

Three Housing Myths Dispelled



Ellie Sercombe
President, VRBA

Here are three common myths about housing:

Myth #1: Houses are unaffordable

Many buildings are affordable, but the land is not. For example, a 1950's home on a 14,950 sq ft lot in Saanich was assessed at \$1,033,000 by BC Assessment in July 2022. The building was \$114,000 and the lot was \$919,000.

Myth #2: There is no land

Land is available but often zoned years ago as large lots for single detached dwellings. Rezoning to smaller lots or higher density is required, but municipalities make this challenging and expensive.

Myth #3: Builders control prices

Prices are determined by labour, materials, government fees and regulations. For example, municipalities increase home prices by boosting DCC's, permit fees, community amenities and other costs. The province and federal governments add Property Transfer Tax and GST which increase with the value of the home. Then governments layer on more building regulations such as Step Code, adding thousands to the cost of construction.

According to the CD Howe Institute, these government fees, regulations & rezoning

challenges increase housing costs by about \$230,000.

Also, the size and value of land determine the type of construction. It is not practical, nor marketable to build a small affordable home on large lots.

To address this, some provinces, such as Ontario and Nova Scotia, have passed legislation enabling higher density on single detached lots.

The BC government acknowledges many municipalities are choking supply, yet no action has been taken in the highest priced province in Canada.

More than 100 years ago in James Bay, homes were built on very small lots and many are now heritage homes in a walkable, compact community.

Governments tell builders where and what to build (zoning); when to build (permit approvals); how to build (building code); and how much revenue they require from the project (GST, PTT, DCC's, permit fees, amenity contributions).

Therefore, government controls housing supply and affordability. Improving both depends on three levels of government allowing builders to rezone and build affordably.



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