

Rental Housing Planning Guide

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Minister's Message

Welcome to the 2002 Rental Housing Guide. As the minister for housing, I am pleased to introduce this edition which is consistent with our *New Era* vision of safe, healthy and secure communities.

We are actively seeking ways to increase the supply of affordable rental housing. A robust housing market will increase housing options choices for all British Columbians. Partnerships between private, non-profit and government sectors will help provide housing these options for those who need it most.

Local governments need more power to make decisions that best address local needs. A major initiative of our Ministry is the empowerment of local governments through the new Community Charter. This guide contains tools for local government to promote and preserve rental housing. It also offers strategies for small and large communities to help them work with the housing industry to meet the needs of residents.

Many communities face low vacancy rates; in several regions, vacancy is less than 1 percent. In spite of this demand, there has been no significant new market rental housing construction in the last two decades. By working together, we can provide housing choices for all our citizens and communities.

The provincial government is also looking at ways to reduce the red tape, taxes and fees on new housing construction. This will better equip the market to meet the housing demands and offer affordability, quality and choice.

With these new approaches, we can achieve a thriving housing market that is responsive to the needs of British Columbians.

A handwritten signature in cursive script that reads "George Abbott".

Honourable George Abbott
Minister of Community, Aboriginal and Women's Service

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Chapter One: Introduction

More than one-third of all B.C. households rent their home. Rental housing takes all shapes, including low-rise apartments, apartments in houses, detached houses, townhouses, high-rise apartments and older single room occupancy hotels and motels. Low-rise apartments are the most prominent form of purpose-built rental housing, and are found in most B.C. communities.

People of all income levels live in rental housing, although low-income households more often rent their homes. In 1996, almost 184,000 renter households had incomes of less than \$20,000, while about 125,000 owner households had similarly low incomes.

Statistics show renters are long-term residents of the community. According to the 1996 Census, 24 per cent of renters had not moved since the 1991 Census. A further 35 per cent of renter households moved within the same community.

For many, renting is a lifelong experience. For some, it provides choice at important points in their lives. Nurses, teachers and other professionals often seek rental housing when coming to a new community. Young adults usually seek rental housing when forming their first independent home. Sometimes, at the end of a marriage, middle-aged adults with children will look for rental housing. Senior citizens may opt for rental accommodation when seeking a smaller home, particularly one with support services, such as a common dining room or housekeeping.

Local Government Involvement

Local governments provide a framework for investors and developers in the development and expansion of a community's residential stock. They adopt policies, strategies and initiatives to address the diverse housing needs and ensure choice for residents of their communities.

Contents

The body of this guide focuses on tools for local government. Some tools are more appropriate in high growth areas, while others are suitable for any community.

Chapter Two describes policies that a local government may develop to address housing issues. Chapter Three describes monitoring techniques, and includes a case study. Chapter Four discusses tools for existing rental housing, including Standards of Maintenance Bylaws, conversion policies, demolition policies, property tax incentives for heritage properties and the federal government's Residential Rehabilitation Assistance Program (RRAP). Chapter Five describes tools to facilitate new construction.

After the checklist provided in Chapter Six, there are five appendices:

- Appendix One reviews facts relating to rental housing in British Columbia, including the type of structure, the age and condition of the stock, and statistics on household income;
- Appendix Two is a table showing general facts concerning rental households aggregated at the provincial level;
- Appendix Three is a table that shows the proportion of rental housing in each municipality throughout British Columbia, as well as the proportion of households paying 30 per cent and 50 per cent of their income to housing costs;
- Appendix Four discusses economic considerations related to rental housing; and,
- Appendix Five is a glossary of terms.

Chapter Two: Housing Policies

This chapter describes housing policies in Official Community Plans, in housing plans or in other policy documents.

Official Community Plan Policies

The Official Community Plan (OCP) is a powerful tool that local governments use to encourage rental housing. Strong housing policies in the OCP can translate into clear direction when reviewing rezoning applications, development permits and requests to convert rental housing to other uses.

For most local governments, the policy statements in the OCP indicate the community's commitment to providing a range of housing choices. These policies provide the framework for more specific policies that may be included in a social plan, housing plan, or neighbourhood or sub-area plan.

Examples:

- The City of **Burnaby**'s Official Community Plan includes a goal regarding special and affordable housing needs. It states the plan will "help ensure that the needs of people with special and affordable housing requirements are met." It says: "Approximately one-half of Burnaby's housing stock is rented. Much of this constitutes Burnaby's affordable housing stock. Burnaby has encouraged the retention of apartment rental stock through a moratorium on conversions of rental units to condominiums. In addition, the City has developed a community density bonusing policy to, in part, seek new or partial replacement of rental housing in larger comprehensive developments."
- The City of **Nanaimo**'s Official Community Plan includes the objective:
 "To provide opportunities for affordable housing: Provide for a range of housing type and tenure, as well as assisted housing, sufficient to meet the needs of city residents."

Other Policy Documents

Local governments may adopt housing plans, social plans, neighbourhood or sub-area plans or policy documents that support the Official Community Plan. These other policy documents may demonstrate how a municipality or regional district addresses topics such as rental housing, affordable housing and special needs housing.

Example:

- The City of **North Vancouver** has rental housing objectives and actions in its *Social Plan*. The plan includes rental housing in several areas, including:
“Objective 3: Define specific City roles and actions which will result in provision of rental and affordable housing which meets a variety of housing needs.”
Several actions related to this objective have been endorsed by the City in the past two years, some which were recommendations of an Affordable Housing Task Force.

Chapter Three: Monitoring the Rental Market

Two important steps in understanding more about rental housing in any community include compiling basic information and monitoring changes over time. There are more external sources of information in large municipalities. Small centres may find that they are able to develop and maintain local databases.

This chapter begins with a discussion on the significance of different information gathered through various data sources, followed by a general introduction to the various data sources. Next, is a detailed discussion of the major sources of information. Wherever possible, there is a description of the data source, what can be learned from it, and a sample report that may be generated from it. When appropriate, the section ends with a caution on the limits of that particular source.

This chapter includes a case study of Terrace, chosen because the rental sector in Terrace is proportionately the same size as the rental sector in the province as a whole. It ends with a summary of monitoring tools.

Significance of Information

Information on different topics assists decision-makers and planners to develop a broader understanding of housing needs in their community.

Property information has three significant uses:

- Information on the structure type and size of properties will help a local government understand the extent of housing choice in its boundaries;

- Information on the mailing addresses of property owners will increase understanding of whether property owners have a physical attachment to the community, in addition to their investment; and
- Tenure information helps a local government understand whether condominiums are absorbing demand for rental housing, or whether there is a pressing need to encourage additional purpose-built rental housing.

Vacancy rates indicate the number of empty rental units compared to the total number of rental units. Sometimes the vacancy rate changes because newly-built units are added to the market, or demolition or conversion to other tenures or uses takes units off the market. Other times the vacancy rate decreases because more households are seeking rental housing.

A low vacancy rate generally signals there are few choices in housing, such as the number of bedrooms or the location. When vacancy rates are low it may be more difficult for someone with a particular need, such as grab rails in the bathroom, to find suitable housing.

If the vacancy rate drops, local governments may wish to adopt policies which limit losses of the rental housing stock through conversion to other tenures or uses or through demolition (see Chapter Four). If the vacancy rate rises, local governments may wish to review other economic indicators, such as employment rates, to determine whether the change in vacancy rates reflects broader changes in the community.

Vacancy rates can be a misleading indicator of the state of rental housing, especially in communities where rental stock is small. For example, if there are 100 units of rental housing and a vacancy rate of seven per cent, there are seven units in the community available. These could be bachelor units, when the people seeking housing are families with children, or they could rent for more than potential tenants can afford.

Rent information can be used as another indicator of supply. When many rental units are available, property owners sometimes lower the rent, concluding lower rent is better than no rent. When few rental units are available, rents may rise with demand. Other factors, such as employment levels, play an important role in setting market rents.

Major Sources of Information

Different sources of information measure different things. The Census, for example, provides comprehensive information on rental housing structures as well as the size, family configuration and income of renter households.

Canada Mortgage and Housing Corporation's (CMHC) annual Rental Market Survey provides reliable information on vacancy rates and rental rates for the purpose-built housing stock. The Rental Market Survey often has a smaller universe of units than the Census, making it difficult to compare data from these two sources.

Some local governments try to determine with more precision the size and nature of the other components of rental housing stock – especially secondary suites and rental condominiums – using a variety of monitoring methods.

All sources of information have their limitations. Therefore, each description of an information source concludes with a cautionary note.

The Census

Conducted every five years, the Census provides a comprehensive and reliable source of data on a wide variety of factors related to housing market issues including:

- type of dwelling unit
- tenure
- household size, type, age structure, income levels
- affordability
- age and condition of dwelling
- length of residency

Information on housing structures and the people who live in these structures are both useful for planning purposes.

Census data are comparable over time and available at municipal and sub-municipal levels, including customized geographies. Data are available in many forms, some available for free on the internet; others through low-cost Basic Summary Tabulations; and more detailed data via customized cross-tabulations at all geographic levels via custom tables, (minimum price in 2001: \$930).

The data are provided, and supported, by staff at the Statistics Canada Pacific Region Office in Vancouver specifically dedicated to all liaison and business dealings with local governments.

There are two cautions concerning Census data. The first caution is that the five-year span between censuses is too broad for the data to provide useful information for communities undergoing rapid change, for instance because a major employer leaves the area. The second caution is that Census data does not distinguish between purpose-built rental housing and units that may be part of the stock on a temporary basis. A 1999 CMHC study found that in Toronto, a significant number of rental condominiums were converted to ownership housing when real estate prices rose.

Sample reports using data from the 1996 Census are included in the Terrace Case Study (p. 13) and Appendix Two.

Canada Mortgage and Housing Corporation's Rental Market Survey

CMHC's Rental Market Survey provides detailed information on vacancies and rental rates in the purpose-built rental housing stock. This survey is conducted every October in 25 B.C. communities.

The vacancy rate information provided through the Rental Market Survey indicates whether there is an adequate supply of housing to provide choice for the diverse housing needs of a community.

Rental rate information provided in the Rental Market Survey is a useful indicator of affordability, especially for lower income community members. Sometimes when rents rise, some tenants are put at risk of homelessness. On the other hand, an increase in rents may encourage investors to develop new stock.

There is one caution regarding the Rental Market Survey. Since the survey includes purpose-built rental apartment buildings with three or more units and condominiums where more than 50 per cent of units are rented, it does not report on vacancies in many rental condominium apartments where only a few apartments are rented. Similarly, it does not report on vacancies in detached houses, duplexes or suites in houses. Census data demonstrates that these are important components of the rental housing stock in communities throughout B.C.

A sample report of the Rental Market Survey is included in the Terrace Case Study (p. 14)

Tax Roll

Municipalities may use the tax roll to develop an indicator of the number of rental properties in their boundaries. Residential properties where the Home Owner Grant is not claimed are likely to be either rental properties or second homes.

Since the tax roll does not directly report on the number of rental properties, a local government must develop its own computer program to extract information on residential properties not claiming the Home Owner Grant. Alternatively, the computer program may provide a multi-dimensional matrix cross-tabulating many components, such as tenure or date of construction.

Table 3-1 provides an outline for a report on residential properties not claiming the Home Owner Grant.

Table 3-1

Sample outline of report on residential properties not claiming the Home Owner Grant

	total	freehold	strata
Structure type			
Total			
Detached houses			
Duplexes			
Triplexes			
Secondary suites			
Townhouses			
Apartments			

There are two cautions about using the tax roll as an indicator of rental housing stock. The first caution is that BC Assessment Authority uses different descriptions of structure type than either the Census or CMHC's Rental Market Survey. Further analysis is required to compare data from these sources. The second caution is that a review of the tax roll will not differentiate between rental properties and second homes. Real estate associations, landlord associations and community-based housing associations may help a local government determine the proportion of rental properties and second homes in the area.

Example:

- The **City of North Vancouver** reviewed its tax roll to add to its knowledge of rental housing. Information technology staff in the City wrote a computer program to extract details on the residential properties not claiming the Home Owner Grant. The report generated by the computer program showed the number of properties by structure and tenure type, e.g., the number of houses, strata townhouses and strata apartments. At the same time, the City extracted information on the number of houses assessed to have secondary suites, as well as information on property owners, e.g., whether their mailing address was inside the City, in the GVRD, in B.C., in Canada or outside of Canada.

Building Activity Data Base and Inventory

Building permit applications state the number of new housing units to be included in a development. Local governments can use this data to update an inventory of rental properties, if they have established one.

Building permits may also provide information on loss of rental housing stock. A permit for redevelopment of existing properties may signal a conversion of tenure from rental to ownership. A local government may wish to develop policies and procedures on reviewing such applications to ensure the community does not experience a net loss of affordable rental housing stock.

Table 3-2 provides an outline of a report that could be generated using building permit data. Since each local government collects building permit data in different ways, specific content in such a report will vary from community to community.

Table 3-2

Sample outline of a report on changes to the rental housing stock using building permit data

	Number of additional rental units	Number of rental units lost due to conversion or demolition	Net change to rental housing stock	Notes
<i>Redevelopment</i>				
- houses to townhouses [†]				
- cottages to low-rise apartments [‡]				
- houses to low-rise apartments				
- low-rise apartments to high-rise apartments				
- suites in houses				
<i>New Construction</i>				
- houses				
- townhouses				
- duplexes				
- apartments				

Notes to the table:

- † An increase in density may signal more rental housing, or it may signal a loss of stock as small affordable houses are redeveloped as ownership housing.
- ‡ Throughout B.C., many seniors housing developments sponsored by church groups or service clubs are being redeveloped.

There are two cautions to using building activity data as the only source of a rental housing inventory. First, almost half of the rental housing in B.C. was built between 1960 and 1980; therefore, this stock must be included in the inventory. Most municipalities will not find it practical to extract information on these buildings since permits were issued manually, with no computer tracking. Second, larger local governments may find that many resources are required to establish a rental property data base that includes permit data. However, once a data base has been established, it is comparatively easy to generate regular reports on changes to the rental housing stock.

Examples:

- The City of **Burnaby** has a multi-unit housing data base. Burnaby’s data base is compiled from building permit and rezoning records and includes structure type, number of units, tenure, date of construction and address. This serves many users, including fire prevention staff, police, garbage and recycling coordinators and the school board for school planning purposes.
- In the City of **Nelson**, a major study on the rental market was conducted in 1996. The report is updated regularly on the basis of building permit, starts and completions data with the result that Nelson has a comprehensive inventory of its housing stock.

- In 2000, the City of **North Vancouver** initiated a data base project to track residential properties.

Newspapers

Local governments may learn detailed, up-to-date information about the composition and dynamics of the local housing market by monitoring newspaper ads. It is, however, labour intensive.

Table 3-3 provides an outline of a report on rental housing that could be generated as a result of monitoring newspaper ads. The table could be expanded to report on townhouses, suites in houses (secondary suites), or rooms in apartments, townhouses, detached houses or residential hotels.

Table 3-3

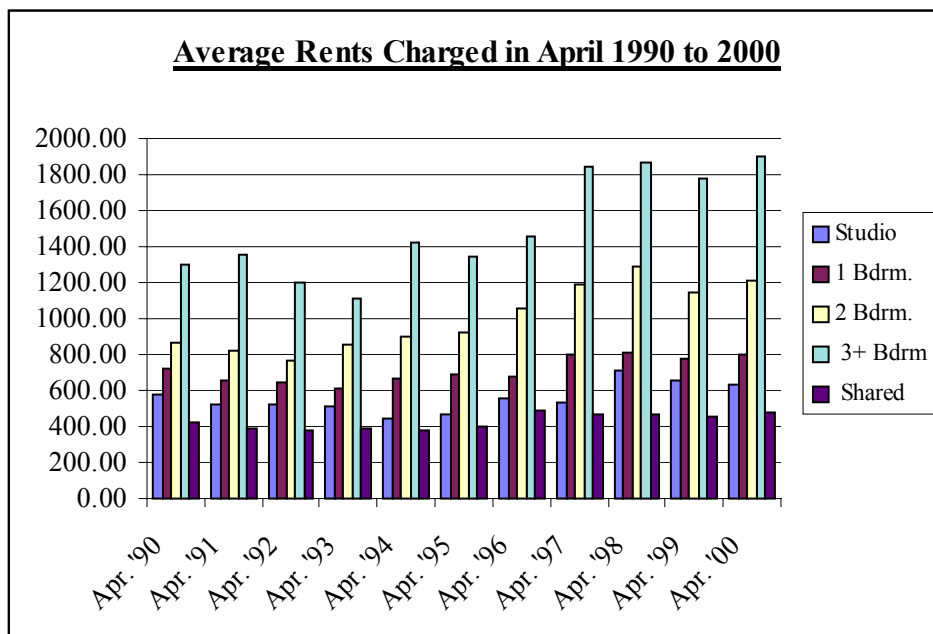
Sample outline of a report on changes to the rental housing stock using newspaper ads

Report for Month of xxx					
	Bachelor	1 Bedroom	2 Bedroom	3 Bedrooms +	Total
<i>Apartments</i>					
Number of Units					
- change (month to month)					
- change (year to year)					
Average Rent					
- change (month to month)					
- change (year to year)					
<i>Detached houses</i>					
Number of Units					
- change (month to month)					
- change (year to year)					
Average Rent					
- change (month to month)					
- change (year to year)					

Example:

- The Resort Municipality of **Whistler** monitors the local newspapers on a weekly basis and maintains a data base incorporating published information on vacancies and rents. Figure 3-1 is a chart from one of its reports.

Figure 3-1: Average April Rents for Available Rental Housing in Whistler in 1990 to 2000



Landlord Associations/Realtors

In many communities real estate professionals such as realtors are very knowledgeable about local markets, rental as well as ownership. Local governments may wish to invite landlord associations or real estate professionals to contribute their knowledge of the rental housing market and how the community is meeting its housing needs. Realtors also serve as the first point of contact to potential investors in a community. They may provide information on the level of interest in new development and the impact this development may have on the demand for additional housing.

Tenant Groups, Community Housing Advocates, Non-Profit Housing Societies

Where they exist, these groups may have specialized knowledge about local rental markets. Local governments may wish to have regular meetings with them to discuss local housing trends and issues.

Housing Registries

Housing Registries, where they exist, provide information on the supply or demand for affordable or special needs housing in a community. *The Link*, a directory of non-market housing published by BC Housing, is an example of a housing registry from the supply perspective. An example of a housing registry from the demand perspective is a list of persons using mobility aids seeking accessible housing.

Enrolment in a registry is usually voluntary, so statistics gathered through a housing registry suggest supply and demand conditions. For example, a housing registry might indicate a strong demand for family housing if 60 per cent of the people enrolled in the registry are seeking family housing. Similarly, a housing registry might indicate a robust supply of one-bedroom apartments if 75 per cent of the listings were of that size and structure type. A community could also learn that its housing needs were not met if the majority of people seeking housing are families and the majority of units are suitable for single people or couples.

Examples of multi-source monitoring practices:

- The Town of **Sidney** monitors business licenses, as well as CMHC reports;
- In the City of **Terrace**, the rental market is monitored closely by municipal officials because the market was very tight for a number of years; and
- In the City of **Victoria**, where two-thirds of the population lives in rental housing, monitoring is done on the basis of Census and CMHC data, and on bylaw enforcement.

The following case study briefly indicates how a municipality monitors its rental market in a way that requires relatively few resources.

Case Study: Terrace

This case study illustrates the types of available information and how it can be interpreted to understand the rental market. The most up-to-date information available from each data source is used. The case study ends with a discussion of the difficulties of comparing data from sources that report on different information collected at different times.

Background

The City of Terrace initiated a process of monitoring the rental market when faced with a low vacancy rate (three per cent to five per cent). The objective was to develop a data base, assess the information, and prepare an information report.

Using the information, the Planning Services Department developed a strategic approach for dealing with the issue, and encouraged developers to meet demand. The Planning Services Department shared the information report with the Building Inspection, Engineering and Economic Development Departments. It also made the report available to local media.

CMHC's Rental Market Survey is the foundation of the City's annual information report. It supplements data from the Rental Market Survey with data gained by reviewing the rental housing classified ads in the local newspaper, reports on the number of "for rent" signs posted around the community, and building permit data.

Data and Sources

Rental Market Survey: In the October 2000 Rental Market Survey in Terrace, CMHC found there were 502 rental apartments in Terrace, 93 of which were vacant. As Table 3-4 shows, these vacancies were spread across all unit sizes and housing forms indicating renters probably had choice when seeking rental housing. Overall, the city had a vacancy rate of 16 per cent.

Table 3-4: Rental Vacancies and Average Market Rents in Terrace, B.C. October 2000

	Bach	1 Bed	2 Bed	3 Bed +	Total
APARTMENTS					
Units Surveyed	36	148	272	46	502
Vacancy Units	8	34	42	9	93
Vacancy Rate	22.2%	23.0%	15.4%	19.6%	18.5%
Average Rent	\$408	\$467	\$542	\$641	
Rent Chg. (Yr./Yr.)	-4.4%	-3.9%	-5.7%	-0.9%	
ROWHOUSES					
Units Surveyed	-	3	93	66	162
Vacancy Units	-	-	9	5	14
Vacancy Rate	-	-	9.7%	7.6%	8.6%
Average Rent	-	-	\$602	\$639	
Rent Chg. (Yr./Yr.)	-	-	0.7%	-7.0%	
OVERALL					
Units Surveyed	36	151	365	112	664
Vacancy Units	8	34	51	14	107
Vacancy Rate	22.2%	22.5%	14.0%	12.5%	16.1%
Average Rent	\$408	\$464	\$557	\$639	
Rent Chg. (Yr./Yr.)	-4.4%	-3.9%	-4.1%	-4.8%	

Source: CMHC Rental Market Survey

Building permit data: In 1998, building permits were issued for two secondary suites and four duplex units. In 1999, building permits were issued for four secondary suites and four duplex units. In 2000, permits were issued for one secondary suite and two duplex units. The city was aware of plans for a supportive housing for seniors development, as well as a proposal for a 22-unit building.

In the 1990s, like many resource-based communities, Terrace experienced an economic slowdown which is reflected in the small number of building permit applications for rental housing.

Newspaper ads: In December 2000, the length of classified ads in newspapers was about the same as it had been in the same period in the previous year. Throughout the year, there were no unusual fluctuations in the number of “for rent” ads.

A constant number of ads for rental housing indicates that there have not been any significant changes in the supply of rental housing. It may also signal that the demand for rental housing is static.

For rent signs: By December 2000, the number of “for rent” signs had increased throughout the community over a six-month period. This left the impression that the number of vacancies had increased.

Additional Information

When preparing its reports, the City of Terrace did not have access to Census data. However, it is included in this case study to illustrate the sort of information that is available from the Census, and which may help the community in understanding its housing needs.

Census Data

Data from the 1996 Census shows there were 1,540 renter households in the City, which accounted for one-third of all Terrace households. Low-rise apartment buildings are the most common structure type. In Terrace, many renter households have three or more members. Most rental properties have two bedrooms. Some of the data relating to Terrace are included in Table 3-5 on page 14. Appendix Two provides detailed data aggregated at the provincial level.

Discussion

CMHC’s Rental Market Survey reported on 664 apartments and townhouses in Terrace in 2000. The 1996 Census reported 850 households were living in rental apartments and townhouses, as well as 580 households living in rental secondary suites, duplexes and detached houses. More than half the households reporting a rental tenure in the Census are not included in the Rental Market Survey.

Although the number of renter households has changed between the 1996 Census and the 2000 Rental Market Survey, the difference in these data sources results from the universe covered by each survey. CMHC surveys purpose-built rental apartment buildings containing three rental units or more and multi-unit condominiums where more than 50 per cent of units are rented. The Census reports on all households filling out an enumeration form.

Given the current high vacancy rate in Terrace, the lack of information on rental houses, condominiums and secondary suites in CMHC’s Rental Market Survey may not be critical. However, when vacancy rates are low, it may be more important to try and identify conditions in the components of the rental market which are not measured by the Rental Market Survey. Newspaper ads and local real estate professionals may provide some of this information.

In addition, Terrace may benefit by tracking the loss of rental units, and the impact of the loss on the community. A spreadsheet on conversions and losses could be developed and updated. Maps may assist planners to identify neighbourhood trends.

Table 3-5

Select facts on renter households in Terrace, based on the 1996 Census

	Terrace	per cent	per cent of type	B.C.	per cent	per cent of type
Total population	12,779			3,724,500		
Total households	4,345			1,424,620		
Renter households	1,540	35%		491,540	35%	
Structure type						
all dates of construction, all incomes	1,540			491,540		
high-rise	0		0%	60,505		12%
low-rise	650		42%	202,245		41%
Townhouse	200		13%	36,135		7%
duplex/suite in a house	310		20%	71,100		14%
Detached	270		18%	112,540		23%
Need for repair						
in need of major repair (all types)	210		14%	45,400		9%
in need of minor repair (all types)	415		27%	116,990		24%
in need of regular maintenance	910		59%	329,155		67%
Size						
no bedroom/bachelor	180	12%		75,255	15%	
one bedroom	260	17%		151,225	31%	
two bedrooms	610	40%		142,140	29%	
three or more bedrooms	490	32%		122,915	25%	
Householder information, all dates of construction, all structure types						
Household income						
total renter households with income	1,540			491,540		
<\$20,000	500	32%		185,735	38%	
\$20,000-\$29,999	290	19%		80,530	16%	
\$30,000-\$39,999	200	13%		67,900	14%	
\$40,000-\$49,999	180	12%		52,015	11%	
\$50,000+	360	23%		105,355	21%	
Household size, income not a factor						
one person	470	31%		189,555	39%	
two persons	425	28%		151,070	31%	
three or more persons	635	41%		150,915	31%	
Average Income of rental households	\$35,343			\$33,910		
Median Income of rental households	\$28,771			\$27,072		

Chapter Summary

The statistics described in this chapter provide a useful snapshot of the rental market in B.C. communities. Census data provide information on the number of renter households, and whether renters live in houses or in apartment buildings. CMHC provides information on vacancy rates, rents and the size of the purpose-built rental stock in 25 B.C. municipalities. Building permit data can be used to track additions to the purpose-built supply, as well as to indicate loss of stock which is being converted to other uses or tenures. Newspaper ads often state the size, location and price of rental housing, from which issues and trends may be identified.

The various monitoring tools all help a local government determine whether the rental housing stock offers choice and meets the diverse housing needs of the people within their community. Each monitoring tool provides different information. When data from a variety of sources are combined, a local government may gain a broad understanding of the rental housing market and the people who rely on it.

Chapter Four: Tools for Existing Rental Housing

This chapter outlines some ways in which a local government can implement its Official Community Plan policies by facilitating and encouraging continued investment in existing rental housing. Standards of Maintenance bylaws, conversion policies, demolition policies, property tax incentives for heritage properties and the federal government's Residential Rehabilitation Assistance Program are discussed.

Standards of Maintenance Bylaws

Description: Standards of Maintenance bylaws establish basic levels of maintenance for rental accommodation and provide enforcement mechanisms. Local governments can use this bylaw to ensure that minimum standards of comfort and safety are met in apartment buildings, secondary suites, houses and condominiums that are rented and any other types of rental housing, such as single room occupancy (SRO) hotels, residential motels or rooming housing.

The provincial government published the *Standards and Maintenance Guide and Model Bylaw* in 1996 to assist local governments to address local needs. The document is available on the Internet (<http://www.mcaws.gov.bc.ca/housing/>).

Examples:

- The possibility of a standards bylaw is being investigated in the City of **Coquitlam** as a way of ensuring that secondary suite quality remains high, since it is not legally possible to mandate owner-occupation as a requirement of secondary suite approval.

- The City of **North Vancouver** has had a Standards of Maintenance bylaw for years and updated it in 1998. The bylaw is a resource for both tenants and landlords looking for guidance on health and safety standards.
- The City of **Vancouver** has a Standards of Maintenance bylaw, and regular inspections are restricted to SRO units.
- The Township of **Esquimalt** adopted a Maintenance of Property bylaw in 1996 based on the model bylaw published by the provincial government. The bylaw addresses maintenance standards for rental property and includes a section for unsightly premises applicable to all real property.

Conversion Policies

Description: Rental housing is sometimes subject to conversion to condominium ownership housing, or to another use, such as backpacker hotels.

Condominium Conversion: Many local governments adopt policies to determine the conditions under which they will prevent conversion to condominium ownership housing. The most common condition is when the community's vacancy rate falls below a stipulated level, such as five per cent.

Examples:

- In the City of **Burnaby**, condominium conversions of multi-unit apartment buildings are prohibited under all circumstances.
- In the City of **Coquitlam**, Council may entertain conversions if the apartment vacancy rate in Coquitlam and/or the GVRD is four per cent or more. If an application were to be considered by Coquitlam Council, all appropriate building codes would have to be met and at least 60 per cent of the affected tenants would have to approve the conversion. Those not wishing to buy would be guaranteed a lease for at least three years.
- In the District of **Esquimalt**, Council encourages the conversion of rental housing to condominiums, particularly where duplexes and triplexes are owned by absentee landlords and do not appear to be maintained to the neighbourhood standard.
- Although condominium conversions were strongly opposed in the early 1980s, the City of **Kamloops** no longer enforces a condominium conversion policy, preferring instead to achieve a mix of housing types and tenures through negotiations with developers of large subdivisions. Kamloops also takes the view that the nature of the rental market has changed substantially in the late 1980s and 1990s. The number of secondary suites, duplexes, and other low density forms of rental accommodation has grown, reducing the need to develop tools focused on purpose-built rental housing.
- The condominium conversion policy in the **City of North Vancouver** permits the consideration of conversions when the vacancy rate has exceeded four per cent for 12 consecutive months.
- The District of **Salmon Arm**'s policy is:
 "The conversion of rental multi-family dwelling units to strata title multi-family dwelling units will not be approved unless the rental vacancy rate within the District of Salmon Arm is four per cent or greater."

- The City of **Vancouver**'s Strata Title and Cooperative Conversion Guidelines provides for Council consideration of a request to convert as long as two-thirds of the tenants approve and other related conditions are met, *not* including a vacancy rate test.

Converting use: Rental stock is sometimes lost when buildings are converted to other uses, such as a bed and breakfast or a backpacker hotel. Before granting a rezoning, or issuing a building permit or a business licence, a local government may want to consider whether conversion to new use will adversely affect the affordable rental housing stock.

Example:

- The City of **Victoria** amended its Bed & Breakfast rezoning policy in November 2000 to include: "Consideration will be given to ... the impact on the stock of affordable housing..."

Demolition Policies

Description: Rental housing stock is sometimes lost due to demolition. When rental housing stock is demolished, it is most often replaced with ownership housing in the form of condominiums. This housing is often not affordable to the displaced rental households.

Examples:

- The City of **North Vancouver** established a moratorium on the demolition of rental units from November 1989 to July 1990, a time of extreme pressure in the housing market. Any such initiative should only be considered by local governments if legal advice has first been obtained.
- The City of **Vancouver** charges \$1,000 per unit for a demolition permit in order to discourage demolitions. The City also has a Rate of Change policy, which would apply, for example, when an existing rental building is slated for demolition and replacement. Under the policy, affected tenants must be consulted and dealt with fairly.

Policies on Heritage Buildings

Local governments may consider adopting policies to facilitate the use of heritage buildings as rental housing. One mechanism is to provide property tax exemptions for heritage properties. Another is to provide assistance through grants.

The provincial government published *Heritage Conservation: A Community Guide* in 1995 to assist local governments to address local needs. The document is available on the Internet (http://www.mcaws.gov.bc.ca/heritage_branch/conserves/int.htm)

Property Tax Exemptions for Heritage Buildings

Description: Local governments may provide property tax exemptions for up to 10 years to the owners of heritage buildings. Unlike other forms of assistance, a local government can provide assistance in the form of property tax exemptions to businesses or commercial undertakings provided the property is protected as a heritage property, is subject to a heritage revitalization agreement, or is subject to a restrictive covenant that relates to the conservation of heritage property.

Examples:

- The City of **Victoria**'s Heritage Tax Incentive Program provides property tax exemptions that compensate for the cost of seismic upgrading.
- In 2001, the City of **Kamloops** was developing a property tax exemption policy with respect to heritage properties.

Other Local Government Assistance

Local governments may consider adopting policies to provide assistance to property owners using heritage homes as rental housing.

Example:

- The City of **Burnaby** provides grants to owners of qualifying heritage buildings to assist in the cost of improvements for affordable housing. Burnaby uses gaming revenues to fund this grant program.
- The City of **New Westminster** provides heritage endowment grants to qualified applicants to assist in the cost of improvements of rental properties in heritage buildings. New Westminster funds this program through gaming revenues.

Federal Residential Rehabilitation Assistance Program

This tool is designed to support landlords. Local governments wishing to promote continued investment in rental housing may refer property owners to the federal government's program to assist property owners in repairing older buildings. The Residential Rehabilitation Assistance Program (RRAP) is intended to help fund repairs and modifications in order to assist in preserving Canada's stock of affordable housing. It is administered by CMHC.

Rental RRAP helps landlords with affordable housing pay for repairs of units occupied by low-income tenants. The funding is intended for repairs in one or more of five categories including structural, electrical, plumbing, heating, and fire safety. Another component of RRAP assists landlords in modifying a rental unit for a tenant with disabilities. A third component provides assistance to owners of rooming houses or residential hotels, often called single-room occupancy hotels or SROs.

Under the Rental RRAP, forgivable loans are available for mandatory repairs to bring rental units up to minimum health and safety standards, and extend the useful life of a dwelling for at

least 15 years. The loans are fully forgivable up to one hundred percent of the cost of mandatory repairs up to maximums set by CMHC. Only the costs of mandatory repairs related to units occupied by tenants with incomes below the Core Need Income Thresholds are eligible for assistance. Landlords must enter into an agreement that places a ceiling on the rents that may be charged after the repairs are completed, and limits rent increases during the term of the agreement. The landlord must also agree to limit new occupancy to tenants with incomes below the Core Need Income Thresholds.

More information is available from your regional RRAP administrator, or from CMHC's B.C. and Yukon Regional Office in Vancouver.

Chapter Summary

The chapter identified ways in which a local government can facilitate and encourage continued investment in existing rental housing. A local government can define standards of comfort and safety for residential rental properties through a Standards of Maintenance bylaw. Where properties fall short of the standards, a local government can encourage rental property owners to apply for funding from the federal government's Residential Rehabilitation Assistance Program.

A local government can express its support for rental housing by adopting policies regarding the conversion of rental properties to other tenures or uses. It can also adopt policies and procedures regarding applications to demolish rental housing.

A local government can provide direct support to owners of heritage properties through property tax exemption programs or other assistance.

Chapter Five: Tools to Facilitate New Rental Housing

This chapter discusses ways in which a local government can facilitate and encourage development of new rental housing. A local government articulates community interest in various housing forms and densities through its zoning bylaw. It can negotiate changes to its zoning requirements through tools such as comprehensive development zoning, density bonuses and inclusionary zoning. By entering into a housing agreement, a local government can ensure the community continues to enjoy any benefit accrued through the zoning tools.

Some administrative tools, such as providing written or Internet information on municipal requirements, streamlining approvals and providing assistance to community groups, also facilitate development of new rental housing.

Zoning

Description: In many municipalities and regional districts, zoning is a commonly used planning tool. Zoning deals specifically with matters of land use designation, building size and site restrictions, and subdivision regulation.

Because rental housing is often thought of as multi-unit buildings, medium- to high-density zoning is often associated with rental housing. A local government may maintain existing zoning in older rental neighbourhoods, as a way of demonstrating its commitment to the affordability of this housing stock, especially in the face of redevelopment pressures.

Within the umbrella of zoning, local governments sometimes use density bonuses, comprehensive development zoning, inclusionary zoning and housing agreements as mechanisms to encourage the building of affordable rental housing.

Density Bonuses

Through density bonuses, a local government enters into a contract with a developer to increase the number of housing units or total floor area on a site, in return for affordable or special needs housing, or amenities. Density bonusing is most successful in areas that experience sustained pressure for growth, and when development is considered attractive in terms of economic benefits and community acceptance.

The provincial government published *Density Bonus Provisions of the Municipal Act* in 1997 to assist local governments considering use of this planning tool. The document is available on the Internet (www.gov.bc.ca/mcaws).

Examples:

According to a survey conducted in the summer of 2000 of how local governments in British Columbia plan for housing, 32 municipalities and regional districts reported using density bonuses to increase the supply of affordable housing or acquire community amenities.

- The City of **Burnaby** used bonus density in conjunction with comprehensive development zoning of a high-rise apartment site to obtain, at no cost to the City, four housing units for special needs tenants. These were rented at the BC Benefits rate for shelter allowance.

Comprehensive Development Zoning

Comprehensive development zoning is used to increase flexibility in allocating density and land uses on particular sites. It allows for mixed residential/commercial developments, and provides an opportunity for municipalities to negotiate for affordable housing or public amenities. Comprehensive development zoning can be, and often is, used in conjunction with density bonusing and housing agreements. Comprehensive development zoning, density bonusing and housing agreements are not mutually exclusive. The main difference is that comprehensive development zoning often has a rezoning component to it, while the others may not.

Example:

The 2000 survey of local governments showed that 44 local governments use comprehensive development zoning.

- The City of **Burnaby** used comprehensive development zoning to gain a 14-unit purpose-built rental building with a subsidized daycare unit and, in conjunction with bonus zoning, four special needs rental units that will be rented at B.C. Benefits rate for shelter allowance.

Burnaby also has a policy to not consider upzoning requests for an area of the city characterized by a large number of older three and four storey walk-up apartments. The area is adjacent to major shopping, recreational, and transportation facilities – prime territory for redevelopment. The existing rental housing stock is considered to be under pressure for redevelopment to some other use.

Inclusionary Zoning

Through inclusionary zoning requirements, a local government may require a developer to include a variety of tenure types and housing structures in a development. For example, through inclusionary zoning, a local government may require that 20 per cent of a 15-hectare development be rental housing, and that half the rental housing be of a sufficient size to accommodate families.

Inclusionary zoning is often implemented through local area plans. Through inclusionary zoning policies, a local government sets objectives for mixed density and mixed use. The local government might then use comprehensive development zoning as the method to implement inclusionary zoning.

Inclusionary zoning is most effective in areas where large parcels are being developed. Other tools are more effective in existing neighbourhoods, where most new development is in-fill housing.

The 1999 CMHC study entitled *Municipal Regulatory Initiatives: Providing for Affordable Housing* discusses inclusionary zoning at length. It states mandatory programs in the USA, where builders are required to contribute to affordable housing as a condition of development approval, are usually offered in conjunction with density bonuses, fee waivers, fast-tracked approvals and alternative development standards.

Example:

According to the findings of a 2000 survey of local governments in British Columbia, eight municipalities and one regional district were using inclusionary zoning to facilitate the construction of affordable housing.

- The City of **Burnaby** has used inclusionary zoning as a tool to obtain a purpose-built 14-unit rental building with a subsidized day care as part of a rezoning of a large industrial property to a high-density residential district. The building's tenure was secured through a housing agreement.

Housing Agreements

Housing agreements provide a mechanism for local governments to negotiate the provision of rental housing, and to secure rental housing units over the long term. They may include terms and conditions related to the tenure of the units, the availability of the units to groups identified in the agreement (e.g., seniors), administration and management of the housing units, and prices or rents that may be charged.

Housing agreements are a legal agreement between a land owner/developer and the local government. They may include third parties, such as non-profit housing societies. They bind a land owner to provide housing under the terms and conditions specified in the agreement, and are registered as a notice on the property title. In order to enter into a housing agreement, the local government must pass a bylaw.

To ensure the terms promote development, borrowers should seek expert financial advice prior to entering into a housing agreement.

Example:

According to the findings of a 2000 survey of local government's use of planning tools, 29 local governments reported they use housing agreements.

- The City of **Vancouver** used a housing agreement in conjunction with rezoning approval for The Edge, a mixed income housing development containing 150 live/work suites that provide affordable rental housing. Occupied in April 1999, 120 are strata-title market units and 30 units are affordable rental housing. Fifteen of the rental units are available to low income tenants at the B.C. Benefits shelter allowance rate; the remaining 15 are rented at the low end of market rates. There are no capital grants or operating subsidies from any level of government in this project.

To achieve rezoning of industrial land to allow live/work units, the developers entered into a housing agreement with the City of Vancouver, providing 22 units to the City at no cost. The City purchased an additional eight units for \$782,900. The purchase price for the eight units is covered through a 25-year mortgage that will be recovered through the rents paid on all 30 units. Once the mortgage is paid, rental income will add to the City's Affordable Housing Fund, to be used for other projects. This is a mechanism to provide publicly owned housing in perpetuity with no public subsidy.

Administrative Actions

Information

Written information, such as a guide to the development process or a brochure on municipal requirements regarding secondary suites, may facilitate development of rental housing. Brochures and checklists assist small scale developers, such as community groups considering development of seniors housing or property owners wishing to add a secondary suite to their

home, to prepare their applications. They also ensure developers are aware of all permit and approval requirements.

Examples:

- The **City of North Vancouver** has many handouts and checklists available at City Hall and on the city's Web site (<http://www.cnv.org>).
- The *Application Process* handout describes the steps required to obtain zoning and building approvals. The *Secondary Suites Code Specifications* handout describes B.C. Building Code requirements for secondary suites as well as the City's zoning requirements.
- The City of **Kelowna** has a variety of information on its bylaws and procedures available at City Hall and on its Web site (<http://www.city.kelowna.bc.ca>). One handout shows the forms of housing that meet density requirements of its zoning bylaw. *Generalized Residential Zoning Density Spectrum* has photographs showing buildings with a typical number of housing units per zone, along with a table stating the allowable structure types in each. Another handout entitled *Building Permit Works and Services Requirements* handout shows when applicable works and services, such as water, sewers and road dedications, are required for new or replacement housing.
- The City of **Victoria** has a three-page catalogue of publications available from Victoria's City Planning Division. Titles include *Add a Suite in Your House* and *Transient Accommodation Conversion Guidelines*.

Electronic Applications

Description: Local governments may facilitate the development of rental housing by providing permits on the Internet. This allows developers, particularly family businesses and property owners wishing to add secondary suites, access to forms or services after office hours.

Many municipalities offer blank forms on their Web site. Several municipalities process plumbing, gas and electrical permits through a fully interactive filing and fee collection services. This service is sometimes not extended to building permit applications because of *Homeowner Protection Act* requirements for proof of insurance and new home warranty coverage.

Examples:

- The City of **Chilliwack** posts its building-related application forms on its Web site, providing after hours access to developers.
- The City of **Prince George** accepts applications for plumbing permits from developers who have accounts with the City.

Fast Tracking Development Approvals

Description: Fast tracking development approvals is a way local governments can facilitate the development of additional rental housing in their communities. Fast tracking allows a project to be given priority over other applications in the development review process.

When considering fast tracking policies, a local government may consider its housing priorities as well as the resources required to implement the policy.

Example:

According to a 2000 survey of local governments, 19 local governments said they successfully use fast tracking to promote development of affordable housing. Most often, fast tracked approvals are offered to non-profit societies for non-market housing developments.

Fee Structures

Description: Local governments may facilitate the development of rental housing by charging lower fees for services such as rezoning application reviews or water connections.

Example:

- The District of **Salmon Arm** set its rezoning application fee for property owners wishing to develop a secondary suite at \$500. This is lower than the \$800 fee charged for other residential rezoning requests.

Assistance

Description: Local governments may provide assistance for affordable housing directly to community groups, often in conjunction with a housing agreement. This may be done by providing land, grants to community organizations or by waiving fees. Assistance may not be provided to an industrial, commercial or business undertaking, except for heritage conservation.

Examples:

- In cases where non-profit groups build affordable housing, the City of **Burnaby** offers assistance to offset the cost of extraordinary environmental enhancements or heritage improvements.
- The City of **Grand Forks** leases city-owned land for a 25-unit affordable rental housing development by way of a 60-year lease at \$1 per year. Grand Forks used a housing agreement to ensure the development would be occupied by low income community members over the lease period.

Chapter Summary

A local government can act in a variety of ways to facilitate the development of new rental housing.

The zoning tools of density bonuses, comprehensive development zoning, inclusionary zoning and housing agreements are sometimes used together to ensure new development provides choice, and meets the diverse housing needs of a community.

Administrative actions, such as providing information, offering electronic permit applications, or giving priority to some development applications in the approval process, may also facilitate development of new rental housing. A local government may offer assistance in the form of grants or waived fees to community groups wishing to develop affordable rental housing.

Chapter Six: Checklist

Local governments have a variety of tools for encouraging investment in market rental housing. Housing policies in the OCP serve as the foundation for subsequent actions, initiatives and strategies. By monitoring the rental housing stock, a local government can develop meaningful plans. Information on the extent and character of rental housing, as well as the people who depend on rental housing, can be assembled from a variety of sources.

Policies on conversion to other uses, demolition and heritage conservation are other important statements of a community's interest in affordable rental housing. Standards of Maintenance bylaws and CMHC's RRAP address community standards on the continued liveability of rental housing units.

Zoning is the tool used most often by local governments. A community's interest in their existing rental housing stock, as well as the appetite for redevelopment to often more costly housing, can be expressed through statements of allowable density in the zoning bylaw. Comprehensive development zoning and bonus density are instruments within the zoning tool which allow a local government to work with a developer to ensure rental housing

The tools list on the next two pages provides a quick checklist of opportunities for local government decision makers.

Checklist: Tools a Local Government May Wish to Consider

Housing policies in the Official Community Plan

- ❑ OCP policies provide clear direction when considering rezoning applications, development permits and requests to convert rental housing to other uses.
- ❑ OCP policies indicate the community's commitment to providing a range of housing choices and meeting diverse needs.
- ❑ Policies and strategies in housing, social or other plans provide direction on implementing the broad policy statements in the OCP.

Monitoring tools - information sources

- ❑ Census reports on structure type and household characteristics at five-year intervals.
- ❑ CMHC Rental Market Survey reports on the vacancy rate and rent rates in purpose-built rental housing in 25 B.C. communities.
- ❑ Tax roll provides indicator information on structure type, size and location of properties that may be rental housing.
- ❑ Building activity data base and inventory provides information on new or redeveloped rental housing.
- ❑ Newspapers provide information on unit size and price of rental units in the community.
- ❑ Local landlord associations/realtors provide knowledge of local housing market conditions that is useful when identifying trends.
- ❑ Housing societies, non-profit organizations provide knowledge of local housing market conditions, particularly in relation to special needs housing or for citizens with low incomes.
- ❑ Housing registries serve as indicators of demand or supply, often for citizens with special needs.

Standards of maintenance bylaws

- ❑ Through a standards and maintenance bylaw, a local government may establish and enforce basic levels of maintenance for comfort and safety in rental accommodation.

Conversion policies

- ❑ Condominium conversion policies can be used to prohibit the conversion of rental properties to condominium ownership unless certain conditions are met.
- ❑ Local government policies can also be used to ensure rental properties are not converted to other uses, such as backpacker hostels or bed and breakfasts, if the conversion would deplete the supply of affordable rental housing.

Demolition policies

- ❑ Policies to restrict demolition of rental apartment buildings may ensure a community does not lose affordable rental housing stock. When considering such policies, local governments should seek legal advice.

Policies on heritage buildings

- Property tax exemptions may be granted to owners of heritage buildings who conserve the heritage appearance of their building. Exemptions may be considered for property owners who provide rental housing by converting vacant or underused space.
- Local government assistance may be provided to property owners using heritage homes as rental housing

CMHC's Residential Rehabilitation Assistance Program (RRAP)

- Assistance for rental properties and rooming houses needing repair is available through CMHC.

Zoning

- Density bonuses allow a local government to grant permission for an increased density in a housing development in return for a guarantee of affordable housing.
- Comprehensive development zoning allows a local government to increase flexibility in allocating density and land uses on particular sites.
- Inclusionary zoning allows a local government to require a developer to include rental housing in the development or redevelopment of a large parcel of land.
- Housing agreements are contractual agreements, accompanied by notice on a land title, through which a local government obtains a guarantee that a benefit gained through other zoning tools continues to be available over a long term.

Administrative actions

- Information in the form of brochures, checklists or web pages, may facilitate development by guiding applicants through the development process, providing lists of required documents and permits, or outlining policies.
- Electronic permitting facilitates development by providing a developer with access to municipal forms outside office hours.
- Fast tracking development approvals facilitates development by giving priority to proposals which meet established criteria for increasing a community's housing stock in a predetermined area, such as rental housing for seniors.
- Fee structures may be adjusted to facilitate specific types of development, such as secondary suites.
- Assistance may be provided to community groups developing rental housing.

Appendix One: Facts about Rental Housing in British Columbia

This appendix provides background information on rental housing stock in B.C, as well as statistics about the people who live in rental housing. It includes basic information such as number of units, type of structure (apartment buildings, single detached houses), age and condition of the stock, and other similar characteristics.

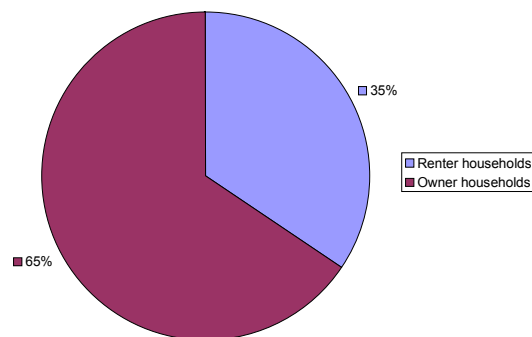
Most of the statistics in this section refers to province-wide data. From time to time, specific municipalities are compared to illustrate a point. Local governments are encouraged to analyze the Census data pertaining to their area in more detail than is presented in this document.

Most of this appendix is based on data from the 1996 Census, which includes all renter households, not just renters living in purpose-built rental housing. By reporting on households, the Census provides detailed information on rental housing.

Number of Renter Households

In the province as a whole, one-third of all households are renters, as illustrated in Figure A1-1. Within the province, the proportion of renters varies widely from a low of 12 per cent in the District of North Saanich to a high of 63 per cent in the City of Victoria. Renter households are a majority in only a very few municipalities. In addition to the City of Victoria, these include the City of Vancouver (58 per cent), the Resort Municipality of Whistler (57 per cent), the City of North Vancouver (55 per cent), the City of New Westminister (54 per cent) and the District of Esquimalt (53 per cent). In the rest of the province, owners outnumber renters.

Figure A1-1: Proportion of Households, by Tenure, 1996.



Source: 1996 Census

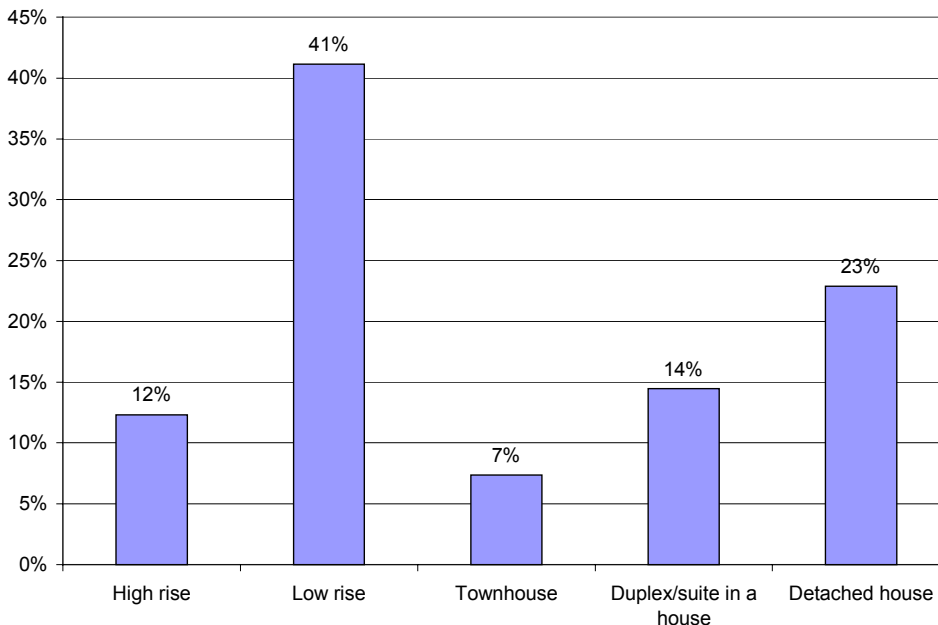
In municipalities with populations of less than 50,000 people, the rental stock is just as significant a component of the housing market as it is in larger centres and sometimes it is much more significant. In the cities of Penticton, Prince Rupert and Dawson Creek, close to 40 per cent

of all households are renters. Appendix Three shows the proportion of renters in all B.C. municipalities that were incorporated at the time of the 1996 Census.

Rental Stock by Type

In B.C., two out of five (41 per cent) renter households live in low-rise apartment buildings. About one-quarter (23 per cent) rent a detached house, and a further one in seven (14 per cent) live in a secondary suite or duplex. Almost as many renter households in B.C. live in a detached house or a duplex as live in a low-rise apartment building. The remaining renter households (19 per cent) live in high rises or townhouses. Figure A1-2 shows the proportion of renter households living in each structure type.

Figure A1-2: Proportion of Renter Households by Structure Type, 1996



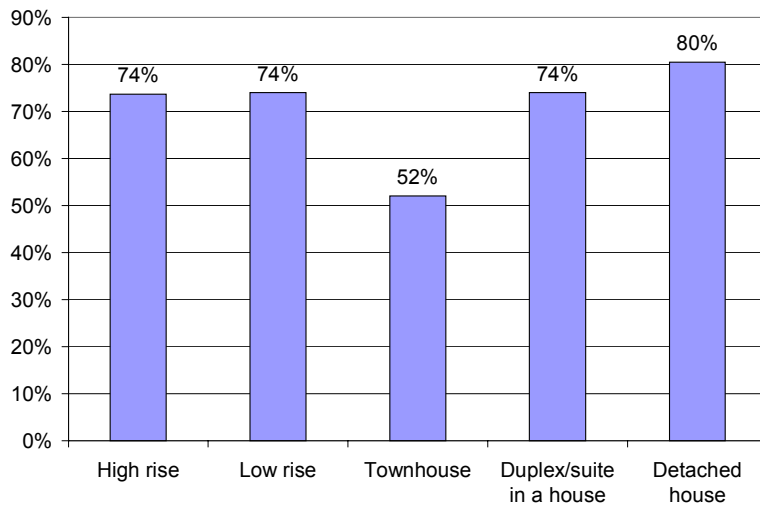
Source: 1996 Census

Age of the Rental Stock

Three quarters of the rental stock in B.C. was built before 1981, as Figure A1-3 illustrates. The exception is townhouses, where half are at least 20 years old. Rental stock in Greater Vancouver and Greater Victoria is only marginally newer than in other parts of the province.

In some centres, including Port Alberni (88 per cent), Kitimat (89 per cent), Revelstoke (90 per cent), and Trail (91 per cent), almost all the rental stock was built before 1980. The rental stock is much newer in Pitt Meadows (41 per cent built before 1980) and Whistler (38 per cent).

Figure A1-3: Proportion of the Rental Stock Built Before 1981

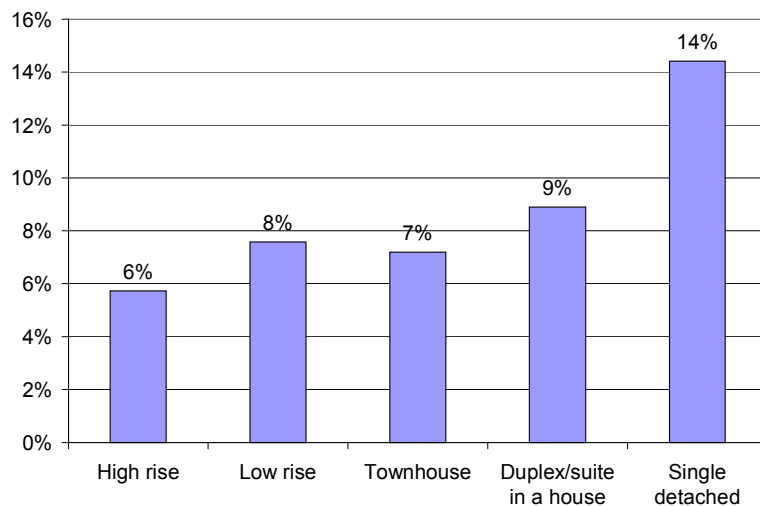


Source: 1996 Census

Condition of the Rental Stock

Although aging, the rental stock is in good repair, as Figure A1-4 illustrates. Fewer than one in ten rental units is in need of major repair, a proportion that is similar in rural and urban areas. In both cases, the housing type that consistently displays the greatest need for major repairs is single detached housing. This is partly due to the age of the stock (a higher proportion of the single detached rental stock is at least 20 years old compared to all other types).

Figure A1-4: Proportion of the Rental Stock That is in Need of Major Repair



Source: 1996 Census

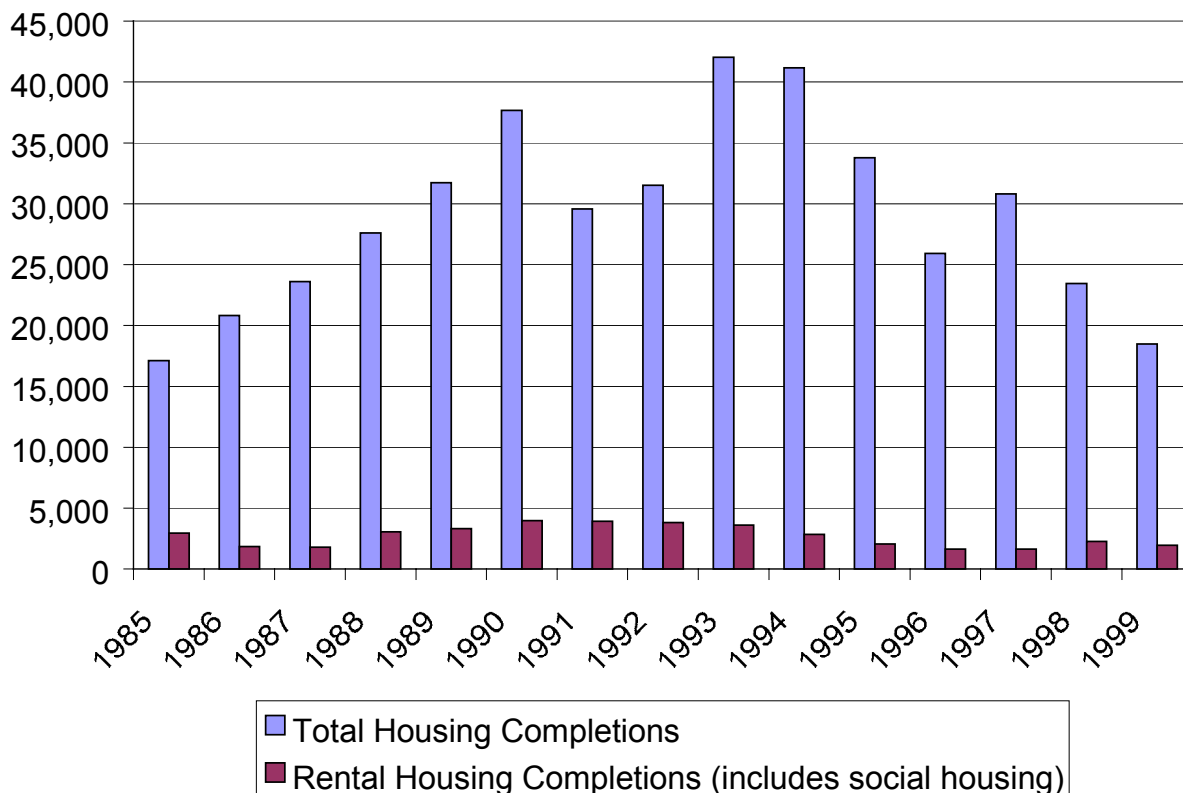
Supply

Exact figures on the supply of rental housing are not available. The 1996 Census reports there were 491,540 private rental households in B.C. These do not include rental households on reserve lands. CMHC's Rental Market Survey reports that there were 179,651 rental apartments and townhouses in municipalities included in its 2000 survey. The features of these data sources are discussed in Chapter Three, which explains that the Census enumerates all households, and CMHC's Rental Market Survey includes purpose-built rental apartments and townhouses, as well as condominiums where more than 50 per cent of units are rentals.

The supply of rental housing did not grow significantly in the 1990s. About 24,000 units of rental housing were started in B.C. in the 1990s, in contrast to more than 300,000 total housing starts over the same time period. The reasons for the decline in the construction of purpose-built rental housing can be described in terms of supply and demand.

Figure A1-5 shows the number of new housing units completed annually from 1985 to 1999, comparing the number of all completions and the number of units built as rental housing.

Figure A1-5: Rental Housing Completions in B.C. Communities with Populations of More than 10,000

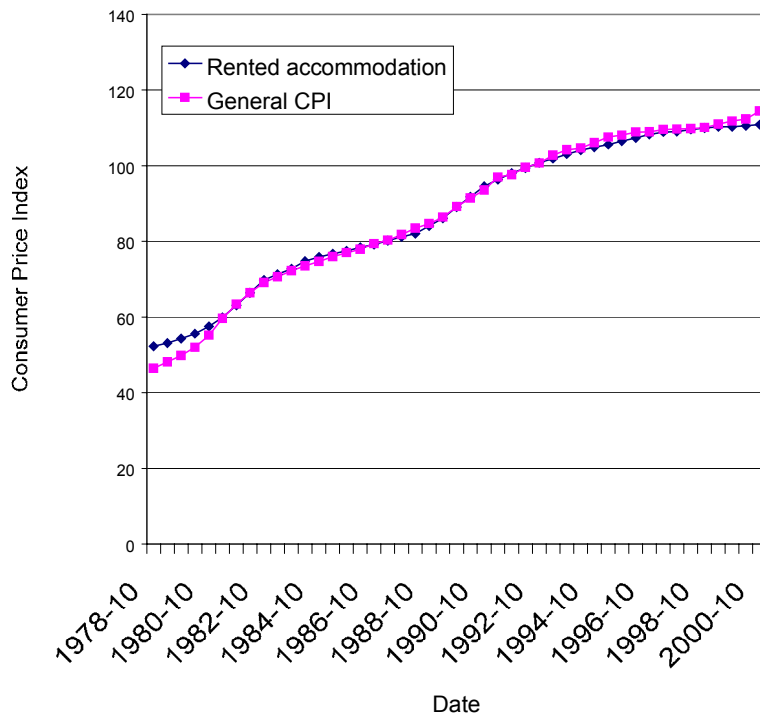


Source: Canadian Housing Statistics, CMHC

Rents

Rents in British Columbia have paralleled the Consumer Price Index consistently since 1978, as illustrated by Figure A1-6. CMHC's Rental Market Survey conducted in October 2000 found the average rent for bachelor apartments was \$552, one bedroom apartments was \$640, two bedroom apartments was \$742 and apartments with three or more bedrooms was \$845. The survey found that rents rose in Vancouver and declined in communities heavily dependent on resource industries.

Figure A1-6: Rents Compared to the Consumer Price Index, 1978 to 2000



Source: Statistics Canada

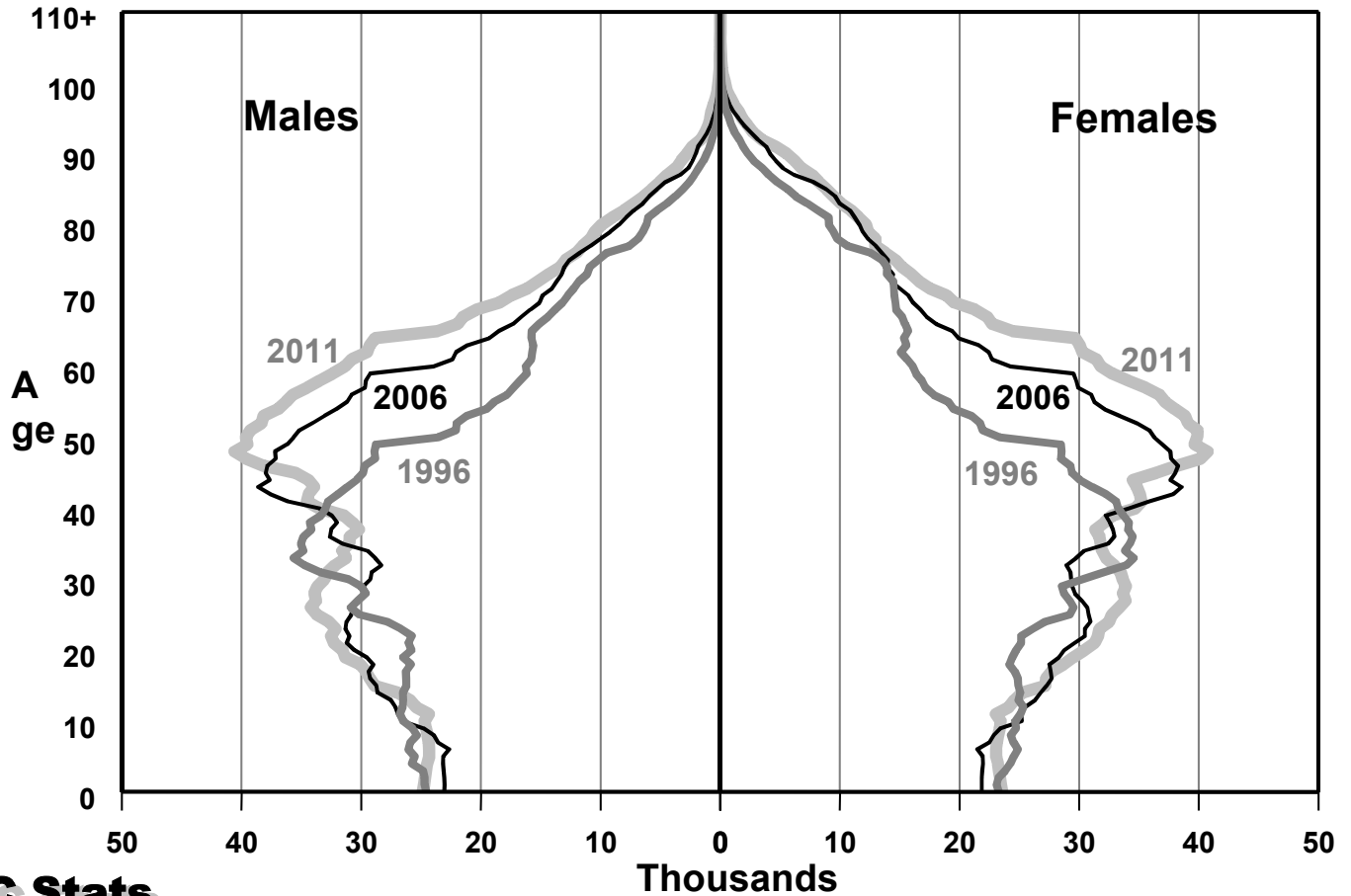
Projected Demand

The demand for rental housing will grow as the population grows, particularly as the number of renter households headed by young adults or senior citizens grows. Using population projections estimated by BC Stats, and assuming the same size of households and the same proportion of renters, 82,000 more households will be seeking rental housing in 2006 than in 1996. Projecting to 2011, the demand for rental housing will increase by an estimated 128,650 households over 1996.

The population pyramids presented in Figure A1-7 show the anticipated population growth by age category.

Figure A1-7: Population Pyramids

British Columbia Population Pyramid Forecast 01/04



BC Stats

Appendix Summary

Rental housing is found in all parts of British Columbia, in communities of all sizes. Although rental housing is found in all structure types, the predominant form is low-rise apartments. Most rental units were built before 1981, and few units have been built for the rental market since.

The exact supply of rental housing is difficult to assess, since there are no truly comprehensive measures. A reliable measure is the Census, which states that in 1996 there were 491,090 renter households.

The demand for rental housing is expected to grow as the population grows. Based on population projections estimated by BC Stats, it is reasonable to anticipate a need for an additional 128,000 rental housing units over the next decade.

Appendix Two: A Census Profile of Rental Housing at the Provincial Level

This appendix shows some facts about rental households based on 1996 Census information. Similar data are available from the Ministry of Community, Aboriginal and Women's Services for municipalities with more than 2,000 dwellings at the time of the 1996 Census.

	BC	per cent	per cent of type
Total population	3,724,500		
Total households	1,424,640		
Renter households	491,540	35%	
Structure type			
All dates of construction, all incomes	491,540		
high-rise	60,505		12%
low-rise	202,245		41%
Townhouse	36,135		7%
duplex/suite in a house	71,100		14%
Detached	112,540		23%
Built before 1981			
total rental structures	363,355	74%	
high-rise	44,545		12%
low-rise	149,700		41%
Townhouse	18,785		5%
duplex/suite in a house	52,605		14%
single detached	90,570		25%
Need for repair			
in need of major repair (all types)	45,400		9%
in need of minor repair (all types)	116,990		24%
in need of regular maintenance	329,155		67%
Size			
all structures			
no bedroom/bachelor	75,255	15%	
one bedroom	151,225	31%	
two bedrooms	142,140	29%	
three or more bedrooms	122,915	25%	
Householder information			
Household income			
total with income	491,540		
<\$20,000	185,735	38%	
\$20,000-\$29,999	80,530	16%	
\$30,000-\$39,999	67,900	14%	
\$40,000-\$49,999	52,015	11%	
\$50,000+	105,355	21%	

	BC	per cent	per cent of type
Household size, income not a factor			
one person	189,555	39%	
two persons	151,070	31%	
three or more persons	150,915	31%	
Number of earners in a rental household, income not a factor			
no earners (someone else pays the rent)	2,275	0%	
one earner	151,070	31%	
two earners	192,050	39%	
three or more earners	47,495	10%	
Family configuration, income not a factor			
non-family households	244,285	50%	
one-family households	242,430	49%	
couples, no children	82,165		34%
couples with children	91,420		38%
single-parent families	68,840	14%	28%
multi-family households	4,830	1%	
Age of rental household maintainer, income not a factor			
15-24	49,305	10%	
25-34	149,055	30%	
35-44	118,175	24%	
45-54	68,515	14%	
55-64	35,830	7%	
65-74	33,705	7%	
75+	36,945	8%	
Average income of rental households	\$33,910		
Median income of rental households	\$27,072		
Gross rent 30% or more of total rental household income	226,660	46%	
Gross rent 50% or more of total rental household income	115,525	24%	
Mobility of rental households, all incomes, all dates of construction			
non-mover	117,350	24%	
moved within same Census division	173,390	35%	
moved within same province	97,035	20%	
moved from different province	72,060	15%	
moved from different country	31,710	6%	

Source: Custom tabulation of 1996 Census data

Notes:

- figures are rounded; numbers of less than 10 are reported as 0 to protect confidentiality.

Appendix Three: Proportion of Rental Housing in B.C. Municipalities

This appendix shows the proportion of rental housing in municipalities that were incorporated at the time of the 1996 Census, as well as in regional districts. It also includes statistics relating to the proportion of rental households paying 30 per cent and 50 per cent of gross income to housing costs.

Local government	1996 Population	Total Households	Total Renters	# paying 30 per cent or more	per cent paying 30 per cent or more	Number paying 50 per cent or more	per cent paying 50 per cent or more
<i>Province</i>	3,724,500	1,424,635	491,500	226,660	46%	115,500	24%
Cities							
Abbotsford	105,403	36,420	10,695	4,995	47%	2,420	23%
Armstrong	3,906	1,520	280	135	48%	65	25%
Burnaby	179,209	68,750	30,590	13,670	45%	7,160	23%
Castlegar	7,027	2,790	695	300	44%	135	19%
Chilliwack	60,186	22,495	6,550	3,320	51%	1,920	29%
Colwood	13,848	4,685	1,180	390	33%	130	11%
Coquitlam	101,820	35,735	10,915	4,770	44%	2,715	25%
Courtenay	17,335	7,175	2,800	1,490	53%	885	31%
Cranbrook	18,131	6,975	2,290	1,220	53%	625	27%
Dawson Creek	11,125	4,335	1,590	655	41%	335	21%
Duncan	4,583	2,145	940	555	59%	250	27%
Enderby	2,754	1,175	305	200	65%	80	26%
Fernie	4,877	1,910	470	185	39%	65	14%
Fort St. John	15,021	5,490	2,195	710	32%	390	18%
Grand Forks	3,994	1,700	445	205	47%	85	19%
Greenwood	784	340	105	60	57%	30	33%
Kamloops	76,394	28,700	8,530	4,470	52%	2,505	29%
Kelowna	89,442	36,435	12,085	6,330	52%	3,180	26%
Kimberley	6,738	2,865	585	265	45%	90	15%
Langley	22,523	9,340	3,800	1,920	51%	935	25%
Merritt	7,631	2,805	935	580	62%	330	35%
Nanaimo	70,130	28,035	9,380	5,215	56%	2,855	30%
Nelson	9,585	3,940	1,355	795	59%	440	32%
New Westminster	49,350	23,540	12,560	5,630	45%	2,915	23%
North Vancouver City	41,475	19,445	10,650	4,685	44%	2,450	23%
Parksville	9,472	4,225	1,230	725	59%	395	32%
Penticton	30,987	13,685	5,220	2,855	55%	1,415	27%
Port Alberni	18,468	7,365	2,235	1,225	55%	650	29%
Port Coquitlam	46,682	15,930	4,070	1,805	44%	900	22%
Port Moody	20,847	7,315	1,800	750	42%	360	20%
Prince George	75,150	26,775	8,360	3,815	46%	1,935	23%
Prince Rupert	16,714	5,880	2,390	910	38%	490	21%
Quesnel	8,468	3,325	1,550	710	46%	355	23%
Revelstoke	8,047	3,150	855	300	35%	145	17%

Local government	1996 Population	Total Households	Total Renters	# paying 30 per cent or more	per cent paying 30 per cent or more	Number paying 50 per cent or more	per cent paying 50 per cent or more
Cities (cont'd)							
Richmond	148,867	50,925	15,285	6,350	42%	3,060	20%
Rossland	3,802	1,455	270	95	35%	40	15%
Surrey	304,477	100,850	29,750	14,795	50%	7,940	27%
Terrace	12,779	4,345	1,540	605	39%	295	19%
Trail	7,696	3,520	1,145	605	53%	280	24%
Vancouver	514,008	218,540	126,010	59,525	47%	31,250	25%
Vernon	31,817	13,295	4,775	2,765	58%	1,470	31%
Victoria	73,504	38,365	24,230	12,225	50%	6,255	26%
White Rock	17,210	8,745	3,030	1,485	49%	660	22%
Williams Lake	10,472	3,855	1,610	730	45%	395	25%
Resort Municipalities							
Whistler	7,172	2,875	1,635	710	43%	290	18%
Districts							
100 Mile House	1,850	795	365	200	55%	95	26%
Campbell River	28,851	10,955	3,245	1,465	45%	785	24%
Central Saanich	14,611	5,435	975	385	40%	145	15%
Chetwynd	2,980	1,060	430	175	41%	110	26%
Coldstream	8,975	3,095	425	155	36%	105	25%
Delta	95,411	31,500	6,605	2,640	40%	1,250	19%
Elkford	2,729	945	155	30	19%	15	10%
Esquimalt	16,151	7,355	3,930	1,765	45%	875	22%
Fort St. James	2,046	720	225	100	44%	20	7%
Highlands	1,423	495	80	20	27%	10	13%
Hope	6,247	2,530	720	430	60%	240	33%
Houston	3,934	1,415	455	130	29%	65	14%
Hudson's Hope	1,122	420	90	35	39%	30	33%
Invermere	2,687	1,035	295	135	47%	50	17%
Kent	4,844	1,650	365	150	41%	70	21%
Kitimat	11,136	3,910	920	325	36%	205	22%
Lake Country	9,007	3,285	680	280	41%	150	22%
Langford	17,484	6,395	1,380	720	52%	405	29%
Langley	80,179	26,650	4,220	1,570	37%	690	16%
Lillooet	1,988	785	275	125	45%	60	22%
Logan Lake	2,492	970	225	100	43%	45	20%
Mackenzie	5,997	1,930	370	80	22%	45	12%
Maple Ridge	56,173	19,790	4,780	2,510	53%	1,325	28%
Metchosin	4,709	1,520	240	70	30%	40	17%
Mission	30,519	10,045	2,420	1,245	51%	695	29%
New Hazelton	822	295	105	15	14%	10	0%
North Cowichan	25,305	9,695	2,625	1,455	55%	720	27%
North Saanich	10,411	3,915	450	135	30%	75	16%
North Vancouver	80,418	27,910	6,120	2,555	42%	1,060	17%

Local government	1996 Population	Total Households	Total Renters	# paying 30 per cent or more	per cent paying 30 per cent or more	Number paying 50 per cent or more	per cent paying 50 per cent or more
Districts (cont'd)							
Oak Bay	17,865	7,705	2,130	975	46%	410	19%
Peachland	4,524	1,850	295	190	64%	100	34%
Pitt Meadows	13,436	4,730	1,070	435	41%	170	16%
Port Edward	700	235	35	0	0%	0	29%
Port Hardy	5,283	1,945	735	295	40%	180	24%
Powell River	13,131	5,335	1,275	690	54%	400	31%
Saanich	101,388	39,695	10,675	4,975	47%	2,435	23%
Salmon Arm	14,664	5,725	1,470	720	49%	335	23%
Sechelt	7,343	3,135	780	370	48%	140	18%
Sicamous	2,827	1,165	340	170	51%	75	22%
Spallumcheen	5,322	1,850	275	100	36%	30	11%
Sparwood	3,982	1,540	535	205	38%	100	19%
Squamish	13,994	4,915	1,340	545	41%	250	19%
Stewart	858	310	100	0	0%	0	0%
Summerland	10,584	4,300	780	340	43%	195	25%
Taylor	1,031	350	95	10	11%	15	11%
Tofino	1,170	440	195	60	31%	20	10%
Tumbler Ridge	3,775	1,240	875	75	9%	25	2%
Ucluelet	1,658	615	220	55	25%	20	9%
Vanderhoof	4,401	1,565	520	215	41%	105	20%
West Vancouver	40,882	15,870	3,975	1,985	50%	870	22%
Towns							
Comox	11,069	4,300	1,235	450	36%	185	15%
Creston	4,816	2,130	530	250	48%	90	17%
Fort Nelson	4,401	1,485	650	160	24%	120	18%
Gibsons	3,732	1,675	505	295	58%	175	36%
Golden	3,968	1,500	480	170	36%	105	22%
Ladysmith	6,456	2,545	645	340	52%	120	19%
Lake Cowichan	2,856	1,090	365	200	54%	70	21%
Oliver	4,285	1,850	460	200	43%	95	20%
Osoyoos	4,021	1,855	550	235	43%	75	14%
Port McNeill	2,925	1,020	360	75	21%	35	11%
Princeton	2,826	1,255	365	180	49%	85	23%
Qualicum Beach	6,728	3,000	500	285	57%	120	24%
Sidney	10,701	4,990	1,360	730	54%	320	24%
Smithers	5,624	2,040	700	290	41%	70	10%
View Royal	6,441	2,585	905	345	38%	175	19%
Villages							
Alert Bay	612	255	80	30	38%	20	25%
Anmore	961	300	35	10	29%	10	25%
Ashcroft	1,858	760	225	105	47%	20	9%
Belcarra	665	230	30	15	50%	0	0%

Local government	1996 Population	Total Households	Total Renters	# paying 30 per cent or more	per cent paying 30 per cent or more	Number paying 50 per cent or more	per cent paying 50 per cent or more
Villages (cont'd)							
Burns Lake	1,793	680	290	95	33%	70	24%
Cache Creek	1,115	450	150	55	37%	20	17%
Chase	2,460	1,045	220	100	45%	45	23%
Clinton	729	310	140	50	36%	45	32%
Cumberland	2,548	985	230	115	50%	95	41%
Fraser Lake	1,344	495	175	40	23%	40	23%
Fruitvale	2,117	775	130	63	48%	20	11%
Gold River	2,041	705	140	25	18%	15	11%
Granisle	446	210	40	15	38%	15	38%
Harrison Hot Springs	898	420	105	25	24%	20	14%
Hazelton	347	140	55	10	18%	10	18%
Kaslo	1,063	460	95	40	42%	25	26%
Keremeos	1,167	555	175	70	40%	35	20%
Lions Bay	1,347	485	65	30	46%	15	23%
Lumby	1,689	635	120	55	46%	10	8%
Lytton	322	135	45	10	25%	0	0%
Masset	1,293	475	280	45	16%	15	5%
McBride	740	270	70	50	73%	35	50%
Midway	686	280	75	30	40%	25	33%
Montrose	1,137	410	15	10	50%	0	0%
Nakusp	1,736	730	250	115	45%	30	12%
New Denver	579	265	90	30	33%	20	24%
Pemberton	855	325	85	35	39%	25	28%
Port Alice	1,331	530	130	25	19%	20	15%
Port Clements	558	220	80	20	25%	0	0%
Pouce Coupe	894	270	50	10	20%	0	18%
Radium Hot Springs	530	200	40	10	29%	0	0%
Salmo	1,202	495	130	70	54%	25	23%
Sayward	440	160	35	0	0%	0	0%
Silverton	241	105	20	15	67%	0	0%
Slocan	335	135	30	10	40%	10	0%
Tahsis	940	365	80	15	19%	0	0%
Telkwa	1,194	375	15	0	0%	0	0%
Valemount	1,303	490	140	65	46%	45	36%
Warfield	1,788	745	120	45	36%	0	8%
Zeballos	232	95	45	10	25%	0	0%
Regional Districts							
Alberni-Clayoquot	31,652	12,245	3,325	1,540	46%	820	25%
Bulkley-Nechako	41,642	14,240	3,345	1,135	34%	510	16%
Capital	317,989	135,495	50,235	24,020	48%	11,910	24%
Cariboo	66,475	24,035	6,000	2,400	40%	1,240	21%
Central Coast	3,921	1,325	460	50	11%	20	9%
Central Kootenay	58,099	23,330	5,260	2,550	48%	1,280	25%

Local government	1996 Population	Total Households	Total Renters	# paying 30 per cent or more	per cent paying 30 per cent or more	Number paying 50 per cent or more	per cent paying 50 per cent or more
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Regional Districts (cont'd)

Central Okanagan	136,541	53,675	14,770	7,405	50%	3,695	26%
Columbia-Shuswap	48,116	18,865	4,435	1,835	41%	880	20%
Comox-Strathcona	97,666	37,885	10,225	4,670	46%	2,455	24%
Cowichan Valley	70,978	27,200	6,460	3,340	52%	1,520	24%
East Kootenay	56,366	21,725	5,385	2,335	43%	1,075	20%
Fort Nelson-Liard	5,856	1,895	710	160	23%	115	18%
Fraser Valley	222,397	78,965	21,995	10,585	48%	5,520	26%
Fraser-Fort George	98,974	34,840	9,580	4,170	44%	2,145	23%
Greater Vancouver	1,831,665	692,960	281,315	129,425	46%	66,255	24%
Kitimat-Stikine	43,618	14,630	3,915	1,215	31%	665	19%
Kootenay Boundary	32,906	13,435	2,835	1,340	47%	570	20%
Mount Waddington	14,601	5,300	1,630	480	29%	285	18%
Nanaimo	121,783	49,470	13,480	7,460	55%	3,975	30%
North Okanagan	71,607	27,675	7,045	3,715	53%	1,890	27%
Okanagan-Similkameen	75,933	32,335	9,065	4,395	48%	2,150	24%
Peace River	56,477	19,705	6,245	1,835	29%	980	16%
Powell River	19,936	8,170	1,925	920	48%	505	28%
Skeena-Queen Charlotte	24,795	8,720	3,340	1,030	31%	525	17%
Squamish-Lillooet	29,401	10,875	3,765	1,510	40%	680	19%
Stikine Region	1,391	555	230	20	9%	10	5%
Sunshine Coast	24,914	10,390	2,380	1,120	47%	545	23%
Thompson-Nicola	118,801	44,700	12,180	5,995	49%	3,280	28%

Notes:

- Figures are rounded; numbers of less than 10 are reported as 0 to protect confidentiality.
- Regional district figures include both member municipalities and unincorporated areas as of the 1996 Census.
- The Stikine region is not incorporated as a regional district.

Appendix Four: Economic Considerations Related to Rental Housing

Most economic considerations related to rental housing are beyond the influence of local governments. This appendix is included to provide perspective and an increased understanding of various economic factors related to rental housing.

Investor interests

In 1999, a CMHC study entitled *Understanding Private Rental Housing Investment in Canada* found most investors in market rental housing hold their properties for at least 10 years. It also found that for small investors – who own half the rental stock across the country – the key reasons for investing in rental housing were to:

- earn long-term capital gains
- supplement income
- assist with mortgage payments.

Public real estate companies, pension funds and real estate investment trusts have traditionally invested in rental housing. Their current holdings are relatively small – less than 5 per cent nation-wide, according to the CMHC study. Collectively, they said their reasons for investment include:

- stable cash flow
- rate of return.

These larger investors said the perceived disadvantages to investment in rental housing include:

- lower rates of return
- need for capital upgrades
- management intensive.

No information was available on other medium and larger investors. The CMHC study concluded it is reasonable to believe that the advantages and disadvantages they perceive are similar to those of other investors.

Supply

Eight per cent of housing built between 1990 and 2000 was built as rental housing. Some factors contributing to this level of construction and investment activity include:

- Since the introduction and acceptance of condominium tenure, many developers have preferred to build apartments and townhouses for the ownership market, rather than the rental market.
- A perception that the taxation of rental housing is onerous and unfair compared to the taxation of alternate investments.¹ In 1998, the Canadian Federation of Apartment Owners published its arguments on this point in *Economic Impact of Federal Tax Legislation on the Rental Housing Market in Canada*.

- Financing of residential rental properties has become much more difficult for investors than in the past. Many lenders suffered heavy losses on real estate in the early 1980s and since then have implemented much stricter lending guidelines. In the 1990s, CMHC revised its underwriting criteria and increased its mortgage insurance premiums.
- The recession in the early part of the 1990s depressed housing starts of every type and tenure and markets took several years to recover.
- Increasing numbers of secondary suites and rented condominiums have absorbed a significant proportion of the demand from renter households.

In addition, many investors of purpose-built stock have said they believe that owners of secondary suites may not be taxed in the same way as owners of rental apartment buildings, resulting in heavier taxation of owners of purpose-built stock.

For many years, the federal government responded to declining rental housing starts by introducing policies and programs designed to stimulate the rental market. For example, the MURB (Multiple Unit Residential Building) program, which operated from 1974 until 1980, allowed investors in rental housing to deduct depreciation losses from other types of income. The Assisted Rental Program (ARP) provided grants and interest free loans to developers from 1974 to 1978. Between them, these programs resulted in the addition of more than 400,000 units to the rental market in Canada for the mandatory ten-year period that these units had to be rental tenure. When the programs ended, private-sector investment in rental housing dropped significantly.

Maintenance

An additional economic consideration is the issue of deferred maintenance. Some landlords have not maintained their rental properties to the extent required to maximize their useful lives. In fact, the condition of the stock, and the need for extensive investment in capital upgrades, is cited by investors as the most serious disadvantage of rental apartment investment in comparison to other types of real estate investment.ⁱⁱ

Demand

Economic Considerations of Renters

Many renter households have low or moderate incomes. According to the 1996 Census, renters had an average annual household income of \$33,901, compared with owners, with an average annual household income of \$59,939.

Many higher-income renters who could afford higher rents, have entered the ownership market over the past decade. Lower interest rates and programs designed to assist first-time buyers, such as CMHC mortgage insurance for people making a five per cent downpayment, have made it easier for higher-income renters to enter the ownership market.

Ownership Potential

Many renters will never become owners because they can not afford to enter the housing market. In 1998, CMHC reported that a household income of \$56,152 was needed for first-time buyers to purchase a condominium apartment, townhouse or older bungalow in Greater Victoria. In Greater Vancouver, first-time buyers needed a 1998 household income of \$63,423 to buy a condominium apartment or townhouse.

Appendix Summary

Most economic considerations relating to rental housing are beyond the influence of local governments. Federal tax programs encouraged investment during the 1970s, and construction and investment in new rental properties have fallen significantly since these programs ended. In addition, the average renter has a significantly lower household income than the average owner.

Appendix Five: Glossary

Assistance – grants, loans, policies, waived requirements, streamlined approval processes and other measures that may contribute to a development or proposal.

BC Housing – British Columbia Housing Management Commission. BC Housing is the agency responsible for the delivery of housing initiatives on behalf of the province. It works with non-profit housing societies and manages rental housing which is owned and subsidized by the provincial government and the Canada Mortgage and Housing Corporation.

CMHC – Canada Mortgage and Housing Corporation. The federal government housing agency's mandate is to promote affordability and choice in housing for all Canadians.

Condominium – real estate, such as a unit in an apartment complex, that combines fee simple title to the unit and joint ownership in the common elements shared with other unit owners.

Detached house – a single dwelling not attached to any other dwelling or structure (except its own garage or shed). A detached house has open space on all sides, and has no dwellings either above it or below it.

Dwelling unit – two or more rooms that have kitchen, living, sleeping and sanitary facilities.

Forgivable assistance – loans, or other repayable support, for which the repayable requirement may be waived if previously-stated conditions are met.

High-rise – a building which has five or more storeys.

Housing registry – a depository of information on the supply or demand for affordable or special needs housing in a community. *The Link* (www.bchousing.org/applicants), a directory of non-market housing published by BC Housing, is an example of a housing registry from the supply perspective. An example of a housing registry from the demand perspective is a list of persons using mobility aids seeking accessible housing.

Local government – incorporated municipalities and regional districts. The provincial government recognizes local government as an independent, responsible and accountable order of government. A key purpose of a local government is to foster the current and future economic, social and environmental well-being of its community.

Local government tools – policies, by-laws, practices, procedures and other initiatives adopted by local government to assist and encourage investment in affordable housing.

Low-rise – a building that has fewer than five storeys.

Major repairs – defective plumbing or electrical wiring, structural repairs to walls, floors or ceilings, etc. that result in the need for significant repair to a residential building.

Market housing – private home ownership and rental housing that is supplied by the private market without direct government assistance. Individuals, corporations and pension funds own market housing as a form of savings, generating income or capital gains.

Metropolitan – highly urbanized areas. In B.C., Greater Vancouver and Greater Victoria are considered metropolitan areas.

Minor repairs – missing or loose floor tiles, bricks or shingles, defective steps, railing or siding, etc., that result in the need for repair to a residential building.

Municipality – an incorporated city, district, town or village. Municipalities levy and collect real property taxes and have the power to pass bylaws concerning a wide range of matters, including community planning and development, land use control and zoning. Neighbouring municipalities often address collective issues through their membership in regional districts.

Non-market housing – housing that is supplied with government assistance, either through construction loans or grants, or operating subsidies. Often non-market housing is sponsored and managed by a non-profit organization or non-profit housing society. Non-market housing is sometimes referred to as social housing or subsidized housing.

Non-traditional rental housing stock – suites in houses, rental units in strata-titled buildings (condominiums), rental houses and duplexes.

OCP – Official Community Plan. A general statement of the broad objectives and policies of the local government respecting the form and character of existing and proposed land use and servicing requirements in the area covered by the plan.

Purpose-built rental housing – dwellings constructed with the intent that occupants rent each housing unit.

Regional district – a local government incorporated to provide, at the request of their members, services to municipalities and unincorporated areas within their boundaries. Municipalities, while members of regional districts, maintain their own authority.

Regular maintenance – refers to painting, furnace cleaning, and other activities which extend the useable life of a home.

Secondary suite – a smaller self-contained dwelling unit within a detached house or townhouse.

Stock – the total supply of housing, or a specific portion of the total supply. Market rental housing stock refers to the supply of privately-owned housing offered for rent at unsubsidized rates in the community.

Strata property – synonymous with condominium, real estate that combines fee simple title to a unit as well as a shared portion of common property, such as a hallway.

Tenure – the condition under which real property is held. Two common tenures are rental and ownership.

Townhouse – one of three or more dwellings joined side by side (or occasionally side to back), but not having any other dwellings either above or below.

Universe – the number of housing units or households included in a data collection initiative. The universe for CMHC’s Rental Market Survey is the apartments in rental buildings of more than three units.

Vacancy rate –the number of vacant units in the market divided by the total number of units in the market. The vacancy rate changes as demand and supply conditions in the market change. When the vacancy rate goes down, there are fewer rental properties available, because more households are looking for rental housing, some units were taken of the market, owners now occupy the units, units were demolished, or converted to other uses.

Zoning – land use regulations pertaining to the density and use of buildings within a local government’s boundaries.

Endnotes

ⁱ See for example Clayton Research Associates, Economic Impact of Federal Tax Legislation of the Rental Housing Market in Canada, November, 1998, which contains a literature review of several books and reports supporting the conclusion that federal taxation policies discourage investment in rental housing.

ⁱⁱ Ibid, page 57.