

# Canada: Metro Vancouver housing crisis deepens as rents rise

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Skyrocketing rents and high demand in Metro Vancouver's housing market are plunging ever larger numbers of people into poverty and homelessness.

According to a recent study conducted by rentals.ca, Vancouver ranked last November as Canada's fourth most expensive city or borough, behind Toronto, Etobicoke, and Richmond Hill, all in Ontario. Another study of data from November 2019 by the rental site PadNapper found that average rents for a one-bedroom apartment in Vancouver were \$2,200, up 1.4 percent from a month earlier and 4.3 percent over the previous year. Average rents for a two-bedroom unit stood at \$3,190.

The exorbitant rental prices mean that a minimum-wage earner working 40 hours a week cannot afford a modest one- or two-bedroom apartment in any of Vancouver's 70 neighbourhoods, according to a report by the Canadian Centre for Policy Alternatives published last July. The report also calculated that a single-income minimum wage earner in Vancouver would have to work 112 hours a week to afford the average-priced two-bedroom apartment and 84 hours a week to afford a one-bedroom.

The United Gospel Mission, which provides housing services to low-income people, presented shocking figures that underline how wide swathes of the population are being priced out of the region. A single mother raising a 10-year-old child on earnings from a minimum-wage job would have on average just \$4 in her monthly budget after paying rent, essential foodstuffs, and childcare costs.

A spike in insurance premiums has contributed to the recent rental price hikes, especially in the condo market. But the primary culprit is the lack of available and affordable rental units. Even though Vancouver's housing market has cooled recently, the rental supply remains at close to zero percent, the lowest vacancy rate of any big Canadian city.

As would be expected, the poorest and most vulnerable members of society are most severely affected by the

housing shortage. The 2019 Homeless Count survey released last June estimates that homelessness in Metro Vancouver is at a record high, with 2,223 individuals identified as homeless, up 2 percent from 2018. These figures are likely an underestimation, as it is difficult to know how many live out of their vehicles.

Out of those surveyed, sixty per cent were experiencing two or more health problems, and eighty-one per cent were already living in the city when they became homeless (as opposed to seeking refuge there because of Vancouver's warmer winter temperatures). Almost a quarter of respondents were 55 years or older, up from 21 per cent last year. The three main barriers to accessing housing were identified as high rents (53 percent), low incomes (51 percent), and a lack of available, suitable housing (30 percent).

One hundred and fifty residents now live in the growing tent city in Oppenheimer Park, located in Vancouver's Downtown Eastside. The park is now being viewed as a "permanent" site by city officials, with portable toilets recently installed by the city.

The housing crisis that is driving many into transience, unsafe housing and homelessness is rooted in rampant financial speculation on housing that has been pushing Vancouver's housing market to new heights for several decades. Beginning in the late 1980s, provincial and federal governments of all stripes, including the New Democrats, launched a campaign to commodify, deregulate, and internationalize Vancouver's housing stock.

A recent academic paper authored by University of British Columbia geographer David Ley titled, "A regional growth ecology, a Great Wall of capital and a metropolitan housing market" documents the billions of dollars in revenue that the BC Liberals raked in during their 16-year reign from property taxes, property transfer taxes and interest-free investment loans demanded from

wealthy new immigrants. The relationship between the BC Liberals and the real estate industry was so friendly that property developers became most of the party's top donors.

The speculation mania drove up the assessed value of all properties in the city by 56 per cent between 2015 and 2020.

Developers are even making speculative investments in single-room occupancy (SRO) units, which have traditionally provided inadequate shelter to low-income residents who cannot afford an apartment. There are roughly 3,000 privately owned units, more than 50 percent of the city's SRO stock, and already four SRO buildings in Vancouver's Downtown Eastside are up for sale as "micro-lofts" and "investment opportunities."

When the 2020 provincial budget was released on February 18 by the social-democratic NDP-Green Party de facto coalition government, Finance Minister Carole James claimed, "The days of cashing in on a speculative real estate market at the expense of hardworking British Columbians are done. Instead of turning a blind eye to money laundering and the housing crisis, we're acting so that everyone can afford a future in British Columbia."

This is all hot air, as shown by the NDP's record in government over the past two-and-a-half years. Since her party took office in 2017, it has broken or backpedaled on all of its campaign promises to address the province's housing affordability crisis.

Just a measly 4,300 new affordable housing units have been completed to date out of an NDP commitment to build 114,000 over the next decade. The Rapid Response to Homelessness program it has initiated has built only 600 of the promised 2,000 modular supportive housing units across BC, and this year's budget provides funding for only 200 more across the whole province. Furthermore, according to the first-quarter 2019-20 BC Housing Report, only 71 rental housing units have been completed out of the promised 1,598, with 59 percent of projects suffering minor or major delays.

The 2020 budget boasts of a "record total" of \$4.2 billion over three years for "housing initiatives," which means more funds to subsidize the private market horse-trading of developers and speculators. Meanwhile, the provincial housing agency's 2020 service plan shows the government delaying yet again the completion of 2,400 units of affordable rental housing. Additionally, there is still no mention of a renter's rebate, even though the 2017 NDP election campaign featured a promise of a yearly \$400 grant for renters.

The pauperization of Vancouver's population due to low wages and rent-price gouging is in no small part due to the support the trade unions and other so-called "left" organizations give to what they tout as a "progressive" NDP-led government, even as it enacts austerity budgets and doles out tax breaks to big industry. During the 16 years of Liberal rule, the unions regularly scuttled militant strikes that had widespread popular support and the potential to spearhead a working-class offensive aimed at driving the pro-austerity Liberals from power.

With the NDP now in power, the BC Federation of Labour trumpets the government's feeble pledge to increase the provincial minimum wage at a snail's pace to \$15 an hour by 2021. Leaving aside the various exemptions to the minimum wage regulation, most notably those employed in the food service industry, a \$15 minimum wage will do absolutely nothing to lift workers in Vancouver out of poverty, given that a living wage in the city, according to one conservative estimate, is currently \$19,500 and rising.

The NDP's inability to fulfill even its own inadequate election pledges underscores its subordination to the interests of the corporate elite and was entirely predictable. During the 2017 provincial election campaign, the *World Socialist Web Site* noted that NDP leader John Horgan based the party's program for government on the budgetary framework laid down by the right-wing Liberals, i.e. austerity budgets for public spending and social services, and the maintenance of low taxes for big business and the wealthy.

Horgan's government has carried out this agenda to the letter. As a laudatory editorial in the *Globe and Mail*, the mouthpiece of Canada's financial elite, noted last month, "The NDP have maintained a balanced budget... The debt-to-GDP ratio was just 15.9 per cent in spring 2017; since then, the debt load has declined further, to 14.6 per cent. That's low compared with most provinces."



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