

CITY OF VICTORIA | Sustainable Planning & Community Development

# Housing Strategy Annual Review 2023

## Victoria Housing Strategy: Phase Two 2019-2025



**Published June 2024**

**FOR MORE INFORMATION**

City of Victoria  
Sustainable Planning and Community Development Department  
**T** 250.361.0382  
**E** [communityplanning@victoria.ca](mailto:communityplanning@victoria.ca)  
1 CENTENNIAL SQUARE, VICTORIA, BC V8W 1P6

The City of Victoria is located on the homelands of the Songhees Nation and Esquimalt Nation.

# Contents

Introduction.....	4
About the Strategy .....	5
Victoria’s Housing Targets.....	6
Highlights .....	7
Annual Achievements & Ongoing Work .....	7
Adapting to Changing Provincial Planning Legislation .....	12
Housing Trends.....	14
Where Victoria’s housing system stood in 2023.....	14
Supply & Demand.....	14
Availability, Affordability & Mobility.....	22
Annual Housing Approvals and Progress Towards 6-year Targets .....	34
Appendix A: Overview of Progress on Housing Strategy Policy Actions, 2023.....	36
Appendix B: Housing Report Data Tables.....	37

# Introduction

This report provides a detailed summary of the annual as well as cumulative progress made to achieve the goals of the *Victoria Housing Strategy (2020-2025)* and describes the City's ongoing efforts to meet current and future housing needs. As of 2023, the City has reached the four-year mark in its six-year plan.

Data and information provided in this report illustrates Victoria's current housing system and provides an update on key accomplishments made in 2023 towards the Housing Strategy goals and targets.

A summary of the strategy's actions – as well as the status of each – is presented in Appendix A.



# About the Strategy

The *Victoria Housing Strategy* is the City’s guiding document for ensuring all Victorians have a home that accommodates their needs at a cost they can afford. Adopted in July 2019, the Victoria Housing Strategy has a six-year timeframe and includes five key goals, 49 actions and several targets designed to improve supply and diversity of housing. It is an action-oriented document, developed through extensive community engagement. It includes a commitment to annual progress evaluation by way of the Housing Strategy Annual Review – the document before you.

Initially developed as a 10-year, three-phase strategy, implementation has evolved into a two-phase approach, with the second phase extended into 2025. This will allow the City to focus on several high-priority housing and climate projects, including the 10-Year review of the Official Community Plan (OCP) and updates to the City’s Zoning Regulation Bylaw.

**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.



# Victoria's Housing Targets

The housing unit targets in the Victoria Housing Strategy were determined in 2020. The targets are based on an estimate of the minimum number of new homes needed by 2025 to address the needs of Victorians – including existing unmet demand – and to keep up with the city's growing population.

**FIGURE 2:** Victoria Housing Strategy Targets, 2020-2025

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

# Highlights

## Annual Achievements & Ongoing Work

Along with work to update foundational documents like the Official Community Plan and Zoning Bylaw, the City continued to advance a range of policies and actions to support new housing opportunities for residents in 2023.

Progress towards the Victoria Housing Strategy's five overarching goals in 2023 included:



### Goal 1: Focus on Renters

Improve affordability, stability, and choice for renters in the City of Victoria.

- **Develop a Secured Market Rental Policy (Rental Incentives Program)**

A new Rental Incentives Program was presented to Council at the end of the year. The purpose of the program is to encourage developers to build rental housing (both market and non-market) and support the inclusion of more affordable homes in market rental projects. Under the proposed Revitalization Tax Exemption bylaw, eligible rental projects would not have to pay the increased property tax (arising from the redevelopment) for 10 years. Projects would have to meet key criteria including that 10 per cent of units are secured as rentals affordable to median-income households. The Revitalization Tax Exemption Bylaw will be presented to Council in 2024.

- **Rental Protection and Revitalization (Energy & Seismic Retrofit Pilot)**

In 2023, Council approved a new tax incentive program focused on energy and seismic upgrades for market rentals built prior to the year 2000. The purpose of this program is to promote energy efficiency improvements, seismic upgrades and the electrification of mechanical equipment. Once five projects are accepted into the program, or after a year has passed from bylaw adoption, a preliminary program evaluation will be completed.



- **Short Term Rental Policy Review**

In August, Council directed staff to make changes that would improve clarity and effectiveness of the short-term rental program, which regulates short-term rentals often promoted through platforms such as Airbnb and VRBO. Possible changes include increasing fines for violators, broadening violation types to capture third party operators, closing fee structure loopholes, and simplifying the appeal process for fines. The City is currently reviewing proposed amendments in response to new provincial rules for short-term rentals introduced in October.

- **Tenant Assistance Program**

The City supported 81 renters displaced from their homes due to redevelopment by securing additional rent and moving compensation, as well as relocation supports beyond what is mandated under the *Residential Tenancy Act*. An additional 50 tenants received information related to finding or applying for housing, tenancy rights and community resources. Lastly, staff responded to 18 *Rental Property Standards of Maintenance Bylaw* complaints by tenants to help ensure property owners comply with the Bylaw and properly maintain their buildings.



## **Goal 2: Increase Supply**

Encourage new housing supply for all Victoria residents.

- **Pre-zoning Opportunities (Official Community Plan 10-year Update & Zoning Bylaw Modernization)**

The City is taking a new approach to ensure the city can accommodate the housing supply needed for the next 25 years through updates to the Official Community Plan and the Zoning Bylaw. The approach provides a meaningful response to the housing crisis by applying a city-wide lens to ensure long-range land use policy updates align with modernized Zoning Bylaws and other implementation tools that will result in a simpler and more predictable approvals process for housing. In April, Council directed staff to proceed with the project on a shortened timeline so that housing and climate challenges could be addressed more rapidly. Consultation on emerging directions began in 2024.

- **Explore the use of City-owned Sites for Affordable Housing**

In July, a 205-unit affordable housing development was approved for City-owned land in the 900-block of Pandora Avenue. This project – a partnership with BC Housing and the Capital Region Housing Corporation – highlights how the City can leverage land to facilitate affordable housing. In 2024, with funding from the federal government, the City is exploring the possibility of using City-owned land for other affordable housing projects.

- **Rental Suite Grant Program**

In September, the City welcomed the provincial government's Secondary Suite Incentive Program, a pilot project to help homeowners build secondary suites in their homes. If a homeowner builds a secondary suite and continues to live in the home while renting the suite at a below-market rate for five years, they are eligible for the grant, which offers up to 50 per cent of the cost of any renovations to a maximum of \$40,000. The grant will be offered as a forgivable loan. City staff will monitor the program's uptake in Victoria and determine if additional incentives are needed in this area.



## Goal 3: Housing Choice

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

- **Missing Middle Housing**

Following a six-month review of the Missing Middle housing initiative, Victoria Council approved changes to the Missing Middle Regulations to encourage more family-friendly housing options. These changes make it easier to build ground-oriented housing while retaining the requirement for at least two units to contain at least three bedrooms or 30 per cent of the total number of homes in the development, whichever is greater.

- **Develop a Family Housing Policy**

The City completed a study examining the feasibility of securing more two- and three-bedroom units in new multi-family housing through land use policy and guidelines. The results will be presented to Council in 2024.

- **Encourage Barrier-Free and Universal Design**

In late 2023, the City welcomed the news that the Province had adopted changes to building and fire codes designed to make new structures and homes more resilient, sustainable and accessible. Key changes to these codes include new accessibility requirements in common spaces and requirements that the majority of new units across the housing continuum be constructed as adaptable. These updates align with the City's Housing Strategy objective to encourage barrier-free housing and universal design in new developments.

- **Housing for Artists**

The Industry, Arts and Innovation District Action Plan, is exploring a variety of strategies to support the creation of strategically located, stable and affordable artist housing. This includes artist work-live units that allow for production and manufacturing. The Industry, Arts and Innovation District Action Plan is aiming for consideration by Council by the end of 2024.



## Did You Know?

Under the new Fast Track for Affordable Housing process, qualifying non-market projects can be redeveloped without a rezoning or Council approval. The first project submitted under the City's Fast Track for Affordable Housing process was approved in July 2023. BC Housing and CRHC's proposal for 205 units of affordable and supportive housing – as well as a community centre and childcare facility – were approved for 926-930 Pandora Avenue in less than eight months; half the time of the typical rezoning process.



Image credit: Capital Regional District



## Goal 4: Track & Improve

Track our progress and improve our housing policies and programs to enhance impact.

### ● Victoria Housing Reserve Fund Improvements

The City made changes to the Victoria Housing Reserve Fund – a fund set aside to support non-market rental housing projects.

Updates include:

- Introduction of a new grant amount for larger family-friendly units (four+ bedrooms).
- Establishing a below-market funding stream.
- Adjusting the grant payment schedule to provide a greater portion of funds (80 per cent) prior to construction.
- Removing the \$500,000-cap for the maximum grant to equalize support for larger projects.

### ● Inclusionary Housing and Community Amenity Policy Review

In May, Council approved changes to the Inclusionary Housing and Community Amenity Policy. Changes included lowering the percentage of required affordable units to 10 per cent (from 20 per cent ) and allowing for a combination of affordable units and cash-in-lieu. Additionally, to align with new household income data, the City revised rates and changed income thresholds for affordable rental and homeownership units.

### ● Review and Update the Zoning Regulation Bylaw

Technical work has begun on updating the City's zoning regulations to allow for more housing, improve predictability for builders and ensure compatibility with housing and climate action objectives in the 10-Year OCP update.



## Goal 5: New Ideas

Try bold ideas to achieve new results.

- **External Funding Opportunities for Housing Initiatives**

In June, Council supported Victoria's application to the federal government's Housing Accelerator Fund (HAF) for funding to continue to transform local housing policies and zoning processes aimed at accelerating the development of new housing. The application was successful and Victoria will receive close to \$18 million to advance housing initiatives such as the OCP 10-Year Review, Zoning Bylaw Modernization, Rental Incentives Project, and exploring how City lands can be leveraged to advance affordable housing.

- **Parks Relocation Coordinators**

To address the needs of people sheltering in City parks, Council voted in July to hire a third-party contractor to serve as a Parks Relocation Coordinator (PRC). This contractor was hired to engage with unhoused people in Stadacona, Topaz, Hollywood and Regatta Parks, then match them with suitable shelters, housing and supports based on their needs. The work began in August and by the end of October, everyone who had been identified as sheltering in these parks as of June 15 had either received housing or better shelter, were no longer sheltering in the named parks, or had declined offers of housing assistance. In November, Council voted to extend the funding to include other parks as well as streets, boulevards and other public places.



# Adapting to Changing Provincial Planning Legislation

In November 2023, the provincial government began rolling out a series of sweeping legislative changes aimed at increasing housing supply and improving affordability across British Columbia. The changes include new targets, requirements and tools for local governments to support housing.

On September 26, 2023, the Government of British Columbia issued five-year housing targets for ten local governments, including the City of Victoria.

Victoria received a target of 4,902 homes by September 30, 2028 – a goal which aligns closely with targets already set through the *Victoria Housing Strategy*. While working towards this target, the City must submit annual progress reports to the Province.

The provincial targets and the City’s housing targets follow a similar approach of accounting for both existing unmet demand (latent demand) and future population growth. The provincial targets identify the need for a mix of housing types and tenures similar to those of the City to ensure housing supply serves a range of income groups and household types.

The enactment of the *Housing Supply Act* and subsequently ordered targets were followed by a series of legislative updates that will impact local governments across the province.

In many ways the City of Victoria is well prepared to adapt to the changes associated with the various provincial legislation updates; nevertheless, their implementation adds considerable complexity to the City’s workplan over the coming years, particularly in the near term. The City continues to monitor ongoing updates to provincial legislation.





# Housing Trends

## Where Victoria’s housing system stood in 2023.

For many years, Victoria’s housing supply has fallen short of demand, a problem which has driven up the cost of existing homes – either to rent or to own. Currently, most available homes in Victoria are unable to meet the needs of diverse households with different income levels and lifestyles.

**This lack of diversity in our housing supply makes it difficult for Victorians to access and move between homes that suit their needs at different stages of their lives.**

To address these challenges, the City of Victoria is committed to tracking its progress, not only for overall supply versus demand, but also for the types of housing being created. The City is tracking how new housing is impacting Victorians’ ability to find a place to live (availability), afford it (affordability), and move between different types of housing (mobility) in order to live and stay rooted in their community.

This section of the report begins with statistical data to illustrate the different parts of our local housing system and the factors that influenced them in 2023. **The resulting effect on Victoria’s housing target performance is outlined on page 38.**

## Supply & Demand

### New Supply of Housing

In 2023, building permits issued accounted for 785 new units created while there were also 1,567 new homes completed in 2023 – a 30-year high for Victoria. This number reflects past progress through municipal building permit approvals, including the 1,566 permits issued in 2021.

	Building Permits Issued	785
	Completions	1,567



## Notable Projects Completed in 2023

### 359-369 Tyee Road

Bosa Development  
220 strata condominiums and 145 rental homes  
in the 15-acre master-planned Dockside Green  
community in Victoria West.

365 units



### 1900 Richmond Road

Amica Jubilee House  
Rental housing with supports for seniors located  
in the Jubilee Large Urban Village near Royal  
Jubilee Hospital.

125 units

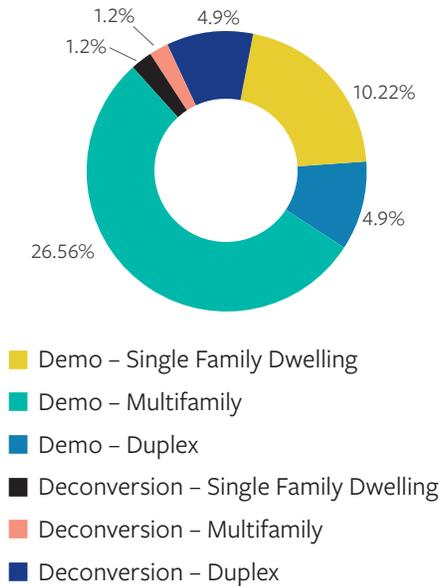


## Net New Homes issued Building Permits

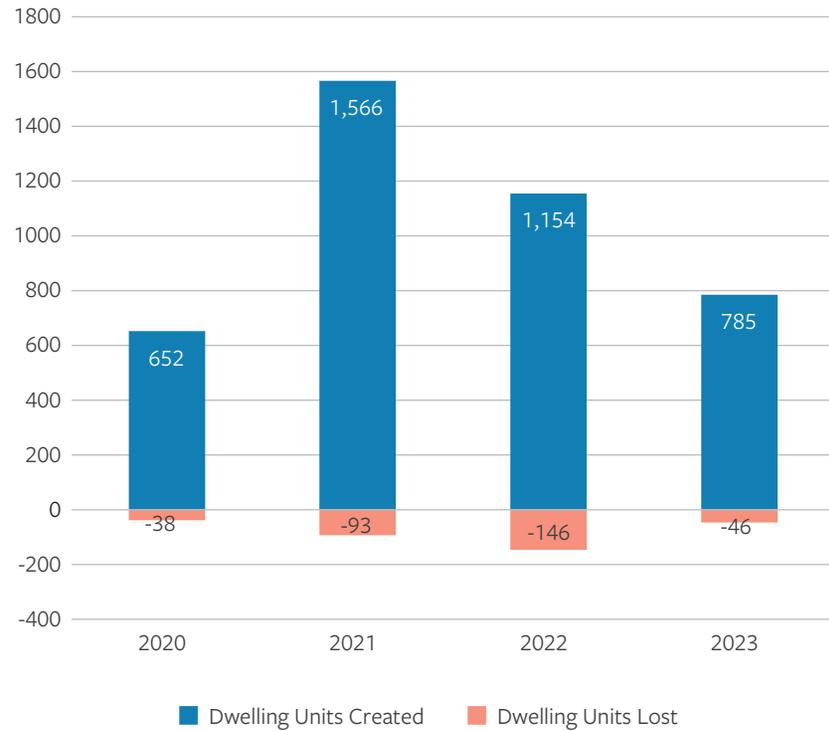
A net gain of 739 new homes were approved for construction in 2023. This is below the City’s annual target of 1,000 new homes per year as well as the 10-year average of 843. **However, due to the high amount of housing approved for construction in previous years, Victoria remains on track to achieve its goal of 6,000 new homes by 2025.**

Year	2020	2021	2022	2023
Homes Created	652	1,566	1,154	785
Homes Lost	38	76	146	46
Net New Homes	614	1,473	1,008	739

**FIGURE 3:** Homes lost due to demolitions and deconversions - 2023



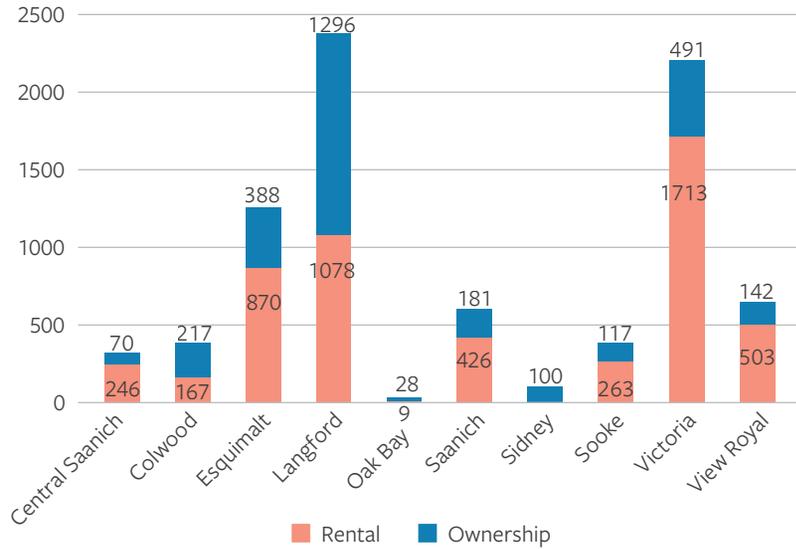
**FIGURE 4:** Dwelling units created versus units lost, 2020-2023



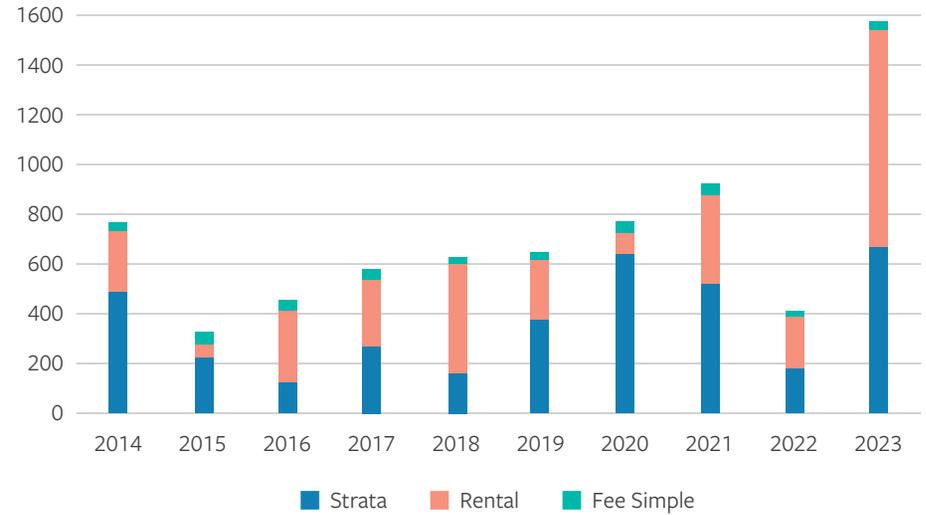
### Diversity of Tenure in New Housing Supply

In 2023, despite the decrease in overall building permits issued, Victoria remained the regional leader in rental housing with 1,713 units under construction. The City saw a 16 per cent increase in building permits issued for purpose-built rental units (694) compared to 2022 (596). Similarly, the City’s rental stock experienced a welcome boost with the completion of 867 primary rental units. These numbers align with City housing objectives to increase the construction of rental homes.

**FIGURE 5:** Units under construction by intended market, Victoria CMA, January-December 2023  
Source: CMHC



**FIGURE 6:** New homes completed by tenure, City of Victoria, 2014-2023  
Source: CMHC



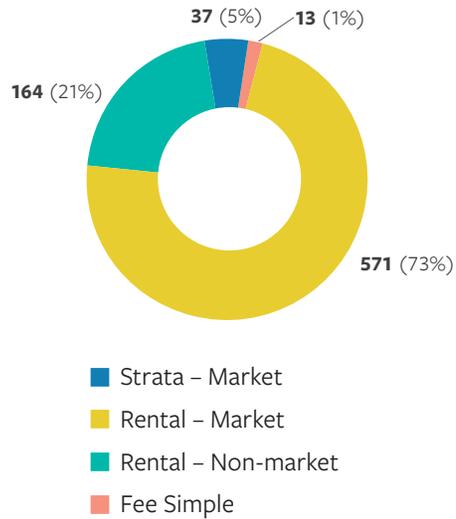
### Purpose-Built Rental Approved Through Building Permits

Year	2020	2021	2022	2023
<b>Purpose Built Rental</b>	372	465	596	694

up 16%

since 2022

**FIGURE 7:** Building Permits Approved by Tenure and Affordability, 2023



**FIGURE 8:** Building Permits Approved by Tenure, 2020-2023



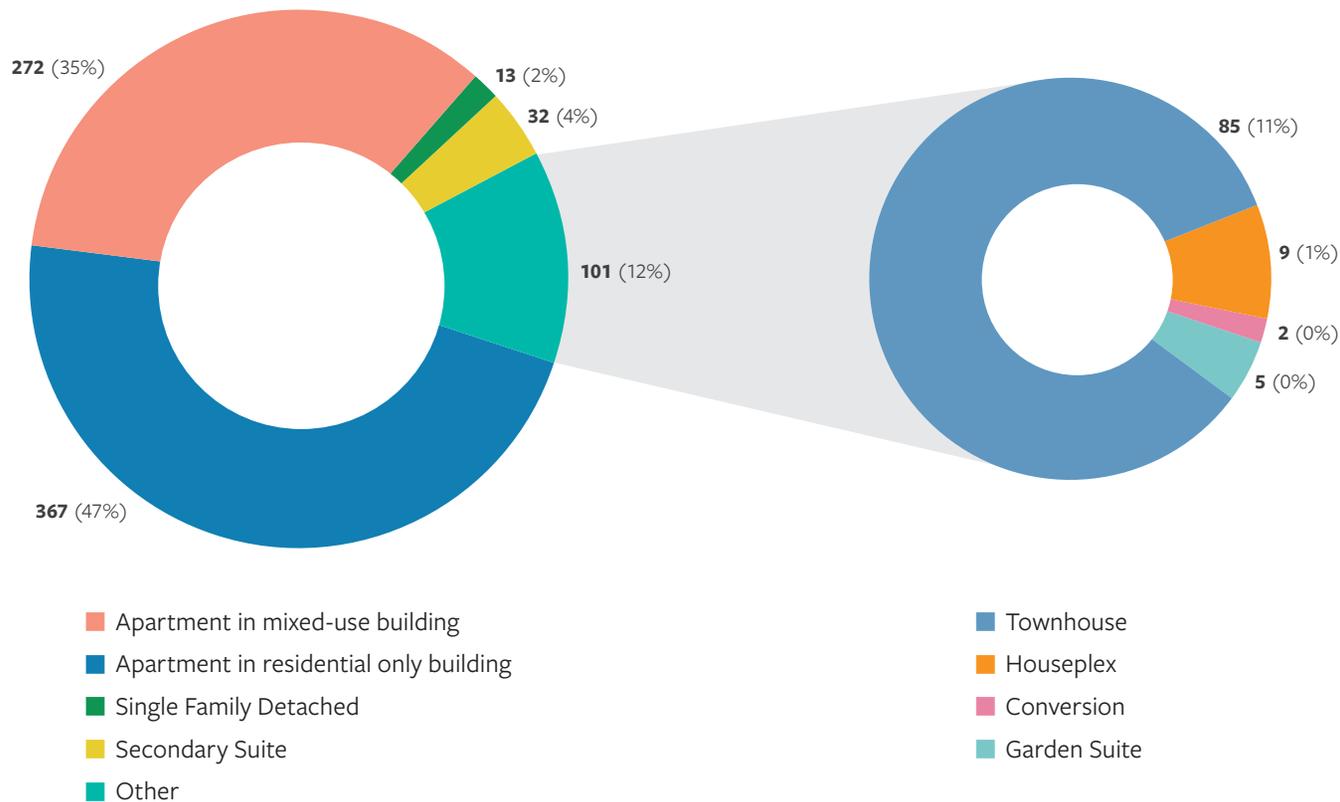
### Primary Rental Market & Construction

Year	2020	2021	2022	2023	
<b>Rental Housing Starts</b>	240	863	788	925	↑ up 17% since 2022
<b>Completed Primary Rental Units</b>	83	361	205	867	↑ up 323% since 2022
<b>Units in the Primary Rental Market</b>	17,756	17,764	17,964	18,854	↑ up 5% since 2022

## Mix of Housing Types

A healthy city needs a mix of housing to accommodate residents of diverse ages, incomes, household types and lifestyles. In 2023, the City experienced mixed progress towards more diverse housing forms – with fewer secondary and garden suites approved – but a record high of 85 townhouse units issued building permits, up from 60 in 2022. Twelve per cent of all new homes approved in 2023 were for ground-oriented homes – a positive change from the 10-year average of four per cent. This year’s total of 122 missing middle units fell slightly below the annual target of 150 new ground-oriented housing unit approvals.

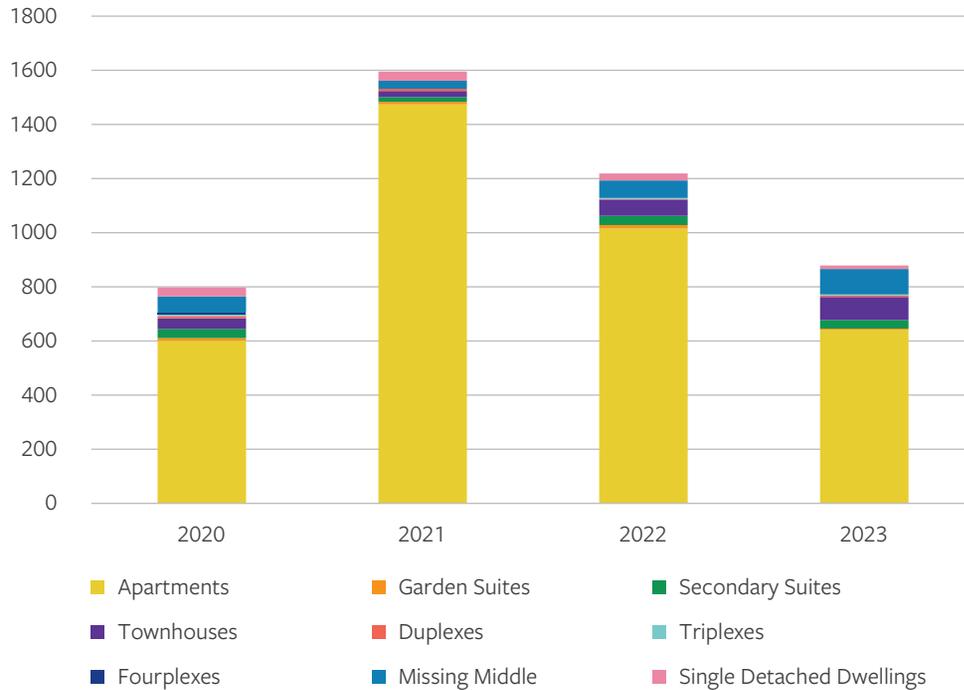
**FIGURE 9:** Mix of Housing Types Approved in 2023



## New Secondary and Garden Suites Approved through Building Permits

	2022	2023	Difference
<b>Garden Suites</b>	13	5	-6
<b>Secondary Suites</b>	35	32	-3

**FIGURE 10:** Housing Units by Type of Residential Building Permit Approved, 2020-2023



## Housing Demand in 2023

Like B.C., Victoria’s population is continuing to grow faster than expected, creating even more demand for housing that has historically been in low supply. According to recent data, Victoria’s population is anticipated to reach 142,000 people by 2050, growing at an annual rate of 1.4%, which is higher than previously projected. This growth is expected to result in 26,600 new households by 2049.

Population	Households (estimated)
99,792	51,541
 up 2% from 2022	 up 2.7% from 2022

Source: BC Stats, 2023

**Latent demand** for housing (i.e. housing needs that are going unmet today,) has been factored into the City’s planning processes since 2020. This year, latent demand estimates were updated and increased from a range of 4,500 – 7,000 homes, to a range of 6,500 – 11,000 homes, illustrating a housing market that is still struggling to catch up after decades of falling behind.

## Housing Demand & Land Management: Victoria’s OCP Update

Land management is one of the most significant ways that local governments can respond to the housing crisis. Land management tools, like zoning and the Official Community Plan (OCP), enable the City to make room for the type of housing Victorians needs today and in the future.

In 2023, the City began the 10-year OCP Update which considers Victoria’s needs out to 2050 and emphasizes meaningful solutions to the housing and climate crises. The OCP update is aligned with recent changes to provincial legislation that require municipalities to pro-actively plan for 20-year housing needs.

As part of the OCP update, the City is modernizing zoning and other regulations related to land development to align with the OCP and support community and housing needs. Concurrently updating each of these important tools will help to ensure that residents and developers are equipped with clear, consistent and modernized policy direction to guide Victoria’s growth.

**Updating these foundational land management tools will provide a strong framework for enabling and encouraging the right supply of housing while continuing to advance the development of complete, low-carbon communities.**

To find out more and get involved in the conversation, visit [engage.victoria.ca/ocp](https://engage.victoria.ca/ocp) and fill out the OCP survey.



## Availability, Affordability & Mobility

Despite the increasing number of homes in Victoria, the market remains extremely tight. The rental vacancy rate remains well below a healthy rate of between three to five per cent, which is needed to help moderate rental price. That low vacancy rate has led to a 6.8 per cent increase to average rent in 2023. Housing mobility, or transitioning between homes, also remains extremely difficult in Victoria, particularly for renters who have lived in the same home for many years and are facing sudden eviction. However, there were some positive signs of change through a slight increase in the vacancy rate, a reduction in average rent for units with three+ bedrooms and less severe increases in rents for vacant versus occupied units as compared to 2022.

### Rental Housing Vacancy

Year	2020	2021	2022	2023
<b>Rental Vacancy Rate</b>	2.3%	1.0%	1.4%	1.6%
<b>Secondary Rental Market Vacancy Rate</b>	0.1%	0.0%	0.0%	0.1%

Source:  
CMHC

### Average Market Rent

	2022	2023	% difference
<b>Bachelor</b>	\$1,127	\$1,215	7.8%
<b>1 Bedroom</b>	\$1,336	\$1,421	6.4%
<b>2 Bedroom</b>	\$1,714	\$1,833	6.9%
<b>3+ Bedroom</b>	\$2,397	\$2,258	-5.8% <sup>1</sup>
<b>Overall</b>	\$1,420	\$1,515	6.8%

Source:  
CMHC

<sup>1</sup> This decrease is likely unrelated to an increase in supply or reduced demand for three or more-bedroom units and more likely a result of other factors, including the small sample of units surveyed. For instance, if a segment of three+ bedroom units included in the 2023 survey were generally in poorer condition or less desirable locations than those in the 2022 survey this could contribute to a more sizeable reduction in overall rents in the 3+ bedroom market than it might in the 1- or 2-bedroom market due to a significantly smaller rental (less than 300 units compared to roughly 10,850 or 5,000 units respectively).

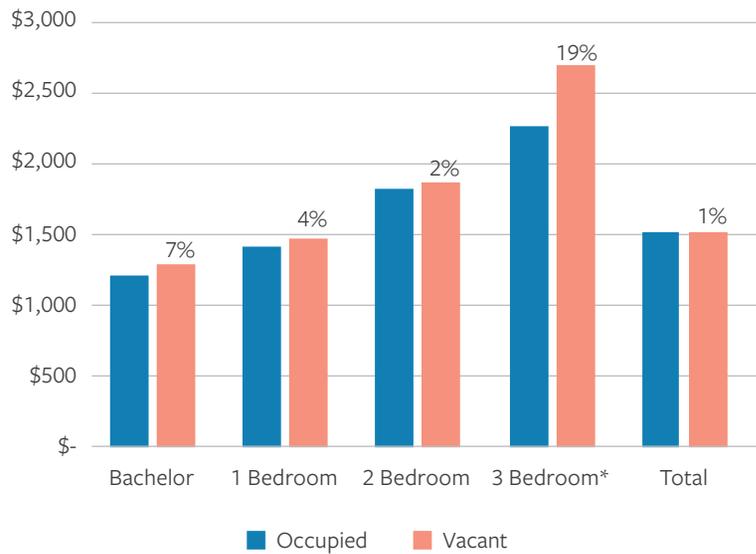
## Did You Know?

Within the Capital Region, Victoria has the highest average rents for family sized units but has below-average incomes compared to the region's other municipalities. Average rents for 3-bedroom units in Victoria are 11% higher than in other neighbouring communities, while the median household income is 18% lower. The City is working to address this imbalance by requiring a minimum percentage of 2 and 3-bedroom units in new developments. Under the new Missing Middle Housing Regulations, a minimum of 2 units or 30% of the total units (whichever is greater) must contain 3 or more bedrooms. A new Family Housing Policy applying to larger buildings will be considered by Council in 2024.

## Change in Average Rent

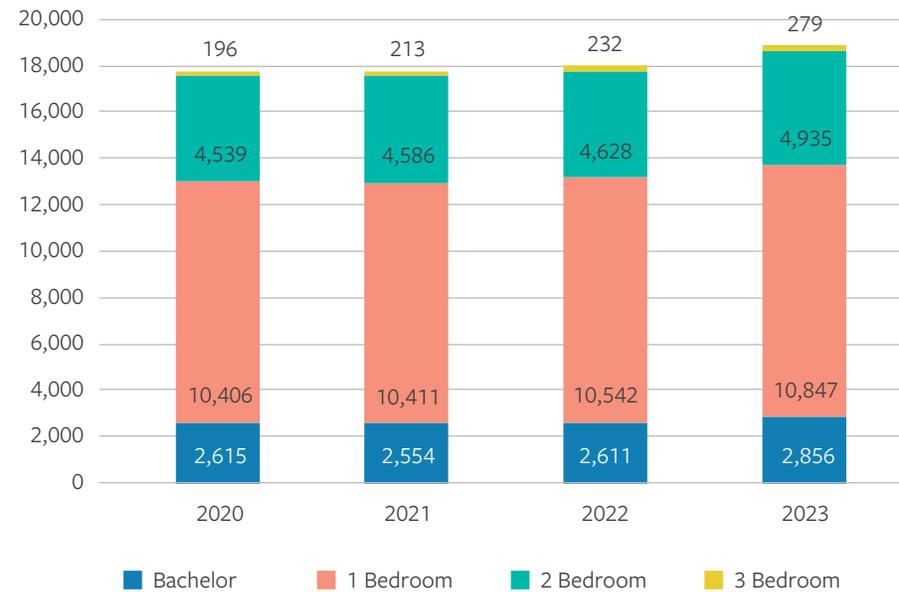
	2019-2020	2020-2021	2021-2022	2022-2023
<b>Average change in overall rent</b>	4.2%	2.7%	10.2%	6.8%

**FIGURE 11:** Percent difference between average rent of occupied versus vacant apartment units, City of Victoria, 2023



\*CMHC data for vacant three-bedroom units not available; estimated based on Vancouver rates. Source: CMHC

**FIGURE 12:** Rental Market by Bedroom Composition, City of Victoria, 2020-2023



## Households on BC Housing Waitlists for Non-Market Housing in Victoria (as of December)

	2022	2023	Difference
<b>Non-market, Independent Social Housing</b>	1,212	1,230	+17
<b>Supportive Housing</b>	1,237	836	-401

Source: BC Housing

### Non-Market Housing Development

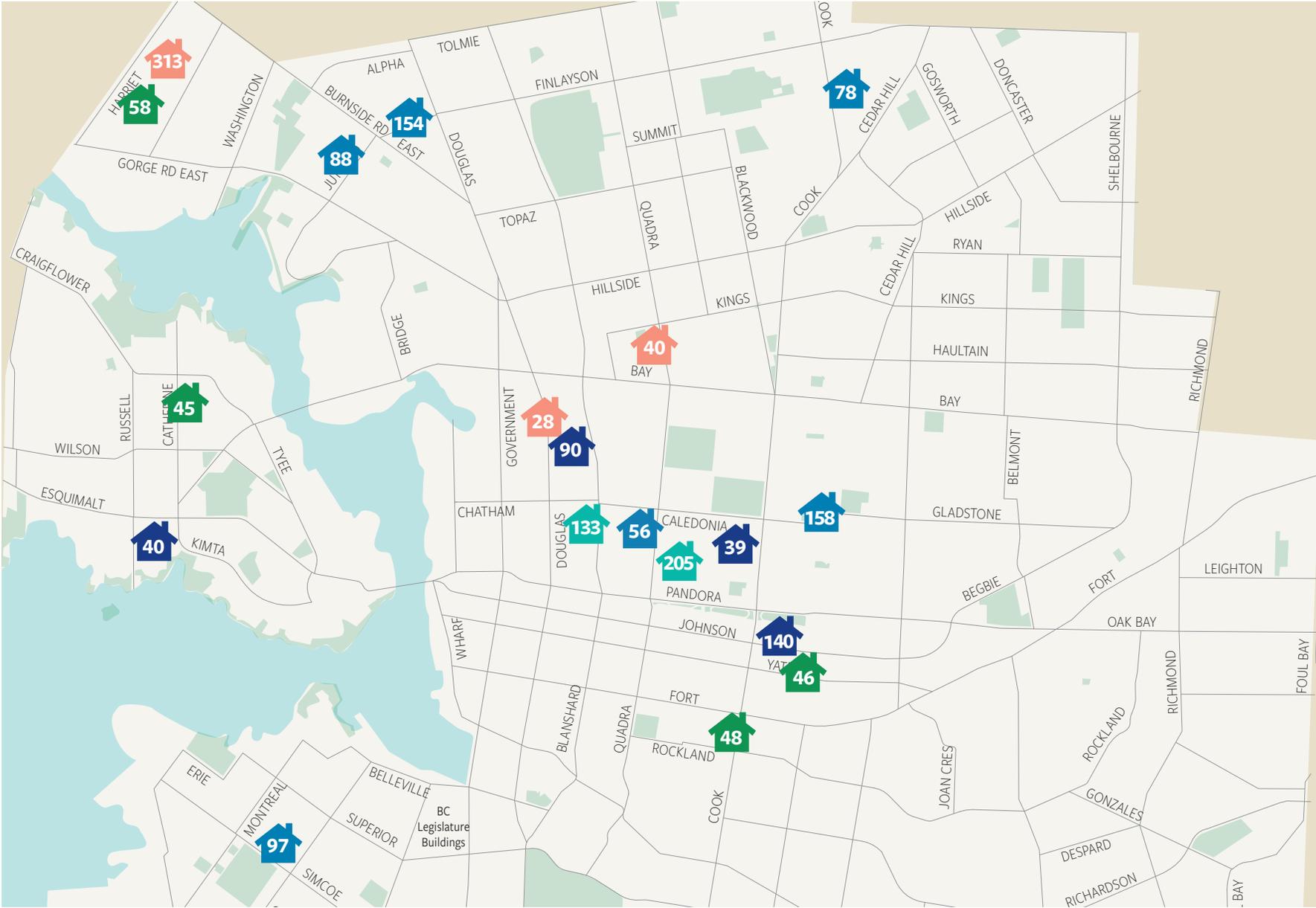
Victoria's pipeline of affordable housing continued to grow in 2023 with 1,659 new affordable non-market homes either approved, under review or under construction.

Given persistently long waitlists for affordable housing and signs of deepening core housing need, it is crucial the City sustain and enhance investments in new non-market housing to create the next wave of affordable units. Historically, most non-market housing supply was created through government partnerships in the form of capital and operating funding and providing parcels of land. These partnerships are essential to deliver deep levels of affordability upon building completion and maintain the quality of affordable housing over time.





# Non-market Housing Developments



## Non-market Housing Developments

		# of units	Projects (units associated)
	Completed in 2023	197	9 Chown Place (58) 865 Catherine St. (45) 1075 Meares St. (48) 1176 Yates St. (46)
	Under construction in 2023	631	330 Michigan Ave. (97) 1419 Mallek Cr. (78) 3130 Jutland Rd. & 496-498 Cecelia Rd. (88) 1211 Gladstone Ave. (158) 320 Douglas & 584 Burnside (154) 953-959 Balmoral Rd. (56)
	Approved in previous years but not yet under construction	381	2558 Quadra St. (40) 736 Princess Ave. (28) 11 Chown Place (Phase 2 & 3) (313)
	Approved in 2023	338	926-930 Pandora Ave. (205) 710 Caledonia Ave. & 1961 Douglas St. (133)
	Under Review	309	722-726 Discovery Ave. (90) 225 Russell St. (40) 1132 Johnson St. (140) 1046-1048 North Park St. (39)

	2022	2023	
<b>Supportive housing units completed</b>	30	139	<b>Supportive housing units in progress:</b> 354

## Non-Market Housing Completed in 2023

### 9 Chown Place

Gorge View Society  
Affordable housing for seniors and families.

58 units



### 1075 Meares Street

BC Housing  
Supportive housing for young adults aged 19-27 at risk of or experiencing homelessness.

48 units

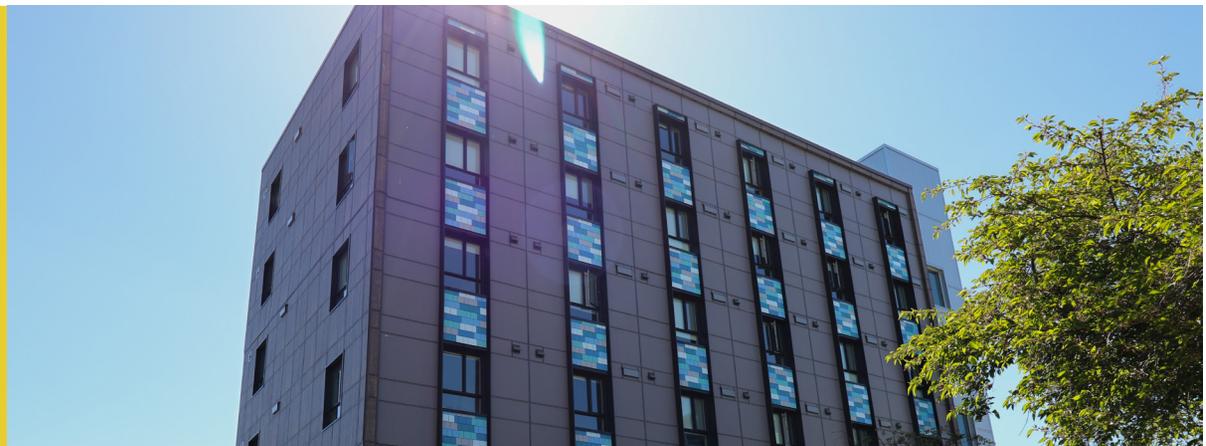
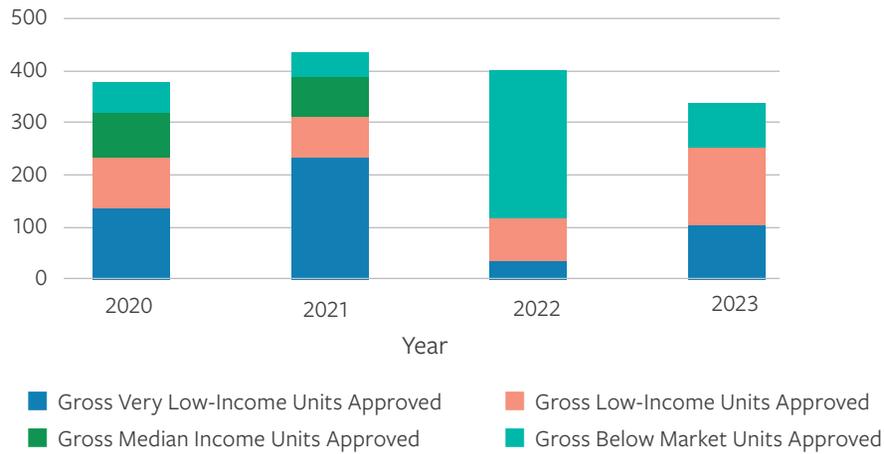


FIGURE 13: Non-Market Housing Approvals by Level of Affordability, 2020-2023



### Sale of Purpose-Built Rental Housing

Since 2020, there has been an escalating trend in sales of multi-family apartment buildings in Greater Victoria, most notably for older, existing units, with the average sale price per unit increasing significantly on an annual basis. This points to a trend of strong interest from institutional investors, with access to high levels of capital, acquiring much of the region’s older rental stock. In 2023, amid rising interest rates, the trend cooled with 389 existing units sold in Victoria, compared to last year’s peak sales at 1,282. The average price per existing unit sold also dropped 4.2 per cent from \$303,169 in 2022 to \$290,415 in 2023.

In response to this issue, in 2023 the Government of British Columbia introduced a new Rental Protection Fund to help non-profit housing providers acquire older purpose-built rental buildings, thus protecting renters and preserving much-needed de-facto affordable rentals.

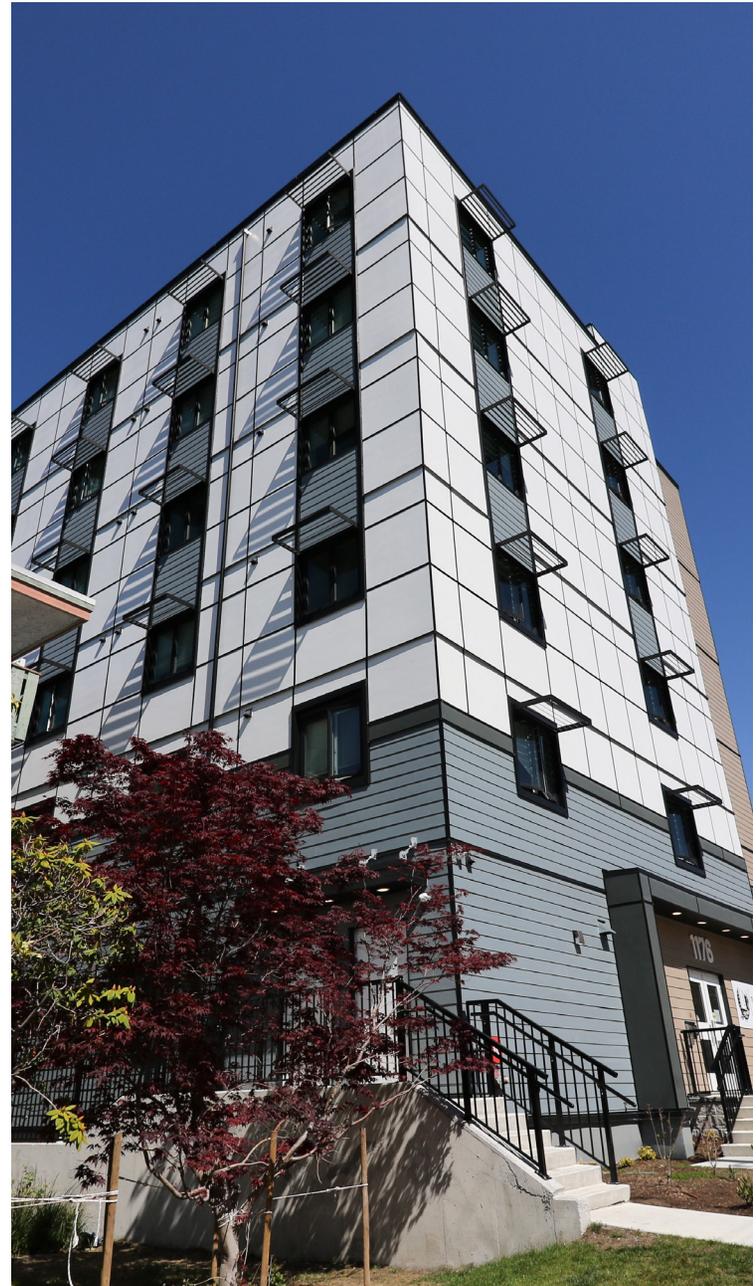


FIGURE 14: Multi-Family Apartment Sales, 2020-2023

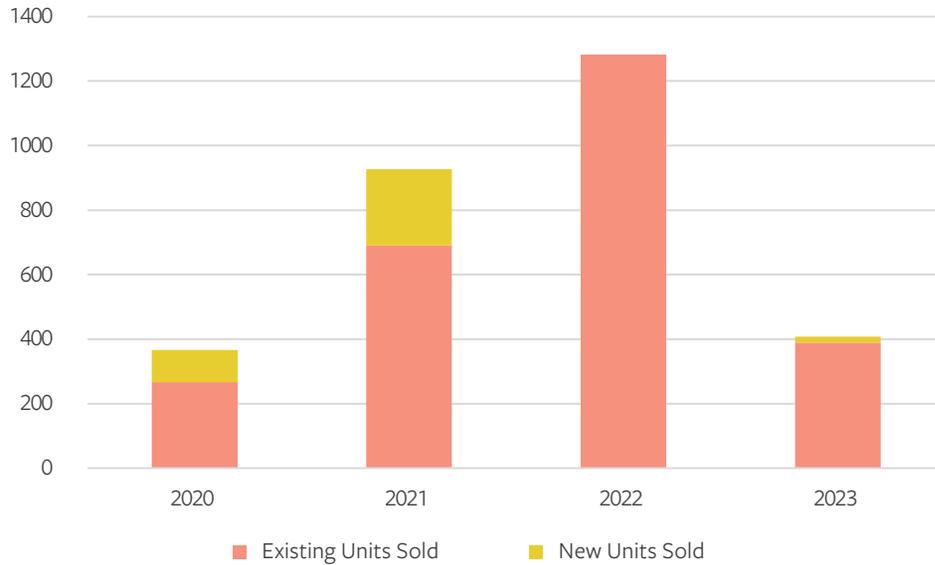
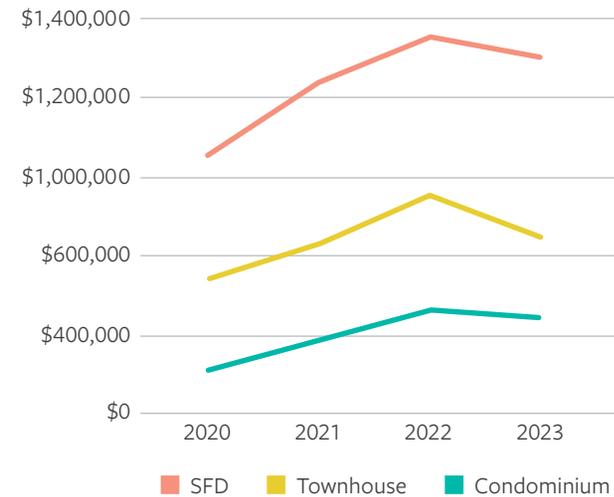


FIGURE 15: Average House Prices, 2020-2023



## Ownership Housing

Between 2022 and 2023, average sale prices for all housing types fell in Victoria for the first time since the start of the pandemic. In 2022, in response to inflationary pressures, a steady and prolonged rise in interest rates began, making mortgages more expensive. By 2023, this trend began to result in weaker demand contributing to a slight decline in housing prices, notably for townhomes. Despite this decline, prices remain high relative to income levels given the ongoing gap between supply and demand.

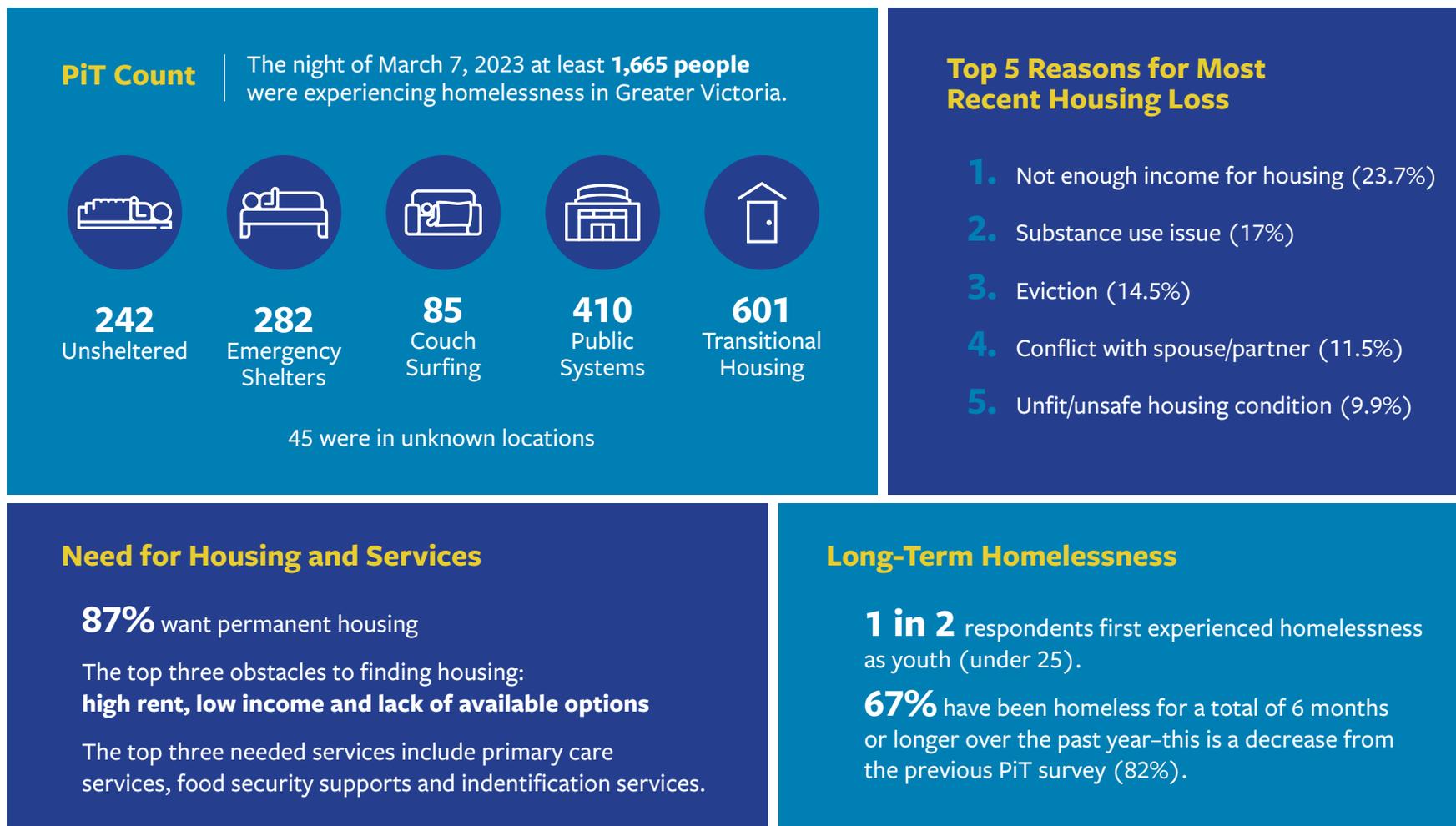
### Average Home Prices

	2022	2023	Difference	<b>Number of homes sold in 2023:</b> 1,375   down 8.3% from 2022
<b>Condominiums</b>	\$664,513	\$643,277	-3.2%	
<b>Townhouses</b>	\$954,237	\$848,782	-11.1%	
<b>Single Detached Homes</b>	\$1,354,921	\$1,302,190	-3.9%	

Source: Victoria Real Estate Board

## 2023 Homelessness Point-in-Time Count

The 2023 Point-in-Time (PiT) Count and Homeless Needs Survey commissioned by the Capital Regional District took place on March 7-8, 2023. This process provides an updated snapshot of individuals experiencing sheltered or unsheltered homelessness in the community. This was the fourth PiT count conducted within Greater Victoria, which contains 13 municipalities and spans the traditional territories of approximately 11 First Nations. Previous counts for the region were completed in 2016, 2018, and 2020.

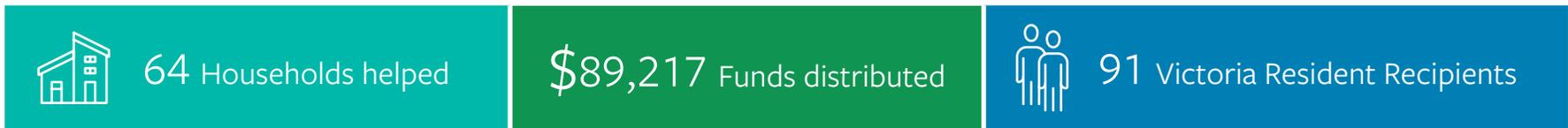


Source: Community Social Planning Council of Greater Victoria

## Rent Bank

The Greater Victoria Housing Security Rent Bank is an important homelessness prevention tool for Victoria households at risk of eviction due to short-term financial emergencies. The Rent Bank provides people with a combination of case worker support, service navigation, as well as one-time, interest-free loans of up to \$3,000 to help pay for necessities like rent, security or pet deposits, utilities, or groceries. In 2023, the City of Victoria supported the rent bank with a \$110,000 grant.

### Rent Bank Impact in Victoria



Source: Community Social Planning Council of Greater Victoria

## Victoria Housing Reserve Fund

The City provides capital funding for non-market affordable housing construction through the Victoria Housing Reserve Fund (VHRF). The fund exists to provide one-time grants to non-profit societies to assist in the development of new affordable rental housing for households with very low, low, median or moderate incomes. Contributions to the fund come from the City, as amenity contributions from market developers, or through taxes levied on vacation rental homes through the Municipal Regional Destination Tax for Online Accommodation Platforms such as Air BnB, etc. (MRDT).

In Victoria, the MRDT is levied at three percent and all tax revenue from short-term rentals received goes to the VHRF. Through the VHRF, these funds are directed to non-market affordable rental housing projects supporting Victoria's tourism and hospitality workers, many of whom struggle to find adequate and affordable housing in the city. MRDT funding is expected to decline considerably in future years based on new provincial legislation that is looking to reduce the amount of short-term rental accommodation in tight housing markets like Victoria.

### VHRF Activity in 2023



## Did You Know?

Since 2018, Victoria has regulated short-term rentals. However, as of 2023, roughly 1,600 homes retained legal non-conforming status – allowing them to operate lawfully as full-time, short-term rentals under pre-existing conditions. In 2023, provincial legislation changes eliminated this non-conforming status and these homes may soon become available for purchase or long-term rental in the secondary rental market.



## Non-market Projects Supported by VHRF Grants in 2023

### 2558 Quadra Street

Greater Victoria Housing Society and Destination Greater Victoria partnership to deliver workforce housing.

40 units

*Image credit: Greater Victoria Housing Society*



### 11 Chown Place

Gorge View Society Phase 2 of Chown Place Masterplan  
Affordable housing for seniors and families.

77 units

*Image credit: Number TEN*



# Housing Targets

## Annual Housing Approvals and Progress Towards 6-year Targets

The targets in this report refer to the number of homes needed to catch up to existing needs and keep up to future demand, based on the information available in 2020. Progress for these housing supply targets is measured two ways: through the number of **building permits issued** and the number of developments that are **approved by Council or through a delegated approval by City Staff** for homes at affordable or below-market rates, or whose size are suitable for families (two or more bedrooms).

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 (townhouse, duplex, apartment, etc.), tenure (rental, strata, etc.) and location of homes created or demolished on an annual basis. In contrast, the provincial housing targets are based on housing completed and an occupancy permit has been issued.

However, not all relevant data can be gathered through a building permit. For example, information about affordability or suitability for families. To fill this data gap, the City looks at housing approvals via rezonings and development permits. While this data is somewhat less of a certain indicator of housing that will soon come to market - a project may or may not be constructed if a landowner abandons the project at this point - it remains a useful way to track affordability and other details associated with development applications.

In 2023, the City made good progress on many of the housing supply targets, but similar to past years the City continues to fall behind in efforts to deliver housing for the most vulnerable. Specifically, the City is at less than 50 per cent of the target for both low-income and median income homes based on approvals in 2023. This deficit in deeply affordable housing highlights the importance of sustained efforts to facilitate non-market housing through partnerships with senior levels of government and affordable housing providers.

Goal	Targets	Progress in 2023	Overall Progress 2019-2023
Focus on Renters	1,900 new Market Rental Homes by 2025, ~300 per year	<b>EXCEEDING:</b> 573 Building Permits Issued.	 98%
	2,100 new Affordable Non-Market Homes by 2025, ~350 per year	<b>SLOWER THAN WE'D LIKE:</b> 338 units very low, low, median, and below-market units approved	 63%
	700 new very low-income homes approved by 2025, ~117 per year	<b>EXCEEDING:</b> 105 units approved	 70%
	700 new low-income homes approved by 2025, ~117 per year	<b>FALLING BEHIND:</b> 146 units approved	 43%
	700 new median homes approved by 2025, ~117 per year	<b>FALLING BEHIND:</b> 0 units approved	 19%
Increase Supply	6,000 total new homes, ~1,000 per year	<b>SLOWER THAN WE'D LIKE:</b> 739 net Building Permits issued	 64%
	1,000 total new condominium strata homes, ~150 per year	<b>TARGET ALREADY MET:</b> 2 Building Permits Issued	 111%
	2,100 new units approved for non-market median incomes and below, ~350 per year	<b>FALLING BEHIND:</b> 251 units approved	 44%
Housing Choice	1,600 new homes for families, ~250 per year	<b>EXCEEDING:</b> 615 homes with two or more bedrooms secured through legal agreements (510) or issued building permits (105)	 76%
	1,000 Missing Middle Homes (duplexes, triplexes, fourplexes, conversions, and townhomes), ~150 per year	<b>FALLING BEHIND:</b> 122 Building Permits issued	 30%



**GOING WELL**

67 per cent or more of target met



**SLOWER THAN WE'D LIKE**

50-66 per cent of target met



**FALLING BEHIND**

less than 50 per cent of target met

# Appendix A:

## Overview of Progress on Housing Strategy Policy Actions, 2023

COMPLETED	ONGOING	UNDERWAY	ON HOLD
<ol style="list-style-type: none"> <li>1. Rental Property Standards of Maintenance Bylaw</li> <li>2. Tenant Ambassador position</li> <li>3. Tenant Engagement Toolkit</li> <li>4. Rent Bank Pilot</li> <li>5. House conversion eligibility</li> <li>6. Housing Reserve Fund improvements</li> <li>7. Housing Champion</li> <li>8. Housing Talk Series</li> <li>9. Rapid Deployment of Affordable Housing</li> <li>10. Expedite and simplify development process for affordable rental</li> <li>11. Expand opportunities for affordable housing in all Local Area Plans</li> <li>12. Support faith-based and charitable organizations to develop affordable housing</li> <li>13. Missing Middle Housing Initiative</li> <li>14. Missing Middle Zoning Bylaw amendments</li> <li>15. Explore pre-zoning as part of missing Middle Housing</li> <li>16. Expand opportunities for secondary suites</li> <li>17. Energy and Seismic Pilot</li> </ol>	<ol style="list-style-type: none"> <li>1. Residential Rental Tenure Zoning</li> <li>2. City-owned sites for affordable housing</li> <li>3. Housing affordability monitoring</li> <li>4. Modernize and streamline zoning bylaw</li> <li>5. Cross-government policy alignment and advocacy</li> <li>6. Review and optimize housing funding</li> <li>7. Fee waivers/tax exemptions</li> <li>8. New webpages</li> <li>9. Align housing initiatives with Climate Leadership Plan</li> <li>10. Align housing policies with GoVictoria</li> <li>11. Modular housing on City land</li> <li>12. External funding for housing initiatives</li> <li>13. Inclusionary Housing and Community Amenity Policy Review</li> </ol>	<ol style="list-style-type: none"> <li>1. Renter engagement activities</li> <li>2. Rental housing incentives (Market Rental Policy)</li> <li>3. Ensure housing policies are inclusive of diverse identities</li> <li>4. Data and reporting improvements</li> <li>5. Family Housing Policy</li> <li>6. Co-op, co-housing and land trusts</li> <li>7. Short-term Rental Policy Review</li> <li>8. Rental Suite Grant Program (through Provincial Pilot)</li> <li>9. Housing for artists</li> <li>10. Encourage barrier-free/Universal Design (through Provincial Code changes)</li> </ol>	<ol style="list-style-type: none"> <li>1. Rental Business Licensing Bylaw</li> </ol>

## Appendix B: Housing Report Data Tables

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 2023* 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).

## Dwelling Units Approved Through Building Permits Issued

(SOURCE: CITY OF VICTORIA)

Dwelling Units Approved by Year (2014-2023)											
	2014	2015	2016	2017	2018	2019	2020	2021**	2022	2023	Annual Average 2014-2023
New Construction	182	927*	661	791	1317	522	575	1528	1069	739	831
Conversions	145	58	24	8	7	12	33	11	37	9	38
Secondary/ Garden Suites	34	40	48	54	57	66	44	27	48	37	46
Dwelling Units Lost	-55	-60	-49*	-62	-50	-81	-38	-93	-146	-46	-68
Total	306	965*	684*	791	1331	519	614	1473	1154	739	843

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

\*\* Includes 184 net units which did not require building permits

## Victoria Housing Reserve Fund

(SOURCE: CITY OF VICTORIA)

Housing Fund Activity – Grants Approved (2014-2023)						
Year	Agency	Address	Amount	Units	Type of units	Neighbourhood
2023	Greater Victoria Housing Society	2558 Quadra St	\$2,500,000	40	Affordable and below-market rental targeted to tourism sector workforce	Hillside Quadra
2023	Gorge View Society	11 Chown Pl (Phase 2)	\$770,000	77	Affordable and below-market rental housing for seniors and families	Burnside Gorge
2022	Pacifica Housing Advisory Association	496-498 Cecelia Rd, 3130 Jutland Rd	\$500,000	88	Affordable and below-market rental	Burnside Gorge
2022	Anawim Companions Society	Confidential	\$72,500	1	Transitional housing for women	Confidential
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 Gorge
2020	Gorge View Society	11 Chown Pl	\$295,000	35	Very low-income affordable rental	Burnside Gorge
2020	Victoria Cool Aid Society	3020 Douglas St	\$450,000	70	Very low-income affordable rental	Burnside Gorge
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 and supportive housing	Saanich
2015	Victoria Native Friendship Centre	120 Gorge Rd	\$20,000	2	Low-income and supportive housing	Burnside Gorge

## Rental Market Statistics – City of Victoria 2023

(SOURCE: CMHC 2023 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 (Purpose-built rental buildings with three-plus units per building)										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Bachelor	2,279	2,349	2,349	2,346	2,449	2,470	2,615	2,554	2,611	2,856
1 Bedroom	9,567	9,649	9,615	9,858	10,082	10,030	10,406	10,411	10,542	10,847
2 Bedroom	4,234	4,265	4,238	4,268	4,446	4,462	4,539	4,586	4,628	4,935
3 Bedroom	190	205	189	189	205	199	196	213	232	279
Total	16,270	16,468	16,310	16,661	17,182	17,161	17,756	17,764	18,013	18,917

Average Rent										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Bachelor	\$731	\$749	\$795	\$855	\$935	\$970	\$1,009	\$1,024	\$1,127	\$1,247
1 Bedroom	\$861	\$879	\$928	\$991	\$1,086	\$1,132	\$1,184	\$1,205	\$1,336	\$1,421
2 Bedroom	\$1,121	\$1,157	\$1,224	\$1,323	\$1,438	\$1,464	\$1,528	\$1,580	\$1,714	\$1,833
3 Bedroom	\$1,451	\$1,472	\$1,620	\$1,718	\$1,766	\$1,775	\$1,920	\$1,975	\$2,397	\$2,258

Secondary Rental Market										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total number of condominiums	11,730	12,327	12,553	12,693	12,615	12,759	13,594	14,073	14,489	14,695
Number of strata units rented	2,844	2,906	3,195	3,253	3,064	3,289	3,553	3,669	3,846	3,874
Per cent of units in rental market	24.2%	23.6%	25.5%	25.6%	24.3%	25.8%	26.1%	26.1%	26.5%	26.4%
Vacancy rate	1.7%	0.4%	0.7%	0.0%	0.1%	0.4%	0.1%	0.0%	0.0%	0.1%

Overall Vacancy Rates										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Victoria	1.3%	0.6%	0.5%	0.8%	1.1%	1.0%	2.3%	1.0%	1.4%	1.6%
CMA	1.5%	0.6%	0.5%	0.7%	1.2%	1.0%	2.2%	1.0%	1.5%	1.6%
British Columbia	1.6%	1.3%	1.4%	1.3%	1.4%	1.5%	2.5%	1.4%	1.3%	1.2%
National (10,000+)	2.9%	3.5%	3.7%	3.0%	2.4%	2.3%	3.1%	3.2%	1.9%	1.5%

## Average House Prices

(SOURCE: VICTORIA REAL ESTATE BOARD MULTIPLE LISTING SERVICE)

2014 - 2023 Average Sale Prices			
	SFD	Townhouse	Condominium
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
2022	\$1,354,921	\$954,237	\$664,513
2023	\$1,302,190	\$848,782	\$643,277



[victoria.ca](http://victoria.ca)