

# City's rental-housing incentive program put to the test

## Councillor wants to examine affordability

BY DARAH HANSEN, VANCOUVER SUN FEBRUARY 22, 2013

More than three years after Vancouver launched an ambitious program to boost the supply and affordability of rental units, a city councillor says it is time to see how it worked out.

Coun. Adriane Carr said she will submit a motion Tuesday calling on city staff to calculate just how much of the rental housing stock developed under the city's Short-Term Incentives for Rental program, or STIR, meets the affordability test for the average single-person household in Vancouver.

She also wants to know the percentage of new units that are renting at or below \$975 a month, the figure cited in a recent report to council as the average affordable rental rate for a single person of average income in Vancouver. "I really want to get some clear, solid facts on the table," said Carr, who represents the Green party.

The STIR program began in 2009 as a means to encourage the construction of new rental housing in the city.

At the time, demand for rental stock was high, with renters making up 52 per cent of Vancouver households, according to city statistics. Yet rental housing made up only a fraction of new development.

When the program ended in 2011, the city reported it had approved nine projects totalling 609 units, with another 17 projects (1,041 units) under application. The vast majority of the new units, about 88 per cent, are either studio or one-bedroom. Just 12 per cent are two-bedroom, with three-bedroom units making up less than one per cent.

Vision Coun. Geoff Meggs said the program was never intended to provide subsidized housing, but rather market-rent units for individuals and families looking for a more affordable option than buying.

Apples being compared to oranges.

A 2012 staff report estimated buying a two-bedroom condominium in East Vancouver would cost a homeowner about \$2,780 a month compared to about \$1,575 a month in rent for a similar unit in a STIR project in the same neighbourhood.

A project in East Vancouver, according to a rezoning report, projected rents for a studio unit at \$770/month and a one-bedroom unit at \$1,020/ month. The same report shows the average market rent for the neighbourhood at \$766/month and \$915/month, respectively.

Meggs said there has been concern that when the developments open, they may be at a different rent than predicted in the report. But Meggs said higher-than-average rental rates won't mean STIR was a failure. "We consider it a win because we are generating much more rental housing on an annual basis than we did before," he said.

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