

Employee Restricted Housing Purchase Waitlist Insights

**Committee of the Whole
October 8, 2019**



Objective of this presentation

- Provide a deeper understanding of the purchase waitlist membership
- Provide fact based input for consideration in future policy & housing developments that may arise
- Identify opportunities for future data needs to support decision making

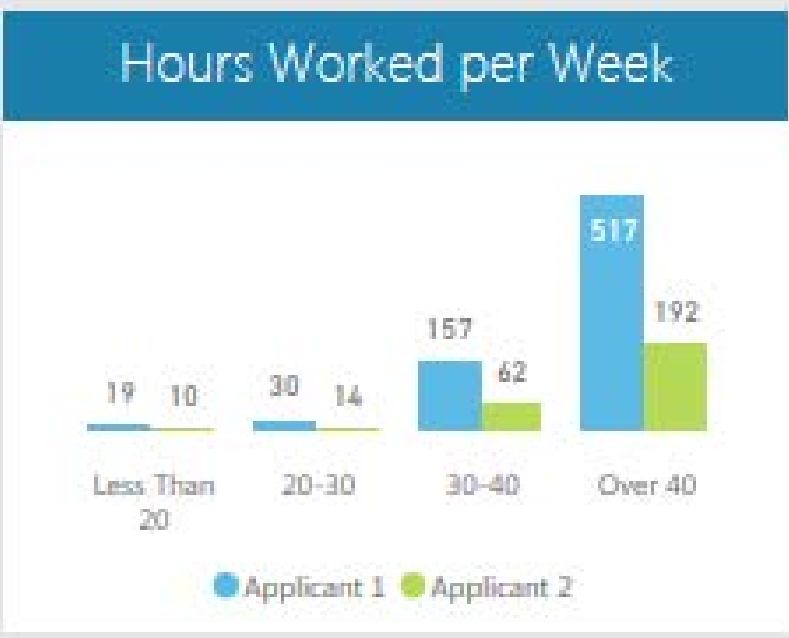
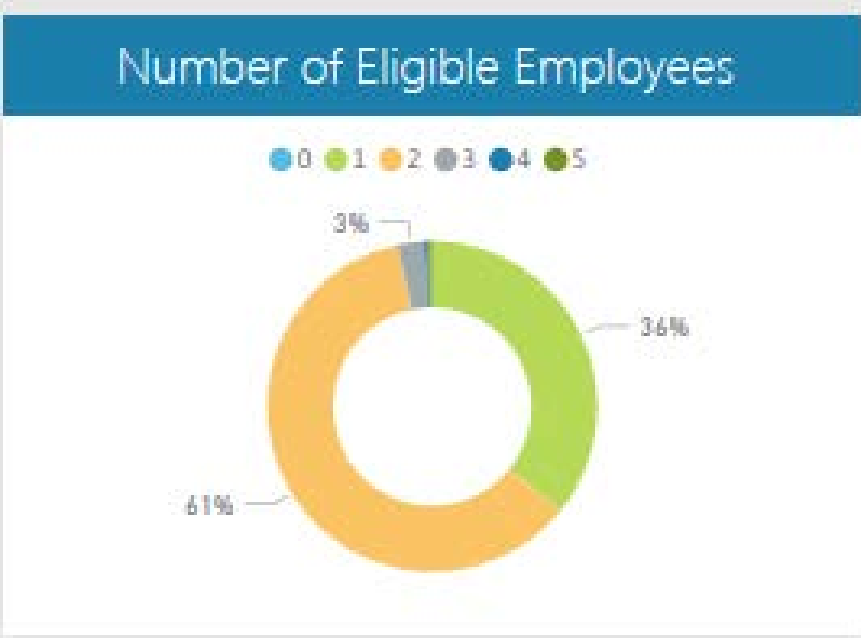
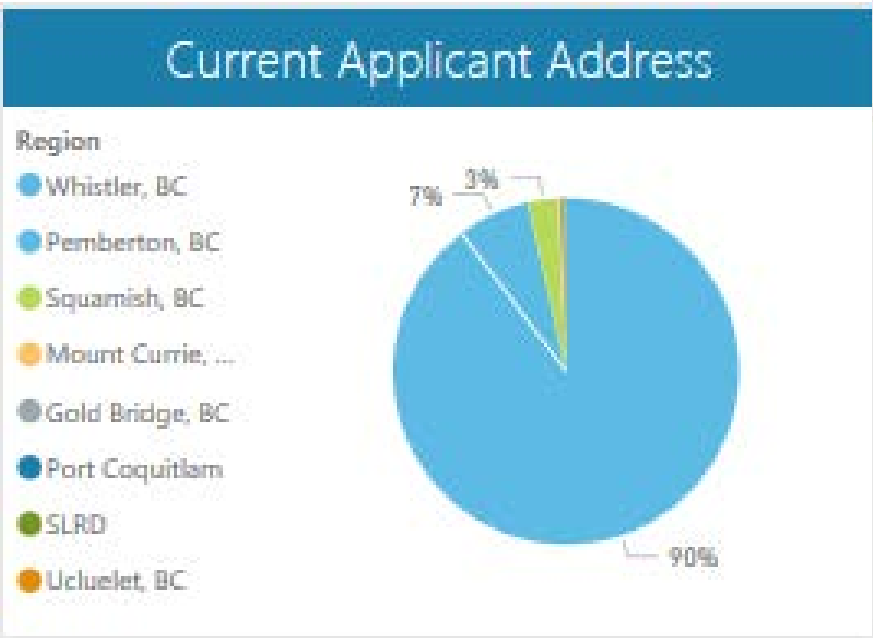
Agenda

- Highlights of the purchase waitlist
 - Review of purchase demand compared to ownership inventory
 - Applicant selections based on waitlist time
 - Next steps

Overview of the Purchase Waitlist*

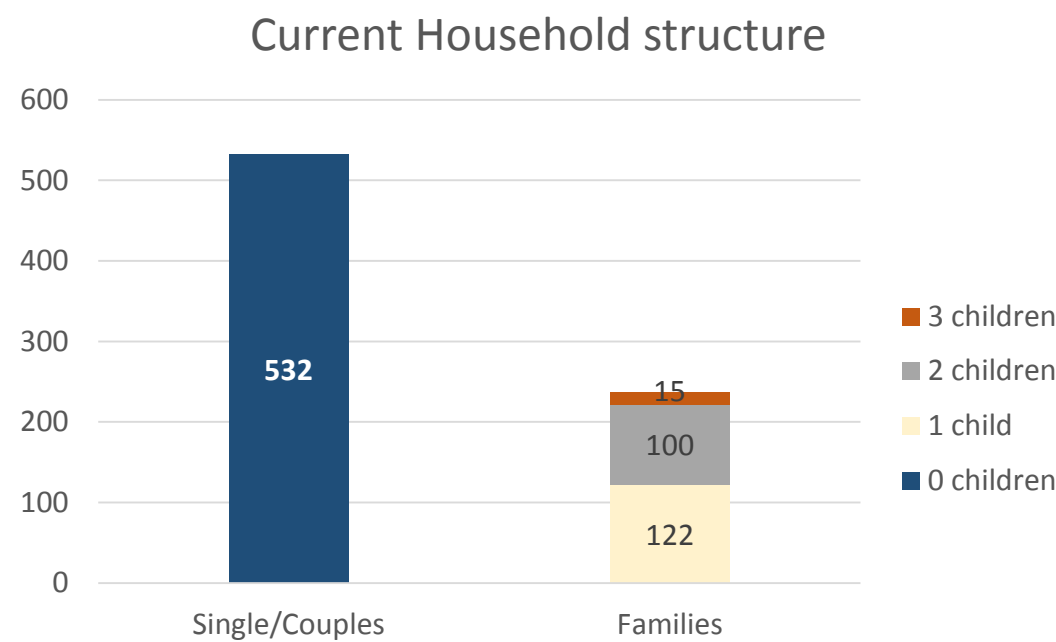


- Includes:
- 189 current existing WHA owners
 - 40 existing WHA rental tenants & 180 also on rental waitlist
 - **555 applicants are not existing WHA owners or tenants**



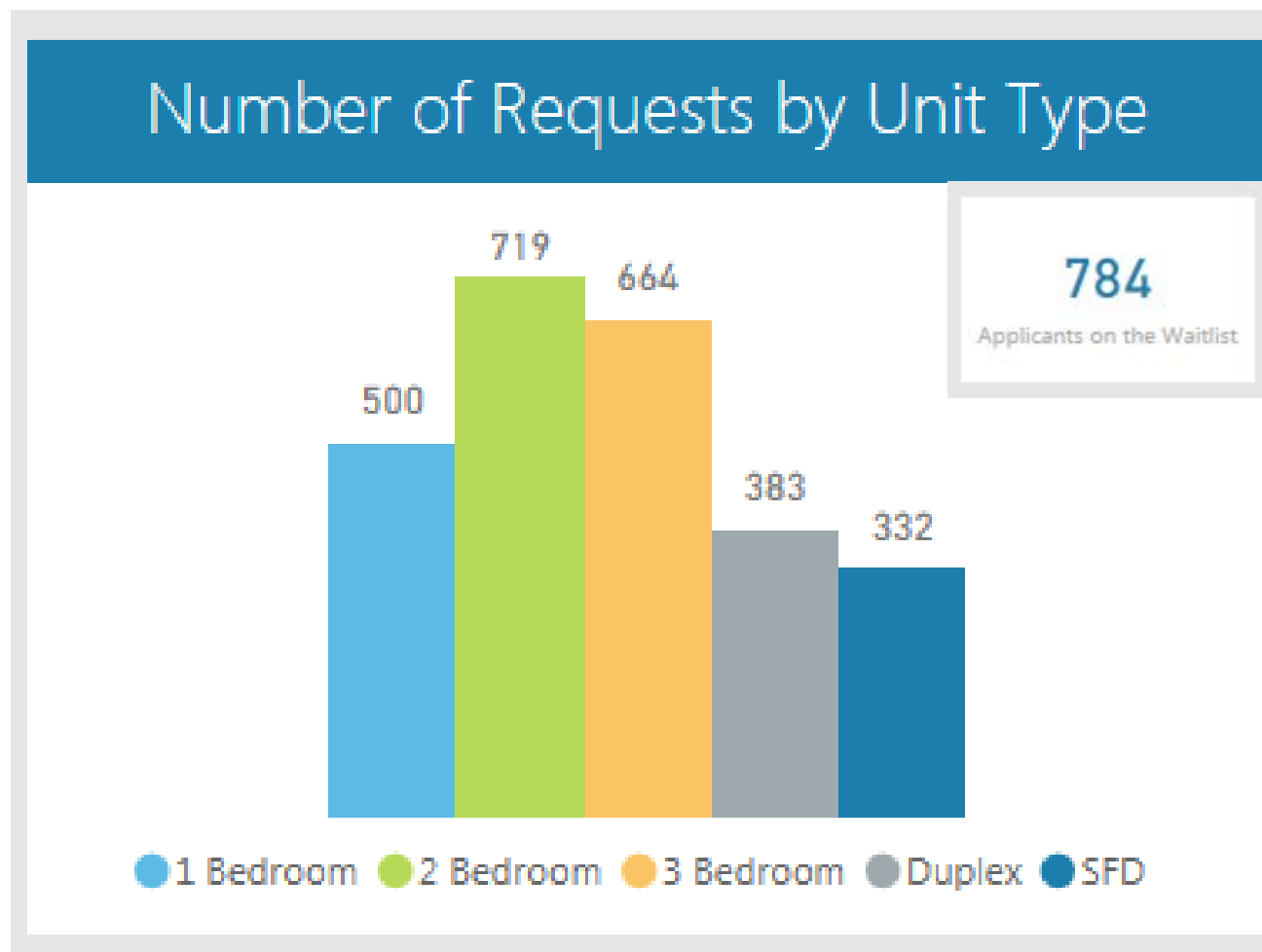
* All of the above are self-reported on application

About the Applicants household...



➤ 2 in every 3 applications identify as households without children or dependents

Typically, applicants request multiple unit types



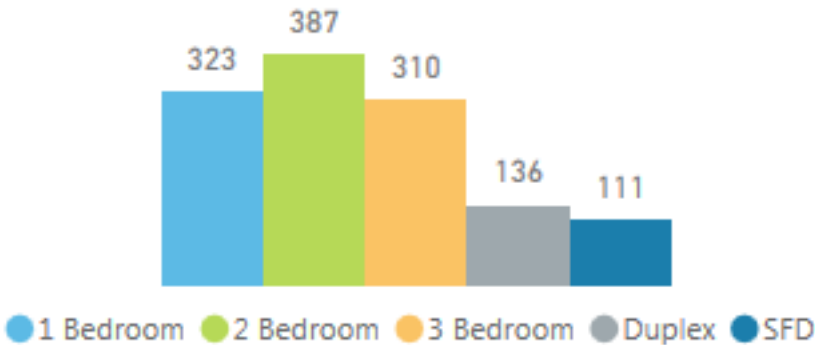
2,598 different unit type requests – Avg 3 different unit types per applicant

Looking at applicants without any dependents, requests range from 1 to 3 bedrooms

532
or TWO-THIRDS
Applicants with no dependents

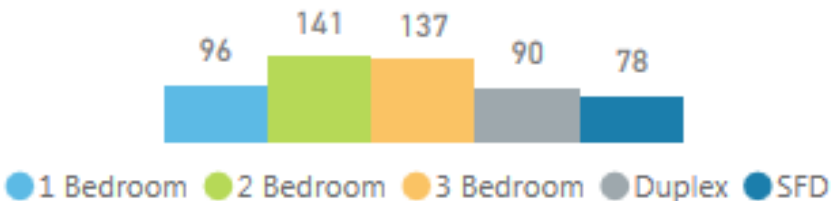
Number of Requests by Unit Type

1 Eligible Employee = 389



Number of Requests by Unit Type

2 Eligible Employees = 143



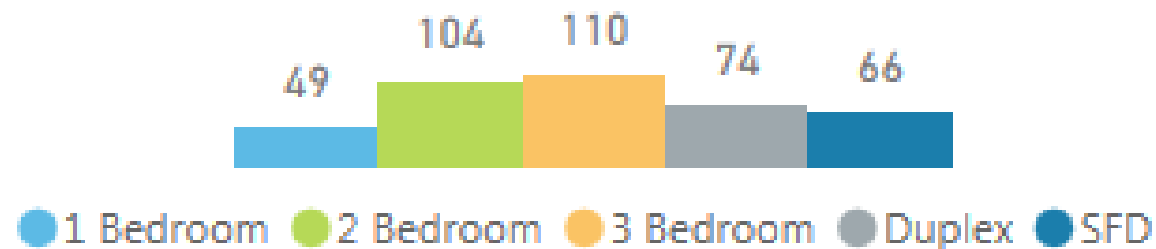
How far ahead are applicants planning?
How does that impact availability for those in need now?

Looking at applicants with 1 dependent, requests mostly in 2-3 bedrooms

122

Applicants with 1
dependent

Number of Requests by Unit Type

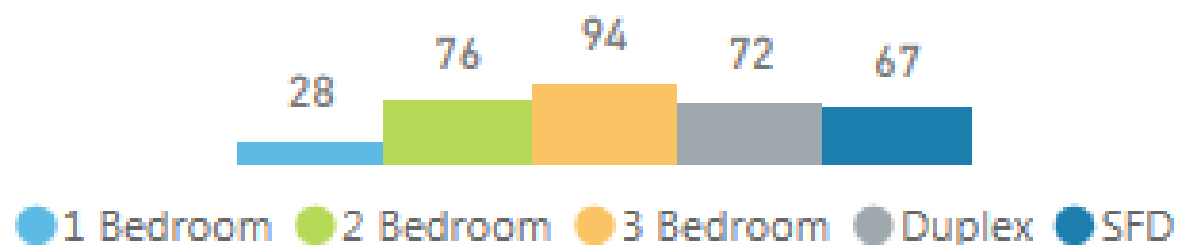


Looking at applicants with 2 dependents, requests more in 2-3 bedrooms

100

Applicants with 2 dependents

Number of Requests by Unit Type



Looking at applicants with 3 dependents, requests across all unit types

15

Applicants with 3 dependents

Number of Requests by Unit Type



Now looking at potential purchasing power of applicants



- **Median purchase price for pre-approved applicants was \$430,000**
 - Requires ~\$94,000 gross household income
- **Nearly 3 in 4 applications were submitted prior to new banking regulations (stress test) in Jan 2018**
 - Implemented to ensure borrower can still make repayments in the event of potential future higher interest rates
 - That same income required to purchase \$430,000 property, may now have access to purchase ~\$350,000 (20% drop)
- **No material difference in purchasing power between first home buyers and existing WHA owners**
 - Of 192 applications in last 2 years, median purchase price approval is \$375,000 (required income ~\$100,000)

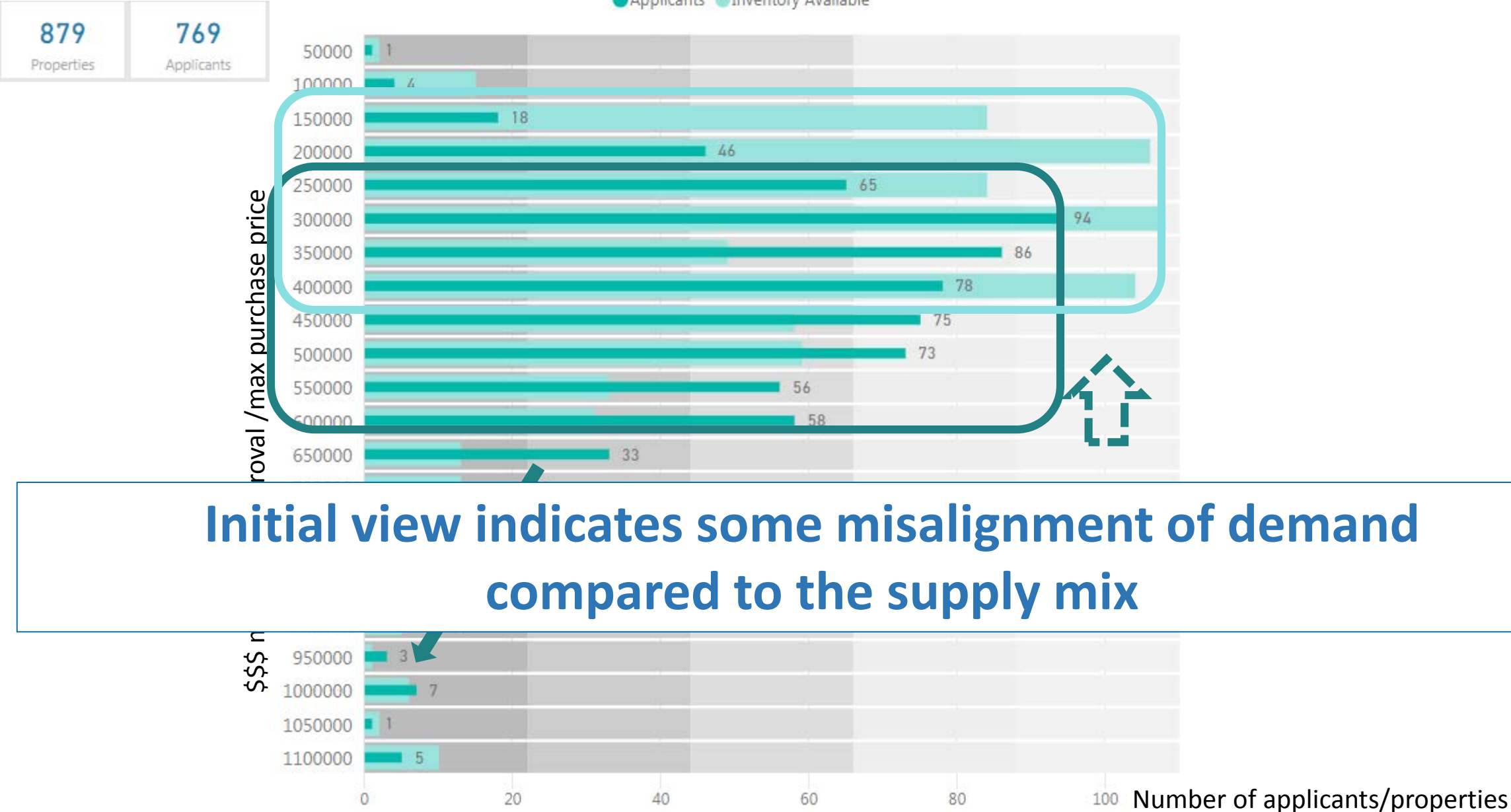
Summarizing the highlights

- Vast majority of applications indicate they are eligible employees and typically work full-time (30 hours per week or more)
 - Some areas identified for review to confirm eligibility (including current address/employment)
- Acknowledging applicants may wish to keep options flexible, it creates a challenge to interpret what is their true preference or need
- Most mortgage pre-approvals are outdated and potentially overstate the purchasing ability of many applicants
- Applicants data may not be fully updated at annual confirmations

Agenda

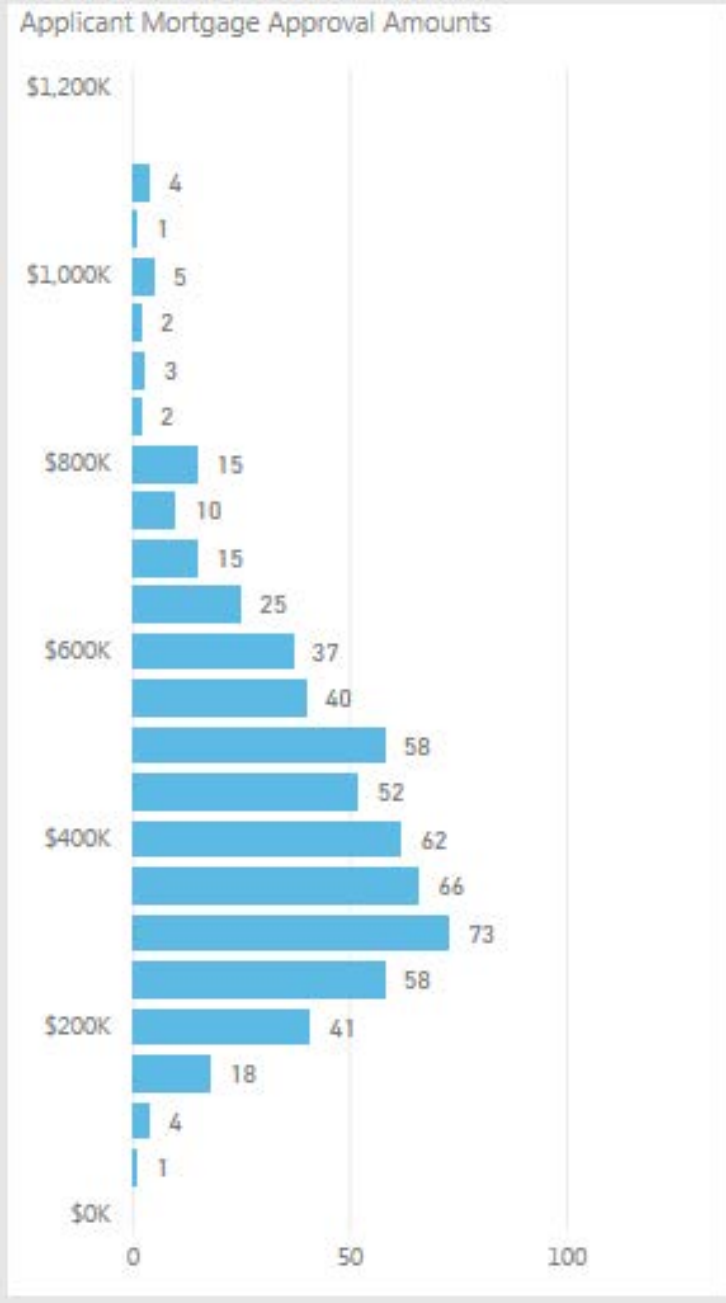
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Comparison of Applicants' Budgets & Inventory Pricing

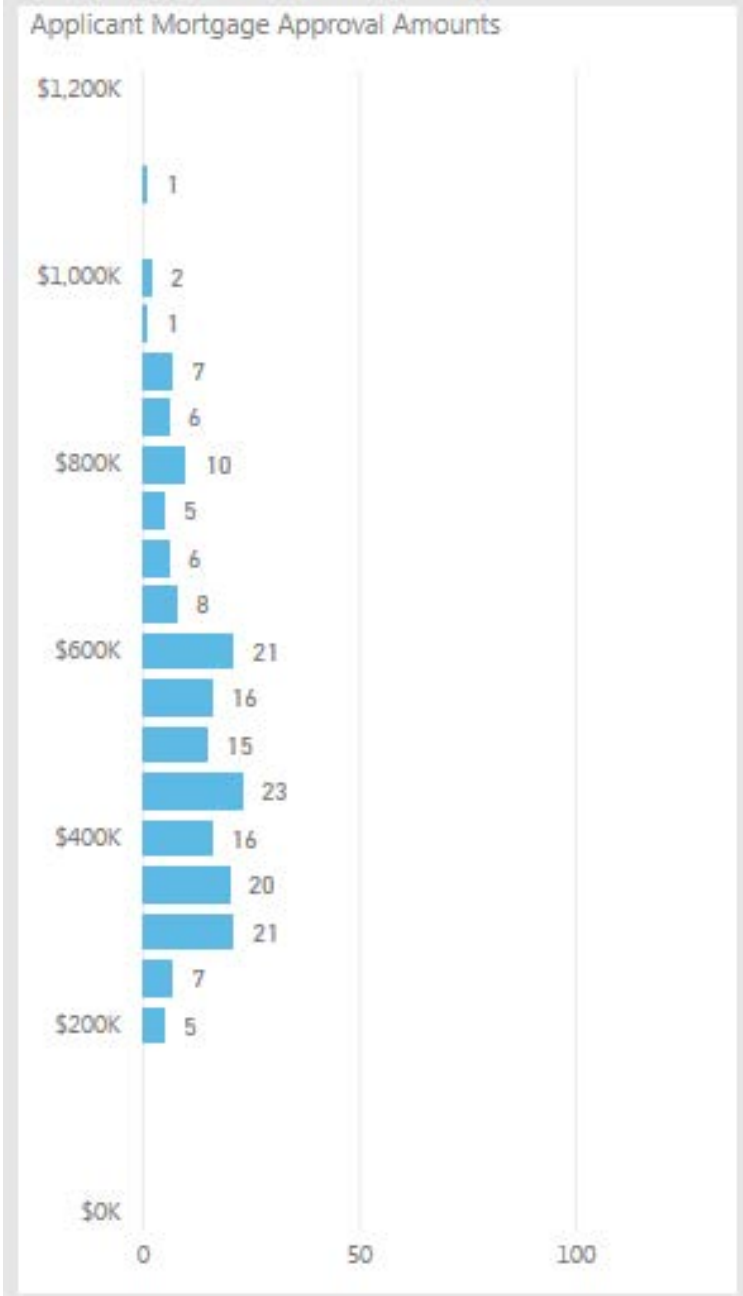


Comparison of all applicants' budgets

Non-WHA owners



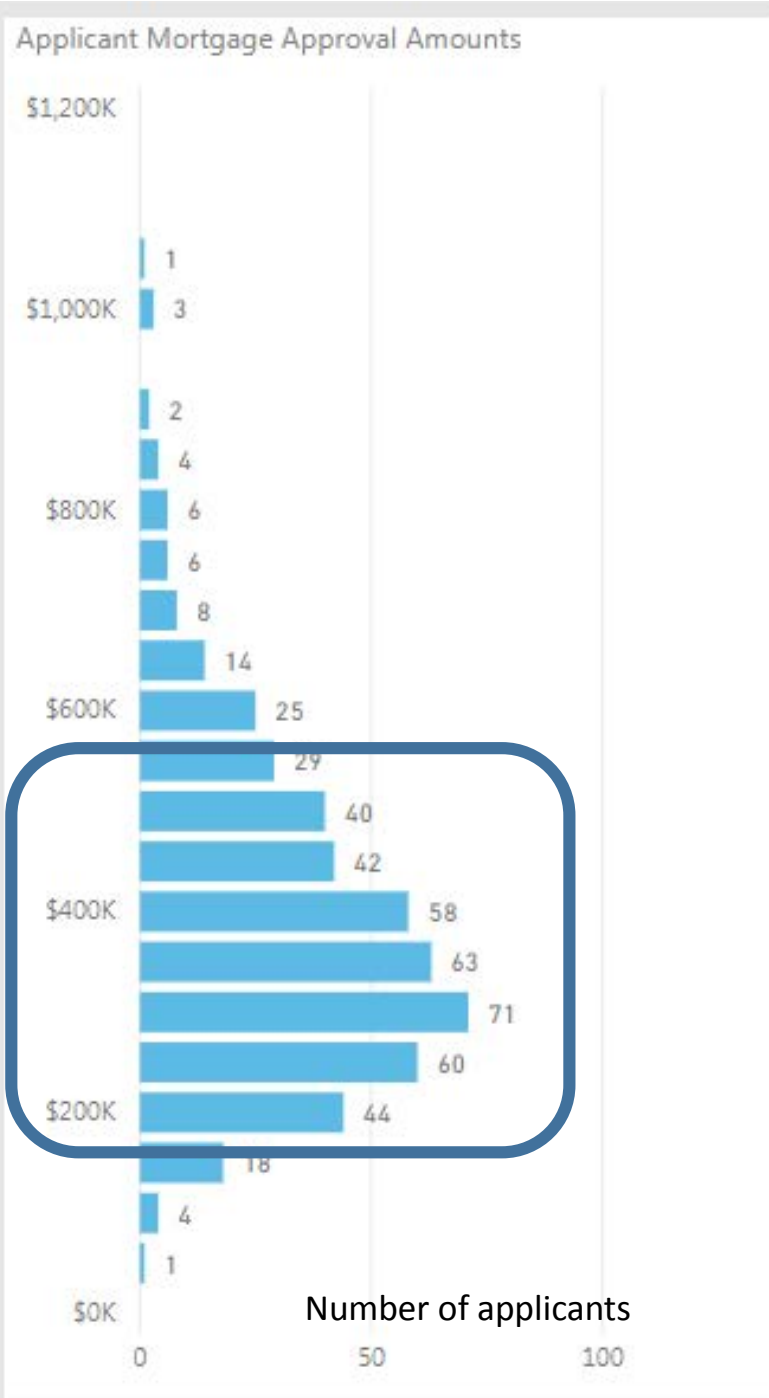
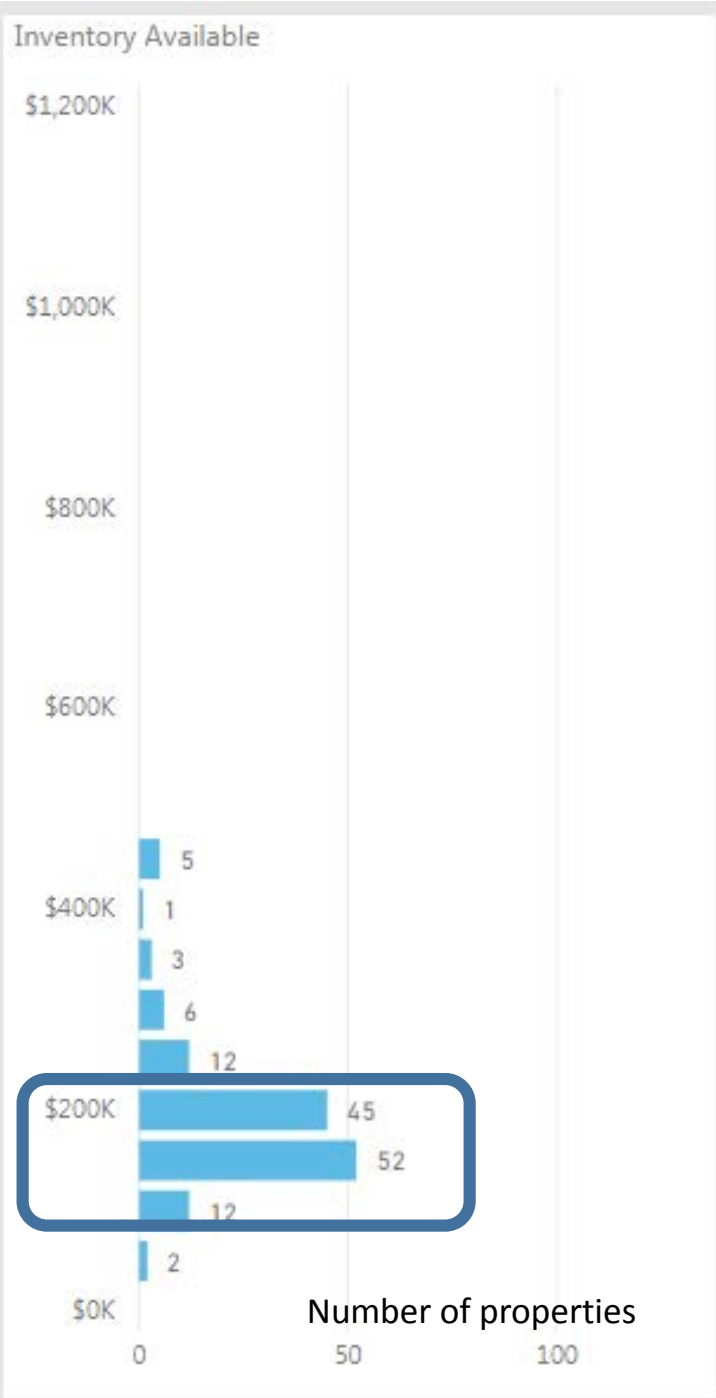
Current WHA owners



Studio / 1br units

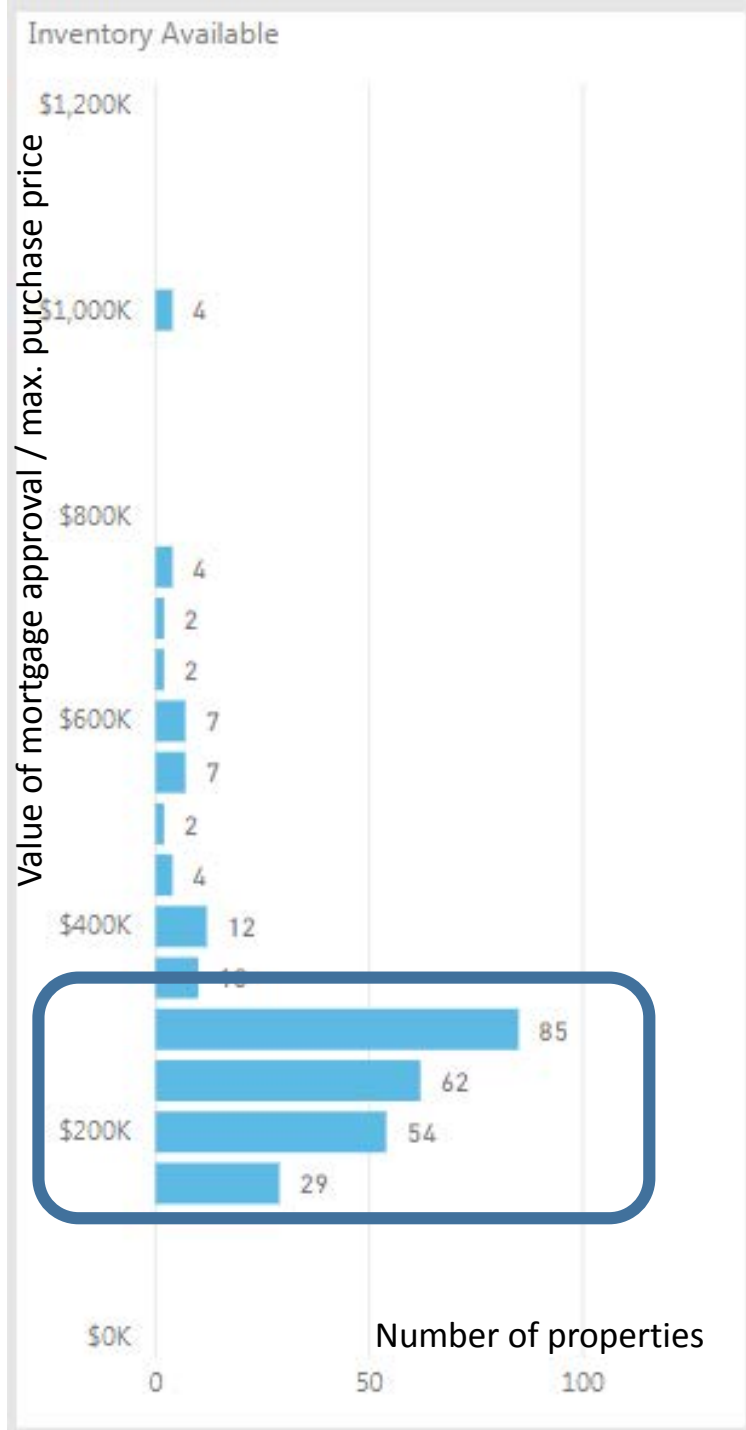
138 Properties	499 Requests
16%	60%

Value of mortgage approval / max. purchase price



Demand for 2br homes appears much broader than the supply mix

284 Properties	713 Applicants
32%	90%



Again, apparent differences in demand vs supply for 3 bedroom homes



1-2185 TIMBER RIDGE

Bayshores | 3.0 | 2.0 | 1152 Sq.Ft. \$879,000



10-2230 EVA LAKE ROAD

Nordic | 3.0 | 2.0 | 1081 Sq.Ft. \$799,000



3A-2230 EVA LAKE ROAD

Nordic | 3.0 | 2.0 | 1054 Sq.Ft. \$849,000

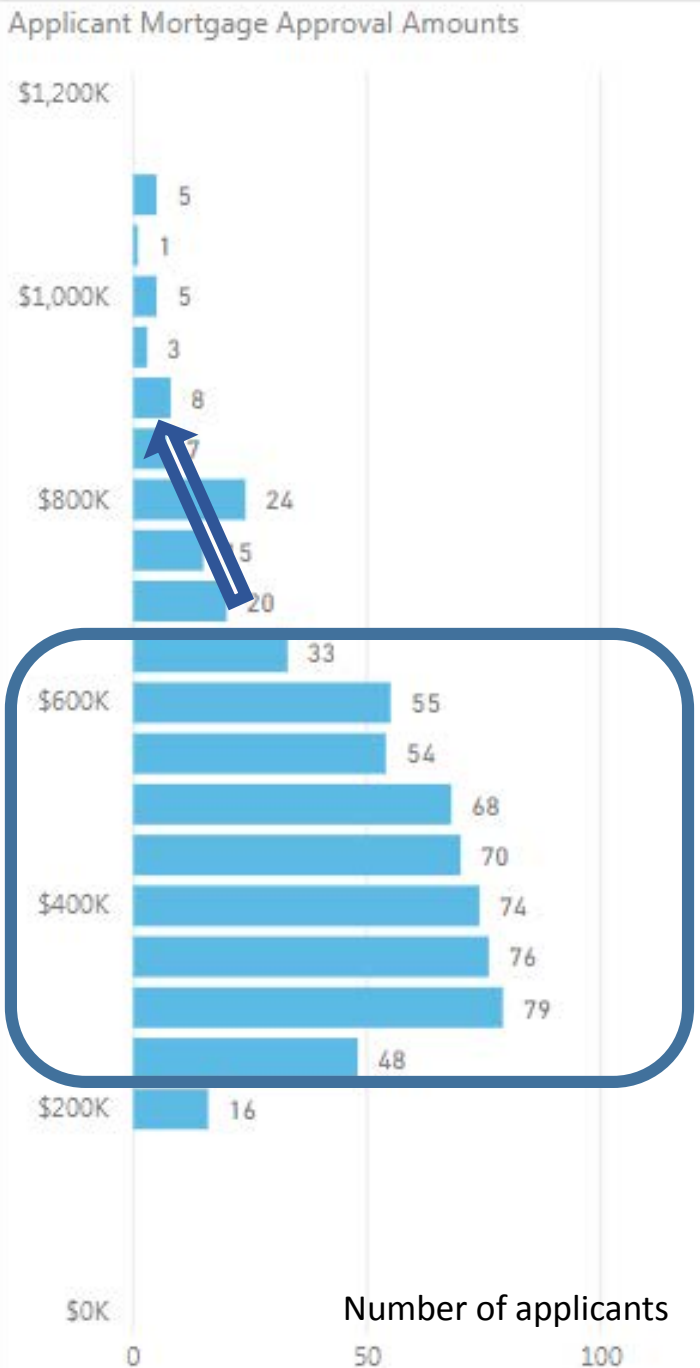
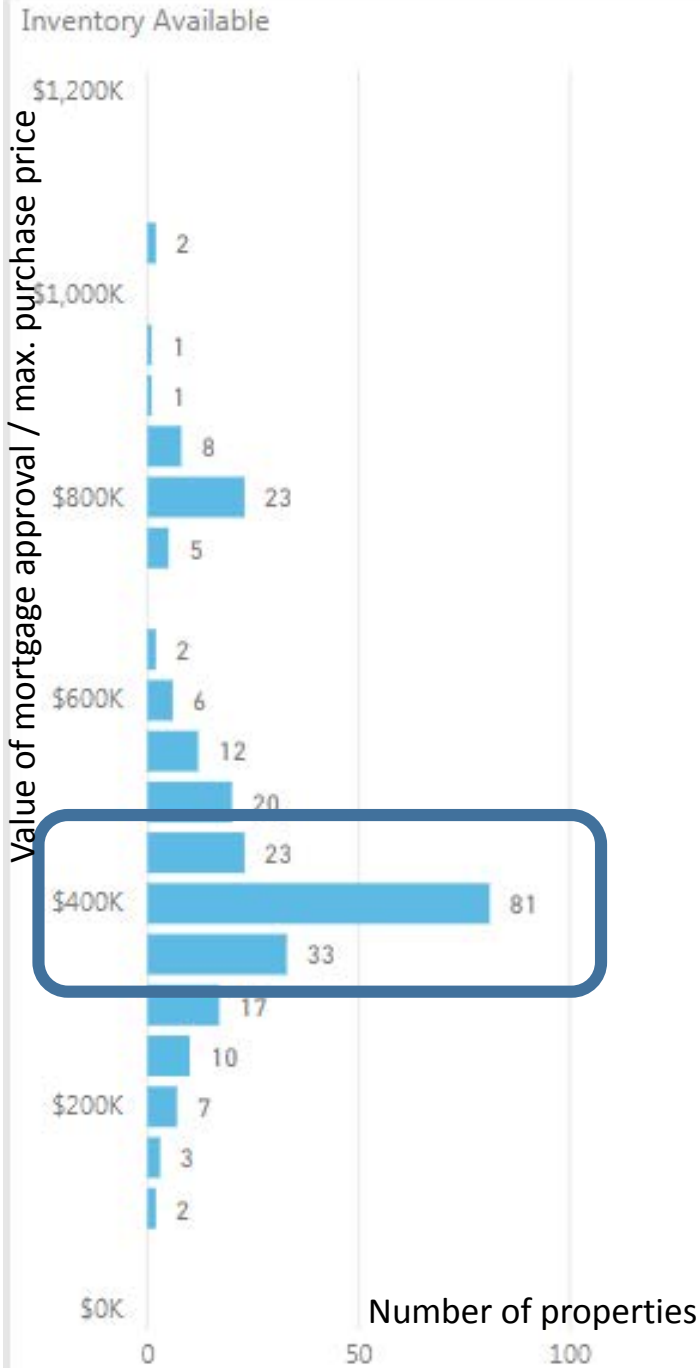
Overlord at Eva Lake Village. Prime location, steps to bus stop, Creekside Village & lifts, Valley Trail and lake-side parks. Spacious three bedroom, two bathroom townhouse tastefully renovated thru...



2004 KAREN CRESCENT

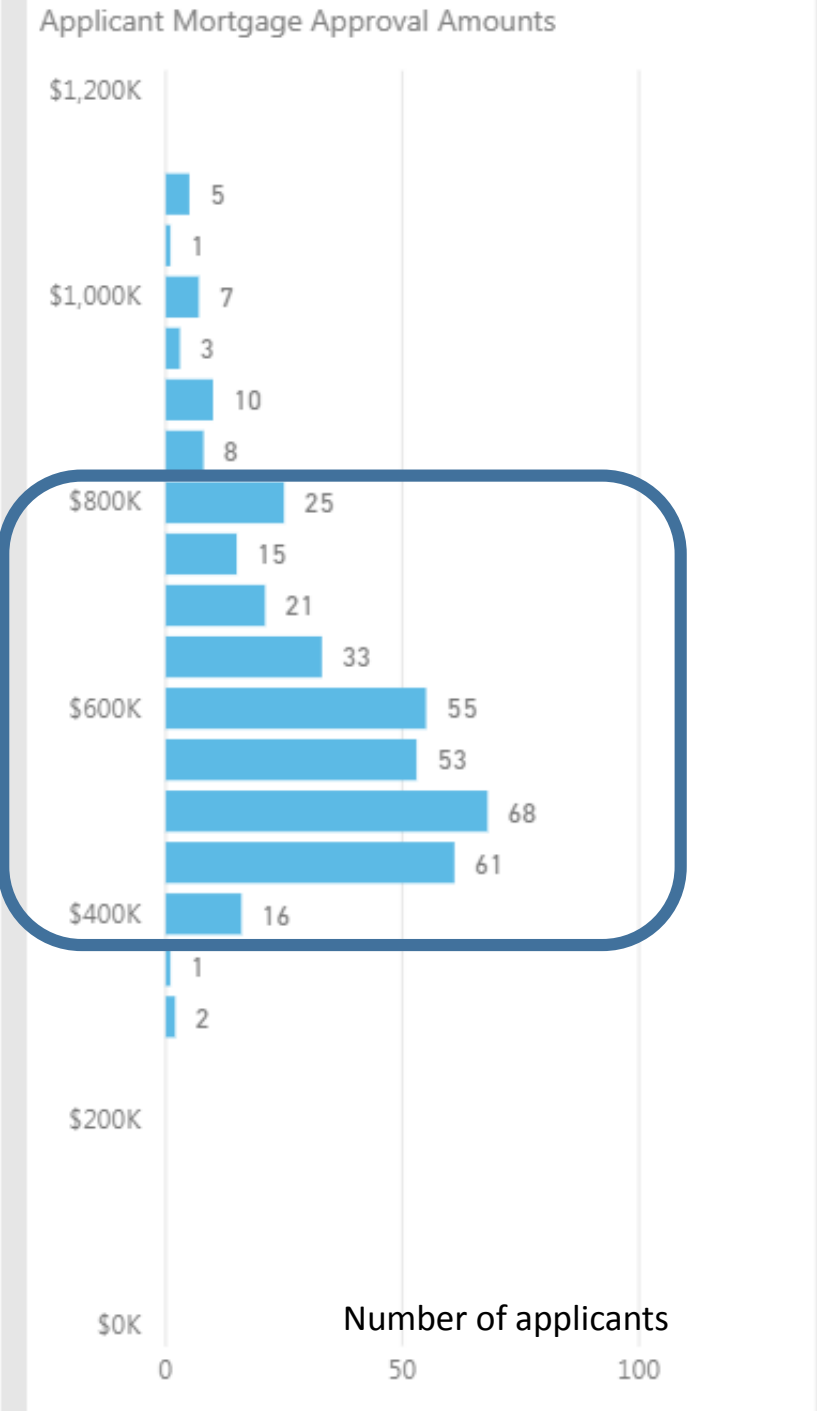
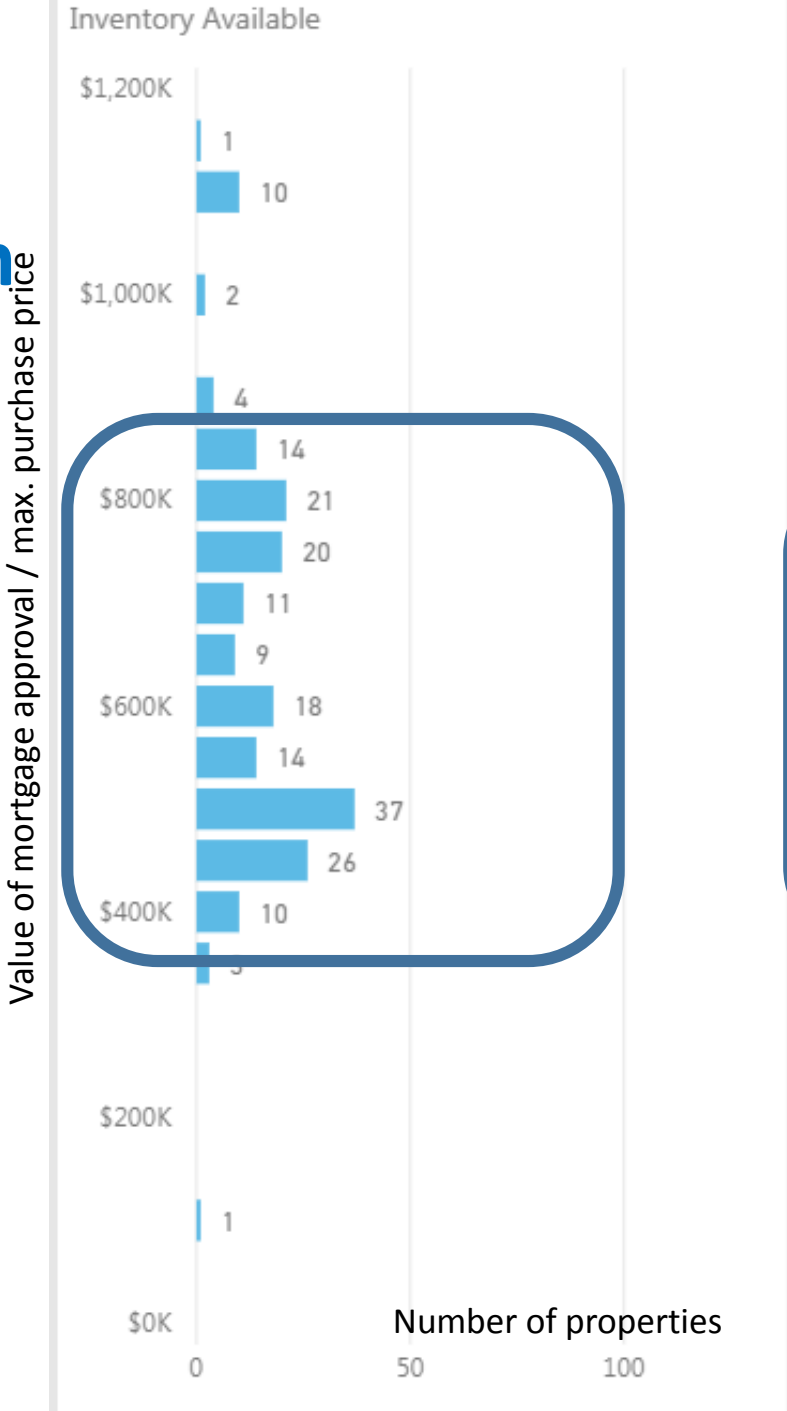
Whistler Creek | 3.0 | 1.5 | 840 Sq.Ft. \$850,000

Enjoy the premier LOCATION of this cute townhouse that is perfectly located a short walk across the street to Whistler Mountain! Come see for yourself why locals that live in Creekside, love it here!...



While Duplex & Single Family homes appear to be more aligned, but with much lower demand at higher price points

201 Properties	384 Requests
23%	50%



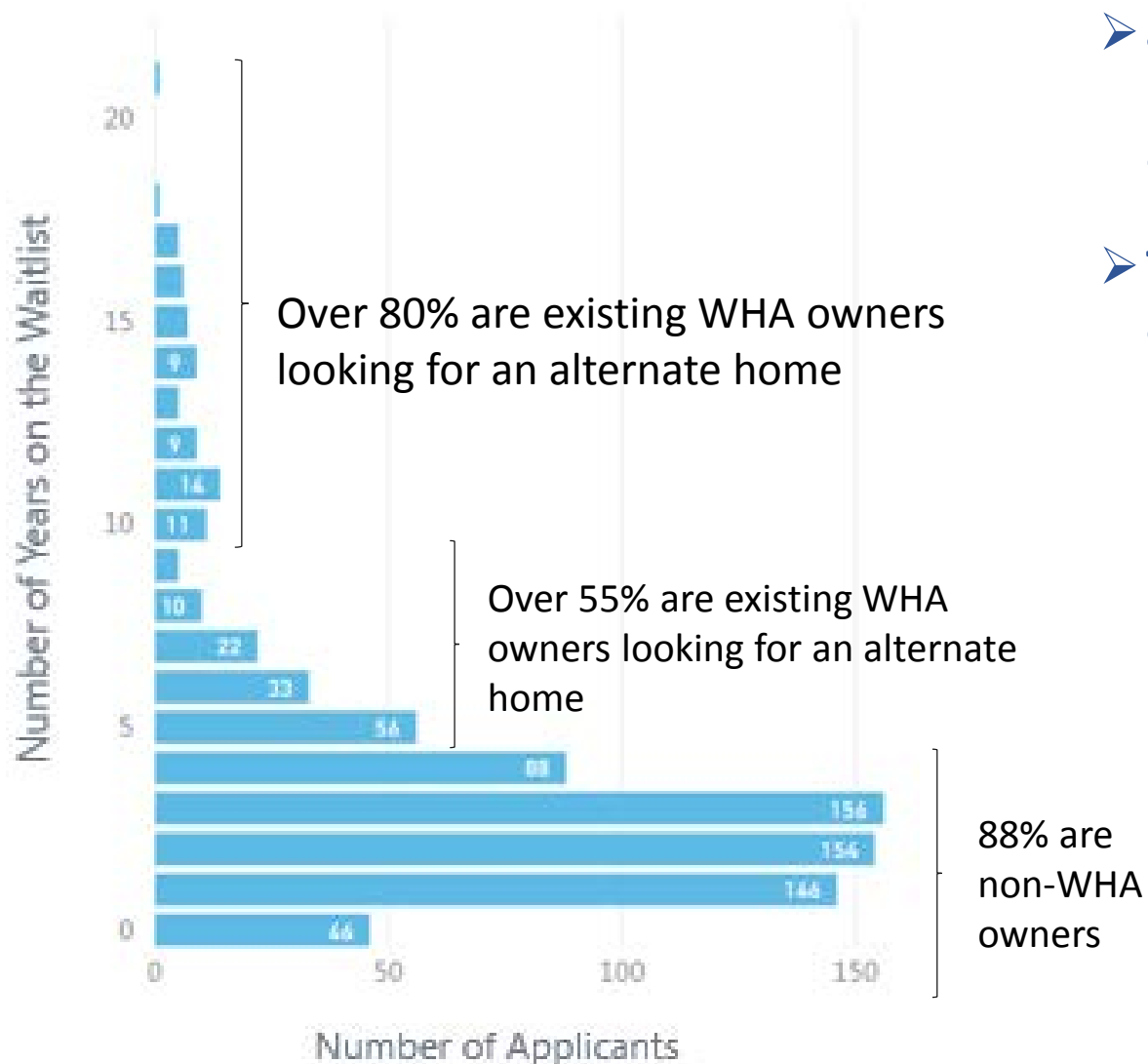
Summarizing Applicants' budgets compared to Inventory pricing

- In broad terms, there is *some alignment* between maximum resale prices and the pre-approval limits of applicants – although variable when looking by unit types
- **Supply dominates \$150,000 - \$400,000, while pre-approvals indicate \$250,000 - \$600,000**
 - Median pre-approval is \$430,000 – with new regulations, that may be overstated for many
 - Older smaller lower priced homes seem to be less in demand, potentially when newer (yet higher priced) are available...
 - Some of the current WHA homes could not be built at those prices in today's construction environment
- **Multiple requests from same applicant for small & larger units make it uncertain as to what the 'real' need is, and what applicants' may be willing to pay for**
 - Eg Applicants selecting 1 & 2br homes indicate higher pre-approvals than most resale prices
- **Demand for higher priced homes drops significantly especially where employee restricted home prices start to meet market prices**

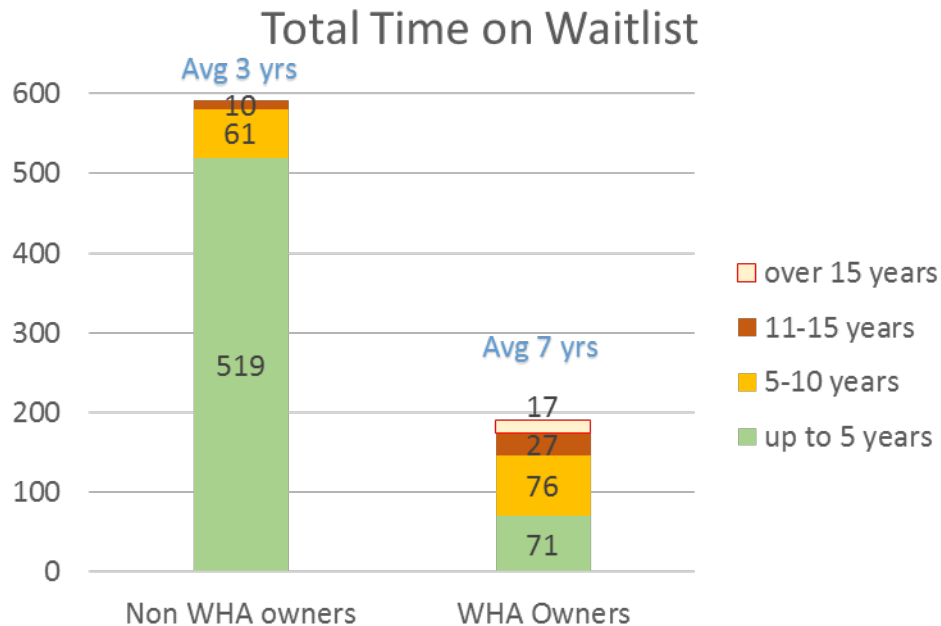
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Vast majority have been on the waitlist for 3 years or less



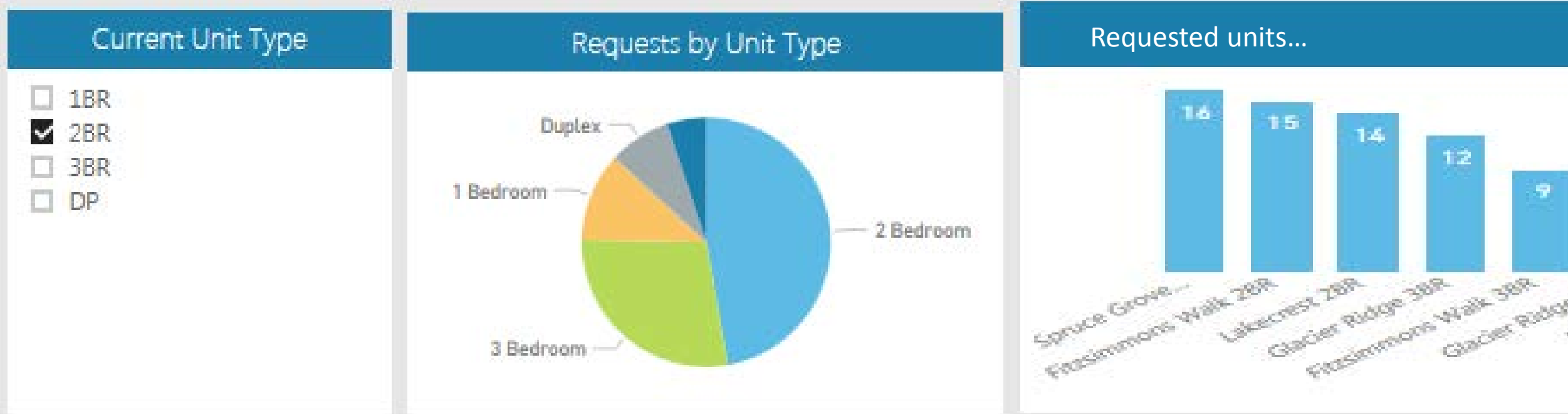
- 8 – 9 years ago a significant amount of new inventory became available – and caused a ‘glut’ of properties on the market
- Those on waitlist for longest times typically already own a WHA home - keeping options open for future



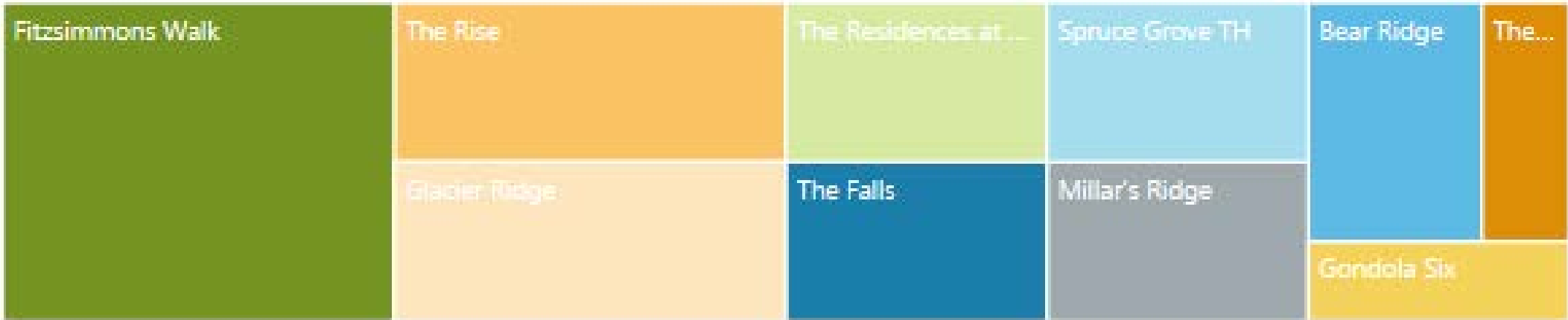
Applicants on waitlist for 10 or more years...

- **94%** already living in Whistler
- Typically are **existing WHA owners** and **mostly families**
- Average of 13 years in total, including the time before buying their existing home, **and now waiting for more specific properties**
- Median purchase price ~\$468,000
 - Due to most mortgage approvals prior to B20 Stress Test, these choices may or may not be relevant today

On waitlist for over 10 years & own a 2br WHA home, many request a different 2 bedroom home



Current WHA Address:

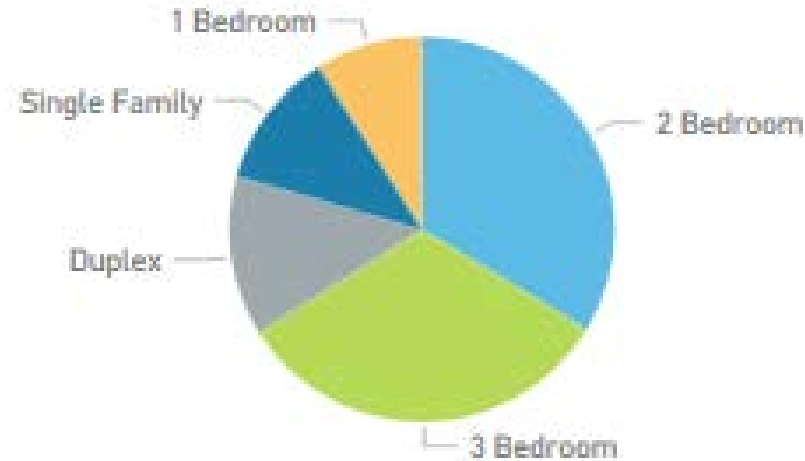


Current owners of WHA 3+ br home on waitlist 10 or more years, also looking for another similar sized home

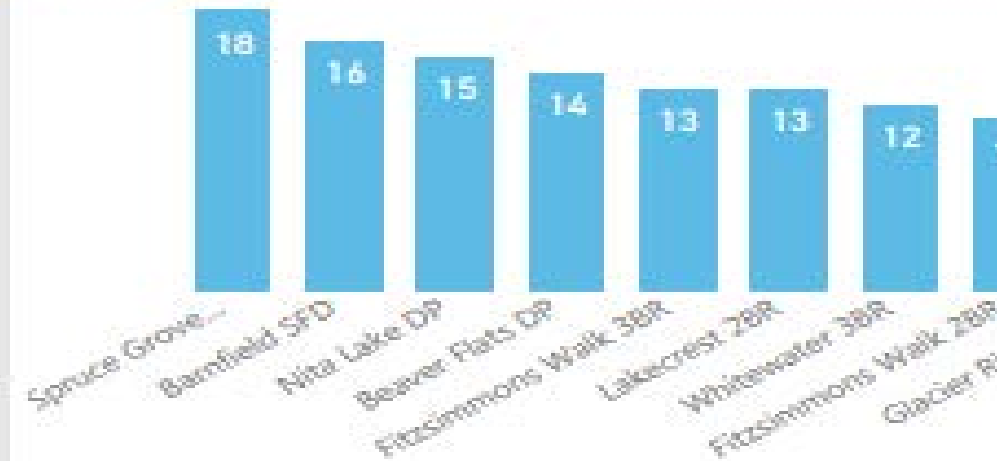
Current Unit Type

- ☐ 1BR
- ☐ 2BR
- ☒ 3BR
- ☒ DP

Requests by Unit Type



Requested units...



Current WHA Address:

Rainbow

Whitewater

The Terrace

Millar's Ridge

The Resi...

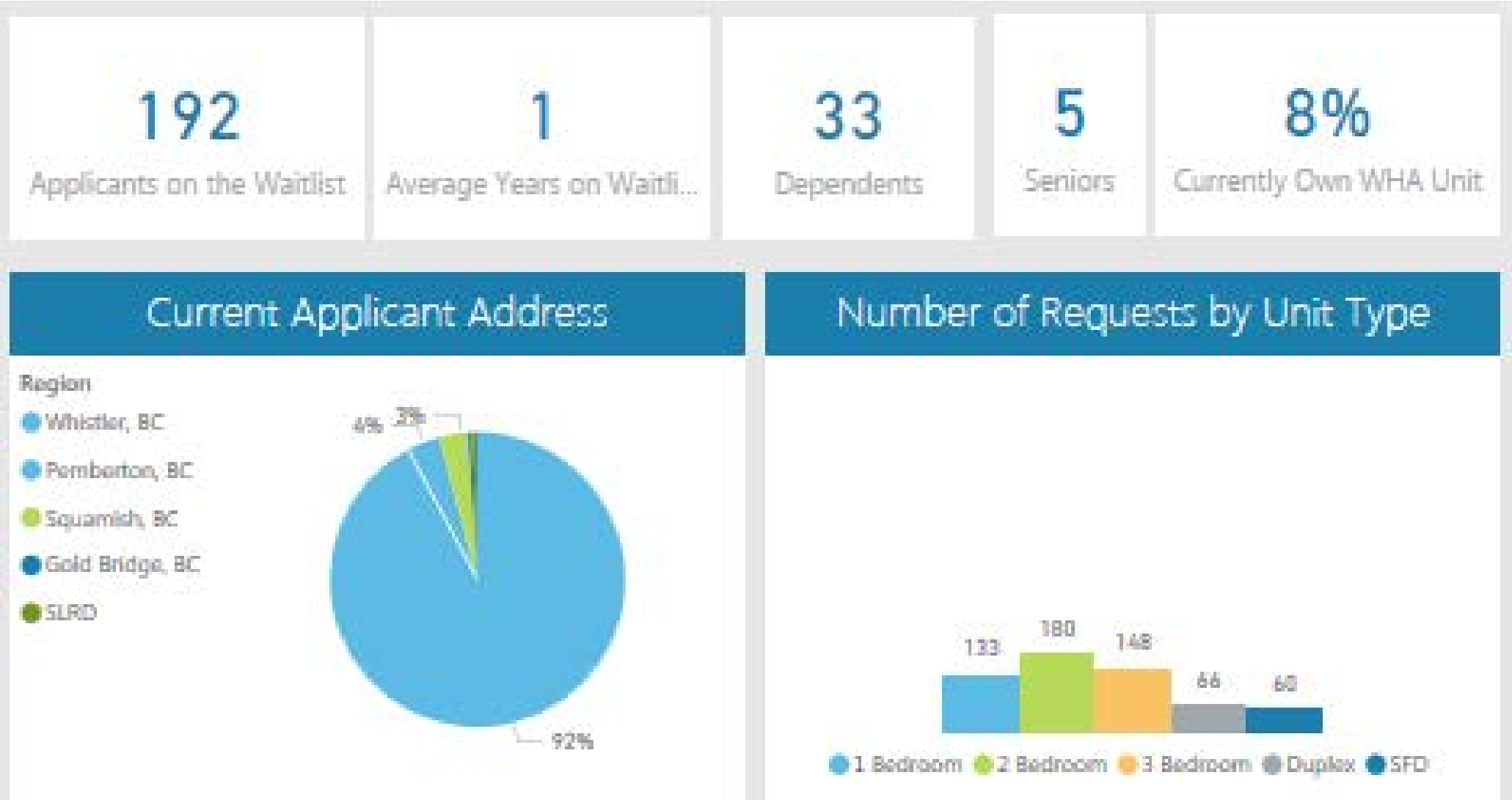
Fitzsimmons Walk

The Heights

The Rise

Bear Ridge

Those applying more recently (<2 years) are typically not WHA owners & without dependents



Summary of waitlist times...

- **Applicants may be on the waitlist for what is considered an extended period of time**
 - based on their self assessed eligibility at time of application
- **Being on the waitlist for a long time is typically due to those having bought a WHA home and then staying on the waitlist looking for another option in the future - Typically are families.**
 - Many looking for same or similar sized home to that currently owned
 - Long wait times for right home in preferred location
- **Top desirable locations are fairly consistent throughout waitlist**
- **70+ % of recent applications are singles/couples looking for a range of homes**
- **Identified desire by homeowners of larger homes to downsize**
 - Nearly half of existing owners in 3+ br homes have indicated they would consider a smaller sized unit to downsize

In summary

555

Non-WHA applicants

3 years

Total time on waitlist for those not already in WHA

97%

Full-time employment

Two-thirds

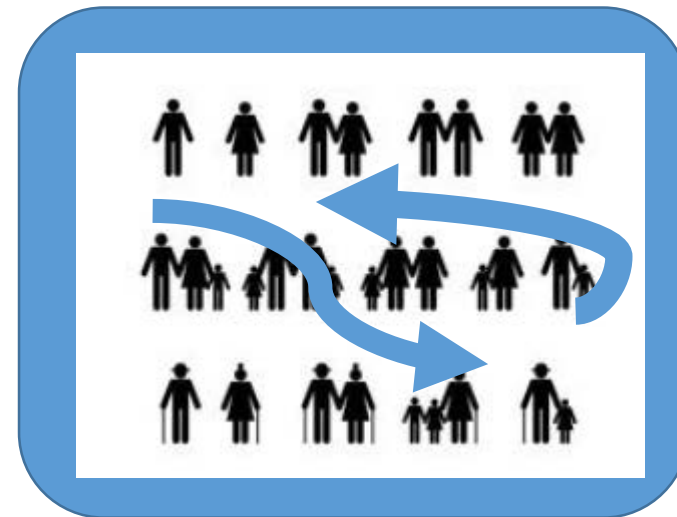
No dependents

SUPPLY



\$250,000 - \$600,000

PRE-APPROVALS



HOUSING CONTINUUM

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Proposed Next Steps

- Encourage waitlist members to update information at next annual review – in particular, *mortgage pre-approval* and *consider requiring prioritizing* unit selections
 - look to consider formally qualifying applicants when they apply
- Pursue investment in software implementation for efficiencies in data collection and administration, analysis and evaluation
- Further evaluate opportunities for continued improvements in use of inventory
 - Identified demand for downsizing appears from those currently owning WHA 2-3 br homes
 - Review turnover & demand for older & smaller units, which have substantially lower demand compared to higher priced units of similar size
- Continue use of insights as Mayor's Task Force initiatives are progressed

THANK YOU

Any questions?