

Housing Needs Assessment

City of West Kelowna

Presented to: City of West Kelowna
Presented by: Colliers Strategy & Consulting and
Urban Matters



An aerial photograph of a suburban neighborhood. The houses are mostly two-story, light-colored (beige or white) with dark grey roofs. They are densely packed and surrounded by lush green trees. In the foreground, a house has a wooden deck and a blue trampoline in its backyard. A semi-transparent white banner is overlaid on the bottom left of the image, containing the word 'Introduction'.

Introduction

The City of West Kelowna is gathered on the Traditional Territory of the Syilx /Okanagan Peoples.

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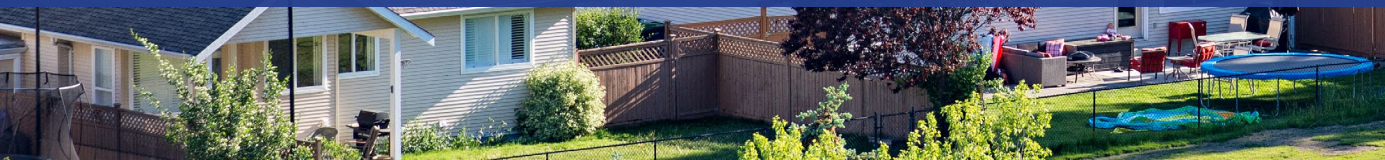


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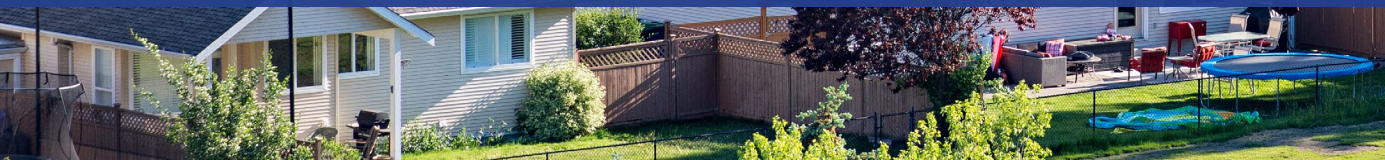


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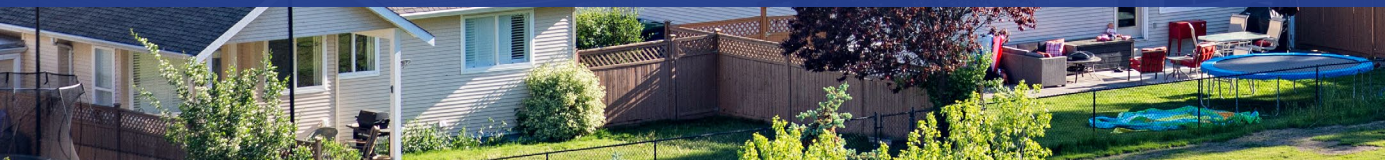
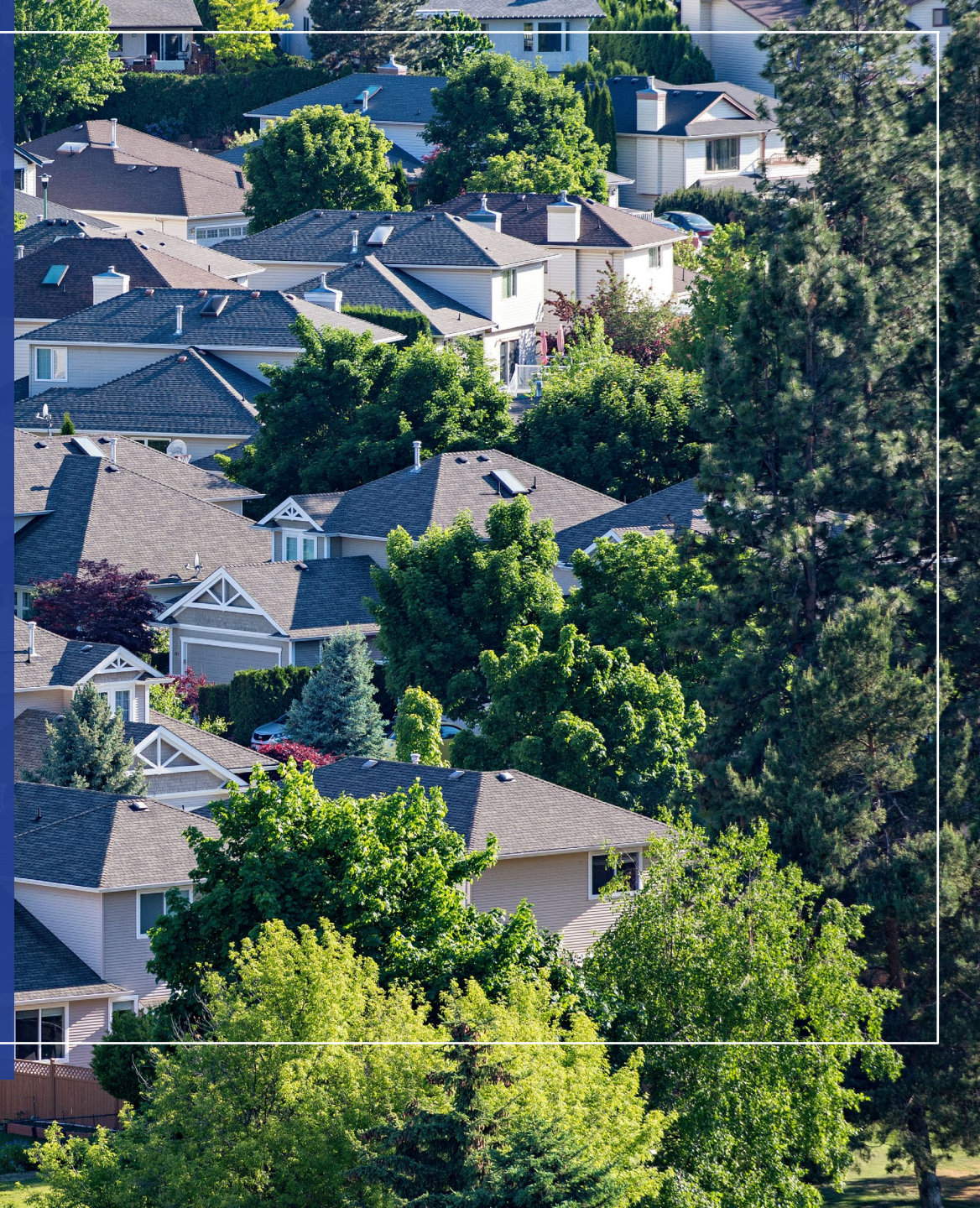
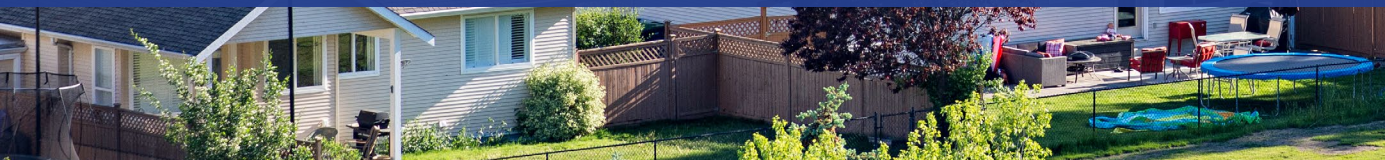


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An aerial photograph of a residential development. In the foreground, there is a large, well-maintained green golf course with several trees scattered across it. To the left, a dense residential area with many houses is visible. In the background, a large blue lake is surrounded by more trees and houses. The landscape is hilly and forested, with mountains visible in the distance under a blue sky with some clouds.

Chapter 1

Existing Policies and Considerations

Introduction

Housing Needs Assessment

- In April 2019, Housing Needs Assessments became a provincial requirement for Municipalities and Regional Districts. This regulation requires local governments to, at least every five years: collect information necessary to identify current and projected housing needs; use that information to prepare and publish online a housing needs report that shows current and projected housing needs for at least the next five years; and consider the most recently collected information and housing needs report when amending community and regional plans.
- In 2019 the City of West Kelowna participated in the Regional District of the Central Okanagan's Regional Housing Needs Assessment. This report provided a descriptive analysis of the housing needs and issues for the entire Central Okanagan, as well as housing highlights for each jurisdiction: two electoral areas, six First Nation reserve lands (including Westbank First Nation and Okanagan Indian Band), District of Peachland, City of West Kelowna, City of Kelowna, and District of Lake Country. Although the 2019 RDCO assessment is a solid report, the data used is now quite dated (2016 census). Additionally, since the RDCO report was completed, West Kelowna has seen a population increase of 4%, housing prices have risen dramatically since the COVID-19 pandemic began two years ago, and the number of short-term

vacation rentals here continues to increase with amendments being made to the Short-Term Rental Bylaw.

- The City of West Kelowna's Housing Needs Assessment will build on the report completed by the RDCO and capture any unique community needs. The information gathered will inform priorities for managing current housing needs and prepare for the future needs of the community. The report will be used as a guide to recommend strategies and best management practices for the West Kelowna Housing Strategy.



City of West Kelowna in Context

Regional Characteristics

- The City of West Kelowna is in a unique location given the proximity to the neighbouring City of Kelowna and the location of Westbank First Nation within the heart of the City of West Kelowna.
- Given this proximity, households in the region have flexibility regarding where they live and work.
- The City of West Kelowna has been densifying its urban areas at a significantly lesser rate than the neighbouring City of Kelowna.
- Compared to the entire Central Okanagan Regional District, the City of West Kelowna is expected to comprise approximately 16% of the region's housing supply compared to the City of Kelowna's 65%.
- Although the City of West Kelowna has historically had some of the highest rates of home ownership across British Columbia, as the population grows and becomes more diverse, there is a dire need for all types, forms, and sizes of housing to cater to a wide variety of households.
- Given the context of a rapid housing unaffordability experienced across the entirety of British Columbia's urban areas, households that continue to have the most difficulty finding suitable, sustainable, and affordable housing include single-parent households, low-income households, individuals experiencing homelessness, individuals experiencing mental health and substance use challenges, young adults, and seniors.
- Housing difficulties in the City of West Kelowna are not unlike those experienced in the rest of Canada. Housing unaffordability and a lack of supply are forcing households into precarious housing situations which can perpetuate the cycle of poverty, exacerbate mental health conditions, and impact overall health and wellbeing.
- Without a proper housing strategy, the City of West Kelowna's households will be forced to move or be forced into inadequate housing conditions.

Vulnerable Household Types

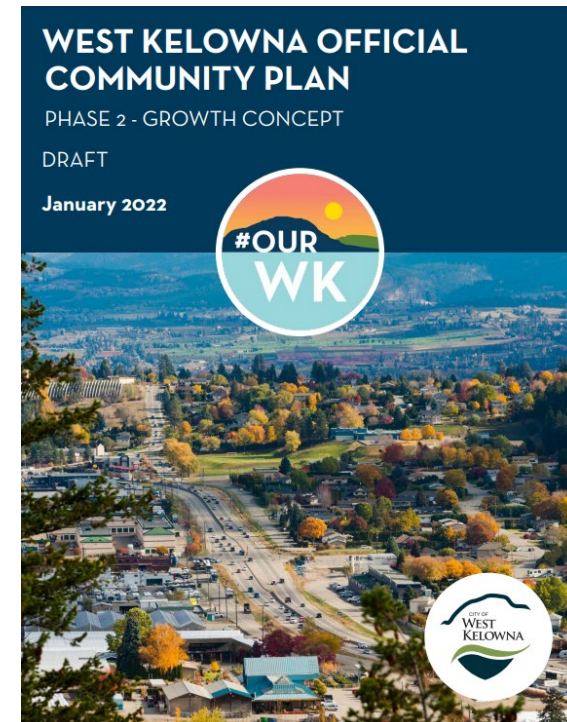
Priority Groups and Housing Requirements

- The City of West Kelowna is comprised of a large and diverse population with different housing requirements and abilities to access quality housing.
 - Some demographic groups that comprise the City's diverse population are less able to access suitable housing in the City due to a variety of reasons including financial constraints, language, physical and mental barriers, and accessibility limitations.
 - People that are unable to find and secure suitable long-term housing options may be forced into precarious and difficult living conditions. This can include financial hardship, difficulty in accessing vital amenities and services, be limited in employment opportunities, or be housed in unsafe or overcrowded units.
- Demographics that experience the greatest challenges in finding affordable, suitable, and sustainable housing in the City include:
 - People experiencing or are at risk of experiencing homelessness
 - Single-parent households
 - Seniors on fixed incomes
 - Youth and young adults
 - Low-income households, particularly households paying more than 30% of income on housing
 - Moderate-income households
 - Persons experiencing mental health challenges and substance use,
 - People with mobility requirements
 - Refugees and new immigrants

City of West Kelowna Official Community Plan (2022)

Growth Concept

- The City of West Kelowna is anticipating growing by more than 12,000 residents over the next 20 years.
- The City of West Kelowna's growth concept anticipates how the City will grow over the next 20 years. It is anticipated that growth will be concentrated in key areas which will help reduce sprawl and congestion to help build a vision of a vibrant, walkable, and connected West Kelowna.
- The growth concept is the foundation to:
 - Providing a range of housing types and tenures to help make housing more attainable and affordable;
 - To increase densities and promote a shift from single-family dwellings to vibrant mixed-use centres;
 - To develop urban centres and neighbourhoods that provide convenient access to neighbourhood and community services;
 - To design neighbourhoods to follow a 'complete neighbourhood' model, and support alternative modes of transportation. A complete neighbourhood is one where people can live, work, shop and access services close to home;
- To enhance and promote the West Kelowna Business Park as the economic core of the City



City of West Kelowna Official Community Plan (2022)

Growth Concept

- The City of West Kelowna is anticipated to adopt the new Official Community Plan (OCP) in early 2023.
- “Providing opportunities for each of us to feel at home” is a key concept that has emerged for the vision of the 2023 OCP.
 - Anticipated policies include: a sensitive increase in housing choices throughout the community that provide good housing options for differing needs;
 - Addition of attractive affordable housing in partnership with BC Housing, senior levels of government, non-profits, and other agencies;
 - Effective and innovative programs, in partnership with our neighbours, other levels of government, and non-profits, that are helping people to end the cycle of homelessness.
- Signs of Success
 - More residents feeling as if they belong to the West Kelowna community;
 - A growing number of young adults (19-24) living in West Kelowna;
 - A greater diversity of housing options throughout the community;
 - More households spending a smaller percentage of their household income on housing;
 - Less people experiencing or at risk of experiencing homelessness.

City of West Kelowna Official Community Plan (2022)

Growth Concept

- In order to support the growth concept, a wide variety of built forms and densities are likely to be required and supported to accommodate the new population.
- In the urban centres, building heights and densities are anticipated to be the highest in the City of West Kelowna and will experience the majority of the total growth in future housing demand. Building heights and densities are anticipated to be between 6-12 storeys in the long term to support a dense, complete community.
- In the neighbourhood centres, a mix of medium-density residential, including townhomes and 3-6 storey apartments will be accommodated.
- Infill housing will introduce new housing units into existing residential neighbourhoods. Density and form will vary based on zoning, lot size, and neighbourhood context. It is anticipated that infill housing can supplement homeowners with additional income and help house additional residents in the community.

Location	Number of Dwellings	Number of People
Urban Centres	2,643	6,080
Westbank Urban Centre	1,989	4,575
Mixed-Use Corridor	447	1,027
Commercial Core	353	811
Residential Shoulder	1,190	2,737
Boucherie Urban Centre	654	1,505
Neighbourhood Centres	2,486	5,719
Goats Peak	530	1,219
Gellantly	499	1,148
Smith Creek/Shannon Lake	672	1,546
Rose Valley	606	1,394
Lakeview Heights	179	413
Planned Development	2,953	6,792
Total	8,082	18,591

City of West Kelowna Official Community Plan (2011)

Affordable Housing Policies and Objectives

- The City of West Kelowna notes that for the City to remain home for people of all demographics, it is critical to maintain the existing stock of affordable housing and increase opportunities for the development of new affordable housing.
- In the context of the 2011 OCP, affordable housing falls into three categories: affordable home ownership, affordable rental accommodation, and affordable housing which includes support that goes beyond a financial subsidy.
- The OCP encourages diversity in the City's housing stock primarily through development regulations that address housing form, density, and development incentives.
- Key objectives include:
 - Encourage a range of housing choices – by type and tenure – in West Kelowna's neighbourhoods;
 - Encourage more complete and compact neighbourhoods, and thereby, more affordable communities;
 - Encourage the private market to increase the supply of affordable housing, especially to ensure affordable options for families with moderate incomes and first-time purchasers;
- Support regional initiatives to increase the amount of transitional and supportive housing for West Kelowna residents who have the least choice in the housing market – people with special needs, single-parent households, and seniors with low fixed incomes;
- Support the provision of housing choices for people of varying ages and incomes, across the housing continuum, from emergency and transition housing to affordable homeownership;
- Support secondary suites as a form of affordable infill housing;
- Establish measurable targets for social housing;

Limitations

Analysis and Findings Commentary

- The City of West Kelowna was officially incorporated in 2007 and reclassified as a City in 2015. As a result, there is limited census data before 2006 for the geographic area that constitutes what is now the City of West Kelowna largely due to changing census boundaries.
- Given the historically small rental housing market in the City of West Kelowna, largely due to high rates of homeownership and a limited supply of rental housing units, there is limited current and long-term data on conditions and trends in the rental housing market.
- The location of Westbank First Nation is largely in the centre of the City of West Kelowna meaning most of the commercial services and amenities are located in a different census reporting area. Combined with the neighbouring City of Kelowna, Westbank First Nation residents and City of West Kelowna residents have flexibility in where they reside and do business in the context of the region.
- The limited inventory of housing units, particularly for non-dominant forms of housing such as studio condominium units mean changes to market conditions such as the removal or sale of a unit may significantly impact data trends.
- One of the main sources of data utilized in completing the Housing Needs Assessment for the City of West Kelowna is census data from Statistics Canada, only some of which is available from the 2021 census. At this time, many inferences have been made about current conditions from the previously completed census in 2016.
- BC Assessment and the Canadian Mortgage and Housing Corporation (CMHC) provided a significant amount of raw data used to quantify and describe current conditions in the real estate market. It should be noted that anomalies in the data exist, largely as a result of a limited supply of certain housing types and forms resulting in seemingly substantial changes to trends and conditions.

Chapter 2

Demographic Profile

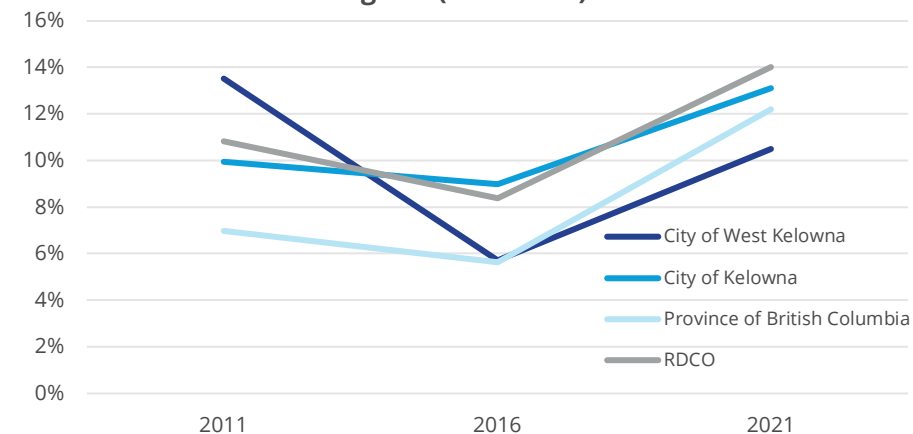


Current Population, City of West Kelowna

Population Characteristics

- Between 2016 and 2021, the City of West Kelowna's population increased by 10.48% for a total of 3,423 additional residents.
- This equates to an average annual growth rate of approximately 2.1%. Population growth between 2016 and 2021 grew substantially more percentage-wise than the 2011-2016 census period of 5.7% which experienced an average annual population growth of 1.1%.
- The rate of population growth in the City of West Kelowna was less than the neighbouring City of Kelowna and slightly less than the average annual population growth rate exhibited across all of British Columbia.

Population Growth, City of West Kelowna vs Other Regions (2011-2021)



Population Growth, City of West Kelowna vs Other Regions (2011-2021 Census)

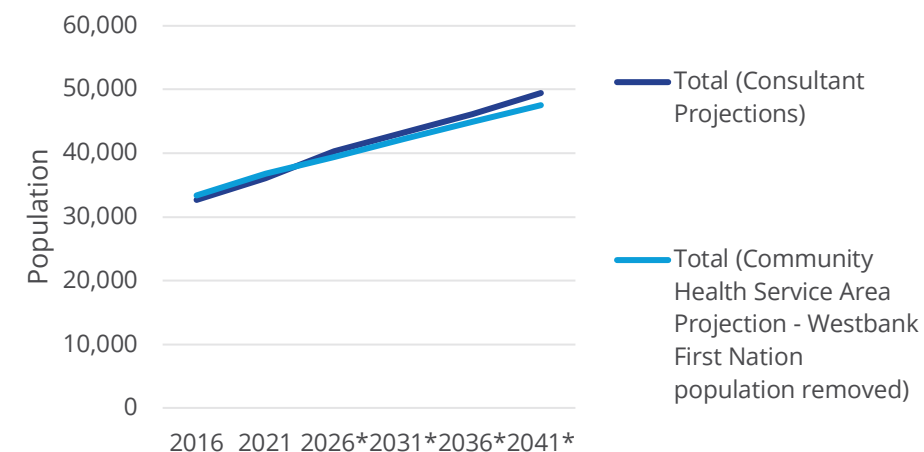
Year	City of West Kelowna	City of Kelowna	Province of British Columbia	Regional District of Central Okanagan
2006	27,215	106,707	4,113,487	162,276
2011	30,892	117,312	4,400,057	179,839
2016	32,655	127,830	4,648,055	194,882
2021	36,078	144,576	5,214,805	222,162

Projected Population Growth to 2041

Population Characteristics

- The City of West Kelowna's population is projected to grow substantially over the next 20 years to approximately 49,419 by 2041.
- Accurately projecting the future population of an urban area can be difficult for a number of factors including anticipating trends such as migration, birth rates, and the capacity a region has of accommodating additional growth through housing and employment.
- Two different projection models were utilized: a) the BC Stats database population projections (Community Health Service Area Projections), and b) projected population growth as a percentage of growth projected for the larger City of Kelowna.
- The BC Stat's Community Health Service Area projection incorporate population projections for Westbank First Nation. On average, over previous census periods, the population of Westbank First Nation accounts for approximately 22% of the West Kelowna census division.

Projected Total Population Growth, City of West Kelowna (2016-2041)



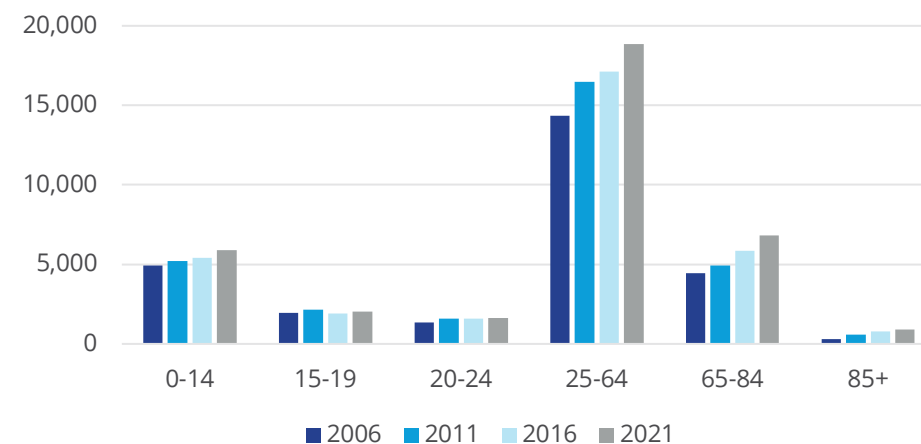
Projected Total Population Growth, City of West Kelowna (2016-2041)		
	Consultant Projections	Community Health Service Area Projection - Westbank First Nation Population
2016	32,655	32,655
2021	36,078	36,080
2026*	40,339	38,507
2031*	43,252	41,049
2036*	46,164	43,477
2041*	49,419	45,886

Historic Age Distribution Trends

Population Characteristics

- Since 2006, the population of the City of West Kelowna has been growing and aging with the most significant average growth occurring in the 85+ demographic.
- The population of those under 25 has been growing although at a significantly slower pace than other age categories. The percentage increase of the working-age demographic (25-64) has been consistently increasing at a pace of approximately 9.66% between census periods.
- Since 2006, the median age of the City's population has been increasing slowly, however, a decrease was observed between 2021 and 2016 which may indicate more significant population growth amongst younger individuals in the working-age demographic.
- The average age in the City of West Kelowna has increased to 43.3 (2021) up from 40 in the 2006 census.
- The median age in the City of West Kelowna has fallen from 45.2 in 2016 to 44 in 2021.

Population by Age Group, City of West Kelowna (2006 - 2021)



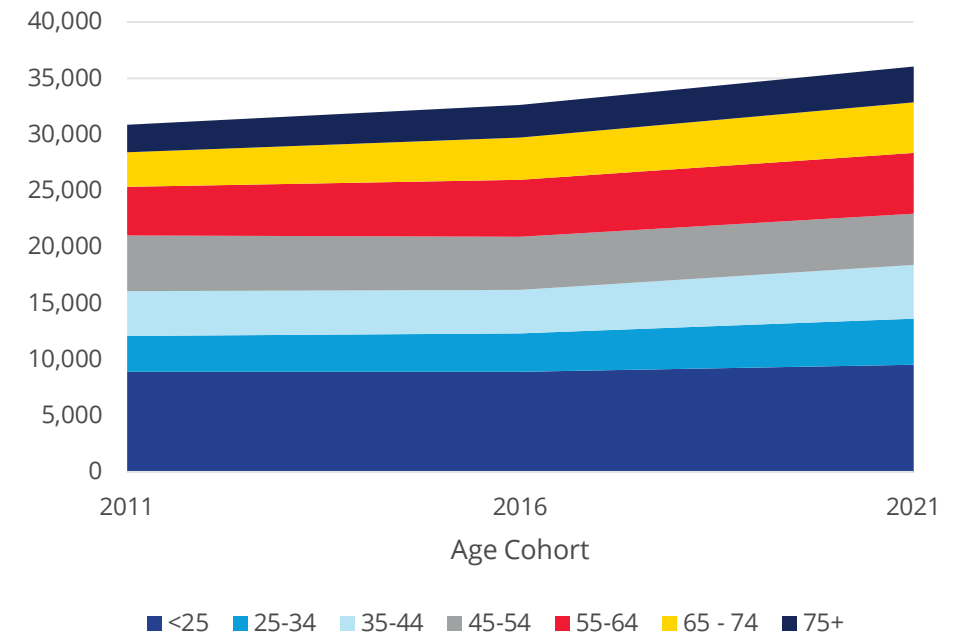
Age Cohort Breakdown, City of West Kelowna (2006-2021)				
	2006	2011	2016	2021
0-14	18.29%	16.82%	17.50%	16.30%
15-19	7.24%	6.89%	6.13%	5.59%
20-24	4.96%	5.18%	5.20%	4.55%
25-64	53.05%	53.31%	55.34%	52.23%
65-84	16.46%	15.99%	18.95%	18.89%
85+	1.04%	1.85%	2.57%	2.45%

Historic Age Group Distribution

Population Characteristics

- In the short-term future, as the population grows, similar to trends experienced across British Columbia and historically in the City of West Kelowna, it is anticipated that the most substantial growth will be in older age cohorts.
- Since 2011, the proportion of the working-aged population aged 25-64 has been decreasing, down to 79% in 2021 from 82% in 2011.
- The proportion of retirees in the City of West Kelowna, generally those aged 65+, has increased from 18% in 2011 to 21% in 2021. The decrease in the proportion of this age group to the overall population may have implications on the workforce.
- As the population ages, it is anticipated that there will be impacts on the housing market as different age cohorts historically have demanded different types of housing.

Population by Age Cohort, City of West Kelowna (2011-2021)

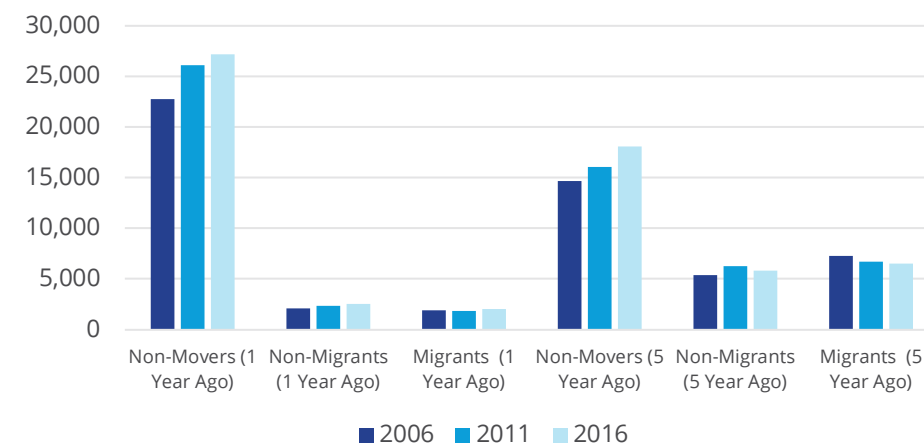


Movement Trends for City of West Kelowna households

Mobility and Migration

- The City of West Kelowna in the context of urban areas in British Columbia is a highly desirable place to live with a wide variety of housing and employment opportunities both within the City and also in the surrounding region.
- A “non-mover” is a person who is living at the same address as the one at which they resided previously within the reporting timeframe.
- A “non-migrant” is a person who did not live in the same residence within the reporting timeframe, but still lived in the City of West Kelowna.
- A “migrant” describes internal migrants (who lived in a different municipality or province) and external migrants who did not live in Canada within the reporting timeframe.
- The percentage of non-movers, both within 1- and 5-years, in the City of West Kelowna has been increasing since 2006.

Migration and Mobility Trends, City of West Kelowna (2006-2016)



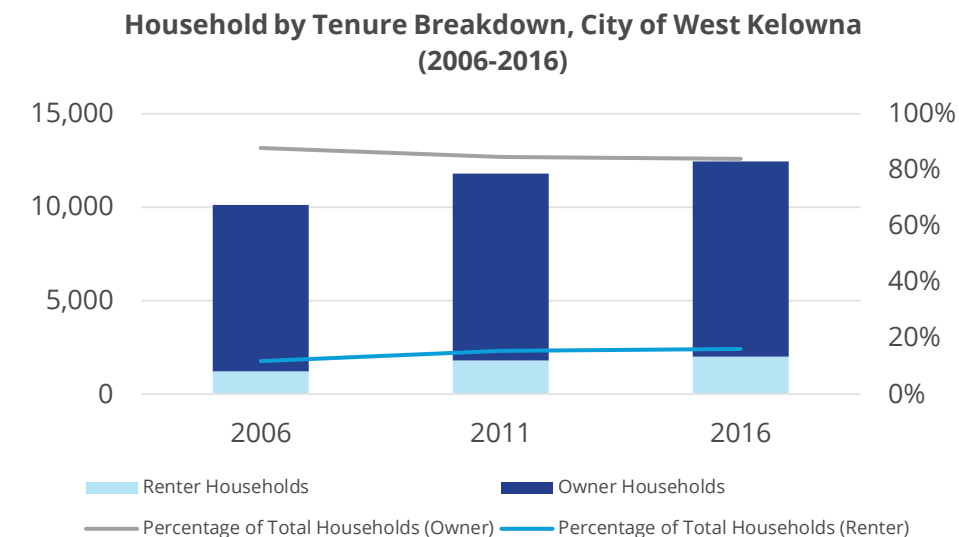
Migration and Mobility Trends, City of West Kelowna (2006-2016)

	2006	2011	2016
Non-Movers (1 Year Ago)	22,765	26,125	27,185
Non-Migrants (1 Year Ago)	2,070	2,325	2,560
Migrants (1 Year Ago)	1,875	1,810	1,995
Non-Movers (5 Year Ago)	14,690	16,035	18,075
Non-Migrants (5 Year Ago)	5,375	6,270	5,825
Migrants (5 Year Ago)	7,294	6,670	6,495

Historic Household Tenure Trends 2006-2016

Household Trends

- The City of West Kelowna has consistently experienced an increase in the total number of households with approximately 37.4% growth between 2006 and 2021.
- The majority of households in the City of West Kelowna are homeowners although there has been modest growth in the number of renter households.
- The City of West Kelowna's ownership rate is significantly higher than the neighbouring City of Kelowna and Provincial rate which both reported home ownership at approximately 68% of households in 2016.
- With a historic lack of new rental housing developed forcing rental households into older rental properties or homes in the secondary rental market, it is expected that there will continue to be more owner households than rental households for the 2021 census period.



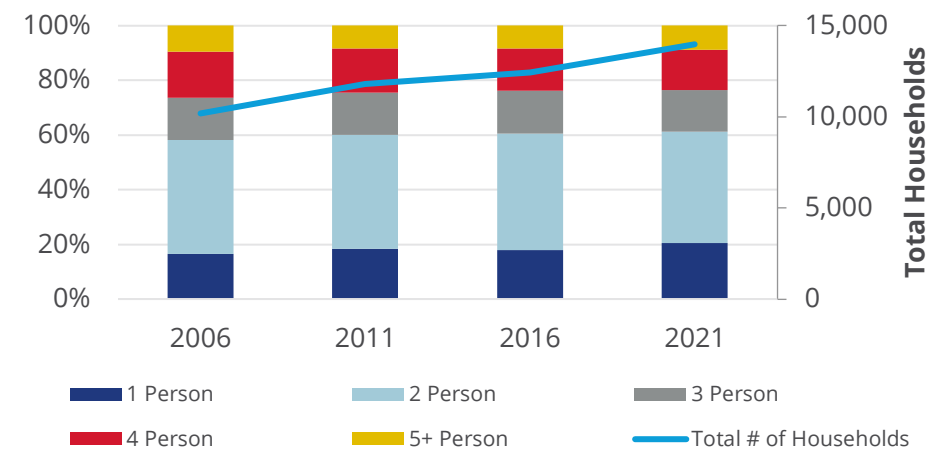
Household by Tenure Breakdown, City of West Kelowna (2006-2016 Census)				
Renter Households		2006	2011	2016
	#	1,215	1,815	2,015
	%	11.95%	15.37%	16.20%
Owner Households		2006	2011	2016
	#	8,910	9,990	10,430
	%	87.65%	84.63%	83.84%

Historic Household Size Trends 2006-2016

Household Trends

- The City of West Kelowna has 13,975 households as of the 2021 census, an increase of 12.3% since 2016.
- Average household size in the City of West Kelowna has remained consistent since 2006 at 2.6 over the past 4 census periods.
- The total number of households has increased directly in proportion to the rising population of the City of West Kelowna
- The average household size of 2.6 is greater than the Provincial average (2.4) and adjacent City of Kelowna (2.3).
- Average household size in the City of West Kelowna is largely consistent with the Regional District of the Central Okanagan average.
- Two-person households remain the most prevalent in the City of West Kelowna. This trend is anticipated to continue.

Breakdown of Households by Size, City of West Kelowna (2006-2021)



Breakdown of Household by Size %, City of West Kelowna (2006-2021)				
	2006	2011	2016	2021
1 Person	16.48%	18.30%	18.01%	20.51%
2 Person	41.76%	41.68%	42.44%	40.73%
3 Person	15.35%	15.50%	15.64%	15.10%
4 Person	16.87%	16.09%	15.51%	14.82%
5+ Person	9.54%	8.43%	8.40%	8.91%

Chapter 3

Economic Profile



Main Employers and Employment Industries

Economic Trends

- For the City of West Kelowna's population, stable employment is crucial for continued growth and to ensure households can thrive and survive in the City.
- Between 2011 and 2016, many employment categories saw reductions in overall employment. The largest percentage changes among NAICS industry categories were in sectors with low gross employment proportions to overall employment such as mining, quarrying, and oil/gas extraction, and arts, entertainment, and recreation.
- With rising housing prices experienced across all unit types in the City of West Kelowna, stable and sufficient employment is critical to ensuring those in the City of West Kelowna can sufficiently support their households.
- It is understood that a significant proportion of households in the City of West Kelowna are employed in neighbouring municipalities, predominately in the City of Kelowna.

Employment Trends in the City of West Kelowna (2006-2016 Census)				
	2006	2011	2016	2011-2016 Δ
Total Number of Workers	14,220	16,090	16,755	4.1%
Number of workers by industry (NAICS)				
11 Agriculture, forestry, fishing and hunting	390	285	395	39%
21 Mining, quarrying, and oil and gas extraction	165	145	315	117%
22 Utilities	95	125	120	-4%
23 Construction	1800	1,550	1,880	21%
31-33 Manufacturing	1290	1,020	1,065	4%
41 Wholesale trade	595	840	500	-40%
44-45 Retail trade	1900	2,295	2,300	0%
48-49 Transportation and warehousing	555	505	630	25%
51 Information and cultural industries	250	435	325	-25%
52 Finance and insurance	510	625	575	-8%
53 Real estate and rental and leasing	365	335	430	28%
54 Professional, scientific and technical services	935	1,205	1,080	-10%
55 Management of companies and enterprises	0	-	25	-
56 Administrative and support, waste management and remediation services	720	630	695	10%
61 Educational services	685	870	945	9%
62 Health care and social assistance	1450	2,105	2,155	2%
71 Arts, entertainment and recreation	305	285	405	42%
72 Accommodation and food services	1035	1,205	1,370	14%
81 Other services (except public administration)	840	850	865	2%
91 Public administration	335	805	690	-14%

Source: Statistics Canada Census, 2006-2016

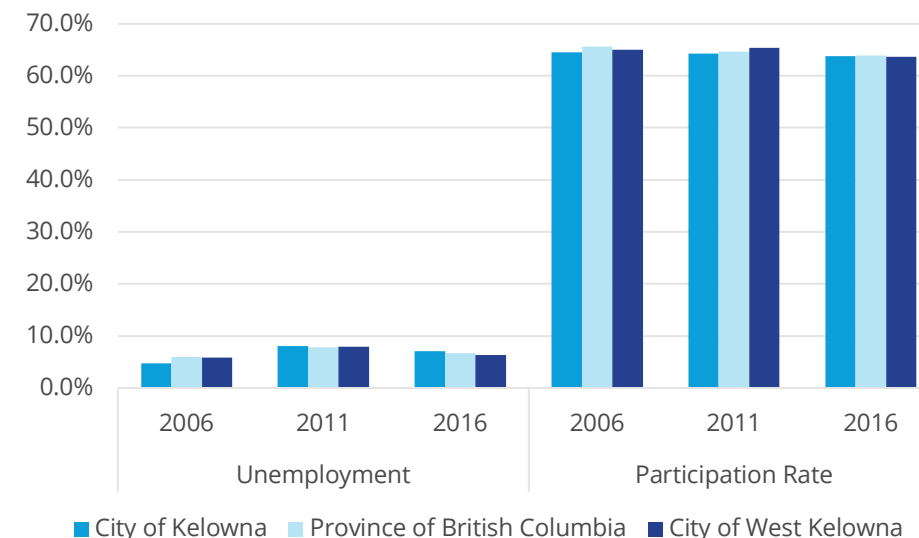
Note: 2021 census employment data is not available at the time of this report.

Historic Employment Characteristics 2006-2016

Economic Trends

- Significant changes in a regional economy can have cascading effects on the supply and demand of housing as it impacts the ability of households to locate in the City and sufficiently meet household needs.
- The unemployment (6.4%) and participation rates (63.6%) have largely followed province-wide trends (6.7% and 63.9% respectively in 2016) and have generally aligned with employment trends in the neighbouring City of Kelowna (7.1% and 63.9% respectively in 2016).
- Economic conditions in the City of West Kelowna aligning with the neighbouring City of Kelowna are anticipated to continue given the proximity of the two economies in the context of the region.
- The unique relationship the City of West Kelowna has with the neighbouring City of Kelowna means there is a substantial portion of the population that works in the larger neighbouring municipality.

Employment Characteristics, City of West Kelowna vs City of Kelowna vs Province (2006-2016)



Employment Characteristics, City of West Kelowna (2006-2016 Census)			
	2006	2011	2016
Total Number of Workers	14,220	16,090	16,755
Unemployment Rate	5.8%	8.0%	6.4%
Participation Rate	65.0%	65.3%	63.6%

Commuting and Transportation Trends 2006-2016

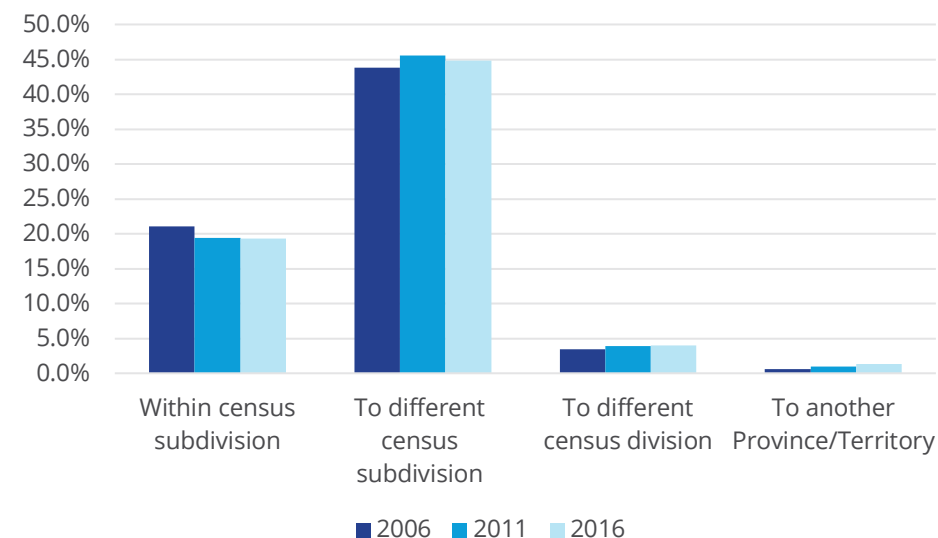
Economic Trends

- Where a household resides in relation to places of employment, services, and amenities can have a significant impact on quality of life. The cost of commuting can comprise a significant percentage of annual household spending which may impact the ability to access suitable housing.
- Commuting trends in the City of West Kelowna have largely remained stable since 2006 with the percentage of those commuting to other census subdivisions remaining relatively consistent at 64% of all households.
- It is assumed that the majority of those commuting to a different census subdivision are commuting to the City of Kelowna to maximize the greater number of employment opportunities in the larger city.
- This can have a significant impact on local and regional infrastructure, particularly on the William R. Bennett bridge which links the two cities.
- There may be a significant impact on local commerce as households may choose to spend closer to places of employment meaning there can be implications on taxable spending in the City of West Kelowna and further distribute employment in the retail and service sectors to the larger City of Kelowna.

Source: Statistics Canada Census, 2006-2016

Note: 2021 commuting and transportation data is not available at the time of this report.

Commuting Destination for the Workforce, City of West Kelowna (2006-2016)



Commuting Destination, City of West Kelowna (2006-2016 Census)

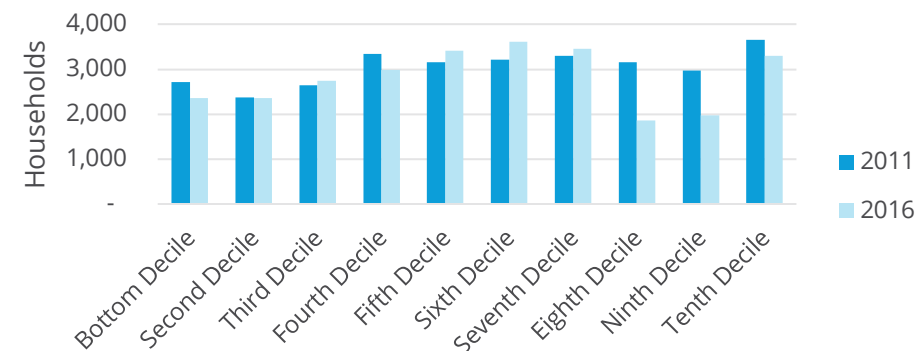
	2006	2011	2016
Within census subdivision	3,000	3,130	3,235
To different census subdivision	6,235	7,335	7,520
To different census division	495	630	680
To another Province/Territory	90	165	230

Household Income Characteristics 2006-2016

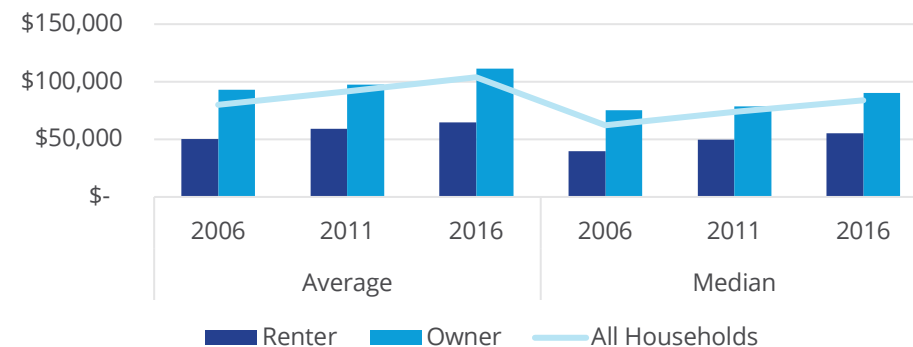
Economic Trends

- In the City of West Kelowna, average and median household incomes have been rising steadily since 2006 and are expected to similarly rise again in 2021.
- The rate of average and median income growth was greater between 2006 and 2011 than in the 2011 and 2016 periods.
- Average and median income in the City of West Kelowna was reported to be \$103,877 and \$83,942 respectively in 2016. Adjusted for an average annual inflation rate of 2.77%, average and median household income is approximately \$122,405 and \$98,384 respectively for 2022.
- In general, households in the City of West Kelowna earned more income in 2016 than in the previous census period in 2011.
- Household incomes in middle-income deciles have increased since 2011 although fallen in the highest income brackets.
- Ownership households have significantly higher average and median incomes than rental households.

Households Income Brackets, City of West Kelowna (2011-2016)



Average and Median Household Income, City of West Kelowna (2006-2016)

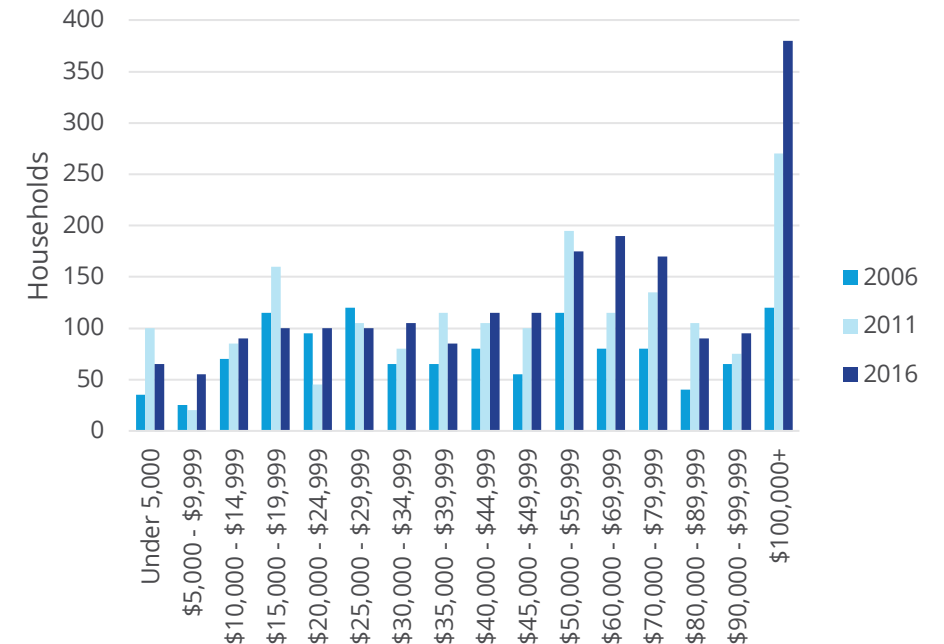


Renter Household Income Trends 2006-2016

Economic Trends

- Proportionally, renter households have lower household average and median incomes than owner households. Although total income is expected to increase for renter households in the 2021 census period, this discrepancy trend is expected to continue.
- Between 2006 and 2016, the number of renter households earning more than \$100,000 annually has increased by approximately 217%, the greatest of the census income groups.
- Renter median income growth between 2006 and 2011 was the greatest of all household types between the 2006 and 2016 census periods. However, to put this into context, median renter income was still substantially below the household income poverty line identified by the RDCO in 2011 (\$70,000 for a household of 4).
- Average and median income for renter households were \$64,674 and \$55,201 respectively (2016). Adjusted for an average annual inflation rate of 2.77%, average and median renter household income is approximately \$76,209 and \$65,047 respectively for 2022.

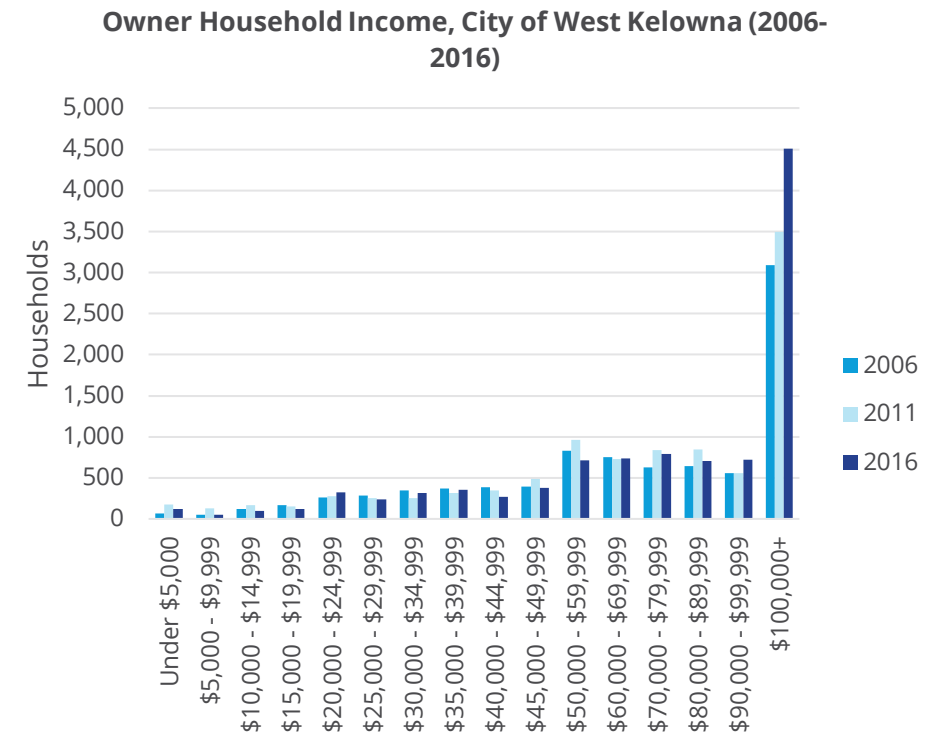
Renter Household Income, City of West Kelowna (2006-2016)



Owner Household Income Trends 2006-2016

Economic Trends

- In the City of West Kelowna, there are significantly more homeowner households than renter households. In addition, owner households are disproportionately higher-income earners than rental households with the majority of households earning about \$100,000 annually.
- Since 2006, owner households earning greater than \$100,000 annually grew most substantially.
- Compared to the neighbouring City of Kelowna, the City of West Kelowna has a higher proportion of owner households earning over \$100,000 per year (43% vs 40% respectively).
- The City of West Kelowna has a lesser proportion of households earning less than \$60,000 annually than the City of Kelowna (41% vs 36%).
- Average and median income for owner households were \$111,440 and \$90,119 respectively (2016). Adjusted for an average annual inflation rate of 2.77%, average and median owner household income is approximately \$131,293 and \$106,193 respectively for 2022.





Chapter 4

Housing Supply

Number of Housing Units by Structural Type, Census (2016-2021)

Existing Dwelling Units

- Historically, the City of West Kelowna's Housing market has been predominately comprised of larger housing units although this trend is slowly beginning to shift towards multi-family and attached housing formats.
- As the City of West Kelowna's population increases, there may be a desire to accommodate new residential housing demand in the form of higher-density developments. This is being incorporated into future policy currently in development by urban planning staff at the City of West Kelowna to house a growing population.
- The City of West Kelowna's OCP is anticipating larger forms of urban residential development in the form of mid to high-rise apartments up to 12-storeys in height in certain locations.
- At this time, it is understood no high-density residential developments are currently proposed. This trend is expected to continue until development pressure necessitates the need for denser urban forms.
- Note: The 2021 reporting of housing units by structural type does not fully align with the total housing units reported in 2016 + housing completions between 2016 and 2021.

Housing Units by Structural Type, City of West Kelowna (2016-2021 Census)				
Unit Type	2016		2021	
	#	%	#	%
Total Occupied Dwelling Units	12,445	100	13,970	100
Single Detached House	8,730	70	9,505	68
Apartment in a Building that has Five or More Storeys	0	0	0	0
Semi-Detached House	475	3.8	525	3.8
Row House	385	3.1	465	3.3
Apartment or Flat in a Duplex	1,110	8.8	1,280	9.2
Apartment in a Building that has Fewer than Five Storeys	1,205	9.7	1,695	12.1
Other Single-Attached House	40	0.3	30	0.2
Movable Dwelling	495	3.9	470	3.4

Number of Housing Units by Structural Type, Census (2016)

Existing Dwelling Units

- As per the 2016 census, the City of West Kelowna's housing market is dominated by owned units which accounted for approximately 83.8% of all housing units. This trend is largely anticipated to have remained consistent in the 2021 census, although with a slightly greater proportion of rental housing units.
- Unlike the neighbouring City of Kelowna which has experienced substantial high-density development activity, there is currently only one residential building with housing units in an apartment buildings greater than five or more storeys. Additionally, the neighbouring Westbank First Nation currently has one six-storey rental building at 3501 Sonoma Pines Drive.
- While the 6-storey newly completed rental building on Elliott Road has set a new height precedent for developments greater than 5-storeys in height, residential buildings greater than 6-storeys in height require alignment of economic conditions. Tall buildings such as those seen in Downtown Kelowna are not anticipated to be built in the short-medium term future.
- It is anticipated that market conditions will eventually shift to a point where there is demand for this type of high-density housing. It is difficult to model with accuracy the timeline of demand for high-density urban residential development.

Housing Units by Structural Type, City of West Kelowna (2016 Census)						
Unit Type	Owned		Rented		Total	
	#	%	#	%	#	%
Single Detached House	7,915	63.6	825	26.2	8,740	56.0
Apartment in a Building that has Five or More Storeys	0	0	0	0	0	0
Semi-Detached House	360	2.9	85	2.7	450	2.9
Row House	230	1.8	150	4.8	380	2.4
Apartment or Flat in a Duplex	725	5.8	360	11.4	1,085	7.0
Apartment in a Building that has Fewer than Five Storeys	685	5.5	510	16.2	1,195	7.7
Other Single-Attached House	15	0.1	30	1.0	40	0.3
Movable Dwelling	505	4.1	50	1.6	555	3.6
Total	10,435		2,010		12,445	

Source: Statistics Canada Census, 2016

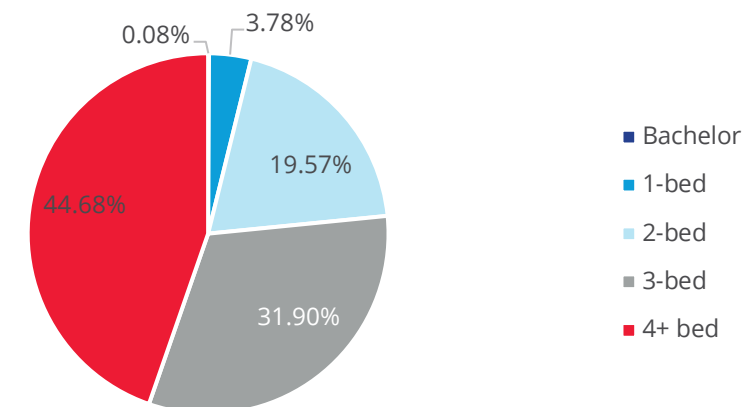
At this time, 2021 housing data does not yet report a breakdown of units by structural type and tenure for the City of West Kelowna.

Existing Housing Conditions and Characteristics, Census (2016)

Existing Dwelling Units

- According to household data from the 2016 Canadian Census and data interpreted from BC Assessment, there is a relatively limited supply of small housing units with the majority of housing forms becoming comprised of 2, 3, and 4+-bedroom units.
- Between the 2011 and 2016 census periods, the proportion of overall units in the City of West Kelowna by number of bedrooms has remained largely consistent.
- With approximately 81% of the entire housing stock being comprised of larger housing units, there may be an opportunity to introduce smaller forms of housing into the City of West Kelowna housing market.
- The lack of supply of smaller housing units may not sufficiently supply the demand for housing at lower-price points and prevent households from entering the housing market.
- At this time, 2021 housing data does not yet report a breakdown of units by the number of bedrooms for the City of West Kelowna although it is anticipated 2011 and 2016 trends will have largely continued.

Breakdown by Unit Size, City of West Kelowna (2016 Census)



Breakdown by Unit Size, City of West Kelowna (2011-2016 Census)

Unit Size	2011	2016
Bachelor	-	10
1-bed	450	470
2-bed	2,465	2,435
3-bed	3,775	3,970
4+ bed	5,110	5,560

Number of Housing Units by Structural Type, BC Assessment (2022)

Existing Dwelling Units

- For the purposes of this Housing Needs Assessment, the main housing forms in the City of West Kelowna are analyzed in relation to the impact on supply, demand, and overall value trends. These housing forms are the most impactful on the housing market as they are disproportionately where City of West Kelowna residents reside.
- The reported supply of housing units in the City of West Kelowna published by BC Assessment and the 2021 Census may differ for a variety of potential reasons including utilizing different reporting boundaries or double counting of units.
- The main housing forms identified include single-detached dwellings, strata condominiums, residential dwellings with suites, duplexes, and manufactured homes.
- While there are 537 total units in the multi-family housing form category, such properties are generally rental residential properties which are not assessed by BC Assessment based on number of bedrooms, but rather as an entire property. For the purposes of this analysis, they have been included in the rental housing supply analysis but not as individual property.

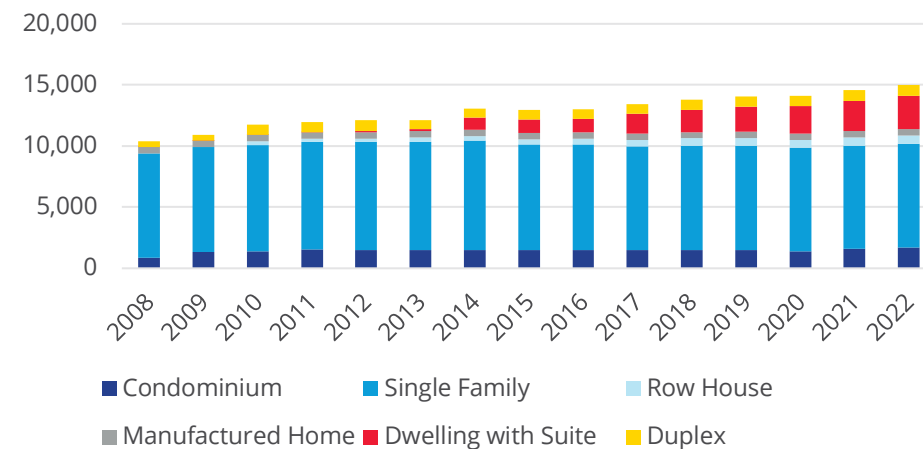
Supply of Housing Units, BC Assessment (2022)			
Main Housing Forms		Other Housing Forms	
Form	Units	Forms	Units
Single Detached Dwelling	8,489	Vacant Residential Less than 2 Acres	0
Strata Condominium	1,702	Property Subject to Section 19(8)	28
Residential Dwelling with Suite	2,694	Residential Out Building Only	0
Duplex	898	Seasonal Dwelling	2
Manufactured Home	522	Fourplex	53
		Multi-Family (Vacant)	0
		Multi-Family (Garden Apartment & Row Housing)	416
		2-Acre + Single Family Dwelling, Duplex	269
		2-Acre + Vacant	1
		2-Acre+ Manufactured Home	8
		Bed & Breakfast Less than 4 Units	8
		Multi-Family	537

- Section 19(8) of the Assessment Act allows certain residential land to be assessed at less than market value where the owner qualifies and provided the property has potential for development for a more valuable use than its current use.
- Fourplex generally refers to a rental property comprised of four rental units.
- Multi-Family generally refers to a rental property comprised of more than one rental unit. As BC Assessment has a fourplex housing category, it is assumed that "multi-family" comprises properties larger than 4 units. It is assumed that of the 2,975 apartments in the City of West Kelowna's housing inventory, 537 of them are comprised of rental units in multi-family housing.

Supply of Housing, BC Assessment (2022) Existing Dwelling Units

- Main housing forms identified in the City of West Kelowna include condominium, single-family, row house, manufactured home, dwelling with suite, and duplexes.
- The supply of main housing forms in the City of West Kelowna has been growing by approximately 2.7% annually with the greatest annual increase in new housing units occurring between 2013 and 2014.
- According to BC Assessment data, the supply of single-family homes in the City of West Kelowna has largely remained stagnant.
- It is assumed that before 2014, data for single-family houses with suites were integrated with single-family houses and later differentiated in assessment periods after 2013.
- The supply of condominiums in the City of West Kelowna has remained relatively stagnant growing at approximately 2% annually since 2009.
- The supply of manufactured homes according to BC Assessment has remained stable since 2008.

Housing Supply (Main Housing Forms), City of West Kelowna - BC Assessment



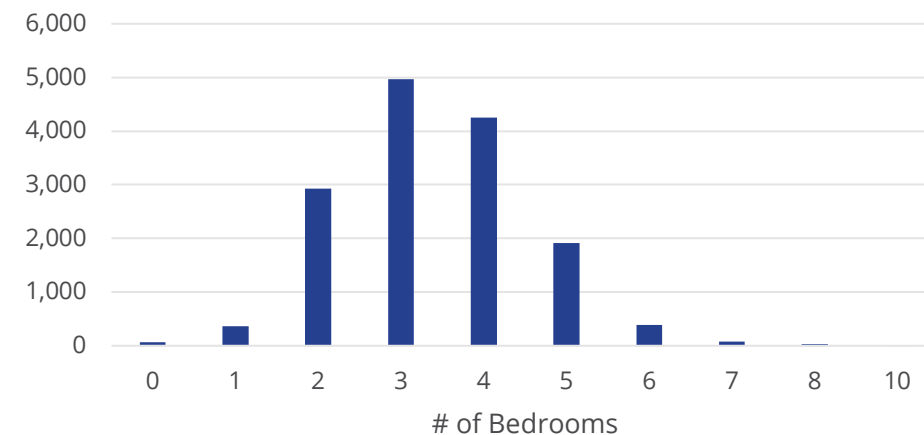
Housing Supply (Main Housing Forms), City of West Kelowna (2008 – 2022 BC Assessment)																
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Condominium	883	1,307	1,403	1,521	1,477	1,477	1,479	1,479	1,476	1,511	1,515	1,510	1,389	1,594	1,702	
Single Family	8,493	8,605	8,677	8,802	8,866	8,880	8,954	8,637	8,647	8,481	8,513	8,528	8,470	8,432	8,489	
Row House	0	0	286	257	260	366	396	445	470	501	592	627	641	652	685	
Manufactured Home	518	520	518	520	519	515	517	522	523	521	523	524	524	521	522	
Dwelling with Suite	20	20	22	22	122	138	986	1,100	1,100	1,624	1,804	2,000	2,224	2,476	2,694	
Duplex	468	464	846	850	848	728	730	785	793	793	817	843	841	883	909	
Total	10,382	10,916	11,752	11,972	12,092	12,104	13,062	12,968	13,009	13,431	13,764	14,032	14,089	14,558	15,001	

Supply of Housing by Bedrooms, BC Assessment (2022)

Existing Dwelling Units

- For the dominant housing forms in the City of West Kelowna, the number of assessed properties has been steadily increasing since 2008 which is in alignment with new housing construction data tracked by the CMHC.
- Other housing types in the City of West Kelowna identified include single-family homes on properties larger than 2 acres in size, bed & breakfasts with less than 4 units, and seasonal dwellings. These housing forms do not house a substantial subset of the City's population and are largely insignificant.
- The City of West Kelowna's housing market is disproportionately comprised of 2-, 3-, and 4-bedroom housing units accounting for 80.9% of all housing citywide.
- This largely aligns with the disproportionately large supply of larger single-family/single-family with suite properties in the City of West Kelowna which are generally large multi-bedroom housing forms.

Housing Supply (Main Housing Forms) Unit Bedroom Count - BC Assessment, City of West Kelowna (2022)



Bedrooms	0	1	2	3	4	5	6	7	8	10
#	69	363	2,928	4,962	4,252	1,917	396	79	31	4
%	0.5	2.4	19.5	33.1	28.3	12.8	2.6	0.5	0.2	0.0

Housing Units by Date of Construction, Census (2016) and CMHC (2020) Existing Dwelling Units

- The majority of dwelling units that currently exist in the City of West Kelowna's residential housing supply were built between 1961 and 2000.
- Until 2017, most of the rental housing supply was built between 1961-1980 with a comparatively modest introduction of new rental units in the 37 years following.
- Note: The most recent census release in 2016 was only able to track housing construction dates up to 2016. The supply of new housing identified between 2017 – 2022 was analyzed by examining housing completion data supplied by the CMHC.

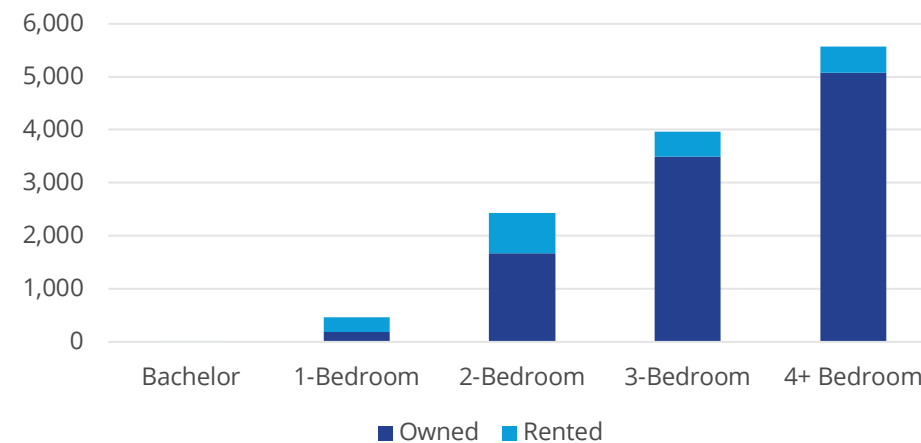
Dwelling Units by Construction Date, City of West Kelowna (2016 Census and CMHC Data)						
Construction Date	Owned		Rented		Total	
	#	%	#	%	#	%
Pre-1960	175	1.6	75	2.6	255	1.8
1961-1980	2,795	26.1	715	25.1	3,505	24.8
1981-1990	1,550	14.5	300	10.5	1,850	13.1
1991-2000	2,790	26.1	350	12.3	3,145	22.2
2001-2005	1,200	11.2	155	5.4	1,360	9.6
2005-2010	1,290	12.1	325	11.4	1,615	11.4
2011-2016	630	5.9	95	3.3	720	5.1
2017+	274	2.6	844	29.6	1,701	12.0

Number of Housing Units by Size, Census (2016)

Existing Dwelling Units

- In the City of West Kelowna, there is a significant reported supply of 2, 3, and 4+ bedroom housing units which largely coincides with the historic supply of single detached homes which are generally larger than other housing formats such as apartment units.
- As reported in 2016, there is a limited supply of small units (Bachelor and 1-bedroom), however, with new development expected to occur in higher-density formats, this proportion is expected to change, largely in new apartment buildings.
- In the City of West Kelowna, smaller housing units comprised of studio, 1-bed, and 2-bedroom suites are more likely to be rented than owned.
- As no demolition data is available, it is assumed that the housing supply has remained consistent since last reported in the 2016 census with additional completions of new housing units (reported by the CMHC) adding to the overall housing inventory.

Number of Housing Units by Size, City of West Kelowna (2016 Census)



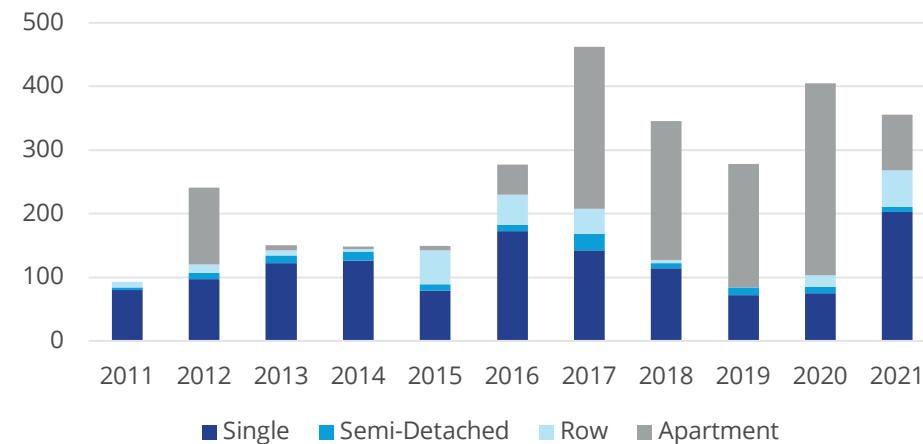
Unit Size	Owned		Rented		Total	
	#	%	#	%	#	%
Bachelor	0	0.0%	10	0.5%	10	0.1%
1-Bedroom	190	1.8%	275	13.7%	465	3.7%
2-Bedroom	1,670	16.0%	760	37.8%	2,435	19.6%
3-Bedroom	3,495	33.5%	470	23.4%	3,970	31.9%
4+ Bedroom	5,075	48.7%	490	24.4%	5,560	44.7%

Housing Starts 2011 – 2021, CMHC (2022)

New Home Construction

- New housing construction in the past 10 years has largely been in the form of new condo/rental apartments in low-rise developments with approximately 79% of new apartment construction being in purpose-built rental developments.
- Although the housing breakdown by unit type in the City of West Kelowna has not yet been released for the 2021 census period, building off data on housing starts completed since the 2016 census report, it is estimated that almost all housing starts completed between 2016 and 2021 are now in the City of West Kelowna’s housing inventory as of late 2022 in alignment with residential construction timelines.
- The shift to higher density forms of residential development is roughly in alignment with trends exhibited across most urban areas in British Columbia which respond to a lack of development land and densification of core neighbourhoods.

New Housing Construction by Unit Type, City of West Kelowna (2011 – 2021)



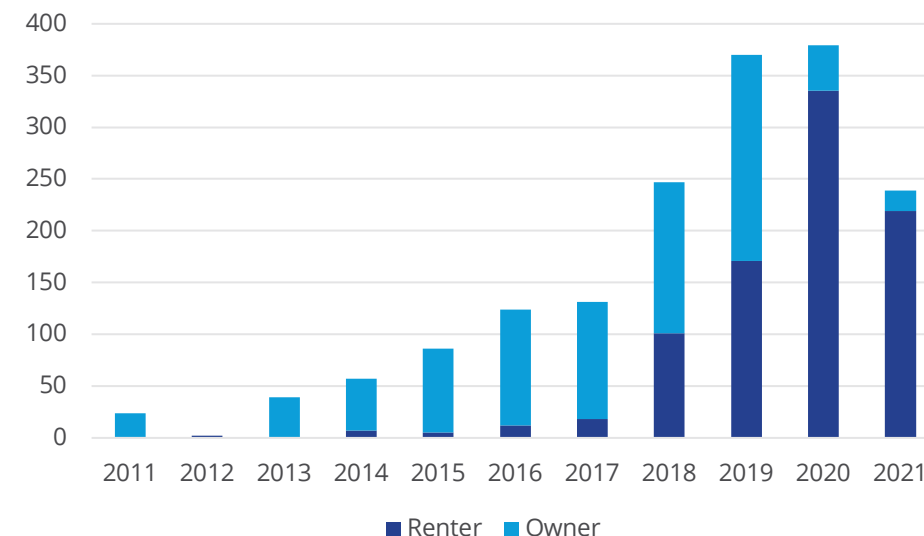
New Housing Construction by Unit Type, City of West Kelowna (2011 – 2021 CMHC)											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Single	80	97	122	126	79	172	142	114	72	75	203
Semi-Detached	4	10	12	14	10	10	26	8	12	10	8
Row	9	13	8	4	53	48	40	5	0	18	57
Apartment	0	121	8	4	7	47	254	218	194	302	87
All	93	121	150	148	149	277	462	345	278	405	355

Housing Completions by Tenure Type 2011-2021, CMHC (2022)

New Home Construction

- Approximately 1,845 new housing units were added to the City of West Kelowna's housing inventory since 2011.
- The proportion of new housing construction as rental housing has been rising steadily since 2018 with the majority of new housing completions in 2020 and 2021 being rental housing.
- This new supply of rental housing likely does not sufficiently meet demand, largely due to a limited supply of rental housing and the age and quality of existing rental housing which was largely built between 1961 and 2011.
- In urban areas across British Columbia, new rental housing is disproportionately found in the apartment housing form. Given that the majority of new housing construction in the City of West Kelowna are apartment units, this trend seems to be continuing.

New Housing Completions by Tenure Type, City of West Kelowna



New Housing Completions by Tenure Type, City of West Kelowna (2011 – 2021 CMHC)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Renter	1	2	1	7	5	12	18	101	171	335	219
Owner	23	0	38	50	81	112	113	146	199	44	20

New Housing Completions 2017 – 2021, CMHC (2022)

New Home Construction

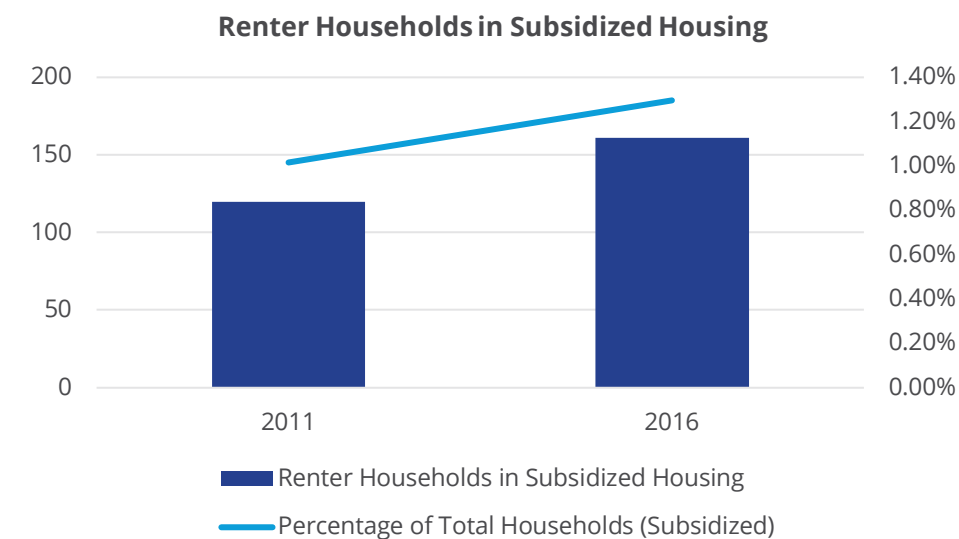
- The majority of new housing construction in the City of West Kelowna is in the apartment development form.
- The CMHC indicates that the majority of rental units in the City of West Kelowna are rental apartments although population data indicates that the secondary rental housing market accommodates the most residents.
- With a limited supply of new rental units in larger housing formats (rental single-detached and semi-detached housing), there may be a lack of new supply for larger units that can accommodate larger households.
- As the City of West Kelowna residential housing market has no high-rise development buildings, it is assumed that all new apartments built between 2017 and 2021 will have been in the “Apartment in a Building that has Fewer than Five Storey” category.

New Housing Completions by Structural Type and Tenure, City of West Kelowna (CMHC 2017-2021)						
	Owned		Rented		Total	
	#	%	#	%	#	%
Single Detached House	26	9.5%	30	3.6%	56	5.0%
Semi-Detached House	30	10.9%	0	0.0%	30	2.7%
Row House	107	39.1%	0	0.0%	107	9.6%
Apartment	111	40.5%	814	96.4%	925	82.7%

Affordable and Subsidized Housing, Census (2016)

Rental Housing Trends and Conditions

- Despite a relatively small proportion of households in the City of West Kelowna living in subsidized rental housing, the number of these households increased by approximately 35% between the 2011 and 2016 census periods.
- Given increasing housing affordability issues experienced across the region and an increase in the City's population, it can be expected that the number of households in subsidized housing will have increased for the 2021 census period when data is released.
- It is crucial to understand the proportion of the population living in subsidized rental housing as these households are generally the most vulnerable among all household types to changing economic conditions and changes to the overall housing market.
- Compared to the neighbouring City of Kelowna, a substantially lesser proportion of households are living in subsidized housing (1.3% vs 1.9%).



Renter Households in Subsidized Housing, City of West Kelowna (2011 - 2016 Census)		
	2011	2016
#	120	161
%	1.015%	1.296%

Source: Statistics Canada Census, 2011-2016

Note: Data is not available from the 2006 census for the City of West Kelowna. At the time of this report, 2021 census data on subsidized housing is not yet available.

Social, Subsidized, and Affordable Housing Rental Housing Trends and Conditions

- Social housing in Canada comes in many forms including public housing, non-profit housing, co-operative housing, and rent supplemented housing.
- Subsidized housing is a type of housing where the government provides financial support or rent assistance
- In Canada, the CMHC defines housing as affordable if it costs less than 30% of a household's pre-tax income on housing.
- The purpose of social and subsidized housing is to ensure that vulnerable households are housed safely and sustainably to prevent homelessness, support individual health and wellbeing, provide stability, and act as a stepping stone to other forms of housing.
- The City of West Kelowna has a significantly smaller supply of affordable housing units than the neighbouring City of Kelowna with the majority of units being concentrated in Central City and Rutland.
- Housing that accommodates those experiencing or at risk of experiencing homelessness is generally concentrated in the City of Kelowna.
- Given the substantial population of lower-income rental households,

the City of West Kelowna should likely prioritize approving new affordable housing to house those in precarious housing situations.

Social, Subsidized, and Affordable Housing, BC Housing (2022)

Rental Housing Trends and Conditions

- The City of West Kelowna has a total of 152 purpose-built affordable housing units.
- The official inventory of affordable housing units does not include older rental housing that charges below-average rents as they are not as secure for tenure as purpose-built affordable housing.
- The 2016 census reported 161 households living in subsidized housing, up from 120 households in 2011. If the number of households living in subsidized housing continues to increase, there will be demand for additional affordable and subsidized housing units given the existing inventory of 152 units.
- The total number of households that live in subsidized housing may be underrepresented due to a lack of subsidized housing options in the City of West Kelowna.
- There are no post-secondary housing units in the City of West Kelowna.

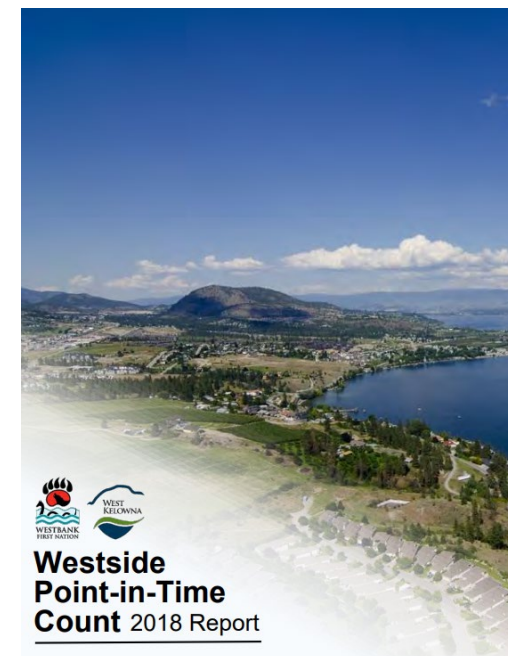
Affordable Housing Supply				
Name	Type	Address	Note	Units
Central Okanagan Co-Operative	Co-operative	2421 Last Road	Senior Building 55+	34
The Lions	Non-profit	3715 Gellatly Road	Subsidized independent housing for seniors with low income	40
Providence Vista	Non-profit	3737 Gellatly Road	Adult day centre for people at risk of losing their independence.	40
Bartley Road Shelter	Temporary Shelter	2515 Bartley Road	Temporary Modular	38

Homelessness and Social/Subsidized Housing, City of West Kelowna (2018)

Rental Housing Trends and Conditions

- The City of West Kelowna most recently completed a homeless count in 2018 and identified 72 individuals experiencing homelessness. The Point-in-Time Count is a strategy used to help determine the extent of homelessness in a community at a single point in time. This allows the community to better understand the nature and extent of the homeless population.
- In 2021, 38-beds were introduced to the City of West Kelowna on Bartley Road through a partnership between BC Housing and Turning Points Collaborative Society to assist people experiencing homelessness. It is understood that the modular housing project has helped alleviate those in precarious housing situations.
- Of the 72 individuals identified to be experiencing homelessness in 2017, the largest age cohort identified from the respondents were aged 25-44 (52.8%) followed by those aged 45-64 (29.2%).
- Of the 72 respondents, 62% of those identified as male.
- 3 in 5 of the respondents identified as having indigenous backgrounds which is a significant over-representation compared to the overall population.
- As of 2022, BC Housing believes there are fewer than 10 people

experiencing homelessness in the City of West Kelowna. This will be later confirmed in 2022 when an update to the homeless count is conducted.



Short-Term Rental Accommodation Rental Housing Trends and Conditions

- Short-term accommodations (STAs) are a form of accommodation where part of a principal residence (such as a suite in a single-detached house) is rented to visitors for a period of time less than a month. The new STA regulations came into effect on July 13, 2021.
 - In the City of West Kelowna, short-term rental accommodations must only operate out of a single-detached house, secondary suite, or carriage house. All other building and structure types can not be rented as an STA.
 - The City of West Kelowna reports an inventory of 210 short-term rental units available with an average occupancy of 69% annually. Note that this figure does not include tourist accommodation units in the City of West Kelowna as this form of temporary housing is generally not impactful on the long-term rental housing inventory.
 - Of this supply, approximately 89% of available units listed on short-term accommodation websites such as Airbnb and VRBO are entire home/unit rentals with the remaining 15% renting out a room(s) in the unit.
- Of the 210 units available, approximately 143 are 1- and 2-bedroom units (68%).
 - With a significant proportion of the renter household population living in secondary suites and the secondary rental market, short-term rental units may remove housing from the general rental housing pool and reduce the overall supply of available rental housing in the City of West Kelowna.
 - With an average daily rate of \$285 a night across all rental units, the revenue achievable in a short-term rental unit may exceed the rental rates achievable in a dedicated long-term rental housing unit which may be a contributing factor in homeowners deciding to pursue this housing model despite the existing legal framework.
 - Assuming revenue achievable at \$285 a night for 69% annual occupancy, revenue before taxes and fees could generate as much as \$5,981 monthly, substantially more than the average rent reported in the City of West Kelowna.

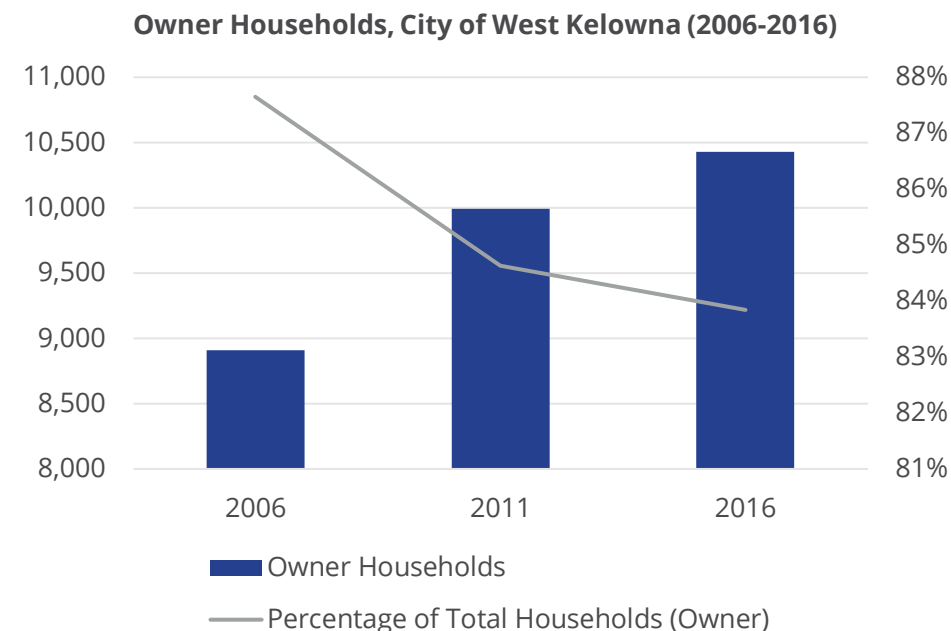
Chapter 5

Ownership Housing



Owner Households 2006-2016, Census (2016) Homeownership

- Although total households have been increasing in the City of West Kelowna as a result of an increase in new supply developed and the overall population increases experienced in the City, the proportion of owner households has been decreasing as rental households increase in prevalence.
- The 2016 census reports that the City of West Kelowna continues to have one of the highest rates of homeownership of any municipality province-wide.
- Despite this decrease, owner households are expected to remain the dominant household type for the 2021 census period. Until other factors such as a substantial increase in the supply of new rental housing or household housing preference in the region change, owner households are anticipated to remain the dominant household type for the projection period.

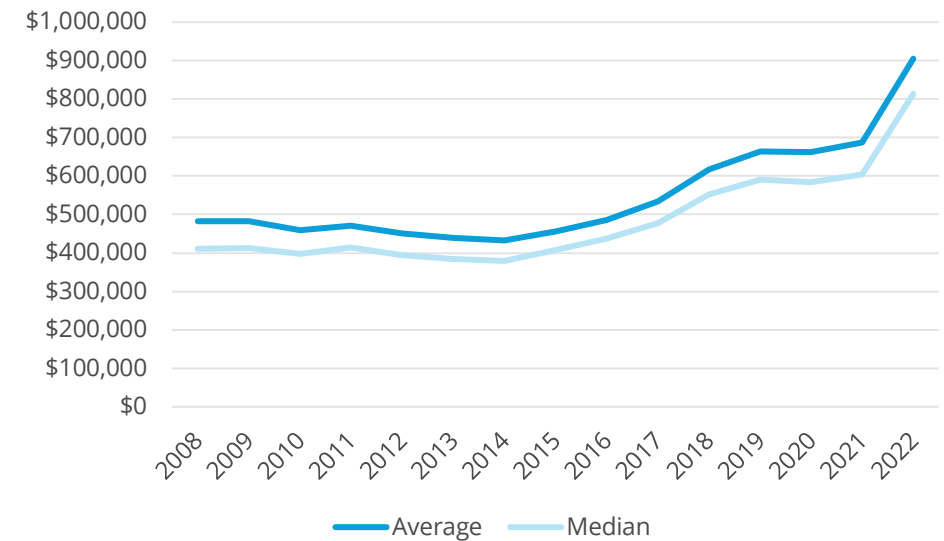


Owner Households, City of West Kelowna (2006-2016 Census)			
	2006	2011	2016
#	8,910	9,990	10,430
%	87.65%	84.63%	83.84%

Assessed Value – All Housing Forms, BC Assessment (2022) Housing Values

- BC Assessment housing values are used by municipal tax authorities to determine ownership and how much a homeowner must pay in tax for ownership. BC Assessment appraisers must value every property across British Columbia which can result in value discrepancies.
- BC Assessment has tracked assessed housing data in the City of West Kelowna beginning in 2008.
- BC Assessment’s 2022 assessment year is released in January 2022 and is based on market values as of July 1, 2021
- Average assessed value in the City of West Kelowna had remained relatively stagnant between 2008 and 2016 increasing an average of 0.18% annually. Since 2016, the average assessed value has increased substantially year over year with an average annual increase of 11.37% since 2017 with the greatest year-over-year increase occurring between the 2021 and 2022 assessment periods with an increase of over 31%.

Average and Median Assessed Value, City of West Kelowna (2008-2022) - All Unit Types



Average and Median Assessed Value – All Unit Types, City of West Kelowna (2008 – 2022 BC Assessment)															
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Average (\$)	481,645	481,796	458,630	471,076	450,889	439,125	433,219	455,803	485,724	533,793	616,289	664,014	661,954	686,491	904,341
Median (\$)	411,000	413,000	398,000	415,000	395,000	385,000	379,000	408,000	437,000	477,000	552,000	590,000	584,000	604,000	813,000
% Change		0.03	-4.81	2.71	-4.29	-2.61	-1.34	5.21	6.56	9.90	15.45	7.74	-0.31	3.71	31.73

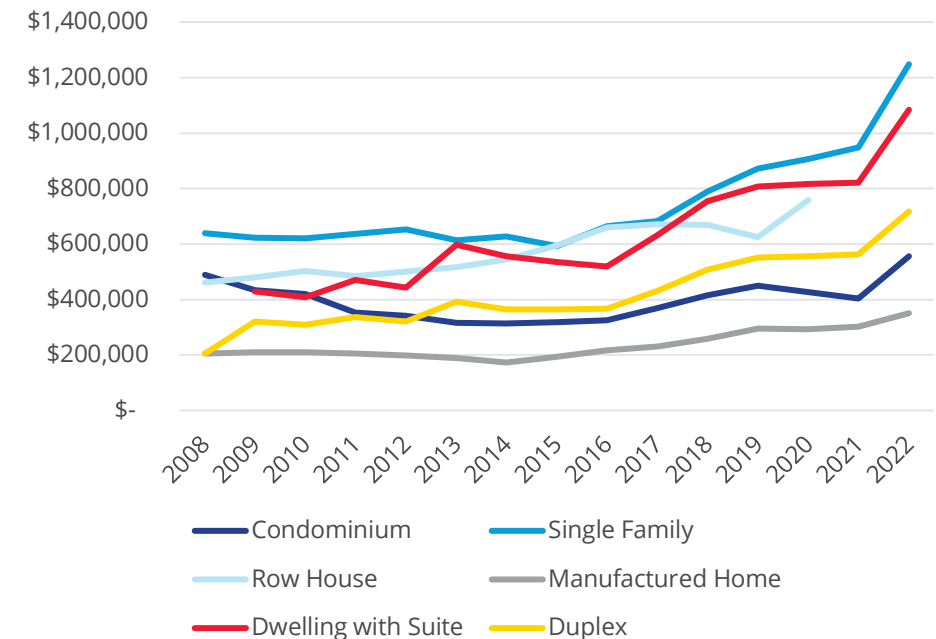
Source: BC Assessment (2022)

Assessed Value – All Housing Forms, BC Assessment (2022)

Housing Values

- Average assessed values in the City of West Kelowna have generally increased across all structure types consistently since 2008.
- Average assessed value growth (5.8%) between 2008 and 2022 has significantly outpaced the average annual inflation rate of 2%.
- The highest year-over-year average increase in assessed value has been for duplex housing units averaging a 10% increase annually.
- The lowest observed year-over-year average increase in assessed value is for apartment condominium units averaging a 2% increase annually.
- Since 2008, duplex units in the City of West Kelowna have increased in value most substantially among all structure types (approximately 247%).

Average Assessed Value by Structure Type, City of West Kelowna (2008-2022)

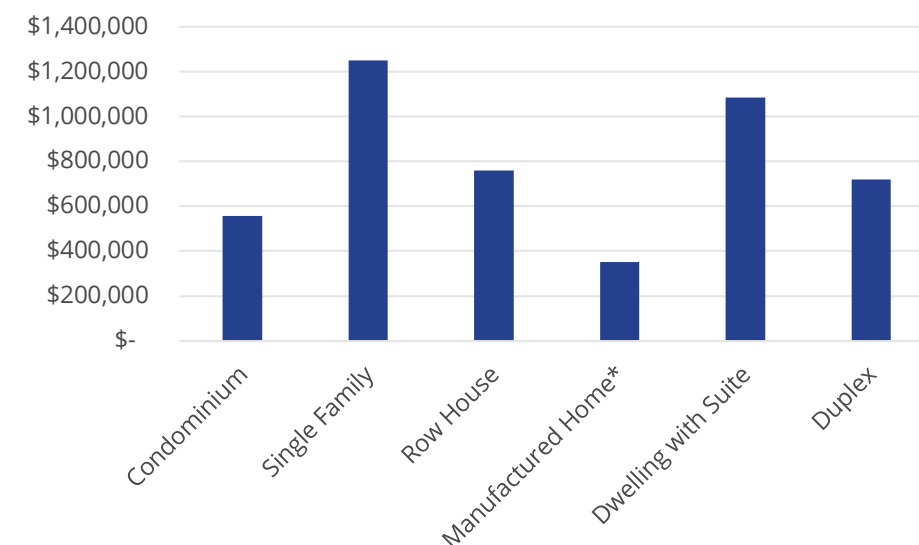


Assessed Value by Housing Type, BC Assessment (2022)

Housing Values

- In the City of West Kelowna, the largest housing units generally have the highest assessed value.
- Generally, the majority of assessed value for properties in British Columbia is largely land value compared to structure and improvement value.
- Given the City of West Kelowna's historic building trends focused on larger housing types such as duplexes and single-family houses, the supply of newer condominium units was generally comprised of older units.
- Assessed value assigned to an individual property may differ substantially from a transaction value due to a number of factors such as market pressure and buyer emotion which are not considered by BC Assessment.
- Note: BC Assessment did not report average assessed values for Manufactured Homes for 2021 and 2022. The figure presented on the right is taken from the most recent average assessment reporting in 2020.

Average Residential Assessed Value by Housing Type, City of West Kelowna (2022)



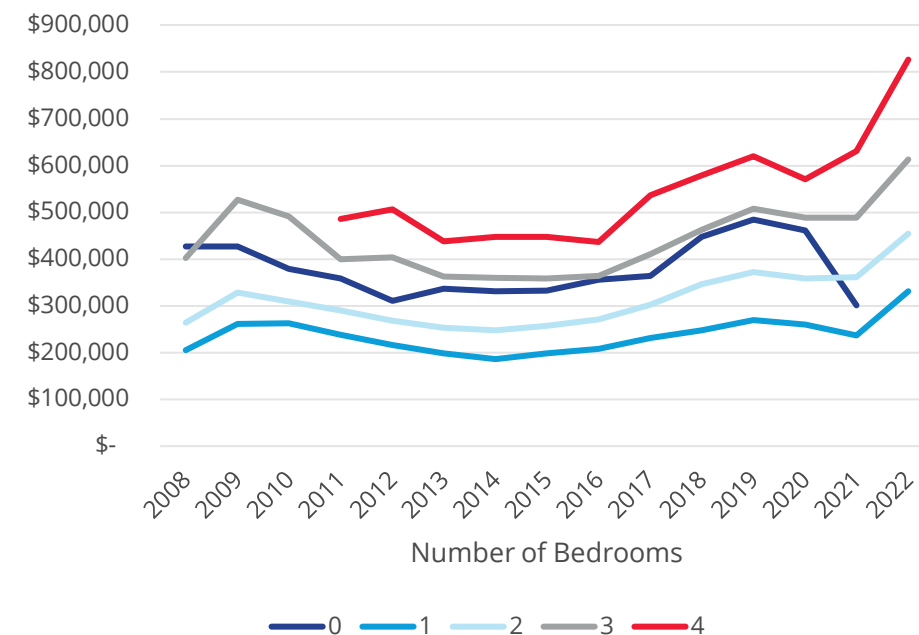
Average Residential Assessed Value by Housing Type, City of West Kelowna (BC Assessment 2022 Assessment Year)					
Condominium	Single Family	Row House	Manufactured Home*	Dwelling with Suite	Duplex
\$556,451	\$1,249,519	\$758,347	\$352,143	\$1,084,023	\$718,083

Condominium Apartment Market, BC Assessment (2022)

Housing Values

- In general, the assessed value of condominium apartments has increased significantly since 2008 with higher value units corresponding to number of bedrooms.
- Assessed condominium apartment values in the City of West Kelowna have largely grown at a slower pace than other types of housing units.
- Between the 2021 and 2022 assessment periods, the average assessed value increased most substantially in the last 15-year period.
- Given the relatively small inventory of condominium apartments in the City of West Kelowna, there are significant discrepancies between assessed values by unit size.
- The significant dip in value observed by BC Assessment for studio units is likely a result of a lack of supply of small condominium units. As a result, a decrease in the value of a small set of units may disproportionately impact the average value of the entire supply.

Condominium, Average Residential Assessed Value by Bedrooms, City of West Kelowna (2008-2022)

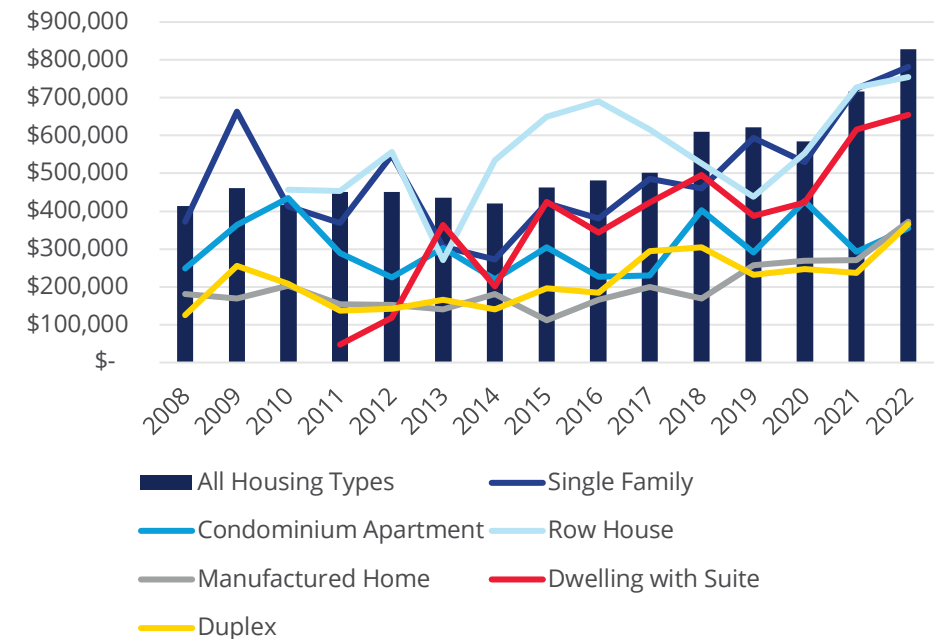


Transaction Trends for all Housing Types, BC Assessment (2022)

Housing Values

- Similar to most urban areas in Canada, the average residential sale price for housing as a trend has been increasing steadily since 2008. This has resulted in significant affordability challenges for households all across the country.
- Since 2008, there have been a total of 14,641 property transactions in the City of West Kelowna, approximately 61% of which were for single-family dwellings.
- The second most transacted housing form in the City of West Kelowna are condominium units which account for approximately 17% of all transactions over the 2008-2022 period.
- In general, residential transaction values have increased approximately 16% annually between 2008 and 2022 across all main housing forms.
- Since 2008, the average transaction value of a housing unit in the City of West Kelowna has increased by 104%.

Average Residential Sale Price by Housing Type, City of West Kelowna

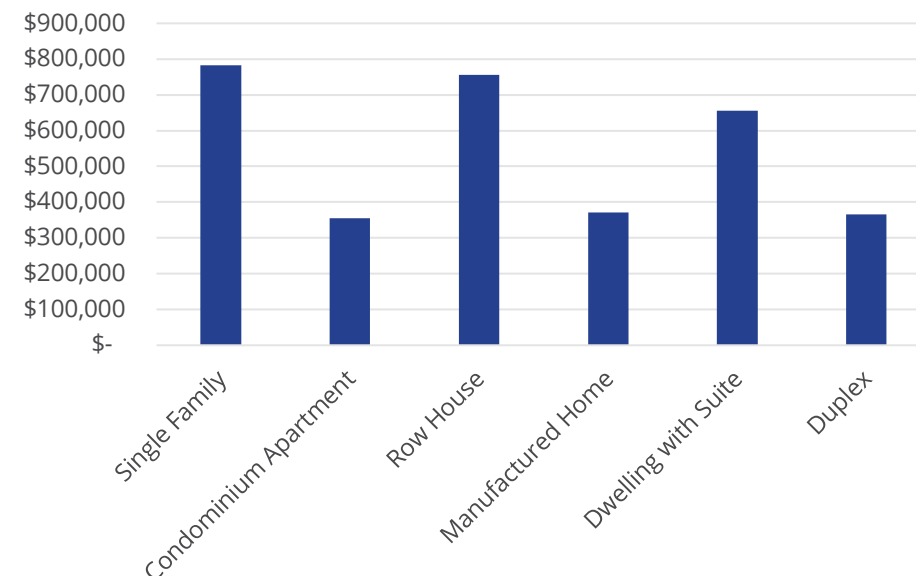


Transaction Values - All Housing Types, BC Assessment (2022)

Housing Values

- In the City of West Kelowna, as of 2022, single-family houses have been transacting for almost the same value as row houses.
- Historically, single-family homes are the most transacted dwelling type in the City of West Kelowna, with this trend continuing in 2022. Although single-family dwellings have so far been transacting for similar values as row houses, for every row house sold in West Kelowna, approximately 7.5 single-family dwellings are transacted.
- For the 2022 assessment year, there were 736 single-family transactions, 302 condominium apartments, 99-row houses, 45 manufactured homes, 175 residential dwellings with suites, and 46 duplex transactions.

Average Residential Sale Price by Housing Type, 2022



Average Residential Transaction Value by Housing Type, City of West Kelowna (BC Assessment 2022 Assessment Year)

Single Family	Condominium Apartment	Row House	Manufactured Home*	Dwelling with Suite	Duplex
\$782,377	\$354,406	\$755,703	\$371,320	\$655,414	\$365,400

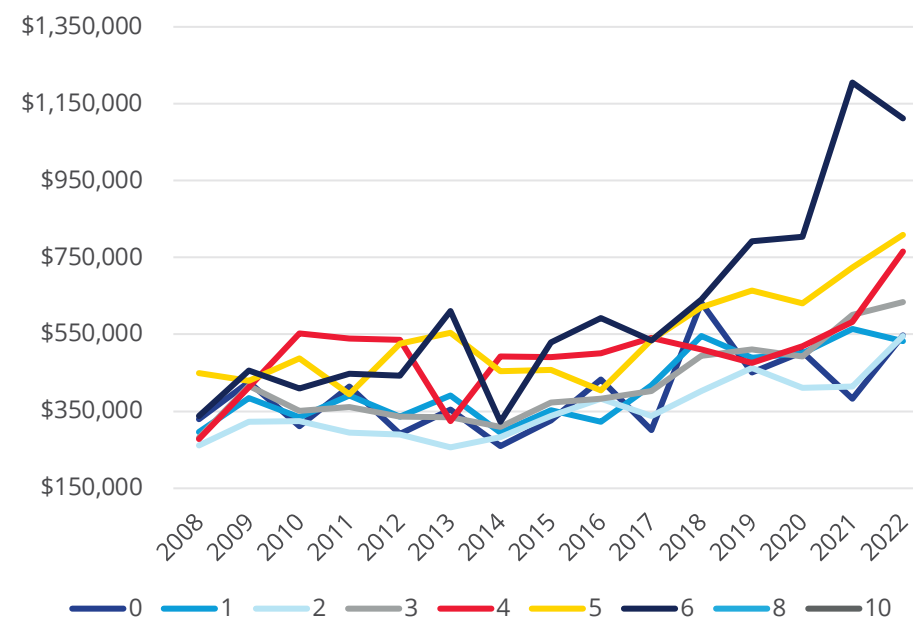
Source: BC Assessment (2022)

Transaction Value by Number of Bedrooms, BC Assessment (2022)

Housing Values

- In general, like most urban areas across British Columbia, the more bedrooms a housing unit has, the greater the average transaction price.
- Average sale price by bedroom number averages the transaction value of units across the main housing forms by the number of bedrooms in each unit.
- The greatest variation in sale price by total bedrooms in the City of West Kelowna exists for housing units with 0 bedrooms and units with more than 7 bedrooms due to limited supply in the market resulting in few transactions.
- For housing with units between 0- and 6 bedrooms, the average annual increase in transaction value was 8% between 2008 and 2022 with 6-bedroom units increasing in value most substantially year over year.
- Between 2008 and 2022, 6-bedroom and 4-bedroom units increased most substantially in value (229%, 176%)

Average Sale Price by Number of Bedrooms, City of West Kelowna (2008-2022)



Homeownership Affordability Analysis

Home Ownership Trends and Conditions

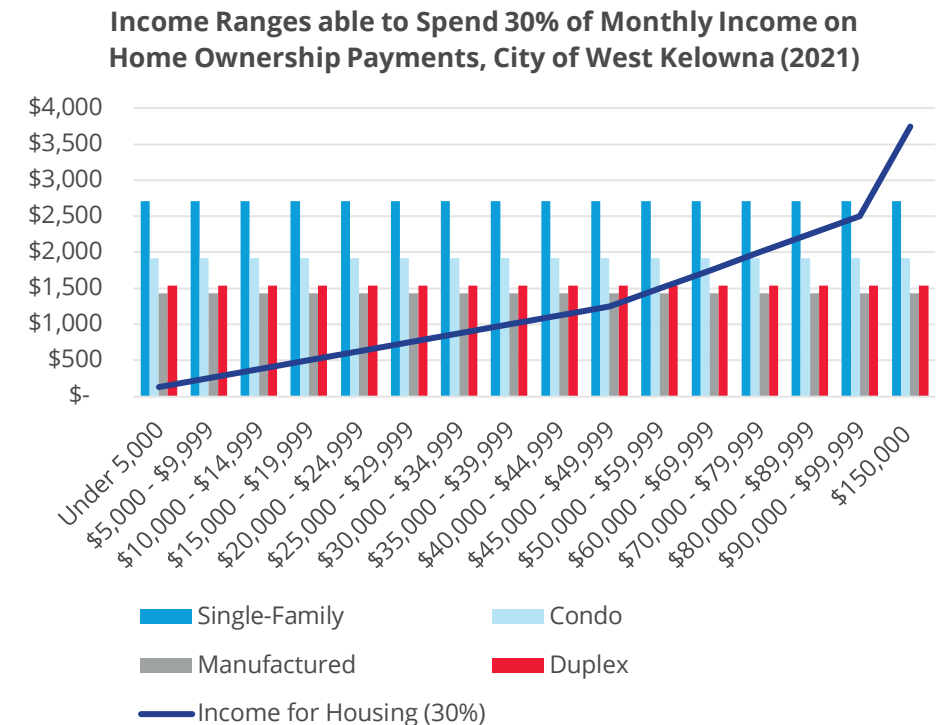
- A housing affordability analysis was conducted to determine how a typical ownership household could allocate income to home ownership in the present City of West Kelowna housing market.
- Assumptions:
 - Adjusted for inflation from 2016, an average annual owner household income of \$131,293 is used based on an average annual inflation rate of 2.77%.
 - No more than 30% of monthly pre-tax income is spent on housing.
 - Purchase price with 20% down payment.
 - Amortization period of 25 years.
 - 5-year fixed Closed Mortgage Rate of 4.59% (June 2022).
 - Monthly fees for maintenance (\$200), property tax (\$250), utilities/heating (\$100).

Average Income (2016 Census, Adjusted for Inflation)				
Average Annual Owner Household Income (2016 census, adjusted for inflation 2022)	Average Monthly Income	Monthly Income Available for Housing Payments (pre-tax)		
\$131,293	\$10,941	\$3,282		
Average Sale Price (2022) BC Assessment				
Single-Family Dwelling	Condominium Apartment	Manufactured Home	Duplex	
\$782,377	\$375,549	\$371,319	\$375,549	
Average Listing Price (June 2022)				
Single-Family Dwelling	Condominium Apartment	Manufactured Home	Duplex	
\$1,213,728	\$504,266	\$354,350	\$674,950	
Minimum Annual Household Income Required to Spend Less than 30% of Monthly Pre-tax Income on Housing Fees				
	Single-Family Dwelling	Condo Apartment	Manufactured Home	Duplex
Household Income	\$162,000	\$85,000	\$90,000	\$90,000

Homeownership Affordability Analysis

Homeownership Trends and Conditions

- Average transaction values were compiled from BC Assessment data across the main housing forms in the City of West Kelowna and compared to income brackets of households in the City.
- Note: BC Assessment transaction values are lower than current property listings indicate as of June 2022.
- For a household to purchase a single-family home for the average transaction price found in 2022, a household needs to earn at least \$162,000 annually to ensure servicing housing fees, taxes, interest, and debt payments are under 30% of monthly income.
- One of the most significant challenges for households aiming to enter the homeownership market is the 20% down payment requirement. Particularly for households spending more than 30% of monthly income on housing, the savings required are extremely prohibitive.



Chapter 6

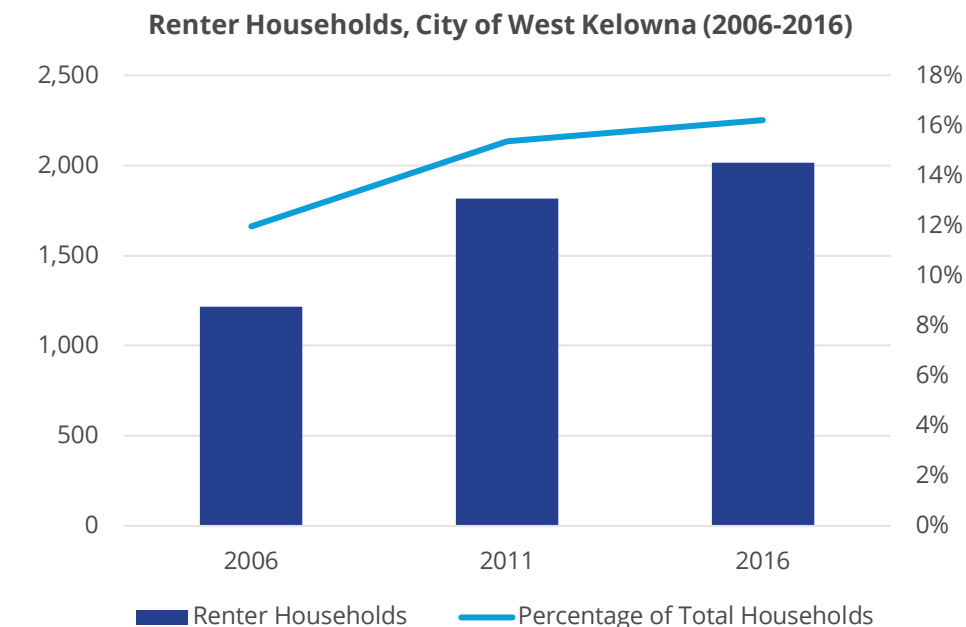
Rental Housing



Renter Households 2006-2016, Census (2016)

Rental Housing Trends and Conditions

- The Canadian Mortgage and Housing Corporation (CMHC) tracks a wide range of housing data across Canada's urban areas to report on data and trends for rental housing.
- The share of renter households in the City of West Kelowna has been increasing both in terms of absolute renter households but also increasing as a proportion of total households in the City.
- As the total number of renter households grows in the City of West Kelowna, without a sufficient supply of adequate rental housing, there may be an exodus of households to other housing markets.
- Conversely, if supply is not sufficient to meet rental housing demand, households may be forced to increasingly pay more for adequate housing or may be forced to live in inadequate housing situations.



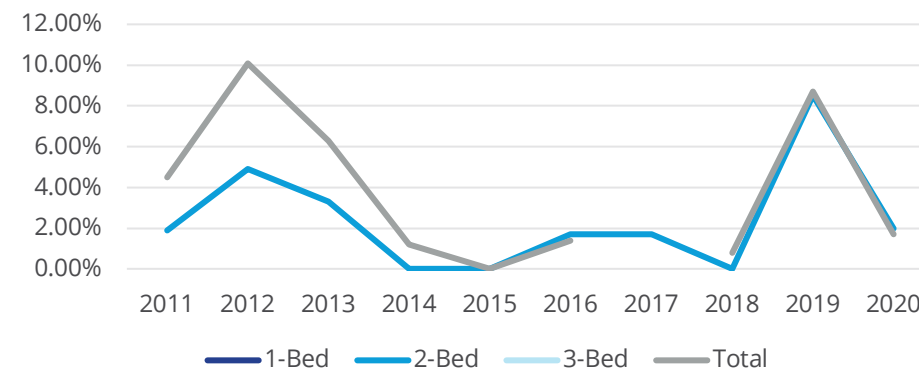
Renter Households, City of West Kelowna (2006-2016 Census)			
	2006	2011	2016
#	1,215	1,815	2,015
%	11.95%	15.37%	16.20%

Rental Housing Vacancy Trends 2011-2020, CMHC (2022)

Rental Housing Trends and Conditions

- The rental vacancy rate in the City of West Kelowna has averaged 3.86% between 2011 and 2020.
- The CMHC does not report sufficient data on available rental housing units to accurately report vacancy rates for 1- and 3-bedroom units.
- Low rental vacancy rates are one of the main factors driving monthly rental rate increases as it is an indicator of substantial demand for rental housing and a lack of supply of available or suitable units. If rental vacancy is too high, it may indicate there is an oversupply of units (or units may not be suitable) and this can cause property owners to forgo maintenance and upkeep.
- Given the number of rental households in the City of West Kelowna not aligning with the total number of available rental units citywide, fluctuations exhibited in the rental housing market data are potentially a result of the relatively small inventory of monitored rental units.
- The neighbouring City of Kelowna has a significantly larger rental housing supply and has experienced consistently low rental vacancy rates across all unit types and sizes.

Rental Vacancy Rate, City of West Kelowna (2011-2020)



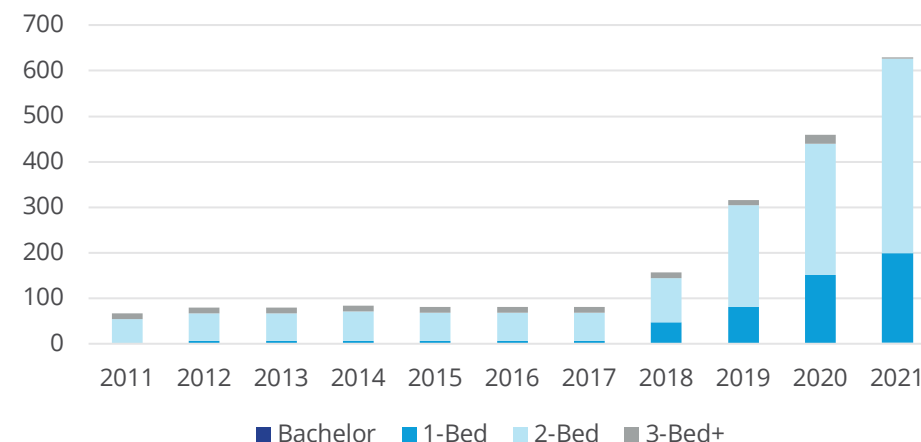
Rental Vacancy Rate (2011-2020 CMHC)											
City of West Kelowna											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1-Bed	-	-	-	-	-	-	-	-	-	1.4%	1.0%
2-Bed	1.9%	4.9%	3.3%	0.0%	0.0%	1.7%	1.7%	0.0%	8.5%	2.0%	0.70%
3-Bed	-	-	-	-	-	-	-	-	-	0.0%	-
Total	4.5%	10.1%	6.3%	1.2%	0.0%	1.4%	-	0.8%	8.7%	1.7%	-
City of Kelowna											
Bachelor	3.0%	2.0%	2.0%	0.0%	0.7%	0.0%	0.0%	0.3%	0.4%	6.3%	0.1%
1-Bed	2.2%	2.9%	1.3%	0.8%	0.6%	0.8%	0.3%	3.5%	3.6%	1.8%	0.7%
2-Bed	3.9%	4.6%	2.2%	1.3%	0.9%	0.6%	0.3%	1.1%	2.0%	1.3%	0.5%
3-Bed	2.0%	4.6%	2.4%	0.0%	0.0%	0.0%	1.3%	0.9%	1.2%	1.7%	0.6%
Total	3.0%	3.8%	1.9%	1.0%	0.8%	0.6%	0.3%	1.9%	2.3%	2.2%	0.5%

Rental Housing Supply, CMHC (2022)

Rental Housing Trends and Conditions

- As monitored by the CMHC, the City of West Kelowna's rental housing supply has remained relatively stagnant between 2011 and 2017 and although data has not been tracked prior to 2011, it is expected that the supply of rental housing was consistent at 2011-2017 levels.
- In recent years, there has been substantial growth in the supply of rental housing between 2017 and 2021, the majority of which being 2-bedroom units. Since 2017, the rental housing supply has increased by an average of 56% annually for a total of 629 rental housing units in 2021.
- This equates to an 853% increase in the supply of rental housing units in the past 10-year period.
- With an estimated supply of 629 rental housing units as of 2021 and over 2,000 rental households (2016), it is assumed that a significant number of rental households are housed in the secondary rental housing market.

Rental Supply by Bedroom Type, City of West Kelowna
(2011-2021 CMHC)



Rental Supply by Bedroom Type, City of West Kelowna (2011-2021 CMHC)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Bachelor	-	-	-	-	-	-	-	-	-	-	2
1-Bed	-	6	6	6	6	6	6	46	81	151	197
2-Bed	54	61	61	65	62	62	62	98	223	289	428
3-Bed+	12	12	12	12	12	12	12	12	12	19	2

Secondary Rental Housing Supply

Rental Housing Trends and Conditions

- As observed in the reported rental housing supply in the City of West Kelowna there is a significant discrepancy between the number of rental housing units available and the total number of rental households. This is a strong indicator that a significant portion of the renter household population is renting in the secondary market.
- The secondary rental housing market is generally comprised of rented properties that are not necessarily intended for rental housing. This may include individually owned properties and housing units such as rented single-family houses, rented condominium units, and rented strata duplex homes.
- In general, housing units in the secondary rental market are considered to be less secure as they are more easily removed from the long-term rental housing market, the unit may be sold to another household, or an owner may choose to occupy the unit.
- The City of West Kelowna's secondary suites policy recognizes that these unit types are an important form of affordable rental housing with benefits for homeowners, tenants, and the community.
- In the City, secondary suites are a second dwelling unit that has less than 2 bedrooms and is self-contained with 1 kitchen and at least 1 bathroom attached and accessory to a structure with a single-detached dwelling. Secondary suites are permitted in 12 different zoning designations across the City.
- Although the secondary suite policy was approved by Council in 2014, given the large number of observed renter households in the 2011 and 2016 census period and the reported supply of rental housing units by the CMHC in the respective years, it is evident that the majority of the renter population is accommodated in secondary suites, whether officially approved or otherwise.

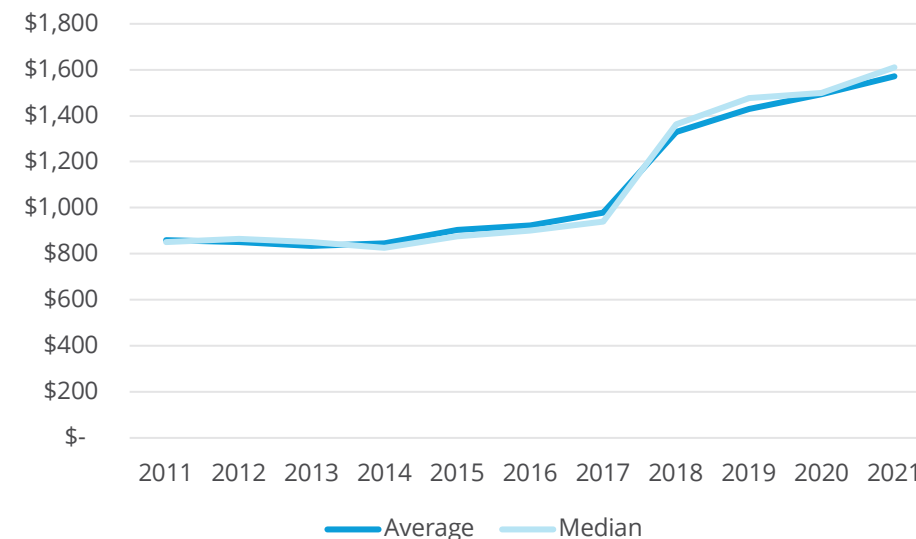
Note: There is no reported inventory of secondary rental housing in the City of West Kelowna.

Average and Median Rent Trends, CMHC (2022)

Trends and Conditions

- Likely due to a lack of supply in the City of West Kelowna rental housing market, there is limited data on average and median rents.
- As indicated in the figures below, the most consistently tracked rental market in the City of West Kelowna is the 2-bedroom unit which most significantly impacts average and median rent across all unit types in the City. There is limited rental data for 1-bedroom and 3-bedroom units.
- As observed in urban areas across British Columbia, it can be generally expected that average and median rent for new rental housing units increases with each additional bedroom in the City of West Kelowna.
- Note: The CMHC has not reported average rents for studio units in the City of West Kelowna.

Average and Median Rent - All Unit Types, City of West Kelowna



Average and Median Rent - All Unit Types, City of West Kelowna (2011 - 2021 CMHC)

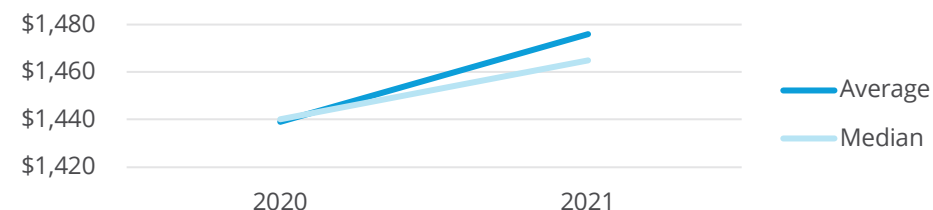
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Average (\$)	858	850	835	844	905	922	979	1,328	1,429	1,493	1,571
Median (\$)	850	865	850	825	875	900	940	1,363	1,476	1,500	1,610

Average and Median Rent Trends, CMHC (2022)

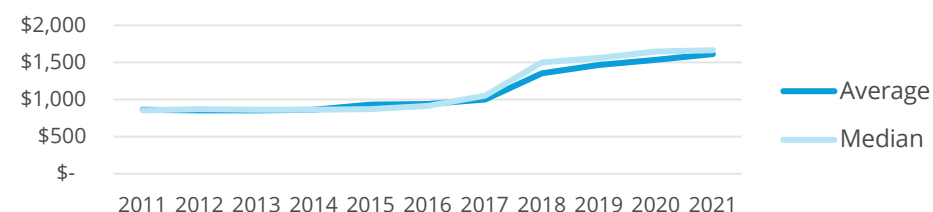
Rental Housing Trends and Conditions

- Average monthly rental rates across a market are typically impacted by a wide variety of factors including inflation, supply, demand, and unit availability. Between 2018 and 2021, average rent increases have significantly outpaced inflation.
- Between 2020 and 2021, the average rent for a 1-bedroom unit in the City of West Kelowna has increased from \$1,439 to \$1,476, an increase of 2.57%.
- Monthly rents for a 2-bedroom rental unit have increased substantially between 2017 and 2021 with the greatest year-over-year increase occurring between 2017 and 2018 when average rent increased 36.11% from \$997 to \$1,357. Since 2018, average rents have been increasing by approximately 5.77% annually.
- The CMHC has very limited rental data on 1-bedroom rental housing units in the City, most likely due to a lack of supply resulting in insufficient data.
- New apartments are generally expected to command higher monthly rents than older existing apartments and this may be a significant reason why average/median rents have increased substantially for 2-bedroom units since 2017 with the new supply being introduced in the City of West Kelowna’s market.

Average and Median Rent - 1-Bedroom Units, City of West Kelowna (2020-2021)



Average and Median Rent - 2-Bedroom Units, City of West Kelowna (2011 - 2021)



Average and Median Rent, 1- and 2- Bedroom Units, City of West Kelowna (2011-2021 CMHC)												
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1-Bed	Average (\$)	-	-	-	-	-	-	-	-	-	1,439	1,476
	Median (\$)	-	-	-	-	-	-	-	-	-	1,440	1,465
2-Bed	Average (\$)	863	854	850	862	933	941	997	1,357	1,468	1,537	1,612
	Median (\$)	850	870	865	865	875	910	1,050	1,500	1,558	1,645	1,665

Source: CMHC (2022)

Rental Housing Affordability Analysis

Rental Housing Trends and Conditions

- According to the CMHC, housing is considered affordable when a household is able to spend less than 30% of pre-tax income on adequate and sustainable shelter.
- Households that are spending more than 30% of their income on shelter are considered to be in core housing need.
 - With rental household income adjusted for inflation, approximately 930 or 45% of renter households make less than \$60,000 annually which generally means that these households will be required to allocate more than 30% of their income to housing.
- Households that are spending more than 50% of their income on shelter are considered to be in severe housing need.
 - With rental household income adjusted for inflation, approximately 510 or 25.1% of renter households make less than \$40,000 annually which generally means that these households will be required to allocate more than 50% of their income to housing

Average Income (2016 Census, Adjusted for Inflation)		
Average Household Income (2016 Census, adjusted for inflation 2022)	Average Monthly Income	Monthly Income Available for Housing Payments (pre-tax)
\$122,405	\$10,200	\$3,060

Average Rental Household, City of West Kelowna 2016 Census, Adjusted for Inflation)		
Average Annual Renter Household Income (2016 Census, adjusted for inflation 2022)	Average Monthly Income	Available for rent (assuming max 30% of income)
\$78,205	\$6,517	\$1,955

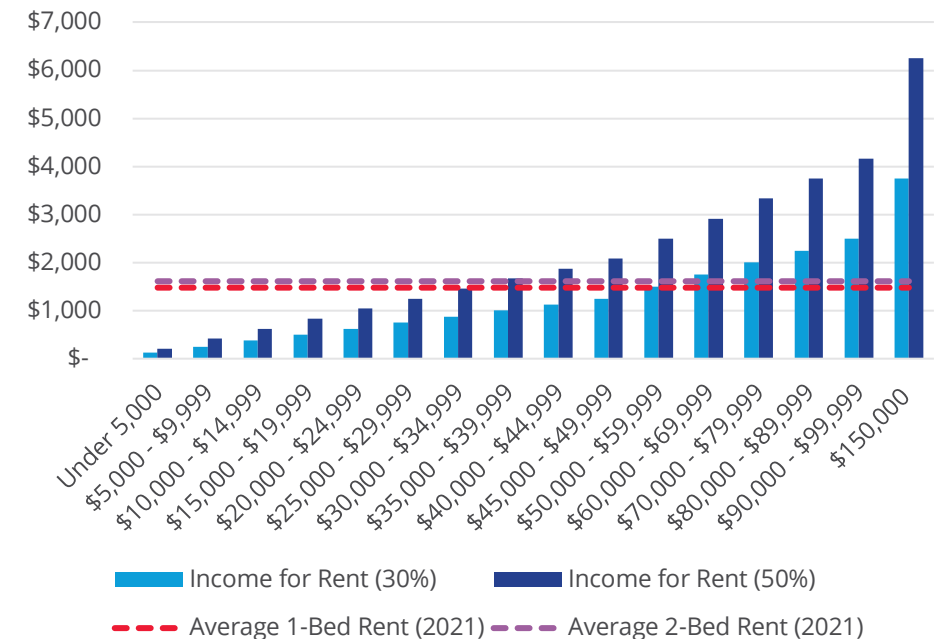
Average Rent, City of West Kelowna(CMHC 2021)			
All Units	1-Bedroom	2-Bedroom	3-Bedroom
\$1,571	\$1,476	\$1,612	\$1,254* (2020)

Rental Housing Affordability Analysis

Rental Housing Trends and Conditions

- Based on average rent found in the City of West Kelowna in 2021, households earning more than \$60,000 annually are able to spend less than 30% of their monthly income on rent.
- If household income is less than \$40,000 annually, households will be required to spend more than 50% of monthly income to find a rental housing unit at average market rents.
- The large volume of households that are required to spend more than 30% of monthly income on rent highlights the need for additional affordable rental housing to ensure households have sufficient funds for other essentials such as food and transportation.

Income Ranges able to Spend 30% and 50% of Monthly Income on Rent, City of West Kelowna (2021)



Chapter 7

Community Engagement



Completed Engagement for Housing Needs Assessment

Community Engagement

- The following What We Heard Report summarizes the findings from the online community survey, steering committee meetings, stakeholder engagement and lived experience interviews. The findings offer insight and direction to staff in drafting the housing needs assessment.
- Due to the COVID-19 pandemic, social distancing measures prevented large group gatherings. The engagement process was primarily conducted virtually using online survey tools and Zoom workshops. The online engagement was conducted from January to May 2022.

Completed and Upcoming Engagement for Housing Needs Assessment		
What Type of Engagement?	Who Participated?	When?
CWK HNA Steering Committee	3 virtual/in-person presentations and discussions with stakeholders and local government officials	August 2021 / October 2021/ March 2022
Community Survey	744 participants/188 from CWK and WFN	February 8 th to March 7 th , 2022
Lived Experience Interviews	7 participants from across the RDCO experiencing housing challenges	February 2022
Development Industry Stakeholder Meeting	8 participants from development industry	May 3, 2022
Meeting with Westbank First Nation Staff	1 staff member	May 11, 2022
CWK HNA Steering Committee to review WWHR	1 virtual/in-person presentation and discussion on the findings of the What We Heard Report	TBD
Westbank First Nation	1 virtual/in-person presentation of findings of the What We Heard Report	TBD

Meeting #1 – August 2021

Steering Committee Meetings

- At the first steering committee meeting in August 2021, a representative of BC Healthy Communities presented the Housing Needs Assessment project outline and the responsibilities of the RGS steering committee. The purpose of the steering committee meeting was for attendees to outline their priorities for the housing needs assessment engagement process, and to identify stakeholders that should be included in the discussion.
- The priorities established from SC Meeting #1 were to:
 - Identify the demographic profile of individuals and families with housing needs;
 - Demonstrate and link housing support with other social issues such as food security, employment opportunities, and transportation (the bridge is a perceived barrier to services and results in increased transportation costs associated with living in West Kelowna)
 - Determine the resources the community needs and;
 - To include an educational component of the Housing Needs Assessment to reduce stigma around affordability (or poverty).
- Stakeholders:
 - Young families, single-parent families
 - Working homeless/ low-income workers
 - Newcomers
 - Older adults
 - Persons with disabilities
 - Indigenous peoples
- The identified issues for the community:
 - Young families, and single-parent families are struggling with high rents and the impacts of COVID-19
 - Working homeless/ low-income workers can't move to West Kelowna because rent is too high/ lack of rentals
 - The average worker is unable to balance cost of housing
- In between Steering Committee #1 and Steering Committee #2, staff conducted further background research to better understand key populations, challenges, and gaps in previous studies. Once this background research was completed, staff prepared the draft community survey.

Meeting #2 – October 5 2021

Steering Committee Meetings

- During the second Steering Committee meeting in October, BC Healthy Communities presented a project update and outlined next steps. Committee members provided feedback on the draft community survey and Unique Identifier Count (UIC) survey to ensure that pertinent information was being collected, that questions were appropriate, and all key issues and priority populations had been included.

Project on Hold November 2021-February 2022

- Due to staffing and consultant transitions, the project was placed on hold, until February 2022 when Urban Matters was retained to assist with engagement support. The RDCO Regional Housing Strategy was also underway and included a regional housing survey that was live during February and March 2022 and very similar to the survey drafted in the Fall of 2021 for this project. It was decided to promote the completion of the Regional Survey and to utilize the Westside survey data collected by the RDCO Regional Housing Strategy and Central Okanagan Poverty and Wellness Strategy (COPAWS). The data captured by the Regional Housing Strategy met the needs for the housing needs assessment and creating another survey would be redundant and possibly confusing to the community.

Meeting #3 and 4 – March 14 and March 17 2022

Steering Committee Meetings

- On March 14th Nancy Henderson, Senior Local Government Advisor from Urban Matters presented an update on the Housing Needs Assessment, the completed RDCO and COPAWS survey to the Steering Committee and outlined next steps. The March 14th meeting had low attendance and as there was also a West Side Service Providers meeting scheduled on March 17th and it was suggested that the West Side Service Providers be the appropriate forum to present a project update, as representatives would be the same.
- On March 17th Nancy provided the project overview and Isha Matous-Gibbs from Urban Matters presented on the Central Okanagan Poverty and Wellness Strategy. The Service Committee looked forward to reviewing the results of the survey and following along the next steps of the project.

Survey Data – Key Findings

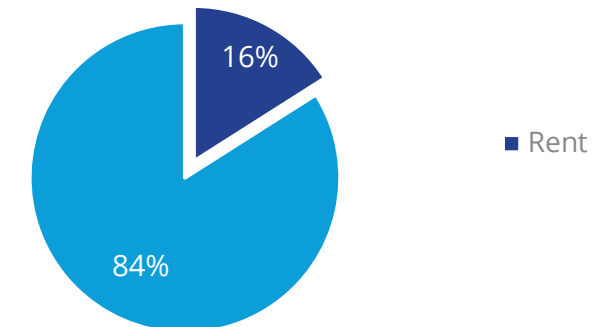
Community Engagement

- As a part of the Regional Housing Strategy process the Regional District of Central Okanagan conducted a community survey from February 8th to March 7, 2022. The survey was made available online through the RDCO's website. The Regional Housing Strategy survey was conducted in coordination with the COPAWS survey, a project undertaken by Urban Matters for the RDCO on a similar timeframe.
- The online survey included questions for both projects to reduce engagement burnout with the public and stakeholders. Survey respondents could choose to answer questions about one or both strategies.
- The survey had a total of 744 respondents across the RDCO. 183 of those respondents identified as being from the City of West Kelowna, and 5 were from Westbank First Nation. The data from those 188 respondents was analyzed for the West Kelowna Housing Needs Assessment. Figure 2 shows the age distribution of respondents in the CWK and WFN.
- Only 13% of respondents were in the 18-35 age group, indicating that the survey responses potentially do not capture the experiences of young adults, young professionals, students, early-career starters, and young families. This distinction is important to recognize as these

younger age groups typically have less capital and assets (e.g., lower wages due to being less experienced, student loans, saving up for a house or other property).

- Figure 3 shows the living situation of respondents and figure 4 shows the renter vs. homeownership makeup of West Kelowna according to the 2016 census. The difference in portions between the two data sets should be taken into consideration when reviewing the survey data results. In addition, once the 2021 census data is available, the survey data should be compared to see if the survey appropriately captured the renter vs. homeowner proportion in the city.

Figure 4: 2016 Census Data for West Kelowna



Survey Data – Key Findings

Community Engagement

Figure 2: Age of Respondents in CWK & WFN (N=188)

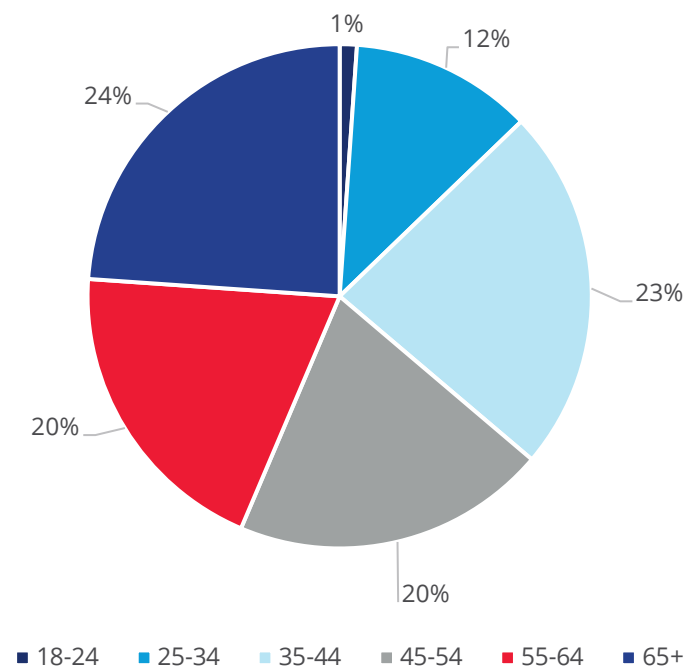
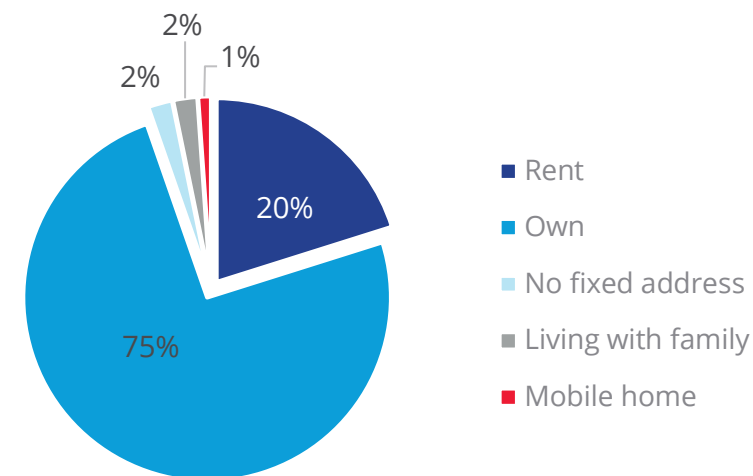


Figure 3: Living Situation of Survey Respondents

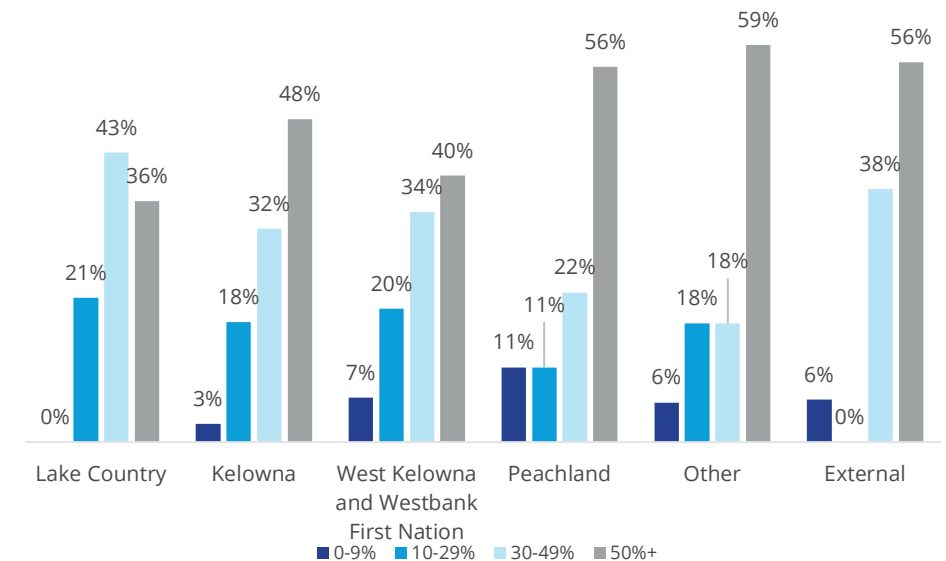


Survey Data – Key Findings

Community Engagement

- Compared to the RDCO, respondents from the City of West Kelowna and Westbank First Nation (henceforth CWK & WFN) had more favorable housing situations, lower rates of poverty, and a greater proportion at higher income levels. The Housing Needs Assessment should focus on recommendations that support renters and housing types other than single-detached homes. The survey data found that those experiencing poverty in West Kelowna were:
 - Unattached individuals, groups of unattached individuals (e.g., roommates not in an economic family), and lone parent families
 - Rented their homes or had no fixed address
 - Lived in housing types other than the “family friendly” single-detached home
 - Spent more than 50% of their income on housing costs
 - Struggle to meet their basic needs
- Figure 5 shows the housing cost as a proportion of household income by municipality.

Figure 5: Housing Cost as a Proportion of Household Income (N=601)



Survey Data – Key Findings

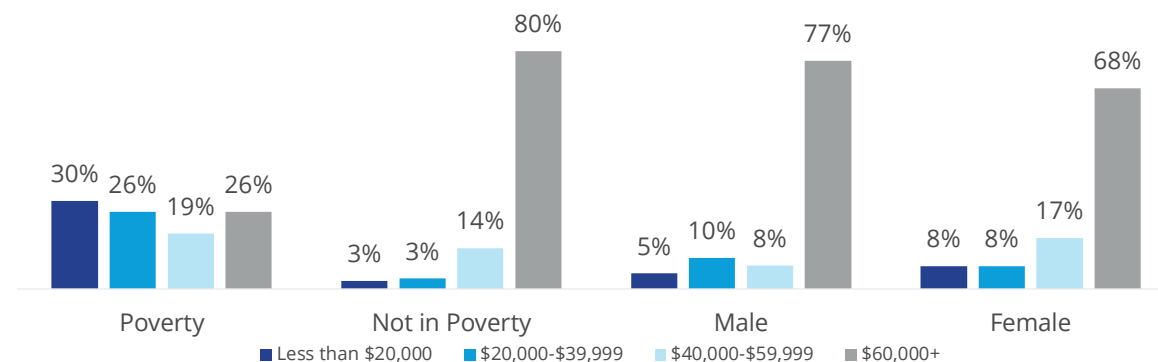
Community Engagement

- The survey asked respondents to self-identify as experiencing poverty (Figure 6). The differences in housing needs among respondents in CWK & WFN are found when comparing those that identified as living in poverty or not. Interestingly, 26% of respondents that self-identified as experiencing poverty earned greater than \$60,000, which highlights the growing cost of living in the region.
- The family structure, dwelling type, and living situations of respondents experiencing poverty differed greatly from those not experiencing poverty.
- Among respondents experiencing poverty, only 15% lived in detached homes, 19% in a secondary suite, 19% in an attached home, 4% in a town/rowhouse, 4% in an apartment, and 22% in a mobile home. For respondents not experiencing poverty, the proportions were 72% lived in a detached house, 3% in a secondary suite, 6% in an attached home, 8% in a town/rowhouse, 8% in an apartment and 2% in a mobile home, respectively, for respondents not experiencing poverty.
- This distinction is important to note as it may indicate different housing needs based on whether a respondent experienced poverty or not. That is, as most respondents not experiencing poverty were spouse-type families, it makes sense for the most common housing type to be

a detached home. However, among those experiencing poverty, most were unattached individuals or lone-parent families.

- 100% of respondents in CWK & WFN who were experiencing poverty, spent more than 30% of their income on housing. Most (72%) of which spent more than 50% of their income. A greater proportion of females at 74% spent more than 30% of their income on housing, compared to males at 64% (Figure 7). Figure 8 shows the comparison of income spent on housing by tenancy, where renters again are more likely to spend more.

Figure 6: Approximate Before-tax Annual Household Income by Poverty Status and Gender in CWK & WFN (N=144)



Survey Data – Key Findings

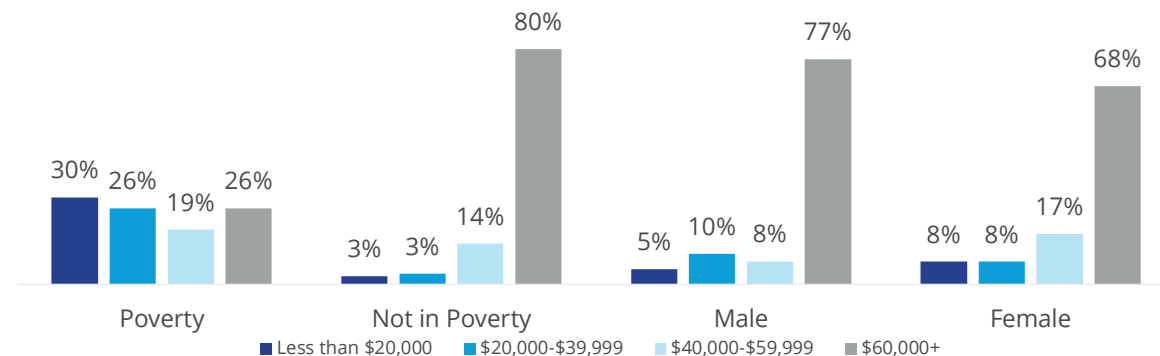
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Approximate Before-tax Annual Household Income by Poverty Status and Gender in CWK & WFN (N=144)



Survey Data – Key Findings

Community Engagement

Figure 7: Approximate housing cost by poverty status and gender in CWK & WFN (N=159)

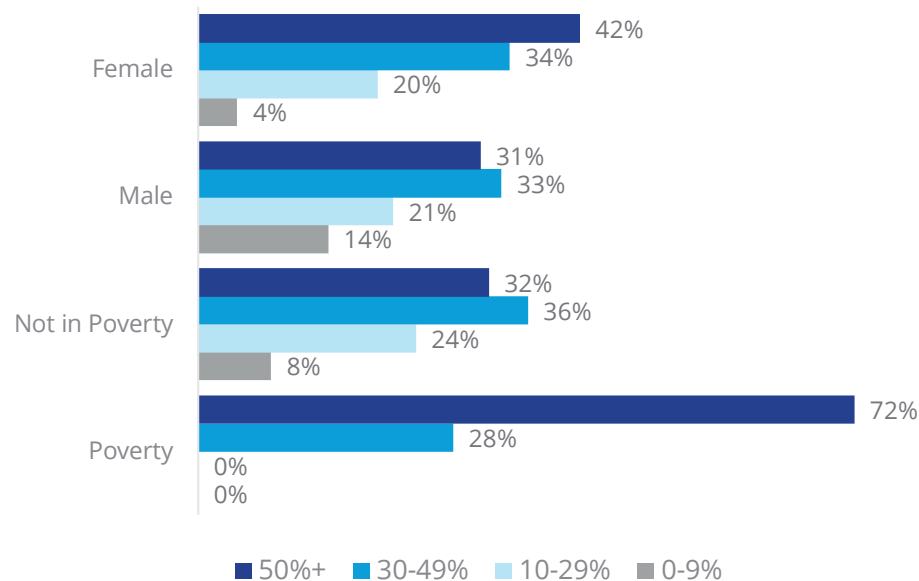
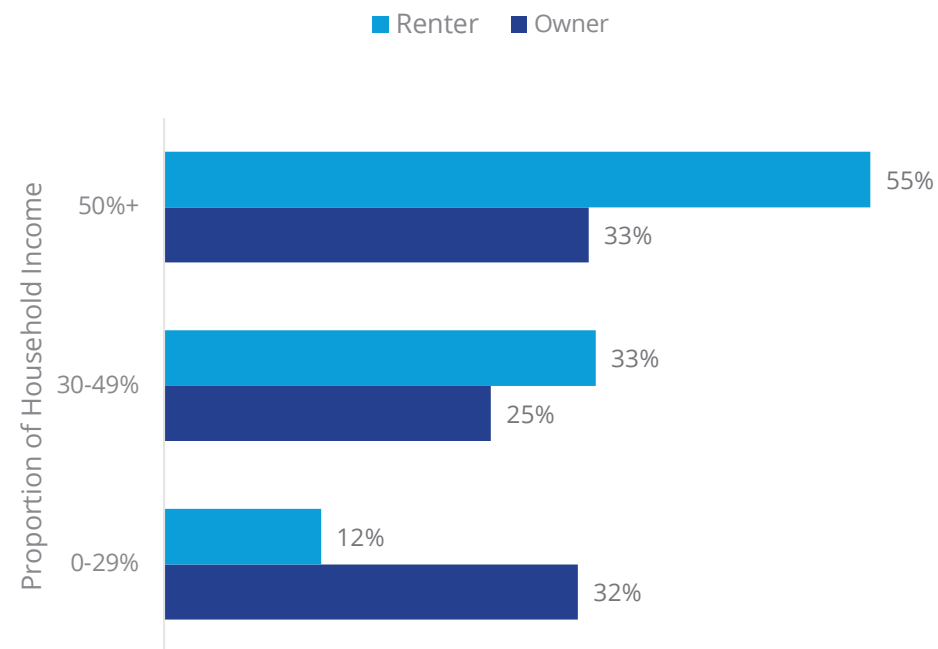


Figure 8: Housing Costs by Tenancy in CWK and WFN (N=155)



Lived Experience Interviews

Community Engagement

- In February 2022, Urban Matters staff conducted seven one-on-one interviews with individuals in the RDCO, many of which reside or previously resided on the Westside, who are experiencing housing challenges. Engaging individuals with such lived experience of housing instability/challenges provides critical insight into local housing needs, particularly as needs are emerging rapidly due to Covid-19. Unlike broader community engagement, this approach allows for a deeper conversation. The interviews show a shared experience across the RDCO and provides important context for West Kelowna's housing needs assessment.
 - Participants described their housing situations as incredibly stressful, and they felt a lack of housing security. They all spoke to a sense of hopelessness in their current and future housing situations. Due to the cost of housing and the low vacancy rate in the region, participants felt very uncertain about finding housing that met their needs. Participants longed for stability and long-term rentals that met their needs. Based on the interviews, it appears that single income households, in particular single parent households are unable to afford housing that meets their needs.
 - In addition to support for low-income families, middle-income individuals and families need access to support services. Several respondents described that they are experiencing housing insecurity, but their income was too high to receive social services. For example, single parents were unable to access support services due to their income level and as a result, are having to stay in precarious housing situations as they would be unable to find alternative accommodation within their price range. This information fits with the result of the data analysis that found that 26% of respondents that self-identified as experiencing poverty earned greater than \$60,000.
- Those wanting to enter the housing market are unable to afford the type of home they want and are having to downsize. One couple interviewed was priced out of their West Kelowna neighbourhood and had to relocate to a different part of the region, despite having a dual income, stable jobs and were longtime homeowners.
 - Participants shared the following recommendations:
 - Wage increases to reflect the increasing cost of living;
 - Social programs for children that meet the needs of working families (after school care, meals programs, free summer camps);
 - A reintroduction of vacation homes to the rental market;
 - Improvement to youth services;
 - More low-income subsidized housing and indigenous housing; and
 - Access to resources that support and inform education around home ownership.

Development Industry Community Engagement

- A Development Industry Housing Needs Virtual Engagement was facilitated by Urban Matters on May 2, 2022 and included CWK staff and 4 UDI members, Rick Miller, Grant Maddock, Keith Funk, and Matthew Temple. In conversation with the development industry representatives, it was evident that land and housing project costs are strongly tied to housing affordability. As there is a need to meet thresholds and profit margins within the development industry, housing costs are often dictated by fixed and rising construction costs, strict funding requirements by financial institutions, and pressure on timing. Further, inflation, the rising cost of land, and application processing fees are often passed down to the user. Members of the development industry also indicated that labour shortages and supply chain issues place a burden on project proformas and transfer housing costs to the buyer.
- To reduce the barriers to the provision of affordable housing, developers expressed that the City of West Kelowna should develop a coordinated set of incentives and strategies to promote the construction of affordable housing. Several options to address housing gaps were discussed. Namely, faster processes, incentives, and non-market options such as government-owned and subsidized housing were proposed as means of increasing the supply of affordable housing.
- Discussions also suggested that incentives should be implemented to encourage the development of “missing middle” housing which increases housing choice and affordability for residents. Incentives might include lowering imbedded construction costs and creating alternative development standards which reduce the required land and physical infrastructure required to support a housing unit. Land costs and availability is a significant barrier and opportunity to provide project cost savings, followed by Development Cost Charges (DCCs), and parking reductions.
- In the City of Kelowna, RU7 zoning—which permits versatile infill housing—has the potential to increase affordable housing choice while remaining sensitive to surrounding neighbourhoods. Infill housing can be provided in the form of ground-oriented “plex” housing which conserves urban land and provides high density housing choice near the existing built-up area. Similar zoning designation and standards could be implemented in the City of West Kelowna to help manage urban sprawl while increasing affordable, and appropriate housing choices for residents. It was recommended that applying this type of zoning to a large area of the community was anticipated to result in less of a land price increase compared to only allowing this type of zoning in a small area which has shown to increase land values.
- The development industry expressed that further progress needs to be made to expedite and refine the development approvals process. Additionally, housing costs may be lowered by minimizing barriers such as strict architecture and design guidelines for affordable housing.

Westbank First Nation Community Engagement

- Nancy Henderson met with Lindsay Allman at Westbank First Nation (WFN) on May 11, 2022 to provide an update on West Kelowna's Housing Needs Assessment and discuss planned housing initiatives at WFN. WFN is in the process of writing a request for proposals for the completion of a housing strategy. It is anticipated that the strategy will have a broader scope than the existing WFN Housing Strategy that primarily focuses on band housing. As CWK is also planning to undertake the completion of a housing strategy later this year, it is recommended that the CWK and WFN share data and potentially collaborate on engagement and other components of the project where appropriate.

Westside Service Providers

Community Engagement

- The draft “What We Heard Report” was referred to the Westside Service Providers for review and comment on June 6, 2022. No concerns were received from the group.

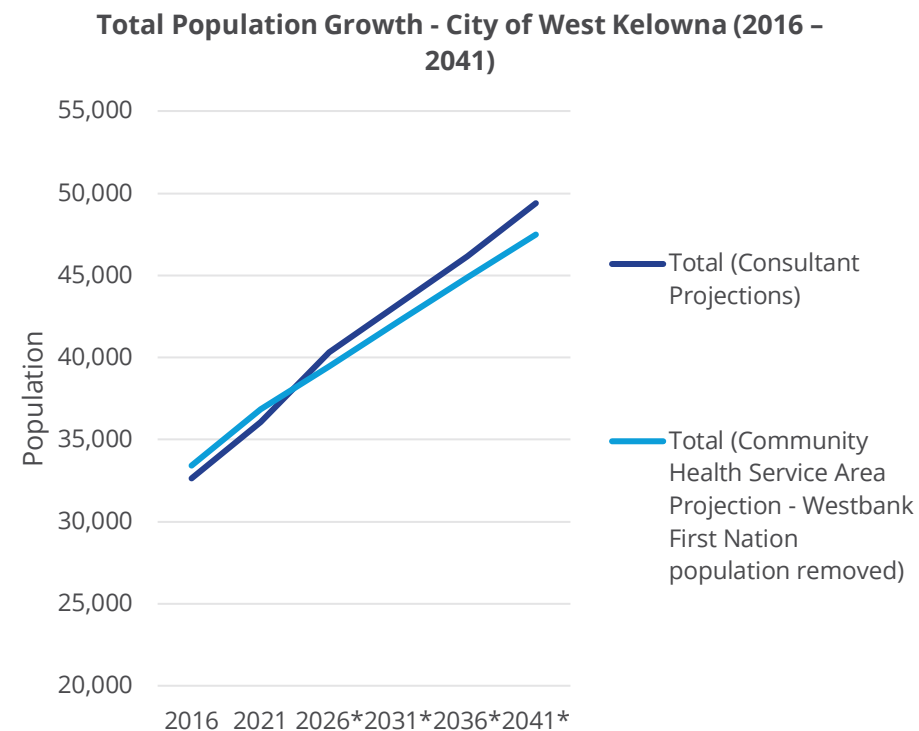
Chapter 8

Future Housing Needs



Anticipated Population Growth to 2041 Community Growth

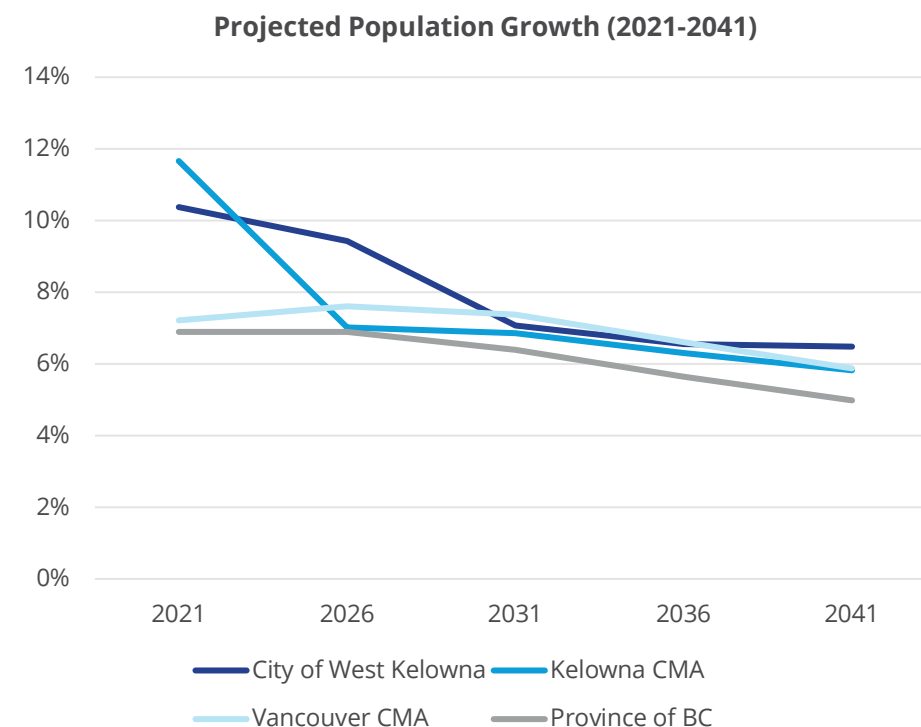
- The Province of British Columbia does not project the population of the City of West Kelowna, but rather projects it for the West Kelowna Community Health Service Area which includes the City of West Kelowna and Westbank First Nation.
- The population projections created by the Province estimated 2016 and 2021 population figures as greater than what was reported in the respective census periods.
- In order to more precisely project the number and type of housing units the City will require, the consultant team modified population projections to reflect just the anticipated population trends for the City of West Kelowna.
- The population projection estimates leverage previous population forecasting completed by Colliers in 2021 and have been updated based on recently released census data from the 2021 nationwide census.



Anticipated Population Growth Rate Comparison

Community Growth

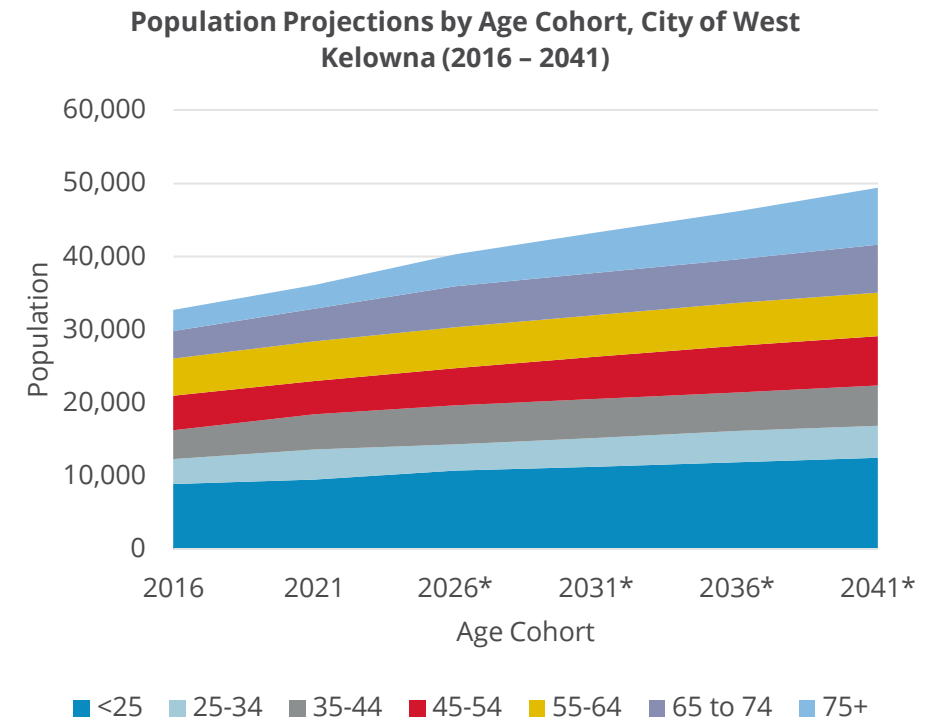
- The City of West Kelowna's population is projected to increase to approximately 43,252 in 2031 and 49,419 in 2041. This is an annual projected growth rate of 1.5% which is relatively consistent with the growth rate reported between the 2011 and 2021 census period of 1.7% for approximately 617 new residents per year in the next 20 years.
- The Province projects the City of West Kelowna to be outpacing other population regions including the greater Kelowna CMA, Vancouver CMA, and the provincial total.
- Based on the Province's projections, it is anticipated that across most major metropolitan areas, the rate of population increase will decrease fall over time.
- It is anticipated that the neighbouring City of Kelowna will continue to be the main economic and population centre in the Central Okanagan.



Anticipated Population by Age Cohort to 2041

Community Growth

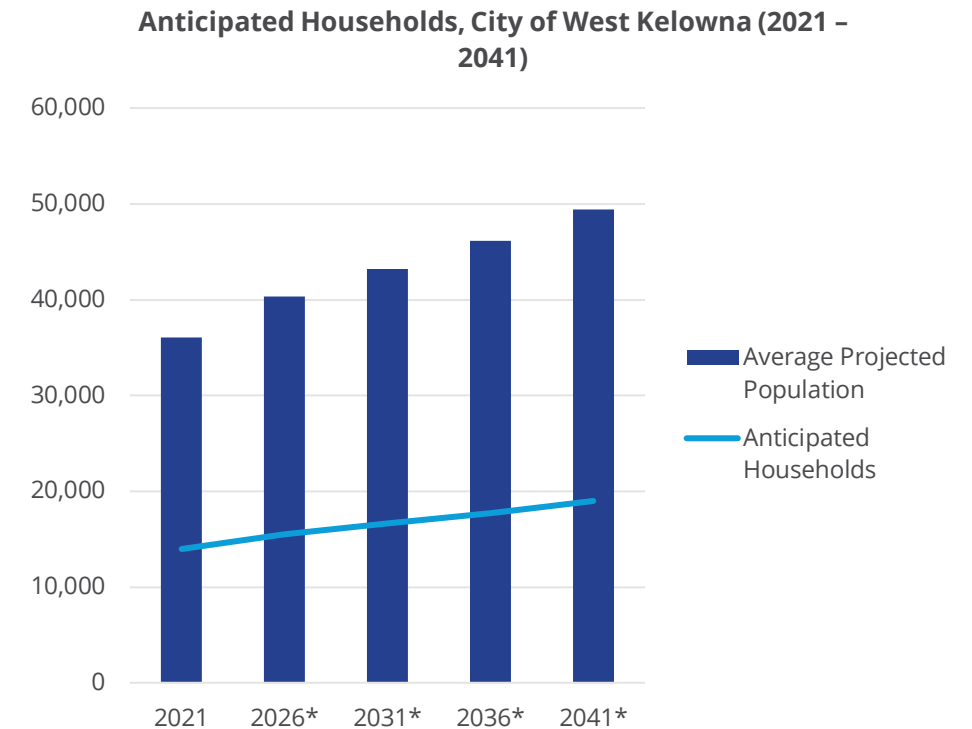
- The age distribution of the City of West Kelowna was analyzed based on the 2016 and 2021 census periods and projected to 2041 based on the population projections.
- Population projections based on age cohort generally align with observed and projected trends for urban areas across British Columbia which see a trend of most significant population growth in older age demographics.
- Based on the population projections created, the most substantial anticipated age cohort to increase as a proportion of the total population are those aged 65+ and most notably, those aged 75+.
- In the City of West Kelowna, older cohorts are disproportionately homeowners residing in larger housing forms such as single-family dwellings.



Anticipated Households to 2041

Household Growth and Housing Need

- As the City of West Kelowna's population increases, additional housing units will be required in order to accommodate and house new residents. By 2041, there are anticipated to be approximately 19,007 total households.
- Should an insufficient supply of new housing units be provided to the City of West Kelowna's housing market, there may be upward pressure on housing prices, households may be forced to relocate to other markets, or households may be pushed to levels of housing unaffordability or homelessness.
- Households require a wide variety of housing forms, tenure types, and unit sizes. Should requirements change due to factors such as households growing/shrinking in size or changes in income, if there is an insufficient supply of a range of housing, a household may be forced to relocate or be inadequately housed.



Current Housing Conditions and Inputs

Future Housing Needs

- The City of West Kelowna was reported to have 13,970 housing units in the 2021 census year which corresponds to the total number of reported households.
- Since 2006, the average household size in the City of West Kelowna has remained 2.6 across every reported census period.
- Based on current and anticipated future development trends, the City of West Kelowna is expected to be increasingly comprised of higher-density housing forms. This is in alignment with neighbouring development trends observed in other urban areas in the region such as the City of Kelowna.
- Higher density housing will be required to accommodate more residents per square kilometre and locate more residents in areas closer to services, amenities, and places of employment.
- A wide variety of housing options will be critical in ensuring all households in the City of West Kelowna are able to find and maintain suitable housing. Housing options in the City need to diversify away from traditional home ownership trends to accommodate households of all compositions and income levels.
- By having a wide variety of housing options available, there is an increased ability for households to expand, contract, and move based on changing housing requirements. This will allow more households to remain and sustainably thrive in the City of West Kelowna.
- As the City of West Kelowna grows in size and desirability, it is anticipated that, similar to other urban municipalities, the City of West Kelowna will have a greater proportion of rental households. Although there has been substantial development activity providing new rental housing in the City, given the historic lack of supply in the housing market, additional rental housing is anticipated to still be required to satisfy demand.

Existing and Assumed Current Housing Supply

Future Housing Needs

- Canadian census data completed in 2021 reported that there were a total of 13,970 housing units in the City of West Kelowna.
- Based on housing completions since 2016 and 2021 census data, the total inventory of housing is reported to be approximately 14,146 units.
- Based on housing completions reported in the City of West Kelowna between 2016 and 2021, it is estimated that approximately 1,701 new housing units had been introduced into the City's housing supply, the highest proportion of which being apartments at 54% of new housing supply.
- Housing in the City of West Kelowna is still predominately comprised of single-family houses which account for approximately 66% of the total housing supply although this is beginning to shift as the City begins to slowly densify core urban areas.

Current Housing Supply and Projected Future Housing Demand				
Housing Unit Projections	2016 Supply	2021 Supply	2022/2023 Estimated Supply	Upcoming Planned Supply to 2030 (annual)
Single-detached house	8,730	9,505	214	134
Semi-detached house	475	525	8	27
Row house & other	925	965	67	27
Apartment (duplex and low-rise)	2,315	2,975	93	100
Total	12,445	14,146	382	288

Total Demand for Future Housing

Future Housing Needs

- The estimated supply of new housing in 2022/2023 is evaluated based on the total number of housing starts made in 2021 and 2022 with the assumption these units will be complete and in the City of West Kelowna's housing supply by 2023.
- With a limited amount of new development land for single-detached housing, largely due to geographic constraints, the majority of new housing in the City of West Kelowna will be in higher density residential projects than historically observed citywide.
- The greatest number of new housing units that the City of West Kelowna is projected to require to meet demand is in the multi-family housing form, largely the apartment (low-rise) and duplex typology. This is largely in alignment with recent development trends in the City of West Kelowna as households increasingly desire more urban locations and housing at a lower price point.

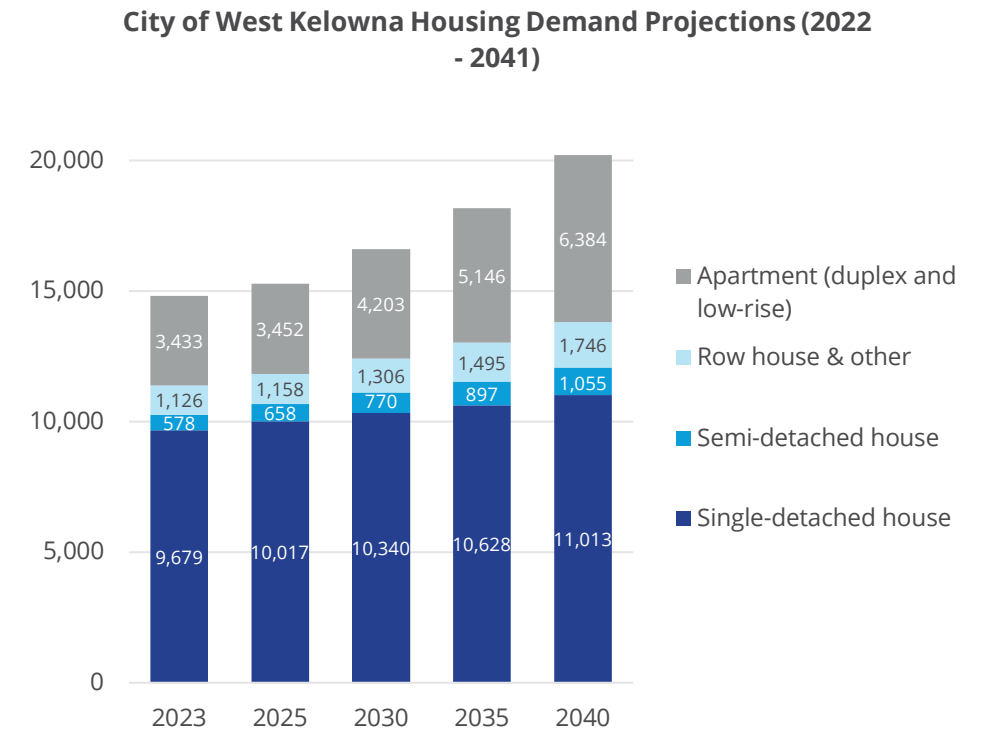
Projected Future Housing Demand											
	2023 Supply	2026 Demand	2031 Demand	2036 Demand	2041 Demand	23-31 Total	31-41 Total	23-31 Annual	31-40 Annual	Total Demand	Annual Growth
Single-detached house	9,679	10,017	10,340	10,628	11,013	661	673	83	67	1,334	74
Semi-detached house	578	658	770	897	1,055	192	285	24	29	477	27
Row house & other	1,126	1,158	1,306	1,495	1,746	180	440	23	44	620	34
Apartment (duplex and low-rise)	3,433	3,452	4,203	5,146	6,384	770	2,181	96	218	2,952	164
Total	14,816	15,285	16,619	18,166	20,199	1,803	3,580	225	358	5,383	299

Anticipated Future Housing Demand by Unit Type

Future Housing Needs

- The basis of the City of West Kelowna's housing demand projections assume that in the short-term, the population's age cohorts will choose places of residence in alignment with decisions made in the 2016 census which began to trend towards higher-density housing forms. In the long term, it is assumed that preference for attached housing such as apartment units and duplexes grow at a faster rate than single-detached houses.
- Based on this assumption, by 2040, the City of West Kelowna will require approximately 5,383 additional housing units to accommodate anticipated future residents.
- At 5,383 additional housing units, the City of West Kelowna's housing inventory will be comprised of approximately 20,200 total housing units.
- Based on a consistent average household size of 2.6 observed over the past 15 years, 20,200 housing units should be able to accommodate approximately 52,000 residents.
- Combining an anticipated shift towards smaller new housing units such as apartments and shrinking average household size trends across British Columbia, it is anticipated that the additional 5,383 housing units can accommodate the projected 2041 population of 49,419.

Source: Consultant projections



Anticipated Future Housing Demand by Tenure Type

Future Housing Needs

- Since 2006, the proportion of the City of West Kelowna's households that live in rental housing has increased by approximately 2.12% per census period (11.59%, 15.37%, and 16.2% in 2006, 2011, and 2016 respectively).
- If this trend is anticipated to continue, approximately 26.81% of households in the City of West Kelowna will be comprised of renters by 2041.
- Based on this, of the additional 5,383 new housing units the City of West Kelowna will require, approximately 1,443 units will need to be rental in tenure and 3,939 units will be for ownership households.
- As the City of West Kelowna has one of the highest historic proportions of home ownership in British Columbia and the trend towards more homeownership in the City, these additional rental housing units may help alleviate pressure on the rental housing market and provide more options to households.

Projected Future Housing Demand				
Unit Type	Demand by Tenure Type (2022-2041)	Projected Unit Demand (2023-2031)	Projected Unit Demand (2023-2041)	Projected Annual Unit Demand (2023-2041)
Rental	26.81%	483	1,443	80
Ownership	73.19%	1,333	3,939	219

Anticipated Future Housing Demand by Unit Size

Future Housing Needs

- Future housing demand by unit size was projected based on the assumption that the City of West Kelowna's households continue to make similar decisions about housing type, tenure, and unit size as in the previously reported 2016 census.
- Based on this, the number of units required by size to 2041 can be projected based on the projected population and the corresponding households by age of household maintainer.
- A wide variety of unit sizes are required in the City of West Kelowna to provide housing options at different price points and allow households to upsize and downsize based on household size and life stage.
- It is anticipated that there will be greater future demand for bachelor and 1-bedroom units as these unit types have historically been underrepresented in the City of West Kelowna's housing market. Based on past supply, it is difficult to quantify future demand for smaller units as if additional supply existed, there may have been a greater household preference to locate in smaller units.

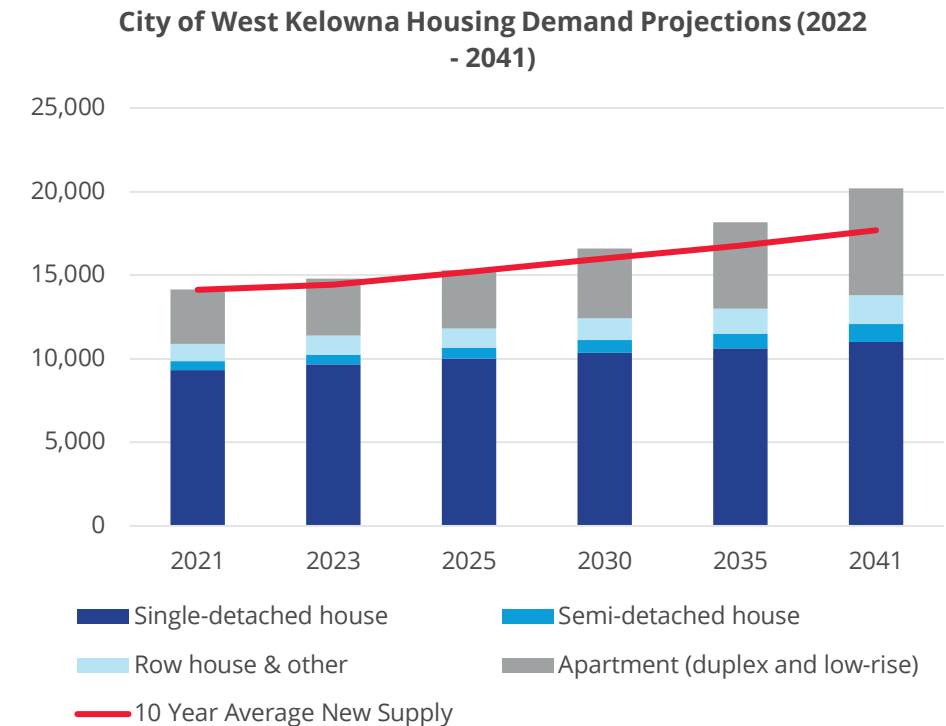
Projected Future Demand for Rental Housing to 2041		
	Unit Size Proportion	Projected Demand
Bachelor	0.5%	7
1-Bed	13.7%	198
2-Bed	37.8%	545
3-Bed	23.4%	338
4-Bed +	24.4%	352

Projected Future Demand for Ownership Housing to 2041		
	Unit Size Proportion	Projected Demand
Bachelor	0.0%	0
1-Bed	1.8%	71
2-Bed	16.0%	630
3-Bed	33.5%	1,320
4-Bed +	48.7%	1,918

Current Housing Gap Analysis

Future Housing Needs

- Averaging demand for new housing units to 2041, the City of West Kelowna will require approximately 299 units annually.
- This is generally in alignment with the new supply being developed in the City of West Kelowna in 2019 and 2020 although average new housing starts between 2011 and 2021 have averaged 154 units annually.
- Should the 10-year average of 154 new housing starts continue (red trend line), the City of West Kelowna will experience a deficit of approximately 2,510 housing units.
- Based on average household size (2.6) trends observed over the past 15 years, this may mean that there could be an insufficient supply of housing to accommodate approximately 6,526 of the projected 13,339 additional residents anticipated by 2041.
- This may put upward pressure on rental rates and housing values and force households to live in unsuitable housing conditions or relocate.



Anticipated Future Housing Demand for Affordable Rental Housing

Future Housing Needs

- Of the total rental housing units projected to be required in the City of West Kelowna by 2041, a significant proportion of the new supply should be allocated to affordable rental housing.
 - Based on the previously reported supply of affordable rental housing, it is highly likely there is an insufficient supply of affordable rental housing.
 - Based on average household income for renter households (2016) adjusted for 2022 inflation, the supply of affordable rental, and the reported supply of market rental housing, it is highly likely there is significant demand for additional affordable rental housing in the City of West Kelowna.
 - As of 2021, there are an estimated 930 rental households in core housing need and 510 in severe housing need based on 2016 income adjusted for 2022 inflation and 2021 CMHC reported rents. As a result, a significant supply of new housing will be required to address the supply and affordability gap.
 - The disconnect between the number of rental households in the City of West Kelowna and the supply of rental housing indicates that while existing rental households are housed, they may be in precarious housing scenarios or are not living in sustainable housing solutions.
- Should additional affordable rental housing have been provided in the past, it is likely there would be fewer households in housing need.
- Although 1,443 new rental units are projected to be in demand by 2041, a significant proportion of existing and future households could substantially benefit from additional affordable housing.
 - Affordable rental housing that is required in the City of West Kelowna is comprised of several forms including below-market rental, subsidized rental, shelter, transitional, family-oriented, and rent geared to income housing.

Anticipated Future Housing Demand for Affordable Home Ownership

Future Housing Needs

- Based on the most recently reported incomes of homeownership households in the City of West Kelowna (2016 Census adjusted for 2022 inflation) and average assessed values for different housing forms, average household income needs to be significantly greater than the citywide average to enter the homeownership market. Conversely, housing prices need to fall to allow more households to enter the homeownership market.
 - Based on recent transaction data from BC Assessment for the 2022 Assessment year, households would need to earn approximately \$85,000 a year to enter the homeownership market for the smallest housing form. As approximately 81% of all condominium apartments are 2-bedroom units, should a household require additional bedrooms, there is a very limited supply of units or units become financially unattainable.
 - Particularly for larger households such as households with kids or multi-generational households, there is increased pressure for larger housing units to accommodate more bedrooms. With approximately 67.5% of all 3- and 4-bedroom units being in single-family dwellings, high household income requirements may prohibit a substantial portion of the population from residing in suitably large housing.
- Affordable homeownership can be realized through a variety of schemes including ongoing Government of Canada shared-equity mortgage programs for first-time home buyers, rent-to-own structures, and BC Housing's Affordable Home Ownership Program (AHOP) which can provide housing units through project partners at 5-20% below market value for eligible buyers.
 - Affordable homeownership programs are intended to increase the supply and range of affordable homeownership options for middle-income households to transition to homeownership from rental housing.
 - The City of West Kelowna should substantially increase the supply of affordable homeownership units in order to ensure households can remain and grow in the City.

Anticipated Future Housing Demand for Subsidized Housing

Future Housing Needs

- Between the 2011 and 2016 census period, the number of renter households living in subsidized housing increased by 35% to 161 total households.
 - With the majority of affordable and subsidized housing in the region located in the neighbouring City of Kelowna, the City of West Kelowna needs to provide additional units in order to sufficiently house residents.
 - With approximately 45% of rental households in core housing need based on 2016 income adjusted for inflation for rental households to 2022 and 2021 average rents, there would be a significant benefit for a large proportion of new rental housing in the City of West Kelowna to be affordable rental.
 - Utilizing the most recently reported figures of households living in subsidized housing (1.29% in 2016) with anticipated households in 2041, there may be approximately 240 households living in subsidized housing. By this estimate, the number of households in subsidized housing will have grown by 100% between 2011 and 2041.
 - Introducing additional subsidized housing to the City of West Kelowna will be necessary should goals of eliminating homelessness be achieved.
- Additional subsidized housing can result in decreasing pressure on the rental housing market, particularly for older and more affordable units which may improve the ability of households to access suitable housing.
 - Particularly for subsidized housing supporting those with substance abuse and mental health challenges, complementary services will be required in conjunction with housing options to reduce the cycle of homelessness and allow individuals to transition into more independent, healthy, and self-supporting livelihoods.

Resources

Housing Services, Requirements, and Data

Provincial Requirements and Obligations

- [Housing Needs Reports](#)
- [Guidelines](#)

Provincial and Federal Housing Programs

- [BC Housing - Housing Hub](#)
- [The Affordable Home Ownership Program \(AHOP\) Framework](#)
- [BC Housing - Affordable Housing Listings and Location Map](#)

Data Sources

- [Canada Census - West Kelowna \(2011\)](#)
- [Canada Census - West Kelowna \(2016\)](#)
- [Canada Census - West Kelowna \(2021\)](#)
- [CMHC - Housing Market Information Portal](#)
- [BC Assessment](#)

City of West Kelowna Planning Documents

- [City of West Kelowna - Official Community Plan \(2011\)](#)
- [City of West Kelowna - Draft Official Community Plan \(2022\)](#)
- [Short Term Accommodations Policy and Information](#)
- [West Kelowna Point-in-Time Count \(2018\)](#)

Previous Studies

- [Real Estate Inventory and Growth Projections \(2021\)](#)
- [Regional Housing Needs Assessment Regional District Of Central Okanagan \(2019\)](#)

Steering Committee Attendance

Appendix A

Steering Committee Meeting #1 – August 17 2021

- Ana Frias Access and Assessment Coordinator BC Housing
- Anai Sangrar-Ordonex - Employment Programs/Communications Director- Piers
- Emily Johnson, BC Healthy Communities
- Jen Kanters - City of West Kelowna
- Samantha Williams Food Bank Coordinator Central Okanagan Foodbank
- Sonia Newman Executive Director Westside Seniors Health Network

Steering Committee Meeting #2 – October 5 2021

- Emily Johnson, BC Healthy Communities; Jen Kanters - City of West Kelowna
- Chad Squirrel - PIER worker
- Christine Pomphrey, Salvation Army Westside;
- Kelly MacDonald, IHA Healthy Communities
- Kristy Butterworth, Okanagan Boys and Girls Clubs

- Steven - PIER worker
- Tara Tschritter, Turning Points
- Janice Money, Westbank First Nation

Steering Committee Meeting #3/4

- Nancy Henderson, Urban Matters; Brent Magnan, City of West Kelowna
- Anai Sangrar-Ordonex - Employment Programs/Communications Director- Piers
- Bill Brewer, Westbank First Nation
- Candice Berry, Turning Points
- Christine Pomphrey, Salvation Army
- Danica Floto, City of West Kelowna
- Kayla Kleidon, Turning Points
- Michelle Dickie, Kelowna Women's Shelter
- Naomi Woodland, United Way
- Taylor Turnbull, BC Housing