

**FOR IMMEDIATE RELEASE**

**CHBA BC's Benchmarking Study Reveals Average 13 to 14 Month Wait Time for Municipal Permits and Economic Cost of Housing Shortfalls in B.C.**

**Burnaby, BC, October 5, 2022** – As British Columbians prepare to head to the voting booth to elect representatives in municipal elections across the Province, the Canadian Home Builders' Association of British Columbia's (CHBA BC) *Municipal Housing Supply and Benchmarking Study* released today demonstrates how supply and demand imbalances have contributed to B.C.'s current housing crisis.

CHBA BC retained Altus Group Economic Consulting to research evidence of housing supply shortfalls in B.C. and the economic consequences of those shortfalls, both past and future. The study also examines municipal development applications timelines in 13 B.C. municipalities to understand the current capacities associated with housing approvals.

As municipal government approval is the first step in building new housing, development applications processes play a key role in encouraging the construction of more supply. Altus Group's analysis studied residential development application timelines through a sample of 650 individual approvals from across the municipalities studied. The data showed that it takes on average 13-14 months to approve rezoning and development permits and over 20 months for a subdivision application.

"We've heard time and time again from our members that they want to build more but are being held up by lengthy approval timelines and government delays," said CHBA BC President, Cassidy DeVeer. "This report demonstrates that while some municipalities are trying to improve the pace of development, we are not keeping up with demand from within the province and the steady population growth from both international immigration and the inflow of people from other provinces who see B.C. as their destination of choice."

As new leadership is about to take charge at both the municipal and provincial level, CHBA BC is recommending the Government of B.C. create a provincial reporting system to require municipalities to produce an annual standardized report on development applications. The implementation of a transparent, reliable, and standardized source for timelines and quantity of approved housing data can ensure that supply shortages relative to housing demand can be anticipated and acted upon as early as possible.

The study's findings show a disconnect between the housing supply that is being demanded versus the housing governments are approving and planning for. Increasing household sizes and higher share of multi-generational homes are a symptom of deteriorating housing choices. Homeownership rates are declining, especially for young adults between the age of 25 and 44, who still live in their parents' home. While demand is growing for family-sized ownership units, there has been an increasing proportion of housing starts in apartments.

The Altus study shows roughly 71,000 more people are moving to the province each year, and this pace of population growth is expected to continue over the next 30 years. Unfortunately, in 2021 an average household in B.C. would have to devote 58% of its income to meet mortgage payments when purchasing an average priced home in 2021 - the highest rate, and most expensive market compared nationally.

"All housing options need to be on the table, and governments must improve transparency in the development process. A provincial reporting system will ensure we're on the right track to build the housing needed for first-time homebuyers, families, new Canadians, and our aging population who want to call B.C. home," said CHBA BC CEO, Neil Moody. "The economic consequences are dire if all levels of government don't work together towards a common goal of building more supply to improve affordability across the province over the next 30 years."

If housing matched more closely with the demand, there would have been the creation of almost 87,000 more households between 2011 and 2021 in B.C. If this trend is not corrected, the province could see an additional 145,000 lost households by 2051. The economic costs of these “suppressed households” in B.C. has been estimated to have been \$33 billion between 2011 and 2021 in lost nominal GDP and will be \$196 billion between 2021 and 2051.

#### **Quick Facts:**

- The term “suppressed households” is often used to define young people and families that would like to have their own household, but because of affordability and supply issues, they are living in alternative living arrangements.
- Suppressed households represent a loss in provincial and municipal government revenues of \$34 billion between 2006 and 2051.
- Seven (7) of the 13 municipalities studied had slower growth in households between 2011 and 2021 than they had previously forecasted.
- Between 2011 and 2021 household growth fell short by 3,433 households per year, in all 13 municipalities combined.
- In total, the sample of 650 individual approvals from the 13 municipalities studied includes 242 rezoning approvals, 274 development permit issuances, and 87 subdivision approvals.
- This study was inspired by the Canadian Home Builders’ Association’s (CHBA) 2020 National Municipal Benchmarking Study, also conducted by Altus Group. Three of the municipalities from the 2020 CHBA Study overlap with the 13 municipalities studied in this report – Vancouver, Surrey, and Burnaby. A second edition of the national CHBA study is underway and will be made available soon.

The full **Municipal Housing Supply and Benchmarking Study** is [available here](#).

A backgrounder follows, [click here](#).

#### **About the Canadian Home Builders' Association of BC:**

The Canadian Home Builders’ Association of BC (CHBA BC) is the leading advocate for the residential construction industry in British Columbia, representing 2,200 member firms through eight (8) locally affiliated home building associations. Our members are small- and medium-sized businesses who are builders, renovators, tradespeople, service professionals, and suppliers. Our members are essential to supporting the province’s housing needs and economic prosperity. In 2021, as one of the largest sources of employment in the province, the residential construction industry provided over 200,000 on- and off-site jobs.

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