



Low-End Market Rental (LEMR) Program Requirements

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Purpose

This Bulletin provides an overview of the City of Richmond's Low-End Market Rental (LEMR) Program.

Background

Housing affordability continues to be a challenge for many households in Richmond. Launched in 2007, the City's LEMR Program leverages private sector development to deliver built affordable housing units. In smaller-scaled developments, cash contributions in lieu of built affordable housing may be accepted, with funds going into an Affordable Housing Reserve. These funds are used to build non-market housing for some of the most vulnerable members of the community. The LEMR Program delivers affordable housing for low and moderate-income households.

Policy Context

The City's [Affordable Housing Strategy \(2017–2027\)](#) (AHS) sets out a series of strategic directions, policy objectives, and actions targeting the delivery of more housing options for Richmond residents. The Strategy is supported by the policies of the [Official Community Plan](#) (OCP). Through the review of development applications, the City considers the policies of both the AHS and the OCP to guide the development of affordable rental and market rental housing. Policies specific to market rental housing are included in Section 3.3 of the OCP, summarized in [Bulletin PLANNING-06](#).

The [West Cambie Area Plan](#) (WCAP) is an area-specific plan that forms part of the broader OCP. As it relates to the Alexandra Neighbourhood, the policies of the WCAP allow for additional density in exchange for the supply of "modest market rental" housing, being distinct from LEMR housing. The maximum rent rates for this type of affordable rental housing are summarized in [Council Policy 5004](#).

LEMR Program Framework

Each multi-family rezoning application with mixed tenure that includes **more than 60 residential units** is expected to provide a built LEMR contribution, the cost of which is offset by way of additional density. LEMR floor area to be set aside is:

- Properties located outside of the City Centre Area Plan are expected to provide at least 10% of the total residential floor area of the building as LEMR; and
- Properties located within the City Centre Area Plan are expected to provide at least 15% of the total residential floor area of the building as LEMR.

The LEMR floor area shall be provided as habitable area.

100% Market Rental Buildings are exempt from LEMR requirements but additional density may be provided in exchange for LEMR housing in accordance with the policies of the City's OCP and subject to applicable City Policy.

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Maximum LEMR Rent Rates & Income Thresholds

On November 12, 2024, City Council approved updates to the maximum LEMR rent rates and income thresholds to support the continued delivery and long-term maintenance of LEMR housing. The maximum rent rates and income thresholds are defined and set as follows:

A. Maximum Rent Rates

The Canada Mortgage and Housing Corporation (CMHC) publishes its Market Rental Survey annually. The Survey presents average market rents, specific to the City of Richmond, for bachelor (studio), one-bedroom, two-bedroom, and three or more bedroom units.

Maximum rent rates applicable at the time of any new LEMR unit tenancy are set at 10% below the most current CMHC average market rent for the City of Richmond specific to the unit type. Following LEMR unit tenancy, annual rent adjustments for existing tenants are limited to the maximum rent increase permitted under the *Residential Tenancy Act*.

B. Income Thresholds

The gross (before-tax) income of a household is used to define eligibility for a LEMR unit. Income thresholds are set at the point at which annual maximum rents, defined using the CMHC average market rents described above, equal 30% of the gross household income.

C. Household Asset Limits

To be eligible for LEMR homes, tenants must have household assets less than \$100,000 at the start of their tenancy. Private or non-profit owners may set their own asset limit below \$100,000. Owners of LEMR homes may apply to Council for considerations of a higher asset limit at the time of preparing the applicable housing agreement. The owner must provide a reasonable basis for a higher asset limit in respect of those LEMR homes, such as for seniors housing. Priority will be given to households with the lower household assets and tenants will be required to provide proof of assets as part of the City's statutory declaration process. Further asset limit criteria are summarized in [Council Policy 5475](#).

LEMUR Rent Rates and Income Thresholds approved before November 12, 2024

Since the launch of the LEMR Program in 2007, a variety of affordable rental housing has been secured at different rental rates and income thresholds. The maximum rents and income thresholds listed above apply to LEMR units approved after November 12, 2024. For information on maximum rents and income thresholds for units approved before this date, contact affordablehousing@richmond.ca.

Minimum LEMR Unit Sizes, Unit Mix, and Accessibility

The following table summarizes the minimum LEMR unit sizes required, by unit type, as well as the targeted mix of units as set out in the Affordable Housing Strategy. At minimum, 15% of all LEMR units should be provided as two-bedroom units and 5% as three-bedroom units. Further, at least 85% of all LEMR units should be designed to uphold the [Basic Universal Housing \(BUH\) design standard](#).

Table 1: Minimum LEMR Unit Sizes and Targeted Unit Mix

Unit Type	Min. Unit Size (ft ²)	Targeted Unit Mix
Studio	400 ft ²	10%
1-Bedroom	535 ft ²	30%
2-Bedroom	741 ft ²	30%
3-Bedroom	980 ft ²	30%

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LEMR Unit Placement

LEMR units can be evenly dispersed throughout the market strata units provided in the development, or clustered. Where LEMR units are clustered, an experienced non-profit housing provider must be secured to manage the units. For homebuilders intending to sell built LEMR units, the configuration of units (dispersed versus clustered) may affect financing arrangements including eligibility for federal or provincial financing programs. Applicants are encouraged to discuss these considerations with City staff early in the development process.

Property Management Requirements

Where built LEMR units are to be provided, the City will use a housing agreement to set terms and conditions pertaining to the ownership, operation, and maintenance of LEMR units. These terms generally capture the following:

1. Limits on maximum LEMR rent rates and LEMR unit eligibility, set in accordance with the method noted above. Alternative approaches may be implemented on a case-by-case basis. These include, for example, setting rents and income limits using BC Housing's Household Income Limits (HILs) or setting rates that are unique to a targeted tenant group (e.g., seniors, artists, those receiving social supports, etc.);
2. Limits on the ability to charge LEMR unit tenants:
 - a) Non-refundable move-in/move-out fees;
 - b) Strata fees;
 - c) Strata property contingency reserve fees;
 - d) Fees for the use of common property, common spaces or amenities;
 - e) Fees for the use of sanitary sewer, storm sewer, water or other utilities; or
 - f) Property, or similar, tax.

There may be instances where tenant(s) of a LEMR unit will need to pay to use amenities, such as a party room, consistent with any other development occupant(s). Similarly, LEMR tenant(s) may be required to pay to use of electric vehicle charging infrastructure;

3. Owners of LEMR homes are permitted to charge LEMR tenants for the use of parking spaces at a fixed rate of \$100 per stall per month inside of Transit-Oriented Areas (TOA) and \$75 per stall per month outside of TOA areas with no adjustment for CPI or RTA. A parking charge for accessible parking spaces is prohibited and a parking charge may only apply to those LEMR homes with housing agreements that contain a clause permitting a parking charge. Additional details regarding the ability of a LEMR unit owner to charge for parking can be found in Council Policy 5475.
4. The owner will allow LEMR tenants and any of their visitors to have full access to all on-site common indoor and outdoor amenity spaces that are available to residents of the residential units contained within the same building, as applicable;
5. The owner will not permit a LEMR unit to be subleased or for the tenancy agreement to be assigned unless to another eligible tenant;
6. The owner will not permit a LEMR unit to be used for short-term rental purposes, or any other purposes that do not constitute a permanent residence of an eligible tenant; and
7. The owner will not be permitted to establish any age-based restrictions defining or limiting LEMR unit eligibility.

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Statutory Declaration

Adherence to the terms of the housing agreement is confirmed by way of a statutory declaration process, which may be carried out by the City annually. Through this process, the LEMR unit owner, or their authorized agent, must confirm the ongoing eligibility of a LEMR unit tenant(s). This is commonly done using assessment data provided by the Canada Revenue Agency but may also require the collection of alternative information that can be relied upon to confirm the gross income of the household. In addition, the owner will be required to report the rent being charged to each LEMR unit and confirm that they are not charging LEMR unit tenants for any fees or charges explicitly prohibited within the terms of the housing agreement. If the City identifies any default, a remedy will be sought and implemented to the extent that the overall intent of the LEMR program, being to serve low and moderate-income households, is upheld.

Cash-in-lieu of LEMR Unit Contributions

Residential rezoning applications that include **60 units or less** and all townhouse developments are expected to provide a cash contribution in lieu of providing built LEMR unit(s) which is offset by way of additional density. These contributions are directed to the City's Affordable Housing Reserve and used to support the development of below-market and non-market housing.

As of November 15, 2021, there are two distinct sets of cash contribution rates. Table 2 outlines the rates applicable to developments inside the City Centre and Table 3 outlines the rates for developments outside the City Centre.

Table 2: Cash Contribution Rates for Properties Within City Centre

Housing Type	Cash Contribution Rate
Single-detached	\$12.00 per buildable square foot
Townhouse	\$18.00 per buildable square foot
Apartments involving 60 or fewer units	\$25.00 per buildable square foot

Table 3: Cash Contribution Rates for Properties Outside of City Centre

Housing Type	Cash Contribution Rate
Single-detached	\$8.00 per buildable square foot
Townhouse	\$12.00 per buildable square foot
Apartments involving 60 or fewer units	\$15.00 per buildable square foot

Contact Information

For additional information regarding the Low End Market Rental program, contact staff within the City's Housing Office by email at affordablehousing@richmond.ca or by phone at 604-247-4916.