

## Analysis of BC's Housing Action Plan

On April 3, the BC government released its latest [housing action plan](#). This plan makes some important and bold moves. It also misses some key opportunities.

### A housing ecosystem approach

It's great to see the province proposing action across the whole housing ecosystem. The Action Plan takes some next steps down each of the paths in Gen Squeeze's [co-created housing solutions map](#):

1. *Fix the regular market* – by rezoning to increase density, speeding up approvals, and cracking down on things like short-term rentals
2. *Scale up non-profit housing* – by growing the affordable supply, protecting renters, and addressing homelessness
3. *Break the addiction to high and rising home prices* – by countering speculation and house flipping that treat housing primarily as a source of investment returns

### Increasing density in existing neighbourhoods

We're excited to see the move to permit the conversion of single-family lots to fourplexes to increase density – especially to grow the supply of 'missing middle' homes needed by families with kids. The best place to grow housing supply is on land already zoned for housing, so making better use of the land available in single-family neighbourhoods is essential. It's neither sustainable nor fair for one-third of Vancouverites to continue to reside on three-quarters of the available land, squeezing everyone else into the remaining quarter.

### A missed opportunity to share the wealth generated by up-zoning

On the flip side, however, the Action Plan misses an important opportunity to capture for the public some of the substantial new wealth that will result from the province's decision to allow re-zoning of single-family lots for fourplexes.

Single-family home owners who can take advantage of rezoning opportunities will see the value of their land increase dramatically. But under the new Action Plan, all of this new wealth will be reaped by individual owners – a group already among the most securely housed, and who have gained an unprecedented amount of housing wealth thanks to decades of spiraling home prices. In turn, developers converting these lots to multi-unit will have to pay that much more to access the land needed to create new supply – escalating the cost of the resulting homes.

The province could and should have considered how a portion of the increased value from rezoning single-family lots is collected for PUBLIC benefit – rather than just fueling private wealth. After all, the costs of the disconnect between home prices and earnings are felt widely. Our kids and grandkids can't afford to a place to call home – nor can many newcomers to our country. A growing number of workers can't afford to live near their jobs, or near to where there are job vacancies, making it hard to attract and retain the people we need. Plus, all the new density is going to required additional infrastructure for water, sewage, power, etc., all of which will be paid for by the public. We could raise the funds

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necessary to cover these costs by allowing some of the increase land value generated by up-zoning to be captured by the province.

It's reasonable to propose a system that shares the increase in the value of rezoned lots between individual single-family home owners and other British Columbians. Especially when you consider that many of the former have already reaped big wealth gains – while many in the latter group have seen the cost of renting increase, or their dreams of home ownership crushed altogether.

## Homes for PEOPLE???

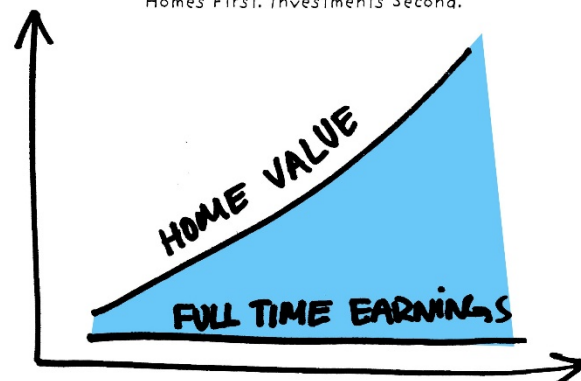
While the name *Homes for People* is deserving of the jokes flying around, it does clumsily suggest an important point. We need housing to be for HOMES FIRST, and investments second. This means cracking down on speculators and real estate investment trusts, which don't tend to be motivated by the goal of ensuring enough affordable, appropriate homes for BC families. The plan takes some further steps in this direction with things like a new anti-flipping tax and expansion of the existing speculation tax.

A commitment to prioritizing homes first, investments second also points to a key missed opportunity to grow 'homes for people'. The Action Plan fails to mention the thornier side of the investment equation. The 318% increase in the value of homes since 2000 means that many regular home owners have come to count on their home to grow their wealth (largely tax free). It's inaccurate to claim that BC's housing system has been good for investors, speculators and bankers – but not for everyday households. Quite the opposite. Skyrocketing home prices over the last decades have made many regular citizens of this province much richer (including the Founder of Generation Squeeze).

It's time for our provincial government to have the hard conversation with those who have benefitted from rising home prices about what role we need them to play to contribute to solutions for housing unaffordability and housing wealth inequality.

IT'S TIME TO BREAK CANADA'S ADDICTION TO  
RISING HOME PRICES.

Homes First. Investments Second.



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