Density Bonusing for Affordable Housing: A Transit Corridor Perspective

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Capstone Project

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Reasons For Research

- Metro Vancouver is one of Canada's least affordable places to live.
- Research explores density bonusing in transit corridors and its impact on affordable housing outcomes in Metro Vancouver
- Little is known about the impacts of density bonusing on affordable housing.
- Key objectives include identifying motivations and challenges of density bonusing, understanding its impact on housing affordability, and examining its role in community development.

Research Questions

- How do transit-related density bonuses impact housing values and affordability within Metro Vancouver?
- How do corridors with transit-proximity-related density bonuses develop differently from those without such incentives, based on spatial analysis?
- What are the motivations and policy considerations behind cities adopting density bonusing related to transit corridors, and what challenges and opportunities do they present?

Methods

- Qualitative and quantitative methods were employed to understand the relationship between Transit-Oriented Development (TOD) and density bonusing.
- Three case cities in Metro Vancouver—Burnaby, Surrey, and New Westminster—were studied using publicly available housing data, Census data, spatial analysis, and interviews with planners.
- Case cities selected were based on criteria such as SkyTrain service and inclusion of density bonusing policies.

Interviews

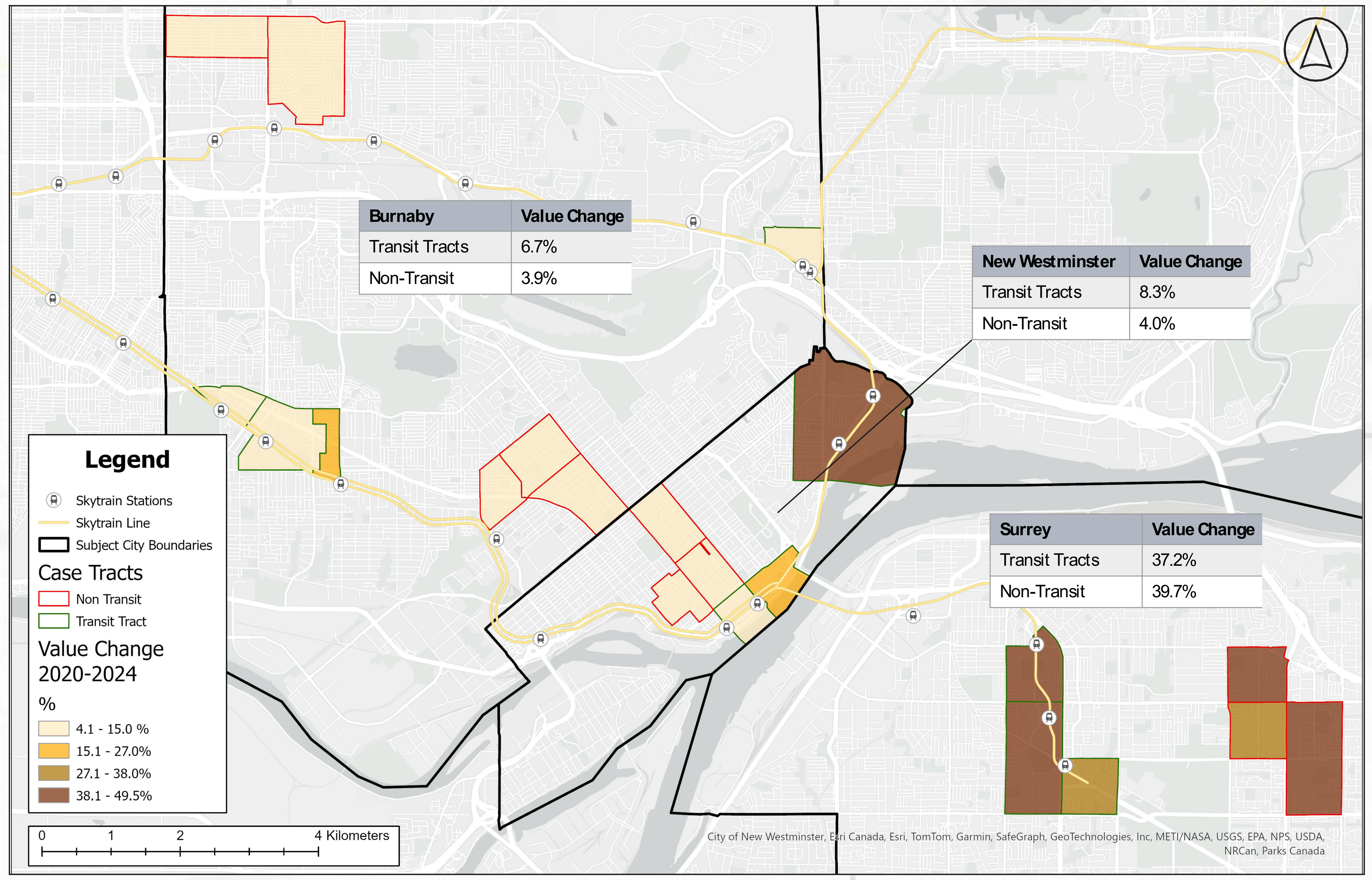
- Interviews provided insights into policy motivations, success/challenges, and lessons learned.
- 7 Interviews were conducted with City Planners from 7 different municipalities.

Spatial Analysis

- Spatial analysis was used to identify trends and compare tracts across cities.
- Key findings were obtained regarding property value changes differences between transit corridors and non-transit areas.
- Census data analysis compared indicators between Transit Tracts (T.T.) and non-Transit Tracts (NTT) regarding core housing needs, population growth, density, and public transit ridership.

Property Value Change 2020-2024

The Map above illustrates the Census Tracts chosen to compare housing values, with over 1300 properties manually entered to determine the the percentage change from 2021 - 2024. Surrey experienced the highest assessed value growth, significantly outpacing the other two case cities and exceeding regional averages. Both Burnaby and New Westminster, exhibited higher assessed property values in Transit Tracts comapred to Non-Transit



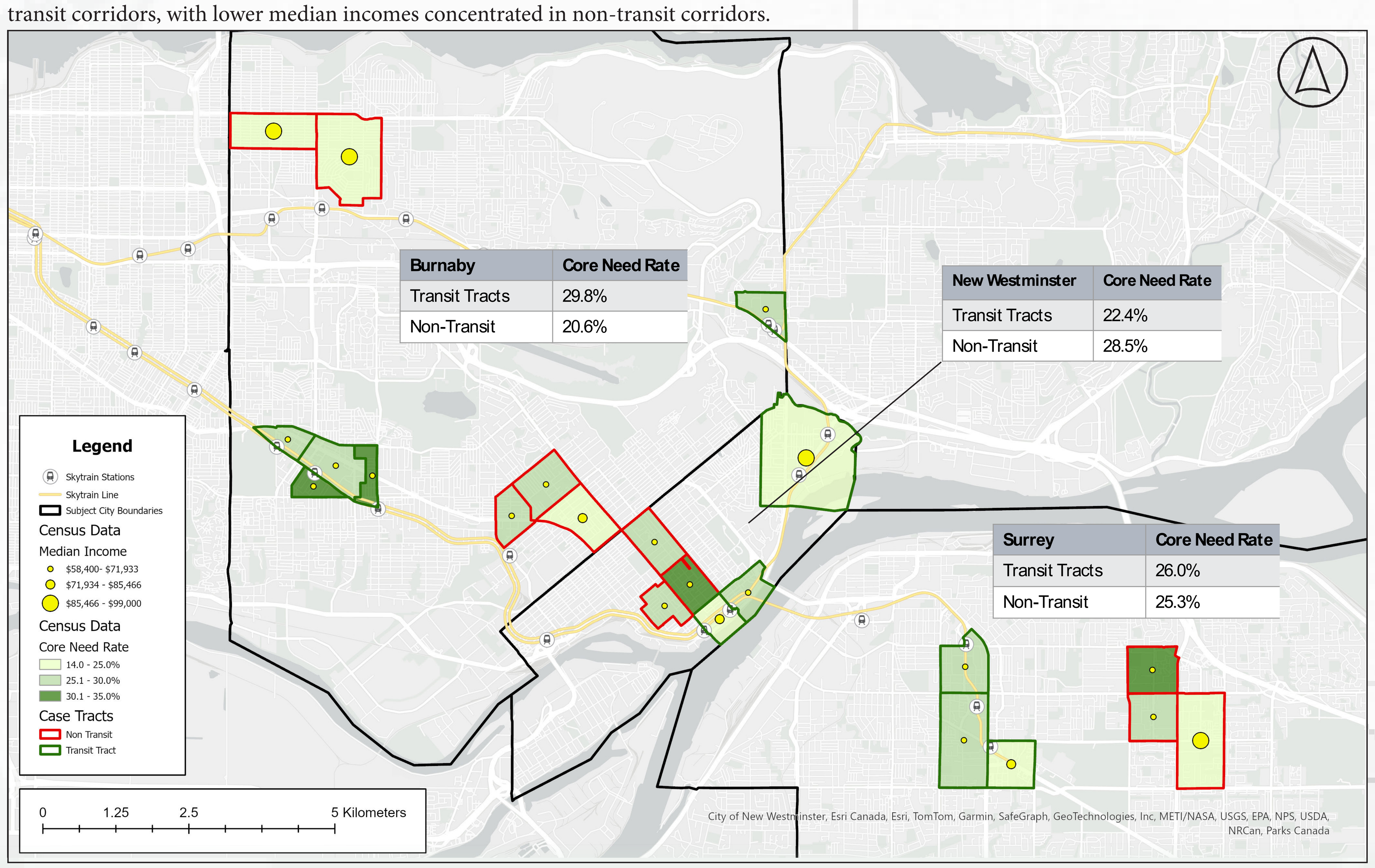
Burnaby	Value Change
Transit Tracts	6.7%
Non-Transit	3.9%

New Westminster	Value Change
Transit Tracts	8.3%
Non-Transit	4.0%

Surrey	Value Change
Transit Tracts	37.2%
Non-Transit	39.7%

Core Need Rate and Median Income

Average core need rates were higher in 2 out of 3 subject cities' transit Tracts, exceeding the national average core need rate of 11.2%. In Surrey and Burnaby, transit Tracts generally had lower median household incomes, while in New Westminster, the inverse was observed. Burnaby had the lowest median income within transit corridors, with incomes generally below the city average. New Westminster had the highest median incomes within transit corridors, with lower median incomes concentrated in non-transit corridors.



Burnaby	Core Need Rate
Transit Tracts	29.8%
Non-Transit	20.6%

New Westminster	Core Need Rate
Transit Tracts	22.4%
Non-Transit	28.5%

Surrey	Core Need Rate
Transit Tracts	26.0%
Non-Transit	25.3%

Interview Findings

Benefits of Policy Implementation:

Density bonusing has proven successful in funding community amenities without imposing a burden on taxpayers. Both developers and the public perceive it as a mutually beneficial policy, contributing to the enhancement of urban infrastructure and services.

Challenges:

Challenges in density bonusing implementation include ensuring transparency, efficient fund allocation, securing community buy-in, navigating political dynamics, and effectively managing below-market units. Addressing these challenges is essential for the successful execution of density bonusing policies.

Developer Relationships:

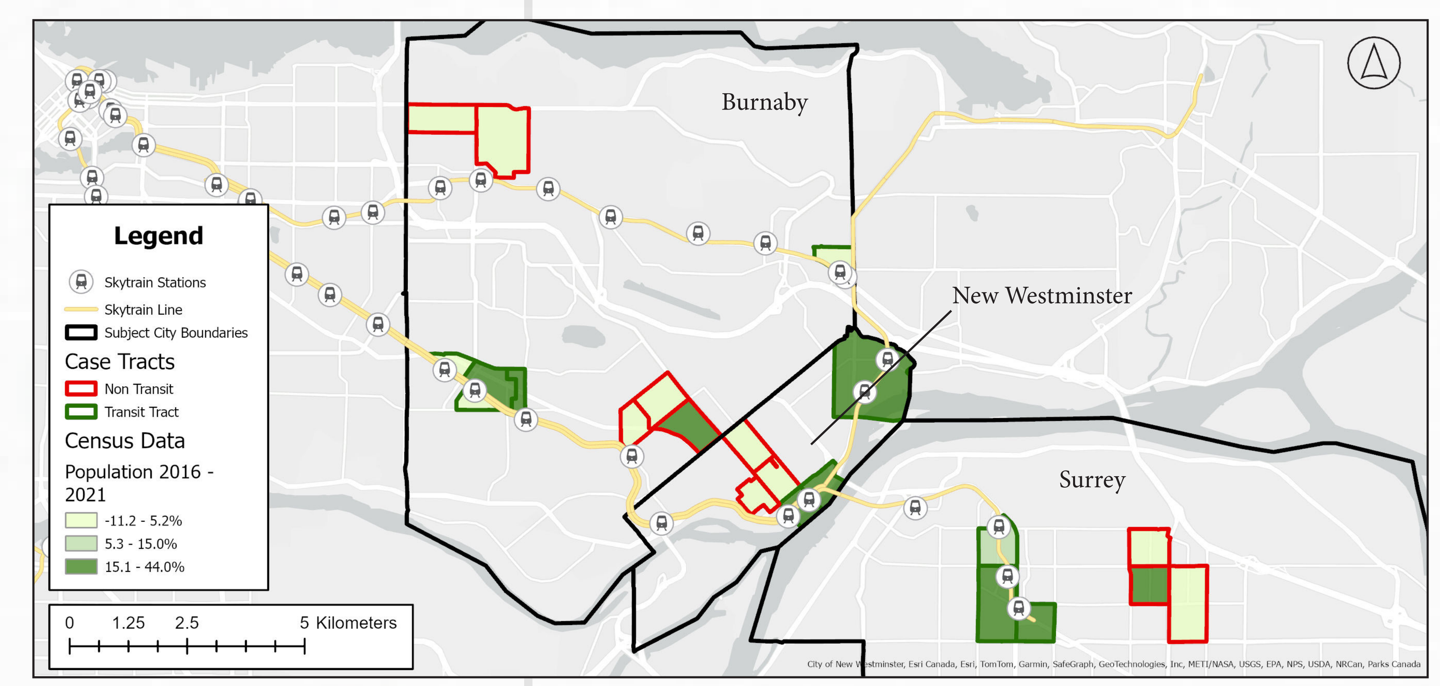
Collaboration between policymakers and developers is crucial for effective policy development. Developers appeared to understand the mutual benefit of density bonusing, and continued to develop in communities. Despite threats of leaving if policies were enacted, development rates did not see significant declines, suggesting a complex dynamic between policy implementation and market forces.

Public Perception of Developments:

Public opposition can be mitigated when amenities are directly linked to increased density around transit areas. Emphasizing the importance that community engagement and transparent communication about the benefits of development

Population Change 2016-2021

The population growth in Metro Vancouver's transit corridors, particularly in Surrey, is significant, with transit tracts experiencing an average of 30% population growth from 2016-2021. Burnaby's population growth, although lagging behind Surrey's, still exceeds regional average (14%), with notable increases observed in transit tracts. New Westminster, while exhibiting lower population growth rates compared to Surrey and Burnaby, mirrors expectations for transit corridors, with population growth concentrated along transit routes.



Burnaby	Population Change
Transit Tracts	12.1%
Non-Transit	6.5%

New Westminster	Population Change
Transit Tracts	24.2%
Non-Transit	4.3%

Surrey	Population Change
Transit Tracts	30.1%
Non-Transit	6.9%

Conclusion

- Results show mixed impacts of density bonusing policies in TODs, including increased property values and higher rents, but also accumulation of public amenities and funds for affordable housing.
- The findings underline the complex relationship between density bonusing, housing affordability, and community development.
- Policy refinement is crucial to ensure that density bonusing effectively addresses affordability challenges while fostering inclusive and vibrant communities in Metro Vancouver.