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UBCM Report “Disconnected From Lived Reality”

The Union of BC Municipalities released a report last week claiming new housing approvals and supply are keeping pace with our fast-growing population.

Except Victoria continues to experience record low inventory for sale and rising prices now at a benchmark price of \$1,196,300 for a single family home, according to the Victoria Real Estate Board (VREB).

Housing Minister David Eby said, “I don’t understand how this report could be so disconnected from lived reality. We are at a peak of in-migration that we haven’t seen in 30 years.”

Eby is supported by more than anecdotal evidence such as the “lived reality” of homebuyers.

First, a large millennial demographic moving out of their parents’ homes are not reflected in population growth. This was the driving force behind demand in the 1970’s. As demographer/author David Foot (Boom, Bust & Echo) says, “When you get a big group of people moving through the same stage of their life at the same time, that’s what generates the mega-trends around us.”

In addition, StatsCan reports Canada is the fastest-growing country in the G7, with plans to welcome 1.3 million new Canadians in the next three years, and that was before the emergency of assisting refugees fleeing the war in Ukraine.

In the last financial quarter, more than 18,000 people moved to BC from other countries and 5,000 from other provinces, particularly Alberta and Ontario.

Eby’s view is also supported by developers

spending years and money in municipal processes, only to have projects rejected by councils.

One such project was highlighted in the Times Colonist last week when Oak Bay turned down a 14 unit development that accommodated the municipality’s criteria.

Housing Needs Reports, required by the province, reveal non-profits avoid proposing affordable housing projects in Oak Bay due to obstruction.

Municipal costs adding to high home prices were missing from the UBCM report. These include record surpluses from building permit fees, 100%+ increases to Development Cost Charges, and lowballing zoning density to charge Community Amenity Contributions (CAC) for “bonus density.” The CAC cash grab is highlighted in Opening Doors, a housing report funded by the BC government.

The CD Howe Institute’s study Gimme Shelter: How High Municipal Housing Charges and Taxes Decrease Housing Supply reveal rezoning issues and fees like Development Cost Charges add \$230,000 to the cost of a new home in Victoria.

Eby is considering new legislation to expedite housing developments after the municipal elections in October.

Except the benchmark price for a single family home in Victoria’s core increased 25.1% last year, from \$915,300 to \$1,144,900 according to VREB.

While homebuyers are waiting for the province to act, another 25.1% increase would be \$287,369 added to the cost of a single family home.



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