



**URBAN DEVELOPMENT INSTITUTE – PACIFIC REGION**

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November 13, 2018

Mayor Kennedy Stewart and Council  
City of Vancouver  
453 West 12th Avenue  
Vancouver, BC V5Y 1V4

Dear Mayor and Council:

***Re: Motion 10 on the November 13, 2018 Council Meeting Agenda***

On behalf of the Urban Development Institute's (UDI's) more than 850 members, which includes thousands of individuals involved in all facets of planning and development, I would like to again congratulate you all on being elected to Vancouver City Council. We look forward to working as partners with Council to achieve its objectives for Vancouver over the next four years.

One area of mutual interest and a key priority for UDI members, is to find collaborative solutions to build affordable housing options. This includes substantially increasing the number of affordable and secure rental homes in Vancouver.

There are several housing related motions being brought forward at the November 13<sup>th</sup> Council meeting, including Motion 10, which would *"Require landlords to offer displaced tenants the opportunity to temporarily move out for the necessary duration of the renovations without their leases ending or rent increasing."* As proposed, the policy could apply to all forms of rental accommodation across the City.

UDI and its members understand that Vancouver is in the midst of a housing crisis, and recognize that the spirit of the Motion is well intentioned. However, we would like to take this opportunity to strongly caution that if the proposed policy were to be adopted by Council, it would make renovations of rental buildings unviable – even in cases where extensive work is needed to repair aging buildings. It is also unclear how such a policy would work when the City itself can require expensive building and building improvements.

Motion 10 may also conflict with other City objectives. For example, under the [Renewable City Action Plan](#), *"By 2050, nearly half of Vancouver's buildings will have been replaced with zero-emission buildings. The remaining buildings will have undergone deep retrofits to bring their energy performance up to the standards expected of new construction, or have been connected to one of Vancouver's neighbourhood renewable energy systems."* The provincial government, through its [Clean, Efficient Buildings Intentions Paper](#), has also announced a *"New code for existing buildings by 2024."* The effect of these policies will be an expectation that existing buildings be upgraded seismically and become more energy efficient. These improvements will likely be impossible to undertake if the measures contained in Motion 10 are implemented.

Both the Province and the City also have objectives to significantly increase the supply of rental housing in Vancouver. If implemented, Motion 10 would significantly discourage our members from building new rental homes because the City would "... *immediately and forcefully call on the province to implement effective vacancy controls for British Columbia, or alternatively, to give Vancouver the power to regulate maximum rent increases during and between tenancies.*"

With an increasing interest rate environment, rising construction costs, processing delays, amendments to provincial regulations on rental housing, and the School, and Luxury Property Transfer Tax being applied to new rental projects during the time of development, our members are already facing many obstacles to deliver new purpose-built rental housing projects.

Prior to the notice of Motion 10, UDI was already in the process of undertaking a survey of rental builders who cumulatively represent over 18,000 new rental units in planning or under construction. Of these planned rental units, respondents have already indicated that a sizable majority are at serious risk of cancellation, if further rental controls, including specifically vacancy control (tying rent control to the unit), are introduced by governments. More details of our rental builder survey will be available in the coming weeks, should Council require more information.

Furthermore, with the remaining recommendations of Province's Rental Housing Task Force due to be released in the coming weeks, we respectfully encourage Council to defer deliberation on the policies contained in Motion 10 until after any potential actions resulting from these recommendations have been determined. In the meantime, we recommend that Council work with City staff, UDI, other key stakeholders and the community, to find collaborative solutions to build affordable rental housing options.

If members of Council would like to further discuss the implications of the Motion on the building of new rental housing projects and the details of our rental builder survey, please don't hesitate to contact me directly.

Yours sincerely,



Anne McMullin  
President & CEO