

SURREY HOUSING NEEDS REPORT

EXECUTIVE SUMMARY

SEPTEMBER 2021 (UPDATED MARCH 2022)

Prepared for
The City of Surrey

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urban
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Surrey is located on the traditional territories of the Semiahmoo, Katzie, Kwantlen, Kwikwetlem, Qayqayt, and Tsawwassen First Nations. We acknowledge the profound connection they have to the lands and waters in and around Surrey.

EXECUTIVE SUMMARY:

Surrey Housing Needs Report

Overview

Surrey, like Metro Vancouver, is facing significant pressures in its housing system. This Housing Needs Report was prepared to help the City of Surrey, residents, and local organizations better understand trends and needs across the housing continuum.

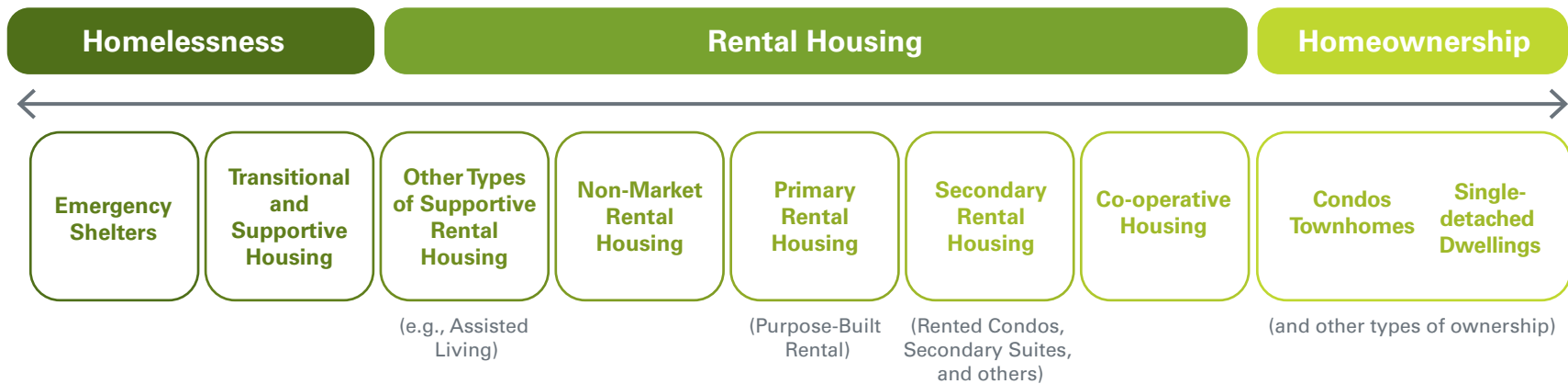
It will be used to inform future updates to the City’s Official Community Plan, as well as other planning and policy development processes.

The report uses a housing continuum made up of three major parts:

- Homelessness, including shelters, transitional and supportive housing
- Rental housing, including market, non-market, and supportive rental housing
- Homeownership, including fee simple and strata ownership

This Executive Summary provides highlights from the Housing Needs Report, including the number of housing units needed, key findings about Surrey’s demographic and housing trends, and housing needs of specific population groups.

SURREY’S HOUSING CONTINUUM





Housing Units Needed

The number of housing units needed by tenure was estimated based on underlying gaps as of 2020, as well as anticipated population growth over the next ten years. As of 2020, Surrey has an immediate need for 17,900 affordable rental housing units. In addition, over the next ten years, Surrey will need 18,600 new homeownership units and 22,600 new rental units.

Surrey’s population is growing rapidly, and a significant number of rental units and rental supports are needed to address the housing challenges facing renters in the community. These numbers highlight the ongoing and persistent housing gaps in Surrey and reflect the housing pressures facing the region. They do not account for loss of existing rental housing, which may be occurring through redevelopment.

The projections estimate that Surrey will continue growing faster than the regional average in coming years. For this reason, urgent action is needed to provide affordable, adequate, and appropriate housing for one of Metro Vancouver’s rapidly growing cities. Over the past 10 years, housing completions in Surrey have ranged from approximately 3,000 to 4,000 units per year. Maintaining this pace is important for keeping up with population growth. However, deeper affordability is needed along with supply.

PROJECTED NUMBER OF UNITS NEEDED, 2021 – 2031

	 Number of Units to Own	 Number of Units to Rent	TOTAL
Immediate Need 2020¹	-	17,900 (below-market units or subsidies in the private market)	17,900
2021 to 2026	9,100	10,700	19,800
2026 to 2031	9,500	11,900	21,400
TOTAL	18,600	22,600	41,200

Source: Metro Vancouver, 2021

1. Immediate Need is based on core housing need among renter households and estimated homelessness in Surrey. Not all households in core housing need require a new unit. Many of these households could be supported through rental subsidies.

RENTAL AFFORDABILITY

IMMEDIATE NEED 2020

To address the immediate need for affordable rental housing, approximately 2,900 deeply affordable units or subsidies are needed for people experiencing homelessness (Income Assistance or Disability Assistance shelter rates); and 15,000 below-market units or subsidies are needed for low and moderate income households currently paying rents that are unaffordable.

FUTURE NEED: 2021-2031

Based on the current income distribution of Surrey’s renter households, the rent levels required to address unaffordability in Surrey were estimated. The table below shows the additional rental units needed in 2021-2031 by the rental rates required for each income group.

For example, of the 10,700 rental units required in 2021-2026, 3,800 are needed for households with an annual income of less than \$35,000; an affordable rent for this income is under \$875 per month.

ADDITIONAL RENTAL UNITS BY AFFORDABILITY 2021 - 2031

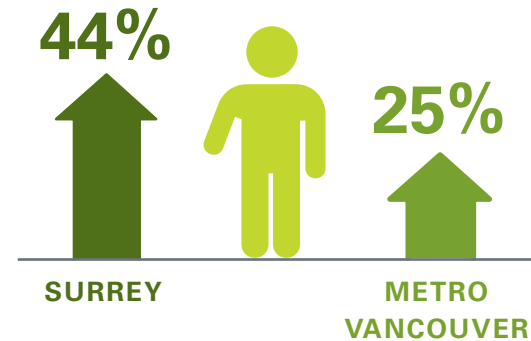
Affordability Levels (Annual Income Group)	NON-MARKET RENTAL HOUSING		NEAR MARKET RENTAL HOUSING	MARKET RENTAL HOUSING		TOTAL
	Under \$875 per month (Less than \$35,000)	\$875 to \$1,500 per month (\$35,000 to \$59,000)	\$1,500 to \$2,125 per month (\$60,000 to \$84,999)	\$2,125 to \$2,875 per month (\$85,000 to \$114,999)	\$2,875 and up (\$115,000 and over)	
2021 to 2026	3,800	2,700	1,900	1,200	1,100	10,700
2026 to 2031	4,200	3,000	2,100	1,300	1,200	11,800

Source: Metro Vancouver, 2021

Community Facts

Surrey is a fast-growing, diverse community with a relatively young population².

POPULATION GROWTH 2006 to 2021 CENSUS



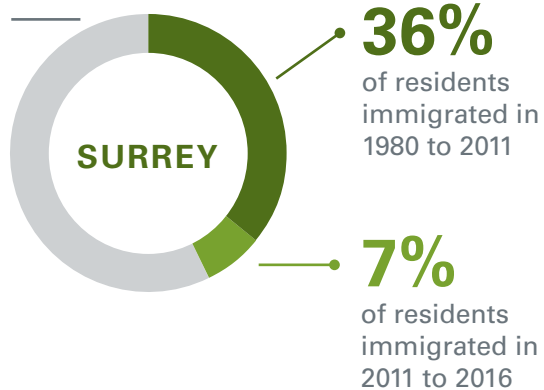
AVERAGE HOUSEHOLD SIZE



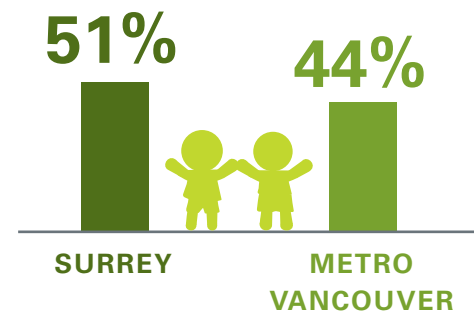
MEDIAN AGE



IMMIGRANTS



FAMILIES WITH CHILDREN



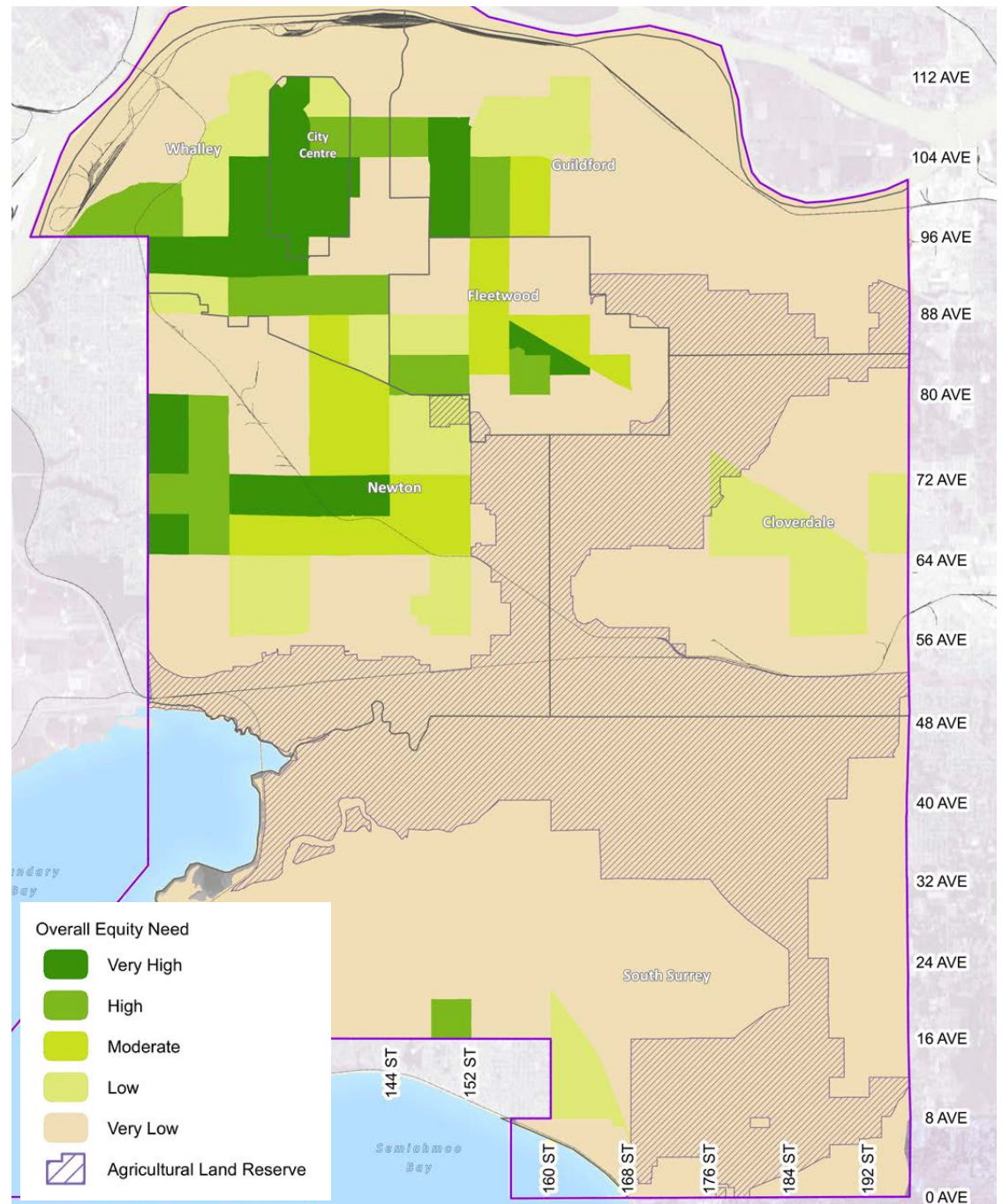
Surrey has the largest urban Indigenous population in BC

16,362



². All data on this page is from the 2016 census, except for population growth which is from the 2021 census. Complete 2021 census data will not be available until late 2022.

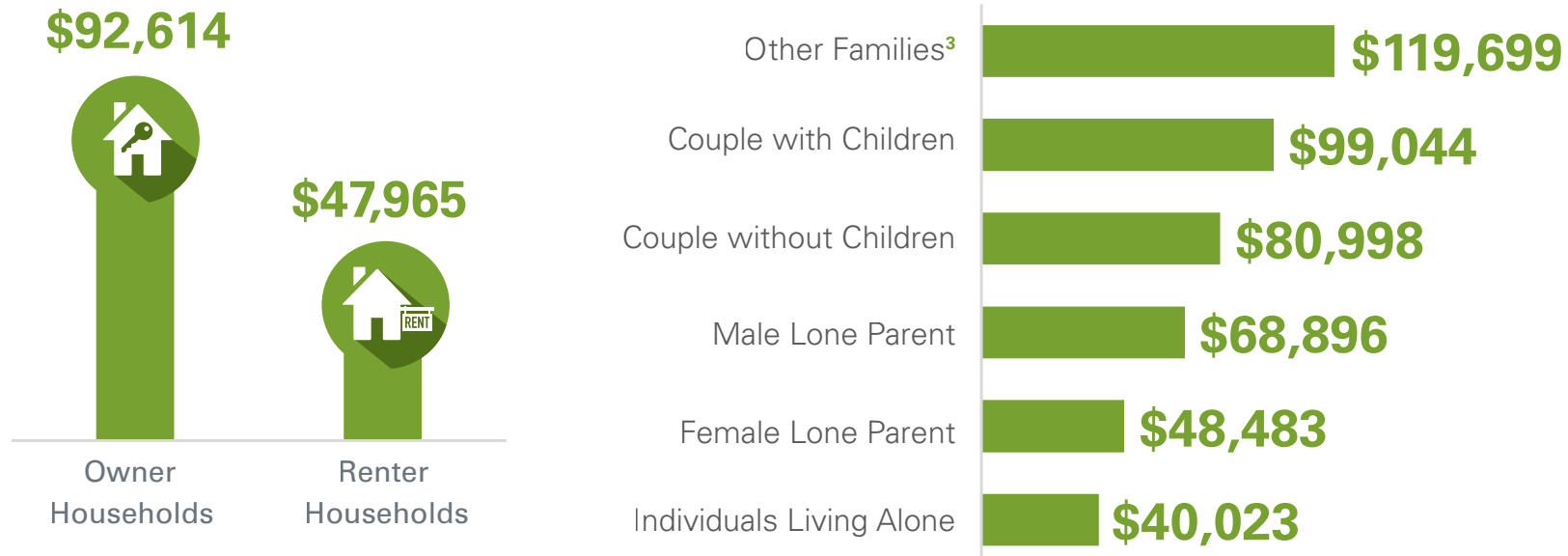
Surrey's Northwest communities show higher equity need, meaning there are more households that may face barriers and housing challenges. The map shows the results of an equity analysis that looked at areas with higher proportions of Indigenous households, families with children, seniors 65 and over, immigrants, and lower-income households.



Renters, lone-parent families, and individuals living alone typically have lower incomes and are more vulnerable to facing unaffordable housing costs.

Compared to owners, renters tend to have lower incomes. They are more likely to be impacted by the lack of rental housing supply and affordable rental options. Because of this, a healthy housing market will have rental options at a range of affordability levels so that renters with low incomes who need to move are not put at risk of homelessness or forced to leave the community.

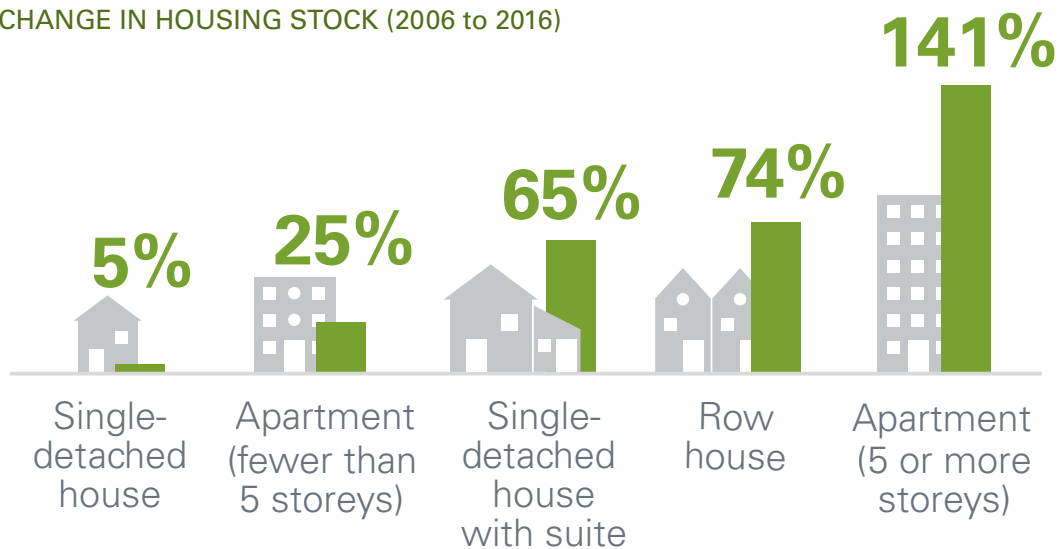
MEDIAN HOUSEHOLD INCOMES FOR OWNER AND RENTER HOUSEHOLDS AND BY HOUSEHOLDTYPE (2016)



³. Note: Other families includes multi-generational households.

Housing Stock and Tenure

CHANGE IN HOUSING STOCK (2006 to 2016)

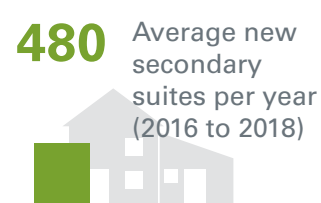


Surrey's housing stock is changing. There are more apartments, row houses, and homes with suites being developed than in previous years.

REGIONAL COMPARISON: NEW HOUSING SUPPLY



More secondary suites and row housing units are being built in Surrey than any other Metro Vancouver community

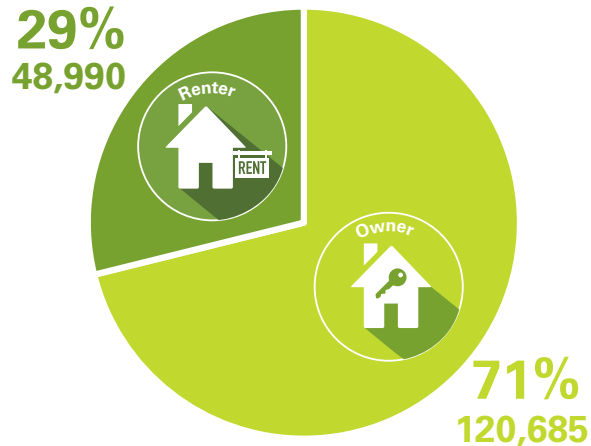


Renter households are growing faster than owner households.

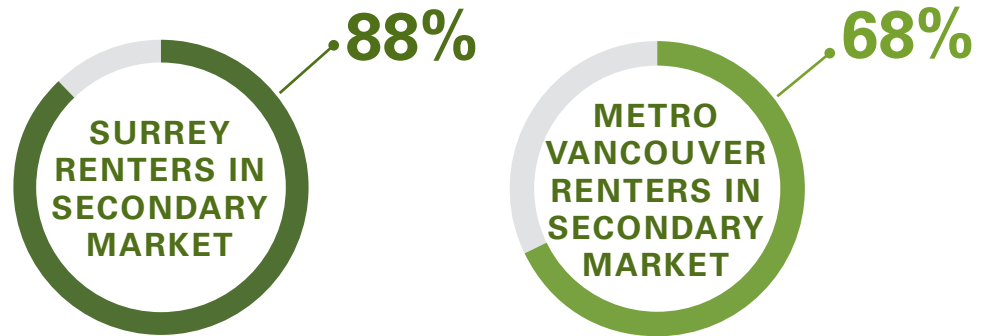


Renter households grew from 25% of all households in 2006 to 29% in 2016.

TENURE (2016)

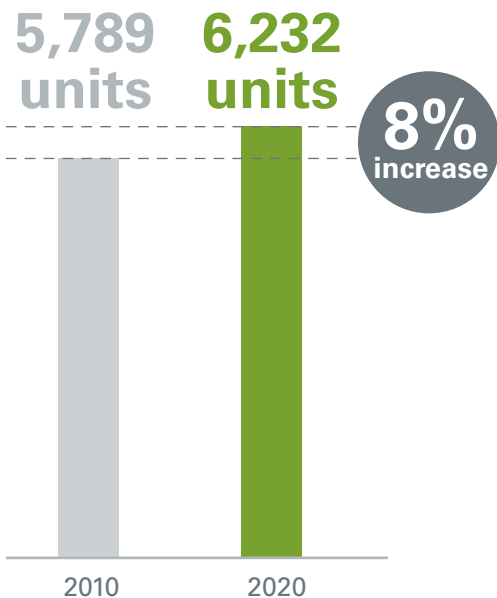


Most Surrey renters are in the secondary market, including secondary suites and rented condos.



While secondary market rental is an important source of housing, it can be less stable than purpose-built rental. For example, in a secondary suite or condo unit there is the potential that the owner will sell the unit or wish to move into it, in which case the renter may be evicted.

Surrey had limited growth in purpose-built rental between 1990 and 2020.



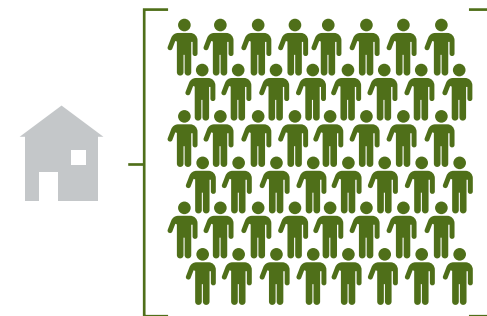
Recent increase in market rental development.

- **5,374 market rental units in 32 projects are in various stages of planning and development as of June 2021**, including 1,023 units under construction and 1,726 units with final approval from the City. Six of these projects are redeveloping older rental housing sites, replacing 564 existing units with 1,111 new rental units.
- **Redevelopment may be reducing overall affordability** in the private rental market as new rental is generally more expensive than older rental stock. While more rental is needed overall, consideration should be given for creating more affordable and non-market rental stock alongside market rental units.

Surrey has a smaller per capita non-market housing stock relative to the region.

SURREY

1 non-market unit per 48 residents



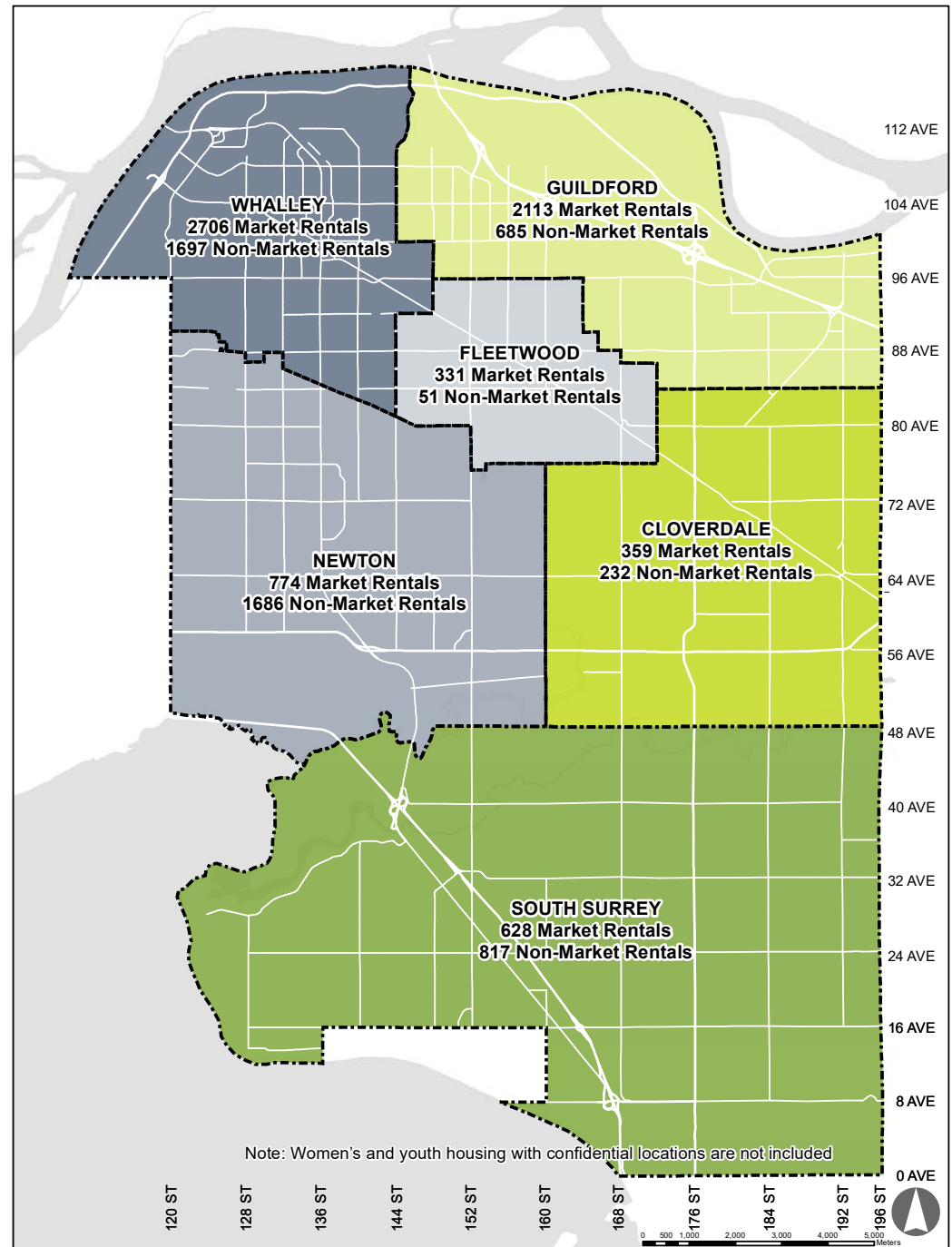
METRO VANCOUVER

1 non-market unit per 23 residents



Non-market housing is generally owned and operated by non-profit or government agencies. It offers affordable and appropriate housing options for those with low incomes and/or who require supports.

Whalley (including City Centre), Guildford, and Newton have the highest numbers of market and non-market rental housing.

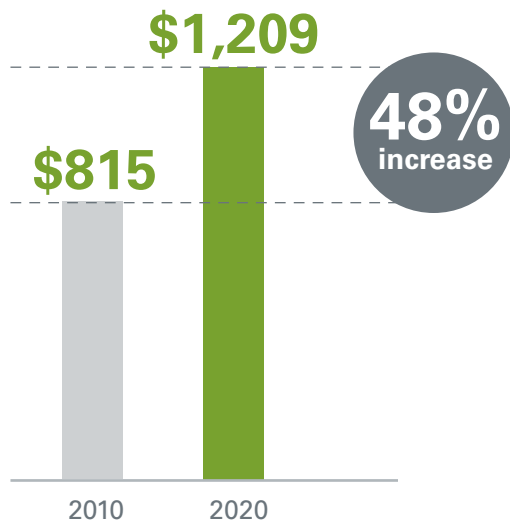


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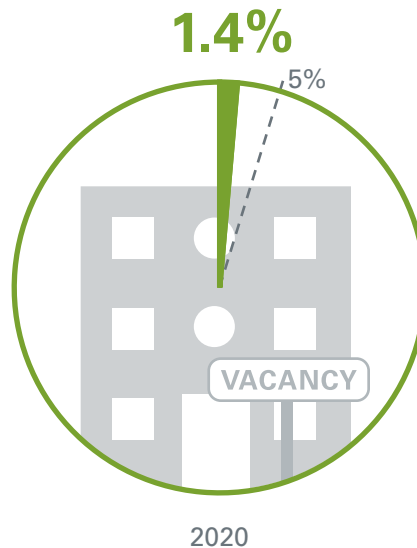
Rental Housing Needs and Issues

The cost of renting in Surrey is increasing, and the vacancy rate is very low.

RENTAL RATE IN THE PRIMARY RENTAL MARKET



PRIMARY RENTAL VACANCY RATE IN SURREY



A healthy vacancy rate is considered to be 3% to 5%.



Overcrowding is common among renters.

- **18%** of renter households live in unsuitable housing (not enough bedrooms for the size and composition of the household).
- **There are few affordable family friendly rental units** in Surrey with 2 and 3+ bedroom units.

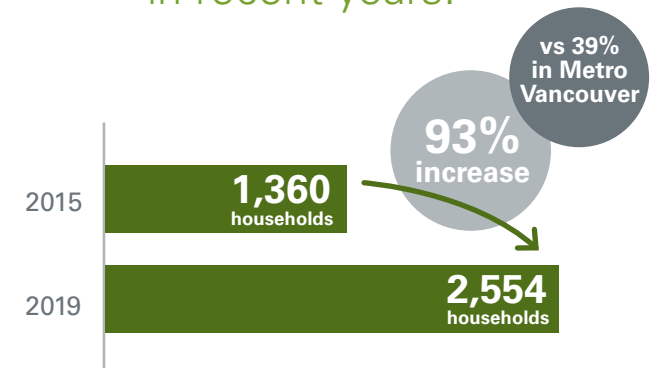


Individuals living alone and lone-parent families face greatest risk of housing vulnerability.

2020 PRIMARY RENTAL AFFORDABILITY ANALYSIS

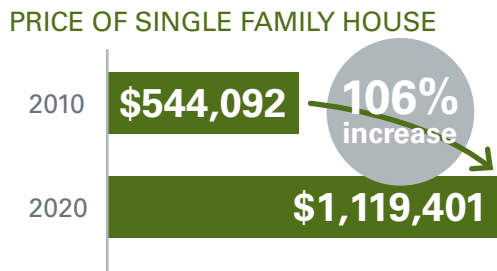
Household Type	Median Income of Renters in Surrey	What's Affordable	Actual Median Rent in Surrey
 Individual Living Alone	\$25,800	\$645 per month	Bachelor: \$908
 Lone-Parent Family	\$33,300	\$833 per month	Two-bedroom: \$1,250

Demand for non-market housing through BC Housing's Registry Waitlist has sky-rocketed in recent years.



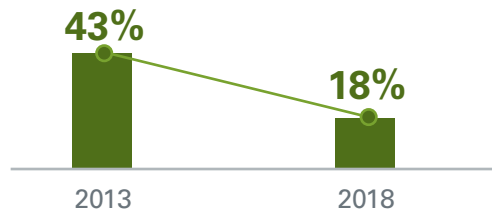
Homeownership Needs and Issues

Average home sales prices have risen dramatically.





Between 2013 and 2018, the proportion of home sales affordable to median-earning households declined.

SALE HOMES AFFORDABLE TO MEDIAN INCOME HOUSEHOLDS



Almost all median-earning households do not earn enough to be able to afford average home sale prices for an appropriate unit type.

2020 HOMEOWNERSHIP AFFORDABILITY ANALYSIS

Household Type	Median Income in Surrey	What's Affordable	Estimated Monthly Cost for Average Sales Price in Surrey
 Couple with Children	\$123,500	\$3,088 per month	Single family dwelling: \$5,130 per month Row housing: \$3,124 per month
 Individual Living Alone	\$49,900	\$1,248, per month	Apartment/Condo: \$2,082 per month

Homelessness

Homelessness has increased significantly in Surrey.

2020 POINT-IN-TIME HOMELESS COUNT⁴



74% increase since 2005

644
individuals sheltered and unsheltered

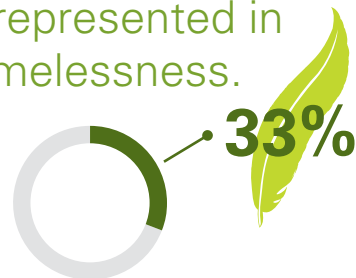
ESTIMATED HIDDEN HOMELESS (COUCH SURFING OR LIVING IN CARS)



2,254
individuals

4. The Metro Vancouver Point-in-Time Homeless Count takes place during a 24-hour period only and is generally considered to be an undercount due to data collection limitations.

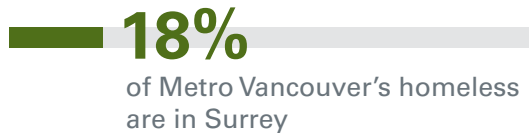
Indigenous people are over-represented in homelessness.



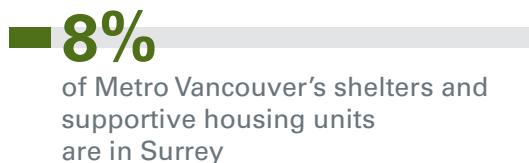
METRO VANCOUVER

Surrey is underserved when it comes to housing and supports.

HOMELESS IN SURREY



SHELTERS IN SURREY



TACKLING HOMELESSNESS

Everyone's circumstances and needs are different. A range of housing options are needed to create pathways out of homelessness, including deeply affordable independent rental (at shelter rates), supportive housing options, and below-market rental. One size does not fit all.

Providing homes for those experiencing homelessness will require increasing the supply of below-market and non-market rental housing that is affordable to those with very low incomes. At present, the high cost of renting in the community and limited availability of options means low-income renters, including those working part- or full-time, at risk of homelessness. For those with mental health or substance use challenges, supports in the community and within housing developments will be needed.

PROVINCIAL AND FEDERAL PARTNERSHIPS ON NON-MARKET HOUSING PROJECTS



In 2021, a total of **437** new supportive housing units and shelter spaces have opened or are under development in Surrey.

BC HOUSING – RAPID RESPONSE TO HOMELESSNESS MODULAR HOUSING PROJECTS

- Peterson Place (opened in January 2021): 38 supportive housing units for men and women, operated by Fraserside Community Services.
- The Nest (opened in July 2021): 40 supportive housing units, operated by the Phoenix Society.
- The Baird Blackstone Building (opened in September 2021): 61 supportive housing units for men and women, operated by the Lookout Society.

CMHC – RAPID HOUSING INITIATIVE MODULAR HOUSING PROJECTS

- 44-unit supportive housing project for women experiencing homelessness, owned and operated by Atira. The project will open in the summer of 2022.
- 30-unit supportive housing project for youth aged 17-24 years experiencing or at-risk of homelessness, owned and operated by Pacific Community Resources Society. This project will be completed in December 2022.

OTHER SUPPORTIVE HOUSING PROJECTS

Three additional housing projects will be opening in 2022.



FOXGLOVE

will open in March 2022 with 99 supportive studio apartments and 30 single shelter rooms. 23 of the supportive housing units will be “enhanced care” units for people with complex health issues and five shelter rooms will provide respite care. Fraser Health staff will be working on-site to provide health services to these residents. Raincity Housing will operate the project.

BC HOUSING

has purchased a former motel and this project will open in early 2022 with 26 supportive housing units.

THE ROSEWOOD

will open in June 2022. A project of the Elizabeth Fry Society, the Rosewood will accommodate women, children, and Indigenous youth. It includes 40 shelter beds for women and children, 42 affordable apartments for women and children, and 15 apartments for young Indigenous females that will be operated by the Fraser Region Aboriginal Friendship Centre Association.

SURREY HOMELESSNESS AND HOUSING SOCIETY

Established by the City of Surrey with a \$9 million contribution in 2007, the Surrey Homelessness and Housing Society has been an effective leader and partner in the community by raising, managing and distributing funds to support projects that build capacity and make a difference in the lives of people who are experiencing or at risk of homelessness in Surrey.

Since its inception, the Society has invested over \$7 million in more than 150 projects. Highlights of 2020-2021 grants include a contribution of \$600,000 to 30 projects for urgent COVID-19 response, \$290,000 granted to nine projects as part of the Society’s Annual Grants Program, and \$3.9 million granted to the City for lease and renovation costs associated with three capital projects. The Society’s 2020 Annual Report shows the closing market value of the Fund in December 2020 was \$9.6 million.

Indigenous Housing

Surrey needs at least 1,880 units of deeply affordable rental housing for Indigenous households.

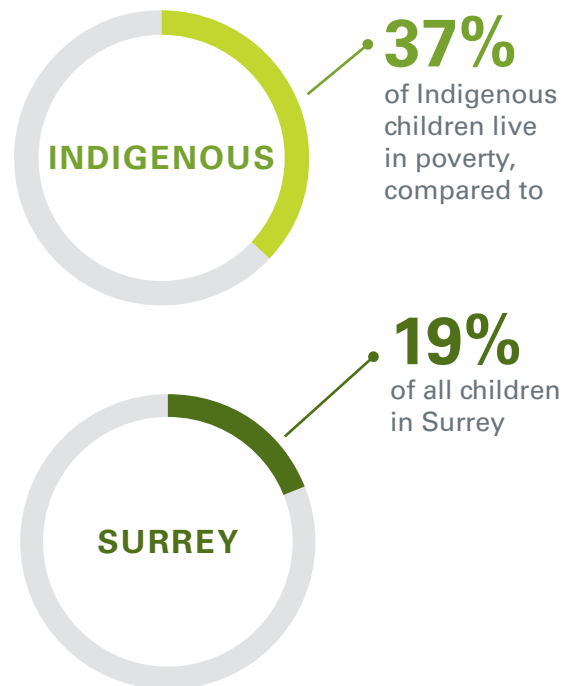
This is the number of renter households that the Surrey Urban Indigenous Leadership Committee (SUILC) estimates is in core housing need in 2021.

As a voice for the more than 16,000 urban Indigenous people living in Surrey, SUILC has a significant interest in seeing more Indigenous housing across Surrey's housing continuum.

For example, 37% of Indigenous children in Surrey live in poverty. The lack of deeply affordable and culturally relevant housing keeps Indigenous families in poverty. SUILC has made an urgent call to mobilize partners and resources to improve housing and address Indigenous child and youth poverty in Surrey.



Indigenous families in Surrey experience higher rates of poverty.

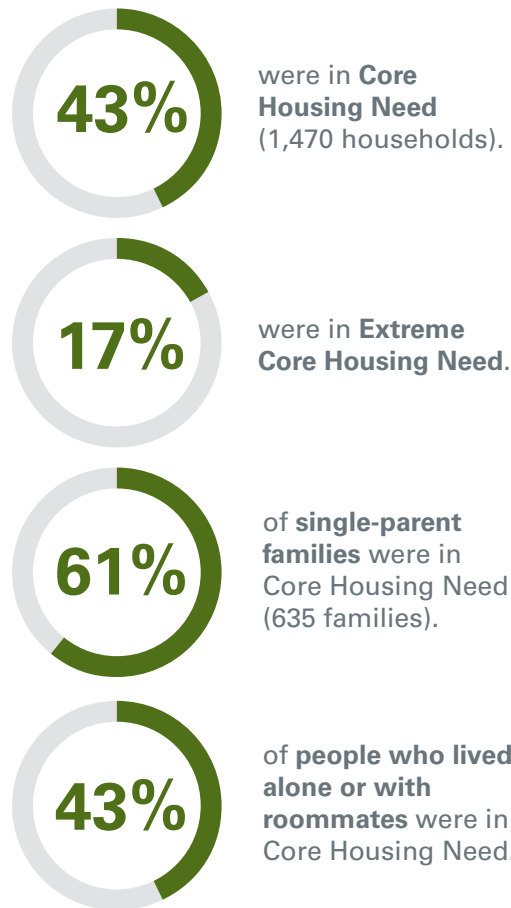


SUILC identified two housing priorities that would make the most meaningful impact on Indigenous child and youth poverty in Surrey:

- **Affordable rental housing for families, especially single-parent families, with cultural and childcare supports.**
- **Culturally appropriate housing opportunities for young people, Elders, single adults, and multi-generational families that are connected to culture and community.**

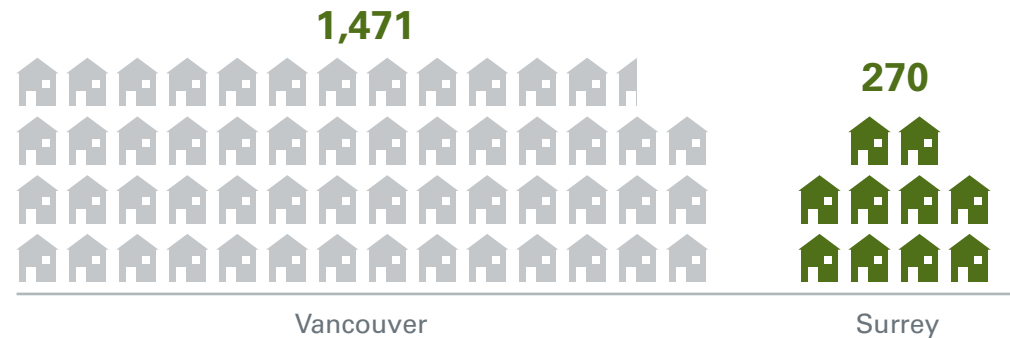
Both of these housing priorities need to be Indigenous designed and culturally appropriate to support the success of the individuals, families, and community.

Facts about Indigenous renter households (2016):



Surrey has the largest urban Indigenous population in BC but is underserved when it comes to Indigenous housing and support services.

INDIGENOUS NON-MARKET HOUSING UNITS (2020)



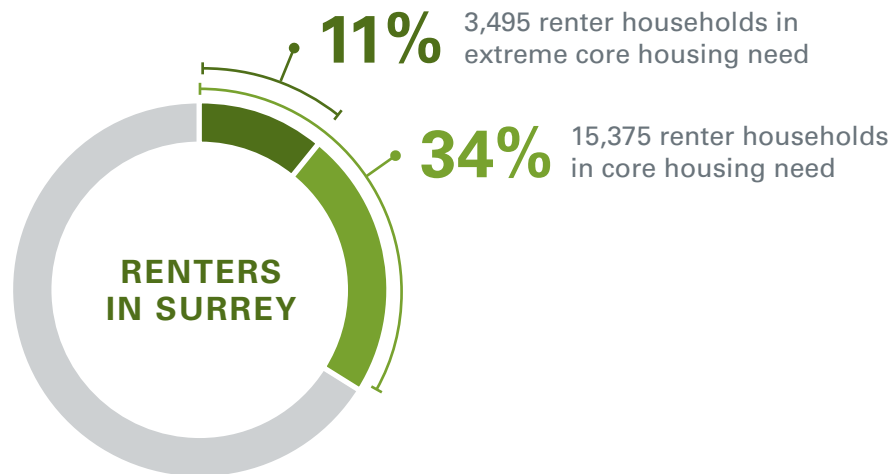
Note: Indigenous Housing need is based on SUILC's Skookum Housing Solutions Lab. See the full report: <https://surreyindigenousleadership.ca/downloads/skookum-lab-housing-report-20202.pdf>

Housing Needs Among Diverse Households

Renters in Core Housing Need:⁵

About one in six households in Surrey was in core housing need in 2016 (17%). Between 2006 and 2016, the number of households in core housing need increased from 15% to 17%, or an additional 8,525 households.

- **34%** of all renters are in core housing need
- **11%** of renters are in extreme core housing need and considered at risk of homelessness



5. CMHC defines core housing need as a household whose housing falls below at least one of the adequacy, affordability, or suitability standards and who would have to spend 30% or more of its before-tax income to afford the median rent of an alternative unit that is acceptable. Those in extreme core housing need meet the definition of core housing need and spend 50% or more of their income on housing. Households in extreme core need are sometimes considered at-risk of homelessness because of the high proportion of their incomes going to housing. These households would be heavily impacted by job loss or a major unexpected expense.

Percentage of renter households from key demographic groups in core housing need:

- **54%** of lone-parent families that rent
- **45%** of senior-led renter households
- **43%** of Indigenous renter households
- **40%** of renter households with at least one senior
- **40%** of one-person renter households
- **39%** of renter households with at least one person with an activity limitation⁶
- **38%** of recent immigrant renter households
- **38%** of renter households with at least one child

Source: CMHC (based on 2006, 2016 Census and 2011 National Household Survey)

6. CMHC defines activity limitation as “difficulties that people have in carrying out daily activities such as hearing, seeing, communicating, or walking. Difficulties could arise from physical or mental conditions or health problems.” This terminology corresponds to physical, intellectual, and mental health disabilities.



FAMILIES WITH CHILDREN

- The current stock of housing does not satisfy the needs of moderate and low income families who rent.
- Families with children are looking for 2+ bedroom options that are closer to schools, transit, and amenities. Housing projections estimate that 41% of new units should have three or more bedrooms.
- Lone-parent families, who are predominantly women-led households, are facing significant challenges. Incomes for these families are typically lower and they require larger family-sized units that are often more expensive. An extremely high proportion of lone-parent families who rent are in core housing need (54%).



SENIORS

- More options are needed to enable seniors to age in their own homes by improving accessibility and in-home care.
- Seniors identified the need for more housing types that enable downsizing during retirement.
- Seniors on fixed incomes are at risk of significant housing vulnerability if they are forced to move out of rental that they have been living in long-term due to the high cost of vacant units and/or newer rental.
- There are increasing numbers of seniors who are homeless. 22% of survey respondents to the Homeless Count were 55 and over.



PEOPLE WITH INTELLECTUAL OR PHYSICAL DISABILITIES

- There is a lack of suitable housing, including adaptable and accessible units, for persons with physical disabilities.
- For people with intellectual disabilities, housing options that are integrated within supportive communities are needed.
- People with disabilities report barriers related to limited incomes (such as receiving Persons With Disabilities assistance) and discrimination when searching for housing.



REFUGEES AND RECENT IMMIGRANTS

- Some newcomers, especially racialized newcomers, are at higher risk of facing discrimination in their search for housing. They may also face the additional language barrier, making it difficult to find homes.
- More supports are needed to provide education about the process of finding homes in Surrey and finding employment opportunities.
- 38% of recent immigrant renter households were in core housing need as of 2016.



YOUNG ADULTS AND STUDENTS

- Surrey has a young population yet young adults face a lack of affordable rental and homeownership options in Surrey. Stakeholders report that to find housing, students and young adults are accepting worse conditions. Poorly maintained and overcrowded units are being rented or occupied by students and young people.
- While the majority of postsecondary students living in Surrey live with their parents, those that do not live with their families and rent in the private market face a high cost and may find it difficult to make payments while also paying for tuition and rely on student loans.
- There is a lack of data regarding student housing needs which makes it difficult to fully understand their needs specific to Surrey.



WOMEN FLEEING VIOLENCE

- Stakeholders report that there are not enough housing and wraparound services to support women and their children facing violence or at risk of homelessness. Second-stage transition housing and longer-term affordable housing are needed to enable these families to thrive and not return to an abusive partner.
- There are insufficient housing options and resources for women and girls in the sex trade and for women leaving substance use treatment programs.



HOUSING AND TRANSIT

- Stakeholders noted that land speculation in anticipation of the SkyTrain may drive up land costs, and that while there are currently few rental buildings along with corridor, rising property values may incentivize redevelopment, displacing the lower-income renters who do live there.
- Additionally, many neighbourhoods along the corridor are low density and may face resistance to increased development, despite the need to focus appropriate development in this area in order to best accommodate transit-oriented growth.

City Actions on Rental Housing

Action on housing is required at all levels of government. The information below highlights actions taken by the City of Surrey to facilitate the provision of rental housing and to support renters.

SURREY AFFORDABLE HOUSING STRATEGY: A FOCUS ON RENTAL HOUSING

In 2018, the City adopted the Surrey Affordable Housing Strategy: A Focus on Rental Housing (the “Strategy”). The Strategy includes four strategies and a series of recommendations related to market and non-market rental housing.

- 1.0 Prevent the Loss of Purpose-Built Rental Housing.**
 - 1.1 Adopt a one-for-one rental replacement policy.
- 2.0 Strengthen Protection for Tenants.**
 - 2.1 Develop a tenant protection and relocation policy for tenants at risk of losing their housing through redevelopment.
 - 2.2 Monitor, and if needed advocate for, changes to provincial legislation to strengthen tenant protection.
- 3.0 Encourage the Development of New Purpose-Built Rental Housing.**
 - 3.1 Fast-track the development approvals process for new rental housing.
 - 3.2 Reduce parking requirements in rental housing projects.
 - 3.3 Encourage the development of rental housing in locations close to Frequent Transit Networks.
 - 3.4 Encourage the development of new rental housing through partnerships.
 - 3.4.1 Support Surrey-based projects to access funding opportunities.
 - 3.4.2 Continue to work with BC Housing, CMHC and others.
 - 3.5 Foster relationships with companies that specialize in the development of rental housing.
- 3.6 Advocate for changes to federal tax policy to stimulate new rental housing construction and encourage reinvestment in the existing rental housing stock.**
- 4.0 Increase the Supply of Housing Affordable to Renter Households with Low to Moderate Incomes.**
 - 4.1 Continue to implement the Master Plan for Housing the Homeless in Surrey.
 - 4.2 Continue to work in partnership with BC Housing, CMHC, and non-profit housing providers.
 - 4.3 Re-introduce the requirement that all new rezonings for residential developments contribute \$1,000 per unit to support new affordable housing.

RENTAL HOUSING REDEVELOPMENT: RENTAL REPLACEMENT AND TENANT RELOCATION ASSISTANCE POLICY

In 2018, the City adopted a new Rental Housing Redevelopment – Policy O-61 (the “Policy”). Key elements of the Policy include the following:

One-for-One Rental Replacement:

The Policy requires a minimum of one-for one rental replacement of purpose-built rental units that are lost when a multi-unit rental housing site is redeveloped. The replacement rental units should be provided on the same property; have, at a minimum, the same number of bedrooms; and be rented to low and moderate income households at affordable rental rates.

Tenant Protection:

The Policy strengthens the protection for tenants impacted by the redevelopment of rental sites, beyond the protections provided by the Province through the Residential Tenancy Act. Developers must meet the following requirements:

- Prepare and implement a communications plan
- Prepare and implement a tenant relocation plan
- Designate a tenant relocation coordinator
- Assist the tenants by identifying a minimum of three options of comparable rental units
- Provide tenants with the equivalent of at least three months’ rent
- Provide tenants with the right of first refusal to rent a unit in the new development at an affordable rent
- Provide the City with regular status updates throughout the planning process

AFFORDABLE HOUSING FEE

In 2018, the City introduced a new Affordable Housing Fee. It requires new housing developments requiring a rezoning to provide a \$1,000 per unit contribution to the Affordable Housing Reserve Fund.

Since April 2018, a total of \$2.06 million in fees have been collected. These funds will be used to purchase land or otherwise support new affordable rental housing projects in the future.

NEW NON-MARKET RENTAL HOUSING PROJECTS

- The City is partnering with the Community Land Trust Foundation and Society on the development of a new 69-unit affordable housing project in City Centre.
- Kekinow Native Housing Society has two projects in development:
 - Kekinow is redeveloping their Sohkeyah site, replacing 33 townhouses with apartment units. Phase 1 (72 units) is complete. Phase 2 (104 units) is under development.
 - The Kechi-o-wekowin will redevelop a 38-unit townhouse site owned by the non-profit into 175 units.
- Metro Vancouver is in the first phase of their Kingston Gardens project in Guildford, redeveloping a 24-unit townhouse site owned by the Corporation into 85 units.
- The Legion Veteran's Village in City Centre will include 91 new affordable housing units managed by the Vancouver Resource Society.
- Options Community Services is building 100 rental housing units in a new project in Newton.

LINKS

- All reports are available online. This includes the Housing Needs Report, the Executive Summary, and the What We Heard Report <https://www.surrey.ca/about-surrey/social-planning/housing-homelessness/housing-needs-report>
- Housing 2020: Understanding the Housing Experiences of Indigenous Households in Surrey <https://surreyindigenousleadership.ca/downloads/skookum-lab-housing-report-20202.pdf>
- SUILC Housing Call to Action <https://surreyindigenousleadership.ca/news/a-call-to-action-surrey-needs-more-indigenous-housing>

