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|  Division Manager |  Director |  CAO |
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The Corporation of **THE CITY OF NORTH VANCOUVER**
COMMUNITY DEVELOPMENT DEPARTMENT

INFORMATION REPORT

To: Mayor Darrell R. Mussatto and Members of Council

From: Wendy Tse, Planner 1

SUBJECT: CITY OF NORTH VANCOUVER HOUSING PROFILE

Date: September 24, 2015 File No: 10-5040-03-0001/2015

ATTACHMENT:

1. City of North Vancouver Housing Profile (Doc#1280442)

DISCUSSION:

On June 25, 2015, Council approved the appropriation of \$50,000 from the City's Affordable Housing Reserve Fund to create a Housing Action Plan. In preparation of the Housing Action Plan, a Housing Profile has been created to understand gaps in the City's current housing stock and to determine emerging housing needs and trends in the future. Using a variety of data sources, the primary housing gaps identified for the City were:

- Family-friendly rental housing (3+ bedrooms);
- Affordable rental housing and non-market housing located in close proximity to transit corridors / Frequent Transit Network;
- Seniors-oriented and age-friendly housing, including adaptable/accessible units; and,
- Supportive housing for persons experiencing homelessness, at-risk of homelessness, and persons transitioning from a shelter to permanent affordable housing;

NEXT STEPS:

A workshop with Council on the Housing Action Plan is scheduled for Monday, November 2nd, 2015 to discuss the findings in the Housing Profile, as well as to explore possible policy options to address the housing gaps in the City.

To date, the City has conducted two Housing Innovations Tours to allow residents to tour unique housing types in the City, including a modular coach house and cohousing. The Innovations in Small Housing Showcase at the City's Shipyards has further provided the public with a firsthand look at smaller housing units and the creative housing solutions being devised. Further engagement activities are anticipated in the next few months and will be advertised on the City's Housing Action Plan website: www.cnv.org/HousingActionPlan.

RESPECTFULLY SUBMITTED:



Wendy Tse
Planner 1

Attachment

WT/eb

Housing Profile

City of North Vancouver Housing Action Plan

SEPTEMBER 2015 | COMMUNITY DEVELOPMENT



SUMMARY OF HOUSING NEEDS AND ISSUES

The indicators presented in this Housing Profile provide insight into the issues, needs and challenges to ensuring affordable and suitable housing is available to City of North Vancouver residents. The indicators help to demonstrate the gaps in the City's housing supply, as well as the groups experiencing the greatest housing challenges in the local housing market. Below is a summary of the primary housing issues and needs in the City, followed by data indicators and analysis in support of the identified issues and housing gaps. The issues and housing gaps are presented at a high-level in the Housing Profile and will serve as a starting point to explore options and strategies that will be researched and tested throughout the creation of the Housing Action Plan.

Housing Gaps and Market Challenges

The primary housing gaps identified for the City of North Vancouver are:

- Family-friendly rental housing (3+ bedrooms);
- Affordable rental housing and non-market housing located within close proximity to transit corridors / Frequent Transit Network;
- Seniors-oriented and age-friendly housing, including adaptable/accessible units; and,
- Supportive housing for persons experiencing homelessness, at-risk of homelessness, and persons transitioning from a shelter to permanent affordable housing;

The region's rapidly rising housing costs have put pressures on all City residents, but the following groups are noted as experiencing these challenges in particular:

Low to Moderate Income Families

In the City of North Vancouver, families earning less than the median income are challenged to find rental housing with enough bedrooms for children while remaining within an affordable rent range (less than 30 percent of gross median income). This is supported by the consistently high applicant wait list for family-oriented non-market housing units. The rental assistance program offered by BC Housing, which provides eligible low-income families with a subsidy to offset the cost of market rental housing, has also seen increased usage in the City. However, the low vacancy rate and low availability of large rental units (3+ bedrooms) makes it difficult for low-income families to apply their subsidy to a suitable unit. Generally, low-income families in North Vancouver are challenged to find available rental units with enough space to accommodate all members of their family. The high number of lone-parent households in the City presents further housing challenges due to their limited income, as opposed to dual income households.

The housing affordability analysis presented in this report further indicates that there are moderate income earner families that are narrowly out of reach of homeownership. One of the

largest hurdles for these families is saving enough money for a down payment. Moderate income households could potentially alleviate some of the pressure on the rental market if they could move towards the homeownership side of the housing continuum; however, the initial financial requirements for entering homeownership often prove to be a barrier.

Equally challenging in the City is the number of owner households who are paying more than 50 percent of their gross income towards housing. These households, considered to be in core housing need, are vulnerable to potential changes to fixed costs related to the housing market, including interest rates and property taxes, and as well as other household costs, such as transportation and childcare. Many moderate income homeowner families in the City are over-stretched, living outside of the standard measures of affordability.

Seniors

In the coming decades, seniors are expected to experience the largest proportional growth amongst all age groups in the City. The aging of the population is already evident in the number of non-market housing units dedicated to independent and frail seniors and the growing wait list for seniors-oriented housing. In the City, nearly half (47 percent) of all BC Housing non-market housing units are dedicated to seniors. That said, there remains another 150 applicants on the wait list. There are 409 seniors in the City who are receiving rent supplements through BC Housing's SAFER program, allowing seniors to subsidize the cost of market housing to a more affordable rent price.

As the population ages, housing needs change. For seniors, some may be homeowners/empty nesters looking to downsize or find ways to stay in their existing homes. Others may be long-time renters living in older rental buildings. Whichever their circumstance, many require age-friendly and accessible housing options to help them remain healthy and independent. Housing forms that work for seniors may also work for persons with disabilities, of which there are 65 applicants on BC Housing's wait list. However, there are a limited number of accessible units within the existing housing stock, especially in older rental buildings which tend to have rent ranges affordable to the fixed incomes of seniors.

Other seniors housing issues relate to crisis, social connectedness and independence. The 2014 homeless count found 31 homeless seniors on the North Shore, 23 of which were unsheltered. There are a notable number of single senior women living on their own, who may have unique housing needs related to independence, privacy, safety, and social connections. Challenges related to seniors housing is complex, and there is a large need for homelessness prevention, at-home support, and alternative housing forms to allow seniors to age-in-place.

At-Risk Youth and Young Adults

Supporting youth is integral to the viability of the community. While the proportion of children and youth in the City is not expected to increase dramatically in the coming decades, youth are the City's next generation of post-secondary students, workers, volunteers, and occupants of

housing and it is important that young people enter the housing market on stable ground. There are often housing challenges for youth and young adults, including affording the average rental prices in the City when earning minimum wage in entry-level jobs.

Youth growing up in low-income families, especially lone-parent family households, may be more vulnerable to the increasing rental prices in the City once they leave home. They often have little to no financial support from family to afford rents or when unexpected financial hurdles are presented. This is especially true for youth aging out of foster care as government assistance ends once they turn 19 years of age. According to government care statistics in BC, nearly half of these at-risk youth will go on income assistance within the first few months of their 19th birthday. With over 2,800 lone-parent family households in the City with an average median income of \$37,420, there are many at-risk youth in the community who are susceptible to the increasing housing affordability challenges once they venture into the rental market.

Youth are often vulnerable even before they become independent. Youth fleeing domestic violence, or experiencing family breakdown, may find themselves homeless - on the streets, in shelters, or precariously housed (i.e. couch-surfing). On the North Shore, 24 homeless youth were counted as part of the 2014 homeless count, 10 of whom were unsheltered. In BC, 40 percent of homeless youth have been in foster care at some point in their lives. The North Shore Youth Safe House provides a housing resource for at-risk youth.

The challenges experienced by youth and young adults requires them to seek affordable/low end of market rental housing, which is competitive in the City, particularly in light of the increasing number of older rental buildings being redeveloped and the higher rent ranges charged for the new units.

Moderate Income Earners

Households, both family and non-family, with occupations that yield moderate incomes are challenged to afford the average rental prices in the City and largely priced out of the homeownership market. These occupations include early childhood educators, licensed practical nurses, office clerks, and financial clerks. According to wage reports, and compared to average rental prices, many of these workers are paying greater than 30 percent of their gross income towards housing costs. The City depends on these occupations to support the local economy; however, there is limited low end of market rentals to support the workforce. This issue is of increasing concern given the investment in industries such as ship building, which is expected to generate more moderate income earning employment opportunities. Housing is an important factor in the local economy – without attainable opportunities to live locally, investment in the local economy and the recruitment and retention of workers could be impacted. Affordable workforce rental housing is needed to achieve the City's goal of maintaining a "complete community," where residents can live close to their place of work.

Persons Experiencing Homelessness and At-Risk of Homelessness

The number of persons experiencing homelessness on the North Shore increased from 47 in 2002 to 119 in 2014. Persons experiencing homelessness can find refuge in the North Shore Housing Centre and Shelter, which offers 25 transitional housing units, 45 shelter beds and additional sleeping mats during extreme weather events. BC Housing offers additional support through their homeless rent supplements, which have doubled in North Vancouver since 2012 from 20 to 41. Despite a shelter and housing program, the total number of persons experiencing homelessness has not significantly decreased in the City or on the North Shore. Challenges along the housing continuum can increase vulnerability and push at-risk households into a crisis situation, as well as challenge persons experiencing homelessness to access and maintain affordable housing.

Other Considerations

Transportation and Housing

Typically, transportation is the second largest expense for households. In the City, the average homeowner spends 38 percent of their gross income towards housing and transportation costs. This figure is higher for renters, who spend 46 percent of their gross income towards housing and transportation. With such a large proportion of household income dedicated to two expenditures, planning for housing and transportation as inter-related systems is an important consideration for policy development and the Housing Action Plan.

Livability and Housing

Underscoring the housing affordability challenges in the City is the livability of the housing stock. Livability is an extension of adequacy (not requiring major repairs) and suitability (enough bedrooms for the size and makeup of resident households), integrating quality of life. From a housing lens, livability can be applied to the unit/building/structure, as well as the surrounding environment and public realm. While limited analysis on livability has been undertaken in the City, it is an important consideration for policy development and the Housing Action Plan.

Multigenerational and Flexible Housing Forms

The City of North Vancouver is a diverse municipality. Diversity can influence housing needs and create challenges with respect to matching households with suitable and appropriate housing. In the City, there has been an increase in multiple-family households. While data and analysis is limited on this subject, it could be a demand indicator for multi-generational housing, extended family living arrangements, or other communal household formations. This can lend to sharing housing costs to make housing more affordable. Traditional housing forms in the City may not meet the needs of all multiple-family households and the changing needs of City

residents, presenting an opportunity to explore more flexible housing forms that can offer options for a variety of household arrangements.

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SUMMARY OF HOUSING NEEDS AND ISSUES

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1.0 INTRODUCTION

1.1 Overview

The City of North Vancouver, as well as the entire Metro Vancouver region, is an area with exceptionally high housing prices. While the rapid increase in housing prices has benefited some existing homeowners, it has greatly impacted the affordability of housing for a larger segment of the population. Consequently, many individuals struggle to find affordable housing options in the community and often have to make difficult decisions to balance housing costs with other costs of living.

The 2014 City of North Vancouver Official Community Plan establishes a direction for the City through a Community Vision:

In 2031, the City of North Vancouver will be a vibrant, diverse and highly livable community that is resilient to climate or other changes, and is sustainable in its ability to prosper without sacrifice to future generations.

A key component to meeting this vision is the provision of suitable and affordable housing to create a community that is inclusive and attainable for all City residents. This includes a variety of housing types and tenures to meet the current and future needs of families and individuals from all walks of life and through different stages of life.

The City has an important role in encouraging housing diversity to provide residents with housing choices. This role includes determining land uses and housing capacity, creating policies and strategies to shape local housing conditions, and working in partnership with senior levels of government, non-profits and private developers to increase the supply of affordable housing units. However, many of the factors that have contributed to the current housing situation, including interest rates, market demand, and the absence of a national housing strategy, are outside the control of local municipalities.

This Housing Profile was created for consideration in the preparation of the City's Housing Action Plan. The Housing Profile identifies and analyzes key housing data in the City and provides insight into current and emerging housing trends. The Housing Action Plan will respond to the City's housing challenges and opportunities by providing policy directions and specific actions to facilitate quality housing choices for the diversity of people who call the City home.

1.2 Why a Housing Action Plan?

The City has a long history of facilitating housing diversity and affordability through innovative policies and partnerships. Current housing initiatives and policies can be found in a variety of City documents, including the following:

- Official Community Plan;
- Social Plan;
- Rental Housing Strategies;
- Housing Affordability Strategies;
- Strategies to Support Seniors' Housing;
- Density Bonus and Community Amenity Policy;
- Adaptable Design Guidelines; and
- North Shore Homelessness Task Force Work Plan.

The creation of a Housing Action Plan will entail a comprehensive review and update of existing City housing initiatives and policies, in addition to new policy directions, centralized in one document. The Housing Action Plan will further fulfill the Metro Vancouver Regional Growth Strategy requirement that each municipality prepare a Housing Action Plan that does the following:

- Assesses local housing market conditions, including housing supply, demand and affordability;
- Identifies housing priorities, based on the assessment of local housing market conditions, and consideration of changing household demographics, characteristics and needs;
- Identifies implementation measures;
- Encourages the supply of new rental housing and where appropriate mitigate or limit the loss of existing rental housing stock;
- Identifies opportunities to participate in programs with other levels of government to secure additional affordable housing units to meet housing needs across the continuum; and,
- Cooperates with, and facilitate the activities of the Metro Vancouver Housing Corporation.

1.3 Sustainable City Framework

The 2014 Official Community Plan adopted a new Sustainable City Framework to support the development of a complete community through the building of different capacities (Figure 1.1). Housing is specifically mentioned under the Human Potential capacity, but safe and secure housing is important to the realization of other capacities, both individually and as a community as a whole.

Figure 1.1: Sustainable City Framework
 (Source: City of North Vancouver, 2014)



3 The Sustainable City Framework

To ensure a diversity of housing types and tenures, the City approaches the provision of housing through the concept of a housing continuum (Figure 1.2). On the non-market end of the continuum are emergency shelters, transitional and supportive housing, and non-market (social) housing, which typically involve government funding and potential support services. At the other end of the continuum are rental and ownership options that are provided through the private market. A full range of housing choices across the continuum is important to ensure City residents can find accommodations that are best suited to their housing needs.

Figure 1.2: Housing Continuum
 (Source: City of North Vancouver, 2015)



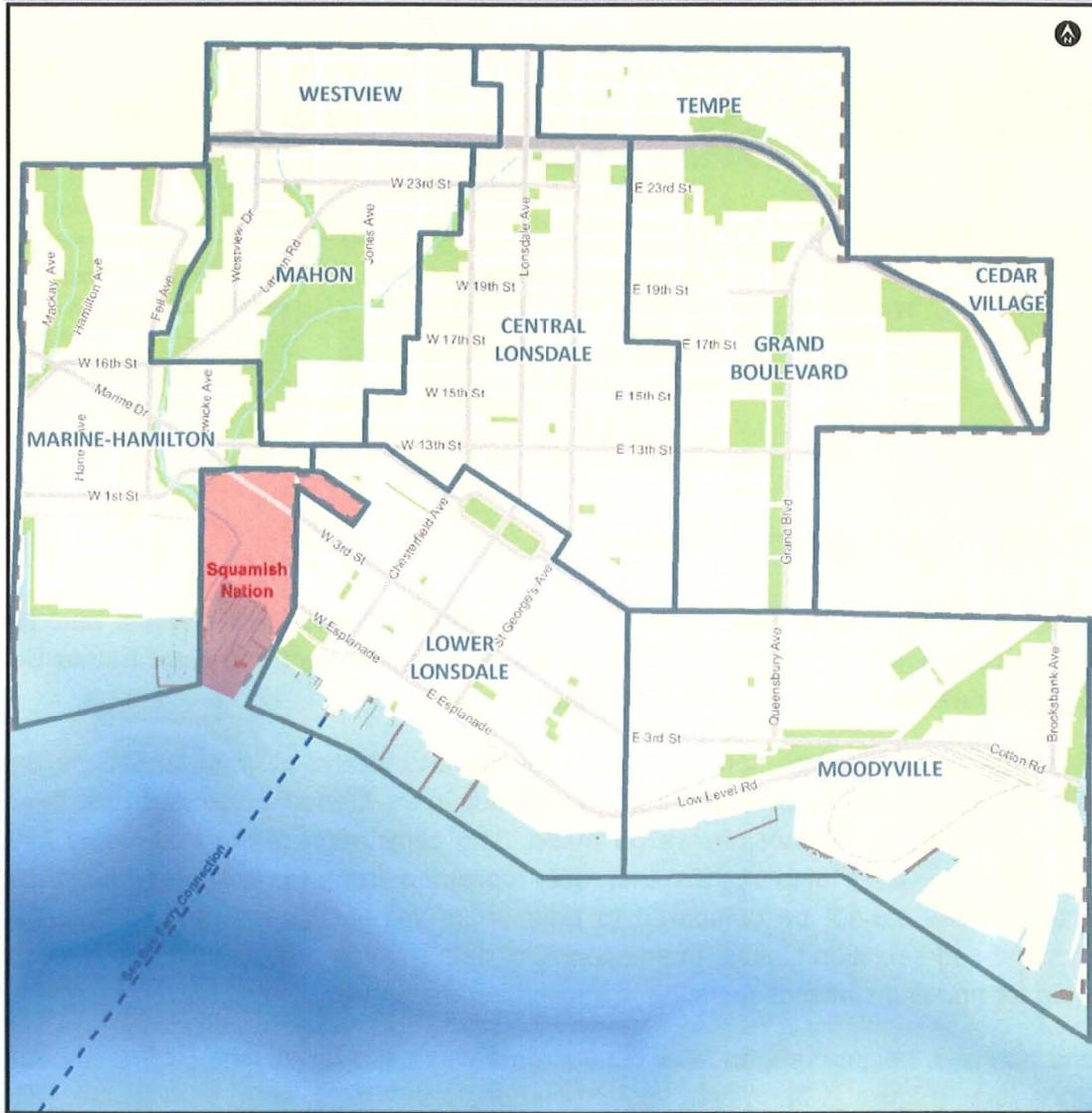
1.4 Data Limitations

The Housing Profile utilizes data from Statistics Canada, Canada Mortgage and Housing Corporation (CMHC), Metro Vancouver, BC Stats, BC Assessment, the Real Estate Board of Greater Vancouver and the City of North Vancouver.

While the best available data sources were selected and analyzed, data limitations do exist. Changes to category definitions and reporting methods in the Canadian Census over time mean that exact comparisons cannot always be made. The elimination of the mandatory long-form Census survey in 2011 also means that data collected from the voluntary 2011 National Household Survey cannot be compared to prior years without caution due to potential non-response and self-selection biases. In addition, City data records are often collected for reasons other than for housing statistics resulting in inexact information.

For trend analysis, neighbourhood-level census data was used for all nine City neighbourhoods when possible (Figure 1.3). When neighbourhood-level data was unavailable, city-wide information was used. There are instances when data is provided for both the City and District of North Vancouver as City-specific data could not be ascertained.

Figure 1.3: Census Neighbourhood Boundaries
(Source: City of North Vancouver, 2015)



2.0 COMMUNITY PROFILE

Household characteristics in the City are changing, and as a result, are shifting housing trends and needs in the community. This section provides key information on population, household size and composition, and income to provide an understanding of the emerging housing trends in the City.

2.1 Population

According to the Canadian Census, the City of North Vancouver had a population of 48,195 in 2011, an increase of 3,030 residents, or approximately seven percent, since 2006. The number of dwelling units in the City increased at the same rate during this period.

The City's population growth was well below the regional growth rate of 18 percent between 2006 and 2011. Population growth in the City has been consistent over the years, with the exception being the period between 2001 and 2006, which experienced a lower rate of population growth than in previous Census periods (Table 2.1). Since 2011, BC Stats estimates that the City's population has continued to grow to an estimated population of 52,346 in 2014.

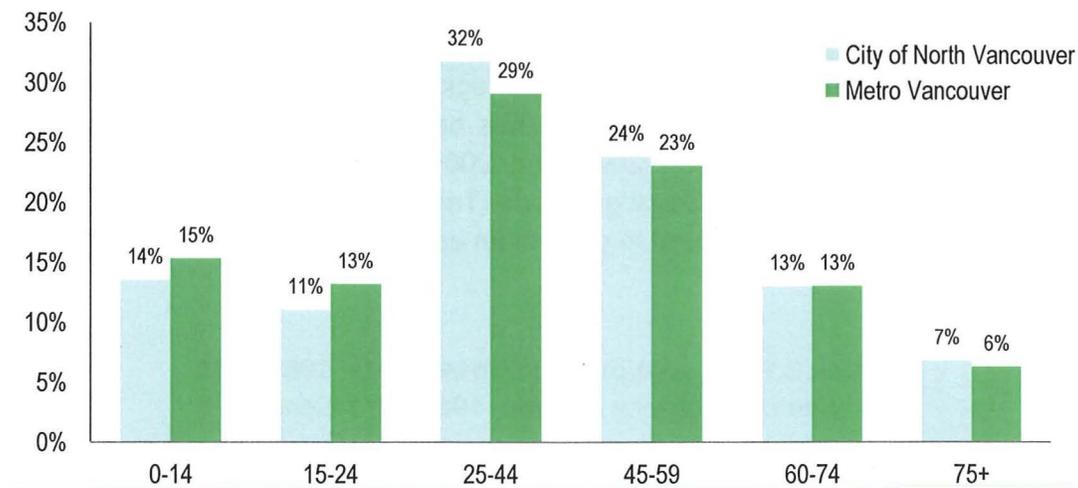
Table 2.1: Population and Growth Rate, 1961-2011
(Source: Statistics Canada, 1961-2011 Census)

| YEAR | POPULATION | GROWTH RATE | |
|------|------------|-------------|----------------|
| | | 5-YEAR | AVERAGE ANNUAL |
| 1961 | 23,656 | -- | -- |
| 1966 | 26,851 | 13.5% | 2.6% |
| 1971 | 31,847 | 18.6% | 3.5% |
| 1976 | 31,394 | 0.3% | 0.1% |
| 1981 | 33,952 | 6.3% | 1.2% |
| 1986 | 35,698 | 5.1% | 1.0% |
| 1991 | 38,436 | 7.7% | 1.5% |
| 1996 | 41,475 | 7.9% | 1.5% |
| 2001 | 44,303 | 6.8% | 1.3% |
| 2006 | 45,165 | 1.9% | 0.4% |
| 2011 | 48,195 | 6.7% | 1.3% |

The Metro Vancouver Regional Growth Strategy estimates the City's population will grow to 56,000 people in 2021, 62,000 people by 2031, and 68,000 by 2041. The number of new housing units needed to accommodate this population increase is dependent on the composition of the City's housing stock and has been considered through the residential land use designations in the City's 2014 Official Community Plan.

The overall distribution of City residents based on age is quite similar to the region (Figure 2.1). In 2011, the City had a higher percentage of working age individuals (25 to 59 year olds) and seniors (75 years and older) compared to Metro Vancouver, but a lower percentage of children and youth (0 to 24 year olds).

Figure 2.1 – Percent Population by Age, 2011
 (Source: Statistics Canada, 2011 Census)

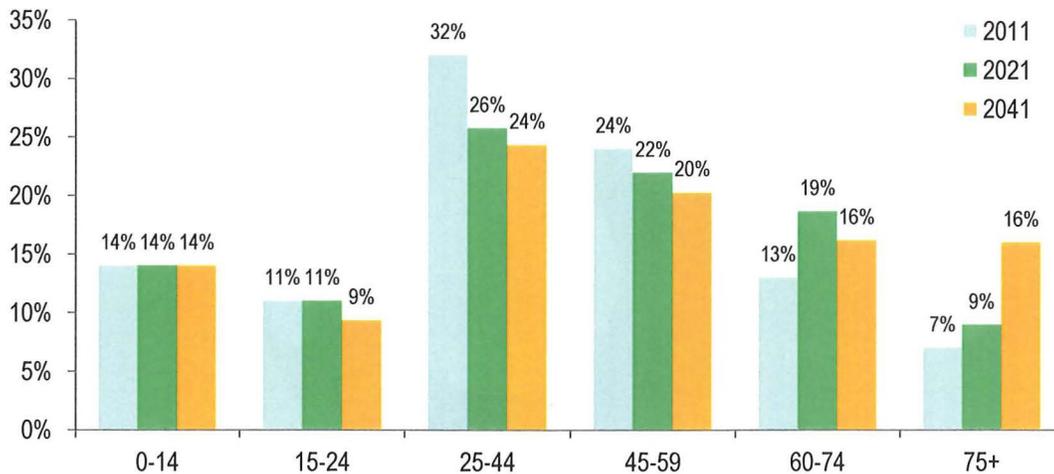


The overall population in the City was older in 2011 compared to previous Census periods, with the median age increasing 1.1 years from 40.1 years in 2006 to 41.2 years in 2011. The greatest increase was in individuals aged 45 to 59 years, which accounted for 24 percent of the City's population in 2011. Comparatively, this age cohort only constituted 15 percent of the City's population in 1991. The number of individuals over 60 years of age in the City has also seen steady growth. Accommodating the housing needs of an aging population will require consideration of housing that is smaller in size, accessible or adaptable for aging in place, and located in close proximity to local services.

According to BC Stats, the North Vancouver Local Health Area, which includes both the City and District of North Vancouver, will age significantly in the future (Figure 2.2). By 2021, individuals aged 25 to 44 are projected to decrease by six percent, while individuals aged 60 to 74 will increase by 6 percent. Individuals aged 75 and over are anticipated to increase nine percent between 2001 and 2041. Population projections can provide important insight into the possible housing trends in the future; however, the City and District of North Vancouver are very

different in terms of population composition. The City will continue to monitor population growth and trends to further the understanding of the unique housing needs of City residents.

Figure 2.2 – Population Projections by Age, 2011-2041
 (Source: BC Stats, 2015)



2.2 Household Size & Composition

Statistics Canada defines a household as a person or a group of persons who occupy the same dwelling. The Canadian Census recorded 22,790 households in the City in 2011, an increase of 1,440 households since 2006.

The average household size in the City remained constant between 2006 and 2011 at 2.1 persons per household, less than Metro Vancouver and the Province at 2.6 and 2.5 persons, respectively. Average household size in the City has decreased over time with one-person households being the most predominant household size in 2011 at 39 percent, followed by two-person households at 32 percent (Figure 2.3). In comparison, three percent of City households had five-persons and only one percent had six or more persons.

Average household size in the City varies significantly between different neighbourhoods (Figure 2.4). Central Lonsdale and Lower Lonsdale, which have the majority of the City’s smaller multi-family dwelling units, had a lower average household size of 1.9 and 1.7 persons, respectively, compared to neighbourhoods with primarily single family dwellings, such as Tempe, which had an average of three persons in 2011. The neighbourhood of Cedar Village is particularly interesting as it had the highest average household size of all City neighbourhoods at 3.2 persons in 2011, but consists primarily of ground-oriented housing forms, such as townhouses. Ground-oriented housing may be a particularly suitable type of housing for young

families in the City, especially as the price of single family dwellings become more out of reach for families.

Figure 2.3 – Household Composition, 2011
 (Source: Statistics Canada, 2011 Census)

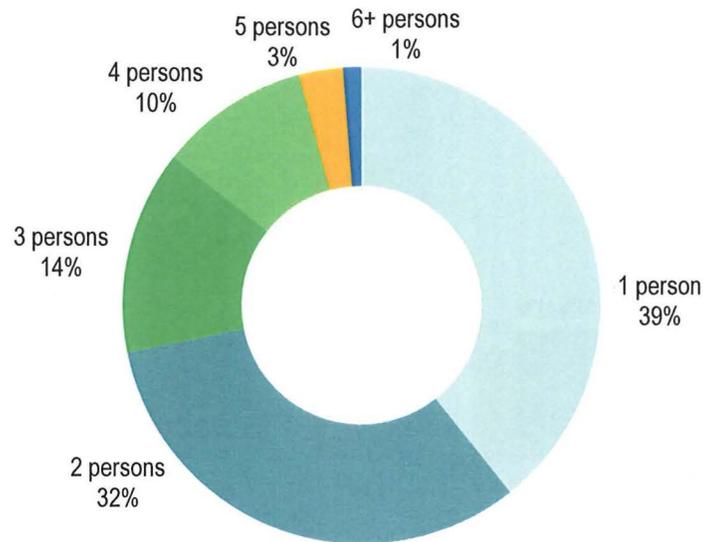
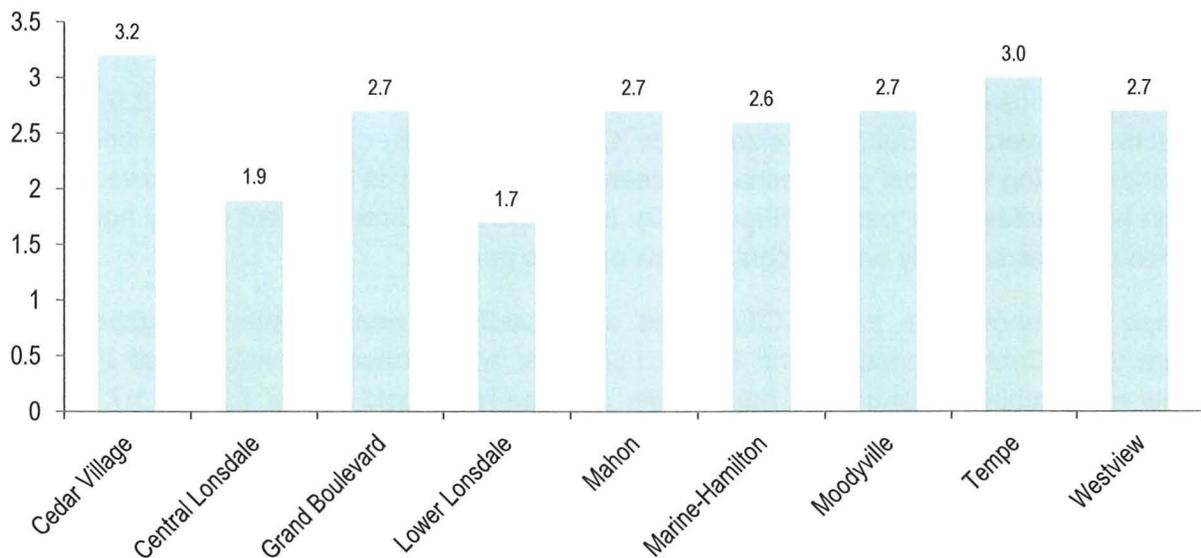


Figure 2.4 – Average Household Size by Neighbourhood, 2011
 (Source: Statistics Canada, 2011 Census)

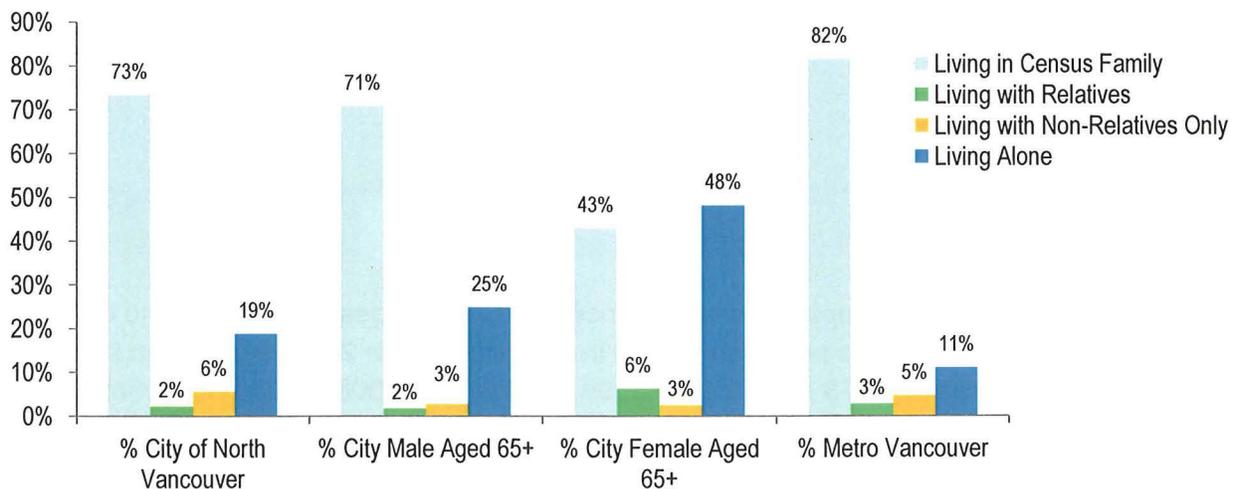


By household type, the majority of City residents live in census families (Figure 2.5). Statistics Canada defines a census family as a married or common-law couple with or without children or a lone parent of any marital status with at least one child. In 2011, the City had a higher number of lone parent families at 19 percent, compared to 16 and 15 percent at the regional and provincial scale, respectively.

The second most prevalent household type in 2011 was non-family households, which increased by 905 households, or one percent, since the previous Census period. Non-family households include individuals living alone or a group of two or more unrelated people who share a private dwelling, such as roommates. Overall, 19 percent of City residents live alone, compared to 11 percent for Metro Vancouver. Of the individuals who live alone in the City, many are seniors aged 65 and over, particularly female seniors. As the City’s population continues to age, the number of seniors living alone is expected to increase, in addition to support services required to assist seniors to age in place and mitigate isolation. The increase in the number of people living alone may also increase the demand for smaller, more affordable rental units in the City.

The percentage of multiple-family households in the City remained constant between 2006 and 2011. However, as the City’s population continues to age and as housing prices continue to increase, the City may see more multiple-family households as families become more creative in their living arrangements to maintain housing affordability.

Figure 2.5 – Census Family and Non-Census Family Households, 2011
 (Source: Statistics Canada, 2011 Census)

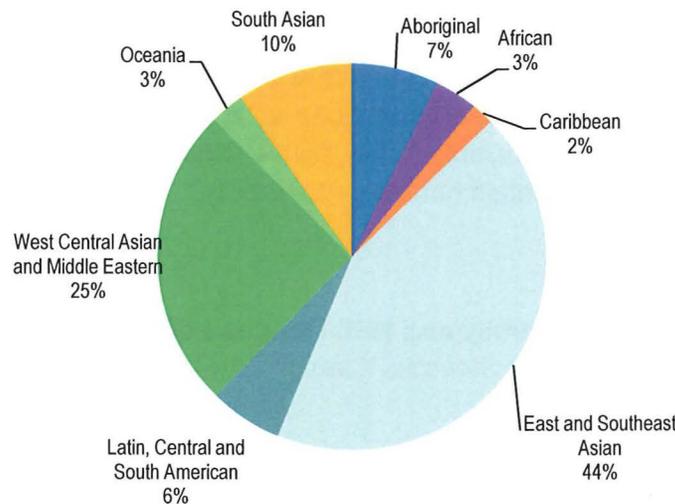


The City is home to an ethnically diverse population and has residents from all parts of the world. European ancestry is the dominant ethnicity in the City. When not factoring individuals of European or North American ancestry, the most common ethnic origins in the City are East and Southeast Asian, West Central Asian and Middle Eastern and South Asian (Figure 2.6). As for

the Aboriginal population, the City saw an increase from 930 residents in 2006 to 1,280 residents in 2011.

In 2011, 37 percent of City residents were immigrants, a growth of one percent since 2006. By period of immigration, the period between 2001 and 2011 saw the highest number of new immigrants settle in the City at 6,895. Iran remains the most common place of birth for immigrants in the City, although newcomers from the Philippines increased substantially this past Census period. Therefore, housing that meets different cultural needs, including housing that better accommodates extended families and allows for flexibility in living arrangements, are important considerations to ensure a diversity of housing forms is available in the City.

Figure 2.6 – Ethnic Origins in the City, 2011
(Source: Statistics Canada, 2011 NHS)

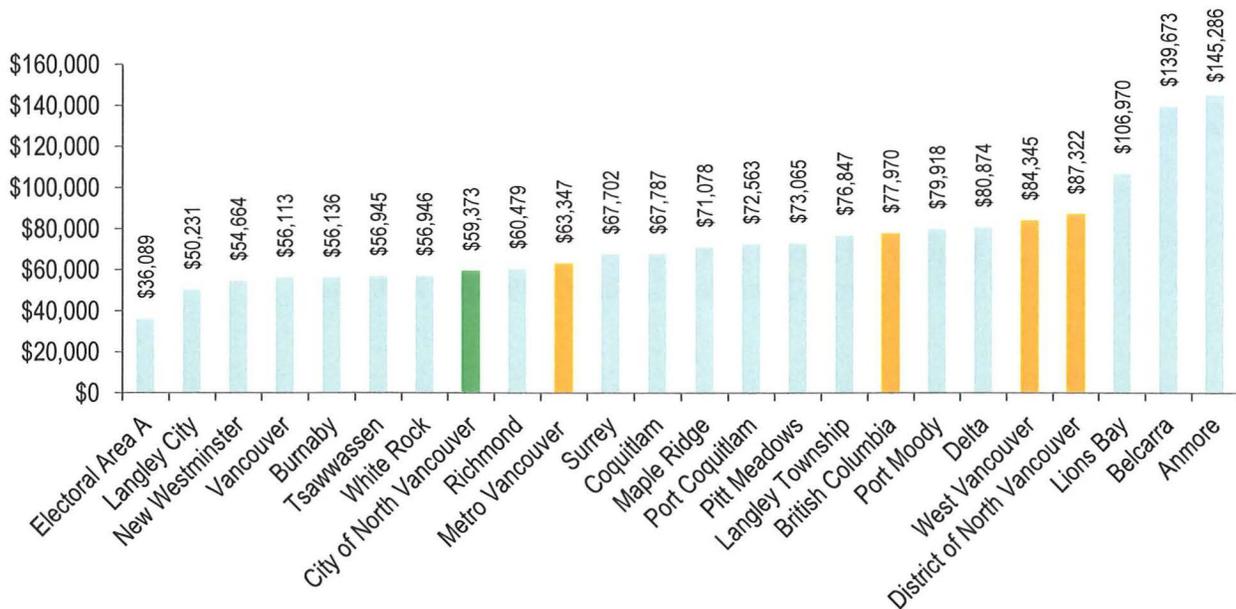


2.3 Income

Household income, when compared to house prices and rent ranges, is often used to determine what households can afford to purchase or rent in a community. In 2011, the median household income in the City was \$59,373, an increase of \$9,887 from the 2006 median household income of \$49,486. Median income represents the midpoint of all household incomes, meaning that half of all households have an income less than the median and the other half have an income that are above the median.

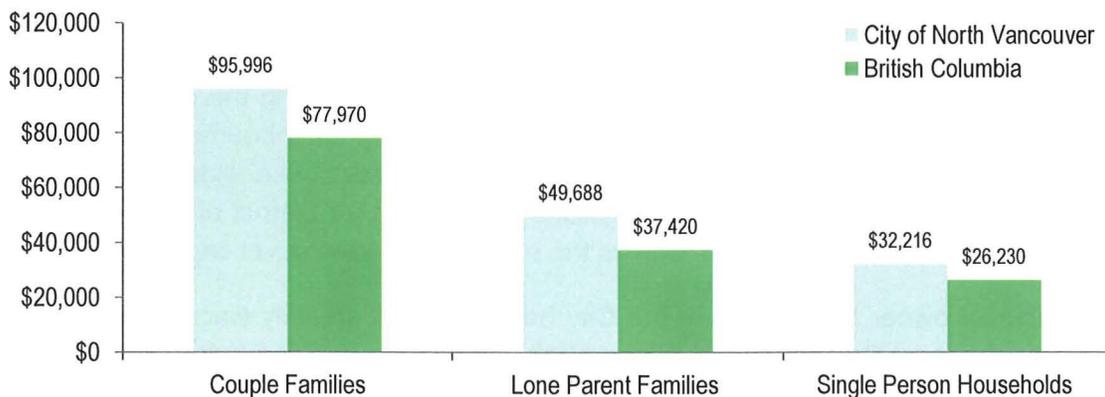
Despite the increase between the 2006 and 2011 Census periods, the median household income in the City in 2011 remained less than the regional median household income and significantly less than the other North Shore municipalities, although higher than the provincial average (Figure 2.7). With lower earning power, City's households are vulnerable to rises in the cost of living, including housing costs.

Figure 2.7 – Median Household Income of Municipalities in Metro Vancouver, 2011
 (Source: Statistics Canada, 2011 NHS)



Incomes in the City vary immensely depending on the type of household. In 2012, the median income for couple families was approximately \$95,996 (Figure 2.8). This is nearly double the median income for lone-parent families at \$49,688, and three times the median income of one-person households at \$32,216. These differences in income will have an impact on what households are able to purchase or rent in their respective neighbourhoods and in the wider community. The lower incomes of lone-parent families and one-person households may mean these particular groups are at greater risk of housing insecurity if housing prices or other living costs increase.

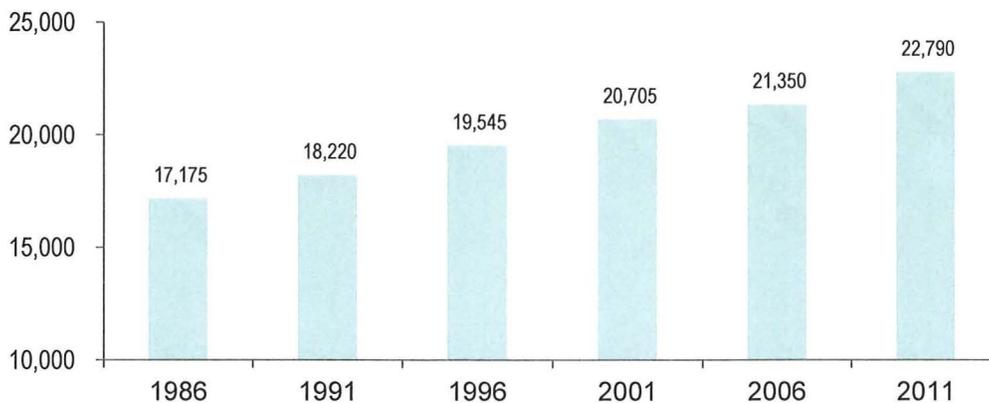
Figure 2.8 – Median Income by Household Type, 2012
 (Source: Statistics Canada, Taxfiler Reported Custom Tabulation Family Tables, 2012)



3.0 MARKET HOUSING

The City has seen a steady increase in new dwelling units over the past two decades, growing in tandem with population growth. Since 1986, the City's housing supply has grown by 5,615 units for a total of 22,790 dwelling units in 2011 (Figure 3.1).

Figure 3.1: Total Number of Dwelling Units, 1986-2011
(Source: Statistics Canada, 1986-2011 Census)



Each of the City's nine neighbourhoods experienced growth in 2011, with Central Lonsdale and Lower Lonsdale accommodating the majority of City residents with 71 percent of all dwelling units in the City (Figure 3.2). The neighbourhood of Marine-Hamilton saw the greatest percentage increase in dwelling units between 2006 and 2011 at 14 percent, compared to Grand Boulevard which saw a two percent increase during the same period.

In 2011, the City experienced a six percent increase in renter households (Figure 3.3). The number of renters in the City has declined over time, but has remained relatively constant over the past 20 years, ranging between 9,800 and 10,800 households in a given Census year. The majority of renter households live in Central Lonsdale and Lower Lonsdale, although both neighbourhoods have experienced loss in renter households since 1991 (Figure 3.4). In 2011, all neighbourhoods saw an increase in renter households, including the primarily single family neighbourhoods, highlighting the fact that renters live in every neighbourhood in the City (Figure 3.5). Approximately 46 percent of City households were renter households in 2011, significantly higher than the other North Shore municipalities (19 percent for District of North Vancouver and 21 percent for West Vancouver), as well as the entire Metro Vancouver region at 35 percent.

The number of owner households in the City has increased steadily since 1986 and continued to increase this past Census period. Since 1986, owner households have increased almost 250 percent in the City.

Figure 3.2: Dwelling Units by Neighbourhood, 1986-2011
 (Source: Statistics Canada, 1986-2011 Census)

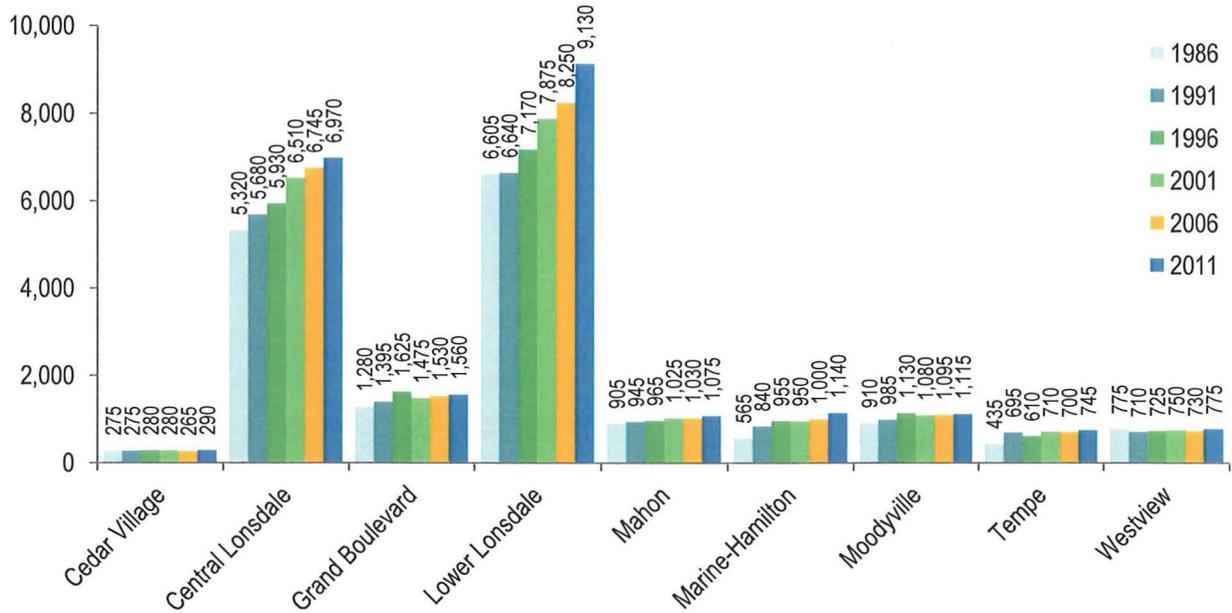


Figure 3.3: Owner and Renter Households, 1986-2011
 (Source: Statistics Canada, 1986-2006 Census & 2011 NHS)

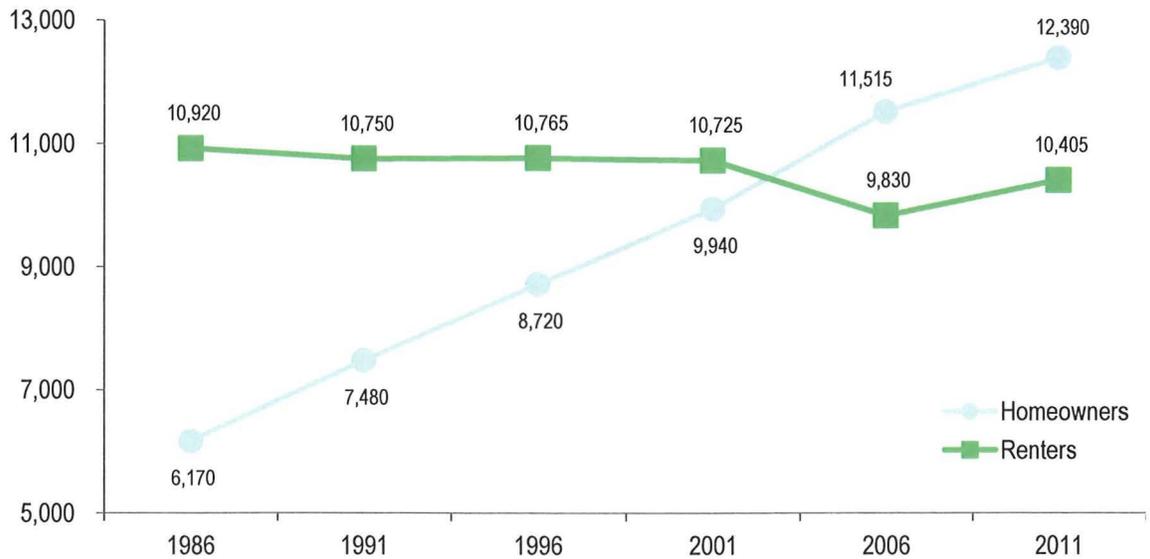


Figure 3.4: Renter Households by Neighbourhood, 2011
 (Source: Statistics Canada, 1991-2006 Census and 2011 NHS)

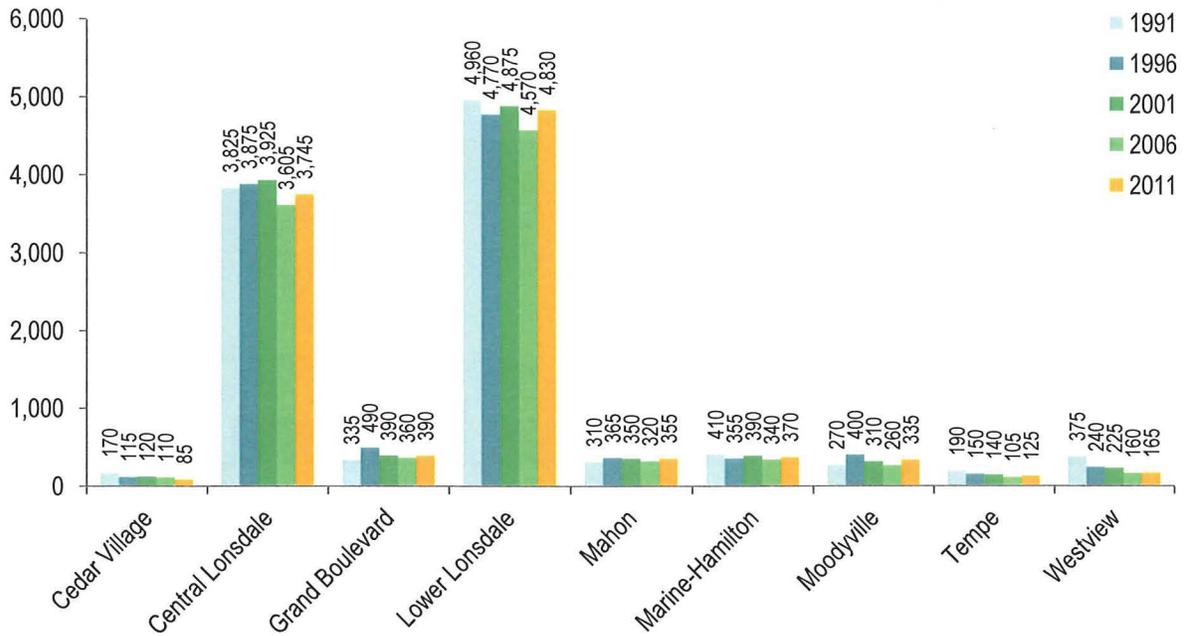
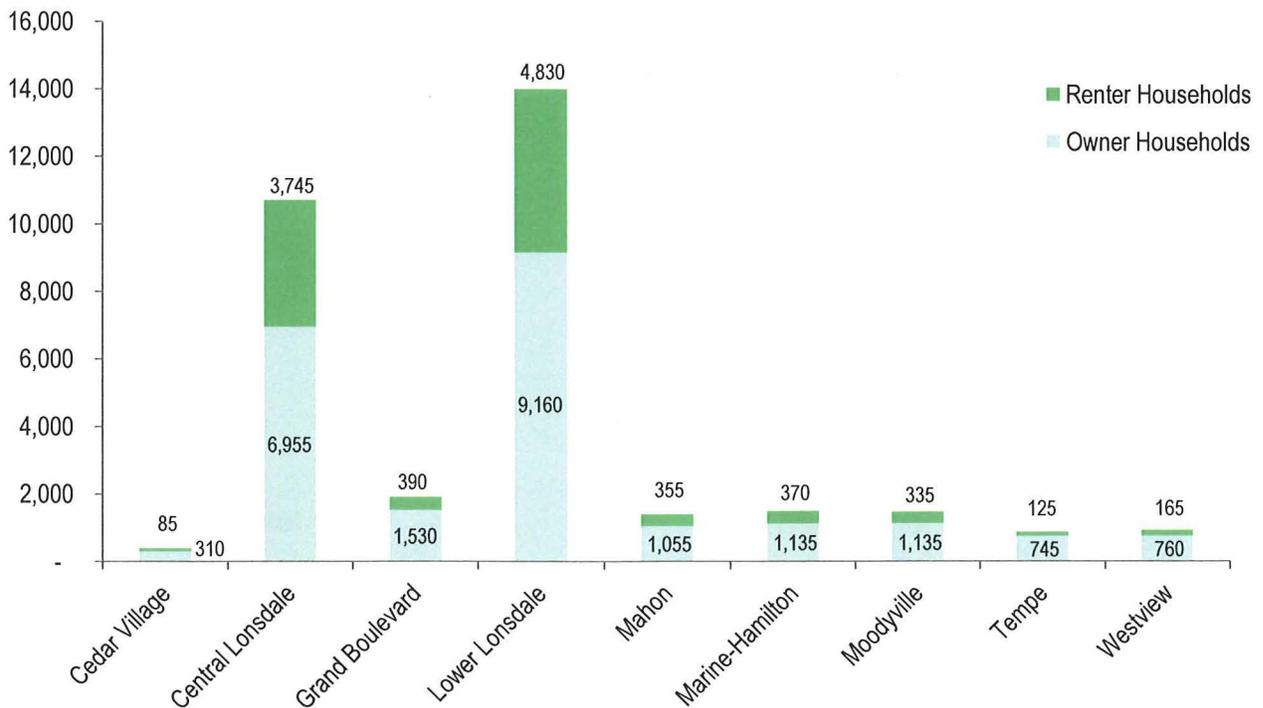


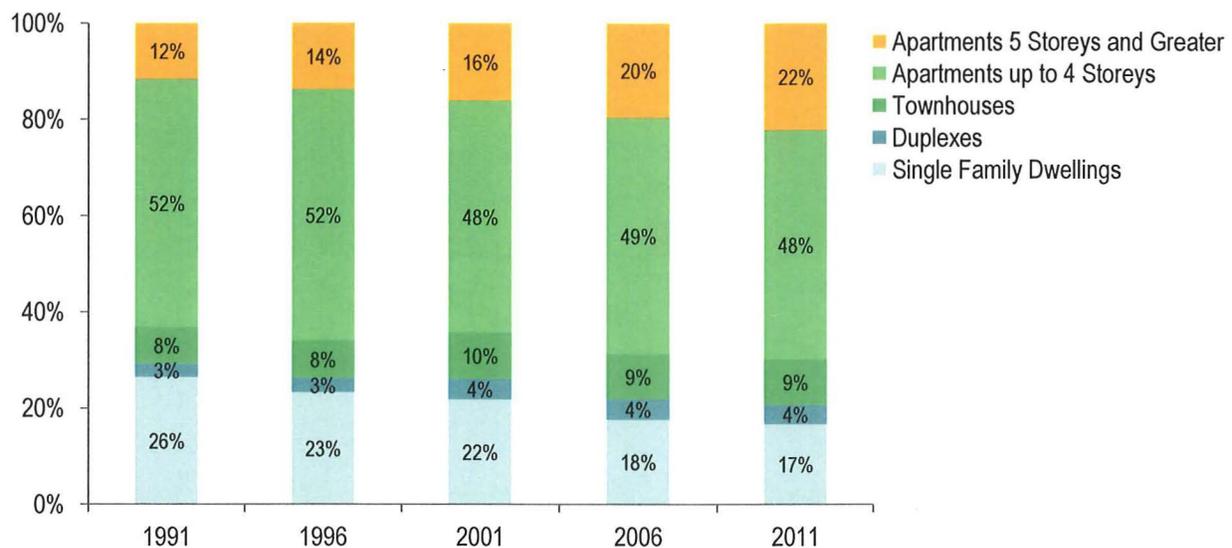
Figure 3.5: Owner and Renter Households by Neighbourhood, 2011
 (Source: Statistics Canada, 2011 NHS)



3.1 Structural Types in the City

The City has a range of structural types, ranging from single detached dwellings to high rise buildings. The proportion of each structural type has been changing over time, reflecting the changing housing needs of City residents. Over the past 20 years, the City has seen a decreasing trend in single family dwellings (Figure 3.6). The proportion of duplexes and townhouses in the City has stayed relatively constant over time, while the greatest increase has been in apartments five storeys and greater.

Figure 3.6: Structural Types in the City, 1991-2011
(Source: Statistics Canada, 1991-2011 Census)



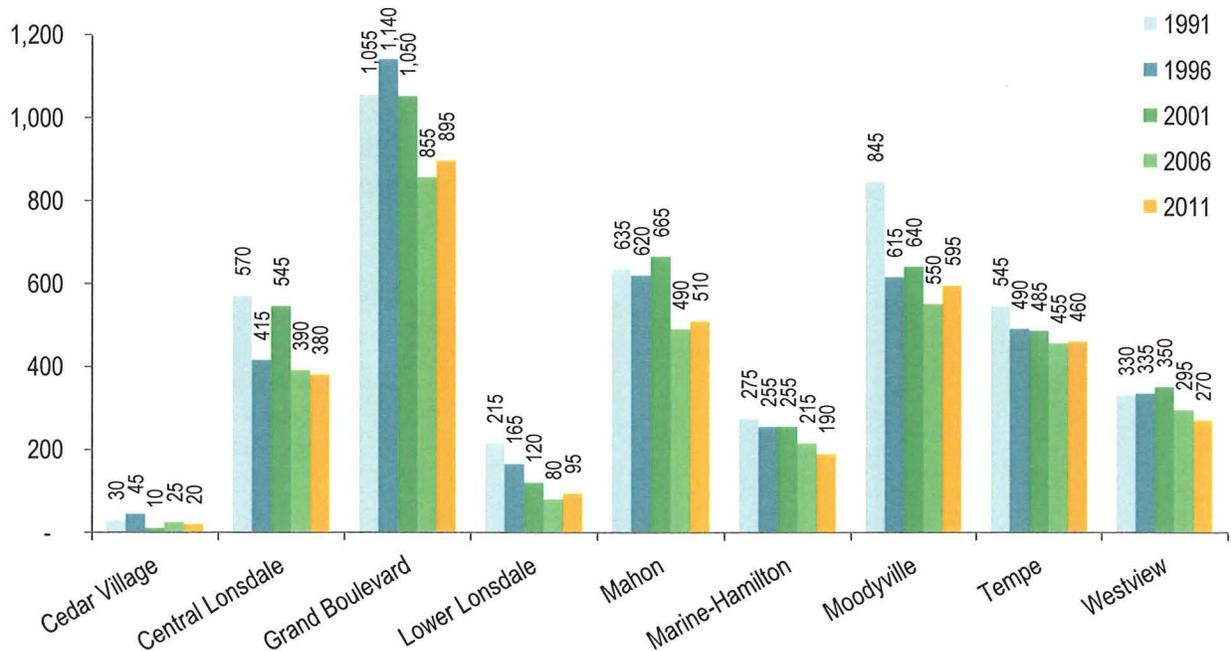
Single Detached Dwellings

The number of single detached dwellings in the City has decreased in all neighbourhoods since 1991 (Figure 3.7). While greater densification in certain areas may have contributed towards fewer single family dwellings in the City, the dramatic decrease recorded between the 2001 and 2006 Census periods was likely due to misclassification based on a definition change in the 2006 Census.

The 2006 Census changed the category 'apartment or flat in a detached duplex' to 'apartment or flat in a duplex,' which in effect, broadened the definition of 'duplex' to include single detached houses with secondary suites. As a result, the number of single detached dwellings declined significantly in the 2006 Census, with a corresponding increase in the 'apartment or flat in a duplex' category. The 2011 Census utilized the same structural type definitions as the 2006 Census and found an increase in single detached dwellings in the Grand Boulevard, Lower

Lonsdale, Mahon, Moodyville and Tempe neighbourhoods, which is likely due to the subdivision of larger lots into smaller single family lots.

Figure 3.7: Number of Single Detached Dwellings by Neighbourhood, 1991-2011
 (Source: Statistics Canada, 1991-2011 Census)



Duplexes

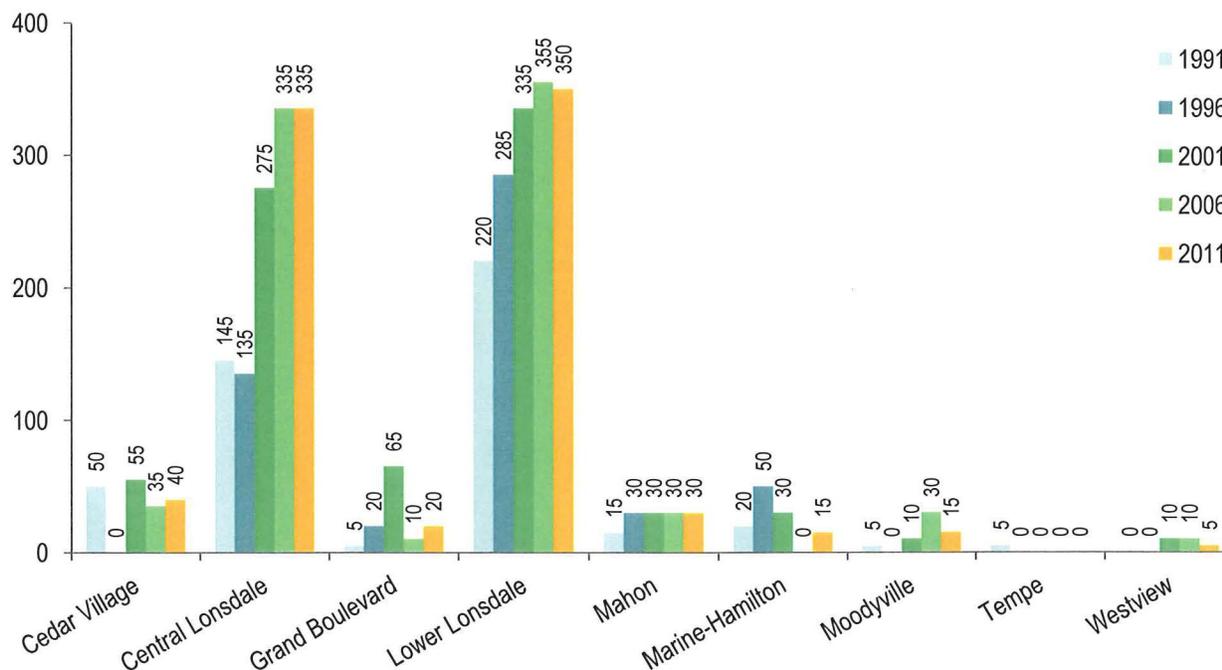
A duplex, or semi-detached house, is defined by Statistics Canada as a structure where one of two dwellings are attached side by side (or back to back) to each other, has no dwelling either above it or below it, and the two units together have open space on all sides.

The City saw a slight increase in duplexes in 2011, increasing from 805 in 2006 to 810 in 2011 (Figure 3.8). The majority of new duplexes constructed in the City were in the Marine-Hamilton neighbourhood, although Central Lonsdale and Lower Lonsdale continued to have the greatest share of this structural type.

The City anticipates an increase in duplexes, as well as other multi-family ground-oriented housing forms in the future as the 2014 Official Community Plan provides greater capacity for these structural types. High land costs and smaller household sizes in the City may encourage the construction of additional duplexes as a more affordable option to single detached properties.

In 2013, the City of North Vancouver became the first municipality in British Columbia to permit Accessory Dwelling Units in duplexes to provide a source of rental income for homeowners, in addition to expanding rental options in City neighbourhoods. As of June 2015, the City has approximately 10 Accessory Dwelling units in duplexes.

Figure 3.8: Number of Duplexes by Neighbourhood, 1991-2011
 (Source: Statistics Canada, 1991-2011 Census)



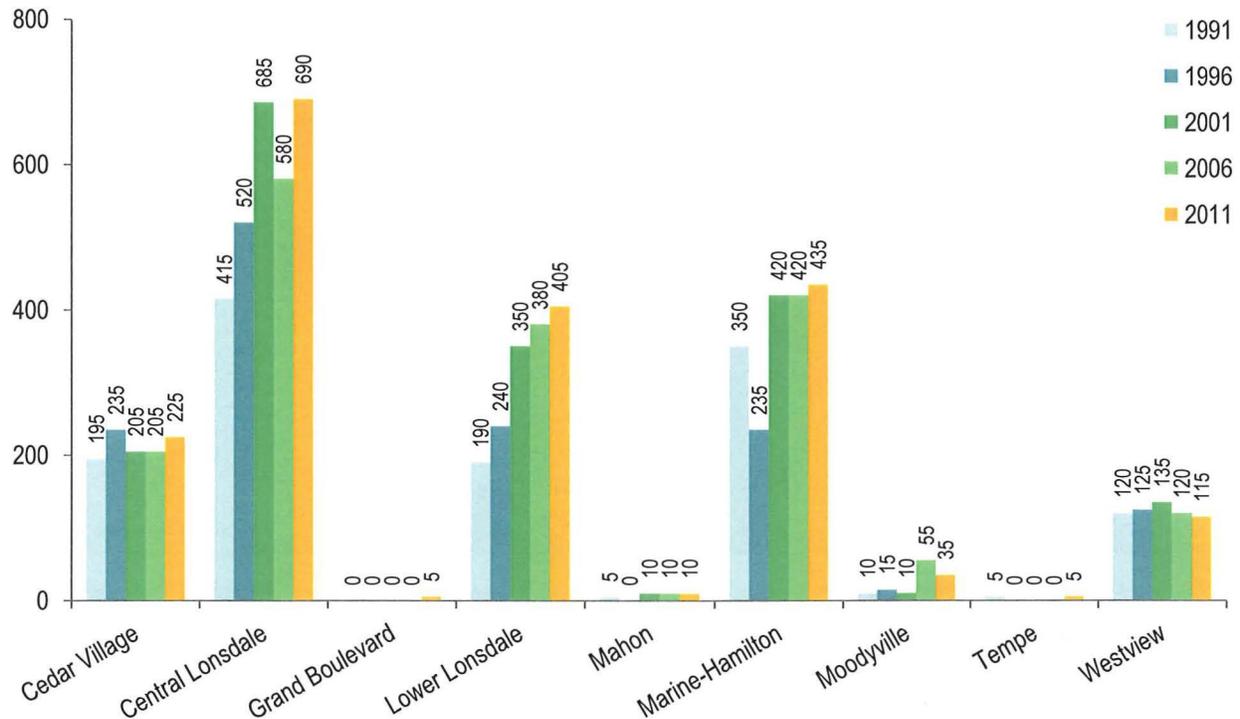
Townhouses

Townhouses, or row houses as classified by Statistics Canada, are defined as one of three or more dwellings joined side by side (or occasionally side to back), but does not have any other dwelling either above or below it. This category includes townhouses attached to high-rise buildings, but does not include stacked townhouses.

Townhouses can be found in most City neighbourhoods (Figure 3.9). In 2011, most neighbourhoods saw an increase in townhouses, except Mahon, which remained the same as the prior Census period, and Moodyville and Westview, which both saw a modest decrease. While the data shows a significant increase in townhouses in Central Lonsdale since the 2006 Census, the decrease of 105 townhouses noted in the 2006 Census for this neighbourhood was likely incorrect.

Like duplexes, the City anticipates an increase in townhouses in the future as the 2014 Official Community Plan provides greater capacity for this housing type, particularly in the Moodyville neighbourhood. Townhouses are envisioned to serve as a more affordable type of ground-oriented housing for families in the City.

Figure 3.9: Number of Townhouses by Neighbourhood, 1991-2011
 (Source: Statistics Canada, 1991-2011 Census)



Apartments Up to Four Storeys

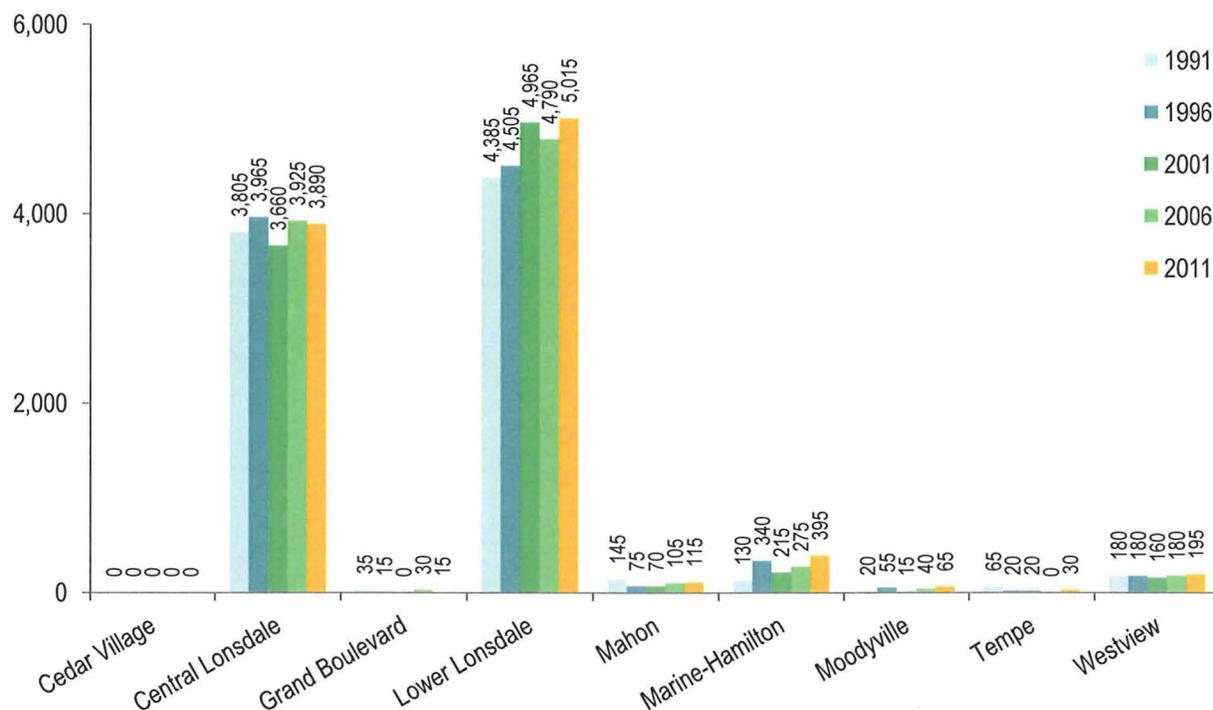
The neighbourhoods of Central Lonsdale and Lower Lonsdale continued to accommodate the majority of low rise apartments (up to 4 storeys) in 2011, accounting for 92 percent of all low rise apartment units in the City (Figure 3.10). Most neighbourhoods saw an increase in this structural type in 2011, with the greatest absolute growth in Lower Lonsdale, Marine-Hamilton and Tempe at 225, 120 and 30 units, respectively. In 2011, Central Lonsdale saw a loss of 35 units, likely due to the redevelopment of existing low rise apartments to higher density developments.

As was the case in the single detached dwellings category, a definition change in the 2006 Census affected the accurate classification of low rise apartments. Prior to the reclassification of 'apartment or flat in a detached duplex' to 'apartment or flat in a duplex,' a duplex that was attached to other dwellings or buildings would be considered an 'apartment in a building that

has fewer than five storeys' according to Statistics Canada. Consequently, the growth in the number of low rise apartment units in primarily single detached dwellings neighbourhoods, such as Grand Boulevard, is likely a misclassification.

Figure 3.10: Number of Low Rise Apartments (Up to 4 Storeys) by Neighbourhood, 1991-2011

(Source: Statistics Canada, 1991-2011 Census)

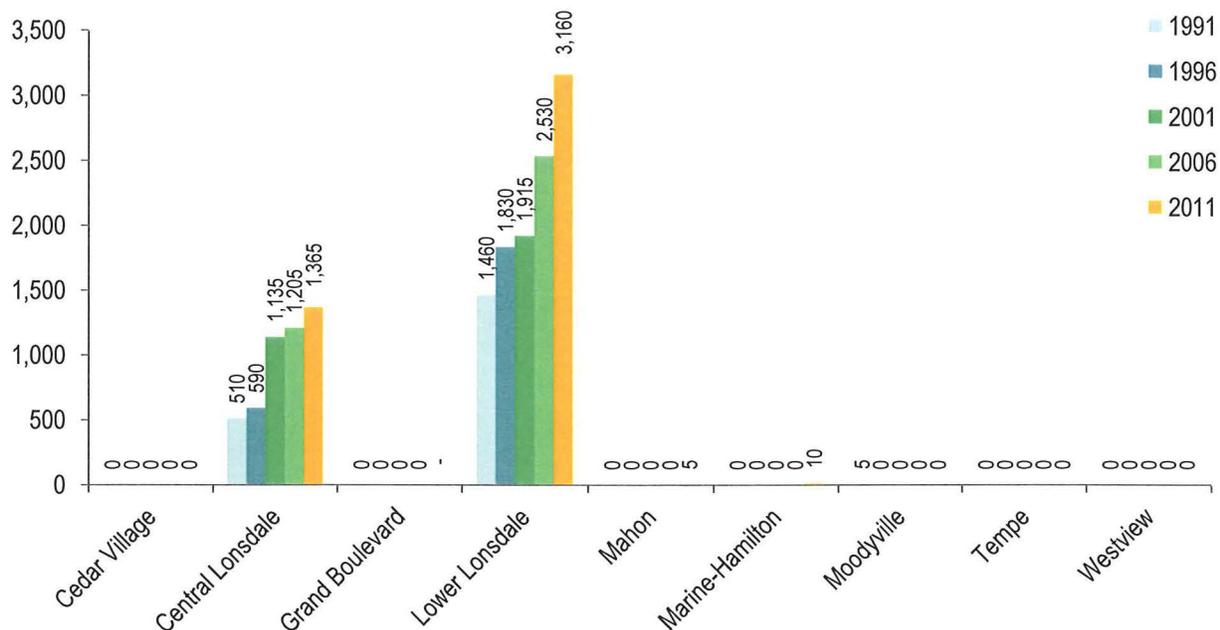


Apartments Five Storeys and Greater

Facilitated by the Regional Centre designation by Metro Vancouver, the growth in apartments five storeys and greater has been concentrated in the core neighbourhoods of Central Lonsdale and Lower Lonsdale (Figure 3.11). The growth has been quite significant for both neighbourhoods, with the addition of 855 and 1,700 dwelling units, respectively, over a 20 year period. The growth in high rise apartment units was particularly strong in Lower Lonsdale this past Census period, which saw an additional 630 units. Part of the City's overall vision is to create high-density, mixed-use areas in the Central Lonsdale and Lower Lonsdale neighbourhoods, served by a vibrant retail and commercial high street of Lonsdale Avenue. Another retail core of the City is Marine Drive, which runs through the Marine-Hamilton neighbourhood. Marine-Hamilton saw an increase in units in high rise apartments between 2006 and 2011.

Figure 3.11: Number of High Rise Apartments (5 Storeys and Greater) by Neighbourhood, 1991-2011

(Source: Statistics Canada, 1991-2011 Census)



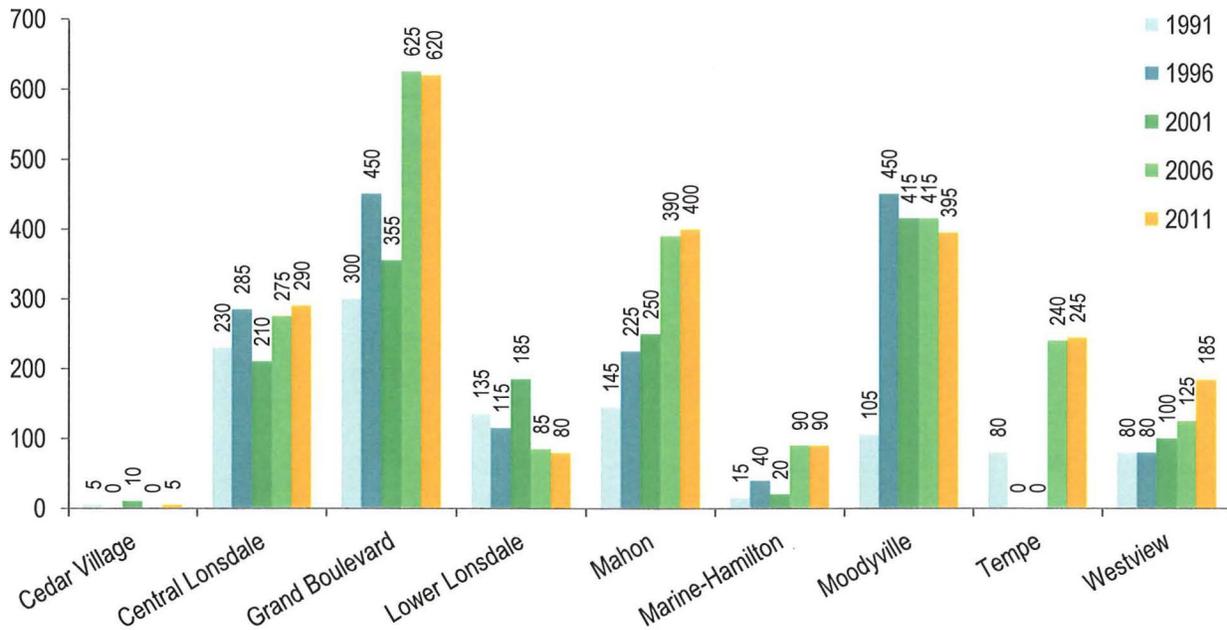
Secondary Suites

Determining the exact number of secondary suites in the City is a challenging task. Secondary suites are not a category in the Census. The structural type, 'apartment in a duplex,' which is defined by Statistics Canada as one of two dwellings, located one above the other that may or may not be attached to other dwellings or buildings, provides the best indication of the number of secondary suites in the City.

Based on Statistics Canada data, the City had 2,310 secondary suites in 2011 (Figure 3.12). The majority of secondary suites were located in the neighbourhoods of Grand Boulevard, Mahon and Moodyville, where most of the City's single detached dwellings are located. There has been significant growth in secondary suites in most neighbourhoods since 1991 as a result of legalization of secondary suites in the City in 1993, as well as better reporting methods utilized by Census enumerators. Between 2006 and 2011, there were limited increases in new secondary suites, likely due to the fact that most single family homes already have a suite.

The City can further ascertain the number of legal secondary suites through permit applications. As of June 2015, the City had approximately 480 registered secondary suites, in addition to 120 secondary suite applications in process. The City expects there are significantly more unregistered secondary suites.

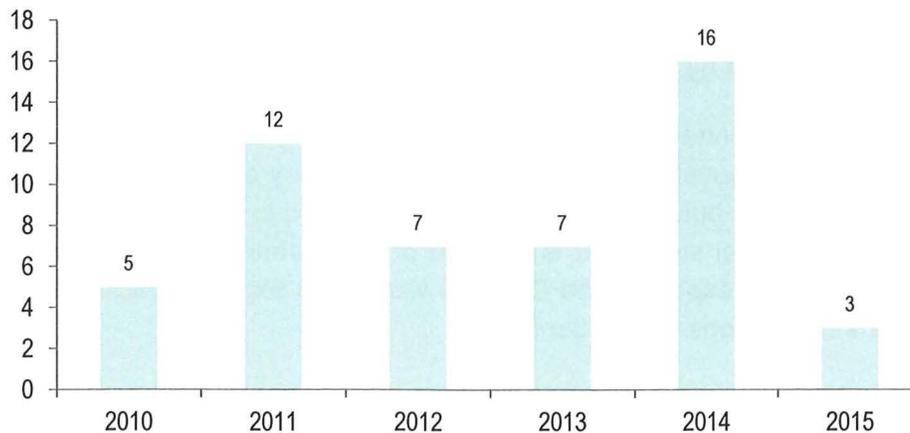
Figure 3.12: Number of Secondary Suites by Neighbourhood, 1991-2011
 (Source: Statistics Canada, 1991-2011 Census)



Coach Houses

While coach houses have been present in the City since the 1900s, this form of housing was formally recognized in the Zoning Bylaw in 2010, which allowed coach houses to be built in the One-Unit Residential (RS) zone. As of June 2015, there were 50 coach houses either approved or in process in the City (Figure 3.13).

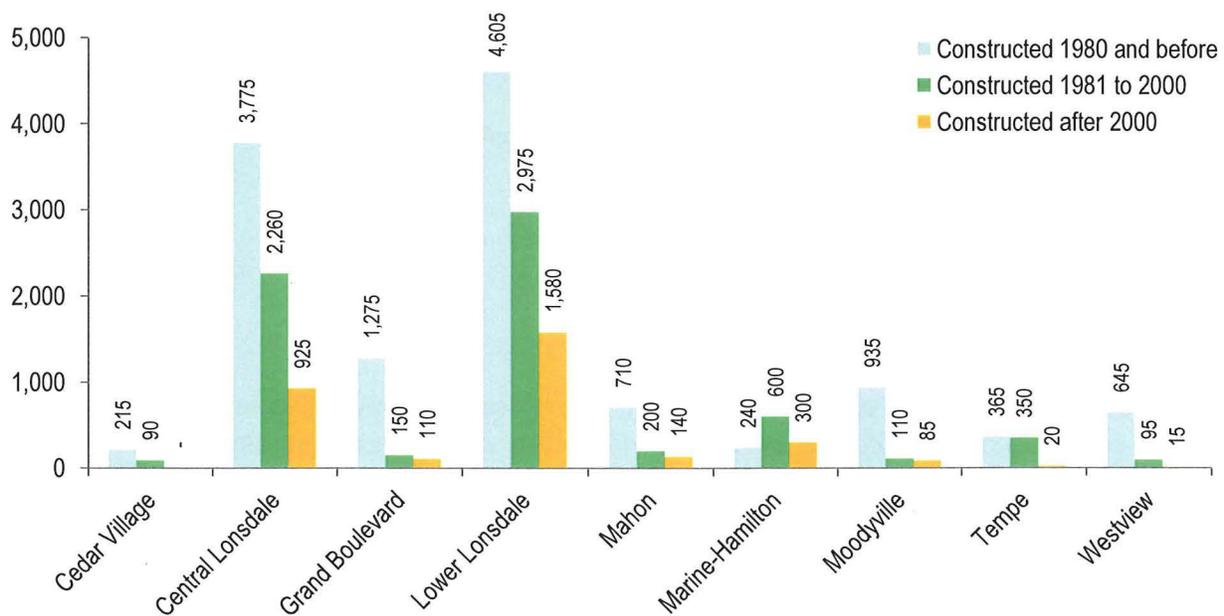
Figure 3.13: Number of Coach Houses Approved or in Process, 2010-2015
 (Source: Statistics Canada, 1991-2011 Census)



3.2 Age of City Housing Stock

Approximately 56 percent of all dwelling units in the City were built prior to 1980 (Figure 3.14). Residential growth after 1980 has been relatively slow, with the exception of Central Lonsdale and Lower Lonsdale, which accommodated 3,185 and 4,555 units, respectively, or 77 percent of total dwelling units built after 1980. The growth in Central Lonsdale and Lower Lonsdale has been part of the City's efforts to develop the Lonsdale Regional Centre. The other neighbourhoods to experience moderate growth since 1980 include Marine-Hamilton, Mahon and Tempe.

Figure 3.14: Period of Construction
(Source: Statistics Canada, 2011 NHS)



3.3 Rental Housing

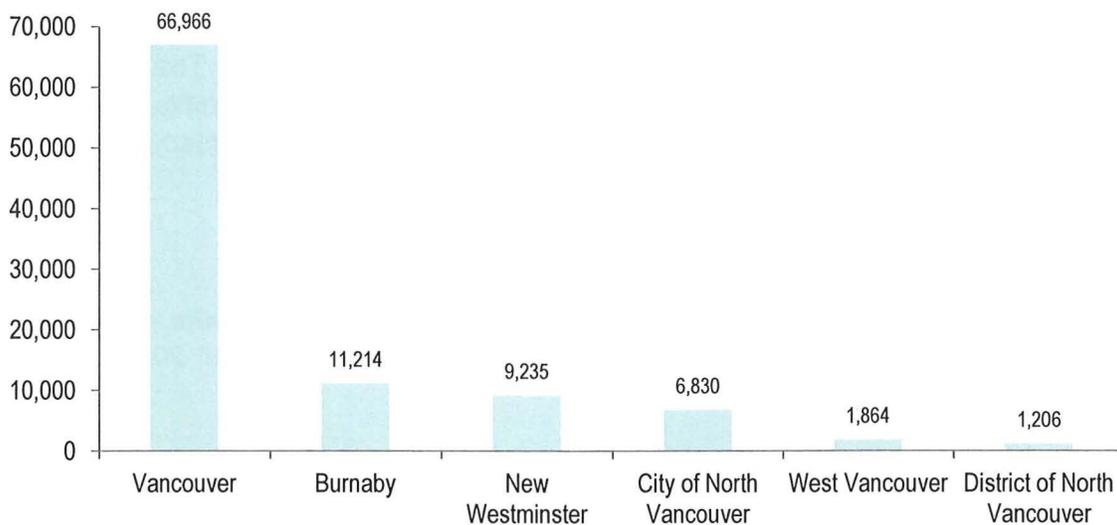
Rental housing is an important part of the City's housing stock with almost half of City households being renter households. However, with the expiry of federal incentive programs in the 1970s, no new purpose-built rental units were constructed in the City until 2000. As a result, the City has an aging rental stock that is in need of reinvestment, rehabilitation, and in some cases, redevelopment. In response, the City has worked to explore policies to improve rental housing conditions and options for residents.

Purpose-Built Rental

Purpose-built rental housing is an important component of the City's rental housing stock. Referring only to housing that is secured for rental in perpetuity, the majority of the City's purpose-built rental stock can be found in the older low-rise and high-rise apartments in Lower Lonsdale and Central Lonsdale.

According to the *Metro Vancouver Purpose-Built Rental Housing Inventory and Risk Analysis Report*, the City had 6,930 purpose-built rental units or six percent of the region's rental stock in 2012. The City was only behind Vancouver, Burnaby and New Westminster in terms of number of purpose-built rental units, and had significantly more rental units than both the District of North Vancouver and West Vancouver (Figure 3.15).

Figure 3.15: Number of Purpose-Built Rental Units in Region, 2012
(Source: Metro Vancouver, 2012)



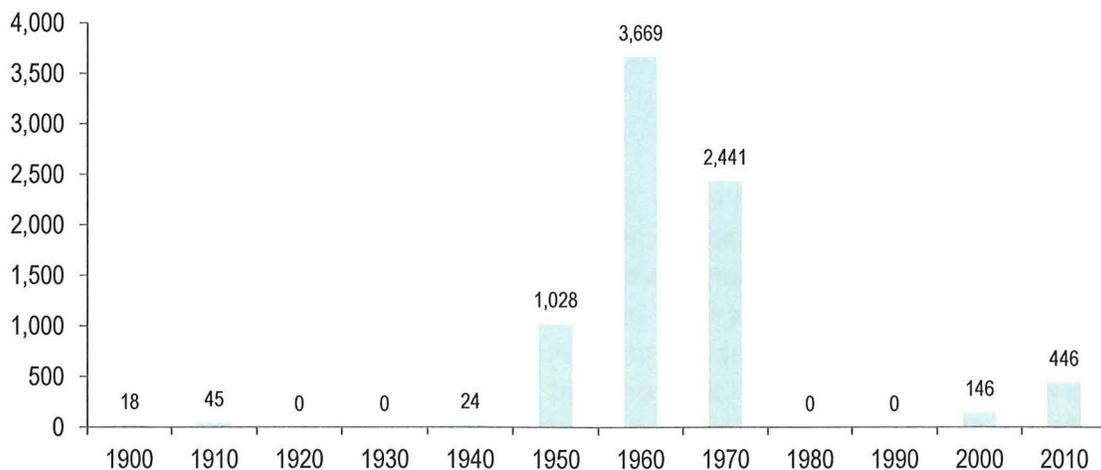
While the City has a significant number of purpose-built rental units, most of these units are older. Almost all of the City's purpose-built rental stock was constructed prior to 1980 (Figure 3.16). The greatest number of purpose-built rental units were built between the 1950s and 1960s, when senior government capital and rent subsidies were available to facilitate rental housing development. The elimination of federal programs and changes to the federal tax structure in the 1970s initiated a long period of disinvestment in purpose-built rental building. The revised federal tax structure made it difficult for rental building owners and investors to recapture their rental housing investment, in addition to improvements to units and building structures being heavily taxed, thereby limiting upgrades to the existing rental housing stock. Many rental building owners and investors struggled financially to manage their properties, with the unfavourable tax structure deterring new investment in rental development.

The federal government has since made changes to help alleviate the tax burden on rental housing investments. As of 2001, developers of rental housing were able to claim a GST rebate on construction costs. In addition, on the sale of the property, rental housing owners now only pay 50 percent capital gains tax, as opposed to 75 percent. These tax relief measures, in addition to low interest rates, strong rental market conditions and other supporting factors, are making rental housing projects more viable currently. Since 2000, the City has seen a net increase of 446 new purpose-built rental units.

While new purpose-built rental units are now being constructed in the City, it is often at the expense of existing rental buildings, which offer more affordable rents due to their age and limited on-site and in-suite amenities. Since 1996, the City has seen the demolition of 216 older rental units. While the City has been able to secure a greater number of new rental units in most of these redevelopments, the affordability of the older rental stock is being lost. Securing new rental housing remains a challenge as rental housing is less profitable than developing strata condominiums.

To support the development of new secured rental for City residents, the City permits additional density to be granted to rental housing projects, as well as other incentives such as reduced development cost charges, understanding that any loss of purpose-built rental units will impact the affordability and availability of rental options for City residents. The City has strata conversion controls to limit the conversion of rental apartments to ownership units, as well as provisions in the Zoning Bylaw to allow additional rental units to be added to existing rental apartments.

Figure 3.16: Period of Construction for Purpose-Built Rental Units, 1900-2015
 (Source: BC Assessment, 2011 and City of North Vancouver, 2015)



Secondary Rental

The secondary rental market, which includes secondary suites, coach houses, accessory dwelling units in duplexes, and privately rented condominiums, is an important part of the City's rental stock. The growth in the secondary rental market has helped to diversify the City's rental housing stock, although these types of units are not secure rental units and may be lost at any time.

The Canada Mortgage and Housing Corporation (CMHC) collects information on the secondary rental market at the regional level. Using this information, Metro Vancouver estimates that approximately 1,474 condominiums are renter-occupied in the City in 2014. Using City data from 2014, the number of condominium owners who did not claim a homeowner grant, indicating that the unit was not occupied by the owner, was 2,645. This is an increase of 600 non-owner occupied units from 2011, when 2,045 condominium units, or approximately 30 percent of all strata condominiums in the City, were rented by owners or investors. While strata condominiums are becoming an important source of rental housing in the City, these types of units tend to charge higher rents due to the units being newer, in addition to having on-site and in-suite amenities that older purpose-built rental apartments do not provide.

Using owners who did not claim the homeowner grant (which requires owner occupancy), Table 3.1 presents an estimate of the number of rental units in the secondary market. The growth in the secondary rental market, including strata condominiums and duplexes, triplexes, fourplexes and townhouses, has helped to diversify the City's rental stock and contribute to growth of new rental housing units in the City.

Table 3.1: Secondary Rental Housing Stock Estimates, 2000-2014
(Source: City of North Vancouver, 2014)

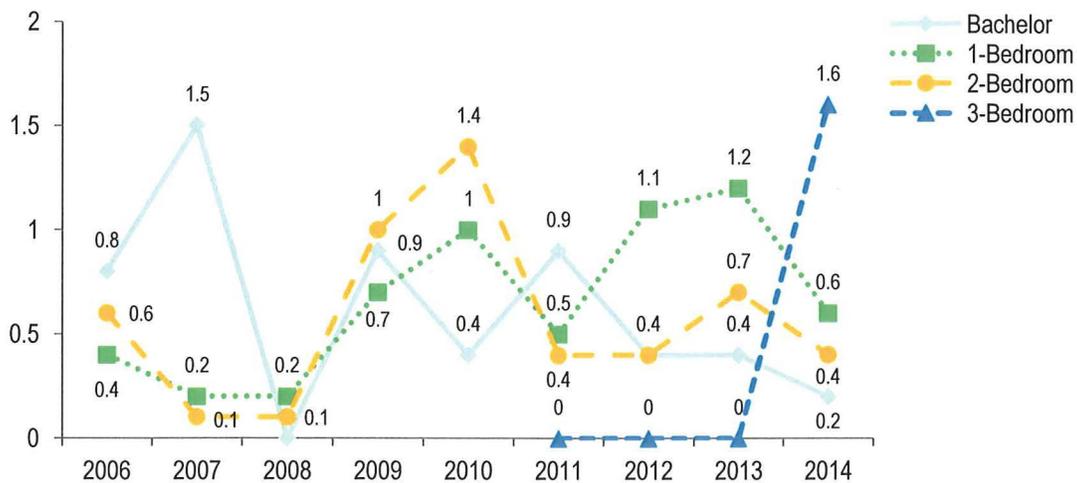
| RENTAL TYPE | 2000 | 2010 | 2014 | DIFFERENCE 2000-2014 |
|--|-------|-------|-------|-------------------------|
| Single Family Dwelling | 1,109 | 834 | 630 | -479 |
| Strata Condos | 1,295 | 2,045 | 2,645 | +1,350 |
| Duplexes, Triplexes, Fourplexes and Townhouses | 534 | 637 | 540 | +6 |
| Secondary Suites / Coach Houses | 443 | 506 | 500 | +57 |
| Accessory Dwelling Units in Duplexes | - | - | 10 | +10 |
| Total | 3,381 | 4,022 | 4,325 | +944 |

Vacancy Rates and Rents

Vacancy rates in the City have been consistently low for the past two decades. Since 2000, the overall vacancy rate in the City for the private rental market has fluctuated moderately and has not risen above two percent. Vacancy rates for bachelor, one-bedroom and two-bedroom units all decreased between 2013 and 2014, with the most significant decrease occurring for two-bedroom units, which went from 1.2 percent in 2013 to 0.6 percent in 2014 (Figure 3.17). Vacancy rate for three-bedroom units has historically been suppressed by CMHC due to the limited number of these units available in the City. Between 2011 and 2013, the City had zero percent vacancy for three-bedroom units, although the vacancy rate increased to 1.6 percent in 2014. While the City has been encouraging a greater number of three-bedroom units in new purpose-built rental projects, the higher vacancy rate reported in 2014 is likely due to current vacancies during the survey period as opposed to a trend. The overall vacancy rate in the City was 0.5 in 2014.

A healthy and balanced vacancy rate is commonly defined as three percent. The City has been well below this mark for numerous years and persistently low vacancy rates suggest that demand continues to outpace supply in the City's rental market.

Figure 3.17: Vacancy Rate in the City, 1999-2014
(Source: CMHC, 1999-2014)



With such low vacancy rates in the City, rents have increased considerably over the same time period. Between 1999 and 2014, the average rent for a purpose-built rental unit in the City grew from \$732 to \$1,093, an increase of \$361 or 49 percent (Figure 3.18). In comparison, the Consumer Price Index increased approximately 30 percent between 1999 and 2013 (Statistics Canada, 2014).

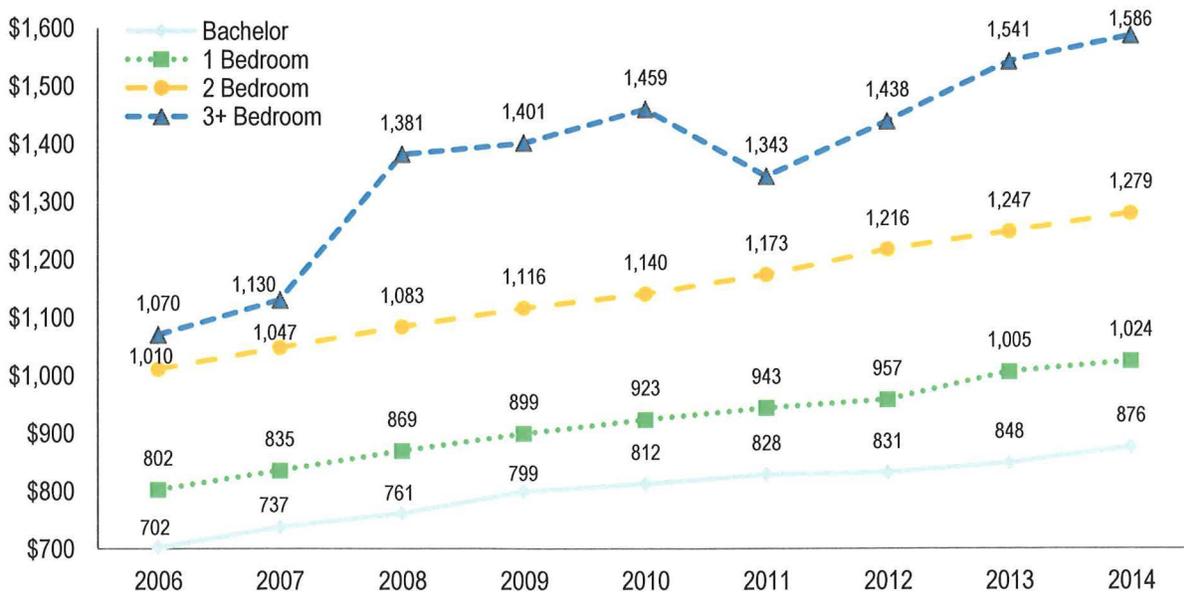
Figure 3.19 compares average rents for each bedroom type. Between 2006 and 2014, average rents increased by 25 percent for bachelor units, 28 percent for one-bedroom units, 27 percent

for two-bedroom units, and 48 percent for three-bedroom or more units. The significant increase in rent for three-bedroom units over time is likely due to the limited supply of three-bedroom units available in the City. Between 2006 and 2014, CMHC recorded an increase of 10 three-bedroom units.

Figure 3.18: Average Purpose-Built Apartment Rents, 1999-2014
 (Source: CMHC, 1999-2014 and Statistics Canada, 2014)



Figure 3.19: Average Purpose-Built Apartment Rents by Unit Size, 2006-2014
 (Source: CMHC, 2006-2014)



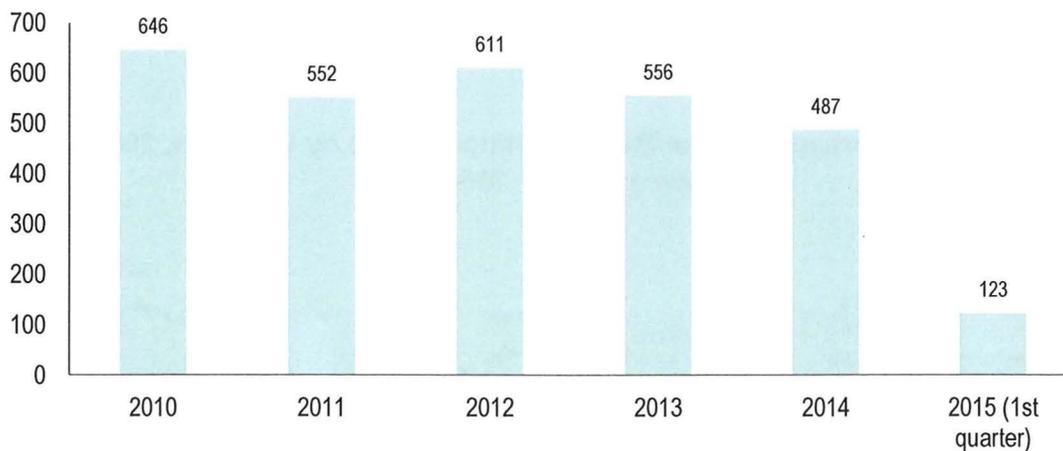
Rental Disputes

Considering the high number of renters in the City, the City has relatively low numbers of recorded rental disputes between landlords and tenants, which are handled by the British Columbia Residential Tenancy Branch (RTB) (Figure 3.20). The number of disputes in the City has seen a downward trend, with 646 dispute applications in 2010 and 487 dispute applications in 2014. If the first quarter numbers for 2015 are annualized, 2015 may have the lowest number of dispute applications in the City since 2010.

It is common to see an increase in dispute applications when the rental market experiences increasing rental prices, low vacancy rates, and other challenges related to housing and affordability. Therefore, the decreasing number of rental disputes may be an indication that the relationships between landlords and tenants are improving, with less conflicts resulting in arbitration. It is, however, imperative that both tenants and landlords understand their rights and responsibilities to tenancy and utilize the RTB service when conflicts cannot be resolved. In addition, there are RTB rules that must be adhered to by law, such as permitted increases to rent and compensation to tenants if violations of the Residential Tenancy Act occur, such as unlawful eviction.

Figure 3.20: Rental Dispute Applications for the City, 2010-2015

(Source: RTB, Office of Housing and Construction Standards, Province of BC, 2015)



4.0 HOUSING AFFORDABILITY

Housing affordability is the relationship between median household income and the estimated income available for either renting or purchasing a home. Using the Canada Mortgage and Housing Corporation standard, housing is considered affordable if a household spends 30 percent or less of its gross income on shelter costs. Households spending more than 50 percent of their gross income on shelter fall below the standard of affordability and are considered to be in core housing need.

For renters, shelter costs include rent and payments for electricity, water and other municipal services. For owners, shelter costs includes mortgage payments (principal and interest), property taxes, condominium/strata fees, home insurance, and payments for electricity, water and other municipal services.

4.1 Housing Prices in the City

Housing prices have increased significantly over the past 10 years in Metro Vancouver, including in the City of North Vancouver. Using data from the Real Estate Board of Greater Vancouver (REBGV) Multiple Listing Services Home Price Index (MLS HPI) for the City and District of North Vancouver, the MLS HPI presents the benchmark price of a typical property based on the housing type, taking into consideration factors that average and median prices do not, including lot size, age and number of rooms. The MLS HPI is modeled on the Consumer Price Index to measure the change in the price of housing features. The typical prices for the City and District of North Vancouver are listed in Table 4.1.

Based on Table 4.1, residential housing prices in North Vancouver have increased \$254,400 or 57 percent between 2005 and 2015. The most significant increase has been for detached homes, which increased 67 percent from \$628,200 in 2005 to \$1,047,800 in 2015. Townhouses and apartments have seen similar increase at 45 percent and 48 percent, respectively. Over the same period, the change in inflation in Canada was 19 percent (Bank of Canada, 2015).

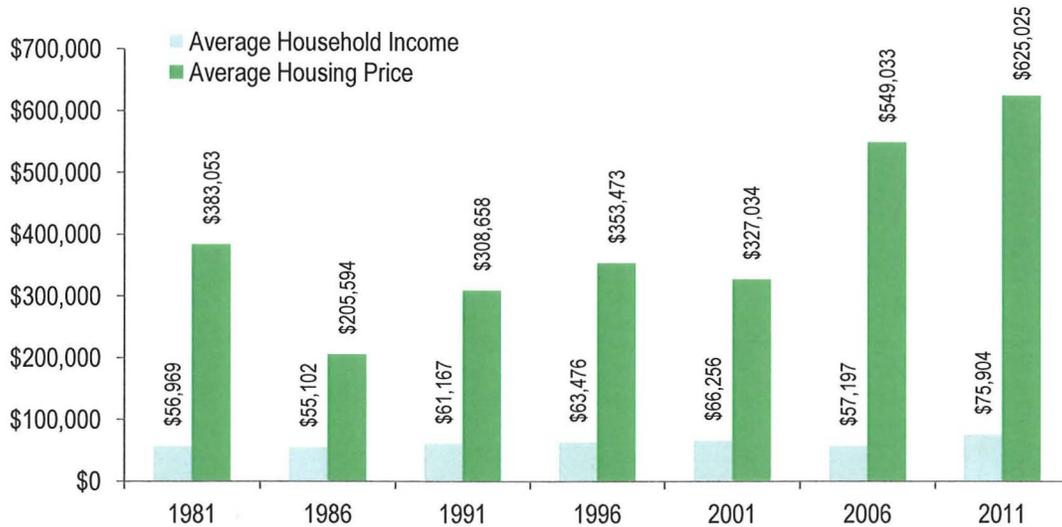
Current low interest rates in Canada have been supporting the demand for real estate as households are able to borrow more money to purchase a property. A low interest rate also means more households are being approved for mortgages, thereby increasing the number of households competing in the housing market and increasing demand and housing prices. However, with many households borrowing greater sums of money to buy properties, buyers are subjected to greater financial risk. Higher debt loads means households often have less money for other living costs, such as groceries and childcare, which puts them at risk should interest rates climb or in the event of an unexpected change in circumstance, such as loss of work.

Table 4.1: Typical Prices in North Vancouver by Residential Housing Types
(Source: Real Estate Board of Greater Vancouver, 2015)

| YEAR | ALL RESIDENTIAL FORMS | DETACHED | TOWNHOUSE | APARTMENT |
|---------------------------|-----------------------|-------------|------------|------------|
| 2005 | \$443,200 | \$628,200 | \$417,800 | \$245,700 |
| 2006 | \$495,500 | \$697,300 | \$464,200 | \$277,400 |
| 2007 | \$550,000 | \$764,500 | \$515,200 | \$311,600 |
| 2008 | \$623,200 | \$874,400 | \$569,900 | \$352,600 |
| 2009 | \$544,700 | \$762,000 | \$517,500 | \$305,400 |
| 2010 | \$614,300 | \$864,400 | \$571,100 | \$344,300 |
| 2011 | \$601,900 | \$846,800 | \$551,100 | \$339,800 |
| 2012 | \$640,000 | \$942,900 | \$589,100 | \$339,100 |
| 2013 | \$629,400 | \$919,000 | \$562,400 | \$339,800 |
| 2014 | \$652,000 | \$950,400 | \$584,100 | \$352,100 |
| 2015 | \$697,600 | \$1,047,800 | \$606,700 | \$363,200 |
| Total Change 2005-2015 | +\$254,400 | +\$419,600 | +\$188,900 | +\$117,500 |
| Percent Change 2005 -2015 | 57.4% | 66.8% | 45.2% | 47.8% |

While the cost of housing has historically been relatively expensive in the City, the past 10 years has been especially severe as incomes have failed to keep pace with increases in housing prices. For example, in 1981, the cost of housing was approximately seven times the average household income in the City (Figure 4.1). This gap decreased in 1986 due to an economic recession, but has steadily increased since. In 2011, the cost of housing was approximately eight times greater than the average household income in the City, an improvement in affordability from the 2006 according to 2011 National Household Survey. However, due to biases inherent in this voluntary NHS survey, this data likely does not capture certain populations, including lower income households. With housing prices increasing at a much faster rate than income, finding housing options that are affordable is a challenge in the City.

Figure 4.1: Average Household Income and Average Housing Price, 1981-2011
 (Source: Statistics Canada, 1981-2006 Census and 2011 NHS)



4.2 Rental Affordability

To understand rental affordability for City residents, calculations have been performed to determine the amount of rent various household types and age groups can afford at 30 percent of their median income levels (Table 4.2). Based on these calculations, the age cohort of 35 to 64 had a higher median income level compared to youth and young adults (0 to 24) and seniors (65+). The substantial difference in median income is most noticeable between household types. Across all age groups, single parent households and single person households earned far less than couple family households.

When compared against the average rental rates in the City, a gap in housing affordability was evident (Figure 4.2). For the youngest age cohort (0 to 24), all households earning the median income or less could not afford the average price of a bachelor unit in North Vancouver within 30 percent of their income.

Across the age spectrum, couple households had the highest median incomes and greatest ability to afford rental housing. This is likely a result of having dual income earners. Comparatively, lone parent households incomes increased over time, but their overall growth was substantially lower compared to families with two parents. Both households, couples and lone parents, have children, and lone parents earned less than half of couple households income.

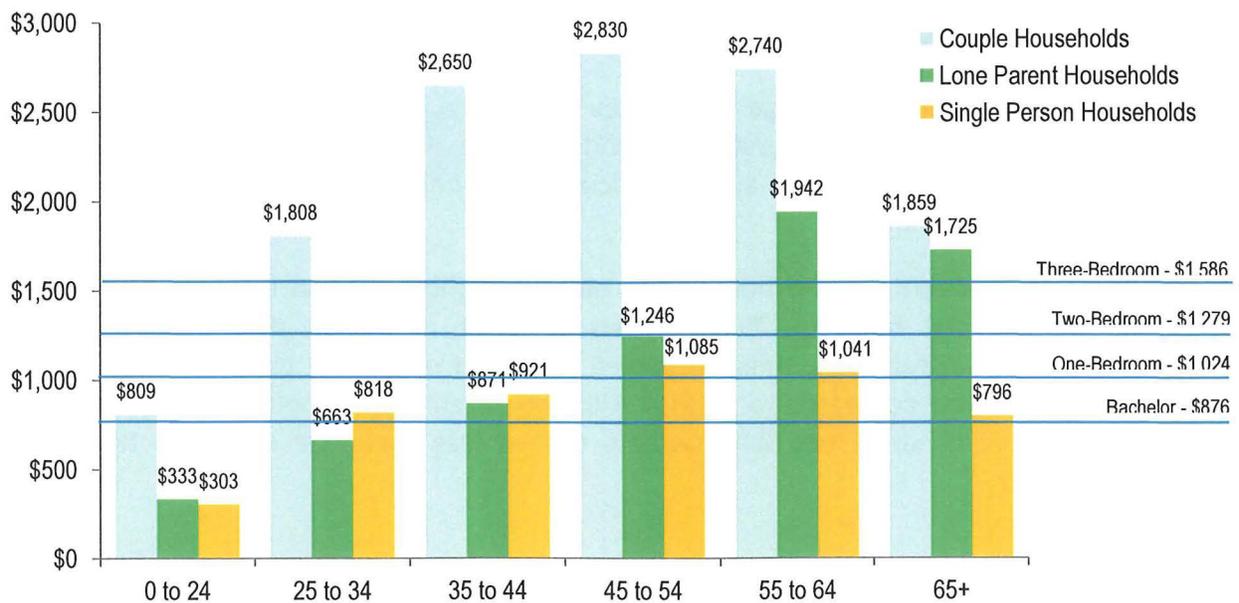
Table 4.2: Rental Affordability per Month, 2012

(Source: Statistics Canada, Taxfiler Reported Custom Tabulation Family Tables, 2012 and CitySpaces Consulting Ltd. Calculations)

| AGE | ABILITY TO RENT @ 30 PERCENT OF INCOME (PER MONTH) | | |
|----------|--|------------------------|--------------------------|
| | COUPLE HOUSEHOLDS | LONE PARENT HOUSEHOLDS | SINGLE PERSON HOUSEHOLDS |
| 0 to 24 | \$809 | \$333 | \$303 |
| 25 to 34 | \$1,808 | \$663 | \$818 |
| 35 to 44 | \$2,650 | \$871 | \$912 |
| 45 to 54 | \$2,830 | \$1,246 | \$1,085 |
| 55 to 64 | \$2,740 | \$1,942 | \$1,041 |
| 65+ | \$1,859 | \$1,725 | \$796 |

Figure 4.2: Rental Affordability per Month, 2012

(Source: Statistics Canada, Taxfiler Reported Custom Tabulation Family Tables, 2012 and CitySpaces Consulting Ltd. Calculations)



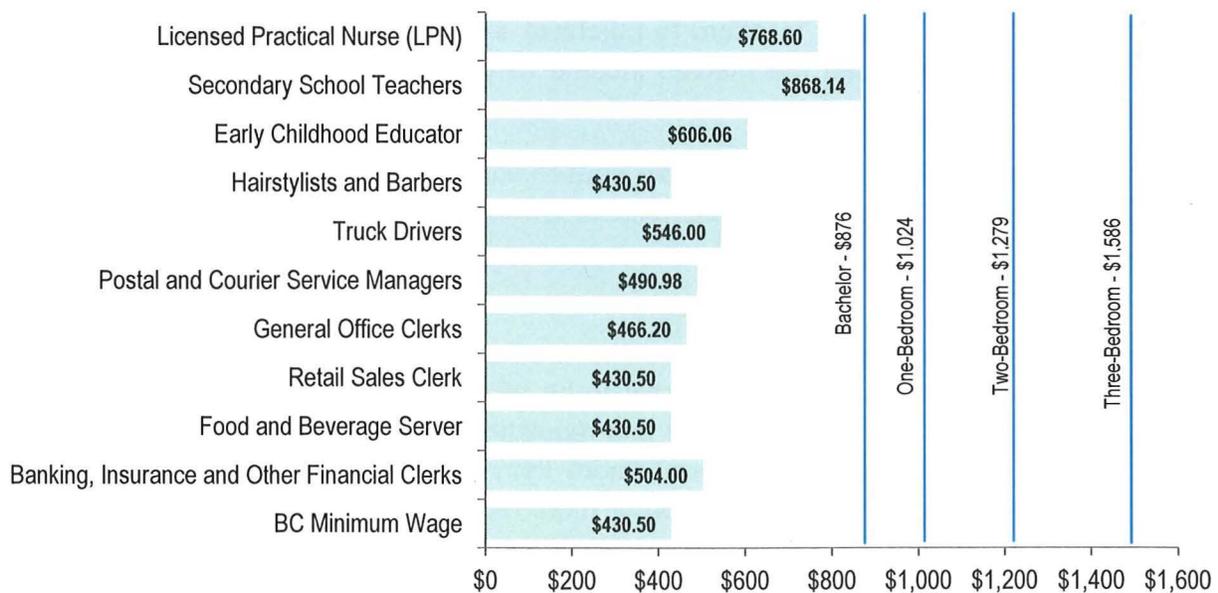
Housing affordability can also be evaluated by median incomes by occupation (Figure 4.3). Using 30 percent of income as the affordability threshold, employees working full-time and earning minimum wage can afford approximately \$430 per month towards rent and utilities. However, the average one-bedroom unit costs \$1,024 per month in the City, which is out of reach for full-time minimum wage workers.

Other occupations provide a comparison. Food and beverage servers, retail sales clerks and hairstylists all earn minimum wage in the City of North Vancouver according to the Labour Market Information database. General office clerks and postal/courier service managers earn minimally more and would be equally challenged to afford the average rental unit within 30 percent of their gross median income. Early childhood educators and licensed practical nurses also have earnings that fall short of affordability compared to the average rental prices in the City.

Households may find means to offset the full cost of rent, such as finding a roommate, or acquiring a rental unit that may be older and/or in need of minor repair in order to have rent in an affordable range. This is dependent on rental availability, suitability and individual household circumstances.

Figure 4.3: Rental Affordability per Month for Select Occupations (Full-Time Equivalent), 2012

(Source: Government of Canada Labour Market Information, Employment and Social Development, Wage Report North Vancouver, 2015 and CitySpaces Consulting Ltd. Calculations)



4.3 Homeownership Affordability

Households pursuing homeownership, rather than rental, will require a mortgage, and must be qualified by a banking institution to obtain one. Basic home purchasing assumptions are made in order to determine the maximum purchase price and the maximum amount that households can borrow. For this report, assumptions were based on 2015 rates, including:

- Gross Debt Service (GDS) Ratio at 32 percent (entire monthly debt, such as car loans and credit card payments, including the potential monthly mortgage payment, should be no more than 32 percent of gross monthly income);
- Five-year fixed rate at 2.85 percent;
- Amortization period of 25 years; and,
- Monthly maintenance fees at \$200, property taxes at \$250, home insurance at \$150, and utilities/heating at \$100.

Homeownership affordability can be estimated based on the assumptions made about a household's ability to obtain a mortgage, and using the median household income from taxfiler income data obtained from Statistics Canada. These inputs assume households have zero debt. Households with debt, be it student loans, car loans, or credit cards, may be approved for a lesser mortgage amount based on their GDS ratio. Debt reduces the price range available to households for purchasing.

Using median income levels and based on the above assumptions, the average couple household earning the median income can purchase a home worth \$352,623 (with five percent down) in the City (Table 4.3). This price ranges depending on household age, with the average 45 to 54 age cohort being able to afford to purchase a home worth \$524,262. Again, half of households earning more than the median income can afford more, and the other half can afford less.

Given their combined higher incomes, couple households have the greatest purchasing power in the City. However, with the average sale price of townhouse at \$606,700 and single detached homes at \$1,047,600 in 2015, both housing types are out of reach for couples earning the median income or less.

Even for couple households earning above the median income level, a challenge may be ensuring an adequate down payment in order to be eligible to purchase a home (Table 4.4). This is the result of changes to CMHC rules and regulations in 2012, whereby mortgage default insurance is not available on homes worth more than \$1 million. As a result, homebuyers looking to purchase a home worth \$1 million or more require a minimum down payment of 20 percent.

Table 4.3: Home Ownership Affordability by Age, 2012

(Source: Statistics Canada, Taxfiler Reported Custom Tabulation Family Tables, 2012 and CitySpaces Consulting Ltd. Calculations)

| AGE | ABILITY TO PURCHASE WITH 5 PERCENT DOWN | | |
|----------|---|------------------------|--------------------------|
| | COUPLE HOUSEHOLDS | LONE PARENT HOUSEHOLDS | SINGLE PERSON HOUSEHOLDS |
| 0 to 24 | \$36,825 | - | - |
| 25 to 34 | \$277,698 | \$1,507 | \$39,044 |
| 35 to 44 | \$480,828 | \$51,681 | \$63,763 |
| 45 to 54 | \$524,262 | \$142,225 | \$103,398 |
| 55 to 64 | \$502,605 | \$310,038 | \$92,678 |
| 65+ | \$290,166 | \$257,826 | \$33,775 |

Table 4.4: Down Payment Scenarios by Housing Type, 2015

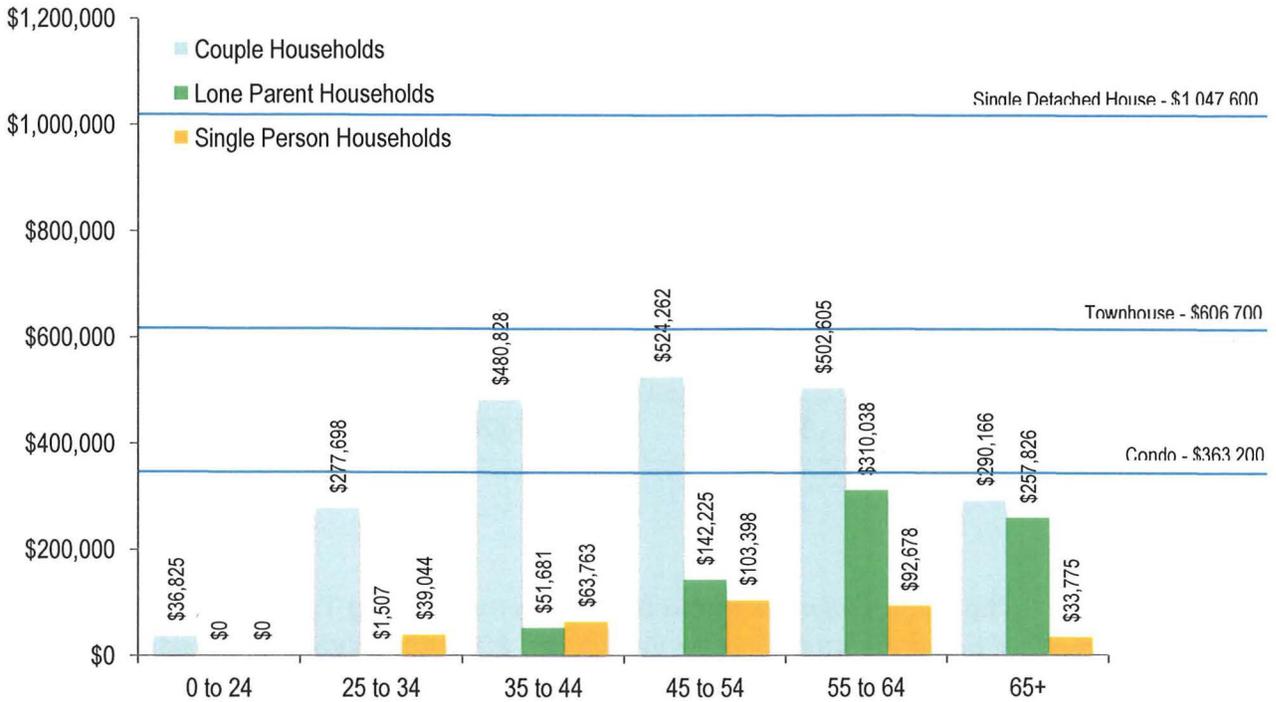
(Source: Real Estate Board of Greater Vancouver, 2015 and CitySpaces Consulting Ltd. Calculations)

| HOUSING TYPE | DOWN PAYMENT SCENARIOS | | | |
|-----------------------|------------------------|-----------|------------|------------|
| | BENCHMARK PRICE | 5 PERCENT | 10 PERCENT | 20 PERCENT |
| Condominium | \$363,200 | \$18,160 | \$36,320 | \$72,640 |
| Townhouse | \$606,700 | \$30,335 | \$60,670 | \$121,340 |
| Single Detached House | \$1,047,600 | - | - | \$209,520 |

The income and price index indicates that lone parent households earning the median income or more may be able to enter into the homeownership market in middle adulthood (45 to 54) or pre-retirement (55 to 64) (Figure 4.4). Based on average sales prices, single person households of all ages earning the median income or less are priced out of the market. Homeownership is

also out of reach for most households earning BC's minimum wage and other common occupations in the City if the 30 percent affordability threshold is adhered to.

Figure 4.4: Home Ownership Affordability by Age and Household Type, 2012
 (Source: Statistics Canada, Taxfiler Reported Custom Tabulation Family Tables, 2012, and Real Estate Board of Greater Vancouver. 2015 and CitySpaces Consulting Ltd. Calculations)



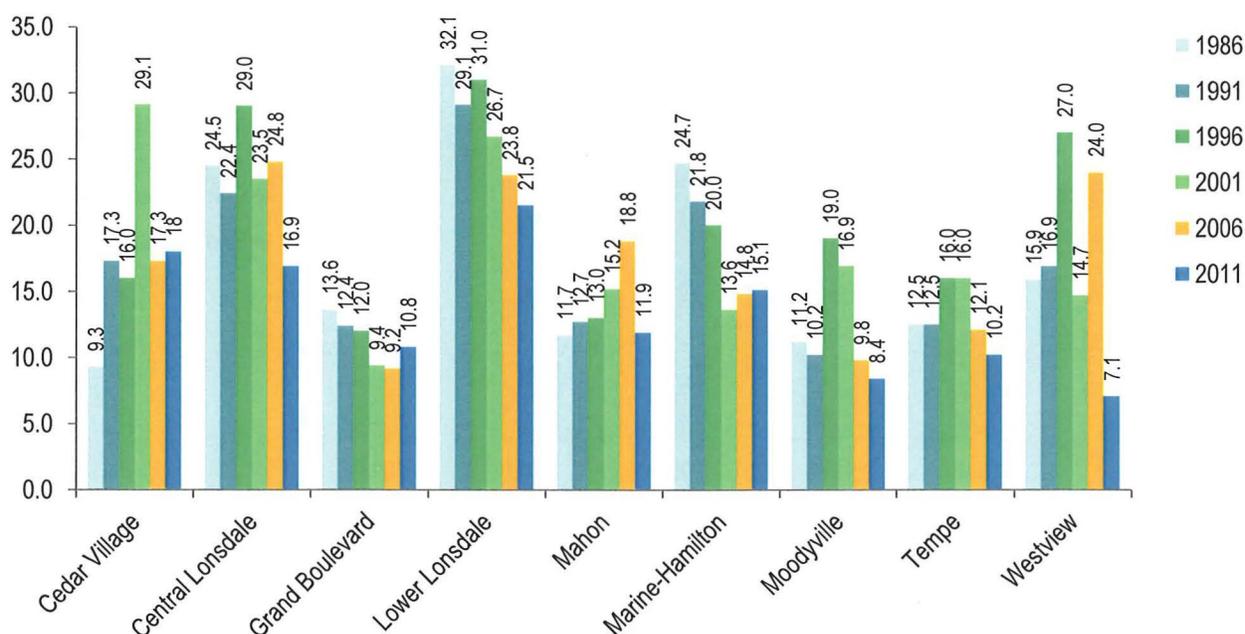
4.4 Incidence of Low Income

Statistics Canada defines low income as the income level at which families or persons not in economic families spend 20 percentage points more than average of their after-tax income on food, shelter and clothing. The City has traditionally had a higher incidence of low income households compared to the other North Shore municipalities. However, the City has seen a continual decline in households with low income since 1986 (Figure 4.5). The significant decrease between 2006 and 2011 may be due to non-response bias in the NHS.

While the incidence of low income has declined in the City overall, the prevalence for each City neighbourhood is notably different. The neighbourhoods of Central Lonsdale, Lower Lonsdale and Marine-Hamilton historically had the highest prevalence of low income in the City. These neighbourhoods have the highest percentage of renters and the decrease in recent years may be due to new strata condominium developments, which have brought greater number of

homeowners with higher incomes into these neighbourhoods. The prevalence of low income in these particular neighbourhoods is of concern due to the high number of older purpose-built apartment buildings and the potential impact that redevelopment, and the subsequent displacement, may have on economically vulnerable residents. The reasons for the significant decrease in the Westview neighbourhood are unknown, although it may be due to NHS non-response bias.

Figure 4.5: Incidence of Low Income by Neighbourhood, 1986-2011
 (Source: Statistics Canada, 1986-2006 Census and 2011 NHS)



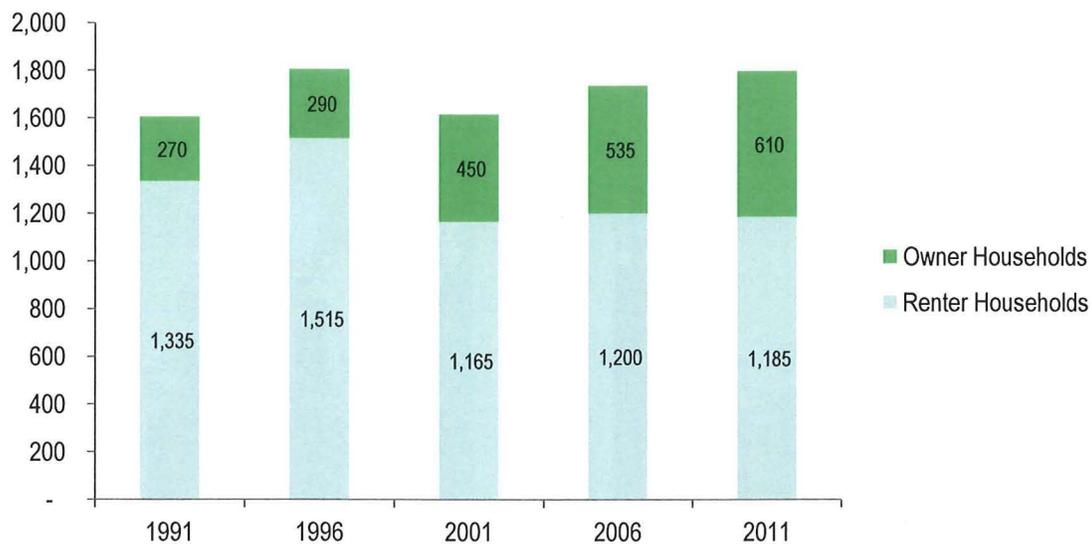
4.5 Core Need Households

Households in core need and spending at least half of household income are considered to have extremely dire housing circumstances. In 2011, the City had 1,795 core need households, or the equivalent of nine percent of the City's population. The number of core need households decreased between 2006 and 2011, although the City had more core need households compared to the District of North Vancouver (five percent), West Vancouver (six percent) and the region overall (eight percent) in 2011.

Overall, there are more renter households in core need and spending at least half on housing, compared to owner households (Figure 4.6). That said, the number of renters households in core need decreased in 2011, while the number of owner households spending at least half on housing increased. This indicates that many households are over-stretching themselves

financially, thereby having less money to spend on other household expenses, such as groceries, childcare and transportation. These households are in financially precarious situations should their incomes change, should their fixed expenses increase like property taxes, insurance and interest rates. These households may further have a lesser ability to participate in recreational activities and engage in other social ways due to financial constraints.

Figure 4.6: Owner and Renter Households in Core Need, 1991-2011
 (Source: Statistics Canada, 1991-2006 Census and 2011 NHS)

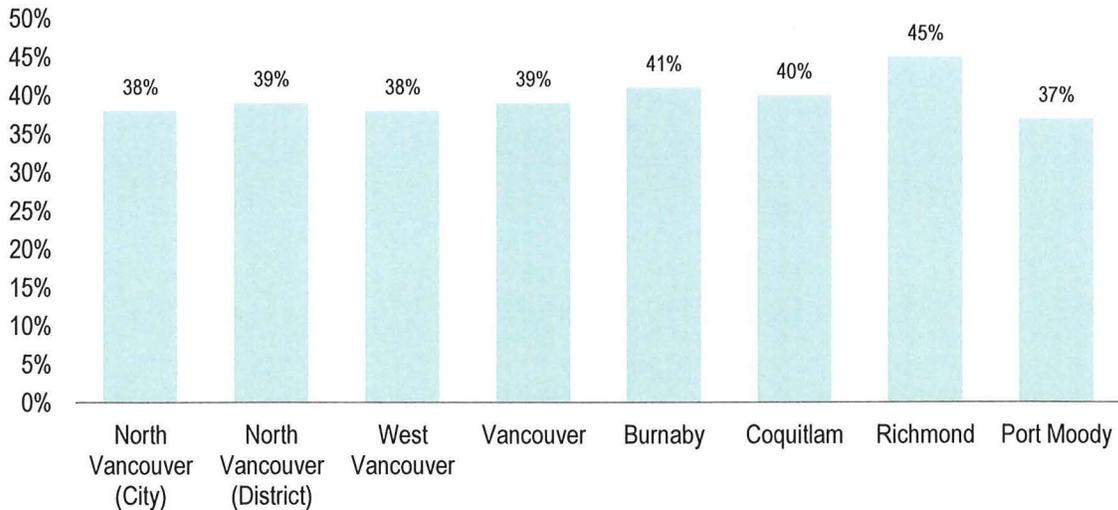


4.6 Transportation and Housing Affordability

Transportation is inherently linked to housing in several ways. Typically, transportation is the second largest expense for households. These expenses may include transit passes or personal vehicle payments, including insurance, license and registration fees, gas, and maintenance. In Metro Vancouver, transportation costs increase as your commute increases. For transit passes, moving from one zone to another will increase your monthly costs. For personal vehicles, bridge tolls and parking fees can be additional expenses.

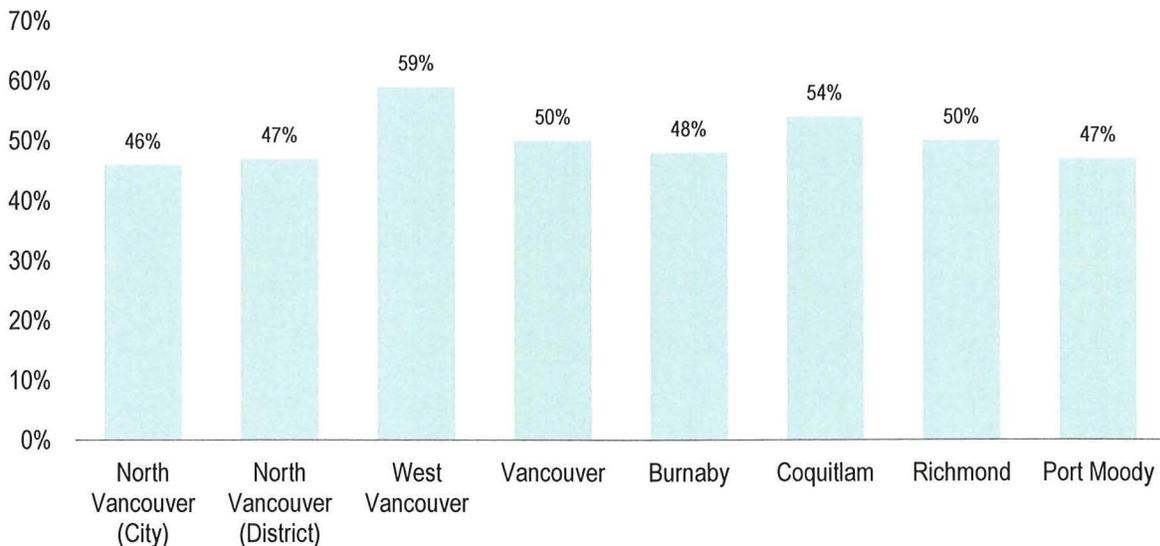
Metro Vancouver recently issued a Cost Burden Study on housing and transportation in the region. This study combines household expenditures on housing and transportation with household income by municipality. For the City of North Vancouver, the average homeowner earning the median income had a “housing and transportation cost burden” of 38 percent - meaning that 38 percent of their income goes towards the cost of housing and transportation (Figure 4.7). There is minimal variation in this percentage compared to other municipalities in the region. The most expensive cities in the region (using the combined housing and transportation index) are Richmond and the City of Langley at 45 percent.

Figure 4.7: Housing and Transportation Cost Burden Index for Homeowners, 2015
 (Source: Metro Vancouver Housing + Transportation Cost Burden Report, 2015)



Renters earning the median income and living in the City had a housing and transportation cost burden of 46 percent (Figure 4.8). This figure is the second best in the region (tied with New Westminister), and only 1 percentage point behind Vancouver (45 percent). The University of British Columbia (UBC) and the University Endowment Lands (UEL) have the highest housing and transportation cost burden for renters in the region at 65 percent.

Figure 4.8: Housing and Transportation Cost Burden Index for Renters, 2015
 (Source: Metro Vancouver Housing + Transportation Cost Burden Report, 2015)



The housing and transportation cost burden index does not identify the affordability ranges for rental and ownership to meet the median income levels of residents. It does, however, demonstrate that proximity to transit-oriented areas and the frequent transit network can improve households overall cost of living. This is especially true for renter households who are earning low to moderate income levels who, according to this study, have a cost burden upwards of 67 percent, which is considerably disproportionate to their financial means.

5.0 NON-MARKET HOUSING

5.1 Non-Market Housing Supply

Non-market housing refers to housing that has ongoing government subsidy, or generates sufficient revenue through rents and donations that it is able to operate on a not-for-profit basis.

BC Housing maintains statistics on non-market housing units and subsidies provided through its programs across the province. The most recent statistics, dated March 2015, identify rent supplements, emergency and temporary beds, supportive housing, and independent housing in the City North Vancouver.

As of June 2015, BC Housing notes a total of 1,017 non-market housing units are located in the City, excluding rent supplements. Nearly half (47 percent) are dedicated affordable housing for independent seniors (Table 5.1). The other proportionally highest category of non-market housing in the City is for low-income families at 26 percent, and special needs/persons with disabilities at 10 percent. According to City records, the City has a total of 1,066 non-market units, not including 14 non-market units currently under construction. Of the units currently under construction, nine are earmarked for lone-parent mothers and their children and five are for persons with disabilities.

Since 2012, there was an overall net gain in the non-market housing stock registered with BC Housing by 114 units. The largest gain was seen for independent seniors with 76 units. New to the community is non-market housing for women and children fleeing domestic violence, from zero units in 2012 to 20 units in 2015.

Table 5.1: Summary of Non-Market Housing in the City, 2012-2015
(Source: BC Housing, 2015)

| NON-MARKET HOUSING TYPE | 2012 | | 2015 | |
|-------------------------------------|------------|-------------|--------------|-------------|
| | # OF UNITS | PROPORTION | # OF UNITS | PROPORTION |
| Homeless Sheltered | 45 | 5% | 45 | 4% |
| Homeless Housed | 25 | 3% | 25 | 2% |
| Women and Children Fleeing Violence | 0 | 0% | 20 | 2% |
| Special Needs | 87 | 10% | 105 | 10% |
| Frail Seniors | 89 | 10% | 89 | 9% |
| Low Income Families | 260 | 29% | 260 | 26% |
| Independent Seniors | 397 | 44% | 473 | 47% |
| Total Units | 903 | 100% | 1,017 | 100% |

5.2 Rent Supplements

BC Housing provides cash assistance to individuals and families who require assistance for rent payments. The current supplements offered include the Rental Assistance Program for working families with children (RAP) and Shelter Aid for Elderly Renters (SAFER). The RAP program is a housing subsidy provided to eligible low-income, working families with cash assistance to help with monthly rent payments in the private market. The SAFER program is a housing subsidy for seniors with low-to-moderate incomes to help make private market rents affordable.

There are a total of 675 households receiving rent supplements in the City in 2015, an increase of 169 households from 2012 (Table 5.2). The majority are SAFER subsidies for seniors living in private rental accommodations at 61 percent. There has been an increase in rent supplements provided to low-income households since 2012. Overall, homeless rent supplements increased from 20 to 41, RAP supplements increased from 172 to 225, and SAFER increased from 314 to 409 in the City between 2012 and 2015.

Table 5.2: Summary of Rent Supplements in the City, 2012-2015
(Source: BC Housing, 2015)

| RENT SUPPLEMENT | 2012 | | 2015 | |
|---|------------|-------------|------------|-------------|
| | # OF UNITS | PROPORTION | # OF UNITS | PROPORTION |
| Homeless Rent Supplement | 20 | 4% | 41 | 6% |
| Rental Assistance Program (RAP) | 172 | 34% | 225 | 33% |
| Shelter Aid for Elderly Residents (SAFER) | 314 | 62% | 409 | 61% |
| Total Supplements | 506 | 100% | 675 | 100% |

5.3 Wait Lists

The applicant wait list maintained by BC Housing's Housing Registry has grown by 29 percent in the City of North Vancouver since 2012. The Housing Registry is a centralized database of applicant information that allows housing providers to select tenants as units become available. It is not a mandatory requirement in BC to be part of the housing registry. As such, many housing providers maintain their own wait lists separate from the Housing Registry and are not captured in the data below.

The wait list for non-market housing dedicated for seniors has the highest number of applicants compared to other categories (150 applicants, 42 percent of all applicants) and has experienced

the largest increase in the number of applicants since 2012 (Table 5.3). The number of applicants waiting for non-market housing for low-income families has grown from 94 applicants in 2012 to 110 applicants in 2015. Applicants waiting for non-market housing suitable to singles have doubled from 14 to 25, comprising two percent of all wait list applicants. Non-market housing for persons with disabilities and wheelchair modified units have remained relatively constant over the past few years, likely due to the City's successful use of density bonusing to secure new non-market units for this population group.

Table 5.3: Summary of Housing Registry Wait List for the City, 2012-2015
(Source: BC Housing, 2015)

| HOUSING REGISTRY WAIT LIST | 2012 | | 2015 | |
|-----------------------------------|-----------------|-------------|-----------------|-------------|
| | # OF APPLICANTS | PROPORTION | # OF APPLICANTS | PROPORTION |
| Family | 94 | 34% | 110 | 31% |
| People with Disabilities | 66 | 24% | 65 | 18% |
| Seniors | 99 | 36% | 150 | 42% |
| Wheelchair Modified | 6 | 2% | 9 | 3% |
| Singles | 14 | 5% | 25 | 7% |
| Total Applicant Households | 279 | 100% | 359 | 100% |

5.4 Homelessness

The 2014 Metro Vancouver Homelessness Count found 119 homeless individuals on the North Shore, which consists of the City of North Vancouver, District of North Vancouver and West Vancouver, out of a regional total of 2,777 homeless individuals. This equates to four percent of the region's homeless population.

The homeless population on the North Shore decreased two percent, or three individuals, between the 2011 and 2014 count (Figure 5.1). Of the 119 homeless individuals, 59 were sheltered and 60 were unsheltered. The only homeless shelter on the North Shore, the North Shore Housing Centre and Shelter, is located in the City of North Vancouver and was facilitated with funding from the City's Affordable Housing Reserve Fund.

The majority of homeless individuals on the North Shore have been homeless for 10 years or more (Figure 5.2), indicating there may be other barriers to housing other than availability and cost alone. For the North Shore individuals who have been homeless for less than one year,

approximately half are from other parts of Canada, 30 percent are from other parts of British Columbia, and only 20 percent are from the Metro Vancouver region. The milder weather in the Metro Vancouver region may be part of the draw for homeless individuals from other parts of Canada and the province, although climate change may exacerbate weather events in the region, impacting the vulnerability of these individuals.

The 2014 Homelessness Count found 24 homeless youth and children on the North Shore, with 14 sheltered and 10 unsheltered. Homelessness among seniors (aged 55 and older) was also notable, with 31 homeless seniors counted in 2014, of which 23 were unsheltered.

Figure 5.1: Homeless Individuals on the North Shore, 2002-2014

(Source: Metro Vancouver, 2014)

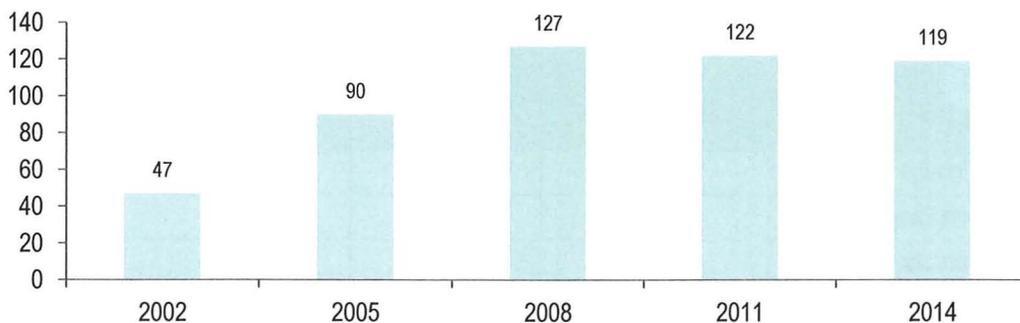
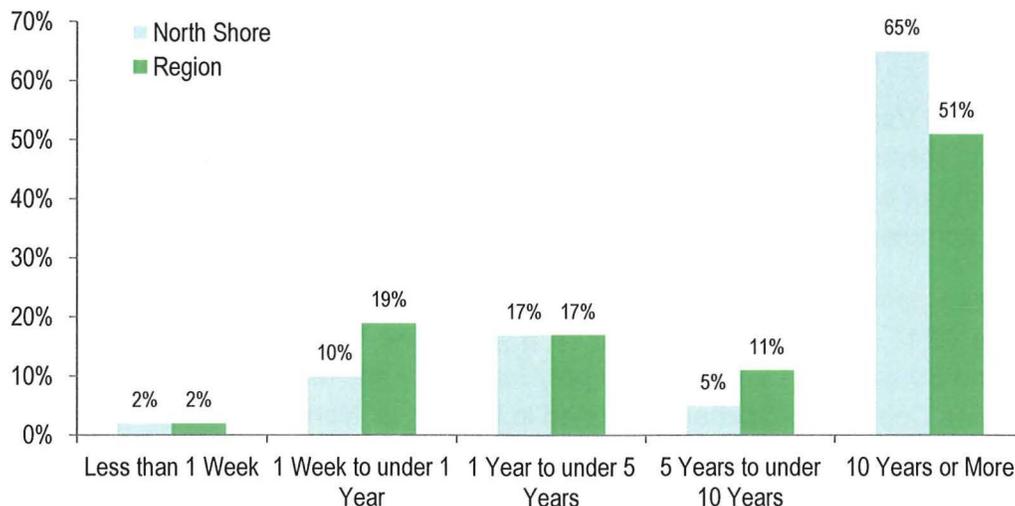


Figure 5.2: Homeless by Length of Time on North Shore and Region, 2014

(Source: Metro Vancouver, 2014)



5.5 Expiration of Operating Agreements

A potential concern in the near future is the supply of non-market housing units in the City as operating agreements for some non-profit housing operators begin to expire. Approximately 251 non-market units in the City will expire between 2016 and 2020, with an additional 424 units expiring between 2021 and 2025. After 2025, another 48 non-market units will be without operating agreements.

Depending on the financial state of the non-profit housing society, this may have significant implications for the City's non-market housing stock as these societies lose their subsidies to offset the cost of housing. If societies are not prepared for the change and transition, there could be the potential for a large volume of existing non-market housing supply that could be at risk of market conversion, redevelopment resulting in the net loss of units, or the dissolution of certain non-market organizations. There may also be greater number of mergers and acquisitions happening as a result of some societies not being viable post expiry of their operating agreement. That said, the expiration of non-market housing operating agreements was requested by many non-profit housing operators and could result in innovative responses as non-market housing societies leverage their resources to improve service to clients and increase the number of non-market housing units.

GLOSSARY

Adaptable Housing: Housing that meets the minimal accessibility requirements and incorporates features that make it easy for people to “remain at home” as their mobility declines with age, or if they experience limitations due to illness or injury.

Adequate Housing: Dwellings reported by residents as not requiring any major repairs.

Affordable Housing: Accommodation that allows people to live within their income level. According to Canada Mortgage and Housing Corporation (CMHC), for housing to be affordable, a household should not spend more than 30 percent of their gross income towards shelter costs. For renters, shelter costs include both rent and utilities. For homeowners, shelter costs include mortgage, property taxes and utilities.

Core Housing Need: A household living in housing that falls below at least one of the adequacy, affordability or suitability standards and having to spend 30 percent or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable.

Housing Continuum: A visual concept used to describe and categorize different types of housing, from non-market to market housing. Housing continuums are developed to assist with planning and program development and are usually tailored to the community or region in question. On the non-market end of the continuum are emergency services and transitional housing, which often require the most public funding, moving towards supportive and social housing options in the middle of the continuum and then towards independent housing options on the right, where housing is typically provided by the private market.

Market Rental Housing: The private rental market provides the majority of rental housing affordable to households with low to moderate incomes. This can include purpose-built rental housing as well as housing supplied through the secondary rental market such as basement suites, rental condominium units, or other investor-owned houses/units.

Non-Market Housing: Affordable housing that is owned or subsidized by government, a non-profit society, or a housing cooperative; whereby it is not solely market driven.

Safe House: A secure location where persons are perceived as being in danger. A youth house, for example, provides immediate shelter and services to youth in-need such as youth fleeing domestic and sexual violence, homeless youth and runaway youth.

Suitable Housing: Housing that has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements.

Supportive Housing: Subsidized housing that provides ongoing supports and services to residents who cannot live independently and who are not expected to become fully self-

sufficient. This form of housing may be located in a purpose-designed building or scattered site apartments and does not have a limited length of stay.

Transitional Housing: Time-limited housing where people may remain for up to 2 to 3 years (depending on provider/operating agreement). Support services are generally provided to help move people towards independence, such as providing a range of training, practical help with daily living, and counseling. Transitional housing includes second stage housing for women fleeing violence, as well as housing for youth and people with addictions.