

SPECIAL HOUSING REPORT

Affordability in
Fraser Valley – Metro Vancouver





Over the last decade, real estate here became as much a commodity that could be bought and sold like stocks on the exchange, as it was where people planted roots and raised a family. Had someone told our grandparents that after graduating high school and getting married, their kids would have to fork over a million for a modest starter home, they'd have shaken their heads at such a crazy notion.

Homelessness was once barely visible in the poorest of Vancouver's downtown city streets. Today there is not a suburb or small town that doesn't have its population of homeless people scouring malls and back alleys for a place to wash and bed down.

Our sky-high housing costs have almost replaced the weather and hockey as common fodder for small talk in these parts. That's why the Fraser Valley Real Estate Board has taken a closer look at housing affordability in our

region, with a review of the strategies pursued by the our local municipalities of Surrey, White Rock, North Delta, Abbotsford, Mission and the City and Township of Langley.

The BC Municipalities (UBCM) report, Housing Strategy: A Home for Everyone (January 2019) sums up the accepted reality:

"Current housing price levels are forcing a new approach as home ownership is simply out of reach for many households across the province, whether in urban centres, resource dependent communities or tourist dependent communities."

CAUSES AND EFFECTS

Even with robust employment and business opportunities, the cost of living in the Lower Mainland has increasingly been out of reach for the many who can't afford the high rental payments, let alone a large mortgage.

Blame the state of affairs on several factors but key to the trend is the booming population, human migration, and the stardust that descended on Vancouver in the aftermath of Expo '86 and then the 2010 Olympic Winter Games when the world took serious notice of the beauty, climate and investment opportunities that existed here.

Those global determinants will drive up housing prices almost anywhere, as it has in other countries. But when you factor in laissez-faire regulation and a province hungry for incoming cash flow, affordability was likely bound to nosedive.

Not all planners, developers, politicians, academics or taxpayers agree on what continues to drive the housing crisis or how to solve it. But there's ample blaming and pointing of fingers.

Some say it's the fault of local governments for jamming up the development permitting process with red tape or giving over to local residents who are opposed to development. For others it's real estate speculators to blame for turning housing stock into investment shelters that shut out locals from renting and buying in their own communities.

There are those who say it's foreigners who are culpable by using our real estate as a money laundering gambit or offshore piggy bank.

A common belief is that there are not enough homes being built which in itself drives up prices. But UBC professor and urban planner Patrick Conden disputes the maxim that equates increased inventory with affordability.

"Vancouver has not had single-family zoning for decades. Yet evidence suggests that any time the city allows additional density on a parcel, all that happens is the parcel price jumps, so that the only benefit goes to the landowner, not the homebuyer," says Conden.

Even with robust employment and business opportunities, the cost of living in the Lower Mainland has increasingly been out of reach for the many who can't afford the high rental payments, let alone a large mortgage.

"Nowhere in the world is that failure more obvious than in Vancouver which has, by many measures, the most unaffordable housing in the world, even while housing production is exceeding the rate of population growth."

Many have criticized the BC government for not moving quickly enough on promises to build more affordable units while others feel it's the federal government's policies that obstruct homebuyers.

Even if there is truth in all or some of those claims, the problem persists. So, what is the pathway to affordable housing now, and what does affordability look like?



THE AFFORDABILITY GAP

Housing is considered affordable when monthly housing costs (rent or mortgage payments including property taxes, strata fees, and heating costs) consume less than 30% of before-tax (gross) household income.

Metro Vancouver Regional Affordable Housing Strategy, 2016



While Metro Vancouver's definition of affordability may be a reasonable calculation, a lot must be squeezed into that 30-33% per cent including utilities, insurance and strata fees, not to mention unforeseen events such as interest rate increases or major repairs. With the high cost of living in Metro Vancouver and Fraser Valley communities, housing expenses could easily eat up half of a household income.

Even though government measures in the last two years have helped to cool the market and ease prices, and lending rates have remained low, Fraser Valley homebuyers continue to get squeezed by a more stringent mortgage approval standard, and real estate prices that continue to match among the highest in the world.

According to a Statistics Canada (StatCan) census, in 2016 Metro Vancouver's median household income was \$48,900. In some places in North America, that is a low to moderate income. But in the context of our housing market, it's low enough to stop a large segment of the population from home ownership, including young people.

Even in the relatively lower priced market of Abbotsford-Mission, Gen-Xers (born 1965-1976) are dealing with a House Price to Income Gap ratio of 15.6. For Millennials (born 1982-1991) the gap is 26.0.

"Over the past 20 years, the ratio of home prices to income has increased dramatically. Before the year 2000, the sale price of a two-storey detached home was around 3.2 times the median annual household income; by 2015, the cost of an average home was more than 19 times higher than the median income. With high prices preventing people from home ownership, the pressure on the rental market continues to increase."

Metro Vancouver Housing Ten Year Plan (Sept. 2019)

Much of the housing data available concerns Metro Vancouver as a whole, which includes some, but not all of the Fraser Valley.

Statistics Canada has included some of the eastern valley cities in its surveys, but it doesn't include all of them. And Abbotsford, Chilliwack and Mission are Fraser Valley Regional District municipalities, so are not within Metro Vancouver's scope of research.

We do know the Fraser Valley's housing market is more affordable than Vancouver's. And even within the Fraser Valley there are variables that set each municipality apart.

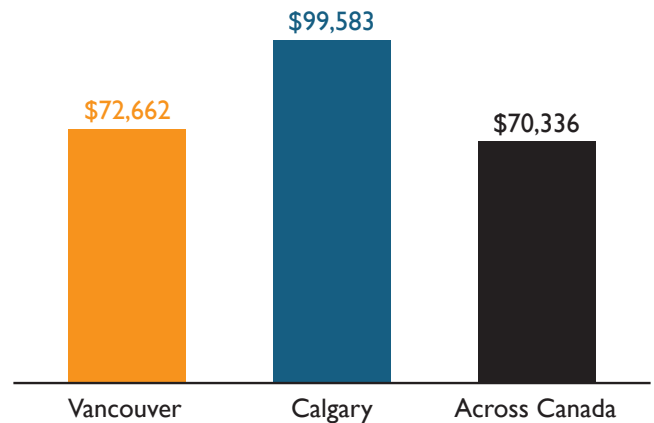
Given all those variables, and differences, we can make some general observations that put the Fraser Valley housing situation into perspective.

THE DISCONNECT

Cost of living vs. Income

We know that Canada-wide the housing affordability gap in our region is next to none, except in Toronto. The data shows there is a stark disconnection between the cost of living and our income levels.

For example, in spite of living in one of the most costly places in the world, the median total income for households in Metro Vancouver in 2015 was \$72,662 (ranking 15th for census metropolitan regions across Canada). By comparison, Calgary's median total income was number one in Canada at \$99,583, while the median household income across Canada was \$70,336, which includes the so-called have-not provinces of Manitoba and the Maritimes.



Taxes

Taxes have not gone up substantially in several years throughout the region, but that will soon change. In November 2019 Metro Vancouver Regional District approved a five-year financial plan that will see the average household property tax in Metro Vancouver (including Langley, Surrey, Delta, White Rock), increase by roughly 46 per cent in the next five years. The revenue is needed to cover overdue utility infrastructure upgrades, wastewater treatment, climate change preparations and restorations, and the ever-increasing needs arising from population growth.



46%
Projected 5 Year Tax Increase

Food

In December 2019, the Universities of Guelph and Dalhousie released an annual food price report that predicts the average Canadian household will be paying close to \$500 more per year on food. Climate change events affecting food production in the US and Mexico is largely being cited for the increase. With BC's agricultural land under pressure for housing, that predicted increase could get much higher in the years ahead.



“Home prices didn’t spike overnight, and our housing problems can’t be fixed with a single budget. It will take years of sustained action to bring housing affordability home.”

Selina Robinson, BC’s Minister of Municipal Affairs and Housing

Not everyone can afford to buy a home, but everyone needs a place to live.

Now that housing affordability is in a state of crisis, governments at all levels are finally adopting policies and pursuing strategies that may help people get a roof over their heads, one way or the other, preferably in housing that's affordable and stable, whether that means owning, renting or sharing.

That's why we're seeing government housing solutions focused on reducing homelessness, improving emergency and social housing options and adding to the rental inventory. But there have also been efforts to cool the housing market and remove some of the suspect elements that drive up valuations beyond what residents can manage.

The Province

Polling before and since the NDP government came into power in BC, confirmed that most British Columbians believe that taxing and even limiting foreign investment were preferred solutions to housing unaffordability.

BC's measures to stabilize the overheated housing market

- A new speculation and vacancy tax to target foreign and domestic speculators who own homes in BC but do not pay tax here; turn empty homes into available housing for people and raise revenue that will go to supporting affordable housing
- Increasing the foreign buyers' tax to 20%
- Cracking down on tax fraud and closing real estate loopholes to make sure people are paying their fair share of taxes
- Condo and Strata Assignment Integrity Register to collect comprehensive information on pre-sale condo assignments

*Not everyone
can afford to
buy a home, but
everyone needs
a place to live.*

The measures had the desired effect. The market felt a shift and prices and sales did go down, though not drastically.

The BC NDP government also introduced a series of strategies to address housing affordability, largely by lowering the barriers to housing for low to middle income people, and those facing particular challenges such as seniors, students, the homeless, women, and children escaping violence.

BC Government Plan summary

- Improvements to social housing and more housing for low and middle-income earners, including seniors, students, families, homeless, women and children leaving violence and indigenous people
- Support for renters: limiting rent increases, expanding eligibility for rental assistance and laws to reduce 'reno-victions' and restore funding to the residential tenancy branch
- Helping municipalities and stratas increase rental home supply including legislation to give local governments the ability to zone specifically for rental housing
- Change to strata property regulation to increase the availability of long-term rentals
- Building code changes that allow the safe construction of taller wood buildings

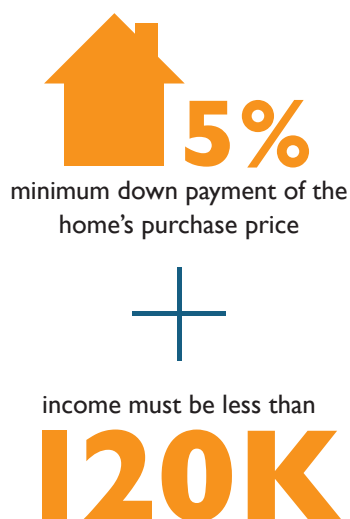
The Feds

In 2016 and again in 2018, the Canadian government stepped in with tougher lending regulations (mortgage stress test), a measure to prevent Canadians from digging themselves into a hole of debt. It was partly in response to the sub-prime mortgage fiasco in the US that resulted in massive numbers of foreclosures. Unfortunately, the mortgage stress test threw cold water on aspiring homeowners across Canada whose dreams for a house or condo seemed to go down the drain.

CMHC Mortgage Consumer Survey found that 65% of respondents believed that the mortgage stress test would prevent Canadians from taking on mortgages that they can't afford.

As of September 2019, some first-time homebuyers were able to take advantage of the federal government's First Time Home Buyers Incentive Program designed to lessen the financial burden of large monthly payments by providing a government-funded down payment top-up of up to 10% of the price of a new home.

Of course, it comes with qualifiers—the buyers' household income must be less than \$120,000, including funds earned from investments and rent. And buyers must pay a minimum down payment of 5% of the home's purchase price.



Metro Vancouver Housing 10-Year Plan (September 2019)

Over the next 10 years, the Metro Vancouver Housing program aspires to create 1,350 rental units over ten years and commit \$190 million to preserving and building affordable housing in the region.

- \$90 million in renewing existing housing (Housing Reserve Fund)
- \$60 million in redevelopment and partnerships to acquire or manage new units (Housing Reserve Fund)
- \$40 million to develop new affordable housing on lands owned by the region and member jurisdictions (Regional District contributions)

These targets are what Metro Vancouver Housing aims to achieve through its own funding sources and partnerships. Additional funding through BC Housing and CMHC could further leverage this investment and create even more affordable rental units across the region.

However, this housing investment plan is designed for a specific low-income population of renters.

BCREA

The BC Real Estate Association has promoted its own recipe for housing affordability that includes:

- Indexing BC's Property Transfer Tax (PTT)
- Increasing the PTT exemption for first-time homebuyers
- Increasing the 2% PTT threshold

BCREA also suggests more green incentives for homebuyers, encouraging urban density and housing diversity, and faster development approval processes.

Whether here in Metro Vancouver, the Fraser Valley or beyond, housing affordability is a very complex issue to tackle, with tentacles that extend across borders, and a long snaking line of dominos must fall one on top of the other to restore housing affordability, or sink it.

It's not an issue that can be resolved in isolation or with a single measure. And price alone is not the only factor that makes housing affordability a viable proposition.

RENTING

For decades the rule of thumb was that you could spend 25% for rental housing and the remainder for the rest of life's expenses. As housing costs went up it was amended to 30%; but lately 33% per cent is often cited as more realistic.

If the approximate 67% of all renter households in Metro Vancouver have a median income of \$48,959, this would give the majority of renters an "affordable rent" of \$1,224 per month. Although this statistic was collected at least three years ago, earned income levels have not risen substantially since 2016, in relation to cost of living. With rental rates in the Fraser Valley communities averaging much higher, affordable rentals are already out of reach for many.

People who can't afford to pay rent on a decent apartment in Metro Vancouver let alone buy a home are many. They include seniors, single parents, the disabled, youth, new immigrants, young families and the working

poor—the latter who may be working one or more regular paying jobs, but who still can't afford to rent an adequate home.

A 2017 City of Surrey survey found a quarter of renters in Surrey don't ever expect they will be able to afford to buy a home. Unfortunately, they may be correct in their assessment. Surrey has been seeing an influx of 10,000 new residents every year, putting ever more pressure on the affordability of housing stock.

People who can't afford to pay rent on a decent apartment in Metro Vancouver, let alone buy a home, are many.

| 2019 Rental rates for two bedroom apartment n/a = not available | | | |
|--|-------------|--------------|---------|
| | Lower range | Higher range | Average |
| Delta | n/a | n/a | \$1456 |
| Surrey | \$1300 | \$2465 | \$1631 |
| White Rock | n/a | n/a | \$2100 |
| Langley | \$1425 | \$2015 | \$1757 |
| Abbotsford | \$1150 | \$1725 | \$1308 |
| Mission | n/a | n/a | n/a |
| Source: Rentboard.ca 2019 | | | |

| Proportion of Owners vs. Renters | | | |
|----------------------------------|------------------|-------------------|------------|
| 2018 | Owner households | Renter households | Proportion |
| Abbotsford | 33,305 69.5% | 14,615 30.5% | 2.3 more |
| Delta | 28,055 78.8% | 7,540 21.2% | 3.7 more |
| Langley City | 7,340 62% | 4,505 38% | 1.6 more |
| Langley Township | 33,745 82.3% | 7,265 17.7% | 4.6 more |
| Mission | 10,345 77.2% | 3,055 22.8% | 3.4 more |
| Surrey | 120,590 71.1% | 48,940 28.9% | 2.5 more |
| White Rock | 6,785 68% | 3,195 32% | 2.1 more |

CLOSING THE GAP

There are places in Canada where \$90,000 can get you a beautiful single-family house on a large lot, but what good does it do you if there is no viable means of generating income there, or the cost of living is steep?

If people cannot afford to live in the community where they work, they move on. If they can work and live here as renters, they at least have a chance to establish themselves to be in the position to buy a home as long as they aren't priced out of the market entirely.

In the Mortgage Consumer Survey, 80 per cent of respondents said home prices were the most important factor in choosing a home, 67 per cent said proximity to public transit, and 73 per cent cited the desired number of rooms.

Study after study affirms the keys to affordability in urbanized centres are:

- Accessible, affordable public transit - not everyone can live in the centre of a city, nor do they necessarily want to. But if they are going to live in outlying suburbs, they have to be able to find employment and be able to get to work, without the time and cost of driving there.
- Housing that is a reasonable proximity to business, recreational and leisure services, schools and colleges.



CLOSING THE GAP

The First-Timers

By a simple calculation, to stay under the 30% affordable housing threshold, with a combined annual household gross income of \$120,000, purchasing a modest two bedroom condo in the Fraser Valley today would require a very low 5-year fixed interest rate (3%), a \$20,000 down payment and a 30-year amortization. And even then the household may be strapped as taxes, utilities, strata fees and other living costs cut into the monthly budget.

In CMHC's 2019 Mortgage Consumer Survey, the number of first time buyers actually decreased in number by 9% from 2018 (56%) to 2019 (47%). But that is a not huge number, given some of the obstacles for first-timers.

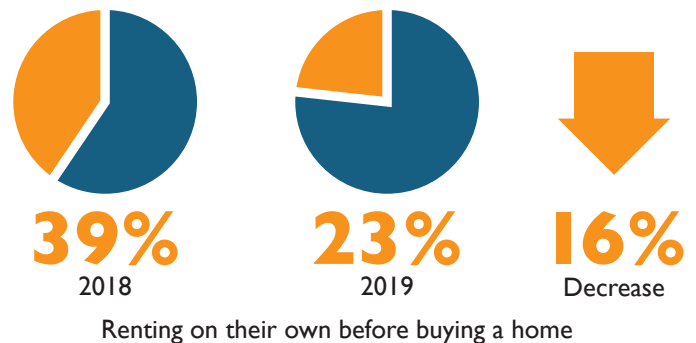
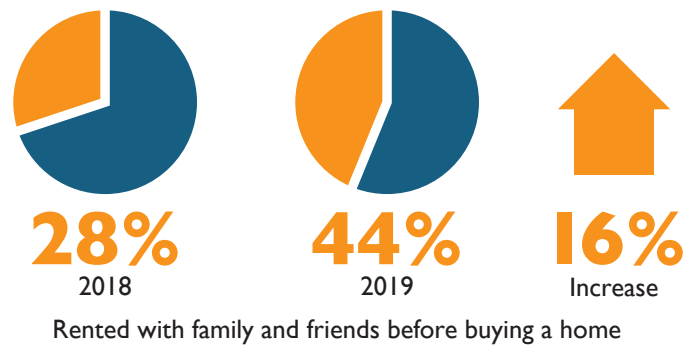
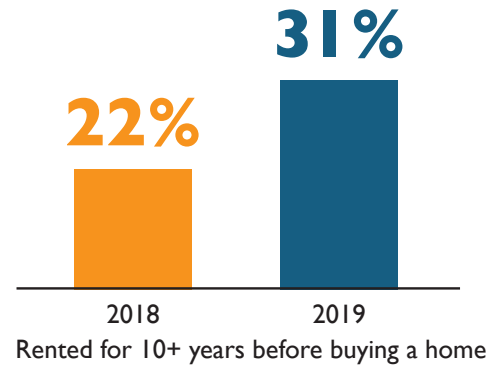
So, the big question is: why do people keep taking the plunge into home ownership? Despite all the barriers and the risks, sales volumes—though they've dipped somewhat—rose in the fall of 2019 again, and predictions are that property sales will continue to approach levels seen in previous years.

40% of first-time buyers in a 2019 national survey had a household income between \$60,000 to \$104,000
(Source: Canada Mortgage and Housing - CMHC)

ONE IN FOUR
home-buyers (24%)
in a 2019 national
survey were involved
in a bidding war.

(Source: Canada Mortgage
and Housing - CMHC)

CMHC broke down the trends for those would-be first-time buyers by asking them directly. They reported that they:



First-Time Buyers

- 49% ➡ were between 25 and 34 years
- 80% ➡ were employed full-time
- 3% ➡ were self-employed
- 61% ➡ purchased a single-detached home
- 26% ➡ had a household income of \$60k – \$90k
- 22% ➡ were newcomers to Canada

REALTORS® ROLE

While the average homebuyer is researching mortgages and residential listings online, they continue to seek out the knowledge and market expertise of a REALTOR® to help them when it really counts.

The CMHC consumer survey found that there was an increase of 17% of surveyed buyers who used a real estate agent in 2018 to help guide them through the process of buying a home.

“There was also a strong increase in buyers’ perceptions of the value of working with a real estate agent. The percentage of homebuyers who recognized the value of using an agent rose from 28% in 2018 to 35% this year. Some of the key reasons buyers highlighted for this trend were an appreciation for the advice they received from their agent and their agent’s attentiveness to their specific needs.” *CMHC 2019 Mortgage Consumer Survey*

78% of buyers chose to work with a real estate agent

“2019 saw a strong increase in buyers’ perceptions of the value of working with a real estate agent. The percentage of homebuyers who recognized the value of using an agent rose from 28% in 2018 to 35% this year.”



FRASER VALLEY – Where we are now

The Fraser Valley has much to offer with urban centres, parks, recreational facilities and a landscape that supports both rural, small town and city living within a single municipality.

Yet the Fraser Valley has also struggled with how to stanch the ever-increasing homelessness problem, and how to support rental developments and multi-family units within reasonable distance to transit hubs.

Fraser Valley communities have increasingly been a magnet for people who work closer to Vancouver's core but who cannot finance a home anywhere near their place of work.



Fraser Valley Private Dwellings - 2016 Statistics Canada

| | Abbotsford | Delta | Surrey | City of Langley | Township of Langley | White Rock | Mission |
|---|------------|---------|---------|-----------------|---------------------|------------|---------|
| Population | 121,279 | 102,238 | 517,887 | 25,888 | 117,285 | 19,952 | 38,833 |
| Single-detached house | 14,970 | 985 | 60,195 | 2735 | 21685 | 2535 | 8735 |
| Apartment in a building 5+ storeys | 1,000 | 430 | 6,055 | 40 | 1095 | 1270 | 60 |
| Semi-detached house | 1,250 | 985 | 3495 | 320 | 925 | 85 | 245 |
| Row house | 4,040 | 1895 | 26,630 | 1085 | 7295 | 165 | 525 |
| Suite in a duplex | 9170 | 6550 | 37535 | 855 | 5940 | 1720 | 2610 |
| Apartment in a building with -5 storeys | 12,290 | 4765 | 34,560 | 6795 | 3260 | 4210 | 1200 |
| Other Single Detached | 55 | 30 | 160 | 5 | 65 | 15 | 20 |
| Movable dwelling | 225 | 170 | 1345 | 5 | 1715 | 5 | 50 |
| Other | - | - | - | - | - | - | - |

FRASER VALLEY STRATEGIES

POLICY and PLANNING

| | Abbotsford | Delta (north) | City of Langley | Township of Langley | Mission | Surrey | White Rock |
|---|------------|-----------------------------|--|--|--|---|--|
| Higher density allowance | Yes | - | - | Yes | Density Bonusing Pending | Yes, in designated areas appropriate for affordable housing | Yes, in designated areas |
| Municipally-owned land – leasing, renting, donating or selling at below market | - | - | Yes, City leases parcel for \$1 to Salvation Army for Gateway of Hope homeless shelter | In the Housing Action Plan – currently exploring potential | Case-by-case District has limited land | Targeted – supportive housing projects that are included in MOU with BC Housing. | - |
| Utilizing an Official Community Plan and/or Neighbourhood plans to promote affordable housing | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Inclusionary zoning policies that include an affordable housing component | - | - | - | No | No | No | OCP |
| Density bonuses in exchange for affordable housing | - | Case by case | - | Case by case | Density Bonusing Pending | Yes | Yes, in certain areas density bonuses would be allowed for the provision of affordable or rental housing |
| Infill - new development on vacant or undeveloped land within an existing community | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Reduced height restrictions | Yes | - | Case by case | Yes | Density Bonusing program Pending | Generally the City uses density vs height restrictions. Higher density is allowed in designated areas appropriate for affordable housing | Height increases? Yes, in certain areas |
| Reducing parking requirements | Yes | Yes, in Scott Road Corridor | Case by case | Case by case | Yes, for Downtown residential area. | In City Centre; elsewhere, on case by case basis in close proximity to transit. Reduced parking requirements for affordable housing on case by case basis | Yes, if located close to transit parking reductions can be considered on a case-by-case basis |

FRASER VALLEY STRATEGIES

POLICY and PLANNING (cont.)

| | Abbotsford | Delta (north) | City of Langley | Township of Langley | Mission | Surrey | White Rock |
|---|------------|--|------------------|---------------------|--|--------|---|
| Secondary suites | Yes | Yes | Yes, in RS zones | Yes | Zoning Bylaw to reduce parking requirements for multi-family rentals | Yes | Yes |
| Smaller lots | Yes | Yes | - | Yes | Yes, and No. In the RT465 residential areas north of downtown Outside this area there is support for rezoning for suites | Yes | Yes |
| Increased duplex/town/row laneway housing | Yes | Yes, in Community Corridors (72nd & 84th Aves) | Yes | Yes | Yes | - | More lots may have potential in the future, but currently it is as current OCP policy |

FINANCING

| | Abbotsford | Delta (north) | City of Langley | Township of Langley | Mission | Surrey | White Rock |
|--|------------|---------------|-----------------|--|---------|---|---|
| Fee Relief of development cost charges | - | - | - | Yes (subject to eligibility criteria of DCC Waiver Bylaw and CAC policy) | No | Targeted – fees waived for supportive housing projects included in an MOU with BC Housing | Not currently, but supportive policy in OCP |
| Affordable Housing Trust Fund | Yes | - | - | Yes Affordable Housing Reserve Fund | No | Yes – Affordable Housing Reserve Fund | Not currently, but supportive policy in OCP |
| Partnerships on investments in affordable housing projects | Yes | - | - | Yes Through DCC waivers | Yes | Yes | No |

FRASER VALLEY STRATEGIES

RENTALS

| | Abbotsford | Delta (north) | City of Langley | Township of Langley | Mission | Surrey | White Rock |
|---|------------|---------------|-----------------|--|--|---|--|
| Supporting rental inventory –Replace affordable units lost during redevelopment –Support boarding houses –Ensure adequate living conditions in rental units –Restrictions on strata conversions | Yes | - | Yes | Yes (re:TOL Manufactured Home Park Redevelopment Policy) | Pending the Zoning Bylaw review & review of District's Affordable Housing Strategy | Rental replacement policy requires 1:1 replacement for units lost during redevelopment. | Yes |
| Limiting short-term rentals (VRBO and Airbnb) | Yes | In progress | - | Yes (not considered a permitted use under Zoning Bylaw) | - | Standards of Maintenance Bylaw | Yes, only permitted in registered secondary suites |
| Measures to curb renovations that introduce significantly higher rates | - | - | No | No | Short-term rentals not permitted. *Except B&Bs if owner lives on property and provides a meal | Strata Conversion Bylaw | Policy currently under development |
| Provide incentives for building new rental properties | - | - | - | Yes | Pending the Zoning Bylaw review & review of District's Affordable Housing Strategy | Fast-tracking of development approvals for new PBR; reduction of parking requirements in secured PBR in areas well served by transit. | Yes |
| Designate residential zones with a percentage of required rental properties | - | - | - | No | No | No | No |
| Advocate for expanded rental supplement programs | - | - | Yes | No | Unsure | Yes | No |

FRASER VALLEY STRATEGIES

| PROGRAMS | | | | | | | |
|---|---|-----------------------------|---|----------------------------------|---|--|---|
| | Abbotsford | Delta (north) | City of Langley | Township of Langley | Mission | Surrey | White Rock |
| Housing agreements using restrictive covenants, for low income families, that restrict high resale prices | Yes | - | Yes, for senior redevelopments | Yes | Yes | Housing Agreements for affordable rental project that define rental rates; however, City has no Housing Agreements for affordable ownership | Yes |
| Pursue funding opportunities and partnerships to build affordable housing | Yes | - | Yes, Lions Housing Society | Yes | Yes, Mission Association for Seniors Housing (MASH) & District partnered to build a mixed-use building with community centre and 74 rental units for seniors. This includes donating land, grant to cover DCCs and some application fees. No CACs requested | Yes | Not currently |
| Encourage housing development close to public transit system | Yes | Yes, in Scott Road Corridor | Yes | Yes | Yes | Yes | Yes |
| Incentives for sustainable, energy efficient, budget friendly buildings | - | - | - | Yes TOL 'Build green' program | No | No. However, City of Surrey staff position (funded through Fortis) includes promoting and connecting non-profit housing providers to energy efficiency programs and grants provided by Fortis and BC Hydro | No |
| Noted* | Conversions not permitted until vacancy rate is over 4% | - | City leases parcel for \$1 to Salvation Army for Gateway of Hope homeless shelter | **OCP | - | - | Up to 40% increase to FAR where 50% additional floor area dedicated to rental, parking reductions on case-by-case basis |
| OTHER | - | - | Planning projects underway to support affordable housing: Housing Needs Report New OCP New Zoning Bylaw New Nicomekl Neighbourhood Plan | - | District is conducting a review of its Zoning Bylaw and Affordable Housing Strategy, both of which will allow many of the incentives listed | Existing Affordable Housing Plans: Affordable Housing Strategy Master Plan for Housing the Homeless in Surrey | - |

FUTURE OUTLOOK

The majority (59%) of homebuyers surveyed were aware of the new “stress test” mortgage rules. Among all buyers aware and not aware of the new rules, more than three-quarters (76%) said the changes had little or no impact on their decision to buy a home.

CMHC’s 2019 Mortgage Consumer Survey

The BC Real Estate Association (BCREA) reports that home sales numbers are up and prices are rising across the province.

“Most markets around the province are returning to a more typical level of sales activity and this recovery in sales and slower listings activity is putting upward pressure on prices in many markets.”

BCREA’s chief economist Brendon Ogmundson

CMHC is expecting inventories of homes for sale to decline slightly as sales increase, and that a growing number of newly constructed homes coming onto the resale market will help keep market conditions balanced overall through the end of the forecast horizon.

CMHC Housing Outlook for Metro Vancouver

In its 2018 Housing Report, CMHC predicted that in BC the demand for rental would be high and expected to

remain high, “... resulting in low vacancy rates and rising rents across the region, while ownership affordability will continue to be a challenge despite lower home prices relative to the year previous.”

Metro Vancouver and Fraser Valley may be forced to see housing through a different lens in the next twenty years.

- People will undoubtedly have lower expectations about large-scale homes and be more flexible about sharing a home.
- Housing cooperatives will likely have a resurgence making home ownership a shared investment.
- Employers will have to revise operations to permit employees to work remotely or in community work hubs near where they live.
- Public transit authorities will need to make major infrastructure investments.

Predictions are for a double-digit increase in Fraser Valley homes sales in 2020 and a modest increase in residential average prices.

Despite the challenge of unaffordable housing in our region, the survey data tell us that most people continue to aspire to home ownership. And they continue to view home ownership in the Fraser Valley, as a wise investment.



SPECIAL HOUSING REPORT

Affordability in
Fraser Valley – Metro Vancouver



December 2019

Fraser Valley Real Estate Board
15463 104 Ave., Surrey, BC V3R 1N9
www.fvreb.bc.ca • 604-930-7600