

LANDLORD BC ANNUAL GENERAL MEETING

changing people, changing places...

ANDREW RAMLO



topics for today

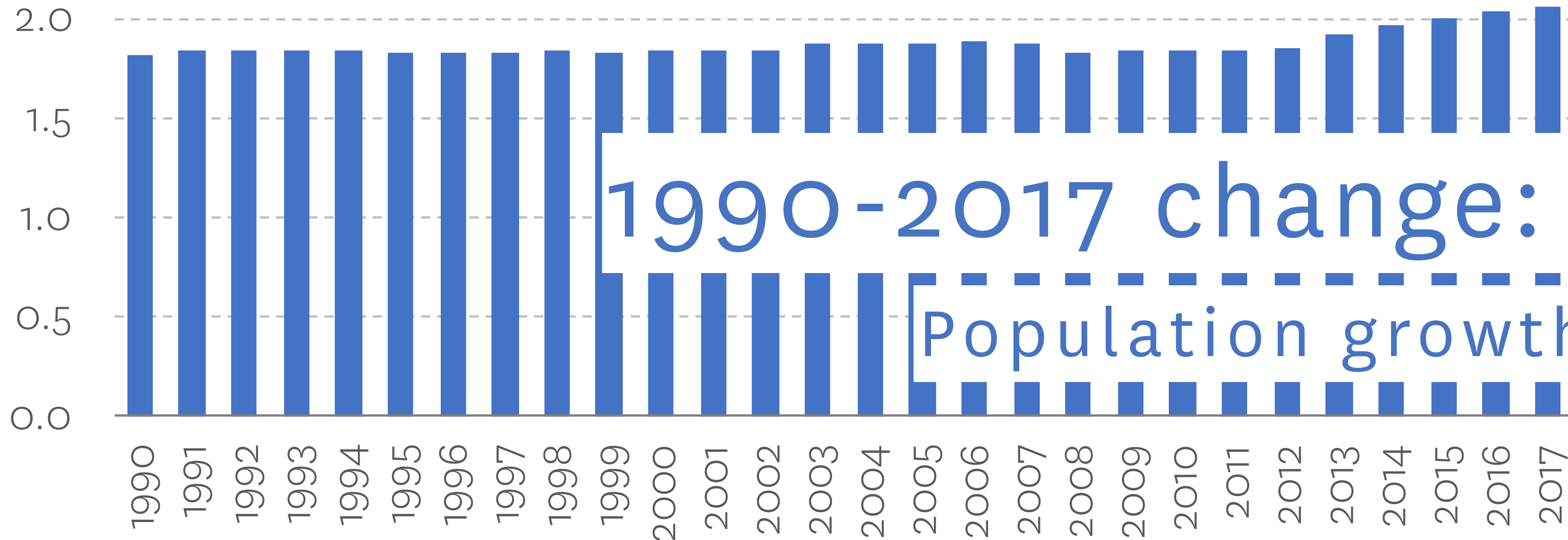
- ① the **supply** side
- ② the **demand** side
- ③ some **strategic** considerations about rental

STOCK OF PURPOSE-BUILT RENTAL UNITS

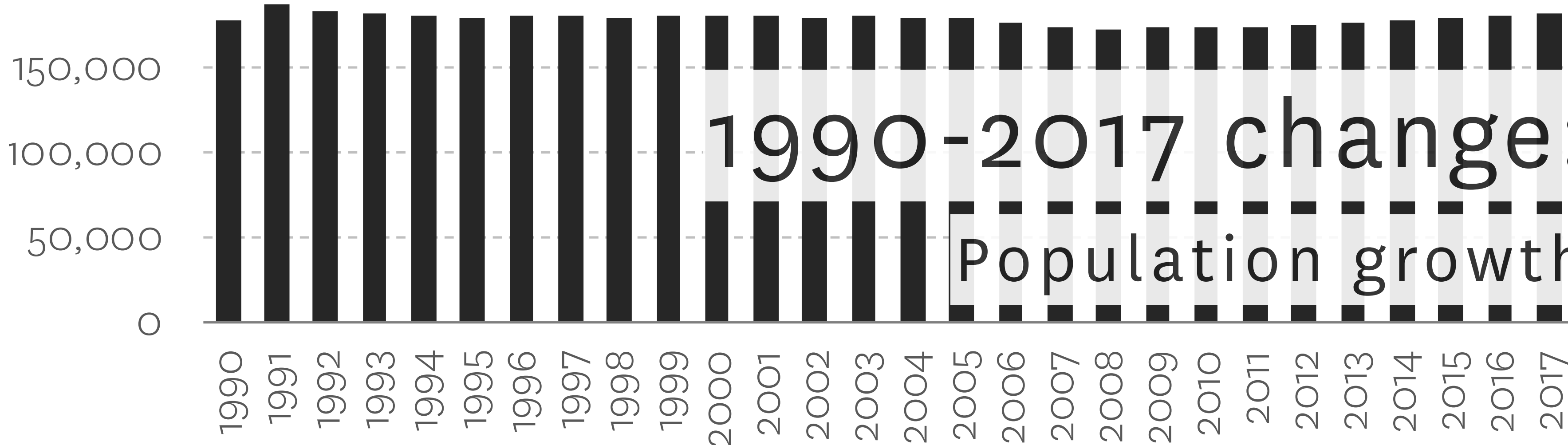
the
supply
side

CANADA
MORTGAGE
& HOUSING

CANADA



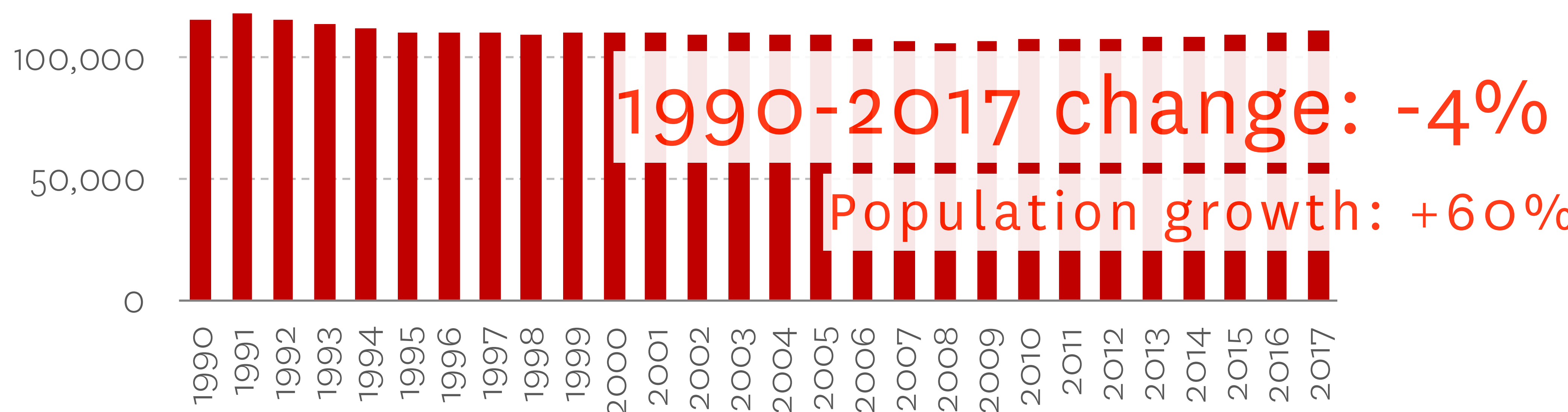
BRITISH COLUMBIA



STOCK OF PURPOSE-BUILT RENTAL UNITS

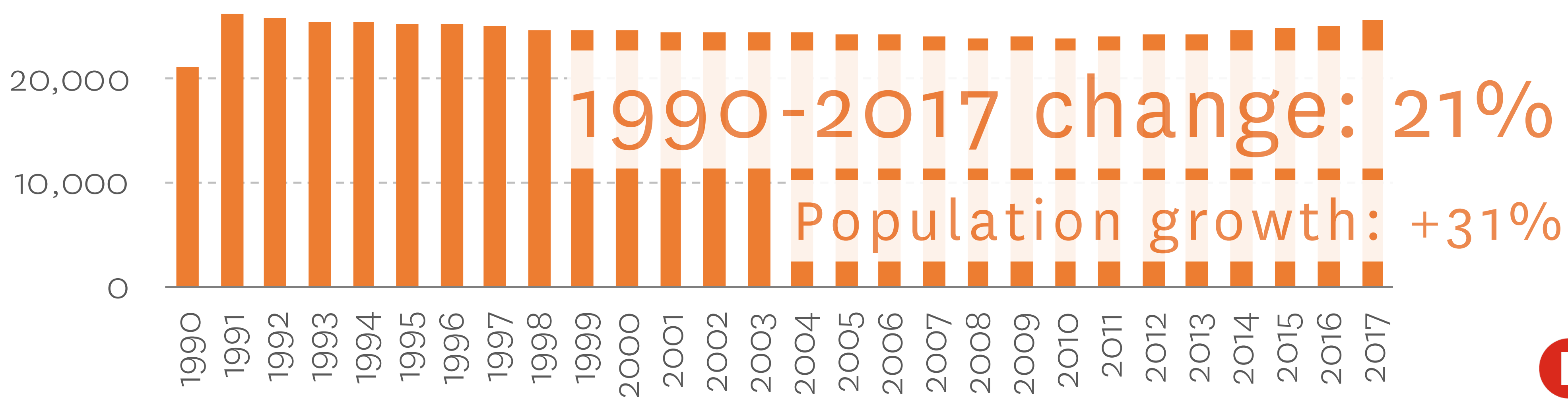
the
supply
side

VANCOUVER CMA



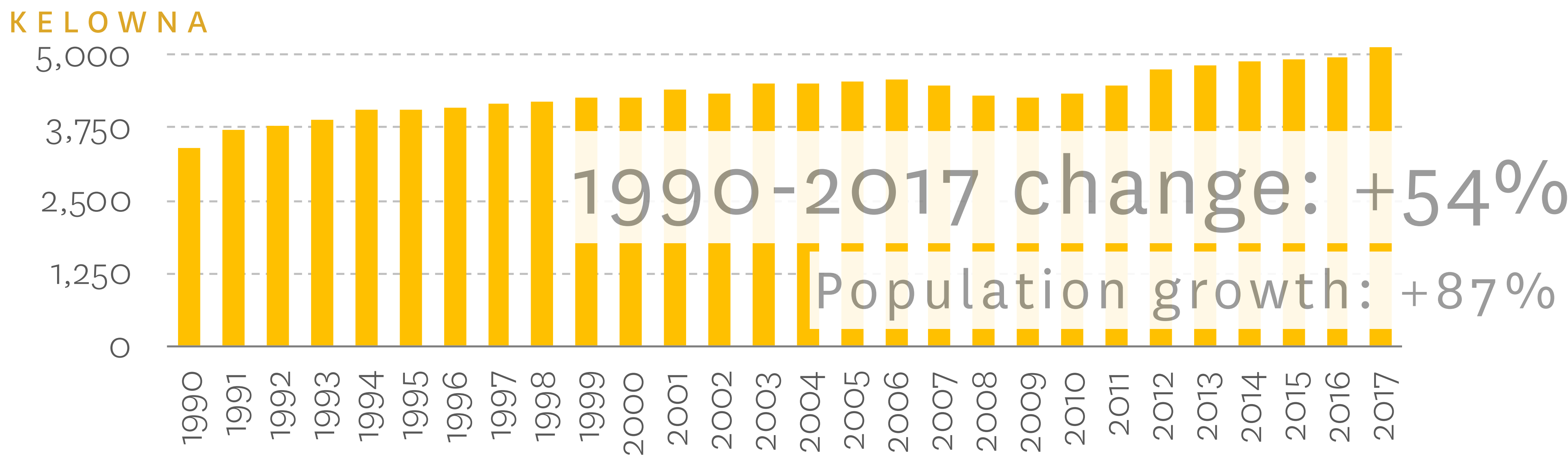
CANADA
MORTGAGE
& HOUSING

VICTORIA CMA

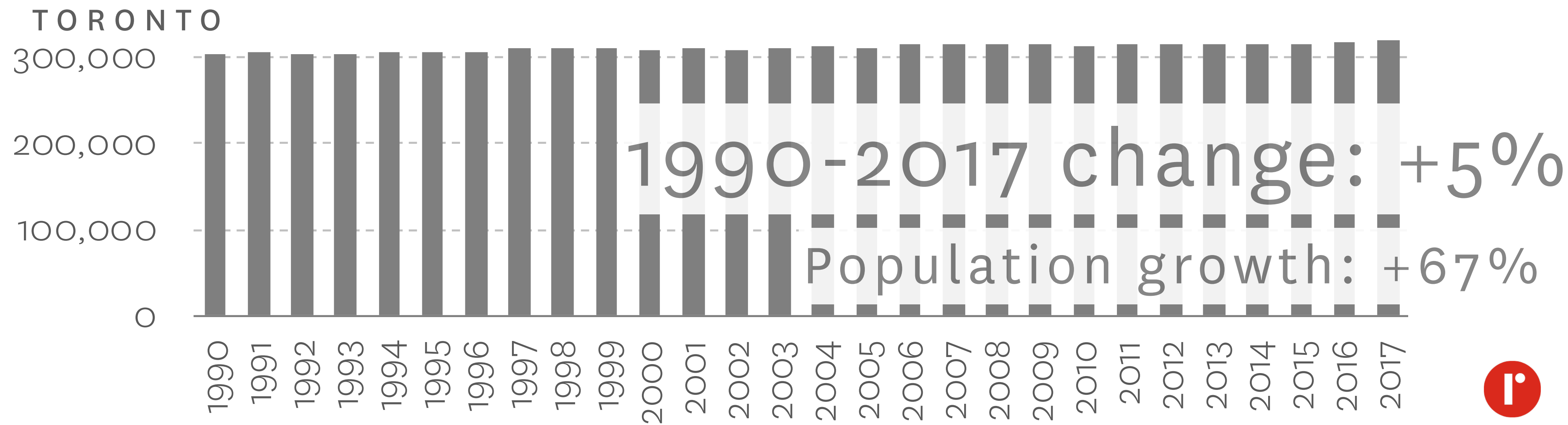


STOCK OF PURPOSE-BUILT RENTAL UNITS

the supply side



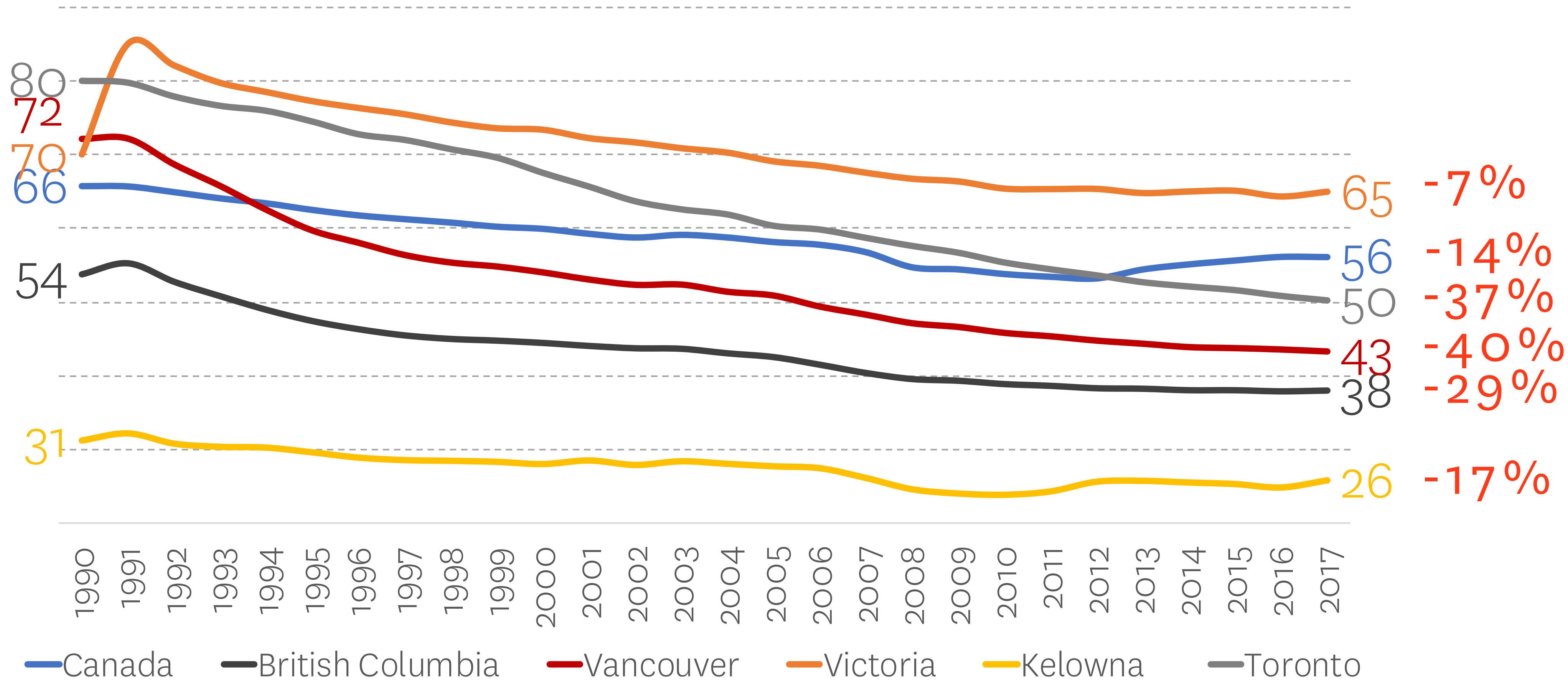
CANADA
MORTGAGE
& HOUSING



PURPOSE BUILT STOCK PER 1,000 RESIDENTS

the
supply
side

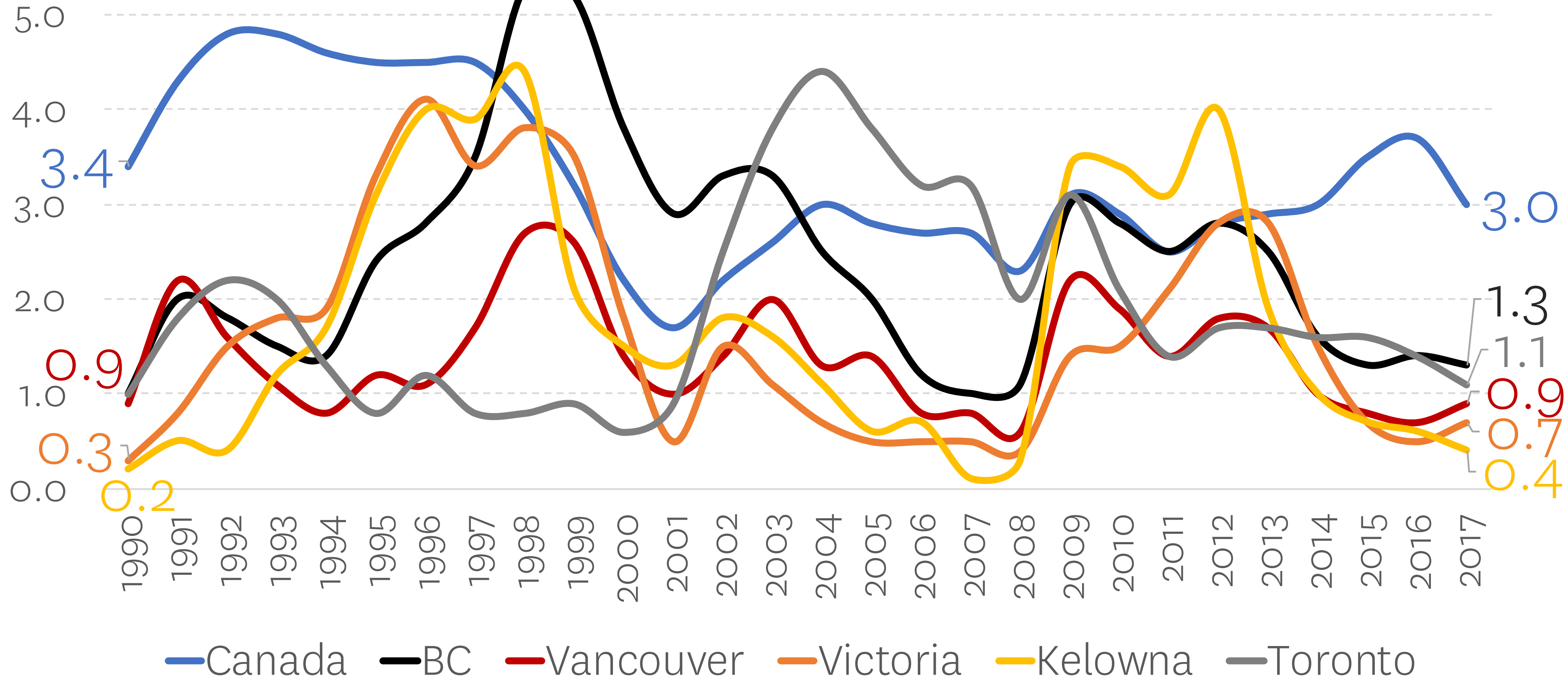
CANADA
MORTGAGE
& HOUSING



ANNUAL VACANCY RATE, PURPOSE BUILT STOCK

the
supply
side

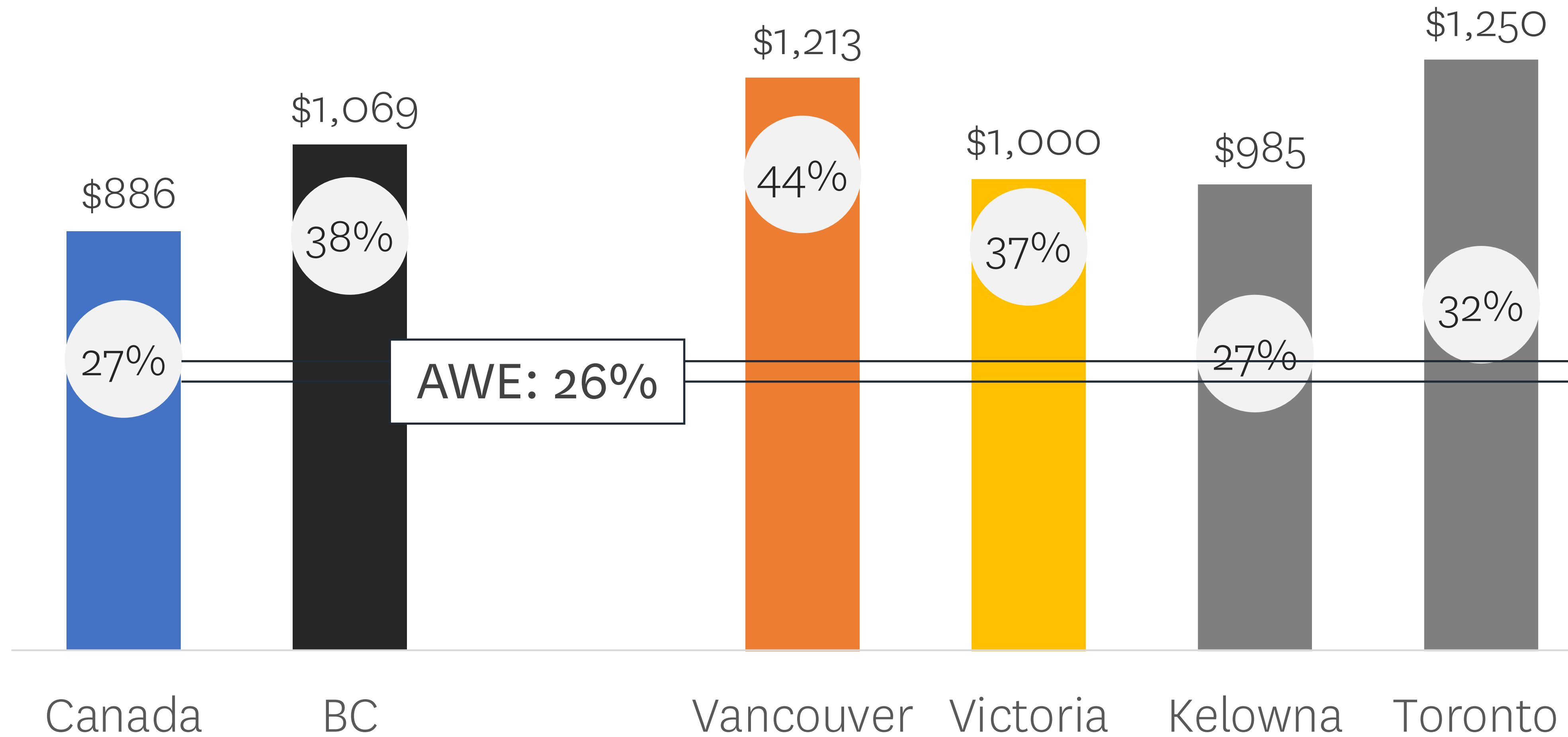
CANADA
MORTGAGE
& HOUSING



CHANGE IN PURPOSE BUILT MEDIAN RENTS, 2007 - 2017

the
supply
side

CANADA
MORTGAGE
& HOUSING

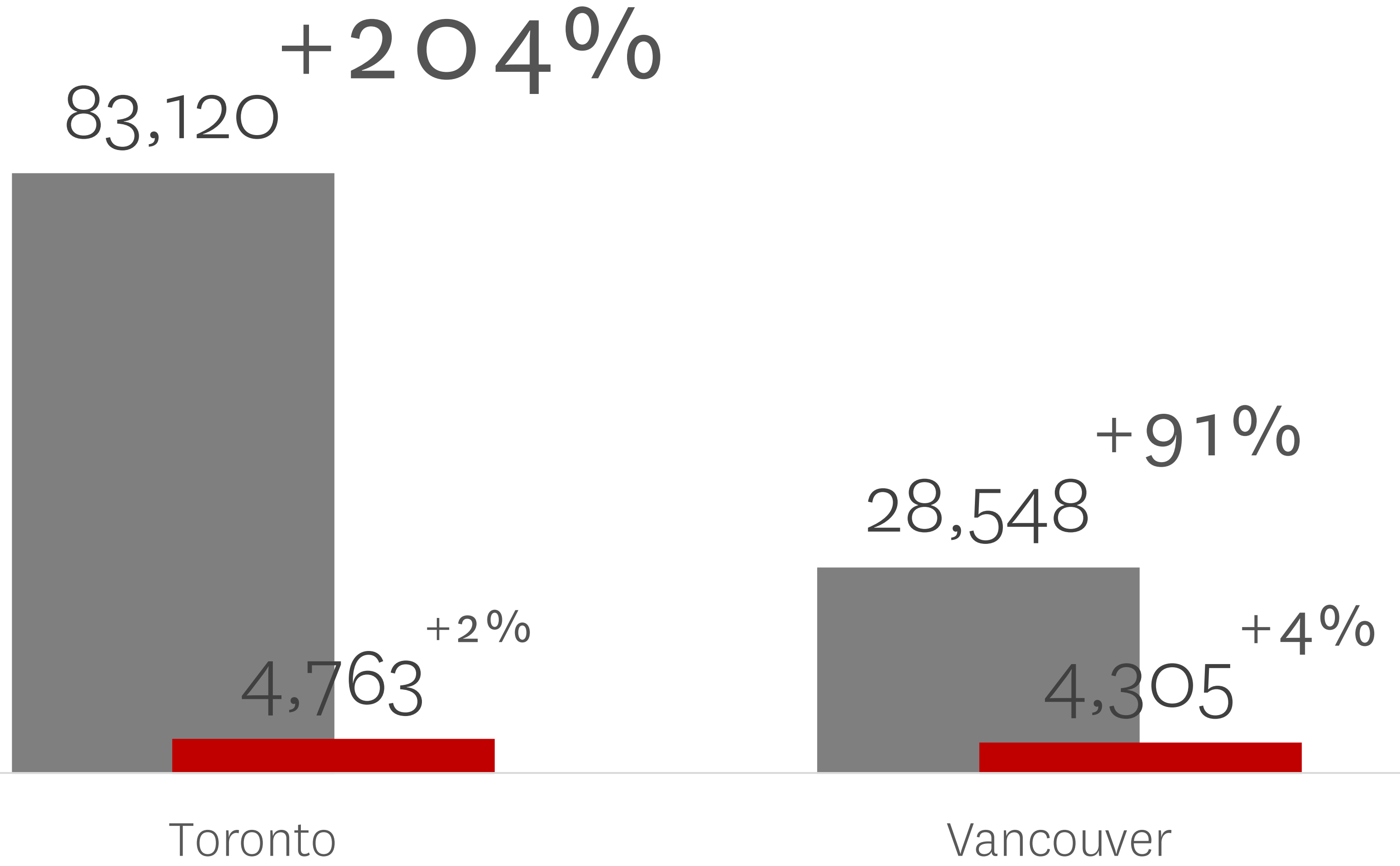


CHANGE IN RENTAL HOUSING STOCK, 2007 - 2017

the
supply
side

CANADA
MORTGAGE
& HOUSING

Primary (*purpose built*)
Secondary

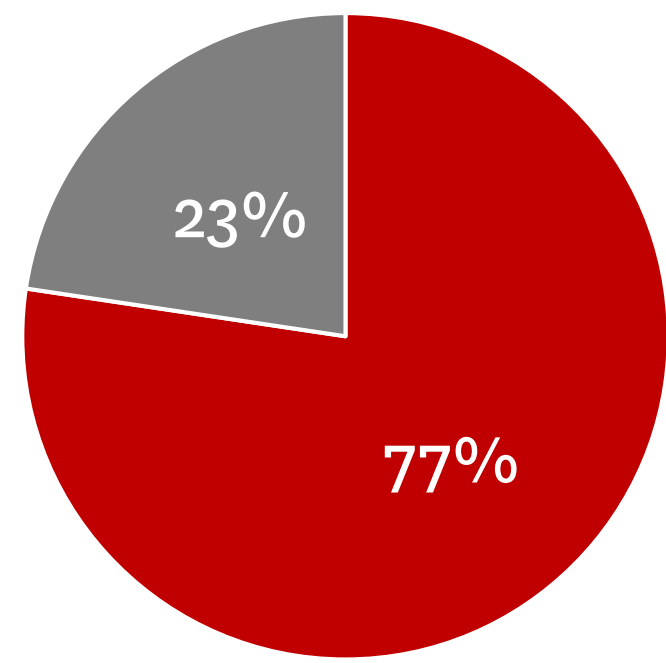


CHANGE IN RENTAL HOUSING STOCK

the
supply
side

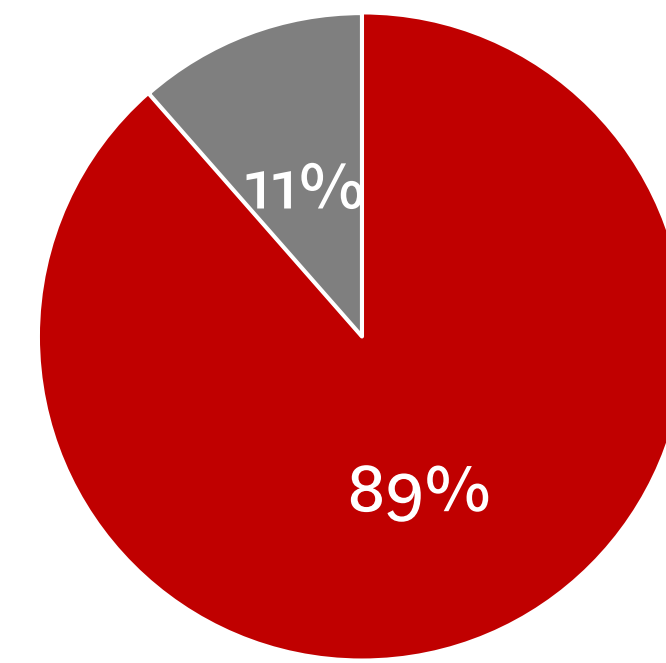
CANADA
MORTGAGE
& HOUSING

Primary (purpose built)
Secondary

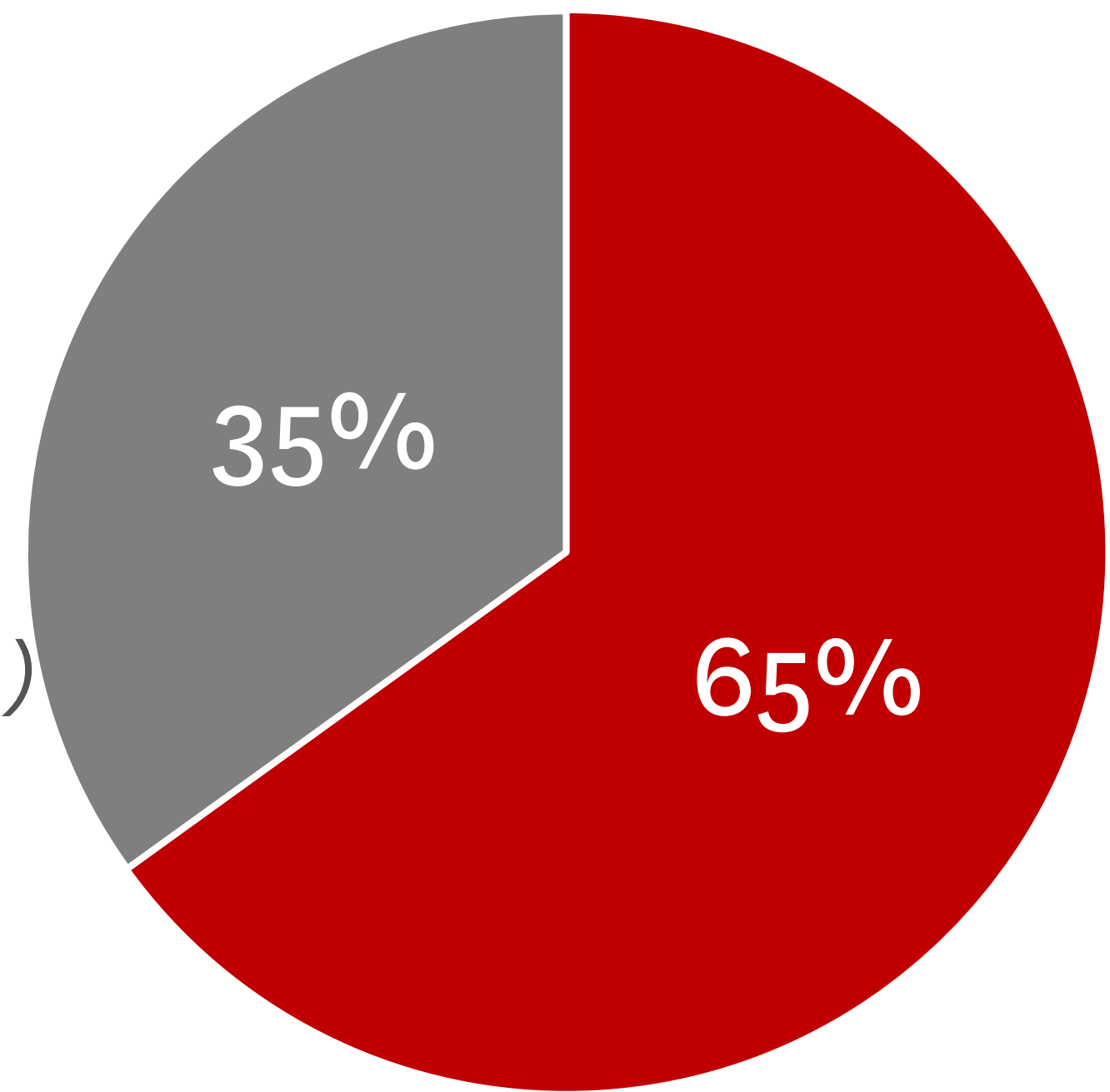


Vancouver

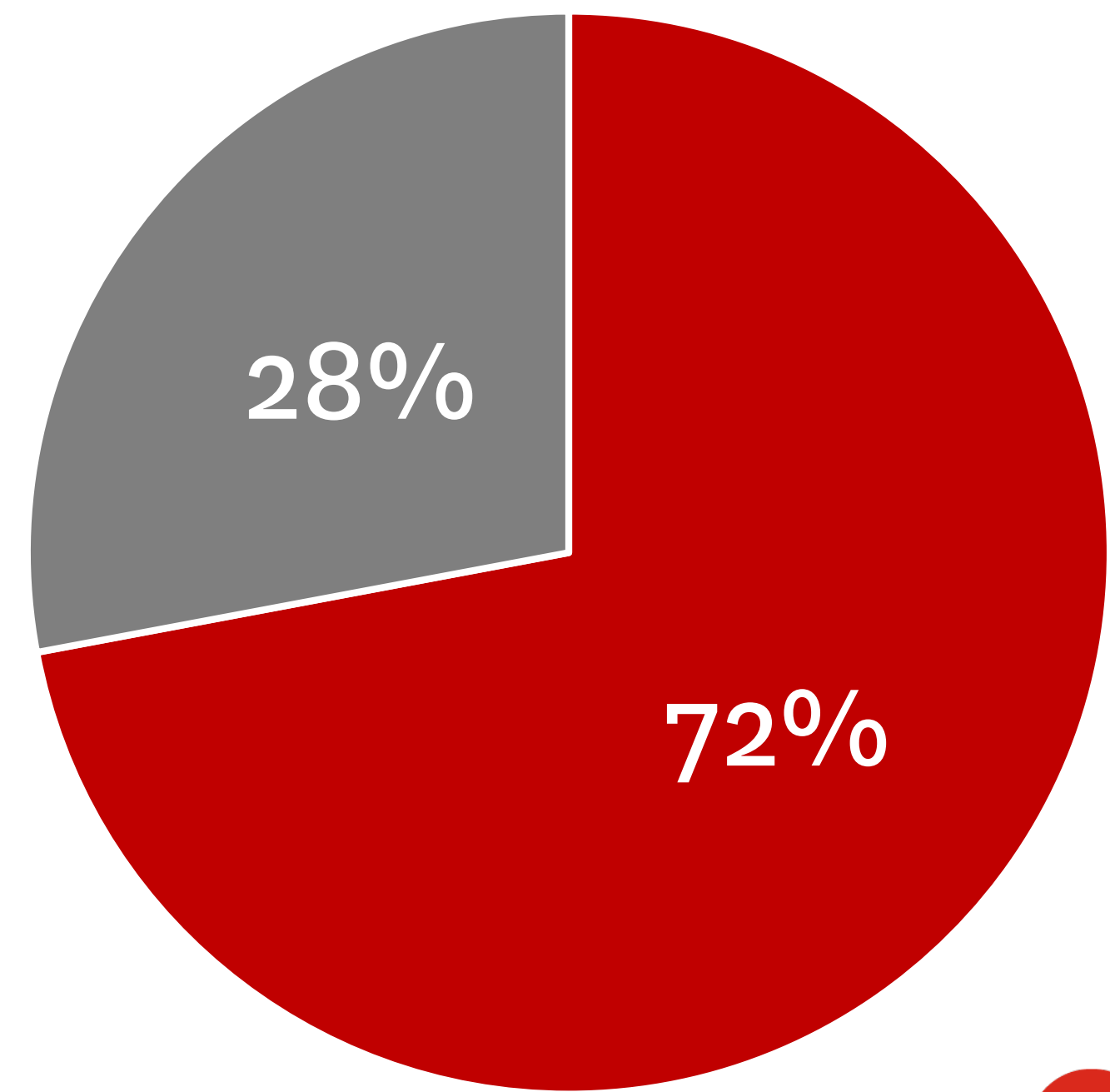
2007



Toronto



2017

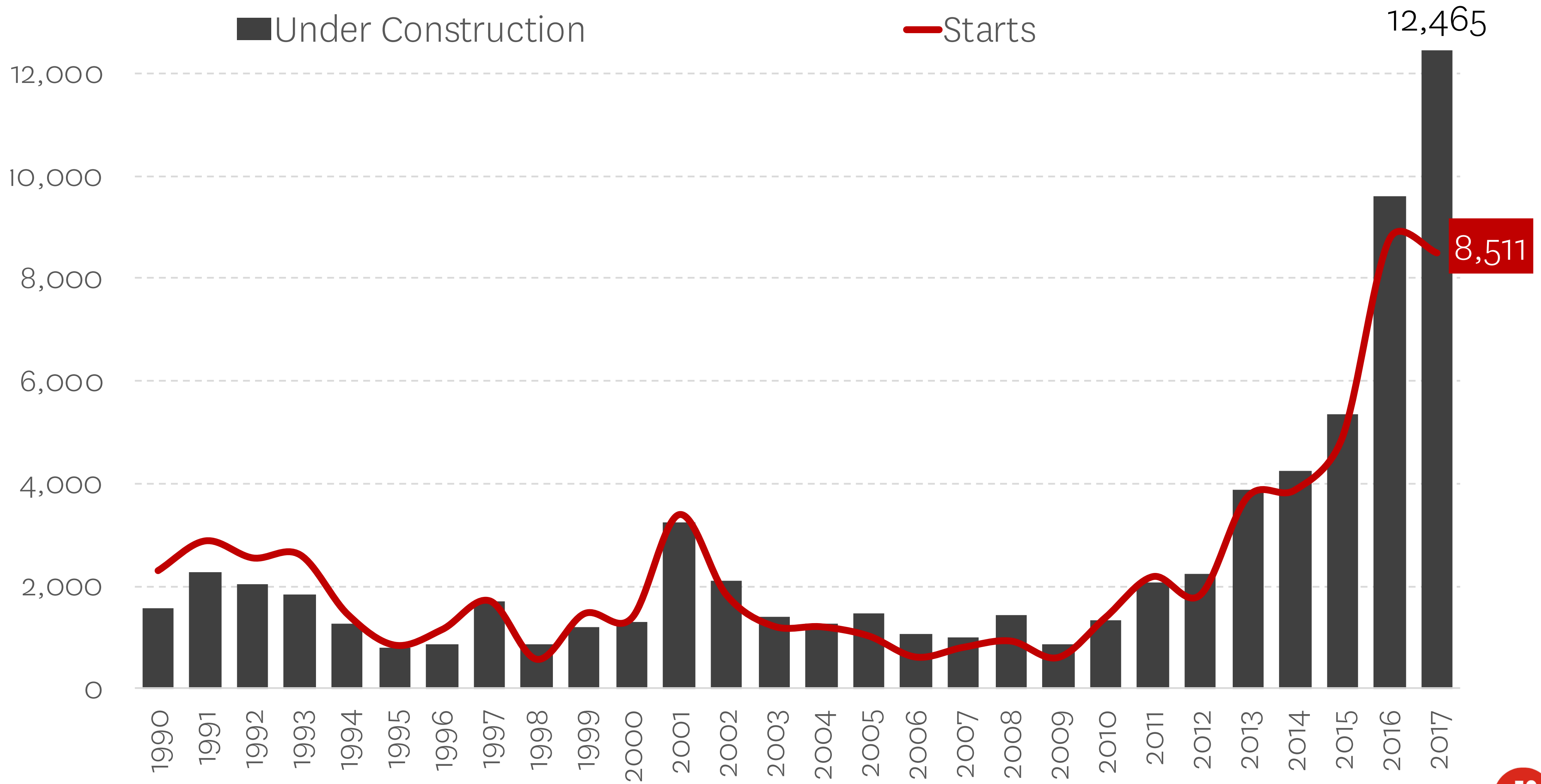


NEW RENTAL HOUSING SUPPLY

BRITISH COLUMBIA

the
supply
side

CANADA
MORTGAGE
& HOUSING

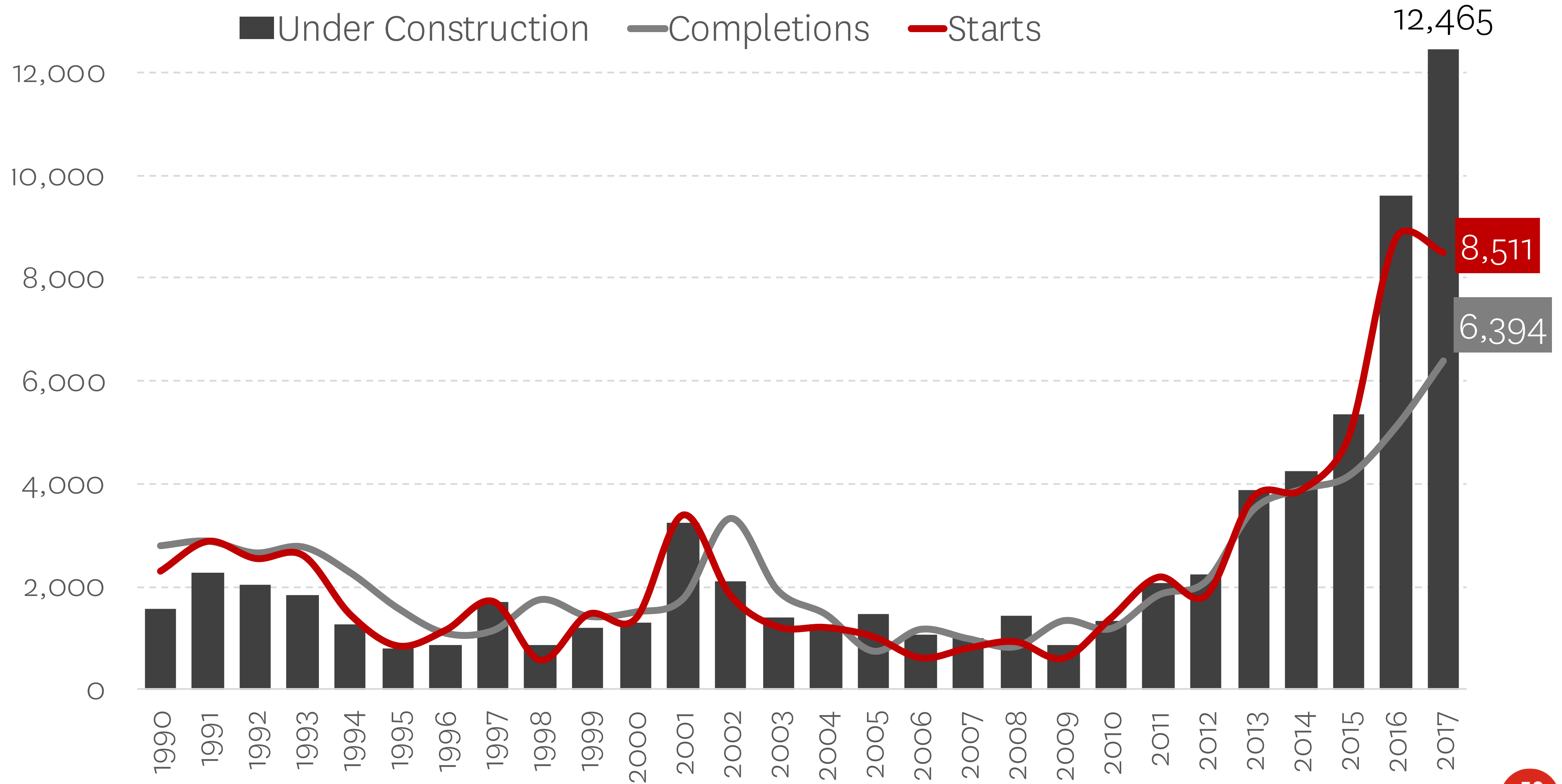


NEW RENTAL HOUSING SUPPLY

BRITISH COLUMBIA

the
supply
side

CANADA
MORTGAGE
& HOUSING

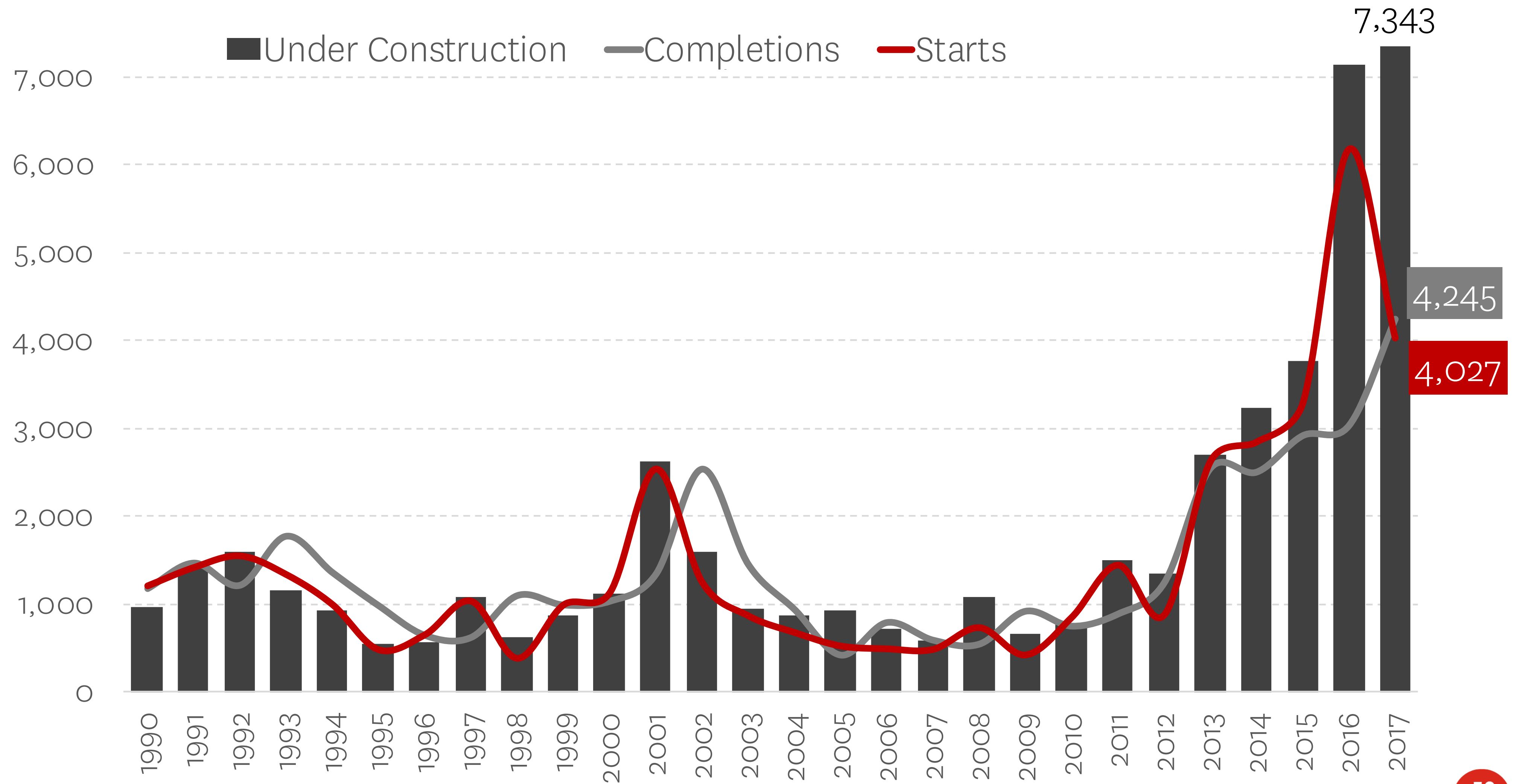


NEW RENTAL HOUSING SUPPLY

METRO VANCOUVER

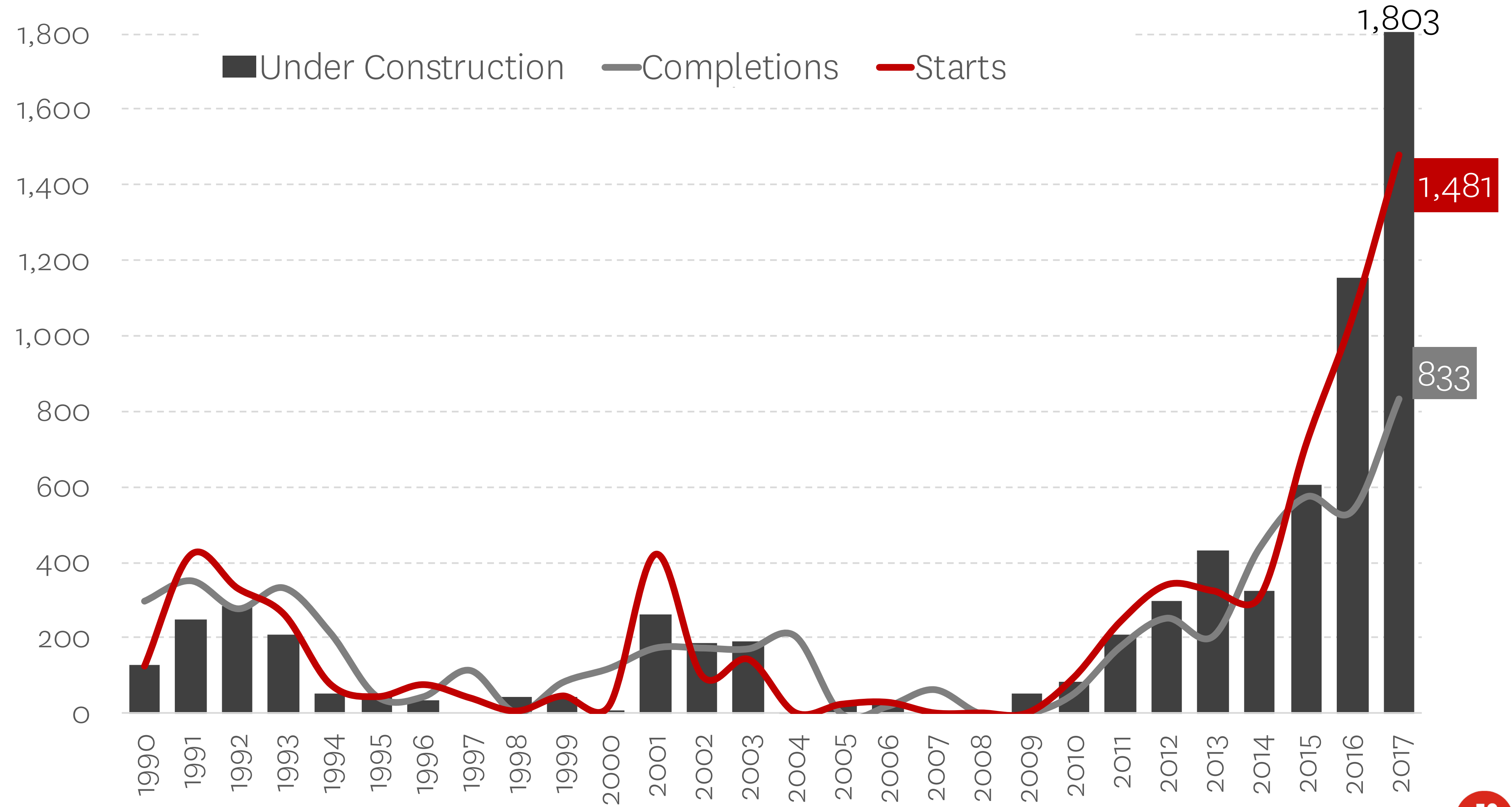
the
supply
side

CANADA
MORTGAGE
& HOUSING



NEW RENTAL HOUSING SUPPLY

METRO VICTORIA



the
supply
side

CANADA
MORTGAGE
& HOUSING

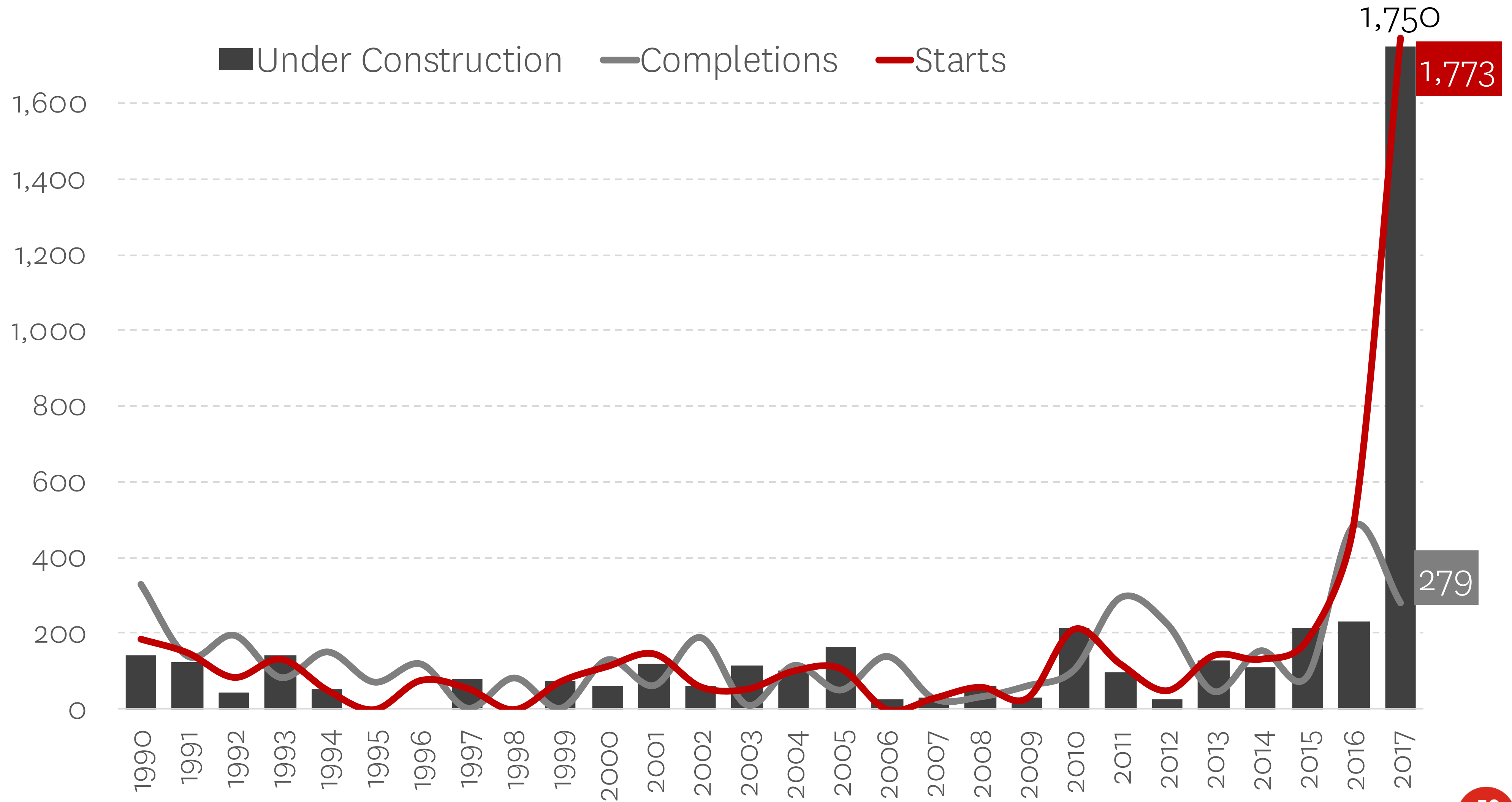


NEW RENTAL HOUSING SUPPLY

METRO KELOWNA

the
supply
side

CANADA
MORTGAGE
& HOUSING



the supply side



SOUNDBITES:

- ① does not matter how you look at it, purpose-built rental has not played the role that it did (*or should*), in providing housing options for a growing and changing population in BC and across the country.
- ② the tide has started to shift over the past couple of years, driven by issues of availability (*low vacancy rates*) and affordability (*increasing rents*).
- ③ ...and remember, today's new rental stock is tomorrow's affordable housing. (*thanks Dave Hutniack*)



topics for today

- ④ the **supply** side
- ④ the **demand** side

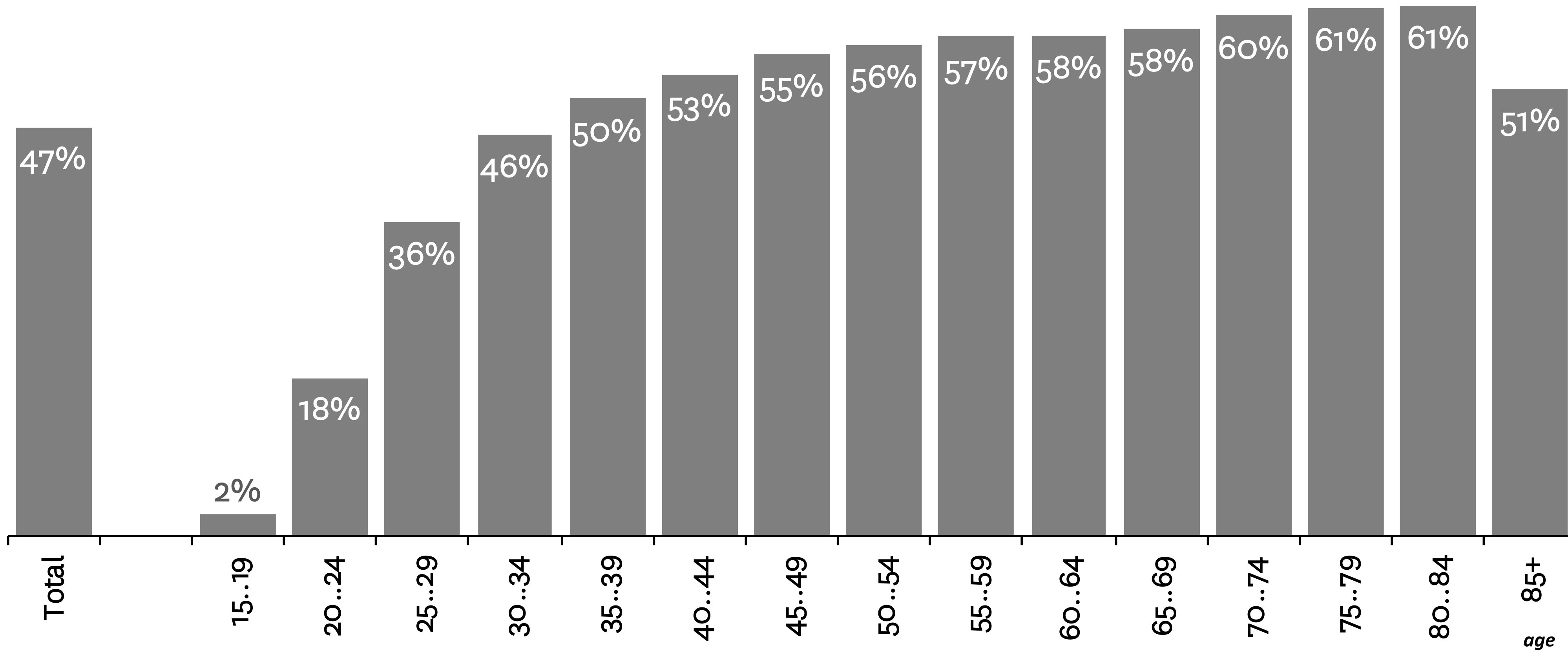


THE DEMOGRAPHICS OF MAINTAINING A HOME

BRITISH COLUMBIA

the
demand
side

—
2016
CENSUS
HOUSEHOLD
MAINTAINER
RATES (HMR)

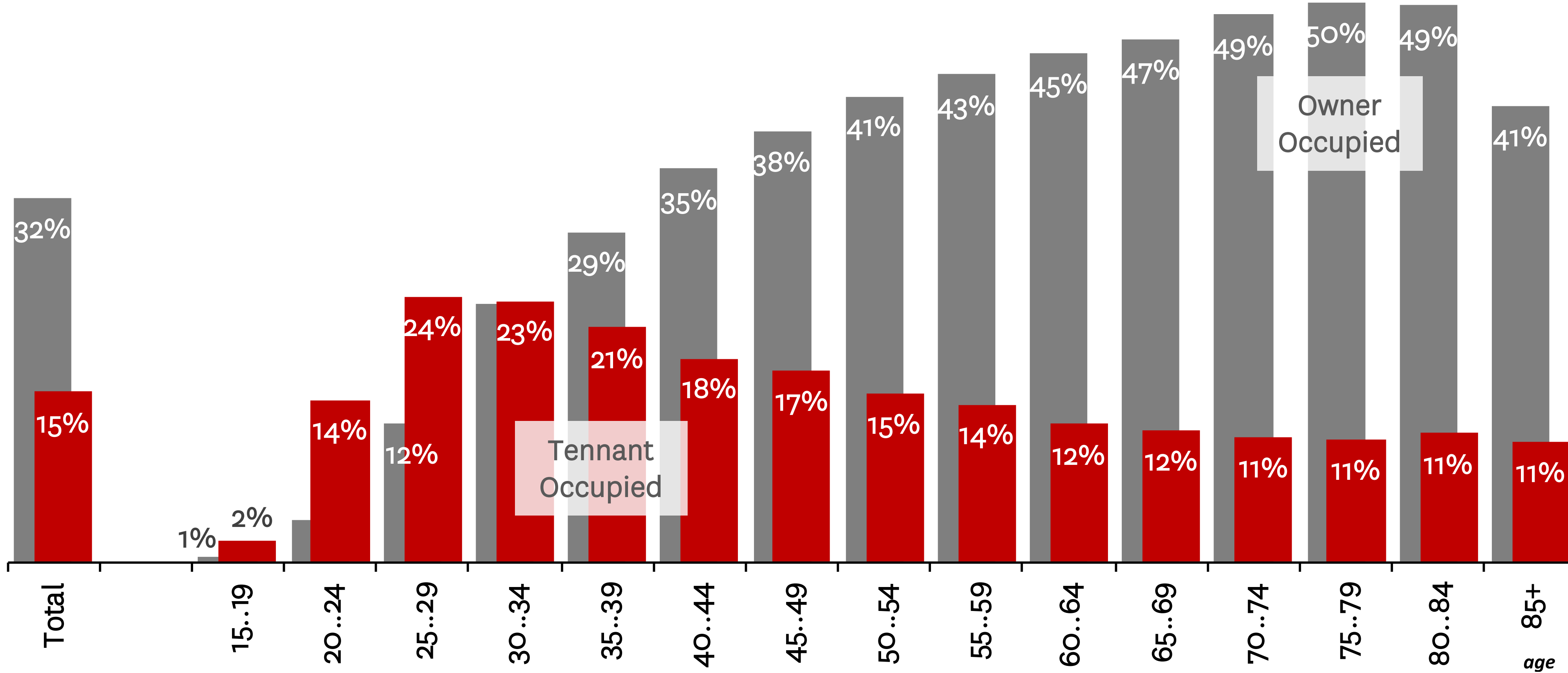


THE DEMOGRAPHICS OF MAINTAINING A HOME

BRITISH COLUMBIA

the demand side

2016
CENSUS HMR
BY TENURE

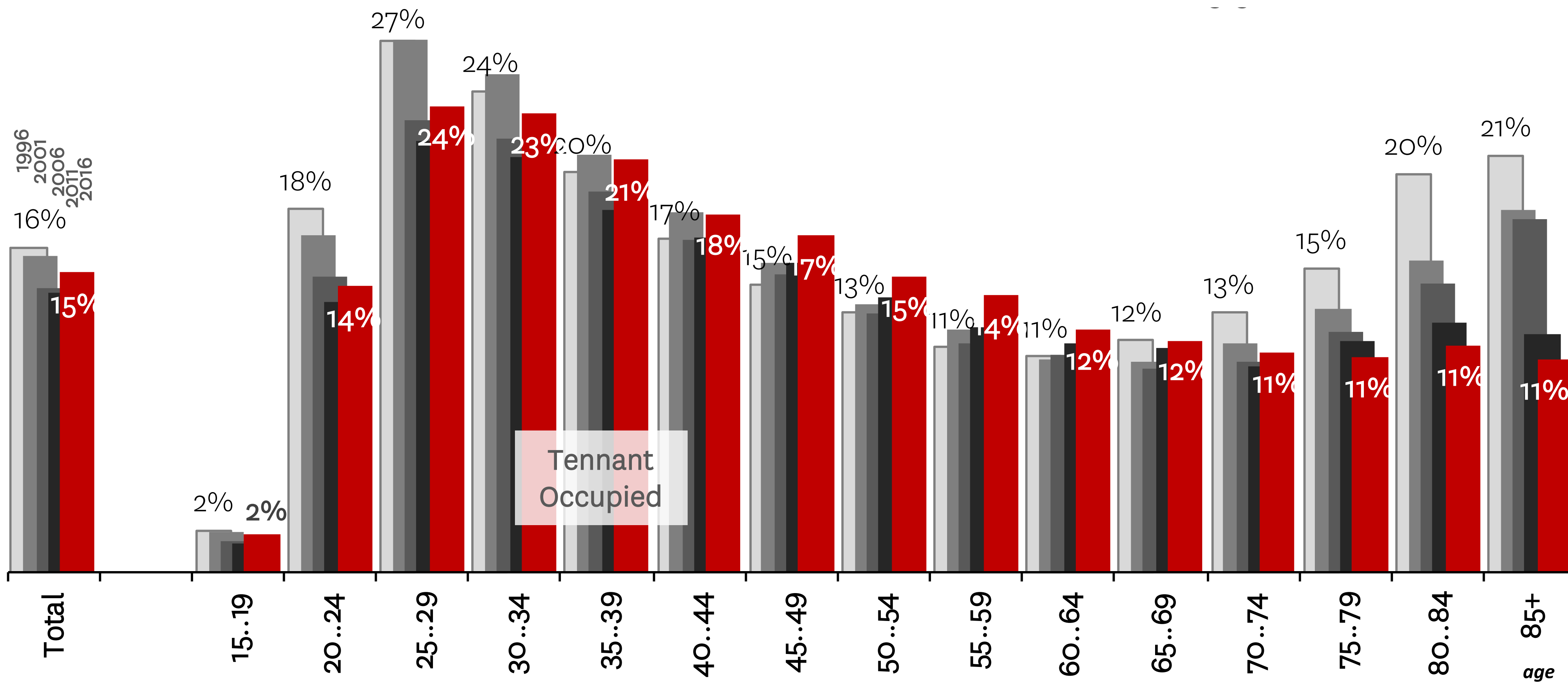


THE DEMOGRAPHICS OF MAINTAINING A HOME

BRITISH COLUMBIA

the demand side

2016
CENSUS HMR
RENTAL
TENURE



Tenant Occupied

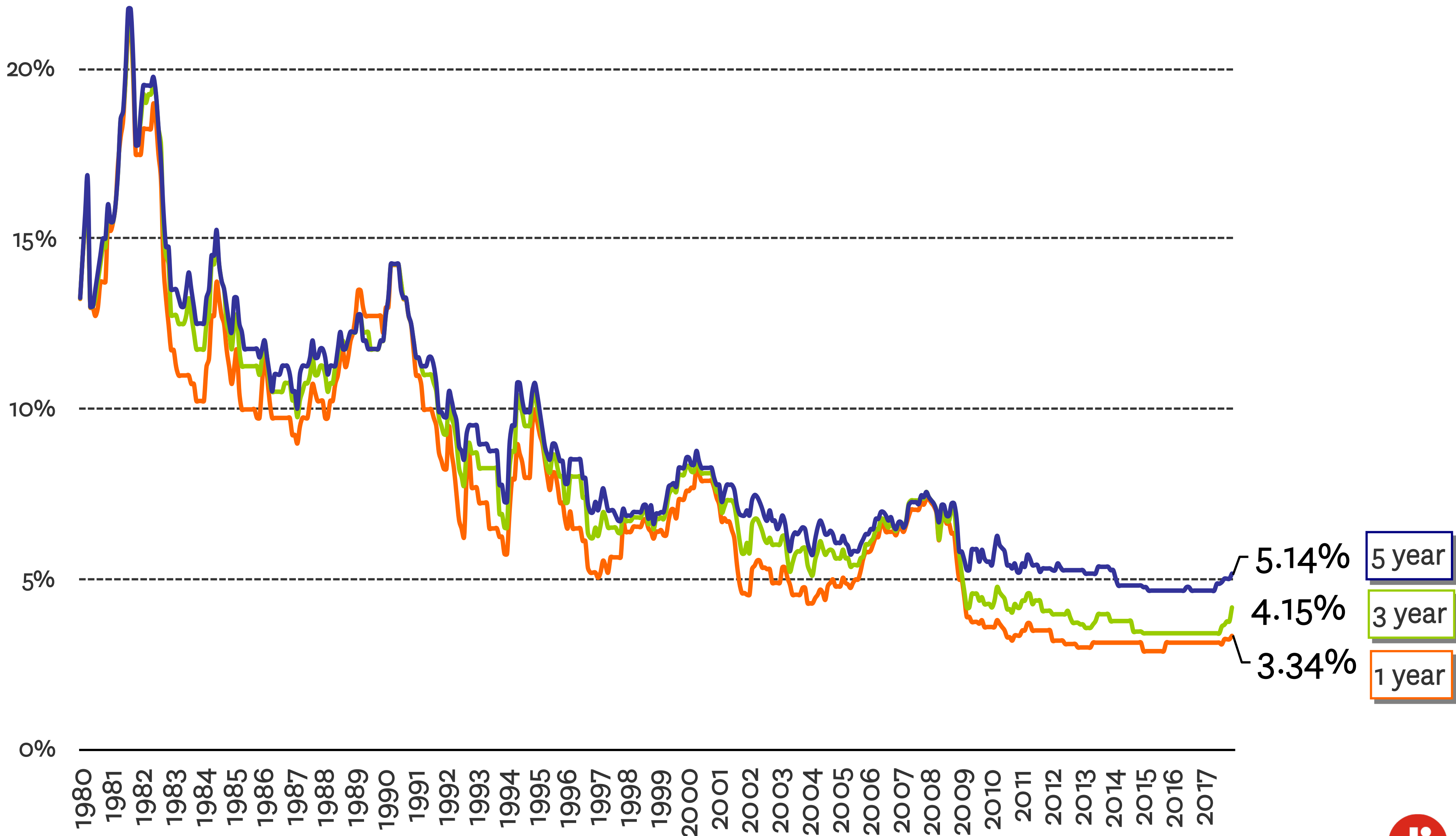


THE DRIVERS TO CHANGE?

the
demand
side



MORTGAGE
RATE CHANGE
1980 - 2018



THE DRIVERS TO CHANGE?

the
demand
side

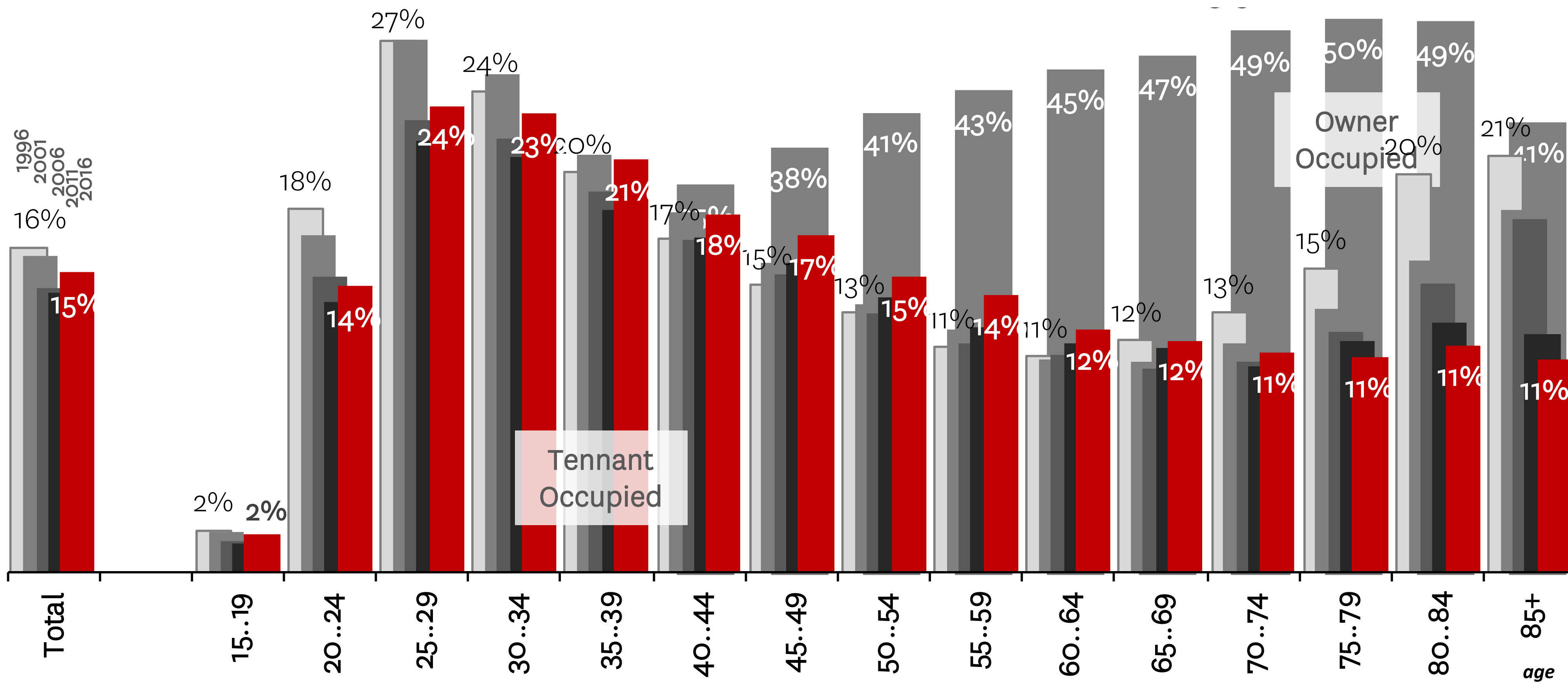
- ① falling mortgage **rates**
- ① first time homebuyer **grants** (*HBP*)
- ① **0% downpayment**
- ① **5% downpayment**
- ① **40 year amortization**
- ① **35 year amortization**
- ① *shifting demographics*

THE DEMOGRAPHICS OF MAINTAINING A HOME

BRITISH COLUMBIA

the demand side

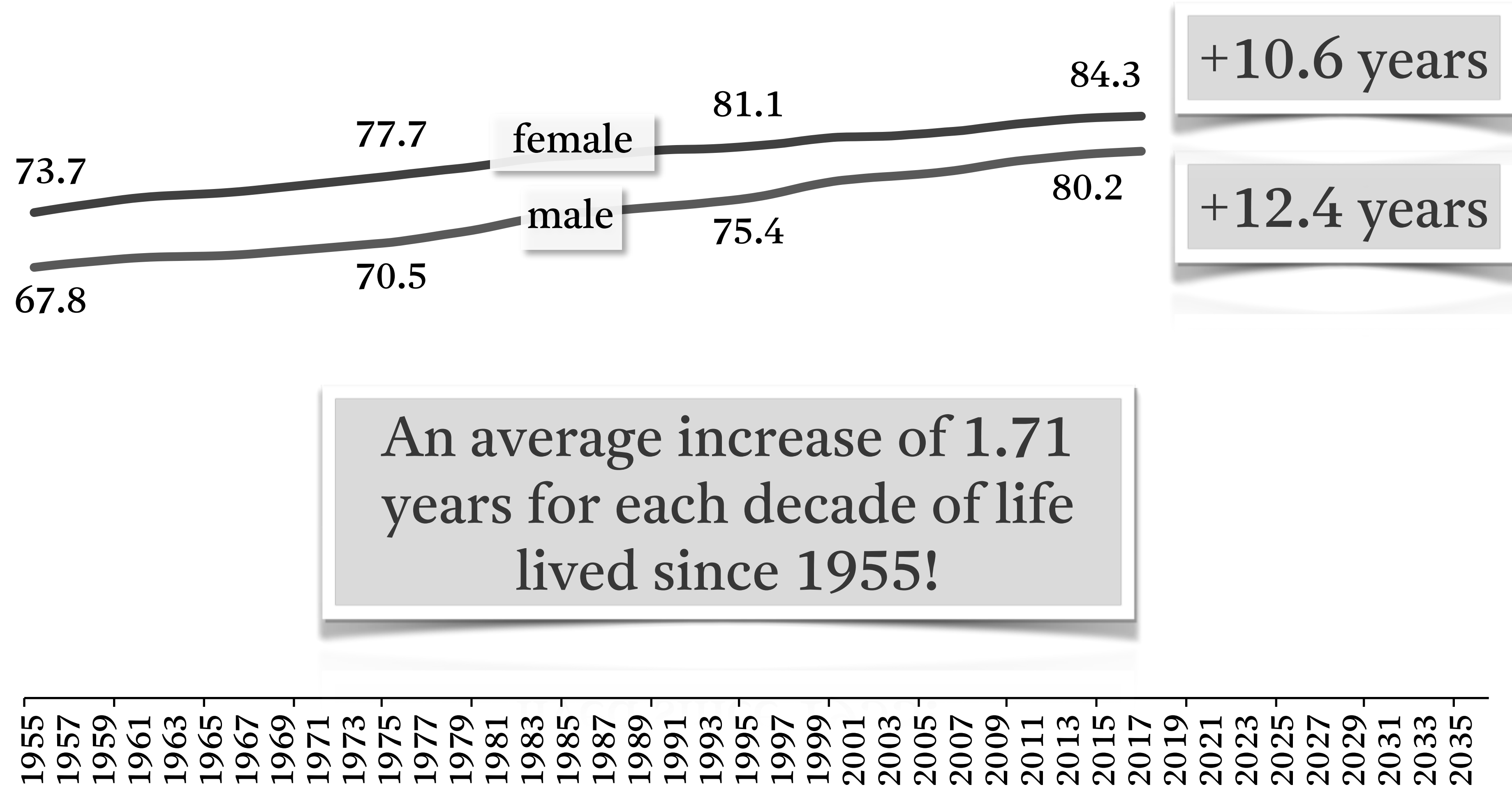
2016
CENSUS HMR
RENTAL
TENURE



LIFE EXPECTANCY, BRITISH COLUMBIA, 1955 - 2016

the
demand
side

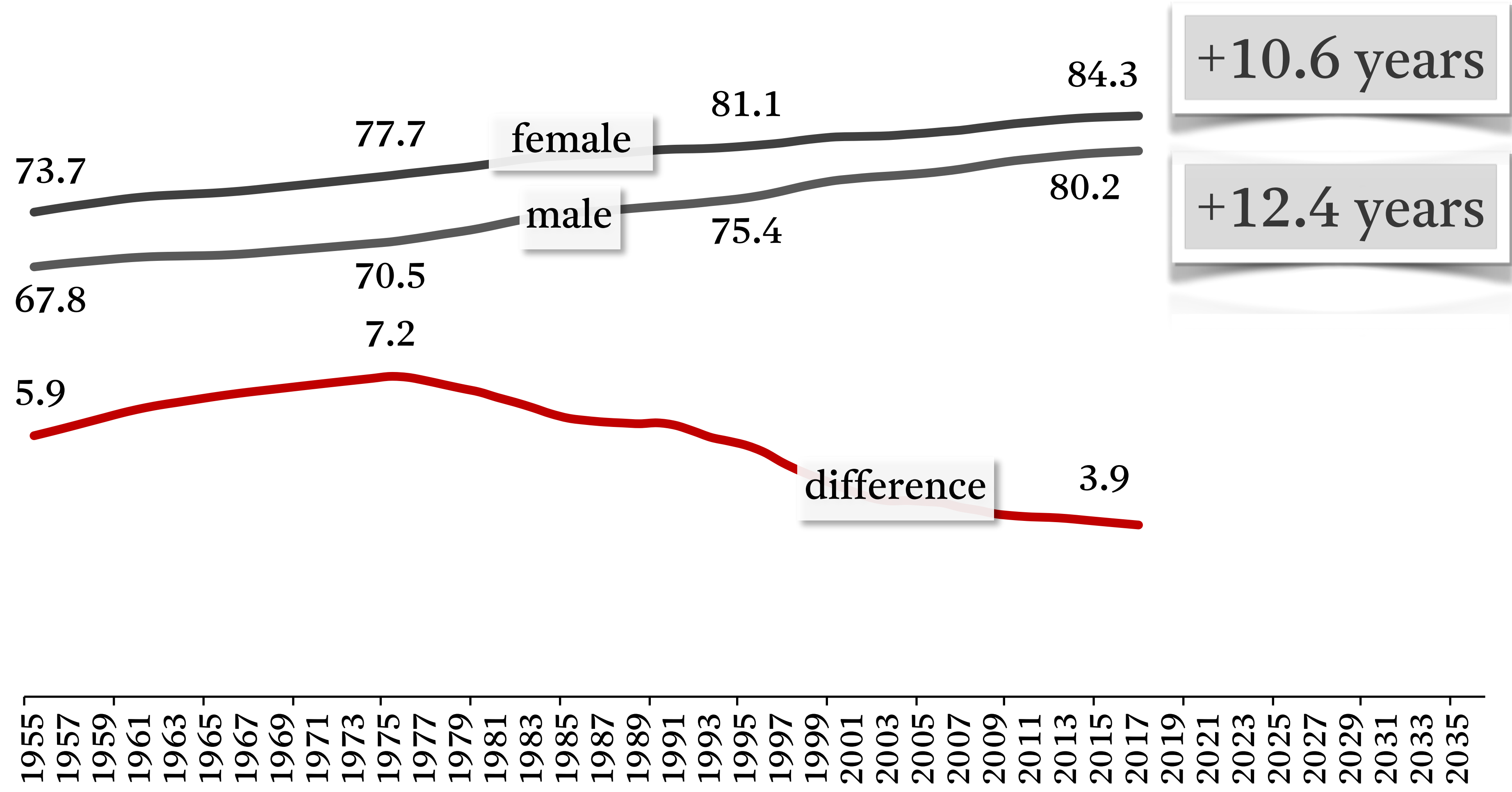
LIFE
EXPECTANCY



LIFE EXPECTANCY, BRITISH COLUMBIA, 1955 - 2016

the
demand
side

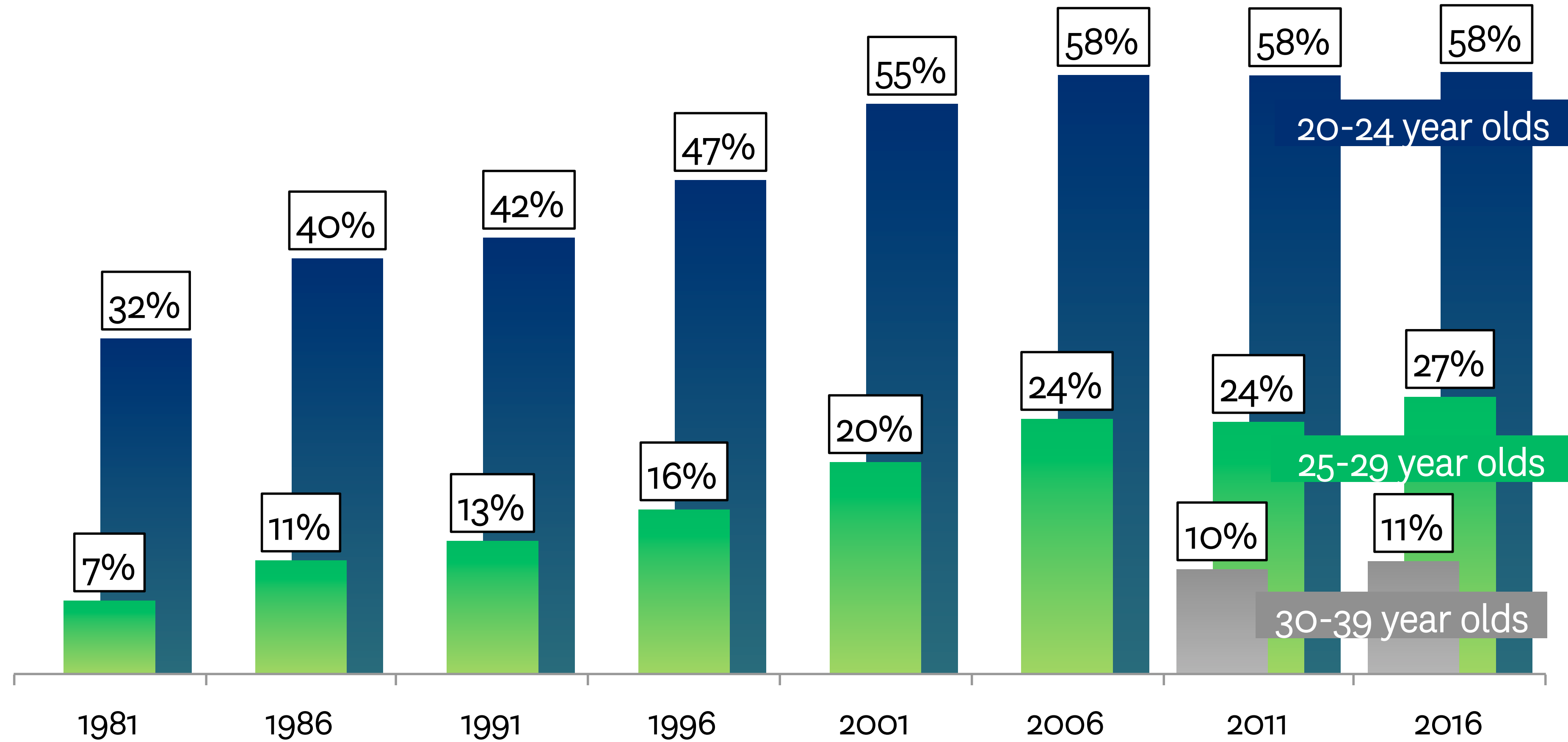
LIFE
EXPECTANCY



PROPORTION OF KIDS STILL AT HOME, BC

the
demand
side

KIDS @ HOME

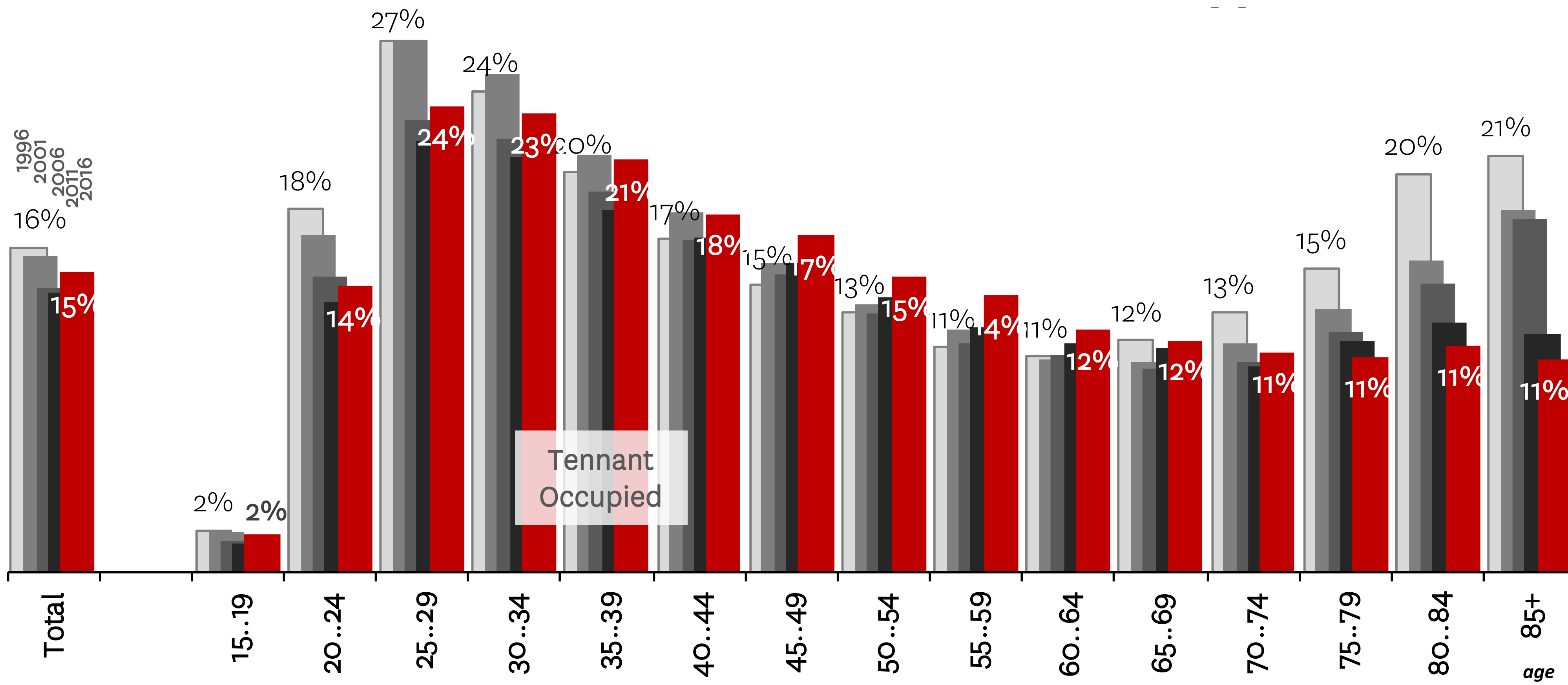


THE DEMOGRAPHICS OF MAINTAINING A HOME

BRITISH COLUMBIA

the demand side

— 2016
— CENSUS
— RENTAL
— TENURE
— HMR



Tennant Occupied

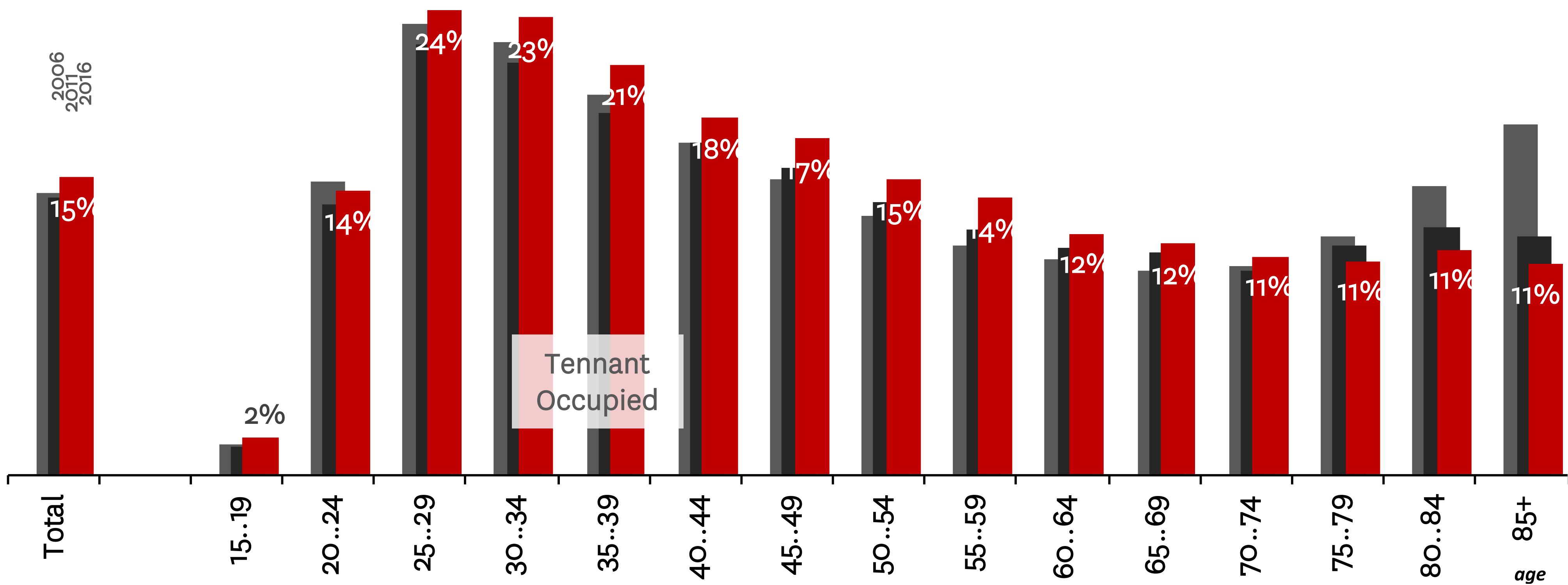


THE DEMOGRAPHICS OF MAINTAINING A HOME

BRITISH COLUMBIA

the
demand
side

2016
CENSUS HMR
RENTAL
TENURE



Tenant
Occupied

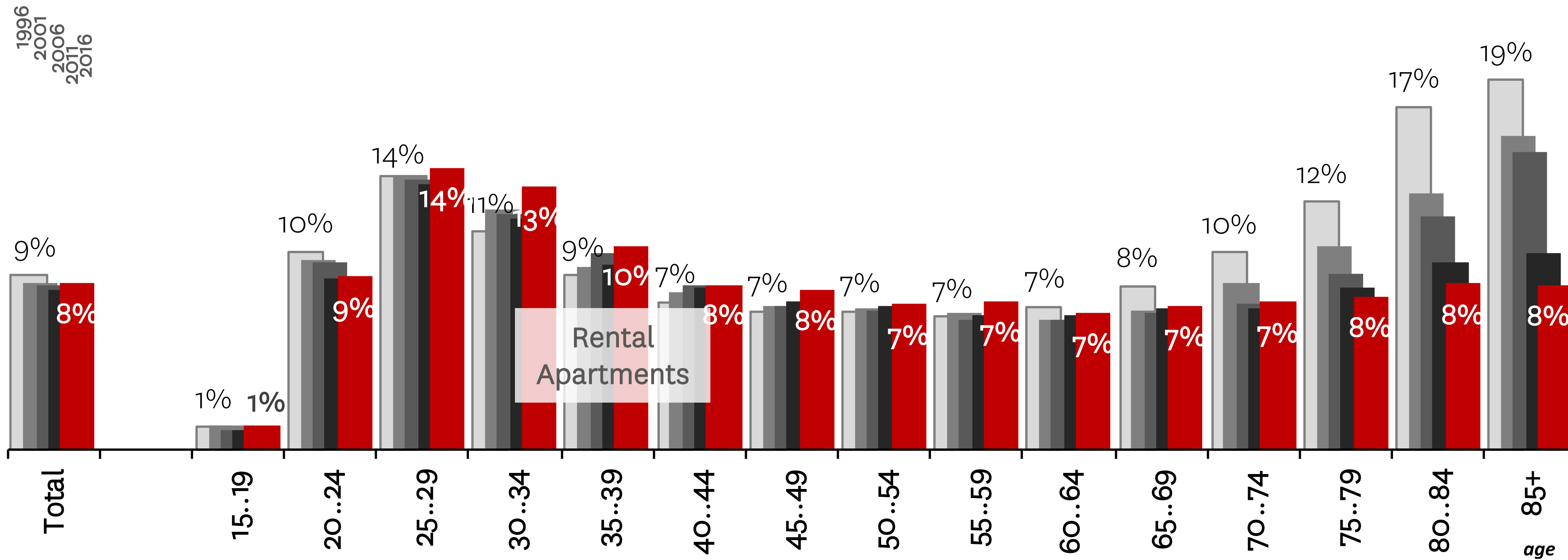


THE DEMOGRAPHICS OF MAINTAINING A HOME

BRITISH COLUMBIA

the
demand
side

2016
CENSUS HMR
RENTAL
APARTMENTS

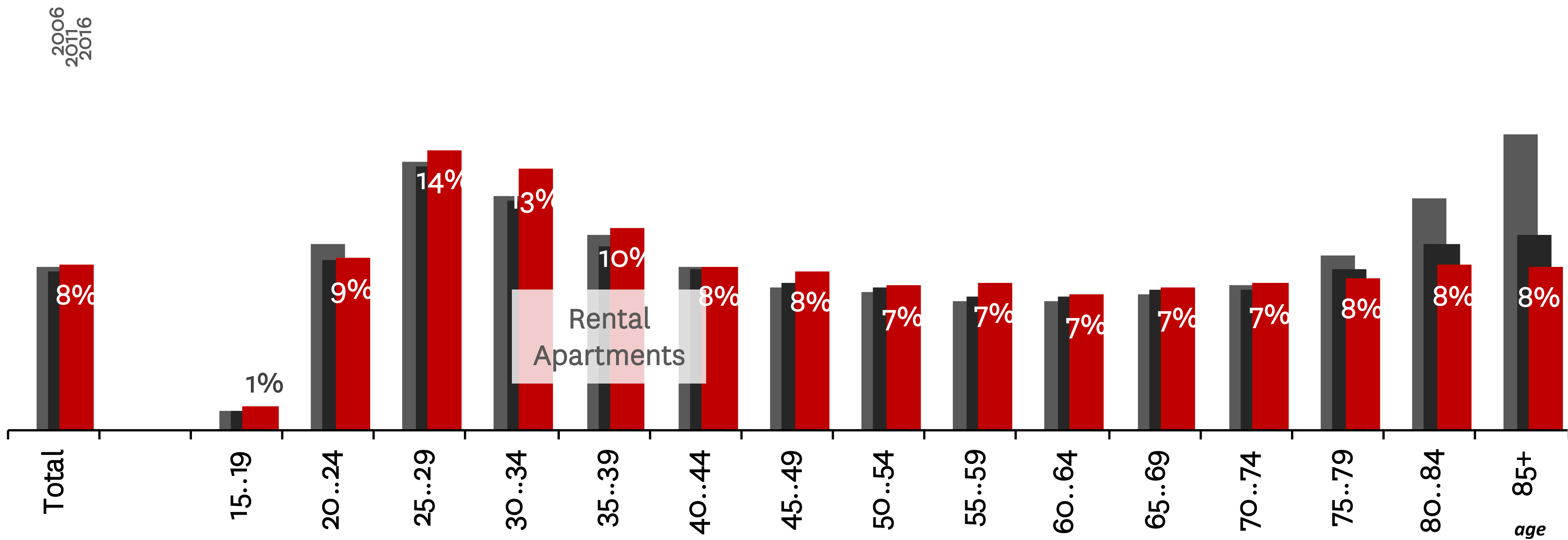


THE DEMOGRAPHICS OF MAINTAINING A HOME

BRITISH COLUMBIA

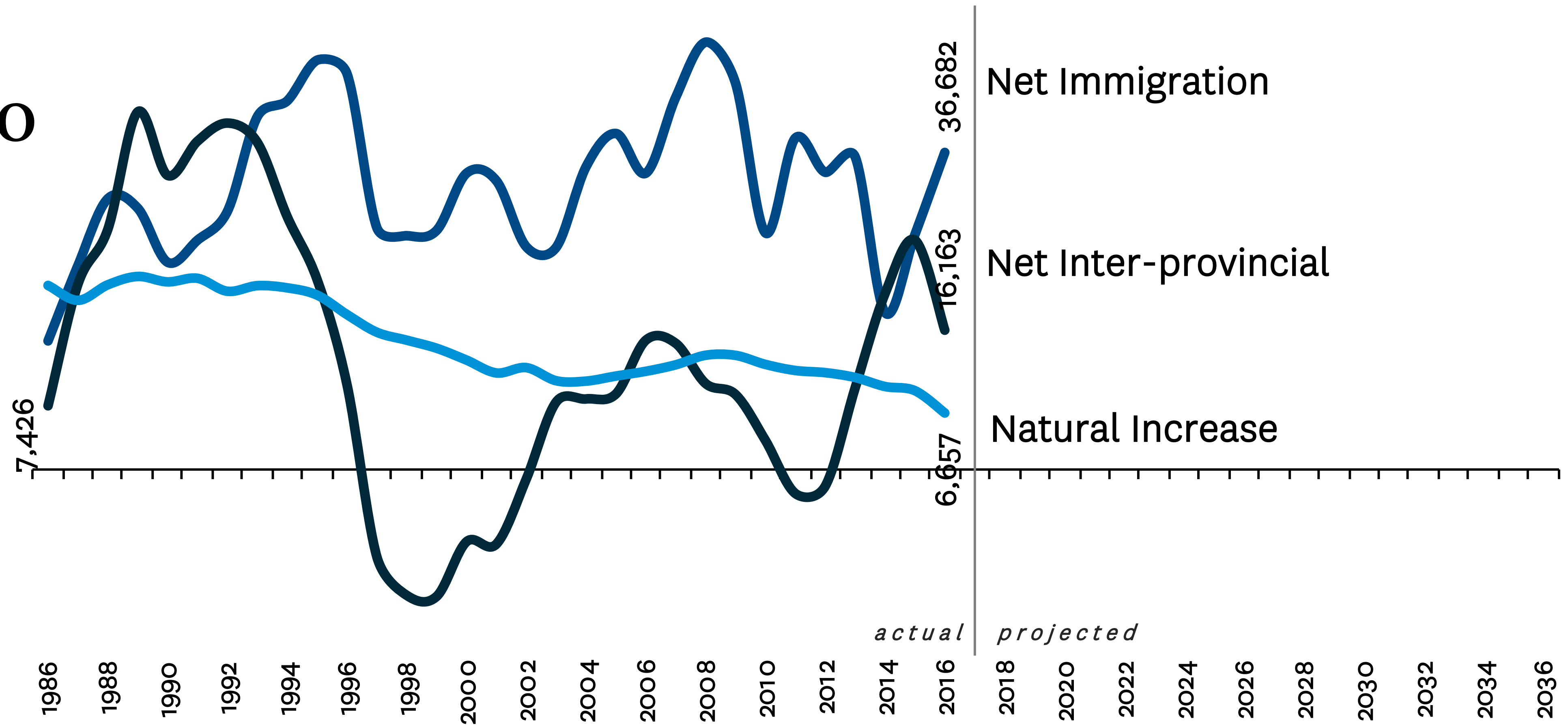
the
demand
side

2016
CENSUS HMR
RENTAL
APARTMENTS



COMPONENTS OF CHANGE IN BC

an outlook to 2036



immigration policy change

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CANADA November 1, 2017 1:04 pm Updated: November 1, 2017 1:11 pm

Canadian government wants 310,000 immigrants in 2018, 340,000 a year by 2020

By [Monique Scott](#) National Online Journalist, Politics Global News

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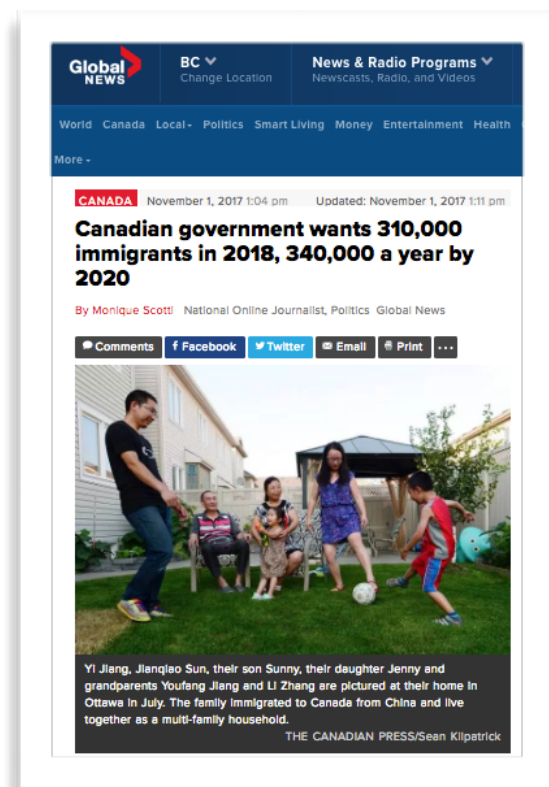
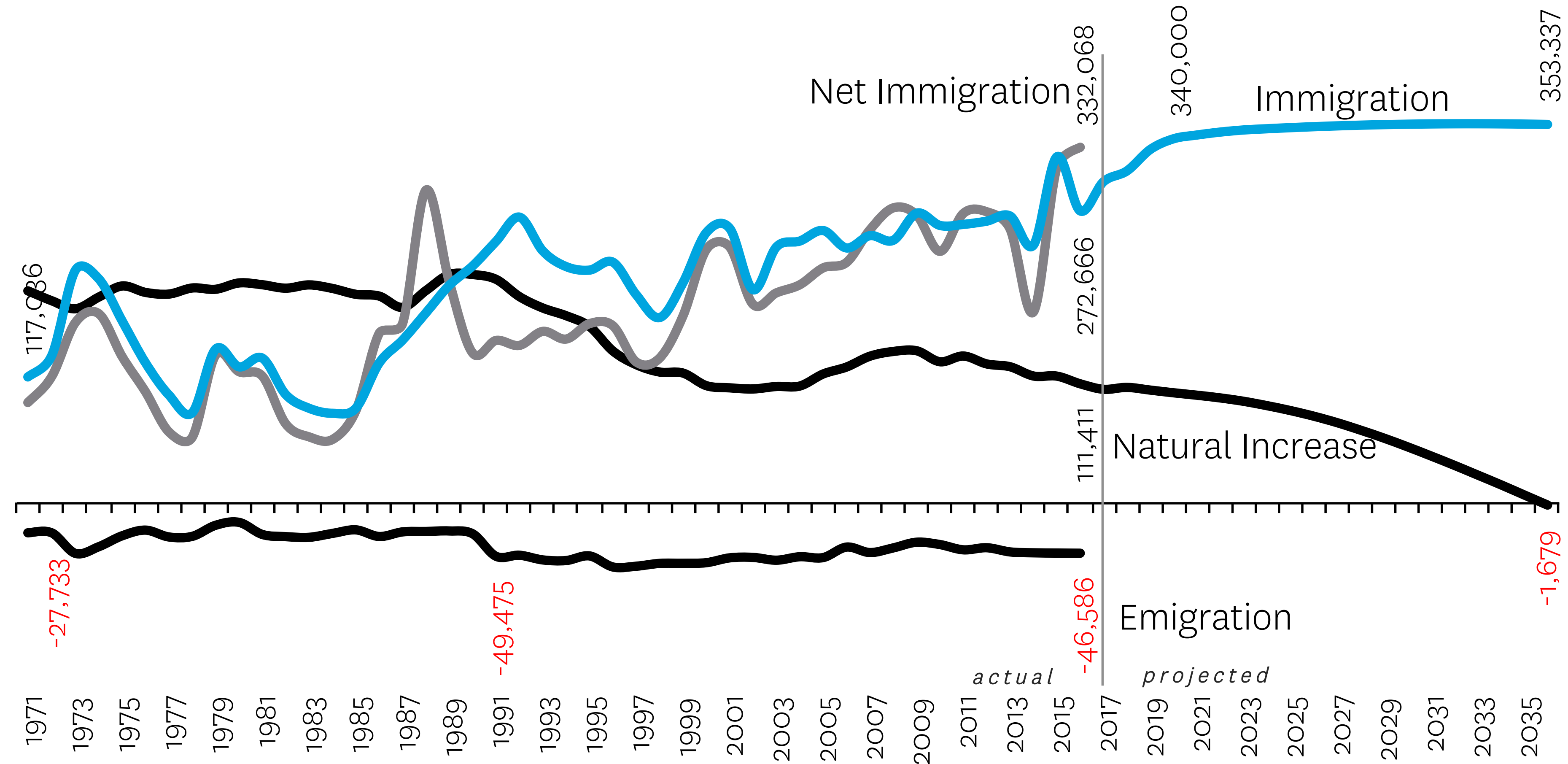
Yi Jiang, Jianqiao Sun, their son Sunny, their daughter Jenny and grandparents Youfang Jiang and Li Zhang are pictured at their home in Ottawa in July. The family immigrated to Canada from China and live together as a multi-family household.

THE CANADIAN PRESS/Sean Kilpatrick



FEDERAL IMMIGRATION TARGETS

immigration
policy change



FEDERAL IMMIGRATION TARGETS

THE GLOBE AND MAIL

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National Politics British Columbia Alberta Toronto World Video

Rethinking immigration: The case for the 400,000 solution

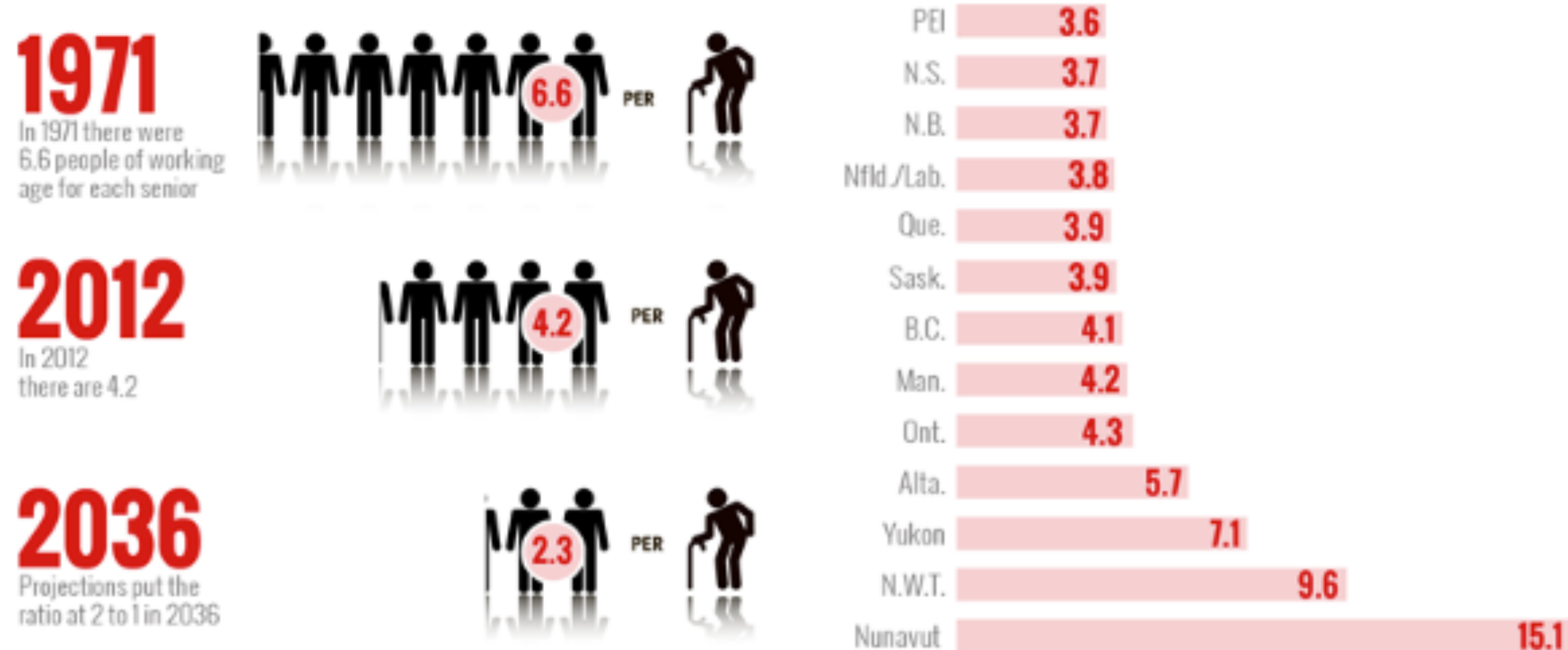
The Globe and Mail
 Published Friday, May 04, 2012 5:32PM EDT
 Last upc

The coming demographic crunch

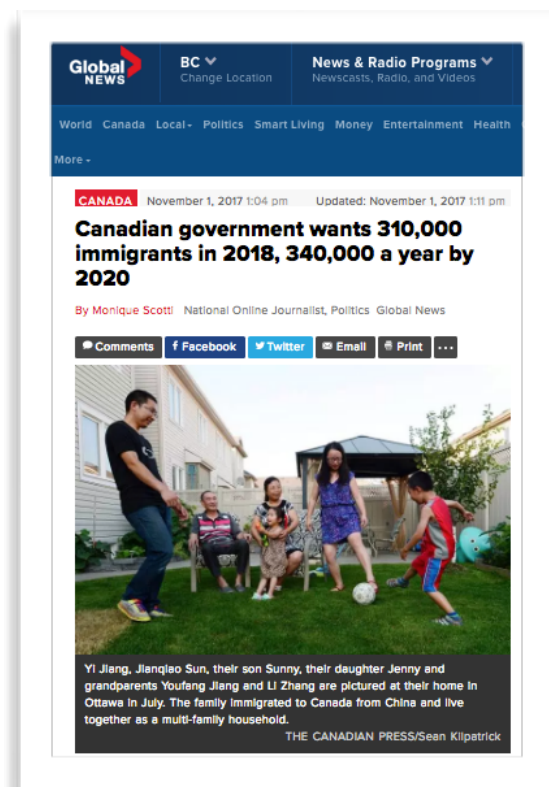
GRAPHIC

Canada solution below t innovat accordi
 With baby boomers heading for retirement, eventually there will be only two workers for every senior citizen. This increases the burden on workers for seniors' pensions and other social programs, slows growth and makes labour shortages even more dire.

Canada's working-aged population per senior citizen over time, and the same ratio by province

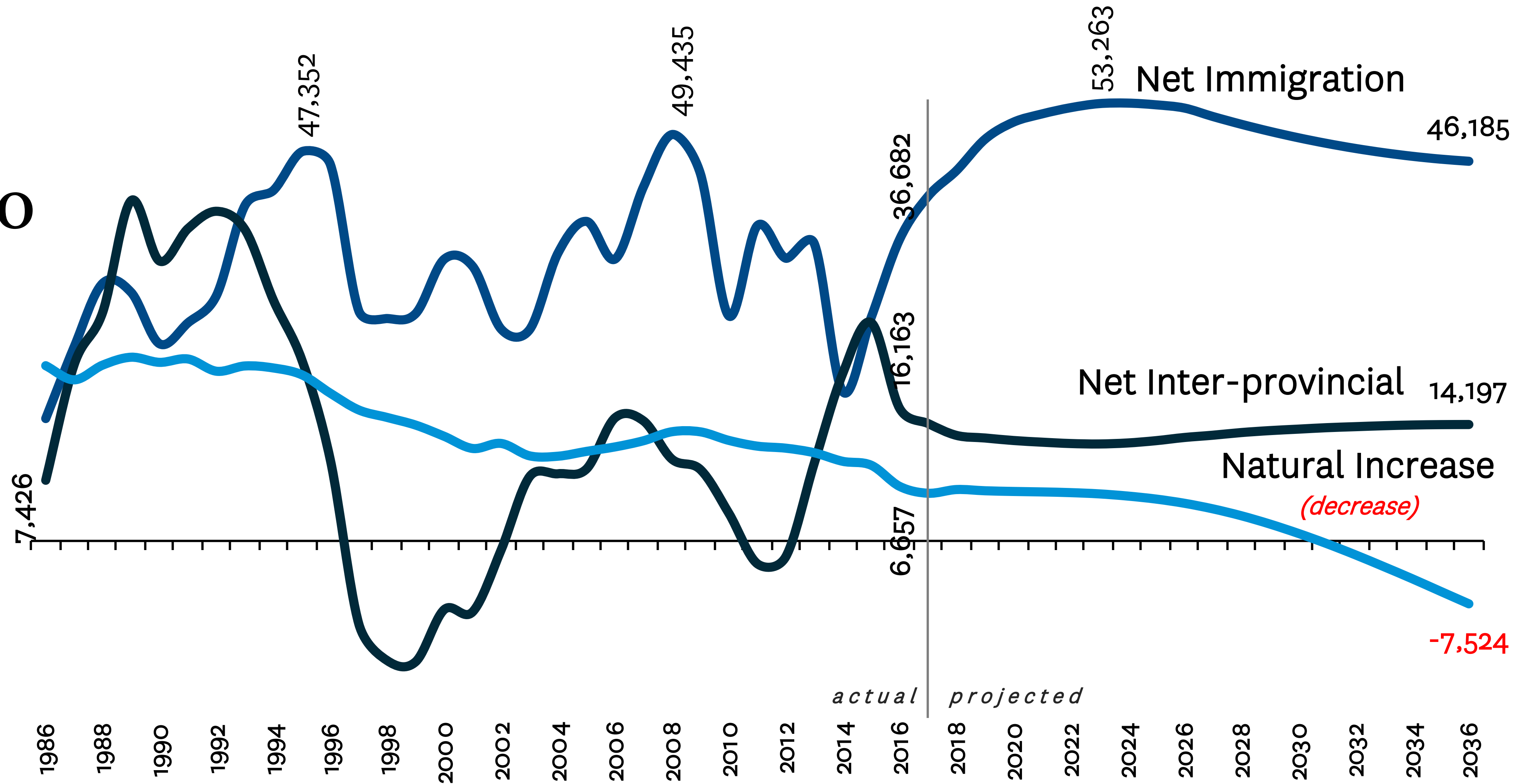


immigration
 policy change



COMPONENTS OF CHANGE IN BC

an outlook to 2036

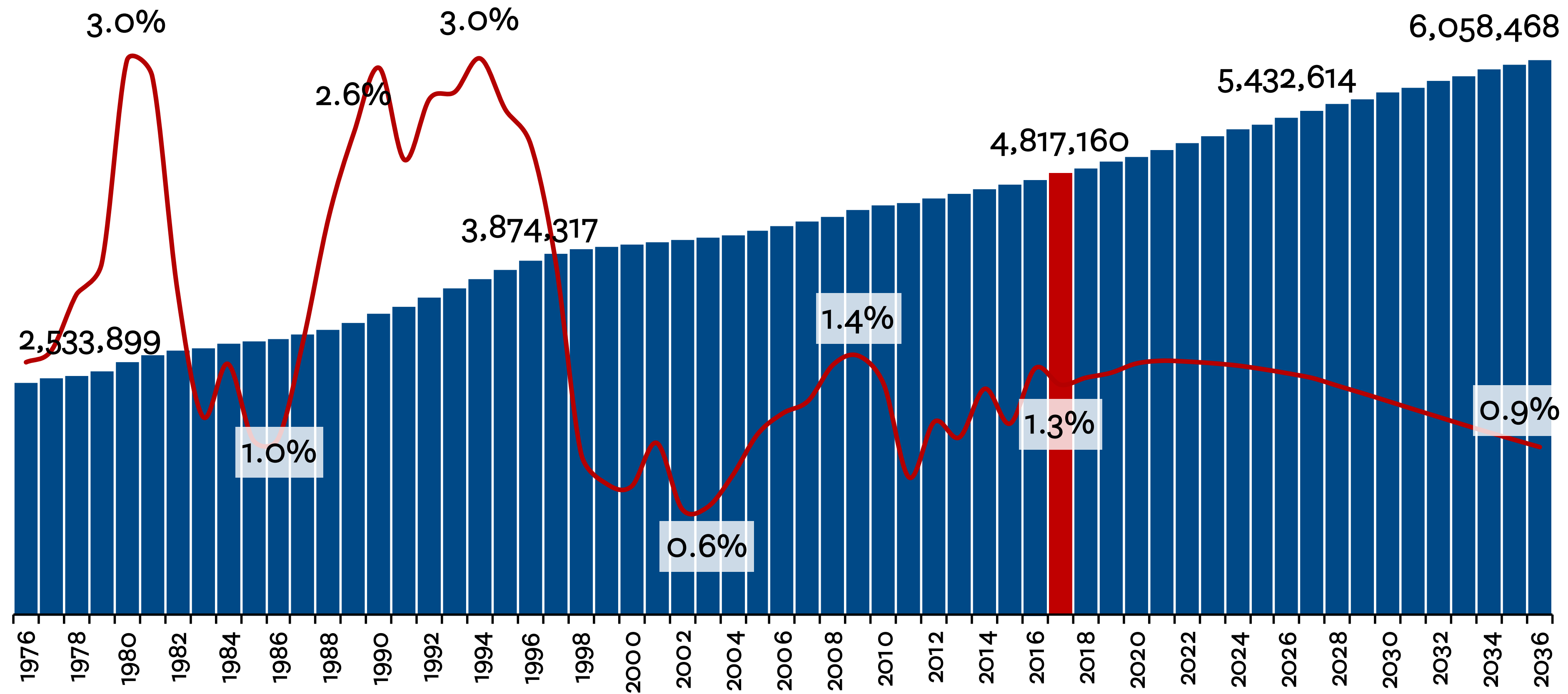


TOTAL POPULATION IN BC to 2036

an outlook to 2036

POPULATION GROWTH & CHANGE

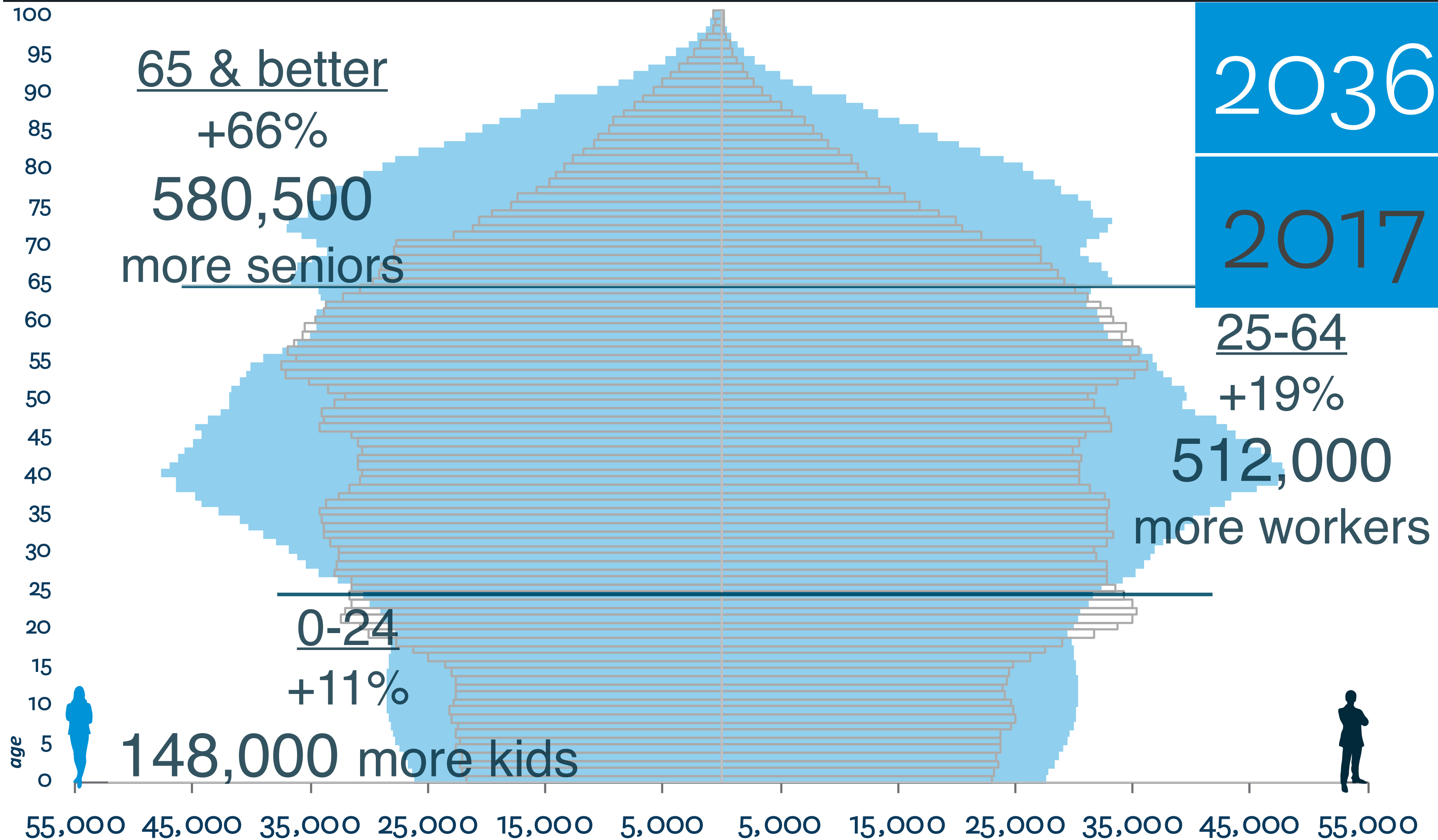
1.24 million more residents (26%)



[834,000 over the past 19 (21%)]



POPULATION BY AGE IN BC to 2036



an outlook to 2036

POPULATION GROWTH & CHANGE

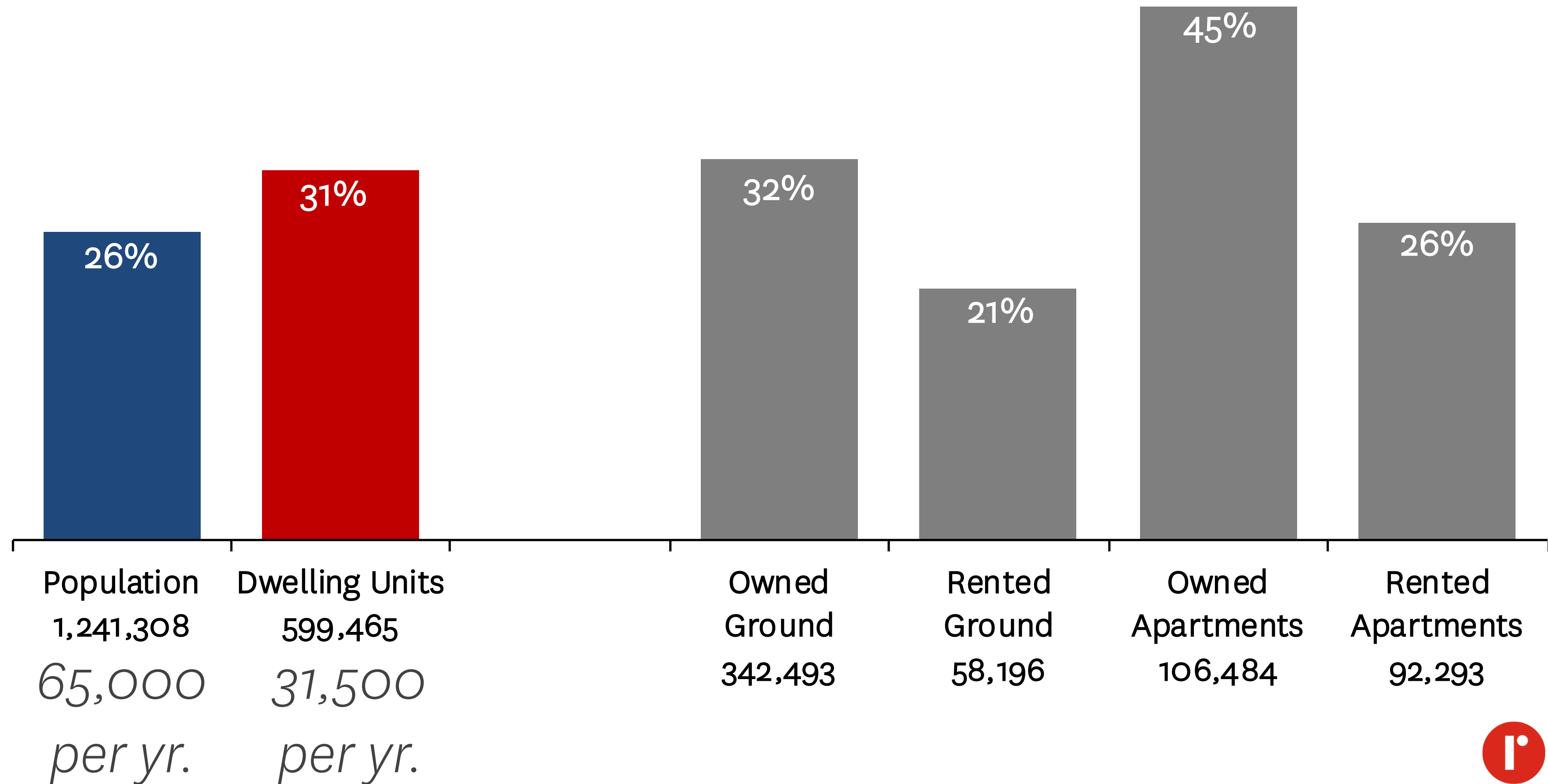
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CHANGE IN HOUSING OCCUPANCY in BC, 2017 - 2036

an outlook to 2036

HOUSING
GROWTH &
CHANGE



the
demand
side

SOUNDBITES:

- ① with a historical push towards home ownership, the long-term pattern has been a general decline in rental propensities.
- ② the 2016 Census saw a shift in this pattern as rental propensities increased for most age groups, potentially pushed by issues of availability and affordability of owned accommodation.
- ③ while *today's new rental will become tomorrow's affordable housing*, the role played by rental can be seen along many other dimensions.

the
demand
side

—
THE ECONOMIC
CONTEXT

B.C. adds 33,300 jobs in September, unemployment plummets

B.C. added more full-time jobs than part-time jobs last month, bucking the overall trend nationwide

By Tyler Orton | October 5, 2018, 8:00am



Longshoremen at a dispatch hall ready to work at the Port of Vancouver | Photo: Dominic Schaefer

The kids went back to school and more than a few adults went back to work in September in B.C.

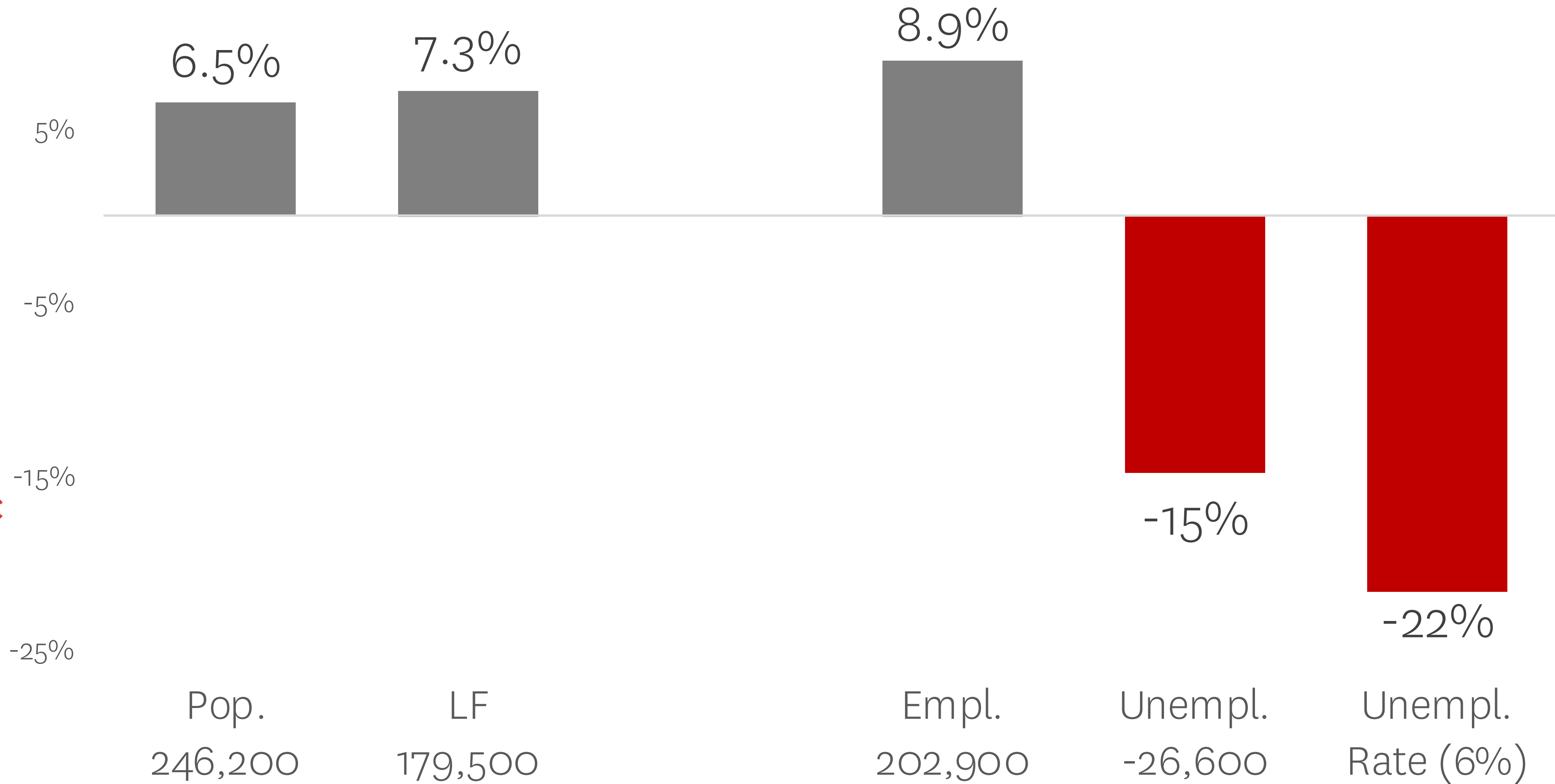
The province added 33,300 jobs last month, pushing its unemployment rate down 1.1 percentage points to 4.2%, according to Statistics Canada data released October 5.

Meanwhile, the economy added a total of 63,300 jobs across the country.

However, unlike the national gains, most of the jobs added in B.C. were full-time positions.



ECONOMIC CHANGE IN BC (Aug. 2013 - 2018)



Pop.
246,200

LF
179,500

Empl.
202,900

Unempl.
-26,600

Unempl.
Rate (6%)

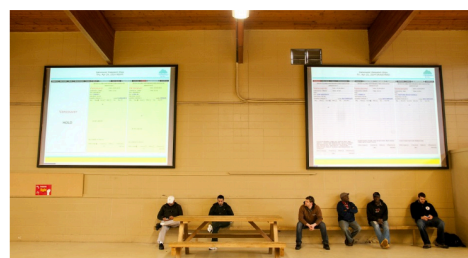
(4.3% sept.)

the
demand
side

THE ECONOMIC
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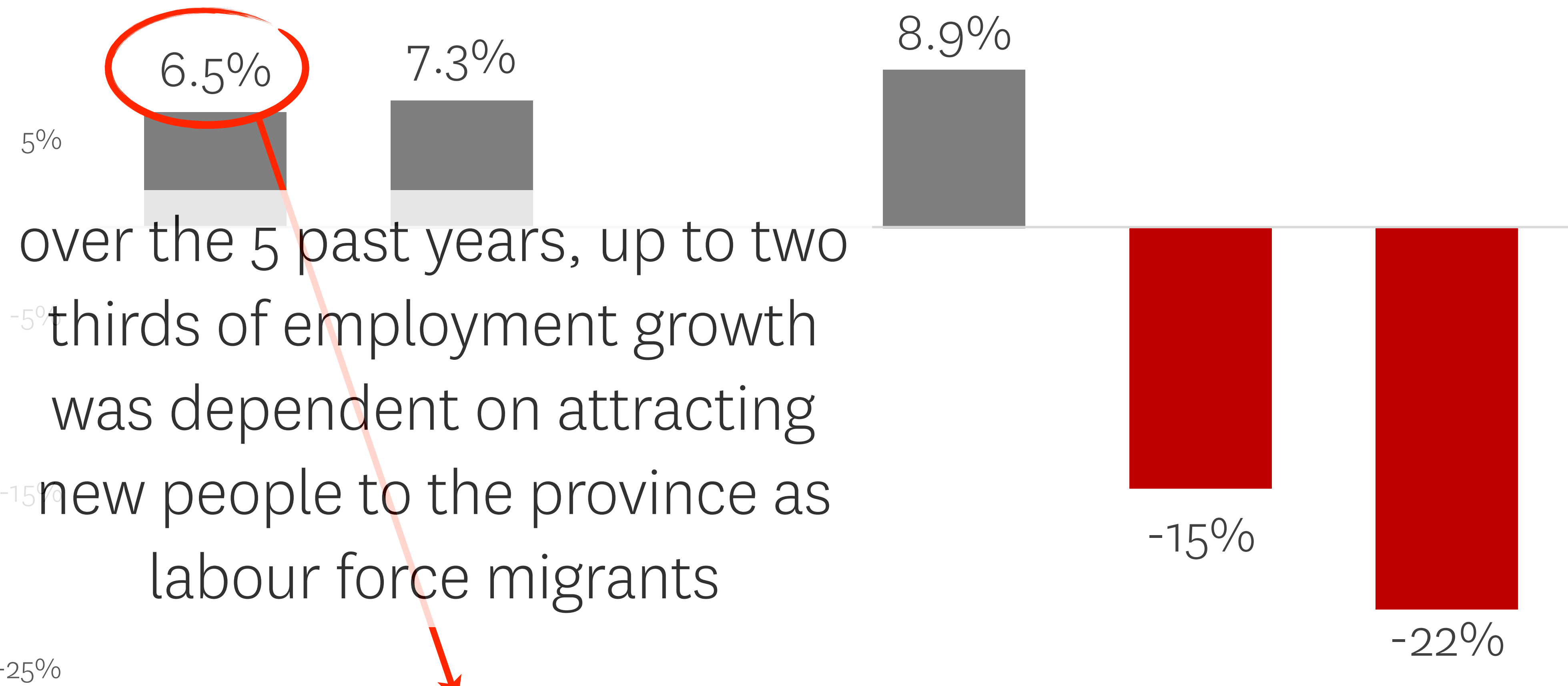
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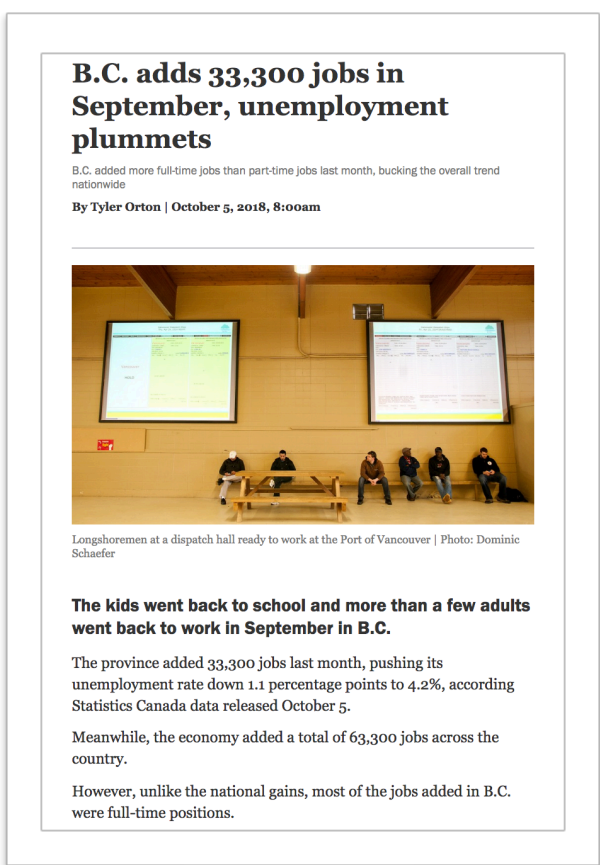
the demand side

THE ECONOMIC CONTEXT



over the 5 past years, up to two thirds of employment growth was dependent on attracting new people to the province as labour force migrants

Pop.	LF	Empl.	Unempl.	Unempl.
246,200	179,500	202,900	-26,600	Rate (6%)
	160,000			(4.3% sept.)
	<u>133,400</u>			




RENTAL AS AN ECONOMIC FACILITATOR

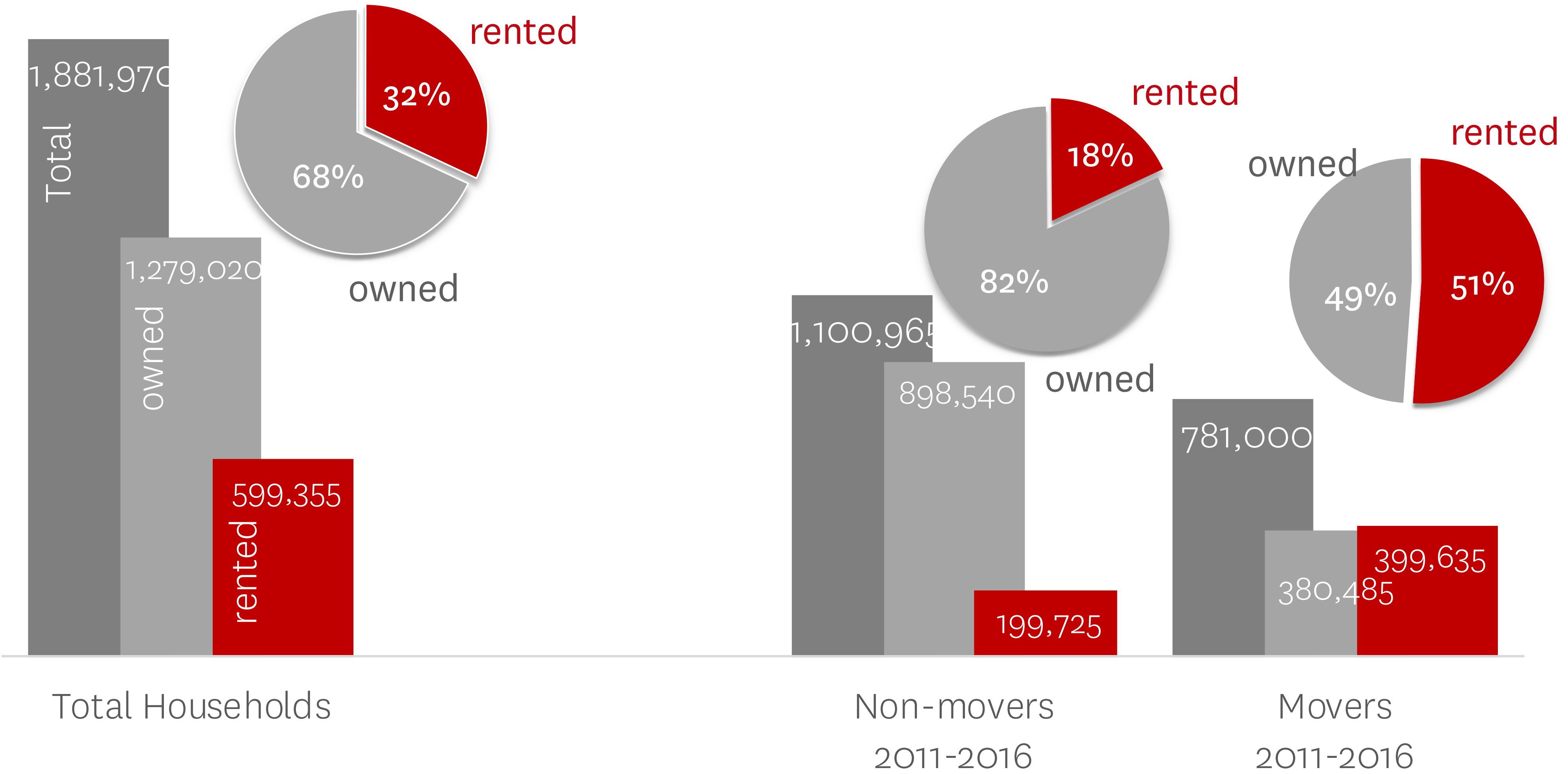
the demand side

THE ECONOMIC CONTEXT

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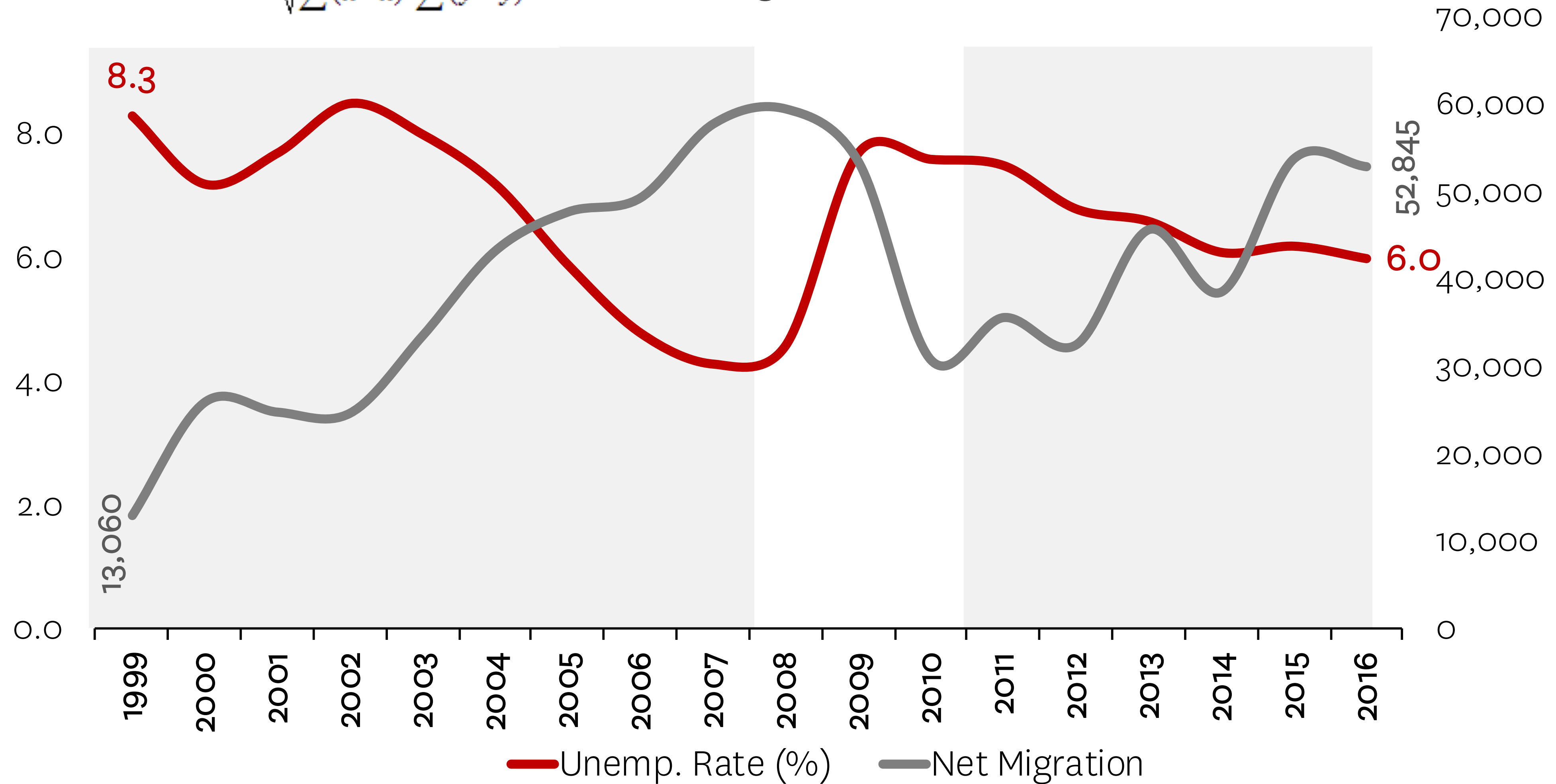


RENTAL AS AN ECONOMIC FACILITATOR

$$\text{Correl}(X, Y) = \frac{\sum (x - \bar{x})(y - \bar{y})}{\sqrt{\sum (x - \bar{x})^2 \sum (y - \bar{y})^2}} = -0.85$$

the
demand
side

THE ECONOMIC
CONTEXT



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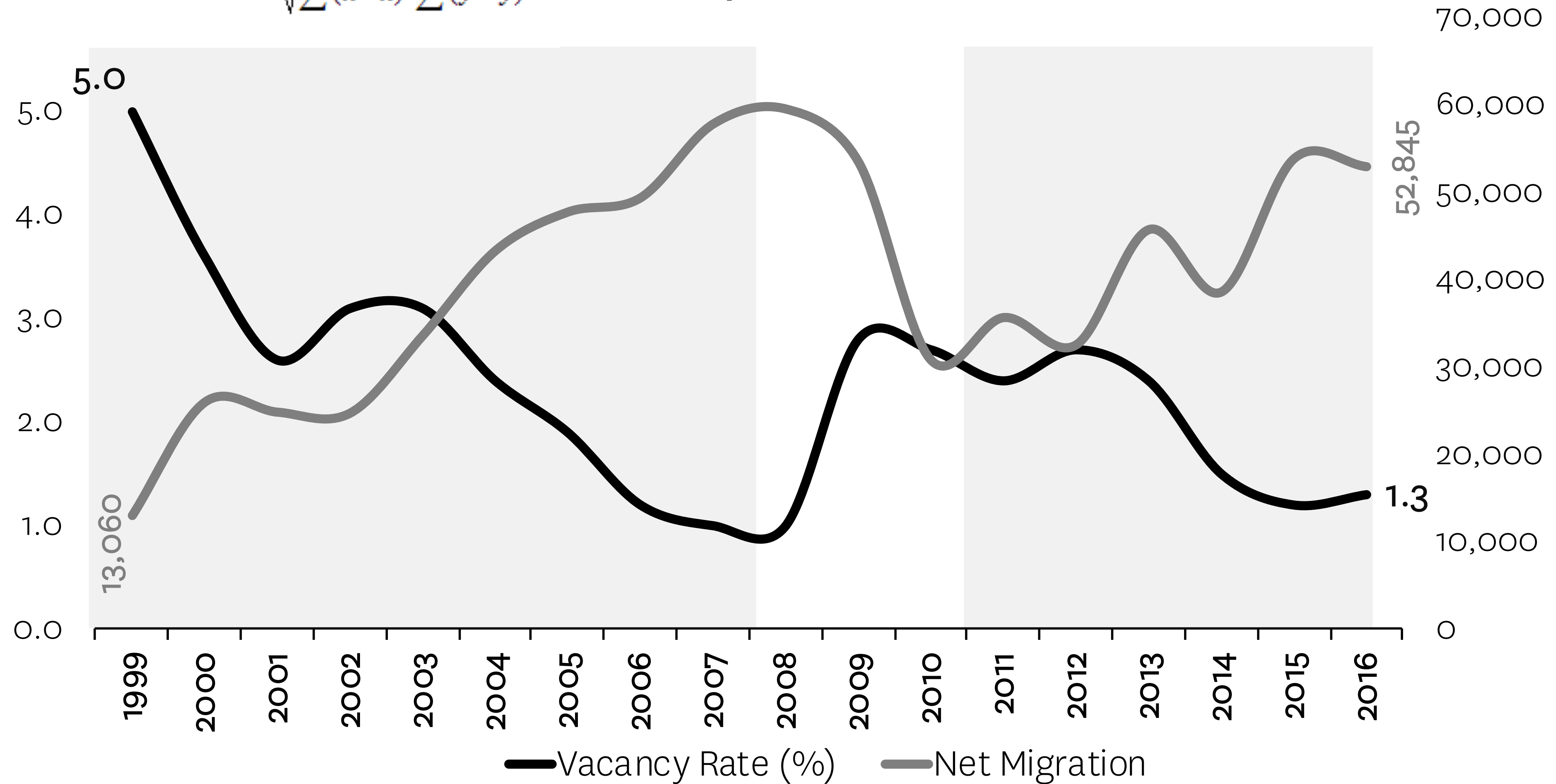


RENTAL AS AN ECONOMIC FACILITATOR

$$\text{Correl}(X, Y) = \frac{\sum (x - \bar{x})(y - \bar{y})}{\sqrt{\sum (x - \bar{x})^2 \sum (y - \bar{y})^2}} = -0.78$$

the
demand
side

THE ECONOMIC
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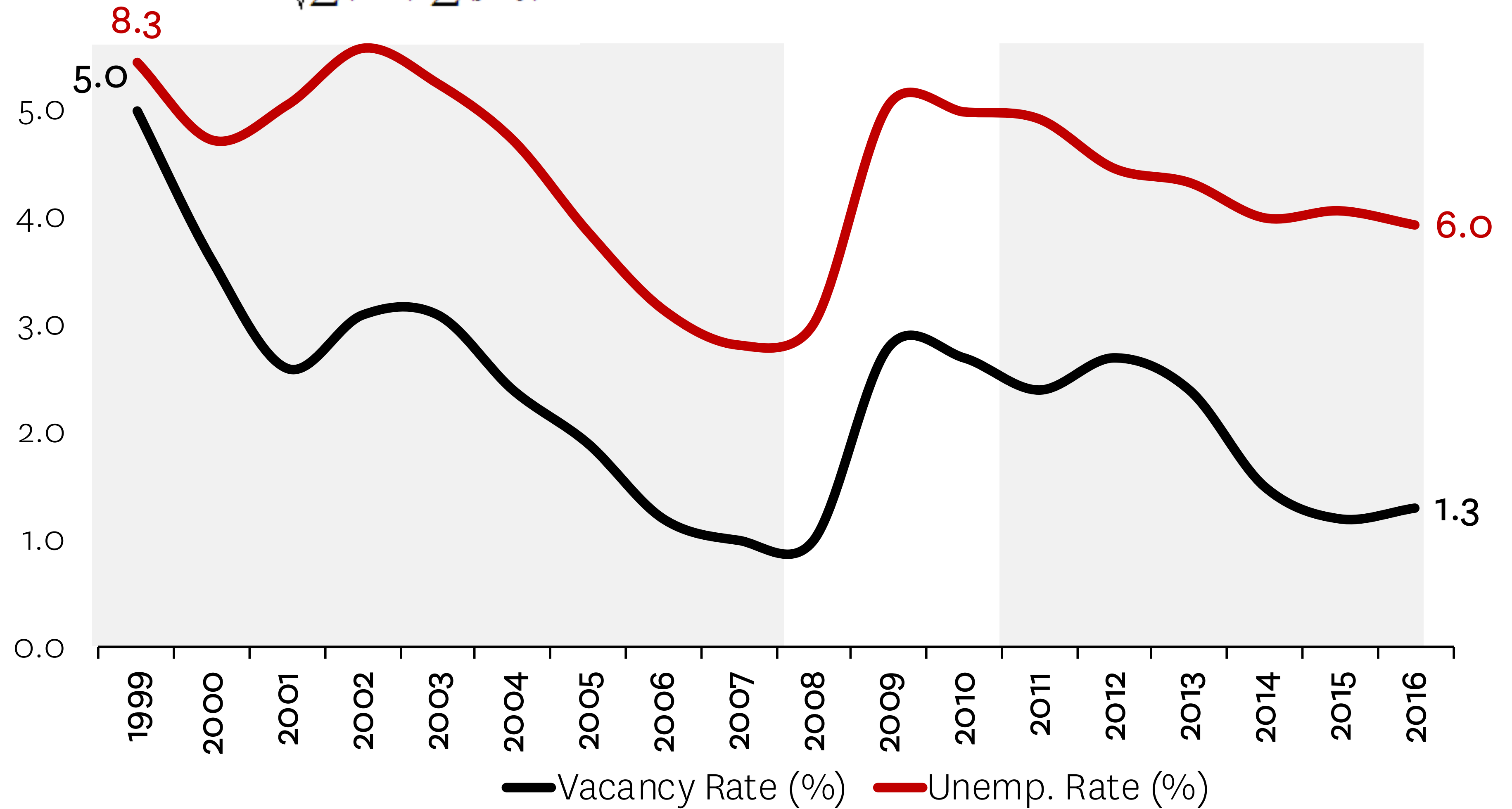


RENTAL AS AN ECONOMIC FACILITATOR

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the
demand
side

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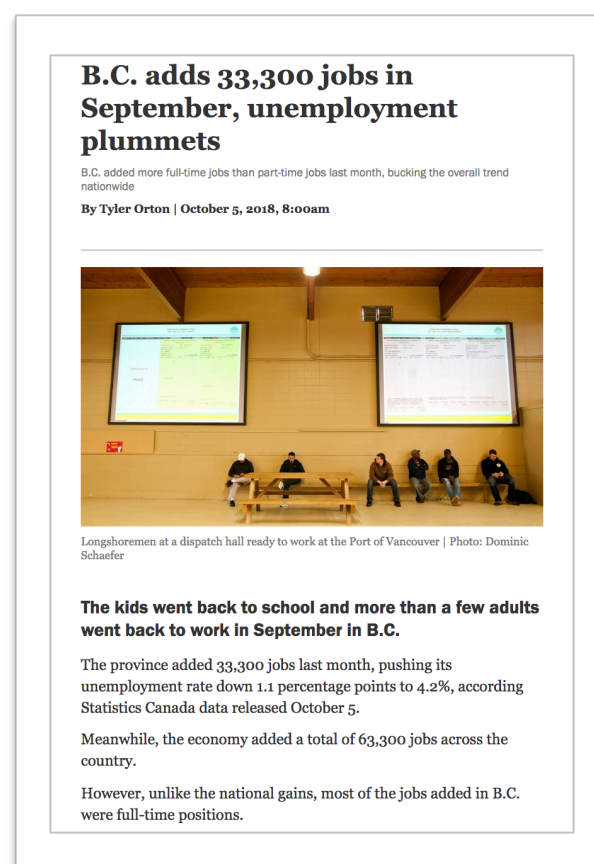
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RENTAL AS AN ECONOMIC FACILITATOR

the
demand
side

—
THE ECONOMIC
CONTEXT

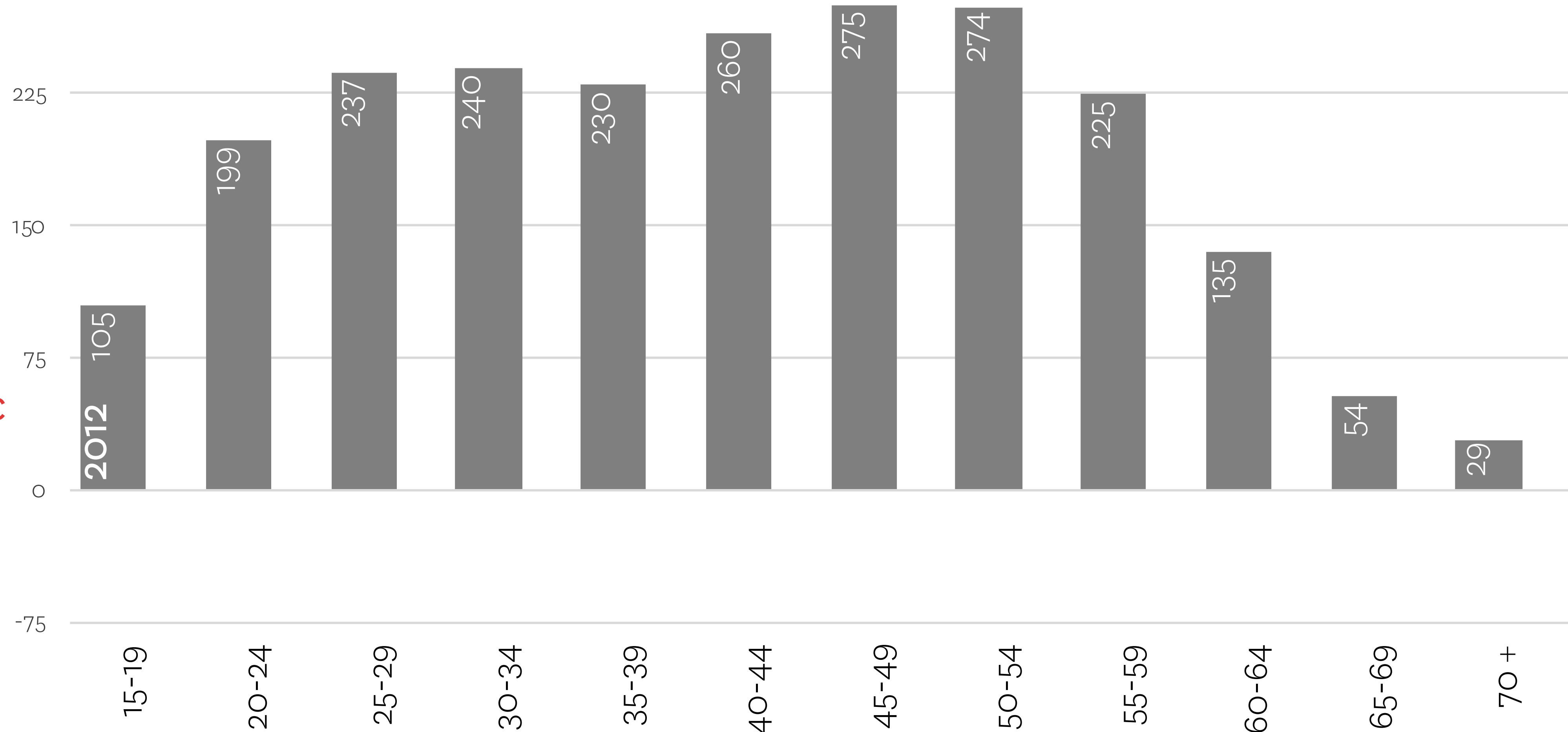


- ⌚ the ability of our economy to grow is, in part, dependent on our availability to attract labour force migrants;
- ⌚ our ability to attract labour force migrants is, in part, dependant on the availability of housing and our ability to accommodate them;
- ⌚ with a greater share of movers being tenants, a vibrant rental market is imperative to helping our economy grow and change;

...but they are also our community builders of tomorrow



EMPLOYMENT CHANGE BY AGE, BC, 2012 to 2017 ('000s)



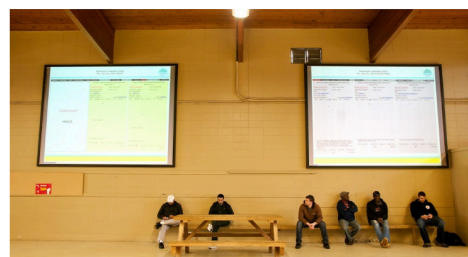
the demand side

THE DEMOGRAPHIC CONTEXT

B.C. adds 33,300 jobs in September, unemployment plummets

B.C. added more full-time jobs than part-time jobs last month, bucking the overall trend nationwide

By Tyler Orton | October 5, 2018, 8:00am



Langhorne at a dispatch hall ready to work at the Port of Vancouver | Photo: Dominic Schaefer

The kids went back to school and more than a few adults went back to work in September in B.C.

The province added 33,300 jobs last month, pushing its unemployment rate down 1.1 percentage points to 4.2%, according to Statistics Canada data released October 5.

Meanwhile, the economy added a total of 63,300 jobs across the country.

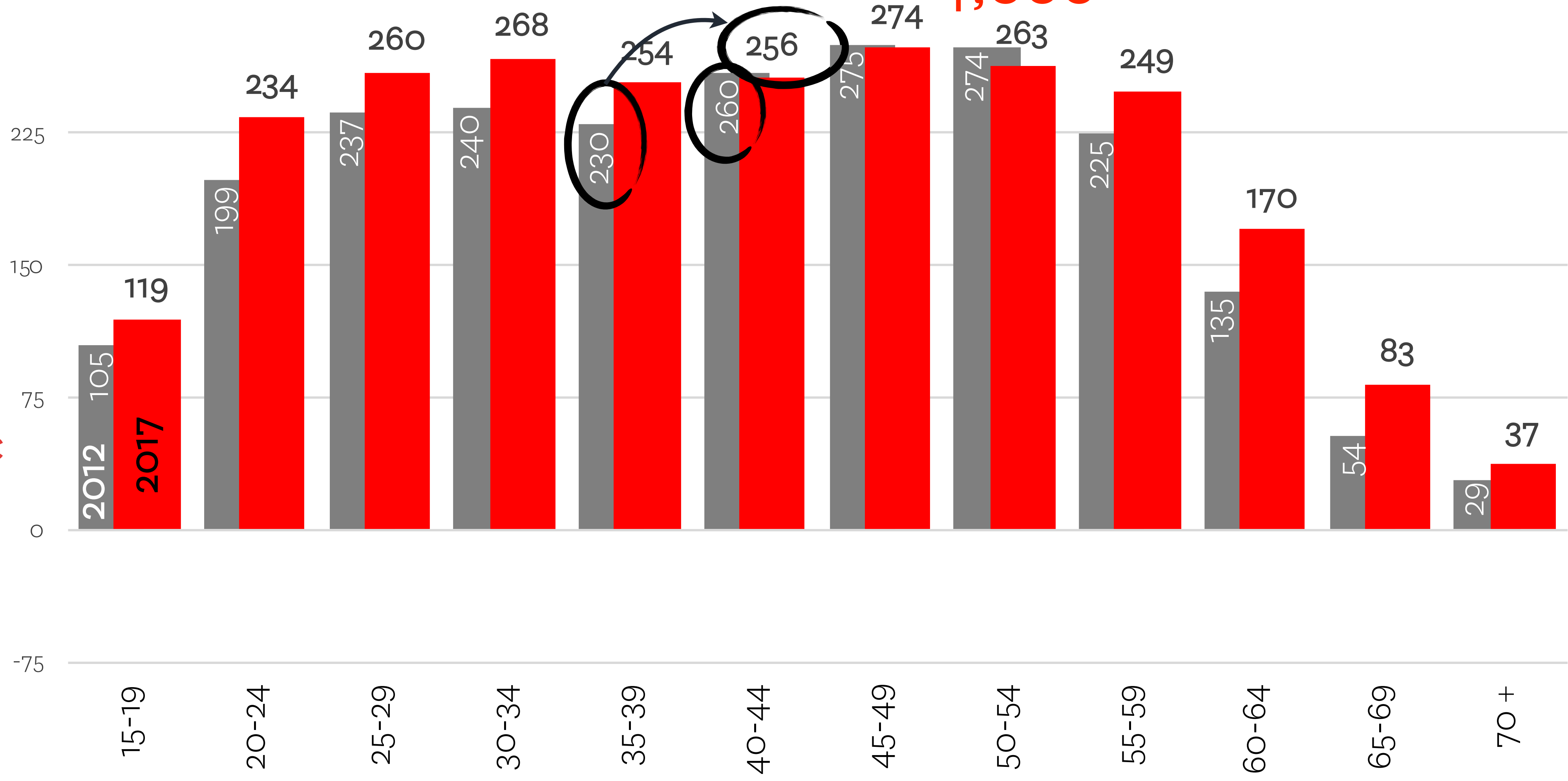
However, unlike the national gains, most of the jobs added in B.C. were full-time positions.



EMPLOYMENT CHANGE BY AGE, BC, 2012 to 2017 ('000s)

+ 26,000

- 4,000



the demand side

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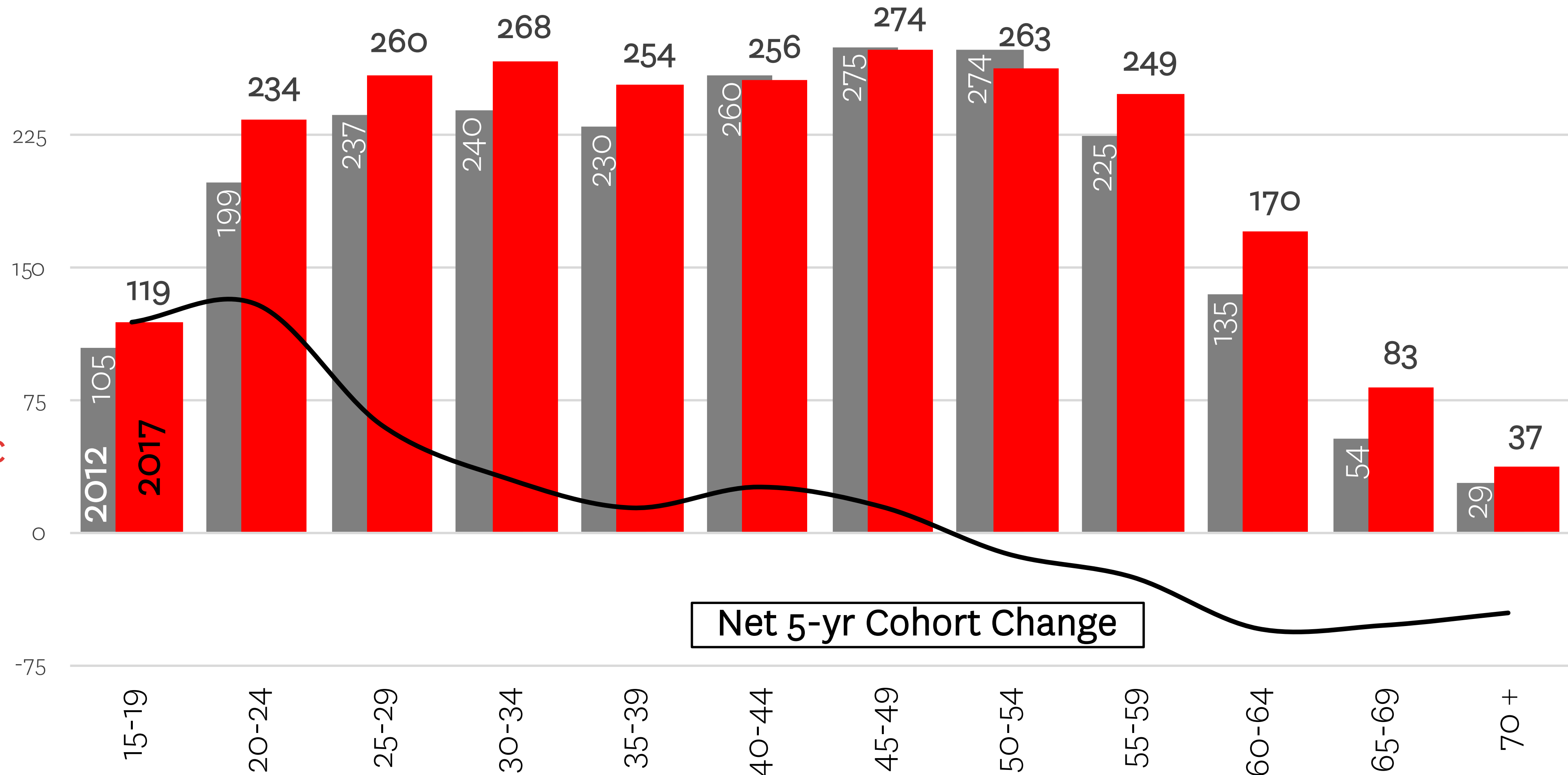
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EMPLOYMENT CHANGE BY AGE, BC, 2012 to 2017 ('000s)

the demand side

THE DEMOGRAPHIC CONTEXT



Net 5-yr Cohort Change

B.C. adds 33,300 jobs in September, unemployment plummets
B.C. added more full-time jobs than part-time jobs last month, bucking the overall trend nationwide.
 By Tyler Orton | October 5, 2018, 8:00am

Longshoremen at a dispatch hall ready to work at the Port of Vancouver | Photo: Dominic Schaefer

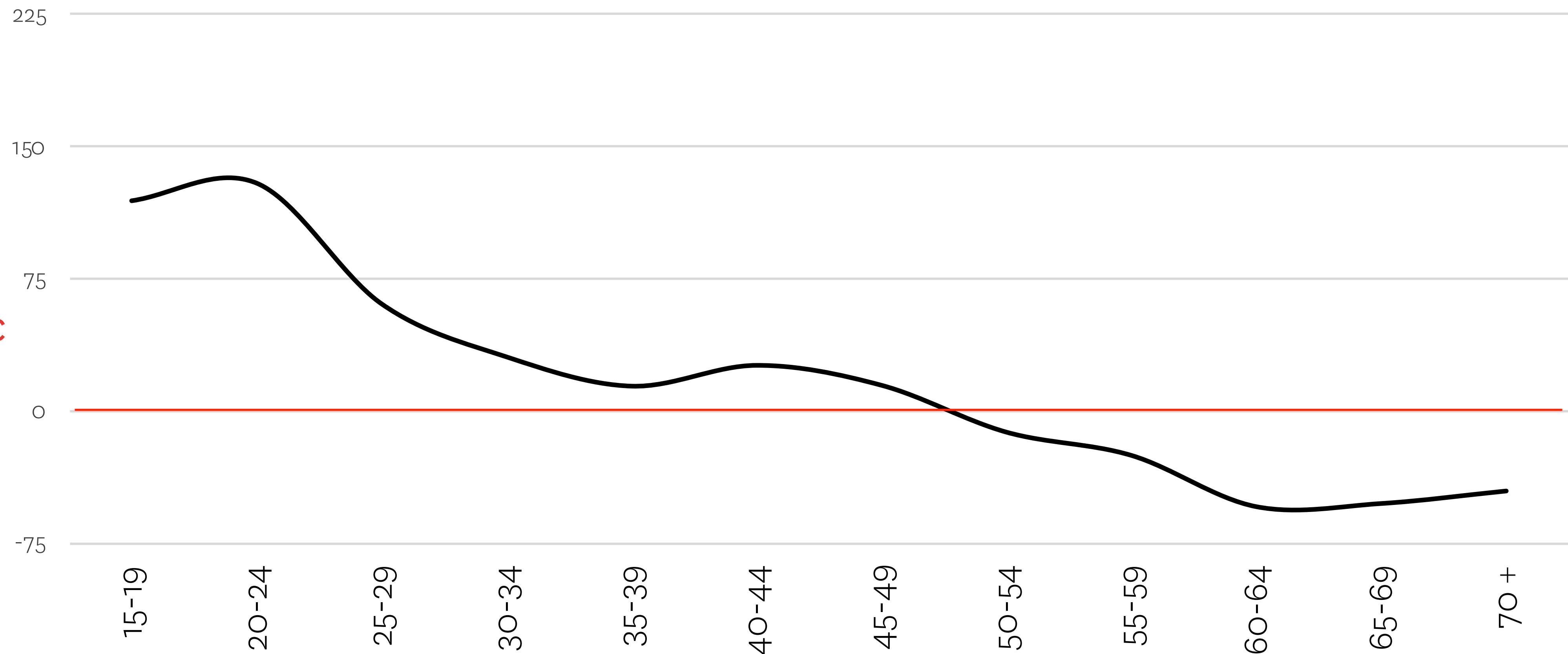
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EMPLOYMENT CHANGE BY AGE, BC, 2012 to 2017 ('000s)

the
demand
side

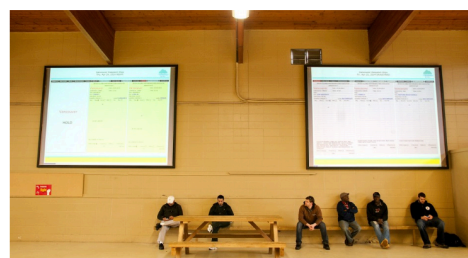
THE
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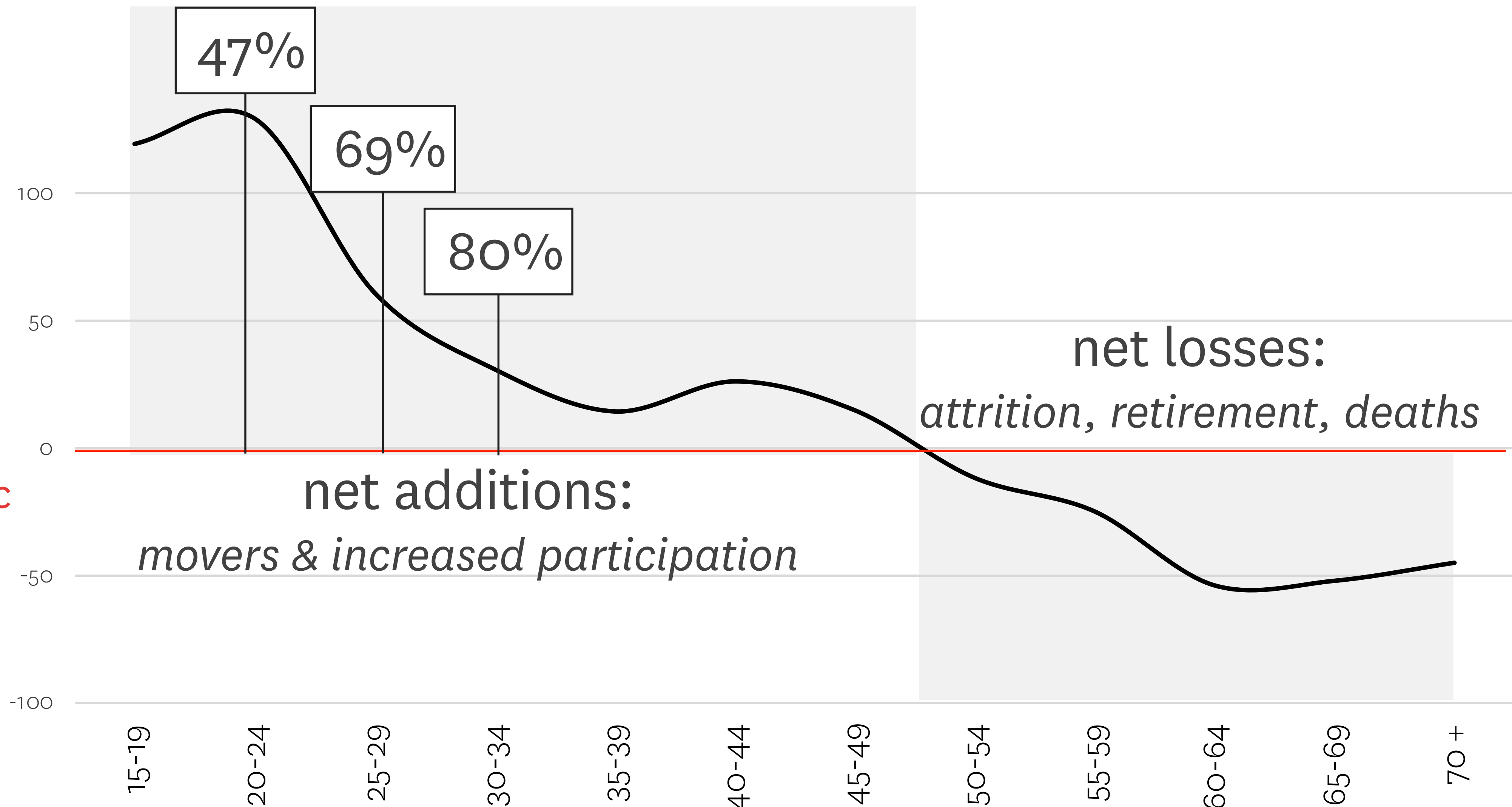
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COHORT EMPLOYMENT CHANGE BY AGE, BC, 2012 - 2017

the demand side

THE DEMOGRAPHIC CONTEXT



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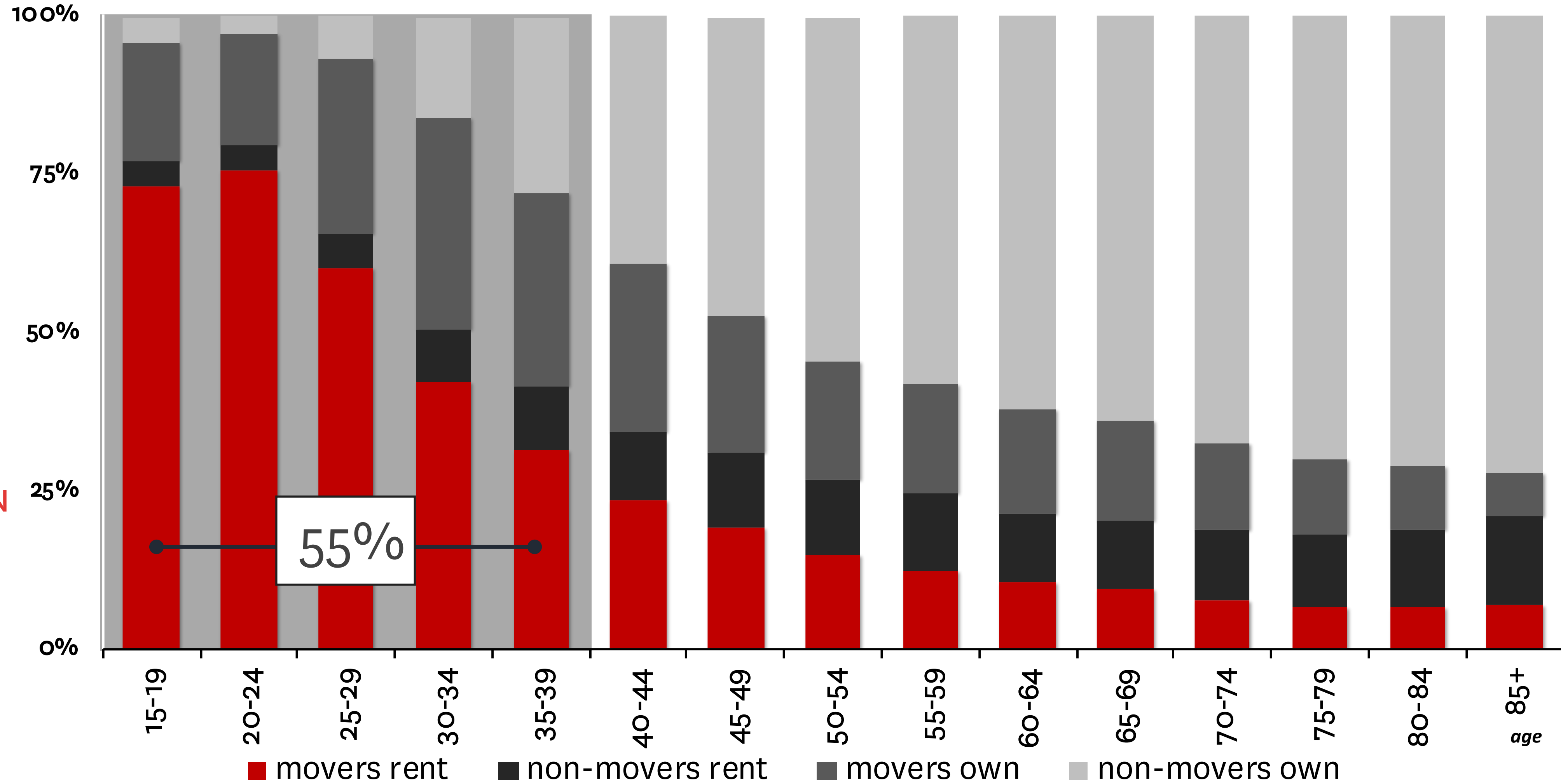
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RENTAL AS A COMMUNITY BUILDER

the
demand
side

AGE
DISTRIBUTION
OF MOVER
HOUSEHOLDS



the
demand
side

SOUNDBITE:

- ⌚ so in addition to *today's new rental stock being tomorrow's affordable housing*, in an **economic** context the availability of rental accommodation is linked to labour mobility and, by extension, the ability of an economy to grow and change
- ⌚ in a **demographic** sense, as those labour force migrants and tenants are typically young, it is today's them who will become our community builders of tomorrow

conclusions for today

some general conclusions

- ① The demographic and economic changes we will experience in the coming decades will not be simple extensions of past trends;
- ② Our labour force and social services have enjoyed blessed times over the past 4 decades - the coming decades are going to present many more challenges (*and opportunities*) economically & demographically;
- ③ Ready or not, here it comes - all communities, all sectors, all businesses (*big and small*) will have to manage a future that is much different from what we have become accustomed to.

conclusions for today

some **specific** conclusions

- ① The purpose-built stock has not played a strong role in providing housing options for a growing and changing population in recent history, but interest has shifted and new supply is in the pipeline. This should have a moderating impact on availability and affordability;
- ② Strong ties can be seen between the ability of our economy (*employment*) to grow and the rental sector, as for many labour force migrants it is the rental stock that is their first entry into the housing market; *and*
- ③ As these labour force migrants and tenants are typically young, in a demographic sense, they are also our community builders of tomorrow.

thank you...

