

Regional District of North Okanagan

# Housing Needs Assessment

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Photo by Ashley Gregerson

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# INTRODUCTION

Housing affordability and availability is one of the key challenges facing North Okanagan Communities. In May 2019 the Board of Directors unanimously agreed to apply for funding from UBCM to undertake the development of a Regional Housing Needs Assessment - acknowledging that no single community can address the full range of affordable housing needs of the region. This collaborative approach has set the stage for a comprehensive review which will enable each community and the region as a whole to respond to local housing needs.





## Purpose

The purpose of this report is to fulfill the provincial requirement for Municipalities and Regional Districts to have completed a Housing Need Assessment by April 2022, and every five years thereafter. These reports will help local governments and the B.C. government better understand and respond to housing needs in communities throughout B.C.

Local governments are required to consider their most recent housing needs report, and the housing information on which it is based, when:

- Developing an official community plan or regional growth strategy,
- Amending an official community plan in relation to housing statements, map designations or policies,
- Amending a regional growth strategy in relation to proposed housing actions, and
- Considering every five years whether a regional growth strategy must be reviewed
- This will ensure that any updates to an official community plan or regional growth strategy are informed by the latest available housing need information.

This Housing Need Assessment will help the RDNO communities to better understand their current and future housing needs. This report can help identify existing and projected gaps in housing supply and is critical to developing an effective housing strategy or action plan. It is important to note that this report focusses on addressing housing need for renters and those who have been identified as experiencing core need, it does not address the necessary housing demand and supply for homeowners that are not experiencing core need. The concept of core need is further discussed in the Housing Need section of this report, on page 4.

During the RDNO's Regional Growth Strategy 5-Year Review it was acknowledged that Housing Affordability & Availability remains one of the key challenges facing North Okanagan Communities. Key indicators include the percent of people in core housing need has remained the same (12%) from 2011 statistics; however, the number in core need increased, in part due to population and household growth.

This Housing Need Assessment will also support the decision- making process for the allocation of funding through provincial affordable housing programs.

BC Housing, the entity responsible for those programs, considers the needs of all municipalities in the Province during deliberations on the location of new affordable housing projects. The objective of such broad-based decision-making is to ensure that affordable housing projects are distributed fairly and equitably across need groups and geographic regions of the Province.

An important part of the deliberations is identifying the level of need and demand for affordable housing in each target community. Currently, in applications for funding to BC Housing, or CMHC, the task of identifying housing need and demand falls on the project sponsor, which in the past has resulted in markedly different studies. By ensuring all communities have a consistent housing needs assessment model, affordable housing project evaluations and decisions will be fair to all applicants across all regions of the Province.

## Scope

This Housing Needs Assessment encompasses the RDNO's Member Municipalities, Electoral Areas and First Nation communities. The RDNO encompasses six incorporated communities, five electoral areas and two First Nations. Together these communities are home to approximately 84,300 people (2016 Census) living in 40,000 dwellings.

The supply and demand of housing is best considered at the regional scale as it will provide a full picture on the region's housing market. A regional approach is particularly beneficial when considering the needs across the housing continuum, as it is unlikely that any single one of the 13 communities in the North Okanagan could address the full range of affordable housing needs of the region.

It is also important to recognize that a regional housing market involves movement between communities based on households' preferences and needs. When certain communities create new housing options, (or lack options) they may attract (or dissuade) residents from other parts of the region, so determining demand and need at a community scale is less useful than assessing need across the larger region, while still including analysis at the local community level.

## Definitions of Need and Demand

This report addresses the issues of housing need and demand. It is important to understand the distinct meanings of these terms to avoid confusing one with the other.

## Housing Demand (Requirements)

Refers to the willingness and ability to purchase a home. Some of the factors that affect the demand (and requirements) for housing include:

- Economic growth and rising incomes mean people are able to spend more on housing
- Consumer confidence
- Interest rates
- Population
- Mortgage availability
- Cost of renting
- Community demographic profile

Household growth is derived from household composition, which is in turn driven by demographics, as well as population growth. An example of household composition driving *housing requirements* is children reaching an age when they want to move out of the family house into their own housing.

The ability to pay for that housing will drive the *demand* for housing. Households with sufficient income to purchase (or rent) given current and planned pricing are identified as having effective demand. Their requirements and capacity to pay influence the market and stimulate new construction (supply).

Population and household growth create requirements for new housing supply. However, this will stimulate a market supply response only when prospective households have effective demand.

## Housing Need

While *housing need* can be used to reflect requirements, the term has been appropriated by the concept of *core housing need*. This term is explained in the report. For the purpose of this Housing Needs Assessment the term “need” is used in the context of *core housing need*, reflecting households that require housing but do not have sufficient income to create effective demand. In such cases some form of assisted non-market housing is typically required. This includes constructing social or affordable housing as well as providing assistance to help cover the cost of housing (increase effective demand).

## Structure of the Report

This report is presented with two parts: a regional level overview, which examines the housing context, issues and need at a more macro-regional scale, and a series of individual community level summaries that highlight key local issues, and where applicable variations from the regional assessment.

The regional overview (Part 1) first reviews the population demographics and incomes and then compares household characteristics to the existing housing stock, including form and price or rents and assesses recent additions to the stock through new construction. It then examines issues of affordability, both in terms of access to ownership and rents versus incomes and the extent to which the existing distribution of the stock by rent and price range matches the requirements of the existing population.

The assessment then details the concept of core housing need and quantifies the nature / extent of housing need, across the region and by community.

Drawing on RDNO developed population projections, the assessment translates projected population into household growth and determines both future housing requirements as well as the likely evolution and potential growth of core housing need.

## Community and Stakeholder Consultation

Following the background data analysis, a regional overview together with sub regional community summaries were produced as the basis for discussion with local officials and stakeholders.

Stakeholders were invited to participate in a review and discussion of the findings, based mainly on data analysis, and to add interpretation and insight on local influences and factors that can help to explain trends in data and in the nature and volume of need.

# PART 1: REGIONAL OVERVIEW

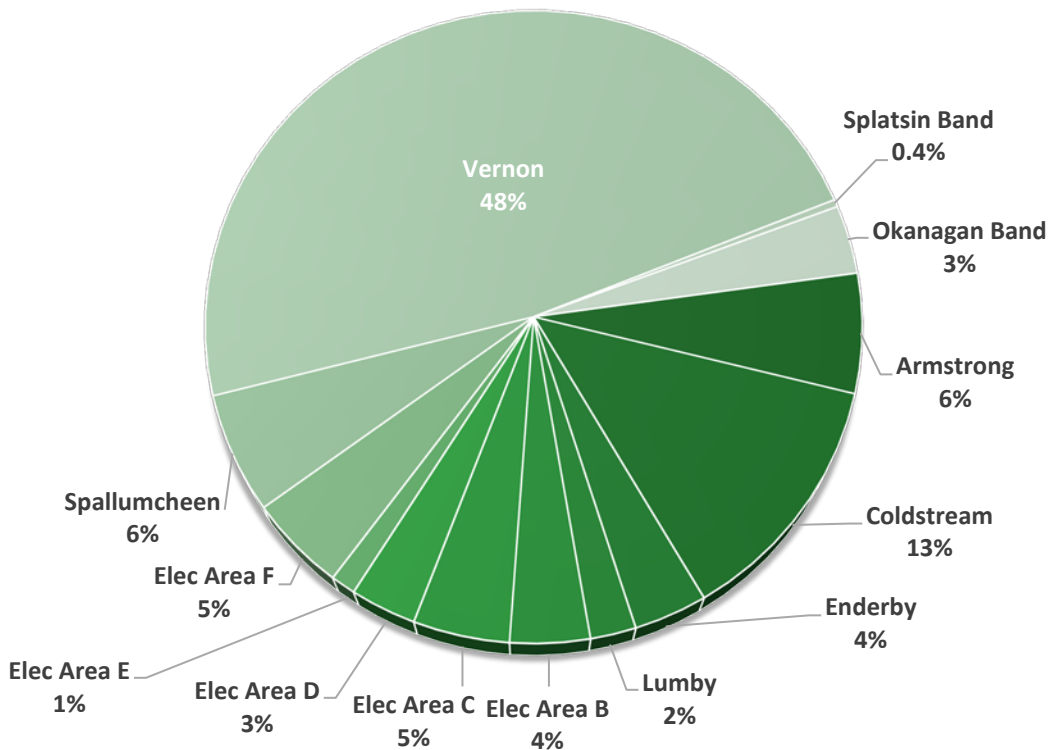




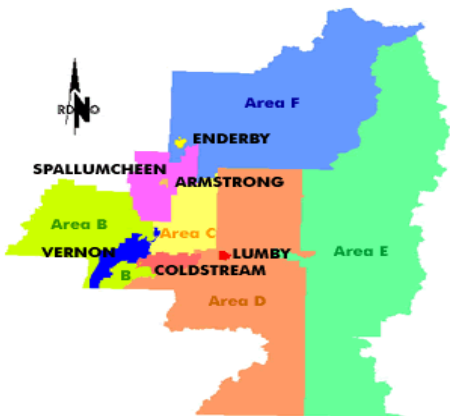
The RDNO encompasses six incorporated communities, five electoral areas and two First Nations reserves. Together these communities are home to some 84,300 people (2016 Census) living in 40,000 dwellings.

Almost three quarters (72%) of the population are clustered in and around the central city of Vernon (including Coldstream, Electoral Areas B & C, and the Okanagan Indian Band, which Statistics Canada delineates as the Census Area, CA).

Population Distribution 2016



Due to more smaller households and multiple unit dwellings, the distribution of dwellings is even more skewed toward the central communities, with 77% in the Greater Vernon Census Area (CA).

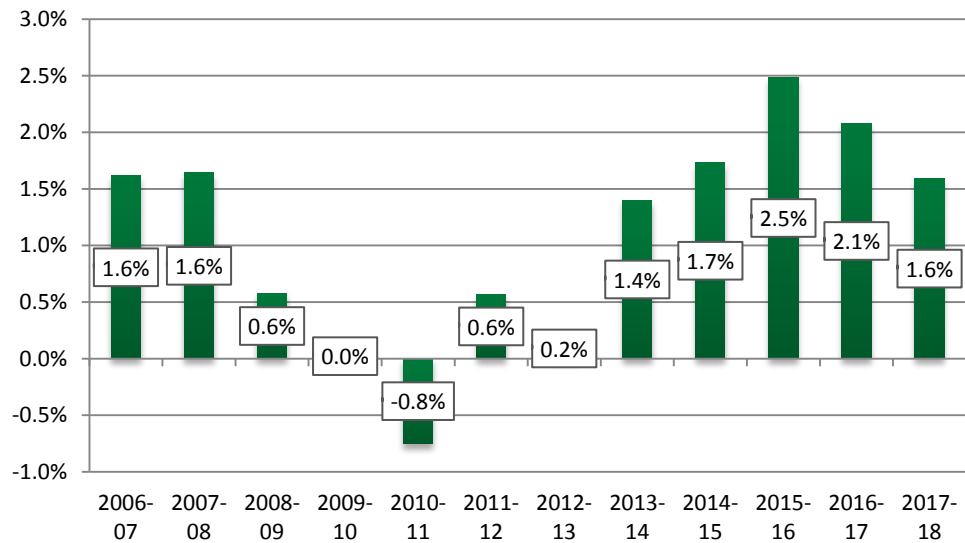


In recent intercensal periods, population growth in the RDNO (3.8% between 2011-16) has lagged compared to the rate for BC as a whole (5.6%), but projections estimate that this gap will close and more closely track the provincial average.

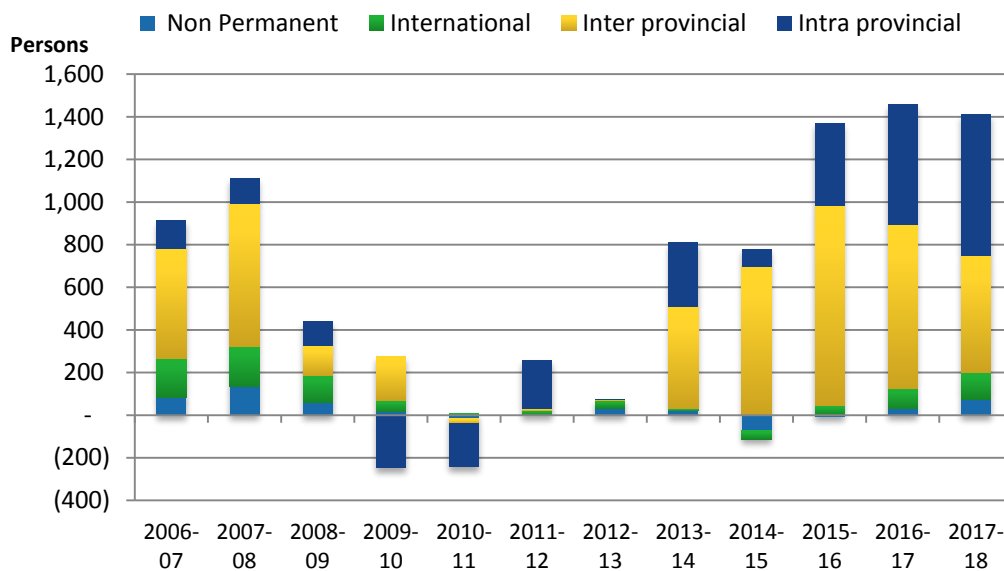
Recent data on the components of population growth suggest that growth in the RDNO has been on an upswing, driven by migration either from other parts of BC or other provinces (international migration is quite low). The first chart below shows the RDNO share of total net migration to BC. To put this in context, RDNO accounts for 1.8% of the 2016 BC population. So for 2015 to 2017 this region gained a disproportionate share of total net migration to BC.



## Percent Share of BC Net Migration



## RDNO Net Migration, by source



Statistics Canada. Table 17-10-0140-01 Components of population change by census division, 2016 boundaries

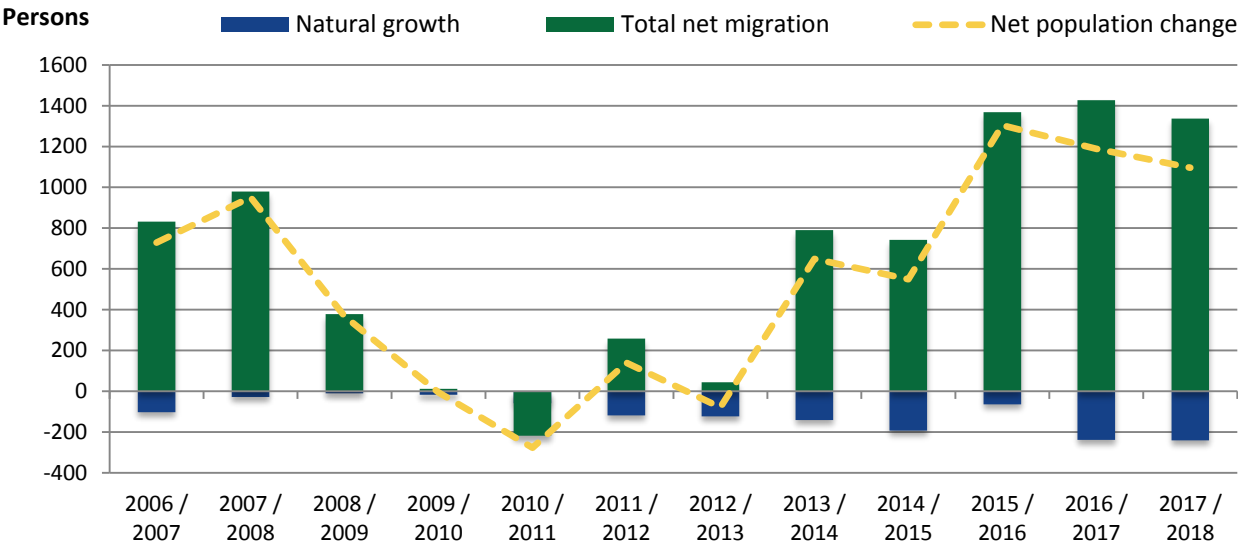
The second chart reveals that in RDNO recent growth has also been significantly influenced by migration from other places in BC (intra-provincial migration). For 2016-18, the largest sources of inter- and intra-provincial migration by number are other areas of BC outside of the CMA or CA's of Vancouver, Kelowna, Calgary and Edmonton.

This upsurge commenced in 2014, coincidentally with a collapse of oil sands development and thus reversing the prior high flows into Alberta.

It appears that much of the growth may be related to retirement into this region, which may also generate employment opportunities in support and service areas. Similarly, tourism is generating ancillary employment and may attract some migration.

Against these high levels of migration, natural growth is negative as deaths exceed births. Over the last five years, annual deaths have exceeded births by, on average, 175. This may be attributable to the large retirement population in the region.

### Natural Growth and Migration



Statistics Canada. Table 17-10-0140-01

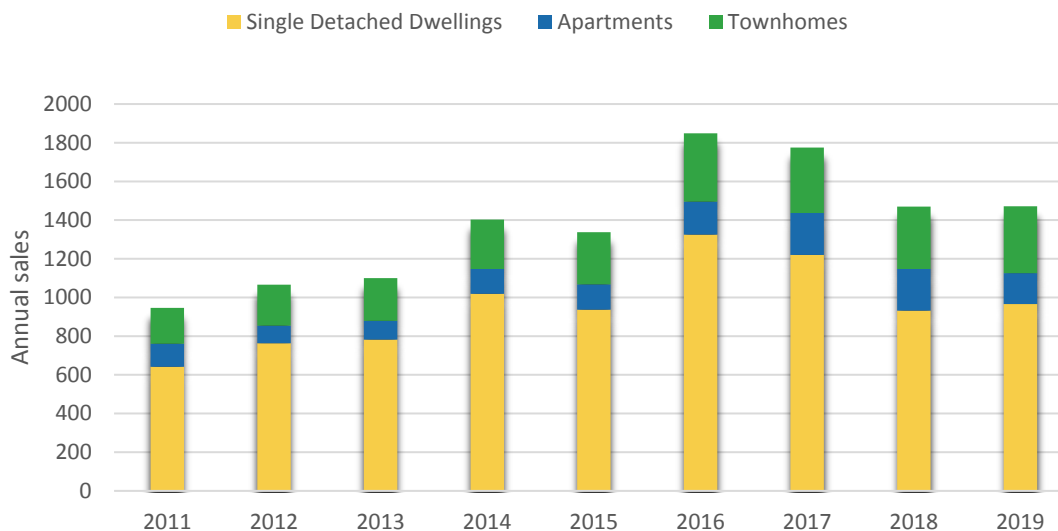
Obviously, higher levels of population growth add new housing demand and requirements. It might also add to housing need, especially if new demand displaces or crowds out housing opportunities and puts pressure on rents and prices.

## Home Values and Activity

Data of the volume of home sales and associated prices show that as expected, in the face of this increased demand, there was a steady rise in both sales and prices, at least through the end of 2017.

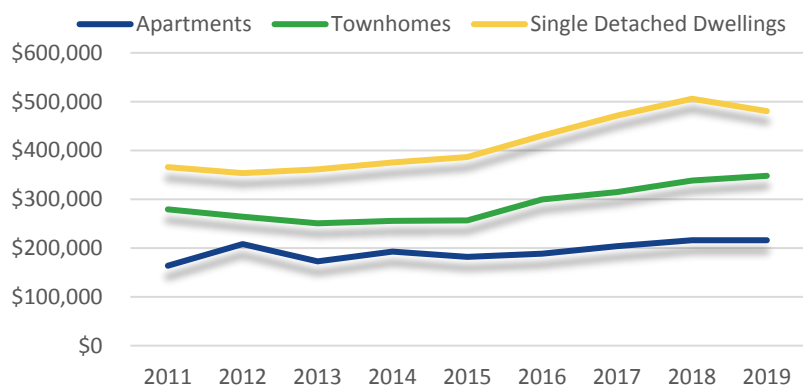
Median prices for detached homes increased by 11% and 10% respectively in 2016 and 2017, although subsequently declined (impacted by regulations such as the stress test).

### Volume of Home Sales - RDNO



Source: OMREB

### Home Price Trends - RDNO



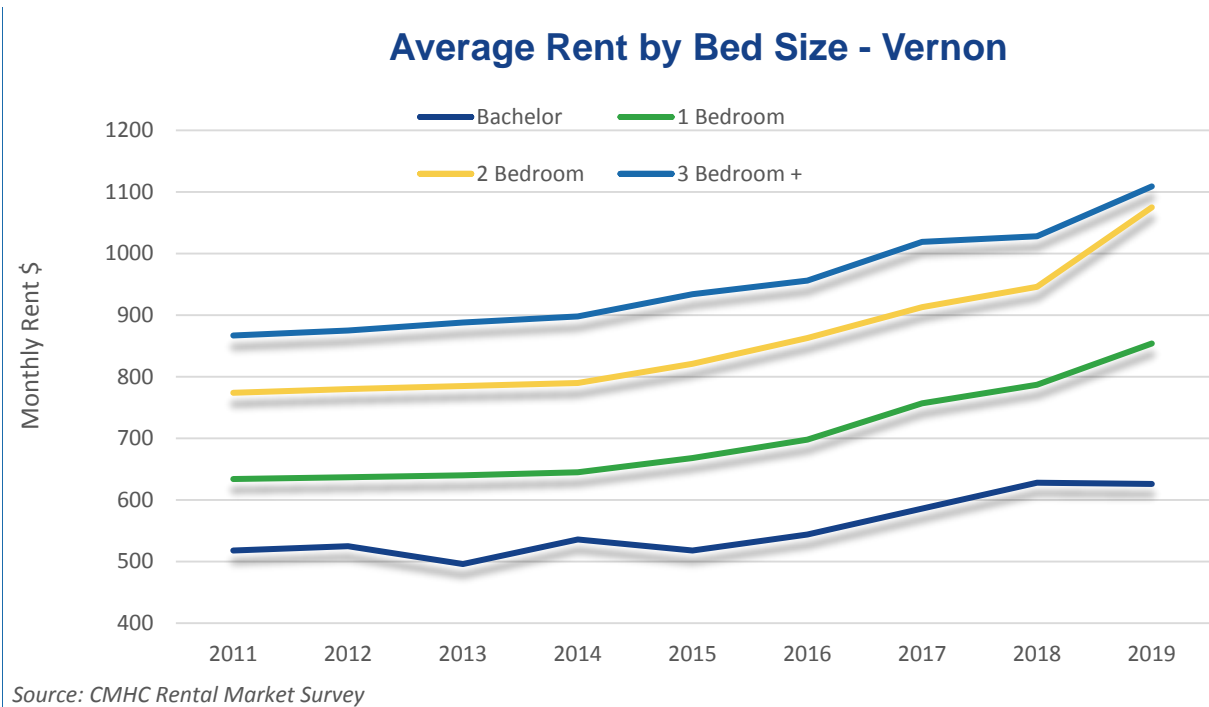
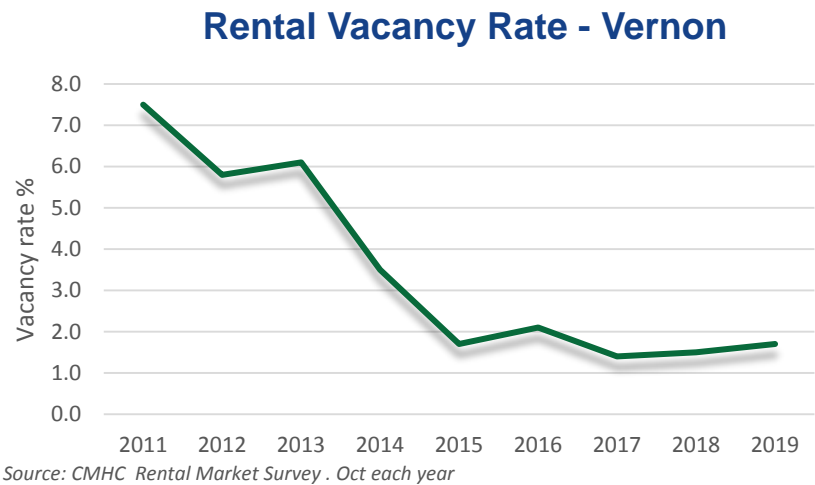
Source: OMREB

Detailed data on home price trends are not available for the individual communities, so in those sub-regional summaries, the 2016 occupant estimated home values are used to identify relative price levels in each community.

In the rental market there is a clear trend in declining and low rental vacancies and a pattern of increasing rent prices.

Here only data for the City of Vernon is available as CMHC only surveys the purpose-built rental properties in larger centres. Rent and vacancy data are however also available for Enderby and Armstrong as part of their rural survey.

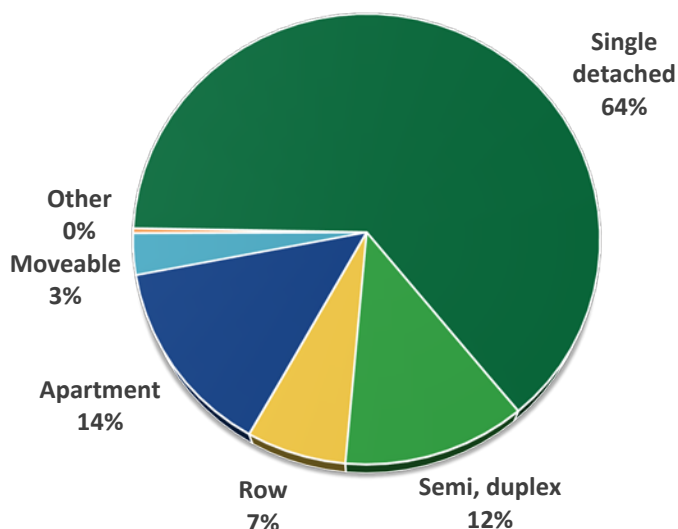
The chart shows a dramatic decline in vacancy levels after 2013 as demand (largely driven by migration) increased. As a consequence, there was upward pressure on rents, especially as vacancies fell below 3% in 2015.





# The Existing Housing Stock

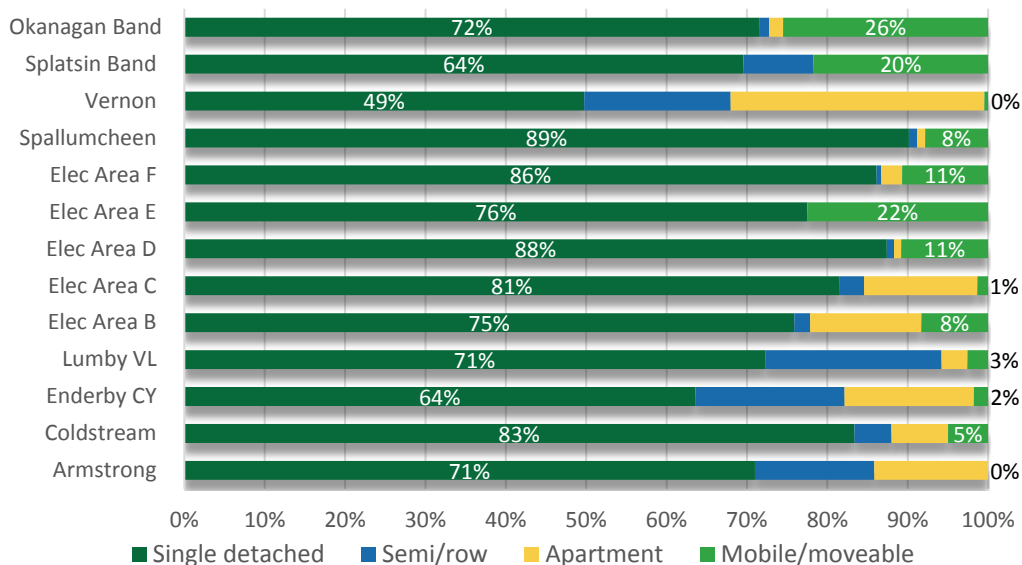
## Dwelling Types - RDNO, 2016



The characteristics of existing (and future) households provide an indication about the type of housing required in the RDNO.

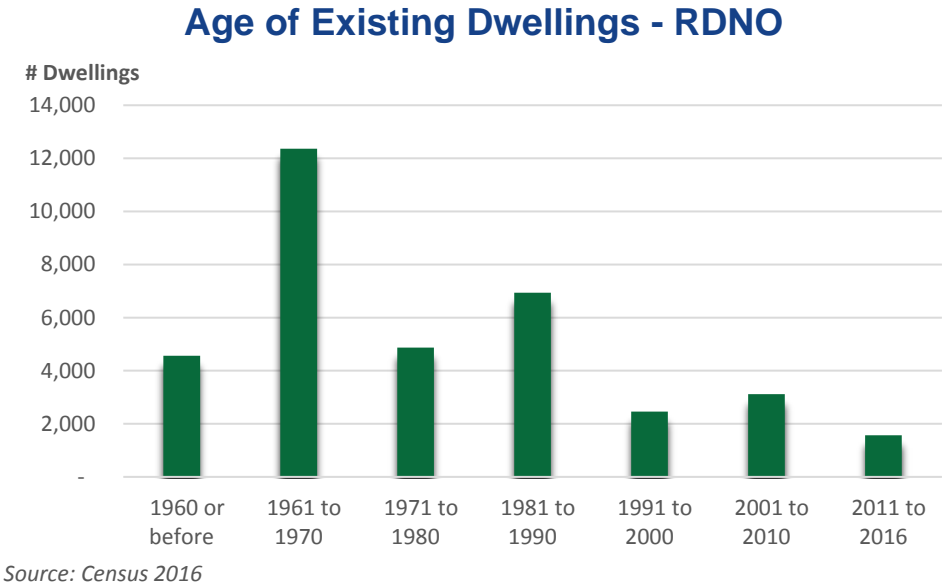
The vast majority of homes across the region are single detached, especially in the smaller communities. Mobile and moveable homes account for only 3% of all housing but are most prominent in the more distant Electoral Areas (D,E,F) and on the two First Nations Reserves.

## Dwellings by Type and Community



There is a wider diversity of dwelling types and more renters in the urban centre of Vernon (as well as adjoining Electoral Areas B and C). There are few apartment structures, mainly in Vernon and most of these are rentals – although the rented stock also includes rented single-detached homes, semi-detached<sup>1</sup> and duplex, row<sup>2</sup>, and moveable homes<sup>3</sup>.

Reflecting the predominance of single detached homes, these communities all have a high rate of homeownership, with nine of the eleven communities at or above the RDNO average of 75% (which compares to 68% nationally and 69% for BC).



The housing stock is quite old, with only 13% of dwellings constructed since 2001.

Notwithstanding the age of the stock, only a small portion is in poor condition. On average across the Region, only 6% of the stock is in need of major repair.

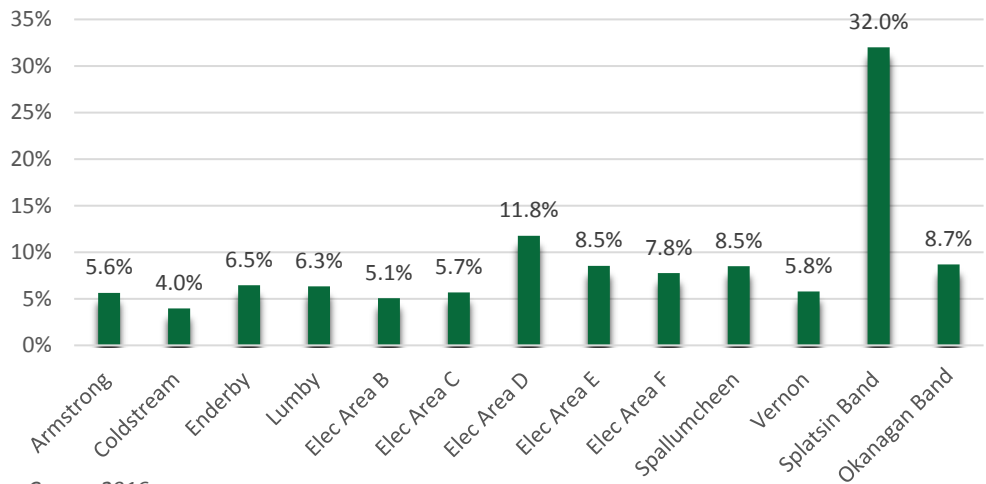
<sup>1</sup> A semi-detached house is defined by Statistics Canada as one of two dwellings attached side by side (or back to back) to each other, but not attached to any other dwelling or structure (except its own garage or shed). A semi-detached dwelling has no dwellings either above it or below it, and the two units together have open space on all sides.

<sup>2</sup> A row house is defined by Statistics Canada as one of three or more dwellings joined side by side (or occasionally side to back), such as a townhouse or garden home, but not having any other dwellings either above or below. Townhouses attached to a high-rise building are also classified as row houses.

<sup>3</sup> Dwelling types may also include secondary suites in homes, but these are not explicitly distinguished in the census data. The 2011 Regional Growth Strategy did identify secondary suites and detached accessory suites as affordable housing options in rural areas.

The Electoral Areas D, E, and F, as well as Spallumcheen and the two First Nations, are the areas above average in terms of need for repair. Housing condition is reviewed further under core need<sup>4</sup>.

### Percent Dwellings in Need of Major Repair



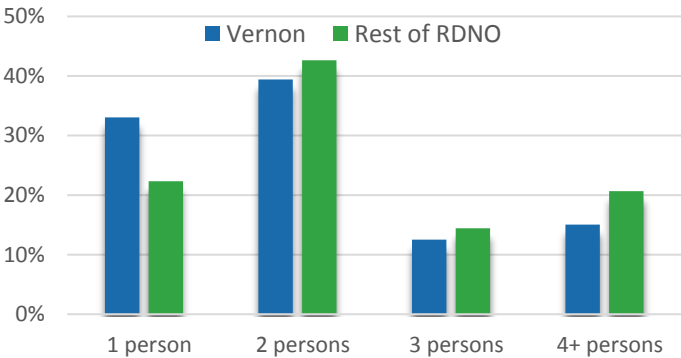
Source: Census 2016

### Who Lives in This Stock?

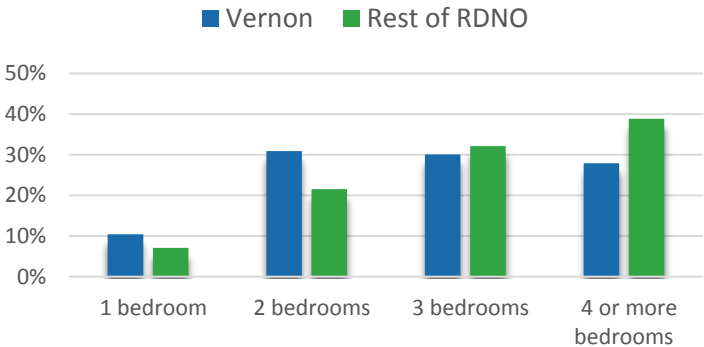
Despite the predominance of detached dwellings (with usually three or more bedrooms) the census data reveal that larger households, requiring more than two bedrooms, are a minority.

In fact, more than two-thirds of households in both the urban centre and across the rest of the RDNO contain two or fewer people. Meanwhile, two-thirds of dwellings are detached homes with three or more bedrooms.

### Number of Persons in Household



### Size of Dwellings (# of Bedrooms)



<sup>4</sup> The high percentage of homes in need of major repair identified in the two First Nations lands is subject to verification with each First Nation as often there is under reporting in census data for Indigenous populations.

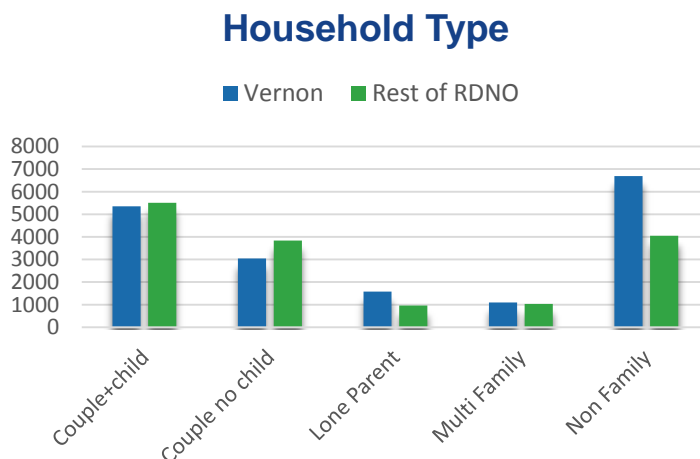
While this may reflect a phenomenon of empty nesting, there is clearly a mismatch between the size (and implicit need) of households compared with the scale of the existing stock. For many, these are the family home with associated memories, and they may be content to remain in that home.

However, if some of these empty nesters wish to downsize but remain in their community, there is a need to construct more smaller (one and two bedroom) units. The data on new housing construction (examined later) suggests that this is not occurring.

And reflecting the number of persons, the break down by household type shows a significant number of non-family (majority singles) and couples with no children. Not surprisingly, most of the single-person households live in Vernon, where there are more apartment structures offering smaller units.

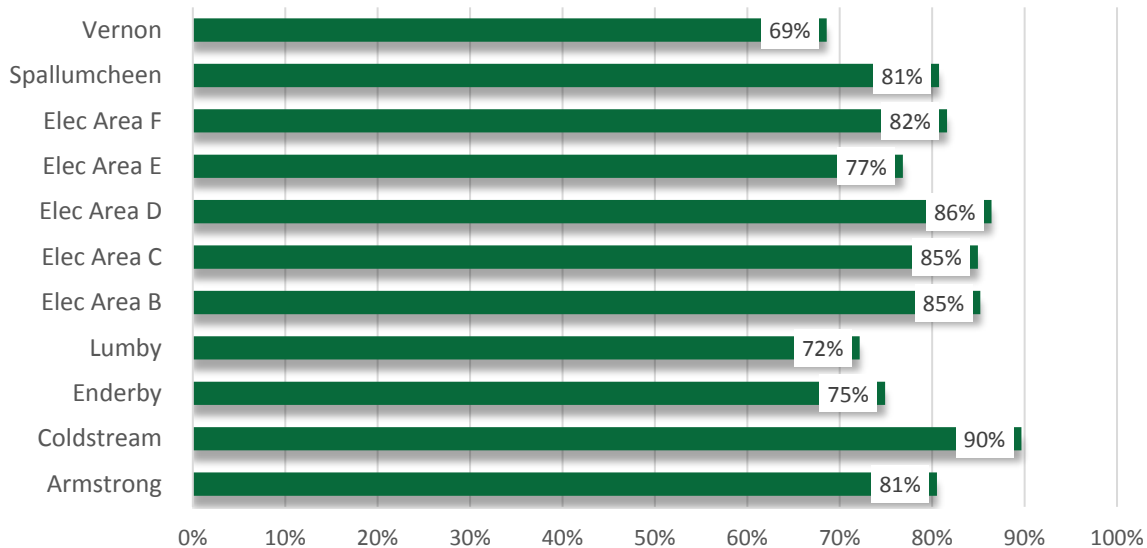
As noted earlier, there is a close association between structural type and tenure. As a whole across the RDNO the rate of ownership is high (75%) and well above the provincial and national average.

Typically, larger more urban communities tend to have more multiple unit structures and often these are apartments (especially for older stock – as condominium tenure was not legally created until 1966). This is reflected in the lower homeowner rate in Vernon (69%), where fewer than half of the dwellings are single detached.





## Homeownership Rate - 2016



Despite fewer detached homes, this level of ownership in Vernon has been sustained by construction of condominium units, which appeal to older retirees. They are able to retain the asset and security of tenure that ownership offers while still downsizing to smaller more manageable dwellings.

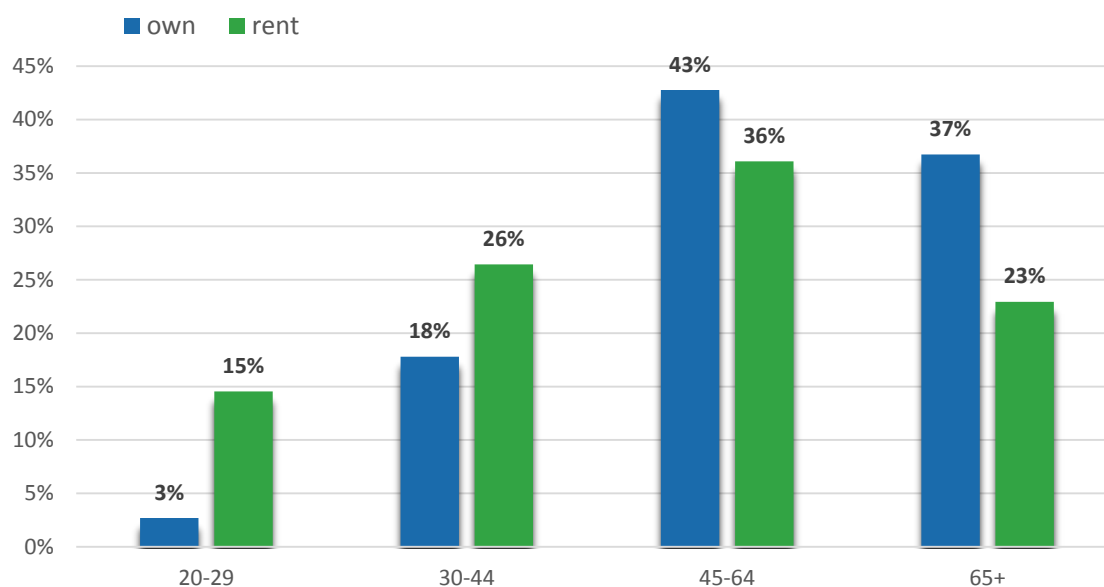
That said, in the last two years, mirroring a national trend, there has been a strong expansion in purpose built rental construction (discussed later).

As discussed further below, tenure has an important association with core housing need, mainly because on average renter incomes are much lower than those of owners, and accordingly the incidence of affordability challenges is more significant for these lower income renters.

The 2016 age distribution of households in the RDNO based on the Primary Household Maintainer reflects that of an older, retirement community<sup>5</sup>. Across the RDNO, the median age is 49.5, more than 6 years older than that of BC (43 years). Only the Village of Lumby at 42.3 years is below the provincial median age. In the more rural Electoral Areas, all had a median age above 50. Looking at the data for the region as a whole, the age distribution is clearly skewed to the older age groups. One third (37%) of owners and one quarter (23%) of renters are over 65. And the single largest age group are those aged 45-64. Again, this speaks to the need to expand an age appropriate housing stock. Notably, rental tenure is far more prevalent among younger households. Potentially this reflects a more transient mobile labour perspective, but may also be a function of affordability and capacity to access ownership (explored further under income and core need).

<sup>5</sup> "Primary Household Maintainer" is a category used by Statistics Canada in the Census. In the case of a *household* where two or more people are listed as *household maintainers*, the first person listed is chosen as the *primary*. It is that person's age used to categorize the age of a household.

## Age Distribution Primary Maintainer - RDNO, 2016



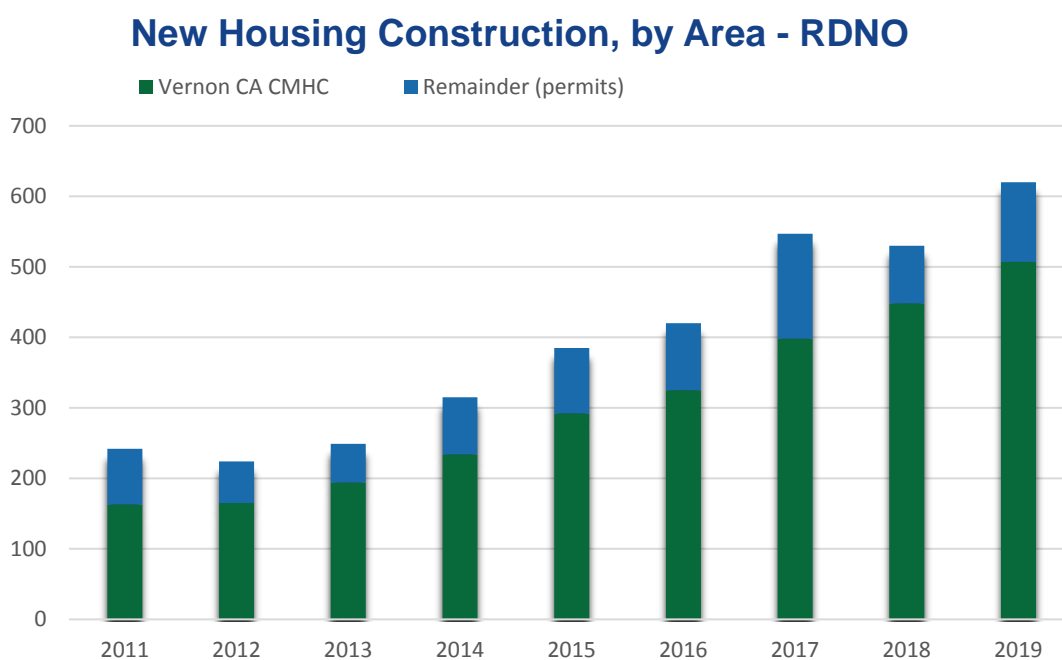
Source: Census 2016

## New Housing Construction

The recent pattern and form of new construction reveals how the market is responding to perceived demand. Data on new construction have been assembled from two different sources and therefore may not be entirely consistent but will nonetheless identify the scale and nature of new housing construction.

CMHC undertakes a detailed enumeration of housing starts, completions and absorption across the country, but this is limited to Census Agglomerations (CA) and above, so misses many of the smaller communities.

The CMHC data are published for the Vernon CA, which includes the City of Vernon as well as Coldstream, Electoral Areas B & C, and the portion of the OKIB adjoining Vernon.

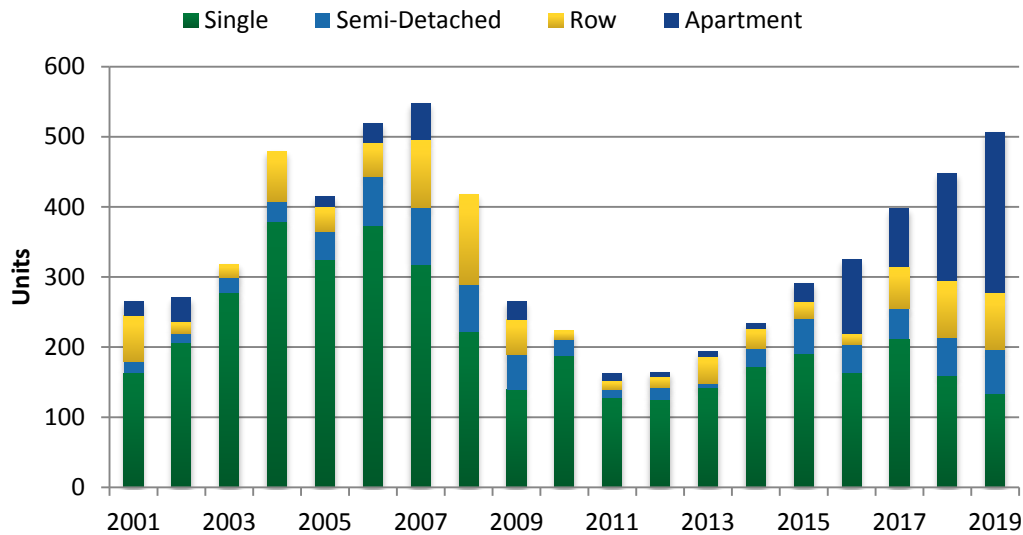


*Source: CMHC for CA and Building Permits*

For the other communities and Electoral Areas, building permit data is used to enumerate activity, with the caveat that it is unknown if the permit proceeded to a start and in which year the actual start may fall (so there may be small errors in using permits as a proxy for starts).

The vast majority of new construction occurs in the Vernon CA (and there mainly in the city proper) consistent with its share of population (72%), the CA accounts for more than three quarters of new homes (and in the last two years more than 80%). Part of the new construction activity may also relate to people building a vacation home as a second residence and while only occupied on a part-time basis, these contribute to housing starts.

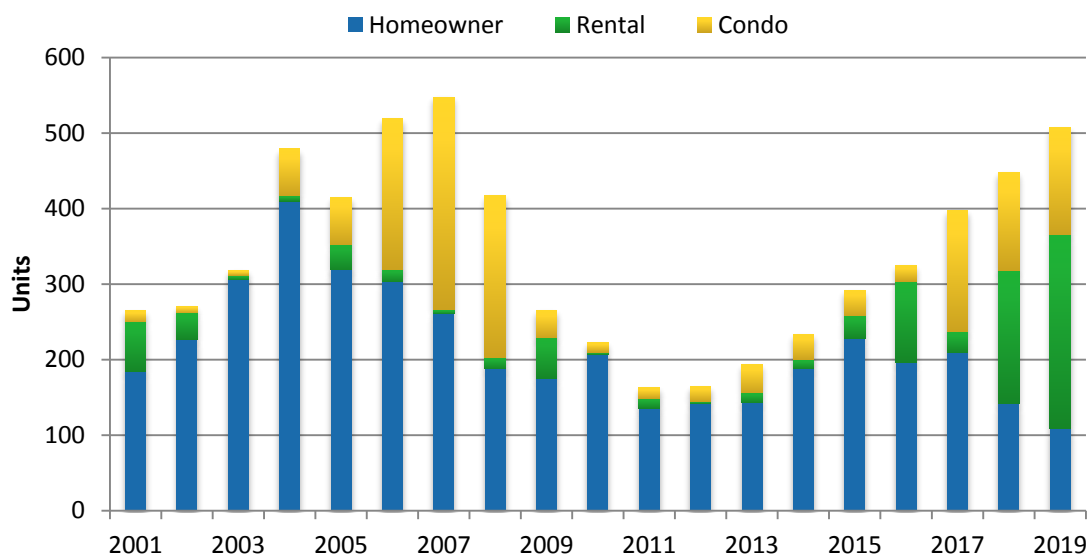
## New Housing Construction - Vernon CA



Source: CMHC Starts Survey

The volume of home construction has ebbed and flowed over time. The 1990's saw much higher starts than is the case since 2000. And since 2001, there was an initial surge, cut short by the global financial crisis and recession in 2008. New construction activity continued to fall through to 2011 but has subsequently accelerated.

## New Housing Construction - Vernon CA



Source: CMHC Starts Survey



It has also diversified, particularly in Vernon, with a noticeable shift in favour of multiple unit apartment construction adding both condominium and purpose-built rental units (569 started since the beginning of 2016)

A small number of the rental unit starts are BC Housing supported affordable units – since 2016 this includes 81 units for low income families and 98 modular construction units targeted to people at the risk of homelessness, or formerly homeless for a period of at least 30 days and up to three years).

The recent upward trend in new construction follows the earlier noted trend in increasing levels of migration (i.e. new demand), suggesting a market supply response to increasing demand.

And the shift in favour of more multiple units is also a welcome trend given the previously noted mismatch between many smaller one- and two-person households, versus a single-family detached dominant stock.

Meanwhile, in the other smaller communities and Electoral Areas, and based on permit data, new homes tend to be mainly single-detached homes (including some moveable homes), although depending on the community, up to one quarter of activity is in the form of semi and row units.

Most are owner occupied, although some are built as rental properties.

## Incomes, Prices, Rents and Housing Affordability

Household incomes across the RDNO are lower than the provincial median. For all households the median annual total income is \$63,364 compared to \$69,995 for BC. And among single-person households the RDNO median is \$29,867 versus the BC median of \$35,701. The lower income for singles likely reflects the large proportion of single seniors on retirement income.

Across the county, renter incomes are typically much lower than those of owners and this is also true in the RDNO: the median owner income is \$75,343 compared to \$38,939 for renter households (only 52% to that of owners).

In part this is because renter households are smaller and more have only a single versus couple income. It also reflects the economic capacity of those with stronger incomes to access ownership, while renters with lower income are often unable to make this transition. Some may choose to rent, but for many renting is not a choice, it's a default. For those able to buy, they do, so the median of remaining renters is weighted down as higher income renters exit that tenure. As discussed later, a significant consequence of this income disparity is a much higher incidence of core need among renters.

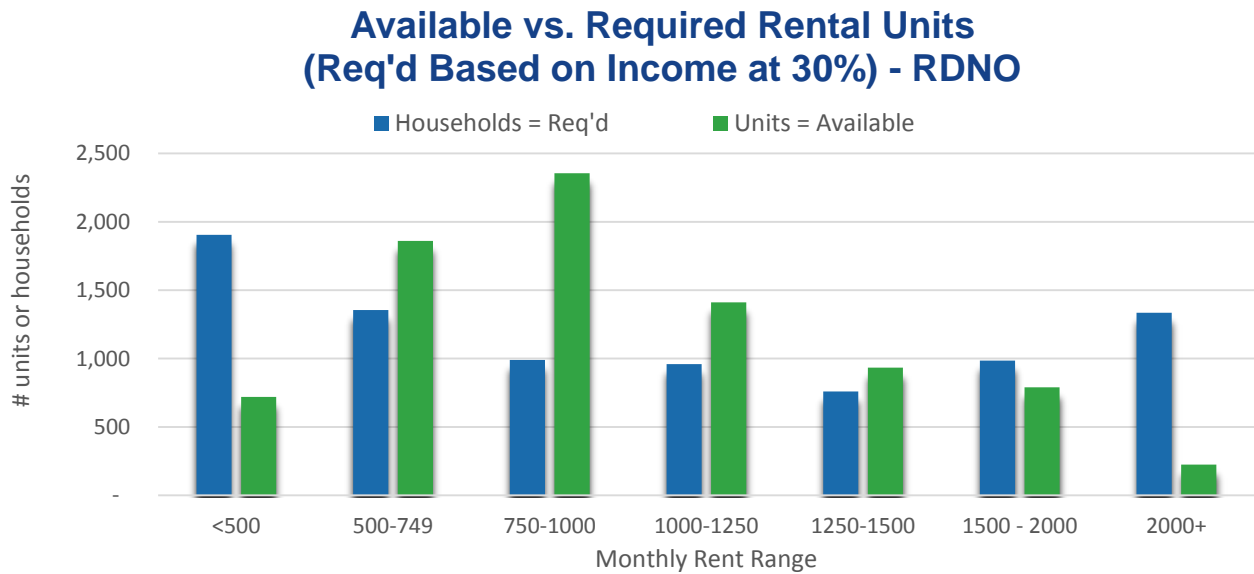
### Household Income Distribution, by Tenure - RDNO, 2016



Looking at the income distribution of households across the RDNO, it is clear that the renters are more concentrated among the lower income bands. In fact, 63% of renter households have incomes below \$50,000. While there are substantial numbers of low-moderate income owners, their median is significantly influenced by the very large number of higher-income owners – 34% have household income above \$100,000 (2015 incomes, as collected in the 2016 census).

Using data on the count of rental units by rent range and the count of households by income band, the number of units can be compared to the number required if renter households are to pay no more than 30% of their income. The CMHC deems housing units to be affordable when a household does not pay more than 30% of their gross income on housing. In the following chart, incomes are converted to

matching rent ranges using the 30% standard. (e.g. households in the income band \$20,000 to \$30,000 are allocated to the rent range \$500 to \$749, etc.).



What we find is that there is a shortfall of almost 1,200 low rent units, required for households earning less than \$20,000. However, there are small “surpluses” in the next rent ranges. These are not surplus, they are occupied by lower income households who require, but cannot find lower rent units, and as a consequence will be paying over the 30% standard and will be in need.

The chart also suggests a shortfall in the higher rent ranges. Again, this is theoretical – these higher income renter households are occupying units further down the rent continuum with rents well below 30% of their income.

In the context of increased new rental construction, discussed in the previous section, given the capacity of some renters to pay more there may be a market niche for new rental with good levels of amenity, and potentially this could free up some lower rent units to those with lower incomes.

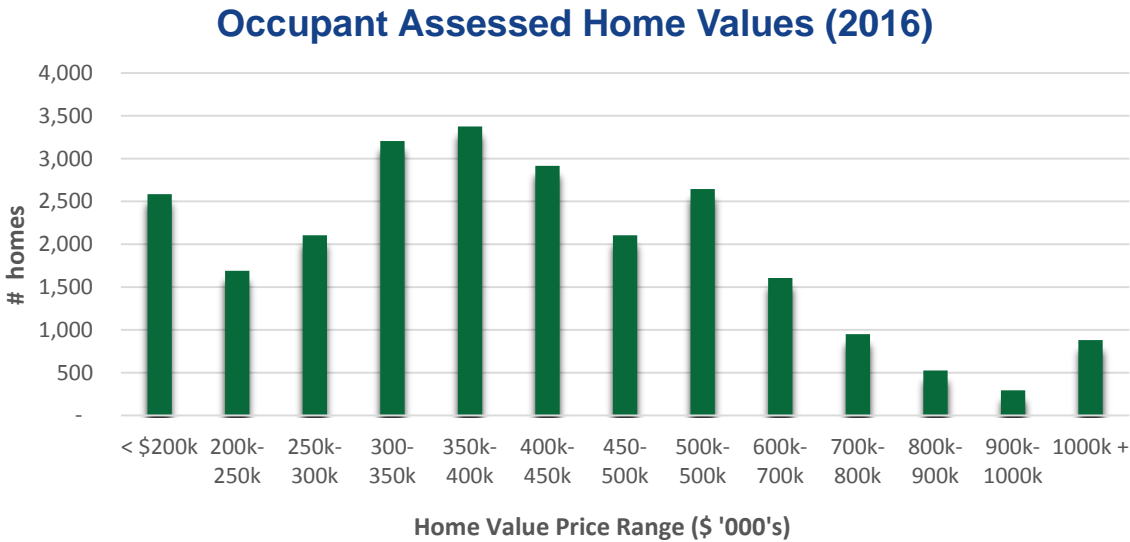
This assessment is conducted for each of the communities across the region to quantify the shortfall in lower rent units for each community. This does not necessarily mean that it is necessary to build that number of subsidized rental homes.

For many, when their main issue is affordability only (more than 80% of cases) it may be possible to assist with a housing allowance or rent supplement (effectively increasing income specifically available to help pay rent).

For owners, while data on the occupant assessed value is available, a similar comparison is not appropriate because unlike rents which are current, home prices reflect appreciated values. It is the mortgage and operating payments that determine affordability for existing owners, not the current value.

Current values also provide some insight into the potential for owners facing affordability challenges to downsize. In those areas with high values if they can find appropriate housing at a lower price there

may be options to cash out some equity to augment retirement savings and income. This could effectively help to reduce core need among owners, without necessarily requiring government subsidized housing.



Current values also impact the ability of renters that aspire to own to make this transition. And for many this will be a challenge. While the median renter income across the RDNO is only \$38,995 and almost two thirds of renter households have incomes below \$50,000, the median home value (2016) for the entire RDNO was \$380,000 which is ten times the income of the median renter.

Some communities have lower medians (e.g. Enderby and Lumby) but even here the medians are \$275,000 and \$300,000. The median incomes in these two lower priced communities are also below the regional median, maintaining the 10:1 price-to-income ratio, which is not affordable (purchasing norms at current low interest rates favour a ratio under 5:1).

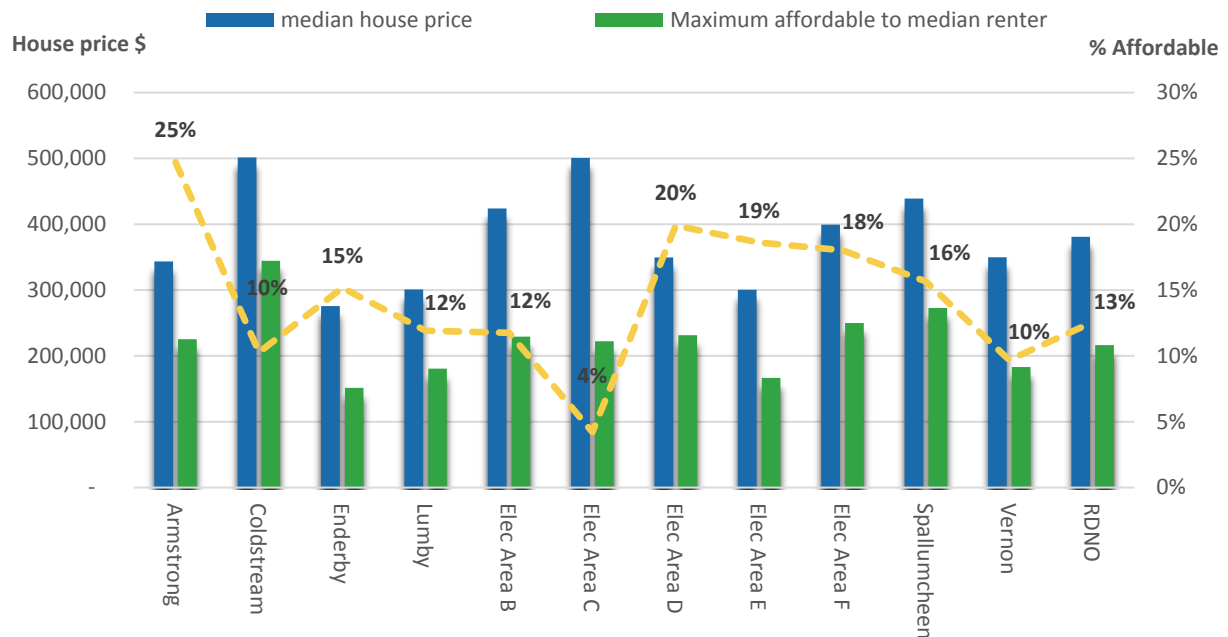
That said, these are medians, so half of the homes are priced below this level and some opportunities may exist to purchase lower priced homes. Indeed, one quarter (27%) of homes were valued under \$250,000.

It is 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.

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.



## Capacity of Median Income Renter to Purchase a Home



Capacity to buy varies across the region, based on both the renter incomes in different communities and on the distribution of home prices in their community.

Armstrong has the highest level of ownership affordability across the region. Here the median renter household can afford the lowest 25% of homes. This compares to only 13% for the RDNO as a whole. The lowest is in Electoral Area C, where only 4% of homes are affordable to the median income renter.

### Impact of Short-Term Rentals

Another consideration in the availability of rental options is the impact of short-term rentals (e.g. Airbnb, VRBO). Because the region has a tourism sector and attracts visitors, there is an active market for vacation rentals.

While vacation rentals have existed for a long time, historically these were purchased as such. Typically, these were cottages, cabins and sometimes houses that were used expressly for vacation rental purposes, including bed & breakfast accommodations.

A growing feature of housing markets all across the country, and indeed globally, is the growth of short-term rentals that has been facilitated by on-line platforms. This includes the purchase of existing dwellings, especially condominium units, but also houses or small multi-unit properties by investors who remove these units from the long-term rental market for use as short-term rentals. This has been identified as a significant factor impacting rental vacancy rates and rents in larger urban markets. In order to reduce these impacts, many jurisdictions have introduced bylaws to preclude the use of self-contained units for STR (permitting only a portion of an owner-occupied home, such as B&B).

A review of online vacation rentals within the RDNO, carried out in May 2020, reveals a total of 486 listings on VRBO and 118 on Airbnb. These likely overlap, but if they are unique listings the total is around 600 units. 275 of these active listings are located in Vernon. As noted above, many will have been long term vacation properties. Of the listings the majority are houses (221), cottages and cabins (176), and apartment condominiums (89). While some homes might potentially be rental options, the units that might otherwise be available in the rental market would mainly be self-contained apartment-condominium units, which account for 89 units. This represents 1% of all rental units in the RDNO, and less than 0.4% of all dwellings. This initial, high level review would indicate that short term rentals have a minimal or low impact on rental availability and affordability but it is important to note that we do not have a complete understanding on these types of uses and in the future it may be a greater issue of concern. It is also important to note that at the time this analysis was carried out the COVID-19 pandemic was present which may have impacted the total number of listings (people may have removed their listings out of caution / concern). If in the future short term rentals are perceived to be of greater concern further analysis on the location of where these units are, would be beneficial.

# Examining Core Housing Need

## What is Core Housing Need?

Core Housing Need is a methodology developed by CMHC in the 1980's to assess housing need. It involves a two-step process drawing on three specific housing standards:

- Affordability (pay over 30% of gross income for shelter cost); and
- Adequacy (dwelling in need of major repair) based on a condition assessment; and
- Suitability (a measure of crowding that compares number of bedrooms to size and composition of household), which refers to crowding.

Second, it establishes an income threshold to further refine the count of those in need. This is determined based on having an income above that required to pay no more than 30% to afford a median rent home of suitable size in the market area. So, if the median 2-bedroom unit rent was \$750, the income threshold would be \$30,000 ( $\$750 / 0.30 \times 12$  months). A household living below any of the three standards and with an income below the income threshold is deemed to be in core need; a household failing to meet one of these standards, but with income above the threshold income is not considered to be in core need.

## Core Need Across the RDNO

The 2016 census data provide the most recent estimate of core housing need. For the RDNO as a whole (but excluding the two First Nations, as core need cannot be estimated on Reserve) a total of 3,880 households were in core need, reflecting an incidence of need of 12.0%.

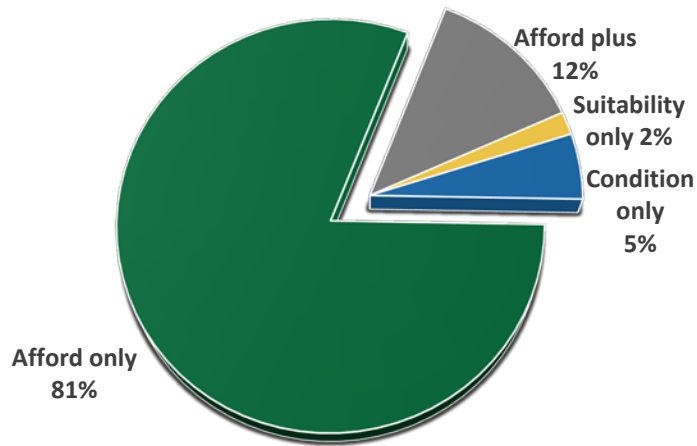
This total count in need is up from 3,690 in 2011, but due to overall population growth, the incidence of need is marginally lower than the 12.4% recorded in 2011 (a similar pattern is seen across all of BC).

The main problem relates to the affordability standard with 81% of need caused solely by an affordability challenge and a further 12% experiencing affordability in combination with either an adequacy or suitability problem (so a combined total of 93% experience an affordability problem).

The number experiencing only an adequacy (5%) or suitability (2%) issue is quite small, although others falling below either adequacy or suitability are included in the 12% affordability plus.

So the vast majority of households in core need live in a dwelling that is in reasonable condition and of suitable size (i.e. not too small, but as a different issue may be oversized).

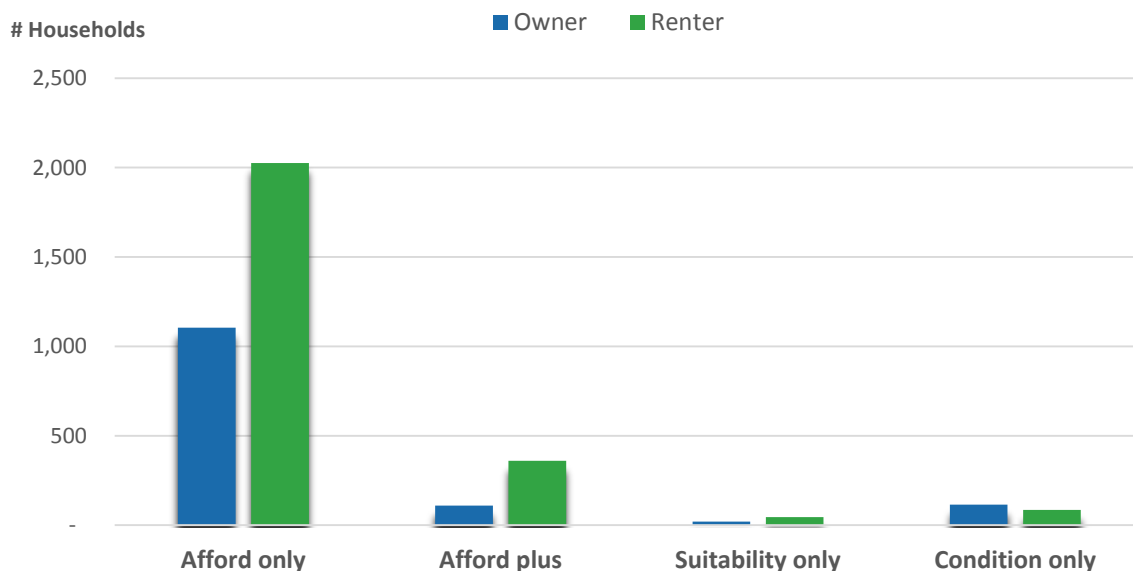
### Nature of Core Need Problems - RDNO (Distribution by problem)



As such, for most in core need, this does not necessarily translate to supplying more affordable housing, as their problem might be addressed through some form of housing allowance to reduce housing expenditures below 30% of their income.

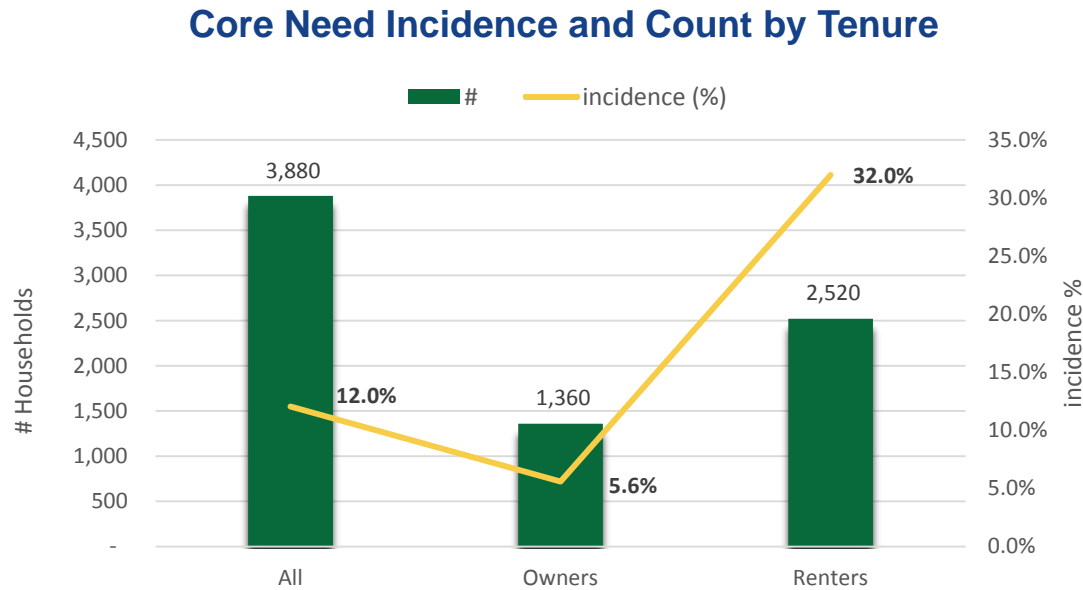
With the predominant problem being one of affordability, given the relatively lower incomes of renter households, it is not surprising that the majority of those in core housing need across the RDNO (and across Canada) are renters. But not only are renters the larger group, the severity of need is far greater.

### Core Need by Problem and Tenure - RDNO 2016



There are twice as many owner households as renters, but among owners only 1,360 are in need , representing fewer than 6% of all owners (the incidence rate).

Among renters one in every three renter households (32%) are in need. And in absolute terms the number of renter households (2,520) in need is double that of owners (1,360).



Source: CMHC Statistics Canada 2016

This pattern varies across communities in the RDNO, mainly because there are very few renter households in the smaller communities and electoral areas.

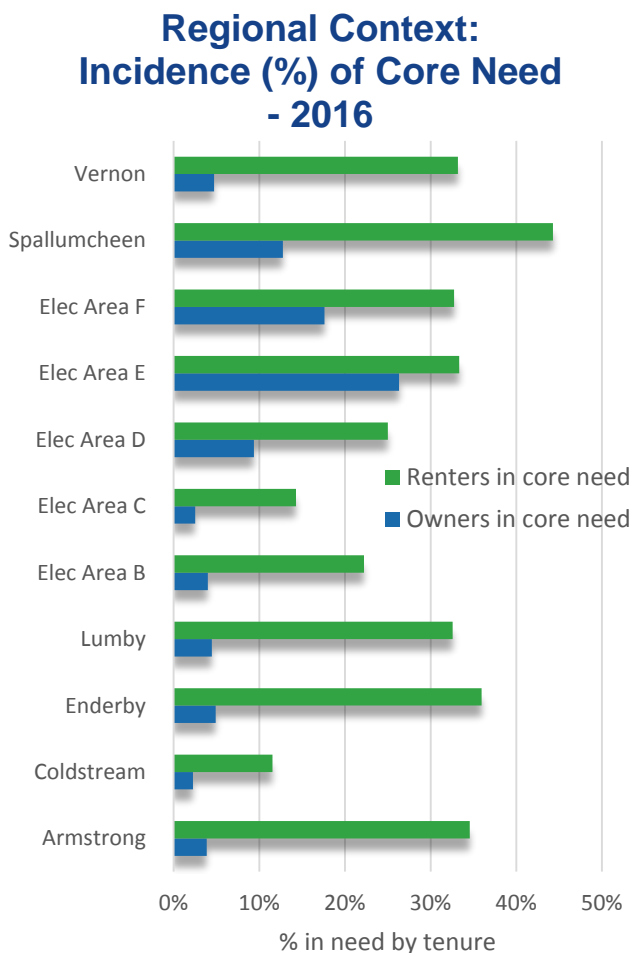
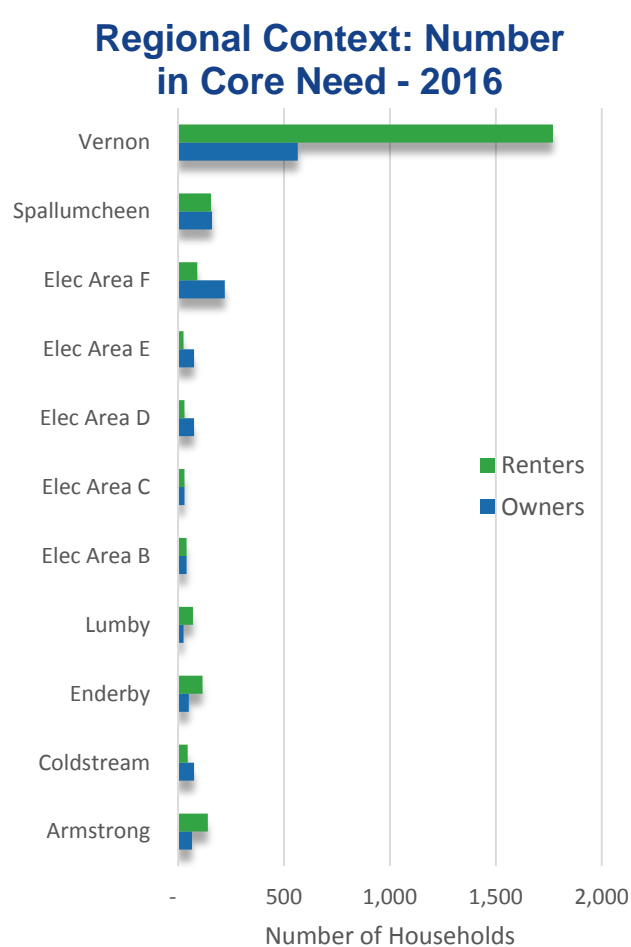
Only in Electoral Areas D, E and F as well in Coldstream does the count of owners in need exceed that of renters – but in all cases the absolute numbers are very low.

Reflecting the distribution of the population, most need is in the City of Vernon, and is among renter households. A total of 1,770 renter households in Vernon are in core need.

Incidence rates (percentage within each tenure and community that are in core need) augment the absolute count to reveal the relative severity of need.

Even in those areas where there is a higher count of owners in need, and when the number of renter households is low, the incidence of need is much higher for renters than it is for owners (usually a function of lower renter income).

Previously the dominance of single detached and semi or row units was noted, with very few apartment structures outside of Vernon.

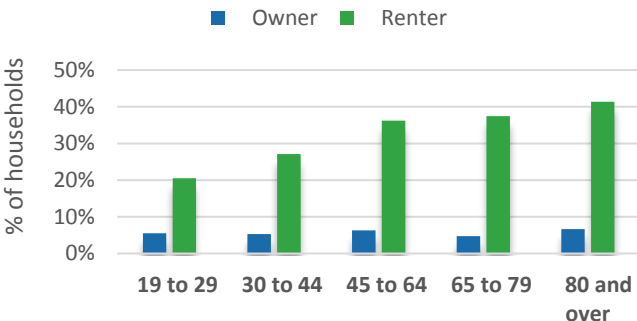


The nature of the existing housing stock may be a factor influencing core need – for smaller households, especially single persons, if the only available housing option is a larger ground oriented dwelling, which typically rent or cost more than a smaller apartment, some households may be in need simply because smaller lower rent units are not available nor being created in the smaller communities.



# Drilling into Characteristics of Households in Need

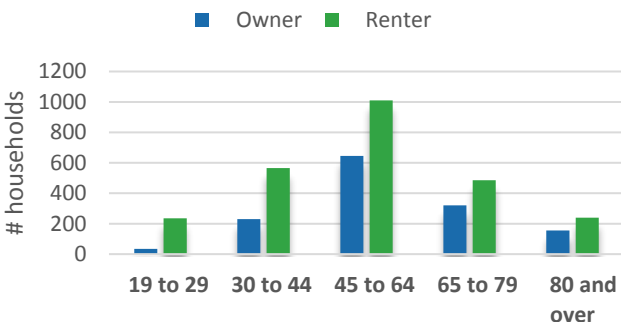
## Core Need Incidence by Age and Tenure



In addition to examining core need by tenure, it is useful to explore how it varies by age and household type

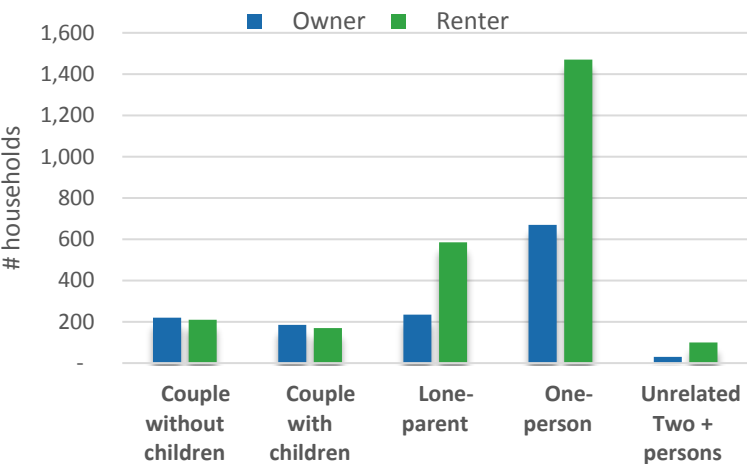
In terms of absolute count, the largest age group in need are those between 45-64, who over the next 20 years will all age into the over 65 age group. This is the largest group of both owners and renters (although most are renters). When we add the lens of incidence, the data diverge exposing much higher need among renters but also shows that even though seniors (over 65) made up a smaller number the incidence of need increases with age and is highest among renters over 80. The increase is far less significant for owners as they age.

## Core Need Count by Age and Tenure



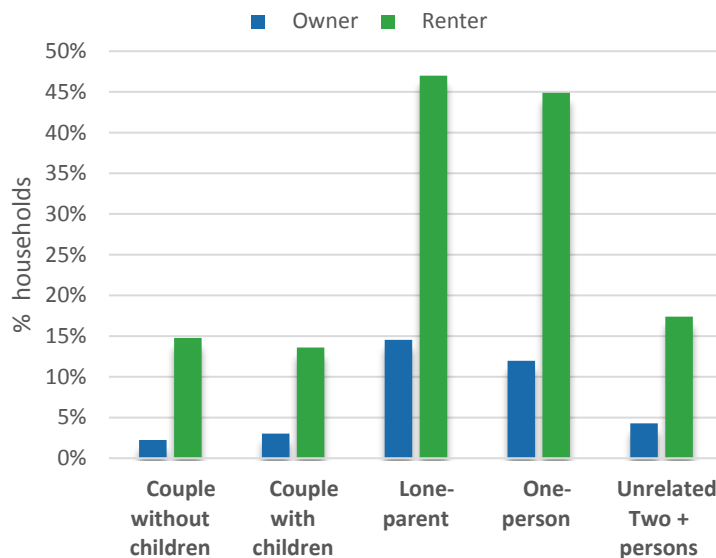
Looking at which household or family types experience core need, the count and incidence highlight single income households- both singles and lone-parent families. As noted earlier those with single and often lower incomes are more vulnerable to affordability challenges.

## Core Need by Household Type and Tenure



Notably single persons and lone-parent families, particularly those that rent, stand out both in the absolute count as well as having a far higher incidence of need than couple families (with or without children), or non-family households of two or more persons. Almost one in every two singles and lone parents are in need.

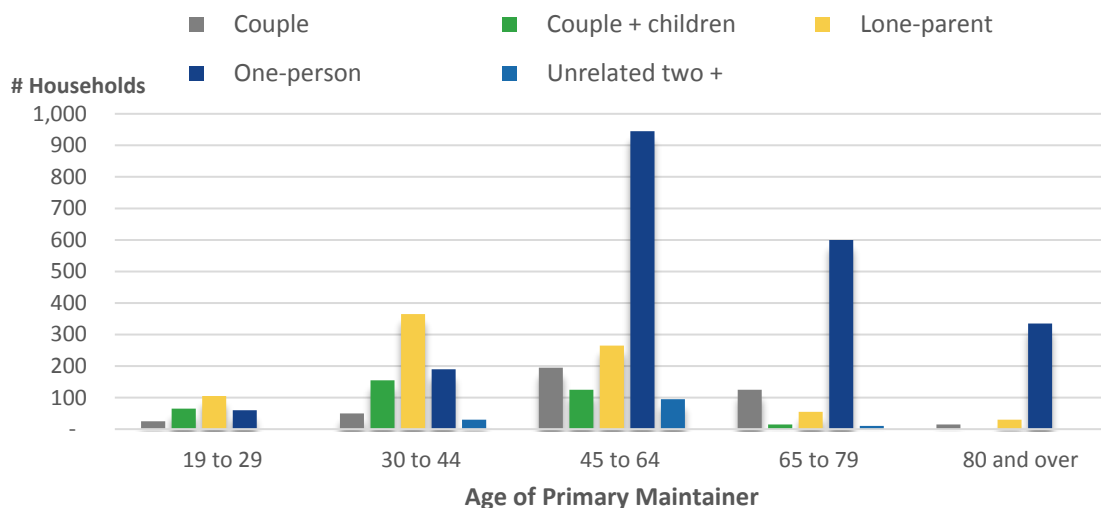
## Core Need by Household Type and Tenure



Combining both income and household type it becomes evident that it is not just single seniors that are in need. In fact, the single largest number of singles in need are aged 45-64. Singles aged over 65 are however prominent, especially as this group are split into two age groups (65-79 and over 80). The over 80 category may suggest increasing need for nursing and care facilities, beyond independent self-contained or supported housing.

While similar disaggregation of need can be done for each of the region's communities and Electoral Areas, the absolute counts in most are quite small and the Statistics Canada method of suppressing and rounding (to the nearest 5) render these local estimates less useful.

## Core Need by Household Type and Age



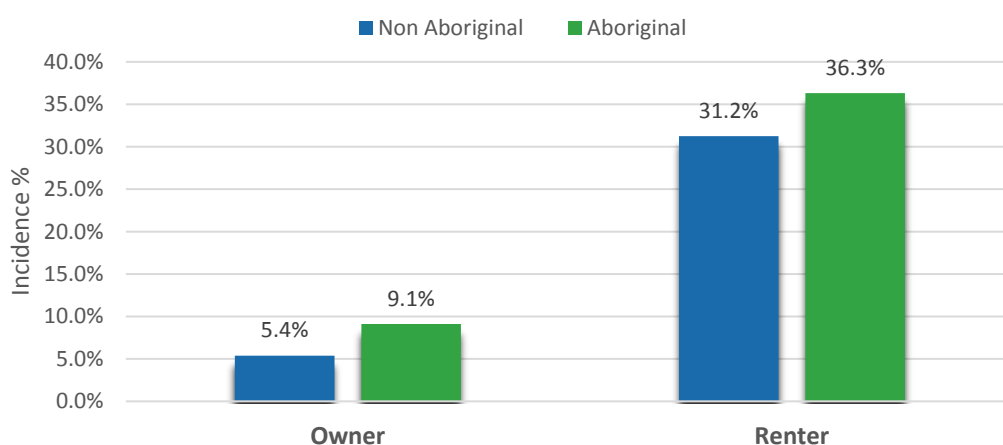
Total counts and incidence as presented above do provide some insight of relative levels of need, as well as the household type and age groups most often in need.

## Aboriginal Core Need <sup>6</sup>

As noted earlier, the core need methodology cannot be applied on-reserve, so no data is available for the two First Nation reserve lands – Okanagan and Spltasin.<sup>7</sup>

Many (59%), band members live off-reserve in the various communities. And for those living in the non-reserve communities or Electoral Areas, core need data is available. This data should however be used with caution as there tends to be an inconsistent level of non-reporting in the Census among Indigenous households (so even the estimate of the number living off-reserve should be treated with caution).

### Incidence of Core Need - Non-Aboriginal and Aboriginal (off reserve) - RDNO



Source: CMHC Census 2016

8

Comparing non-Aboriginal and Aboriginal households and reflecting a pattern that prevails across Canada, there is a disproportionately high number of Aboriginal households in need, and the acuteness of need is also much higher than among non-Aboriginal.

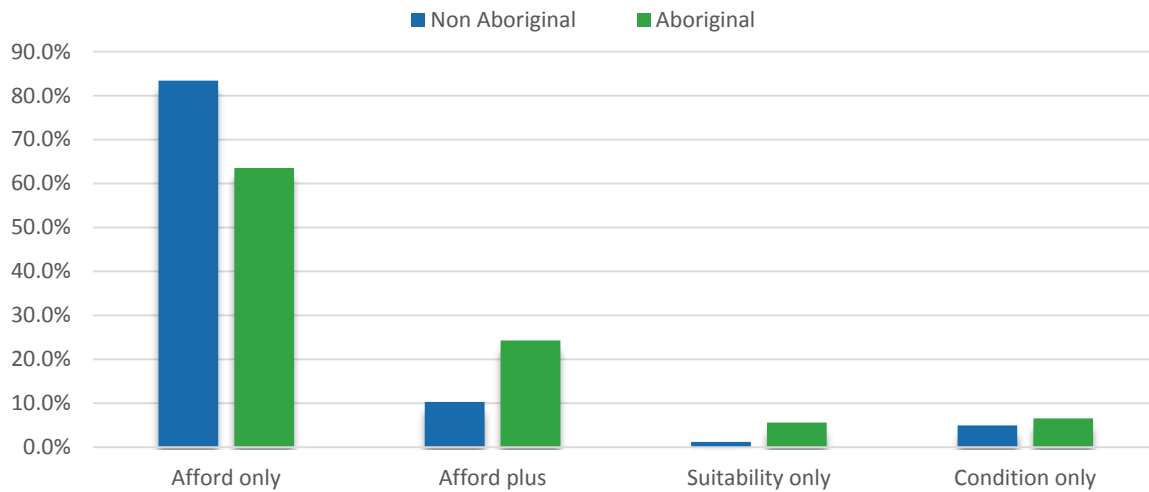
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<sup>6</sup> The use of the term Aboriginal is increasingly replaced by Indigenous. Aboriginal is retained here as this is the term used to collect data in the Census by Statistics Canada

<sup>7</sup> And similarly it is not possible to generate community summaries for the two First Nations as the custom Census datafile could not be generated with these geographies due to lack of key data, including income and shelter cost. Direct consultation was undertaken with both OKIB and Spltasin to collect available administrative and planning data and to complete customized summaries for these two First Nations. Unfortunately, there was insufficient formal data to present conclusions at this time.

<sup>8</sup> The data identifies self-declared Indigenous status, but does not distinguish by First Nation. So the estimates used here may not be exclusive to the Okanagan and Spltasin First Nations – some may be indigenous from other areas and provinces that now live in the RDNO.

## Core Need by Standard Non-Aboriginal and Aboriginal (Off Reserve)



Source: CMHC Census 2016

In the off-reserve communities, the Aboriginal households (as self-identified in the census) make up 8% of all households; in comparison, Aboriginal households account for 14% of core housing need in the RDNO (excluding reserve population).

Breaking this down by tenure while the incidence of Aboriginal need is higher for both owners and renters, it is substantially greater for owners, almost double the rate for non-Aboriginal.

One reason for the higher incidence of need is the much higher proportion of Aboriginal households that experience crowding (suitability) problems, and housing condition (adequacy) in addition to affordability challenges.

## Existing Assistance to Address Housing Need

Almost 2,500 households receive housing assistance, this being a legacy of past, as well as ongoing programs through provincially administered social and supportive housing.

This includes 252 bed-units for homeless persons, of which 40 are emergency shelter beds while 212 are housed with rental assistance and supports, either in private rentals of non-profit societies; 505 units of supported and assisted housing for seniors and transitional units for victims of family violence (women and children); 31% housing in traditional social and affordable housing (749 units targeting a mix of seniors and families); and another 879 households who live in market rental properties and receive rental assistance payments to improve their affordability.

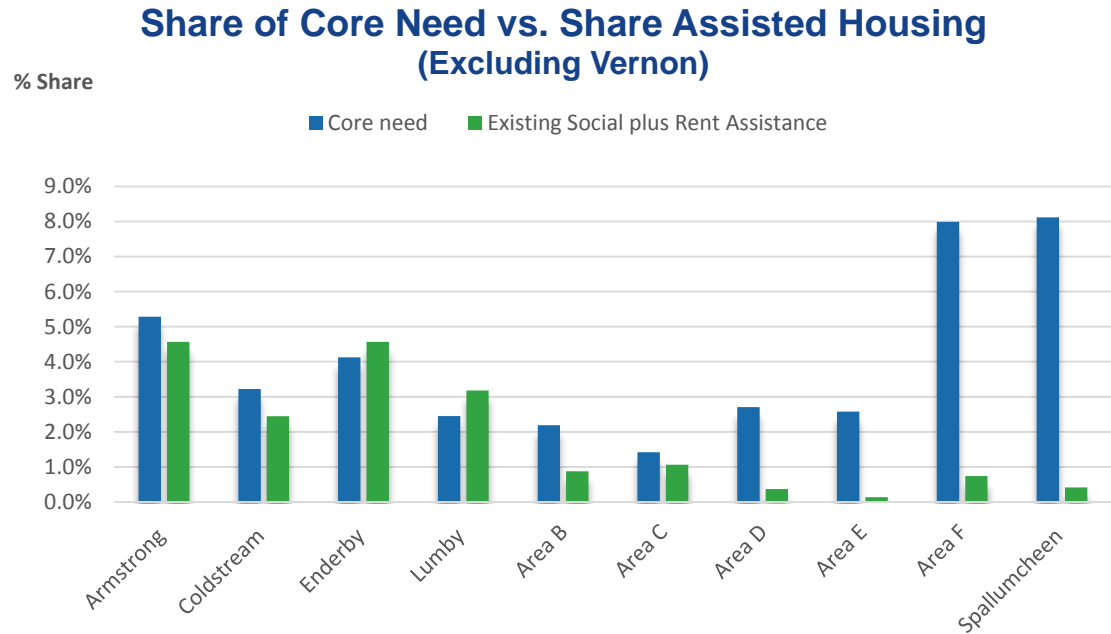
The existing stock (i.e. excluding emergency beds and rental allowances for those housed in private market) of independent social housing represents 2.2% of all housing in the region. This is relatively low by provincial and national standards, which are closer to 5% of the total stock. The local level comes closer to the 5% benchmark when supportive housing and rental assistance is included.

Supportive, Social and Rental Assistance, as of Dec 31, 2019					
	Emergency and Homeless	Transitional Supported and Assisted Living	Independent Social Housing	Rent Assistance in Private Market	Totals
Armstrong	-	24	38	37	99
Coldstream	-	-	-	48	48
Enderby	-	33	15	51	99
Lumby	-	-	56	13	69
Spallumcheen	-	-	-	9	9
Vernon	252	443	640	702	2,037
Area B	-	-	-	14	14
Area C	-	-	-	19	19
Area D	-	-	-	8	8
Area E	-	-	-	3	3
Area F	-	-	-	16	16
RDNO Total	252	505	749	879	2,385
<i>Prepared by BC Housing's Research and Corporate Planning Dept., January 2020</i>					

Most of the region's assisted housing is in the City of Vernon. While Vernon accounts for 60% of core housing need, 88% of assisted housing (excluding the homeless shelter beds and rent supplements/assistance) units are located in the city.

Only Armstrong, Enderby and Lumby have any significant social housing, plus small supportive housing complexes in Coldstream, and Electoral Areas B and C.

The other small communities and Electoral Areas do have some assistance via rent supplements and housing allowances that more directly address affordability problems. And this form of assistance makes up more than one-third of all housing assisted households across the region, with a large number (657) in Vernon alone.



When compared with the distribution of core need, the data indicate that the share of assisted housing facilities and rental assistance exceeds the share of core need experienced in both Vernon and Lumby (Vernon has been omitted from the preceding figure due to the data proportions exceeding the maximum shares reported in the other regional communities, with an 82% share of facilities and rental assistance versus a 60% share of core need). It is important to note that these two communities also provide assisted housing to households in adjoining Electoral Areas, which have no facilities and insufficient rental assistance, explaining the higher proportion of available facilities. In Enderby and Armstrong, need and facilities appear more balanced.

It should be noted however this compares only the relative distribution of core need and existing social housing response. There remains a large backlog in unmet need, and as such it can be argued that all communities are underserved.

Rent supplements, as contracts with landlords, tend by their nature to be concentrated in places with multi-unit apartment structures, so preclude many smaller communities. Housing allowances are person based and portable, and may fit better with the smaller communities, although rent maximums may create a constraint for those renting homes with higher rents.



## Homelessness

Homelessness is also evident and relevant to this needs analysis, typically reflecting those most at risk and in need. Homelessness is complex, both in terms of root causes and in the measures needed to effectively respond. In addition to a range of personal issues including substance abuse and mental health challenges, insufficient stock of lower rent options, low vacancy rates and rising rents are significant contributing factors to the growth of homelessness, generally and in this region.

### Homeless Counts

It is difficult to collect accurate data on the number of homeless individuals in a community. Challenges include the lack of a clear definition of homelessness, the mobility of the population and the cyclical nature of homelessness for many individuals.

The most common tool used across the country is a Point in Time (PiT) Homeless count. A PiT count is a snapshot, typically conducted over a single day and is dependent on the thoroughness of the methods and participation by stakeholders. It is generally accepted that PiT counts under-represent the actual number of homeless individuals in a particular community, having particular regard to youth and indigenous population groups. The data gathered through PiT counts can be augmented by other sources such as shelter use data. The number of unique shelter users and their duration of use are often used to measure homelessness.

The Vernon Social Planning Council (SPC), together with the Turning Point Collaborative, have monitored homelessness and conducted an annual Point in Time (PiT) count in October each year since 2016. This however covers only the City of Vernon.

No data is available for other communities, although staff at the SPC note there is anecdotal evidence of homelessness, including camping out, as well as couch surfing, in other communities.

The annual PiT count identifies a small but growing count, including both people using emergency shelter services (161 in 2018, up from 144 in 2016) as well as those sleeping outside (40 in 2018 compared to 33 in 2016).

Bed-night and occupancy data at the Gateway emergency shelter (capacity 40 beds) indicate some significant variations in shelter use, peaking in 2010 with 490 annual users, and averaging between 250 and 300 users in subsequent years. The number of users then fell to a low of 244 in 2018.

### Existing Capacity

There have been some initiatives to expand responses to manage homelessness, but the data does not extend to 2019 so it remains uncertain how these activities have impacted the street and sheltered homeless count.

In 2019 an existing emergency shelter providing emergency assistance to 55 beds (Howard House) was replaced with a new modular shelter with 46 beds (a net reduction of 9 bed spaces). An existing emergency shelter (Gateway) was replaced and expanded its capacity from 25 to 40 beds.

In addition there are facilities that target victims of family violence (25 beds), seniors, adults with mental health challenges (30 units), urban native families (38 units) and a 52-unit apartment operated by the Turning Point collaborative that may be included in the social housing counts noted earlier.

In addition, BC Housing currently funds 69 rent supplements to support Housing First (formerly homeless persons provided supports and services to live in the community) placements in the community.

These initiatives are largely occurring within the City of Vernon.

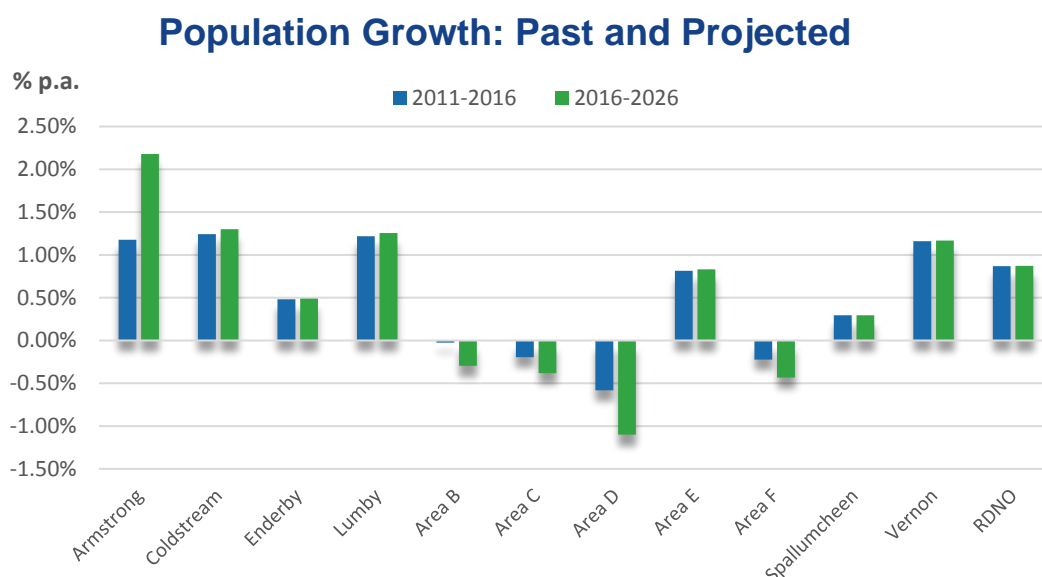
## Implications

The persistence of the number of homeless individuals indicates a need for a range of responses in the region. While an emergency shelter is necessary, in the same way that hospitals have an emergency function, the homeless serving system also requires a continuum of services to assist individuals, and in some cases families, to be rehoused and to achieve housing stability. This service continuum includes emergency shelter space, homelessness prevention and diversion programs as well as housing-based options along the housing continuum from transitional, permanent supported housing as well a more general rental supply response to address rising rents and low vacancy rates. This array exists in RDNO but require some recalibration to minimize growth in homelessness.

## Looking to the Future: Projecting Housing Requirements and Need

The primary purpose in undertaking a housing needs assessment is to estimate and anticipate household growth and consequent demand, as well as how housing need might evolve.

The RDNO has completed a growth strategy that includes estimated population growth, both for the region as a whole and for the individual communities that comprise the region. This shows that growth is expected to be high in some communities, while others may stagnate or lose population (death rates exceed births and any local migration).<sup>9</sup>



Source: RDNO Projections, 2019

Using the RDNO adopted population growth projections for 2016-2036, the associated growth in households has been estimated using age specific 2016 headship rates<sup>10</sup>. The methodology also estimates the distribution between tenures (again using 2016 tenure propensity) and the possible growth in core housing need using 2016 age specific incidence rates.

<sup>9</sup> While the population projections (2019) provided by RDNO have been used here, it appears that the sub-regional distribution of overall regional growth may not include consideration of planned sewer infrastructure investment in the Swan Lake area of Electoral Areas B and C. The population projections suggest declining population in these two areas. However, following the expansion of sewer infrastructure and serviced lots it is likely that this area may experience higher than projected growth, and as such absorb a larger share of planned regional growth.

<sup>10</sup> Headship rates are calculated by taking the number of individuals in a certain age range divided by the number of households headed by someone in the same age range.

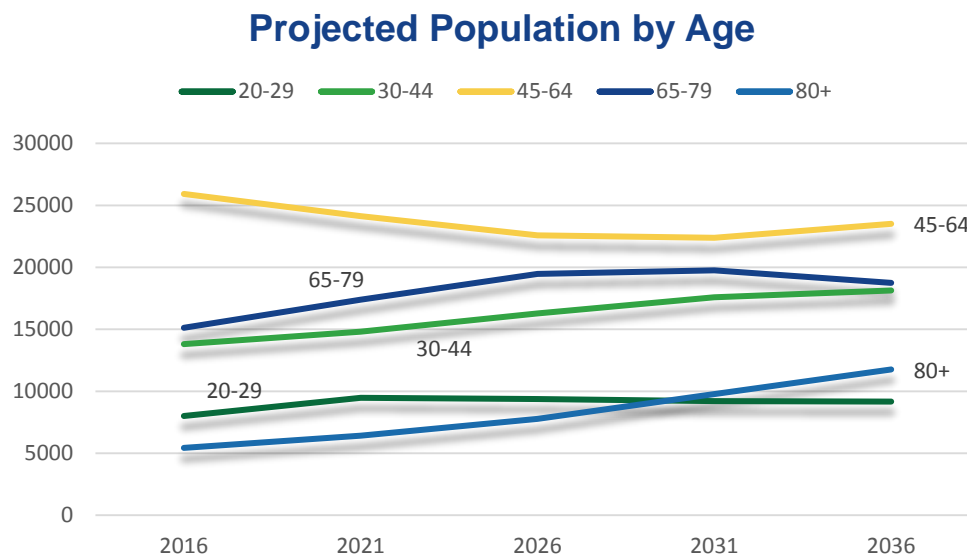
While this analysis employs the RDNO adopted population projection, it should be noted that such projections are fraught with uncertainty. They typically draw on assumptions built from historic fertility and death rates and in the case of households assumption that headship rates will mirror those in a base period (here 2016).

They also tend to apply constant rates of growth over the projection period, implying consistent rates of change. By contrast, we know that population growth is not linear, especially when as the case of the RDNO natural growth is negative and accordingly any growth is subject to varying levels of net migration. Section 1 reviewed recent migration patterns and noted a substantial upswing in migration since 2011 (following a prior period of declining and low migration). It also revealed significant year-to-year variations in migration levels.

***As such, the household projections should be used as indicative of potential growth in demand averaged over each decade, rather than definitive estimates of household growth, demand and core need in any year.***

Looking first at the adopted population projection, this reveals a very significant aging process. Over the next 2 decades the large cohort aged 45-64 will move into the senior age range, with a very noticeable decline in the share of the population aged 45-64 between 2016-2026.

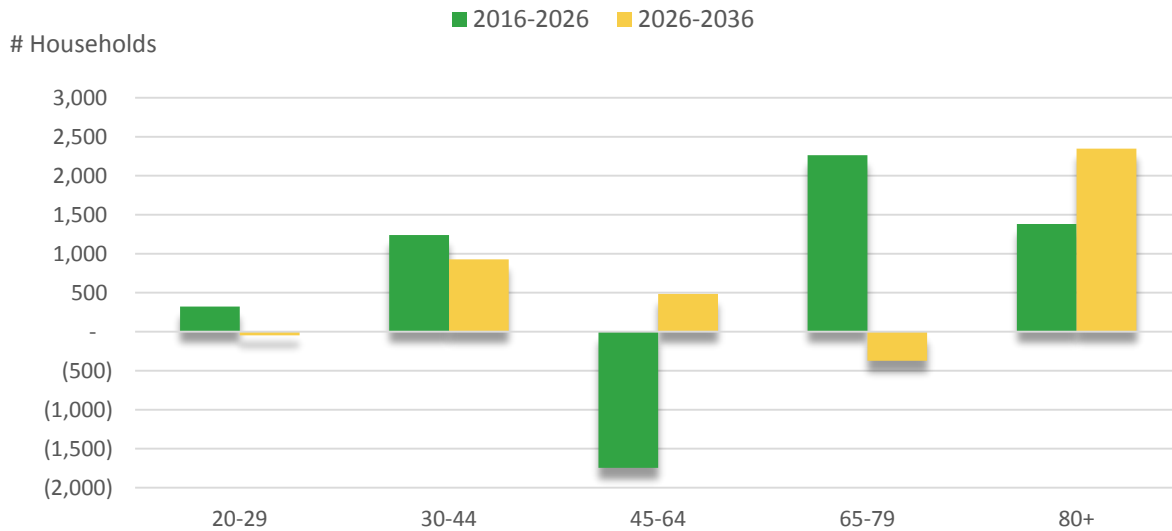
As these individuals age, they first push up the 65-79 group and subsequently, after 2026 push into the 80+ group. Meanwhile after initial growth in the 20-29 ages, this group declines in relative size and the next group (30-44) sees some growth.



Translating the age specific individuals into households based on the headship rates by the age of primary household maintainer, it is not surprising to see a similar pattern emerge among households.

Even though the 45-64 group is the largest age cohort, it is the only household group that will decline in numbers in the next decade (2016-26). Growth will be largest among those aged 65-79, although both the young family age group 30-44 as well as those over 80 will also see some growth. After 2026, it is the 80+ ages that are anticipated to have the greatest growth.

## Projected Household Growth RDNO



Recall that the 45-64 group had a high incidence of core need, so this may be positive with regard to need; but the aging population has implications with seniors and potential supported and care facilities.

Using tenure propensity, it is possible to disaggregate these annual new households into owners and renters, although this is not necessarily a useful segregation as the stock of ownership and rental housing are not distinct – many people, especially in the smaller communities of the RDNO, rent a detached home.

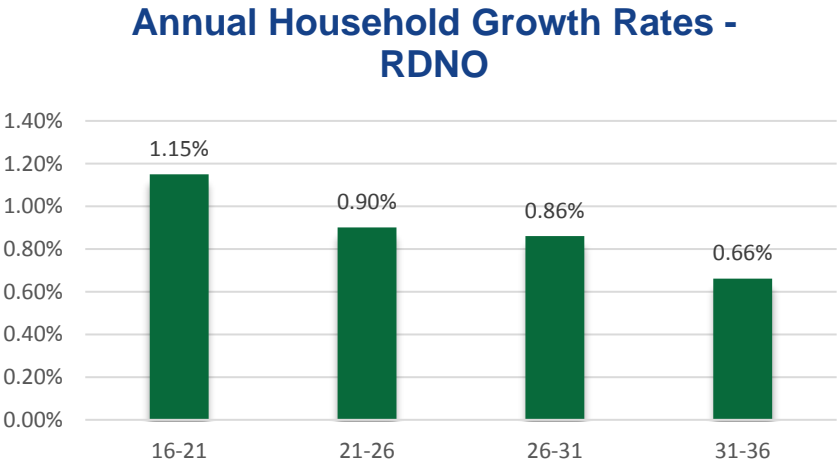
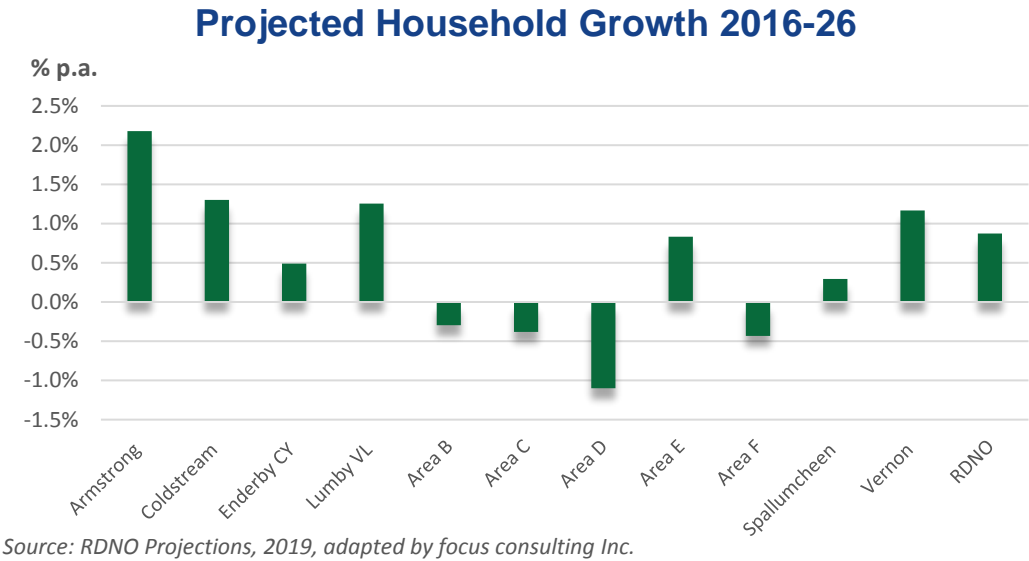
Projected Household Growth by Age and Tenure				
	2016-2026		2026-2036	
	Owner	Renter	Owner	Renter
<b>20-29</b>	116	207	-17	-31
<b>30-44</b>	828	410	620	307
<b>45-64</b>	-1363	-383	379	106
<b>65-79</b>	1888	376	-312	-62
<b>80+</b>	1117	263	1900	447
<b>ALL</b>	2638	879	2149	716

And in the urban areas the growth in condominium construction since this tenure was introduced in the late 1960's has eliminated the prior distinction that multiple unit apartments were necessarily rental.

Increasingly develop-builders construct tenure neutral structures. In some cases, these are purchased by an owner occupant, in others by an investor that transforms the property into a rental (at least until it subsequently resells).

Recognizing this caveat and using the tenure propensity based on the 2016 census, the projected household growth is segregated by age of household and tenure. And because ownership tenure is dominant, this suggests that most growth will be among owners and between 2016 and 2026 especially those over the age of 65.

Reflecting the RDNO projection of population growth, the growth of households, and housing demand is expected to vary across the region. Armstrong will lead growth (2.2%, 2016-26), followed by Coldstream, Lumby and Vernon with similar growth rates around 1.2% annually.



Overall the number of households is expected to increase by an average of 319 households per year.

This compares quite favourably to the recent level of new housing construction, which averaged 305 homes per year in the 2011-16 period, but has averaged over 500 homes per year since 2016.

### Estimating Requirements by Dwelling Type

The preceding growth estimates provide an indication of the aggregate household growth and thus housing demand. In order to plan for this growth, it is useful to estimate how this demand may differentiate by dwelling type. We can estimate how projected household growth will sort into different household types, based on household type propensities. We can then assign different household types to different dwelling types as a proxy to estimate dwelling type requirements.



Estimated Dwelling Preference	
1 to 1.5 Bed Apt	Singles
2 Bed Apt, Townhouse or Small House	Couple (no children), Lone parents, Non-Fam 2+
3+Bed SFD	Couple with kids, other (multi-family)

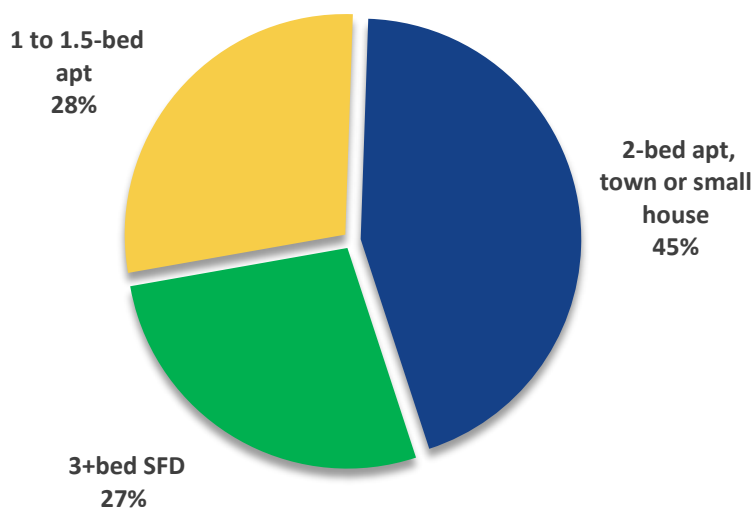
Based on household type headship rates, the following estimate of dwelling types is generated, which is a lower range estimate reflecting the headship rates for the RDNO as a whole. A higher estimate is generated based on Vernon only, since the city has more smaller households and therefore a higher headship rate.

Estimated Dwelling Requirements by Type (RDNO)			
	2016-21	2021-26	2026-31
1 to 1.5-bed apt	545 - 607	452 - 503	451-502
2-bed apt, town or small house	854-952	708-789	706-787
3+bed SFD	524-584	434-484	433-483

Using the 2021-26 estimates (which are very similar to 2026-31), this suggests that the Region should plan to create roughly:

- One half of new homes as small 2 bed apartment/town home or small dwellings
- One quarter as singles apartments (1- 1.5 beds); and
- One quarter 3 plus bed single detached

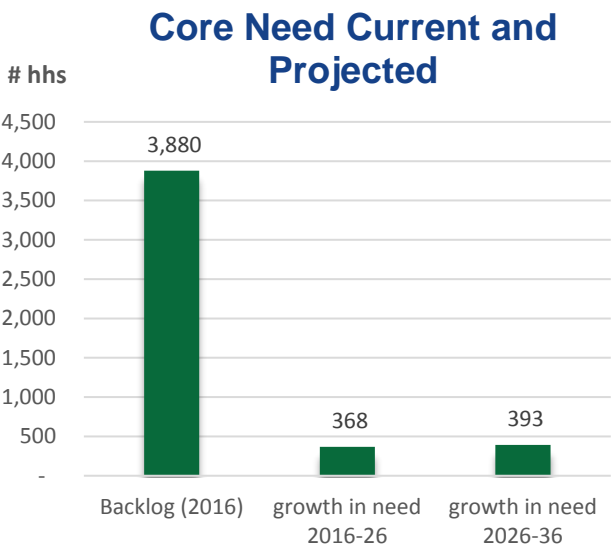
### Projected Dwelling Type Requirements 2021-26



# Change in Core Housing Need

Finally, examining the future trajectory of core housing need is undertaken by applying the age specific incidence of need against the same age groups.

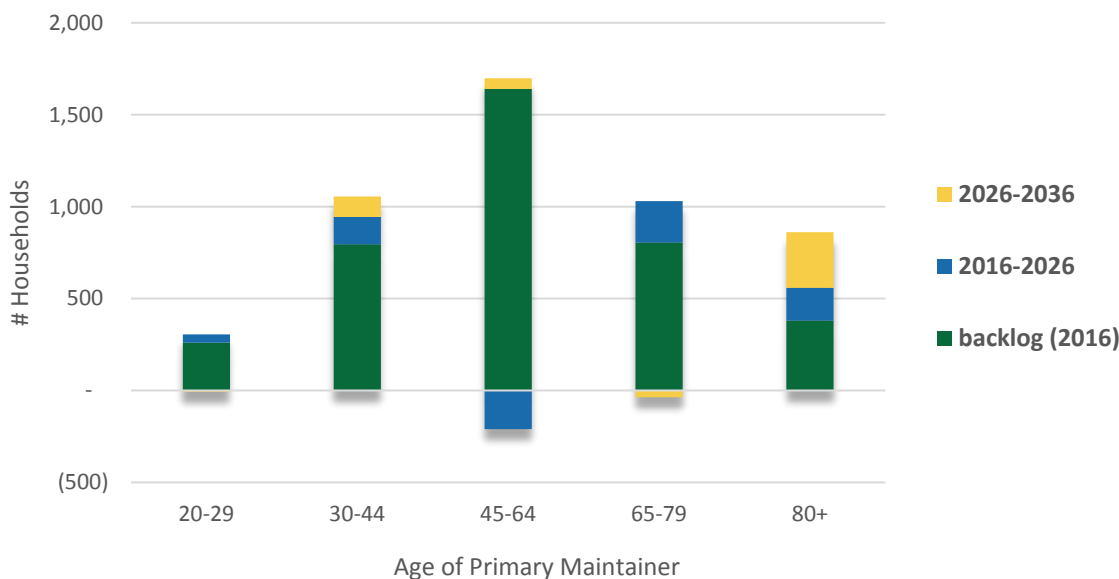
Based on projected household growth, as reviewed above, and assuming a similar incidence of need across the projection period to that existing in 2016, we see that by 2036 core housing need could increase from the current level of 3,880 households up to 4,660 (an annual average increase of almost 40 households per year).



Note that unlike the household projections, which translate directly into new housing requirements (demand), an increase in the number of households in core housing need does not necessarily require construction of new affordable housing. Since the vast majority of need is in the form of affordability challenges, it may be possible to address need by extending the number of housing allowances to households in need.

By comparison to this projected increase, the back log of unmet housing need is by far the greatest concern, one hundred times as large as the projected annual growth.

## Current and Projected Core Need - RDNO



As suggested above, because the highest incidence of core need was found among those aged 45-64, the decline in the number of households in this age group results in a contraction in core need, for this cohort in the current decade (2016-26). In this current decade, core housing need is projected to increase most among those over 65, followed by those aged 30-44 and over 80.

But because the backlog of core need is so much larger than future growth and the data provides detailed insight into the characteristics of households in need (Section 6), it is possible to design a programmatic response to reducing need by concentrating on the backlog.

## Stakeholder Consultation

On May 27<sup>th</sup>, 2020, the project team hosted a meeting with community housing stakeholders to discuss the findings of the Housing Needs Assessment and gain insights on this information. The following community stakeholders were invited to participate in the discussion:

- Okanagan College
- Interior Health Authority
- Urban Development Institute – Okanagan Chapter
- Social Planning Council for the North Okanagan
- Community Foundation of the North Okanagan
- White Valley Community Resource Centre
- Kindale Development Association
- Canadian Mental Health Association - Vernon
- Vernon Native Housing
- Canadian Home Builders Association – Okanagan
- Habitat for Humanity
- Vernon and District Community Land Trust
- Okanagan Mainline Real Estate Board

The stakeholders in attendance largely agreed that the findings of the assessment were relevant to the region. Key points raised for consideration during the discussion are as follows:

- The Core Need backlog that was identified in the presentation reaffirms what is happening in the region in terms of housing affordability and waitlists for subsidized housing. Some waitlists have not opened for families as there is no ability (no affordable units available) to accommodate existing households whose children have moved out.
- There is also a gap in rental subsidies available for this age demographic (40 – 65). Building more units for this age group may not be the correct solution since affordability is the main issue - introducing more rental subsidies would be beneficial.
- Participants indicated that the data presented accurately reflect what they are seeing and experiencing on the ground.
- Despite there being a perceived need for smaller dwelling units, many smaller households still want to have an extra bedroom or a den. In addition, there are many retirees who move to the region to live on an acreage.
- Of those in Core Housing Need it was mentioned that some dwellings are in very poor condition. These units may be affordable but not livable. A renovation and rehabilitation program may be of benefit. This is important to consider from a larger health perspective, as those who live in poor housing conditions are more likely to experience mental and physical challenges.
- Land availability and construction costs are a challenge for developers making it difficult to provide more affordable units. DCC rates are high in many communities. The land use

regulations/zoning in some communities do not promote alternative housing forms such as suites and carriage homes (e.g. Coldstream).

- There has been a shift in development within the last 5 years to increase the stock of multi-family units in the region, though this does not necessarily mean that the cost of these units is affordable.
- Middle-aged households don't want to live in a strata development because they like having their own freedom.
- It is important to acknowledge that home ownership is not the end goal for all households, therefore a diverse array of rental housing forms must be provided to meet all lifestyle stages.



An aerial photograph of a town nestled in a valley. In the foreground, there are several large buildings, including a yellow and white industrial-style building and a white building with a dark roof. A road with a blue center line curves through the town. The town is surrounded by dense evergreen forests. In the background, there are rolling hills and mountains under a clear sky. The text "PART 2: SUB-REGIONAL ASSESSMENTS" is overlaid in yellow at the top left.

# **PART 2: SUB-REGIONAL ASSESSMENTS**

## Sub-Regional Assessments

The preceding regional overview included commentary on variations across the region. To augment this, detailed assessments were completed for the six communities and five Electoral Areas. These included examination of the local demographics, current housing stock, and current need, as well as projected growth in housing demand and in housing need.

Each community assessment was provided in draft to officials and stakeholders in their respective communities to review the data and augment the statistical analysis with local knowledge and insight. Meetings were hosted during the week of May 4<sup>th</sup>, 2020 between the project team and the local representatives to discuss the findings of this project. Comments and feedback collected from review of the community assessments and the meetings with officials have been incorporated into each of the assessments.

The consulting team and RDNO staff met with both OKIB and Splatsin to discuss the preliminary community profiles developed for each band. As noted in the Regional Overview, there was limited Census data available for these communities and despite the participation of both OKIB and Splatsin staff, there is insufficient formal data to present conclusions at this time.

Part 2 presents each of the community level assessments, including a narrative review of findings in the data as well as the detailed data tables for each community.

## Community Summaries

**Armstrong**

**Coldstream**

**Enderby**

**Lumby**

**Spallumcheen**

**Vernon**

**Electoral Areas B & C**

**Electoral Areas D & E**

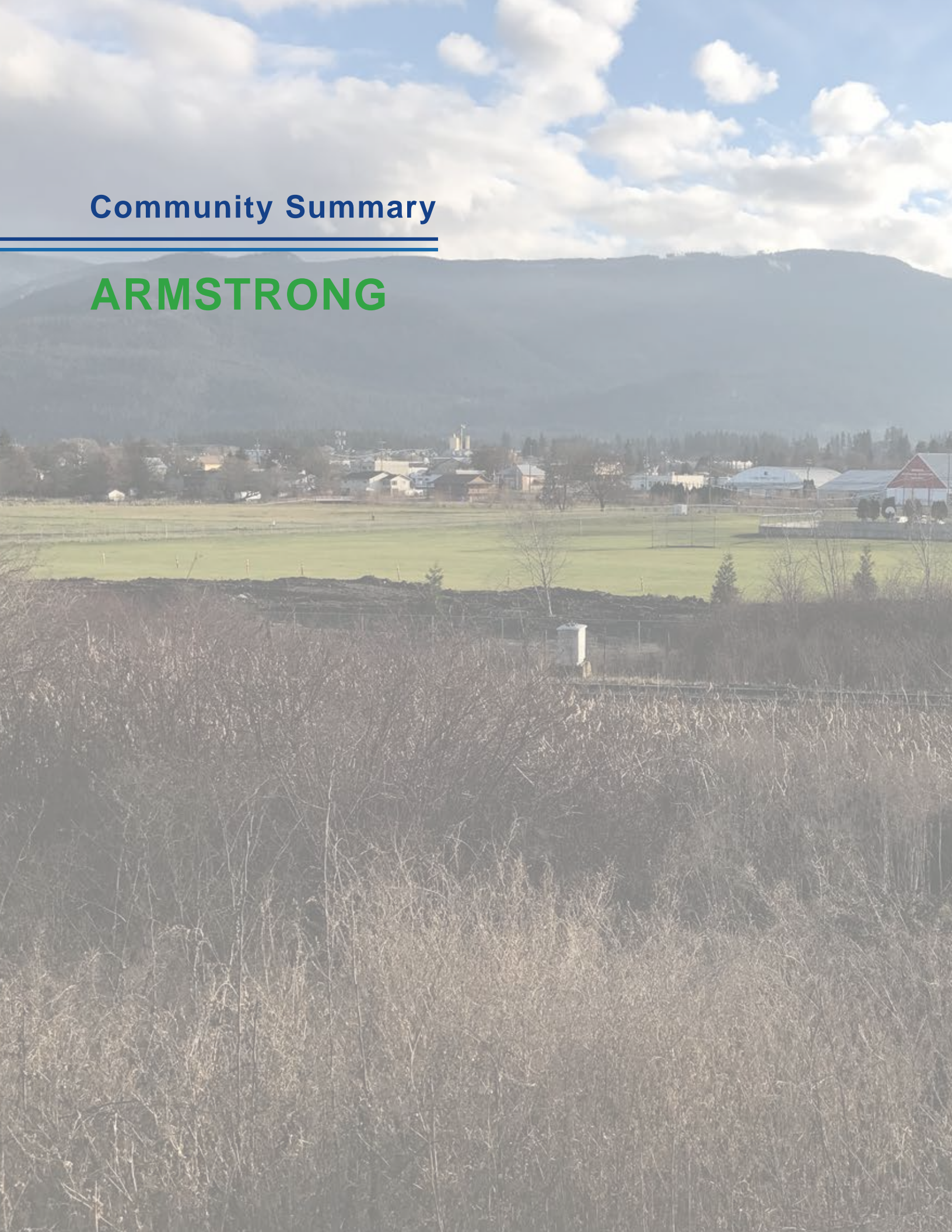
**Electoral Area F**



## Community Summary

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# ARMSTRONG



# Community Summary: Armstrong

## Key Highlights

- Armstrong accounts for 6% of the RDNO population and had the highest rate of growth from 2011-16 at 1.2% per year. It is projected to be the fastest growing community during the 2016-26 timeframe, with a projected annual population increase of 2.2%, compared to a regional projection of 0.9%.
- 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. Ideally moving forward, new construction should favour smaller dwelling units, but recent new construction activity has persisted to build primarily larger detached homes.
- There are marginally more households with median ages over 65 (36%) compared to the overall region (32%), and the City's median age of 48.7 is 6 years higher than the BC average (43).
- There is an insufficient stock of rental housing, causing 35% of renters to experience housing need, primarily in the form of affordability.
- Should existing renters wish to purchase a home, only 25% of existing homes in Armstrong are affordable to the median income renter household.
- Armstrong owner households have a median income (\$69,000) that is 10% lower than the regional median (\$75,300), but renter household median incomes (\$40,500) are just over the regional median income (\$38,900).
- These income differences are offset by lower home costs, median home value of \$343,000 for Armstrong vs. \$380,000 for the RDNO, and again the inverse for renters with average rents in Armstrong being 10% higher than the regional average.
- New housing construction has added an average of 39 homes per year since 2016, with 61% being single detached homes.

## Future Household Growth and Need

A total of 205 households were in core need in 2016, which equates to 9.8% of all households (the lowest incidence in the RDNO). Although renters represent only 20% of all households, they make up 68% of core need as most face affordability challenges. The incidence of need is much higher for renters than for owners.

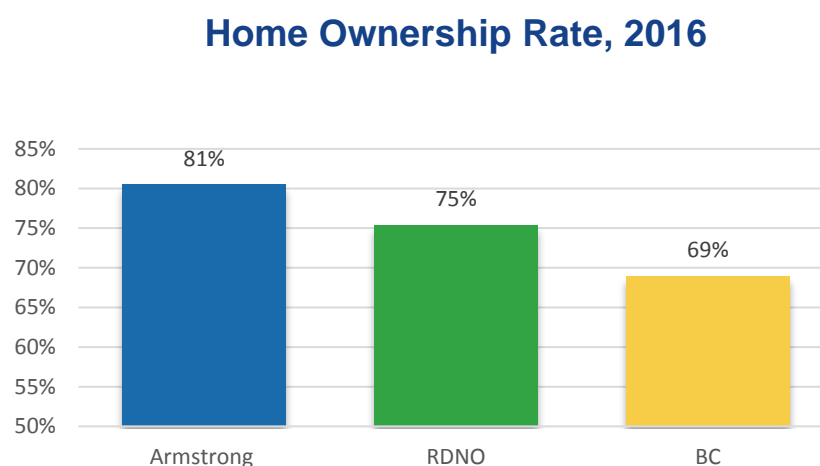
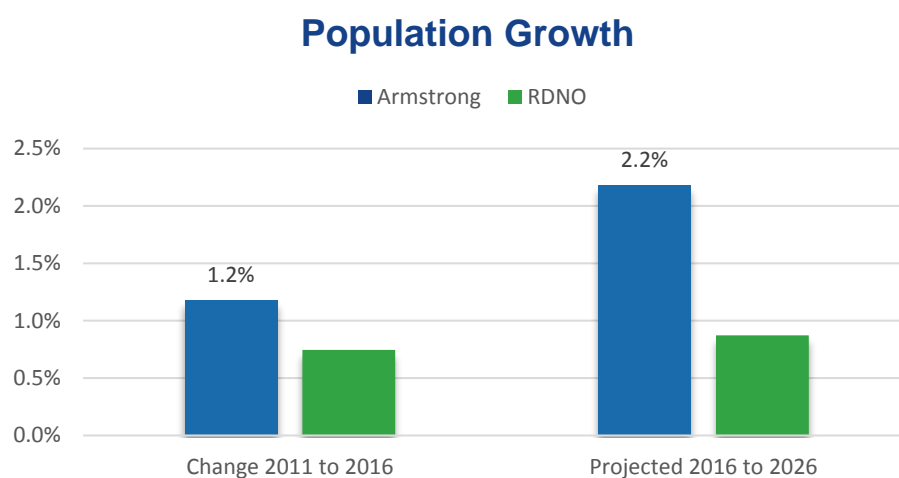
Reflecting the region's highest rate of projected population growth, Armstrong will also see the highest level of household growth and thus demand for new housing. In the decade 2016-26, growth is projected to add on average 48 households per year. By comparison, new housing starts over the past 4 years have averaged only 39 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 an increase in core need of 5 households per year between 2016-26.

While the data does not support community level projections by age, the vast majority of this increase (83%, at the RDNO scale) is expected in households with individuals over age 65.

## Overview – Demographics and Housing Stock

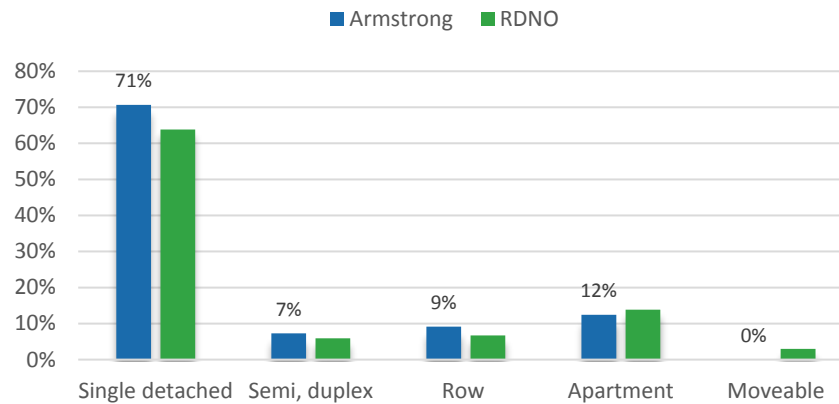
Armstrong had a 2016 population of 5,114, accounting for 6% of the regional population. It is projected that Armstrong's growth rate will double in the current decade (2016-26). This will translate into more households and more housing demand, and potentially increase core housing need.



The City of Armstrong has a substantially higher rate of homeownership than the overall region and the province.

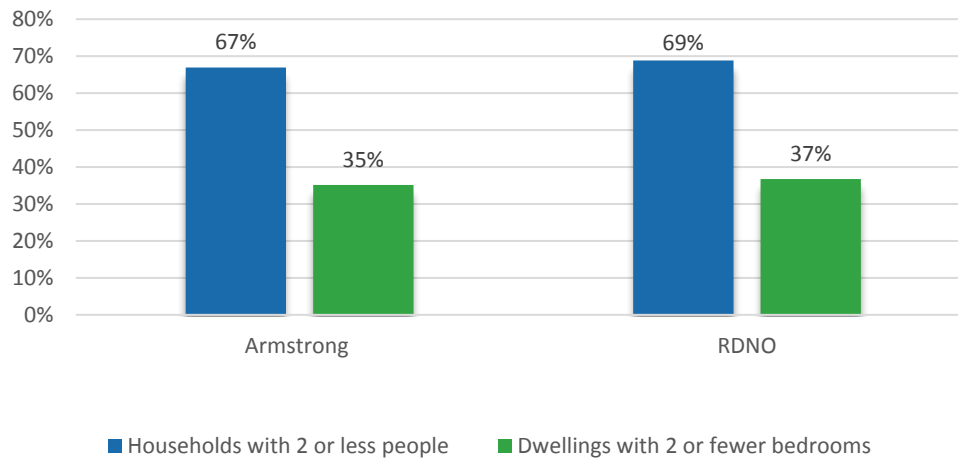


## Dwelling Mix



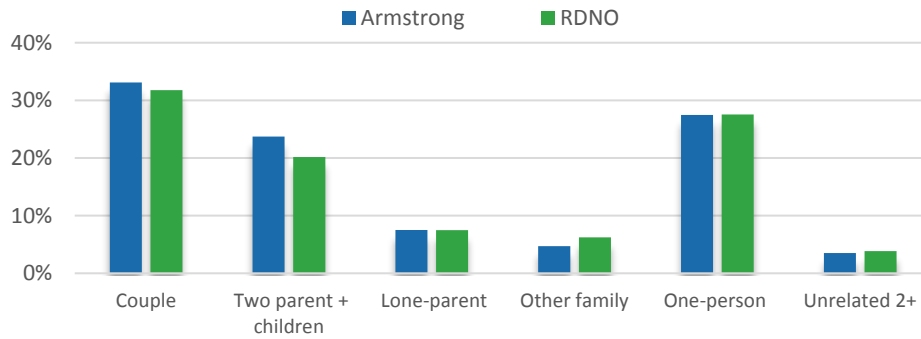
The majority of dwellings are single detached homes (71%, compared to 64% for the RDNO). Small apartment structures make up 12% of total housing stock, just below the regional average of 14%.

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

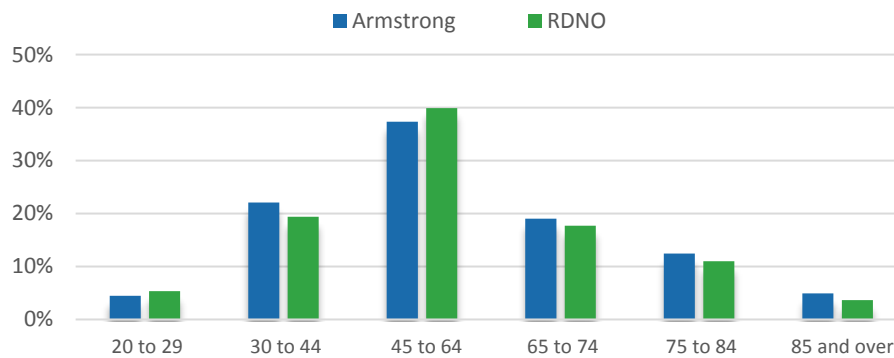


There is a noticeable mismatch between household size and dwelling types. The high proportion of households with two or fewer people is reflected in the large number of couples with no children, singles, and some single parents with only one child.

## Household Type



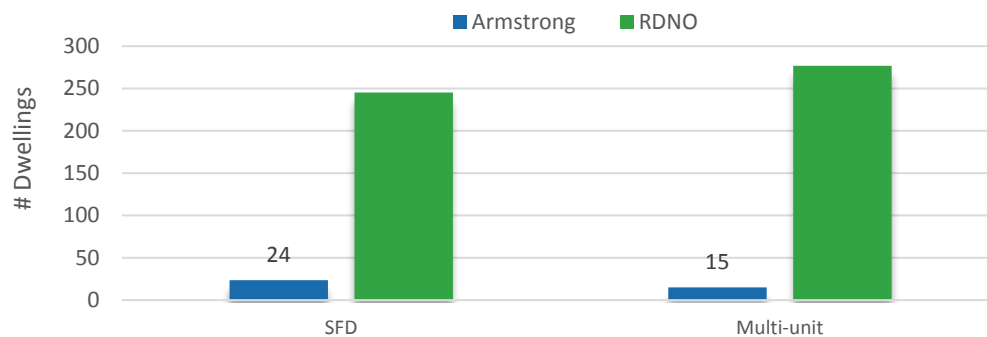
## Household Age (Primary Maintainer)



## New Housing Construction

On average, each year since 2016, new construction has added 39 homes to the community, of which 61% have been single detached- reinforcing the mismatch in dwelling types compared to household size noted earlier. This represents 18 starts/1000 population, and is the second highest rate in the region, after Vernon.

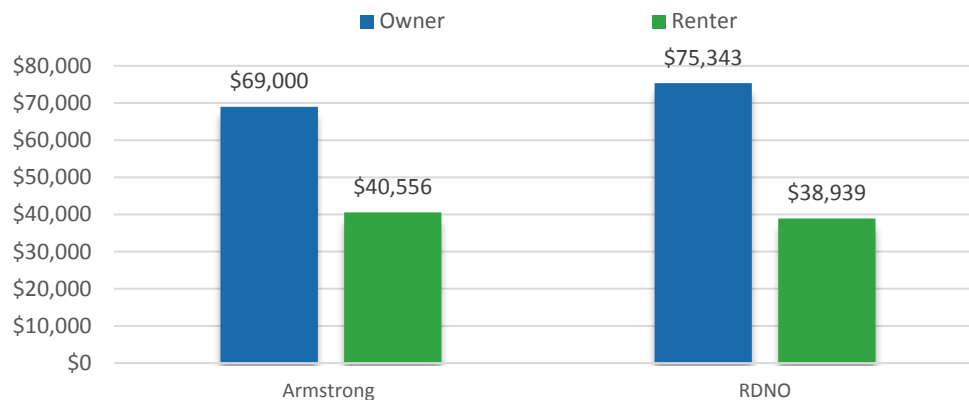
## New Home Construction (Average/yr 2016-19)



## Household Income

The single largest household group is that headed by someone aged 30-44 but together there are marginally more (36%) households with individuals over age 65 compared to the overall region (32%). The median age (48.7) is 6 years higher than the BC average (43 years).

### Household Median Income by Tenure



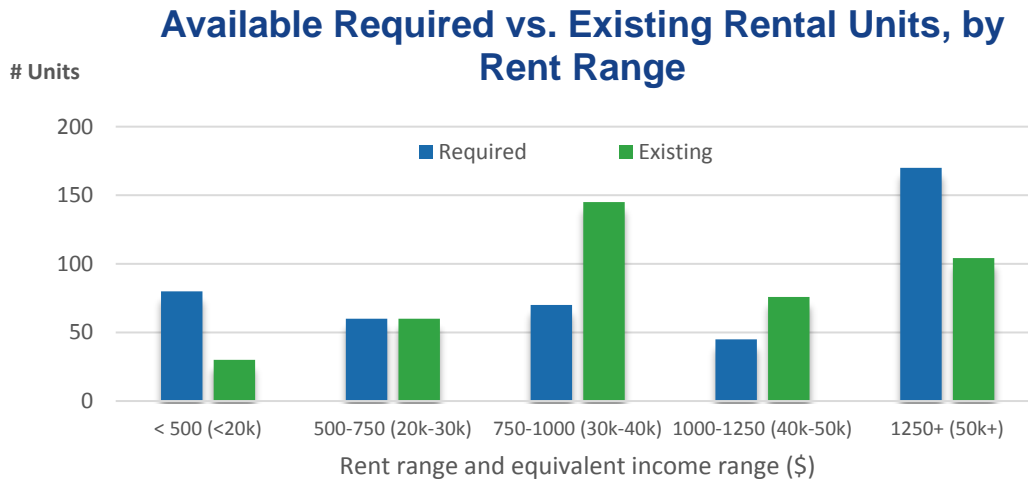
For all households the median income (2015) in Armstrong is \$63,561, roughly 10% below the provincial median. Consistent with other areas and BC as a whole, the incomes of renters (\$40,556) are much lower than those for owners (\$69,000), although the gap in Armstrong is narrower than that for the RDNO as a whole.

## Housing Affordability

The average house value as reported in the Census (2016) was \$343,000, which is 90% of the overall regional average and reflects the same differential in incomes in Armstrong versus the rest of the RDNO. Conversely rents in Armstrong are 5% higher than the regional average (\$903). This reflects the fact that much of the rented stock in Armstrong are detached homes, versus apartments in Vernon, which dominate the regional average.

Acute affordability is examined further below under Core Housing Need, but this is influenced by the existing distribution of rents and home prices, relative to incomes.

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 shortfall of 50 units in low rent availability in Armstrong. Many lower income households unable to find affordable rentals are living in higher rent units, of which there is a (theoretical) surplus above \$750 per month. These will be captured in the count of renters in core housing need.

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. 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 (here \$225,000). This maximum price is then compared to the price distribution of all homes to determine how many of the existing homes would be affordable.

Armstrong has the highest level of ownership affordability across the region. Here the median renter household can afford the lowest 25% of homes. This compares to only 13% for the RDNO as a whole.

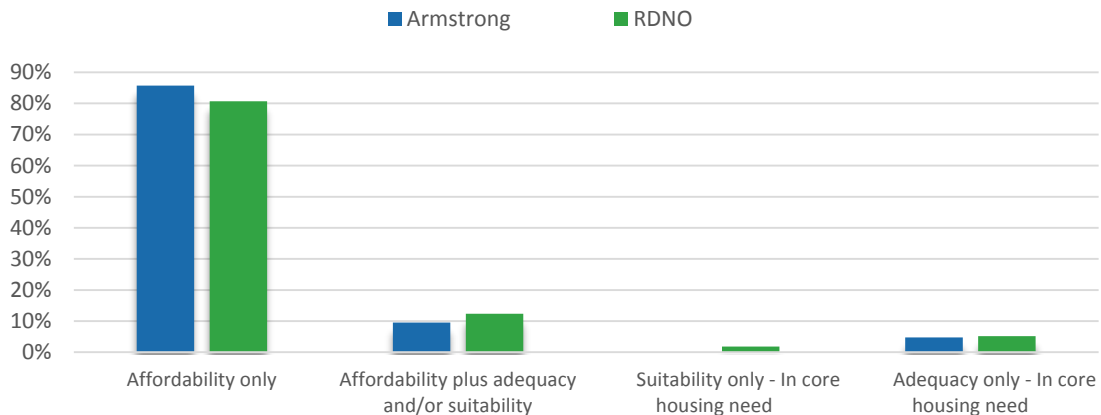
## Core Housing Need <sup>1</sup>

In the City of Armstrong a total of 205 households (9.8% of all households) were deemed to be in core need in 2016. This represents 5.3% of total need across the region, slightly below the Armstrong share of households (6.1%).

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<sup>1</sup> See main report for definition and discussion of the core need concept

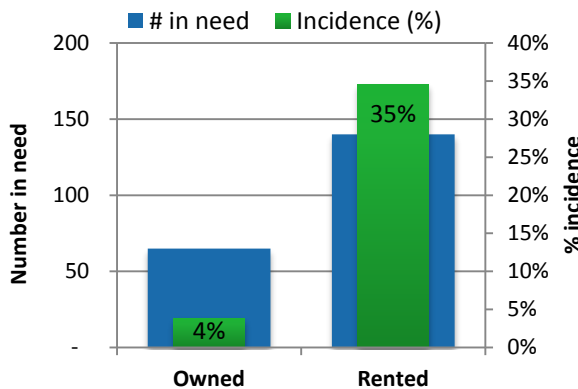
## Distribution of Need by Problem



The predominant problem is affordability. There is no crowding and only 5% of households in need experience poor housing conditions. Since renter incomes are quite low, the severity of need is much higher for renters than owners.

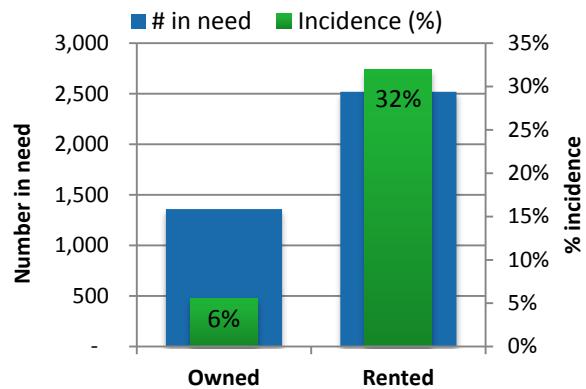
Even though renters make up only 20% of all households in Armstrong, they account for the majority of households in need. The incidence of need amongst renters is almost ten times greater than that of owners: 35% of Armstrong renters are in need, compared to only 4% of owners.

### Core Need Armstrong



Source Census 2016

### Core Need RDNO

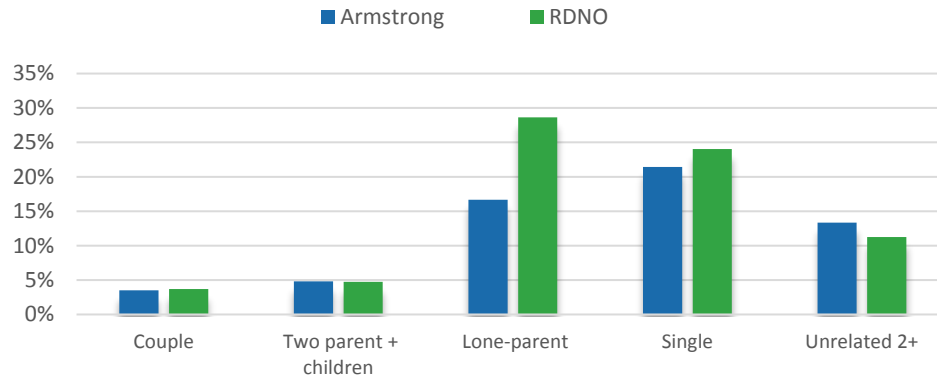


Source Census 2016

Again reflecting incomes, core need tends to be greater among the Single Income Households – Singles and Lone Parents groups.



## Incidence of Need (%) by Household Type



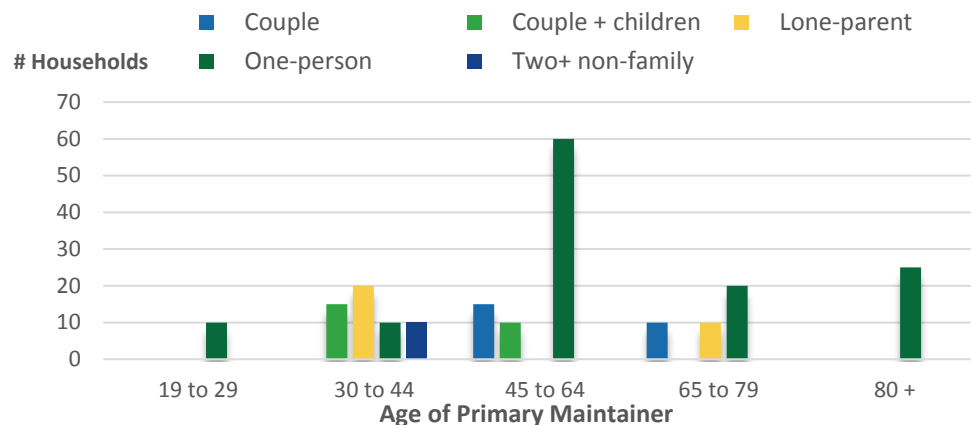
While this number may be high amongst the Single Household type group, it is not necessarily just seniors. The single largest group in need are those aged 45-64 (the next generation of seniors).

### 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 the perception of core need, so it is critical to examine both incidence and absolute counts.

As shown earlier, in Armstrong the highest incidence is among lone parents and singles. Breaking this out further with the count in need, by age and household type, clearly singles both those 45-64 as well as those over 65 have significant counts, as do lone parents aged 30-44.

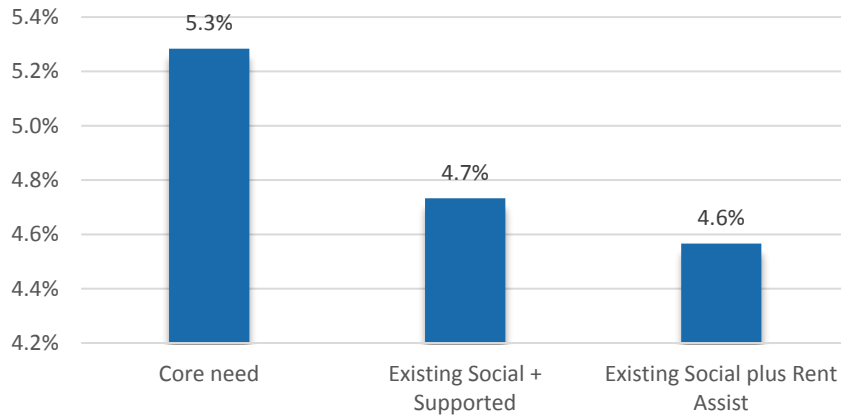
## Core Need by Household Type and Age



## 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, including some in Armstrong. This includes transitional and supported housing as well as social housing. Some additional households living in private rental housing are assisted through rent supplements. This suggests that Armstrong is slightly underserved (5.3% of need vs 4.6% of assisted housing, based on total regional assistance).

## % Share of Need and Social Housing



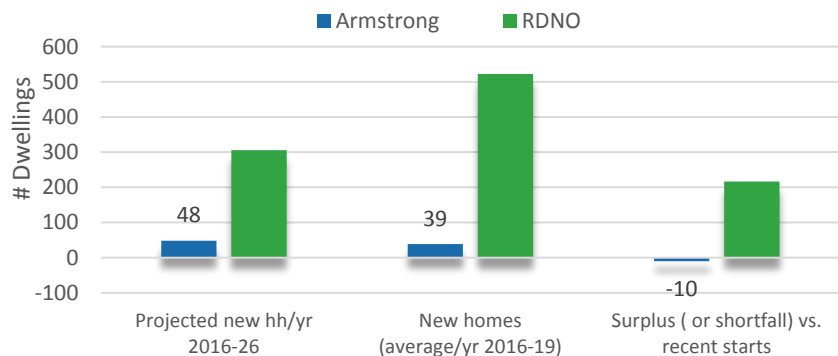
## Future Growth and Need

RDNO population projections suggest that the Armstrong population will increase from just over 5,100 to 6,200 by 2026. Converting projected population growth into household growth suggests potential growth of around 50-60 households per year (total 484 between 2016-26, and a higher growth of another 590 households between 2026-36).

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. Here new starts since 2016 have averaged 39 per year, compared to projected household growth of 48 households. Constrained new housing will potentially impact the projected rate of population and household growth.

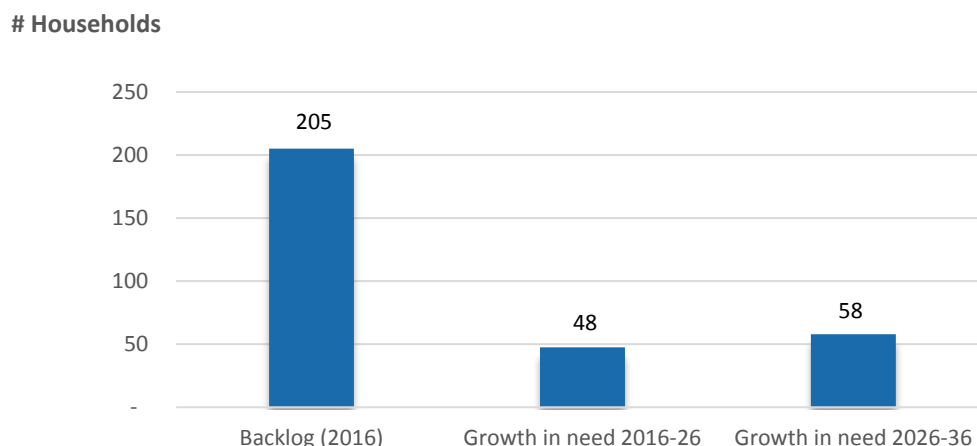
Assessing how core housing need might increase, assuming the incidence of need across new households is similar to the incidence in 2016, and without accounting for any new assistance (new social housing or housing allowances) it is estimated that housing need will increase by 5 households per year over the current decade, 2016-26 (total 48-50 over 10 years).

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



While policies and initiatives should aim to minimize or negate growth in core need, it is also necessary to reduce the backlog of unmet need (205 households) that already exists in 2016.

## Backlog and Projected Growth in Need



## Considerations from Community Consultation

- Armstrong is experiencing a higher number of 20- to 30-year-olds moving to the community because it is less expensive than other communities in the Okanagan. From a sub-regional perspective, it is a good place to locate because it is a service centre and allows for remote work (e.g. oil sands workers have close proximity to the Kelowna airport) or work from home.
- Based on people per household rates, the City estimates they had a population of 5,700 at the end of 2019.
- In terms of addressing core housing need, there is 1 non-profit and 1 for-profit affordable housing development on the horizon. The City anticipates that there may be an adequacy issue moving forward as much of the housing stock is ageing. Some of the dwellings will be difficult / costly to renovate and bring up to Building Code Standards.
- The next OCP update will encourage developers to build smaller units because of market trends as well as the geographic constraints of the community (surrounded by Spallumcheen and the Agricultural Land Reserve).
- Technology allows younger people to work remotely and generates demand for more diverse forms of housing.
- New homes are typically custom builds and this has been the case largely since 2008.

Housing Need Community Summary:		Armstrong	RDNO
Overview			
Population, 2016		5,114	84,354
Share of regional population		6.1%	100.0%
Change 2011 to 2016		1.2%	0.7%
Projected 2016 to 2026		2.2%	0.9%
Tenure			
Number of Households, 2016		2,130	34,185
Owner		1,715	25,780
Renter		420	8,370
Ownership rate		81%	75%
Dwelling Mix			
Single detached		71%	64%
Semi, duplex		7%	6%
Row		9%	7%
Apartment		12%	14%
Moveable		0%	3%
Other		0%	0%
Household by Size			
1 person		27%	28%
2 persons		40%	41%
3 persons		15%	13%
4+ persons		18%	18%
Average Household size		2.3	2.3
Dwellings by Bed Count			
No bedrooms (bachelor)		0%	0%
1 bedroom		8%	9%
2 bedrooms		27%	28%
3 bedrooms		34%	31%
4 + bedrooms		31%	32%
Comparing Household Size and Dwelling Size			
Households with 2 or less people		67%	69%
Dwellings with 2 or fewer bedrooms		35%	37%

Household Type	Armstrong	RDNO
<b>Family</b>		
Couple	33%	32%
Two parent + children	24%	20%
Lone-parent	8%	7%
Other family	5%	6%
<b>Non-Census-Family Households</b>		
One-person	27%	28%
Unrelated Two + persons	4%	4%
<b>Age Distribution of Household Primary Maintainer</b>		
Under 19	0%	0%
20 to 29	4%	5%
30 to 44	22%	19%
45 to 64	37%	40%
65 to 74	19%	18%
75 to 84	12%	11%
85 and over	5%	4%
Population over 65	36%	32%
Median individual age (years)	48.7	49.5
<b>Median Income by Tenure</b>		
Owner income \$	\$69,000	\$75,343
Renter income \$	\$40,556	\$38,939
<b>Housing Availability</b>		
<b>Home Values and Rents</b>		
Median value of dwellings (\$)	\$343,620	\$380,900
Census Median rent (\$)/month	\$950	\$903
CMHC average rent, 2019	\$855	\$947
CMHC rental vacancy rate (%), 2019	0.091	1.7

Housing Construction (Average Annual Starts 2016-19)		
SFD	24	245
Multi-unit	15	277
Total	39	522
Starts per 1000 Households, 2016-19 average	18	15
Percent SFD	61%	47%
Future Housing Growth		
Number of Households, 2016	2,223	35,016
Household projected increase, 2016-26	484	3,055
Household projected increase, 2026-36	590	3,260
Anticipated Household growth rate, 2016-26	2.2%	0.9%
Projected new households/yr, 2016-26	48	306
Average new dwellings, 2016-19	39	522
Surplus (or shortfall) vs. recent starts	-10	216
Core Need	Armstrong	RDNO
Distribution of Need by Problem - Both Tenures		
Affordability only	88%	81%
Affordability plus adequacy and/or suitability	10%	12%
Suitability only - In core housing need	0%	2%
Adequacy only - In core housing need	5%	5%
Need by tenure		
Total count of need	205	3,880
# Owners in core need	65	1,360
# Renters in core need	140	2,520
Renters share of need	68%	65%
Incidence (acuteness of need)	9.8%	12.0%
% Owners need	3.9%	5.6%
% Renters need	34.6%	32.0%

### Incidence of Need by Age of Primary Household Maintainer

19 to 29 years	10%	7%
30 to 44 years	22%	20%
45 to 64 years	37%	42%
65 to 79 years	20%	21%
80 years and over	12%	10%

### Incidence of Need by Household Type

Total	10%	12%
Couple	4%	4%
Two parent + children	5%	5%
Lone-parent	17%	29%
Single	21%	24%
Unrelated two+	13%	11%

### Existing Social Housing

Supportive and Assisted	24	558
Independent Social	38	752
Rent supplement and allowances	37	858

### Existing Social Housing Compared to Need (Distribution)

Core need	5.3%	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	205	3,880
Growth in need, 2016-26	48	368
Growth in need, 2026-36	58	393

### Affordability Assessments

#### Rent

< \$500 / month	30	720
\$500-750 / month	60	1,860
\$750-1000 / month	145	2,355
\$1000-1250 / month	76	1,412
\$1250+ / month	104	1,948

**Income**

Under \$20k	80	1,905
\$20k-30k	60	1,355
\$30k-40k	70	990
\$40k-50k	45	960
\$50k+	170	3,080

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

Median Home Price, 2016	\$343,620	\$380,900
Median renter income	\$40,556	\$38,939
Monthly @30%	\$1,014	\$973
Maximum price (3.5%, 25yrs, 10% down)	\$225,309	\$216,330
Percentage of homes affordable to the median renter (2016)	25%	13%



## Community Summary

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# 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

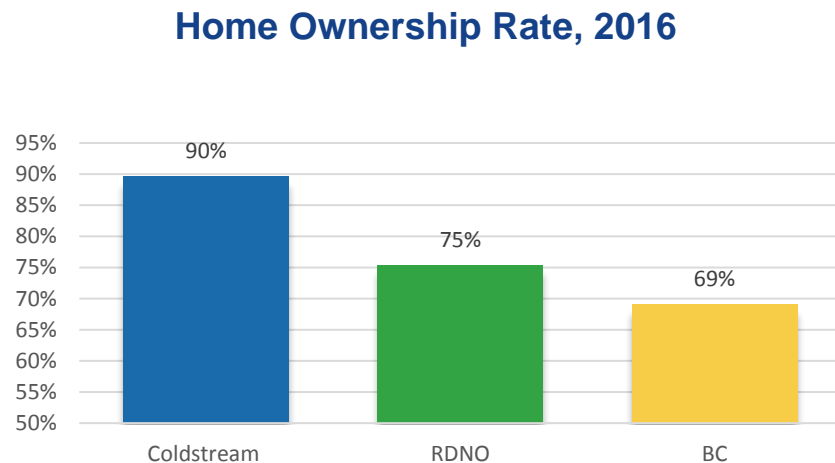
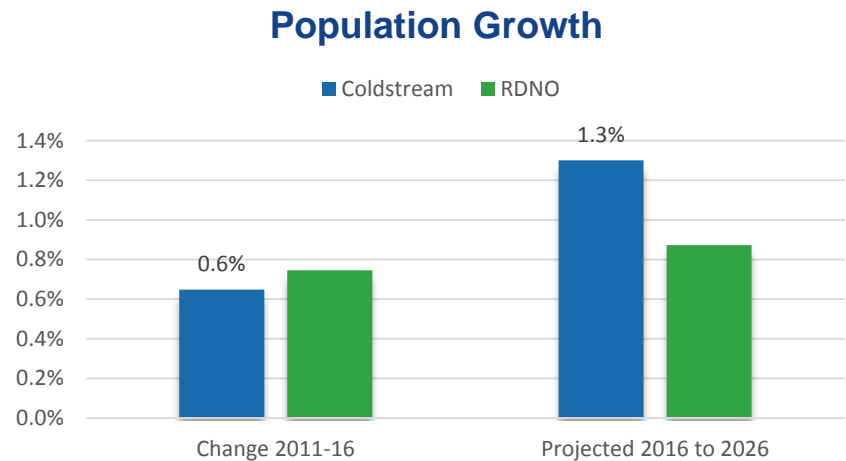
A total of 125 households (3.4%) were in core need in 2016, which is the lowest incidence of core need households in the RDNO. The regional rate of households in core need is 12%. The majority (of this relatively small count) are owners, which is the inverse of most other communities where renters tend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

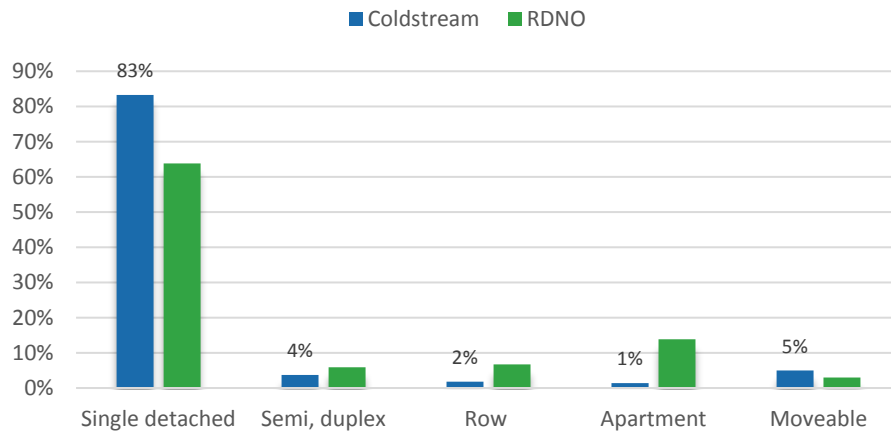
Overview – Demographics and Housing Stock

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.



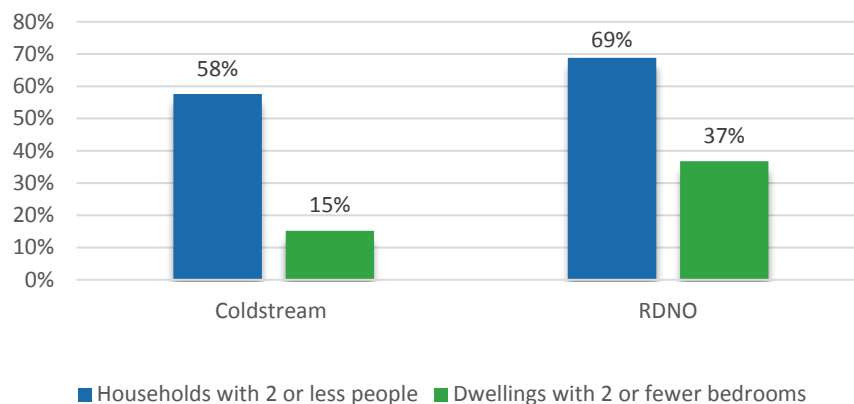
Coldstream has a very high rate of homeownership, far higher than the overall region and compared to BC.

## Dwelling Mix



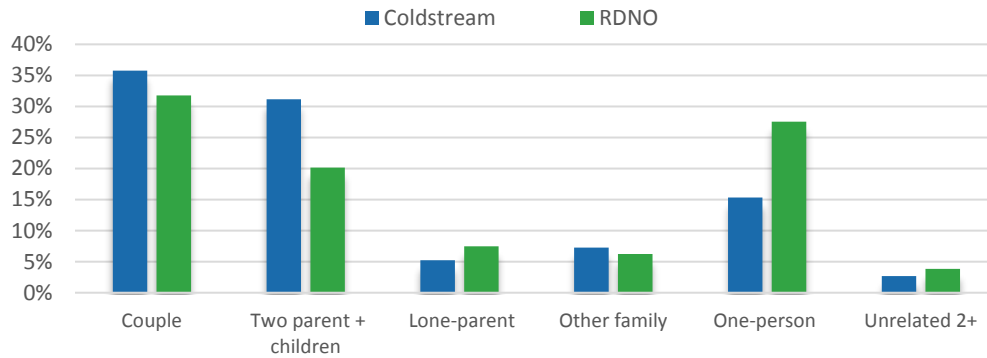
The majority of dwellings are single detached homes (83% compared to 64% for the RDNO), with almost no moveable homes or multiple unit structures, such as apartments and duplexes.

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

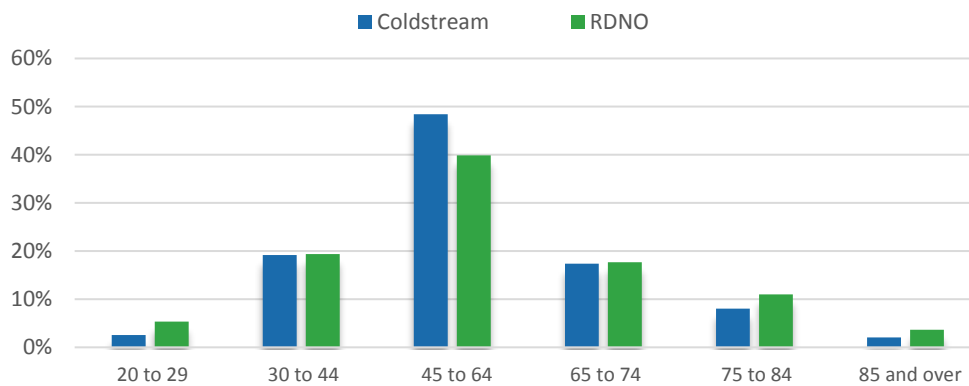


There is a noticeable mismatch between household size and dwelling types. While 58% of households house two or fewer people only 15% of dwellings have less than 3 bedrooms, reflecting the predominant detached stock. The high proportion of households with two or fewer people is reflected in the large 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%).

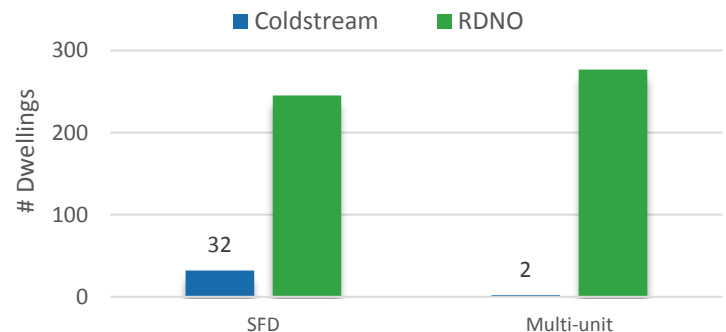
Younger households with individuals in the 30-44 age group account for only 19% of households in Coldstream, suggesting that couples with children are close to becoming empty nesters, potentially requiring less housing space. The proportion of older households, especially those over 75, is slightly below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

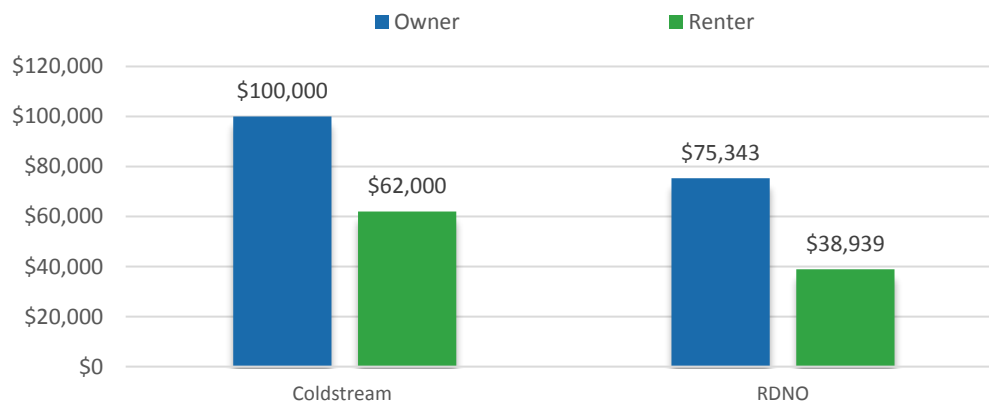
### New Home Construction (Average 2016-19)



## 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



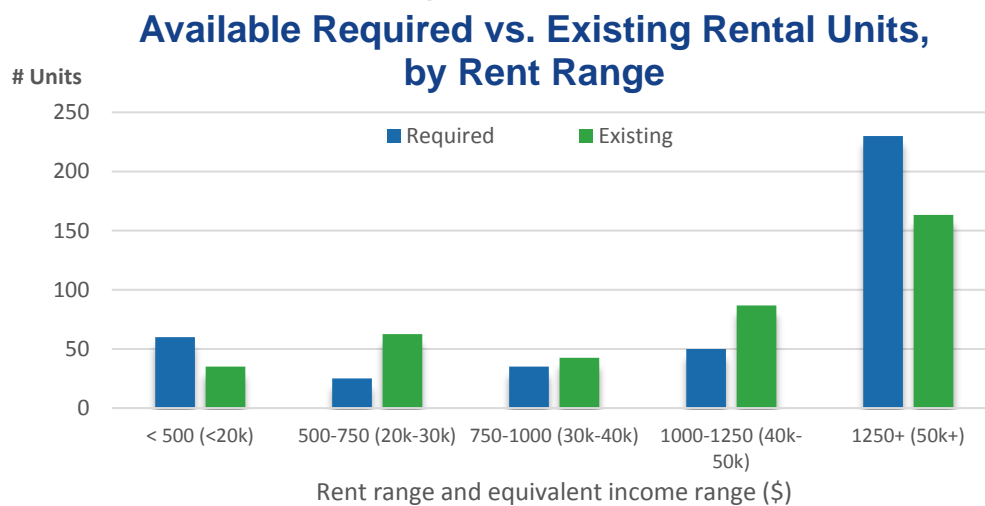
In part this reflects household structure and composition – there are fewer single income households (lone parents and single people) who tend to draw down the median income, while a high proportion of two income earner households generate higher median household income levels overall.

## 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.

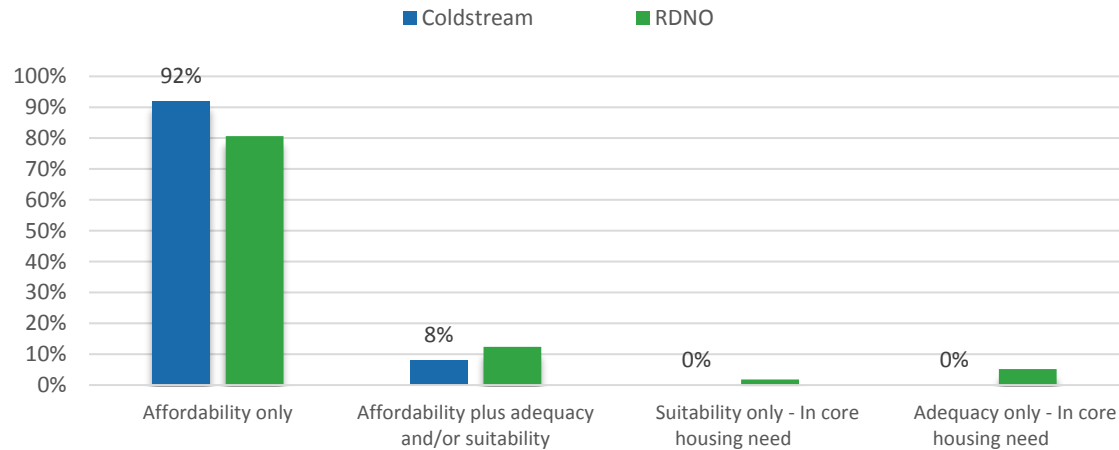
As noted, while renter median income is quite high, home prices are disproportionately higher as there are few multi-unit condominium buildings to pull down the median price). The result is the median renter household can afford only to purchase within the lowest 10% of homes. This compares to only 13% 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 <sup>1</sup>

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.

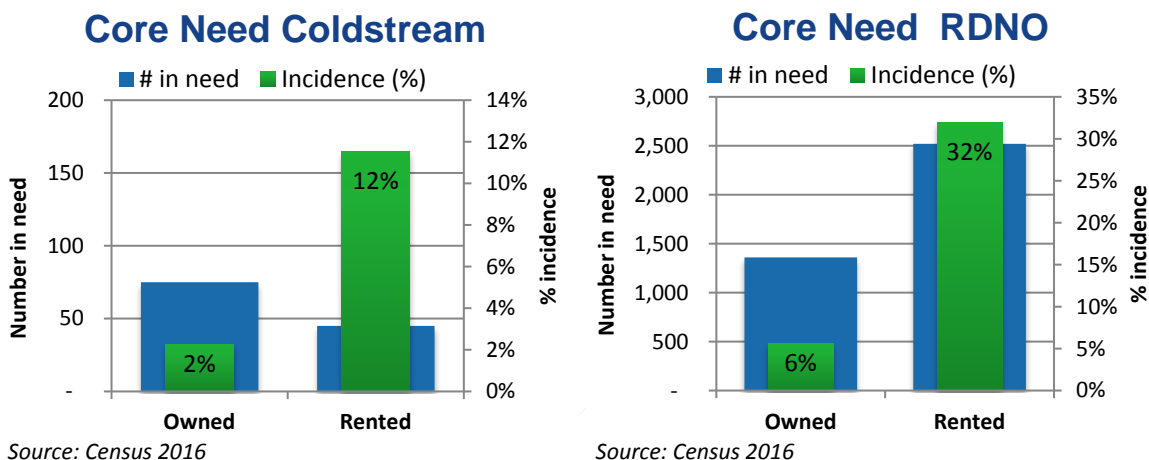
### Distribution of Need by Problem



<sup>1</sup> See main report for definition and discussion of the core need concept.

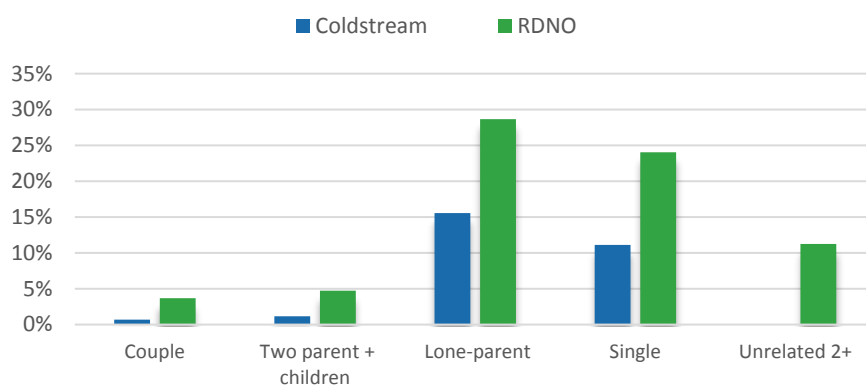


Unlike most other communities, the RDNO as a total and the province, in Coldstream the majority of households in need are owners (in large part because there are so few renters), but even here both the absolute count and the incidence (% of all) rate are very low. Only 2% of all owners are in core need. 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.



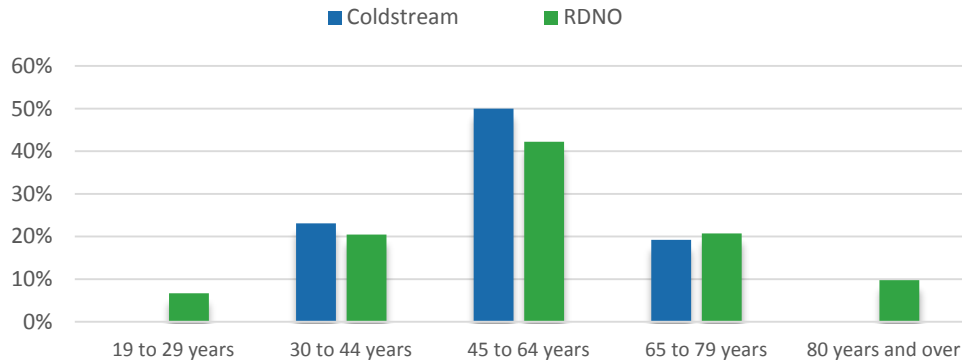
Again reflecting incomes, core need tends to be greater among single income households – Singles and Lone Parents groups. But again, incidence is half that for these groups across the entire RDNO; and need is almost non-existent for other households' types – Couples, couples with children, and multi-person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

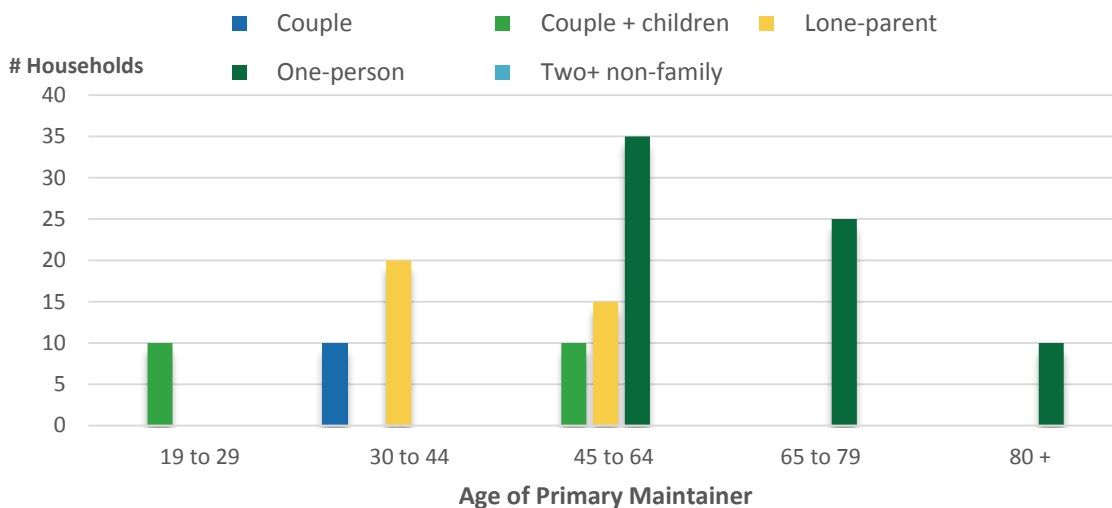


### Important to Look at Count Together with Incidence

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.

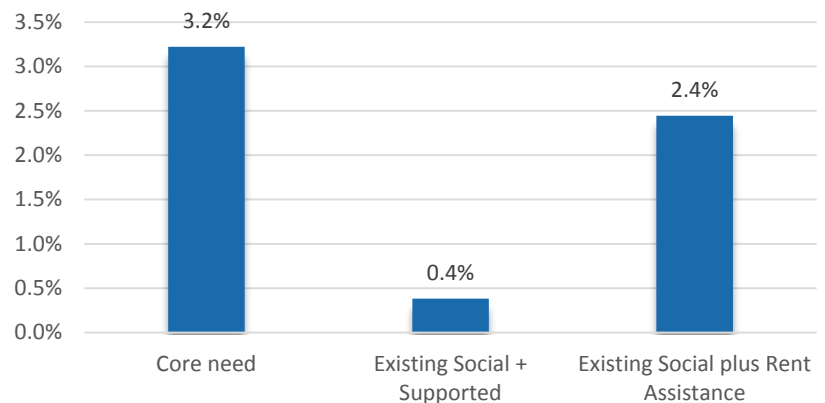
## Core need by Household Type and Age



## 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.

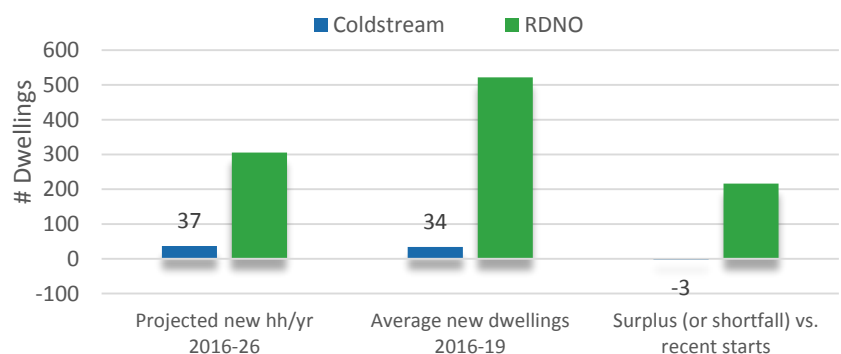
## Future Growth and Need

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)

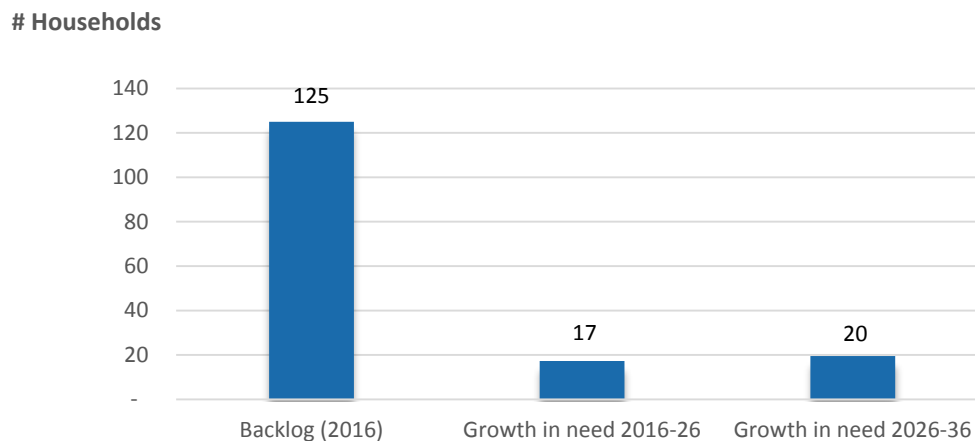


Assessing how core housing need might increase, assuming the incidence of need across new households is similar to the incidence in 2016, and without accounting for any new assistance (new social housing or housing allowances) it is estimated that housing need will increase by

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
<b>Family</b>		
Couple	36%	32%
Two parent + children	31%	20%
Lone-parent	5%	7%
Other family	7%	6%
<b>Non-Census-Family Households</b>		
One-person	15%	28%
Unrelated two+ persons	3%	4%
<b>Age Distribution of Household Primary Maintainer</b>		
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
<b>Median income by Tenure</b>		
Owner income \$	\$100,000	\$75,343
Renter income \$	\$62,000	\$38,939
<b>Housing Availability</b>		
<b>Home Values and Rents</b>		
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		
<b>Rent</b>		
< \$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%

## Community Summary

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## ENDERBY



# Community Summary: Enderby

## Key Highlights

- Enderby is one of the smaller communities in the North Okanagan, housing 4% of the regional population. Although growth in the community has been relatively modest over the past decade, the community has potential to increase its growth rate with infill, redevelopment, and the development of large holdings, as well as population influx as local seniors move to recently-built supportive housing in the community and place their homes on the market.
- Compared to other small communities, Enderby has a broader mix of dwelling types including a number of small apartments. These structure types support a higher percentage of renters than other small communities, although Enderby has a similar ownership rate (75%) as the region as a whole.
- Enderby has a strong retirement population and a higher incidence of single-income households, both of which draw down the median household income of both owners and renters to less than half of the RDNO median level. While lower income levels have an impact on housing affordability and thus core need, many households are older and more likely to have mortgages that are substantially paid off.
- The age distribution of Enderby is much higher than the regional average, with a median age of 53, which is 10 years above the provincial average of 43. 42% of households are headed by someone over 65 years of age.
- With a more diverse mix of dwelling types, there is less of a mismatch between the size of homes and the size of households than in other communities. Enderby also benefits from the recent addition of a seniors supported living development.
- There is a mismatch in the distribution of renter households by income against the rent levels in the existing stock. Despite having lower median rent than other communities, there is a shortfall in lower cost rental units compared to the number required based on incomes. This translates into a relatively high incidence of core housing need among renters, and especially among older singles.

## Future Household Growth and Need

Core Housing Need is a methodology developed by CMHC in the 1980's to assess housing need. It involves a two-step process drawing on three specific housing standards:

- 1) Affordability (pay over 30% of gross income for shelter cost);
- 2) Adequacy (dwelling in need of major repair) based on a condition assessment; and
- 3) Suitability (a measure of crowding that compares number of bedrooms to size and composition of household), which refers to crowding.

Second, it establishes an income threshold to further refine the count of those in need. This is determined based on having an income above that required to pay no more than 30% to afford a median rent home of suitable size in the market area. So, if the median 2-bedroom unit rent was \$750, the income threshold would be \$30,000 ( $\$750/0.30 \times 12$  months). A household living below any of the three standards and with an income below the income threshold is deemed to be in core need; a household failing to meet one of these standards, but with income above the threshold income is not considered to be in core need.

A total of 165 households in Enderby were in core need in 2016 (11.9% of all households – almost identical to the RDNO average of 12%). The majority of those in need are renters who are primarily over 45 years of age.

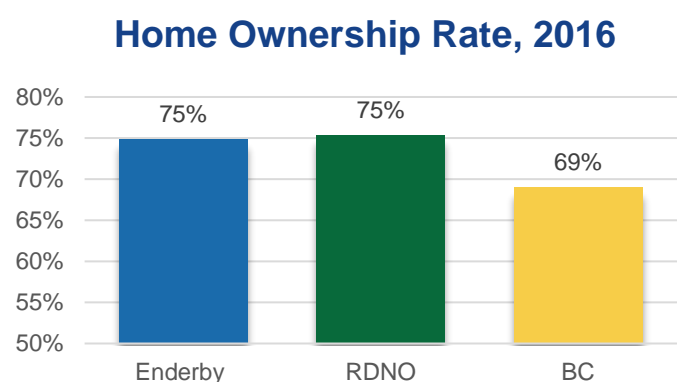
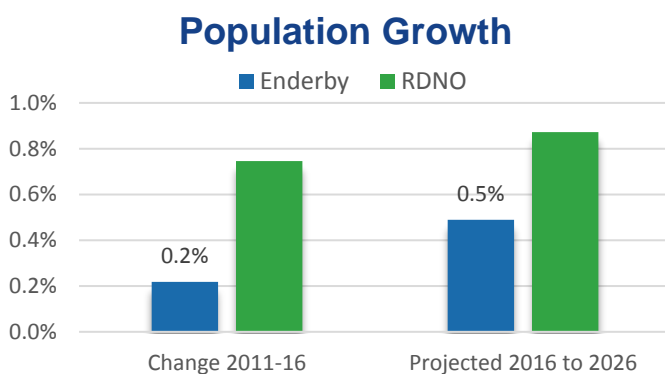
In the absence of new development, redevelopment, and infill, Enderby's future population growth is projected to be modest. Under those circumstances, it is anticipated that there will be minimal change in households in core need. However, new development, redevelopment, and infill will impact affordability, adequacy, and suitability of housing in Enderby.

The core need assessment does not assess mobility or health considerations and whether the current homes will remain appropriate as the existing population ages in place.

## Overview – Demographics and Housing Stock

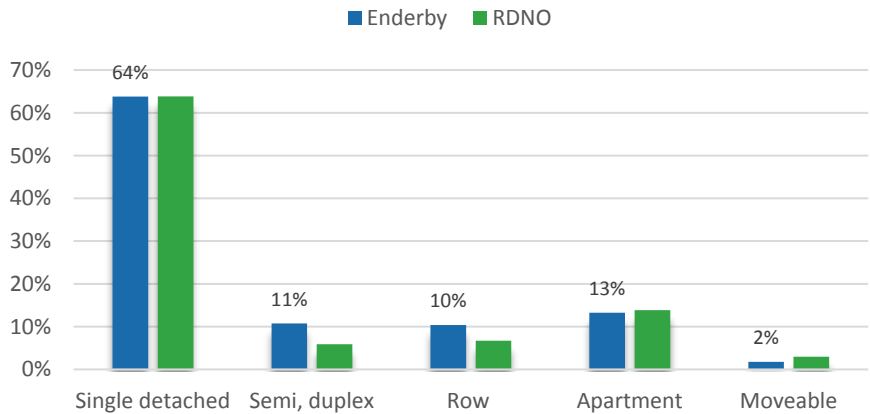
Enderby is one of the smaller communities in the region with just under 3,000 people, which accounts for 3.5% of the regional population. Growth has been relatively modest from 2011-16 (0.2% growth per year during this period) and is projected to grow more slowly (0.6%) than the regional average (0.9%) over the current decade, 2016-26, in the absence of new development, redevelopment, and infill.

Should future growth in Enderby continue at a modest pace, it will translate into minimal housing demand; however, there is potential for an increase in core housing need in the absence of a renewed housing stock and there is also the potential to reduce core housing need through policies that address affordability, adequacy, and suitability.



Enderby has a rate of homeownership in line with the regional average. As is typical for smaller communities where housing tends to be more affordable, the home ownership rate is higher than in Vernon as well as greater than the provincial average (both at 69%).

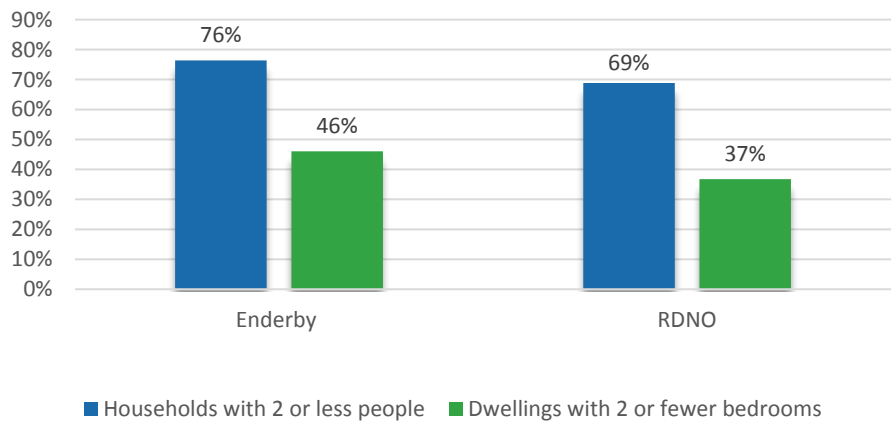
### Dwelling Mix



The majority of dwellings are single detached homes (similar to the 64% for RDNO). However, because housing has historically been more affordable and there is a high rate of home ownership in Enderby, the market pressure to construct single detached homes with secondary suites as “mortgage helpers” did not exist until more recently; this has resulted in a low supply of secondary suites within single detached homes in the community.

For a smaller community, Enderby has a significant number of multiple-unit structures, including row and apartment buildings. These offer compact and usually more affordable housing options than the rented detached homes more common in other communities across the region.

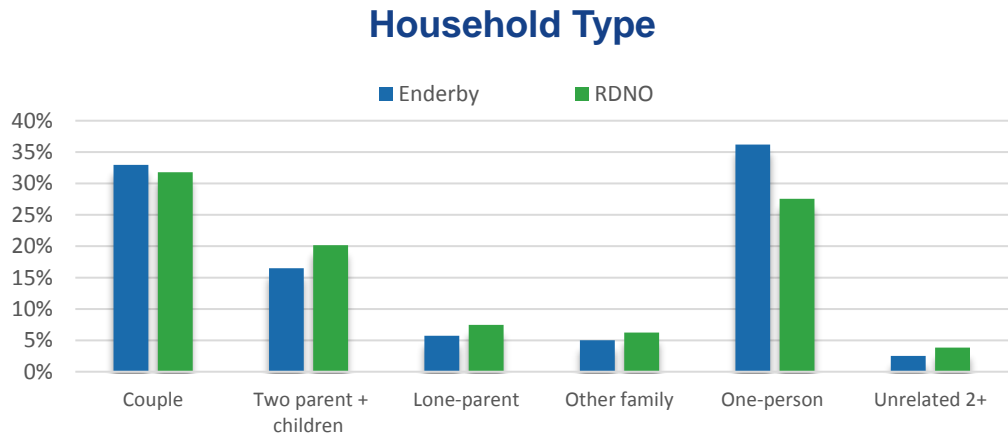
### Household Size vs Dwelling Size (# persons vs # bedrooms)





By comparison to the RDNO average and some other communities in the region, this broader range of small unit types helps to narrow the mismatch between the predominant small households (three-quarters with two or fewer persons) and larger single detached dwellings (69% of homes).

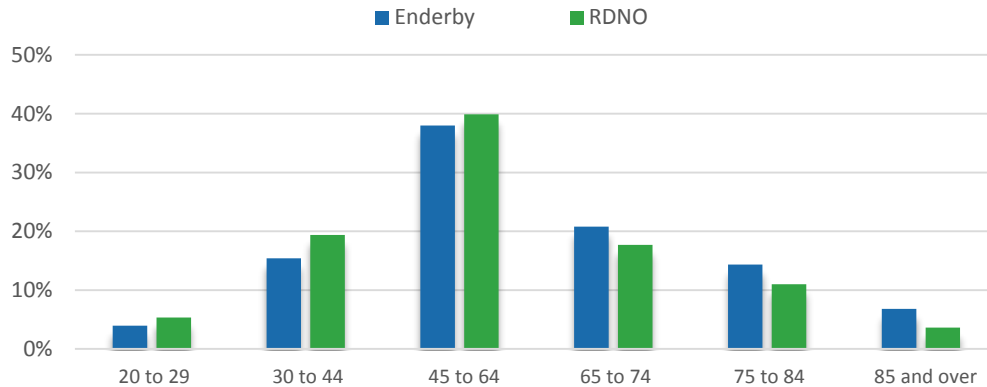
The high proportion of households with two or fewer people is reflected in the large number of couples with no children and single person households. However, it is anticipated that the recent construction of a seniors supportive housing complex in conjunction with a new elementary school will increase the proportionate number of couples with children in the community by the time of the next census.



While single person households stand out as a large proportion of households (over one-third) and many couples may be empty nesters, this is not primarily a population of seniors – yet. Similar to the overall regional profile, the largest segment of households in Enderby are those in the 45-64 group who will transition into the senior demographic over the coming decades. As well, changes in the community mentioned above, such as the new seniors complex and elementary school, have likely already produced a demographic shift that will be represented in the next census.

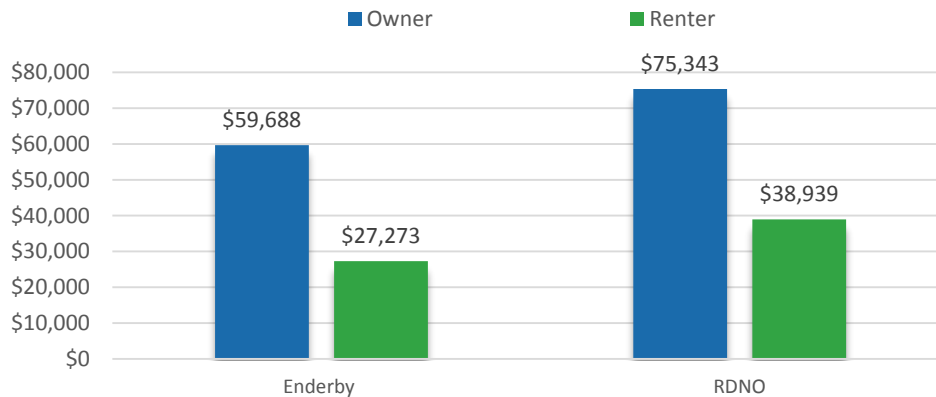
Split between the three age cohorts, those over 65 have a larger representation than the overall regional age distribution (based on the age of the household’s primary maintainer). In total, 42% of households in Enderby are currently headed by someone over 65 years of age, which is much higher than the regional average of 32%. Similarly, the median age of individuals is 53 as of the 2016 census, which is slightly higher than the RDNO average of 49.5 years.

## Household Age (Primary Maintainer)



In Enderby, the median incomes for both owner and renter households are less than half the regional median level.

## Household Median Income by Tenure

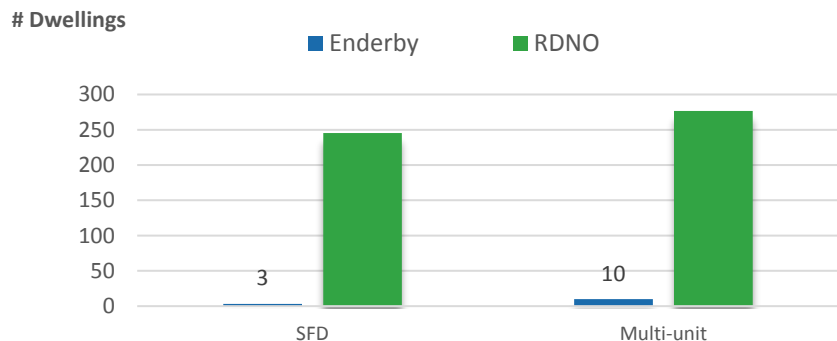


In part this reflects household structure and composition – the large number of single income households (lone parents and single people) who tend to draw down the median income, as well as fewer in the labour market. As discussed later, these low incomes are an important factor underpinning the level of core housing need that prevails in Enderby.

## New Housing Construction

New home construction in Enderby has been limited and reflects the modest rate of population growth as well as the degree to which the community has already been built out. There have been on average 13 homes built per year, although this is heavily influenced by the construction of a seniors supportive housing complex in 2017. As a ratio of the population, this is the lowest rate of home construction in the region (9 homes per 1000 people in the 2016-19 period, compared to the regional average of 15 per 1000 people). The limited growth in the housing sector over the past decade may be attributed to a relatively low supply of vacant lots in the community upon which single family dwellings could be developed.

### New Home Construction (Ave 2016-19)



Unlike the rest of the region, the majority of units added between 2016 and 2019 have been multiple unit apartments (primarily seniors supportive housing), which has helped make Enderby a more affordable place to live.

## Housing Affordability

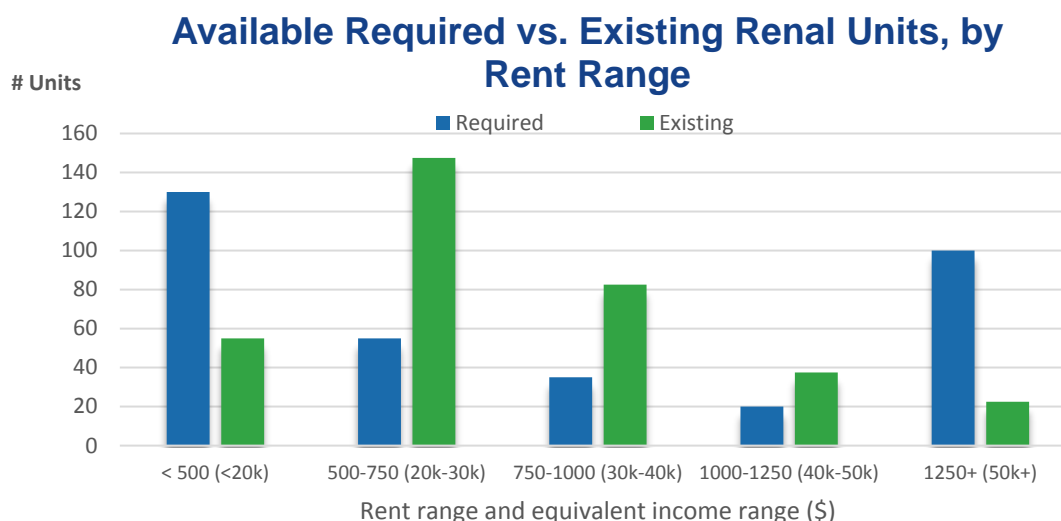
Enderby is a relatively affordable community in terms of housing. The average house value as reported in the Census (2016) was \$275,000, which is 25% below the RDNO median price. At the same time, rents in Enderby are also much lower than the RDNO average, in part a reflection of a higher proportion of smaller units (many of which are rentals).

The median rent (2016) was \$701 / month compared to the RDNO median of \$903 / month. This reflects rents across the full universe of rented homes. CMHC monitors rents in the so-called purpose-built rental stock (structures with three plus units), and while the CMHC survey does not include all communities in the RDNO, it does cover Enderby because it has more rentals. In 2019, CMHC reported a median rent of \$725 / month (compared to \$947 / month for the Vernon census area, which includes Coldstream and electoral Areas B and C) and a vacancy rate of only 1.0% (vs. 1.7% for Vernon CA).

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 it at a broader level. While a generally lower rent level exists, the number of low rent units is insufficient relative to what is required, based on incomes.

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 75 units in low rent availability (i.e. rents under \$500 / month), but there is a plentiful stock in the next rent band (\$500-\$750 / month). As a result, many low-income households live in the next two rent bands (\$500-\$750 / month and \$750-\$1,000 / month) and spend more than 30% of their income on rent. These will be captured in the core need count.

There is a (theoretical) shortage of rentals above \$1,250 / month (i.e. more units required than exist) but this appears only because higher income renter households have already found lower rent options, so this is not an issue. The existing rents and incomes together will have a noticeable impact on core need, as described below.

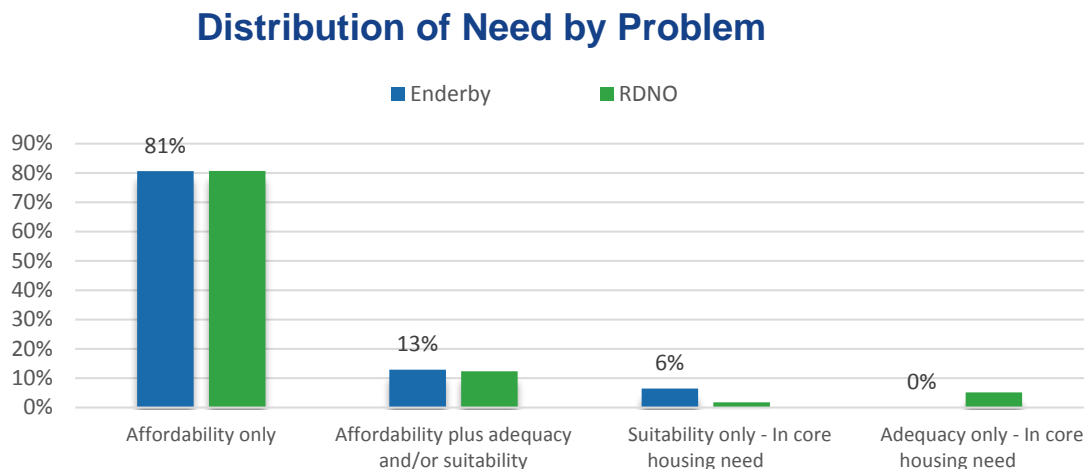
It is also possible to examine the capacity of current renters to transition into ownership. Using the median income and the income distribution of renters (that may aspire to become owners) we can determine what percentage of these renters can purchase. The median renter income is converted to a potential 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 (here \$225,000) is then compared to the price distribution of all homes to determine how many of the existing homes would be affordable.

As noted, both renter median incomes and home prices are low and, as such, tend to cancel each other out. The result is that the median renter household can afford the lowest 15% of homes, compared to only 13% for the RDNO as a whole. While most will remain renting, the opportunities to transition from renting to ownership in Enderby is slightly better than the regional average.

## Core Housing Need <sup>1</sup>

As presaged by the discussion of incomes, rents, and affordability, core housing need in Enderby is relatively high and similar to the RDNO average. Overall, there are some 160 households in core need, representing just under 12% of all households determined to be in core need in 2016. This represents 4.2% of total need across the region, comparable to the 4.1% share of households.

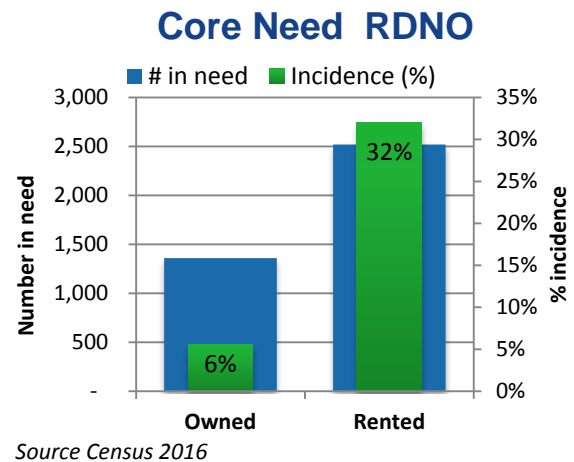
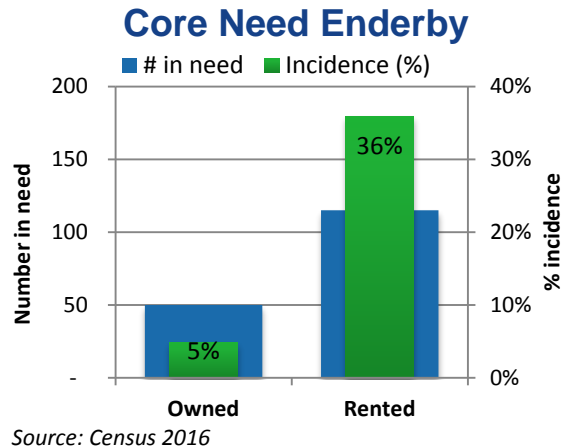
Consistent with the overall region, the predominant problem here is one of affordability. That being said, affordability problems alone (78%) make up a slightly smaller proportion of problems than the regional average. This is offset by a higher proportion of those experiencing a combination of issues (affordability plus adequacy and/or suitability) and notably a significant proportion (6%) reporting a suitability/crowding problem.



Across Canada and BC core housing need tends to be most prevalent among renters (because most issues relate to affordability and renters typically have lower incomes than owners). Enderby reflects this norm – renters represent the majority of those in core need, who also have a far higher incidence rate compared to owners. While one in 20 owners (5%) are in core need, compared to 6% across all of RDNO, one in every three renter households in Enderby (36%) are in need, compared to 32% across all of RDNO.

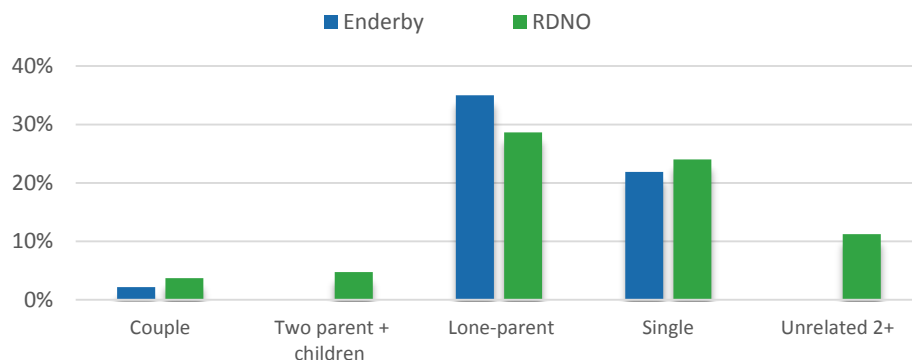
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<sup>1</sup> See main report for definition and discussion of the core need concept



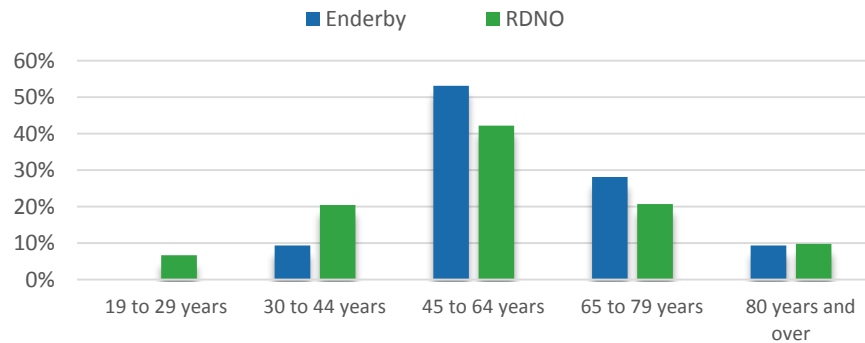
Again reflecting incomes and related affordability challenges, core need tends to be greater among single income households – singles and especially lone parents. By contrast it is very low for couples, with and without children, with Enderby showing a lower incidence of need among these groups than across the region.

### Incidence of Need (%) by Household Type



The single highest incidence of need is among those aged 45-64. With an incidence of 53%, this group in Enderby is above the RDNO rate of 42%. However, this is contrasted by a much lower incidence of need in Enderby among 19 to 29 years and 30 to 44 years, as well as a slightly lower incidence of need among the 80 years and over group.

## Incidence of Need (%) by Age

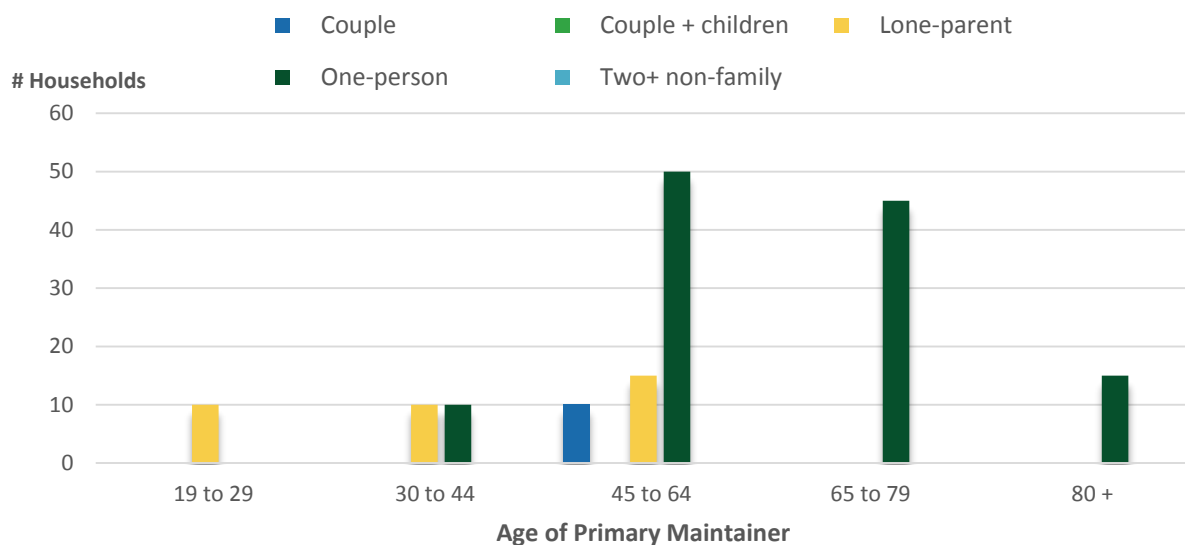


### Important to Look at Count Together with Incidence

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 case in Enderby, there can be some rounding errors.

As shown here in Enderby, the high incidence for those 45-64 is reinforced with the count in need, by age and household type. Clearly singles, both those 45-64 and those over 65, have significant counts, as do lone parents aged 30-44. The data also shows areas with relatively low incidences of core need, such as couples with and without children and two or more non-family members living together.

## Core need by Household Type and Age

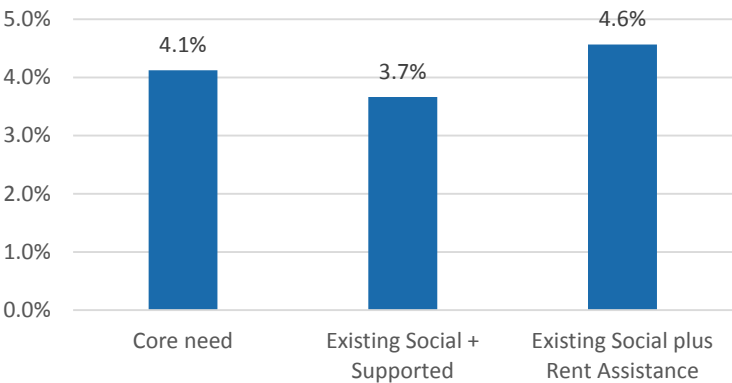




## Existing Social Housing

As a result of past and current funding programs, a small social housing stock has been built across parts of the RDNO. Until quite recently, a share of social housing stock proportionate to Enderby's population base was missing in Enderby, but the recent development of a 33-unit seniors supported housing facility has increased the supply of supportive housing. Just under 99 households receive provincial rental assistance. This suggests that Enderby is reasonably well served (4.1% of need vs 4.6% of assisted housing, based on total regional assistance).

% Share of Need and Social Housing

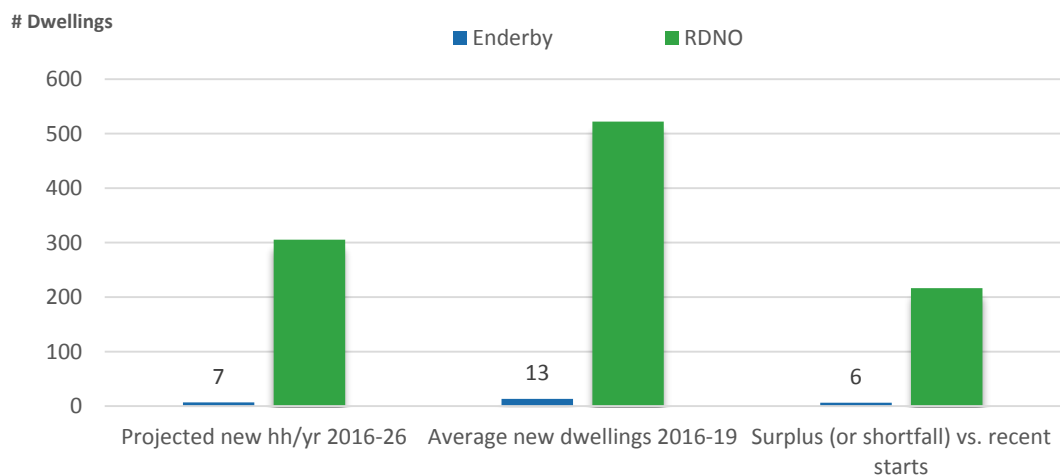


## Future Growth and Need

RDNO population projections suggest that the number of households in Enderby will increase from just over 1,400 to roughly 1,470 by 2026. Converting projected population growth into household growth suggests potential growth of around 5 to 6 households per year (total 69 between 2016-26, and another 72 households between 2026-36).

When new construction activity (average 13 units per year) is compared with recent and projected household growth (7 households per year), it appears that if that rate of new building continued, there would be a surplus. However, recent construction levels were bolstered by a one-time significant seniors development, so that rate is unlikely to be repeated.

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

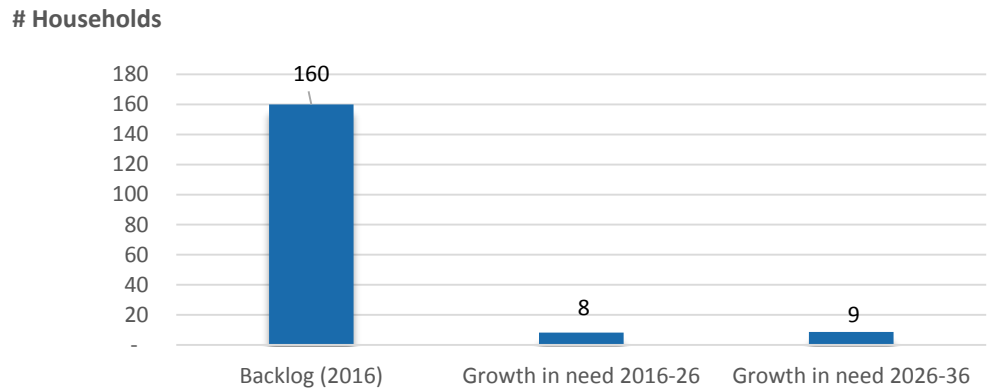


Should new development, infill and redevelopment opportunities within the community be realized, there is the potential for more significant growth in Enderby's housing sector. Should this occur, the population growth projections would need to be revised.

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 core housing need will remain more or less unchanged (perhaps increasing by one household per year over the current decade, 2016-26).

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 (160 households) that already existed in 2016.

## Backlog and Projected Growth in Need



## Considerations from Community Consultation

- Enderby is growing at a faster rate than what is reflected in the population projections. There has been a recent influx of young families moving to the community, as indicated by the School District's long-term projections for facilities. Enderby's relative housing affordability also makes the community an attractive location, particularly for young families looking to get into the housing market.
- The Memorial Terrace development has provided a local environment which enables seniors to "age in place". As residents continue to age and their housing needs transition, there is a need for alternative housing options which allow seniors to downsize, while there will be a need for additional seniors housing in order for the supply of these units to keep up with anticipated demand.
- There is a demand for single-detached housing but there is a limited supply of vacant lots to accommodate these developments without further subdivision.
- There are several large lots zoned for higher density multi-family residential land uses (up to 60 units/hectare) that present significant infill and redevelopment opportunities in the community.
- Enderby does not have many of the social services that are required to accommodate those seeking non-market housing; furthermore, many of these social services are located in Vernon or Salmon Arm which poses challenges due to limited public transportation options.
- The City is in the process of unlocking its undeveloped industrial lands to the north, and as additional industrial development takes place in this area, it is anticipated that it will result in an increase in demand for housing as additional workers relocate to the community.
- The City of Enderby has implemented numerous tools and incentives to attract additional residential development within Enderby, including:
  - No Development Permit Areas for multi-family developments;
  - A streamlined development process;
  - Case-managed development services;
  - No Development Cost Charges for secondary suites;
  - A specific residential zoning designation to accommodate detached secondary suites (carriage houses); and
  - A free secondary suite inspection program.

Housing Need Community Summary:		Enderby	RDNO
Overview			
Population, 2016		2,964	84,354
Share of regional population		3.5%	100.0%
Change 2011 to 2016		0.2%	0.7%
Projected 2016 to 2026		0.5%	0.9%
Tenure			
Number of Households, 2016		1,395	34,185
Owner		1,045	25,780
Renter		345	8,370
Ownership rate		75%	75%
Dwelling Mix			
Single detached		64%	64%
Semi, duplex		11%	6%
Row		10%	7%
Apartment		13%	14%
Moveable		2%	3%
Other		0%	0%
Household by Size			
1 person		36%	28%
2 persons		40%	41%
3 persons		8%	13%
4+ persons		15%	18%
Average Household size		2.1	2.3
Dwellings by Bed Count			
No bedrooms (bachelor)		1%	0%
1 bedroom		12%	9%
2 bedrooms		33%	28%
3 bedrooms		31%	31%
4 + bedrooms		23%	32%
Comparing Household Size and Dwelling Size			
Households with 2 or less people		76%	69%
Dwellings with 2 or fewer bedrooms		46%	37%

Household type	Enderby	RDNO
<b>Family</b>		
Couple	33%	32%
Two parent + children	16%	20%
Lone parent	6%	7%
Other family	5%	6%
<b>Non-Census-Family Households</b>		
One-person	36%	28%
Unrelated two + persons	3%	4%
<b>Age Distribution of Household Primary Maintainer</b>		
Under 19	0%	0%
20 to 29	4%	5%
30 to 44	15%	19%
45 to 64	38%	40%
65 to 74	21%	18%
75 to 84	14%	11%
85 and over	7%	4%
Population over 65	42%	32%
Median individual age (years)	53.3	49.5
<b>Median Income by Tenure</b>		
Owner income \$	\$59,688	\$75,343
Renter income \$	\$27,273	\$38,939
<b>Housing Availability</b>		
<b>Home Values and Rents</b>		
Median value of dwellings (\$)	\$275,755	\$380,900
Census Median rent (\$)/month	\$701	\$903
CMHC average rent, 2019	725	947
CMHC rental vacancy rate (%), 2019	1.0%	1.7

Housing Construction (Average Annual Starts 2016-19)		
SFD	3	245
Multi-unit	10	277
Total	13	522
Starts per 1000 Households, 2016-19 average	9	15
Percent SFD	25%	47%
Future Housing Growth		
Number of Households, 2016	1,411	35,016
Household projected increase, 2016-26	69	3,055
Household projected increase, 2026-36	72	3,260
Anticipated Household growth rate, 2016-26	0.5%	0.9%
Projected new households/yr, 2016-26	7	306
Average new dwellings, 2016-19	13	522
Surplus (or shortfall) vs. recent starts	6	216
Core Need	Enderby	RDNO
Distribution of Need by Problem - Both Tenures		
Affordability only	78%	81%
Affordability plus adequacy and/or suitability	13%	12%
Suitability only - In core housing need	6%	2%
Adequacy only - In core housing need	0%	5%
Need by Tenure		
Total count of need	160	3,880
# Owners in core need	50	1,360
# Renters in core need	115	2,520
Renters share of need	72%	65%
Incidence (acuteness of need)	12%	12%
% Owners need	5%	6%
% Renters need	36%	32%

Incidence of Need by Age of Primary Household Maintainer		
19 to 29 years	0%	7%
30 to 44 years	9%	20%
45 to 64 years	53%	42%
65 to 79 years	28%	21%
80 years and over	9%	10%
Incidence of Need by Household Type		
Total	12%	12%
Couple	2%	4%
Two parent + children	0%	5%
Lone-parent	35%	29%
Single	22%	24%
Unrelated two + persons	0%	11%
Existing Social Housing		
Supportive and Assisted	33	558
Independent Social	15	752
Rent supplements and allowances	51	858
Existing Social Housing Compared to Need (Distribution)		
Core need	4.1%	100.0%
Existing Social + Supported	3.7%	0.4%
Existing Social plus Rent Assistance	4.6%	100.0%
Future Growth in Core Housing Need		
Backlog, 2016	160	3,880
Growth in need, 2016-26	8	368
Growth in need, 2026-36	9	393
Affordability Assessments		
<b>Rent</b>		
< \$500 / month	55	720
\$500-750 / month	148	1,860
\$750-1000 / month	83	2,355
\$1000-1250 / month	38	1,412
\$1250+ / month	23	1,948

**Income**

Under \$20k	130	1,905
\$20k-30k	55	1,355
\$30k-40k	35	990
\$40k-50k	20	960
\$50k+	100	3,080

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

Median Home Price, 2016	\$275,755	\$380,900
Median Renter Income	\$27,273	\$38,939
Monthly @30%	\$682	\$973
Max price (3.5%, 25yrs, 10% down)	\$151,515	\$216,330
Percentage of homes affordable to median renter, 2016	15%	13%



## Community Summary

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## LUMBY



# Community Summary: Lumby

## Key Highlights

- The village of Lumby is one of the smaller communities in the RDNO, with a population of just over 1,900 in 2016. The population of Lumby has been growing faster (1.2% annually) than the RDNO average (0.9%) and this rate of growth is projected to continue (1.3% annually through 2026). But because this is a small community (1,900) this rate will translate into a small increase in population, of roughly 20 persons per year.
- While predominantly single detached homes, Lumby has a more diverse range and size of dwellings than many other small communities in the region.
- Lumby has a somewhat younger age profile than the region as a whole, with larger proportions of households under age 30 and 30-44. But it also has slightly more seniors aged 65-80. The median age for individuals is one of the youngest in the region at 42.5 years.
- Lumby has one of the lower median incomes, both for owners and renters, and these lower incomes are a significant factor impacting housing affordability and core need.
- There is an insufficient stock of lower rent dwellings, with the result that lower income renters pay higher rents and spend over 30% of their income on housing. While home values are among the lowest in the region, existing renters have difficulty accessing ownership. Only 12% of existing homes would be affordable to the median renter income.
- Because it is a smaller community the total count of core need is quite small, but the incidence of need at 12.3% is above the regional average, particularly for renters. One in every three renter households are in need (compared to one in every 25 owners). Core need is most prominent among singles over 45, and among lone parents under 45.

## Future Household Growth and Need

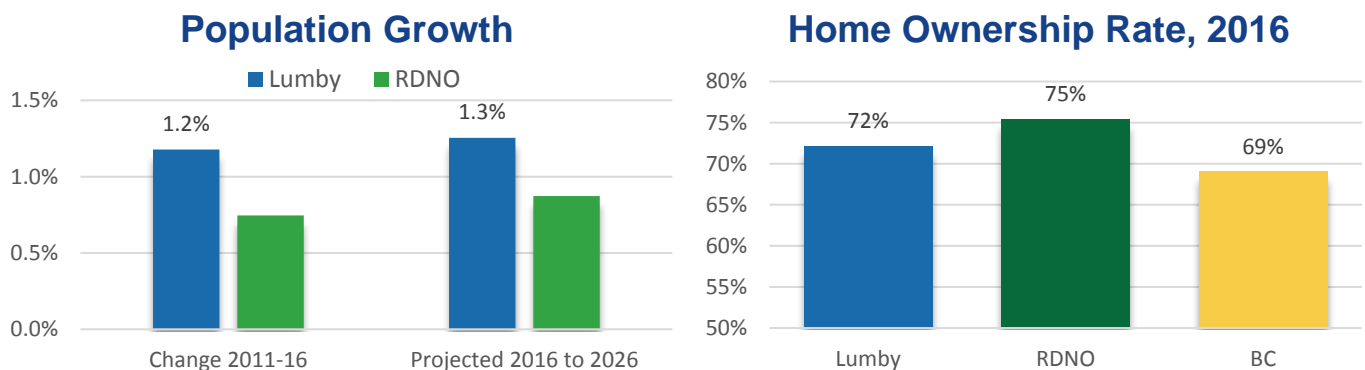
Converting projected population growth into household growth suggests potential growth of only 19-11 households per year, for a total of 96 households between 2016-26, and another 108 households between 2026-36).

A total of 95 households were in core need in 2016. It is estimated that core housing need will expand by a further 12 households in total (1 household annually) over the current decade, 2016-26. 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 (95 households).

## Overview – Demographics and Housing Stock

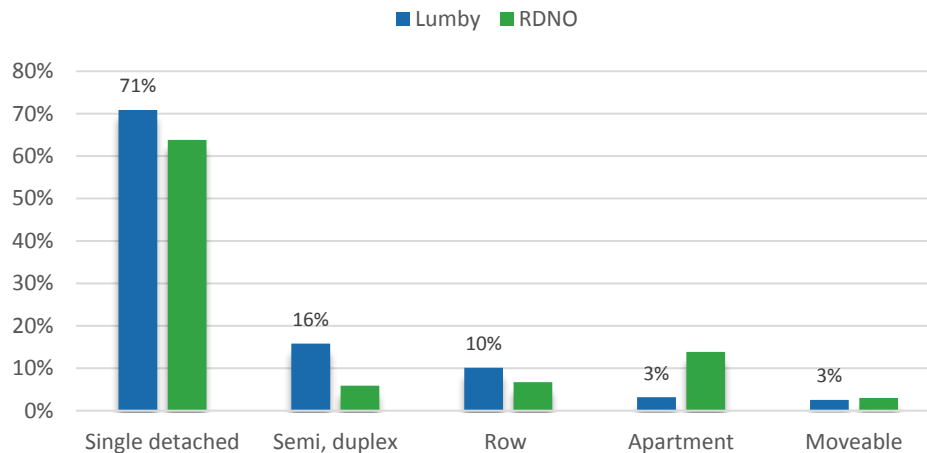
The village of Lumby is one of the smaller communities in the RDNO, with a population of just over 1,900 in 2016. The population has been growing faster than the RDNO average of 0.9% per year at 1.2% per year and this rate of growth is projected to continue at 1.3% annually through 2026.

This will translate into some new housing demand, although given the small size of the community in absolute terms, this will be a small number of homes.



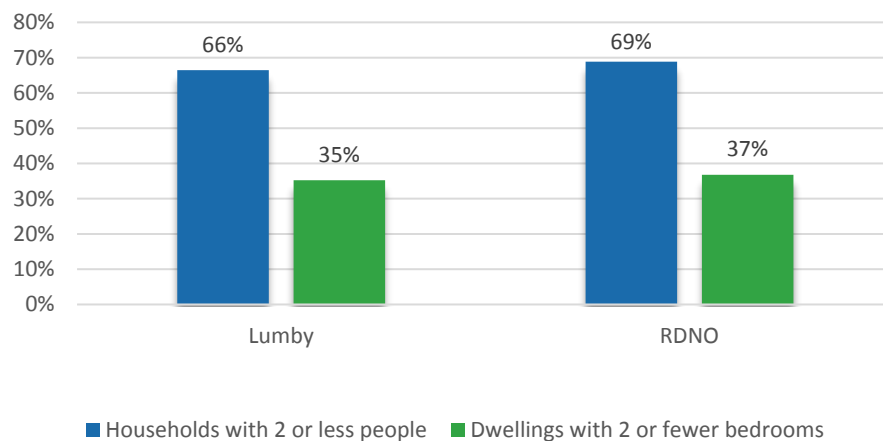
Compared to many of the other small communities across the region, Lumby has a more diverse mix of dwelling types, and a notably lower homeownership rate of 72%, compared to 75% for RDNO and rates that exceed 80% in communities like Armstrong, Coldstream and Spallumcheen. There is a slightly higher proportion of single detached homes than the RDNO average, although that is heavily influenced by the more urban Vernon profile. And compared to other small communities a large proportion of various multi-unit forms – semi-detached and row.

## Dwelling Mix



Similar to the region as a whole, there is an inverse relationship between dwelling size and household size: two thirds of households have two or fewer occupants while two thirds of homes have three or more bedrooms.

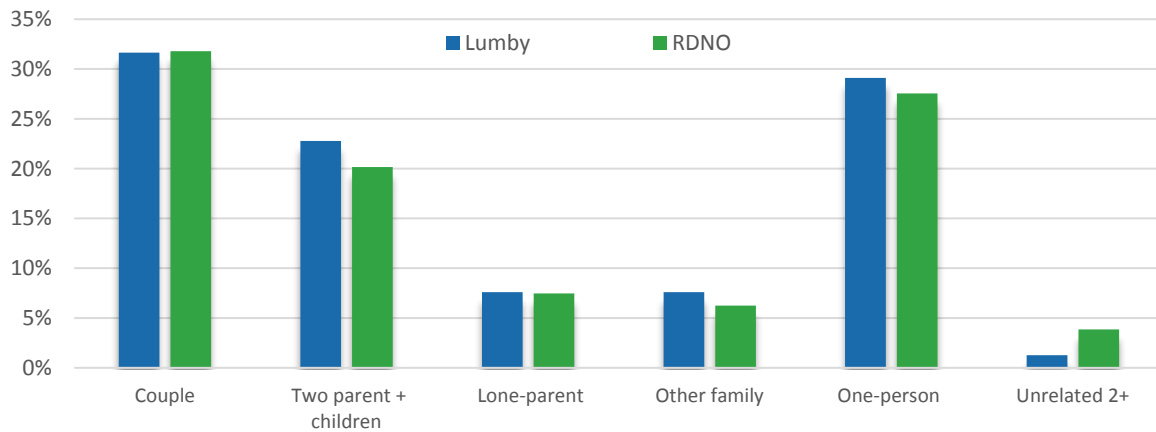
## Household Size vs Dwelling Size (# persons vs # bedrooms)



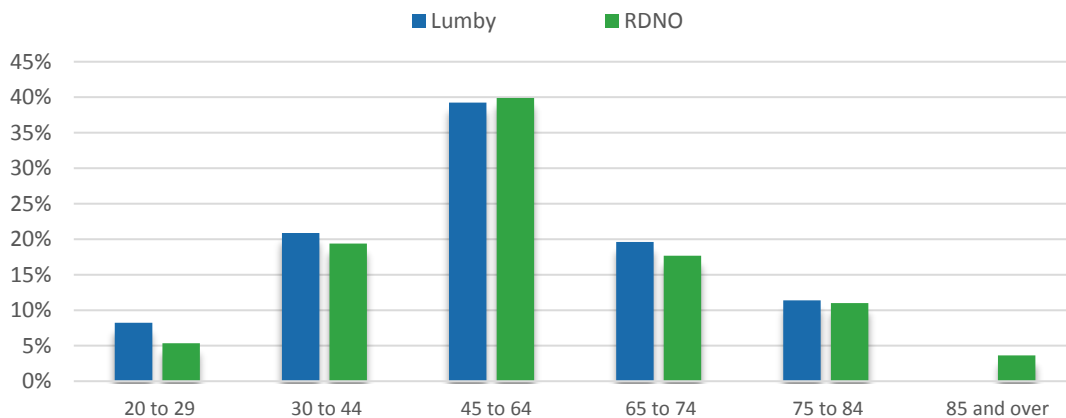
The high proportion of households with two or fewer people is reflected in the large number of couples with no children as well and single person households.

The distribution by household types closely mirrors the overall RDNO pattern, although the proportion of two parent families with children is slightly lower and there are more non-family households (2 or more unrelated people in the same home). The most common household type is couples, many not yet over 65, as reflected in the age distribution on the following page.

## Household Type



## Household Age (Primary Maintainer)



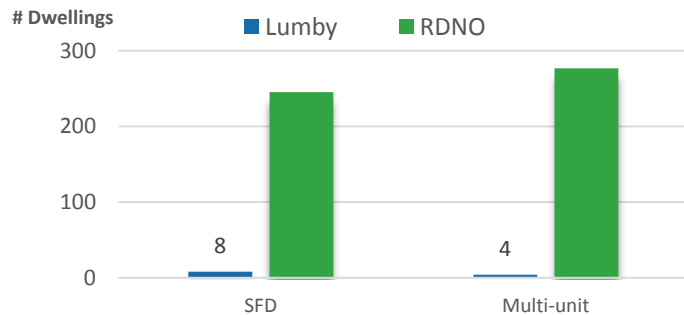
Based on the age of the primary household maintainer, Lumby has a somewhat younger age profile than the region as a whole, with larger proportions of households under 30 and 30-44. But it also has slightly more seniors aged 65-80.

The median age for individuals is one of the youngest in the region at 42.5 years. This is slightly below the BC median of 43 years, and seven years younger than the RDNO median of 49.5 years.

## New Housing Construction

Despite a higher than average regional growth rate, Lumby has not built many new homes, based on starts since 2016. New home construction in Lumby has averaged 12 homes per year since 2016, with a mix of single detached and multi-unit development. . As a ratio of the population, this is on target with the regional average of 15 per 1000 people.

### New Home Construction (Average annual 2016-19)

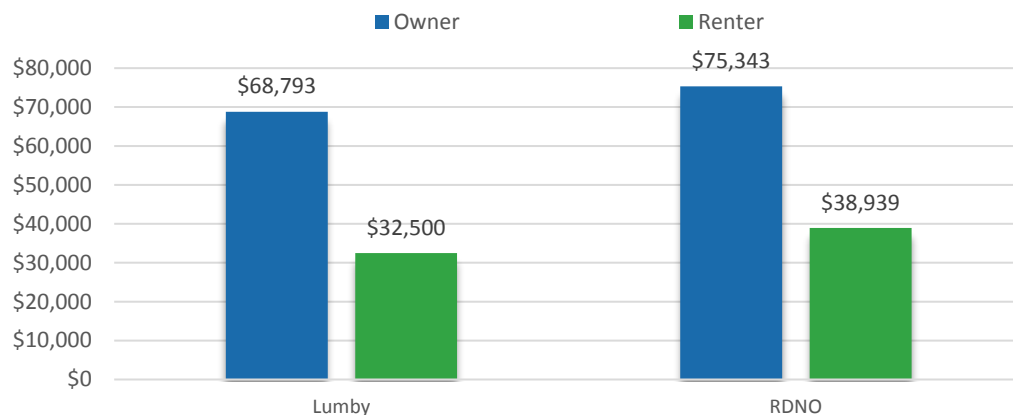


## Incomes

Incomes in Lumby, both for owners and renters, are well below the RDNO median - \$7,000 and \$6,000 lower respectively, at \$68,793 and \$32,500. And while it is typical for renter median income to be much lower than that of owners, here the gap is wider than normal, with renter median at only 47% that of owners.

Inevitably, lower incomes, especially for renters, translates into affordability challenges and higher rates of core housing need.

### Household Median Income by Tenure



## Housing Affordability

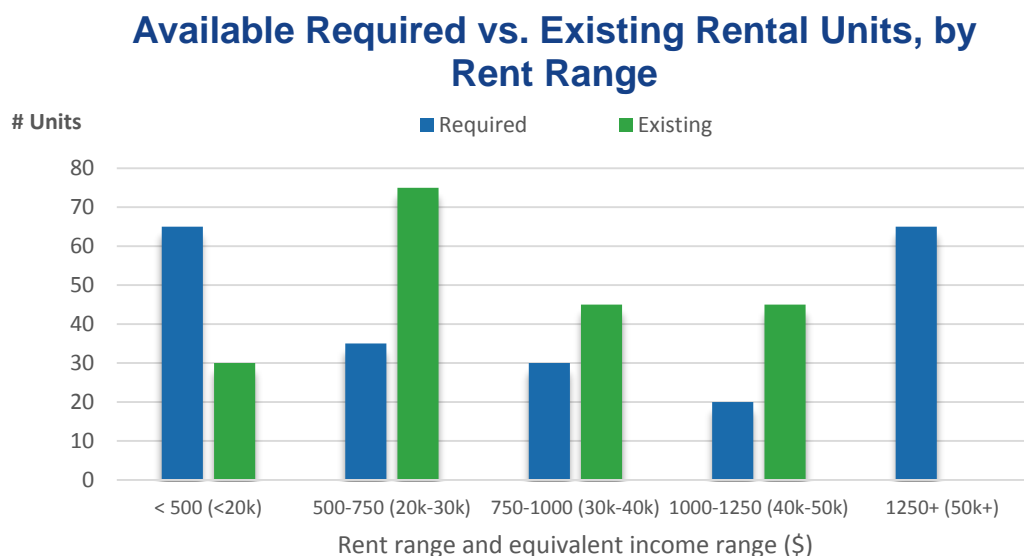
The average house value in Lumby as reported in the Census (2016) was \$301,000, one of the lowest medians in the region at only 80% of the RDNO median price.

At the same time rents are also considerably lower at \$752 / month compared to the RDNO average of \$903 / month (2016 Census rents – CMHC does not survey Lumby so there is no current data). Most rentals will be in the form of rented houses and semi-detached or row homes.



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. In assessing rental affordability, it is noted that due to the high rate of ownership, the rental universe is quite small, so the analysis should be viewed with that caveat.

As noted above, the lower incomes in Lumby, especially for renters, are a significant factor. While a generally lower rent level exists, the number of low rent units is insufficient relative to what is required, based on incomes.



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 significant shortage of lower rent units – there are twice as many renters that can afford no more than \$500 per month than there are units in that rent range. Meanwhile there appears to be a “surplus” in the \$500-750 per month and up range. But because there are insufficient lower rent units, many lower income households unable to fund affordable rentals are living in these higher rent units. In doing so, these households will be paying well over 30% of their income so will be captured in the count of renters in core housing need.

There is a (theoretical) shortage of rentals above \$1,250 per month, (i.e. more units required than exist) but this appears only because higher income renter households have already found lower rent options, so this is not an issue.

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. The median income is converted

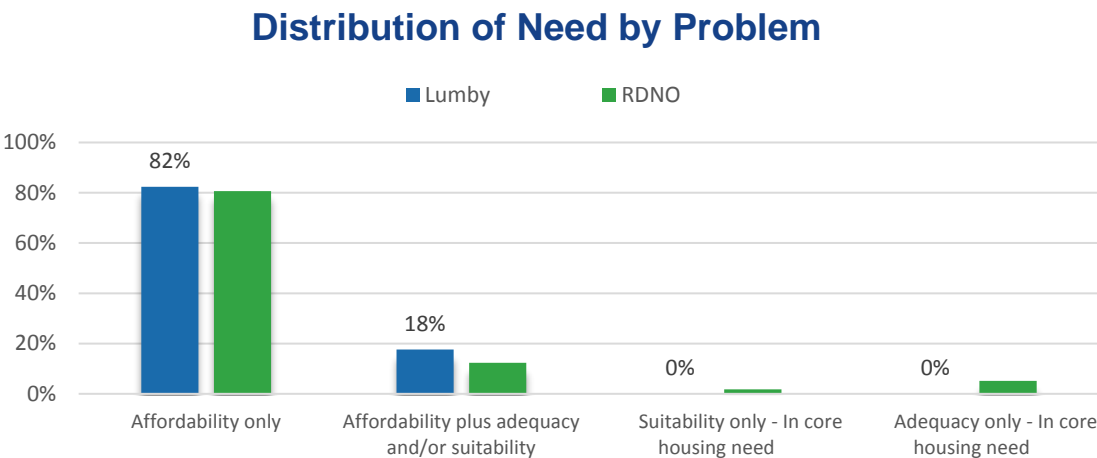
to a potential capacity to purchase (using 30% of income, and assuming a mortgage at 3.5% amortized over 25 years, with a 10% down payment) This calculates the maximum home price that the median renter could afford. This maximum price (\$180,500) is then compared to the price distribution of all homes to determine how many of the existing homes would be affordable.

Notwithstanding the lower median home values in Lumby, the low renter income median means that the median income renter household can afford only the lowest 12% of homes, compared to 13% for the RDNO as a whole.

### Core Housing Need <sup>1</sup>

As suggested above, based on low renter incomes, core housing need in Lumby is relatively high (12.3% of households are in need) and slightly higher than the RDNO average of 12%. This need is highly concentrated on renters.

The majority of problems relate to affordability, reflecting both low incomes and the noted insufficient stock of lower rent units. This mirrors the RDNO share at 82% of those experiencing core need due to affordability. Adding those that experience a combination of problems including affordability raises the total facing an affordability problem to 100% of core need issues. No households experience suitability (crowding) or adequacy (poor condition) issues only.



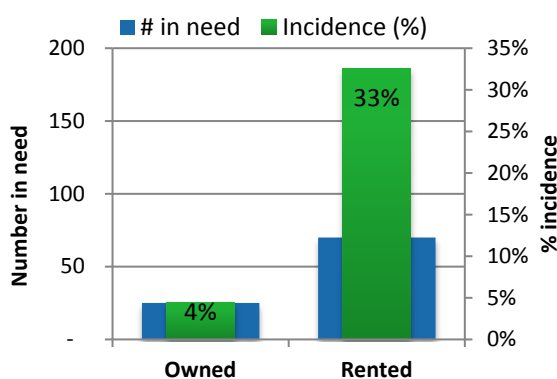
In total there are some 95 households in core housing need in Lumby. This represents 2% of total need across the region and is comparable to Lumby’s 2% share of households.

Across Canada and BC, core housing need tends to be most prevalent among renters (because most issues relate to affordability and renters typically have much lower incomes than owners), which is very evident in Lumby. The absolute count of renters in need is triple that of owners. More significantly, the incidence of need is far higher for renters – one in three renters are in core need, compared to one in 25 owners.

<sup>1</sup> See main report for definition and discussion of the core need concept

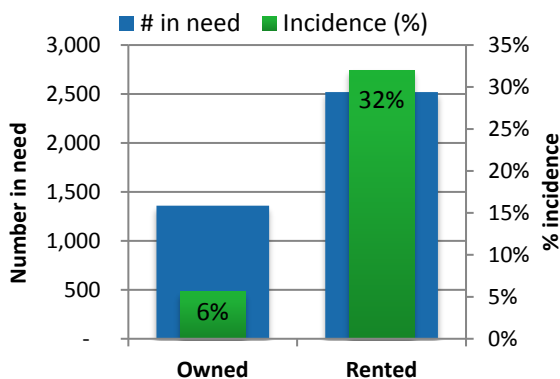


### Core Need: Lumby



Source: Census 2016

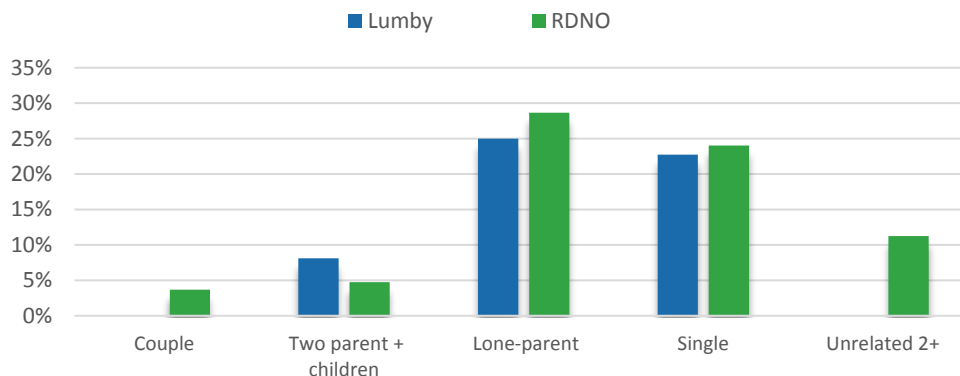
### Core Need: RDNO



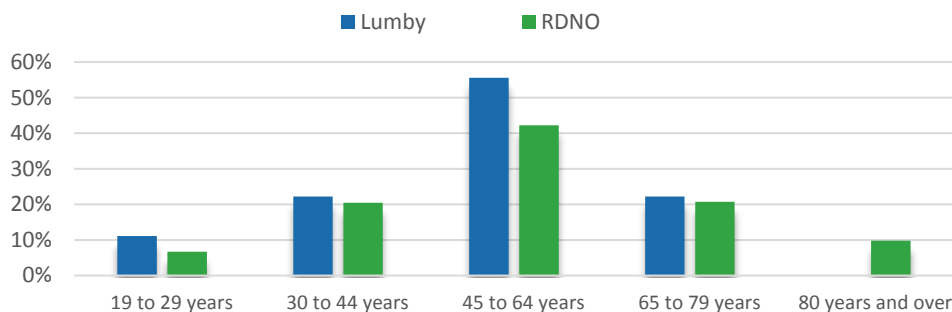
Source: Census 2016

Again, reflecting incomes and related affordability challenges, the incidence of core need tends to be greater among single income households – singles and especially lone parents. By contrast it is low for households comprising of couples with and without children.

### Incidence of Need (%) by Household Type



### Incidence of Need (%) by Age



The incidence of core need in Lumby is higher for all age groups than the regional average, and especially so for households headed by someone aged 45-64 (the next generation of seniors). One out of every two households aged 45-64 (56%) are in core need.

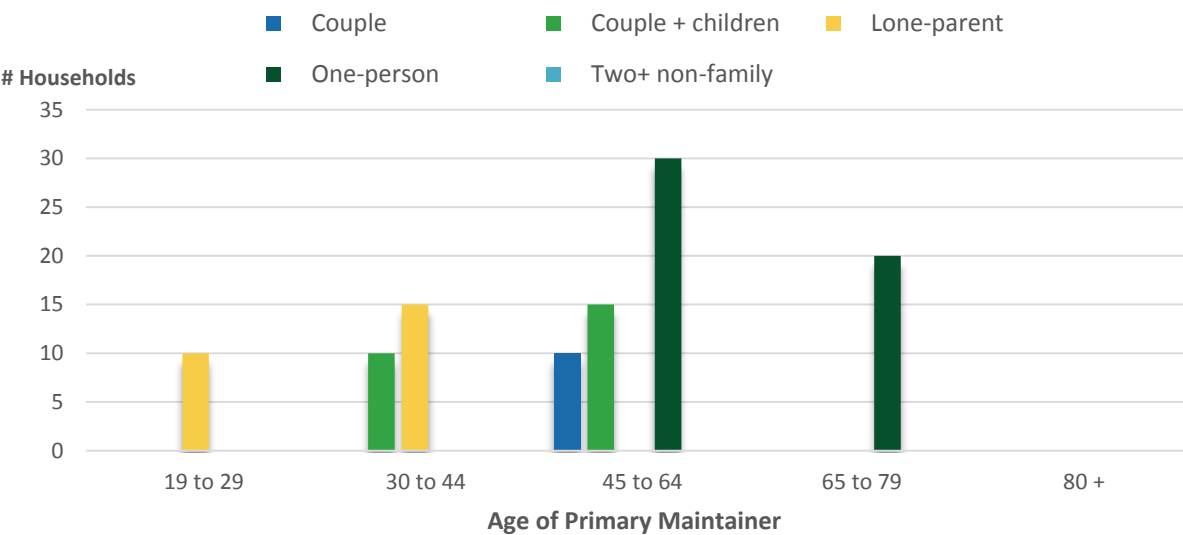
**Important to Look at Count Together with Incidence**

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 effects.

As shown here, in Lumby, the high incidence for singles aged 45-65 is reinforced with the count in need, by age and household type. Singles, aged 45-64 are the single largest count in need, followed by singles over 65

A high incidence among lone parents, seen above, is also reflected in the under 44 age groups. While they have a low incidence, couples with children account for one-quarter of households in need in Lumby.

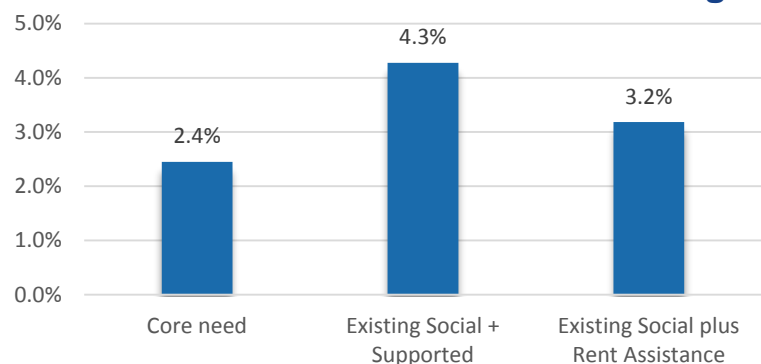
**Core Need by Household Type and Age**



## 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. Despite its small size, Lumby does have a small portfolio of social housing, mainly targeting seniors. There are also a small number of seniors assisted with rental allowances to help address high rent cost burdens.

### % Share of Need and Social Housing



Notwithstanding the high level of core need identified above, based on the share of regional assisted housing (4.3% of regional social stock), Lumby appears to be overserved (2.4% of need). However, based on the backlog of unmet need additional assistance is required.

With over 80% of need associated with affordability only, this could be addressed through an expansion of rental assistance – it may not be necessary to construct new social housing.

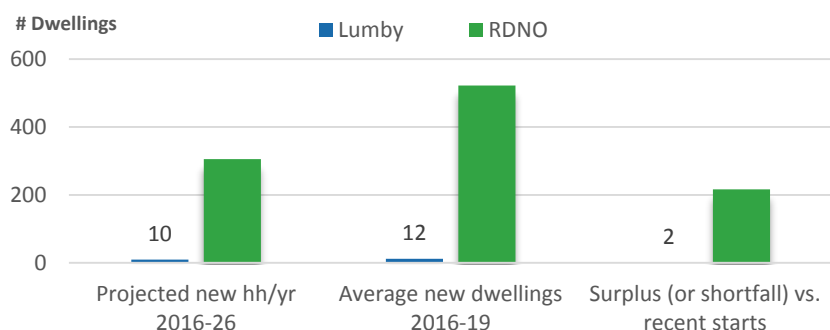
## Future Growth and Housing Requirements

As noted at the outset, Lumby is expected to exceed the rate of regional population growth, but because the base population is quite small, even this faster rate of growth will translate into a quite small population increase of around 20-25 people per year.

Converting projected population growth into household growth suggests potential growth of around 10 to 11 households per year (total 96 between 2016-26, and another 108 households between 2026-36).

When new construction activity (average 12 units per year) is compared with recent and projected household growth (10 households per year), it appears that if the current rate of new building continued, there would be a surplus in homes.

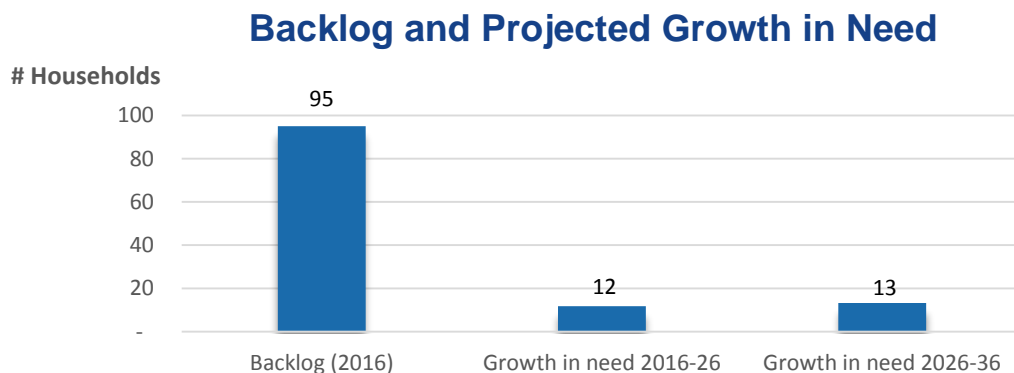
### Household Growth (2016-26) Compared to Starts (2016-19)



## Future Core Need

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 core housing need will expand by a further 12 households in total (1 household annually) over the current decade, 2016-26.

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 (95 households), that remained in 2016.



## Considerations from Community Consultation

- In November 2017, Lumby prepared an Affordable Housing Strategy which included a housing needs, issues and gaps analysis; this new assessment with a regional perspective is appreciated. The needs, issues and gaps analysis observed in 2017 still exist based on the new data.
- Lumby is near the average in overall RDNO stats.
- There are sixteen recent (since 2016) multi-family starts. There seems to be development interest in multiple family construction and unlike the current stock, future development may result in a better balance of housing types; multiple unit residential buildings are more affordable and affordability is a community concern, as many renters in Lumby are in core housing need. There is an expectation amongst existing residents that subsidized housing be provided to the community at a reasonable cost.
- There is evidence to suggest that Lumby is attracting businesses from Kelowna and elsewhere because of the relative affordability. There are industrial development land opportunities in Lumby and as these become developed there will be an increased market for home construction. Relocating businesses will also attract workers from other centres.

- Secondary suites are allowed in all residential zones but when and if developed will result in the supply of more affordable rental homes. When the Zoning Bylaw was updated, staff had proposed an idea to permit duplexes with secondary suites but Council decided against this. The results of this Housing Needs Assessment could change this perception because more rental units are needed.
- Most who are attracted to Lumby are middle-aged households looking for cheaper real estate.
- There is recognition that down sizers may want more opportunity to buy and stay in Lumby. There currently is no financial incentive to downsize. Developers have recently been trying to address these varying housing needs by supplying smaller housing units.
- A Habitat for Humanity proposal is being considered for a municipal site near the Municipal Office and Lumby is hopeful it will proceed and be successful. This proposal will be a multi-plex building of 6 – 9 units.
- The District is currently processing several subdivision and rezoning applications with the potential to address some of the needs identified in the Affordable Housing Strategy.

Housing Need Community Summary:		Lumby	RDNO
Overview			
Population, 2016		1,900	84,354
Share of regional population		2.2%	100.0%
Change 2011 to 2016		1.2%	0.7%
Projected 2016 to 2026		1.3%	0.9%
Tenure			
Number of Households, 2016		790	34,185
Owner		570	25,780
Renter		220	8,370
Ownership rate		72%	75%
Dwelling Mix			
Single detached		71%	64%
Semi, duplex		16%	6%
Row		10%	7%
Apartment		3%	14%
Moveable		3%	3%
Other		2%	0%
Household by Size			
1 person		29%	28%
2 persons		37%	41%
3 persons		16%	13%
4+ persons		18%	18%
Average Household size		2.4	2.3
Dwellings by Bed Count			
No bedrooms (bachelor)		2%	0%
1 bedroom		10%	9%
2 bedrooms		23%	28%
3 bedrooms		36%	31%
4 + bedrooms		27%	32%
Comparing Household Size and Dwelling Size			
Households with 2 or less people		66%	69%
Dwellings with 2 or fewer bedrooms		35%	37%

Household Type	Lumby	RDNO
<b>Family</b>		
Couple	32%	32%
Two parent + children	23%	20%
Lone-parent	8%	7%
Other family	8%	6%
<b>Non-Census-Family Households</b>		
One-person	29%	28%
Unrelated Two + persons	1%	4%
<b>Age Distribution of Household Primary Maintainer</b>		
Under 19	0%	0%
20 to 29	8%	5%
30 to 44	21%	19%
45 to 64	39%	40%
65 to 74	20%	18%
75 to 84	11%	11%
85 and over	0%	4%
Population over 65	31%	32%
Median individual age (years)	42.3	49.5
<b>Median income by Tenure</b>		
Owner income \$	\$68,793	\$75,343
Renter income \$	\$32,500	\$38,939
<b>Housing Availability</b>		
<b>Home Values and Rents</b>		
Median value of dwellings (\$)	\$300,900	\$380,900
Census median rent (\$)/month	\$752	\$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	7	245
Multi-unit	0	277
Total	7	522
Starts per 1000 Households, 2016-19 average	9	15
Percent SFD	96%	47%

### Future Housing Growth

Households 2016	764	35,016
Household projected increase, 2016-26	96	3,055
Household projected increase, 2026-36	108	3,260
Anticipated Household growth rate, 2016-26	1.3%	0.9%
Projected new households/yr, 2016-26	10	306
Average new dwellings, 2016-19	7	522
Surplus (or shortfall) vs. recent starts	-3	216

### Core Need

#### Lumby

#### RDNO

### Distribution of Need by Problem - Both Tenures

Affordability only	82%	81%
Affordability plus adequacy and/or suitability	18%	12%
Suitability only - In core housing need	0%	2%
Adequacy only - In core housing need	0%	5%

### Need by Tenure

Total count of need	95	3,880
# Owners in core need	25	1,360
# Renters in core need	70	2,520
Renters share of need	74%	65%
Incidence (acuteness of need)	12.3%	12.0%
% Owners need	4%	6%
% Renters need	33%	32%



Incidence of Need by Age of Primary Household Maintainer		
19 to 29 years	11%	7%
30 to 44 years	22%	20%
45 to 64 years	56%	42%
65 to 79 years	22%	21%
80 years and over	0%	10%
Incidence of Need by Household Type		
Total	12%	12%
Couple	0%	4%
Two parent + children	8%	5%
Lone-parent	25%	29%
Single	23%	24%
Unrelated Two +	0%	11%
Existing Social Housing		
Supportive and Assisted	-	558
Independent Social	56	752
Rent supplements and allowances	13	858
Existing Social Housing Compared to Need (Distribution)		
Core need	2.4%	100.0%
Existing Social + Supported	4.3%	0.4%
Existing Social plus Rent Assistance	3.2%	100.0%
Future Growth in Core Housing Need		
Backlog, 2016	95	3,880
Growth in need, 2016-26	12	368
Growth in need, 2026-36	13	393
Affordability Assessments		
<b>Rent:</b>	-	-
< \$500 / month	30	720
\$500-750 / month	75	1,860
\$750-1000 / month	45	2,355
\$1000-1250 / month	45	1,412
\$1250+ / month	-	1,948

<b>Income</b>	-	-
Under \$20k	65	1,905
\$20k-30k	35	1,355
\$30k-40k	30	990
\$40k-50k	20	960
\$50k+	65	3,080

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

Median Home Price, 2016	\$300,900	\$380,900
Median renter income	\$32,500	\$38,939
Monthly @30%	\$813	\$973
Maximum price (3.5%, 25yrs, 10% down)	\$180,556	\$216,330
Percentage of homes affordable to the median renter (2016)	12%	13%

## Community Summary

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# SPALLUMCHEEN



# Community Summary: Spallumcheen

## Key Highlights

- The Township of Spallumcheen, which surrounds the City of Armstrong, covers an extensive territory, representing 6% of the RDNO's total population. Between 2011-16 it counted almost no population growth (0.3% annually) and this minimal rate is projected to continue through 2026, minimizing new housing demand. This may adjust post 2026 as investment in new sewer infrastructure may aid the creation of serviced lots.
- As a largely rural community, Spallumcheen is dominated by detached homes, as well as a significant number of moveable homes (8%), and very few multiple unit structures. As a result it has a high rate of home ownership (81%).
- The age distribution is heavily dominated by a large population aged 45-64, and while it currently has a much smaller proportion of seniors (24% vs 32% for RDNO) this proportion of 45-64 year olds is poised to transition into a growing seniors population.
- Spallumcheen is among the communities with the highest median incomes in the RDNO, particularly among renters, where the median income (\$49,000) is \$10,000 higher than the regional median renter income.
- It has one of the highest median home prices and median rent levels in the region, in part because most rentals are in the form of single detached homes that attract higher rents than apartments. But the higher renter median income level is offset by high home prices such that the median renter household can afford only 16% of the existing homes in the Township.
- Together, the existing rent distribution and higher rental income should have positive impacts on the level of core housing need. Surprisingly this is not the case, as Spallumcheen has the highest incidence rate of core need (19.5%) in the region (average of 12%). The data reveal that this is caused by a disproportionately high number of households living in homes in need of major repair, often combined with affordability challenges.
- Atypically, the number of owners in need matches the number of renters in need. That being said the incidence of core need is acute for renters, one in every two renters are in core need (compared to one in every eight owners).

## Future Household Growth and Need

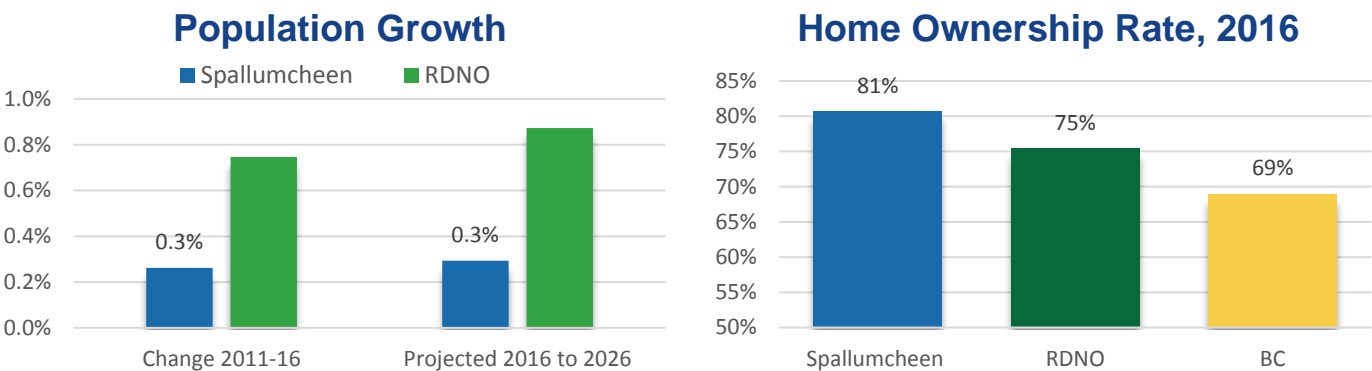
Converting projected population growth into household growth suggests the addition of only 5 to 6 households per year, for a total of 58 new households between 2016-26, and another 60 households between 2026-36. As noted above new sewer infrastructure investment may require this longer-term projection to be refined (increase potential growth).

A total of 315 households were in core need in 2016, resulting in an incidence rate of 19.5% of all households. The projected low growth rate suggests that there will be minimal growth in need, but efforts may be required to rehabilitate dwellings in need of major repair to reduce the existing backlog in need.

## Overview – Demographics and Housing Stock

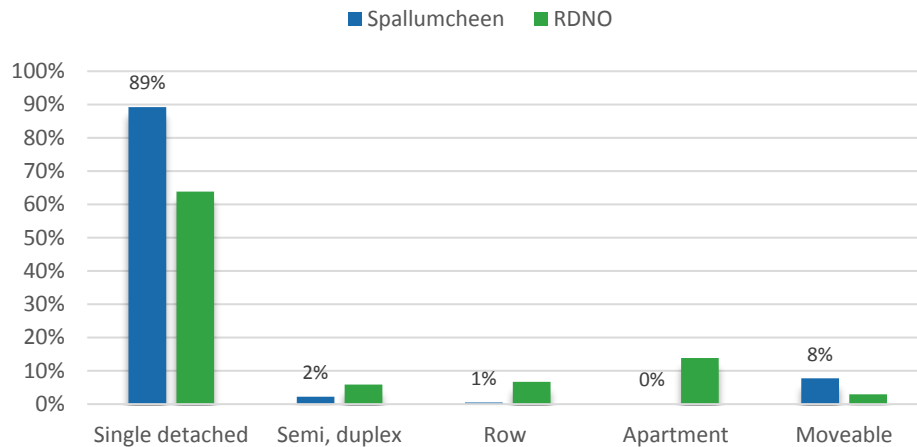
Spallumcheen covers an extensive territory and is home to just over 5,100 people, representing 6% of the RDNO's total population. Compared to Armstrong, which is one of the faster growing communities in the RDNO, Spallumcheen has experienced minimal growth (0.3% annually) which is below the average RDNO rate of 0.9% per year.

Population projections by the RDNO assume this slow rate will persist over the 2016-26 decade. This will translate into minimal new housing demand. These projections may not have incorporated recent decisions to expand sewer infrastructure in the southern part of the township, which will add serviced lots and potentially create new housing development. The design phase is occurring now with construction anticipated to occur 2022-2024, so this may increase the post 2026 projection.



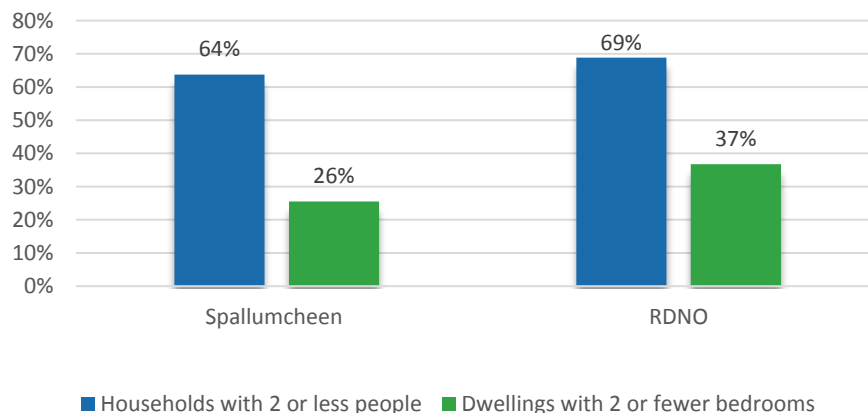
As might be expected for a rural municipality, the housing stock is primarily single detached homes (89%) and the rate of ownership is high at 81%, well above the RDNO (75%) and BC (69%) levels.

## Dwelling Mix



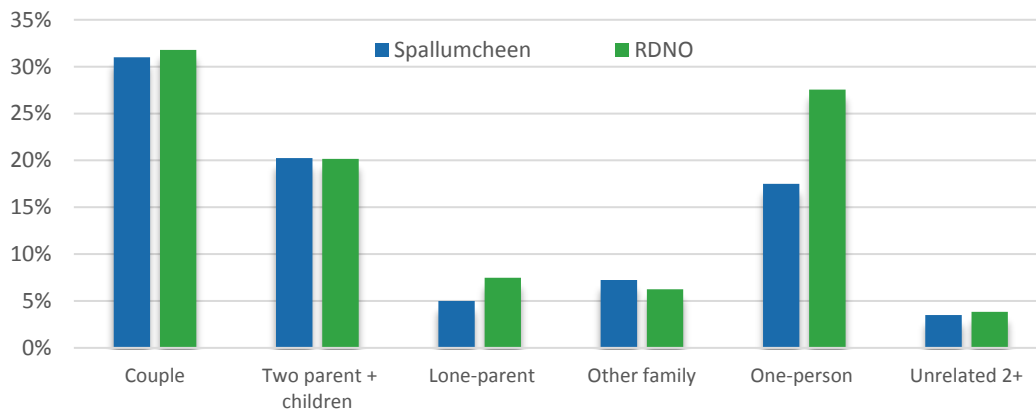
The next most common housing type is moveable dwellings (8%), with very few multi-unit semi or row dwellings and no apartment structures.

## Household Size vs Dwelling Size (# Persons vs # Bedrooms)



There is an inverse relationship between dwelling size and household size: two thirds of households have two or fewer occupants while two thirds of homes have three or more bedrooms. The high proportion of households with two or fewer people is reflected in the large number of couples with no children. The distribution by household types closely mirrors the overall RDNO pattern, although the proportion of single persons is much lower than the regional average distribution. The single largest household type is couples, many not yet over 65 years of age.

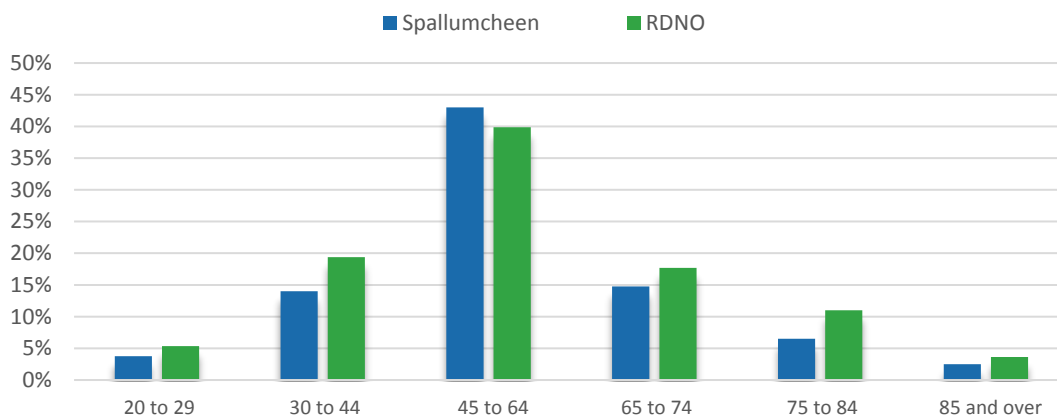
## Household Type



Spallumcheen has a somewhat younger age profile than the region as a whole, mainly due to a large cohort aged 45-64 while the proportion in the seniors groups is smaller than the regional average. Only 24% of households are headed by someone over 65 years of age – this is much lower than the 32% for RDNO and the 36% in Armstrong. This, however, is offset by the large group aged 45-64. At an individual level, the median age in Spallumcheen is 48.7, only just below the regional median of 49.5 years and 4 years older than the BC average of 43.

This suggests that as people in Spallumcheen age, they may seek to relocate into the City to be closer to services and amenities.

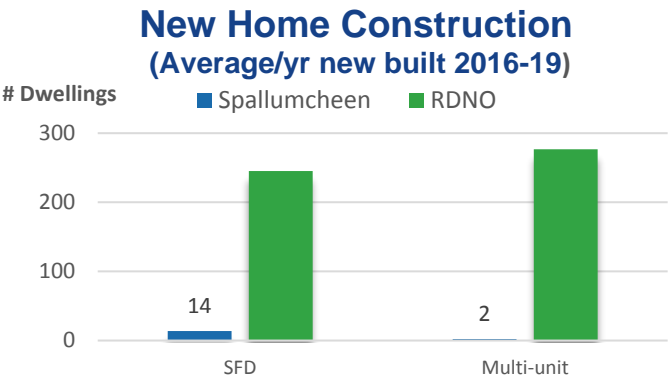
## Household Age (Primary Maintainer)



## New Housing Construction

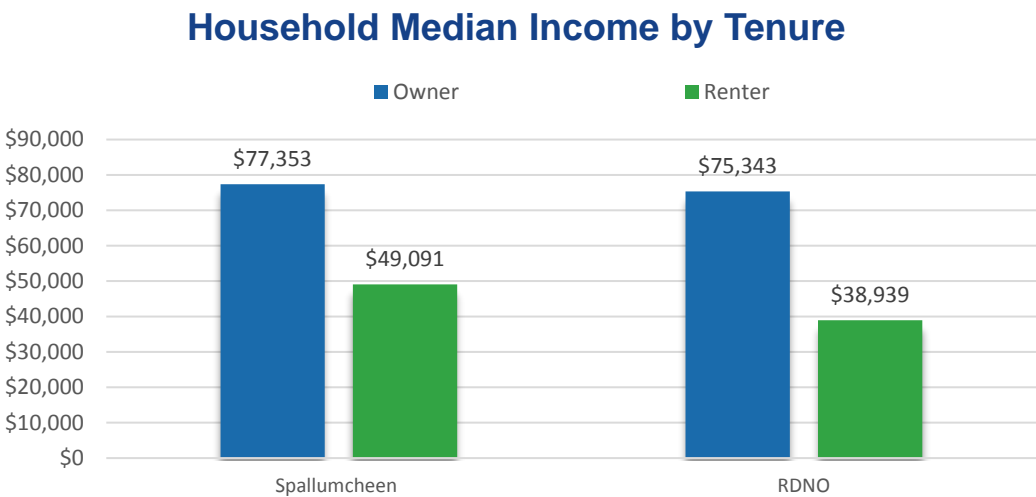
Reflecting the low rate of growth, new home construction in Spallumcheen has been quite low, averaging only 14 homes per year since 2016. Almost all have been single detached dwellings.

As a ratio of the population, this is the lowest rate of home construction in the region (8 homes per 1,000 people compared to the regional average of 15 per 1,000 people). This low rate of new home construction is likely attributed to the large portions of the Township that are occupied by the Agricultural Land Reserve, leaving very few parcels for residential development.



## Incomes

Homeowners across the Township have a relatively high median income of \$77,353 (about \$2,000 higher than the regional median) and behind only Coldstream and Electoral Area C. For renters (average income of \$49,090) the differential over the regional median household income is much greater - \$10,000 higher. To some degree this reflects the high number of couple households (two incomes) and fewer singles and lone parents (only one income).





## Housing Affordability

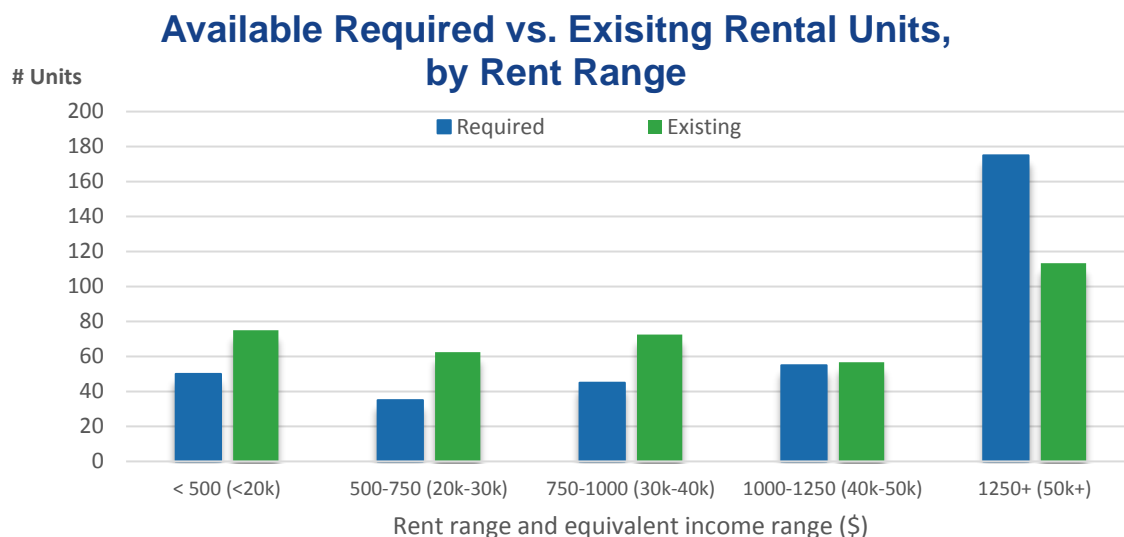
The average house value as reported in the Census (2016) was \$439,000, one of the higher medians in the region and 15% above the RDNO median price.

At the same time rents in Spallumcheen are higher than the RDNO average at \$950 per month (2016 census data – CMHC does not survey Spallumcheen as there are too few rental structures). Most rentals will be in the form of rented houses and semi-detached homes, although this is augmented by rented moveable homes.

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. In assessing rental affordability, it is noted that due to the high rate of ownership, the number of renters is quite small, so the analysis should be viewed with that caveat.

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 sufficient stock of rental options across the rent range – with more units available in the lower rent ranges than required, based on renters paying no more than 30% of income. In short, there is no mismatch in Spallumcheen which is rare and is not replicated in any other community in the RDNO.



There is a (theoretical) shortage of rentals with rents above \$1,250 per month (i.e. more units required than exist) but this appears only because higher income renter households have already found lower rent options, so this is not an issue. This would infer low levels of core housing need, but as discussed below this is not actually the case.

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. 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 (here \$273,000) is then compared to the price distribution of all homes to determine how many of the existing homes would be affordable.

As noted, across Spallumcheen the median home price is quite high, and as such sets a higher bar to access ownership. The result is that despite higher than average median renter income, the median income renter household can afford only the lowest 16% of homes, compared to only 13% for the RDNO as a whole. That being said, these renters would have greater options in other parts of the region where home values are lower.

## Core Housing Need <sup>1</sup>

Surprisingly, given the continuum of rental affordability highlighted above, core housing need in Spallumcheen is very high – in fact the highest in the RDNO, at 19.5% (compared to the RDNO average of 12%).

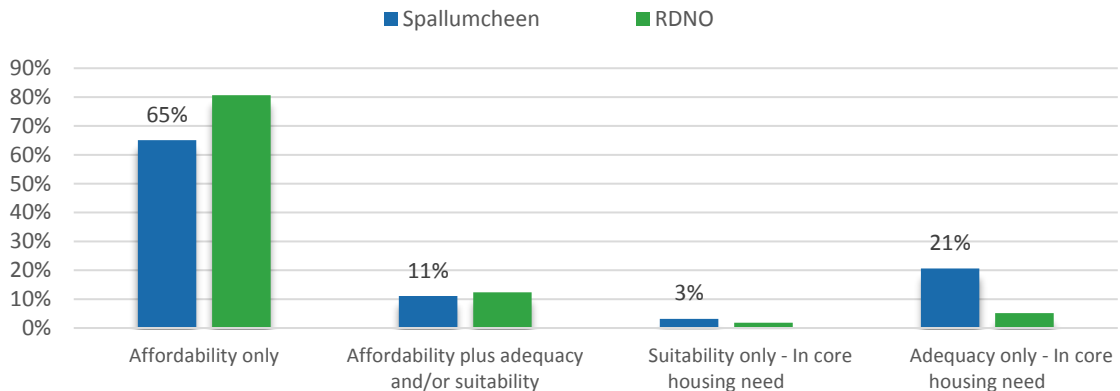
But unlike other communities where the primary issue is one of affordability, here the primary issue is poor dwelling condition. Spallumcheen is a largely agricultural community, so the higher proportion of major repair may be attributable to most of the housing stock being much older. Approximately 21% of core need households experience poor condition (adequacy), while a further 11% face some combination of affordability plus adequacy or suitability.

The total count of need (2016) was 315 households. This represents 8% of total need across the region (comparable to the 6% share of households).

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<sup>1</sup> See main report for definition and discussion of the core need concept

## Distribution of Need by Problem



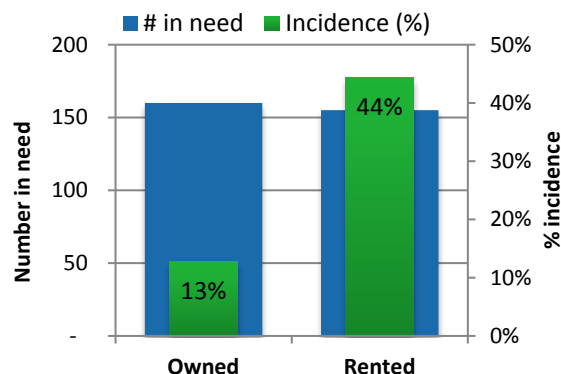
Across Canada and BC, core housing need tends to be most prevalent among renters because most issues relate to affordability and renters typically have much lower incomes than owners. In Spallumcheen the distribution is more evenly shared across the two tenures, in part due to owners facing poor dwelling conditions, as well as renters benefitting from higher than average income and thus less likely to experience the affordability problem that dominates more generally.

As illustrated below, the absolute count of households in need is almost identical for owners and renters. However because there are fewer renters (only 20% of all households rent), the incidence of these core need renters is much higher (44%) than is the case for owners (13%). Almost one in every two renters are in core need.

But the number of owners in need is much more significant than in other communities and compared to the regional average. The RDNO average reflects the provincial level of only 6% of all owners in need. In Spallumcheen the incidence is more than double at 13%.

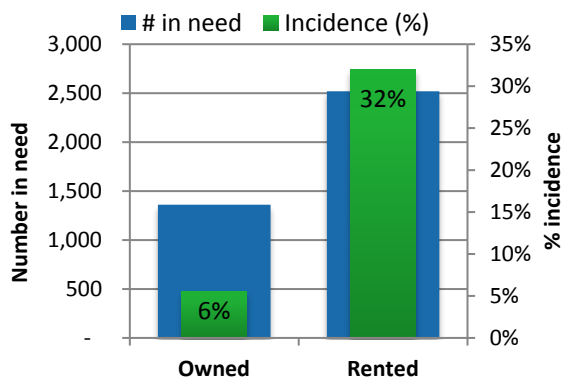
In this case the prevalence of poor dwelling conditions, especially among lower income owners (who are the ones captured in the core need concept) suggests the need for a home rehabilitation assistance program.

### Core Need: Spallumcheen



Source: Census 2016

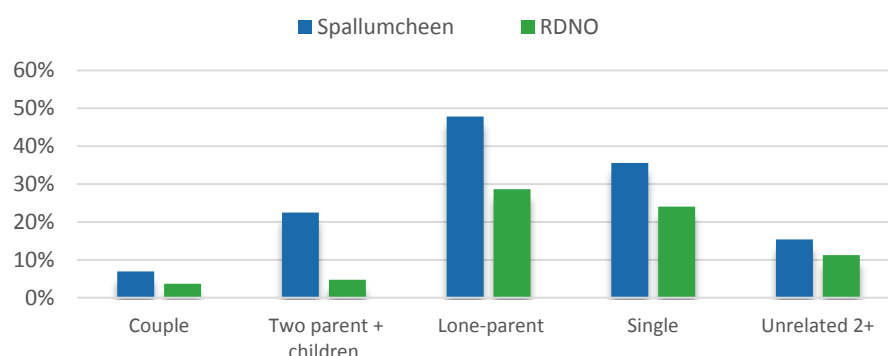
### Core Need RDNO



Source: Census 2016

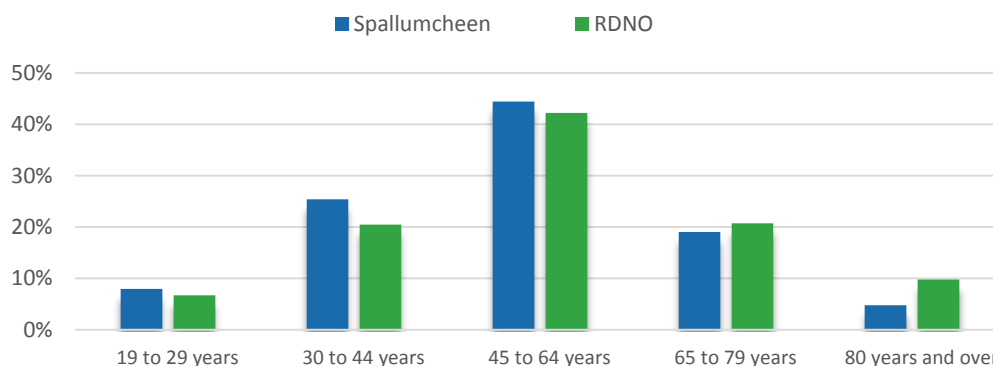
Again reflecting incomes and related affordability challenges, the incidence of core need tends to be greater among single income households – singles and especially lone parents (although as shown below, the absolute number of lone parents in need is quite small). By contrast it is very low for couples. In Spallumcheen the incidence of need is higher than usual for two parent families with children.

### Incidence of Need (%) by Household Type



Consistent with the region overall, the single highest incidence of need is among those aged 45-64 (the next generation of seniors). Almost one out of every two households aged 45-64 are in core need (44%). Those aged 30-44 are also above the RDNO average incidence, with many of these being two parent families.

### Incidence of Need (%) by Age

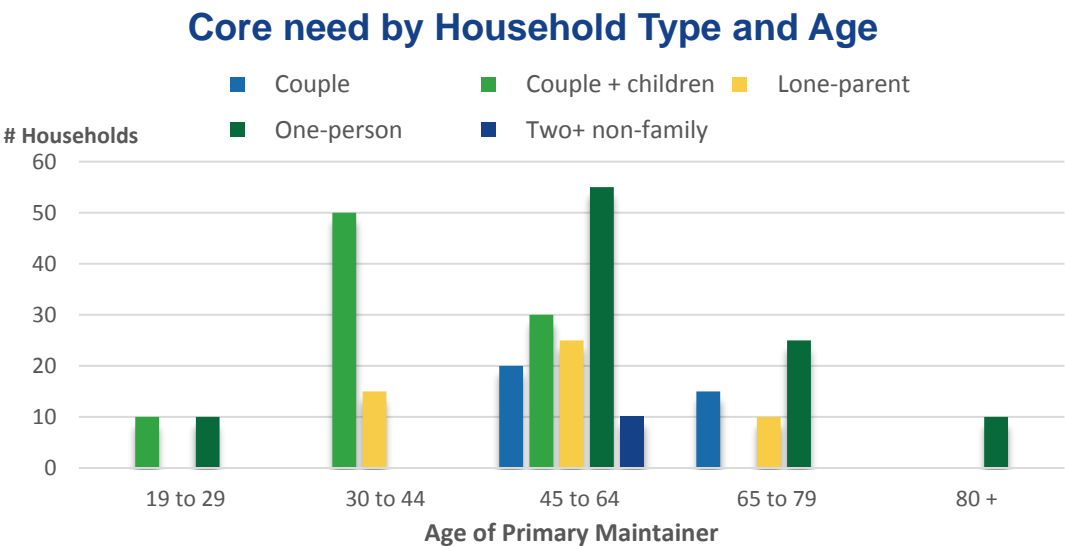


### Important to look at Count Together with Incidence

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.

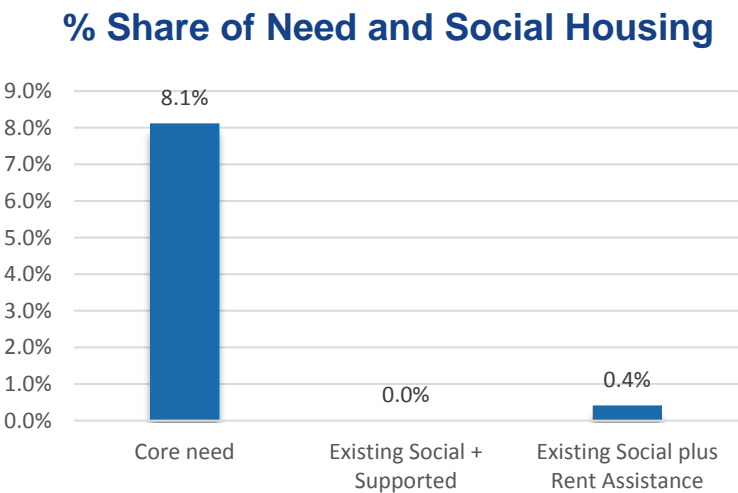
As shown here, in Spallumcheen, the high incidence for singles aged 45-64 is reinforced with the count in need, by age and household type. In a significant deviation from the normal patterns of

core need, here couples with children both 30-44 and 45-64 are the next largest groups in core need. Singles over 65 also have significant counts. While a high incidence amongst lone parents was seen above, the absolute count of lone parents in need is quite low (40% covers the larger ages of 30-64).



## 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. However as might be expected for a largely rural municipality, there is no permanent social housing in Spallumcheen. There are a small number of households that have, however, accessed rental allowances to help address high rent cost burdens.



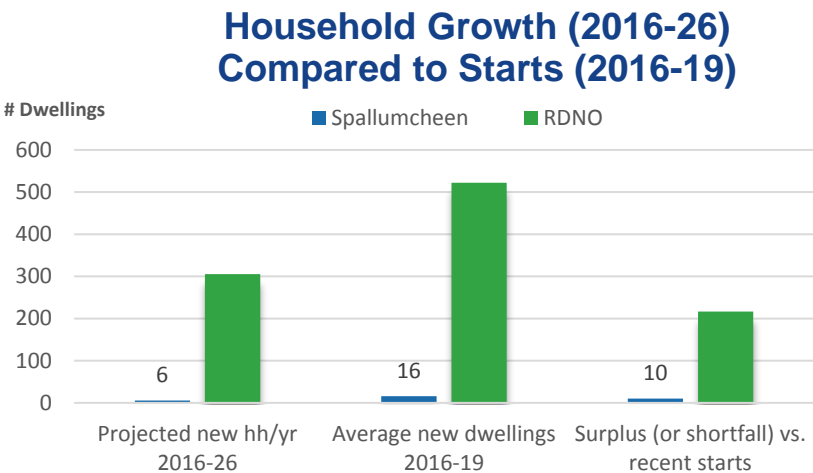
Given the high level of core need, this suggests, as illustrated below, that Spallumcheen is currently underserved. However, as highlighted, because a significant part of the core need issue here relates to poor condition, remedies should include home rehabilitation as well as additional rental assistance to renters in need.

## Future Growth and Housing Requirements

RDNO population projections suggest that the number of households in Spallumcheen will increase only slightly from just under 2,000 to roughly 2,050 by 2026.

Converting projected population growth into household growth suggests potential growth of around 5 to 6 households per year (total 58 between 2016-26, and another 60 households between 2026-36). As noted earlier, planned expansion of sewer infrastructure in the southern part of the township, anticipated to occur 2022-2024, may increase the post 2026 projection.

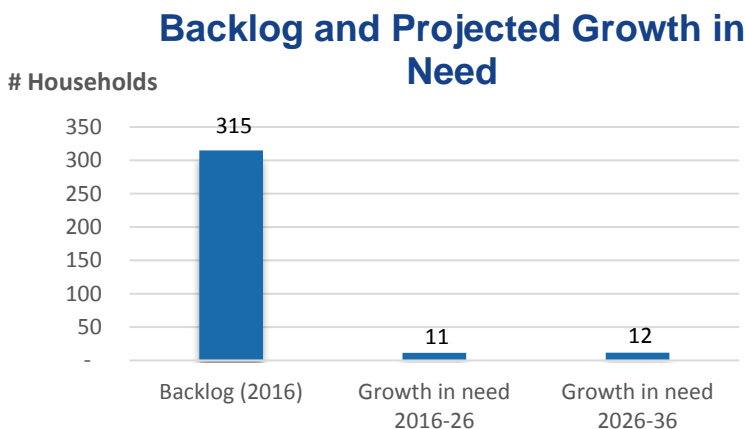
When new construction activity (average 16 units per year) is compared with recent and projected household growth (6 households per year), it appears that if that rate of new building continued, there would be a surplus. This may attract new residents and increase the rate of population growth above that projected.



## Future Core Need

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 core housing need will remain more or less unchanged (perhaps increasing by one household per year over the current decade, 2016-26).

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 (315 households in 2016).



## Considerations from Community Consultation

- Future population projections are uncertain because it is likely that there will be more smaller lot developments once new sewer services are provided. Not all estate lots are in the Agricultural Land Reserve, so it is likely that these will be subdivided at some point.
- There is a strong focus on industrial, rather than residential growth in Spallumcheen.
- Much of the existing housing stock is comprised of farm estates with second homes. New changes coming to the Agricultural Land Commission regulations may increase rental housing stock in Spallumcheen because second units would be permitted for rentals.
- Manufactured home developments are not encouraged in Spallumcheen because they have a lower tax base and also a shorter life span.
- Smaller lot, lower cost developments of \$500,000 or less are preferred in Spallumcheen because they will attract more families. Developers are starting to adjust their designs to accommodate for smaller lot development in anticipation of the sewer servicing.
- There are a lot of retirees moving away from Spallumcheen to Vernon and Armstrong once they reach a certain age because they want to downsize or they need additional amenities. The Township does not think there is a need for assisted living units in Spallumcheen but there may be more necessary in the surrounding urban communities.
- New homes are typically custom builds.

Housing Need Community Summary:		Spallumcheen	RDNO
Overview			
Population, 2016		5,106	84,354
Share of regional population		6.1%	100.0%
Change 2011 to 2016		0.3%	0.7%
Projected 2016 to 2026		0.3%	0.9%
Tenure			
Number of Households, 2016		2,000	34,185
Owner		1,615	25,780
Renter		385	8,370
Ownership rate		81%	75%
Dwelling Mix			
Single detached		89%	64%
Semi, duplex		2%	6%
Row		1%	7%
Apartment		0%	14%
Moveable		8%	3%
Other		1%	0%
Household by Size			
1 person		19%	28%
2 persons		45%	41%
3 persons		14%	13%
4+ persons		23%	18%
Average Household size		2.6	2.3
Dwellings by Bed Count			
No bedrooms (bachelor)		1%	0%
1 bedroom		5%	9%
2 bedrooms		21%	28%
3 bedrooms		36%	31%
4 + bedrooms		39%	32%
Comparing Household Size and Dwelling Size			
Households with 2 or less people		64%	69%
Dwellings with 2 or fewer bedrooms		26%	37%



Household Type	Spallumcheen	RDNO
<b>Family</b>		
Couple	31%	32%
Two parent + children	20%	20%
Lone-parent	5%	7%
Other family	7%	6%
<b>Non-Census-Family Households</b>		
One-person	18%	28%
Unrelated two + persons	4%	4%
<b>Age Distribution of Household Primary Maintainer</b>		
Under 19	0%	0%
20 to 29	4%	5%
30 to 44	14%	19%
45 to 64	43%	40%
65 to 74	15%	18%
75 to 84	7%	11%
85 and over	3%	4%
Population over 65	24%	32%
Median individual age (years)	49.1	49.5
<b>Median Income by Tenure</b>		
Owner income \$	\$77,353	\$75,343
Renter income \$	\$49,091	\$38,939
<b>Housing Affordability</b>		
<b>Home Values and Rents</b>		
Median value of dwellings (\$)	\$439,048	\$380,900
Census Median rent (\$)/month	\$950	\$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	14	245
Multi-unit	2	277
Total	16	522
Starts per 1000 Households, 2016-19 average	8	15
Percent SFD	86%	47%
Future Housing Growth		
Number of Households, 2016	1,964	35,016
Household projected increase, 2016-26	58	3,055
Household projected increase, 2026-36	60	3,260
Anticipated Household growth rate, 2016-26	0.3%	0.9%
Projected new households/yr, 2016-26	6	306
Average new dwellings, 2016-19	16	522
Surplus (or shortfall) vs. recent starts	10	216
Core Need	Spallumcheen	RDNO
Distribution of Need by Problem - Both Tenures		
Affordability only	65%	81%
Affordability plus adequacy and/or suitability	11%	12%
Suitability only - In core housing need	3%	2%
Adequacy only - In core housing need	21%	5%
Need by Tenure		
Total count of need	315	3,880
# Owners in core need	160	1,360
# Renters in core need	155	2,520
Renters share of need	49%	65%
Incidence (acuteness of need)	20%	12%
% Owners need	13%	6%
% Renters need	44%	32%

Incidence of Need by Age of Primary Household Maintainer		
19 to 29 years	8%	7%
30 to 44 years	25%	20%
45 to 64 years	44%	42%
65 to 79 years	19%	21%
80 years and over	5%	10%
Incidence of Need by Household Type		
Total	20%	12%
Couple	7%	4%
Two parent + children	22%	5%
Lone-parent	48%	29%
Single	36%	24%
Unrelated two +	15%	11%
Existing Social Housing		
Supportive and Assisted	-	558
Independent Social	-	752
Rent supplements and allowances	9	858
Existing Social Housing Compared to Need (Distribution)		
Core need	8.1%	100.0%
Existing Social + Supported	0.0%	0.4%
Existing Social plus Rent Assistance	0.4%	100.0%
Future Growth in Core Housing Need		
Backlog, 2016	315	3,880
Growth in need, 2016-26	11	368
Growth in need, 2026-36	12	393
Affordability Assessments		
<b>Rent</b>		
< \$500 / month	75	720
\$500-750 / month	63	1,860
\$750-1000 / month	73	2,355
\$1000-1250 / month	57	1,412
\$1250+ / month	113	1,948

**Income**

Under \$20k	50	1,905
\$20k-30k	35	1,355
\$30k-40k	45	990
\$40k-50k	55	960
\$50k+	175	3,080

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

Median Home Price, 2016	\$439,048	\$380,900
Median renter income	\$49,091	\$38,939
Monthly @30%	\$1,227	\$973
Max price (3.5%, 25yrs, 10% down)	\$272,727	\$216,330
Percentage of homes affordable to the median renter (2016)	16%	13%

# Community Summary

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## VERNON



# Community Summary: Vernon

## Key Highlights

- As the single largest regional city, with a population of over 40,000, Vernon heavily influences the overall statistics for the RDNO. Its population is expected to increase by 1.2% annually from 2016-26. Due to its large size, this growth rate will generate significant housing demand.
- There is a higher proportion of smaller households as well as more housing stock geared to smaller households in Vernon compared to the rest of the RDNO.
- As an urban Centre, Vernon has a lower rate of homeownership than the rest of the region, and consequently more renters. It also has a more diverse housing stock – one quarter of dwellings are apartment structures with a further 18% in small ground-oriented forms (semi-detached<sup>1</sup> and row housing<sup>2</sup>).
- Vernon dominates new home construction, with by far the largest volume of new home construction in the region at 20 homes per 1,000 people (more than double any other community in the RDNO). It is notable for adding 88% of the regional multiple unit housing stock since 2016.
- Like the region as a whole, the population is older than the BC average (43 years), with a median age (48.4) five years older than the BC median. The largest age cohort are those 45-64, who will transition to an older population as this group ages into the future.
- Median incomes of both owners (\$73,200) and renters (\$33,000) are lower than the regional medians, and these lower incomes are a significant factor impacting housing affordability and core need.
- There is a significant shortfall in lower rent options, with the result that lower income renters pay higher rents and spend over 30% for their housing. Only 12% of existing homes would be affordable for renters based on the median renter income. Vernon has a disproportionate share of the region's core housing need (60%) and this is especially high

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<sup>1</sup> A semi-detached house is defined by Statistics Canada as one of two dwellings attached side by side (or back to back) to each other, but not attached to any other dwelling or structure (except its own garage or shed). A semi-detached dwelling has no dwellings either above it or below it, and the two units together have open space on all sides.

<sup>2</sup> A row house is defined by Statistics Canada as one of three or more dwellings joined side by side (or occasionally side to back), such as a townhouse or garden home, but not having any other dwellings either above or below. Townhouses attached to a high-rise building are also classified as row houses.



for renter households (most of whom live in Vernon). The absolute count of renters in need is triple that of owners, and more significantly the incidence of need is far higher for renters – one in three renters are in core need (33%), compared to one in 20 owners (5%).

- Singles, aged 45-64, are the largest count in need, followed by singles over 65. Singles over 80 are also prominent.

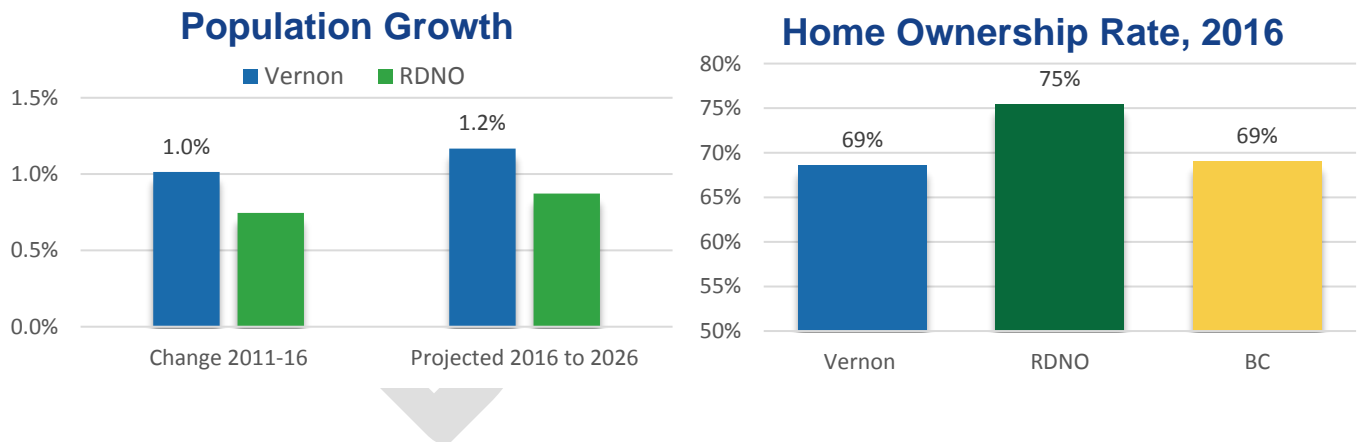
## Future Household Growth and Need

Converting projected population growth into household growth suggests potential growth of 200 households per year, for a total of 2,130 between 2016-26, and another 2,375 households between 2026-36.

It is estimated that core housing need will expand by a further 287 households in total (29 households annually) over the current decade, 2016-26. But more important is the existing backlog of need, totaling approximately 2,330 households.

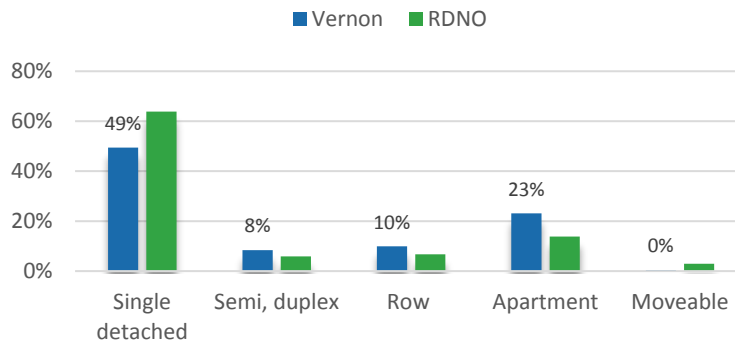
## Overview – Demographics and Housing Stock

As the central and largest city in the region, the City of Vernon has a substantial influence on the overall statistics for the RDNO. With a population (2016) of just over 40,000, it represents 47% of the regional population. Over the past decade it has grown faster than most of the surrounding communities and its population is expected to increase by 1.2% annually from 2016-26. Due to its large size, this growth rate will generate significant housing demand.



As an urban community with a wider range of dwelling types and larger proportion of multiple unit structures, Vernon has the lowest rate of homeownership in the region (68.6%). is the ownership rate is almost the same as the rate for BC as a whole, which too is dominated by a more diverse housing stock (higher number of renters) in larger metro regions, at 69%,

## Dwelling Mix

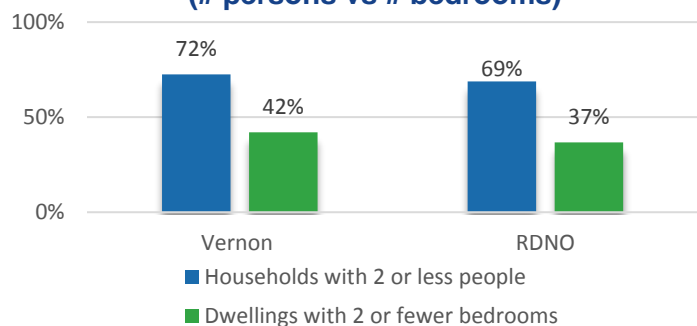


Only half of the homes in Vernon are single detached, a form that dominates other communities. Meanwhile almost one quarter of dwellings are in apartment structures complemented by an additional 18% of dwellings which are also smaller, multi-family units (semi-detached, duplex and row structures). These multiple unit forms lend themselves to rental which is reflected in the lower rate of ownership in Vernon compared to all other communities in the RDNO.

This diverse mix of dwelling types includes smaller dwellings (apartments) and as a result there is a closer match between household size and dwelling size.

While 72% of homes have 2 or fewer people, suggesting a need for smaller dwellings up to 2 bedrooms, the stock of housing providing two or fewer bedrooms accounts for only 42% of homes. 58% of dwellings are larger (by bed count). In many cases this reflects a traditional family home, where children have grown and left empty bedrooms. For many households, they prefer to remain in their family homes, where they have many memories; others may seek to downsize, both for financial and suitability reasons. The low proportion of smaller dwellings can constrain options. In particular, given the existing mismatch between dwelling size and household size, it would be desirable to see a stronger emphasis on smaller dwellings as new construction adds more homes. As discussed later, it appears that the development industry has adopted to some extent, to these shifting requirements, at least in Vernon but not in the surrounding smaller communities.

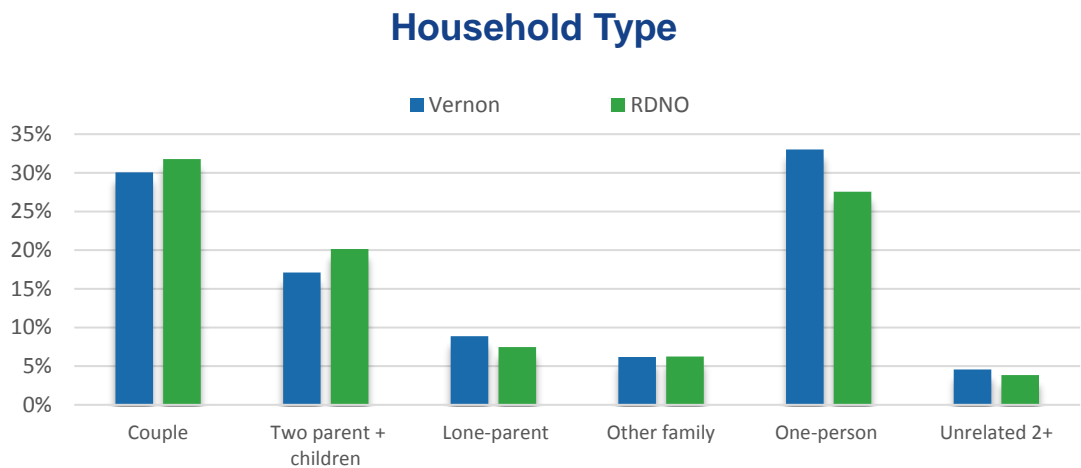
## Household Size vs Dwelling Size (# persons vs # bedrooms)



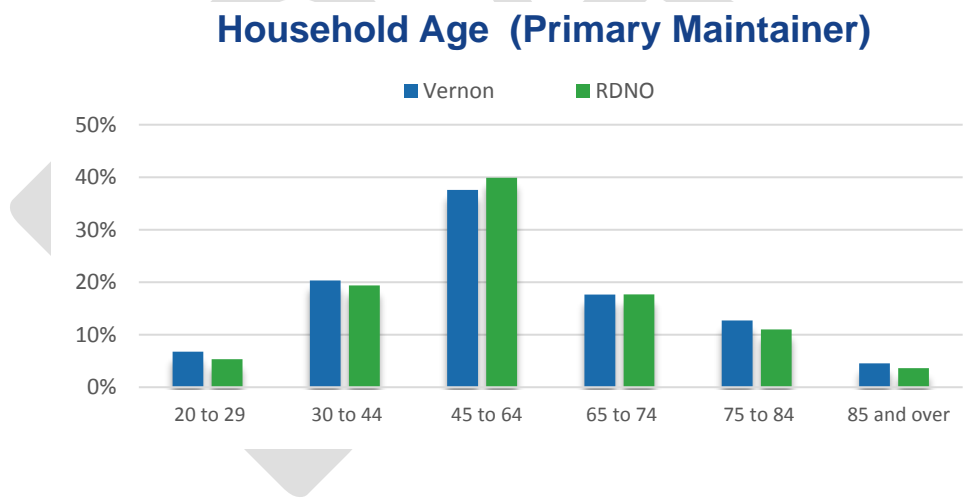
The high proportion of households with two or fewer people is reflected in the large number of couples with no children and single person households, which is the single largest household type in Vernon, and a larger proportion than in all of the other North Okanagan communities. This high number and proportion of singles reflects the availability of small dwelling types, which may suit their requirements (and budget) better than a larger detached home.



The distribution by household types closely mirrors the overall RDNO pattern, although the proportion of couples, with and without children is slightly lower than the RDNO average. Singles are more prominent as noted and there is a slightly larger proportion of lone parent families.



Breaking this down further by age groups, we see a bell curve with the largest number of households headed by someone aged 45-64, although this group is slightly smaller than the RDNO average, indicating that outlying smaller communities have more people aged 45-64. There are also marginally more young households between the ages 20-29 (7% vs 6%) and 30-44 (20% vs 19%) in Vernon.

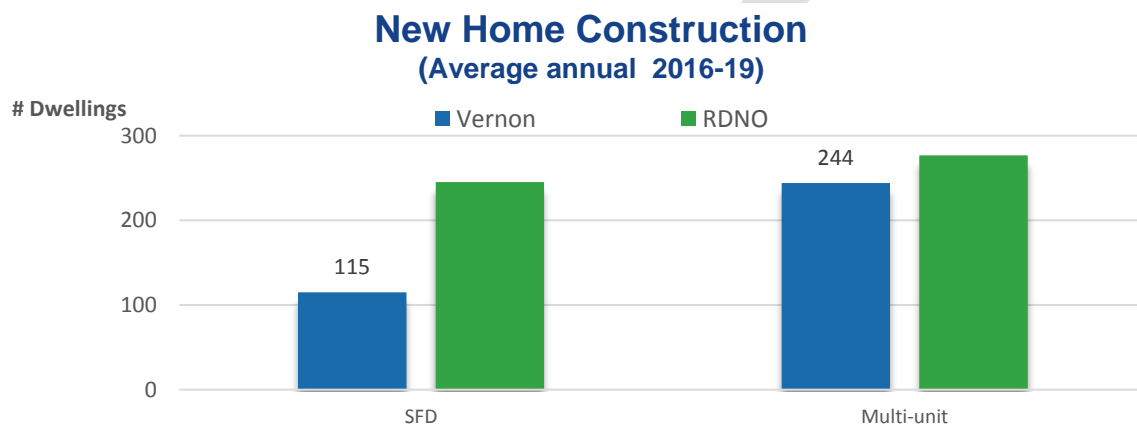


The median age for individuals of 48.4 years is just below that for the RDNO (49.5) but five years older than the overall BC median age of 43.

## New Housing Construction

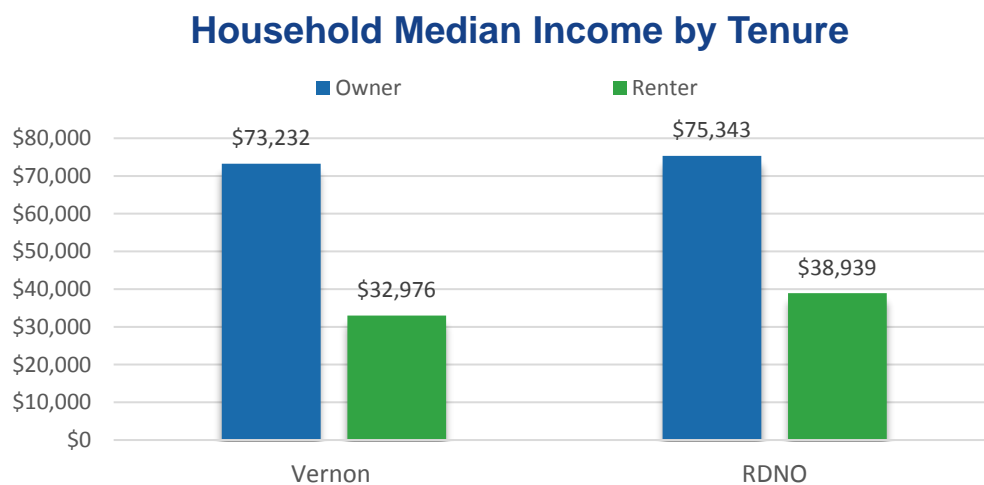
The majority of new housing construction across the region since 2016 has occurred in Vernon. This is especially true for multiple unit structures, where Vernon accounts for 88% of all starts. Because the other communities tend to build predominantly detached homes, Vernon's share of detached housing accounts for only half of the regional annual average new home construction.

As a ratio of the population, Vernon has by far the largest volume of new home construction in the region at 20 homes per 1,000 people. This compares to the regional average of 15 per 1,000 people, and outside Electoral Area F (11/1,000) no other community has a ratio above 10 per 1,000 population.



## Incomes

Households in Vernon have a lower income profile than the regional average and lower than half of the outlying communities, more so for renters. Based on the 2016 census (2015 income) the median owner household had an income of just over \$73,000 which is \$2,000 less than the regional median. Renters were \$6,000 below the RDNO median at only \$33,000.



This lower income profile reflects a combination of older retired households and more particularly, the large proportion of single person (thus single income) households

While it is typical for renter median incomes to be much lower than that of owners, here the gap is wider than normal, with renter median income at only 45% that of owners.

Inevitably, lower incomes, especially for renters, translates into affordability challenges and higher rates of core housing need.

## Housing Affordability

The average house value in Vernon as reported in the Census (2016) was \$350,000, roughly 10% lower than the RDNO median price. Again, the lower values of smaller condo apartments, compared to detached homes, will have a larger influence in Vernon.

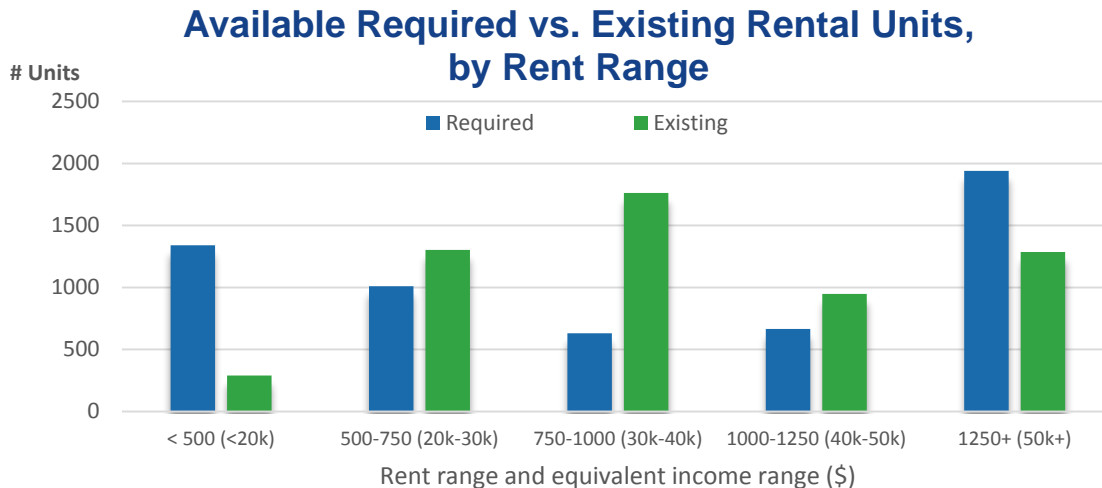
Because most rentals in the region, especially the CMHC surveyed “purpose built” rental structures, are in Vernon, the Vernon median rents mirror those for the region (2016 Census rents). Vernon is however surveyed annually as part of the rent survey so more current data is available for the purpose-built stock which accounts for 34% of all rentals as captured in the Census.

Because the Census set of rentals includes rented homes, suites in homes, as well as rented condominium units, rents tend to be higher than the narrower apartment stock in the CMHC survey. For comparison, the 2016 CMHC average rent was \$781 / month, while the census average was \$904 / month. Notably, with low vacancy rates (see Regional overview) purpose-built unit rents have inflated and in October 2019 were \$947 / month.

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. In assessing rental affordability, it is noted that due to the high rate of ownership, the rental universe is quite small, so the analysis should be viewed with that caveat.

As noted above, the lower incomes in Vernon, especially for renters are a significant factor. While a generally lower rent level exists, the number of low rental units is insufficient relative to what is required, based on incomes.

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 significant shortage of lower rent units – there are four times as many renters that can afford no more than \$500 per month than there are units in that rent range, a shortage of over 1,000 units. Meanwhile there appears to be a “surplus” in the \$500-750 per month range and especially in units above \$750 per month, but because there are insufficient lower rent units, many lower income households unable to fund affordable rentals are living in these higher rent units. In doing so, these households will be paying well over 30% of their income on housing so will be captured in the count of renters in core housing need.

There is a (theoretical) shortage above \$1,250 per month, (i.e. more units required than exist) but this appears only because higher income renter households have already found lower rent options, so this is not an issue.

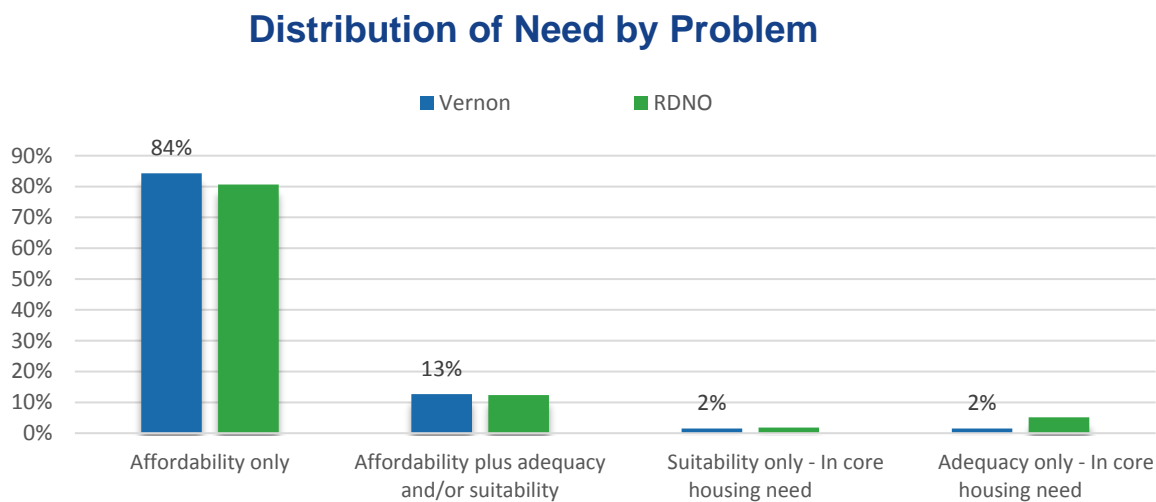
It is also possible to examine the capacity of current renters to transition into ownership. Using the median income and the income distribution of renters that may aspire to become owners, we can determine what percentage of these renters can purchase. The median income is converted to a potential capacity 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 (here \$183,200) is then compared to the price distribution of all homes to determine how many of the existing homes would be affordable.

Notwithstanding the lower median home values helped by small apartment type condominiums, in Vernon, the low renter income median means that the median income renter household can afford only the lowest 10% of homes, compared to 13% for the RDNO as a whole.

## Core Housing Need <sup>3</sup>

As suggested above based on low renter incomes, the incidence of core housing need in Vernon (13.5%) is higher than the RDNO average where 12% of households are in need. Due to the much larger size of Vernon, the absolute count of need is concentrated here, especially for renters.

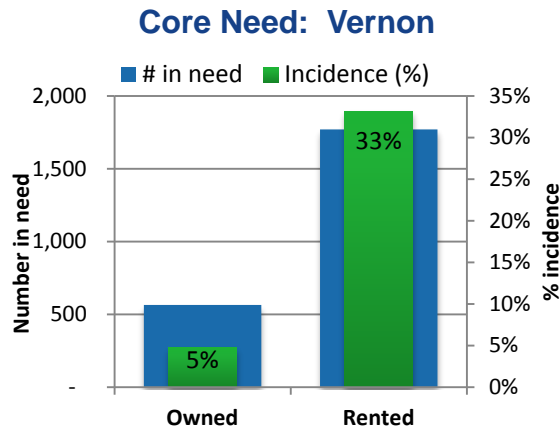
The majority of core need problems relate to affordability reflecting both low incomes and the noted insufficient stock of lower rent units. This slightly exceeds the RDNO average share at 84%. Adding those that experience a combination of problems including affordability raises the total facing an affordability problem to 97% of core need issues. A small proportion of households experience suitability (crowding) or adequacy (poor condition) issues only.



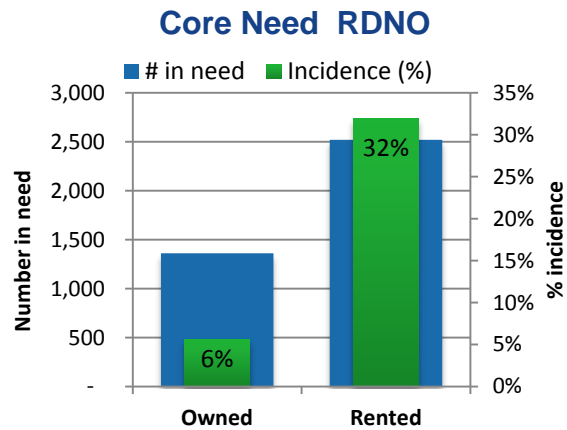
In total there are some 2,330 households in core housing need in Vernon. This represents 60% of total need across the region, a disproportionate share compared to the distribution of all households (52% in Vernon).

Across Canada and BC, core housing need tends to be most prevalent among renters (because most issues relate to affordability and renters typically have much lower incomes than owners) - this is very evident in Vernon as the absolute count of renters in need is triple that of owners. More significantly, the incidence of need is far higher for renters – one in three renters are in core need (33%), compared to one in 20 owners (5%).

<sup>3</sup> See main report for definition and discussion of the core need concept



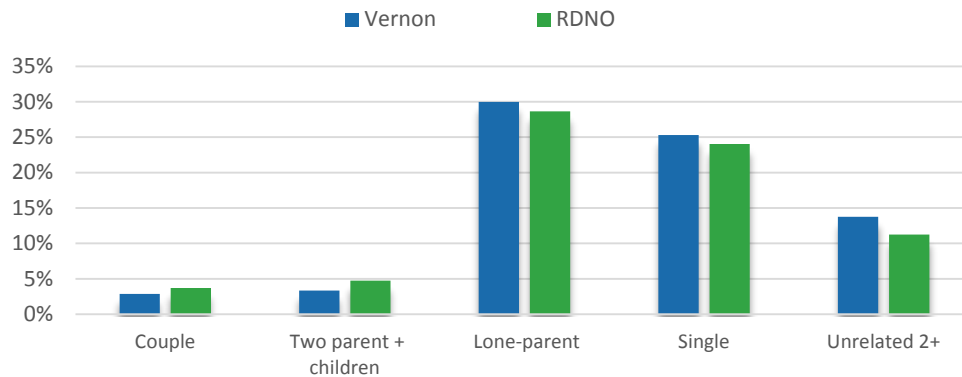
Source: Census 2016



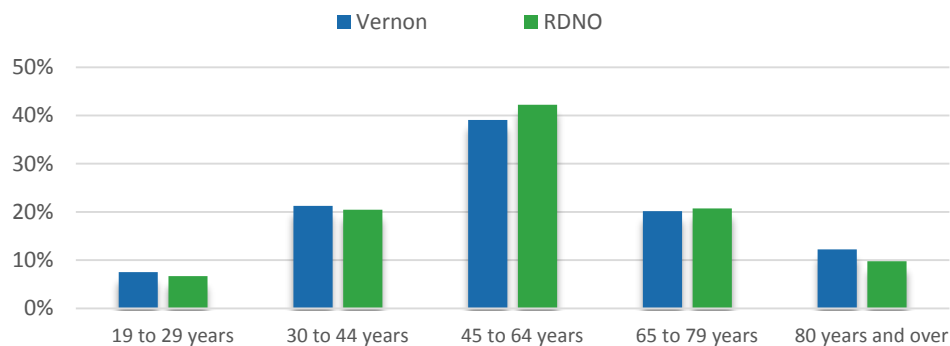
Source: Census 2016

Again reflecting incomes and related affordability challenges, the incidence of core need is greater among single income households – singles and especially lone parents. By contrast it is low for couples with and without children.

## Incidence of Need (%) by Household Type



## Incidence of Need (%) by Age



When examined based on the age of the primary household maintainer the incidence is highest for those aged 45-64 (39%), marginally below the incidence for the RDNO as a whole. The incidence for the adjacent age groups (30-44 and 65-79), is similar, at 20% in each. The incidence for seniors over age 80 is notably higher at 12% than the RDNO average.

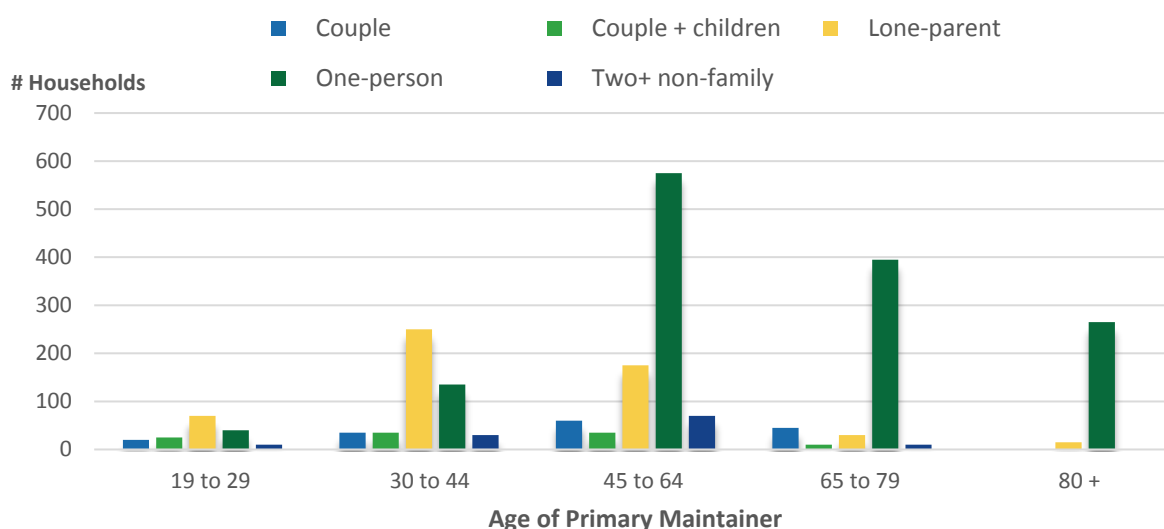
### Important to Look at Count Together with Incidence

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 effects.

As shown here, in Vernon, the high incidence for singles aged 45-65 is reinforced with the count in need, by age and household type. Singles aged 45-64 are the single largest count in need, followed by singles over 65. Singles over 80 are also prominent, and in this case some may require some form of supported independent living or care.

A high incidence among lone parents, as seen above, is also reflected across three age groups under 65. Meanwhile alongside a low rate of incidence, couples with and without children present a relatively low count.

### Core Need by Household Type and Age

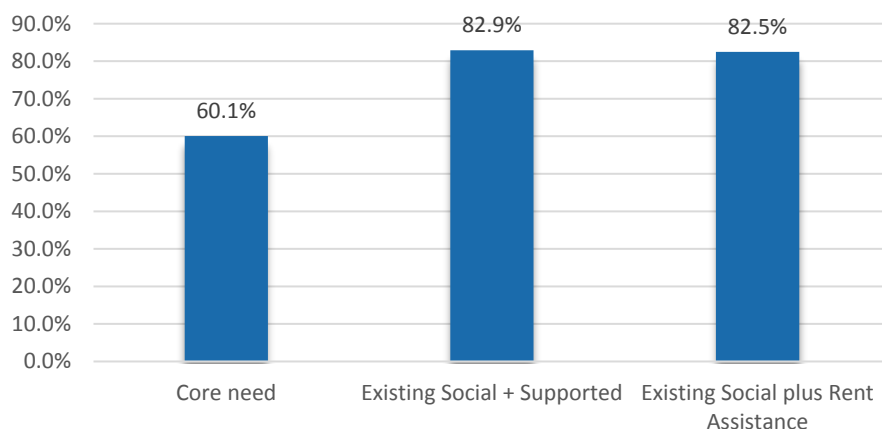


### Existing Social Housing

As a result of past and current funding programs, a small social housing stock has been built across parts of the RDNO. As a large regional centre, of the majority of this has been constructed or funded in Vernon. Just over 640 of the region's 750 social housing units are located in Vernon. These are augmented by some 440 units of assisted and supportive living for seniors. Another 700 households receive rental allowances to help reduce high rent burdens.

The combined forms of social and assisted housing result in Vernon having a higher share (83%) of regional housing assistance and based on a regional share of existing resources, Vernon appears to be overserved (60% of need). However, based on the backlog of unmet need, all communities require additional assistance.

### % Share of Need and Social Housing



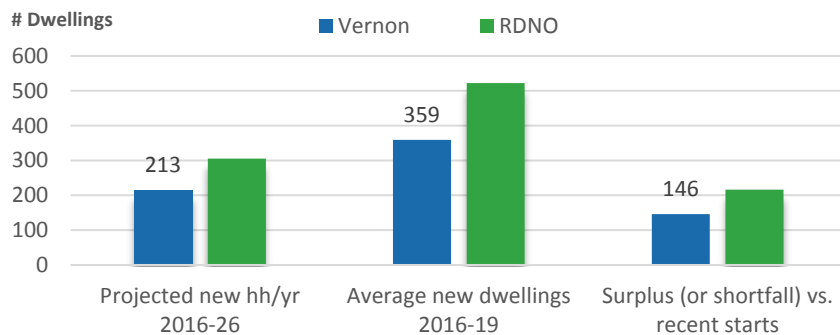
With over 80% of need associated with affordability only, this could be addressed through an expansion of rental assistance – it may not be necessary to construct new social housing, although that may be appropriate for special needs populations including frail seniors and formerly homeless with high acuity needs requiring permanent supportive housing to sustain housing stability.

### Future Growth and Housing Requirements

Vernon's population is projected to continue to increase at 1.2% annually over 2016-26. Given the large existing population, this will add an additional 4,500 people in that decade.

Converting projected population growth into household growth suggests potential growth of around 200 households per year for a total of 2,130 between 2016-26, and another 2,375 households between 2026-36.

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





When new construction activity (average 359 units per year) is compared with recent and projected household growth (213 households per year), it appears that if the current rate of new building continued, there would be a surplus of new housing. This could potentially attract a high number of new households and thus a higher growth rate.

Moreover, this new construction in Vernon has been skewed in favour of smaller multiple unit structures, which is more consistent with the growth pattern – predominantly older, childless couples and singles.

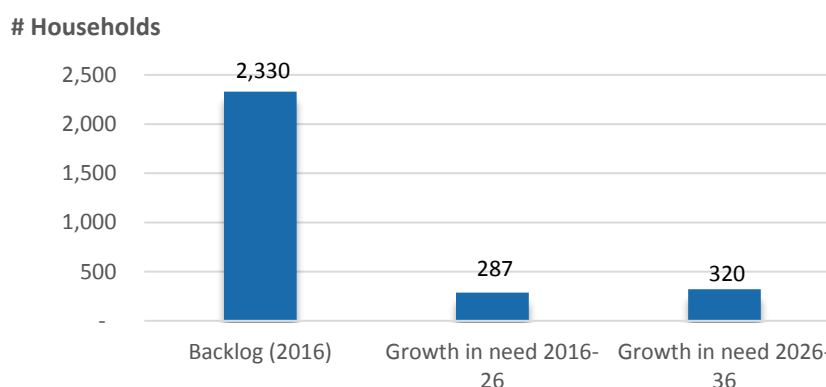
As such, it may compensate for the lack of such housing opportunities in the surrounding smaller communities causing a pattern of increased urbanization centered on Vernon.

## Future Core Need

We can assess how core housing need may 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). On this basis, it is estimated that core housing need will expand by a further 287 households in total (29 households annually) over the current decade, 2016-26.

While policies and initiatives should aim to minimize or negate any growth in core need, it is also necessary to reduce the substantial backlog of unmet need that remained in 2016 (2,330 households).

### Backlog and Projected Growth in Need



## Considerations from Community Consultation

- A shift in the types of housing provided is dependent on the development community. The trend still is for larger single-family construction and the development community wants to focus on this. Currently most developers are saying the market is looking for >\$800,000 houses. Most people living in Vernon do not want to live in an apartment, they want to live in a more affordable house. More 2- or 3-bedroom home options are needed. Existing smaller homes are older and require many upgrades.
- The chart on page 7 displaying rent-to income suggests that there are approximately 1,000 households looking for higher-end rental >\$1500 / month. This is theoretical, as most have found lower rent options and may be happy with what they have. Despite this theoretical

shortfall, Vernon is not the high-income retirement community that it is perceived to be, it is actually closer to national demographic averages.

- There are a small number of developers buying lots in downtown Vernon with plans to build smaller multi-unit developments. There is a lack of housing that is between a single family dwelling and an apartment.
- There are many 55+ housing developments that offer maintenance-free living but the cost of the home is still high and the house is large. These do not serve the interests of those who may wish to downsize. There is a need to expand the inventory of senior housing types.
- It's important to note that while the majority of homeowners are residents, 15-20% of homes are used for vacation purposes (Adventure Bay, Predator Ridge, the Outback, Bella Vista).
- Building more affordable housing would allow for some renters to enter homeownership tenure status, however rental subsidies are needed to alleviate wait lists for housing. There are no rental supports for singles under the age of 65.
- Migration to Vernon is expected to increase. Many people are looking now at Vernon instead of Kelowna. This is largely from the following groups:
  - Retirees from the Lower Mainland and Alberta
  - Young families (housing is more affordable than Kelowna)
  - Entrepreneurs and remote workers who can work from home (Vernon is participating in the Rural and Northern Immigration Pilot Federal program to attract up to 300 skilled workers to the region)
  - Other features that make Vernon attractive are: the climate, recreational opportunities, hospital and health amenities, and proximity to the airport and Kelowna.
- It may be reasonable to obtain a larger community amenity contribution for the broader community from developers that build large, expensive, single detached homes.

Housing Need Community Summary:		Vernon	RDNO
Overview			
Population, 2016		40,116	84,354
Share of regional population		47.6%	100.0%
Change 2011 to 2016		1.0%	0.7%
Projected 2016 to 2026		1.2%	0.9%
Tenure			
Number of Households, 2016		17,795	34,185
Owner		12,205	25,780
Renter		5,590	8,370
Ownership rate		68.6%	75%
Dwelling Mix			
Single detached		49%	64%
Semi, duplex		8%	6%
Row		10%	7%
Apartment		23%	14%
Moveable		0%	3%
Other		0%	0%
Household by Size			
1 person		33%	28%
2 persons		39%	41%
3 persons		13%	13%
4+ persons		15%	18%
Average Household size		2.2	2.3
Dwellings by Bed Count			
No bedrooms (bachelor)		1%	0%
1 bedroom		10%	9%
2 bedrooms		31%	28%
3 bedrooms		30%	31%
4 + bedrooms		28%	32%
Comparing Household Size and Dwelling Size			
Households with 2 or less people		72%	69%
Dwellings with 2 or fewer bedrooms		42%	37%

Household Type	Vernon	RDNO
<b>Family</b>		
Couple	30%	32%
Two parent + children	17%	20%
Lone-parent	9%	7%
Other family	6%	6%
<b>Non-Census-Family Households</b>		
One-person	33%	28%
Unrelated two + persons	5%	4%
<b>Age Distribution of Household Primary Maintainer</b>		
Under 19	0%	0%
20 to 29	7%	5%
30 to 44	20%	19%
45 to 64	38%	40%
65 to 74	18%	18%
75 to 84	13%	11%
85 and over	5%	4%
Population over 65	35%	32%
Median individual age (years)	48.4	49.5
<b>Median Income by Tenure</b>		
Owner income \$	\$73,232	\$75,343
Renter income \$	\$32,976	\$38,939
<b>Housing Availability</b>		
<b>Home Values and Rents</b>		
Median value of dwellings (\$)	\$349,942	\$380,900
Census median rent (\$)/month	904	\$903
CMHC average rent, 2019	947	947
CMHC rental vacancy rate (%), 2019	1.7%	1.7

Housing Construction (Average Annual Starts 2016-19)		
SFD	115	245
Multi-unit	244	277
Total	359	522
Starts per 1000 Households, 2016-19 average	20	15
Percent SFD	32%	47%
Future Housing Growth		
Number of Households, 2016	18,235	35,016
Household projected increase, 2016-26	2,128	3,055
Household projected increase, 2026-36	2,376	3,260
Anticipated Household growth rate, 2016-26	1.2%	0.9%
Projected new households/yr, 2016-26	213	306
Average new dwellings, 2016-19	359	522
Surplus (or shortfall) vs. recent starts	146	216
Core Need	Vernon	RDNO
Distribution of Need by Problem - Both Tenures		
Affordability only	84%	81%
Affordability plus adequacy and/or suitability	13%	12%
Suitability only - In core housing need	2%	2%
Adequacy only - In core housing need	2%	5%
Need by Tenure		
Total count of need	2,330	3,880
# Owners in core need	565	1,360
# Renters in core need	1,770	2,520
Renters share of need	76%	65%
Incidence (acuteness of need)	13.5%	12.0%
% Owners need	5%	6%
% Renters need	33%	32%

Incidence of Need by Age of Primary Household Maintainer		
19 to 29 years	8%	7%
30 to 44 years	21%	20%
45 to 64 years	39%	42%
65 to 79 years	20%	21%
80 years and over	12%	10%
Incidence of Need by Household Type		
Total	13%	12%
Couple	3%	4%
Two parent + children	3%	5%
Lone-parent	30%	29%
Single	25%	24%
Unrelated two +	14%	11%
Existing Social Housing		
Supportive and Assisted	443	558
Independent Social	643	752
Rent supplements and allowances	702	858
Existing Social Housing Compared to Need (Distribution)		
Core need	60.1%	100.0%
Existing Social + Supported	82.9%	0.4%
Existing Social plus Rent Assistance	82.5%	100.0%
Future Growth in Core Housing Need		
Backlog, 2016	2,330	3,880
Growth in need, 2016-26	287	368
Growth in need, 2026-36	320	393
Affordability Assessments		
<b>Rent</b>		
< \$500 / month	290	720
\$500-750 / month	1,303	1,860
\$750-1000 / month	1,763	2,355
\$1000-1250 / month	948	1,412
\$1250+ / month	1,287	1,948

**Income**

Under \$20k	1,340	1,905
\$20k-30k	1,010	1,355
\$30k-40k	630	990
\$40k-50k	665	960
\$50k+	1,940	3,080

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

Median Home Price, 2016	\$349,942	\$380,900
Median renter income	\$32,976	\$38,939
Monthly @30%	\$824	\$973
Maximum price (3.5%, 25yrs, 10% down)	\$183,201	\$216,330
Percentage of homes affordable to the median renter (2016)	10%	13%



## Community Summary

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# ELECTORAL AREA B & ELECTORAL AREA C

A photograph of a white, two-story house with a grey roof and a large window, partially obscured by a large tree and a driveway. The house has a white exterior and a grey roof. A large window with a white frame is visible on the side of the house. A large tree with dark green leaves is in the foreground, partially obscuring the house. A driveway is visible on the right side of the house. The sky is blue with some clouds.



# Community Summary: Electoral Areas B and C

## Key Highlights

- These two Electoral Areas have populations of 3,200 and 3,870 people respectively and together account for 8.4% of the region's population. Based on projected growth patterns we would expect to see minimal new housing demand in either Electoral Area.
- Both are exurban-rural communities dominated by detached homes and have very high levels of ownership (85%) and few rental homes.
- The age distribution is heavily dominated by a large population aged 45-64, and a proportion of seniors just below the RDNO average of 32%. The median age is just above that of the RDNO (49.5 years) with Area B at 50.1 years, but two years younger in Area C at 47.3. Both are well above the BC average of 43 years.
- Households across these two EAs have median incomes at (Area B) or well above (Area C, \$13,000 above) the RDNO median.
- Home values are among the highest in the region, and with median renter incomes only marginally above the regional median, access to ownership is quite constrained. In Area B, the median income renter household can afford only the lowest 12% of homes; and in Area C the lowest 4% of homes. This compares to 13% for the RDNO as a whole.
- Given the small populations, the total count in need is quite low and the incidence rate of core need is the lowest in the RDNO. Area B has an incidence of core need of 7.2% and Area C is half of that at 3.9%, both well below the RDNO overall core need rate of 12%.
- Atypically, the number of owners is almost the same as the number of renters in core need, although because there are far fewer renters overall in each area the incidence of need among renters is much higher (22% in Area B and 14% in Area C), however it is still well below the RDNO overall incidence of 32% among renters.
- In absolute terms, the largest group in need are single persons aged 45-64 (29% of all need) – the next generation of seniors, followed by seniors 65-79 (at 24%).

## Future Household Growth and Need

Converting projected population growth into household growth suggests these two Electoral Areas will have no new housing requirements in the decade 2016-26. Looking beyond 2026, it is likely that the projection will need to be revised upward to reflect the impact of planned sewer infrastructure that is currently in design and scheduled for construction in 2022-24. This will increase the supply of serviced lots and therefore impact housing construction and household growth.

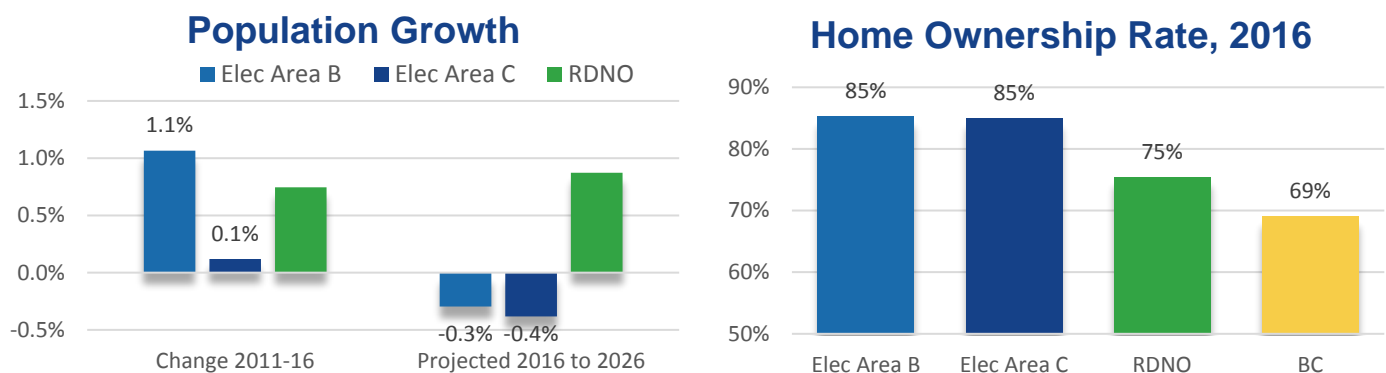
In parallel it is estimated that core housing need will likely remain unchanged, at least through 2026.

## Overview – Demographics and Housing Stock

These two Electoral Areas cover a geographic area immediately adjoining the Vernon-Coldstream conurbation. Electoral Areas B and C house 3,200 and 3,870 people respectively each accounting for around 4 % of the region's population (total together 8.4%).

Recent growth patterns have been quite different, with Area B growing faster (1.2% annually) than the regional average and Area C experiencing very little growth (0.2% annual). This is projected to change with minimal growth projected for 2016-26.

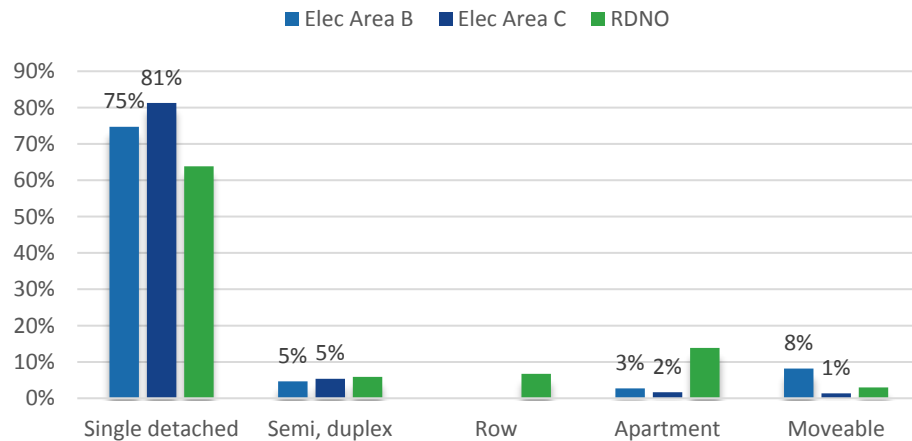
Based on projected growth patterns we would expect to see a modest increase in housing demand and requirements in both areas. However, with scheduled sewer infrastructure construction in 2022-24, it is likely that higher levels of household and population growth may occur in the later 2026-36 decade.



Homeownership rates are identical in both Electoral Areas and are well above the regional and provincial averages.

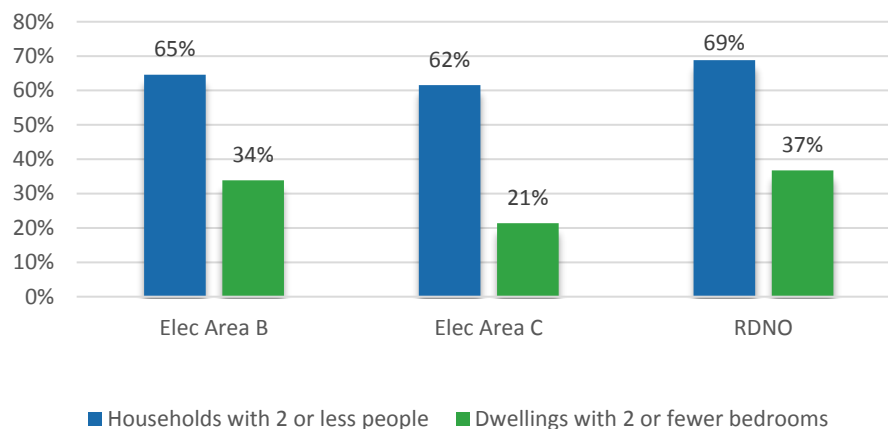
Due to the more rural character and high levels of homeownership, it is not surprising that both EAs are dominated by single detached homes and very few multiple unit structures.

## Dwelling Mix



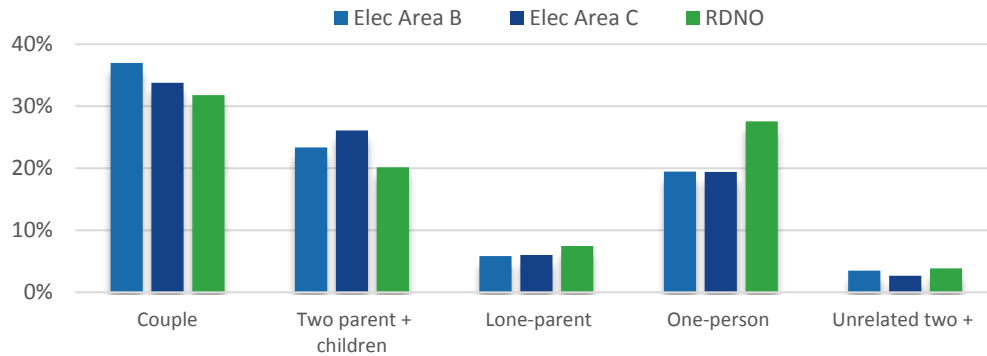
Replicating a pattern seen across the region, albeit more so outside of Vernon, there is an apparent mismatch in dwelling size and household size. While two-thirds of homes have three or more bedrooms, the majority of these homes (65% and 62% in Areas B and C respectively) house two or fewer people. This suggests potential demand for small homes to facilitate some downsizing from the large group of empty nesters.

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



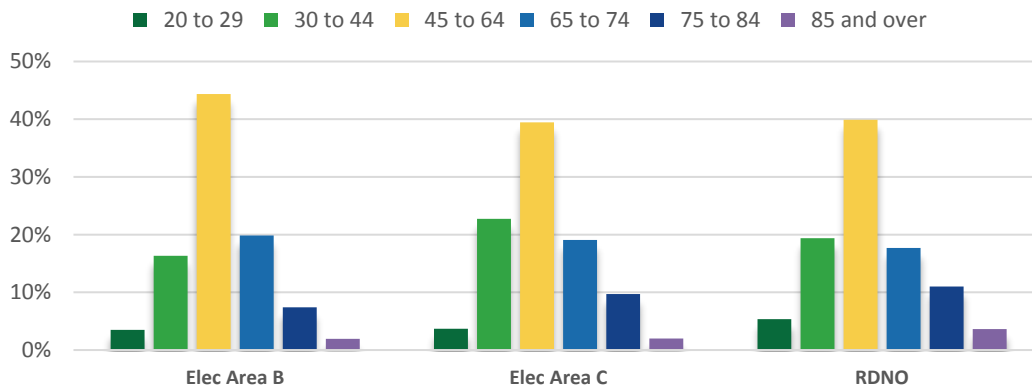
Moreover, couples with no children are the most common household type in these two Electoral Areas. There is a higher proportion of two parent families in the Electoral Areas than the RDNO and singles in these two areas represent a smaller proportion than in the RDNO overall.

## Household Type



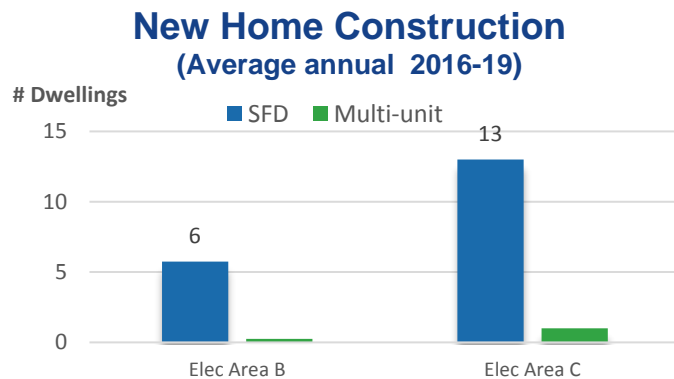
The age profile across both EAs is quite similar and largely mirrors the RDNO profile, with those aged 45-64 clearly dominating and explaining the large number of childless couples, as these households likely comprise of empty nesters. Area C is notable for slightly more households headed by those aged 30-44.

## Household Age (Primary Maintainer)



At an individual level, the median age varies. In Area B it is just above the median for the RDNO at 50.1 years, while Area C is slightly younger at 47.3, and both are older than the BC median of 43 years.

## New Housing Construction



There is some deviation on home building activity in the two EAs.

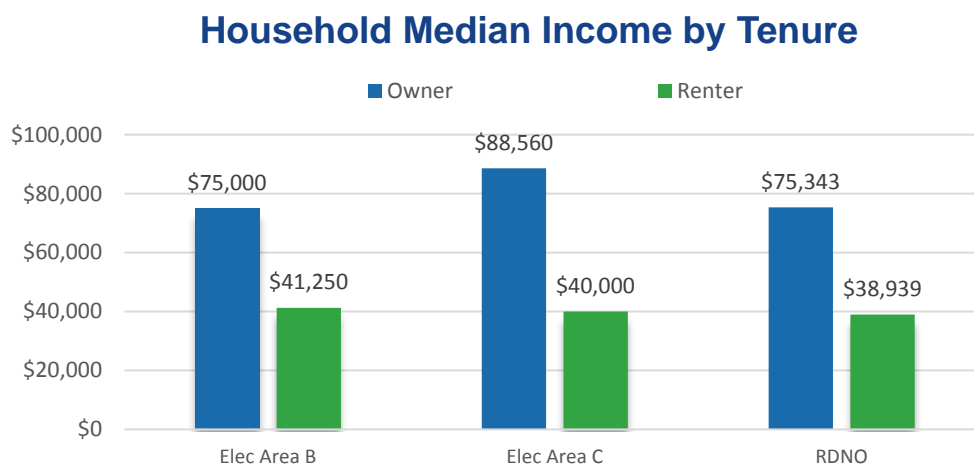
There is less activity in Area B, constructing on average only 6 new homes; while Area C is double that number.

Almost all have been single detached homes, perpetuating the aforementioned mismatch between dwelling and household size.

As a ratio of the population, the level of starts is low, with Area B being the lowest in the region at only 5 starts per 1,000 people; reflecting the higher number of new homes, Area C is at 9 homes per 1,000 people. These levels compare to the regional average of 15 homes per 1000 people, which is heavily influenced by the rate of 20 homes per 1,000 people in Vernon. Ultimately low starts will constrain household and population growth.

## Incomes

Households across these two EAs are at or above the median for RDNO. Owners in Area B matching the overall median (\$75,000), while in Area C the owner median is considerably higher, \$13,000 above the RDNO median, at \$88,500, second only to adjoining Coldstream.



Renter incomes are typically well below (often half) those of owners and this is true in these two EAs and in RDNO generally, even though renter incomes are slightly above the regional median (\$38,900). It is the lower income profile of renters that usually contributes to much higher rates of core need, as discussed later.

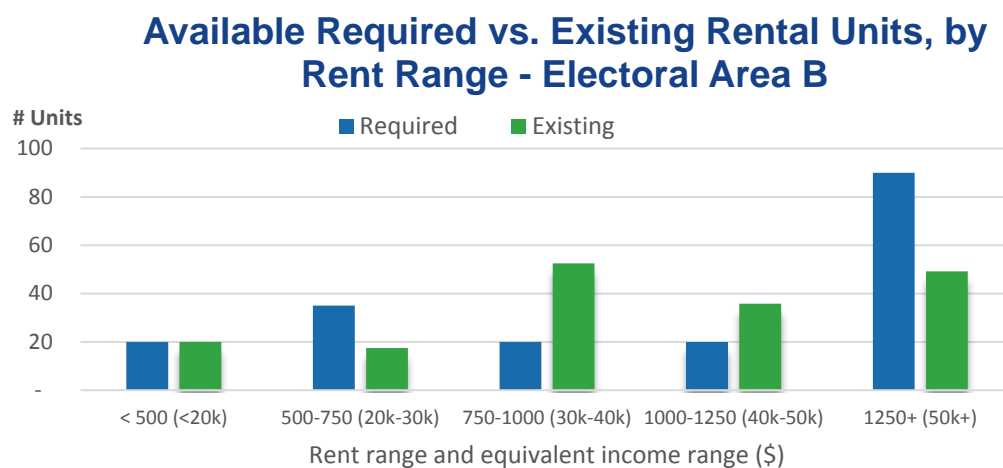
## Housing Affordability

The average house value as reported in the Census (2016) was \$424,000 in Area B and \$500,750 in Area C, both well above the RDNO median of \$381,000. Values in Area C are the highest in the Region on par with those in Coldstream. The fact that most are detached homes (vs condo apartments as in Vernon or moveable homes as in other exurban areas) also contributes to the value profile.

Given the high rate of ownership and lack of multiple unit structures, most rentals are in the form of rented houses, which tend to command higher rents than apartments (of which there are few). Rents in Area B are just below the regional median at \$873/month, while those in Area C are 15% above the RDNO median, at \$1,027/month.

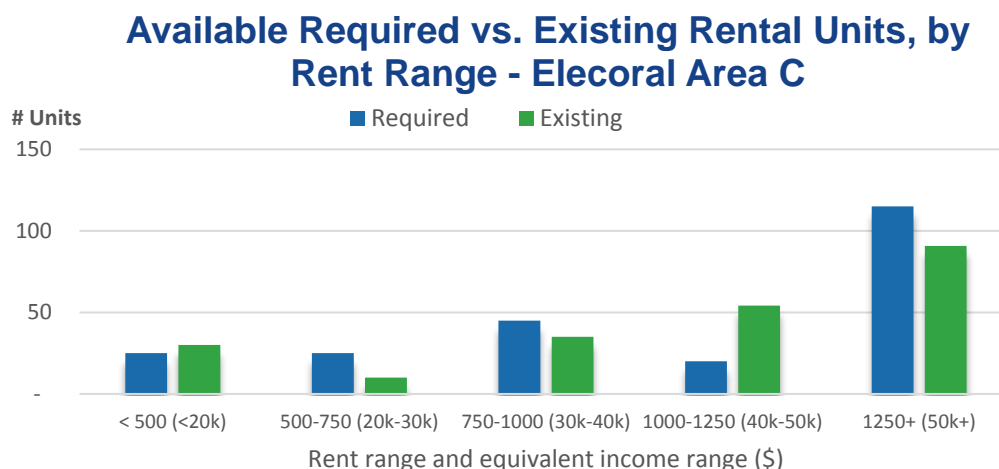
Acute affordability is examined further below under core housing need, but to the extent that this affects mainly renters and is influenced by the existing distribution of rents and home prices, relative to incomes we can explore at a broader level. In assessing rental affordability, it is noted that due to the high rate of ownership, the rental stock is quite small, so the analysis should be viewed with that caveat.

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. Note that in these two areas the number of renters (only 15% of all households) is very small, so these observations should be read in that context.



In Area B this reveals a sufficient stock of very low-rent rental options (under \$500), but a shortfall in the next band (\$500-750) – with more units available than required for rents above \$750.

Meanwhile in Area C there is similarly sufficient stock in the lower range (under \$500) but a small shortfall across the next two bands (\$500-\$1,000).



Where there are more low-income renters requiring homes with rent below \$750 or \$1,000 per month than there are units, the result is these households live in more expensive units and pay over 30% of their income towards housing. Many will consequently be in core need (but again as noted the number unable to find affordable rental housing is very small).

There is a (theoretical) shortage above \$1,250 in both Areas (i.e. more units required than exist), but this appears only because higher income renter households have already found lower rent options. So this is not an issue.

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. 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.

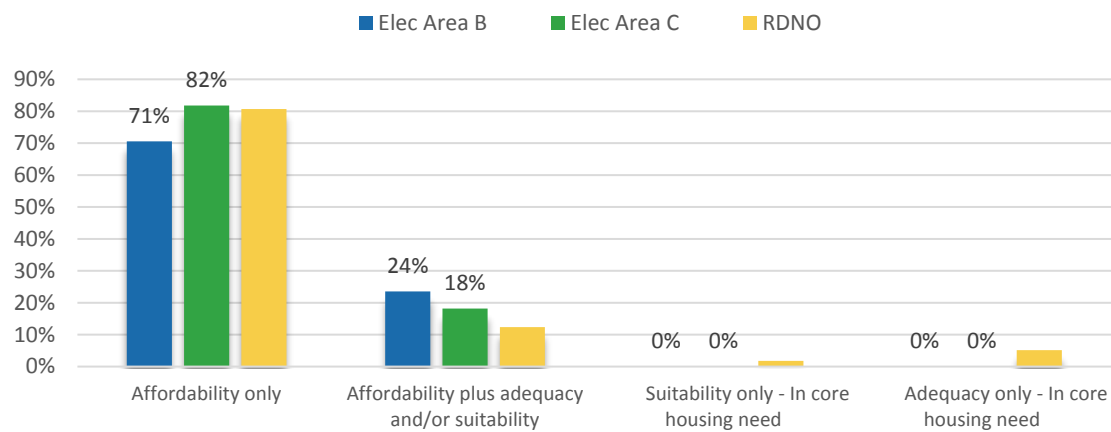
This maximum price (here \$229,000 in Area B and \$222,000 in Area C) is then compared to the price distribution of all homes to determine how many of the existing homes would be affordable.

Low renter incomes limit capacity to buy, and the high home values in these two areas exacerbate this barrier. In Area B, the median income renter household can afford the lowest 12% of homes; and in Area C the lowest 4% of homes. This compares to 13% for the RDNO as a whole.

# Core Housing Need <sup>1</sup>

The combination of higher income owners and a small number of renters in these two Electoral Areas results in relatively low levels of core housing need, both well below the regional average of 12%. In Area B, only 7.2% of households are defined as being in core need; and only 3.9% of those in Area C experience core need. Only the adjacent community of Coldstream is as low (at 3.4%).

Distribution of Need by Problem

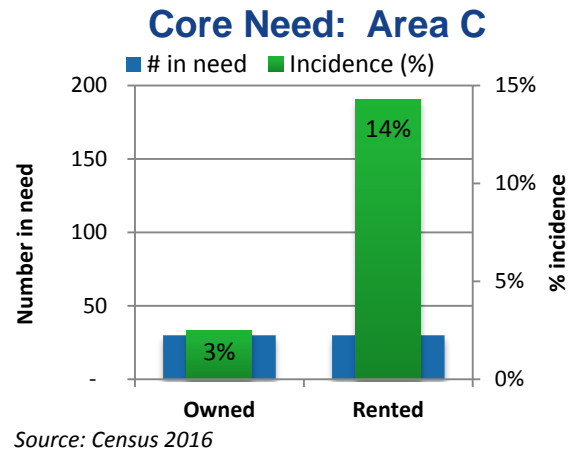
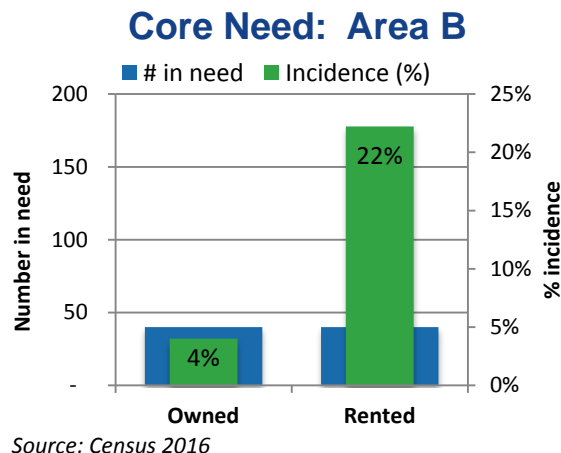


For those that are in need the dominant problem, similar to RDNO as a whole, is affordability. This explains 71% of need in Area B and 80% in Area C; the remaining households in need also experience an affordability problem, but this is augmented with either suitability (crowding) or (more likely) adequacy (poor condition of dwelling) issues as well.

Across Canada and BC, core housing need tends to be most prevalent among renters (because most issues relate to affordability and renters typically have much lower incomes than owners). This is true in both of these EAs, because although the total number of renter households is low, the count of those in core need is very low. As shown in the following chart, the total number in need in each EA is 80 (Area B) and 60 (Area C) and this is evenly divided between owners and renters.

<sup>1</sup> See main report for definition and discussion of the core need concept

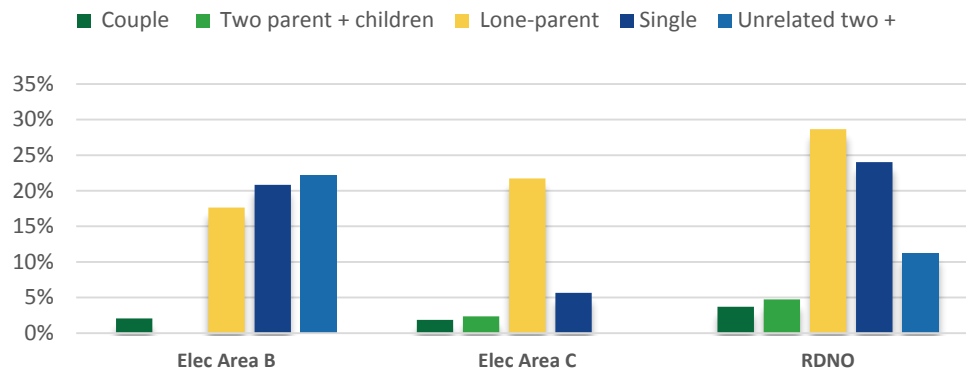




By way of comparison, for the RDNO as a whole the incidence of need for owners is slightly higher at 6%; but for renters it is substantially greater, at 32%.

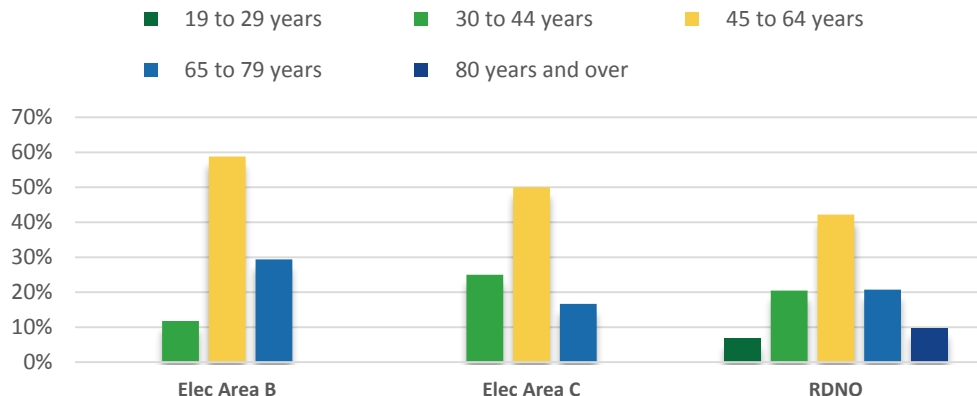
Again reflecting incomes and related affordability challenges, the incidence of core need tends to be greater among single income households – particularly for singles and lone parents. And while lower than the incidence for the RDNO overall, these lone parent families are prominent here. In Area B, single persons as well as non-family (two or more unrelated persons also stand out), although as shown below, the absolute numbers in need are very small. Typically the incidence of need is low for couples with and without children and this is true in both of these EAs.

## Incidence of Need (%) by Household Type



Adding the dimension of age, perhaps surprisingly, it is not seniors that have the highest incidence, it is households headed by someone aged 45-64 – the next generation of seniors.

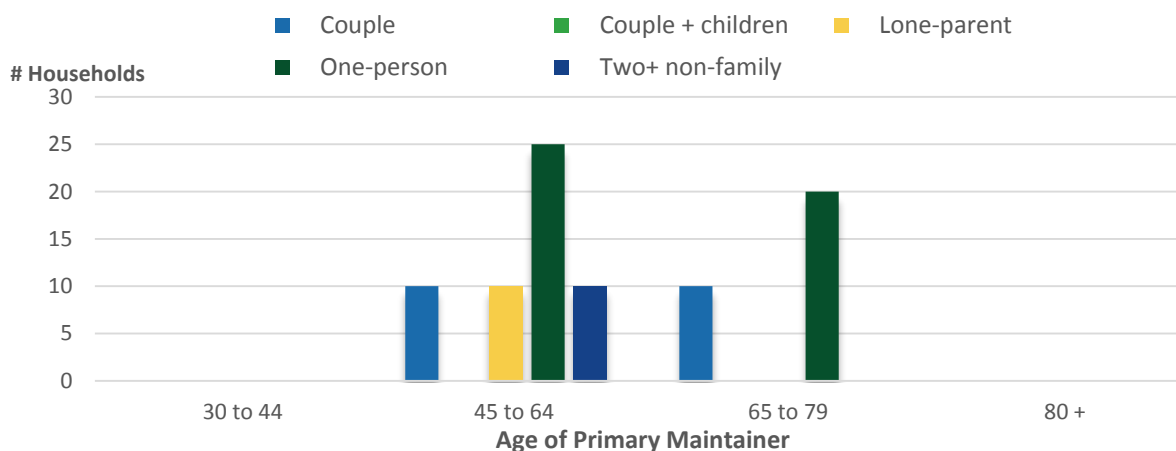
## Incidence of Need (%) by Age



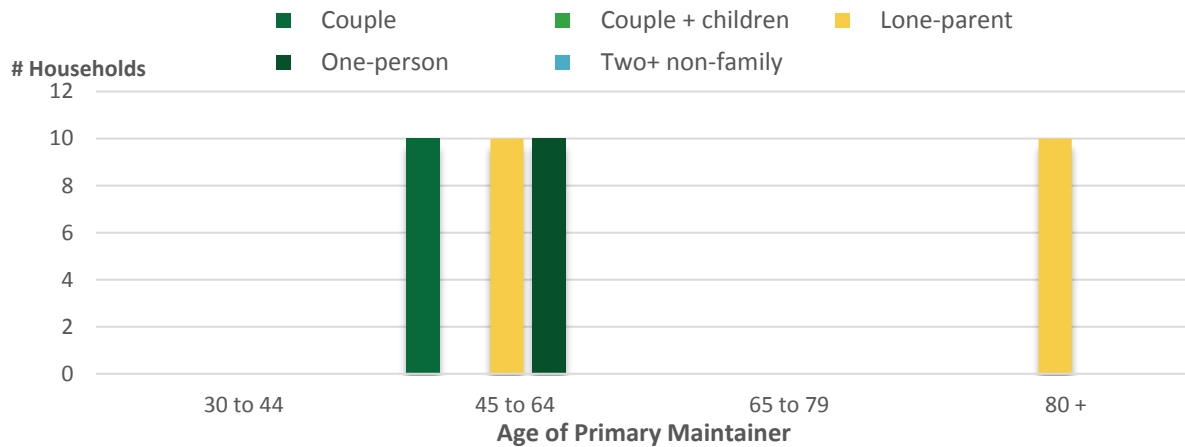
### Important to Look at Count Together with Incidence

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.

## Core Need by Household Type and Age - Area B



## Core Need by Household Type and Age - Area C



As shown here, in Area B, the group with the highest count in need is singles aged 45-64, followed by singles over 65. Couples as well as lone parents 45-64 all record a similar count of 10 (although this is impacted by Statistics Canada rounding practice).

In Area C those in need is evenly divided between couples, lone parents, and singles, all of whom are aged 45-64. Again, Statistics Canada rounding (to nearest 5) may be a factor causing a statistical anomaly to record 10 lone parents over 80 (this is likely a number of elder parents living with an adult child).

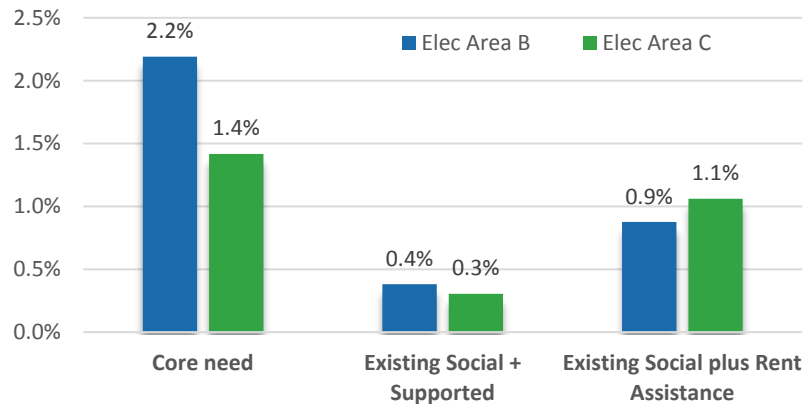
The absolute counts are quite low in both areas (80 and 60 respectively) and this represents a very small part of overall need in the region (3,880 households). It should also be noted that Statistics Canada rounds counts to the nearest 5, so in places with small counts, as is the case here, there can be some rounding effects.

## 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. However as might be expected for largely rural Electoral Areas, there is no permanent social housing in either of these EAs. There are a small number of households that have accessed rental allowances to help address high rent cost burdens and a handful of persons in assisted living group homes.

Despite the low level of core need in each area, the lack of assisted housing suggests, as illustrated below, that these two Electoral Areas are currently underserved. However, as highlighted, the numbers in need are very small, and relative to much higher need in other communities these would generally not be a priority for assistance.

## % Share of Need and Social Housing



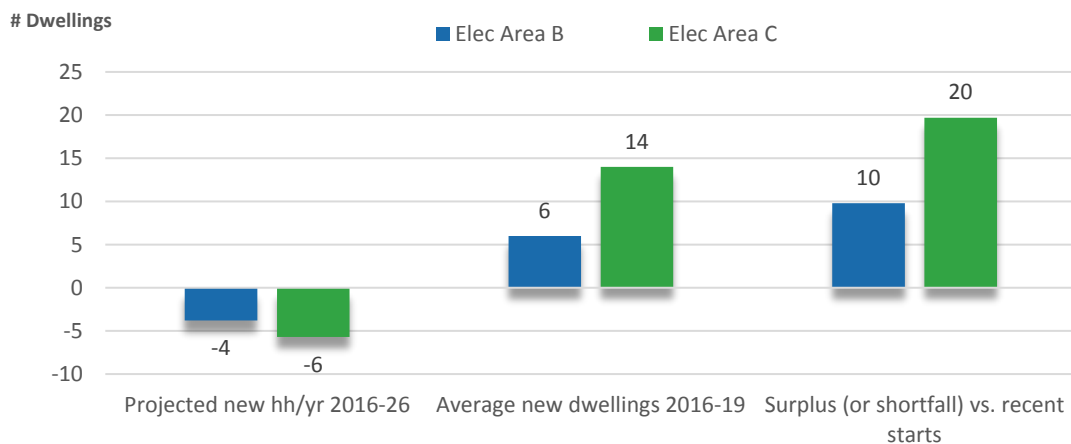
## Future Growth and Housing Requirements

The previously noted RDNO population projections suggest minimal growth in these two Electoral Areas. However, as noted above, the population projections used here do not appear to take into account the planned sewer infrastructure construction plan in the Swan Lake area. With these additional serviced lots, it is likely that growth will be higher, at least post 2026.

Converting projected population growth into household growth similarly suggests very minimal new housing demand or requirements (with the caveat that this excluded potential adjustments for Swan Lake). Under current RDNO population and household projections both areas are projected to lose households between 2016-26.

When new construction activity (average 6 units per year in area B and 14 per year in C) is compared with recent and projected household growth, it appears that if that rate of new building continued, there would be a significant surplus of homes in both area B and C.

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

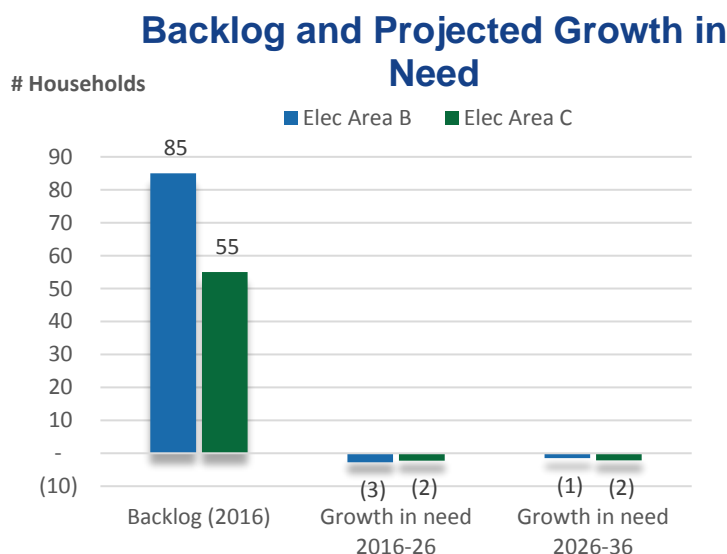


Given these small numbers, the volume of new construction may influence actual growth. New homes in either area, especially if more affordable than in Coldstream or Vernon, may attract new residents and increase the rate of population growth above that projected.

## Future Core Need

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) projects it is estimated that core housing need will remain more or less the same over the current decade, 2016-26.

Given the minimal expected increase in need, it may be appropriate to focus on reducing the backlog of unmet need (85 and 55 households respectively in Areas B and C).



## Considerations from Community Consultation

- Electoral Areas B and C offer a country estate rural type living while still being in close proximity to the major urban centre (Vernon).
- The higher costs for housing in these communities is largely due to the land value and not necessarily the homes.
- Historically second residences were a permitted use on Agricultural Land Reserve (ALR) lands. Recently the legislation was changed to prohibit second residences unless approved by the Agricultural Land Commission. In order to encourage / support aging in place, workforce housing and affordable rental opportunities in the rural areas, second residences in the ALR are an important contributor to this stock and strongly supported by the Area Directors and community members provided agricultural land is not negatively affected. It is hoped the legislation will be changed in this regard.
- Areas B and C will continue to be an attractive place to live and although the projected population rates indicate a decline it is anticipated that with migration the community will continue to retain inhabitants.

Housing Need Community Summary:		Elec Area B	Elec Area C	RDNO
Overview				
Population, 2016		3,203	3,870	84,354
Share of regional population		3.8%	4.6%	100.0%
Change 2011 to 2016		1.1%	0.1%	0.7%
Projected 2016 to 2026		-0.3%	-0.4%	0.9%
Tenure				
Number of Households, 2016		1,285	1,495	34,185
Owner		1,095	1,270	25,780
Renter		190	225	8,370
Ownership rate		85%	85%	75%
Dwelling Mix				
Single detached		75%	81%	64%
Semi, duplex		5%	5%	6%
Row		0%	0%	7%
Apartment		3%	2%	14%
Moveable		8%	1%	3%
Other		2%	0%	0%
Household by Size				
1 person		20%	20%	28%
2 persons		45%	42%	41%
3 persons		14%	16%	13%
4+ persons		21%	22%	18%
Average Household size		2.5	2.6	2.3
Dwellings by Bed Count				
No bedrooms (bachelor)		1%	0%	0%
1 bedroom		13%	5%	9%
2 bedrooms		20%	16%	28%
3 bedrooms		28%	32%	31%
4 + bedrooms		39%	46%	32%
Comparing Household Size and Dwelling Size				
Households with 2 or less people		65%	62%	69%
Dwellings with 2 or fewer bedrooms		34%	21%	37%

Household type	Elec Area B	Elec Area C	RDNO
<b>Family</b>			
Couple	37%	34%	32%
Two parent + children	23%	26%	20%
Lone parent	6%	6%	7%
Other family	6%	8%	6%
<b>Non-census-family households</b>			
One-person	19%	19%	28%
Unrelated Two+ persons	4%	3%	4%
<b>Age Distribution of Household Primary Maintainer</b>			
Under 19	0%	0%	0%
20 to 29	4%	4%	5%
30 to 44	16%	23%	19%
45 to 64	44%	39%	40%
65 to 74	20%	19%	18%
75 to 84	7%	10%	11%
85 and over	2%	2%	4%
Population over 65	29%	31%	32%
Median individual age (years)	50.1	47.3	49.5
<b>Median Income by Tenure</b>			
Owner income \$	\$75,000	\$88,560	\$75,343
Renter income \$	\$41,250	\$40,000	\$38,939
<b>Housing Availability</b>			
<b>Home Values and Rents</b>			
Median value of dwellings (\$)	\$423,989	\$500,715	\$380,900
Census median rent (\$)/month	\$873	\$1,027	\$903
CMHC average rent, 2019			\$947
CMHC rental vacancy rate (%), 2019			1.7

Housing Construction (Average Annual Starts 2016-19)			
SFD	6	13	245
Multi-unit	0	1	277
Total	6	14	522
Starts per 1000 Households, 2016-19 average	5	9	15
Percent SFD	96%	93%	47%
Future Housing Growth			
Number of Households, 2016	1,281	1,488	35,016
Household projected increase, 2016-26	-38	-57	3,055
Household projected increase, 2026-36	-20	-55	3,260
Anticipated Household growth rate, 2016-26	-0.3%	-0.4%	0.9%
Projected new households/yr, 2016-26	-4	-6	306
Average new dwellings, 2016-19	6	14	522
Surplus (or shortfall) vs. recent starts	10	20	216
Core Need	Elec Area B	Elec Area C	RDNO
Distribution of Need by Problem - Both Tenures			
Affordability only	71%	82%	81%
Affordability plus adequacy and/or suitability	24%	18%	12%
Suitability only - In core housing need	0%	0%	2%
Adequacy only - In core housing need	0%	0%	5%
Need by Tenure			
Total count of need	85	55	3,880
# Owners in core need	40	30	1,360
# Renters in core need	40	30	2,520
Renters share of need	47%	55%	65%
Incidence (acuteness of need)	7%	4%	12%
% Owners need	4%	3%	6%
% Renters need	22%	14%	32%



Incidence of Need by Age of Primary Household Maintainer			
19 to 29 years	0%	0%	7%
30 to 44 years	12%	25%	20%
45 to 64 years	59%	50%	42%
65 to 79 years	29%	17%	21%
80 years and over	0%	0%	10%
Incidence of Need by Household Type			
Total	7%	4%	12%
Couple	2%	2%	4%
Two parents + children	0%	2%	5%
Lone parent	18%	22%	29%
Single	21%	6%	24%
Unrelated Two+	22%	0%	11%
Existing Social Housing			
Supportive and Assisted	5	4	558
Independent Social	-	-	752
Rent supplement and allowances	14	19	858
Existing Social Housing Compared to Need (Distribution)			
Core need	2.2%	1.4%	100.0%
Existing Social + Supported	0.4%	0.3%	0.4%
Existing Social plus Rent Assistance	0.9%	1.1%	100.0%
Future Growth in Core Housing Need			
Backlog, 2016	85	55	3,880
Growth in Need, 2016-26	-3	-2	368
Growth in Need, 2026-36	-1	-2	393
Affordability Assessments			
<b>Rent</b>			
< \$500 / month	20	30	720
\$500-750 / month	18	10	1,860
\$750-1000 / month	53	35	2,355
\$1000-1250 / month	36	54	1,412
\$1250+ / month	49	91	1,948

<b>Income</b>	-	-	
Under \$20k	20	25	1,905
\$20k-30k	35	25	1,355
\$30k-40k	20	45	990
\$40k-50k	20	20	960
\$50k+	90	115	3,080

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

Median Home Price, 2016	\$423,989	\$500,715	\$380,900
Median renter income	\$41,250	\$40,000	\$38,939
Monthly @30%	\$1,031	\$1,000	\$973
Max price (3.5%, 25yrs, 10% down)	\$229,167	\$222,222	\$216,330
Percentage of homes affordable to the median renter (2016)	12%	4%	13%



## Community Summary

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# ELECTORAL AREA D & ELECTORAL AREA E

# Community Summary: Electoral Areas D and E

## Key Highlights

- These two Electoral Areas house 2,700 (Area D) and 1,000 (Area E) people and together account for 4.4% of the region's population. Based on projected growth patterns we would expect to see a small increase in housing requirements in Area E but minimal new housing demand in Area D.
- As a largely rural community, the Electoral Areas are dominated by detached homes, as well as a significant number of moveable homes (22% of homes in Area E). Reflecting this these Areas have a higher rate of home ownership than the regional average (75%).
- The age distribution is heavily dominated by a large proportion of the population aged 45-64, and while it currently has a much smaller proportion of seniors (24% and 25% vs 32% for RDNO) this proportion is poised to transition into a growing seniors population.
- Households across these two EAs have relatively low median incomes, especially Area E, where the median income of owners is \$23,000 below the RDNO median and the renter median income is \$9,000 lower. In Area D renters are above the regional median, while owners again fall short by \$9,000. These lower incomes translate into more affordability issues and core need, and again this is significant in Area E.
- Home values are among the lowest in the region, and despite low median renter incomes, ownership is more accessible here. In Area D the median income renter household can afford the lowest 20% of homes; and in Area E the lowest 19% of homes. This compares to only 13% for the RDNO as a whole.
- Given the small populations, the total count in need is quite low. While Area D has a similar incidence of core need (11.5%) and the RDNO overall (12%), Area E has by far the highest incidence rate of core need in the region at 27.8%.
- Atypically, the number of owners in need is greater than the number of renters in need, and in Area E the incidence of need among owners is high at 26%. The incidence of core need is acute for renters in both areas, although there is a small count
- In absolute terms, most in need are single seniors, and this is likely to increase as the population continues to age.



## Future Household Growth and Need

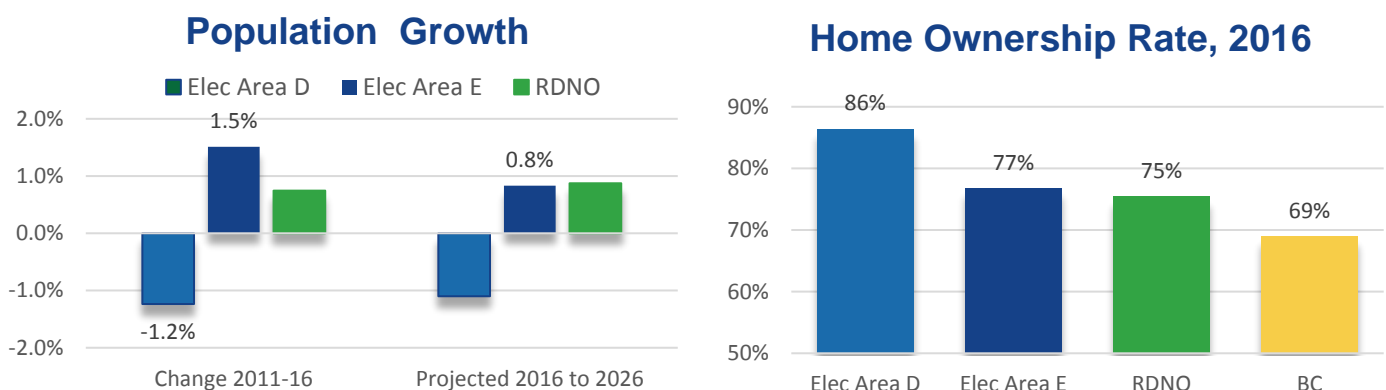
Converting projected population growth into household growth suggests Area D will not require any new housing, while in Area E these will increase marginally, perhaps one home per year during 2016-26.

It is estimated that core housing need will remain more or less unchanged, perhaps increasing by one household per year in Area E over the current decade, 2016-26.

## Overview – Demographics and Housing Stock

These two Electoral Areas cover a large geographic area immediately east of the Vernon-Coldstream conurbation. They house 2,700 and 1,000 people respectively and together account for 4.4% of the region's population.

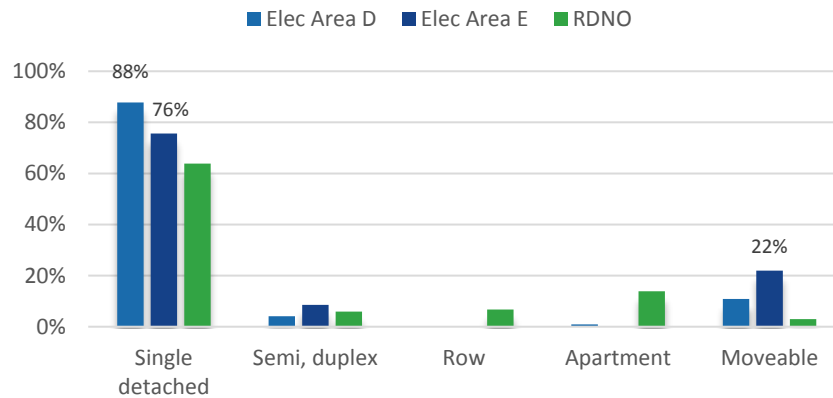
Despite Area D being more proximate to the region's urban centre and encompassing the village of Lumby, the Area has experienced, and is projected to continue to experience, minimal growth. Surprisingly, Electoral Area E being further east and more distant has experienced faster growth (2011-16) than the RDNO average and is projected to mirror the regional growth rate for 2016-26. Based on projected growth patterns we would expect to see a small increase in housing requirements in Area E but minimal new housing demand in Area D.



The level of homeownership varies, with both above the regional and BC average. It is likely that Area D (at 86%) captures some spillover from the very high ownership pattern of Coldstream (90%).

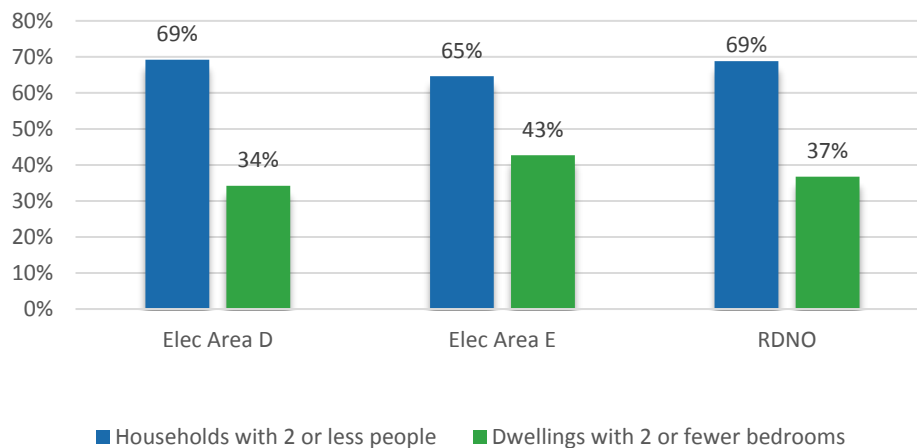
Due to the more rural character and high levels of homeownership, it is not surprising that both EAs are dominated by single detached homes and very few multiple unit structures. Moveable homes are also significant, especially in area E.

## Dwelling Mix



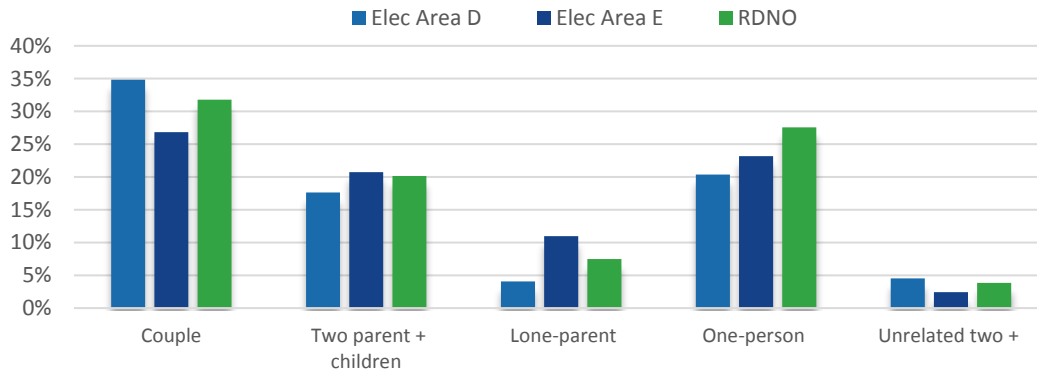
Replicating a pattern seen across the region, albeit more so outside of Vernon, there is an apparent mismatch in dwelling size and household size. While the majority of homes have three or more bedrooms the majority of these homes house two or fewer people (69% and 65% in Areas D and E respectively).

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



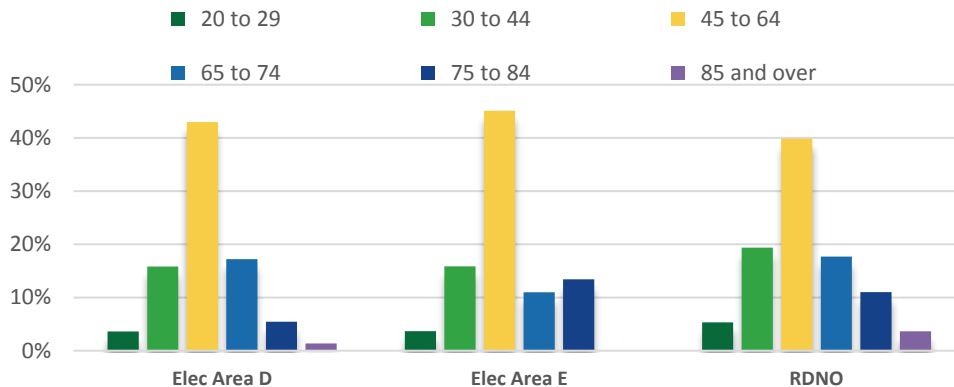
That being said, the most common household types are couples with no children and single person households. Lone parents also stand out more in Area E.

## Household Type



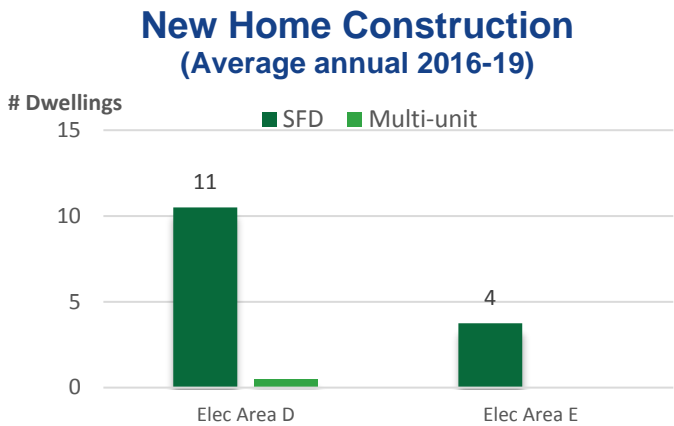
The age profile across both EAs is quite similar and largely mirrors the RDNO profile, with those aged 45-64 clearly dominating, which explains the large number of childless couples (empty nesters). Area E is notable for a slightly smaller proportion of households headed by someone 65-74, more 75-84 but none over 85.

## Household Age (Primary Maintainer)



At an individual level the median age is 50.4 and 50.2 respectively, both slightly older than the regional median of 49.5, and seven years older than the BC median of 43 years.

## New Housing Construction



There has been relatively minimal new home construction in these two areas, especially in the more distant Area E.

Area D will have benefited from exurban demand due to proximity to the urban core area.

Almost all new construction has been in the form of single detached dwellings.

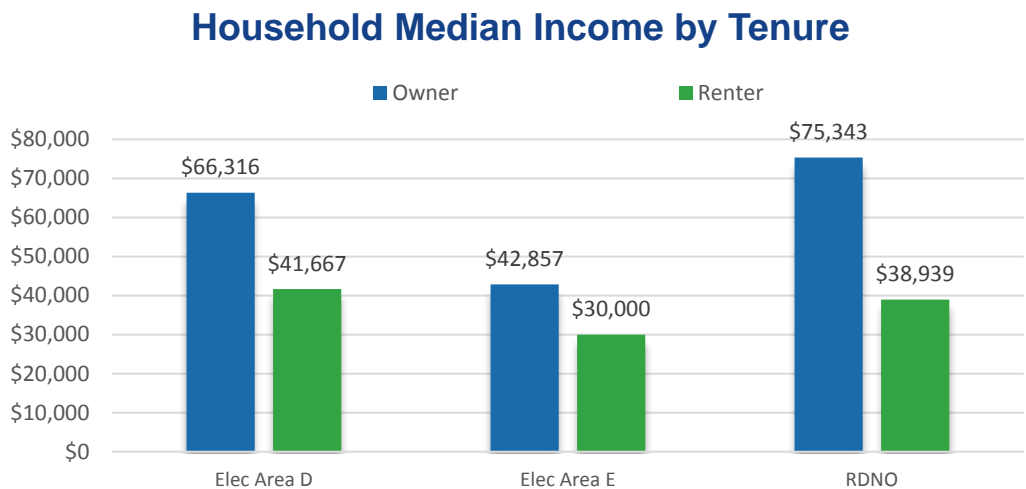
As a ratio of the population, these are consistent with other outlying

communities with similarly low rates of home construction in the region. The two areas have ratios of 10 (Area D) and 9 (Area E) homes per 1,000 people compared to the regional average of 15 per 1,000 people, which is heavily influenced by the rate of 20 homes per 1,000 people in Vernon.

## Incomes

Households across these two EAs have relatively low median incomes, especially Area E where owner median income (\$42,850) is \$23,000 below the RDNO median and the renter median (\$30,000) is \$9,000 lower. In Area D renters (\$41,700) are above the regional median, while owners (\$66,300) again fall short by \$9,000.

It is noted that incomes and home prices are much higher in adjoining Coldstream, so some more moderate-income owners may have selected homes in the exurban area to improve affordability (and potentially a lifestyle choice).





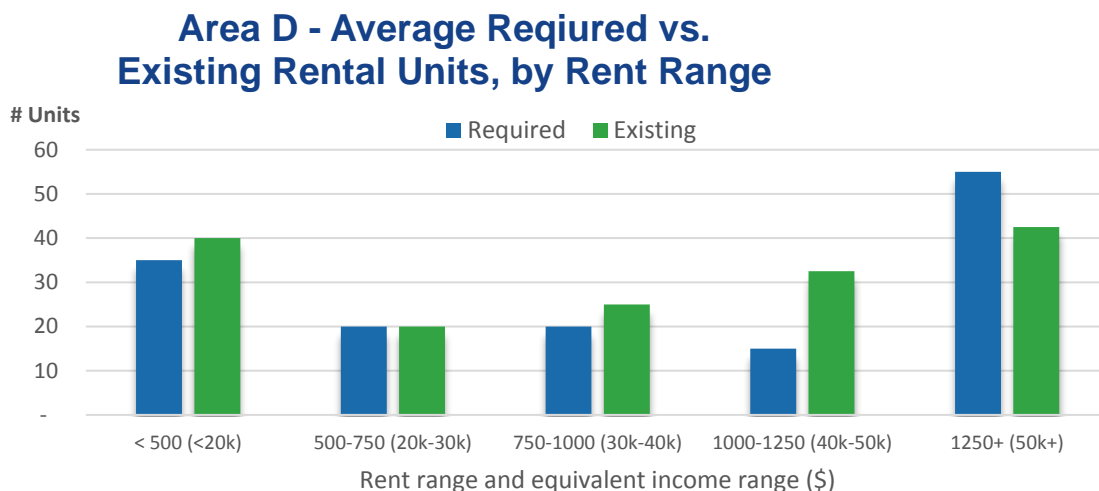
## Housing Affordability

The average house value as reported in the Census (2016) was \$350,000 in Area D and \$300,000 in Area E, both well below the RDNO median of \$381,000. These values are substantially lower than the adjoining Coldstream where the median price is highest in the region at \$501,000.

Given the high rate of ownership and lack of multiple unit structures, most rentals are in the form of rented houses or moveable homes. Surprisingly, given lower incomes and further distance from the urban core the median rents are higher in Area E, at \$893/month, and close to the RDNO median of \$903/month. In Area D they are 10% lower at \$811/month.

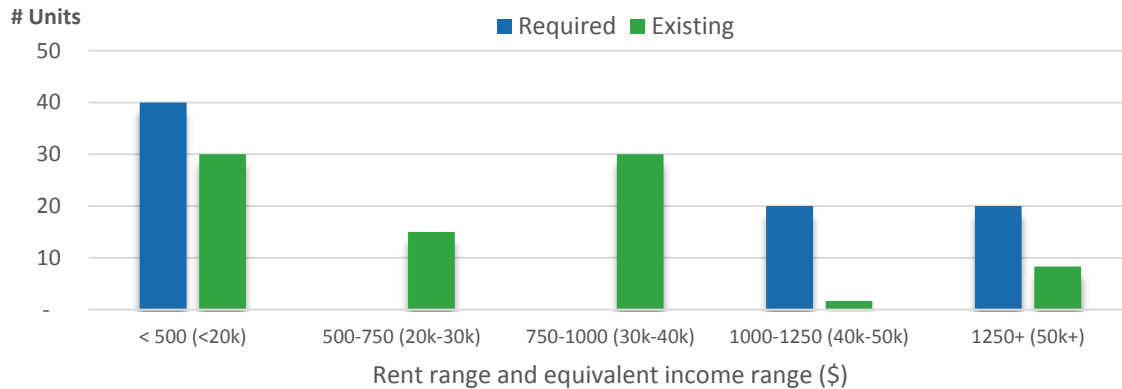
Acute affordability is examined further below under core housing need, but to the extent that this affects mainly renters and is influenced by the existing distribution of rents and home prices, relative to incomes we can explore at a broader level. In assessing rental affordability, it is noted that due to the high rate of ownership, the rental universe is quite small, so the analysis should be viewed with that caveat.

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. Note that in these two areas the number of renters is very small, so these observations should be read in that context.



Two different patterns emerge. In Area D this reveals a sufficient stock of rental options across the rent range – with more units available in the lower rent ranges than required, based on renters paying no more than 30% of their income. In short, in Area D there is no mismatch, which is rare – and is replicated only in Spallumcheen (another large rural district).

## Area E - Available Required vs. Existing Rental Units, by Rent Range



A different picture emerges in Area E where there is a more bi-polar income distribution of renter households. There are more low-income renters requiring homes with rent below \$500 per month than there are units. The result is these households live in more expensive units (e.g. \$500-\$1,000) and pay over 30% of their income.

There is a (theoretical) shortage of units with rents above \$1,250/month in both Electoral Areas, but particularly above \$1,000/month in Area E but this appears only because higher income renter households have already found lower rent options, so this is not an issue. This would infer low levels of core housing need, but as discussed below this is not actually the case.

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 these renters can purchase. 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 (\$231,000 in D and \$167,000 in E) is then compared to the price distribution of all homes to determine how many of the existing homes would be affordable.

While low renter incomes limit capacity to buy, the lower home values in these two areas generate a more affordable ownership stock than most other areas. In Area D, the median income renter household can afford the lowest 20% of homes; and in Area E the lowest 19% of homes. This compares to only 13% for the RDNO as a whole.

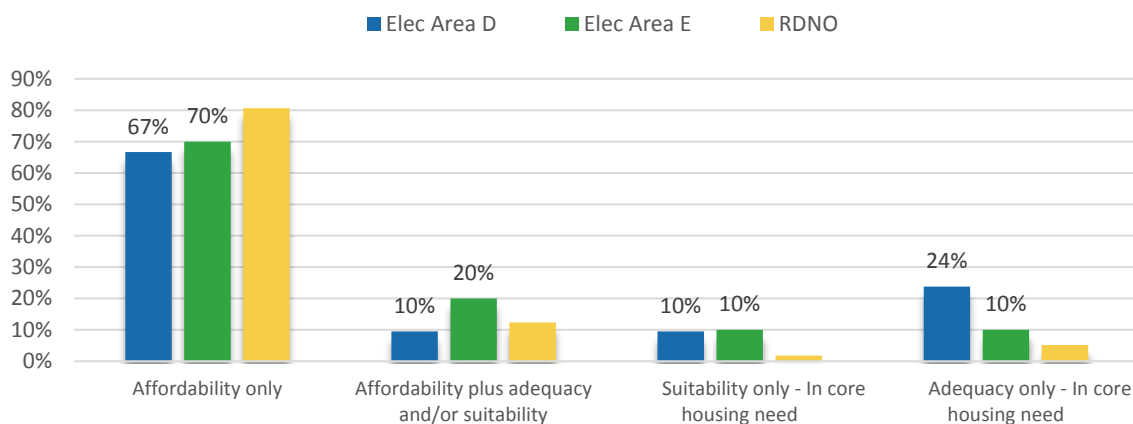
## Core Housing Need <sup>1</sup>

As presaged by the differing continuums of rental affordability (Available Required vs Existing Rental Units) highlighted on the previous charts, core housing need in these two EAs is dramatically different. In Area D it more closely aligns with the overall region – 11.5% of households are in core need, compared to 12% for the RDNO as a whole. However, for Area E, core need is more than double this level at 28%. In part this is caused by the much lower incomes but higher rents in Area E.

When the nature of need is explored, it also becomes evident that a significant contributor in Area D is dwellings in a poor state of repair, such that occupants experience a housing adequacy problem (even if the home itself is affordable). In Area D, 24% of households in core need face an adequacy problem and a further 10% may experience an adequacy problem in combination with affordability.

That said, the vast majority of core need issues are related to affordability – lower income households paying in excess of 30% of their income for housing. This is an issue for two-thirds of households in Areas D and E, a lower proportion than the RDNO as a whole (where fewer households experience adequacy problems)

### Distribution of Need by Problem



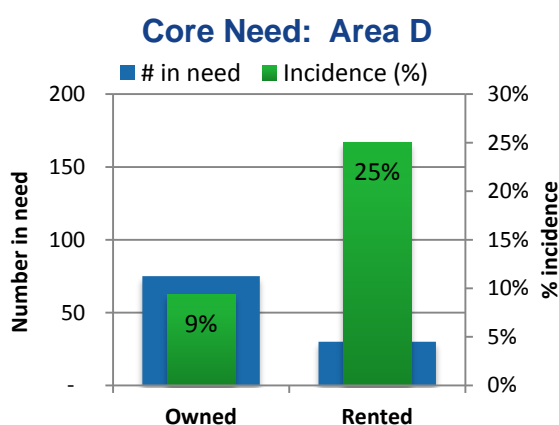
In reviewing the core need data, it is important to note that the absolute count in need in each of these communities is quite low at roughly 100 households in each area (but because Area E has a much smaller population this same number translates to a much higher incidence of need).

<sup>1</sup> See main report for definition and discussion of the core need concept

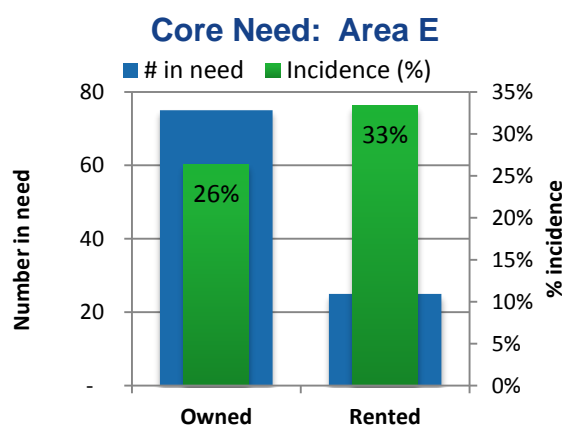
Across Canada and BC, core housing need tends to be most prevalent among renters (because most issues relate to affordability and renters typically have much lower incomes than owners). However in these two EAs the inverse is the case – in terms of absolute counts, owners account for more of the households in need. In part this is because there is a low total count of renters. In Area D it also captured those experiencing an adequacy problem.

In this case the prevalence of poor dwelling conditions, especially among lower income owners (who are the ones captured in the core need concept) suggests the need for a home rehabilitation assistance program.

When the incidence of need is examined (% of each group in need), the rates for renters are disproportionately higher than for owners (which is a more typical pattern of need, again largely associated with renters having lower incomes). In Area D, the incidence of need is much higher for renters: 1 in 4 vs 1 in 10 for owners; but in Area E it is closer to 1 in 4 for owners and 1 in 3 for renters.



Source: Census 2016

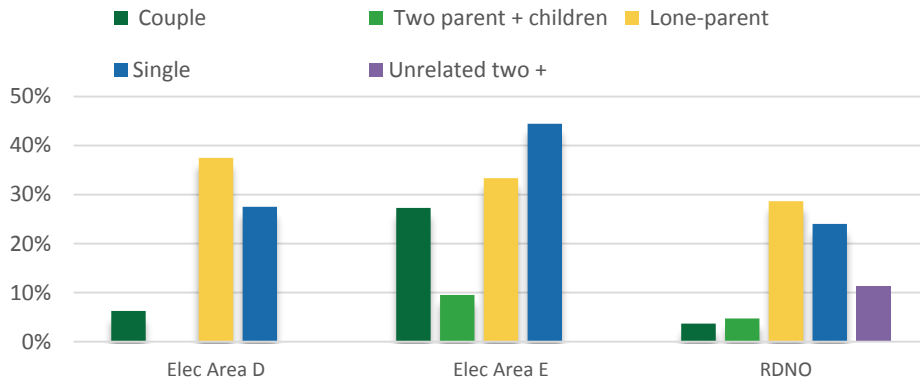


Source: Census 2016

By way of comparison, for the RDNO as a whole the incidence of need for owners is much lower at 6%; but for renters it is similar to Area E, at 32%.

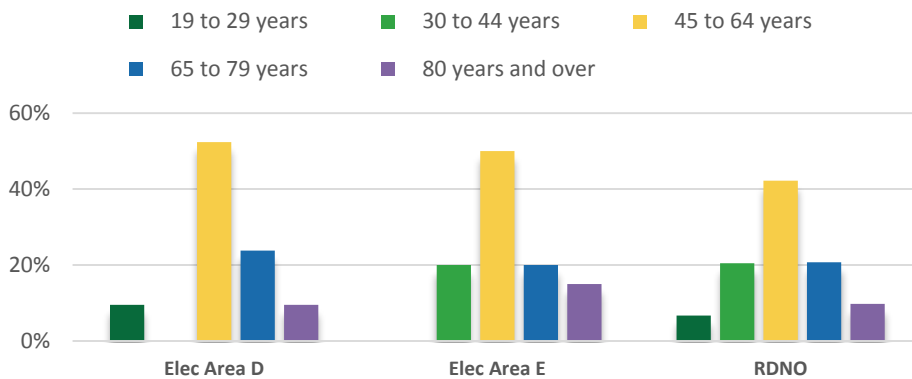
Again reflecting incomes and related affordability challenges, the incidence of core need tends to be greater among single income households – singles and especially lone parents, both exceeding 30% (although as shown below, the absolute number of lone parents in need is quite small). Typically the incidence of need is low for couples, but in Area E it is significant at 25%.

## Incidence of Need (%) by Household Type



Consistent with the region overall, the single highest incidence of need is among those aged 45-64 (the next generation of seniors). One out of every two households aged 45-64 (52% in D and 50% in E) are in core need.

## Incidence of Need (%) by Age

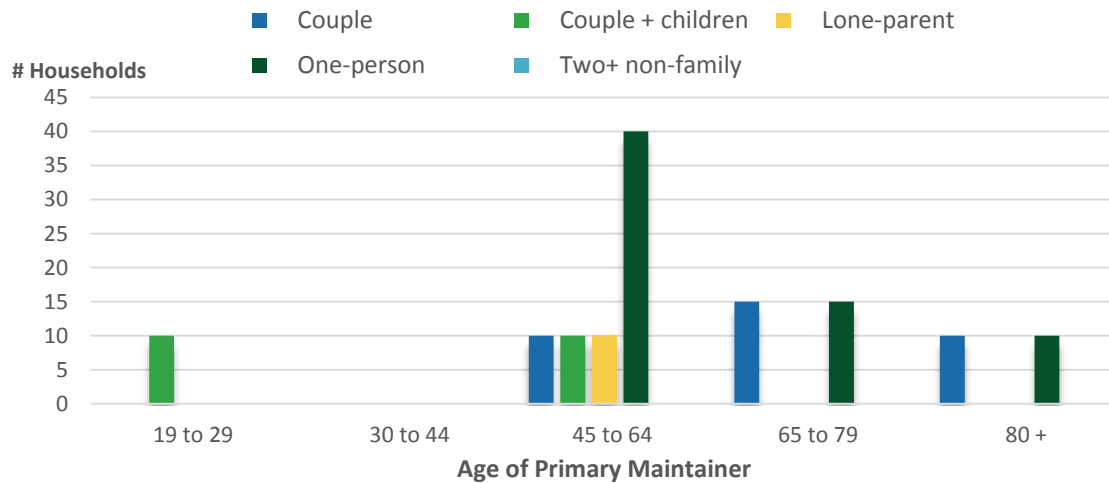


In Area D core need is most evident among those over age 45. while in Area E it extends into those aged 30-44, with incidence more closely aligned with the RDNO averages.

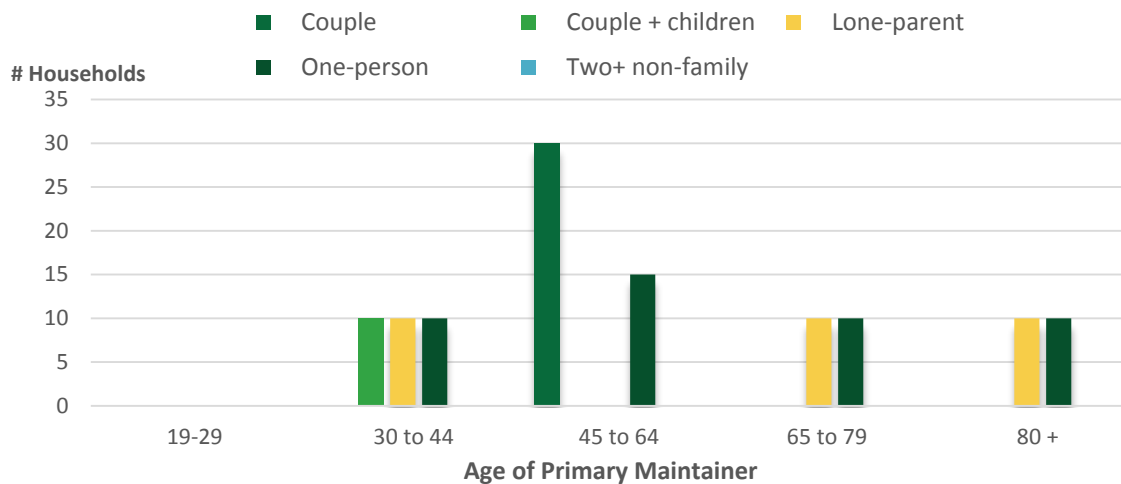
### Important to look at Count Together with Incidence

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.

## Core need by Household Type and Age - Area D



## Core need by Household Type and Age - Area E



As shown here, in Area D, the group with the highest count in need is singles aged 45-64, followed by singles over 65 as well as 2 plus persons households over 65 years of age.

In Area E those in need are mainly couples without children aged 45-64 as well as singles in the same 45-64 age group.

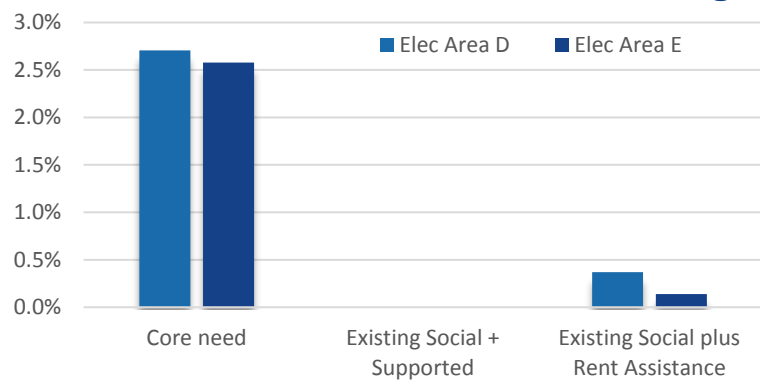
But again the absolute counts are quite low in both areas (100 and 105 respectively) and this represents a very small part of overall need in the region (3,880 households).

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.

## 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. However as might be expected for largely rural Electoral Areas, there is no permanent social housing in either of these EAs. There are a small number of households that have accessed rental allowances to help address high rent cost burdens.

### % Share of Need and Social Housing



Based on the level of core need, this suggests, as illustrated below, that is the Electoral Areas are currently underserved. However, as highlighted, because a significant part of the core need issue here relates to poor condition, remedies should include home rehabilitation as well as additional rental assistance to renters in need.

## Future Growth and Housing Requirements

The previously noted RDNO population projections suggest a diverging pattern in these two Electoral Areas: Area D is expected to depopulate with a negative population growth rate (-1.1%); meanwhile Area E is expected to grow by 0.8%. But because this area has a small population (1,000 in 2016) this will not be a significant increase.

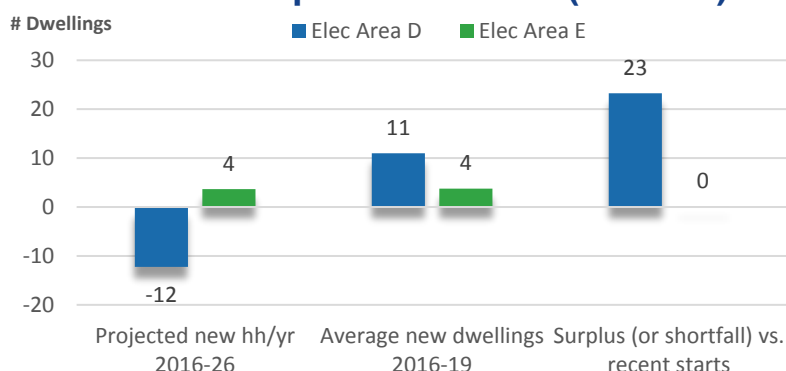
Converting projected population growth into household growth suggests very minimal new housing demand or requirements. Area D will lose households while Area E might gain 4 over the decade.

When new construction activity (average 11 units per year in Area D and 4 per year in E) is compared with recent and projected household growth, it appears that if that rate of new building

continued, there would be a significant surplus of homes in Area D while Area E will match the projected new requirements.

Given these small numbers the volume of new construction may be an important indicator of actual growth. New homes in Area D, especially if more affordable than in Coldstream

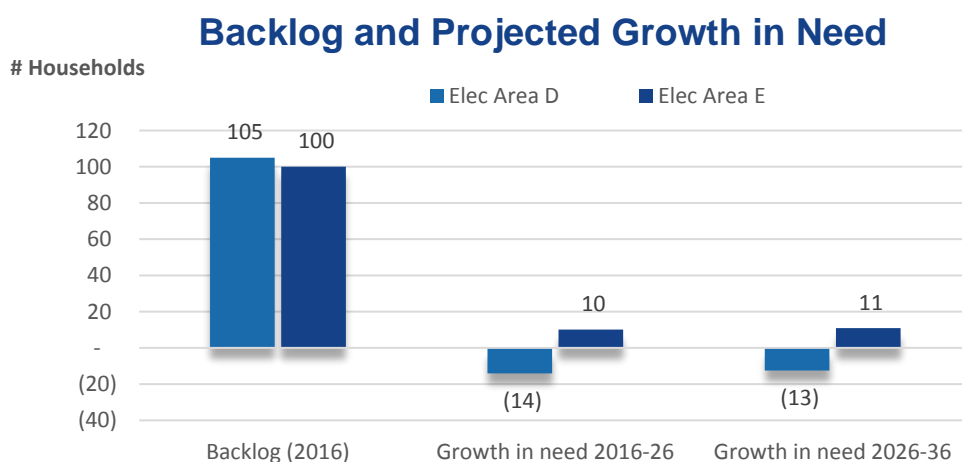
### Household Growth (2016-26) Compared to Starts (2016-19)



or Vernon, may attract new residents and increase the rate of population growth above that projected.

## Future Core Need

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 core housing need will remain more or less unchanged (perhaps increasing by one household per year in Area D over the current decade, 2016-26).



Given the minimal expected increase in need, it may be appropriate to focus on reducing the backlog of unmet need (315 households).

Much of this can be addressed via home rehabilitation (to fix homes in poor condition) or housing allowances to reduce renter affordability problems.

## Considerations from Community Consultation

- Areas D and E are comprised of diverse, distinct and livable rural areas. These areas are unique within the Regional District and the residents that live here have a strong sense of independence and connection to the natural environment, agriculture and forestry.
- Relators in the area have recently reported that those looking to relocate to the North Okanagan are considering Areas D and E because the housing is more affordable and still within a reasonable commuting distance to Vernon.



- Despite the population projections it is anticipated that these communities will continue to see new inhabitants moving in as properties become available. There may not be significant growth but the populations will remain stable or increase slightly due to affordability within in this sub-region.
- Similarly to the other Electoral Areas within the region, second residences were historically a permitted use on Agricultural Land Reserve (ALR) lands. Recently the legislation was changed to prohibit second residences unless approved by the Agricultural Land Commission. In order to encourage and support aging in place, workforce housing and affordable rental opportunities in the rural areas, second residences in the ALR are an important contributor to this stock and strongly supported by the Area Directors and community members provided agricultural land is not negatively affected. It is hoped the legislation will be changed in this regard.

Housing Need Community Summary:	Elec Area D	Elec Area E	RDNO
<b>Overview</b>			
Population, 2016	2,672	1,010	84,354
Share of regional population	3.2%	1.2%	100.0%
Change 2011 to 2016	-1.2%	1.5%	0.7%
Projected 2016 to 2026	-1.1%	0.8%	0.9%
<b>Tenure</b>			
Number of Households, 2016	1,105	410	34,185
Owner	955	315	25,780
Renter	155	90	8,370
Ownership rate	86%	77%	75%
<b>Dwelling Mix</b>			
Single detached	88%	76%	64%
Semi, duplex	4%	9%	6%
Row	0%	0%	7%
Apartment	1%	0%	14%
Moveable	11%	22%	3%
Other	0%	0%	0%
<b>Household by Size</b>			
1 person	23%	27%	28%
2 persons	47%	38%	41%
3 persons	12%	18%	13%
4+ persons	19%	18%	18%
Average Household size	2.4	2.3	2.3
<b>Dwellings by Bed Count</b>			
No bedrooms (bachelor)	0%	0%	0%
1 bedroom	9%	11%	9%
2 bedrooms	26%	32%	28%
3 bedrooms	34%	33%	31%
4 + bedrooms	31%	22%	32%
<b>Comparing Household Size and Dwelling Size</b>			
Households with 2 or less people	69%	65%	69%
Dwellings with 2 or fewer bedrooms	34%	43%	37%

Household Type	Elec Area D	Elec Area E	RDNO
<b>Family</b>			
Couple	35%	27%	32%
Two parent + children	18%	21%	20%
Lone parent	4%	11%	7%
Other family	6%	9%	6%
<b>Non-Census-Family Households</b>			
One-person	20%	23%	28%
Unrelated Two+	5%	2%	4%
<b>Age Distribution of Household Primary Maintainer</b>			
Under 19	0%	0%	0%
20 to 29	4%	4%	5%
30 to 44	16%	16%	19%
45 to 64	43%	45%	40%
65 to 74	17%	11%	18%
75 to 84	5%	13%	11%
85 and over	1%	0%	4%
Population over 65	24%	24%	32%
Median individual age (years)	50.4	50.2	49.5
<b>Median Income by Tenure</b>			
Owner income \$	\$66,316	\$42,857	\$75,343
Renter income \$	\$41,667	\$30,000	\$38,939
<b>Housing Availability</b>			
<b>Home Values and Rents</b>			
Median value of dwellings (\$)	\$349,635	\$300,553	\$380,900
Census median rent (\$)/month	\$811	\$893	\$903
CMHC average rent, 2019			\$947
CMHC rental vacancy rate (%), 2019			1.7

Housing Construction (Average Annual Starts 2016-19)			
SFD	11	4	245
Multi-unit	1	0	277
Total	11	4	522
Starts per 1000 Households, 2016-19 average	10	9	15
Percent SFD	95%	100%	47%
Future Housing Growth			
Number of Households, 2016	1,113	439	35,016
Household projected increase, 2016-26	-123	37	3,055
Household projected increase, 2026-36	-109	39	3,260
Anticipated Household growth rate, 2016-26	-1.1%	0.8%	0.9%
Projected new households/yr, 2016-26	-12	4	306
Ave new dwellings, 2016-19	11	4	522
Surplus (or shortfall) vs. recent starts	23	0	216
Core Need	Elec Area D	Elec Area E	RDNO
Distribution of Need by Problem - Both Tenure			
Affordability only	67%	70%	81%
Affordability plus adequacy and/or suitability	10%	20%	12%
Suitability only - In core housing need	10%	10%	2%
Adequacy only - In core housing need	24%	10%	5%
Need by Tenure			
Total count of need	105	100	3,880
# Owners in core need	75	75	1,360
# Renters in core need	30	25	2,520
Renters share of need	29%	25%	65%
Incidence (acuteness of need)	11%	28%	12%
% Owners need	9%	26%	6%
% Renters need	25%	33%	32%

### Incidence of Need by Age of Primary Household Maintainer

19 to 29 years	10%	0%	7%
30 to 44 years	0%	20%	20%
45 to 64 years	52%	50%	42%
65 to 79 years	24%	20%	21%
80 years and over	10%	15%	10%

### Incidence of Need by Household Type

Total	11%	28%	12%
Couple	6%	27%	4%
Two parent + children	0%	10%	5%
Lone-parent	38%	33%	29%
Single	28%	44%	24%
Unrelated Two+	0%	0%	11%

### Existing Social Housing

Supportive and Assisted	-	-	558
Independent Social	-	-	752
Rent supplements and allowances	8	3	858

### Existing Social Housing Compared to Need (Distribution)

Core need	2.7%	2.6%	100.0%
Existing Social + Supported	0.0%	0.0%	0.4%
Existing Social plus Rent Assistance	0.4%	0.1%	100.0%

### Future Growth in Core Housing Need

Backlog, 2016	105	100	3,880
Growth in need, 2016-26	(14)	10	368
Growth in need, 2026-36	(13)	11	393

### Affordability Assessments

<b>Rent</b>			
< \$500 / month	40	30	720
\$500-750 / month	20	15	1,860
\$750-1000 / month	25	30	2,355
\$1000-1250 / month	33	2	1,412
\$1250+ / month	43	8	1,948

**Income**

Under \$20k	35	40	1,905
\$20k-30k	20	-	1,355
\$30k-40k	20	-	990
\$40k-50k	15	20	960
\$50k+	55	20	3,080

**Afford to Buy (Max Price Affordable to Median Income Renter)**

Median Home Price, 2016	\$349,635	\$300,553	\$380,900
Median renter income	\$41,667	\$30,000	\$38,939
Monthly @30%	\$1,042	\$750	\$973
Maximum price (3.5%, 25yrs, 10% down)	\$231,481	\$166,667	\$216,330
Percentage of homes affordable to the median renter (2016)	20%	19%	13%

## Community Summary

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# ELECTORAL AREA F





# Community Summary: Electoral Area F

## Key Highlights

- Electoral Area F is home to some 4,000 permanent residents and accounts for just under 5% of the RDNO population. It is also impacted by a significant number of vacation homes associated with the Mara, Mable Lake and Kingfisher communities. Recent population growth has been slow (0.3% per year during 2011-16) and is projected to decline over the decade 2016-26. Based on this projected growth pattern we can expect to see minimal change in housing demand and requirements.
- The age distribution is heavily dominated by a large population aged 45-64, and while it currently has a smaller proportion of seniors (27% vs 32% for RDNO), the median age (51) is two years higher than that of the RDNO overall.
- New home construction in Area F is at a higher rate than the other rural Electoral Areas (11 homes per 1,000 population). This slightly higher level of home construction may reflect construction of vacation homes, as distinct from permanent residences.
- The owners across this Electoral Area have a median income 10% lower than the regional median (\$75,300); but the renter median (\$45,000) is well above that of the regional median.
- Together, the existing rent distribution and higher rental income should have positive impacts on the level of core housing need. Surprisingly, this is not the case, as Area F has the highest incidence rate of core need (20%) in the region (average of 12%). The data reveal that this is caused by a disproportionately high number of households living in homes in need of major repair, often combined with owner affordability challenges.
- Singles aged 45-64 have the single largest count in need, followed by couples 65-79. Together, singles and couples in the 45-79 age groups account for just over one-third of all need.
- Atypically, the number of owners in need is double that of renters in need. That said, the incidence of core need is more acute for renters, one in every three renters are in core need (compared to one in every 17 owners).



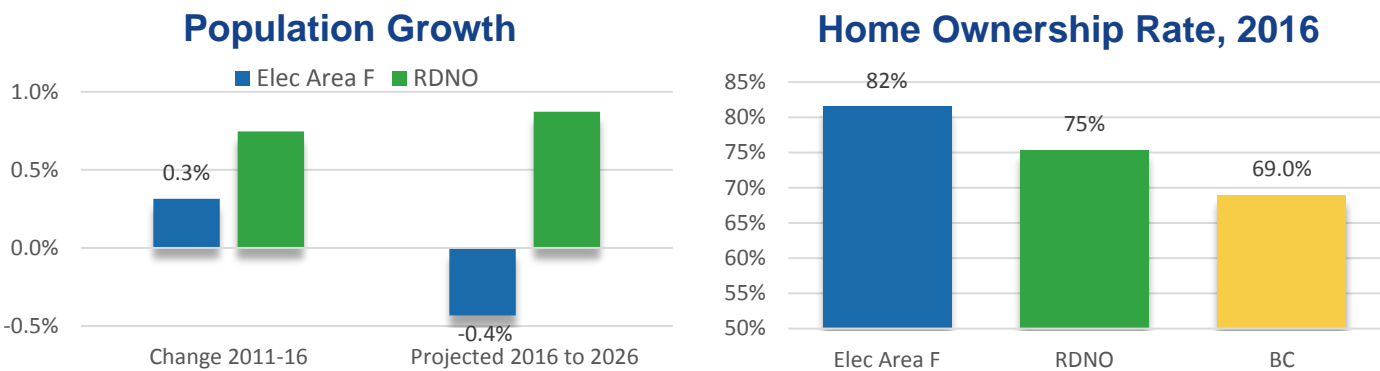
## Future Household Growth and Need

Converting the projected population growth into household growth simply reinforces the same projection and suggests no new housing demand or requirements between 2016-26, and beyond.

In the face of projected negative household growth, no increase in core need is expected, so efforts should focus on reducing the backlog of unmet need (310 households).

## Overview – Demographics and Housing Stock

Electoral Area F covers a large and mainly rural geographic area extending across the northern part of the Regional District, adjoining Enderby, and encompassing the resort area of Mabel and Mara Lakes. This area includes many vacation homes such that there is a wide difference between total dwellings (2,300) and homes “occupied by usual residents” (1,735). The analysis is based on the latter household count.

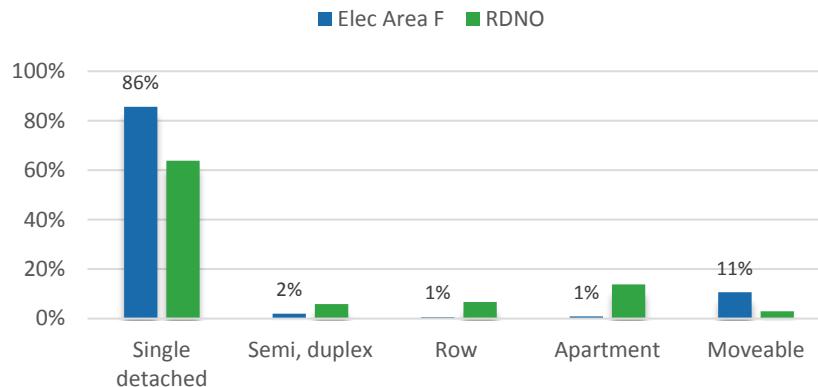


The area is home to some 4,000 residents and accounts for just under 5% of the RDNO population. Recent population growth has been slow (0.3% per year 2011-16) and is projected to decline over the decade 2016-26. Based on this projected growth pattern we would expect to see minimal change in housing demand and requirements over this decade.

Typical of the more rural Electoral Areas, the level of homeownership at 82% is high and well above the regional average of 75%.

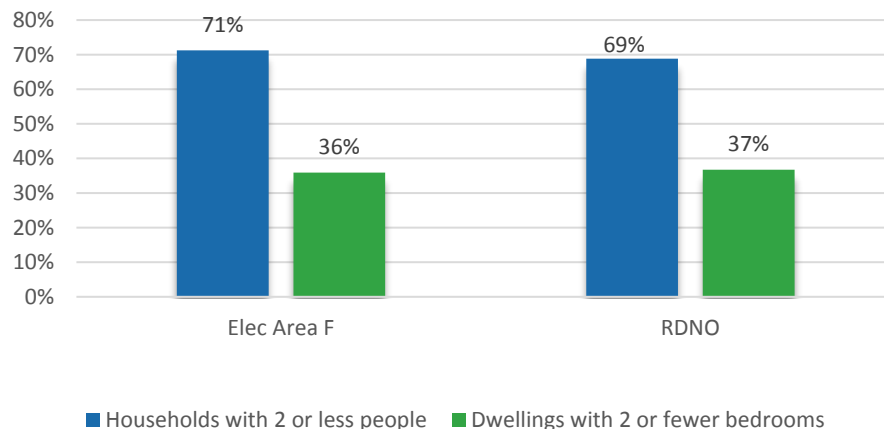
A change might also be expected for a rural area, the housing stock comprises primarily of single detached homes (89%) and the rate of ownership is high at 81%, well above the RDNO (75%) and BC (69%) level.

## Dwelling Mix



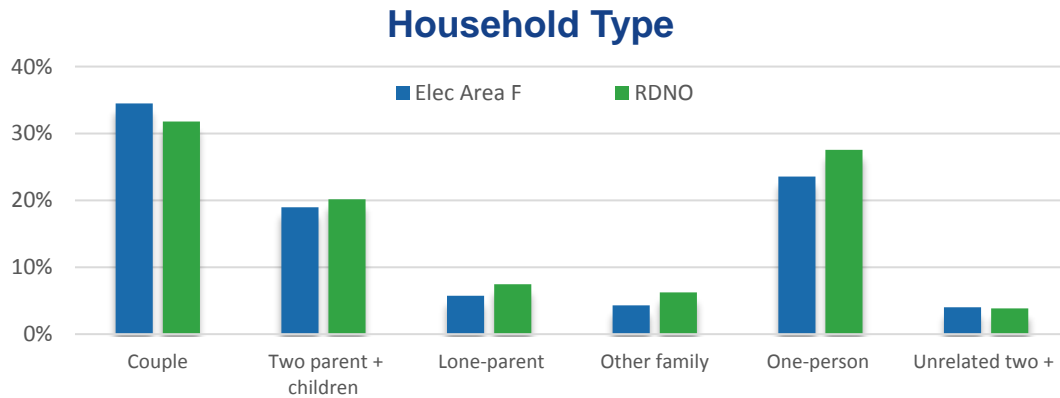
The vast majority of dwellings are single detached homes, comprising 86% of the housing stock compared to 64% for the RDNO average. The next most common type is moveable dwellings at 11%, with very few multi-unit semi or row dwellings, and no apartment structures.

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

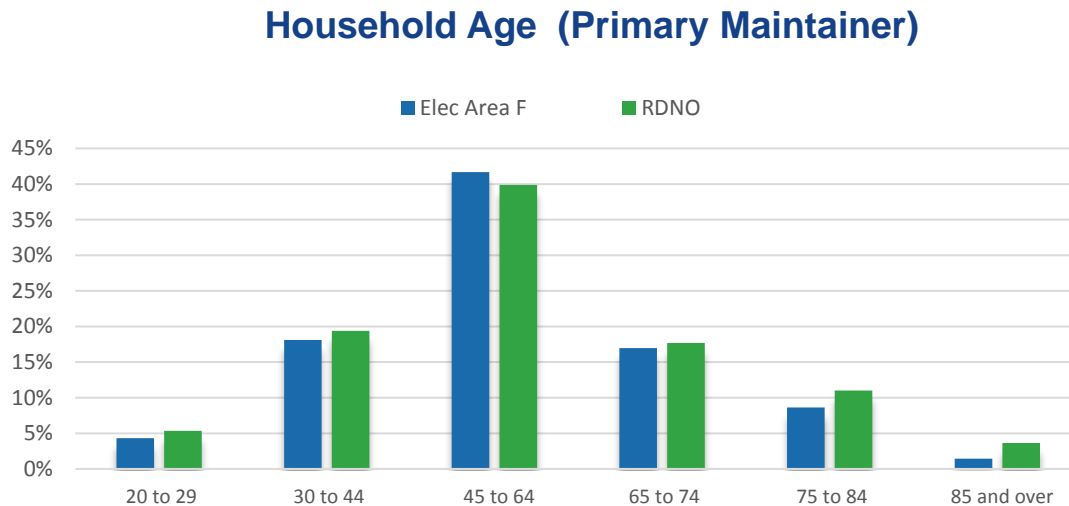


There is an inverse relationship between dwelling size and household size: more than 70% of households have two or fewer occupants while two thirds (69%) of homes have three or more bedrooms.

The high proportion of households with two or fewer people is reflected in the large number of couples with no children (34% of all households, slightly above the RDNO average) and single persons (24% of all households). The distribution by household types closely mirrors the overall RDNO pattern, although the proportion of single persons is somewhat lower than the regional average distribution.



Area F has an older age profile quite similar to the region as a whole, and especially the rural parts. The single largest age group accounting for 42% of the households (based on age of primary maintainer) are those aged 45-65. Compared to the overall region, there are marginally fewer households aged over 65 (27% vs 32% for the RDNO).



However, the median age of individuals (51.1 years) is two years higher than the regional median (49.5 years) and eight years older than the BC average (43). This suggests those in the 45-64 group tend toward the upper end and will shift a larger proportion of residents into the seniors category (65+) over the next decade. This may place some pressure on Enderby to extend seniors services to this area.

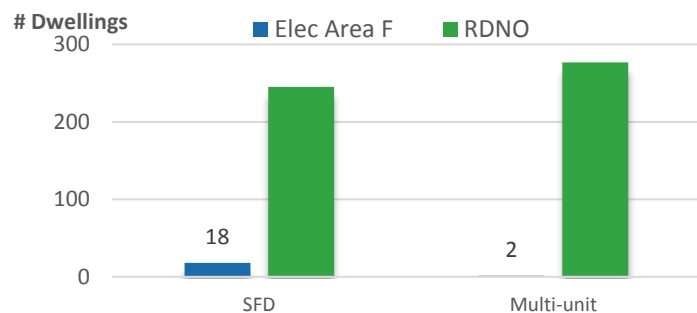
## New Housing Construction

Reflecting the low rate of growth, new home construction in Area F has been quite low, averaging only 20 homes per year since 2016, and almost all have been single detached dwellings.

As a ratio of the population, (11 homes per 1,000 people) this is slightly higher than other Electoral Areas (although below the RDNO level of 15 homes per 1,000 people).

This slightly higher level of home construction, relative to other EAs, may reflect construction of vacation homes, as distinct from permanent residences.

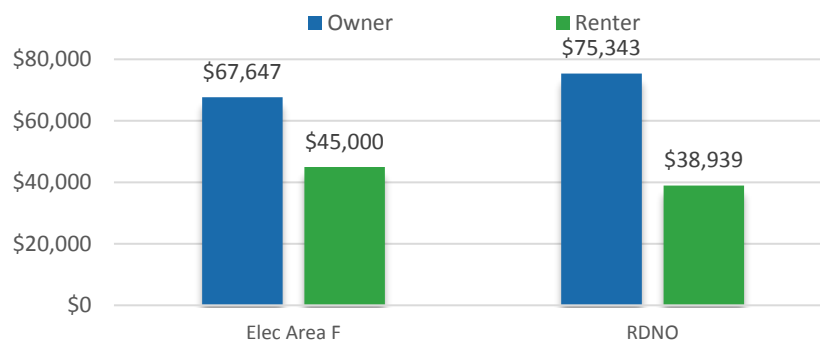
**New Home Construction  
(Average Annual 2016-19)**



## Incomes

Compared to the overall RDNO profile, incomes in Electoral Area F are mixed. The owners across this Area have a median income 10% lower than the regional median (\$67,647); but the renter median (\$45,000) is well above that of the regional median. It is typical for median renter incomes to be much lower than that of owners, but here the gap is much narrower than the overall regional level (renter median is 67% that of owners, vs. 52% in RDNO).

**Household Median Income by Tenure**



## Housing Affordability

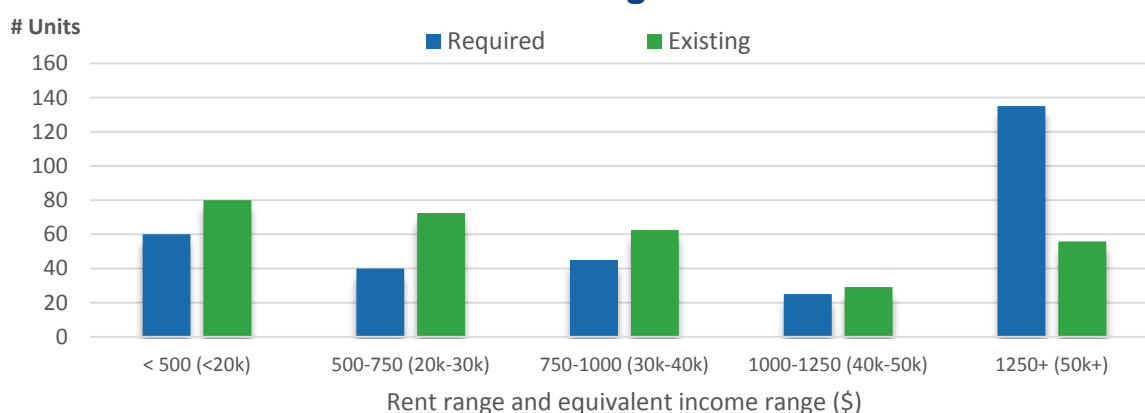
The average house value as reported in the Census (2016) was \$399,500, marginally higher than the regional median of \$380,000.

At the same time rents in Area F are quite low at only \$731 per month compared to the RDNO average of \$903 per month (2016 census rents – CMHC does not survey the rural areas as there are too few rental structures). Most rentals will be in the form of rented houses and semi-detached homes, although here this is augmented by rented moveable homes.

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. In assessing rental affordability, it is noted that due to the high rate of ownership, the rental universe in this area is quite small, so the analysis should be viewed with that caveat.

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.

### Available Required vs. Existing Rental Units, by Rent Range



This reveals a sufficient stock of rental options across the rent range – with more units available in the lower rent ranges than required, based on renters paying no more than 30% of their income. In short, in this Electoral Area, there is no mismatch, which is rare – and related to the very small number of renters as well as the higher median income of renters here.

There is a (theoretical) shortage for rental units above \$1,250 per month, (i.e. more units required than exist) but this appears only because higher income renter households have already found lower rent options, so this is not an issue. This would infer low levels of core housing need, but as discussed below this is not actually the case.

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 homes these renters can purchase. 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 (here \$250,000) is then compared to the price distribution of all homes to determine how many of the existing homes would be affordable.

As noted, the median renter income in Area F is well above that of the RDNO median, while the median home value is only a little higher. The result is that the median income renter household can afford the lowest 18% of homes in this area, compared to only 13% for the RDNO as a whole.

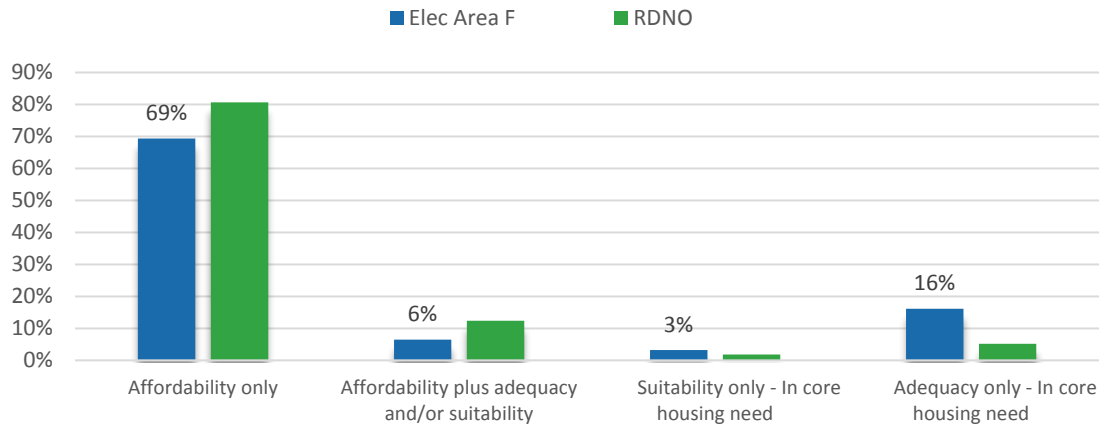
### Core Housing Need <sup>1</sup>

Surprisingly, given the continuum of rental affordability highlighted above, core housing need in Electoral Area F is very high – in fact together with Spallumcheen the highest in the RDNO, at 20.3% (compared to the RDNO average of 12%).

But unlike other communities where the issue is one of affordability, here a significant proportion of need is related to poor dwelling condition. Approximately 16% of core need households experience poor housing conditions (adequacy), while a further 6% face some combination of affordability plus adequacy or suitability. This is the one area in the RDNO where suitability (crowding) appears to be a problem (albeit impacting only 3% of those in core need).

The total count of need (2016) was 310 households. This represents 8% of total need across the region (comparable to the 5% share of households).

#### Distribution of Need by Problem



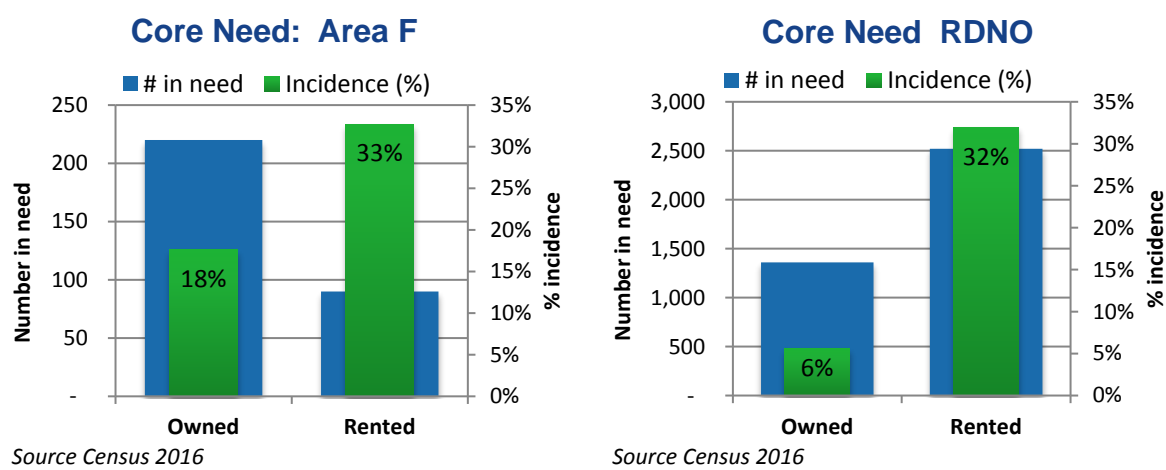
Across Canada and BC, core housing need tends to be most prevalent among renters (because most issues relate to affordability and renters typically have much lower incomes than owners). In Area F the larger group in need are owners, more than double the number of renters. This is due to owners facing poor dwelling conditions and having lower median incomes, as well as renters benefitting from higher than average income and thus less likely to experience the affordability problem that dominates more generally.

<sup>1</sup> See main report for definition and discussion of the core need concept

As illustrated below, the absolute count of households in need is double for owners compared to renters. However because there are fewer renters (only 18% of all households rent), the incidence of these core need renters is much higher (33%) than is the case for owners (18%). Almost one in every two renters are in core need.

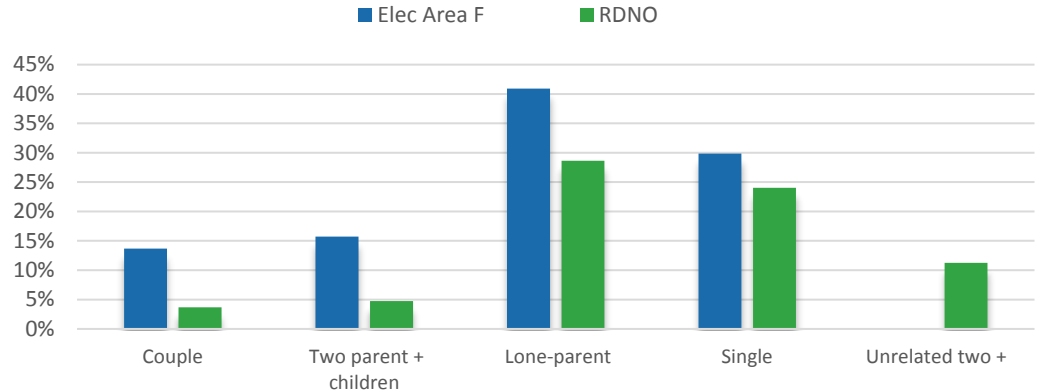
The number of owners in need here is much more significant than in other communities and compared to the regional average. The RDNO average reflects the provincial level of only 6% of all owners in need. In Area F the incidence is three times higher at 18%.

In this case the prevalence of poor dwelling conditions, especially among lower income owners (who are the ones captured in the core need concept), might suggest the need for a home rehabilitation assistance program.



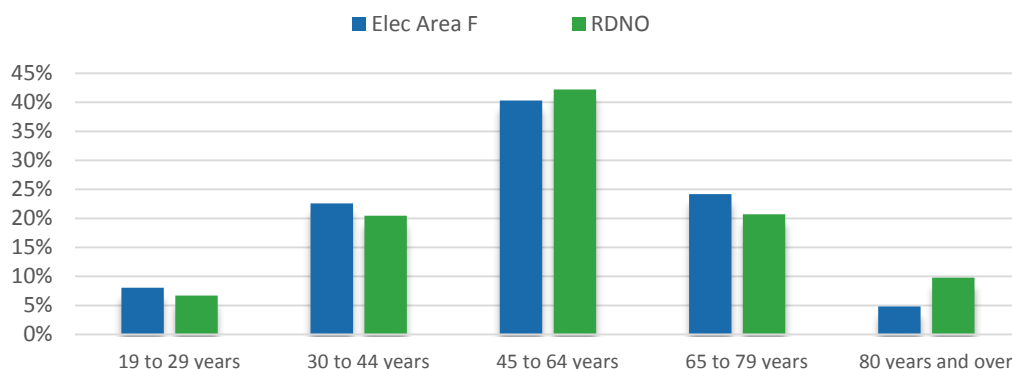
Again reflecting incomes and related affordability challenges, the incidence of core need tends to be greater among single income households – especially lone parents (although as shown below, the absolute number of lone parents in need is quite small) and singles.

### Incidence of Need (%) by Household Type



Consistent with the region overall, the single highest incidence of need is among those aged 45-64 (the next generation of seniors). Almost one out of every two households (40%) aged 45-64 are in core need. And compared to the RDNO average, the incidence of need is also higher here for younger households (19-29 and 30-44) and for those 65-79.

### Incidence of Need (%) by Age



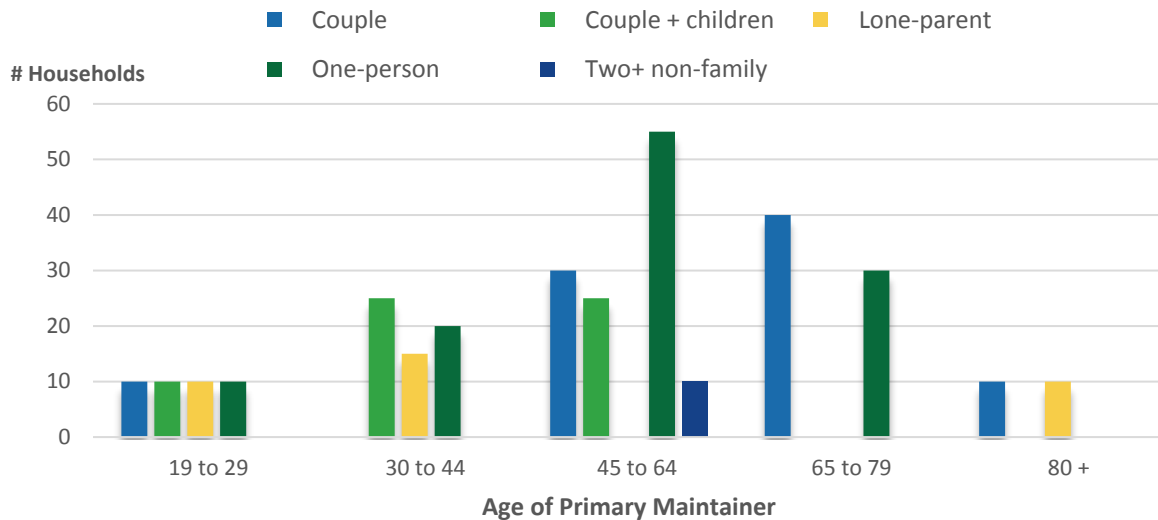
### Important to Look at Count Together with Incidence

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 case here, there can be some rounding errors.

As shown below, in Area F, the high incidence for singles aged 45-64 is reinforced with the count in need, by age and household type. Singles aged 45-64 have the single largest count in need, followed by couples 65-79. Together, singles and couples in the 45-79 age groups account for just over one-third of all need. The remaining two-thirds is distributed across a full range of household types and ages (with the aforementioned caveat on rounding effects). And while the incidence of need among lone parents was highlighted above, this shows that the absolute count of lone parents is quite low (roughly 25 under age 44).



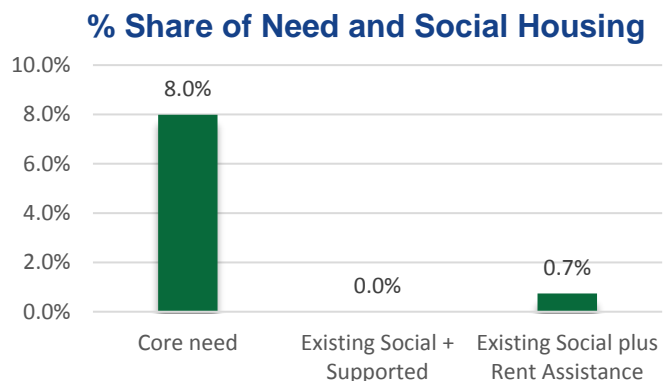
## Core need by Household Type and Age - Area F



## 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. However as might be expected for a largely rural district municipality, there is no permanent social housing in Area F. There are a small number of households that have accessed rental allowances to help address high rent cost burdens.

Given the high level of core need, this suggests, as illustrated below, that Area F is currently underserved. However, as highlighted, because a significant part of the core need issue here relates to poor condition, remedies should include hope rehabilitation as well as additional rental assistance to renters in need.



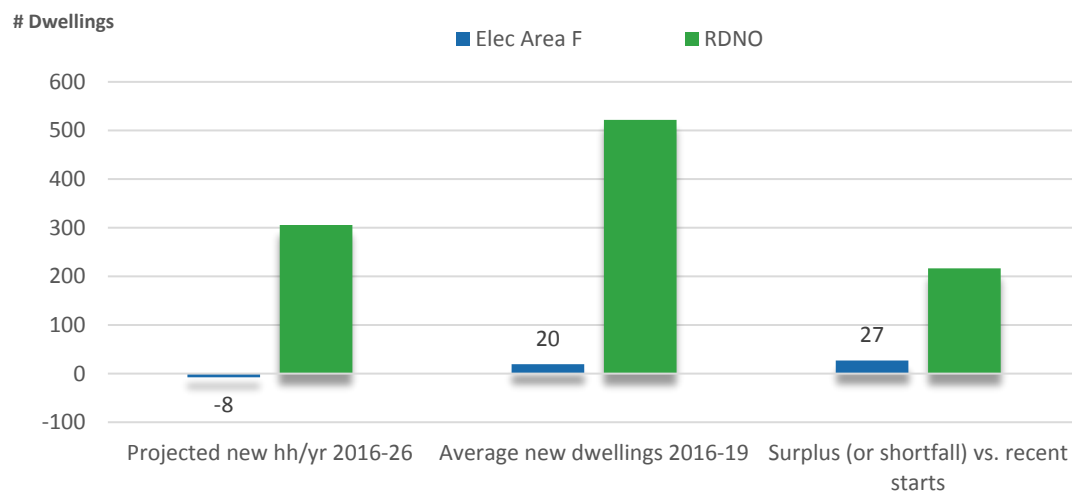
## Future Growth and Housing Requirements

RDNO population projections suggest that the number of households in Area F will stagnate or even decline over the decade 2016-2026.

Converting projected population growth into household growth simply reinforces the same projection and suggests no new housing demand or requirements.

When new construction activity (average 20 units per year) is compared with recent and projected household growth (negative 8 households per year), it appears that if that rate of new building continued, there would be a surplus. As noted, due to the tourist activities in this Area, much of this construction may be attributable to vacation homes. However new construction may also attract new residents and increase the rate of population growth above that projected.

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

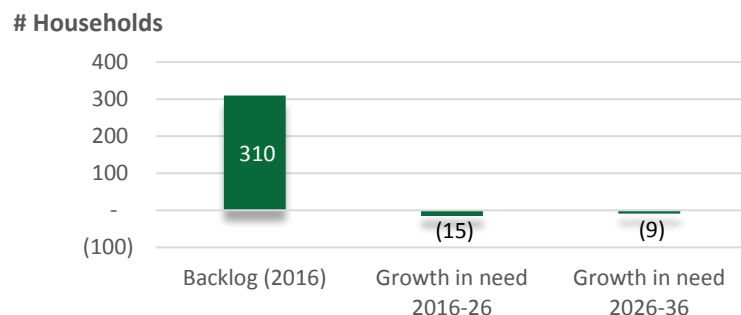


## Future Core Need

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) is redundant in the face of projected negative household growth.

Given projected decline in need, efforts should focus on reducing the backlog of unmet need (310 households).

### Backlog and Projected Growth in Need



## Considerations from Community Consultation

- Electoral Area F encompasses a large land base that includes private lands both within and outside of the Agricultural Land Reserve (ALR), and Crown lands which accommodate natural resource harvesting and recreation use.
- Agriculture is a large economic driver to the communities in Area F particularly beef and dairy, as well as substantial field crops and small diversified farms along the Shuswap River.
- Similarly to the other Electoral Areas within the region, second residences were historically a permitted use on ALR lands. Recently the legislation was changed to prohibit second residences unless approved by the Agricultural Land Commission. In order to encourage / support aging in place, workforce housing and affordable rental opportunities in the rural areas, second residences in the ALR are an important contributor to this stock and strongly supported by the Area Director and community members provided agricultural land is not negatively affected. It is hoped the legislation will be changed in this regard.

Housing Need Community Summary:		Elec Area F	RDNO
Overview			
Population, 2016		4,000	84,354
Share of regional population		4.7%	100.0%
Change 2011 to 2016		0.3%	0.7%
Projected 2016 to 2026		-0.4%	0.9%
Tenure			
Number of Households, 2016		1,740	34,185
Owner		1,420	25,780
Renter		315	8,370
Ownership rate		82%	75%
Dwelling Mix			
Single detached		86%	64%
Semi, duplex		2%	6%
Row		1%	7%
Apartment		1%	14%
Moveable		11%	3%
Other		1%	0%
Household by Size			
1 person		25%	28%
2 persons		47%	41%
3 persons		14%	13%
4+ persons		15%	18%
Average Household size		2.3	2.3
Dwellings by Bed Count			
No bedrooms (bachelor)		1%	0%
1 bedroom		7%	9%
2 bedrooms		28%	28%
3 bedrooms		34%	31%
4 + bedrooms		30%	32%
Comparing Household Size and Dwelling Size			
Households with 2 or less people		71%	69%
Dwellings with 2 or fewer bedrooms		36%	37%

Household Type	Elec Area F	RDNO
<b>Family</b>		
Couple	34%	32%
Two parent + children	19%	20%
Lone-parent	6%	7%
Other family	4%	6%
<b>Non-Census-Family Households</b>		
One-person	24%	28%
Unrelated Two+ persons	4%	4%
<b>Age Distribution of Household Primary Maintainer</b>		
Under 19	0%	0%
20 to 29	4%	5%
30 to 44	18%	19%
45 to 64	42%	40%
65 to 74	17%	18%
75 to 84	9%	11%
85 and over	1%	4%
Population over 65	27%	32%
Median individual age (years)	51.1	49.5
<b>Median Income by Tenure</b>		
Owner income \$	\$67,647	\$75,343
Renter income \$	\$45,000	\$38,939
<b>Housing Availability</b>		
<b>Home Values and Rents</b>		
Median value of dwellings (\$)	\$399,504	\$380,900
Census median rent (\$)/month	\$731	\$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	18	245
Multi-unit	2	277
Total	20	522
Starts per 1000 Households, 2016-19 average	11	15
Percent SFD	92%	47%
Future Housing Growth		
Number of Households, 2016	1,739	35,016
Household projected increase, 2016-26	-75	3,055
Household projected increase, 2026-36	-43	3,260
Anticipated Household growth rate, 2016-26	-0.4%	0.9%
Projected new households/yr, 2016-26	-8	306
Average new dwellings, 2016-19	20	522
Surplus (or shortfall) vs. recent starts	27	216
Core Need	Elec Area F	RDNO
Distribution of Need by Problem - Both Tenures		
Affordability only	69%	81%
Affordability plus adequacy and/or suitability	6%	12%
Suitability only - In core housing need	3%	2%
Adequacy only - In core housing need	16%	5%
Need by Tenure		
Total count of need	310	3,880
# Owners in core need	220	1,360
# Renters in core need	90	2,520
Renters share of need	29%	65%
Incidence (acuteness of need)	20%	12.0%
% Owners need	18%	6%
% Renters need	33%	32%

Incidence of Need by Age of Primary Household Maintainer		
19 to 29 years	8%	7%
30 to 44 years	23%	20%
45 to 64 years	40%	42%
65 to 79 years	24%	21%
80 years and over	5%	10%
Incidence of Need by Household Type		
Total	20%	12%
Couple	14%	4%
Two parent + children	16%	5%
Lone-parent	41%	29%
Single	30%	24%
Unrelated Two+	0%	11%
Existing Social Housing		
Supportive and Assisted	-	558
Independent Social	-	752
Rent supplements and allowances	16	858
Existing Social Housing Compared to Need (Distribution)		
Core need	8.0%	100.0%
Existing Social + Supported	0.0%	0.4%
Existing Social plus Rent Assistance	0.7%	100.0%
Future Growth in Core Housing Need		
Backlog, 2016	310	3,880
Growth in need, 2016-26	-15	368
Growth in need, 2026-36	-9	393
Affordability Assessments		
<b>Rent</b>		
< \$500 / month	80	720
\$500-750 / month	73	1,860
\$750-1000 / month	63	2,355
\$1000-1250 / month	29	1,412
\$1250+ / month	56	1,948

**Income**

Under \$20k	60	1,905
\$20k-30k	40	1,355
\$30k-40k	45	990
\$40k-50k	25	960
\$50k+	135	3,080

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

Median Home Price, 2016	\$399,504	\$380,900
Median renter income	\$45,000	\$38,939
Monthly @30%	\$1,125	\$973
Maximum price (3.5%, 25yrs, 10% down)	\$250,000	\$216,330
Percentage of homes affordable to the median renter (2016)	18%	13%



# APPENDIX A

## COVID-19 Impacts



## COVID-19 Impacts

There has been a number of inquiries regarding the potential impact of the COVID-19 pandemic on housing.

- Nationally it appears there will be a slowing of starts, sales and softening of prices thru 2021;
- A weakening of rental demand, and potential augmented “supply” via short term rental (less so in the RDNO);
- Income and employment impacts – especially tourism and hospitality, may increase core need;
- Greatest unknown is how will this pandemic effect migration which is the main driver of growth in RDNO.
- Population and growth projections always fluctuate around an average. So likely will adjust down initially and catch up later.