



CITY OF VICTORIA | Sustainable Planning & Community Development

Housing Strategy Annual Review 2020

Victoria Housing Strategy: Phase Two 2019-2022



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FOR MORE INFORMATION

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Introduction & Purpose

Since the adoption of the *Victoria Housing Strategy Phase One* in 2016, Victoria has become a leader in its commitment to housing innovation and improvement. In 2018, affordable housing became a key strategic objective of Council's *2019-2022 Strategic Plan*.

Securing affordable and appropriate housing is one of the biggest challenges still facing a substantial number of Victorians today. The *Victoria Housing Strategy Phase Two* was adopted in 2019 to increase the supply and diversity of affordable and market housing across the continuum and throughout Victoria to meet the current and future needs of residents.

The *Housing Strategy Annual Review* is a tool to monitor the city's shifting housing context and track progress toward the Housing Strategy's targets and goals. After 2018, annual reviews replaced the long-standing housing reports historically compiled by the City with a new format, and an expanded set of indicators.

The local and global housing context shifted in notable ways in 2020 with the onset of the COVID-19 pandemic. Progress was made toward many key Housing Strategy actions, including several actions that focus on renters as well as increase housing choice, diversity, and affordability. In 2020, the City also completed a series of studies and reports that provide a better understanding of current and future housing needs. Data and indicators provided in this report will illustrate this context and the progress being made on goals and actions.

Key Observations & Findings

Residential Building Permits

- ▶ In 2020, building permits for 614 net new homes were issued in Victoria. Downtown, North Jubilee, Fairfield, Burnside, and Hillside-Quadra accounted for a combined 536 net new homes, making up 87% of the citywide total.
- ▶ Since 2007, building permits issued for net new homes per year have ranged from 134 homes in 2008 to 1,331 homes in 2018, with an average of approximately 624 homes approved per year. In 2020, the net gain of 614 homes is close to this average.
- ▶ Building permit records indicate that 38 homes were lost due to demolition or alteration. All these demolition permits were for detached dwellings, duplexes, or triplexes.

Affordability

- ▶ In 2020, the City contributed \$900,000 to the Victoria Housing Reserve Fund (VHRF), including approval of a new annual contribution of \$400,000 in addition to the pre-existing \$250,000, and an additional one-time contribution of \$250,000. As of December 2020, there were two approved applications to the VHRF, for a total of \$745,000 in support of 105 affordable homes in the Burnside neighbourhood.
- ▶ Throughout 2020, over 900 net new (1,100 total gross) non-market¹ rental homes were either approved, under review, or under construction in Victoria.

¹ Non-Market: Refers to housing that is provided by a non-profit organization, charitable society and/or government agency. This housing unit is built and operated using a mix of senior government funding and offers affordable or below-market rents through mixed income projects, in perpetuity. For information on Housing Affordability and the City's target rents, please see pages 46-48 of the Victoria Housing Strategy Phase Two: 2019-2022

- ▶ Of the 900 net new non-market rental homes, 300 were approved by Council in 2020; 130 units are affordable to households earning very low incomes, 50 units for low incomes, 60 units for median-income earners and 60 units at below-market rental rates.
- ▶ Almost 200 net new non-market units were under construction in 2020, aiming to be completed over the next few years and as of December 2020, there were an additional 500 net new non-market homes proposed and under review.
- ▶ The average sale price of all housing types increased in 2020. Single-family dwellings increased by 12.4%, condominiums increased by 2.2%, and townhouses increased by 8.3%.

Rental Market Housing

- ▶ Although private market rental vacancy rates increased in the city of Victoria from 1% in 2019 to 2.3% as of October 2020, they are still below healthy vacancy rates of 3-5%. This is the first time vacancy rates have surpassed 2% since 2013. The increased rental vacancy rate is good news but needs to continue for a sustained period to have an impact on average rental rates, and it is unclear if trends brought about by the COVID-19 pandemic will continue. Victoria Census Metropolitan Area (CMA) vacancy rates also increased from 1% to 2.2% in 2020. During the same period, the national vacancy rates increased from 2.2% to 3.1%.

- ▶ Building permits were issued for 416 rental homes. Of those, 372 permits were issued for purpose-built rental² homes, which offer high levels of housing security for tenants. No purpose-built rental homes were lost due to demolition or alteration.
- ▶ According to the Canadian Mortgage and Housing Corporation (CMHC), the primary rental market universe in the city of Victoria increased by 595 homes in 2020, representing a 3% increase and bringing the primary market rental inventory to 17,756. This means that the many new rental apartment buildings approved in previous years have now completed construction and are being occupied.
- ▶ Building permits for 34 secondary suites and 10 garden suites were also issued in 2020, compared to 41 secondary suites and 25 garden suites in 2019. According to the Victoria Housing Needs Report 2020, there were approximately 2,245 secondary suite homes (defined as separate apartments or flats in single-detached houses) in Victoria as reported during the 2016 Census.
- ▶ According to CMHC, in 2020, average rents in Victoria increased by 4.7% for a bachelor home, 3.2% for a one-bedroom, and 3.5% for a two-bedroom. Average private market rents have increased by 3.1%, slightly less than the 3.4% increase of the previous year.

- ▶ CMHC’s assessment of the secondary rental market (which only captures rented stratified condominiums) saw an 8% increase in inventory to 3,553 in 2020. This increase is up from 3,289 homes in 2019 for a total of 264 net new homes. Despite this growth, rented condominium vacancy rates decreased from 0.4% in 2019 to 0.1% in 2020. Of the 13,594 condominiums in Victoria, 26% of them are assumed to be in the rental market, according to CMHC.

Housing Diversity

- ▶ In 2020, Council approved approximately 100 homes that are suitable for families (2 and 3+ bedrooms) in multi-unit apartments, secured in legal agreements. In addition, approximately 100 2+ bedrooms in ground-oriented homes were issued building permits.
- ▶ 70 Missing Middle³ type homes were issued building permits including 9 duplexes, 7 triplexes, 6 fourplexes, 38 townhouses, and 10 conversions. In addition, 33 single detached and 44 secondary and garden suite homes were also issued building permits.

² Purpose-Built Rental Housing: Refers to rental apartment buildings containing five or more units, designed and built expressly to be rented to residential tenants at market rates. For other definitions of housing terms please see Glossary.

³ Missing Middle Housing: Refers to homes that are somewhere between a higher-density apartment and a single-family home, often missing from residential communities. Townhouses and houseplexes (duplexes, triplexes, etc.) are common forms of missing middle housing. House conversions and smaller apartment buildings can also be considered part of the missing middle, as well as secondary suites and garden suites when accessory to other missing middle housing forms.

Victoria Housing Strategy

Phase Two Achievements 2020

There was a significant amount of progress made in 2020, with over 31 actions being advanced. Four were completed actions, three new actions were added to the Strategy, and 11 are currently underway. Two initiated actions were put on hold to reprioritize for COVID-19 recovery, and 10 have become a regular part of ongoing day-to-day operations. The following highlights the key achievements over the past year:

- ▶ A Renter Engagement Toolkit was completed in January, to help increase the participation and voice of renters in City engagements, with support from the Renters Advisory Committee.
- ▶ The City of Victoria continues to actively contribute land to affordable housing, including the purchase of a property on Pandora Avenue in May for future housing use. Over 1,000 affordable housing units were under review, approved, or under construction throughout 2020 with nearly 600 of those units in partnership with the City through land lease.
- ▶ In June, an Inclusionary Housing Partnership List was published to encourage partnership between public, non-profit and private residential developers when fulfilling policy expectations for onsite affordable homes in new development, known as 'inclusionary housing'. The list includes non-profit and governmental agencies who have expressed interest in providing property management services, administering affordable homeownership, and/or leasing or purchasing inclusionary homes.
- ▶ New House Conversion zoning regulations were adopted in October, expanding opportunities to convert single-family houses to multi-family housing. The regulations also encourage the inclusion of rental, affordable rental, affordable home ownership and heritage designation.
- ▶ The City commissioned a study based on BC Stats and CRD demographic-based projections of future population makeup and households to estimate the number of housing units that are currently needed (due to demand from our current population), as well as those that will be needed through 2041. The report estimates that 111,299 people will be living in Victoria by 2041, resulting in the formation of a projected 11,300 additional households between 2016 and 2041. As a result of this study, staff created a report about Victoria's housing future, describing some of the technical analysis, planning fundamentals, statistics, and shared principles that inform the outcomes and actions of recent planning initiatives, titled Victoria's Housing Future.

- ▶ The City participated in the CRD's Housing Needs Assessment City of Victoria, October 2020 in accordance with Section 585.31 (1) of the Local Government Act, which requires that all local governments complete housing needs reports by April 2022 and every five years thereafter.
- ▶ As a result of publication of the Housing Needs Assessment and Victoria's Housing Future, and feedback from Council in December, the Housing Unit Targets were updated to consider latent demand and establish distinct targets for homes that are affordable for very low-, low- and median income households. These targets were updated in the Victoria Housing Strategy Phase Two (page 48).
- ▶ The new Planner-Tenant Assistance position was created and filled. The Tenant Assistance Planner supports tenant and rental housing related work including TAP review, redevelopment guidance, information for residents, and support to housing policy projects.
- ▶ Beginning in late 2020, staff attended Advisory Committee meetings for the creation of a Greater Victoria Housing Security and Rent Bank Program to provide housing support services and non-repayable grants of up to \$3,000 to renters experiencing temporary financial emergencies.
- ▶ Throughout 2020, tenants in over 80 rental homes were supported through the Tenant Assistance Policy (TAP). Eligible tenants displaced from their homes because of redevelopment receive support, beyond what is mandated through the Residential Tenancy Act, to help them with relocation, and the right of first refusal for new rental homes once they are built. The sites where these apartments are located are being redeveloped to create new housing in the city, including purpose-built rental units.
- ▶ The Rental Property Standards of Maintenance Bylaw was adopted in November 2020 and took effect in January 2021.
- ▶ Throughout late 2020 and early 2021, staff held virtual conversations and administered a survey to engage with tenant advocacy groups, non-profit housing providers, landlord, development industry and financial institutions, and government stakeholder groups on the potential development of a Rental Business Licensing Bylaw to protect tenants from displacement due to the repair or renovations of their home. In July 2021, changes to provincial legislation in the Residential Tenancy Act were put in place to better protect tenants facing eviction due to renovations or repairs.
- ▶ 113 affordable homeownership and five rental units in three private-market projects were secured through the Inclusionary Housing and Community Amenity Policy with legal agreements.
- ▶ Two projects were approved for grants under the Victoria Housing Reserve Fund supporting the development of a 58-unit project at 11 Chown Place being developed by the Gorge View Society and a 154-unit development at 3020 Douglas Street being developed by the Victoria Cool Aid Society.

Impacts of COVID-19 on the Housing Sector

In March 2020, COVID-19 was declared a global pandemic, and public health restrictions and precautionary measures were implemented throughout 2020 and into 2021. The social and economic health of local communities have been and continue to be significantly impacted, however, the full scope of impacts is continuing to emerge and will require ongoing monitoring. As vaccines are rolled out across the province in 2021 there may be additional impacts on the housing sector.

Housing and income insecurity:

- ▶ Households receiving temporary financial and housing supports are struggling to find stable and permanent housing, particularly renters who were already facing a challenging housing market or financial uncertainty. The provincial government's ban on evictions for non-payment of rent that began in mid-March 2020 ended September 1, 2020 and repayment was due by July 10, 2021, meaning that if a tenant is still unable to pay their rent the landlord can issue a 10-day notice to end tenancy for unpaid rent or utilities.



- ▶ Despite economic decline caused by the pandemic, average home prices continue to rise, and average rent in the Victoria CMA increased by 3.3%, faster than inflation and the provincially permitted rent increase, creating increasingly challenging financial situations for Victoria’s low-income households. At the end of June 2020, 16% of mortgage holders in Canada had enrolled in mortgage deferrals, but by December that had dropped back down to 6-7% as people adjusted to the new situation.⁴ During fall 2020, over two thirds of households in Canada that had deferred loan payments cited pandemic-related decline in household income as the main reason for requesting a deferral.⁵
- ▶ Unemployment rates rose to 11.1% in July 2020 for the Victoria CMA, significantly higher than February at 3.4%. By December 2020, unemployment was slightly closer to pre-pandemic levels at 5.8%, and as vaccination rates rose and some restrictions lifted in July 2021, the unemployment rate dropped to 4.3%.
- ▶ The COVID-19 pandemic has highlighted the difficulties communities face without a well-established Coordinated Access and Assessment (CAA) system for homeless groups.

Emerging Opportunities

- ▶ Due to COVID-19, there have been opportunities to acquire available and below-market properties and land for affordable housing (including protecting existing purpose-built rental properties). In spring 2021, BC Housing announced that 190 new supportive homes are expected to be built in Victoria over the next few years.
- ▶ The provincial government, in partnership with community organizations, service agencies and municipal governments, took urgent action to address the critical homelessness situation by purchasing private hotels and sheltering people experiencing homelessness at the onset of the pandemic, and rapidly planning for both temporary and permanent affordable and supportive housing.
- ▶ Decreases in the travel and tourism sectors led some property owners to repurpose their short-term/vacation rental units as longer-term apartments, potentially leading to an increase in the secondary rental market inventory and driving down demand. There was also a rise in the primary market rental vacancy rate for 2020 (2.3% for Victoria, and 2.2% for the region). It is unclear if these trends will continue.⁶

Barriers in accessing emergency shelters and services:

- ▶ Supportive housing operations were required to reduce their capacity to meet social distancing requirements, compounding many issues related to housing instability. As a result, the number of people sleeping outdoors due to homelessness rose dramatically after March 2020 with some sites being used by hundreds of people.

4 [Residential Mortgage Industry Dashboard | CMHC \(cmhc-schl.gc.ca\)](#)

5 [Monitoring payment deferrals during the COVID-19 pandemic - Bank of Canada](#)

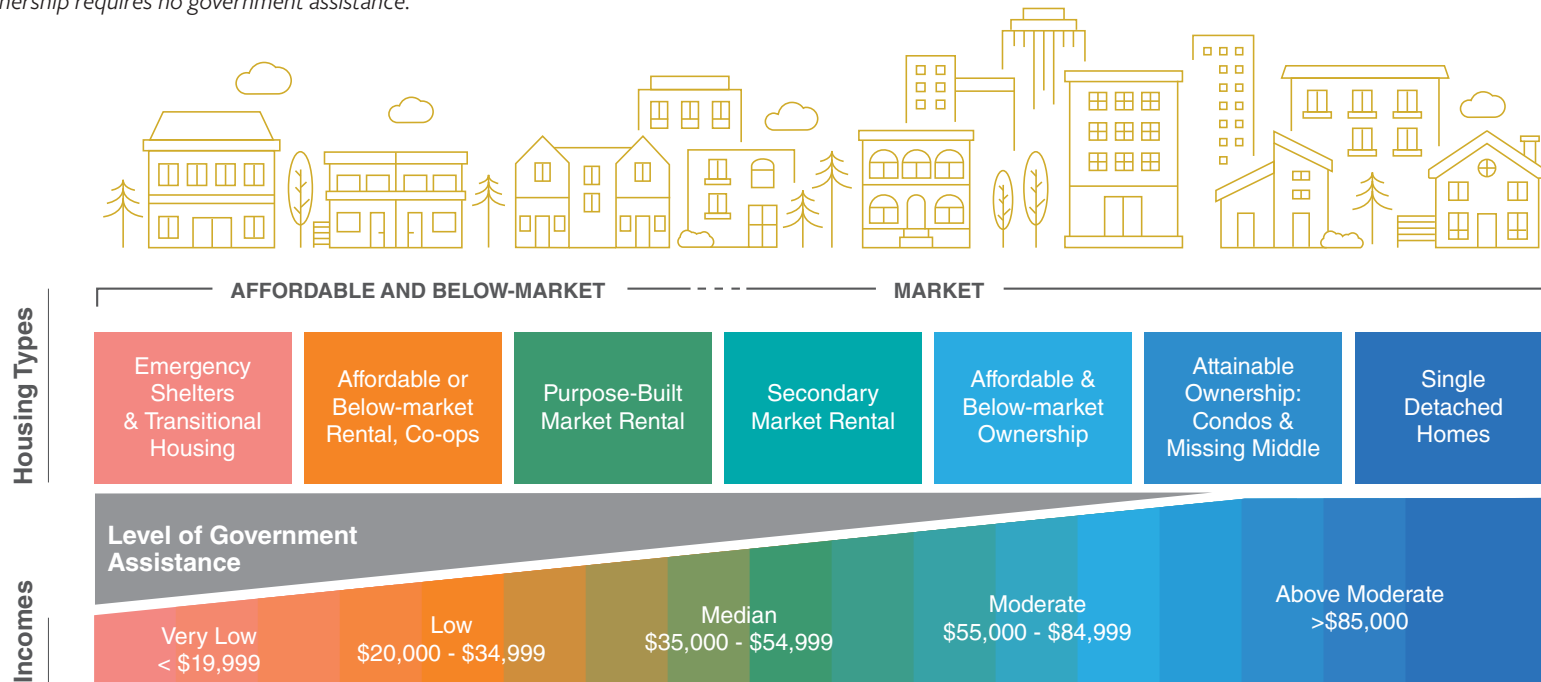
6 [News \(bchousing.org\)](#)

The Housing Continuum

No matter what our specific needs, housing is a human right. Residents of Victoria deserve access to safe, accessible, stable and affordable housing across the city, in all neighbourhoods.

FIGURE 1: The Housing Continuum

Affordable and below-market rental housing for people who make very low, low, and median incomes requires a greater level of government assistance to be built, whereas market homeownership requires no government assistance.



Achieving a Healthy Housing Continuum

For most of us, our housing needs change as we move through different stages and circumstances in our lives. The Victoria Housing Strategy Phase Two includes actions that seek to meet the diverse needs of the city's current and future residents across the

housing continuum. Each type of housing responds to the varying needs of our diverse population. Adequate supply of all housing types along this spectrum is needed for a healthy housing system.

Role of Government

Addressing the housing crisis means making sure that there is enough of the right kind of housing for everyone; it is a shared responsibility across all levels of government. Although municipalities play an important role in the housing sector, they have the least legal authority and resources to address these challenges.

Housing is a regional issue and Victoria coordinates with the regional district and neighbouring municipalities to set shared goals and targets to accommodate current and future housing demand.

FIGURE 2: The Role of Government in Housing



Housing Targets & Gap Analysis

Housing Unit Targets included in Phase Two of the Strategy have been updated based on the outcomes of several studies and a Housing Gap Analysis carried out in 2020. The Strategy’s Housing Unit Targets estimate the minimum number of new housing units that need to be created over the next 5 years to address the needs of Victorians today and to keep up with the City’s growing population.

Given the dynamic housing market and the lack of consistent data, it is challenging to estimate the number of new housing units

needed to address current shortages (commonly referred to as ‘latent demand’) nevertheless, analysis indicates a gap of between 4,500 and 6,300 homes in Victoria’s market as of 2016.

The City’s role is to facilitate and approve housing rather than construct it. However, these targets allow the City to monitor whether the number, form, size, tenure and affordability of new housing will address the needs of current and future Victorians, as well as identify areas of focus and action overtime.

FIGURE 3: Housing Targets, 2019-2025

Housing Type	Income Bracket					Minimum 6-Year Target Totals
	Very Low	Low	Median	Moderate	Above Moderate	
Affordable and Below-Market Rental	700	700	700			2,100
Market Rental				1,900		1,900
Condominium					1,000	1,000
Missing Middle Housing					1,000	1,000
Minimum Total Homes	2,100			1,900	2,000	6,000 (Including 1,600 homes for families)

As illustrated in Figure 3 above, approximately 2,100 affordable non-market homes are needed to ‘keep up’ and ‘catch up’ with growing demand over the next six years. This accounts for the pre-existing need for affordable housing in Victoria (i.e. latent demand for non-market housing), as well as predicted growth in demand. Therefore, to both ‘keep up’ and ‘catch up’, a total of 700 of each of very low-, low-, and median-income households affordable non-market homes are targeted for creation by 2025.

It is important to note that catching up with latent demand will take time and that the amount of affordable housing needed may change yearly. There are many factors that could impact the amount of new affordable housing built, including the City’s ability to support non-profit developers and the capacity of non-profits to initiate new developments or have available land for development. The most important factor in the sustained development of non-market housing is continued senior government investments.

Housing Unit Targets & Gap Analysis Summary:

- ▶ 6,000 total housing units are needed to keep up with projected demand for new housing.
- ▶ 4,000 rental units are targeted to serve moderate incomes and below.
- ▶ 2,100 affordable non-market homes are targeted to serve very low-, low-, and median-income households.
- ▶ 1,900 below-market or market rate rental units are targeted to serve moderate income households.
- ▶ 2,000 homes are targeted to serve above moderate income earners, including condominiums and missing middle housing forms.
- ▶ It should be noted that due in part to mounting barriers for first-time home buyers, market rental supply can also serve above moderate income households who either cannot or choose not to purchase their home.
- ▶ 1,600 homes that are suitable for families are targeted (2- and 3+ -bedrooms) in a mix of housing forms and tenures, averaging 266 units per year.
- ▶ New units across the housing continuum are needed to decrease the high demand for housing in Victoria. Additional homes created beyond these targets would further help to address the housing shortage.

Goals, Targets & Actions

The targets and actions outlined in the *Housing Strategy Annual Review* are tracked according to their thematic goal from the *Housing Strategy Phase Two*. Please note that actions included in the City's 2019-2022 *Strategic Plan* have been identified with the ★ symbol in the tables below.

Targets

EXCEEDING: progress is being made, and is anticipated to exceed the target in the designated time frame

ON TRACK: work is progressing, and the target is anticipated to be met in the designated time frame

FALLING BEHIND: the work is not progressing fast enough to meet the target

MISSED: the target was not met in the planned time frame

Actions

FUTURE ACTION: the action has not yet been started

UNDERWAY: the action has been initiated and is actively underway

ONGOING: the action has been initiated and will continue as part of ongoing operational work

COMPLETE: the action has been implemented

Annual Review Indicators

Many of the targets in this report refer to the number of homes needed to 'catch up to' existing needs and 'keep up to' future demand. Progress for these housing supply targets is measured in two ways: through the number of building permits issued and through the number of housing developments that are approved by Council (at affordable or below- market rates, or whose size are suitable for families (2 and 3+ bedrooms)).

BUILDING PERMITS ISSUED measures the total number of new housing units by type and tenure of housing (townhouse, duplex, secondary suites, apartment, rental, strata, etc.) on an annual basis. Prior to commencing work related to any project, a developer or landowner must obtain a building permit issued by the City. This indicator provides information on the number, form, tenure and location of homes created or demolished. This data source is limited in that it does not include information regarding affordability or below-market rents, or family sized homes. This data gap is filled by tracking these indicators at the time of Council approval, where affordability, size and tenure are secured through legal agreements.

Housing developments that are **APPROVED BY COUNCIL** tracks the number of units that are approved for potential development in the future, through rezonings and development permits. Approvals are used to track and report on the affordability of new homes, and their suitability for families when 2 or 3+ bedroom units are secured through legal agreement. Approvals may or may not materialize into construction if a landowner abandons the project, especially if it is only at the stage of receiving a rezoning, but development permit approvals are a stronger indication that the new homes will be built and are a useful way to track affordability. One limitation of tracking Council approvals is that it does not capture all housing development trends in Victoria, as many smaller scale housing forms are able to be built through building permits alone.

HOUSING TARGETS PROGRESS SUMMARY, 2019



GOALS



TARGETS



PROGRESS IN 2020

Goal One: Focus on Renters

1,900 new Market Rental Homes by 2025, ~300 per year

2,100 new Affordable Non-Market Homes by 2025, ~350 per year

EXCEEDING: 416 Building Permits Issued



ON TRACK: Over 300 net new affordable non-market homes were approved by Council. There are over 500 more homes proposed and under review, and 200 units under construction.



Goal Two: Increase Supply

6,000 total new homes, ~1,000 per year

1,000 total new condominium strata homes, ~150 per year

FALLING BEHIND: 614 net Building Permits Issued



EXCEEDING: 203 Building Permits Issued



Goal Three: Housing Choice

1,600 new homes for families, ~250 per year

1,000 Missing Middle Homes (duplexes, triplexes, fourplexes, conversions, and townhomes), ~150 per year

ON TRACK: 217 homes secured through legal agreements during Council approval or Building Permits Issued



FALLING BEHIND: 70 Building Permits Issued





Goal One

Focus on Victoria's Renters

One of the main goals of the *Housing Strategy Phase Two* is to improve affordability, stability, and choice for renters in Victoria. More than half of Victoria's households rent (61%) and the housing crisis is disproportionately harder on them than on those who own their home. Nearly one in four households in Victoria experience core housing need, and nearly all (86%) of those households rent.

This section reports the indicators that reflect the conditions felt by renters, as well as affordable non-market and market rental housing development throughout 2020.



THE GOAL

Improve affordability, stability, and choice for renters in Victoria.



TARGETS & PROGRESS MADE

Market Rental Housing Target:

There is an estimated need for 1,900 new market rental homes by 2025. To meet six-year targets, the average number of new market rental homes per year would need to meet or come close to 317.

EXCEEDING: In 2020, building permits were issued for 416 new market rental homes. Of those homes, 372 were purpose-built rental apartments.

In 2019, almost 250 market rental homes were issued building permits, falling slightly short of the target while still on track to meeting it in the future. The higher number of approvals in 2020 makes up for last year's gap. In 2020, more building permits were issued for rental homes than ownership (including strata and fee simple approvals), and it is anticipated that 6-year targets will be met by 2025.

Affordable Rental Housing Target:

An estimated 2,100 units of affordable rental homes are needed by 2025. A minimum of 700 homes are targeted to be affordable for the households with very low-, low-, and median-income levels, averaging 117 for each group per year. On average, 350 affordable and below-market homes are needed annually.

Due to the amount of subsidy required to achieve this depth of affordability, this target can only be achieved through continued partnership with non-profit housing providers and funding from senior governments.

ON TRACK: Throughout 2020, over 900 net new (1,100 total gross) non-market rental homes were either approved, under review, or under construction in Victoria. The City is on track to meeting its minimum target of 2,100 affordable homes by 2025.

Of the 900 net new non-market rental homes, 300 were approved by Council in 2020; 130 units are affordable to households earning very low incomes, 50 units for low incomes, 60 units for median-income earners and 60 units at below-market rental rates.

Almost 200 net new non-market units were under construction in 2020, aiming to be completed over the next few years and as of December 2020, there were an additional 500 net new non-market homes proposed and under review.

Progress Made Focus on Victoria's Renters



ACTION	SUPPORTING ACTION(S)	STATUS (2020)
Market Rental Revitalization Strategy (MaRRS)	Rental Properties Standards of Maintenance Bylaw	COMPLETE
	Rental Business Licensing Bylaw	UNDERWAY
	★ Renter Engagement Activities (RPSOM/Renoviction/General Information Sharing)	FUTURE ACTION
	Implement Energy and Seismic Pilot	ON HOLD UNTIL 2021
Secured Rental Project	Secured Market Rental Policy and Early Engagement Workshops	ON HOLD
	★ Further expedite and simplify development processes for affordable rental housing	
Residential Rental Tenure Zoning	Consult and implement rental-only zoning with incentives	UNDERWAY
Tenant Ambassador Position	★ A new staff position to support tenant and housing programs	COMPLETE
Housing Barriers in New Developments	Consider the use of housing agreements to reduce housing barriers such as age restrictions, pets, and rentals in strata buildings	FUTURE ACTION
Tenant Engagement Toolkit	Toolkit created as a guidance document to increase tenant participation in City engagement	COMPLETE
Short Term Rental Policy Review	Review the Short-Term Rental policy	FUTURE ACTION
New Action: Rent Bank	Explore the creation of a third party administered Rent Bank on a pilot basis	ONGOING

★ 2019-2022 Strategic Plan Action





Market Rental Housing

Victoria has seen an increase in purpose-built rental development in recent years, following decades of little development of this tenure. Creating new supply, while retaining existing stock is needed to help to reduce vacancy rates and average rents over the long term. Vacancy rates and average rents continue to show a tight rental market in Victoria, despite the primary rental market universe increase of over 500 units in 2020.

INDICATOR	2019	2020	CHANGE 2019-2020	SOURCE
Rental Housing Starts (the beginning of construction work on a building)	165	240	↑	CMHC
Rental completions (when all or most of the construction work on the unit is done)	240 units	83 units	↓	CMHC
Building permits issued for rental: includes purpose-built rental apartments, secondary suites, garden suites	249 units	416 units	↑	City of Victoria
Building permits issued for purpose-built rental, not including secondary and garden suites	183 units	372 units	↑	City of Victoria
Primary market average rent as of October 2020	\$1,205	\$1,256	↑	CMHC
Primary market rental vacancy rate as of October 2020	1%	2.3%	↑	CMHC
Primary market rental inventory	17,161 units	17,756 units	↑	CMHC
Secondary market rental vacancy rate as of October 2020	0.4%	0.1%	↑	CMHC
Secondary market rental inventory (Rental Condominium) ⁷	3,289	3,289	↓	CMHC
Purpose-built rental demolitions	34 units	0 units	↓	City of Victoria

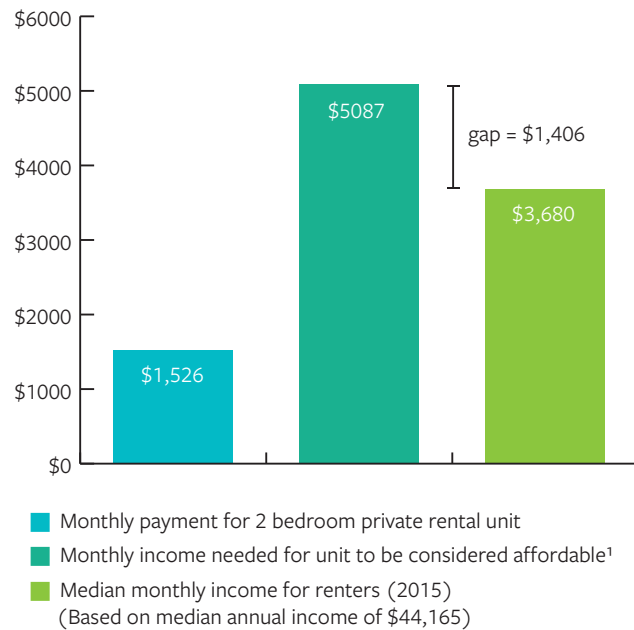
Source: City of Victoria: Building permits and demolition permits issued, 2020

⁷ Although the secondary rental market includes condominium apartments, secondary suites, and garden suites among other types, CMHC's Condominium Apartment Survey provides information for condominium apartments only in this segment of the rental market. Source: Canadian Mortgage and Housing Corporation (CMHC): Housing Market Information Portal.

The cost to rent a 1-bedroom apartment in Victoria has risen from an average of \$928 per month in 2016 to \$1,185 in 2020 (CMHC Rental Market Survey). The price for rental housing rises at a faster rate than local incomes, making affordable housing out of reach for many residents, especially the majority of single-person and lone-parent households who rent.

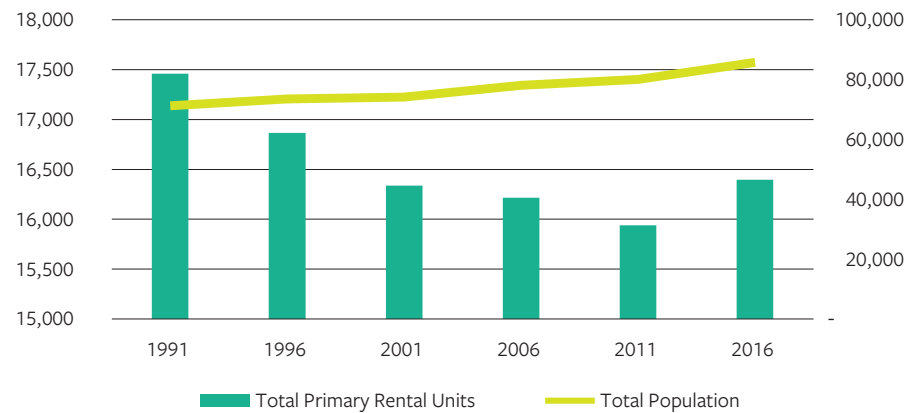
The city’s population is growing steadily; it has increased by about 15,000 people since 1991 (Statistics Canada 1991-2016 Census). However, according to CMHC’s Rental Market Survey, there were only 338 more rental units in the private primary market rental universe in 2020 than in 1991. The number of new rental units is not enough to keep up with the City’s population growth, which is one of the primary reasons for the consistently low rental vacancy rate.

FIGURE 4: Monthly Affordability Gap for Renters, City of Victoria, 2020



¹ Monthly payment equal to 30% of monthly income

FIGURE 5: City of Victoria’s Change in Population and Primary Rental Housing Stock, 1991-2016



Source: CMHC and Statistics Canada Census of Population, via SPARC BC.
Source: CMHC Housing Market Information Portal



In Victoria, the existing stock of purpose-built rental apartments typically rent at below-market rates. This is due, in part, to the age of most of Victoria's older rental apartments, as well as the presence of long-term tenancies, which have restrictions on annual rental rate increases as legislated by the Residential Tenancy Act. Tenants who are paying below-market rates may find it challenging to relocate in Victoria if they are displaced due to renovation or redevelopment.

Although new market rental housing stock is initially priced at current market value, these rates tend to stay steady, becoming more affordable over time. This is illustrated by Victoria's stock of existing purpose-built rental built in the 1960's and 1970's, which are now an important source of primary rental housing in the city, serving long term tenancies and generally renting at below-market rates.

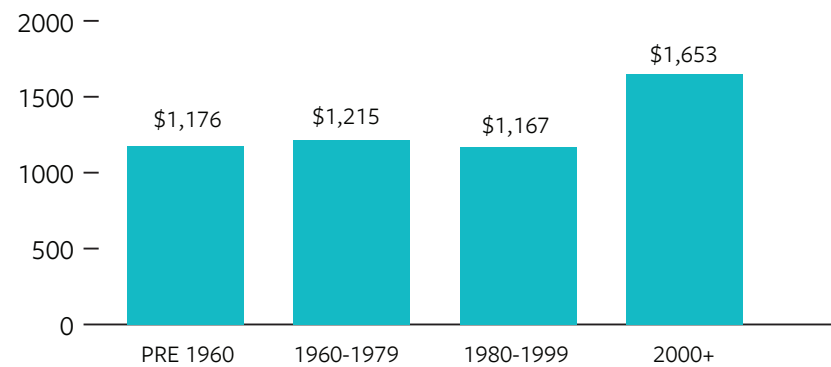
Due in part to the limited development of new rental housing stock over the past three decades, the City of Victoria's vacancy rate has steadily declined. The city has seen a slight shift in this long-term trend due to the recent increase of new primary rental housing stock. As new stock is added to the market, the vacancy rate should sustainably increase. In 2020, there were 83 rental unit completions, more than 150 fewer completions than in 2019. Despite this, between 2019 and 2020, primary rental market vacancy rates in the city increased from 1.0% to 2.3%.

While the increased vacancy rate is linked to the overall increase in the number of primary rental market units, it is also possible that the COVID-19 pandemic has impacted the demand for rental units. During provincially mandated lockdowns to reduce the spread of the

virus, many people transitioned from in-person to virtual work and learning opportunities where possible. This may have temporarily reduced demand for rental units as fewer students and workers were moving to the city to pursue these opportunities. As the city returns to in-person activities this trend may be reversed.

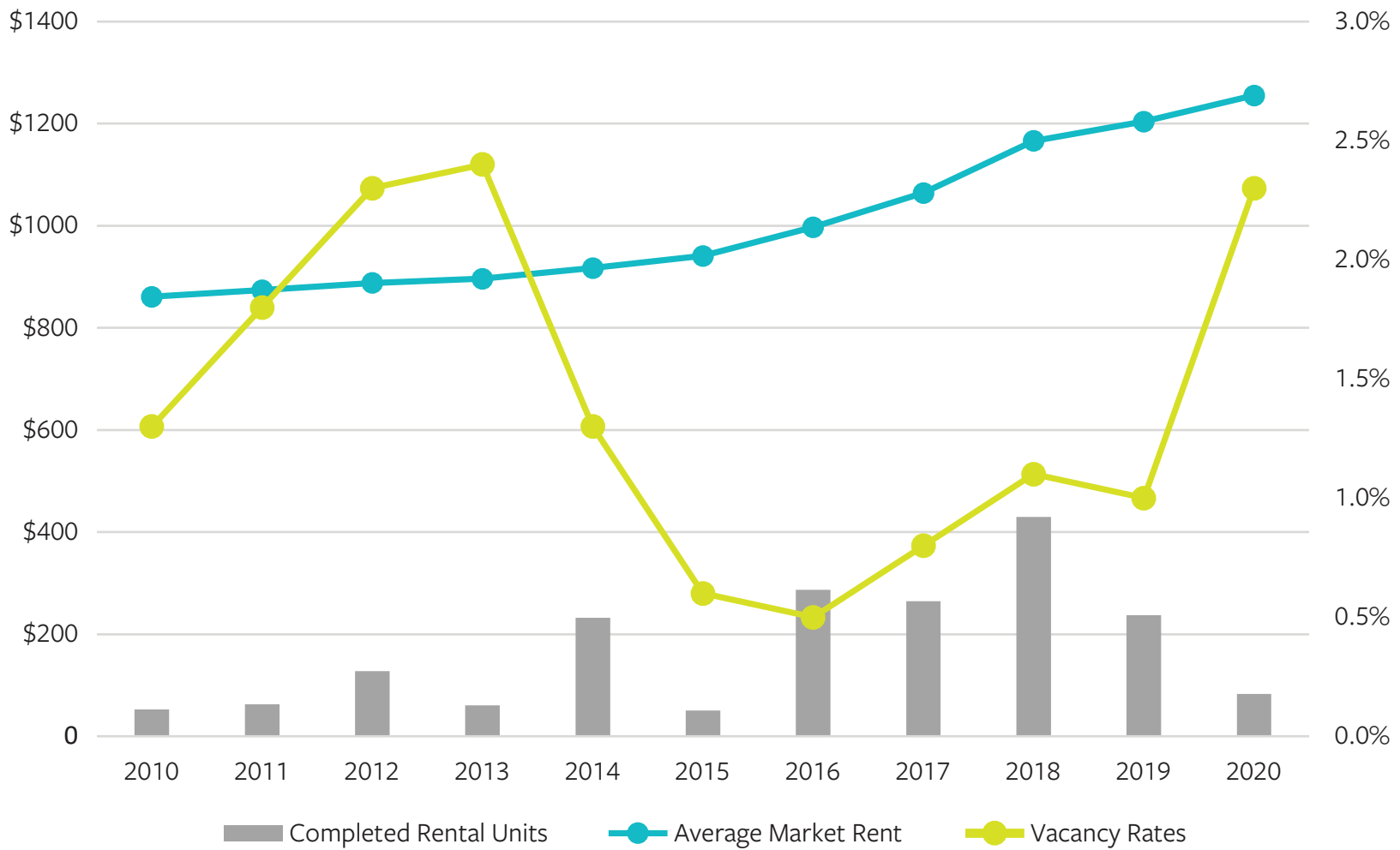
372 purpose-built rental market homes were approved in 2020. Over the next five years, it is anticipated that these projects and others will be built and completed, leading to an ongoing increase in the primary rental stock.

FIGURE 6: Primary Rental Market Average Rent by Building Age, City of Victoria, 2020



Source: CMHC Housing Market Information Portal

FIGURE 7: Primary Rental Market Units Completed, Average Rent, and Vacancy Rate, City of Victoria, 2010-2020

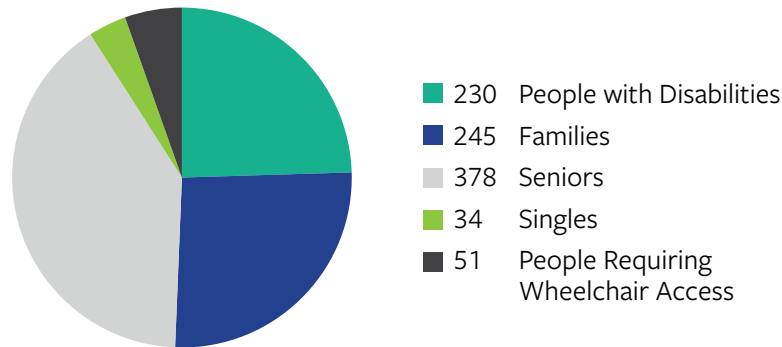




Non-Market Rental Housing

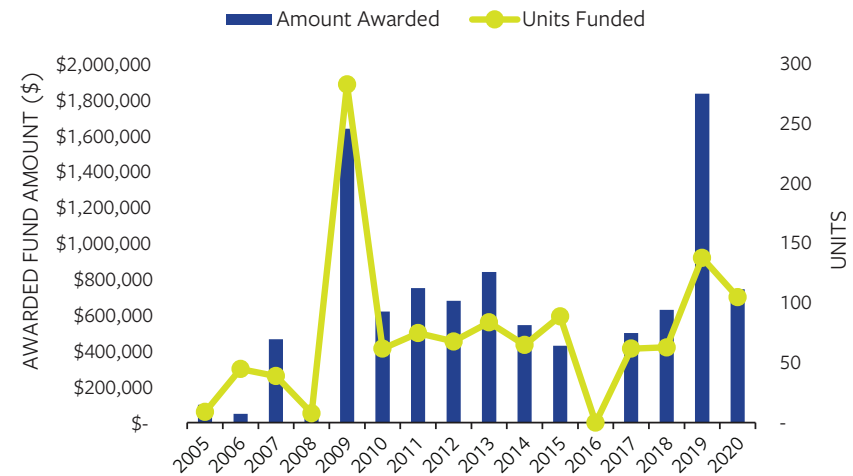
Non-market rental housing includes housing that is owned and operated by non-profit or charitable agencies, and generally receives provincial support. Non-market housing makes up just over 10% of the city’s housing stock. There were 938 households on the waitlist for non-market housing in Victoria as of March 2020 (BC Housing – see Figure 6), showing a significant need for new affordable housing even prior to the start of the COVID-19 pandemic.

FIGURE 8
Households on BC Housing Waitlist for Non-market Housing in Victoria, March 2020



Source: BC Housing

FIGURE 9
Victoria Housing Reserve Fund Awarded Amounts and Units Funded, 2005-2020



Source: City of Victoria

Victoria Housing Reserve Fund

The City of Victoria supports affordable housing development by providing capital grants through the Victoria Housing Reserve Fund. As of December 2020, there were two approved applications to the Victoria Housing Reserve Fund, for a total of \$745,000 in support

of 105 affordable homes in the Burnside neighbourhood. In 2020, the City contributed \$900,000 to the VHRF, including approval of a new annual contribution of \$400,000 in addition to the pre-existing \$250,000, and an additional one-time contribution of \$250,000.

Snapshot of Non-Market Rental Housing Development Activity in Victoria, January - December 2020

Below is a snapshot of the net new affordable non-market developments in the city, including those proposed and under review, approved, and under construction in 2020.

In total, over 900 net new (almost 1,100 gross) non-market rental homes were either approved, under review, or under construction in Victoria. The City is on track to meeting its minimum target of 2,100 affordable homes by 2025.

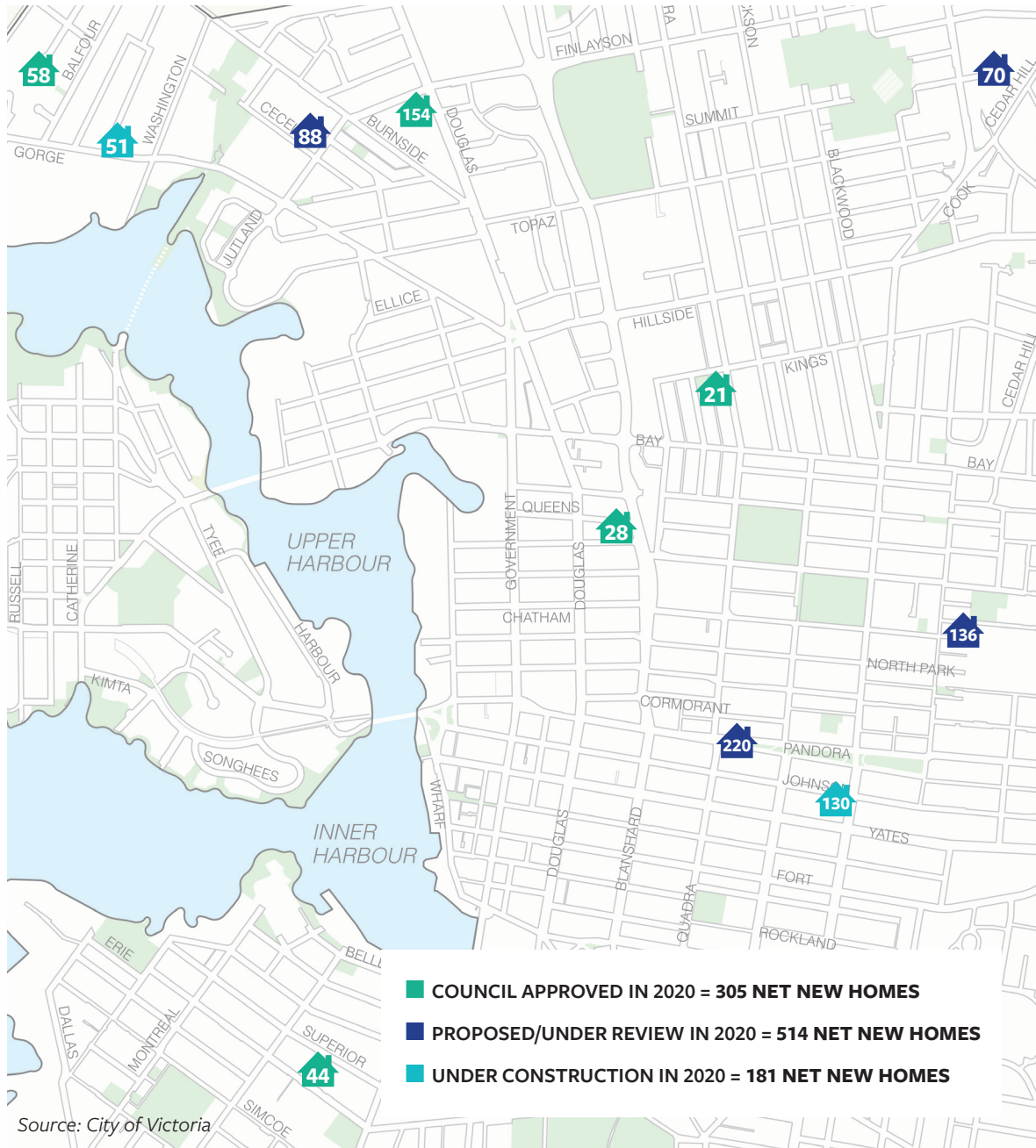
Just over 300 net new non-market homes were approved by Council throughout 2020. Of these homes, approximately 130 will be affordable to households earning very low incomes, 50 for low incomes, 60 for median-income earners and 60 for below-market rental homes. Additionally, more than 500 net new units were still proposed or under review, and almost 200 net new units were under construction at the end of 2020.

Not included in this snapshot are over 230 temporary emergency housing spaces that were purchased or leased by the province throughout 2020 in the early stages of the COVID-19 pandemic to house people living in tent encampments and shelters. Many of these units were created from leasing motel suites and setting up wraparound supports for people who had been living outdoors or in shelters prior to the pandemic.

Targets for non-market development will likely be met by 2025 if there is continued funding from senior levels of government, and support from the City Council for development applications, grants, and incentives.



Total Non-Market Homes Approved and Under Review in 2020 (net new)



**~154
HOMES**

CROSTOWN 3020 Douglas Street

Victoria Cool Aid Housing Society
Affordable and below-market homes,
for families, seniors and singles

**~58
HOMES**

11 Chown Place

Gorge View Society
Affordable for seniors and families

**~21
HOMES**

FOREST HEIGHTS 2558 Quadra Street

Greater Victoria Housing Society
Affordable

**~44
HOMES**

MICHIGAN SQUARE 330-336 Michigan

Capital Region Housing Corporation
Affordable and for families

**~28
HOMES**

736 Princess Avenue

John Howard Society
Affordable to very low-income households,
with supports

**~136
HOMES**

CALEDONIA 1211 Gladstone Avenue

Capital Region Housing Corporation
Affordable, below-market, and for families

**~88
HOMES**

BURNSIDE SCHOOL

3130 Jutland Road & 496-498 Cecelia Road

Pacifica Housing Advisory Association
Affordable homes

**~220
HOMES**

930 & 926 Pandora Avenue

BC Housing and Capital Region Housing
Corporation
Affordable and below-market

**~70
HOMES**

KIWANIS VILLAGE 1419 Mallek Crescent

Kiwanis Village Society
Affordable and below-market for seniors

**~51
HOMES**

CEDAR GROVE 210 Gorge Road East

Victoria Cool Aid Society
Affordable and below-market

**~130
UNITS**

FIRE HALL NO.1 1025 Johnson

Pacifica Housing Advisory Association
Affordable for seniors and families

Homelessness

Housing is a human right: all people deserve access to housing that is safe, stable, and affordable, and supports personal health and connection. Homelessness results from a complex set of circumstances such as the high cost of housing, unstable or inadequate income, and other factors such as illness or violence. Emergency shelter use presents only one dimension of homelessness, which includes a combination of people who are living on the street, living in a shelter, and those who live in insecure or inadequate housing.



Source: 2020 Greater Victoria Point-In-Time Homeless Count and Needs Survey

Across the region, the number of individuals experiencing homelessness in recent years has increased. The March 11, 2020, Point-in-Time count identified a minimum of 1,523 individuals

experiencing homelessness in the region. There were at least 350 individuals who were emergency sheltered and 743 who were provisionally accommodated in transitional housing or public systems.

Homelessness is usually measured by a Point in Time count (PiT, a one-day snapshot of homelessness in the community) or by measuring the number of people that have used one or more emergency shelters at least once over the preceding year (measured from April to March). While a comprehensive PiT Count offers important information about a community, it cannot provide an exact number of people experiencing homelessness and is considered an underestimation of the real number, as homelessness is a fluid rather than a static experience. The Victoria Cool Aid Society measures the number of unique individuals using Greater Victoria Emergency Shelters, although Our Place Society and PHS Community Services Society are two other major providers of shelter services. Shelter users represent a significant proportion of the homeless population.

The COVID-19 pandemic severely limited the overall number of shelter spaces due to social distancing requirements and it almost eliminated drop-in services across the city.

Given this situation, the number of unique shelter clients in shelters is no longer comparable to the numbers in previous years and the City will not be able to use this particular indicator as a measure of progress or change in the shelter population for 2020. Alternative data collection methods are under development.





Goal Two

Increase Supply

Supply and demand are both part of the equation in a high-pressure housing market. Municipalities like the City of Victoria, have a multitude of tools at hand to encourage new housing to ‘keep up’ with demand and help to ‘catch up’ to unmet housing needs across the continuum.



THE GOAL

Encourage new housing supply for all Victoria residents.



TARGETS & PROGRESS MADE

By 2025, 6,000 new homes will be needed, which averages to just over 1,000 homes annually.

FALLING BEHIND: In 2020, building permits for 614 net new dwelling units were issued in the City of Victoria, which is under the 1,000 home per year target for new homes. Although a diverse range of housing in terms of tenure distribution, affordability, and built form has been approved or issued building permits, it is generally not enough to keep up with projected demand or catch up with latent demand for housing. Over the coming years, a greater annual supply of housing will be needed to catch up with latent demand and keep up with projected demands.

Increasing housing supply across the continuum will be key to meeting the City's Housing Strategy targets. By 2025 an estimated 1000 new condominium units will be needed, an average of approximately 167 new units per year. In 2020, 203 building permits for condominium homes were issued, slightly exceeding the specific target. Other housing tenures and types including non-market rental, purpose-built rental, and ground-oriented housing need to see the same or higher levels of supply to support residents across the housing continuum.

Progress Made Increase Supply



ACTION	SUPPORTING ACTION(S)	STATUS
Explore Pre-zoning Opportunities	Consider pre-zoning areas with incentives to encourage purpose-built rental and affordable housing, and in low-density zones, as part of Missing Middle Housing	UNDERWAY
City-owned Sites for Affordable Housing	★ Use of city-owned properties or acquiring new land for affordable housing	ONGOING
Update and Expand Secondary Suite Policy	Expand opportunities for new or legalization of existing secondary suites	FUTURE ACTION
Expand House Conversion Eligibility	★ Update regulations to encourage more house conversions and consider affordability in house conversions Citywide	COMPLETE WITH ONGOING MONITORING
Affordable Housing in Local Area Planning	★ Identify opportunities for affordable housing in all local area plans	UNDERWAY
Support faith-based, charitable, and non-profit housing developers	Support charitable, faith based and non-profit organizations to develop affordable housing	UNDERWAY
Rental Suite Grant Program	★ Develop a Secondary and Garden Suite grant program to increase overall supply of suites and accessible secondary suites	FUTURE ACTION
New Action: Support the rapid development of affordable housing	Advance and support the rapid supply of affordable and supportive housing with government partners and non-profit housing providers	UNDERWAY

★ 2019-2022 Strategic Plan Action

Diversity of Tenure in New Supply

Since 2007, building permits issued for net new dwelling units per year have ranged from 134 homes in 2008 to 1,331 homes in 2018, with an average of approximately 624 homes approved per year. In 2020, the net gain of 614 homes is close to the average and, while keeping pace with previous years is insufficient to meet the 1,000 homes per year target.

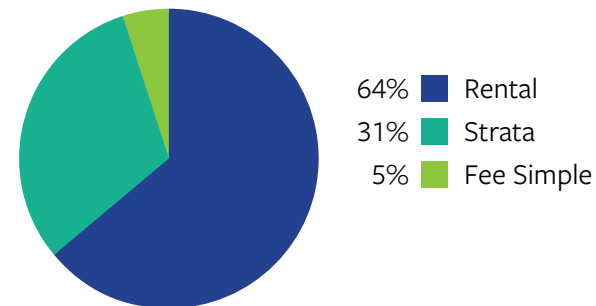
New rental apartments, strata condominiums and a diversity of ground-oriented housing options are all important to achieving a healthy housing system. In recent years, a good mix of both rental and strata apartments has been achieved. In 2013 and 2015, the City issued more building permits for rental homes than strata ownership, a trend that had a positive impact on the supply of rental units and correlated with a slight increase in the vacancy rate. In 2020, building permits were issued for 50% more rental homes than strata homes. Downtown, North Jubilee, Fairfield, Burnside, and Hillside-Quadra accounted for a combined 536 net new homes, making up 87% of the citywide total.

1 Rental: includes purpose-built rental apartments, secondary suites, garden suites
 2 Strata Ownership: includes strata duplexes, triplexes and fourplexes; strata townhouses; strata units in apartment, mixed used and other multi-unit buildings
 3 Fee Simple Ownership: includes single family dwellings and non-strata attached houses

FIGURE 10
New Housing Units by Tenure, City of Victoria



FIGURE 11
New Housing Units by Tenure, City of Victoria, 2020

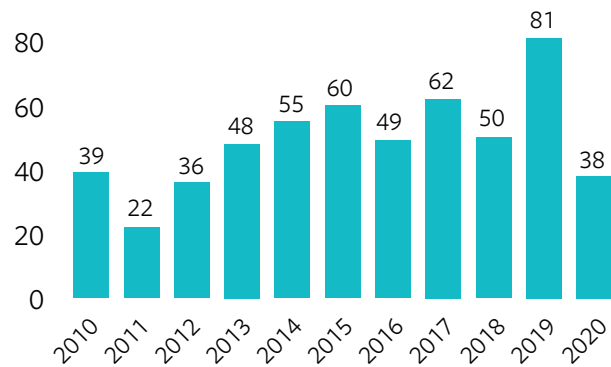


Source: City of Victoria

Demolitions & Net New Homes

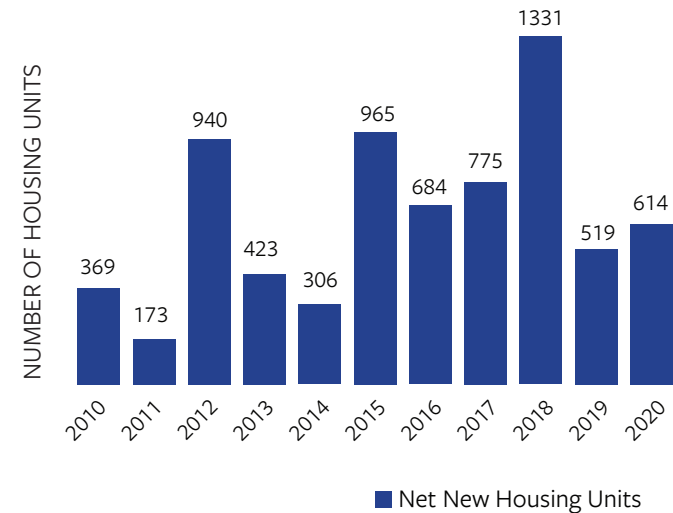
Building permit records indicate that 38 units were lost due to demolition or alteration in 2020, resulting in 614 net new homes. All demolitions were for fee simple or strata ownership tenures, including single-family dwellings, duplexes, and triplexes.

FIGURE 12
Dwelling Units Lost, City of Victoria, 2010-2020



Source: City of Victoria

FIGURE 13
Net New Dwelling Units Approved Through Building Permits Issued, City of Victoria, 2010-2020

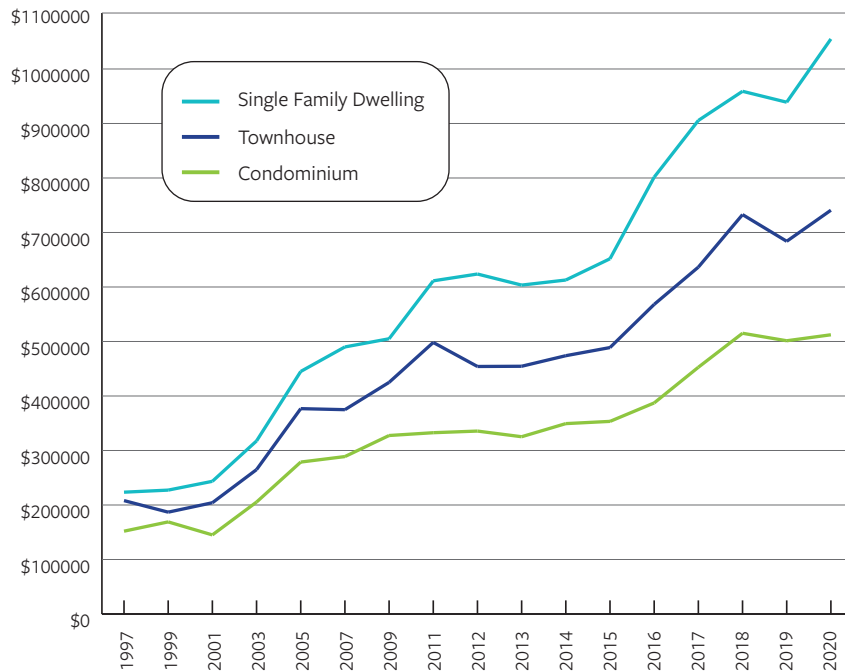


Source: City of Victoria

Housing Prices

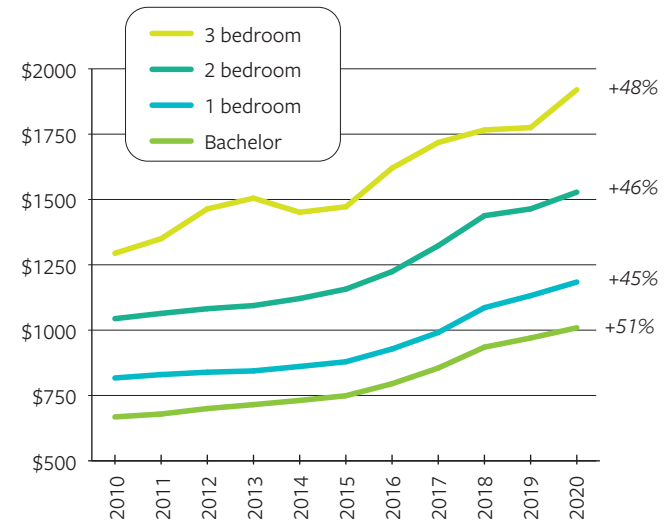
Average sale price for all housing types increased between 2019 to 2020, as did average rental rates in the primary rental market. Average sale prices for single-family dwellings increased by 12.4% (from \$939,066 to \$1,055,057), condominiums increased by 2.2% (from \$683,849 to \$740,902), and townhouses increased by 8.3% (from \$501,352 to \$512,320).

FIGURE 14
Average Housing Sale Prices - Victoria 1997-2020



Source: Victoria Real Estate Board Multiple Listing Service

FIGURE 15
Primary Rental Market Average Apartment Rents by Unit Type, City of Victoria, 2010-2020



Source: CMHC, annual Rental Market Report

According to CMHC, in 2020, average rents in Victoria increased by 4.7% for a bachelor home, 3.2% for a one-bedroom, and 3.5% for a two-bedroom. Average private market rents have increased by 3.1%, slightly less than the 3.4% increase of the previous year. The average price of a one-bedroom rental in the private market increased by 45% between 2010 and 2020.



Goal Three

Housing Choice

A healthy city needs a mix of housing types to accommodate residents of diverse ages, incomes, household types, and lifestyles. Diverse housing options provide opportunities and choices for living near a broad range of services, amenities, and mobility options, including transit and cycling routes. Housing choice and diversity in all neighbourhoods means residents can stay connected to their communities as they move through life's stages and their housing needs change – from young students or workers, to families, through to retirement and aging well. Research shows that cities with more diversity in housing options are more stable and are better equipped to manage housing crises.

This section outlines the City's progress on improving choice and diversity across the housing continuum.



THE GOAL

Encourage a range of housing options to meet the diverse needs of Victoria residents.



TARGETS & PROGRESS MADE

Family Housing Target:

By 2025, at least 1,600 family-sized homes with 2- and 3-bedrooms are projected to be needed (averaging just over 266 homes per year); the homes should include a mix of rental and ownership, as well as apartments and ground-oriented forms.

ON TRACK: 217 family-sized homes (2 and 3+ bedroom units) were approved in 2020, including building permits and Council approvals secured through a housing agreement. While the City is on track to meet family-sized housing targets of over 250 homes per year, more family-sized homes will need to be approved each year to meet 2025 targets of 1,600 homes. In 2020, Victoria approved 124 family-sized homes in apartments (100 2-bedrooms and 24 3-bedrooms, secured through housing agreements), and 93 building permits in total were issued for 2+ bedroom forms and ground-oriented forms, including duplex, triplex, fourplex, townhouse and single-detached homes. It is anticipated that the rates of new family-sized units will increase over time with the adoption and implementation of a Family Housing Strategy.

Missing Middle Housing Target:

To provide more housing choice to residents, new housing should include a higher proportion and more diverse missing middle housing, like townhouses and duplexes as well as houseplexes and house conversions, rather than single-detached homes. At least 1,000 new missing middle homes are needed to meet demand, averaging 167 homes per year.

FALLING BEHIND: While the number of new missing middle units is over 20 more than in 2019, significantly more new units per year are needed to meet the target. In 2020, a total of 70 new missing middle type building permits were issued, including 9 duplexes, 7 triplexes, 6 fourplexes, 38 townhouses, and 10 conversions. It is anticipated that more new missing middle homes will be developed over time with the adoption and implementation of the Missing Middle Housing Strategy.

An additional 77 ground-oriented type homes were issued building permits in 2020, including 33 single detached and 44 secondary and garden suite homes.

Progress Made Housing Choice



ACTION	SUPPORTING ACTION(S)	STATUS (2020)
Develop a Family Housing Policy	★ Encourage or mandate family units	UNDERWAY
Inclusive Housing	Explore ways to ensure the City's housing policies are inclusive of diverse identities	FUTURE ACTION
Tiny Homes	★ Permit tiny homes that are safe and liveable	FUTURE ACTION
Missing Middle Housing	★ Expand opportunities for more diverse ground-oriented housing	UNDERWAY
Missing Middle Zoning Amendments	Update zoning regulations to expand permissions to building ground-oriented housing	
Co-op, Co-housing, and Land Trusts	★ Evaluate the city's role in the development and support of these types of housing	FUTURE ACTION
Garden Suite Policy Amendments	★ Review and Improve the Garden Suite Policy and Guidelines	FUTURE ACTION
Indigenous Housing Working Group	Create a working group to consider the needs and voices of indigenous citizens	FUTURE ACTION
Barrier-free Housing & Universal Design	★ Encourage barrier-free housing and universal design in new developments	FUTURE ACTION
New Action: Encourage the creation of housing for artists	Align with the Create Victoria Masterplan and consider opportunities to support the creation of affordable housing for artists	FUTURE ACTION

★ 2019-2022 Strategic Plan Action

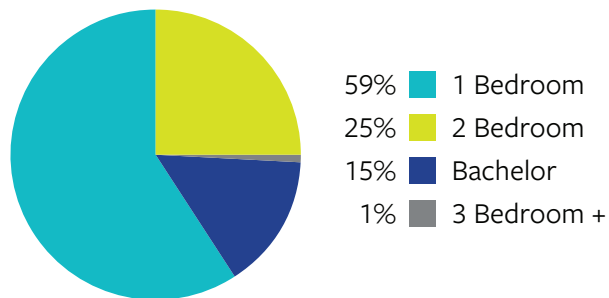
Family-friendly Housing

For a family, finding a home to rent in the city remains a challenge; 74% of all primary market rental housing (purpose-built rental housing with three or more units per building) is comprised of bachelor and one-bedroom units. Only 1% of all rental housing in Victoria has three or more bedrooms (see pie chart below).

With the region's highest percentage of renters, Victoria has a high proportion of young adults. Unfortunately, many of them must leave the city to find more affordable and suitable housing types as they begin to start families.

The limited number of family-sized units suggests that most renters looking for housing with multiple bedrooms and wanting to stay in the city must look to the secondary rental market (including renting entire single detached homes, suites, townhouses or condos from individual owners).

FIGURE 16
Primary Rental Market Universe by Unit Size,
City of Victoria, 2020



(Source: CMHC Housing Information Portal)



Missing Middle Housing

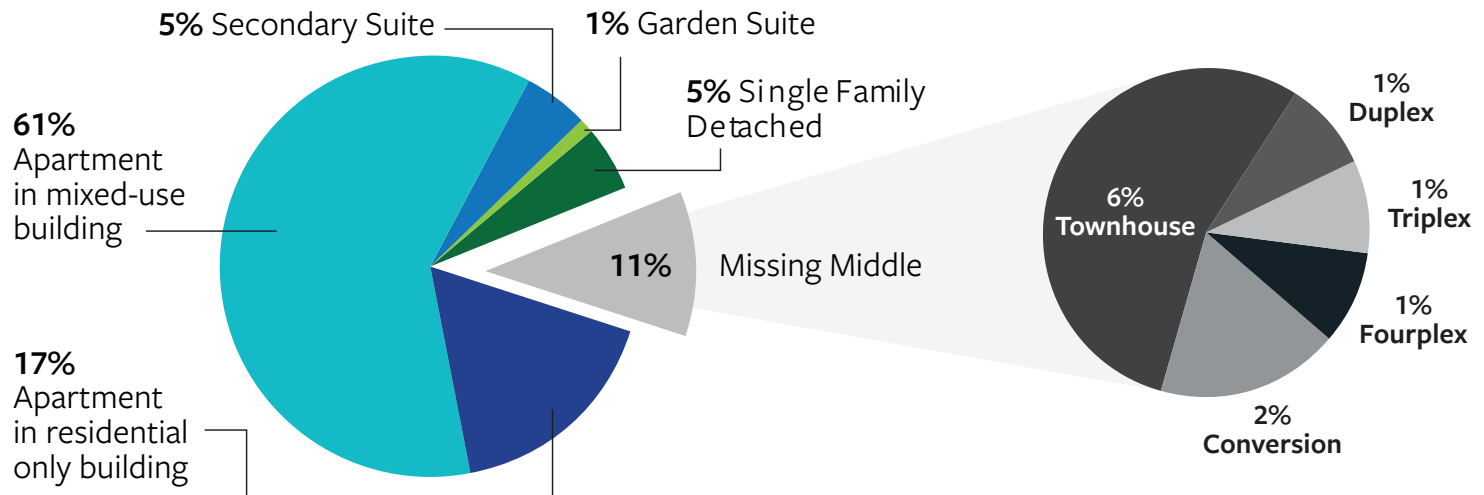
The Missing Middle Housing initiative is a key part of meeting the City’s Official Community Plan (OCP) objectives to improve housing choice and accessibility through a variety of ground-oriented forms. The initiative will make it easier to build townhouses, duplexes, triplexes, and houseplexes; creating diversity in housing choice beyond an apartment or a single-detached home. Many communities have an absence of these infill housing forms which is why they are referred to as ‘missing’.

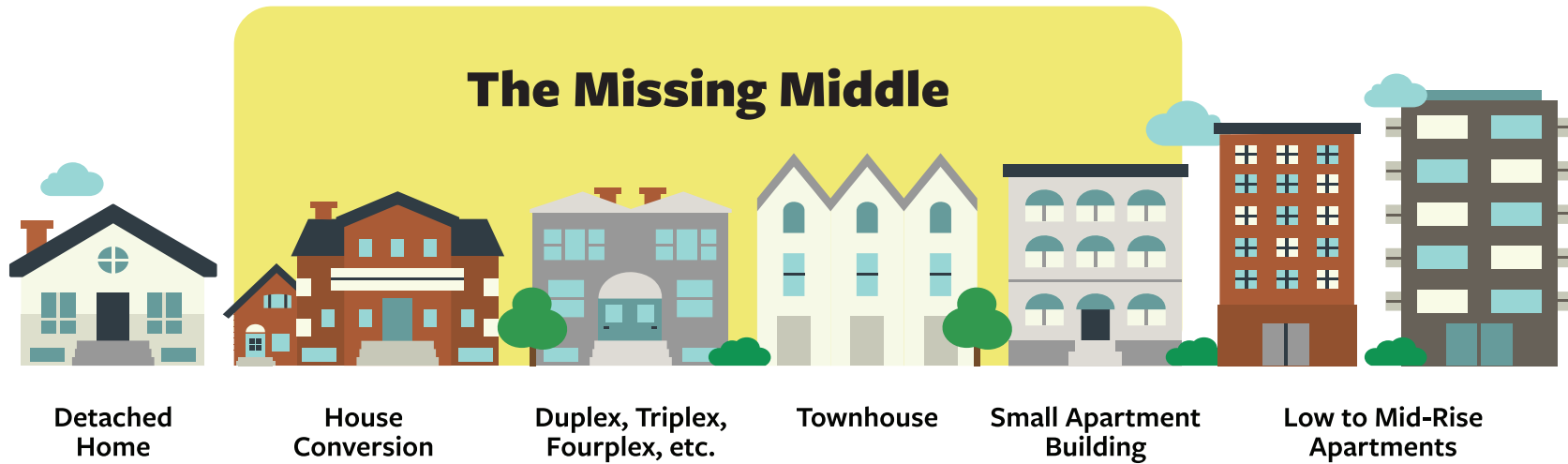
Missing middle housing is important to building a diverse, healthy, resilient community. Not everyone’s lifestyles or preferences are suited for living in apartments, nor can everyone afford a single-family home. Young families, couples, singles, and empty nesters want to continue to stay in Victoria, but struggle to find

appropriate housing that fits their needs and their incomes. Many Victorians want housing with a front door to the street, access to a green space, and more bedrooms than most apartment buildings.

In 2020, 70 new missing middle homes were issued building permits, including 9 duplexes, 7 triplexes, 6 fourplexes, 38 townhouses, and 10 conversions. Although the proportion of missing middle housing in new developments has increased from the previous year, it continues to represent a small proportion overall. The Missing Middle Housing Initiative will consider implementing the OCP through zoning regulation updates, in hopes of encouraging this type of infill housing throughout the city.

FIGURE 17
New Units Approved Through Building Permits Issued by Type, City of Victoria, 2020

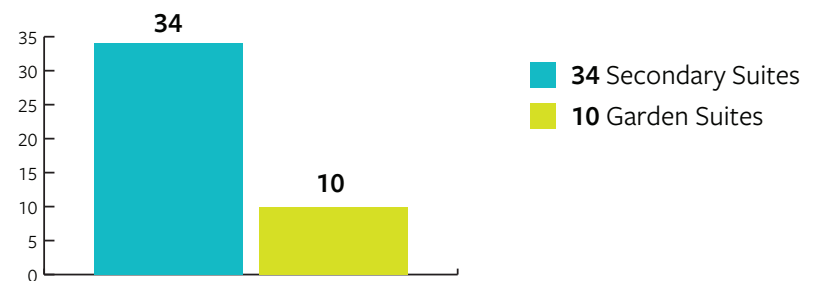




Secondary and Garden Suites

Secondary and garden suites are another important piece of the puzzle for improving housing choice and diversity. These types of dwellings provide housing with a front door to easily access the street, access to green space, and often provide units for the secondary rental market that are not available in the primary rental market. Secondary suites and garden suites sometimes help to support households enter homeownership for the first time, by providing help with paying the mortgage.

FIGURE 18
New Secondary and Garden Suites Approved Through Building Permits Issued, City of Victoria, 2020





Goal Four Track and Improve

Tracking progress and improving housing policies and programs to optimize impact. There are no housing unit targets associated with these actions.



PROGRESS MADE ON ACTIONS

ACTION	SUPPORTING ACTION(S)	STATUS (2020)
Data and Reporting Improvements	Prioritize the development of data collection processes	UNDERWAY
Monitor Affordable Housing Development	★ Track and measure the creation of affordable housing units, reporting quarterly on progress	ONGOING
Housing Policy Working Group	Create a working group of housing stakeholders to review progress on Housing Strategy	FUTURE ACTION
Review and Update the Zoning Regulation Bylaw	Consider amendments to Zoning Regulation Bylaw to modernize and streamline	ONGOING
Rental Replacement Policy	Review and Update Rental Replacement Policy	ON HOLD
Victoria Housing Reserve Fund Improvements	Update Victoria Housing Reserve Fund	UNDERWAY
New Webpages	Create and update webpages to provide current information on affordability targets and policy, procedures, and bylaws as well as information on tenant policy and services.	ONGOING
Cross-Government Policy Alignment and Advocacy	Strengthen the City's housing policy alignment	ONGOING
Review and Optimize Housing Funding	Review and streamline City's total spending on housing and homelessness	FUTURE ACTION
Fee Waivers, Reductions, and Tax Exemptions	Revisit incentives for affordable housing developments	FUTURE ACTION
Inclusionary Housing & Community Amenity Policy Review	Annual monitoring of policy's fixed rates and targets	FUTURE ACTION
Align housing initiatives with Climate Leadership Plan	Integrate and align the City's housing policy with the City's Climate Leadership Plan	ONGOING
Transportation Considerations	Align housing policies with GoVictoria	ONGOING



Goal Five New Ideas

Try bold ideas to achieve new results. There are no housing unit targets associated with these actions.



PROGRESS MADE ON ACTIONS

ACTION	SUPPORTING ACTION(S)	STATUS (2020)
Housing Champions	A team to promote informed awareness and acceptance of affordable housing projects	FUTURE ACTION
Small Scale Housing Ambassador Position	★ Create a small-scale housing ambassador position to guide homeowners to build suites	REMOVED Considered by Council and deemed unnecessary
Intergenerational Housing	★ Improve access to housing and social inclusion across generations	FUTURE ACTION
Modular Housing on City Land	Consider city-owned sites for modular housing and streamline development process	ONGOING
Housing Talk Series	Launch a free educational series on housing issues and solutions	FUTURE ACTION
External Funding for Housing Initiatives	Explore opportunities and grants to fund City and community housing initiatives	ONGOING
Garden Suite Design Competition	Launch a garden suite design competition	FUTURE ACTION
Municipal Housing Authority	★ Explore value of a “Victoria Housing Corporation” for City-owned and operated affordable housing	REMOVED

★ 2019-2022 Strategic Plan Action

Glossary of Terms

Affordable (Non-Market) Rental: Refers to housing that is provided by a non-profit organization, charitable society and/or government agency. This housing is built and operated using a mix of senior government funding and offers affordable or below-market rents through mixed income projects, in perpetuity.

Affordable Housing: Victoria's definition is housing where the price does not exceed 30% of the gross annual household income for very low-income to moderate-income households.

Below-market rental housing: Refers to housing with rents lower than average rates in private-market rental housing.

Core Housing Need: A household whose dwelling is considered unsuitable, inadequate, or unaffordable, and whose income levels are such that they could not afford alternative suitable and adequate housing in their community.

Housing Agreement: Refers to an agreement between the local government and a landowner to address affordable housing and special needs housing. It cannot vary the use or density defined in the zoning bylaw, however it can address matters such as the form of tenure of the housing units, rents and leases, sale or share prices, and administration and management of the housing units.

Market Rental: Refers to housing that is provided by a private, for-profit landlord or Real Estate Investment Trust. This housing is built and operated by a company or property owner that offers rent at an amount that is generally similar to the rent of other units in the private (non-subsidized) housing market.

Missing Middle Housing: Refers to homes that are somewhere between a higher-density apartment or a single-family home, often missing from residential communities. Townhouses, duplexes, triplexes, and houseplexes are common forms of missing middle housing, although secondary suites, garden suites, house conversions and smaller apartment buildings can also be considered part of the missing middle.

Primary Market Rental: Refers to purpose-built rental apartment buildings (i.e. 4 units or more) designed and built expressly as long-term rental housing and are rented at market rates.

Rent Supplement: Refers to government-funded payments that bridge the gap between what an individual or family can afford to pay and the actual cost of housing.

Residential Rental Tenure Zoning: The new legislative authority to limit housing tenure to rental in multi-family residential zones.

Residential Tenancy Act: Refers to BC's law setting out protections for tenants and landlords. It applies to rental apartments and rented houses, including secondary suites. It also applies to rentals in many other types of housing, such as rented strata units.

Secondary Market Rental Housing: Refers to units built for ownership, which are then rented for an undetermined amount of time and managed directly or through a property management firm (e.g. secondary suites and rented condominium or strata apartment units).

Strata Apartment: A strata (condominium) development can be buildings or land, divided into separate units, called strata lots. This allows for individual ownership of a strata lot. When renting in stratas, tenants and landlords must follow the Strata Property Act and regulations and the strata's bylaws and rules.

Vacancy Rate - Primary Rental Markets: This indicator measures the average annual vacancy rate for purpose-built rental housing buildings with three or more units. It does not include the secondary rental market (secondary suites, private condominiums, or other private housing that is rented)

APPENDIX A

Housing Report 2020 Data Tables

Introduction

Starting in 2019, the annual Housing Report was expanded to include additional reporting on housing targets and indicators related to the Housing Strategy Phase Two Annual Review. The data collection process from previous years has been maintained here to allow for comparison and continuity over time.

The Housing Report 2020 is a compilation of housing data for the City of Victoria. The data comes from monthly reports of building permit issuance and is supplemented by data from the Victoria Real Estate Board and Canada Mortgage and Housing Corporation (CMHC). Where possible, data is broken down by neighbourhood and/or accompanied by previous years' data for comparison.

Dwelling Units Approved through Building Permits Issued (2020)

(SOURCE: CITY OF VICTORIA)

Dwelling Units Approved by Neighbourhood (2020)							
Neighbourhood	New Construction (excluding secondary/ garden suites)	Conversions (excluding secondary/ garden suites)	Secondary Suites	Garden Suites	Total	Dwelling Units lost	Net New Dwelling Units
Burnside	78	0	3	0	81	-3	78
Downtown	133	11	0	0	144	0	144
Fairfield	97	8	3	1	109	-4	105
Fernwood	1	7	1	1	10	-5	5
Gonzales	5	0	10	2	17	-2	15
Harris Green	0	0	0	0	0	0	0
Hillside-Quadra	70	2	2	2	76	-1	75
James Bay	19	0	2	0	21	-11	10
Jubilees	131	0	4	2	137	-3	134
North Park	3	0	0	0	3	-1	2
Oaklands	4	2	6	1	13	-8	5
Rockland	0	2	3	0	5	0	5
Victoria West	34	1	0	1	36	0	36
Total	575	33	34	10	652	-38	614

Dwelling Units Approved through Building Permits Issued

(SOURCE: CITY OF VICTORIA)

Dwelling Units Approved by Year															
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Annual Average 2007-2020
New Construction	844	116	161	274	142	820	278	182	927*	661	791	1317	522	575	544
Conversions	263	14	238	85	21	113	156	145	58	24	8	7	12	33	84
Secondary/Garden Suites	25	31	44	49	32	43	37	34	40	48	54	57	66	44	43
Dwelling Units lost	-61	-27	-28	-39	-22	-36	-48	-55	-60	-49*	-62	-50	-81	-38	-47
Total	1071	134	415	369	173	940	423	306	965*	684*	791	1331	519	614	624

*Please note that 2015 and 2016 numbers were reconciled in 2019 due to minor errors in previous reports.

Secondary/Garden Suites Approved through Building Permits Issued

(SOURCE: CITY OF VICTORIA)

Secondary/Garden Suites Approved by Year

Neighbourhood	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Annual Average 2006–2020
Burnside	0	0	1	0	2	0	1	2	1	0	1	0	0	1	3	1
Downtown	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fairfield	1	3	5	8	12	2	9	5	5	11	9	8	12	12	4	7
Fernwood	1	4	3	3	8	6	5	3	3	6	6	7	8	6	2	5
Gonzales	4	8	6	10	7	7	6	8	10	5	5	5	10	10	12	8
Harris Green	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hillside Quadra	1	1	4	3	5	3	6	4	4	3	4	3	9	7	4	4
James Bay	0	3	3	4	3	4	2	3	2	1	4	6	1	4	2	3
Jubilee	1	2	1	0	2	1	3	1	4	4	4	8	0	7	6	3
North Park	0	0	0	0	0	2	1	0	2	0	1	0	1	1	0	1
Oaklands	0	0	5	10	5	6	8	5	1	4	8	11	12	12	7	6
Rockland	0	1	0	1	3	0	2	5	1	2	2	4	2	3	3	2
Victoria West	1	3	3	5	2	1	2	1	1	4	4	2	2	3	1	2
Total	9	25	31	44	49	32	45	37	34	40	48	54	57	66	44	41

Note: In 2007 the City amended its zoning regulations to enable easier installation of secondary suites in existing homes. The program was piloted in the Gonzales neighbourhood starting in 2005.

Purpose-Built Rental Units Approved through Building Permits Issued

(SOURCE: CITY OF VICTORIA)

Purpose-Built Rental Units Approved by Neighbourhood (2020)

Neighbourhood	Purpose-built rental
Burnside	72
Downtown	11
Fairfield	93
Fernwood	5
Gonzales	0
Harris Green	0
Hillside Quadra	66
James Bay	0
Jubilee	125*
North Park	0
Oaklands	0
Rockland	0
Victoria West	0
Total	372

Note: Purpose-built rental units do not include secondary or garden suites and are secured through a housing agreement.

*Includes seniors independent and assisted living rental units.

Victoria Housing Reserve Fund

(SOURCE: CITY OF VICTORIA)

The Victoria Housing Reserve Fund was established for the purpose of providing grants to:

- assist in the development and retention of housing for households with no, low or moderate incomes;
- support community diversity and infrastructure; and
- facilitate the development of affordable rental housing.

Housing Fund Activity						
Year	Agency	Address	Amount	Units	Type of units	Neighbourhood
2020	Gorge View Society	11 Chown Pl	\$295,000	35	Very low-income affordable rental	Burnside
2020	Victoria Cool Aid Society	3020 Douglas St	\$450,000	70	Very low-income affordable rental	Burnside
2019	Greater Victoria Housing Society	2558 Quadra St	\$440,000	40	Low- and moderate-income affordable rental	Hillside Quadra
2019	Capital Region Housing Corporation	330 - 336 Michigan St	\$1,395,000	98	Affordable rental	James Bay
2018	North Park Manor Society	875 North Park	\$30,000	3	Low- and median-income for seniors	North Park
2018	Victoria Cool Aid Society	210 Gorge Road East	\$600,000	60	Low- and moderate-income affordable rental	Burnside Gorge
2017	Pacific Housing Advisory Association	1601 - 1609 Douglas St	\$500,000	62	No/Low-income housing	Downtown
2015	Victoria Cool Aid Society	3211-3223 Quadra St	\$112,000	45	Supportive Housing	Saanich
2015	Society of St. Vincent de Paul	4351 West Saanich Rd	\$297,000	42	Low-income & Supportive Housing	Saanich
2015	Victoria Native Friendship Centre	120 Gorge Rd	\$20,000	2	Low-income & Supportive Housing	Burnside
2014	Greater Victoria Rental Housing Society	1950 Blanshard St	\$543,725	65	Affordable rental	Burnside
2013	Pacifica Housing Advisory Association	105 Wilson Street	\$840,000	84	Affordable rental	Victoria West
2012	Greater Victoria Housing Society	35 – 39 Gorge Rd	\$680,000	68	Affordable rental units	Burnside
2011	City of Victoria	710 Queens Ave	\$360,000	36	Low-income supported housing	Burnside
2011	City of Victoria	120 Gorge Rd	\$390,000	39	Low-income aboriginal housing	Burnside
2010	Greater Victoria Housing Society	575 Pembroke	\$250,000	25	Low-income single rental	Downtown
2010	Greater Victoria Housing Society	15/21 Gorge Rd	\$370,000	37	Low-income family rental	Burnside

Victoria Housing Reserve Fund, continued

(SOURCE: CITY OF VICTORIA)

Housing Fund Activity						
Year	Agency	Address	Amount	Units	Type of units	Neighbourhood
2009	Cool Aid Society	525 Ellice St	\$296,341	104	Emergency shelter beds and supported housing units	Burnside
2009	Capital Region Housing Corp	Dockside Green	\$460,000	46	Affordable rental units	Victoria West
2009	Beacon Community Services	834 Johnson St	\$120,000	12	Affordable rental for adults with disabilities	Downtown
2009	BC Housing	950 Humboldt	\$236,681	44	Supportive housing units	Fairfield
2009	BC Housing	469 Swift St/ 1634 Store St	\$16,705	26	Supportive housing units	Downtown
2008	Cridge Centre for the Family	confidential	\$80,000	8	Transition homes for women	confidential
2007	Victoria Native Friendship Centre	1250 Balmoral St	\$300,000	6	Transitional youth housing	Fernwood
2007	Roofs & Roots Housing Co-operative	1511 Bank St	\$50,000	5	Low-income single-parent families	South Jubilee
2007	Fernwood Neighbourhood Resource Group	1222 Yukon St	\$60,000	6	Homeless and underhoused families	Fernwood
2007	Capital Region Housing Corp and Beckley Farm Lodge	408 Parry St	\$55,000	22	Affordable housing for seniors	James Bay
2006	Our Place	919 Pandora St	\$50,000	45	Supportive housing for homeless at-risk single adults	Harris Green
2005	Pacifica Housing	2821 Irma St (The Georgian Apts)	\$50,000	5	Homeless families and low-income single seniors	Burnside
2005	Fernwood Neighbourhood Resource Group	1301 Gladstone (The Cornerstone)	\$50,000	4	Homeless and underhoused families	Fernwood

Secondary Suite Grant Program

The Secondary Suite Grant program was established to help facilitate the development of secondary suites in the City of Victoria. The program had a total budget of \$250,000, and was fully subscribed in 2013.

Secondary Suite Grants	
Total Number of grants committed overall	50

Rental Market Statistics – City of Victoria 2020

(SOURCE: CMHC 2020 FALL RENTAL MARKET REPORT)

Canada Mortgage and Housing Corporation publishes an annual Rental Housing Report for Greater Victoria. The summary tables below highlight the rental inventory for the City of Victoria.

Primary Rental Market Universe (Purpose-built rental buildings with 3+ units per building)											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Bachelor	2,161	2,159	2,221	2,246	2,279	2,349	2,349	2,346	2,449	2,470	2,615
1 bedroom	9,378	9,415	9,510	9,492	9,567	9,649	9,615	9,858	10,082	10,030	10,406
2 bedroom	4,111	4,094	4,160	4,167	4,234	4,265	4,238	4,268	4,446	4,462	4,539
3 bedroom	175	185	154	150	190	205	189	189	205	199	196
Total	15,825	15,853	16,045	16,055	16,270	16,468	16,310	16,661	17,182	17,161	17,756

Average Rent											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Bachelor	\$668	\$679	\$700	\$715	\$731	\$749	\$795	\$855	\$935	\$970	\$1,009
1 bedroom	\$817	\$830	\$839	\$844	\$861	\$879	\$928	\$991	\$1,086	\$1,132	\$1,184
2 bedroom	\$1,044	\$1,064	\$1,082	\$1,094	\$1,121	\$1,157	\$1,224	\$1,323	\$1,438	\$1,464	\$1,528
3 bedroom	\$1,294	\$1,350	\$1,464	\$1,505	\$1,451	\$1,472	\$1,620	\$1,718	\$1,766	\$1,775	\$1,920

Rental Market Statistics – City of Victoria 2020, continued

(SOURCE: CMHC 2020 FALL RENTAL MARKET REPORT)

Secondary Rental Market											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total number of condominiums	11,064	11,176	11,452	11,437	11,730	12,327	12,553	12,693	12,615	12,759	13,594
Number of strata units rented	2,506	2,671	2,743	2,790	2,844	2,906	3,195	3,253	3,064	3,289	3,553
% units in rental market	22.7%	23.9%	24.0%	24.4%	24.2%	23.6%	25.5%	25.6%	24.3%	25.8%	26.1%
Vacancy rate	1.5%	1.0%	2.6%	2.3%	1.7%	0.4%	0.7%	0.0%	0.1%	0.4%	0.1%

Overall Vacancy Rates											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Victoria	1.3%	1.8%	2.3%	2.4%	1.3%	0.6%	0.5%	0.8%	1.1%	1.0%	2.3%
CMA	1.5%	2.1%	2.7%	2.8%	1.5%	0.6%	0.5%	0.7%	1.2%	1.0%	2.2%
National (10,000+)	2.6%	2.2%	2.6%	2.7%	2.9%	3.5%	3.7%	3.0%	2.4%	2.3%	3.1%

Average House Prices

(SOURCE: VICTORIA REAL ESTATE BOARD MULTIPLE LISTING SERVICE)

1997 - 2020 Average Sale Prices			
	SFD	Townhouse	Condominium
1997	\$223,504	\$208,072	\$151,952
1999	\$227,309	\$186,864	\$168,989
2001	\$243,445	\$204,144	\$145,131
2003	\$317,540	\$264,941	\$205,379
2005	\$445,017	\$376,789	\$278,782
2007	\$490,000	\$374,900	\$288,850
2009	\$505,000	\$425,000	\$327,500
2011	\$611,312	\$498,232	\$332,638
2012	\$623,775	\$454,150	\$335,629
2013	\$603,477	\$454,556	\$325,260
2014	\$612,784	\$473,938	\$349,324
2015	\$651,810	\$488,861	\$353,409
2016	\$801,513	\$568,094	\$387,262
2017	\$905,556	\$636,456	\$452,732
2018	\$959,059	\$732,831	\$515,107
2019	\$939,066	\$683,849	\$501,352
2020	\$1,055,057	\$740,902	\$512,320



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