

B.C. Housing Minister eager to spur supply

KERRY GOLD >

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David Eby, B.C. Attorney General and Minister Responsible for Housing, speaks during a social housing funding announcement in the Downtown Eastside of Vancouver, on July 28, 2021.

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British Columbia Attorney-General and Minister for Housing David Eby is on a mission to build as many homes as possible, and he's not in the mood to sit around and debate it.

Citing future population growth, he wants a major injection of supply, and that means less regulation that could impede that supply. For example, he sees rent control of the units, also

known as vacancy control, as an impediment to more rental development. Vacancy control means a landlord can't raise the rent on a unit once vacated, and it is a popular regulation among housing-rights advocates.

He's also fed up, and willing to get tough with municipalities that don't get on with new development and allow community opposition to influence their decisions.

"I'm sure you can hear in my voice that my patience is really worn thin by some of the activities I'm seeing in various municipalities; turning down rental housing to frustrate BC Housing developments ... refusing to approve new rental units in a time of a housing crisis. I could run through many examples from across the province," Mr. Eby said.

He cited recent examples of rental projects that had been rejected in Surrey, Penticton and North Vancouver.

"I have my list of greatest hits, but it's certainly not an exclusive list."

That's not to say, he adds, that he is in any way planning to walk back the tax measures that address the demand side of the market, particularly the toxic demand from speculators and investors, both foreign and local, such as those who buy up properties without paying their fair share of taxes.

Housing advocates push for increased regulation of Canadian landlords

A pandemic-fed urge to ramble sending B.C. real estate prices soaring

Measures introduced by the province include the foreign buyers' tax, the speculation and vacancy tax (SVT) and the new landowner transparency registry, which aims to put an end to those owners hiding behind numbered companies and partnerships. The vast majority of homeowners are exempt from the SVT, including those who simply rent out a portion of their properties.

"If anything, tighten them," he says of the measures. "There have been some reasonable critiques around the speculation tax. People have identified areas that they think are loopholes. You can rent out part of your place for example, is one that's been highlighted. I think there are opportunities for that tax to be tightened and the Minister of Finance will have a look at those things. But as the housing minister, my responsibility is to look at

population growth demand. ... By every measure, we need to take these steps to build more housing.”



Mr. Eby is willing to get tough with municipalities that don't get on with new development and allow community opposition to influence their decisions.

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This isn't an about-face from his stance when he was the housing critic and identified foreign money as playing a role in escalating prices, he says.

“The plan always was that we address the speculation and the market as best we could and make sure we were building supply not for absentee investors but instead for families in British Columbia. The folks who may have had the impression that the sole response was going to be on the demand side were mistaken because the province continues to grow, and we need to build housing.”

And if municipalities don't get on board, he suggests consequences.

“I believe municipalities that are not approving new housing should not benefit from programs that are intended to support an increase in population, like transit for example,”

Mr. Eby said.

“If the province and the feds are investing in transit in your community, and that’s connected to population growth and you have refused to allow anything other than single-family houses in your community, how does that make sense? Communities that are not playing along should not benefit from government programs intended to support population growth.”

His frustration is directed at municipalities that take too long to approve projects, and those that seem to unnecessarily reduce the scale of a project, or reject them outright. He says that there are “tens of thousands of units” tied up in municipal red tape, including those that are publicly funded non-market.

“Each new floor of rental you do in a building improves affordability for the entire project. It’s true for a BC Housing project and for a private project. So when council knocks off 10 floors for what feels like arbitrary reasons, that impacts affordability.”

Mr. Eby’s comments have caused concern among housing experts who believe there is a lack of data to support a move towards a less regulated system and a freer private market to build more market supply. Moves toward de-regulation, they say, could have profound community consequences. For that reason, they say it’s a move that needs to be quantified with empirical evidence.

They say the focus should be on affordable housing, not a push to build more of every type of housing, including high-end properties.

Patrick Condon, professor of urban design at University of B.C., is one of the most vocal opponents to the Attorney-General’s recent approach.

“I think the run-up of prices, 30 per cent in the two years of the pandemic, has everybody panicked, and rightly so,” Mr. Condon says. “My perception is that all of government is struggling to come up with an answer for a very unprecedented situation that goes beyond what we’ve experienced before.

“I think the current shift in the argument is unfortunate because if any place in the world or certainly in North America has tried to reduce home prices by adding supply, that would be Vancouver. Vancouver probably has added more supply as a percentage of its population

than any other centre city in North America, and yet our prices have gone up 300 per cent over three decades.”

Prof. Condon says that he too was a long-time proponent of supply as a solution, but research has proved otherwise.

“More recently, I’ve come to understand that the problem isn’t the building, it’s the land underneath the building. When we encourage new density unfortunately it doesn’t help the renter or the home purchaser, who it really helps is the land speculator.”

He cites the example recently of a bungalow at W. 41st Avenue and Cambie Street, on the market for \$11-million. The price, about triple its assessed value, is based on potential rezoning for future condo development. The Cambie Corridor has long been criticized for attracting a speculative frenzy.

“It’s explicitly advertised as a speculative investment based on the presumption that the density is going to increase,” Prof. Condon said.

“So for the government to think that a policy which is aimed at encouraging additional density everywhere without constraints is going to fix the problem – it’s going to make the land speculators sing ‘hallelujah’ but it’s not going to help people who need housing.”

In response, Mr. Eby blamed such speculation on the lack of a community plan that sets out the rules and predetermines what can be built. As a result, he says, we get drawn out, inefficient spot rezonings, which drive up prices. He cites the example of the transit-oriented Broadway Corridor plan, which should have thousands of rental units under construction. But the city has yet to approve the plan, which is still going through public consultation.

“I haven’t heard anybody say the plan will be approved by October, which means we are through another election cycle with council ... that part makes me really nervous.”

Prof. John Rose, Kwantlen Polytechnic University human geographer, said before the province embarks on such a significant policy shift they should support it with data, such as they did for the foreign buyers’ tax. He’d like to see evidence in numbers that regulation is thwarting affordable housing development.

“If you are going to make the argument that developers have been willing to sell affordable housing but are prevented from doing so by government regulations like zoning or NIMBY opposition, then doesn’t it make sense then to sort of measure that?” Prof. Rose says.

“These are changes they are proposing on a democracy front that are pretty significant, and also in terms of the real estate land market, are going to be very significant as well. I’m not fond of the statement ‘extraordinary claims require extraordinary evidence.’ They all do.”

Andy Yan, director of the City Program at Simon Fraser University, agrees. Policy should be based on a clear problem statement, and we don’t know what’s causing the problem, he says. For example, it could be that municipalities are overwhelmed with development applications. Also, he says we shouldn’t conflate the urgent need for non-market housing with market housing.

“That’s what’s missing. You can’t make assumptions that it’s NIMBYism or the system that’s at fault. I’m not denying the urgency of the situation, but this is basic data they should already have on hand.”

To that Mr. Eby responded: “Well, I’ll be sure to mention that to all the people sleeping in their cars, and lining up to find rental units; that we are going to study the problem more.”

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