

Measure Housing Starts for Supply Targets



On September 26, 2023, BC's Ministry of Housing announced housing supply targets over five years for ten municipalities.

In our region, these included Oak Bay (664), Saanich (4,610), Victoria (4,902).

The government recently added Central Saanich, Colwood, Esquimalt, Nanaimo, North Cowichan, North Saanich, Sidney and View Royal.

Local governments are required to publish progress reports, based on occupancy permits, for the first six months.

News media reported Victoria was the only municipality, of the first ten, to exceed its target.

However, the purpose of establishing targets is to encourage municipalities to create more efficient processes and approve more housing.

The best measure would be CMHC's monthly housing starts, not occupancy permits.

Most of the occupancy permits announced over the past six months would have been in the approval and construction process long before September 2023, even years prior.

In addition, it would take months for a municipality to create improvements to their systems, which developed over decades.

Occupancy permits during the past six months are not the best evidence of the housing targets' effectiveness.

The targets should be based on CMHC's housing starts as of January 1, 2024. This would provide a more realistic assessment of how the new regulation is impacting supply.

This timeline would also create a three month window to improve approvals and processes.

According to CMHC, from January to March, 2024, Victoria had 13 new homes, Saanich - 93, and Oak Bay - 7.

However, these numbers, especially in Victoria, could change significantly, with the start of one large multi-family project.

On the other hand, Oak Bay projects tend to be single family replacing older homes, not adding to new supply.

The unknown is the future impact of the province's legislation requiring municipalities to rezone for small multi-family, which starts July 1, 2024.

The development costs will still be significant, therefore site regulations, approval processes and fees must be efficient and affordable.

Otherwise, there will be many missed targets.



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