



Stadium Road Neighbourhood Rental Housing Market Study

Prepared By:

Colliers International Consulting

Prepared For:

UBC Campus + Community Planning

Original Submitted: January 2, 2018

Update Submitted: January 7, 2019

Chris Fay
Manager, Policy Planning
University of British Columbia Campus + Community Planning
2210 West Mall
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January 7, 2019

Dear Chris,

Re: Stadium Road Neighbourhood Housing Market Study – Update

Please find enclosed the updated final report on the potential magnitude of demand for rental housing at the Stadium Road Neighbourhood. Our update includes:

- Change in forecasted student growth between 2018-2037, from 2% per annum to 1% per annum (p. 18);
- Updated student housing waitlist, from 5,000 to 6,500 (p. 25);
- Updated model and findings (p. 5 & 28), based on the above;
- Added summary of 3 proposed development scenarios for Stadium Neighbourhood Plan (p. 29-30).

If you have any questions, please contact us at the phone number or email address below.

Sincerely,

COLLIERS INTERNATIONAL CONSULTING

A handwritten signature in black ink, appearing to read "Gordon Easton".

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Study Objectives

Colliers International Consulting was retained by the Campus + Community Planning to complete an assessment of the potential magnitude of demand for rental housing at the Stadium Road Neighbourhood. Our key task was to determine whether there is sufficient demand in the market for UBC to develop additional rental housing beyond their current plans and policy targets.

Methodology & Limitations

Colliers has taken care to ensure that assumptions are based on up-to-date and reliable market knowledge. However, should market conditions change significantly, the study's conclusions should be reexamined. Our methodology was to determine the current ratio of rental housing per Students and Faculty / Staff, adjust the ratio upwards to reflect current waitlists and then apply that adjusted ratio to future projected population growth for these target renter groups.

Sources of data:

- Colliers was provided with a number of previous studies completed by UBC as well as a comprehensive analysis of existing and future on campus housing.
- Colliers completed independent research to build out detailed summaries of off campus housing.

Limitations

- A number of high level assumptions had to be made in order to estimate future levels of demand. These assumptions were made after discussions with Planning Staff to validate the reasonability of each assumption.
- Future planning studies would benefit from having more detailed information such as a census of where students and faculty/staff live.

Key Findings

Our estimates indicate that there will continue to be an acute undersupply of Student Housing and Non-Market Rentals which will drive additional demand for Market Rentals.

Summary

- The rental market is currently undersupplied and there is significant demand for all types of rental housing at UBC.
- We understand that UBC's capital plans and policy targets will result in new student residences and non-market faculty/staff housing in the next decade.
- Despite this development, there is still expected to be significant additional demand for campus rental housing. This suggests UBC can develop additional rental housing in the future Stadium Road Neighbourhood.
- The Stadium Neighbourhood location is considered very desirable and would be suitable for all types of housing based on the preferences of the expected buyers and renters. Our analysis suggests that all 3 proposed development scenarios (see p. 29-30) should be able to be absorbed by the market given the high levels of demand.
- Moving forward, UBC should look to secure more detailed statistical information on the current housing types and geographies for Students and Faculty / Staff as this information will support a more detailed understanding of the potential demand for more on campus housing.

Base Case for 20 Year Supply / Demand

	Student Demand	Faculty / Staff Demand	Other Demand	Total Demand	Potential Supply	Equilibrium
Student Housing Beds	10,531	0	0	10,531	5,637	-4,894
Non-Market Units	0	2,431	0	2,431	1,530	-901
Market Units	474	49	1,106	1,630	2,421	792

Low Scenario - No pent up demand for market rentals

	Student Demand	Faculty / Staff Demand	Other Demand	Total Demand	Potential Supply	Equilibrium
Student Housing Beds	10,531	0	0	10,531	5,637	-4,894
Non-Market Units	0	2,431	0	2,431	1,530	-901
Market Units	247	17	1,000	1,264	2,421	1,157

High Scenario - 15% increase in demand

	Student Demand	Faculty / Staff Demand	Other Demand	Total Demand	Potential Supply	Equilibrium
Student Housing Beds	11,136	0	0	11,136	5,637	-5,499
Non-Market Units	0	2,510	0	2,510	1,530	-980
Market Units	517	53	1,256	1,826	2,421	596

Current Supply

Overview of Greater Vancouver rental market

The rental market continues to experience heightened rental rate growth and vacancies below 1%

Primary Rental Market

- There are a total of 111,551 purpose built rental units across the Vancouver CMA of which 57,562 are located in the City of Vancouver and a further 1,300+ are located in the UBC/UEL area.
- This represents an increase of approximately 600 purpose built rental units since 2016 and 3,500 units since 2012. Approximately 2/3rds of the increase in supply was created in the City of Vancouver.
- The inventory is quite old with less than 10% of the CMA's inventory being built since 2000.
- The current inventory of rental apartments under construction is highest level since the 1970's. This includes over 8,000 units in the CMA and just under half are located in the City of Vancouver. New supply has been able to achieve premium pricing levels and has leased up almost immediately but has not been sufficient in scale to ease the critical shortage of rental housing.

Secondary Rental Market

- There are an additional 59,930 condominiums offered as rentals across the CMA of which 28,382 are located in the City of Vancouver.
- There is also an increasing supply of basement suites and coach homes as homeowners look to subsidize their housing costs by renting out suites on their property. Based on Statistics Canada's finding of 150,750 renter households in the City of Vancouver, there are up to 64,000 renter households not in a purpose built rental apartment or rental condominium.

Rates

- The median rent for apartments in Vancouver CMA is \$1,200 per month with units built post 2000 having a median rent of \$1,750 per month. Median rents in the CMA increased by 5.5% over the past year and have increased by 24% since 2012.
- The median rent for apartments in the City of Vancouver is \$1,313 per month with units built post 2000 having a median rent of \$1,783 per month.

Vacancy

- Low vacancy rates are being driven by migration, employment growth and the increase in pricing for entry-level ownership housing.
- Vacancy rates for rental apartments are currently at 0.9% in the Vancouver CMA and City of Vancouver. Vacancy rates have not been above 2% since 2009 as the market is chronically under supplied.

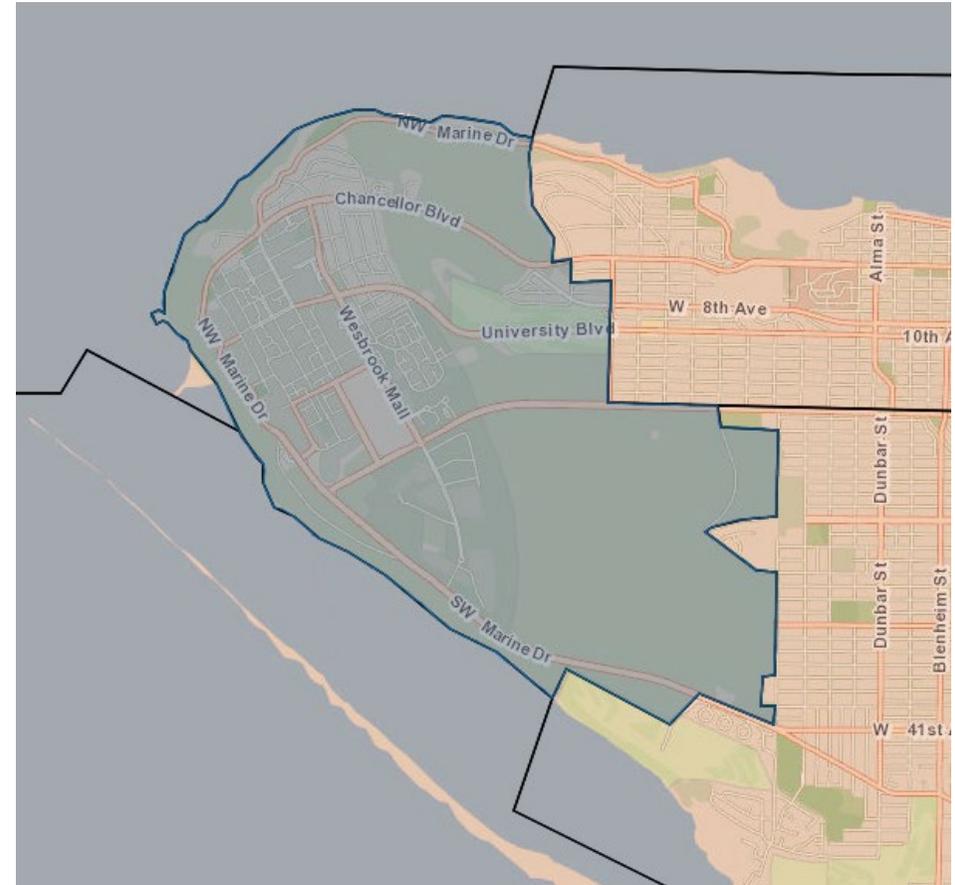
Overview of UBC Competitive Market

The competitive market includes over 14,000 housing units of which approximately 11,400 units are rentals

- For the purposes of our analysis we have defined the competitive market as being the entire UBC Campus as well as the University Endowment Lands.
- The total housing in these areas includes over 14,000 units:
 - **Student Residences** – 7,960 units (12,293 beds)
 - **Non-Market (25% discount) Rentals for Faculty / Staff** – 510 units (1,122 beds)
 - **Market Rate Rentals**
 - **University Related (Faculty / Staff / Students)** – 272 units (313 beds)
 - **General Public** – 1,080 units (approx. 1,729 beds)
 - **Seniors** – 134 - 154 units (approx. 193 beds)
 - **Ownership**
 - **Condominiums** – 4,390 units (approx. 8,780 beds) with an estimated 1,400+ units (approx. 2,800 beds) used for rental.
 - **Single Family Homes** – 446 homes (no estimated bed count)

Supply Findings

- There are approximately 11,400 units of rentals based on the purpose built rental stock and the condominium supply available for rent.
- The vacancy rates for all housing types is currently close to zero. This suggests that the market is currently undersupplied and the potential to absorb new units is not just tied to the future potential increase in demand but also the potential to capitalize on existing demand that is not being met.



UEL / UBC competitive market shown in shaded area of map

UBC Student Residences

UBC's current student housing portfolio includes 7,960 units and 12,293 beds.

Total Inventory

- The total inventory includes 7,960 units and 12,293 beds (approximately 500 of the beds allocated to family members in Acadia).
- All residences include amenities such as meeting space, lounges and fitness space. The size and quality of these amenities varies by building.

Types

- There is a wide variety of rental housing types offered on either 8 month or 12 month terms.
- The student residences targeted towards first year students are in dormitory formats and offer a mix of shared rooms and single rooms that feature communal washrooms and cafeterias.
- The student residences targeted towards those 2nd year and above, including graduate students typically offer individual bedrooms with shared common areas or fully contained apartment style units.
- There is some housing that is specifically allocated to students with families.
- The majority of units are furnished to some level.

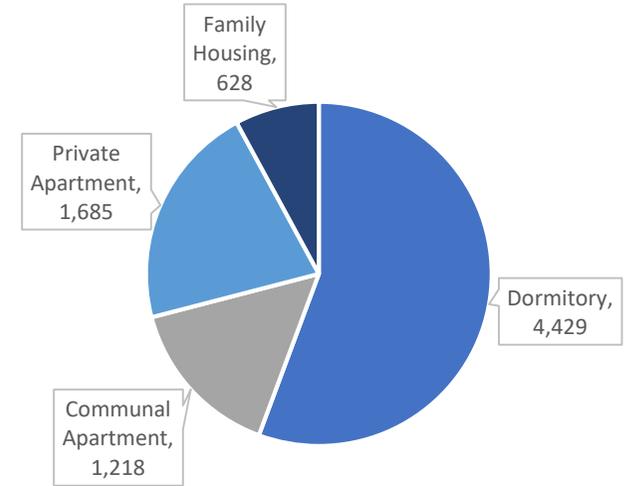
Rates

- Monthly rental rates for 2017/2018 range from:
 - \$650 - \$1,000 in dormitories
 - \$800 - \$1,050 in communal apartments
 - \$1,050 - \$1,300 for private apartments
 - \$1,150 - \$2,000 for family housing

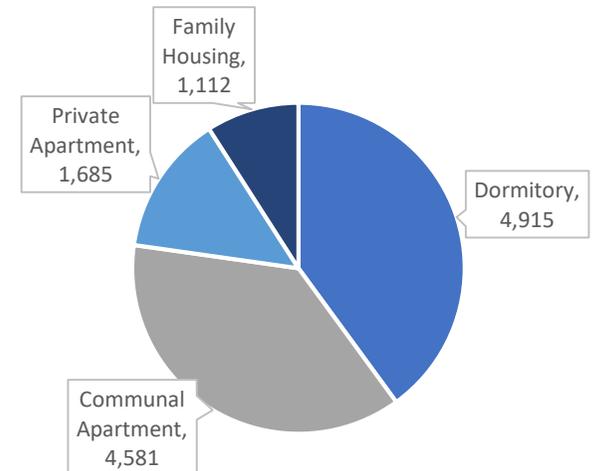
Vacancy

- Vacancy rates average below 2% across the portfolio but units that become available are typically leased up immediately given that the reported wait list can peak at 5,000 – 6,000 people.

Student Residence Units by Type



Student Residence Beds by Type



Non-Market Rentals for Faculty/Staff

UBC's current portfolio of non-market rental apartments totals 510 units with a combined 1,122 bedrooms.

Total Inventory

- There are 11 buildings with 510 units and 1,122 bedrooms that are offered to Faculty/Staff at rents 25% below market value.
- The buildings are all less than 20 years old and in good repair.

Types

- This housing is all in fully self contained apartment or townhome style units.
- Over half of the units are Two Bedrooms and a further third are Three Bedrooms. This unit mix is tailored to meet the demands of the faculty / staff that are more likely to have families.

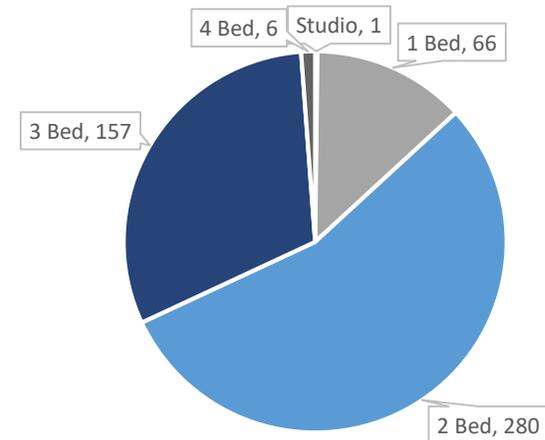
Rates

- Monthly rental rates range from
 - Studio - \$1,067 (\$2.18/sf)
 - One bedrooms - \$1,288 - \$1,767 (\$2.24/sf)
 - Two bedrooms - \$1,613 - \$2,663 (\$2.19/sf)
 - Three bedrooms - \$2,094 - \$2,878 (\$2.17/sf)
 - Four bedrooms - \$3,266 - \$3,440 (\$2.32/sf)

Vacancy

- These units are all fully leased and there is a current waitlist of approximately 1,900 Faculty/Staff.

Unit Mix of Non-Market Rentals



Purpose Built Apartment Market Rate Rentals

The stock of market rate rentals includes UBC owned units and private sector owned units located in both the UBC and UEL areas

Total Inventory

- University Related (Faculty / Staff / Students) – 272 units (313 beds)
- General Public – 1,080 units (approx. 1,729 beds)
- Seniors – 134 - 154 units

Rates (for UBC owned apartments)

- Studio – \$1,347 – \$1,502 (\$3.26/sf)
- One bedrooms - \$1,547 - \$2,100 (\$3.12/sf)
- Two bedrooms - \$1,930 - \$2,893 (\$2.92/sf)
- Three bedrooms - \$2,820 - \$3,150 (\$2.61/sf)

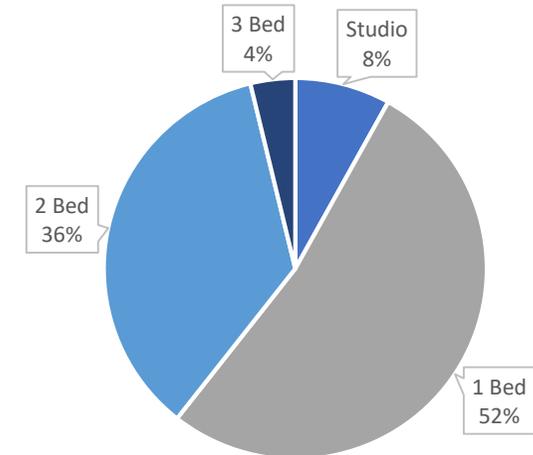
Rates (for newer privately owned apartments)

- One bedrooms - \$2,100
 - One bed + den - \$2,300
 - Two bedrooms - \$2,700
 - Two bed + den - \$2,850
- UBC rental rates for units restricted to Faculty/Staff/students do not vary materially from their units available to the general public.

Vacancy

- The buildings are understood to be fully leased with just short vacancies at suite turnovers.
- It is understood that 90+% of the tenants in these buildings are UBC students.

Unit Mix of Market Rentals



Condominiums

It is estimated that 1/3 of the 4,390 UBC / UEL condo units are offered as rentals

Total Inventory

- There have been 3,760 units of market condominiums built at UBC and a further 630 units built on UEL lands.
- There is no publicly available data regarding how many of the condominiums are offered as rentals. CMHC has indicated that 32% of all condo units in the City of Vancouver is used for rental. At a high level, we have assumed a similar rate for the UBC / UEL areas.
- Based on a conservative estimate of 30% of condos held as rentals, this results in approximately 1,300 condominiums or an estimated 2,600 beds offered as rentals.

Rates

- A survey of condominium rental rates in the market identified 12 listings (all two bedrooms) with most falling between \$2,500 and \$3,300 which suggests a slightly higher rate than the two bedroom units owned by UBC.
- The average rental rate per square foot was \$3.15.

Vacancy

- No vacancy rate data is available but given the limited number of units currently available for rent, it can be assumed that the current vacancy rate is extremely low.

Future Supply

Potential Increase in Rental Supply in City of Vancouver

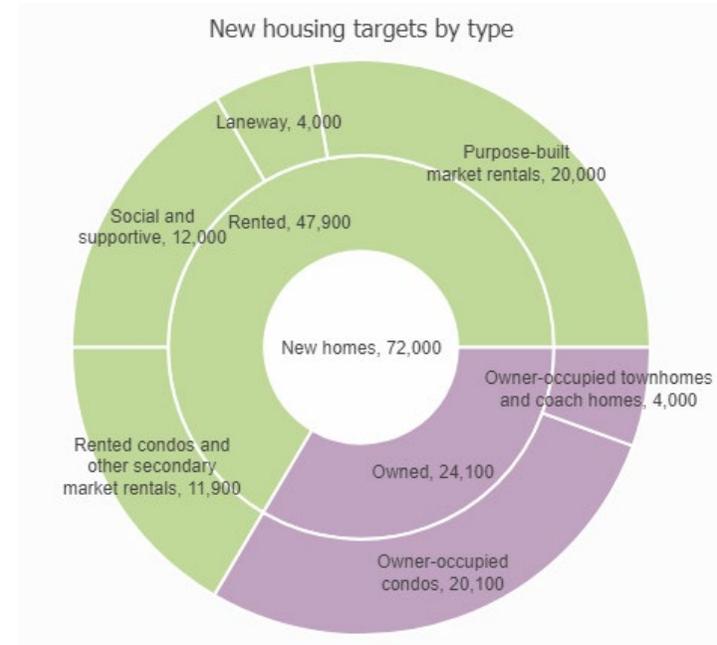
The City is planning for the creation of 47,900 new rental units over the next decade but most won't be in proximity to UBC.

There are increasing amounts of new rental housing being delivered across Greater Vancouver but the majority of this new supply is expected to originate in the City of Vancouver.

- The City of Vancouver recently approved their new 10 year housing strategy which plans for 72,000 new homes to be built over the next decade. Key parts of the strategy include:
 - Proposed rental only zones to improve the feasibility of development
 - Moderate Income Rental Housing Pilot Program to give extra height and density when 100% rental and 20% of units affordable.
 - Goal of 72,000 new homes over 10 years with 2/3rds to be rental. This is a 50% increase in supply from current trends.
 - Will exceed those of previous strategic plan and double those set out by Metro Vancouver.
 - 50% of new homes will serve households earning less than \$80,000 annually
 - 40% of new homes will be large enough for families
 - 12,000 will be social, supportive and non-profit co-operative homes and, of those, 4,100 will have supports
 - 20,000 will be secure, long-term market rental homes
 - 4,000 new laneway homes will provide ground level homes for couples and families
 - More ownership options will be available for first time homebuyers, families, and downsizing seniors

Key Findings

- The City is targeting the creation of 47,900 rental units of which 35,900 would be at market rents in purpose built apartments, laneway homes, rented condos and other secondary market rentals.
- The goal of the City is to improve housing affordability and if they are able to achieve the targets above it is expected that there will be an impact on rental rate growth and vacancy rates. The challenge is that the strategy will be reliant on acceptance from the private sector who will build the majority of the new supply.
- The majority of this potential new supply is expected to be built east of Cambie Street and not in proximity to UBC.



Source: COV

Total Future Supply of New Homes in Competitive Market

There is the potential for 9,300 beds of rental housing to be delivered over the next 10 years and 5,250 over the following 10 years (inclusive of condominium rentals)

- We have forecast the potential growth in housing supply based on the information provided by UBC and our understanding of the potential development within the UEL area (summary of Block F in UEL included in Appendix).
- For the purposes of our analysis we grouped future supply as completing in either the 2018 to 2017 period or 2028 to 2037 period.
- Certain assumptions had to be made regarding unit sizes of future supply, specifically we assumed the following average bedroom counts:
 - Faculty / Staff – 2.5 beds
 - UEL Workforce – 2 beds
 - Market Rentals – 2 beds
 - Condominiums – 2 beds for condos and 3 beds for townhomes

Key Findings

- Based on this analysis, there is the potential for 6,700 beds of new purpose built rental housing to be delivered over the next 10 years and a further 4,100 beds of new rental housing to be delivered over the following 10 years.
- There is the potential for 7,700 beds of condominiums to be built over the next 10 years and a further 3,800 to be delivered over the following 10 years. Assuming that 30% are offered as rental, this could result in 2,300 beds of rentals in the first 10 years and 1,150 beds in the following 10 years.

	Geography	Ownership	Current Supply		2018 - 2027 Potential Increase		2028 - 2037 Potential Increase	
			Units	Beds	Units	Beds	Units	Beds
Student Residences								
Dormitory	UBC	UBC	4,429	4,915	N/A	275	N/A	275
Communal Apartment	UBC	UBC	1,218	4,581	N/A	3,051	N/A	600
Private Apartment	UBC	UBC	1,685	1,685	N/A		N/A	
Family Housing	UBC	UBC	628	1,112	N/A	500	N/A	936
Total Student Dormitories			7,960	12,293	N/A	3,826	N/A	1,811
Non-Market Rentals								
UBC Faculty / Staff	UBC	UBC	510	1,122	696	1,740	784	1,960
UEL Workforce	UEL	Musqueam	0	0	50	100	0	0
Total Non-Market Rentals			510	1,122	746	1,840	784	1,960
Market Rate Rentals								
University Related	UBC	UBC / Private	272	313	90	128	0	0
General Public	UBC	UBC / Private	565	925	365	730	63	126
General Public	UEL	Private	515	804	90	180	100	200
Seniors	UBC	Private	154	193	0	0	0	0
Total Market Rate Rentals			1,506	2,235	545	1,038	163	326
Condominiums								
UBC	UBC	Various	3,760	7,520	2,952	5,904	1,361	2,722
UEL	UEL	Various	630	1,260	860	1,801	538	1,089
Total Condominiums			4,390	8,780	3,812	7,705	1,899	3,811
Total			14,366	24,430	N/A	14,409	N/A	7,908

Demand Projections

Projected Demand for Housing in Greater Vancouver

Metro Vancouver forecasts that there will be demand for 54,000 additional rental units from 2016 to 2026

Greater Vancouver

- The most recent forecasts for future housing demand are for the 2016 to 2026 period. These estimates are used to assist in long range planning and represent an approximate range of potential increase in each municipality.
- The forecast is for total housing demand for 182,000 homes of which 128,000 is demand for ownership and 54,000 is demand for rentals

City of Vancouver

- The forecast is for total housing demand of 32,000 homes of which 19,200 is demand for ownership and 12,800 is demand for rentals.
- This is materially lower than the assumption that the City is currently using for their 10 year housing strategy given plans to deliver over 70,000 new homes during the next 10 years to both meet future demand and satisfy existing demand in the market.

Key Findings

- The regional growth forecasts do provide some context that can be used to understand growth trends but there is a fair level of uncertainty regarding the potential accuracy of the projections given the strong growth that we have had in recent years.

Table A.2: Housing Demand Estimates by Tenure and Household Income for Metro Vancouver Subregions and Municipalities (2016-2026 Estimates)

Subregions and Municipal Estimates	Housing Demand by Tenure			Housing Rental Demand by Household Income				
	Total Demand	Ownership Demand	Rental Demand	Very Low	Low Income	Moderate Income	Above Moderate	High Income
Metro Vancouver	182,000	128,000	54,000	23,500	11,200	8,700	4,800	5,800
Burnaby, New Westminster	24,000	15,900	8,100	3,740	1,760	1,280	630	690
Burnaby	19,000	13,100	5,900	2,520	1,260	1,010	510	600
New Westminster	5,000	2,800	2,200	1,220	500	270	120	90
Langley City, Langley Township	19,000	15,400	3,600	1,380	850	540	360	470
Langley City	2,000	1,300	700	420	130	70	40	50
Langley Township	17,000	14,100	2,900	960	720	470	320	420
Maple Ridge, Pitt Meadows	6,000	4,600	1,400	780	250	220	120	20
Maple Ridge	5,000	3,800	1,200	730	210	190	80	10
Pitt Meadows	1,000	800	200	50	40	30	40	10
Northeast Sector	22,000	15,700	6,300	2,770	1,430	990	470	580
Coquitlam	17,000	12,000	5,000	2,140	1,180	840	350	480
Port Coquitlam	3,000	2,200	800	470	160	70	50	30
Port Moody	2,000	1,500	500	160	90	80	70	70
North Shore	7,000	4,800	2,200	1,150	430	250	150	190
North Vancouver City	2,000	1,000	1,000	580	240	70	30	50
North Vancouver District	3,000	2,300	700	360	80	120	60	70
West Vancouver	2,000	1,500	500	210	110	60	60	70
Delta, Richmond, Tsawwassen	18,000	13,600	4,400	1,890	980	750	350	350
Delta	3,000	2,200	800	430	210	90	20	10
Richmond	14,000	10,800	3,200	1,300	700	600	300	300
Tsawwassen First Nation	1,000	600	400	160	70	60	30	40
Surrey, White Rock	48,100	36,320	11,780	4,510	2,660	2,200	1,230	1,070
Surrey	47,000	35,500	11,500	4,290	2,600	2,200	1,200	1,100
White Rock	1,100	820	280	220	60	-	30	(30)
Vancouver, Electoral Area A	32,000	19,200	12,800	5,910	2,340	1,930	1,120	1,450
Vancouver	32,000	19,200	12,800	5,910	2,340	1,930	1,120	1,450

Projected Growth in Faculty, Staff and Student Populations

The population of faculty, staff and students may increase by approximately 7,300 over the next 10 years

- The vast majority of future demand for rental units is expected to come from Faculty, Staff and Students given the relative remoteness of the UBC campus which impacts how many non UBC related renters might look to locate there.
- UBC has not generated any detailed forecast for the future growth targets for Faculty, Staff or Students. Based on our discussions with Planning Staff it was determined that a conservative growth projection of 1% for Faculty / Staff and 1% for Students was appropriate.
- Based on these growth assumptions, 10 year growth for each group might be as follows.

Group	Current Population	Previous 10 Year Growth	2018-2027 Forecasted Growth	2028 – 2037 Forecasted Growth
Students	55,200	10,143 (2.25% annualized)	5,775 (1% annualized)	6,379 (1% annualized)
Faculty	5,003	715 (1.55% annualized)	523 (1% annualized)	578 (1% annualized)
Staff	9,550	1,775 (2.08% annualized)	999 (1% annualized)	1,104 (1% annualized)
Faculty / Staff Total	14,533	2,490	1,522	1,682

Demand Preferences of Students – Currently Living off Campus

The demand to live on campus is highest from those currently living at home

Based on our review of the Student Housing Demand Study completed in 2014, the following key findings related to demand preferences were identified from the limited survey of those living off campus.

Where they currently live

- No information was provided as to where respondents currently live but it is assumed that they are widely spread through Greater Vancouver.

What they currently occupy

- 38% live at home and 62% live in private market rental.
- 75% of those that live at home said price / affordability was their primary reason for that housing choice as compared to only 59% of those in the private market. Additional reasons for not living on campus include a preference to keep academic / personal lives separate, appeal of certain neighbourhoods and potentially most importantly 49% of those living at home do so because their parents want them to.
- The majority of respondents live with at least one other person.
- 68% were somewhat satisfied or very satisfied with the quality of their housing.

What they can afford

- Approximately 50% were satisfied or somewhat satisfied with their existing housing costs but it is worth noting that housing costs have increased rather dramatically since the survey was completed and this also includes those living at home and not paying rent.
- Only 12% indicated they would be willing to pay more to live closer to campus which may be due mostly to affordability concerns rather than on desirability of living closer.
- 35% of those living at home had student loans as compared to 42% of those living in the private market. Current student loan programs offer \$1,564 per month for single students living away from home and \$658 for single students living at home. This is intended to cover shelter, food, transportation and expenses.

What they want

- 47% of those currently living at home would prefer to live on campus as compared to only 26% of those living in the private market.

Key Findings

- Demand to live on campus is strongest from those currently living at home, whereas those renting in the private market are less likely to want to live on campus.
- 67% were somewhat satisfied or very satisfied with the Quality of their Overall Housing Experience.

Demand Preferences of Students – Currently Living on Campus

Students living on campus seemed satisfied with the overall quality of the housing experience and 60% indicated they would be interested in living on campus for their entire academic career.

Based on our review of the Student Housing Demand Study completed in 2014, the following key findings related to demand preferences were identified from the limited survey of those living off campus.

What they currently occupy

- 77% were somewhat satisfied or very satisfied with the quality of their housing.

What they can afford

- 37% said they were satisfied or very satisfied with affordability. This approval rating increased from 2010 to 2014 whereas the approval of those living off campus declined during the same period.

What they want

- 83% would like to continue to live in a student residence while 7% would like to share with friends in on campus private market housing
- 60% of those living on campus expressed interest in continuing to live on campus for their entire academic career.
- Convenience is the number one reason why people want to live on campus followed by no commute and ease / certainty of housing situation.

Key Findings

- 67% were somewhat satisfied or very satisfied with the Quality of their Overall Housing Experience.

Demand Preferences of Faculty / Staff

Demand from Faculty / Staff for housing should only continue to increase as affordability in larger market further deteriorates

Based on our review of the Faculty & Staff Housing Demand Study completed in 2016, the following key findings related to demand preferences were identified

Where they currently live

- 62% live in the City of Vancouver which suggests a preference to live in proximity to campus.
- 23% of faculty live on campus while only 7.5% of staff live on campus.

What they currently occupy

- 57% of Faculty and 58% of Staff rent. 2/3rds of those that rent indicated that their preference would be to own and 90% of renters plan to move in the future
- Large proportion of renters living in detached, semi-detached or townhome units. This stock is at risk as demand for ownership increases pricing, landlords may consider selling or redeveloping.

What they can afford

- Median income for full time faculty was \$138,434 and for staff was \$47,173. This results in \$3,400 and \$1,179 as affordable rent levels.

What they want

- Many but not all are interested in living on campus. Those that did not want to live on campus indicated a preference to separate home from work. Those that do want to live on campus likely prefer a less central location.
- Affordability was the number one constraint in terms of selecting the preferred housing type.
- Rationale for wanting to rent is convenience of having no commute and design of the community.
- Preference is for larger ground oriented units. Over 60% of Faculty want a 2 bed + den or larger compared to 43% of Staff wanting this type.
- 75% would consider long term below market rentals as an alternative to owning.

Key Findings

- Housing costs are a significant stress to many of the younger UBC employees whereas the older employees that bought 10+ years ago do not face the same stress.
- Competition for rental units and increased housing purchase costs put UBC at competitive disadvantage in attracting staff and faculty.
- External market forces to continue to drive housing demand on campus and Staff is more impacted than Faculty due to lower incomes which as resulted in a larger waitlist of Staff waiting for housing.

Findings

Analysis of Stadium Road Location

The Stadium Road location is suitable for all types of housing.

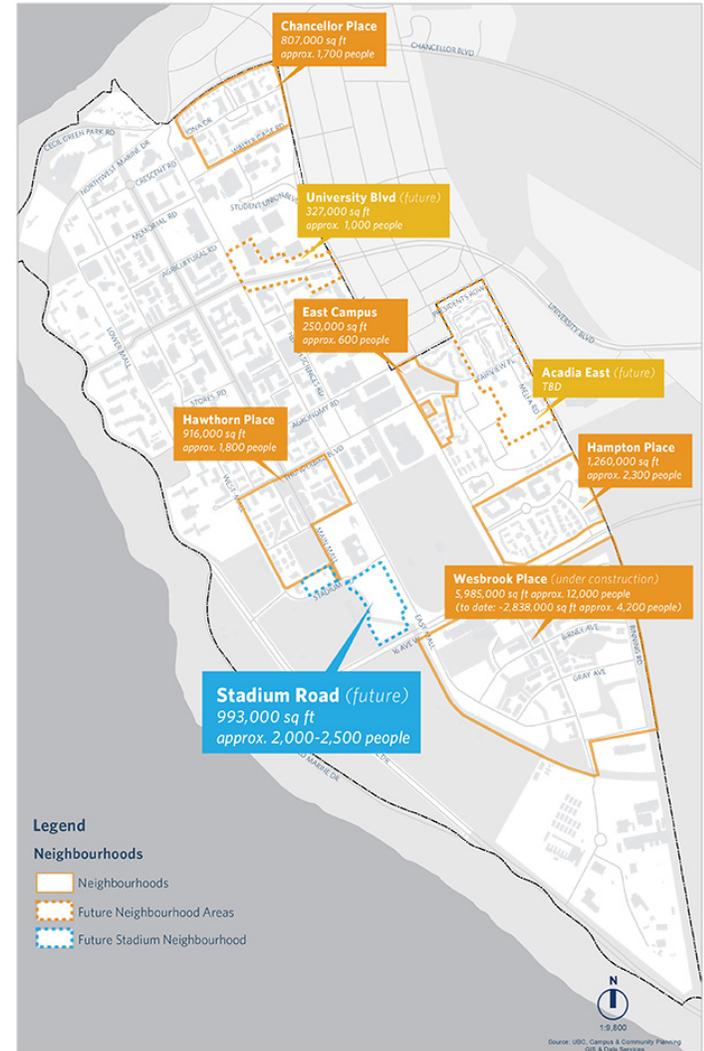
Plans for the Stadium Neighbourhood include a mix of leasehold condominium development, market rentals and non-market rentals.

Key attributes of the location include:

- Proximity to Wesbrook Village retail
- Views of botanical gardens and potential SW ocean / Vancouver Island views for high-rise
- Proximity to sporting fields and other green space
- Proximity to stadium could cause negative impacts when major events are occurring.
- Less central location in terms of proximity to academic buildings with a more residential feel.

Demand findings:

- Students may prefer more central locations but the location is still in proximity to the academic area and benefits from proximity to Wesbrook Village and the sports fields.
- Less central location and lack of existing student housing would appeal to Faculty / Staff given noted preference to have separation from centre of campus and from student housing.
- Location may be less appealing for non UBC related renters given not particularly central to transit.
- Site would be quite appealing for condominium development given view potentials.



Current State of Rental Supply

The market is currently undersupplied with no long term vacancies and long wait lists.

Current Supply

- UBC's competitive rental market and the wider Greater Vancouver rental market is currently undersupplied and all new supply that has been delivered to the market in recent years has been quickly absorbed.
 - **Student Housing**
 - UBC's portfolio of student residences is fully leased up and waiting lists can reach up to 6,500 students.
 - This housing stock provides the most affordability on a per bedroom basis.
 - **Market Rentals**
 - Vancouver CMA and City of Vancouver have vacancy rates below 1% for purpose built apartments and rental condominiums.
 - There are few rental condominiums at UBC/UEL currently available and UBC's portfolio of market rental units are fully leased.
 - These rentals tend to be more expensive but there are potential cost savings of multiple students renting a 2 or 3 bedroom unit together.
 - **Non Market Rentals**
 - The current portfolio is fully leased up and there is a waiting list of 1,900 Faculty / Staff wanting to rent on campus. Rents are set at 25% below market rents which makes it highly desirable for Faculty / Staff to live in these units instead of market rentals.

	Price Per Bed in Shared Living	Price per Contained One Bedroom	Price per Contained Two Bedroom
Dormitory	\$770 - \$1,000	N/A	N/A
Communal Apartment	\$800 - \$1,000	N/A	N/A
Private Apartment	N/A	\$1,000 - \$1,250	N/A
Family Housing	N/A	\$1,275	\$1,682
UBC Faculty / Staff Non-Market	N/A	\$1,300 - \$1,700	\$1,700 - \$2,200
University Related Market Rental Apartments	\$1,200 - \$1,250	\$1,550 - \$1,750	\$2,400 - \$2,500
Market Rental Apartments	\$1,000 - \$1,300	\$1,550 - \$1,800	\$2,000 - \$2,600
UEL Rental Condos	\$1,250 - \$1,600	N/A	\$2,500 - \$3,200

Current State of Demand

Students are currently the largest tenant group at UBC/UEL but there is increasing demand from Faculty/Staff for non-market rentals.

- The vast majority of market rental accommodation in the UBC/UEL area is occupied by students while the majority of Faculty/Staff that rent on campus are believed to be in the non-market rentals.
- Based on current wait lists, there is potential demand for 1,900 units (assume 4,750 beds) of non-market rentals for Faculty/Staff and 6,500 beds of student residences.
- **Faculty/Staff**
 - A high level estimate of 5-6% of Faculty/Staff are currently living in rental accommodation at UBC/UEL. This suggests that there are over 13,000 Faculty/Staff currently not renting on campus.
 - Approximately 4-5% of Faculty/Staff currently live in on-campus non-market rentals
 - It is not known how many staff might be renting condominiums but based on an assumption that 30% of condos are used as rentals and that 10% of these would be occupied by Faculty/Staff, this might equal 1-2% of Faculty/Staff.
 - A further 13% of the Faculty/Staff are on a waitlist for non-market rental housing assuming some of the 1,900 household waitlist includes couples that both work at UBC.
 - It is unknown how many Faculty/Staff might own a condominium or house within the UBC/UEL area but it is not assumed to be a material amount.
- **Students**
 - A high level estimate of 28% of students are currently living in rental accommodation at UBC/UEL. This suggests that there are over 38,000 students currently not renting on campus.
 - Approximately 21% of Students currently live in student residences.
 - Approximately 3% of Students currently live in market rate rentals (assumes the vast majority of rental stock is occupied by students with one student per bedroom)
 - It is not known how many staff might be renting condominiums but based on an assumption that 30% of condos are used as rentals and that 80% of these would be occupied by students this might equal 4% of students.
 - Annual waitlists can peak at 6,500 students, or approximately 12% of the current student population.
- **Other**
 - It is estimated that approximately 10% of the rental condominiums and 5-10% of the purpose built market rental apartments are occupied by the general public.

Drivers of Demand

Based on current trends it is expected that demand will continue to increase and a higher percentage of the Student, Faculty and Staff populations will want to rent at UBC.

The primary demand drivers for rental accommodation at UBC include:

- **Population growth of Students/Faculty/Staff** – As the populations of these groups continues to grow, there is the expectation that there will be additional demand for housing.
- **Affordability** – Rising rental and ownership prices in the wider Vancouver market are driving demand for the relatively more affordable housing choices on campus. Living on campus also provides benefits such as lower transportation costs. The most affordable housing types are typically student residences and the non-market Faculty / Staff rentals. Market rentals may appeal more to those with higher housing budgets or those not able to secure more affordable housing options.
- **Low vacancy** – Tenants that can afford market rents are still often challenged in finding available units to rent in the wider market. The ability to secure rental accommodation at UBC is appealing, acknowledging that there are wait lists for certain types of housing.
- **Convenience / Lifestyle** – The UBC campus has turned into an amenity rich area that provides residents with a high quality of life. This is only expected to continue to improve as the additional population density brings with it more retail and related amenities.

Methodology & Key Assumptions

Our methodology was to determine the current ratio of rental housing per Students and Faculty / Staff, adjust the ratio upwards to reflect current waitlists and then apply that adjusted ratio to future projected population growth for these target renter groups.

Methodology

- Colliers task was to project the magnitude of potential rental housing demand in the Stadium Neighbourhood. In order to do this we had to look at the larger UBC / UEL competitive market and consider both supply and demand dynamics.
- Our methodology was to determine the current ratio of rental housing per Students and Faculty / Staff, adjust the ratio upwards to reflect current waitlists and then apply that adjusted ratio to future projected population growth for these target renter groups.

Key Assumptions

- In order to develop our projections it was necessary to make a number of high level assumptions given that certain information was not available.
- Key assumptions include:
 - **Future population growth** – 1% per year for Students, 1% for Faculty/Staff as instructed by Planning Staff.
 - **% Condos Offered for Rent** – 30% assumption based on CMHC's reported 32% rate for City of Vancouver.
 - **% of tenant groups in market rentals** – Assumed students comprised 80-90%, Faculty / Staff 10% and Other 5-10%. Based on high level assumption.
 - **Average bedroom counts** – Assumed 2 for condos, 3 for townhomes, 2.5 for non-market rentals and 2 for market rentals. Based on high level assumption.
 - **1 student per bedroom** – Have assumed no overcrowding and that only 1 student per bedroom in market rentals.
 - **Pent up demand** – 6,500 student residence waitlist assumption and 1,900 unit non-market assumption provided by Planning Staff. We have assumed that these represent the actual pent up demand. While some people on list may not decide to rent if offered a unit, it is believed that other potential tenants are not on the list given that the existing lists are so long and the chance of securing a unit would be remote. Assumed additional 10% demand for Students and Faculty / Staff or market rentals and additional 50% demand for Other. The total impact of this is only approximately 300 units of pent up demand. Estimates created based on fact that everything is currently leased up with waitlists in some cases.
 - **Future demand levels** – Future demand levels based on assumption that current stabilized levels of demand (current occupied + pent up demand) are consistent in the future. As there was no base population for the Other group, assumption was that there would be additional demand for 50 market rentals per year from this group. Based on high level assumption.

2018 – 2037 Supply / Demand Findings

Future supply is forecasted to be insufficient to meet demand, which suggests that UBC can develop additional rental housing in the future Stadium Road Neighbourhood.

Base Case Findings

- Student Housing will remain undersupplied and the waitlist may increase in size. Estimated demand is 10,531 beds, yet new supply will only be 5,637 beds which barely makes up for the existing wait list and doesn't address future demand driven by growth in enrollment.
- Non-Market Faculty / Staff housing will also remain undersupplied as the demand is estimated at 2,431 units yet new supply will only be 1,530 units which is insufficient to address the existing 1,900 unit waitlist.
- Market Units are the only housing type that are expected to keep up with estimated demand. Of note though, is that the majority of Students and Faculty / Staff are expected to prefer to be in Student Housing or Non-Market rental units but the spillover demand from those who cannot secure their first housing choice will provide additional demand for market units. In the base case scenario we forecast the potential oversupply of 792 market rental units but it is almost certain that these units would be absorbed by the demand from the others that could not secure their first choice of housing.

Low Scenario

- We modelled a low scenario where it was assumed there was no pent up demand for market rentals. This resulted in a higher potential oversupply of market rental units but these still remain a fraction of the potential demand from Students and Faculty / Staff that are not able to secure their first housing choice.

High Scenario

- In the high scenario the forecasted demand from each group was increased by 15% over current levels. This results in an even greater undersupply of student housing and non-market units. Given that the demand drivers previously identified suggest that the percentage of the target markets interested in renting on campus will increase, it is entirely possible that this high scenario may occur.

Base Case for 20 Year Supply / Demand

	Student Demand	Faculty / Staff Demand	Other Demand	Total Demand	Potential Supply	Equilibrium
Student Housing Beds	10,531	0	0	10,531	5,637	-4,894
Non-Market Units	0	2,431	0	2,431	1,530	-901
Market Units	474	49	1,106	1,630	2,421	792

Low Scenario - No pent up demand for market rentals

	Student Demand	Faculty / Staff Demand	Other Demand	Total Demand	Potential Supply	Equilibrium
Student Housing Beds	10,531	0	0	10,531	5,637	-4,894
Non-Market Units	0	2,431	0	2,431	1,530	-901
Market Units	247	17	1,000	1,264	2,421	1,157

High Scenario - 15% increase in demand

	Student Demand	Faculty / Staff Demand	Other Demand	Total Demand	Potential Supply	Equilibrium
Student Housing Beds	11,136	0	0	11,136	5,637	-5,499
Non-Market Units	0	2,510	0	2,510	1,530	-980
Market Units	517	53	1,256	1,826	2,421	596

Stadium Neighbourhood Plan Proposed Development Scenarios

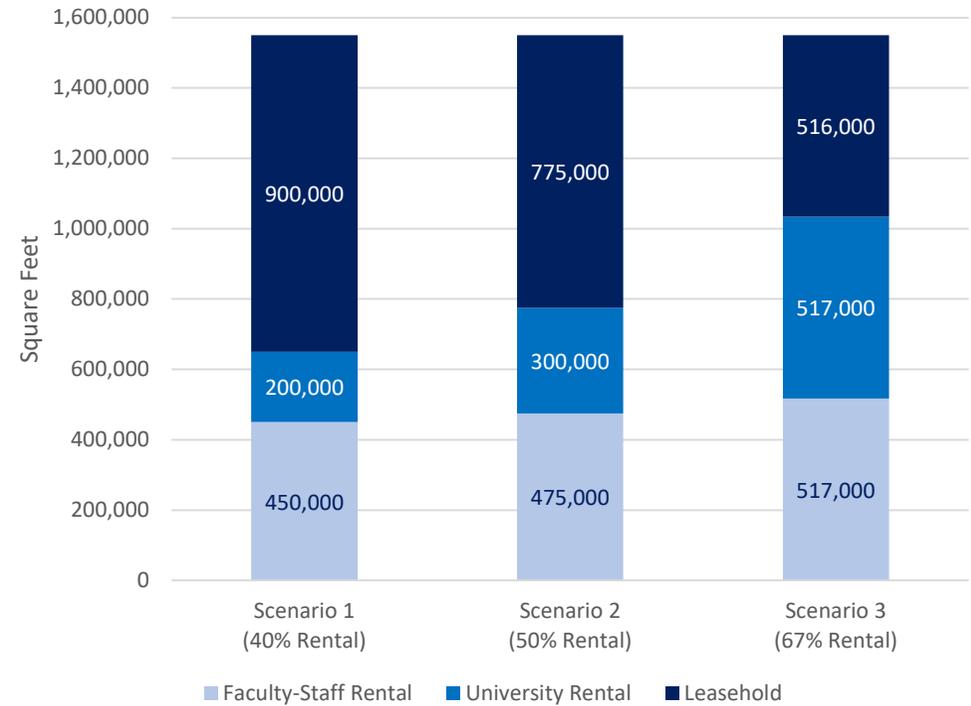
Proposed Development Scenarios

UBC is proposing 3 development scenarios for the Stadium Neighbourhood Plan.

- Plans for the Stadium Neighbourhood include a mix of leasehold condominium development, market (university) rentals and non-market (faculty-staff) rentals. This is outlined in the chart and table included on the right.
- Our analysis (p. 27-28) suggests that all 3 proposed development plan scenarios should be able to be absorbed by the market given the high levels of demand.



Proposed Development Scenarios



Stadium Neighbourhood Development Plans (Unit #s *)	Scenario 1 (40% Rental)	Scenario 2 (50% Rental)	Scenario 3 (67% Rental)
Leasehold	900	775	516
Market (University) Rental	200	300	517
Non-Market (Faculty-Staff) Rental	450	475	517

* Note: 1 unit assumed to average 1,000 sf

Appendix

Block F Development Summary

Musqueam's Block F development will deliver 140 units of rentals plus an additional 1,000 units of market housing to this property adjacent to UBC's lands

Block F Area

- There is very limited expected redevelopment potential in the UEL area outside of the Block F area.
- Block F is a 21.44 acre parcel of land fronting University Boulevard just east of the Acadia Park area. The land is owned by Musqueam First Nation.
- The plan for the redevelopment includes a mix of residential and commercial uses. The total proposed unit count is 1,138 units. The commercial component could include 30,000sf of space in a commercial village.
- Of note is that there are plans for 50 units of non-market rental and 90 units of market rental. It is also possible that other buildings currently envisioned as being condominiums may be repositioned as market rentals if Musqueam decides to retain ownership.
- To qualify for the non-market housing, tenants must meet certain requirements and have incomes below the Housing Income Limit guidelines set by BC Housing. Students may form part of the tenant pool in this building.
- Build out of the community is planned for a 10 – 12 year period.
- The total population living at Block F may reach 2,159 to 2,478 people.

