

Worst isn't over yet, **developer** warns

Rennie says Vancouver should focus on transit, give up on affordability

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Vancouver's housing market has become so expensive and supply so tight it's time for people to give up on the idea of affordable home ownership, Vancouver's real estate guru Bob Rennie says.



WARD PERRIN Developer Bob Rennie says there's no changing the market, so transit investments are a must.

Instead of sweating over ways to increase affordable housing in the city, it would be better to invest in transit so people can live in more affordable areas and commute to work, he said.

"You know where the affordability is? It's in our region. It's in Burnaby, at 50 per cent of Vancouver prices, and it's in Coquitlam, at 40 per cent of Vancouver prices, and it's in Surrey, at 30 to 35 per cent of Vancouver prices," he said. "The City of Vancouver should get out of the affordable ownership business."

Rennie made the remarks Thursday to a sellout crowd during his annual address at the Urban Development Institute. The event has traditionally been a must for those working in Metro's overheated housing development market. Thursday represented Rennie's last report after more than 12 years, and he left little untouched in his hour-long address to the audience of more than 1,000.

Transit? Better build it, he told Peter Fassbender, the minister responsible for TransLink, who sat front and centre with Rich Coleman, the housing minister and deputy premier.

“There is not going to be any affordability without a transportation solution,” he said. “Any density solution in isolation of a transit solution won’t solve our problem.”

Anti-development neighbourhood groups?

“Any person with a ‘No Tower’ sign on their lawn has no right to talk to their children about housing affordability,” he said. And while you’re at it, change the makeup of the neighbourhood groups, he said.

“Neighbourhood groups seem to have lost their way and are prepared to sacrifice future generations by choking off supply and hurting affordability,” Rennie said. “The majority of participants in our planning processes are white male homeowners over the age of 55. Maybe it’s time to bring in some new stakeholders into the conversation. Neighbourhood groups require more diversity.”

Rennie also went after one of Vancouver’s sacred cows, the industrial-zoned False Creek Flats, which the city has reserved for job creation. That’s one area, he said, where new housing could be built.

“I believe that the new city planners’ biggest success ... is to re-envision the Flats as a community, as a neighbourhood,” he said. “The Flats doesn’t have the neighbourhood group pressure of putting density into single-family neighbourhoods.”

But he also said the city is being out-competed on redevelopment values by other municipalities.

“The City of Vancouver cannot create any discounted affordable home ownership of any scale at a purchase price that isn’t already being offered in Surrey, Burnaby or Coquitlam,” he said. “Let’s get ahead of this. But Vancouver, with its 24 (non-market) sites and new transit stations, could supply a lot of rental and non-market.”

In the end, Rennie said it is simply supply and demand. With \$197 billion in mortgage-free properties held by people over 55, there’s a lot of money available to help their children buy homes. But there’s no market or supply, so prices surge as people bid up those scarce listings.

“Unless we change the narrative on affordability and developers and supply, we should all be worried,” he said. “Unless we change the narrative and educate the voter, we will see more and more ‘No Tower’ signs like in Grandview-Woodland. They only add pressure to supply and increase real estate values that have nothing to do with solving affordability.”