

# Foreign ownership debate demands data

## Real estate forum brings issues about Vancouver's future into sharp focus, but no one seems to have the necessary information

BY DOUGLAS TODD, VANCOUVER SUN MARCH 23, 2013

Fear and resentment simmer just below the surface for most Metro Vancouverites. Yet the issue that worries so many has mostly come up against public silence. Until now.

A recent survey by the respected Vancouver Foundation found three out of four Metro Vancouver residents who had an opinion agreed with the statement: "There is too much foreign ownership of real estate here."

And Simon Fraser University explored this hot-button issue Wednesday evening in Vancouver through a panel discussion at the Djavad Mowafaghian Centre, which quickly sold out.

The speakers did what they could to respond to heated discussion of the growing housing dilemma in Vancouver, which Demographia has ranked the second most unaffordable city of 325 around the world.

The average cost of a single-family detached home has jumped in Vancouver to \$1 million. Meanwhile, median incomes have barely budged for decades. Only Hong Kong is more expensive.

"Housing affordability in B.C. remains poor and worsening," says RBC senior economist Robert Hogue. Vancouver's unaffordable housing prices, he said, "depend on a constant flow of imported money."

Young wannabe homeowners are being frozen out of the city of Vancouver, as well as the North Shore, Vancouver, Richmond, Burnaby and elsewhere.

Local businesses, hospitals, organizations and universities can't recruit top candidates because even skilled professionals can't afford to live here. Like Hogue, many say the region's stratospheric prices are being heated up by real estate investors and speculators. Many are wealthy non-Canadians simply looking for a safe place to park their money.

What to do about this affordability crisis?

It's a complex question. But one of the strongest factors working against coming up with a working solution is there is no solid data on which to base a strategy.

Unlike most countries, cities and jurisdictions around the world, neither Metro Vancouver, British Columbia nor Canadian government agencies keep public records on foreign ownership of real estate.

For some unstated reason, B.C. public officials are unwilling to learn from what has been done for decades in diverse political places - such as Florida, Switzerland, Austria, Prince Edward Island, Manitoba, Alberta, Denmark, Japan, Indonesia, Bali, Thailand, Australia, Turkey, Singapore and Beijing.

Indeed, these jurisdictions do not only collect data on foreign ownership, they have brought in various taxation methods to restrict property speculation and foreign ownership, to reduce investor demand.

That's what specialists say drives up prices and squeezes out locals.

Sadly, when British Columbians are forced by politicians to operate in a vacuum about rates of foreign ownership, we are not able to fully back up our opinions in this debate - which often pits homeowners and the real estate industry against young people and renters.

One side in the dispute doesn't want to discourage foreign investment, admitting they like the out-of-country real estate profits. Some of them add that condos not filled by offshore owners can be rented out.

The other camp talks about how hard-working people deserve the chance to own a home.

And they lament that untold Metro Vancouver homes sit largely empty, without residents who would be contributing more strongly to the neighbourhood, the wider economy and the tax base.

If we are to have an authentic dialogue about these competing arguments, we need to press governments to start gathering the facts. Fast.

So far, B.C. politicians have shown no willingness to gather accurate data. As elected officials who are supposed to answer to voters, their inaction seems irresponsible.

Perhaps they fear being labelled racist. But that doesn't make sense, for many reasons.

The foreign investor debate is not about immigrants to Canada buying homes for themselves. And it should make no difference to government officials collecting property data whether non-Canadian investors come from Seattle or Dubai, Paris or Singapore.

In addition, concern about foreign ownership clearly cuts across Metro's ethnic spectrum. The Vancouver Foundation survey, for instance, found residents who speak Chinese in their homes, by a margin of almost three to one, also agree "there is too much foreign ownership of property here."

So far there has been only a handful of public figures willing to openly air this burning issue. They include Peter Ladner, former Non-Partisan Association councillor and a current fellow of SFU's Centre for Dialogue.

"Because our housing prices are around 10 times median income - with five times being 'severely unaffordable' - potential newcomers to the region stay away and the valuable workers move away," writes Ladner.

"If we are really serious about affordability in Vancouver, we would be looking at more homes for more people and fewer homes for investors and speculators."

Ladner is supported by Sandy Garossino, a prominent businesswoman and arts philanthropist. Andy Yan is another weighing in, trying to figure out the extent of foreign investment, and empty dwellings, in Metro Vancouver.

But Yan, who spoke at the forum sponsored by SFU's Vancity Office of Community Engagement and the SFU City Program, would be the first to admit he has had to use desperate measures to try to collect any sort of information on foreign ownership.

Random stories from neighbours or realtors are not enough, suggests Yan, who has been consulting for Bing Thom Architects and a committee of the city of Vancouver.

Yan uses humour to explain the research challenge: "The plural of anecdote is not 'data.'"

To determine the extent of foreign ownership, Yan also admits it's not entirely reliable to track the addresses to which B.C. property assessment reports are sent. Nor is it really dependable to determine if condos are vacant by measuring how much electricity they use. Which he has tried.

What's stopping politicians from collecting proper data?

If scores of jurisdictions around the world, including in struggling developing countries, are able to collect solid information about foreign ownership of real estate, why can't it be done in our rich, technologically sophisticated province?

Hong Kong is just one of many places getting serious about the problem of foreign ownership.

As Ladner has pointed out, Hong Kong officials have discovered that, since 2009, about "half of new luxury apartments purchased are never occupied. Is this where Vancouver is heading?"

Foreign ownership of residential property is a divisive issue, which cuts to the heart of the hopes and dreams of most Canadians. Politicians at the municipal, provincial and federal level need to respond to it in the way of scientists.

Faced with important questions, good scientists and academics don't just cast aspersions about someone else's character. They get serious about collecting evidence.

Then they move to solutions.

Only by checking the facts can our society creatively move forward for the benefit of as many Canadian residents as possible.

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