



# Policy Solutions for British Columbia's Housing Market



# Small change is coming. Join the *doing*.

Premier David Eby has laid out an ambitious agenda that seeks to quickly expand the supply of affordable and attainable housing in British Columbia

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As identified by Premier David Eby, the province's housing goals are the following:

1. "Build the houses people need quickly"
2. Address barriers to construction at the local government level by providing provincial support to update zoning bylaws
3. Encourage housing construction that supports the creation of "homes for people and families to live in, not for speculators"
4. Develop measures that apply province-wide but that will also include specific measures that target urban centres with the highest rates of growth or expected growth
5. Deliver "attainable middle-class housing" as well as affordable housing made permanent through innovative ownership structures
6. Work in partnership with local governments in a way that reflects their needs and interests

These goals are in direct alignment with the policies advocated by Small Housing BC (SHBC) since its founding in 2012. SHBC is a non-profit organization that, working in partnership with local governments and with the support of funders, advocates for ownership, design and land use policies to make housing both attainable and affordable.

Our work focuses on single-family detached housing. It is still the dominant form representing 44% or 1,881,970 of all dwelling types in British Columbia. Many cities have rules that forbid any other option than replacing one single-family house with another. This encourages bigger, more expensive houses and pushes even modest, older residences out of reach for middle-income earners. Without policy innovation in this space, it will be impossible to realize Premier Eby's housing ambitions.

# Summary of Recommendations

Small Housing BC (SHBC) is currently advancing three key policies at the provincial and local government levels:

# 1

## Enable strata-title accessory dwelling units

We recommend enabling the strata-title Conversion of laneway homes and coach housing in communities across the province. This would permit the approximately 10,000 existing units to be made available for entry-level homeownership opportunities and enable future growth of gentle-density housing options. Strata-title will unlock new financing opportunities to generate more supply.

# 2

## Develop a province-wide GDH mechanism

We propose a gentle density housing (GDH) framework for action that draws on best practices to enable more housing in single-family neighbourhoods. We suggest including a tiered model code that incrementally increases the number of housing options starting with the legalization of secondary suites.

# 3

## Utilize the PAtH model

By supporting the Permanently Attainable Home Ownership (PAtH) model, we can deepen housing attainability for middle-income earners in major urban centres. PAtH would enable homeowners to replace a single-family home with up to six units.

Our recommendations closely align with Premier Eby's housing agenda and offer innovative solutions to unlock the housing supply without the requirement of government finance.

# 1 Enable Strata-title Accessory Dwelling Units

We recommend establishing the outright permissibility through Provincial legislation of property owners to strata-title accessory dwelling units (ADUs) on lots zoned for single-family homes.

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This is how our solution aligns with provincial housing priorities:

1. Creates the conditions to fulfilling the commitment of a minimum of 3 units per site in urban areas, as well as encourage new attainable housing in communities across the province
2. Allows development of housing that can fit in with the overall neighbourhood aesthetic
3. Addresses issues of financing for ADUs
4. Allows small homeowners and builders to develop needed housing with limits on permissible density and therefore can insulate against exploitation by speculators

With the introduction of the Housing Supply Act<sup>1</sup> BC is currently evolving how we think about the term “strata”. With the removal of age restrictions on strata units and strata rental restrictions lifted, BC has the opportunity to go further in enabling strata-titles for accessory dwelling units (ADU). This much-needed change to how we think about land ownership will enable housing affordability, and housing choices, and emphasize smaller housing footprints. According to CMHC Canada’s Housing Supply Shortage Report,<sup>2</sup> by 2030 BC will need to increase its housing supply by 24% beyond business as usual. The introduction of gentle density to single-family neighbourhoods in the form of strata-title ADUs is a key player in increasing the housing supply needed in BC.

The introduction of strata-title ADUs increases the housing supply and opens up attainable homeownership opportunities. Allowing for strata-titles solves a major financing problem for developers and homeowners.

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<sup>1</sup> [Housing Supply Act 2022](#)

<sup>2</sup> [Canada’s Housing Supply Shortages: Estimating what is needed to solve Canada’s housing affordability crisis by 2030](#)

Strata-title for accessory dwelling units (ADUs) can increase housing attainability in a few different ways. First, it allows homeowners to create additional living space on their property, which can be used to house family members, renters, or other prospective owners. Strata-title for ADUs can make it easier for homeowners to finance the construction or renovation of an ADU, as it demonstrates future sales income. This can be especially beneficial for homeowners who may not have the financial resources to pay for an ADU upfront. Finally, strata-title for ADUs can make it easier for homeowners to sell or transfer ownership of their ADU, as the unit will have a separate legal title from the main residence. This can make it easier for homeowners to sell their ADU to a relative or another interested party, which can help to increase the overall supply of affordable ownership options in a given area. Overall, strata-title for ADUs can provide a number of financial and legal benefits for homeowners, which can help to increase housing attainability and generate more housing options including laneway homes and houseplexes .

In California and Oregon, strata-title for accessory dwelling units (ADUs) has had a significant impact on the housing markets. In both states, the adoption of strata-title for ADUs has made it easier for homeowners to construct and finance ADUs, which has helped increase the supply of affordable housing in these states and resulted in a meaningful reduction in emissions through land-use decisions. The role of strata-titled ADUs is a first step in the right direction of tackling all these unique housing objectives. Legalizing ADUs and allowing lot splitting and strata-titles is recommended to ensure the housing sector moves in the right direction.



1975 W 15th Avenue demonstrates houseplex options in Vancouver (Jim Bussey, 2022).

# 2 Develop a Province-wide GDH Mechanism

We propose developing a province-wide gentle density housing (GDH) model step code for single-lot densification from the legalization of secondary suites and other forms of ADUs.

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This is how our solution aligns with provincial housing priorities:

1. Provides a road map for quickly unlocking new housing potential across the province
2. Empowers local governments in both urban centres and other communities
3. Creates mechanisms that mitigate against speculation in housing
4. Fulfills a commitment to working with local governments and the needs of diverse communities
5. Supports the updating and modernization of zoning bylaws across the province

Similar to the BC Energy Step Code for housing energy efficiency, the province should implement a province-wide tiered GDH mechanism. This housing mechanism would enable municipalities to progressively enable GDH. With incremental steps, the provision of minimum standards and timelines can be attuned to the local government's capacity, resources, and knowledge. It would also provide an opportunity for municipalities that do not have the capacity to develop their own policies to have guidance that will allow them to go further. This multi-tiered regulatory approach would ensure predictability and clearly define incentives that can be taken advantage of by members of the private sector and the building industry.

This element of predictability is important to members of industry and government as it clearly outlines the road ahead and what can be expected for years to come. This clarity is also beneficial when moving across jurisdictional boundaries such as from a regional district to a local municipality.

The potential for Step 1 to include legalizing ADUs and Step 4 to go as far as municipalities allowing six-plexes on single-family lots, as an example, paves the way for provincial design guidelines for gentle density, providing expert resources to industry and local governments, and bolstering public support by providing research and materials. The ability to further engage with industry to strengthen the building sector also allows the government to future-proof the economy for years to come. Scaling up traditionally single-family housing builders to provide gentle density housing and providing employment opportunities in the trades sector are examples of economic opportunities that can be tied in with a province-wide GDH mechanism.

State-wide initiatives to increase housing options in residential neighbourhoods exist in California, Oregon and Washington and tens of thousands of units have been generated through these approaches. Work on providing a province-wide mechanism is already underway in other facets of municipal planning in the form of development approvals processes. Municipalities, through UBCM, are currently working with the provincial government on ways to expedite approvals processes for housing typologies and housing with affordability considerations. The development approvals review process could seamlessly be adjusted to include a province-wide GDH mechanism that could be periodically reviewed and revisited to ensure lessons learned and feedback can be provided to different levels of government.



# 3 Utilize the PAtH model

We propose permitting up to 6 units per lot, especially in high-growth areas with the inclusion of 1 permanently affordable unit.

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This is how our solution aligns with provincial housing priorities:

1. Further supports small owner and builder initiatives for attainable and affordable housing
2. Potential mitigation tactic against market speculation
3. Utilizes ownership models that can ensure permanently affordable housing
4. Supports land use and design suited to typical single-lot developments across the province
5. An adaptable solution in large and small communities that supports attainable and affordable housing

Through strata-titled ADUs and province-wide GDH mechanisms, we can create housing options across British Columbia. However, there may need to be additional government support to drive deeper levels of housing affordability. SHBC is currently leading an experts roundtable aimed at addressing opportunities to enhance housing attainability and affordability through GDH.

In 2019, SHBC published the Permanently Attainable Home Ownership (PAtH) report.<sup>3</sup> The report was a feasibility study that directly examined equitability and attainability housing gaps and proposed creative and innovative solutions to address these issues. PAtH was strategically modelled in Vancouver where rising land and home costs make it prohibitive for median-income households. Vancouver is a prominent example where margins on market housing projects are often very thin, which emphasizes the need for creative solutions to attainable home ownership.

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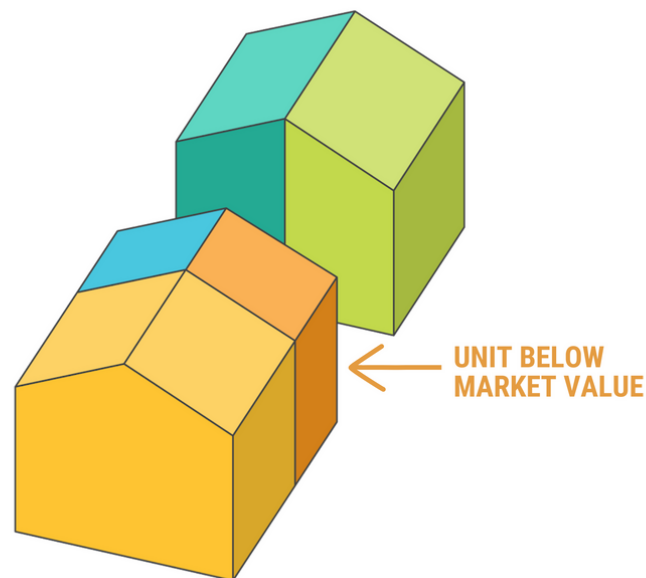
<sup>3</sup> [Permanently Attainable Homeownership: A feasibility study](#)



PAtH serves as an innovative homeownership program framework that utilizes existing assets (land from homeowners), planning tools (density bonus, strata-titling) and creative design. The PAtH model incentivizes the creation of attainable housing for median household incomes by blending non-market and market units (two- and three-bedroom units, 900 to 1080 square feet each) within a single houseplex configuration or infill layout.

To put it simply, attainable housing is created by leveraging a homeowner's existing land and developing multiple modest-footprint homes on their lot, owned through strata-title. To further deepen housing affordability, one unit can be held below market value in perpetuity and managed by a non-profit housing provider or other social housing entity. Offering attainable and market-restricted homeownership opportunities throughout our neighbourhoods can support revitalization and complete communities.

By introducing incentives to encourage participation by homebuilders in major urban centres, we can broaden the uptake of the PAtH model. One potential incentive could be tax breaks or other financial benefits for those who choose to construct multi-unit housing developments that meet the PAtH standards. Additionally, local governments or other pro-housing organizations could provide technical assistance and support to builders who are interested in participating in the PAtH program. This could include resources such as planning and design guidance, as well as assistance with navigating the permitting and approvals process. Public outreach and education campaigns could generate further public interest among property owners considering redevelopment, and also among potential buyers of these new homes. Overall, a combination of incentives, technical assistance, and public outreach could help to increase the adoption of the PAtH model and increase housing attainability for middle-income earners in urban centers.



Pilot the Permanently Attainable Homeownership Model (PAtH) and preserve 1 unit below market value in perpetuity.

# The housing sector is ready for change.

On the heels of a global pandemic that saw housing prices grow at an unforeseen rate, coupled with rising interest rates continuing to erode housing choice, affordability, and attainability, solving the housing crisis is British Columbia's top priority. To deal with the housing crisis, we need to strata-title ADUs, implement a province-wide GDH mechanism, and further drive attainable housing options.

## Solving the housing crisis is British Columbia's top priority.

Reaching CMHC's housing supply goals to make housing affordable and attainable by 2030 requires bold actions by the provincial government. Allowing strata-titled ADUs and creating a province-wide GDH mechanism will ensure stakeholders from local governments, nonprofits, and private industry can better respond to the housing crisis. Our recommendations will help future-proof the economy against a downturn, create new jobs and training opportunities, foster innovation, and address practical climate change solutions.

We have proven that there is an interest and passion for small housing across BC, and can look to international case studies as best practices on how these ideas have worked in action. Committing to gentle density housing will have a meaningful shift for British Columbians across the Province.



## About Us

# It's time for Small Housing.

We're a non-profit and we champion smaller housing forms in established single-family neighbourhoods across BC communities.

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Since 2012, SHBC has been the public voice in support of small housing in the province. We have a strong track record of capacity building, advocacy, research and municipal partnerships with the cities of Coquitlam, Vancouver, Maple Ridge, Kelowna, and Nelson, to name a few. SHBC supported the expansion of Vancouver's laneway house program and provided a feasibility analysis that supported Vancouver's "making home" program. We have received funding and support for our programs from CMHC, Vancity, REFBC, Bullitt Foundation, SFU, as well as BC Housing.

SHBC is a repository for best practices in gentle density housing.

We have developed the following:

- policy and program frameworks
- feasibility analysis for market and non-market units
- design guidelines for infill
- public engagement practices
- development approvals process recommendations

small  
housing

# Glossary

**Accessory Dwelling Units:** The term Accessory Dwelling Units (ADUs) refers to all forms of additional units on residential (or even commercial/industrial) properties, and may be either attached (internal) to the primary residence or detached (external) from the primary residence. ADUs include secondary suites, on-lot tiny homes, garden suites, duplex or townhouse lock-off suites, laneway/garage units and any other dwelling unit type that can be placed in or adjacent to an existing or new dwelling unit on the same lot. The ADU is an independent living space, self-contained with its own kitchen, bathroom, and sleeping area. ADUs may be more broadly interpreted as multiple dwelling units on a standard single detached lot.

**Gentle-density housing:** Gentle density housing refers to infill development that complements neighbourhood character and can include anything from a small accessory dwelling unit and four, five and six-plex developments.

**Houseplex:** Houseplexes are multi-unit buildings designed to look like large houses and be compatible in form and massing with the residential neighbourhood.

**Laneway House:** A laneway house, often referred to as a laneway suite, is a residential unit that is separate from a primary residence and is typically located in the rear yard of a property, connected to a public laneway. While most commonly found in urban areas, laneway houses can also exist in rural settings.

**Missing Middle:** Missing Middle Housing is a range of house-scale buildings with multiple units—compatible in scale and form with detached single-family homes—located in a walkable neighbourhood.

**Small Housing:** Homes between 200 and 1500 square feet. Forms can be detached, such as laneway houses, or attached homes, akin to townhomes or secondary suites. Developed in single-family neighbourhoods to increase housing choice, affordability and sustainability.