

2023 Housing Progress Update

Housing Vancouver Progress Towards Targets

Outline

1. Background and Context
2. 2023 Housing Approvals
3. Progress Towards Housing Vancouver 10-year Goals



- **Housing Vancouver Strategy Priorities:**
 - Shift toward rental and non-market housing
 - Protect and retain the existing rental stock
 - Support marginalized residents

Goal: Shift new housing toward the “Right Supply” to address a diversity of incomes and building forms.



Shifting toward the Right Supply

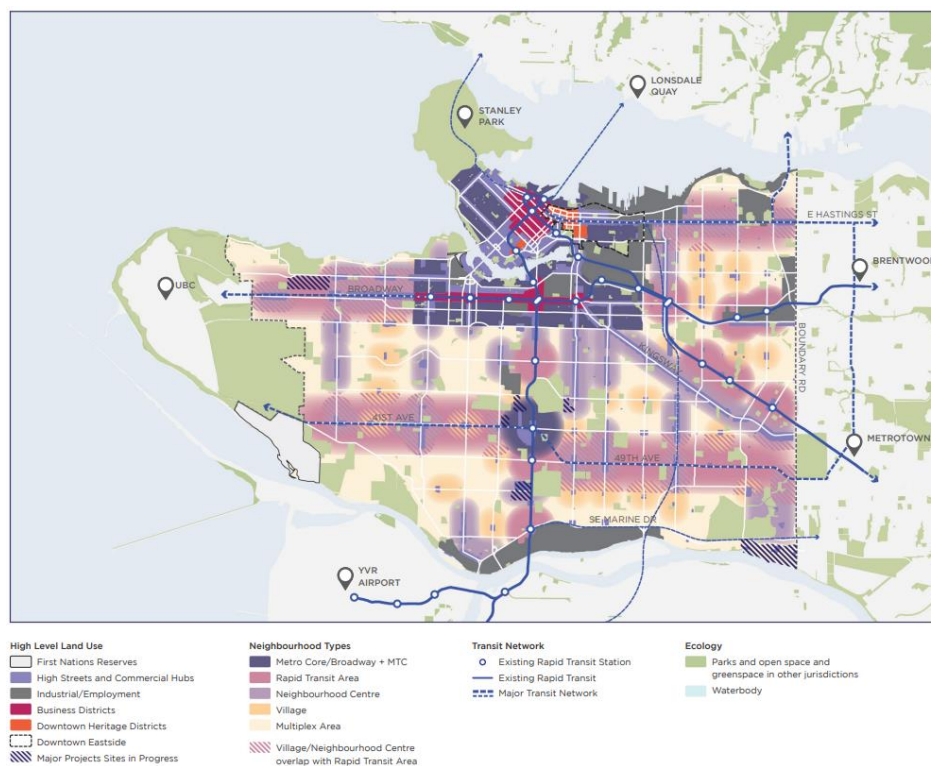
10-year housing targets with 5 key goals:

- ✓ 72,000 new homes over 10 years
- ✓ 2/3 of all new homes be rental
- ✓ Half of all new homes to be affordable to incomes earning less than \$80,000
- ✓ 40% of new homes to be suitable for families
- ✓ Increase low density ground-oriented forms such as townhouses and laneways



Vancouver Plan

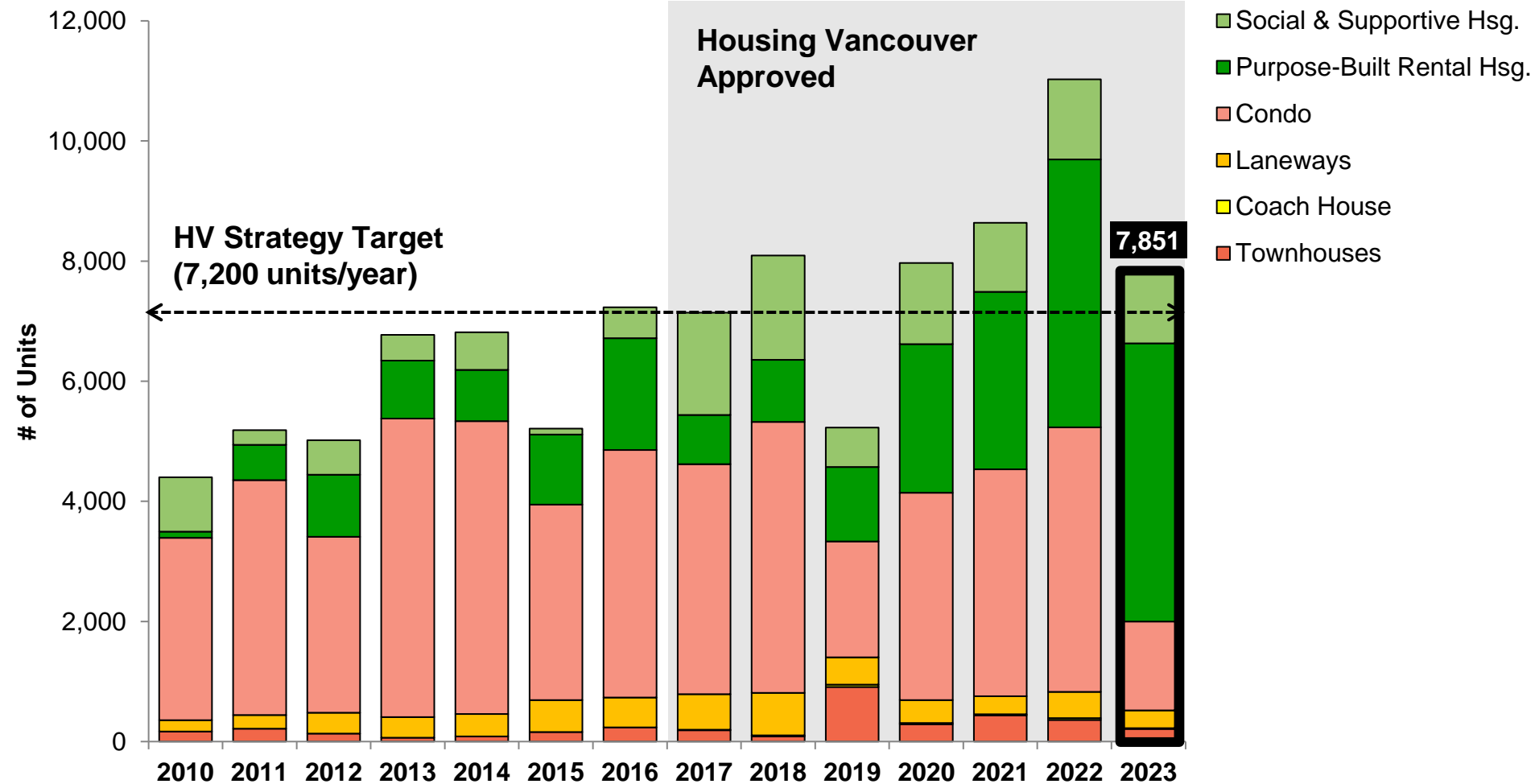
- Supports a range of policies promoting an **equitable housing system** that prioritizes housing for those who need it most
- Advances Housing Vancouver through city-wide land-use policies, with a **focus on adding rental and non-market housing**
- Direction to develop **demographic-based housing strategies** and embeds development of the next **Housing Vancouver Three Year Action Plan**



2023 Housing Approvals

Meeting Overall Supply Targets

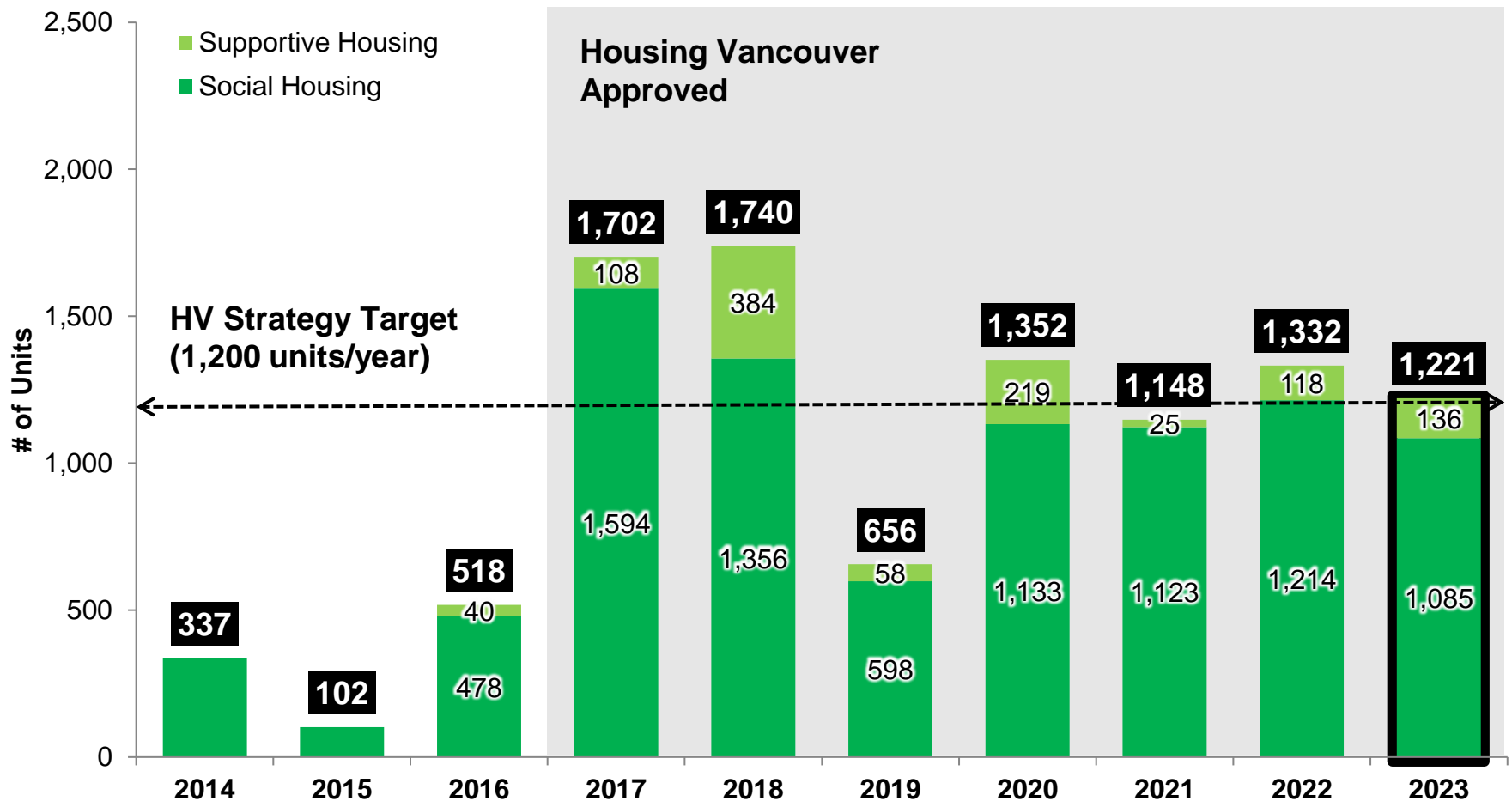
Housing approvals over the last 10 years



Targets are a measure of approvals – defined as project approvals at public hearing for developments requiring a rezoning, or development permit issuance for projects that do not require a rezoning.

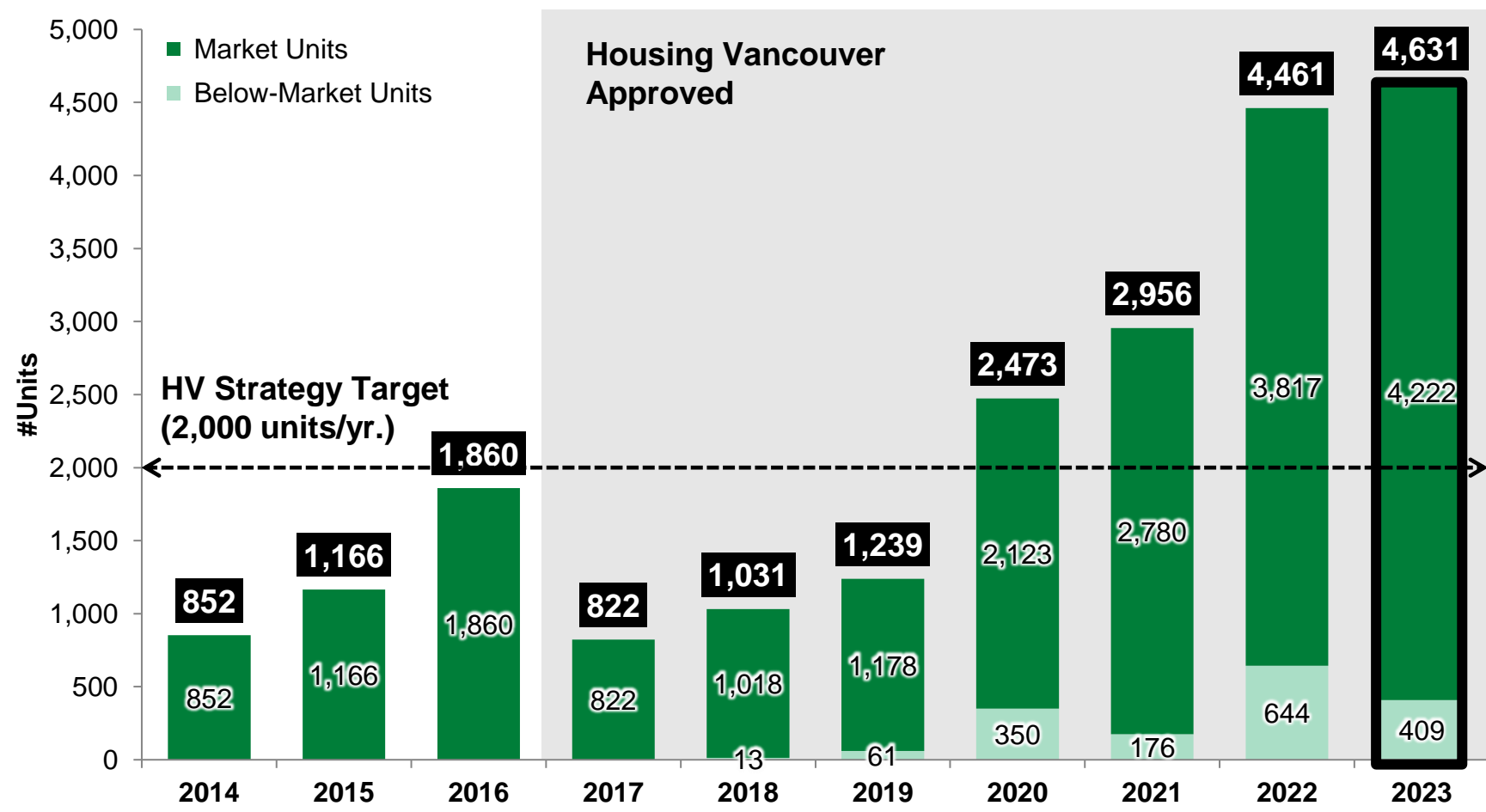
Social/Supportive Housing: Maintaining strong approvals since 2020

Social and Supportive Housing Approvals by Year (2014-2023)



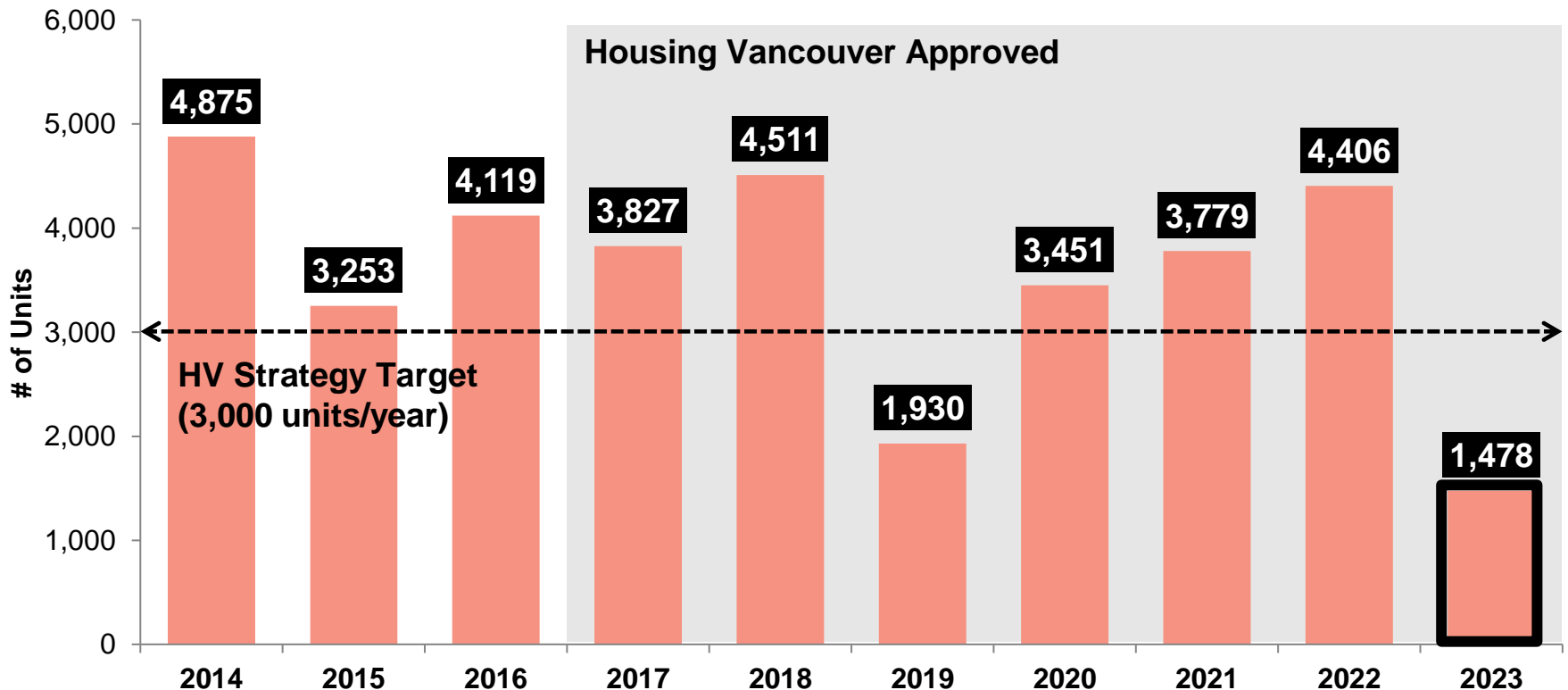
Purpose-Built Market Rental: High approvals sustained

Purpose-Built Rental Approvals By Year (2014-2023)



Condominiums: Lowest approvals in recent history

Condo Approvals By Year (2014-2023)



Fewer ownership projects proceeding to approval in 2023 can be attributed to:

- Federal financing policies (e.g. higher interest and mortgage insurance rates)
- Provincial legislation (e.g. speculation tax)
- Rising Construction Costs

High interest rates and construction costs hold back development activity in Metro Vancouver

Developers delaying real estate projects amid higher rates, escalating costs

Largest developers 'plugging away' but leaning on programs, pausing some activity

Claire Wilson
Nov 28, 2023 12:00 PM

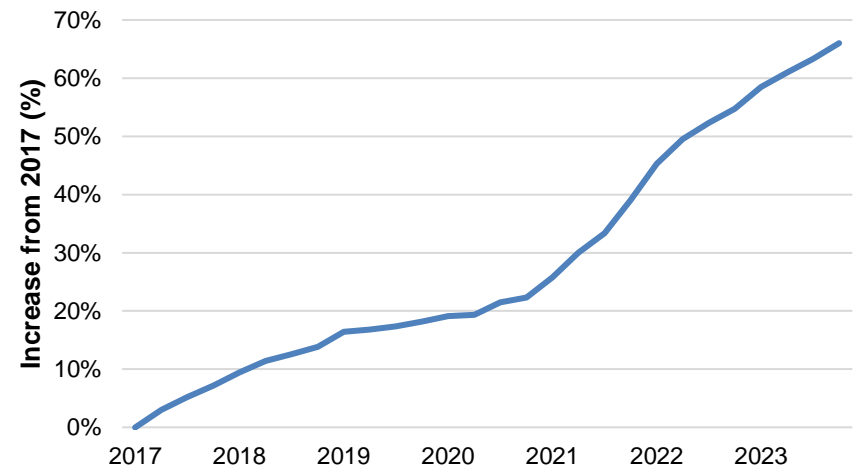


Proof Point: Soaring construction costs will hamper Canada's homebuilding ambitions



By Robert Hogue and Rachel Battaglia, RBC - June 27, 2023

Residential Construction Price Index Metro Vancouver

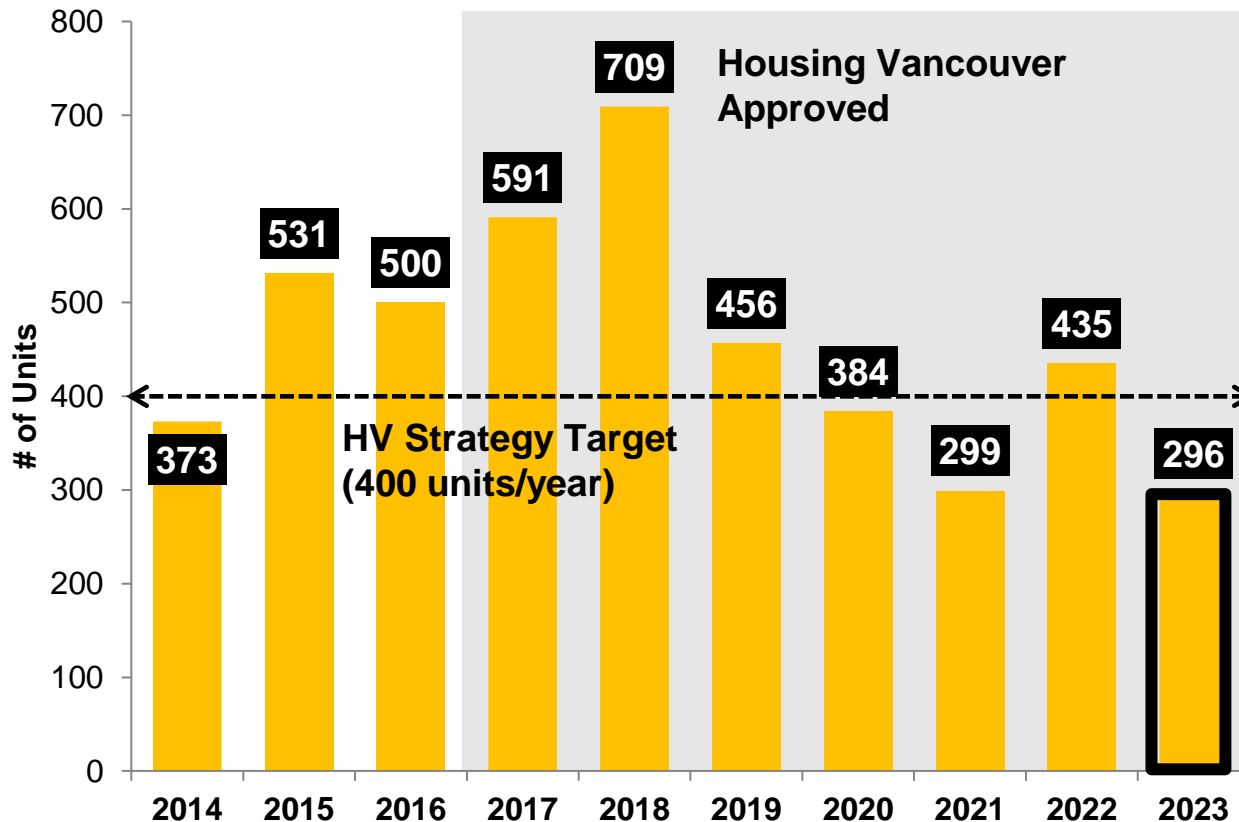


Source: Statistics Canada

- Some condo developers put development on hold while awaiting lower interest rates
- Inflation has begun to slow, suggesting more favourable market conditions on the horizon

Laneway Houses: Approvals are down from recent years*

Laneway Approvals by Year (2014-2023)

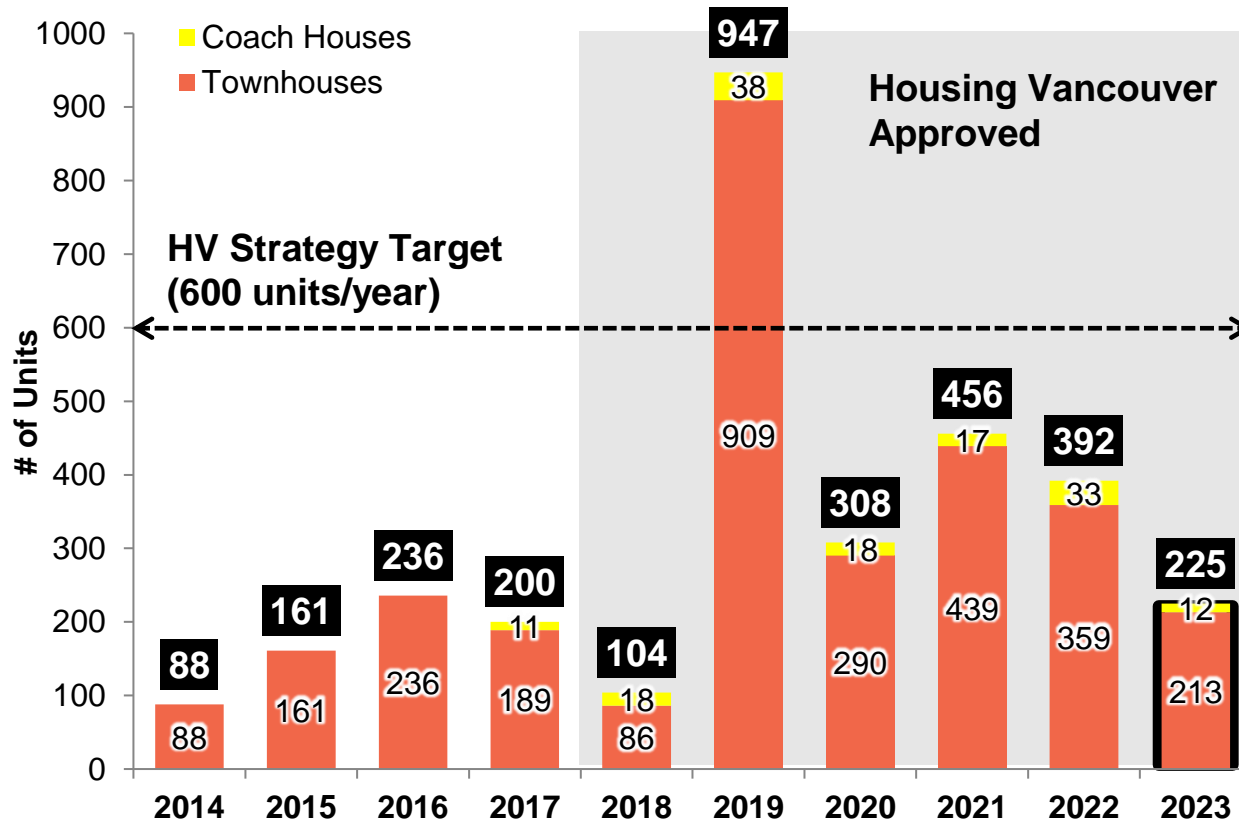


Laneways are a form of infill housing that cannot be strata-titled

Less laneway permits issued compared to previous years given the shift to other new housing options including duplexes and multiplexes.

Townhouse and Coach Houses: Approvals continue to fall below target

Townhouse and Coach House Approvals by Year (2014-2023)



Ground-oriented homeownership approvals have declined in 2023 due to similar economic impacts on the ownership market

More uptake of ground-oriented housing development is anticipated with recent zoning changes to add multiplexes in low-density neighbourhoods



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

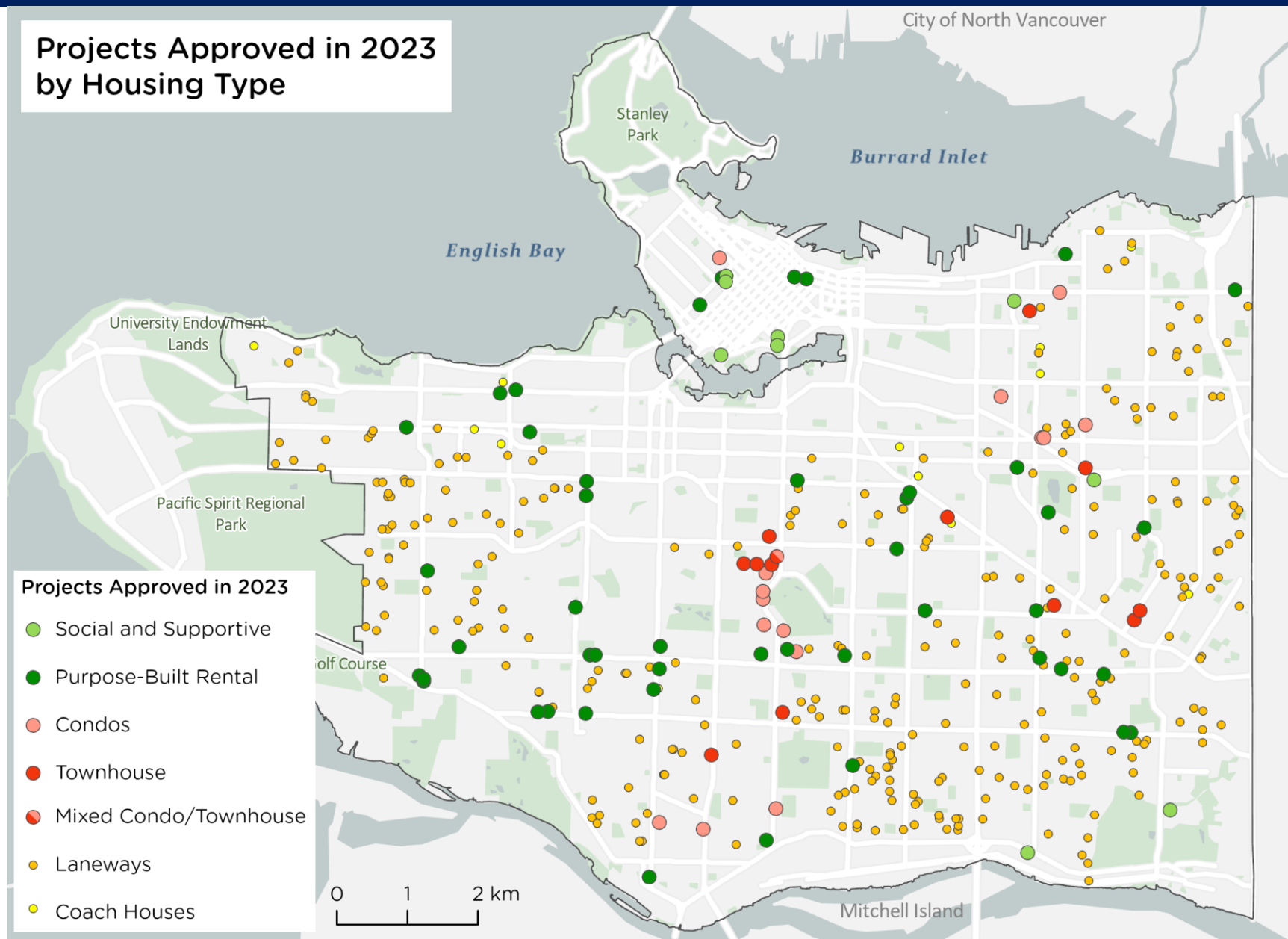


Coach houses are a form of infill housing that can be strata-titled and are saleable separate from the main property



Council enacted bylaws to add multiplexes in low-density areas on Oct. 17th, 2023. A Multiplex is a small scale townhouse project on a single lot.

Distribution of 2023 Approvals across the City



2023 Approved Housing for Diverse Communities



1710-1730 E Pender – 191 social housing units for Indigenous people



990 Beatty St – 283 units of social housing above fire hall and child care facility



1045 Burnaby St – 170 rental units, with 37 units below-market



5562-5568 Manson St – 404 rental units, with 78 units below-market





1925 SE Marine – 72 supportive housing units at shelter rate with on-site support services



3132-3150 Rosemont Dr – 94 social housing units for seniors

2023 Approved Developments with Tenant Relocation Plans

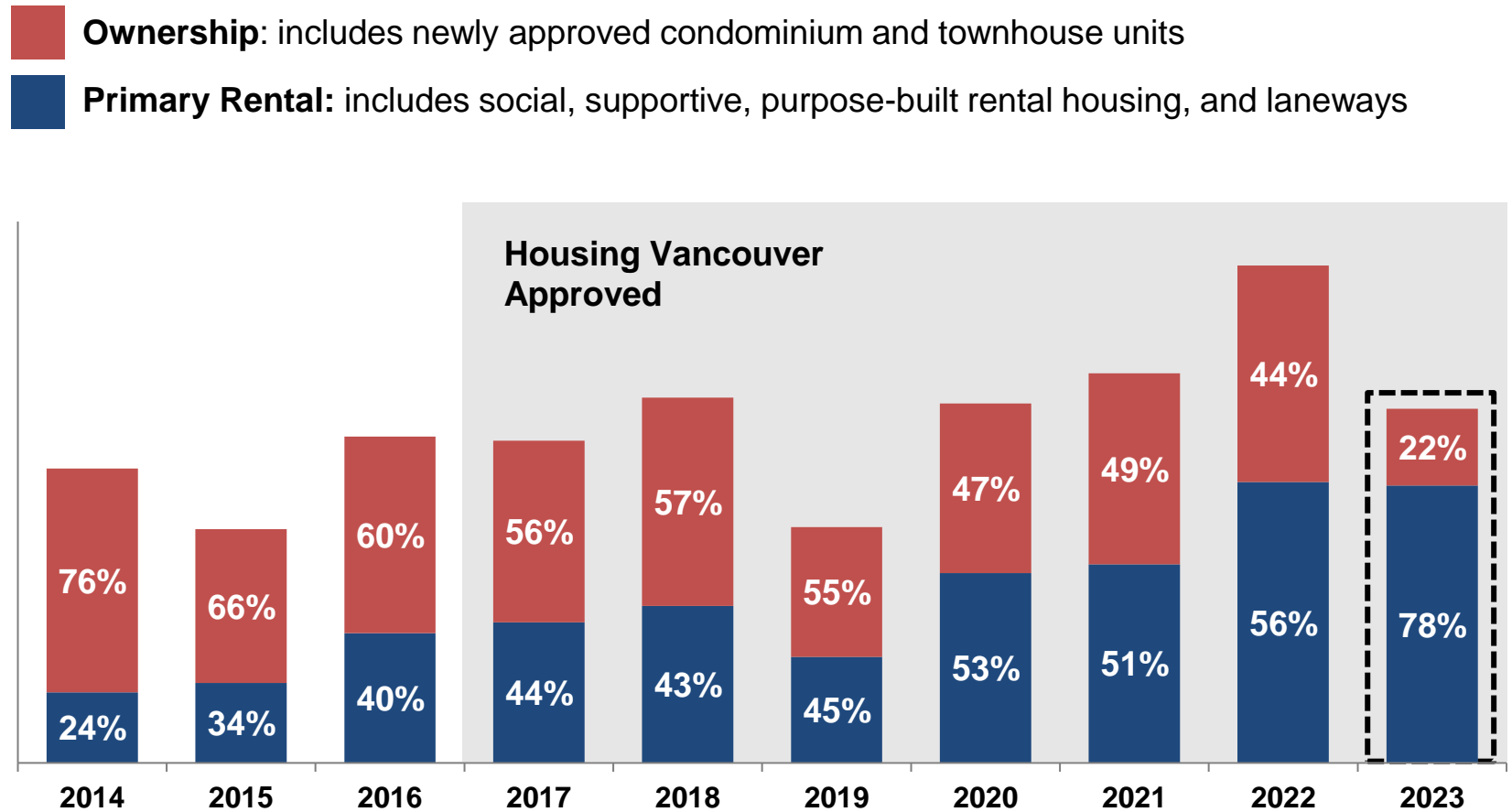
In 2023, there were 30 approved developments with Tenant Relocation Plans, impacting 127 eligible tenancies

	# of Developments	# of Eligible Tenancies*
Total 2023 Approved Developments with a Tenant Relocation Plan (TRP)	30	127
 <i>Existing Primary Rental Buildings</i>	6	65
 <i>Existing Secondary Rental Buildings</i>	24	62

- Tenancies are generally considered eligible if tenants have been living in the building for one year or more at the time of application. The TRP Policy exempts secondary rental tenancies entered into after the purchase of the property that are of a length of two years or less as of the date of the rezoning application, as well as former owners renting back their home. The TRPP has unique requirements for non-profit social and co-op housing that are different from market rental housing requirements. For more details, see the full policy.*
- Tenant Relocation and Protection Policy eligible units were counted for approved projects from January to December 2023 and may not yet be completed Tenant Relocation Plans. Approved projects are counted at public hearing date if approved by Council for rezoning applications and DP issuance for development permit applications*
- No TRPs related to the Broadway Plan are included in the above figures.*

Progress toward Housing Vancouver 10-year goals

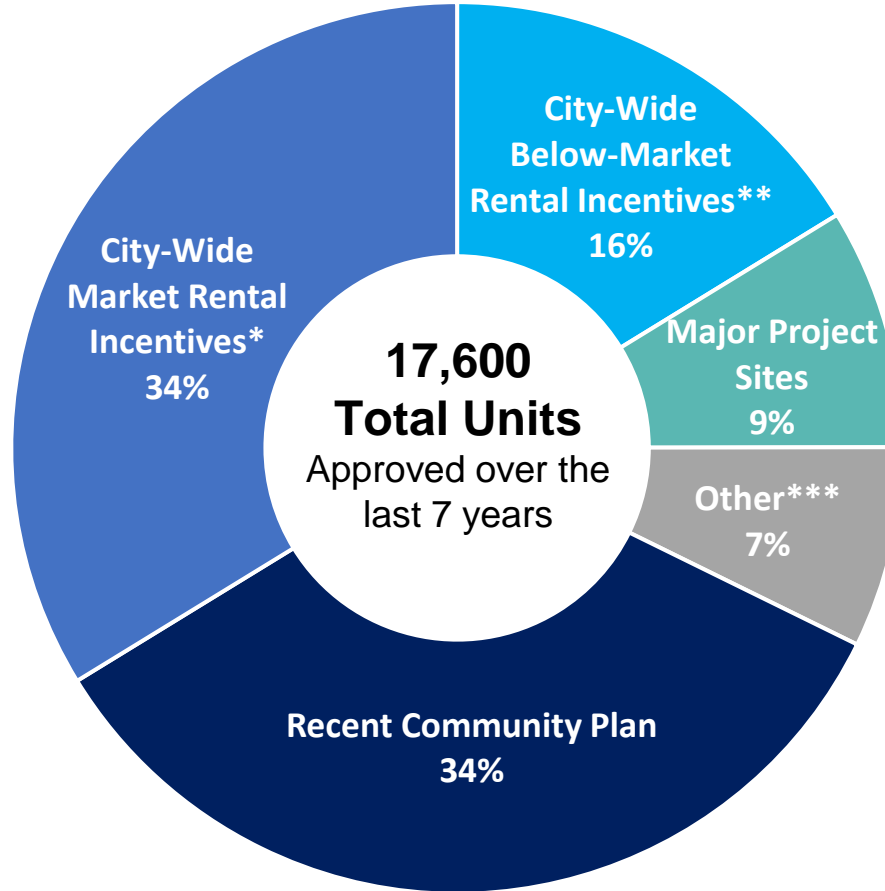
Successfully making the shift towards secured rental since 2017: 2023 had the highest share of rental housing in the last decade



**Please see Progress Report Dashboard 2023 Annual Update for an annual count of social, supportive, and purpose-built rental completions*

City-wide and area specific rental policies are key to enabling new rental

Purpose-Built Rental Approvals from 2017-2023



* City-wide market rental incentives include the Secured Rental Policy, the Interim Rezoning Policy for Affordable Housing Choices, the Short-Term Incentives for Rental, and the Rental 100 Program

** City-wide below-market rental incentives include the Below-Market Rental Housing Policy for Rezoning and the Moderate Income Rental Housing Pilot Program

*** Other refers to projects approved under existing zoning, renovations, or projects where 1 for 1 rental replacement was a requirement since redevelopment was located within a Rental Housing Stock ODP zoning district

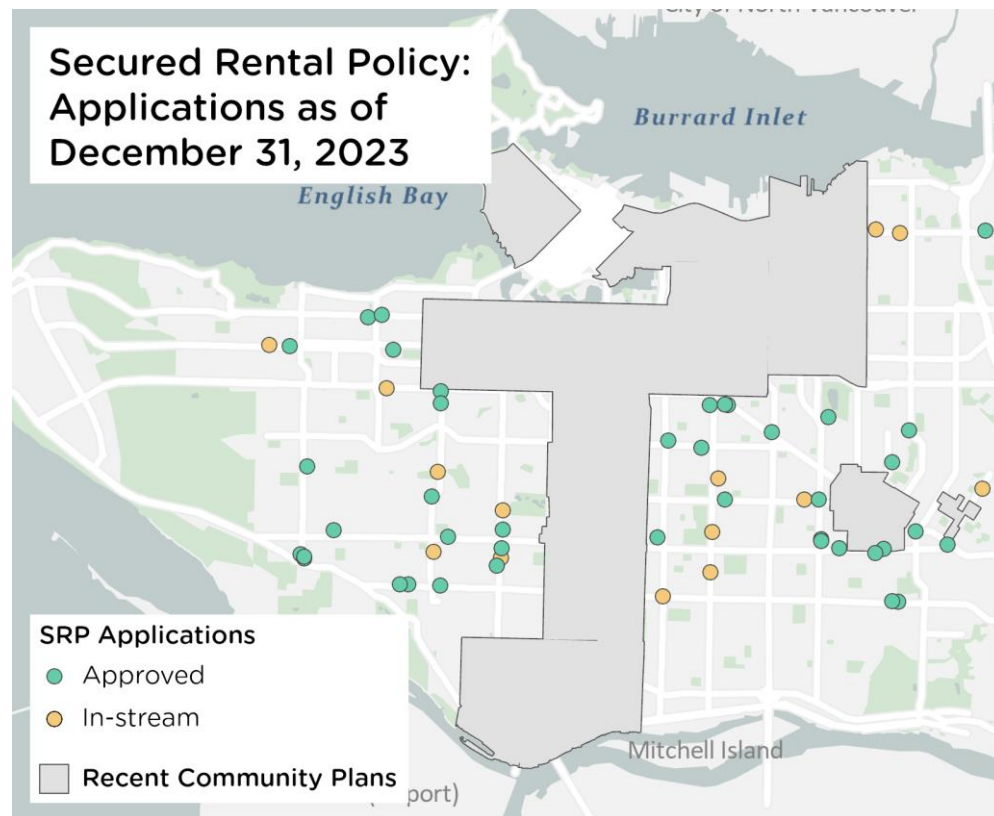
Secured Rental Policy Example

The **Secured Rental Policy** creates new rental across the City, in proximity to commercial areas and transit, while limiting displacement of existing renters, streamlining the application process and creating new commercial space in neighbourhoods.

In 2023, 54% of purpose-built rental approvals were approved under the **Secured Rental Policy**

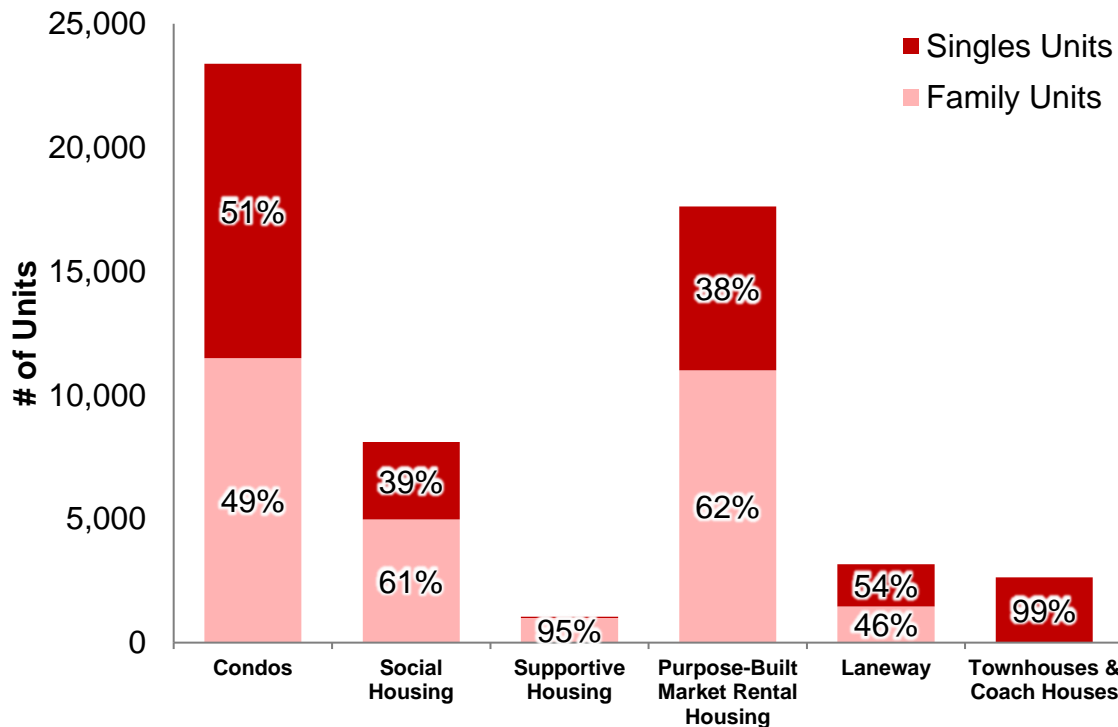
	Approved in 2023	Approved Since 2021
Net Units	2,521	3,282
Net New Commercial Space	52,818 ft ²	85,740 ft ²

An additional 1,095 net units and nearly 30,000 ft² of net new commercial space are currently in-stream

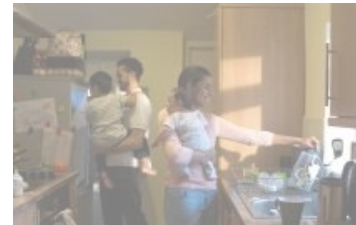
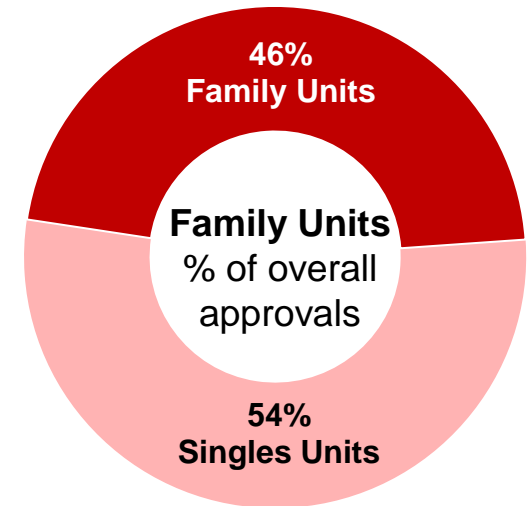


Exceeding family housing target: 46% of approved units from 2017-2023 have 2+ bedrooms

% of Family Units Approved in the Last 7 Years by Housing Type



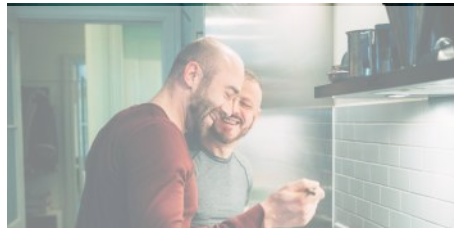
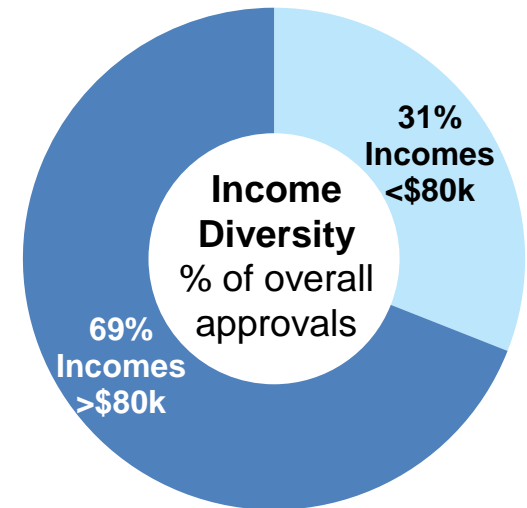
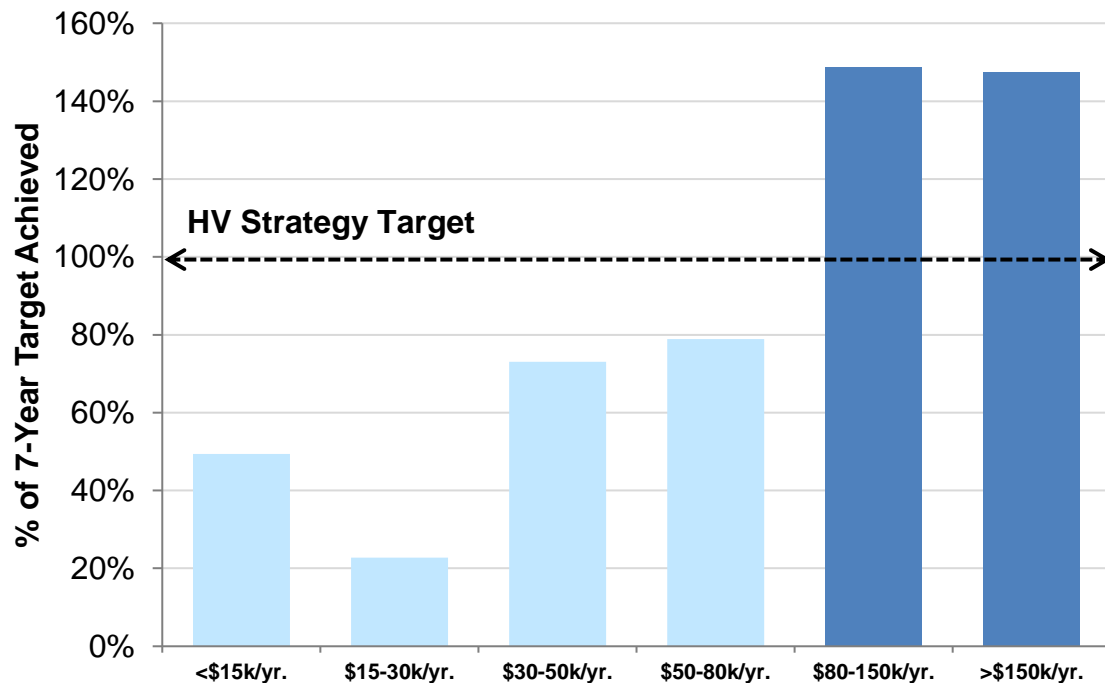
Housing Vancouver Goal:
~40% of new approved units to be family-sized



Falling below targets to serve low-moderate incomes: 31% of approved homes since 2017 are affordable to <\$80K

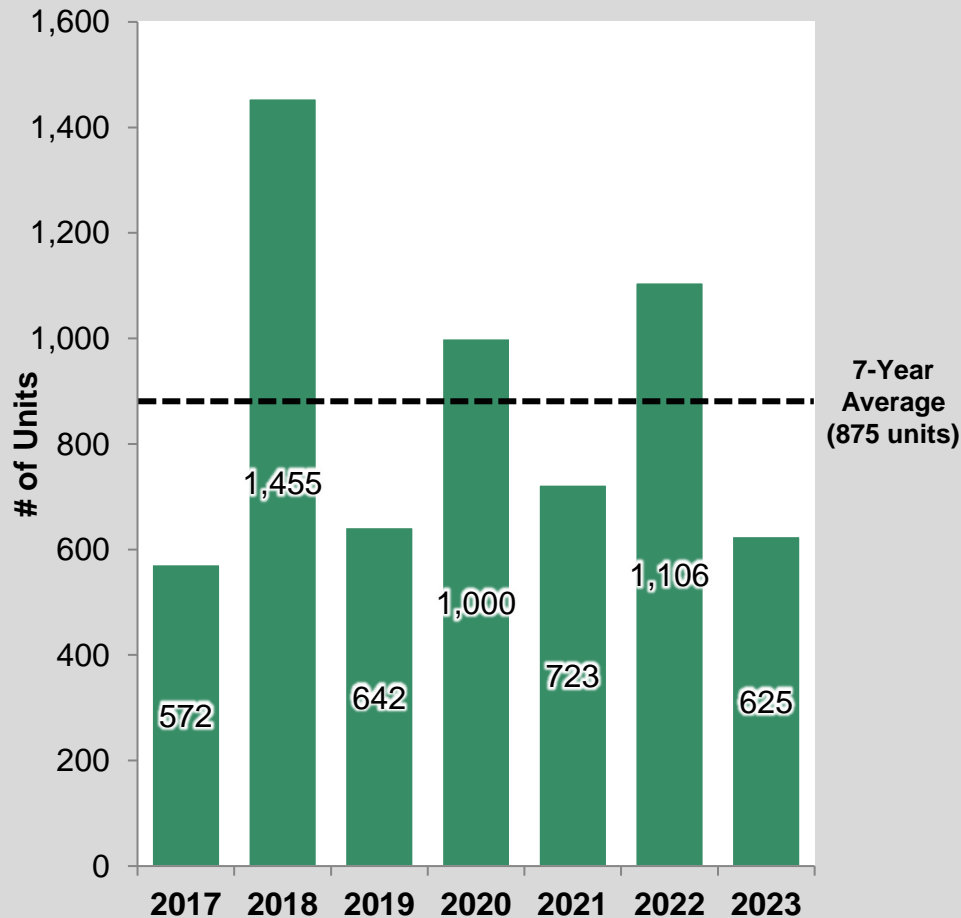
% Progress Towards Income Target Category after 7 years
Continuing to under-achieve on deeper affordability

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



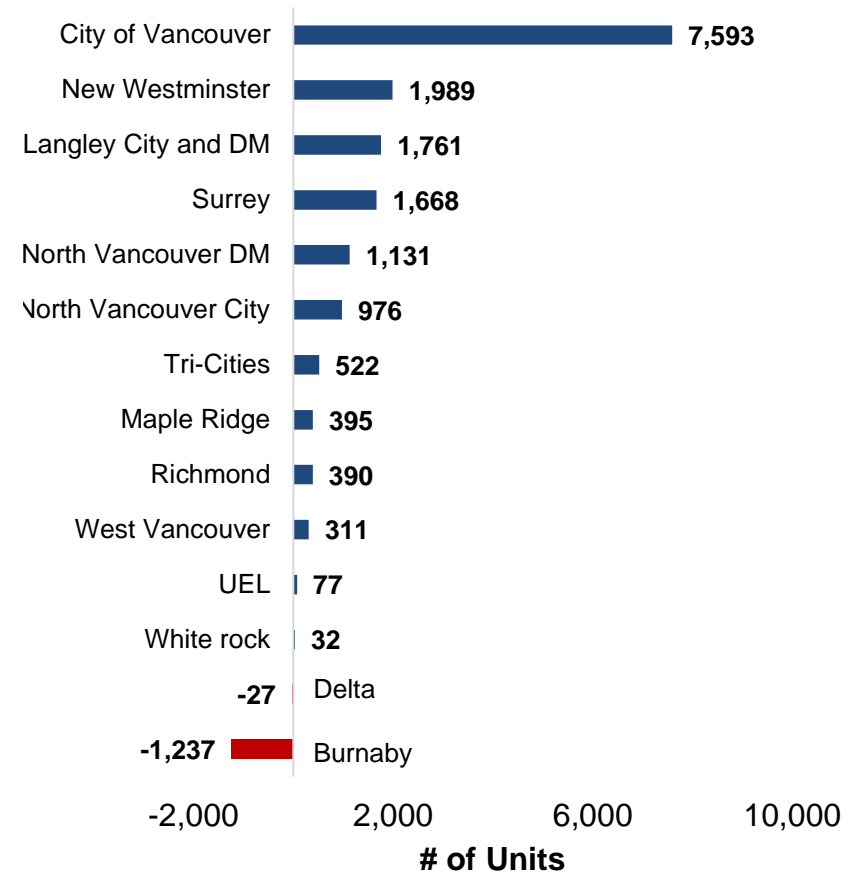
Lower Annual Completions in 2023 but Significant Gains in Recent Years Compared to the Rest of the Region

Annual Purpose-Built Rental Completions in the City of Vancouver



Source: CoV Development Permit System

Change in Purpose-built Rental Stock in the Region from 2017-2023*

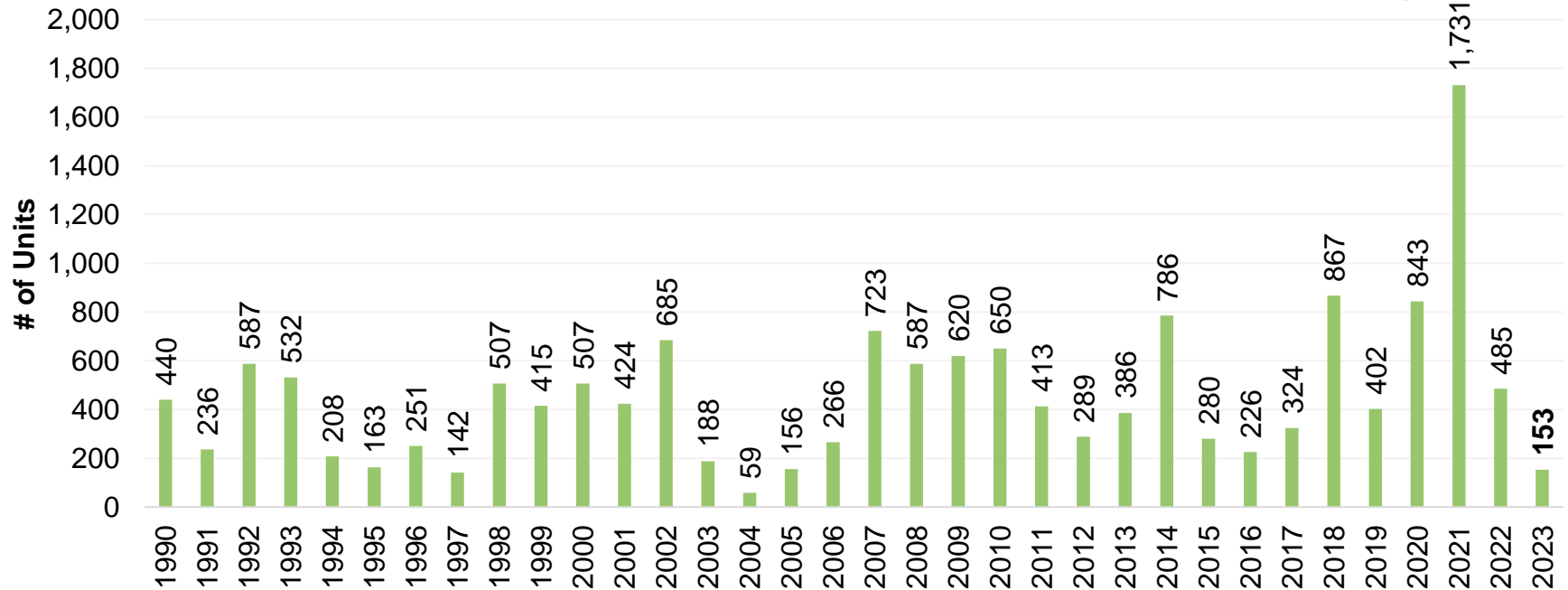


Source: CMHC Rental Market Survey

*Note that data does not account for rental or social housing projects under-construction and pending replacement of demolished units

Social and Supportive Housing Completions and Acquisitions

Historical Completions and Acquisitions of Social and Supportive Housing



2023 net completions: 127 units

Completions have lagged behind approval numbers in recent years due to economic challenges related to:

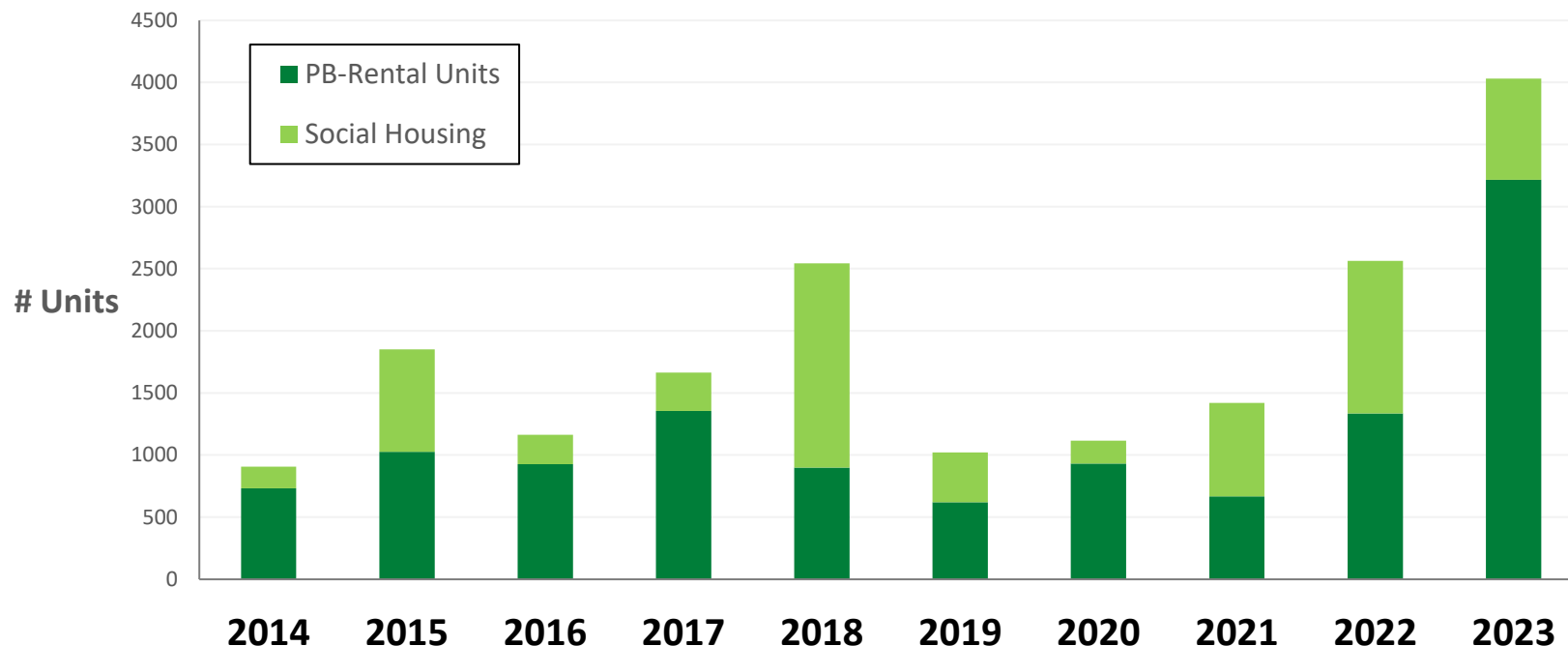
- Funding capacity for social housing,
- Escalating construction and supply costs
- Availability of labour and trades



710 E 19th Ave, North Arm

Strong Construction Activity Leading to Future Completions

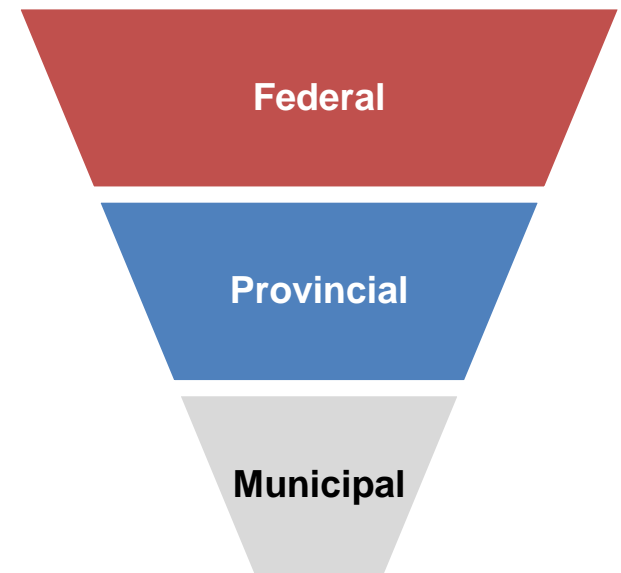
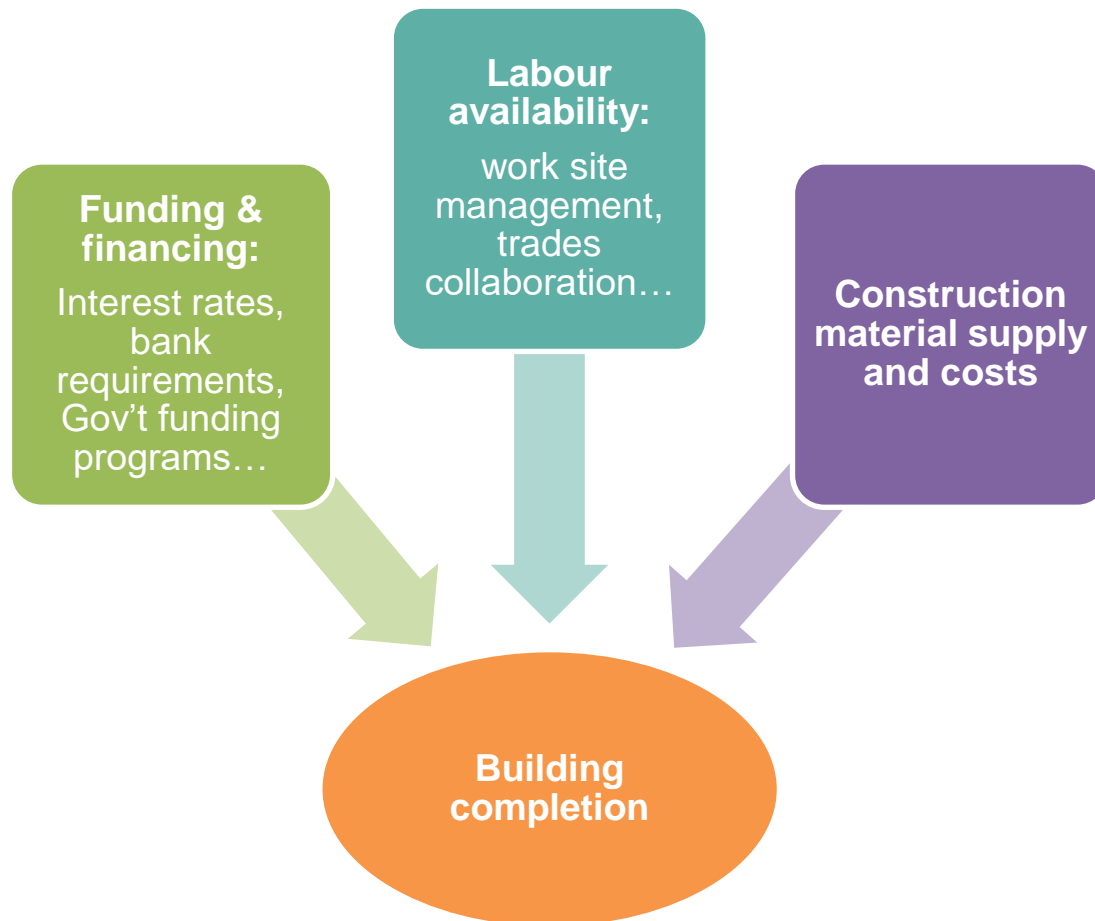
Annual Building Permits Issued for Purpose-built Rental, Social, and Supportive Housing



- Highest year of building permits issued in the last decade
- Over the next 2 years, approximately 1,900 social and 2,100 purpose-built rental housing units anticipated to complete

Ensuring homes get built will require all hands on deck

After municipal approvals, many factors may impact construction start and timeline



A coordinated response across all levels of government is needed to address funding gaps and unfavorable market conditions

Progress Report & Actions Summary

1. Have been consistently achieving the overall approvals target in recent years
2. Rental approvals remain high despite economic constraints affecting ownership approvals
3. More than three quarters of annual approvals have been rental housing, primarily driven by pb-rental policies
4. Action required from all levels of government to ensure homes get built
5. Achieving deeper levels of affordability remains a challenge in the current economic environment

