



HOUSING FACT SHEET

VANCOUVER'S HOUSING CRISIS

- There are 2,128 homeless living in Vancouver, 48,645 households (20% of all households in the city) in “core housing need”, and 4,113 households on social housing waiting lists in Vancouver.¹
- The average rental cost for a 1-bedroom apartment in the city increased this year to more than \$2,000.²
- The average single-family home increased in value by \$313,072, and overall land value increases in the city exceeded \$45 billion in the one year between 2015-2016.³

MADE IN VANCOUVER HOUSING AFFORDABILITY PLAN

- Change the Vancouver Charter to include property surtaxes on the 5% highest-value residential properties:
 - 0.5% property surtax on the top 5% of residential property owners
 - An additional 1% property surtax on the top 1% of residential property owners (total surtax of 1.5% for the top 1%).
 - Total revenue generated will vary depending on current property values, but our current estimates range between \$456 million and \$585 million.⁴
- Earmark this revenue directly towards creating thousands of new, guaranteed affordable rental units:
 - Prioritize building affordable rental units of 1, 2, and 3+ bedrooms on appropriate city-owned land.

¹ City of Vancouver “Housing Characteristics Fact Sheet” April 30, 2017.

² Global News, “New record: \$2,090 a month is average cost of one-bedroom rental in Vancouver” (<http://globalnews.ca/news/3609431/new-record-2090-a-month-is-average-cost-of-one-bedroom-rental-in-vancouver/>)

³ Jens von Bergmann, “WORK VS TWIDDLING THUMBS: VANCOUVER LAND WORKS HARDER THAN IT'S PEOPLE,” (<https://doodles.mountainmath.ca/blog/2016/01/24/work-vs-twiddling-thumbs/>)

⁴ City of Vancouver “Property tax report data, Year 2016” with at a tax rate of 1.5% on the top 1% and 0.5% applied to the top 5% of “One Family,” “Two Family,” and “Multi Family” dwellings with datasets cleaned to exclude incorrectly zoned non-residential properties in those categories.



- After appropriate city-owned land had been exhausted, purchase new appropriate property across the city until the backlog of housing demand is met.
- Using the lower estimate, this could build 6080 modular homes,⁵ meaning we could end homelessness in the city with ~1/3 of one year's surtax revenue.
- Using the lower estimate, this could build 2,562⁶ - 3,454⁷ mixed-sized 1 BR, 2 BR, and 2 BR + den wood frame apartment units, meaning we could house everyone currently on a social housing waitlist within two years.
- Even factoring in market cooling, this would still generate hundreds of millions in new revenue; enough to produce thousands of units per year.
- This policy could approximately double the number of rental units under construction in the city within the first year and double the number of non-market housing units in the city within a decade.⁸
- This policy would massively increase the budget and mandate of the Vancouver Agency for Housing Affordability (VAHA), and could help it meet its 5-year goal of creating 2,500 new affordable units⁹ in the first year. Within 5 years, this plan would have quintupled the agency's total development.
- Expand mandatory inclusionary zoning requirements across the city:
 - Require new developments >5 units to set aside a percentage of newly-constructed units to be managed by VAHA as affordable rental units.
 - Applied throughout city, exceptions on neighbourhoods where residents have already faced unfair burden of displacement such as the Downtown Eastside (DTES) and Chinatown.
 - Challenge exclusionary zoning across the city that protects suburban sprawl and prevents new affordable multi-family housing builds.
- Advocate with the provincial and federal governments to implement a Flipping Levy on home sales:
 - 50% tax on the speculative profit made on sales within 1 year of purchase.
 - 35% tax on the speculative profit made in year 2-3.

⁵ Based on construction costs from the recently completed container homes project located at 220 Terminal Ave

(<http://vancouversun.com/news/local-news/vancouver-wants-more-modular-housing-built-to-help-homeless>)

⁶ Based on estimated development costs of similar costs to estimates provided by the Regional Vancouver Urban Observatory (\$10,675,000 for 60 units) and excluding the cost of land (http://www.rvu.ca/wp-content/uploads/2016/04/G2G_2016_web-1.pdf).

⁷ Based on 800sq. Ft. apartment size built using the average the top-end of estimated construction costs for four-storey wood-framed buildings listed in *Construction Cost Guide*, 2016, Vancouver Altus Group.

⁸ There were 2,993 secured market rental housing units under construction in April, 2017 and there are 25,623 non-market housing units in City of Vancouver. *Housing Characteristics Fact Sheet*. April 30, 2017.

⁹ *About VAHA*, Vancouver Agency for Affordable Housing, 2017. (<http://vaha.ca/>)



- Work with both levels of government and the Canada Revenue Agency (CRA) to monitor houses being flipped and implement the levy.
- Exempt renovations and major property improvements.

DEFINING “GUARANTEED AFFORDABLE RENTAL”

- “Guaranteed Affordable Rental” means the completed units paid for by this policy will be turned over to a strengthened Vancouver Agency for Housing Affordability (VAHA) which will own and operate the units. The completed units will guaranteed affordable in perpetuity, through the use of covenants on property titles.
 - Rented at rates geared to income (i.e. no more than 30% of household income).
 - Built with a focus on low and working-class tenants.
 - Guaranteed affordable in perpetuity, using covenants on title.
 - Built with a percentage of family (i.e. 2, 3 and 4 bdrm) units.
 - Owned and operated by the city.
- Rental income generated by the properties after completion will go back to VAHA to pay for operation and maintenance.