

City of Victoria is over-building residential housing, exacerbating affordability woes

- By Geanine Robey for April 26 Public Hearing on 1201 Fort Street

**“Vancouver home prices have fallen off after years of growth but now
Victoria... is picking up where Lotusland left off.”**

*- Global News report re: April 2018 Teranet-
National Bank House Price Index*

City of Victoria residential units 2011 - 2021

2016 OCP Annual Review

Net New Housing Units in the City of Victoria



Doing the math:

2016 OCP Review + J. Tinney TC stats

OCP 2016 Annual Review

- 2011 – 2015 Units: **2807** x 1.8 = **5,053 occupant spaces**

J. Tinney Aug 2017 Times Colonist Editorial

2016 Units: **940** x 1.8 = **1,692 occupant spaces**

- 2017 (Aug) Units Under Construction: **2,006** x 1.8 = **3,611**
- 2017 (Aug) Units in Planning/Approval: **2,237** x 1.8 = **4,027**

TOTAL NEW BUILDS/UNDER CONSTRUCTION

- 2011 – PRESENT: 10,356 OCCUPANT SPACES (confirmed)
 - + 4,027 OCCUPANT SPACES (pending)
- 14,383 *TOTAL NEW UNITS (72% of OCP forecast for 30 yrs, 2011 - 2041)

* *If all plans approved*

Who is the City of Victoria building for?

International Buyers

If there's really any doubt that the non-resident buyer tax in Vancouver had an impact, look no further than Victoria's accelerating price growth... up 20%."

- BMO Chief Economist
Doug Porter (April 2017)

Out-of-town Retirees

"Demand in Victoria is coming from increased migration from other part of Canada and within the province... and more retirees are expected to keep coming."

- CMHC January 30th, 2018
Housing Report

What are key effects of catering to a hot housing market?

It depends... homeowner or not?

It depends on whether you own and don't care about your offspring's ability to buy into their market too much, then it's great news. And if you rent, it's not as great news."

Davidoff - UBC Economics Prof, Tom
(co-architect of BC's new speculation tax via Global News, May 10, 2017)

Escalating prices for residential owners and renters

"At the end of the third quarter of 2017, Victoria's prices went up 21% compared to the year before" - CMHC Jan. 30, 2018 Housing Report

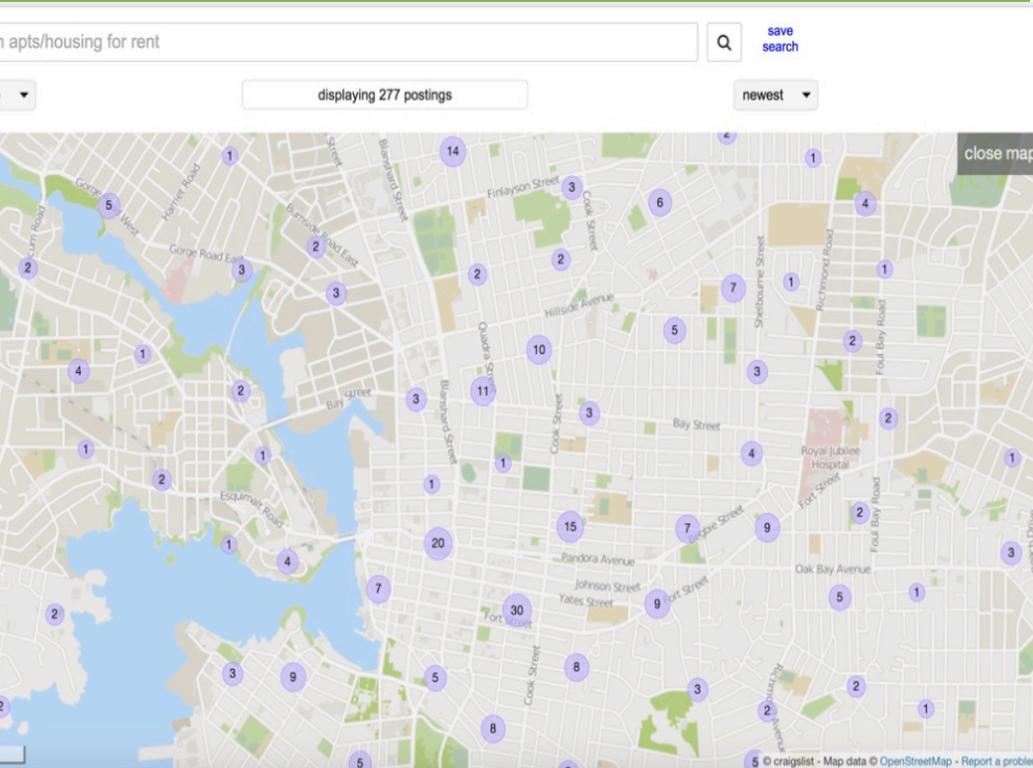
"...largest year-over-year rent increase mirrors accelerated prices in home ownership market"

- CMHC, November, 2017

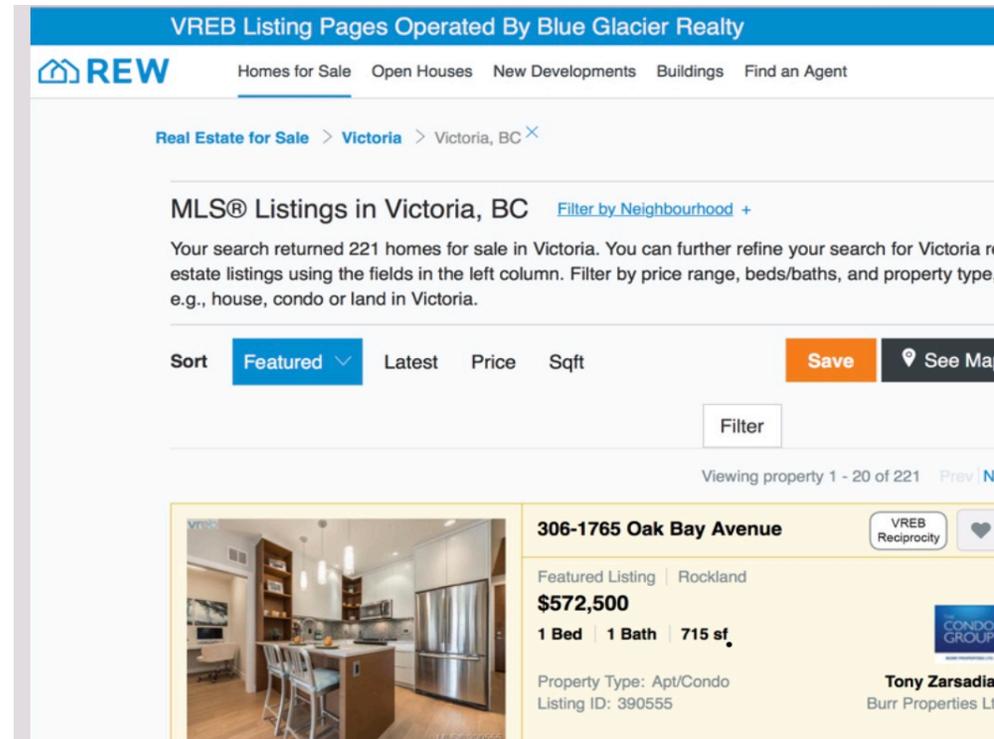
City of Victoria Surplus Housing Supply, April 25, 2018, 898 occupant spaces

Apr 25, 2018: 277 rentals (500 occupant spaces),
\$1672/mo.

*average of first 100 listings



April 25, 2018: 221 homes for sale (398 occupant spaces), City of Victoria



Saying 'no' to increasing luxury housing at the expense of local needs

Luxury condos don't service community needs..." Mayor Nils Jensen

November 2017 - Oak Bay Council rejected a luxury condo plan on the grounds that it was too big, too luxurious and did not meet local needs. As a side note, the community also objected to the loss of a 100 year old Garry oak.

Vancouver Developer: Luxury condos not for local market

"If it goes away altogether, that willingness to allow global capital into our city and invest, then those types of projects (luxury condo) will disappear."

- Jason Turcott, VP Development, Cressey Development Group via Globe and Mail, Dec. 14, 2017

What can a buyer expect to pay at 1201 Fort?

Applicant's 'Bowker' with green space in Dak Bay: 2 bedrooms, 3 baths, \$1,900,000

Bowker 1 bdrm \$650,000 (w/ 5%
down @4.99% = \$4,285/mo (30% of
\$14,283/mo income or \$171,000 yearly
income



MLS® #: 387676
PH7-2285 Bowker Ave, Victoria
V8R5G9
Victoria British Columbia V8R5G9

\$1,900,000

2 Beds, 3 Baths
Condos



British Columbia / Oak Bay / Henderson / Bowker Collection



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Bowker Collection

2285 Bowker Avenue, Victoria, BC

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Gentrification is a contagion that spreads

1208-1210 Fort Street Development Proposal (across from 1201 Fort)

My neighbour and her development consultant proposed 4 townhomes with underground parking, a spa and coffee shop to replace her house on a single lot with 2 low income suites. Such are the expectations that site specific zoning and outrageous variances have created.

1050 Pentrelew: 2 suite home purchased to augment 1201 Fort site

- Applicant promised property as a donation to charity at their Lutheran Church event. Not in the housing agreement.
- Default provision is for a small payment of \$250,000 if an occupancy permit for 10 below-market units is not issued by December 31, 2020