Victoria's housing crisis prompts creative solutions

by Stacey McIachlan

Victoria has the unique advantage of a scenic landscape, temperate climate and a strong job economy. The flipside: with a vacancy rate of just one per cent, Southern BC's housing crunch has made putting down roots in the region tricky for many graduating students.

MBA '13 grad Laura MacLean's first one-bedroom apartment in Victoria was just $800 a month back in 2007—she's well aware that times have changed. "It's become a seller's market in recent years due to low pricing and sale prices," says MacLean. "As a result, demand for rental units increased and rents increased to meet this demand."

According to the Canadian Real Estate Association, the benchmark price of a home in Victoria is $668,600 as of July this year—that's up over 57 per cent since 2014. Although recent research suggests those prices are starting to stabilize in the Lower Mainland, it's still quadruple what the average millennial can afford. Rental pricing has faced its own dramatic changes: Victoria now has the sixth-highest rental costs in the country, with a $1,390 average for a one-bedroom apartment.

Chris Nelson, BCom '97 and co-founder of Nelson Investments, Inc., speculates that the competition for housing could be spillover from Vancouver's rental crisis, or caused by the tech boom that's drawing a new young population to the city. "It used to be that a lot of graduates would get on the ferry and start their career in Vancouver or another large city," says Nelson. "However, over the last few years, it does feel like Victoria has become a more attractive option."

"The logical solution to the housing crunch—creating more supply—is easier said than done. Since Nelson started buying and refurbishing old rental buildings 12 years ago, he's personally experienced the challenges of bringing additional housing to market. "It is difficult to find the right development site, secure approvals from local government and figure out the balance of rental rates and construction costs that make sense for rental buildings 12 years ago, he's personally experienced the challenges of bringing additional housing to market. "It is difficult to find the right development site, secure approvals from local government and figure out the balance of rental rates and construction costs that make sense for rental buildings. "I can see how we haven't always on time or on budget," says Nelson. "It can't just be developers. Supply is the answer, and finding ways to create and help incentivize elected officials to increase density is a really important thing that we need all to contribute towards. We need to engage young people who are graduating in all fields from UVic; showing up, writing in and sending emails to elected officials, to say, 'We have a voice, we're the people coming into these markets and starting our lives, we need this housing to be approved,'"

MacLean points out the power of creative solutions on a smaller scale to open up housing opportunities—think shared rentals, long-term house sitting or private sales among the community. Alternative housing options such as co-operative housing or carriage house can also help increase housing stock. And the fact that the university offers some support has made the crisis infinitely more bearable for students and recent graduates—as do other helpful, student-oriented services like Sanpra (see p. 20). Incoming exchange students also have support from resources such as Gustavson's international program to help with housing swaps and finding roommates.

Ultimately, rental development needs support from the whole community. "When I'm at an event and meet someone who's a leader in their field and we inevitably start talking about housing, I'll often suggest, 'We need people like you to show up and support rezoning where rental is being proposed,'" says Nelson. "Whether you know it or not, it's affecting your ability to attract and recruit talent to your organization. If we do not take steps to increase housing supply, it's going to hurt your ability to compete for talent."

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