



— WHERE'S THE —
HOUSING?
student housing houses everyone

**ONE THIN STRIP OF RED TAPE IS THE ONLY THING
STOPPING UNIVERSITIES FROM BEING ABLE TO
SOLVE THE STUDENT HOUSING CRISIS**

FOREWORD

For students, the benefits of on-campus housing are obvious. We understand the value of being close to our studies, in the heart of academic life. We see that residence students form the backbone of campus clubs and campus life. We know the financial benefit, and housing security, that on-campus housing provides, away from the worries of rising rents and questionable housing quality. We know all of that, and that is why the Alliance of British Columbia Students have long advocated for more on-campus housing.

What we now realize are the benefits to everyone that on-campus housing can provide. We know that as students, we often occupy the low end of the rental spectrum; what we might not realize is who we may be squeezing out of the market altogether.

Getting students on campus and out of the rental market helps everyone, including the single parent struggling to find housing, the minimum wage worker who can't find rental they can afford, and those who are currently in housing, but spending more than 50% of their income on rent.

Our proposal could go a long way to helping BC's rental market come back to a normal level, and at very little cost to the government. It's time to help students, improve the quality of education, and help alleviate the housing crisis that is hurting everyone.



Alex McGowan
Chair

ALLIANCE OF BRITISH COLUMBIA STUDENTS

ACKNOWLEDGEMENTS

LEAD RESEARCHER:

Patrick Meehan

LAYOUT AND DESIGN:

Megan Finnerty

CHAIR:

Alex McGowan

DIRECTOR OF CAMPAIGNS:

Kimberly Rutledge

DIRECTOR OF FINANCE AND ADMINISTRATION:

Marissa LeSire

BOARD OF DIRECTORS:

Blake Edwards, UBC Student Union of the Okanagan

Natasha Lopes, Kwantlen Student Association

Michelle Gervais, Capilano Students' Union

Nicholas McGregor, UBC Graduate Student Society

Harsimran Malhi, Langara Students' Union



EXECUTIVE SUMMARY

All of the major metropolitan areas in British Columbia are facing housing crises. Vacancy rates have stayed well below what could be considered a healthy rate for several years and renters are constantly struggling. Over the past ten years, very few new residence spaces have opened in British Columbia, while the number of full time students grew and international students nearly doubled. The result has been ever growing wait lists at the Universities with residence, while the Special Purpose Teaching Universities, so named when they were elevated to University status in 2008, mostly continue to have no, or very little, residence space.

With no new residence housing, the increasing numbers of students are left to struggle in an increasingly difficult rental market. Municipalities are grappling with the difficulties of encouraging the development of new rental units, just to keep up with demand let alone improve the situation.

When Universities take on debt to build student housing, that debt is fully serviced by the students that live in the residence. The risk on that debt is essentially nil, as student demand for on campus housing is considerable. BC Universities have fallen far behind their Alberta counterparts in on campus residence spaces.

The only thing holding back the post-secondary institutions in British Columbia from building out extensive on campus housing development is a provincial restriction on public entity debt. Without that restriction, post-secondary institutions would be building housing and pulling post-secondary students out of the rental market and onto campus, opening up those rental spaces to the rest of the population.

Based on research compiled by the Alliance of British Columbia Students in this document, it is reasonable to believe that should the government relax the restriction on debt for university residences, the business case exists for that to unlock over 20,000 new residence spaces in British Columbia. Within those 20,000 would be 13,500 new residence units in Metro Vancouver alone.

Due to the crisis level that the housing market has reached, in order to accelerate the development of on-campus housing, the provincial government could fund the initial costs of development, covering 10% of the costs of new housing.

FOR \$18 MILLION A YEAR, OVER TEN YEARS,
THE BC GOVERNMENT COULD UNLOCK
\$1.8 BILLION IN HOUSING

21,300 NEW RESIDENCE SPACES IN BC

13,500 IN THE LOWER MAINLAND

4,200 IN GREATER VICTORIA

2,500 IN KELOWNA

450 IN THE FRASER VALLEY

RECOMMENDATIONS:

The Alliance of BC Students is recommending that the provincial government enable post-secondary institutions to take on debt to build student housing.

The ABCS further recommends that the BC Government fund 10% of the costs of student housing in order to accelerate the process to help alleviate the housing market crunch



BRITISH COLUMBIA'S HOUSING PROBLEM

What could once be described as a 'Metro Vancouver problem' is now a major issue in most of the Province's metropolitan areas. Figure 1 shows that over the past four years, vacancy rates have plummeted in BC's cities. Compounded with that, prices have been rising steadily. Many factors contribute to the rental shortfall, including a failure to incentivize the building of supply over a prolonged period, and recent moves have begun to improve the rental stock, but the trends are not promising a return to a healthy vacancy rate.

With historic lows in vacancy rates and growing demand for existing rental, it is unlikely that the growth in rental in the region will be able to keep up with demand, let alone return to a healthy vacancy rate of 2-3%, generally agreed to be the rate of a healthy market.¹

Additionally, growth in rental stock is uneven across metropolitan areas. In Metro Vancouver, nearly half of all rental growth is clustered in the City of Vancouver, primarily benefiting the rental market for students of Langara, VCC and UBC. Meanwhile students at Kwantlen, in Richmond, Surrey, White Rock, Delta, Langley Township and Langley City are seeing only a quarter of the purpose built rental completions over the past five years, amounting to an average of 900 new rental units per year for a region that is adding over 13,000 people per year.²

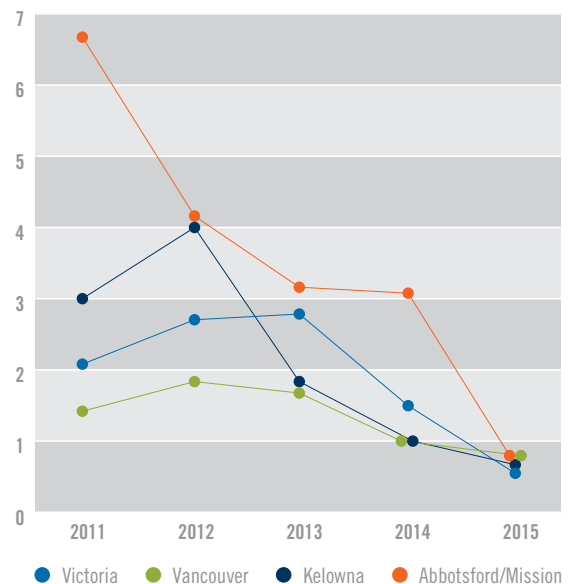
What rental stock does exist is seeing rapid reductions in the stock of affordable rental. In 2007, there were 33,831 apartments in Metro Vancouver renting for less than \$750 per month; as of 2011, the most recent year where data is available, that supply had dwindled to 21,143. Of the stock of renter-occupied households, 72% were built prior to 1991, leaving the region with a high percentage of housing for renters that is in varying degrees of end of life.³

In Metro Vancouver, over 30% of renters are inadequately housed⁴ due to the condition of the unit, size or cost. In terms of costs, 34,065 rental households are classified as in core housing need and spending at least half of their household income on rent. Whether these are students or not is immaterial if students are part of what is creating a scarcity of rental units on the market, allowing prices to accelerate. Of these 34,065 households considered to be at economic risk of homelessness, one third are single parent families, likely competing against students for scarce rental space; removing students from that market will decrease the risk of homelessness among those in core housing need.

For university students, the housing situation is bleak. The number of rental units most students can afford is dwindling rapidly, resulting in a scramble for an insufficient amount of housing. Those students not fortunate enough to find lower cost housing experience stretched budgets, substantially lower quality housing and longer distance commutes. For many students, living with parents is simply not an option, and they must contend with a housing market that is starkly difficult for them.

VACANCY RATES (%)

FIGURE 1



¹ Metro Vancouver. "Housing Data Book." March 2016. pg. 46

² Metro Vancouver. pg. 32

³ Metro Vancouver. pg. 90

⁴ Metro Vancouver. pg. 53



PSI'S WITH RESIDENCE HOUSING

There are eight post-secondary institutions with residence housing in British Columbia, noted in figure 2. These range from 2% of the full time equivalent (FTE) students enrolled being housed on campus at BCIT, to UBC, where fully 28% of their FTE's are living on campus, in University managed student housing.

UBC and SFU have completed extensive reports on housing demand, each outlining an expected demand well above what they currently house. SFU has struggled to finance residence housing expansion, having already identified locations and building sizes.⁵ UBC, with its much larger endowment and significantly greater financial levers, have been able to continuously finance housing expansion and now has set a target of 45% of its full time students living on campus.

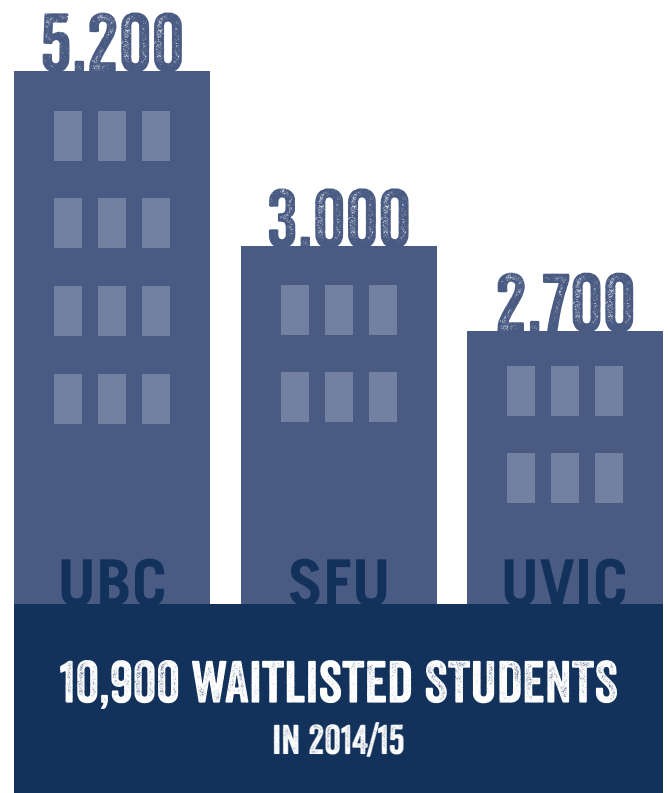
Outside of UBC, post-secondary housing units have been stagnant for the past decade. After housing expansion at TRU and UFV in the mid 2000's, very little housing has been added, while in that same time, the FTE counts have been rising steadily. Much like with the lack of new rental resulting in difficulties for students finding housing, a lack of new residences while enrolment rises has resulted in substantially longer waitlists for housing each year.

Even those Universities with significant housing face major housing shortages. For the 2014/15 academic year, nearly 11,000 students were on residence waitlists between UBC, SFU and UVic. These waitlists demonstrate clear unmet demand for housing in British Columbia.

PSIs WITH RESIDENT HOUSING

FIGURE 2

PSI	RESIDENCE SPACE	2007/08 FTE	2013/14 FTE
British Columbia Institute of Technology	333	11,439	13,335
Simon Fraser University	1,764	20,505	22,701
University of British Columbia - Vancouver	12,400	40,905	44,610
University of the Fraser Valley	204	5,738	6,755
University of Victoria	2,481	15,572	16,649
Thompson Rivers University	570	6,461	8,474
Okanagan College	142	4,288	5,070
UBC Okanagan	1,951	3,492	6,579



⁵ SFU. "Residence and Housing Master Plan." 2015. pg. 75

GROWING ROLE OF REGIONAL TEACHING UNIVERSITIES AND BENEFITS OF ON-CAMPUS HOUSING

In 2008, the provincial government elevated the University College system to University status, defined as Special Purpose Teaching Universities. This brought British Columbia from three universities to eight, as Vancouver Island University, Kwantlen Polytechnic University, University of the Fraser Valley, Emily Carr University and Capilano University were all elevated, bringing about an expansion in role, number of students and length of study period as each institution expanded its number of four-year degree programs.

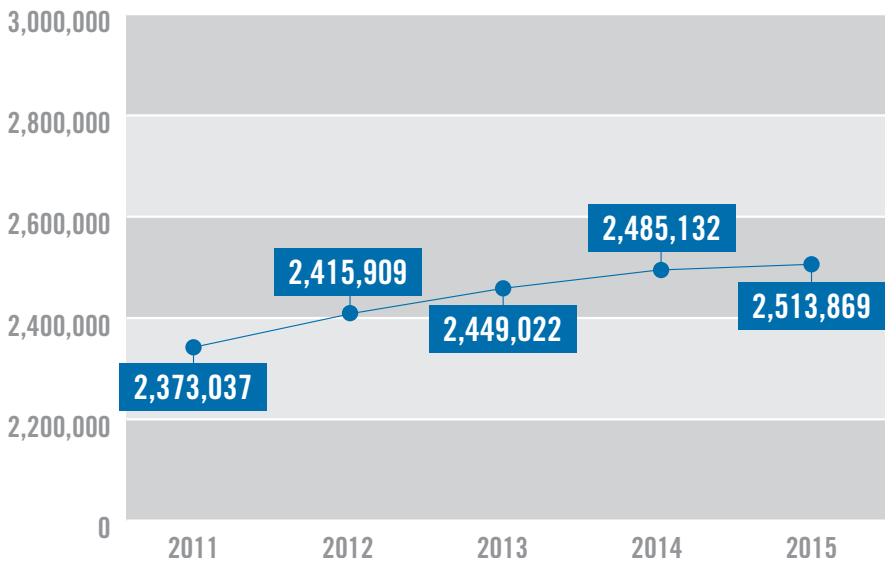
With an expanded role, number of students and term of study, the regional teaching universities are now lacking elements of campus culture that are brought about by on-campus housing.

On-campus housing provides a greater benefit to the University atmosphere than simply a more affordable place to live, close to campus. By concentrating students on campus for longer hours, campus community naturally develops. From that community, clubs and events emerge that contribute to the learning environment, including Model United Nations, debate clubs and intra-mural sports.

The question for the provincial government must be, what is the intent of the regional teaching universities? If it is to ensure that communities have access to university quality education, as is the stated intent, then why do these universities not have the on campus benefits and affordability benefits that on-campus residence entails?

POPULATION ESTIMATES — GREATER VANCOUVER (2011 – 2015)

FIGURE 3



YEAR	POPULATION CHANGES
2011-2012	+1.8%
2012-2013	+1.4%
2013-2014	+1.5%
2014-2015	+1.2%



THE PROBLEM

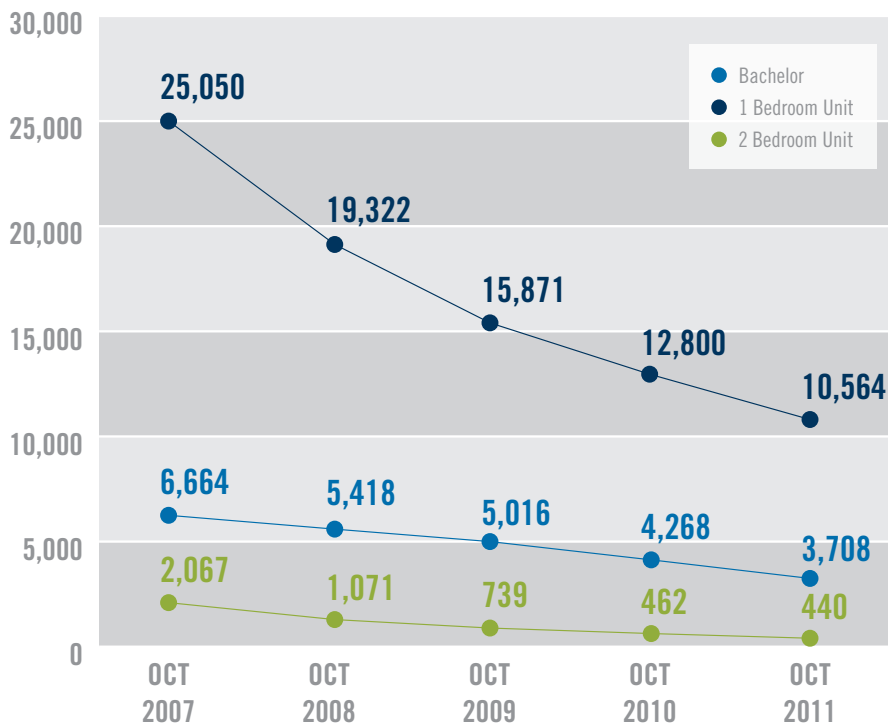
Current British Columbia rules surrounding debt on the part of bodies that contribute to the Provincial debt load form a severely limiting factor for the development of on campus housing. Given the inability to take on the initial debt that comes with capital expansion, Post-Secondary institutions have been unable to develop their land into on-campus housing, despite the clear benefits that housing provides. Only the University of British Columbia has been able to leverage the size of their endowment, as well as development funds from leasing lands on campus to continue building student housing. The result is that approximately one third of students at UBC, at either the Okanagan or Vancouver campuses, are housed on campus, while only one in ten at SFU and one in six at UVic.

Debt from student housing is inherently self-supporting. Post-Secondary Institutions are able to set residency fees at a level that can service the debt, pay for upkeep and maintenance as well as operating costs; while still offering rates that are well below market level.

The provincial government has, in the past, defended the restrictions as a means to ensure the province's high credit rating is maintained. While a laudable goal, the province also has two different classifications for its debt, taxpayer supported and self-supported debt. Self-supported debt is debt that is taken on by crown corporations; this debt is supported from revenue generated within those crown corporations. Given that residence fees account for debt servicing, it is unlikely that that debt will negatively affect the government's credit rating, as it would be classified as self-supported debt and not count as part of the basket of government debt that must be paid for through general revenue.

APARTMENT UNITS, BY TYPE, RENTING FOR UNDER \$750/MONTH IN METRO VANCOUVER (2007 – 2011)

FIGURE 4



YEAR	TOTAL UNITS AVAILABLE
Oct 2007	33,831
Oct 2008	25,836
Oct 2009	21,628
Oct 2010	17,538
Oct 2011	14,733



RESULTS OF ALLOWING EXPANSION TO ON CAMPUS HOUSING

Should the Province relax its debt rules for post-secondary on-campus housing to enable financial arrangements to build considerable on-campus housing, it is likely that a majority of post-secondary institutions in the province would begin developing additional housing options for students. Over time, it is likely that UVic and SFU would achieve comparable rates of residency as UBC, while the regional teaching universities would achieve comparable levels as their comparable institutions in other provinces, resulting in approximately 10% of their student base housed on-campus. Obviously, estimations of housing demand are difficult to make, particularly with a broad brush, but Metro Vancouver has historically had substantially lower vacancy rates than most other Canadian metropolitan areas, and so demand for housing in those institutions can be expected to be higher than in other cities.

With that in mind, if Post-Secondary Institutions moved to a point where 35% of research based university students and 10% of college and teaching university students were housed on campus, that would represent an increase of nearly 21,000 students living on campus province wide. More granularly, that would house an additional 13,600 students in Metro Vancouver; in Greater Victoria, another 4,200; and in Kelowna, 2,500 students would gain access to below market housing during their period of study.

Even more granularly, Capilano University, with a single campus and substantial land available for development, could see 500 students living on campus. This population would contribute to the on campus culture; for the fine arts program, they would act as artists in residence. New and better food options would develop on campus as a resident population would support growth of on-campus vendors. The Students' Union space, currently a social atmosphere strictly during class time for students looking to play a game of pool or sit down, would be a hub of activity throughout the day and night, allowing students to better integrate on campus and create networks of friends and colleagues as they enter their professional careers.

The build out would presumably occur over a span of ten to twenty years, on a campus by campus basis, but this build out would support long term employment building residence spaces in the construction industry, making the industry more recession proof. Each year, nearly a thousand new housing spaces could come online in Metro Vancouver, nearly a 30% increase to the annual rate of rental completions.⁶

NEW HOUSING POTENTIAL BY REGION

REGION	NEW HOUSING POTENTIAL
Metro Vancouver	13,673.75
Fraser Valley	471.5
Greater Victoria	4,292.55
Kamloops	277.4
Kelowna	2,565
North Island	587.3
TOTAL	21,396

QUICK FACT

IN 2013-2014, METRO VANCOUVER HAD 119,105 FTE STUDENTS – AN INCREASE OF ALMOST 15,000 STUDENTS SINCE 2007-2008

⁷ TransLink. "2014 Bus Service Performance Review," 2015. pg. 19



RESIDENCE BUILD COST FOR UBC, 2008 TO PRESENT

Costs will always vary from project to project. For these purposes we have analyzed a number of recent residence housing developments in British Columbia. The average cost of 7 housing developments over the past 8 years in BC was \$82,787 per bed. While the UBC developments on the Vancouver campus were significantly more expensive than that in the Okanagan, the average number is still instructive as UBC's costs on the Vancouver campus are potentially inflated due to the in-fill nature of the buildings and increased difficulty associated with that construction.

In order to better facilitate this expansion, the Province should make available funds for the initial down payment of these developments. Assuming the Province agreed to fund ten percent of the cost of the residence expansions, the overall burden on the Universities would substantially diminish, as would the annual debt servicing, allowing for those savings to take the form of lower costs for students. Assuming an eventual build out of 21,300 residence spaces, at a cost of approximately \$85,000 per bed, the housing dollars that could be unlocked from this policy would be approximately \$1.8 billion. If the Provincial government is injecting 10% of the funds to help accelerate these projects, at a cost of approximately \$180 million, spread over 10 years, the Province could create \$1.8 billion in on campus housing.

RESIDENCE COSTS

FIGURE 5

DEVELOPMENT	REGION	COMPLETION DATE/ OCCUPANCY	\$/BED
Marine Drive Student Residences - Phase 2	Metro Vancouver	May 2009	\$96,462.04
Totem In-Fill Student Residences	Metro Vancouver	September 2011	\$88,398.59
Student Housing Phase 2	Okanagan	August 2008	\$61,118.71
Student Housing Phase 3	Okanagan	September 2009	\$69,525.28
Student Housing Phase 3b	Okanagan	September 2010	\$65,885.71
Student Housing Phase 4	Okanagan	Under construction	\$70,646.23
Tall Wood Building Residence	Metro Vancouver	Under construction	\$127,475.25
TOTAL			\$70,646.23



COMPARISON WITH OTHER PROVINCES

Student residences at Alberta universities far outweigh those at British Columbia universities. Figure 6 shows the difference in percent of students housed in Alberta universities to BC universities. The demand for on campus housing in BC likely far exceeds that of Alberta, where median rents are generally lower and the vacancy rate is far healthier. Even so, British Columbia falls far behind Alberta in on-campus residence spaces.

STUDENT RESIDENCE – ALBERTA vs BRITISH COLUMBIA

FIGURE 6

ALBERTA INSTITUTIONS	METRO AREA	FTE	BEDS	% OF FTE'S HOUSED	MINIMUM POTENTIAL NEW STUDENT HOUSING
Mount Royal	Calgary	9,389	1,000	11%	
Macewan University	Edmonton	11,387	865	8%	
Southern Alberta Institute of Technology	Calgary	11,023	1,100	10%	
University of Calgary	Calgary	13,267	3,677	28%	
University of Alberta	Edmonton			25%*	
University of Lethbridge	Lethbridge	7,632	933	12%	
BRITISH COLUMBIA INSTITUTIONS	METRO AREA	FTE (2013/14)	BEDS	% OF FTE'S HOUSED	MINIMUM POTENTIAL NEW STUDENT HOUSING
British Columbia Institute of Technology	Metro Vancouver	13,335	333	2%	1,000.5
Capilano University	Metro Vancouver	5,209	0	0%	520.9
Douglas College	Metro Vancouver	9,097	0	0%	909.7
Emily Carr University of Art and Design	Metro Vancouver	1,500	0	0%	150
Kwantlen Polytechnic University	Metro Vancouver	9,309	0	0%	930.9
Langara College	Metro Vancouver	7,232	0	0%	723.2
Simon Fraser University	Metro Vancouver	22,701	1,764	8%	6,181.35
University of British Columbia - Vancouver	Metro Vancouver	44,610	12,400	28%	2,646
Vancouver Community College	Metro Vancouver	6,112	0	0%	611.2
METRO VANCOUVER TOTAL		119,105	14,497	12%	13,673.75
University of the Fraser Valley	Fraser Valley	6,755	204	3%	471.5
FRASER VALLEY TOTAL		6,755	204	3%	471.5
Camosun College	Greater Victoria	7,024	0	0%	702.4
University of Victoria	Greater Victoria	16,649	2,481	15%	3,346.15
Royal Roads University	Greater Victoria	2,440	0	0%	244
GREATER VICTORIA TOTAL		26,113	2,481	15%	4,292.55
Thompson Rivers University	Kamloops	8,474	570	7%	277.4
KAMLOOPS TOTAL		8,474	570	7%	277.4
Okanagan College	Kelowna	5,070	142	3%	365
UBC Okanagan	Kelowna	6,579	1,951	30%	2,200
KELOWNA TOTAL		11,649	2,093	16.5%	2,565
Vancouver Island University	North Island	5,873	0	0%	587.3
NORTH ISLAND TOTAL		5,873	0	0%	587.3

*University of Alberta's target housing build out



INTERNATIONALIZED EDUCATION

In addition to a roughly 15% increase in full time domestic enrollment in British Columbia's major metropolitan areas, there has been a considerable growth in international students in British Columbia. From the 2007/08 academic year to 2012/13, international enrolment more than doubled, rising from 16,723 to 34,657. That represents an additional 17,000 students that need to be housed in British Columbia. Of those students, more than two thirds reside in Metro Vancouver. With the trend towards increased international enrolment unlikely to stop, each year, more international students are arriving in British Columbia, requiring housing, placing further strain on already strained housing markets.

INTERNATIONAL FTE

REGION	2011-12	2012-13	2013-14	2014-15
Metro Vancouver	21,897	23,670	26,418	29,832
Fraser Valley	895	1,060	905	1,055
Greater Victoria	2,585	3,102	3,989	1,990
Kamloops	2,640	2,710	2,740	2,835
Kelowna	1,631	1,533	1,813	2,057
North Island	1,625	1,840	1,885	2,130
TOTAL	31,273	33,915	37,750	39,899



QUICK FACT

BETWEEN 2007-2008, AND 2012-2013, INTERNATIONAL ENROLMENT MORE THAN DOUBLED.



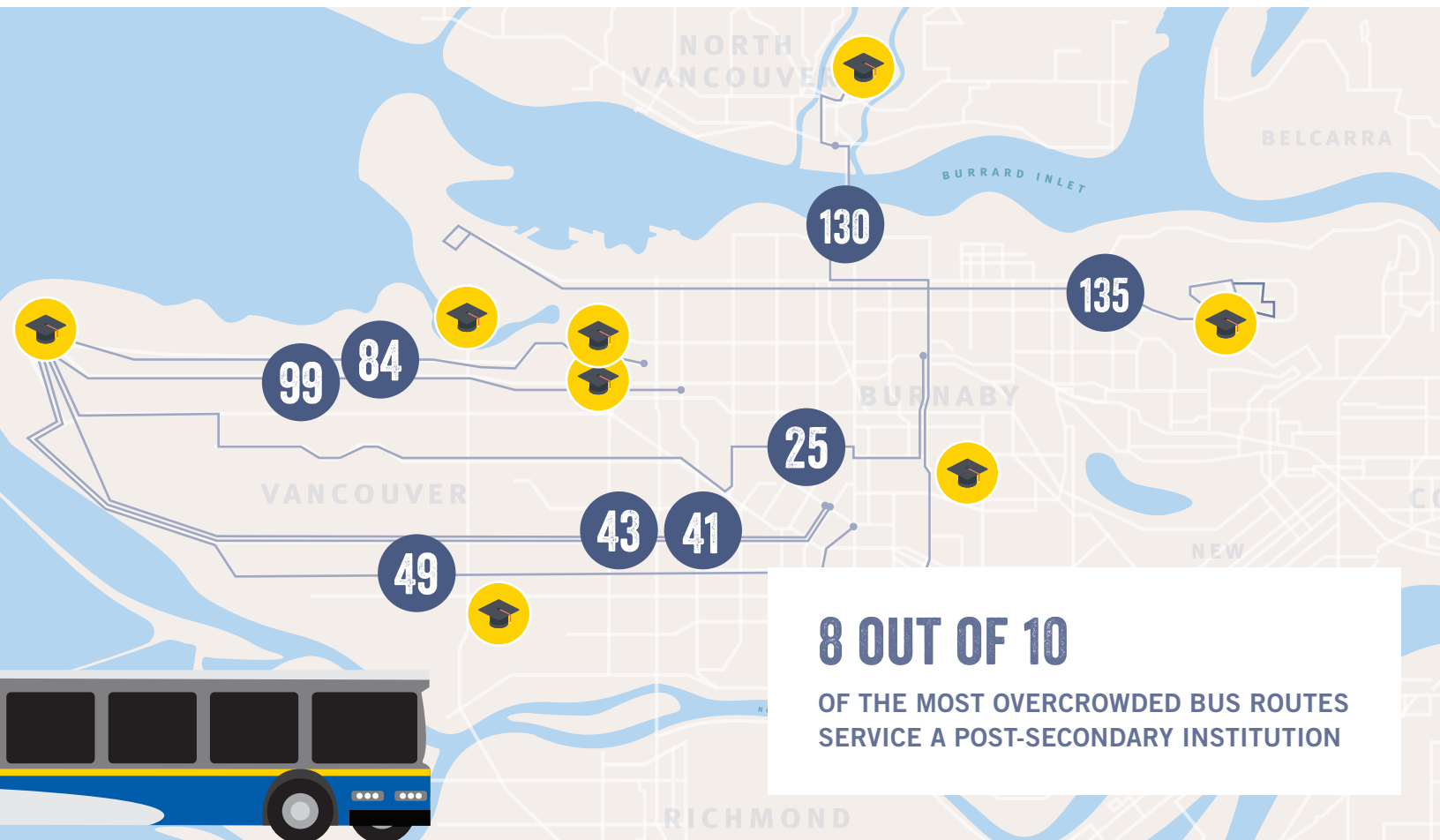
SUSTAINABLE CAMPUS DEVELOPMENT

In addition to affordability, housing a significant portion of the student body of post-secondary institutions on campus assists the Province meet its sustainability goals and takes some strain off of traffic congestion and transit crowding.

In Metro Vancouver, 8 of the 10 most overcrowded bus routes service a post-secondary institution.⁷ Some of those bus routes, like the 84, begin and end at a post-secondary institution. Moving students onto campus would lessen the overcrowding of those routes, allowing high demand transit service to relocate elsewhere in the system and better serve the region.

Not all students take transit; the satellite images of Post-secondary campuses highlight the amount of University land dedicated to parking. By moving students on campus, many will cease driving, helping achieve the province's climate emissions targets and reducing congestion on roads.

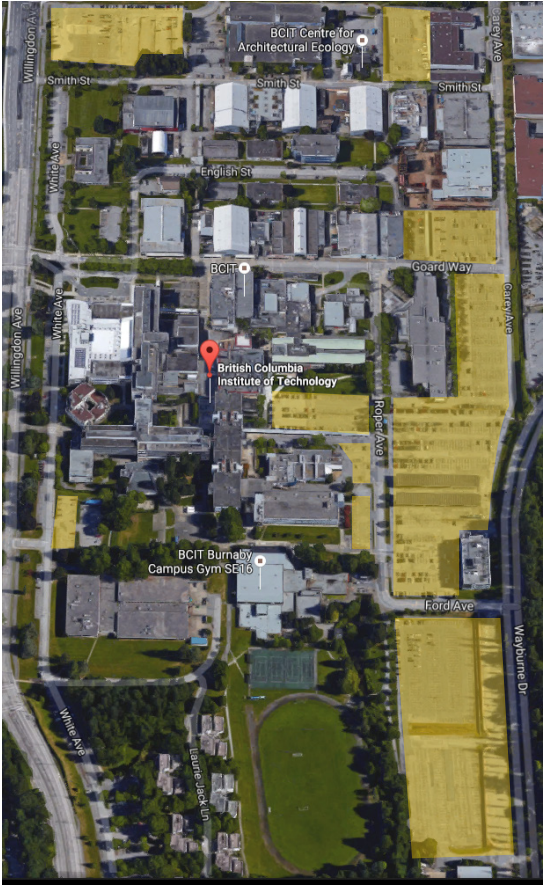
It should be a goal of government at all levels to enable people to live closer to where they work. Reducing commute times has social and environmental benefits that apply to post-secondary students as well, as they use the same roads and buses to get to campus that are congested with cars and restricting the flow of goods.



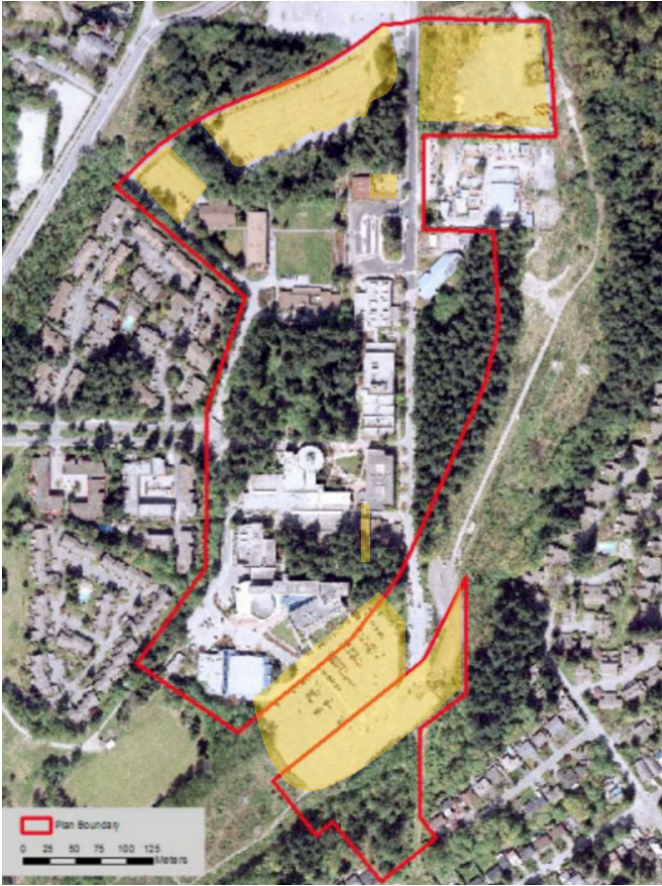
EXAMPLES FOR POTENTIAL HOUSING LOCATIONS



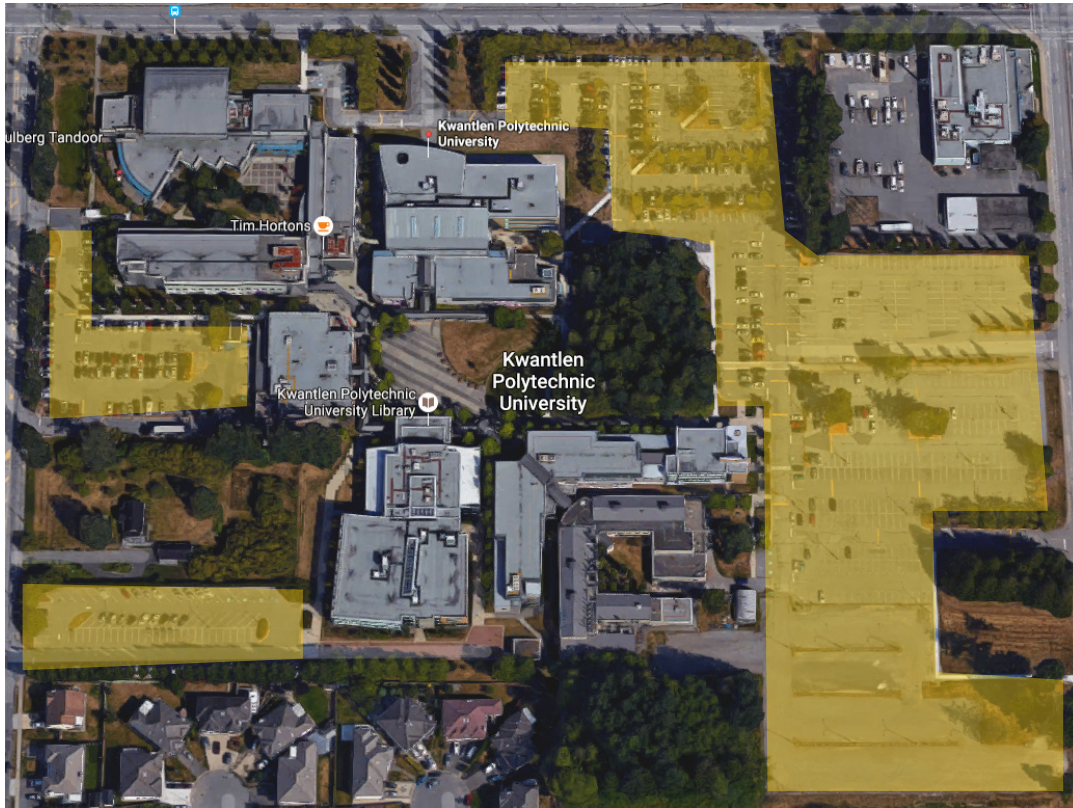
LANGARA COLLEGE



BCIT



CAPILANO UNIVERSITY



KWANTLEN POLYTECHNIC UNIVERSITY – SURREY CAMPUS



KWANTLEN POLYTECHNIC UNIVERSITY – LANGLEY CAMPUS



APPENDICES

Capital Regional District. “Capital Region Housing Data Book & Gap Analysis.” 2015

McClanaghan & Associates. “UBC Student Housing Demand Study.” UBC Campus & Community Planning. 2009

Metro Vancouver. “Housing Data Book.” March 2016.

Redish, Angela. “2015 Annual Report on Enrolment.” Planning and Institutional Research Office. 2015

SFU. “Residence and Housing Master Plan.” 2015.

TransLink. “2014 Bus Service Performance Review,” 2015.



