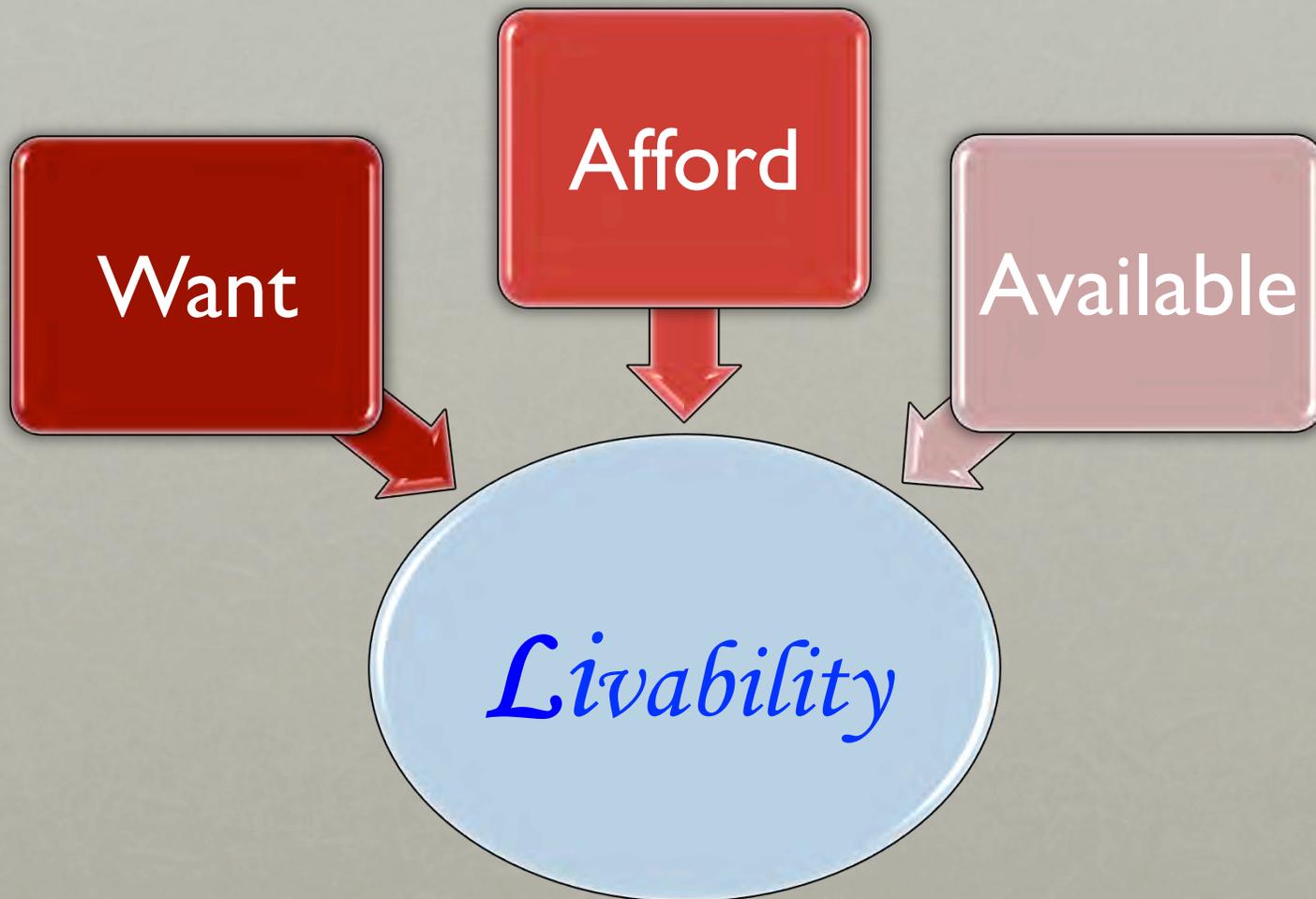


Livability in Vancouver

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University of British Columbia
Vancouver, Canada

"Livability in Vancouver" Conference
Organized by UBC Economics Students Association
Hosted by UBC Learning Exchange (612 Main Street)
Saturday, 25 January 2014



Want

- Environment
- Multiculturalism
- People
- Schools

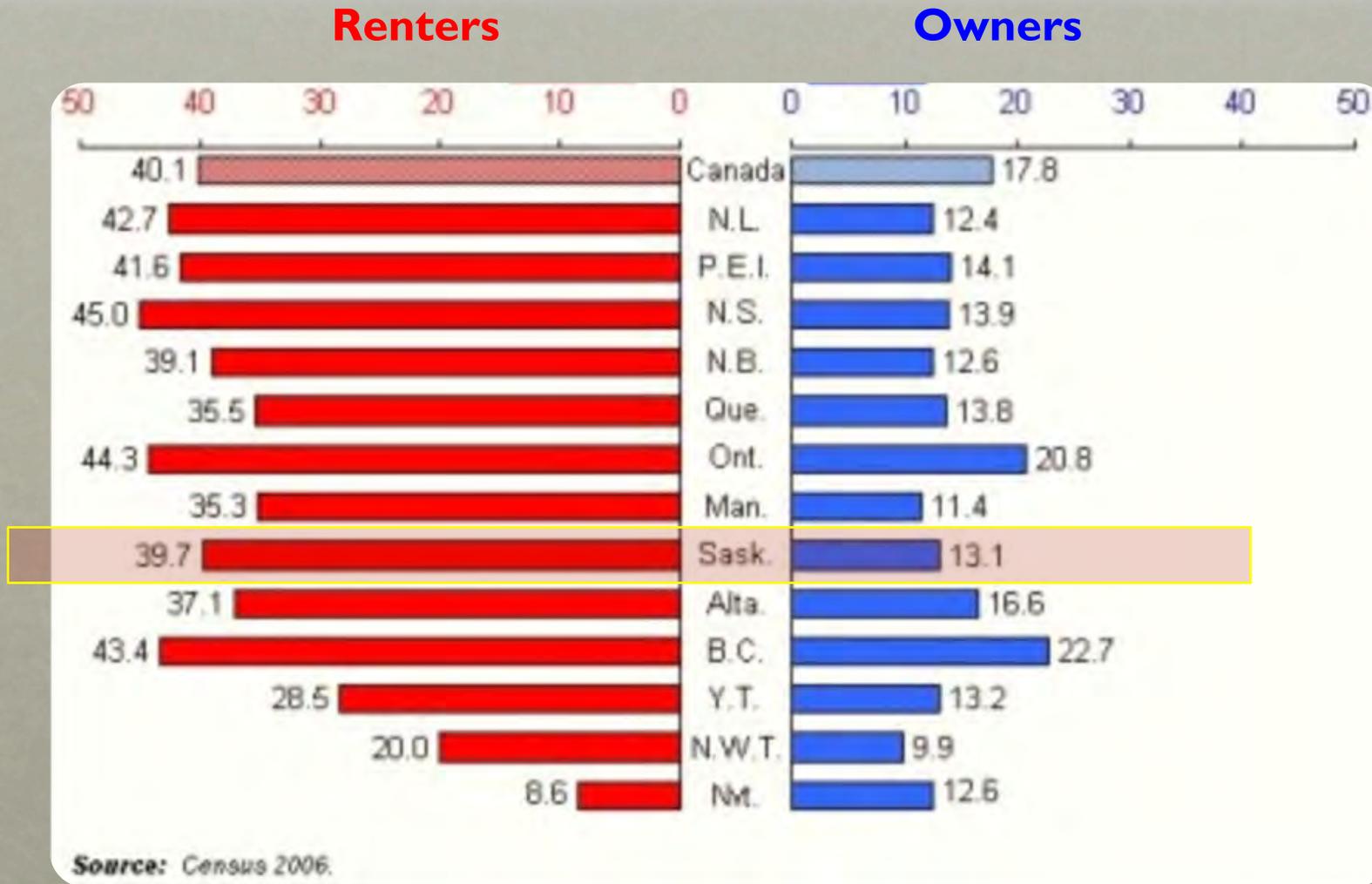


Affordability

Share of Income spent on Shelter
higher than 30%

Unaffordable Housing

Percentage of renters and owners spending 30% or more of Income on shelter costs.

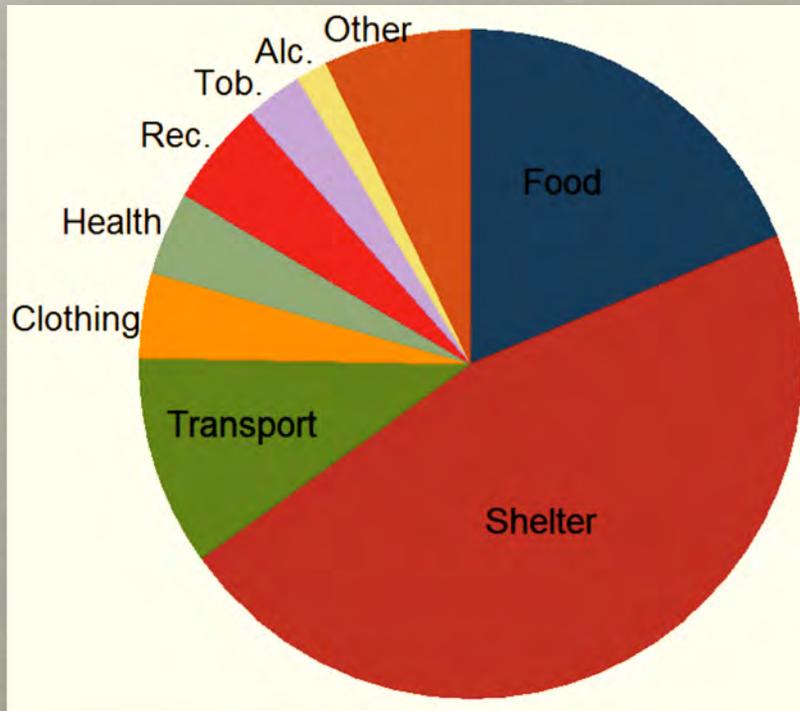


Source: Census 2006.

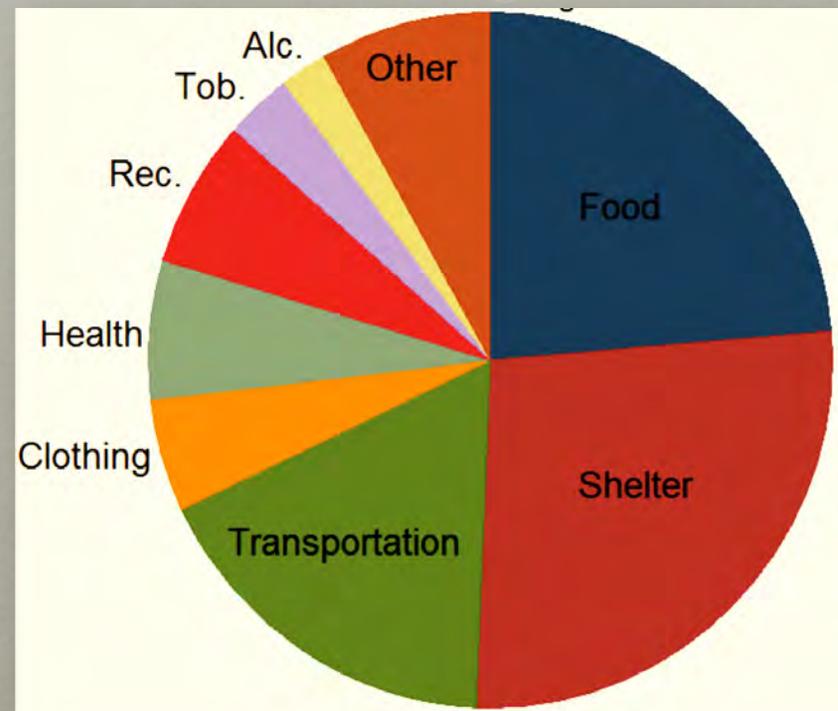
Source: Census 2006

Budget Share of Low Income Households

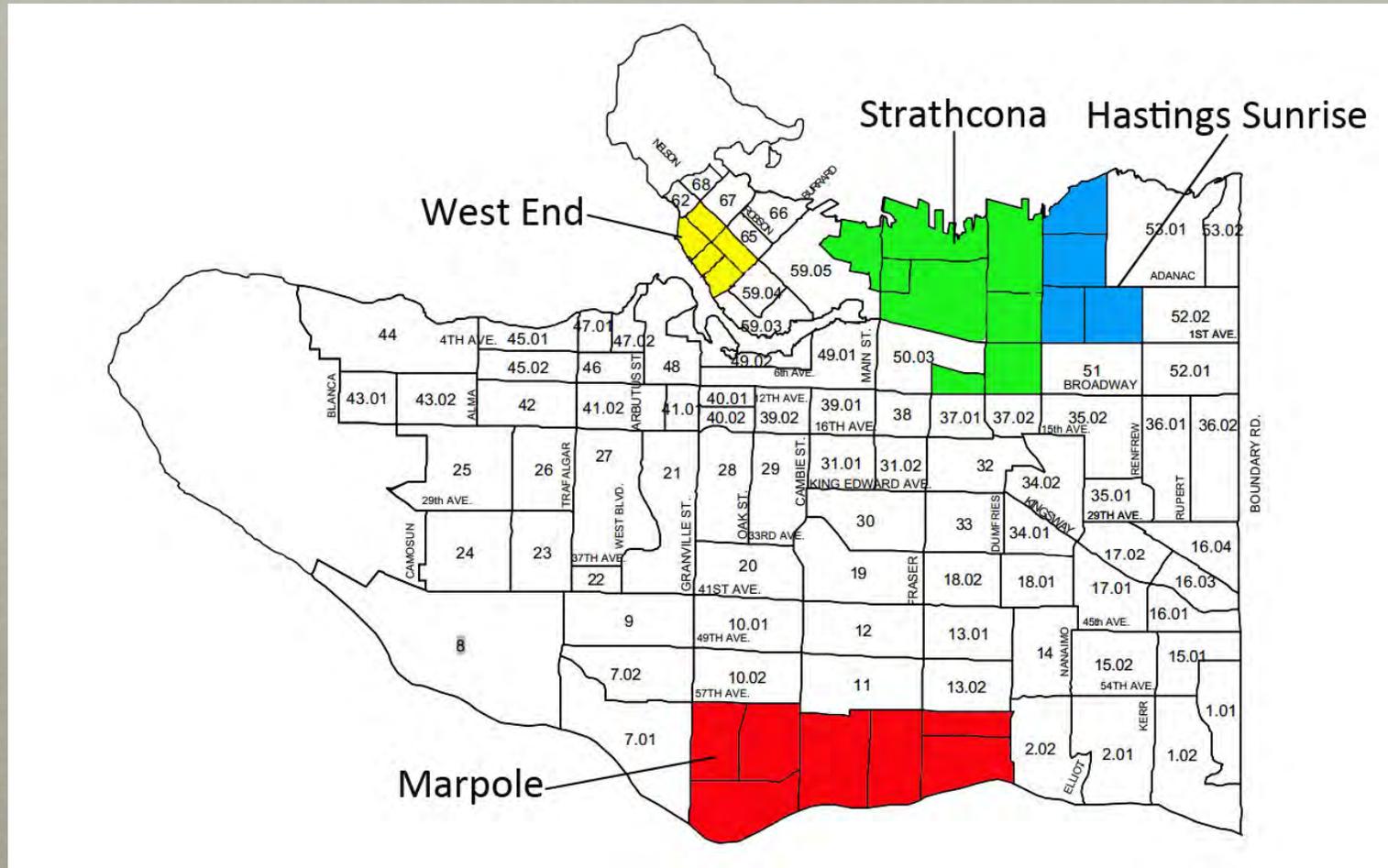
In Unaffordable Housing



In Affordable Housing

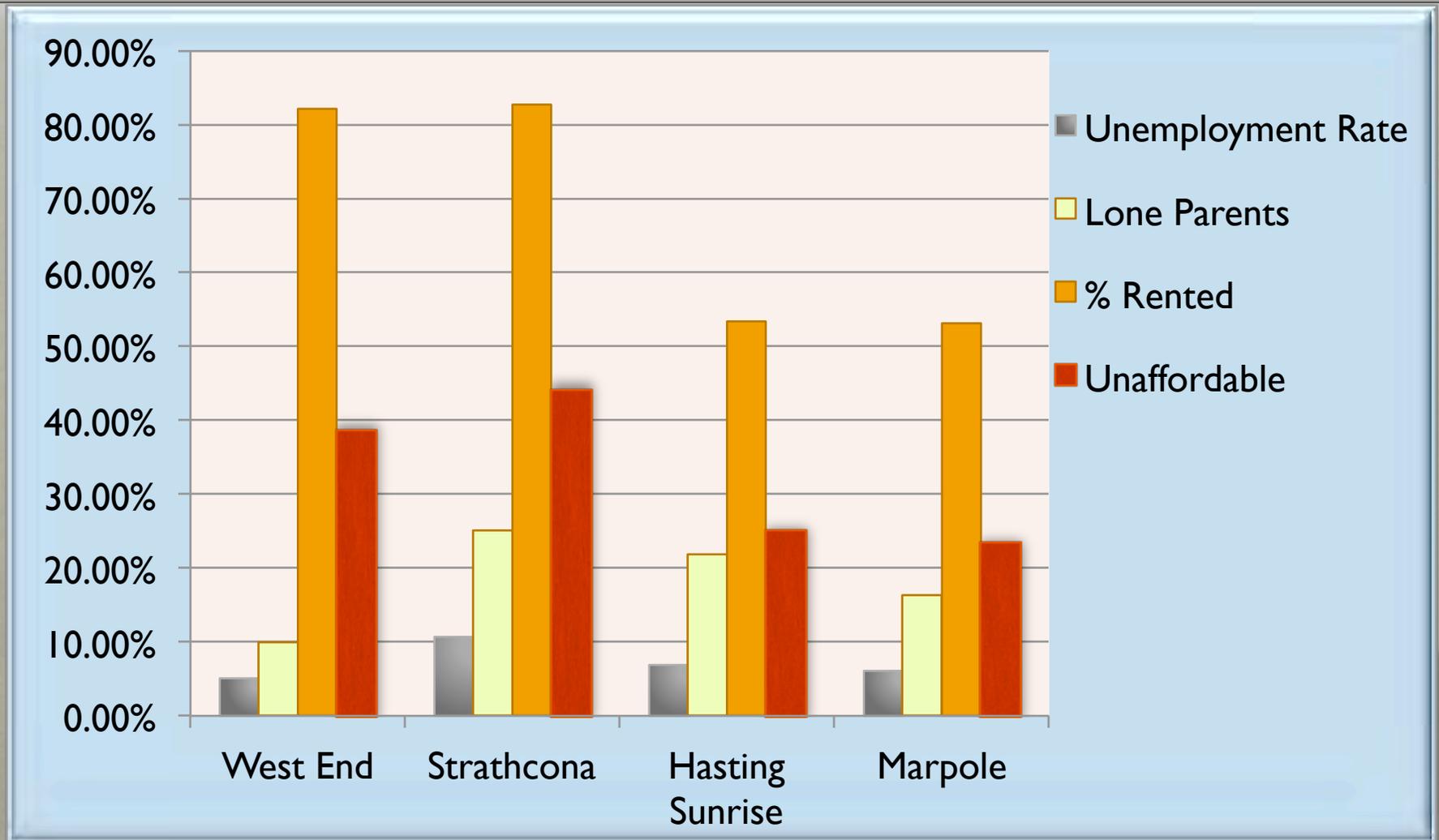


Vancouver Census Tracts- 4 regions

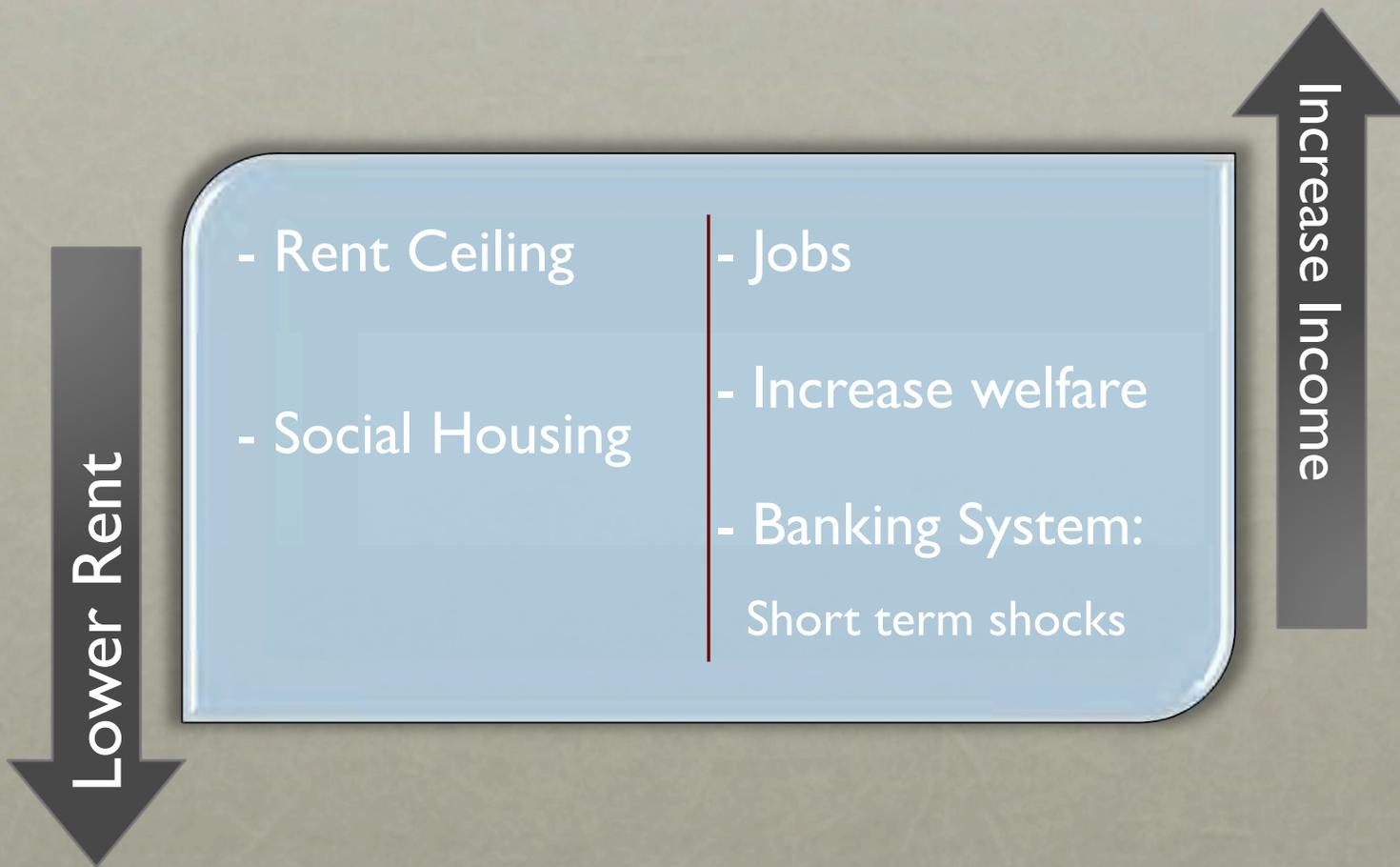


Let's Get to Know Them

Socioeconomic characteristics of People in these 4 regions



How Do We Make it Affordable



A Housing Market with a Rent Control

PRICE CEILING - a maximum legal price for the market.

DO RENT CONTROLS HELP THE HOMELESS?

Shortage

When a price is regulated there will be a shortage

“Best way to destroy a city is through **Rent Control**“ Economist Walter William.



Price Control

Reduces supply hence availability

Social Housing

Works

Not too well

- Maintenance
- Conditions
- Segregation



Short Term Financial Shocks

- Rich And The Middle Class – Rely On The Banking Sector
- Lower Income Households – Don't Have Access To The Same Financial Solutions.

Major Banks Credit Options

| | RBC Royal Bank | BMO Bank of Montreal | TD Canada Trust | VanCity Credit Union |
|-----------------------------|--|--|--|--|
| Line of Credit | -Individually assessed -Eligibility amount based on credit history -Interest rate is based on credit history, ranging from Prime + 5% to Prime+11% | - Individually assessed -Eligibility amount based on credit history -Interest rate is based on credit history, ranging from Prime +3.2% to Prime+11% | -Individually assessed -Eligibility amount based on credit history -Interest rate is based on credit history, ranging from Prime +3.8% to Prime +11% | -Individually assessed -Eligibility amount based on credit history -Interest rate is based on credit history, ranging from roughly Prime+ 3% to Prime +11% |
| Overdraft Protection | Interest rate is 21% | Interest rate is 21% | Interest rate is 21% | Interest rate is 17.75% |
| One year loan | Individually assessed. Minimum: ~\$5000 and | Individually assessed. Minimum: \$5000. | Individually assessed. Minimum:\$5000. | Individually assessed. Minimum:\$5000. Under \$5000 subject to fees. |

Payday Loan Options

| | Focus Cash Loans | Mr Payday | Money Tree | Loans for Canada | Uncle Payday | MyEasypay day | Mogo Inc. | Kabayan Lending | Cash Loans |
|----------------------------|--------------------------------|--------------------------|---------------------------------|-------------------------------|--------------------------|--------------------------|---------------------------------|-----------------------------|--------------------------|
| Online form time | 5 min | 5 min | | 5 min | 5 min | 5 min | 5 min | 5 min | 5 min |
| Providing Documents | Attach Online | Attach Online | | Attach Online | Attach Online | Attach Online | Attach Online | Attach Online | |
| Approval Time | 15 min | 15 min | | “guaranteed fast” | 15 min | 15 min | | Within hours | 30min |
| Receiving Time | 30 min | 30 min | | 30 min | 30 min | 30 min | | 24hrs | 1 hr |
| Minimum Age | 19 | 19 | 19 | 18 | 19 | | | 19 | |
| Minimum Income | \$1000 biweekly | \$1000 biweekly | | | \$1000 biweekly | \$1000 biweekly | \$1000 biweekly | | |
| Bankruptcy | | Not in <1yr | Not in <1yr | Not in <1yr | Not Current | Not in <1yr | | Not in <1yr | Not in <1yr |
| Cost of \$100 | \$115/\$500 over 20 days- 400% | \$115/\$500 over 20 days | \$23/100 or \$18/100 if on time | 23% of principal over 14 days | \$115/\$500 over 20 days | \$115/\$500 over 20 days | \$700 over 30 days – \$5.37/day | Determined upon application | \$115/\$500 over 20 days |
| Repayment | Debit - bank acct. | Debit- bank acct. | Discretion | Discretion | Debit-bank acct. | Debit-bank acct. | Debit - bank acct. | Post-dated check | Debit- bank acct. |

Interest Rate (Annual)- A rough average (400%) varies according to the length of the loan period
 Information gathered by my student Deyan Ivanov (2012)

Major Payday Loan Drawbacks

- Extremely high interest rates - downward debt spiral
- Users are four times more likely to declare bankruptcy
- Over 70% of users have more than one such loan
- Very little regulation from the government

The Solution

Bank for Short Term Loans:
to address short term financial shocks

A Rent Bank

Existing Rent Banks in BC

Fraser Valley Rent Assistance Project (2010)

- 22 clients, average annual income \$17,300
- 9 single mothers

Prince George Rent Bank (2009-2010)

- 59 clients, average annual income \$23,600

Surrey Rent Bank (2010)

- 26 clients, incomes \$10,000-\$20,000 range
- 67 individuals total, 37 children

Vancouver Rent Bank (2013)

- Frist report: In high Demand
- Nearly 120 households helped.
- **A rent bank in Vancouver can significantly reduce the cost of homelessness and the cost of rental eviction.**

Increase Source of Income

- Employment: Assistance and Skill development
- Minimum Wage
- Welfare Amount
- Address other related issues- e.g. Child care for lone-parent families.

Strategy to improve Livability

Increase Income

