



# Metro Vancouver Housing Affordability Overview

## TRANCHE 1 PROJECT AFFORDABILITY

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**metro**vancouver

# METRO VANCOUVER HOUSING AFFORDABILITY TARGET

## SUPPORTING THE MISSING MIDDLE

### Metro Vancouver Housing 10-year Plan → Portfolio-wide Target

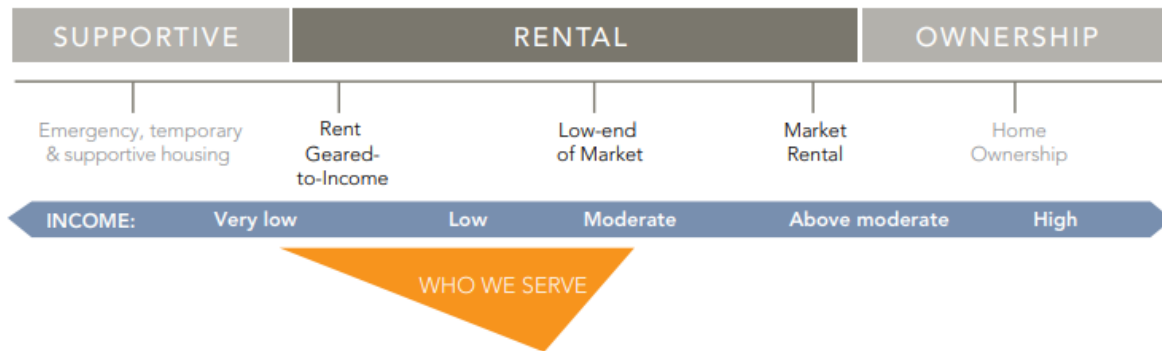
- 30% of units at **Rent-Geared-to-Income**
- 70% of units at **Low-End-of-Market**

### MVH and BC Housing Portfolio Development Funding 2023

- 15% of units at **Shelter Rates**
- 15% of units at **Rent-Geared-to-Income**
- 70% of units at **Low-End-of-Market**

Individual projects vary based on municipal policies, grant availability, etc.

Goal to deepen baseline affordability for each project where feasible.



# SHELTER RENTS

**Shelter rates** are based on the shelter maximum provided by the BC Ministry of Social Development and Poverty Reduction, less MVH subsidy for utilities.

## MVH Shelter Rents

|           | Minimum Shelter Rent |
|-----------|----------------------|
| Studio    | \$500                |
| 1 Bedroom | \$500                |
| 2 Bedroom | \$695                |
| 3 Bedroom | \$790                |

# RENT-GEARED-TO-INCOME (RGI) RENTS

**Rent-Geared-to-Income (RGI) rates** are set to 30% of a tenant's gross annual household income, before taxes, for households with a maximum income limit of BC Housing's Housing Income Limits (HILs).

## MVH's RGI Rents

|           | HILs Max Income | RGI Rents Range - up to 100% HILs Rent |
|-----------|-----------------|--|
| Studio    | \$58,000        | \$400 to \$1,450                       |
| 1 Bedroom | \$58,000        | \$400 to \$1,450                       |
| 2 Bedroom | \$72,000        | \$400 to \$1,800                       |
| 3 Bedroom | \$86,000        | \$400 to \$2,150                       |

**Example 1:** MVH's 1-bedroom RGI rent for a household earning \$35,000 will be \$875 per month. ( $\$35,000 \times 30\% / 12$ )

**Example 2:** MVH's 2-bedroom RGI rent for a median household earning \$50,000 will be \$1,250 per month. ( $\$50,000 \times 30\% / 12$ )

## LOW-END-OF-MARKET (LEM) RENTS

**Low-End-of-Market (LEM) rates** are calculated as 10% to 20% below the estimated market conditions across the region for buildings of comparable age and amenities. Actual LEM rents will be based on a market rent appraisal when the units are being tenanted, to reflect rents specific to the rental market at that time.

LEM rents play an important role in **cross-subsidizing** the shelter and RGI units in our portfolio, rather than relying on ongoing subsidy, and enhance the long-term sustainability and resilience of MVH's housing assets.

As the properties age, LEM rents progressively decrease, contributing to increased affordability over the long term.

## LOW-END-OF-MARKET (LEM) RENTS

**LEM units** are for households with a maximum income limit of BC Housing's Low and Moderate Income Limits:

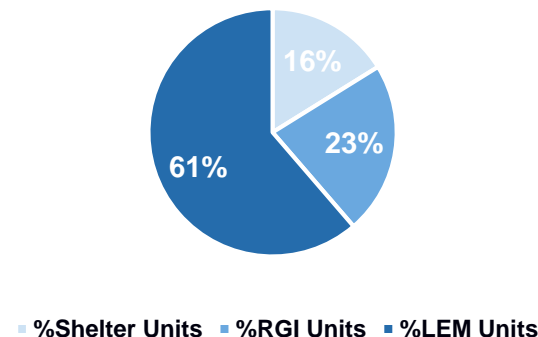
- a) For residential units with less than 2 bedrooms, a gross household income that does not exceed the median income for couples without children in BC, as determined by BC Housing from time to time. **For 2024, this figure is \$84,780.**
- a) For residential units with 2 or more bedrooms, a gross household income that does not exceed the median income for couples without children in BC, as determined by BC Housing from time to time. **For 2024, this figure is \$134,140.**

Moving to market rents has been explored previously, but is not a substantial driver for feasibility and would impact grant eligibility. Affordability levels can be explored in future strategic discussion and 10 year plan update.

# MVH TRANCHE 1 PROJECT TARGET AFFORDABILITY

| Project                | Shelter    | RGI        | LEM        | Total       |
|------------------------|------------|------------|------------|-------------|
| Kingston Gardens       | 0%         | 31%        | 69%        | 100%        |
| Salal Landing          | 19%        | 51%        | 30%        | 100%        |
| Heather Place B        | 15%        | 16%        | 69%        | 100%        |
| Heron's Nest           | 15%        | 16%        | 69%        | 100%        |
| The Connection         | 20%        | 20%        | 60%        | 100%        |
| The Steller            | 25%        | 25%        | 50%        | 100%        |
| Malaspina Phase 1      | 15%        | 15%        | 70%        | 100%        |
| <b>Tranche 1 Total</b> | <b>16%</b> | <b>23%</b> | <b>61%</b> | <b>100%</b> |

Tranche 1 Portfolio Affordability



*\*MVH's five projects under MOU with BC Housing are: Heather Place B, Heron's Nest, The Connection, The Steller, and Malaspina Phase 1*

A total of 817 housing units are under development in Tranche 1, with 57% family units. Tranche 1 portfolio is targeting an affordability mix of 16% Shelter, 23% RGI, and 61% LEM.





Thank you

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