



CITY OF PENTICTON

Housing Needs Assessment 2023

July 2023







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DATA SOURCES AND LIMITATIONS

This housing needs assessment provides a snapshot of the current housing situation in Penticton. It examines past trends and makes estimates about future housing changes to inform future planning efforts. It is important to acknowledge limitations due to data constraints and uncertainties related to population and household dynamics. Therefore, it is recommended to supplement this assessment with targeted assessments and primary data collection methods like surveys, interviews, or focus groups. This will help gather more localized and specific information to support future planning endeavors.

The data presented in this report relies significantly on census data and municipal records. These data sources may differ due to various factors such as terminology discrepancies, data collection frequency, and focus. These variations can arise from differences in timing, updates, collection methods, interpretation, and data quality. This report utilizes census data and data products as the primary source for projections, leveraging their extensive collection period and ability to capture long-term trends. Municipal records are then employed to provide additional context and emphasize short-term changes in the data.

However, it is important to note that certain data points (e.g., household income by tenure) that were accessible in the 2016 census for previous Housing Needs Reports were not available at the time of preparing this report. The census Team consistently releases data products and enhancements, which might offer further insights relevant to this report in the future. Furthermore, it is important to acknowledge that the census utilizes a random rounding technique, rounding figures to either 0 or 5. Consequently, there may be instances where the totals do not align accurately, and some percentages may not precisely reach 100.0%.

In 2011, the long-form census known as the National Household Survey (NHS) was voluntary, which led to low response rates and resulted in poor data quality. For example, in Penticton, the non-response rate was 30.3%. Though 2011 NHS data are used throughout this report, it is important to note that there may be data quality issues. In some cases, data such as population or household counts varies significantly between the NHS and the census Community Profiles.

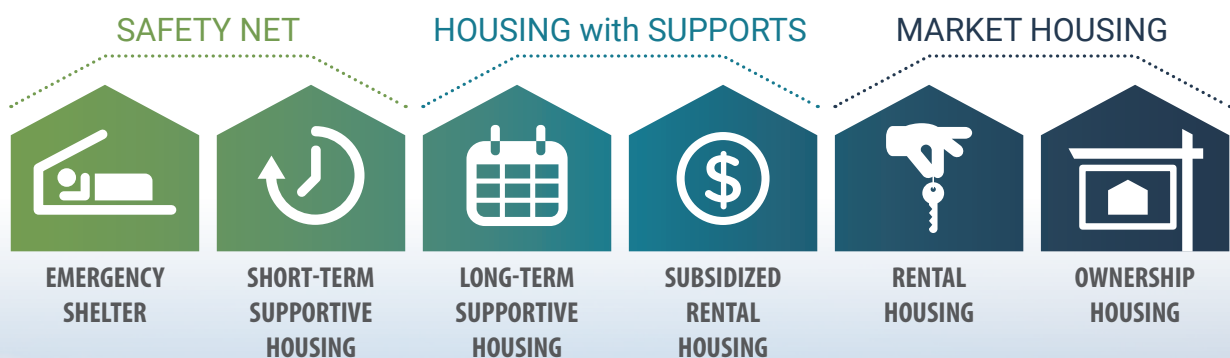
The onset of the COVID-19 pandemic significantly disrupted demographic and housing trends in cities. Starting in early 2020, the pandemic's impact on migration patterns, employment dynamics, and economic stability has created a level of uncertainty around projected housing needs and demographic shifts. The current census was collected in 2021, when factors like remote work have introduced unprecedented complexities in anticipating housing needs and the pandemic's prolonged effects, including lockdowns, travel restrictions, and economic downturns may have affected the data used for forecasting housing trends and demographic changes. As an example, throughout Canada, a significant and unexpected migration away from major cities to smaller communities was experienced during this period. These effects are dynamic and still being observed.

To provide deeper insights into the data, this report incorporated informational interviews with business representatives from key business sectors including tourism, hospitality, industry, construction, education, and health. The insights gained are not possible to separate by topic. As such, informational interview findings are summarized in the 'areas of local need' section of this report.

Penticton Housing Needs Assessment

SUMMARY AT A GLANCE – KEY FINDINGS

The City of Penticton Housing Needs Assessment is to inform the City in planning for future growth and housing development to 2046. This report identifies the total number of housing units that will be required, by dwelling size and type, to meet current and anticipated housing needs across the entire housing spectrum, including family housing, rental housing, affordable housing, supportive housing, accessible housing, seniors housing, shelters and housing for people at risk of homelessness.

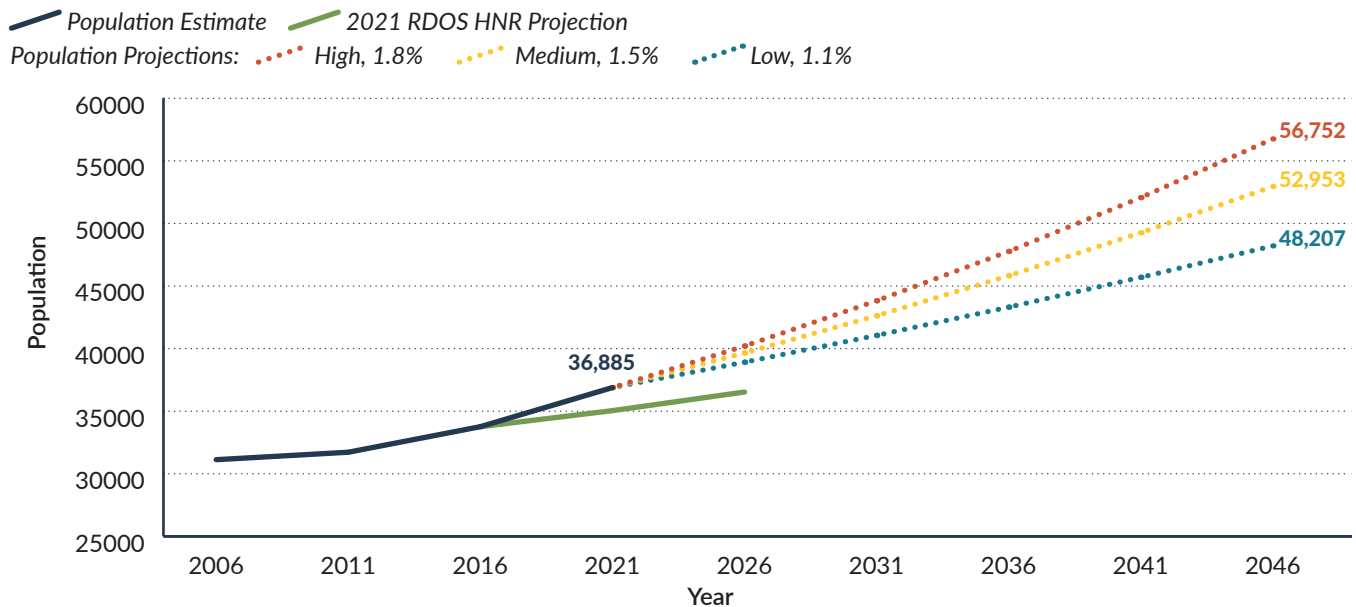


POPULATION AND HOUSEHOLDS

This report forecasts population, demographic and housing trends for Penticton, under high (1.8% annual increase), medium (1.5% annual increase), and low (1.1% annual increase) growth scenarios

Between 2016 to 2021, Penticton's annual growth rate was high at 1.9%. If this trend continues, the City may have around 20,000 additional residents and 9,200 additional households by 2046.

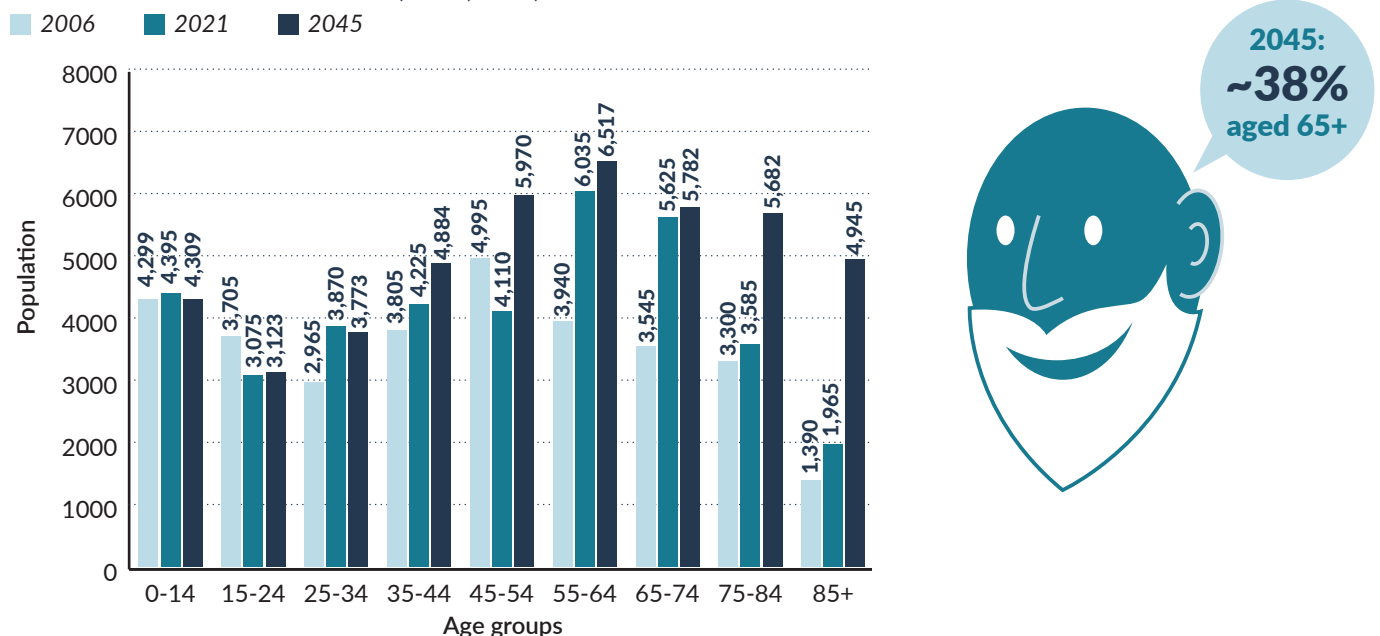
POPULATION ESTIMATE AND PROJECTION, 2006-2046



Estimated and anticipated population in the City of Penticton under high, medium, and low growth scenarios (Canada Census, 2021).

Penticton's residents are older than the rest of the Province. By 2045, an estimated 38% will be aged 65 or older. This will have an impact on housing needs, workers, service providers and demands for schools, among other impacts.

AGE DISTRIBUTION COMPARISON, 2006, 2021, and 2045



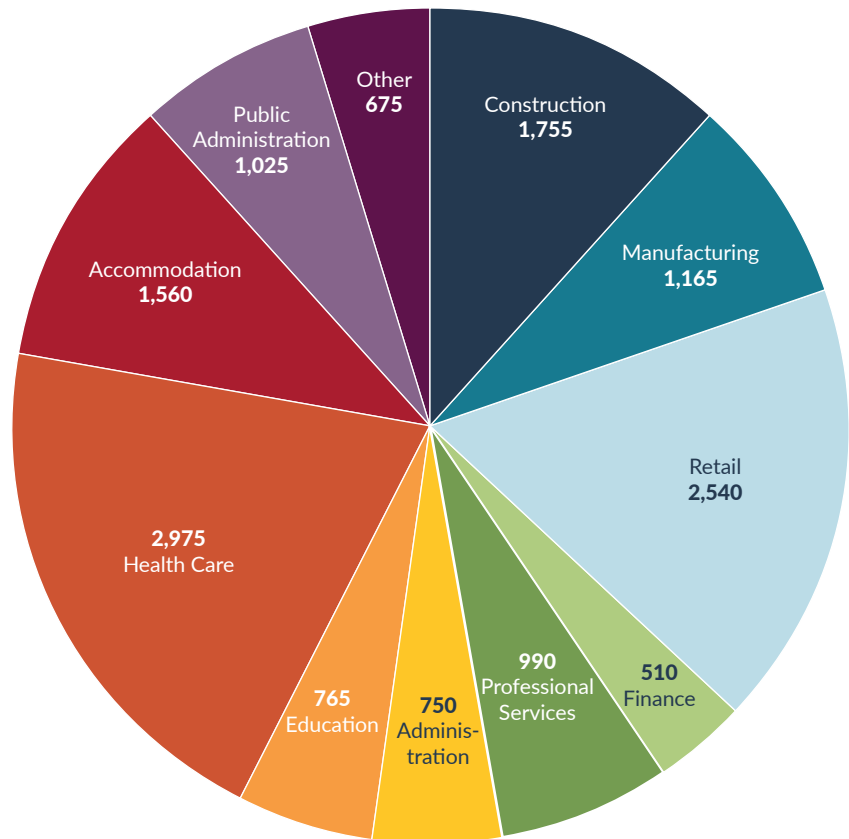
Comparison of the number of residents, by age group, in 2006, 2021, and 2045 Penticton (Census Canada, 2021).

Note: projected data were not available to the 2046 Census period.

There is declining trend in Penticton's labour force aged population. Workforce age residents 20-65 need adequate housing to support a healthy economy. Labour force demands in retail/ hospitality, health care, construction and manufacturing are growing in Penticton.

Data source/ spreadsheet:
<https://townfolio.co/bc/penticton/labour-force>

LABOUR FORCE BY INDUSTRY, 2022



“It is difficult to find qualified staff and skillsets in all sectors in Penticton. Economic development strategy to improve business climate with balanced workforce requires affordable housing, jobs and schools.”

- Penticton Industrial Development Association



CURRENT HOUSING

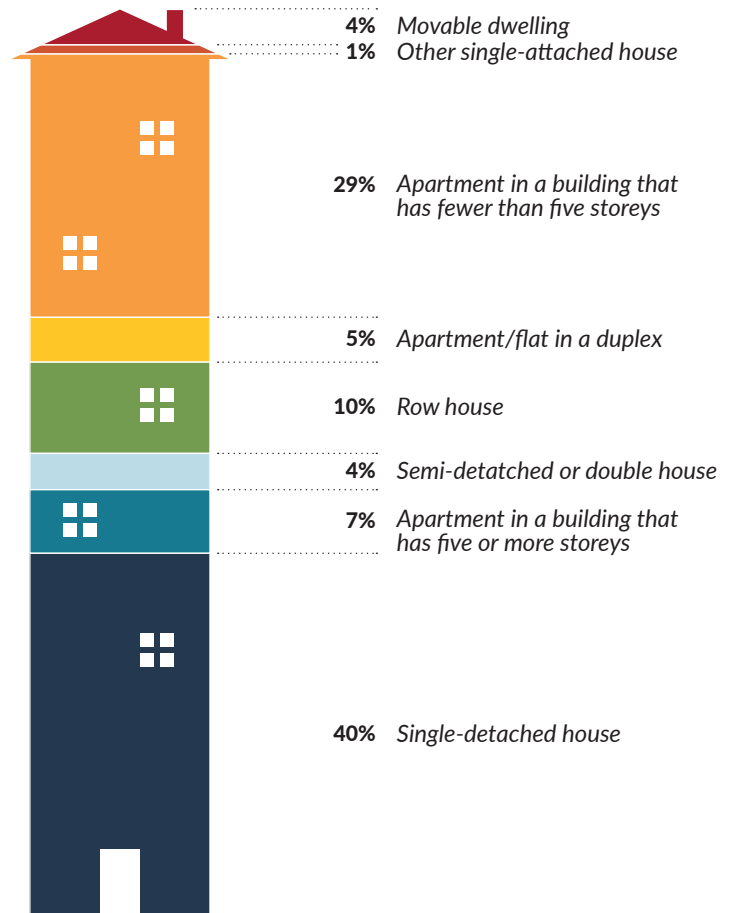
Since 2017, Penticton has added approximately 3,430 new dwelling units, mostly in multi-family buildings. This includes 860 purpose-built rental units.

In 2021, the greatest proportion of dwellings were single family dwellings (at 40% or 6,990) but this has been slowly decreasing by around 3% each Census period since 2006 (roughly 0.6% annually). The proportion of dwellings in apartments and duplexes experienced the most growth during this time.

43% are 40 years or older, which may offer more affordable options, but also may require renovations, renewal, or redevelopment.

Since 2016, housing rapidly got more expensive, especially for renters of apartments with 3+ bedrooms. The average dwelling market values in Penticton increased by about 44% (nearly \$175,000) during this time.

DWELLING UNITS BY STRUCTURE TYPE, 2021



“[There is a] common story of employees who want to work in Penticton but cannot find anywhere to live – workforce issues are exacerbated by the housing issue.”

- Kim Lawton DogLeg Marketing & Business Solutions



NEW HOUSING

Currently, there is a backlog of 162 individuals seeking non-market housing, and an estimated 172 to 286 additional subsidized housing units may be required by 2031.

To address housing demand for basic population growth, Penticton needs to construct a minimum of 240 to 380 new market housing units each year, including 70 to 120 rental units. However, recent municipal records show a significant increase in registered new units, suggesting the need for even more additional units.

The focus for new housing should prioritize two- to three-bedroom units in apartments, duplexes, and single-family dwellings.

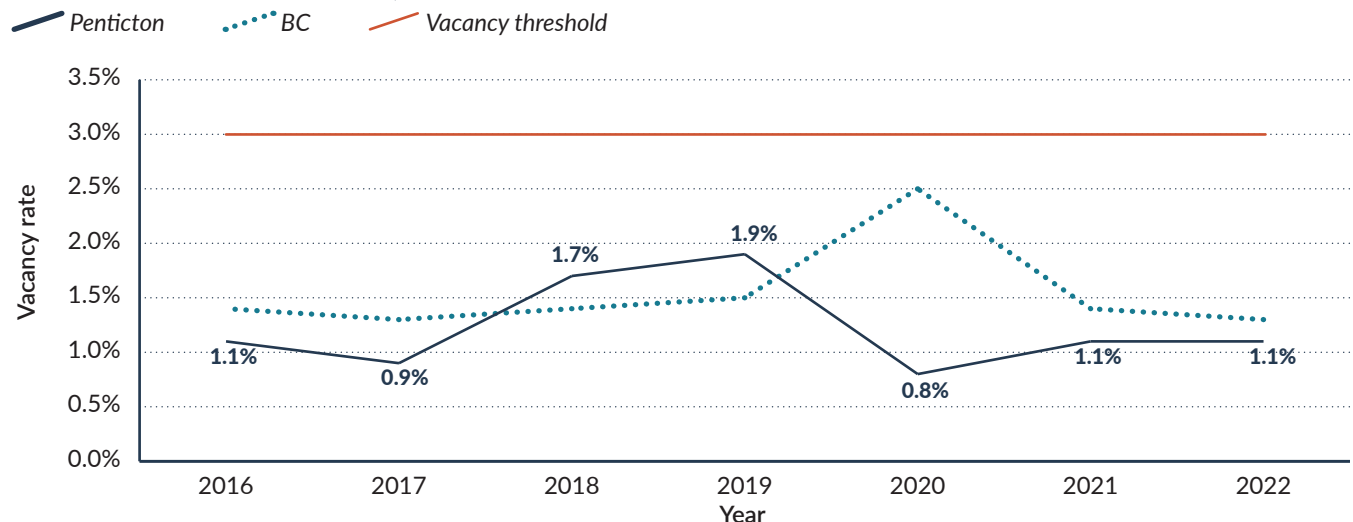
There is a need for workforce housing for households working in essential services earning moderate to middle incomes.



VACANCY

Rental vacancy rates are critically low in Penticton. A vacancy rate of 3-5% is considered an ideal target by CMHC.

PRIMARY RENTAL VACANCY RATE, 2016 - 2022



Primary rental vacancy rates. Note: CMHC only includes primary rental market statistics.

“There is a lack of labour force aged people. Wages that employees need is high because the cost of housing is exorbitant in Penticton. Staff can’t find places to live that match salaries. Every housing option is in short supply and is costly.”

- Juliana Buitenhuis, Manager of Campus Life and Administration

HOUSING NEED

A household is considered to be in “core housing need” if it is unaffordable, unsuitable, and/or inadequate and cannot access suitable housing in their local housing market at the median rent for alternative local housing that is adequate, and appropriate for the household size.

According to the 2021 census, 23% of households lived in unaffordable housing, 6% lived in dwellings requiring major repairs, and 3% lived in overcrowded buildings. Overall, 12% (2,130) of households were in core housing need, which is lower than in 2016. Renter, lone-parent, and one-person households are at higher risk being in a state of core housing need.



OTHER AREAS OF LOCAL NEED

Around 110 to 140 residents experienced homelessness at given times throughout 2023. From 2020 to 2021, more than 135 youth (aged 12 to 24) were living in precarious housing situations.

Penticton is the main provider of shelter beds for individuals experiencing homelessness or at risk of homelessness across the Okanagan Similkameen Regional District.

Throughout the year, ~3% of the City’s total rental housing is used for short-term (vacation) rentals, reducing potential long-term rental housing.

Limited available and affordable housing is a barrier to academic student enrollment, casual, seasonal, and temporary workers, and other workers in essential community services (i.e., physicians, care aids, hospitality workers, construction workers, skilled tradespeople, and college faculty and staff).

Alongside expanding housing services and support to meet the needs of the growing urban Indigenous population, it is crucial to facilitate access to affordable, suitable, and adequate housing options in Penticton.

“Interior Health services and the Regional Hospital are experiencing significant staffing shortages. Inadequate housing supply and cost in Penticton has become a significant issue for staff recruitment. Even physicians are withdrawing accepted offers when they see costs of housing.”

- Sara Evans, RN, MScN, Director, Clinical Operations

Increasing the supply of housing for workers, staff accommodation for all businesses is one of the largest impediments to tourism growth in this region.

- Travel Penticton Society, Letter to City of Penticton Council, December 2022

GLOSSARY OF KEY TERMS

Adequacy: Whether a dwelling is in need of major repairs or replacement.

Affordability: Whether a household's is spending 30% of more of the household income on shelter costs.

Basic housing demand: the number of dwellings required to house the anticipated household growth.

Core housing need (and extreme core housing need): A household is considered to be in "core housing need" if it is unaffordable, unsuitable, and/or inadequate *and* cannot access suitable housing in their local housing market at the median rent for alternative local housing that is adequate, and appropriate for the household size. Extreme core housing need has the same meaning as core housing need, except that the household has shelter costs that are more than 50% of their total before-tax household income.

Independent social housing: A housing development that the government or a non-profit housing partner owns and operates for low to moderate income households (with a minimum of two people including at least one dependent child) and/or seniors (65 years of age and older) where minimal or no additional services are provided.

Non-market housing units: According to BC Housing, non-market housing includes housing that is subsidized by government as well as non-profit housing that is below market, ranging from supportive housing for those experiencing homelessness to affordable rental housing and affordable home ownership.

Primary rental: Purpose-built rentals expressly for the purpose of long-term rental housing.

Secondary rental: Rental dwellings that were not originally purpose-built for the rental market.

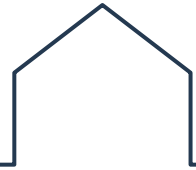
Supportive housing: A type of housing that provides on-site supports and services to residents who cannot live independently.

Suitability: Whether the dwelling has enough bedrooms for the size and composition of the household (according to the National Occupancy Standard).

Transition house: A type of temporary housing for women and children fleeing violence. A safe, anonymous place to stay with food, staff and services.

Transitional housing: A type of housing for residents for between 30 days and three years. It aims to transition individuals to long-term, permanent housing.

Population and demographics



Population and demographic trends can have a significant impact on housing need. For example, an increase in population due to migration or natural population growth can lead to increased demand for housing. If demand exceeds supply, market pressure can lead to rising housing costs and a shortage of affordable housing options. The age and mobility of residents may affect the need for supportive housing. The design of housing options that have accessible adaptive mobility support features, like ramps or grab bars, will allow people to age in place.

This section looks at current and projected population under high (1.8% annual increase), medium (1.5% annual increase), and low (1.1% annual increase) growth scenarios. It considers how the age structure of Penticton may change over the next 20 years. It also considers the impact of migration on the population and housing need in the City of Penticton.



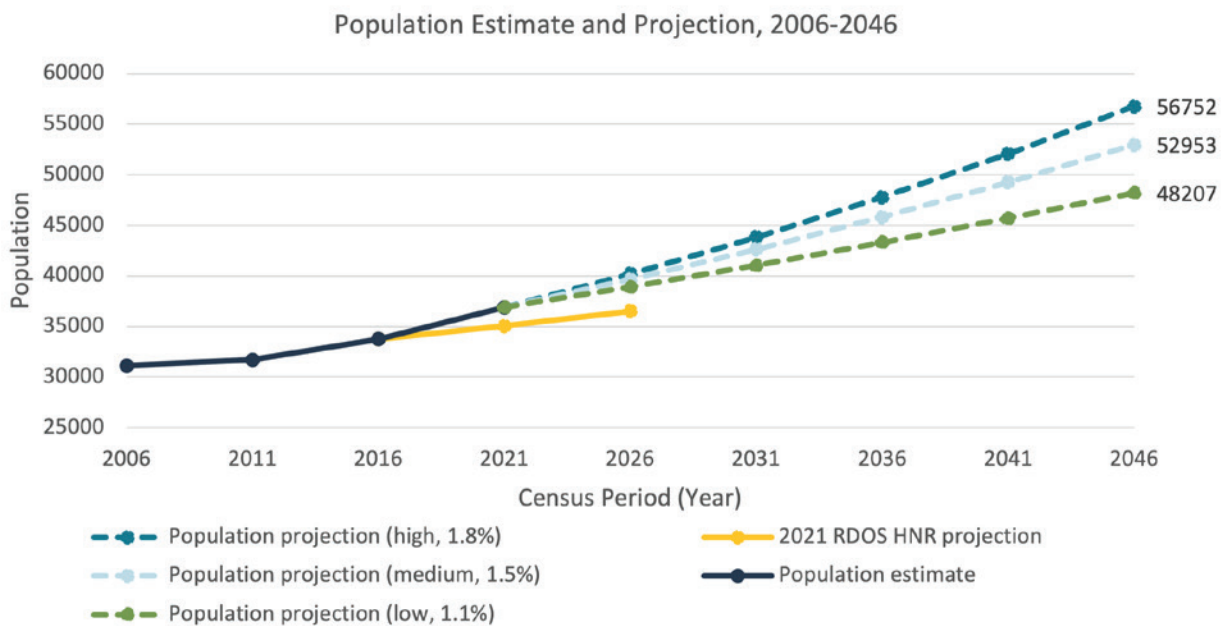
KEY FINDINGS:

- *Population growth has exceeded recent projections and could reach as high as 43,825 in 2031 and 56,750 in 2046.*
- *The proportion aged 65 and above is expected to experience the most growth over coming years, composing around 35% of the population by 2031 (roughly 3,100 more residents aged 65 and above than in 2021).*
- *While an aging population may lead to a greater demand for affordable housing that is appropriate for older individuals, there is also a need for more housing that attracts working age people and families to the City to support economic wellbeing.*
- *Around one third of the 2021 population moved to Penticton from a different community less than five years preceding the 2021 census. Penticton experienced a significant influx of new residents between 2016 to 2021 census.*

POPULATION

Recent census periods show that the population in Penticton has been increasing more and more each year, from an annual growth rate of around 0.4% from 2006 to 2011, 1.3% from 2011 to 2016, to an annual growth rate of around 1.9% from 2016 to 2021. The 2020 *Regional District of Okanagan-Similkameen Housing Needs Assessment* projected that Penticton's 2021 population would be around 35,000 residents, but this has been exceeded; the 2021 census showed Penticton's population was 36,885. If the population continues to grow at a rate of 1.8% each year, there may be around 7,000 new residents by 2031 and a further 12,900 new residents by 2046. If growth slows, there may be around 4,100 to 5,700 new residents by 2031 and a further 7,100 to 10,300 additional residents by 2046.

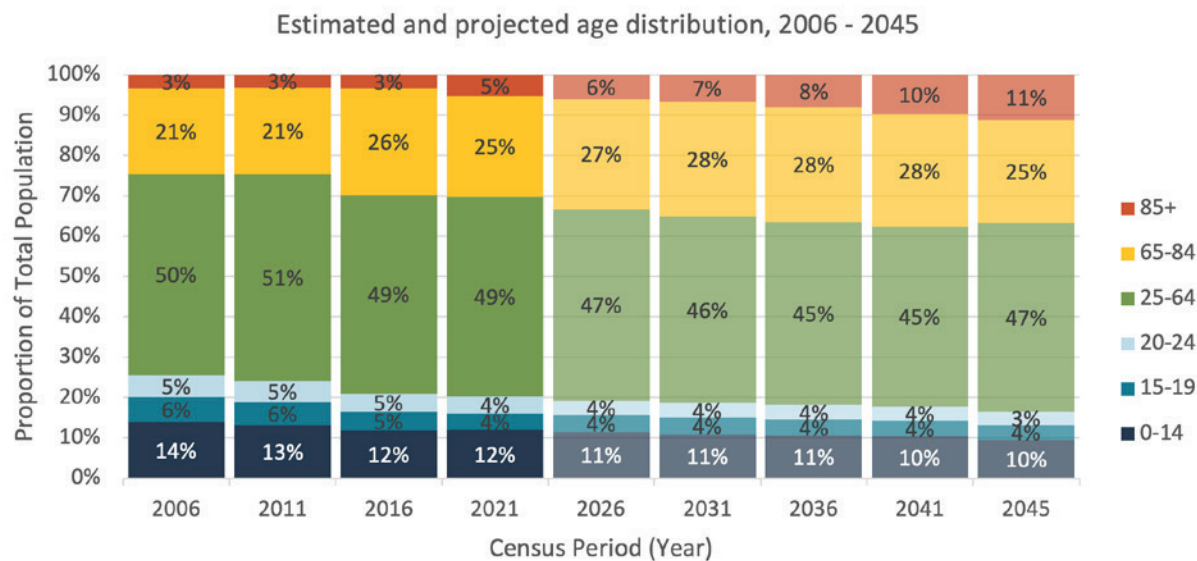
FIGURE 1. Estimated and anticipated population in the City of Penticton under high, medium, and low growth scenarios (Canada census, 2021).



AGE

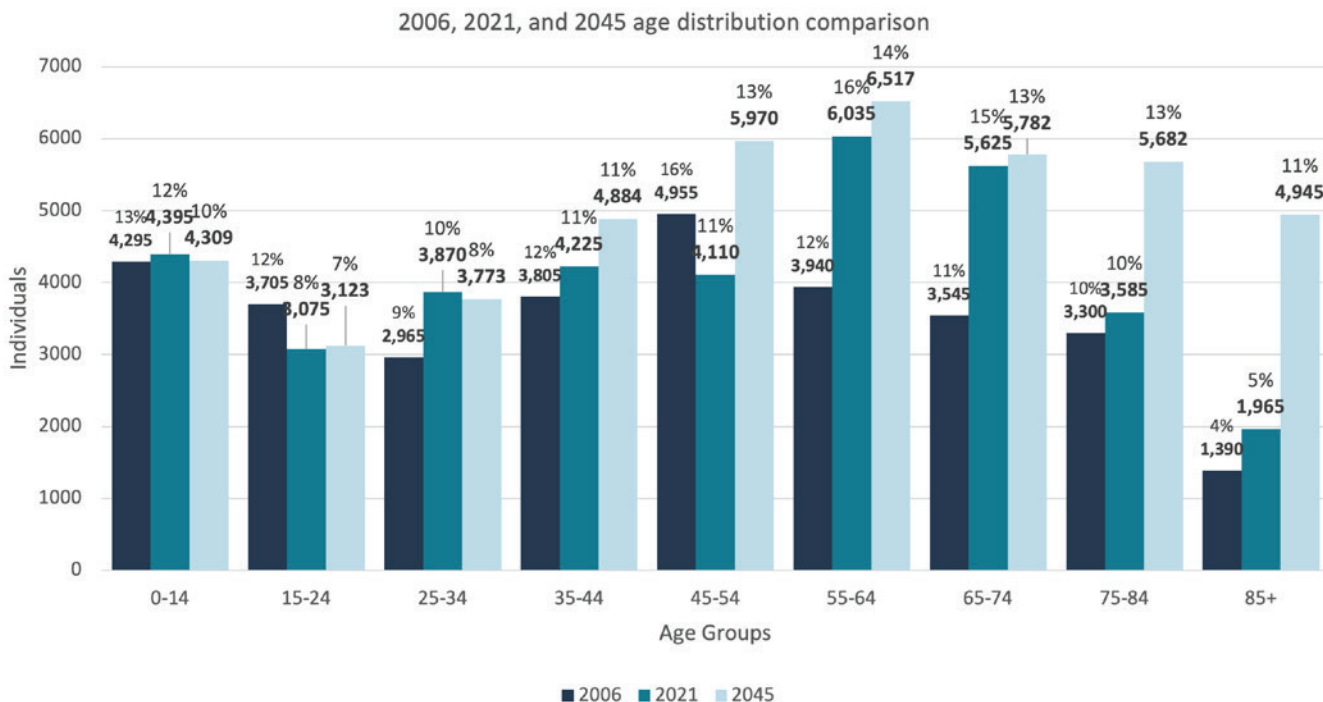
In 2021, the average age in the City of Penticton was 48.9 and the median age was 52, which is relatively older than the rest of the Province, where the average age is 43.1 and the median was 42.8. Just under half of Penticton residents were between ages 25 to 64, while one third were aged 65 and above. Since 2006, the population in Penticton aged 65 and above has experienced the most growth. The gap in the population aged 15-24 suggests that many of young people, who are recent school graduates, leave the community.

FIGURE 2. Historic and projected age distribution in the City of Penticton (census Canada, 2021; BC Stats, 2023). Note: projected data were not available to the 2046 census period.



Over the coming years, the proportion of the population aged 0 to 14 and 25 to 64 are anticipated to decrease (from 13% to 10% and 49% to 47%, respectively), while the proportion of the population aged 65 and above are anticipated to increase, composing 35% of the population by 2031 and 38% of the population by 2041. By 2045 there may be roughly 5,400 more residents aged 65 and above, than in 2021, as illustrated below. Over this same time period, there may be around 150 fewer residents under 24.

FIGURE 3. Comparison of the number of residents, by age group, in 2006, 2021, and 2045 Penticton. Percentages show the proportion of the total population (census Canada, 2021; BC Stats, 2023). Note: projected data were not available to the 2046 census period.



Implications of an aging population

The relative decline in school aged children (15-24) and labour force aged population (20 to 64), and relative increase in senior (65+) aged population are reported to be challenges in Penticton and can have significant impacts on a community and the local economy, such as school closures and increasing challenges in finding workers to provide services.

According to the *School District No. 67 Okanagan Skaha Long Range Facility Plan Enrolment & Capacity Analysis Update*, birth projections for School District No. 67 (Okanagan Skaha) are declining¹. Between 2001 – 2021, there was a decline of roughly 1,764 students². In Penticton, no schools were over capacity, but at least five schools were operating at under 70% capacity in 2021. Schools operating below capacity, with low enrolments, holds a high risk of school closures.

An aging population is likely to need more accessibility features (e.g., single-level layouts, wider doorways and hallways, grab bars, and bathroom modifications) and home and community-based care options in order to age in place. Older adults may also choose to downsize their housing as their children leave home or as they seek to reduce maintenance responsibilities. This can lead to increased demand for smaller homes, condos, or retirement communities. The demand for affordable housing options that meet the needs of older adults who may face financial challenges in retirement is also likely to increase as the population ages.

The relative size of the labor force may decline if older workers retire and are not replaced by an equivalent number of younger workers entering the workforce. There can be a loss of valuable expertise within the workforce as older workers – who have built extensive experience, skills, and knowledge accumulated over their careers – retire. This increases the risk of labour shortages, particularly in sectors that require specialized skills or expertise. A shrinking labor force can pose challenges for economic growth and productivity. In addition, while the workforce is projected to increase by about 2,800 people between 2021 and 2041, the senior population is expected to surge by a much larger number—5,400 individuals, emphasizing a potential future demand for expanded services that cater specifically to the needs of older residents.

Research for the *City of Penticton Short-Term Rental Benefits and Impacts Study* (April 2023) and this report (June 2023) included interviews with key business sectors. A summary of interviews with hospitality, construction and industrial manufacturing representatives are included in this report - see “Areas of Local Need” on page 40. A recurring theme is that employers are attributing staff shortages to lack of affordable housing supply – workforce issues are exacerbated by the housing shortage. Staff accommodation for all businesses is one of the largest impediments in this region. Limited available and affordable housing may deter workers from moving to Penticton, contributing to wider economic damage³.

While an aging population may lead to a greater demand for affordable senior housing and other types of housing that are appropriate for older individuals, there is a need for more housing that attracts working age people and families to the City to support economic wellbeing.

1 School District No. 67 Okanagan Skaha. (October 27, 2021). Long Range Facility Plan Enrolment & Capacity Analysis Update Board of Education In Service

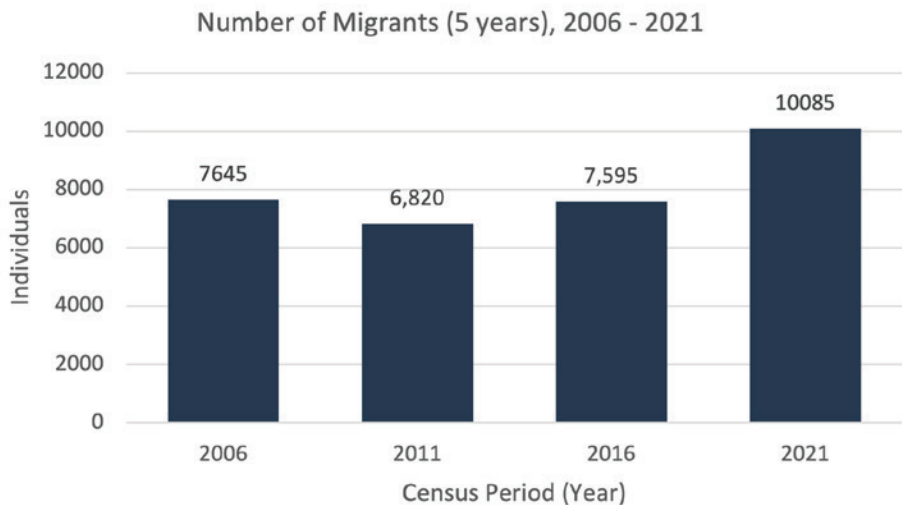
2 Ministry of Education Headcount Verification (2017-2021) and SD67 Records (2001-2016).

3 CMHC. (June 2022). Canada's Housing Supply Shortages: Estimating what is needed to solve Canada's housing affordability crisis by 2030.

MOBILITY AND MIGRATION

Census data showed an increase in the proportion of the population who recently migrated to Penticton. “Migrants (5 years)” refers to individuals who have lived in their current residence for less than five years prior to the census. In 2021, 27% of the population (10,085) had moved to the City of Penticton from a different community (in or outside of the province or Canada) within the five years prior to the census. Around 7% (705) moved to Penticton from abroad. Across Canada, recent immigrants have a younger age structure than the general population making immigration more critical to the labour market than ever before. Federally, from 2016 to 2021, immigrants accounted for four-fifths of labour force growth⁴.

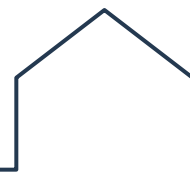
FIGURE 4. Number of residents who moved to the City of Penticton in the 5 years preceding the census (Canada census, 2021).



The number of migrants (5 years) has increased since 2011. In 2021, the number of residents who moved to Penticton less than 5 years prior to the census was 33% greater than the previous census period. The number of new families with school-aged children does not appear to be significant⁵.

⁴ Statistics Canada. (2022). Immigrants make up the largest share of the population in over 150 years and continue to shape who we are as Canadians.
⁵ School District No. 67 Okanagan Skaha. (October 27, 2021). Long Range Facility Plan Enrolment & Capacity Analysis Update Board of Education In Service

Households



An analysis of household characteristics can provide valuable insights into the housing requirements for residents of the City of Penticton. For instance, the size of a household is a significant determinant of the number of bedrooms necessary in a dwelling. Moreover, homeowners and renters have distinct needs such as maintenance and repair requirements, financing for renovations, aging in place considerations, and the need for affordable and spacious rental accommodations for renters. Additionally, the annual household income is a crucial factor in determining the housing options that are attainable for households. For example, lone-parent households tend to be at highest risk of being in core housing need (see “Core Housing Need” on page 34).



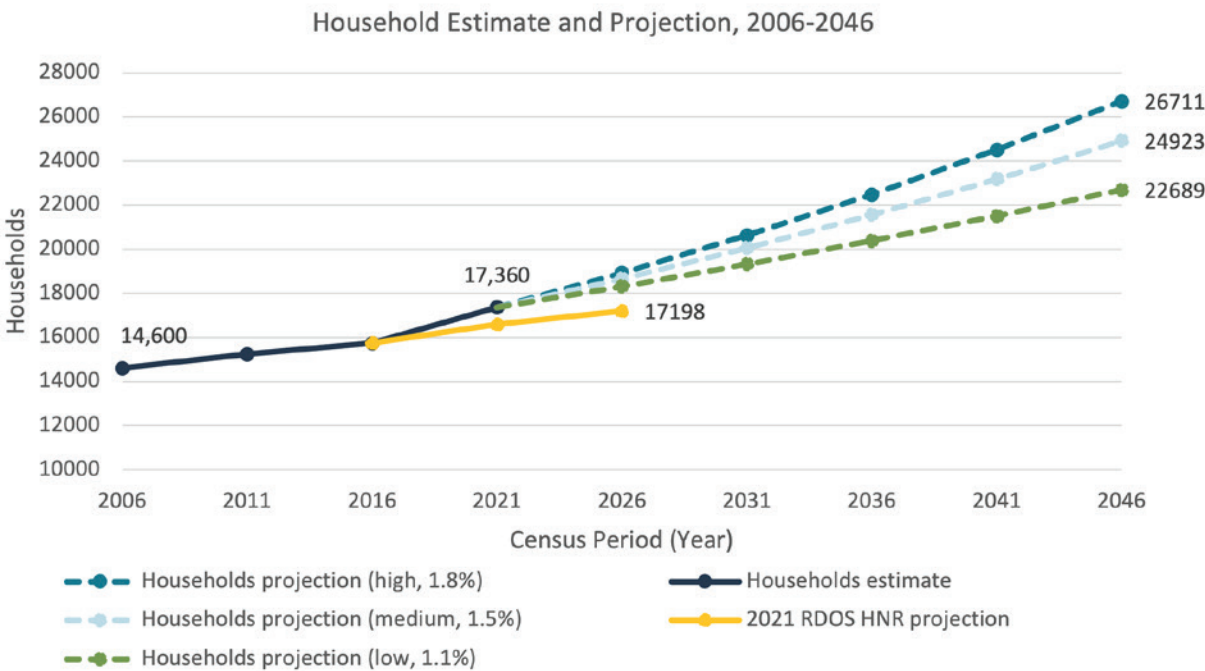
KEY FINDINGS:

- *Household growth has exceeded recent projections and the number of dwelling units could reach as high as 20,625 in 2031 and 24,500 in 2041. The City will need to consider strategic measures to accommodate the growing number of residents within its existing land base.*
- *In 2021, 63% of households owned their dwelling, while 37% rented their home. This ownership and rental ratio has remained consistent since 2016 census.*
- *Annual household incomes are low relative to the provincial average and the median has not grown as much as the provincial average, since 2006. A small proportion of households in the City of Penticton have a much higher income than the rest of the population.*

GROWTH

The net number of households in the City of Penticton has increased more rapidly in recent census periods. From 2016 to 2021, the number of households increased by around 2.1% annually, resulting in 17,360 households overall. This is higher than the projections in the 2020 *Regional District of Okanagan-Similkameen Housing Needs Assessment* that anticipated there would be an estimated 16,600 (775 fewer) households in 2021. If growth continues at a high rate of 1.8% annually, there may be approximately 3,200 additional households in 2031 and a further 6,000 by 2046. Under slower growth scenarios, there may be 2,000 to 2,700 additional households by 2031, and a further 3,400 to 4,900 additional households by 2045.

FIGURE 5. Estimated and anticipated population in the City of Penticton under high, medium, and low growth scenarios (Canada census, 2021).



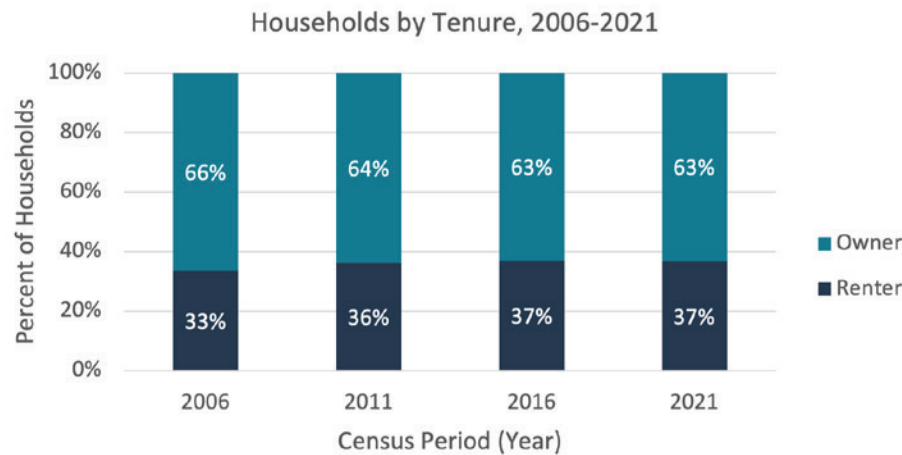
Since 2006, the average household size was 2.1 members. The average household size is anticipated to remain relatively stable over the coming years, but could decrease slightly to 1.9 by 2041 according to Local Health Area projections⁶.

6 Population Estimates & Projections for British Columbia, <https://bcstats.shinyapps.io/popApp/>

RENTER AND OWNER HOUSEHOLDS

In 2021, 63% of households owned their dwelling, while the other 37% rented their home. Though greater than 2006 and 2011, the proportion of renters remained stable since 2016.

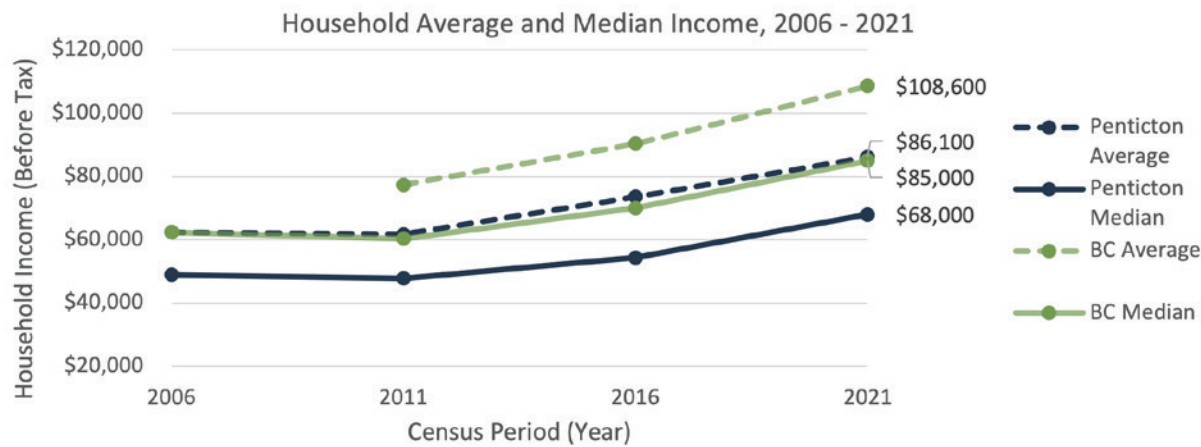
FIGURE 6. Percent of households that own and rent their dwellings over time (Canada census, 2021).



HOUSEHOLD INCOME

In 2021, the average household income before tax was \$86,100 and the median was \$68,000. The average household income exceeding the median household income suggests there are a few households that have a much higher income than the rest. The median household income has increased slightly since 2006 by around \$19,100, similar to the Province where the median income increased by around \$22,000 since 2006.

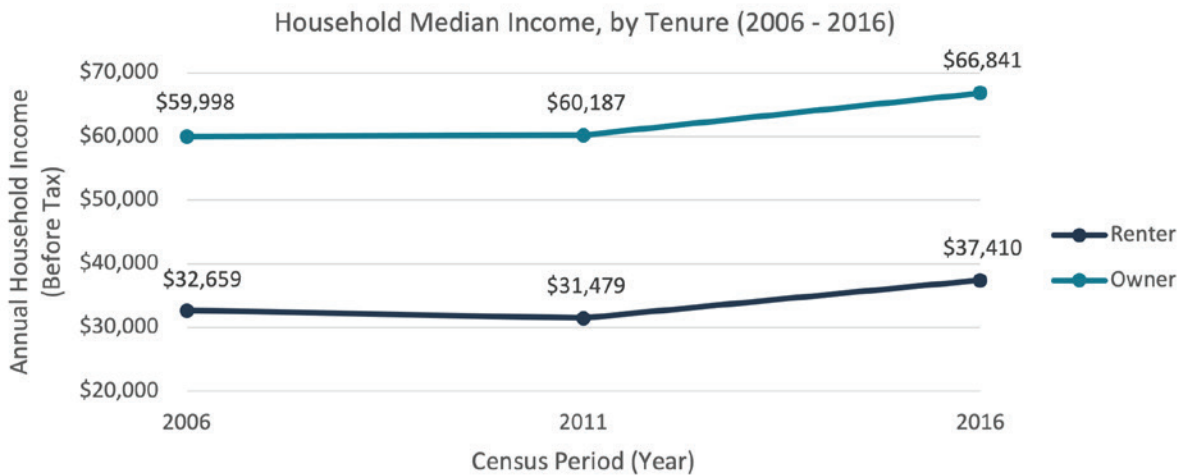
FIGURE 7. The average and median before tax annual household income for all households in Penticton and across the BC (Canada census, 2021).



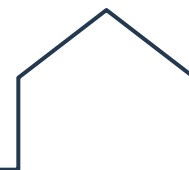
In general, households in the City of Penticton have low annual household incomes compared to the rest of the Province, where the average household income before tax was \$108,600 and the median was \$85,000 in 2021.

Households who own their home tend to have higher annual incomes than those who rent their dwelling. The 2020 *Regional District of Okanagan-Similkameen Housing Needs Assessment* found that the gap between owner and renter household median incomes widened by around \$2,000 since 2006.

FIGURE 8. Median income of renter and owner households. Data are from the 2020 Regional District of Okanagan-Similkameen Housing Needs Assessment. Census median household income data by tenure for the City were not available for 2021 at the time this report was written.



Housing Units



This section overviews the housing stock in the City of Penticton, examining factors such as the number of units, age, structure type, and number of bedrooms available to residents. Furthermore, it examines the availability of affordable and non-market housing units. Anticipating and projecting the number of new units needed to meet population growth over the next 5 to 10 years is crucial for assessing housing need and ensuring that sufficient housing supply options are available to meet the needs of the growing population.

Moreover, this section compares household incomes with monthly shelter costs and the values of homes to gain a better understanding of what types of housing are affordable and accessible for residents in the City of Penticton. Examining these factors can identify gaps in the existing housing market and determine where additional investment or support may be required to ensure that all residents have access to safe, suitable, and affordable housing.



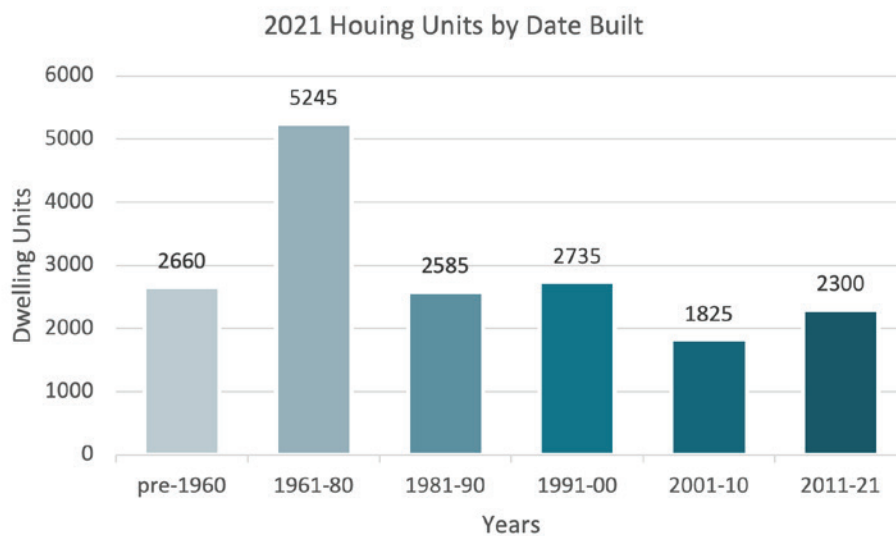
KEY FINDINGS:

- There were 18,457 total private dwellings in 2021, 94% of which were occupied by usual residents.
- 43% are 40 years or older, which may offer more affordable options, but also may require renovations or renewal, or they present potential redevelopment opportunities.
- In 2022, roughly 8.8% of units were subsidized. In addition to a current backlog of 162 individuals, 84 to 138 additional subsidized housing units may be needed by 2026, and a further 88 to 148 additional subsidized housing units may be needed by 2031.
- Overall, the City of Penticton needs to build a minimum of 240 to 380 new housing units annually simply to meet basic housing demand (population growth). Municipal records show a recent rapid increase in the number registered new units, suggesting the number of additional units needed may be even higher.
- Building until 2031 should focus on units in apartments, duplexes, and single-family dwellings with two- to three-bedrooms.
- Since 2016, the median monthly shelter cost for rented dwellings increased by nearly twice as much as the median monthly shelter cost for owned dwellings.
- Larger primary apartments with three or more bedrooms experienced the greatest increase in average monthly rental cost since 2016.
- The average dwelling market values in Penticton increased rapidly from 2016 to 2021 by 44%, nearly \$175,000.

NUMBER OF UNITS

According to the census, there were 18,457 total private dwellings in 2021, 94% of which were occupied by usual residents (occupied by someone who considers it their primary residence, rather than a secondary or vacation home). Two thirds of the dwelling units were built in 1990 or earlier, with the greatest proportion having been built between 1961 and 1980. Approximately 7,905 housing units in Penticton are 40 years or older and may require renovations or renewal, or they present potential redevelopment opportunities to better address local housing needs, given favorable market and regulatory conditions. However, it is important to recognize that older housing stock often offers more affordable options. Replacing these units typically entails significantly higher costs, whether it involves rental or ownership housing.

FIGURE 9. 2021 housing divided by date of construction (Canada census, 2021).



Non-market units

According to BC Housing, of the roughly 17,360 primary dwelling units in 2022, around 1,525 (8.8%) were subsidized units (~905 units) or housing residences receiving rent supplements (~620 residences). Of these, approximately one-third were dedicated to transitional and supportive living, one-quarter were independent social housing units, and the remaining half were rental assistance in the private market. Seventy-one percent of the non-market units in 2022 were specifically for seniors. While the number of non-market units suitable for people with special needs increased slightly over the past two years, the overall amount of rent assistance in the private market has decreased since 2020.

TABLE 1. Non-market housing units March 2020 – 2022 are shown in white rows. Additional non-market housing units needed from 2021 to 2026 and from 2026 to 2031 under high (1.8%/year) and low (1.1%/year) population growth scenarios are shown in grey rows. (BC Housing, 2022).

	Transitional Supported and Assisted Living			Independent Social Housing		Rent Assistance in Private Market		
	Supportive Seniors Housing	Special Needs	Women & Children Fleeing Violence	Low Income Families	Independent Seniors	Rent Assist Families	Rent Assist Seniors	Canada Housing Benefit
2020	398	74	55	183	185	99	572	0
2022	399	86	52	183	185	58	506	56
2026	22-36	5-8	3-5	10-16	10-17	3-5	28-46	3-5
2031	23-39	5-8	3-5	11-18	11-18	3-6	29-50	3-5

Assuming these proportions remain the same to meet basic need, Penticton may need an additional 30-49 transitional and supportive living units, 20-33 independent social housing units, and 34-56 rental assistance in the private market by 2026, and a further 31-51 transitional and supportive living, 22-36 independent social housing units, 35-61 rental assistance in the private market under low to high population growth scenarios.

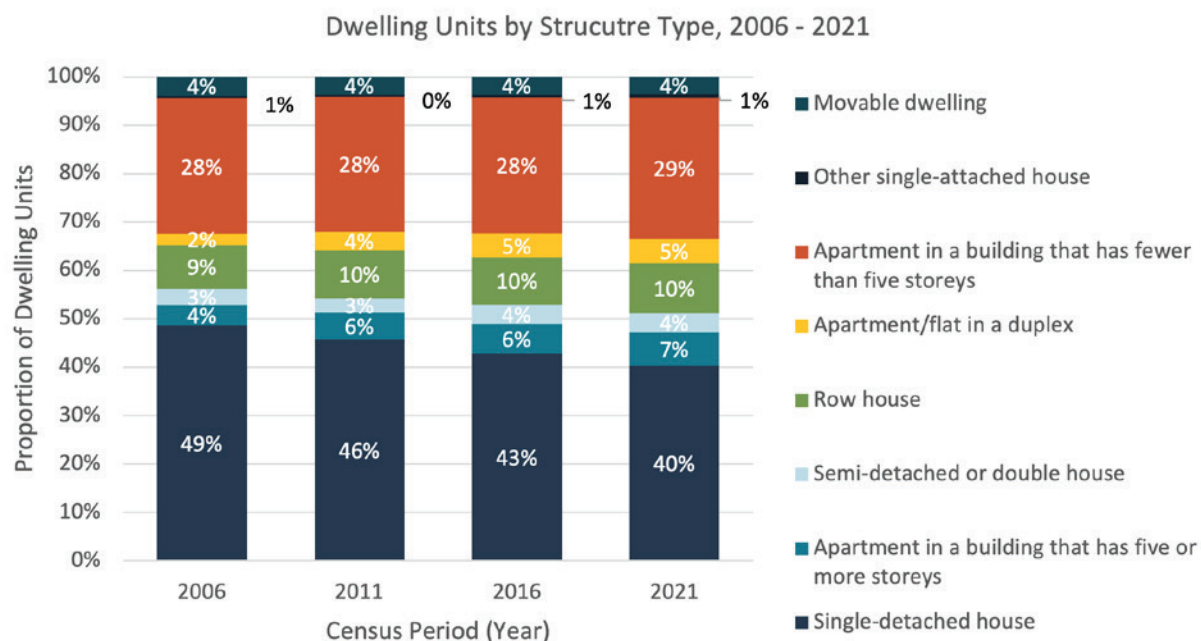
In 2023, 100 More Homes' *Penticton Non-Market Housing (and Supports)* report estimated there were 162 individuals awaiting supporting housing. Key non-market housing needs identified during consultation include transitional housing (corrections, mental health/ substance use, youth aging out of care), complex care housing (with supports that extend beyond the physical infrastructure of the house), access for new immigrants, and affordable housing. In addition to the pressing need for new housing units associated with the ongoing household growth, the City must prioritize addressing this backlog and providing adequate support to meet these current needs.

STRUCTURE TYPE

The greatest proportion of dwellings are currently single-family dwellings (at 40%, or 6,990) but this has been slowly decreasing by around 3% each census period since 2006 (roughly -0.6% annually). The proportion of dwellings in apartments with five or more stories and duplexes experienced the most growth (around 3% each) during this time.

It is important to note that the decline in single-family dwellings may not be solely attributed to a lack of demand from potential buyers. Geographically, Penticton also has a limited land base for additional single-family dwellings. In addition, the significant rise in housing prices and associated costs has made single-family dwellings increasingly unaffordable for many individuals and families (see "Assessed/ sale value" on page 29). This stresses the importance of taking proactive measures to maintain the accessibility and affordability of single-family dwellings in Penticton where the land base allows.

FIGURE 10. Proportion of housing units by structure type from 2006 to 2021 (Canada census, 2021).



Municipal records show an increased number of dwelling units built in recent years, including single-family dwellings, suggesting the decline in the proportion of single-family dwellings may slow over the coming years. Assuming trends slow, Table 2 summarizes additional housing units by structure type needed to meet basic housing demand⁷ by 2026, 2031, and 2036 under low and high population growth scenarios.

TABLE 2. Current additional units needed and anticipated demand over the next 5 and 10 years by structure type under low and high population growth scenarios. Numbers are rounded to the nearest 5. (Calculations are based on Canada census 2021 proportions. First, the estimated number of housing units needed for each structure type over the next 5 and 10 years was calculated. Then, the proportions were adjusted based on the anticipated changes of single-family dwellings (1% less each census period), apartments, and duplexes (1% more each census period)).

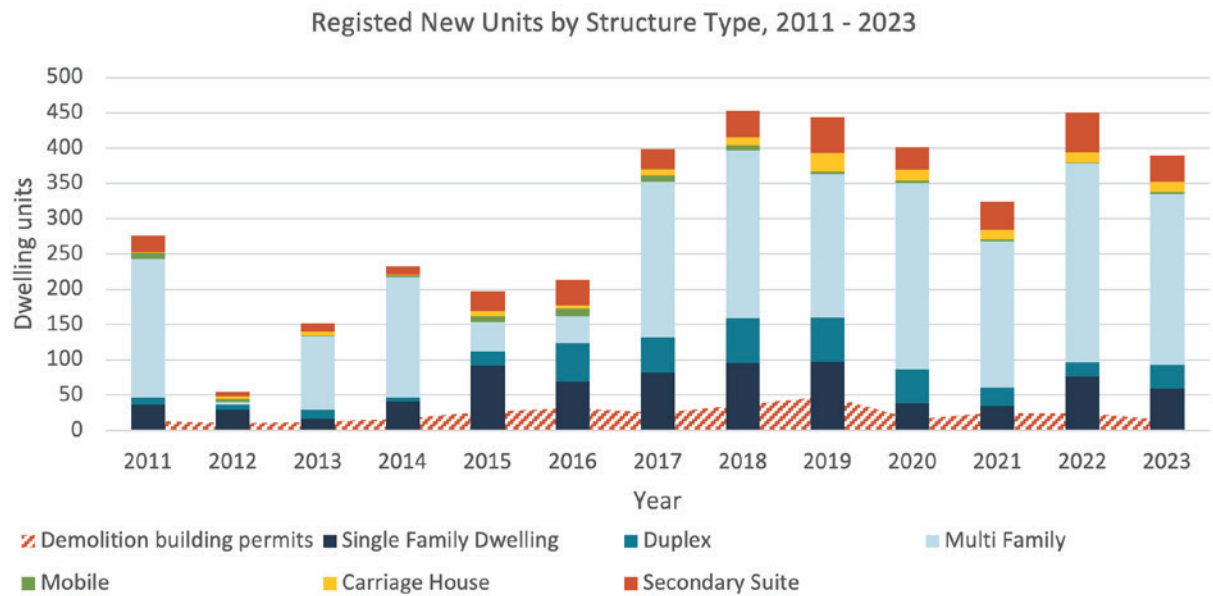
	2021 - 2026 (Current need)		2026 - 2031 (5-year need)		2031 - 2036 (10-year need)	
	Low	High	Low	High	Low	High
Single-detached house	155	390	200	460	200	480
Apartment in a building that has five or more storeys	265	315	275	340	300	390
Semi-detached or double house	40	60	40	65	40	75
Row house	100	160	105	175	110	190
Apartment/flat in a duplex	220	255	255	310	280	355
Apartment in a building that has fewer than five storeys	280	455	295	495	310	540
Other single-attached house	5	10	5	10	5	10
Movable dwelling	35	55	35	60	40	65
TOTAL	1095	1705	1210	1920	1285	2115

⁷ Basic housing demand is the number of dwellings required to house the anticipated household growth. It does not account for other changes such as current households requiring other local housing (e.g., larger, more affordable, or better condition) or seasonal population influxes.

Overall, to meet basic demand according to census trends, the City of Penticton needs to build a minimum of around 240 to 380 new housing units annually until 2036. Table 2 emphasizes the need to focus efforts on building units in apartments and duplexes. Single detached dwellings become more prominent over the long-term under high growth scenarios.

However, municipal records show a much greater number of new residences in recent years. Since 2017, Penticton has approved roughly 520 new units per year and demolished an average of 27 units annually resulting in a net increase of 3430 units. Most new units are multi-family dwellings (~50%), secondary suites (~17%), and single-family dwellings (~13%). Building new homes slowed slightly following a peak in 2019; yet the population growth rate continues to increase.

FIGURE 11. Number of registered new units by structure type from 2011 to 2023 (Municipal records, 2023).



There is a disparity between the number of new dwelling units registered by the City and the number of new households recorded in the census – 3,222 new units and 1,620 new households from 2016 to 2021. It is important to note that the census data mainly captures information on occupied living units, while the number of new dwelling units registered by the City could include both occupied and unoccupied units. One reason for the higher number of new registered dwelling units could be the presence of second homes, vacation properties, or investment properties that are not occupied year-round, which may not be classified as new households in the census data. This could indicate a growing number of non-resident property owners, referred to colloquially as the “shadow population” who occupy housing units seasonally, which can put pressure on housing availability and affordability for locals. It is also possible that some registered dwelling units are vacant due to various reasons such as temporary vacancies or units awaiting occupancy by new residents. Overall, this discrepancy highlights the importance of the city considering the higher rates of population and household growth.

Short-term rentals

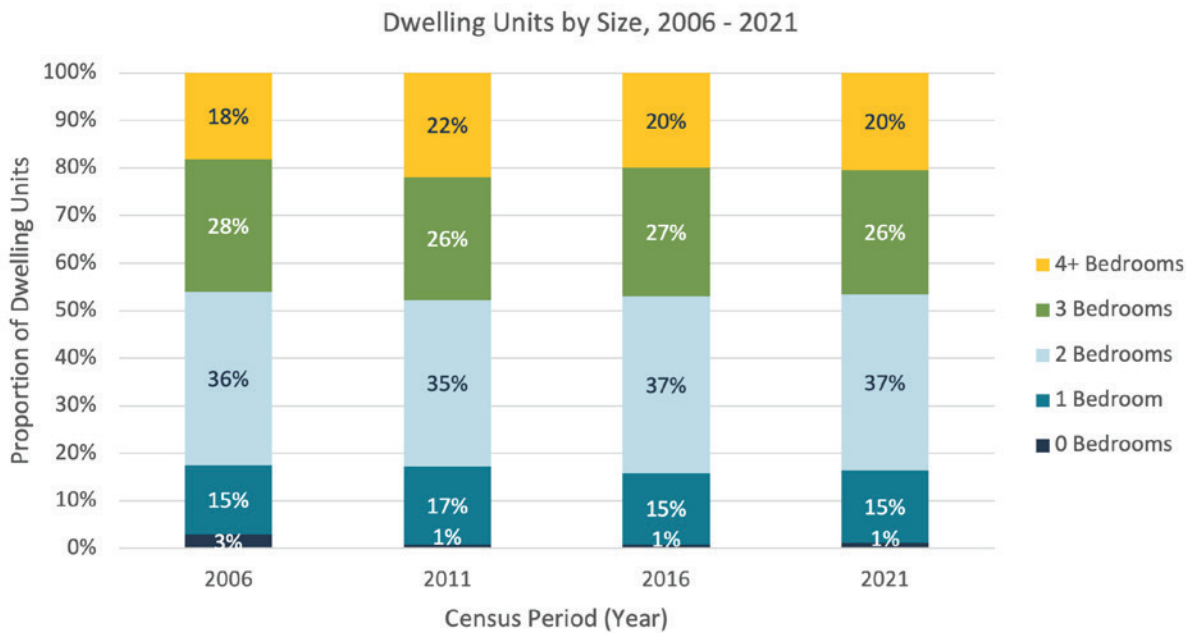
Interviews with City planning and permitting staff report that many of the secondary suites, carriage houses or garden suites, are being built purposely for short-term (or vacation) rental due to high revenues compared to long-term rental. The current short-term rental regulatory context is ‘short-term rental friendly’ and can be considered strongly permissive in the City of Penticton. The City of Penticton’s 2023 *Short-Term Rental Benefits & Impacts Study* (April 2023) found that it is currently two to three times

more profitable to operate a local dwelling unit as a year-round short-term rental versus a long-term rental. This economic incentive, along with the flexibility inherent to STR use, is leading an estimated ~250 Penticton residents to operate STRs in a “mortgage helper” capacity, with the monthly income benefits for these residents. This STR activity is simultaneously negatively decreasing housing availability and affordability market wide (specifically for renters and first-time homebuyers).

SIZE

The proportion of dwelling units by size has remained relatively consistent since 2006. Two- and 3-bedroom units continue to compose around 63% of all housing units. This is relatively consistent with the average household size of 2.1 members per household, which is not anticipated to change significantly over the next ten years.

FIGURE 12. Proportion of housing units by size from 2006 to 2021 (Canada census, 2021).



Assuming proportions remain the same, Table 3 summarizes additional housing units currently needed by 2026, 2031 and by 2036 by number of bedrooms under low and high population growth scenarios.

TABLE 3. Projected additional housing units needed to house additional households under high, medium, and low growth scenarios. Numbers are rounded to the nearest 5. (Calculations are based on Canada census 2021 proportions).

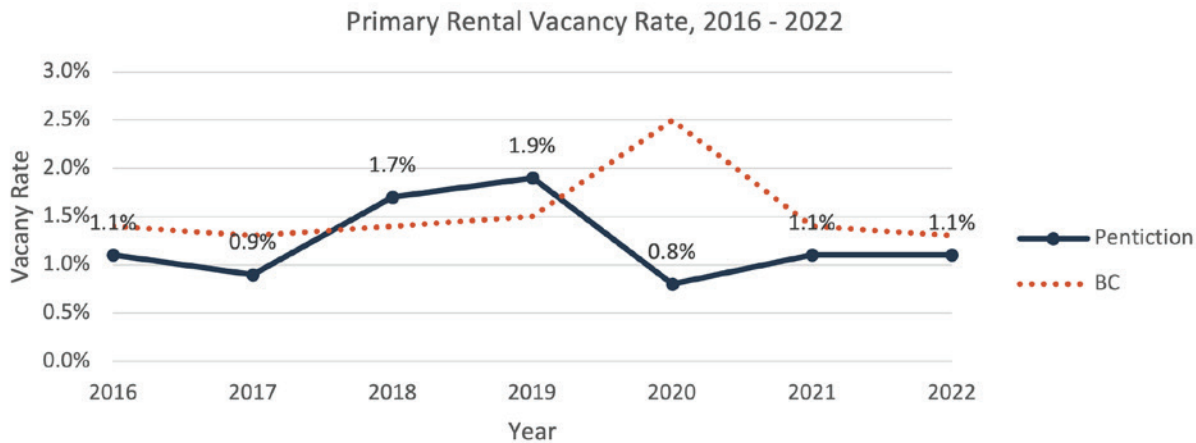
	2021 – 2026 (Current need)		2026 – 2031 (5-year need)		2031 – 2036 (10-year need)	
	Low	High	Low	High	Low	High
0 Bedroom	10	20	10	20	10	20
1 Bedroom	145	240	155	260	160	285
2 Bedrooms	355	580	375	630	395	690
3 Bedrooms	250	405	265	445	275	485
4+ Bedrooms	195	320	205	350	215	380

However, as the population continues to age (over 65 will be a higher proportion of the population), there is typically an increased demand for smaller units for one- and two-person households, with living on one level and other accessibility design elements. It is important to consider affordability for one-person households (especially senior females living alone), who are at high risk of being in a state of core housing need (see “Core housing need” on page 37). In addition, Penticton is experiencing staff shortages in all key economic sectors which are exacerbated by the housing shortage. There is a need for more housing that attracts working age people and families (3+ bedrooms) to support economic well-being (see “Economy” on page 30).

RENTAL VACANCY

The primary rental vacancy rate in Penticton has generally been lower than the provincial rental vacancy rate since 2016. When primary rental vacancy rates peaked provincially in 2020, Penticton experienced a steep decline. Vacancy rates have remained low ever since and are considered critically low.

FIGURE 13. Primary rental vacancy rates (CMHC, 2023). Note: CMHC only includes primary rental market statistics.



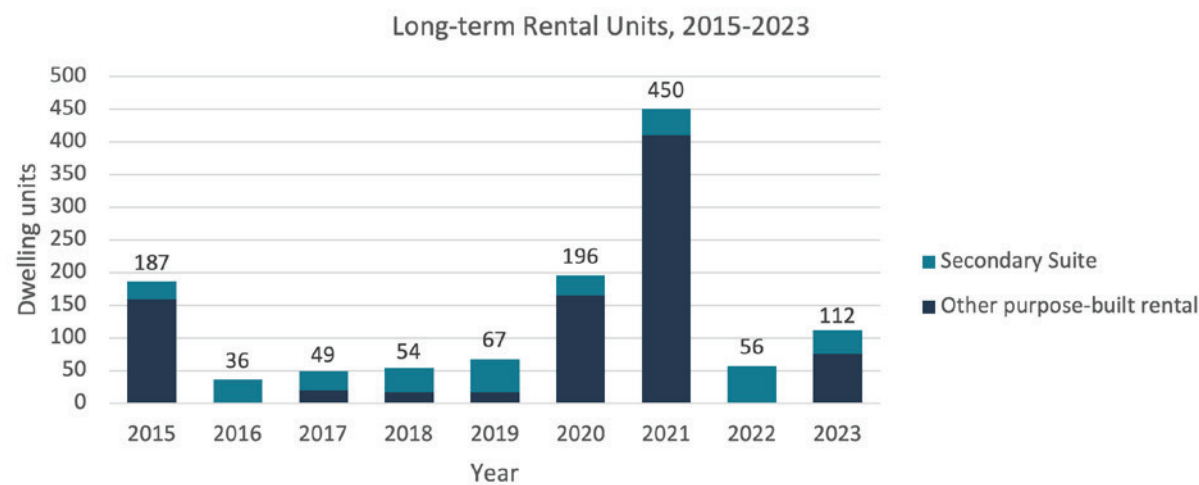
A vacancy rate of 3-5% is considered an ideal target by CMHC. **In order to increase the percentage from 1.1% to 3%, the City must address the existing housing supply shortage.** A significant amount more households rent their dwelling (6,375) than there are primary rental units in Penticton, emphasizing the importance of the secondary rental. While it can be difficult to estimate the exact number of rental units in a community due to rental market dynamics, Penticton had roughly 6,450 rental units⁸ in 2021. To reach a vacancy rate of 3%, Penticton would need around 700 to 1200 new rental units across all rental types by 2031 and a further 800 to 1400 more rental units by 2041. Incentivizing more housing density, allowing increased housing units on developed properties and expediting housing development applications are some strategies for increasing supply.

Purpose-built long-term rentals

Purpose-built rental units are residential properties that are purposefully constructed and operated as rental housing, providing long-term rental options for locals. Since 2015, Penticton has completed construction of 860 purpose-built rental units. During this time, the City also registered 347 new secondary suites, some of which may also provide long-term rental housing.

8 This estimation assumes the total number of rental units in Penticton is around 1.1% greater than the total number of renter households.

FIGURE 14. Number of purpose-built rental and secondary suites registered from 2015 to 2023. Labels are the sum of newly registered long-term rental units. Data in 2023 were gathered in April and do not represent the whole year (Municipal records, 2023).

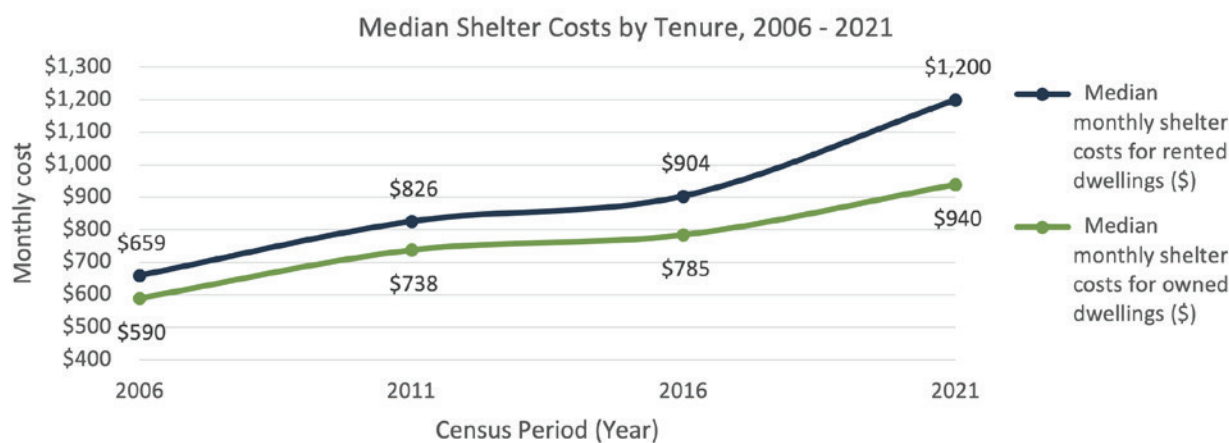


SHELTER COSTS

Affordable housing pertains to the availability of housing units at affordable prices, while housing affordability refers to the financial capacity of individuals or households to afford housing without facing excessive financial hardship.

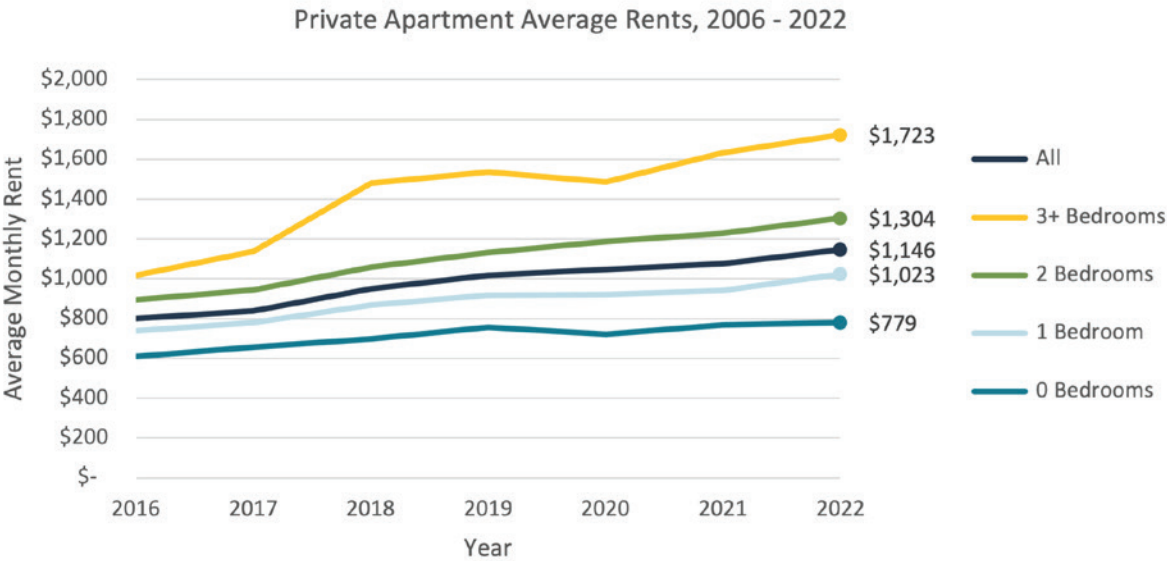
As the median household income was \$68,000 in 2021, at least half of all households in Penticton need to spend \$2,000 or less on monthly shelter costs for it to be considered affordable (costs 30% or less of a household’s before-tax income). The median monthly shelter cost for rented dwellings (\$1,200) was greater than the median monthly shelter costs for owned dwellings (\$940). From 2006 to 2016, median shelter costs increased at a similar rate by around one to five percent annually; however, since 2016, the median monthly shelter cost for rented dwellings increased at a faster rate of 7% per year. While the median shelter cost for owned dwellings increased by \$155 since 2016, the median for rented houses increased by around \$300, nearly twice as much.

FIGURE 15. Median shelter costs for all owned and rented dwellings (Canada census, 2021).



The average monthly rent for private apartments in Penticton increased steadily for all sizes since 2016. Apartments with three or more bedrooms experienced the greatest increase (69%) since 2016, while apartments with zero bedrooms experienced the smallest increase (28%). Reasons for this price increase may be a combination of factors including reduced supply and that purpose-built rental built in recent years is more expensive.

FIGURE 16. The average monthly rent for private apartments by number of bedrooms (CMHC, 2023). Note: CMHC only includes primary rental market statistics.

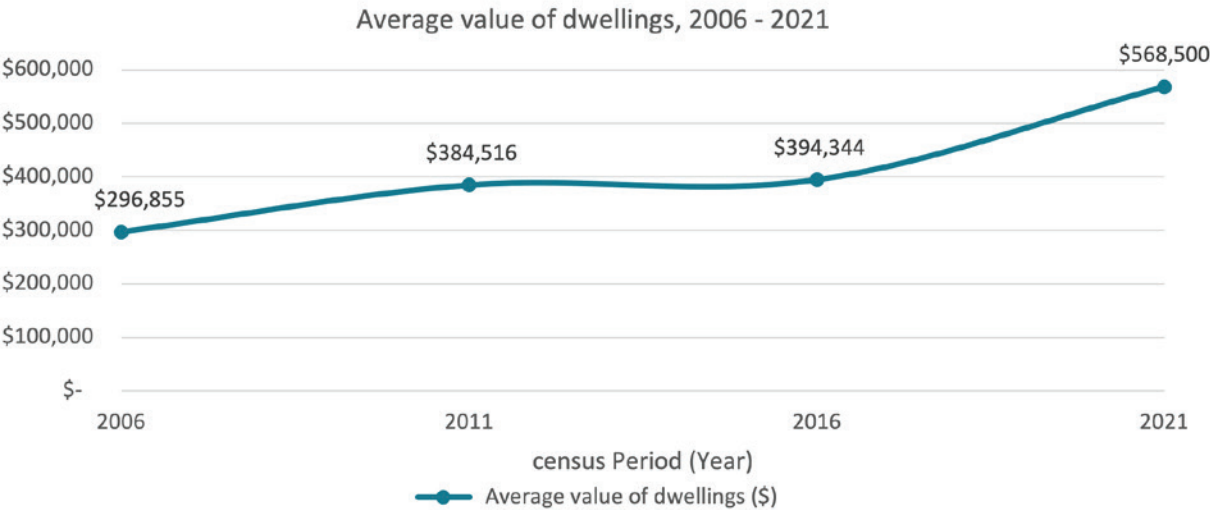


Canadian Mortgage and Housing Corporation rental market pricing (as shown in Figure 16) is typically lower than current rental market conditions, due to a 6+ month time lag in data collection. A secondary rental market scan of 63 listings was conducted on May 9, 2023, and found average monthly rents were higher. The average monthly rent for a 1-bedroom was \$1,346, a 2-bedroom was \$1,755, and a 3+-bedroom was \$2,396. The average monthly rent for a bedroom in a shared house was \$800.

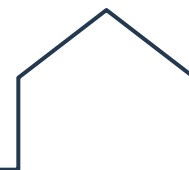
ASSESSED/SALE VALUE

The average value of dwellings in Penticton has increased since 2006. From 2006 to 2021, the average dwelling value increased rapidly by 44% – nearly \$175,000.

FIGURE 17. The average value of all dwellings. (Canada census, 2021).



According to the South Okanagan Real Estate board, the average cost of a single-family home in 2022 (\$740,000) is 14% higher than in 2021, and 85% higher than in 2011. Median assessed values of all housing in Penticton have increased steadily over the past 16 years, and sharply (33%) between 2019 and 2022.



Economic considerations, such as the number of workers and the industries they work in, are important for a housing needs assessment because they can help to identify changes in housing demand that may arise due to shifts in the local economy. For example, increased job opportunities may increase housing demand, industry changes could affect the demand for certain types of housing, and income levels and job availability can impact the ability of households to afford housing. Understanding economic considerations that influence housing demand and affordability is important for understanding current and future housing needs.



KEY FINDINGS:

- *The workforce participation rate was 56% in 2021, which is low relative to the province.*
- *An increasing number of new workers have moved to the City of Penticton since 2016.*
- *The proportion of workers who commute has decreased, suggesting a need for homes with working spaces.*
- *In 2021, health care and social assistance, retail trade, and construction remained the industries with the greatest number of workers.*
- *From 2016 to 2021, company/enterprise management, professional/scientific/technical services, and healthcare and social assistance experienced the most growth.*
- *With an aging population, Penticton is at risk of labour and skill shortage.*
- *Lack of affordable and available housing for workers inhibits attracting new workers. There is a need for more workforce housing for middle-income households in Penticton.*

WORKERS

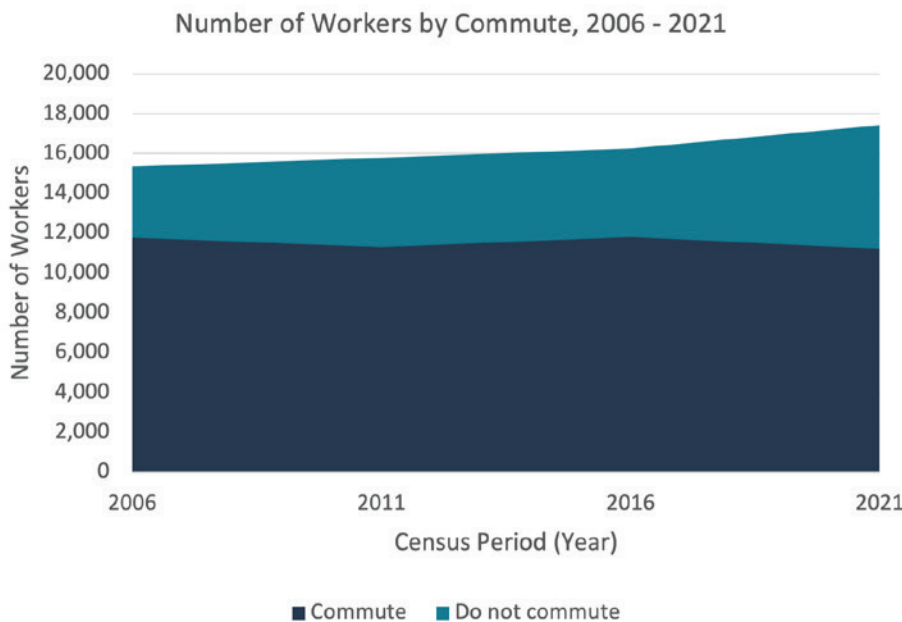
Participation in the workforce refers to the proportion of the working-age population (i.e., individuals aged 15 to 65) who are either employed or actively looking for work. While the number of workers in Penticton has increased steadily since 2006 (around 0.6% or 90 new workers per year), the growth increased more rapidly to 1.4% annually (234 workers) since 2016. Penticton’s unemployment rate was similar to the provincial rate at 8% in 2021.

Nonetheless, Penticton’s workforce is low relative to the Province (which had a participation rate of 63.3% in 2021). Since 2006, the workforce participation rate in the City of Penticton was around 57% and it decreased further to 56% in 2021. This lower participation rate may be related to Penticton’s aging population.

COMMUTING

The proportion of workers who commute to a usual place of work has declined from 73% in 2016 to 64% in 2021. This suggests more residents may be working from home and seek dwellings with dedicated working spaces. As the workforce ages, there is a growing inclination among older workers for more flexible and adaptable working lives⁹. The COVID-19 pandemic also served as a catalyst for more remote work and hybrid work models.

FIGURE 18. The number of workers in Penticton by whether they do or do not commute to work (census Canada, 2021).



A slightly greater proportion (4%) are commuting outside of the City of Penticton for work in 2021 compared to previous census periods. 85% of all commuters commuted less than 30 minutes to work.

INDUSTRIES

Since 2006, the main industries in the City of Penticton have been retail trade, healthcare and social assistance, accommodation and food services, construction, and manufacturing. In 2018, the Penticton Economic Development and Prosperity Task Force developed a *City of Penticton 2018 Industry Clusters Report* which identified “industry clusters”¹⁰ that encourage and help grow regional competitiveness by

9 OECD (2020). Promoting an Age-Inclusive Workforce. <https://www.oecd-ilibrary.org/sites/237dd702-en/index.html?itemId=/content/component/237dd702-en>
10 According to the *City of Penticton 2018 Industry Clusters Report*, “industry clusters,” are groups of interconnected firms, suppliers, related industries, and institutions that arise in particular locations.

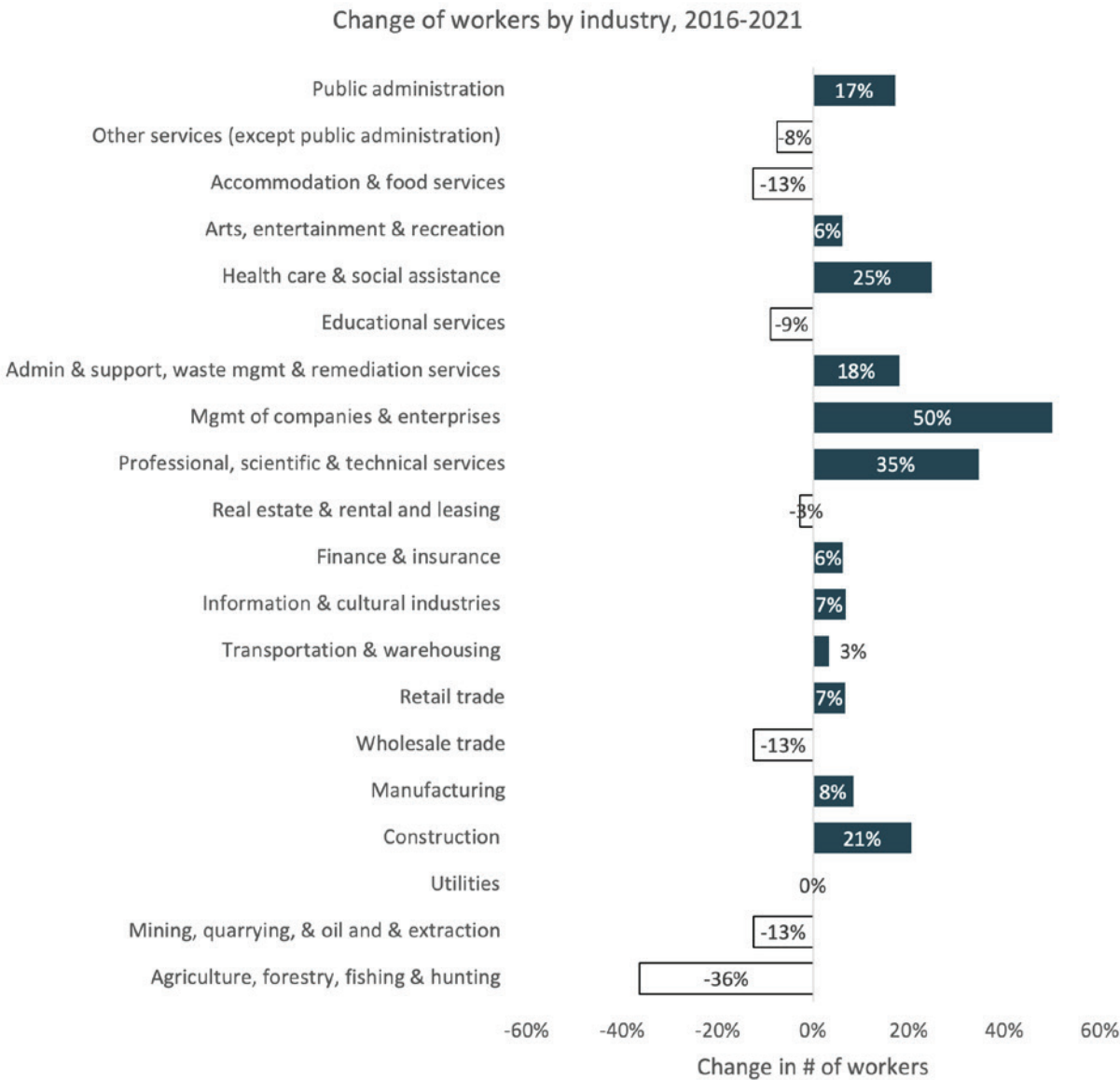
increasing business productivity, boosting their innovation capacity, and stimulating the formation of new businesses. Priority clusters in Penticton include:

- Manufacturing
- Technology
- Tourism, Events, SOEC, Arts & Culture
- Wine, Beer, Spirits
- Agricultural Technology
- Agricultural Production

While Penticton’s economy has a long history in agriculture, according to the 2021 census, the City experienced the greatest decrease in the number of workers working in agriculture, forestry, fishing, and hunting since 2016. There was the greatest increase in the workforce employed in:

- Management of companies and enterprises
- Professional, scientific and technical services
- Health care and social assistance

FIGURE 19. Change in the proportion of workers in industries from 2016 to 2021 (Canada census, 2021).



According to the *City of Penticton 2018 Industry Clusters Report*, lack of availability and difficulty in attraction of skilled staff was a key economic development issue in the City of Penticton. Lack of affordable and available housing for workers contributed to this issue. This suggests a need for more workforce housing to meet the needs of households who work in essential industries or occupations, such as healthcare, education, public safety, and service sectors, but may not earn high incomes or have access to subsidized housing programs. While there is currently no local definition of workforce housing, it may include housing targeting households who earn moderate to middle incomes, such as rental apartments, townhomes and duplexes, accessory dwelling units or carriage homes, and mixed-use developments.

BUSINESS SECTOR INTERVIEWS

To provide deeper insight into the housing needs data, this research included informational interviews with business representatives from key sectors in Penticton including tourism, hospitality, industry, construction, education, and health¹¹. Key insights gained are presented in this section.

A recurring theme is that employers are attributing staff shortages to lack of affordable housing supply. Lack of housing has become a barrier to hiring workers in all of the City's principal business sectors.

*Tourism, Hospitality, Service Industry*¹² – Employees struggle to secure suitable accommodations, particularly with industries that offer lower wages and non-traditional working hours. The housing issue was amplified by the pandemic, and by short-term rentals absorbing long-term rental housing stock and driving up housing prices. This exacerbates workforce challenges.

*Travel Penticton*¹³ – Increasing the supply of housing for workers, staff accommodation for all businesses is “one of the largest impediments to tourism growth in this region.”

*Construction Contractor*¹⁴ – Hiring construction workers, skilled tradespeople, and professionals is challenging due to the difficulty employees have in finding affordable housing – every housing option is in short supply and is costly. Workforce housing solutions are needed for both single individuals and families. Additionally, the City must address the increasing demand for housing driven by immigration. Streamlining regulations, reducing permit delays, and offering incentives for all housing types (i.e., basement suites) can help alleviate these challenges and boost housing supply.

*Penticton Regional Hospital & South Okanagan General Hospital*¹⁵ – Interior Health services and the Regional Hospital face staff shortages, with some portfolios experiencing up to a 60% shortfall. The inadequate housing supply and high costs in Penticton pose significant challenges for staff recruitment, even leading to physicians withdrawing accepted offers due to housing expenses. This issue is particularly pronounced for care aids, who already face lower salaries. The shortage and high costs of housing negatively impact staff recruitment and retention in the healthcare sector.

*Penticton Industrial Development Association*¹⁶ – It is difficult to find qualified staff and skillsets as there is a lack of labour force aged people. Employees cannot find places to live that match salaries, as housing is in short supply and costs are exorbitant. Although more rental units are being built, they are not low-cost, and high land costs further drive-up housing expenses.

*Okanagan College*¹⁷ – Around 1,000 students, with approximately half coming from outside the area, require rental accommodations in Penticton. With no on-campus residences available due to limited college property, students rely on happipad.com for affordable shared accommodation in private homes, which is not regulated by the Residential Tenancy Act. The Manager of Campus Life has received feedback that some trades students are opting not to enroll at Okanagan College due to the housing shortage. The lack of housing also impacts the retention and recruitment of faculty and staff members.

11 Source: Penticton Business Toolkit <https://pentictonbiztoolkit.com/#li-modal>

12 Informational Interview, Kim Lawton DogLeg Marketing & Business Solutions, June 6, 2023

13 Informational Interview, Jo Charnock, Office and Special Projects Manager, Travel Penticton, November 29, 2022. Letter to Mayor and Council from Jessica Dolan, Chair of Board, 2022 (not dated)

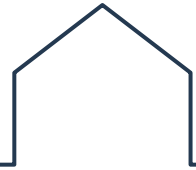
14 Informational interview, Matt Kenyon, President, Greyback Construction Ltd, May 31, 2023.

15 Informational Interview. Sara Evans, RN, MScN, Director, Clinical Operations. December 13, 2022.

16 Informational Interview, Frank Conci, President, Penticton Industrial Development Association June 6, 2023

17 Informational Interview, Juliana Buitenhuis, Manager of Campus Life and Administration. December 15, 2022.

Core Housing Need



The census defines “core housing need” as a measure of whether a household is living in suitable housing that is affordable and has enough bedrooms for its size.

More specifically, a household is considered to be in “core housing need” if it falls into one or more of the following categories:

1. **Affordability:** The household spends 30% or more of its before-tax income on housing.
2. **Suitability:** The dwelling is not large enough to accommodate the size and composition of the household, according to the National Occupancy Standard.
3. **Adequacy:** The dwelling is in need of major repairs or replacement.

A household is considered to be in “core housing need” if it falls into one or more of these categories and cannot access suitable housing in their local housing market at the median rent for alternative local housing that is adequate, and appropriate for the household size.

“Extreme core housing need” has the same meaning as “core housing need” except that the household has shelter costs for housing that are more than 50% of total before-tax household income.

Households in core housing need may be living in precarious housing situations and are more likely to be at risk of experiencing homelessness.



KEY FINDINGS:

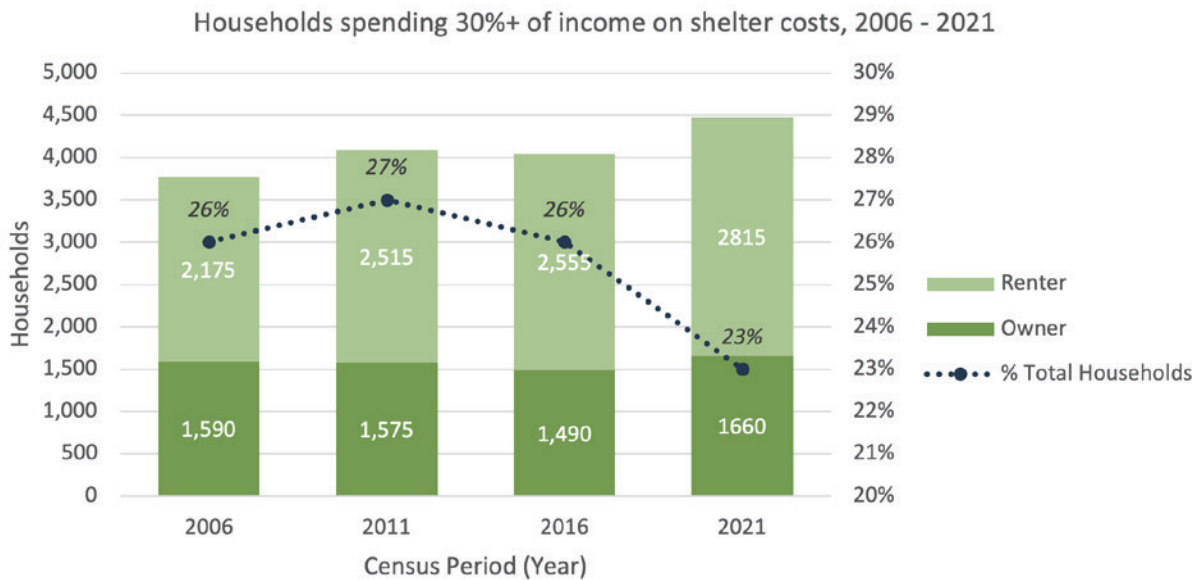
- *In 2021:*
 - 23% of households spent 30% or more of their before-tax annual income on shelter costs (estimated 4,070 households). Some households may opt to allocate more than 30% of their annual household income towards shelter costs, while others are compelled to do so due to the lack of accessible affordable housing alternatives.
 - 6% of households lived in dwellings requiring major repairs (estimated 995 households)
 - 3% of households lived in overcrowded buildings (estimated 455 households),
 - Overall, 12% of households were considered to be in core housing need (estimated 2,130 households)
- *Renter, lone-parent, and one-person households are at higher risk of falling below the affordability, adequacy, and core housing need thresholds and being in a state of core housing need.*
- *A greater proportion of renter households were spending 30% or more of their income than in larger BC population centres including Vancouver and Victoria.*
- *There were significantly fewer renter households in core housing need in 2021 than 2016. If this trend continues, there could be 360 fewer household in core housing need by 2026. If current proportions remain the same under low and high growth scenarios, there could be 116 to 190 more households in a state of core housing need by 2026.*
- *Both the proportion of households in total and extreme core housing need were higher in 2011 and 2016 than in 2021, largely due to a reduction of the number of renter households in total and extreme core housing need.*

AFFORDABILITY

In 2021, around 4,070 households in Penticton (23%) spent 30% or more of their annual income on shelter costs. While this number has increased from 3,770 in 2006, the rate of increase is less in recent years (around 0.1% annually since 2016, compared to 1.7% annually between 2006 to 2011) relative to the overall population growth. As a result, the overall percent of households spending 30% or more of their annual income on shelter costs decreased by 3% since 2016. Some households may opt to allocate more than 30% of their annual household income towards shelter costs, while others are compelled to do so due to the lack of accessible affordable housing alternatives.

There is a far greater proportion of renter households (44%) spending 30% or more of their annual income on shelter costs than owner households (15%). These proportions have remained consistent over past census periods. In 2021, 14% of renter households spent 50% or more of their annual income on shelter costs.

FIGURE 20. The number of households by tenure spending 30%+ of their before-tax annual household income on shelter costs. Percentages show the percentage of total households in Penticton (Canada census, 2021).

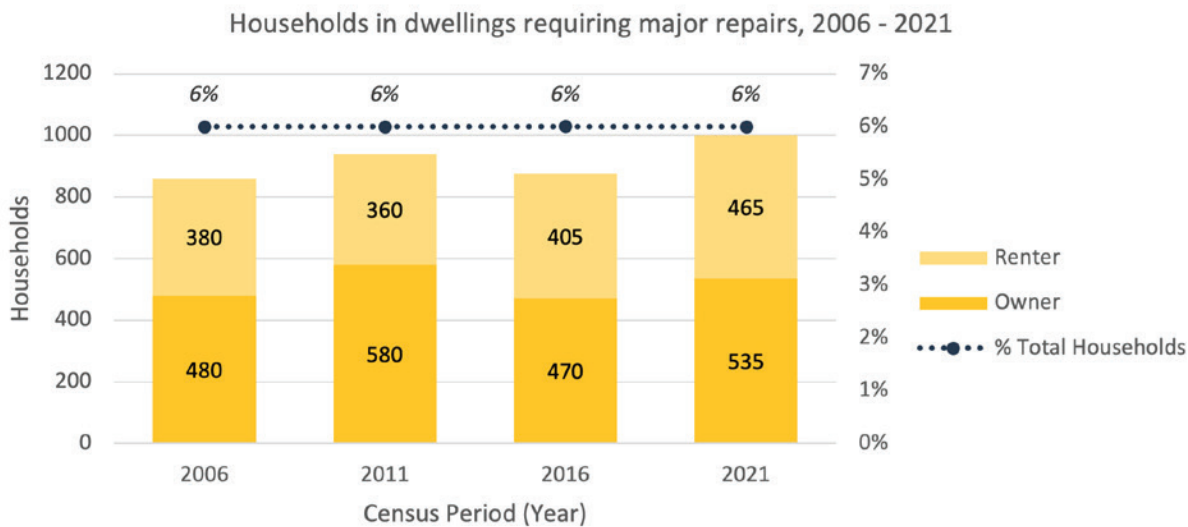


Rental housing affordability is an increasing issue in Canada, and southern British Columbia is at the epicentre of this crisis. Regional figures from latest Canadian Rental Housing Index show housing unaffordability are spreading into areas that were once considered more affordable, like the South Okanagan. In 2021, a greater proportion of renter households in Penticton were spending 30% or more of their household income on shelter costs than in larger BC population centres, including Vancouver (39%) and Victoria (42%).

ADEQUACY

Around 995 households (6%) lived in dwellings requiring major repairs in 2021. A slightly greater proportion of renter households (7%) than owner households (5%) lived in inadequate dwellings. This has remained relatively consistent since 2006.

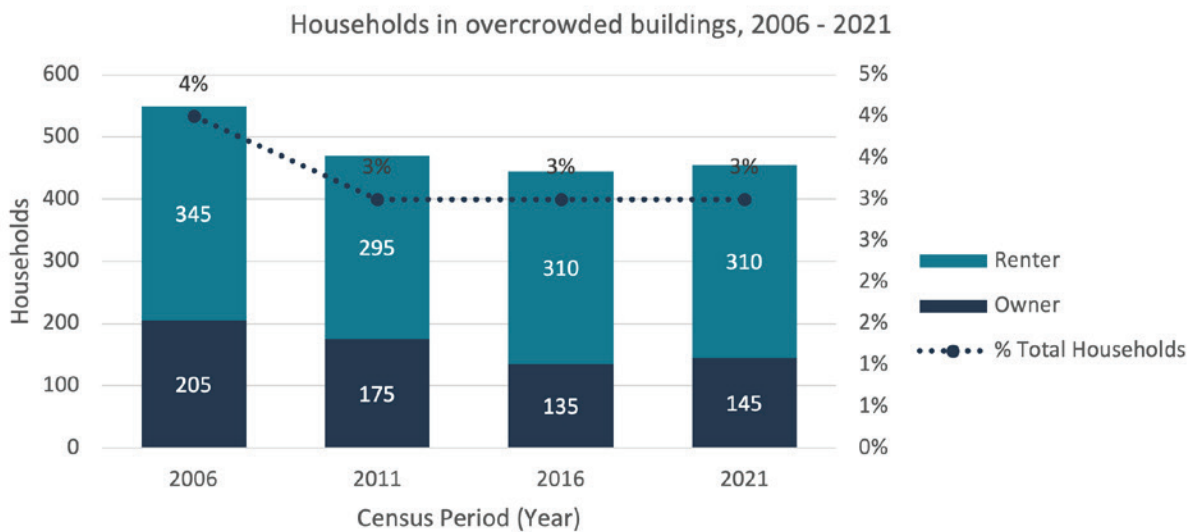
FIGURE 21. The number of households by tenure that live in dwellings requiring major repairs. Percentages show the percentage of total households in Penticton (Canada census, 2021).



SUITABILITY

In 2021, 3% of all households lived in overcrowded buildings. This has remained consistent since 2006. A greater proportion of renter households (5%) lived in overcrowded buildings than owner households (1%).

FIGURE 22. The number of households by tenure that live in overcrowded buildings. Percentages show the percentage of total households in Penticton (Canada census, 2021).

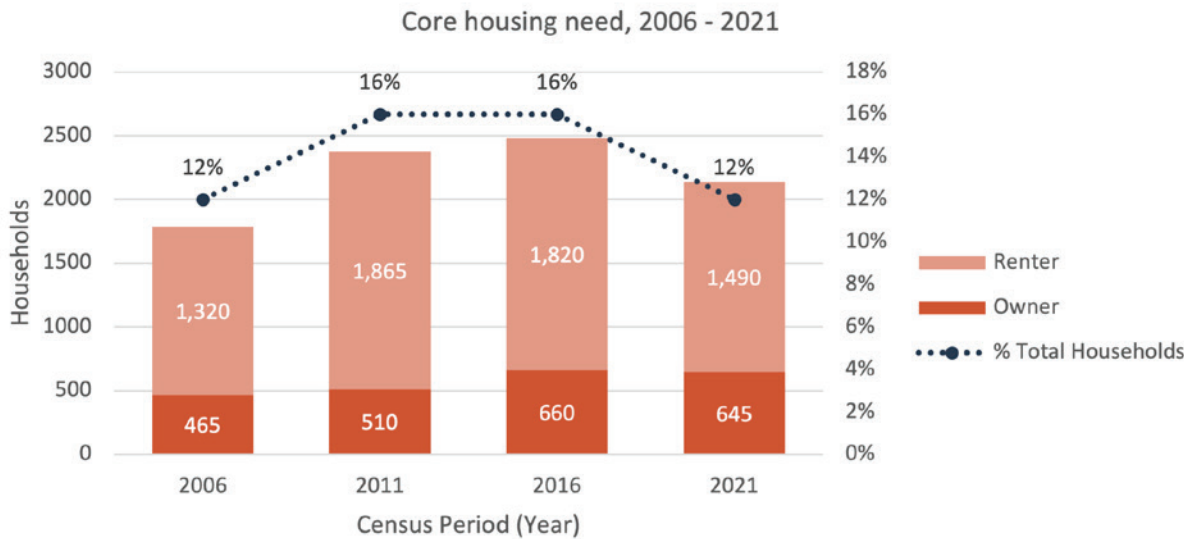


CORE HOUSING NEED

In 2021, 12% of all households were in core housing need, meaning the households fall into one or more of the affordability, suitability, and adequacy thresholds and cannot access appropriate alternative housing in their local housing market at the median rent. The period between 2016 and 2021 was the first time since 2006 that the number of households in core housing need decreased.

Lone-parent households and one-person households (especially senior females living alone) are at the greatest of being in a state of core housing need¹⁸. Households facing housing challenges are at higher risk of experiencing homelessness in the future. High housing costs, inadequate housing conditions, and overcrowding can create significant financial burdens, contribute to increased stress levels, and make it difficult to maintain stable housing. These factors, combined with other personal and systemic challenges, can increase the risk of experiencing homelessness.

FIGURE 23. The number of households by tenure considered to be in a state of core housing need. Percentages show the percentage of total households in Penticton (Canada census, 2021).



Since 2006, a greater proportion of renter households were in core housing need than owner households; however, the decrease since 2016 was largely due to a reduction in the number of renter households in core housing need (-330, -18%). This reduction may be due to an influx of BC housing funding to create more supportive housing. BC Housing and community partners (Kiwanis, Penticton and District Society for Community Living (PDSCL), ASK Wellness and OneSky Community Resources) operate close to 809 subsidized supportive housing units in the City of Penticton. BC Housing recently purchased a motel (formerly Super 8), to convert for those in need of long-term affordable housing (the Compass Court with 56 units). Grenada Inn, a 19-room motel is now exclusively available for monthly rentals.

18 CMHC. (2023). Housing Market Information Portal: Penticton Profile. <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#Profile/7550/3/Penticton>

TABLE 4. The number and proportion of households by tenure considered to be in a state of core housing need (Canada census, 2021).

	2006	2011	2016	2021
Total Households (n = 17,360)	1,785 12%	2,380 16%	2,485 16%	2130 12%
Owner Households (n = 6, 375)	465 5%	510 5%	660 7%	645 6%
Renter Households (n = 10,985)	1,320 27%	1,865 34%	1,820 31%	1,490 23%

Table 5 shows the projected additional households in core housing need in 2026 and 2031. If the decline in the number of renter and owner households observed between 2016 and 2021 persists, it is projected that there will be around 328 fewer renter households and 28 fewer owner households in core housing need by 2026. By 2031, if the decline continues, there would be an estimated additional 269 fewer renter households and 39 fewer owner households in core housing need.

However, if the current proportions of renter and owner households in core housing need remain the same under low and high population growth scenarios, it is projected that there may be between 68 and 120 more renter households and between 47 and 70 more owner households in core housing need by 2026. By 2031, the number of households in core housing need may increase further, with an estimated 86 to 145 more renter households and 38 to 64 more owner households experiencing core housing need.

TABLE 5. Projected core housing need under three scenarios: continued decline (-2.6%), low growth (1.1%), and high growth (1.8%).

	2026			2031		
	Decline (-2.6%)	Low (1.1%)	High (1.8%)	Decline (-2.6%)	Low (1.1%)	High (1.8%)
Total Households	-355	116	190	-308	124	209
Owner Households	-28	47	70	-39	38	64
Renter Households	-328	68	120	-269	86	145

Extreme core housing need

Extreme core housing need has the same meaning as core housing need except that the household has shelter costs for housing that are more than 50% of total before-tax household income.

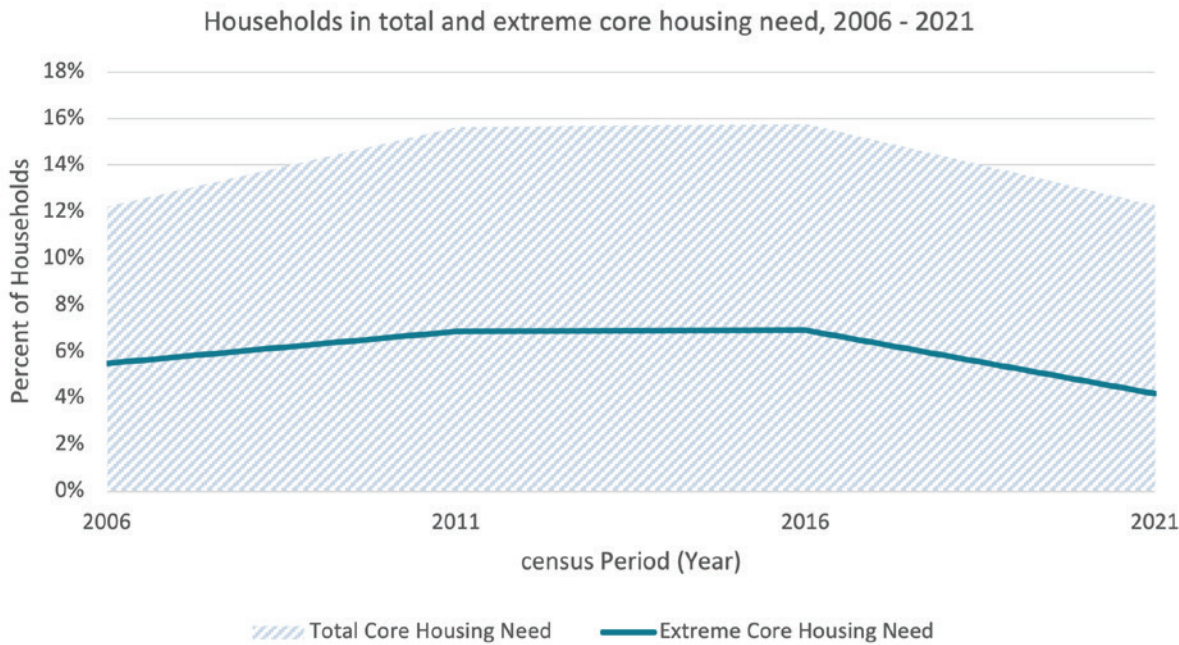
As with total core housing needs, the proportion of renter households was greater than the proportion of owner households in extreme core housing needs. The decrease since 2016 was largely due to a reduction in the number of renter households in core housing need (-295, -37%).

TABLE 6. The number and proportion of households by tenure considered to be in a state of extreme core housing need (Canada census, 2021).

	2006	2011	2016	2021
Total Households (n = 17,360)	800 5%	1,045 7%	1,090 7%	725 4%
Owner Households (n = 6, 375)	210 2%	275 3%	290 3%	225 2%
Renter Households (n = 10,985)	595 12%	765 14%	795 14%	500 8%

Both the proportion of households in total and extreme core housing need were higher in 2011 and 2016 than in 2021.

FIGURE 24. Proportion of all City of Penticton households in total and extreme core housing need from 2006 to 2021 (Canada census, 2021).



Areas of Local Need



KEY FINDINGS:

- Around 110 to 140 residents experienced homelessness at given times throughout 2023. Thirty-five to 50% may have been unsheltered (i.e., living outside, in a vehicle, or couch surfing).
- From 2020 to 2021, more than 135 youth (aged 12 to 24) were living in precarious housing situations (e.g., couch surfing, living in a shelter, and being homeless).
- Penticton is the main provider of shelter beds for individuals experiencing homelessness or at risk of homelessness across the Okanagan Similkameen Regional District.
- The number of active short-term rentals can vary greatly throughout the year, ranging from 322 to 566 in 2022. The estimate of ~200 STRs in non-principal residences equates to ~1.1% of the City's total housing stock or ~3% of its total rental housing stock, which can be thought of as lost potential long-term rental housing.
- Limited affordable rental housing has been identified as a barrier to academic student enrollment.
- Penticton's seasonal economy and workforce dynamics necessitate housing solutions to accommodate the high percentages of casual, seasonal, and temporary workers.
- Penticton requires more family-oriented housing options to support its growth and attract residents to address declining school enrollment.
- There is a need for more housing options and supports for Penticton's growing number of Indigenous residents.

RESIDENTS AT RISK OF OR EXPERIENCING HOMELESSNESS

Estimating the number of people who are unhoused in a population can be difficult. People who are experiencing homelessness may not always be visible and may be living in hidden or informal locations making it difficult to accurately count them. Additionally, people experiencing homelessness may move frequently or temporarily stay with friends or family, making it challenging to track their housing status. Finally, some individuals may be hesitant to participate in official counts due to fear or distrust of authorities, further complicating efforts to estimate the number of people who are unhoused. As such, there are a range of homelessness estimations in the City of Penticton.

Point in Time ¹⁹ counts have been conducted in the City of Penticton in April of 2018 and 2021. In 2021, the count identified 114 people experiencing homelessness, an increase of 5.6% (6) since 2018. Of these community members, thirty-five percent (around 40) were unsheltered, living outside (63%), in a vehicle (15%), or couch surfing (10%). Fifty-six percent were unhoused for one year or more. In February 2023, 100 More Homes Penticton estimated there may be more than 140 residents who are unhoused, half of whom may be unsheltered, based on rough estimates from the Community Safety Officers' number of files and shelter capacity.

Focusing only on youth suggests this number could be even higher. The *No Where to Go* survey of 264 youth aged 12 to 24 from the fall of 2020 and to the spring of 2021 estimated around one in 20 of Penticton youth may have been living in precarious housing situations (e.g., couch surfing, living in a shelter, and being homeless) during this time, totaling around 135 to 140 youth. Most were male, trans-male, and Indigenous. This emphasizes the need for more youth housing and support options.

The City of Penticton is the main community in the Regional District of Okanagan-Similkameen with housing units for people experiencing homelessness. In 2023, 100 More Homes Penticton found Penticton's local shelter had 73 beds. The study highlighted a need for more shelter options, especially for minors and male-identifying residents. The study also found that a lack of housing further up the housing spectrum may force residents to stay in the shelter and supportive housing longer than necessary.

For more information on residents at-risk of experiencing homelessness, see the section on Core Housing Need.

SHORT TERM RENTALS

The tourism sector plays a significant role in Penticton's economy, and drives the popularity of short-term rentals (STRs) or vacation rentals. The City of Penticton's 2023 *Short-Term Rental Benefits & Impacts Study* (April 2023) revealed that STRs exhibit a strong seasonal pattern, with their numbers doubling during the summer months. In 2022, the City of Penticton documented a minimum of 322 and a maximum of 566 active STR listings throughout the year. Over the years, there has been a notable surge in the number of STRs, indicating a trend of growth. The study also estimated that around 200 STRs are located in non-principal residences, amounting to approximately 1.1% of the city's total housing stock or roughly 3% of its rental housing stock not available for long-term use, which may exacerbate reduced housing availability and affordability in Penticton.

STUDENT HOUSING

As of May 2023, there were no residences specifically for students in Penticton. Penticton's 2023 *Short Term Rental Short-Term Rental Benefits & Impacts Study* found that of the approximately 1000 academic students attending Okanagan College, about half are from elsewhere and affordable rental accommodations in the community are increasingly becoming a barrier to student enrollment.

¹⁹ The Province of British Columbia regularly provides funding to conduct Point in Time (PiT) homeless counts. These counts provide a snapshot of people who are experiencing homelessness in a 24-hour period and are understood to be the minimum number of people who are experiencing homelessness on a given day.

TEMPORARY LODGING FOR SHORT-TERM AND SEASONAL WORKERS

With Penticton's economy heavily reliant on industries such as tourism and agriculture, the City experiences significant seasonality. As per the 2021 census data, approximately 10% of Penticton's population is engaged in casual or seasonal employment, with an additional 13% on temporary contracts. In comparison, across British Columbia, the figures stand at 9% for casual or seasonal employment and only 4% for temporary contracts. These statistics highlight the need for appropriate housing solutions to accommodate the unique workforce dynamics of seasonal, temporary, and hospitality workers.

FAMILY HOUSING

The City of Penticton has been facing the challenge of declining numbers of primary and elementary school students since 2001, which has raised concerns about potential school closures. Furthermore, the lack of available and affordable housing has become a barrier to attracting individuals and families to move to Penticton for employment opportunities. These demographic trends pose significant implications for the community. To address these pressing issues and support the City's growth, there is a clear need for the development of more family-oriented housing options that can accommodate the needs of both existing and prospective residents in Penticton.

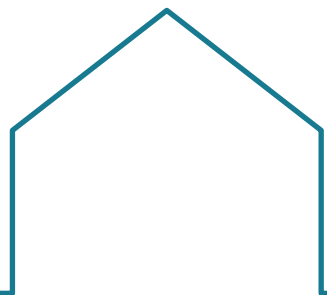
URBAN INDIGENOUS HOUSING

The proportion of Indigenous residents living in Penticton increased from around 6.5% in 2011 and 2016 to nearly ten percent (3,585) in 2021. The 2020 Regional District of Okanagan-Similkameen Housing Needs Assessment found that urban Indigenous populations often have less secure housing tenures, live in inadequate and unsuitable dwellings, and spend significant percentage of their income on shelter. This emphasizes a need for housing supports and services specifically for urban Indigenous residents.

Ooknakane Friendship Centre is an Indigenous not-for-profit society based in Penticton that is committed to providing holistic, culturally driven programs and services designed to support, educate and strengthen people of all nations. They provide a Vulnerable Sector/Homeless and Housing Program that serves hot breakfasts to those in need. They partnered with ASK Wellness Society to provide 54 new recovery-focused homes with an Indigenous cultural lens with residents expected to move in throughout summer 2023.

For emergency support, Okanagan Nation Transition Emergency House provides shelter, meals, transportation, and other support and advocacy for women fleeing domestic violence. Their website provides information about other emergency resources.

Alongside expanding housing services and support to meet the needs of the growing urban Indigenous population, it is crucial to facilitate access to affordable, suitable, and adequate housing options in Penticton.



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