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# Three Housing Myths Dispelled

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 9,400 sq ft lot in Saanich was assessed at \$962,900 by BC Assessment in July 2021. The building is \$49,900 and the lot is \$913,000.

## 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 3, which alone adds \$30,000 to the cost of a new home.

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 determines the type of construction. It is not practical, nor marketable to build a small affordable home on large lots.

To address this, Portland adopted a bylaw allowing up to six units on single detached lots. Yet in many of our local municipalities, a simple duplex violates zoning.

More than 100 years ago in James Bay, homes were built on lots under 2,000 sq ft. Many are now heritage homes in a walkable, compact community. Today these lots would be illegal.

Government tells 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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