

CITY OF RICHMOND

# HOUSING AFFORDABILITY PROFILE

Affordable Housing Strategy 2017–2027 Companion Document

ADOPTED MARCH 2018





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# 1. Introduction

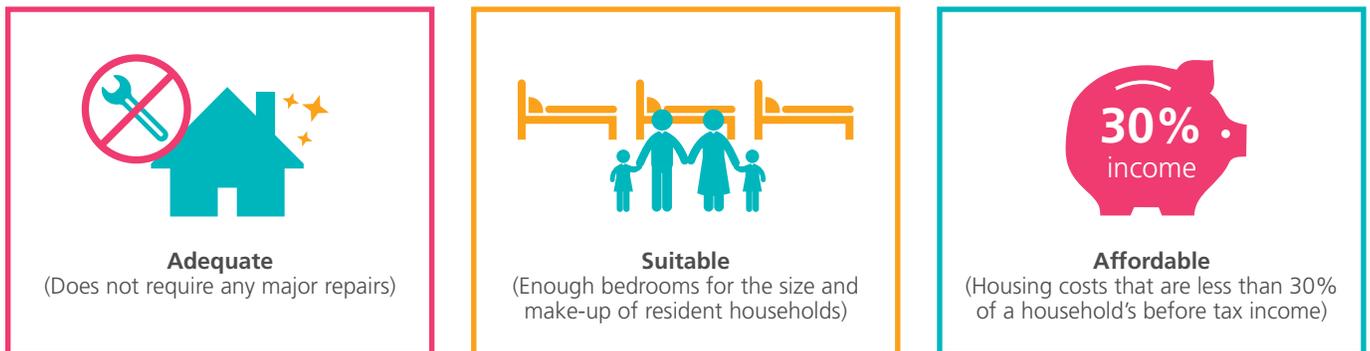
Housing affordability continues to be a critical issue both regionally and at the local level. Richmond's Affordable Housing Strategy 2017–2027 has been updated to reflect current and future needs of the community and to align with City and regional planning goals. Central to this update is an understanding of the housing affordability context in Richmond and the needs of existing and future residents so that anticipated policy recommendations can effectively address identified gaps and priorities. The Housing Affordability profile helps to identify current and emerging trends relative to Richmond's housing market and highlights affordability needs through an analysis of available current demographic and housing data. The document combines quantitative analysis with feedback from a broad range of stakeholders including the public, senior government and the private and non-profit housing sectors, to determine housing gaps and needs in Richmond. The Housing Affordability Profile is one of two companion documents to the Affordable Housing Strategy 2017–2027.

## 1.1 Housing and Complete Communities

### 1.1.1 What is Housing Affordability?

Housing affordability is a relative term linking housing costs to a households' gross income. According to Canadian Mortgage Housing Corporation (CMHC), households should not spend more than 30% of their before tax income on housing costs. For renters, this includes rent and utilities and for homeowners, includes mortgage payments, utilities, property taxes and house insurance.

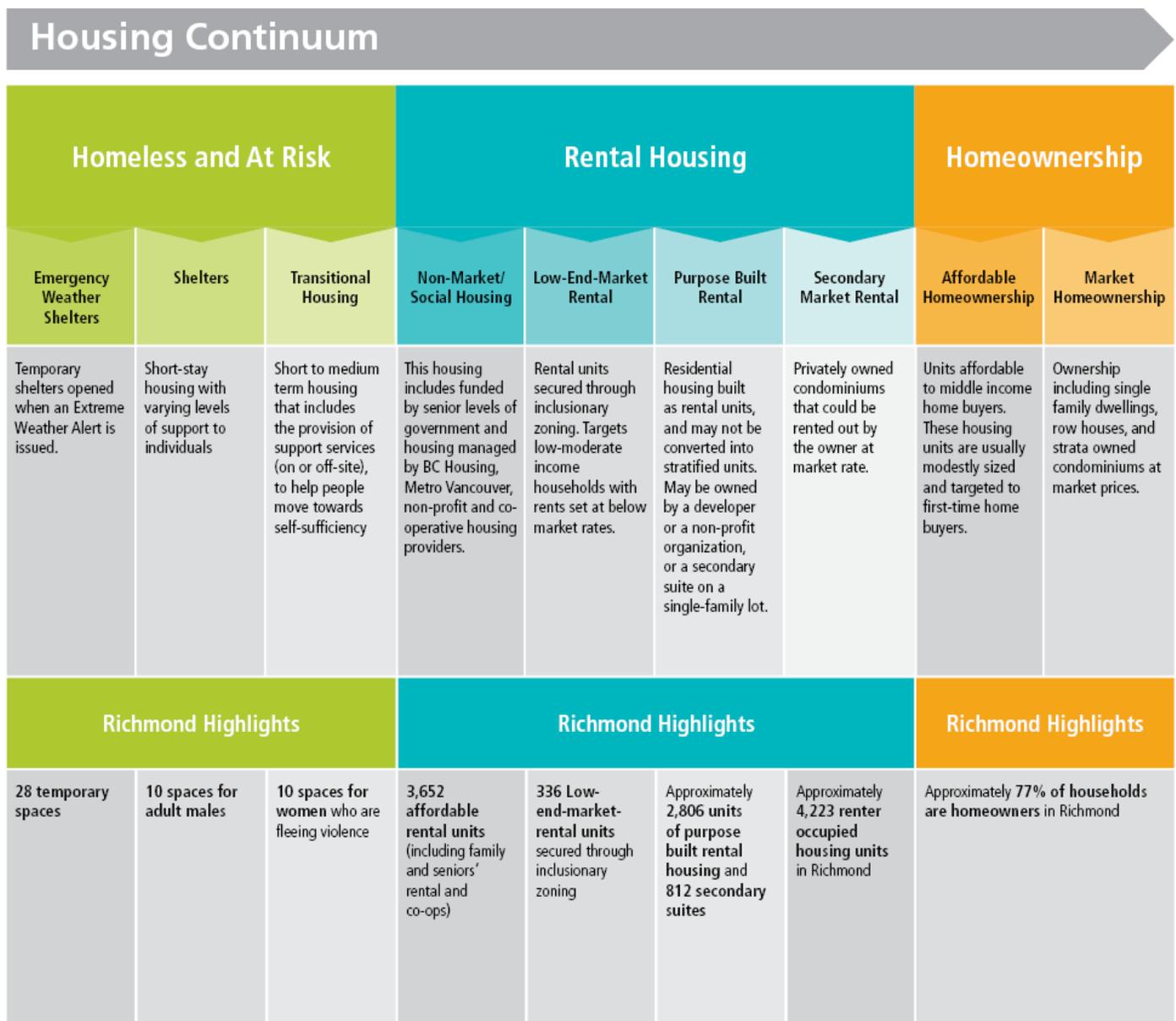
Appropriate housing is defined as housing that is affordable, adequate and suitable:



### 1.1.2 The Benefits of Affordable Housing

Every household should have access to housing that is affordable, adequate and suitable for their income and specific needs. A community should include an appropriate mix of housing choices for a diversity of households that need them. The housing continuum highlighted in Figure 1 is a useful framework that identifies this spectrum of choices including ownership and rental, as well as government supported non-market housing such as non-profit, co-op and emergency shelters.

Figure 1: Housing Continuum



Communities with a mix of housing options will provide a range of benefits including:

- Supporting economic growth by providing local workers and residents with appropriate local housing options;
- Reducing pressure on urban sprawl and traffic congestion by ensuring households can afford housing within their community;
- Creating diversity by allowing different housing forms and sizes to accommodate growing families, local workers and seniors for example; and
- Social diversity by supporting options for all income levels and housing with supports for households with barriers to housing.

## 2. Policy Context

### 2.1 Senior Levels of Government

Historically, the federal government has played a major role in the provision of subsidized social housing since the 1930s. The federal government drastically cut back funding for social housing and co-operatives in 1993. Currently, the federal government primarily targets funding to urgent priorities, most recently towards homelessness. In April 2017, Canada Mortgage & Housing Corporation (CMHC) committed to spending \$11.2 billion over the next 11 years towards the creation of affordable housing across the country. The first step of the financial commitment is to provide \$2.5 billion over five years in loans and financing for new rental housing construction across Canada. Priorities for funding, including rental housing, are highlighted in the National Housing Strategy (November 2017). More details regarding allocation of funding will be released in 2018.

After the federal funding cuts in the mid-1990s, the provincial government increased its funding for affordable housing, with BC Housing playing the lead role. The development of thousands of shelter beds, as well as transitional and new non-profit housing for seniors, families, and people with special needs has been facilitated across the province through financing, along with rent supplements for seniors and working families with low incomes for use in the private rental market. More recently, the Provincial government committed to develop 114,000 affordable housing units over the next ten years, and has announced further funding opportunities for affordable housing.

### 2.2 Metro Vancouver

Metro Vancouver maintains the Regional Growth Strategy and the Regional Affordable Housing Strategy to guide growth in the region and encourage affordable development. Metro Vancouver also owns and operates affordable housing units through the Metro Vancouver Housing Corporation. The Regional Growth Strategy is a consensus-based document in which all municipalities agree to be guided by the same set of principles. The Regional Growth Strategy does not directly provide tools or strategies to provide affordable housing, but it does require municipalities to respond to the goal areas in their Official Community Plans called Regional Context Statements. The Regional Growth Strategy plots out population trends until the year 2040, and the corresponding number of housing units needing to be built in each municipality to house one million additional people in the region between 2011 and 2040.

Metro Vancouver continues to be one of the most dynamic urban areas in Canada with a growth rate of approximately 5% between 2011 and 2016, which is similar to Richmond. In terms of projected population increases, Richmond's 2016 population was 213,891 and is estimated to grow to approximately 280,000 by 2041.

This population growth translates into increased demand for housing. The Regional Affordable Housing Strategy provides estimates for municipal housing demand for the next 10 years. These estimates provide guidance to municipalities in their long range planning. The Regional Affordable Housing Strategy also provides a vision, goals, strategies and recommended

actions for key housing stakeholders. While recognizing a range of rental and homeownership options in a variety of forms, sizes and price points are important to support economic growth and the development of complete communities, the Regional Affordable Housing Strategy focuses primarily on:

- Rental housing (both market and non-market);
- Transit oriented affordable housing developments; and
- The housing needs of very low (e.g. household earning approximately \$30,000 annually) and low income households (e.g. households earning between \$30,000 and \$50,000 annually).

## 2.3 City of Richmond

Shifting federal and provincial government roles have continued to place considerable pressure on municipalities to become more active in providing and facilitating affordable housing.

The City of Richmond has long acknowledged that providing a range of affordable and diverse housing types for residents is an integral part of creating a liveable community. The City recognizes that it cannot solve local affordable housing issues on its own, but can play a role within its authority in partnership with senior levels of government, the private and non-profit sectors. Many affordable units in Richmond, especially those built prior to 2007, when the first Affordable Housing Strategy (AHS) was adopted, are the result of collaboration among key partners.



The City continues to use an integrated approach to tackle local housing affordability issues including land use planning (Official Community Plan), social planning (Social Development Strategy), and the Affordable Housing Strategy. Through the Housing Affordability Profile, five priority groups in need of affordable housing were identified:

| Priority Groups   |
|---|
| Families, including lone-parent families, families with children, and multigenerational families.   |
| Low and moderate income earners, including seniors, families, singles, couples, students, and persons with disabilities.  |
| Persons with disabilities.  |
| Low- and moderate-income seniors.   |
| Vulnerable populations, including households on fixed incomes, persons experiencing homelessness, women and children experiencing family violence, individuals with mental health/addiction issues, and indigenous people |

The Affordable Housing Strategy 2017–2027 has 5 strategic directions, 21 policies and 60 actions to respond to the priority groups in need of affordable housing. The Strategic Directions are as follows:

1. Use the City's regulatory tools to encourage a diverse mix of housing types
2. Maximize use of City resources and financial tools
3. Build capacity with non-profit housing and services providers
4. Facilitate and strengthen partnership opportunities
5. Increase advocacy, awareness and education roles

Figure 2: Richmond's Achievements Highlights

# Highlights

## Affordable Housing Achievements (as of December 2017)

### Affordable Housing Inventory

- 1,415 units secured through the Affordable Housing Strategy since 2007:



- 3,175 affordable rental units secured outside of the Affordable Housing Strategy (including family and seniors' rental, and co-ops)

### City Contributions to Affordable Housing Projects

- The City has made significant contributions over the past three years towards the construction costs and municipal fees for two local housing developments:
  - \$24.1 million to the Kiwanis Towers for low-income seniors' rental housing (*project completed*).
  - \$19.1 million to the Storeys development for vulnerable individuals and families (*project under construction*).
  - The City also contributed the site for the upcoming relocation and expansion of the Salvation Arm's emergency shelter.

### Land Partnerships

- The City has leased eight (8) City-owned properties at below market rates to non-profit housing providers

**Affordable**  
(Housing costs that are less than 30% of a household's before tax income)

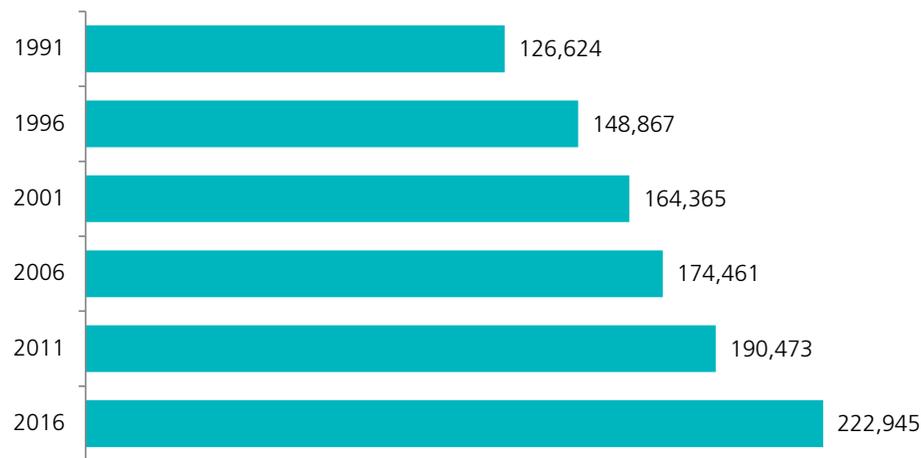
## 3. Richmond at a Glance—Population and Housing

### 3.1 Population

According to the City of Richmond's projections (with Urban Futures), the City's estimated population is 222,945 making Richmond the fourth largest municipality in British Columbia after Vancouver, Surrey and Burnaby.

Richmond's population is both growing and getting older. Total population growth between 2011 and 2016 was 4.1%, slightly lower than the regional growth rate of 6.5% (Census, 2016). The fastest growing planning areas of Richmond during this time period were City Centre, Steveston, Shellmont, West Cambie and Broadmoor neighborhoods. By 2041, the City's population is projected to grow to 280,000 residents – a 30.9% increase from 2016.

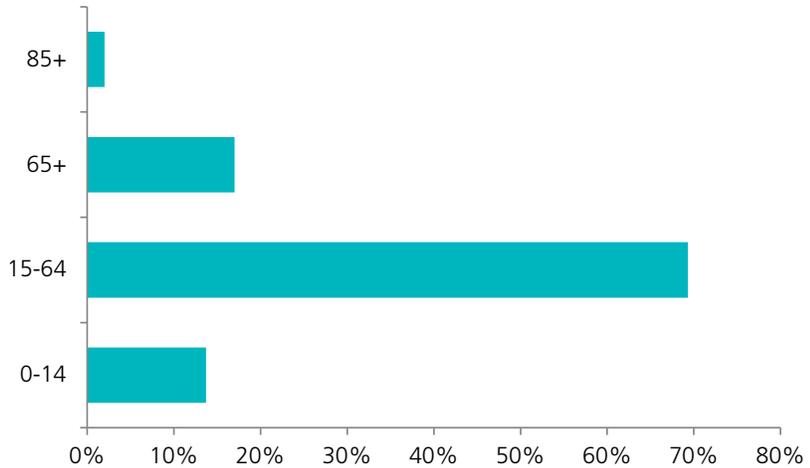
Figure 3: City of Richmond Population Growth 1991–2016



Source: Statistics Canada

In 2016, individuals over the age of 65 accounted for 17% of the total population – a 3.3% (7,630 residents) increase from 2011 (2011 & 2016 Census). The percentage of seniors is expected to increase significantly – accounting for 26% of the population by 2041 (City of Richmond, 2012 Official Community Plan). This trend will have a strong influence on future housing demand in the City, such as the need for more affordable and accessible forms of housing that will allow seniors to age in place.

Figure 4: City of Richmond Populations, 2016 by Age Groups

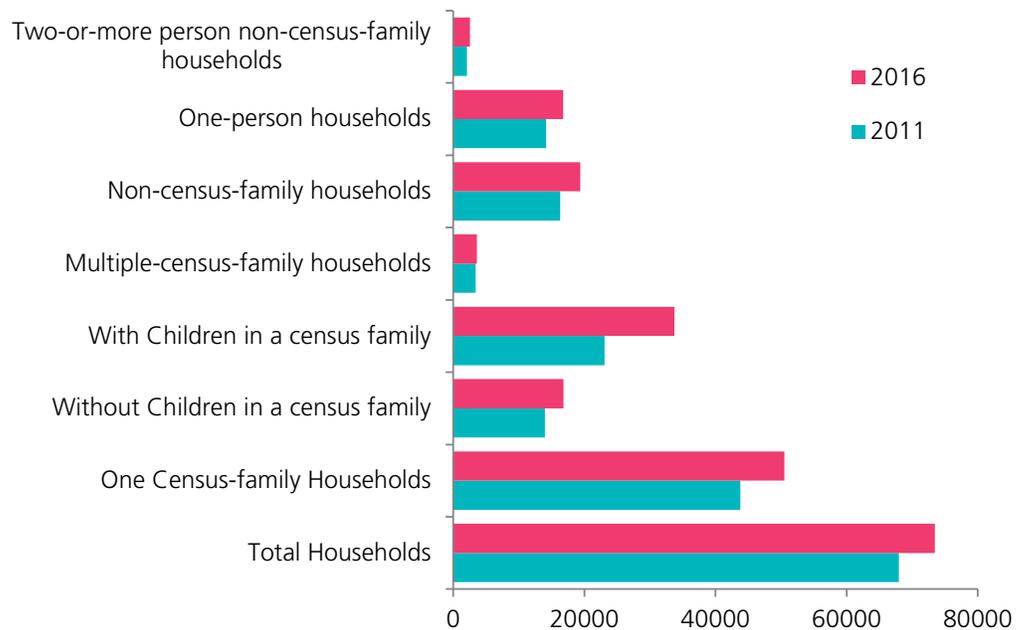


Source: Statistics Canada 2016 Census of Population

In 2016, the number of census families in Richmond was 57,975, which is an increase of 16.7% from 2006, and 4.65% from 2001<sup>1</sup>). According to the 2016 Census, Richmond has an average of 2.9 persons per census family which is slightly higher than the average family size in Metro Vancouver (2.5) and the province of BC (2.4) (2016 Census).

Figure 5 highlights family composition comparisons between 2011 and 2016 in Richmond.

Figure 5: Percentage of Census Family, by Type<sup>2</sup>



Source: 2011, 2016 Census

<sup>1</sup> According to Statistics Canada, a “census family” refers to related individuals who may or may not live in the same private dwelling. In comparison, private households refer to a person or a group of persons who occupy a private dwelling as their usual place of residence. The number of private households in Richmond increased 10.6% from 2006 (61,435) to 2011 (67,975) (2011 Census).

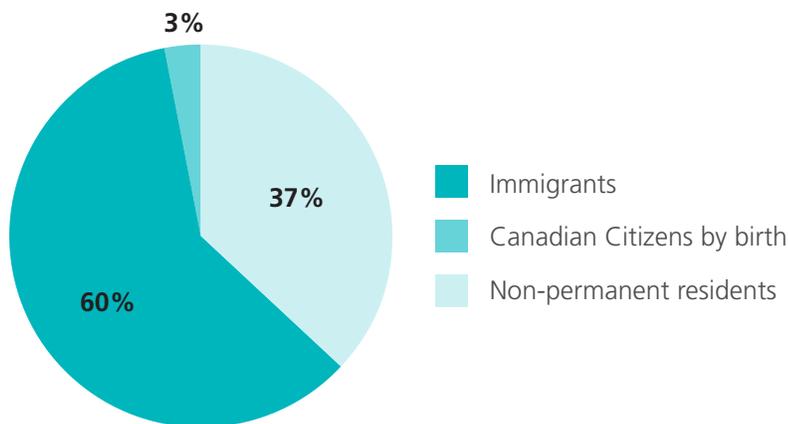
<sup>2</sup> According to Statistics Canada, a ‘couple with children 24 and under’ refers to households with at least one-child aged 24 and under; a ‘lone-parent-family household’ refers to all lone-parent family households regardless of age of children; and a ‘multiple-family household’ refers to a household in which two or more census families (with or without additional persons) occupy the same private dwelling.

Family composition has an impact on demand for specific housing forms. Compared to regional and national averages, Richmond has a greater percentage of families with children 24 and under living at home, lone parent families and multiple family households. This has an implication on the demand for larger units that can accommodate growing families and multi-family households. Lone parent households typically earn below the median household income and may struggle to find housing that is affordable and large enough for their family.

### A Culturally Diverse Community

Figure 6 highlights the immigration status of Richmond residents in 2016. While 71,855 residents were born in Canada, 118,305 were immigrants. In addition, 6,505 persons currently residing in Richmond were non-permanent residents, including those with work or study permits or refugee claimants. Non-permanent residents showed the greatest increase in Richmond's population from 2011 to 2016 by increasing 64% (6,505 persons from 3,955), however the group represents 3% of Richmond's total population. Immigration has provided many benefits to Richmond by strengthening the economy, adding cultural diversity and supporting an enhancement of civic amenities.

Figure 6: Population in Richmond by Immigration Status in 2016

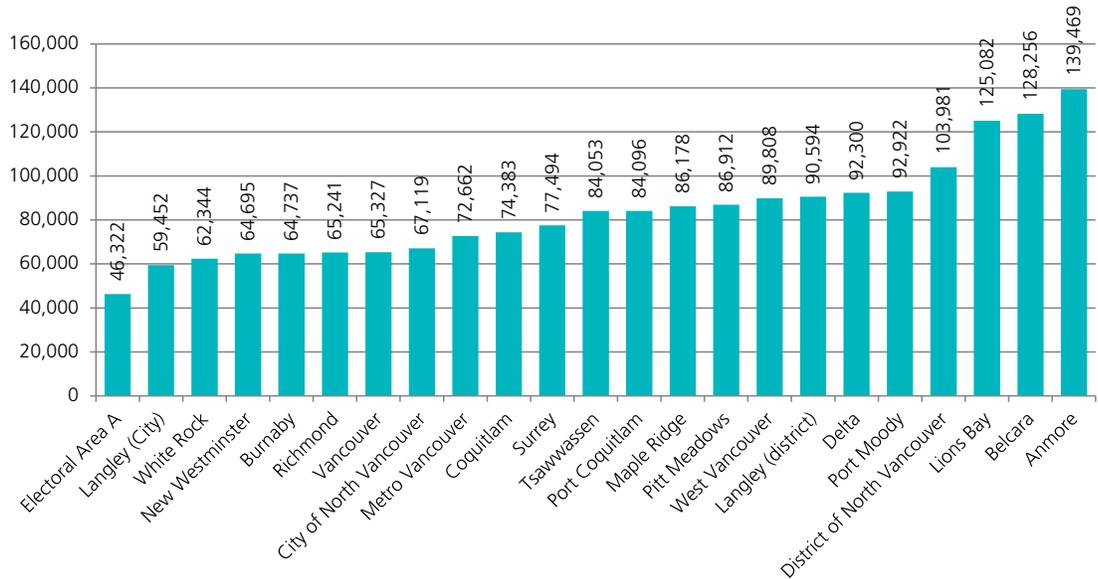


Source: 2016 Census.

### 3.2 Income

In 2016, the median annual household income in Richmond was \$65,368. The median income is similar to Vancouver and Burnaby, but is lower than several other Metro Vancouver municipalities and the regional median income. Median household income can be used as a measure for determining a household's ability to find housing in their community at an affordable price.

Figure 7: Median Household Total Incomes by Municipality in 2016



Source: 2016 Census.

Incomes in Richmond vary substantially depending on type of household. For example, median gross family income for lone-parent families was \$49,413 (2016 Census), substantially less than the median income for all Richmond households. In an environment of increasing housing costs, these families in particular may be experiencing affordability challenges.

Renters in Richmond also face a lower median income, on average, when compared to ownership households. The median income for a household renter in Richmond is \$48,989, compared to \$71,840 for ownership households. Renters having a lower income presents many difficulties in finding and keeping housing as average rents have increased rapidly in the past five years. More analysis on renters is provided in Section 4.2.

The Low-Income Measure after tax (LIM-AT)<sup>3</sup> provides municipalities with an indicator of the number of households that may be struggling to find housing. According to this measure, Statistics Canada estimated that 22.2% of Richmond residents were considered low-income in 2016. The percentage of low-income households in Richmond is significantly greater than the regional (16.5%) and provincial (15.5%) averages (2016 Census). Of note In 2016, there was a 48.8% increase in seniors (65+) who fell into the low income category. Further, 19.7% of all low-income residents in 2016 were children under the age of 18 In 2011, analysis showed Richmond's low-income households were

<sup>3</sup> This measurement is a fixed percentage (50%) of median adjusted after-tax income of households observed at the person level, where "adjusted" indicates that a household's needs are taken into account. Adjustment for household sizes reflects the fact that a household's needs increase as the number of members increases, although not necessarily by the same proportion per additional member. For example, if a household of 4 persons has an after tax income of less than \$38,920 all members of the household are considered low-income (Statistics Canada, 2010).

concentrated in City Centre, Thompson, Blundell, and West Cambie planning areas. These estimates however, may not reflect an accurate number of those who are truly low-income due to Canadian and foreign tax laws.

Figure 8: Richmond Population in Low-Income by LIM-AT

| Richmond Population in Low-Income by Age |        |        |
|--|--------|--------|
|  | 2011   | 2016   |
| Under 18 Years                           | 8,820  | 8,655  |
| 18–64 Years                              | 28,700 | 28,170 |
| 65+ Years                                | 4,855  | 7,175  |
| Total Persons in Low-Income              | 42,365 | 44,000 |

Source: 2011 NHS, 2016 Census.

### 3.3 Employment

#### Disparity Between Local Workforce Salaries and Cost of Housing

According to the 2016 Census, there were 96,710 jobs in Richmond including those with a fixed workplace, no work place (including contractors) and those who work from home. The most prevalent occupations in Richmond are the sales and service sector (29% or 30,025 jobs); business, finance, and administration (19.3% or 19,360 jobs); and management occupations (12% or 12,465 jobs) (2016 Census)<sup>4</sup>.

Figure 9 highlights the average salaries (provincially) for these employment sectors. Households would need to earn a minimum of \$105,863 in order to afford the purchase of an apartment in Richmond. On average, two-thirds of Richmond's top occupations do not provide enough compensation for employees to purchase an apartment in the City (assuming 30% of total income spent on shelter).

Figure 9: Richmond Top Occupation Sectors with Average British Columbia Salary

| Top 3 Occupation Sectors with Average British Columbia Salary |          |
|---|----------|
| Sales and Service   | \$23,257 |
| Business, Finance, and Administration                         | \$42,143 |
| Management Occupations  | \$68,991 |

Source: 2011 NHS.

Households would need to earn \$47,400 annually in order to afford the average rent of a one bedroom unit in Richmond. Figure 10 highlights the top five occupations in Richmond for individuals that live and rent in the city. Of these, only employees in the professional, scientific and technical services sectors earn enough compensation to affordably rent a one bedroom apartment in Richmond (assuming 30% of total income spent on shelter). In 2016, the Canadian Centre for Policy Alternatives found that the percentage of working poor individuals in Richmond (10.5%) is higher than the Metro Vancouver average (10.4%).<sup>5</sup>

<sup>4</sup> The most prevalent occupations in Richmond are given as a percentage of the total occupations in Richmond that have a fixed workplace and those that work from home, from a total of 109,945 jobs.

<sup>5</sup> The Canadian Centre for Policy Alternatives used the Metcalf Foundation's definition of the working poor. According to this definition, an individual is considered to be a member of the working poor if they are between the ages of 18 – 64, live in a family with an after-tax income below Statistics Canada's Low Income Measure, earn at least \$3,000 per year, are not a student, and live independently (alone with a spouse and/or dependent children but not with parents or other relatives).

Figure 10: Top Occupations for Richmond Renter Households and Average Salaries

| Top Occupations in Richmond and Average Salaries |                                      |                           |
|--|--------------------------------------|---------------------------|
| Occupation                                       | Number of Renter Households Employed | Average Individual Income |
| Restaurant and Hospitality                       | 2,980                                | \$21,655                  |
| Retail   | 1,985                                | \$28,332                  |
| Professional, Scientific & Technical Services    | 1,575                                | \$45,601                  |
| Healthcare & Social Services                     | 1,515                                | \$37,140                  |
| Transportation & Warehousing                     | 1,445                                | \$37,354                  |

Source: BCNPHA Rental Housing Index, 2014.

The data in the chart above suggests that housing affordability may be a significant challenge for many residents who comprise a major proportion of the local work force. This observation supports findings in the June 2014 Business Development Survey<sup>6</sup> conducted by the City of Richmond, which identified cost of living and housing affordability among the top concerns for local employees. More recently, a survey conducted in July 2016 by the Richmond Chamber of Commerce found that housing unaffordability had become a significant employee recruitment and retention issue for the majority of its members. The City's Social Development Strategy recognizes this challenge and the need to explore options for increasing the supply of "work force" housing, as ensuring local workers can live in Richmond is essential to creating a complete community.

### 3.4 Housing Tenure

Richmond has traditionally been a city of homeowners, however from 2011 to 2016 the rate of renters increased by a factor of 18% compared to 4% new owners in Richmond; the proportion of renters increased from 23% to 26% of all households during this time period (Census 2016)

### 3.5 Housing Stock

Figure 11 highlights the number of units by type in 2006, 2011 and 2016. The number of single family detached housing is decreasing while multi-family residential development is increasing throughout the City. The most significant increase continues to be apartments greater than five storeys going from 6,950 in 2011 to 10,400 in 2016.

<sup>6</sup> This survey included responses from 52 companies representing over 7,000 employees.

Figure 11: Number of Units of Housing, by Type – 2006, 2011 and 2016

| Housing Type                          | 2006       |            | 2011       |            | 2016       |            |
|---------------------------------------|------------|------------|------------|------------|------------|------------|
|                                       | # of Units | % of Total | # of Units | % of Total | # of Units | % of Total |
| Units                                 | % of Total | # of       | 25,320     | 37.2       | 24,315     | 33         |
| Single Detached                       | 25,385     | 24.6       | 16,210     | 23.8       | 17,730     | 14         |
| Row House                             | 11,805     | 19.2       | 13,445     | 19.8       | 14,595     | 2          |
| Apartment<br>(greater than 5 storeys) | 3,760      | 6.1        | 6,950      | 10.2       | 10,400     | 20         |
| Duplex                                | 3,230      | 5.2        | 4,090      | 6.0        | 4,685      | 6          |
| Semi-Detached House                   | 1,840      | 2.9        | 1,695      | 2.5        | 1,650      | 24         |
| Moveable Dwelling                     | 235        | 0.38       | 250        | 0.4        | 65         | 0.0        |
| Other Single-Attached House           | 10         | 0.02       | 20         | 0.03       | 20         | 0.1        |
| Total # of Occupied Dwellings         | 61,430     | 100        | 67,980     | 100        | 73,460     | 100        |

Source: 2006 Census, 2011 NHS, 2016 Census

This trend is further reflected in the City's recent building permit statistics. In 2016, apartments comprised 65% of all housing starts in Richmond, followed by single family dwellings (23%), and townhomes (10%). Figure 12 displays the number of completed new housing units in Richmond by unit type, highlighting that apartments have dominated residential development in Richmond since 2009.

Figure 12: Completions in Richmond 2005–2014, by Unit Type

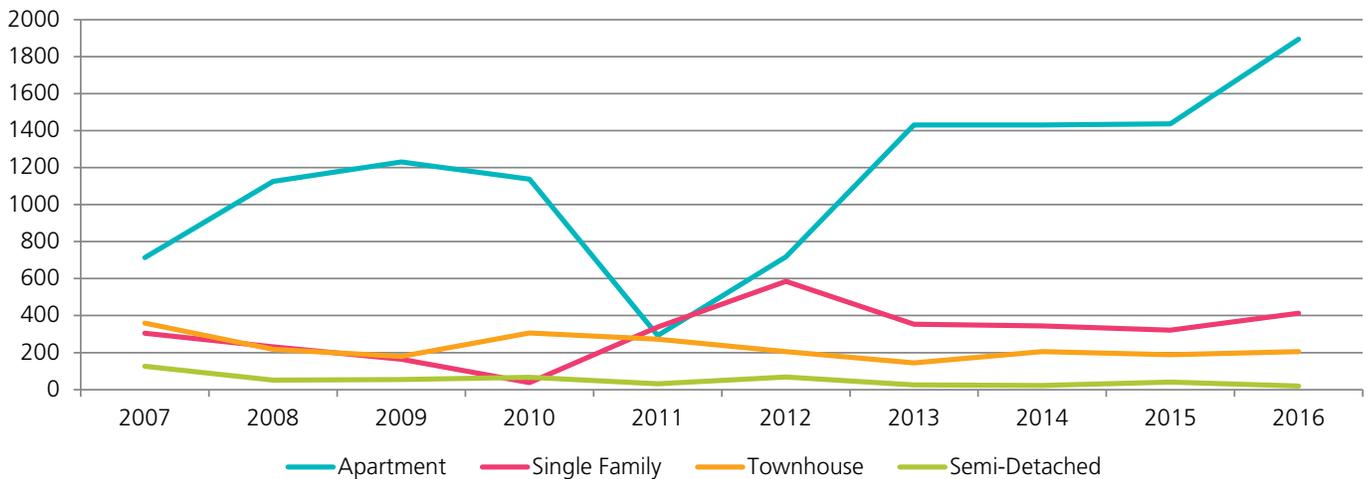
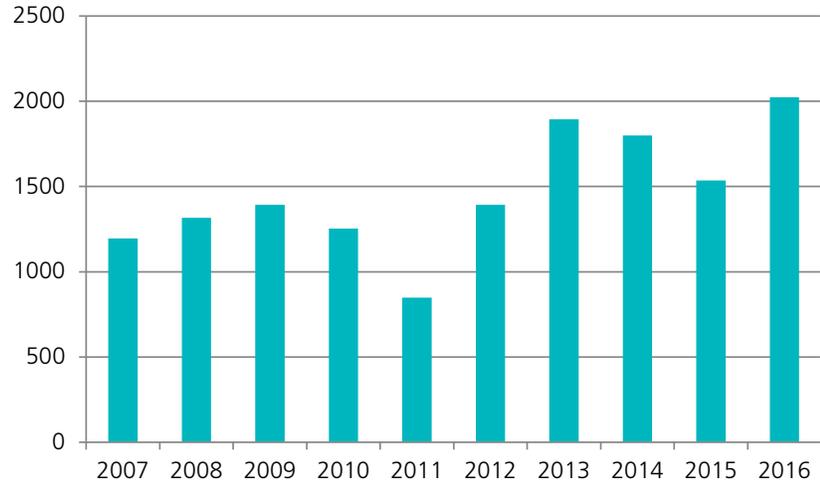


Figure 13 also shows that the number of net completions, or completed housing units minus demolished housing units, has increased steadily year after year. The year 2016 was a record year in the number of net completed units.

Figure 13: Net Completions 2007–2016



Source: CMHC Building Statistics, 2017.

### 3.6 Age of Housing Stock

While recent residential construction activity continues to add substantial amounts of new housing, homes built prior to 1980 make up over 33% of the City’s housing inventory (2016 Census). This is an important and significant part of the City’s overall housing stock which, due to its age may need substantial improvements and may be facing pressure for redevelopment.

Figure 14: Richmond’s Housing Stock by Year of Construction in 2011 and 2016



Source: NHS, 2011, Census 2016.

Of particular interest is the City’s inventory of 3,477 purpose-built rental units, most of which were built between 1960 and 1990 and which constitute a significant amount of the City’s affordable housing stock. Much of this stock may be under pressure for redevelopment due to its age, condition and the potential for higher density development. In 2012, Metro Vancouver’s Rental Inventory and Risk Analysis estimated that 15 properties comprising a total of 1,180 rental units in Richmond were at high risk of redevelopment. The City is currently preparing a market rental policy aimed at protecting and enhancing this important component of Richmond’s housing stock.

## 4. Richmond's Housing Market

### 4.1 Non-Market Housing

#### 4.1.1 The Facts

As of December 31, 2017, there were 2,874 non-market housing units in Richmond that include assisted and co-op family housing and which were secured primarily through the efforts of the non-profit sector with a variety of earlier senior government funding programs prior to 2007. The City currently leases eight (8) City-owned properties at below market rates to non-profit housing providers. In addition, 477 subsidized rental units have been secured through the Affordable Housing Strategy (as of December 31, 2017).

A critical issue with respect to much of the older affordable housing stock is expiring operating agreements, whereby senior governments provided subsidies to non-profit and co-operative (co-op) societies to support the financial viability of affordable housing projects, and subsidized rents for low-income tenants through a rent-geared-to-income approach. These agreements were secured during the 1960s and 1970s and were usually tied to a mortgage, meaning that when the mortgage expires, non-profits and co-ops will be solely responsible for the project's ongoing financial viability. Although these non-profits will have greater control over financial management without an operating agreement, they may be vulnerable to revenue deficits, insufficient capital reserves, and major project renovation repairs without continued government financial support. The number of affordable units, administered by co-op and non-profit societies, with expiring operating agreements in Richmond in the next five years is 1,543 (BC Housing, 2014). Figure 15 displays the number of affordable housing units with expiring operating agreements over time.

In late 2017, the Federal Government launched the National Housing Strategy (NHS). A key initiative in the NHS is the "Community Initiative Fund" where the federal government will directly fund existing social housing, which may have expiring agreements or not. The fund will have \$500 million total and funding will be in place starting April 1, 2020. The federal government has committed to providing a "Technical Resource Centre" to support housing providers whose operating agreements will expire before 2020.

Figure 15: Affordable Housing Units in Richmond with Expiring Operating Agreements

| Richmond Affordable Housing Units with expiring Operating Agreements |                 |
|--|-----------------|
| Year   | Number of Units |
| 2016–2020  | 1,543           |
| 2021–2025  | 534             |
| 2026–2030  | 299             |
| 2030–2040  | 80              |
| Total by 2040  | 2,513           |

Source: Metro Vancouver, 2017. Housing Data Book.

### 4.1.2 Indicators of Need

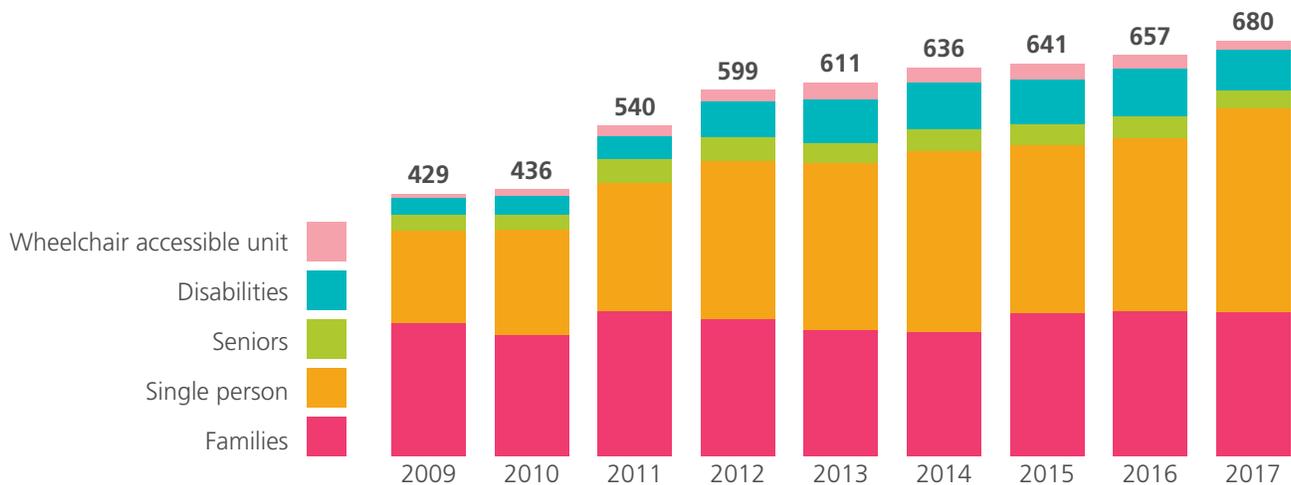
#### Low Income Households—Disparity Between Income Assistance Shelter Rates and Housing Costs

As noted, 22.2% of Richmond residents were considered low-income in 2016. While many low-income households receive income assistance from the Province, the maximum monthly shelter allowance for an individual is \$375 and for a family of four is \$700—rates that have not increased since 2007. Due to the high cost of housing in Metro Vancouver, these households likely require access to non-market housing with deep subsidies in order to have income left for basic needs such as food, electricity, clothing and transportation.

#### Social Housing Wait Lists—Growing Number of Richmond Households Waiting for Subsidized Housing

BC Housing provides social housing throughout the province, including rent-g geared-to-income for households under specific income thresholds. The waitlist (BC Housing Registry) for this type of housing in Metro Vancouver has increased by 30% from 7,421 households in 2010 to 9,674 households in 2015. The wait list is an important indicator of affordable housing need throughout the region. There are currently 680 households waiting for social housing in Richmond, with an average wait time of five to seven years (Metro Vancouver, 2017). Figure 16 highlights that seniors and families are the largest groups needing subsidized housing in Richmond. Also of note is that the wait list for adaptable units for people with disabilities in Richmond has increased 134% from 35 households (2009) to 82 households in 2017. This may indicate the barriers that individuals with disabilities experience finding accessible accommodation that is also affordable. BC Housing currently administers the waitlist for 16 developments on the Housing Registry in Richmond.

Figure 16: Richmond Households on Social Housing Waitlists, by Need (2017)



Source: Metro Vancouver, 2017, Housing Data Book.

### Homelessness and At Risk of Homelessness

Figure 17 highlights the various types of homelessness (Homeless Hub, 2015). The Metro Vancouver Homeless Count has been conducted regionally every three years since 2002. The 2017 Metro Vancouver Homelessness Count found 70 homeless individuals; this is an 84% increase in the number of homeless persons counted since 2014. It is recognized that the 24-hour survey is an underestimation since all homeless persons cannot be located. Service providers in Richmond estimate this number to be much higher noting that they collectively serve over 120 homeless clients.

Figure 17: Definitions of Types of Homelessness

| Types of Homelessness      |   |
|----------------------------|---|
| Unsheltered                | Absolutely homeless and living on the streets or in places not intended for human habitation  |
| Emergency Sheltered        | Individuals staying in overnight shelters   |
| Provisionally Accommodated | Individuals in temporary accommodation, such as “couch surfing” or lacking security of tenure   |
| At Risk of Homelessness    | Individuals who are not homeless, but whose current economic and/or housing situation is precarious and/or does not meet public health and safety standards |

Source: Homelessness Hub, 2015.

“Core housing need” is a measure of the number of households that are inadequately housed due to the condition, size or the cost of a housing unit. In Metro Vancouver, households in core housing need and spending at least 50% of their household income on shelter are considered to be in dire need and at risk of homelessness. Using this measure, 8.7% (5,320) of all Richmond households were at risk of homelessness in 2011. This includes 13.4% of all renter households and 7.3% of all owner households (2016 Metro Vancouver Housing Data Book).

### A Community Based Response to Homelessness

Local non-profit agencies continue to work together to provide services to the homeless population in Richmond.

Currently, the Salvation Army operates the only year-round emergency shelter in Richmond. The shelter has ten men-only beds and is not wheelchair accessible. The shelter is always at capacity and turns away approximately 133 visits per month (equating to approximately 60 individual clients). In September 2017, the City of Richmond in partnership with BC Housing and The Salvation Army announced the relocation and expansion of emergency shelter services to a new location in Richmond. The new emergency shelter will provide safe and secure shelter spaces in a supportive environment for 30 of Richmond’s most vulnerable residents and will be physically accessible, minimal barrier in its approach to service delivery and inclusive of men and women. The current services will be relocated once the new shelter is completed in 2019.

Chimo Community Services operates Nova Transition House, where there are ten emergency beds for women fleeing violence. This is not a low-barrier shelter, and at this time there are no beds for homeless women and children in Richmond. On average, Chimo reports that it turns away ten women every month seeking shelter.

There are 22 emergency shelter extreme weather shelter beds at St. Alban Church and the Salvation Army. These beds are only available only during the winter months (November 1 – March 31) when the weather is deemed severe enough. St. Alban's emergency weather shelter was open for 40 nights during the 2016/17 winter season and offered accommodation to 617 individuals, including 70 females.

Turning Point's Resource Centre, which functions as a central hub for individuals experiencing homelessness currently operates out of The Salvation Army Community Church.

The City of Richmond has embarked on updating the 2002 Homelessness Needs Assessment and Strategy. Supported by a Steering Committee comprised of representatives from non-profit, government, and quasi-government representatives, the updated needs assessment and strategy will help to ensure the City continues to respond to the current and future needs of Richmond residents at risk of or experiencing homelessness.

## 4.2 Rental Housing

### 4.2.1 The Facts

Rental housing is an important and valuable component of the City's housing continuum and includes non-market, low end market rental (LEMR), purpose built market rental and secondary market units (e.g. rented strata-titled units). According to the CMHC 2015 Rental Market Report, there are 3,477 units of purpose built rental units in Richmond. In addition, it is assumed that approximately 12,078 renter households find accommodation in the secondary rental market (2011 Census).

Between 2011 and 2017, the average rents for all sizes of purpose built rental units in Richmond have increased by 18%; the largest increase (24.1%) was for three bedroom units. Figure 18 displays the increase in rent for all unit types in Richmond from 2011–2017.

Figure 18: Richmond Rents Increases—2011–2017, by Unit Type

| Richmond Monthly Average Rents, by Unit 2011–2017 (\$) |          |           |           |             |
|--|----------|-----------|-----------|-------------|
|  | Bachelor | 1 Bedroom | 2 Bedroom | 3 Bedroom + |
| 2011   | 736      | 905       | 1,278     | 1,325       |
| 2012   | 749      | 947       | 1,365     | 1,417       |
| 2013   | 796      | 953       | 1,177     | 1,508       |
| 2014   | 808      | 994       | 1,198     | 1,327       |
| 2015   | 843      | 1,025     | 1,296     | 1,596       |
| 2016   | 901      | 1,083     | 1,353     | 1,644       |
| 2017   | 985      | 1,185     | 1,375     | 1,698       |
| % Change   | 22.4%    | 19.7%     | 5.9%      | 24.1%       |

Source: CMHC, 2011 – 2017 Rental Market Surveys.

Figure 19 displays the number of renter households in Richmond who spend more than 30% of their before tax income on housing and the percentage of renter households living in non-market housing.

**Figure 19: Number of Renter Households spending 30% or Greater of Total Annual Income on Shelter**

| <b>Renter Households in Richmond</b>  |          |
|---|----------|
| Number of tenant household in private dwellings   | 18,910   |
| % of renter households in subsidized housing  | 15.4%    |
| % of renter households spending 30% or more of households total income on shelter costs | 47.1%    |
| Median monthly shelter costs for rented dwellings (\$)                                  | \$1,225  |
| Median annual household income  | \$48,989 |

Source: 2016 Census & Metro Vancouver, 2017. Housing Data Booklet.

## 4.2.2 Indicators of Need

### Income Gap—Renter Household vs. Market Rent

The median annual income for renter households in 2016 was \$48,989 (Metro Vancouver, 2017) which is substantially lower than the median household income of \$71,840 for all Richmond households.

Figures 20 highlights the minimum annual income necessary and the percentage of median renter annual income required to spend 30% or less of gross annual income on the average priced rental unit. Although these minimum annual incomes are less than those necessary to own a home it can be assumed that finding affordable rents may be a challenge due to extremely low vacancy rates, especially for families who require multi-bedroom rental units.

**Figure 20: Annual Income Necessary to Rent in Richmond, by Unit Type**

| <b>Housing Type</b>                          | <b>3+ Bedroom</b> | <b>2 Bedroom</b> | <b>1 Bedroom</b> | <b>Bachelor</b> |
|--|-------------------|------------------|------------------|-----------------|
| Average Monthly Rent                         | \$ 1,698          | \$ 1,375         | \$ 1,185         | \$ 985          |
| Annual Income Necessary to Rent with 30% GDS | \$ 67,920         | \$ 55,000        | \$ 47,400        | \$ 39,400       |

Source: Metro Vancouver, 2015. Housing Data Booklet & Community Social Development 2016.

As of March 2016, 467 family households and 796 seniors receive monthly rent supplements from BC Housing to provide some financial relief by making market rent rates more affordable. This data further reflects a gap between renter income and the average market rent in Richmond.

### Increasing Number of Households in Core Housing Need

In Richmond, the number of all households in core housing need (both renter and owner households) as defined by CMHC has increased from 19.5% in 2011 to 20.4% in 2016. In 2011, 33.3% of all renter households and 15.5% of all owner households were considered to be in core need (CMHC, 2011).

### **Persistently Low Vacancy Rates**

In 2017, rental vacancy rates in Richmond were lower than 1%, for all unit types. This is an average decrease of 25% in vacancy since 2011. According to the most recent CMHC Rental Market Survey (Fall 2017), the average vacancy rate for purpose-built apartments in Canada's 35 major urban centres was 2.7%, close to what many housing professionals believe is a healthy rental market. Richmond's lower than average vacancy rates are indicative of a constrained rental housing market adding pressure for higher rents and making it more difficult for renters to find adequate housing.

### **Situation "Critical"**

The Rental Housing Index, developed by the BC Non Profit Housing Association and Vancity, using data from the 2011 National Household Survey provides a detailed analysis of the affordability and suitability of rental housing in over 800 municipalities across Canada. The Index measures affordability (% of household income spent on housing), overspending (households spending more than 50% on housing), income gap (additional annual household income needed to make current rent affordable), overcrowding (living in units not suitable for household size) and bedroom shortfall (additional bedrooms needed to suitably house renters). The Index was published in 2015 and found that Richmond is the third least affordable municipality in BC for renters – a situation considered "critical," ranking 70th out of 72 BC municipalities in terms of affordability and suitability of rental housing.

## **4.3 Homeownership**

### **4.3.1 The Facts**

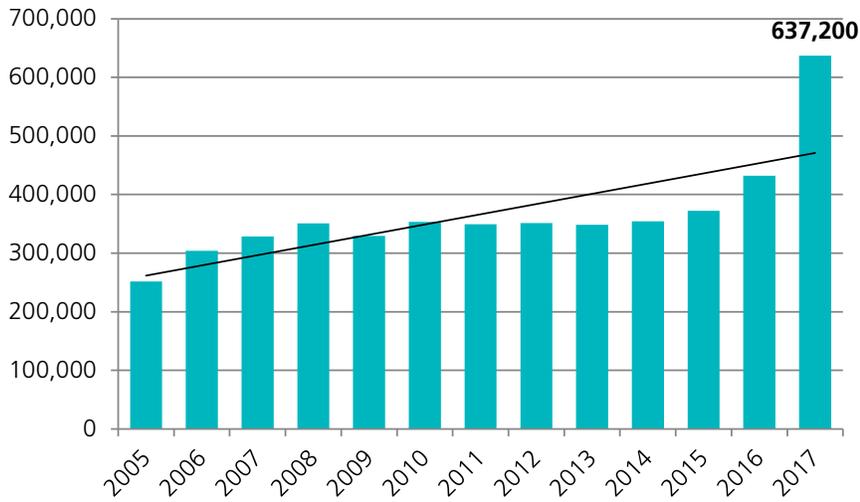
#### **Persistent and Significant Increase in the Price of Housing**

Homeownership may be out of reach for many households as the increase in housing prices, particularly for single family homes is far outpacing increases in household incomes. Between 2001 and 2011, median household income increased by only 20.8%, which is far exceeded by the increase in real estate prices.

The benchmark price of housing units in Richmond has been steadily increasing from 2005 to 2017. Specifically, the benchmark price of apartments has increased by 153%, townhomes by 151%, and single detached houses by 223% (Real Estate Board of Greater Vancouver, December 2017). To note, the price of a single-detached home fell slightly from 2016 to 2017, which may be due to the Provincial Foreign Buyers Tax implemented in 2016. Figures 21–23 demonstrate the increase in benchmark price for an apartment, townhouse and single detached housing unit based on the home price index used by the Vancouver Real-Estate Board, 2005–2017.<sup>7</sup>

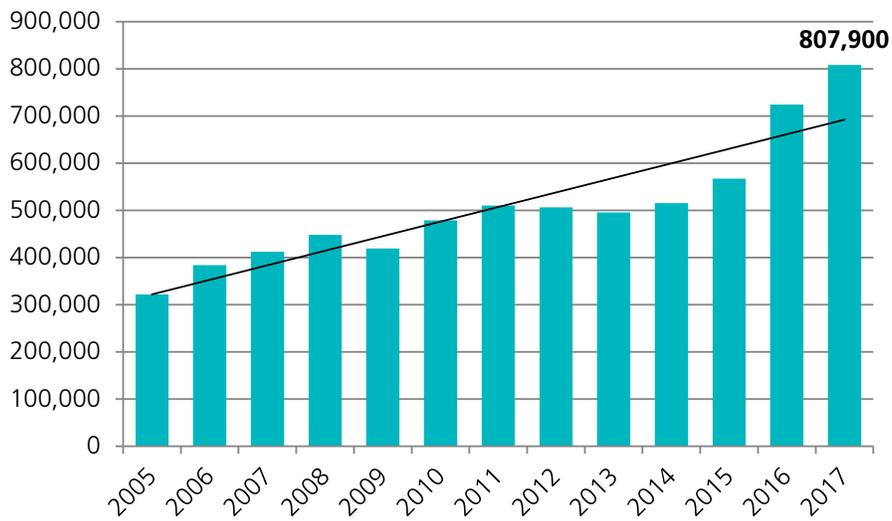
<sup>7</sup> The MLS Benchmark price represents the price of a typical property within each market. It takes into account characteristics such as lot size, age, and the number of rooms that average and median price of housing units do not account for.

Figure 21: MLS Benchmark Price for Richmond Apartments, 2005–2017



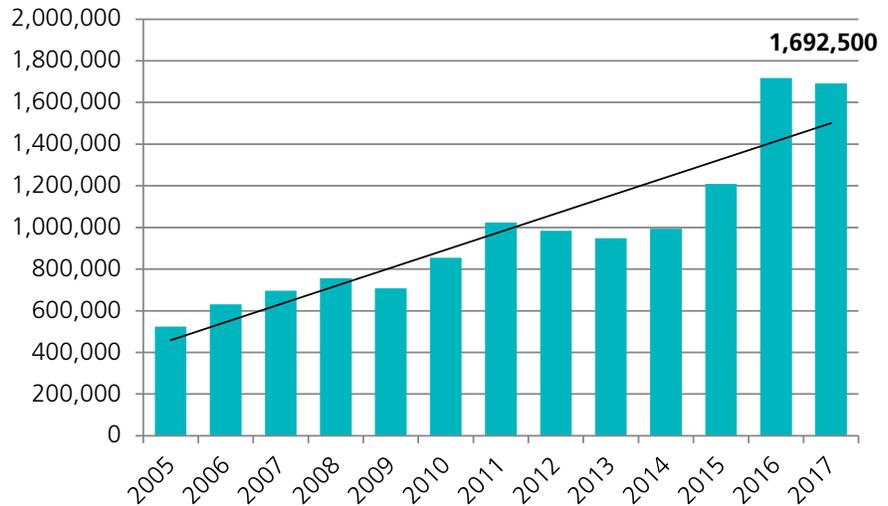
Source: Real Estate Board of Greater Vancouver. December 2017, MLS Home Price Index.

Figure 22: MLS Benchmark Price for Richmond Townhouses, 2005–2017



Source: Real Estate Board of Greater Vancouver. December 2017, MLS Home Price Index.

Figure 23: MLS Benchmark Price for Richmond Single Detached Houses, 2005–2016



Source: Real Estate Board of Greater Vancouver. December 2017, MLS Home Price Index.

### 4.3.2 Indicators of Need

#### Housing Price Increases Outpacing Household Incomes.

According to the Annual Demographia International Housing Affordability Survey (2015), Metro Vancouver ranked as the third most unaffordable market internationally for homeowners behind Hong Kong and Sydney (Australia). This organization ranks urban centres using the median multiple, which divides the median house price of all housing types by the gross annual median income. According to this ratio (a recommended measure by the World Bank), buyers in Metro Vancouver need to earn ten times the median income to purchase the median priced housing unit. Figure 24 displays the median multiple ratings indicating unaffordability.

Figure 24: Demographia International Housing Affordability Survey:

| Demographia International Housing Affordability Survey: Housing Affordability Rating Categories |                 |
|---|-----------------|
| Rating  | Median Multiple |
| Severely Unaffordable   | 5.1 & Over      |
| Seriously Unaffordable  | 4.1–5.0         |
| Moderately Unaffordable   | 3.1–4.0         |
| Affordable  | 3.0 & Under     |

Source: Demographia, 2015. Annual Demographia International Housing Affordability Survey & Community Social Development 2016.

When the median multiple is calculated for Richmond (using available data of benchmark housing prices), all housing types in the city would be considered severely unaffordable, relative to the median household income in Richmond (\$65,368).

Figure 25: Median Multiple of Richmond Housing Types

| Unit Type       | Benchmark Price | Median Multiple |
|-----------------|-----------------|-----------------|
| Single Detached | \$ 1,692,500.00 | 25.9            |
| Townhouse       | \$ 807,900.00   | 12.4            |
| Apartment       | \$ 637,200.00   | 9.7             |

Source: Community Social Development 2016.

Figure 26 illustrates the minimum annual income necessary to purchase a housing unit in the City based on a gross-debt-service (GDS) ratio of 32%.<sup>8</sup> According to the calculations in the charts, the annual income necessary to purchase a typical unit in the city significantly exceeds the median household income (\$65,368) in Richmond. Saving for a down payment is a barrier for many first-time homebuyers and therefore it is assumed that some households will not be able to provide a 20% down payment and therefore require a higher annual income to support a larger mortgage.

Figure 26: Annual Incomes Necessary for Homeownership in Richmond with 32% GDS, by Unit Type<sup>9</sup>

| Housing Type    | Benchmark Price | Down Payment | Annual Income Necessary with 32% GDS Ratio |
|-----------------|-----------------|--------------|--|
| Single Detached | \$ 1,692,500.00 | 5%           | * see footnote 3                           |
|                 |                 | 10%          |  |
|                 |                 | 20%          | \$ 247,703                                 |
| Townhouse       | \$ 807,900.00   | 5%           | \$ 145,908                                 |
|                 |                 | 10%          | \$ 138,575                                 |
|                 |                 | 20%          | \$ 123,906                                 |
| Apartment       | \$ 637,200.00   | 5%           | \$ 116,466                                 |
|                 |                 | 10%          | \$ 110,682                                 |
|                 |                 | 20%          | \$ 105,863                                 |

Source: Real Estate Board of Greater Vancouver. December 2017, MLS Home Price Index & Community Social Development 2016.

<sup>8</sup> Board of Greater Vancouver, March 2016 Home Price Index. The mortgage amount is calculated with a 25 year amortization period with a 5 year fixed interest rate of 3.19% and bi-monthly payments. The strata fees are calculated as 50% of an assumed median strata fee of \$300. Heating costs were assigned a price of \$25 monthly, and \$50 for a single detached unit.

<sup>9</sup> In December 2015, the Federal Government changed the requirements regarding CMHC insured mortgages. Homebuyers will now need to place a 5% down payment on a \$500,000 portion and a 10% down payment on the portion after \$500,000. Therefore calculations for minimum annual income needed for a townhouse in Figure 26 are slight underestimations. CMHC will not insure mortgages for units over \$1,000,000, so therefore a household must have a 20% down payment for units greater than this price. Households' GDS ratio is an important indicator of housing affordability; however it does not take into consideration the condition or suitability of a household's unit. For example, households may need to exceed the 30% GDS ratio if they need to rent or purchase a multi-bedroom in order to better accommodate their family. This measurement also does not take into consideration the costs of living including child care, transit and food. In October 2016, further changes were made to mortgage insurance. Now, buyers with less than a 20% down payment will also need to qualify for a mortgage using the Bank of Canada's five-year fixed posted mortgage rate, which is usually higher than what a typical buyer can negotiate. These buyers will also only be eligible for a mortgage that equates to monthly payments that are less than 39% of their total monthly income. Together, these changes may make it more difficult for some households to qualify for a mortgage necessary to purchase a housing unit in Richmond.

Figure 27 displays the number of owner and renter households in Richmond who spend more than 30% of their before tax income on housing provision.

Figure 27: Number of Owner Households spending 30% or

| <b>Owner Households in Richmond</b>  |                   |
|--|-------------------|
| Number of owner households in private dwellings                                | 54,475 households |
| % of owner households with a mortgage  | 57% of households |
| % of owner households spending 30%> of household total income on shelter costs | 32% of households |
| Median monthly shelter costs for owned dwellings (\$)                          | \$1,796 /month    |
| Median annual household income   | \$71,840 /year    |

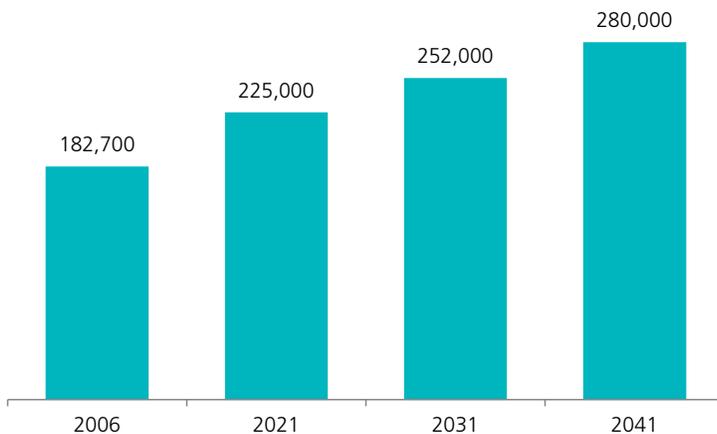
Source: 2011 NHS & Metro Vancouver, 2015. Housing Data Booklet.

## 5. Future Need

### 5.1 Projections

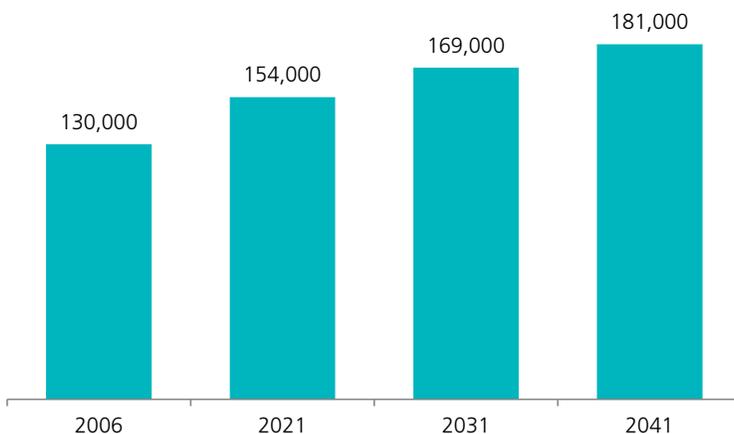
According to the *Official Community Plan*, Richmond's population is projected to grow to 280,000 by 2041. This represents a 30.9% increase from population estimates. Along with an increase in population, there will be an increase in demand for local employment opportunities and dwelling units. Metro Vancouver (2015) estimates that Richmond will have to accommodate a total of 181,000 jobs and 115,500 housing units by 2041. Also according to Richmond's OCP (2012), much of the growth will be accommodated in the City Centre planning area. Figures 28–30 display Metro Vancouver's population, employment and housing unit projections for Richmond.

Figure 28: Richmond Population Projections, 2006–2041



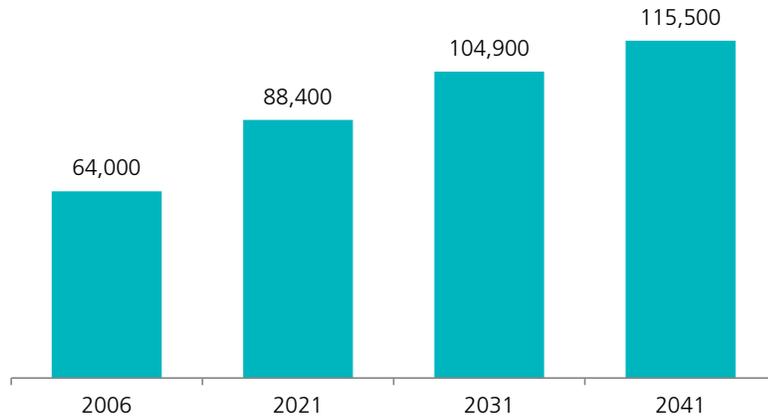
Source: Metro Vancouver, 2011. Metro 2040: Shaping Our Future.

Figure 29: Richmond Employment Projections, 2006–2041



Source: Metro Vancouver, 2011. Metro 2040: Shaping Our Future.

Figure 30: Richmond Housing Unit Projections, 2006–2041



Source: Metro Vancouver, 2011. Metro 2040: Shaping Our Future.

Projections prepared for the City of Richmond (Urban Futures, 2010) predict that apartments will comprise 42% of all housing units in Richmond by 2041, with most located in the City Centre. According to the 2011 Census, apartments currently comprise 33% of housing units.

## 5.2 Housing Demand Estimates

Metro Vancouver, in consultation with municipal staff throughout the region, has calculated 10 year housing projections to help guide the preparation of local affordable housing strategies. Figure 31 displays Richmond’s housing demand estimates by type annually and for the period from 2016 to 2026.

Figure 31: Richmond’s Housing Demand Estimates, 2016–2026

| Richmond Housing Demand Estimates 2016–2026 |        |         |
|---|--------|---------|
| Types of Housing                            | Annual | 10 Year |
| Very Low-Income Rental                      | 130    | 1,300   |
| Low-Income Rental                           | 70     | 700     |
| Moderate Income Rental                      | 60     | 600     |
| Above Moderate Market Rental                | 30     | 300     |
| High Income Market Rental                   | 30     | 300     |
| Total Rental                                | 320    | 3,200   |
| Ownership                                   | 1,080  | 10,800  |
| Total Demand                                | 1,400  | 14,000  |

Source: Metro Vancouver, 2016.

## 6. Conclusions

The data and statistics presented in this profile have identified key housing affordability issues and trends facing Richmond that will help inform the development of the Affordable Housing Strategy 2017–2027, including:

- Richmond’s population will continue to grow and age, affecting the demand for smaller, affordable and accessible housing units allowing ageing in place;
- The number of low-income residents is growing and exceeding provincial and national averages—in 2016, 22.2% of the population was considered to be low-income;
- Median household incomes are lower than the regional average, and local employees are struggling with housing affordability as there are growing gaps between income, housing purchase price and rents;
- The number of households waiting for supportive housing is growing including seniors, families and persons with disabilities;
- Over the next 20 years, the majority of existing social housing will need to re-enter into operating agreements with senior levels of government or be at risk of losing subsidy.
- There is a large number of market rental housing at risk of redevelopment, which currently provides valuable affordable housing stock;
- Consistently low vacancy rates increase the cost of renting;
- Increasing rents and the purchase price of housing are outpacing income growth;
- The 2011 to 2016 period showed that renters as a population grew at a greater rate than homeowners and increased the proportion of households from 23% to 26%;
- 47% of tenants and 32% of owners in Richmond are spending more than 30% of their gross income on housing (exceeding CMHC’s measurement of affordability);
- 8.7% of Richmond households are considered to be in dire need and at risk of homelessness (in core housing need and spending at least 50% of their household income on shelter are);
- 20.2% of all households are in core-housing need according to CMHC;
- Renter households with a median annual income (\$48,989) cannot afford to rent units that are larger than one bedroom;
- The price of homeownership is increasing – the benchmark prices of single detached, townhouse, and apartment units increased by 223%, 151%, and 153% respectively from 2005–2017; and
- Homeownership is considered to be severely unaffordable in Richmond, and may be out of reach for many residents.



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