

Rental Housing Construction Incentives

The Issue

Greater Victoria continues to have one of the lowest vacancy rates in Canada for rental accommodation. A major barrier to the private sector electing to develop new purpose-built rental properties is the taxation disincentives implemented by the federal government in 1972. However, other barriers exist as well including a number of municipal regulations that at worst preclude development, and at best impose unrealistic requirements and delays that have the same effect.

VREB Position

The 2006 VREB President, Scott Kendrew, wrote the City of Victoria Mayor and Council on April 20, 2006 to support a paper on the topic presented to the City earlier in the month by Victoria's Real Estate and Construction Organization (RECO). The document provided the combined advice of ten local developers recognized for their experience with the construction and management of rental accommodation.

Specific suggestions in the RECO report supported by the VREB include:

- Providing local property tax holidays for new rental construction;
- The development of secondary suites within existing apartment buildings;
- Reduction of lengthy permitting/rezoning processes;
- Creation of a city hall advocate for solutions to rental housing needs;
- Removal of some of the costly regulations for construction that exceed standards set in other jurisdictions;
- Development of a new "Vision" and priority for rental housing;
- Encouragement for upgrading of social housing developments of the 1960s and 1970s to allow for higher densities and renewal;
- Rezoning of areas for specific rental use to provide incentives for a much-needed local wave of construction.

Update

None of the recommendations have yet been acted upon by the City of Victoria

Ratification

Position ratified by the VREB Directors, September 2007.