

SURREY HOUSING PROFILE

UPDATED DECEMBER 2018



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EXECUTIVE SUMMARY

The Surrey Housing Profile compiles available data related to housing stock, housing need and City policies and practices. The Housing Profile was developed to inform the Surrey Affordable Housing Strategy in 2018, released in April 2018. Some of the data has been updated in this 2019 version.

Key findings:

- **Ownership is the predominant form of tenure**
In 2016, 71% of Surrey households were owners compared to 29% renters. This is higher than the Metro Vancouver region, where 64% of households were owners.
- **Single family dwellings dominate but the proportion of multi-family units is increasing**
Approximately 45% of residential units in the City are one and two family dwellings, while approximately 40% are multi-family dwellings (townhouses and apartments). Secondary suites and coach houses make up approximately 15% of the total stock (2018).

In 2017, approximately 76% of new units added were multi-family units, while 13% were single family. It is projected that multi-family dwelling units will increase from 40% in 2017 to 43% by 2022.
- **Entry-level homeownership has become unaffordable for many in Surrey**
Housing prices have risen dramatically in Surrey and across the region since 2015. The benchmark price for single family dwellings was \$1,121,500 in 2018. Semi-detached houses and apartment prices have also increased, rising to \$606,400 and \$473,900 respectively in 2018.
- **Many Surrey renters are living in unaffordable and crowded housing**
Renter household median incomes are considerably lower than owner household incomes (\$47,965 compared to \$92,614 in 2016). Despite relatively lower rents in Surrey compared to the rest of Metro Vancouver, 34% of renters in Surrey were in core housing need in 2016. Surrey's overcrowding rate for renter households, at 18%, is higher than the regional average of 12% (2016).
- **Pressures on renter households are increasing**
As in the rest of the region, rents in Surrey are increasing and vacancy rates decreasing. Average rents for purpose-built apartments increased from \$804 in 2009 to \$1079 in 2018. The vacancy rate in Surrey is 0.4% (2017). Surrey's vacancy rate has been dropping rapidly since 2012 and is now lower than the regional average of 1.0%.

- **Secondary suites are an important part of Surrey’s rental stock**
The majority of Surrey’s rental stock is secondary suites (at least 66%). Secondary suites generally provide lower rents than other rental stock, and are an important source of rental units in Surrey. However, security of tenure can be a challenge for secondary suites as house owners may choose to discontinue renting. As well, secondary suites may also be less appropriate for some populations.
- **The City’s stock of purpose-built market rental is small**
There are approximately 5,700 units of purpose-built rental in Surrey, apartments and townhouses. The majority of these are low rise apartments built in the 1970’s. This represents 14% of Surrey’s rental stock, much lower than in Metro Vancouver where purpose-built market rental represents approximately 1/3 of the total rental stock. Most of the City’s purpose-built units can be found in Whalley and Guilford.

Prior to 2016, the city had not seen any new purpose-built market rental development since the 1990s. Two new purpose-built market rental buildings have opened since 2016; at the end of 2018 there were approximately 1100 market rental units under construction or in development.

- **Condo rentals are an important, but more expensive, source of rental housing**
Condominiums rented out by the owner comprise approximately 18% of the City’s rental units. Rented condos generally have higher rents and provide less security of tenure.
- **Social housing is an important source of housing for low income residents**
Surrey currently has approximately 5,190 non-market social housing units. The majority of these units are in co-ops and low income non-profit housing facilities and are intended for those who are able to live independently.
- **Many rental households are families with children**
Households with children comprise at least 38% of renter households in Surrey (2016). These households require family-sized units.
- **More rental housing is needed**
Metro Vancouver estimates demand for a total of 11,500 new rental units in Surrey over the next ten years:
 - Very low income rental demand: 4,290 units
 - Low income rental demand: 2,600 units
 - Moderate income rental demand: 2,200 units
 - Above moderate rental demand: 1,200 units
 - High income rental demand: 1,100 units

- **Non-market social housing is a critical component of projected rental need**
Indicators such as core housing need, long waits for social housing, homelessness and overcrowding demonstrate that the market is unaffordable for many renter households. An estimated 6,890 rental units are needed for very low and low income households over the next ten years. Particular populations will likely have higher needs with respect to non-market rental housing.

PART I: BACKGROUND

The Surrey Housing Profile serves as a background document that informed the development of the Surrey Affordable Housing Strategy (2018), as well as the ongoing implementation of the Strategy. Some of the data in the profile was updated in this revised 2019 version.

A. HOUSING IN THE REGIONAL CONTEXT

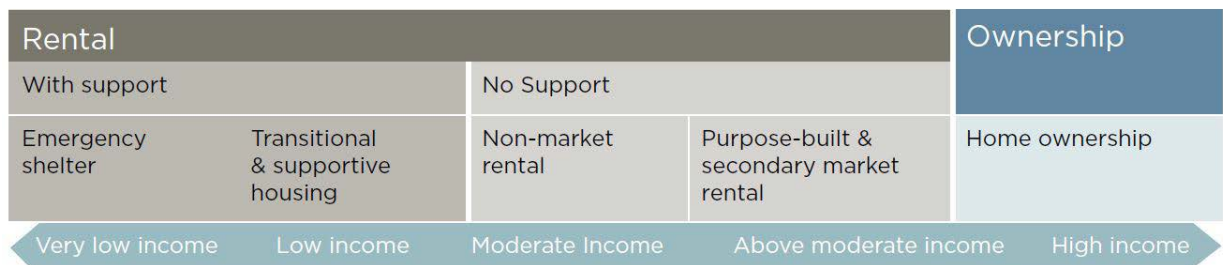
Metro Vancouver is a federation comprised of 21 municipalities, 1 treaty First Nation, and 1 Electoral District. The region shares an economy and a housing market. Housing costs are rising across the region. Housing affordability is particularly a challenge for low and moderate income renters.

Metro Vancouver adopted a new *Regional Affordable Housing Strategy* (RAHS) in May 2016, to provide leadership on regional housing needs and advance the complete community goals of *Metro 2040*, the regional growth strategy. The *Regional Affordable Housing Strategy* provides a vision, as well as shared goals, strategies and actions for tackling housing affordability. The RAHS establishes affordable housing targets for the region and for individual municipalities.

B. THE HOUSING CONTINUUM

The Housing Continuum documents housing types, tenures, and presence of support services. It also reflects affordability levels for a range of incomes.

Figure 1 - Model of the Housing Continuum



Source: Metro Vancouver Regional Affordable Housing Strategy 2016

C. DEFINING AFFORDABLE HOUSING

Housing affordability relates the cost of housing to income. Affordability challenges are most often related to low to moderate income households who may not be able to find affordable rental housing in the market. Some example definitions of affordable housing are included below.

Canada's National Housing Strategy

- Affordable housing requirements for the National Housing Co-Investment Fund: 30% of units must have rents at less than 80% of median market rents, for a minimum of 20 years.

Canadian Mortgage and Housing Corporation

- Affordable housing costs less than 30% of before-tax household income. Shelter costs include the following:
 - For renters: rent and any payments for electricity, fuel, water and other municipal services;
 - For owners: mortgage payments (principal and interest), property taxes, and any condominium fees, along with payments for electricity, fuel, water and other municipal services.
- Source: cmhc.beyond2020.com/HICODefinitions_EN.html#_Housing_Standards

Government of BC

- Many organizations, programs and even mortgage lenders consider housing affordable if it costs no more than 30% of household income before taxes. This measure is a useful tool that can be used when choosing a place to live, but housing affordability is often based on a combination of factors, and every situation is different. Here are some examples:
 - The type, age and condition of a home influences costs like heating, electricity, water, sewage, insurance, maintenance, property taxes, and strata fees.
 - The location of a home determines transportation expenses like riding the bus or driving a car.
 - A person's financial status and stage of life controls how much is affordable for them. Everyone's monthly budget is different and personal preferences, priorities, and family needs much be considered.
- Source: www2.gov.bc.ca/gov/content/housing-tenancy/local-governments/defining-affordable-housing

Metro Vancouver

- Housing is considered affordable when monthly housing costs (rent or mortgage payments including property taxes, strata fees, and heating costs) consume less than 30% of before tax (gross) household income. Housing affordability concerns are invariably associated with households with low and moderate incomes as they cannot afford market rates.

- Source: Metro Vancouver, *Regional Affordable Housing Strategy* (2016)

City of New Westminster

- Affordable housing is homeownership and rental housing for low and moderate income households that does not cost a household more than 30 percent of its gross income (before-tax).
- Source: City of New Westminster, *Affordable Housing Strategy* (2010)

City of North Vancouver

- Affordable is defined as housing costs which do not exceed 30% of gross income for residents whose incomes are below Housing Income Limits set by BC Housing in conjunction with CMHC for specific unit sizes.
- Affordable Housing means housing which is affordable to households of low and moderate incomes, targeted to those whose incomes and family sizes meet the income thresholds set by BC Housing / CMHC for Lower Mainland
- Affordability Gap is the different between what people on low or fixed incomes receive and the maximum income limits established by BCH.
- Source: City of North Vancouver, *Definition of Affordability* (2012)

City of Vancouver

- Housing is considered to be affordable when it comprises 30% or less of a household's total income before taxes. This is particularly relevant for low- and moderate-income household whose household expenses take a higher overall share of their monthly budgets, whereas higher-income households may be able to absorb higher housing costs.
- Source: Housing Vancouver Strategy (2017)

DATA SOURCES

This document compiles housing-related data from a variety of sources, including Statistics Canada, Canada Mortgage and Housing Corporation (CMHC), Metro Vancouver and the City of Surrey's Planning and Development Department. In general, information on Surrey's housing stock uses City of Surrey and Metro Vancouver housing data. Demographic information is based on 2016 Census data. Exceptions to this are noted.

Surrey maintains a GIS building inventory that is built on a combination of data sources including: BC Assessment Authority data; Surrey Building Permit information; Surrey secondary suite data; GIS Orthophoto imagery; and Surrey GIS Cadastre (lot and address) information. A key component of this inventory is up-to-date information on Surrey's existing housing stock.

Surrey's estimate of residential units includes attribute information that allow staff to estimate and map the number of units by type (including market and non-market rental units) and year of construction as well as residential unit counts for any geography within the city at the lot level. Comparative analysis yields differences between Surrey's building inventory and census housing information.

At the time of the 2016 Census, Statistics Canada accounted for 181,159 occupied/unoccupied private dwellings in Surrey compared to the City of Surrey's 2015 end-of-year estimate of 184,208 units. Based on the latest Census information, derived estimates from both the City and Statistics Canada are similar. This adds a level of confidence to the City's estimates. While both estimates aim to account for all residential units, Surrey's estimate is slightly higher than the Statistics Canada figure which suggests that it is likely that the census missed a small percent of multifamily and single family structures. Surrey's estimate takes into consideration all existing residential structures (updated monthly with new construction and demolitions) that provide a more accurate estimate of residential structures and their units.

Some data may be updated in the report on an ongoing basis, as new data is released from government and other sources.

PART II: HOUSING STOCK

A. HOUSING INVENTORY

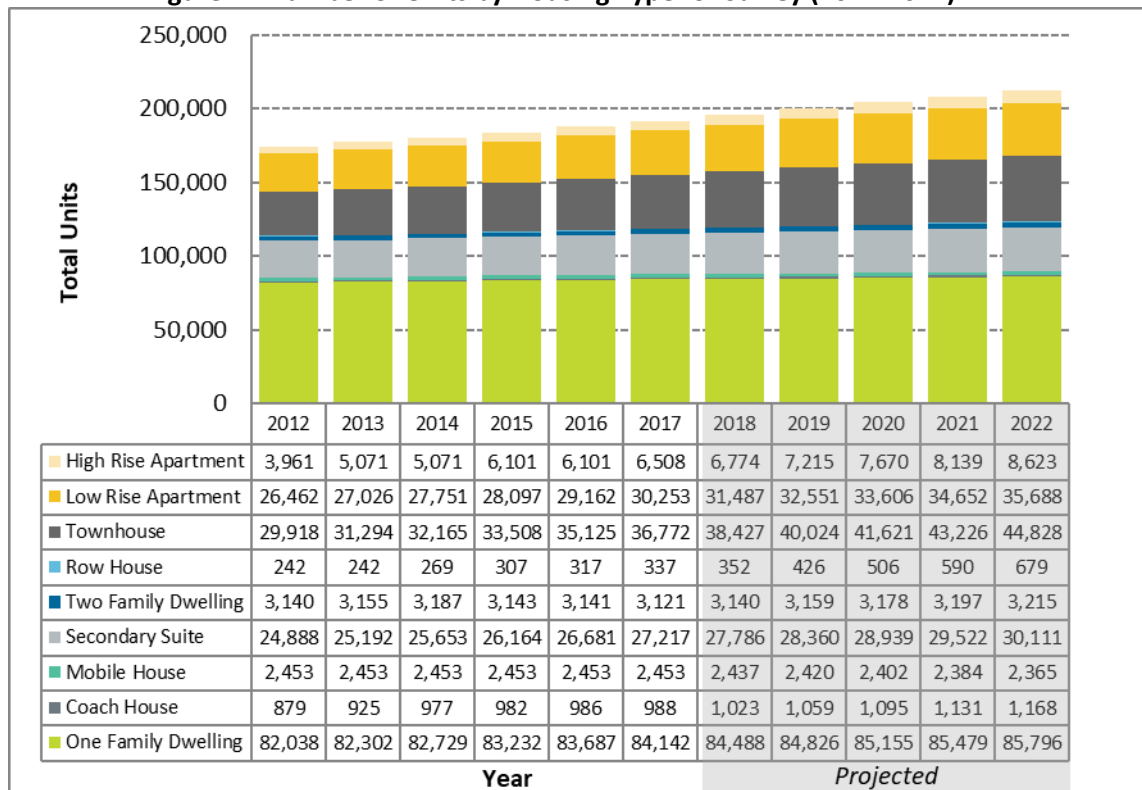
Housing Stock by Structure Type

As of September 2018, there were approximately 191,791 residential units, including legal and known secondary suites, in Surrey. Of these, approximately 45% are one and two family dwellings. Multi-family dwellings comprise approximately 40% of the stock, while coach houses and secondary suites represent 15%¹.

It is estimated that approximately 20,683 units will be added in the next five years, for a total of approximately 212,474 dwelling units projected for 2022.

It is projected that by 2022, the proportion of one and two family dwellings will decline slightly from 45% to 42% while multi-family dwellings will increase from 40% to 43%.

Figure 2 - Number of Units by Housing Type for Surrey (2012-2022)



Source: City of Surrey Planning and Development Department, September 2018

¹ Percentages of one and two family dwellings include mobile homes and duplexes. Multiple family dwellings include townhouse or row house, and apartments.

Housing Stock by Structure Type & Neighbourhood

Table 1 - Number of Dwelling Units by Structural Type & Neighbourhood (2017)

Residential Type	Cloverdale		Fleetwood		Guildford		Newton		South Surrey		Whalley		Surrey Total	
	# of Units	% of Total	# of Units	% of Total	# of Units	% of Total	# of Units	% of Total	# of Units	% of Total	# of Units	% of Total	# of Units	% of Total
Total	26,502	100%	20,439	100%	21,672	100%	46,212	100%	36,985	100%	38,301	100%	191,791	100%
Dwelling Units Within Single Family Structures (including Secondary Suites and Coach Houses)	15,837	60%	14,708	72%	11,956	55%	30,131	65%	18,807	51%	20,908	55%	112,347	59%
Manufactured Home	0	0%	261	1%	3	0%	901	2%	1,188	3%	100	0%	2,453	1%
Two Family Dwelling/Duplex	531	2%	128	1%	321	1%	391	1%	884	2%	866	2%	3,121	2%
Townhouse/Rowhouse	6,743	25%	4,163	20%	3,712	17%	10,060	22%	9,252	25%	3,179	8%	37,109	19%
Low Rise Apartment	3,391	13%	1,179	6%	5,605	26%	4,729	10%	6,854	19%	8,495	22%	30,253	16%
High Rise Apartment	0	0%	0	0%	576	3%	0	0%	0	0%	5,932	15%	6,508	3%

Source: City of Surrey Planning and Development Department, September 2018

Surrey's six communities have varying proportions of its dwelling units in single family structures, from a high of 72% in Fleetwood to a low of 51% in South Surrey (2017).

Only 3% of dwelling units, in Surrey are in high rise apartments; these are found only in Whalley and Guildford². Approximately 16% of dwelling units are in low rise apartment buildings. The highest proportions of low rise apartments are found in Whalley (22%) and Guildford (26%). Fleetwood has the lowest proportion of low rise apartments, at 6%.

Surrey's communities have similar proportions of their housing stock in townhouses (17% to 25%), with the exception of Whalley which only has 8% of its dwelling units in townhouses/rowhouses.

Definitions: Tenure, Dwelling type and Household

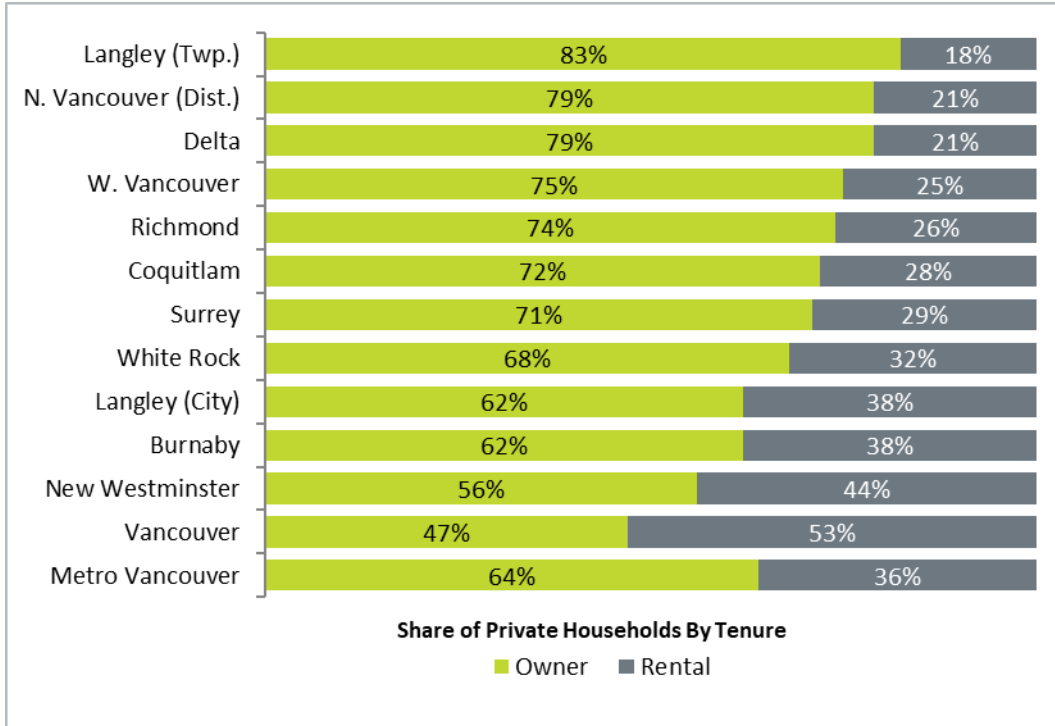
- **Tenure** refers to whether some member of the household owns or rents the dwelling, or whether the dwelling is band housing (on an Indian reserve or settlement).
- **Private dwelling** refers to a separate set of living quarters with a private entrance from outside or from a common hall, lobby, vestibule or stairway inside the building. The entrance to the dwelling must one that can be used without passing through the living quarters of someone else.
- **Collective dwelling** refers to a dwelling which has a commercial, institutional or communal nature (e.g. lodging or rooming houses, hotels, motels, tourist homes, nursing homes, hospitals, staff residences, group homes).
- **Household** refers to a person or a group of persons (other than foreign residents) who occupy the same dwelling. It may consist of a family group (**census family**) with or without other persons, of two or more families sharing a dwelling, of a group of unrelated persons, or of one person living alone. Unless otherwise specified, household data refers to private households only, and not to collective households. In the 2011 Census, the number of households equals the number of occupied dwellings.

(Statistics Canada definitions)

² In this report, a 'high rise apartment' refers to an apartment building that is five storeys or taller and a 'low rise apartment' refers to an apartment building with one to four storeys.

Housing Stock by Tenure

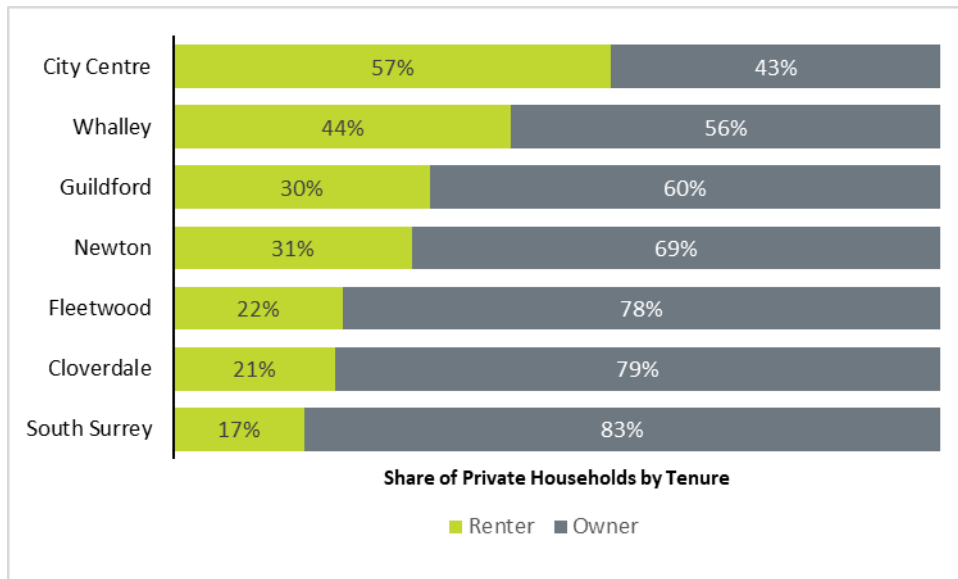
Figure 3 - Housing Tenure in Metro Vancouver (2016)



Source: 2016 Census, Statistics Canada

Surrey has a high level of home ownership (71%), compared to rental (29%). As shown in the figure above, Surrey's rate of homeownership is higher than the Metro Vancouver average of 64% ownership. Ownership rates are decreasing slightly in Surrey (from 73% in 2011 to 71% in 2016) and regionally from 65% to 64%.

Figure 4 - Housing Tenure in Surrey by Neighbourhood (2016)

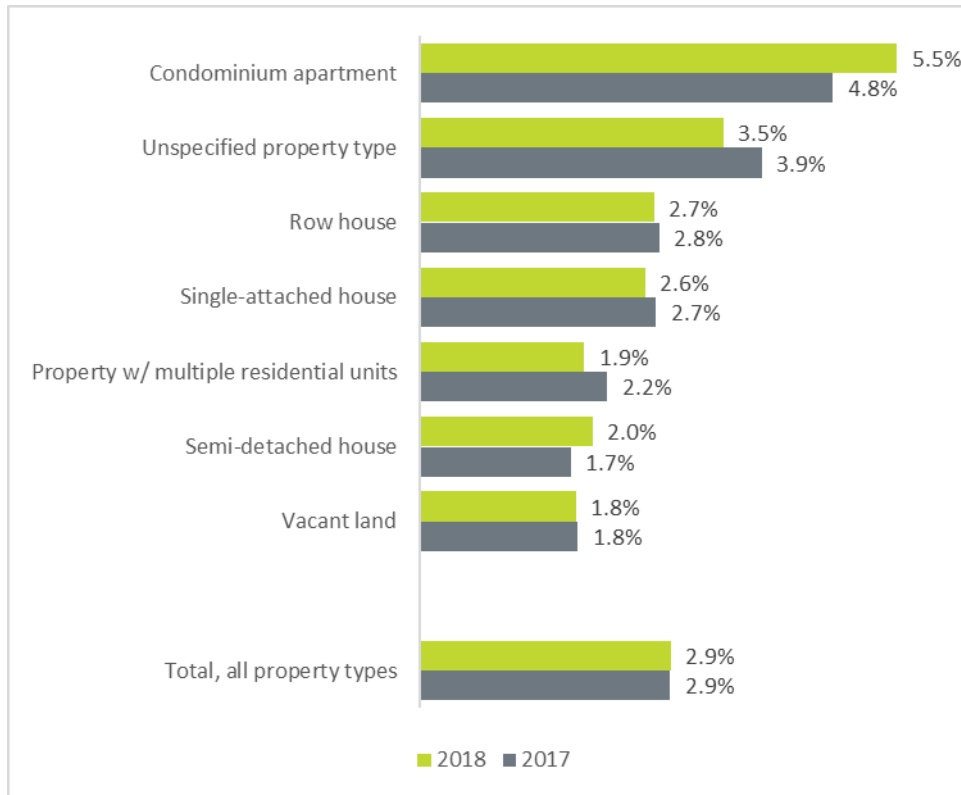


Source: 2016 Census, Statistics Canada

South Surrey has the highest rate of ownership rates at 83%. The highest proportions of renter households are in Whalley (44%), Newton (31%) and Guildford (30%). Renters make up 57% of households in City Centre. (Note – City Centre is the downtown area within Whalley).

Non-resident Ownership

Figure 5 - Non-Resident Ownership by Property Type, Surrey (2017 - 2018)³



Source: Statistics Canada, Canadian Housing Statistics Program, CANSIM Tables 46-10-0018-01 (2018) and 034-0005 (2017).

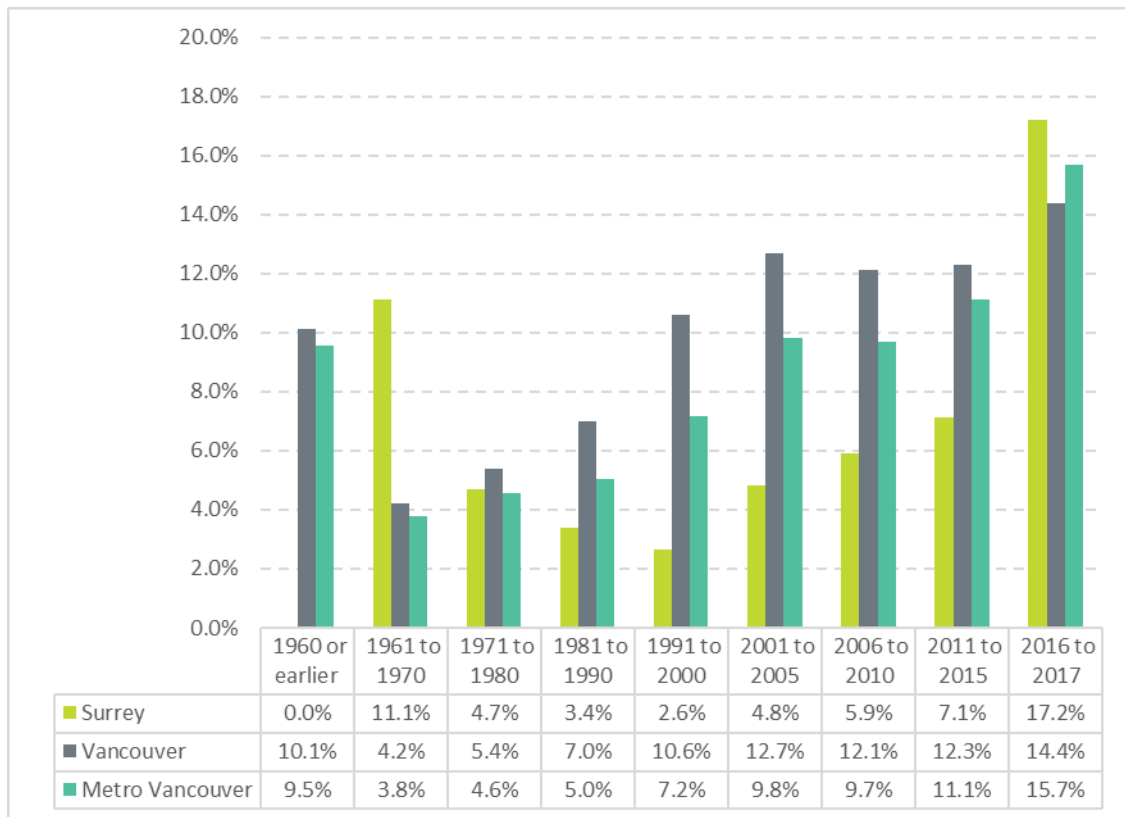
In 2018, 2.9% of all properties in Surrey are owned by non-residents. This remained unchanged from 2017 and is lower than the Metro Vancouver average of 5.0% for all property types.

Condominium apartments in Surrey have higher levels of non-resident ownership. In 2018, 5.5% of all condo apartments were owned by residents, up from 4.8% in 2017. This is lower than in Metro Vancouver, where 8.4% of condo apartments were owned by non-residents in 2018.

³ Statistics Canada / CMHC definitions:

- **'Non-resident'** refers to an owner(s) whose principal dwelling is outside the economic territory of Canada. Note that this definition is irrespective of the owner's citizenship. Therefore, a Canadian citizen whose principal residence is outside of Canada would be considered a non-resident owner.
- **'Property with multiple residential units'** refers to a property containing more than one set of living quarters owned by the same owner (s), as is the case for an apartment building or duplex.

Figure 6 – Proportion of Condo Apartments Owned by Non-Residents by Period of Construction (1960 or earlier – 2017)⁴



Source: Statistics Canada, Canadian Housing Statistics Program, CANSIM Table 46-10-0018-01, 2018

Looking at non-resident ownership by period of construction, the proportion of non-resident ownership varies related to the age of the building in Surrey, Vancouver and Metro Vancouver. Generally, the trend is toward higher proportions of non-resident ownership in newer buildings.

This is true in Surrey as well, where 17.2% of condos built between 2016 – 2017 are owned by non-residents. In Surrey, the proportion of non-resident ownership jumps significantly from condo apartments constructed from 2011 – 2015 period (7.1% non-resident ownership) to condo apartments built in 2016-2017 (17.2% non-resident ownership).

Surrey also has higher proportions of non-resident ownership concentrated in older buildings –however, the total number of condo apartments constructed in the 1960’s is small (45 total units with 5 owned by non-residents).

⁴ Period of construction refers to the period during which the residential structure was originally constructed (when the structure was completed).

Age of Housing Stock

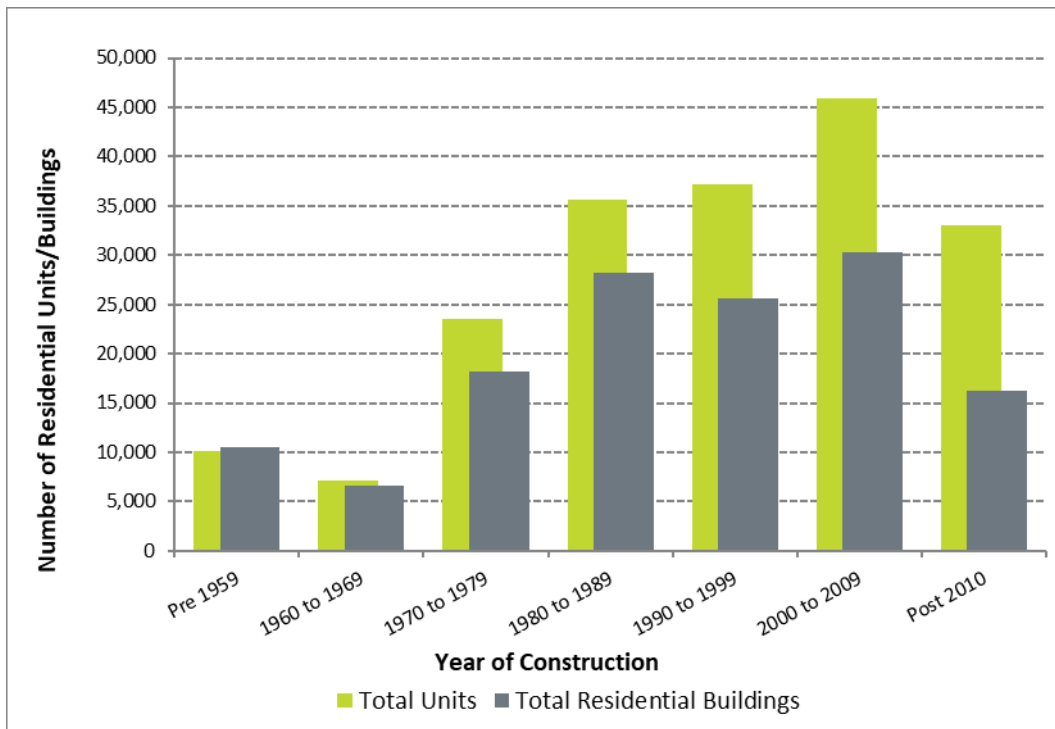
Table 2 – Average Age of Residential Buildings by Community (2017)

Community	Average Age of Building (Years)
Surrey	27
Cloverdale	21
Fleetwood	26
Guildford	30
Newton	23
South Surrey	26
Whalley	37

Source: City of Surrey Planning and Development Department, September 2018

The average age of existing buildings in Surrey in 2017 was 27 years. Dwellings in Whalley have the oldest average, followed by dwellings in Guildford. Cloverdale has the lowest average age of dwellings among Surrey’s communities.

Figure 7 - Period of Construction of Surrey Residential Units (1900s – 2017)



Source: BC Assessment Authority, City of Surrey Planning Department, September 2018

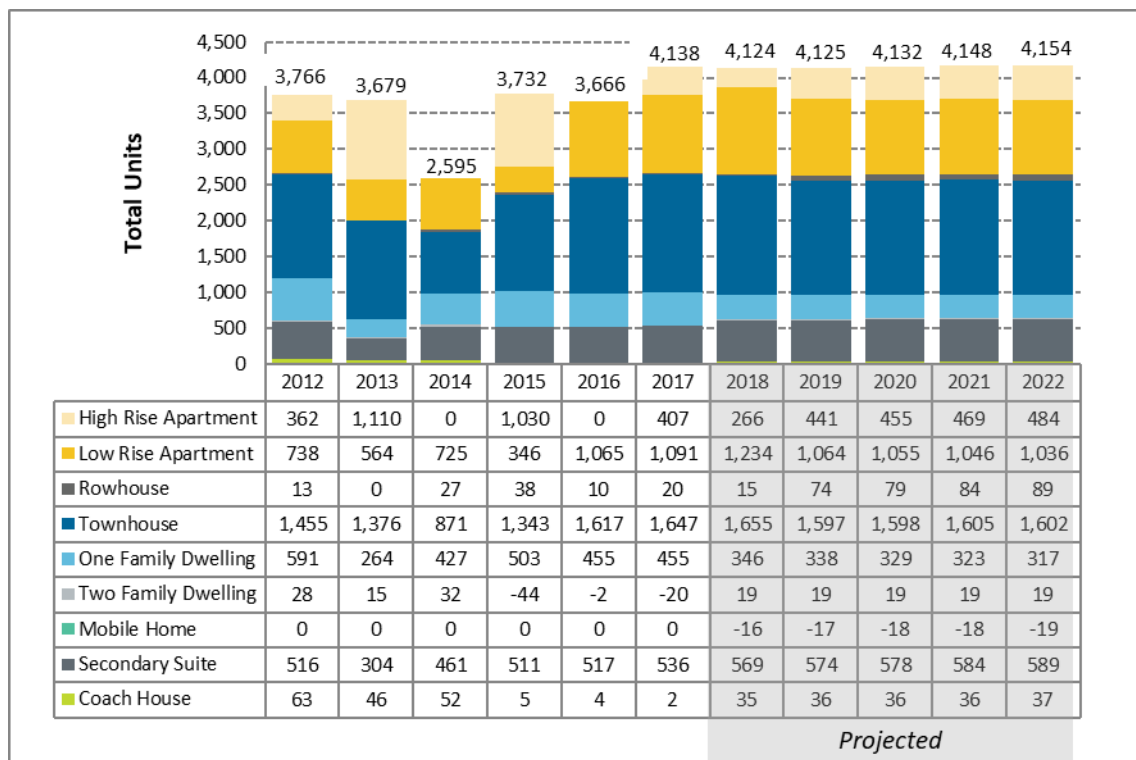
Note: the number of dwellings and buildings constructed in the last time period is for a six-year period from 2011 to 2017 inclusive, as opposed to a ten-year time period.

B. NEW HOUSING UNITS

It is expected that the multi-family housing market will continue to gain momentum in Surrey. For example, in 2017 approximately 76% of housing starts in Surrey were multi-family.

With an expectation that townhouses and apartments will dominate the yearly number of housing starts, the five year average of multi-family starts is projected to be 70 – 75% of total new units.

Figure 8 – Estimated and Projected Units Added, by Housing Type (2012 - 2022)⁵



Source: City of Surrey Planning and Development Department, September 2018

⁵ 2017 – 2021 data is projected.

C. LOSS OF HOUSING STOCK

At this time there do not appear to be significant issues in terms of the loss of housing stock in Surrey. While there is increasing pressure for redevelopment of lands occupied by older single-family detached houses in some of Surrey’s more established neighbourhoods, most such redevelopment resulted in new single-family homes. In 2017, 639 single family and 20 two family dwellings that were demolished. As well, redevelopment of manufactured home parks is occurring. Surrey lost 38 units of manufactured homes in 2018. With a number of active applications for redevelopment of manufactured home parks, the number of manufactured homes is expected to decrease further in 2019.

D. ESTIMATES OF FUTURE HOUSING DEMAND

Table 3 - Estimates of Future Housing Demand in Surrey (2016 – 2026)

Housing Demand	10-Year Estimate
Ownership Demand	35,500
Rental Demand	11,500
Very Low Income Rental Demand – affordable to households with incomes of less than \$35,000 / year	4,290
Low Income Rental Demand – affordable to households with incomes between \$35,000 - \$60,000 / year	2,600
Moderate Income Rental Demand – affordable to households with incomes between \$60,000 - \$85,000 / year	2,200
Above Moderate Income Rental Demand – affordable to households with incomes \$85,000 - \$110,000 / year	1,200
High Income Rental Demand – affordable to households with incomes above \$110,000 / year	1,100
Total Demand	47,000

Source: Metro Vancouver, *Regional Affordable Housing Strategy (2016)*⁶

Based on regional population and household projections, it is estimated that there will be a demand for 47,000 new housing units in Surrey by 2026. Based on past trends, approximately 3,550 households a year will be able to buy a new home. Rental housing demand is estimated at 1,150 new units each year over the next ten years. Of these rental units, approximately 60% are estimated to be for very low and low income households, or about 700 units per year.

⁶ Metro Vancouver has prepared updated housing demand estimates for the period 2016 –2026 in consultation with municipalities using recent Census data and a cohort survival model. Estimates assume that household income and household type ratios remain constant over the projection period. In 2017, revisions were made to income thresholds, based on the 2016 Median Regional Household Income.

E. MANUFACTURED HOMES

Approximately 2,500⁷ of the dwelling units in Surrey were manufactured homes or trailers as of December 2017.

Although manufactured homes account for only approximately 1% of Surrey’s dwelling units, they provide housing to approximately 6450 residents and represent an important form of affordable housing that is starting to come under pressure for redevelopment.

In Surrey, manufactured homes or trailers had an average price of \$166,150⁸ and an average pad rental of \$740 (MLS Listings December 2017).

Of the manufactured homes in Surrey:

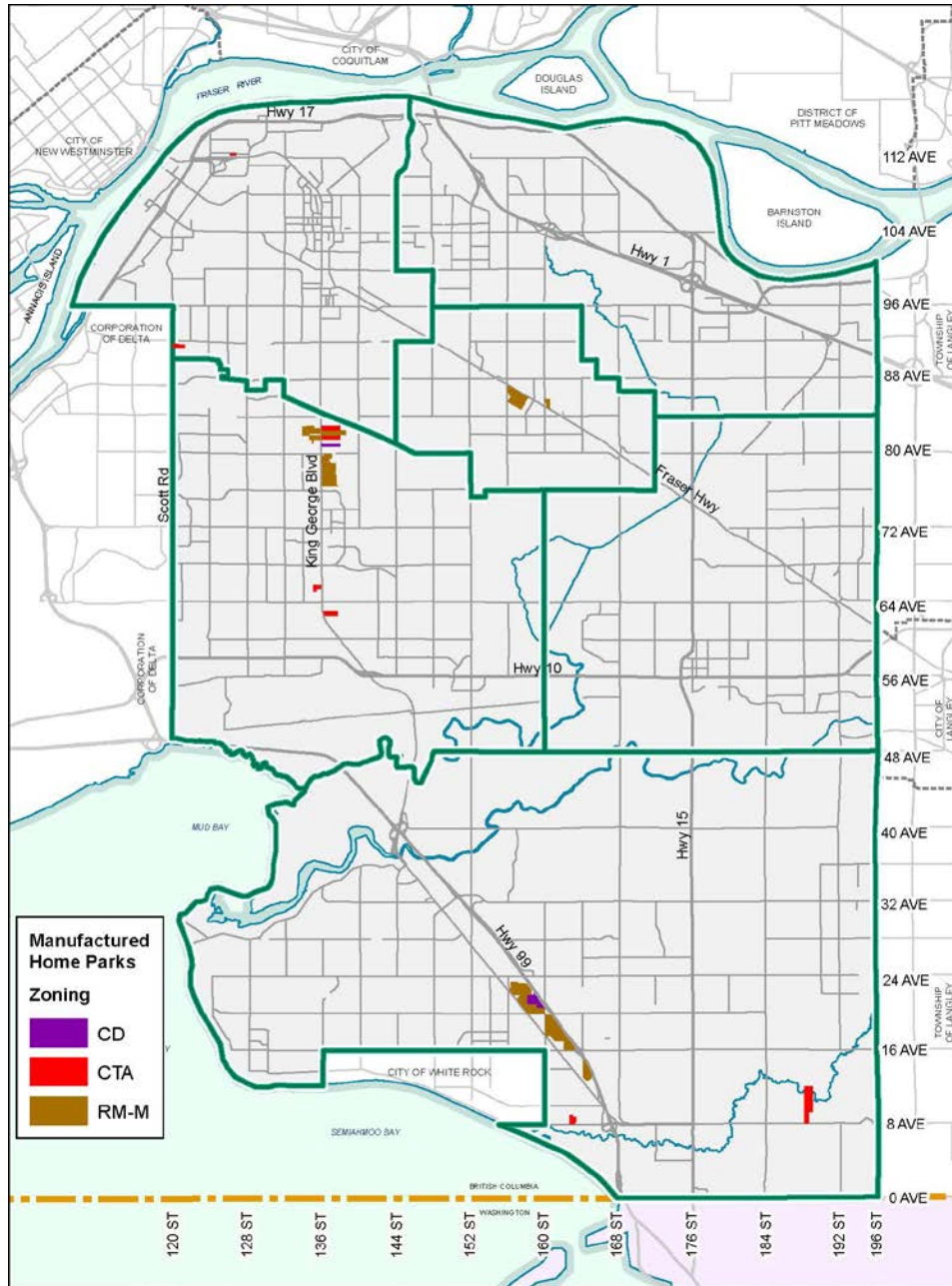
- Approximately 1,800 units were on properties in the “Manufactured Home Residential Zone (RM-M)”. Of these, approximately 550 are strata tenure where the pads are owned by the manufactured home owner, and the remainder are on rented pads;
- Approximately 470 manufactured homes were on properties zoned “Tourist Accommodation Zone (CTA)” where all of the pads are rented; and
- The approximately 150 remaining manufactured homes were located in comprehensive development zones with nearly all having fee simple or strata tenure.

While the CTA Zone only permits tourist accommodation “for no more than 182 days in a 12-month period” or camps-sites or tourist trailer parks where “recreational vehicles for transient use” may be parked, it would appear that a number of these have transitioned to permanent accommodation.

⁷ The number of manufactured homes is based on estimates of permanent manufactured homes in manufactured home parks and trailer parks (irrespective of zoning), and not all trailer parks and camp grounds. There is evidence that some trailers located in CTA (Tourist Accommodation) zones are being used as permanent housing; these numbers are not included in this data.

⁸ Includes listings for manufactured homes on rented pads, as well as those with strata and freehold tenure.

Figure 9 - Locations of Manufactured Homes in Surrey (2018)



Source: City of Surrey Planning and Development Department, December 2018

Note the map shows only those manufactured home parks and trailer parks where there is evidence of permanent manufactured homes (irrespective of zoning), and not all trailer parks and camp grounds.

PART III: RENTAL STOCK

A. MARKET RENTAL STOCK

Market Rental by Structure Type

There are over 42,000 private market rental units in Surrey. The majority of Surrey’s market rental units are secondary suites. Primary market rentals in apartment buildings or townhouse complexes are those where the building (or all units) are owned by a single landlord.

Table 4 - Estimated Market Rental Units in Surrey by Structural Type (2018)⁹

	# of units	% of total
Primary Market		
Townhouses	93	0%
Low rise apartments	5,339	13%
High rise apartments	282	1%
Secondary Market		
Coach houses	986	2%
Secondary suites	27,684	66%
Condominium apartments rented out by owners	7,795	18%
Total	42,179	100%

Source: City of Surrey Planning and Development Department, December 2018 and Statistics Canada, 2016 Census

Rental Sector: Definitions, Affordability and Security of Tenure

Rental housing can be distinguished between primary and secondary market rentals. The **primary rental market** is comprised of purpose-built market housing that was built originally as rental projects. The **secondary rental market** includes secondary suites as well as condominiums, townhouses, duplexes and single or semi-detached residential homes that are rented out by the owner.

There are typically key differences between these in terms of affordability and security of tenure:

Purpose-built apartments:

- Generally provide greater security of tenure.
- Older purpose-built rentals can provide more affordable rents.

Secondary suites:

- Generally provide significantly lower rents than purpose-built rentals; in Metro Vancouver, rents were 25% lower in two bedroom secondary suites than purpose-built rentals in 2016 (CMHC Rental Market Report Vancouver CMA, 2016).
- Less security of tenure; can revert back to owner-occupancy.

Rented condominiums:

- Usually newer, with higher rents. In Metro Vancouver, the average rent for a 1 bedroom condo was 15% higher than a purpose-built apartment; two bedrooms were 21% higher (CMHC Rental Market Report Vancouver CMA, 2017).
- Less security of tenure; can revert back to owner-occupancy.

⁹ The data on low rise apartments does not include market rental units included in seniors’ housing buildings that have a mix of both non-market (social housing) and market units.

Purpose-built Rental Stock

Table 5 - Purpose-built Market Rental Units in Surrey (2018)

	# of units	% of total
Townhouse	93	2%
Low Rise Apartment	5,339	93%
High Rise Apartment	282	5%
Total Purpose-Built	5,714	100%

Source: City of Surrey Planning and Development Department, December 2018

In December 2018, there were approximately 5,714 non-stratified, purpose-built townhouse and apartment units in Surrey, accounting for about 14% of all private market rental units (see Table 4 above). Most of these purpose-built market rental units are in low rise apartment buildings (93%). 2% are in townhouse complexes and 5% are in high rise apartment buildings.

Table 6 - Purpose-built Market Rental Units in Surrey by Community (2018)

Housing Type	Cloverdale	Fleetwood	Guildford	Newton	South Surrey	Whalley	Surrey
Townhouse	0	0	68	25	0	0	93
Low Rise Apartment	348	3	2,053	542	180	2,213	5,339
High Rise Apartment	0	0	0	0	0	282	282
Total Purpose-Built	348	3	2,121	567	180	2,495	5,714
Percent of Surrey Purpose-Built	6%	0%	37%	10%	3%	44%	100%

Source: City of Surrey Planning and Development Department, December 2018

Most of Surrey's purpose-built market rental stock is found in Whalley (44%) and Guildford (37%).

Table 7 – Purpose-built Rental by Bedroom Type, Metro Vancouver and Surrey (2018)¹⁰

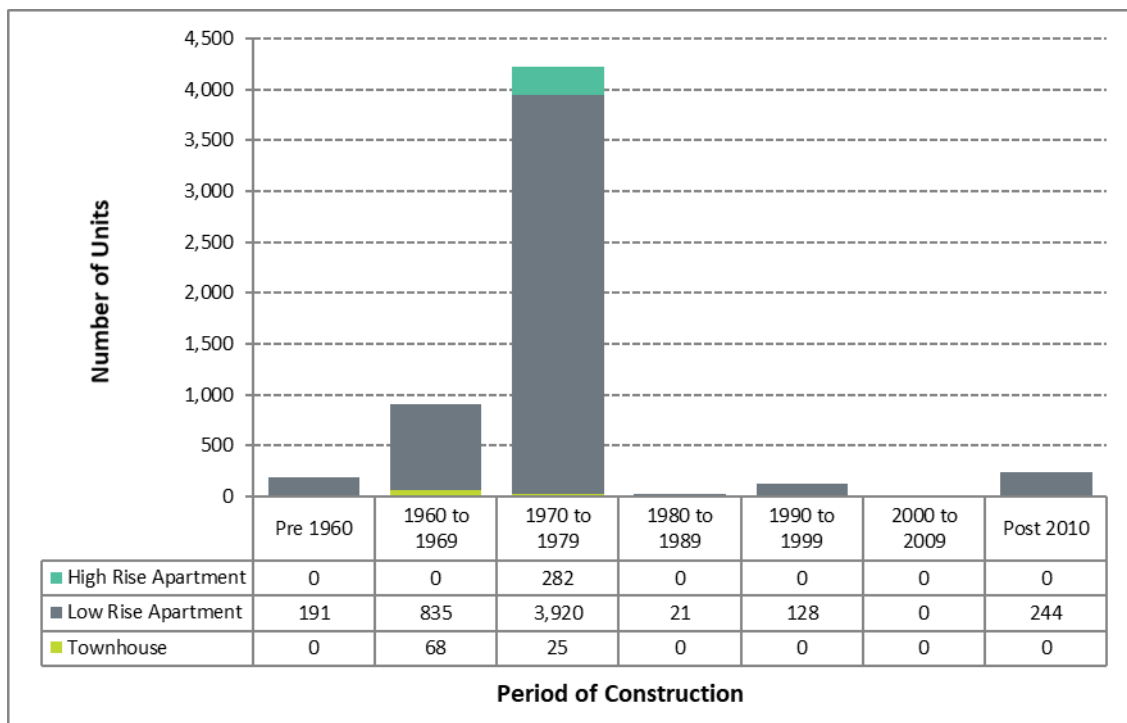
Bedroom Type	Metro Vancouver		Surrey	
	# of Units	% of Total	# of Units	% of Total
Bachelor	12,313	11%	78	1%
1-bedroom	67,989	62%	2648	47%
2-bedroom	26,751	24%	2485	44^
3+ bedroom	2,236	2%	392	7%
Total	109,289	100%	5,603	100%

Source: CMHC, *Rental Market Report*, November 2018

¹⁰ CMHC data on numbers of purpose-built rental stock differs slightly from the City of Surrey Planning and Development Department data.

The majority of Surrey’s purpose-built rental stock is one and two-bedroom apartments. As table 7 indicates, only a small number of the purpose-built stock is available for larger family households with 392 units of three-bedroom apartments.

Figure 10 - Construction of Purpose-Built Market Rentals (1900s – 2018)¹¹

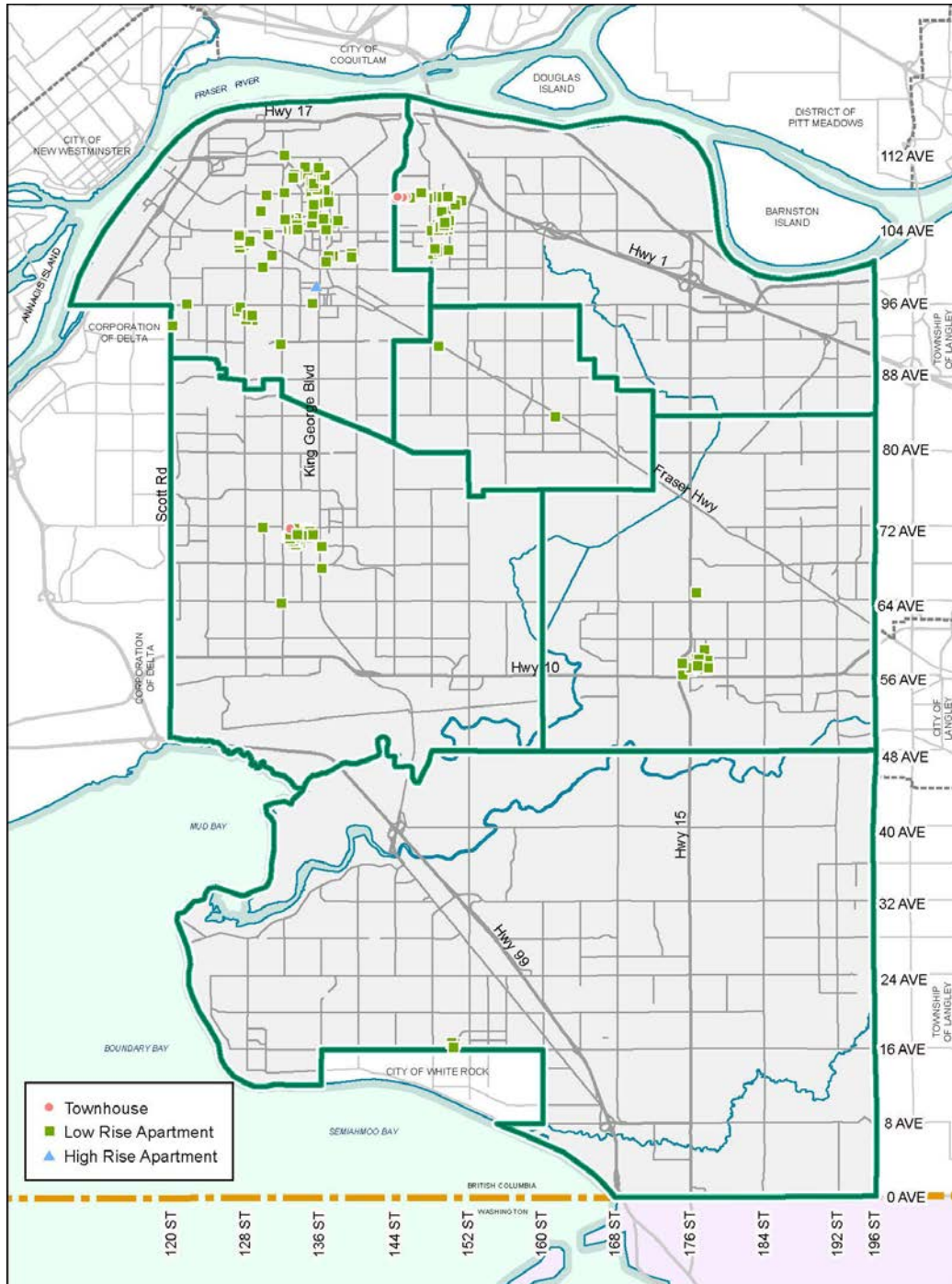


Source: City of Surrey Planning and Development Department, December 2018

The majority of private market rental units in purpose-built rental buildings were constructed in the 1970s. In the last few years, Surrey has begun to see the development of new purpose-built market rental. Two new purpose-built market rental buildings have opened since 2010: one building in Cloverdale (2016) and one in Whalley (2018). At the end of 2018, there were approximately 600 market rental units under construction and over 500 units in development, as well as two market rental redevelopment projects under application.

¹¹ Market rental units for seniors in "mixed" buildings that include both market and social housing for seniors are not included in this data.

Figure 11 - Locations of Purpose-built Market Rental Stock in Surrey (2018)



Source: City of Surrey Planning and Development Department, December 2018

Secondary Suites

The majority of Surrey's private market rental units are secondary suites in single family structures. According to Surrey's Planning and Development Department, in 2018 there were approximately 27,684 known secondary suites in Surrey, representing about 66% of Surrey's market rental stock. It is acknowledged that there are challenges in estimating secondary suite numbers, and that there are likely additional secondary suites which are not known or accounted for in Surrey's building inventory at this time.¹²

Prior to 2011 secondary suites were permitted only in the RF-SS, RF-12C, RF-9C, and RF-9S zones. The Surrey Zoning By-law currently provides for legal secondary suites in the following zones:

- all Single Family Residential zones;
- all One-Acre Residential, Half-Acre Residential, and Cluster Residential zones; and
- all Agriculture zones.

Information gathered from Surrey's Finance Department which collects the Secondary Suite Fee from known suites indicates that approximately 75% of suites were built without a building permit.

Table 8 - Known Suites by Building Permit Status (2018)

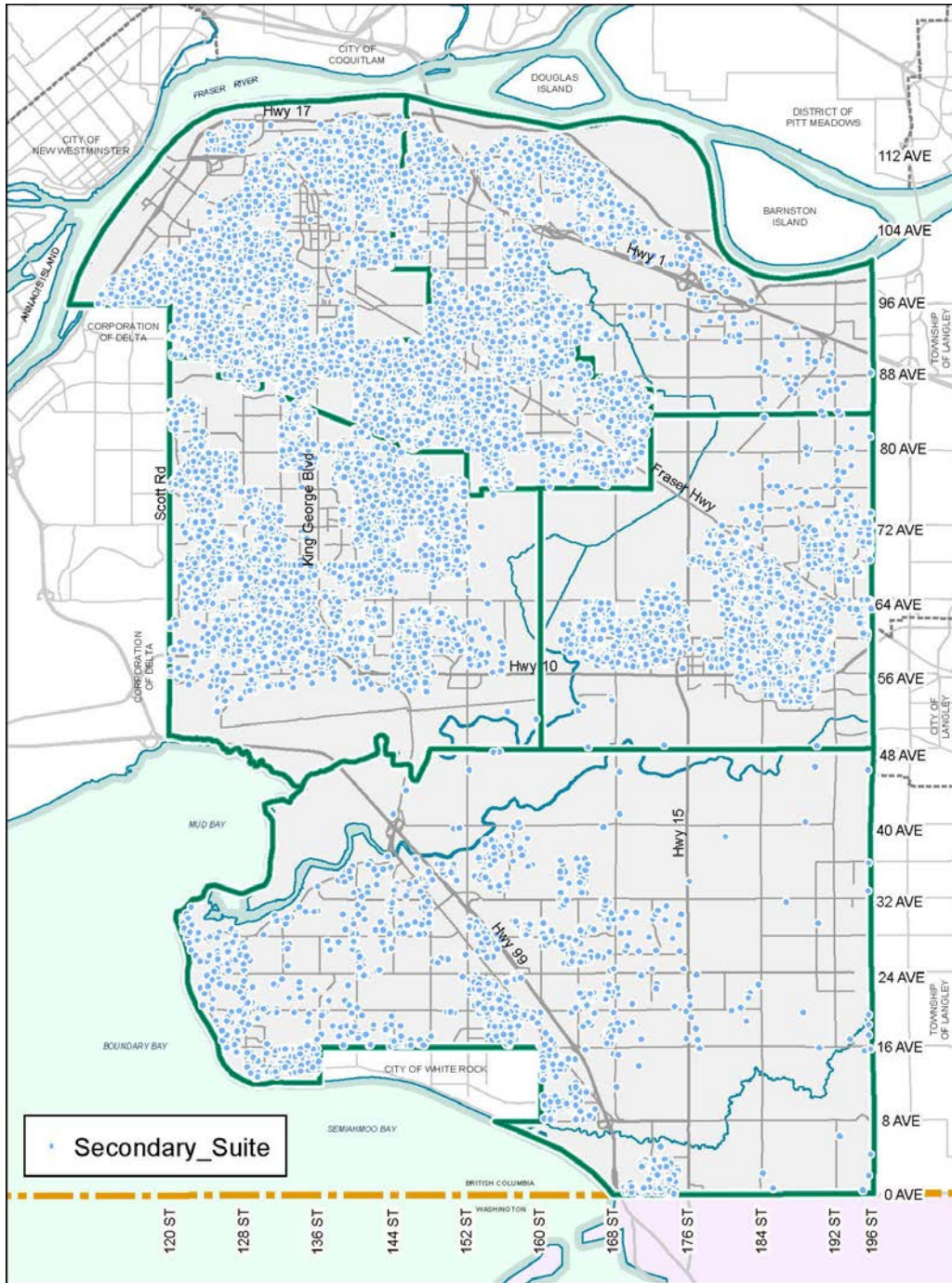
	# of units	% of total
Secondary suites with building permits	6,936	25.1%
Secondary suites without building permits	20,748	74.9%
Total	27,684	100%

Source: City of Surrey Planning and Development Department, December 2018

All secondary suites in Surrey must be registered. Secondary suite annual payment fees are based on the Secondary Suite Service Fee Bylaw. For unregistered suites, a \$1000 penalty fee is added to the taxes due on the property for each unregistered secondary suite if the City of Surrey becomes aware of a suite that is not registered. The City is continually identifying unauthorized suites by a variety of methods.

¹² The City of Surrey secondary suite estimate is based on its own inventory that reconciled with British Columbia Assessment Authority information.

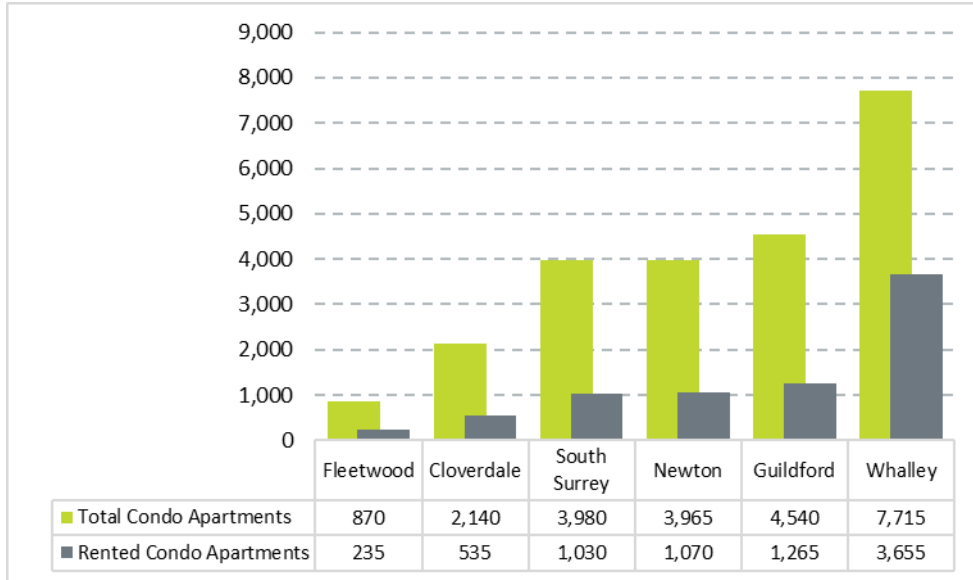
Figure 12 - Locations of Known Secondary Suites in Surrey (2018)



Source: City of Surrey Planning and Development Department, December 2018

Condominium Apartment Rentals

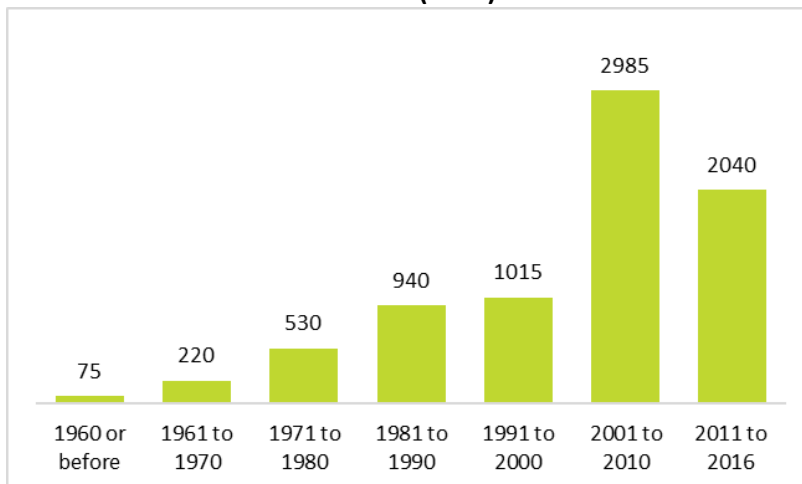
Figure 13 - Number of Rented Condo Apartments in Surrey by Community (2016)



Source: 2016 Census, Statistics Canada, custom data

According to 2016 census data, there are 7795 apartments in Surrey with condominium status that are rented out by owners, representing approximately 18% of Surrey's market rental stock. Whalley has the highest number and proportion of rented condo apartments; 3,655 or 47% of condo apartments in Whalley are rented out by owners.

Figure 14 - Number of Rented Condo Apartments in Surrey by Period of Construction (2016)



Source: 2016 Census, Statistics Canada, custom data
Note: 2011 to 2016 is a five year period only.

In looking at rented condos by period of construction, rented condos are generally newer stock, built since 2001. 2985 households rent condos built in the decade between 2001 – 2010, while 2040 households rent condos built in the five years between 2011 – 2016.

B. NON-MARKET SOCIAL HOUSING

Inventory of Social Housing

Surrey currently has approximately 5,200 social housing units in the non-market range of the housing continuum.¹³ The highest proportion of social housing stock is in low income rental housing, which does not include any support services and is intended for those who are able to live independently.

Table 9 - Number of Social Housing Units in Surrey (2018)

Type of social housing	# of units	% of social housing units
Aboriginal	155	3%
Co-operative housing	879	17%
Low income rental housing	1,764	34%
Low income seniors	1,354	26%
Long-term supportive housing	184	4%
Transition / Supportive	666	13%
Emergency shelter beds	187	4%
Total	5189	100%

Source: City of Surrey Planning and Development Department, December 2018

Rental Supplements

Rental supplements are provided to help those in identified at-risk groups access rental housing in the private market. The number of rent supplements in Surrey for those who are homeless or at risk of homelessness increased from 118 in 2012 to 336 in 2018.

Table 10 – Number of Rent Supplements in Surrey, 2018¹⁴

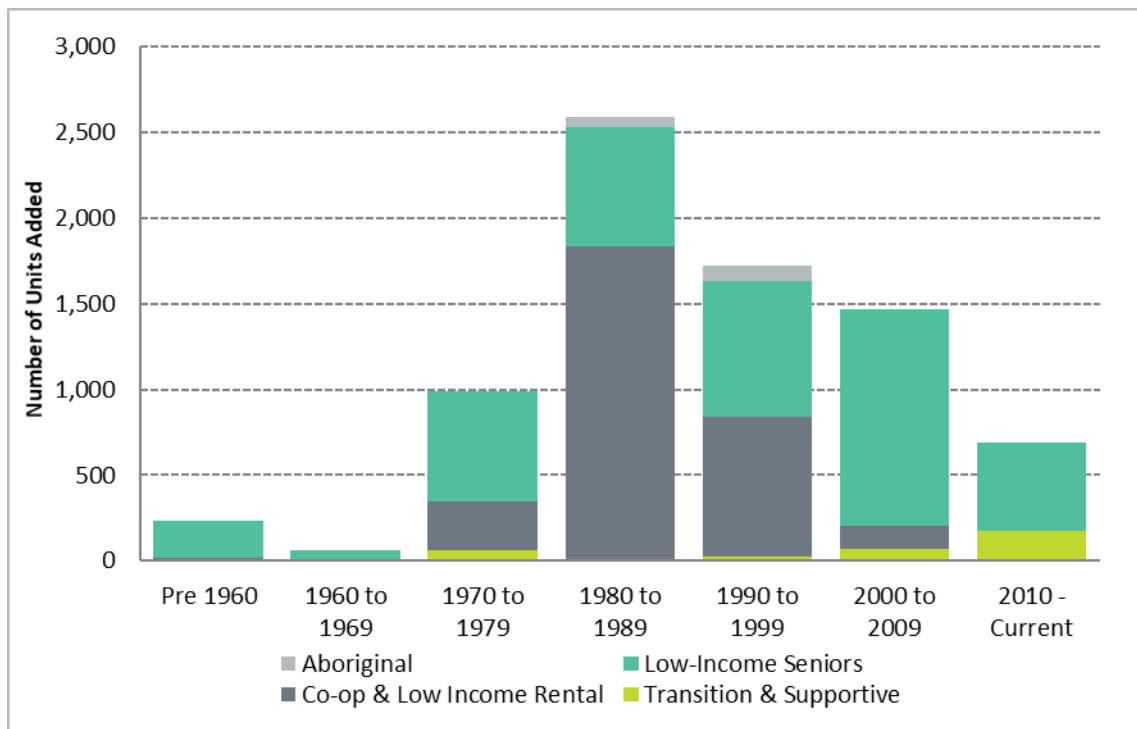
Homelessness		Low Income Families and Seniors	
BC Housing	Fraser Health ACT Teams	Rental Assistance for Families (RAP)	Shelter Aid for Elderly Renters (SAFER)
276	60	1341	1951

¹³ In this report, 'social housing' refers to housing for low income households or adults with special needs that is operated by a public agency, non-profit society or housing co-operative. Housing units or beds in privately-run market facilities (e.g. senior's housing/facilities) that are funded or subsidized by government agencies are also included in the number of social housing units.

¹⁴ BC Housing provides rent supplements for homelessness (Homeless Prevention Program, Provincial Homelessness Initiative Outreach Teams) and low income families and seniors through the RAP and SAFER programs. Fraser Health Authority provides rent subsidies through Assertive Community Treatment (ACT) teams.

Construction Period of Social Housing Units

Figure 15 - Construction of Social Housing Units in Surrey by Type (Pre-1960 – 2018)¹⁵

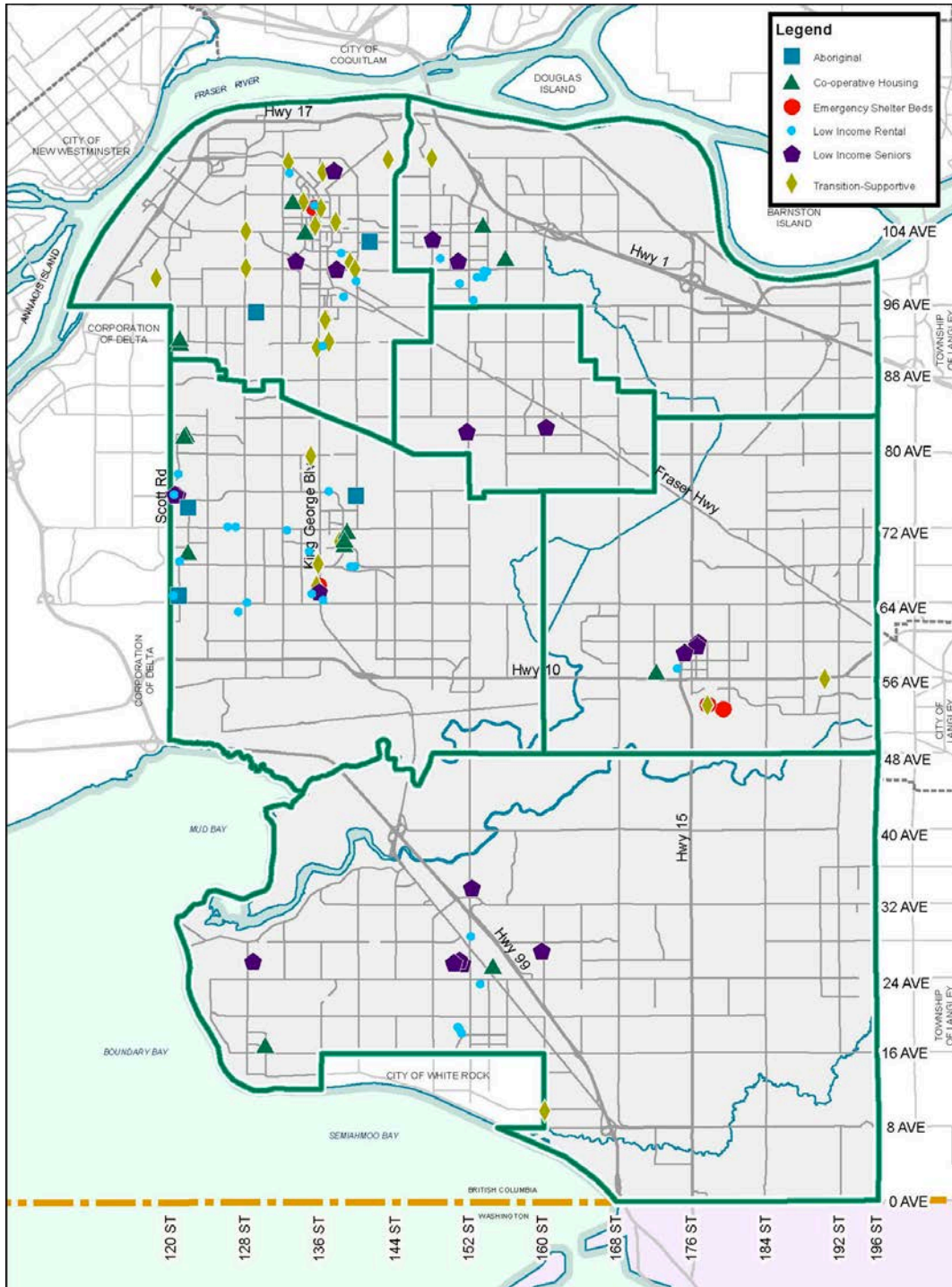


Source: City of Surrey Planning and Development Department, December 2018

The majority of co-operative and low income housing units for aboriginal people, families, seniors and single people were constructed during the 1980s. Since 2010, most social housing that has been constructed has been transition / supportive housing.

¹⁵ Figure 15 includes only social housing units that are constructed as part of new developments; non-profit housing organizations also may add to the total number of social housing units in Surrey by buying and renovating existing buildings. The data presented here is by the original year of construction of the building.

Figure 16 - Locations of Social Housing in Surrey (2018)



Source: City of Surrey Planning and Development Department, December 2018¹⁶

¹⁶ Social housing with confidential addresses are not shown.

C. RENTS AND VACANCY RATES

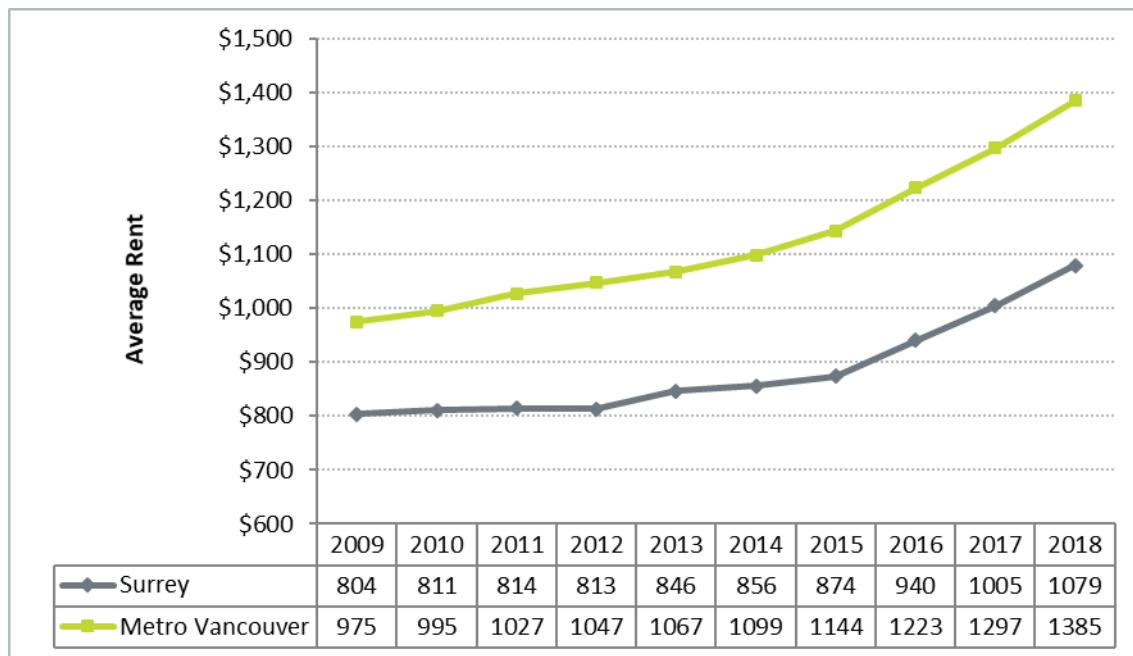
Table 11 - Average Market Rents and Vacancy Rates, Primary Rental Market (2018)

		Bachelor	1 bedroom	2 bedroom	3 bedroom+	Total
Average rent	Surrey	\$774	\$978	\$1151	\$1307	\$1079
	Metro Vancouver	\$1150	\$1307	\$1649	\$1921	\$1385
Vacancy rate	Surrey	0.0%	0.4%	0.5%	0.0%	0.4%
	Metro Vancouver	0.9%	1.1%	0.9%	1.0%	1.0%

Source: CMHC, *Rental Market Report*, November 2018

CMHC reported that the average rent in Surrey’s primary rental market increased by \$65 a month, from \$1005 in 2017 to \$1079 in 2018. However, the average rent in Surrey is 22% lower than the regional average of \$1,385 (Table 11, above).

Figure 17 - Average Purpose-Built Apartment Rents, Surrey & Metro Vancouver (2009 – 2018)



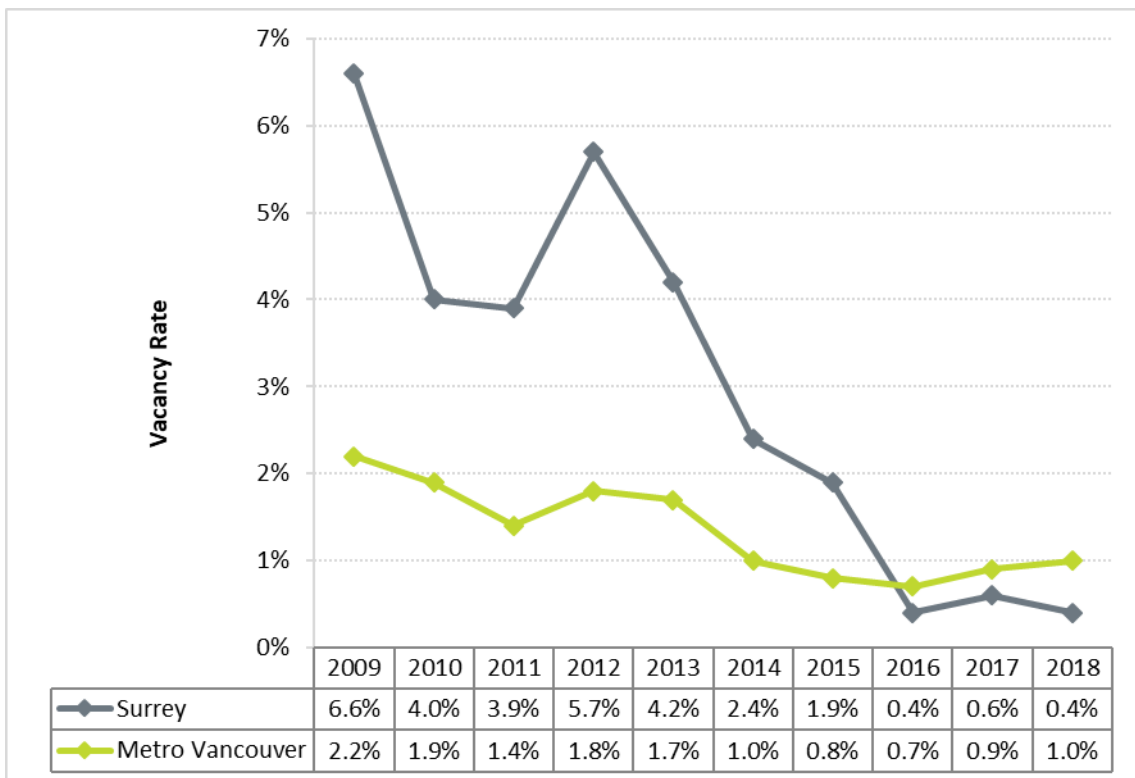
Source: CMHC, *Rental Market Report*, October 2009 - 2018

Over the past ten years, rents have been increasing in Surrey, as in the region as a whole. Looking at Figure 15, rents for purpose-built apartments increased by 34% in the previous ten years in Surrey and 26% in the last five years. Over the past ten years, Surrey’s rents have been increasing at a slightly slower rate than in Metro Vancouver. However, this trend has changed – in the past five years, Surrey’s rents have increased at the same rate as in Metro Vancouver.

Secondary suites tend to have lower rents than purpose-built rentals. In Metro Vancouver, the average rent for a two-bedroom secondary suite was 22% less than a two-bedroom purpose-built rental (2016)¹⁷.

Condominium apartments tend to have higher rents than purpose-built rental units, because the stock of the former is typically newer and often has amenities not found in traditional rental units. In Metro Vancouver, the average rent for a one-bedroom condominium apartment was 17% higher than the average rent in a purpose-built apartment, while a two-bedroom unit was 19% higher in 2018.¹⁸

Figure 18 - Regional Comparison of Vacancy Rates for Private Apartments (2009 – 2018)



Source: CMHC, *Rental Market Reports, 2009 to 2018*

Surrey’s vacancy rates have been dropping rapidly since 2012. In 2016, Surrey’s vacancy rates dropped lower than Metro Vancouver’s for the first time in at least ten years. From 2017 – 2018, the vacancy rate for Metro Vancouver rose slightly, while Surrey’s vacancy rate decreased.

¹⁷ CMHC, *Rental Market Report, 2016*. Secondary suite rental rates are from 2016 as this is the last date that this data was provided in CMHC’s annual Rental Market Report.

¹⁸ CMHC, *Rental Market Report, 2018*

D.RENTAL HEALTH: CANADIAN RENTAL HOUSING INDEX

The BC Non-Profit Housing Association (BCNPHA) released a “Canadian Rental Housing Index” based on the 2016 census. The rental index uses supply and affordability data to measure the health of rental housing across Canada.

An assessment of rental health is based on five indicators: affordability, overspending, income gap, overcrowding and bedroom shortfall. Each community is given two overall rankings: one that illustrates how it compares to other communities in the same province, and another that illustrates how it compares to all communities in Canada.

Surrey’s rental health is ranked as ‘critical’. At a national level, Surrey ranks 510 out of 552 communities. At a provincial level, Surrey ranks 67 out of 72 communities. This means that Surrey has the sixth worst rental health of all municipalities in BC.

Table 12 - BC Municipalities, Top 10 Most Critical Scores (2016)

Ranking	Municipality
1.	Burnaby
2.	Richmond
3.	Coquitlam
4.	Whistler
5.	North Vancouver City
6.	Surrey
7.	Vancouver
8.	West Vancouver
9.	New Westminster
10.	North Vancouver District

Source: BCNPHA, *Canadian Rental Housing Index*, 2016

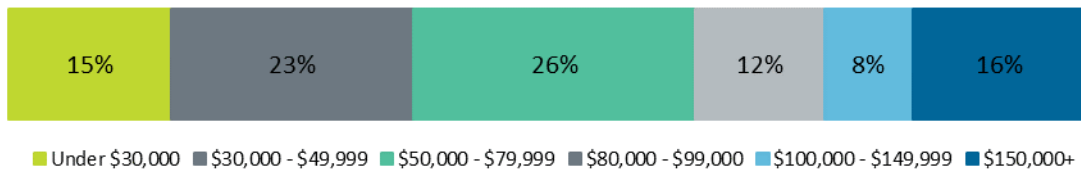
PART IV: AFFORDABILITY – RENTERS

A. INCOME IN SURREY

Household income¹⁹ is a major determinant of what type of housing, along the housing continuum, households are able to obtain.

Income Distribution for All Households

Figure 19 – Share of Total Households by Income Groups for Surrey (2015)



Source: 2016 Census, Statistics Canada

Households earning between \$50,000 - \$79,999 are the largest income group in Surrey with approximately 43,460 households. Looking at the two lowest income groups, approximately 25,660 households earned under \$30,000 while 38,400 earned between \$30,000 - \$49,999 (2015). Surrey's income distribution is similar to Metro Vancouver's.

Income and Tenure

Table 13 - Median Household Income in Surrey by Tenure (2015)

	2015
Median income of owner households	\$92,614
Median income of renter households	\$47,965
Renter income as % of owner income	52%

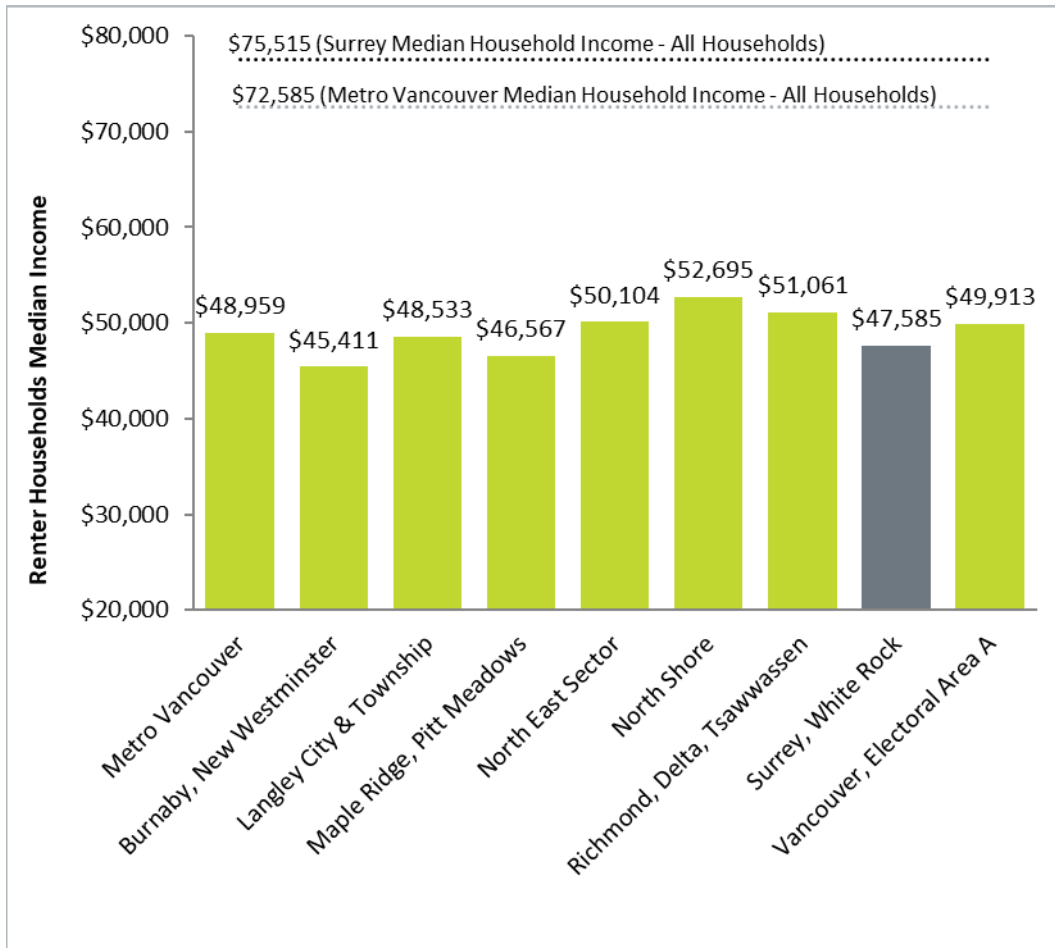
Source: Metro Vancouver Housing Data Book, based on Statistics Canada, 2016 Census

According to the 2016 Census, the median income of renter households in Surrey (\$47,965) in 2015 was slightly more than half the median income of owner households (\$92,614). The median income of all households in Surrey was \$77,515 (2016).

¹⁹ Statistics Canada definitions:

- 'Household total income' refers to the sum of the total incomes of all members of that household. Unless noted otherwise in this report, the income characteristics of private households refer to **before-tax income**.

Figure 20 - Median Household Income for Renter Households, Metro Vancouver Subregions (2015)



Source: Metro Vancouver Housing Data Book, based on Statistics Canada, 2016 Census

Across the region, median household incomes for renter households are substantially lower than for owner households. Rental household incomes in the Surrey-White Rock subregion are comparable to those in other subregions²⁰.

²⁰ Figure 20 shows median rental household income by subregion, which includes Surrey and White Rock. Figures differ slightly than the median rental household income shown in Table 13, which are for Surrey only.

Income and Household Type

Table 14 - Median Income in Surrey by Household Type (2015)

Segment of population	Median income
Couple families With Children	\$104,953
Couple families Without Children	\$79,991
Lone-parent families	\$53,135
Persons 15 Years and Over Not in Families	\$31,548
One-person private households	\$34,515
All private households	\$77,494

Source: Statistics Canada, 2016 Census

One-person households, persons not in census families²¹ and lone-parent families may have income and housing challenges. In 2015 the median income for these households was lower than the median income for all households.

Low Income Households

Indications of income challenges can also be seen in Statistics Canada's 'Low Income Measure – After-Tax' (LIM-AT) data²². In 2015, 75,640 persons in Surrey were low income (14.8% of the population). Young people (0 – 17 years) had higher rates of low income (19.6%), as did lone-parent families (28.6%).

Income by Community

Table 15 - Median Income by Surrey Community (2016)

Community	Median household income
Cloverdale	\$93,054
Fleetwood	\$84,345
Guildford	\$69,934
Newton	\$77,033
South Surrey	\$86,025
Whalley	\$64,129
Whalley (excluding City Centre)	\$72,546
City Centre	\$50,400
Surrey	\$77,515

Source: 2016 Census, Statistics Canada

²¹ Statistics Canada definitions:

- **'Economic family'** refers to a group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common law or adoption. Persons not in economic families may be living with non-relatives, or be living alone.

²² **LIM-AT (Low Income Measure After Tax):** A household is considered to be "low income" if its after-tax income is less than half the median after-tax income of all private households in Canada of the same size. There are no regional variations to account for cost of living differences.

Median household income varies significantly by community in Surrey. Whalley and Guildford have lower median household incomes than other communities in Surrey; in particular, households living in City Centre have lower median incomes.

Low income Neighbourhoods

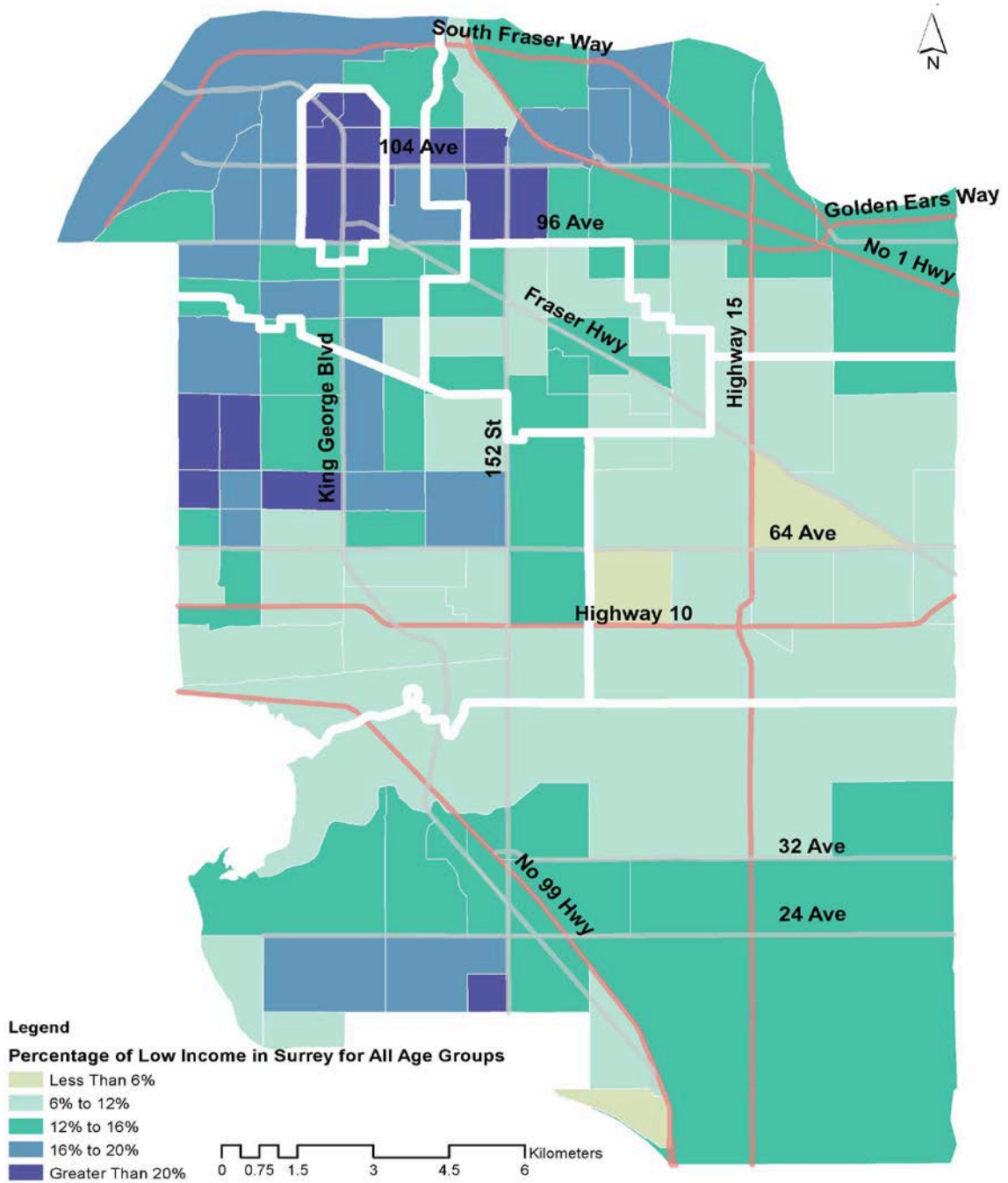
Low income statistics also indicate the prevalence of low income is highest in Guildford (19.8%) and Whalley (18.3%). Figure 21 shows the distribution of low income households tends to be concentrated in specific neighbourhoods, as opposed to being uniformly distributed across a community.

Table 16 – Low Income by Surrey Community (2016)

Community	Number of People in Low Income	Percentage of People in Low Income
Cloverdale	5,495	8.4%
Fleetwood	7,710	12.5%
Guildford	11,955	19.8%
Newton	21,535	14.6%
South Surrey	10,370	13.8%
Whalley	18,540	18.3%
Whalley (excluding City Centre)	12,030	16.0%
City Centre	6,510	25.2%
Surrey	75,595	14.8%

Source: 2016 Census, Statistics Canada, custom data. This table shows the number and percentage of people living in low income by Surrey community, according to the Low Income Measure, after tax (LIM-AT).

Figure 21 – Percentage of People Living in Low Income (All Ages) (2016)



Source: Statistics Canada, 2016 Census. This map indicates areas with a high prevalence of low income among persons in private households according to the Low Income Measure, after tax (LIM-AT).

B. RENTER CHARACTERISTICS

Renter Households in Surrey

Table 17 - Renter Households in Surrey (2016)²³

	# of renter households	% of renter households
Couple family households without children	6,945	14%
Couple family households with children	11,805	24%
Lone-parent family households	6,755	14%
Other family households	4,935	10%
Non-census-family households	18,575	38%
Total renter households	49,020	100%

Source: 2016 Census, Statistics Canada

At least 38% of renter households are families with children, either headed by a couple or a lone parent. Children may additionally be included in 'other family households'. As well, 38% of renter households are non-census families – someone living alone, or two or more people who live together but are not a census family.²⁴

Overcrowding

In Surrey, 18% of all renter households or 8,860 households are living in overcrowded²⁵ conditions, compared to 6% of owner households (6,685 households). Surrey has the highest percentage of renters living in overcrowded conditions of all municipalities in Metro Vancouver. Surrey's overcrowding rate for renter households is higher than the Metro Vancouver rate of 12% (Statistics Canada, Census 2016).

²³ The City's building data is not directly comparable to Census household data. However, the City estimates there are approximately 39,250 rental units (2016).

²⁴ 'Other family households' refers to multiple-census family households with or without additional persons and to one-census family households with additional persons (Statistics Canada definition). **Non-census-family** household refers to either one person living alone in a private dwelling or to a group of two or more people who share a private dwelling but who do not constitute a census family.

²⁵ **Overcrowding and Housing Suitability:** Statistics Canada provides data on Housing Suitability. Households living in accommodations defined as 'unsuitable' are often referred to as 'overcrowded'. Statistics Canada's definition of 'Housing Suitability' refers to whether a private household is living in suitable accommodations according to the National Occupancy Standard (NOS); that is, whether the dwelling has enough bedrooms for the size and composition of the household. A household is deemed to be living in suitable accommodations if its dwelling has enough bedrooms, as calculated using the NOS.

C. HOUSING NEED

Core Housing Need

Table 18 – Renter Households in Core Housing Need (2016)

	Total Renter Households Tested	Renter Households in Core Housing Need	%
Metro Vancouver	313,165	95,825	31%
Surrey	45,725	15,375	34%

Source: 2016 Census, custom data

Core housing need is one measure of housing vulnerability²⁶. In Surrey, 34% of renter households are in core housing need. This is slightly higher than the regional rate of 31% of renter households in core housing need. Surrey Renter households in core housing need have a median household income of \$26,520.

This proportion of Surrey renter households in core housing need remained roughly the same from 2011 (35%) to 2016 (34%). However, the number of renter households in core housing need increased from 13,035 in 2011 to 15,375 in 2016. In 2016, only 11% of owner households in Surrey are in core housing need.

Table 19 – Core Housing Need by Household Type (2016)²⁷

Renter Household Type	Total Renter Households Tested	Renter Households in Core Housing Need	%
Couple-only census families	7,270	1,360	19%
Couple-with-children census families	12,675	3,485	27%
Lone-parent census families	7,390	3,955	54%
Non-census-families	16,670	6,275	38%

²⁶ **Core Housing Need** refers to households whose housing falls below the norms of expectations in terms of either adequacy (condition), affordability (costs less than 30% of before-tax household income) or suitability (size) and who would have to spend more than 30% of before-tax household income to pay the median rent of alternative housing that would meet all three standards. Core housing need analysis includes only non-farm and non-reserve private dwellings. Households comprised of full-time students between the ages of 15 to 29 are considered to be in a transition stage of life and therefore are not in core housing need. **INALH** households are a subset of households in core housing need and refer to those that are in need and spending at least half of income on shelter. This data is yet to be released for the 2016 Census at the municipal level (CMHC definitions).

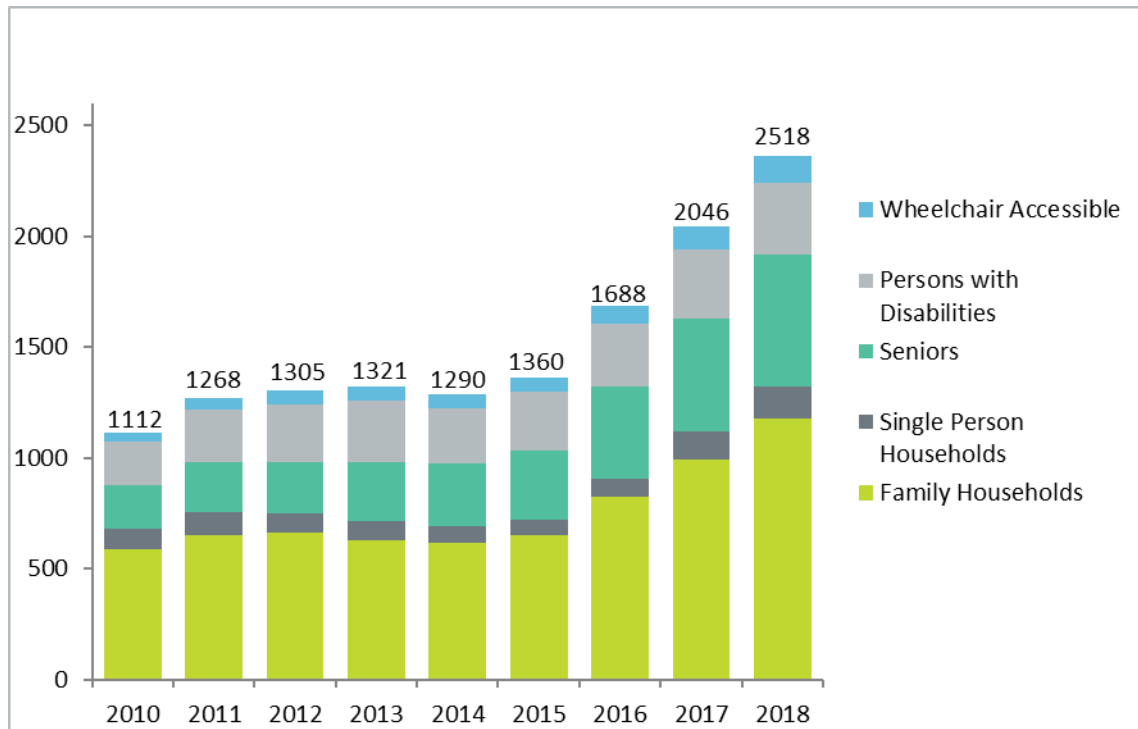
²⁷ **Census families** are defined as a married or common law couple and the children, if any of either and / or both spouses /partners; a lone parent with at least one child living in the same dwelling and that child or those children. All members of a particular census family live in the same dwelling (Statistics Canada definition).

Source: 2016 Census, custom data

Renter households in core housing need varies across household type. In Surrey, 54% of lone-parent families spent more than 30% of their income on shelter, closely followed by those living in non-census-families (38%).

Social Housing Waitlists

Figure 22 - Households on BC Housing Waitlist by Household Type, Surrey (2010 – 2018)



Source: Metro Vancouver Housing Data Book, based on data from BC Housing, June 2018
Note: Rent supplements, transfers and pending applications are not included in totals.

BC Housing accepts applications for social housing through the Housing Registry, a centralized database used by non-profits that choose to participate. Data is recorded on numbers of households that have applied for social housing in Metro Vancouver and remain on the BC Housing Waitlist.

The number of Surrey households on the BC Housing Waitlist has increased significantly since 2015. Family households are the largest population on the waitlist in Surrey (1,175 households), followed by seniors (594 households). Surrey has the second largest waitlist in Metro Vancouver with 2,518 households on the waitlist compared to 5,147 in Vancouver. Surrey's proportion of households on the BC Housing Waitlist has increased, from 15.0% of all households in Metro Vancouver in 2010 to 18.5% in 2018.

Expiring Social Housing Agreements

Social Housing Operating agreements started to expire 2012, with the bulk of agreements in Metro Vancouver expiring between now and 2020. There are 1,859 subsidized social housing units with expiring operating agreements in Surrey (2016 – 2040)²⁸. Of these:

- 894 units are expiring between 2016 – 2020
- 385 are expiring 2021 – 2025
- 514 are expiring 2026 – 2029
- 132 are expiring after 2030

Social Housing Operating Agreements and National Housing Strategy Commitments

In the 1970's and 1980's, the Canadian government signed agreements with non-profit housing providers to operate social housing units. Under these agreements, senior governments paid mortgage costs as well as the difference between rents-geared-to-income (usually 30% of a tenant's income) and operating costs.

Subsidies were generally scheduled to come to an end once mortgages were paid off, with the expectation that non-profits would be able to cover operating costs with rental income. However, the BC Non-Profit Housing Society estimates that approximately one-third of projects in BC are not currently viable. The majority of these have high percentages of rent-geared-to-income units, or have small portfolios. The risk is that non-profits operators will have to sell units or raise rents beyond levels that are affordable by current tenants, effectively decreasing the units of affordable housing stock.

The Federal Government's **National Housing Strategy** (November 2017) commits to putting in place new operating agreements, with a commitment of \$500 million. Under these new agreements, social housing providers will continue to receive funding to subsidize rents for tenants in need. A transition period from 2016 – 2020 will give housing providers time to transition to the new rental assistance program. As the new federal program rolls out, more information will emerge as to the impacts on social housing providers and tenants in Surrey.

Sources: bcnpha.ca/media/Research/EOA_newsletter_-_FINAL.pdf, www.placetocallhome.ca/pdfs/Canada-National-Housing-Strategy.pdf

²⁸ Data on expiring social housing units for Surrey are included in the Metro Vancouver *Housing Data Book*, based on BC Housing data from 2016. BC Housing only tracks units where they have a financial relationship. There may be other subsidized housing units in the community where no financial relationship exists.

Homelessness

Table 20 - Homeless Count by Municipality (2017)

Sub-Region	Unsheltered Total	Total	Sheltered			Total Homeless
			EWR Shelters ¹	Shelters ²	No Fixed Address ³	
Burnaby	49	20	7	12	1	69
Delta / White Rock	23	23	13	9	1	46
Langley	79	127	31	92	4	206
Ridge Meadows	30	94	10	78	6	124
New Westminster	30	103	27	66	10	133
North Shore	11	89	11	66	12	100
Richmond	29	41	16	20	5	70
Surrey	203	399	44	286	69	602
Tri-Cities	41	76	33	40	3	117
Vancouver	537	1,601	64	1,381	156	2,138
Total	1,032	2,573	256	2,050	267	3,605

Source: Metro Vancouver, 2017 Homeless Count in Metro Vancouver

The 2017 Metro Vancouver Homeless Count²⁹ found 602 homeless people in Surrey, which accounts for 17% of the regional homeless population. Surrey's homeless count has increased by 49% from 2014 to 2017 (403 in 2014 to 602 in 2017).

Ability of Renters to Afford Rents

Table 21 - Income and Rent Payments for Very Low and Low Income Households

Household Type	Yearly income	30% of monthly income	Bachelor	1 Bed	2 Bed	3 Bed
<i>Surrey Average Rent (2018)</i>			\$774	\$978	\$1151	\$1307
Monthly Rent Gap			Monthly rent gap	Monthly rent gap	Monthly rent gap	Monthly rent gap
Renter Household Median Income (2016)	\$47,965	\$1200	+\$425	+\$221	+\$48	-\$108
Low Income Household (\$35,000 - \$60,000)	\$60,000	\$1,500	+\$726	+\$522	+\$349	+\$193
Very Low Income Household (<\$35,000)	\$35,000	\$875	+\$101	-\$103	-\$276	-\$432
Minimum Wage Earner (2018)	\$26,312	\$658	-\$116	-\$320	-\$493	-\$649
Income Assistance: Single parent, 2 children (2018)	N/A	\$660*	-\$114	-\$318	-\$491	-\$647
Income Assistance: Single person (2018)	N/A	\$375*	-\$399	-\$603	-\$776	-\$932

²⁹ The Homeless Count is regarded as an undercount because it does not assess the full extent of the 'hidden homeless' (people who stay temporarily with family or friends, are unable to acquire or keep their own place, or are 'at-risk' of homelessness); it acknowledges difficulties in finding and counting people who are homeless but not in shelters or accessing any services for the homeless.

Sources and notes: Monthly rent gap refers to the difference between 30% of income and the monthly rental cost.

Yearly income for very low and low income households based on Metro Vancouver's definitions contained in the Regional Affordable Housing Strategy and the Regional Growth Strategy.

Minimum wage yearly income based on a minimum wage of \$12.65 (June 2018), assuming a 40 hr work week, 52 weeks/yr.

Surrey renter household median income is from Census 2016, Statistics Canada.

Rents are average purpose-built rents for Surrey in November 2018, see Table 11.

*Figures are based on income assistance maximum monthly shelter rates for BC.

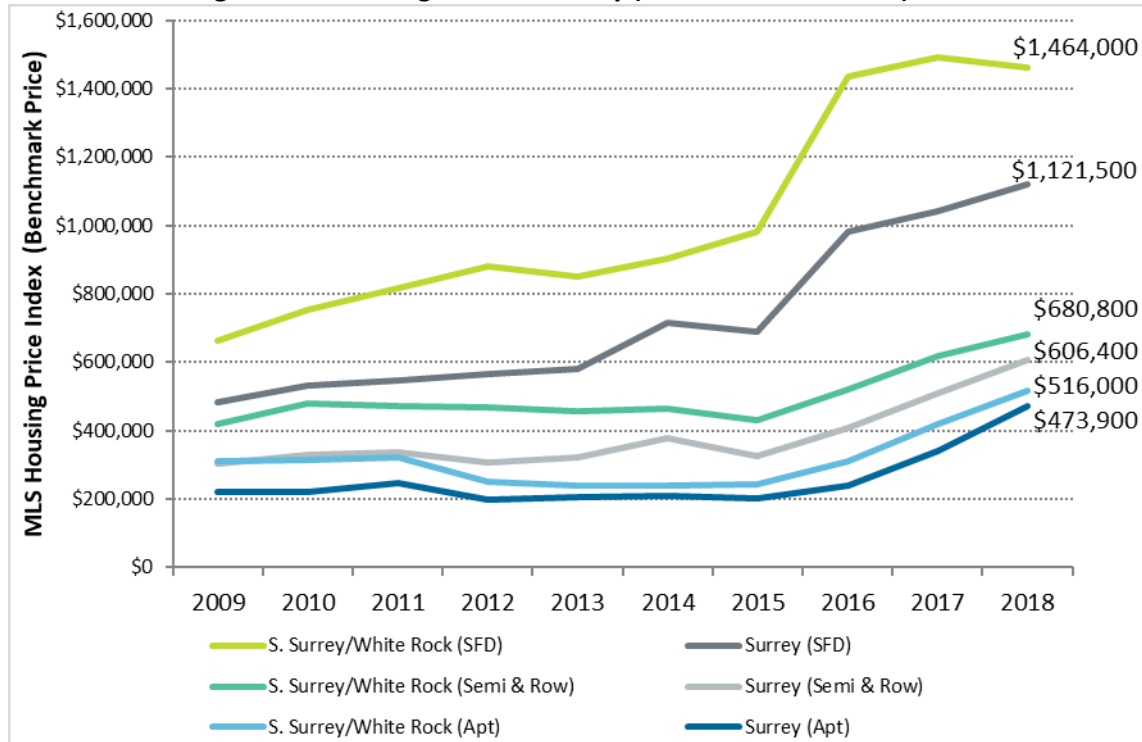
At current rents, low income households at the high end of the income range (\$35,000 - \$60,000) are able to afford rents across a range of unit sizes while at the low end of the range, affordability decreases. Very low income households (<\$35,000) category face rent gaps for one-bedroom units or larger in Surrey.

Despite Surrey's relatively low rental rates, lower income households will continue to face challenges in bridging the income-rent gap. Rent supplement programs provided by BC Housing for low income families and seniors will continue to be needed. Minimum wage earners and those on income assistance face a considerable gap between shelter rates and rental costs.

PART V: AFFORDABILITY – HOME OWNERSHIP

Housing Price Index

Figure 23 – Housing Prices in Surrey (June 2009- June 2018)



Source: Fraser Valley Real Estate Board (FVREB)

Notes: SFD = single family dwellings (single detached housing). Semi & row = semi-detached and rowhouse housing. Apt = apartment housing. Homes sales are tracked through the MLSLink® Housing Price Index (MLSLink® HPI) which measures benchmark or typical home prices. In 2015, FVREB changed the geographies for reporting data in Surrey. FVREB data for Surrey, above, excludes South Surrey from 2008 - 2014. Data for Surrey from 2015 -2018 includes South Surrey. Reporting for South Surrey / White Rock remained the same from 2008 – 2018.

Prices for all housing types have increased since 2015. In particular, prices for single family dwellings increased sharply from 2015 – 2016, and then continued to climb at a slower rate from 2016 - 2018. The MLSLink® Housing Price Index shows that a single detached house cost \$1,121,500 in Surrey and \$1,464,000 in South Surrey / White Rock (2018). Overall, single family dwellings increased by 57% over five years in Surrey. The only decline in housing prices since 2015 can be seen in single family dwellings in South Surrey / White Rock, which declined by 2% from 2107 - 2018.

Beginning in 2015, prices for semi-detached and row housing, along with apartments, began to increase as well. This was a reversal of previous trends that had seen relatively flat, or even declining, prices for these housing types. Over the past five years, prices for semi-detached and row houses increased by 60% in Surrey while apartments increased by 125%.

PART VI: RELATED PLANS, POLICIES, AND REGULATIONS

A. PLANS

Master Plan for Housing the Homeless in Surrey (2013)

The *Master Plan*, developed by the City of Surrey in 2013 in partnership with BC Housing and Fraser Health, aims to identify and respond to the needs for long-term housing and support services for people who are homeless or at-risk of becoming homeless. The Plan outlines an implementation program to generate 450 new units of supported housing over five years. The initiative also focuses on the need for emergency shelters and related services.

Surrey Affordable Housing Strategy: A Focus On Rental Housing (2018)

The *Surrey Affordable Housing Strategy* was adopted by Council in 2018. The strategies and actions set out in the *Strategy* focus on purpose-built market and non-market rental housing. They include a series of actions designed to preserve and protect the existing rental housing stock, strengthen protection for tenants, encourage and enable new supply and respond to the needs of low income renter households.

Other City Plans

The Master Plan for Housing the Homeless and the Surrey Affordable Housing Strategy align with corporate priorities in other City policy documents:

Plan for the Social Well-being of Surrey Residents (Social Plan)

The Social Plan, adopted by Council in 2006, identifies “Housing and Homelessness” as a priority. The AHS responds to the Social Plan recommendation that the City encourage the development and preservation of affordable housing.

Sustainability Charter 2.0

Adopted by Council in 2016, the Sustainability Charter identifies desired outcomes for housing including ‘appropriate and affordable housing is available to meet the needs of all households in Surrey’.

Official Community Plan (OCP)

Adopted by Council in 2014, the OCP has policies regarding the provision of appropriate and affordable housing for households of all income levels, needs, and abilities. The

policies focus on supporting and advocating for non-market rental housing, and ensuring the adequate supply of affordable market rental housing by protecting the existing stock and encouraging new rentals.

B. POLICIES

Table 22 - City Policies Affecting Affordable Housing

Policy Area	Policy, Approval Date and Practice
<p>Rental Housing Replacement and Tenant Relocation</p>	<p>Policy O-61 (2018) <i>Rental Housing Redevelopment: Rental Replacement and Tenant Relocation</i></p> <p>When an existing rental building is proposed for redevelopment, the policy sets out the requirements for the replacement of the rental units as well as provision of assistance to tenants when redevelopment occurs. The requirements are in addition to provincially mandate requirements under the <i>Residential Tenancy Act</i>.</p> <p>The policy applies to all applications for redevelopment that involve the demolition of six or more purpose-built rental units within a multi-family residential building.</p> <p>The policy states that redevelopment of a purpose-built rental site requires replacement of the existing rental units within the new development, and outlines requirements related to the replacement units including:</p> <ul style="list-style-type: none"> • The minimum number of bedrooms; • Affordable rental rates; • Location; • Management and securing of replacement units. <p>The policy also includes requirements related to tenant assistance including:</p> <ul style="list-style-type: none"> • The provision of a current occupancy summary. • A Communications Plan that outlines how tenants will be provided with information on application process steps and opportunities for input. • Designation of a Tenant Relocation Coordinator. • A Tenant Relocation Plan that includes financial compensation, relocation assistance and the right of first refusal offered to tenants to rent a unit in the new development. • Requirements to report to the City showing evidence that the Communication Plan and Tenant Relocation Plan are being implemented.

Policy Area	Policy, Approval Date and Practice
Manufactured Home Park Resident Protections	<p>Policy O-34A (1995 and amended in 2015) <i>Manufactured Home Park Redevelopment and Strata Conversion Policy</i></p> <p>When a manufactured home parks is proposed for redevelopment, the policy provides residents with additional protections which supplement the provisions outlined in the <i>Condominium Act</i> and the <i>Residential Tenancy Act</i>.</p> <p>The policy includes the following requirements:</p> <ul style="list-style-type: none"> • A communications plan in order to provide tenants information on the application process steps, Council meetings and relocation options. • Provision to the City of a demographic summary of residents, along with an assessment of relocation preferences, potential and cost. • Development of an affordable housing program that may include a right of first refusal to purchase for existing tenants, payment of relocation expenses; compensatory payments to displaced tenants, a proportion of new units being reserved for affordable housing for existing tenants, and other affordable housing options.
Rental Stock Strata Conversion Restrictions	<p>Policy M-10 (1991) <i>Procedures for Processing Strata Title Applications</i></p> <p>The policy states that Council will not approve conversions from rental to strata title units, unless Surrey’s vacancy rate reaches or exceeds 4%, as determined by the Canada Mortgage and Housing Corporation (CMHC).</p>
Density Bonusing	<p>Policy O-54 (2007 and amended in 2008, 2009, 2012, 2013 & 2014) <i>Interim Bonus Density Policy</i></p> <p>The policy stipulates that land developers may build additional density (a “density bonus”) in City Centre and Guildford Town Centre in exchange for amenity contributions to the City. The policy requires that the benefiting developer provide a percentage of the lift in the market value of the land, achieved through the increased density, as value back to the City.</p> <p>The policy allows for the bonus density value to be achieved through amenities such as affordable housing; civic amenities including child care spaces, public meeting spaces, civic and cultural facilities, public art, open space, publicly accessible parks or gathering places, etc.; or a cash-in-lieu payment.</p> <p>The Interim Bonus Density Policy is currently under review. The bonus density policy was accompanied by the creation of a <i>Density Bonus Reserve Fund</i> in 2008.</p>

C. REGULATIONS

Table 23 - City Regulations Affecting Affordable Housing

Area	Regulation, Approval Date and Practice
<p>Surrey Homelessness and Housing Fund</p>	<p>Affordable Housing Special Reserve Fund Expenditure Authorization By-Law (2007) In 2007, Surrey City Council approved the creation of a new Surrey Homelessness and Housing Fund; \$9 million from the City’s Affordable Housing Reserve Fund was used to establish the Surrey Homelessness and Housing Fund. The Surrey Homelessness and Housing Society oversees the Fund, supporting Surrey-made solutions to homelessness and affordable housing issues in Surrey.</p>
<p>Standards of Maintenance</p>	<p>Surrey Rental Premises Standards of Maintenance Bylaw (2012) The Rental Premises Standards of Maintenance bylaw requires that owners of rental premises provide certain services and utilities (water, heat and light) to specific standards, and that provision of these services and utilities is mandatory. However, if a Tenant fails to pay service or utility rates or fees as required by the Tenancy Agreement, the service or utility can be discontinued, disconnected, shut-off or removed. Elevators are required to be maintained in a safe, clean condition and certified under the appropriate Act and Regulations. Provisions are set out for administration and enforcement, including applicable fines.</p>
<p>Secondary Suites</p>	<p>Secondary Suite By-Laws and information (2010) The Secondary Suite Zoning By-Law permits one secondary suite per single family home in Surrey, under certain conditions. Multiple suites are not permitted in Surrey. The Zoning Bylaw currently sets the following conditions for a secondary suite in a single family dwelling:</p> <ul style="list-style-type: none"> • The home must be owner-occupied; • Only one secondary suite is permitted per single family dwelling; • A secondary suite is prohibited in conjunction with a coach house; and • A home with secondary suite must provide on additional off-street parking space. <p>Secondary suite fees are based on the Secondary Suite Service Fee Bylaw, and include a Secondary Suite Service Fee as well as fees for Garbage, Recycling and Organics; Water, and Sewer.</p>

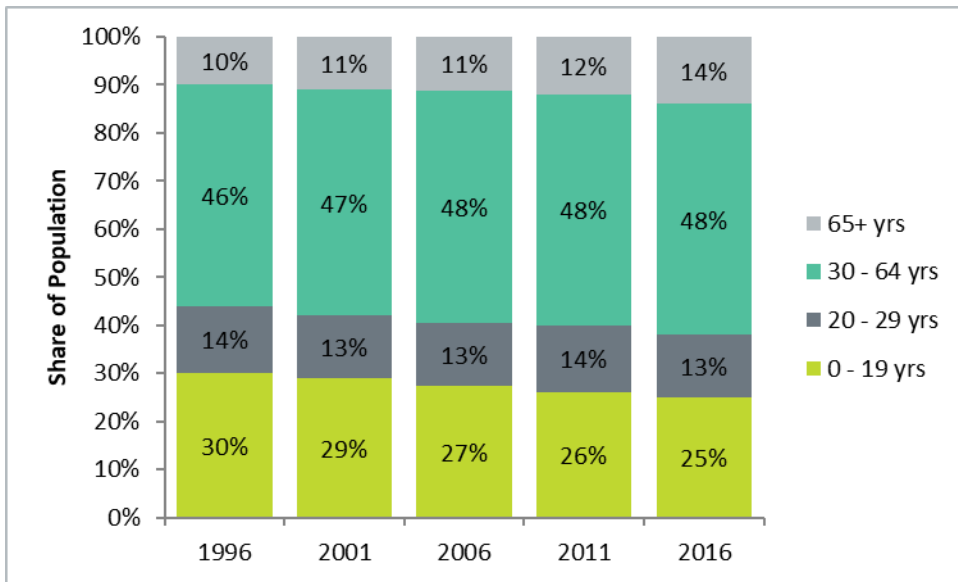
APPENDIX 1: SURREY'S POPULATION

Surrey's population is 517,885. Over the last five years, Surrey has experienced an average annual population growth rate of 2.12%. Among Metro Vancouver municipalities, Surrey had by far the largest increase in its total population during the period from 2011 to 2015, having increased by 49,636 people.

As Surrey's population continues to grow, an aging population, a continuing increase in the number of children and varying household sizes and types will impact future housing needs.

Population Structure by Age

Figure 24 - Share of Population by Age (1996 to 2016)

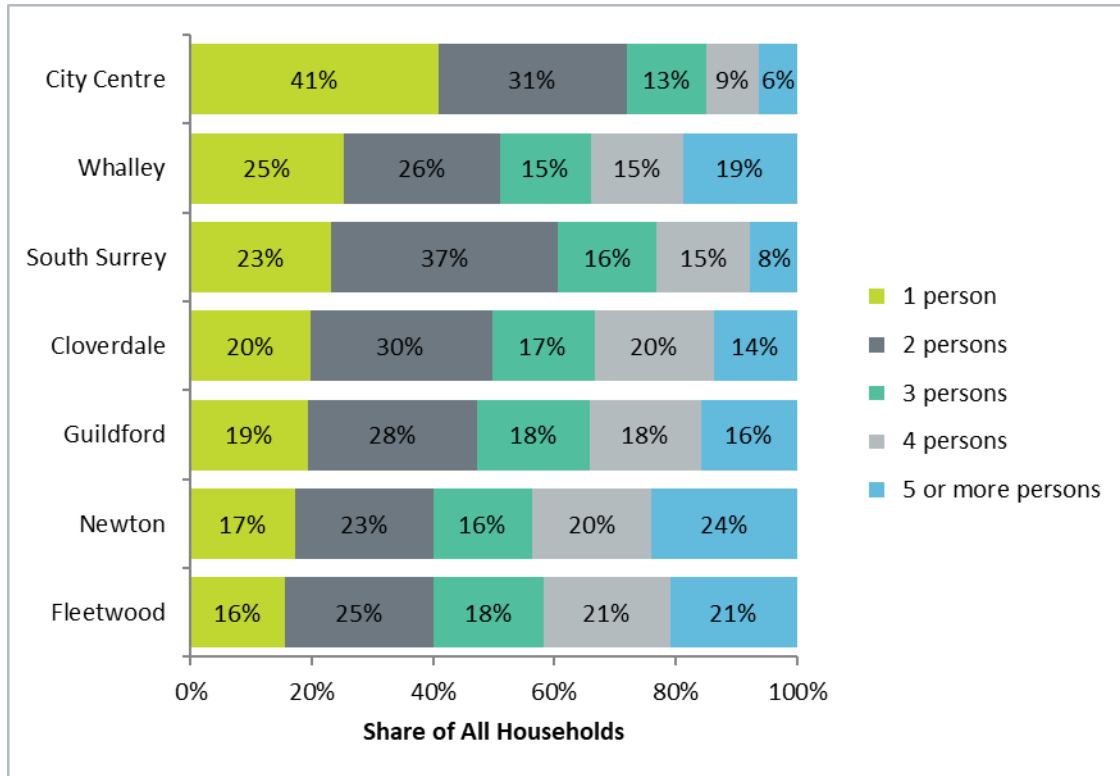


Source: Statistics Canada, 2016 Census

Between 1996 and 2016 there has been a gradual, but steady, increase in the proportion of Surrey's population over 30 years of age. The absolute number of children and young adults has grown as the population in general has grown. Residents 19 years and younger account for 25% of the population, while seniors 65 years and older make up 14% of the population.

Household Size Characteristics

Figure 25 - Household Size by Surrey Community (2016)



Source: Statistics Canada, 2016 Census

Surrey has an average household size of 3.0 persons per unit. In comparison, the average household size is 2.5 for Metro Vancouver (2016 Census).

Surrey's communities have varying patterns of household size. Newton has the greatest number and highest proportion of private households with five or more persons (approximately 10,520 or 24% of households).

Whalley has the greatest number and highest proportion of one-person households (approximately 8,595 households or 25%) in Surrey. More than half of all one-person households in Whalley are in the City Centre area. These 4,950 households are 41% of all City Centre households.

Vulnerable Populations

Particular populations have been identified as vulnerable in Surrey, including Indigenous peoples, children, and recent immigrants and refugees. Differences in these populations

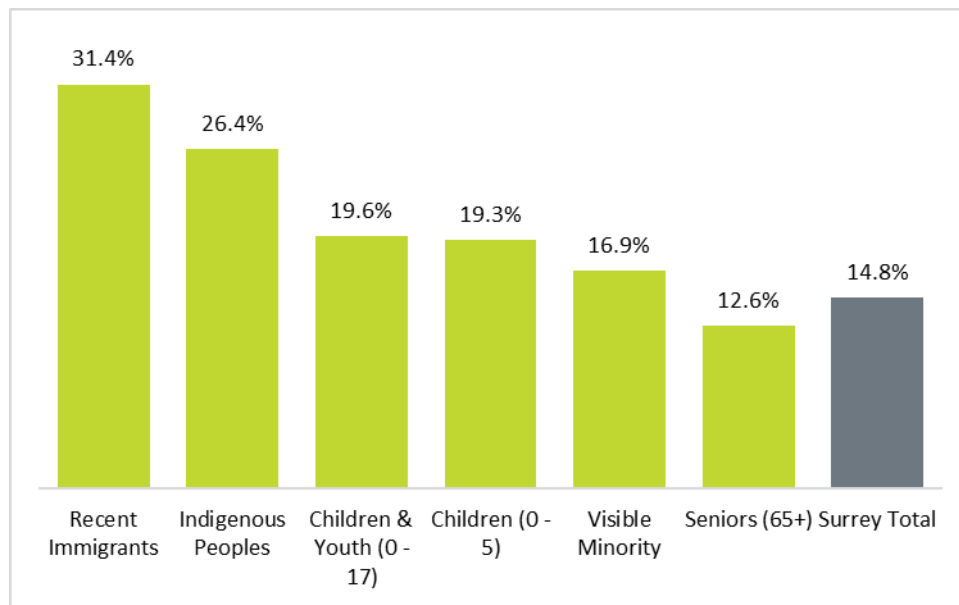
including household size and composition, median age and percentage of low income population will impact their particular housing needs.

Poverty

14.8% or 75,600 Surrey residents live in poverty. This is lower than the BC poverty rate of 15.5%, or the Metro Vancouver poverty rate of 18.9%.

However, a closer look at who is living in poverty in Surrey reveals some key differences. Looking at population groups - recent immigrants, Indigenous peoples and visible minorities have higher rates of poverty in Surrey. Poverty can also be seen concentrated in different age groups; in Surrey, children and youth have higher rates of poverty.

Figure 26 - Vulnerable Populations and Low Income Status³⁰ By Percentage (2016)



Source: Statistics Canada, 2016 Census

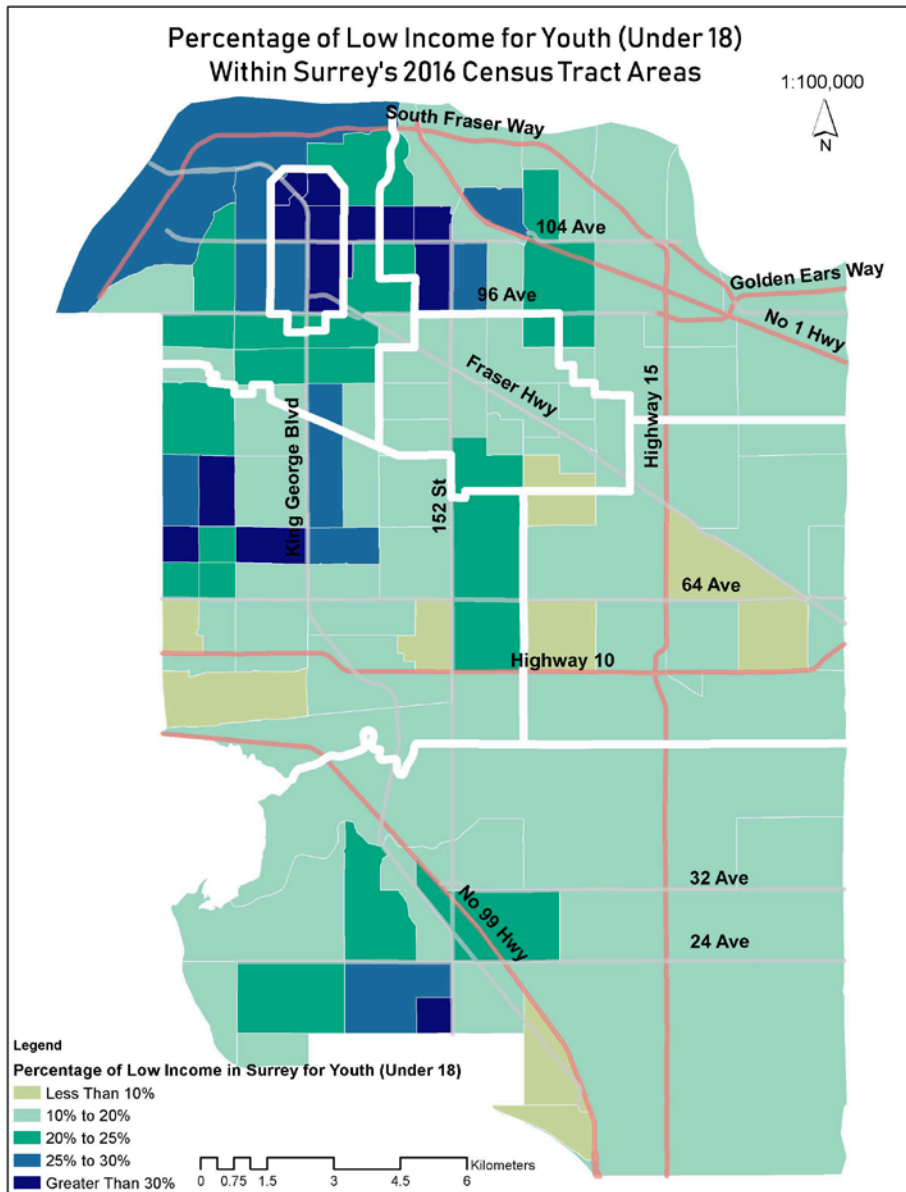
Children

The number of children is continuing to increase in Surrey. While the proportion of the population from birth to 19 years declined slightly between 2011 and 2016, the actual number of children increased from approximately 121,900 in 2011 to 126,900 in 2016. At 24%, Surrey has one of the highest proportions of children (0 – 19 years) among Metro Vancouver municipalities. The Metro Vancouver average is 20%.

Almost 22,000 children and youth (0 – 17 years) live in poverty in Surrey – more than in any other municipality in the region. This is also true for children five years and under; there are approximately 6,800 children five and under living in poverty in Surrey. As shown in Figure 25, below, children and youth living in poverty are clustered in specific areas in Surrey.

³⁰ Data is the rate in low income according to Statistics Canada’s Low Income Measure After Tax (LIM-AT)

Figure 27 – Number of Children and Youth 17 Years and Younger in Low Income (2016)

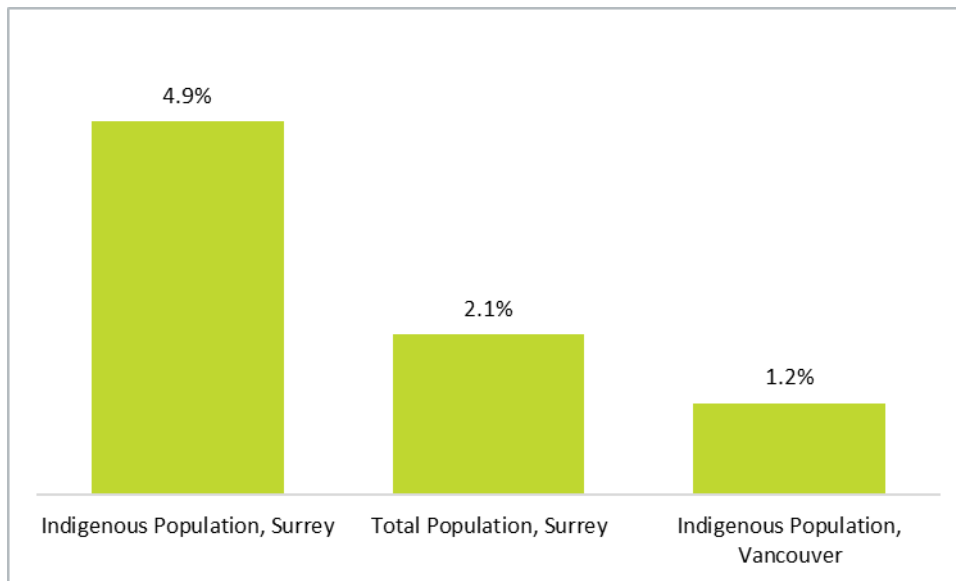


Source: Census 2016, Statistics Canada, based on the Low Income Measure After-Tax (LIM-AT).

Indigenous population

The Indigenous population in Surrey is growing at a faster rate than the rest of the Surrey population. The number of Indigenous individuals in Surrey more than doubled in size from 1996 - 2016, from 5,070 individuals in 1996 to 13,460 in 2016. From 2011 – 2016, Surrey’s Indigenous population had an average annual growth rate of 4.9%. This is much faster than the the City of Surrey’s average annual growth rate (2.1%) or that of the Indigenous population in the City of Vancouver (1.2%). Based on current growth rates, it is estimated that the current size of the Aboriginal population in Surrey has surpassed the Aboriginal population in Vancouver and will grow exponentially over the next 15 years.

Figure 28 – Average Annual Growth Rate (2011 - 2016)



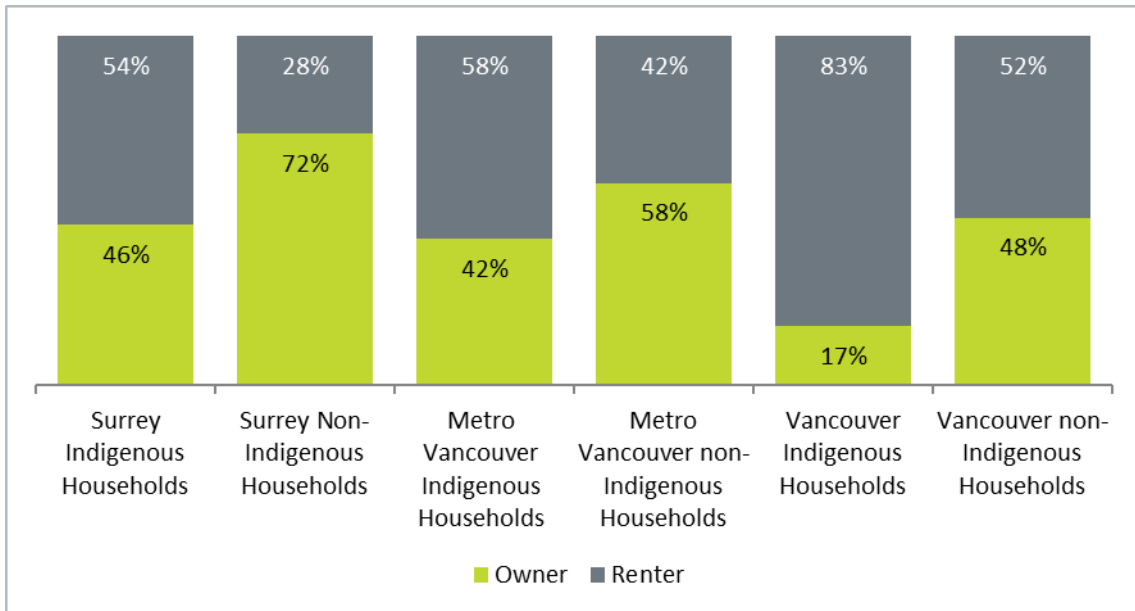
Source: Census 2016, Statistics Canada

As well, the Indigenous population in Surrey is significantly younger than the average population in Surrey. With a median age of 28.1 years, half of Indigenous people in Surrey are younger than 28 years of age compared to a median age of 38.4 for all Surrey residents.

Indigenous people are over-represented in the low income population in Surrey. 26.4% of Indigenous people in Surrey live in low income households, compared to 14.8% in all of Surrey. Indigenous children and youth have particularly high rates of poverty – 39% of Indigenous children (0 – 14 years) live in a low income.

However, Indigenous households have relatively high rates of home ownership in Surrey - 46% of Indigenous households in Surrey are homeowners, compared to 42% in Metro Vancouver and only 17% in the City of Vancouver.

Figure 29 - Home Ownership Rates, Indigenous and Non-Indigenous Households (2016)

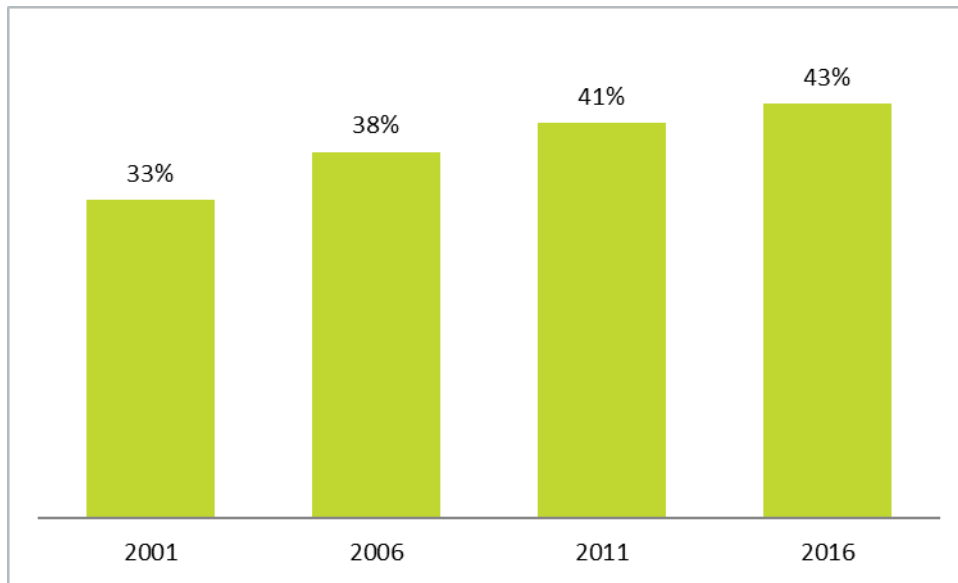


Source: Census 2016, Statistics Canada

Immigrants and Refugees

Immigrants represent a significant and increasing portion of Surrey’s population, up from 41% in 2011 to 43% in 2016. Surrey has also emerged as the primary destination for “Government-Assisted Refugees” (GARs) in BC. Over the past five years, Surrey has received an average of 381 GARs annually – almost 36% of the BC total.³¹

Figure 30 - Immigrants as Percentage of Surrey’s Population (2001 – 2011)



Source: Census 2016, Statistics Canada

A 2009 study for the City of Surrey³² found that about half the GARs arriving between 2004 and 2008 were children and youth under the age of 19 years. Household sizes were typically larger than Canadian average households. While relatively lower rents have made Surrey an attractive destination, the study indicated that the majority of GARs live in housing that is both unaffordable and overcrowded.

Of the GARs that were interviewed for the study:

- 3 were 4+ person households living in a 1-bedroom apartment;
- 8 were 6+ person households living in a 2-bedroom apartment; and
- 4 were 7 person households living in a 3-bedroom apartment.

³¹ Immigrant Services Society of BC, *Government Assisted Refugee Bulletin*, January 2015; and Surrey Local Immigration Partnership, *Refugees in Canada and B.C.*, March 2015.

³² Kathy Sherrell and Immigrant Services Society of BC, *At Home in Surrey: The Housing Experiences of Refugees in Surrey, B.C.*, April 2009.

surrey.ca/socialplanning