

2020



CITY OF VICTORIA | Sustainable Planning & Community Development

# Victoria's Housing Future



# Housing Shapes our City

Housing is an essential need at an individual scale, but it is also one of the single most important elements influencing the shape of our city.

## Housing Influences How We Move...

When higher density housing is located along transit routes, there are more potential riders for the system, resulting in opportunities for service level improvements across the city and region (for example, the operator can afford more buses, expanded regional routes, additional shelters and other amenities). People who live in Victoria are twice as likely to commute to work by sustainable means (walking, cycling, or bus) than those who live elsewhere in the region.

## Housing Influences Climate Change...

We know that our buildings account for a large share of Victoria's emissions, both single family homes (accounting for almost a fifth of all GHG emissions) and apartments. New buildings must meet BC's new Energy Step Code and programs are being explored to incentivize the retrofit of existing buildings. These emissions are primarily related to heating our homes and water. Location is a factor too. If more housing is located close to jobs and services, then transportation related emissions (which account for 40% of Victoria's total) will fall.

## Housing Influences Environment and Public Space...

Single family homes tend to create neighbourhoods characterized by larger, private outdoor spaces, such as backyards. Multi-family homes tend to result in smaller private spaces, such as balconies and patios, but provide more opportunities to create public gathering places, such as courtyards, plazas, squares, and public parks.

## Housing Influences Who Can Live Here ....

When a city has a diversity of housing options, both in form and price, it will support a diversity of residents, families and economic opportunities. Households and families come in different forms and so too must a city's housing options. People's housing needs also change overtime, so having housing that is diverse in size, adaptable, and accessible will allow residents to stay in their communities through all stages of life.

## Housing Influences Equity...

Building affordable housing forms for diverse populations advances equity. Location is a factor too. When affordable housing is located in urban centres or near sustainable transportation routes, the cost of living for its residents can be further reduced by having access to more affordable transportation options. These residents in turn have access to the economic opportunities found in the city's centres and villages. Providing affordable (non-market) housing in all neighbourhoods in the city can increase choice, increase access to amenities such as greenspace, and reduce disparities in school catchments.



## HOUSING IS A HOME



Across the globe, cities face unprecedented housing challenges exacerbated by the COVID-19 pandemic. Statistics about the cost of housing, theories about the underlying cause of these challenges, and predictions about what the future may hold are ever evolving, overwhelming and can be difficult to comprehend. In that context, it is important to remember that housing is more than a number, it is a fundamental human need – both physically and emotionally.

The *Victoria Housing Strategy* identifies housing as a human right and asserts that every Victorian deserves a safe and affordable place to live – a home that accommodates our needs at a cost we can afford. The Strategy notes that this will look different for everyone:

*For some, it's a home that will accommodate a growing family and is in walking distance to community amenities like schools and parks. For others, it's an affordable apartment with heat, hot water, and a full kitchen, and the knowledge that they won't lose their home if the landlord decides to make needed upgrades, move into or sell the dwelling. It may be a home that's accessible for those with a range of abilities, or a home that allows us to age and access the supports we need to live well in our own community. And, for our most vulnerable residents, it may be a place to call home for good.*

The City strives to carry this principle forward in all initiatives that are involved in planning for current and future housing need.

## What will this document tell me?

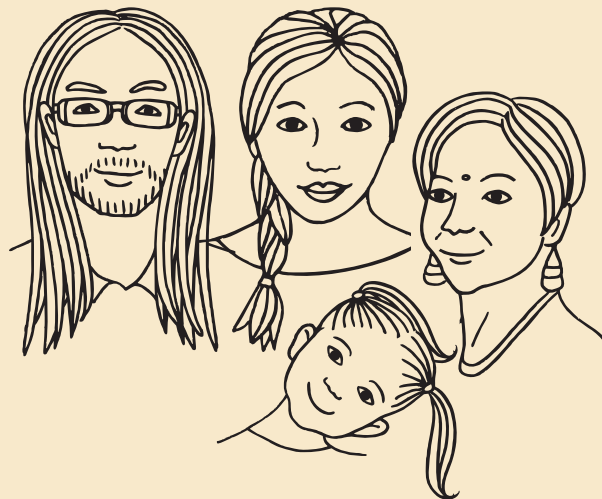
Planning for housing is a complex endeavour. The City of Victoria is undertaking local area planning and implementing several actions in the *Victoria Housing Strategy* to help meet current and future housing needs. Key projects and initiatives underway include:

- The Secured Rental Housing Project
- The Missing Middle Housing Initiative
- Village and Corridor Planning (updating neighbourhood plans, the Official Community Plan, and implementing *Victoria Housing Strategy* actions)

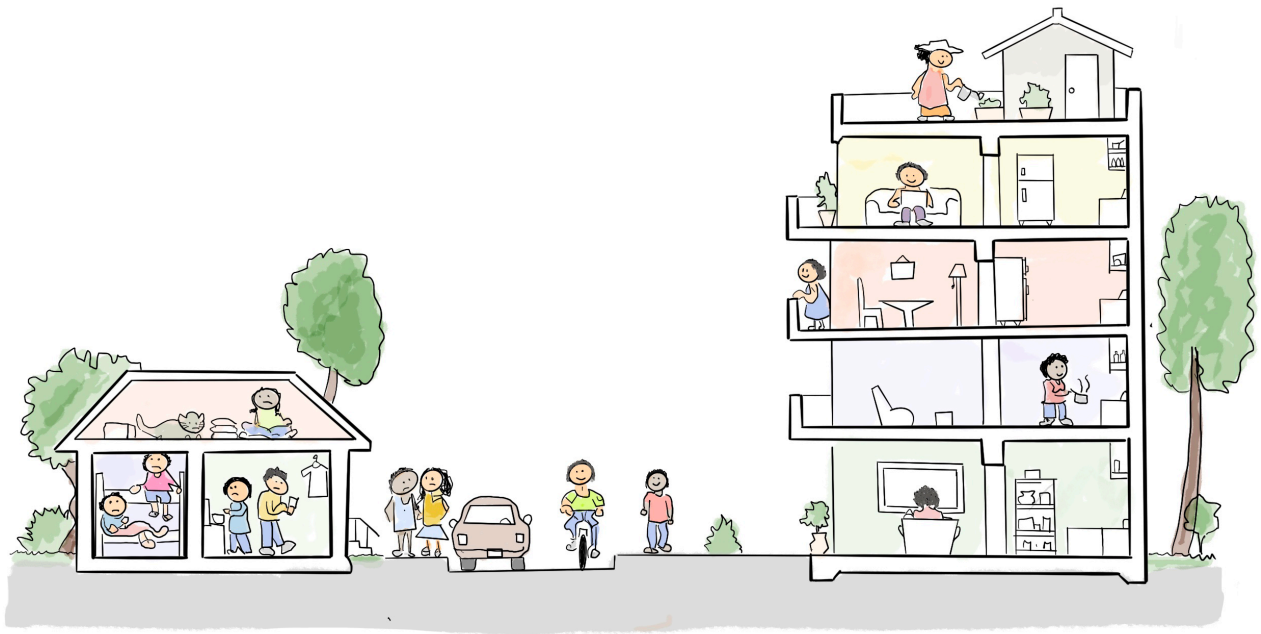
This document describes some of the technical analysis, planning fundamentals, statistics and shared principles that inform the outcomes and actions of these initiatives.

## Meet Your Neighbour

Throughout this document you will find a series of profiles that illustrate typical households in Victoria today. To learn more about these profiles and how they were developed see the appendix.







## Planning for Housing in the Time of a Pandemic

The COVID-19 pandemic and subsequent economic instability exacerbated the housing crisis. In response, the City of Victoria refocused important elements of the *Victoria Housing Strategy* to address evolving needs, prioritizing housing security for renters and adding more transitional and affordable housing in the short term.

In addition to these priority short term actions, the *Victoria Housing Strategy* and *Official Community Plan* include longer term strategies to get the right supply of housing in the right locations, now and in the future. The City continues to implement these long range objectives, recognizing they are important for social, environmental, and economic sustainability.

Achieving the right supply of housing where it is needed most can also increase the city's resiliency to future disruptions. There is evidence that housing conditions, especially overcrowding (distinct from built density), may have exacerbated the pandemic in many cities that suffer from unequal socio-economic conditions.





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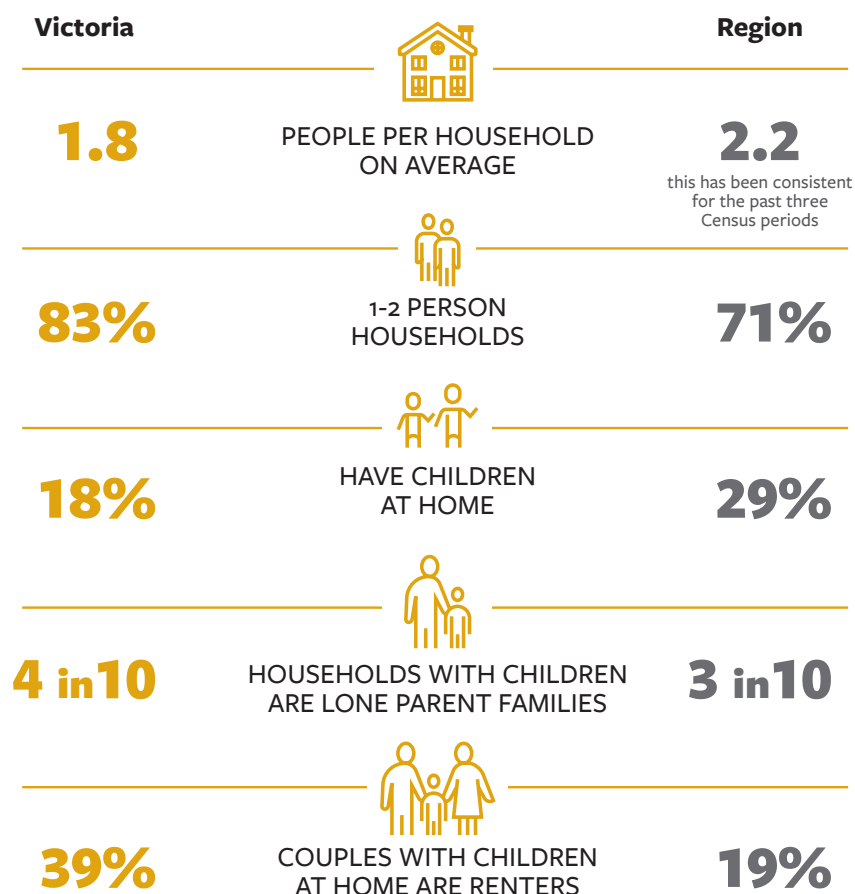
# Who Lives in Victoria Today?

As of 2016, there were 85,792 residents and 45,765 households in Victoria, representing about 22% of the greater region's population. The city contains the region's downtown and largest employment centre as well: almost 40,000 people commute into Victoria each day for work (and about 15,000 commute out to other parts of the region).

In 2016, 9% of Victoria's population had moved to the city in the previous year. Of those new residents, 48% came from elsewhere in BC, 32% from another province, and 20% from outside of Canada.

## Household Statistics

The size and make-up of Victoria households are quite different than the rest of the region today, illustrating differing housing needs. **Notably, roughly 60% of Victoria households rent (compared to 34% regionally).**

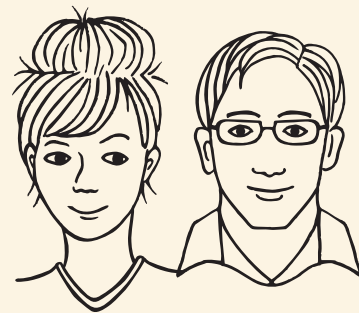


*all based on 2016 Census*

# Meet April & Diego

We were so happy to find a new, high quality rental apartment. If we decide to travel for longer periods for Diego's work, it will be easier to manage a move, but if we decide to start a family, we know the unit is secure and a comfortable size.

April and Diego just moved into a two-bedroom unit in a new rental building in Vic West. The last unit they rented was an older one-bedroom condo owned by a friend who was out of town on a temporary contract. They like that their new home provides more security and space, while still offering the flexibility of renting. April can commute downtown to her job at a local daycare by foot and uses the bus from time to time, but Diego's work in the film industry takes him all over the South Island, requiring them to own a car.



## ANNUAL GROSS INCOME

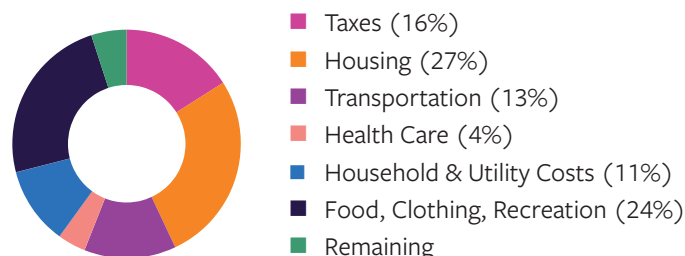
**\$93,400**

**Victoria Median \$81,224**

Victoria median income for a couple without kids or relatives at home in 2015; the regional median was \$86,885.

## MONTHLY INCOME & AVERAGE EXPENSES

Gross Income	\$7,783
Taxes	-\$1,209
Net (after tax and benefits)	\$6,574
Housing (rent)	-\$2,096
Transportation	-\$974
Health Care	-\$283
Household and Utility Costs	-\$862
Food, Clothing, Recreation, Misc.	-\$1,849
Monthly Surplus	\$510



## HOUSEHOLD PROFILE

### COULD THIS BE YOUR NEIGHBOUR?



#### COUPLE WITH NO KIDS

25% of Victoria households are couples with no kids



#### RENT A NEW APARTMENT

60% of Victorians are renters; 64% of couples without children live in an apartment building



#### OWNS ONE CAR AND WALKS

58% of Victoria households own one car; 41% of all trips are by walking



#### ABOVE MODERATE INCOME

16% of Victoria households earn between \$85,000 and \$125,000 annually



#### EARLY CHILDHOOD EDUCATOR AND SUPPORT WORKER FOR A MOTION PICTURE STUDIO

9% of Victorians are in the Educational Services Industry; 3% of Victorians are in the Arts, Entertainment and Recreation Industry

Expenses are averages based on income quintile and would range by household; they are illustrated as share of gross income plus benefits in the pie chart. Profiles assume deficit would be covered through reduction in discretionary expenses or borrowings.



## Income Statistics







Victoria has lower median incomes than the region as a whole and fewer households in higher income brackets (though Victoria incomes have grown somewhat faster than the region).

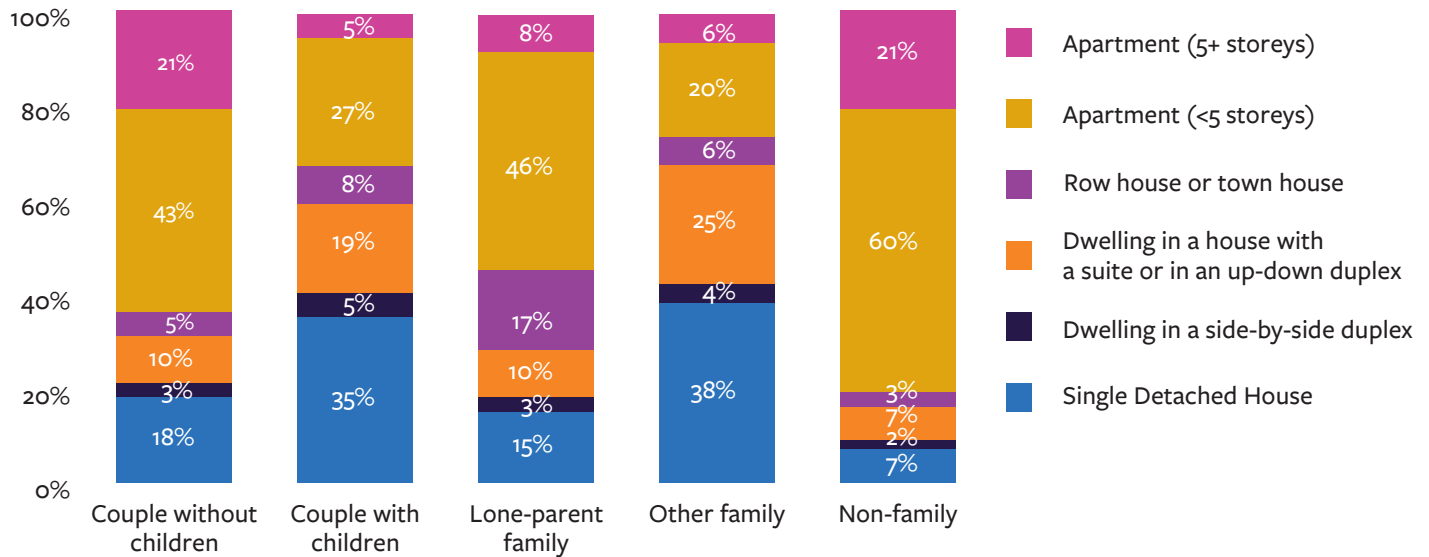
Lower incomes are disproportionately associated with some populations. Female lone parent households and individuals living alone generally have lower median household incomes. Renter households also have much lower median incomes.

- \$52,990 was the median income of Victorians (\$16,652 lower than the regional median of \$69,642)
- The median renter household makes just over half of that of the median owner household
- 3,576 households, or 12.9% of renter households, reported that they live in subsidized housing or receive a rent supplement.

*all based on 2016 Census*

## Housing Type Statistics

Home type (2016)	Victoria, #	Victoria, %	CRD, %
 Single-detached house	6,545	14%	42%
 Dwelling in a single-detached house with a suite, or in an up-down duplex	4,490	10%	15%
 Dwelling in a side-by-side duplex	1,140	2%	4%
 Row house or townhouse	2,260	5%	6%
 Apartment or condo (less than 5 storeys)	23,035	50%	26%
 Apartment or condo (5+ storeys)	8,195	18%	6%
Other, including mobile dwelling	95	0%	1%

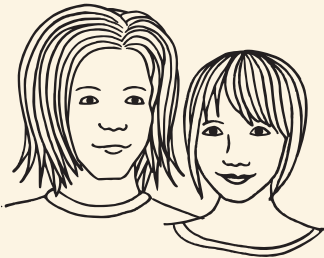


- **Among owner households, less than half (43%) live in detached houses** (with or without suites), 9% in row houses or side-by-side duplexes, 34% in condo buildings.
- **The majority of renter households live in apartments buildings** (81%); 8% live in houses with suites (whether in the main house or suite), 7% in rowhouses or side-by-side duplexes and 4% in single-detached houses.
- **Just over half (54%) of couples with children live in single-detached houses** with or without suites; 13% in townhouses or side by side duplexes; and 32% in multi-family buildings.
- **Among lone-parent families, 25% live in houses or suites**, 20% in townhouses or side-by-side duplexes, 46% in apartments less than 5 storeys.
- **Most (75%) dwellings have 1 or 2-bedrooms**; only 1.2% of rental housing units have 3 or more bedrooms. This suggests that most renters who need larger homes look to the secondary market (renting houses, suites, townhouses or condos from individual owners).

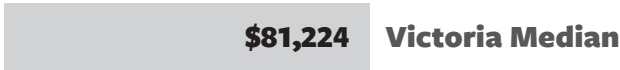
# Meet Jaime & Maureen

We've wanted to buy a home for years, but a condo just wasn't right for our lifestyle - we love gardening and woodworking. After years of searching, we were so happy to finally find a place that meets our needs.

Jaime and Maureen, a librarian downtown, recently bought their first home together, an older two-bedroom townhouse in James Bay that has some community amenity space. Over the years they managed to independently save for 10% down (an amount that requires them to have mortgage insurance, increasing their monthly housing costs). They own a pick-up truck, which is among the most expensive vehicles to own in BC but is required for Jaime's work as a carpenter.



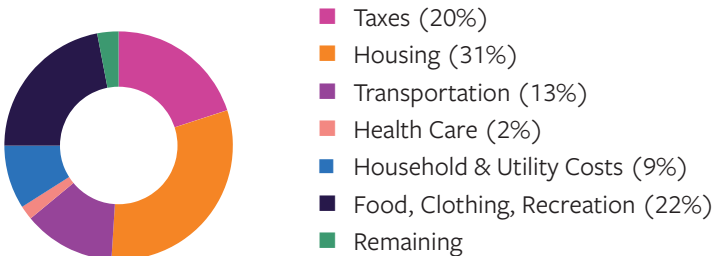
## ANNUAL GROSS INCOME



Victoria median income for a couple without kids or relatives at home in 2015; the regional median was \$86,885.

## MONTHLY INCOME & AVERAGE EXPENSES

Gross Income	\$11,633
Taxes	-\$2,278
Net (after tax and benefits)	\$9,355
Housing (mortgage, strata fees, taxes)	-\$3,643
Transportation	-\$1,462
Health Care	-\$285
Household and Utility Costs	-\$1,020
Food, Clothing, Recreation, Misc.	-\$2,565
Monthly Surplus	\$380



## HOUSEHOLD PROFILE

### COULD THIS BE YOUR NEIGHBOUR?



#### COUPLE WITH NO KIDS

25% of Victoria households are couples with no kids



#### OWNS A TOWNHOUSE

40% of Victorians are homeowners; 5% of dwellings are row or townhouses



#### OWNS ONE CAR AND USES TRANSIT

58% of Victoria households own one car; 7% of trips are by transit



#### ABOVE MODERATE INCOME

13% of Victoria households earn more than \$125,000 annually



#### JOURNEYMAN CARPENTER AND COLLECTIONS LIBRARIAN

5% of Victorians are in the Construction industry; 3% of Victorians are in the Information and Cultural Services Industry

Expenses are averages based on income quintile and would range by household; they are illustrated as share of gross income plus benefits in the pie chart. Profiles assume deficit would be covered through reduction in discretionary expenses or borrowings.





# Catching Up Housing Needs Today

Several indicators point to a housing market that is under pressure and lacks a diverse supply. Planning for housing is often focused on the future, but we recognize we have some catching up to do today.

If we look exclusively at housing in the market (housing that is not subsidized), the supply in Victoria does not yet meet the demand of people living here today. This outstanding need for housing in today's market is sometimes referred to as *latent demand*.

Latent demand can be difficult to estimate as demand is shaped by factors that can be hard to measure accurately. As a start, a 2020 study provides estimates about latent demand, based on 5 factors with reliable data.



**Fewer adults are forming their own households.** Household headship rates in Victoria are dropping - there are more adults living in a single household than is historically typical - pointing to a lack of suitable housing. The drop is most notable for those aged 35-44, the age at which people are more likely to be forming families or trying to enter homeownership. Around 1,400 dwelling units would have been required in 2016 to meet historically average headship rates.



**Many families in Victoria live in homes that are not suitable for their size.** Suitable housing requires there to be enough bedrooms for the size and make-up of the household. In 2016, over 2,300 households indicated they were living in housing that is too small or lacks enough bedrooms.



**The rental market is tight.** Rental vacancy rates are well below the 3-5% rate that housing experts consider balanced. Vacancy rates in the primary rental market were only at 0.5% in 2016, putting renters at a disadvantage. This represents a gap of between 800 and 1,500 rental units.



**Job vacancies** may also point to a lack of housing for workers. As of 2016, an estimated 1,200 households would need to locate to Victoria to bring the job vacancies to a healthy rate in the city.



**Many people are unhoused in our region.** As of 2020, the Capital Regional District identified over 1,300 people experiencing homelessness in the Greater Victoria Region, including over 300 living outdoors. Of those, 93% would like to move to permanent housing.

*based on 2016 figures*

Combined, these indicators illustrate that as of 2016, there was a gap of between 4,500 and 6,300 housing units or more in Victoria's market. This figure is based on just a few key indicators and is likely a conservative estimate of how much catching-up is needed. The housing market is complex and demand fluctuates with supply – even if 7,000 units were added to the market today, we'd likely still feel some of the same pressures.

These estimates of latent demand do not specify how many affordable (non-market) homes need to be created to meet the needs of households who are currently cost-burdened (spending more than 30% of their income on housing). They also do not specify how many units with 2 or 3 bedrooms may be needed to meet the needs of households who are overcrowded. However, they do illustrate that a diversity of new supply in type, tenure, and affordability is required to ease the pressures in the market.

The City of Victoria targets for housing development across the spectrum are set in the *Victoria Housing Strategy*. **Currently, 1 in 5 Victoria households are in Core Housing need:** living in housing that is too expensive for their income, too crowded for their household, or in poor repair.





# Meet Mariel

The building I live in isn't in the best shape, but it is affordable and close to the bus that takes me to work and to see my grandchildren.

Mariel rents an older one-bedroom apartment in the Burnside neighbourhood. It is the most affordable rental she could find close to her family and her work. She recently reduced her hours as a part time housekeeper to help care for her grandchildren. She hopes to retire soon but is worried about her future income. As a senior, she qualifies for rent assistance but still must cut back on expenses and often relies on her family to make ends meet at the end of the month.



## ANNUAL GROSS INCOME

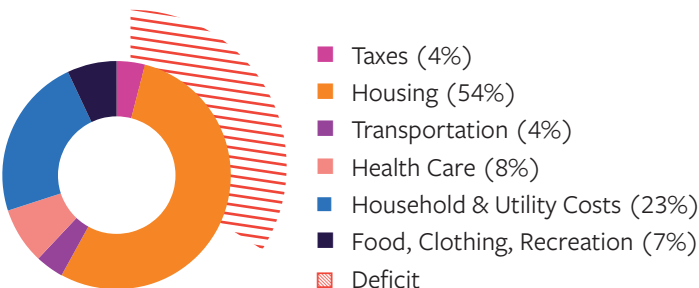
**\$19,250**

**Victoria Median \$35,299**

Victoria Median income for a single person household in 2015; the regional median was \$37,429.

## MONTHLY INCOME & AVERAGE EXPENSES

Gross Income	\$1,604
Rent Assistance (Shelter Aid for Elderly Renters)	\$419
Taxes	-\$90
Net (after tax and benefits)	\$1,933
Housing (rent)	-\$1,100
Transportation	-\$85
Health Care	-\$151
Household and Utility Costs	-\$464
Food, Clothing, Recreation, Misc.	-\$811
Potential Monthly Deficit	-\$678



Expenses are averages based on income quintile and would range by household; they are illustrated as share of gross income plus benefits in the pie chart. Profiles assume deficit would be covered through reduction in discretionary expenses or borrowings.

## HOUSEHOLD PROFILE

### COULD THIS BE YOUR NEIGHBOUR?



#### SINGLE PERSON

48% of Victoria households are single persons



#### RENTS AN OLDER APARTMENT

60% of Victorians are renters; 13% of renter households report living in subsidized housing; 30% of renter dwellings are in need of repairs



#### USES PUBLIC TRANSIT

20% of Victoria households don't own a car; 7% of trips are by transit



#### VERY LOW INCOME

16% of Victoria households earn less than \$19,999 annually



#### PART-TIME HOUSEKEEPER

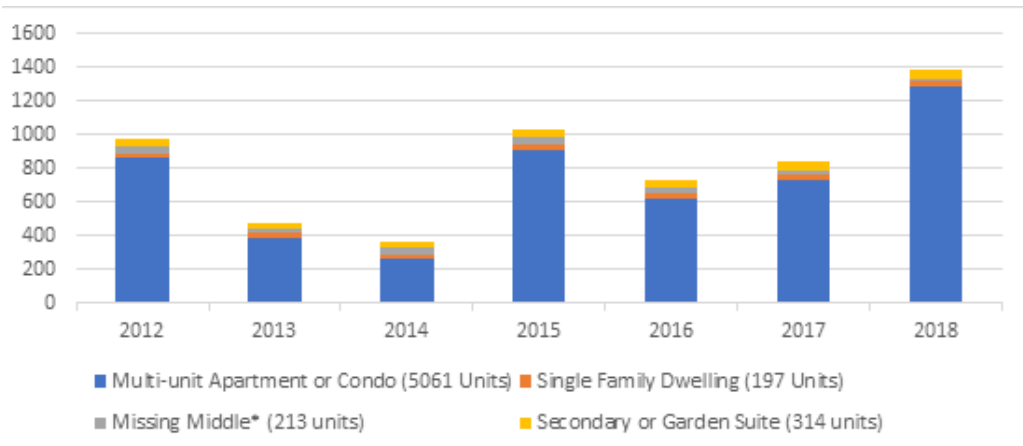
12% of Victorians are in the Accommodation and Food Service industry



# Housing Trends in Victoria

## Development Trends: Housing Type

Homes take many different forms, from detached houses with or without suites, to various lower scale “missing middle” housing, to apartments and condos. As a centrally located, built-out city, most of Victoria’s new housing is in the form of multi-unit buildings.



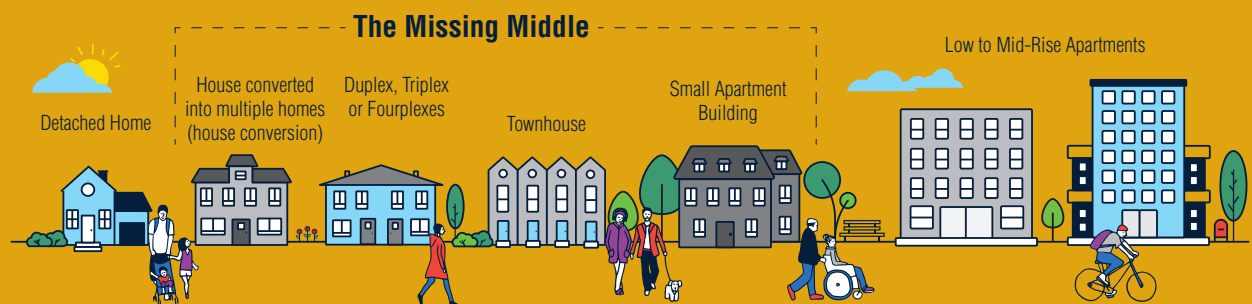
for this graph, “Missing Middle” is being defined as townhouse, four-plex, triplex or duplex dwellings.

## WHAT IS MISSING MIDDLE HOUSING?

Missing Middle housing refers to housing types like townhouses and houseplexes or small apartment buildings that fill the gap between a single detached house and a mid-rise apartment building. These housing types are important to meet the needs of families, working professionals, and seniors looking for a choice other than a downtown high-rise condo or a single-family home.

The City of Victoria’s Missing Middle Housing Initiative seeks to create more housing choice throughout the city by making it easier to build these diverse ground-oriented housing types that fit well within neighbourhoods and support citywide liveability and sustainability goals.

To learn more visit the Missing Middle Initiative page at [engage.victoria.ca/missing-middle-housing](https://engage.victoria.ca/missing-middle-housing).

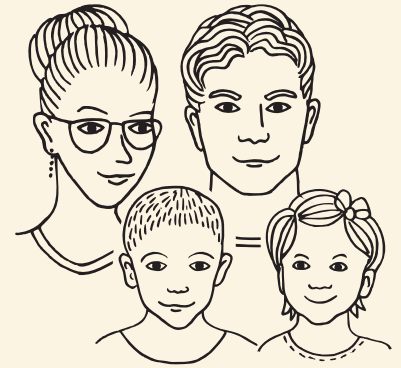




# Meet Sara & Ravi

We've outgrown our space and are hoping to move to a bigger place soon. The older apartment we rent now allows us to save for a down payment.

Sara and Ravi rent an older two-bedroom apartment in Fernwood. Ravi is a supervisor at a furniture store and Sara is a college instructor. They have two kids in full time daycare. They'd like to get into the housing market and want something with a bit more space. They look forward to shedding daycare expenses and plan to sell their second car and join a carshare program so they can afford something in the neighbourhood they love. Still, the amount needed for a house in the area feels out of reach and there aren't many suitable alternatives.



## ANNUAL GROSS INCOME

**\$115,000**

**Victoria Median \$103,303**

*Median income for a couple with children (avg size 3.7 people) in 2015; the regional median was \$117,510.*

## MONTHLY INCOME & AVERAGE EXPENSES

Gross Income	\$9,583
Child Benefit	\$768
Taxes	-\$1,732
Net (after tax and benefits)	\$8,619
Housing (rent)	-\$1,544
Transportation	-\$1,810
Health Care	-\$283
Household and Utility Costs	-\$862
Food, Clothing, Recreation, Misc.	-\$1,849
Monthly Surplus	\$671



- Taxes (17%)
- Housing (15%)
- Transportation (17%)
- Child Care (15%)
- Health Care (3%)
- Household & Utility Costs (8%)
- Food, Clothing, Recreation (18%)
- Remaining

## HOUSEHOLD PROFILE

### COULD THIS BE YOUR NEIGHBOUR?



#### FAMILY OF FOUR

18% of Victoria households are couples with kids



#### RENT AN OLDER APARTMENT

60% of Victorians are renters; 32% of couples with kids live in apartment buildings



#### OWN TWO CARS

18% of Victoria households own 2 cars; 34% of trips are by drivers



#### ABOVE MODERATE INCOME

16% of Victoria households earn between \$85,000 and \$124,999 annually



#### RETAIL SUPERVISOR AND COLLEGE INSTRUCTOR

12% of Victorians are in the Retail Trade Industry; 9% of Victorians are in the Educational Services Industry

*Expenses are averages based on income quintile and would range by household; they are illustrated as share of gross income plus benefits in the pie chart. Profiles assume deficit would be covered through reduction in discretionary expenses or borrowings.*

## Development Trends: Housing Tenure

### Rental Housing

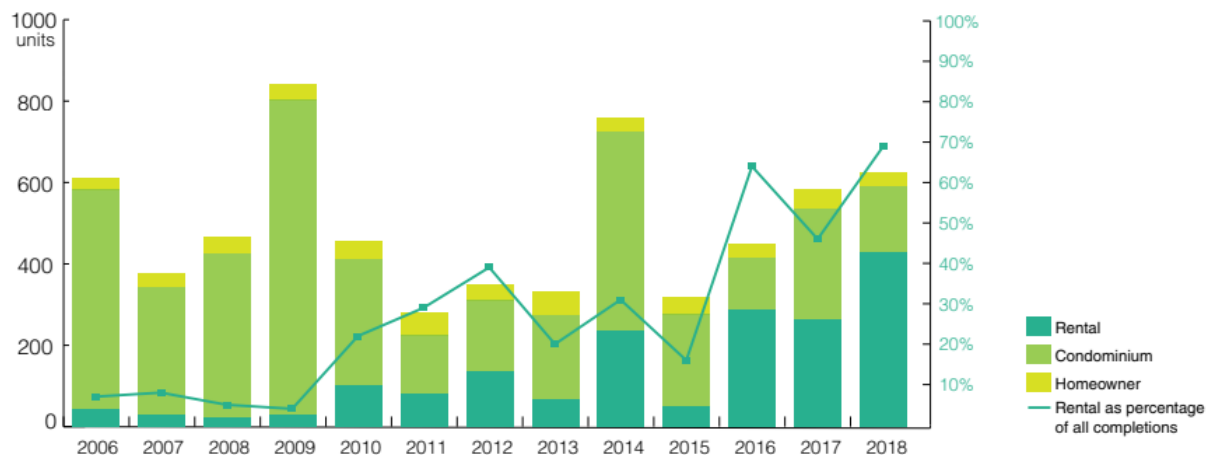
**Victoria's rental vacancy rate has been well below 3-5% - the minimum that is considered a balanced rate - for years.** This low vacancy rate limits choice for renters and puts upward pressure on rents.

**Victoria has a limited stock of rental housing, and the stock that exists is aging.** There are approximately 700 purpose-built rental buildings with nearly 17,000 units (this inventory excludes secondary suites, triplexes and rented condominiums). Over 78% of these buildings were built in the 1960s and 1970s, and 97% were built before 2000.

**The city's primary rental stock also lacks diversity.** In 2019, 58% of primary rental units were 1 bedroom and only 1.2% had 3 or more bedrooms. While the share of new housing that is intended as rental has grown in recent years, it continues to lack diversity. Between 2005 and 2019, Victoria added 1,030 primary rental units, which represents a 6.4% increase. However, the largest shares of that increase were 2-bedroom and Bachelor units (rising by 8% each) while the total number of units with 3 or more bedrooms *decreased* by 2%.

### Housing Completions by Intended Market, City of Victoria

Source: CMHC Starts and Completions Survey



## SECURED RENTAL HOUSING

Rental housing is typically viewed in two categories:

- The **Primary Rental Market** includes “purpose-built” rental apartment buildings that provide greater protections to tenants by offering a more secure tenure. These buildings may or may not be dedicated for exclusive rental use into the future.
- The **Secondary Rental Market** includes individual dwellings – condos, suites, or entire houses – that are rented by private owners. While subject to the BC Tenancy Act, renters have less security: they may be evicted when the current or a future owner, or their family, chooses to live in the dwelling.

To learn more, read the *Victoria Housing Strategy*.



## Housing Ownership

The price to own a home in Victoria has increased dramatically since 2004. It took 10 years (2005-2015) for the benchmark price of home to increase by 50%, and then only 5 years (2015-2020) for another 50% increase in price. The increase in price of single detached homes (growing by 111%) has outpaced other forms, such as condos (80%) or townhouses (81%).

The City of Victoria’s *Housing Needs Report* (2020) includes an analysis of the gap between shelter costs and the household incomes of homeowners. The analysis provides insight into whether households are spending an unaffordable amount of monthly income on shelter costs. Affordability is defined as spending less than 30% of gross household income on shelter costs.



# Meet Angela

We love our neighbourhood - my son has friends here. I know and I trust our community. But my landlord is considering selling the house and I worry that we won't find an affordable alternative nearby.



Angela rents a two-bedroom basement suite with her young son in North Park. As a single parent she appreciates the low cost and low maintenance of renting, but since she is in the secondary market, she worries about eviction. She enjoys the short walk to her government job as an administrative assistant downtown, but pays for the cost of a small car so she and her son can explore the island on weekends and must cut back on other expenses each month to avoid a potential deficit.

## ANNUAL GROSS INCOME

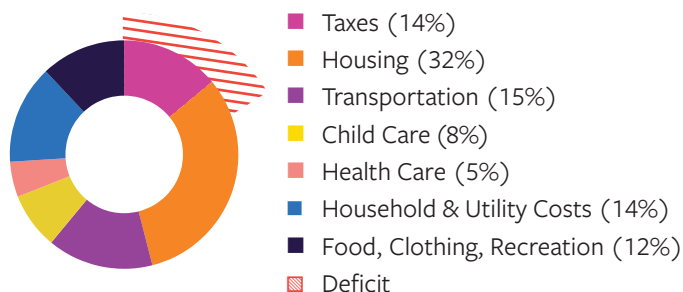
**\$47,200**

**Victoria Median \$47,781**

Median income for a lone parent household (avg size 2.4 people); the regional median was \$54,039.

## MONTHLY INCOME & AVERAGE EXPENSES

Gross Income	\$3,933
Child Benefit	\$563
Taxes	-\$607
Net (after tax and benefits)	\$3,889
Housing (rent)	-\$1,428
Transportation	-\$689
Child Care	-\$375
Health Care	-\$242
Household and Utility Costs	-\$623
Food, Clothing, Recreation, Misc.	-\$1,162
<b>Potential Monthly Deficit</b>	<b>-\$630</b>



Expenses are averages based on income quintile and would range by household; they are illustrated as share of gross income plus benefits in the pie chart. Profiles assume deficit would be covered through reduction in discretionary expenses or borrowings.

## HOUSEHOLD PROFILE

### COULD THIS BE YOUR NEIGHBOUR?



#### SINGLE PARENT WITH ONE CHILD

6% of Victoria households are lone parent families; 40% of families with kids at home have just one parent



#### RENTS A SECONDARY SUITE

60% of Victorians are renters; 40% of renters are estimated to be in the secondary market



#### WALKS TO WORK AND SCHOOL BUT OWNS A CAR

58% of Victoria households own one car; 41% of trips are by walking



#### MEDIAN INCOME

20% of Victoria households earn between \$35,000 and \$54,999 annually



#### ADMINISTRATIVE ASSISTANT

11% of Victorians are in the Public Administration Industry

## Homeowner Affordability Gap Analysis, 2019 (Victoria Housing Needs Report)

### MONTHLY SHELTER AFFORDABILITY GAP\*\*\*

	Median Household Income (2019)**	Affordable Monthly Shelter Costs	Single Family Home \$939,066	Townhouse \$683,849	Apartment \$501,352
Couples without children	\$141,451	\$3,536	-\$952	-\$96	\$922
Couples with children	\$175,739	\$4,393	-\$94	\$761	\$1,779
Lone parent families	\$80,287	\$2,007	-\$2,481	-\$1,625	-\$607
Non-census families	\$65,924	\$1,648	-\$2,840	-\$1,984	-\$966
Other census families*	\$190,330	\$4,758	\$270	\$1,126	\$1,126

Amount of monthly income household is spending on shelter costs: ■ = less than 30% ■ = 30 - 49% ■ = 50% or more

Single detached homes are unaffordable, to some degree, to most median-income households. Townhouses could be affordable for couples with children and other census families. Apartments could be an affordable option for couples without children. Apartments could also be an affordable option for couples with children and other census families, but there may be limited stock of units with enough bedrooms to be suitable for these household types.

Homeownership is likely out of reach for single-income households like median-income lone-parent and noncensus families; these household types would need to spend 50% or more of their monthly income to be able to afford a single family home or townhouse, and between 30 and 50% to afford an apartment.

\*Other census families can include multi-generational or alternative family living arrangements that result in multiple incomes for the household.

\*\*Median income of owner households based on household composition.

\*\*\*Housing cost based on 2019 Benchmark Prices from Victoria Real Estate Board.

## SNAPSHOT: DIVERSITY OF HOME PRICES (2019)

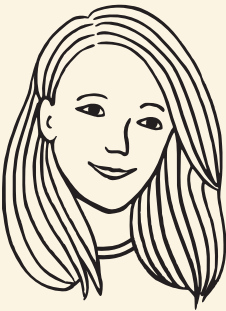
While the gap analysis illustrates significant gaps based on average sales prices in 2019, it does not account for any differences in the age or size of homes. Home prices can vary significantly by type of home, location, size, quality and other features such as views. Prices reflect demand in today's marketplace, as well as land, construction and soft costs that determine what type of housing is viable to build. Prices may also account for potential income from a suite. The vast majority of home sales (90% of condos, 95% of townhouses and 96% of detached houses) are resales.

	Median price (2019)	Median size (sq. ft.)	Median price per sq. ft.
<b>Condominium (resale)</b>			
Bachelor	\$324,500	401 sq. ft.	\$809
1 Bedroom	\$390,000	632 sq. ft.	\$617
2 Bedroom	\$496,900	1,022 sq. ft.	\$486
3+ Bedroom	\$630,000	1,038 sq. ft.	\$607
<b>Condominium (new)</b>			
Bachelor	\$297,500	388 sq. ft.	\$767
1 Bedroom	\$449,100	549 sq. ft.	\$818
2 Bedroom	\$817,500	1,002 sq. ft.	\$816
3+ Bedroom	\$1,205,000	1,450 sq. ft.	\$831
<b>Townhouse, resale</b>	\$638,000	1,357 sq. ft.	\$470
<b>Townhouse, new</b>	\$910,000	1,733 sq. ft.	\$525
<b>Single-detached house, resale</b>	\$868,000	1,879 sq. ft.	\$462
<b>Single detached house, new</b>	\$1,435,000	2,619 sq. ft.	\$548

# Meet Olivia

I wanted to live closer to the hospital I work at and though I never pictured myself living in a condo, it is much easier to care for than the old house – and I don't miss the commute.

Olivia recently purchased a newer one-bedroom condo in Jubilee. With the equity from selling the small home she bought a few years ago on the West Shore she was able to put 20% down and save for her nearing retirement. Though she uses the bus and walks more now she still prefers her car for commuting at odd hours. As an experienced nurse, Olivia has a higher median income than a typical single person household, but still must be thoughtful about expenses to avoid tapping into savings each month.



## ANNUAL GROSS INCOME

**\$87,900**

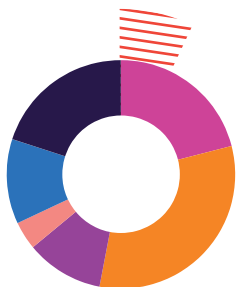
**\$35,299**

**Victoria Median**

Victoria Median income for a single person household in 2015; the regional median was \$37,429.

## MONTHLY INCOME & AVERAGE EXPENSES

Gross Income	\$7,325
Taxes	-\$1,577
Net (after tax and benefits)	\$5,748
Housing (mortgage, strata fees, taxes)	-\$2,344
Transportation	-\$785
Health Care	-\$283
Household and Utility Costs	-\$862
Food, Clothing, Recreation, Misc.	-\$1,849
Potential Monthly Deficit	-\$375



- Taxes (21%)
- Housing (32%)
- Transportation (11%)
- Health Care (4%)
- Household & Utility Costs (12%)
- Food, Clothing, Recreation (20%)
- Deficit

## HOUSEHOLD PROFILE

### COULD THIS BE YOUR NEIGHBOUR?



#### SINGLE PERSON

48% of Victoria households are single persons



#### OWNS A CONDO

40% of Victorians are homeowners; 68% of dwellings are in apartment or condo buildings



#### OWNS A CAR

58% of Victoria households own one car; 41% of trips are by walking



#### ABOVE MODERATE INCOME

16% of Victoria households earn between \$85,000 and \$124,999 annually



#### REGISTERED NURSE

14% of Victorians are in the Health Care and Social Assistance industry

Expenses are averages based on income quintile and would range by household; they are illustrated as share of gross income plus benefits in the pie chart. Profiles assume deficit would be covered through reduction in discretionary expenses or borrowings.



# Keeping Up Victoria's Future Housing Needs

Our housing supply has a lot of catching up to do. Housing statistics, trends, and latent demand estimates help us understand this gap. However, we must also think ahead to ensure we do not fall further behind as the city grows - we have to keep up. Knowing how much and what types of housing we should be building today requires us to understand who might live in the Victoria tomorrow, and 10, 20, or even 50 years from now.

## Using Projections to Plan for Future Housing

Projections show that Victoria and our region are expected to grow by roughly 1% a year, (similar to the Canadian average). Between 2019 and 2038, the Greater Victoria region is projected to grow from 412,000 people to nearly 494,000 people. At the same time, our population is changing as people grow up, form families, move to and from the city, or age in our community.

### UNDERSTANDING POPULATION GROWTH AND CHANGE

#### Why do we estimate population growth?

We make decisions today based on the current and future needs of today's residents and by trying to anticipate the potential future population and their needs. The City is responsible for making decisions related to how land within city limits may be used. Population projections inform these decisions.

#### Projections are just one possible future to help inform decision making.

We can use projections to plan for an anticipated future, but we can also assess projections to determine if that anticipated future is aligned with our shared values and work to adjust our path.

A clear example of using projections to inform a new path forward is illustrated in climate action.

Projections show that if GHG emission trends continue as they have been, we are likely to see extraordinary global warming and climate impacts across all sectors and geographies.

We may use this information to prepare for the negative impacts of climate change. More prudently though, we use it to inform how we can shift our path toward a better future with fewer negative impacts. We embrace new technologies, we choose sustainable transportation modes, and we reduce consumption and waste to curtail global warming.

Similarly, Growth projections are a model of what the future may look like, typically based on trends from the past. Growth projections are a model of one potential future.

Based on recent projections of population change in the Capital Regional District, the City of Victoria commissioned a *Housing Trends and Projections* Report. The Report estimates 111,299 people will be living in Victoria by 2041. This growth results in the formation of a projected **11,278 additional households between 2016 and 2041**. To better understand future housing needs, the study also projects the demographics and composition of future households.

Projections are a description of one possible future. Factors of growth and change, and our response to it, may affect both how our region changes, and how new housing is accommodated.

### Future Households by Age Group

- Victoria's population is aging, and more than half of household growth in the coming decades is estimated to occur among the over-75 age group. The majority of growth in this age group is because we are all getting older.
- While 25-to-34-year-olds will remain the largest single category, however, their total number is projected to decline by 2% in Victoria (compared to a 3% increase for the region).
- The approximate number of children under the age of 15 in Victoria is projected to increase by just 8%, compared to a 17% increase for the region.

Age Group	Population, 2016	Population, 2041	% change, Victoria	% change, CRD
0 to 14 years	8,116	8,740	8%	17%
15 to 24 years	10,220	10,937	7%	13%
25 to 34 years	18,539	18,089	-2%	3%
35 to 44 years	12,090	13,790	14%	24%
45 to 54 years	11,135	13,373	20%	26%
55 to 65 years	12,496	12,710	2%	4%
66 to 75 years	9,978	11,493	15%	15%
75 to 84 years	4,776	11,904	149%	142%
84 years and over	3,318	10,263	209%	198%

# Meet Akira

I hope to find a new job soon so that I can stay in my downtown apartment.  
I know now how difficult it is to live here with low income.

Akira rents an older bachelor apartment Downtown and just finished his undergraduate degree. Now that his university bus pass is expired, he tries to walk or bike most places, including the restaurant he works at, but uses the bus to get to job interviews. He hopes for a car free lifestyle. Without the help of student financial aid he must cut back on discretionary expenses to make rent each month.



## ANNUAL GROSS INCOME

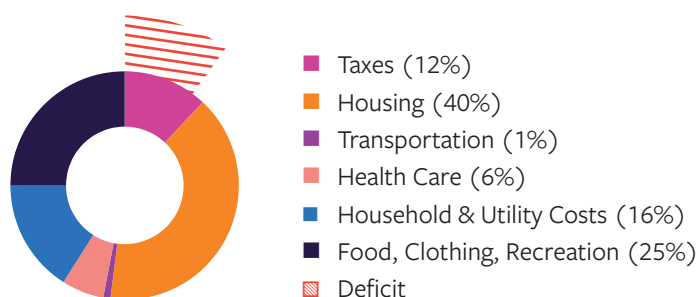
**\$31,200**

**Victoria Median \$35,299**

Median income for a single person household in 2015;  
the regional median was \$37,429.

## MONTHLY INCOME & AVERAGE EXPENSES

Gross Income	\$2,600
Taxes	-\$318
Net (after tax and benefits)	\$2,282
Housing (rent)	-\$1,050
Transportation	-\$23
Health Care	-\$151
Household and Utility Costs	-\$464
Food, Clothing, Recreation, Misc.	-\$811
Potential Monthly Deficit	-\$217



## HOUSEHOLD PROFILE

### COULD THIS BE YOUR NEIGHBOUR?



#### SINGLE PERSON

48% of Victoria households are single persons



#### RENT AN OLDER APARTMENT

60% of Victorians are renters; 68% of dwellings are in apartment or condo buildings



#### WALKS MOST PLACES

20% of Victoria households don't own a car; 41% of trips are by walking



#### LOW INCOME

16% of Victoria households earn between \$20,000 and \$34,999 annually



#### RESTAURANT SERVER

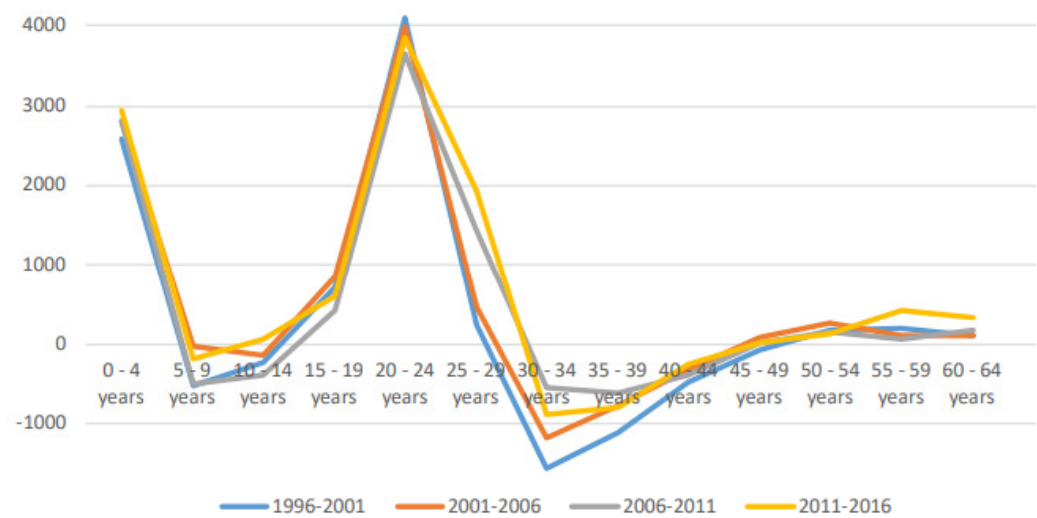
12% of Victorians are in the Accommodation and Food Services Industry

Expenses are averages based on income quintile and would range by household; they are illustrated as share of gross income plus benefits in the pie chart. Profiles assume deficit would be covered through reduction in discretionary expenses or borrowings.

Future Household Composition

There is an ongoing loss of residents during typical family formation years (i.e. those residents in their mid-20s to late 30s), in many cases because they are seeking affordable housing that is suitable for a growing family. Trends like this are likely to influence future household composition.

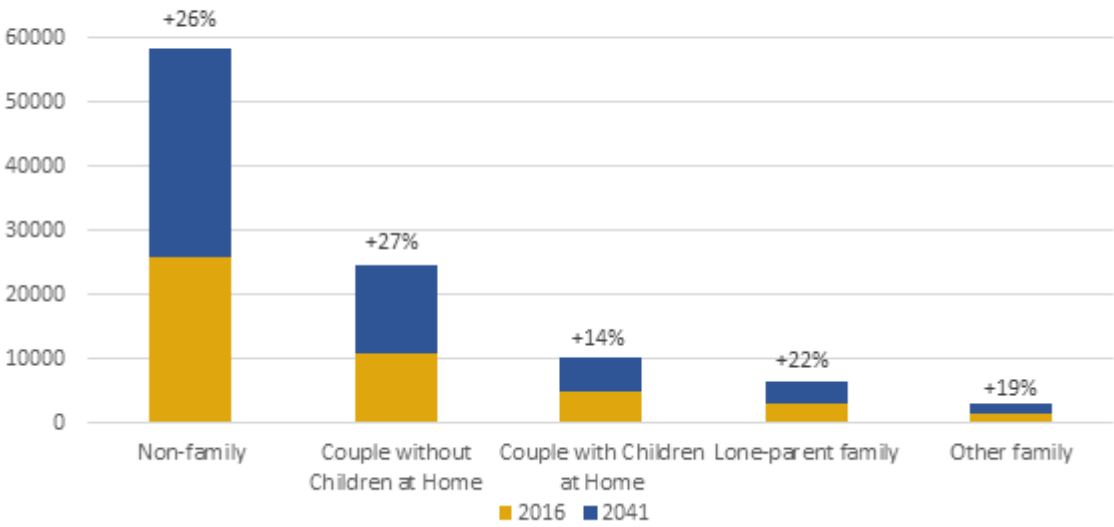
Changes in City of Victoria population by age group



Residents tend to leave Victoria in their family forming years

Growth in the share of senior-led households could also lead to changes in household composition. Seniors tend to be more likely to live alone or only with a partner, and so, if trends continue, much of the household growth will be singles, or couples living without children.

Projected Change in Household Composition (2016-2041)





# Meet Alex & Sofia

As a single-income family, our budget is tight. With support from Sofia's family we were able to buy a home that will be comfortable for three generations under one roof.



Sofia and Alex just bought a duplex in Quadra Village together with Sofia's mother who helps with childcare. With the support of Sofia's mother, the multi-generational family was able to provide a down payment of nearly 40% and carry a smaller mortgage. They hope to renovate to make the home more accessible for Sofia's mother as she ages. Alex is a firefighter and with one primary income, it can be difficult to balance their monthly budget, but the small pension that Sofia's mother collects helps to cover discretionary expenses.

## ANNUAL GROSS INCOME

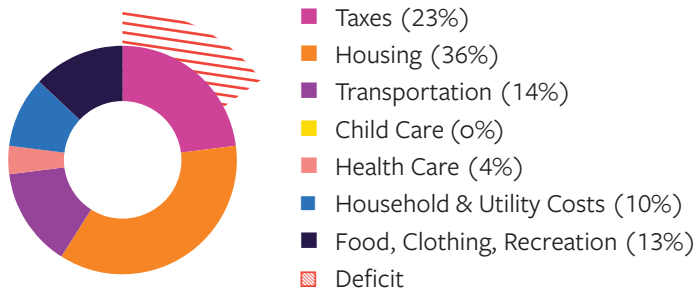
**\$84,600**

**Victoria Median \$103,303**

Median income for a couple with children (avg size 3.7 people) in 2015; the regional median was \$117,510.

## MONTHLY INCOME & AVERAGE EXPENSES

Gross Income	\$6,019
Child Benefit	\$461
Taxes	-\$1,492
Net (after tax and benefits)	\$4,988
Housing (mortgage, strata fees, taxes)	-\$2,343
Transportation	-\$902
Child Care	\$0
Health Care	-\$257
Household and Utility Costs	-\$648
Food, Clothing, Recreation, Misc.	-\$1,569
Potential Monthly Deficit	-\$731



Expenses are averages based on income quintile and would range by household; they are illustrated as share of gross income plus benefits in the pie chart. Profiles assume deficit would be covered through reduction in discretionary expenses or borrowings.

## HOUSEHOLD PROFILE

### COULD THIS BE YOUR NEIGHBOUR?



#### MULTI-GENERATIONAL FAMILY

18% of Victoria households are couples with kids; 18% of Victoria households are multigenerational



#### OWNS A DUPLEX

40% of Victorians are homeowners; 5% of families with children live in a semi-detached house



#### OWNS ONE CAR AND WALKS

58% of Victoria households own one car; 41% of trips are by walking



#### MODERATE INCOME

18% of Victoria households earn between \$55,000 and \$84,999 annually



#### FIREFIGHTER AND HOMEMAKER

11% of Victorians are in the Public Administration Industry

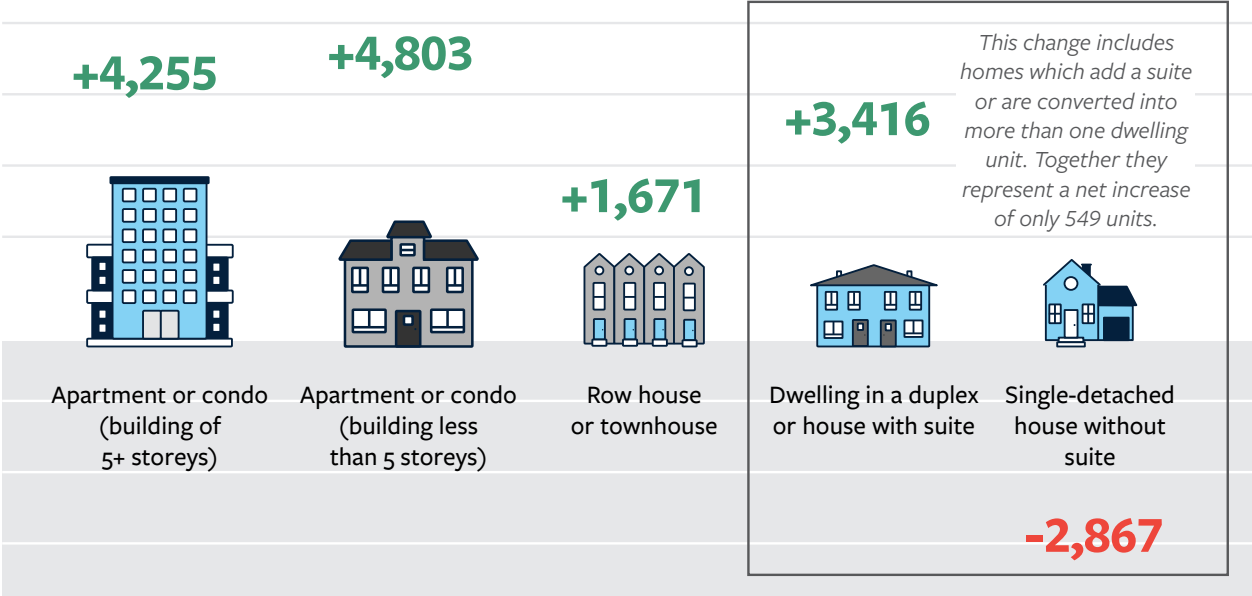
## Demographic Trends Reflect Housing Forms

Past trends in population growth and household formation are reflective of Victoria's housing types. For decades, most new dwelling units have been apartments or flats. As of 2016, 75% of dwellings in Victoria were 1-and 2-bedroom units.

- Victoria, compared the region, has **a greater share of residents age 75 plus and a smaller share of youth under 20**. These households, often singles or couples without kids, reflect the city's high share of apartment housing.
- Though the city's population is generally aging, there is **a notable retention of young adults (aged 20-30)** representing the post secondary and young urbanite population which also reflects the large number of apartments in the city's housing stock.
- **A sizable proportion of families with children in the city – 39% – are single-parent families**. This may reflect that single-parent families tend to have lower incomes, and fewer children, than coupled families, and may have a preference for apartment living.

In the future, new dwellings would likely continue to reflect the projected demographics of the city with more apartments and fewer single detached homes. In many ways, these business-as-usual housing projections are intuitive: Victoria is built-out and accommodating new housing means lower density units will have to make way for other forms.

Projected change in housing types, 2016-2041, if trends continue



If housing trends continue, it would entrench the pattern of many new families feeling unable to stay in Victoria and an increasing proportion of seniors. However, there are **potential drawbacks** to following this path into the future.

- **Commuting, climate change, and quality of life.** The 25 to 35 year olds who are leaving the city are in their prime working years. Since Victoria is the capital city, the region's downtown, and a tourist destination, many jobs will stay here even if there is not housing that is suitable for those workers, which means they will be more likely to commute, impacting climate action targets and quality of life.
- **Difficulty finding workers.** New businesses may find it difficult to find workers, or may even choose not to locate in the city, if it is perceived that there is not quality housing to attract and retain a quality workforce, which could result in a less diversified local economy.
- **Lack of services.** As Victoria's population ages, more services will be required, such as doctors, nurses, and caretakers. It is important that these people be able to find suitable, affordable housing, ideally closer to work.
- **Loss of arts, culture, and innovation.** Affordable housing and rental accommodation is crucial to fostering a vibrant arts community where residents have disposable income to participate in arts and culture.

# Meet Charlie & Taylor

We feel so lucky to have been able to buy a house with a big yard for our dogs. We love our tenants and feel bad that we may have to take over the suite once we start a family



Taylor and Charlie, a physiotherapist and a computer programmer, recently sold their condo and purchased a home with a suite in Oaklands. With the equity from the sale they were able to put 20% down. They rent out the basement suite now which provides extra income. While they keep one car for travel purposes, they cycle for most of their daily trips.

## ANNUAL GROSS INCOME

**\$156,800**

**\$81,224** **Victoria Median**

Victoria median income for a couple without kids or relatives at home in 2015; the regional median was \$86,885.

## MONTHLY INCOME & AVERAGE EXPENSES

Gross Income	\$13,067
Rental Suite Income	\$1,200
Taxes	-\$3,035
Net (after tax and benefits)	\$11,232
Housing (mortgage, taxes)	-\$4,288
Transportation	-\$1,197
Health Care	-\$285
Household and Utility Costs	-\$1,220
Food, Clothing, Recreation, Misc.	-\$2,565
Monthly Surplus	\$1,677



- Taxes (21%)
- Housing (30%)
- Transportation (8%)
- Health Care (2%)
- Household & Utility Costs (9%)
- Food, Clothing, Recreation (18%)
- Remaining

## HOUSEHOLD PROFILE

### COULD THIS BE YOUR NEIGHBOUR?



#### COUPLE WITH NO KIDS

25% of Victoria households are couples with no kids



#### OWNS A HOUSE WITH A SUITE

40% of Victorians are homeowners; 18% of couples without children live in a single family house



#### CYCLE TO WORK BUT OWN A CAR

58% of Victoria households own one car; 9% of trips are by cycling



#### ABOVE MODERATE INCOME

13% of Victoria households earn more than \$125,000 annually



#### PHYSIOTHERAPIST AND COMPUTER PROGRAMMER

14% of Victorians are in the Health Care and Social Assistance Industry; 10% of Victorians are in the Professional, Scientific and Technical Services Industry

Expenses are averages based on income quintile and would range by household; they are illustrated as share of gross income plus benefits in the pie chart. Profiles assume deficit would be covered through reduction in discretionary expenses or borrowings.



## Planning for a Different Path

Housing can shape the future of our city. We can influence demand through the supply we choose to permit, the type of local economy we enable, and the public amenities and infrastructure we build. There is an interdependent relationship between the types of dwelling units that are added, the demographics of the population, and the types of households that form.

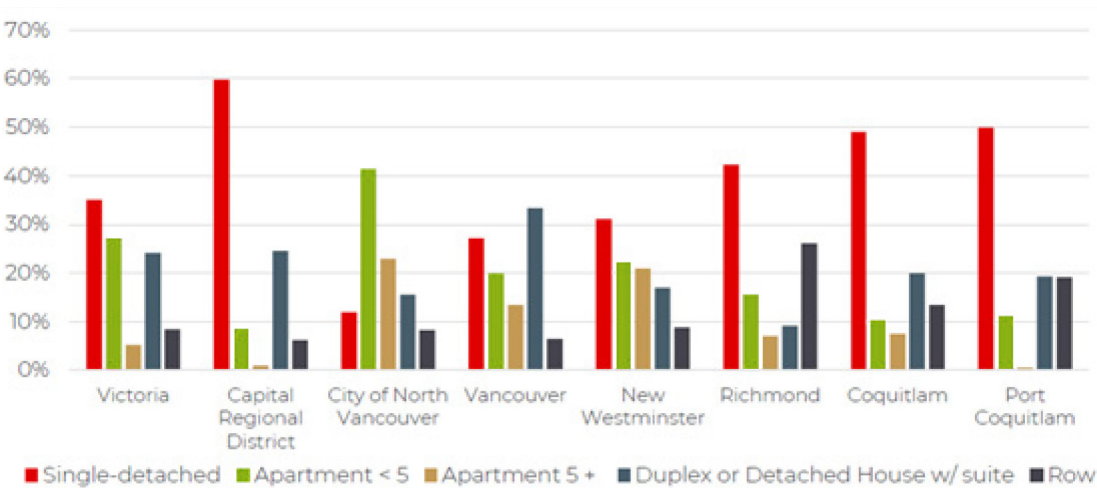
### Family Housing Comparisons

Cities across British Columbia are growing and densifying, and there is increasing attention being paid to family-friendly housing types. The *Housing Trends and Projections Report* compares select municipalities that are comparable, in various ways, to Victoria, either now or in the future.

While families with children tend to live in single-detached homes in many cities, other housing types provide an alternative option. Apartments, row houses and duplexes are an increasingly common choice for families when suitable options are available, particularly in cities that are built out and growing. Indeed, in Victoria, 40% of families with children at home, and more than 70% of lone-parent families, live in an apartment or townhouse.

Many cities have lower proportions of families living in single-detached homes, and higher shares of families living in row houses than Victoria. In the City of North Vancouver, for example, the majority of families with children live in apartment buildings. Though single-detached homes still dominate much of Richmond, Coquitlam, and Port Coquitlam's urban landscapes, notably high shares of families with children live in row houses, indicating that 'missing middle' housing forms can be attractive to families.

### Dwelling Types for Households with Children



Source: Derived from Statistics Canada Census Program, BC Stats custom Population Projections

## Aligning with Shifting Mobility Preferences

In Victoria, many households are within walking distance of a variety of services, amenities, and transit routes, and the city has an expanding AAA bike network. As owning a vehicle can cost more than \$700 a month, more and more people are choosing to own fewer cars, or no car at all if there are viable transportation alternatives. Victoria ties Montreal for having the highest proportion of people who walk, bicycle or use transit in Canada.

With these diverse transportation options available and the high cost of vehicle ownership, 20% of Victoria's households do not own a car at all, and 58% own just one car (compared to the regional average of 10% and 46% respectively). Car ownership is also directly linked to housing affordability – building underground parking can cost \$60,000 to \$80,000 per space, which drives up the price of a home.

Future housing can be located and designed to be more affordable for the growing desires among many to live a car-free lifestyle.

## Choosing the Right Supply

We have to make room for anticipated growth in the city. We must also ensure that we can meet the commitments we've made to our neighbouring municipalities for a sustainable region. However, we can encourage and enable housing that is affordable and suitable to a diversity of households in a way that enriches our city by:

- Encouraging **more secured rental housing** - apartments that are built and operated expressly for providing long- term rental accommodation. Greater housing security for tenants (compared to secondary rental options, such as condominiums or suites which may or may not be rented from one year to the next) allows people with diverse incomes and lifestyles to stay in the city.
- Enabling **more diverse housing supply throughout the city**, including condos and stratified ground-oriented housing in neighbourhoods and near urban villages which provide an opportunity for people to enter the market with a lower cost unit and build equity, or downsize while staying in the community.
- Enabling **more compact forms suitable for families** – though Victoria cannot accommodate many more single family homes, we can focus on redevelopment that is suitable for families, including various 'missing middle' housing forms.

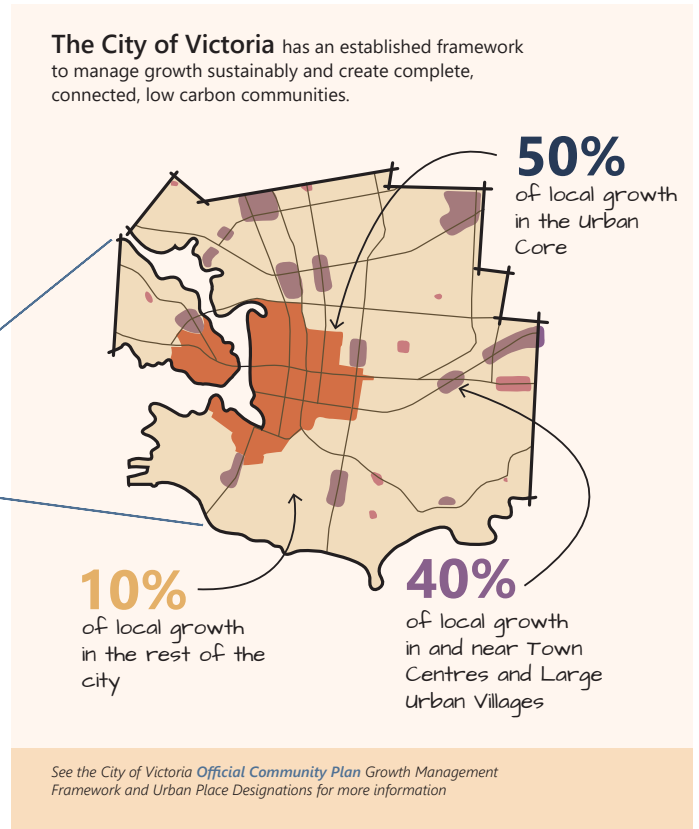
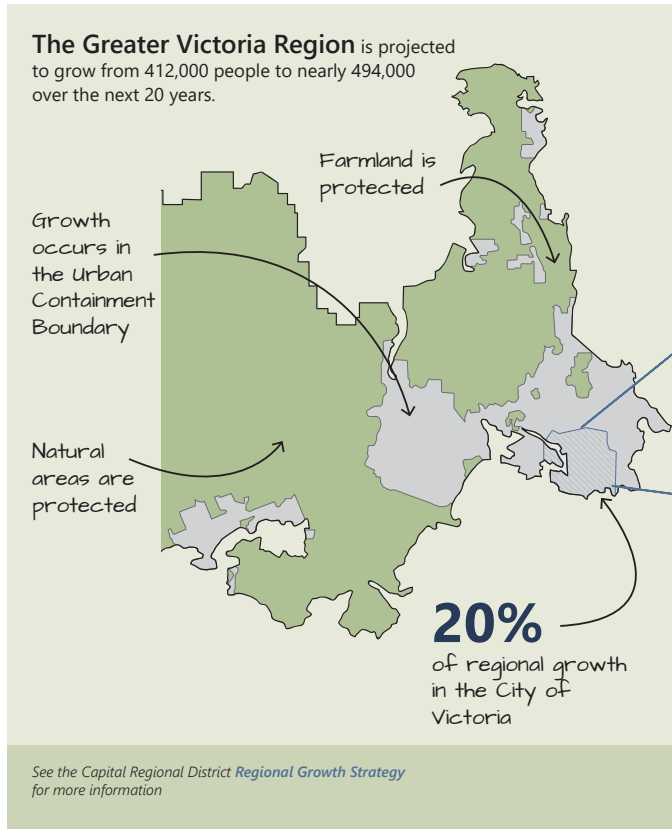
# What is the City doing?

The City of Victoria has a set of shared values identified within policy documents to guide decisions related to future growth and housing.



## Growth Management

The Official Community Plan (OCP) provides objectives and policies to guide growth management for a more sustainable community by 2041. It is premised on a 30-year growth management concept based on focusing growth in the urban core, centres, and villages and connecting these places by sustainable modes of transportation. This concept builds on Victoria's strengths as a compact city with unique urban places. It supports walkable neighbourhoods where services, amenities, transit and social opportunities are all nearby.



### Regional Growth Management

The OCP works together with the Regional Growth Strategy, adopted by the Capital Regional District, which informs how municipalities within the region will accommodate new housing and employment. The majority of new growth is directed toward the Urban Containment Boundary, protecting our forests and farmlands.

Victoria currently accounts for 22% of the region's population and 42% of its jobs. The City's OCP aims to accommodate 1 in 5 new households to the region through 2041. While our share of regional growth has been somewhat higher than that between 2012-2017, our current projections estimate that by 2041 only 17% of added households in the region would call Victoria home.



### Capacity: Making Room in the Growth Framework

The growth management framework was developed when the OCP was adopted in 2012 and the principles hold true today. However, things have changed since then, and we have a better sense of anticipated growth, what that growth might look like, and new shared values around housing affordability, climate action and the local economy.

The City recently completed a study assessing the capacity of the OCP's Urban Place Designations to better understand if future housing needs can be met, and if they can be met in a way that meets city-wide objectives.

The assessment revealed that the OCP designations do not provide quite enough space for the anticipated number of homes the city will need in the long term. They also do not fully reflect the diversity we hope to see in housing supply and distribution.

Current designations fall short of meeting needs by between 20 and 35%, including the unmet needs that exist today (latent demand) and anticipated demand out to 2040. This capacity allows for about 400 new homes per year to be built on average, which falls short of the anticipated growth rate of about 1%, and far short of meeting the city's the latent demand.



## ***“We are a diverse community because we have diverse housing choices”***

**Capacity for new condos and apartments falls short of future need by more than 25%.** The capacity assessment estimates that the current OCP could support approximately 6,700 net new multi-family units between 2016 and 2041. The need for multi-family units in that time frame is approximately 9,000 units, without considering latent demand. The shortage does not account for future changes in housing type preference (if, for example, more family friendly units are developed, the demand for this housing for could rise).

This shortfall impacts our ability to meet the needs of renter, who make up more than 60% of households. Multi-family buildings can provide secure, purpose-built rental housing. New purpose-built rentals must be built and the existing, more affordable rental buildings that exist today must be retained. We also need greater diversity in multi-family rental housing, including family-friendly units for the 40% of families with children who rent. New and older multi-family buildings can also provide a lower cost opportunity to enter the housing market.

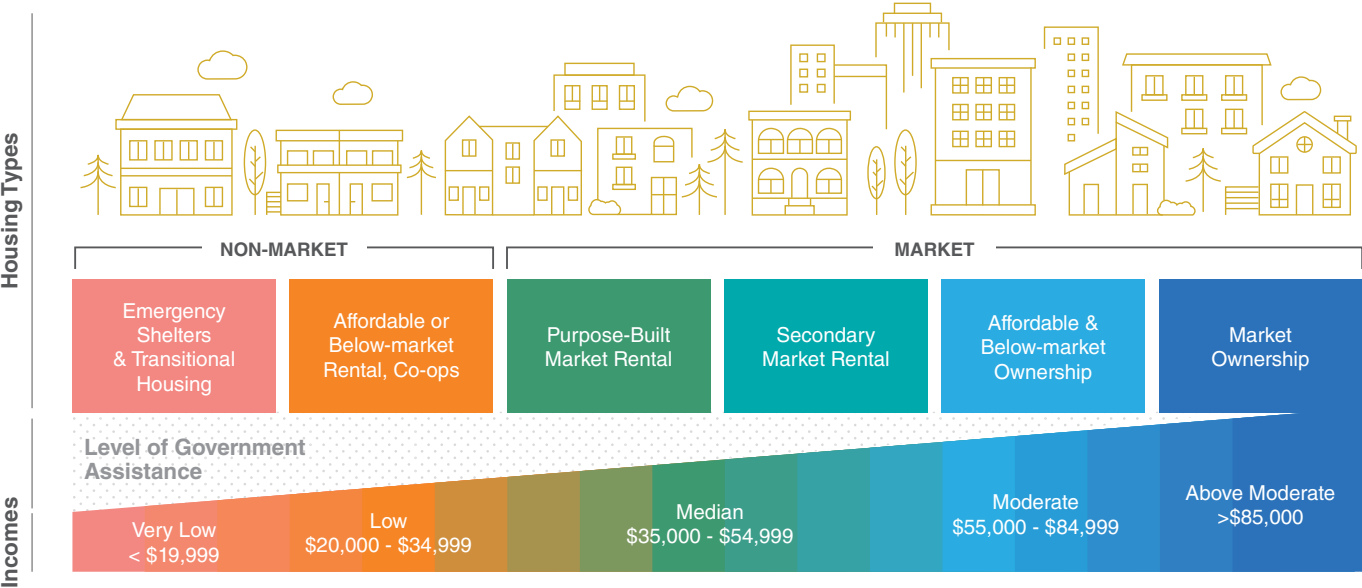
**Capacity for new houses, suites, duplexes, townhomes, and other ground-oriented homes could meet the expected need.** Preliminary results from the capacity assessment estimate that the current OCP could support approximately 3,100 net new ground-oriented units between 2016 and 2041. The need for these types of units in the same time frame is approximately 2,200 units, without considering latent demand. However, an economic analysis is being conducted to consider the viability of these units under current regulations as some missing middle forms continue to be less common and are increasingly important to the growing population.

Maintaining this potential for ground-oriented housing is important. With limited capacity for new single-detached housing, which is the most expensive form of housing, most new ground-oriented units will be missing middle forms. If Victoria sees a shift in preferences among families with children, like other cities have seen, then more diverse missing middle forms could give families with children an opportunity to stay in the city.

**Capacity also influences our ability to meet housing affordability targets.**

Within the housing types that are needed, the City sets targets for affordable or below-market housing. Approximately half of new housing demand will be among those earning very low, low, or moderate incomes as defined by the *Victoria Housing Strategy*.

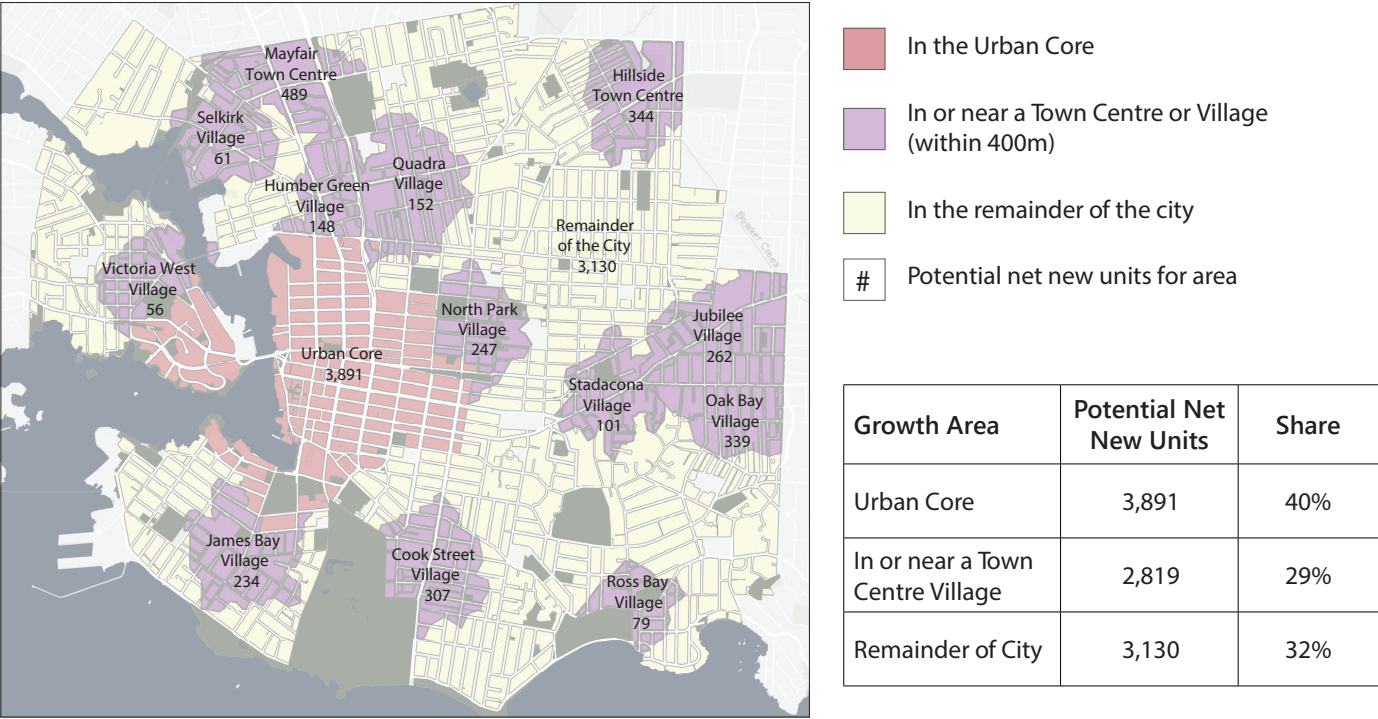
There is significant unmet need for affordable housing: 1 in 5 Victorians, and almost 30% of renters, are in Core Housing Need as defined by the Canada Mortgage and Housing Corporation. Making room for a diversity of housing forms, particularly forms that enable market rental and non-market housing, is crucial for meeting these needs.



**THE 15-MINUTE NEIGHBOURHOOD**

The 15-minute neighbourhood has become a key concept in city planning. A 15-minute neighbourhood is one where residents can access a diversity of shops, services, schools, and other key destinations within a 15-minute walk of home. It does not mean a person will do all their activities in one neighbourhood, but simply that there is a diversity of options. Housing tends to be more expensive in 15-minute neighbourhoods, so it is necessary to create a diversity of choices, including below-market housing options for various incomes.

Potential Net New Units by Growth Target Area (between 2020 and 2040)



The assessment also indicates that **existing capacity likely will not facilitate growth in the right locations.**

- About 40% of net new dwelling units would potentially occur in the Urban Core. This falls short of the OCP target for 50% of growth in the Urban Core. However, between 2012 and 2019 the Urban Core saw a cumulative total of 60% of the city’s growth, so on balance this potential is not far from the targets.
- Only about 29% would occur within a 5-minute walk of town centres and villages. This falls well short of the OCP target of 40%, especially when considering that between 2012 and 2019 these areas saw a cumulative total of just 21% of the city’s growth.
- The remaining 32% would be distributed throughout the city (including in locations that have less access to services, amenities, and sustainable transportation options).

These estimates point to a need for more housing opportunities near urban villages and town centres to support walkable, 15-minute neighbourhoods and ensure that retail and service businesses can thrive in our urban villages.

## Working together for the right supply

We know we have to make room for a growing and changing population. However, we can influence the types and locations of that housing to build a better city in the future - one where diverse housing choices for people with different incomes, lifestyles and family make-ups are connected to safe, sustainable mobility options and high quality public spaces, services and amenities. Future housing forms and locations are being considered in a few key processes that are currently underway.

### Local Area Planning

Local area planning is a process that the City of Victoria uses to guide long term growth and change at a local scale. It aligns with and helps to advance a large body of city-wide goals, policies, and strategic directions. In late 2019, the City of Victoria began a local area planning process for Villages and Corridors. The planning process will consider how to best make room for new housing while advancing mobility objectives and public space needs for more sustainable and inclusive communities.

### Missing Middle

The Missing Middle housing initiative will identify the range of housing types that characterize the missing middle for Victoria, as well as recommended policy and regulatory improvements to better facilitate development of these housing forms.

### Affordability and Diversity

The City recognizes that making room for new housing is important for the next 10-20 years and beyond, but these do not address the wide-ranging and diverse housing needs in Victoria today and the near future. The City's Secured Rental Housing Project will support the creation of new market and affordable rental housing, while retaining Victoria's existing purpose-built rental housing stock. A family housing initiative is also planned which will support the development of more two- and three-bedroom housing units in multi-family buildings.

**To learn more about these initiatives and ways to participate, visit [engage.victoria.ca](https://engage.victoria.ca).**



# Meet John & Harold

We're getting tired of paying for the taxes and upkeep of our house and would like to downsize so that we can travel more, but we love our neighbourhood - and our neighbours - and we haven't been able to find anything in the area.

John and Harold are retired and own their home in Rockland. They've paid off their mortgage, but since their home is older, they have to pay more for upkeep. As a retired couple they are on a fixed income and must be careful about their expenses. Though they are interested in selling their home so a new family can make a start there, they can't find a comfortable rental unit in their area.



## ANNUAL GROSS INCOME

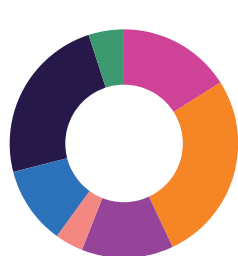
**\$65,000**

**Victoria Median \$81,224**

Victoria median income for a couple without kids or relatives at home in 2015; the regional median was \$86,885.

## MONTHLY INCOME & AVERAGE EXPENSES

Gross Income	\$5,147
Taxes	-\$1,024
Net (after tax and benefits)	\$4,393
Housing (taxes and upkeep)	-\$500
Transportation	-\$1,395
Health Care	-\$257
Household and Utility Costs	-\$648
Food, Clothing, Recreation, Misc.	-\$1,569
Monthly SurplSus	\$24



- Taxes (19%)
- Housing (9%)
- Transportation (26%)
- Health Care (5%)
- Household & Utility Costs (12%)
- Food, Clothing, Recreation (29%)
- Remaining

## HOUSEHOLD PROFILE

### COULD THIS BE YOUR NEIGHBOUR?



#### COUPLE WITH NO KIDS

25% of Victoria households are couples with no kids



#### OWN A SINGLE-FAMILY HOME

40% of Victorians are homeowners; 18% of couples without kids live in a single detached house



#### OWN TWO CARS

18% of Victoria households own 2 cars; 34% of all trips are by drivers



#### MODERATE INCOME

18% of Victoria households earn between \$55,000 and \$84,999 annually



#### RETIRED

32% of Victorians age 15 and over are not in the labour force

Expenses are averages based on income quintile and would range by household; they are illustrated as share of gross income plus benefits in the pie chart. Profiles assume deficit would be covered through reduction in discretionary expenses or borrowings.

## Guiding Policy Documents



**Victoria's Official Community Plan** (2012) provides objectives and policies to guide decisions related to land management and infrastructure for a more sustainable community by 2041.

**The Victoria Housing Strategy** (2019) guides how the city will address housing and affordability. The Strategy reinforces the Official Community Plan, which includes a commitment to provide a diverse range of housing for varying needs, life stages, and income levels. This includes both market- and non-market housing and related programs.

**Go Victoria - Our Mobility Future** (2019) is the City's sustainable mobility strategy which advances a higher standard of mobility, defined by safer, integrated, clean, seamless, and attractive transportation networks. It will integrate modal systems and future development to set priorities, actions and strategies for improved mobility and quality of life.

**The Climate Leadership Plan** (2018) lays out the foundation for accelerating our response to the climate emergency. This plan targets an 80% reduction in greenhouse gas emissions from 2007 levels by 2050, which align with provincial and federal commitments and the international targets agreed to in the 2015 Paris Climate Agreement.

**Victoria 3.0 - Recovery Reinvention Resilience** (2020) is an economic action plan that accompanies the City's Official Community Plan to 2041. It is a long-term plan and vision for a sustainable, influential city that will build a strong, innovative and resilient economy now and for the future.



# Some Frequently Asked Questions

## *Why Is Our Population Changing? Can We Change How Quickly We Grow?*

How quickly the city, the province, the nation, and the world grow are the result of many interconnected factors. As a city, we have limited control over the key factors of population change: births and deaths, migration within Canada, immigration, and changes in the economy all contribute to how many people will live, or will want to live in this corner of the world. In the past Victoria experienced periods of rapid growth followed by periods of slow – or even negative – growth. Today, the growth rate of Victoria and the larger region is around 1%, which is similar to the Canadian average.

As a city, we work closely with neighbouring municipalities to manage regional growth in a sustainable way. Through the *Regional Growth Strategy*, each municipality in the Capital Regional District is committed to grow in the right locations to protect farmland and natural areas, and encourage homes close to jobs, services, amenities and sustainable transportation. The City of Victoria is committed to accommodating at least one in five added regional residents through 2041.

Beyond the limits of our ability to control growth and our regional commitments to sustainability, limiting housing in an attempt to limit population change can have negative impacts and result in a less equitable, less affordable city. Often people move to an area in search of economic opportunities, to be near family, or for other reasons, even if there is not suitable housing. People growing up in the region also need housing. A limited supply of housing with ongoing demand can drive prices upward and result in overcrowded or unsuitable living situations for low and moderate income households. Rising prices can result in loss of families and moderate-income workers to other communities, longer and less sustainable commutes, a lack of choices for local residents and more pressure to convert farmlands and forest to housing.

### *What About Gentrification?*

Gentrification is generally thought of as a process that changes the character of a neighborhood through the influx of more affluent residences and businesses. The fundamental concern over gentrification is the displacement of existing residents and businesses. Mitigating the displacement of residents and preserving existing affordable housing are priorities for the City as it grows, as the summary of policies and initiatives listed here illustrates. The City further recognizes the importance of retaining small business and providing opportunities for small scale entrepreneurs as the local economy evolves.

Planning to accommodate new housing is done together with the implementation of policies that will protect, enhance and support new secured rental housing. However, impeding all redevelopment can result in an unfair distribution of the benefits that can be realized through that redevelopment. It can also result in a lack of opportunities for people who are hoping to move along the housing continuum, and ultimately lead to gentrification as well.

Consider, for example, a young couple who has lived in an older rental building and saved to get into the housing market. They love their neighbourhood, but all that exists there now are older rental buildings, or single-family homes. A single-family home is financially out of reach for many, but there are few smaller options for sale in the area. If nothing new can be built in this area, this couple would have to leave their neighbourhood for a chance at upward mobility.

It is crucial to retain the affordable rental buildings in the neighbourhood for the health of the housing market and to avoid displacement of vulnerable residents. However, if we only ever allow single family homes to be developed elsewhere in the neighbourhood, then only the wealthiest residents will ever be able to purchase there, increasing the wealth gap and ultimately gentrifying the neighbourhood. Even without change, the price of existing detached homes has been appreciating, and newly built detached homes are among the most expensive housing options. Making room for new apartments and condos, townhouses, and houseplexes would enable this couple to stay in the neighbourhood they love while moving along the housing continuum.

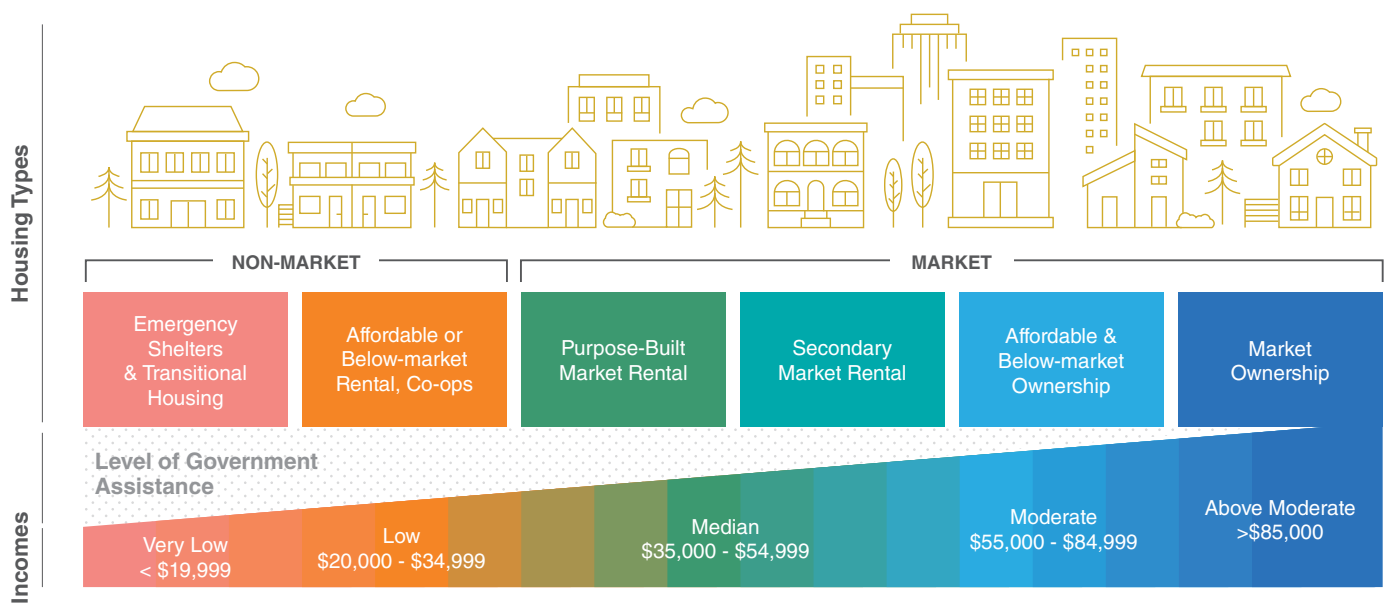


*New Apartments and Condos Are Expensive – Will Allowing More Drive-Up Prices?*

New development can raise prices if it replaces formerly affordable, older development, and especially if condominiums replace older rental apartments. At the same time, restricting new housing likely drives up prices. As anyone looking to rent or buy in Victoria knows, the prices of existing dwellings have been increasing. Much of our existing rental housing was built in the 1970s or earlier, and over 90% of home sales in the city are of pre-existing homes. The City is seeking to protect older rental apartment buildings, while adding a range of new housing including non-market (affordable) housing, market rental, and opportunities for home ownership.

Failing to add rental housing will exacerbate a problem we have today that very little purpose-built rental housing has been built in Canada for decades. As today’s rental buildings age, this would create challenges not just for today’s renters, but for renters well into the future. While renters can look to the secondary market – renting condos, suites or houses – we recognize that these rentals offer less security for tenants.

For tomorrow’s homeowners, it is not simply about adding supply, but adding the right supply of housing. We know that there is limited opportunity to add new single-detached homes, and that these are the most expensive options. Recent trends show that single-detached houses appreciate faster than either condos or townhouses, which is typical in many cities. Therefore, diversifying the ownership market today, including through more modest-sized attached housing, can broaden opportunities for Victorians to own a home.



### *What If We Just Focus on Affordable (Non-Market) Housing?*

While there is a strong need for affordable housing targeted to very low, low, and moderate-income households, there are also many earning above these income thresholds who are looking to rent or buy housing. Indeed, approximately half of new demand for housing will be among households earning above the City's moderate-income definition.

### *Does Building New Housing Lead to Rising Land Values?*

Village and Corridor Planning strives to accommodate new housing in a manner that does not negatively impact affordability. The planning process seeks to: preserve existing rental housing stock, particularly larger, purpose-built buildings; make new rental and ownership housing opportunities available; and limit land speculation. The City's Inclusionary Housing and Community Amenity Policy encourages new affordable housing through rental or homeownership units in large strata developments that are seeking additional density. The policy also seeks cash contributions to the Victoria Housing Reserve Fund from small and moderately sized projects seeking additional density. To preserve and enhance the liveability of neighbourhoods, a portion of cash contributions are also targeted for local amenity reserve funds for community use. This policy is just one of several tools to address housing affordability under the City's Housing Strategy. In areas designated for lower-density, the value of land is already generally set by what people are willing to pay for a single-detached house - a value that has been going up over the past years.

### *What Is the Impact of Short-Term Vacation Rentals?*

The City of Victoria has policy to restrict the use of entire dwelling units, whether houses, suites, apartments or condominiums, as short-term vacation rentals. Rental of rooms within a home, and short-term rentals in buildings which are "grandfathered," continue to be permitted. The City continues to monitor and enforce this rule.

- On May 16, 2020, 1,052 short-term rentals were found in Victoria. This is down 25% from the overall average for Q1 2020.
- 89% listed the entire home for rent and 11% listed a private room in a home.
- Many of these are likely in buildings where short-term rentals are "grandfathered."

*Can the city meet its housing needs through smaller "gentle density" housing forms (such as secondary / basement suites, house conversions, or 4- and 6-plexes)?*

Suites, conversions of houses to multiple suites, and development of houseplexes are important parts of the city's housing stock. Rental units with two or more bedrooms are especially important to adding housing diversity. The City has recently completed the first phase of a house conversion project, making the process easier. However, there are several reasons this type of housing alone will not meet future needs.

- There are diverse households in Victoria with a range of lifestyle preferences.
- Suites and house conversions are projected to meet a fraction of housing need through 2040.
- House conversions can be either rented or sold as a strata unit and while the benefit is that market-rate strata conversions could provide opportunities for new buyers to enter the market, the drawback is that they would then not provide the rental housing that is very much needed.
- While suites provide important rental opportunities, they can only offer market-rate prices. As part of the secondary (private) market, they also offer less tenant security as renters may be evicted when a house is sold, a relative moves in, or owners decide to use the space for their own needs.
- Some older suites may not be suitable for all households (e.g. they may not be accessible to those with mobility needs, may have non-standard features like low ceilings, or may lack noise insulation).



# Appendix 1

## About the Profiles

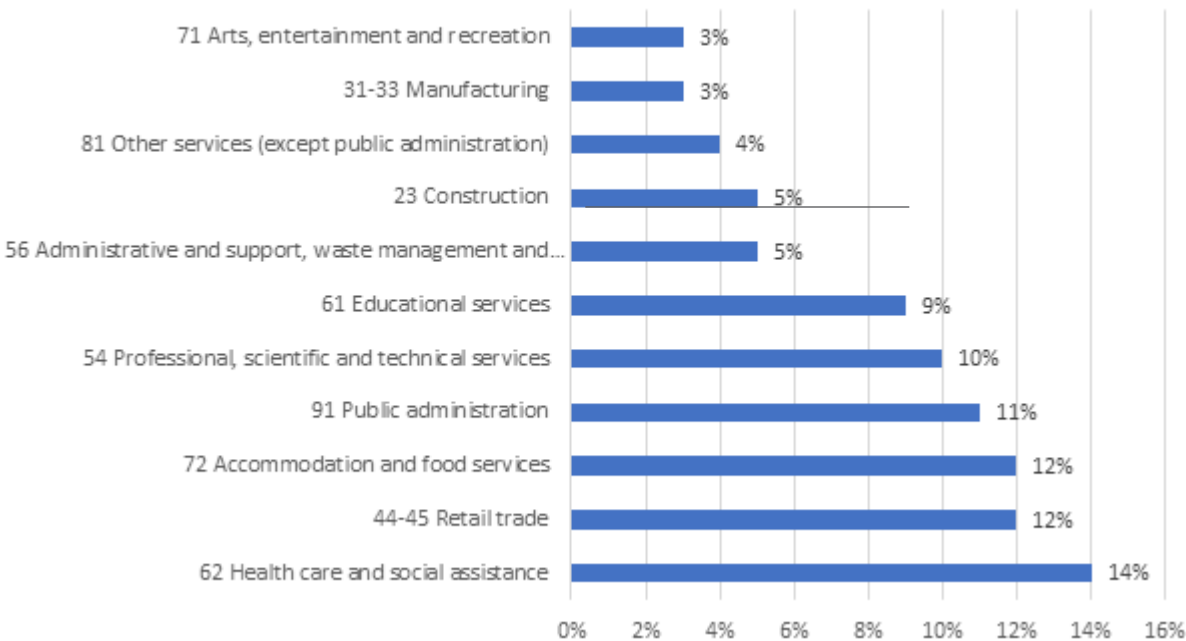
Profiles were created based on a series of indicators, using citywide medians and averages to represent a cross-section of Victorian households. The profiles are fictitious, and any resemblance to actual people is pure coincidence.

Major data providers for the profiles include:

- Statistics Canada (2016 Census, 2017 Survey of Household Spending)
- Canada Mortgage and Housing Corporation (CMHC)
- Vancouver Real Estate Board (VREB)
- Capital Regional District (CRD) 2017 Origin Destination Household Travel Survey

**Incomes** are based on a scan of jobs and wages in the most common industries in which Victorians are employed according to 2016 Census place of residence data and categorized by the North American Industry Classification System (NAICS) (see figure 1). Median incomes of similar household sizes in the city are provided in each profile for comparison.

Figure 1: Top 10 Industries (NAICS) for Victoria Residents, 2016





**Housing** ownership costs are based on Victoria Real Estate Board (VREB) data on recent sales by dwelling type and include property taxes (2019 City of Victoria rates), mortgage insurance premiums where applicable (2019 CMHC rates), and interest rates (Bank of Canada’s conventional 5-year mortgage rate, 2019). Rental costs are based on CMHC average rental cost data by unit age and size.

Tenure rates throughout the profiles reflect the city’s tenure rates by housing type (see figure 2). The diversity of dwelling types throughout the profiles reflects data on housing type by census family type from the 2016 Census (see figure 3).

Figure 2: Tenure by Structure Type in Victoria, 2016

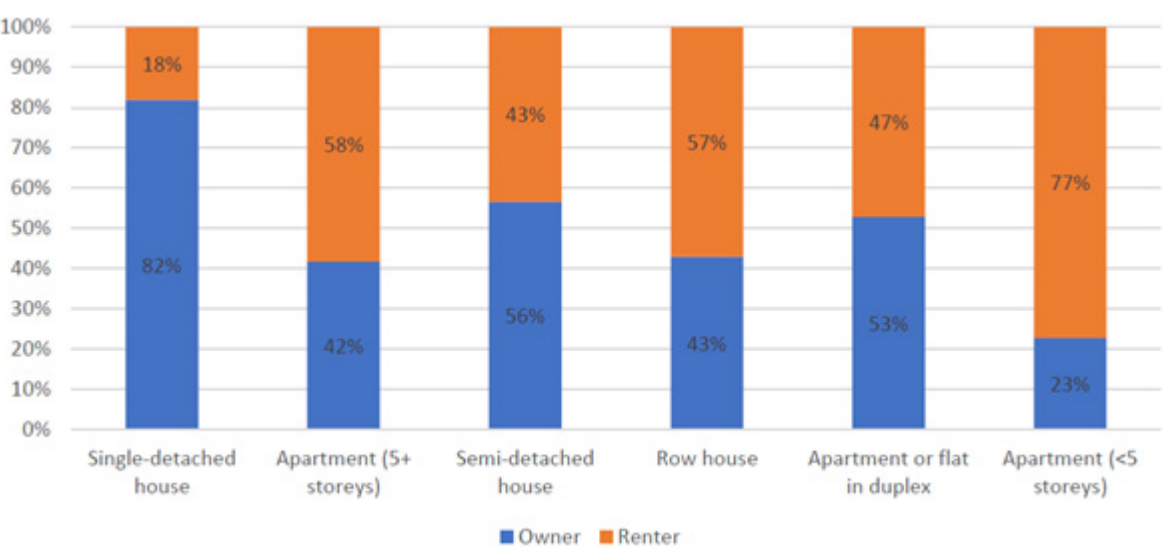
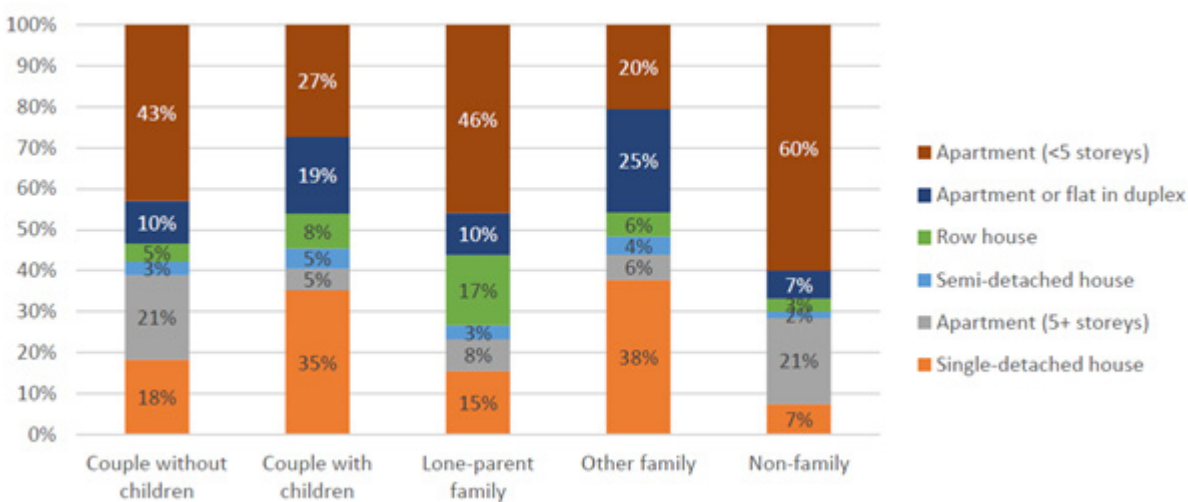


Figure 3: Households by Structure Type and Family Type in Victoria, 2016



**Transportation** costs for vehicle ownership come from the CAA Driving Costs Calculator by vehicle category for the province of British Columbia (the calculator accounts for fuel costs, depreciation, maintenance, license and registration, insurance and car payments). Transit related costs are based on BC Transit Ticket prices. Other transportation costs, including for taxi services, car shares, and cycling costs, are not accounted for in the profiles due to data constraints. All transportation costs are as of June 2020.

Vehicle ownership rates throughout the profiles reflect averages for the city based on the 2017 CRD Origin and Destination Survey (see figure 4). Transportation mode choices reflect 2016 Census data (see figure 5).

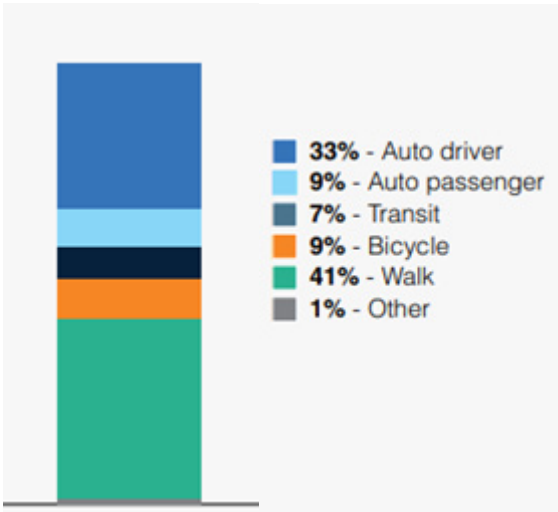
**Figure 4: Households by Vehicle Availability**

(CRD Origin Destination Household Travel Survey, Malatest 2017)

Households by Vehicle Availability	Total	%
No vehicles	9,440	20%
1 vehicle	26,810	58%
2 vehicles	8,280	18%
3+ vehicles	1,910	4%
Total	46,440	100%

**Figure 5: Total trips by travel mode (24 hours)**

(CRD Origin Destination Household Travel Survey, Malatest 2017)



**Tax** estimates were calculated using Calculators Canada's British Columbia Income Tax Calculator for the 2019 tax year.

**Household expenses** (including Health Care costs, Household and Utility costs, and Food, Clothing, Recreation, Misc. costs) were derived from Statistics Canada Survey of Household Spending using expenses by household income quintile for British Columbia for 2017 (Statistics Canada. Table 11-10-0223-01 Household spending by household income quintile, Canada, regions and provinces). Expenses are averages based on income quintile and would range by household size, savings and debt, and lifestyle preferences.

**Childcare** costs are based on a 2019 sampling of local daycares from the Child Care Resources and Referral Centre. Child and Family Benefits are for 2019 year based on income and family type and assume no disabled dependents, no shared custody, and not UCCB or RDSP income for the household.

Other major household expenses such as travel, retirement savings, and educational expenses are excluded due to data limitations and presumed to be covered by savings, loans, or reductions in other expenses. Provincial Sales Tax, Goods and Services Tax, and other tax credits are also excluded.