



Housing Needs Assessment

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Urbanics Consultants Ltd.

CITY OF PENTICTON HOUSING NEEDS ASSESSMENT

PENTICTON, BRITISH COLUMBIA

Prepared for:
THE CITY OF PENTICTON
February 2017

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Executive Summary

The City of Penticton commissioned the “Housing Needs Assessment” Study to examine whether the City has appropriate zoning and housing policies to meet the housing needs of its residents at all ends of the economic spectrum. This study will provide much need background information related to housing availability, suitability and affordability across the housing continuum. In addition, it will estimate future housing needs and make recommendations for meeting the future growth.

This study examines a wide variety of demographic, socio-economic and housing characteristics of the City of Penticton and its neighbourhoods. The neighbourhood level assessment of the City is the first of its kind and provides a comprehensive understanding of the household income, housing supply, housing affordability and the anticipated needs for the City. Overall the main objectives of the study are to:

- Assess current and projected demographics and socio-economic characteristics of the community
- Assess current housing availability, suitability and affordability across the entire housing spectrum
- Project the future housing needs of the City across the housing spectrum
- Examine best practices from other jurisdictions to inform the local housing policies
- Ensure that the City has appropriate zoning and housing policies to meet its housing needs across the entire housing spectrum
- Assist the City in strategic decision making and policy development and to inform the planned 2017 Official Community Plan Review
- Facilitate housing diversity and affordability across the housing continuum, i.e.:
 - Ensure that non-market housing is available to those that are in need.
 - Inform decisions that will result in diverse supply of market rate housing options.

The City of Penticton is expected to display an annual population growth rate of 0.70 percent over the study period (2016 – 2046) and is expected to add over 7,970 people or roughly 266 people every year during 2016 - 2046. The bulk of this population growth is expected to be in the population aged 65 years and over (4,091 people or 51 percent of the total net increase) followed by the population aged 15 to 64 years (3,082 people or 39 percent of the total net increase) and population aged 15 years and (797 people or 10 percent of the total net increase).

The projected population growth is expected to translate to a household growth of over 4,015 net new households (Baseline Scenario) or about 134 households on an annual basis during 2016 – 2046. The distribution of the overall housing need by tenure and the age of the primary household maintainer is provided below:

- Householders less than 34 years: a housing need for 186 owner-occupied housing units and 285 renter occupied units.
- Householders 35 – 64 years: a housing need for 1,369 owner-occupied housing units and 703 renter occupied units
- Householders 65 + years: a housing need for 1,041 owner-occupied housing units and 433 renter occupied units.

To address the projected household growth the City is expected to require an average of 87 net new owned housing units and 48 net new rental units per year, during 2016 - 2046. In addition, the City would be well served by creating programs or policies for addressing the anticipated net increases in households in core housing needs during the study period. The study estimates that roughly 17 owner households and 31 renter households are likely to be in core housing need, on an annual basis, during 2016 - 2046.

The study also estimates that the overall distribution of City's housing need (4,015 net new dwelling units) by dwelling types, during the study period (2016 to 2046), would be as follows:

1. Single detached house	644	units (21 per year)
2. Semi-detached, row house, duplex & other attached units	1,503	units (50 per year)
3. Apartment with 5 or more stories	415	units (14 per year)
4. Apartment, with fewer than 5 storeys	1,317	units (44 per year)
5. Movable dwellings	136	units (5 per year)

The reader should also note that the development activity in the City is expected to be in excess of this estimate as it would include the replacement of old housing stock (roughly 5 – 10% of the housing stock) as well as vacant dwelling units and dwellings used by temporary residents (roughly 8% the total housing stock in 2011).

The study finds that the City is already using a variety of measures for enhancing the supply and diversity of housing in the community. These measures include a variety of regulatory measures, community partnership measures, partnership with the Provincial and Federal Government as well as a variety of municipal and fiscal measures such as incentives such as the waiving of application and development fees and direct provisioning measures). The City could potentially examine and implement an Affordable Housing and Homelessness Reserve Fund as well as a variety of housing agreements to further enhance the supply of a diversity of housing types in the Community. For example, the City could use such measures for enhancing the supply of attainable homeownership for its workforce (similar to Whistler) and low to medium income seniors (Victoria).

The study makes a variety of recommendations for addressing the emerging housing needs of the City. These include:

- Address growth in population aged 65 years and over
 - Enhance support services aimed at seniors
 - Ensure adequate accessibility in housing for seniors
- Address housing needs
 - Create more affordable units
 - Housing reserve fund, housing agreements and municipal incentives
 - Enhance the supply of movable homes
 - Encourage the development of smaller units
- Enhance housing supply for households in Core Housing Need
 - Enhance the supply of affordable rental housing and closely monitor the condition of existing rental stock
 - Work with developers to facilitate a diverse mix of affordable owner-occupied dwelling units going forward.

- Address non-market housing needs
 - Work with the non-profit sector and the Provincial and Federal agencies to create and implement programs and policies to address the high rate of mental health, substance abuse and homelessness related issues in the community
 - ensure that adequate number of affordable rental housing is available to support the current and expected rise in low-income singles, families and seniors going forward
- Enhance the supply of rental housing
 - Use municipal incentives
 - Enhance rental supply in neighbourhoods with low homeownership rates
 - Enhance supply of multi-family products in neighbourhoods with low median household incomes
 - Enhance work-force/ seasonal housing
- Facilitate development on underutilized and vacant land
 - Facilitate development on vacant (25 in number totalling up to roughly 18 acres) and underutilized multi-family zoned lands
 - Facilitate development on vacant and underutilized commercial zoned lands
- Facilitate development on vacant and underutilized sites in Downtown Penticton
- Address declining housing affordability
 - Enhance market rate housing supply
 - Enhance seniors housing supply
 - Increase non-market housing supply
 - Increase support for homeless population

For a more detailed discussion of the above recommendations please refer to the Section 8 of the Housing Needs Assessment.

The reader should note that this study relies on background information and projections from a variety of public and private sector sources (including local real estate boards), as well as from field work conducted by the consultant during 2016. It assumes that the population growth (BC Stats) and economic growth for the area will not significantly differ from the projections indicated in the study over the course of the study period. In addition, it assumes that no unforeseen economic or political events will occur within the study period on a national, provincial, or local level, which would significantly alter the outcomes of the study's analyses. Should these or any of the other assumptions noted in this study be undermined by the course of future events, we recommend that the study's findings be re-examined.

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1 Introduction

Urbanics Consultants Ltd. has been retained by the City of Penticton to carry out a housing needs assessment for the City.

1.1 Main objectives

The main objectives of the study are to:

- Assess current and projected demographics and socio-economic characteristics of the community
- Assess current housing availability, suitability and affordability across the entire housing spectrum
- Project the future housing needs of the City across the housing spectrum
- Examine best practices from other jurisdictions to inform the local housing policies
- Ensure that the City has appropriate zoning and housing policies to meet its housing needs across the entire housing spectrum
- Assist the City in strategic decision making and policy development and to inform the planned 2017 Official Community Plan Review
- Facilitate housing diversity and affordability across the housing continuum, i.e.:
 - Ensure that non-market housing is available to those that are in need.
 - Inform decisions that will result in diverse supply of market rate housing options.

1.2 Report structure

In terms of report structure, the following serves as a brief description:

Community context

Demographic and economic analysis

Develop a demographic and economic profile of the community utilizing the latest census data, information from other research studies and discussions with industry professionals. This will include population and labour force size and growth rates, age, income, household characteristics, political and economic climate, education level, commuting status, mental/ physical disabilities etc.

Current housing supply

Undertakes a comprehensive assessment of the housing supply, both market rate and non-market rate housing.

- The number of housing units (both market and non-market rate housing) by structure type and tenure (own vs. rent)
- Housing vacancy rates
- The housing sales and rental activity
- Foreclosures and mortgage default rates
- Examine the housing development potential of the City based on the current zoning and land utilization.
- The number of social and below market housing units available

Examine the relationship between household median income, and the estimated income available for either purchasing a home, or renting a place to live. The consultant will use CMHC's standards of housing affordability where housing is considered unaffordable if a household spends 30% or more of its gross income on shelter costs.

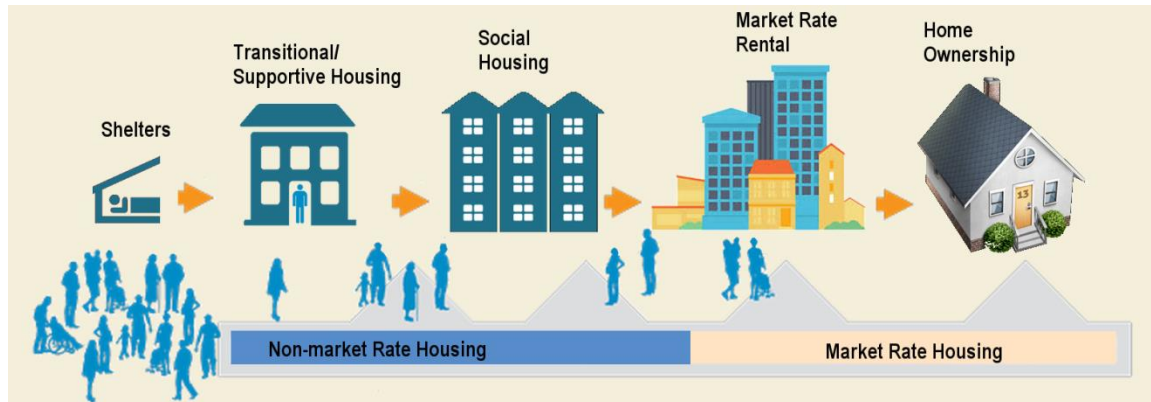


Figure 1: The housing continuum
Source: Urbanics Consultants Ltd.

Stakeholder and community engagement

Conduct stakeholder interviews, discussion and surveys to better understand, inform and verify the housing needs and demands (market and non-market housing) in the City of Penticton. More specifically to identify current challenges related to housing affordability, adequacy, suitability and availability

Future housing needs

Identify the current and emerging housing needs (market and non-market housing) by type, number of bedrooms and price ranges (both rental and ownership) based on a variety of demand determinants such as population growth and household income. The study will:

- Identify households with inadequate housing, households with social needs, households paying more than 30% of their income in housing and households living in overcrowded units or substandard units.
- Evaluate the adequacy and diversity of housing supply in the City over the short-term (5 years), medium-term (10 years), and long-term (30 years).
- Compare the current proportions of housing types and tenure to projected proportions of housing types and tenure.

Recommendations

Summarizes study findings and provides recommendations on meeting housing demand insofar as availability and affordability. Addresses the question of whether the City has and/or is developing adequate housing of all types to satisfy the needs of its residents now as well as over the long-term. Types of housing can include (owner occupied, rental, market, assisted, seniors, work-force, student and young professionals).

Main Objectives:

Housing Needs Assessment

ASSESS DEMOGRAPHICS



001.

Assess demographics and socio-economic characteristics of the community

EXAMINE POLICIES



005.

Assess the efficacy of zoning and housing policies of the City in meeting its housing needs across the housing spectrum

ASSESS HOUSING



002.

Assess current housing availability, suitability and affordability across the entire housing spectrum

SUGGEST POLICIES



006.

Assist the City in developing strategic housing policies

FORECAST HOUSING



003.

Project the future housing needs of the City across the housing spectrum website.

RECOMMENDATIONS



007.

Inform decisions that will result in diverse supply of market and non-market rate housing

EXAMINE BEST PRACTICES



004.

Examine best practices from other jurisdictions to inform the local housing policies



1.3 Limitations

Background data for this study was obtained from a variety of public (federal, provincial, regional, and municipal) and private sector sources (including comparable residential sales from the local real estate board), as well as from field work conducted by the consultant during 2016.

Additionally, as with all studies of this nature, a number of forecasts and assumptions regarding the state of the economy, the state of future competitive influences, and population projections have had to be made. These assumptions are made with great care and are based on the most recent and reliable information available. While specific assumptions may be noted throughout the report, the following general assumptions also apply:

- Real G.D.P. growth and other economic indicators for the area will not significantly differ from the projections indicated in the study over the course of the study period;
- Actual population growth rates will occur relatively consistent with those employed in this study;
- No unforeseen economic or political events will occur within the study period on a national, provincial, or local level, which would significantly alter the outcomes of the study's analyses. Short-term fluctuations are likely to occur, but long-term gradual growth rates should prevail.
- The demand and market analyses are based on estimates, assumptions and other information developed from research of the market and knowledge of the industry.
- The study does not speculate on the impact of high net-wealth on the housing needs of low-income senior households and the retirees. This is primarily because the net-wealth data as well as the impact of such wealth on housing needs is not well understood.

Should these or any of the other assumptions noted in this study be undermined by the course of future events, we recommend that the study's findings be re-examined.

2 Community context

2.1 Location

The City of Penticton is located in the Okanagan Valley, in the south-central region of the Province of British Columbia. It is easily accessible from major urban centres. By highway, the City is roughly one hour from Kelowna (BC), 3 hours from Kamloops (BC), 4 hours from Vancouver (BC) and 8 hours from Calgary (AB).

The City is built upon a relatively flat valley bordered by the Okanagan Lake in the North, and by the Penticton Indian Reserve on the west. The eastern edge of the City is framed by the relatively steep silt bluffs that rise up to 50 metres in height, extending along the east side of both Okanagan and Skaha Lakes.

It is the largest city by area and population in the Okanagan-Similkameen Regional District (RDOS). In 2011, the City accounted for roughly 41% of the total population of the Regional District, or a population of 32,877 out of a total population of the 80,742 in the Regional District.

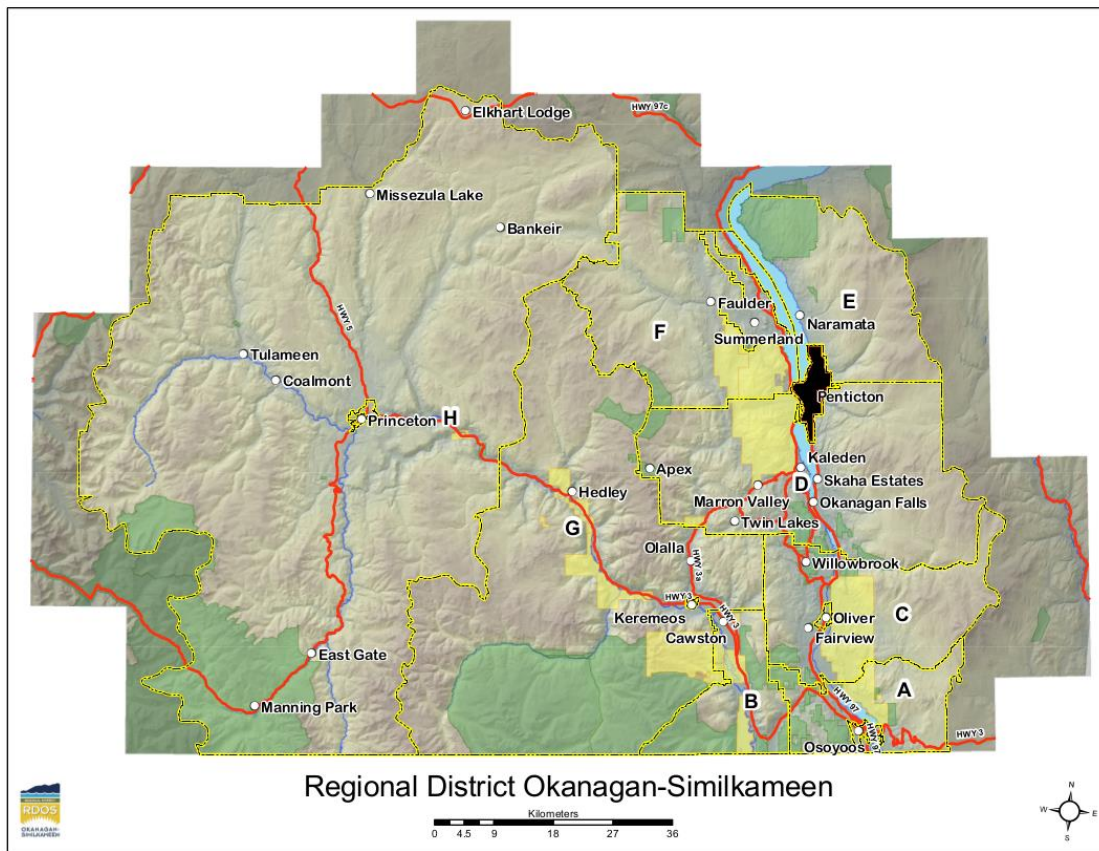


Figure 2: City of Penticton in the regional context
Source: Regional District of Okanagan-Similkameen

2.2 Provincial economy

This section provides a review of the local and regional economies, which are an important and fundamental foundation for identifying the future housing demand at the local level. Also included are a brief economic outlook, and a discussion of migration and aging, two key drivers of new housing demand in any region or municipality.

		2008	2009	2010	2011	2012	2013	2014	2015F	2016F	2017F
Real GDP	\$2007 M	199,768	194,987	200,324	206,360	211,427	215,901	222,868	229,866	236,647	242,090
	% Change	0.7%	-2.4%	2.7%	3.0%	2.5%	2.1%	3.2%	3.1%	2.9%	2.3%
Employment	Thousands	2,242	2,192	2,223	2,228	2,262	2,266	2,278	2,306	2,357	2,382
	% Change	1.6%	-2.2%	1.4%	0.2%	1.5%	0.2%	0.5%	1.2%	2.2%	1.1%
Unemployment Rate	%	4.6%	7.7%	7.6%	7.5%	6.8%	6.6%	6.1%	6.2%	6.1%	5.6%
Retail Sales	\$ Millions	57,794	55,288	58,251	60,090	61,255	62,734	66,273	70,272	73,989	77,011
	% Change	1.5%	-4.3%	5.4%	3.2%	1.9%	2.4%	5.6%	6.0%	5.3%	4.1%
Housing Starts	Units	34,321	16,077	26,479	26,400	27,465	27,054	28,356	31,446	40,500	35,300
	% Change	-12.4%	-53.2%	64.7%	-0.3%	4.0%	-1.5%	4.8%	10.9%	28.8%	-12.8%
Consumer Price Index	2002= 100	112.3	112.3	113.8	116.5	117.8	117.7	118.9	120.2	122.4	125
	% Change	2.1%	0.0%	1.3%	2.4%	1.1%	-0.1%	1.0%	1.1%	1.8%	2.1%

Table 1: Economic Indicators: British Columbia

Source: RBC Economics, Provincial Outlook (June, 2016)

Note: Figures highlighted in grey are RBC Economics' estimates

The Province of British Columbia is expected to display the highest rate of growth in GDP as compared to the other provinces in 2016. BC's economy is expected to grow by roughly 3.0%, followed by Ontario (2.8%) and Manitoba (2.3%); primarily as a result of low interest rates, low energy costs, a depreciated Canadian dollar, and improved US demand. According to RBC Economics Provincial Outlook June 2016, BC's real output grew by an estimated 3.1% in 2015 and is projected to grow by 2.9% in 2016 and 2.3% in 2017 (Table 1), while oil producing provinces of Alberta and Saskatoon are expected to be mired in a recession during the projection period.

According to RBC Economics Provincial Outlook June 2016, the Province is expected to display a strong growth in employment in 2016 as compared to the previous year (2.2% in 2016 as compared to 1.1% in 2015). The anticipated growth in employment is expected to lead to increases in consumer spending in the retail and housing sectors in the Province. The Province is expected to display continued growth in retail sales (5.3% in 2016 as compared to 6.0% in 2015) and housing starts (28.8% in 2016 as compared to 10.9% in 2015) during 2015 – 2016. However, the retail sales in the Province are expected to grow at a slower rate (4.1% in 2017 as compared to 5.3% in 2016) and housing starts are expected to decline in 2017 as compared to 2016 (from 40,500 in 2016 to 35,300 in 2017).

Further, the Okanagan-Similkameen Regional District has a well-diversified economy, including businesses involved in the agricultural (wineries and orchards), tourism and manufacturing and construction sectors. In addition, the region is well known for its a strong Health care and Public services sector, scientific research and educational centers and the good quality of life enjoyed by its residents. As a result, the region is expected to display continued economic growth and a strong demand for housing in the near future.

2.3 Penticton's economy

The economy of Penticton through the early 1900s was dependent on agriculture, forestry and mining until the quality of life attributes and the tourist value of Penticton began to emerge in the 1950s. As people began to appreciate Penticton as “a place to live forever”, tourists and visitors were also realizing the value of Penticton as a place to vacation

	Penticton		RDOS		BC	
	2006	2011	2006	2011	2006	2011
Tourism	2,410 (16%)	1,985 (13%)	4,885 (13%)	4,185 (12%)	290,330 (13%)	298,775 (13%)
Business finance and management	825 (5%)	1,000 (6%)	1,885 (5%)	1,965 (5%)	138,040 (6%)	149,070 (6%)
Public services	3,995 (26%)	4,950 (32%)	9,305 (25%)	11,110 (31%)	584,795 (27%)	672,885 (29%)
Manufacturing and innovation	4,265 (28%)	3,755 (24%)	12,510 (34%)	11,020 (30%)	614,155 (28%)	596,335 (26%)
Trade services	3,155 (21%)	3,040 (20%)	6,885 (18%)	5,930 (16%)	455,890 (21%)	475,500 (21%)
Other services	705 (5%)	760 (5%)	1,755 (5%)	1,970 (5%)	109,895 (5%)	112,745 (5%)
	15,355	15,490	37,225	36,180	2,193,105	2,305,310

Table 2: Employment by major sectors, 2006 – 2011

Source: Statistics Canada –Census 2006 and National Household Survey 2011

Notes:

- Tourism sector includes: Accommodation and food services, Arts, entertainment and recreation and Information and cultural industries.
- Business, finance and management sector includes Finance and insurance, Real estate, rental and leasing and Management of companies and enterprises.
- Public services include: Healthcare and social assistance, Education services, Admin and support, waste management and remediation, utilities and Public administration.
- Manufacturing and innovation sector includes Manufacturing, Construction, Professional scientific and technical services, Mining and oil and gas and Agriculture, forestry fishing and hunting.
- Trade services sector includes Wholesale trade, Retail trade and Transportation and warehousing.

Table 2 provides the labour force and employment shares for the five major economic sectors of the City's economy and compares it to the Regional and Provincial economies for the years 2006 and 2011. The table suggests that the City has witnessed significant shrinkage in labour force involved in the Tourism, Manufacturing and Innovation and Trade services sectors during 2006 - 2011; the share of labour force in these sectors reduced from 16% to 13% for the Tourism sector, 28% to 24% for the Manufacturing and Innovation sector and 21% to 20% in the Trade services sector during 2006 – 2011. However, the share of labour force in the Business, finance and management sector and Public services grew from 5% in 2006 to 6% in 2011 and from 26% in 2006 to 32% in 2011 respectively.

The reader should note that the City's share of labour force was higher in Manufacturing and innovation sector but lower in Trade services sector as compared to the Regional District of Okanagan- Similkameen (RDOS) in 2011. This suggests that the City might be a net importer of services and goods in Manufacturing and innovation sector but a net exporter of goods and services in the Trade services sector, i.e. it might be serving a larger region beyond its municipal boundaries.

Labour force by industry, 2011	Penticton	RDOS	BC	Penticton	RDOS	BC
Total labour force	15,800	36,820	2,354,245			
Industry - not applicable	315	660	48,930			
All industries	15,480	36,170	2,305,315	100.1%	100.0%	100.0%
11 Agriculture; forestry; fishing and hunting	345	2,420	61,210	2.2%	6.7%	2.7%
21 Mining; quarrying; and oil and gas extraction	85	485	25,450	0.5%	1.3%	1.1%
22 Utilities	50	200	13,215	0.3%	0.6%	0.6%
23 Construction	1,460	3,660	181,510	9.4%	10.1%	7.9%
31-33 Manufacturing	1,120	2,740	148,810	7.2%	7.6%	6.5%
Goods producing industries	3,060	9,505	430,195	19.8%	26.3%	18.7%
41 Wholesale trade	275	645	90,560	1.8%	1.8%	3.9%
44-45 Retail trade	2,300	4,230	266,265	14.9%	11.7%	11.6%
48-49 Transportation and warehousing	465	1,055	118,675	3.0%	2.9%	5.1%
51 Information and cultural industries	290	680	62,235	1.9%	1.9%	2.7%
52 Finance and insurance	615	1,180	91,790	4.0%	3.3%	4.0%
53 Real estate and rental and leasing	385	710	54,840	2.5%	2.0%	2.4%
54 Professional; scientific and technical services	745	1,715	179,355	4.8%	4.7%	7.8%
55 Management of companies and enterprises	0	75	2,440	0.0%	0.2%	0.1%
56 Admin & support; waste mgmt & remediation	630	1,470	98,890	4.1%	4.1%	4.3%
61 Educational services	1,025	2,410	167,875	6.6%	6.7%	7.3%
62 Health care and social assistance	2,250	4,675	249,030	14.5%	12.9%	10.8%
71 Arts; entertainment and recreation	295	730	56,915	1.9%	2.0%	2.5%
72 Accommodation and food services	1,400	2,775	179,625	9.0%	7.7%	7.8%
81 Other services (except public administration)	760	1,970	112,745	4.9%	5.4%	4.9%
91 Public administration	995	2,355	143,875	6.4%	6.5%	6.2%
Services producing industries	12,430	26,675	1,875,115	80.3%	73.7%	81.3%

Table 3: Employment by Industry (2-Digit NAICS Codes), 2011

Source: Statistics Canada – National Household Survey 2011

Notes:

- The rows highlighted in red identify industries in the City that have a significantly higher share of employment as compared to the Regional District and the Province
- The rows highlighted in blue identify industries in the City with a higher share of the labour force as compared to the Regional District of Okanagan-Similkameen

Further, on taking a more detailed look at the labour force by NAIC codes in 2011, it is evident that the largest share of labour force was involved with the Retail (14.4%), Health Care and Social Assistance (14.1%) and the Accommodation and Food Services (8.8%) industries in 2011. These industries along with the other highlighted industries are likely to be the basic industries of the City; i.e. might be the net exporters of goods and services to the surrounding and the other regions of the Province.

The study, “Growing in Okanagan – 2020 Labour Market Outlook”, projects that the regional labour force needs will far outstrip the expected labour force growth. As a result, the Region and the City will be well served by creating policies that enhance in-migration, expand the economic base and ensure that an adequate supply of a diversity of housing types, across the housing spectrum, is available for the future housing needs of the community; including affordable housing at one end to market supported homes at the other end of the housing spectrum.

2.4 Demographic trends

The population of Canada has grown from 30 million residents in 2001 to 33.5 million in 2011. Over this period, new additions to the population averaged just over 347,000 people per year, or an average annual rate of 1.1 percent. Net immigration added an average of 232,600 new residents annually to the national population, while natural increase added an average of 114,400 people. These national level trends have been driven primarily by low and declining fertility rates and increases in economic activity and immigration.

Similar to the demographic trends across the Country, British Columbia's demographic trends point toward slight declines in birth rates, slight increases in life expectancy, growing net inter-provincial migration, and increasing net international migration. These trends, along with the aging of BC's population have resulted in steady population growth in the Province from 3.9 million in 2001 to 4.4 million by 2011, which translates into an annual growth rate of roughly 1.19 percent during 2001 - 2011 (Projections, BC Stats, July 2016). During the same period, the population in the Regional District of Okanagan-Similkameen grew from over 76,635 to 80,742 at an annual growth rate of 0.52 percent during 2001 - 2011 (Projections, BC Stats, July 2016). Thus, the population in the region grew at a less than half of the population growth rate for the Province and the Country. Additionally, the population in the City of Penticton grew from 31,005 in 2001 to 32,880 in 2011 or a growth rate of 0.59 percent during 2001 – 2011; which is slightly higher than the Regional District's population growth rate but still roughly half of the Provincial growth rate.

Table 4 provides the historical population trend for the City of Penticton. It suggests that the City's population grew from 23,610 in 1986 to 32,880 in 2011. The population grew at a much faster rate during 1986 - 1991 and 1991 - 1996; i.e. an annual population growth rate of 2.9 percent and 2.6 percent respectively, as compared any period during 1996 to 2011. Further, during 1986 - 2011, the share of the seniors population (aged 65 years and over) has grown from 5,325 to 8,425, representing an increase in senior population from 23% to roughly 26% of the total population of the City. Similarly, the working age population (15 years to 64 years) has grown from 14,185 or 60% of the total population to 20,300 or 62% of the total population of the City. In contrast the population aged under 15 years declined from 4,100 in 1986 (17% of the total population) to 1,095 in 2011 (12% of the total population).

Based on the above-mentioned historical population growth trends, the City is likely to witness a significant growth in the share of population aged 65 years and over, during the next few decades; primarily as a result of aging of its working age population. Further, due to a smaller share of its younger population the City is also likely to experience a decline in the share of its working age population. These demographic trends are expected to have strong implications for the housing needs in the City, which will be examined in the later part of the study.

City of Penticton: Housing Needs Assessment

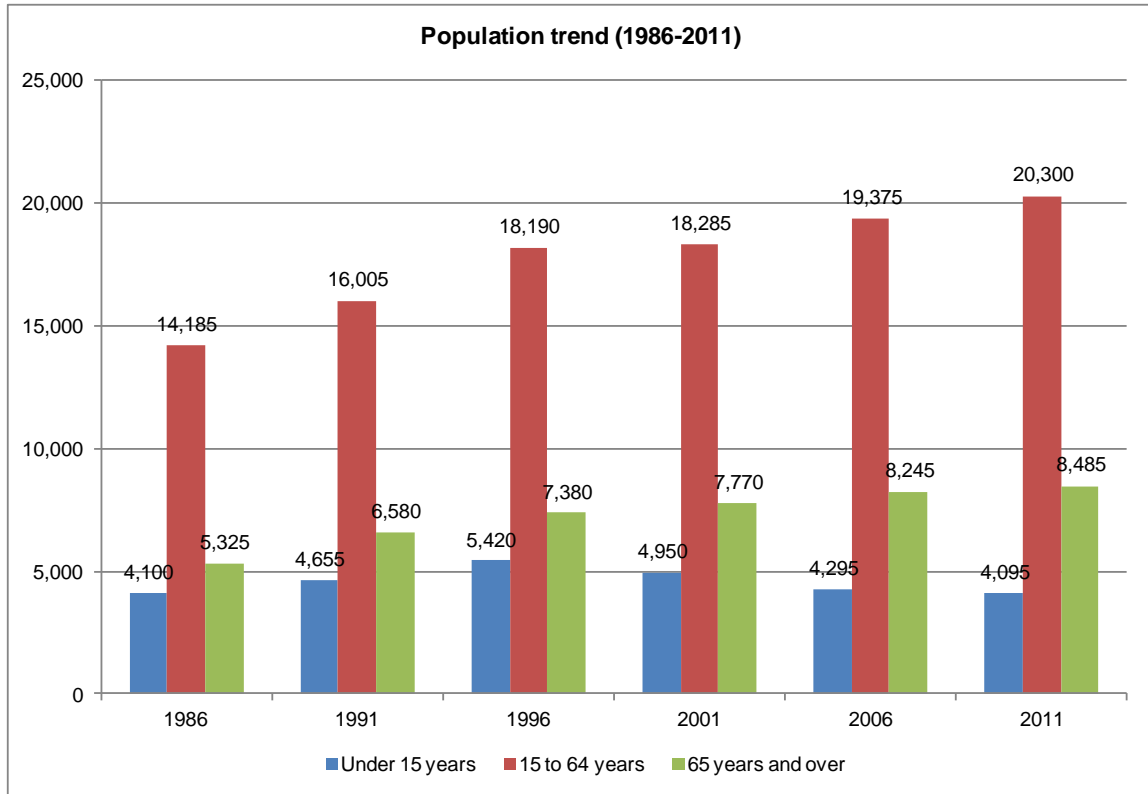


Figure 3: Historical population trends for the City of Penticton
Source: Urbanics Consultants Ltd. and Census 1986 - 2011

Population	1986	1991	1996	2001	2006	2011
Under 15 years	4,100 (17%)	4,655 (17%)	5,420 (17%)	4,950 (16%)	4,295 (13%)	4,095 (12%)
15 to 64 years	14,185 (60%)	16,005 (59%)	18,190 (59%)	18,285 (59%)	19,375 (61%)	20,300 (62%)
65 years and over	5,325 (23%)	6,580 (24%)	7,380 (24%)	7,770 (25%)	8,245 (26%)	8,485 (26%)
Total	23,610	27,240	30,990	31,005	31,915	32,880
Population growth rate Period (5 years)		15.4%	13.8%	0.0%	2.9%	3.0%
Annual		2.9%	2.6%	0.0%	0.6%	0.6%

Table 4: Historical population trend for the City of Penticton
Source: Urbanics Consultants Ltd. and Census 1986 - 2011

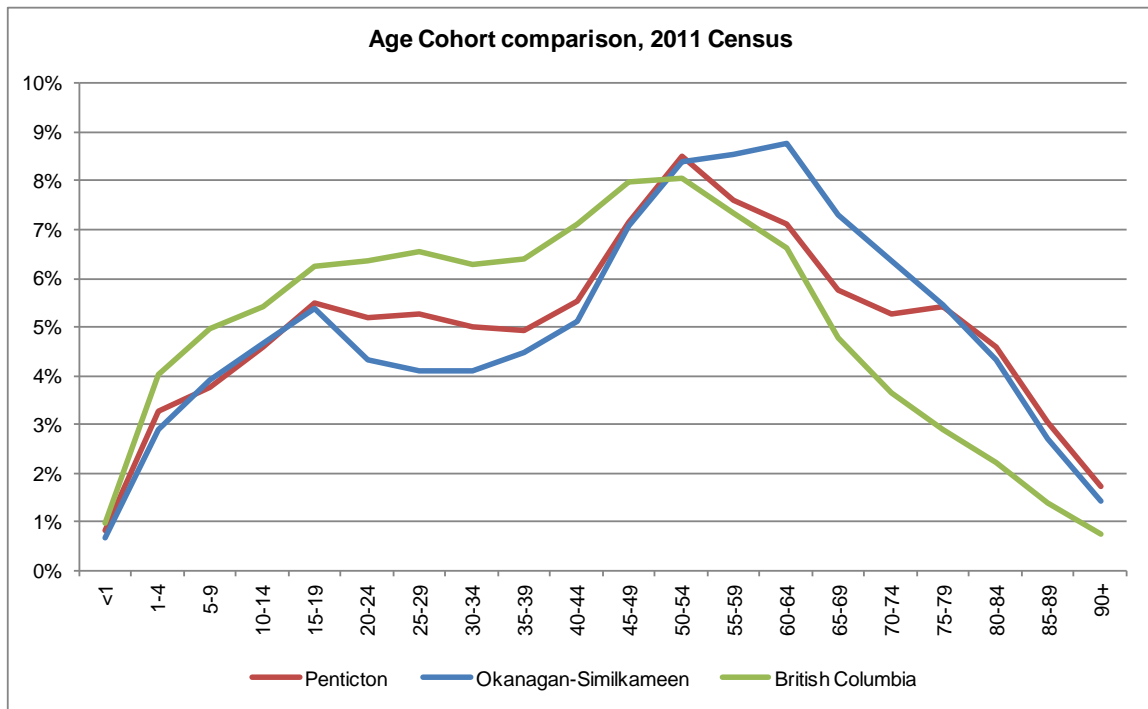


Figure 4: Comparison of age cohorts (2011 Census)
 Source: Urbanics Consultants Ltd. and Statistics Canada: 2011 Census

Figure 4 compares the age cohort distribution of population in 2011 of the City of Penticton, the Regional District of Okanagan-Similkameen (RDOS) and the Province of British Columbia. The red line represents the population of the City of Penticton, the blue line represents the RDOS and the green line represents the population of the Province. One can easily observe that the City and the Regional District display a higher proportion of population over the age of 50 as compared to the Province in 2011. In addition, the Province displays a much higher share of population under the age of 50 years as compared to both the City of Penticton and the Regional District in 2011. Thus, both the City as well as the Region can be expected to display a higher share of population in the seniors, 65 years and over, age group.

Further, on examining mobility characteristics, i.e. the status of person with regard to the place of residence on May 10, 2011 in relation to the place of residence one year ago, we find that the City displayed a lower proportion of population living at the same address (83% for the City vs. 87% for RDOS and 86% for BC) and a higher proportion of population moving to other locations (11% for the City vs. 7% for RDOS and 8% for BC) within the area as compared to the Regional District and the Province. Table 5 also shows that a significantly higher proportion, i.e. 24% of the total population, of the City's population moved during the last five years as compared to the Regional District (16%) and the Province (22%). In addition, a smaller proportion of its population lived at the same address as compared to five years ago; i.e. 54% of the population in the City of Penticton lived at the same address five years ago, as compared to RDOS and the Province. Thus, historically a higher proportion of the City's population is moving to newer addresses as compared to the RDOS and BC. The reasons for the above trends can not be conclusively ascertained but they could potentially be indicative of a higher proportion of renter households and greater dissatisfaction with the quality of housing in the community.

Mobility status	Penticton		Okanagan-Similkameen		British Columbia	
	Population	Share (%)	Population	Share (%)	Population	Share (%)
1 year ago						
Total Population	31,510		77,890		4,282,105	
Lived at the same address	26,005	83%	67,610	87%	3,665,455	86%
Lived within the same area	3,565	11%	5,235	7%	347,840	8%
Lived in a different area within BC	1,370	4%	3,625	5%	167,280	4%
Lived in a different Province	475	2%	1,240	2%	45,105	1%
Lived in a different Country	100	0%	185	0%	56,425	1%
5 year ago						
Total Population	30,480		75,515		4,104,195	
Lived at the same address	16,350	54%	46,420	61%	2,349,525	57%
Lived within the same area	7,310	24%	12,225	16%	888,335	22%
Lived in a different area within BC	4,535	15%	11,250	15%	486,835	12%
Lived in a different Province	1,835	6%	4,610	6%	166,450	4%
Lived in a different Country	445	1%	1,015	1%	213,050	5%

Table 5: Mobility status (2011)

Source: Urbanics Consultants Ltd. and NHS 2011

2.5 Population by neighbourhoods

Figure 5 provides the census population counts for each of the neighbourhoods from 2006 Census and 2011 Census. The Skaha neighbourhood, with a population of 5,491, was the most populous neighbourhood in 2011 followed by Downtown (4,398), Wiltse (4,336) and Windsor (4,169). In addition, the figure shows that Valley View (with a population of 543) and Uplands (with a population of 1,324) were two of the least populous neighbourhoods

Figure 5 and Figure 6 provide the Census counts for 2006 and 2011 as well as the population growth between the two Census years. The figures illustrate that the Downtown area displayed the highest population growth rate (21 percent) between 2006 and 2011, as compared to all the other neighbourhoods in the City. The population in Wiltse (8.9 percent), Windsor (4.5 percent), Skaha (4.3 percent) and Cherry lane (3.3 percent) grew at a faster rate as compared to the City (3 percent) and the Regional District (1.6 percent), during 2006 to 2011. The remainder of the neighbourhoods displayed population declines that ranged from 0.4 percent for Duncan/Sendero to 15.6 percent for Valley View.

The readers should note that neighbourhood boundaries have been developed based on consultation with the City. The primary objective of defining neighbourhoods is to identify the geographical variations in population, households and dwelling growth across the City. In addition, this has added benefit of introducing neighbourhood level information for developing planning and policy instruments for addressing the projected growth of the City.

City of Penticton: Housing Needs Assessment

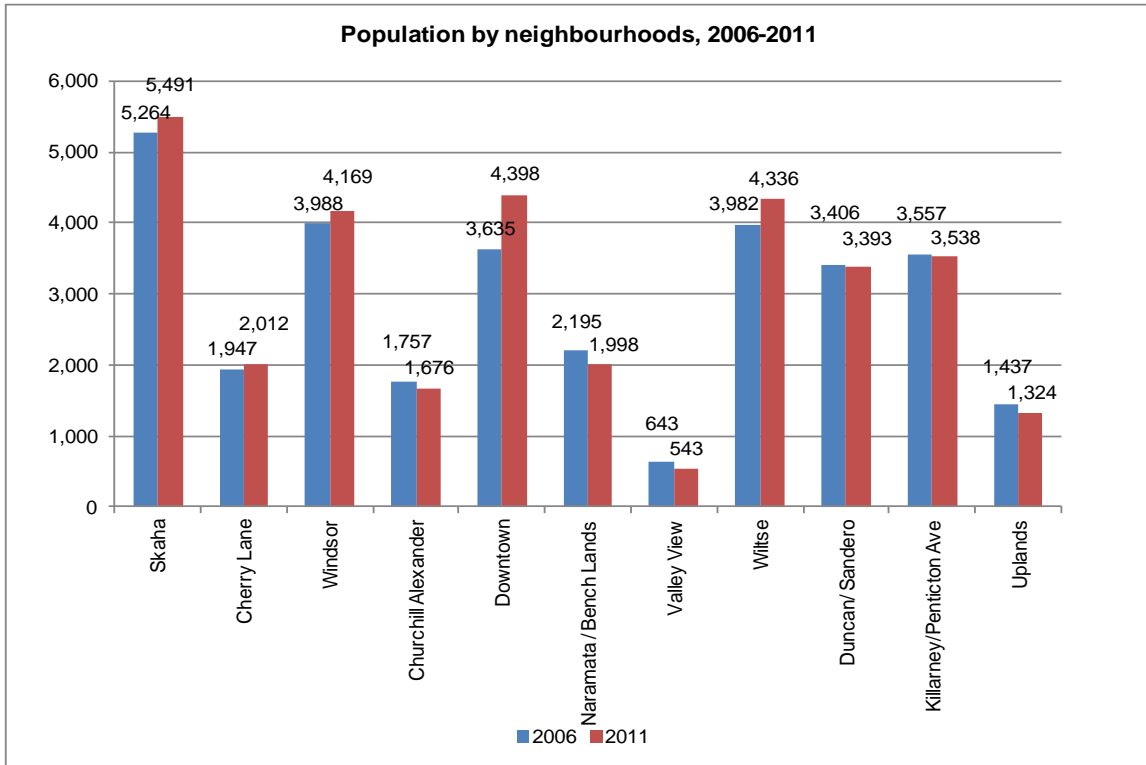


Figure 5: Population by neighbourhoods, Census 2006 & 2011
Source: Urbanics Consultants Ltd.

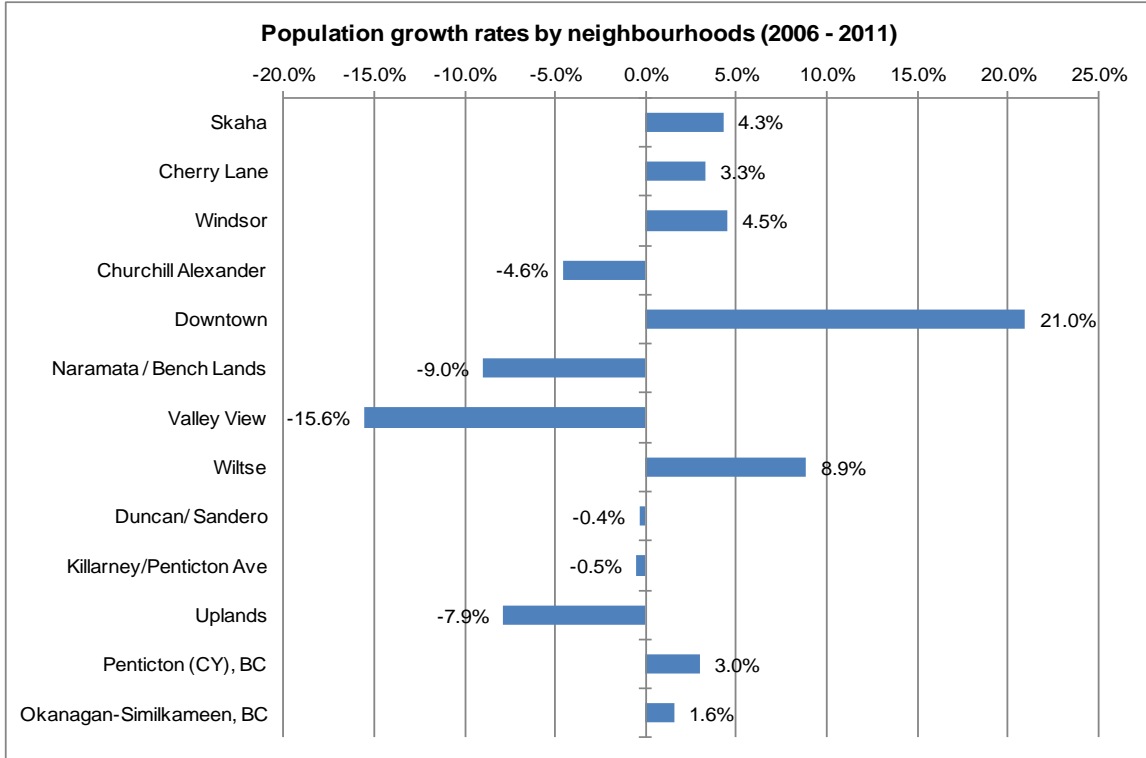


Figure 6: Population growth rates by neighbourhoods, Census 2006 & 2011
Source: Urbanics Consultants Ltd.



Figure 7: Neighbourhood boundaries
Source: Urbanics Consultants Ltd.

2.6 Household size and composition

Table 6 provides the historical trends in household sizes during the period 1986-2011. The table shows that, during this period, 2 person households have maintained their dominance in the City. This group represented roughly 38% of the total households in 2011. However, the share of 2 person households has been declining and 1 person households has been steadily increasing during this period (1 person households had increased their share from 29% in 1986 to 36% of the total households in 2011). In addition, households with 4 or more persons have experienced significant declines during 1986 to 2011, while, the share of 3 person households have stayed relatively stable during this period. Overall, the average household sizes have steadily declined from 2.36 in 1986 to 2.16 in 2011 and this trend is likely to continue in the future;

Further, the City displays a lower share of Census-family households (59% for City vs. 66% for RDOS) and a higher share of non-census-family households (i.e. one person living alone or a group of two or more people sharing a private dwelling) as compared to the RDOS (41% for City vs. 34% for RDOS). This also suggests that the City had a higher share of 1 person and 2 person households in 2011 as compared to the Regional District. The reader should also note that the predominant household type in the City in 2011 was of 1 person non-census family households (36% of the total households) followed by couple-family households without children (30% of the total households) and couple-family households with children (16% of the total households). Lone-parent family households represented roughly 8% of the total household in the City in 2011. Thus the City is experiencing strong demographic shifts towards smaller household sizes, which can be expected to have a large influence on the housing needs of the community.

Household size	1986	1991	1996	2001	2006	2011
1 person	2,910 (29%)	3,535 (30%)	4,290 (31%)	5,040 (35%)	5,140 (35%)	5,540 (36%)
2 persons	3,965 (40%)	4,675 (40%)	5,380 (39%)	5,345 (37%)	5,550 (38%)	5,850 (38%)
3 persons	1,270 (13%)	1,460 (12%)	1,670 (12%)	1,635 (11%)	1,790 (12%)	1,845 (12%)
4 - 5 persons	1,690 (17%)	1,835 (16%)	2,090 (15%)	2,010 (14%)	1,895 (13%)	1,785 (12%)
6 or more persons	170 (2%)	235 (2%)	255 (2%)	230 (2%)	220 (2%)	210 (1%)
Total households	10,005	11,740	13,685	14,260	14,595	15,230
Total population	23,588	27,258	30,987	30,985	31,909	32,880
Average household size	2.36	2.32	2.26	2.17	2.19	2.16

Table 6: Trends in Household Size, 1986-2011

Source: Urbanics Consultants Ltd. and Census 1986 - 2011

Census-family households	Penticton	Okanagan-Similkameen	Penticton	Okanagan-Similkameen
One-family-only				
Couple-family households				
Without children	4,495	12,955	30%	36%
With children	2,425	6,155	16%	17%
Lone-parent-family households	1,290	2,590	8%	7%
	8,210	21,700	54%	60%
Other family households				
One-family households				
Couple-family households				
Without children	175	440	1%	1%
With children	180	440	1%	1%
Lone-parent-family households	250	485	2%	1%
Two-or-more-family households	185	600	1%	2%
	790	1,965	5%	5%
Subtotal Census-family households	9,000	23,665	59%	66%
Non-census-family households	Penticton	Okanagan-Similkameen	Penticton	Okanagan-Similkameen
One-person households	5,540	11,085	36%	31%
Two-or-more-person households	695	1,300	5%	4%
Subtotal Non-census-family households	6,235	12,385	41%	34%
Total number of private households	15,235	36,050	100%	100%

Table 7: Household Composition (2011)

Source: Statistics Canada; National Household Survey 2011

2.7 Households by neighbourhoods

Figure 8 provide the household counts by the age of primary household maintainer for each of the neighbourhoods from the 2011 Census. The figure categorizes households into three main age categories; i.e. households with primary maintainer under the age of 35 years, 35 years to 64 years and 65 years or over. In addition, Figure 9 provides the share of each of the household types by age for each of the neighbourhoods.

The figure shows that Skaha had the highest number of households (1,343 in 2011) with primary maintainers in the 65 years and over age category followed by Downtown (959), Windsor (694), Wiltse (603), and Cherry Lane (493). However, Cherry lane (52 percent) had the highest share of households with primary maintainers in the 65 years and over followed by Skaha (50 percent), Downtown (39 percent), Naramata/ Bench Lands (35 percent) and Wiltse and Windsor (34 percent). Additionally, Downtown had the highest number of households (1,200 in 2011) with primary maintainers in the 35 to 64 years age category followed by Skaha (1,090), Wiltse (1,028), Windsor (971), and Killarney/ Penticton Ave (958). Interestingly, Valley View (64 percent), Duncan / Sendero (64 percent), Killarney / Penticton Ave (59 percent), Wiltse (59 percent) and Upland (56 percent) had the highest share of households with primary maintainer in this age category. In contrast, Churchill Alexander (27 percent) had the highest share of younger households (primary maintainer in the 35 years and below age category) followed by Killarney/Penticton Ave (20 percent) and Windsor (19 percent).

City of Penticton: Housing Needs Assessment

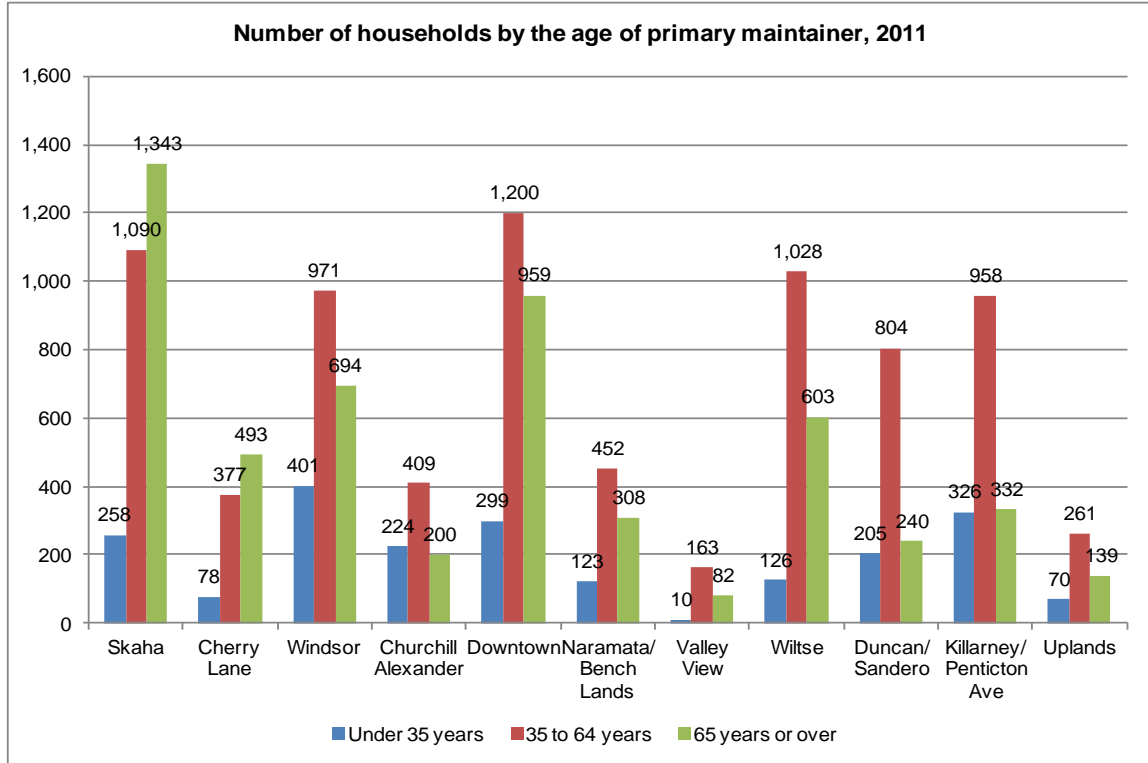


Figure 8: Number of households by age of primary maintainer and neighbourhoods, 2011
Source: Urbanics Consultants Ltd.

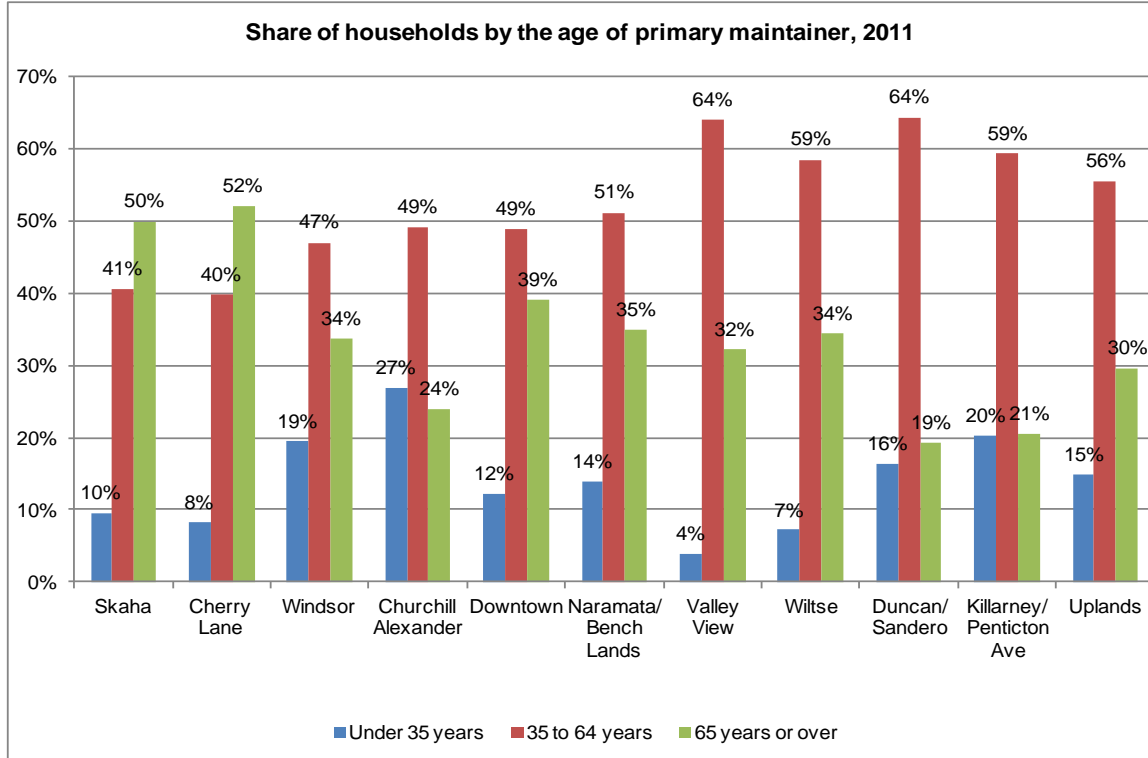


Figure 9: Share of households by age of primary maintainer and neighbourhoods, 2011
Source: Urbanics Consultants Ltd.

2.8 Household income

This section compares the total annual household income of the City Of Penticton with the Regional District of Okanagan-Similkameen, during calendar year 2010. The total household income is the sum of the total incomes of all members of that household before income taxes and deductions. It includes income from:

- employment income from wages, salaries, tips, commissions and net income from self-employment;
- income from government sources, such as social assistance, child benefits, employment insurance, old age security pension, pension plan benefits and disability income;
- income from employer and personal pension sources, such as private pensions and payments from annuities and RRIFs;
- income from investment sources, such as dividends and interest on bonds, accounts, GICs and mutual funds; and,
- other regular cash income, such as child support payments received, spousal support payments (alimony) received and scholarships.

The City of Penticton displayed a much larger proportion of households with an annual total income of lower than \$40,000 in 2010 (Table 8) as compared to the RDOS and the Province. Over 45 percent of the total households in the City had annual total income lower than \$40,000 as compared to 43 percent for the Regional District and 33 percent for the Province.

In addition, the City displayed a marginally higher share of households (33 percent) with annual total income in the range of \$40,000 to \$80,000 as compared to 32 percent for the Regional District and 31 percent for the Province.

However, only 22 percent of the City's households had an annual total income higher than \$80,000 as compared to 25 percent for the RDOS and 36 percent for the Province (Table 8).

Thus, the distribution of household income in the City of Penticton was strongly skewed towards the under \$40,000 income category. This might be a combined result of:

- a high share of low paying jobs in the economy; and,
- a high share of seniors population (65 years and over) in the City.

As a result, the City is likely to display a higher need for more affordable and lower priced housing products as compared to the Regional District and the Province.

The reader should note that a significant proportion of senior households and the retirees might have sizeable net wealth but have incomes lower than \$40,000. These households are likely to require market-rate housing as opposed to affordable housing. However, the net-wealth data as well as the impact of such wealth on housing needs is not well understood. Therefore, this study does not speculate on the net-wealth characteristics of low-income seniors.

City of Penticton: Housing Needs Assessment

Household income (2010)	Penticton		Okanagan-Similkameen		British Columbia	
	#	%	#	%	#	%
Under \$5,000	465	3%	895	2%	60,125	3%
\$5,000 to \$9,999	335	2%	855	2%	36,340	2%
\$10,000 to \$14,999	475	3%	1,035	3%	59,965	3%
\$15,000 to \$19,999	1,485	10%	2,875	8%	96,600	5%
\$20,000 to \$29,999	2,100	14%	5,040	14%	157,605	9%
\$30,000 to \$39,999	1,940	13%	4,900	14%	167,220	9%
\$40,000 to \$49,999	1,790	12%	3,690	10%	158,400	9%
\$50,000 to \$59,999	1,330	9%	3,085	9%	140,340	8%
\$60,000 to \$79,999	1,900	12%	4,745	13%	246,720	14%
\$80,000 to \$99,999	1,280	8%	3,205	9%	193,180	11%
\$100,000 to \$124,999	900	6%	2,175	6%	167,415	9%
\$125,000 to \$149,999	580	4%	1,555	4%	106,325	6%
\$150,000 and over	640	4%	1,995	6%	174,385	10%
	15,235	100%	36,045	100%	1,764,630	100%
under \$40,000	6800	45%	15,600	43%	577,855	33%
\$40,000 to \$ 80,000	5020	33%	11,520	32%	545,460	31%
80,000 and over	3400	22%	8,930	25%	641,305	36%
	15,220	100%	36,050	100%	1,764,620	100%

Table 8: Income Distribution- 2010
Source: Statistics Canada; National Household Survey 2011

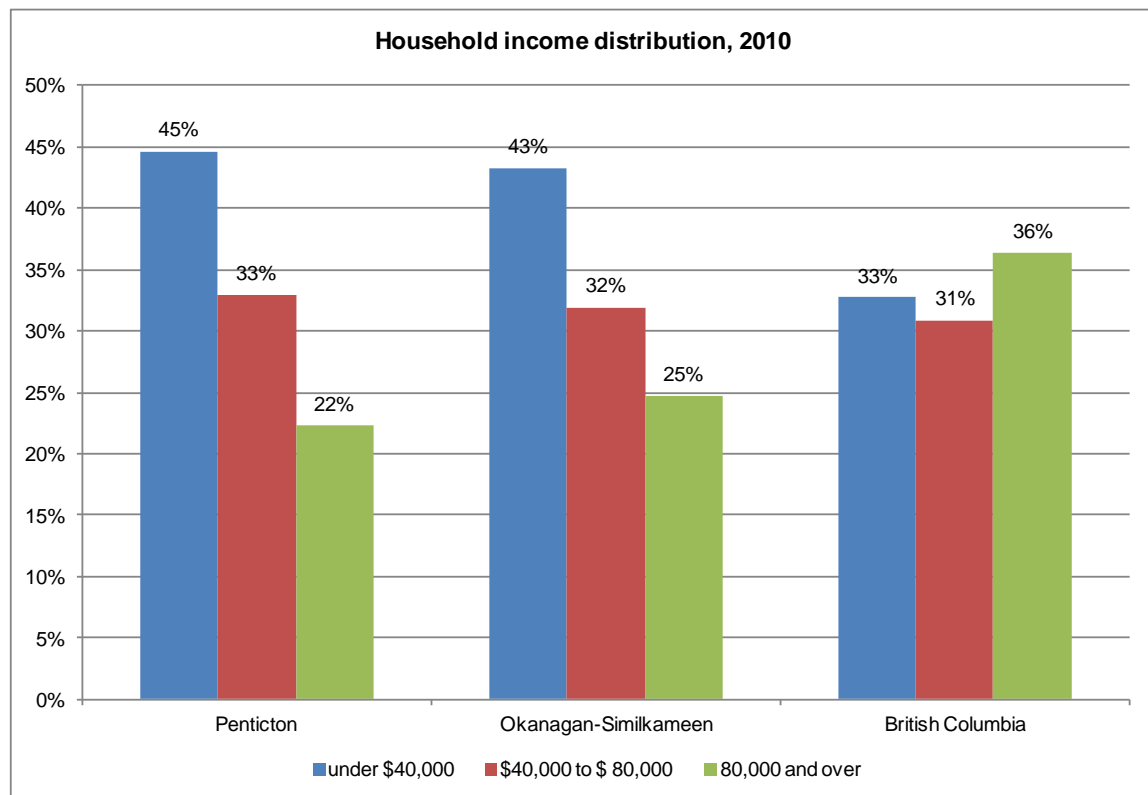


Figure 10: Income Distribution - Penticton, RDOS and BC - 2010
Source: Statistics Canada; National Household Survey 2011

In addition to the distribution of the household income, we examined the distribution of median income of economic families and households in the year 2010, i.e. the amount which divides the income size distribution of the City, ranked by size of income, into two halves. The first half has income below the median while the second half has income above the median.

The median income is a useful statistic to examine and compare incomes of economic families and households as it is providing the middle point in income distribution of each economic family and household group.

Figure 11 provides the graphic representation of the comparative assessment of median incomes for the City of Penticton in comparison to the Regional District of Okanagan Similkameen and the Province. It is evident from the graph that the City had a lower median income for each of the economic family and household group as compared to the Regional District and the Province.

The data illustrates that the:

- Couple-only families in the City had a median income of \$54,075 in 2010 as compared to \$55,029 for RDOS and \$69,881 for BC
- Couple-with-children families in the City had a median income of \$88,641 in 2010 as compared to \$89,270 for RDOS and \$94,632 for BC
- Lone-parent families in the City had a median income of \$36,934 in 2010 as compared to \$37,021 for RDOS and \$42,610 for BC
- Overall median family income in the City was \$61,003 in 2010 as compared to \$61,593 for RDOS and \$75,957 for BC
- 1 person households in the City had a median income of only \$23,706 as compared to \$24,533 for RDOS and \$31,236 for BC
- 2 or more persons households in the City had a median income of \$59,969 as compared to \$61,257 for RDOS and \$75,770 for BC
- Overall median household income in the City was \$43,998 in 2010 as compared to \$46,157 for RDOS and \$60,933 for BC

Table 9 provides the median income of economic families and households in the City as a share of the overall Provincial median income for each of the categories. The table suggests that the overall median family income in the City is only 80% of the Provincial median family income. In addition, the City's median income is only:

- 77 percent of the Provincial median income for couple-only families;
- 94 percent of the Provincial median income for couple-with-children families; and,
- 87 percent of the Provincial median income for lone-parent families.

The table also suggests that the overall median household income in the City is only 73% of the Provincial median household income. Further, the City's median income is only 76 percent of the Provincial median income for 1 person household and 79% percent of the Provincial median income for 2 or more persons households. Thus, the median income of economic families and households in the City is significantly lower than both the Regional District and the Province; especially in the case of couple-only economic families, 1 person households and 2 or more persons households. These census family and non-census family households are expected to display a strong demand for affordable housing products in the City.

City of Penticton: Housing Needs Assessment

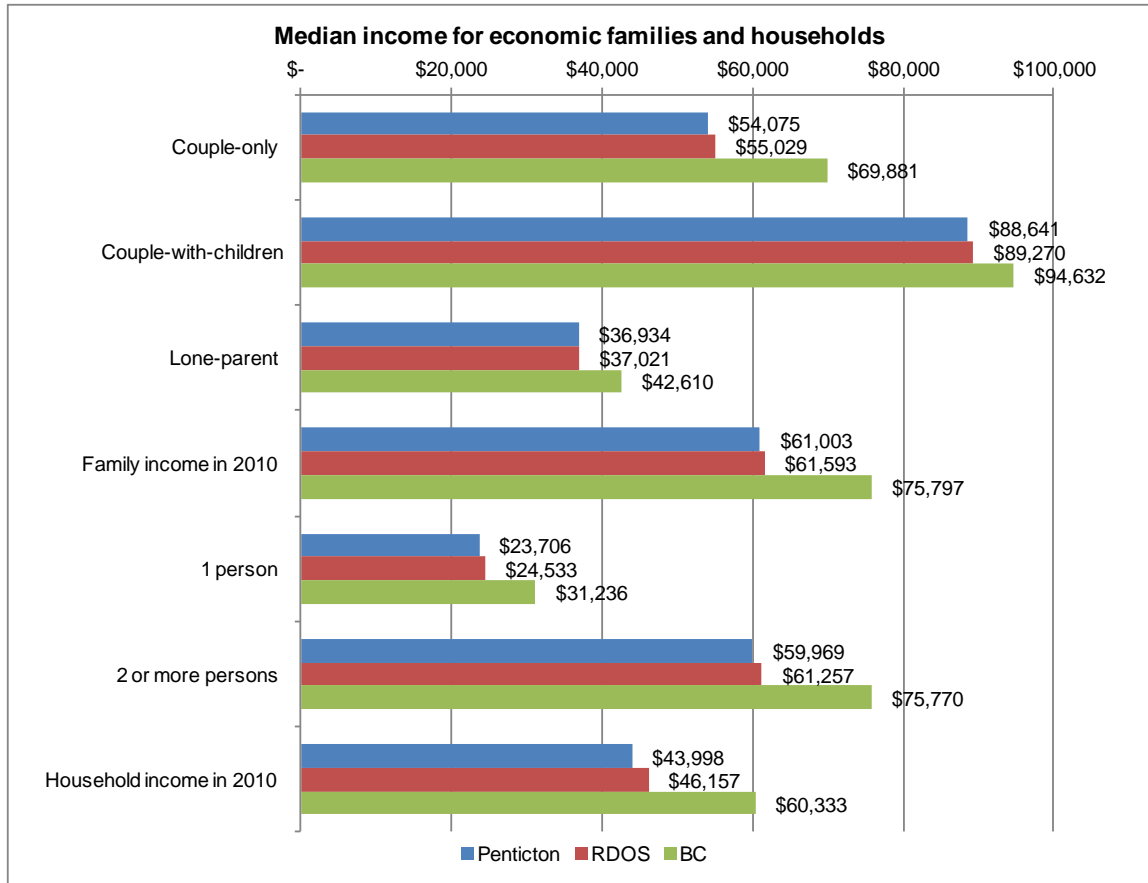


Figure 11: Median Household Income Levels for Selected Household Structures - 2010
Source: Statistics Canada; National Household Survey 2011

	Median income in 2010			Comparison to BC (%)		
	Penticton	RDOS	BC	Penticton	RDOS	BC
Economic families						
Couple-only	\$ 54,075	\$ 55,029	\$ 69,881	77%	79%	100%
Couple-with-children	\$ 88,641	\$ 89,270	\$ 94,632	94%	94%	100%
Lone-parent	\$ 36,934	\$ 37,021	\$ 42,610	87%	87%	100%
Family income in 2010	\$ 61,003	\$ 61,593	\$ 75,797	80%	81%	100%
Households						
1 person	\$ 23,706	\$ 24,533	\$ 31,236	76%	79%	100%
2 or more persons	\$ 59,969	\$ 61,257	\$ 75,770	79%	81%	100%
Household income in 2010	\$ 43,998	\$ 46,157	\$ 60,333	73%	77%	100%

Table 9: Median Household Income Levels for Selected Household Structures - 2010
Source: Statistics Canada; National Household Survey 2011

2.9 Household income by neighbourhoods

The City of Penticton had the following income distribution (before taxes) in 2011:

- 45 percent of the total households in the City had incomes lower than \$40,000;
- 33 percent of the households had incomes in the range of \$40,000 to \$80,000; and,
- 22 percent of the households had an annual total income higher than \$80,000.

Neighbourhoods	Under \$40,000	\$40,000 - \$79,999	\$80,000 and over
Skaha	41%	41%	18%
Cherry Lane	42%	39%	19%
Windsor	50%	34%	16%
Churchill Alexander	44%	41%	15%
Downtown	55%	31%	14%
Naramata / Bench Lands	31%	33%	36%
Valley View	36%	30%	34%
Wiltse	33%	28%	39%
Duncan/ Sendero	23%	42%	35%
Killarney/Penticton Ave	41%	36%	23%
Uplands	25%	29%	46%
Penticton (CY), BC	45%	33%	22%

Table 10: Income distribution by neighbourhoods, 2011

Source: Urbanics Consultants Ltd.

Table 10 and Figure 12 provide the income distribution for all the neighbourhoods in the City. The table also highlights the neighbourhoods with higher share of households in each of the three income categories as compared to the city-wide averages. The table shows that:

- Downtown and Windsor neighbourhoods have a higher share of households earning under \$40,000 per year as compared to the City;
- Skaha, Duncan/ Sendero, Churchill Alexander, Cherry Lane, Killarney / Penticton Ave Windsor and Naramata/ Bench Lands have a higher share of households earning \$40,000 to \$ 79,999 per year as compared to the City;
- Uplands, Wiltse, Naramata/ Bench Lands, Duncan/ Sendero, Valley View and Killarney/ Penticton Ave. have a higher share of households earning over \$80,000 per year as compared to the City;

Figure 13 provides the median household income by neighbourhoods and finds that Uplands (\$73,723), Duncan / Sendero (\$62,498), Wiltse (62,351), Naramata/Bench Lands (\$58,738) and Valley View (\$55,000) display significantly higher median household incomes as compared to the city-wide average of \$47,556 in 2011. This suggests that a greater proportion of higher priced homes are likely to be developed in these neighbourhoods.

City of Penticton: Housing Needs Assessment

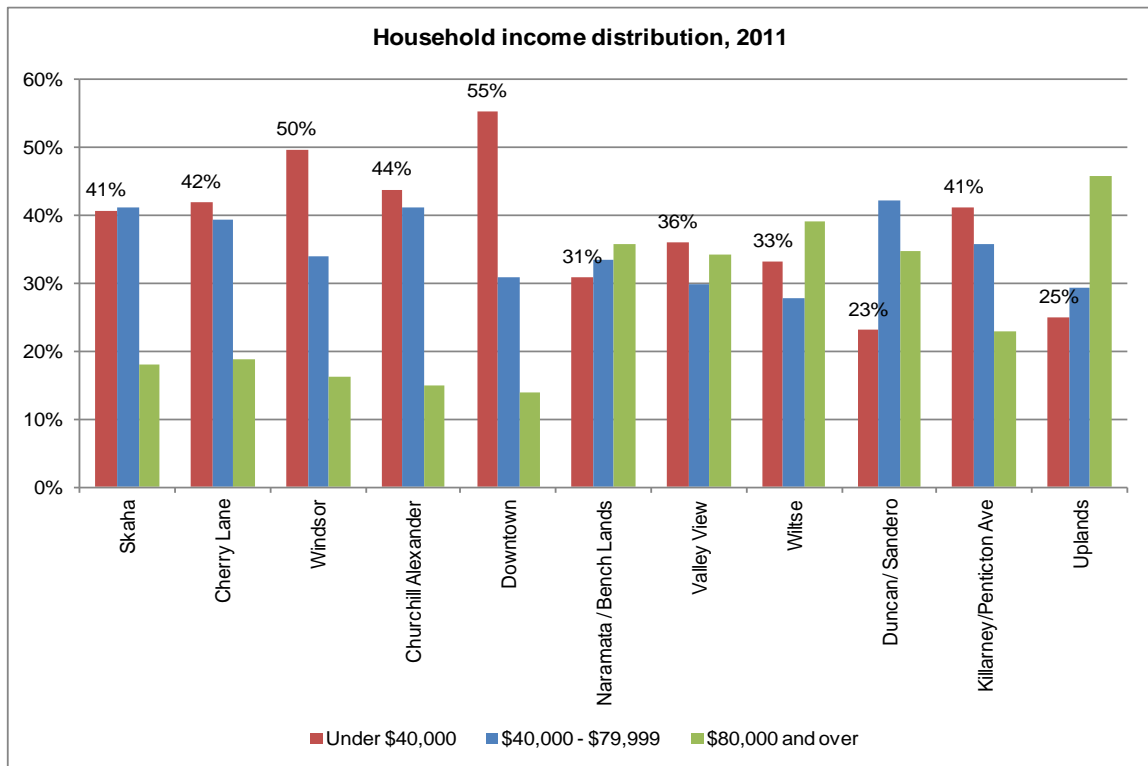


Figure 12: Household income distribution by neighbourhood, 2011
Source: Statistics Canada; National Household Survey 2011

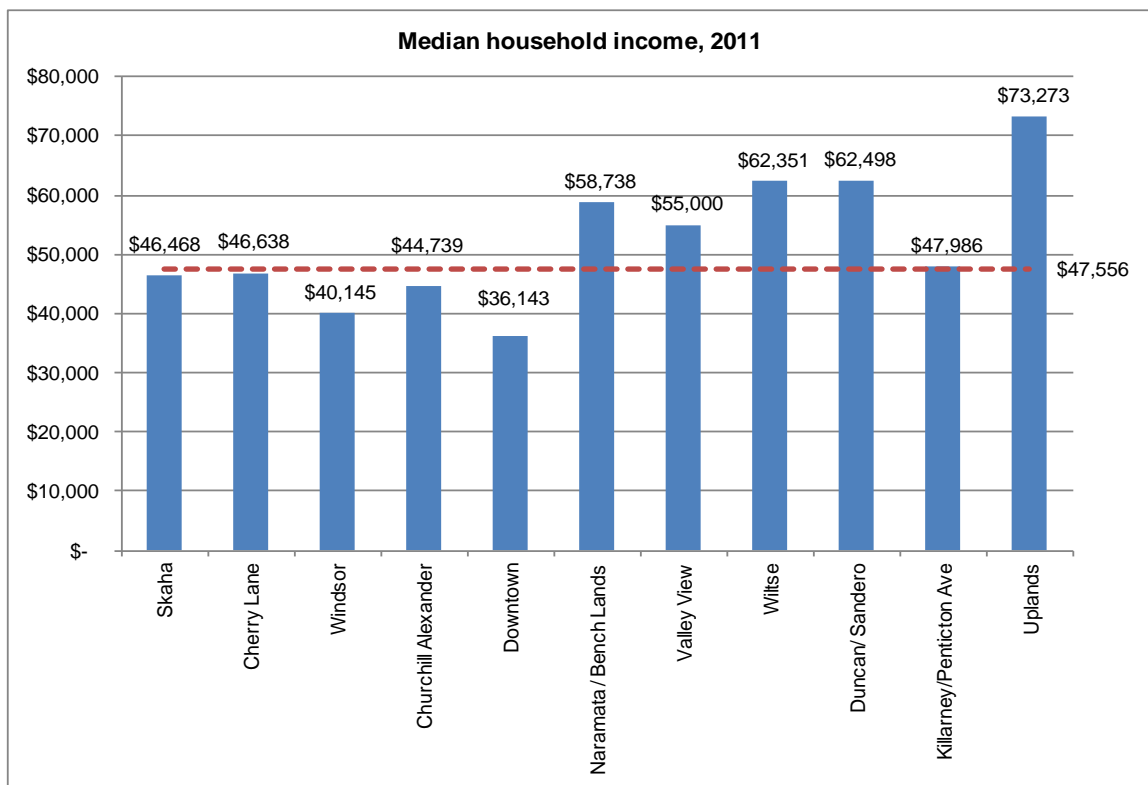


Figure 13: Median household income by neighbourhood, 2011
Source: Statistics Canada; National Household Survey 2011

2.10 Population projections

Similar to the demographic trends across the Country, the Province of British Columbia is expected to experience slight declines in birth rates and slight increases in life expectancy, net inter-provincial migration, and net international migration. These trends, along with the aging of BC's existing population, is expected to result in steady population growth in the Province from 4.5 million in 2011 to 6 million by 2041, which translates into an annual growth rate of roughly 1% during 2011 - 2041 (Projections, BC Stats, July 2016). Further, based on the BC stats population projections, the Regional District of Okanagan-Similkameen is expected to grow from over 80,740 in 2011 to 91,288 in 2041, at an annual growth rate of .4% during 2011 - 2041 (Projections, BC Stats, July 2016).

The projections used the Census 2011 population counts and adjusted it for under coverage (the error of excluding someone who should have been enumerated) for the Province of BC (2.03 percent). In addition, the age cohort and gender based population projections for the Penticton Local Health Area (LHA) was used to derive age cohort and gender based population growth rates for the period 2011 to 2046. These population growth rates were then applied to the adjusted age cohort and gender based population counts from the 2011 Census to develop the baseline population projections for the City of Penticton.

This baseline projection is likely to incorporate all the components of population growth in the Region such as fertility and mortality as well as economic migration generated by industrial growth. The population projections suggest that:

- The population of the City will grow from 34,298 in 2016 to 42,268 in 2046, at an annual growth rate of 0.70 percent;
- The share of population under 15 years of age would remain largely stable (11 percent to 12 percent) during the projection period;
- The share of population aged 15 years to 64 years would decline from 60 percent in 2016 to 56 percent in 2046; and,
- The share of population aged 65 years and over would increase from 29 percent in 2016 to 33 percent in 2046.

Overall the City is expected to add a total of 7,970 people or roughly 266 people every year during 2016 - 2046. The population in the age group:

- 65 years and over will experience the largest net increase of 4,091 people or 51 percent of the total net increase during the period;
- 15 to 64 years will experience a net increase of 3,082 people or 39 percent of the total net increase during the period; and
- Under 15 years will experience a net increase of 797 people or 10 percent of the total net increase during the period.

Thus, the City is expected to grow at a rate faster than the Regional District but lower than that of the Province during 2016 - 2046.

City of Penticton: Housing Needs Assessment

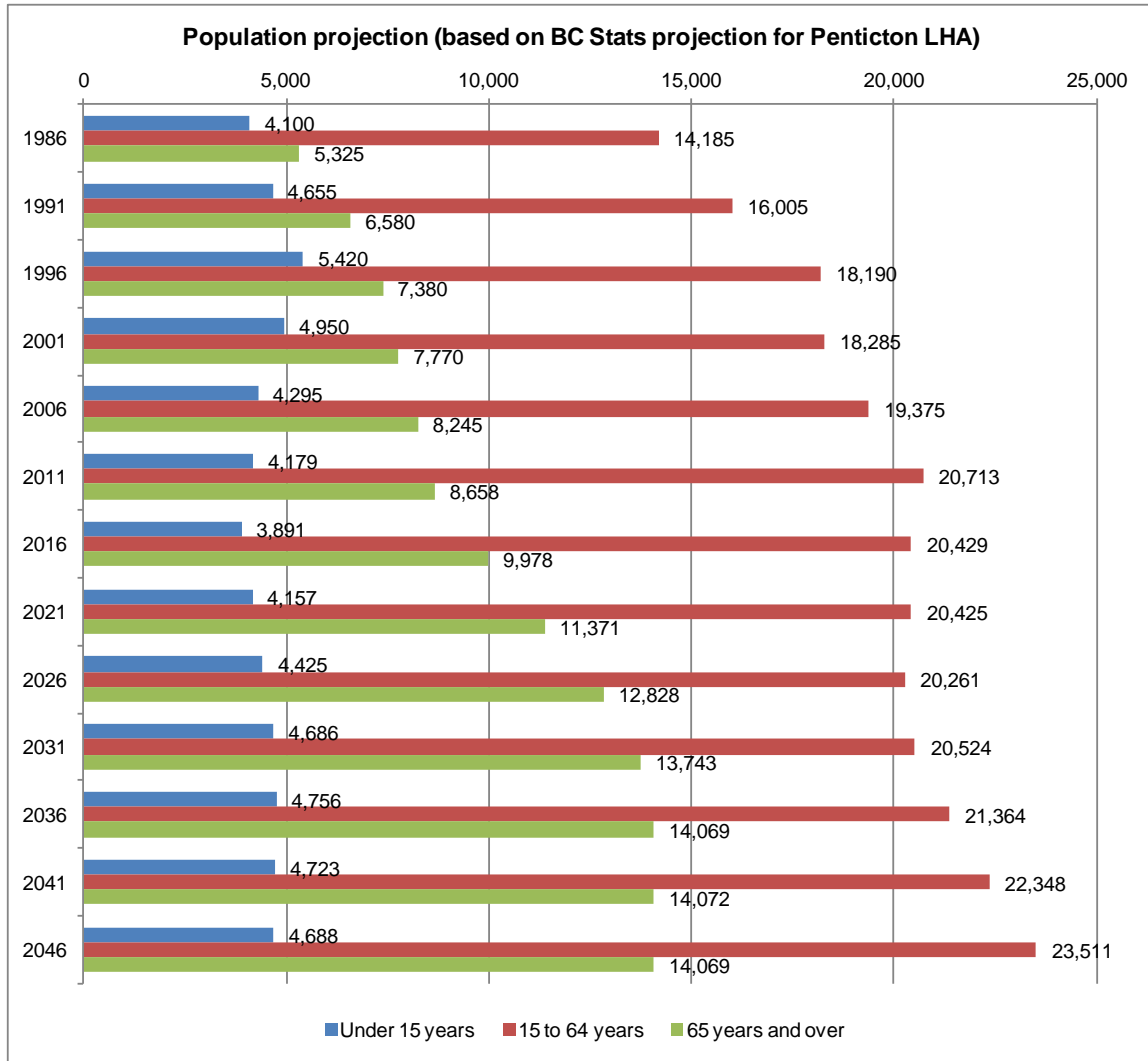


Figure 14: Population projection for the City of Penticton
 Source: Urbanics Consultants Ltd and BC Stats Population Projections of Penticton LHA

Population	1986	1991	1996	2001	2006	2011	2016	2021	2026	2031	2036	2041	2046
Under 15 years	4,100 (17%)	4,655 (17%)	5,420 (17%)	4,950 (16%)	4,295 (13%)	4,179 (12%)	3,891 (11%)	4,157 (12%)	4,425 (12%)	4,686 (12%)	4,756 (12%)	4,723 (11%)	4,688 (11%)
15 to 64 years	14,185 (60%)	16,005 (59%)	18,190 (59%)	18,285 (59%)	19,375 (61%)	20,713 (62%)	20,429 (60%)	20,425 (57%)	20,261 (54%)	20,524 (53%)	21,364 (53%)	22,348 (54%)	23,511 (56%)
65 years and over	5,325 (23%)	6,580 (24%)	7,380 (24%)	7,770 (25%)	8,245 (26%)	8,658 (26%)	9,978 (29%)	11,371 (32%)	12,828 (34%)	13,743 (35%)	14,069 (35%)	14,072 (34%)	14,069 (33%)
Total	23,610	27,240	30,990	31,005	31,915	33,550	34,298	35,953	37,514	38,953	40,189	41,143	42,268

Table 11: Population projection for the City of Penticton
 Source: Urbanics Consultants Ltd and BC Stats Population Projections of Penticton LHA

3 Housing supply

This section examines the housing supply of the City of Penticton. The analysis primarily focuses on the occupied private dwellings in the City as it provides a more accurate measure of the housing needs of the community; i.e. housing stock which is occupied by permanent residents and does not include vacant dwellings or dwellings occupied by temporary residents.

Table 12 shows the increase in the number and share of vacant dwellings or dwellings occupied by temporary residents from 3 percent of the total occupied dwellings to 8 percent of the total dwellings in 2011. It is likely that these numbers represent a rise in vacation homes, which remain unoccupied during a large part of the year, similar to other resort municipalities in the Province.

Penticton	2001	2006	2011
Total private dwellings	14,745	15,270	16,460
Total occupied dwellings	14,250	14,590	15,235
Vacant dwellings or dwellings occupied by temporary residents (as a % of total occupied dwellings)	495 (3%)	680 (5%)	1,225 (8%)

Table 12: Penticton's total private dwellings vs. occupied private dwellings
Source: Urbanics Consultants and Census 2001, 2006 and 2011 (rounded)

3.1 Housing stock trends

The housing stock (occupied private dwellings) in Penticton has grown from 11,745 in 1991 to 15,235 in 2011, at an annual growth rate of 1.3 percent. During the same period, the housing stock in the City of Vernon and the City of Kelowna grew by 6,610 and 19,293 respectively at an annual rate of 2.6% and 2.5%. Compared to the above population centers the Regional District of Okanagan- Similkameen displayed an annual growth rate of 1.4 percent (grew from 27,430 in 1991 to 36,055 in 2011) and the Province of British Columbia displayed an annual growth rate of 1.8 percent (grew from 1,243,890 in 1991 to 1,764,630 in 2011).

The City added a net total of 3,940 homes at the rate of 175 units per year during 1991 - 2011; these include

- Single-family dwellings: The share of single-family units declined from 55 percent in 1991 to 46 percent of the total housing stock in 2011. The City added a total of 500 units (14% of the net increase) at the rate of 25 units per year during 1991 - 2011.
- Semi-detached, row house, duplex and other single attached house: The share of Semi-detached, row house, duplex and other single attached houses has increased from 10 percent in 1991 to 18 percent of the total housing stock in 2011. The City added a total of 1,510 units (43% of the net increase) at the rate of 76 units per year during 1991 - 2011.

- Apartments, 5 or more storeys: The share of Apartments, 5 or more storeys has increased from 4 percent in 1991 to 5 percent of the total housing stock in 2011. The City added a total of 325 units (9% of the net increase) at the rate of 16 units per year during 1991 - 2011.
- Apartments, less than 5 storeys: The share of Apartments, less than 5 storeys, has increased from 24 percent in 1991 to 28 percent of the total housing stock in 2011. The City added a total of 1,370 units (39% of the net increase) at the rate of 69 units per year during 1991 - 2011.
- Movable dwellings: The share of Movable dwellings has decreased from 6 percent in 1991 to 3 percent of the total housing stock in 2011. The City displayed a net loss of 215 units (a loss of 6%) at the rate of 11 units per year during 1991 - 2011.

It is likely that most of the historical trends would continue over the next few decades; including a continued decline in the share of single-family dwellings and increase in the share of semi-detached, row house, duplex and other single attached house as well as the apartment dwellings.

Occupied private dwellings by type	1991	1996	2001	2006	2011
Single-detached house	6,455 (55%)	7,300 (53%)	7,190 (50%)	7,095 (49%)	6,955 (46%)
Semi-detached house	285 (2%)	535 (4%)	495 (3%)	490 (3%)	590 (4%)
Row house	720 (6%)	1,200 (9%)	1,265 (9%)	1,315 (9%)	1,485 (10%)
Apartment, detached duplex	145 (1%)	260 (2%)	230 (2%)	320 (2%)	550 (4%)
Apartment building, five or more storeys	495 (4%)	355 (3%)	505 (4%)	615 (4%)	820 (5%)
Apartment building, less than five storeys	2,875 (24%)	3,625 (26%)	4,030 (28%)	4,095 (28%)	4,245 (28%)
Other single attached house	40 (0%)	65 (0%)	45 (0%)	80 (1%)	75 (0%)
Movable dwelling	730 (6%)	350 (3%)	490 (3%)	580 (4%)	515 (3%)
Penticton	11,745	13,690	14,250	14,590	15,235
Vernon	9,820	13,295	15,288	15,685	16,430
Kelowna	30,375	36,435	41,604	44,912	49,668

Table 13: Number of Occupied Dwellings by Type - 1991-2011

Sources: Urbanics Consultants Ltd. and Statistics Canada - Census 1991 - 2006; NHS 2011

3.2 Housing stock by neighbourhoods

The occupied private housing stock in Penticton has grown from 14,590 in 2006 to 15,235 in 2011; a gain of roughly 645 occupied private dwellings. During this period the Downtown area accounted for roughly 58 percent of this housing growth followed by Wiltse (23 percent), Skaha (21 percent) and Windsor (16 percent), Killarney / Penticton Ave (6 percent) and Duncan Sandero (1 percent). Cherry Lane, Churchill/ Alexander, Naramata / Bench Lands, Valley View and Uplands displayed a lower number of occupied private dwellings in 2011 as compared to 2006; i.e. a contraction in occupied private dwellings during this period (Figure 16). Figure 17 provides the net change in dwelling counts by dwelling type for each of the neighbourhoods and shows dominance of the downtown area in accommodating much of the growth during this period.

The reader should also note that the neighbourhoods of Naramata / Bench Lands, Valley View, Wiltse, Duncan Sandero, Killarney / Penticton Ave and Uplands display a high share of single-family units; i.e. close to 60 percent or higher. Apart from Wiltse and Killarney / Penticton Ave, these neighbourhoods displayed growth very little net growth in occupied housing stock during this period. This might be primarily driven by decreasing affordability as well as demand for single-family dwelling units during this period (Figure 17).

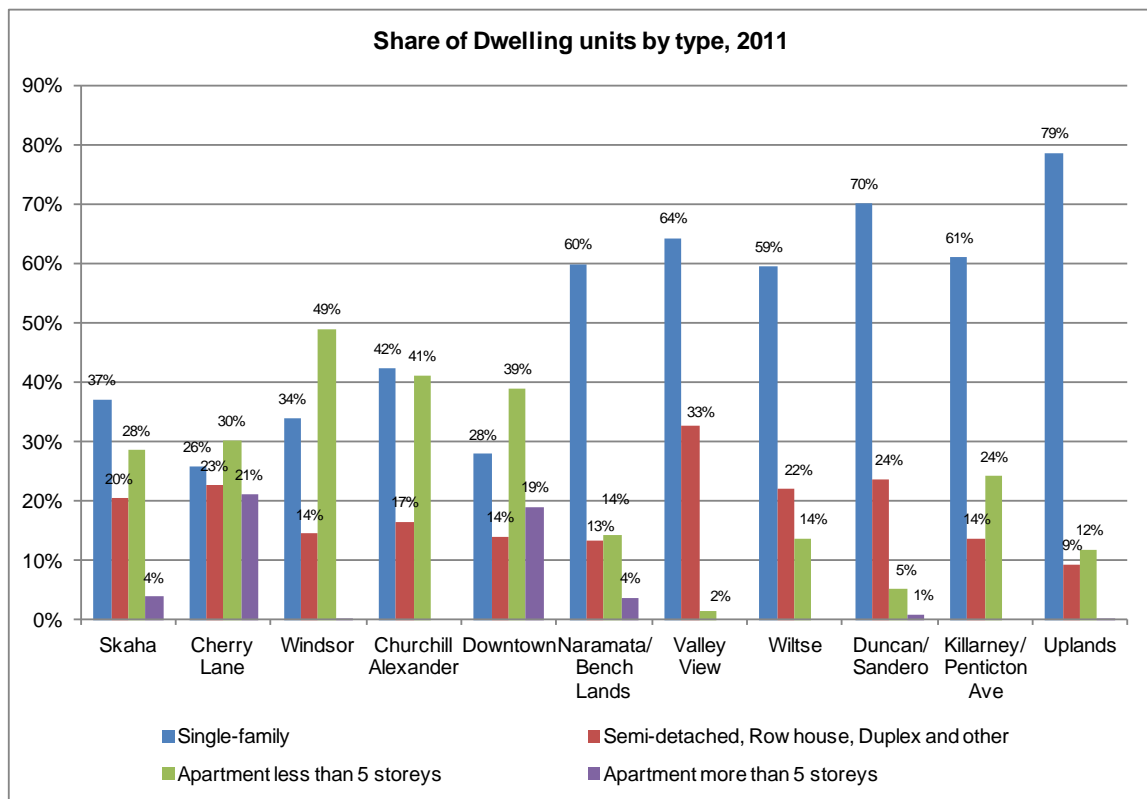


Figure 15: Share of dwellings units by type for neighbourhoods, 2011

Sources: Urbanics Consultants Ltd. and Statistics Canada

City of Penticton: Housing Needs Assessment

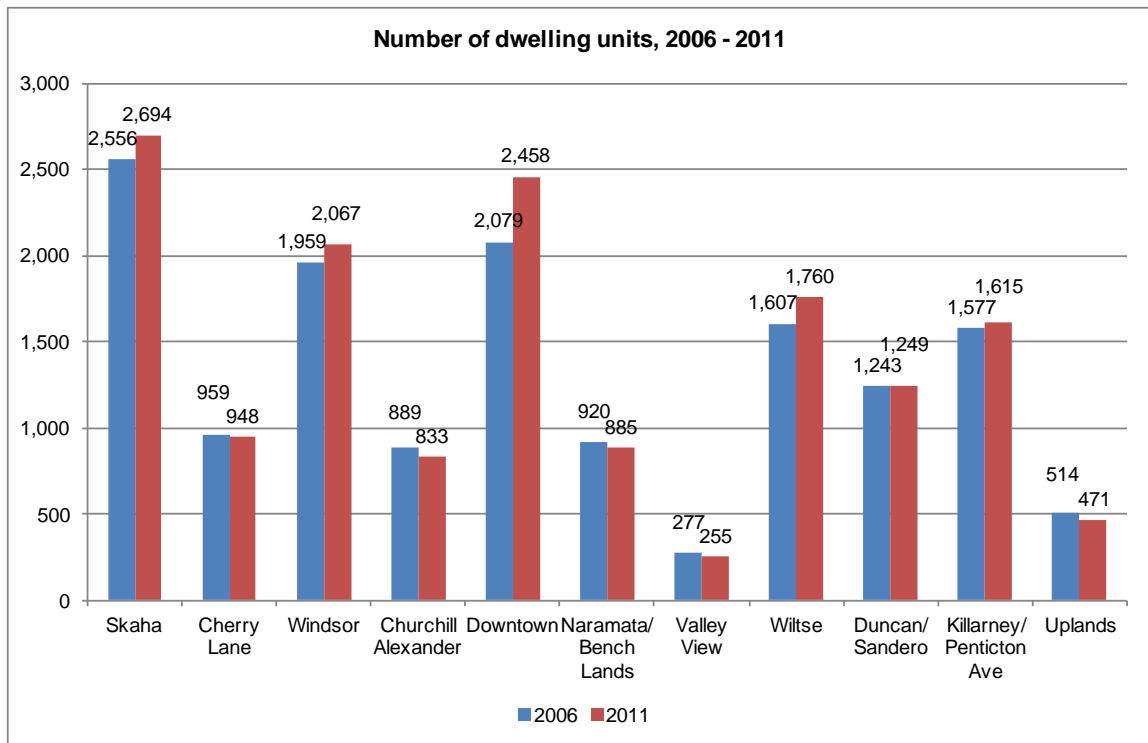


Figure 16: Number of dwelling units by neighbourhoods, 2006 - 2011
Sources: Urbanics Consultants Ltd. and Statistics Canada

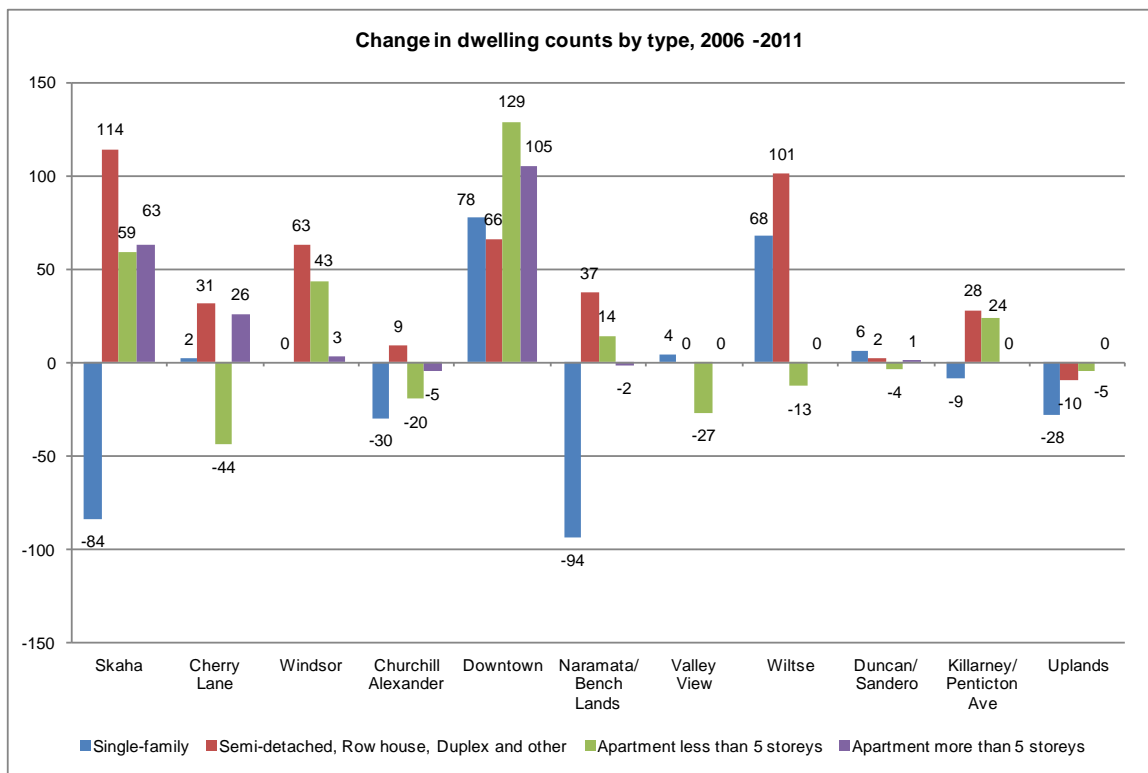


Figure 17: Change in the Number of dwelling units by type and neighbourhoods, 2006 - 2011
Sources: Urbanics Consultants Ltd. and Statistics Canada

3.3 Housing completions

To get a clear understanding of the housing development activity in the City of Penticton we have examined the housing completion data from the CMHC starts and completion survey for the years Q1 1991 - Q2 2016. The completions data is preferable to the permit or the starts data as some of the permits as well as the starts might not ever get built. Furthermore, the completions data can be easily used to get a rough understanding of the housing stock in between two census periods. For example, in the case of Penticton, we can easily decipher from the data that the City added roughly 650 units during 2011 - 2015, which is consistent with the 10 year annual average for the City at 130 units per year. Additionally, since the number of occupied housing stock in the City was 15,235 in 2011, we can easily deduce that the Housing stock in 2016 would be roughly 15,885 not accounting for any loss of housing stock.

Figure 18 provides the graphical representation of housing completions in the city by dwelling types. In addition, it aggregates housing completions by 5 year time period, i.e. 1991-1995, 1996-2000, 2001-2005, 2006-2010 and 2011-2015, and provides the 5 year (2011 - 2015) and 10 year (2006 - 2015) annual average number of completions by dwelling types.

The data suggests that the City has added roughly 130 units a year over the last five years (5 year average), including:

- Single-detached units account for 51 units a year or 39% of the total completions in a year
- Semi-detached units account for 12 units a year or 10% of the total completions in a year
- Row houses account for 14 units a year or 11% of the total completions in a year
- Apartment units account for 52 units a year or roughly 40% of the total completions in a year

As of the date of the report, there were over 335 active housing units under development (from pre-development to actual development) in the City. The geographical distribution of these units is shown in Figure 19. These active developments include the following:

- Single-family detached: 64 units
- Secondary suites: 2 units
- Carriage house: 5 units
- Duplex: 64 units
- Multifamily: 25 units
- Mobile home: 175 units

The reader should note that most of these units, especially the duplex units, are located in the Downtown and Killarney/Penticton neighbourhoods. The single-family detached homes are primarily located in the Duncan/Sendero, Wiltse and uplands neighbourhoods.

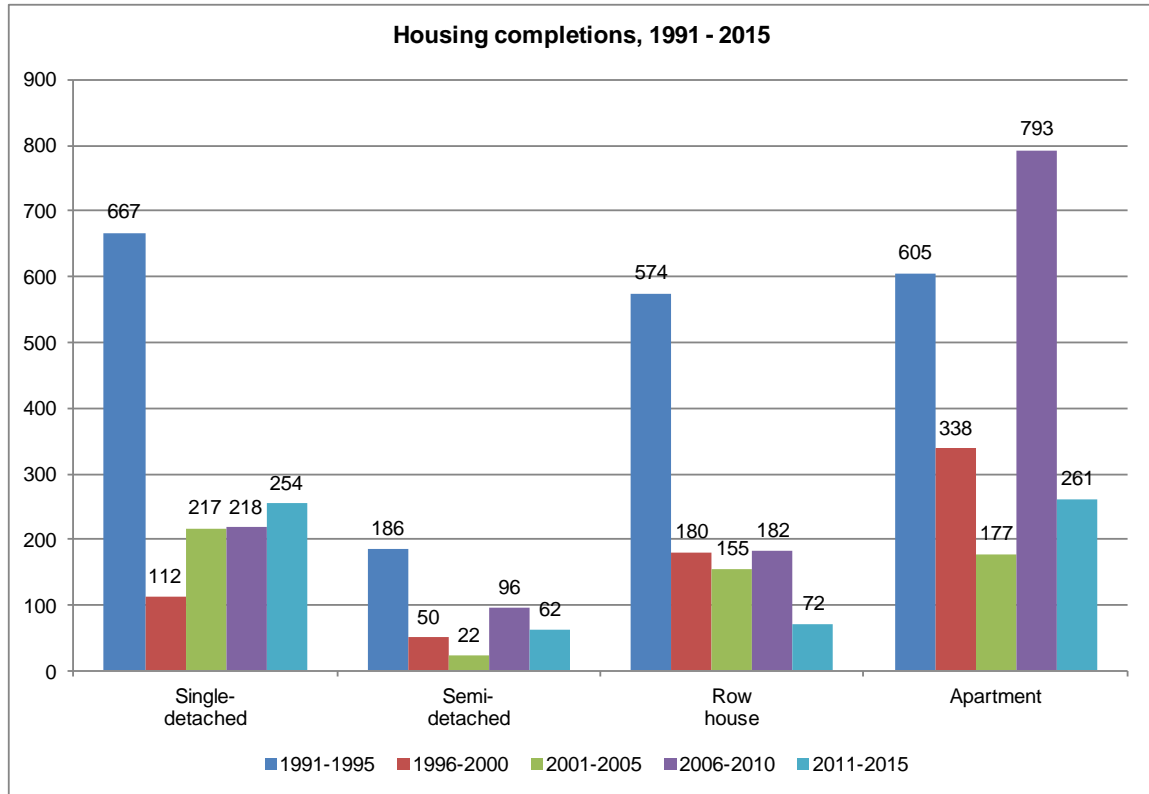


Figure 18: Housing completions - 1991-2015

Source: Urbanics Consultants Ltd. and CMHC Starts and Completions Survey

Housing completions	Single-detached	Semi-detached	Row house	Apartment	Total
1991-1995	667	186	574	605	2,032
1996-2000	112	50	180	338	680
2001-2005	217	22	155	177	571
2006-2010	218	96	182	793	1,289
2011-2015	254	62	72	261	649
5 year average	51	12	14	52	130
10 year average	47	16	25	105	194

% of total	Single-detached	Semi-detached	Row house	Apartment	Total
1991-1995	33%	9%	28%	30%	100%
1996-2000	16%	7%	26%	50%	100%
2001-2005	38%	4%	27%	31%	100%
2006-2010	17%	7%	14%	62%	100%
2011-2015	39%	10%	11%	40%	100%
5 year average	39%	10%	11%	40%	100%
10 year average	24%	8%	13%	54%	100%

Table 14: Housing completions - 1991-2015

Source: CMHC Starts and Completions Survey

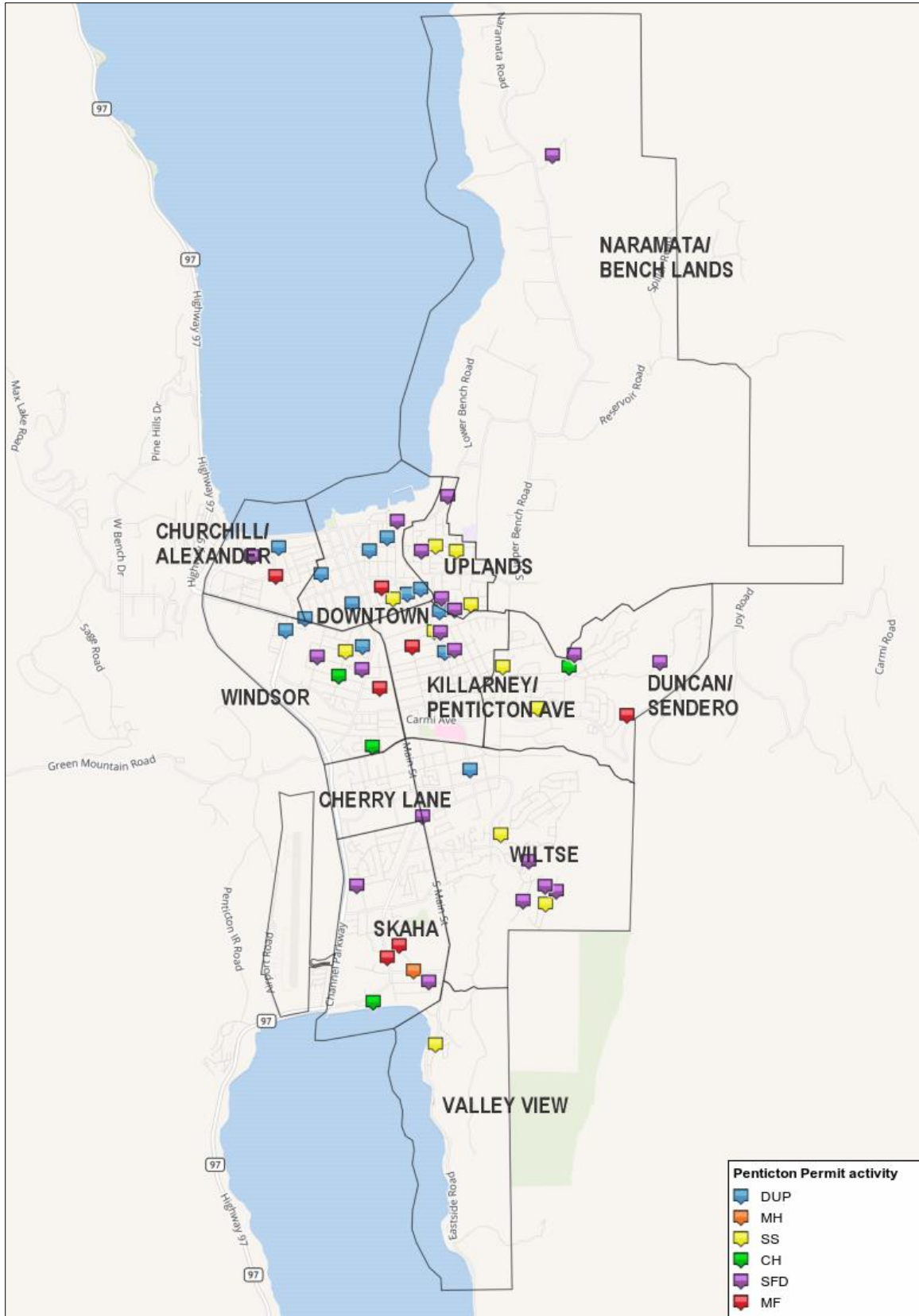


Figure 19: Active housing developments, Dec 2016
 Source: City of Penticton

3.4 Housing tenure

The City of Penticton had a homeownership rate of 64 percent in 2011. It had 15,230 occupied housing units in 2011 (Census 2011) out of which 9,730 were owner-occupied and 5,500 were renter occupied. The City displayed a fairly stable homeownership rate of 63 percent to 62 percent during 1991, 1996 and 2001. The homeownership rate increased to 67 percent in 2006 but then declined to 64 percent in 2011.

Table 15 provides the homeownership rate for the City of Penticton and compares it to the Regional District of Okanagan-Similkameen and the Province of British Columbia, during 1991 - 2011. The City displayed the lowest homeownership rates in all the Census years as compared to the Regional District and the Province. On an average the City displayed a 10 percent lower homeownership rate as compared to the Regional District and 4 percent lower than the Province.

This is likely driven by the differences in the property values and household income across these geographical areas. The City of Penticton is much more urban as compared to the Regional District and it has higher property values as well as a lower share of single family dwellings. Furthermore, the Median household total income in the City was \$43,998 as compared to \$46,157 for the Regional District and \$60,333 for the Province in 2010 (NHS 2011).

Tenure	1991	1996	2001	2006	2011
Penticton					
Owned	7,415	8,440	8,860	9,715	9,730
Rented	4,325	5,240	5,400	4,885	5,500
Band housing					
Total occupied dwellings	11,740	13,680	14,260	14,600	15,230
Ownership rate	(63%)	(62%)	(62%)	(67%)	(64%)
Okanagan-Similkameen					
Owned	19,940	23,240	24,550	26,645	27,515
Rented	7,440	9,065	9,275	8,550	8,465
Band housing	55	30	45	45	60
Total occupied dwellings	27,435	32,335	33,870	35,240	36,040
Ownership rate	(73%)	(72%)	(72%)	(76%)	(76%)
British Columbia					
Owned	793,985	928,990	1,017,490	1,145,050	1,234,710
Rented	446,910	491,540	512,365	493,995	524,995
Band housing	3,000	4,105	4,470	4,100	4,920
Total occupied dwellings	1,243,895	1,424,635	1,534,325	1,643,145	1,764,625
Ownership rate	(64%)	(65%)	(66%)	(70%)	(70%)

Table 15: Housing Tenure - Penticton - 1991-2011

Source: Urbanics Consultants and NHS 2011

City of Penticton: Housing Needs Assessment

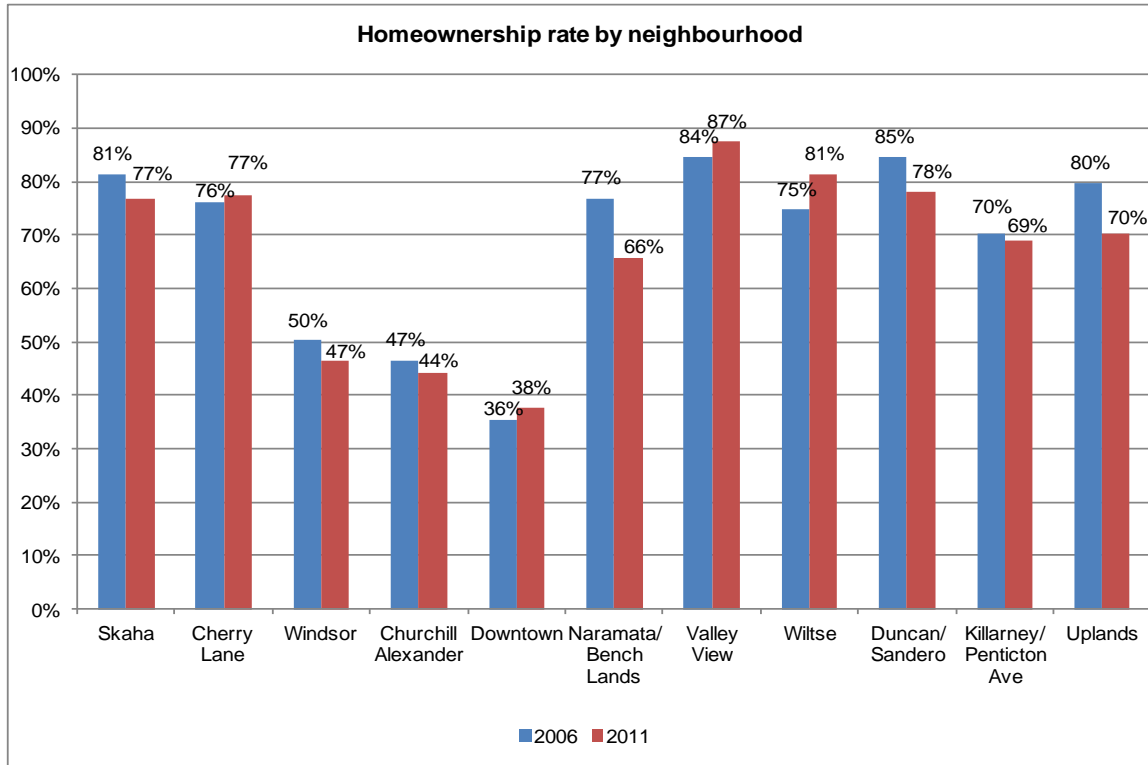


Figure 20: homeownership rate by neighbourhoods
Sources: Urbanics Consultants Ltd. and Statistics Canada - NHS 2011

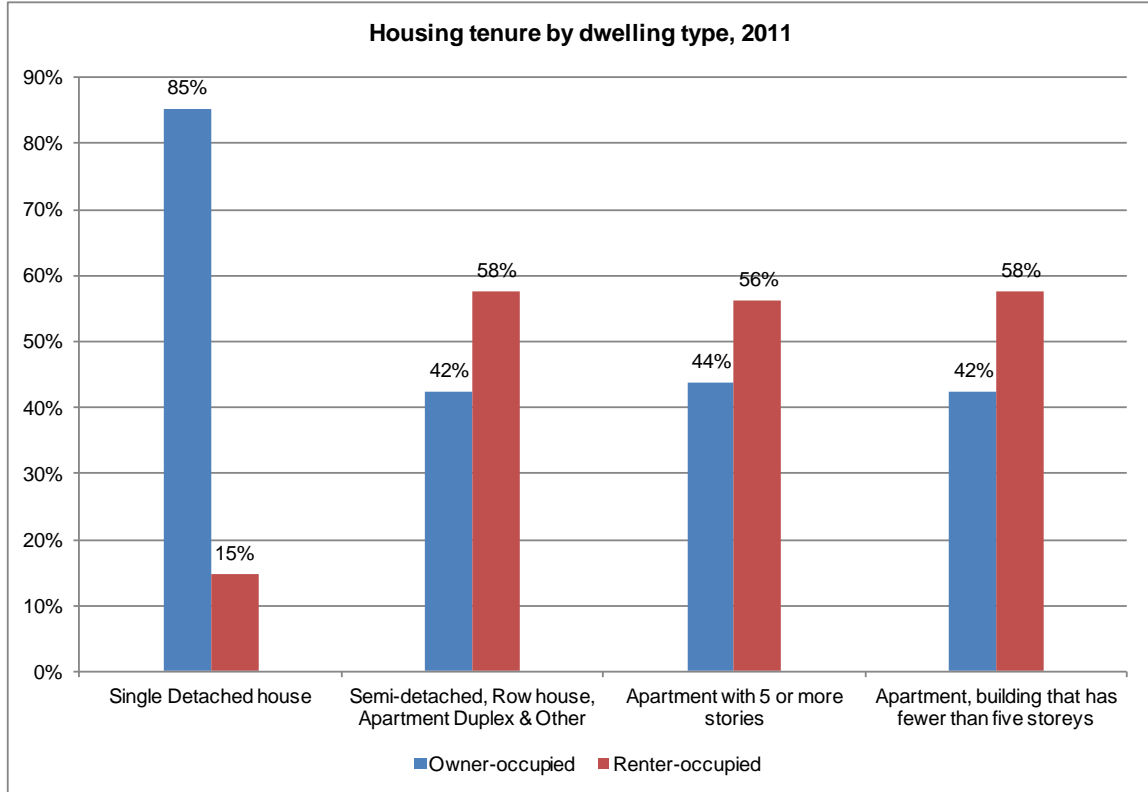


Figure 21: Housing tenure by dwelling type
Sources: Urbanics Consultants Ltd. and Statistics Canada - NHS 2011

On further examination, it is evident that homeownership rates vary widely across the City from 38 percent in the Downtown area to 87 percent in the Valley View neighbourhood (Figure 20). It is also evident that most of the neighbourhoods witnessed a decline in homeownership rates in 2011 as compared to 2006; the exceptions were Cherry Lane, Downtown, Valley View and Wiltse. Overall the declining trend in homeownership rates is a direct result of decreasing affordability in the City and is expected to continue into over the study period.

The reader should also note that the city-wide homeownership rate among the households living in a single-detached units was 85% as compared to 42 – 44 percent for households living in other dwelling types (Figure 21). Thus, neighbourhoods with a higher share of multi-family dwelling types can be expected to display a lower homeownership rate as compared to those with higher share of single-detached units. Thus it is not surprising that the Downtown, Churchill/Alexander and Windsor neighbourhoods have lower homeownership rates as they have a higher share of multi-family housing, which is more heavily weighted towards rental tenure.

In addition, the owner-occupied single detached units represented roughly 61% of the City's total owner occupied housing stock in 2011, or 22 percent higher than that of all other dwelling types. Thus the single-detached dwelling type was still the dominant housing type in 2011 and was favoured for owner-occupation over all the other housing types. The Housing Needs Assessment Survey also corroborated the above-mentioned preference for single-detached units amongst both renters and homeowners in the City.

Figure 22 provides the income distribution of households by tenure for the City of Penticton for the year 2010. The figure shows that households in the lower income categories are more likely to rent as compared to households in the higher income categories. For example, roughly 58 percent of the households with a before tax income under \$10,000 are expected to rent and the remainder are expected to owner-occupy (42 percent). Conversely, roughly 88 percent of the households with a before tax income of \$100,000 and over are expected to owner-occupy and the remainder (14 percent) are expected to rent.

Figure 23 provides a graphical representation of the household tenure by the age of household maintainer in 2010 for the City of Penticton. The figure shows a strong lifecycle pattern to home ownership. Homeownership rates increase with age, from households with primary maintainers under the age of 25 (27 percent) to households with primary maintainers in the 65 to 74 years age group (73 percent), after which they decline for households with primary maintainers in the 75 years and over (68 percent). Conversely households with primary maintainers under the age of 25 have the highest rental rate (73 percent), which declines to its lowest level for households with primary maintainers in the 65 to 74 years age group (27 percent) before increasing for households with primary maintainers in the 75 years and over (32%).

City of Penticton: Housing Needs Assessment

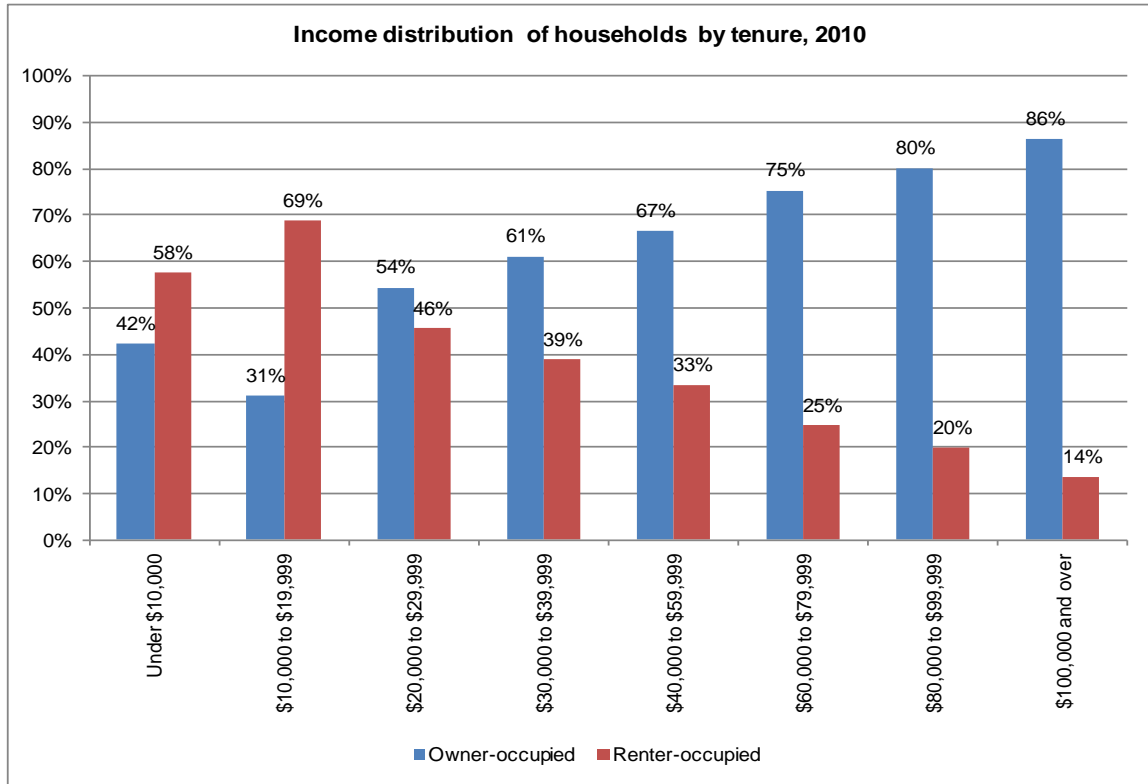


Figure 22: Income distribution of households by tenure
Sources: Urbanics Consultants Ltd. and Statistics Canada - NHS 2011

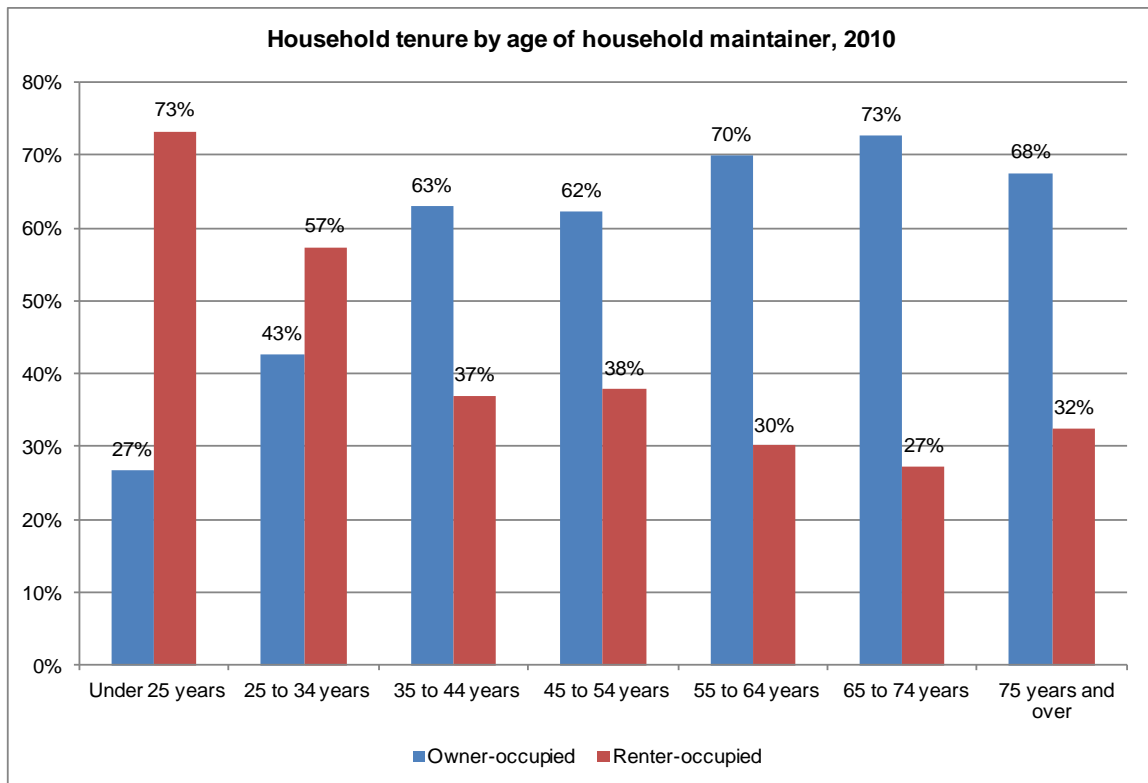


Figure 23: Housing tenure by age of household maintainer, 2010
Source: Urbanics Consultants and NHS 2011

3.5 Non-market housing

The city has a wide variety of affordable family, seniors, supportive and transition housing options. Overall there are 28 buildings and 13 societies in the City and they offer roughly 654 units in the City (The BC Non-Profit Housing Association), including:

- Studio: 19 units
- 1-Bed: 264 units
- 2-Bed: 91 units
- 3-Bed: 35 units
- 4-Bed: 2 units
- Unknown: 243 units (unit breakdown not available)

661 units represent roughly 4.1 percent of the total occupied housing stock (16,016 in 2016) in the City. The number of units and tenant groups served are provided below:

Tenant Type	Description	Total #
Family	Families	76 units
Senior	Seniors (60+) living in independent, supportive, assisted or residential care	417 units
Supportive	Households with HIV/AIDS, mental health, addictions, development disabilities, or are Homeless at risk	119 units
Emergency	Homeless shelters	15 units
Transition and Transitional	Households leaving the justice system, addictions recovery, women and children fleeing violence and youth households	34 units
		661 units

Table 16: Non-housing Inventory
Source: The BC Non-Profit Housing Association

In spite of the above housing stock, the City has witnessed a steep rise in its homeless population. The recently concluded homeless count (13th Nov 2016) identified 203 homeless individuals in the City, which is significantly higher than the 2015 homeless count of roughly 60 individuals. This number is expected to be as high as 230 due to undercounting and other reasons. Thus, there is a current need for roughly 900 units (including beds and dwelling units) or 5.6 percent of the total housing stock, which is likely to rise in future with deteriorating affordability.

Federal programs for affordable housing

This section identifies some of the affordable housing programs that are included under the CMHC and the British Columbia Agreement for Investment in Affordable Housing:

1. Programs to Increase the Supply of Affordable Housing
 - i. Affordable Rental Housing Initiative (ARHI): Financial assistance to create new affordable rental units.
 - ii. Aboriginal Housing Initiative (AHI): Financial assistance to create affordable rental housing for Aboriginal people living off-reserve.

- iii. Federal-Provincial Housing Initiative (FPH): A program that will assist vulnerable British Columbia families and individuals in need including people at risk of homelessness.
2. Programs to Foster Safe Independent Living
 - i. Home Adaptations for Independence (HAFI): Financial assistance to undertake accessibility modifications to housing occupied by seniors or persons with disabilities.
3. Programs to Improve Housing Affordability
 - i. Rental Assistance Program (RAP): Shelter allowance paid to working families to help make rent more affordable.
 - ii. Shelter Aid for Elderly Renters (SAFER): Shelter allowance paid to elderly renters (60 years of age and older) to help make rent more affordable.
 - iii. Homelessness Prevention Program (HPP): Rent supplements for people at risk of homelessness in need of rental assistance. This program serves renters including youth, victims of family violence, Aboriginal people, people leaving the correctional and hospital systems

Provincial programs for affordable housing

BC Housing is responsible for affordable housing programs in British Columbia. In addition, to administering the above it provides the following housing programs in the Province:

1. Subsidized Housing: It provides subsidized housing for individuals and families that have a low income and meet eligibility criteria.
2. Emergency Housing: It provides emergency shelters, drop-in centres (a place to wash, do laundry and use other services), temporary shelters, Homeless Outreach Program and Aboriginal Outreach Program in addition to the Homelessness Prevention Program.
 - i. Transition Houses/Safe Houses/Second Stage Housing: BC Housing supports transition houses and safe homes for women (aged 19 years and older) who are at risk of violence, or who have experienced violence. The programs provide women and children with a temporary place to stay, support services, referrals and assistance in planning next steps.
 - ii. Addiction Recovery Program: Stable, short-term housing for individuals participating in a substance use recovery program.
 - iii. Supportive Housing: For people who may have mental and physical health conditions, substance use and/or other challenges that puts you at higher risk of homelessness.
3. Seniors' Rental Housing:
 - i. Assisted Living Residences: subsidized assisted living residences in British Columbia.
 - ii. Independent Living BC Program: A subsidized, assisted-living program that provides housing with support services to seniors and people with disabilities.
 - iii. Seniors' Supportive Housing: Seniors' Supportive Housing provides low-income seniors and people with disabilities accessible housing with supports.
4. Community Partnership Initiatives (CPI): The Community Partnership Initiatives (CPI) Program provides advice, referrals to partnership opportunities and long-term financing to help non-profit societies create self-sustaining, affordable housing developments.

Non-profit organizations

The City is currently served by thirteen non-profit organizations that are involved in the provision of affordable housing and support services; these include:

1. South Okanagan Similkameen Brain Injury Society: The Society helps over 1,500 people a year under a variety of programs (Exec. Director: Ms. Linda Sankey). These include individuals with substance abuse, mental health and addiction issues (roughly 240 individuals) and individuals at risk of homelessness or already homeless (roughly 300 individuals).
2. Ookankane Friendship Centre: The Centre provides holistic, culturally driven programs and services to support educate and strengthen people of all nations. It provides support services to individuals and families who are near-homeless or are homeless, have substance abuse, injuries and behaviour management issues or are to leave shelters and supportive housing (Exec. Director: Matthew Baran).
3. South Okanagan Women in Need Society: provides services for women who have experienced, or who are at risk of experiencing, violence or abuse in the South Okanagan.
4. Okanagan Nation Transition Emergency House: ONTEH provides a shelter for women and children fleeing domestic violence and abuse.
5. Penticton Kiwanis Housing Society: The Housing Society provides affordable housing to independent seniors in the City. It operates 74 one bedroom and 18 two bedroom units in three apartment buildings; namely Kiwanis Court, Kiwanis Van Horne and Kiwanis Village.
6. Penticton and District Community Resources Society: The Society provides community resources and support services, including support programs for child, youth and family, community living services for adults with developmental disabilities.
7. Clarendon Hall Co-operative: Operates subsidized housing (rent geared to income), including 34 one bedroom units and 18 two bedroom units for seniors.

Recent examples of non-market housing

The City and the Province have been proactively working on enhancing the affordable housing stock; some of the recent examples include:

284 Brunswick Street: The City will be facilitating the development of sixty-seven units for low-income families at the corner of Brunswick Street and Nanaimo Avenue by donating land and waiving the development charges. In addition, the development is expected to be financed by the Province (BC Housing) and operated by two non-profit partners, Penticton and District Community Resources Society and Catalyst Community Development Society. The building will include wheelchair-accessible units and will provide easy access to the downtown and park amenities. The development is expected to start in mid - 2017

2670 Skaha Lake Rd: The Bel-Air Motel (42-unit) was purchased in 2016 by the Provincial and Federal government to provide affordable rental housing for people in need who are able to live independently. The facility will be renamed Fairhaven and will be managed by BC Housing. The property is expected to be renovated to include an affordable mix of larger units and studio apartments units.

Non-market housing inventory

A more detailed inventory of the non-profit housing stock and their descriptions are provided below (Table 17 and Table 18):

1. **Shelter:** These include year-round shelters and emergency weather response shelters.
2. **Transition houses and safe homes:** Provides temporary shelter and services for women and their children who are facing crisis issues, fleeing domestic violence, or who are in a housing crisis. Basic food and shelter is provided as well as support services such as advocacy, information and referral, counselling, and transportation to appointments.
3. **Below market rental:** Below-market rental housing is housing with rents equal to, or lower than, average rates in private-market rental housing.
4. **Co-operative housing:** Co-operative housing is a type of development where the residents have a share in the corporation (co-operative) that owns/manages the development.
5. **Seniors:** typically defined as a single person age 55 or older or a couple where at least one person is age 55 or older.
6. **Assisted living:** Assisted living housing is generally self-contained apartments for seniors and people with disabilities who need some support services to continue living independently, but do not need 24-hour facility care.
7. **Supportive housing:** Supportive housing provides on-site supports and services to residents who cannot live independently, and are not expected to become fully self-sufficient.

Organization	Address	Beds	Suitable for	Housing / Shelter type
Shelter				
The Governing Council of the Salvation Army in Canada Penticton Branch	123 Nanaimo Avenue, Penticton, V2A 1N2	16	Men and Women	Year-Round Shelters
The Governing Council of the Salvation Army in Canada Penticton Branch / South Okanagan Similkameen Brain Injury Society	123 Nanaimo Avenue, Penticton, V2A 1N2	8	men only	EWR Open Shelters
South Okanagan Similkameen Brain Injury Society	707 Westminster Avenue, Penticton, V2A 1K8	4	women only	EWR Open Shelters
Transition houses & Safe homes				
Okanagan Nation Emergency Transition House	Okanagan Nation Family Intervention and Service Society			Transition House
South Okanagan Women in Need Transition House	South Okanagan Women in Need Society	14	women and children	Transition House
Penticton Safe Home	South Okanagan Women in Need Society		women and children	Safe Home

Table 17: Shelter and transition homes in Penticton
Source: BC housing

City of Penticton: Housing Needs Assessment

Name	Address	Studio	1 bed	2 beds	Total	Suitable for	Housing type
Below market rental							
Clarendon Hall Co-operative	115 Warren Ave W, Penticton, BC, V2A 7N5		34	18	52	Seniors	Subsidized housing (rent geared to income) Low cost market housing Co-operative housing
Kiwanis Court	390 Brunswick St, Penticton, BC, V2A 5R1		12	18	30	Seniors/persons with disabilities	Subsidized housing (rent geared to income) Low cost market housing
Kiwanis Van Home	150 Van Home St, Penticton, BC, V2A 4K2		22		22	Seniors/persons with disabilities	Subsidized housing (rent geared to income) Low cost market housing
Kiwanis Village	360 Brunswick St, Penticton, BC, V2A 5R1		40		40	Seniors/persons with disabilities	Subsidized housing (rent geared to income) Low cost market housing
Co-operative housing							
Clarendon Hall Co-operative	115 Warren Ave W, Penticton, BC, V2A 7N5		34	18	52	Seniors	Subsidized housing (rent geared to income) Low cost market housing Co-operative housing
Seniors							
Abbott Towers	90 Abbott St, Penticton, BC, V2A 7W8		92	5	97	Seniors/persons with disabilities	Wheelchair accessible
Clarendon Hall Co-operative	115 Warren Ave W, Penticton, BC, V2A 7N5		34	18	52	Seniors	Subsidized housing (rent geared to income) Low cost market housing Co-operative housing
Kiwanis Court	390 Brunswick St, Penticton, BC, V2A 5R1		12	18	30	Seniors/persons with disabilities	Subsidized housing (rent geared to income) Low cost market housing
Kiwanis Van Home	150 Van Home St, Penticton, BC, V2A 4K2		22		22	Seniors/persons with disabilities	Subsidized housing (rent geared to income) Low cost market housing
Kiwanis Village	360 Brunswick St, Penticton, BC, V2A 5R1		40		40	Seniors/persons with disabilities	Subsidized housing (rent geared to income) Low cost market housing
Reed's Corner	885 Fairview Rd, Penticton, BC, V2A 5Y7		18	2	20	Seniors/singles/persons with disabilities	Wheelchair accessible
Skaha Sunrise Apartments	2872 Skaha Lake Rd, Penticton, BC, V2A 6G1	19	23	4	46	Seniors/singles/families/persons with disabilities/couples	
The Tower	453 Winnipeg St, Penticton, BC, V2A 6P4	96	23	5	124	Seniors/persons with disabilities	Wheelchair accessible Seniors housing with support
Assisted living							
The Tower	453 Winnipeg St, Penticton, BC, V2A 6P4	96	23	5	124	Seniors/persons with disabilities	Wheelchair accessible Seniors housing with support
Supportive housing							
Fairhaven (PARENT)	2670 Skaha Lake Rd, Penticton, BC, V2A 6G1	26	15	1	42	Persons with disabilities	

Table 18: Below market rental, seniors and supportive housing in Penticton

Source: BC housing

3.6 Housing suitability and adequacy

Most of the houses in the City of Penticton have appropriate number of bedrooms for the size and make-up of resident households in 2011 (Housing Market Information Portal, CMHC). Only 3.3 percent of the occupied dwellings, including 1.9 percent of the owner-occupied and 5.8 percent of the renter-occupied dwellings were not suitable or crowded (Table 19).

The Housing Needs Assessment Survey also inquired about housing and found that roughly 14 percent of the respondents identified crowding as one of the major housing issues. However, the survey had a higher response rate from renter households (48 percent vs. the city-wide share of 36 percent) and it is likely that the survey findings might be an overrepresentation of crowding in the City. It is also likely that the housing suitability might have declined since 2011, when the National Household Survey was conducted. Regardless, it would be prudent to re-examine housing suitability once the 2016 Census become available (mid- 2017).

Housing suitability	Occupied dwellings		Owner-occupied		Renter-occupied	
	2006	2011	2006	2011	2006	2011
Suitable	14,025 (96.1%)	14,730 (96.7%)	9,495 (97.7%)	9,550 (98.2%)	4,530 (92.7%)	5,185 (94.3%)
Not suitable (crowded)	575 (3.9%)	500 (3.3%)	220 (2.3%)	180 (1.9%)	355 (7.3%)	320 (5.8%)
Total	14,595	15,235	9,715	9,730	4,885	5,500

Table 19: Housing suitability
Source: Urbanics Consultants Ltd. and CMHC

Some of the local housing experts have identified the advanced age of much of the housing stock and a prevalence of housing adequacy related issues in the City; i.e. homes requiring major repairs related to defective plumbing or electrical wiring, or structural repairs to walls, floors or ceilings.

Table 20 provides the housing stock in the City and its period of construction. It shows that in 2011 roughly 53 percent of the total housing stock in the City was built prior to 1980; including roughly 50 percent of owner-occupied and 59 percent of the renter-occupied housing. Further, Killarney/Penticton Ave (75 percent of all homes), Duncan / Sandero (71 percent of all homes) and Uplands (61 percent of all homes) had three of the highest proportion of homes built prior to 1980. While the neighbourhoods of Valley View (29 percent of all homes), Cherry Lane (30 percent of all homes) and Wiltse (33 percent of all homes) had the lowest proportion of homes built before 1980.

City of Penticton: Housing Needs Assessment

Period of construction	Occupied dwellings		Owner-occupied		Renter-occupied	
	2006	2011	2006	2011	2006	2011
Dwellings built before 1946	1,235 (8.5%)	920 (6%)	895 (9.2%)	655 (6.7%)	340 (7%)	270 (4.9%)
Dwellings built from 1946 to 1960	2,105 (14.4%)	1,850 (12.1%)	1,435 (14.8%)	1,270 (13.1%)	670 (13.7%)	575 (10.5%)
Dwellings built from 1961 to 1980	5,130 (35.2%)	5,285 (34.7%)	2,920 (30.1%)	2,915 (30%)	2,215 (45.3%)	2,375 (43.2%)
Dwellings built from 1981 to 2000	5,430 (37.2%)	5,455 (35.8%)	3,885 (40%)	3,890 (40%)	1,545 (31.6%)	1,565 (28.5%)
Dwellings built from 2001 to 2006	695 (4.8%)	755 (5%)	580 (6%)	535 (5.5%)	115 (2.4%)	225 (4.1%)
Dwellings built from 2006 to 2011		965 (6.3%)		475 (4.9%)		490 (8.9%)
Occupied private dwellings	14,595 (100%)	15,235 (100%)	9,715 (100%)	9,730 (100%)	4,885 (100%)	5,500 (100%)

Table 20: Occupied dwelling and period of construction
Source: Urbanics Consultants Ltd. and CMHC

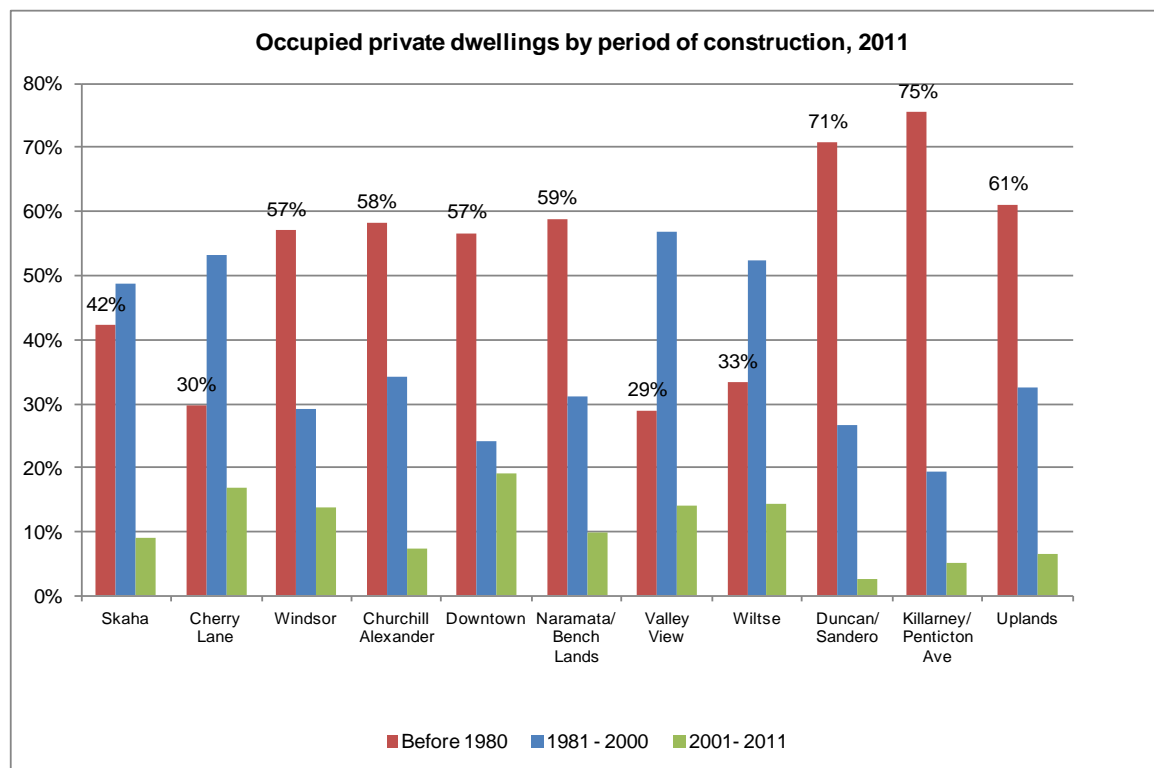


Figure 24: Housing stock distribution by age for neighbourhoods, 2011
Source: Urbanics Consultants Ltd. and CMHC

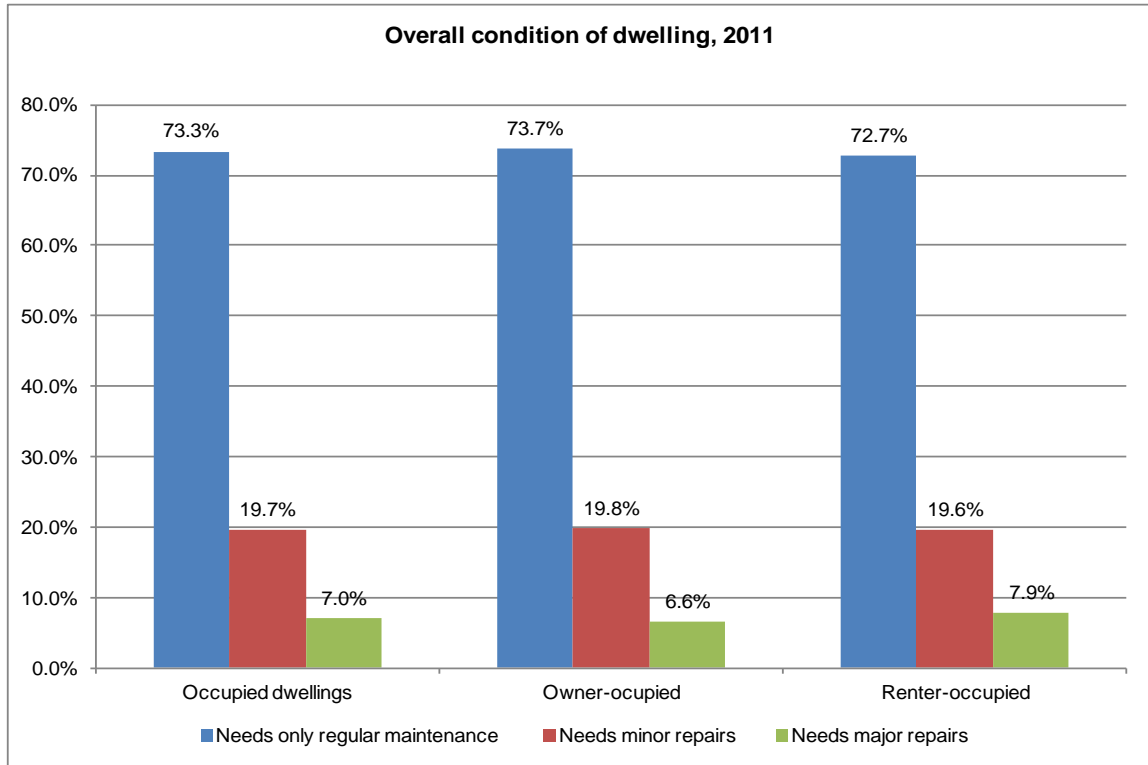


Figure 25: Condition of dwelling
Source: Urbanics Consultants Ltd. and CMHC

However, based on the CMHC data, even though a high proportion of the housing stock in the City was built prior to 1980 only 7 percent of the total dwellings required major repairs and 19.7 percent required minor repairs in 2011. Further, only 6.6 percent of owner-occupiers reported that their homes needed major repairs as compared to 7.9 percent of renter-occupiers, while the proportion of households reporting minor repairs was fairly similar amongst the two tenure categories in 2011 (Figure 25)

Table 21 provides a detailed breakdown of the age of the housing stock and number of dwellings needing regular maintenance, minor repairs and major repairs in 2011. As would be expected the proportion of dwellings requiring major repairs increased from 2.1 percent for homes built during 2006 – 2011 to 17.9 percent for those built before 1946. Overall, roughly over 1,000 dwelling units needed major repairs in 2011 and represented roughly 7 percent of the total housing stock.

The reader should also note that the Housing Needs Assessment Survey found that roughly 17 percent of the households identified housing adequacy as one of the major housing issues. However, the survey had a higher response rate from renter households (48 percent vs. the city-wide share of 36 percent) and it is likely that the survey finding might be an overrepresentation of the actual share of dwellings requiring major repairs. Thus, it would be prudent to re-examine housing suitability once more data becomes available.

City of Penticton: Housing Needs Assessment

Period of construction and condition of dwelling	Occupied dwellings		Owner-occupied		Renter-occupied	
	2006	2011	2006	2011	2006	2011
Dwellings built before 1946	1,235 (100%)	920 (100%)	895 (100%)	655 (100%)	340 (100%)	270 (100%)
Needs only regular maintenance	640 (51.8%)	485 (52.7%)	505 (56.4%)	360 (55%)	140 (41.2%)	120 (44.4%)
Needs minor repairs	390 (31.6%)	270 (29.4%)	270 (30.2%)	185 (28.2%)	115 (33.8%)	85 (31.5%)
Needs major repairs	205 (16.6%)	165 (17.9%)	125 (14%)	105 (16%)	80 (23.5%)	60 (22.2%)
Dwellings built from 1946 to 1960	2,105 (100%)	1,850 (100%)	1,435 (100%)	1,270 (100%)	670 (100%)	575 (100%)
Needs only regular maintenance	1,175 (55.8%)	1,205 (65.1%)	905 (63.1%)	865 (68.1%)	270 (40.3%)	340 (59.1%)
Needs minor repairs	675 (32.1%)	465 (25.1%)	415 (28.9%)	295 (23.2%)	260 (38.8%)	170 (29.6%)
Needs major repairs	255 (12.1%)	175 (9.5%)	115 (8%)	105 (8.3%)	140 (20.9%)	65 (11.3%)
Dwellings built from 1961 to 1980	5,130 (100%)	5,285 (100%)	2,920 (100%)	2,915 (100%)	2,215 (100%)	2,375 (100%)
Needs only regular maintenance	3,625 (70.7%)	3,690 (69.8%)	2,090 (71.6%)	1,925 (66%)	1,530 (69.1%)	1,765 (74.3%)
Needs minor repairs	1,160 (22.6%)	1,240 (23.5%)	625 (21.4%)	760 (26.1%)	530 (23.9%)	480 (20.2%)
Needs major repairs	355 (6.9%)	360 (6.8%)	205 (7%)	225 (7.7%)	150 (6.8%)	130 (5.5%)
Dwellings built from 1981 to 2000	5,430 (100%)	5,455 (100%)	3,885 (100%)	3,890 (100%)	1,545 (100%)	1,565 (100%)
Needs only regular maintenance	4,450 (82%)	4,230 (77.5%)	3,170 (81.6%)	3,055 (78.5%)	1,275 (82.5%)	1,175 (75.1%)
Needs minor repairs	865 (15.9%)	925 (17%)	650 (16.7%)	650 (16.7%)	215 (13.9%)	280 (17.9%)
Needs major repairs	115 (2.1%)	305 (5.6%)	65 (1.7%)	185 (4.8%)	50 (3.2%)	125 (8%)
Dwellings built from 2001 to 2006	695 (100%)	755 (100%)	580 (100%)	535 (100%)	115 (100%)	225 (100%)
Needs only regular maintenance	685 (98.6%)	630 (83.4%)	570 (98.3%)	500 (93.5%)	115 (100%)	135 (60%)
Needs minor repairs	10 (1.4%)	95 (12.6%)	10 (1.7%)	35 (6.5%)	10 (8.7%)	60 (26.7%)
Needs major repairs	0 (0%)	45 (6%)	0 (0%)	15 (2.8%)	0 (0%)	50 (22.2%)
Dwellings built from 2006 to 2011		965 (100%)		475 (100%)		490 (100%)
Needs only regular maintenance		935 (96.9%)		465 (97.9%)		465 (94.9%)
Needs minor repairs		0 (0%)		0 (0%)		0 (0%)
Needs major repairs		20 (2.1%)		0 (0%)		0 (0%)
Occupied private dwellings	14,595 (100%)	15,235 (100%)	9,715 (100%)	9,730 (100%)	4,885 (100%)	5,500 (100%)
Needs only regular maintenance	10,575 (72.5%)	11,165 (73.3%)	7,240 (74.5%)	7,170 (73.7%)	3,335 (68.3%)	4,000 (72.7%)
Needs minor repairs	3,095 (21.2%)	3,000 (19.7%)	1,960 (20.2%)	1,925 (19.8%)	1,130 (23.1%)	1,075 (19.6%)
Needs major repairs	930 (6.4%)	1,070 (7%)	510 (5.3%)	640 (6.6%)	415 (8.5%)	435 (7.9%)

Table 21: Period of construction and condition of dwelling

Source: Urbanics Consultants Ltd. and CMHC

3.7 Core housing need

A household is considered to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability standards and if it would have to spend 30 per cent or more of its before-tax income to pay the median rent (including utilities) of appropriately sized alternative local market housing.

Table 22 provides the average shelter-cost-to-income ratio (STIR), which is based on the average proportion of total before-tax household income spent on shelter. It is estimated by dividing a household's total annual shelter cost by its total annual income and then taking an average of the individual households' STIRs. The main findings from the table are:

- Households in Penticton paid an average monthly shelter cost of \$925 in 2011. The average monthly shelter cost for tenant households was \$878, which was lower than the average monthly shelter cost for owner households of \$950 in 2011.
- Households in Penticton that paid 30% or more of household total income toward shelter costs represented 24.90% of non-farm, non-reserve households with total income greater than zero. A lower proportion of owner households paid 30% or more compared to tenant households in Penticton (19.9% for owners versus 34.4% for renters).

Table 23 examines the proportion of households in core housing need along with at least a senior in the household, a child less than 18 years of age, a person with activity limitations and aboriginal households. The table suggests that roughly 6.5% of the households in core need have at least one senior, 4.2 percent of the households have at least one child less than 18 years old, 9.4 percent of the households in the core need have at least one person with activity limitations and 2 percent of the households were aboriginal households.

Table 24 provides the overall summary of households in core housing need for the City of Penticton. The table shows that:

- Roughly 16.6 percent of the households were in core housing need in 2011. Of the total, roughly 15.8 percent of the households were below affordability standard, 2.1 percent of the households were below adequacy standards and 1.5 percent of the households below the suitability standard.
- Roughly 5.5 percent of the homeowners were in core housing need in 2011. Of the total, roughly 5 percent of the households were below affordability standard, 0.9 percent of the households were below adequacy standards and 0.5 percent of the households below the suitability standard.
- Roughly 37.1 percent of renter households were in core housing need. Of the total, roughly 35.7 percent of the households were below affordability standard, 4.5 percent of the households were below adequacy standards and 3.5 percent of the households below the suitability standard.

Thus, a large proportion of renter households are in core housing need, i.e. pay more than 30% of their household income towards shelter costs or live in homes that need repair or live in overcrowded housing.

City of Penticton: Housing Needs Assessment

Incomes, shelter costs and STIR	All households			Households in core housing need		
	Total	Owners	Renters	Total	Owners	Renters
Average household income before taxes (\$)	\$ 59,776	\$ 70,488	\$ 39,894	\$ 20,917	\$ 21,901	\$ 20,647
Average monthly shelter costs (\$)	\$ 925	\$ 950	\$ 878	\$ 839	\$ 930	\$ 814
Average STIR before taxes (%)	24.90%	19.90%	34.40%	50.20%	51.90%	49.90%
Median household income before taxes (\$)	\$ 46,185	\$ 56,711	\$ 31,362	\$ 18,451	\$ 19,395	\$ 18,124
Median monthly shelter costs (\$)	\$ 771	\$ 716	\$ 820	\$ 732	\$ 735	\$ 725
Median STIR before taxes (%)	20.40%	16%	30.20%	46.30%	50.20%	45.50%

Table 22: Income, shelter costs and STIR, 2011
Source: Housing Market Information Portal, CMHC

Household type	All households		Owners		Renters	
	2006	2011	2006	2011	2006	2011
Household has at least one senior (65 or older)	515 (3.6%)	930 (6.5%)	170 (1.8%)	240 (2.6%)	345 (7.4%)	690 (13.7%)
Household has at least one child less than 18 years old	450 (3.2%)	600 (4.2%)	60 (0.6%)	110 (1.2%)	390 (8.4%)	490 (9.8%)
Household has at least one person with activity limitations	1,125 (8%)	1,350 (9.4%)	245 (2.6%)	255 (2.7%)	880 (18.9%)	1,095 (21.8%)
Aboriginal households	135 (1%)	280 (2%)	10 (0.1%)	15 (0.2%)	125 (2.7%)	260 (5.2%)
	14,125	14,340	9,480	9,320	4,645	5,025

Table 23: Households in core housing need by type
Source: Housing Market Information Portal, CMHC

Housing standards	All households		Owners		Renters	
	2006	2011	2006	2011	2006	2011
Below affordability standard	1,730 (12.2%)	2,270 (15.8%)	440 (4.6%)	470 (5%)	1,285 (27.7%)	1,795 (35.7%)
Below adequacy standard	175 (1.2%)	305 (2.1%)	55 (0.6%)	80 (0.9%)	115 (2.5%)	225 (4.5%)
Below suitability standard	170 (1.2%)	220 (1.5%)	25 (0.3%)	50 (0.5%)	145 (3.1%)	170 (3.4%)
Total below one or more housing standards	1,785 (12.6%)	2,375 (16.6%)	465 (4.9%)	510 (5.5%)	1,320 (28.4%)	1,865 (37.1%)
Households tested for core housing need	14,125	14,340	9,480	9,320	4,645	5,025

Table 24: Households in core housing need
Source: Housing Market Information Portal, CMHC

4 Housing Market

This section examines the housing sales activity in the City of Penticton, by using the 2016 housing sales data from the South Okanagan Real Estate Board. Single-detached homes accounted for the largest number of home sales in 2016, followed by duplex, fourplex and townhouse and apartment units (Table 25). Further, Main North accounted for 419 sales or 41% of the total sales (1,090 sales), followed by Main south (31%), Columbia/ Duncan (14%), Wiltse/ Valley view (9%) and Uplands (3%).

Figure 26 provides the median prices by dwelling types for the City in 2016. The figure shows that the median sale prices of single family homes was in the range of \$ 333,450 in Main North to \$567,000 in Uplands in 2016. Among duplex/ triplex/fourplex/ townhouse the median sale prices were in the range of \$249,000 in Columbia/ Duncan to \$ 368,770 in Wiltse / Valley View. Furthermore, the median sale prices of apartments were in the range of \$110,000 in Columbia/ Duncan to \$ 222,500 in Main North. The most affordable dwelling type was movable dwellings, for which the median sales price was from \$70,000 in Main North to \$150,000 in Columbia Duncan. Overall a wide range of housing products and types were transacted in the housing market during 2016.

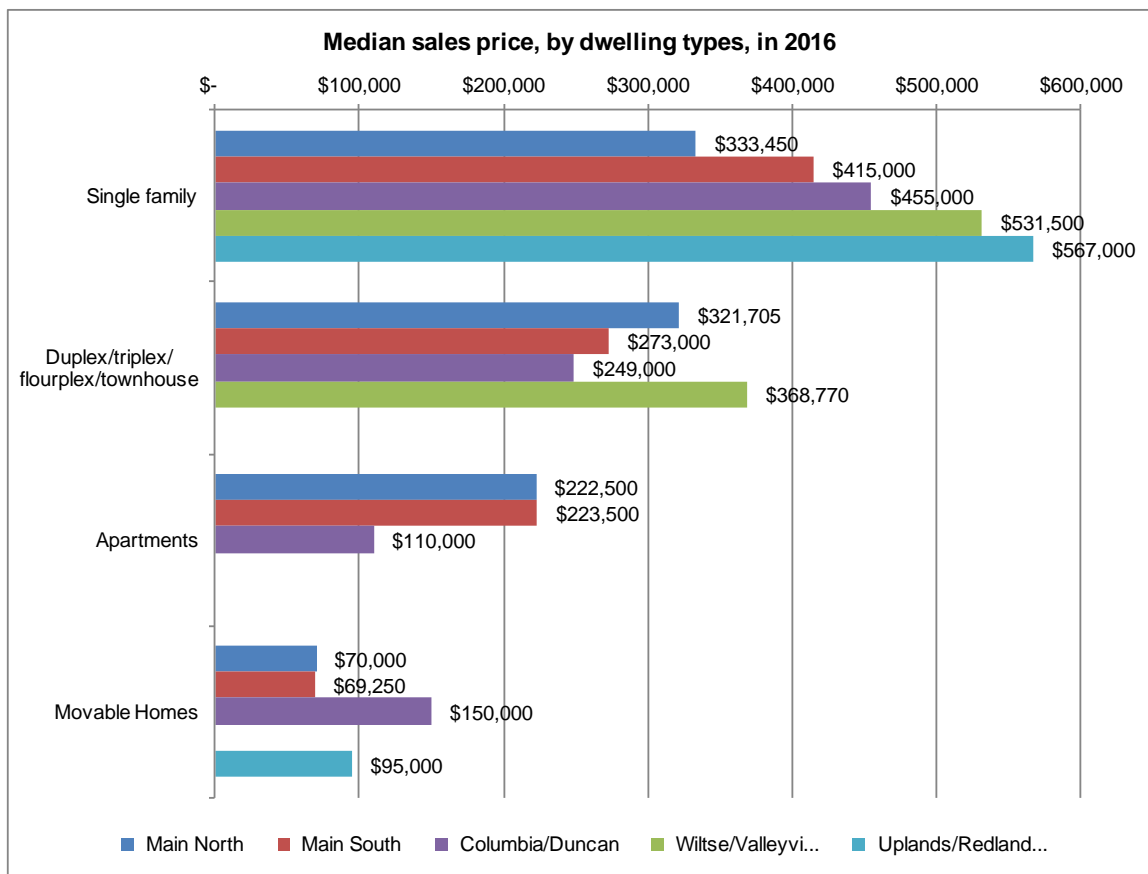


Figure 26: Median sales price by dwelling types, 2016
Source: Urbanics Consultants Ltd.

City of Penticton: Housing Needs Assessment

	# of sales	# of beds	# of baths	High	Median	Low	Average
Main North							
Single family	176	3.0	2.0	\$ 381,250	\$ 333,450	\$ 285,000	\$ 339,163
Duplex/triplex/ flourplex/townhouse	139	3.0	3.0	\$ 398,700	\$ 321,705	\$ 261,750	\$ 341,654
Apartments	97	2.0	2.0	\$ 335,000	\$ 222,500	\$ 155,000	\$ 295,010
Movable Homes	7	2.0	1.0	\$ 118,000	\$ 70,000	\$ 60,750	\$ 86,786
Main South							
Single family	59	3.0	2.0	\$ 505,000	\$ 415,000	\$ 380,000	\$ 479,263
Duplex/fourplex/townhouse	107	3.0	3.0	\$ 305,000	\$ 273,000	\$ 200,750	\$ 267,133
Apartments	103	2.0	2.0	\$ 316,000	\$ 223,500	\$ 163,500	\$ 246,044
Movable Homes	48	2.0	2.0	\$ 125,000	\$ 69,250	\$ 34,750	\$ 94,278
Columbia/Duncan							
Single family	115	4.0	3.0	\$ 545,000	\$ 455,000	\$ 414,610	\$ 478,713
Duplex/fourplex/townhouse	14	3.0	2.5	\$ 270,250	\$ 249,000	\$ 242,750	\$ 259,357
Apartments	6	1.5	1.0	\$ 228,750	\$ 110,000	\$ 98,500	\$ 157,167
Movable Homes	3	2.0	2.0	\$ 162,500	\$ 150,000	\$ 132,500	\$ 146,667
Wiltse/Valleyview							
Single family	76	4.0	3.0	\$ 624,250	\$ 531,500	\$ 441,625	\$ 564,319
Duplex/fourplex/townhouse	15	3.0	3.0	\$ 440,500	\$ 368,770	\$ 197,500	\$ 342,431
Apartments							
Movable Homes							
Uplands/Redlands							
Single family	34	4.0	3.0	\$ 678,750	\$ 567,000	\$ 475,250	\$ 602,899
Duplex/fourplex/townhouse							
Apartments							
Movable Homes	1	3.0	1.0	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000

Table 25: Housing sales by dwelling types and neighbourhoods

Source: Urbanics Consultants Ltd.

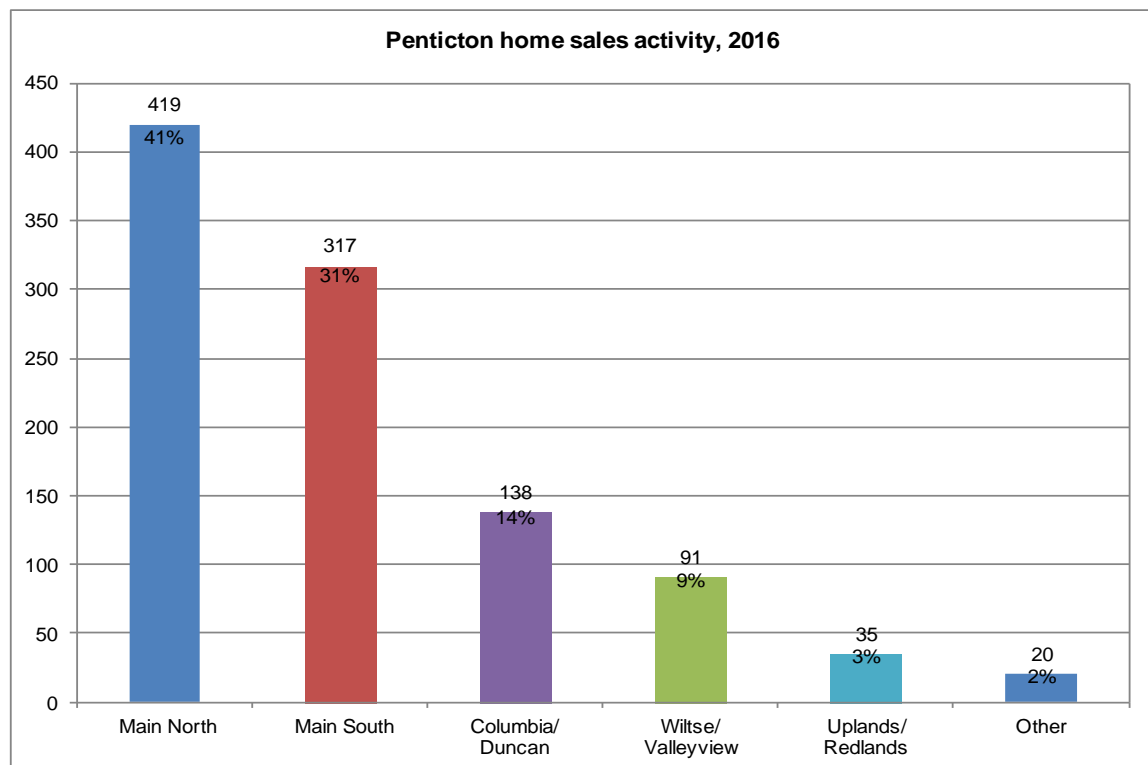


Figure 27: Home sales activity

Source: Urbanics Consultants Ltd.

4.1 New home sales

This section examines the new homes sales in the City and estimates the median sales price trends for single-detached homes, duplex/ fourplex / town houses and apartment units in the City. Figure 28 provides a graphical representation of the median home sales prices for new homes in the City of Penticton.

In addition, the median sales price trend for new homes has also been inflation-adjusted to account for the length of time covered. When seen in constant 2016 dollars it is evident that the prices have increased across most housing categories on a median price per room basis but have declined for single-family and apartment units, even when adjusted for inflation. The only exception is the duplex/ fourplex and townhouses category which has lower median prices than single-detached units but has experienced significant appreciation over 2013 -2016 (Table 26). The median home sales prices have appreciated from \$301,000 in 2013 to 397,620 in 2016 (inflation-adjusted). Additionally, the median price/room has increased from \$54,865 in 2013 to \$ 66,270 in 2016 (inflation -adjusted) or an annual increase of 7 percent during this period.

Among the single-family units, the median home sizes, i.e. number of beds and baths, have declined over the study period (2013 - 2016) from 5 beds and 4 baths in 2013 to 4 beds and 3 baths in 2016. The median home sales prices have also declined from \$614,000 in 2013 to 535,000 in 2016 (inflation-adjusted), which might be indicative of lower affordability of the single-family housing segment. In spite of decline in unit price, the median price/room has increased from \$68,224 in 2013 to \$ 76,436 in 2016 (inflation -adjusted), an annual appreciation of 3 percent during this period.

Median priced apartment units in the City are primarily 2-bed 2-bath units, with prices in the range of \$250,000 in 2013 to \$241,950 in 2016 (inflation-adjusted). The apartment units experienced an appreciation of 11 percent on a median price / room basis.

Sale year	Inflation adjustment (2016 \$)	Single-detached		Duplex/fourplex/townhouse		Apartments	
		Median sales price	Median price/room	Median sales price	Median price/room	Median sales price	Median price/room
2013	105%	\$ 614,016	\$ 68,224	\$ 301,760	\$ 54,865	\$ 250,592	\$ 62,648
2014	103%	\$ 502,446	\$ 83,741	\$ 356,327	\$ 59,388	\$ 271,731	\$ 67,933
2015	101%	\$ 530,406	\$ 88,401	\$ 359,021	\$ 59,837	\$ 314,619	\$ 78,655
2016	100%	\$ 535,050	\$ 76,436	\$ 397,620	\$ 66,270	\$ 241,950	\$ 96,780
Price growth (2013-2016)		\$ (78,966)	\$ 8,212	\$ 95,860	\$ 11,405	\$ (8,642)	\$ 34,132
% increase (2013-2016)		-13%	12%	32%	21%	-3%	54%
% Annual increase		-3%	3%	7%	5%	-1%	11%

Table 26: Median Sales Prices by Housing Type (2013-2016) Constant 2016 Dollars

Source: Urbanics Consultants

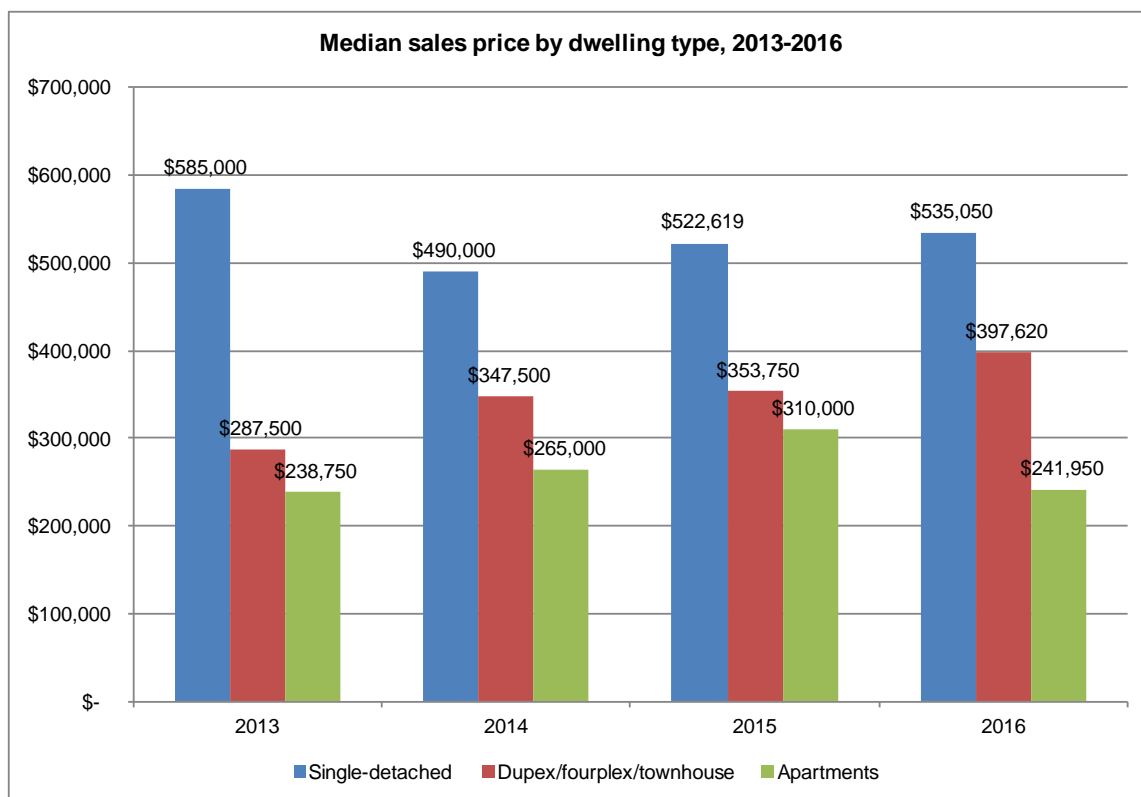


Figure 28: Median Sales Prices by Housing Type, 2013-2016 (unadjusted)
Source: Urbanics Consultants Ltd.

Single-detached

Sale year	Median # of beds	Median # of baths	Median sales price	Average sales price	Minimum sales price	Maximum sales price	Median price/room
2013	5.0	4.0	\$ 585,000	\$ 570,500	\$ 525,000	\$ 601,500	\$ 65,000.0
2014	3.0	3.0	\$ 490,000	\$ 503,168	\$ 420,000	\$ 714,000	\$ 81,666.7
2015	3.0	3.0	\$ 522,619	\$ 526,294	\$ 390,476	\$ 666,666	\$ 87,103.1
2016	4.0	3.0	\$ 535,050	\$ 545,676	\$ 401,593	\$ 800,000	\$ 76,435.7

Duplex/fourplex/townhouse

Sale year	Median # of beds	Median # of baths	Median sales price	Average sales price	Minimum sales price	Maximum sales price	Median price/room
2013	2.5	3.0	\$ 287,500	\$ 297,167	\$ 275,000	\$ 332,000	\$ 52,272.7
2014	3.0	3.0	\$ 347,500	\$ 370,082	\$ 270,000	\$ 555,000	\$ 57,916.7
2015	3.0	3.0	\$ 353,750	\$ 348,134	\$ 190,000	\$ 449,000	\$ 58,958.3
2016	3.0	3.0	\$ 397,620	\$ 378,043	\$ 300,067	\$ 510,000	\$ 66,270.0

Apartments

Sale year	Median # of beds	Median # of baths	Median sales price	Average sales price	Minimum sales price	Maximum sales price	Median price/room
2013	2.0	2.0	\$ 238,750	\$ 238,750	\$ 237,500	\$ 240,000	\$ 59,687.5
2014	2.0	2.0	\$ 265,000	\$ 255,655	\$ 170,000	\$ 345,000	\$ 66,250.0
2015	2.0	2.0	\$ 310,000	\$ 324,800	\$ 224,900	\$ 733,500	\$ 77,500.0
2016	1.0	1.5	\$ 241,950	\$ 252,325	\$ 170,000	\$ 345,000	\$ 96,780.0

Table 27: New Home Sales Prices by Housing Type, 2013-2016 (unadjusted)

4.2 Affordability of market housing

Having examined the housing suitability (suitable housing has enough bedrooms for the size and make-up of resident households) and adequacy (adequate housing does not require any major repairs) in the previous section, this section examines the affordability standard in the City of Penticton.

It is of interest to see how affordable the City of Penticton's housing market is for those who live there. For each of the five main property types, the highest (75th percentile), lowest (25th percentile) and median sales prices observed in 2016 are recorded. For each of those prices the corresponding qualifying “affordable” income is determined using a set of assumptions. CMHC defines a property as affordable if the cost of paying for that housing utilizes less than 30 percent of the resident household’s pre-tax income. Shelter costs include the following:

- For renters: rent and any payments for electricity, fuel, water and other municipal services;
- For owners: mortgage payments (principal and interest), property taxes, and any condominium fees, along with payments for electricity, fuel, water and other municipal services.

Other assumptions include:

20 percent down payment – Anything less will force the borrower to pay mortgage insurance every month until the borrower has built 20% equity in the property. Also, many lenders require at least this much down payment as part of their lending guidelines;

25-year mortgage amortization – This is the longest-term mortgage available, which lends itself to the smallest monthly payment;

5% interest rate – This is the currently advertised interest on a 25-year fixed-rate mortgage;

\$7.38 per \$ 1000 in home value– This is the current residential property tax rate in the City of Penticton; and

0.25 percent Insurance rate – This is to account for insurance requirements the lender may have.

One would be correct to point out that since the data used for household income is from 2011, households may be able to afford higher price points than indicated in the forthcoming tables. This would be true if wages have significantly increased since 2011. Unfortunately, we do not have sufficient information to determine the degree to which wages have changed. Moreover, should the household be able to obtain financing at a lower interest rate, or supply a larger down payment than 20%, more market options become attainable. These figures represent a basic scenario with specific inputs.

Given the assumptions above one can see that purchasing a median priced single-detached home (resale), with a price of \$425,000 in 2016, is affordable to only 17percent of the total households (Table 28). Apartments less than 5 storeys (affordable to 46 percent of the households) as well as row houses, duplex, and other attached units (affordable to 31 percent of the households) are more affordable to a larger percentage of the City's households than single-detached or Apartments with 5 storeys or more (affordable to 27 percent of the households), while a median-priced mobile home is attainable to 90 percent of the households.

City of Penticton: Housing Needs Assessment

Dwelling types	# of beds	# of baths	Sales price	Loan Amount	Mortgage payment (\$ monthly)	PITI (\$ annual)	Qualifying income (\$ annual)	Qualifying households (% of total)
Owner-occupied								
Low								
Single-detached	2	2	\$ 340,000	\$ 272,000	\$ 1,590	\$ 22,440	\$ 74,801	26%
Townhomes	2	2	\$ 220,000	\$ 176,000	\$ 1,029	\$ 14,520	\$ 48,400	45%
Apartments (>5)	2	2	\$ 231,375	\$ 185,100	\$ 1,082	\$ 15,271	\$ 50,903	43%
Apartments (<5)	2	2	\$ 154,250	\$ 123,400	\$ 721	\$ 10,181	\$ 33,935	63%
Movable Dwellings	2	1	\$ 43,500	\$ 34,800	\$ 203	\$ 2,871	\$ 9,570	95%
Median								
Single-detached	3	2	\$ 425,000	\$ 340,000	\$ 1,988	\$ 28,050	\$ 93,501	17%
Townhomes	3	3	\$ 300,000	\$ 240,000	\$ 1,403	\$ 19,800	\$ 66,001	31%
Apartments (>5)	2	2	\$ 326,625	\$ 261,300	\$ 1,528	\$ 21,557	\$ 71,858	27%
Apartments (<5)	2	2	\$ 217,750	\$ 174,200	\$ 1,018	\$ 14,372	\$ 47,905	46%
Movable Dwellings	2	2	\$ 71,000	\$ 56,800	\$ 332	\$ 4,686	\$ 15,620	90%
High								
Single-detached	4	3	\$ 535,000	\$ 428,000	\$ 2,502	\$ 35,310	\$ 117,701	10%
Townhomes	3	3	\$ 351,000	\$ 280,800	\$ 1,642	\$ 23,166	\$ 77,221	24%
Apartments (>5)	2	2	\$ 469,313	\$ 375,450	\$ 2,195	\$ 30,975	\$ 103,250	13%
Apartments (<5)	2	2	\$ 312,875	\$ 250,300	\$ 1,463	\$ 20,650	\$ 68,833	29%
Movable Dwellings	3	2	\$ 133,000	\$ 106,400	\$ 622	\$ 8,778	\$ 29,260	69%

Table 28: Qualifying Incomes for all housing sales in 2016

Source: Urbanics Consultants Ltd.

The housing affordability further drops for new homes; a median priced single-family unit, with a price of \$535,000, is affordable to only 10 percent of the total households in the City (Table 29). Apartments less than 5 storeys (affordable to 41 percent of the households) as well as Apartments with 5 storeys or more (affordable to 22 percent of the households) are more affordable to a larger percentage of the City's households than single-detached as well as row houses, duplex, and other attached units (affordable to 19 percent of the households) while a median-priced mobile home is attainable to 52 percent of the households.

Dwelling types	# of beds	# of baths	Sales price	Loan Amount	Mortgage payment (\$ monthly)	PITI (\$ annual)	Qualifying income (\$ annual)	Qualifying households (% of total)
Owner-occupied								
Low								
Single-detached	2	2	\$ 467,857	\$ 374,286	\$ 2,188	\$ 30,879	\$ 102,930	13%
Townhomes	3	2	\$ 315,825	\$ 252,660	\$ 1,477	\$ 20,845	\$ 69,482	29%
Apartments (>5)	1	1	\$ 307,350	\$ 245,880	\$ 1,437	\$ 20,285	\$ 67,618	30%
Apartments (<5)	1	1	\$ 204,900	\$ 163,920	\$ 958	\$ 13,524	\$ 45,078	49%
Movable Dwellings	2	2	\$ 180,750	\$ 144,600	\$ 845	\$ 11,930	\$ 39,765	56%
Median								
Single-detached	4	3	\$ 535,050	\$ 428,040	\$ 2,502	\$ 35,314	\$ 117,712	10%
Townhomes	3	3	\$ 397,620	\$ 318,096	\$ 1,860	\$ 26,243	\$ 87,477	19%
Apartments (>5)	1	2	\$ 362,925	\$ 290,340	\$ 1,697	\$ 23,953	\$ 79,844	22%
Apartments (<5)	1	2	\$ 241,950	\$ 193,560	\$ 1,132	\$ 15,969	\$ 53,230	41%
Movable Dwellings	3	2	\$ 193,500	\$ 154,800	\$ 905	\$ 12,771	\$ 42,570	52%
High								
Single-detached	4	3	\$ 609,286	\$ 487,429	\$ 2,849	\$ 40,213	\$ 134,044	7%
Townhomes	4	4	\$ 402,740	\$ 322,192	\$ 1,884	\$ 26,581	\$ 88,604	19%
Apartments (>5)	1	2	\$ 457,388	\$ 365,910	\$ 2,139	\$ 30,188	\$ 100,626	14%
Apartments (<5)	1	2	\$ 304,925	\$ 243,940	\$ 1,426	\$ 20,125	\$ 67,084	30%
Movable Dwellings	3	2	\$ 196,500	\$ 157,200	\$ 919	\$ 12,969	\$ 43,230	52%

Table 29: Qualifying Incomes for new home sales (2013 - 2016)

Source: Urbanics Consultants Ltd.

4.3 Entry level home ownership

One standard measure of relative housing affordability in a community is the “entry-level” housing market. Entry-level housing is defined as the lowest quartile (25th percentile) of the housing market. The low section of Table 28 provides the housing (resale) prices and qualifying incomes for this segment of the housing market. The median home prices range from \$43,500 for a movable dwelling to \$340,000 for a single-family home.

Based on these entry-level price figures, a first-time homebuyer would have to earn between \$9,570 and \$74,800 ((Table 28) in order to purchase an "affordable" entry-level home available for sale within the City of Penticton (based on the mortgage assumptions presented earlier). Using income data from the 2011 National Household Survey, we estimate that the following dwelling types can be attained by:

- Single-detached: 26 percent of the households
- Townhomes, duplex and other attached homes: 45 percent of the households
- Apartments with 5 or more storeys: 43 percent of the households
- Apartments with less than 5 storeys: 63 percent of the households
- Movable dwellings: 95 percent of the households

Further, in the case of new homes that are priced within the lowest quartile, a first-time homebuyer would require a before tax income between \$39,765 and \$102,930 (Table 29) in order to purchase an "affordable" entry-level home available for sale within the City of Penticton (based on the mortgage assumptions presented earlier). Using the 2011 National Household Survey, we estimate that the following dwelling types can be attained by:

- Single-detached: 13 percent of the households
- Townhomes, duplex and other attached homes: 29 percent of the households
- Apartments with 5 or more storeys: 30 percent of the households
- Apartments with less than 5 storeys: 49 percent of the households
- Movable dwellings: 56 percent of the households

Feedback from the members of the real estate community and the public suggests that there is a limited supply of homes priced below \$350,000. Such a home would be considered affordable for a household earning at least \$74,700 with a 20% down payment and a 5% 25-year mortgage, or roughly 26 percent of the households in the City. Using the 2016 average price per square foot information for each dwelling type we could estimate the amount of housing that \$ 350,000 would buy in Penticton:

- Single-detached: 1,570 sf.
- Townhomes, duplex and other attached homes: 1,500 sf.
- Apartments with 5 or more storeys: 930 sf.
- Apartments with less than 5 storeys: 1,105 sf.
- Movable dwellings: 56 percent of the households: 2,280 sf.

Since per-square-foot prices for new construction are largely driven by the costs of land, materials and labour, a market-driven solution to affordability would be to build and sell smaller units, provided these input costs do not decrease.

4.4 Affordability for households by type

Further, based on the median household incomes, we examined whether family and non-family households will be able to purchase "affordable housing" based on the 30 percent affordability threshold. The table provided below shows that couples -with-children will be able to afford all types of housing products based on their median household income of \$88,641. Families and 2 or more person households will be able to afford row-houses, duplex and townhomes as well as apartments with 5 or more storeys. Apartments with less than 5 storeys will be affordable to most household types, except lone-parent and 1-person households, who will not be able to qualify for anything other than movable dwelling unless they use a larger down payment.

Households	Median household income	Affordable price	Single-detached	Row house, duplex & other	Apartment 5+ storeys	Apartment <5 storeys	Movable Dwellings
			(\$ 425,000)	(\$ 300,000)	(\$ 300,589)	(\$ 217,750)	(\$ 71,000)
Couple-only	\$ 54,075	\$ 285,799	x	x	x	✓	✓
Couple-with-children	\$ 88,641	\$ 468,488	✓	✓	✓	✓	✓
Lone-parent	\$ 36,934	\$ 195,205	x	x	x	x	✓
Family income in 2010	\$ 61,003	\$ 322,415	x	✓	✓	✓	✓
1 person	\$ 23,706	\$ 125,292	x	x	x	x	✓
2 or more persons	\$ 59,969	\$ 316,950	x	✓	✓	✓	✓
Household income in 2010	\$ 43,998	\$ 232,540	x	x	x	✓	✓

Table 30: Affordable homeownership
Source: Urbanics Consultants Ltd.

Next we examined whether family and non-family households will qualify on the 30 percent affordability threshold. The table provided below shows that 1 person households will not be able to qualify any type of rental housing. Also, lone-parent households will not qualify for the 3 bedroom unit based on the income qualification criteria.

Households	Median income	Affordable monthly rent	Bachelor	1 bed	2 bed	3 bed +
			(\$ 609)	(\$ 740)	(\$ 897)	(\$ 1,350)
Couple-only	\$ 54,075	\$ 1,352	✓	✓	✓	✓
Couple-with-children	\$ 88,641	\$ 2,216	✓	✓	✓	✓
Lone-parent	\$ 36,934	\$ 923	✓	✓	✓	x
Family income in 2010	\$ 61,003	\$ 1,525	✓	✓	✓	✓
1 person	\$ 23,706	\$ 593	x	x	x	x
2 or more persons	\$ 59,969	\$ 1,499	✓	✓	✓	✓
Household income in 2010	\$ 43,998	\$ 1,100	✓	✓	✓	x

Table 31: Affordable rental rates by household type
Source: Urbanics Consultants Ltd.

4.5 Rental housing

The City of Penticton is facing an extremely tight rental housing market; vacancy rates are expected to be in the 1- 2% range. Based on the CMHC Rental Market Survey the City had 2,263 private row and apartment rental units in October 2016; including 143 bachelor units (6% of total), 1,021 1 bedroom units (45% of total), 994 2 bedroom units (44% of the total) and 105 3 bedroom units (5% of the total).

The city added 125 rental units during 2011 - 2016 and 42 units during 2006 - 2016. These units were not enough to alleviate the tight rental market as the rough rental needs were 170 units during 2011 - 2016 and 780 units during 2006 - 2016 (based on Census data and population projections).

Further, because of the low vacancy rates the City is also experiencing a very serious rental housing affordability problem as the rents have increased over the last few years. The summary of the number of private apartment units and rents by bedroom type from 1991 to 2016 is shown in the Table 33.

Table 33 also provides the rental rates by bedroom type for City from October 1991 to October 2016. The rents for each bedroom type have increased from 1.4 percent for a bachelor unit to 6.2 percent for a 3 bedroom unit on an annual basis during 2011 to 2016. It should also be noted that most of the newer units are renting at a much higher rate; for example a new 1 Bed (750 sf.) unit rents for \$975/month, 2 Bed (850 sf.) for \$1,250 - \$1,450/month and 3 Bed (1,450 sf.) for \$1,950/ month.

The consultant also explored local advertisements to ascertain the price and availability of rental housing in the City. As of December 2016, there were 30 homes and suites available for rent on websites, including kijiji.ca, Realty Executives Penticton, Penticton Apartments and Craigslist etc. Table 32 provides the summary rental rates from the above search.

Dwelling type	# of beds	# of baths	Built-up (sf.)	Median rent	Average rent	Minimum rent	Maximum rent
Single-detached	4br	1ba	1,400	\$1,300	\$ 1,564	\$800	\$2,600
Secondary suite	1br	1ba	950	\$1,000	\$ 1,063	\$750	\$1,500
Townhouse	3br	2ba	1,300	\$1,400	\$ 1,463	\$1,100	\$1,950
Duplex	2br	2ba	1,139	\$1,400	\$ 1,400	\$1,400	\$1,400
Fourplex	2br	1ba	788	\$1,088	\$ 1,088	\$925	\$1,250
Apartment (<5)	2br	1ba	905	\$963	\$ 1,219	\$850	\$2,500
Apartment (5+)	2br	2ba	1,100	\$1,800	\$ 1,800	\$1,300	\$2,300
Motel	2br	2ba	500	\$1,200	\$ 1,200	\$1,200	\$1,200

Table 32: Housing Options Available for Rent December 2016

Source: Urbanics Consultants Ltd.

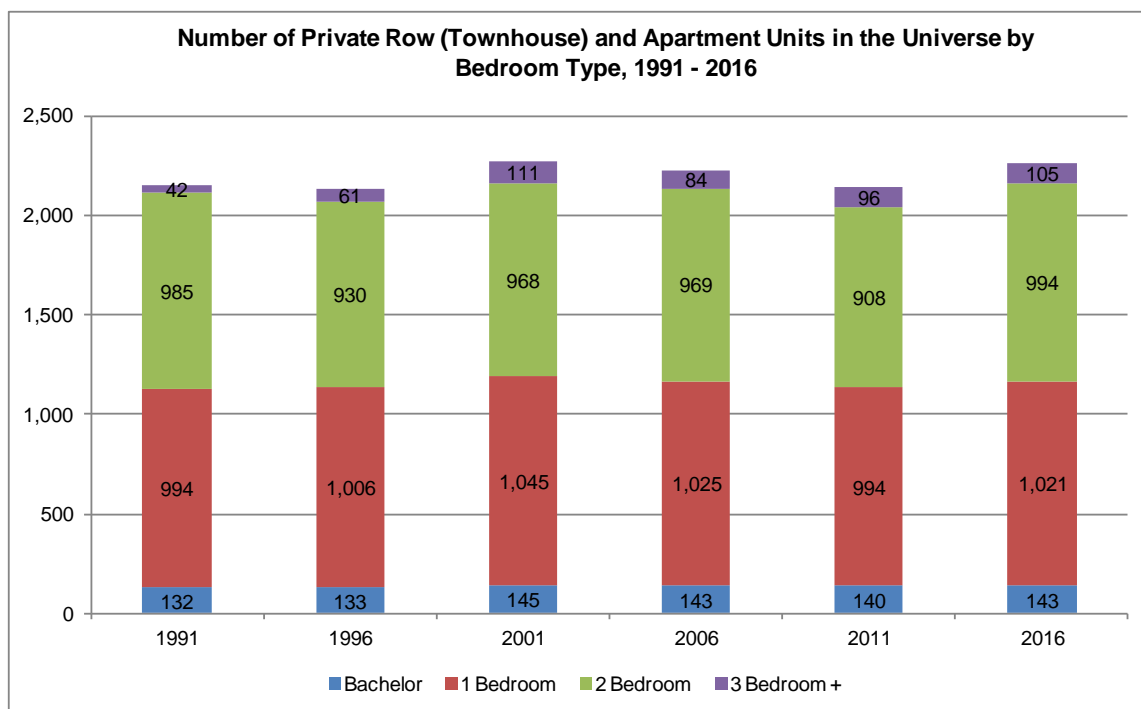


Figure 29: Number of private apartment units by bedroom type
Source: Urbanics Consultants Ltd.

# of units	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom +	Total
1991	132	994	985	42	2,153
1996	133	1,006	930	61	2,130
2001	145	1,045	968	111	2,269
2006	143	1,025	969	84	2,221
2011	140	994	908	96	2,138
2016	143	1,021	994	105	2,263
2011-2016 Net change	3	27	86	9	125
Annual % change	0.4%	0.5%	1.8%	1.8%	1.1%
2006-2016 Net change	0	-4	25	21	42
Annual % change	0.0%	0.0%	0.3%	2.3%	0.2%

Rents	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom +	Total
1991	\$ 300	\$ 390	\$ 480	\$ 515	\$ 420
1996	\$ 375	\$ 450	\$ 550	\$ 590	\$ 500
2001	\$ 375	\$ 455	\$ 550	\$ 675	\$ 500
2006	\$ 450	\$ 550	\$ 650	\$ 725	\$ 600
2011	\$ 540	\$ 650	\$ 773	\$ 1,000	\$ 700
2016	\$ 609	\$ 740	\$ 897	\$ 1,350	\$ 822
2011-2016 Net change	\$ 69	\$ 90	\$ 124	\$ 350	\$ 122
Annual % change	2.4%	2.6%	3.0%	6.2%	3.3%
2006-2016 Net change	\$ 159	\$ 190	\$ 247	\$ 625	\$ 222
Annual % change	3.1%	3.0%	3.3%	6.4%	3.2%

Table 33: Number of private apartment units and rents by bedroom type
Source: Urbanics Consultants Ltd.

4.6 Vacation Rentals

The City of Penticton along with several other BC municipalities is currently facing a very tight rental market due to the limited supply of rental housing. As a result, vacation rentals are being viewed as another contributing factor to the loss of long-term rental housing in the City. Further, due to paucity of any data related to vacation rentals and its impact on rental housing, any conclusive evidence to the contrary is not readily available. Some of the concerns that have been raised include:

- Increase in non-resident ownership turning residential properties into commercial operations,
- Nuisance complaints due to parking and noise especially after normal business hours,
- Substantial failures to properly license with possible building permit omissions and the subsequent loss of long term tax revenue for property improvements,
- Inequitable taxation and contributions when compared to the broader hotel industry (i.e. MRDT Tax equivalent)
- Potential lack of compliance with health and safety regulations (egress, railings, fire suppression etc)

The City is a very popular summer destination and has witnessed a significant rise in the demand for short-vacation rentals. Thus, while long term rental housing is an obvious need, vacation rentals are an integral part of the tourist accommodation offering in Penticton. Given the seasonal nature of Penticton tourist economy and the spike in requirements during the various events in the community, vacation rentals provide important accommodation. The City benefitted from 4000 guests from Airbnb alone in 2015, which represented a 152% increase over 2014. Balancing the need for housing with the need to support the tourist sector in Penticton is a challenge.

There were 222 Airbnb listings in the Penticton area in September 2016, with roughly 2/3 of the total in the municipal boundary; i.e. 150 listings were within the City boundary (Source: City of Penticton and Airbnb). Among these Airbnb listings, 76 percent of the total listings were for entire dwellings (or roughly 115 listings in the City) and the remainder listings (23 percent) were for renting out just a room in a dwelling. Airbnb units were hosted for an average of 26 nights per year and represented an average earning of \$3,000 per year. The average group size of Airbnb guests in Penticton is 2.8 people, with roughly 91 percent of all trips involving an average group size of fewer than 4 guests. Airbnb Guests on an average stay for 3.2 nights in Penticton and their average age is 39 years.

The 115 Airbnb listings for the entire house represent roughly 0.7% of the total housing stock in 2016 (the occupied housing stock in 2016 is estimated to be roughly over 16,000). Moreover, the remaining 35 Airbnb listings (150 listings less 115 listings for entire homes) advertised in Penticton were primarily for augmenting the household income (as mortgage helpers) and only included rooms and or other private spaces within a residence. Thus, the impact of vacation rentals on the rental housing market is likely a bit overblown.

4.7 Current gaps in the housing market

The City of Penticton is experiencing an extremely tight rental market, with vacancies in the 1% - 2% range. The survey has found that many potential renters are struggling to find rental units in the city and are frustrated by the lack of units available on the market.

Based on the demographic assessment, the City is likely to experience a strong shift towards single person households. However, it lacks appropriate housing for this demographic segment and is likely under-built in bachelor/studio and one-bedroom homes. There might be an untapped demand for smaller, market-priced ownership and rental units targeted toward early-career professionals and young families. The built form for such units would likely be condominium apartments, townhouses, and duplex/fourplex.

There is unmet need for housing of retail and other service sector employees earning relatively low wages. Often such employees cannot find housing that is considered affordable on their incomes if they can find housing at all. Some employers will own housing units and rent them directly to employees. Other employers cannot or will not offer that option and suffer from personnel shortages.

Lastly, the City experiences a high degree of seasonality in its housing needs. Motels in the city are transformed into rental units for the winter months, which are returned to their hospitality use during summer months. This instability of occupancy and vacancy make for a difficult investment climate for development of additional rental housing stock.

5 Best Practices

The main objective of examining best practices in affordable market rate and non-market housing across municipalities in the Country and the Province is to identify some of the proven and effective practices that can potentially be implemented by the local government in improving housing supply and general affordability in the City.

5.1 Current housing situation

The City of Penticton is witnessing continued declines in affordability in both owner-occupied as well as rental housing segments. As a result, households and individuals that are being priced out of housing market are likely to require less costly housing options. Given the current market conditions such housing is not economically viable without some form of assistance, subsidies, incentives or grants from at least one or more levels of governments as well as active cooperation of the development community and the non-profit agencies.

The reader should note that a large proportion of total housing needs in the City are expected to be addressed through market-rate housing. However, even within market-rate housing there is a significant need for low cost housing options. Additionally, non-market housing is primarily for a much smaller proportion of families and individuals who are facing affordability issues, homelessness or mental health or substance abuse issues. The later sections will examine the relative housing needs in the market as well as non-market housing in the City.

5.2 Federal government role

The federal government plays an important role in the provision of affordable housing through Canada Mortgage and Housing Corporation (CMHC). CMHC has a significant impact on the following:

- Market rate owner-occupied housing market: CMHC enhances homeownership by providing low down payment loans and allowing the use of retirement savings plan for down payments.
- Non-market housing: CMHC provides subsidies for ongoing operations as well as repairs of existing social housing developments. It works in partnership with the development community and non-profit organizations to promote and facilitate the research, development, and funding of public and social housing in communities across Canada.

City of Penticton: Housing Needs Assessment

Program Name	Program #1 Timber Grove Apartments, Surrey, BC	Program #2 Willowbridge Transitional Housing, Kelowna, BC	Program #3 Chesterfield House, North Vancouver, BC	Program #4 HYAD Place, North Vancouver, BC	Program #5 Commercial Drive Apartments, Vancouver, BC	Program #6 The Cedars, Salt Spring Island, BC
Target Group	Mental health clients, homeless and those at risk of homelessness	People who are homeless or at risk of being homeless and people with health issues	Mental health clients	Young adults with development disabilities	Adults living with mental health challenges	Low-income senior women and women affected by domestic violence
Number & Type of Units	52 units (studio apartments)	40 units (studio apartments)	24 units (10 studio, 8 one-bed and 6 two-bed units)	16 units (one-bed units with 14 units for young adults with developmental disabilities and two for staff)	18 units (affordable rental apartments in a renovated 1960's walkup with a rent of \$375 per month)	Three bedrooms for senior women, eight transitional suites for women and children
Key Municipal Tools Used	<ul style="list-style-type: none"> Provincial-municipal MOU Long-term lease of City-owned land Waiver of development fees Property Tax Relief 	<ul style="list-style-type: none"> Donated land valued at over \$560,000 	<ul style="list-style-type: none"> Affordable housing reserve fund Increased density Preservation of existing rental units Infill development Reduced parking 	<ul style="list-style-type: none"> Donated land 	<ul style="list-style-type: none"> Housing Grant (\$150,000) 	
Project Partners	<ul style="list-style-type: none"> City of Surrey BC Housing VANOC Fraser Health Coast Mental Health 	<ul style="list-style-type: none"> Government of Canada (CMHC) BC Housing City of Kelowna Canadian Mental Health Association John Howard Society of Central and South Okanagan 	<ul style="list-style-type: none"> City of North Vancouver BC Housing Marine view Housing Society 	<ul style="list-style-type: none"> Government of Canada (CMHC) Government of British Columbia (BC Housing) City of North Vancouver North Vancouver School District Terra Housing Consultants 	<ul style="list-style-type: none"> Government of Canada (CMHC and HRSDC) Province of British Columbia (BC Housing) City of Vancouver 	<ul style="list-style-type: none"> Salt Spring Island Abbeyfield Housing Society Island Women Against Violence Society CMHC BC Housing CRD Salt Spring Lions Club Salt Spring Island Foundation Private donors
Project details	Total capital cost of \$13.2 million. City of Surrey provided land on long-term lease for \$10 (valued at \$2.3 million) and waived fees and taxes (\$306,506). Fraser health provided a \$10.5 million capital grant and BC Housing provided a \$2,835 landscaping grant.	Total capital cost of nearly \$8.4 million, from all three levels of government. CMHC and BC Housing gave matching contributions of \$2.97 million each under the Canada-British Columbia Affordable Housing Program. The Government of B.C. also provided a grant of \$4.8 million and annual operating funding of nearly \$490,000.	Total capital cost of nearly \$4.34 million, with \$2.50 million for the purchase price of 16 units and land and \$1.8 million for upgrades and addition of 9 units. Of the total, City of North Vancouver Affordable Housing Reserve Fund provided \$1.625 million, BC Housing provided \$1.625 million and Marineview Housing Society provided \$1.050 million.	CMHC provided Seed Funding and BC Housing provided roughly \$5.3 million in provincial capital funding to the project, while HYAD Society provided \$166,000 in equity. The land valued at over \$1.1 million was obtained from the North Vancouver School District, with the assistance of the City of North Vancouver.	CMHC provided RRAP funding of \$800,000 for renovations, and Human Resources and Skills Development Canada (HRSDC) contributed \$500,000 through the Homelessness Partnering Strategy. The Province of BC provided over \$1 million in interim financing from its Community Partnerships Initiative. Coast Mental Health provided roughly \$700,000 in equity	The \$1.35 million project received funding of \$280,000 from the federal and provincial governments. Further funding was provided by the Government of British Columbia, the Capital Region District, the Salt Spring Lions Club and the Salt Spring Island Foundation. The two non-profit organizations also provided cash equity of more than \$300,000.

Table 34: Project examples: Non-market housing for vulnerable population

5.3 Provincial government role

The provincial government plays a very important role in the provision of affordable housing through BC Housing. BC housing partners up with the non-profit agencies, the private sector and other levels of government to:

- enhance the supply of affordable rental housing for the most vulnerable individuals and households in the Province;
- enhancing the overall affordability of market housing through increased supply of higher density and lower priced housing;
- providing rent assistance to eligible housing in the private market; and,
- supporting programs and non-market housing aimed at individuals with mental health, substance abuse and homelessness related issues.

5.4 Local/regional government role

Several communities across the Province are witnessing the ill effects of declining affordability and limited supply of affordable housing. The City of Penticton is no different. The City could potentially ensure an effective response to the declining affordability and limited supply of affordable housing through:

- **Regulatory measures:** The City could enhance the supply of housing through:
 - housing needs assessment, which identifies housing issues and the affordable housing needs of the community;
 - land use policies aimed at enhancing supply of affordable housing;
 - Official Community Plan with guidelines for affordable housing, rental housing and special needs housing (Section 877, Local Government Act);
 - effective design guidelines for developing affordable housing;
 - promoting medium density, ground oriented housing as a way to address affordability;
 - density bonus program which allows a higher level of density on a class of sites in exchange for amenities or affordable housing (Section 904, LGA);
 - comprehensive development zoning for specific sites to allow flexibility in negotiating amenities and or affordable housing;
 - rezoning or up-zoning of a specific site if a certain amenity or type of housing is included in the development;
 - small lot zoning which allows for more affordable single-family units;
 - inclusionary zoning ordinance that require a given share of new construction to be affordable by people with low to moderate incomes;
 - reduced parking requirements, amenity space requirements, and excluding parking from floor area calculations;
 - housing agreements (registered in the Land Titles Office) for securing affordable housing over the long term (Section 904, LGA); and,
 - fast-tracking, streamlining development applications and creating guidelines to facilitate development applications involving affordable housing components.

- **Education and advocacy measures:** The City could enhance the understanding and support for low-cost housing and affordable housing by:
 - building community awareness and support for low cost housing and affordable housing (NIMBY);
 - helping developers and non-profit groups in accessing funding and support from senior levels of government; and,
 - partnering with the development community and non-profit agencies along with the Federal and Provincial Government community organizations in conducting housing research and making policies for enhancing affordable housing in the community

- **Fiscal Measures:** These measures would carry a higher cost to implement, but might be effective for enhancing the supply for non-market housing by:
 - reducing or waiving development cost charges, building permit fees or property taxes for building owned or held by a charitable, philanthropic or other non-profit corporation (Section 224, Community Charter and Section 933 LGA);
 - charging development cost charges (DCCs) on a per square foot basis at the building permit stage instead of the subdivision stage, and reducing the carrying costs and development costs;
 - creating housing reserve funds for enhancing affordable housing (Section 188, Community Charter); and,
 - donating municipal land or leasing land at or below market value for developing affordable market and non-market housing in the City.

- **Direct service provision:** The City could also:
 - creating a housing corporation that provides housing and supports to low and moderate income households such as the Bowen Island Housing Authority; and,
 - developing purpose built rental units and renovate existing buildings.

City of Penticton: Housing Needs Assessment

Program Name	Program #7 60 West Cordova, Vancouver, BC	Program #8 Attainable Home Ownership Program, Calgary, AB	Program #9 Clarence Gate, Ottawa, ON	Program #10 Cedar Valley Manor, Mission, BC	Program #11 Langford Home Ownership Program, Langford, BC	Program #12 Whistler Housing Authority, Whistler, BC
Target Group	Moderate income residents and employees	Moderate income households earning 80%-120% of area median income (\$80,400)	Low income households with annual income between \$31,000 and \$48,000	Seniors who want to downsize	Households of two or more earning a maximum of \$60,000 annually	Resident employees and retirees
Number & Type of Units	112 units (72 one-bed and 40 two-bed units with 12 below market units)	48 units (11 one-bed, 110 two-bed and 37 three-bed units)	30 units (5 one-bed, 9 two-bed and 16 three-bed units with 11 market, 19 non-market)	42 units (with life leases)	48 units (40 single-family and 8 multi-family)	1906 units (865 rental and 1,041 owner-occupied units)
Key Municipal Tools Used	<ul style="list-style-type: none"> ▪ Reduced parking ▪ Increased density ▪ Smaller unit size ▪ Expedited approval process 	<ul style="list-style-type: none"> ▪ Gifted down payment ▪ City-owned non-profit ▪ Shared appreciation structure ▪ Transfer of City-owned land 	<ul style="list-style-type: none"> ▪ Waived municipal development fees ▪ Delayed payment of City-owned land 	<ul style="list-style-type: none"> ▪ Waived municipal amenity contribution fees for rezoning ▪ Donated land that allows residents to walk to a nearby park 	<ul style="list-style-type: none"> ▪ Affordable housing strategy ▪ Inclusionary zoning ▪ Density bonus ▪ Waived DCC & other fees ▪ Expedited approval processes 	<ul style="list-style-type: none"> ▪ Employee housing service charge ▪ Municipal housing authority ▪ Municipal housing reserve fund
Project Partners	<ul style="list-style-type: none"> ▪ Vancity ▪ Westbank ▪ Habitat for Humanity ▪ BC Housing ▪ Portland Hotel Society 	<ul style="list-style-type: none"> ▪ Province BC and the City ▪ The program is designed to be self-funding and will not require additional subsidy to develop additional 'attainable' units. 	<ul style="list-style-type: none"> ▪ CAHDCO ▪ CCOC ▪ CMHC ▪ City of Ottawa ▪ Land owners ▪ Bank of Montreal 	<ul style="list-style-type: none"> ▪ Mission Association for Seniors Housing (MASH) ▪ Terra Lumina Life Lease Housing (private sector) 	<ul style="list-style-type: none"> ▪ City of Langford ▪ Langford development community 	<ul style="list-style-type: none"> ▪ The Whistler Housing Authority ▪ CMHC ▪ Whistler employers
Project details	For the below-market units, the non-profits have an option to purchase/right of first refusal. The units must be resold to an eligible buyer. The purchase price is tied to the original purchase price plus CPI.	Attainable Homes holds restrictive Covenant on title. Equity gains are tied to market and also based on years of ownership: Year 0-1, 0%; year 1-2, 25%; year 2-3, 50%; year 3+, 75%	Restrictive covenant on title and equity gains tied to Canadian Consumer Price Index.	When selling, the owner gets 95 per cent of the original value. If the unit's value has gone up, then the seller receives up to half of the difference—the exact amount depends on the length of ownership. MASH re-marks the unit with a resale price no more than half of the market index	The resale price limited to max of \$165,000 in first 5 years; In each year after the first 5 years the owner may increase price by \$2000; after 25 years may be sold at market value.	Whistler uses the Employee Housing Service Charge Fund to fund affordable housing for the community's permanent tourism employees. The charge is levied on projects that increase the number of employees. It uses a housing agreement with the right of first refusal and equity gains tied to Canadian CPI

Table 35: Project examples: Entry level homeownership

City of Penticton: Housing Needs Assessment

Program Name	Program #13 Carey Place, Saanich BC	Program #14 Kiwanis Van Horne, Penticton, BC	Program #15 Loreen Place, Victoria, BC	Program #16 Apple Valley Seniors' Housing, Kelowna, BC	Program #17 Second Ave, Smithers, BC	Program #18 The Poppy Residences, Burnaby, BC
Target Group	Moderate- and low-income independent seniors aged 55 and older	Seniors	Low and moderate families with annual income less than \$65,000	Seniors	Singles, couples and seniors	Moderate income seniors
Number & Type of Units	55 one-bed units (27 of the total are for low-income seniors and the rest are rented at slightly lower than the market rate)	58-units (mix of one- and two-bedroom apartments with a large common area for social gatherings)	52 units (51 two-bed and 1 one-bed rental units)	72 units (36 affordable units and 36 market units)	6 small sized (540 sf.) affordable rental units (Units rent for \$750 per month, lower than most of the surrounding area)	70 one-bed units
Key Municipal Tools Used	<ul style="list-style-type: none"> Capital Regional District provided land on a long-term lease for \$1 a year and received ownership of six market units Property tax exemption 	<ul style="list-style-type: none"> Reduced development fees 	<ul style="list-style-type: none"> Capital grants from affordable housing trust funds Increased density Housing agreements Parking variance 	<ul style="list-style-type: none"> Reduced development charges for the affordable units 	<ul style="list-style-type: none"> Allowed six houses on four lots facing a veranda instead of a sixplex Reducing parking requirements 	<ul style="list-style-type: none"> Infill development Increased density Affordable housing reserve fund to offset fees and property tax
Project Partners	<ul style="list-style-type: none"> Government of Canada (CMHC) Government of British Columbia (BC Housing) Capital Regional District of Saanich 	<ul style="list-style-type: none"> Government of Canada (CMHC) Government of B.C. (BC Housing) City of Penticton Penticton Kiwanis Housing Society 	<ul style="list-style-type: none"> Greater Victoria Housing Society Greater Victoria Rental Development Society City of Victoria CRD BC Housing CMHC 	<ul style="list-style-type: none"> Government of Canada (CMHC) BC Housing City of Kelowna Society of Hope Ziglar family 	<ul style="list-style-type: none"> Land provided by the Smithers Community Services Association CMHC (Seed Funding) 	<ul style="list-style-type: none"> South Burnaby Royal Canadian Legion City of Burnaby BC Housing CMHC
Project details	The affordable apartments were created with capital funding of more than \$4 million from the federal and provincial governments, including \$2 million in federal funding through Canada's Economic Action Plan.	The Federal and Provincial government contributed \$3.3 million through an amendment to the Canada-British Columbia Affordable Housing Agreement. The Govt. of B.C. provided an additional \$3.36 million in construction financing. PKHS contributed the land, valued at \$1.1 million, plus \$1 million in cash equity.	Seed Funding and an interest-free Proposal Development Funding (PDF) loan from CMHC. Equity contributions of \$370,000 each from the Victoria Affordable Housing Fund and the Capital Regional District Housing Trust Fund. Mortgage financing of \$9.6 million facilitated by the Province through its Community Partnership Initiative.	This joint federal and provincial funding of \$5.8 million supported the construction of the 36 affordable housing units in the Apple Valley complex. The Province of British Columbia also provided financing for the project.		Total capital cost of roughly \$18.36 million. Land valued at \$4million provided by the South Burnaby Royal Canadian Legion and BC Housing provided roughly \$14.36 million in project financing.

Table 36: Project examples: Housing for low to moderate income seniors

5.5 Effective measures for Penticton

The City of Penticton could potentially use a variety of measures to enhance the supply of market and non-market housing in the community, including:

Low cost measures

- **Regulatory measures:** Low cost regulatory measures such as density bonus program, secondary suites, small single-family lot sizes, demolition control and rental loss prevention programs are expected to be effective in increasing the supply of housing in the City.
- **Community partnerships:** Developing strong community partnerships with non-profit organizations and development community would be critical to the success of supportive/ transitional and non-market housing in the City. These organizations are knowledgeable about their communities or client group and often act as the operating partner, managing the housing and support services on an ongoing basis.
- **Education and advocacy measures:** The City could raise community awareness and support for affordable housing and non-market housing in the City. In addition, the City could provide support for developers and non-profit groups seeking funding from senior levels of government.

Medium cost measures

- **Create an Affordable Housing Reserve Fund:** The fund could provide capital grants for the acquisition, development, and retention of affordable housing in the City; primarily for households with low or moderate income. The fund could also help in facilitating senior government and private sector investments in affordable housing projects.
- **Housing agreements:** The City could use housing agreements to ensure that affordable housing units remain affordable in the long-term, and this is particularly important when a municipality has made significant contributions in the form of land or capital (from housing funds)
- **Create a Homelessness and Housing Fund:** The City could address homelessness through a Homelessness and Housing Fund which relies on community amenity contributions routed through the City's Affordable Housing Reserve Fund. In addition, the City could set up a non-profit society to oversee the above fund and to raise additional funds from non-municipal funding sources, as a result of its non-profit status (Similar to the City of Surrey, BC).

High Cost Measures

- **Partnership with Provincial government:** The City could partner with the Province through Memorandums of Understanding (MOUs) to develop and operate emergency, transitional and supportive housing. Under these MOUs, the municipal partner is required to provide city-owned land on a long-term lease, waive all application and development fees, and consider partial or full property tax exemption for the non-profit operator.
- **Fiscal measures and direct provisioning:** Higher cost fiscal measures such as providing land, grants and loans, and direct provision of housing would be effective for facilitating low cost market rate housing as well as supportive/transitional and non-market housing in the short run.

5.6 Currently measures used by the City

The City is already using a variety of measures to enhance the supply of market as well as non-market housing. These include:

Market Housing

- Tax incentives for multiple housing units in the Downtown area
- Development Cost Charge reductions for developments with high energy efficiency
- Zoning support for high density
- Changes to OCP and zoning bylaw to allow 6 storey wood frame construction in MR designations
- Support for multi lot single family subdivisions in the hillsides
- Supporting infill development through changes to the zoning bylaw allowing for subdivisions of City lots (small lot subdivisions)
- Adding secondary suites into duplex dwellings
- Allowing carriage houses on duplex lots
- Making zoning amendments to allow for cluster housing (for example duplex and single family housing on the same lot)

Subsidised Housing

- Partnering with BC Housing on several projects, including the Brunswick street rental building project where the City leased the land to BC Housing to construct the building
- DCC elimination for projects that meet certain criteria and enter into a housing agreement
- Favourable zoning for affordable housing
- Signed on to the 10,000 Homes Canada project, under the umbrella of 100 Homes Penticton, with the goal of creating 100 supported homes for persons at risk of homelessness
- Supported the conversion of motels into long term subsidized housing

The City is currently using a variety of low cost measures (such as regulatory measures and community partnership measures) as well as high cost measures (such as Partnership with Provincial Government, waiving of application and development fees as well as fiscal measures and direct provisioning measures). The City is however, not using the medium cost measures such as creating an Affordable Housing and Homelessness Reserve Fund and using housing agreements.

The City would benefit from a comprehensive examination of the relative costs and benefits of creating a Housing Reserve Fund for addressing affordable housing, senior housing and workforce housing. Housing Reserve Fund has been successfully used by a number of municipalities across the Country to tackle housing issues similar to the City Penticton. For example, workforce housing in Whistler and low to medium income seniors housing in Victoria. Similarly, housing agreements used in Langford and Calgary have ensured long-term affordability of housing built under their Attainable Home Ownership Program

6 Land utilization

This section examines the detailed parcel level dataset provided by the City. The dataset includes information on each of the property addresses including parcel size, zoning and BC Assessment information, including assessment class, assessed land and improvement value and actual use category. The dataset identifies 15,900 addresses in the City, distributed over 8,963 individual parcels and 8,418 acres of land.

Assessment Class Description	Total addresses		Total area	
	# units	# parcels	(sq m)	(acres)
Business/Other	1,107	881	4,234,359	1046.3
Farm	262	245	8,670,197	2142.4
Light Industry	79	34	750,401	185.4
Recreational/Non Profit	146	104	1,026,590	253.7
Residential	13,830	7,687	19,314,179	4772.6
Supportive Housing	4	3	8,976	2.2
Utilities	36	9	62,672	15.5
No information available	436*			
Grand Total	15,900	8,963	34,067,374	8418.2

Table 37: Parcel level dataset

Source: City of Penticton

6.1 Residential Zones

The City has the following residential zones (2011-23 Zoning Bylaw)

- R1 – Large Lot Residential: The purpose is to provide a zone for single detached dwelling housing on serviced urban lots.
- R2 – Small Lot Residential: The purpose is to provide a zone for single detached housing on small sized serviced urban lots.
- R3 – Small Lot Residential (Lane): The purpose is to provide a zone for single detached housing development on small-sized serviced urban lots with vehicular access allowed only from rear lanes.
- RSM – Mobile Home Park Housing: The purpose is to provide a zone for mobile homes on individual mobile home spaces within a mobile home park.
- RD1 – Duplex Housing: The purpose is to provide a zone for duplex housing on urban serviced lots.
- RD2 – Duplex Housing: Lane: The purpose is to provide a zone for duplex housing on small sized urban lots with vehicular access from a rear lane.
- RM1 – Low Density Cluster Housing: The purpose is to provide a zone for residential single family bareland strata developments on urban services.
- RM2 – Low Density Multiple Housing: The purpose is to provide a zone for low density multiple housing up to three (3) storeys above grade on urban services.
- RM3 – Medium Density Multiple Housing: The purpose of this zone is to provide a zone for medium density multiple housing up to six (6) storeys above grade on urban services. (Bylaw No. 2016-33)
- RM4 – High Density Multiple Housing: The purpose is to provide a zone for high-density mid-rise apartments up to 8 storeys above grade on urban services.
- RM5 - Urban Residential: The purpose is to provide a zone for medium to high density multiple housing, up to four (4) storeys above grade on urban services.

	Zoning Categories	Min Lot area (sqm)	Max lot coverage	Du per ha	FAR	Height (principal building)
	Urban Residential Zones					
R1	Large Lot Residential	560	40%			10.5
R2	Small Lot Residential	390	40%			10.5
R3	Small Lot Residential: Lane	315	50%			10.5
RSM	Mobile Home Park Housing	20,000	45%	25		6
RD1	Duplex Housing	750	50%			10.5
RD2	Duplex Housing: Lane	390	40%		0.8	10.5
RM1	Low Density Cluster Housing	6,000	40%-50%	40		8.5
RM2	Low Density Multiple Housing	670	45%		0.75	12
RM3	Medium Density Multiple Housing	1,400	50%		1.2	18
RM4	High Density Multiple Housing	2,000	75%		2	24
RM5	Urban Residential	275	100%		2	15

Table 38: Residential zones Bylaw specifications

Source: Urbanics Consultants and the City of Penticton

6.2 Commercial Zones

The City has the following commercial zones (2011-23 Zoning Bylaw)

- C1 – Commercial Transition: This zone provides for limited, small scale, commercial development in mostly residential areas. The zone allows for residential use including duplex, live-work unit and single detached unit.
- C2 – Neighbourhood Commercial: This zone provides for a limited range of neighbourhood convenience services.
- C3 – Commercial Residential Mixed Use: This zone provides areas for a mix of medium-density (2 FAR and a maximum height of 18 m) residential, office and limited retail or personal service commercial uses within a building. It allows for residential use (dwelling unit, live-work and vacation rental) within the same building of a permitted commercial.
- C4 –General Commercial: This zone provides for shopping centres and strip commercial uses (1 FAR and a maximum height of 13 m). It allows for dwelling units on second or higher storeys if the entire first floor of the building is used for purposes other than residential. It also allows for tourist accommodations and vacation rentals.
- C5 – Urban Centre Commercial: This zone provides for development of the financial, retail, entertainment, governmental and cultural core of the City by way of high-density (6 FAR and a maximum height of 36.6 m) commercial and residential uses. It allows for dwelling units on second or higher storeys if the entire first floor of the building is used for purposes other than residential. It also allows for tourist accommodations and vacation rentals.
- C6 – Mixed Use Commercial: This zone provides for mix of residential, commercial, office and retail or personal service commercial (maximum height of 21 m). It allows for dwelling units on second or higher storeys.
- C7 – Service Commercial: This zone provides for certain auto-oriented commercial uses, commercial uses requiring large building floor space for non-retail purposes and a lesser area for sales, light industrial service industries, and accessory office

uses. Auto-related uses involving vehicle servicing and sales with outside storage and parking are permitted in this zone. It allows limited residential uses such as live work and security/operator dwelling unit.

- C8 – Vehicle Service Station: This zone provides for motor vehicle service stations, auto gas bars and similar compatible uses. It does not allow for residential uses.
- C9 - Marina Way Commercial: This zone provides for residential and commercial use development on the Okanagan Lake waterfront for lands bounded by Vancouver Street, Marina Way and Abbott Street, known as 200 Marina Way (1.75 FAR and a maximum height of 24 m). The zone allows for apartment, town home and vacation rental on land and buildings fronting on and oriented to the 100 and 200 Blocks of Vancouver Avenue, for a minimum depth of 30 m measured from the front property line,
- CT1 – Tourist Commercial: This zone provides for commercial visitor accommodation, entertainment and services. This zone allows for residential uses in up to 50% of the hotel floor area.
- CT2 – Campground Commercial: This zone provides for campground accommodation and accessory uses.
- CT3 – Hotel Resort: This zone provides for high-density hotel and resort development.

6.3 Residential uses and products by zoning categories

The detailed parcel level dataset identifies 15,900 addresses in the City spread out over 8,418 acres of land. Of the total addresses and land area the residential and supportive housing uses represent 13,830 addresses and roughly 4,775 acres of land in the City. Figure 30 and Table 39 provide a detailed breakdown of number of units, product types and assessed value of residential uses by zoning categories for the entire City.

As expected, the table suggests that over 85 percent of the total housing units in the City are concentrated in the residential zoned lands. The distribution of units and the percentage share of each zoning category within residential zones are provided below:

- R1- Large Lot Residential: 3,378 units or 29 percent of the total
- R2- Small Lot Residential: 1,965 units or 17 percent of the total
- R3- Small Lot Residential: Lane: 31 units or 0.3 percent of the total
- RSM- Mobile Home Park Housing: 121 units or 1 percent of the total
- RD1- Duplex Housing: 344 units or 3 percent of the total
- RD2- Duplex Housing: Lane: 1,121 units or 9 percent of the total
- RM1- Low Density Cluster Housing: 894 units or 8 percent of the total
- RM2- Low Density Multiple Housing: 1,972 units or 17 percent of the total
- RM3- Medium Density Multiple Housing: 1,145 units or 10 percent of the total
- RM4- High Density Multiple Housing: 863 units or 7 percent of the total
- RM5- Urban Residential: 9 units or 0.1 percent of the total

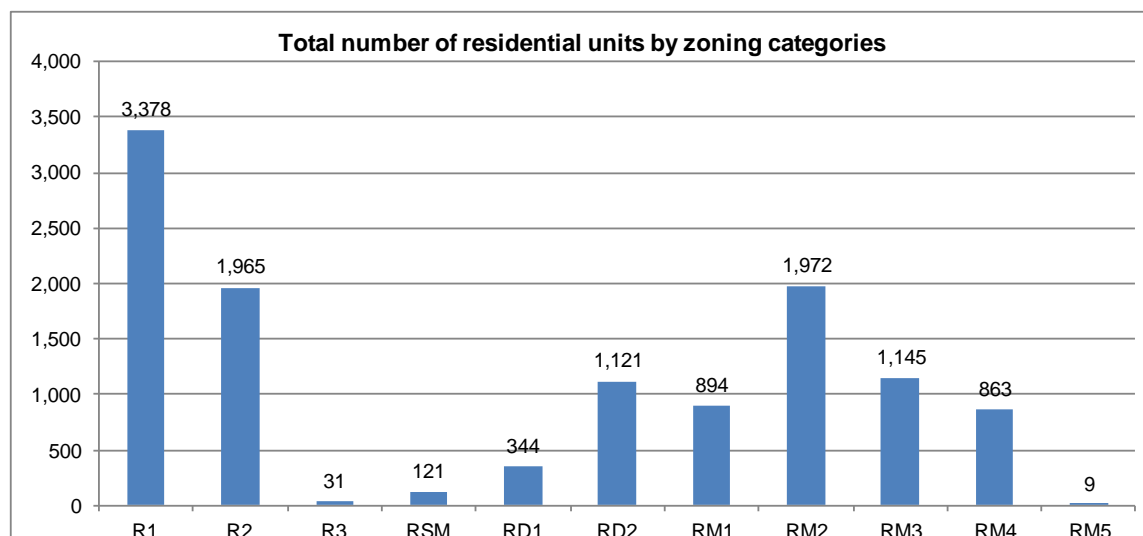


Figure 30: Number of units by zoning categories

Source: Urbanics Consultants Ltd.

Residential product types	# of units	Sum of 2016 Gross Assessed Values		Average assessed value per unit
		Land	Improvement	
Single family dwelling	6,510	\$ 1,326,401,500	\$ 1,316,533,200	\$ 405,981
Single family dwelling with basement suite	147	\$ 29,394,000	\$ 37,333,300	\$ 453,927
Row housing (single unit ownership)	1,832	\$ 214,232,800	\$ 191,516,600	\$ 221,479
Duplex (front)	147	\$ 24,348,200	\$ 29,990,200	\$ 369,649
Duplex (back)	41	\$ 4,613,200	\$ 7,370,000	\$ 292,273
Duplex (side)	397	\$ 51,877,602	\$ 67,479,802	\$ 300,648
Duplex (top)	11	\$ 1,458,200	\$ 2,033,600	\$ 317,436
Duplex (bottom)	26	\$ 3,083,200	\$ 3,767,500	\$ 263,488
Triplex	4	\$ 772,000	\$ 791,000	\$ 390,750
Fourplex	22	\$ 4,422,000	\$ 7,630,000	\$ 547,818
Strata-lot residence (condominium)	2,432	\$ 263,844,500	\$ 302,532,400	\$ 232,885
Manufactured home (not in manufactured home park)	112	\$ 12,019,700	\$ 8,096,100	\$ 179,605
Manufactured home (within manufactured home park)	548	\$ -	\$ 30,705,700	\$ 56,032
Seniors independent & assisted living	8	\$ 9,981,000	\$ 46,628,001	\$ 7,076,125
Seniors licensed care	4	\$ 7,699,000	\$ 41,065,000	\$ 12,191,000
Grand Total	12,241	\$ 1,954,146,902	\$ 2,093,472,403	\$ 330,661

Table 39: Residential products and 2016 assessed values

Source: Urbanics Consultants Ltd.

Commercial zoned lands account for roughly 3 percent of the total residential units (440 units) in the City. This is surprisingly low considering that the commercial zones allow for residential uses, especially the higher-density more affordable housing products. These commercial zoned lands represent a strong opportunity for the development of more affordable multi-family housing product including mixed-use condominium and rental apartments over retail.

Rural zones, including Forestry and Grazing, Agriculture and Country Residential Housing account for roughly 450 units and 3 percent of the total unit addresses in the City. The rural zones are expected to primarily support single-detached housing type with large parcel sizes at the periphery of the urban area. Apart from the above zones, the remaining zones - including Industrial, Public Assembly and recreation and Comprehensive Development zone - account for only 101 unit addresses or 0.7 percent of the total unit addresses.

City of Penticton: Housing Needs Assessment

Zoning Categories		Acres	# of units	Sum of 2016 Gross Assessed Values		Average assessed value per unit
				Land	Improvement	
Rural Zones						
FG	Forestry and Grazing	500.9	6	\$2,189,000	\$358,200	\$424,533
A	Agriculture	2,327.6	394	\$80,705,700	\$49,874,300	\$331,421
RC	Country Residential Housing	80.0	52	\$13,091,800	\$14,952,800	\$539,319
Urban Residential Zones						
R1	Large Lot Residential	801.4	3,378	\$757,636,400	\$780,581,700	\$455,364
R2	Small Lot Residential	318.6	1,965	\$365,601,000	\$327,013,200	\$352,475
R3	Small Lot Residential: Lane	2.8	31	\$4,853,000	\$4,654,000	\$306,677
RSM	Mobile Home Park Housing	138.4	121	\$6,933,000	\$465,700	\$61,146
RD1	Duplex Housing	61.2	344	\$55,143,000	\$54,272,000	\$318,067
RD2	Duplex Housing: Lane	113.9	1,121	\$156,420,401	\$128,102,401	\$253,812
RM1	Low Density Cluster Housing	51.9	894	\$13,626,500	\$11,896,000	\$28,549
RM2	Low Density Multiple Housing	165.8	1,972	\$56,088,901	\$78,092,801	\$68,043
RM3	Medium Density Multiple Housing	81.9	1,145	\$49,405,400	\$137,342,001	\$163,098
RM4	High Density Multiple Housing	46.7	863	\$15,808,501	\$22,264,601	\$44,117
RM5	Urban Residential	0.7	9	\$1,014,300	\$2,039,200	\$339,278
Commercial Zones						
C1	Commercial Transition	2.0	13	\$1,774,000	\$1,668,900	\$264,838
C2	Neighbourhood Commercial	0.7	14	\$1,060,000	\$649,100	\$122,079
C3	Commercial Residential Mixed Use	4.0	37	\$3,270,100	\$11,958,900	\$411,595
C4	General Commercial	0.9	13	\$575,000	\$584,400	\$89,185
C5	Urban Centre Commercial	2.9	94	\$2,745,400	\$3,114,200	\$62,336
C6	Mixed Use Commercial	1.1	27	\$1,003,300	\$537,200	\$57,056
C7	Service Commercial	1.3	34	\$1,140,900	\$210,200	\$39,738
C8	Vehicle Service Station					
C9	Marina Way Commercial	1.2	51	\$1,180,000	\$264,600	\$28,325
CT1	Tourist Commercial	7.0	157	\$4,704,900	\$727,500	\$34,601
CT2	Campground Commercial					
CT3	Hotel Resort					
Industrial Zones						
M1	General Industrial	3.1	23	\$60,900	\$128,700	\$8,243
M2	Heavy Industrial					
M3	Wrecking Yard					
Public Assembly & Recreation						
P1	Public Assembly	5.7	15	\$6,359,200	\$1,051,000	\$494,013
P2	Parks and Recreation	49.0	60	\$21,792,900	\$371,000	\$369,398
P3	Major Utilities					
Comprehensive Development						
CD1	400 Martin Street					
CD2	270 Riverside Drive					
CD3	2784 Skaha Lake Rd.	3.1	3	\$3,080,000	\$120,000	\$1,066,667
CD4	249 Westminster Ave. W.					
X	No address	1.1	994	\$25,282,800	\$11,461,600	\$36,966
		4,774.8	13,830	\$1,652,546,303	\$1,644,756,204	\$238,417

Table 40: Residential and supportive housing # of units and assessed value by zoning
Source: Urbanics Consultants Ltd.

6.4 Land utilization analysis

The dataset does not include the built-up information on each of the parcels (under residential use) and is not suitable for a detailed land utilization analysis. However, to provide a rough measure of land utilization in the City we have examined the assessed value of improvements in comparison to the assessed value of land and have assumed that residential use parcels with assessed value of improvements below 40 percent represent under-utilized parcels. Further, to give a measure of sensitivity to the above estimate we also conducted the above calculation with 20 percent as the cut off threshold. The findings of the analysis are presented in Table 42.

The analysis suggests that roughly 33 percent to 37 percent of the total land under residential uses is underutilized or have assessment values less than 20 percent to 40 percent of the assessed land values. This represents roughly:

- 250 acres to 300 acres of underutilized residential zoned lands (out of 1,783 of residential zoned lands)
- 4 acres to 7 acres of commercial zoned lands (out of 21 acres of commercial zoned lands in residential use)

It should be noted that 40% of assessed improvement value is a fairly low threshold level for commercial uses as these lands can be developed to a much greater density. Also, only a small proportion of commercial zoned land is currently being used for residential use; i.e. only 21 acres out of a total of over 450 acres of commercial zoned land is being used for residential uses. Thus, commercial zoned lands represent a significant opportunity for developing residential products in the City.

Further, based on a rough estimate of currently achieved density (number of acres divided by number of units) and density potential in each of the residential zoning categories, we estimate that roughly 9,400 additional units can be accommodated in the City. The distribution is provided below:

	Zoning Categories	Acres	# of units	Density acheived (units/ acre)	Density potential (units/ acre)	Potential capacity
	Urban Residential Zones					
R1	Large Lot Residential	801.4	3,378	4	6	1,430
R2	Small Lot Residential	318.6	1,965	6	8	584
R3	Small Lot Residential: Lane	2.8	31	11	11	0
RSM	Mobile Home Park Housing	138.4	121	1	10	1,263
RD1	Duplex Housing	61.2	344	6	8	146
RD2	Duplex Housing: Lane	113.9	1,121	10	16	701
RM1	Low Density Cluster Housing	51.9	894	17	17	0
RM2	Low Density Multiple Housing	165.8	1,972	12	20	1,345
RM3	Medium Density Multiple Housing	81.9	1,145	14	35	1,721
RM4	High Density Multiple Housing	46.7	863	18	65	2,175
RM5	Urban Residential	0.7	9	13	70	40

Table 41: Residential development potential in residential zoned lands
Source: Urbanics Consultants Ltd.

City of Pentticon: Housing Needs Assessment

Zoning Categories		Land utilization (2016 assessed Improvement value as a % of land value)					
		<20%	>20%	Total	<40%	>40%	Total
Rural Zones							
FG	Forestry and Grazing	490.9	10.0	500.9	490.9	10.0	500.9
A	Agriculture	770.4	1,557.2	2,327.6	902.6	1,425.0	2,327.6
RC	Country Residential Housing	10.9	69.0	80.0	10.9	69.0	80.0
Urban Residential Zones							
R1	Large Lot Residential	59.1	742.2	801.4	76.6	724.8	801.4
R2	Small Lot Residential	18.1	300.5	318.6	34.6	284.0	318.6
R3	Small Lot Residential: Lane	1.3	1.4	2.8	1.3	1.4	2.8
RSM	Mobile Home Park Housing	135.0	3.3	138.4	135.0	3.3	138.4
RD1	Duplex Housing	6.4	54.8	61.2	8.4	52.8	61.2
RD2	Duplex Housing: Lane	3.9	110.0	113.9	14.7	99.2	113.9
RM1	Low Density Cluster Housing	1.1	50.8	51.9	3.6	48.4	51.9
RM2	Low Density Multiple Housing	15.0	150.9	165.8	17.7	148.2	165.8
RM3	Medium Density Multiple Housing	7.1	74.8	81.9	7.1	74.8	81.9
RM4	High Density Multiple Housing	4.2	42.6	46.7	4.4	42.4	46.7
RM5	Urban Residential	0.0	0.7	0.7	0.0	0.7	0.7
Commercial Zones							
C1	Commercial Transition	0.0	2.0	2.0	0.1	1.8	2.0
C2	Neighbourhood Commercial	0.1	0.6	0.7	0.4	0.4	0.7
C3	Commercial Residential Mixed Use	0.0	4.0	4.0	0.0	4.0	4.0
C4	General Commercial	0.0	0.9	0.9	0.0	0.9	0.9
C5	Urban Centre Commercial	0.1	2.8	2.9	0.2	2.7	2.9
C6	Mixed Use Commercial	0.2	0.9	1.1	0.2	0.9	1.1
C7	Service Commercial	0.9	0.5	1.3	0.9	0.5	1.3
C8	Vehicle Service Station						
C9	Marina Way Commercial	0.3	0.9	1.2	0.3	0.9	1.2
CT1	Tourist Commercial	2.8	4.2	7.0	5.1	1.9	7.0
CT2	Campground Commercial						
CT3	Hotel Resort						
Industrial Zones							
M1	General Industrial	0.0	3.1	3.1	0.0	3.1	3.1
M2	Heavy Industrial						
M3	Wrecking Yard						
Public Assembly & Recreation							
P1	Public Assembly	4.4	1.4	5.7	5.0	0.7	5.7
P2	Parks and Recreation	48.5	0.5	49.0	49.0	0.0	49.0
P3	Major Utilities						
Comprehensive Development							
CD1	400 Martin Street						
CD2	270 Riverside Drive						
CD3	2784 Skaha Lake Rd.	3.1	0.0	3.1	3.1	0.0	3.1
CD4	249 Westminster Ave. W.						
X	No address	0.0	1.0	1.1	0.0	1.0	1.1
		1,583.9	3,191.0	4,774.8	1,772.0	3,002.8	4,774.8
		33%	67%	100%	37%	63%	100%

Table 42: Land utilization analysis
Source: Urbanics Consultants Ltd.

7 Housing needs projections

Housing demand is inextricably linked to population growth. This section briefly discusses three population growth scenarios and their impact on the future housing needs in the City of Penticton.

7.1 Baseline scenario

The first population growth scenario is based upon BC stats population projections for the Penticton LHA. The provincial government develops age-cohort and gender based fertility and mortality data and mobility to build forecasts of population until 2041. These projection trends are proportionally interpolated based on the 2011 Census population counts (adjusted for under coverage) for the City of Penticton, and are used as the baseline, or most likely, growth scenario.

Since the projections are based on age cohorts, household maintainer rates can be used to estimate the total number of households moving forward. This baseline scenario shows an increase of 669 households every five years and about 134 on an annual basis. The resulting estimates of households by age cohort for the City are shown in the tables below.

Population	2011	2016	2021	2026	2031	2036	2041	2046	Average
Under 15 years	4,179	3,891	4,157	4,425	4,686	4,756	4,723	4,688	
15 to 24 years	3,577	3,387	3,081	2,976	3,088	3,294	3,534	3,811	
25 to 34 years	3,449	3,273	3,692	3,949	3,653	3,595	3,718	3,851	
35 to 44 years	3,499	3,499	3,962	4,298	4,707	4,962	4,673	4,338	
45 to 54 years	5,250	4,581	4,073	4,145	4,638	5,005	5,421	5,958	
55 to 64 years	4,938	5,689	5,617	4,893	4,438	4,508	5,002	5,553	
65 to 74 years	3,700	4,631	5,329	5,876	5,830	5,167	4,780	4,419	
75 years and over	4,958	5,347	6,042	6,952	7,913	8,902	9,292	9,650	
	33,550	34,298	35,953	37,514	38,953	40,189	41,143	42,268	

Households	2011	2016	2021	2026	2031	2036	2041	2046	Average
Under 25 years	520	488	485	496	521	540	554	570	
25 to 34 years	1,585	1,504	1,697	1,815	1,679	1,652	1,709	1,770	
35 to 44 years	1,830	1,830	2,072	2,248	2,462	2,595	2,444	2,269	
45 to 54 years	3,000	2,618	2,327	2,369	2,650	2,860	3,098	3,405	
55 to 64 years	2,905	3,347	3,304	2,879	2,611	2,652	2,943	3,267	
65 to 74 years	2,340	2,929	3,370	3,716	3,687	3,268	3,023	2,795	
75 years and over	3,060	3,300	3,729	4,291	4,884	5,494	5,735	5,956	
	15,240	16,016	16,985	17,813	18,494	19,061	19,505	20,031	
Household growth									
5 year period		776	969	829	681	567	444	526	669
Annual		155	194	166	136	113	89	105	134

Table 43: Baseline scenario: Population and household projection

Source: Urbanics Consultants Ltd.

The household maintainer rates are provided by Statistics Canada and provide information on housing type and tenure by age cohort for the City. Assuming that type and tenure preferences and rates remain stable, demand for housing, by age cohort, type and tenure can be projected. The details of these projections are in the table below.

City of Penticton: Housing Needs Assessment

Owner-occupied	2011	2016	2021	2026	2031	2036	2041	2046	Average
Under 25 years	140	131	131	134	140	145	149	153	
25 to 34 years	710	674	760	813	752	740	765	793	
35 to 44 years	1,145	1,145	1,297	1,406	1,540	1,624	1,529	1,420	
45 to 54 years	1,905	1,662	1,478	1,504	1,683	1,816	1,967	2,162	
55 to 64 years	2,065	2,379	2,349	2,047	1,856	1,885	2,092	2,322	
65 to 74 years	1,660	2,078	2,391	2,636	2,616	2,318	2,145	1,983	
75 years and over	2,110	2,275	2,571	2,959	3,368	3,788	3,955	4,107	
	9,735	10,345	10,976	11,499	11,955	12,317	12,602	12,940	
Housing needs									
5 year period		610	631	523	456	362	285	338	432
Annual		122	126	105	91	72	57	68	87

Renter-occupied	2011	2016	2021	2026	2031	2036	2041	2046	Average
Under 25 years	380	357	355	363	381	394	405	416	
25 to 34 years	875	830	937	1,002	927	912	943	977	
35 to 44 years	685	685	776	841	921	971	915	849	
45 to 54 years	1,095	955	850	865	967	1,044	1,131	1,243	
55 to 64 years	840	968	955	832	755	767	851	945	
65 to 74 years	680	851	979	1,080	1,071	950	878	812	
75 years and over	950	1,025	1,158	1,332	1,516	1,706	1,780	1,849	
	5,505	5,671	6,009	6,315	6,539	6,744	6,903	7,091	
Housing needs									
5 year period		166	338	306	224	205	159	188	237
Annual		33	68	61	45	41	32	38	48

Table 44: Baseline-growth scenario - 2016-2041

Source: Urbanics Consultants

The baseline-growth scenario suggests that the City would need on average 432 new owned housing units in every five-year period or about 87 units per year. Similarly, the scenario estimates an average of about 237 new rental units or about 48 rental units per year, on average. These estimates have been broken down further to estimate the number of households in core housing need by tenure, which is summarized below.

Baseline	2011	2016	2021	2026	2031	2036	2041	2046	Average
Owner occupied	9,735	10,345	10,976	11,499	11,955	12,317	12,602	12,940	
Renter-occupied	5,505	5,671	6,009	6,315	6,539	6,744	6,903	7,091	
Total housing needs	15,240	16,016	16,985	17,813	18,494	19,061	19,505	20,031	
Net housing needs									
Owner occupied									
5 year period		610	631	523	456	362	285	338	432
Annual		122	126	105	91	72	57	68	87
Renter-occupied									
5 year period		166	338	306	224	205	159	188	237
Annual		33	68	61	45	41	32	38	48
Core housing needs									
Owner occupied	535	617	706	793	880	963	1,044	1,132	
Renter-occupied	2,042	2,156	2,340	2,517	2,667	2,813	2,943	3,088	
Net needs									
Owner-occupied									
5 year period		82	89	87	87	83	81	88	86
Annual		16	18	17	17	17	16	18	17
Renter-occupied									
5 year period		114	184	177	150	146	130	145	155
Annual		23	37	35	30	29	26	29	31

Table 45: Baseline-growth scenario- Core housing need, 2016-2046

Source: Urbanics Consultants

Table 45 also provides the number of households that are likely to experience core housing need. The baseline scenario suggests that 86 new owner households and 155 new renter households are likely to be in core housing need in every five-year period. It is based on the assumption that the share of owner households in core housing need will increase marginally from 6 percent in 2011 to 9 percent in 2046 and the share of renter households in core housing need will increase from 37 percent in 2011 to 44 percent in 2046. This translates to a net increase of roughly 17 owner households and 31 renter households in core housing need every year during 2016 - 2046.

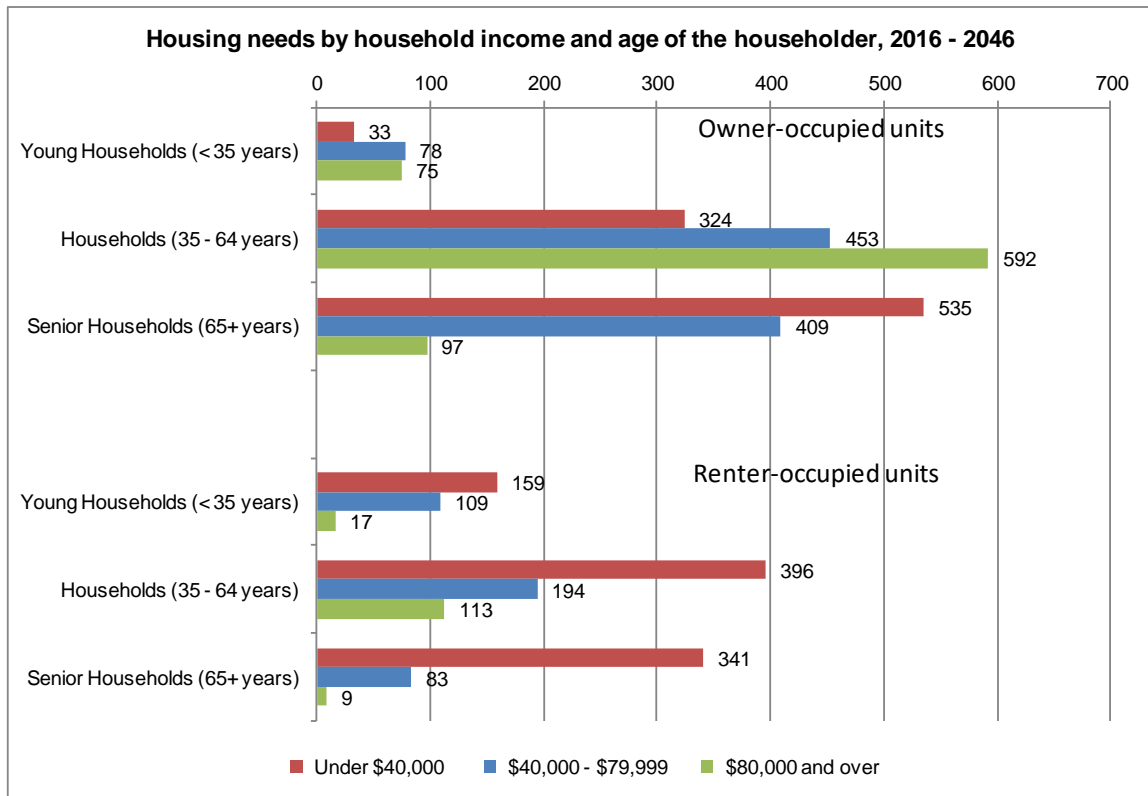


Figure 31: Housing needs by household income - 2016-2046
Source: Urbanics Consultants Ltd.

Housing Needs (2016 - 2046)	Under \$40,000	\$40,000 - \$79,999	\$80,000 and over	Total	5 Yr Avg needs	Annual Avg
Owner-occupied units						
Young Households (< 35 years)	33	78	75	186	31	6
Households (35 - 64 years)	324	453	592	1,369	228	46
Senior Households (65+ years)	535	409	97	1,041	174	35
	892	940	764	2,596	433	87
Renter-occupied units						
Young Households (< 35 years)	159	109	17	285	47	9
Households (35 - 64 years)	396	194	113	703	117	23
Senior Households (65+ years)	341	83	9	433	72	14
	895	387	138	1,420	237	47
Total Housing needs						
Young Households (< 35 years)	192	187	92	471	78	16
Households (35 - 64 years)	720	647	705	2,072	345	69
Senior Households (65+ years)	876	492	106	1,474	246	49
	1,787	1,327	902	4,016	669	134

Table 46: Housing needs by household income - 2016-2046
Source: Urbanics Consultants Ltd.

Table 46 provides the distribution of housing needs of the City by age of the primary household maintainer as well as the three major categories of household income; i.e. under \$40,000, \$40,000 - \$79,999 and \$80,000 and above. This is primarily for examining various needs and preferences of households at different stages of their life-cycles. Some of these demographic segments are:

Householders less than 34 years

Typically, householders in the 15 – 24 years age group are still attending nearby colleges or in the early stages of their career. As a result, most of these households are either in the rental market or just moving into homeownership. This segment prefers denser urban environments with a wide variety of amenities as well as recreational and commercial choices. This segment is more likely to be attracted to the Downtown core of the City. In contrast, householders in the 24 – 35 years age group are more inclined towards home ownership. Typically, these householders have more stable careers, in comparison to 15 – 24 years old, and are either already married or planning to get married. This demographic segment also prefers denser urban environments closer to work and services. This segment is also likely to be attracted to the Downtown core or areas in close proximity to the core of the City,

This segment will have a housing need for 186 owner-occupied housing units and 285 renter occupied units.

Householders 35 – 64 years

This demographic segment (35 – 64 years) is one of the primary demand generators for owner-occupied housing as it has high disposable income and wealth. This segment typically includes married couples with kids and prefers larger sized homes. Also, this demographic segment prefers to locate closer to desirable schools and neighbourhood amenities. This segment is expected to prefer ground-oriented housing products including single-family and townhouse units.

This segment will have a housing need for 1,369 owner-occupied housing units and 703 renter occupied units

Householders 65 + years

This demographic segment includes empty nesters, retirees and seniors and can include households with low income and net wealth (requiring social housing) as well as households that were well off and have sizeable wealth. This demographic segment includes two distinct categories, independent elderly (singles and married couples in good health) and elderly in need of assistance (singles and couples with lower incomes and health concerns). Independent elderly exhibit market characteristics more similar to that of the primary market, but with certain adjustments (e.g. a preference for generally smaller, lower-maintenance units, with a preference for greater access to certain amenities and facilities such as health care and convenience retail, to name just a few). This second category, i.e. elderly that need assistance, requires a wide variety of seniors housing and care options, including congregate care units and assisted living units.

This segment will have a housing need for 1,041 owner-occupied housing units and 433 renter occupied units.

City of Penticton: Housing Needs Assessment

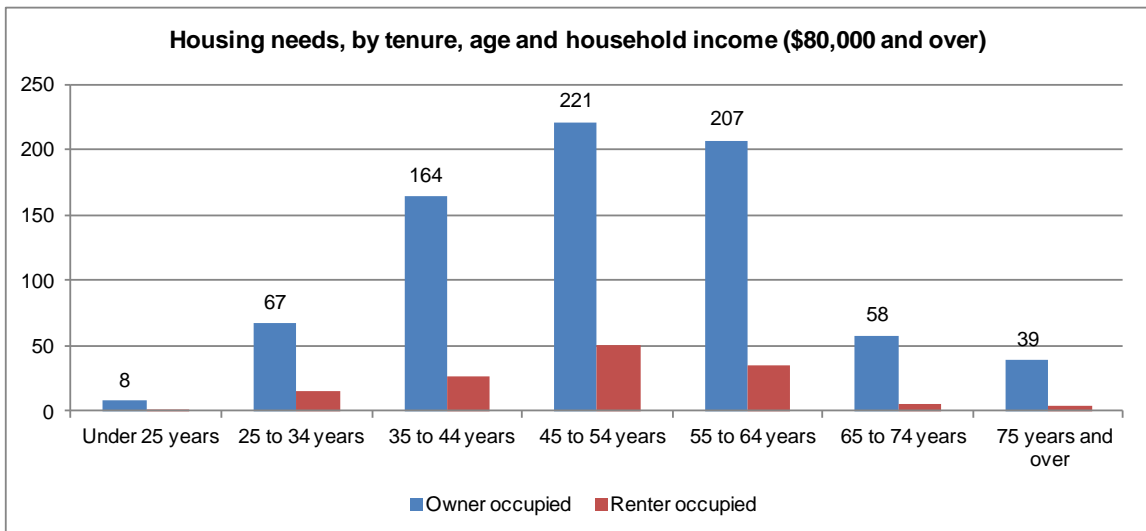
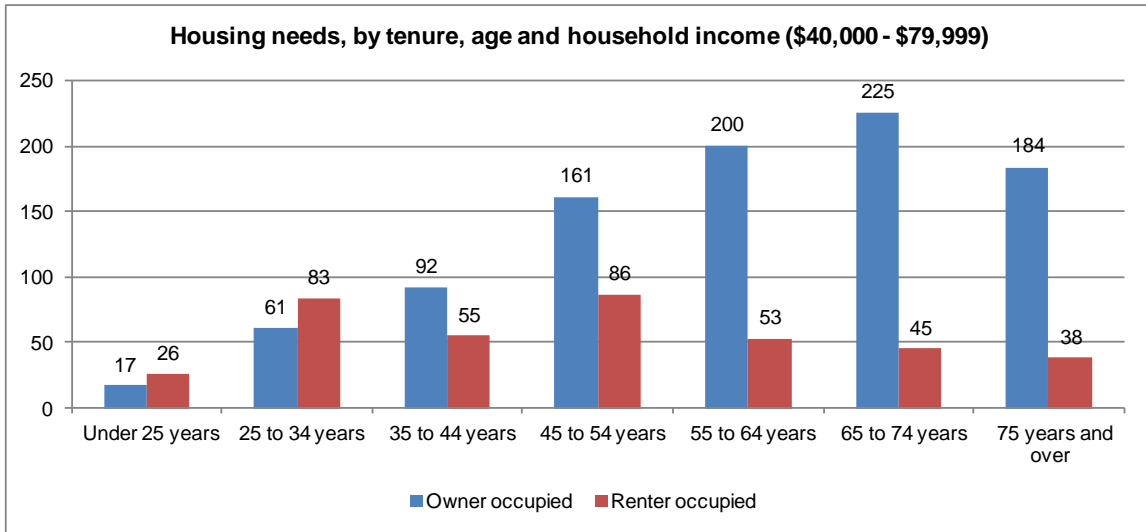
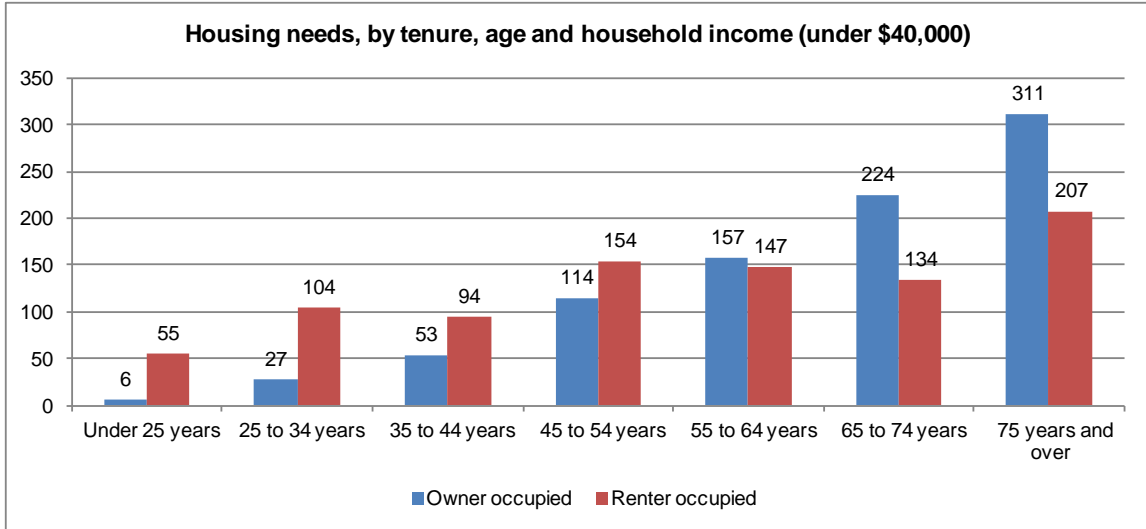
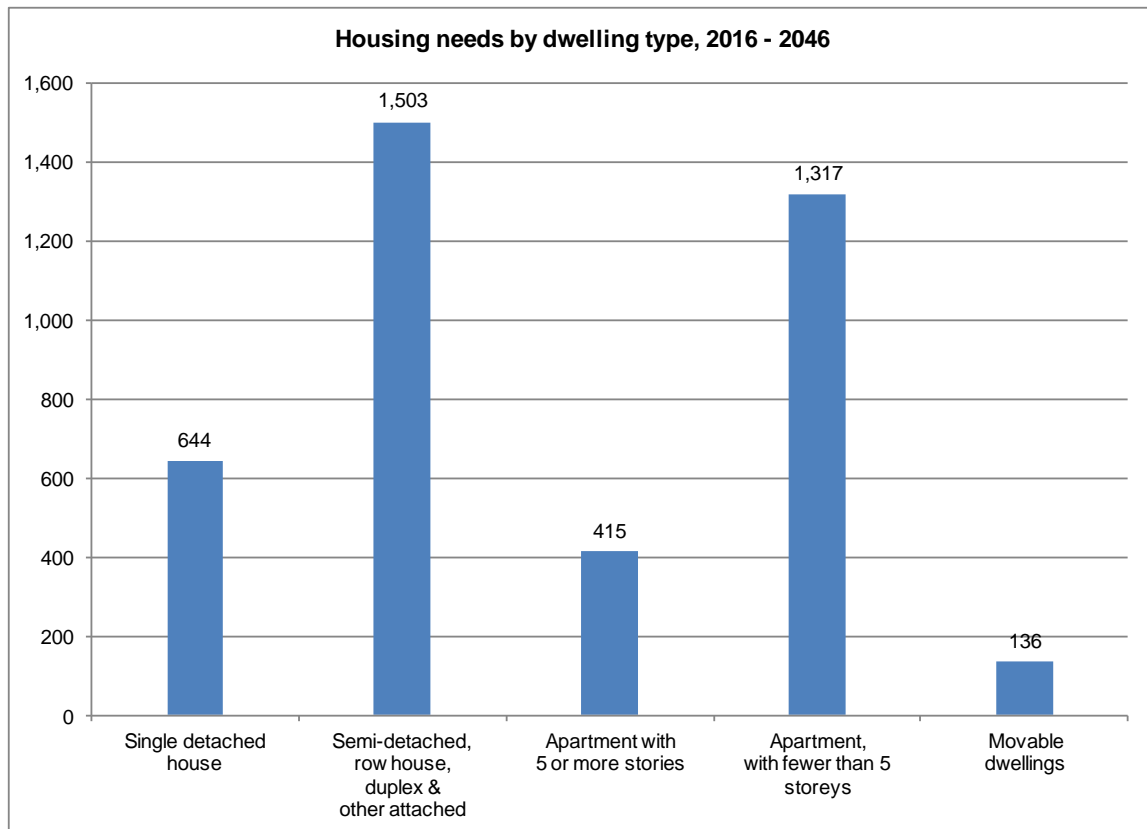


Figure 32: Housing needs by tenure, age and household income
Source: Urbanics Consultants Ltd.



The share of single-detached homes in the City declined from 55% in 1991 to 46% in 2011, while the share of other dwelling types steadily increased during the same period. We expect the share of single-detached homes to further decline during the study period from 46% in 2011 to 39% in 2046. In addition, we expect that the share of semi-detached, row house, duplex and other attached houses will increase from 18% in 2011 to 22% in 2046. The share of apartments is expected to increase from 5% in 2011 to 7% in 2046 for apartments with 5 or more storeys, and from 28% in 2011 to 29% in 2046 for apartments with fewer than 5 storeys. It is assumed that the share of movable dwellings will stay constant during the study period.

Thus, based on the above assumptions we estimate that roughly 4,015 additional dwelling units would be needed during 2016 to 2046, including:

- | | | |
|--|-------|---------------------|
| 1. Single detached house | 644 | units (21 per year) |
| 2. Semi-detached, row house, duplex & other attached units | 1,503 | units (50 per year) |
| 3. Apartment with 5 or more stories | 415 | units (14 per year) |
| 4. Apartment, with fewer than 5 storeys | 1,317 | units (44 per year) |
| 5. Movable dwellings | 136 | units (5 per year) |

The reader should note that the development activity in the City is expected to be in excess of this estimate as it would include the replacement of old housing stock (roughly 5 – 10% of the housing stock) as well as vacant dwelling units and dwellings used by temporary residents (roughly 8% the total housing stock in 2011).

Households in Core Housing Need

The baseline-growth scenario suggests that roughly 86 new owner households and 155 new renter households are likely to fall below at least one of the adequacy, affordability or suitability standards in every five-year period during 2016 - 2046. This translates to a net increase of 17 owner households and 31 renter households to the total number of households in core-housing need every year.

The reader should note that the number of owner households in core housing need is expected to increase from 617 in 2016 to 1,132 in 2046. Similarly, the number of renter households in core housing need is expected to increase from 2,156 in 2016 to 3,088 in 2046.

The City will be well served by implementing programs and policies that address the high proportion of renter households in core housing need. At the end of October 2016, the City had a total of 2,263 private row and apartment rental units (CMHC Rental Market Survey) and a 1- 2% vacancy rate. Moreover, the City had only added 125 private row and apartment rental units during 2011 - 2016 and 42 private row and apartment units during 2006 - 2016. Thus, it is not surprising that renter households in core housing need has increased from 28 percent in 2006 to 37 percent in 2011. To effectively address the issue the City would need to proactively enhance the supply of affordable rental housing during 2016 to 2046.

Non-market housing needs

The City currently has an inventory of 661 affordable units or roughly 4.1 percent of the total occupied housing stock (15,885 in 2016) in the City. However, based on the 2016 homeless count (13th Nov 2016) the City is estimated to need roughly 900 units (including beds and dwelling units) or 5.6 percent of the total housing stock in 2016. Of the total current need, we estimate that roughly 500 units (or 55 percent of the total) are needed for family and seniors housing and the remainder 400 units (45 percent) are needed for emergency, supportive and transitional housing.

Assuming that the City is able to maintain its future non-market housing at the 2016 levels the housing needs of the community will be roughly 1,120 units (5.6 percent of 20,031). Of the total non-market housing need, roughly 620 units are expected to be needed for family and seniors housing and 500 units would be needed for emergency, supportive and transitional housing. Thus, the City will require roughly 120 (620 less 493 units in 2016) additional units for family and seniors housing, and 330 units of emergency, supportive and transitional housing during 2016 - 2046.

The reader should note that the family and seniors housing needs estimated above are already included in the baseline housing needs estimate for the City. However, emergency, supportive and transitional housing is not included in the above estimation as these types of housing would typically be identified as collective dwellings (dwellings which are institutional, communal or commercial in nature) in the Census.

7.2 Low-growth scenario

The second population growth scenario, i.e. the low-growth scenario, is based upon a 0.4 percent annual growth rate during 2011 - 2046, i.e. the forecasted population growth rate for the Regional District of Okanagan-Similkameen (Projections, BC Stats, July 2016).

The population distribution by age-cohorts, for the City, was estimated based on the 0.4 percent growth rate as well as the share of age-cohorts in each of the 5 year periods. This population distribution along with the most recent maintainer rates is used to project the household distribution by age-cohorts for the City. Based on the low-growth scenario, the City is expected to add an average of 401 households every five years and 80 households on an annual basis during 2016 to 2046. The resulting estimates of households by age cohort for the City are shown in the tables below.

Population	2011	2016	2021	2026	2031	2036	2041	2046	Average
Under 15 years	4,179	3,857	4,045	4,234	4,418	4,429	4,358	4,279	
15 to 24 years	3,577	3,358	2,998	2,848	2,911	3,068	3,261	3,479	
25 to 34 years	3,449	3,245	3,593	3,779	3,444	3,348	3,430	3,515	
35 to 44 years	3,499	3,469	3,855	4,113	4,438	4,621	4,311	3,960	
45 to 54 years	5,250	4,541	3,963	3,966	4,373	4,661	5,002	5,439	
55 to 64 years	4,938	5,639	5,466	4,682	4,184	4,198	4,615	5,069	
65 to 74 years	3,700	4,591	5,186	5,623	5,497	4,812	4,410	4,034	
75 years and over	4,958	5,300	5,879	6,653	7,461	8,290	8,573	8,809	
	33,550	34,000	34,985	35,898	36,726	37,427	37,960	38,584	

Households	2011	2016	2021	2026	2031	2036	2041	2046	Average
Under 25 years	520	484	472	475	491	503	511	520	
25 to 34 years	1,585	1,491	1,651	1,737	1,583	1,539	1,576	1,615	
35 to 44 years	1,830	1,814	2,016	2,151	2,321	2,417	2,255	2,071	
45 to 54 years	3,000	2,595	2,265	2,266	2,499	2,663	2,858	3,108	
55 to 64 years	2,905	3,317	3,216	2,754	2,461	2,470	2,715	2,982	
65 to 74 years	2,340	2,903	3,280	3,556	3,476	3,043	2,789	2,551	
75 years and over	3,060	3,271	3,628	4,106	4,605	5,116	5,291	5,437	
	15,240	15,876	16,528	17,046	17,437	17,751	17,995	18,285	
Household growth									
5 year period		636	652	518	391	314	244	289	401
Annual		127	130	104	78	63	49	58	80

Table 47: Low-growth scenario: Population and household projection

Source: Urbanics Consultants Ltd.

The household maintainer rates are provided by Statistics Canada and provide information on housing type and tenure by age cohort for the City as well as for the Regional District. Assuming that type and tenure preferences and rates remain stable, demand for housing, by age cohort, type and tenure can be projected. The low-growth housing needs projection is provided below.

City of Penticton: Housing Needs Assessment

Owner-occupied	2011	2016	2021	2026	2031	2036	2041	2046	Average
Under 25 years	140	130	127	128	132	135	138	140	
25 to 34 years	710	668	740	778	709	689	706	724	
35 to 44 years	1,145	1,135	1,261	1,346	1,452	1,512	1,411	1,296	
45 to 54 years	1,905	1,648	1,438	1,439	1,587	1,691	1,815	1,974	
55 to 64 years	2,065	2,358	2,286	1,958	1,750	1,756	1,930	2,120	
65 to 74 years	1,660	2,060	2,327	2,523	2,466	2,159	1,979	1,810	
75 years and over	2,110	2,256	2,502	2,831	3,175	3,528	3,648	3,749	
	9,735	10,255	10,681	11,003	11,271	11,470	11,626	11,812	
Housing needs									
5 year period		520	426	322	269	199	156	185	259
Annual		104	85	64	54	40	31	37	52

Renter-occupied	2011	2016	2021	2026	2031	2036	2041	2046	Average
Under 25 years	380	353	345	347	359	367	373	380	
25 to 34 years	875	823	912	959	874	849	870	892	
35 to 44 years	685	679	755	805	869	905	844	775	
45 to 54 years	1,095	947	827	827	912	972	1,043	1,134	
55 to 64 years	840	959	930	796	712	714	785	862	
65 to 74 years	680	844	953	1,033	1,010	884	810	741	
75 years and over	950	1,016	1,126	1,275	1,430	1,588	1,643	1,688	
	5,505	5,622	5,847	6,043	6,165	6,280	6,369	6,473	
Housing needs									
5 year period		117	226	195	123	115	88	104	142
Annual		23	45	39	25	23	18	21	29

Table 48: Low-growth scenario - 2016-2041

Source: Urbanics Consultants Ltd.

The low-growth scenario finds that the City will need an average of 259 units for owner-occupied units and 142 rental units during every five-year period during 2016 - 2046. This equates to an annual housing need of 52 units for owner-occupied units and 29 rental units during 2016 - 2046. These estimates were further used to estimate the number of households with core housing need based on the assumption that the core housing need will remain stable at 6 percent for owner households and 37 percent for renter households during 2011 to 2046. The estimates are summarized below.

Low-growth	2011	2016	2021	2026	2031	2036	2041	2046	Average
Owner occupied	9,735	10,255	10,681	11,003	11,271	11,470	11,626	11,812	
Renter-occupied	5,505	5,622	5,847	6,043	6,165	6,280	6,369	6,473	
Total housing needs	15,240	15,876	16,528	17,046	17,437	17,751	17,995	18,285	
Net housing needs									
Owner occupied									
5 year period		520	426	322	269	199	156	185	259
Annual		104	85	64	54	40	31	37	52
Renter-occupied									
5 year period		117	226	195	123	115	88	104	142
Annual		23	45	39	25	23	18	21	29
Core housing needs									
Owner occupied	535	612	687	758	829	897	963	1,034	
Renter-occupied	2,042	2,137	2,277	2,409	2,515	2,619	2,715	2,819	
Net needs									
Owner-occupied									
5 year period		77	75	71	71	68	66	71	70
Annual		15	15	14	14	14	13	14	14
Renter-occupied									
5 year period		95	140	132	106	104	96	104	114
Annual		19	28	26	21	21	19	21	23

Table 49: Low-growth scenario- Core housing need, 2016-2046

Source: Urbanics Consultants Ltd.

7.3 High-growth scenario

The final population growth scenario, i.e. the high-growth scenario, is based upon a 0.8 percent annual growth rate during 2011 - 2041, i.e. this is higher than the baseline growth rate estimated for the City but lower than the Provincial growth rate of 1% per year during 2011 - 2041 (Projections, BC Stats, July 2016).

Should the City continue to build upon its employment base, the City could see growth in excess of .7 percent per year. This high-growth scenario provides an upper boundary for housing demand for the City.

The City's population distribution by age-cohorts was estimated based on the 0.8 percent growth rate and the share of age-cohorts in each of the 5 year periods. This population distribution along with the most recent maintainer rates is used to project the household distribution by age-cohort in the City. Based on the high-growth scenario, the City is expected to add an average of 819 households every five years or 164 households on an annual basis during 2016 to 2046. The resulting estimates of households by age cohort for the City are shown in the tables below.

Population	2011	2016	2021	2026	2031	2036	2041	2046	Average
Under 15 years	4,179	3,909	4,216	4,527	4,832	4,936	4,925	4,916	
15 to 24 years	3,577	3,403	3,125	3,045	3,184	3,418	3,685	3,996	
25 to 34 years	3,449	3,288	3,745	4,040	3,767	3,731	3,877	4,038	
35 to 44 years	3,499	3,515	4,019	4,398	4,853	5,149	4,873	4,549	
45 to 54 years	5,250	4,602	4,131	4,241	4,782	5,194	5,653	6,248	
55 to 64 years	4,938	5,715	5,697	5,006	4,576	4,678	5,216	5,823	
65 to 74 years	3,700	4,652	5,405	6,012	6,011	5,362	4,985	4,634	
75 years and over	4,958	5,371	6,128	7,113	8,159	9,238	9,690	10,119	
	33,550	34,455	36,466	38,382	40,164	41,706	42,904	44,323	

Households	2011	2016	2021	2026	2031	2036	2041	2046	Average
Under 25 years	520	490	492	508	537	560	577	598	
25 to 34 years	1,585	1,511	1,721	1,857	1,731	1,715	1,782	1,856	
35 to 44 years	1,830	1,838	2,102	2,300	2,538	2,693	2,549	2,379	
45 to 54 years	3,000	2,630	2,361	2,423	2,733	2,968	3,230	3,570	
55 to 64 years	2,905	3,362	3,352	2,945	2,692	2,752	3,069	3,426	
65 to 74 years	2,340	2,942	3,418	3,802	3,802	3,391	3,153	2,931	
75 years and over	3,060	3,315	3,782	4,390	5,036	5,702	5,981	6,245	
	15,240	16,088	17,228	18,225	19,068	19,780	20,340	21,004	
Household growth 5 year period		848	1,139	997	843	712	559	665	819
Annual		170	228	199	169	142	112	133	164

Table 50: High-growth scenario: Population and household projection
Source: Urbanics Consultants Ltd.

Similar to the low-growth scenario, the high-growth scenario assumes that housing type and tenure preferences and rates remain stable. The high-growth housing needs projection is provided below.

City of Penticton: Housing Needs Assessment

Owner-occupied	2011	2016	2021	2026	2031	2036	2041	2046	Average
Under 25 years	140	132	133	137	145	151	155	161	
25 to 34 years	710	677	771	832	775	768	798	831	
35 to 44 years	1,145	1,150	1,315	1,439	1,588	1,685	1,595	1,489	
45 to 54 years	1,905	1,670	1,499	1,539	1,735	1,885	2,051	2,267	
55 to 64 years	2,065	2,390	2,382	2,093	1,914	1,956	2,181	2,435	
65 to 74 years	1,660	2,087	2,425	2,697	2,697	2,406	2,237	2,079	
75 years and over	2,110	2,286	2,608	3,027	3,472	3,931	4,124	4,306	
	9,735	10,392	11,133	11,764	12,326	12,782	13,141	13,568	
Housing needs									
5 year period		657	741	631	562	456	359	427	529
Annual		131	148	126	112	91	72	85	106

Renter-occupied	2011	2016	2021	2026	2031	2036	2041	2046	Average
Under 25 years	380	358	360	371	393	409	422	437	
25 to 34 years	875	834	950	1,025	956	947	984	1,024	
35 to 44 years	685	688	787	861	950	1,008	954	891	
45 to 54 years	1,095	960	862	885	997	1,083	1,179	1,303	
55 to 64 years	840	972	969	852	778	796	887	991	
65 to 74 years	680	855	993	1,105	1,105	985	916	852	
75 years and over	950	1,029	1,174	1,363	1,563	1,770	1,857	1,939	
	5,505	5,697	6,095	6,461	6,742	6,998	7,199	7,436	
Housing needs									
5 year period		192	398	366	281	256	200	237	290
Annual		38	80	73	56	51	40	47	58

Table 51: High-growth scenario - 2016-2041

Source: Urbanics Consultants

The high-growth scenario suggests that the City would need on average 529 new owner-occupied housing units every five-year period or about 106 units per year. Similarly, the scenario estimates an average of about 290 new rental units or about 58 rental units per year. These findings were further used to estimate the core housing need of the community based on the assumption that the share of households in core housing need will increase from 6 percent in 2011 to 12 percent in 2046 for owner households and from 37 percent in 2011 to 50 percent in 2046 for renter households. These estimates have been summarized below.

High Growth	2011	2016	2021	2026	2031	2036	2041	2046	Average
Owner occupied	9,735	10,392	11,133	11,764	12,326	12,782	13,141	13,568	
Renter-occupied	5,505	5,697	6,095	6,461	6,742	6,998	7,199	7,436	
Total housing needs	15,240	16,088	17,228	18,225	19,068	19,780	20,340	21,004	
Net housing needs									
Owner occupied		656.75302							
5 year period		657	741	631	562	456	359	427	529
Annual		131	148	126	112	91	72	85	106
Renter-occupied		191.65125							
5 year period		192	398	366	281	256	200	237	290
Annual		38	80	73	56	51	40	47	58
Core housing needs									
Owner occupied	535	620	716	811	907	1,000	1,089	1,187	
Renter-occupied	2,042	2,166	2,373	2,576	2,750	2,919	3,069	3,238	
Net needs									
Owner-occupied									
5 year period		85	96	95	96	93	89	98	95
Annual		17	19	19	19	19	18	20	19
Renter-occupied									
5 year period		124	207	203	174	169	150	169	179
Annual		25	41	41	35	34	30	34	36

Table 52: High-growth scenario- Core housing need, 2016-2046

Source: Urbanics Consultants Ltd.

8 Findings and recommendations

The City of Penticton faces significant challenges in meeting its present and projected housing needs. What follows is a summary of particular measures the City could take to help overcome these challenges.

8.1 Anticipated growth in population aged 65 years and over

Findings

The City is expected to grow from a population of 34,298 in 2016 to 42,268 in 2046, at an annual growth rate of 0.70 percent. Thus, the City will add a total of 7,970 people or roughly 266 people every year during 2016 – 2046. The distribution of this population growth, by three main age-groups is:

- Population aged 65 years and over: Population aged 65 years and over will experience a net increase of 4,091 people or 51 percent of the total net increase during the period;
- Population aged 15 to 64 years: Population aged 15 to 64 years will experience a net increase of 3,082 people or 39 percent of the total net increase during the period; and
- Population aged 15 years and under: Population aged 15 years and under will experience a net increase of 797 people or 10 percent of the total net increase during the period.

The City is expected to display an increase of 134 households on an annual basis or a net increase of 4,015 households during 2016 - 2046 (baseline-growth scenario). The distribution of this household growth by the age of primary household maintainer is provided below:

- Householders less than 34 years: a net increase of 471 households, with 186 owner households and 285 renter households
- Householders 35 – 64 years: a net increase of 2,072 households, with 1,369 owner households and 703 renter households
- Householders 65 + years: a net increase of 1,474 households, with 1,041 owner households and 433 renter households

Recommendations

Enhance support services aimed at seniors: The senior population is expected to account for over half of the total population growth during 2016 – 2046. The City will be well served by working with the non-profit agencies to ensure that there are adequate levels of support services for the expected increase in senior population as well as seniors led households going forward.

Ensure adequate accessibility in housing for seniors: The City will be well served by ensuring that senior-oriented housing provides adequate support for seniors with mobility issues or any other disabilities.

8.2 Address housing needs

Findings

The overall housing needs during 2016 to 2046 by dwelling type is expected to be:

1. Single detached house	644	units (21 per year)
2. Semi-detached, row house, duplex & other attached units	1,503	units (50 per year)
3. Apartment with 5 or more stories	415	units (14 per year)
4. Apartment, with fewer than 5 storeys	1,317	units (44 per year)
5. Movable dwellings	136	units (5 per year)

The study finds that, with a declining share of single-family units in the City's housing stock and declining affordability, the community will display a strong need (50 units per year out of a total need for 134 units per year) for semi-detached, row house, duplex & other attached units as well as ground oriented apartment units with fewer than 5 storeys (44 units per year out of a total need for 134 units per year). In addition, the need for single family units and apartments in buildings with 5 or more storeys will be 21 units per year and 14 units per year, respectively during 2016 to 2046.

The City has been adding roughly 130 units a year (completions) over the last five years, including:

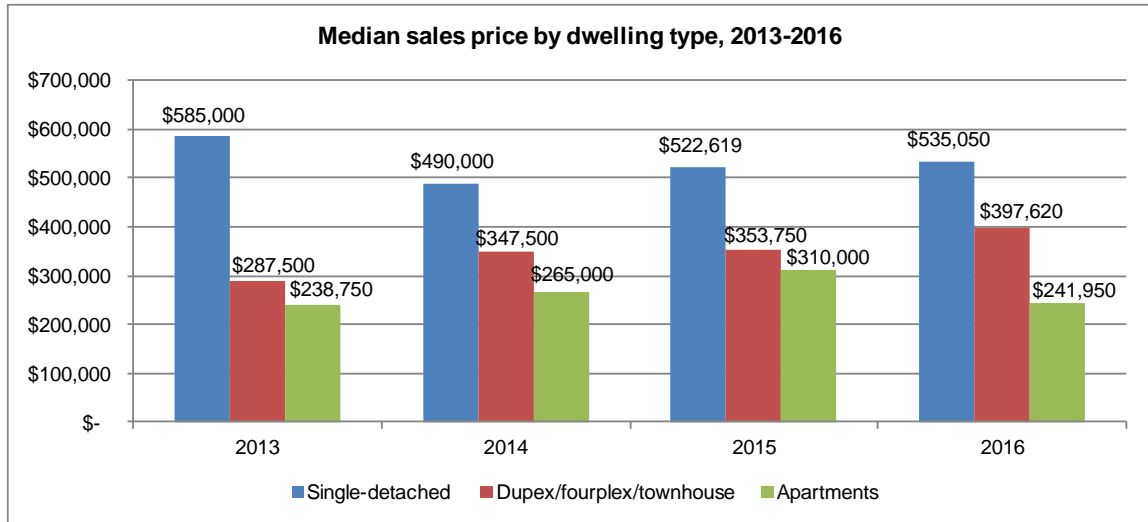
- Single-detached units, which account for 51 units a year, or 39% of the total completions in a year
- Semi-detached units and row houses, which account for 26 units a year, or 21% of the total completions in a year
- Apartment units, which account for 52 units a year, or roughly 40% of the total completions in a year

Recommendations:

Create more affordable units: The level of affordability in the City is fairly low. For example, a median priced \$300,000 home is affordable to only 30% of the population. The City will be well served by facilitating more affordable and higher-density housing units in each of the dwelling types. For example, the City could facilitate increased development of multi-family wood-frame apartment buildings, which are more affordable as compared to apartments with 5 or more storeys or even higher-density ground-oriented dwelling types.

Housing reserve fund, housing agreements and municipal incentives: The City could potentially use a housing reserve fund and municipal entitlements to promote developments that produce more affordable housing product in the City. In addition, the City could use housing agreements to ensure that these units remain affordable even after resale.

Enhance the supply of movable homes: It might be prudent to at least maintain or even enhance the supply of movable dwellings in the community. This is primarily because movable dwellings are significantly more affordable as compared to all the other dwelling types but have witnessed a declining trend in its share of housing in the City.



Encourage the development of smaller units: The City is experiencing a strong increase in one person households leading to likely demand for studio, one and two bedroom units going forward. The City could facilitate this by developing guidelines for purpose built smaller sized units as well as secondary suites, laneway homes and accessory apartments in ancillary structures within the large homes already in the housing supply.

8.3 Enhance housing supply for households in Core Housing Need

Findings

The study finds that the number of households that are likely to fall below at least one of the adequacy, affordability or suitability standards or display a core housing need is expected to increase during the study period from 617 in 2016 to 1,132 in 2046 for owner households and from 2,156 in 2016 to 3,088 in 2046 for renter households.

Recommendations

The City will be well served by working with Provincial and Federal agencies to create and implement programs and policies to address the high rate of renter households in core housing need. This is likely driven by the age and condition of the rental stock, high rental rates, limited supply of rental housing and lower income levels in the City. To effectively address the issue the City would need to enhance the supply of affordable rental housing and closely monitor the condition of existing rental stock. In addition, the City will be well served by working with developers to facilitate a diverse mix of affordable owner-occupied dwelling units going forward.

8.4 Address non-market housing needs

Findings

The City is estimated to have a need for roughly 1,120 non-market housing units (5.6 percent of 20,031 units) by 2046. Of the total non-market housing need, roughly 620 units are expected to be required for family and seniors housing and 500 units would be required for emergency, supportive and transitional housing. Thus the City will need to add roughly 120 units (620 less 493 units in 2016) for family and seniors housing and 330 units of emergency, supportive and transitional housing during 2016 - 2046. This is assuming that the need for non-market housing is not further exacerbated by declining affordability and rise in homelessness and substance abuse.

Recommendations

The City will be well served by working with the non-profit sector and the Provincial and Federal agencies to create and implement programs and policies to address the high rate of mental health, substance abuse and homelessness related issues in the community. In addition, the City would have to ensure that adequate number of affordable rental housing is available to support the current and expected rise in low-income singles, families and seniors going forward. To effectively address the issue the City would need to enhance the supply of affordable rental housing and closely monitor the condition of existing rental stock.

8.5 Enhance the supply of rental housing

Findings

The City of Penticton is facing an extremely tight rental housing market, with vacancy rates expected to be in the 1- 2% range. Based on the CMHC Rental Market Survey the City had 2,263 private row and apartment rental units in October 2016; including 143 bachelor units (6% of total), 1,021 one bedroom units (45% of total), 994 two bedroom units (44% of the total) and 105 three bedroom units (5% of the total).

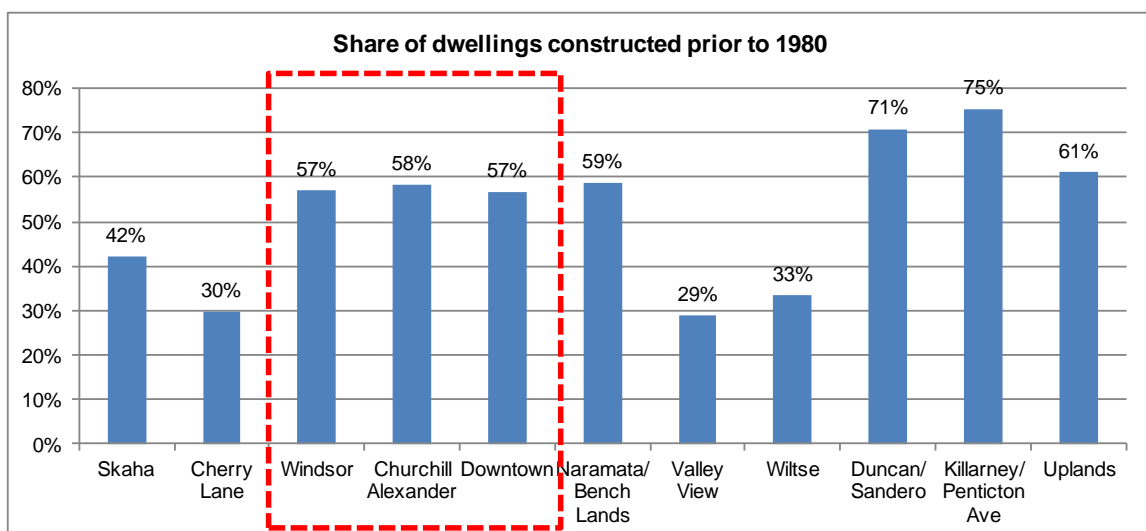
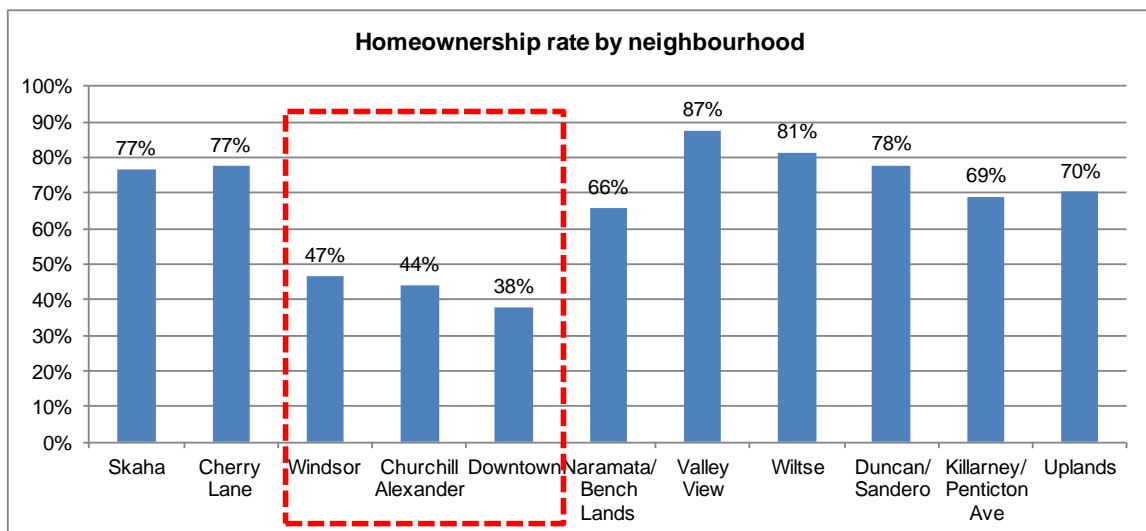
The city has only added 125 private row and apartment rental units during 2011 - 2016 and 42 units during 2006 - 2016. These units are not enough to alleviate the tight rental market as the rough rental needs were estimated to be roughly 170 units during 2011 – 2016; primarily because of limited supply of rental units and high pent up demand in previous years. As a result, the City is facing a tight rental market with low vacancy rates and rising rental rates.

In addition, to the above, the City also experiences a high degree of seasonality in its housing needs. Seasonal demand from the agricultural workers and hockey school also creates a housing challenge for the community. There is unmet need for housing of retail and other service sector employees earning relatively low wages. Often such employees cannot find housing that is considered affordable on their incomes if they can find housing at all. Some employers will own housing units and rent them directly to employees. Other employers cannot or will not offer that option and suffer from personnel shortages.

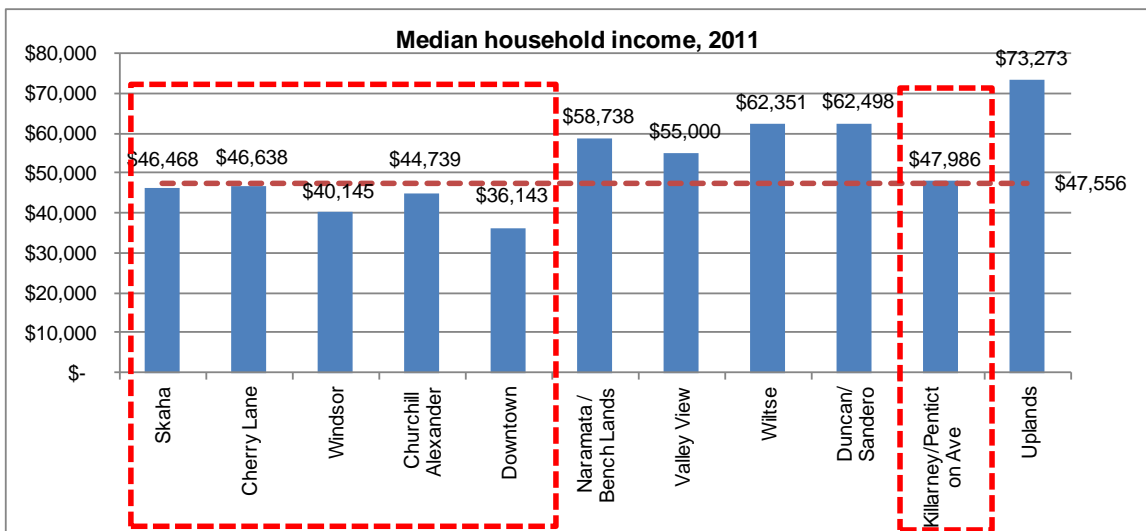
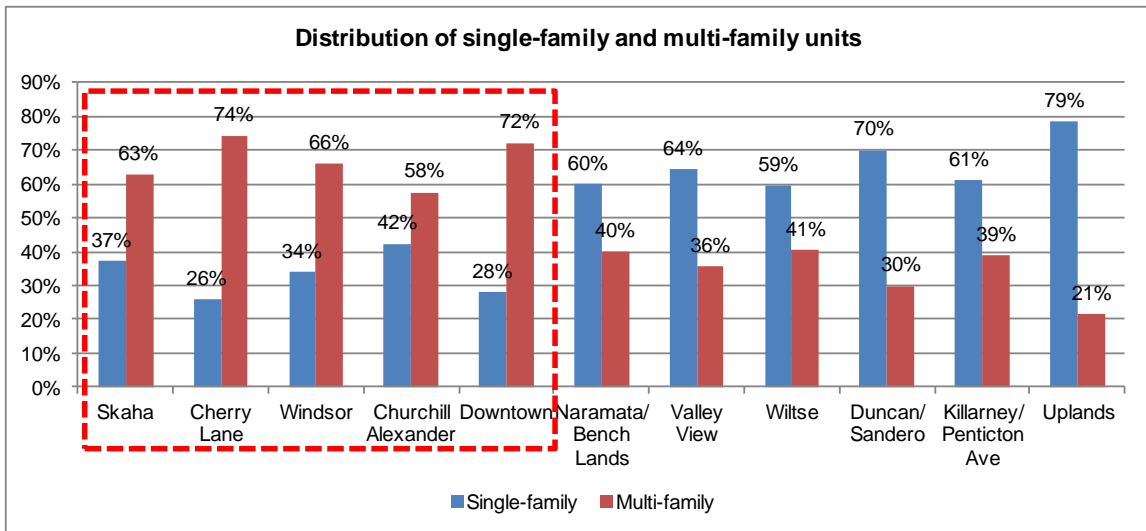
Recommendations

Use municipal incentives: Enhance rental supply through creative use of municipal incentives, density bonus, DCC discounts, reduced parking requirements and other programs. The City could also potentially enter into partnership with developers to develop and operate rental apartment units on City owned land parcels.

Enhance rental supply in neighbourhoods with low homeownership rates: The City will be well served by enhancing the supply of rental housing in the Windsor, Churchill/Alexander and Downtown neighbourhoods, which have low homeownership rates and high shares of dwellings constructed prior to the 1980's. These neighbourhoods will greatly benefit by selective rejuvenation of the existing rental housing stock. In contrast, Duncan/Sandero, Killarney/ Penticton Ave and Uplands have higher shares of owner-occupied dwellings constructed prior to the 1980's, and are more likely to be relatively better maintained and rejuvenated by natural market forces.



Enhance supply of multi-family products in neighbourhoods with low median household incomes: The neighbourhoods of Windsor, Churchill/Alexander and Downtown neighbourhoods will be well served by higher density rental housing products as these neighbourhoods have high shares of multi-family dwellings and median household incomes below the city-wide median household income. Skaha, Cherry Lane and Killarney / Penticton Ave. have a high share of multi-family products and high homeownership rates and would be ideal for ground oriented owner-occupied multi-family housing products, such as row-housing, duplex and other attached products. In addition, Naramata/ Bench Lands, Valley View, Wiltse, Duncan/Sandero and Uplands will be better suited for lower density single-family and multi-family housing products.



Enhance work-force/ seasonal housing: The City could explore partnership arrangements with developers and non-profit organizations to develop and operate rental apartment units on City owned land.

8.6 Facilitate development on underutilized and vacant land

Findings

The analysis suggests that roughly 33 percent to 37 percent of the total land under residential uses (BC Assessment Current Use) is underutilized, which represents roughly:

- 250 acres to 300 acres of underutilized residential zoned lands (out of 1,783 of residential zoned lands)
- 4 acres to 7 acres of commercial zoned lands (out of 21 acres of commercial zoned lands in residential use out of a total of over 450 acres of commercial zoned land)

Address	Category	Zoning	Acres
1102 BURNABY AVE	Multi-family (vacant)	RM3	1.2
157 ABBOTT ST	Multi-family (vacant)	RM4	1.2
166 POWER ST	Multi-family (vacant)	RM3	1.3
203 EDMONTON AVE	Multi-family (vacant)	RM2	0.8
206 MARINA WAY	Multi-family (vacant)	C9	0.4
222 LEE AVE	Multi-family (vacant)	RM3	0.5
232 WADE AVE W	Multi-family (vacant)	RM3	0.3
253 NORTON ST	Multi-family (vacant)	RM4	0.5
2922 WILSON ST	Multi-family (vacant)	RD1	0.2
3311 WILSON ST	Multi-family (vacant)	RM4	3.7
3352 HEMLOCK ST	Multi-family (vacant)	RM4	1.7
3363 WILSON ST	Multi-family (vacant)	RM3	1.8
3382 SOUTH MAIN ST	Multi-family (vacant)	RM2	0.4
3402 SOUTH MAIN ST	Multi-family (vacant)	RM2	1.8
393 RIGSBY ST	Multi-family (vacant)	RM3	0.4
522 EDMONTON AVE	Multi-family (vacant)	RM2	0.6
535 WADE AVE W	Multi-family (vacant)	RM3	0.1
549 WADE AVE W	Multi-family (vacant)	RM3	0.1
739 BIRCH AVE	Multi-family (vacant)	RM2	0.2
864 GOVERNMENT ST	Multi-family (vacant)	R2	0.3
873 MAIN ST	Multi-family (vacant)	RM3	0.2
393 WINNIPEG ST	Parking (lot only)	RM4	0.2
920 ECKHARDT AVE W	Vacant IC&I	R2	0.2
932 ECKHARDT AVE W	Vacant IC&I	R2	0.2
946 ECKHARDT AVE W	Vacant IC&I	R2	0.2
			18.3

Table 53: Vacant multi-family parcels
Source: Urbanics Consultants Ltd.

Recommendations

Residential zoned lands: The city has several vacant residential (multi-family) zoned parcels located in the Downtown, Churchill/ Alexander, Killarney / Penticton Ave and Skaha neighbourhoods. These parcels, 25 in number, include over 18 acres of multi-family zoned lands. These parcels can be readily developed without rezoning. The City could create conditions for facilitating development of such parcels.

Commercial zoned lands: Commercial zoned lands account for roughly 3 percent of the total residential units (440 units) in the City. These commercial zoned lands represent a strong opportunity for the development of more affordable multi-family housing product including mixed-use condominium and rental apartments over retail. The city could work with developers and incentivize residential development on such parcels.

8.7 Vacant and underutilized sites in Downtown Penticton

Findings

Downtown Penticton is the financial, civic and commercial core of the City. Much of the area is zoned C5, RD2, C6 and RM3. The C5 zoning allows for residential buildings to a FAR of 6 and to a height of 36.6 m (except on Main Street 100 to 600 Block and Front Street where a maximum height of 15 m is allowed), however there are a limited number of dwelling units (roughly 100 units) on C5 zoned lands.

Recommendation

There are a number of vacant and underutilized sites in Downtown Penticton, which would greatly enhance the quality of the Downtown Core as well as its revitalization efforts. In addition, the City would greatly benefit by repurposing these vacant and underutilized parcels to higher density and multi-family mixed use. These include Three Gables site (West side of the 300 block of Main Street), 450 Martin Street, Nanaimo Hall site (intersection of Ellis Street and Nanaimo Avenue), 111 Front Street and several other sites identified in the City's Downtown Plan. A greater residential population in the urban core will also result in increasing sales potential along the Main Street.

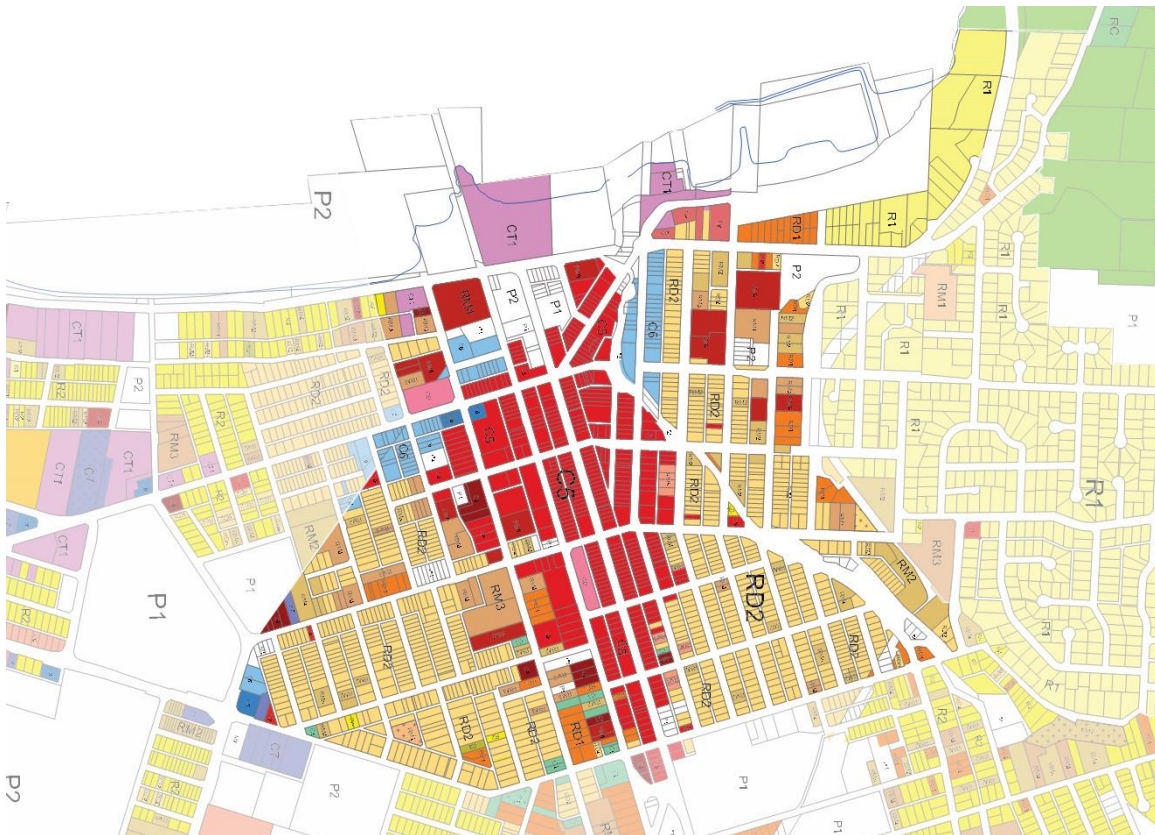


Figure 33: Downtown zoning map
Source: City of Penticton

8.8 Address declining housing affordability

Findings

The study finds that single-detached homes (median priced) are affordable to only 17 percent of the total households in 2016. In contrast, apartments less than 5 storeys are affordable to 46 percent of the households and row houses, duplex, and other attached units are affordable to 31 percent of the total households. Additionally, apartments in buildings with 5 or more storeys are affordable to 27 percent of the households. The most affordable product type is the mobile home, which is affordable to over 90 percent of the households.

Thus, it is likely that some of the households are being priced out of home ownership and are being forced to rent. This can be expected to put additional pressure on an already tight rental market, with vacancies in the 1% - 2% range, and result in significant rent increases.

Thus, it is not surprising that many potential renters are struggling to find rental units in the city and are frustrated by the lack of units available on the market. These affordability issues are further exacerbated for the more vulnerable populations, including seniors, homeless and people with addictions and mental health issues.

Recommendation

Enhance market rate housing supply: The City will be well served by enhancing the supply of market rate rental and for sale units especially in affordable and higher-density housing units in each residential typology. This can be achieved by using municipal entitlements and incentives to direct growth within appropriate locations in the City.

Enhance seniors housing supply: The City will be well served by enhancing the supply of seniors housing. The City can set up a housing reserve fund, donate city-owned land, grants-in-aid, and suspend property taxes or development charges for non-profit housing projects to facilitate development of much needed seniors housing.

Increase non-market housing supply: Develop multi-agency cooperation parameters to tackle the issue of adequate supply of appropriate housing for all. There is a need for non-market housing, including seniors housing, shelters and housing for homeless and people with mental health and addiction issues. In addition, the City will be well served by creating affordable housing throughout the City instead of concentrating it at specific locations.

Increase support for homeless population: The City could partner with BC Housing and non-profit agencies to enhance the supply of emergency, support and transition housing in the community. In addition, the City could provide land for temporary campsites and enhance support to the homeless population instead of chasing them out of campsites, which results in the loss of their survival tools.

Appendix A: Recent residential products



Figure 34: Single-family home in Duncan /Sendero



Figure 35: Single family home on Penticton Ave



Figure 36: 400 Block Braid Street (5 front to back duplex)



Figure 37: 402 Lakeshore drive (fourplex)



Figure 38: Townhomes on Power St (15 townhomes)



Figure 39: Three storey townhomes



Figure 40: Fourplex, rental



Figure 41: Eightplex, rental



Figure 42: Three storey condominium over podium



Figure 43: Concrete condominium towers: Lakeshore Towers



Figure 44: Mobile home: 31-98 Okanagan Ave E



Figure 45: Mobile home: 10-2773 South Main St

Appendix B: Resident survey

Urbanics conducted an in-person as well as an online survey of the residents to gain additional insights related to housing needs in the City of Penticton. The in-person survey was conducted during the farmers market on October 1, 2016 and was followed by the online survey during the months of October and November, 2016. The survey received a combined total of 224 responses, which is well above the number of responses that was required for a statistically valid sample. Thus findings from the survey can be expected to be representative of the housing needs in the City.



Figure 46: Survey conducted during the Farmers Market on Oct 1, 2016

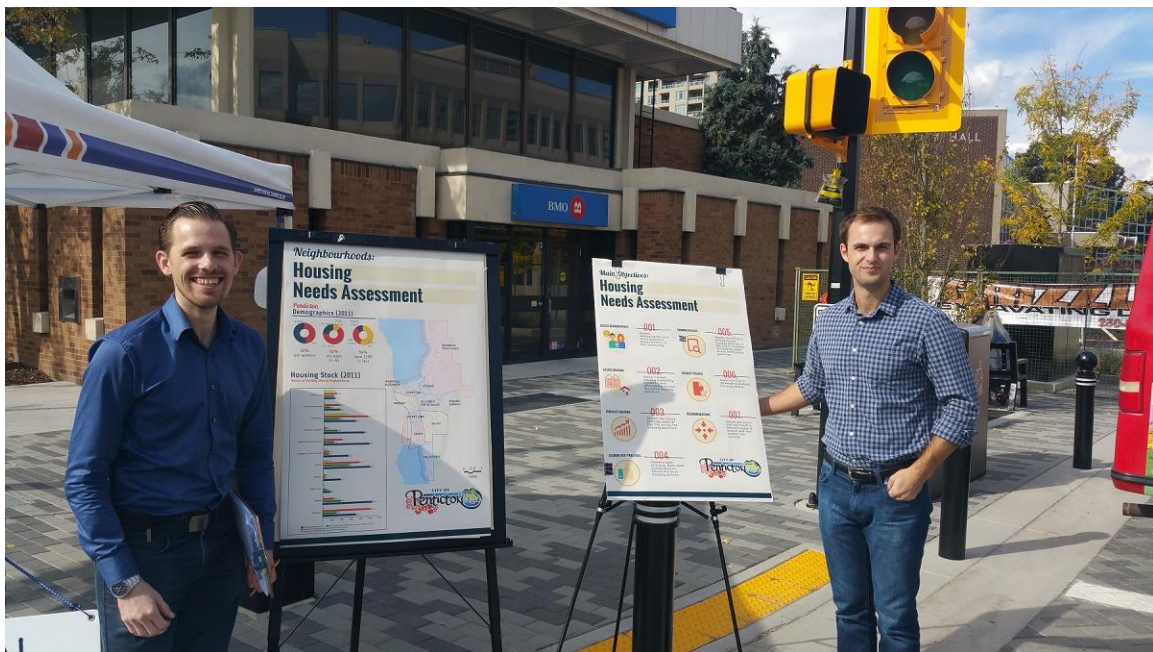
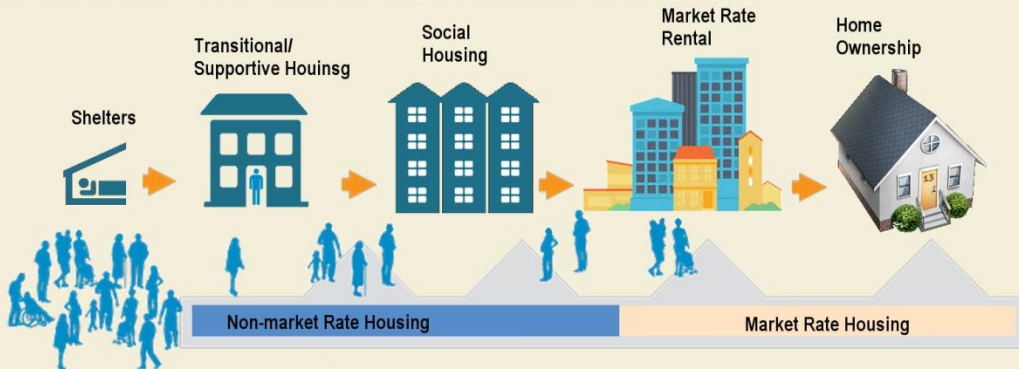


Figure 47: Information boards related to the study

Housing Survey: Housing Needs Assessment



TELL US WHAT YOU
THINK

TAKE
— THE —
SURVEY



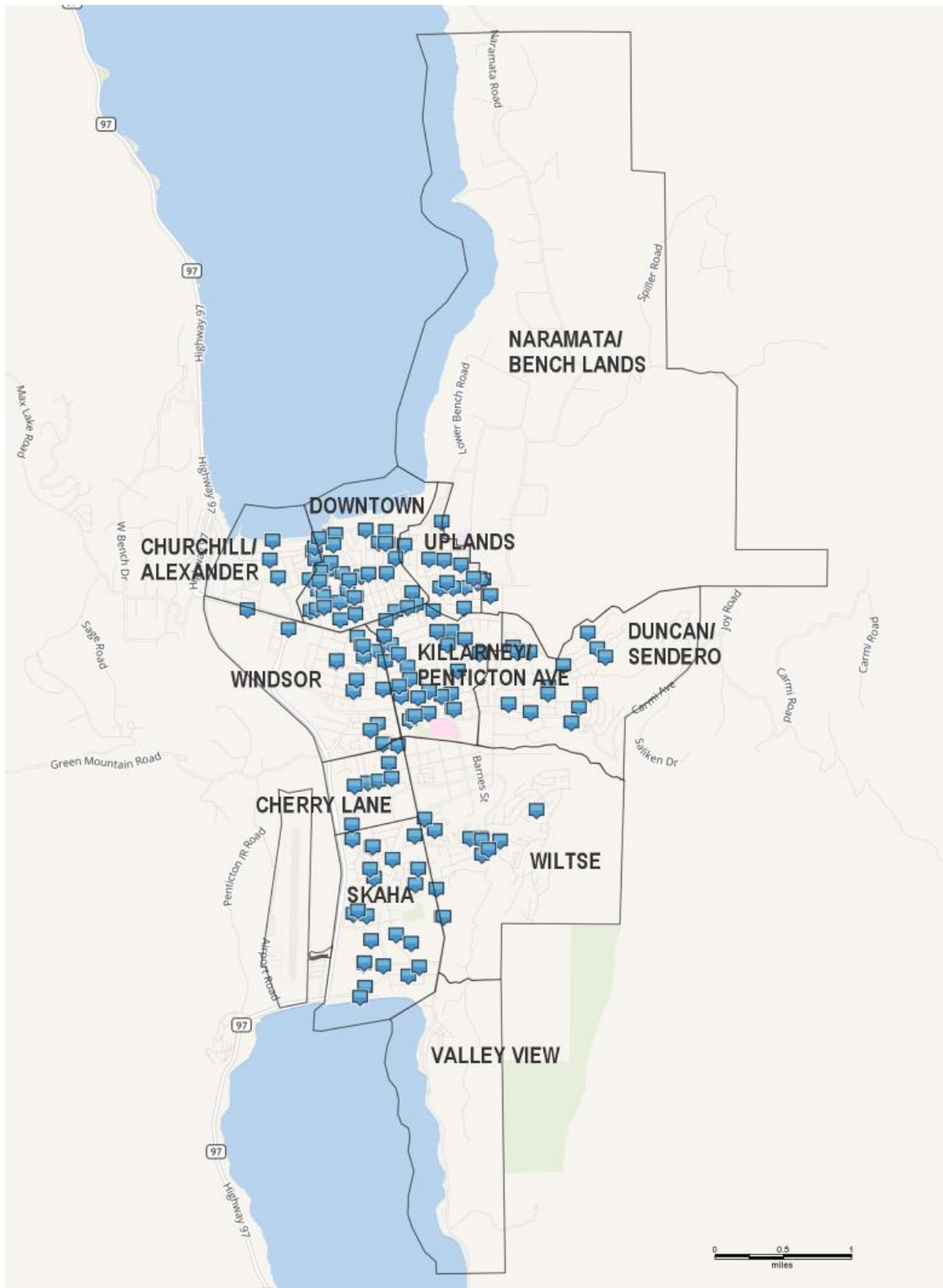


Figure 48: Location of survey respondents (185 out of 224 respondents)
Source: Urbanics Consultants Ltd.

Of the total, 185 respondents provided a postal code with their survey responses; their geographical distribution within the City is provided in Figure 48:

Some findings from the survey are:

What are some of the pressing housing issues in your neighbourhood?

The survey finds that two major housing issues in the City are high housing prices (65% of the respondents view it as a major issue) and homelessness (40% of the respondents view it as a major issue). Some of the comments related to this issue were:

- The city has an extreme shortage of affordable and low income family housing
- Housing prices and the cost of living is very high in the city but the wages are low
- Too expensive for the average person trying to just live and pay bills
- Supports might be required to assist individuals to maintain their housing
- Lack of affordable, long-term (year round) rental units (especially pet friendly units)
- Lack of rental housing for single people and single parent households
- The city has very low housing vacancy rates and the rental rates are quite high
- Finding affordable housing through BC Housing takes many years (3 to 8 years in some cases)
- Too many landlords (slumlords) are taking advantage of desperate people
- Availability and price of senior housing was also identified as one of the major concerns in the survey responses; some of the comments were:
 - Not enough accessible rentals for seniors and people with disabilities
 - Maintenance and enforcement of bylaws is an issues at some strata titled properties
 - Shortage of low income housing for seniors (especially pet friendly housing).
- A large number of people in Penticton are homeless, and live on the streets.
- The city needs to find a better way to handle the "Tent Cities",
- The city needs more low-barrier homes for homeless individuals and emergency and long term rentals for youth

In addition to the above issues, the city's residents are also concerned about short-term tourist rentals and appropriate housing for people with disabilities (27% of the respondents view it as a major issue).

- Short-term rentals might be reducing the availability of long-term rental units in the city as a large number of Airbnb rentals are available despite a paucity of long-term rentals in the city
- Illegal vacation rental/Airbnb suites do not pay their fair share of hospitality taxes or carry proper insurance
- The city should enforce business licenses for Airbnb and regulate (fees / restrictions) short-term rentals on properties that are not primary residence
- Motels rent suites during the off season but kick people out during the high tourist season

City of Penticton: Housing Needs Assessment

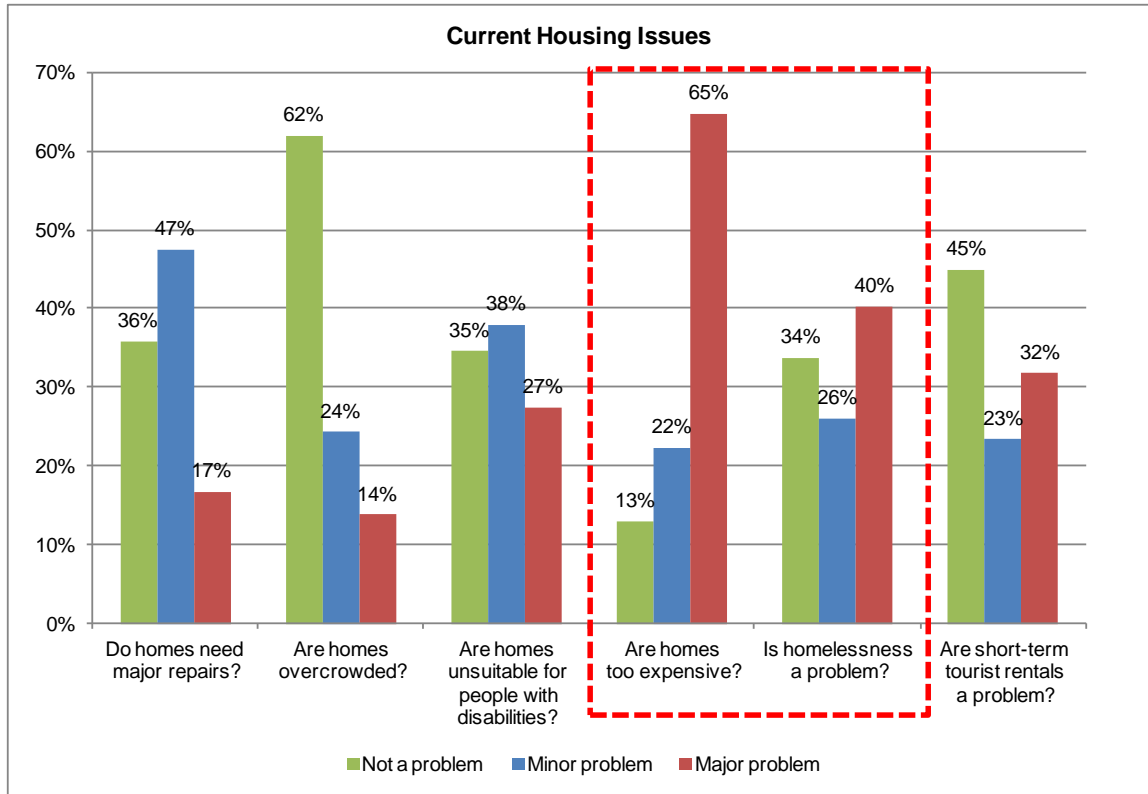


Figure 49: Current housing issues in the city
Source: Urbanics Consultants Ltd.

Current Housing Issues	Not a problem	Minor problem	Major problem	Total
Do homes need major repairs?	77 (36%)	102 (47%)	36 (17%)	215 (100%)
Are homes overcrowded?	130 (62%)	51 (24%)	29 (14%)	210 (100%)
Are homes unsuitable for people with disabilities?	73 (35%)	80 (38%)	58 (27%)	211 (100%)
Are homes too expensive?	28 (13%)	48 (22%)	139 (65%)	215 (100%)
Is homelessness a problem?	74 (34%)	57 (26%)	88 (40%)	219 (100%)
Are short-term tourist rentals a problem? (vacation rentals)	96 (45%)	50 (23%)	68 (32%)	214 (100%)

Table 54: Current housing issues in the city
Source: Urbanics Consultants Ltd.

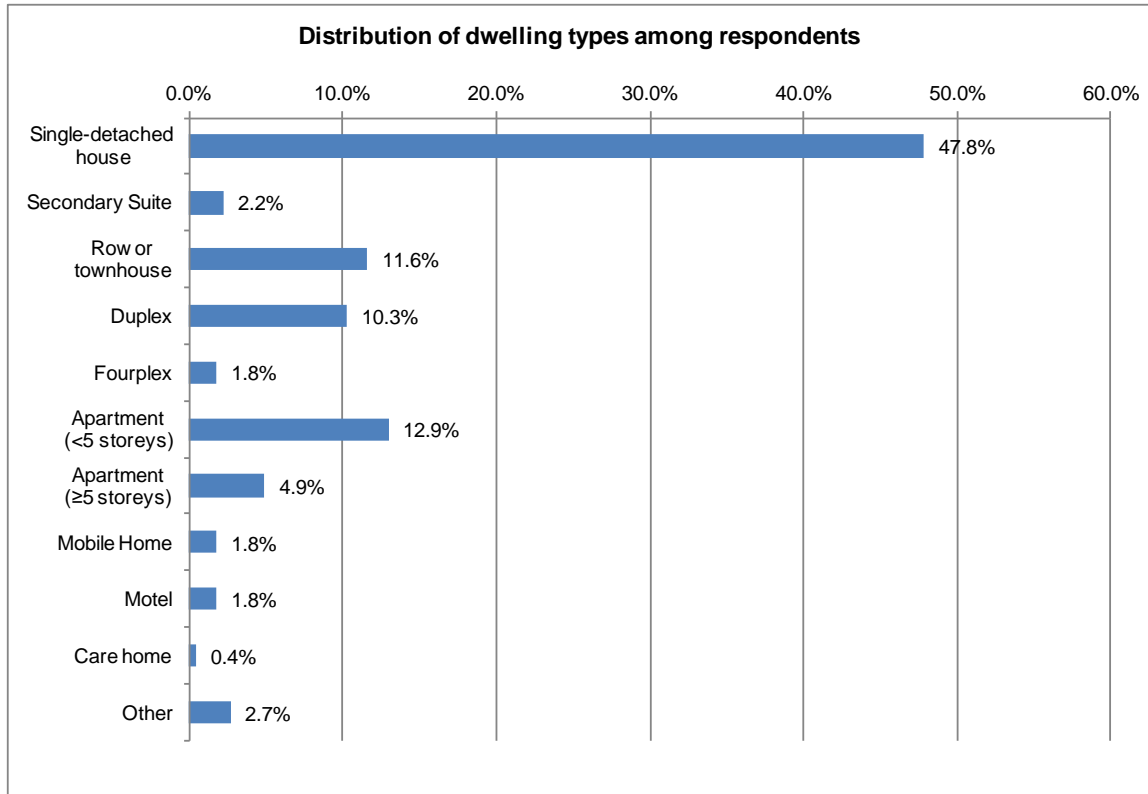


Figure 50: Current dwelling-types of the respondents
Source: Urbanics Consultants Ltd.

Which of the following best describes your current dwelling type?

Roughly 48 percent of the respondents live in single-detached homes, 11.6 percent in row or townhouse, 10.3 percent in duplex 12.9 percent in apartment less than 5 storeys and 4.9 percent in apartments with 5 or more storeys.

Single-family units, townhouses and apartments with 5 or more storeys are proportionally similar to their shares in the Census 2011 dwelling counts. However, respondents living in duplex are over-represented and apartments with less than 5 storeys are under-represented in the survey.



Figure 51: Household tenure and associated spending on mortgage or rental payment
Source: Urbanics Consultants Ltd.

Do you own or rent the place where you live?

Roughly 48 percent of the respondents were renters and only 46 percent of the respondents were homeowners, as compared to 64% for the City. The survey has a higher share of representation of renters in the sample.

Is your household spending more than 30% of its income (before-tax) on mortgage or rental payment?

Further, roughly 51 percent of all respondents spend more than 30 percent of their income on mortgage or rental payment. Out of which, roughly 75% (or 38% of the total respondents) of the households are renters the remainder (13 percent of the total respondents) are homeowners.

49 percent of the total respondents spend less than 30 percent on mortgage or rental payment. Out of which, roughly 71 percent are homeowners (35% of the total respondents) and the remainder are renters (14 percent of the total respondents).

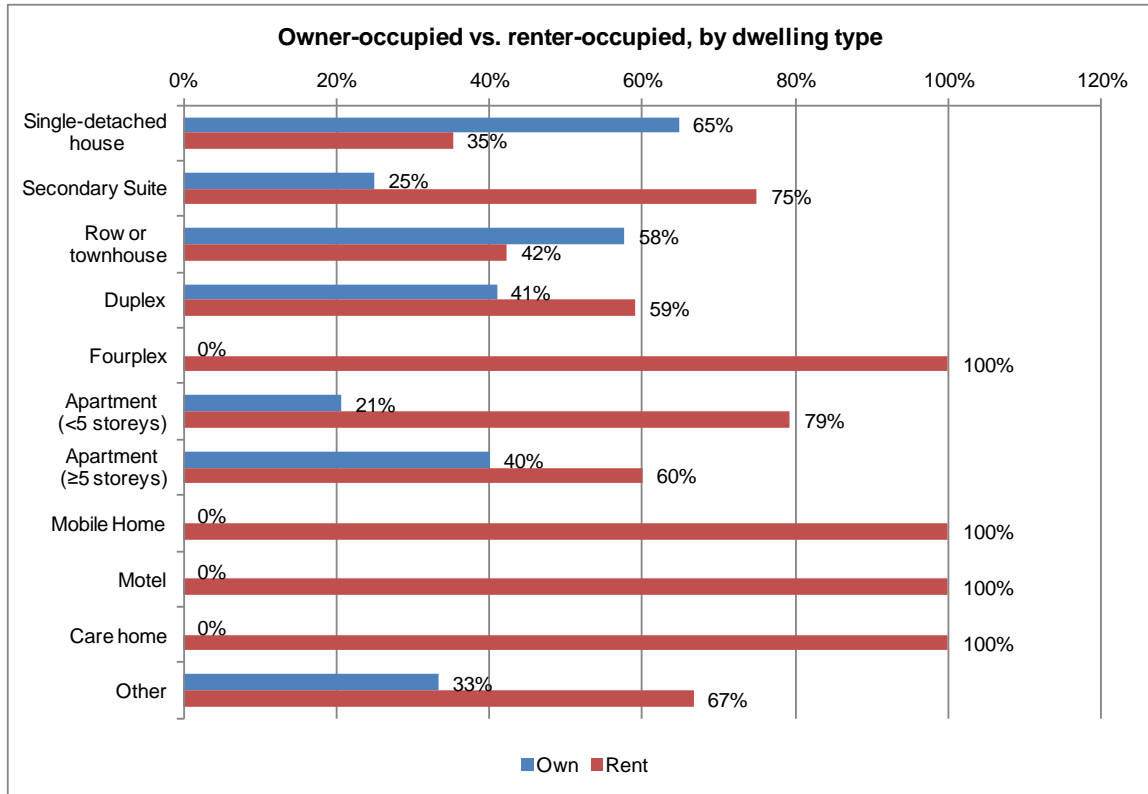


Figure 52: Housing tenure by dwelling type
Source: Urbanics Consultants Ltd.

Combined data from responses from the following questions:

- Which of the following best describes your current dwelling type?
- Do you own or rent the place where you live?

The homeownership rate among the respondents living in a single-detached units was 65 percent as compared to 85 percent in the Census 2011. Further, as mentioned previously, the other dwelling types are more heavily weighted towards rental tenure. For example secondary suite, duplex, fourplex, apartments with less than 5 storeys, apartment with 5 or more storeys, mobile homes, motel and care homes have rental rates in excess of 59 percent.

The only exception is the Row or townhouses, a close substitute for single-detached units, which displays an ownership rate of 58 percent.

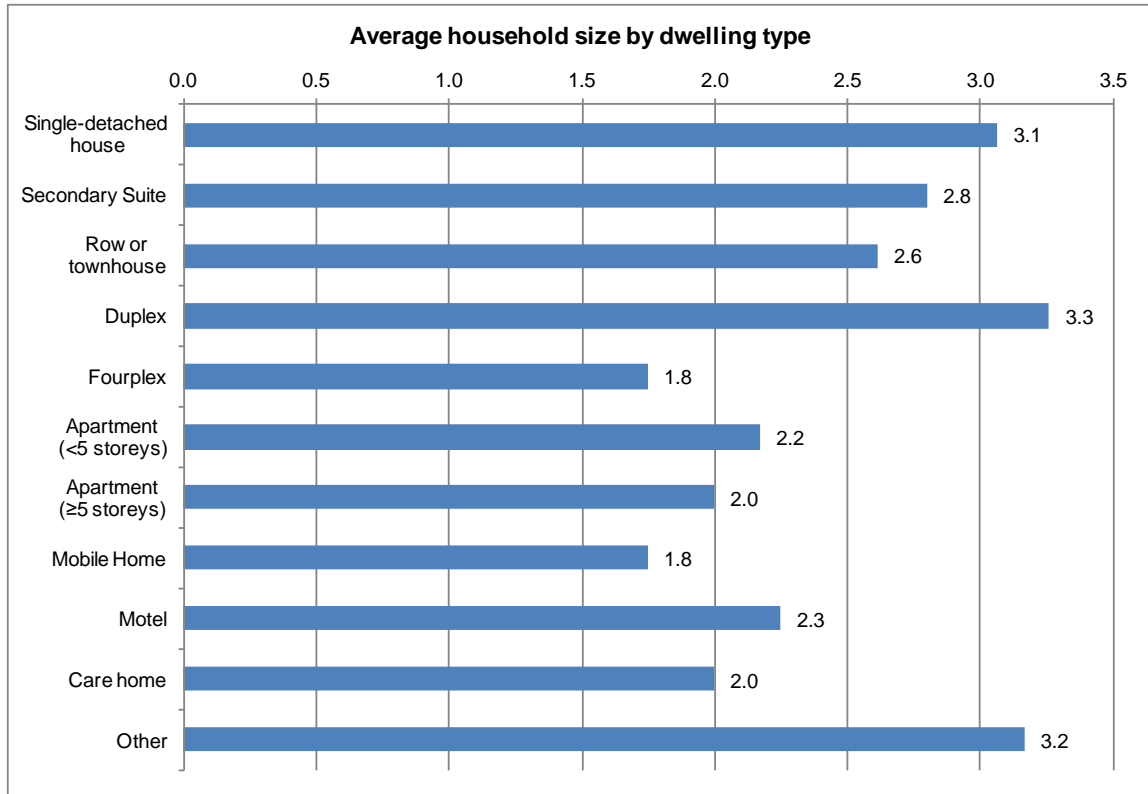


Figure 53: Average household size by dwelling type
Source: Urbanics Consultants Ltd.

Combined data from responses from the following questions:

- **Which of the following best describes your current dwelling type?**
- **How many people, including you, currently live in your household?**

Figure 53 provides a graphical representation of the responses to the above questions. Surprisingly, duplex had a higher household size (3.3) amongst the respondents as compared to single-detached houses (3.1) and rowhouse or townhouse (2.6). All the other housing types ranged from 1.8 to 2.8 in the survey.

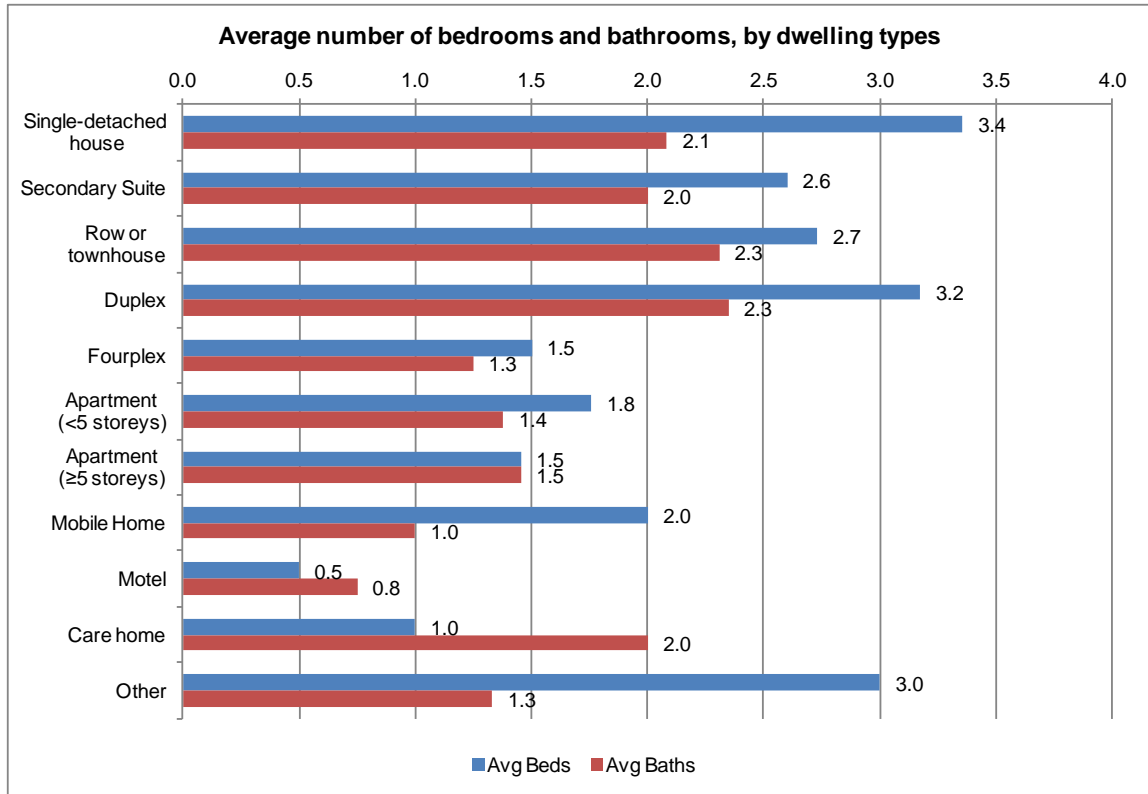


Figure 54: Average number of beds and baths
Source: Urbanics Consultants Ltd.

Combined data from responses from the following questions:

- **Which of the following best describes your current dwelling type?**
- **What is the size of your home?**
 - **Number of Bedrooms**
 - **Number of Bathrooms**

Figure 54 provides the number of bedrooms and bathrooms by dwelling type. Single-detached units are on an average the largest units in the City, with 3.4 beds and 2.1 baths, followed by duplex units with 3.2 beds and 2.4 baths.

Interestingly, row or townhouses are on an average smaller than the duplex units. It is likely that duplex units are being developed as a lower priced substitute for larger single-family units .

City of Penticton: Housing Needs Assessment

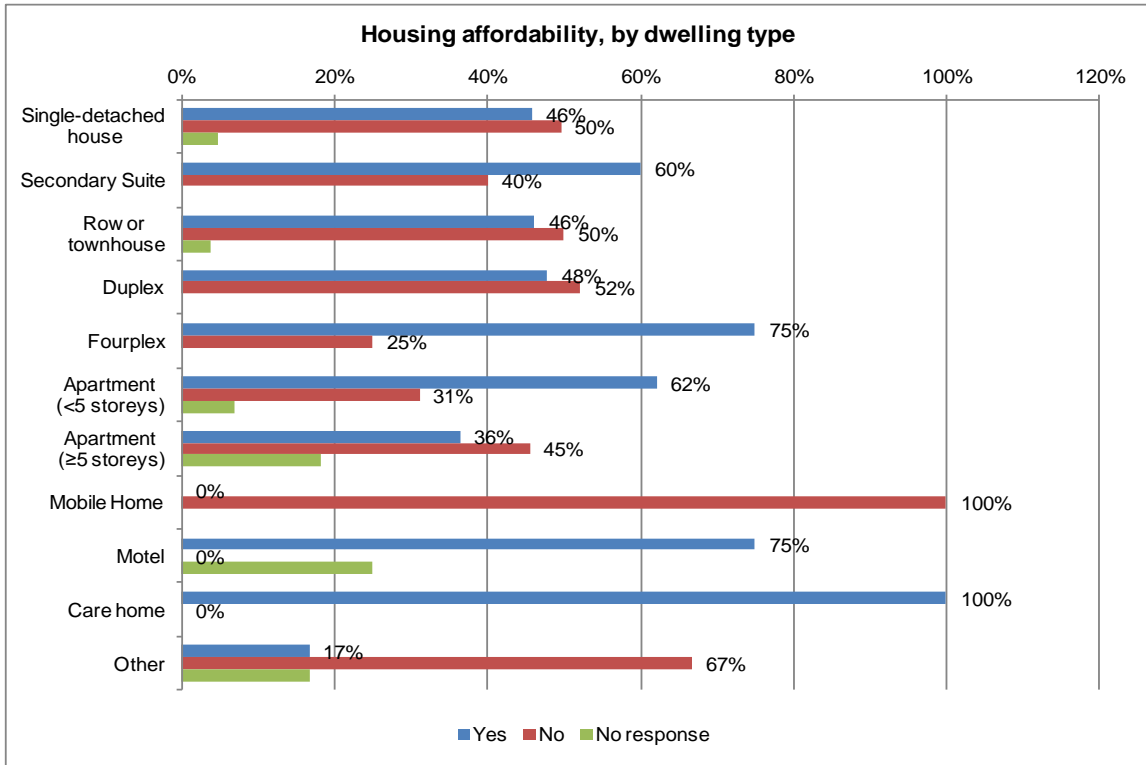


Figure 55: Housing affordability by dwelling type
Source: Urbanics Consultants Ltd.

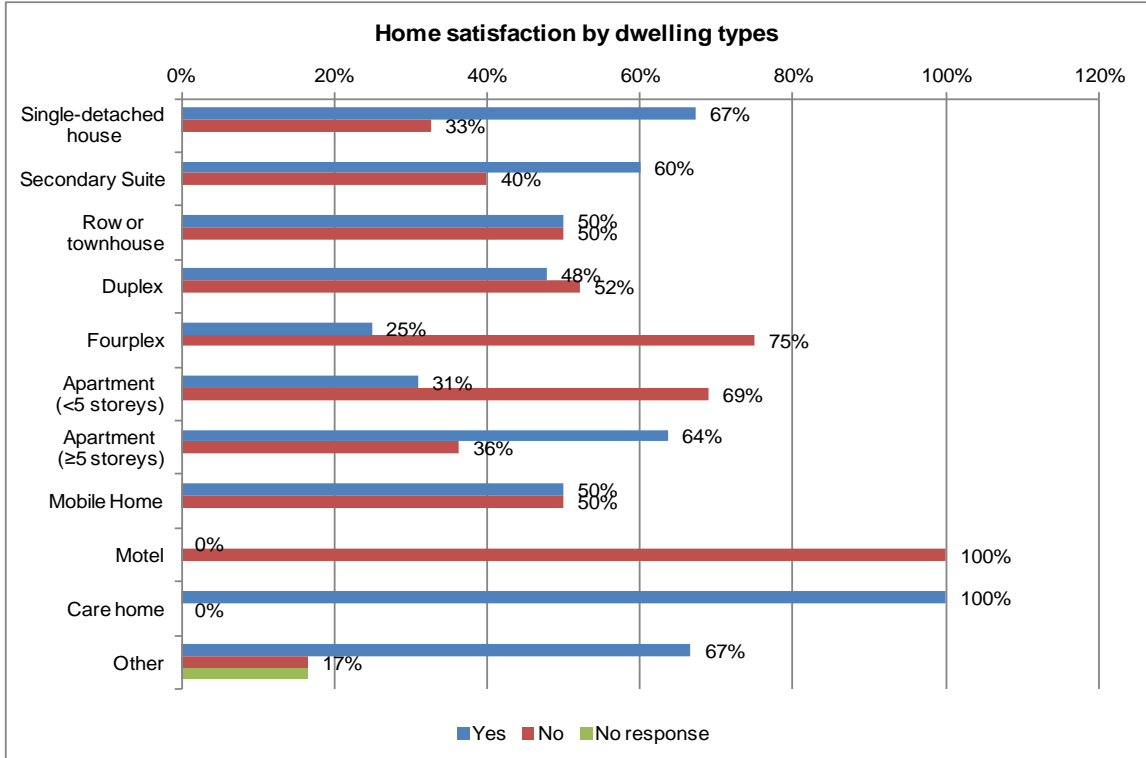


Figure 56: Home satisfaction by dwelling type
Source: Urbanics Consultants Ltd.

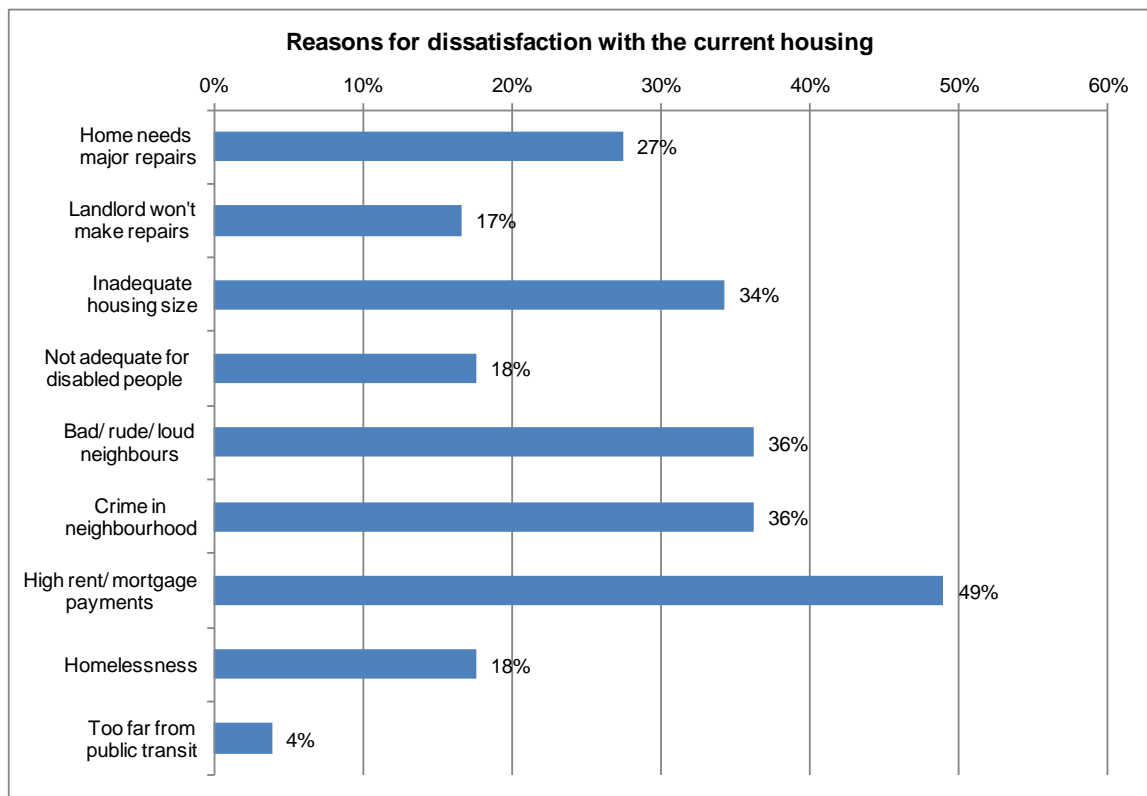


Figure 57: Reasons for dissatisfaction with current housing
Source: Urbanics Consultants Ltd.

Are you dissatisfied with your current living conditions? Please tell us why?

Four primary reasons for dissatisfaction among the respondents are (respondents could choose multiple options);

- 49 percent of all respondents cited high rent/ mortgage payment as their primary reason for dissatisfaction
- 36 percent of the respondents cited bad /rude/loud neighbours and crime in the neighbourhood
- 34% of the respondents cited inadequate housing size
- 27 percent of the respondents cited that their homes needed major repairs

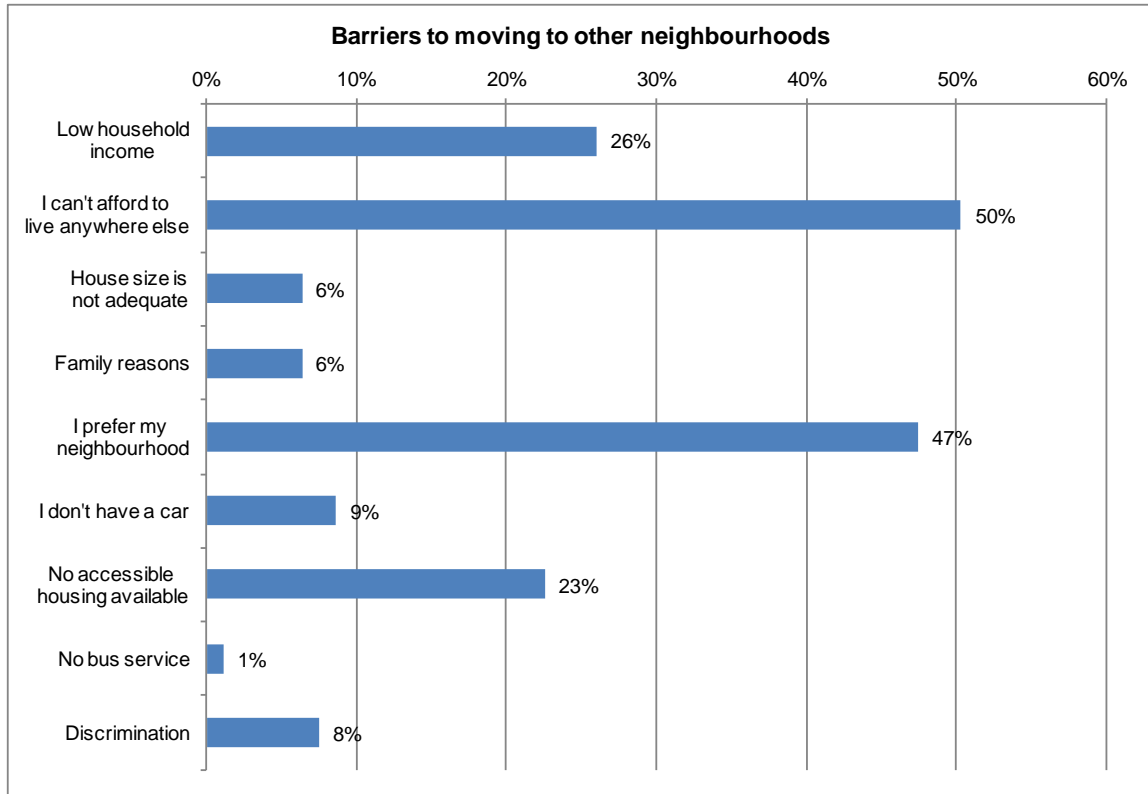


Figure 58: Barriers to moving to other neighbourhoods
Source: Urbanics Consultants Ltd.

What are the barriers, if any, that keep you from moving to other neighbourhoods?

Four primary barriers to moving to other neighbourhoods among the respondents are (respondents could choose multiple options);

- 50 percent of all respondents cited affordability as their primary reason for not moving
- 47 percent of the respondents cited preference for their current neighbourhood
- 26% of the respondents had low household incomes
- 23 percent of the respondents cited a lack of accessible housing as one of the reasons for not moving

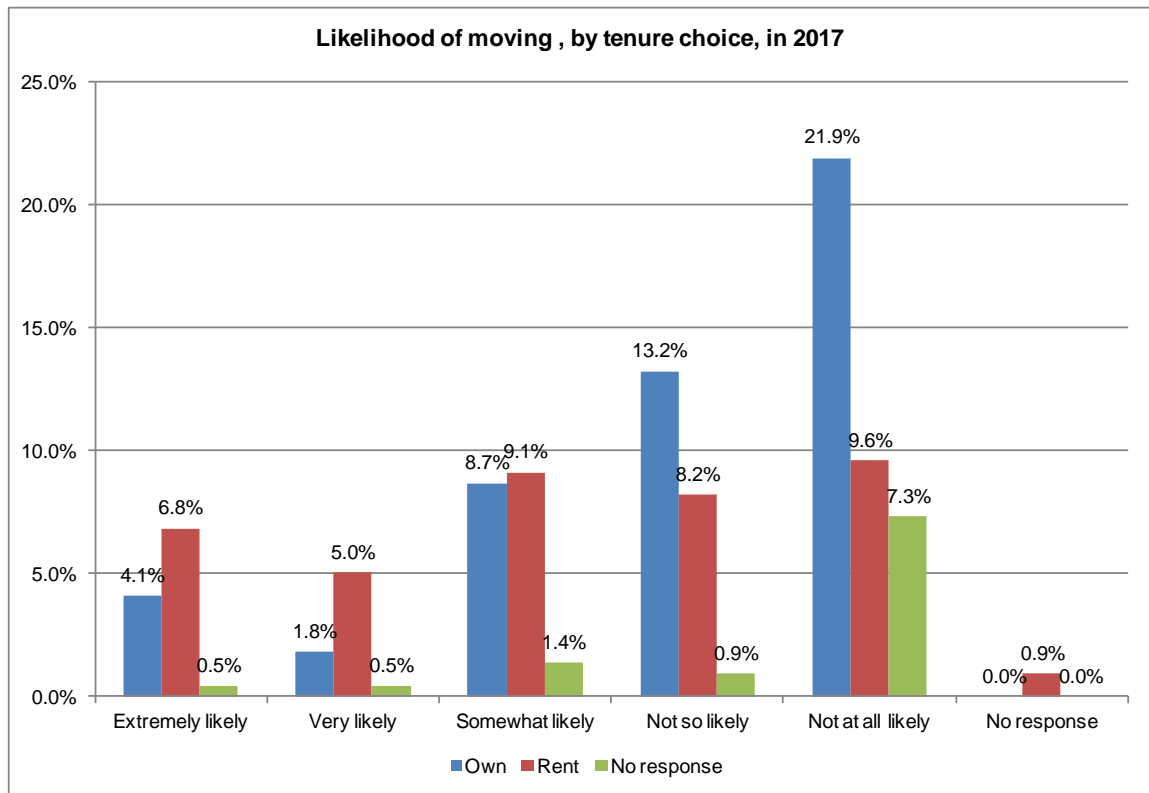


Figure 59: Likelihood of moving by tenure choice in 2017
 Source: Urbanics Consultants Ltd.

How likely are you to move in the year 2017?

Figure 59 provides the likelihood of moving for the respondents during 2017.

- 11.3 percent of the households are extremely likely to move
- 7.2 percent of the households are very likely to move
- 18.9 percent of the households are somewhat likely to move
- 22.1 percent are not so likely to move
- 38.3% are not at all likely to move

The household tenure has a very strong effect on the likelihood of moving. This is evident in the fact that likelihood of moving is higher for the renter households and very low for homeowners.

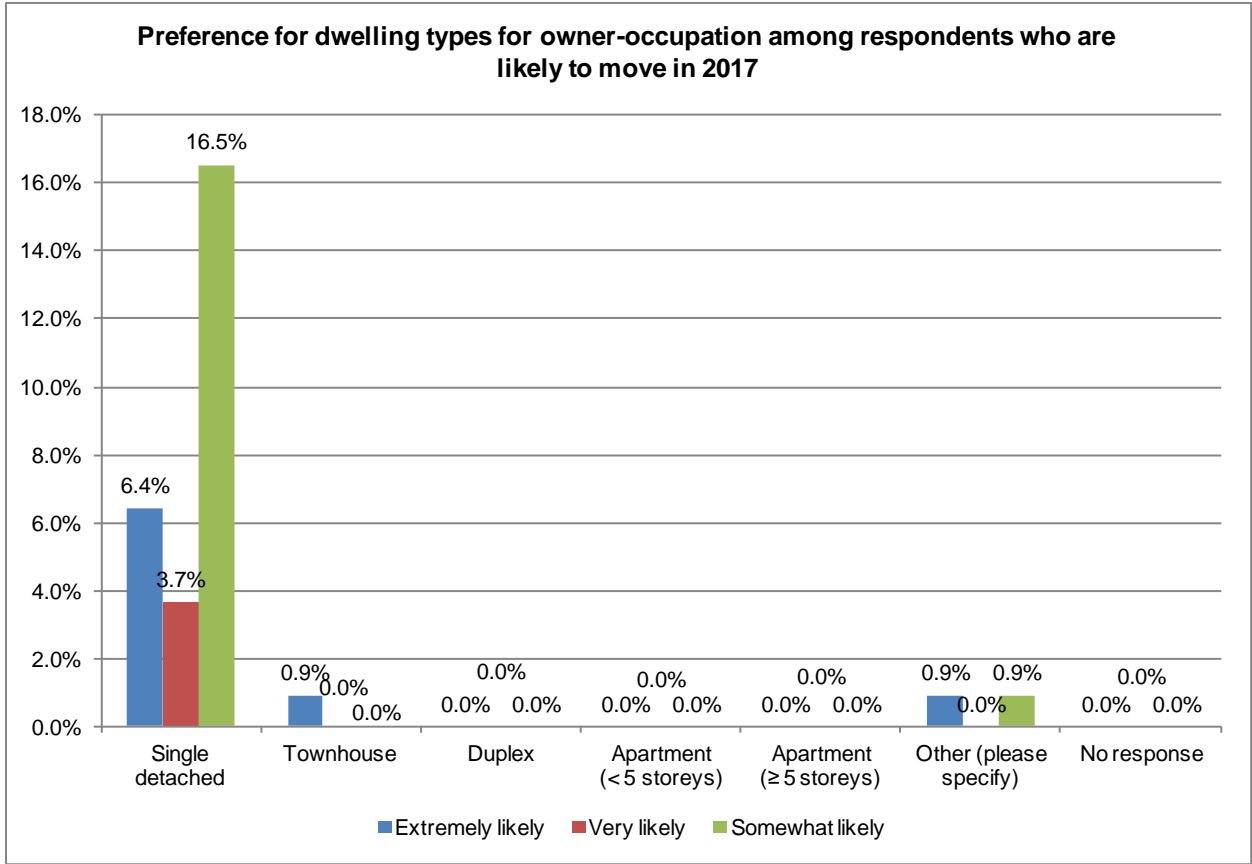


Figure 60: Preference for dwelling types among movers
Source: Urbanics Consultants Ltd.

Combined data from responses from the following questions:

- **If you move, would you own or rent?**
- **What dwelling type would you prefer to own?**

The figure shows the overall likelihood of moving and preference of dwelling types for homeownership. Not surprisingly, single detached homes are the most highly desired; nearly all 26.6 percent of the respondents chose single-family dwellings for owner occupation. Of the remainder .9 percent of the households would prefer to purchase a townhouse.

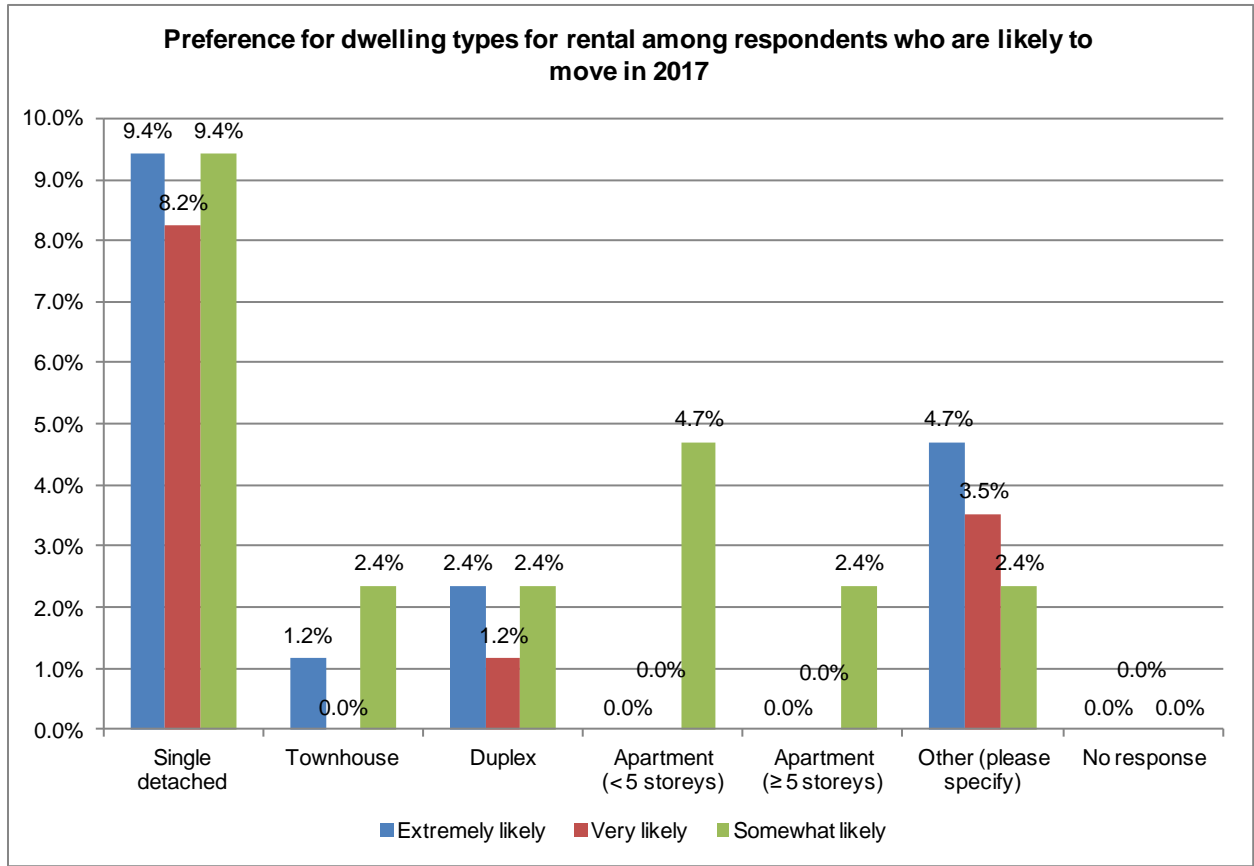


Figure 61: Preference for rental dwelling types and likelihood of moving
Source: Urbanics Consultants Ltd.

Combined data from responses from the following questions:

- **If you move, would you own or rent?**
- **What dwelling type would you prefer to rent?**

The figure shows the overall likelihood of moving and preference of dwelling types for rental tenure. Not surprisingly, single detached homes are the most highly desired; 27 percent of the total respondents chose single-family dwellings for rent. Of the remainder 6 percent would prefer duplex units, 4.7 percent would prefer apartments with less than 5 storeys, and 3.6 percent would prefer to rent a townhouse.

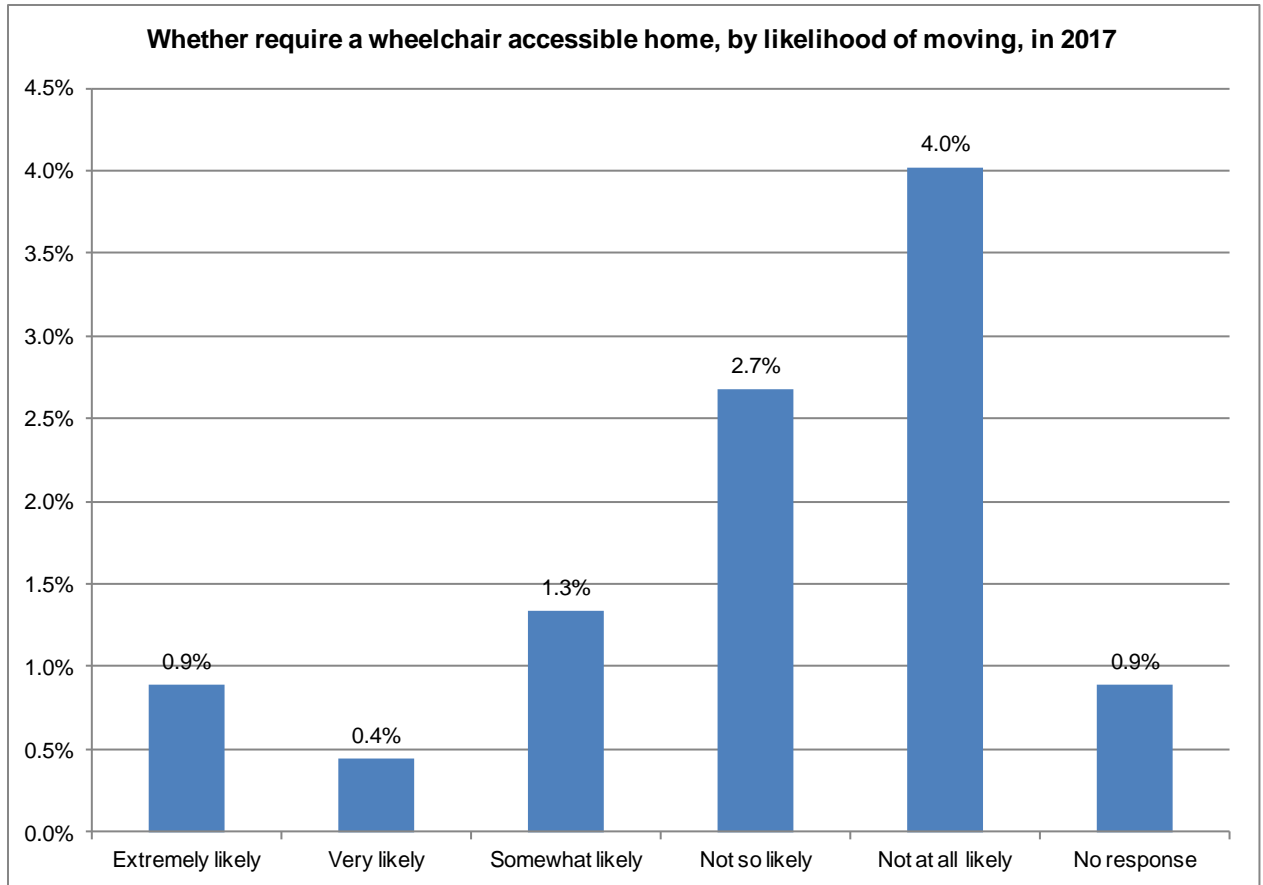


Figure 62: Whether require a wheelchair accessible home
Source: Urbanics Consultants Ltd.

Would you require a wheelchair accessible home?

Over 10 percent of the respondents identified a need for wheelchair accessible home. However, a very small percentage of these households are likely to move in 2017, i.e. only 2.6% of the respondents are extremely likely, very likely and somewhat likely to move and would require a wheelchair accessible home.

Appendix C: Very-high-growth scenario

As per the request of the City we also explored a very-high-growth scenario, with a 1.25 percent annual growth rate during 2011 - 2041, i.e. this is higher than the baseline growth as well as the Provincial growth rate of 1% per year during 2011 - 2041 (Projections, BC Stats, July 2016).

This scenario provides a housing needs estimation for the City in case of an extraordinary level of population growth in the City.

The City's population distribution by age-cohorts was estimated based on the 1.25 percent growth rate and the share of age-cohorts in each of the 5 year periods. This population distribution along with the most recent maintainer rates is used to project the household distribution by age-cohort in the City. Based on the very-high-growth scenario, the City is expected to add an average of 1,369 households every five years or 274 households on an annual basis during 2016 to 2046. The resulting estimates of households by age cohort for the City are shown in the tables below.

Population	2011	2016	2021	2026	2031	2036	2041	2046	Average
Under 15 years	4,179	3,968	4,417	4,880	5,342	5,573	5,651	5,745	
15 to 24 years	3,577	3,454	3,274	3,282	3,520	3,860	4,228	4,670	
25 to 34 years	3,449	3,338	3,923	4,355	4,164	4,213	4,449	4,719	
35 to 44 years	3,499	3,568	4,210	4,740	5,365	5,814	5,591	5,316	
45 to 54 years	5,250	4,672	4,328	4,571	5,287	5,865	6,486	7,302	
55 to 64 years	4,938	5,802	5,968	5,396	5,059	5,282	5,985	6,805	
65 to 74 years	3,700	4,723	5,662	6,480	6,646	6,055	5,719	5,415	
75 years and over	4,958	5,453	6,420	7,667	9,020	10,431	11,118	11,826	
	33,550	34,978	38,202	41,371	44,403	47,093	49,227	51,798	

Households	2011	2016	2021	2026	2031	2036	2041	2046	Average
Under 25 years	520	498	516	547	594	632	662	698	
25 to 34 years	1,585	1,534	1,803	2,001	1,914	1,936	2,045	2,169	
35 to 44 years	1,830	1,866	2,202	2,479	2,806	3,041	2,924	2,780	
45 to 54 years	3,000	2,670	2,473	2,612	3,021	3,351	3,706	4,173	
55 to 64 years	2,905	3,413	3,511	3,174	2,976	3,107	3,521	4,003	
65 to 74 years	2,340	2,987	3,581	4,098	4,203	3,829	3,617	3,425	
75 years and over	3,060	3,366	3,962	4,732	5,567	6,438	6,862	7,299	
	15,240	16,333	18,048	19,644	21,081	22,335	23,337	24,547	
Household growth 5 year period		1,093	1,714	1,597	1,437	1,254	1,002	1,210	1,369
Annual		219	343	319	287	251	200	242	274

Table 55: Very-high-growth scenario: Population and household projection

Source: Urbanics Consultants Ltd.

Similar to the other growth scenarios, the very-high-growth scenario assumes that housing type and tenure preferences and rates remain stable. The high-growth housing needs projection is provided below.

City of Penticton: Housing Needs Assessment

Owner-occupied	2011	2016	2021	2026	2031	2036	2041	2046	Average
Under 25 years	140	134	139	147	160	170	178	188	
25 to 34 years	710	687	808	897	857	867	916	971	
35 to 44 years	1,145	1,168	1,378	1,551	1,756	1,903	1,830	1,740	
45 to 54 years	1,905	1,695	1,570	1,659	1,918	2,128	2,353	2,650	
55 to 64 years	2,065	2,426	2,496	2,257	2,116	2,209	2,503	2,846	
65 to 74 years	1,660	2,119	2,540	2,907	2,982	2,717	2,566	2,429	
75 years and over	2,110	2,321	2,732	3,263	3,839	4,439	4,732	5,033	
	9,735	10,550	11,663	12,680	13,627	14,433	15,077	15,857	
Housing needs									
5 year period		815	1,113	1,018	947	806	645	779	884
Annual		163	223	204	189	161	129	156	177

Renter-occupied	2011	2016	2021	2026	2031	2036	2041	2046	Average
Under 25 years	380	364	377	400	434	462	484	510	
25 to 34 years	875	847	995	1,105	1,056	1,069	1,129	1,197	
35 to 44 years	685	699	824	928	1,050	1,138	1,095	1,041	
45 to 54 years	1,095	974	903	953	1,103	1,223	1,353	1,523	
55 to 64 years	840	987	1,015	918	861	899	1,018	1,158	
65 to 74 years	680	868	1,041	1,191	1,221	1,113	1,051	995	
75 years and over	950	1,045	1,230	1,469	1,728	1,999	2,130	2,266	
	5,505	5,783	6,385	6,964	7,454	7,902	8,260	8,690	
Housing needs									
5 year period		278	602	579	490	449	357	430	484
Annual		56	120	116	98	90	71	86	97

Table 56: Very-high-growth scenario - 2016-2041

Source: Urbanics Consultants

The very-high-growth scenario suggests that the City would need on average 884 new owner-occupied housing units every five-year period or about 177 units per year. Similarly, the scenario estimates an average of about 484 new rental units or about 97 rental units per year. These findings were further used to estimate the core housing need of the community based on the assumption that the share of households in core housing need will increase from 6 percent in 2011 to 12 percent in 2046 for owner households and from 37 percent in 2011 to 50 percent in 2046 for renter households. These estimates have been summarized below.

Very High Growth	2011	2016	2021	2026	2031	2036	2041	2046	Average
Owner occupied	9,735	10,550	11,663	12,680	13,627	14,433	15,077	15,857	
Renter-occupied	5,505	5,783	6,385	6,964	7,454	7,902	8,260	8,690	
Total housing needs	15,240	16,333	18,048	19,644	21,081	22,335	23,337	24,547	
Net housing needs									
Owner occupied		814.90828							
5 year period		815	1,113	1,018	947	806	645	779	884
Annual		163	223	204	189	161	129	156	177
Renter-occupied		278.26142							
5 year period		278	602	579	490	449	357	430	484
Annual		56	120	116	98	90	71	86	97
Core housing needs									
Owner occupied	535	629	750	874	1,003	1,129	1,249	1,387	
Renter-occupied	2,042	2,199	2,486	2,776	3,040	3,296	3,521	3,784	
Net needs									
Owner-occupied									
5 year period		94	121	124	129	126	120	138	126
Annual		19	24	25	26	25	24	28	25
Renter-occupied									
5 year period		157	287	290	264	256	225	263	264
Annual		31	57	58	53	51	45	53	53

Table 57: Very-high-growth scenario- Core housing need, 2016-2046

Source: Urbanics Consultants Ltd.