



# Market Housing Affordability for British Columbia

## Planning for Post-Covid-19 Economic Recovery

Revised: September 2020

When British Columbians head to the polls on October 24, they will be deciding who will lead the province as we look towards post-Covid-19 economic recovery. Ensuring market housing affordability for all British Columbians must be a key part of recovery planning. As the voice of BC's REALTORS®, we see an opportunity for the next provincial government to improve market housing affordability in three key areas:

- Housing supply and options
- Strata insurance
- Energy retrofits

### **Housing supply and options – our recommendations:**

- Strongly encourage local governments to fast-track development applications. Some local governments are already taking steps to speed up approval of development applications, recognizing the critical need to match housing supply and demand. BCREA recommends adopting measures described in the Development Approvals Process Review.
- Exempt properties in the development process from the additional school tax using the same policy framework created to exempt development projects from the Speculation and Vacancy Tax. The additional school tax increases the tax burden for owners of high-value residential properties in BC, including detached homes and vacant lands. Taxing vacant lands held for development increases the cost of development, rather than encouraging housing supply.
- Increase the supply of smaller, market homes in neighbourhoods using Property Transfer Tax (PTT) revenue to create gentle density in low density neighbourhoods. For example, the province could provide financial incentives to municipalities to permit the sale of laneway homes and the stratification of secondary suites, where the home permits it. Funds could be used to update zoning and to create a system for stratifying suites.
- In urban areas, increase the supply of affordable, market, ground-oriented, family (three-bedroom) homes along transit corridors in lower density neighbourhoods using PTT revenue. For example, the province could provide financial incentives to municipalities that fast track medium-density project – townhomes, cohousing and cooperatives – to help defray the costs of accelerated planning and rezoning.
- Encourage local governments to legalize secondary suites with minimal red tape and enable alternative rental units such as coach houses.

### **Strata insurance – our recommendations:**

- Continue to work with stakeholders to identify the causes of the current difficult market and to develop solutions.
- Encourage the BC Financial Services Authority to foster a robust, economically viable market that attracts and retains insurance providers.
- Develop mandatory education for strata council members.
- Either create a new organization – modelled on the Condominium Authority of Ontario – to enforce the *Strata Property Act*, including providing mandatory training and creating best practices for strata councils, or assign this role to the Ministry of Municipal Affairs and Housing.

### **Energy retrofits – our recommendations:**

- Engage and educate consumers to encourage demand for voluntary energy retrofits.
- Commit to a long-term, widespread investment in financial incentives to help property owners voluntarily retrofit existing buildings to improve energy efficiency and reduce greenhouse gas emissions.
- Financial incentives should be available to owners of existing commercial, purpose-built rental, multi-family strata and single-family properties.
- Deliver financial incentives in a variety of ways, including upfront cash incentives and tax credits.

### **BC Realtors support strong communities**

The housing market and the Realtor profession are key contributors to the provincial economy. A 2019 study from The Canadian Real Estate Association estimates that each home sale on the Multiple Listing Service® in BC between 2016 and 2018 generated approximately \$72,000 in related expenditures in the three years after the sale.

BC's 23,000 Realtors are committed to working with government and other partners to support policies that build stronger communities by encouraging economic vitality, providing housing opportunities for all British Columbians and contributing to a sustainable climate future.