

CITY OF VICTORIA | Sustainable Planning & Community Development

Housing Strategy Annual Review 2021

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 continues to be one of the biggest challenges facing a widening range of Victorians today. The *Victoria Housing Strategy Phase Two* was adopted in 2019 to increase the supply and diversity of both 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. In 2018, annual reviews replaced the long-standing housing reports historically compiled by the City with a new format and an expanded set of indicators. As of 2021, one third of the six-year timeframe (2020-2025) has elapsed for the City to achieve its minimum housing targets. This report provides an in-depth summary of the progress made over the past year as well as the cumulative progress since 2019, and describes ongoing efforts towards achieving the goals of the *Victoria Housing Strategy*.

Affordability remained the principal housing challenge for Victorians in 2021. One year after the COVID-19 pandemic began, the City continued to experience soaring home prices, rising rental and construction costs, as well as record migration into BC and rising levels of inflation. Despite these challenges, progress continued toward many key Housing Strategy objectives, with nearly all supporting actions either completed or underway, including several actions that focus on renters as well as increasing housing affordability, choice, and diversity.

The City continued to improve and deepen its understanding of Victorians' housing needs and experiences over the past year. The 2021 national census will provide important updated information on local population and household characteristics, such as incomes and housing costs. Early in the year, the City partnered with BC Housing to help move hundreds of people living in parks into transitional housing, intended as a pathway to a permanent home. To help document and learn from this experience, the City commissioned *The Beginning of The End of Homelessness* report, focused on identifying barriers and making recommendations to ending homelessness in the Capital Region. The report highlighted the diversity of people experiencing homelessness in our city, and the important role that municipal policies and programs play in helping to realize the right to adequate housing for all. The homelessness report complemented the *Victoria's Housing Future* report completed in 2021, which identified the City's current and future housing needs, in addition to identifying existing gaps to address latent housing demand. Findings from the *Victoria's Housing Future* report were used to update the City's targets for different housing types across the continuum. Important progress was also made through public consultation and research on the Missing Middle Housing and Village and Corridor Planning initiatives, two key policy levers that have the potential to make room for more diverse housing choices for households of different incomes, ages, and stages in the coming years.

Data and indicators provided in this report will illustrate this context and the progress made on *Housing Strategy* goals and actions in 2021.



Key Observations & Findings

Residential Building Permits

- In 2021, building permits for a record 1,473 net new homes were approved in Victoria. Downtown, Victoria West, Burnside, and Harris Green accounted for a combined 1,195 net new homes, making up 80% of the citywide total.
- Since 2007, building permits issued for net new homes per year have ranged from 134 homes in 2008 to 1,473 homes in 2021, with an average of approximately 681 homes approved per year. **In 2021, the net gain of 1,473 homes is more than double this average** and, after falling behind in 2020, helped bring the City back within range of meeting its 6,000-unit target by 2025.
- 93 homes were lost due to demolition or alteration. The majority of these lost units came about through demolition permits for multifamily buildings (greater than 5 units) (47%) and detached dwellings (38%).
- 2021 census data indicates Victoria's population grew by 7.1% or 6,075 people over the previous 5 years. This means that **the City has already reached 30% of the projected 25-year population growth after only 5 years** (or 20%) of the targeted time frame.¹
- The total number of dwellings in Victoria grew by 7.8% since 2016, indicating that the growth of housing was roughly in line with population growth.

TABLE 1: Net Housing Units Created in the City of Victoria, 2017-2021

	2017	2018	2019	2020	2021
Homes Created	853	1,381	600	652	1,566
Homes Lost	62	50	81	38	93
Net New Homes	791	1,331	519	614	1,473

¹ Given that year-end Provincial migration data recorded the highest annual total since 1961 (including significant net interprovincial migration through quarters 2 to 4, 2021) and the census reference date is May 11, 2021, this census population data is likely underestimated for 2021. Source: Statistics Canada

Affordability

- Data from the 2021 census indicates that Median household income of Victoria residents has increased by 27% since 2016 while average rent has increased 22-30%, and the average house price has increased between 46-54%, indicating **a significant deterioration of housing affordability over the past five years.**
- Between 2020-2021, the average sale price of all housing types increased markedly. Single-family dwellings increased by 17%, condominiums increased by 14%, and townhouses increased by 12%.
- As approved in 2020, the City contributed \$660,000 to the Victoria Housing Reserve Fund (VHRF) in 2021. The fund also saw its first contribution through the new Municipal Regional Destination Tax Online Accommodation Platform (MRDT OAP) in the amount of \$1,279,401. There were three applications to the VHRF approved in 2021, for a total of \$1,650,000 in support of 264 affordable homes in the Oaklands, Burnside, and Fernwood neighbourhoods.
- Throughout 2021 over 1,083 net new (1,199 total gross) non-market ² rental homes were either approved, under review, or under construction in Victoria.
- Of the 1,083 net new non-market rental homes, 210 were approved by Council in 2021 with an additional 184 units proposed by BC Housing through the provincial paramouncy process which are considered de facto approvals; 216 units are affordable to households earning very low-incomes, 60 units for low incomes, 70 units for median income earners and 49 units at below-market rental rates for households with moderate incomes. Not included in these figures is an additional 30 temporary units of modular supportive housing on city-owned land at 940 Caledonia Ave, approved and constructed in 2021.
- Just over 550 net new non-market units were under construction in 2021, aiming to be completed over the next few years and, as of December 2021, there were an additional 348 net new non-market homes proposed and under review.
- There were 1,146 households on the waitlist for non-market independent housing in Victoria as of December 2021, up 22% from 938 in March 2020, showing a significant and growing need for new affordable housing since the start of the COVID-19 pandemic.
- The number of individuals waiting for supportive housing in the city remained relatively stagnant at 1,375 between 2020-2021, despite an additional 136 people securing supportive housing across two locations which opened in the city in 2021.

² 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

Rental Market Housing

- After a temporary surge in private market rental vacancy rates in 2020, rates in the city of Victoria decreased 1.3 percentage points, returning to the pre-pandemic 1% vacancy rate as of October 2021, and remaining well below healthy vacancy rates of 3-5%.
- Victoria Census Metropolitan Area (CMA) vacancy also returned to the 2019 rate of 1%, down from 2.2% in 2020. During the same period, the national vacancy rates have remained stable at 3.1% since 2020.
- Building permits were approved for 1,035 rental homes (or 66% of all building permits), including 201 homes de facto approved for construction through the provincial paramountcy process. Of those, 465 permits were issued for purpose-built rental³ homes, which offer high levels of housing security for tenants, and 543 were for affordable (non-market) rental homes.
- Eleven purpose-built rental homes were lost due to demolition or alteration, consisting of 11 units at the former Wellburn's Market building. One secondary suite, and 32 sleeping units⁴ were lost due to redevelopment.
- According to the Canadian Mortgage and Housing Corporation (CMHC), the primary rental market universe in the city of Victoria increased by 8 homes in 2021, bringing the primary market rental inventory to 17,764. This means that few net new rental apartment buildings approved in previous years completed construction and achieved occupancy in 2021 in time to be included in the CMHC rental market report. However, this is anticipated to increase significantly in the coming years as a historical high of 863 rental housing starts and 361 rental completions were recorded in Victoria in the same year.
- Building permits for 18 secondary suites and 9 garden suites were also issued in 2021, compared to 34 secondary suites and 10 garden suites in 2020. 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 Census⁵.
- According to the CMHC, in 2021, average rents in Victoria increased by 1.5% for a bachelor home, 1.8% for a one-bedroom, and 3.4% for a two-bedroom. Average private market rents have increased by 2.4%, slightly less than the 3.1% increase of the previous year.

3 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.

4 Sleeping unit: Refers to a room or rooms which are used or intended to be used for sleeping or sleeping and living purposes, but in which there is not a bathroom, water closet, sink, or cooking facility.

5 Equivalent 2021 Census data point not yet available.

- Transitioning between rental units remains extremely difficult in Victoria, as average rents for vacant rental units in the city were 24% to 39% higher than occupied rental units in 2021, depending on unit size. For instance, in 2021, a household vacating a 2-bedroom apartment renting at the average occupied unit rate of \$1,575 would face a market where the average rent required for a vacant 2-bedroom was \$2,009, or 28% more than their previous rent. In 2020, Victoria renters faced a 1% to 54% increase between occupied to vacant unit average rents.
- The CMHC's assessment of the secondary rental market (which only captures rented condominiums) saw a 3% increase in inventory to 3,669 in 2021. This increase is up from 3,553 homes in 2020 for a total of 116 net new homes. Despite this growth, rented condominium vacancy rates have continued to decrease from 0.4% in 2019 to 0.1% in 2020, to 0% in 2021. Of the 14,073 condominiums in Victoria, 26% of them are assumed to be in the rental market (unchanged from 2020), according to CMHC.

Housing Diversity

- In 2021, Council approved approximately 73 homes that are suitable for families (2 and 3+ bedrooms) in multi-unit apartments, secured in legal agreements, as well as 230 family-friendly units unsecured by legal agreements. In addition, approximately 68 ground-oriented homes assumed to have 2 or more bedrooms were issued building permits.
- Thirty-four Missing Middle⁶ type homes were issued building permits in 2021, including 8 duplexes, and 22 townhomes. This represents 22 per cent of the annual target for this housing type, the lowest since this target was adopted in 2019, and half of last year's total.
- As of 2021, only 10% of the targeted number of building permits for missing middle homes have been issued, making this the poorest performing Housing Strategy target. To get back on track in 2022, approximately 400 units of missing middle homes would be needed.
- In 2021, 69 ground-oriented homes were issued building permits, including 34 single detached, 8 duplex, and 27 secondary and garden suite homes. However, 48 ground-oriented homes were lost to demolition or deconversion this year, resulting in a net gain of 21 units, all created through secondary and garden suites.
- Research completed as part of the *Victoria's Housing Future* Report identified that the City's OCP falls short of demand for multi-family housing – condos and apartments – by about 25%.
- *Victoria's Housing Future* also identified gaps in ground-oriented housing capacity within existing City policy to meet the anticipated need for family-friendly housing. Recent trends show limited creation of Missing Middle homes despite the broadly supportive policies that exist in the OCP, which can be attributed to zoning regulations that have not been updated to implement the OCP.

6 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 2021

The City continued to make progress on the Housing Strategy in 2021, with 35 of 49 actions being advanced and 20 either complete or ongoing. As of December, eight actions had been completed, and 15 were underway. One action has been put on hold, 13 are planned for future action, and 12 have become a regular part of ongoing day-to-day operations. The following highlights the key achievements over the past year:

- The Rental Property Standards of Maintenance Bylaw took effect in January 2021.
- As a result of the *Victoria Housing Needs Assessment and Victoria's Housing Future* report, Council instructed staff to update the Housing Unit Targets 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).
- Municipal development process changes to support the rapid deployment of affordable housing were introduced at City Council in the spring of 2021. In response to council direction, staff undertook focused consultation with non-profit affordable housing providers, the Urban Development Institute, and community associations in 2021 and early 2022, garnering broad community support for the proposed Zoning Bylaw and Land Use Procedures Bylaw changes.
- The Greater Victoria Housing Security Fund and Rent Bank was piloted from February to April 2021. This program provides housing support services and non-repayable grants or interest-free loans of up to \$3,000 to renters experiencing temporary financial emergencies and the pilot helped to support over 150 households throughout the Greater Victoria Region, with almost half of those households living in the city of Victoria. In May, the program transitioned to offering interest-free loans only.

As of December 2021, the program had received over 600 applications from local renters requiring emergency support to cover their housing costs and assisted 249 households through either grant or loan program offerings.

- Three projects were approved for grants under the Victoria Housing Reserve Fund supporting the development of a 28-unit project at 736 Princess Ave, developed by the John Howard Society, a 78-unit seniors housing project by the Kiwanis Village Society, and a 158-unit development at Caledonia/Gladstone Ave, developed by the Capital Region Housing Corporation.
- Throughout 2021, 55 affordable or below market rental and 6 below market home ownership units were secured in eight private market projects through legal agreements. \$144,021 was secured in developer contributions to the Victoria Housing Reserve Fund through the City's *Inclusionary Housing and Community Amenity Policy*.
- A new Tenant Assistance Planner position was filled in January 2021 and has contributed to an increasing number of Tenant Assistance Plans (TAPs) being submitted and approved, with 13 TAPs started in 2021.

- Throughout 2021, tenants in over 157 rental homes were supported through the *Tenant Assistance Policy* (TAP). Eligible tenants displaced from their homes because of redevelopment received support, beyond what is mandated through the Residential Tenancy Act, to help them with relocation, and require the right of first refusal for new rental homes once they are built. The sites where these apartments are located will be redeveloped to accommodate a greater number of new housing units in the city, including purpose-built rental units.
- In Spring 2021, Council approved updates to the Victoria Housing Reserve Fund Guidelines to promote its long-term sustainability, align with federal and provincial affordable housing targets, and improve the grant application process to allow applications to obtain preliminary/tentative Council approval and help them to leverage senior government funding sources.
- As a result of council feedback in 2021, in early 2022 the Right of First Refusal unit rental rate stipulated within the *Tenant Assistance Policy* was increased from 10% to 20% below-market rent in order to align with other municipal tenant assistance policies in the region and to help mitigate negative impacts of tenant displacement due to redevelopment.
- Staff presented options for regulatory changes that would make it easier to build Missing Middle housing in the City and reported on the results of early public engagement that informed these options. Council directed staff to initiate the second phase of engagement to provide opportunities for the community to help inform and navigate important trade-offs and choices associated with this housing form. In combination with additional technical analysis, the feedback received helped to guide the zoning and land use policy changes required to make it easier to build Missing Middle homes in Victoria.
- A summary of the first phase of Village and Corridor Planning - which includes areas of the Hillside-Quadra, North Park, and Fernwood neighbourhoods - was published in summer 2021, containing community feedback collected in Stage Two Engagement, technical analysis, and draft planning and design directions. Key concepts emphasized in these draft directions included increasing the diversity of housing options and opportunities for higher density in the right locations in order to create new housing capacity and meet the demand identified in *Victoria's Housing Future* report. Council directed staff to prepare draft neighbourhood plans and design guidelines based on this information and initiate the final stage of engagement on the project in July 2021.
- As part of the Villages and Corridor Planning process, guiding principles were created for the Evergreen Terrace redevelopment planned for 2501 Blanshard street and identified this site as a Special Planning Area within the draft Hillside-Quadra Neighbourhood Plan. Recognizing that this site currently provides valuable, affordable housing to over 160 households, the principles will help inform the master planning and phased redevelopment of this significant community in the coming years, with directives to address community and city-wide objectives related to urban design, tenant relocation, housing mix, community amenities, and more.

Impacts of COVID-19 on the Housing Sector

The expansion of community access to COVID-19 vaccines in 2021 helped Victorians to navigate through a third and fourth wave of the Pandemic. Signs of ‘normalcy’ returned through easing of travel restrictions, post-secondary students returning to in-person classes, and a return to pre-pandemic employment rates. However, the social and economic health of local communities have been, and continue to be, significantly impacted by changes brought on by the COVID-19 global pandemic.

Housing and income insecurity:

- In 2021, households receiving temporary financial and housing supports continued to struggle to find stable and permanent housing, particularly renters who were already facing a challenging housing market or financial uncertainty prior to the Pandemic. 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. At that time, if a tenant was still unable to repay their back rent, landlords could issue a 10-day notice to end tenancy for unpaid rent or utilities.
- As many post-secondary students and businesses returned to in-person activities in 2021, coupled with record migration to BC over the same year⁷, **rental vacancies decreased from 2.3% in 2020, returning to the pre-pandemic rate of 1%.**
- Average rent in the Victoria CMA increased by 2.4% to \$1,323, creating even more challenging financial situations for Victoria’s low-income households, particularly those experiencing or at-risk of homelessness. **To afford this average rent, a household would need to earn a minimum \$65,000 annually, or \$31 per hour on a 40-hour work week.**
- In March, legislative changes were introduced to cap future rent increases for occupied units to the rate of inflation and a provincial rent freeze introduced at the beginning of the Pandemic was extended for a final time through to December 31, 2021.
- Driven by record-low mortgage interest rates and record migration to BC, average home prices continued to rise, extending to an **all-time high of over \$1 million for a single detached home in Victoria.**

7 Between July 2020 and June 2021, more Canadians moved to BC than anywhere else in Canada. A record high since 1994, BC welcomed 34,000 new residents.

Source: Government of British Columbia



- 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.⁸ 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.⁹ As of July 2021, all mortgage deferrals granted in 2020 had ended, but by December, mortgage delinquency rates had fallen to the lowest level in the previous five years, dispelling concerns about an impending spike in mortgage default rates.
- Unemployment rates for the Victoria CMA reached pre-pandemic levels, dropping to 3.9% in December 2021 after reaching a high of 11.1% in July 2020, and down 0.4% from July 2021.

8 Source: CMHC

9 Source: Bank of Canada

Moving encampments indoors, overlapping crises, and isolation:

- The second year of the covid-19 pandemic further highlighted the inequitable impacts and the important effects of housing on health.
- Pandemic-related public health emergency measures led to widespread reductions in shelter capacity levels, increased discharges from corrections and health institutions, and resulted in a dramatic rise in the number of people sleeping outdoors in the City after March 2020. In response, **the City partnered with BC Housing, Island Health, and other housing providers to move over 600 people into temporary indoor housing** – some communal, some private – between March and April 2021.
- As of May 1, 2021, the City has reinstated its bylaw which prohibits sheltering in city parks between 7 a.m. to 7 p.m.
- Amidst continued public health advisories for self-isolation and cautioning against social gatherings, alongside the ongoing opioid overdose crisis, Victoria saw an increase in the number of **illicit drug-related deaths**, which **claimed the lives of at least 127 people in the city**. 2,236 British Columbians were lost to overdose in 2021, 26% more than the 1,767 deaths in the province in 2020. This overlapping public health emergency, which has risen more than 400% since 2014, has hit Victoria particularly hard, as **one of the top three cities in BC for total number of overdose deaths**.¹⁰

- In response to an outbreak of COVID-19 cases among Victoria's remaining unsheltered community in fall of 2021, the provincial government opened 50 new shelter isolation spaces in Victoria, adding to the 287 beds previously created to allow self-isolation for those otherwise living in communal settings.

Emerging Opportunities

- 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.
- 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 approximately **190 new supportive homes are expected to be built in Victoria over the next few years**.¹¹ A few months later, the City also announced it would be collaborating with BC Housing and the Capital Regional Housing Corporation to build an additional **220 new non-market homes and create a new neighbourhood community centre with a gym and child care spaces** on City-owned land at 930/926 Pandora Avenue.

10 Source: Government of British Columbia

11 Source: BC Housing



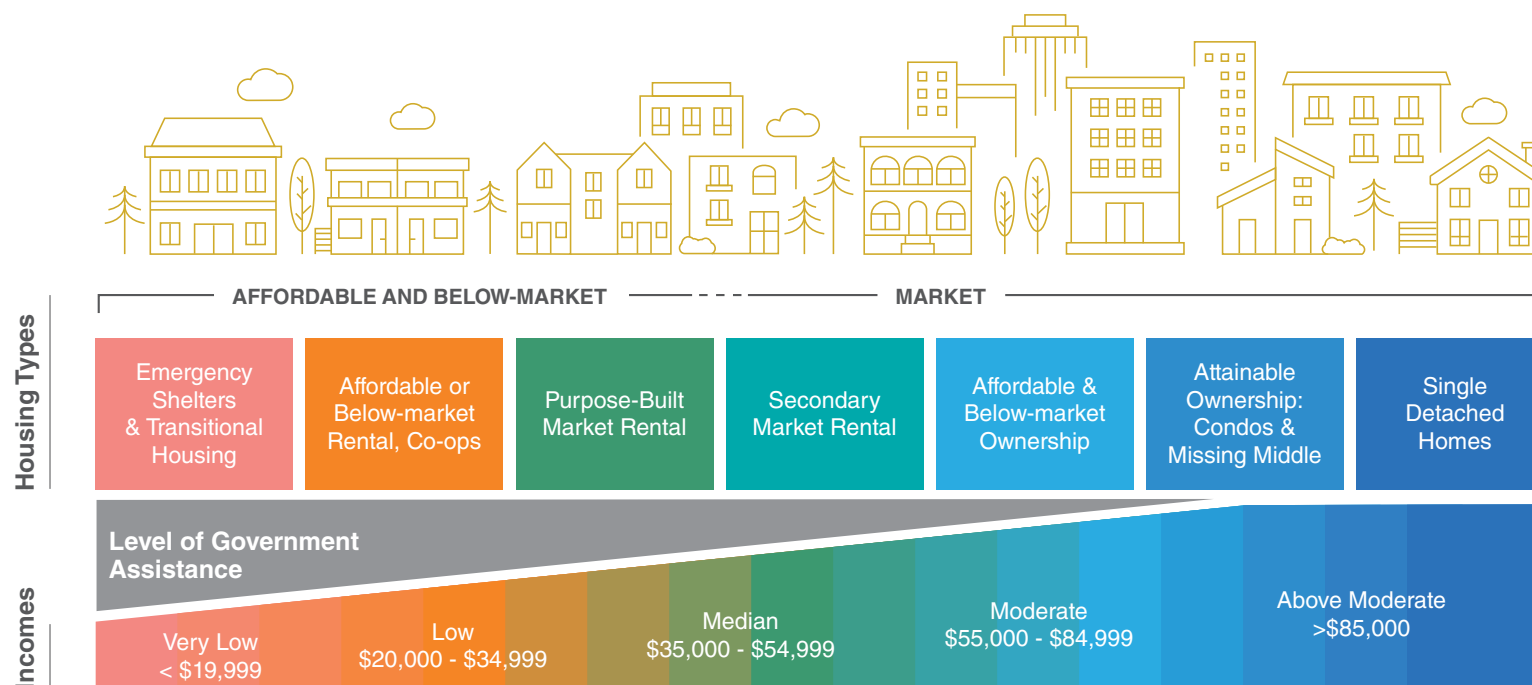
The Housing Continuum

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

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.

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 and operated, whereas market homeownership requires no government assistance.

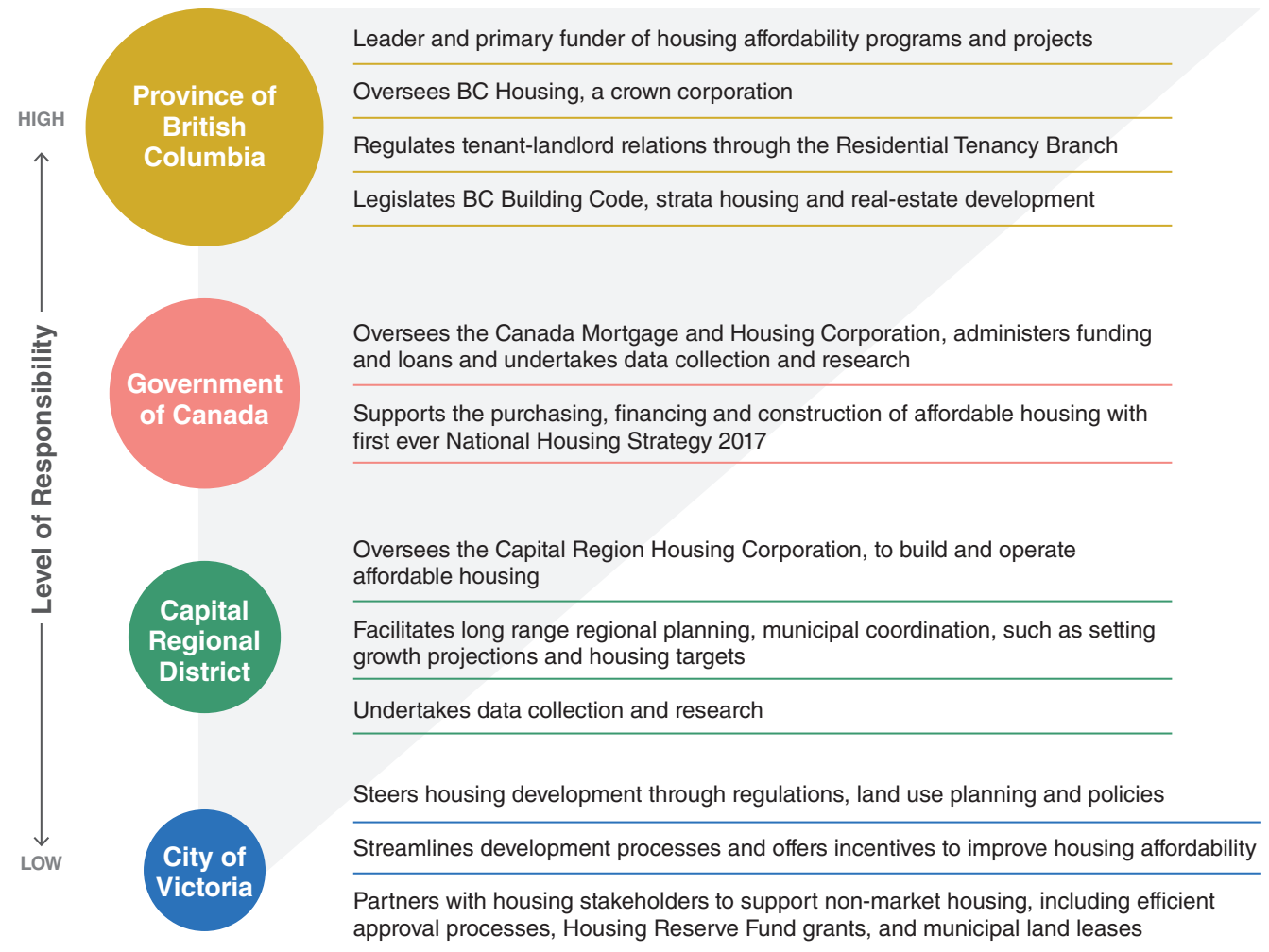


Role of Government

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 a vital role in the housing sector the senior levels of government have the legal authority and resources to deliver much needed subsidized affordable housing.

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 were updated in Spring 2021 based on the outcomes of a Housing Needs Assessment and several studies carried out as part of the Victoria's Housing Future report in 2020. The Strategy's Housing Unit Targets estimate the minimum number of new housing units that need to be created by 2025 to address the needs of Victorians today – including latent unmet demand – 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 over time.

FIGURE 3: Housing Targets

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, as of 2020, approximately 2,100 affordable non-market homes are needed to ‘keep up’ and ‘catch up’ with growing demand over the coming 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 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.

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.

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 or more bedrooms)).

BUILDING PERMITS ISSUED measures the total number of new housing units by type and tenure of housing (townhouse, duplex, 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 number of bedrooms.

Tracking housing developments that are **APPROVED BY COUNCIL** fills in gaps in data collected through building permits by reporting on the affordability of new homes and their suitability for families when 2 or 3+ bedroom units are secured through legal agreement. This indicator also tracks the number of units that are approved for potential development in the future, through rezonings and development permits. 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.

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

ON HOLD: the action was initiated but has been paused to prioritize other actions

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

Cumulative Progress Indicators

Now that two out of six years allotted for the Strategy's Housing Unit Targets for 2025 have elapsed, alongside Victoria's annual progress, there is an opportunity to review cumulative advancement towards these targets. To provide a fulsome understanding of how close the City is to meeting its projected housing needs in 2025, this year's review includes an overall progress evaluation of each target created by measuring the sum of the units recorded in 2020 and 2021, as a percentage of the corresponding 2025 target. Because one third of the time has elapsed, one third (or 33%) of the various 2025 targets is used as a benchmark for tracking the City's overall progress in each target as of 2021. To help gauge the degree or pace of achievement, this indicator is divided into three colour-coded signals: green for when 33% or more of the targeted units have been tracked, yellow where progress has been up to 8% below the benchmark but could be brought back within range within a few years, and red where less than 25% of the overall target has been met, suggesting it will be difficult to achieve the targeted units without a major intervention.



GOING WELL
33% or more of target met



SLOWER THAN WE'D LIKE
25-32% of target met



FALLING BEHIND
less than 25% of target met



Housing Targets Progress Summary 2021

Goals	Targets	Progress in 2021	Overall Progress
GOAL ONE: Focus on Renters	1,900 new Market Rental Homes by 2025, ~300 per year	EXCEEDING: 492 Building Permits Issued.	
	2,100 nw Affordable Non-Market Homes by 2025, ~350 per year	ON TRACK: 210 net new affordable non-market homes were approved by Council, with an additional 184 units approved de facto through the provincial paramountcy process, for a total of 394 homes. There are over 348 more homes proposed and under review, 234 are awaiting building permits, and 551 units are under construction.	
GOAL TWO: Increase Supply	6,000 total new homes, ~1,000 per year	ON TRACK: A record 1,473 net Building Permits approved.	
	1,000 total new condominium strata homes, ~150 per year	EXCEEDING: 489 Building Permits Issued.	
GOAL THREE: Housing Choice	1,600 new homes for families, ~250 per year	FALLING BEHIND: 142 homes with 2 or more bedrooms secured through legal agreements during Council approval or issued building permits	
	1,000 Missing Middle Homes (duplexes, triplexes, fourplexes, conversions, and townhomes), ~150 per year	FALLING BEHIND: 34 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 renters compared to homeowners. Further, as property values continue to rise faster than local incomes, the proportion of renters in Victoria is likely to grow in the future. As of 2016, nearly one in four households in Victoria experience core housing need, and nearly all (86%) of those households rent.¹²

This section reports the indicators that reflect the conditions felt by renters, as well as affordable non-market and market rental housing development throughout 2021.

12 Capital Regional District - *Housing Needs Assessment*, City of Victoria (October 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.



Overall Progress: 48%

EXCEEDING: In 2021, building permits were issued for 492 new market rental homes. Of those homes, 465 were purpose-built rental apartments, up 25% from 2020. In 2021, for the second year in a row, more building permits were issued for rental homes than ownership (including strata and fee simple approvals).

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.



Overall Progress: 33%

ON TRACK: 394 non-market rentals were approved in 2021, including 210 approved by Council and 184 advanced by BC Housing and exempt from the municipal approvals process¹³.

Of the 394 net new non-market rental homes, 216 units will be affordable to households earning very low incomes, 60 units for low incomes, 70 units for median income earners and 49 units at below-market rental rates. Not included in these figures are an additional 30 temporary units of modular, supportive housing on city-owned land at 940 Caledonia Ave approved in 2021.

¹³ In March of 2021, the Province of British Columbia announced it would be moving forward with four new supportive housing projects in Victoria which would move straight to the construction phase, bypassing municipal approval process. Source: BC Housing



PROGRESS MADE FOCUS ON VICTORIA'S RENTERS

ACTION	SUPPORTING ACTION(S)	STATUS (December 2021)
Market Rental Revitalization Strategy (MaRRS) *	Rental Properties Standards of Maintenance Bylaw	COMPLETE
	Rental Business Licensing Bylaw	ON HOLD UNTIL 2023
	Renter Engagement Activities (RPSOM/Renoviction/General information sharing)	UNDERWAY
	Implement Energy and Seismic Pilot	UNDERWAY
Secured Rental Project *	Secured Market Rental Policy and Early Engagement Workshops	UNDERWAY
	Further expedite and simplify development processes for affordable rental housing	UNDERWAY
Residential Rental Tenure Zoning	Consult and implement rental-only zoning with incentives	ONGOING
Tenant Ambassador Position *	A new staff position to support tenant and housing programs	COMPLETE
Reduce 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
Rent Bank Pilot	Explore the creation of a third party administered Rent Bank on a pilot basis	COMPLETE

* 2019-2022 Strategic Plan Action

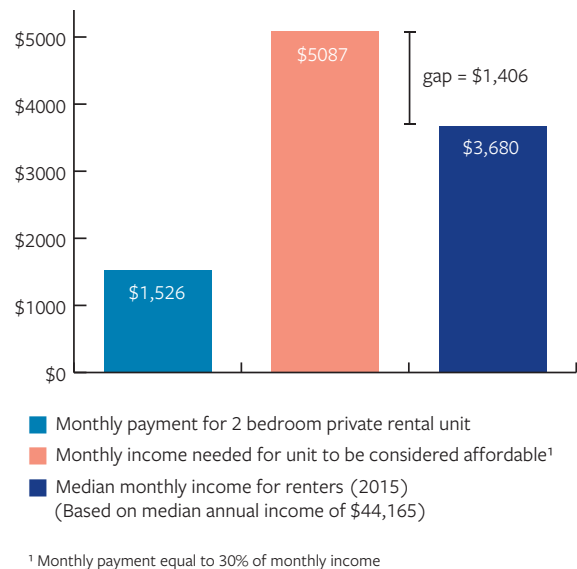
Market Rental Housing

INDICATOR	2019	2020	2021	CHANGE 2020-2021	SOURCE
Rental Housing Starts (the beginning of construction work on a building)	165	240	863	↑	CMHC
Rental Completions (when all or most of the construction work on the unit is done)	240 units	83 units	361 units	↑	CMHC
Building permits issued for rental: includes purpose-built rental apartments, secondary suites, garden suites	249 units	416 units	492 units	↑	City of Victoria
Building permits issued for purpose-built rental, not including secondary and garden suites	183 units	372 units	465 units	↑	City of Victoria
Primary market average rent as of October	\$1,205	\$1,256	\$1,289	↑	CMHC
Primary market rental vacancy rate as of October	1%	2.3%	1%	↓	CMHC
Primary market rental inventory	17,161 units	17,756 units	17,856 units	↑	CMHC
Secondary market rental vacancy rate as of October	0.4%	0.1%	0%	↓	CMHC
Secondary market rental inventory (Rental Condominium) ¹⁴	3,289 units	3,553 units	3,669 units	↑	CMHC
Purpose-built rental demolitions	34 units	0 units	11 units	↑	City of Victoria

¹⁴ 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 30% from an average of \$928 per month in 2016 to \$1,205 in 2021 (CMHC Rental Market Survey), while the median monthly income for Victoria households has risen 27% from \$53,126 in 2016 to \$67,500 in 2021 (Statistics Canada 2021 Census). However, these incomes are an aggregate of both renter and homeowner households and, although renter median income data has not yet been released as part of the 2021 census, historically, renter median incomes tend to be significantly lower than those of owners. Generally, the price for rental housing continues to rise at a faster rate than local incomes, meaning many renters are forced to spend the majority of their monthly income on shelter, especially single-person and lone-parent households who rent.

FIGURE 4: Monthly Affordability Gap for Victoria's Median Income Renters, 2020

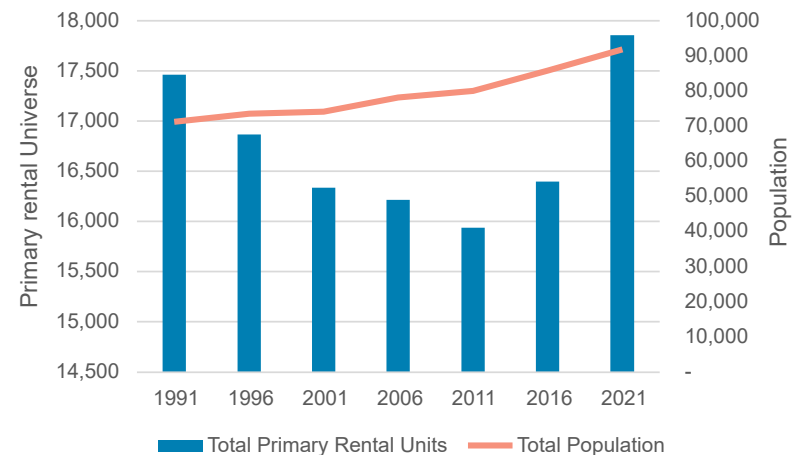


Source: CMHC and Statistics Canada Census of Population.

Source: CMHC Housing Market Information Portal

The number of residents who call Victoria 'home' continues to grow steadily; recently released data from the 2021 Census indicates the city saw a 7% (6,075) increase in population since 2016, and a 29% increase (about 20,000 people) since 1991 (Statistics Canada 1991-2021 Census). **However, according to CMHC's Rental Market Survey, there were only 396 more rental units in the private primary market rental universe in 2021 than in 1991** (see figure 5 below). Though Victoria's rental stock has been increasing since 2011, the number of new rental units has not kept pace with the City's population growth, which is one of the key reasons for the consistently low rental vacancy rate. 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 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 will find it challenging to relocate in Victoria if they are displaced due to renovation or redevelopment.

FIGURE 5: City of Victoria's Change in Population and Primary Rental Housing Stock, 1991-2021



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

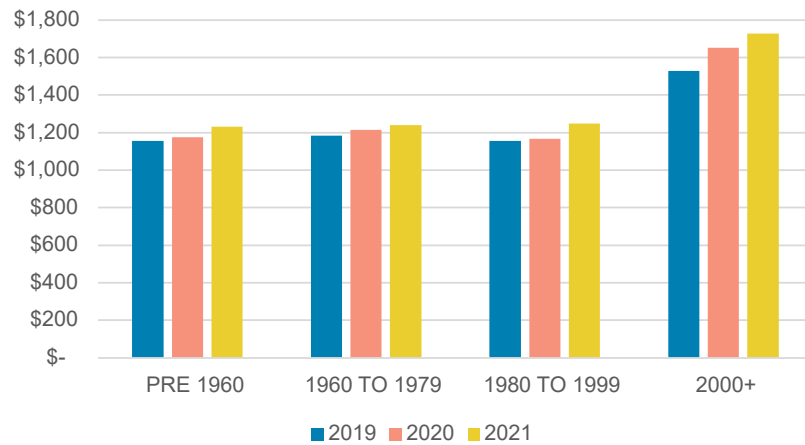
Due in part to the limited development of new rental housing stock over the past three decades, the City of Victoria's vacancy rate has steadily declined. While the city has seen a slight shift in this long-term trend due to the recent increase of new primary rental housing stock, new units must continue to be added to the market at a rate that exceeds population growth if the vacancy rate is to sustainably increase. The number of rental unit completions has increased significantly in 2021, reversing the decreasing trend of the previous two years; 2021 saw 361 rental unit completions, 278 more than in 2020 and 124 more than in 2019. Despite this increase in supply, between 2020 and 2021, primary rental market vacancy rates in the city dropped from 2.3% to 1.0%.

The return to a 1.0% vacancy rate after a brief 1.3% increase seen between 2019 and 2020 has demonstrated the link between the COVID-19 pandemic and demand for rental units in Victoria. 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 is likely to have temporarily reduced demand for rental units as fewer students and workers were moving to the city to pursue these opportunities. As many post-secondary students and businesses returned to in-person activities in 2021, coupled with record migration to BC over the same year¹⁵, rental vacancies have returned to pre-pandemic levels.



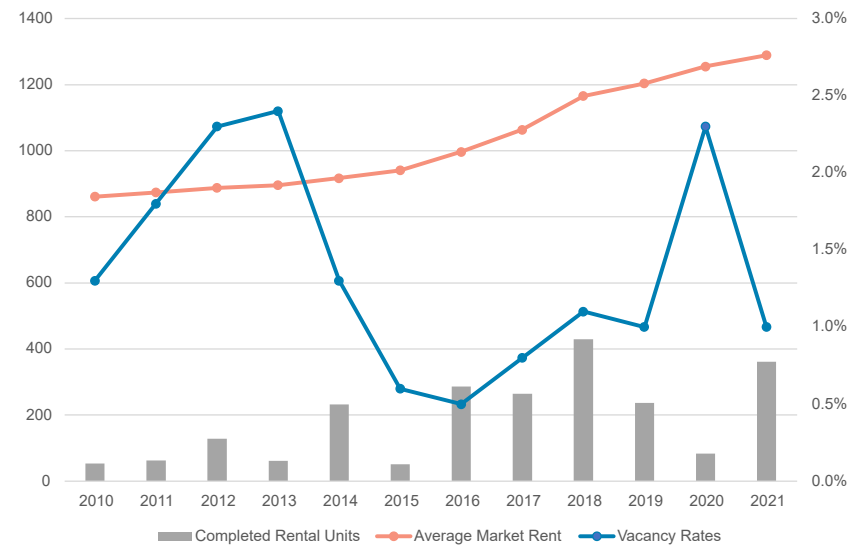
15 Between July 2020 and June 2021, more Canadians moved to BC than anywhere else in Canada. A record high since 1994, BC welcomed approximately 34,000 new residents. Year-end data also showed BC's net migration reached 100,797 people in 2021, the highest annual total since 1961. Source: Government of British Columbia

FIGURE 6: Primary Rental Market Average Rent by Building Age, City of Victoria, 2019-2021



Source: CMHC Housing Market Information Portal, Canadian Mortgage and Housing Corporation (CMHC) Rental Market Report – February 2022.

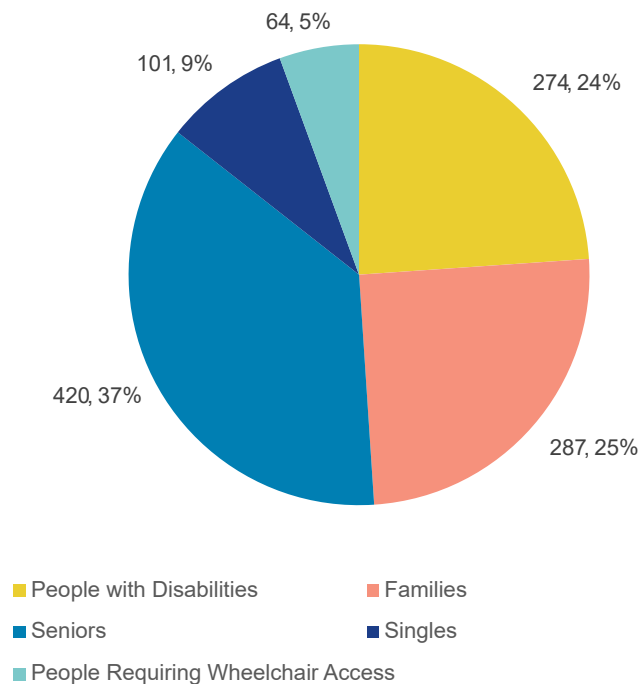
FIGURE 7: Primary Market Average Rent, Completed Units, and Vacancy Rate, City of Victoria, 2010-2021



Non-Market Rental Housing

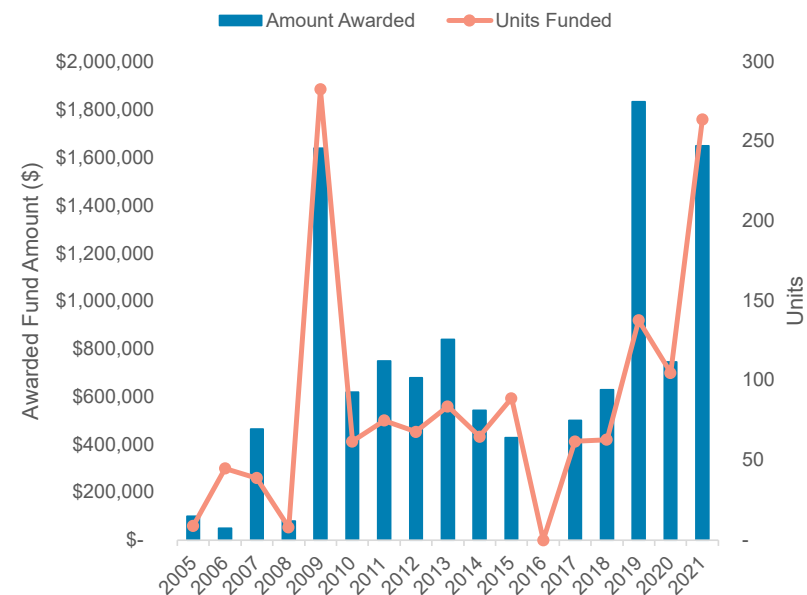
Non-market rental housing includes housing that is owned and operated by non-profit or charitable agencies, and generally receives support from the provincial or federal government. Non-market housing makes up approximately 10% of the city's housing stock. There were 1,146 households on the waitlist for non-market independent housing in Victoria as of December 2021, up 22% from 938 in March 2020 (BC Housing – see Figure 8), showing a significant and growing need for new affordable housing since the start of the COVID-19 pandemic.

FIGURE 8: Households on BC Housing Waitlist for Non-Market Housing in Victoria, December 2021



Source: BC Housing, December 2021.

FIGURE 9: Victoria Housing Reserve Fund Awarded Amounts and Units Funded, 2005-2021



Source: City of Victoria

Supportive Housing

The number of people waiting for supportive housing in Victoria reduced slightly by 8 people in 2021, bringing the wait list to 1,375 applicants as of December. The number of people living in supportive housing in the city increased by 136 between 2020-2021 as an additional two supportive housing locations were opened in the City (BC Housing). An additional 4 new supportive housing projects consisting of 184 net new units were announced by BC Housing in March 2021, which will offer much needed permanent, supportive housing for individual experiencing homelessness in the city. In direct response to the urgency of the housing crisis, these developments have been able to proceed directly to construction, working closely with the city along the way. Construction started at three of the four sites in 2021; all are anticipated to open by May 2023.

Victoria Housing Reserve Fund

The City of Victoria supports affordable housing development by providing capital grants through the Victoria Housing Reserve Fund (VHRF). As of December, there were three approved applications to the VHRF in 2021, for a total of \$1,650,000 in support of 264 affordable homes in the Oaklands, Burnside, and Fernwood neighbourhoods. The City contributed \$660,000 to the VHRF, and the fund saw its first deposit via the Municipal and Regional District Tax Online Accommodation Platform (MRDT OAP) in the amount of \$1,279,401. The MRDT is an up to three percent tax levied on sales of short term-accommodation within participating areas of British Columbia. In 2018, the tax was extended to include a levy of online accommodation platform sales (currently comprised of Airbnb) and affordable housing was added as a permissible use of MRDT revenues.

In Victoria, the MRDT is levied at three percent and 100% of the OAP revenues received are provided to the City with the aim of supporting VHRF grants. This funding structure supports Victoria's tourism and hospitality workers, many of whom struggle to find adequate and affordable housing, by using the VHRF to direct OAP funds to non-market affordable rental housing projects that are aligned with their housing needs.

Snapshot of Non-Market Rental Housing Development Activity in Victoria, January - December 2021

Below is a snapshot of the net new affordable non-market developments in the city, including those proposed, under review, approved, and under construction in 2021.

In total, over 1,083 net new (1,199 gross) non-market rental homes were either approved, under review, or under construction in Victoria. With 210 approvals by Council, and 184 de facto approvals for units advanced by BC Housing and exempted from municipal approvals, the City has remained on track to meet the minimum target of 2,100 affordable homes by 2025.

In total, 394 net new non-market homes were approved throughout 2021, an increase of 89 over 2020 figures. Of these homes, approximately 216 will be affordable to households earning very low incomes, 60 for low incomes, 70 for median income earners and 49 for below-market rental homes. Additionally, 348 net new units were still proposed or under review, and 551 net new units were under construction at the end of 2021.

Not included in the above figures are 30 transitional housing spaces that were approved and created 2021 under a Temporary Use Permit at 940 Caledonia Rd. These 'tiny homes' built from former shipping containers now house people who had been living outdoors and are awaiting the completion of permanent housing elsewhere in the city. The tiny houses are expected to remain at the site until the fall of 2022.

Given the challenges posed by rising interest rates and rapidly escalating construction cost environment, continued funding from senior levels of government and support from City Council for land acquisition, development applications, grants, and incentives will be key to ensuring Victoria remains on track through the coming years to meet the 2025 target of 2,100 affordable homes.



Aryze Developments / James Jones Photography

154 HOMES	CROSTOWN 3020 Douglas Street Victoria Cool Aid Society Affordable and below-market homes for families, seniors, and single adults
58 HOMES	11 Chown Place Gorge View Society Affordable for seniors and families
51 HOMES	CEDAR GROVE 210 Gorge Road East Victoria Cool Aid Society Affordable and below-market
130 HOMES	FIRE HALL NO.1 1025 Johnson Pacifica Housing Advisory Association Affordable for seniors and families
45 HOMES	865 Catherine Street* BC Housing, Aboriginal Coalition to End Homelessness Affordable to very low-income adults, includes supports
49 HOMES	1053 and 1075 Meares Street* BC Housing, Beacon Community Services Affordable to very low-income young adults, includes supports
46 HOMES	1176 Yates Street* BC Housing, PHS Community Services Society Affordable to very low-income adults, includes supports
70 HOMES	KIWANIS VILLAGE 1419 Mallek Crescent Kiwaniis Village Society Affordable and below-market for seniors

22 HOMES	FOREST HEIGHTS 2558 Quadra Street Greater Victoria Housing Society Affordable homes
44 HOMES	MICHIGAN SQUARE 330-336 Michigan Street Capital Region Housing Corporation Affordable and below-market for families and singles
28 HOMES	736 Princess Avenue John Howard Society Affordable to very low-income adults, includes supports
140 HOMES	CALEDONIA 1211 Gladstone Avenue Capital Region Housing Corporation Affordable and below-market for families and singles
44 HOMES	953 and 959 Balmoral Road* BC Housing, Cool Aid Affordable to very low-income adults, includes supports
88 HOMES	BURNSIDE SCHOOL 3130 Jutland Road & 496-498 Cecelia Road Pacifica Housing Advisory Association Affordable and below-market homes for families and singles
220 HOMES	930 & 926 Pandora Avenue BC Housing and Capital Region Housing Corporation Affordable and below-market homes for families and singles

* Approved de facto in 2021

Source: City of Victoria, BC Housing



Homelessness

Housing is a human right: all people deserve access to housing that is safe, stable, affordable, and supports personal health and connection.¹⁶ 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.

Across the region, the number of individuals experiencing homelessness in recent years has increased. The March 11, 2020, Point-in-Time count (PiT, a one-day snapshot of homelessness in the community) 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. A PiT count was not conducted in 2021, but local service providers estimate that experiences of homelessness in the region are becoming more frequent as affordability worsens.

In March of 2021, the BC government and the City of Victoria committed to finding indoor shelter for people living in parks and outdoor areas in the city by April 30th as a pathway to securing permanent housing. More than 300 shelter spaces were opened in several locations including the Capital City Centre Hotel,

PIT COUNT

The night of March 11, 2020 at least **1,523 people** were experiencing homelessness in Greater Victoria.



270
Unsheltered



350
Emergency
Shelters



145
Couch
Surfing



198
Public
Systems



545
Transitional
Housing

15 were in unknown locations

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

the Caledonia Tiny Homes Village, the Save-On-Foods Memorial Centre, and Mount Tolmie Hospital, among others, to provide temporary transitional housing for individuals awaiting a permanent home. Many of these community members will be able to move into the 280 new permanent homes on track to open in 2022, however, a dire shortage of affordable housing to the lowest income groups and worsening affordability in Victoria's market will likely mean that many remain homeless in the coming years. This prediction was asserted in a 2021 report¹⁷ commissioned by the City of Victoria

¹⁶ Housing as a human right is affirmed through Canada's National Housing Strategy Act. This legislation commits all levels of government to progressively realizing the right to adequate housing for all Canadians, within the shortest possible timeframe, using all appropriate means and the maximum of available resources. For more information, please see www.placetocallhome.ca/human-rights-based-approach-to-housing

¹⁷ Chaland, N. (2021) COVID 19: The Beginning of the End of Homelessness. City of Victoria. <https://pub-victoria.escribemeetings.com/filestream.ashx?DocumentId=69943>

to identify barriers to ending homelessness in the Capital Region and provide recommendations on how to address those barriers. In the report, author Nicole Chaland identified four calls to action covering 28 recommendations, including three for implementation by the City of Victoria: to fully embrace the human right to housing, to support Indigenous-led regional collaborations to end homelessness, and to create a full-time staff position in the 2022 budget with a focus on homelessness in the city. All 28 recommendations were endorsed by Council, and the budget allocation for the recommended staff position was approved in February 2022 for recruitment within the year.

The report recommends the immediate expansion of rent supplement programs across BC to rapidly provide people with permanent housing in the private rental market as well as the choice of where to live based on proximity to family and friends, work, etc. The City of Victoria acted on this recommendation in 2021 by supporting the *Greater Victoria Housing Security Rent Bank Pilot* between February and April 2021 and the subsequent establishment of the permanent program. The Rent Bank is an important homelessness prevention tool which provides people with a combination of case worker support, service navigation, as well as one-time, interest-free loans and/or grants of up to \$3,000. Renters experiencing temporary financial emergencies can utilize the funds to pay for necessities like rent past due or for upcoming months, security or pet deposits, moving expenses, utility bills, or groceries. These services, administered by the Community and Social Planning Council (CSPC) of Greater Victoria, helped to support 150 households throughout the Region during the 3- month pilot phase alone, with almost half of those beneficiaries living in the city of Victoria. By offering financial and non-financial support through caseworkers, this program stabilized housing for tenants at risk of eviction and contributed to preventing homelessness for 249 Greater Victoria households in 2021.

Grants

\$421,031.88 Dispersed

Average Grant = \$2,178

184 Houesholds Helped

Loans

\$104,368.53 Dispersed

Average Loan = \$1,607

65 Houesholds Helped

Source: Community Social Planning Council of Greater Victoria





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

General Supply Target

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



Overall Progress: 35%

ON TRACK: In 2021, building permits for 1,473 net new dwelling units were issued in the City of Victoria, which is 50% above the 1,000 per year target for new homes, and compensates for below-target net units recorded in 2020. The sustained delivery of a diverse range of housing in terms of tenure distribution, affordability, and built form is needed to keep up with projected demand and catch up with latent demand for housing.

Unit Affordability Targets - Median and Below

An estimated 2,100 homes for are needed for households earning median income (\$55,000) and below by 2025. On average, 350 affordable and below-market homes are needed annually.



Overall Progress: 28%

FALLING BEHIND: In 2021, 346 net new units were approved for households earning at or below median income, just shy of the annual target of 350. This is an improved performance compared to previous years, representing an increase of 101 units over 2020, and 238 more than in 2019. However, 459 net new affordable homes will need to be approved in 2022 in order to “catch up” and with housing needs today and “keep up” with the anticipated demand.

Unit Affordability Targets - Above Moderate

Increasing housing supply within targeted areas of the continuum will be key to meeting the City’s Housing Strategy objectives. By 2025 an estimated 1,000 new condominium units will be needed, an average of approximately 167 new units per year.



Overall Progress: 69%

EXCEEDING: In 2021, 489 building permits for condominium homes were issued, almost three times the specific annual 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 provide balanced support to residents across the housing continuum.

Snapshot of Victoria's 2021 Census Data

At the time of publication, Statistics Canada has released 2021 census data on population figures, demographics, military experience, family and household composition, as well as income profiles (not including housing analysis). Table 2 provides a snapshot of how Victoria's 2021 Census data compares to 2016.

TABLE 2: City of Victoria Census Data 2016-2021

	2016	2021	Change between 2016-2021
Population	85,792	91,867	+6,075, +7.1%
Percentage of Greater Victoria (CMA) Population	22%	23%	+1%
Total private dwellings	49,212	53,070	+3,858, +7.8%
Median age	42.7	42.8	+.2%
Children 0-14	7,935 (9.3%)	8,450 (9.2%)	+515, +6.5%, (-0.1%)
15-64 Year Olds	59,805 (69.7%)	62,060 (67.6%)	+2,255, +3.8%, (-2.1%)
Seniors 65+	18,050 (21.0%)	21,350 (23.2%)	+3,300, +18.3%, (+2.2%)
Male+* Gender Identity	42,215 (47.3%)	43,585 (47.4%)	-
Female+* Gender Identity	40,575 (52.7%)	48,285 (52.6%)	-
Number of households	45,760	49,225	+7.5%
Average household size	1.8	1.8	0%
1-2 person households	83.5%	83.6%	+0.1%
Median household income	\$52,990	\$67,500	27%

Over the past 5 years, the City of Victoria's population increased by 6,075 and is now home to more than 90,000 people; an increase of 7.1% since 2016. **This level of population growth is higher than estimates for 2021** from the City's Housing Future report (2020), and means that **the City has already reached 30% of the projected 25-year population increase after only 5 years.**¹⁸ Victoria now represents 23% of the Greater Victoria population, up 1% from 2016 figures and absorbed 20.6% of the additional 29,467 new residents in the region since 2016. The total number of dwellings grew by 7.8%, indicating that the growth of housing was roughly in line with population growth.

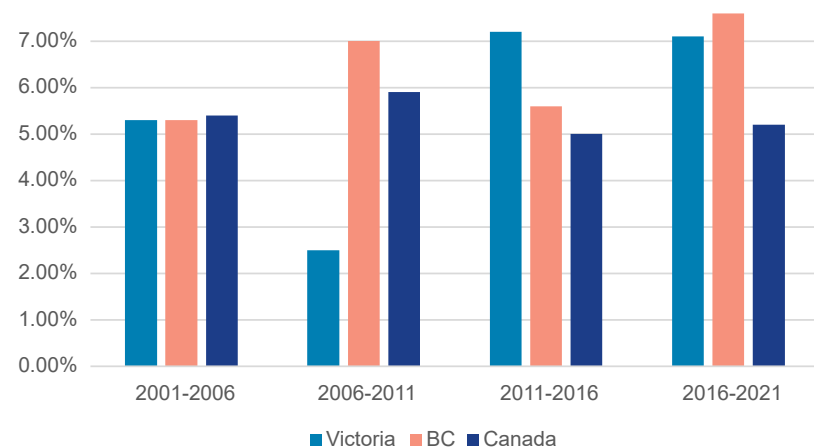
The 2021 Census also revealed that Victoria's population is aging, with Seniors (age 65 and over) being the fastest growing age group in the city, increasing by 18.3% and the only age cohort to increase as an overall share of the City's population. The largest population age group in Victoria shifted from adults aged 25 to 29 in 2016, to adults 30 to 34 years old in 2021. While the city saw moderate overall gains in the number of children aged 0-14, this number has remained relatively stagnant as a proportion of the total population. Lastly, despite welcoming 3.8% more 15-64-year old's, the proportion of working-age individuals in the city decreased by 2.1% over the past five years.

Recently released census data on household income reported that Victoria's median household income increased 27% from 2016 to \$67,500, outperforming the regional increase of 22% in the Victoria CMA between 2016-2021 censuses. Though still lower than the 2021 regional median of \$85,000, Victoria's median household income came closer in line with the region, moving from 31% to 26% below the Victoria CMA median. The release of census data specific to renter and homeowner households

in Fall of 2022 will provide clearer insight into how this trend has impacted the housing needs of Victorians by tenure and income bracket.

For the first time ever, Statistics Canada collected and published data on cisgender, transgender, and non-binary gender identities in the 2021 Census. This data revealed that approximately 0.75% of people living in the Victoria CMA identify as transgender or non-binary, making Victoria the most gender-diverse urban centre in Canada. This information will help to better inform Victoria's housing needs, particularly as, in recent years, research has shown that people who identify as LGBTQ2S+ have accounted for a disproportionately large percentage of Canadians who are homeless, at risk of becoming homeless, or in core housing need, particularly those who are also members of at-risks groups such as youth, seniors, Indigenous people, newcomers, or people with mental health or addiction issues.¹⁹

FIGURE 10: Historical Population Growth Rates, Victoria, British Columbia, and Canada, 2001-2021



¹⁸ The *Housing Trends and Projections in Victoria* report (2020) projected Victoria would grow by 20,631 individuals, or 23%, between 2016 and 2041, corresponding to an annual growth rate of 0.8%.

¹⁹ Recent estimates suggest that transgender and gender non-conforming people are twice as likely to experience severe poverty and homelessness compared to the general population, and approximately 1 out of every 3 homeless young people in Canada identifies as LGBTQ2S+. Source: LGBTQ2S+ Housing Needs and Challenges (cmhc-schl.gc.ca)



PROGRESS MADE INCREASE SUPPLY

ACTION	SUPPORTING ACTION(S)	STATUS (December 2021)
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	UNDERWAY with MISSING MIDDLE
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 *	Secondary and Garden Suite grant program to increase overall supply of suites and accessible secondary suites	FUTURE 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 1,473 in 2021, with an average of approximately 681 homes approved per year. In 2021, the net gain of 1,473 homes is a record high and double the average. It also helped bring the City back within range of meeting the 6,000 home 6-year target after falling behind with only 614 net new homes in 2020. The Downtown, Victoria West, Burnside, and Harris Green neighbourhoods accounted for a combined 1,195 net new homes, making up 80% of the city-wide total.

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, 2015, 2020 and 2021 the City issued more building permits for rental homes than strata ownership, supporting the City's commitment to prioritize rental housing. At the same time, over two thirds of the total 6-year targeted strata condominium units have been issued building permits since the targets were established two years ago, indicating this target is very likely to be exceeded by 2025.



FIGURE 11: New Housing Units by Tenure, City of Victoria, 2021

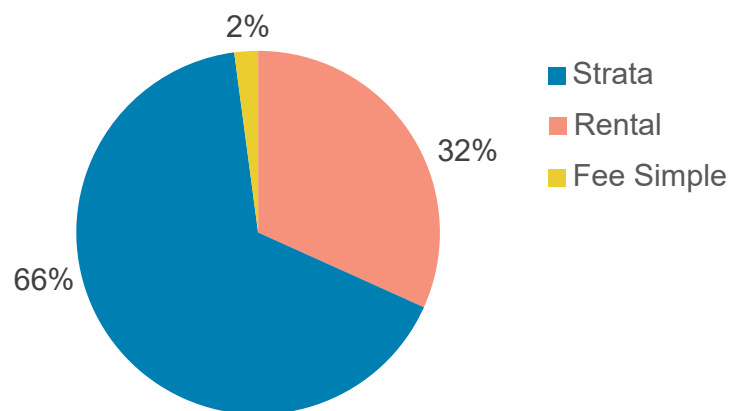


FIGURE 12: New Housing Units by Tenure and Market, City of Victoria, 2021

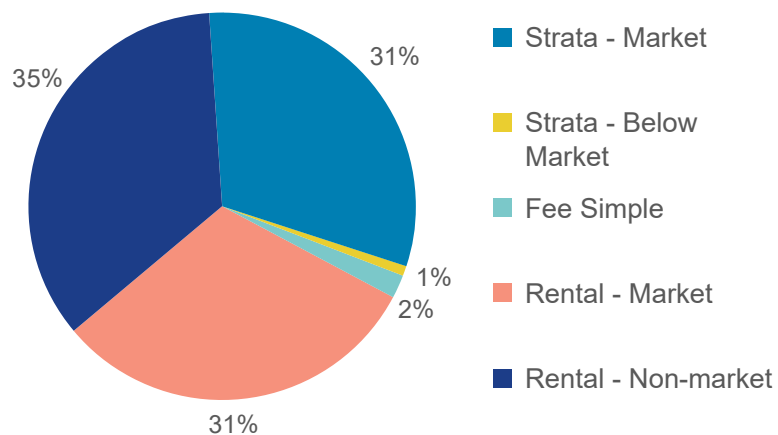
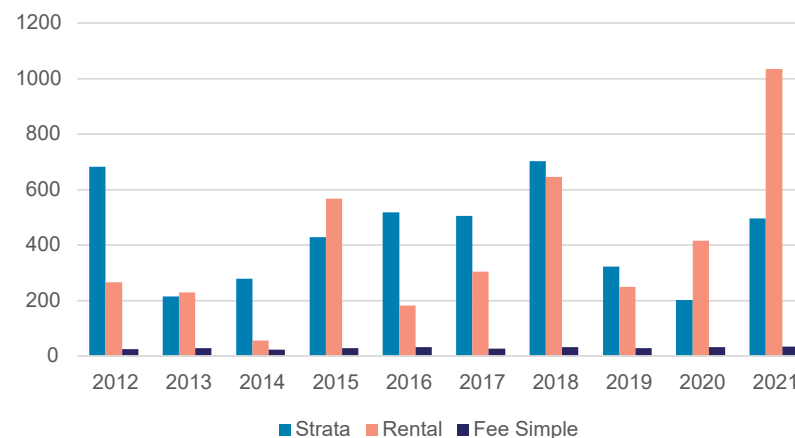


FIGURE 13: New Housing Units by Tenure, 2012-2021



Source: City of Victoria

1 Rental: includes 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

Demolitions & Net New Homes

Redevelopment and renovation, in addition to unit turnover, of existing rental housing contributes to the depletion of affordable housing stock. 93 total units were lost due to demolition or alteration in Victoria in 2021, resulting in 1,473 net new homes. Most of the units lost occurred through demolition of multifamily buildings with more than 5 units (47%) and detached dwellings (38%) – including one secondary suite. Thirty-two units (34%) lost were sleeping units, and eleven units (12%) were assumed to be purpose-built rental. For 2021, the creation of affordable housing outpaced its demolition, with 394 net new non-market rental units approved and 44 affordable rental units lost, or 9 affordable, non-market rentals approved for every unit demolished.

In July of 2021, the Province of British Columbia instituted legislation to reduce displacement of tenants due to renovation, also referred to as “renoviction”. BC’s Residential Tenancy Act now requires landlords to apply to the Residential Tenancy Branch (RTB) for an order of possession in order to end a tenancy for the purpose of renovating of a unit. If landlords have all the required permits and permissions, the RTB will host a hearing where the landlord and tenant can be heard, and an arbitrator will make a decision on whether an eviction is required for the renovation to proceed. In addition to the adoption of the City’s Rental Property Standards of Maintenance Bylaw, which came into force in January 2021, these changes are intended to reinforce the quality and security of tenure for existing affordable rental housing in Victoria and are being monitored for effectiveness by the City in 2022 to inform evidence-based policy responses to better secure existing rental tenure.

FIGURE 14: Dwelling Units Created and Lost, City of Victoria, 2011-2021

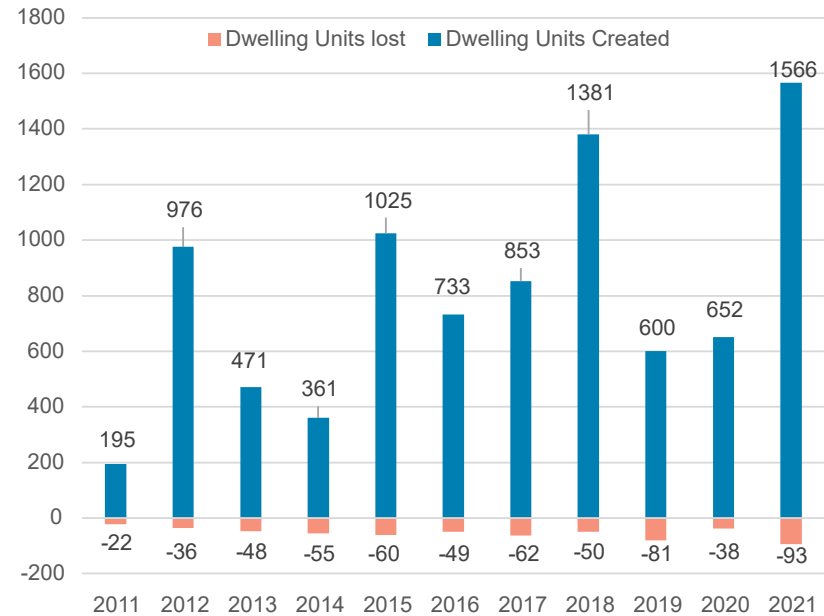
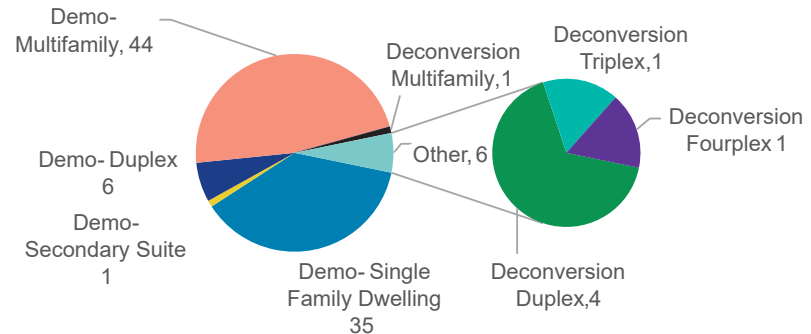


FIGURE 15: Units Lost to Demolition or Deconversion, by Unit Type, City of Victoria 2021



Source: City of Victoria

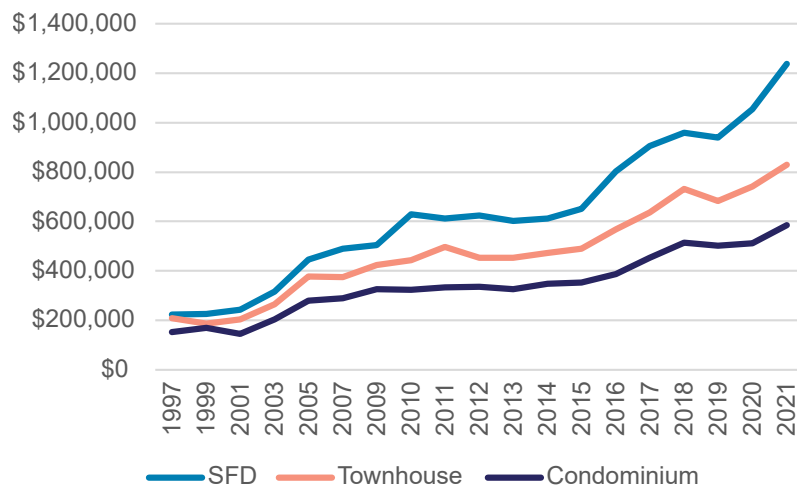


Housing Prices

Average sale prices for all housing types in Victoria continued to increase between 2020 and 2021, as did average rental rates in the primary rental market. Average sale prices for single-detached dwellings increased by 17.3% (from \$1,055,057 to \$1,237,458), condominiums increased by 14.4% (from \$512,320 to \$585,840), and townhouses increased by 11.9% (from \$740,902 to \$829,031). The average price of a single-family home has increased by 102% between 2011 and 2021.

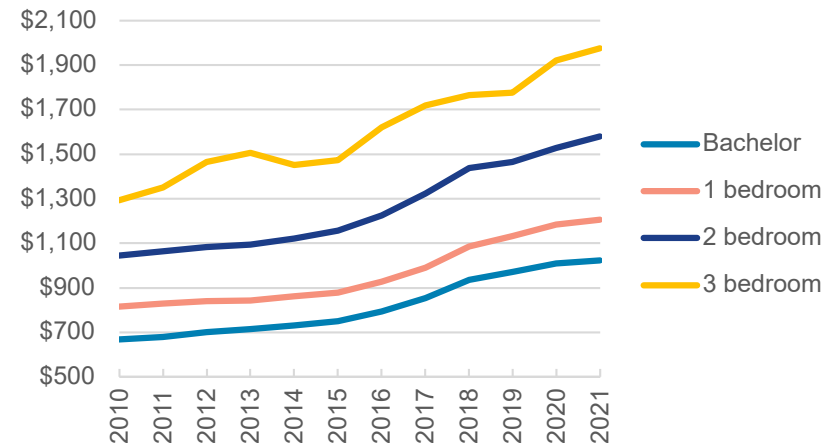
According to the CMHC, in 2021, average rents in Victoria increased by 1.5% for a bachelor home, 1.8% for a one-bedroom, 3.4% for a two-bedroom, and 2.9% for a three-bedroom. Average private market rents overall have increased by 2.4%, one percent less than the 3.4% increase seen in 2020. The average price of a one-bedroom rental in the private market increased by 46% between 2011 and

FIGURE 16: Average Housing Sale Prices, City of Victoria, 1997-2021



2021. In addition to average market apartment rates, CMHC provides average rents of both occupied and vacant apartment units. In 2021, the average price of a vacant apartment in Victoria was 26% higher than an occupied unit; this suggests that a household paying \$2,000 per month for a rental unit would be looking at a monthly rent of approximately \$2,520. Figure 18 below outlines the contrasting rates between occupied and vacant units in Victoria by unit type.

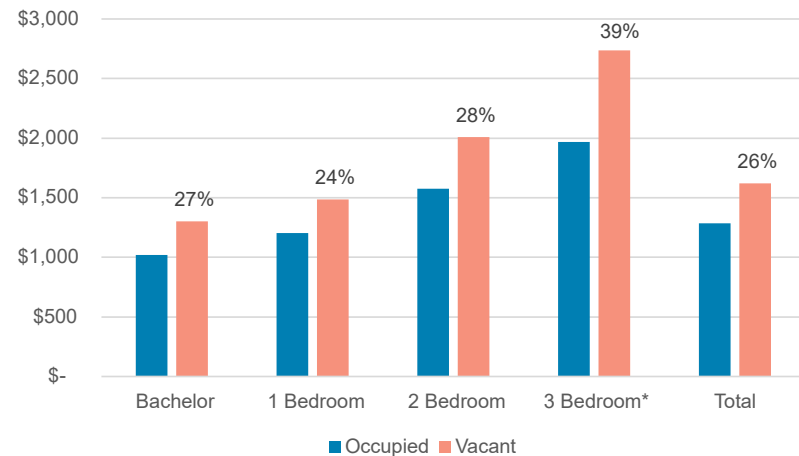
FIGURE 17: Primary Rental Market Average Apartment Rents by Unit Type, City of Victoria, 2010-2021



One important factor to note is that the Greater Victoria region saw record-breaking sales of multifamily properties in 2021, with a total of \$862 million, representing 1,205 new units and 1,493 existing units. This figure is 70% higher than the previous all-time high set in 2019 at \$505 million and is largely due to the sale of substantial portfolios of rental apartments to institutional investors and REITs (Real Estate Investment Trust). The average price paid per suite increased 22% for existing units, and rose 12% for new builds since 2020.²⁰ While property acquisition by both institutional investors and REITs in the region is not new, the levels of activity seen by these buyers in recent years has notably increased and is contributing to greater consolidation of Victoria's rental apartment buildings by these groups.²¹ With such high purchase prices, there is a need for corporate owners to recover their investment for shareholders through higher rents. This trend has the potential to significantly affect affordability in Victoria's rental housing market in the coming years, particularly where older, more affordable rental buildings are acquired.

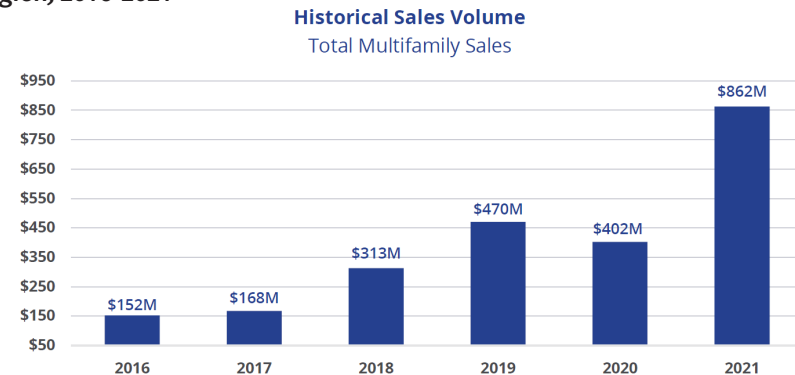
20 Victoria Multifamily Report 2021 | Colliers (collierscanada.com)
 21 Fall 2021 British Columbia Multi-Family Investment Report (avisonyoung.ca)

FIGURE 18: Average Rent of Occupied and Vacant Apartment Units in Victoria, 2021



*CMHC data for vacant 3 bedroom units not available; estimated based on Vancouver CMA rates Source: CMHC Annual Rental Market Report

FIGURE 19: Historical Multifamily Sales Volumes, Greater Victoria Region, 2016-2021



Source: Colliers Canada





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.



Overall Progress: 22%

FALLING BEHIND: 142 family-sized homes (2 and 3+ bedroom units) were approved in 2021, including building permits and Council approvals secured through a housing agreement.

An average of 283 family-sized homes will need to be approved in each of the coming years to meet the 2025 target of 1,600 homes. In 2021, Victoria approved 74 family-sized homes secured in housing agreements (including 49 2-bedroom units, 17 3-bedrooms, and 8 4-bedroom units), and 68 building permits in total were issued for 2+ bedroom forms and ground-oriented forms, including duplex, triplex, fourplex, townhouse and single-detached homes. The implementation of a Family Housing Policy may help to increase the rate of new family-sized units over time.

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, 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.



Overall Progress: 10%

FALLING BEHIND: Just 34 new missing middle type building permits were issued in 2021, including 8 duplexes, 22 townhouses, and 5 conversions, the lowest total for this housing type since the targets were adopted in 2019, and half of last year's total, reflecting the lengthy rezoning process required to build these homes. An average of 212 missing middle type homes will need building permits each year in order to meet the 2025 target. The proposed missing middle housing policy would make it easier for these ground-oriented housing forms to be built in most residential areas in the City.

An additional 61 ground-oriented type homes were issued building permits in 2021, including 34 single detached and 27 secondary and garden suite homes.



PROGRESS MADE HOUSING CHOICE

ACTION	SUPPORTING ACTION(S)	STATUS (December 2021)
Develop a Family Housing Policy *	Encourage or mandate family units	FUTURE ACTION
Inclusive Housing	Explore ways to ensure the City's housing policies are inclusive of diverse identities	UNDERWAY
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	UNDERWAY
Barrier-free Housing & Universal Design *	Encourage barrier-free housing and universal design in new developments	UNDERWAY
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

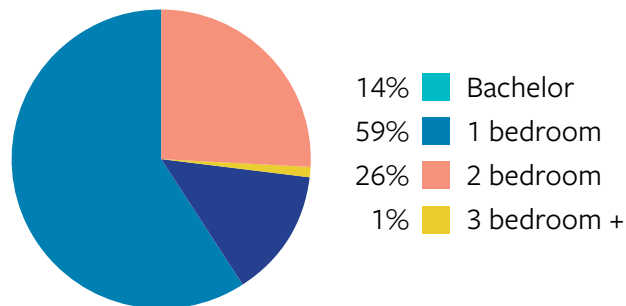
Family-friendly Housing

For a family, finding a home to rent in the city remains a challenge; 73% 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). The creation of a Family Housing Policy is an important Housing Strategy Action that the City will initiate in 2022.

FIGURE 20: Primary Rental Market Universe by Unit Size, City of Victoria, 2021



Source: CMHC Housing Market Information Portal





Missing Middle Housing

The Missing Middle Housing initiative is a key part of the 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 and houseplexes (duplexes, triplexes, etc.); 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'. 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 offer.

In 2021, the need for this type of housing became more pronounced with just 34 new missing middle homes issued building permits, including 8 duplexes, 0 fourplexes, 22 townhouses, and 5 conversions. The net total was further reduced to 21 after accounting for missing middle units lost to demolition or deconversion. The proportion of missing middle housing in new developments this year is half of what it was in 2020 and well below the 167-unit annual target. Missing middle housing choices continue to represent a small proportion of overall development in Victoria because they are not as economical to build as apartments and, unlike single detached homes, they are subject to rezoning requirements which add time, cost, and uncertainty to the approvals process.

The Missing Middle project aims to provide the necessary encouragement for this type of infill housing throughout the city by means of OCP updates and zoning regulation amendments. The proposed changes respond to feedback from the community and stakeholders heard over two phases of engagement between September-October 2020 and October-November 2021, respectively. The proposed zoning and delegated development permit process for missing middle housing forms will create a faster, easier approvals and reduce uncertainty for townhouse, houseplex, and heritage conserving infill projects that are consistent with the guidelines. Making it easier to build new missing middle homes aligns with the goals outlined in Victoria's Climate Leadership Plan, in the 2020 Accessibility framework, and Go Victoria, and is an important step towards building a diverse, healthy, resilient community.

FIGURE 21: Housing Units by Type of Residential Building Permit Approved (2021)

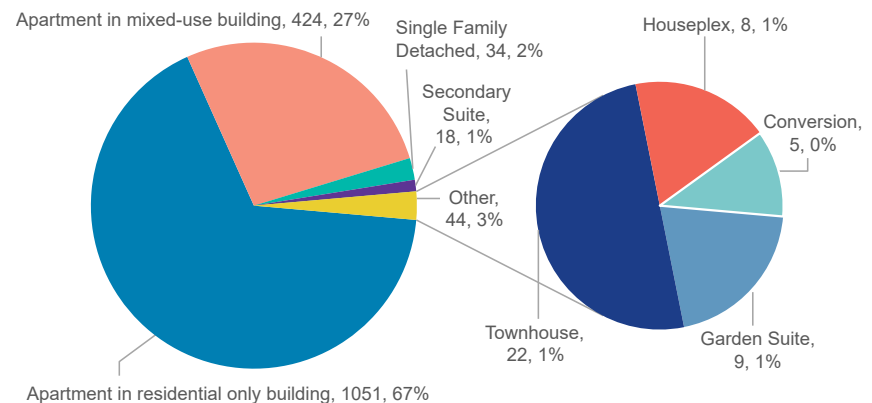


FIGURE 22: New Units Approved Through Building Permits Issued by Type, City of Victoria, 2012-2021

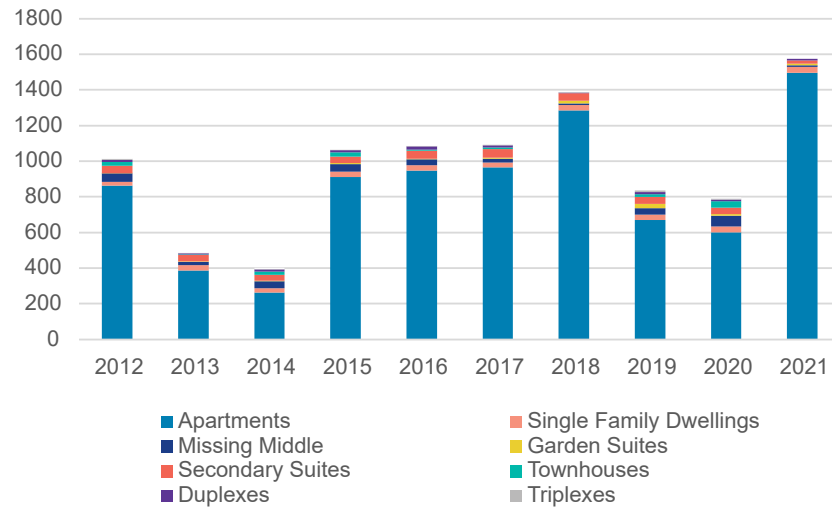
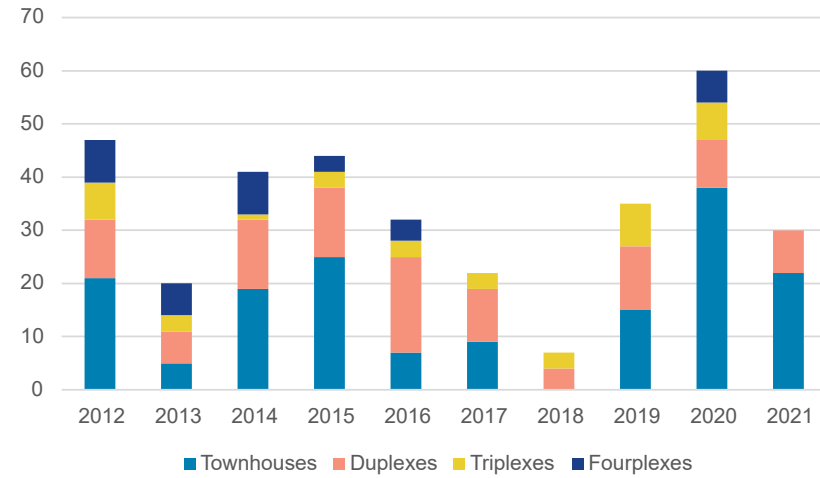
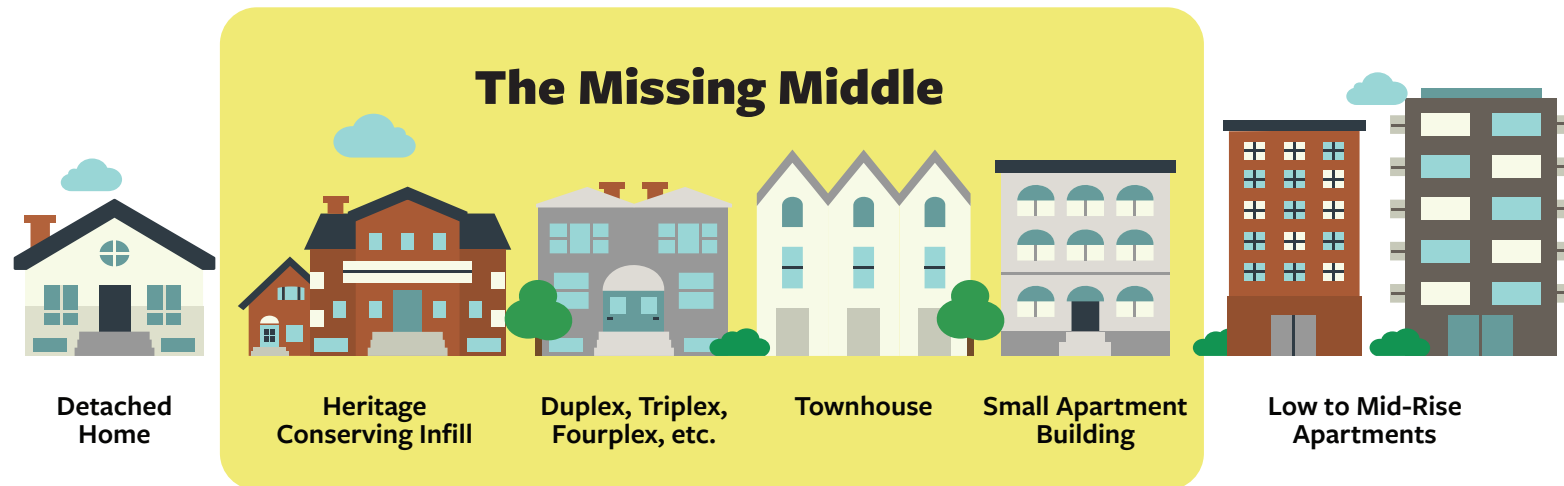


FIGURE 23: Missing middle housing form building permits approved in Victoria, 2012-2021



Source: City of Victoria



Secondary and Garden Suites

While secondary and garden suites are another important piece of the puzzle for improving housing choice and diversity, building permits issued for this housing type have declined through 2020-2021. These types of dwellings provide housing with a front door to easily access the street, access to green space, and offer additional rental units 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. In Victoria, secondary suites are permitted in single-family homes; however, duplexes or homes that already have a garden suite are not eligible for a secondary suite. The proposed missing middle zoning changes would remove these remaining barriers by allowing suites in missing middle housing forms. The City is planning to host a garden suite design competition and grant program as part of the Victoria Housing Strategy.

FIGURE 24: New Secondary and Garden Suites Approved Through Building Permits Issued, City of Victoria, 2012-2021

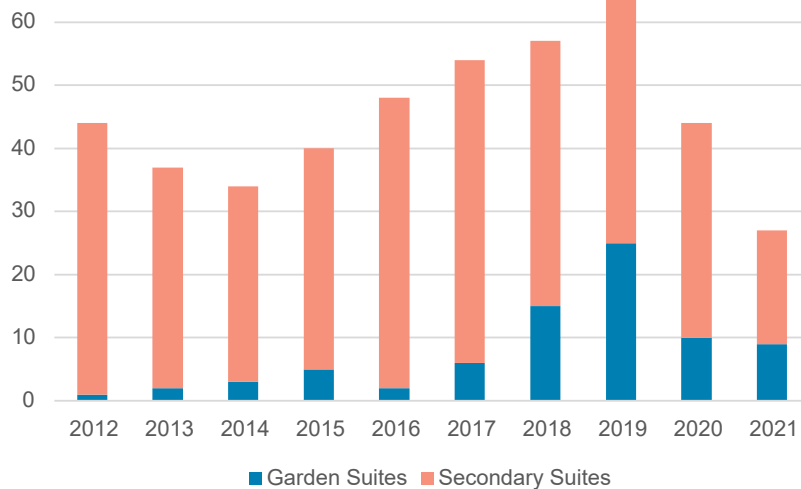
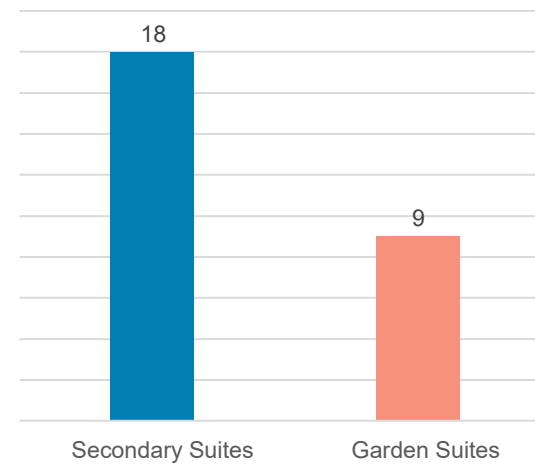


FIGURE 25: New Secondary and Garden Suites Approved Through Building Permits Issued, City of Victoria, 2021



Source: City of Victoria





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.

ACTION	SUPPORTING ACTION(S)	STATUS (December 2021)
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	COMPLETE
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	ONGOING
Fee Waivers, Reductions, and Tax Exemptions	Revisit incentives for affordable housing developments	ONGOING
Inclusionary Housing & Community Amenity Policy Review	Annual monitoring of policy's fixed rates and targets	UNDERWAY

* 2019-2022 Strategic Plan Action

ACTION	SUPPORTING ACTION(S)	STATUS (December 2021)
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.

ACTION	SUPPORTING ACTION(S)	STATUS (December 2021)
Housing Champions	A team to promote informed awareness and acceptance of affordable housing projects	COMPLETE
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	COMPLETE
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

Housing Talk Series



The City successfully launched the ‘City Building Blocks’ educational series on housing issues and solutions in the Fall of 2021, garnering over 300 attendees. The first of three online ‘Lunch and Learn’ sessions focused on Victoria’s Housing Future: How Housing Shapes our City. The second topic was Missing Middle Housing, which launched Phase 2 of engagement for the Missing Middle initiative, and had more than 150 attendees. The final session explored Affordable Housing + Co-location, highlighting new partnerships that are unlocking land for affordable housing in the city and creating more inclusive communities. All three sessions were recorded and are available on the City’s website, with Q + A summaries in response to the many subjects discussed.

Modular Housing on City Land

The Caledonia Tiny Homes Village, a 30-unit temporary, purpose-built transitional housing development was approved and completed this year on a portion of the Royal Athletic Park parking lot, a City-owned site in Victoria’s North Park neighbourhood. Ten shipping containers were converted into 30 single-occupancy tiny home units to provide comfortable and safe housing for people previously sheltering in parks. The project was a collaborative effort of a coalition of local private developers, non-profit groups, and service providers, with support from the City of Victoria and BC Housing, and is intended as a temporary home for residents while they prepare to secure long-term housing.



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 (REIT). 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.

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.

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).

Sleeping Unit: refers to a room or rooms which are used or intended to be used for sleeping or sleeping and living purposes, but in which there is not a bathroom, water closet, sink, or cooking facilities.

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 regulations and the strata's bylaws and rules.

Vacancy Rate - Primary Rental Markets: This indicator measures the average annual vacancy rate for rental apartments buildings with three or more units. It does not include the secondary rental market.

Appendix A:

Housing Targets and Actions Progress Overview

Overall Progress in Six-Year Housing Targets and Actions



GOING WELL 33% or more of target met

- Gross Rental Units issued Building Permits (including purpose-built rental apartments, secondary suites and garden suites)
- Net and Gross New Units issued Building Permits
- Gross Strata Units issued Building Permits
- Net and Gross Non-profit owned/administered non-market units approved
- Gross units approved for non-market median income and below
- Net and Gross very low-income units approved



SLOWER THAN WE'D LIKE 25-32% of target met

- Gross Low-income units approved
- Net units approved for non-market median income and below



FALLING BEHIND Less than 25% of target met

- Net low-income units approved
- Net and Gross median income units approved
- Total gross family-sized units secured through legal agreements as well as Building Permits issued for duplex, tri/fourplex, townhouse and single detached dwellings
- Gross new Missing Middle units issued Building Permits

Summary of Victoria Housing Strategy Actions, Status as of December 2021

COMPLETED	ONGOING	UNDERWAY	ON HOLD	FUTURE ACTION
<ol style="list-style-type: none"> 1. Rental Property Standards of Maintenance Bylaw 2. Tenant Ambassador Position 3. Tenant Engagement Toolkit 4. Rent Bank Pilot 5. House Conversion Eligibility 6. Housing Reserve Fund Improvements 7. Housing Champion 8. Housing Talk Series 	<ol style="list-style-type: none"> 1. Residential Rental Tenure Zoning 2. City-owned Sites for Affordable Housing 3. Housing Affordability Monitoring 4. Modernize and Streamline Zoning Bylaw 5. Cross-government Policy Alignment and Advocacy 6. Review and Optimize Housing Funding 7. Fee Waivers/Tax Exemptions 8. New Webpages 9. Align Housing Initiatives with Climate Leadership Plan 10. Align Housing Policies with GoVictoria 11. Modular Housing on City Land 12. External Funding for Housing Initiatives 	<ol style="list-style-type: none"> 1. Rapid Deployment of Affordable Housing 2. Renter Engagement Activities 3. Energy & Seismic Pilot 4. Market Rental Policy 5. Expedite and Simplify Development Process for Affordable Rental 6. Missing Middle Housing Initiative 7. Explore Pre-zoning as Part of Missing Middle Housing 8. Missing Middle Zoning Bylaw Amendments 9. Expand Opportunities for Secondary Suites 10. Expand Opportunities for Affordable Housing in all Local Area Plans 11. Support Faith-based and Charitable Organizations to Develop Affordable Housing 12. Ensure Housing Policies are Inclusive of Diverse Identities 13. Encourage Barrier-Free/Universal Design 14. Data and Reporting Improvements 15. Inclusionary Housing & Community Amenity Policy Review 	<ol style="list-style-type: none"> 1. Rental Business Licensing Bylaw 	<ol style="list-style-type: none"> 1. Use of Housing Agreements to Reduce Barriers in New Development 2. Short Term Rental Policy Review 3. Rental Suite Grant Program 4. Family Housing Policy 5. Tiny Homes 6. Co-op, Co-Housing and Land Trusts 7. Garden Suite Policy Amendments 8. Indigenous Housing Working Group 9. Housing for Artists 10. Housing Policy Working Group 11. Intergenerational Housing 12. Garden Suite Design Competition 13. Rental Replacement Policy Update

Appendix B:

Housing Report 2021

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 2021 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 (2021)

(SOURCE: CITY OF VICTORIA)

Dwelling Units Approved by Neighbourhood (2021)							
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	288	0	0	0	288	-12	276
Downtown	245	0	0	0	245	0	245
Fairfield	82	9	4	0	95	-24	71
Fernwood	53	1	3	1	58	-7	51
Gonzales	27	1	1	1	30	-2	28
Harris Green	260	0	0	0	260	-1	259
Hillside-Quadra	1	0	2	1	4	-1	3
James Bay	6	0	5	0	11	-8	3
Jubilees	0	0	0	1	1	-1	0
North Park	123	0	0	0	94	-29	65
Oaklands	52	1	2	3	57	-2	55
Rockland	5	0	1	0	6	-4	2
Victoria West	415	0	0	2	417	-2	415
Total	1528	11	18	9	1566	-93	1473*

*Includes 184 net new units which do not require building permits in the Victoria West (45), North Park (44), Fairfield (49), and Fernwood (46) neighbourhoods

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	2021**	Annual Average 2007 -2021
New Construction	844	116	161	274	142	820	278	182	927*	661	791	1317	522	575	1528	611
Conversions	263	14	238	85	21	113	156	145	58	24	8	7	12	33	11	79
Secondary/Garden Suites	25	31	44	49	32	43	37	34	40	48	54	57	66	44	27	43
Dwelling Units lost	-61	-27	-28	-39	-22	-36	-48	-55	-60	-49*	-62	-50	-81	-38	-93	-50
Total	1071	134	415	369	173	940	423	306	965*	684*	791	1331	519	614	1503	683

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

** Includes 184 net units which do not require building permits

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	2021	Annual Average 2006–2020
Burnside	0	0	1	0	2	0	1	2	1	0	1	0	0	1	3	0	1
Downtown	0	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	4	7
Fernwood	1	4	3	3	8	6	5	3	3	6	6	7	8	6	2	4	5
Gonzales	4	8	6	10	7	7	6	8	10	5	5	5	10	10	12	2	8
Harris Green	0	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	3	4
James Bay	0	3	3	4	3	4	2	3	2	1	4	6	1	4	2	5	3
Jubilee	1	2	1	0	2	1	3	1	4	4	4	8	0	7	6	1	3
North Park	0	0	0	0	0	2	1	0	2	0	1	0	1	1	0	0	1
Oaklands	0	0	5	10	5	6	8	5	1	4	8	11	12	12	7	5	6
Rockland	0	1	0	1	3	0	2	5	1	2	2	4	2	3	3	1	2
Victoria West	1	3	3	5	2	1	2	1	1	4	4	2	2	3	1	2	2
Total	9	25	31	44	49	32	45	37	34	40	48	54	57	66	44	27	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 (2021)

Neighbourhood	Purpose-built rental
Burnside	68
Downtown	245
Fairfield	39
Fernwood	1
Gonzales	0
Harris Green	93
Hillside Quadra	0
James Bay	0
Jubilee	0
North Park	19
Oaklands	0
Rockland	0
Victoria West	0
Total	465

Note: Purpose-built rental units do not include secondary or garden suites and are often 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 – Grants Approved						
Year	Agency	Address	Amount	Units	Type of units	Neighbourhood
2021	Capital Region Housing Corporation	1230 Grant, 1209-1226 N. Park St, 1219 Vining, 1235 Caledonia Ave, 1211 Gladstone Ave	\$1,065,000	158	Affordable and Below Market Rental	Fernwood
2021	Kiwanis Village Society	1419 Mallek Cres	\$305,000	78	Median Income housing for seniors	Oaklands
2021	John Howard Society	736 Princess Ave	\$280,000	28	Very low income, supportive transitional housing	Burnside
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

Victoria Housing Reserve Fund, continued

(SOURCE: CITY OF VICTORIA)

Housing Fund Activity – Grants Approved						
Year	Agency	Address	Amount	Units	Type of units	Neighbourhood
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
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

Rental Market Statistics – City of Victoria 2021

(SOURCE: CMHC 2021 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	2021
Bachelor	2,161	2,159	2,221	2,246	2,279	2,349	2,349	2,346	2,449	2,470	2,615	2,554
1 bedroom	9,378	9,415	9,510	9,492	9,567	9,649	9,615	9,858	10,082	10,030	10,406	10,411
2 bedroom	4,111	4,094	4,160	4,167	4,234	4,265	4,238	4,268	4,446	4,462	4,539	4,586
3 bedroom	175	185	154	150	190	205	189	189	205	199	196	213
Total	15,825	15,853	16,045	16,055	16,270	16,468	16,310	16,661	17,182	17,161	17,756	17,764

Average Rent												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Bachelor	\$668	\$679	\$700	\$715	\$731	\$749	\$795	\$855	\$935	\$970	\$1,009	\$1,024
1 bedroom	\$817	\$830	\$839	\$844	\$861	\$879	\$928	\$991	\$1,086	\$1,132	\$1,184	\$1,205
2 bedroom	\$1,044	\$1,064	\$1,082	\$1,094	\$1,121	\$1,157	\$1,224	\$1,323	\$1,438	\$1,464	\$1,528	\$1,580
3 bedroom	\$1,294	\$1,350	\$1,464	\$1,505	\$1,451	\$1,472	\$1,620	\$1,718	\$1,766	\$1,775	\$1,920	\$1,975

Rental Market Statistics – City of Victoria 2021, continued

(SOURCE: CMHC 2021 FALL RENTAL MARKET REPORT)

Secondary Rental Market												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	14,073
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	3,669
% of 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%	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%	0.0%

Overall Vacancy Rates												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Victoria	1.3%	1.8%	2.3%	2.4%	1.3%	0.6%	0.5%	0.8%	1.1%	1.0%	2.3%	1.00%
CMA	1.5%	2.1%	2.7%	2.8%	1.5%	0.6%	0.5%	0.7%	1.2%	1.0%	2.2%	1.00%
British Columbia	2.8%	2.5%	2.8%	2.5%	1.6%	1.3%	1.4%	1.3%	1.4%	1.5%	2.5%	1.4%
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%	3.2%

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
2021	\$1,123,458	\$829,031	\$585,840



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