

**January 29, 2021**

**Submission to the 'What We Heard' Interim report of the Canada/British Columbia Expert Panel on the Future of Housing Supply and Affordability**

Submitted via email at [expershousingpanel@gov.bc.ca](mailto:expershousingpanel@gov.bc.ca)

**Overview**

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The Canadian Home Builders' Association of British Columbia (CHBA BC) represents over 2,100 member-companies of the residential construction industry including small- and medium-sized businesses for home building, renovation, trades, suppliers, service professionals, and more. Our members are essential to the province's economic prosperity. In 2019 alone, the residential construction industry generated over 213,000 on-site and off-site jobs, resulting in \$13.4 billion in wages and \$25.6 billion in built investment value.<sup>1</sup>

As major housing contributors in the province, CHBA BC is pleased to be in receipt of 'What We Heard' Interim Report (the 'Interim Report' or 'Report') from the Canada and British Columbia Expert Panel on Housing Supply and Affordability (the 'Expert Panel' or 'Panel'). We are encouraged to see this joint-government initiative advance forward as the need for more housing has only been underscored by the effects of the COVID-19.

CHBA BC presented directly to the Expert Panel in January 2020 and provided a comprehensive submission in June 2020. Many aspects of the Interim Report reflect the ideas that were forwarded by CHBA BC on behalf of its eight local associations and 2,100 member-companies and we are proud to have participated in this process as a significant stakeholder. We appreciate the opportunity to provide further feedback prior to a final report being delivered in the Spring of 2021. The additional comments contained herein are being made to reflect the perspective of our association, and that of our national affiliate, CHBA.

**The Growing Evidence and Need to Address Supply and Affordability**

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Since the last round of consultation, new information has come to light regarding factors contributing to housing supply and affordability challenges that we believe would be of benefit for the Panel to be aware of. These are the:

- 1) Canadian Home Builders' Association (CHBA) [Municipal Benchmarking Study](#) undertaken by Altus Group (September 2020); and

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<sup>1</sup>Estimates based on 2019 data from Canada Mortgage and Housing Corporation and Statistics Canada

- 2) C.D. Howe Institute Commentary, [Gimme Shelter: How High Municipal Housing Charges and Taxes Decrease Housing Supply](#) (November 2020).

Based on a survey of 23 municipalities across Canada, the Municipal Benchmarking Report by Altus Group examines how municipal processes, resulting approval timelines, and government charges levied implicate housing. In it, the report finds that municipalities from the Vancouver Area rank towards the bottom of ranking, as they demonstrated a combination of high municipal charges and slow approval timelines. This finding, among others, is corroborated by the C.D. Howe Report and also reinforces CHBA BC's [January 2019 Study](#) on how the cost of building a new home is affected by development fees and charges in nine British Columbian communities.

Highlighted below are key findings of these reports for the Expert Panel to takeaway:

- Based on CMHC data, between 2006 and 2018 there are six municipalities that have seen increases greater than 150 per cent in housing prices, five of which are in the Metro Vancouver (Vancouver, Burnaby, Coquitlam, Surrey and Delta).<sup>2</sup>
- Vancouver's housing regulation costs are by far the largest in Canada resulting in an extra cost of \$644,000 for the average new house. Elsewhere, like in Abbotsford and Kelowna, homebuyers paid an average \$230,000 extra on a new house as a result of limits on supply.<sup>3</sup>
- Altus' study has found that development approvals are taking an average of 1.5 to 2 years to obtain and more in some cases – an average of 20.3 months for multiple applications, and an average of 11.7 months for single applications.
- In Western Canada, the average timeline for municipalities is typically in the 9-to-15-month range, depending on the approval required. Approval periods are generally lower in Alberta municipalities and higher in the municipalities studied in Metro Vancouver Area.<sup>4</sup> Each additional month a project is in the approvals process adds an average of \$351,500 or \$2812 in costs per month, per unit for a low-rise project, and \$216,300 or \$1730 in costs per month, per unit for a high-rise project.

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<sup>2</sup> Page 12, Altus Group Municipal Benchmarking Study (September 2020)

<sup>3</sup> C.D. Howe Institute Commentary, Gimme Shelter: How High Municipal Charges and Taxes Decrease Housing Supply (November 2020)

<sup>4</sup> Page 33, Altus Group Municipal Benchmarking Study (September 2020)

We invite the Expert Panel and government staff to review these two documents in greater detail, as they will help inform further consideration of the public's ideas on how to address the governance, diversity, cost and speed of delivering housing.

### **Creating an Environment for More Supply and Affordability**

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The comments the Panel received are broad-sweeping and consider, as it should, many angles to the complex housing issue and system. As mentioned, a number of ideas within the Report are consistent with those put forward by CHBA BC. We hope that the government and Panel will continue to seek our expertise and perspectives on specific ideas that advance as a recommendation and/or action.

This would include, but not be limited to, provincial and national based recommendations that relate to:

- greater provincial direction on establishing and meeting housing quotas;
- changes to the land use planning regime for how provincial and local government governments will determine and meet future growth needs, like housing, as well as any tools and processes that will be established for these purposes;
- the creation of a housing authority or independent body that would review decisions related to planning for growth and housing;
- changes to how regions and municipalities will calculate and recoup growth-related costs;
- actions that would streamline the approval process, similar to the best practices that were identified in Altus' Municipal Benchmarking Study and the Development Approval Process Review (DAPR). This would include pre-zoning systems, delegated approval authorities, simplifying certain planning amendments, increasing the transparency and predictability of the application process, improving communication on application requirements, and overall, elevating customer service in terms of engagement with builders and developers;
- greater support for transit-oriented development and maximizing federal transit funding to incent development – mixed use, mixed tenure, missing middle ideally – accessible to transit, especially higher order transit like rail or BRT systems. It would be beneficial for the Expert Panel to consider supporting appropriate zoning through using pre-zoning for

Transit Oriented Development to be a qualifying measure for faster federal funding approval or bonus funding.

Again, CHBA BC would like to take this opportunity to express our strong support for DAPR and would recommend the Expert Panel to work with the Ministry of Municipal Affairs to advance its implementation. This initiative readily provides the province with clear, and actionable items that can be undertaken to address challenges with governance, housing diversity, speed and certainty of processes. In CHBA BC's view, this is one of the most significant pieces of work from the province that should be given priority focus.

Thank you again for allowing CHBA BC to be consulted throughout this process. We look forward to seeing the next iteration of the Expert Panel's work where we can further consult on the recommendations put forward and their potential effect. If you have questions or would like to speak to CHBA BC, please feel free to contact the undersigned.

Sincerely,



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