

Lots more people, but nowhere to live

Building more is the answer. But how do we get there when potential developers have to compete for a limited supply of land?

The total dollar values of those sales in Greater Vancouver increased 142 per cent to \$1.1 billion. In Vancouver, the value of sales rose 228 per cent to \$705 million.



GERRY KAHRMANN/FILES Between 2010 and 2015, the number of rental units in Metro Vancouver grew 2.5 per cent. Meanwhile, Metro's population increased by 9.3 per cent between 2006 and 2011.

Broken down on a per-suite basis, commercial realtors Mark and David Goodman say the average Vancouver price was \$489,000, up 47 per cent. Across the region, it was \$380,000, up 60 per cent from 2015.

What's that look like on the ground? In late 2014, Kerrisdale apartment buildings sold for \$275 a buildable square foot, which was the highest price in the Lower Mainland. Today, they're purchased for more than \$500 per buildable square foot.

Part of what's driving speculation in Vancouver is the city's 10-year-old moratorium on demolishing rental buildings, which was intended to protect more affordable, older buildings from being bulldozed and replaced with either more expensive rentals or condos.

But as the housing crisis deepens with demand holding steady, the point may soon come when increasing density requires lifting that moratorium.

While that could work out for investors who would likely be able to build bigger and taller buildings, it won't be great in the short term for tenants, as displaced renters can attest.

Thousands of them have been or are being evicted from older low-rises set for demolition around rapid transit stations in Marpole and Burnaby and dumped into a market with a near-zero vacancy rate where they can face competition from Airbnb operators.

And those displaced renters aren't just the working poor who have trouble finding a rental. Keep in mind that one in three households in Metro and half of those in Vancouver are renters.

Since 2004, the B.C. government has limited year-over-year rent increases to existing tenants, although landlords can appeal to an arbitrator for more. This year, the limit is 2.9 per cent. But in the past 12 years, the allowable increases have been as high as 4.3 per cent.

Contrast that to the median wage, which has risen only 6.6 per cent in the past five years.

And, as the Goodman Report notes, "Many landlords welcome receiving notice from longstanding tenants, as the enticing prospect of a 10 to 80 per cent increase ... is not lost on them."

The reality is that there is now a drastic rental shortage. The warning signs have long been here even if politicians didn't heed them.

Between 2010 and 2015, the total number of new rental units built in Metro Vancouver was 2,488, according to the Canada Mortgage and Housing Corp. Of those, 1,399 were in Vancouver.

That's an increase of only 2.5 per cent. But census data show Metro's population increased by 9.3 per cent, or 200,000 people, between 2006 and 2011. Building more is the answer. But how do we get there when potential developers have to compete for a limited supply of land against condo developers whose profit margins are much, much higher?

And how can there be redevelopment when politicians have legitimate reason to fear the wrath of voters who've seen too many images of tearful tenants kicked out of their affordable homes to make way for towers?

Vancouver, at least, could start by **speeding up its development permitting process**. Remember Little Mountain? For nine years after tenants were forced out of their affordable homes, the site sat empty while the city negotiated with the developer.

It could also fast-track the redevelopment of its land on south False Creek where condo owners, co-ops and renters on leasehold property have already expressed a willingness to have higher density.

Maybe there should be government subsidies or incentives for rental building construction or tax breaks for new or existing rental buildings from any level of government or tighter controls on rent increases.

But something needs to be done, because waiting for the housing market to crash under its own weight really doesn't seem like the best option.

Besides, what happens if it doesn't crash?