

*Working Paper #1: Our Working Capacity*

# **A Regional Housing Affordability Strategy for the Capital Region**

December 2002



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The Regional Housing Affordability Strategy is being developed by a partnership of the CRD, Vancouver Island Health Authority, BC Housing, Capital Regional Hospital Board, Canada Mortgage and Housing Corporation and the Capital Regional Housing Corporation



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**Note: This report draws from the more detailed report and data contained in Appendix to  
Working Paper #1: What the Data Tell Us.**

## **1.0 Introduction**

Housing affordability in the Capital Region is of increasing concern for both low and moderate income households. Reductions in senior government funding for social housing over the last decade have left community organizations and local governments to face the issue. At the same time household incomes declined for many local residents in the nineties (although recently income growth has been more robust), as they did for other Canadians, contributing to the housing affordability problem. All of this is further compounded in the Victoria area, one of the three most expensive housing markets in the country and currently among the lowest rental vacancy rate (1.5%) of any Census Metropolitan Area (CMA) in Canada.

High housing costs affect people in several ways. Renters may have to spend such a high proportion of their income on rent that they are forced to cut back on other essentials, or they may have to live in accommodation that is overcrowded, substandard, or too far from work or school. High ownership costs mean that people who want to buy a house are unable to do so. If housing is too expensive for average people, employers may locate in other, more affordable cities and people who want to improve their living conditions may have to move away. Personal health and security may also be affected if people have substandard accommodation, or are in a transitory state such as single parent families fleeing abusive situations. The local economy is negatively impacted when housing costs are too high, as residents have less disposable income to spend, and firms have trouble filling vacant positions.

Data indicates there are 22,000 renter and owner households in the CRD in core housing need. This does not include the homeless population. The concept of *core housing need* is regarded by many housing market observers as the *most precise and comprehensive measure of need available and is increasingly being adopted as the measurement of housing need*, including as part of Canada's Urban Strategy. Core need households are those who cannot obtain enough space<sup>1</sup> for their household that is in reasonably good condition without spending more than 30% of their income for shelter. The 30% figure is based on research indicating that when the shelter costs of low income households exceed 30% of their incomes, their consumption of other essentials of life such as food, clothing, day care, and transportation is reduced. ***However, the definition of core need goes beyond the standard definition of households in need, that is those paying more than 30% of their income for shelter. Because it considers adequacy and suitability as well as affordability and because it takes voluntary over-consumption into account, estimates of core need are always lower than the number of***

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<sup>1</sup> This is based on the National Occupancy Standards. These specify a maximum of 2 and a minimum of 1 persons per bedroom where: parents have a separate bedroom from children; people aged 18 and over have a separate bedroom unless married or cohabiting as spouses; dependents 5 yrs. and over of the opposite sex do not share a bedroom; bachelor dwelling units in adequate condition are considered suitable accommodation for single person households.

**households paying more than 30% of their income for shelter.** For example, in 1996 there were 24,000 renter households in the Victoria metropolitan area paying more than 30% of their income on rent, but only 16,000 of these were in core housing need.

The data necessary to calculate core need comes from the Census. Census data on household characteristics will not be available until May 2003, and the first official estimates on core housing need are anticipated early 2004. Consequently, the analysis in this report is based on data from the 1996 Census. The largest number of households in core housing need are located in Victoria and Saanich, as one might expect for the two largest communities.

The following chart<sup>2</sup> focuses on the primary area of housing need - core need among renters in the CRD. It illustrates the level of need (i.e. the number of core need renters; this is the gap), shows what those in need can afford, and shows what is available in the CRD - namely the existing supply (households occupying these units are no longer in core need).

In addition to those households in core housing need, higher income households also face difficulty in the Victoria housing market because of the high cost of ownership housing. The current median price of a single detached house sold through the Victoria Real Estate Board is \$255,000. A median income household in Victoria earns \$60,000 per year. With a 10% downpayment, such a household could afford to buy the median priced house, but only because interest rates are at 40 year lows. Households earning less than the median income would not be able to afford to buy under these circumstances.

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<sup>2</sup> Addendum to Chart: the 10,675 non-family households includes those under 65 yrs (6,830) as well as seniors (3,845).

## **2.0 Why a Strategy is Needed Now**

The Regional Growth Strategy recognizes housing affordability as a regional priority. The Capital Regional District committed to a Housing Affordability Strategy following a strong (87%) show of support from residents as part of a survey in 2000. There was also considerable support from partners responding with funding for the strategy.

The key points of the Regional Vision with respect to growth and housing are:

- The majority of future population is housed in existing urban areas within an Urban Containment and Servicing Boundary; rural areas experience stable to limited population increases.
- The core municipalities experience infill and modest population increases, with the bulk of new residential growth occurring in the Western Community municipalities of Langford and Colwood, some in a limited number of new neighbourhoods. The Saanich Peninsula retains its rural and small town character as do Sooke, Metchosin and the Highlands.
- A regional green/blue spaces system protects and maintains the range and diversity of the natural environment.

The vision for the strategy is “improved housing affordability that will ensure that all residents of the Capital Region – especially low and moderate-income households, the elderly, youth, those with special health and other needs, and the homeless – have reasonable choice of housing by type, tenure, price, and location.” Recognizing that achieving this vision will put upward pressure on regional housing costs the RGS calls for a strategy directed at “market (private) and non-market (subsidized) housing affordability for no-, low-, and middle-income and special needs households”.

The Regional Housing Affordability Strategy (RHAS) is one of three strategies directed at implementing the Regional Growth Strategy. The other two are the Travel Choices Transportation Strategy and the Economic Development Strategy. The intention is to have an integrated approach in the development of the strategies as housing affordability has implications for the area’s sustainability. Examples are the role safe and affordably priced housing plays in the economic life of the Capital Region and the proposed location of housing in relation to public transit routes.

### ***The Current Public Policy Environment***

The public policy environment has altered markedly in the last decade. Many responsibilities and issues previously held by senior government are left for local government to act on, yet housing issues of lower and moderate income households remain similar and in some respects have escalated, for example homelessness. Briefly highlighted below are a selection of initiatives that impact housing. Some of the initiatives

are in the early stages of implementation or are not fully adopted – so their strategic implications cannot be fully analysed at this time.

### **National**

**Affordable Housing Agreements** - British Columbia was the first province to sign in December 2001, when CMHC announced the move to implement affordable housing agreements in November 2001 to produce 20,000-30,000 units of affordable housing over a 5-year period nationally. In BC the agreement provides \$88.7M. from each of the Federal and Provincial governments for 3,197 units as follows: 697 units of affordable housing; under Supportive Living BC 1,500 new units, and 1,000 converted units. The Agreement also provides for: 1,000 rent supplements (these are subsidies as part of Supportive Living BC), and enhanced Shelter Aid For Elderly Renters (SAFER) and Supported Independent Living (SIL) programs; BC provides rent geared to income (RGI) subsidies for up to 35 years; other partners are expected to provide land or cash equity (bringing equity to the table is essential), waive fees or reduce taxes. Funding is targeted primarily to seniors housing.

**Supporting Community Partnership Initiatives (SCPI)** - While SCPI funding to the City of Victoria through Human Resources Development Canada (HRDC) is directed largely at the provision of services rather than the construction of housing, the projects funded have helped raise awareness of the severity of housing need and issues in the Capital Region and provided a variety of support services including additional shelter beds.

### **CMHC Residential Rehabilitation Conversion Program - Secondary Suite**

**Conversion Pilot Project** - this project is aimed at improving housing affordability. Just getting underway it involves a partnership of the Burnside Gorge Community Association, CMHC, the City of Victoria and community homeowners. Funding for eligible homeowners is provided through the Residential Rehabilitation Assistance Program (RRAP).

**Canada's Urban Strategy** – released in November 2002, the strategy highlights a National Affordable Housing Program as one of three priority programs.

### **Provincial**

**Health Policy** - Provincial changes in health policy and local authorities' responses are likely to have implications for housing policy regionally. The Government introduced the new Community Care and Assisted Living Act in Fall 2002. Under this new legislation, existing private sector assisted living residences must be registered and, as well, new assisted living residences developed under the umbrella of the Supportive Living BC Program. The new Bill 73 includes a new section to protect the health and safety of people in assisted living residences, a new housing option for seniors and people with disabilities who need regular personal care assistance. The new legislation reflects the need to

address concerns in assisted living residences, which are a fast growing segment of the care field.

**Community Charter**<sup>3</sup> - In May 2002 the Provincial Government released for consultation purposes the draft Community Charter legislation. The Charter, "In addition to providing greater autonomy, will also provide local governments with the planning and revenue tools they need to provide services to the public in a modern and more efficient way." The precise implications the Charter has for housing policy and initiatives at the local government level are unclear at this point. Some principles and areas that may have implications, include public-private partnerships, potential municipal revenue sources, and opportunities to dispose of municipal land, close roads and under-utilized Right of Ways. The next phase of the Charter process will expand to regional districts, regional growth strategies, planning and land use, and other issues of local concern.

**Income Assistance Legislation** - Recent changes in BC Employment and Assistance policies have re-structured income assistance support and shelter rates. The changes in shelter allowance do not affect tenants in BC Housing subsidized units. For those tenants, the minimum rent is established annually, based on the number of family members. However, with a low rental vacancy rate in the Victoria area and changes in the shelter and income assistance rates, there are implications for the Regional Housing Affordability Strategy and a growing level of need. For example, decreases in funding levels by one government agency may require non-profit housing providers to absorb the cost of lost subsidy or pass it on to tenants in rent increases. The tenants that would be affected are those who live in housing cooperatives or in CMHC funded developments. The rent is set at the maximum shelter allowance, less the monthly estimated hydro charge. Therefore, if the maximum shelter allowance is reduced, the tenant will have to dip into their support to cover their shelter, or the cooperative or CMHC funded non-profit housing provider would have to increase the subsidy. In the case of the former, tenants on social assistance will face out-of-pocket housing costs and less money for other personal expenses.

**Residential Tenancy Act** - new residential tenancy legislation streamlining regulations, strengthening protections for both landlords and tenants, and directed at helping to revitalize investment in the rental housing market was introduced in Fall 2002. The impact on housing affordability in the CRD is unknown, although tenants' advocates are concerned that future rent increases will be much higher than they have been in the past.

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<sup>3</sup> Information in this section is drawn from [http://www.mcaaws.gov.bc.ca/charter/pdfs/ccpaper\\_final.pdf](http://www.mcaaws.gov.bc.ca/charter/pdfs/ccpaper_final.pdf)

### **3.0 Why Access to Housing Is Important?**

After food, access to decent housing is the single most important physical determinant of individual and community health and well-being.

The Federation of Canadian Municipalities expressed it as follows:

***“The importance of high quality, safe, stable and affordable housing is becoming apparent to increasing numbers of agencies in society. For example, police forces, educators, social service providers and health workers are realizing there is a direct correlation between the quality and availability of appropriate housing in a community and the well-being and functional capacity of that community. The importance of stable and secure housing in building a strong platform for economic growth is also becoming a cornerstone of the community economic development movement.”*** (Developing a Municipal Quality of Housing Measure, Federation of Canadian Municipalities, April 1998)

The lack of basic housing or having to pay disproportionate amounts for shelter has a detrimental effect on individuals and families. It is part of being poor and poor means deprivation, continuing stressful existence, reduced immunity, disease, pathology, criminality and early death. Some groups of people are more prone to experiencing ill-health and disease as a result of inability to access stable and secure housing. These include the homeless and those ‘at risk’ of being homeless, such as newly poor families and single parent families, those with chronic illnesses and disabilities, substance abusers, those with infectious diseases such as HIV/AIDS, and urban Aboriginals. These people may experience physical and mental health difficulties as a result of inadequately heated, damp, mouldy accommodation or overcrowding conditions. This is particularly poignant for those at either end of the lifecycle – children who need the stability of nurturing home and school environments to grow up to be productive residents of the future, and the elderly on limited means. Seniors in the CRD will increasingly need supportive services and the frail elderly on limited incomes will also face health issues.

“The Vancouver/Richmond Health Board’s Strategic Plan for Housing Services (2000) states that “Without adequate housing it is difficult, if not impossible, for an individual to maintain health, to access health services or to be able to make use of the services being offered.” Their belief is that those who are unable to access safe, secure, affordable and appropriate housing will have both a reduced quality of life and an increased need to access other social and medical support and treatment services. ***The lack of adequate***

***and appropriate housing will directly result in increased costs in health and social service sectors.<sup>4</sup>***

Recent work on the homeless in the Victoria area indicates that the overwhelming scale and complexity of homelessness is readily apparent. First and foremost is the basic need for safe and affordable shelter and, within this theme, quick access to “safe places”. For some the shelter need is for transitional and second stage housing. For others it may require a sensitive resource centre to orient the homeless within the community and assist in finding shelter.

A community must also provide for the housing needs of its working poor – those working in the service industries. “Workforce housing” has emerged in recent months as a concern of not only housing advocates, but also policy makers and employers across North America. With housing costs in many areas increasingly exceeding the financial reach of many low- to moderate-wage workers, people are taking notice.<sup>5</sup> Economic implications are:

- loss to local businesses of millions of dollars in income annually because prospective workers cannot find housing;
- children who grew up in a community where housing costs are escalating cannot afford to live there;
- employers have a hard time recruiting workers and paying the salaries to meet housing costs - “the former Capital Health Region had difficulty in recruiting due to the cost of living – similar comments have come from other employers in the CRD<sup>6</sup>; and
- availability of affordable housing within a reasonable commuting distance is a key factor for business location decisions.

Successful economic development depends upon being able to attract a labour force that is able to find accommodation at affordable rents or for those interested in buying, homes at prices within their affordability criteria. This is an important link between the Regional Housing Affordability Strategy and the Regional Economic Development Strategy.

Underlying the Regional Growth Strategy and generally within the region, there is a concern about the overall health of communities and quality of life, including, for example, increasing homelessness and related health and safety issues, the shortage of housing affordable by a low/moderate income workforce, changing demographics with an aging

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<sup>4</sup> “Health and Housing”, Capital Region Trends, Vol. 17 No. 1, April 2001

<sup>5</sup> Carol A. Bell, “Workforce Housing: The New Economic Imperative?”, Housing Facts and Findings, Volume 4 Issue 2, Fannie Mae Foundation, USA

<sup>6</sup> stated in a Housing Affordability Strategy Focus Group

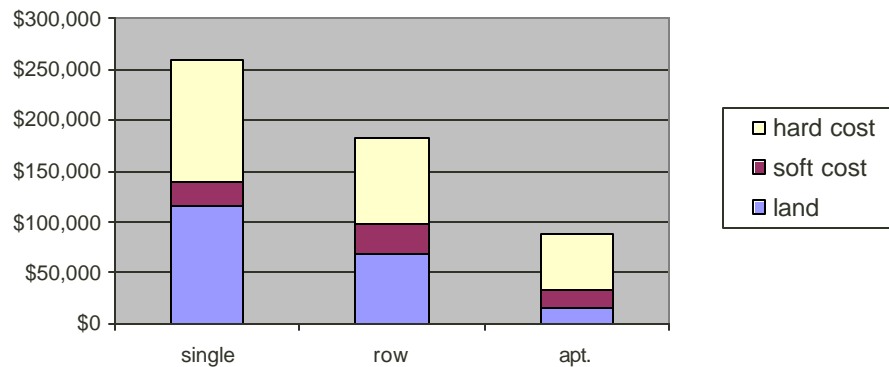
population looking for a wider choice in independent and supportive housing than ever before.

#### **4.0 Why Housing in the CRD Costs so Much**

The Capital Region is one of the most costly areas in Canada to build housing for a number of reasons summarized below.

*Economic Viability of Residential Construction* : Housing affordability for homeowners, landlords and tenants is largely a function of three key variables: land, construction costs and a group of other expenses that are sometimes referred to as “soft costs”. The following chart illustrates the breakdown of these costs.

**Figure 1: Typical Cost Breakdown by Housing Form (using Saanich as a base)**



Already high, land costs in the Region will further increase as the supply of developable land diminishes.<sup>7</sup> As part of the Strategy, the consultants worked with B.C. Assessment Authority (BCAA) data to try to determine the supply of vacant land regionally, and in particular the supply of vacant municipal land.<sup>8</sup>

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<sup>7</sup> For more detail on land supply and related issues see Appendix: Working Paper#1: Housing Affordability in the Capital Regional District – Our Working Capacity and What the Data Tell Us.

<sup>8</sup> The BCAA data indicated that the municipalities within the CRD hold almost 2,300 acres of "vacant" and unused land, more than one-half of it in the District Municipality of Saanich. The accuracy of the raw BCAA data was tested by having three municipalities review a sample of the municipal parcels that had been identified as being vacant. The municipalities of Central Saanich (157.8 acres) and Langford (79.6 acres) have reported that their holdings of land are almost entirely parklands and that they do not have any parcels that could be used for future residential development. The District of Saanich has also indicated that the majority of its land holdings are either parklands or road right-of-ways which would preclude them from being used for residential development. It should be noted however that a review of the District of Saanich's land inventory shows that at least some of its land has been declared surplus and could be used for residential purposes in the future as part of a strategy to build more-affordable housing."

A combination of factors contribute to high land costs. Topographical and environmental issues influence the potential for residential development and servicing costs. The resource capability of land may restrict its use for housing in areas such as the Agricultural Land Reserve (ALR) and the Forest Land Reserve (FLR). Other constraints on residential development may be imposed through an Urban Containment Boundary (UCB) and zoning limitations on minimum lot size and higher density development.

Land that is available has to be consolidated, cleared and rezoned before it can be redeveloped. All of which takes time and money.

Land ownership patterns can also contribute to cost and inability to access land for residential purposes. Representatives of the building industry have indicated that much of the land that could be made available for new residential construction is held on a long-term investment basis by individuals who are reluctant to sell because of the taxes on capital gains such sales would imply. In addition, some public agencies have significant land holdings but government policies restrict disposal.

The combination of high land costs and substantial government fees and charges means that the industry finds it difficult to produce lower cost market housing.

- **Impacts of Costs on Homeownership**  
At a monthly mortgage payment of \$1,460, Victoria is the third most expensive market for homebuyers in the country after Toronto (\$1,884) and Vancouver (\$1,777), as measured in terms of the purchase price of a two bedroom apartment.<sup>9</sup> At the same time though, income levels in this Region are not as high as in these other centers.
- **Impact of Costs on Rental Housing**  
New rental construction is basically not viable in Victoria. Rents are too low to justify the cost of new construction. Estimates vary from economic rents being 30% to 60% higher than market rents. Proforma testing completed for the housing strategy indicates at least a 30% increase in market rents is required. However, industry representatives indicate it is more in the order of 60% based on the following information. Currently, market rent (\$0.90) levels are \$0.60 per sq. ft. below economic rent (\$1.50), and industry stakeholders feel that on average a \$175/unit increase is necessary to make construction of rental housing attractive.

*Processing Time:* The amount of time needed to process development applications of various types can vary considerably due to the influence of several factors. This variability in processing time has cost implications and is affected by: the opportunity for fast-tracking the development application, the streamlining of the approval process, the nature of the public process, and regulatory requirements.

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<sup>9</sup> Source: CMHC Housing Outlook First Quarter 2002. The mortgage payment is based on the average price of new condo apartments absorbed from Jan to Nov 2001, 5% down payment, 5 year mortgage rate of 5.85%, 25 year amortization

*Public Process:* The RGS policies encourage infill and densification, but this is largely resisted across the Region by resident homeowners interested in protecting the status quo and low density neighbourhoods. Resident resistance in turn affects Councils' decisions. Public process is a necessary part of the approval process, but where it is lengthy and unfocussed it can have a significant, negative impact on cost.

***"The key to any progress on the Bay Area's housing crisis is going to be density: Increasing it in the region's housing developments—and decreasing it between the ears of many public officials and obstreperous residents." ("Our View" May 3, 2002 San Francisco Business Times)***

*Unit Size:* Local homebuilders find it difficult to build new housing units that are affordable in the current Greater Victoria area market. However, with the appropriate regulatory changes and flexibility in use of floor space, they have indicated they could build and rent units (loft style) for \$550/month for service workers and lower income residents.

*Jurisdictional Complexity:* The complexity includes a variety of regulatory structures and also a wide range of development fee structures, across 14 different jurisdictions. All these vary by individual jurisdiction with no sub-regional (Core, Peninsula, Western Communities) pattern as to how costs are calculated.

Soft costs include a wide range of professional services and costs like soil tests, legal fees, building permits, bonding, insurance, architectural or design fees, engineering fees, interest during construction, marketing expenses and warranty costs. In addition to the project soft costs, there are municipal charges such as building permits, connection charges and development cost charges that vary throughout the CRD and can, in some cases, add considerably to the cost of development. Over the last decade provincial governments have effectively downloaded many responsibilities to local governments, including greater responsibility for the full cost of infrastructure provision. Faced with the need for revenue, and wanting to constrain increases in the property taxes of existing residents, local governments have often opted for a user pay policy in the form of development cost charges or levies on new residential development, to cover a greater share of servicing costs.

- In addition to the main fees and charges identified in CRD municipalities, there are a considerable number of 'others'. These vary by jurisdiction. There is little consistency amongst jurisdictions in the Region, even in the same part of the Region, in terms of the costs charged and in how costs are calculated. Costs can fall in the low, mid, or high range.
- Charges may be levied regionally, locally, and/or by other bodies – and for different purposes.
- Changes in charges occur frequently requiring continual updating of information.
- In addition to the local government charges and 'other' fees, there are provincial and federal sales taxes, transaction costs and other costs paid by builders in producing new homes.

**Total Construction Costs in the CRD**

What are the implications of the cumulative impact of these various costs on the eventual price of housing? The table below provides a range of estimated total costs, including land, for a modest single-detached, a townhouse and a wood-frame apartment unit in each of the communities within the CRD. The range of costs is based on three components: land cost data from BC Assessment Authority on the range and average price; hard construction cost data from quantity surveyors on the high to low range for modest housing in each jurisdiction; and, a range of soft costs for each dwelling type.

**Table 1: Estimated Total Construction Costs**

<b>Municipality</b>	<b>Single-detached (Small lot or acreage)</b>	<b>Townhouse</b>	<b>Low Rise apartment</b>
Victoria	\$206,800-288,200	\$128,340-191,360	\$84,600-138,00
Saanich	\$217,800-299,200	\$145,590-197,110	\$76,700-88,3400
Oak Bay	\$272,800-332,200	\$139,840-214,360	\$109,000-186,800
Esquimalt	\$195,800-255,200	\$118,565-124085	-
Langford	\$201,300-244,200	\$119,715-131,560	-
Colwood	\$195,800-299,200	-	-
Metchosin	\$245,300-304,700	-	-
Highlands	\$217,800-233,200	-	-
View Royal	\$162,800-266,200	-	-
Sooke	\$176,000-211,200	\$120,405-125,925	-
Sidney	\$223,300-249,700	\$139,840-156,860	\$95,900-103900
North Saanich	\$272,800-288,200	-	-
Central Saanich	\$228,800-255,200	\$139,840-156,860	-

Source: Source: BCAA, 2002 and BTY Group and Helyar & Associates – Quantity Surveyors

If one accepts that a new house could be purchased at the average of the range identified for single-detached total construction costs (Table 1) and that mortgage rates of 5% are available, then the minimum eligible household income for new single-detached homeownership based on a 95% loan and a 32% gross debt service ratio could be as low as \$55,000 - \$60,000 in some areas of the CRD, such as Sooke, View Royal and Highlands.

In the areas of the CRD where most of the single-detached development is occurring - Langford and Saanich - the minimum household income needed for a modest 1,400 square foot new single-detached house would be in the range of \$60,000 to \$69,000.

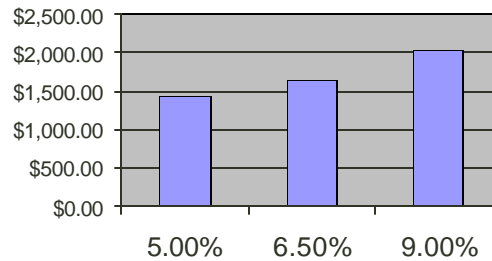
*Homeownership affordability is very sensitive to changes in market interest rates. An increase in current level rates - which are at a forty year low - by even a couple of percentage points would have a profound impact on affordability. For example, if mortgage interest rates were to increase by only 1 1/2 % to 6.5 %, this would increase the*

minimum household income needed to purchase a modest single-detached unit to between \$69,000 and \$77,000 even though the cost of construction has not changed.

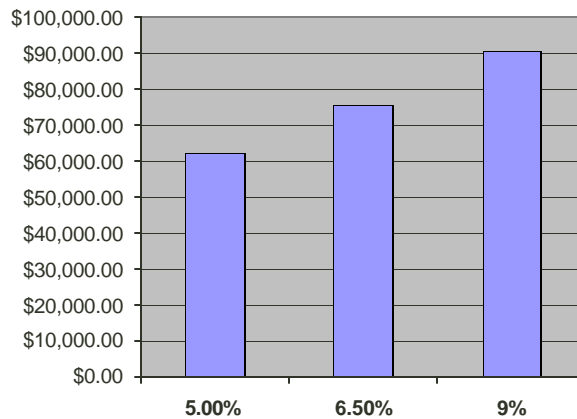
Figure 2 shows the increase in principal and interest (5%, 6.5% and 9%) payments for a new house costing \$247,550 with a 95% mortgage.

Figure 3 shows the impact of interest rate increases on the same house based on "the minimum qualifying income" at a 32% GDS (including taxes and utilities).

**Figure 2: Impact of Interest Rate Increases on Monthly Cost of Home Ownership Mortgage Payments (based on City of Victoria house price \$247,550)**



**Figure 3: Impact of Interest Rate Increases on Qualifying Income for Home Ownership (based on City of Victoria house price \$247,550)**



### **The Challenge of Providing Rental for Lower Income Residents**

Although the affordability of housing in the Capital Regional District is of concern to almost all segments of the community, its availability has the greatest impact on those who cannot access home ownership and have to depend on the rental market for their shelter. The supply and cost of new rental accommodation is therefore fundamental to improving housing affordability aimed at meeting the current and future needs of the community.

Rental affordability problems are compounded by the Victoria CMA having a vacancy rate that is among the lowest in the country (1.5% in October, 2002) and rents are bound to increase as a result. Between 2000 and 2001 rents increased by 2.2%, double the previous year's rate. The Region's economy is dependent on a strong source of service workers for lower paid jobs in tourism, government and a variety of regional institutions who require rental housing. Moreover, the post-secondary student population is increasing in the area.

Even with today's historically low interest rates, the total construction costs including land would have to drop by up to 30%, to make new rental accommodation an attractive financial investment. If market interest rates for rental loans increase by only two points from 4.5% to 6.5%, the rent level required to make a new project feasible would rise by a further 15%. In Victoria, the rent for a new townhouse would have to be in the area of \$1550 per month and the rent for a one-bedroom apartment would have to be about \$910 per month. The minimum household incomes needed for such accommodation would be \$62,000 and \$36,400 respectively.

***“Land so expensive and there is little available.....What kind of community are we going to create if we keep going as we are going?”  
(Focus Group participant)***

#### **Local Government Policy, Legislative and Regulatory Framework**

Reference has already been made to jurisdictional complexity and its implications for housing affordability. As part of Phase One of the Regional Housing Affordability Strategy all local governments completed a survey of policies, as well as legislative and regulatory tools that impact housing affordability. There was full cooperation in completing an extensive survey, and the results are summarized in the following matrices. This is the first time such a comprehensive set of information has been compiled regionally.

**CRD – HOUSING AFFORDABILITY STRATEGY**  
**Local Government Policy, Legislative and Regulatory Matrix Summary Analysis**

		CRD		CRD	
		Yes	No	Yes	No
<b>HOUSING POLICY</b>					
<p>■ <b>Definitions – Do you use/have definitions that pertain to affordability?</b></p>					
Affordable	6	8		13	1
Special Needs	5	9		10	4
Inclusionary Zoning	2	12		3	11
Other	0	14			
<p>■ <b>Others – Do you have any other documents re: affordability?</b></p>					
Housing Strategies	0	14		3	4
Housing Needs	2	12		2	5
Housing Guidelines	1	13		1	6
Res. Design Guidelines	6	8			
Special Needs	0	14			
Homelessness	1	13			
Other	1	13			
<b>REGULATORY AND PLANNING TOOLS</b>					
<p>■ <b>Zoning – Do you provide for/permit and/or does your Zoning Bylaw include any of the following?</b></p>					
Density Bonusing	7	7		7	7
Range of Hsg. Types	10	4		8	6
Div. of Tenure Types	6	8		3	11
Pre-zoning for multi-family	5	9		9	5
Comprehensive Dev.	11	3		11	3
Other	1	13		9	5
<p>■ <b>Approval Process – Do you use any of the following to encourage housing affordability?</b></p>					
Fast Tracking	3	11		8	6
Streamlining	3	11		5	9
				4	10
<p>■ <b>Intensification – Do you provide for/permit and/or does your Zoning Bylaw include any of the following?*</b></p>					
Infill				7	7
Secondary Suites				8	6
Garden Suites/Granny Flats				3	11
Duplexes/tri/quadrplexes				9	5
Town/row housing				11	3
Apartments				9	5
Mixed use/shared facilities				9	5
Small lot size				8	6
Redevelop. of under utilized sites				5	9
Conversion of non-res.				4	10

\* 7 jurisdictions in the CRD do not have L.APs/Neighbourhood Plans

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Hsg. Agreements	5	9	0	14
Pre-Application Mediation	5	11		
Other	0	14		

	CRD			
<b>■ Protection of Stock – Do you use any of the following to encourage housing affordability?</b>				
Conversion regs.	4	10	2	12
Demolition controls	3	11	6	8
Maintenance bylaws	1	13	5	9
Other	1	13	5	9

	CRD			
<b>■ Development Standards – Do you use any of the following to encourage housing affordability?</b>				
Building Codes			2	12
Alt. Dev. Standards			6	8
Unit size/design control			5	9
Relaxing of standards			5	9
Other			0	14
<b>FINANCING AND FUNDING – Do you use any of the following to encourage housing affordability?</b>				
Staff Discretion to waive			0	14
DCCs			0	14
Other dev./permit fees			1	13
Property tax deferral			2	12
Grants			1	13
Housing reserve funds			2	12
Provide lands/ services			2	12
Operating Subsidies			0	14
Other			0	14

	CRD			
<b>■ Protection of Stock – Do you use any of the following to encourage housing affordability?</b>				
Conversion regs.	4	10	2	12
Demolition controls	3	11	6	8
Maintenance bylaws	1	13	5	9
Other	1	13	5	9
<b>LAND – Do you use any of the following?</b>				
Inventories	6	8		
Land price information	5	9		
Land trusts/banks	0	14		
Leasing land at/below market	2	12		
Donating land at/below market	3	11		
Joint land dev. Ventures	2	12		
Other	1	13		
<b>PARTNERSHIPS – Have you used partnerships to encourage housing affordability?</b>				
Type	4	10		
<b>INFORMATION/ MONITORING – Do you have/use any of the following?</b>				
Inventories	4	10	3	11
Housing registries	2	12	6	9
Demolitions/ Conversions	11	3	14	0
Non-conventional rental units	0	14	13	1
Construction costs	10	4	6	8
Monitoring programs	1	13	11	3
Demonstration projects	1	13	1	13
Public information	4	10	1	13
Other	0	14	1	13

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**CRD – HOUSING AFFORDABILITY STRATEGY**  
**Local Government Policy, Legislative and Regulatory Matrix: Summary of Findings**

	Core Area				Peninsula				Western Communities					
	Esq	OB	Saan	Vic	C. Saan	N. Saan	Sid	Col	High	JDF	Lang	Metch	Sooke	VR*
<b>HOUSING POLICY</b>														
<b>• Definitions – Do you use/have definitions that pertain to affordability?</b>														
Affordable	Yes	No	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	Yes
Special Needs	No	No	Yes	Yes	No	No	Yes	No	No	No	Yes	No	Yes	No
Inclusionary Zoning	No	No	No	No	No	No	Yes	No	No	No	No	No	Yes	No
Other	No	No	No	No	No	No	No	No	No	Yes	No	No	No	No
<b>• Official Community Plans – Does your OCP contain policies pertaining to affordability?</b>														
Goal Statements	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Specific Policies	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No
Other	No	No	Yes	No	Yes	No	Yes	No	No	No	No	No	No	No
<b>• Local Area/Neighbourhood Plans – If you have Local Area/Neighbourhood Plans, do they contain policies pertaining to affordability?</b>														
Goal Statements	/	/	No	Yes	Yes	/	/	Yes	/	No	No	/	/	No
Specific Policies	/	/	No	Yes	No	/	/	Yes	/	No	No	/	/	No
Other	/	/	No	Yes	No	/	/	No	/	No	No	/	/	No
<b>• Others – Do you have any other documents that pertain to affordability?</b>														
Housing Strategies	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Housing Needs	No	No	No	Yes	Yes	No	No	No	No	No	No	No	No	No
Housing Guidelines	No	No	No	Yes	No	No	No	No	No	No	No	No	No	No
Res. Design Guidelines	No	No	No	Yes	Yes	No	Yes	Yes	No	No	Yes	No	Yes	No
Special Needs	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Homelessness	No	No	No	Yes	No	No	No	No	No	No	No	No	No	No
Other	No	No	No	Yes	No	No	No	No	No	No	No	No	No	No

\* View Royal has traditionally been included in the Western Communities, however View Royal requested over a year ago that it be considered as part of the Core Area in the RGS

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	Core Area			Peninsula			Western Communities							
	Esq	OB	Saan	Vic	C.Saan	N.Saan	Sid	Col	High	JDF	Lang	Metch	Sooke	VR
<b>REGULATORY AND PLANNING TOOLS</b>														
<b>• Zoning – Do you provide for/permit and/or does your Zoning Bylaw include any of the following?</b>														
Density Bonusing	Yes	No	Yes	Yes	No	No	No	Yes	Yes	No	Yes	No	No	Yes
Range of Hsg. Types	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	No	Yes	No	Yes	Yes
Div. of Tenure Types	Yes	No	Yes	Yes	No	No	Yes	Yes	No	No	No	No	No	Yes
Pre-zoning for multi-family	Yes	No	No	Yes	No	Yes	Yes	Yes	No	No	No	No	No	No
Comprehensive Dev.	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes
Other	No	No	No	No	No	No	Yes	No	No	No	No	No	No	No
<b>• Intensification – Do you provide for/permit and/or does your Zoning Bylaw include any of the following?</b>														
Infill	Yes	No	Yes	Yes	Yes	No	Yes	No	No	No	Yes	No	No	Yes
Secondary Suites	No	No	Yes	Yes	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No
Garden Suites/Grammy Flats	No	No	No	Yes	No	No	No	No	No	No	Yes	No	No	Yes
Duplexes/tri/quadrplexes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	No	Yes	Yes
Town/row housing	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes
Apartments	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	No	Yes	No
Mixed use/shared facilities	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	No	Yes	Yes
Small lot size	No	No	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	No	Yes	Yes
Redevelop. of under utilized sites	Yes	No	No	Yes	No	No	Yes	Yes	No	No	Yes	No	No	No
Conversion of non-res.	Yes	No	No	Yes	No	No	No	No	Yes	No	Yes	No	No	No
Other	No	No	No	No	No	No	No	No	No	No	No	No	No	No
<b>• Approval Process – Do you use any of the following to encourage housing affordability?</b>														
Fast Tracking	No	No	No	No	No	No	Yes	Yes	No	No	Yes	No	No	No
Streamlining	No	No	No	No	No	No	No	No	No	Yes	Yes	No	No	Yes
Hsg. Agreements	Yes	No	No	Yes	No	No	Yes	Yes	No	No	Yes	No	No	No
Pre-Application Mediation	No	No	No	Yes	No	No	Yes	No	No	Yes	Yes	No	No	Yes
Other	No	No	No	No	No	No	No	No	No	No	No	No	No	No

	Protection of Stock – Do you use any of the following to encourage housing affordability?											
	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No
Conversion regs.	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No
Demolition controls	No	No	Yes	No	Yes	No	No	No	No	No	No	Yes
Maintenance bylaws	No	No	Yes	No	No	No	No	No	No	No	No	No
Other	No	No	Yes	No	No	No	No	No	No	No	No	No

	Core Area				Peninsula				Western Communities				
	Esq	OB	Saan	Vic	C.Saan	N.Saan	Sid	Col	High	JDF	Lang	Metch	Sooke

**REGULATORY AND PLANNING TOOLS cont'd**

Development Standards – Do you use any of the following to encourage housing affordability?

Building Codes	No	No	No	Yes	No	No	Yes	No	No	No	No	No	No	No
Alt. Design Standards	Yes	No	No	Yes	Yes	No	Yes	Yes	No	No	Yes	No	No	No
Unit size/design control	No	No	No	Yes	No	No	Yes	Yes	No	No	Yes	Yes	No	No
Relaxing of standards	Yes	No	Yes	Yes	No	No	Yes	No	No	Yes	No	No	No	No
Other	No	No	No	No	No	No	No	No	No	No	No	No	No	No

**LAND – Do you use any of the following?**

Inventories	No	No	Yes	Yes	Yes	No	Yes	No	No	No	No	Yes	No	Yes
Land price information	No	Yes	Yes	Yes	Yes	No	No	No	Yes	No	No	No	No	No
Land trusts/banks	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Leasing land at/below market	No	No	Yes	Yes	No	No	No	No	No	No	No	No	No	No
Donating land at/below market	No	No	Yes	Yes	No	No	No	No	No	No	No	No	No	Yes
Joint land dev. ventures	No	No	No	Yes	No	No	Yes	No	No	No	No	No	No	No
Other	No	No	No	No	No	Yes	No	No	No	No	No	No	No	No

**FINANCING AND FUNDING – Do you use any of the following to encourage housing affordability?**

**Waived/reduced fees**

Staff discretion	No	No	No	No	No	No	No	No	No	No	No	No	No	No
DCCs	No	No	No	No	No	No	No	No	No	No	No	No	No	No

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Other dev./permit fees	No	No	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Diff. prop. tax rates	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Property tax exemption	Yes	No	No	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No
<b>Direct funding</b>																		
Grants	No	No	No	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Housing reserve funds	No	No	No	No	No	No	Yes	No	No	No	Yes	No	No	No	No	No	No	No
Provide lands/ services	No	No	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Operating subsidies	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Other	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No

	Core Area				Peninsula				Western Communities					
	Esq	OB	Saan	Vic	C. Saan	N.Saan	Sid	Col	High	JDF	Lang	Metch	Sooke	VR
<b>PARTNERSHIPS – Have you used partnerships to encourage housing affordability?</b>														
Partnerships	Yes	No	Yes	Yes	No	No	Yes	No	No	No	No	No	No	No
<b>INFORMATION/ MONITORING – Do you have any of the following/Have you undertaken any of the following to encourage housing affordability?</b>														
Inventories	No	No	Yes	Yes	Yes	No	No	Yes	No	No	No	No	No	No
Housing registries	No	No	No	Yes	Yes	No	No	No	No	No	No	No	No	No
Demolitions/ Conversions	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Non-conventional rental units	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Construction costs	No	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Monitoring programs	No	No	No	No	Yes	No	No	No	No	No	No	No	No	No
Demonstration projects	No	No	No	Yes	No	No	No	No	No	No	No	No	No	No
Public information	No	No	No	No	Yes	No	No	No	Yes	No	Yes	Yes	No	No
Other	No	No	No	No	No	No	No	No	No	No	No	No	No	No
<b>PUBLIC PROCESS – Do you use any of the following?</b>														
Fact sheets on new dev.	No	No	No	Yes	Yes	No	No	No	No	Yes	No	No	No	No
Required Community Consultation by developers	Yes	No	No	Yes	Yes	No	No	Yes/No	No	Yes	No	No	Yes	No
Public notification	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Advisory Groups	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
Resident Assoc.	Yes	No	Yes	Yes	Yes	No	No	No	No	Yes	Yes	No	No	No

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Public events	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nimby strategies	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Other	No	No	No	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No

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## **5.0 Available Housing Stock and Supply in the Capital Region**

The 1996 Census counted 129,350 dwelling units in the Victoria Census Metropolitan Area (CMA); 48,930 rented and 80,420 owned.

### **Rental Stock**

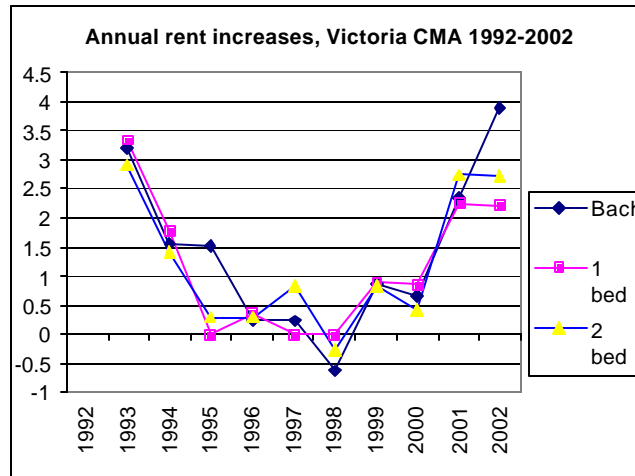
***“Why would developers want to switch from condos to rentals when condos offer an immediate rate of return?”***

- About half is composed of low rise and high rise apartments; the other half of single and semi-detached dwellings, row houses, secondary suites, and other low density housing forms.
- There are 7,000 social housing (subsidized) units in the CMA, or about 5% of the total housing stock.<sup>10</sup>
- Very little new rental construction has occurred in Victoria in recent years. Partly as a result, the current vacancy rate is only 1.5%, among the lowest in Canada, and rents are increasing at double the rate of inflation.

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<sup>10</sup> As social housing is rental stock, units built prior to 1996 are included in the rental housing data discussed in this section; social housing units built subsequent to 1996 are not included.

**Figure 4: Annual Rent Increases, Victoria CMA 1992-2002**



The rental stock in 1996 was distributed as shown in Table 2.<sup>11</sup> Note that the total in the table is slightly larger than the total indicated above. As social housing is rental stock, units built prior to 1996 are included in the rental housing data discussed in this section; social housing units built subsequent to 1996 are not included.

**Table 2: Rental Stock by Dwelling Unit Type (Victoria CMA 1996 Census)**

	No.	%
High Rise	4,565	9
Low Rise	25,040	50
Townhouse	3,675	7
Duplex/secondary suite	7,240	15
Single detached	9,280	19
Total	49,800	100

Source: Statistics Canada, Census 1996

<sup>11</sup> The source of the data in this table was a special series of cross-tabulations provided by the former Housing Ministry.

Note that dwelling units and households are synonymous terms. Statistics Canada defines a household as all the people living in a self-contained dwelling unit so that renter households and the total rental stock are the same number.

The fact that more renter households live in single detached dwellings than in secondary suites and duplexes is somewhat surprising. More than half the rented single detached dwellings are in Saanich and Victoria (2,785 and 1,610 respectively), as are more than half the known secondary suites. The proportion of rental stock varies greatly by municipality, ranging from Victoria's 65.2% to North Saanich's 12.1%.

### **Secondary Suites**

A secondary suite is a second self-contained unit in another larger dwelling, typically a single family home<sup>12</sup>. These rental units are also called basement apartments, apartments in houses, accessory apartments, in-law suites and "illegal" suites. They are an important segment of the more affordable housing stock in the region.

However, while it is known that secondary suites are a major component of the housing stock in the Capital Region, there is no credible data source for the overall number of units available. This is because there are both legal and illegal suites, since some jurisdictions do not permit this housing type. Eight municipalities permit suites and six do not. Safe, legal suites provide an affordable housing option, but where zoning restricts their use, homeowners may rent out illegal, and in some cases unsafe and unhealthy, suites.

Work by local organizations on the issue of secondary suites includes:

- Over the last decade: the Capital Region Housing Corporation has given attention to secondary suites as a option to improve housing affordability, including discussion papers and a workshop.
- In 1997: Tenants' Action Group of Greater Victoria produced a report "Secondary Suites: Facts and Choices" that looked at issues in the Core municipalities and outlined municipal options.
- In 1998: the Sidney Advisory Committee on the Disabled completed a demonstration project and public information program on adaptable secondary suites, and proceeded to prepare "Guidelines for Adaptable Housing", a handbook on adaptable secondary suites. Sidney also has a single-detached zone that permits purpose-built secondary suites.

According to the 1996 Census there were 6,795 duplex/secondary suite units (14% of rental stock) six years ago in the CRD. If the Tenants' Rights Action Coalition (TRAC)

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<sup>12</sup> Although some suites may be in a duplex or in a separate building, for example, over a garage.

estimate of approximately 20% of the existing rental supply<sup>13</sup> is used then the number would be in the order of 10,000 suites. Estimates provided by other observers range from 15,000 to a high of 20,000.<sup>14</sup>

### **Social Housing Stock<sup>15</sup>**

There are just over 7,000 units of social housing in the Capital Regional District, distributed as follows:

**Table 3: Distribution of Social Housing Units in the CRD**

	Family	Mixed	Seniors	Seniors With Care	Sp. Needs	Singles	Total
Victoria	1,379	266	809	198	405	88	3,145
Oak Bay			331	50	14		395
Esquimalt	92		158		80		330
View Royal	183				12		195
Colwood	106		50		37		193
Langford	106		30				136
Sooke	30		28		8		66
Saanich	1,066	160	597	38	406		2,267
Central Saanich			79		34		113
North Saanich	24				9		33
Sidney	21	43		10			74
Total	3,007	469	2,082	296	1,005	88	6,947

**Note: Seniors with Care includes personal and intermediate care, mixed housing contains family, seniors and special needs units. (Source: *Social Housing in the CRD, A profile and Inventory*, Victoria Cool Aid Society & Victoria Street Community Association, there is no date on the report but it is based on 1996 census)**

In addition to the total 6,947, there are 167 units under construction or committed, most of them intended for seniors. The social housing units represent permanent housing and do not include shelter accommodation. Regional non-profit housing providers have noted that while social housing wait list information shows the predominant need to be in family housing less than half the units are family housing.

<sup>13</sup> "Secondary Suites: A Call for Safe and Legal Housing", Tenants Rights Action Coalition, 1995.

<sup>14</sup> Some observers estimate that one in five single detached dwellings contains a secondary suite, which would imply a total of 76,385/5=15,277 secondary suites. Rob Hunter of Devon Properties, one of the largest property management firms in Victoria, estimates that the count could go as high as 20,000.

<sup>15</sup> As social housing is rental stock, units built prior to 1996 are included in the rental housing data; social housing units built subsequent to 1996 are not included.

**Ownership Stock**

While the same level of detail, as above for rental housing, is not available on ownership stock, the following is known:

- Single detached houses account for 75% of the ownership stock.
- Sales and prices are increasing in the ownership market as well.
- The most affordable component of the ownership stock is condominium apartments.

**Table 4: Ownership Stock by Type, Victoria CMA, 1996**

<i>Type of Unit</i>	<i>No.</i>	<i>%</i>
Single detached	59,985	75
Other ground oriented (eg row houses)	9,740	12
Non ground oriented (apartments)	10,665	13

Source: Stats Canada, Census 1996

The number of households in a market area that could afford to buy if they wanted to is often used as a measure of affordability. The ability to buy a house depends on many things, including the cost of housing, household incomes, mortgage rates, and operating costs (utilities, taxes, condo fees, etc). Usually, these types of measurements are based on median household incomes rather than average incomes in order to avoid distortions caused by extremes at either end of the scale.

In 1999, the median income of economic families in the Victoria metropolitan area was \$56,986. Average weekly wages and salaries in BC increased by 6% between 1999 and 2002. Assuming that median income also increased by 6% and is now \$60,405, a family earning that level of income could afford to pay approximately \$289,000 for a home, assuming 10% down, an amortization period of 25 years, a mortgage rate of 5.5%, and a gross debt service ratio of 32%. To illustrate the impact of mortgage rates, if a 7.5% rate were considered, the value of the home the same household could afford would fall to \$244,000. At a 9.5% rate, an affordable home could cost no more than \$211,000 for families earning the median income.

In the first six months of 2002, the percentage of homes sold on the Multiple Listing Service in Victoria below \$289,000 was as follows:<sup>16</sup>

Single Family Homes	70.8%
Townhouse & Duplex	87.0%
Condominium	95.4%

<sup>16</sup> Note that this measurement is somewhat inexact because the VREB data are published in ranges, not as exact numbers. For example, we know that 128 of the single family homes sold in 2001 sold for between \$320,000 and \$339,000 but we do not know the exact sale prices of those 128 homes.

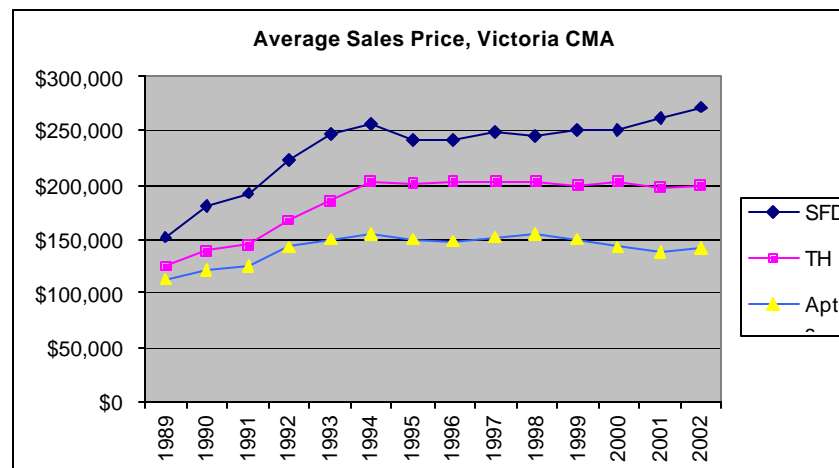
From January to July, 2002, the percentage of **new** homes sold in the Victoria CMA priced below \$289,000 was as follows<sup>17</sup>:

Single Family Homes	43%
Row houses	90%
Condominium	74%

Far more resale homes are sold than new homes. In the first seven months of 2002, 632 new homes (single, row and apartment) were sold compared to 6,000 resale homes.

Just under 700 single family resale homes priced under \$200,000 sold during the first seven months of 2002. Most of these houses were in Victoria, Saanich West, Langford and Sooke.

**Figure 5: Average Sales Price, Victoria CMA**



Source: Victoria Real Estate Board

The ability of unattached individuals to buy is far lower than it is for families. In 1999 the median income of an unattached individual in the Victoria CMA was \$21,946, or approximately \$23,300 in current dollar terms. Such an individual would be limited to buying a house worth no more than about \$100,000 assuming an interest rate of 5%, a difficult commodity to find in the Victoria market as the preceding chart illustrates.

<sup>17</sup> Based on CMHC data on price distribution of new apartment condos, new row condos and new single detached houses sold Jan-July 2002

## **6.0 The People in Need**

A sustainable community is a caring community that provides for its residents' housing needs as they move through the cycle of life. Some residents are more fortunate than others. The fortunate are healthy, employed or with sufficient income to meet their housing needs. The less fortunate have health issues, are unemployed and lack the life skills to cope with daily living, or have lost their jobs, or are the struggling working poor. These are the people in need.

Between 1991 and 1996, the number of renter households in core housing need increased by 25%, although the number of renter households in total increased by only 6%. The first official estimates on the level of core need in 2001 will not be available until early 2004.

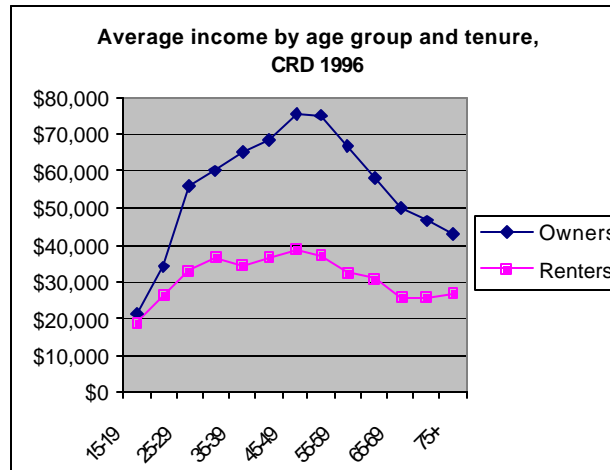
Rents increased twice as fast between 1991 and 1996 for renter households in core housing need than in the rental market in general. ***Given very low vacancy rates and rising rents, it is highly likely that the number of households in core housing need is significantly higher than it was in 1996.***

Supporting that hypothesis is the fact that in the first five months of 2002, BC Housing's waiting list tripled compared to the same period in 2001. The current waiting list of the Capital Region Housing Corporation is longer than it has been since January, 1998 and is 30% higher than it was at the same time in 2001.

In addition to the 16,000 renter households in core need, there were over 6,000 owner households in core need in 1996, an increase of 50% from 1991. Of these the largest group were one person households, indicating the difficulty that this group has in accessing homeownership.

In general, renters have lower incomes than owners, partly because the majority are younger, although there are also seniors on limited incomes, and partly because they are more likely to live in one-person households.

**Figure 6: Average Income by Age Group and Tenure CRD 1996**



Source: 1996 Census

Within the community there are others with needs for emergency and transitional shelter accommodation, accessible housing, and supportive living. These include the absolute homeless, those at risk of being homeless, aging and frail seniors, and those with special needs.

#### ***Renters in Core Need***

According to the 1996 Census, there were 16,245 renter households in core need in the Victoria CMA. The largest group of households in core need are **non-family households under the age of 65**.

Between 1991 and 1996, the incidence of core need among renters increased significantly – by over 3,000 households, or 25%.<sup>18</sup> Two-thirds of the increase occurred among **non-family renter households under the age of 65**. These include lower income urban singles living on basic income assistance, young adults working for low wages in the service industries and low-income women and men in their middle years living in poverty.

Although core need among **seniors** declined, they remain the second biggest single group. The issue of housing affordability is an important one for seniors. For many, income is limited to the Old Age Security and a senior's supplement (GAIN). This does not provide income adequate for private payment of in-home services or congregate living. Currently there is a requirement for 2,295 units of supportive housing for seniors in the

<sup>18</sup> In the province as a whole, the number of renter households in core need increased by 27% between 1991 and 1996.

CRD, “well behind the present supply” (which is listed as 40 non-licensed projects but no unit count).<sup>19</sup>

The Vancouver Island Health Authority currently funds 56 units of affordable “**supportive living**” for elderly and disabled residents (i.e. shelter, hospitality services such as meals and housekeeping, and personal care) for individuals who are not able to purchase such housing in the private market, and is about to enter contracts for another 70 plus units in the next several months. In addition, BC Housing’s Supportive Living BC program has allocated subsidies based on population for 384 units in the CRD over the next several years, in partnership with the Vancouver Island Health Authority. The objective is to provide housing that is appropriate to the needs of the tenants. In the past, many elderly people have had to move into care facilities because their housing no longer met their needs, and became a barrier to continuing independence. Through this program appropriate affordable housing is being provided for lower income seniors and people with disabilities. The Vancouver Island Health Authority has also partly solved the bed blocker problem by doing away with the wait list for nursing home care and assigning beds in nursing homes based strictly on demonstrated medical need.

***“James Bay Community Project completed an extensive survey of seniors in James Bay – one finding was that there are 6,000 seniors living below the poverty line in James Bay. Some of the issues noted: number of seniors occupying hospital beds “bed blockers”; home care limited to the most needy; seniors are very costly to the system; there is no assisted seniors housing (independent living) available in the James Bay area, it is all family housing. (Workshop Participant)”***

In view of the experience of the early 1990s when rents of core need households increased twice as fast as rents in the overall market, it seems reasonable to assume that the incidence of core need is probably considerably higher today than that recorded by the 1996 Census, and will be even higher in the future.

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<sup>19</sup> “The Need for Supportive Living in BC: The Case of the Capital Health Region”, October 2001 (Project Leader: Linda Campbell, Co-investigator: Veronica Doyle, and Consultant: Elaine Gallagher)

The waiting list data summarized below support this hypothesis.

- **BC Housing Waiting List** for projects in the CRD.

<b>Number of applicants by month</b>			
	<b>2002</b>	<b>2001</b>	<b>2000</b>
January	67	14	6
February	63	19	12
March	56	18	14
April	61	17	11
May	30	30	13
First 5 months	277	98	56

In the first five months of 2002, BC Housing's waiting list tripled compared to the same period in 2001.

- **Capital Region Housing Corporation Waiting List** (Note: CRHC completes periodic reviews of the Waiting List to determine those actively seeking accommodation).

<b>Month/Year</b>	<b>Waiting List</b>
January, 1997	1,393
July, 1997	1,594
January, 1998	1,753
June, 1998	1,208
February, 1999	1,428
July, 1999	1,486
January, 2000	1,157
July, 2000	1,406
January, 2001	1,135
February, 2001	1,183
March, 2001	1,225
April, 2001	1,304
January, 2002	1,630
February, 2002	1,674
March, 2002	1,708
April, 2002	1,700

The current CHRC waiting list is longer than it has been since January, 1998 and is 30% higher than it was at the same time in 2001.

On an absolute basis the largest number of households in core housing need are located in Victoria and Saanich, as might be expected.

**Table 5: Core Housing Need by Municipality**

Core Housing Need by Municipality, 1996								
	Renter hhlds in need	% of total renter hhlds	Owner hhlds in need	% of total owner hhlds	Total in need	Total Hhlds	Need as % of total	Total as % of CRD
Sub. C	390	52.0	400	11.8	790	4,135	19.1	3.2
Highlands	15	21.4	10	2.5	25	465	5.4	0.1
View Royal	255	30.2	155	9.5	410	2,475	16.6	1.7
Sub. B	0	-	10	5.6	10	200	5.0	0.0
Langford	500	42.0	585	12.0	1,085	6,075	17.9	4.4
Metchosin	65	28.3	105	8.8	170	1,425	11.9	0.7
Colwood	285	25.3	205	5.9	490	4,575	10.7	2.0
Esquimalt	1,440	38.9	325	9.8	1,765	7,010	25.2	7.1
Victoria	9,330	41.6	1,425	10.4	10,755	36,135	29.8	43.3
Oak Bay	610	30.5	310	5.7	920	7,480	12.3	3.7
Sub. A	615	55.7	785	18.1	1,400	5,450	25.7	5.6
Saanich	3,310	33.8	2,060	7.3	5,370	38,065	14.1	21.6
C. Saanich	300	31.6	280	6.6	580	5,165	11.2	2.3
Sidney	465	36.2	260	7.3	725	4,840	15.0	2.9
N. Saanich	95	22.1	145	4.3	240	3,815	6.3	1.0
Sooke*	not available							
E. Saanich*	not available							
CRD	17,695	38.5	7,130	8.8	24,825	127,420	19.5	99.6

\* Included in the CRD total.

### **Owners in Core Need**

There are two ways of assessing affordability issues associated with homeownership. One way is to look at the core need data for owners and the other is to look at the number of households who could afford to buy if they wanted to. The number of households who could buy if they wanted to is discussed on page 20 of this report. This section discusses owner households in core housing need.

Just over 6,000 owner households were in core need in 1996, fairly evenly distributed between family and non-family households. The average income of these households was \$22,000 in 1995, equivalent to about \$25,000 in 2002. The level of detail available on core need owners is not as extensive as that for core need renters so it is not possible to know the age breakdown of these households.<sup>20</sup>

The 50% increase in the number of core need households between 1991 and 1996 was also fairly evenly distributed between family and non-family households. Namely, of the over 6,000 owner households in core need, 2,600 are one person households, 2,500 are couples with and without children and 800 are single parent families, and half the increase

<sup>20</sup> The detailed core need data for renters was provided by BC Housing. The core need data for owners is based on CMHC's Housing in Canada national database, which does not contain the level of data obtained by BC Housing.

between 1991 and 1996 was one person households and half was couples with and without children.

**“Landlords perceive disabled people as a risk because of safety concerns and perceive them to be on welfare (e.g. because of the disability pension).”  
(Disabled person in Focus Group)**

### **Special Needs**

“In July 1999 just over 3,500 people in the region were receiving disability benefits from the provincial government.”<sup>21</sup> Census data (1996) indicated there were over 9,000 people with physical and mental disabilities living below the low-income cut-off (LICO) in this region. Regionally there is a limited selection (1,005 units) of social housing available for those with disabilities and the majority of people have to find accommodation on the private market, for those with physical disabilities this presents a particular problem as they need accessibly designed units and also have to deal with landlord’s perceptions of them as safety risks and ‘welfare’ recipients.

### **The Homeless**

“There is a growing trend of people from outlying municipalities to migrate to the downtown core of Victoria to access services. So while homelessness has been an issue for the City of Victoria since the late 1980s, primarily in the downtown, it is fast emerging as a regional issue.”<sup>22</sup>

The following section uses existing research from “Assets and Gaps Review on Homelessness: The Gaps – A Strategic Approach.”<sup>23</sup>

There is no overall estimate of need across the homeless client groups intentionally as the data is not only difficult to gather, but also because of overlap between the client groups, for example across the ex-institutional (prison), mental health/forensics, substance misusers, and urban aboriginal persons.<sup>24</sup> Some of the findings on need for homeless clients from the research in 2001 are as follows.

Young Adults Age 19 – 24: In February 2001, 843 cases of youth 19 to 24 were on an Income Assistance Program called Youth Works, of these 25% were parents<sup>25</sup>

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<sup>21</sup> City of Victoria, British Columbia Community Action Plan on Homelessness, prepared by the Victoria Steering Committee on Homelessness, August 2001, p. 7.

<sup>22</sup> Ibid., p. 2.

<sup>23</sup> Prepared by Urban Aspects Consulting Group Ltd. for the Victoria Steering Committee on Homelessness, July 2001; available on the City of Victoria website.

<sup>24</sup> “Assets and Gaps Review on Homelessness: The Gaps – A Strategic Approach”, prepared by Urban Aspects Consulting Group Ltd. for the Victoria Steering Committee on Homelessness, July 2001

<sup>25</sup> “Stories, Statistics and Services on Youth and Housing in British Columbia’s Capital Region, Youth and Society Research Group of the University of Victoria, April 2001.

Street Entrenched Youth & Sexually Exploited Youth Age 13-19: As with young adults, there are few accurate statistics on the number of youth who are absolutely or relatively homeless at any given time. Many youth do not want to be found. It is estimated that around 50 youth per night would be on the street. This figure was calculated as a percentage of B.C.'s 10,500 reported runaways per year.<sup>26</sup>

Women and Children: A combination of poverty and high rent can put a single woman or a family at risk of homelessness. Homeless women and children tend to be 'invisible'. In Victoria, there are two transition houses for women and their children who have experienced domestic violence with a total of 36 beds and one shelter for women with 18 beds. A mixed shelter can accommodate 11 women. All operate at capacity. Other women and children who are homeless use motels. There are no figures on the extent of the use of motels by women and children who are homeless. During a 12 month period between 1999 and 2000 at two transition houses, a minimum 580 women and children were not able to be accommodated.

***Experiences/Comments from Single Mothers in a Focus Group:***

***"As a single parent with two kids where do I go?"***

***A mother with 2 children said affordable housing is very difficult to find:  
"I spend 70% of my monthly income (\$1,000) for rent alone, not including  
utilities (in winter my hydro bill is \$250) or living expenses."***

***"The Status of Women Action Group (SWAG) office notes: (i) there  
is no place for low income women to live anymore, if their children  
go into care because they cannot house them then parents lose  
\$325; (ii) a number of women 55-65 years have gone into shelters  
because of shelter allowance cuts." (Focus Group participant)***

The Newly Poor: This group include people who have encountered unemployment or other crisis and have lost their housing or are at risk of becoming homeless. It does not include people with the challenges of any of the 'urgent need' groups. There are no shelters for families. A family can go to a motel during the winter when rates are low. In the summer, the only option is to camp out. There are limits on the stays in the campgrounds. *From March to October 2002, Burnside Gorge Community Association Homeless Families Outreach Project assisted 99 families absolutely homeless or at risk.*

Substance Misuse: There are an estimated 1,500-2,000 current injection drug users in the Capital Region. The "Missed Opportunities" study provided information based on a self-administered questionnaire completed by 40 IDUs in Victoria to describe the population, including their housing situation and conditions: 27.5% (11) of participants had unstable housing at the time of the study; 82.5% (33) identified themselves as having unstable housing in the three months prior to the study; 75% (30) of participants who reported

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<sup>26</sup> Ibid. p.12

income from panhandling or squeegeeing were living in squats or on the street; about 66% (26) of these were <24 years.

Homeless people living with HIV/AIDS: Among 198 regular clients at AIDS Vancouver Island (1998) an estimated 20% were homeless. There are growing numbers of people with HIV who live on the street, where major problems are lack of money and support services.

Mental Health and Forensics<sup>27</sup>: The number of homeless/at risk of homelessness people with mental illnesses in the CRD is not known. Street Link estimates there are 1,200 mentally ill persons amongst its clients – 780 of them with dual/multiple diagnosis. There are over 200 people on the Vancouver Island Health Authority (VIHA) waiting list for adult mental health housing - this includes only people with a VIHA case manager (only a small number of people who are homeless) and does not include those on waiting lists of other non-profit societies.

Urban Aboriginal Persons<sup>28</sup>: Estimates for shelter use in 1999-2000 indicated 40% of male shelter users and 20% of female shelter users are Aboriginal people (this did not include the many turned away each day). First Nation people are over represented in the homeless population and under represented in the formal mental health system. Forty five percent of Aboriginal children and youth live in poverty in the CRD Region, much higher than the percentage of the total number of children and youth living in poverty.

Ex Institutional (Prison) Persons: It is extremely difficult to obtain information for the homeless that are within this client group; they also overlap with mental health forensics, those with substance misuse problems and urban Aboriginal homeless persons. In Victoria, on average 4 people are released on a daily basis from the Vancouver Island Regional Correctional Centre. Results from a sampling of inmates being released from the Vancouver Island Regional Correctional Centre self reporting to a front line worker revealed that of the 308 inmates reporting, 175 were heading to Victoria, of these 82% had no residence to go to as there are no halfway house accommodation for provincial inmates released. Those released from the Federal institution at William Head are provided with accommodation at halfway houses.

The work on homelessness assets and gaps in 2001 also noted that while considerable energy has been directed at homelessness there remain some **critical gaps**. Two higher order gaps are the availability of housing, including supportive housing and a continuum of services; and a lack of “safe places” clients can go to escape street life, the sex trade, substance misuse, and to find respect and start to build self-esteem.

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<sup>27</sup> Mental Health Forensics Clients are those found “Not criminally Responsible due to a mental health disorder”:

There are also gaps across the area of **Supportive Housing for the homeless** - the gaps in **transitional housing** (1-3 month period), and **second stage housing** offering semi-permanent and semi-independent living. Examples include<sup>29</sup>:

- The absence of transitional housing for youth (15 yrs +) who have left the care of the provincial ministry or street youth who are not returning home, with the opportunity to move to second stage housing with supportive services.
- Half-way housing for ex-institutional (prison) clients released from provincial jails.
- Lack of safe, affordable, appropriate housing for people living with HIV/AIDs, and who need assistance with daily living. For many infected people, housing is a primary concern... either they have no housing, are about to lose their housing, or they require different housing from what they currently possess. The lack of palliative care is a particular need - "a place to die peacefully, with adequate medications and support - at present, people die on the street."
- Downtown Victoria agencies have identified a need for over 200 supported apartments and suites (safe, decent, affordable housing from rooming houses to 1 bedroom apartments) for the downtown homeless having a serious mental illness. There is a gap in safe housing for those with substance misuse problems with a range of services or standards consistent with their disorders<sup>30</sup>.
- No First Nations Shelter with a continuum of services; in effect this is also seen as a healing centre where a person needs go to only one place to get help and services.
- For those discharged from detox there is no continuum of care (from prevention to treatment to recovery) and very few options exist for supportive or recovery housing, so substance misusers usually go back to the environment they came from. This is the "revolving door" syndrome.
- Supportive housing for clients with unclear diagnosis and those clients with FAS/FAE (Fetal Alcohol Syndrome/Fetal Alcohol Effect), ADD (Attention Deficit Disorder), head injury, or organic brain damage.

## **7.0 The Future**

Over the next 10 years the population of the CRD will increase by just under 30,000 people, or 8.7%.<sup>31</sup> The number of children and young adults will decline; virtually all the growth will be in the population over the age of 45 (there will be minor growth in the 15-24

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<sup>28</sup> The term Aboriginal, as recognized in the 1982 Constitution of Canada, refers to First Nations, Metis, and Inuit Peoples as a group.

<sup>29</sup> "Assets and Gaps Review on Homelessness: The Gaps – A Strategic Approach", prepared by Urban Aspects Consulting Group Ltd. for the Victoria Steering Committee on Homelessness, July 2001, pp. 6-8

<sup>30</sup> Ibid, p.8. Housing for this group can be "wet - acute phase (like Portland Hotel in Vancouver), damp – like a transition house where people can have a relapse, and dry– abstinence/ longer term supportive recovery (needs access to services, health care)."

<sup>31</sup> BC Stats PEOPLE 27

age group). By 2012 the population over the age of 65 will increase from 17.8% of the population to 19.3%.

Over the next 20 years, the population will increase by 62,000 people, or 18%. Between 2002 and 2022, the population aged 0-44 will decline in all age groups; all the growth will be in the population over the age of 45. By 2022, the population over the age of 65 will account for 24.2% of the total.

How will these demographic changes affect CRD housing markets? First of all, it is important to note that although the CRD has an aging population, the major impact of the fabled baby boom will not likely be felt for another 20 years or so. That is because people typically do not make major changes in their housing patterns until they are about 75 years old and the oldest baby boomer is now only 55. Beyond age 75 people may seek more supportive housing, offering meals or personal care services, and they may decide to rent rather than own.

At the other end of the age scale, the decline in the number of young adults may relieve pressure on the region's stock of rental housing, although it seems probable that any relief from this direction will not be sufficient to counter the impact of an aging rental stock that is not being replaced or, in many cases, maintained.

Increasing rent levels resulting from tight rental markets will impact lower income households most severely. The incidence of core need is very likely to increase over the next 5 to 10 years, affecting children, lower income workers, and seniors.

On the ownership side, it seems inevitable that mortgage rates will soon increase beyond their current 40 year lows. Because the cost of housing is so high in the CRD, the level of mortgage rates is critical to housing affordability. Increases of even 1-2% will drive many households from the ownership market, further increasing pressure on the rental market.

### ***Long Term Forecasts – Household Growth***

Provincial forecasts predict that the population of the CRD will increase by 62,000 people over the next 20 years.

Average household size in the CRD is currently 2.3 persons, which would translate into a demand for an additional 26,000 housing units over the next 20 years, assuming average household size remained constant.<sup>32</sup>

The 2001 Census counted 142,135 households (dwelling units) in the CRD. Depending on how they are provided, the addition of 26,000 housing units could put enormous pressure

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<sup>32</sup> Note that these figures vary somewhat from those in the Regional Growth Strategy for several reasons: updated provincial population projections were used; and a different 'end year' (2022 instead of 2026). Further study will be done to reconcile these differences.

on the land supply and the infrastructure of the CRD. If they were provided as typical low density single detached units, 26,000 housing units would consume almost 7,000 acres of land.

### **Short Term Forecasts – Affordability**

The charts that follow forecast renter and owner affordability over the next 10 years.<sup>33</sup>

Each set of charts compares forecast movements in rents and prices with forecast movements in incomes. The result is an index or ratio based on a comparison between rent and price increases on the one hand, and income increases on the other. *The higher the index, the more difficult it is to afford to rent an apartment or buy a home .*

To take an example, the first chart is based on the overall rental market in the Victoria Census Metropolitan Area (CMA). The chart shows that in 1992, the ratio between the incomes of renters and the average rent of one bedroom apartments was .27. That figure was derived from a comparison between the average<sup>34</sup> income of unattached individuals in the CMA in that year, \$26, 263 or \$2,188 per month, with the average rent of one bedroom apartments in that year, \$592 ( $\$2,188 / \$592 = .27$ ). Until 2000, the index is based on actual data; beyond 2000, the index is based on forecast data.

A straight line on the charts means that the relative affordability of that particular housing type is stable. An upward sloping line means that affordability is getting worse. For example, the overall ownership affordability chart shows the indexes increasing from about .3 in the mid-eighties to the mid -.4 range beyond 2005 – that is, worsening affordability.

The first five charts apply to the rental market; the last four to the ownership market. The charts were constructed as follows. (Data sources are noted in the Appendix: Working Paper #1: Housing Affordability in the Capital Regional District – Our Working Capacity and What the Data Tell Us.)

- **The income component** is based on the median pre-tax income required to cover the cost to buy/rent a dwelling assuming a 32 per cent gross debt service ratio. Note that median household income has been used wherever possible instead of average income to avoid distortions caused by extreme

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<sup>33</sup> Source is Economic Data Consultants Inc. and a member of the consulting team for the Regional Housing Affordability Strategy.

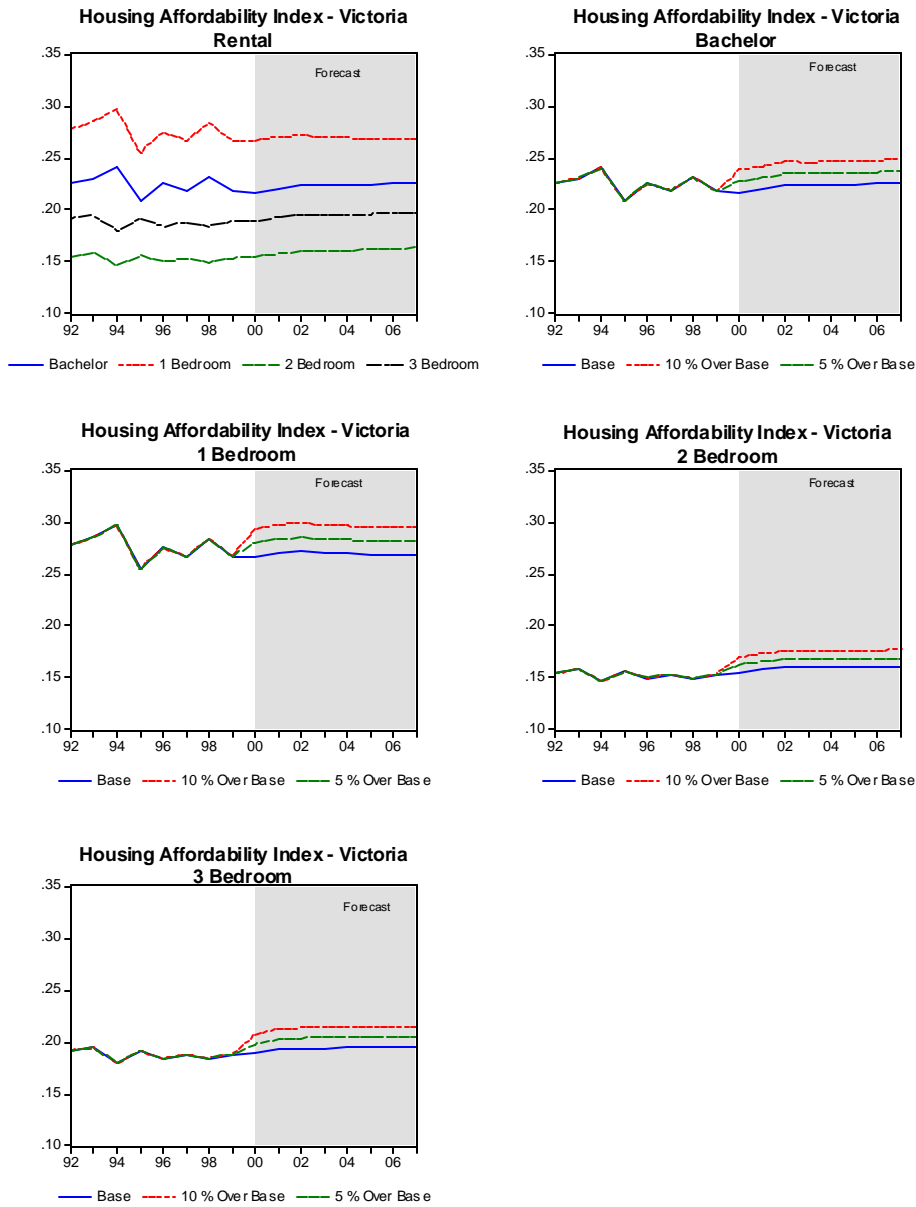
<sup>34</sup> It was not possible to use median incomes in this calculation.

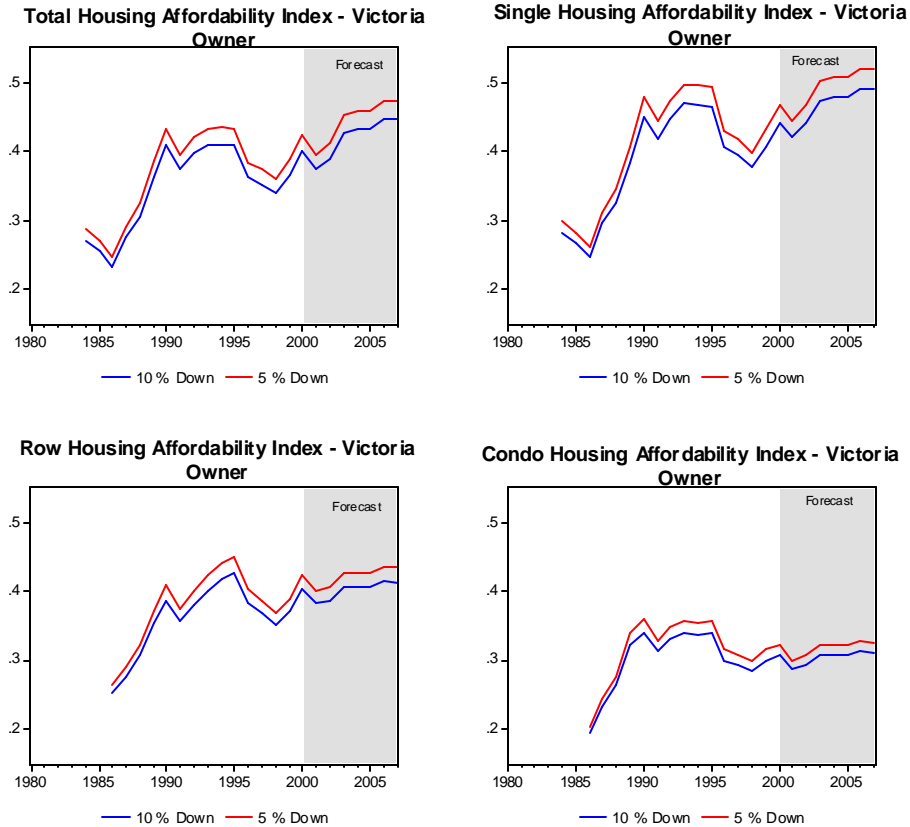
values. However, it was necessary to use average individual incomes for the Bachelor, 1 bedroom, and 2 bedroom Renter Affordability Indexes because of data reliability problems associated with median income for individuals.

- For the rental indexes, **the average rents** for Bachelor, 1-bedroom, and two plus bedrooms were used.
- The ownership affordability indexes show the proportion of median pre-tax household income necessary to obtain a dwelling. The Home Ownership Affordability index includes **the principal and interest** (associated with the average house price for Single-detached, Row and Apartments, assuming a 5 or 10 per cent down payment, 5-year-term closed mortgage rate, 25-year amortization term, and CMHC insurance fees), **the average property taxes for a dwelling, utilities for a average dwelling, and condo fees for apartment and row dwellings.**

In terms of the rental market, the charts show that over the next ten years, the renter affordability index will be fairly stable. Rents have been quite stable for the past decade and are not forecast to increase significantly beyond anticipated incomes for a variety of reasons, including a decline in the number of younger households, who typically rent. However, policy and decision-makers must keep in mind that rental housing is not being built and there are concerns regarding the loss of existing rental stock.

The ownership indexes are more volatile, essentially because house prices, particularly single detached house prices, are forecast to rise relatively more rapidly than rents in comparison to incomes. The forecasts are based on 5% down payment and 10% down payment.





### **The Effect of the Regional Growth Strategy Policies**

The Regional Growth Strategy is directed towards containing growth by encouraging concentration of urban development in eight major centres within the CRD, and largely contained within a Regional Urban Containment and Servicing Area. This will mean increased emphasis on residential densification and infill policies, development forms (apartments, rowhouses and other attached housing types) that in turn are conducive to improving housing affordability. Complementary measures that will increase the capacity of urban areas and accommodate new growth that also have implications for the Housing Affordability Strategy are:

- accommodate a minimum of 15% of the region's cumulative new dwelling units to 2026 within the City of Victoria, to reinforce the Metropolitan Core;
- focus new growth primarily in eight Major Centres revitalized as walkable transit-focused complete communities with a dense mix of business, housing, services and public open space;

- increase the amount of detached and ground access housing within the urban containment and servicing area in the core municipalities of Victoria, Esquimalt, Saanich and Oak Bay by 5% over 1996 designated capacities, by 2011; and,
- locate a minimum of 90% of the region's cumulative new dwelling units to 2026 within the Regional Urban Containment and Servicing area.

Such densification policies means there will need to be increased ground oriented multi-family housing, such as townhouses, cluster developments, duplexes and patio homes to improve housing affordability for families with children. To achieve this will mean: (i) changing consumer expectations and housing preferences through education, developing and marketing attractive innovative housing forms, and (ii) community associations and decision-makers who are prepared to deal with NIMBYism.

## **8.0 Next Steps - How to Deal with Housing Needs in the CRD**

Housing affects community sustainability and in this sense involves everyone. To be effective the resources to implement the strategy must be built within the community – there is limited outside assistance available. The strategy has to be pragmatic and collaborative in its approach. It needs to: provide a range of solutions that meet a variety of situations; offer flexibility to local government; and, provide solutions that are short, medium or long term in their implementation timeframe.

Within the CRD the greatest housing need is among lower income renters.

There is no single ready solution. The ability to bring equity (i.e. cash or land) to a housing project is key to improving housing affordability – but for the most part non-profit housing providers do not have this to bring.

Evidence is that regionally, there is support for strategically addressing housing affordability on a community basis through collaboration and partnership. There is a considerable swell of energy and good work underway in the region. The multi-sectoral Housing Affordability Partnership has set a positive attitude of collaboration across the spectrum of public, private and non-profit and community interests, and has attracted the interest of political leaders. Local housing industry stakeholders (CHBA and UDI) are a strongly active and supportive group on housing affordability. Some builders feel that many in the home building industry can and want to help, but are often not asked. The involvement of professional homebuilders provides knowledge, capacity and purchasing power to foster creative solutions for affordable housing.

On October 23, 2002, housing stakeholders attended a special meeting of the CRD Board in support of a presentation by the Capital Region Housing Corporation Board on housing affordability. This included a proposal to introduce a housing levy to establish a housing fund regionally. Subsequently a number of local elected officials have indicated concern and support for improving housing affordability within the region.

Another initiative, the **Quality of Life Challenge (QOL)** co-ordinated through the Community Social Planning Council is a comprehensive community initiative to mobilize action and monitor change around three priorities: housing affordability, employment opportunities, and community connections.

There is the opportunity for the three initiatives – Regional Housing Affordability Strategy, HAP, and QOL –to work cooperatively and be complementary.

There are many community based initiatives - among them is grass roots work focussing on seniors, special needs, family housing and women's housing needs.

***Most of these initiatives rely heavily on a volunteer commitment that takes time and considerable energy, and is likely unsustainable. To expect that this energy can replace the lost government funding is unrealistic, nor can volunteers produce the number of units needed.***

From a financial perspective, there are a number of regional groups that should be involved in solutions including the local financial institutions, particularly the credit unions who are becoming increasingly involved in community development. At the community level, there are housing providers and community associations with keen interests in the housing affordability issues facing residents in their neighbourhoods, particularly the less privileged, the absolute and relative homeless.

There are opportunities for further local government action. Local government survey findings highlighted the lack of housing expertise/resources in many municipalities in the CRD, suggesting the need to look at options for providing a regional support network in this area. If definitions and policies are not in place it can result in applications being dealt with in an ad hoc manner and sometimes negotiations conducted at a Council meeting. In turn, it may also slow the process down with additional costs incurred.

There is an opportunity to consider options for municipalities to actively partner with other agencies to support housing affordability.

The number of and variation in policies/practices and charges both within individual jurisdictions and between jurisdictions, and the fact that they change frequently, present formidable challenges for housing developers and providers, not to mention local government staff and the public.

The jurisdictions having/using policies and practices to encourage housing affordability include: Victoria, Esquimalt, Saanich, Sidney, Colwood, Langford, View Royal, Sooke and Central Saanich. Efforts to encourage the remaining jurisdictions to use new and existing tools will have to be made.

***“The process has become planning; the product is low on the list.”***

***“The quality of and degree to which municipalities collect and maintain information varies... it would be useful to have access to registries. However, municipalities have no or few resources in-house to compile data and monitor it.” (Focus Group participant)***

***“There is both an expectation and a requirement to consult. However, the time involved in consultation has greatly increased the time needed to complete a development and this in turn increases development costs.” (Focus Group participant)***

Regionally there have been a variety of local partnerships, financing and tenure initiatives with varying degrees of success. These models, and new ones, can be used in the future. The following section briefly highlights some examples of activity to date within the CRD.

- CMHC has so far done only two real partnerships with the private sector in British Columbia, one in Vancouver and one in Victoria (Society of Christian Care for the Elderly) which have involved private investor funds and a non-profit society. Although a number of other types of partnerships have taken place they have involved significant equity positions from the non-profit society, and have not had to deal with the complexities represented by a public and a private interest. Collaborative partnerships with municipalities and foundations can produce innovative projects and create a “win-win” situation for those concerned, but the equity contribution is key to success.
- Twelve local initiatives involving partnerships, innovative financing and different tenure arrangements were reviewed, as part of regionally examining the opportunities within the existing capacity. Most of them are market housing projects without the traditional government subsidies that provide low-cost housing. In a few projects there was a portion of the units receiving rent supplement or Shelter Aid For Elderly Renters (SAFER). The projects included 7 rental projects developed by non-profit housing societies, homeownership units, a land trust, and co-housing and life lease projects. ***The overall conclusion was that without subsidies, equity contributions (e.g. land contribution), or grants, it is possible - but extremely difficult - to provide financially viable, low-end of market rental housing.***
- Approaches that could be used in future to reducing the significant land cost component of housing in regional municipalities include:
  - redevelopment and intensification of existing sites owned by housing societies;
  - local governments providing land at below market costs;
  - using a Land Trust; and,
  - acquisition of “surplus” publicly owned land at below market cost.

***“Equity is key to ability to develop.”***

Achieving successful projects has required a combination of partnership arrangements, involving equity contributions and grants from a variety of sources, e.g. government,

financial institutions, foundations, and the non-profit society (including fundraising efforts). Local non-profit societies' experience is that a substantial amount of equity is required before financial viability can be assured.

Insofar as homeownership is concerned the private sector project showed that low end of market (\$159,000 to \$169,000) can work in some regional locations, e.g. Sooke. Victoria Habitat for Humanity is active in the construction of homes in Victoria, Saanich and Sidney with land contributions from the respective municipalities.

***“Major donations of land are available from donors, plus charitable donations have tax advantages.” (Focus Group participant)***

This valuable experience and knowledge of 'what works' will be used in the next phases of this strategy to develop transferable, realistic solutions for the Region.

Phase 1 of the Regional Housing Affordability Strategy has highlighted the complexity of the housing issues facing regional residents. The second phase will look at the challenge and the opportunity.

## **Housing Affordability in the Capital Region – The Challenges**

The housing need problems are concentrated in the lower income levels.

- **22,000 households**, or one in six households in the CRD, are in core need, that is **involuntarily having to spend** over 30% of their income on shelter that is in reasonably good condition and has adequate space. Of these 16,000 are renters and 6,000 are owners. This number does not include homeless people, although many of the core need renters may be a pay cheque away from being homeless. It does not include people living in subsidized housing.
- Core need renters include **seniors and the working poor** – those earning low wages in the service sector, for example working in tourism one of the mainstays of the Region's economy. They include janitors, cooks, hotel clerks, sales assistants, care workers and others in the service industries.

*How much can these people afford to pay for rent?*

*Over 10,000 people living alone earning \$15,224/year cannot afford to spend more than \$400/month*

*Over 2,500 lone parent families earning \$18,543/year cannot afford to spend more than \$499/month.*

*Over 1,330 couples (with children) earning \$24,627/year cannot afford to spend more than \$600/month.*

*Close to 4,500 seniors having incomes between \$15,000 and \$22,000 /year cannot afford to spend more than \$400 to \$499/month.*

*\* Income data from 1996 Census (not adjusted)*

- Given the **cost of rental construction (without subsidy)**, in Victoria the rent for a new townhouse would be in the area of \$1425 per month and the rent for a one-bedroom apartment would be about \$777 per month. The minimum household incomes needed for such accommodation would be \$57,000 and \$31,000 respectively.
- Social housing wait list information shows the predominant need to be in family housing but less than half the 7,000 social housing units in the Region are **family housing**, or about 2% of the Region's total housing stock. Exacerbating the situation there is a shift in provincial policy away from funding family housing to funding supportive living units for the elderly.
- In the first five months of 2002, BC Housing's **waiting list tripled** compared to the same period in 2001. The current waiting list of the Capital Region Housing Corporation is longer than it has been since January, 1998 and is 30% higher than it was at the same time in 2001.
- Within the Capital Region the **largest numbers of core need renters live in Victoria (over 9,000) and Saanich (over 3,000)**. However, in proportion to total number of

renters Langford is highest at 42%, followed by Victoria (41.6%), Esquimalt (38.9%) and Sidney (36.2%). Housing for core need renters may be more common in some municipalities than others, but there is a collective responsibility for regional local governments to share and support the housing needs of this segment of the population as part of supporting economic growth. Having to move frequently because of high housing costs impacts opportunities for employment, education, and training and the ability to sustain stable social networks – for younger and older residents.

***"It's really depressing actually. I've been in this circuit for a long time...They don't leave people a lot of options. Sometimes you feel like it would be easier if you didn't exist. Easier for yourself, easier for the community, easier for the government not to have one more poor person to worry about." (J. Boyle)***

***"Housing is a basic citizenship issue. You can't participate as a citizen, as a productive member of society, unless you have a place to live." (M. Reitsma-Street)***

(Above are quotes from "The Cost of Rent", Monday Magazine, January 30 - February 5, 2003, p.9)

### **Building a Stable Workforce and Community – Providing Homeownership Opportunities**

The opportunity and the ability to buy a home are important for Canadians. ***Housing is a cornerstone for building a strong community.*** If ownership opportunities are out of reach for many people in a community, economic development may suffer and community stability may be adversely affected. Victorians face the third highest housing costs in Canada, a fact that has an unknown but no doubt highly significant impact on community health and vitality.

- After Toronto and Vancouver, Victoria has the highest housing costs in the country according the CMHC Housing Outlook First Quarter 2002 report.<sup>35</sup>
- In 1999, the median income of economic families in the Victoria metropolitan area was \$56,986. Average weekly wages and salaries in BC have increased by 6% between 1999 and 2002. Assuming that the median income has also increased by 6% and is now \$60,405,<sup>36</sup> a family earning that level of income could theoretically afford to pay as much as \$289,000 for a home, assuming a 10% down payment, an amortization period of 25 years, a mortgage rate of 5.5%, and a gross debt service ratio of 32%.

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<sup>35</sup> The report is based on the mortgage payment required to purchase average priced of a newly completed and occupied condominium apartment unit with a 5% down payment and a 5 year mortgage rate of 5.85% amortized over 25 years.

<sup>36</sup> Another data base from Statistics Canada based on tax returns indicates that the median income of husband/wife families in the Victoria CMA was \$60,800 in 2000, so using an estimate of \$60,404 for economic families in 2002 is probably very close to reality.

- Between January and July 2002, more than 50% of the 512 new single-detached homes that were completed in the Victoria CMA sold for less than \$300,000. During the same period, almost 700 existing single-detached homes sold for less than \$200,000.
- Based on local MLS sales data, it is estimated that 70.8% of the existing single-detached units, 87.0% of the existing townhouse and duplex units and 95.4% of the apartment condominium units sold in the Victoria area could have been purchased by a household with a median family income of \$60,405 in 2002.<sup>37</sup>
- On the surface, this suggests that access to homeownership in the Victoria CMA is not a major problem for a significant segment of the population. The true situation however has been disguised by the fact that mortgage interest rates over the last year have been at a historic forty-year low.
- Homeownership affordability is very sensitive to changes in market interest rates. An increase in the mid-2002 rates by even a couple of percentage points would have a profound impact on affordability. For example, if mortgage interest rates rise by only 1 1/2% from 5.0% to 6.5 %, the minimum household income needed to purchase a new modest single-detached unit costing \$247,550 would increase from \$62,000 to about \$75,400 even though the cost of construction had not changed. At 9% interest rate it would increase to \$90,000.
- Many inexperienced homeowners overlook another aspect of homeownership affordability, namely the operating and maintenance costs. The lower cost more-affordable homes are likely to need maintenance, renovation, etc., that in addition to PIT monthly payments can create financial problems, and put owners at risk of foreclosure.

#### **Housing and Health – the Societal Benefits and Costs**

- “Police forces, educators, social service providers and health workers are realizing there is a direct correlation between the quality and availability of appropriate housing in a community and the (benefits of) **well-being and functional capacity of that community**. The importance of stable and secure housing in building a strong platform for economic growth is also becoming a cornerstone of the community economic development movement.” (*Developing a Municipal Quality of Housing Measure, Federation of Canadian Municipalities, April 1998*)
- Municipalities are partners in maintaining the health of residents by supporting the development of stable neighbourhoods through the provision of recreational space, appropriate public services and an appropriate level of housing affordability and choice. Locally, work a decade ago on the “CRD Tomorrow – Values, Goals and Priorities Project” identified the value of managed growth and **maintaining**

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<sup>37</sup> Calculations assume a 10% downpayment, an amortization period of 25 years, a mortgage rate of 5.5% and a Gross Debt Service Ratio of 32%.

**community stability**; affordable housing was seen as an important concern and part of the goal of preserving and fostering community stability.

**“People believe that channelling growth and providing appropriate incentives and disincentives for development can protect the sense of community, natural environment, housing affordability, personal security, and ease of travel throughout the region.”<sup>38</sup>**

- **Personal health and security** may be affected if people have substandard accommodation, or are in a transitory state such as single parent families fleeing abusive situations. Children in these families are particularly vulnerable to stress, health and dental problems, and at an **educational disadvantage** which perpetuates the poverty cycle and ultimately the cost to society.
- “The lack of adequate and appropriate housing will directly result in **increased costs in the health and social service sectors**.”<sup>39</sup> Inadequate housing increases the level of dissatisfaction a person has in their life leading to isolation, stress and breakdowns, and frequent moves; all of which disrupt personal life and undermine quality of life, while increasing the use of health services, police and emergency resources.
  - “Lower individual costs for primary medical care and hospital services are related to adequate housing”<sup>40</sup>
  - A Winnipeg study found individuals in low-income neighbourhoods were hospitalized more frequently than individuals in middle income neighbourhoods.<sup>41</sup>

#### **Factors that Increase the Cost of Housing in the CRD**

- **The Cost of Building Housing.** Housing cost for homeowners, landlords and tenants is largely a function of three key variables: land, construction costs and a group of other expenses that are sometimes referred to as “soft costs”.
- **Impact of Costs on Homeownership:**
  - **Land Costs** - already high, land costs in the Region will further **increase** as the supply of developable land inside the Urban Containment Boundary (UCB) diminishes, exacerbating the problem for lower income households. The RGS policy of an Urban Containment and Servicing Boundary restricts outward extension of urban development. Land costs typically account for 30% to 50% of total costs, depending on the housing form.
  - **Construction Costs** – these hard construction costs are standard across Canada; a **modest**, three-bedroom 1,400 square foot single-detached house hard construction would range from \$98,000 to \$112,000 and an average

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<sup>38</sup> CRD Tomorrow – Values, Goals and Priorities Project, 1993 P. 19

<sup>39</sup> “Health and Housing”, Capital Region Trends, Vol. 17 No. 1, April 2001

<sup>40</sup> Vancouver/Richmond Health Board, “Strategic Plan for Housing Services – A Discussion Document”, April 2000

<sup>41</sup> Roos, Noralou P. and Cameron A. Mustard, “Variation in health and health care use by socioeconomic status in Winnipeg, Canada: Does the system work well? Yes and no”. The Millbank Quarterly, 75(1), 89-111

1,200 square foot town house would cost between \$81,600 and \$86,400 to build in the Region.

- **Soft Costs** – these include items like soil tests, legal fees, building permits, bonding, insurance, architectural or design fees, engineering fees, interest during construction, a wide array of government fees and charges, municipal approval processing time, public process and marketing expenses, and warranty costs. Soft costs typically represent as a *percentage of total cost* :
  - *single-detached house 10%,*
  - *row house 15%,*
  - *wood-frame apartment unit 20%.*
- **Labour shortages** in the construction trades may result in increased hard costs. In the mid 1990s some builders and trades people from the region moved to Alberta and the U.S. The loss of trades combined with an aging baby boom generation creates the potential for increased construction costs due to a shortage of skilled labour. The latter is a nation-wide problem facing the housing construction industry and one the industry has been advocating for training and employment programs. Local governments have an opportunity to avoid further exacerbation of the situation by supporting training and measures to alleviate labour shortages.
- **New rental construction is not viable:** Current market rents are too low to justify the cost of new construction. Economic rents<sup>42</sup> are estimated to be at least 30% higher than market rents, even with today's historically low interest rates. Raising rents to economic levels would vastly increase the number in core need.
- **Limited Land Supply:** This will have a significant impact on housing affordability and providing more-affordable housing stock for lower income households. RGS forecasts indicate all capacity for single detached/duplex units will be consumed by 2011 (or earlier). Capacity for townhouse units will also be exhausted before 2026. The change to a mix of unit types that will be available after 2011 will require a considerable shift in the aspirations of buyers, if we are to accommodate the population projected for 2026. RGS data indicates the following:

<b>Housing form</b>	<b>Projected demand</b>	<b>Potential supply</b>
<b>Single-detached / duplex</b>	53%	28%
<b>Townhouse</b>	13%	28%
<b>Apartment</b>	34%	43%

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<sup>42</sup> Economic rent is the level rent required to support the capital costs of the project with mortgage financing at 6.5% and a market capitalization rate of 8%. The economic rent level is the minimum rent level at which a private developer would ordinarily consider investing in the project.

**The Regional Housing Affordability Strategy and the Economic Development and Transportation Strategies – The Links**

- High housing costs deter **economic development**. Residents spending too high a proportion of their income on housing have less money to spend on other goods and services. They may be forced to make trade-offs. At lower income levels, they may be need to cut back on other essentials such as food, dental and health care, or they may have to live in accommodation that is overcrowded, substandard, or too far from work or school. High ownership costs mean that many people who want to buy a house cannot potentially creating a **less stable work force**. Housing that is too expensive for average-income households makes it **difficult to attract qualified workers**, may cause employers to locate in more affordable communities and may result in significant **loss of revenue to local business**. People who want to improve their housing conditions may have to move away.
- An effective **transportation strategy** can improve housing affordability. For example, multiple family projects concentrated around public transportation nodes and major routes provides the option for reducing residential development parking requirements, thereby lowering the cost of housing. The costs of vehicle ownership could also be directed to other expenses.

**Recent disquieting events and trends:**

- *In 2001, the vacancy rate plunged to a level (0.5%) not seen since the late 1980s, although it recovered marginally in October 2002 (1.5%).*
- *Recent rent increases have been roughly double the inflation rate.*
- *Housing starts have been at reduced levels for a number of years and inventories are very low.*
- *After years of decline, house prices have started to increase.*
- *Between 1991 and 1996, the number of renter households in core need increased by 25% although the total number of renter households increased by only 5%.*
- *The number of renter households who can afford to buy a home has consistently been lower in Victoria and Vancouver than in any other metropolitan centre in Canada<sup>43</sup>.*
- *Waiting lists for social housing units are growing quickly.*

These are the challenges the Capital Region faces. In addition there is the added **complexity of new arrangements resulting from changes in the public policy environment**. On a positive note there has been a groundswell of community-based

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<sup>43</sup> CMHC, "Renter to Buyer: CMHC's 27 Year Historical Affordability Report 1970-1997".

energy and expertise across all sectors in recent years directed at the housing needs and issues – the decision by the CRD to undertake a Regional Housing Affordability Strategy is a testament to that energy. ***The strategic challenge is to provide a flexible and pragmatic combination of solutions – there is no single solution.***

## **GLOSSARY OF TERMS**

**Abbeyfield**: A dwelling unit operated by a non-profit or co-operative society where elderly persons and a live-in caretaker live together as a cooperative household, and where each person has a private bed-sitting room and share common facilities.

**A.C.T.**: The Affordability and Choice Today Program is sponsored by CMHC and managed by the Federation of Canadian Municipalities, the Canadian Home Builders Association and the Canadian Housing and Renewal Association. The program is designed to eliminate bylaw barriers to new approaches in planning, design, construction or servicing. Municipalities, home builders and developers (private, non-profit and cooperative) are eligible for grants to undertake demonstration projects, to investigate streamlined approval process projects or to document existing initiatives.

**Adaptable Housing**: Housing designed with built-in flexibility to integrate special needs groups and an aging population e.g. ground floor accessibility, wider doorways, wheelchair ramps, adjustable counters and cabinets.

**CHBA**: Canadian Home Builders' Association

**Co-Housing**: This form of housing depends on traditional subsidy-free financing and attracts mostly middle class households. Units in a co-housing project are owned, often through a strata-title arrangement. In addition to the residential units there is also a common building that includes a large dining room, kitchen, lounges, meeting rooms, recreational facilities, library, workshops, and child care facilities. Cardiff Place in Victoria is the first co-housing project in Canada. ([www.cohousing.org](http://www.cohousing.org).)

**Comprehensive Development Zoning**: Such zoning is used to increase flexibility in allocating density and land uses on particular sites. These sites are usually large and under single ownership. Comprehensive zoning deals with land use and densities, road networks, parking, landscaping, public open space, servicing and environmentally sensitive areas. It provides an opportunity for municipalities to negotiate for public amenities (e.g. public parking, open space, mixed commercial/residential developments) and affordable housing.

**Condominium**: A multiple family residential strata title development consisting of individual dwelling units.

**Congregate Care Facility**: A specially planned, designed and managed multi-unit rental housing development that are supported by professional medical care and/or lay supervision and care, and congregate facilities such as but not restricted to dining and laundry.

**Density Bonusing:** A zoning tool used by municipalities to increase density (e.g. small lot, multi-family, seniors, clustering, and zero lot lines) within a zone in exchange for amenities such as the protection of environmentally sensitive areas, construction of day-care facilities, and the provision of affordable housing.

**Equity Coops:** Equity coops provide a form of limited equity homeownership as an alternative form of tenure for families and seniors. The coops operate on a non-profit basis, so housing costs are affordable. Purchasers get ownership of unit and security of tenure. Members manage the project and control who can join. The sponsor non-profit company retains ownership of the building exterior and all common property, including the recreation, meeting and parking facilities.

**GDS:** Gross Debt Service

**Ground-Oriented Housing:** A relatively broad housing category, includes any structure type where the entry to dwelling unit is from the outside rather than from an interior corridor. Examples of housing types in this category include single-detached houses; duplexes, triplexes and other small attached projects; small and large rowhouse projects; stacked row houses; and higher-density projects with some form of ground-oriented rowhouse component.

**Housing Agreement:** An agreement between a property owner and the municipality pursuant to Section 963.2 of the *Municipal Act* enabling municipalities to set conditions with respect to type of tenure, rent levels and rent increases, the administration and management of units, and the availability of housing units to particular groups of people.

**Housing Reserve Fund or Trust Fund:** Municipalities establish special funds (from general revenues, provincial grant monies, community bonds, pension funds) to buy sites for lease or to make up the shortfall between market value and the amount paid by groups who lease land from the municipality at below market price.

**Inclusionary Zoning:** Refers to policies requiring that a proportion of housing units within a new development meet affordability or other special needs criteria. It has been used to help ensure a mix of housing types in an area.

**Infill Housing:** The introduction of new housing into, or adjacent to, existing neighbourhoods resulting in an intensification of land use. Such a project can include a single-family dwelling, residential conversion, attached or multiple unit form of housing and can occur in a variety of locations, including small vacant lots, transitional areas between land uses, lands previously zoned for alternate uses (e.g. commercial or industrial), underdeveloped sites, and irregular sites.

**Land Lease**: Municipalities lease land owned by them usually for non-profit cooperative or government-assisted rental housing. Generally they lease the land at 75% of its market value for 60 years. Maximum rent increases or limited resale prices are sometimes imposed.

**Life Lease**: Residents purchase an interest in the project through a leasehold interest or a contract with the sponsoring organization, and “share” in any appreciated value of the building and property. Rights to leasehold interest are purchased with a lump sum prepayment, and residents contribute their monthly share of maintenance and operating costs through a monthly occupancy fee.

**Manufactured Home**: A single family dwelling manufactured as a unit, or in modules, intended to be occupied in a place other than that of its manufacture, and designed so that it may be drawn or moved from place to place.

**Mixed Use**: A combination of retail/commercial, institutional and housing units of various types on one parcel or in one project. An example is apartments for rent or condominium tenure, located above commercial or retail uses, typically maintaining separate street access.

**Multi-Family Housing**: Includes patio homes, apartments, townhouses, cluster developments and duplexes.

**Rent Geared to Income (RGI)**: This is considered to be the share of a lower income household’s budget that could be spent on shelter without impacting on other necessities.

**Residential Rehabilitation Assistance Program (RRAP)**: RRAP provides loans and grants to low-income homeowners, and landlords of properties to bring their homes up to health and safety standards. The program can also be used to make homes accessible for disabled residents, enabling them to live independently. In addition, Rooming House RRAP provides assistance to owners of rooming houses intended for permanent accommodation, with rents affordable to low-income individuals. Home Adaptations for Seniors’ Independence (HASI) assists low-income elderly Canadians, whose difficulties in daily living can be addressed by certain adaptations to their homes. (Contact CMHC for more information)

**Secondary Suites**: A self-contained unit in a building (typically a single family home). These rental units are also called basement apartments, apartments in houses, accessory apartments, in-law suites and “illegal” suites.

**SAFER**: Shelter Aid For Elderly Renters (BC Housing program)

**SIL:** Supported Independent Living programs

**Small Lot Zoning:** A zoning tool designed to use land more effectively and efficiently by decreasing the average lot size, or creating a maximum lot size; and reducing setbacks.

**Special Needs:** Persons with special needs include persons with chronic mental illness, physical disabilities, alcohol and/or drug dependency, brain injuries, HIV/AIDS, mental illness, children-in-care, inner city youth, women fleeing violence, disorderly offenders, young offenders and individuals who are homeless or at risk of homelessness, the frail elderly. Special Needs Housing includes short-term emergency shelters for the homeless, transition houses, group homes, single room occupancy, second stage and permanent self-contained accommodation.

**UDI:** Urban Development Institute



*Working Paper #1: Our Working Capacity - December 2002*  
**A Regional Housing Affordability Strategy for The Capital Region**

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