



COUNCIL REPORT

To: Paul Gipps, CAO

Date: August 25, 2020

From: Dallas Clowes, Senior Planner

File No: P20-15

Subject: **Regional Housing Needs Assessment**

RECOMMENDATION

THAT Council receive the Regional Housing Needs Assessment dated November 2019 which includes detailed information about current and anticipated housing needs in West Kelowna.

STRATEGIC AREA(S) OF FOCUS

Strengthen Our Community – The development of a Regional Housing Needs Assessment (RHNA) is a result of a partnership between Westbank First Nation and local governments within the Regional District of Central Okanagan.

BACKGROUND

The Regional Board of the Regional District of Central Okanagan (RDCO) adopted the Regional Growth Strategy Bylaw No. 1336 (RGS) on June 23, 2014 following acceptance of the RGS by all member municipalities as per the *Local Government Act*.

In July 2017, the Regional Board endorsed the RGS Priority Projects Plan which represents a 5-year action plan outlining the priority initiatives to implement the RGS. The development of a Regional Housing Needs Assessment was identified within this Plan as Priority Project #3.

In April 2019, Division 22 of the *Local Government Act* was amended to include a requirement for all local governments to prepare and receive housing needs reports prior to April 2022. These reports must include information regarding both the current and projected population, household income, significant economic sectors, and housing units that are both currently available and anticipated to be available. The RDCO has received confirmation from the Province that the collaborative RHNA will meet this legislative requirement for each specific jurisdiction in the RDCO, once the report is received by each individual local government.

DISCUSSION

The Regional Housing Needs Assessment is a descriptive analysis of the current housing needs and issues in the Central Okanagan and includes information on: two electoral areas, six First Nation reserve lands (including Westbank First Nation and Okanagan Indian Band), the District of Peachland, the City of West Kelowna, the City of Kelowna, and the District of Lake Country. The RHNA is a product of regional consultation, an analysis of relevant housing statistics and ongoing input from the RDCO and regional partners.

The RHNA identifies that the Central Okanagan as a whole is experiencing challenges with growth, affordability and widespread gaps in housing needs, across all types of housing (ranging from shelter beds to subsidized units for seniors, to affordable homeownership options). The next phase of this project, the Regional Housing Strategy, will examine recommendations to address these housing needs.

Projected Population Growth and Housing Need:

The RHNA indicates that the Central Okanagan is one of the fastest growing areas of the Province and is anticipated to grow by approximately 60,000 people by 2036. The City of Kelowna is anticipated to accommodate the largest share of the projected population and housing growth, followed by West Kelowna. It is anticipated that West Kelowna will increase by 12,413 people by 2036. This projected growth represents an average annual growth rate of 1.6% for West Kelowna and it is anticipated that 4,491 housing units are needed to accommodate this growth. Table 1 below outlines the projected population and total housing units needed to accommodate this growth in West Kelowna.

Table 1: Projected Population and Housing Demand by Type, West Kelowna, 2016-2036

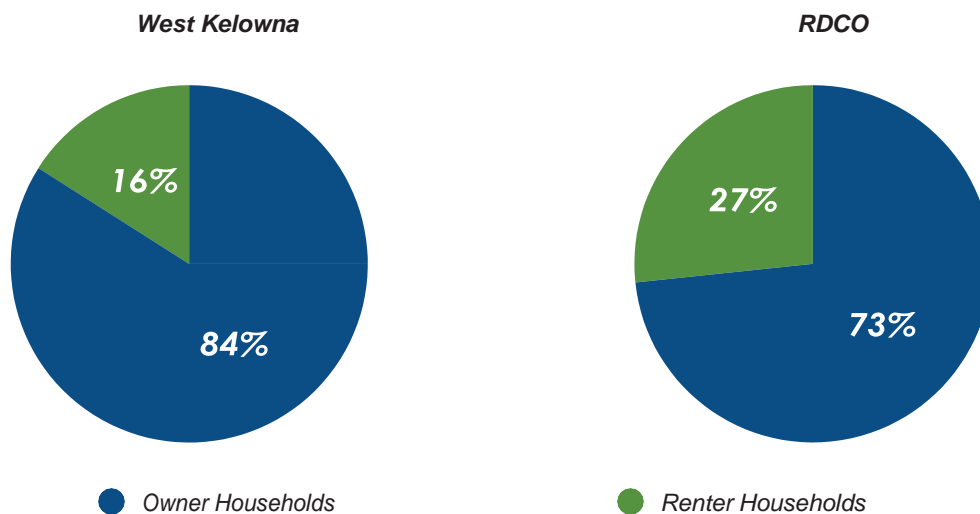
	2016	2026	2036	Growth (2016– 2036)	Average Annual Change, 2016– 2036	Average Annual Growth Rate
Population	33,751	40,338	46,164	12,413	621	1.6%
Total Housing Units	12,435	14,922	16,926	4,491	225	1.6%
No bedrooms	15	19	22	7	0	2.0%
1 bedroom	470	584	681	210	11	1.9%
2 bedrooms	2,438	2,995	3,455	1,017	51	1.8%
3 bedrooms	3,970	4,785	5,446	1,476	74	1.6%
4 or more bedrooms	5,542	6,540	7,322	1,780	89	1.4%

Source: Statistics Canada, Census (2016), Consultant Projections

Existing Housing Tenure in West Kelowna

The analysis of housing ownership for West Kelowna demonstrates that 84% of West Kelowna households are 'owner households' while 16% are 'renter households'. The ownership rate in West Kelowna is higher than the average in the RDCO, as depicted in Figure 1 below.

Figure 1: Housing Tenure, West Kelowna & RDCO, 2016

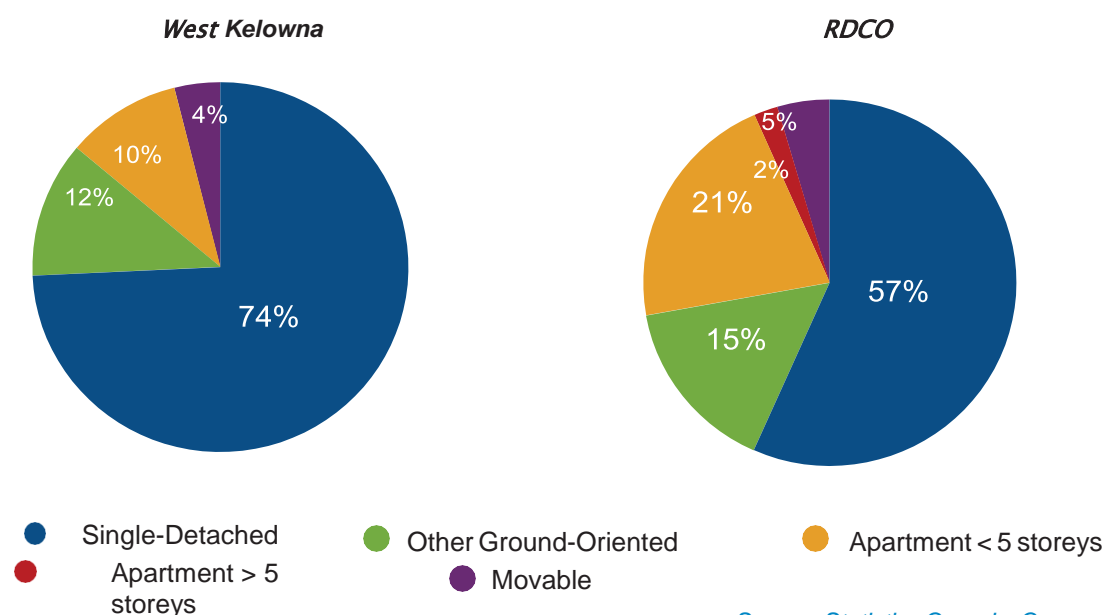


Source: Statistics Canada, Census (2016)

Existing Housing Stock in West Kelowna

In terms of existing housing mix by structure type, the 2016 Census demonstrated that West Kelowna has a significant proportion of single-detached dwellings at approximately 74% of the housing stock. This compares to the RDCO as a whole at approximately 57%, as depicted in Figure 2 below. It should also be noted that in the last 3 years, there has been a shift in market preferences towards multi-residential development in West Kelowna, including purpose built rentals in Westbank Centre. In addition, West Kelowna has recently adopted secondary suite and carriage house regulations to support infill housing opportunities. These recent changes will assist West Kelowna in offering a broader mix of housing types as our community grows. The data on these newer builds will be available following the 2021 Census.

Figure 2: Housing Mix by Structure Type, West Kelowna & RDCO, 2016



Source: Statistics Canada, Census (2016)

Housing Affordability in West Kelowna – Rentals

Table 2 below summarizes rental affordability by household type for West Kelowna, comparing how much households can afford to put towards rent per month (based on 30% of their gross income) against average rents by housing type. Couple households earning the median income have the greatest choice in the rental market and are able to afford the average rent, while lone parent and single person households experience the greatest challenges in the rental market, often unable to afford the average rent (highlighted in the red boxes).

Table 2: Rental Affordability by Household Type

Household Type	Median Annual Income	Median Monthly Income	Available for Rent (30% of income)	Average Rent for All Housing Types			
				Bachelor	1 Bedroom	2 Bedroom	3 Bedroom
Couple Households	\$90,889	\$7,574	\$2,272	\$892	\$1,014	\$1,300	\$1,380
Lone-Parent Households	\$45,380	\$3,782	\$1,135	\$892	\$1,014	\$1,300	\$1,380
Single Person Households	\$35,883	\$2,990	\$897	\$892	\$1,014	\$1,300	\$1,380

Source: CMHC Rental Market Report, 2018; Statistics Canada, Income Statistics, Tax-filer Data, Annual Estimates for Census Families and Individuals, 2015

Throughout the RDCO, couple households are the least challenged in affording average rents based on median incomes. The challenges in the rental market for lone-parent and single-person households in West Kelowna are echoed throughout the RDCO, as depicted in Table 3 below:

Table 3: Summary of Rental Affordability in the RDCO

Community	Couples	Lone Parents	Singles	Average Monthly Rent (All Housing Types)
Peachland	\$2,308	\$1,052	\$803	\$1,147
West Kelowna	\$2,272	\$1,135	\$897	\$1,147
Kelowna	\$2,049	\$1,055	\$798	\$1,147
Lake Country	\$2,196	\$1,114	\$730	\$1,082
<i>RDCO</i>	<i>\$2,207</i>	<i>\$1,089</i>	<i>\$807</i>	<i>\$1,135</i>

Source: CMHC Rental Market Report, 2018; Statistics Canada, Income Statistics, Tax-filer Data, Annual Estimates for Census Families and Individuals, 2015

Housing Affordability in West Kelowna – Ownership

The RHNA demonstrates that based on median incomes for West Kelowna, couple households are the only group that is able to purchase housing with an affordable purchase price as per Table 5 below (meaning no more than 30% of their gross income on mortgage and utilities, with a 10% down payment; boxes in red indicate that housing is unaffordable with more than 30% of income on housing).

Table 5: Homeownership Affordability by Household Type

Community	Purchase with 10% Down	Average Sale Price		
		APT	TH	SDH
Couple Households	\$411,315	\$340,681	\$482,772	\$705,773
Lone-Parent Households	\$144,912	\$340,681	\$482,772	\$705,773
Single Person Households	\$89,318	\$340,681	\$482,772	\$705,773

Source: Okanagan Mainline Real Estate Board, 2019; Statistics Canada, Income Statistics, Tax-filer Data, Annual Estimates for Census Families and Individuals, 2015

Table 6 below compares how West Kelowna fares in the region for average sale price by housing type.

Table 6: Average Sale Price by Dwelling Type, RDCO & Sub-Areas 2018

Community	Average Sale Price by Type			Total Average Sale Price by Community	Number of Sales
	Apartment/Condo	Townhouse	Single-Detached		
Peachland	\$579,567	\$571,581	\$672,659	\$586,335	127
West Kelowna	\$340,681	\$482,772	\$705,773	\$549,871	1,072
Kelowna	\$354,177	\$546,769	\$778,971	\$583,144	2,868
Lake Country	\$327,342	\$493,481	\$738,516	\$566,410	415
Central Okanagan East	\$235,000	\$218,000	\$888,017	\$818,384	19
Central Okanagan West	\$120,250	\$437,208	\$732,978	\$348,473	95
Total RDCO	\$347,131	\$497,512	\$751,094	\$563,588	

Source: Okanagan Mainline Real Estate Board, 2019

Homelessness on the Westside

In 2018, West Kelowna and Westbank First Nation collaborated on a Point-in-Time count (PiT Count) to understand how many people were experiencing homelessness on the Westside. At the time of the count, 72 people were identified as experiencing homelessness on the Westside. The majority of the people surveyed fell within the age bracket of 25-44 (53% of respondents) and 61% of respondents experiencing homelessness identified as having Indigenous ancestry. The largest cohort of people experiencing homelessness were unsheltered (45%), while 18% per staying at someone else's place and another 6% were staying in a shelter or hotel.

Further Housing Highlights

The RHNA includes 'Housing Highlights' as an appendix for each specific jurisdiction to provide an overview of the current housing situation in each community. West Kelowna's Housing Highlights are provided in Attachment 2 and contain further detailed information on housing, population projections, vacancy rates and non-market housing in the community.

FINANCIAL IMPLICATIONS

The Regional Board approved a project budget of \$40,000 for the development of a Regional Housing Needs Assessment through the 2019 budget deliberation process.

The Regional Board has also approved a project budget of \$60,000 for the development of the Regional Housing Needs Strategy through the 2020 budget deliberation process. This project is anticipated to initiate in Fall 2020.

COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
March, 14 2017	THAT Council not support Project numbers 3, 5, 6, and 8.	C203/17
March, 14 2017	THAT Council not support Project number 9.	C204/17

CONCLUSION

Receiving the Regional Housing Needs Assessment will meet the requirements of the *Local Government Act*. Staff will continue to work with RDCO partners on the development of a Regional Housing Strategy, expected to commence in September 2020.

Alternate Motion:

THAT Council not receive the Regional Housing Needs Assessment dated November 2019 and direct staff to report back to Council on an option for a stand-alone West Kelowna Housing Needs Assessment.

REVIEWED BY

Brent Magnan, Planning Manager

Mark Koch, Director of Development Services

Tracey Batten, Deputy CAO/Corporate Officer

APPROVED FOR THE AGENDA BY

Paul Gipps, CAO

Powerpoint: Yes ☒ No ☐

Attachments:

1. Regional Housing Needs Assessment
2. Appendix D – City of West Kelowna Housing Highlights