



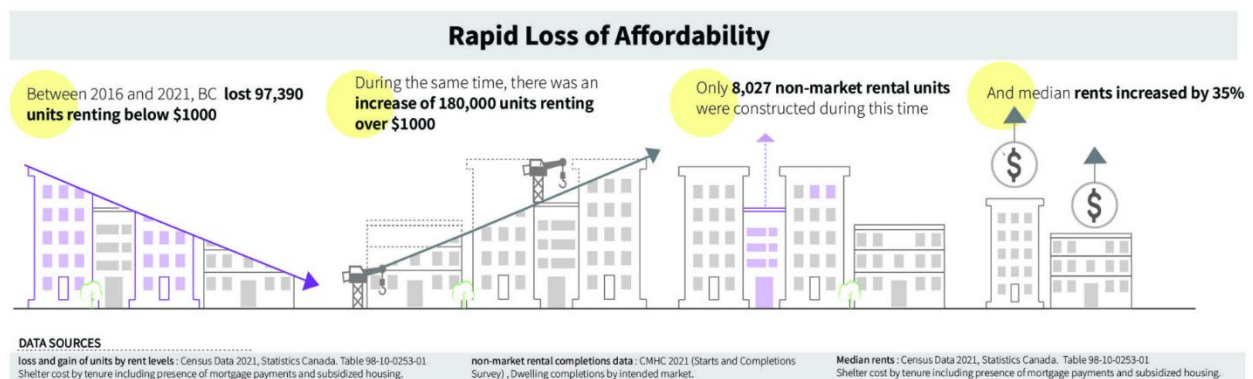
**Council Member Motion
For the Committee of the Whole Meeting of June 13, 2024**

To: Committee of the Whole
From: Councillor Kim
Subject: UBCM Motion – Vacancy Control

Date: June 7, 2024

BACKGROUND

The Province of British Columbia boasts the highest number of no-fault evictions,¹ where “9.0% of renter households in British Columbia experienced no-fault evictions between April 2016 and April 2021, compared to only 4.0% nationally.”² “Coupled with a staggering loss of affordable rental housing stock – where, for every affordable rental unit built, four are lost³ to “investors, conversions, demolition and rent increases”⁴ – current and future residents of the province and of the City of Victoria are faced with impossible choices.



The impossibility of living in Victoria is already a reality for many residents of Victoria. The City’s

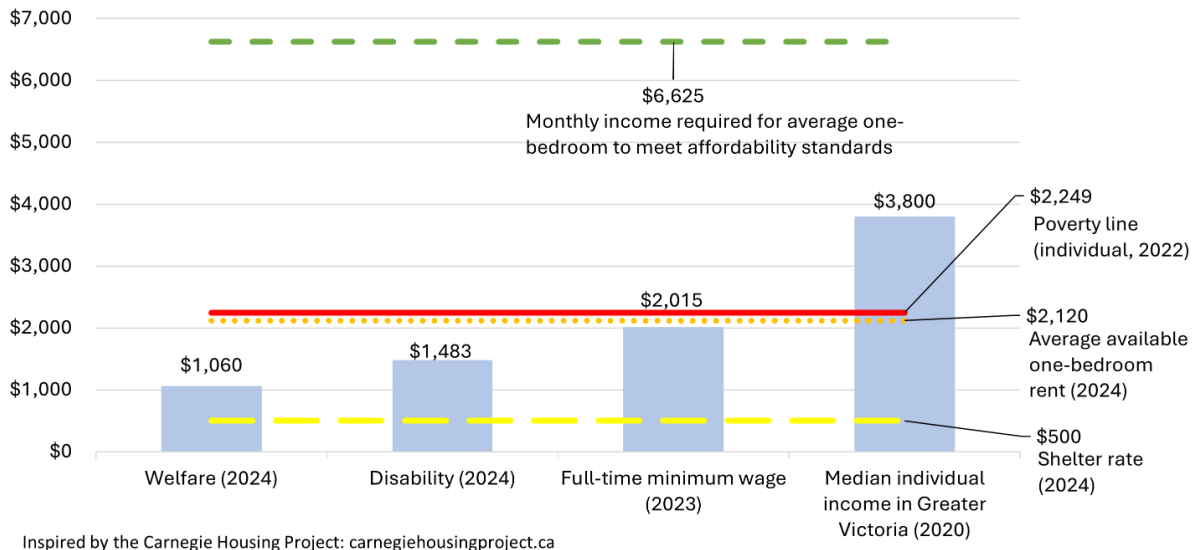
1. <https://bcnpha.ca/new-rental-protection-fund-will-address-growing-loss-of-affordable-housing/>

2020 median income was \$67,500⁵, and approximately 75% of residents earn less than the median. Worth bearing in mind as well: single-income one-parent households comprise approximately 14.8% of Victoria households.⁶

¹ <https://www.cbc.ca/news/canada/british-columbia/bc-tenancy-laws-valid-evictions-landlords-1.6850429>
² https://housingresearch.ubc.ca/sites/default/files/2023-05/estimating_no-fault_evictions_in_canada_0.pdf
³ <https://rentalprotectionfund.ca>
⁴ <https://bcnpha.ca/new-rental-protection-fund-will-address-growing-loss-of-affordable-housing/>
⁵ <https://www.timescolonist.com/local-news/minimum-income-of-184800-to-buy-average-priced-home-in-victoria-study-says-7589652>
⁶ <https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/index.cfm?Lang=E>

Undeniably, security of housing tenure is sorely lacking for various other demographics whose right to housing must be upheld. For example, “almost one-third of those evicted identify as having a disability; more than double the proportion of people with disabilities in the general population... market housing is not secure for people with disabilities and is a driver of homelessness.”⁷ Furthermore, BC’s own seniors’ advocate’s first report highlights that one in four seniors in BC earn less than \$23,000/year, “an amount that falls below the poverty line”⁸ – this is amidst the growing requisite costs shouldered by seniors for healthy aging.

Victoria monthly incomes compared to rents



2. <https://www.ahomeforall.ca/wp-content/uploads/2024/05/Evaluating-Victorias-Housing-System.pdf>

Housing is a human right, as affirmed by the Government of Canada⁹. Such rights are recognized to acknowledge their fundamentality for human wellbeing. Access to stable housing is a crucial determinant of social health and wellbeing. However, housing has become increasingly financialized as a commodity and source for investor return, as evidenced by the creation and growth of real estate investment trusts (REITs) since the early 1990s.¹⁰ Recent data shows that REITs now own a third of condominiums in British Columbia, which is noteworthy given that condominiums are a significant portion of new housing builds.¹¹ Indeed, the outsized market share of rental housing owned by REITs is recognized by provincial officials themselves as a source of tenant displacement.¹² This is especially pointed given that the current rental stock is subject to artificial market scarcity by REITs, whose “business model often includes [...] selling units and taking much-needed rental housing off the market.”¹³

⁷ <https://www.ahomeforall.ca/wp-content/uploads/2024/05/Evaluating-Victorias-Housing-System.pdf>

⁸ <https://www.cbc.ca/news/canada/british-columbia/seniors-advocate-report-1.7225777>

⁹ <https://housingrights.ca/right-to-housing-legislation-in-canada/>

¹⁰ <https://realpac.ca/reits-in-canada/>

¹¹ <https://www.cbc.ca/news/canada/british-columbia/housing-investors-canada-bc-1.6743083>

¹² <https://x.com/KahlonRav/status/1773390859247206432>,
<https://news.gov.bc.ca/releases/2024HOUS0047-000446>

¹³ <https://news.gov.bc.ca/releases/2023PREM0002-000023>

And yet, as with any commodity market, governments may intervene through various mechanisms (i.e., subsidies, taxes, regulations, bailouts) for any number of reasons and desired outcomes.

Vacancy control is a well-studied and proven form of government regulation that effectively moderates rental rates, providing access to stable housing for any government's populace. Within our particular context,

“Vacancy control is a form of rent control that ties allowable rent increases to a housing unit, rather than to individual tenancy agreements, which is the current model of rent control in B.C.

“The current model of rent control incentivizes landlords to end long term tenancies in order to seek higher rents in tight rental markets. This type of economic displacement hits low and fixed income tenants the hardest, and contributes to the province's homelessness and mental health crisis. Tying rent control to units would remove the economic incentive to end tenancies and likely decrease the number of "renovictions" and other types of bad-faith evictions.

“The current model of rent control also undermines the province's efforts to increase the stock of affordable, public, and non-profit housing. British Columbia lost 15 affordable private units (renting for \$750 or less) for every new affordable unit built between 2011-2016. Vacancy control would immediately and universally moderate the rate of rent increases across the province, which will help **to ensure security of tenure for tens of thousands of renters who are waiting for affordable public housing to be built.**”¹⁴ [emphasis added]

RECOMMENDATION

1) That Victoria City Council endorse the following Resolution, and forward the same to the Union of BC Municipalities for consideration at its September 2024 annual Convention.

WHEREAS the Government of British Columbia¹⁵ and Premier David Eby are on the record as saying REITs are a “predatory model [that] leads to evictions and rent hikes”¹⁶

AND WHEREAS the Province of B.C. has recognized that vacancy control is effective at protecting affordable housing stock, as evidenced by its recent decision to prevent evictions in Downtown Eastside single-room occupancy buildings;¹⁷

AND WHEREAS the unaffordability of housing limits the ability of renters to contribute to local economies, as noted by Leilani Farha (the former United Nations Special Rapporteur on housing and current Global Director of THE SHIFT, a housing initiative to actualize the housing as a basic human right);¹⁸

¹⁴ https://www.affordablebc.ca/vacancy_control

¹⁵ <https://news.gov.bc.ca/releases/2023PREM0002-000023>

¹⁶ <https://bc.ctvnews.ca/b-c-pledges-500m-to-help-preserve-rental-buildings-combat-speculators-and-profiteers-1.6228335>

¹⁷ <https://news.gov.bc.ca/releases/2024HOUS0078-000740>

¹⁸ <https://www.ourcommons.ca/Content/Committee/441/HUMA/Brief/BR12465708/br-external/TheShift-e.pdf>

AND WHEREAS refuting a human rights-based framework towards the commodification and financialization of housing is a contributor to the affordability crisis, and that renter protection must be a priority enacted through: 1) vacancy controls, 2) REIT bans, and 3) ensuring rent control protection,¹⁹ as stated by the federal housing advocate Marie-Josée Houle;²⁰

AND WHEREAS non-profit housing providers rely on their relatively limited rental income to maintain operating budgets and operating capacity;

AND WHEREAS communities across the province are unable to find desperately needed workers in the trades, healthcare, education, and childcare because of the unaffordability of housing²¹;

AND WHEREAS the loss of affordable rental housing is inextricably linked to the dire social and public health concerns that municipalities across the province are struggling to adequately address;

AND WHEREAS the average rent for unoccupied units surpassed the overall average rent for occupied units by 43%, where residents of B.C. face the highest rates of eviction in Canada and 85% of those evictions are no-fault evictions, disproportionately impacting single-income households, people with disabilities, and similarly equity-seeking groups;

AND WHEREAS the current levels of investment in non-market housing have proven insufficient at meeting demand;²²

AND WHEREAS a straightforward increase in market-supply housing is inadequate to meet the needs and income-based capacities of a significant proportion of residents;

AND WHEREAS to prevent growing rates of homelessness and to protect low-income renter households, emergency homelessness prevention strategies through government regulatory intervention are required;

AND WHEREAS, as an example, Victoria's average rental rates have increased by 51% (from \$1,170 in 2018²³ to \$2,275²⁴ in April 2024) since the BC 2018 Rental Task Force recommended against vacancy control under the caveat that the government monitor their

¹⁹ <https://www.housingchrc.ca/en/publications/federal-housing-advocates-observational-report>

²⁰ <https://globalnews.ca/news/10297167/housing-crisis-rental-stock-big-investors/>

²¹ <https://www.cheknews.ca/caught-between-two-crises-capital-region-family-doctors-struggle-to-find-housing-1018528/>, <https://thegoldenstar.net/news/staff-strapped-b-c-town-scores-childcare-workers-with-free-tuition-housing/>, <https://www.capitaldaily.ca/news/greater-victoria-construction-labour-shortage>, <https://www.cbc.ca/news/canada/british-columbia/reliance-on-uncertified-teachers-in-b-c-1.7147270>

²² <https://www.policynote.ca/scale-up/>

²³ <https://www.saanichnews.com/news/rental-rates-on-the-rise-despite-increase-in-vacancy-rate-276718>

²⁴ <https://www.zumper.com/rent-research/victoria-bc>

success at “reducing bad-faith evictions, with the goal of improving people’s security in their rental homes and to *make adjustments, if necessary*,”²⁵ ²⁶[emphasis added]

THEREFORE, BE IT RESOLVED THAT the Province of British Columbia implement vacancy control on rental units owned by “financial landlords,” including but not limited to corporate landlords and real estate investment trusts.

(2) That this Motion, if adopted, be forwarded to the daytime Council meeting of June 13, as resolutions to the UBCM 2024 Convention must be submitted by June 15, 2024.

Submitted with respect and imperative,



Councillor Kim

²⁵ https://engage.gov.bc.ca/app/uploads/sites/121/2018/12/RHTF-Recommendations-and-WWH-Report_Dec2018_FINAL.pdf

²⁶Of note, the Rental Task Force recommended adjustments as needed, and the Minister of Housing has acknowledged that “when you bring advisors together to give you advice, you should take it.” (<https://theyee.ca/News/2023/09/22/So-Far-Behind-Need-It-All/>)