

IMPROVING HOUSING AFFORDABILITY

REALTORS® are concerned about escalating home prices out of the reach of many British Columbian families. Rising housing prices are caused by a mismatch between supply and demand. New listings activity is not keeping up with sales and, as a result, 2022 began with the lowest level of active listings on record for BC. These trends caused the average residential home price on the Multiple Listing Service (MLS®) to rise 24.9 per cent in March 2022 compared to the previous year.

According to a January 2021 survey of unsuccessful homebuyers in BC, the most common reason for their unsuccessful purchase was competition from other potential buyers (49 per cent), followed by inadequate financing (31 per cent). The largest issue that arose from successful homebuyers was pressure to make an offer uncomfortably above the list price in order to be competitive (22 per cent).

The BC Government has already established a framework to address affordability issues through the Development Approvals Process Review (DAPR) and the Canada-BC Expert Panel on the Future of Housing Supply and Affordability (Expert Panel). The Expert Panel is clear that, "simply put, BC needs to build the many additional homes required to adequately house a growing population and economy."

We are encouraged that the government recognizes the importance of improving housing supply and that the status quo is not acceptable. Positive first steps have been made, including introducing the Transportation Amendment Act, which will allow the province to acquire land for the purpose of building housing near transit stations, to increase housing supply along future transit corridors.



CONTACT

For more information, please contact BCREA Vice President of Government Relations and Stakeholder Engagement Trevor Hargreaves (thargreaves@bcrea.bc.ca or 604.742.2798).

RECOMMENDATION 1

A provincial policy review to consider tying development approvals to housing targets.

This recommendation is forwarded by both the DAPR report and the Expert Panel. By tying development approvals with housing targets, such as an Official Community Plan or Housing Needs Report, building approval processes can be expedited, reducing housing costs and allowing supply to react more quickly to demand shocks.

Both the Ontario and Alberta governments have passed legislation that caps the maximum allowable time limits on each stage of the development approval process. In both provinces, these limits are enforced by independent tribunals based on development applicant appeals.

Tying development approvals to housing targets can reduce barriers to housing and accelerate the construction of the homes British Columbians need.

RECOMMENDATION 2

Establish a permanent housing roundtable.

A provincially-led housing roundtable could bring together local governments and key housing market stakeholders to help address challenges with an inclusive and innovative approach.

Working to improve housing affordability requires ongoing conversations and a toolkit of policies. Each region of BC and Canada has unique market conditions and governing regulations must be recognized and integrated as part of this approach. The BC Government should convene a permanent housing roundtable that includes market and non-market stakeholders and civil society organizations with a focus on how best to implement the DAPR report and Expert Panel recommendations.

Realtors are on the front lines of the challenges in market housing. They provide on-the-ground expertise and knowledge to identify problems and policies that could make an impact. Realtors have a vested interest in consumer protection and providing value for their clients. British Columbians come to Realtors for advice on buying or selling real estate as trusted and knowledgeable experts.

BCREA is a professional association representing eight real estate boards with more than 24,000 Realtors in BC, focusing on provincial issues that impact real estate. BCREA provides continuing professional development, advocacy, economic research and standard forms to help Realtors provide value for their clients.

