

Attachment 3 - Housing Needs Assessment - Coldstream

Community Summary

COLDSTREAM



Community Summary: Coldstream

Key Highlights

- Coldstream accounts for 11.5% of the RDNO population. While it lagged behind the rate of regional growth from 2011-16, it is expected to double this rate to 1.2% over 2016-26 (compared to a regional average of 0.9%).
- As of 2016, Coldstream had the highest proportion of detached homes (94%) as well as the highest rate of homeownership in the region (90%). This is far higher than the regional rate of 75%, or provincial rate of 69%.
- This is the wealthiest community across the region, with median household incomes of both owners and renters well above the regional medians. These higher incomes translate into much lower levels of core housing need.
- The comparison of household types and size against the existing housing stock suggests a mismatch between the size of homes and the size of households (small family size/large homes numerous bedrooms). Ideally going forward, new construction should favour smaller multi-unit dwellings, but recent new construction activity has persisted to build almost exclusively detached homes (94% of all starts).
- There are fewer households over age 65 (27%) compared to the region (32%), but the median age of 47.7 is 4 years higher than the BC average of 43 years.
- Coldstream also has the highest median home price in the region (\$501,000), and while the median renter incomes are higher than in all other communities (\$62,000), only 10% of existing homes in Coldstream are in the purchase price range that would be affordable to the median income renter household.
- New housing construction has added on average 34 homes per year since 2016 with 94% of these being single detached homes.

Future Household Growth and Need

A total of 125 households (3.4%) were in core need in 2016, which is the lowest incidence of core need households in the RDNO. The regional rate of households in core need is 12%. The majority (of this relatively small count) are owners, which is the inverse of most other communities where renters tend to have both a higher count and a higher incidence rate (there are very few renters in Coldstream)

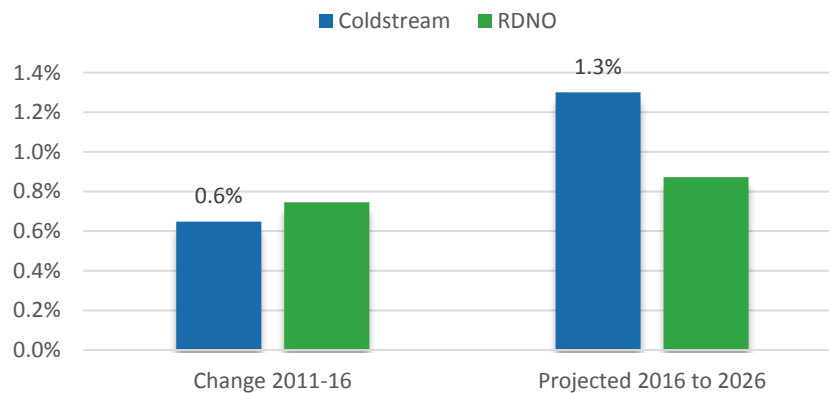
Reflecting the rate of projected population growth, Coldstream will experience continued household growth and thus demand for new housing. In the decade 2016-26, growth is projected to add on average 50 households per year. By comparison, new housing starts over the past 4 years have averaged only 34 dwellings per year – suggesting an undersupply that could constrain growth.

If the incidence of core need remains at the 2016 rate, this total household growth could potentially translate into a modest increase in core need of 2 households per year between 2016-26.

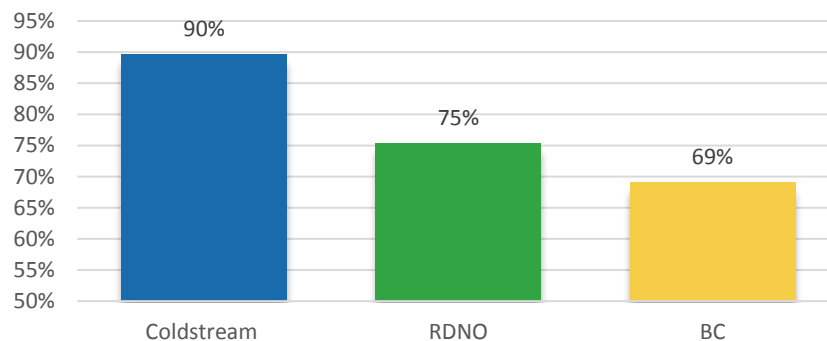
Overview – Demographics and Housing Stock

Coldstream had a 2016 population of 10,600 accounting for 11.5% of the regional population. The population grew slightly slower than the overall region, but between 2016-26 the growth rate is expected to double. This will translate into more households and more housing demand, and potentially increase core housing need.

Population Growth

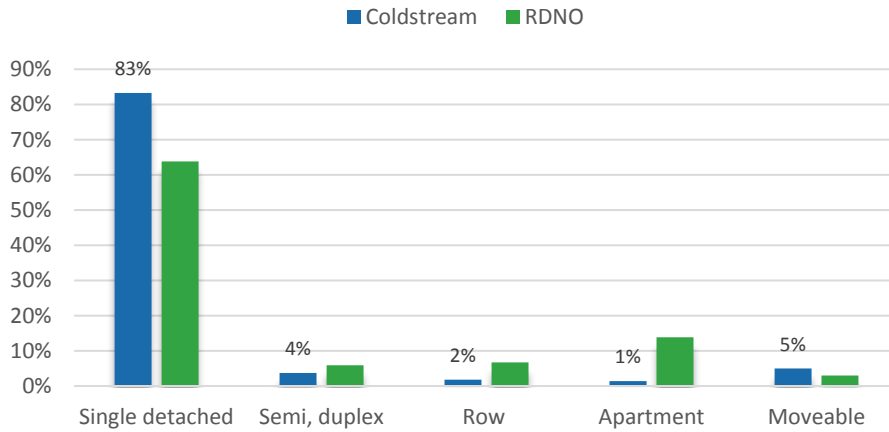


Home Ownership Rate, 2016



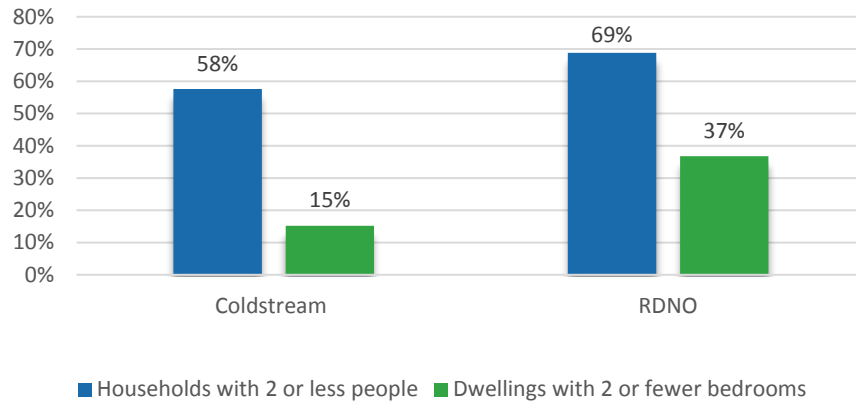
Coldstream has a very high rate of homeownership, far higher than the overall region and compared to BC.

Dwelling Mix



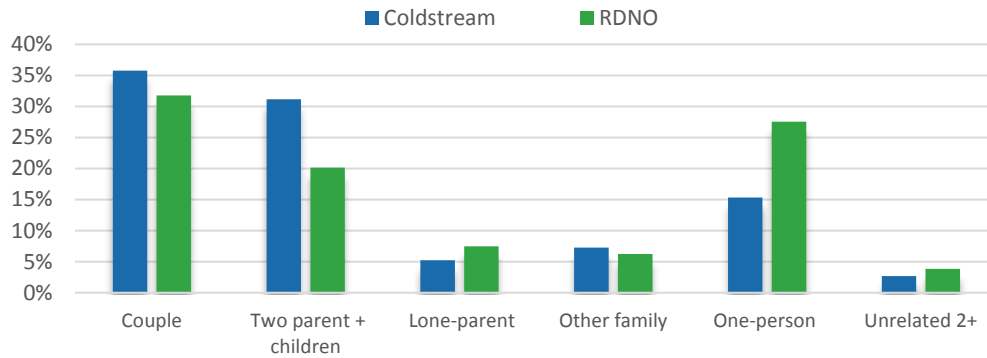
The majority of dwellings are single detached homes (83% compared to 64% for the RDNO), with almost no moveable homes or multiple unit structures, such as apartments and duplexes.

Household Size vs Dwelling Size (# persons vs # bedrooms)

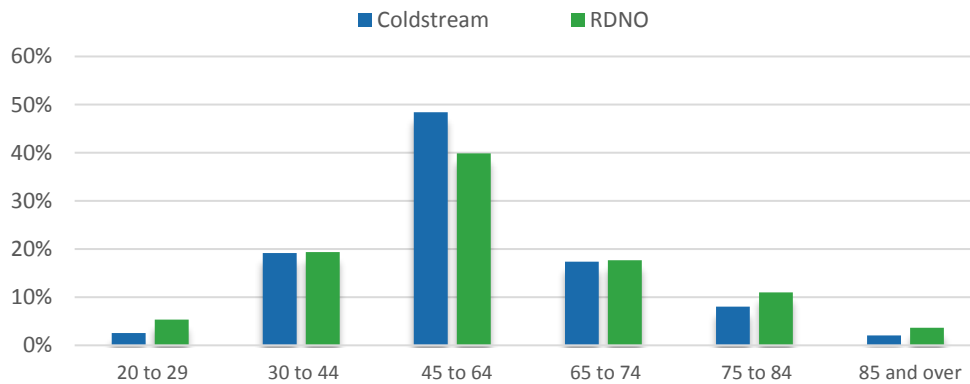


There is a noticeable mismatch between household size and dwelling types. While 58% of households house two or fewer people only 15% of dwellings have less than 3 bedrooms, reflecting the predominant detached stock. The high proportion of households with two or fewer people is reflected in the large number of couples with no children, singles, and some single parents with only one child. As noted below, there are also smaller proportions of singles and lone parent families.

Household Type



Household Age (Primary Maintainer)



Coldstream does however have a much larger proportion of couples with children (24%), compared to the RDNO overall (20%). Many are likely to be older parents, with older children since households headed by someone within the 45-64 age group are most common in Coldstream (48%).

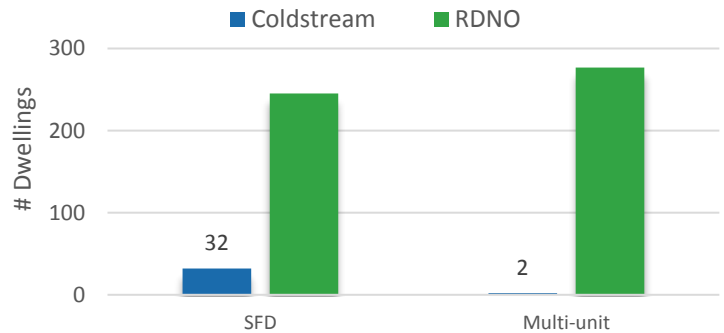
Younger households with individuals in the 30-44 age group account for only 19% of households in Coldstream, suggesting that couples with children are close to becoming empty nesters, potentially requiring less housing space. The proportion of older households, especially those over 75, is slightly below the regional average.

The median age of 47.7 is 2 years below the RDNO median (49.5) but 4 years higher than the BC average (43 years).

New Housing Construction

New home construction in Coldstream has been quite low, adding on average only 34 homes per year since 2016. As a ratio of the population, this is the lowest rate of home construction in the region (9 homes per 1000 people compared to the regional average of 15 per 1000 people). Of the homes that have been built almost all (94%) have been detached homes, perpetuating the dominance of this housing form in Coldstream.

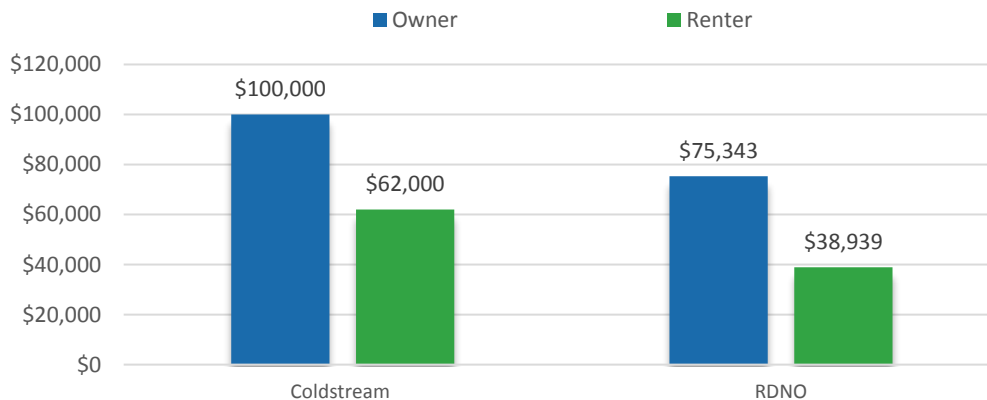
New Home Construction (Average 2016-19)



Household Income

Coldstream is, by far, the wealthiest of all RDNO communities with a median owner income of over \$100,000; and while the incomes of renters lag behind those of owners, which is typically the case, the gap here is narrower and renter households in Coldstream have much higher median incomes (\$62,000) than the regional median (\$39,000).

Household Median Income by Tenure



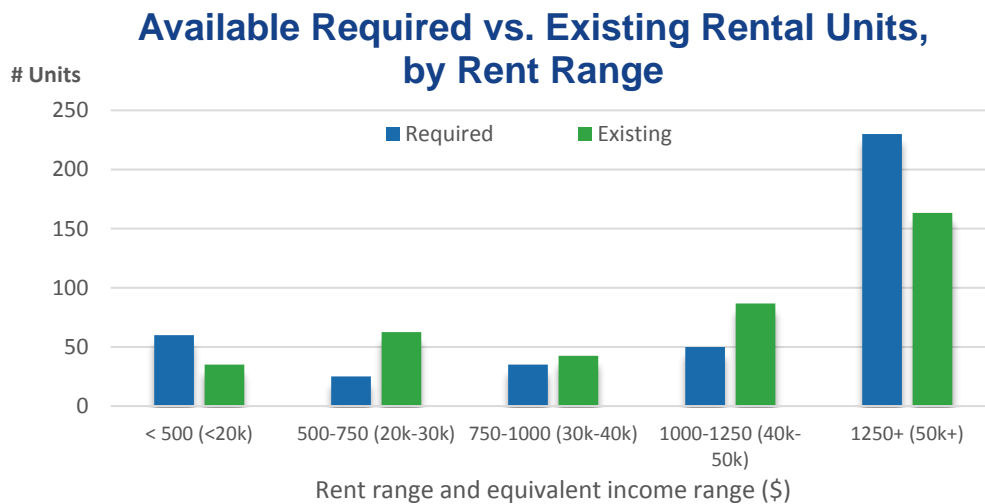
In part this reflects household structure and composition – there are fewer single income households (lone parents and single people) who tend to draw down the median income, while a high proportion of two income earner households generate higher median household income levels overall.

Housing Affordability

The average house value as reported in the Census (2016) was \$501,000, which is 30% higher than the regional median \$381,000. While there are few rental properties, monthly rental rates are 20% above the regional average (almost \$1,100 vs just over \$900). This is likely attributed to the type of rental housing stock, which largely comprises of single and semi-detached homes. The high home and rent costs, however, are consistent with the much higher incomes of Coldstream households

Acute affordability is examined further below under Core Housing Need, but to the extent that this affects mainly renters and is influenced by the existing distribution of rents and home prices relative to incomes, we can explore at a broader level. It is noted that due to a high rate of ownership, there are relatively few renters in Coldstream, and those that live there also have higher median incomes, so are less susceptible to affordability challenges.

First, comparing renter households by income band, and converting their income into an affordable rent range based on the 30% standard set by CMHC, we can estimate the number of units required (i.e. based on income) in each band, and compare this to the actual rent distribution that existed in 2016.



This reveals a small shortfall of 25 units in low rent availability (i.e. rents under \$500), but there is a plentiful stock in the next rent band (\$500-\$750). There is a (theoretical) shortage above \$1,250, but this appears only because higher income renter households have already found lower rent options, therefore this is not an issue. The existing rents and incomes together will have a positive impact on core need, as described below.

It is also possible to examine the capacity of current renters to transition into ownership. Using the median income and the income distribution of renters (that may aspire to become owners) we can determine what percentage of these renters can purchase a home. The median income is converted to a potential capacity to purchase (using 30% of income, and assuming a mortgage at 3.5% amortized over 25 years, with a 10% down payment). This calculates the maximum home price that the median renter could afford. This maximum price is then compared to the price distribution of all homes to determine how many of the existing homes would be affordable.

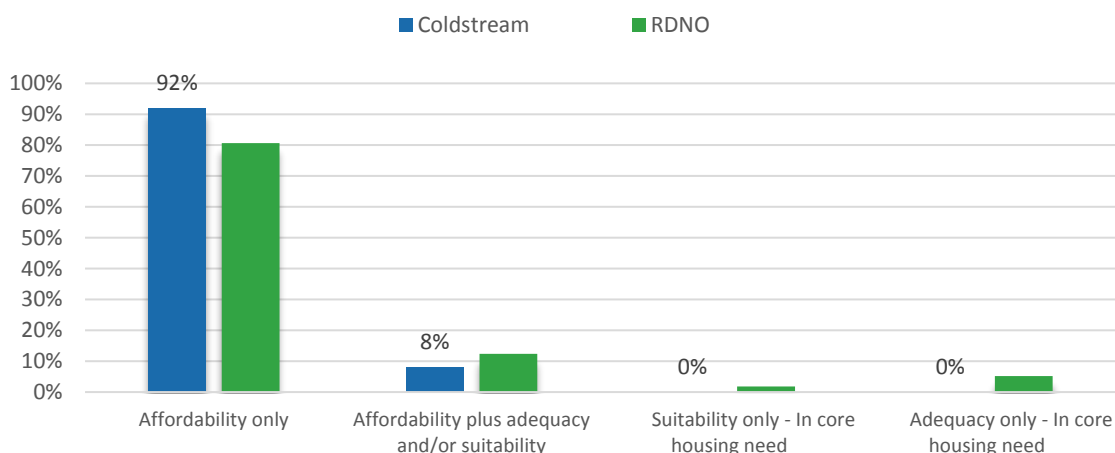
As noted, while renter median income is quite high, home prices are disproportionately higher as there are few multi-unit condominium buildings to pull down the median price). The result is the median renter household can afford only to purchase within the lowest 10% of homes. This compares to only 13% for the RDNO as a whole. That said, should these households seek to own elsewhere in the region, there will be a larger proportion of homes within their affordable range.

Core Housing Need ¹

Core housing need is relatively low in Coldstream, with only 125 households (3.4%) determined to be in core need in 2016. This represents 3.2% of total need across the region (substantially less than Coldstream’s 11.5% regional share of households). As noted above, this is attributable mainly to the higher income profile of this municipality.

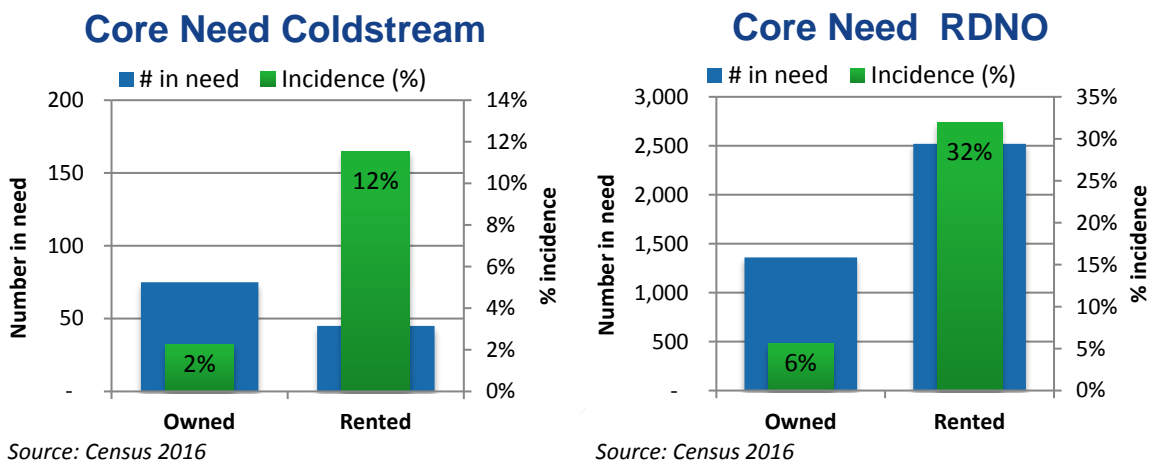
Notwithstanding the higher median income, the predominant problem here, as in most other communities, is one of affordability. There is no crowding or problem of households in need due to poor housing conditions, except in 8% of cases which also have an affordability problem. In absolute terms this is a very small issue, impacting fewer than 10 households.

Distribution of Need by Problem



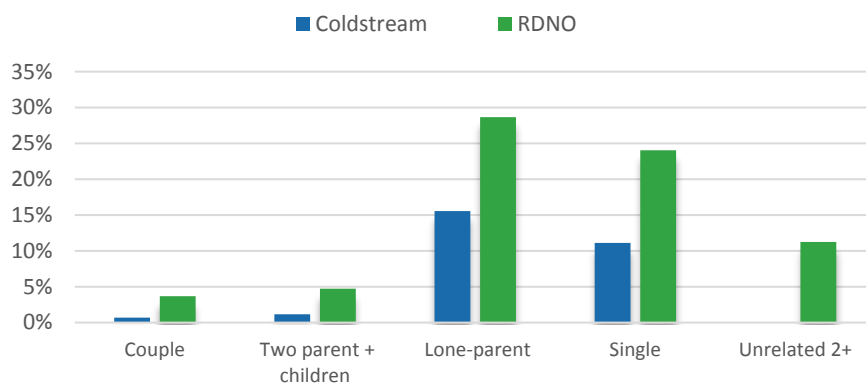
¹ See main report for definition and discussion of the core need concept.

Unlike most other communities, the RDNO as a total and the province, in Coldstream the majority of households in need are owners (in large part because there are so few renters), but even here both the absolute count and the incidence (% of all) rate are very low. Only 2% of all owners are in core need. Among renters the incidence of need is also very low, compared to the overall region and province. The incidence of need at 12% compares to rates over 30% in most jurisdictions (e.g. 32% for RDNO) but is still six times greater than among owners.



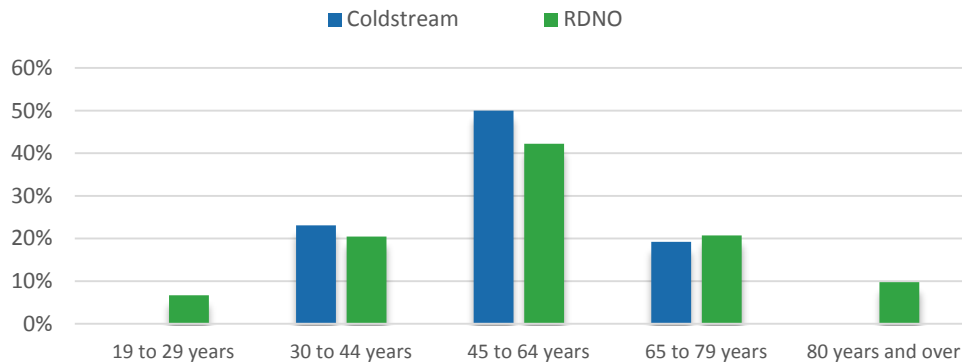
Again reflecting incomes, core need tends to be greater among single income households – Singles and Lone Parents groups. But again, incidence is half that for these groups across the entire RDNO; and need is almost non-existent for other households’ types – Couples, couples with children, and multi-person unrelated households.

Incidence of Need (%) by Household Type



While incidence of need is noticeable among singles, it is not necessarily just seniors. The group with most acute need are those aged 45-64 (the next generation of seniors).

Incidence of Need (%) by Age

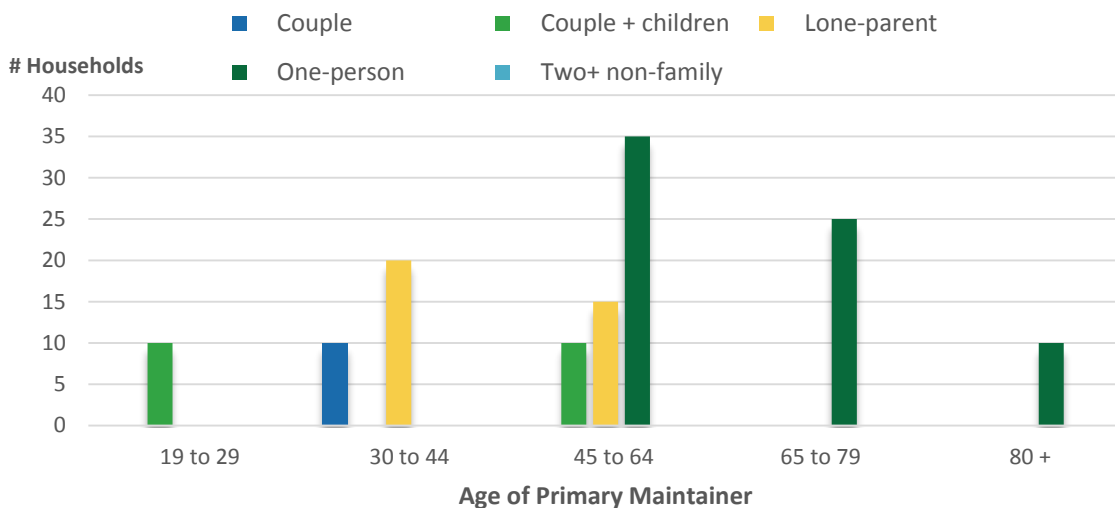


Important to Look at Count Together with Incidence

The preceding charts display the incidence of need – that is the percent within each group in need. This can distort perception of core need, so it is critical to examine both incidence and absolute counts. It should also be noted that Statistics Canada rounds counts to the nearest 5, so in places with small counts, as is the case here, there can be some rounding errors.

As shown here in Coldstream, the high incidence for those 45-65 is reinforced with the count in need, by age and household type. Clearly singles in the 45-64 age group, as well as those over 65, have significant counts, as do lone parents aged 30-44.

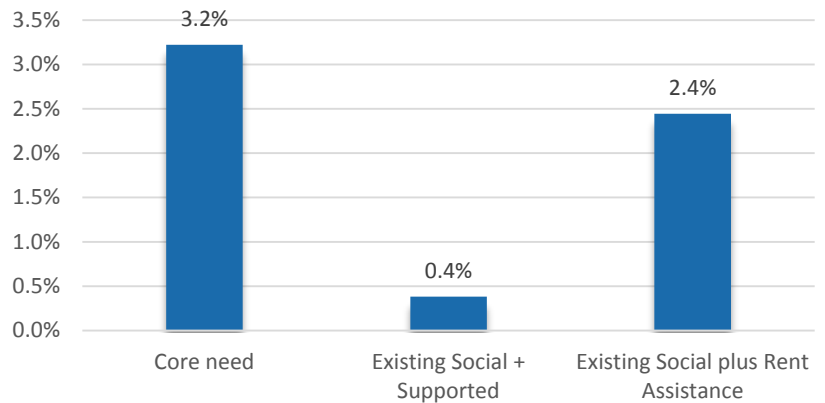
Core need by Household Type and Age



Existing Social Housing

As a result of past and current funding programs a small social housing stock has been built across parts of the RDNO, although there is very little in Coldstream, where there is just one small transitional housing group home. Just under 50 households in Coldstream receive provincial rental assistance.

% Share of Need and Social Housing



These statistics suggest that Coldstream is slightly underserved (3.2% of need vs 2.4% of assisted housing, based on total regional assistance), although given the small absolute count, and the fact that most are owners, this is a relatively minor concern.

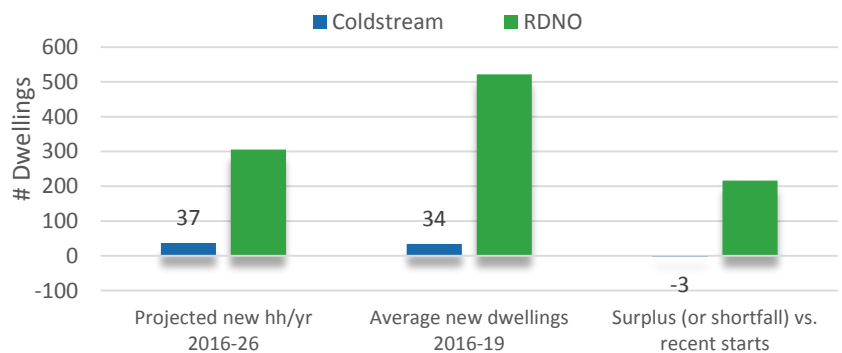
Future Growth and Need

RDNO population projections suggest that Coldstream’s population will increase from just under 11,000 to roughly 12,000 by 2026.

Converting projected population growth into household growth suggests a potential growth of just less than 40 new households per year (total 370 between 2016-26).

When new construction activity is compared with recent and projected household growth, it appears that there is a shortfall in the number of new homes being built. While growth projects 50 new households, recent new construction activity has averaged only 34 new homes per year. If there are constraints with the housing stock, this may potentially impact the projected rate of population and household growth.

Household Growth (2016-26) Compared to Starts (2016-19)

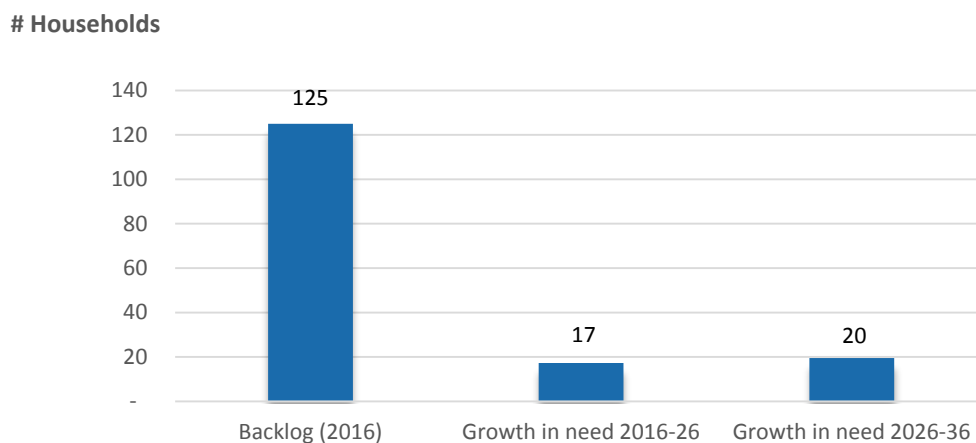


Assessing how core housing need might increase, assuming the incidence of need across new households is similar to the incidence in 2016, and without accounting for any new assistance (new social housing or housing allowances) it is estimated that housing need will increase by

approximately 2 households per year over the current decade, 2016-26. This would amount to a total of 17-20 additional households experiencing core need by 2026.

While policies and initiatives should aim to minimize or negate any growth in core need, it is also necessary to reduce the backlog of unmet need (125 households) that already existed in 2016.

Backlog and Projected Growth in Need



Considerations from Community Consultation

- It is difficult to predict a reasonable growth rate in Coldstream as the Coldstream market is so closely tied to the Vernon market. Lack of inventory in Coldstream can be offset by availability in Vernon. Distribution of residents within the combined municipalities (Vernon/Coldstream), will be reflective of availability rather than growth pressure.
- There are more custom than spec builds in Coldstream.
- The Regional Housing Needs Assessment does highlight an important question about how overall regional growth will be distributed across the region. To date Coldstream has found that newly serviced lots and home construction have been readily absorbed.
- New residents generally appear to be professionals, many in the 40-60 age range with teenage children, and usually trading up equity from their prior home. Very few newcomers are first-time home buyers. Most likely due to the higher price bracket and the lack of smaller entry level homes.
- There is some anecdotal evidence of Coldstream residents moving out of the community in order to find suitable options into which to downsize. This suggests there may be demand and a market niche for alternatives to the predominant larger single detached homes, but it is hard to know the extent to which there is demand for this type of housing because it is currently non-existent in Coldstream.

- The District of Coldstream is processing a development application for 170 dwellings which will include smaller houses as well as semi-detached and dwellings with secondary suites.
- Recent construction has tended to be in the higher value segment with permit values (which exclude land costs) exceeding over \$625,000 since 2017.
- With a low existing level of core need and as a relatively higher cost community, there is not necessarily a need for assisted or subsidized housing, although there is demand for some market priced smaller homes to enable empty nesters and singles to downsize and remain in Coldstream. Those who experience affordability issues tend to reside in Vernon where more diverse housing forms exist
- There are many people who relocate to Coldstream from the Lower Mainland, including young families. The schools have seen increases in kindergarten enrolment recently.

Housing Need Community Summary:	Coldstream	RDNO
Overview		
Population, 2016	10,648	84,354
Share of regional population	12.6%	100.0%
Change 2011 to 2016	0.6%	0.7%
Projected 2016 to 2026	1.3%	0.9%
Tenure		
Number of Households, 2016	3,915	34,185
Owner	3,510	25,780
Renter	405	8,370
Ownership rate	90%	75%
Dwelling Mix		
Single detached	83%	64%
Semi, duplex	4%	6%
Row	2%	7%
Apartment	1%	14%
Moveable	5%	3%
Other	0%	0%
Household by Size		
1 person	15%	28%
2 persons	42%	41%
3 persons	16%	13%
4+ persons	26%	18%
Average Household size	2.7	2.3
Dwellings by Bed Count		
No bedrooms (bachelor)	0%	0%
1 bedroom	3%	9%
2 bedrooms	12%	28%
3 bedrooms	28%	31%
4 + bedrooms	56%	32%
Comparing Household Size and Dwelling Size		
Households with 2 or less people	58%	69%
Dwellings with 2 or fewer bedrooms	15%	37%

Household Type	Coldstream	RDNO
Family		
Couple	36%	32%
Two parent + children	31%	20%
Lone-parent	5%	7%
Other family	7%	6%
Non-Census-Family Households		
One-person	15%	28%
Unrelated two+ persons	3%	4%
Age Distribution of Household Primary Maintainer		
Under 19	0%	0%
20 to 29	3%	5%
30 to 44	19%	19%
45 to 64	48%	40%
65 to 74	17%	18%
75 to 84	8%	11%
85 and over	2%	4%
Population over 65	27%	32%
Median individual age (years)	47.7	49.5
Median income by Tenure		
Owner income \$	\$100,000	\$75,343
Renter income \$	\$62,000	\$38,939
Housing Availability		
Home Values and Rents		
Median value of dwellings (\$)	\$501,603	\$380,900
Census Median rent (\$)/month	\$1,098	\$903
CMHC average rent, 2019	n/a	947
CMHC rental vacancy rate (%), 2019	n/a	1.7

Housing Construction (Average Annual Starts 2016 -19)

SFD	32	245
Multi-unit	2	277
Total	34	522
Starts per 1000 Households, 2016-19 average	9	15
Percent SFD	94%	47%

Future Housing Growth

Number of Households, 2016	3,944	35,016
Household projected increase, 2016-26	513	3,055
Household projected increase, 2026-36	579	3,260
Anticipated Household growth rate, 2016-26	1.3%	0.9%
Projected new households/yr, 2016-26	51	306
Average new dwellings, 2016-19	34	522
Surplus (or shortfall) vs. recent starts	-17	216

Core Need

Coldstream

RDNO

Distribution of Need by Problem - Both Tenures

Affordability only	92%	81%
Affordability plus adequacy and/or suitability	8%	12%
Suitability only - In core housing need	0%	2%
Adequacy only - In core housing need	0%	5%

Need by Tenure

Total count of need	125	3,880
# Owners in core need	75	1,360
# Renters in core need	45	2,520
Renters share of need	36%	65%
Incidence (acuteness of need)	3%	12%
% Owners need	2%	6%
% Renters need	12%	32%

Incidence of Need by Age of Primary Household Maintainer		
19 to 29 years	0%	7%
30 to 44 years	23%	20%
45 to 64 years	50%	42%
65 to 79 years	19%	21%
80 years and over	0%	10%
Incidence of Need by Household Type		
Total	3%	12%
Couple	1%	4%
Two parent + children	1%	5%
Lone-parent	16%	29%
Single	11%	24%
Unrelated two+	0%	11%
Existing Social Housing		
Supportive and Assisted	5	558
Independent Social	-	752
Rent supplement and allowances	48	858
Existing Social Housing Compared to Need (Distribution)		
Core need	3.2%	100.0%
Existing Social + Supported	0.4%	0.4%
Existing Social plus Rent Assistance	2.4%	100.0%
Future Growth in Core Housing Need		
Backlog, 2016	125	3,880
Growth in need 2016-26	17	368
Growth in need 2026-36	20	393
Affordability Assessments		
Rent		
< \$500 / month	35	720
\$500-750 / month	63	1,860
\$750-1000 / month	43	2,355
\$1000-1250 / month	87	1,412
\$1250+ / month	163	1,948

Income

Under \$20k	60	1,905
\$20k-30k	25	1,355
\$30k-40k	35	990
\$40k-50k	50	960
\$50k+	230	3,080

Affordability to Buy (Max Price Affordable to Median Income Renter)

Median Home Price, 2016	\$501,603	\$380,900
Median renter income	\$62,000	\$38,939
Monthly @30%	\$1,550	\$973
Maximum price (3.5%, 25yrs, 10% down)	\$344,444	\$216,330
Percentage of homes affordable to the median renter (2016)	10%	13%