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# Electoral Area F

## RDEK Community Profile

**Prepared by:**  
Turner Drake & Partners Ltd.



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# 1 Introduction

The purpose of this document is to offer an overview of the current and anticipated housing conditions for the Regional District of East Kootenay's (RDEK's) Electoral Area F. Such an understanding is foundational for the support of future initiatives and tracking of community progress. The insights generated by housing needs data can inform land use and social planning initiatives at local levels, as well as provide hard evidence in support of advocacy to senior levels of government. They are also a useful resource for those engaged in or entering the housing sector.

While an important document for directing policy, a Housing Needs Report (HNR) is also a requirement for local communities, as set out in BC's *Local Government Act* and the Housing Needs Reports Regulation, as amended by Bill 44. While provincial regulations dictate which data HNRs must include, this document serves as a brief update to the last HNR (produced in November 2021). A full HNR (that meets all data collection and analysis requirements) must be produced by 2028. Relatedly, this document does not go into detail about all HNR related topics, instead choosing which elements are most helpful as an interim update.

## 1.1 Executive Summary

According to the 2021 Census, around 14% of households in the area spent more than 30% of their income on housing, demonstrating that local affordability challenges exist. With rates of unaffordability already high relative to the RDEK, widening gaps between local incomes and house prices suggest that conditions have worsened since the Census.

Although some residents may be financially secure, about 19% of households were categorized as "very low" or "low" income, underscoring the vulnerability of many to housing affordability issues. Projections indicate a potential need for 632 overall units by 2041, with at least 211 identified as being ideally in the form of below-market or deeply affordable units.

Senior-led households may grow by 56% by 2041, with seniors potentially representing nearly about 49% by that time. Given increased prevalence of disabilities within this group, there is a pressing need for senior-specific housing interventions, such as improved accessibility and supportive services.

Other housing challenges include addressing homelessness and supporting special needs populations. National trends suggest that hidden homelessness may be rising in rural areas. About 3% of local households earned "very low" incomes in 2021, making them particularly vulnerable to the impacts of rising shelter costs. Furthermore, the increase in younger family households over the next two decades is likely to drive demand for family-specific housing, such as larger units with more bedrooms.

As of 2023, there were approximately 216 secondary suites in the electoral area, making up about 4.5% of the total dwelling stock. Secondary suites have gained popularity as an alternative housing option regionally and locally. Affordability trends suggest there should be increasing demand for more flexible and affordable living arrangements within the community, especially as rules around secondary suites become more permissive, and as housing affordability challenges impact many residents.

In addition to secondary suites, short-term rentals (STRs) have played a considerable role in the local housing landscape (especially as it is associated with the Panorama Mountain Resort), though often of a less positive note. Since 2017, STRs that could have otherwise been potential long-term dwellings (PLTDs) made up about 7% of the total local dwelling stock – though about half of the PLTDs are specific to the Panorama Mountain Resort and are specifically tied to a tourism / recreation use. Historically, about 44% of PLTDs have been three-or-more bedrooms large – units that could more readily accommodate families with children, a segment that is anticipated to grow over the next two decades.

## 1.2 Community Data Summary

POPULATION	2021	2026	2041
Total people	3,520	3,700	4,110
Percent change since last reported year	-	+5%	+11%
Median age	50.9	50.2	51.0

SENIOR POPULATION (65+)	2021	2026	2041
Electoral Area F	31%	35%	37%
Regional District of East Kootenay	21%	24%	24%
British Columbia	20%	21%	22%

HOUSEHOLDS	2021	2026	2041
Total households	1,585	1,720	1,960
Percent change since last reported year	-	+9%	+14%
Non-senior (< 65) led households	57%	52%	50%
Senior (65+) led households	43%	48%	50%
Average household size	2.20	2.13	2.08

BEFORE-TAX HOUSEHOLD INCOME* 2021	Overall	Owners	Renters
Electoral Area F	\$84,000	\$88,000	\$51,200
Estimated local hourly wage	\$46.15	\$48.35	\$28.13
Regional District of East Kootenay	\$88,000	\$98,000	\$55,200
British Columbia	\$85,000	\$100,000	\$63,200

\* 2021 incomes (based on 2020 taxfiler data) are distorted by COVID-19 relief payments that were present at the time.

<b>LOCAL HOUSE PRICES</b>	2016	2019	2022
Median purchase price	\$407,800	\$403,800	\$588,200
Percent change since last reported year	-	\$0	+46%
Estimated required income to afford house	\$114,000	\$120,000	\$181,400
Estimated local hourly wage required	\$62.64	\$65.93	\$99.67

<b>LOCAL RENTS</b>	2011	2016	2021
Average rent	\$1,243	\$1,057	\$1,109
Percent change since last reported year	-	\$0	+5%
Estimated required income to afford rent	\$66,300	\$56,400	\$59,100
Estimated local hourly wage required	\$36.43	\$30.99	\$32.47

<b>HOUSING CRITERIA</b> (definitions in Section 5)	Overall	Owners	Renters
Inadequacy	5%	5%	-
Unsuitability	2%	1%	-
Unaffordability	14%	14%	22%
Core Housing Need	14%	12%	28%
Extreme Core Housing Need	4%	3%	-

<b>DWELLING DEMAND</b>	In 5 years	In 20 years
Total units	208	631
0- / 1-bedroom unit	70	212
2-bedroom unit	57	171
3-bedroom unit	47	141
4+ bedroom unit	34	107

## 2 Interim Housing Needs Report Requirements

The first legislative requirements for housing needs reports were introduced in 2019, mandating local governments to collect data, analyze trends, and present reports detailing current and anticipated housing needs. The RDEK published its first Housing Needs Report for Electoral Area F in 2021.

In 2023, amendments to the Local Government Act introduced new requirements for these reports. Local governments must now use a standardized methodology to identify 5- and 20-year housing needs in their communities and update their official community plans and zoning bylaws to accommodate the projected number of units. In addition, communities must also provide an overview of the work performed to address housing need since their last HNR and must provide a statement about the need for housing in close proximity to transportation.

### 2.1 Current and Anticipated need

The following is the result of analysis using the province prescribed HNR Method. Note that method results use 2021 as the base year for calculations.

Table 2-1: HNR Method base year versus current year estimates

Description	5-year	20-year
Total demand from 2021 base year	208	632

### 2.2 Key Areas of Local Need

#### Affordable housing

According to the Census, unaffordability remains the largest contributor to Core Housing Need, with about 14% of local households spending more than 30% of their total income on shelter in 2021. Alongside a higher rate of Core Housing Need than the RDEK (14% versus 7%), there is a notable widening of the gap between local income purchasing power and actual house prices indicating a worsening of conditions post-Census.

Income categorizations based on Housing Assessment Resource Tool (HART) methodologies<sup>1</sup> show that approximately 19% of households earned a "very low" or "low" income in 2021. While many in these categories may already be shelter-secure (e.g., retired households with fully paid-off mortgages), this percentage represents a significant portion of the population that may be especially vulnerable to affordability challenges.

Projection work suggests that the community may require 632 additional housing units by 2041. Of these, about 211 should be intentionally built at below-market or deeply affordable prices.

#### Rental housing

Homeownership is becoming increasingly unaffordable for the median household, forcing many who would prefer to own a home to rent instead. Although renting is also experiencing a significant rise in costs provincially, it often remains the more cost-effective option between the two tenures. Even so, local shares of renter-occupied dwellings decreased from 13% to 10% from 2016 to

<sup>1</sup> HART. (2024). Housing Needs Assessment Tool. University of British Columbia. <https://hart.ubc.ca/housing-needs-assessment-tool/>

2021, due to overall household growth being predominantly through homeownership opportunities around Canal Flats and Invermere.

Broader vacancy trends in the RDEK's urban areas and across BC suggest that the demand for rental housing should grow – as rental vacancy rates continue to decrease, there is a rise in demand for rental housing relative to available supply.

### **Special needs housing**

Although data on waitlists and core housing need is not specific to community members with special needs, national disability statistics<sup>2</sup> show that overall rates of disability increased from 22.3% to 27.0% between the 2017 and 2022 surveys. Much of this increase is attributed to the growth of the senior population.

However, increases were also observed among youth and working-age adults, with significant rises in mental health, learning, and developmental challenges. This indicates a broad need for improved access to supportive housing options that cater to various specific support needs.

### **Housing for seniors**

According to projections derived from BC Statistics data, the community could anticipate that that senior-led households overall may be a consistent driver of dwelling demand growth over the next two decades. Total senior-led households may increase 46% (665 to 970) by 2041 and could represent 49% of total households.

In 2022, the Canadian disability rate among the senior population was 40%, an increase of 3 percentage points since the last survey in 2017. A significant portion of this rate is related to mobility issues, and the likelihood of disability increasing with age.

Given the anticipated growth in senior-led households and the elevated disability rate within this group, increased senior housing interventions are necessary. These could include ensuring senior facilities are widely permitted locally, further modifying building standards to support aging in place, or developing and improving existing senior services and programs.

While many solutions fall outside the direct influence of local or regional governments, there may be opportunities to partner with other levels and local or regional organizations.

### **Housing for families**

Families, particularly couples, are often the most capable of owning or renting a dwelling due to the higher likelihood of dual-income households. This makes families among the most competitive households in the housing market.

Projections suggest that anticipated growth among young family age groups (those led by a 25- to 44-year old) may lead to an increase in families with children. From 2021 to 2041, families with children may grow 18% – 275 to 325 – suggesting sustained demand for family-appropriate dwellings (e.g., those with more bedrooms or larger floor areas).

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<sup>2</sup> Statistics Canada. (2023, December 1). Canadian Survey on Disability, 2017 to 2022. <https://www150.statcan.gc.ca/n1/daily-quotidien/231201/dq231201b-eng.htm>

### **Shelters to address homelessness**

The RDEK's rural areas are not the primary sources of units and programs related to homelessness and other non-market interventions. Nevertheless, national and provincial trends show that overall homelessness is on the rise, with hidden rural homelessness likely increasing.

Using HART's income categorization methodology, about 3% of local households (45) were identified as earning "very low" incomes in 2021. These individuals are the most vulnerable to changes in their housing circumstances and are the most likely to require emergency housing interventions. Note that the 3% is likely a conservative estimate since incomes from the 2021 Census are distorted by COVID-19 relief payments (i.e., incomes were generally reported as higher than they actually were, especially for lower income households). The share of very low- and low-income earning households may in actuality be higher, demonstrating that fewer people can afford market rents and prices than otherwise identified.

Addressing homelessness locally is ideal, as it allows residents to remain within their community. However, doing so can be challenging. Despite these difficulties, local governments should stay engaged in regional homelessness strategies to help coordinate and determine the allocation of emergency housing services and programs.

### **Proximity to transportation**

Shelter costs are just one of many expenses that individuals and households must manage, and the ability to afford one thing often depends on the ability to afford another. Access to multiple transportation options is crucial, offering low-cost alternatives, improved access to jobs and essential services, and an enhanced overall quality of life.

While rural areas grapple with many of the same concerns as their urban counterparts, they generally have fewer options available to address transportation issues. For instance, the capacity to allow for denser, more accessible communities is largely contingent on the adequacy of private well and septic. Furthermore, active or public transportation networks must cover greater geographies and thus are generally more resource intensive to develop.

With an anticipated growing population and household base, it is especially important for the regional government to work towards goals to improve access to employment and housing options that might otherwise be geographically or economically out of reach. Moreover, new housing developments should prioritize existing and planned transportation infrastructure to ensure equitable access to alternative forms of mobility. Lastly, emphasis should also be put on expanding active transportation and recreation options. While in most cases active transportation may not be feasible for commuting based on distance, trails and pathways offer unique amenities for rural and urban residents alike, especially those who might not otherwise be close to community centres.

## **2.3 Recent Community Housing Action**

The following is a summary of strategy, policy, and regulatory changes since the initial HNR of 2021, inclusive of the document / initiative the change is tied to, the description of the changes, and the status of the changes.

### **Amendment of secondary suite provisions, Bylaw No. 3316**

The Province of BC enacted Bill 44 as part of the Homes for People action plan to address the housing crisis across the province. The Act set out new requirements for local governments with



respect to small-scale multi-residential housing (SSMUH). Local governments had to adopt zoning bylaws that align with the SSMUH legislation by June 30, 2024.

While much of the SSMUH legislation applies to municipalities (namely, allowing at minimum 3 to 4 units in all residential zones instead of single-family exclusionary zoning), some are required across BC's electoral areas. Specifically, secondary suites must be permitted in all residential zones.

Electoral Area F had already permitted secondary suites; thus, amendments were made to align the zoning bylaw with legislative requirements. Such amendments include:

- Amendments to definitions of multiple-family dwelling, secondary suite, single-family dwelling, and two-family dwelling.
- Increase in permitted size of the secondary suite from 40% to 49% of the principal dwelling unit.
- Clarification on the maximum number of principal dwelling units permitted by the Bylaw.
- Secondary suite added as a permitted accessory use in the principal dwelling unit only in the following zones:
  - Single Family Residential: R-1
  - Multiple Family Residential (Cluster) – Medium Density Zone: R-4(A)
  - Multiple Family Residential – Community (Cluster) Zone: R-5
  - Recreation Residential Zones: RES-1(A)
- Decrease in the required side yard setback when adjacent to another parcel that is not a road (interior side yard) from 1.5 m to 1.2 m for the following zones:
  - Single Family Residential Zone: R-1
  - Single Family Residential (A) Zone: R-1(A)
  - Single Family Residential – Secondary Suite Zone : R-1(C)
  - Single Family Residential (Resort) Zone: R-1(D)
  - Single Family Residential – Manufactured Home Zone: R-1(MH)

In addition to the above, the RDEK is working on expanding the eligibility requirements for secondary suites.

### 3 Demographic Change

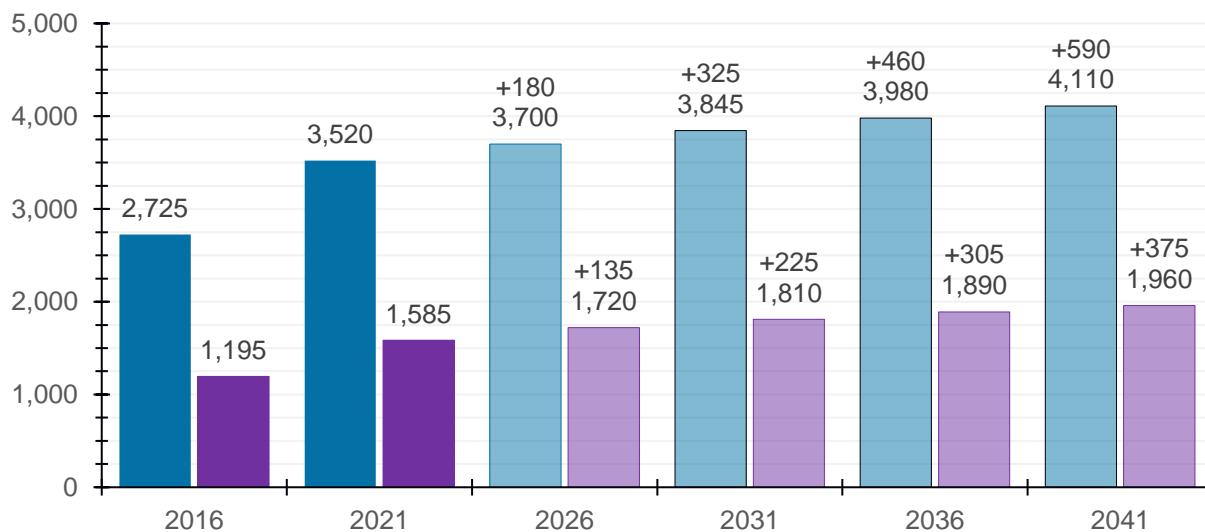
In 2021, Statistics Canada reported that Electoral Area F’s total population grew by a notable 29% between 2016 and 2021 (from 2,725 to 3,520). The population increase supports the corresponding growth among households. Note that Statistics Canada defines a household as a person or group of persons sharing the same dwelling without another usual residence.

- While the notable local growth is related to increased demand for individuals and households to move to the community permanently, there is a possibility that the magnitude of growth may be higher than reality due to overcounting of permanent households during the COVID-19 pandemic; particularly, around resort areas.

Figure 3-1 illustrates the historical anticipated change for both total population and households. Projections are derived using provincial government produced projections for the total of the RDEK’s rural communities and are based on 2021 as the base year to align with later discussed housing demand calculations.

- By 2041, the electoral area may reach a total population of 4,110 – an increase of 17% over two decades (or 590 people). Calculations suggest growth should primarily come from senior (65+) aged residents and 25- to 44-year-olds, though most age groups should experience an increase during the same period.
- Alongside the population, total households may increase to 1,960 – a 24% increase (or 375 households). The 25-to 44-year-old led household category should lead in percentage growth over the next two decades, with greatest absolute growth among senior-led households.

Figure 3-1: Historical & anticipated population and households, and change since 2021

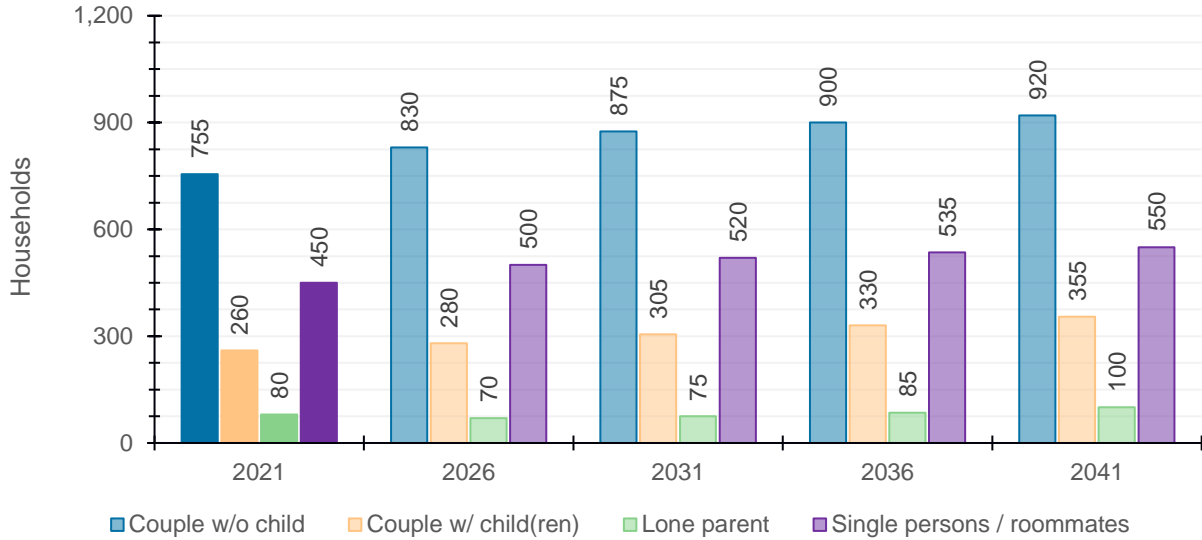


Source: derived from Statistics Canada Census profiles and rural area BC P.E.O.P.L.E projections

Figure 3-2 illustrates the projected distribution of future households by family type. These calculations are based on the 2021 relationship between family type and the age of the head of the household, which is then applied to the projected future age group distributions.

- Notable increases are expected among couple families without children, which is typical of an aging population (as dependents move out of their parents' or guardians' homes). Aging populations also lead to a rise in single-person / unrelated roommate households, a trend reflected in the projections.
- Growth may also occur among families with children (whether one or two parents) – a potential rise of 37%. This suggests an anticipated increase in demand for dwellings with more bedrooms.

Figure 3-2: Anticipated households by household family type



Source: derived from Statistics Canada Census data tables and rural area BC P.E.O.P.L.E projections

## 4 Housing Profile

### 4.1 Existing Inventory

The 2021 Census recorded 3,550 total dwellings in the electoral area. Of those, 1,585 were occupied by a usual resident. A usual resident is someone that lives in their dwelling more than half of the year, which indicates it is their “primary” place of residence. Conversely, a non-usual resident occupied dwelling could include a recreational property, a temporarily occupied dwelling, or an unoccupied home that is otherwise fit for habitation. This means that about 55% of local dwellings may have been used for purposes other than permanent occupation.

- In 2016, total dwellings were 3,267 and the share of non-usual resident occupied dwellings was 37%. Both values increased over the five years to 2021, suggesting that new dwelling construction has been largely for permanent households.
- However, the COVID-19 pandemic distorted the number of households reporting as permanent in 2021, particularly in recreational areas like Panorama Mountain Resort. Many individuals worked remotely during the pandemic and may have reported these recreational locations as their permanent residence, even though their primary home was elsewhere. This is partly reflected in the significant rise in the share of usual-resident occupied dwellings, from 37% to 45%.

Table 4-1 summarises the communities totals and distribution by structure type (for dwelling occupied by a usual resident). Figure 4-1 shows the distribution of the current dwelling stock by its age of construction, disaggregated by tenure. For the years that display no construction activity, this may not mean that no construction occurred, but instead that the volume of construction was small enough to either be suppressed by Statistics Canada for confidentiality or was rounded to 0. In either case, the lack of a reported value suggests slow construction activity.

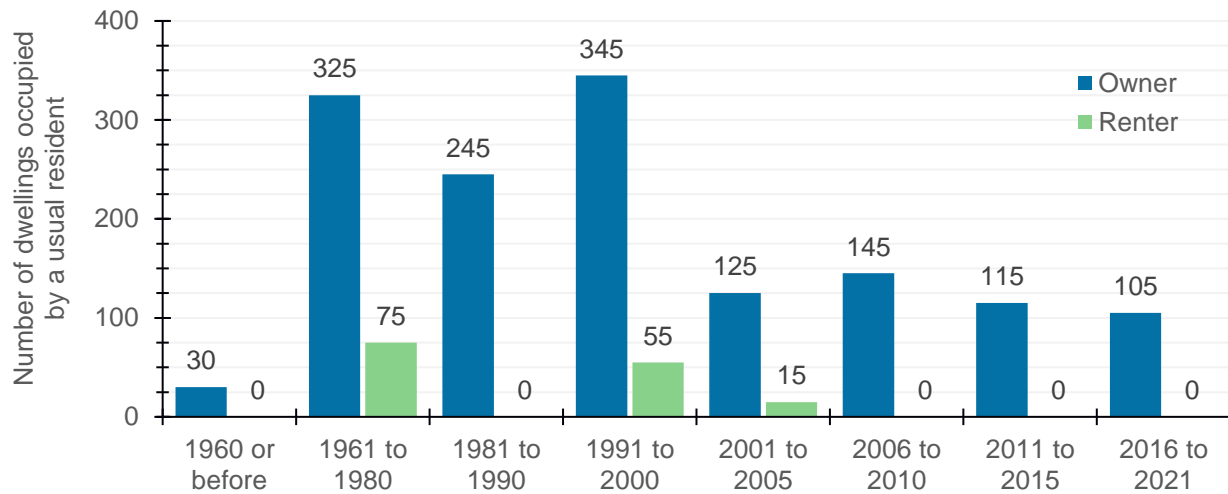
Table 4-1: Dwellings occupied by usual residents by structural type and tenure, 2021

	Total	Single	Row	Semi	Duplex	Apt (<5 floors)	Apt (5+ floors)	Mobile
Total	1,585	1,370	60	50	0	20	0	80
Share	100%	86%	4%	3%	0%	1%	0%	5%
Owner	90%	93%	67%	70%	-	0%	-	82%
Renter	10%	7%	33%	30%	-	100%	-	18%

Source: BC Government purchased Custom Statistics Canada Census Tabulations

- Single-detached homes account for about 8386 of the permanently-occupied housing supply (1,370 units), followed by mobile homes at 5% (80 units).
- About one quarter of local resident occupied dwelling were built in the 1990s, the highest decade level of construction. While construction levels have not met the level of the ‘90s, there has been consistent activity since the early 2000s.
- About 10% of permanently occupied units are rentals.

Figure 4-1: Dwellings occupied by usual residents by age of construction and tenure, 2021



Source: BC Government purchased Custom Statistics Canada Census Tabulations

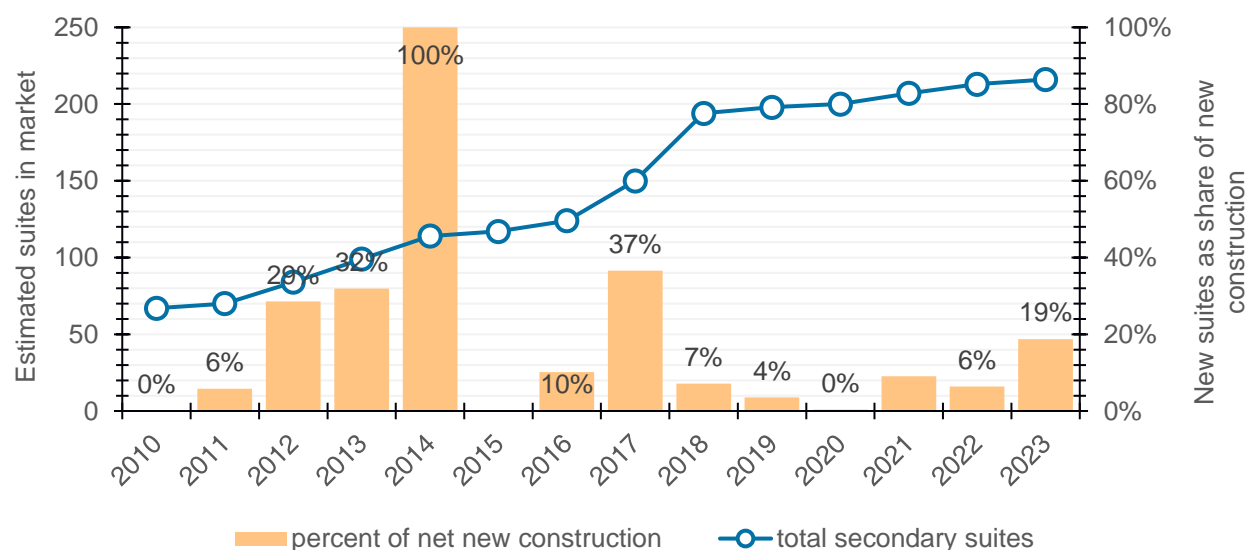
## 4.2 Secondary Suites

Secondary suites have emerged as a practical alternative housing type, for both urban and rural areas, and is another tool in addressing both affordability and availability challenges. These self-contained units, often located within or attached to an existing single-family home, provide additional living space for extended family, renters, or individuals looking for more affordability housing options.

Figure 4-2 provides an estimate of how many secondary suites may exist across the electoral area, as well as the share of new construction represented by suites in a given year. Estimates are derived from BC Assessment data released for HNRs. These estimates were calculated by identifying properties with more units than the typical property type. For example, a single-family home with more than one unit is deemed to have a suite, and a duplex with more than two units is similarly considered to include a suite. While the actual number may vary from these estimates, the results offer a general sense of the volume of secondary suites that may exist locally.

- There were about 216 secondary suites across the electoral area as of 2023, representing about 4.5% of the total dwelling stock.
- Suite growth was greatest in the mid-2010s, after which the volume has grown at a consistent rate. Since 2017, these unit types have represented about 4.5% of the overall inventory, up from an average of 3% from 2006 through 2016.

Figure 4-2: Historical volume of secondary suites and annual secondary suite share of new units



Source: derived from BC Assessment

### 4.3 Short-term Rentals

Short-term rentals (STRs) are a popular and flexible approach to utilizing residential properties for temporary lodging. They blur the distinction between rental housing and commercial hospitality. With the expansion of the STR market comes growing concerns about its impact on the traditional residential real estate sector, particularly whether STRs are displacing long-term housing options, reducing housing supply, and making it more challenging for households to secure permanent residences.

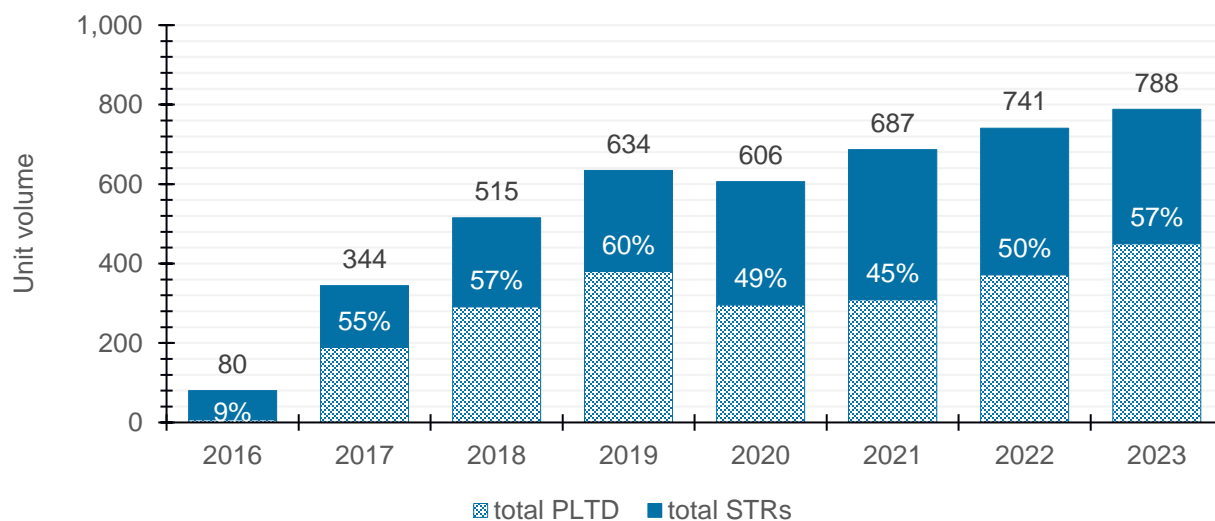
Figure 4-3 depicts the changes in unique STR properties from 2016 to 2023 (the most current full year of data), along with the estimated number of unique properties that could be potential long-term dwellings (PLTDs). This categorization is based on the methodology used by Statistics Canada<sup>3</sup> and the same data source: AirDNA™, a company that compiles monthly information on the STR market by collecting data from various STR platforms' public-facing websites.

Statistics Canada's research identifies "potential long-term dwellings" (PLTDs) as units on the STR market that could potentially become permanent housing provided the STR did not exist. The criteria to be a PLTD are:

- The listing on Airbnb and/or Vrbo is for an entire unit.
- The unit is listed for at least 180 days a year (thus giving the perception of being used mostly for commercial purposes, versus residential).
- The property type provided by the STR host does not correspond to a list of vacation-type properties, as selected by Statistics Canada.

<sup>3</sup> Statistics Canada. (2024, July 30). Analysis in Brief: Short-term rentals in the Canadian housing market. <https://www150.statcan.gc.ca/n1/pub/11-621-m/11-621-m2024010-eng.htm#n12-refa>

Figure 4-3: Annual total STRs and potential long-term dwellings (PLTDs), and PLTD share of total

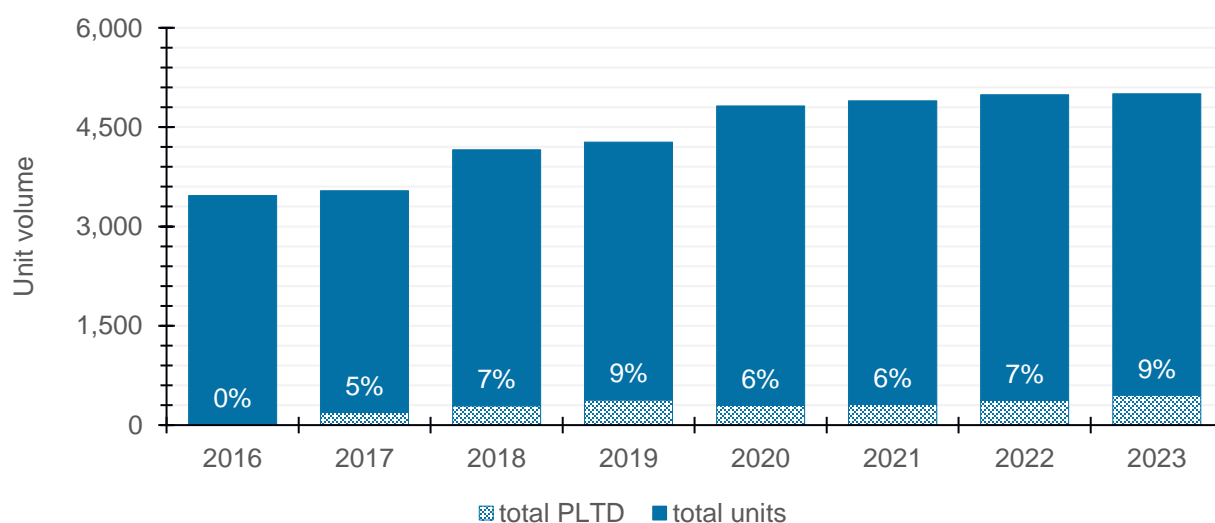


Source: derived from AirDNA™

- While there has been some fluctuation, local STR inventories have generally been on the rise since their introduction in 2016. By the end of 2023, 788 unique listings were on the market that year.
- Since 2017, PLTDs accounted for about 53% of the STR inventory, or approximately 290 annually. In 2020, both the share and volume of PLTDs dropped noticeably. By 2023, PLTDs saw exhibited a greater increase than non-PLTD properties, resulting in a higher overall share during that time.

Figure 4-4 illustrates the changing relationship between the volume of PLTDs and the local dwelling stock.

Figure 4-4: Annual total units and potential long-term dwellings (PLTDs), and PLTD share of total



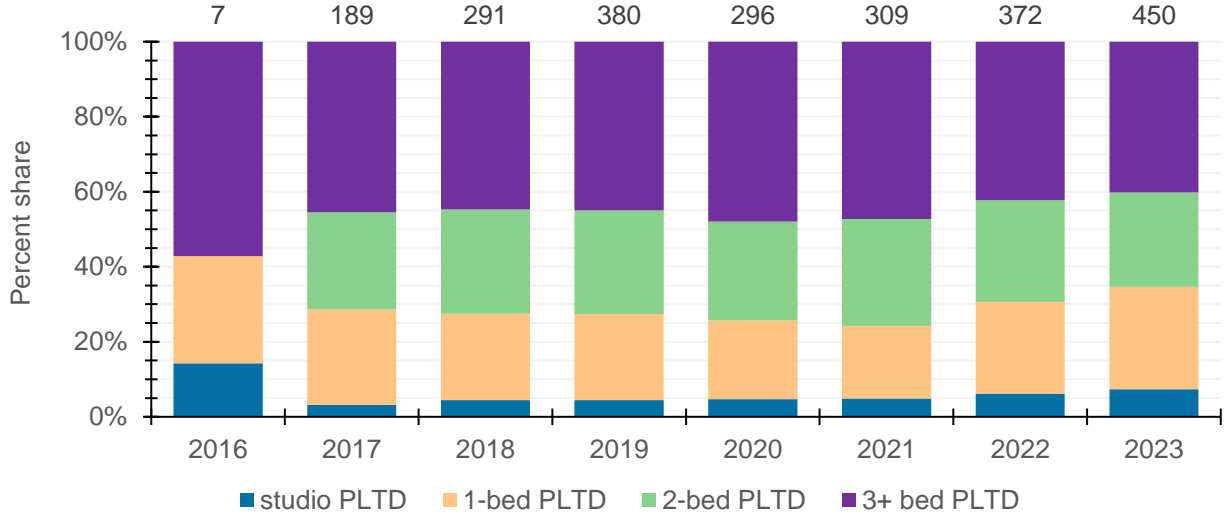
Source: derived from AirDNA™ and BC Assessment

- Since 2017, PLTDs have made up about 7% of local dwellings, with the high in 2023.
- Following the decrease of PLTDs in 2020, there was a corresponding decrease in the share of the area’s overall inventory, falling to 6% (but since increasing again).

Figure 4-5 illustrates how local PLTDs distribute relative to their dwelling size (i.e., the number of bedrooms in the unit).

- Since 2016, the greatest share of PLTDs are three-or-bedrooms large – an average of 44% over all years of data. While the volume of these PLTDs is miniscule relative to the overall dwelling stock, they do represent a size of dwelling that would be potentially beneficial to be occupied by families.

Figure 4-5: Annual total PLTDs and share of PLTDs by number of bedrooms



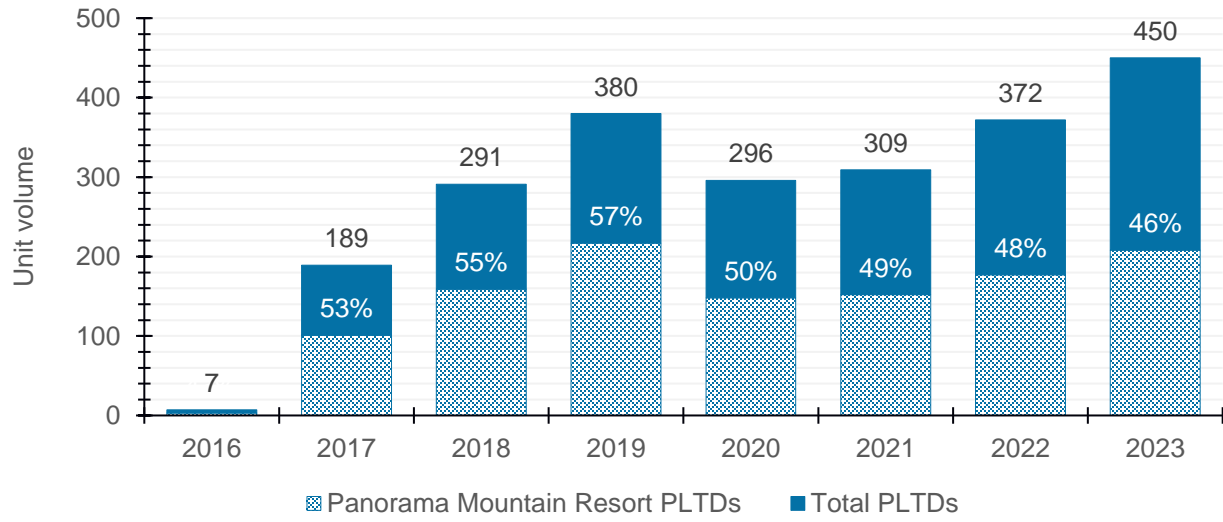
Source: derived from AirDNA™

As an electoral area that includes a major tourist destination (i.e. the Panorama Mountain Resort), it is inaccurate to suggest that most identified PLTDs could be returned to the long-term rental market. A considerable portion of these units were likely built specifically to accommodate the resort’s tourism needs. Figure 4-6 compares the total number of PLTDs with the number defined as being within the resort boundary by AirDNA™.

- PLTDs located within the Panorama Mountain Resort area have consistently accounted for about half of the total PLTDs in the electoral area, averaging 51% since 2017. This indicates that, if resort-related PLTDs were to be excluded from the pool of potential long-term rental stock, the share of total dwellings available for long-term use would be considerably lower than reported in Figure 4-4.



Figure 4-6: Annual total PLTDs versus Panorama Mountain Resort PLTDs



Source: derived from AirDNA™

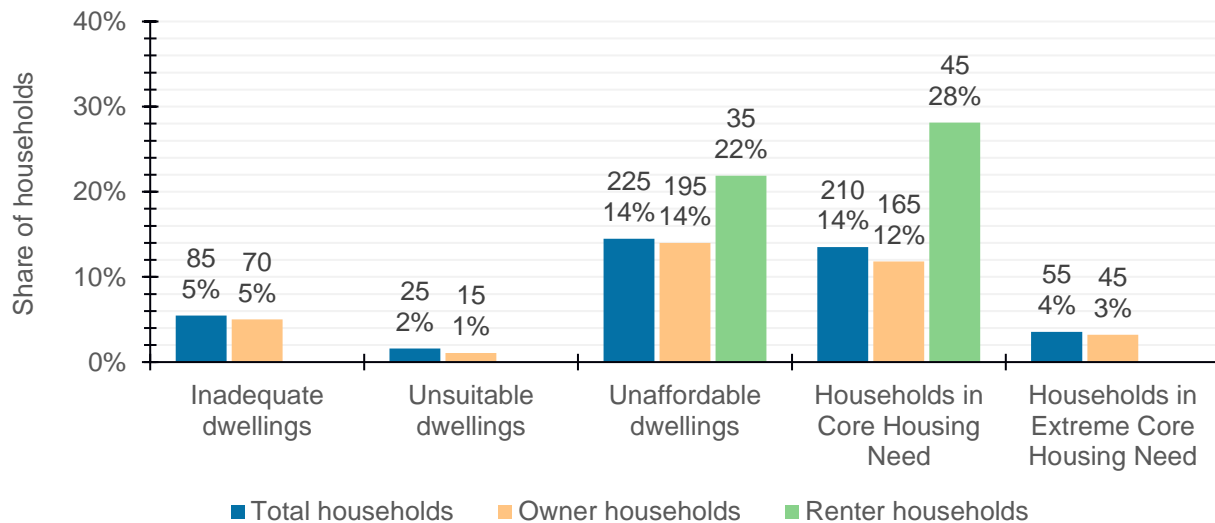
## 5 Housing Indicators

CMHC's Core Housing Need (CHN) metric assesses whether a household's living situation fails to meet any of three criteria and whether there are alternatives available in the market to address those needs. The criteria include adequacy (the condition of the dwelling), suitability (whether the home is overcrowded), and affordability (spending less than 30% of before-tax household income on shelter costs). Additionally, "Extreme Core Housing Need (ECHN)" refers to households spending more than 50% of their income on shelter.

While unaffordability is often the main contributor to CHN, living in an unaffordable home does not necessarily indicate CHN. Affordability is strictly based on the 30% threshold, but CHN takes into account whether affordable alternatives exist. Thus, CHN considers whether a household may be living in an unaffordable situation by choice (e.g., purchasing an expensive home now to enter the market despite cheaper available rental options) or out of necessity.

Figure 5-1 shows the inadequacy, unsuitability, unaffordability, CHN, and ECHN rates for all households as well as households by tenure. Note that blanks exist where the data showed zeroes, which are assumed to be cases of suppression resulting from Statistics Canada's rounding practices to protect confidentiality.

Figure 5-1: Share of households experiencing a specific housing indicator by tenure, 2021



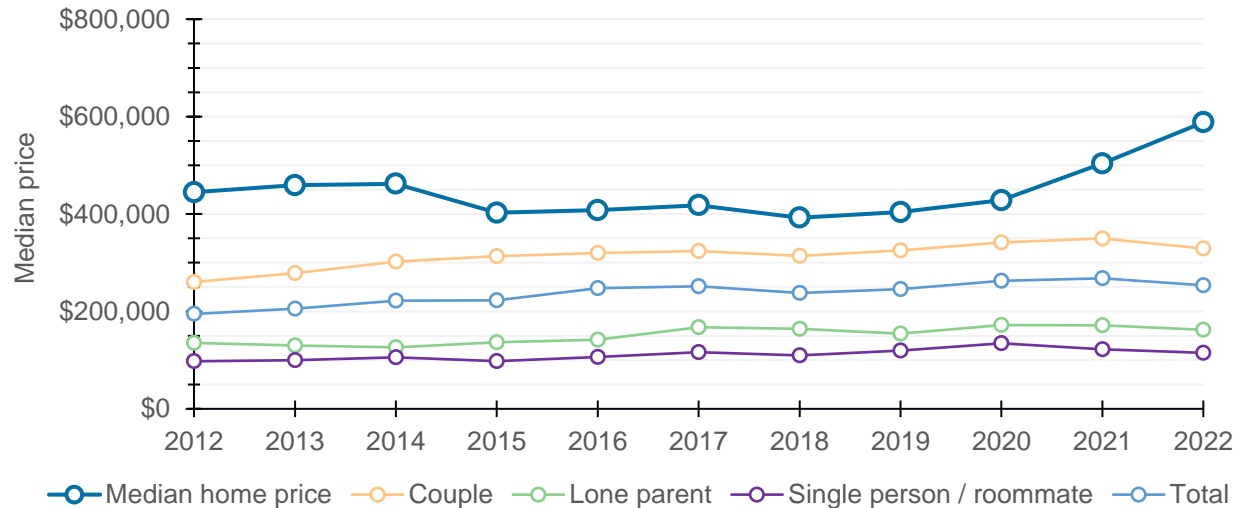
Source: BC Government purchased Custom Statistics Canada Census Tabulations

- In 2021, about 5% of local households lived in a home requiring major repair and 2% lived in a dwelling that was overcrowded.
- Unaffordability is the housing indicator most prevalent among households. Locally, 14% of households lived in unaffordable circumstances, with higher prevalence among renters.
- Local Core Housing Need rates (14%) are high relative to the RDEK overall (7%), suggesting that households have fewer alternatives in the market available to them, both in terms of price and quality/condition. However, it is important to acknowledge that COVID-19 relief payments inadvertently impacted the validity of rates of unaffordability and Core Housing Need, as households reported higher incomes at the time, and thus greater ability to attain housing.

## 6 Change in Affordability

Figure 6-1 illustrates how the local historical median cost of housing compares to estimated affordable housing prices (based on a set of mortgage assumptions and annual incomes) by household family type. The purpose is to highlight the impact of changing local incomes and prices on affordability.

Figure 6-1: Historical estimated affordable dwelling price by household type vs actual median home price



Source: derived from BC Assessment, custom Statistics Canada dataset<sup>4</sup> and mortgage assumptions

- From 2015 to 2020, the median couple household was the only defined household type to come close to affording the median housing price. Couple households are more likely to have two income earners. While couples were most able to afford the median house, the relationship between the median price and the affordable price was relatively stable for other household types during the same period.
- Starting in 2020, the area's prices maintained a more notable upwards trajectory, widening the gap between dwellings available in the market and the amount a typical household could afford (to levels even greater than reported between 2012 and 2014). Notably, the gap between the median house price and the affordable threshold for the median household was approximately \$160,200 in 2016, escalating to \$334,900 by 2022.
- This highlights a notable disparity between growth in prices versus growth in estimated incomes, leading to a degradation of household purchasing power; particularly, for shelter.

**Important note:** The gap between the affordable purchase price and actual price reflects the median. There are individuals or households who face significantly greater and significantly less financial challenges related to their shelter. As of 2021, 14% of local owner households reported not reasonably affording where they live.

<sup>4</sup> Statistics Canada. Table 11-10-0012-01 Distribution of total income by census family type and age of older partner, parent or individual. DOI: <https://doi.org/10.25318/1110001201-eng>

## 7 Anticipated Housing Demand

### 7.1 Demand by Component

To determine the current and anticipated housing demand for the electoral area, we refer to the HNR demand calculation methodology, released by the Province in June 2024. The purpose of a standardized method for calculating demand ensures that all local governments produce consistent and comparable assessments of their housing need.

The HNR Method estimates the total number of housing units required to address a community's current and anticipated housing needs over 5- and 20-year timeframes, based on publicly available data sources that can be applied to communities of various scales. It is composed of the following six components (labeled A through F):

Component	Housing units for:	Intention
A	Households in Extreme Core Housing Need	To estimate the number of new units required for those in vulnerable housing situations. Extreme need refers to those paying more than 50% of household income on shelter costs.
B	Individuals experiencing homelessness	To quantify the supply of permanent housing units required for those currently experiencing homelessness.
C	Suppressed households	To address those households that were unable to form between 2006 and the present due to a constrained housing environment.
D	Anticipated household growth	To quantify the additional households required to accommodate an increasing population over twenty years. Note that anticipated growth for municipalities is based on the average of local and regional projections (thus, population / household growth trends discussed above may not follow the same trajectory as dwelling projections) and electoral areas use solely regional projections.
E	Increasing the rental vacancy rate to 3%	To add surplus rental units to restore local vacancy rates to levels representing a healthy and well-functioning rental housing market. Typically, rates between 3% and 5% are considered healthy rates.
F	A local demand buffer	To reflect additional demand for housing within a given community, beyond the minimum units required to adequately house current and anticipated residents. This is called the "demand buffer" and is designed to better account for the number of units required to meet "healthy" market demand in different communities. For the purposes of HNRs, a demand factor is based on a ratio of housing price to housing density, and is calculated for each applicable community. <b>Electoral areas do not apply the demand buffer.</b>

Source: HNR demand calculation methodology ([link](#))

Table 7-1 provides a summary of the result for each component of the HNR Method, as required over the next 5 years and 20 years (as per legislative requirements).

- Results indicate that the area may need to build 208 units by 2026 and 632 units by 2041.

- Components A, B, C, and E contemplate unmet “current” demand, and thus serve as an estimate of the existing shortage (without consideration of demographic growth since 2021, which is the reference year).

Table 7-1: Anticipated housing demand by anticipated period

Component	5 year (by 2026)	20 year (by 2041)
A: Extreme Core Housing Need	12	46
B: Homelessness	6	13
C: Suppressed households	36	145
D: Anticipated growth	154	426
E: Vacancy	1	3
F: Demand buffer	0	0
Total	208	632

### 7.2 Anticipated Demand versus Historical Supply

From 2016 to 2022, local permit activity averaged around 54 units annually, mostly split between single-family homes and manufactured homes.

If this growth rate continues, about 1,080 dwellings could be built over two decades, exceeding the projected demand of 632 units. This suggests the electoral area is well positioned to meet housing needs, especially with expanded provisions for secondary suites. Given the prominence of tourism in the electoral area, much of this construction may tourism related and thus not for specific long-term habitation. So, while the numbers at face value show a positive trend, it may be that historical rates of construction are not in reality addressing resident need.

It is also important to note that factors influencing supply and demand may shift over the next 20 years, potentially changing the outlook (if in actuality a positive trend in relation to resident demand). It is crucial to keep encouraging construction, as the risks of underbuilding are greater than overbuilding. Additionally, not all demand will be for the same type of housing, with some focused on more affordable options, as discussed in the next section. Lastly, as a popular recreational area, much of the dwelling construction may be cannibalized by recreational users instead of being for permanent households.

### 7.3 Distribution of Demand

An adaptation of the HNR Method provides a rough idea of what the electoral Area Fould expect in terms of market and non-market housing demand currently and over the projection period. Table 7-2 summarizes anticipated demand, disaggregated by the number of bedrooms and intended market / price model.

Note that non-market housing has been separated into “affordable / below-market” housing (i.e., housing explicitly offered at prices below market<sup>5</sup> and “deeply affordable”<sup>6</sup> housing.

Table 7-2: Anticipated demand disaggregated by anticipated model and required number of bedrooms

	Market		Affordable / below-market		Deeply affordable		Total	
	5-year	20-year	5-year	20-year	5-year	20-year	5-year	20-year
0- / 1-bed	27	83	40	112	13	38	80	234
2-bed	44	133	8	23	3	8	54	164
3-bed	38	115	4	14	1	5	44	134
4+ bed	27	89	3	9	1	3	31	101
Total	136	421	55	157	18	54	208	632

- As mentioned, the 5- and 20-year demand projections suggest a need for 208 and 632 units, respectively.
- Market housing should remain the primary contributor to the local inventory, though there is a clear need for non-market interventions. By 2041, the community may need 157 affordable / below-market offerings and 54 additional deeply affordable units.

<sup>5</sup> Below-market units refer to dwellings that is more affordable than market housing, but is usually delivered by the private market. Below-market rentals would include those priced at 80% of Median Market Rent (MMR), a threshold often used by CMHC funding programs. Building below-market rentals can be incentivized by local policies (e.g., increased density) or funding opportunities. Below-market ownership options can be alternative ownership models like co-operatives or community land trusts. In addition, affordable housing includes rent-geared-to-income units (often social housing) whose maximum income eligibility requirements are typically above what may necessitate deep affordability, as defined below.

<sup>6</sup> Deeply affordable housing refers to units that should be offered at the shelter rate of income assistance and is often combined with support or wraparound services.