



Building Housing Common Ground



On Oct 25th 2016, a group of housing sector leaders gathered in Vancouver to take a big picture approach to the affordability crisis affecting many of our communities.

We wanted to see if a diverse array of stakeholders could identify common ground, starting with first principles.

Along the way we tackled some tough questions / elephants in the room. For example, is affordability at odds with home equity expectations?

In the room were:

- Developers
- Home Builders
- Academics & Think Tanks
- Mayors, Councilors & Senior Planners and Staff
- Financial Institutions
- Realtors
- Labour
- Non-Profit Housing Providers & Service Organizations
- Grassroots Organizations
- Landlords & Property Managers
- And people living through the housing squeeze

*Full list of participants is included on pp. X

A Message from the Session Hosts

When Generation Squeeze launched the Code Red housing affordability campaign in May, 2016 we didn't want to end up being just another lone voice in what is often a disjointed, reactive housing debate.

Certainly, we have our own specific policy ideas and we'll continue to push those. However, what's more important to us is revealing the common ground principles that tie diverse interests together and finding a way to reform our housing system *from there*.

Rather than settling for the lowest common denominator, we want to establish the highest principled common ground.

The context for our day-long session was the continuing affordability crisis affecting many of our communities.

And while there are no sharp lines here, we continue to stress that younger Canadians (broadly defined as those in their 20s, 30s and 40s) are being hit particularly hard.

This session was held in B.C., and one of the province's most iconic species – salmon – provides an excellent metaphor for the journey of young people through today's housing market.

As has always been the case, young people should need to work hard and make sacrifices in order to build homes for themselves and their children – much like salmon must swim upstream, against the current, overcome obstacles (waterfalls) and be on alert for all manner of risks (bears).

But the problem today is that it's harder to swim against the current when rivers are polluted by jobs that pay thousands less (after adjusting for inflation). The waterfalls are 2 or 3 times taller because housing prices have increased dramatically. There are many more bears fattening their savings on the hard work of those trying to swim upstream. And for some, especially in Metro Vancouver or the Greater Toronto Area, the route has been entirely dammed off.¹

Just as our society strives to restore salmon habitat and ease their passage upstream through interventions like salmon ladders, we need to take bold steps to ease the passage of today's younger Canadians into secure, stable homes (as renters or owners).

The good news, as exemplified by the common ground principles outlined in this report, is that **there is broad appetite for bold action**, and a great deal of agreement about where we need to go.

The challenge for us is building the necessary political will to enshrine some or all of these principles at all three levels of government.

¹ Refer to our report "Code Red: Rethinking Canadian Housing Policy" for statistics and analysis. <http://bit.ly/GSCoRed>

In so doing, we'll inevitably bump against entrenched interests: including contradictions within ourselves, our own families and personal networks, and the broader community.

It's our job to face these tensions head on, to get them out in the open, and face them not with hostility or polarizing actions but with evidence, understanding and an unrelenting focus on the opportunity for positive change.

For our part, we're committed to that process, and look forward to working with session participants and others to ensure more Canadians are able to make their way upstream.

Finally, a big **thank you** to our sponsors and partners (see rear cover) without whom this inspiring day would not have been possible.

Sincerely,



Eric Swanson
Executive Director, Generation Squeeze



Paul Kershaw
Founder, Generation Squeeze

To help spread word about this event,
please consider sharing this video:

<https://vimeo.com/190944612>

Addressing the Crisis

10 Common Ground Principles

The following 10 principles represent areas of alignment achieved by session participants.

Like any synthesis, it is an imperfect reflection of the totality of the discussion. However, in an effort to convey the common ground as accurately as possible we've included keywords and verbatim text ("raw material") from the summary tiles produced by participants.

Policy implications are included for four of the principles. This reflects a greater depth of discussion related to those principles during the session, rather than any judgment on their relative importance. The principles are ordered in such a way as to promote readability and flow.

1

Support Bold Action

Addressing the housing affordability crisis adequately will require bold action that reflects a cultural shift, components of which are described below. We must all be open to change, some of which will be better than ever, and some of which may require compromise. Bold change will begin by looking inwards, and extend to conversations we have with our families and friends (who may have a vested interest in the status quo). Ultimately, individual and collective compromise is required to achieve better, fairer policy.

Keywords: attitude, culture, fear, opportunity, compromise, openness

Raw Material: Fear based→opportunity-based – Show how healthy housing supply benefits all of society/economy/you – Attitude/culture shift through education/engagement

2

Personal Responsibility to Adapt

We all have a personal responsibility to adapt to changing housing markets. For some, this will require adjusting our savings and spending patterns, our expectations regarding home size, access to ground/yards and distance from work or school. For others, it may require adapting expectations regarding the evolution of our neighbourhood character, or the personal equity gains derived from the housing market.

Keywords: hard work, mirror, adaptation, expectations, equity, density, neighbourhood character

Raw Material: Ask ourselves what can we do? Look in the mirror – Retirement & 'resilience' shouldn't have to rely on gains from property investments

3

Collective Responsibility to Adapt

While individuals are taking responsibility and adapting their own lives, we have a collective responsibility to ensure all Canadians are able to access a minimum standard of shelter, and to re-couple incomes with housing markets so that suitable homes (as renters or owners) are actually within reach.

Implications:

- Re-coupling incomes with housing markets will require measures that address the commodification of housing, i.e. demand for housing stock from investors.
- Re-coupling will require leadership and coordination from all levels of government.

Keywords: collective, re-coupling, leadership, right, responsibility, coordination, commodification, minimum standard, right-sized

Raw Material: There is a right to a safe, secure, right-sized home that is no more than 30% of income – What stands out: all levels of government involved; provincial and federal government "leadership" (regulations, targets, funding, incentives) – Re-coupling incomes and housing markets

4

Level the Playing Field between Renters and Owners

Given the growing gap between real estate prices and incomes, we should anticipate that renting will become an increasingly common way for Canadians to make homes throughout their lives. Thus, we need to level the playing field – financially and socially – between renters and owners, and make long-term renting more stable and secure.

Implications:

- Policy subsidies for renters should be in proportion to subsidies for homeowners, and public funds should be increasingly used to incentivize the construction of purpose-built rental homes.
- Policy adjustments may be required to increase security of tenancy while balancing the needs for reasonable flexibility on the part of landlords.
- There is need to challenge attitudes that treat renters as less desirable community members than homeowners.
- Alternative long-term savings & wealth accumulation strategies will be required for renters.

Keywords: security, stability, predictability, long-term, culture shift, protection, incentives, tenancy neutrality

Raw Material: Security of tenure. Renter protection – Housing incentives: rental, tax credits etc. (all levels of government) – Level playing field between renters and owners – Paths to accumulating wealth for life-long renters



5 Innovate with New Tenure & Equity Models

We should scale up practices that move beyond traditional renting and ownership options in the real estate market by promoting access to shared equity models of home ownership, rent-to-own options, and innovative models that separate buying/renting buildings from land that remains held in public trust.

Keywords: innovation, public land, bridging, co-ownership, rent-to-own, land banks

Raw Material: Diverse tenure and equity models – New/additional ownership models and options (e.g. bridge between renting and owning) – New models of housing via public and private investment – Financial policy; renters; rent-to-own; tax credits etc., loan products; co-housing – New tools and authorities to ACTION housing plans (to achieve access to land and capital) – Rethinking land as a public asset (e.g. common land bank in exchange for up-zoning)

6 Channel Private Investment to Public Benefit

We should design policies that channel foreign and domestic investment activity to more beneficial types of housing supply, including more purpose-built rental, diverse multi-family housing, and innovative tenure and equity models. Private investment should be discouraged from single-detached houses, small condominiums, etc. that often result in increasing the average purchase price, reducing the available stock and/or generating less secure rental supply for locals.

Keywords: foreign & domestic investment, channel, harness, public benefit, purpose-built rental

Raw Material: Harness private interests for public gain (mutual benefit) – Channel foreign investment in purpose-built rental and decent return for investor as opposed to individual buyer/selling properties – Public policy should incentivize foreign and domestic investment in purpose-built rental supply, protecting long-tenured renters – Foreign investments in housing should generate public benefits (foreign investment vs. affordability?)

7 Encourage Density, Diversity and Efficiency

Given that supply shortages contribute importantly to rising home prices, density and a diversity of housing types should be encouraged, especially in communities where home prices have rapidly left wages behind. Processes to review and approve development proposals need to be made more efficient and predictable, while continuing to ensure sufficient public benefits.

Implications:

- We need to engage and enable a greater diversity of voices during re-zoning consultations: e.g. younger citizens, busy families, people who would like to live in the areas being considered for re-zoning but can't currently afford available supply, etc.
- We should prioritize increasing housing stock in zones already reserved for residential homes (e.g. there are good economic, food security, health and environmental reasons to protect agricultural, green space and industrial lands).
- We should prioritize densification plans that build a diversity of housing types, e.g. suitable for residents from a wide range of economic levels, backgrounds, ages, and specific needs, including the needs of families with children.
- We should plan and prioritize densification in conjunction with the design of public transit routes and other public spaces, and senior levels of government should require or incentivize such densification as a condition for provincial and federal infrastructure investments.
- We should support developers with efficient and predictable processes regarding development cost charges, community amenity contributions and other forms of taxation that balance the need for companies to earn reasonable profits with the need for all levels of government to levy reasonable contributions to public coffers.

Keywords: Diversity, density, efficiency, predictability, gentle densification, political will, political cover, empowerment, engagement, participation, NIMBYs and YIMBYs, inequality, incentives

Raw Material: Diversity of supply (rent & own) – Engaging/enabling more diversity of residents e.g. younger folks, renters, diff/diverse cultures, incomes levels – Bring NIMBYs and YIMBYs together to build complete communities – Build political cover for municipal/local governments – Element: real engagement of broad society/actors – Political will driven by younger people – Build a movement with a shared vision of the future – Political will/leadership/consensus – Senior government gives political will to municipalities – Which elements: leadership; public engagement/education; political will & public – Full spectrum of housing opportunities and product; affordable housing ↔ attainable housing ↔ investment – The housing stock should serve the local community; wealth inequality; status quo vs. change; commodity vs. right – Complete neighbourhood planning with housing diversity – Not compromise: Diversity of housing supply for all classes; housing for workforce – Gentle densification through diverse housing options – Incentivize what you want, to balance diversity of housing available (DCC's, CAC's) – Clear municipal costs and processing time

8

Revise Tax Policy

Given that home prices reflect the interaction of supply and demand, and that the benefits/harms of higher home prices have not been spread evenly, we should revise tax policy to achieve more fairness.

Implications:

- Municipal, provincial and/or federal tax policy should discourage demand for housing among foreign and domestic investors when it does not increase the supply of purpose-built rental or below market housing units.
- Municipal, provincial and/or federal tax policy should collect revenue in ways that fairly measure residents' ability to pay for health care and other public services in light of both income and wealth, including housing wealth.
- Adaptations to taxing housing wealth should be enacted in tandem with reductions to income taxation, etc.

Keywords: Fairness, winners & losers, housing wealth, structural inequity, commodity, incentives, ability to pay

Raw Material: New/adjusted [system to] tax housing wealth – Home wealth integrated into “ability to pay” tax – Tax housing wealth differently – Sound tax policy that incentivizes investment and the social outcomes – Regulate housing commodity market! – Need to start naming and addressing structural inequities (both in process and acknowledging intergenerational, rural/urban, aboriginal, immigration)

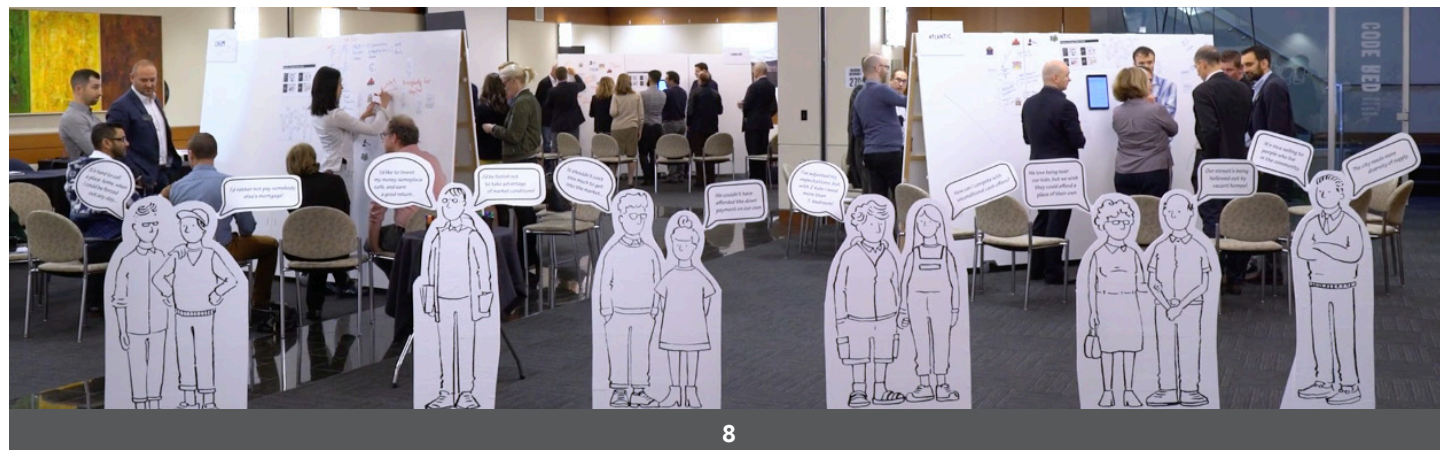
9

Go Beyond Housing Policy

Housing is inextricably tied to other policy areas such as transportation, child care & family policy, post-secondary education, retirement security, etc. To adequately address the affordability crisis policymakers will need to utilize an integrated, coordinated approach that goes beyond housing policy.

Keywords: integrated, standardized, other major costs, intersections, transit, child care, broader agenda, coordination

Raw Material: Create benefits relationship between density and transportation – Integrated and standardized land use & transportation – Other major costs; intersections with transit, child care; treat holistically – Intersect housing policy with a broader affordability agenda (child care, transit, etc.) involving all levels of government.



10

Mobilize Younger Generations

The enactment of the policy principles above will require diverse interests to continue to come together and incrementally build the necessary political will. The Building Housing Common Ground session, which this report summarizes, benefited from the participation of a wide range of housing sector leaders. The session participants and other interests will be required to continually demonstrate a **breadth** of support behind policy principles such as those summarized here.

However, a - of general public support and engagement is also required. In keeping with the first principle of personal responsibility identified above, the required engagement may fall disproportionately to younger generations for whom high home prices are causing the greatest disruption, and for whom the most urgent adaptations are needed.

Note: This concluding principle formed part of the context for the session itself. Raw material from the session in support of this principle can be found associated with Principles (1), (2) and (7), and (8) where the most frequent example of the need for greater mobilization was in relation to, but not limited to, municipal hearings.

Participants and Commentary

A complete list of session participants follows. All participants were given the opportunity to provide commentary on the session itself and this report. For those who provided it, we include this commentary below.



Alex McGowan
Chairperson — Alliance of BC Students



Andrea Reimer
Councillor — City of Vancouver



Andy Yan
Acting Executive Director; Senior Urban Planner; Adjunct Professor — Simon Fraser University City Program; Bing Thom Architects; University of British Columbia



Anita Minh
Organizer — Generation Squeeze



Ann McMullin
President & CEO — Urban Development Institute



Beau Jarvis
Senior Vice-President — Wesgroup



Bill Aube
Development Advisor, Impact Real Estate — Vancity/Vancity Community Foundation



Brad Foster
Project Director, Real Estate & Capital Development — Fraser Health Authority

"Many of the principles seems to wade into a discussion about our economic system, which, unless there is a revolution brewing, does little to set a course of practical action for housing affordability. Several of the principles talk about revising taxation (income equity), controlling private investment (central planning), and subsidizing affordability (income equity) all at the expense of individual investment returns (profit). It may just be my greedy little heart, but without a robust private capital market (I.E. easy access to land, labour, and capital) housing affordability does not stand a chance. We must look at how we incentivize investment across housing typologies, not the reverse. As a private investor, "policy" derived and controlled by others to help scares me and has little historical record of succeeding. Further, any principle that relies on a "collective" or "individual" conscientiousness should remain with Jung.

Principle 7 does have merit and I think should be further explored. A large part of our regional affordability problem comes from municipal process, which is playing catch-up."



Cassandra Scлаuzero
Orgasimizer — Generation Squeeze; @DearYVRLandlord

"It was really great to talk to developers who are also concerned with providing quality rental accommodation. It's really nice to see that they have a heart and that they're also aware of the problem and they're trying to do their best to mitigate it."

Transcribed from this post-event video: <https://vimeo.com/190944612>



David Ascher
Director; Former VP, Product — Great Northern Way Trust; Mozilla Foundation



David Hulchanski
Professor — University of Toronto Factor-Inwentash Faculty of Social Work



David Hutniak
CEO — LandlordBC

"The lack of rental units available in the region is a huge hurdle for local businesses, and hinders the growth of our local economy. The development of purpose-built market rental will not alone solve affordability for renters in the region. It will, however, help to alleviate pressure in the rental market, and provide housing options to many who find themselves in housing that doesn't currently meet their needs. With very little purpose-built rental developed in the past several decades, the addition of new rental housing will put downward pressure on existing rentals, and ultimately will contribute to a healthier housing market."



David Ley
Professor & Canada Research Chair — University of British Columbia, Department of Geography



David Sander
Director — Hollyburn Development



Elisa Campbell
Director of Regional Planning — Metro Vancouver Regional District



Emilie Adin
Deputy Director — Community Services

"There is mounting discordance between the region's flat growth of real wages and a steep rise in the cost of housing. Historically low rental vacancy rates are exacerbating the de-coupling of incomes from housing markets. Government subsidy of home ownership over all other tenure and equity models makes a bad situation worse.

As the affordability gap in the local housing market widens, calls for action are amplifying among planners as well as other future-forward professionals. Planners have a clear responsibility to consider future generations while advising decision-makers. As such, we must speak out for youth and younger cohorts. Registered Professional Planners have an obligation to step out of our comfort zones, and to call for structural changes to the laws, policies and practices that govern development, taxation and financing. We need to own up to our ability to influence public and political discourse on housing policy, and embrace innovation."



Eric Swanson
Executive Director — Generation Squeeze



Erin Robinson
VP Corporate Partnerships & Member Benefits — Generation Squeeze



Justin Fung
Spokesperson — Housing Action for Local Taxpayers (HALT)



Iain Reeve
Research Officer — MoveUp



Kathleen Llewellyn-Thomas
General Manager of Community Services — City of Vancouver



Janet Austin
CEO — YWCA Metro Vancouver



Kishone Roy
CEO — BC Non-Profit Housing Association (BCNPHA)
"If we are going to solve the affordable housing crisis in BC, finding common ground is exactly what we need to do. These issues are all connected and collective impact like this is the best way to solve them."



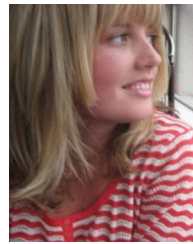
Jesse Miller
Development Manager — Townline Solutions



Kristi Rivait
Executive Director — Ready to Rent



Jonathan Cote
Mayor — City of New Westminster



Lindsay Milburn
Senior Housing Planner — City of Victoria



Juan Solorzano
Executive Director, Population Health — Vancouver Coastal Health



Marc Lee
Senior Economist — Canadian Centre for Policy Alternatives BC



Margaret Eberle
Senior Housing Planner — Metro Vancouver Regional District



Nazma Lee
Organizer — Generation Squeeze



Mark Sakai
Director of Government Relations — Greater Vancouver Home BUILDers Association



Paul Kershaw
Associate Professor; Founder — University of British Columbia School of Population & Public Health; Generation Squeeze



Michelle Noble
Vice President Communications, Marketing and Media Relations — BILD
"Having decision makers, having builders, having advocacy groups, having lots of different people and different perspectives and hearing one another and having to come up with common solutions...it's the only way you can move forward."



Paul Smetanin
President & CEO — Canadian Centre for Economic Analysis (Ontario)



Mike Clay
Mayor — City of Port Moody



Penny Gurstein
Professor & Director — University of British Columbia School of Urban and Regional Planning
"I support the 10 Principles contained in this report."



Murray Mollard
Executive Director — North Shore Community Resources Society
"Engage: Generation Squeeze and other housing advocates must find successful ways to engage younger generations in the call for policy change."



Raza Mirza
Organizer — Generation Squeeze
"A healthy real estate industry is important to BC's overall economy, but we need bold policy changes to ensure how we utilize our resources reflects the need of locals at different stages of their life. Government policy adaptation based on some or all of these principles ensures public spending is conditionally tied to the number of people benefiting from this spending. Instead of vilifying private and foreign capital, these principles help channel excess capital to address shortage of capital for projects like rental housing."

Mobilize: We need to find ways to convert younger generations' interest in and distress over housing into action. Whatever works – social media streams, in person events, art, celebrity endorsement, etc. We need their voice.

Influence: Without action on GREAT IDEAS, Great Ideas just remain ideas. Engaging and mobilizing the cohort effectively as agents for change will result in influence.

All this easier said than done. But do it we must."



Robin Hicks
Councillor — District of North Vancouver



Steve Jedreicich
*Vice President of Development —
Townline Group of Companies*



Steve Saretsky
*Realtor; Owner — Sutton Group - West
Coast Realty; Vancity Condo Guide*



Thom Armstrong
*Executive Director — Cooperative
Housing Federation of BC*

"These ten principles assembled from our day together are quite remarkable. They go far beyond the stereotypes that characterize so much of our discussion of housing issues and options. I was struck by three things in particular:

- The emphasis on how bold we need to be in challenging our own biases and being willing to consider far reaching, substantive changes in housing markets and tenure forms is missing from many analyses, and you have captured it perfectly.
- The scope of the principles cuts across every significant stakeholder group in the housing market and avoids pitting one group against another. Everyone is part of the solution.
- You have highlighted the importance of moving beyond the traditional divide between renting and individual home ownership to explore alternative forms of equity and tenure. This will challenge legislators, planners and developers to think beyond the narrow constraints of program guidelines and existing marketing schemes, but I believe it's an essential component of any meaningful progress."



Tom Davidoff
*Associate Professor — University of British
Columbia Sauder School of Business*
"Our current tax system and zoning policies reward people who bring money to Vancouver to buy luxurious single family homes, but punish renters, employers, and the environment. I enjoyed the opportunity to discuss policies such as allowing the market to build multi-family housing and shifting the tax burden towards pure real estate investment and away from income and sales."



Tristan Johnston
Planning Analyst — City of New Westminster



Victor Raye
*Regional Director, Key Accounts — Western
Canada Manulife Bank of Canada*

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