

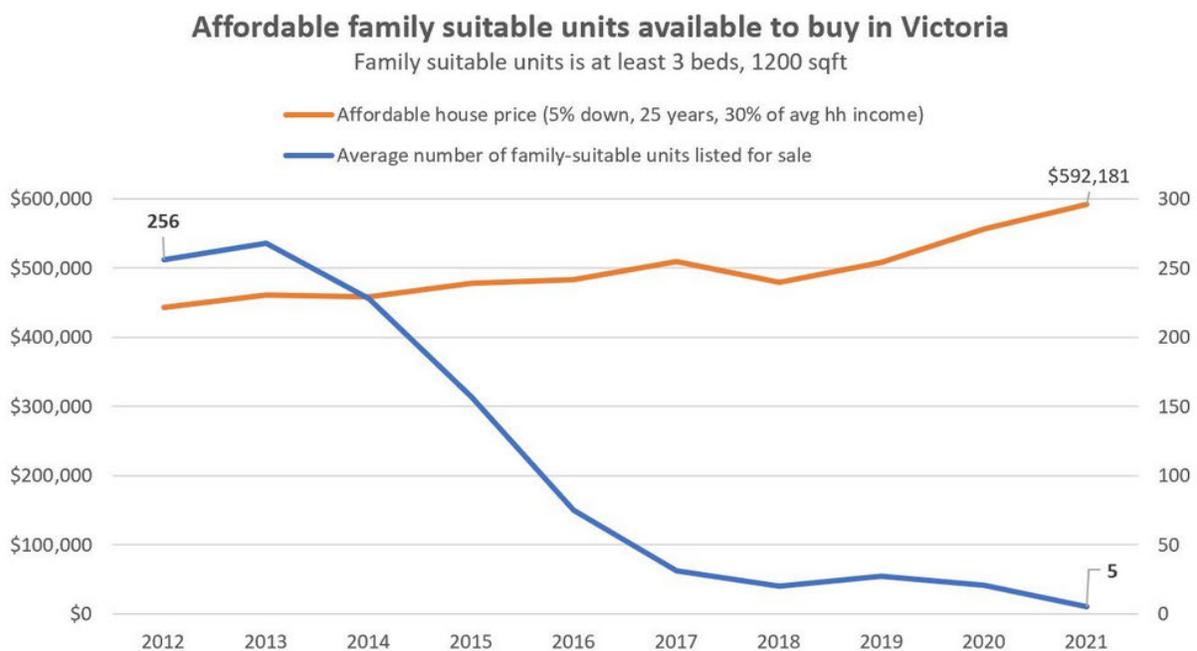
Dear Councils,

Sky high real estate prices, bidding wars, and bully offers have Canadians asking about housing market solutions across the country. It appears there has been a systemic failure to address affordability at all levels of government, over a multi-year and decade period. The situation prior to 2020 was severe, but in the last 18 months this has gone from an unfortunate issue to a critical problem. To that end, I have joined a local advocacy group working to improve affordability in this region (www.housesforliving.ca).

To tell you a bit about me, my wife and I are in our mid-thirties, and have just welcomed our first child. We are fortunate to have a combined family income that is more than double the CRD's average according to 2016 Stats Can data. Since graduating and paying off student loan debt, we've worked hard, lived frugally, and saved a significant portion of our incomes, allowing us to set aside a healthy down-payment for a home. However, despite working to advance our careers and saving aggressively, over the last 18 months the odds of us finding a family-suitable home in the CRD have plummeted from poor to nearly non-existent. While our situation is discouraging, so many others are in a far worse position.

I am writing to you with the sincere hope that you, as our elected representatives, can help families like mine by advocating for and implementing the following reforms and policies to improve affordability in your municipality and across the CRD.

1. Enable more construction of family-suitable housing



Source: House Hunt Victoria and Houses for Living; affordable housing defined by [CMHC](#).

The Houses for Living website and local advocacy group mentioned above highlights that the average number of affordable family-suitable homes listed for sale has dropped from 256 in 2012 to just 5 in

2021. (Affordable here is defined according to CMHC's guideline of housing i.e., home carrying costs less than 30% of a household's pre-tax income). This is a horrendous statistic to see and has serious economic and social implications for the CRD.

To address this, I ask that councils throughout the CRD (including your council):

- 1) Rezone all single-family areas to allow townhomes, duplexes, and encourage more density. Not only would this gradually but significantly help to alleviate the housing crisis, but it would also help to reduce the environmental and travel footprint of the CRD's residents.
- 2) Streamline the development and building permit process. My wife and I were encouraged to see Colwood approve the Royal Beach development recently. We were not, however, impressed with how long the approval process has taken. This example is illustrative of a problem we see in the City of Victoria where we live, as well as in Saanich and elsewhere.
- 3) Rezone existing areas to allow home owners to partner with developers in mutually beneficial re-construction / re-development relationships (see more here in this article "[The Great Seattle Housing Swap](#)").
- 4) Publish open data on housing approval timelines. This would improve trust and increase accountability for development permit timelines.

Returning to the graphic above, we can see that this issue has been years in the making. I recognize there are many other contributing factors, like record low central bank interest rates, quantitative easing, mortgage bond buying, and an implicit federal backstop for banks through CMHC, among others. This said, local governance over time still shoulders much of the blame – but also holds the keys to long-term solutions.

When planning long-term solutions, local governments should not wait for market cycles in order to act, and that they should not stop densification and permit-streamlining efforts if markets do turn. According to the Victoria Real Estate Board (VREB), the average price of a single-family home in March 2021 was \$918,585. As an example, even if this number fell by more than 30%, this segment of the market (which is Victoria's primary source of family-suitable homes) would still have an average price above the \$592,181 affordability threshold. This suggests the market is not at fault here, and the current housing situation in the CRD can be attributed to (and addressed by) local government.

2. Approve the building of family-suitable rentals

In addition to building more family-suitable homes for sale and ownership, municipalities within the CRD need to increase the stock of family-suitable rentals. According to CMHC, since 1991, the CRD has added only 2,062 purpose-built rentals, while the population has expanded by 113,000 people. This is an embarrassing record for all governments within the CRD going back to the early 1990s. Not only that, but 97% of the current rental stock is studio, 1 bedroom, or 2 bedrooms. This is not family-friendly housing stock.

To address this, I ask that councils throughout the CRD (including your council):

- 1) Allow family-suitable rental projects (i.e., projects that are building units with at least 3 bedrooms and 1,200 sq ft) to bypass the rezoning process and go straight to the building permit stage.
- 2) Award bonus density for all rental projects in order to incentivize construction through modifications to property taxes.

3. Prioritize houses for living over short-term vacation rentals

Another problem the CRD faces is the emergence of Airbnb and short-term vacation rentals. While some efforts have been made to address the housing issues that Airbnb exacerbates, more needs to be done.

To address this, I ask that councils throughout the CRD (including your council):

- 1) Ban ongoing “whole home” short-term vacation rentals, and aggressively enforce such bylaws.
- 2) Implement additional speculation and vacancy taxes on top of levies imposed by other levels of government.

Short-term vacation rentals should be allowed in the CRD, but ongoing offerings for entire homes should be excluded from the vacation rental pool. This should balance the desires of visitors to our city with the housing needs of CRD residents.

4. Municipal and Regional Goal Setting

In addition to the above-mentioned suggestions, municipalities within the CRD should develop and publish bold, ambitious, and specific housing policy goals. I recently participated in Saanich’s Housing Strategy Survey. While this is not to pick on Saanich, as I know it was well intended, I found it woefully inadequate. To me, the survey was disorganized and convoluted. It had six focus areas, with dozens of sub-points in each focus area – which greatly detracted from the “focus.” I felt it included too much meaningless material, and the length and scope were confusing overall, rather than helping to define and refine the opinions of respondents into a cohesive strategy.

Documents of this nature deter engagement and are unlikely to aid the success of a project. Completing the survey reminded me of reading about the NASA space program documents of the 1980s, which tried to make every department happy and fulfill too many individual pet projects. As we know, NASA went nowhere for decades, and eventually cancelled space shuttles entirely in 2011. In contrast, SpaceX today operates with only a handful of focus areas, and their goals are concise and clearly defined with numeric, time-bound, and straight-forward targets. I sincerely hope all municipalities within the CRD follow this example and avoid NASA’s mistake.

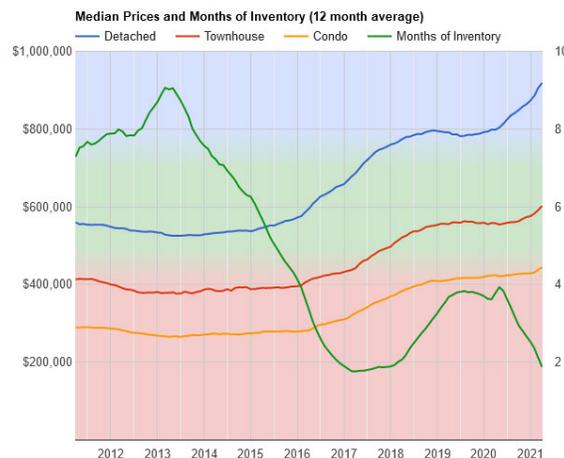
To aid in efficient and effective implementation of housing strategy, I ask that councils throughout the CRD (including your council):

- 1) Develop and distribute a clear and concise strategy for your municipality.
- 2) Define the progress and success of your strategy with measurable, achievable, and time-bound numerical targets for each goal.

A possible template or example may look something like this:

Our goal is to improve affordability for renters and home owners.

- **Over the next five years our goal is to increase the rental vacancy rate to a healthy level (i.e., between 4% to 6%). To reach this goal we will:**
 - o Allow family suitable rental projects to bypass the rezoning process and proceed straight to the building permit stage.
 - o Award bonus density for all rental projects to incentivize construction through modifications to property taxes.
- **Over the next five years our goal is to increase the number of affordable family suitable units available for sale, increasing from 5 in 2021 to a range of 250 to 500 by the end of 2026 (note: we will use the CMHC's definition of affordability). To reach this goal we will:**
 - o Rezone all single-family areas to allow townhomes and duplexes and encourage greater density.
 - o Streamline the development and building permit process.
 - o Adjust zoning regulations to allow home owners to partner with developers in mutually beneficial re-construction / re-development relationships.
 - o Improve accountability by publishing housing approval timeline data online.
 - o Ban ongoing "whole home" short-term vacation rentals and aggressively enforce such bylaws.
 - o Implement additional speculation and vacancy taxes on top of levies imposed by other levels of government.
- **Over the next five years our goal is to increase home inventory on the secondary real estate market to return to a balanced level (i.e., between 5 and 8 months of inventory).**



Source: House Hunt Victoria and the VERB.

- **To reach this goal we will:**

- Allow family-suitable rental projects to bypass the rezoning process and go straight to the building permit stage.
- Award bonus density for all rental projects to incentivize construction through modifications to property taxes.
- Rezone all single-family areas to allow townhomes, duplexes, and encourage more density.
- Rezone to allow home owners to partner with developers in a mutually beneficial re-construction / re-development relationship
- Streamline the development and building permit process.
- Improve accountability by publishing housing approval timeline data online.
- Ban “whole house” short-term vacation rentals and aggressively enforce such bylaws.
- Implement additional speculation and vacancy taxes on top of levies imposed by other levels of government.
- Build housing stock until a balanced market is restored.

Without time-bound numerical targets, citizens will not be able to gauge progress, city staff and council will not be able to gauge success, and success will remain elusive.

Thank you for your time. As mentioned before, I recognize many factors and other levels of government have contributed to the current state of housing. Individual municipalities like those here in the CRD are responsible for many of the current issues, but also hold great power to implement policies for real and lasting change. As a constituent, I deeply hope and respectfully request that you take clear and direct action to help families like mine, retain young professionals within the CRD, and improve affordability for all your citizens.

Sincerely,

Philip MacKellar

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Victoria, BC

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