



JIMANE 37/FOTOLIA

Finally, we can talk about housing

Five reasons: Why the debate is only happening in Metro Vancouver now, deep into the crisis



Douglas Todd

Metro Vancouver is finally having a debate over housing affordability.

It took a few decades. But now it's here, with all sorts of voices and interest groups chiming in on the factors that go into Metro Vancouver being the second most unaffordable city in the English-speaking world.

What did it take to overcome the silence preferred by the real estate industry and elected officials? What made it possible to openly discuss the terrible gap that exists between the relatively modest wages people earn in Metro Vancouver and its astronomical real estate prices?

The extremity of the latest affordability crisis is the biggest wake-up call. But we're also having a debate because a few planners, academics, journalists, activists and even some real estate officials finally decided to go against the hush-hush rule.

They pointed to the close link between Vancouver's unaffordability and rapid escalations in migration and economic globalization. They risked being judged "racist" and "anti-

free enterprise."

It hasn't hurt that many sounding alarms are visible minorities.

British Columbians also finally took notice because the international media told us we had a crisis: Articles about the flood of offshore money into the West, especially Vancouver, came from The New Yorker, Harvard International Review, The Guardian, The New York Times, USA Today, plus East Asian and Australian media outlets.

Where is the housing debate at now in Metro Vancouver?

For the first time ever, politicians in B.C. (though not in Ottawa) are being forced to admit housing affordability is a critical issue, particularly for those who don't own a home and for those who care about young people.

What will it take to persuade our politicians to join other countries and come up with healthy responses to unaffordability? We need to work on five problems with the housing debate in Metro Vancouver:

1. Who can we trust?

Trusted sources have been hard to come by. For decades, the affordability debate has been mostly shaped by the real estate industry, whose interests are obvious and even understandable. Its officials frequently claim there is no housing crisis.

Worryingly, B.C. politicians are increasingly beholden to the real estate industry, both for political donations and because related sectors, especially construction, arguably make up the top engine of Metro Vancouver's economy. But a growing GDP has hidden amplified wealth inequality.

The lack of data and its consequences may be the most morally outrageous stumbling block in the housing debate in Metro (and Toronto.) Virtually every country in the world, including the robustly free-enterprise U.S., collects detailed data on foreign ownership.

As a result, most countries also impose restrictions on foreign ownership, including the U.S., Australia, Singapore, New Zealand, Mexico, Singapore, Hong Kong and regions of the European Union. Even Saskatchewan and Prince Edward Island regulate foreign ownership.



UBC professor David Ley, author of *Millionaire Migrants: Trans-Pacific Life Lines*, at right, is an expert on Metro Vancouver's housing market.

2. "Data" should not be a controversial concept

Are the B.C. and federal governments deceiving us? All signs suggest our elected officials are wilfully refusing to collect data on foreign ownership of real estate — and, what's worse, B.C. is failing to release crucial data it already has in hand.

Thus Metro's debate is hampered by a lack of reliable data — in the same way debates about the dangers of cigarettes and climate change have also been held back by deliberate high-level obfuscation.

The lack of data and its consequences may be the most morally outrageous stumbling block in the housing debate in Metro (and Toronto.) Virtually every country in the world, including the robustly free-enterprise U.S., collects detailed data on foreign ownership.

As a result, most countries also impose restrictions on foreign ownership, including the U.S., Australia, Singapore, New Zealand, Mexico, Singapore, Hong Kong and regions of the European Union. Even Saskatchewan and Prince Edward Island regulate foreign ownership.

Still, many would-be housing "experts" continue to ignore the thorough, peer-reviewed research in *Millionaire Migrants*. And, alas, Ley is also relatively media shy.

3. The "racist" label is unnecessarily increasing nastiness

Real-estate developers began tossing out the "racist" label in the early 1990s when residents wondered about the implications of tens of thousands of people buying single-family houses in Vancouver and Toronto so they would have a safe haven when China retook control of Hong Kong.

As a result of such finger pointing, Metro residents were intimidated; they could not initiate a debate.

It's contradictory that many who now argue there isn't a housing crisis in Metro frequently challenge opponents to provide data regarding the effects of offshore money. (One analysis, for the record, shows about 45,000 millionaire immigrants moved to Vancouver between 2005 and 2012.)

At the same time, those who claim "racism" fail to provide any evidence, including polling, to back up their censorious rhetoric.

Millions of international people want to move to Vancouver in part because we have a reputation for inter-ethnic harmony. Police in Metro rarely report a race crime. More than 45 per cent of Metro's population is foreign-born. The city has the highest proportion of ethnic Asian people outside Asia.

Rather than argue the city simmers with racism, it's more logical to say Metro is a bastion of tolerance and politeness.

Rising house prices and global migration issues cannot be understood in simplistic categories of right and left.

4. Some factors behind rising prices are bigger than others

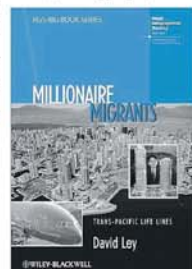
House prices in Metro Vancouver are ridiculously high for many reasons — but some are more important.

Often out of self-interest, certain voices act as if their pet factor is key. They argue the big culprit is (take your pick) the Agricultural Land Reserve, the lack of zoning density, low federal bank rates, development charges, taxes or the city's natural surroundings.

People who try to claim any one of these is most important also often argue there is not enough hard data to suggest foreign ownership is contributing to the affordability crunch, which is forcing even high-earning professional couples to want to leave the city.

But there is also another key factor pushing up housing prices, which few want to acknowledge, except for fact-finders like UBC's Ley: Vancouver and Toronto are by far the most popular destinations in Canada for immigrants.

There are consequences to Metro Vancouver taking in more than 30,000 new people a year, nine out of 10 of whom are foreign born and many of whom are wealthy, seeking property.



5. We don't understand philosophy, let alone economics

Rising house prices and global migration issues cannot be understood in simplistic categories of right and left.

But Vancouver realtor Layla Yang, who sells high-end houses almost exclusively to mainland Chinese, is among the many, including politicians, who maintain escalating housing prices should not be influenced by governments — because "this is Vancouver and Canada and it's a free-market economy. No one can stop it."

In addition, a diplomat from Mainland China has been among those recommending B.C. bring in legislation so rich residents of her populous country do not do more to drive up prices in Metro. As a result, some now incorrectly claim it would be "Communist" to regulate incoming foreign capital.

The truth is all governments shape the so-called free market — every time they raise interest rates, bring in a zoning bylaw, impose an environmental regulation, protect farmland or levy a tax. All economies are part capitalist, part interventionist.

What's more, at a philosophical level, I wish more people recognized societies become more chaotic and more unaffordable when everyone, including non-citizens, is "free" to be absolutely self-interested.

Canadians don't have to choose between upholding only the individual or only the community. Our ultimate value should be the well-being of "persons in community."

We're all interconnected. And that is especially true when it comes to creating communities in which all individuals can have a reasonable expectation of a decent home.

dtodd@vancouversun.com
Twitter: @douglasstodd