

**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, APRIL 03, 2024**

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**SUBJECT**     **Capital Region Housing Corporation Operational Update, First Quarter 2024**

**ISSUE SUMMARY**

To provide the Capital Region Housing Corporation (CRHC) Board with an operational update in the areas of average days vacant, unit turnovers, and general financial performance.

**BACKGROUND**

The CRHC is a wholly owned subsidiary of the Capital Regional District (CRD) with the mandate to develop and manage affordable housing to meet the needs of individuals and families residing within the capital region. In working to fulfill its mandate, the CRHC delivers more than 2,000 affordable, attractive, inclusive, and sustainable homes across more than 50 unique properties located throughout the capital region.

In April, July, and October of each year, the CRHC advances an operational update to provide the CRHC Board with an overview of corporate performance as well as a separate Capital Plan Status Report that is solely focused on the delivery of the Major and Routine Capital Plans.

These two reports form the basis of the CRHC Board's oversight of CRHC activities and lay the foundation for consideration of a 2025 CRHC budget that will be presented to the CRHC Board in November 2024.

**DISCUSSION**

*Operations Update*

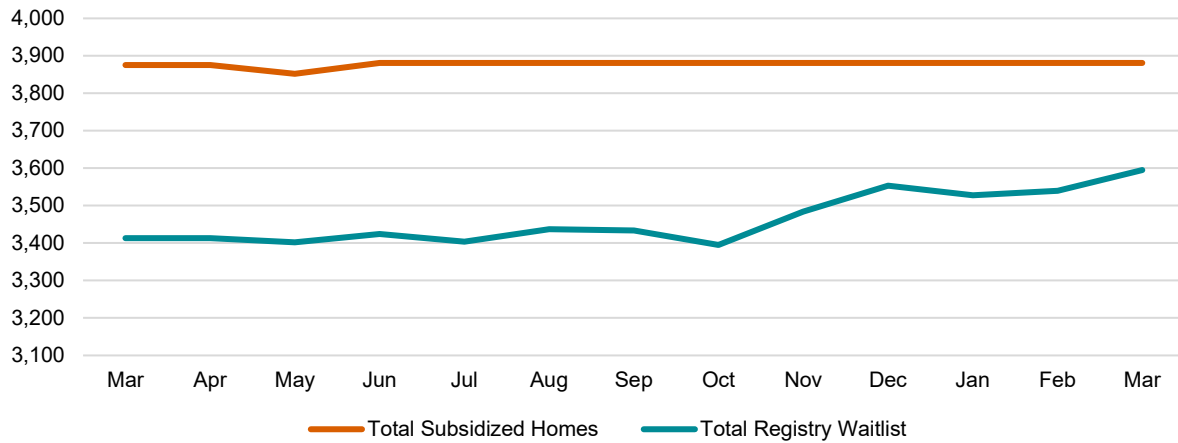
The properties that are managed by CRHC are supported by the work of approximately 50 Full-Time Equivalencies (FTE). Staffing continues to require attention due to planned growth, unanticipated absences, and the movement of staff into various roles within CRHC operations. Staff's focus through 2024 continues to be on maintaining existing services levels for tenants while also working to identify efficiencies and improve corporate performance.

*Housing Registry Waitlist Statistics*

The CRHC is required to identify tenants through the Housing Registry for all subsidized homes. The Housing Registry is an important tool as it provides a centralized database of applicant information to non-profit, and cooperative providers of affordable housing. The Housing Registry helps applicants as providing an opportunity to be selected by multiple housing providers in a coordinated way. It also supports housing providers manage applicant lists by maintaining a current database of applicants while eliminating duplication among housing providers who would otherwise receive and process applications from many of the same individuals and households. The Housing Registry requires applicants to renew their applications every six months to remain active.

Chart 1 provides an overview of the overall number of applicant households in the capital region up to March 10, 2024. The Applicant Waiting List Details is attached as Appendix A.

**Chart 1: BC Housing Registry Waitlist Statistics**



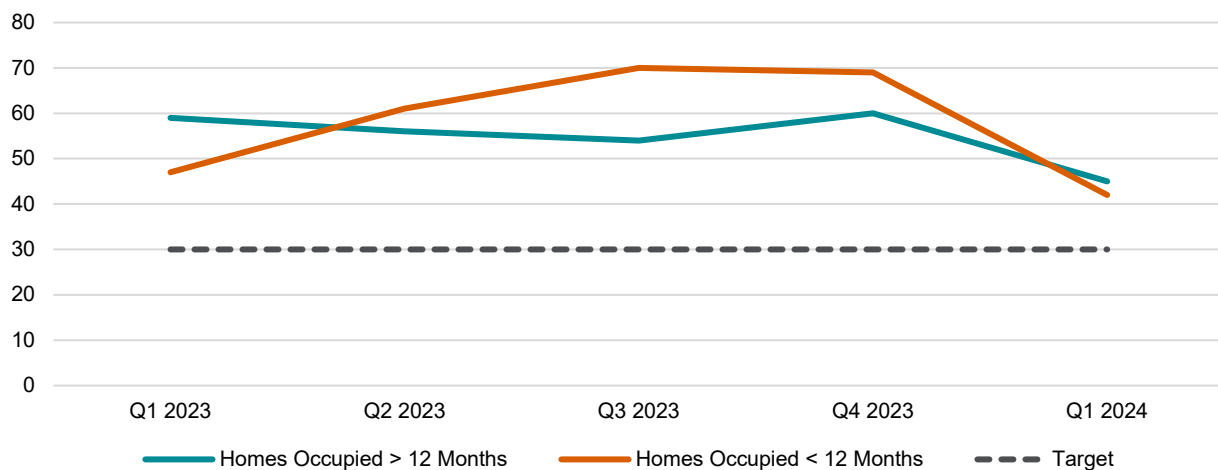
Over the last 12 months, there has been no significant change in the number of subsidized homes in the capital region, where the number reported in March 2024 is 3,881. Currently, households reported on the registry waitlist are 3,595 which represents a slight increase to March 2023.

As shown on Appendix A, the highest proportion of need in March 2024 is for Seniors (36%) followed by Family (26%) and then People with Disabilities (19%).

**Vacancy<sup>1</sup>**

Tracking ongoing vacancy across the CRHC properties is critical for two reasons. First, there is a direct correlation between vacancy and corporate performance. Too many homes vacant for too long will impact revenue and can result in the Corporation underperforming. Second, a unit that is vacant or where there is a significant delay in making that home available to an eligible household may result in that household being in unaffordable or substandard housing for an extended period. Therefore, the CRHC tracks vacancy data for both established properties (greater than 12 months) and for newly opened properties (less than 12 months).

**Chart 2: Average Days Vacant**



<sup>1</sup> Note: These figures represent a snapshot pulled from CRHC systems and are current as of March 6, 2024.

Looking first at homes occupied greater than 12 months, staff have made considerable progress on reducing the number of average days vacant by 14 days compared to the same time a year ago. Over the last quarter, staff have worked to reduce the average days vacant by 15 days.

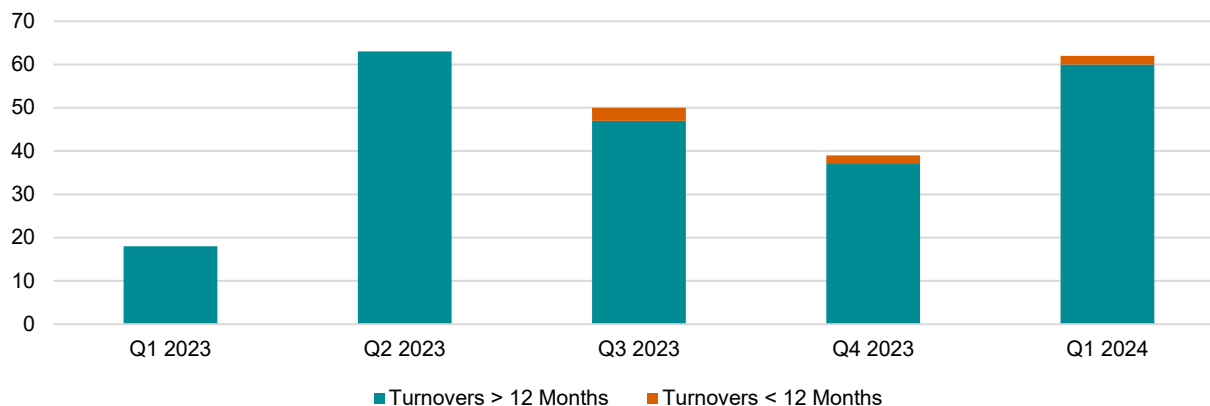
The only building that has been operational for less than 12 months is Prosser Place, located in Central Saanich. This building saw significant delays in renting several homes due to renovations required related to accessibility. However, as the renovations have been completed, all homes are now available, and staff have reduced the Average Days Vacant by 27 over the last quarter reducing the vacancy loss by almost one month.

As of March 6, 2024, there are 51 homes reported vacant across CRHC’s properties for a vacancy rate of 2.46%. The average days vacant for these homes is 41 days. Staff continue to focus on reducing the average days vacant of homes to a target of 30 days or less which includes time to rent-up and make necessary improvements (paint, flooring, appliances, etc.) to a unit prior to a new tenant moving in.

### Unit Turnover

Turnover rates capture the number of homes that have been occupied at least once and then re-rented and are currently occupied. This is an important metric as it helps to identify the stability of CRHC’s communities. Instability (e.g., a high turnover rate) can impact financial performance as unit turnovers can result in lost revenue while also placing operational pressure on staff who are responsible for getting the unit ready for new tenants.

**Chart 3: Q3 Turnover Rate – All Homes**



Turnover of homes increased in Q1 2024 by a total of 23 homes over the last quarter and 44 homes from this time a year ago, and is driven primarily by movement in Regional Housing First Program (RHFP) properties. This trend is not uncommon as these homes contain a high proportion of market-affordable rent levels and generally see more tenant movement compared to subsidized buildings.

As noted previously, the only property that the CRHC is operating for less than 12 months is Prosser Place. As Chart 3 shows, there is a relatively high level of stability in this new community with only two turnovers being reported in Q1 2024. It should be noted that the CRHC welcomes tenants into their homes with an initial 12 month lease and it is expected that the building may see additional movement as these leases conclude and tenants may then choose to move homes.

As the majority of the CRHC’s revenues are driven through tenant rents; vacancy and turnover rates are critical metrics.

*General Financial Performance*

In December 2023, the CRHC Board approved a 2024 budget of \$34.2 million (M) in expenditures. As of Q1, revenues are generally tracking well against operational targets whereas expenditures are tracking below. Position vacancy and the time required to recruit staff into newly approved positions and underspending across several budget lines are contributing to this surplus. Underspending is typical in the early part of the year due to the seasonal nature of operational work and as staff are focused on year-end and the annual audit. Staff expect that as costs are incurred through Q2 and Q3, expenditures will increase closer to alignment with snapshot targets.

**CONCLUSION**

CRHC has continued recruiting, interviewing, and onboarding staff as offers are accepted. Now that some of the vacant positions have been filled, staff have begun to review internal processes and procedures to find efficiencies and realignment for performance improvements. The operational performance of the CRHC continues to improve with considerable gains being made in reducing the average days vacant in both the established housing stock and the more recently opened housing. The financial performance of the CRHC at the end of February 2024 is positive in a surplus position. As operations continue to move toward the opening of 97 new homes in the spring/summer of 2024, staff will continue to proactively monitor this indicator.

**RECOMMENDATION**

There is no recommendation. This report is for information only.

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**ATTACHMENT:**

Appendix A: Applicant Waiting List Details