

Affordable Housing Supply Analysis Final Study Results

**Prepared for:
The GVRD Policy and Planning Department**

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EXECUTIVE SUMMARY

In 2004, the GVRD completed a twenty-year forecast of housing demand prepared by PriceWaterhouseCoopers (PwC). The study, entitled *Forecast Demand for Affordable Housing in Greater Vancouver* looked at housing demand by tenure and geographic sub-region and included an estimated total future demand of 311,440 households by 2021 or 15,572 units annually.

Building on the work of the previous study, this study looked at the range of factors that can influence housing supply as well as potential strategies and actions for meeting future housing demand. The findings from this study are intended to assist GVRD staff in the development of a 10 year strategy for meeting future housing needs across the Region.

About the Research Approach

This project involved the following elements:

- Regular meetings with a Project Advisory Committee comprised of representatives from a cross-section of key stakeholders and stakeholder groups¹.
- Key informant interviews with local planners from across the member municipalities to gain a better understanding of local context and the issues and challenges confronting delivery of affordable housing in their communities; and,
- Key informant interviews with industry leaders and sector representatives to identify the array of tools or approaches to consider in creating additional housing supply.

Key Research Questions

The study relied on a number of different data sources to formulate a picture of housing need across the Region including:

- Housing starts data by type and tenure (CMHC);
- Local rental market data (CMHC) and housing price data (MLS listings);
- Information on the inventory of non-market and subsidized housing (BC Housing);
- Income data by household type and tenure (2001 Census); and,
- Information on households *In Need and paying At Least Half of their income on shelter* (INALH households) and those in core housing need (CMHC).

Using a 'housing continuum model' and the relevant demographic and economic data this research examined the efficacy of the current supply response relative to the forecasted future demand. Using three macro-economic scenarios for the period ending in 2021, this study looked at potential changes in household purchasing power and the threshold at which entry level home ownership can occur. These forecast scenarios were also applied to the range of housing options (rental market through to single family home ownership) available for households at different economic and life cycle stages.

¹ The Project Advisory Committee included representatives from member municipalities of the GVRD, the development and home builder industry, the non-profit housing sector and local tenant advocacy groups.

Looking at Housing Affordability

Affordability is measured as a ratio of housing price to income. Over the long-term, affordability is influenced by macroeconomic factors such as interest rates, inflation and income growth. Therefore, as the Region continues to experience positive economic growth, it is anticipated that the majority of households will continue to be successful in finding housing that meets their needs and that is affordable.

At the same time, a central premise that was examined through this study was the relationship between housing affordability and housing supply at different points along the housing continuum. To a significant extent, affordability is determined by the capacity of the housing sector to respond to future demand. In looking at this aspect of the affordability profile within the Region, the following are some of the key observations to emerge:

- The experience over the last five years suggests that the housing supply sector has roughly kept pace with the projected demand at the aggregate level. However, in order to meet the forecasted 2021 demand, there is the need for the development sector to run at its current full capacity for 16 consecutive years.
- Within the ownership segment, the sector has shown strong performance with the current levels of new ownership construction being successful in meeting demand. This has been facilitated by positive macro-economic conditions including lower interest rates, high consumer confidence and stable or improved income levels.
- While there would appear to be reasonable alignment between the supply response and forecasted demand, there is typically a lag between increased effective demand and the delivery of new supply resulting in upward pressure on housing prices. In recent years, prices have risen considerably and have been only partially offset by lower interest rates.
- Price escalation has been characteristic of the current market with high housing costs being identified as a concern by almost two thirds of the municipalities that participated in this study. In particular, concerns related to price escalation, limited opportunities for first-time buyers and increasing housing costs as a result of growth were some of the key issues that were identified.
- Based on the findings reported in this study, less than 18 per cent of all renter households across the Region had incomes at or above the level required to move into home ownership based on the average reported selling price in 2005 for an apartment/condo unit. Similarly, less than 6 per cent of all renter households could afford to purchase the average single family home in Greater Vancouver.
- While it is likely that prices will be moderated over time if the supply response remains strong and if macro-economic conditions remain favourable, the health of the ownership segment of the housing continuum has important implications for affordability across the continuum with compression within the ownership segment of the housing continuum resulting in increasing pressure on the rental housing stock.

Looking at the Rental Housing Supply

While the study findings suggest that the current levels of new ownership construction have been successful in meeting the forecasted demand, a different picture emerges with respect to the rental housing stock.

- Based on the demand forecasts prepared for the Region, it was estimated that there would be the need for 70,500 new rental housing units by 2021 or the creation of approximately 3,525 new rental housing units each year from 2001 to 2021.
- Even with historically high levels of housing production, rental housing starts have been unable to keep up with forecasted demand. Based on historical data, rental housing starts over the past five years have been equal to approximately 1,259 units per year while rental housing starts over the last 10 years have been equal to approximately 1,089 units per year. This translates into a level which is equal to approximately one-third of the level required in order to meet the estimated future demand.
- Consultation with industry representatives focused on the fact that purpose-built rental housing is uncompetitive with condo development and that without a significant shift in the current taxation regime or an incentive program, the prospect of adding significant amounts of new purpose-built rental housing is unlikely.
- The study also found that the economic gap between the rate of return on rental and market condo development is so significant that municipal incentives alone would not be sufficient to stimulate the necessary supply response.
- The secondary rental market (which includes basement or second suites as well as single family dwellings and rented condo stock) has helped to fill some of the gap, this housing alone will not be able to fill the estimated shortfall of between 45,000 and 48,000 rental units by 2021.
- The loss of older existing rental housing stock through conversion, demolition and redevelopment has been identified as a concern among a number of the local municipalities with the loss of this stock resulting in even greater pressure on the existing supply.
- The on-going pressure on the existing rental housing supply will result in increased competition for available units as well as upward pressure on rents. This, in turn, will have an important impact on housing affordability especially for households at the low end of the income distribution.
- It is important to note that even in an environment of high housing starts, many household may not be able to find housing that they can afford within the resources that they have available. Therefore, while supply responsiveness demonstrates a robust sector, housing demand by low income households is unlikely to be effective demand for ownership or even for rental. This can result in the need for targeted government assistance.

Government-Supported Housing

- Based on the most recent data published by Canada Mortgage and Housing Corporation (CMHC), it is estimated that there are approximately 122,280 households in core housing need. Of these approximately 82,460 are renter households while the remainder are owners.
- A household is said to be in core housing need, if they are living in housing which is crowded, or in poor condition and/or where the housing costs are in excess of 30 per cent of their gross household income *and* they do not have the economic means to resolve these problems on their own.
- Based on the most recent data published by CMHC, the average renter household in core housing need and has an annual income less than half that of the average renter household in the Region.
- There are approximately 35,220 renter households across the Region that fall within the INALH category – these are households which are *in need and paying at least half of their income on shelter* and who are at increased risk of homelessness. The average INALH renter household has an average annual income equal to 36 per cent of the average income across all renter households in the Region.
- If one were to take the difference between the average rent paid by a renter household in core housing need and the rent that would be ‘affordable’ based on 30 per cent of their income, the annual ‘rent gap’ is estimated to be approximately \$2,784 across the Region. For an INALH household, the estimated ‘rent gap’ is \$5,191--almost double this amount.
- While available data suggests that government supply programs have continued to add approximately 488 new rental housing units each year for the past 10 years, the study findings suggest that both within the rental market segment of the housing continuum and non-market segment there will continue to an absolute shortfall of units.

General Conclusions and Observations

The housing supply sector has a large number of participants who operate within a climate of macro-economic forces that shape future housing outcomes. Building on the experience of the past ten years and relying on the input of key stakeholders, this study examined the fundamentals associated with an effective housing supply response. This included strategies which can be adopted at the municipal level as well policies which have broader economic and social implications and which cut across all levels of government. To some extent, long-term affordability will be determined by the way in which the Region is able to respond to the pressures identified in this study and the supply response that they are able to put into place over the next 10 to 15 years.

INTRODUCTION AND BACKGROUND

Project Overview

Developing and maintaining a supply of affordable¹ and appropriate housing to meet the needs of a changing population is important to the economic and social development of Greater Vancouver.

Access to decent, stable and affordable housing plays a fundamental role in promoting healthy, vibrant and sustainable communities marked by a high quality of life for all citizens.

In 2004, the GVRD completed a twenty-year housing demand forecast prepared by PriceWaterhouseCoopers (PwC). The study, entitled *Forecast Demand for Affordable Housing in Greater Vancouver* looked at housing demand by tenure and geographic sub-region and included an estimated total future demand of 311,440 households by 2021 or 15,572 units annually.

This study builds on the work of the previous study with a focus on understanding more fully the supply side of the equation and the housing choices available to households at different points along the housing continuum. In this report, factors influencing housing supply are examined as well as potential strategies and actions for meeting future demand. The findings from this study will be used to assist GVRD staff in the development of a 10 year strategy for meeting future housing needs across the Region.

Project Objectives

The study objectives included:

- Gaining an understanding of the economics of the local/regional housing market(s) within the Greater Vancouver context;
- Identifying existing and future tenure and housing options across different segments of the population including groups which are typically at higher ‘risk’ of poverty and exclusion;² and,
- Mapping the range of options (market and non-market) available to different segments of the population across Greater Vancouver using a ‘housing continuum model’ to understand the role and capacity of each segment.

¹ Throughout this study, the standard CMHC definition of affordability as shelter costs that are less than or equal to 30 per cent of before tax household income is used. This is the same definition as used in the 2004 *Forecast Demand for Affordable Housing in Greater Vancouver* study completed by PwC.

² These can include low income families, single parent families, seniors, students, persons with physical or mental disabilities including mental illness and addictions-related challenges. New immigrant households and youth are other groups that frequently make up a larger percentage of households in core housing need and who face challenges in finding and keeping suitable housing that they can afford.

Project Approach

Ultimately affordability is a function of long term supply growth relative to demand. Using a ‘housing continuum model’ and demographic and economic data from the 2001 Census, as well as the estimated demand analysis set out in the *Forecast Demand for Affordable Housing in Greater Vancouver*, this research examines the efficacy of the current supply response in terms of meeting the Region’s forecasted future demand. This analysis also focused on the identification of potential gaps and/or risks to be considered by the GVRD as it develops its 10 year strategy for the Region.

Research Steps

This project involved the following elements:

- Regular meetings with a Project Advisory Committee comprised of representatives from a cross-section of key stakeholders and stakeholder groups¹.
- Key informant interviews with local planners from across the member municipalities to gain a better understanding of their local contexts and the issues and challenges that they face in delivering affordable housing in their communities; and,
- Key informant interviews with industry leaders and sector representatives to identify the array of potential tools or approaches to consider in terms of creating additional housing supply.

Key Research Directions

The *Forecast Demand for Affordable Housing in Greater Vancouver* published in April 2004 provided an important starting point for this research. Building on the information captured in this study, a number of different scenarios were used to “test” different possible outcomes related to the current housing supply response and to consider the potential impact at different points along the housing continuum.

The focus of this research was on:

- a. The efficacy of the current supply response relative to the forecasted future demand;
- b. Changes in household purchasing power and the threshold at which entry level home ownership can occur; and,
- c. The range of housing options available for households at different economic and life cycle stages including households falling at the low end of the housing continuum.

¹ The Project Advisory Committee included representatives from member municipalities of the GVRD, the development and home builder industry, the non-profit housing sector and local tenant advocacy groups.

Data Sources

The study relied on a number of different data sources to compile a picture of housing need across the Region. These included:

- Housing starts data by type and tenure (CMHC);
- Local rental market data (CMHC);
- Housing price data (MLS listings);
- The inventory of non-market and subsidized housing (BC Housing);
- Income data by household type and tenure (2001 Census¹ and GVRD study); and,
- Households in core housing need and INALH² households (CMHC).

Report Structure

This report is divided into 8 sections.

Section 1: The Current State

Section 2: Housing Affordability

Section 3: Meeting Future Housing Demand

Section 4: Responding to the Gaps in the Housing Continuum

Section 5: The Affordability of Home Ownership

Section 6: Income and Affordability

Section 7: Non-Market Housing and the Role of the GVHC

Section 8: Summary and Synthesis

Appendix A: Housing Starts and Rental Market Data

Appendix B: Regional and Municipal Housing Continuums

Appendix C: Purchasing Power Thresholds for Scenario A

¹ The income data reported in the 2001 Census would reflect incomes from 2000.

² INALH refers to households that fall at the bottom end of the core need distribution. Specifically, it refers to those who are *in need and paying at least half of their income on housing*.

The Current State

The majority of households living in Greater Vancouver are successfully housed – that is to say, they have been able to find housing that is in good repair and that they can own or rent without spending more than 30 per cent of their pre-tax income. For these households, government’s role is to ensure that the housing market continues to function effectively and to ensure that there are appropriate strategies and mechanisms in place to stimulate investment in new housing supply. This section provides an overview of the current inventory of housing available to renters and owners across Greater Vancouver. In particular, this section looks at the mix of housing both in terms of type and tenure.

About the Housing Stock in Greater Vancouver

The 2001 Census¹ shows that there are 758,715 households living in Greater Vancouver. Close to half of these households (44 per cent) live in single detached housing. The majority also own their homes. Apartments or multi-unit developments² are the next most common housing type accounting for 37 per cent of the total.³

	Total	Single-detached	Semi-detached/Row	Detached duplex/apt.	Apartment 5+ storeys	Apartment < 5 storeys	Other ⁴
Greater Vancouver	758,715	330,740	75,450	65,605	89,515	191,045	6,360
Anmore	430	285	-	35	-	-	-
Belcarra	260	240	-	20	-	-	-
Bowen Island	1,145	1,070	30	15	-	15	25
Burnaby	74,000	26,645	8,920	6,100	12,750	19,490	95
Coquitlam	40,220	20,955	4,490	3,315	1,625	9,430	405
Delta	32,785	23,415	2,245	2,290	240	4,405	190
Electoral Area A	2,695	490	725	15	620	840	10
Langley C	10,085	3,090	1,255	395	10	5,320	20
Langley D	29,670	21,150	3,490	1,260	-	2,065	1,700
Lions Bay	520	510	10	-	-	-	-
Maple Ridge	22,590	14,850	3,095	980	645	2,840	175
New Westminster	26,030	6,205	840	1,935	6,440	10,435	170
North Vancouver C	20,710	4,135	2,665	1,735	3,050	9,100	25
North Vancouver D	29,075	18,670	2,725	2,950	1,665	3,035	20
Pitt Meadows	5,300	3,155	1,070	195	35	840	10
Port Coquitlam	17,755	9,355	3,260	1,765	-	3,295	75
Port Moody	8,535	3,805	2,010	715	205	1,745	55
Richmond	56,775	26,870	11,720	1,225	3,275	13,460	225
Surrey	115,710	64,650	14,265	12,715	2,810	19,475	1,805
Vancouver	236,095	66,465	11,445	26,630	51,165	79,590	800
West Vancouver	16,340	10,520	730	475	3,255	1,340	15
White Rock	9,075	3,230	285	830	440	4,260	20

Source: 2001 Census

¹ Census data used reflects a 20 per cent sample of Canadian households. This data does not include Aboriginal households on reserve.

² This includes apartments of 5 storeys or more as well as those of less than 5 storeys as noted in Table 1.

³ The total of multi-unit developments increases to 46 per cent if detached duplex apartments are included in the apartment total.

⁴ 'Other' includes movable dwellings and single attached homes.

Owners

Owners comprise 61 per cent of all households across Greater Vancouver. While the majority of owners live in single or semi-detached housing, a growing number of owners are living in multi-unit or condo developments. The table below shows the general distribution of ownership units across Greater Vancouver with the table on the following page showing the general distribution of owners living in condo stock.

	Total Units	Single-detached	Semi-detached	Row house	Apartment detached duplex	Apartment 5+ storeys	Apartment < 5 storeys	Other
Greater Vancouver	462,645	282,420	12,095	37,725	28,875	31,490	65,445	4,585
Anmore	325	235	--	--	--	--	--	85
Belcarra	205	205	--	--	--	--	--	--
Bowen Island	885	875	--	--	--	--	--	10
Burnaby	41,705	22,145	1,415	3,900	2,605	6,335	5,275	25
Coquitlam	28,370	18,350	940	2,180	1,635	1,065	3,850	350
Delta	26,020	21,100	550	1,120	1,065	190	1,815	170
Electoral Area A	1,190	375	20	110	15	305	370	--
Langley C	5,860	2,765	195	585	175	--	2,130	10
Langley D	24,950	18,475	860	2,150	760	--	1,465	1,245
Lions Bay	465	460	--	10	--	--	--	--
Maple Ridge	17,520	12,915	260	2,185	545	115	1,350	135
New Westminister	12,400	5,260	60	365	800	2,815	3,010	80
North Vancouver C	9,940	3,400	430	1,170	695	1,285	2,940	20
North Vancouver D	22,945	17,155	420	1,305	1,365	940	1,740	15
Pitt Meadows	4,075	2,835	110	620	80	30	395	--
Port Coquitlam	13,215	8,170	575	1,945	765		1,720	40
Port Moody	6,495	3,495	260	1,175	385	125	1,020	40
Richmond	40,255	22,495	1,225	6,780	455	2,020	7,125	160
Surrey	82,695	54,700	2,270	8,295	6,055	1,135	8,750	1,490
Vancouver	103,340	54,190	2,145	3,240	10,860	13,335	19,270	300
West Vancouver	12,485	9,580	270	345	280	1,255	740	10
White Rock	5,835	2,615	75	160	295	225	2,440	20

Source: 2001 Census

Condos as an Ownership Option

The shift to multi-unit developments from lower density housing is reflected in the recent Census data as well as in the data on housing starts¹. Findings from the 2001 Census showed that strata units accounted for 28 per cent of all owner occupied stock across the Vancouver CMA and as much as 40 to 50 per cent of the ownership stock in some communities.

	Total Owner Households	Owners that are Part of a Strata	Ratio of Owners that are Part of a Strata
British Columbia	987,980	187,280	19%
Greater Vancouver	458,780	126,890	28%
Anmore	325	25	8%
Belcarra	205	0	0%
Bowen Island	880	10	1%
Burnaby	41,600	14,440	35%
Coquitlam	28,335	6,955	25%
Delta	25,865	3,310	13%
Electoral Area A	1,190	770	65%
Langley C	5,865	2,670	46%
Langley D	24,010	4,360	18%
Lions Bay	470	10	2%
Maple Ridge	17,415	3,440	20%
New Westminster	12,385	5,845	47%
North Vancouver C DDC	9,905	4,960	50%
North Vancouver D DCD	22,920	4,055	18%
Pitt Meadows	3,975	995	25%
Port Coquitlam	13,200	3,415	26%
Port Moody	6,500	2,360	36%
Richmond	40,050	14,380	36%
Surrey	82,300	17,545	21%
Vancouver	103,095	32,450	31%
West Vancouver	12,460	2,355	19%
White Rock	5,830	2,535	43%

Source: 2001 Census, custom tabulation, J2897 Table 1

¹ Based on CMHC housing starts data, multi-unit developments have been steadily increasing as a proportion of total housing starts. As of 2005, multi-unit developments accounted for 74 per cent of the total starts in Greater Vancouver.

Renters

Renters account for 39 per cent of all households across Greater Vancouver. The majority of renter households live in apartments or multi-unit developments with 62 per cent living in high rise or low rise structures.

	Total	Single-detached	Semi-detached	Row house	Apartment detached duplex	Apartment 5+ storeys	Apartment < 5 storeys	Other
Greater Vancouver	295,740	48,035	7,085	18,500	36,735	58,030	125,600	1,755
Anmore	100	45	15	--	30	--	--	--
Belcarra	55	35	--	--	15	--	--	--
Bowen Island	260	190	10	20	10	--	15	15
Burnaby	32,290	4,500	1,325	2,265	3,500	6,410	14,215	70
Coquitlam	11,850	2,605	430	935	1,680	560	5,585	60
Delta	6,765	2,315	255	315	1,225	50	2,590	25
Electoral Area A	1,505	115	--	590	--	315	465	10
Langley C	4,220	325	105	365	220	--	3,195	15
Langley D	4,720	2,675	100	385	495	10	600	450
Lions Bay	50	50	--	10	--	--	--	--
Maple Ridge	5,075	1,935	225	425	435	525	1,485	35
New Westminster	13,625	940	75	335	1,135	3,625	7,430	90
North Vancouver C	10,720	725	385	645	1,035	1,765	6,155	--
North Vancouver D	6,120	1,505	65	940	1,580	725	1,295	10
Pitt Meadows	1,225	325	50	290	110	--	445	--
Port Coquitlam	4,540	1,185	170	570	1,000		1,575	40
Port Moody	2,040	310	25	550	330	85	725	10
Richmond	16,520	4,380	940	2,775	770	1,250	6,330	65
Surrey	33,015	9,950	1,100	2,595	6,660	1,675	10,725	305
Vancouver	132,755	12,270	1,710	4,350	15,775	37,835	60,315	495
West Vancouver	3,850	940	65	45	190	1,995	595	--
White Rock	3,240	615	20	30	535	210	1,825	--

Source: 2001 Census

Housing Affordability

While the vast majority of households living in Greater Vancouver have been able to find housing that meets their needs and that is affordable, in recent years policy makers and decision makers have been increasingly concerned with issues related to homelessness and housing affordability for households falling at the lower end of the income distribution.

In the *Forecast Demand for Affordable Housing in Greater Vancouver* (April 2004), the continued demand pressure for affordable units was identified as an important focus (especially in the rental housing stock).

The forecast set out by PwC (2004) estimated that 64 per cent of all new rental housing demand would be for *affordable* units. This translates into approximately 45,120 new units by 2021 or an annual increase of approximately 2,256 rental units each year. Some of this demand is likely to be met through the secondary rental market as well as through government funded supply programs. However, even in an environment of high housing starts, many households may not be able to find housing they can afford within the resources they have available. Therefore, while supply responsiveness demonstrates a robust sector, low income demand is unlikely to be effective demand.

This section examines the nature of housing need across Greater Vancouver including:

- The number of households paying 30 per cent or more of their pre-tax income on shelter, based on the CMHC definition of core housing need¹; and,
- The number of renter households *in need and paying at least half of their income on housing* (INALH).

This section also looks at the inventory of non-market housing available to respond to those who are facing affordability challenges.

¹ According to CMHC, a household is said to be in core housing need if “its housing falls below at least one of the adequacy, suitability or affordability standards **and** it would have to spend 30 per cent or more of its income on the median rent for alternative local market housing that meets all three standards” (CMHC, 2001a. Socio-Economic Series, Issue 55-7).

Households in Core Housing Need

Data from CMHC shows that in 2001 there were 122,280 households in core housing need.¹ This includes both renters and owners and represents approximately 16 per cent of households across the Region.

Table 5: Households in Core Housing Need			
	Total Households	Households in Core Housing Need	% in Core Housing Need
Greater Vancouver	758,715	122,280	16%
Anmore	430	20	5%
Belcarra	260	20	8%
Bowen Island	1,145	95	8%
Burnaby	74,000	13,325	18%
Coquitlam	40,220	5,800	14%
Delta	32,785	3,230	10%
Electoral Area A	2,695	430	16%
Langley C	10,085	1,935	19%
Langley D	29,670	2,835	10%
Lions Bay	520	25	5%
Maple Ridge	22,590	3,115	14%
New Westminister	26,030	5,295	20%
North Vancouver C	20,710	3,535	17%
North Vancouver D	29,075	2,645	9%
Pitt Meadows	5,300	590	11%
Port Coquitlam	17,755	2,365	13%
Port Moody	8,535	735	9%
Richmond	56,775	8,835	16%
Surrey	115,710	17,250	15%
Vancouver	236,095	47,130	20%
West Vancouver	16,340	1,615	10%
White Rock	9,075	1,460	16%
<i>Source: CMHC 2001 revised core need data.</i>			

¹ Based on CMHC's definition, households are deemed to be in core housing need if they are living in housing which falls below one or more of the established standards and if they do not have sufficient income to find alternative housing in their community without spending more than 30 per cent of their income on housing.

Owner Households in Core Housing Need

Owners in core housing need account for approximately 33 per cent of all households in core housing need and make up 9 per cent of all owners across the Region¹.

	Total Owners	Owners in Core Housing Need	% of Owners in Core Housing Need
Greater Vancouver	462,645	39,825	9%
Anmore	325	20	6%
Belcarra	205	15	7%
Bowen Island	885	40	5%
Burnaby	41,705	4,215	10%
Coquitlam	28,370	2,530	9%
Delta	26,020	1,580	6%
Electoral Area A	1,190	90	8%
Langley C	5,860	575	10%
Langley D	24,950	1,690	7%
Lions Bay	465	25	5%
Maple Ridge	17,520	1,440	8%
New Westminster	12,400	1,145	9%
North Vancouver C	9,940	935	9%
North Vancouver D	22,945	1,310	6%
Pitt Meadows	4,075	245	6%
Port Coquitlam	13,215	890	7%
Port Moody	6,495	335	5%
Richmond	40,255	4,720	12%
Surrey	82,695	6,625	8%
Vancouver	103,340	10,200	10%
West Vancouver	12,485	770	6%
White Rock	5,835	425	7%

Source: CMHC 2001 core need data.

¹ CMHC explored differences in the pattern of core housing need incidence across owners and renters and found that while low income is quite frequently a contributing factor, owners may have an asset that, if sold, would ensure that they could find suitable housing in the private rental market without being in core housing need. Renter households in core housing need, on the other hand, were found not to have access to the same type of financial resources as owners (CMHC, *Canadian Housing Observer*, 2005:4 and 67-70).

Renter Households in Core Housing Need

Based on the most recent data published by CMHC, approximately 28 per cent of all renter households across Greater Vancouver are in core housing need¹. Issues related to core housing need tend to be more prevalent among renter households².

Table 7: Renters in Core Housing Need			
	Total Renter Households	Renter Households in Core Housing Need	Percent of Renter Households
Greater Vancouver	295,740	82,460	28%
Anmore	100	10	10%
Belcarra	55	--	--
Bowen Island	260	55	21%
Burnaby	32,290	9,110	28%
Coquitlam	11,850	3,270	28%
Delta	6,765	1,650	24%
Electoral Area A	1,505	335	22%
Langley C	4,220	1,360	32%
Langley D	4,720	1,145	24%
Lions Bay	50	--	--
Maple Ridge	5,075	1,670	33%
New Westminister	13,625	4,145	30%
North Vancouver C	10,720	2,600	24%
North Vancouver D	6,120	1,335	22%
Pitt Meadows	1,225	350	29%
Port Coquitlam	4,540	1,470	32%
Port Moody	2,040	395	19%
Richmond	16,520	4,120	25%
Surrey	33,015	10,625	32%
Vancouver	132,755	36,935	28%
West Vancouver	3,850	845	22%
White Rock	3,240	1,035	32%
<i>Source: CMHC 2001 core need data</i>			

¹ Based on the estimates provided by CMHC, in 2001 there were 122, 280 households in core housing need of which 82,460 were renter households.

² While renter households make up only 39 per cent of all households across the Region, they account for approximately 67 per cent of all households in core housing need.

Renter Households In Need and Paying at Least Half (INALH)

Growing concerns about homelessness and households ‘at risk’ of becoming homeless have resulted in increasing attention being paid to households that are in need and paying at least half of their income on shelter (INALH). Based on data captured in the 2001 Census, there were approximately 35,220 renter households that fit the INALH definition. This represents approximately 43 per cent of renter households in core housing need.

	Core Need	Paying more than 50% on housing (INALH)	% of core need paying more than 50% (INALH)
Greater Vancouver	82,460	35,220	43%
Anmore	10	--	--
Belcarra	--	--	--
Bowen Island	55	35	64%
Burnaby	9,110	3,710	41%
Coquitlam	3,270	1,365	42%
Delta	1,650	645	39%
Electoral Area A	335	--	--
Langley C	1,360	615	45%
Langley D	1,145	515	45%
Lions Bay	--	10	--
Maple Ridge	1,670	705	42%
New Westminster	4,145	1,750	42%
North Vancouver C	2,600	1165	45%
North Vancouver D	1,335	675	51%
Pitt Meadows	350	115	33%
Port Coquitlam	1,470	570	39%
Port Moody	395	135	34%
Richmond	4,120	1,995	48%
Surrey	10,625	4,085	38%
Vancouver	36,935	15,945	43%
West Vancouver	845	490	58%
White Rock	1,035	555	54%

Source: CMHC 2001 core need data and INALH data (Table J3018)

Renter Households Receiving Housing Assistance

Data provided by BC Housing shows that, as of December 2005, there were approximately 53,514 renter households across Greater Vancouver receiving some form of housing assistance. This represents approximately 18 per cent of all renter households. Among those receiving housing assistance are 47,221 households living in social housing and 6,293 households living in the private rental market¹. These are households with incomes largely below \$20,000² who would face difficulty finding housing in the private market that they could afford³.

	Total Renter Households	Total Households Assisted	Social Housing	Rent Assistance (Private Market)
Greater Vancouver	295,745	53,514	47,221	6,293
Anmore	105	0	0	0
Belcarra	50	0	0	0
Bowen Island	260	0	0	2
Burnaby	32,290	6,441	5,819	622
Coquitlam	11,850	1,919	1,661	258
Delta	6,765	974	770	204
Electoral Area A	1,505	0	0	0
Langley C	4,225	1,201	1,021	180
Langley D	4,720	517	424	93
Lions Bay	50	0	0	1
Maple Ridge	5,070	987	743	244
New Westminister	13,625	1,875	1,485	390
North Vancouver C	10,720	1,280	1,069	211
North Vancouver D	6,115	1,283	1,152	131
Pitt Meadows	1,225	390	370	20
Port Coquitlam	4,540	1,100	979	121
Port Moody	2,040	558	544	14
Richmond	16,525	3,184	2,803	381
Surrey	33,020	5,509	4,498	1,011
Vancouver	132,750	25,210	23,156	2,054
West Vancouver	3,850	528	331	197
White Rock	3,240	555	396	159

Source: BC Housing, December 2005

¹ Most of these households are seniors receiving assistance through the Province's SAFER program.

² Data provided by BC Housing indicates that households living in social housing have an average annual income of \$16,000.

³ Many of these households also face a combination of challenges in addition to having low incomes.

A picture of core housing need across Greater Vancouver:

In the fall of 2002, *Community Focus* completed a survey of more than 700 renter households across Greater Vancouver. The study was funded through CMHC's external research program (ERP). The majority of the households that were surveyed were in core housing need including 23 per cent that were in need and paying at least half of their income on housing. Based on the responses, the following picture emerged:

- *Sixty-one per cent had incomes below \$20,000 while an additional 10 per cent had incomes between \$20,000 and \$30,000¹.*
- *Almost half of all respondents (47 per cent) reported that they felt that their choices were limited in terms of where to live while 56 per cent reported that they felt that their choices were limited in terms of tenure.*
- *The majority (71 per cent) were satisfied with their current housing situation while 58 per cent reported that they felt 'better off' compared to others they knew.*
- *Almost half of all respondents (49 per cent) lived in their current housing for 2 years or less while 25 per cent expected to move within the next 12 months.*
- *Almost 1 in 4 had previously stayed with family or friends on an emergency basis while 47 per cent were concerned about their ability to retain their current housing.*
- *Of those who reported that they expected to move:*
 - *30 per cent expected to move to social housing;*
 - *20 per cent expected to find other rental housing in the private market;*
 - *18 per cent expected to move into home ownership;*
 - *14 per cent expected to move in with family or friends; and,*
 - *15 per cent reported that they did not know where they would move.*
- *For some the picture was even more desperate:*
 - *45 per cent reported that they had experienced difficulty finding a place to live;*
 - *34 per cent reported that they felt one pay cheque away from homelessness; and,*
 - *25 per cent reported that they were extremely concerned about losing their housing.*
- *The study also found that approximately:*
 - *1 in 3 had experienced difficulty in paying their rent;*
 - *35 per cent had to choose between paying rent and buying food;*
 - *44 per cent would have to move if their income decreased by \$100/month; and,*
 - *Less than 35 per cent had one month's rent saved to fall back on in an emergency.*

¹ This is comparable to the general income profile of households in core housing need reported in CMHC's Housing in Canada database for the Vancouver CMA.

Meeting Future Housing Demand

Having looked at the general mix of housing type and tenure options across Greater Vancouver as well as general issues related to housing affordability, this section looks at the future demand forecasts across the different market segments (ownership and rental).

An analysis of historical trends related to macro-economic conditions and housing starts covering the period from 1994 to present helps to ground the discussion and provide the context for determining the potential implications in terms of future supply.

This section uses a trend analysis of housing starts by tenure (rental and ownership) to forecast future starts through 2021 and to identify potential gaps and/or risks for decision makers to consider in setting future directions for the Region.

The analysis focuses on three (3) key areas set out in the *Forecast Demand for Affordable Housing in Greater Vancouver* (April 2004):

1. The aggregate demand of 311,440 units by 2021;
2. The forecasted requirement of 238,338 ownership units; and,
3. The forecasted requirement of 70,500 rental units.

Meeting Forecasted Future Demand

Housing starts play a central role in meeting housing demand. This section provides an overview of housing starts across Greater Vancouver over the period from 1994 to present and examines the extent to which comparable levels of output would be sufficient to meet future demand.

In looking at housing starts over the past two years, it is clear that if these levels of output could be sustained there would be a net surplus in stock relative to the projected 2021 demand forecast. In addition, CMHC has forecasted sustained growth for 2006¹.

	2004	2005	2006 Forecast (R)
GVRD Housing Starts	19,430	18,914	18,000
Forecasted Requirement	15,572	15,572	15,572
Annual Surplus	3,858	3,342	2,428

The PwC report forecasted future demand of 311,440 units over the period from 2001 to 2021. This translates into annual starts of 15,572 units. The table below shows the breakdown of the forecasted demand by tenure across 5 year periods.

	Forecasted Requirement (Units)	Owners	Renters
2001 to 2006	77,860	59,585	17,625
2001 to 2011	155,720	119,169	35,250
2001 to 2016	233,580	178,754	52,875
2001 to 2021	311,440	238,338	70,500
Annual Target	15,572	11,917	3,525

In order to meet the forecasted demand, the PwC report projected the need for 238,338 ownership units and 70,500 rental units. Annual production targets to meet the forecasted demand are set out below.

	Total Demand	Ownership	Rental
Forecasted Requirement ₂₀₂₁	311,440	238,338	70,500
Annual Requirement	15,572	11,917	3,525

¹ As reported in *The Vancouver Sun* this number has been adjusted upward from the forecasted starts of 17,000 presented at the *Housing Outlook Conference* in October 2005 (“Urban Housing Starts Fall”, *The Vancouver Sun*, January 11, 2006).

The *Forecast Demand for Affordable Housing in Greater Vancouver* published in April 2004 provided an important starting point for this research. Building on the information captured in this study, a number of different scenarios (described below) were used to “test” different possible outcomes related to the current housing supply response and to consider the potential impact at different points along the housing continuum.

Scenario A: High growth. Under this scenario, there are low levels of inflation, low interest rates and modest real income growth. Under this scenario an interest rate of 5 per cent is assumed. In addition, it is assumed that there is real income growth of 1 per cent for the top two thirds of households while the income of those falling at the bottom third of the income distribution remains static.

Scenario A	Interest Rate	Real Income Growth
Interest Rate	5%	
Income (top 1/3)		1%
Income (middle 1/3)		1%
Income (bottom 1/3)		No growth

Scenario B: Moderate growth. Under this scenario there is moderate inflation, low income growth and higher interest rates. For this scenario an interest rate of 7 per cent is assumed. Income growth under this scenario is limited to the top third of the income distribution while the remaining segments experience a 1 per cent drop in real incomes.

Scenario B	Interest Rate	Real Income Growth
Interest Rate	7%	
Income (top 1/3)		1%
Income (middle 1/3)		(1%)
Income (bottom 1/3)		(1%)

Scenario C: Low Growth. Under this scenario there is both slow income and economic growth and high interest rates. An interest rate of 8 per cent is assumed while real incomes decrease by 1 per cent for all groups limiting potential purchasing power.

Scenario C	Interest Rate	Real Income Growth
Interest Rate	8%	
Income (top 1/3)		(1%)
Income (middle 1/3)		(1%)
Income (bottom 1/3)		(1%)

Sensitivity to Changes in Interest Rates and Inflation

In laying out the different forecast scenarios used in this study, it is also important to take into consideration the impact of changes in interest rates and inflation. The table below shows the total number of housing starts across Greater Vancouver over the period from 1994 to present along with historical data related to interest rates and inflation.

While it is important to recognize that there typically is a lag in the changes to the supply response relative to interest rates and inflation, the historical data suggests that higher interest rates generally mean a reduction in housing starts¹.

Likewise, inflation can also have a dampening effect on housing starts as escalating costs begin to have an impact upon price. Inflation is typically correlated with higher interest rates which can influence consumer purchasing power and housing demand.

Year	Historical Housing Starts Data (GVRD) ¹	Historical Mortgage Rates	CPI ²
1994	20,473	10.25	0.2
1995	14,992	8.46	2.2
1996	15,453	6.94	1.6
1997	15,950	6.90	1.6
1998	11,878	6.69	0.9
1999	8,677	8.13	1.7
2000	8,203	7.81	2.7
2001	10,862	6.64	2.6
2002	13,197	6.39	2.2
2003	15,626	6.00	2.8
2004	19,430	5.69	1.9
2005	18,914	5.00	2.0
2006F	18,000 ³	6.41 ⁴	2.0 ⁵

¹CMHC *Housing Statistics* 1994 to 2005 ²Bank of Canada, *Monetary Policy* 1994 to 2005
³CMHC, GVRD Housing Forecast, *Vancouver Sun*, January 11, 2005
⁴Economics, *Interest and Exchange Rate Forecast, December 2005 (12)*
⁵Bank of Canada, Monetary Policy Report and Up-date, October 2005. CUCBC

¹ In discussing the relationship between interest rates and housing starts, as part of the most recent Housing Outlook Conference, CMHC's Regional Economist noted that a 1 per cent increase in interest rates can result in a 3,000 to 5,000 drop in housing starts across the Province. With Greater Vancouver accounting for half of new housing starts, this would translate into a drop of 1,500 to 2,500 units across the Region.

Historical Patterns of Housing Starts

If one were to compare the annual targets with the historical data, the findings suggest that housing starts can be highly cyclical ranging from a high of over 20,000 starts in 1994 to a low of 8,203 in 2000.

The table below provides information on housing starts by tenure. In looking at the data captured in the table below, it is instructive to note that:

- There were years when the output for both ownership and rental fell below the forecasted requirement;
- Rental housing starts fell below the forecasted requirement in all years; and,
- There was significant variation in the year over year rental housing starts.

The implications of these findings are explored more fully in the table below which shows annual production levels relative to the targets identified for meeting future housing demand. In addition, the table on the following page looks more closely at rental housing starts.

Year	Total Housing Starts	Forecasted Requirement	Surplus/ Shortfall	Ownership	Annual Ownership Target	Surplus/ Shortfall	Rental	Annual Rental Target	Surplus/ Shortfall
1994	20,473	15,572	4,901	19,292	11,917	7,375	1,181	3,525	-2,344
1995	14,992	15,572	-580	14,227	11,917	2,310	669	3,525	-2,856
1996	15,453	15,572	-119	14,655	11,917	2,738	715	3,525	-2,810
1997	15,950	15,572	378	14,631	11,917	2,714	1,248	3,525	-2,277
1998	11,878	15,572	-3,694	11,379	11,917	-538	499	3,525	-3,026
1999	8,677	15,572	-6,895	7,689	11,917	-4,228	988	3,525	-2,537
2000	8,203	15,572	-7,369	7,029	11,917	-4,888	1,145	3,525	-2,380
2001	10,862	15,572	-4,710	8,024	11,917	-3,893	2,838	3,525	-687
2002	13,197	15,572	-2,375	11,884	11,917	-33	1,313	3,525	-2,212
2003	15,626	15,572	54	14,714	11,917	2,797	912	3,525	-2,613
2004	19,430	15,572	3,858	18,726	11,917	6,809	704 ¹	3,525	-2,821
2005	18,914	15,572	3,342	18,385	11,917	6,468	529 ²	3,525	-2,996
2006F	18,000	15,572	2,428	17,285	11,917	5,908	715 ³	3,525	-2,810

Source: CMHC Housing Statistics, 1994-2005

¹ Includes 319 non-market rental housing starts.

² Includes 236 non-market rental housing starts.

³ This forecast is based on the average number of rental housing starts over the last 3 years (2003-2005). By employing a different forecasting method (i.e. direction and degree of change in starts over the past 3 years) as the basis for the forecast one would arrive at a forecast of 391 rental housing starts for 2006.

Closer Examination of Rental Housing Starts

In looking at the 10 year history of rental housing starts, it is clear that there can be significant year over year variation. Based on the data captured in the table below, the number of rental housing starts ranged from a high of 2,838 in 2001 to a low of less than 500 in 1998. Overall, in looking at a 10 year average, the total number of rental housing starts was equal to 1,089 units or approximately 31 per cent of the annual target.

Table 15: 10 Year Picture Rental Housing Starts (1996-2005)			
Year	Rental	Annual Rental Target	Surplus/Shortfall
1996	715	3,525	-2,810
1997	1,248	3,525	-2,277
1998	499	3,525	-3,026
1999	988	3,525	-2,537
2000	1,145	3,525	-2,380
2001	2,838	3,525	-687
2002	1,313	3,525	-2,212
2003	912	3,525	-2,613
2004	704	3,525	-2,821
2005	529	3,525	-2,996
10 Year Average	1,089	3,525	-2,436

Source: CMHC Housing Statistics, 1994-2005

In looking at the 5 year history, the average level of production was equal to approximately 36 per cent of the target. However, there have been two important shifts to note:

- a. In recent years the number of rental housing starts has been trending downward. Based on data over the last 3 years the average number of annual starts was 715—significantly lower than either the 5 year or the 10 year average.
- b. Non-market starts have accounted for a significant percentage of the total.

Table 16: 5 Year Picture of Rental Housing Starts (2001-2005)			
Year	Rental	Annual Rental Target	Surplus/Shortfall
2001	2,838	3,525	-687
2002	1,313	3,525	-2,212
2003	912	3,525	-2,613
2004	704	3,525	-2,821
2005	529	3,525	-2,996
5 Year Average	1,259	3,525	-2,266

Source: CMHC Housing Statistics, 1994-2005

Alignment of Interest Rates, Inflation and Housing Starts

The table below shows the alignment between the interest rate assumptions used under the different scenarios and the historical trend data related to housing starts. Based on the general patterns, *Scenario A* appears to be most closely aligned with the general experience of the last five years while *Scenario B* is slightly less favourable and closer to the general experience of the last 10 years. *Scenario C* describes a “worst case” scenario and explores the possibility of a significant deterioration in current economic conditions both in terms of interest rates and inflation as well as the related impact on housing starts.

Assumptions/Trend Data	Housing Starts	5 Year Mortgage Rate	Interest Rates Used in Forecast Model
2006 CMHC Forecast	18,000	6.55	
Historical Data (5 year trend)	15,606	6.25	5% (Scenario A)
Historical Data (10 year trend)	13,819	6.78	7% (Scenario B)
Worst Case scenario	8,677 ¹	8.13	8% (Scenario C)

Assumptions/Trend Data	Housing Starts	CPI	Interest Rates Used in Forecast Model
2006 Bank of Canada Forecast	18,000	2.0	
Historical Data (5 year trend)	15,606	2.3	1% (Scenario A)
Historical Data (10 year trend)	13,819	2.0	2% (Scenario B)
Worst case scenario	8, 203 ²	2.7	4% (Scenario C)

If one were to use the historical supply response as a means of estimating future supply, the following assumptions would most closely align with the scenarios used in this report.

	Total	Owners	Renters
GVRD Projected Requirement	15,572	11,917	3,525
Scenario A (5 year trend—2001-2005)	15,606	14,347	1,259
Scenario B (10 year trend—1996-2005)	13,819	12,712	1,089
Scenario C ³ worse case (1999 – 2000 levels)	8,440	7,359	1,067

¹ This reflects housing starts from 1999, a period which corresponds most closely with interest rates of 8%.

² This reflects housing starts from 2000, a period which corresponds most closely with inflation of 4%.

³ The assumptions related to this scenario are based on an average of the supply response for 1999 and 2000, the years most closely aligned with the interest rate and inflation assumptions under Scenario C.

Housing Supply Added Under the Three Scenarios

If housing start levels were to remain consistent with production levels equal to the last 5 and 10 years, then Scenarios A and B show the respective output levels that would be achieved by 2021. Likewise, if production levels were to drop to a low equal to that reported in 1999/2000, Scenario C shows the potential impact by 2021.

	Forecasted Requirement for Greater Vancouver	Scenario A (5 Year Trend)	Scenario B (10 Year Trend)	Scenario C (Worst Case)
	Adds 15,572 starts/year	Adds 15,606 starts/year	Adds 13,819 starts/year	Adds 8,440 starts/year
2001 to 2006	77,860	78,030	69,095	42,200
2001 to 2011	155,720	156,060	138,190	84,400
2001 to 2016	233,580	234,090	207,285	126,600
2001 to 2021	311,440	312,120	276,380	168,800

Based on the findings reported in the table below, if the housing sector operates at current full capacity (Scenario A), it will match the total demand forecast. However, if production levels are equal to the last 10 years (Scenario B), then there would be an annual shortfall of 8,765 units or a pressure of approximately 35,060 by 2021. In the unlikely event of the worst case scenario (Scenario C), the shortfall would be significantly higher.

	2006			2021		
	Demand	Forecast	(Pressure)	Demand	Forecast	(Pressure)
Scenario A	77,860	78,030	170	311,440	312,120	680
Scenario B	77,860	69,095	(8,765)	311,440	276,380	(35,060)
Scenario C	77,860	42,200	(35,660)	311,440	168,800	(142,640)

Adjusting for Actual Production Levels—2001 to 2005

Given that there are actual results for the first 5 year period (2001 to 2006), it is possible to adjust the forecasted supply by the actual number of starts recorded during this period (78,030). The impact of this change is shown in the tables on the following page.

The experience over the last five years suggests that the housing supply sector has roughly kept pace with the output projected in Scenario A. However, in order to meet the forecasted 2021 demand, the findings suggest a need for sustained high output over the next 15 years. The findings also provide some validation for the demand forecasts that have been used.

Table 22: Supply Response Under the Different Scenarios (Actual Starts 2001-2006)

	Forecasted Requirement for Greater Vancouver	Scenario A	Scenario B	Scenario C
	Adds 15,572 Starts/year	Adds 15,606 starts/year	Adds 13,819 starts/year	Adds 8,440 starts/year
2001 to 2006	77,860	78,030	78,030	78,030
2001 to 2011	155,720	156,060	147,125	120,230
2001 to 2016	233,580	234,090	216,220	162,430
2001 to 2021	311,440	312,120	285,315	204,630

Table 23: Impact on Forecasted Demand (Actual Starts 2001-2006)

	2021 Forecast			2021 Forecast Revised		
	Demand	Forecast	Pressure	Demand	Forecast	Pressure
Scenario A	311,440	312,120	680	311,440	312,120	680
Scenario B	311,440	276,380	(35,060)	311,440	285,315	(26,125)
Scenario C	311,440	168,800	(142,640)	311,440	204,630	(106,810)

In looking at the forecasted demand, the following are some general observations that can be made:

Scenario A: A supply response comparable to the level of housing starts over the past 5 years would result in the creation of enough additional housing stock to meet the forecasted demand at the aggregate level. However, the achievement of this result would entail the development sector running at full capacity for 16 consecutive years.

Forecasted Result ₂₀₂₁	Under this scenario, home ownership rates are expected to remain constant and price increases will moderate as supply remains equal to demand.
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Scenario B: A supply response comparable to the level of housing starts over the past 10 years would not be sufficient in terms of meeting the forecasted future demand resulting in a potential shortfall of 26,125 units.

Forecasted Result ₂₀₂₁	Under this scenario, home ownership rates would deteriorate putting increased pressure on the rental housing supply and pushing up prices.
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Scenario C: A supply response comparable to the levels experienced in the late 1990s would result in a potential shortfall of 106,810 units and is equal to only half of current production levels.

Forecasted Result ₂₀₂₁	This scenario is unlikely based on current economic forecasts but would mean pressure to all segments of the housing continuum.
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Ownership Units Added Under the Three Scenarios

While the data in the previous section looked at aggregate starts, this section looks at the ownership segment—the segment which has been the focus of the majority of new housing supply over the past 10 years. Of the forecasted demand, approximately 77 per cent was estimated to be ownership units. This translates into approximately 238,340 additional units by 2021 or an average annual increase of 11,917. Using the same assumptions as set out in the previous section, this section looks at historical production of ownership units under the different scenarios.

Table 24: Projected Starts Under the Different Scenarios (Owners)

	Total	Owners	Renters
Projected Requirement for Greater Vancouver	15,572	11,917	3,525
Scenario A (5 year trend)	15,606	14,347	1,259
Scenario B (10 year trend)	13,819	12,712	1,089
Scenario C ¹ worse case (1999 – 2000 levels)	8,440	7,359	1,067

Table 25: Supply Response Under the Different Scenarios (Owners)

	Forecasted Requirement for Greater Vancouver	Scenario A (5 Year Trend)	Scenario B (10 Year Trend)	Scenario C (Worst Case)
	Adds 11,917 starts/year	Adds 14,347 starts/year	Adds 12,712 starts/year	Adds 7,359 starts/year
2001 to 2006	59,585	71,735 _{actual}	71,735 _{actual}	71,735 _{actual}
2001 to 2011	119,170	143,470	135,295	108,530
2001 to 2016	178,755	215,205	198,855	145,325
2001 to 2021	238,340	286,940	262,415	182,120

Table 26: Meeting the Demand: Evaluating the Scenarios (Owners)

	2006 _{based on actual}			2021		
	Demand	Forecast	Surplus	Demand	Forecast	Surplus/ (Pressure)
Scenario A	59,585	71,735	12,150	238,340	286,940	48,600
Scenario B	59,585	71,735	12,150	238,340	262,415	24,075
Scenario C	59,585	71,735	12,150	238,340	182,120	(56,220)

Under both Scenarios A and B, the projected housing starts on the ownership side are expected to exceed the forecasted demand with a forecasted surplus of between 24,075 and 48,600 units. A result of this nature would contribute to higher levels of home ownership and have some moderation on price. Scenario C, by contrast, would realize a shortfall of over 50,000 units, placing upward pressure on housing supply and prices.

¹ The assumptions related to this scenario are based on an average of the supply response for 1999 and 2000, the years which most closely align with the interest rate and inflation assumptions under Scenario C.

Rental Units Added Under the Three Scenarios

In many ways, the rental housing supply situation results in a very different picture from that of the discussion of ownership in the previous section. Of the forecasted future demand, approximately 23 per cent was for rental units. This translates into 70,500 additional units by 2021 or an average annual increase of 3,525 new units. Using the same approach as outlined in the previous section, the following tables show the estimated increase in rental housing units based on historical production levels.

	Total	Owners	Renters
Projected Requirement for Greater Vancouver	15,572	11,917	3,525
Scenario A (5 year trend)	15,606	14,347	1,259
Scenario B (10 year trend)	13,819	12,712	1,089
Scenario C ¹ worse case (1999 – 2000 levels)	8,440	7,359	1,067

	Forecasted Requirement for Greater Vancouver	Scenario A	Scenario B	Scenario C
	Adds 3,525 starts/year	Adds 1,259 starts/year	Adds 1,089 starts/year	Adds 1,067 starts/year
2001 to 2006	17,625	6,295 _{actual}	6,295 _{actual}	6,295 _{actual}
2001 to 2011	35,250	12,590	11,740	11,630
2001 to 2016	52,875	18,885	17,185	16,965
2001 to 2021	70,500	25,180	22,630	22,300

	2006 Forecast			2021 Forecast		
	Demand	Forecast	(Pressure)	Demand	Forecast	(Pressure)
Scenario A	7,625	6,295	(11,330)	70,500	25,180	(45,320)
Scenario B	7,625	6,295	(11,330)	70,500	22,630	(47,870)
Scenario C	7,625	6,295	(11,330)	70,500	22,300	(48,200)

Under all three scenarios modeled there is a significant shortfall in rental housing production. The likely effect is continued pressure on vacancy rates and price which will continue to have a negative impact on affordability. It could also result in a concomitant increase in the number of core need and INALH renter households.

¹ The assumptions related to this scenario are based on an average of the supply response for 1999 and 2000, the years which most closely align with the interest rate and inflation assumptions under Scenario C.

Responding to the Gaps In the Housing Continuum

This section looks more closely at the gaps and pressures identified through the housing starts analysis in the previous section. It also looks at potential strategies for addressing these gaps.

The discussion and analysis in this section focuses on five (5) key areas including potential policy directions related to:

1. Strategies to support supply enablement;
2. The lack of new rental housing construction;
3. Access to serviced land;
4. The role of the secondary rental market; and,
5. The absolute shortfall of units at the low end.

General Observations

This section looks at some of the potential gaps that were identified through the housing starts analysis completed in the previous section and identifies some key issues for policy makers and decision makers to consider in developing future plans.

Before moving into the discussion of some of the key findings, it is important to make two (2) general observations:

1. Over the short-term, most economic forecasts tend to suggest that the economy will continue to experience positive growth. Should these forecasts hold true, the supply assumptions set out under Scenario A can most likely be achieved.
2. It should be recognized, however, that most forecasts typically cover a 3 to 5 year period, not a 15 to 20 year period. Therefore, while the findings from this study suggest that the preliminary results are positive, this forecast should be up-dated and adjusted on a regular basis by GVRD staff as new data becomes available.

Other observations to consider:

1. The findings from the analysis suggest that it is only under sustained growth comparable to the growth experienced over the past 5 years¹ that the estimated future demand can be met.
2. Even under Scenario B which reflects output levels comparable to the past 10 years, there would be an estimated shortfall of more than 25,000 units relative to the forecasted demand.
3. While the findings also suggest that ownership targets can be achieved with output levels equal to the last 5 or 10 years, the resulting surplus may not necessarily be the right “mix” of housing types or the right “volume” to offset the deficit in the rental supply.
4. While the forecasted results at the aggregate level look reasonably positive (especially if the current level of growth can be sustained) under no scenario does new rental housing supply match the forecasted demand². As a result, this will translate into continued pressure on the existing supply of rental housing and can have long term implications in terms of future housing affordability.

¹ It is also important to note that some economists have made the observation that this recent period of economic growth has been one of the longest periods of expansion in recent history.

² Depending on the scenario that is adopted, the projected shortfall in rental units is estimated to be between 45,320 and 48,200 units.

Supply Enablement

The elements of supply enablement which are within the municipal purview include zoned capacity through land use regulation, permit processes and infrastructure and servicing financing. Anything which increases the supply and/or speed of these factors makes for an improved elasticity of supply and removes potential bottle-necks. A feature of municipal management is the emphasis on basic services and to what extent amenities get financed by the development process with development cost charges and other taxes contributing to a higher cost profile for new housing supply.

The historic capacity of the Greater Vancouver supply sector is typically in the order of 18,000-20,000 units per year. Currently, developers and builders are reporting shortages of labour and materials, permit delays due to volume, and 'expensive' zoned and serviced land. In the event of a sustained supply shortfall, the industry would be expected to adapt by adding resources through recruitment as well as pricing up inputs in order to address the barriers to expanding the capacity of the industry.

Supply Enablement—Policy Directions

The regulatory framework plays a central role in supply enablement strategies. This involves the need for clarity of regulation and a well-defined process. In the context of the consultations with the local municipalities three (3) key themes were identified:

- Comprehensive zoning;
- Density bonus provisions; and,
- Regulatory streamlining.

Of the member municipalities consulted, 67 per cent reported that they felt that their current strategies were reasonably effective in terms of promoting a mix of housing types as well as in terms of creating increased capacity through a range of mechanisms.

Density bonus provisions received a more mixed review. A sizable number of municipalities reported that they did not perceive these provisions to be effective within their planning contexts while a smaller number of municipalities reported that they found density bonussing to be a useful tool.

Developers on the other hand continue to feel that the concept is sound but the current mechanism is complicated and entangled in the rezoning and documentation process. Consultation with the development sector also focused on the need for clarity in the process as well as higher certainty in obtaining permits in a timely fashion.

Many of these points have been discussed in more detail in the *Municipal Stakeholder Results* document—a companion study to this report.

The Lack of New Rental Housing Construction

A major factor in the projected deficit in the rental supply is the lack of new rental housing construction. This is largely attributable to the current financial and taxation environment for rental housing investments relative to housing product for direct ownership. Below is a pro-forma for a new rental housing development while on the following page is a pro-forma for a comparable condo development on the same site.

Table 30: Pro Forma--Langley Township Rental Scenario				
2005 - Langley Apartment - Rental Scenario- Pro forma 24 units, (1,050 sf ave.) with commercial at Grade				
4 Storey Woodframe Apartment		Gross buildable area = 34,150 sf @ \$29 per sf.		
Units	24	Net - Gross efficiency 87%		
net rentable space	21,924	Coverage at grade = 95% (8,950sf)		
Project Development Costs				
<i>Project</i>				
	Land	\$989,563		28.97694
	Construction	\$4,153,645		
	Soft Costs	<u>\$592,099</u>		
	Sub -Total	\$5,735,307		
	Financing & Cont.	\$420,000		
	GST	<u>\$185,000</u>		
	Total Costs	<u>\$6,340,307</u>		
	Commercial Cost	\$2,200,000	<i>Per Unit</i>	
	Residential Cost	<u>\$4,140,307</u>	<u>\$172,513</u>	
Annual Revenues, Costs and Cash Flow (Yr. 1)				
		<i>\$/net ft.</i>	<i>Project</i>	<i>Per Unit</i>
Revenues:	Rental Income	\$1.25	\$328,860	\$13,703
	Other Income		\$14,400	\$600
	Vacancy Allowance (5%)		<u>\$17,163</u>	<u>\$715</u>
	Gross Income		\$326,097	\$13,587
Operating Costs:	Maintenance and Operations		\$70,000	\$2,917
	Management		\$16,000	\$667
	Property Taxes		<u>\$53,100</u>	<u>\$2,213</u>
	Total Operating Costs		\$139,100	\$5,796
	Net operating income		<u>\$186,997</u>	\$7,792
Long Term Rental Financing				
Mortgage Payments:	Principal		\$20,304	\$0
	Interest @6%, 25 yr. am.		<u>\$123,540</u>	\$0
	Total Debt Service		<u>\$143,844</u>	\$0
	Debt Coverage ratio		1.30	
	Capital cost of Residential		\$4,140,307	
	Residential Loan Amount, max.		<u>\$1,580,000</u>	
	Equity Required		\$2,560,307	
	Annual Cash Flow to Equity		<u>\$43,153</u>	\$1,798
Bottom Line for Investor:			Rate of return on Equity	1.69%

Table 31: Pro Forma, Langley Township Build and Sell Scenario

2005 - Langley Apartment Condo - Build & Sell Scenario

24 units, (1,050 sf average)

4 Storey Woodframe Apartment

Units = 24

net saleable space 21,924

(Site size = 9,420 sf); FSR = 3.6

Gross buildable area = 34,150 sf @ \$11.56 per sf.

Net - Gross efficiency 87%

Coverage at grade = 95% (8,950sf)

Project Development Costs

	<i>Project</i>	<i>Per Unit</i>
Land	\$989,563	
Construction	\$4,153,645	
Soft Costs	<u>\$592,099</u>	
Sub -Total	\$5,735,307	
Financing & Cont.	\$420,000	
GST	<u>\$185,000</u>	
Total Costs	<u>\$6,340,307</u>	
Commercial Cost	\$2,200,000	
Residential Cost	<u>\$4,140,307</u>	<u>\$172,513</u>

Revenues, Costs and Profit (24 months)

	<i>\$/net ft.</i>	<i>Project</i>	<i>Per Unit</i>
Revenues:			
Condo sales	\$270.00	\$5,919,480	\$246,645
Commissions & GST		<u>\$599,760</u>	<u>\$24,990</u>
Gross Income		\$5,319,720	\$221,655
Capital Costs for Residential			
Capital Cost Residential		<u>\$4,140,307</u>	<u>\$172,513</u>
Net Income:		<u>\$1,179,414</u>	<u>\$49,142</u>

Project - Construction Financing

Total residential Cost	\$4,140,307
75% Loan	<u>\$3,105,230</u>
Equity for 24 months	<u>\$1,035,077</u>

Bottom Line for Investor: Annual Rate of return on Equity 57.0%

In looking at the respective ‘bottom lines’ it is clear that the project economics are more favourable in the case of the condo development¹. In fact, not only does the condo development provide a much better return on investment but it also offers a lower level of risk. At the same time, the current capitalization rate for rental housing is below the general rate of return offered through ‘risk-free’ government bonds.

Stimulating Rental Supply—Policy Directions

The majority of municipalities identified the need for additional rental housing supply at various points along the housing continuum (market and non-market). Municipalities cited a lack of resources for major housing initiatives and many identified the importance of engaging in strategic partnerships with other levels of government, the private sector and the non-profit housing sector. Consultation with industry representatives focused on the fact that purpose-built rental is uncompetitive with condo development. It was also noted that without a significant shift in the taxation regime or an incentive program, the prospect of adding significant amounts of new purpose-built rental housing supply is unlikely.

Financing and Taxation

Within the existing housing and research literature, the following are some of the specific strategies that have been identified for creating a more favourable financing and taxation environment for rental housing production:

- The deduction of GST input for rental operators;
- Reduction of GST and PST on new rental housing construction;
- Capital gains roll-over on the sale and reinvestment in real estate assets;
- Allowing rental housing operators access to small business deductions; and,
- Tax credit incentives to promote investment in low income rental housing.

Changes to Development Cost Charges (DCCs)

Reductions in the cost of development represent another alternative for stimulating new rental housing supply. Many developers have identified development cost charges as an encumbrance on new supply. In particular some industry leaders have made the observation that amounts are slow to be invested and that adding the costs of municipal infrastructure to new housing construction places the burden on the housing consumer rather than across the municipal tax base. This can result in the highest marginal cost of capital. If development cost charges were levied on a neighbourhood improvement bond model then the cost of capital would be at lower government rates and amortized over a longer timeframe.

While the relaxation of development cost charges was identified as an important strategy by industry representatives, many local planners rated this strategy low in terms of overall effectiveness. In particular, some offered the observation that if the relaxation of development cost charges is not enacted in conjunction with other complementary measures, this action alone would not be sufficient to stimulate new rental housing supply.

¹ It is noted that the rate of return for the market condo investment example is exceptional and that the typical rate of return on equity (leverages at 3:1) is in the order of 25-30 per cent.

Access to Serviced Land

Access to serviced land can also play a role in the local supply response. The original GVRD housing demand study noted that access to serviced land did not pose a constraint. Based on the data captured in the original PwC report, the estimated serviced land capacity was equal to 427,463 units.

A more recent estimate prepared by GVRD staff suggests that there is currently an estimated capacity of 527,000 units. This is approximately 100,000 units more than the PwC estimate and approximately 41 per cent more than the forecasted requirement.

While the preliminary data suggests that the region has the capacity available to respond to the projected future demand, it is important to note that there may be some limitations and constraints encountered in translating this estimated capacity into actual housing units. In particular, there could be a potential mismatch between the hypothetical or gross capacity and the quantity actually available for a supply response at the local level. This could be a function of the suitability of the sites that make up the current inventory as well as issues related to infrastructure, timing and costs.

Table 32: Forecasted Need (2001-21) and Estimated Remaining Capacity			
Subregion	Forecasted Need (2001-2021)	Remaining Gross Capacity (GVRD 2006)	Ratio of Gross Capacity to Forecasted Need
Vancouver-UEL	66,360	97,710	1.47
Burnaby-New Westminster	36,139	82,275	2.28
North East	46,557	77,595	1.67
Maple Ridge-Pitt Meadows	16,677	27,405	1.64
North Shore	19,000	35,915	1.89
Richmond	20,920	35,025	1.67
Surrey-Delta-White Rock	81,745	127,125	1.56
Langley	24,054	43,940	1.83
Greater Vancouver Total	311,452	527,080*	1.69
<i>Source:</i> GVRD Policy and Planning Department; High Level Residential Capacity Study (2006) GVRD Forecast Demand for Affordable Housing (2004)			

* Includes 90 units in Electoral Area A (Other)

Sub-Region	Estimated Future Capacity (Dwelling Units)	Percentage Low Density (single family/ semi-detached)	Percentage High Density (apartment – low rise/high rise)
Vancouver-UEL	61,685	11%	89%
Burnaby-New Westminster	60,540	42%	58%
North East	26,238	46%	54%
Maple Ridge-Pitt Meadows	31,204	52%	48%
North Shore	14,153	41%	59%
Richmond	33,517	48%	52%
Surrey-Delta-White Rock	160,397	74%	26%
Langley	39,729	78%	22%
Greater Vancouver Total	427,463	54%	46%

Source: Forecast Demand for Affordable Housing in Greater Vancouver (April 2004)

The best data currently available from GVRD staff estimate the serviced land capacity on a gross basis. The gross figure captures the sum of all under-utilized sites, whether they have viable structures or economically viable uses. For example, in an area of single family homes zoned for duplex, the underutilized floor space may be about a 0.2 FSR.

In terms of development logistics, the increase in floor space or unit count may be uneconomical or unachievable.

It may be the case that adjustment should be made to the current serviced land capacity calculation such that it shifts from looking at the gross amount of residential land available to one that reflects the actual percentage that is available and viable for development when the sequence of site assembly, financing, servicing and permitting is considered. This is consistent with some of the general findings and observations made by the development sector and would provide for a more refined measure in terms of future planning.

	<p><i>Access to Serviced Land—Policy Directions</i></p> <p>It should be noted that more than half of the municipalities that participated in the initial consultation identified concerns related to land supply. Some identified constraints in available developable land while others identified infrastructure costs associated with increased growth pressure.</p>
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The Role of the Secondary Rental Market

Supply-side constraints arising from the lack of new rental housing construction are to some extent offset through the ‘secondary rental market’ which includes single family dwellings, rented condo units and second suites. This section looks more closely at the role of the secondary rental market in Greater Vancouver context.

Unfortunately, there is limited data available on the secondary rental market. However, the following observations help to put together a partial picture of the role that this stock plays:

- Census data shows that the number of renter households across Greater Vancouver increased from 281,315 households in 1996 to 295,745 in 2001. This represents an increase of 14,430 households in the period from 1996 to 2001.
- Housing starts data reported by CMHC shows that there was an increase in housing starts of approximately 7,433 for new purpose-built rental housing units during this same time period.
- In looking at the increase in renter households relative to the number of rental housing starts from 1996 to 2001, the data suggests that the increase in purpose-built rental housing is equal to approximately 52 per cent of the new rental housing demand while the difference of approximately 6,997 units would be met through the secondary market.

These observations are reported in the table below.

Table 34: Role of the Secondary Rental Market			
	Increase in renter households	Housing Starts 1996-2001	Contribution of additional supply through secondary market ¹ sources
Renter households ₁₉₉₆	281,315	7,433	6,997
Renter households ₂₀₀₁	295,745		
Net difference	14,430		
Percent of total increase		52%	48%
<i>Source: 1996 and 2001 Census, CMHC Rental Housing Starts</i>			

¹ This would include single family dwellings, rented condo units and basement suites.

Rented Condo Units - An Important Source of Housing Supply

In research published by CMHC (2003), it was estimated that approximately 70 per cent of all condo units across Greater Vancouver were owner occupied while the remaining 30 per cent were rental units. More recent data for other large urban centres suggests that this pool is decreasing¹. While up-dated information on Greater Vancouver has not been published by CMHC, anecdotal evidence suggests that there might be a similar shift within the Greater Vancouver market. The findings on the table below suggest that if the contribution rate of rented condo stock was to be adjusted downward from 30 per cent to 20 per cent, then the number of rental units created through this source of supply would fall to about 19,000 units based on historic production levels.

Year	Condo Row	Condo Apt.	Total Pool of Condo Units	Estimate at 30% of the total ²	Estimate at 20% of the total ³
1994	2,510	9,586	12,096	3,629	2,419
1995	1,537	7,630	9,167	2,750	1,833
1996	1,781	7,183	8,964	2,689	1,793
1997	1,598	7,547	9,145	2,744	1,829
1998	1,112	6,146	7,258	2,177	1,452
1999	953	2,700	3,653	1,096	731
2000	1,100	2,152	3,252	976	650
2001	992	2,952	3,944	1,183	789
2002	1,716	4,458	6,174	1,852	1,235
2003	2,308	6,294	8,602	2,581	1,720
2004	3,304	8,834	12,138	3,641	2,428
2005	2,607	6,670	9,277	2,783	1,855
Total	21,518	72,152	93,670	28,101	18,734

Sources: ¹CMHC Monthly Housing Statistics (a monthly CMHC report)
²PriceWaterhouseCoopers. 2003. *The Impact of Investors on the Market for Apartment Condominiums in Selected Markets in the Vancouver CMA. CMHC report 2003*
³Toronto Star. *Rental Units Falling. October 15, 2005*

¹ Based on an article published by *The Toronto Star* (October 2005) it was reported that 18.6 per cent of all condo units in the Greater Toronto Area (GTA) were part of the rental housing stock – a rate which has been relatively stable over the past few years but which has dropped significantly when compared to previous levels.

The Contribution of the Rented Condo Stock

This section looks at the potential contribution of the rented condo stock within the GVRD housing market. Assuming that roughly 20 per cent of new condo construction continues to become part of the rental housing supply, this could help to reduce the projected shortfall in rental housing units. In looking at the data captured in the table below, the following observations can be made:

1. If rented condo units were to continue to be added to the rental housing supply at an estimated rate of 20 per cent of all condo completions, and housing starts were comparable to the output levels of the past five years (Scenario A), then the projected rental housing supply shortfall in 2021 could be offset by the addition of 31,220 new rented condo units¹. This would mean a reduction in the projected deficit from 45,320 rental units to a projected shortfall of around 14,100 units.
2. If output levels were to drop to the 10 year level (Scenario B) there would be increased pressure on both the ownership and rental stock. This outcome means fewer ownership units being available to offset the shortfall in rental units. Therefore, although the rented condo stock will continue to make up an important portion of the new rental housing supply, it is likely that there would continue to be a significant shortfall. Based on the estimates set out in the table below, approximately half of the projected shortfall could be met through this supply response.
3. It should also be noted that while rented condo units can help to meet the increased demand, the units that are added typically fall at the higher end of the rent range and therefore will not help to alleviate the demand pressure for units at the lower end of the income and rent scale—a role perhaps ‘best’ served through the other form of secondary rental market supply –basement or second suites.

	2021 Forecast			With 20% of Rented Condo Units as a Secondary Source of Rental (Adds 1,561 ² new rental units)		
	Demand	Forecast	(Pressure)	Demand	Forecast	(Pressure) ³
Scenario A	70,500	29,100	(45,320)	70,500	56,400	(14,100)
Scenario B	70,500	25,080	(47,870)	70,500	53,850	(16,650)
Scenario C	70,500	23,280	(48,200)	70,500	53,520	(16,980)

¹ This number is based on historical production levels and a contribution rate of 20 per cent.

² Assuming that approximately 20% of all new condo units were rented, production levels equal to the past 12 years would result in the addition of approximately 1,561 new rental units each year through this source of supply.

³ These results only look at the potential impact of adding rental supply through this form of housing based on historical production levels. They do not take into consideration whether there is the supply available to allow for these levels to be achieved. Moreover, no studies have estimated the length of time this housing stock remains within the rental pool, particularly in light of recent changes to the Strata Act which permits discrimination against rental tenure on a building by building basis.

The Role of Second Suites

Second suites have been recognized as an important segment of the rental housing market. Units added through this form of supply not only alleviate pressure within the existing rental supply but they also tend to be more affordable for households with low to moderate incomes. As a result, not only will units created through this form of supply help to respond to current rental market pressures but this housing also helps to add supply at the lower end of the rental housing market.

As noted on the table below, in order to meet the forecasted demand of 70,500 new rental units and to offset the shortfall identified in the previous section, even after the contribution of rented condo units are taken into account, there is still the need for between 948 and 1,751 units to be added annually through basement or second suites or other means.

Table 37: Role of Second Suites				
	2021 Supply Forecast			
	Ownership	Shortfall in Rental Units	Contribution of the Secondary Rental Market	
			<i>Rented Condo Units</i>	<i>Second Suites</i>
Scenario A	44,380 ¹	(45,320)	26,628	18,962 ²
Scenario B	21,430 ³	(47,870)	12,858	35,012 ⁴

Second Suites—Policy Directions

Data compiled by the GVRD (2005) shows that 12 out of the 21 municipalities had zoning for second suites broadly applied across single family zones. In addition, while most of the municipal representatives that participated in the consultation recognized that second suites have been an important source of affordable rental housing, some noted that there are challenges related to the quality of housing provided as well as the level of community acceptance in some cases. Others have noted that second suites are a less stable and more ‘highly elastic’ form of rental supply when compared to purpose-built rental housing⁵.

¹ Assuming that condo units make up 60 per cent of the surplus, then approximately 26,628 units would be available to offset the shortfall in the rental housing supply.

² This is equal to an annual output of 948 units.

³ Assuming that condo units make up 60 per cent of the surplus, then approximately 12,858 units would be available to offset the shortfall in the rental housing supply.

⁴ This is equal to an annual output of 1,751 units.

⁵ For example, it may be the case that price escalation in the housing market in general may result in the decision for the unit to be withdrawn from the pool of rental stock in order to allow the investor to realize gains from increasing prices. This can result in the loss of rental housing stock as well as the dislocation of the renter household. A report prepared by *TD Economics* raises similar concerns suggesting that, as owners pay down their mortgages and no longer require the rental income, the choice to maintain a second suite becomes increasingly discretionary.

The Contribution of Non-Market Housing Units

In addition to the contribution made through the secondary rental market, it is also important to look at the contribution of non-market units. Based on data for 2004 and 2005, non-market units accounted for almost half of all new rental housing starts in Greater Vancouver. In addition, historical data provided by the City of Vancouver shows that non-market units represented approximately 39 per cent of all new rental housing units to reach completion over the past 10 years.

Table 38: Rental Housing Starts (Market and Non-Market) Vancouver CMA				
	Total Rental Starts	Market Rental Starts	Non-Market Rental Starts	Non-Market Rental Completions as a % of Total Completions
2004	704	385	319	45%
2005	529	296	236	45%

Source: CMHC Housing Statistics

Table 39: Rental Housing Completions (Market and Non-Market) Vancouver CMA				
	Total Rental Completions	Total Market Rental Completions	Total Non-Market Rental Completions	Non-Market Rental Completions as a % of Total Completions
1996	818	402	416	51%
1997	769	533	236	31%
1998	1,242	369	873	70%
1999	1,033	409	624	60%
2000	1,037	714	323	31%
2001	1,661	789	872	52%
2002	2,931	1,902	1,029	35%
2003	1,529	1,288	241	16%
2004	992	835	157	16%
2005	423	311	112	26%
10 Year Average	1,244	755	488	39%

Source: City of Vancouver

Given that the contribution of non-market units are already reflected in the aggregate starts data used in this report, the addition of these units will not have an impact in terms of helping to further reduce the projected shortfall in rental units. However, the tables on the following page draw attention to the important contribution that this housing makes and the additional challenges that would exist if this housing were not available.

The data captured in the table below shows the projected annual requirement for both rental housing units as well as units that are *affordable*. As noted in the previous section, the housing demand forecasted prepared by PwC identified an annual requirement of 3,525 new rental housing units of which approximately 2,256 or 64 per cent were identified as being targeted to households with some affordability challenges.

While some of this demand will be met through the secondary rental market, it is recognized that traditionally government-supported non-market housing has also played an important role in responding to the needs of households at this end of the housing continuum. Using a similar approach to the previous section, this section looks at the contribution of non-market rental housing. In particular the data captured in the table below looks at the net impact on rental housing starts if non-market units¹ were excluded from the total.

	Total	Renters	New rental excluding non-market completions ²
Projected Requirement for Greater Vancouver	15,572	3,525	
Scenario A (5 year trend)	15,606	1,259	777
Scenario B (10 year trend)	13,819	1,089	601
Scenario C ³ worse case (1999 – 2000 levels)	8,440	1,067	120

Using the adjusted total the following tables shows the different supply scenarios and resulting pressure.

	Forecasted Requirement for Greater Vancouver	Scenario A	Scenario B	Scenario C
	Adds 3,525 starts/year	Adds 777 starts/year	Adds 601 starts/year	Adds 120 starts/year
2001 to 2006	17,625	3,885 _{actual}	3,885 _{actual}	3,885 _{actual}
2001 to 2011	35,250	7,770	6,890	4,485
2001 to 2016	52,875	11,655	9,895	5,085
2001 to 2021	70,500	15,540	12,900	5,685

¹ Data provided by the City of Vancouver shows that on average non-market units have accounted for approximately 39 per cent of all rental housing completions over the past 10 years with non-market units contributing an average of 488 units per year.

² These numbers were derived by taking the total number of rental housing starts (based on historical data) and subtracting from this total the corresponding number of non-market units created based on the historical completion data provided by the City of Vancouver.

³ The assumptions related to this scenario are based on an average of the supply response for 1999 and 2000, the years which most closely align with the interest rate and inflation assumptions used in this report.

Table 42: Impact on Forecasted Demand Excluding Non-Market Units (Actual Starts 2001-2006)

	2021 Forecast			2021 Forecast Revised		
	Demand	Forecast	Pressure	Demand	Forecast	Pressure
Scenario A	70,500	25,180	(45,320)	70,500	15,540	(54,960)
Scenario B	70,500	22,630	(47,870)	70,500	12,900	(57,600)
Scenario C	70,500	22,300	(48,200)	70,500	5,685	(64,815)

The following observations can be made with respect to the contribution of non-market units:

1. Historical data shows that government supply programs have contributed an average of 488 units each year to the existing rental housing supply. These units play an important role in addressing the needs of households falling at the lower end of the housing continuum and help to alleviate some of the on-going pressure on the existing housing supply.
2. If the contribution of non-market units were not to be maintained at historical levels, then the forecasted pressure on the existing rental housing supply would be even greater. For example, under the ‘best case’ scenario (Scenario A), the projected shortfall in rental housing units would increase from an estimated 45,320 rental units to a projected shortfall of almost 55,000 units. Likewise, under Scenario B, the projected shortfall would increase from 47,870 units to almost 58,000 units.

Adding New Supply To Address the Shortfall—Policy Directions

Supply side and demand side responses have both been identified as playing an important role in terms of creating new affordable housing supply.

Housing Supply Programs

Direct public supply of housing has been the predominant policy response in Canada throughout the post war period. These programs typically involve funding and/or a subsidy from senior levels of government in the form of capital grants, favourable mortgage rates as well as on-going operating subsidy. Most projects target housing assistance to low income tenants who are unable to find housing that they can afford in the private rental market. These programs address both supply issues and affordability within a single program, and can appear costly when compared to alternatives that seek to address either only supply or affordability.

Demand Side Responses

Rent supplements are a demand-side remedy whereby qualifying individuals are provided with a monthly income supplement to enable them to purchase suitable housing in the private rental market. Rent supplements work best in periods of high vacancy and can have a perverse outcome in tight rental market conditions. Some research has demonstrated that the provision of rent supplements in tight rental market conditions can create upward pressure on rents leaving tenants not receiving the subsidy ‘worse off’. They can be used as a supply-side tool when linked to a specific building and committed over the long term.

The Absolute Shortfall of Affordable Rental

Supply-side constraints at the low end of the income continuum represent one of the most significant challenges with the situation becoming even more challenging with the on-going loss of the existing stock through aging, redevelopment, demolition and forced conversions by strata councils.

Using data in CMHC *Housing in Canada Electronic Database*, the following table shows some of the existing supply pressures including the approximate distribution of units within different rent ranges. Based on the data captured in the table below, the findings suggest that 19 per cent of all renters reported paying rents of \$499 or less while 39 per cent reported paying rents of between \$500 and \$749 per month. Similarly, 23 per cent reported paying rents of between \$750 and \$999 while 19 per cent reported paying rents of \$1,000 or more.

Rent Ranges	Total	Paying < \$250	Paying \$250 to \$499	Paying \$500 to \$749	Paying \$750 to \$999	Paying \$1000 to \$1249	Paying \$1250 or more
1996 inventory of rental units	253,240	12,120	36,470	98,265	58,175	26,110	22,090
Distribution of renter households across rent ranges	100%	5%	14%	39%	23%	10%	9%

Source: Housing in Canada, CMHC Electronic Database 2000

If one were to translate the different rent levels into effective demand based on the standard definition of affordability, then a rent of \$250 per month would be considered to be 'affordable' to a household with an annual income of \$10,000. Likewise, a rent of \$500 per month would be affordable to a household with an annual income of \$20,000. The table below shows the different income thresholds that are considered to be affordable relative to the different rent ranges.

Rent Ranges	Total	Paying < \$250	Paying \$250 to \$499	Paying \$500 to \$749	Paying \$750 to \$999	Paying \$1000 to \$1249	Paying \$1250 or more
Income threshold based on 30 % standard		\$10,000	\$20,000	\$29,960	\$39,960	\$49,960	\$50,000+

Using the general income profile of renter households from the 2001 Census, the following table sets out the estimated demand for households with incomes falling within each of the

¹ This information is not available below the CMA level and was not available for 2001. However, the 1996 data is helpful in terms of providing an understanding of the general patterns.

ranges identified. For example, based on data captured in the 2001 Census, there were approximately 40,150 renter households across Greater Vancouver with annual incomes of \$10,000 or less for whom an affordable rent would be <\$250 per month. Likewise, there were approximately 52,115 renter households with annual incomes between \$10,000 and \$20,000 for whom an affordable rent would be between \$250 and \$500 per month.

Table 45: Effective Rental Housing Demand (Vancouver CMA¹₁₉₉₆)							
Rent Ranges	Total	Paying < \$250	Paying \$250 to \$499	Paying \$500 to \$749	Paying \$750 to \$999	Paying \$1000 to \$1249	Paying \$1250 or more
Income threshold based on 30 % standard		\$10,000	\$20,000	\$29,960	\$39,960	\$49,960	\$50,000+
2001 rental demand by income	295,735	40,150	52,115	39,910	41,090	32,770	89,700
Distribution of renter households across the different income thresholds		14%	18%	13%	14%	11%	30%

Source: Housing in Canada, CMHC Electronic Database 2000

While it is important to note that there are differences in the data sources including difference in reporting years, if one were to take the findings captured in Table 45 and compare them to the findings captured in Table 46, an important picture emerges. In particular, the findings suggest that while 19 per cent of all of the existing rental housing stock would appear to have rents of \$500 per month or less, approximately 32 per cent of all renter households within the GVRD require units which fall within this price range.

Table 46: Distribution by Income and Rent Range						
	Paying < \$250	Paying \$250 to \$499	Paying \$500 to \$749	Paying \$750 to \$999	Paying \$1000 to \$1249	Paying \$1250 or more
Distribution of renter households within different rent ranges ₁₉₉₆	5%	14%	39%	23%	10%	9%
Distribution of renter households across different income thresholds ₂₀₀₁	14%	18%	13%	14%	11%	30%

Source: Housing in Canada, CMHC Electronic Database 2000, 2001 Census

¹ This information is not available below the CMA level and was not available for 2001. However, the 1996 data is helpful in terms of providing an understanding of the general patterns.

The following discussion delineates the steps that would be taken if one were interested in developing a better understanding of the pressures that exist within the rental housing stock.

Adjusting the Number of Units in the 1996 Base

The data reported in *Housing In Canada* used a base of 253,240 units. At the same time, other data sources show that there were a total of 281,315 renter households living in Greater Vancouver at the time. If one were to assume that the 281,315 rental units were distributed in the same way as the 253,240 captured in *Housing in Canada*, then the following results emerge:

Table 47: Adjusted Inventory of Rental Units Within Rent Ranges (Vancouver CMA 1996)							
Rent Ranges	Total	Paying < \$250	Paying \$250 to \$499	Paying \$500 to \$749	Paying \$750 to \$999	Paying \$1000 to \$1249	Paying \$1250 or more
1996 inventory of rental units	253,240	12,120	36,470	98,265	58,175	26,110	22,090
Adjustment to account for units with missing information ¹	28,085	1,347	4,043	10,896	6,451	2,897	2,451
1996 adjusted inventory of units	281,315	13,467	40,513	109,161	64,626	29,007	24,541

Source: Housing in Canada, CMHC Electronic Database 2000

Adjusting the Base Data to Reflect 2001 Demand

Unfortunately, comparable data is not available for 2001. However, using the 1996 data as a base, it is possible to build a partial picture using the following assumptions:

- a. The income profile of renter households reported in the 2001 Census is a representative measure of effective demand;
- b. Rental housing completions (both market and non-market) over the period from 1996 to 2001 can be added to the base;
- c. Based on data provided by the City of Vancouver, there were a total of 6,560 units to reach completion between 1996 and 2001. Of these, 3,344 were non-market units while 3,216 were purpose-built rental; and,
- d. The remaining 7,860 units needed to bring the total up to the 2001 demand level will be added through secondary sources such as rented condo stock and basement units and will be evenly distributed across the \$500 to \$1,250 rent range.

¹ The 1996 Census shows a total of 281,315 renter households in the Vancouver CMA. *Housing in Canada* provided data for 253,240 households at different rent ranges. The adjusted data assumed a distribution of units comparable to the general distribution of units within the different rent ranges reported in *Housing in Canada* for the missing data.

Table 48: Estimated Surplus/Shortfall Within Rent Ranges							
Rent Ranges	Total	Paying < \$250	Paying \$250 to \$499	Paying \$500 to \$749	Paying \$750 to \$999	Paying \$1000 to \$1249	Paying \$1250 or more
Income threshold based on 30 % standard		\$10,000	\$20,000	\$29,960	\$39,960	\$49,960	\$50,000+
2001 rental demand by income	295,735	40,150	52,115	39,910	41,090	32,770	89,700
1996 adjusted inventory of units	281,315	13,467	40,513	109,161	64,626	29,007	24,541
Rental unit completions <small>1996 to 2001</small>	6,560	1,672	1,672	804	804	804	804
Contribution from the secondary rental market	7,860			1,965	1,965	1,965	1,965
Surplus/Shortfall based on effective demand		(25,011)	(9,930)	72,020	26,305	(994)	(62,390)

From the preceding analysis, the following observations can be made:

1. Renters with annual incomes of \$20,000 or less make up 32 per cent of all renter households across the region yet units with rents of \$500 or less make up 19 per cent of the total pool of units. This translates into an estimated shortfall of more than 25,000 units in order to meet the current effective demand.
2. The estimated shortfall of units is equal to more than two thirds of the size of the current inventory of social housing.
3. This situation would be made worse without the on-going contribution of non-market housing¹ as well as through the on-going erosion of the existing supply through demolitions, conversions and redevelopment.
4. There is also a shortfall of almost 63,000 units at the higher end of the rent range. This means that households with average annual incomes of \$50,000 or more are competing for available units with households that are further down the rent and income scale. Some of these are households that could move into home ownership if appropriate units were available.

¹ Based on data provided by the City of Vancouver, non-market units represented 51 per cent of all units to reach completion between 1996 and 2001. Without the contribution of these units, the net shortfall at the low end of the rent range would be equal to 28,355 instead of 25,011.

Potential Loss of Existing Affordable Rental Stock—Policy Directions

The shortfall of affordable units could be made worse with the potential loss of the existing stock through conversion, demolition and redevelopment.

- The erosion of the older, more affordable housing stock was identified as an important emerging issue amongst a number of the local planners who participated in the initial consultation process.
- While 34 per cent of the respondents in the Municipal Stakeholder Consultation process felt that their current strategies were effective, a number of respondents acknowledged that there are on-going redevelopment pressures. Some also noted that the older stock is often in need of rehabilitation and upgrade in order to meet community needs and standards.
- Approximately 39 per cent reported that funding to support improvements and upgrades to the existing stock is a priority. One of the possible suggestions that was identified included acquisition and rehabilitation of existing stock in order to retain this stock in the pool of affordable rental units.
- Half (50 per cent) also reported that they were actively engaged in and/or open to strategic partnerships with other levels of government as a means of facilitating the creation of additional affordable housing options in their communities.

The Affordability of Home Ownership

The Canadian housing system has traditionally placed a high degree of importance on home ownership with most households continuing to express a strong preference toward this tenure option.

For many, home ownership is viewed as a vehicle for allowing households to generate savings or wealth through the equity that they gain through their home. Households that are successful in moving into home ownership also have access to greater financial resources which means an increased capacity to exercise greater choice about where they want to be on the housing continuum and about their level of future housing consumption.

Using data from the MLS system, this section looks at the affordability of home ownership within Greater Vancouver including:

- a. Existing opportunities for renter households to move into entry-level ownership; and,
- b. The impact of changes in interest rates and income on the purchasing power of renter households.

The discussion and analysis set out in this section also looks at the potential pool of eligible renter households based on the income profile of renter households reported in the 2001 Census.

The Cost of Home Ownership in Greater Vancouver

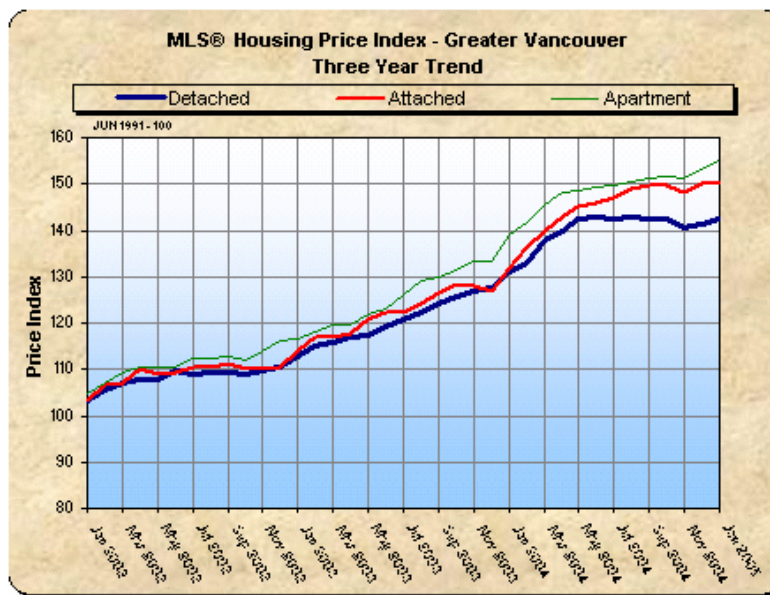
Data presented by CMHC at the 2005 *Housing Outlook Conference* noted that housing prices across Greater Vancouver have continued to increase. Based on the data presented at the conference, the average selling price for a single detached home in Greater Vancouver was estimated to be \$585,000 while prices for average townhouse and apartment units were estimated to be \$358,000 and \$295,000 respectively.

Table 49: Average Selling Prices Across Greater Vancouver 2005

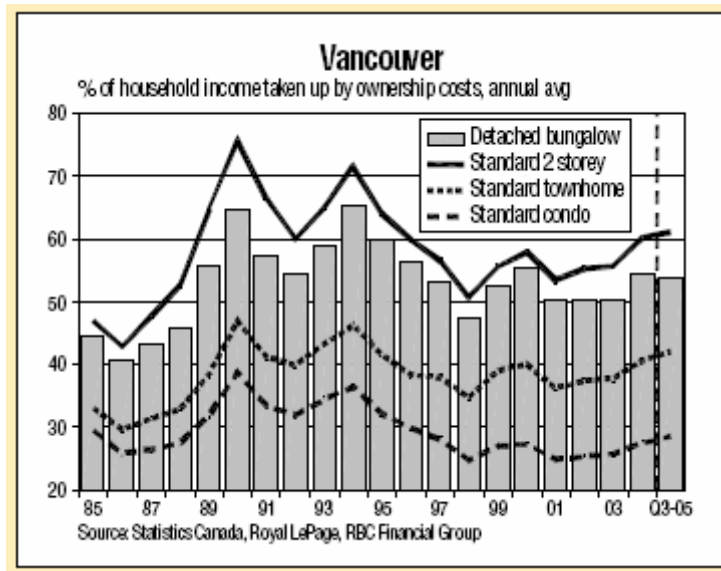
	2004 Actual	2005 Estimate	2006 Forecast
Single Detached	\$526,798	\$585,000	\$640,000
Townhouse	\$315,295	\$358,000	\$390,000
Apartment	\$258,936	\$295,000	\$324,000

Source: CREA, CMHC Housing Outlook Conference 2005

Housing prices in Greater Vancouver have increased significantly in recent years. The following graph, taken from the *MLS Realtylinkonline*, provides an illustration of these recent price changes.



The price escalation has coincided with a decline in interest rates and moderate improvements in after-tax incomes. The historically low interest rates of the past few years have had a significant impact on qualifying incomes for purchasers. As noted in data published by RBC Financial (using data from Royal LePage and Statistics Canada), the *proportion* of household income required to enter into home ownership across the Vancouver CMA has actually declined since the early to mid 1990s, largely as a function of the drop in interest rates. However, the data suggests that the proportion of income required to purchase a home has been steadily increasing since 2001 in spite of the largely favourable interest rate picture.



* This graph pertains to the entire Vancouver CMA.

Assuming a 10 per cent down payment and interest rates of 4.4 per cent¹, the table below identifies the income threshold at which a household could purchase a unit based on the estimated average 2005 price levels. The results were compared to the income profile of renter households across Greater Vancouver based on data reported in the 2001 Census. This was done to identify the potential pool of eligible households that would be able to move into homeownership depending on price and the ability to meet down payment requirements.

Table 50: Estimated Qualifying Income Based on Average Selling Prices Across Greater Vancouver 2005

	2005 Estimate	Qualifying Income (2001 Census)	Pool of Eligible Renter Households
Single Detached	\$585,000	\$121,921	<16,665 ²
Townhouse	\$358,000	\$80,748	31,713
Apartment	\$295,000	\$66,916	52,121

These findings suggest that less than 17,000 renter households have incomes of \$100,000 or more who may have the income required to purchase the average single family home. This represents less than 6 per cent of all renter households across Greater Vancouver.³ Likewise, the data suggests that there are less than 32,000 renter households with incomes at or above the level required to purchase the average townhouse unit. This represents less than 11 per cent of all renter households across Greater Vancouver. Finally, less than 18 per cent of renter households (approximately 52,000 households) have incomes at or above the level required to purchase an apartment unit at the average price.

¹ Estimated costs for heating, property taxes and condo fees were also included in the calculation.

² This number includes all renter households with incomes of \$100,000 or more.

³ The actual percentage of eligible renter households may be less depending on the level of savings and down payment available.

Determining the Qualifying Incomes for Homeownership

This section examines the potential ownership opportunities available to renter households across Greater Vancouver. A mortgage calculator was used to determine the qualifying income threshold assuming a 10 per cent down payment and an interest rate of 4.4 per cent. The qualifying income thresholds that were identified were compared to the income profile of renter households across Greater Vancouver in order to determine the pool of eligible renter households that would be able to move into home ownership under the right conditions. The table below shows the general distribution of renter households across Greater Vancouver with incomes of \$50,000 or more based on the data captured in the 2001 Census. These are households who could in theory move into home ownership depending on price and an ability to collect a 5 to 10 per cent down payment.

	All Renters \$50,000 +	\$50,000 to \$59,999	\$60,000 to \$69,999	\$70,000 to \$79,999	\$80,000 to \$89,999	\$90,000 to \$99,999	100K+
Greater Vancouver	89,700	24,440	18,770	13,830	9,470	6,525	16,665
Anmore	75	30	20	10	--	15	--
Belcarra	30	--	10	--	--	--	20
Bowen Island	120	35	15	30	10	10	20
Burnaby	9,460	2,735	2,105	1,495	1,045	640	1,440
Coquitlam	3,635	1,070	775	555	355	210	670
Delta	2,530	660	560	400	270	195	445
Electoral Area A	510	90	125	80	45	50	120
Langley C	960	275	245	125	95	75	145
Langley D	1,815	450	405	385	200	150	225
Lions Bay	45	15	--	--	10	--	20
Maple Ridge	1,400	545	300	185	105	110	155
New Westminister	3,200	1,095	785	515	280	140	385
North Vancouver C	3,315	880	645	555	430	310	495
North Vancouver D	2,605	675	445	475	200	210	600
Pitt Meadows	415	145	80	65	40	25	60
Port Coquitlam	1,320	280	300	210	220	120	190
Port Moody	740	230	140	120	105	50	95
Richmond	6,040	1,565	1,200	995	740	460	1,080
Surrey	9,400	2,840	2,250	1,665	910	560	1,175
Vancouver	39,175	10,170	7,840	5,595	4,150	2,960	8,460
West Vancouver	1,510	230	270	195	130	130	555
White Rock	1,015	315	195	120	95	70	220

Source: 2001 Census, custom tabulation (Table 3510)

Homeownership Rates: Qualifying Income and the Pool of Eligible Renter Households – Single Family Dwellings

Using the approach described in the previous section, this section examines the price and qualifying income for single family units at the 20th and 50th percentile. It also identifies the pool of eligible renter households across Greater Vancouver that could move into ownership based on the qualifying incomes identified.

	Price- 20th Percentile	Qualifying Income	Pool of Eligible Buyers- Greater Vancouver	Price- 50th Percentile	Qualifying Income	Pool of Eligible Buyers -Greater Vancouver
Burnaby	\$475,000	\$98,966	17,318	\$638,800	\$159,177	<16,665 ²
Coquitlam	\$439,000	\$92,459	21,885	\$559,800	\$119,051	<16,665
Delta	\$450,800	\$101,307	<16,665	\$478,800	\$101,250	<16,665
Langley C	\$339,900	\$73,645	40,958	\$368,900	\$79,125	34,043
Langley D	\$377,500	\$80,755	31,713	\$445,900	\$94,439	20,580
Maple Ridge	\$329,000	\$71,449	45,107	\$389,900	\$83,772	28,872
New Westminster	\$389,900	\$83,362	29,819	\$449,900	\$95,832	19,275
North Vancouver C	\$559,000	\$116,387	<16,665	\$759,000	\$155,141	<16,665
North Vancouver D	\$597,000	\$124,135	<16,665	\$669,000	\$143,946	<16,665
Pitt Meadows	\$379,900	\$80,634	31,713	\$409,800	\$87,442	26,031
Port Coquitlam	\$338,000	\$73,699	40,958	\$415,000	\$89,008	24,137
Port Moody	\$469,900	\$98,377	17,970	\$589,900	\$122,942	<16,665
Richmond	\$469,900	\$97,664	17,970	\$568,000	\$117,339	<16,665
Surrey	\$342,200	\$73,705	40,958	\$422,200	\$89,957	23,190
Vancouver East Side	\$450,000	\$94,314	20,580	\$554,000	\$115,629	<16,665
Vancouver West Side	\$838,000	\$170,454	<16,665	\$1,280,000	\$257,030	<16,665
West Vancouver	\$920,000	\$188,172	<16,665	\$1,430,000	\$286,218	<16,665
White Rock	\$459,900	\$97,836	17,970	\$619,000	\$129,044	<16,665

Source: Multiple Listing Services of the Greater Vancouver Real Estate Board (September 2005)

¹ Any small fluctuations across the calculated qualifying incomes as they relate to housing prices are a function of the differences registered across municipalities in actual property taxes, condo fees and other data inputs used in the model.

² These represent households with incomes of \$100,000 or more. Not all may be eligible based on the qualifying income identified.

Homeownership Rates: Qualifying Income and the Pool of Eligible Renter Households – Townhouse Developments

The table below shows the findings for townhouse listings across Greater Vancouver and includes information on price and qualifying incomes at both the 20th and 50th percentile as well as the pool of eligible renter households across Greater Vancouver based on the qualifying incomes identified.

	Price- 20th Percentile	Qualifying Income	Pool of Eligible Buyers- Greater Vancouver	Price- 50th Percentile	Qualifying Income	Pool of Eligible Buyers-Greater Vancouver
Burnaby	\$309,000	\$69,115	48,367	\$339,000	\$76,475	38,192
Coquitlam	\$245,000	\$55,701	77,480	\$374,900	\$83,995	28,872
Delta	\$293,500	\$67,500	50,244	\$365,000	\$82,698	29,819
Maple Ridge	\$209,900	\$48,914	92,977	\$237,900	\$54,677	77,480
New Westminster	\$264,900	\$60,814	63,383	\$278,000	\$64,547	55,875
Pitt Meadows	\$199,800	\$47,679	99,531	\$234,900	\$53,641	79,924
Port Coquitlam	\$269,900	\$61,872	61,506	\$324,900	\$73,603	40,958
Port Moody	\$255,000	\$58,905	67,704	\$339,900	\$75,727	38,192
Richmond	\$288,800	\$66,664	52,121	\$369,800	\$83,143	29,819
Surrey	\$184,900	\$43,531	112,639	\$240,000	\$55,112	77,480
Vancouver East	\$276,800	\$63,627	57,752	\$338,900	\$76,944	36,809
Vancouver West	\$474,500	\$105,659	<16,665	\$579,900	\$128,701	<16,665
West Vancouver	\$749,900	\$164,708	<16,665	\$799,900	\$175,213	<16,665
White Rock	\$269,900	\$62,059	61,506	\$359,900	\$81,177	31,713

Source: Multiple Listing Services of the Greater Vancouver Real Estate Board (Sept. 2005)

¹ Any small fluctuations across the calculated qualifying incomes as they relate to housing prices are a function of the differences registered across municipalities in actual property taxes, condo fees and other data inputs used in the model.

Homeownership Rates: Qualifying Income and the Pool of Eligible Renter Households – 2-bed Condo Units

The table below shows the findings for 2-bedroom condo unit listings across Greater Vancouver and includes information on price and qualifying incomes at both the 20th and 50th percentile as well as the pool of eligible renter households across Greater Vancouver based on the qualifying incomes identified.

	Price- 20th Percentile	Qualifying Income	Pool of Eligible Buyers- Greater Vancouver	Price- 50th Percentile	Qualifying Income	Pool of Eligible Buyers-Greater Vancouver
Burnaby	\$235,000	\$56,360	75,036	\$310,000	\$71,667	43,724
Coquitlam	\$189,800	\$46,276	102,808	\$219,900	\$52,193	84,812
Delta	\$223,500	\$52,697	82,368	\$240,100	\$47,605	96,254
Langley C	\$164,900	\$43,871	109,362	\$187,500	\$47,829	96,254
Langley D	\$182,900	\$47,309	99,531	\$193,900	\$49,410	92,977
Maple Ridge	\$144,000	\$36,097	>122,470	\$149,000	\$36,911	>122,470
New Westminster	\$172,000	\$41,523	115,916	\$220,000	\$52,436	84,812
North Vancouver C	\$289,000	\$68,005	50,244	\$329,000	\$76,752	36,809
North Vancouver D	\$269,900	\$66,195	53,998	\$309,000	\$72,782	42,341
Pitt Meadows	\$169,900	\$41,632	115,916	\$179,900	\$43,654	109,362
Port Coquitlam	\$173,900	\$42,538	112,639	\$189,900	\$44,495	109,362
Port Moody	\$229,900	\$53,727	79,924	\$238,000	\$55,748	75,036
Richmond	\$218,000	\$51,346	87,256	\$289,900	\$66,796	52,121
Surrey	\$145,000	\$36,155	>122,470	\$228,900	\$53,819	79,924
Vancouver East Side	\$218,000	\$52,471	84,812	\$278,000	\$64,078	57,752
Vancouver West Side	\$283,500	\$72,135	43,724	\$439,900	\$98,217	21,885
West Vancouver	\$494,000	\$111,371	<16,665	\$598,000	\$133,699	<16,665
White Rock	\$164,900	\$40,330	122,470	\$219,000	\$50,560	87,256

Source: Multiple Listing Services of the Greater Vancouver Real Estate Board (Sept. 2005)

¹ Any small fluctuations across the calculated qualifying incomes as they relate to housing prices are a function of the differences registered across municipalities in actual property taxes, condo fees and other data inputs used in the model.

Forecasting Changes in Purchasing Power to 2021

The discussion and analysis in this section examines the impact of interest rates and income growth on future ownership opportunities. The scenarios that were tested in this section included the *high* and *moderate* growth (Scenarios A and B)¹. The analysis looked at the potential change in purchasing power arising from changes in interest rates and real income growth.

Scenario A: High growth. Under this scenario, there are low levels of inflation, low interest rates and modest real income growth. Under this scenario an interest rate of 5 per cent is assumed. In addition, it is assumed that there is real income growth of 1 per cent for the top two thirds of households while those falling at the bottom third of the income distribution remains static.

Scenario A	Interest Rate	Real Income Growth
Interest Rate	5%	
Income (top 1/3)		1%
Income (middle 1/3)		1%
Income (bottom 1/3)		No growth

Scenario B: Moderate growth. Under this scenario there is moderate inflation, low income growth and higher interest rates. For this scenario an interest rate of 7 per cent is assumed. In addition, income growth under this scenario is limited to the top third of the income distribution while the remaining segments experience a drop in real incomes of 1 per cent.

Scenario B	Interest Rate	Real Income Growth
Interest Rate	7%	
Income (top 1/3)		1%
Income (middle 1/3)		(1%)
Income (bottom 1/3)		(1%)

¹ Scenario C was not included in this section given the constraints in the supply response identified in the earlier section and that the circumstances set out under this scenario would automatically result in diminished purchasing power and a reduced capacity for households to move into home ownership.

Homeownership—Forecasted Purchasing Power Under High Growth to 2021 (Scenario A)

The following table shows the potential improvement in purchasing power attributable to sustained real income growth over the next 15 years. The analysis suggests that if real incomes were to continue to experience sustained growth for the top two-thirds of the income distribution, and interest rates were to remain relatively low, there would be a net improvement in renter purchasing power equal to 13 per cent. This would increase the pool of eligible renters by approximately 13,000 households.

	Qualifying Income 2005 ²	Adjusted Qualifying Income 2021	Increase in Pool of Eligible Renters ³	Already In Pool	Total Size of Pool
Burnaby	\$ 56,360	\$ 48,767	2,161	7,721	9,882
Coquitlam	\$ 46,276	\$ 39,755	961	4,177	5,138
Langley City	\$ 43,871	\$ 37,276	306	1,248	1,554
Langley District	\$ 47,309	\$ 39,950	441	1,976	2,417
Maple Ridge	\$ 36,097	\$ 30,822	427	2,318	2,745
New Westminster	\$ 41,523	\$ 35,570	1,223	4,535	5,758
North Vancouver C	\$ 68,005	\$ 58,127	681	1,919	2,600
North Vancouver D	\$ 66,195	\$ 56,391	519	1,654	2,173
Pitt Meadows	\$ 41,632	\$ 35,716	85	553	638
Port Coquitlam	\$ 42,538	\$ 36,483	367	1,738	2,105
Port Moody	\$ 53,727	\$ 46,390	183	654	837
Richmond	\$ 51,346	\$ 44,286	-664	5,829	5,165
Surrey	\$ 36,155	\$ 30,879	2,646	13,410	16,056
Vancouver ⁴	\$ 52,471	\$ 39,815	2,840	36,662	39,502
West Vancouver	\$ 111,371	\$ 96,884	n/a	n/a	n/a
White Rock	\$ 40,330	\$ 34,592	229	1,305	1,534
Delta	\$ 52,697	\$ 45,672	550	2,352	2,902
Total			12,956	88,051	101,007

¹ The scenarios modeled do not reflect price inflation.

² This represents the Qualifying Income required to purchase a 2 Bed condo at the 20th percentile.

³ This calculation is based on movement into entry level ownership at the 2-bed condo price.

⁴ Due to high housing prices on the west side of Vancouver, qualifying income and housing prices from the *east side* of the City of Vancouver only is used in this table.

Homeownership—Forecasted Purchasing Power Under Moderate Growth to 2021 (Scenario B)

Under interest rates of 7 per cent and real income growth only for households in the top one third of the income distribution, the results are less favourable with a net decrease in the pool of eligible renters across all municipalities. Based on the results calculated under this scenario, the pool of eligible renters would decrease by 28,940 or 38 per cent.

	Qualifying Income 2005 ¹	Adjusted Qualifying Income 2021	(Decrease) in Pool of Eligible Renters	Current Pool	Total Size of Pool, 2021
Burnaby	\$ 56,360	\$71,539	(3,331)	7,721	4,390
Coquitlam	\$ 46,276	\$58,502	(1,452)	4,177	2,725
Delta	\$ 52,697	\$67,328	(1,406)	2,352	946
Langley City	\$ 43,871	\$55,118	(323)	1,248	925
Langley District	\$ 47,309	\$59,232	(854)	1,976	1,122
Maple Ridge	\$ 36,097	\$45,477	(642)	2,318	1,676
New Westminster	\$ 41,523	\$52,408	(1,599)	4,535	2,936
North Vancouver C	\$ 68,005	\$85,726	(1,318)	1,919	601
North Vancouver D	\$ 66,195	\$83,287	(710)	1,654	944
Pitt Meadows	\$ 41,632	\$52,589	(176)	553	377
Port Coquitlam	\$ 42,538	\$53,725	(522)	1,738	1,216
Port Moody	\$ 53,727	\$68,115	(258)	654	396
Richmond	\$ 51,346	\$65,057	(1,961)	5,829	3,868
Surrey	\$ 36,155	\$45,556	(1,456)	13,410	11,954
Vancouver ²	\$ 52,471	\$66,321	(12,612)	36,662	24,050
West Vancouver	\$ 111,371	\$n/a	n/a	n/a	n/a
White Rock	\$ 40,330	\$50,939	(320)	1,305	985
Total			(28,940)	88,051	64,271

¹ This represents the Qualifying Income required to purchase a 2 Bed condo at the 20th percentile.

² Due to high housing prices on the west side of Vancouver, qualifying income and housing prices from the *east side* of the City of Vancouver only is used in this table.

Home Ownership – Policy Directions

Home ownership rates are determined by the interaction of interest rates, incomes, net wealth (for down payments) and the availability of adequate and suitable supply. The most important requirement to ensure a healthy market is to have a vital housing supply sector complemented by an efficient housing finance sector.

The policy alternatives available to enhance ownership rates fall “typically” on the demand side, and are presented as follows:

- Adjustment of property purchase tax for first-time buyers;
- Grants or low interest loans to assist with down payments;
- Measures to assist with credit training and counseling to be ‘ownership ready’; and,
- Measures to reduce interest rates, mortgage insurance and/or relax lending criteria.

Demand-side remedies, in the absence of on-going improvements to the supply capacity have the tendency to drive up prices while failing to stimulate the additional supply needed to ameliorate the effects of the increased demand.

During the consultation with the member municipalities, high housing costs were identified by almost two third of those who participated in the interviews. Their specific issues included high housing prices, limited opportunities for first time home buyers and increasing housing costs as a result of growth. One municipality indicated that there may be the need for direct municipal involvement in this area.

Income and Housing Affordability

As noted in the previous section, even in an environment of high housing starts, many households may not be able to find housing that they can afford within the resources that they have available. Therefore, while supply responsiveness demonstrates a robust sector, low income demand is unlikely to be effective demand for ownership or even for market rental without some assistance.

The analysis in the previous sections draws attention to the importance of a healthy housing market—one that offers renters and owners a reasonable degree of choice at different points along the continuum. Similarly, the findings reinforce the importance of ensuring that there is an adequate supply response such that households are able to advance along the housing continuum.

This section looks more closely at the experiences and circumstances of households falling into core housing need including those in the INALH¹ category.

Households in core housing need are households which experience at least one of three types of housing challenges based on established standards. These include challenges related to *suitability*², *adequacy*³ and *affordability*⁴ where these households do not have sufficient resources to resolve these problems on their own. If a household is found to be living in a situation where their circumstances fall below one of the three standards, they are said to be in core housing need.

Households that are in need and paying at least half of their income on shelter are households that are in core housing need and who face a very high shelter cost burden relative to their income. These are households who are considered to face extreme housing challenges and who are considered to be at increased risk of homelessness.

This section looks at the income and rent profile of renter households in core housing need as well as INALH households. It also looks at the general family and household composition of these households as well as the level of assistance required to help bridge the gap between the amount of rent that these households can afford to pay and the amount that they are required to pay in their current housing.

¹ Approximately 43 per cent of renter households in core housing need fall into the INALH category. This means that they are *in core housing need and paying at least half of their income on housing*.

² This standard determines if a household has enough bedrooms based on their household size and family composition.

³ This standard determines if a household is living in a unit that is safe and in good repair.

⁴ This problem is by far the most prevalent of the three criteria and is based on housing expenditures that are equal to 30 per cent or more of a household's gross, pre-tax income.

Patterns of Income Growth

The previous section, which focused on home ownership, drew attention to the importance of income growth and the role that it plays in enabling households to advance along the housing continuum¹.

At the same time, an important trend to emerge in recent years is that of uneven income growth. In particular, it has been noted that income earners at the top end of the income distribution experienced strong gains while incomes at the lower end of the income range have stagnated or moved backwards. Based on data published by CMHC, high income earners experienced real income growth equal to 14.8 per cent while those at the bottom end of the income scale saw their incomes fall 1.2 per cent (CMHC, 2005:7).

Some have noted an important linkage between access to home ownership and the opportunity to accumulate wealth. As noted by the former president of the *Canadian Council on Social Development* “income determines how well a family is doing now, while wealth determines how well a family will do in the future” (Lauziere, 2003:2). For example, those who have been successful in moving into the ownership market have typically experienced a more rapid growth in purchasing power than renters. In addition, the escalation in housing prices has resulted in a concomitant increase in ‘net worth’².

Comparative research from the *Survey of Financial Security* (1999) and the *Survey of the Assets and Debts of Canadian Households* (1984) conducted by the Centre for Urban and Community Studies noted that between 1984 and 1999, the median net worth of home owners across the Vancouver CMA increased by more than \$28,000. At the same time, the net worth of renters dropped from \$4,000 to \$2,100 (Research Bulletin #2, *University of Toronto Centre for Urban and Community Studies* 2001:2).

Not only do these findings draw attention to the increasing polarization in the income profiles between renters and owners, but they also draw attention to the fact that renter households are becoming increasingly residualized. While the direction of the change in net worth is important, it is also important to note that a net worth of \$2,100 is equal to *less* than what would be required to cover the average rent for a 3 bedroom unit in the City of Vancouver for 2 months. In addition, it would be equal to two months rent for a 3 bedroom unit in Surrey, Delta, Pitt Meadows or Maple Ridge—suggesting that many renters have limited savings that they are able to rely on in the event of an emergency.

In addition, the low net worth among renter households is significant from a home ownership perspective given the ability for a renter household to move into home ownership is often dependent on a household having a 5-10 per cent down payment³.

¹ In looking at patterns related to real income growth, CMHC’s *Canadian Housing Observer* noted that the average before-tax incomes of Canadians grew three times faster from 1995 to 2000 than during the preceding five years (CMHC, 2005:7). This income growth, in turn, enabled an increasing number of households to move into home ownership and had a moderating impact on the number of households in core housing need.

² CMHC has made the observation that net worth is not just current income but income over a lifetime—owners are likely to have earned relatively high incomes over their lifetimes thereby allowing them to accumulate equity and other assets (CMHC, *Canadian Housing Observer*, 2005:7).

³ In Greater Vancouver this would range from \$14,500 to \$28,900 for an entry level 2 bed condo.

Uneven Access to Opportunities

Building on the discussion in the previous section, this section looks at the difference in the median incomes of renters and owners in Greater Vancouver. Based on the data captured in the table below, it would appear that the median income of owners is almost double that of the median income for a renter¹.

	Median Owner Income	Median Renter Income	Renter Income as % of Owner Income
Greater Vancouver	\$ 63,269	\$ 33,458	53%
Anmore	\$ 87,198	\$ 58,614	67%
Belcarra	\$ 102,600	\$ 64,000	62%
Bowen Island	\$ 74,210	\$ 41,075	55%
Burnaby	\$ 57,223	\$ 32,327	56%
Coquitlam	\$ 63,315	\$ 35,185	56%
Delta	\$ 74,105	\$ 39,957	54%
Electoral Area A	\$ 82,838	\$ 34,519	42%
Langley C	\$ 55,681	\$ 26,989	48%
Langley D	\$ 66,308	\$ 40,382	61%
Lions Bay	\$ 95,330	\$ 60,768	64%
Maple Ridge	\$ 63,326	\$ 32,752	52%
New Westminster	\$ 58,962	\$ 30,539	52%
North Vancouver C	\$ 55,826	\$ 36,421	65%
North Vancouver D	\$ 79,955	\$ 42,495	53%
Pitt Meadows	\$ 65,329	\$ 36,749	56%
Port Coquitlam	\$ 68,281	\$ 33,380	49%
Port Moody	\$ 73,318	\$ 39,417	54%
Richmond	\$ 56,157	\$ 38,930	69%
Surrey	\$ 64,254	\$ 33,350	52%
Vancouver	\$ 59,482	\$ 31,749	53%
West Vancouver	\$ 90,867	\$ 39,084	43%
White Rock	\$ 52,531	\$ 32,705	62%

Source: 2001 Census, custom tabulation J3018

¹ This is supported by research published by CMHC where it was noted that renters who moved into home ownership in the previous six years had median household incomes that were almost double the incomes of those who remained renters (*Canadian Housing Observer*, 2005:7).

Income Profile of Renter Households in Core Housing Need

The following table shows the average income across renter households in core housing need compared to the average income of renter households in general. Based on the data captured in the table below, the average renter household in core housing need has an average income that is equal to less than half of the average income for renter households across the Region or less than one-third of the median income for owners.

	Average Income of All Renter Households ¹	Average Income of Renters in Core Need	Income of Renters in Core Need as % of Income All Renters
Greater Vancouver	\$41,640	\$ 18,693	45%
Anmore	\$61,049	\$ --	--
Belcarra	\$68,495	\$ --	--
Bowen Island	\$51,831	\$ 20,316	39%
Burnaby	\$40,211	\$ 19,394	48%
Coquitlam	\$41,897	\$ 20,059	48%
Delta	\$46,604	\$ 20,977	45%
Electoral Area A	\$45,747	\$ 22,756	50%
Langley C	\$34,504	\$ 18,806	55%
Langley D	\$45,729	\$ 21,040	46%
Lions Bay	\$97,246	\$ --	--
Maple Ridge	\$37,768	\$ 20,401	54%
New Westminster	\$36,395	\$ 17,296	48%
North Vancouver C	\$42,607	\$ 20,380	48%
North Vancouver D	\$51,302	\$ 22,180	43%
Pitt Meadows	\$42,255	\$ 18,893	45%
Port Coquitlam	\$40,278	\$ 20,248	50%
Port Moody	\$45,671	\$ 20,625	45%
Richmond	\$45,335	\$ 21,767	48%
Surrey	\$39,131	\$ 19,972	51%
Vancouver	\$41,427	\$ 17,252	42%
West Vancouver	\$60,827	\$ 18,771	31%
White Rock	\$41,570	\$ 17,473	42%

Source: 2001 Census, custom tabulation J3018

¹ Median income data is not available for households in core housing need. Consequently, average income data is used to compare renter households to those in core housing need.

Calculated 'Rent Gap' For Renter Households in Core Housing Need

The table below looks at the 'rent gap' for the average renter household in core housing need. The 'rent gap' is determined by taking the difference between the average rents paid by renter households in core housing need and the rent that would be considered to be affordable based on their income.¹ For a household in core housing need, the 'rent gap' ranges from between \$2,028 in Pitt Meadows to \$5,064 on Bowen Island with an average of \$2,784 across the Region. This translates into a monthly shortfall of between \$169 and \$422 or an average of approximately \$232 per month for households across the Region.²

	# of Core Need Renter Households	Average Core Need Household Income \$	Affordable Rent (30% of Income)-- Annual	Affordable Rent (30% of Income)-- Monthly	Average Shelter Cost -- Monthly	Average Annual (Rent Gap)
Greater Vancouver	82,460	\$ 18,693	\$ 5,608	\$ 467	\$699	\$ (2,784)
Anmore	10	\$ --	\$ --	\$ --	\$--	\$ -
Belcarra	--	\$ --	\$ --	\$ --	\$--	\$ -
Bowen Island	55	\$ 20,316	\$ 6,095	\$ 508	\$930	\$ (5,064)
Burnaby	9,110	\$ 19,394	\$ 5,818	\$ 485	\$722	\$ (2,844)
Coquitlam	3,270	\$ 20,059	\$ 6,018	\$ 502	\$761	\$ (3,108)
Delta	1,650	\$ 20,977	\$ 6,293	\$ 524	\$766	\$ (2,904)
Electoral Area A	335	\$ 22,756	\$ 6,827	\$ 569	\$881	\$ (3,744)
Langley C	1,360	\$ 18,806	\$ 5,642	\$ 470	\$713	\$ (2,916)
Langley D	1,145	\$ 21,040	\$ 6,312	\$ 526	\$806	\$ (3,360)
Lions Bay	--	\$ --	\$ --	\$ --	\$--	\$ -
Maple Ridge	1,670	\$ 20,401	\$ 6,120	\$ 510	\$750	\$ (2,880)
New Westminster	4,145	\$ 17,296	\$ 5,189	\$ 432	\$627	\$ (2,340)
North Vancouver C	2,600	\$ 20,380	\$ 6,114	\$ 510	\$775	\$ (3,180)
North Vancouver D	1,335	\$ 22,180	\$ 6,654	\$ 555	\$907	\$ (4,224)
Pitt Meadows	350	\$ 18,893	\$ 5,668	\$ 472	\$641	\$ (2,028)
Port Coquitlam	1,470	\$ 20,248	\$ 6,074	\$ 506	\$719	\$ (2,556)
Port Moody	395	\$ 20,625	\$ 6,188	\$ 516	\$783	\$ (3,204)
Richmond	4,120	\$ 21,767	\$ 6,530	\$ 544	\$863	\$ (3,828)
Surrey	10,625	\$ 19,972	\$ 5,992	\$ 499	\$705	\$ (2,472)
Vancouver	36,935	\$ 17,252	\$ 5,176	\$ 431	\$647	\$ (2,592)
West Vancouver	845	\$ 18,771	\$ 5,631	\$ 469	\$819	\$ (4,200)
White Rock	1,035	\$ 17,473	\$ 5,242	\$ 437	\$729	\$ (3,504)

Source: 2001 Census, custom tabulation J3018

¹ Shelter cost equal to no more than 30 per cent of gross household income.

² The calculated 'rent gaps' for family and non-family households in core housing need can be found in Appendix B.

INALH Households

Households in need and paying at least half of their income on rent (INALH) represent an important subgroup of households in core housing need. The table below shows the number of renter households in core housing need compared to those in the INALH category. Based on the data captured in the table below, it appears that INALH households make up approximately 43 per cent of all households in core housing need. They also have an average annual income which is equal to only approximately 80 per cent of the average income for a renter household in core housing need and approximately 36 per cent of the average income of renter households in general.

	# Core Housing Need Renter Households	Average Core Housing Need Income	# INALH Renter Households	Average INALH Income
Greater Vancouver	82,460	\$ 18,693	35,220	\$14,896
Anmore	10	\$ --	-	--
Belcarra	--	\$ --	-	--
Bowen Island	55	\$ 20,316	35	\$17,277
Burnaby	9,110	\$ 19,394	3,715	\$15,163
Coquitlam	3,270	\$ 20,059	1,360	\$15,796
Delta	1,650	\$ 20,977	640	\$16,038
Electoral Area A	335	\$ 22,756	140	--
Langley C	1,360	\$ 18,806	615	\$14,755
Langley D	1,145	\$ 21,040	515	\$18,163
Lions Bay	--	\$ --	10	--
Maple Ridge	1,670	\$ 20,401	710	\$16,727
New Westminster	4,145	\$ 17,296	1,750	\$12,745
North Vancouver C	2,600	\$ 20,380	1,165	\$15,417
North Vancouver D	1,335	\$ 22,180	680	\$20,524
Pitt Meadows	350	\$ 18,893	110	\$16,431
Port Coquitlam	1,470	\$ 20,248	570	\$16,008
Port Moody	395	\$ 20,625	140	\$16,211
Richmond	4,120	\$ 21,767	1,995	\$18,683
Surrey	10,625	\$ 19,972	4,085	\$15,042
Vancouver	36,935	\$ 17,252	15,950	\$13,770
West Vancouver	845	\$ 18,771	490	\$18,970
White Rock	1,035	\$ 17,473	555	\$14,435

Source: 2001 Census, custom tabulation J3018

Calculated ‘Rent Gap’ Across INALH Renter Households

In addition to having lower incomes, INALH households appear to have a higher rent burden. Based on the most recent data, the average INALH renter household reported paying a rent of \$805 per month. Taking the difference between the average rents paid by an INALH renter household and the rent that would be considered to be affordable based on their income, the ‘rent gap’ would range from between \$4,157 in New Westminster to \$7,463 in North Vancouver District with an average of \$5,191 across the Region. This translates into a monthly shortfall of between \$346 and \$622 or an average of approximately \$433 per month for households across the Region¹.

	# INALH Renter Households	Average INALH household income \$	Affordable INALH rent-- monthly	Average shelter cost – monthly \$	Average Annual (Rent Gap)
Greater Vancouver	35,220	\$14,896	\$ 372	\$805	(\$5,191)
Anmore	0	--	\$ -	--	\$ -
Belcarra	0	--	\$ -	--	\$ -
Bowen Island	35	\$17,277	\$ 432	\$955	(\$6,277)
Burnaby	3,715	\$15,163	\$ 379	\$830	(\$5,411)
Coquitlam	1,360	\$15,796	\$ 395	\$847	(\$5,425)
Delta	640	\$16,038	\$ 401	\$880	(\$5,749)
Electoral Area A	140	\$17,965	\$ 449	\$944	(\$5,939)
Langley C	615	\$14,755	\$ 369	\$777	(\$4,898)
Langley D	515	\$18,163	\$ 454	\$970	(\$6,191)
Lions Bay	10	--	\$ -	--	\$ -
Maple Ridge	710	\$16,727	\$ 418	\$863	(\$5,338)
New Westminister	1,750	\$12,745	\$ 319	\$665	(\$4,157)
North Vancouver C	1,165	\$15,417	\$ 385	\$837	(\$5,419)
North Vancouver D	680	\$20,524	\$ 513	\$1,135	(\$7,463)
Pitt Meadows	110	\$16,431	\$ 411	\$874	(\$5,559)
Port Coquitlam	570	\$16,008	\$ 400	\$843	(\$5,314)
Port Moody	140	\$16,211	\$ 405	\$866	(\$5,529)
Richmond	1,995	\$18,683	\$ 467	\$996	(\$6,347)
Surrey	4,085	\$15,042	\$ 376	\$810	(\$5,207)
Vancouver	15,950	\$13,770	\$ 344	\$747	(\$4,833)
West Vancouver	490	\$18,970	\$ 474	\$1,074	(\$7,197)
White Rock	555	\$14,435	\$ 361	\$786	(\$5,102)

Source: 2001 Census, custom tabulation J3018

¹ The calculated ‘rent gaps’ for INALH family and non-family households can be found in Appendix B.

Rent Gap Comparison for Core Housing Need and INALH Households

The following table compares the average ‘rent gap’ for households in core housing need to the average ‘rent gap’ for INALH households. Based on the findings reported in the table below, the average rent gap for an INALH household is almost twice the size of the rent gap reported by households in core housing need. In addition, it is important to note that the rent gap for an INALH renter household is equal to approximately 35 per cent of their entire income – a result which leaves them in a precarious financial position and at increased ‘risk’ of losing their housing.

	# Core Housing Need Renter Households	Av. Monthly Shelter Cost – Core Housing Need	Average Annual Rent Gap—Core Housing Need	# INALH Renter Households	Average Monthly Shelter Cost—INALH	Average Annual Rent Gap—INALH
Greater Vancouver	82,460	\$ 699	\$ (2,784)	35,220	\$805	(\$5,191)
Anmore	10	\$ --	\$ -	--	--	\$ -
Belcarra	--	\$ --	\$ -	--	--	\$ -
Bowen Island	55	\$ 930	\$ (5,064)	35	\$955	(\$6,277)
Burnaby	9,110	\$ 722	\$ (2,844)	3,710	\$830	(\$5,411)
Coquitlam	3,270	\$ 761	\$ (3,108)	1,365	\$847	(\$5,425)
Delta	1,650	\$ 766	\$ (2,904)	645	\$880	(\$5,749)
Electoral Area A	335	\$ 881	\$ (3,744)	--	\$944	(\$5,939)
Langley C	1,360	\$ 713	\$ (2,916)	615	\$777	(\$4,898)
Langley D	1,145	\$ 806	\$ (3,360)	515	\$970	(\$6,191)
Lions Bay	--	\$ --	\$ -	10	--	\$ -
Maple Ridge	1,670	\$ 750	\$ (2,880)	705	\$863	(\$5,338)
New Westminister	4,145	\$ 627	\$ (2,340)	1,750	\$665	(\$4,157)
North Vancouver C	2,600	\$ 775	\$ (3,180)	1165	\$837	(\$5,419)
North Vancouver D	1,335	\$ 907	\$ (4,224)	675	\$1,135	(\$7,463)
Pitt Meadows	350	\$ 641	\$ (2,028)	115	\$874	(\$5,559)
Port Coquitlam	1,470	\$ 719	\$ (2,556)	570	\$843	(\$5,314)
Port Moody	395	\$ 783	\$ (3,204)	135	\$866	(\$5,529)
Richmond	4,120	\$ 863	\$ (3,828)	1,995	\$996	(\$6,347)
Surrey	10,625	\$ 705	\$ (2,472)	4,085	\$810	(\$5,207)
Vancouver	36,935	\$ 647	\$ (2,592)	15,945	\$747	(\$4,833)
West Vancouver	845	\$ 819	\$ (4,200)	490	\$1,074	(\$7,197)
White Rock	1,035	\$ 729	\$ (3,504)	555	\$786	(\$5,102)

Source: 2001 Census, custom tabulation J3018

Inventory of Non-Market Housing and The Role of GVHC

The existing inventory of social housing units plays an important role in responding to the on-going need for affordable housing through the creation of a permanent stock of units targeted to responding to the needs of households at the low end of the continuum including families, seniors and those with special needs. More recently there have been growing demands from other segments of the population including new immigrant households, people with physical and mental disabilities as well as those who are homeless or at risk of becoming homeless. The following table provides a general overview of the portfolio of social housing units across the Region as well as the portfolio of units managed by the Greater Vancouver Housing Corporation (GVHC).

	Total Renter Households	Social Housing	GVHC	GVHC as % of Total Social Housing
Greater Vancouver	295,745	47,221	3,492	7%
Anmore	105	0	0	0%
Belcarra	50	0	0	0%
Bowen Island	260	0	0	0%
Burnaby	32,290	5,819	248	4%
Coquitlam	11,850	1,661	269	16%
Delta	6,765	770	89	12%
Electoral Area A	1,505	0	0	0%
Langley C	4,225	1,021	0	0%
Langley D	4,720	424	0	0%
Lions Bay	50	0	0	0%
Maple Ridge	5,070	743	48	6%
New Westminster	13,625	1,485	170	11%
North Vancouver C	10,720	1,069	91	9%
North Vancouver D	6,115	1,152	0	0%
Pitt Meadows	1,225	370	0	0%
Port Coquitlam	4,540	979	317	32%
Port Moody	2,040	544	148	27%
Richmond	16,525	2,803	636	23%
Surrey	33,020	4,498	682	15%
Vancouver	132,750	23,156	794	3%
West Vancouver	3,850	331	0	0%
White Rock	3,240	396	0	0%

Source: BC Housing, 2005

The Role of Greater Vancouver Housing Corporation – Policy Directions

The Greater Vancouver Housing Corporation (GVHC) has an important role to play in responding to housing needs across the Region. GVHC has approximately 3,200 housing units located throughout Greater Vancouver.

The majority of the portfolio of units managed by GVHC are targeted to low income families (low end of market and non-market). Most of this housing was developed under earlier Federal and Provincial funding programs although some stock has been added more recently under the Homes BC program.

GVHC has most recently focused on achieving operating efficiencies, implementing a program to improve its aging (and in some instances leaky) housing stock and to align its building portfolio with its core competence of housing low-income families, seniors and the disabled. The agency is in a positive cash flow position and the housing stock on-track for being modernized.

GVHC continues to experience growing demand for both Low End of Market rental and Rent Geared to Income (RGI) housing. As noted above, both of these segments have high and forecasted increasing demand.

A consultation session with the stakeholders of the agency (municipal officials, housing experts and GVRD officials) would enable the Corporation to set goals and to identify the optimal segment on the housing continuum it should serve.

The consultation would also permit discussion on re-development opportunities and contingency planning in the event senior governments initiate non-market supply programs.

Summary and Synthesis

This study has provided an important opportunity to examine the long term health of both the housing supply sector and the factors that determine the housing affordability profile within the Region. The scope of this study encompassed the entire continuum of housing from socially-supported non-market housing through to ownership. The duration of the forecast period extends through 15 years or approximately 3 five year housing cycles through to 2021.

This broad mandate enabled an analysis of the fundamentals associated with the supply of housing. This included the availability of serviced land, a survey of municipal experts on affordability issues by municipality, housing start determinants and the macro-economic factors affecting investment in the associated sectors. The analysis also examined the balance of ownership starts, purpose-built rental starts and government-supported housing.

It is a central premise of this study that the ultimate determinant of housing affordability is the capacity of the supply sector to meet effective demand in a timely fashion. Removing barriers to land supply and permits, and attracting investment to the sector improves the supply, thereby enhancing the affordability profile. Conversely, restrictions on land supply and capital have an adverse affect on supply which is ultimately borne by consumers, particularly at the low end of the continuum.

The supply sector extends beyond just builders and developers and includes banks and financial institutions, permitting and regulatory participants and taxation authorities. Indeed, some housing sector participants may even end up playing a significant if not always fully intentional role as inhibitors to new supply enforcing high standards and moderating rapid change.

Not only is the housing sector composed of a large number of small enterprises and numerous government agencies, but the sector is also subject to macro-economic forces that are global and national in scale. These global/national elements include interest rates, inflation, taxation and incomes policy. Housing represents a significant proportion of national and consumer wealth, and residential development and construction is a significant component of the national and regional economies.

Home ownership is typically the largest investment and debt decision a consumer makes. The renter on the other hand is at least once removed from housing investment decisions and is remote from the financial forces which increase or decrease the pool of available units. Rental housing investment and reinvestment operates within the domain of tax policy, the prevailing cost of capital, efficiency of the rental ownership market and consumer protection legislation governing rental tenancies. These investment decisions affect the rental consumer by influencing price stability, the range of housing type on offer and, ultimately, the condition, renewal and possible increase of rental housing assets.

To summarize, the housing supply sector has a large number of participants who operate within a climate of macro-economic forces that determine the sector's capacity to respond to increased demand. This concept, often termed 'supply elasticity', measures how effectively and quickly the market responds to increases in population demand or improvements in purchasing power.

In recent decades, most new housing has been built for the ownership market and the purpose-built rental market has been disadvantaged by taxation policies and low rates of return, particularly relative to market housing and market condos.

It is the confluence of supply factors that, over the long term, determine the housing choices available to consumers. However, the most visible aspect of the housing market is the price volatility, in particular the rapid run up in housing prices that seems to occur every 4 to 7 years.

The impact of price can be experienced instantaneously while new supply typically involves a 1 to 2 year response time. To the casual observer the supply response would appear to have no influence on the pricing picture. Similarly, during periods of recession, prices seem to be "sticky down" as vendors withdraw the product from the market and transaction volumes decrease. In such a climate, evident distress in the market occurs around speculative housing production with an increase in foreclosures and discounting by lenders.

The most visible elements of housing economics in Greater Vancouver are the price volatility of market housing along with the relative stability of rental prices even in periods of low vacancy rates. The current sharp increase in housing prices is in contrast to the relatively stable prices witnessed earlier during periods when the sector endured a massive product failure ('leaky condos'), a slow economy, out-migration and low consumer and business confidence. The current macro-environment combines historically low interest rates (real and nominal), improved consumer confidence, rising after-tax incomes and an improved labour market. In such a macro-economic environment, prices can be expected to get bid up rapidly.

The policy alternatives identified in the body of this report, to the extent they are adapted, can provide relief or capacity improvements at various points along the housing continuum. At the same time, it is important to understand that no single policy change taken in isolation will dramatically improve the entire affordability profile in Greater Vancouver. It is also important to recognize that improvements within this large and complex housing market are likely to be incremental, and that permanent and effective change will result from a range of strategies and policy initiatives targeted to creating improvements at the margins. To some extent, long-term affordability will be determined by the way in which the Region, taken as a whole, is able to respond to the pressures identified in this study and the supply response that is put into place over the next 10 to 15 years.

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Appendix A – Additional Tables

Table A1: Housing Starts—1994-2005

Table A2: Average Rents—2000-2004

Table A3: Average Rents by Unit Type—2004-2005

Table A4: Vacancy Rates—1998-2005

Table A1: Housing Starts 1994-2005

Year	Total	Single Detached / Semi Detached	Multi-Unit (Ownership)		Multi-Unit (Rental)		Total Multi-Units	Multi-Unit Developments
			Condo Row	Condo Apt.	Rental Row	Rental Apt.		
1994	20,473	6,567	2,510	9,586	158	992	13,246	65%
1995	14,992	4,517	1,537	7,630	129	478	9,774	65%
1996	15,453	5,091	1,781	7,183	60	648	9,672	63%
1997	15,950	4,847	1,598	7,547	202	1,031	10,378	65%
1998	11,878	3,595	1,112	6,146	96	380	7,734	65%
1999	8,677	3,824	953	2,700	0	988	4,641	53%
2000	8,203	3,444	1,100	2,152	9	1,125	4,386	53%
2001	10,862	4,080	992	2,952	224	2,614	6,782	62%
2002	13,197	5,710	1,716	4,458	15	1,298	7,487	57%
2003	15,626	6,112	2,308	6,294	48	864	9,514	61%
2004	19,430	6,588	3,304	8,834	30	674	12,842	66%
2005	18,914	5,649	3,272	9,464	9	520	13,265	70%

Table A2: Average Rents 2000 to 2004					
	2000	2001	2002	2003	2004
Greater Vancouver	\$740	\$768	\$793	\$805	\$821
Burnaby	\$708	\$729	\$751	\$750	\$761
Coquitlam	\$637	\$690	\$690	\$698	\$713
Delta	\$688	\$700	\$713	\$720	\$729
Langley City & District	\$679	\$698	\$708	\$715	\$745
Maple Ridge	\$573	\$616	\$629	\$647	\$657
New Westminster	\$626	\$651	\$666	\$674	\$690
North Vancouver C	\$748	\$788	\$805	\$809	\$829
North Vancouver D	\$805	\$848	\$862	\$876	\$878
Pitt Meadows	\$573	\$615	\$629	\$647	\$657
Port Coquitlam	\$637	\$690	\$690	\$698	\$713
Port Moody	\$637	\$690	\$690	\$698	\$713
Richmond	\$747	\$759	\$811	\$809	\$838
Surrey	\$666	\$691	\$699	\$703	\$700
Vancouver	\$769	\$793	\$828	\$845	\$863
West Vancouver	\$1,094	\$1,108	\$1,143	\$1,175	\$1,166
White Rock	\$712	\$718	\$735	\$758	\$742
<i>Source: CMHC Rental Market Report, 2000, 2001, 2002, 2003, 2004</i>					

Table A3: Average Rents by Unit Type—2004-2005

	Bachelor		1 bedroom		2 bedroom		3 bedroom+	
	2004	2005	2004	2005	2004	2005	2004	2005
Greater Vancouver	668	678	774	788	984	1,004	1,153	1,184
Burnaby	593	615	709	732	879	910	1,018	1,030
Coquitlam	567	573	654	686	791	798	966	**
Delta	540	541	656	665	820	856	1,010	964
Langley City & District	585	593	686	692	811	814	**	938
Maple Ridge	513	516	587	597	761	768	882	896
New Westminster	538	543	652	656	826	826	1,031	1,043
North Vancouver C	652	666	782	788	966	976	**	**
North Vancouver D	563	684	785	799	1,027	1,032	1,165	1,218
Pitt Meadows	513	516	587	597	761	768	882	896
Port Coquitlam	567	573	654	686	791	798	966	**
Port Moody	567	573	654	686	791	798	966	**
Richmond	603	606	759	780	931	931	1,064	**
Surrey	550	**	617	623	770	777	844	851
Vancouver	695	701	823	837	1,160	1,192	1,199	1,450
West Vancouver	**	**	997	1,008	1,503	1,548	**	2,276
White Rock	581	574	701	728	859	892	1,127	1,083

Source: CMHC Rental Market Report 2005

Table A4: Vacancy Rates—1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
Greater Vancouver	2.7	2.7	1.4	1	1.4	2	1.3	1.4
Burnaby	3.5	3.5	1.3	0.9	1.6	1.5	1.4	1.2
Coquitlam	5.8	3.7	2.8	1.6	1.7	2.2	3.1	3.7
Delta	2.8	5.7	6.1	3	3.6	6	4.1	5.7
Langley City & District	6.2	4	2.2	0.8	1.1	2	1.8	1.6
Maple Ridge	5.1	4	2.8	2.3	2.4	2.8	1.7	3.5
New Westminster	5.9	5.4	2.1	1.5	1.8	2.8	2.4	2
North Vancouver C	1.9	2.7	0.5	0.8	1	1.2	0.9	0.7
North Vancouver D	1.2	1.1	0.6	0.1	0.6	0.4	0.4	0.5
Pitt Meadows	5.1	4	2.8	2.3	2.4	2.8	1.7	3.5
Port Coquitlam	5.8	3.7	2.8	1.6	1.7	2.2	3.1	3.7
Port Moody	5.8	3.7	2.8	1.6	1.7	2.2	3.1	3.7
Richmond	2.2	1.7	1	0.9	0.6	1.2	1.3	2.7
Surrey	5.4	5.7	5.3	2.3	4.1	5.9	5.1	4.7
Vancouver	1.5	1.6	0.8	0.7	1.1	1.7	0.6	0.7
West Vancouver	2.5	2	0.6	0.8	0.4	0.8	0.4	0.1
White Rock	1.9	2.9	1.7	0.9	1	2	1.8	1.2

Source: CMHC Rental Market Reports 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005

Appendix B – Calculated ‘Rent Gap’—INALH and Core Need Households

Table B1: Household Composition —INALH and Core Need Households

Table B2: Calculated Rent Gap-- Family Households in Core Housing Need (2 & 3+ Bed)

Table B3: Calculated Rent Gap-- Non-Family Households in Core Housing Need (1 Bed)

Table B4: Calculated Rent Gap—INALH Family Households (2 & 3+ Bed)

Table B5: Calculated Rent Gap—INALH Non-Family Households (1 Bed)

Comparison of Core Housing Need and INALH Households

Table B1 on the following page shows the family composition of renter households in core housing need as well as the composition of INALH households. In looking at the findings, there are some important observations that can be made:

- Families make up 44 per cent of all households in core housing need with approximately one-third falling into the INALH category.
- Seniors make up 19 per cent of all households in core housing need with approximately 38 per cent falling into the INALH category.
- Non-family, non-senior households make up 37 per cent of all households in core housing need with approximately 57 per cent falling into the INALH category.

While access to social housing plays an important role in responding to the needs of low income families and seniors, it is important to note that non-family households under the age of 55 are not eligible for access to social housing. This means that, for a significant proportion of those in the INALH category have limited options.

It should be noted that, in some cases, access to social housing may be available for non-family, non-senior households. For example, individuals who have health-related challenges in addition to low income may be eligible. As well, there are some housing units in Vancouver's downtown eastside for low income single person households. However, the pool of units is limited relative to demand. The options are even more constrained in other municipalities across the GVRD.

Table B1: Household Composition—INALH and Core Need Households

	Total Core Need	Seniors 65+ in Core Need	Non- family Non- Senior in Core Need	Families in Core Need		Total INALH	INALH Seniors 65+	INALH- Families	INALH Non- Family Non- Senior
GVRD	82,460	15,905	30,645	35,905		35,220	6,080	11,555	17,585
Anmore	10	--	--	--		--	--	--	--
Belcarra	--	--	--	--		--	--	--	--
Bowen Island	55	--	35	15		35	--	--	--
Burnaby	9,110	2,055	2,555	4,505		3,710	705	1,470	1,535
Coquitlam	3,270	585	780	1,900		1,365	180	670	515
Delta	1,650	405	365	885		645	200	225	220
Electoral Area A	335	20	45	275		--	20	100	0
Langley C	1,360	450	395	520		615	140	235	240
Langley D	1,145	150	290	700		515	50	220	245
Lions Bay	--	--	--	--		10	10	--	--
Maple Ridge	1,670	430	395	845		705	150	305	250
New Westminster	4,145	950	1,755	1,450		1,750	390	415	945
North Vancouver C	2,600	610	955	1,035		1,165	315	320	530
North Vancouver D	1,335	260	260	815		675	75	370	230
Pitt Meadows	350	105	75	170		115	40	35	40
Port Coquitlam	1,470	295	330	845		570	125	280	165
Port Moody	395	45	105	245		135	15	85	35
Richmond	4,120	740	845	2,540		1,995	335	985	675
Surrey	10,625	1,675	2,445	6,505		4,085	595	2,085	1,405
Vancouver	36,935	6,195	18,535	12,205		15,945	2,225	3,545	10,175
West Vancouver	845	460	135	250		490	250	115	125
White Rock	1,035	475	350	205		555	265	70	220

Calculated 'Rent Gap' for Family Core Need Renter Households

The table below looks at the 'rent gap' for the average family household in core housing need. The 'rent gap' is determined by taking the difference between the average rent for a 2 bed and 3+ bed unit based on CMHCs rental market data and the rent that would be considered to be affordable based on the reported income across family households in core housing need.¹ The findings reported in the table below show a 'rent gap' ranging from between \$1,692 to \$7,672 for a 2 bedroom unit and between \$3,228 and \$10,768 for a 3 bedroom unit depending on the municipality. This translates into a monthly shortfall of between \$141 and \$639 for a 2 bed unit and \$269 and \$897 for a 3 bed unit².

	Core Need Family Renters	Annual Income	Affordable rent based on 30% standard-- Monthly	2 Bdr Rents-- Monthly	3+ Bdr Rents-- Monthly	Annual Rent Gap 2-bed unit	Annual Rent Gap 3-bed unit
GVRD	35,905	\$22,771	\$ 569	\$1,004	\$1,184	(\$5,217)	(\$7,377)
Anmore	--	\$ -	\$ -	\$ -	\$ -	\$0	\$0
Belcarra	--	\$ -	\$ -	\$ -	\$ -	\$0	\$0
Bowen Island	15	\$ -	\$ -	\$ -	\$ -	\$0	\$0
Burnaby	4,505	\$22,660	\$ 567	\$ 910	\$1,130	(\$4,122)	(\$6,762)
Coquitlam	1,900	\$22,873	\$ 572	\$ 798	\$ -	(\$2,714)	\$0
Delta	885	\$25,682	\$ 642	\$ 856	\$ 964	(\$2,567)	(\$3,863)
Electoral Area A	275	\$23,184	\$ 580	\$ -	\$ -	\$0	\$0
Langley C	520	\$22,050	\$ 551	\$ 814	\$ 938	(\$3,153)	(\$4,641)
Langley D	700	\$23,885	\$ 597	\$ 814	\$ 938	(\$2,602)	(\$4,090)
Lions Bay	--	\$ -	\$ -	\$ -	\$ -	\$0	\$0
Maple Ridge	845	\$25,079	\$ 627	\$ 768	\$ 896	(\$1,692)	(\$3,228)
New Westminster	1,450	\$21,280	\$ 532	\$ 826	\$1,043	(\$3,528)	(\$6,132)
North Vancouver C	1,035	\$23,557	\$ 589	\$ 976	\$ -	(\$4,645)	\$0
North Vancouver D	815	\$25,588	\$ 640	\$1,032	\$1,218	(\$4,708)	(\$6,940)
Pitt Meadows	170	\$20,926	\$ 523	\$ 768	\$ 896	(\$2,938)	(\$4,474)
Port Coquitlam	845	\$23,169	\$ 579	\$ 798	\$ -	(\$2,625)	\$0
Port Moody	245	\$22,516	\$ 563	\$ 798	\$ -	(\$2,821)	\$0
Richmond	2,540	\$24,426	\$ 611	\$ 931	\$ -	(\$3,844)	\$0
Surrey	6,505	\$22,498	\$ 562	\$ 777	\$ 851	(\$2,575)	(\$3,463)
Vancouver	12,205	\$22,105	\$ 553	\$1,192	\$1,450	(\$7,672)	(\$10,768)
West Vancouver	250	\$24,591	\$ 615	\$1,548	\$2,276	(\$11,199)	(\$19,935)
White Rock	205	\$20,329	\$ 508	\$ 892	\$1,083	(\$4,605)	(\$6,897)

Source: 2001 Census, custom tabulation J3018

¹ Shelter cost equal to no more than 30 per cent of gross household income.

² Data from West Vancouver was not included in this calculation given the potential this data would have for skewing the final rent gap figures significantly upwards.

Calculated ‘Rent Gap’ for Non-Family Core Need Renter Households

The table below looks at the ‘rent gap’ for the average non-family, non-senior household in core housing need using a similar approach to the previous section. The average rent for a 1-bedroom unit is used as the basis for comparison when determining the ‘rent gap’ when compared to the average annual income of a non-family, non-senior household. The data captured in the table below shows that the average annual rent gap is almost \$5,000 resulting in the need for monthly assistance of \$414 to close the gap¹.

	# of Non-Senior Non-Family Households	Annual Income	Affordable Rent Based on 30% of Income--Monthly	Average Annual Rent for 1 Bed Unit	Rent Gap for Non-Family, Non-Senior Renters ²
Greater Vancouver	30,645	14,979	\$374	\$ 788	(\$4,962)
Anmore	-	--	--	\$ -	\$ --
Belcarra	-	--	--	\$ -	\$ --
Bowen Island	35	17,055	\$426	\$ -	\$ --
Burnaby	2,555	15,677	\$392	\$ 732	(\$4,081)
Coquitlam	780	15,599	\$390	\$ 686	(\$3,552)
Delta	365	14,689	\$367	\$ 665	(\$3,573)
Electoral Area A	45	22,889	\$572	\$ -	\$ --
Langley C	395	16,735	\$418	\$ 692	(\$3,284)
Langley D	290	17,065	\$427	\$ 692	(\$3,185)
Lions Bay	-	--	--	\$ -	\$ --
Maple Ridge	395	14,518	\$363	\$ 597	(\$2,809)
New Westminster	1,755	14,469	\$362	\$ 656	(\$3,531)
North Vancouver C	955	18,770	\$469	\$ 788	(\$3,825)
North Vancouver D	260	17,699	\$442	\$ 799	(\$4,278)
Pitt Meadows	75	16,047	\$401	\$ 597	(\$2,350)
Port Coquitlam	330	15,364	\$384	\$ 686	(\$3,623)
Port Moody	105	18,562	\$464	\$ 686	(\$2,663)
Richmond	845	17,530	\$438	\$ 780	(\$4,101)
Surrey	2,445	15,093	\$377	\$ 623	(\$2,948)
Vancouver	18,535	14,398	\$360	\$ 837	(\$5,725)
West Vancouver	135	15,752	\$394	\$ 1,008	(\$7,370)
White Rock	350	16,352	\$409	\$ 728	(\$3,830)

Source: 2001 Census, custom tabulation J3018

¹ The average was calculated at the community level to better reflect differences in local market conditions across Greater Vancouver.

² The rent gap is a calculation based on the average income of *all* core need renters. As a result, it may result in a modest underestimation of the rent gap for 1 bed units while overestimating the rent gap for 2 and 3+ bed units. This would be equally true for the INALH rent gap calculations to follow. At the same time, the measure provides useful approximations of rent gaps that exist for low income renter households.

Calculated 'Rent Gap' for Family INALH Renter Households

The table below looks at the 'rent gap' for the average INALH family household. The 'rent gap' is determined by taking the difference between the average rent for a 2 bed and 3+ bed unit based on CMHCs rental market data and the rent that would be considered to be affordable based on the reported income across INALH family households. The findings reported in the table below show a 'rent gap' ranging from between \$1,692 in Maple Ridge to \$7,672 in Vancouver for a 2 bedroom unit and between \$3,228 in Maple Ridge and \$10,768 in Vancouver for a 3 bedroom unit. This translates into a monthly shortfall of between \$350 in Maple Ridge and \$848 in Vancouver for a 2 bedroom unit and \$475 in Surrey and \$1,106 in Vancouver for a 3 bedroom unit¹. Across Greater Vancouver this translates into monthly assistance of \$482 per month for a 2-bed unit and \$657 for a 3-bed unit to close the gap.

	Number of INALH Renters	Average Income	Affordable rent (30% standard)	Average 2 Bdr Rents-- Annual	Average 3+ Bdr Rents-- Annual	Average Annual Rent Gap-- 2-bed	Average Annual Rent Gap--3+-bed
GVRD	35,220	\$14,486	\$4,346	\$12,048	\$14,208	(\$7,702)	(\$9,862)
Anmore	--	-	-	-	-	-	-
Belcarra	--	-	-	-	-	-	-
Bowen Island	35	\$17,277	\$5,183	-	-	-	-
Burnaby	3,710	\$15,163	\$4,549	\$10,920	\$13,560	(\$6,371)	(\$9,011)
Coquitlam	1,365	\$15,796	\$4,739	\$9,576		(\$4,837)	
Delta	645	\$16,038	\$4,811	\$10,272	\$11,568	(\$5,461)	(\$6,757)
Electoral Area A	--	-	-	-	-	-	-
Langley C	615	\$14,755	\$4,427	\$9,768	\$11,256	(\$5,342)	(\$6,830)
Langley D	515	\$18,163	\$5,449	\$9,768	\$11,256	(\$4,319)	(\$5,807)
Lions Bay	10	-	-	-	-	-	-
Maple Ridge	705	\$16,727	\$5,018	\$9,216	\$10,752	(\$4,198)	(\$5,734)
New Westminster	1,750	\$12,745	\$3,824	\$9,912	\$12,516	(\$6,089)	(\$8,693)
North Vancouver C	1,165	\$15,417	\$4,625	\$11,712	-	(\$7,087)	-
North Vancouver D	675	\$20,524	\$6,157	\$12,384	\$14,616	(\$6,227)	(\$8,459)
Pitt Meadows	115	\$16,431	\$4,929	\$9,216	\$10,752	(\$4,287)	(\$5,823)
Port Coquitlam	570	\$16,008	\$4,802	\$9,576	-	(\$4,774)	-
Port Moody	135	\$16,211	\$4,863	\$9,576	-	(\$4,713)	-
Richmond	1,995	\$18,683	\$5,605	\$11,172	-	(\$5,567)	-
Surrey	4,085	\$15,042	\$4,513	\$9,324	\$10,212	(\$4,811)	(\$5,699)
Vancouver	15,945	\$13,770	\$4,131	\$14,304	\$17,400	(\$10,173)	(\$13,269)
West Vancouver	490	\$18,970	\$5,691	\$18,576	\$27,312	(\$12,885)	(\$21,621)
White Rock	555	\$14,435	\$4,331	\$10,704	\$12,996	(\$6,374)	(\$8,666)

Source: 2001 Census, custom tabulation J3018

¹ Data from West Vancouver was not included in this calculation given the potential this data would have for skewing the final rent gap figures significantly upwards.

Calculated 'Rent Gap' for Non-Family INALH Renter Households

The table below looks at the 'rent gap' for the average INALH non-family, non-senior household using a similar approach to the previous section. The average rent for a 1-bedroom unit is used as the basis for comparison when determining the 'rent gap' when compared to the average annual income of a non-family, non-senior household. The data captured in the table below shows that the average annual rent gap was between \$2,146 in Maple Ridge and \$6,405 in West Vancouver. This would translate into a monthly required assistance of between \$179 and \$534 with an average monthly rent gap across all municipalities of \$416.

	Income All Renter Households	# of INALH Renter Households	Income Renters in Extreme Need	Affordable Rent (INALH) Based on 30% of Income	Average Annual Rent for 1 Bed Unit	Rent Gap for INALH Renters
Greater Vancouver	\$41,640	35,220	\$14,896	\$ 4,469	\$ 9,456	\$ (4,987)
Anmore	\$61,049	0	-	\$ -	\$ -	\$ -
Belcarra	\$68,495	0	-	\$ -	\$ -	\$ -
Bowen Island	\$51,831	35	\$17,277	\$ 5,183	\$ -	\$ -
Burnaby	\$40,211	3,715	\$15,163	\$ 4,549	\$ 8,784	\$ (4,235)
Coquitlam	\$41,897	1,360	\$15,796	\$ 4,739	\$ 8,232	\$ (3,493)
Delta	\$46,604	640	\$16,038	\$ 4,811	\$ 7,980	\$ (3,169)
Electoral Area A	\$45,747	140	-	\$ -	\$ -	\$ -
Langley C	\$34,504	615	\$14,755	\$ 4,427	\$ 8,304	\$ (3,878)
Langley D	\$45,729	515	\$18,163	\$ 5,449	\$ 8,304	\$ (2,855)
Lions Bay	\$97,246	10	-	\$ -	\$ -	\$ -
Maple Ridge	\$37,768	710	\$16,727	\$ 5,018	\$ 7,164	\$ (2,146)
New Westminister	\$36,395	1,750	\$12,745	\$ 3,824	\$ 7,872	\$ (4,049)
North Vancouver C	\$42,607	1,165	\$15,417	\$ 4,625	\$ 9,456	\$ (4,831)
North Vancouver D	\$51,302	680	\$20,524	\$ 6,157	\$ 9,588	\$ (3,431)
Pitt Meadows	\$42,255	110	\$16,431	\$ 4,929	\$ 7,164	\$ (2,235)
Port Coquitlam	\$40,278	570	\$16,008	\$ 4,802	\$ 8,232	\$ (3,430)
Port Moody	\$45,671	140	\$16,211	\$ 4,863	\$ 8,232	\$ (3,369)
Richmond	\$45,335	1,995	\$18,683	\$ 5,605	\$ 9,360	\$ (3,755)
Surrey	\$39,131	4,085	\$15,042	\$ 4,513	\$ 7,476	\$ (2,963)
Vancouver	\$41,427	15,950	\$13,770	\$ 4,131	\$ 10,044	\$ (5,913)
West Vancouver	\$60,827	490	\$18,970	\$ 5,691	\$ 12,096	\$ (6,405)
White Rock	\$41,570	555	\$14,435	\$ 4,331	\$ 8,736	\$ (4,406)

Source: 2001 Census, custom tabulation J3018

Appendix C – Regional and Municipal Housing Continuums

The study uses a ‘housing continuum’ model to identify existing tenure and housing options across different segments of the population. Through the use of the ‘housing continuum’ model, it is possible to gain a better understanding of the role and capacity of the different segments of the housing market and the role that they play in meeting future housing demand for affordable housing in the Region.

The ‘housing continuum’ model set out in this document, integrates a number of different possible data sources into a ‘single picture’ thereby creating a better understanding of the needs and assets that exist within a given community for responding to local housing needs. In addition, it can be used as a tool for identifying potential areas where households may be falling through ‘gaps’ in the social safety net.

As noted in the conclusions to this report, improvement within the broader housing policy context will be incremental with permanent and effective change resulting from improvements on the margin.

The housing continuum model which has been included in this section includes information from a number of sources to illustrate some of the important thresholds (margins) between the propensity to purchase or rent as well as potential opportunities for individuals to advance along the housing continuum.

The information reported in this section is captured at the Regional and community level for the different municipalities which make up the GVRD¹. The following provides a list of the variables and indicators captured in the ‘housing continuum’ model used in this report. The information set out in this section helps to provide a sense of the differences across municipalities as well as across the different tenure types.

VARIABLE	INDICATOR	DATA SOURCE	VARIABLE	INDICATOR	DATA SOURCE
A	Total households (renters and owners)	2001 Census	O	Average income household in social housing	BC Housing
B	Total owners	2001 Census	P	Selling price – single family unit (2005)	MLS data
C	Total renters	2001 Census	Q	Selling price – townhouse unit (2005)	MLS data
D	Household income distribution	2001 Census	R	Selling price – 2-bed condo unit 50 th percentile (2005)	MLS data
E	Number of households in income range	2001 Census	S	Selling price – 2-bed condo unit 20 th percentile (2005)	MLS data
F	Qualifying income based on 2005 average price	Calculated	T	Average market rent -2 bed unit (2004)	CMHC
G	Qualifying income based on 2005 average price	Calculated	U	Households in core housing need (2001)	CMHC
H	Qualifying income based on 2005 average price	Calculated	V	Owners in core housing need (2001)	CMHC
I	Qualifying income based on 2005 average price	Calculated	W	Renters in core housing need (2001)	CMHC
J	Median household income (owners)	2001 Census	X	Total number and average income of households in need and paying 50% or more on shelter (2001)	CMHC
K	Median household income (renters)	2001 Census	Y	Total number and average income of owners in need and paying 50% or more on shelter (2001)	CMHC
L	Average income owners in core need	CMHC data	Z	Total number and average income of renters in need and paying 50% or more on shelter (2001)	CMHC
M	Affordability threshold 2-bed units <small>2004 rents</small>	Calculated			
N	Average income renters in core need	CMHC data			

¹ Communities with less than 5,000 households have not been included given limitations in the data available. This includes Bowen Island, Lion’s Bay, Anmore and Belcarra.

Greater Vancouver Regional District—Total Households 758,710

		Total Owners 445				Total Renters 295,710		
		Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Rent Supplement 6,006 units	Social Housing - 54,209 GVHC-342 units	
	Housing Income 2000	Number of Households 758,710						
	100K+	124,270						
	90K to 99,999	34,000						
	80K to 89,999	43,285						
	70K to 79,999	50,405						
Median Income Owners: \$63,269	60K to 69,999	59,955						
	50K to 59,999	67,455						
	40K to 49,999	77,545						
Median Income Renters:	30K to 39,999	83,835						
	20K to 29,999	77,285						
	10K to 19,999	86,155						
	Under \$10K	54,525					Families \$17,000 Seniors \$12,000	
	Housing Cost		\$585,000	\$358,000	\$295,000		\$821,000	
	Households in Core Need	71,345		48,000			82,710	
	#INALH Hshlds	56,215		21,000			35,220	
	INALH income	\$18,118		\$23,522			\$14,896	

Greater Vancouver Regional District—Total Households 758,710

		Total Owners 462,645			Total Renters 295,745		
		Single family	Townhouse	2 bed condo	Private rental (incl. rent supplement of 6,006 units)	Social Housing - 54,209 units GVHC-3492 units	
	Household Income 2000	Number of Households 758,710	\$121,921 ¹				
	100K+	124,270					
	90K to 99,999	34,000					
	80K to 89,999	43,285		\$80,748 ²			
	70K to 79,999	50,405					
Median Income Owners: \$63,269	60K to 69,999	59,955			\$66,916 ³		
	50K to 59,999	67,455					
	40K to 49,999	77,545					
Median Income Renters: \$33,458	30K to 39,999	83,835				\$32,840 ⁴	
	20K to 29,999	77,285					
	10K to 19,999	86,155				\$18,740 ⁵	\$16,000 ⁶
	Under \$10K	54,525					Families \$17,000 Seniors \$12,000
	Housing Cost		\$585,000	\$358,000	\$295,000	\$821	
	Households in Core Need	131,845	48,000			83,840	
	#INALH Hshlds	56,215	21,000			35,220	
	INALH income	\$18,118	\$23,522			\$14,896	

¹Qualifying income single family based on averages reported by CMHC *Housing Outlook Conference* ²Qualifying income townhouse based on averages reported by CMHC *Housing Outlook Conference* ³Qualifying income apartments based on averages reported by CMHC *Housing Outlook Conference* ⁴Affordability threshold based on average market rent 2-bed ⁵Average income renters in core need ⁶Average income households in social housing Page 92

Vancouver - Total Households 236,100

			Total Owners 103,345				Total Renters 132,750	
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 1,994 units)	Social Housing - 25,674 units GVHC-794 units
Household Income 2000	Number of Households (236,100)		\$131,375 ¹	\$114,353 ²				
100K+	32,520							
90K to 99,999	8,155							
80K to 89,999	10,565				\$88,505 ³			
70K to 79,999	12,725							
60K to 69,999	16,305					\$66,825 ⁴		
Median Income Owner: \$59,482	50K to 59,999	19,960						
	40K to 49,999	23,785						
Median Income Renter: \$31,749	30K to 39,999	27,740					\$34,520 ⁶	
	20K to 29,999	26,615						
	10K to 19,999	32,575				\$23,076 ⁵	\$17,191 ⁷	\$16,000 ⁸
	Under \$10K	25,140						Families \$17,000 Seniors \$12,000
Housing Cost			\$638,860	\$513,088	\$393,840	\$264,836	\$863	
Households in Core Need	48,645		11,320				37,325	
#INALH Hshlds	20,740		4,795				15,945	
INALH income	\$15,681		\$22,041				\$13,970	

¹Qualifying income single family 20th percentile ²Qualifying income townhouse 50th percentile ³Qualifying income 2-bed condo 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵Average income owners in core need ⁶Income threshold at 30 per cent standard for average rent for 2-bed unit ⁷Average income for renters in core need ⁸Average income households in social housing.

Burnaby Total Households 74,000

			Total Owners 41,705				Total Renters 32,290		
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 582 units)	Social Housing - 6,441 units GVHC-248 units	
	Household Income 2000	Number of Households (74,000)							
	100K+	9,660							
	90K to 99,999	3,015	\$98,966 ¹						
	80K to 89,999	3,910							
	70K to 79,999	4,465		\$76,475 ²					
	60K to 69,999	5,595			\$71,667 ³				
Median Income Owners: \$57,223	50K to 59,999	6,555				\$56,360 ⁴			
	40K to 49,999	7,690							
Median Income Renters: \$32,327	30K to 39,999	8,915					\$30,440 ⁶		
	20K to 29,999	8,095				\$23,258 ⁵			
	10K to 19,999	9,735					\$19,252 ⁷	\$16,000 ⁸	
	Under \$10K	6,370						Families \$17,000 Seniors \$12,000	
	Housing Cost		\$475,000	\$339,000	\$310,000	\$235,000	\$761		
	Households in Core Need	13,965	4,810				9,155		
	#INALH Hshlds	5,610	1,900				3,710		
	INALH income	\$17,590	\$22,331				\$15,163		

¹Qualifying income single family 20th percentile ²Qualifying income townhouse 50th percentile ³Qualifying income 2-bed condo 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵Average income owners in core need ⁶Income threshold at 30 per cent standard for average rent for 2-bed unit ₂₀₀₄ ⁷Average income for renters in core need ⁸Average income households in social housing. Page 94

New Westminster- Total Households 26,030

			Total Owners 12,400				Total Renters 13,625	
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 390 units)	Social Housing - 1,936 units GVHC-170 units
	Household Income 2000	Number of Households (26,030)						
	100K+	2,650						
	90K to 99,999	750						
	80K to 89,999	1,205	\$83,362 ¹					
	70K to 79,999	1,575						
	60K to 69,999	1,980		\$64,547 ²				
Median Income Owners: \$58,962	50K to 59,999	2,325			\$52,436 ³			
	40K to 49,999	2,855				\$41,523 ⁴		
Median Income Renters: \$30,539	30K to 39,999	3,450						
	20K to 29,999	3,155					\$27,600 ⁶	
	10K to 19,999	3,980				\$22,464 ⁵	\$17,194 ⁷	\$16,000 ⁸
	Under \$10K	2,100						Families \$17,000 Seniors \$12,000
	Housing Cost		\$389,900	\$278,000	\$220,000	\$172,000	\$690	
	Households in Core Need	5,590	1,415				4,175	
	#INALH Hshlds	2,295	540				1,750	
	INALH income	\$14,824	\$21,530				\$12,745	

¹Qualifying income single family 20th percentile ²Qualifying income townhouse 50th percentile ³Qualifying income 2-bed condo 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵Average income owners in core need ⁶Income threshold at 30 per cent standard for average rent for 2-bed unit ⁷Average income for renters in core need ⁸Average income households in social housing.

Coquitlam – Total Households 40,200

			Total Owners 28,370				Total Renters 11,850		
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 258 units)	Social Housing - 1,919 units GVHC-269 units	
	Household Income 2000	Number of Households (40,220)							
	100K+	7,145							
	90K to 99,999	2,050							
	80K to 89,999	2,550	\$92,459 ¹						
	70K to 79,999	2,815		\$83,995 ²					
Median Income Owners: \$63,315	60K to 69,999	3,150							
	50K to 59,999	3,640			\$52,193 ³				
	40K to 49,999	4,205				\$46,276 ⁴			
Median Income Renters: \$35,185	30K to 39,999	4,410							
	20K to 29,999	4,025					\$28,520 ⁶		
	10K to 19,999	3,835				\$24,039 ⁵	\$20,423 ⁷	\$16,000 ⁸	
	Under \$10K	2,395						Families \$17,000 Seniors \$12,000	
	Housing Cost		\$439,000	\$374,900	\$219,900	\$189,800	\$713		
	Households in Core Need	6,445	3,075				3,365		
	#INALH Hshlds	2,835	1,470				1,365		
	INALH income	\$19,495	\$22,917				\$15,796		

¹Qualifying income single family 20th percentile ²Qualifying income townhouse 50th percentile ³Qualifying income 2-bed condo 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵Average income owners in core need ⁶Income threshold at 30 per cent standard for average rent for 2-bed unit ⁷Average income for renters in core need ⁸Average income households in social housing.

Port Coquitlam—Total Households 17,755

		Total Owners 13,220				Total Renters 4,540		
		Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 69 units)	Social Housing - 1,100 units GVHC-317 units	
Household Income 2000	Number of Households (17,755)							
100K+	3,175							
90K to 99,999	1,075							
80K to 89,999	1,310							
70K to 79,999	1,580							
Median Income Owners: \$68,281	60K to 69,999	1,740	\$73,699 ¹	\$73,603 ²				
	50K to 59,999	1,675						
	40K to 49,999	1,770						
Median Income Renters: \$33,380	30K to 39,999	1,665			\$44,495 ³	\$42,538 ⁴		
	20K to 29,999	1,350				\$27,203 ⁵	\$28,520 ⁶	
	10K to 19,999	1,565				\$20,628 ⁷	\$16,000 ⁸	
	Under \$10K	860					Families \$17,000 Seniors \$12,000	
Housing Cost		\$338,000	\$324,900	189,900	173,900	\$713		
Households in Core Need	2,785	1,265				1,520		
#INALH Hshlds	1,170	600				570		
INALH income	21,410	\$26,540				\$16,008		

¹Qualifying income single family 20th percentile ²Qualifying income townhouse 50th percentile ³Qualifying income 2-bed condo 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵Average income owners in core need ⁶Income threshold at 30 per cent standard for average rent for 2-bed unit ⁷Average income for renters in core need ⁸Average income households in social housing.

Port Moody—Total Households 8,540

			Total Owners 6,500				Total Renters 2,040		
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 14 units)	Social Housing - 558 units GVHC-148 units	
	Household Income 2000	# households (8,540)							
	100K+	2,010							
	90K to 99,999	575	\$98,377 ¹						
	80K to 89,999	585							
Median Income Owners: \$73,318	70K to 79,999	675		\$75,727 ²					
	60K to 69,999	825							
	50K to 59,999	825			\$55,748 ³	\$53,727 ⁴			
	40K to 49,999	830							
Median Income Renters: \$39,417	30K to 39,999	755							
	20K to 29,999	580					\$28,520 ⁶		
	10K to 19,999	520				\$26,786 ⁵	\$22,154 ⁷	\$16,000 ⁸	
	Under \$10K	365						Families \$17,000 Seniors \$12,000	
	Housing Cost		\$469,900	\$339,900	\$238,000	\$229,900	\$713		
	Households in Core Need	1,020	555				465		
	#INALH Hshlds	365	225				135		
	INALH income	\$20,477	\$23,073				\$16,211		

¹Qualifying income single family 20th percentile ²Qualifying income townhouse 50th percentile ³Qualifying income 2-bed condo 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵Average income owners in core need ⁶Income threshold at 30 per cent standard for average rent for 2-bed unit ₂₀₀₄ ⁷Average income for renters in core need ⁸Average income households in social housing. Page 98

Maple Ridge- Total Households 22,595

			Total Owners 17,520				Total Renters 5,070		
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 244 units)	Social Housing - 1,011 units GVHC-48 units	
	Household Income 2000	Number of Households (22,595)							
	100K+	3,320							
	90K to 99,999	1,320							
	80K to 89,999	1,555							
	70K to 79,999	1,980							
Median Income Owners: \$63,326	60K to 69,999	2,120	\$71,449 ¹						
	50K to 59,999	2,485		\$54,677 ²					
	40K to 49,999	2,190							
Median Income Renters: \$32,752	30K to 39,999	2,385			\$36,911 ³	\$36,097 ⁴			
	20K to 29,999	2,055				\$25,891 ⁵	\$26,280 ⁶		
	10K to 19,999	2,230					\$20,956 ⁷	\$16,000 ⁸	
	Under \$10K	940						Families \$17,000 Seniors \$12,000	
	Housing Cost		\$329,000	\$237,900	\$149,000	\$144,000	\$657		
	Households in Core Need	3,660	1,920				1,735		
	#INALH Hshlds	1,490	780				705		
	INALH income	20,628	\$24,163				\$16,727		

¹Qualifying income single family 20th percentile ²Qualifying income townhouse 50th percentile ³Qualifying income 2-bed condo 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵Average income owners in core need ⁶Income threshold at 30 per cent standard for average rent for 2-bed unit ₂₀₀₄ ⁷Average income for renters in core need ⁸Average income households in social housing.

Pitt Meadows- Total Households 5,300

			Total Owners 4,075				Total Renters 1,225		
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 20 units)	Social Housing- 390 units GVHC-0 units	
	Household Income 2000	Number of Households (5,300)							
	100K+	845							
	90K to 99,999	330							
	80K to 89,999	435							
	70K to 79,999	460	\$80,634 ¹						
Median Income Owners: \$65,329	60K to 69,999	450							
	50K to 59,999	520		\$53,641 ²					
	40K to 49,999	585							
Median Income Renters: \$36,749	30K to 39,999	555			\$43,654 ³	\$41,632 ⁴			
	20K to 29,999	435				\$27,476 ⁵	\$26,280 ⁶		
	10K to 19,999	525					\$19,543 ⁷	\$16,000 ⁸	
	Under \$10K	175						Families \$17,000 Seniors \$12,000	
	Housing Cost		\$379,900	\$234,900	\$179,900	\$169,900	\$657		
	Households in Core Need	760	395				365		
	#INALH Hshlds	280	165				115		
	INALH income	\$22,246	\$26,149				\$16,431		

¹Qualifying income single family 20th percentile ²Qualifying income townhouse 50th percentile ³Qualifying income 2-bed condo 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵Average income owners in core need ⁶Income threshold at 30 per cent standard for average rent for 2-bed unit ⁷Average income for renters in core need ⁸Average income households in social housing.

North Vancouver City – Total Households 20,710

			Total Owners 9,935			Total Renters 10,720	
			Single family (20 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 286 units)	Social Housing- 1,325 units GVHC-91 units
	Household Income 2000	Number of Households (20,710)	\$116,387 ¹				
	100K+	2,285					
	90K to 99,999	910					
	80K to 89,999	1,080					
	70K to 79,999	1,345		\$76,752 ³			
	60K to 69,999	1,480			\$68,005 ⁴		
Median Income Owners: \$55,826	50K to 59,999	1,855					
	40K to 49,999	2,615					
Median Income Renters: \$36,421	30K to 39,999	2,775					
	20K to 29,999	2,360				\$33,160 ⁶	
	10K to 19,999	2,580			\$21,382 ⁵	\$20,093 ⁷	\$16,000 ⁸
	Under \$10K	1,415					Families \$17,000 Seniors \$12,000
	Housing Cost		\$559,000	\$329,000	\$289,000	\$829	
	Households in Core Need	3,745	1,110			2,640	
	#INALH Hshlds	1,615	450			1,165	
	INALH income	\$17,129	\$21,540			\$15,417	

¹Qualifying income single family 20th percentile ²Information not available for townhouse units ³Qualifying income condo units 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵Average income owners in core need ⁶Income threshold at 30 per cent standard for average rent for 2-bed unit ₂₀₀₄ ⁷Average income for renters in core need ⁸Average income households in social housing Page 101

North Vancouver District – Total Households 29,075

			Total Owners 22,945			Total Renters 6,115	
			Single family (20 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 14 units)	Social Housing- 1,283 units GVHC-0 units
	Household Income 2000	Number of Households (29,075)	\$124,135 ¹				
	100K+	8,560					
	90K to 99,999	1,785					
	80K to 89,999	2,150					
Median Income Owners: \$79,955	70K to 79,999	2,120		\$72,782 ³			
	60K to 69,999	2,185			\$66,195 ⁴		
	50K to 59,999	2,355					
Median Income Renters: \$42,495	40K to 49,999	2,580					
	30K to 39,999	2,370				\$35,120 ⁶	
	20K to 29,999	2,160			\$24,314 ⁵	\$22,619 ⁷	
	10K to 19,999	2,050					\$16,000 ⁸
	Under \$10K	750					Families \$17,000 Seniors \$12,000
	Housing Cost		\$597,000	\$309,000	\$269,900	\$878	
	Households in Core Need	3,030	1,610			1,415	
	#INALH Hshlds	1,465	785			675	
	INALH income	\$23,275	\$25,646			\$20,524	

¹Qualifying income single family 20th percentile ²Information not available for townhouse units ³Qualifying income condo units 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵Average income owners in core need ⁶Income threshold at 30 per cent standard for average rent for 2-bed unit ₂₀₀₄ ⁷Average income for renters in core need ⁸Average income households in social housing Page 102

West Vancouver -Total Households – 16,340

			Total Owners 12,485				Total Renters 3,850		
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 167 units)	Social Housing- 528 units GVHC-0 units	
	Household Income 2000	Number of Households (16,340)	\$188,172 ¹	\$175,213 ²	\$133,699 ³	\$111,371 ⁴			
	100K+	6,315							
Median Income Owners: \$90,867	90K to 99,999	750							
	80K to 89,999	760							
	70K to 79,999	890							
	60K to 69,999	1,030							
	50K to 59,999	1,055							
	40K to 49,999	1,165					\$46,640 ⁶		
Median Income Owners: \$39,084	30K to 39,999	1,260							
	20K to 29,999	1,095				\$22,705 ⁵	\$19,125 ⁷		
	10K to 19,999	1,490						\$16,000 ⁸	
	Under \$10K	540						Families \$17,000 Seniors \$12,000	
	Housing Cost		\$920,000	\$799,900	\$598,000	\$494,000	\$1,166		
	Households in Core Need	1,795	910				885		
	#INALH Hshlds	805	315				490		
	INALH income	\$20,555	\$23,025				\$18,970		

¹Qualifying income single family 20th percentile ²Qualifying income townhouse 50th percentile ³Qualifying income 2-bed condo 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵ Average income owners in core need ⁶ Income threshold at 30 per cent standard for average rent for 2-bed unit ⁷ Average income for renters in core need ⁸ Average income households in social housing.

Richmond – Total Households -56,775

			Total Owners 40,255				Total Renters 16,525		
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 331 units)	Social Housing - 3,194 units GVHC-636 units	
	Household Income 2000	Number of Households (56,775)							
	100K+	8,985							
	90K to 99,999	2,475	\$97,664 ¹						
	80K to 89,999	3,370		\$83,143 ²					
	70K to 79,999	3,955							
	60K to 69,999	4,620			\$66,796 ³				
Median Income Owners: \$56,157	50K to 59,999	5,115							
	40K to 49,999	6,365				\$51,346 ⁴			
Median Income Renters: \$38,930	30K to 39,999	6,150					\$33,520 ⁶		
	20K to 29,999	6,180				\$23,178 ⁵	\$22,157 ⁷		
	10K to 19,999	5,900						\$16,000 ⁸	
	Under \$10K	3,655						Families \$17,000 Seniors \$12,000	
	Housing Cost		\$469,900	\$369,800	\$289,900	\$218,000	\$838		
	Households in Core Need	9,475	5,175				4,295		
	#INALH Hshlds	4,415	2,415				1,995		
	INALH income	\$20,694	\$22,356				\$18,683		

¹Qualifying income single family 20th percentile ²Qualifying income townhouse 50th percentile ³Qualifying income 2-bed condo 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵Average income owners in core need ⁶Income threshold at 30 per cent standard for average rent for 2-bed unit ⁷Average income for renters in core need ⁸Average income households in social housing.

Delta –Total Households 32,785

			Total Owners 26,020				Total Renters 6,765	
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 204 units)	Social Housing - 974 units GVHC-89 units
	Household Income 2000	Number of Households (32,785)						
	100K+	8,055						
	90K to 99,999	2,090	\$101,307 ¹					
	80K to 89,999	2,560		\$82,698 ²				
Median Income Owners: \$74,105	70K to 79,999	2,650						
	60K to 69,999	3,050						
	50K to 59,999	2,830			\$56,428 ³	\$52,697 ⁴		
	40K to 49,999	3,120						
Median Income Renters: \$39,957	30K to 39,999	2,935						
	20K to 29,999	2,320				\$25,795 ⁵	\$29,160 ⁶	
	10K to 19,999	2,220					\$21,635 ⁷	\$16,000 ⁸
	Under \$10K	960						Families \$17,000 Seniors \$12,000
	Housing Cost		\$450,809	\$364,967	\$240,088	\$223,548	\$729	
	Households in Core Need	3,805	2,025				1,780	
	#INALH Hshlds	1,480	835				645	
	INALH income	\$21,021	\$24,845				\$16,038	

¹Qualifying income single family 20th percentile ²Qualifying income townhouse 50th percentile ³Qualifying income 2-bed condo 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵Average income owners in core need ⁶Income threshold at 30 per cent standard for average rent for 2-bed unit ₂₀₀₄ ⁷Average income for renters in core need ⁸Average income households in social housing.

Surrey—Total Households 115,710

			Total Owners 82,695				Total Renters 33,020	
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 969 units)	Social Housing- 5,600 units GVHC-682 units
	Household Income 2000	Number of Households (115,710)						
	100K+	18,825						
	90K to 99,999	5,680						
	80K to 89,999	7,510						
	70K to 79,999	9,060	\$73,705 ¹					
Median Income Owners: \$64,254	60K to 69,999	10,520						
	50K to 59,999	11,095		\$55,112 ²	\$53,819 ³			
	40K to 49,999	12,200						
Median Income Renters: \$33,350	30K to 39,999	12,705				\$36,155 ⁴		
	20K to 29,999	10,965				\$26,437 ⁵	\$28,000 ⁶	
	10K to 19,999	11,065					\$19,702 ⁷	\$16,000 ⁸
	Under \$10K	6,105						Families \$17,000 Seniors \$12,000
	Housing Cost		\$342,200	\$240,000	\$228,900	\$145,000	\$700	
	Households in Core Need	18,985	8,495				10,490	
	#INALH Hshlds	8,195		4,115			4,085	
	INALH income	\$20,401		\$25,724			\$15,042	

¹Qualifying income single family 20th percentile ²Qualifying income townhouse 50th percentile ³Qualifying income 2-bed condo 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵Average income owners in core need ⁶Income threshold at 30 per cent standard for average rent for 2-bed unit ₂₀₀₄ ⁷Average income for renters in core need ⁸Average income households in social housing.

White Rock—Total Households 9,075

			Total Owners 5,835				Total Renters 3,240		
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 159 units)	Social Housing- 555 units GVHC-0 units	
	Household Income 2000	Number of Households (9,075)							
	100K+	1,315							
	90K to 99,999	335	\$97,836 ¹						
	80K to 89,999	430		\$81,177 ²					
	70K to 79,999	540							
	60K to 69,999	635							
Median Income Owners: \$52,531	50K to 59,999	810							
	40K to 49,999	955			\$50,560 ³				
Median Income Renters: \$32,705	30K to 39,999	1,115				\$40,330 ⁴			
	20K to 29,999	1,130					\$29,680 ⁶		
	10K to 19,999	1,370				\$22,414 ⁵	\$18,039 ⁷	\$16,000 ⁸	
	Under \$10K	435						Families \$17,000 Seniors \$12,000	
	Housing Cost		\$459,900	\$359,900	\$219,000	\$164,900	\$742		
	Households in Core Need	1,690	580				1,110		
	#INALH Hshlds	775	210				560		
	INALH income	\$16,307	\$21,199				\$14,435		

¹Qualifying income single family 20th percentile ²Qualifying income townhouse 50th percentile ³Qualifying income 2-bed condo 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵Average income owners in core need ⁶Income threshold at 30 per cent standard for average rent for 2-bed unit ₂₀₀₄ ⁷Average income for renters in core need ⁸Average income households in social housing.

Langley District—Total Households 29,675

		Total Owners 24,950			Total Renters 4,720	
		Single family (20 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 6 units)	Social Housing - 517 units GVHC-0 units
Household Income 2000	Number of Households 29,675					
100K+	5,905					
90K to 99,999	1,895					
80K to 89,999	2,335					
70K to 79,999	2,460	\$80,755 ¹				
Median Income Owners: \$66,308	60K to 69,999	2,870				
	50K to 59,999	2,890				
Median Income Renters: \$40,382	40K to 49,999	2,885	\$49,410 ³	\$47,309 ⁴		
	30K to 39,999	2,655				
	20K to 29,999	2,585		\$26,111 ⁵	\$29,800 ⁶	
	10K to 19,999	2,260			\$22,108 ⁷	\$16,000 ⁸
	Under \$10K	935				Families \$17,000 Seniors \$12,000
Housing Cost		\$377,500	\$193,900	\$182,900	\$745	
Households in Core Need	3,550		2,290		1,255	
#INALH Hshlds	1,565		1,050		515	
INALH income	\$23,034		\$25,418		\$18,163	

¹Qualifying income single family 20th percentile ²Information not available for townhouse units ³Qualifying income condo units 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵Average income owners in core need ⁶Income threshold at 30 per cent standard for average rent for 2-bed unit ⁷Average income for renters in core need ⁸Average income households in social housing

Langley City- Total Households 10,090

		Total Owners 5,860			Total Renters 4,225		
		Single family (20 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)	Private rental (incl. rent supplement of 245 units)	Social Housing - 1,201 units GVHC-0 units	
Household Income 2000	Number of Households 10,090						
100K+	960						
90K to 99,999	460						
80K to 89,999	520						
70K to 79,999	635						
60K to 69,999	840	\$73,645 ¹					
Median Income Owners: \$55,681	810						
40K to 49,999	1,060		\$47,829 ³				
30K to 39,999	1,185			\$43,871 ⁴			
Median Income Renters: \$26,989	1,345						
20K to 29,999	1,345				\$29,800 ⁶		
10K to 19,999	1,500			\$25,022 ⁵			
Under \$10K	775				\$19,359 ⁷	Family Sel \$16,000 ⁸	
Housing Cost		\$339,900	\$187,500	\$164,900	\$745		
Households in Core Need	2,250		795			1,460	
#INALH Hshlds	855		240			615	
INALH income	\$16,844		\$22,134			\$14,755	

¹Qualifying income single family 20th percentile ²Information not available for townhouse units ³Qualifying income condo units 20th percentile ⁴Qualifying income 2-bed condo 50th percentile ⁵Average income owners in core need ⁶Income threshold at 30 per cent standard for average rent for 2-bed unit ₂₀₀₄ ⁷Average income for renters in core need ⁸Average income households in social housing

Appendix D – Ownership Thresholds and Changes in Purchasing Power for Scenario A

The data in this section supports the discussion related to changes in purchasing power and movement into home ownership as a result of changes in interest rates and income.

The information captured in this section reflects the outcome for Scenario A which includes on-going favourable interest rates and positive real income growth for the top two thirds of the income distribution. The information is presented at the municipal level.

MLS Sample Data

The data to support that analysis in this section was obtained from the MLS search engine for each municipality in Greater Vancouver and was based on a sample of market prices for all single-detached, townhouse and 2 bedroom condo units on the MLS listings in September 2005. In total, 8,545 listings on the MLS database were identified during the period identified. Data on units falling at the 20th and 50th percentile of each housing type (single family, townhouse, and 2-bed condo) were recorded on an excel spreadsheet along with relevant information related to property taxes, condo fees and other costs. Table C1 shows the total number of listings from which the sample of units was taken. Units falling at the 20th and 50th percentile were, in turn, identified as being ‘representative’ of the range of choices available and were used to form the basis of the analysis.

Table C1: Sample of Units from MLS Database							
	Single Family	Townhouse	2-bed condo		Single Family	Townhouse	2-bed condo
Anmore	0	0	0	New Westminster	86	41	46
Belcarra	0	0	0	North Vancouver C	11	47	81
Bowen Island	0	0	0	North Vancouver D	199	-	-
Burnaby	337	185	326	Pitt Meadows	64	26	10
Coquitlam	300	72	77	Port Coquitlam	128	59	39
Delta	126	12	25	Port Moody	74	44	25
Electoral Area A	0	0	0	Richmond	447	232	301
Langley C	47	133	59	Surrey	999	243	289
Langley D	252	-	-	Vancouver	1,019	202	703
Lions Bay	0	0	0	West Vancouver	273	35	48
Maple Ridge	243	113	41	White Rock	257	56	113

Source: Multiple Listing Services of the Greater Vancouver Real Estate Board

Scenario A—Change in Ownership Purchasing Power Threshold

Vancouver West							
	Purchase Price¹	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 283,458	\$ 72,135	28.81%	\$ 20,781	\$ 51,354	\$ 70,000	\$ 50,000
Condo 50 th percentile	\$ 439,900	\$ 98,217	12.66%	\$ 12,434	\$ 85,783	\$ 100,000	\$ 90,000
Townhouse 20 th percentile	\$ 474,500	\$ 105,659	12.93%	\$ 13,666	\$ 91,993	\$ 110,000	\$ 90,000
Townhouse 50 th percentile	\$ 579,900	\$ 128,701	12.83%	\$ 16,518	\$ 112,183	\$ 130,000	\$ 110,000
Single family 20 th percentile	\$ 838,000	\$ 170,454	12.57%	\$ 21,419	\$ 149,035	\$ 170,000	\$ 150,000
Single family 50 th percentile	\$ 1,280,000	\$ 257,030	11.42%	\$ 29,348	\$ 227,682	\$ 260,000	\$ 230,000

Vancouver East							
	Purchase Price²	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 218,000	\$ 52,471	24.12%	\$ 12,656	\$ 39,815	\$ 50,000	\$ 40,000
Condo 50 th percentile	\$ 278,000	\$ 64,078	13.41%	\$ 8,594	\$ 55,484	\$ 60,000	\$ 60,000
Townhouse 20 th percentile	\$ 276,800	\$ 63,627	13.48%	\$ 8,578	\$ 55,049	\$ 60,000	\$ 60,000
Townhouse 50 th percentile	\$ 338,900	\$ 76,944	13.22%	\$ 10,174	\$ 66,770	\$ 80,000	\$ 70,000
Single family 20 th percentile	\$ 450,000	\$ 94,314	9.46%	\$ 8,923	\$ 85,391	\$ 90,000	\$ 90,000
Single family 50 th percentile	\$ 554,000	\$ 115,629	10.98%	\$ 12,696	\$ 102,933	\$ 120,000	\$ 100,000

¹ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

² Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

Scenario A—Change in Ownership Purchasing Power Threshold

Vancouver - Change in Ownership Purchasing Power Threshold						
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (132,750)	\$149,035 ^W \$131,375 ¹	\$114,352 ¹		
	100K+	8,460		\$112,183 ^W		
	90K to 99,999	2,960				
	80K to 89,999	4,150	\$85,391 ^E		\$85,783 ^W	\$88,505 ¹
	70K to 79,999	5,595				
	60K to 69,999	7,840		\$66,770 ^E		\$66,825 ¹
Median Income Owner: \$59,482	50K to 59,999	10,170			\$55,484 ^E	\$51,354 ^W
	40K to 49,999	13,650				\$39,815 ^E
Median Income Renter: \$31,749	30K to 39,999	17,640				
	20K to 29,999	17,595				
	10K to 19,999	23,830				
	Under \$10K	20,865				
	Housing Cost		\$638,860	\$513,088	\$393,840	\$264,836

¹ 2005 Purchasing Threshold (10 per cent down payment)

^W Purchasing Threshold West Side of Vancouver (10 per cent down payment), 2005 constant dollars

^E Purchasing Threshold East Side of Vancouver (10 per cent down payment), 2005 constant dollars

Scenario A—Change in Ownership Purchasing Power Threshold

Burnaby							
	Purchase Price¹	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 235,000	\$ 56,360	13.47%	\$ 7,593	\$ 48,767	\$ 60,000	\$ 50,000
Condo 50 th percentile	\$ 310,000	\$ 71,667	13.38%	\$ 9,591	\$ 62,076	\$ 70,000	\$ 60,000
Townhouse 20 th percentile	\$ 309,000	\$ 69,115	13.21%	\$ 9,127	\$ 59,988	\$ 70,000	\$ 60,000
Townhouse 50 th percentile	\$ 339,000	\$ 76,475	13.18%	\$ 10,080	\$ 66,395	\$ 80,000	\$ 70,000
Single family 20 th percentile	\$ 475,000	\$ 98,966	8.94%	\$ 8,850	\$ 90,116	\$ 100,000	\$ 90,000
Single family 50 th percentile	\$ 638,800	\$ 159,177	16.40%	\$ 26,111	\$ 133,066	\$ 160,000	\$ 130,000

¹ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

Scenario A—Change in Ownership Purchasing Power Threshold

Burnaby -- Change in Ownership Purchasing Power Threshold						
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (32,290)				
	100K+	1,440				
	90K to 99,999	640	\$98,966 ¹			
	80K to 89,999	1,045	\$90,116 ²			
	70K to 79,999	1,495		\$76,475 ¹		
	60K to 69,999	2,105		\$66,395 ²	\$71,667 ¹	
Median Income Owners: \$57,223	50K to 59,999	2,735			\$62,076 ²	\$56,360 ¹
	40K to 49,999	3,415				\$48,767 ²
Median Income Renters: \$32,327	30K to 39,999	4,395				
	20K to 29,999	4,360				
	10K to 19,999	5,980				
	Under \$10K	4,675				
	Housing Cost		\$475,000	\$339,000	\$310,000	\$235,000

¹ 2005 Purchasing Threshold (10 per cent down payment)

² 2021 Purchasing Threshold (10 per cent down payment), 2005 constant dollars

Scenario A—Change in Ownership Purchasing Power Threshold

New Westminster							
	Purchase Price¹	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 172,000	\$ 41,523	14.34%	\$ 5,953	\$ 35,570	\$ 40,000	\$ 40,000
Condo 50 th percentile	\$ 220,000	\$ 52,436	5.67%	\$ 2,975	\$ 49,461	\$ 50,000	\$ 50,000
Townhouse 20 th percentile	\$ 264,900	\$ 60,814	13.43%	\$ 8,164	\$ 52,650	\$ 60,000	\$ 50,000
Townhouse 50 th percentile	\$ 278,000	\$ 64,547	7.43%	\$ 4,793	\$ 59,754	\$ 60,000	\$ 60,000
Single family 20 th percentile	\$ 389,900	\$ 83,362	10.62%	\$ 8,852	\$ 74,510	\$ 80,000	\$ 70,000
Single family 50 th percentile	\$ 449,900	\$ 95,832	10.80%	\$ 10,346	\$ 85,486	\$ 100,000	\$ 90,000

¹ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

Scenario A—Change in Ownership Purchasing Power Threshold

New Westminster- Change in Ownership Purchasing Power Threshold						
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (13,625)				
	100K+	385				
	90K to 99,999	140				
	80K to 89,999	280				
	70K to 79,999	515	\$83,362 ¹			
	60K to 69,999	785	\$74,510 ²	\$64,547 ¹		
Median Income Owners: \$58,962	50K to 59,999	1,095		\$59,754 ²		
	40K to 49,999	1,575			\$52,436 ¹	
					\$49,461 ²	
Median Income Renters: \$30,539	30K to 39,999	2,220				\$41,523 ¹
						\$35,570 ²
	20K to 29,999	2,060				
	10K to 19,999	2,825				
	Under \$10K	1,745				
	Housing Cost		\$389,900	\$278,000	\$220,000	\$172,000

¹ 2005 Purchasing Threshold (10 per cent down payment)

² 2021 Purchasing Threshold (10 per cent down payment), 2005 constant dollars

Scenario A—Change in Ownership Purchasing Power Threshold

Coquitlam							
	Purchase Price¹	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 189,800	\$ 46,276	14.09%	\$ 6,521	\$ 39,755	\$ 50,000	\$ 40,000
Condo 50 th percentile	\$ 219,900	\$ 52,193	13.80%	\$ 7,201	\$ 44,992	\$ 50,000	\$ 40,000
Townhouse 20 th percentile	\$ 245,000	\$ 55,701	13.50%	\$ 7,518	\$ 48,183	\$ 60,000	\$ 50,000
Townhouse 50 th percentile	\$ 374,900	\$ 83,995	13.33%	\$ 11,197	\$ 72,798	\$ 80,000	\$ 70,000
Single family 20 th percentile	\$ 439,000	\$ 92,459	8.74%	\$ 8,085	\$ 84,374	\$ 90,000	\$ 80,000
Single family 50 th percentile	\$ 559,800	\$ 119,051	9.53%	\$ 11,347	\$ 107,704	\$ 120,000	\$ 110,000

¹ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

Scenario A—Change in Ownership Purchasing Power Threshold

Coquitlam – Change in Ownership Purchasing Power Threshold						
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (11,850)				
	100K+	670				
	90K to 99,999	210	\$92,459 ¹			
	80K to 89,999	355	\$84,374 ²	\$83,995 ¹		
	70K to 79,999	555		\$72,798 ²		
Median Income Owners: \$63,315	60K to 69,999	775				
	50K to 59,999	1,070			\$52,193 ¹	
	40K to 49,999	1,455			\$44,992 ²	\$46,276 ¹
Median Income Renters: \$35,185	30K to 39,999	1,955				\$39,755 ²
	20K to 29,999	1,485				
	10K to 19,999	1,900				
	Under \$10K	1,420				
	Housing Cost		\$439,000	\$374,900	\$219,900	\$189,800

¹ 2005 Purchasing Threshold (10 per cent down payment)

² 2021 Purchasing Threshold (10 per cent down payment), 2005 constant dollars

Scenario A—Change in Ownership Purchasing Power Threshold

Port Coquitlam							
	Purchase Price¹	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 173,900	\$ 42,538	14.23%	\$ 6,055	\$ 36,483	\$ 40,000	\$ 40,000
Condo 50 th percentile	\$ 189,900	\$ 44,495	8.81%	\$ 3,921	\$ 40,574	\$ 40,000	\$ 40,000
Townhouse 20 th percentile	\$ 269,900	\$ 61,872	13.44%	\$ 8,314	\$ 53,558	\$ 60,000	\$ 50,000
Townhouse 50 th percentile	\$ 324,900	\$ 73,603	13.22%	\$ 9,729	\$ 63,874	\$ 70,000	\$ 60,000
Single family 20 th percentile	\$ 338,000	\$ 73,699	12.98%	\$ 9,563	\$ 64,136	\$ 70,000	\$ 60,000
Single family 50 th percentile	\$ 415,000	\$ 89,008	12.79%	\$ 11,386	\$ 77,622	\$ 90,000	\$ 80,000

¹ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

Scenario A—Change in Ownership Purchasing Power Threshold

Port Coquitlam— Change in Ownership Purchasing Power Threshold						
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (4,540)				
	100K+	190				
	90K to 99,999	120				
	80K to 89,999	220				
	70K to 79,999	210	\$73,699 ¹	\$73,603 ¹		
Median Income Owners: \$68,281	60K to 69,999	300	\$64,136 ²	\$63,874 ²		
	50K to 59,999	280				
	40K to 49,999	560			\$44,495 ¹	\$42,538 ¹
Median Income Renters: \$33,380	30K to 39,999	640			\$40,574 ²	\$36,483 ²
	20K to 29,999	560				
	10K to 19,999	895				
	Under \$10K	565				
	Housing Cost		\$338,000	\$324,900	189,900	173,900

¹ 2005 Purchasing Threshold (10 per cent down payment)

² 2021 Purchasing Threshold (10 per cent down payment), 2005 constant dollars

Scenario A—Change in Ownership Purchasing Power Threshold

Port Moody							
	Purchase Price¹	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 229,900	\$ 53,727	13.66%	\$ 7,337	\$ 46,390	\$ 50,000	\$ 50,000
Condo 50 th percentile	\$ 238,000	\$ 55,748	13.60%	\$ 7,581	\$ 48,167	\$ 60,000	\$ 50,000
Townhouse 20 th percentile	\$ 255,000	\$ 58,905	13.46%	\$ 7,929	\$ 50,976	\$ 60,000	\$ 50,000
Townhouse 50 th percentile	\$ 339,900	\$ 75,727	13.12%	\$ 9,933	\$ 65,794	\$ 80,000	\$ 70,000
Single family 20 th percentile	\$ 469,900	\$ 98,377	10.35%	\$ 10,178	\$ 88,199	\$ 100,000	\$ 90,000
Single family 50 th percentile	\$ 589,900	\$ 122,942	9.60%	\$ 11,807	\$ 111,135	\$ 120,000	\$ 110,000

¹ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

Scenario A—Change in Ownership Purchasing Power Threshold

Port Moody— Change in Ownership Purchasing Power Threshold						
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (2,040)				
	100K+	95				
	90K to 99,999	50	\$98,377 ¹			
	80K to 89,999	105	\$88,199 ²			
Median Income Owners: \$73,318	70K to 79,999	120		\$75,727 ¹		
	60K to 69,999	140		\$65,794 ²		
	50K to 59,999	230			\$55,748 ¹	\$53,727 ¹
	40K to 49,999	270			\$48,167 ²	\$46,390 ²
Median Income Renters: \$39,417	30K to 39,999	315				
	20K to 29,999	255				
	10K to 19,999	265				
	Under \$10K	185				
	Housing Cost		\$469,900	\$339,900	\$238,000	\$229,900

¹ 2005 Purchasing Threshold (10 per cent down payment)

² 2021 Purchasing Threshold (10 per cent down payment), 2005 constant dollars

Scenario A—Change in Ownership Purchasing Power Threshold

Maple Ridge							
	Purchase Price¹	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 144,000	\$ 36,097	14.61%	\$ 5,275	\$ 30,822	\$ 40,000	\$ 30,000
Condo 50 th percentile	\$ 149,000	\$ 36,911	14.40%	\$ 5,316	\$ 31,595	\$ 40,000	\$ 30,000
Townhouse 20 th percentile	\$ 209,900	\$ 48,914	13.79%	\$ 6,747	\$ 42,167	\$ 50,000	\$ 40,000
Townhouse 50 th percentile	\$ 237,900	\$ 54,677	13.55%	\$ 7,409	\$ 47,268	\$ 50,000	\$ 50,000
Single family 20 th percentile	\$ 329,000	\$ 71,449	8.26%	\$ 5,904	\$ 65,545	\$ 70,000	\$ 70,000
Single family 50 th percentile	\$ 389,900	\$ 83,772	8.89%	\$ 7,448	\$ 76,324	\$ 80,000	\$ 80,000

¹ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

Scenario A—Change in Ownership Purchasing Power Threshold

Maple Ridge- Change in Ownership Purchasing Power Threshold						
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (5,070)				
	100K+	155				
	90K to 99,999	110				
	80K to 89,999	105				
	70K to 79,999	185				
Median Income Owners: \$63,326	60K to 69,999	300	\$71,449 ¹ \$65,545 ²			
	50K to 59,999	545		\$54,677 ¹ \$47,268 ²		
	40K to 49,999	595				
Median Income Renters: \$32,752	30K to 39,999	810			\$36,911 ¹ \$31,595 ²	\$36,097 ¹ \$30,822 ²
	20K to 29,999	760				
	10K to 19,999	955				
	Under \$10K	555				
	Housing Cost		\$329,000	\$237,900	\$149,000	\$144,000

¹ 2005 Purchasing Threshold (10 per cent down payment)

² 2021 Purchasing Threshold (10 per cent down payment), 2005 constant dollars

Scenario A—Change in Ownership Purchasing Power Threshold

Pitt Meadows							
	Purchase Price¹	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 169,900	\$ 41,632	14.21%	\$ 5,916	\$ 35,716	\$ 40,000	\$ 40,000
Condo 50 th percentile	\$ 179,900	\$ 43,654	14.19%	\$ 6,193	\$ 37,461	\$ 40,000	\$ 40,000
Townhouse 20 th percentile	\$ 199,800	\$ 47,679	13.94%	\$ 6,648	\$ 41,031	\$ 50,000	\$ 40,000
Townhouse 50 th percentile	\$ 234,900	\$ 53,641	13.57%	\$ 7,278	\$ 46,363	\$ 50,000	\$ 50,000
Single family 20 th percentile	\$ 379,900	\$ 80,634	13.25%	\$ 10,682	\$ 69,952	\$ 80,000	\$ 70,000
Single family 50 th percentile	\$ 409,800	\$ 87,442	13.26%	\$ 11,593	\$ 75,849	\$ 90,000	\$ 80,000

¹ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

Scenario A—Change in Ownership Purchasing Power Threshold

Pitt Meadows- Change in Ownership Purchasing Power Threshold						
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (1,225)				
	100K+	60				
	90K to 99,999	25				
	80K to 89,999	40				
	70K to 79,999	65	\$80,634 ¹			
Median Income Owners: \$65,329	60K to 69,999	80	\$69,952 ²			
	50K to 59,999	145		\$53,641 ¹		
	40K to 49,999	165		\$46,363 ²		
Median Income Renters: \$36,749	30K to 39,999	135			\$43,654 ¹	\$41,632 ¹
	20K to 29,999	185			\$37,461 ²	\$35,716 ²
	10K to 19,999	230				
	Under \$10K	90				
	Housing Cost		\$379,900	\$234,900	\$179,900	\$169,900

¹ 2005 Purchasing Threshold (10 per cent down payment)

² 2021 Purchasing Threshold (10 per cent down payment), 2005 constant dollars

Scenario A—Change in Ownership Purchasing Power Threshold

North Vancouver City							
	Purchase Price¹	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 289,000	\$ 68,005	14.53%	\$ 9,878	\$ 58,127	\$ 70,000	\$ 60,000
Condo 50 th percentile	\$ 329,000	\$ 76,752	14.52%	\$ 11,146	\$ 65,606	\$ 80,000	\$ 70,000
Townhouse 20 th percentile ²	\$ 337,900	\$ 78,030	13.32%	\$ 10,394	\$ 67,636	\$ 80,000	\$ 70,000
Townhouse 50 th percentile	\$ 440,000	\$ 98,385	12.99%	\$ 12,776	\$ 85,609	\$ 100,000	\$ 90,000
Single family 20 th percentile	\$ 559,000	\$ 116,387	9.61%	\$ 11,180	\$ 105,207	\$ 120,000	\$ 110,000
Single family 50 th percentile	\$ 759,000	\$ 155,141	10.04%	\$ 15,578	\$ 139,563	\$ 160,000	\$ 140,000

¹ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

² Information on townhouse units was not available.

Scenario A—Change in Ownership Purchasing Power Threshold

North Vancouver City – Change in Ownership Purchasing Power Threshold					
			Single family (20 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (10,720)	\$116,387 ¹		
	100K+	495	\$105,207 ²		
	90K to 99,999	310			
	80K to 89,999	430			
	70K to 79,999	555		\$76,752 ¹	
	60K to 69,999	645		\$65,606 ²	\$68,005 ¹
Median Income Owners: \$55,826	50K to 59,999	880			\$58,127 ²
	40K to 49,999	1,420			
Median Income Renters: \$36,421	30K to 39,999	1,845			
	20K to 29,999	1,440			
	10K to 19,999	1,545			
	Under \$10K	1,150			
	Housing Cost		\$559,000	\$329,000	\$289,000

¹ 2005 Purchasing Threshold (10 per cent down payment)

² 2021 Purchasing Threshold (10 per cent down payment), 2005 constant dollars

Scenario A—Change in Ownership Purchasing Power Threshold

North Vancouver District							
	Purchase Price¹	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 269,900	\$ 66,195	14.81%	\$ 9,804	\$ 56,391	\$ 60,000	\$ 0,000
Condo 50 th percentile	\$ 309,000	\$ 72,782	14.49%	\$ 10,546	\$ 62,236	\$ 70,000	\$ 0,000
Townhouse 20 th percentile ²			0.00%	\$ -	\$ -	\$ -	\$ -
Townhouse 50 th percentile			0.00%	\$ -	\$ -	\$ -	\$ -
Single family 20 th percentile	\$ 597,000	\$ 124,135	12.32%	\$ 15,289	\$ 108,846	\$ 120,000	\$ 110,000
Single family 50 th percentile	\$ 669,000	\$ 143,946	16.40%	\$ 23,613	\$ 120,333	\$ 140,000	\$ 120,000

¹ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

² Information on townhouse units was not available.

Scenario A—Change in Ownership Purchasing Power Threshold

North Vancouver District – Change in Ownership Purchasing Power Threshold					
			Single family (20 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (6,115)	\$124,135 ¹		
	100K+	600	\$108,846 ²		
	90K to 99,999	210			
	80K to 89,999	200			
Median Income Owners: \$79,955	70K to 79,999	475		\$72,782 ¹	
	60K to 69,999	445		\$62,236 ²	\$66,195 ¹
	50K to 59,999	675			\$56,391 ²
Median Income Renters: \$42,495	40K to 49,999	700			
	30K to 39,999	775			
	20K to 29,999	790			
	10K to 19,999	895			
	Under \$10K	360			
	Housing Cost		\$597,000	\$309,000	\$269,900

¹ 2005 Purchasing Threshold (10 per cent down payment)

² 2021 Purchasing Threshold (10 per cent down payment), 2005 constant dollars

Scenario A—Change in Ownership Purchasing Power Threshold

West Vancouver							
	Purchase Price¹	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 494,000	\$ 111,371	13.01%	\$ 14,487	\$ 96,884	\$ 110,000	\$ 100,000
Condo 50 th percentile	\$ 598,000	\$ 133,699	11.83%	\$ 15,810	\$ 117,889	\$ 130,000	\$ 120,000
Townhouse 20 th percentile	\$ 749,900	\$ 164,708	11.56%	\$ 19,043	\$ 145,665	\$ 160,000	\$ 150,000
Townhouse 50 th percentile	\$ 799,900	\$ 175,213	11.59%	\$ 20,307	\$ 154,906	\$ 180,000	\$ 150,000
Single family 20 th percentile	\$ 920,000	\$ 188,172	11.33%	\$ 21,317	\$ 166,855	\$ 190,000	\$ 170,000
Single family 50 th percentile	\$ 1,430,000	\$ 286,218	10.88%	\$ 31,128	\$ 255,090	\$ 290,000	\$ 260,000

¹ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

Scenario A—Change in Ownership Purchasing Power Threshold

West Vancouver - Change in Ownership Purchasing Power Threshold						
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (3,850)	\$188,172 ¹	\$175,213 ¹	\$133,699 ¹	\$111,371 ¹
	100K+	555	\$166,855 ²	\$154,906 ²	\$117,889 ²	
Median Income Owners: \$90,867	90K to 99,999	130				\$96,884 ²
	80K to 89,999	130				
	70K to 79,999	195				
	60K to 69,999	270				
	50K to 59,999	230				
	40K to 49,999	385				
Median Income Owners: \$39,084	30K to 39,999	470				
	20K to 29,999	380				
	10K to 19,999	775				
	Under \$10K	330				
	Housing Cost		\$920,000	\$799,900	\$598,000	\$494,000

¹ 2005 Purchasing Threshold (10 per cent down payment)

² 2021 Purchasing Threshold (10 per cent down payment), 2005 constant dollars

Scenario A—Change in Ownership Purchasing Power Threshold

Richmond							
	Purchase Price¹	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 218,000	\$ 51,346	13.75%	\$ 7,060	\$ 44,286	\$ 50,000	\$ 40,000
Condo 50 th percentile	\$ 289,900	\$ 66,796	13.06%	\$ 8,721	\$ 58,075	\$ 70,000	\$ 60,000
Townhouse 20 th percentile	\$ 288,800	\$ 66,664	13.38%	\$ 8,921	\$ 57,743	\$ 70,000	\$ 60,000
Townhouse 50 th percentile	\$ 369,800	\$ 83,143	13.11%	\$ 10,901	\$ 72,242	\$ 80,000	\$ 70,000
Single family 20 th percentile	\$ 469,900	\$ 97,664	12.55%	\$ 12,261	\$ 85,403	\$ 100,000	\$ 90,000
Single family 50 th percentile	\$ 568,000	\$ 117,339	12.44%	\$ 14,597	\$ 102,742	\$ 120,000	\$ 100,000

¹ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

Scenario A—Change in Ownership Purchasing Power Threshold

Richmond – Change in Ownership Purchasing Power Threshold						
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (16,525)				
	100K+	1,080				
	90K to 99,999	460	\$97,664 ¹			
	80K to 89,999	740	\$85,403 ²	\$83,143 ¹		
	70K to 79,999	995		\$72,242 ²		
	60K to 69,999	1,200			\$66,796 ¹	
Median Income Owners: \$56,157	50K to 59,999	1,565			\$58,075 ²	
	40K to 49,999	2,040				\$51,346 ¹
Median Income Renters: \$38,930	30K to 39,999	2,080				\$44,286 ²
	20K to 29,999	2,090				
	10K to 19,999	2,470				
	Under \$10K	1,800				
	Housing Cost		\$469,900	\$369,800	\$289,900	\$218,000

¹ 2005 Purchasing Threshold (10 per cent down payment)

² 2021 Purchasing Threshold (10 per cent down payment), 2005 constant dollars

Scenario A—Change in Ownership Purchasing Power Threshold

Ladner¹							
	Purchase Price²	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 188,800	\$ 44,979	14.3%	\$ 6,432	\$ 38,547	\$ 40,000	\$ 40,000
Condo 50 th percentile	\$ 199,900	\$ 47,605	5.7%	\$ 2,713	\$ 44,892	\$ 50,000	\$ 40,000
Townhouse 20 th percentile	\$ 304,000	\$ 68,957	13.4%	\$ 9,240	\$ 59,717	\$ 70,000	\$ 60,000
Townhouse 50 th percentile	\$ 405,000	\$ 91,055	7.4%	\$ 6,738	\$ 84,317	\$ 90,000	\$ 80,000
Single family 20 th percentile	\$ 404,999	\$ 101,383	10.6%	\$ 10,747	\$ 90,636	\$ 100,000	\$ 90,000
Single family 50 th percentile	\$ 419,900	\$ 104,975	10.8%	\$ 11,337	\$ 93,638	\$ 100,000	\$ 90,000

Tsawwassen							
	Purchase Price³	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 239,900	\$ 56,329	14.3%	\$ 8,055	\$ 48,274	\$ 60,000	\$ 50,000
Condo 50 th percentile	\$ 259,000	\$ 60,580	5.7%	\$ 3,453	\$ 57,127	\$ 60,000	\$ 60,000
Townhouse 20 th percentile	\$ 272,500	\$ 63,789	13.4%	\$ 8,548	\$ 55,241	\$ 60,000	\$ 60,000
Townhouse 50 th percentile	\$ 284,900	\$ 65,983	7.4%	\$ 4,883	\$ 61,100	\$ 70,000	\$ 60,000
Single family 20 th percentile	\$ 479,000	\$ 101,260	10.6%	\$ 10,734	\$ 90,526	\$ 100,000	\$ 90,000
Single family 50 th percentile	\$ 515,000	\$ 108,817	10.8%	\$ 11,752	\$ 97,065	\$ 110,000	\$ 100,000

¹ Totals for Ladner and Tsawwassen are averaged on the continuum.

² Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

³ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

Scenario A—Change in Ownership Purchasing Power Threshold

Delta – Change in Ownership Purchasing Power Threshold						
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (6,765)				
	100K+	445				
	90K to 99,999	195	\$101,307 ¹			
	80K to 89,999	270	\$90,581 ²	\$82,698 ¹		
Median Income Owners: \$74,105	70K to 79,999	400		\$72,708 ²		
	60K to 69,999	560				
	50K to 59,999	660			\$56,428 ¹	\$52,697 ¹
	40K to 49,999	860			\$51,010 ²	\$43,411 ²
Median Income Renters: \$39,957	30K to 39,999	935				
	20K to 29,999	930				
	10K to 19,999	985				
	Under \$10K	530				
	Housing Cost		\$450,809	\$364,967	\$240,088	\$223,548

¹ 2005 Purchasing Threshold (10 per cent down payment)

² 2021 Purchasing Threshold (10 per cent down payment), 2005 constant dollars

Scenario A—Change in Ownership Purchasing Power Threshold

Surrey							
	Purchase Price¹	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 145,000	\$ 36,155	14.59%	\$ 5,276	\$ 30,879	\$ 40,000	\$ 30,000
Condo 50 th percentile	\$ 228,900	\$ 53,819	13.76%	\$ 7,407	\$ 46,412	\$ 50,000	\$ 50,000
Townhouse 20 th percentile	\$ 184,900	\$ 43,531	13.99%	\$ 6,089	\$ 37,442	\$ 40,000	\$ 40,000
Townhouse 50 th percentile	\$ 240,000	\$ 55,112	13.54%	\$ 7,460	\$ 47,652	\$ 60,000	\$ 50,000
Single family 20 th percentile	\$ 342,200	\$ 73,705	12.93%	\$ 9,533	\$ 64,172	\$ 70,000	\$ 60,000
Single family 50 th percentile	\$ 422,200	\$ 89,957	10.70%	\$ 9,628	\$ 80,329	\$ 90,000	\$ 80,000

¹ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

Scenario A—Change in Ownership Purchasing Power Threshold

Surrey— Change in Ownership Purchasing Power Threshold						
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (33,020)				
	100K+	1,175				
	90K to 99,999	560				
	80K to 89,999	910				
	70K to 79,999	1,665				
Median Income Owners: \$64,254	60K to 69,999	2,250	\$73,705 ¹ \$64,172 ²			
	50K to 59,999	2,840		\$55,112 ¹	\$53,819 ¹	
	40K to 49,999	4,010		\$47,652 ²	\$46,412 ²	
Median Income Renters: \$33,350	30K to 39,999	5,015				\$36,155 ¹
	20K to 29,999	4,705				\$30,879 ²
	10K to 19,999	5,730				
	Under \$10K	4,155				
	Housing Cost		\$342,200	\$240,000	\$228,900	\$145,000

¹ 2005 Purchasing Threshold (10 per cent down payment)

² 2021 Purchasing Threshold (10 per cent down payment), 2005 constant dollars

Scenario A—Change in Ownership Purchasing Power Threshold

White Rock							
	Purchase Price¹	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 164,900	\$ 40,330	14.23%	\$ 5,738	\$ 34,592	\$ 40,000	\$ 30,000
Condo 50 th percentile	\$ 219,000	\$ 50,560	10.91%	\$ 5,516	\$ 45,044	\$ 50,000	\$ 50,000
Townhouse 20 th percentile	\$ 269,900	\$ 62,059	13.45%	\$ 8,350	\$ 53,709	\$ 60,000	\$ 50,000
Townhouse 50 th percentile	\$ 359,900	\$ 81,177	13.16%	\$ 10,679	\$ 70,498	\$ 80,000	\$ 70,000
Single family 20 th percentile	\$ 459,900	\$ 97,836	12.71%	\$ 12,432	\$ 85,404	\$ 100,000	\$ 90,000
Single family 50 th percentile	\$ 619,000	\$ 129,044	12.47%	\$ 16,097	\$ 112,947	\$ 130,000	\$ 110,000

¹ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

Scenario A—Change in Ownership Purchasing Power Threshold

White Rock— Change in Ownership Purchasing Power Threshold						
			Single family (20 th percentile)	Townhouse (50 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (3,240)				
	100K+	220				
	90K to 99,999	70	\$97,836 ¹			
	80K to 89,999	95	\$85,404 ²	\$81,177 ¹		
	70K to 79,999	120		\$70,498 ²		
	60K to 69,999	195				
Median Income Owners: \$52,531	50K to 59,999	315				
	40K to 49,999	300			\$50,560 ¹	
Median Income Renters: \$32,705	30K to 39,999	405			\$45,044 ²	\$40,330 ¹
	20K to 29,999	480				\$34,592 ²
	10K to 19,999	680				
	Under \$10K	350				
	Housing Cost		\$459,900	\$359,900	\$219,000	\$164,900

¹ 2005 Purchasing Threshold (10 per cent down payment)

² 2021 Purchasing Threshold (10 per cent down payment), 2005 constant dollars

Scenario A—Change in Ownership Purchasing Power Threshold

Langley District							
	Purchase Price¹	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 182,900	\$ 47,309	15.56%	\$ 7,359	\$ 39,950	\$ 50,000	\$ 40,000
Condo 50 th percentile	\$ 193,900	\$ 49,410	15.38%	\$ 7,602	\$ 41,808	\$ 50,000	\$ 40,000
Townhouse 20 th percentile ²	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -
Townhouse 50 th percentile	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -
Single family 20 th percentile	\$ 377,500	\$ 80,755	12.80%	\$ 10,340	\$ 70,415	\$ 80,000	\$ 70,000
Single family 50 th percentile	\$ 445,900	\$ 94,439	8.83%	\$ 8,336	\$ 86,103	\$ 90,000	\$ 90,000

¹ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

² Information on townhouse units was not available.

Scenario A—Change in Ownership Purchasing Power Threshold

Langley District— Change in Ownership Purchasing Power Threshold					
			Single family (20 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (4,720)			
	100K+	225			
	90K to 99,999	150			
	80K to 89,999	200			
	70K to 79,999	385	\$80,755 ¹		
Median Income Owners: \$66,308	60K to 69,999	405	\$70,415 ²		
	50K to 59,999	450			
Median Income Renters: \$40,382	40K to 49,999	600		\$49,410 ¹ \$41,808 ²	\$47,309 ¹ \$39,950 ²
	30K to 39,999	565			
	20K to 29,999	640			
	10K to 19,999	715			
	Under \$10K	400			
	Housing Cost		\$377,500	\$193,900	\$182,900

¹ 2005 Purchasing Threshold (10 per cent down payment)

² 2021 Purchasing Threshold (10 per cent down payment), 2005 constant dollars

Scenario A—Change in Ownership Purchasing Power Threshold

Langley City							
	Purchase Price¹	Qualifying Income₂₀₀₅	% change	Change in Purchasing Power₂₀₀₅₋₂₀₂₁	Adjusted Qualifying Income₂₀₂₁	Income Threshold 2005	Income Threshold 2021
Condo 20 th percentile	\$ 164,900	\$ 43,871	15.03%	\$ 6,595	\$ 37,276	\$ 40,000	\$ 40,000
Condo 50 th percentile	\$ 187,500	\$ 47,829	14.46%	\$ 6,917	\$ 40,912	\$ 50,000	\$ 40,000
Townhouse 20 th percentile ²	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -
Townhouse 50 th percentile	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -
Single family 20 th percentile	\$ 339,900	\$ 73,645	12.93%	\$ 9,519	\$ 64,126	\$ 70,000	\$ 60,000
Single family 50 th percentile	\$ 368,880	\$ 79,125	11.81%	\$ 9,344	\$ 69,781	\$ 80,000	\$ 70,000

¹ Throughout the study, the down payment is assumed to be 10 per cent of the purchase price.

² Information on townhouse units was not available.

Scenario A—Change in Ownership Purchasing Power Threshold

Langley City- Change in Ownership Purchasing Power Threshold					
			Single family (20 th percentile)	2 bed condo (50 th percentile)	2 bed condo (20 th percentile)
	Household Income 2000	# of Renter Households (4,225)			
	100K+	145			
	90K to 99,999	75			
	80K to 89,999	95			
	70K to 79,999	125	\$73,645 ¹		
	60K to 69,999	245	\$64,126 ²		
Median Income Owners: \$55,681	50K to 59,999	275			
	40K to 49,999	470		\$47,829 ¹	\$43,871 ¹
	30K to 39,999	455		\$40,912 ²	\$37,276 ²
Median Income Renters: \$26,989	20K to 29,999	715			
	10K to 19,999	1,025			
	Under \$10K	600			
	Housing Cost		\$339,900	\$187,500	\$164,900

¹ 2005 Purchasing Threshold (10 per cent down payment)

² 2021 Purchasing Threshold (10 per cent down payment), 2005 constant dollars