scale of unmet jobs via additional homes in Vancouver could translate into almost **16,000 new jobs and represent between 8,000-10,000 homes within the city.**

- Within the context of younger households not being able to find or afford family style housing within the city, the Census also allows us to consider **the outward mobility of families** from the city to other municipalities in the region.
    - The census shows that between 2011 and 2016, there were 19,815 households who were residents of the City of Vancouver in 2011 who had moved to a different municipality in the region by 2016. Of these households, almost 60% were couple families (11,625), **the majority of which were couples with children (6,875).** Further to this, when considered on an age-specific basis, more than two thirds of those family households with children who moved (67%) were under the age of 45 (4,630 households).
    - As with some of the other indicators, while we are not able to determine the qualitative reasons for the outward-mobility of these young families from the city, these data do provide a general indicator of the magnitude of the outflow of young families from the city. Considering the outward mobility of young families, upwards of *7,000 homes would have been needed to accommodate couples with children who left the city for the rest of the region in the last census period.*

      It is important to recognize that there were families who moved into the city over the same period. Between 2011 and 2016 the census shows that there were 13,110 families who moved into the city (from all international and domestic origins). It is interesting to note that of these inwardly moving families, the vast majority were couples without children (75% or 9,770 households). This could be taken as a further indicator of a lack of availability or affordability of larger family-style housing in the city being a driver to the outward mobility of families with children.

- In the United Kingdom (UK), The National Planning Policy Framework establishes an empirical approach for addressing local housing need. In addition to providing an approach and assessment of housing needed to accommodate future population growth, the policy framework provides a standard method for determining unmet housing need of the existing population through an **affordability adjustment**. Once local baseline projections of household growth have been established, they are adjusted by each area's relative affordability as indicated by the general relationship between local incomes and housing prices.
    - Applying this adjustment to future growth would see an additional 24,370 units needed to accommodate a greater degree of housing affordability within the city's housing system. This would bring total unmet demand, based on 10-year

household growth projection adjusted with this affordability factor, to 54,840 units required from 2022 to 2032[57].

Final thoughts

Although limitations and considerations are indicated with each of the specific indicators outlined above, it is important to note that these estimates should be taken as orders of magnitude rather than exact metrics, especially with respect to the indirect indicators. While exact numbers are difficult to parse out of the indirect indicators (such as household formation or jobs), some of the direct indicators may be correlated, overlap and/or feed into each other; affordability issues leading to households leaving, suitability leading to families leaving, low vacancy rates leading to people commuting from other municipalities, to name a few.

[57] The UK affordability adjustment here uses Metro Vancouver's dwelling growth projection for Vancouver from 2022-2032 of 30,500 dwellings, from the Metro 2050 regional growth strategy. Note that Vancouver's Housing Needs Report estimate does not use Metro growth projections and instead uses a development capacity approach as described in the appendix to this memo. The latter approach provides an estimate of growth potential based on the City's actual development forecast rather than past dwelling growth trends.

CITY OF VANCOUVER

Appendix: Population projections methodology for 5- and 10-year growth estimates

As part of the Housing Needs Report and Vancouver Plan processes, the City of Vancouver hired Andrew Ramlo, demographer and Vice President Advisory of rennie, to develop a demographic modeling framework to project various population scenarios for the City to 2032 for the Housing Needs Report and further to 2050 for the Vancouver Plan.

City staff provided key information to the consultant in the form of a development forecast (to 2031). This development forecast was sourced from the City's POSSE permit system, analysis of past development trends, and conversations with major projects staff. It includes:

- Active development permit and rezoning applications currently in the system and anticipated to complete by 2031;
- Trend assumptions for lower-density developments such as laneway homes, duplexes, and townhouses that have shorter application times and may not yet be in the system; and
- Completion assumptions for major projects based on status of the project.

The population projections assume completion of the City's short-term development forecast of approximately 50,000 net new homes to 2031, and a return to growth in line with the Metro Vancouver 2050 high-end (+15%) housing allocations for the City past 2031.

Note that the development forecast does not include anticipated applications arising from community plans and major projects not yet approved by Council (e.g. the Broadway Plan or the Jericho lands), or developments outside the City's jurisdiction (e.g. Senakw').

Methodology

The five- and ten-year population growth projections for the City are structured around a community lifecycle approach. This approach accounts for the demographic implications of both net new additions to the Vancouver's housing stock from the ten-year development forecast, as well as the vital lifecycle changes (aging, births, and deaths), and the outward mobility of the existing population on an age and sex basis in future years.

Accounting for this series of events over the course of one year culminates in the description of the size and composition of the city's resident population and its housing stock at the end of a year, which, in turn, becomes the starting population and housing stock for the next year's iteration of the model. This iterative annual process provides the metrics for describing the near- and long-term impacts of vital forces, mobility, and net housing additions on the future size and composition of the city's resident population.

Data used for the development of the model included household mobility data from Statistics Canada (propensity to move/not move and average number of persons per unit by age, sex, structure, and tenure type of dwelling), vital statistics data from BC Vital Statistics, and future housing scenario data from the City of Vancouver.

Results

	2016-2021	2022-2027 (5 Year)	2022-2032 (10 year)
Projected change in population %	4.9%	7.7%	12.2%
Projected change in population #	30,800	53,500	85,400
Projected change in occupied households %	7.5%	10.1%	14.7%
Projected change in occupied households #[58]	21,400	32,800	47,500
Average number of people per private household in net new households	2.18	2.09	2.08
Projected median age		38.5	38.5
Projected % seniors 65+		16.0%	16.3%

[58] Note that household growth projections were rounded to the nearest 10,000 for the purposes of Vancouver's Housing Needs Report estimates.