

Politicians content to collect cash as affordability crisis carries on

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Politicians at all levels of government have adopted a "let-them-eat-cake" posture regarding Vancouver's housing affordability crisis.

And city residents, justifiably, are becoming exasperated.

"Concerns about affordable housing have focused on those living below the poverty line," notes South Surrey homeowner Leigh Anderson, "but it's obvious to me that those in the middle class, particularly young families, can no longer afford to live in this area, either."

Shaughnessy resident Lesley Bentley reports, "Right now, nine houses are under construction within a block of my house ...

"We are becoming a resort city. But it's a hard place to live, bring up a family and have an engaged population."

Jean Vardy says she lives in an old one-storey house built ages ago.

"We get knocks on the door, flyers in the mailbox, phone calls from realtors and people standing on the sidewalk taking pictures of our house!"

Vancouver Sun readers also emailed complaints about the chaos accompanying home demolitions and big, new houses built to maximum allowable densities, impeding both sunshine and privacy.

Doug McCandless grumbles that a building project can drag on for two years: "The neighbourhood is held hostage to contractors coming and going, huge messes accumulating on site with no deadline in sight."

You might think politicians would have felt some of the aforementioned pain, and perhaps tried to address the pointier edges of Vancouver's housing market. For example, how about a compensatory payment by developers of \$1,000 to neighbours on both sides of a disruptive construction site?

The truth is, housing is a cash cow for governments. Politicians don't seem to much care how neighbourhoods are disrupted as long as the market remains hot and the cash keeps coming.

For example, city hall reaps financial benefit from the issuance of building permits and density bonuses. The more a property is densified, the more property tax bills the municipality mails out.

Provincially, B.C. has refused to significantly revise the Property Transfer Tax, because it's obviously hooked on the revenue.

Perversely, the Clark government moved in its last budget to make houses less affordable, cutting off eligibility for the property tax's homeowner grant for homes valued at \$1.1 million - down from \$1.295 million previously.

Some may fret that foreign buying is driving up prices, but government has shown no inclination to follow the lead of Singapore, Australia, Hong Kong and London, all of which have taken various taxation measures to discourage the aggressive foreign property buying that has overwhelmed those markets.

A year ago, University of B.C. geography professor David Ley told the South China Morning Post's Ian Young he was surprised Vancouver hasn't seen a political pushback.

In a news story headlined "Vancouver eyes Microsuites as Chinese Buy up Mansions," Ley is quoted: "The degree of hardship this (property market) has involved is very substantial. This has had a negative impact on a lot of people's lives." Young has reported on Ley's research on Vancouver's housing market, which shows a positive correlation between property prices and foreign immigration numbers.

Young spoke about this same issue in an off-the-record speech last month to Vancouver's consular corps, remarking on Vancouver's appeal to buyers from Mainland China: "A key problem here is a lack of understanding about just how prominent a place Vancouver occupies in the imagination of the rich Chinese ... Vancouver is, by far, the favourite destination city for Chinese millionaire migrants."

Of course, foreign buyers are a mixed blessing, boosting the economy as they make their property purchases.

And for now at least, that's more of a priority for government than any lack of affordability.

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