

OPEN LETTER

To those who are concerned about the affordability crisis affecting many B.C. communities:

A generation ago, it took the average Canadian 5 years to save a 20% down payment on a home. Today, the Canadian average is 12 years. In Metro Vancouver, it's at 23 years (and climbing). The Canadian Rental Housing index lists the regions of Greater Vancouver, Nanaimo, Kootenay Boundary and the Capital Region as being in **critical condition**. Elsewhere, on Vancouver Island, in much of the Southern Interior, in Kitimat Stikine and the Fraser Fort George regions the rental situation is listed as **severe**.

Many see no choice but to leave their communities, taking their energy and talents with them. Many others make significant sacrifices in order to stay (e.g. accepting much smaller homes than they grew up in, taking on massive debts or giving up altogether on the idea of home ownership or starting their own family). Others are reaping windfall gains in equity or have already cashed out, but nonetheless recognize the situation as extremely troubling.

The housing crisis is part of a larger affordability crisis, or squeeze, hitting younger people especially hard (though impacts are felt across *all* ages).

We're encouraged by a new sense of political urgency to ease this squeeze, evident e.g. in the B.C. government's 15% tax on foreign buyers of residential real estate, municipal initiatives to tax vacant homes and increase supply, and recognition by Canada's Prime Minister that B.C. is to housing as Saskatchewan was to medical care a generation ago. Just like leadership in Saskatchewan led to a fundamental re-think of health care in this country, leveling the playing field and creating a model we're intensely proud of, leadership in B.C. could similarly lead to a re-think of housing policy, leveling the playing field and ensuring we all have access to affordable, suitable homes.

Given the complexity of the issue and with the B.C. election around the corner, we think it is important to zoom out and establish some big picture common ground about the primary *purpose* of our housing markets. We believe clear first principles lead to better specific policies.

To that end, we ask you to consider endorsing the following bedrock policy principle, which we call Homes First:

"The primary purpose of our real estate market is to provide an efficient supply of suitable home that are in reach for what typical residents can earn."

(Returns on real estate investments are great, but must remain a secondary consideration to keeping homes in reach).

It may sound like an obvious principle, but if clearly stated and acted upon, we believe public trust in our regulatory framework could be regained, and our housing markets would come to function significantly better. Without being prescriptive, we imagine the Homes First principle lending momentum and coherence to specific policies that increase supply, including rental; tax housing wealth in fair and innovative ways; and intersect with non-housing market policies that ensure things like child care and transportation don't add up to second and third mortgages.

Recognition: Organizations, businesses, individuals and elected representatives or candidates who concur with our Homes First bedrock policy principle will be listed on www.gensqueeze.ca/homes_first_endorsements along with a link back to your own website (if applicable) and a sentence or two describing your role or stake in this issue.

In the case of B.C. provincial election candidates, we will notify those of our supporters who live in your electoral district of your endorsement, prior to both advance voting and general voting days.

We will also make periodic public announcements of current Homes First endorsers. To be listed as a Homes First endorser, or if you have questions, email eric@gensqueeze.ca. Thank you so much for your consideration.

Sincerely,



Dr. Paul Kershaw, Founder



Eric Swanson, Executive Director

About Generation Squeeze & the Code Red Campaign: Generation Squeeze is a nonpartisan collaboration comprised of organizational and individual allies who share a commitment to ensuring Canada works for all generations. Vancity Community Foundation is the entity through which our charitable activities are delivered. The Association for Generational Equity (AGE) is the home for our nonprofit social enterprise. Dr. Paul Kershaw coordinates Gen Squeeze research in his University of BC research and knowledge translation lab. Our mission is to ease the squeeze on Canadians in their 20s, 30s and 40s by influencing policy, providing member benefits, and helping individuals adapt. We launched the Code Red Campaign in May 2015 to (a) signal the affordability crisis in many of our communities and (b) push for bold, evidence-based solutions.