

**MINISTRY OF NATURAL GAS DEVELOPMENT  
AND MINISTER RESPONSIBLE FOR HOUSING  
OFFICE OF HOUSING AND CONSTRUCTION STANDARDS  
ESTIMATES BRIEFING NOTE 2016/17**

**ISSUE:** Housing Affordability (Market Housing)

**KEY MESSAGES:**

- Government will be investing capital funding of \$355 million dollars over the next five years for construction and renovation of more than 2,000 units of affordable housing for people with low to moderate incomes.
- Creating new housing supply is critical to improving housing affordability in the real estate market and the provincial government is acting to help the housing market respond to high demand for homes.
- Local Governments also have tools to encourage housing affordability such as allowing for complete, compact community development including densification, laneway housing and secondary suites.

**BACKGROUND:**

- Increasing affordable housing options is a priority of this government.
  - Tenants are supported through rent supplement programs for families and seniors.
  - Homeowners are supported through the:
    - Home Owner Grant;
    - New Housing Exemption;
    - First Time Home Buyers' Program;
    - property tax deferral programs; and,
    - amendments to the *Strata Property Act* concerning disclosure of information and depreciation reports.
- The New Housing Exemption from the property transfer tax will save a purchaser up to \$13,000 dollars and provide an estimated \$75 million dollars in property transfer tax relief for new construction in 2016-17.
  - Newly built homes – including condominiums – priced up to \$750,000 dollars will be fully exempt from the property transfer tax when bought by Canadian citizens or permanent residents as a principal residence and lived-in for a full year. Partial exemptions are available for new housing valued up to \$800,000.
  - The new exemption is expected to benefit owners of about 22,000 new homes in 2016, many of which will be in the Vancouver area.
  - This will be funded by increasing the property transfer tax rate to 3 percent from 2 percent on the portion of fair market value over \$2 million dollars.

- The building code allows for secondary suites, providing the standards to build safe suites in every community.
- The Province mandates exemptions from local development cost charges and levies for very small-unit housing projects (under 280 square feet) and allows waivers for private sector affordable rental housing in an effort to assist affordability.
- Municipal leaders who are responsible for planning, zoning and development regulation can use the broader tools at their disposal to support efforts and further the creation of new housing supply.
- Through BC Housing's Community Partnerships Initiatives Program, we increase affordable housing options by offering low-cost development financing for housing units and lending for mixed-market developments.
- To date, the Community Partnership Initiatives program has contributed to over 3,300 new units of affordable housing, which are accessible to low to moderate income households.

**CROSS-REFERENCE / ATTACHMENTS:**

None.

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ESTIMATES BRIEFING NOTE 2016/17**

**ISSUE:** Analysis of Housing Market Affordability

**KEY MESSAGES:**

- BC Housing is leading a research initiative that will examine a range of factors potentially affecting home prices throughout the province.
- Findings from the research will inform policy analysis in British Columbia and assist in evaluating the merits of various policy proposals across all levels of government. The research is expected to take six months.
- Many factors influence housing prices, including land supply, economic conditions, municipal approval processes, interest rates, fees and taxes, household income, and financing regulations. Foreign ownership is only one of many potential factors that this research initiative will examine to assess housing affordability challenges throughout the province.

**BACKGROUND:**

- BC Housing conducts and publishes its own research on a wide-range of housing issues. To date, the following housing studies have been completed and are available on the BC Housing website:
  - 10 International Case Studies on Affordable Homeownership
  - Small Market Units
  - Modular and Prefabricated Housing
  - Four models for Alternative Sources of Capital For Social and Affordable Housing
  - Research Study on Scoping a Registry of Accessible and Adaptable Homes in British Columbia
- This research initiative will begin by undertaking an independent review of existing studies and data sources, and identifying gaps to better understand what information is needed to adequately assess the effect of various factors impacting house prices.
- There are no definitive numbers on foreign buyers in the Metro Vancouver housing market. However, available data and analysis in the region suggests that foreign ownership of housing is less than 5 percent of the housing stock and not more than 5 percent of sales activity.

**CROSS-REFERENCE / ATTACHMENTS:**

G2 - Industry and Consumer Advisory Council (ICAC) - BCH  
Housing Affordability (Market Housing)

**From:** [Holden, Virginia OHCS:EX](#)  
**To:** [Vasey, Jeff OHCS:EX](#); [Nagle, Kim OHCS:EX](#); [Page, Doug OHCS:EX](#)  
**Subject:** RE: KMs - QP Question  
**Date:** Tuesday, March 8, 2016 9:38:02 AM

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I have not. I think the media report said it will be released tomorrow.

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**From:** Vasey, Jeff OHCS:EX  
**Sent:** Tuesday, March 8, 2016 9:03 AM  
**To:** Nagle, Kim OHCS:EX; Holden, Virginia OHCS:EX; Page, Doug OHCS:EX  
**Subject:** RE: KMs - QP Question

Have we seen the report in question? We should review and chat  
Jeff

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**From:** Nagle, Kim OHCS:EX  
**Sent:** Tuesday, March 8, 2016 8:57 AM  
**To:** Holden, Virginia OHCS:EX; Page, Doug OHCS:EX; Vasey, Jeff OHCS:EX  
**Subject:** FW: KMs - QP Question

FYI – the question in QP that came up regarding empty properties in Vancouver. GCPE is leaving this to Ministry of Finance.

Kim

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**From:** Platts, Robin GCPE:EX  
**Sent:** Monday, March 7, 2016 3:34 PM  
**To:** Nagle, Kim OHCS:EX  
**Cc:** Harbord, Darren GCPE:EX  
**Subject:** RE: KMs - QP Question

I asked and was told that Finance is handling all responses around that and other housing affordability questions. Copying Darren, in case he has anything but I think we are pretty much leaving it to our Finance colleagues.

Robin Platts

Government Communications and Public Engagement  
Ministry of Natural Gas Development and Responsible for Housing  
250-387-1373

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**From:** Nagle, Kim OHCS:EX  
**Sent:** Monday, March 7, 2016 3:33 PM  
**To:** Platts, Robin GCPE:EX  
**Subject:** KMs - QP Question

Hey Robin

Do you have any key messages on the issue that came up in QP last week and today – the properties sitting empty in Vancouver and what is govt doing about it? Minister de Jong referred to a pending report from COV and need for more information.

Thanks,

**Kim Tiffin (née Nagle)**  
Manager, Executive Operations  
Office of Housing and Construction Standards  
Ministry of Natural Gas Development and Minister Responsible for Housing

**From:** [Holden, Virginia OHCS:EX](#)  
**To:** [Nagle, Kim OHCS:EX](#); [Page, Doug OHCS:EX](#)  
**Subject:** RE: Question from QP.  
**Date:** Thursday, March 3, 2016 12:35:16 PM

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- We just reviewed and approved some KMs from GCPE that respond to the issue of vacant properties in Vancouver discussed in Question Period.
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**From:** Nagle, Kim OHCS:EX  
**Sent:** Thursday, March 3, 2016 11:37 AM  
**To:** Holden, Virginia OHCS:EX; Page, Doug OHCS:EX  
**Subject:** FW: Question from QP.

Hi Ginnie and Doug

Can you please find out the status of this work and prepare some bullets for Jeff to send to Minister's Office on the matter?

Thanks,

**Kim Tiffin (née Nagle)**

Manager, Executive Operations  
Office of Housing and Construction Standards  
Ministry of Natural Gas Development and Minister Responsible for Housing

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**From:** Vasey, Jeff OHCS:EX  
**Sent:** Thursday, March 3, 2016 11:36 AM  
**To:** Moran, Jennifer OHCS:EX  
**Cc:** Nagle, Kim OHCS:EX  
**Subject:** Re: Question from QP.

Flip to Doug and Ginnie FYI

I am not in the loop re this request or this work

Jeff

Sent from my iPhone

On Mar 3, 2016, at 11:34 AM, Moran, Jennifer OHCS:EX <[Jennifer.L.Moran@gov.bc.ca](mailto:Jennifer.L.Moran@gov.bc.ca)> wrote:

VACANT PROPERTIES AND HOUSING  
AVAILABILITY IN METRO VANCOUVER

**D. Eby:** Vacant homes and condos in Vancouver have been a source of concern for residents for years, and now a long-awaited study on empty homes is being presented at Vancouver city council next week.

The idea of homes being held vacant as investments is the very definition of waste and greed for families trying to find a place to rent or buy in Metro Vancouver.

The mayor of Vancouver, Gregor Robertson, wrote to the Premier and asked her for amendments to the Vancouver Charter to "ensure timely occupancy of vacant units."

When the Premier wrote back, she ignored his request.

To the Minister for Housing: why has the Premier refused to take concerns about vacant homes in Metro Vancouver seriously?

[1040]

**Hon. R. Coleman:** The Minister of Finance has told the House that there's work being done on this, so I'll take the question on notice for when he might be here.

*Jennifer Moran*

*Executive Assistant  
Assistant Deputy Ministers Office  
Office of Housing and Construction Standards  
Ministry of Natural Gas Development and  
Minister Responsible for Housing  
Phone: (250) 356-2115  
[jennifer.l.moran@gov.bc.ca](mailto:jennifer.l.moran@gov.bc.ca)*