WEEKEND EXTRA | ELECTION 2014

Housing affordability a hot topic

Experts, candidates and voters debate the issue, but find 'no silver bullet' to lower prices

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Housing affordability is ranked by Vancouverites as a top concern in recent polls, but can the cost of your home be influenced by who we elect to city hall one month from now?

Should this be one of the key issues we consider before marking an X on the ballot?

For Angela Boldt, 23, Vancouver's seemingly out-of-reach housing prices are top of mind, although she's not convinced it's something municipal politicians can change.

"Affordable housing would be fairly important to me in the municipal election but I'm not sure how a different mayor could truly have an impact on the housing market," the law firm assistant said. "In an ideal world, yes, Vancouver should try to lower housing prices, but it seems like more of a dream than a reality."

Boldt moved from her hometown of Abbotsford to a rental apartment in south Vancouver six months ago and would love to buy a downtown condo, but even tiny units are out of her price range. She's now considering Burnaby or another city along the SkyTrain line.

The 'why' in this quandary is easy to answer: House prices keep rising due to high demand to live in this beautiful city, but its growth is constrained by water and land supply. Much harder to answer: What is the solution?

Experts continue to debate whether city councillors can truly influence housing affordability, but do agree that politicians should worry about losing youth to less-pricey suburbs.

"If they want to keep the younger, vibrant group of people, they at least need to create affordable housing," said Randy Dyck, a realtor and real estate investor.

One way city halls can affect housing affordability, Dyck noted, is to adjust building requirements and decrease the developers' cost to build.

Melanie Reuter, director of research for the Real Estate Investment Network (REIN), believes most of Generation Y put a priority on location — they want urban life, prefer transit over driving, and are willing to live in 600 square feet if the building has other attractive amenities. But even at that tiny size, most professionals in their 20s and early 30s still can't swing Vancouver's price tags.

One solution, Reuter said, to ensure more affordable rental units is for city hall to ease restrictions on building secondary suites in private homes.

Solutions controversial

Tour Somerville, director of the University of B.C. Centre for Urban Economics and Real Estate, said another option is to create more mid-priced units, like townhouses, in sections of the city that primarily have single-family homes. But those types of developments often run into fierce opposition from existing residents who don't want the extra traffic and congestion that comes with density.

Supporting the call for more of these multi-unit developments leaves council contenders in the unpopular position of angering voters to please people who might not yet live in the city (and therefore can't vote here) but want to buy here.

An Insights West poll released in March found 40 per cent of respondents believe affordable housing is the biggest issue facing Vancouver, followed by transportation (17 per cent), poverty (14 per cent) and economic development (12 per cent).

When asked whether they think the ruling Vision Vancouver government is doing a good job managing growth and development, respondents were evenly split, with 44 per cent saying it was doing a bad or very bad job, compared with 42 per cent who say it is doing a good or very good job.

"Affordable housing is definitely a top issue in Vancouver, I've heard that consistently since I've been mayor," Mayor Gregor Robertson, running for a third term with Vision, said in a recent interview.

Vision has changed policies to allow for more rental units, secondary suites, laneway houses, and co-op housing in Vancouver, which has one of the lowest vacancy rates in Canada. In an Oct. 8 campaign announcement, Robertson pledged to exact more condos from developers that can accommodate adults with children, and to build 4,000 new rental units over the next four years.

"We're finally seeing the affordability index and vacancy rate shift just slightly," Robertson told The Sun. "And that's critical for younger people in Vancouver, and creating options for people who grow up and go to school here to stay and build their lives and careers here."

(Vision has also prioritized expanding subsidized housing stock for people with little or no income, but this story is focused on middle-class, employed people who can't find affordable homes.)

Carr raps Vision policies

Adriane Carr, running for re-election as a Green party councillor, argues Vision could have done more, however, to ensure the market offered homes that were affordable to youth and others making an average income.

RIZ CHAUDHRY

Sarah Sprietsma, left, and Tim Aradi found an affordable home with a yard in Chilliwack, where they can raise children.

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RIZ CHAUDHRY

Angela Boldt works and lives in Vancouver and hopes one day she'll be able to afford to purchase a condominium in the city.

She points to the Whistler Housing Authority, which now has 1,900 units of price-controlled rental and ownership homes earmarked for people who live and work in the expensive ski town.

"They established a requirement that any developer building a large site, commercial or housing, has to contribute a certain number of (affordable) homes," Carr said. "They then offered that housing to people who worked in Whistler but couldn't afford to live in Whistler, and over the years, knocked down the waiting list to zero."

This summer, city hall created the Vancouver Affordable Housing Agency, which aims to increase rental housing stock, but Carr claims it doesn't have the teeth of the Whistler agency.

In Vancouver, Carr said, less than 20 per cent of police and firefighters can afford to live in the city, which means response time could be slow in the event of a natural disaster.

"(The Green party) is proposing to enable the (Vancouver) housing agency to do what Whistler has done to create a list of people, starting in critical industries like emergency response and health care personnel, and put them on the list first so we can move them back into the city," she said.

City hall could also stop approving the demolition of older apartment buildings with low-rent units, which are often replaced with costly condos.

COPE (the Coalition of Progressive Electors) has made the affordable housing "state of emergency" its No. 1 campaign focus, promising to increase rental units, tax empty homes, gain more concessions from developers, get more funding from senior levels of government, and protect/improve existing affordable housing stock. The left-leaning party also vowed to stop city hall from cosying up to property developers.

"Only COPE can be trusted to build a Vancouver everyone can afford," COPE mayoral candidate Meena Wong said on her party's website.

Change zoning

The NPA has promised, if elected, to increase the supply of family and seniors' housing by revitalizing city zoning, which could include areas for "freehold row housing, building taller wood-frame homes for families, being more flexible on where seniors' units can be located and prudently adding micro units for first-time buyers wanting to live near downtown."

But the NPA plan is less detailed than Vision's housing platform, and calls for ending a new rental incentive program.

The NPA also vowed to study the impact of foreign investment in real estate, which has been blamed for driving up home prices and for houses sitting empty.

Ian Robertson, a former NPA park board member who is now running for council, argued Vancouver's high housing costs would be less concerning if people here made more money.

"We believe that there is a connection between affordable housing and providing well-paying jobs in the city. Gregor's really failed to manage this ... We need to focus on strong, responsible economic growth that will lead to more high-paying jobs in the city," he said.

Indeed, a recent series of articles by Sun columnist Pete McMartin detailed how Vancouverites with university degrees have the lowest median wages of any metropolitan area in Canada.

Multiple experts interviewed for this story — including REIN's Reuter, B.C. Real Estate Association economist Cam Muir, and real estate developer Robert Fung — agree that a key solution to the housing affordability dilemma is for governments to make it more attractive for businesses to move here and offer better-paying jobs.

But they also dismiss the oft-repeated complaint that there is no local affordable housing for the Gen Yers.

Realtor Dyck offers statistics on income, housing prices and mortgage rates to argue there are many pockets of Metro Vancouver that young people can still afford.

And municipal politicians, says Dyck, can support the improvement of rapid transit to the suburbs, so those young buyers could have fast access to downtown.

The Sun built an online tool that allows users to plug in their annual income and available down payment to determine where they can afford to buy a home.

It shows that for a person or family making $50,000 yearly with only $25,000 to put down, there are still Metro-buying options — but they are limited to a few pockets of Surrey, Langley and Coquitlam. (The online tool does not go further east than Langley.)

But increase the income to $100,000, with $50,000 down, and there are affordable options in nearly every Metro city, albeit in specific areas — such as Lower Lonsdale in North Vancouver where there are many condos.

Readers can play with the real estate affordability tool at vancouversun.com. What The Sun's website allows you to do in cyberspace, Sarah Sprietsma did in real life.

The 26-year-old had a budget and a goal — to own a house with a yard where she could raise kids. She kept driving east until she found what she could afford: a relatively new 3,200-square-foot house for $520,000 in Chilliwack.

Her boyfriend wanted to buy closer to downtown, but Sprietsma won him over.

She was willing to drive further to work to gain more living space, in a community with parks, good schools and a neighbourhood feel.

"After university I definitely thought downtown was the cat's meow," said Sprietsma, a real estate investment advisor who works in Langley. "But now I preferred to go to a suburban neighbourhood."

She believes housing affordability is driven by supply and demand, and isn't sure it will impact how she'll vote.

It's a complex question with no simple answer.

"There's no silver bullet," says Muir, of the Real Estate Association, "or that would have been fired a long time ago."

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AFFORDABLE HOUSING DEBATE

Vancouver residents concerned about affordable housing can attend a Thursday election debate organized by The Vancouver Sun and the University of B.C. It will include council candidates from each major party, including Geoff Meggs (Vision), Ian Robertson (NPA), Adriane Carr (Green), Lisa Barrett (COPE) and Glen Chernen (Cedar).

Candidates will answer questions posed by a panel of housing experts, including B.C. Non-Profit Housing Association director Jill Atkey, Greater Vancouver Home Builders' Association chairwoman Lynn Harrison and Patrick Condon of the University of B.C.'s School of Architecture and Landscape Architecture. Members of the public can also pose questions to the candidates.

The debate, entitled Affordable Vancouver?, will be held at the UBC Robson Square Theatre from 7-9 p.m. It will be live-streamed on the Sun's website, vancouversun.com.

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