

April 3, 2019

Mayor & Council, City of Vancouver

Sent via email: ccclerk@vancouver.ca

Subject: Motion 6 “Re-Conceptualizing the City’s Rental 100 Program”

Dear Mayor & Council,

LandlordBC is the professional non-profit association representing owners and managers of rental housing in BC. Collectively we provide safe, secure, sustainable long-term rental housing for approximately one-third of all British Columbians. We are writing you today urging you to reject Motion 6, “Re-Conceptualizing the City’s Rental 100 Program”, to ensure that the program as currently configured, continues intact. Furthermore, we request that you immediately direct staff to work with stakeholders, including LandlordBC, to develop a more robust program so that we may achieve deeper affordability and more extensive supply for renters in our community.

We observed during the course of the debate regarding Rental 100, some members of Council criticizing “supply-side” economics as it pertains to the construction of new secure purpose-built rental housing. They are saying that we can’t “build our way out” of this rental crisis. And we need the “right supply”. With all due respect, building new secure purpose-built rental housing is the only way we can remotely hope to end this rental housing crisis. And secure purpose-built rental across the income spectrum is the “right supply.”

The harsh reality is that we have a rental housing crisis in Vancouver, and frankly across the province, due to a chronic shortage of new secure purpose-built rental housing. The lack of new secure purpose-built rental housing is why we are stuck with persistently low vacancy rates and an untenable reality that much of our existing supply has reached the end of its functional life. This is hardly the time to suspend the Rental 100 program. In our view, what we should be doing is leaning in and enhancing the program. Furthermore, we respectfully request that Mayor and Council collaborate with the Provincial Government to create a legislative and regulatory environment that is significantly more conducive to building market rental housing, so that we can attempt to match the significant scale of need. As it stands today, rational investors will choose to build condominiums over market rental housing.

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Private/market rental housing has always been the more affordable housing option when compared to home ownership, and that remains true today. City Staff, in a recent presentation to Council, demonstrated this point with a comparison of the approximate household income necessary to own a Vancouver West Benchmark Condo (\$178,477), a Vancouver East Benchmark Condo (\$123,443), and a Newer Private/Market Rental Apartment (\$79,760). As staff further indicated in their report, the cost of ownership is a key reason why new Vancouver households are increasingly renting, and that in the absence of significant new rental supply coming on-stream, the options for renters are becoming increasingly limited, especially when you consider the continued in-migration to Vancouver and the broader region. We must build more secure purpose-built rental homes across the income spectrum.

In closing, we remind Mayor and Council that the stakes are very high. We need your vision and leadership to ensure a successful program like Rental 100 continues to produce secure purpose-built rental housing so that renters in our community can be assured of increased rental housing options and security of tenure.

Sincerely,



David Hutniak
Chief Executive Officer
LandlordBC