

Affordable Housing

Cowichan Region

Cowichan Housing Association Snapshot Series

(We welcome your questions and feedback on these snapshots. Please contact us at admin@cowichanhousing.com)

What is Affordable Housing?

Affordable housing is an important social determinant of physical and mental health. Research supports the critical link between affordable housing and health outcomes and reduced rates of homelessness.¹

Housing is affordable when the cost of rent or purchase allows people to meet other basic needs such as food, transportation, utilities, health care, education. The Canadian Mortgage and Housing Corporation (CMHC) defines adequate housing as housing that costs less than 30% of total household income before taxes.²



Core Housing Need:

Core Housing Need is defined by CMHC as housing that “falls below at least one of the adequacy, affordability or suitability, standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable.”³

A good, affordable home is one of the most important determinants of health... Better housing leads to better health which, in turn, leads to reduced health care spending... Investing in affordable housing is not only good for the precariously housed and homeless, but is also a smart economic strategy investment.”

(The Wellesley Institute, Ontario Budget 2012, What to Look for, page 2)

Benefits of Affordable Housing

Development of affordable housing can create a significant Social Return on Investment.⁴ BC Housing case studies 2016 revealed that:

For every dollar invested in supporting affordable housing, between two and three dollars in direct social and economic value is created for individuals, governments, and communities.

Beyond the economic stimulation that housing construction generates, there is approximately 20-30% ‘value added’⁵ when this construction results in affordable housing, and 92% ‘value added’ when that affordable housing is targeted to, and includes supports for, marginalized populations.

Home Ownership and Rental Housing Tenure

In 2011, there were 33,160 households in the Cowichan Region. 81% of these were owners and 19% were renters with Duncan having the highest proportion of renter households.⁶

In 2016, there were 35,275 households in the CVRD. Owner households decreased by 4% down to 77% and renters increased by 3% to 22%.

Housing Need

In 2016, 7,745 households were spending more than 30% of their income on housing.

16.9% of these were home owners and 44% of these were renters.^{8, 9, 10}

FIGURE 1: Housing Tenure, 2016⁷

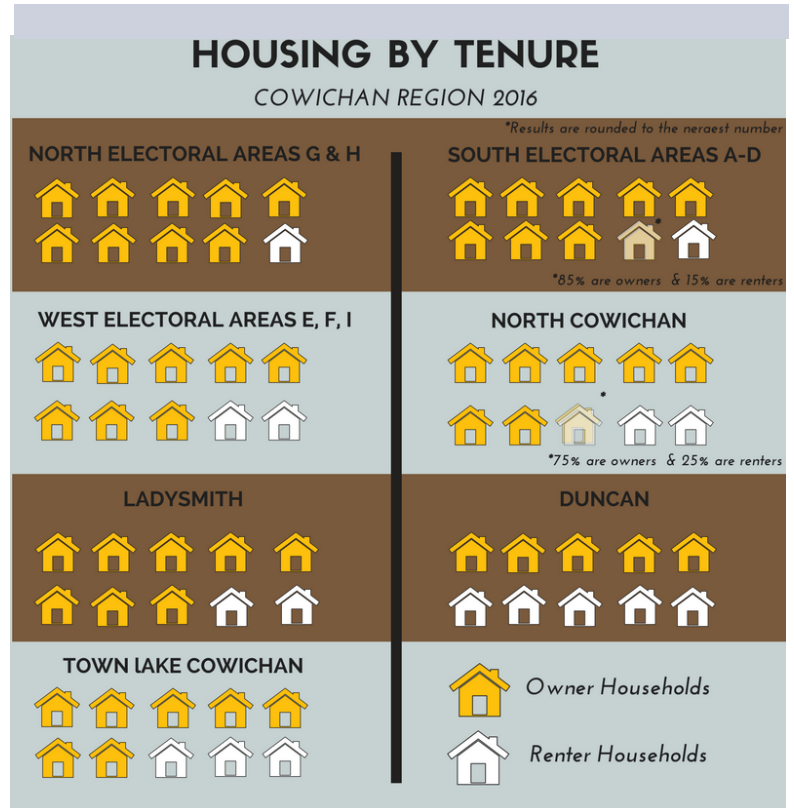
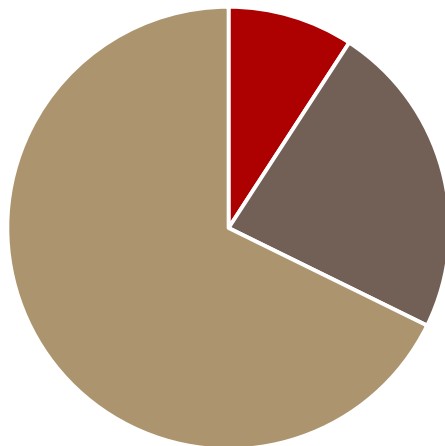


FIGURE 2: Housing Challenges in the CVRD 2016



■ Not Suitable ■ Major Repairs ■ Spending more than 30%

Of 35,275 households in the Cowichan Region in 2016:

- 1,050 households did not meet suitability standards
- 2,640 needed major repairs
- 7,745 households were spending more than 30% of their income on shelter costs.¹¹

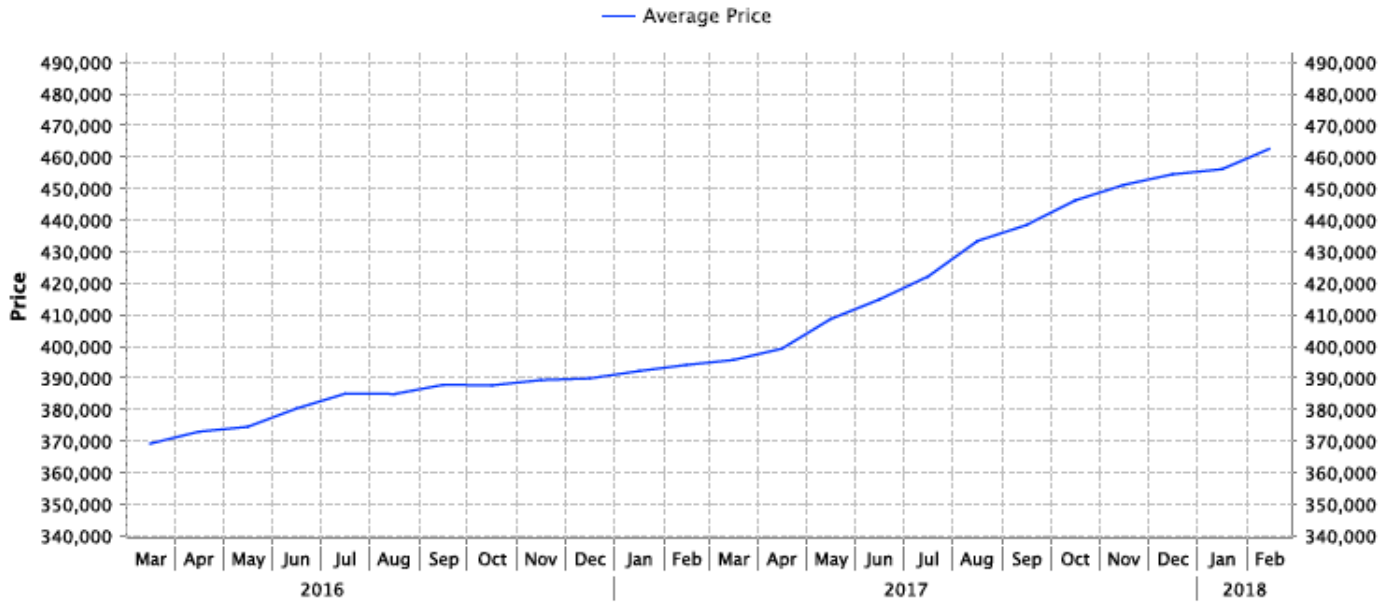
Rising Cost of Housing

Between 2016 – 2018, the average sales price for single family homes in the Cowichan Valley increased from \$393,185 to \$462,563, an increase of over 18%.¹²

Home Ownership Affordability

This Vancouver Island Real Estate Board graph illustrates increasing average sale prices in the Cowichan Valley from March 2016 to February 2018 in Figure 3.¹³

FIGURE 3: Cumulative Residential Average Single Family Sale Price, Cowichan Valley as at February 28, 2018



NOTE: Figures are based on a "rolling total" from the past 12 months – i.e. 12 months to date instead of the calendar "year to date".

Housing Prices

In February 2017, there were 394 real estate listings in the CVRD¹⁵ compared to 334 on February 22, 2018.¹⁶

In February 2017, 47.2% of real estate listings were priced at \$300,000 and over, and 1.7% were priced under \$100,000.¹⁴

In February 2018, 70% of real estate listings were priced at \$300,000 and over while just under 3% were less than \$100,000.¹⁷

FIGURE 4: Real Estate Listings by Type, February 2018

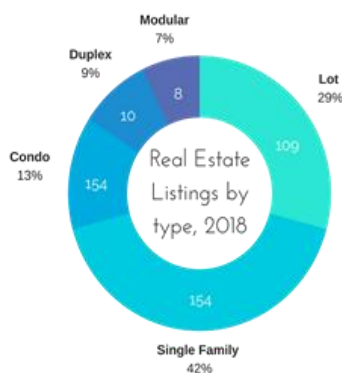


FIGURE 5: Real Estate Listings by Selling Price, February 2018



Purchasing Power

In 2017, the median sale price for a single detached family home in the Cowichan Valley was \$440,000.¹⁸ The following table illustrates the maximum purchasing price for single persons, lone parents and couple households without children, based on median incomes in the various areas of the Cowichan Region.¹⁹

TABLE 1: Home Ownership Affordability²⁰

Community	Max. Purchase \$ with 10% down		
	Single Person	Lone Parents	Couples without children
North Electoral Areas (G & H)	\$183,837	\$301,180	\$383,799
South Electoral Areas (A to D)	\$202,705	\$284,230	\$476,990
West Electoral Areas (E,F,I)	\$141,167	\$217,084	\$355,614
Ladysmith	\$180,364	\$268,209	\$348,279
Lake Cowichan	\$145,574	\$210,150	\$310,958
North Cowichan	\$170,091	\$230,462	\$380,320
Duncan	\$132,828	\$193,815	\$316,988

Rental Affordability

In 2016, there were 7,805 renter households in the CVRD, 44% of whom were spending more than 30% of their income on shelter costs.²¹ For the CVRD in 2016, the average monthly rent was \$940.

Table 2 compares available rent incomes to average rent costs for Couples, Lone Parent and Single Person households.²²

TABLE 2: Rental Affordability for Single, Lone Parent, and Couples without children households (based on median monthly incomes) 2016

Community	Available Income for Rent (at 30% of income)			Average Rent for all Housing Types
	Single Person	Lone Parent	Couples without Children	
Ladysmith	\$860	\$1315	\$1710	\$949
Lake Cowichan	\$694	\$1030	\$1526	\$891
North Cowichan	\$811	\$1130	\$1867	\$952
Duncan	\$634	\$950	\$1556	\$833
North Electoral Areas (G & H)	\$902	\$1478	\$1884	\$826
South Electoral Areas (A to D)	\$995	\$1395	\$2341	\$1061
West Electoral Areas (E, F, I)	\$693	\$1065	\$1746	\$820
CVRD	\$807	\$1140	\$1899	\$940

End Notes

- ¹ Pomeroy, Steve and Marquis-Bissonette, Maude. *Non-Housing Outcomes of Affordable Housing*. Ottawa: Canadian Housing and Mortgage Corporation, 2016.
- ² Housing in Canada Online – Definitions – CMHC. *CMHC.beyond2020.com*. N.P. 2017. Web. 9 Feb. 2017.
- ³ Housing in Canada Online; Definition of Variables – CMHC. http://cmhc.beyond2020.com/HiCQDefinitions_EN.html. N.p. 2017. Web. 10 Apr 2017.
- ⁴ See: BC Housing (2016) *Social Return on Investment (SROI) of Affordable Housing Development Supported Through the BC Housing Community Partnership Initiative*. (Social Return on Investment (SROI) is an internationally standardized methodology for articulating and understanding the financial value of outcomes created through a social investment, revealing how much social value is created for every dollar invested.)
- ⁵ Note: 'Value Added' in terms of Social Return of Investment refers to measuring the direct and indirect social outcomes from investing and building affordable housing projects. The social values or outcomes measured includes looking at the lasting change that a tenant experiences beyond their stay in the affordable housing development such as increased positive health, ability for future home ownership based on rent savings, benefits from increased education, etc.
- ⁶ City Spaces. *CVRD Housing Indicators Report*. Duncan: Cowichan Valley Regional District, 2014, p 16.
- ⁷ Census Canada. *Census Profile, Profile 2016 Cowichan Valley RD* -<http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CD&Code1=5919&Geo2=PR&Code2=47&Data=Count&SearchText=Cowichan&SearchType=Begin&SearchPR=01&B1=Housing&TABID=1> N.p. 2018. Web. 13 Mar. 2018.
- ⁸ Ibid.
- ⁹ Ibid.
- ¹⁰ Ibid.
- ¹¹ Ibid.
- ¹² Vancouver Island Real Estate Board. *Cumulative Residential Average Single Family Home Sale Price*. Victoria: Vancouver Island Real Estate Board, 2018.
- ¹³ Vancouver Island Real Estate Board. *Cumulative Residential Average Single Family Home Sale Price*. Victoria: Vancouver Island Real Estate Board, 2018.
- ¹⁴ Cowichan Valley Homes - Constantin Popa and Mariana Popa -Real Estate Listings. <http://cowichanvalleyhomes.com/>. N.p., 2013 Web. 22 February 2017.
- ¹⁵ Ibid.
- ¹⁶ Cowichan Valley Homes - Constantin Popa and Mariana Popa -Real Estate Listings. <http://cowichanvalleyhomes.com/>. N.p., 2013 Web. 22 February 2018.
- ¹⁷ Ibid.
- ¹⁸ Vancouver Island Real Estate Board. *2017 Annual MLS Sales Summary*. Victoria: Vancouver Island Real Estate Board, 2018.
- ¹⁹ Calculated using CIBC Mortgage Affordability Calculator: 25 year amortization, 5 year fixed rate at current rate of 4.89%)
- ²⁰ Adapted from: Census Canada. *Census Profile, Profile 2016 Cowichan Valley RD* -<http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CD&Code1=5919&Geo2=PR&Code2=47&Data=Count&SearchText=Cowichan&SearchType=Begin&SearchPR=01&B1=Housing&TABID=1> N.p. 2018. Web. 13 Mar. 2018
- ²¹ Census Canada. *Census Profile, Profile 2016 Cowichan Valley RD* -<http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CD&Code1=5919&Geo2=PR&Code2=47&Data=Count&SearchText=Cowichan&SearchType=Begin&SearchPR=01&B1=Housing&TABID=1> N.p. 2018. Web. 13 Mar. 2018.
- ²² Adapted from: Census Canada. *Census Profile, Profile 2016 Cowichan Valley RD* -<http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CD&Code1=5919&Geo2=PR&Code2=47&Data=Count&SearchText=Cowichan&SearchType=Begin&SearchPR=01&B1=Housing&TABID=1> N.p. 2018. Web. 13 Mar. 2018.