



Despite lower prices, Vancouver housing remains out of reach

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Vancouver's housing market has slowed considerably, but that doesn't mean finding housing is any easier for its citizens.

“Just because the market is slowing, it doesn't mean this market is not in need of more housing supply,” Matthew Boukall, Altus Group's vice president of product management, told MortgageBrokerNews.ca. “It takes 24 to 36 months to get a typical project through approval, and a lot of the projects coming to market today were proposed in a different market cycle where they may have been designed, or positioned, for what people could afford back in 2016 or 2017, not today with new OSFI rules and other qualification challenges to buy a unit.

“From a permit perspective, it's one of most challenging markets to get approvals to market in a timely way.”

Even the 20% levy on foreign buyers, designed to curb speculation and succour affordability for locals, has, perhaps perplexingly, made it difficult for Vancouverites to find housing.

“The tax won’t have a direct impact on Vancouver residents, but it does have an impact on how many units are being sold in Vancouver because foreign buyers are a big part of the market,” continued Boukall. “The speculative component of foreign buyers caused risk and concern in the market, but if you’re a foreign buyer who intended to buy and rent out that unit, you might not buy anymore, which means we might see a drop in units available for rental.

“For a developer, you may take a slower approach so you don’t rush projects to market. You’re looking for, not just sales signals, but price signals before you bring a project to market.”

Housing demand hasn’t tapered enough to diminish the impact of near record levels of under-construction in Canada’s third-largest city, added Boukall.

Toronto, the country’s most populous city, is similarly hampered by painstakingly slow approvals. **The Residential Construction Council of Ontario** has repeatedly expressed consternation over the persistent problem, and the organization’s president, Richard Lyall, believes it could even compromise investment in the city if left unchecked.

“Representing Canada, Toronto is 54th out of 190 countries assessed by World Bank in terms of the efficiency of its approvals process for routine building project,” Lyall said last year. “This ranking isn’t for an 80-storey mixed-development high-rise—it’s for the most basic of buildings such as a warehouse. We are a G7 nation—54th for Toronto, Ontario and Canada isn’t acceptable.”